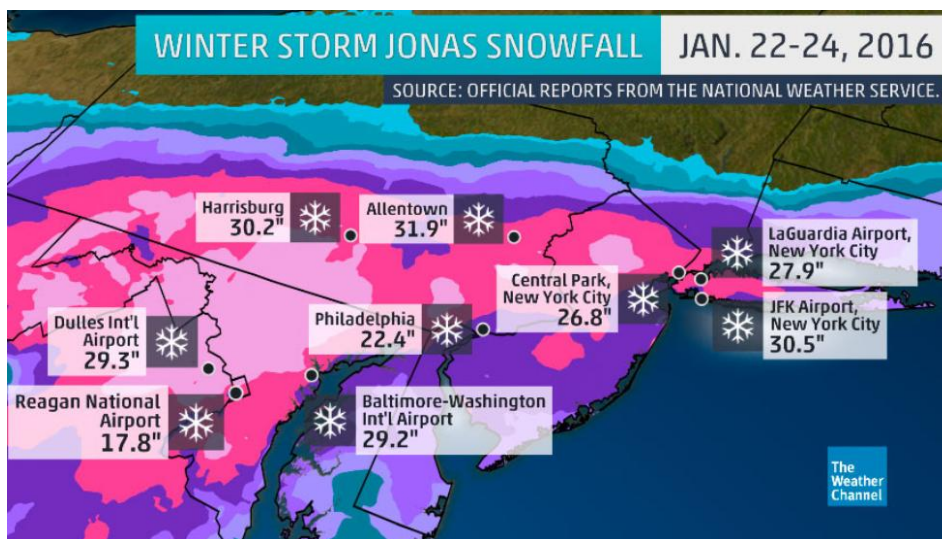


## STORM JONAS — THE SNOWMAGEDDON IMPACTS RETAIL 2016

- “Winter Storm Jonas” hit the Eastern Seaboard, burying the Northeast in several feet of snow.
- Panic buying ensued; milk, bread, eggs, snow shovels and salt flew off the shelves.
- Planalytics estimates that sales of storm-preparedness items were 50% to more than 100% higher than normal due to the storm and that the economic cost could run as high as \$850 million.
- Retailers targeted housebound consumers with email offers and free shipping, enticing them to shop online while the snow fell.

### WINTER STORM JONAS SPURS PANIC BUYING ACROSS THE EASTERN US AS CITIZENS PREPARE FOR “SNOWMAGEDDON”



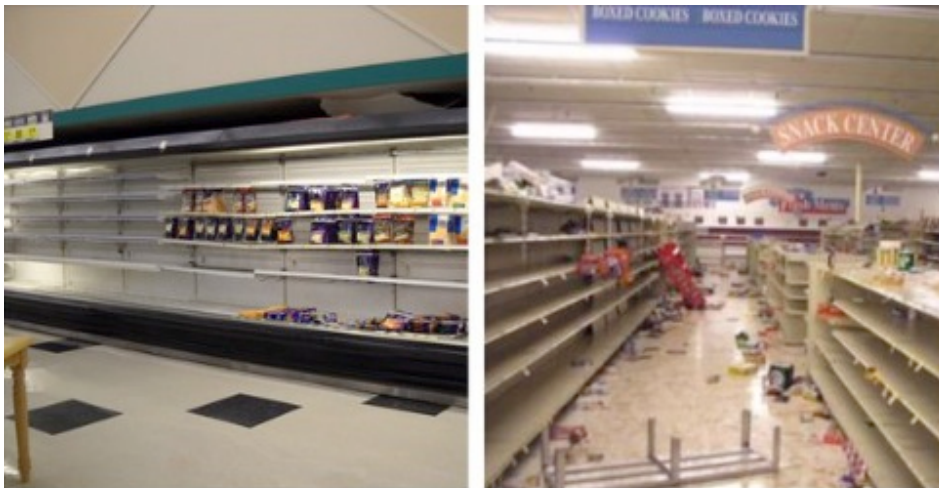
A devastating blizzard, dubbed “Winter Storm Jonas” by the Weather Channel, hit the northeastern US on Saturday, bringing with it more than two feet of snow and 60 mph winds in some areas. The blizzard—one of the most brutal snowstorms in 100 years—affected up to 75 million people, and the bad weather continued into Sunday.

Before the storm even began, residents in the Northeastern and Mid-Atlantic states prepared for its arrival by stocking up on groceries, shovels, snow blowers and salt.

