

# Spending Monitor

## Spending declines with reopening around the corner

- Danish card and MobilePay spending, up to the week ending on 21 February, shows spending down by 20% compared to last year. The decline compared to the week before was driven by spending in physical locations, which is now down by 39%.
- Spending in restaurants and hotels, which normally fare well during the winter break – which primarily takes place in week 7 – declined further, as the holiday driven lift to consumption was largely absent this year.
- In retailing, we continue to see a strong spending in super markets and online. Spending in electronic stores continues to perform well, but we have seen spending weaken in recent weeks. Spending on shoes, clothing and DIY also declined in week 7.
- We expect to see a large shift in retail spending in coming weeks, as stores outside shopping malls will be allowed to open on Monday March 1<sup>st</sup> (which will show up in the Spending Monitor published on March 10<sup>th</sup>).
- The partial reopening should lead to a significant increase in spending in physical stores, and a noticeable shift away from online spending. The question of cause being, at which magnitude. We will also be looking out for a shift in spending away from super markets and grocery stores to other parts of retailing.
- We do not expect spending in physical stores to return to normal, until shopping malls are opened. This will especially affect sales of clothing and footwear.

### Notes on the spending data

The spending data is based on transactions online and offline, both domestically and abroad, with cards and MobilePay in stores for around 1m Danske Bank Danish personal customers with active accounts. All data is anonymised and non-referable.

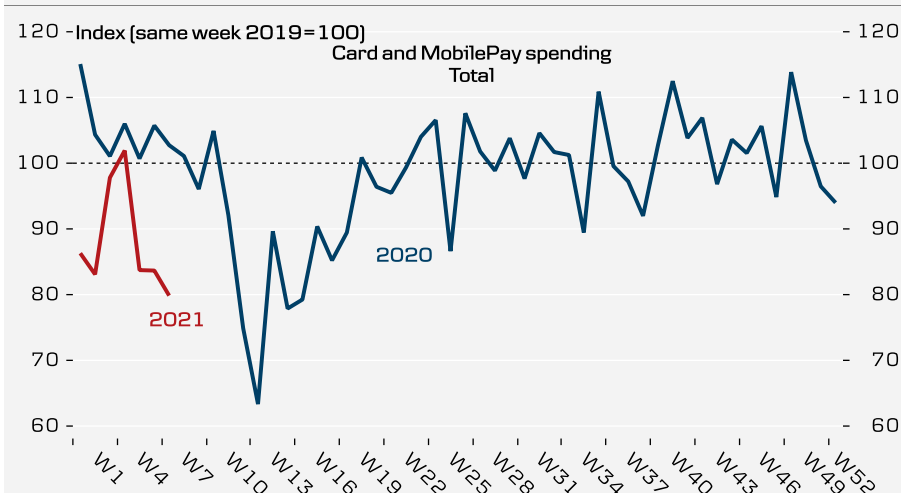
The spending data is used as a proxy for private consumption. However, it does not include cash spending and account transfers. Hence, notably, fixed costs and spending on housing are not included. Changes in cash spending patterns will also affect the data.

The charts show spending in 2020 and 2021 compared with the same week in 2019.

Data is not adjusted for price developments.

This edition of the Spending Monitor contains minor revisions of historical data.

### Spending is down 17% indicating further weakness before the reopening starts



Note: Spending by card and MobilePay does not include cash and account transfers, so it cannot be compared directly with private consumption in national accounts. Note that week 53 2020 is not included in the graph.

