

The Triple Impact of COVID-19 on the Retail Economy: Shopping Regulations, Consumer Panic and Travel Restrictions

Abstract: The economic consequences of the COVID-19 pandemic have been particularly severe for retailers. From daily sales information at thousands of stores across the world, we relate the effects of COVID-19 to the different regulatory interventions on shopping activity, to the actual extent of the pandemic for each store and to the reduction in touristic flows. We find that while lockdowns was the main cause behind the reduction in retail activity in the Spring 2020, consumer panic and reduction of tourist shoppers was responsible for the large drop in sales in Fall 2020. These effects were thus most intense in large touristic destinations, such as Barcelona, Paris, Osaka or San Francisco.