

Spending Rebounds as US Consumer Resilience Drives Market Stability

U.S. consumer spending has stabilised following January's weather-driven volatility, with overall retail sales revenue rising 1.3% in February compared to the same period last year, despite a 1% decline in unit sales. Severe storms impacted over 240 million Americans in late January and a historic blizzard disrupted the Northeast in late February, but these effects were temporary and isolated. The broader trajectory of retail performance remained intact, reflecting prevailing consumer demand, according to Circana, LLC.

"Despite headwinds from winter storms and ongoing global uncertainties, U.S. consumers continue to demonstrate their resilience—particularly within categories driven by desire rather than necessity," said Marshal Cohen, chief retail industry advisor for Circana. "There is a growing divide between industries where consumers feel value aligns with pricing and those where elevated costs are dampening demand."

During the four weeks ending February 28, 2026, macro retail trends across food and beverage, non-edible consumer packaged

goods (CPG), and discretionary general merchandise indicate a return to steadier spending patterns, though elevated prices continue to challenge demand. Food and beverage sales increased 1.4%, with units down 0.6%. Non-edible CPG dollar sales rose 1.6%, while unit sales declined 2.3%. Discretionary general merchandise recorded 0.9% dollar growth, though unit demand fell 3% year over year.

Segments such as prestige beauty and toys continue to see rising demand despite higher prices, while home durables and apparel face slower purchasing as consumers opt to "make do" when value perception is lacking. Demand within food and CPG is also being influenced by lifestyle and innovation, alongside price increases in categories like beverages and beauty. While global developments could still disrupt this steady behaviour, consumers have so far maintained overall retail spending. "Even with potential disruptions, the key to capturing consumer attention is offering newness, excitement, or meaningful value," Cohen added. ■

Source: Circana

Easter Spending Expected to Reach a Record \$24.9 Billion: NRF

Consumer spending on Easter is projected to reach a record \$24.9 billion this year, according to the annual survey by the National Retail Federation and Prosper Insights & Analytics, surpassing the previous high of \$24 billion set in 2023. On a per-person basis, shoppers plan to spend an average of \$195.59, up from \$192.01 in 2023.

"While economic uncertainty remains on the minds of many, consumers are still focused on holiday celebrations like Easter," said NRF Chief Economist and Executive Director of Research Mark Mathews, noting that such occasions allow families to reconnect and create lasting memories even amid fluctuating conditions.

Candy remains the most popular purchase category, with 92% of consumers planning to buy sweets, followed by food (90%), gifts (64%), decorations (53%) and clothing (51%). In terms of spending, food is expected to lead at \$7.5 billion, followed by gifts (\$3.9 billion), clothing (\$3.7 billion), candy (\$3.5 billion) and flowers

(\$2.2 billion). Eighty percent of consumers plan to celebrate Easter this year. Tradition continues to be the primary driver of purchases (58%), followed by sales and promotions (36%), social shopping with family and friends (30%), and the influence of store displays and seasonal offerings (27% each).

"Easter remains deeply rooted in tradition, which continues to shape shopping behaviour," said Phil Rist, Executive Vice President of Strategy at Prosper Insights & Analytics, adding that experiential factors such as promotions, store displays and shared shopping also play a growing role.

Among those celebrating, the most common activities include preparing a holiday meal (56%), visiting friends and family (52%), attending church (43%) and organising Easter egg hunts (36%). Discount stores remain the leading shopping destination (55%), followed by department stores (42%) and online channels (34%). Even among those not celebrating, more than half (54%) intend to take advantage of Easter-related sales, particularly for candy, food and clothing. The survey was conducted March 2–11 among 7,845 adult consumers and has a margin of error of ±1.1 percentage points. ■ Source: NRF



Fuel price increase impacts retailers in Australia

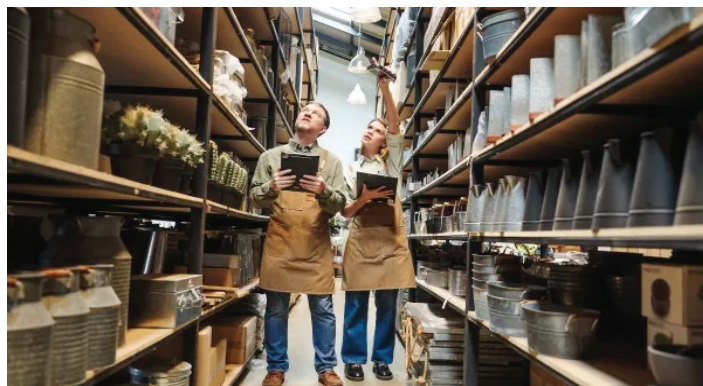
New data shows rising fuel and supply chain costs are pushing retailers to cut jobs and reduce investment due to the increasing threat to business profitability and viability. According to the Australian Retail Council (ARC)'s Pulse Survey, cost pressures across fuel, freight and supply chains are now flowing directly into employment decisions and business sustainability across the sector.

With Australia Post recently announcing an increase in its fuel surcharges, ARC CEO Chris Rodwell says the sector is facing a tough period ahead and highlights the seriousness of the cost crisis affecting Australia's retail community and the wider economy. "Retailers are being hit hard by the sharp increase in costs at the same time as consumer confidence is at a record low," he says. "The fact that businesses plan to adjust staffing levels and are warning about viability if conditions persist, shows the scale of the challenge ahead for a sector that represents just under one-fifth of the economy."

Four in five retail businesses (82.8 per cent) say a prolonged disruption would cause serious impact to profitability, while one in three (34.5 per cent) say it would threaten the viability of their business or force closure and 7.8 per cent say they would need to close if conditions continue for several months.

The (near) future doesn't look much brighter according to most retailers. In fact, 96.6 per cent expect conditions to worsen over the next 12 months and more than half (50.4 per cent) say supply chain challenges are currently having a significant or critical impact.

"Retailers are telling us they are facing an uncertain outlook, while facing an immediate and significant increase in the cost of doing business. When you combine these two factors, it leaves many business owners with very little room left to move. Retail employs



around 1.4 million Australians. Without action, rising costs will continue to flow into prices, job losses, and business closures, which will impact the broader economy," Rodwell notes.

However, the federal government has moved to halve the fuel excise on petrol and diesel and pause the heavy vehicle road user charge for three months. The changes, which take effect next Wednesday, are expected to reduce fuel costs by around 26 cents per litre.

"The government's decision to halve fuel excise and suspend the heavy vehicle road user charge will ease pressure across retail supply chains. This is critical given more than half of retailers are experiencing increases in freight and shipping costs of more than 10 per cent," he adds.

"The cut will make a meaningful difference in the short term, particularly for small retailers. It is important that we stay alert to other options to support retailers and households. Almost all retailers (96 per cent) anticipate supply chain challenges will intensify if this conflict is protracted." ■

Source: Australian Giftguide