#### *Milk, Bread and Eggs: The Trinity of Winter-Storm Panic Shopping*

Concerned shoppers, worried about spending days snowed in and possibly losing power, hit grocery stores hard, leaving empty shelves in their wake. The holy trinity of winter-storm preparedness—milk, bread and eggs—flew off the shelves in grocery stores and supermarkets all along the Eastern Seaboard.

US residents uploaded hundreds of photos to social media that showed the aftermath of the panicked buying at various grocery stores, with shelves emptied of grocery staples.



#### *Alcohol, Gas and Snow-Related Equipment Also Big Sellers*

Sales of beer, wine and liquor went through the roof as households organized “#blizzard2016” parties. Gas stations also reported record sales of gas due to panic buying.

Snow-related equipment, including ice scrapers and shovels, all but disappeared from shelves at big-box and hardware stores, pharmacy chains and gas stations across the region. Even T.J. Maxx, usually associated with great finds in Italian cashmere sweaters and household goods, was featuring a snow display with shovels and snow brooms at the entrance of a store in Pennsylvania.



A Home Depot worker in New York told the *New York Daily News* that her store had been selling salt by the truckload and that Friday’s batch had sold out in one hour.

## A FINANCIAL BOON FOR SUPERMARKETS, HARDWARE STORES AND FOOD DELIVERY SERVICES

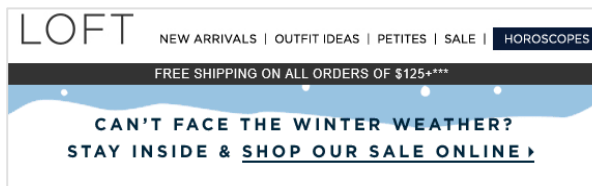
According to Planalytics, a firm that measures the impact of weather on business, sales of storm-preparedness items were likely to have been 50% to more than 100% higher than normal due to the storm.

Restaurants will not have fared as well, as travel bans and snow-covered roads forced people to eat at home. But food delivery services ramped up to serve hungry shut-ins over the weekend. A number of delivery companies, including GrubHub, Foodee, Caviar, Menu123 and GoPuff, planned to continue delivering food to customers' homes during the storm.

"While the East Coast is being impacted by severe weather, GrubHub will be in close communication with restaurants in the affected areas," Chicago-based GrubHub said. "Restaurants will continue delivering food upon their discretion and some will amend their hours to ensure the safety of their employees." The company said it would work "around the clock" to keep customers up to date.

## RETAILERS TAKE ACTION

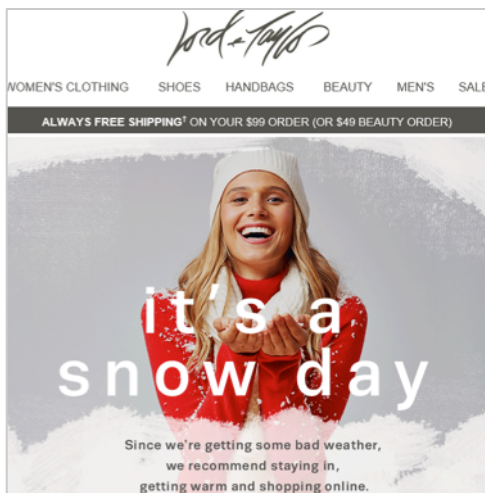
Many retailers took the storm as an opportunity to target housebound consumers with email offers and free shipping to entice them to shop online as the blizzard raged outside.



**Ann Taylor and Ann Taylor Loft:** Ann Taylor offered shoppers 40% off and Loft emailed this promotion on Saturday morning:

**Lord & Taylor:** Lord & Taylor recommended that consumers stay in, get warm and shop online:

**Macy's:** Macy's took the opportunity to remind customers to buy winter apparel, such as coats, sweaters and boots.



## ECONOMIC COST OF THE BLIZZARD

The economic cost of the blizzard could run as high as \$850 million, according to Planalytics. The tally includes lost productivity and a lower level of consumer spending over the duration of the storm—even after factoring in the impact of consumers stockpiling goods from chains such as Home Depot, Lowe's, Walmart and Kroger. The storm impacted foot traffic for restaurant chains and movie theater operators, too.

However, Ryan Sweet, director of real-time economics at Moody's Analytics, thinks that the impact of winter storms is minimal. "Winter storms are normal. They happen every year," said Sweet. "Unless it is significantly stronger than anticipated, the economic costs are going to be very very small. It is going to give people more of a headache than it is going to cost them economically."

Overall, the fact that the storm hit over the weekend is good news for productivity. When a big storm hits during the workweek, it diminishes output even more, since many people cannot get to work.





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