

### Report Price: £2195 | \$2995 | €2600

e above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

### This report looks at the following areas:

However born alongside this will be a greater appreciation for the importance of the role retail plays within UK society and the need for greater support to ensure that once a level of normality has resumed, the physical retail space is not as harsh an environment to operate in.

- The impact of COVID-19 on the UK retail market, including food, non-food and online.
- How consumers' shopping habits have and will change in the short, medium and long term
- Opportunities and threats in the market arising from COVID-19
- How the COVID-19 recession will impact and reshape the retail market

66

"The COVID-19 outbreak is an unprecedented event which has far reaching ramifications for the retail landscape. It will accelerate the underlying trends of the past decade: greater online penetration, physical space consolidation and, unfortunately, business failures."

Nick Carroll, Associate
 Director of Retail Research,
 16 June 2020

Buy this report now		
Visit	store.mintel.com	
EMEA	+44 (0) 20 7606 4533	
Brazil	0800 095 9094	
Americas +1 (312) 943 5250		
China	+86 (21) 6032 7300	
APAC	+61 (0) 2 8284 8100	

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## **Table of Contents**

#### **OVERVIEW**

- What you need to know
- Key issues covered in this Report
- Products covered in this Report

#### WHAT COVID-19 MEANS FOR UK RETAIL

- Short, medium and long-term impact on the industry Figure 1: Short, medium and long-term impact on the industry
- Short-term
- Medium-term
- Long-term
- Opportunities and Threats
- Short term channel shift has significant legacy impact
- COVID-19 recession will polarize finances, hitting the midmarket
- Sourcing and lead times to be placed under greater scrutiny
- Necessary changes at store level will leave a much changed sector
- Impact on the market
- Record decline for the retail sector in 2020
   Figure 2: All retail sales, non-seasonally adjusted including
   VAT, market size and forecast, 2014-2024
- Impact on key consumer segments and shifts in behaviour
- Retailers with a younger shopper base may be hit harder
- Greater engagement in the online channel from older generations
- A focus on local communities will extend far past the lockdown
- The staggered return of footfall Figure 3: Primark Cambridge, 15 June 2020
- How a COVID-19 recession will reshape the market
- The COVID-19 recession will be a step too far for many retailers...
- ... and for many landlords
- Value-for-money will become even more important
- Trust in pricing must be re-established
- COVID-19: UK context

#### THE IMPACT OF COVID-19 ON CONSUMERS

Anxiety levels align with case curve...
 Figure 4: Mintel COVID-19 exposure anxiety index, 28
 February – 3 June 2020

### What's included

**Executive Summary** 

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Visit	store.mintel.com
emea	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- ... but consumers remain anxious about their health
   Figure 5: People's level of concerns about the risk of being exposed to the coronavirus, 28 February 3 June 2020
- COVID-19 concerns by demographics
   Figure 6: Proportion of consumers showing the highest degree
   of concern (4 or 5 out of 5) regarding the risk of being
   exposed to the coronavirus, by age, 28 February 3 June
   2020
- UK begins to soften lockdown measures Figure 7: Government COVID-19 lockdown exit strategy, published 11 May 2020
- Lockdown fears moderate
   Figure 8: People's level of concerns about how the outbreak
   might affect their lifestyle, 28 February 3 June
- A bleak outlook for the economy
   Figure 9: Consumer views on the impact of the COVID-19
   outbreak on the UK economy and their own finances, 28 May
   3 June 2020
- Consumers cut back outgoings, and add to savings Figure 10: How consumers have been affected or changed
- their behaviour as a result of the outbreak, 21-28 May 2020
- Household finances hold steady for most Figure 11: Changes in financial situation since the start of the COVID-19 outbreak, 21-28 May 2020
- COVID-19 is yet to meaningfully affect most households' well-being...

Figure 12: The financial well-being index, January 2015-May 2020

- ...but confidence for the year ahead plummets Figure 13: Consumers' financial confidence for the coming year, May 2020
- Middle age groups feel particularly vulnerable...
- ...COVID-19 support package key for self employed

### THE IMPACT OF COVID-19 ON RETAIL SALES

- Spending activity has dropped dramatically
   Figure 14: COVID-19 tracker: intentions to spend in the next month, 28 March -3 June 2020
- Store closures and lower footfall means a historic decline in 2020 sales...