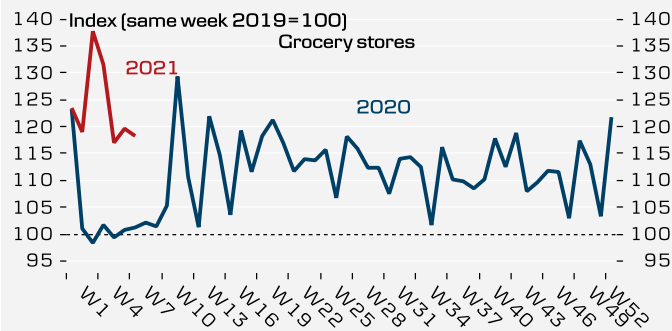
Source: Danske Bank

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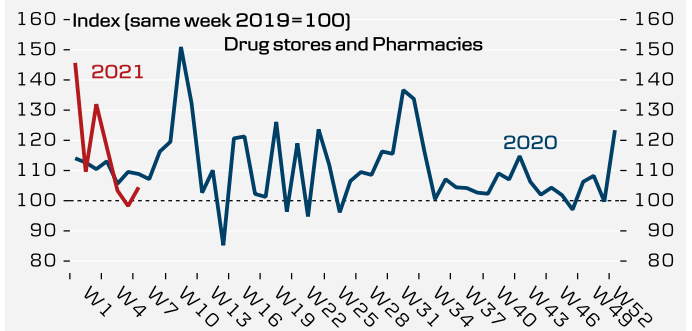
Selected charts with relative changes

Grocery spending remains elevated



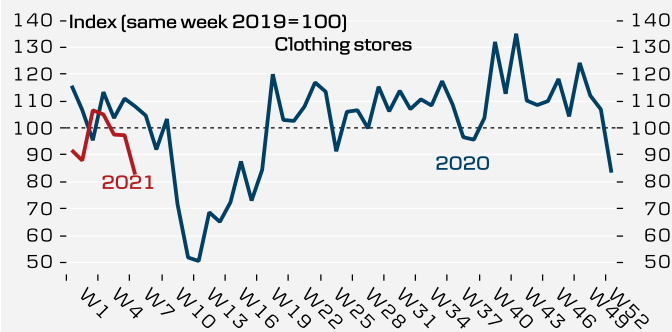
Source: Danske Bank

Spending in pharmacies normalises



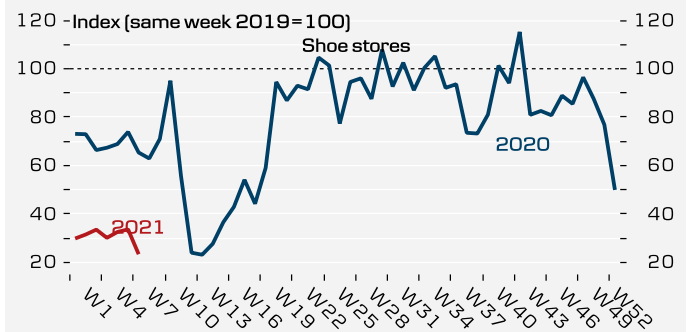
Source: Danske Bank

Activity in clothing declined, but should get a boost when many physical stores open on March 1<sup>st</sup>



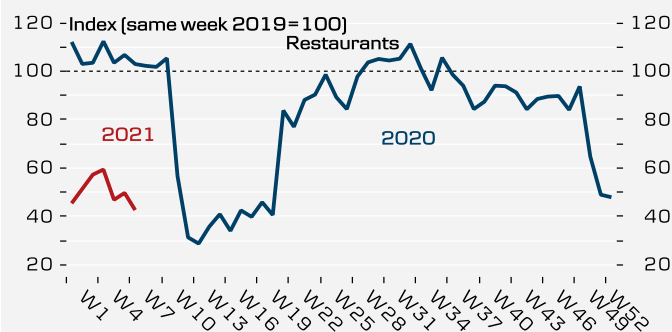
Source: Danske Bank

Spending in shoe stores remains low



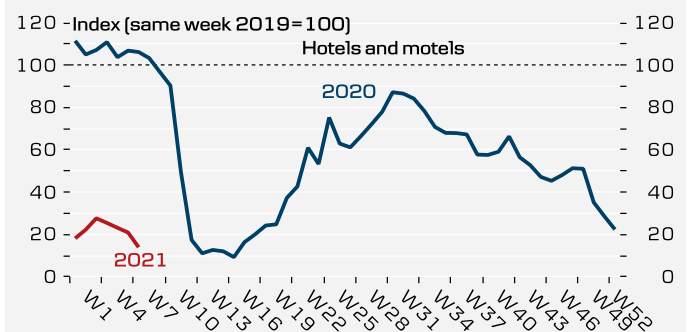
Source: Danske Bank

Restaurant spending dropped further, as there was no boost from the winter holiday



