

The Impact of Coronavirus on Personal Accessories

July 2020

Table of Contents

INTRODUCTION

Scope

Key findings

Personal accessories and COVID-19

ECONOMIC OUTLOOK

Global economy will contract sharply in 2020

The COVID-19 pandemic impacts both supply and demand

In our baseline view, the pandemic peaks in June 2020

Three scenarios examine the impact of a more severe outbreak

Our view in short

Forecast real GDP growth in 2020 under different scenarios

Fiscal stimulus a challenge with restrictions on expenditure

What could alleviate the economic effects of the pandemic?

What could exacerbate the economic impact of the pandemic?

INDUSTRY IMPACT

COVID-19 impact at a glance

Store closures and changed consumer behaviour weigh heavily on sales

Drop in travel and tourism hits bags and luggage hardest

Postponed celebrations dampen jewellery sales

Digital device use during quarantines will weaken outlook for watches

Useful during quarantines, writing instruments fares best

Routes to disruption

Macro environment mirrors past crises, but recovery will be unique

Depressed demand and supply chain disruptions prompt discounting

Closures of key channels impede sales, but e-commerce gets a boost...

...that is expected to be the most permanent change moving forward

Overall market dynamics

GEOGRAPHIC IMPACT

Double-digit declines in retail value terms worldwide

North America set to lose almost a quarter of revenue in 2020

Western Europe to suffer from constrained local and foreign demand

HNWIs ignite demand across key markets in Asia Pacific

Top shopping destinations suffer from drop in travel

CORPORATE RESPONSE

Main challenges for personal accessories players

How retailers are responding to COVID-19 pandemic

LVMH : Utilises its resources and facilities to help combat COVID-19

Michael Kors: Gets creative online to engage loyal Chinese consumers

Luggage start-ups pivot offerings and services amid travel restrictions

Pandora: Launches a service to assist in choosing the right gift online

Swatch: Makes a further push to its direct online business

Crayola: Offers at-home activities for children during stay-at-home order

KOKUYO launches IoT stationery, helping children discover the joy of learning

CONCLUSION

Short-, medium- and long-term effects for personal accessories

Outlook for personal accessories

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