

Yelp Local Economy Coronavirus Impact Report

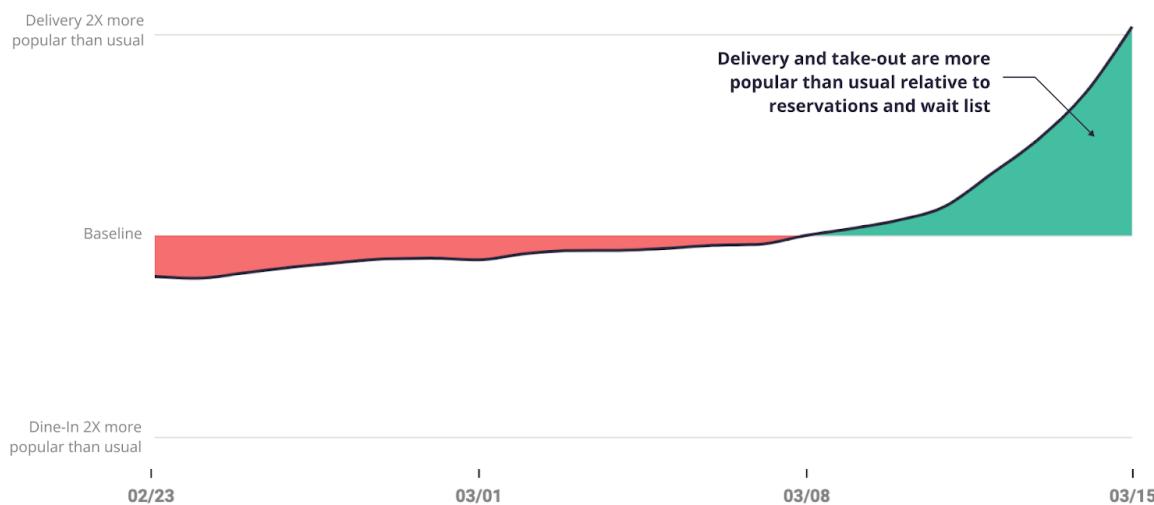
By Carl Bialik, Yelp Data Science Editor

Coronavirus is quickly reshaping every corner of the U.S. local economy — and Yelp data is reflecting the upheaval in real time.

Consumers are responding to fears of infection, social distancing recommendations, and mandated business closures by getting their food from grocery stores or directly from farmers, not from higher-end restaurants. When people do turn to restaurants, it's overwhelmingly for delivery or takeout, not for dine-in options that until just a week ago were prevalent. The shift started when people were first encouraged to avoid crowds, and accelerated when restaurants in some jurisdictions were ordered to shut their doors and offer only takeout and delivery options.

Delivery and Take-Out are Replacing Dine-In

Change in relative popularity of delivery and take-out searches vs. dine-in on Yelp



Source: Yelp
Chart: The DataFace

Shifts in consumer interest in restaurants and food businesses reflect the home's rising status as the place to eat. U.S. consumer interest for restaurants has fallen by 54%, and for nightlife businesses by 69%. Pizzerias, fast food restaurants, grocery stores, and fruits and veggies shops are all grabbing a much bigger share of the pie than they were a week ago (up 44%, 64%, 160%, and 102%, respectively, in share of daily U.S. consumer actions in their relative root categories on Wednesday from a week earlier), while French restaurants (down 47%), cafes (down 66%), and wineries (down 44%) are declining.

Home fitness equipment and parks — ways to exercise without close indoor contact with large groups of people — are seeing increased consumer interest (up 344% and 53%, respectively) while yoga (down 38%), martial arts (down 33%), and bowling (down 43%) are declining.

Focus on survival and the uncertainty of what's to come is fueling an uptick of interest in buying water and guns (up 166% and 360% respectively), while businesses serving consumers around leisure and celebrations — breweries (down 61%), bridal stores (down 53%), and gelato shops (down 39%) — are struggling.

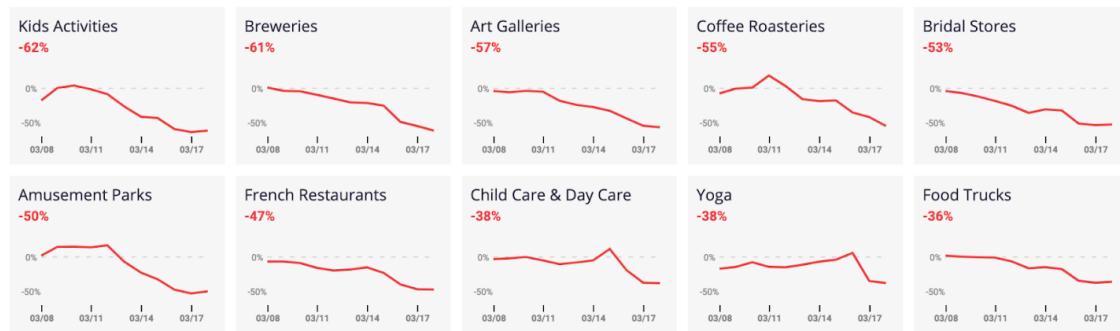
Coronavirus Impact on Local Businesses

Change in share of consumer actions* on Yelp for select categories

Categories That Are Rising



Categories That Are Falling



*Calculated as week-over-week change in daily U.S. consumer actions—a count of a selection of the many ways consumers can connect with businesses on Yelp—as a share of root category's consumer actions.