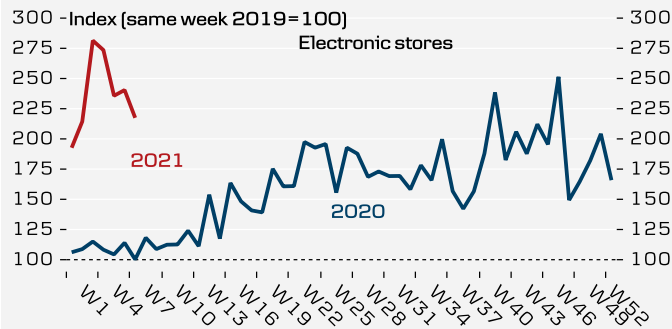
Note: The restaurant index includes bars and nightclubs and fast-food places  
Source: Danske Bank

Hotel spending declined due to the holiday



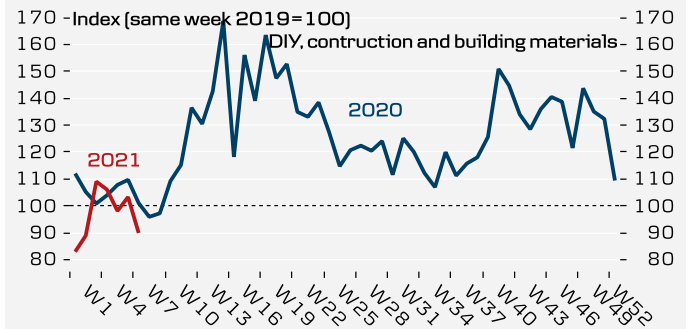
Source: Danske Bank

**Spending in electronic stores still more than double of normal levels, but continues to come down**



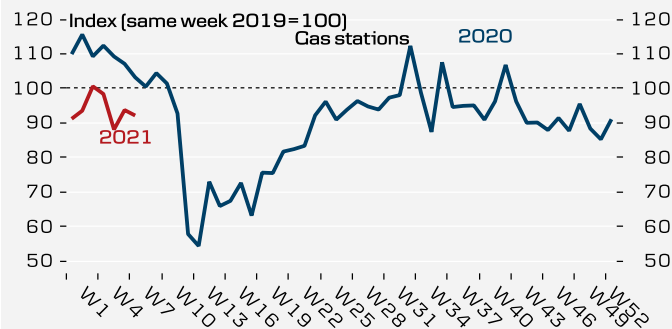
Source: Danske Bank

**DIY spending declines**



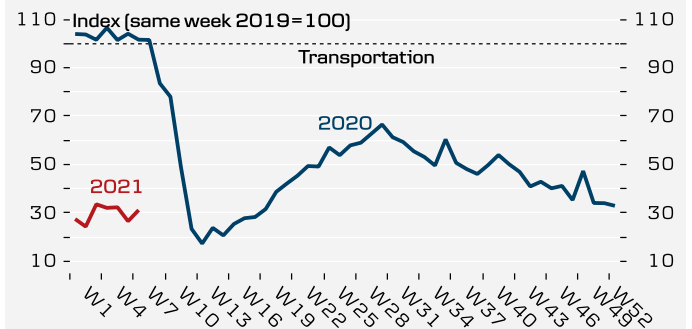
Source: Danske Bank

**Spending at gas stations remains lower than normal**



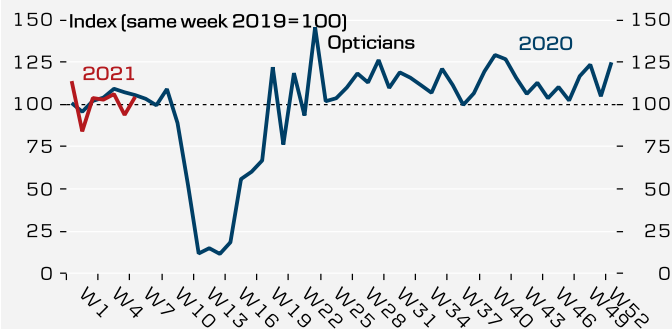
