

Retailing - Hardlines

Monthly hardline retail spending snapshot:
sequential decel may be calendar-driven

Industry Overview

All categories decelerate except mattresses

We provide an update on consumer spending in hardline retail categories for December 2023. For December, we saw YoY declines worsen sequentially across all hardline retail categories except mattresses. The data may have been negatively impacted by December 2023 having one less Thursday at the beginning of the month and one more Sunday at the end. See the [BofA on USA note published 11 January 2024](#) for an explanation of the methodology, disclaimers, and limitations with BAC aggregated credit and debit card data.

Home improvement: spending experiences further decline

For December 2023, spending at home improvement retailers declined (7.5)% YoY, vs. (4.6)% YoY in November 2023, per BAC aggregated card data. Spending on housing-related services fell YoY in December 2023, decreasing (4.0)% YoY compared to (0.6)% YoY in November 2023. Per our proprietary [RENO Barometer note published 15 December 2023](#), we expect sequential improvement in YoY spending trends in the coming months despite the decline in December. Our annual [Home Improvement Drill-down Primer published 21 July 2023](#) also discusses our constructive medium- and long-term view for the category and the macroeconomic drivers that we most closely watch.

Furnishings & bedding: bedding improved sequentially

For December 2023, spending on furniture was down (13.5)% YoY vs. (11.4)% YoY in November 2023, per BAC aggregated card data. Spending on high-end furniture was down (13.0)% YoY in December 2023 vs. (10.4)% in November 2023. Spending at bedding retailers fell (11.7)% YoY in December 2023 vs. (13.0)% YoY in November 2023.

CE & hobby retail: sharp sequential decline

For December 2023, spending at consumer electronics (CE) & hobby retailers was down (11.0)% YoY vs. (4.4)% YoY in November 2023, per BAC aggregated card data.

Pet specialty: the declines continue

Spending at pet specialty retailers fell (5.5)% YoY in December vs. (4.4)% YoY in November 2023, per BAC aggregated card data. The category has seen consistent negative trends since August 2023.

Car wash still outperforming auto parts and services

In December 2023, spending at auto parts retailers was down (3.0)% YoY vs. +0.6% YoY in November, per BAC aggregated card data. Spending on pro auto services fell by (6.0)% YoY vs. (1.1)% YoY the prior month, and spending on car washes grew 11.2% YoY vs. +19.8% YoY the prior month. Auto maintenance spending remained more resilient than most other hardline retail categories throughout 2023.

11 January 2024

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decel: deceleration

vs.: versus

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Timestamp: 11 January 2024 08:37AM EST

Heatmap

Exhibit 1: Hardline categories monthly YoY% change

In December, car wash remained the strongest category with 11.2% YoY growth, and furniture was the weakest with -13.5% YoY decline.

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Car wash	15.6%	0.7%	6.9%	-0.1%	1.6%	1.2%	9.3%	11.3%	9.7%	10.4%	11.0%	6.5%	6.2%	19.8%	11.2%
Auto parts retailers	0.9%	-0.5%	-1.1%	0.7%	-1.9%	-4.2%	-3.9%	0.7%	0.1%	1.2%	0.8%	-0.2%	-1.4%	0.6%	-3.0%
Housing-related services	0.8%	-1.3%	-2.2%	1.2%	-2.3%	-5.4%	-6.6%	2.2%	-3.3%	1.1%	0.2%	-2.3%	2.7%	-0.6%	-4.0%
Pet specialty	3.2%	4.6%	3.5%	2.5%	3.3%	3.1%	1.5%	2.2%	2.7%	0.1%	-0.7%	-2.6%	-2.2%	-4.4%	-5.5%
Auto services	3.1%	4.0%	2.5%	6.0%	1.6%	-0.3%	-4.5%	4.3%	0.6%	-0.6%	0.3%	-3.0%	-0.5%	-1.1%	-6.0%
Home improvement	-1.7%	-8.3%	-5.1%	-4.7%	-6.3%	-10.3%	-8.2%	-0.5%	-6.4%	-4.7%	-5.7%	-7.4%	-5.5%	-4.6%	-7.5%
Consumer electronics & hobby	-10.6%	-13.3%	-11.8%	-9.2%	-9.3%	-13.0%	-12.8%	-9.8%	-6.9%	-10.6%	-10.9%	-9.7%	-7.7%	-4.4%	-11.0%
Bedding	-20.0%	-18.7%	-17.7%	-17.7%	-15.3%	-19.7%	-18.7%	-19.8%	-17.1%	-18.0%	-18.0%	-15.1%	-20.9%	-13.0%	-11.7%
High-end furniture	-15.7%	-8.3%	-15.9%	-19.4%	-18.5%	-22.8%	-21.7%	-16.0%	-18.9%	-19.2%	-17.8%	-15.2%	-13.3%	-10.4%	-13.0%
Furniture	-13.3%	-11.0%	-12.2%	-13.5%	-13.6%	-16.1%	-16.6%	-12.9%	-11.9%	-13.8%	-16.5%	-14.1%	-16.1%	-11.4%	-13.5%
Hardlines	-8.2%	-8.3%	-7.6%	-8.3%	-8.3%	-11.1%	-11.6%	-8.4%	-8.3%	-9.1%	-9.7%	-9.0%	-9.8%	-7.1%	-10.1%
Home improvement West	-1.6%	-6.5%	-7.1%	-9.3%	-14.1%	-17.7%	-9.6%	0.7%	-2.3%	-4.2%	-4.7%	-5.4%	-4.4%	-2.1%	-3.7%
Home improvement Midwest	0.5%	-5.4%	-4.1%	-4.5%	-0.9%	-9.9%	-0.2%	0.5%	-3.9%	-2.3%	-5.0%	-5.6%	-6.1%	-3.1%	-5.2%
Home improvement Northeast	-6.8%	-7.8%	-6.3%	-5.6%	-6.4%	-13.1%	-7.8%	-1.5%	-7.3%	-6.0%	-5.5%	-10.8%	-4.0%	-7.1%	-9.2%
Home improvement South	1.1%	-9.8%	-1.5%	1.5%	2.0%	-1.1%	-8.0%	0.9%	-9.1%	-3.5%	-5.4%	-7.0%	-5.4%	-4.9%	-10.0%

