

French economic outlook

Once again, households were less enthusiastic about the winter sales than before the health crisis this year

This year's winter sales took place from 12 January to 8 February. They certainly managed to encourage household consumption, but to a lesser degree than before the health crisis: for the main spending items, additional bank card transactions were at the 2021 level but less than in 2020, especially in clothing-footwear and household appliances.

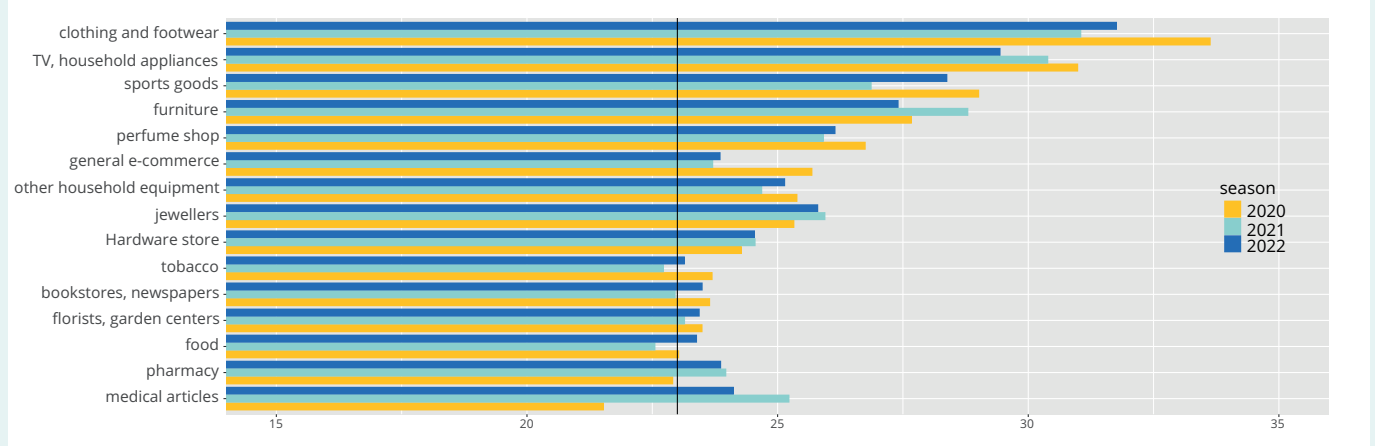
Additional bank card transactions associated with the first week of the 2022 winter sales were more restrained than in 2020 for all the most popular items

The winter sales, especially the early days, are an important time for several sectors in the retail trade to sell their goods. Bank card transactions certainly suggest that in January 2022, for certain types of purchase, the first week of the sales did account for a major share of bank card transactions for the month. This was the case

for clothing-footwear (around 32% of the amount spent in January was spent during the period 12 to 18 January –to be compared with the proportion of working days, i.e. 23%), appliances (29%), sports goods (28%) and furniture (27%) (► **Figure 1**).

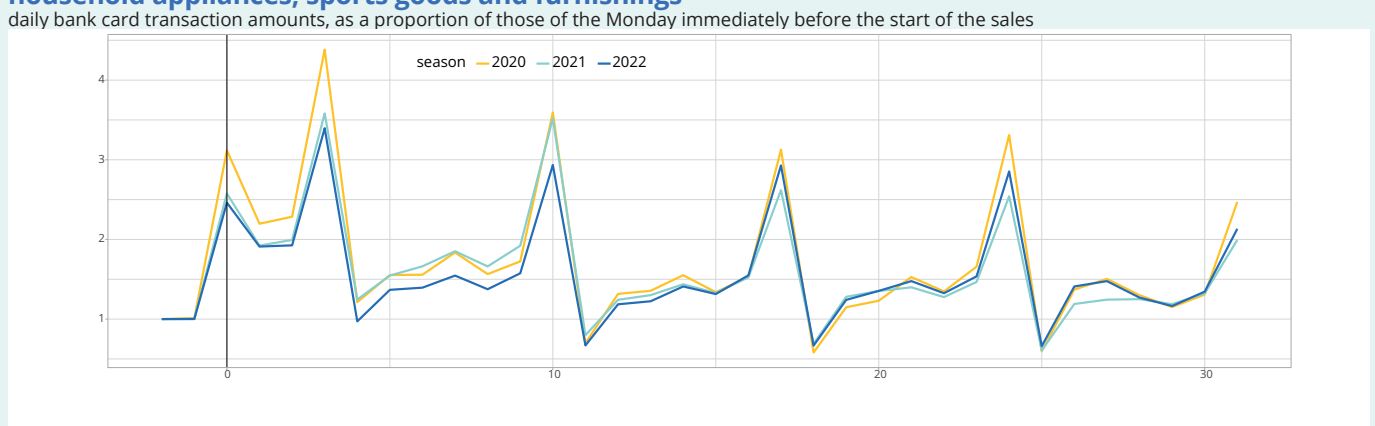
For these four types of purchase (clothing-footwear, household appliances, sports goods and furnishings), it was specifically on the day that the sales started (the Wednesday) then the following Saturday that the largest number of additional bank card transactions was