Source: Danske Bank

**Transportation spending 70% below normal**



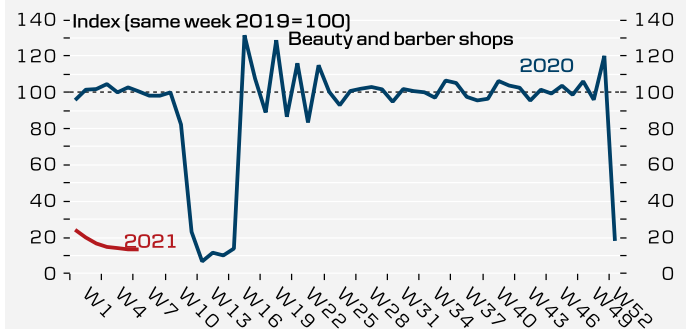
Source: Danske Bank

**Opticians are exempt from new restrictions, and see normal spending levels**



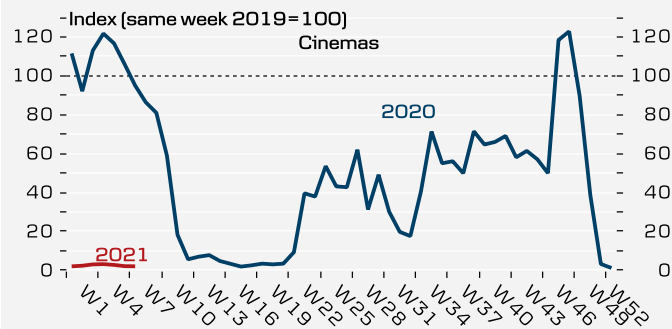
Source: Danske Bank

**Spending at hairdressers hit hard by new restrictions**



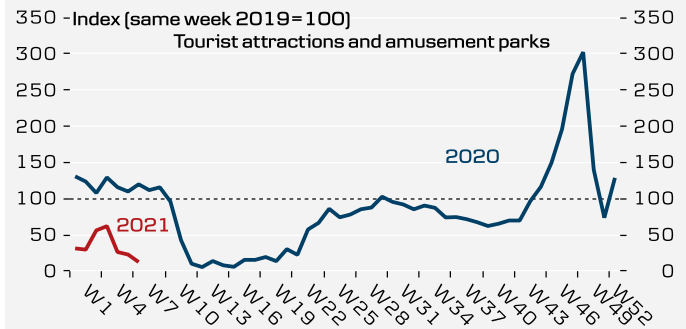
Source: Danske Bank

**Cinema spending has vanished, as they are forced to close down**



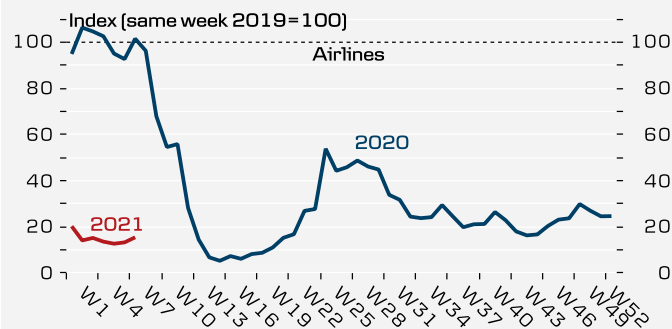
Source: Danske Bank