Source: BAC internal data

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Exhibit 2: Hardline categories monthly 4-year % change

In December, car wash and housing-related services were the top performers in 4-year % change, with 56.7% and 41.6% growth, respectively.

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Car wash	71.2%	52.5%	55.7%	65.3%	74.2%	36.6%	62.9%	66.2%	59.8%	57.8%	56.0%	47.1%	68.8%	60.0%	56.7%
Housing-related services	44.2%	53.2%	64.6%	48.7%	56.2%	61.4%	37.6%	45.6%	51.9%	36.3%	48.7%	43.9%	37.6%	43.3%	41.6%
Pet specialty	43.7%	44.4%	40.3%	44.2%	40.9%	38.9%	40.2%	38.1%	38.7%	37.9%	34.7%	36.5%	36.9%	32.8%	28.0%
Auto services	16.2%	18.2%	29.8%	18.7%	23.0%	23.4%	13.9%	19.9%	27.7%	13.9%	21.6%	25.2%	16.4%	18.9%	22.0%
Auto parts retailers	23.7%	22.6%	26.7%	22.9%	22.3%	20.2%	18.9%	22.9%	24.8%	21.6%	24.9%	26.4%	22.9%	24.8%	19.1%
Home improvement	20.2%	24.2%	26.7%	23.0%	32.6%	28.1%	19.1%	25.3%	24.0%	15.7%	18.0%	19.5%	16.9%	20.0%	16.7%
High-end furniture	28.7%	26.4%	25.5%	21.3%	28.7%	23.5%	18.8%	15.6%	18.6%	9.3%	8.2%	16.2%	11.0%	23.6%	-3.1%
Furniture	14.2%	17.7%	7.2%	13.3%	14.8%	5.2%	9.3%	7.0%	6.3%	3.7%	-2.6%	4.6%	-1.3%	5.6%	-8.9%
Consumer electronics & hobby	12.5%	1.8%	2.7%	3.6%	7.2%	1.2%	2.9%	-0.1%	2.4%	2.4%	-4.1%	-0.5%	5.3%	6.7%	-9.8%
Bedding	12.1%	8.3%	7.0%	12.0%	10.5%	-5.9%	5.9%	-3.7%	-6.0%	-1.9%	-15.0%	-0.4%	-10.6%	-12.1%	-16.7%
Hardlines	20.8%	17.8%	15.9%	18.0%	19.8%	17.3%	23.1%	14.7%	12.5%	11.1%	7.1%	12.3%	9.7%	10.5%	0.4%
Home improvement South	30.7%	33.6%	37.7%	34.3%	41.2%	41.2%	24.4%	31.4%	35.9%	24.0%	27.3%	29.0%	28.8%	27.5%	21.4%
Home improvement Northeast	17.2%	28.1%	25.9%	21.5%	29.6%	31.9%	22.6%	26.5%	19.2%	14.8%	17.2%	10.7%	18.7%	18.6%	17.2%
Home improvement West	11.7%	16.2%	19.1%	15.2%	26.0%	16.2%	12.8%	20.4%	21.7%	12.3%	14.8%	17.7%	16.2%	17.1%	14.8%
Home improvement Midwest	23.2%	19.0%	21.0%	16.0%	31.7%	21.8%	22.2%	28.9%	16.1%	13.5%	12.1%	17.6%	15.4%	17.7%	14.3%

Source: BAC internal data

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Exhibit 3: Data category and description

Merchants are categorized based on products/services they provide

Data category	Description
Home Improvement	Merchants that sell a wide range of home products and supplies
Housing-related services	Merchants/individual professionals that provide plumbing, flooring, painting, carpentry or other home-related services
Furniture	Merchants that sell furnishing items, such as sofas, dressers, tables, chairs
Bedding	Merchants that sell bedding and mattresses
Consumer electronics & hobby	Merchants that sell household appliances and electronic goods
Pet specialty	Merchants that sell pets, pet food, and pet supplies
Auto parts	Merchants that sell automobile parts and wholesale distributors of motor vehicle accessories, tools, equipment, and new parts

Exhibit 3: Data category and description

Merchants are categorized based on products/services they provide

Data category	Description
Auto service	Merchants that conduct automotive repairs and general servicing
Car wash	Merchants that wash, wax, and polish automobiles, including drive-through, custom hand wash, and do-it-yourself car wash locations

Source: BofA Global Research

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BAC data used in this report include spending from active US households only. Spending from corporate cards are excluded.

Our methodology for calculating the growth rates for daily data: we calculate the %y/y growth rate and the 4-year % change by matching calendar days (Jan 1 2023 is matched to Jan 1 2022, and Jan 1, 2019, respectively). The % change is calculated based on the 7-day moving average of spending levels.

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