► 1. Importance of the first week of the sales



Note: the black line indicates 23%, level that corresponds to one week's share in relation to the number of working days in the month.
Source: Cartes bancaires CB, INSEE calculations

► 2. Daily profile of bank card bank card transaction amounts for all items including clothing-footwear, household appliances, sports goods and furnishings



Note: day 0 indicates the start of the sales.
How to read it: in 2022, bank card transactions on the first day were 2.4 times greater than on the previous Monday.
Source: Cartes bancaires CB, INSEE calculations

recorded, both in 2022 and in previous years (► **Figure 2**).¹ In the first week of the 2022 sales, additional spending appears to be significantly less than in 2020, perhaps reflecting the deteriorating health context at the start of 2022, affected specifically by the compulsory return to teleworking. Nevertheless, these amounts are comparable to those of 2021: the context at that time was more constrained in other ways, due to the general curfew and the closure of some major shopping centres, but the lockdown in autumn 2020 may perhaps have led to a postponement of consumption until the 2021 winter sales.

Reduced additional consumption linked to the 2022 winter sales affected clothing-footwear and household appliances more, although overall, the last week of the sales was as favourable as in 2020

Across the entire period, the overall assessment of the winter sales confirms what was observed during the first week, although it may differ slightly depending on

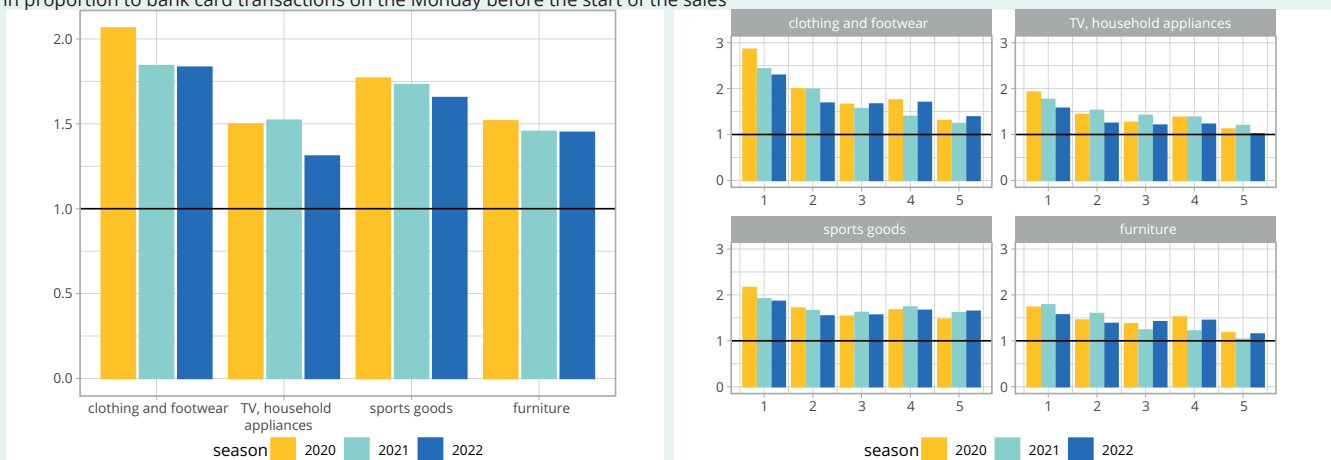
the type of purchase. Over the four weeks of sales in 2022, the additional bank card transactions for clothing-footwear were similar in scale to 2021 but significantly less compared to 2020 (► **Figure 3**, left). This was also the case for household appliances, whereas for sports goods and furnishings, the 2022 winter sales would appear to have been the same level as in 2020, or just below.

In clothing-footwear and household appliances, the later weeks of the sales did not make up for this poorer “performance” in the first week. Bank card transaction amounts declined sharply during the second week, as was the case in 2020 or 2021, then stabilised in weeks 3 and 4 (► **Figure 3**, right). For sports goods and furnishings, bank card transaction amounts did not decline in the following weeks as much as they did for clothing-footwear and household appliances. Overall, the fourth and last week of the 2022 winter sales, when compulsory teleworking was lifted and when the last markdowns can usually be had, saw bank card transactions held at the same level as the previous week, before returning closer to normal in the following week. ●

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¹ In this Focus, additional bank card transaction amounts are measured by comparing them to the Monday immediately preceding the start of the sales. In this way we avoid those factors which automatically increase bank card transaction amounts from one year to the next (changing prices, bank cards used more for making payments, etc.).

► 3. Average daily amounts of bank card transactions for the entire sales period (left) and per week (right) in proportion to bank card transactions on the Monday before the start of the sales



Note: the graph on the left covers the entire sales period (four weeks in 2020 and 2022, six in 2021). The graph on the right shows additional bank card transaction amounts week by week.
How to read it: in 2022, in clothing-footwear the average daily amount during the first week was 2.3 times higher than on the Monday before the start of the sales.
Source: Cartes bancaires CB, INSEE calculations