**Spending at tourist attractions down by 88%, as holiday traffic in the winter break is gone**



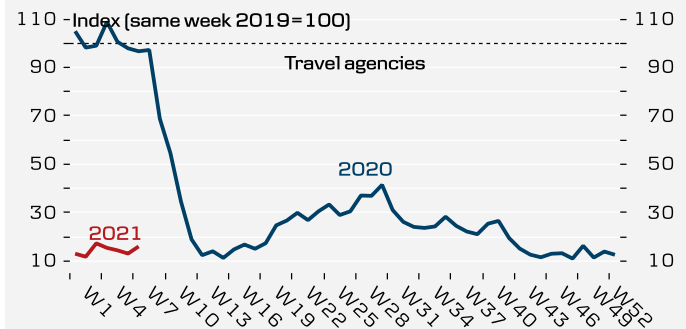
Source: Danske Bank

**Airline spending remains very low**



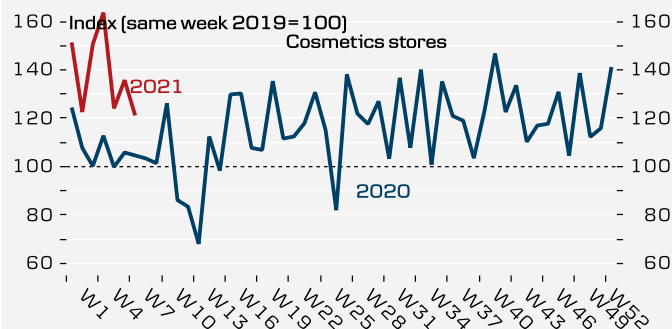
Source: Danske Bank

**Travel spending has lost almost 90% of sales compared to the start of 2019**



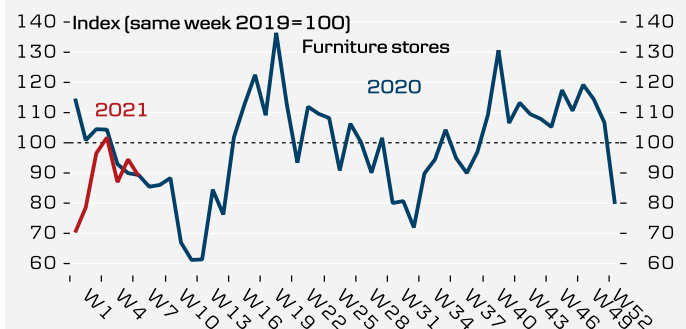
Source: Danske Bank

**Spending at cosmetics stores remains elevated, and spending in physical stores at normal levels**



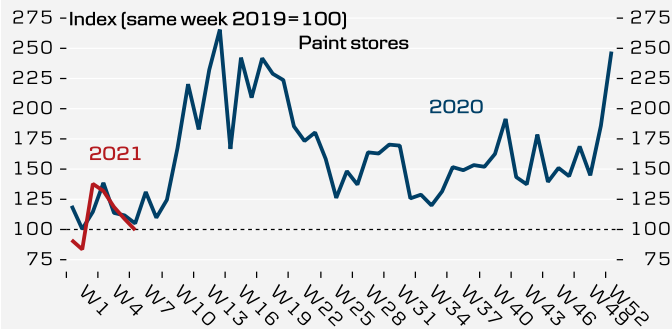
Source: Danske Bank

**Spending at furniture stores subsides a bit**



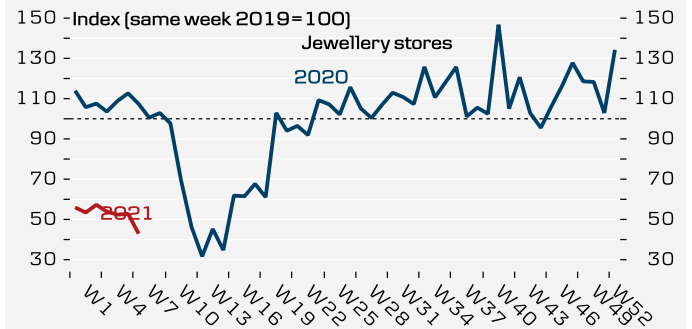