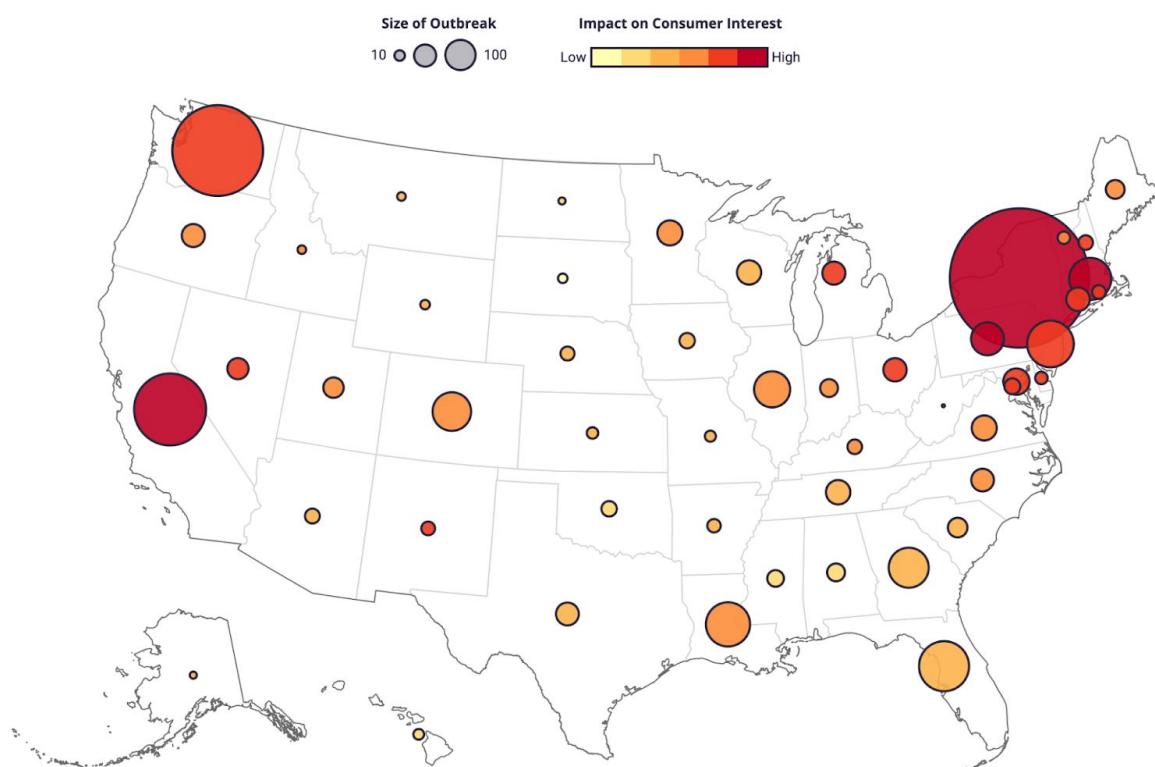
Source: Yelp
Chart: The DataFace

The changes, like the pandemic that spawned them, haven't hit all of the U.S. in the same way: California and New York, sites of two of the biggest outbreaks, have shifted in line with the national moves much more than Oklahoma and North Dakota. Regionally, the impact is biggest

near the coasts, particularly the Northeast, and more muted in the Midwest and Southeast. Every state, though, now reflects, to some degree or another, the new reality of the coronavirus economy — that is, until it changes quickly again.

Bigger the Outbreak, Bigger the Impact on Business

Size of coronavirus outbreak and impact on consumer interest* by state



*Consumer interest is measured by the magnitude of change in each state in the past week in the categories that moved most nationally in response to the coronavirus outbreak, in terms of consumer actions: a count of a selection of the many ways consumers can connect with businesses on Yelp. Data updated through March 18th.

Source: Yelp
Chart: The DataFace

To track the economic tremors, we're planning to release regular updates to this report.

Methodology

Business Category Changes

To pinpoint how the coronavirus is affecting the economy, we looked at which types of businesses (categories) have risen or fallen in interest relative to others in the same general line

of business (root categories). So, for instance, we compare French restaurants, dim sum places, and pizzerias to each other, in terms of their share of all interest for restaurants.

Our measure of interest is consumer interest, measured in terms of daily U.S. counts of a selected set of the many actions people take to connect with businesses on Yelp, such as viewing their business page or posting reviews.

We started with the 500 biggest U.S. categories by consumer actions. Among those, we selected the 50 biggest gainers and 50 biggest decliners in terms of their share of all root category consumer actions from the prior week. Then we chose representative ones to show the trend, which we're charting from March 8 through March 18.

Dine In vs. Dine Out

Consumers often indicate their intent when searching for restaurants by choosing filters for places that offer [Yelp Reservations](#) and [Waitlist](#) for dining in, or delivery and takeout for dining out. We've been tracking this measure nationally every day to see how restaurant meals are moving into the home, and chart its progression from February 23 through March 16.

Map

Which states are most closely reflecting the coronavirus economy at the national level? To check, we looked at the cumulative change in consumer-action share by state for the categories that had the biggest national rises and declines. The more these indicators of the coronavirus effect moved within each state over the past week, the more that state's economy transformed. We're mapping the economic impact alongside the scope of the outbreak, with both measures updated through Wednesday, March 18.

If you'd like additional detail on how the economy is shifting, please contact us at press@yelp.com.