Source: Danske Bank

**Spending at paint shops recovers somewhat, but far below spring-lockdown levels**



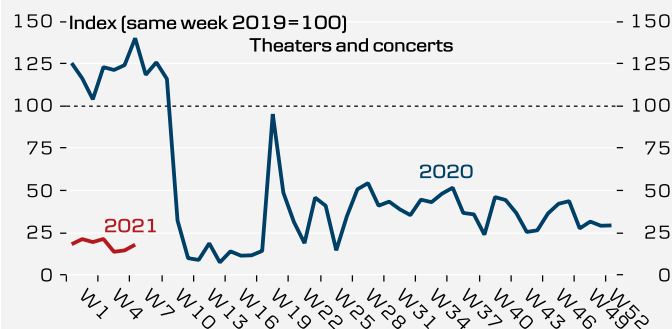
Source: Danske Bank

**Spending at jewellery stores decline further**



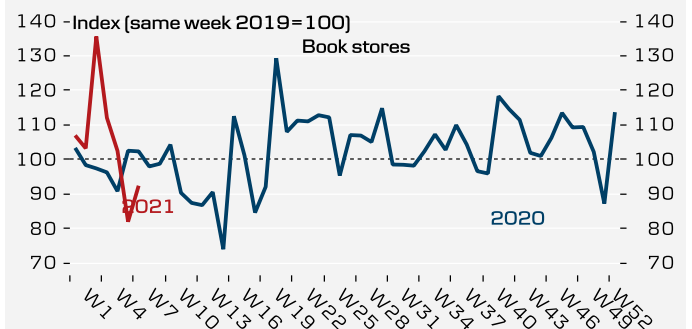
Source: Danske Bank

**Spending on cultural events has decreased dramatically**



Source: Danske Bank

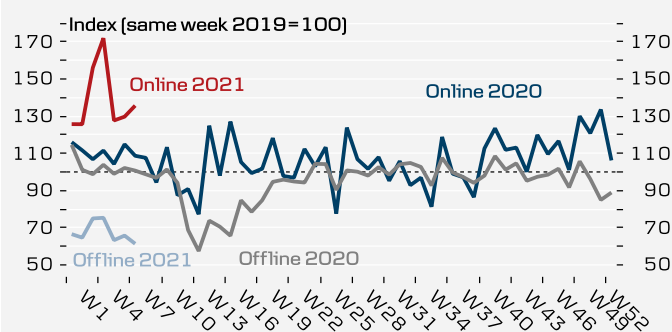
**Spending at book stores below normal**



Source: Danske Bank

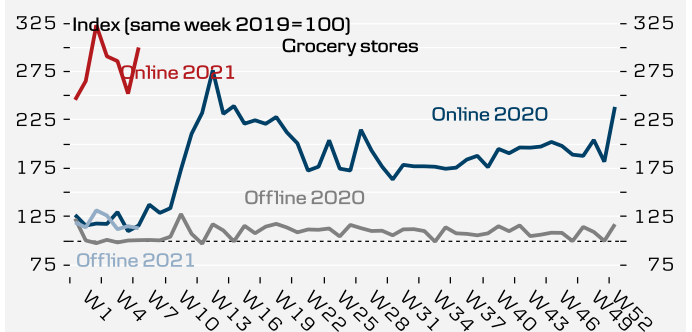
**Spending by location - online/offline**

**39% of spending in physical stores has vanished, whereas online sales are up 35%, outperforming the first lockdown**



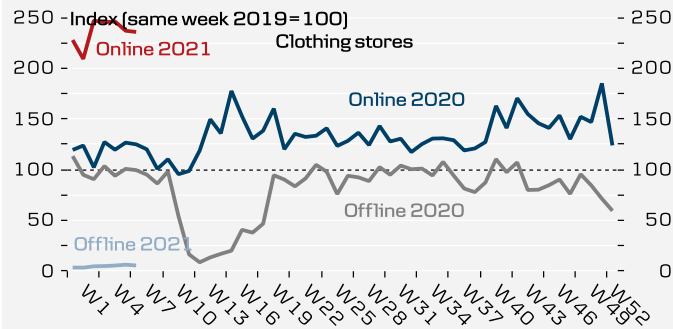
Source: Danske Bank

**Grocery spending is elevated both on and off line**



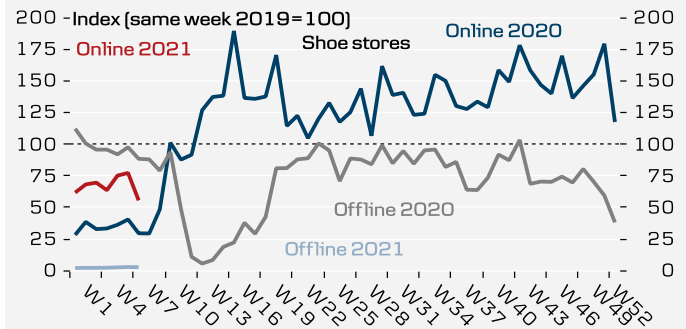
Source: Danske Bank

**Strong online sales compensates for collapse in offline spending on clothes**



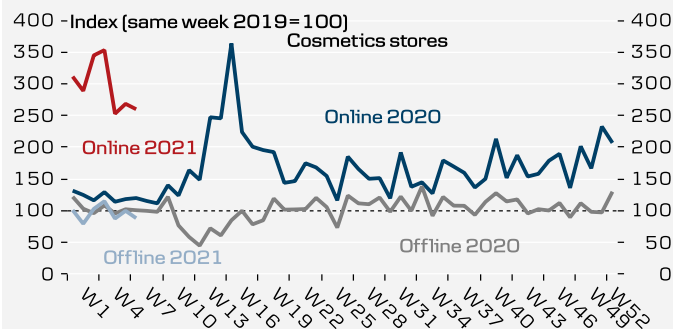
Source: Danske Bank

**Spending in physical stores has disappeared, and online sales declined last week**



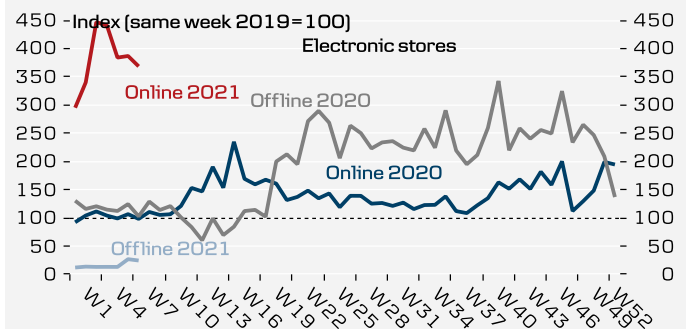
Source: Danske Bank

**Spending in cosmetics stores shows strong online sales, and physical stores at around normal levels**



Source: Danske Bank

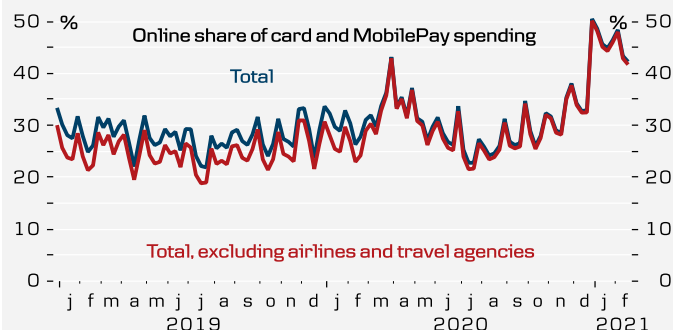
**Spending on electronics online continues to show strength - also driven by click-and-collect**



Source: Danske Bank

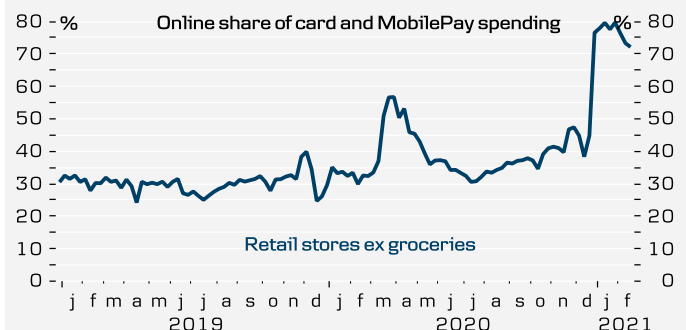
**Online share of consumption**

**More than 40% of spending has moved online**



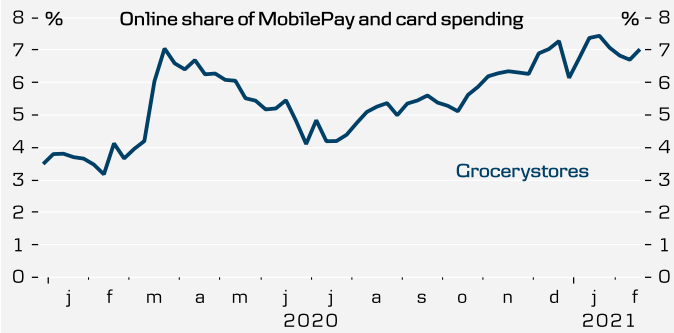
Source: Danske Bank

**Retail is largely closed down, leading to a massive shift online**



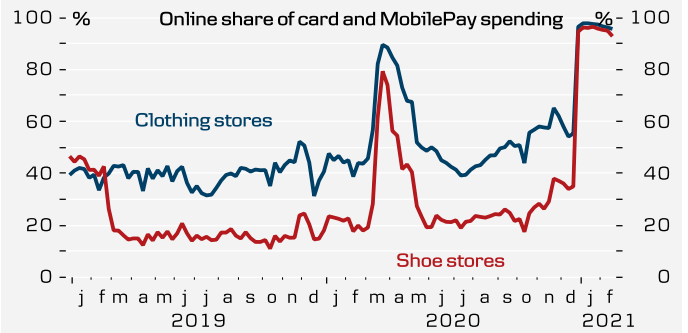
Source: Danske Bank

**Grocery spending has increased online, but the share is still far below other consumption goods**



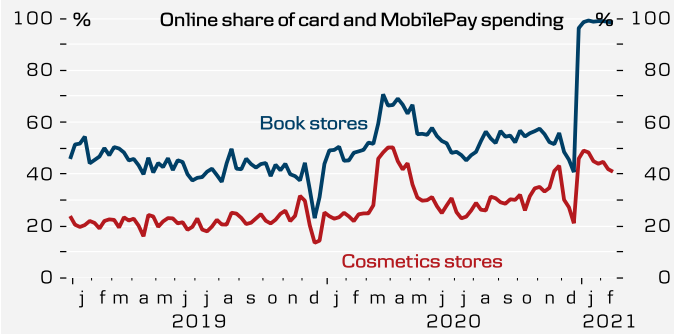
Source: Danske Bank

**With physical stores closed, all spending on shoes and clothing occurs online**



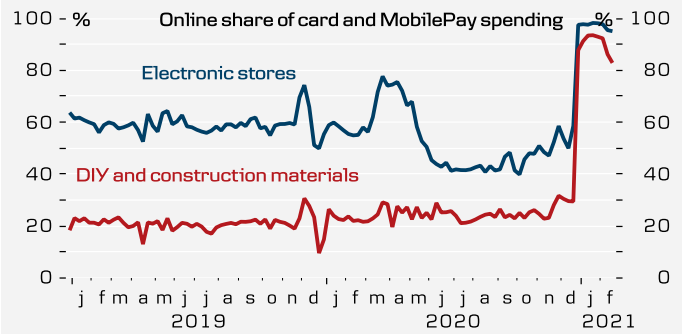
Source: Danske Bank

**Around 40% of cosmetics spending is now online, despite many shops keeping open**



Source: Danske Bank

**Much larger increase in online spending, compared to first lockdown**



Source: Danske Bank

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