Figure 15: All retail sales, non-seasonally adjusted including VAT, market size and forecast, 2014-2024

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Visit	store.mintel.com
emea	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



#### Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

• ...but headline figures mask huge differences between key categories

Figure 16: The estimated impact of COVID-19 on all retail sales, 2019-21

- Impact on grocery sales Figure 17: All food retail sales, non-seasonally adjusted including VAT, market size and forecast, 2014-2024
- The impact of COVID-19 on non-foods will be significant Figure 18: All Non-food retail sales, non-seasonally adjusted including VAT, market size and forecast, 2014-2024
- Specialist fashion sector to be significantly hit Figure 19: Estimated annual retail sales growth, by specialist category, 2020

#### THE IMPACT OF COVID-19 ON ONLINE RETAILING

Significant demand has shifted to online, but this is causing strain

Figure 20: COVID-19 tracker: online use, 23 April – 3 June 2020

- Online will have a record 2020
   Figure 21: All online retail sales (inc. VAT), market size and forecast, 2014-2024
- Online will account for around a quarter of sales in 2020 Figure 22: Online share of all retail sales (ex-fuel), 2014-2024
- Store-based players regain share, due to the grocers Figure 23: Share of all online retail sales, by type of retail operation, 2010-20
- Social platform shopping will see a legacy boost Figure 24: COVID-19 Start-up: Send a Negroni, June 2020

#### THE IMPACT OF COVID-19 ON THE GROCERY SECTOR

• COVID-19 drives peak in in-home food and drink expenditure

Figure 25: All grocery retail sales (ex. fuel, inc. VAT), market size and forecast, 2014-2024

- A hunt for value could undermine specialists' sales Figure 26: Forecast % change in sales for the main components of grocery retail sales, 2020
- The cost of trading during COVID-19
- The longer-term legacy of stockpiling Figure 27: The effects of stockpiling, March 13 2020
- A repeat of the post-financial crisis emphasis on selfreliance

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Visit	store.mintel.com
emea	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



Figure 28: Robert Dyas, the veg trug, April 2020

 Longer-period for in-home F&D brings opportunity for meal solutions

Figure 29: Tesco meal solutions, June 2020

Online finds its second wind of growth
 Figure 30: Ocado response to increased demand, March 2020

Figure 31: Cross-town collective, March 2020

 A focus on the community brings opportunity, and potentially critique, for the grocery sector
 Figure 32: Shifts in priority due to COVID-19, 7 May – 14 May 2020

#### THE IMPACT OF COVID-19 ON THE FASHION SECTOR

 Likely to be the hardest hit retail category by COVID-19 in 2020

Figure 33: All fashion specialist retail sales, market size and forecast, 2014–2024

- The long-term view
- Fashion hit harder by social distancing than by store closures

Figure 34: Reasons for buying new clothes, August 2019

- Some opportunity in 'at-home' and leisure wear Figure 35: Little Mistress NHS Kindred Rainbow thank you NHS face mask, May 2020
- Online demand ticks-up but specialists struggled to cope with demand

Figure 36: Next homepage on reopening, April 2020

- Technology playing a greater role in the shopping experience
- Integration of tech solutions will pay off for multichannel shoppers

Figure 37: John Lewis Personal styling service, April 2020

#### THE IMPACT OF COVID-19 ON HOME RETAIL

 COVID-19 will have significant legacy impact on home retail specialists

Figure 38: Breakdown of household goods stores retail sales, 2019

Figure 39: All home specialist retail sales (inc. VAT), market size and forecast, 2014-24

 Greater online penetration brings new store opportunities for furniture retailers...

### What's included

**Executive Summary** 

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

#### Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 40: John Lewis AR sofa view, March 2020 Figure 41: Ikea Planning Studio Tottenham Court Road, November 2019

- ...but also poses the question of store function Figure 42: Currys PC World Shop Live, April 2020
- Repairs, services and second hand stand to benefit from recessionary behaviours
   Figure 43: Ikea Spain, 'save our furniture', May 2020
- Shift in working habits brings opportunity for household specialists

Figure 44: Ministry of Makers, collapsible furniture, May 2020

#### THE 'NEXT NORMAL' OF IN-STORE SHOPPING

- There is demand for in-store shopping to resume Figure 45: What consumers are looking forward to when social distancing measures are eased, 7-14 May 2020
- However we know footfall will still be significantly impacted Figure 46: Time spent in store, 16 April- 3 June 2020
- Location will be crucial Figure 47: Changes in local shopping, 16 April-3 June 2020
- Key to ensuring impact on footfall is limited is reassuring consumers

Figure 48: Aldi – automated 'traffic light' store entrance, May 2020

- Hygiene a crucial concern
   Figure 49: Co-op face covering sign, May 2020
   Figure 50: COVID-19 behaviours when shopping for groceries, 28 May 3 June 2020
- A further push toward a 'cashless' future
   Figure 51: Attitudes towards cash use, 16 April 3 June 2020

#### WHAT WE CAN LEARN FROM PREVIOUS SLOWDOWNS

 High-ticket and discretionary purchases suffered in the last recession
 Eigure 52: All rotail sales (ox fuel Ex \/AT) by bread category.

Figure 52: All retail sales (ex-fuel, Ex VAT), by broad category, 2008-2014

• Non-food discounters were among the big winners in the last recession...

Figure 53: Compound annual growth rate in non-food retail sectors, 2008–2014

- ...as was fast fashion
- Recessions can accelerate structural change

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Visit	store.mintel.com
emea	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



#### Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Financial crisis was too much for some, and the same will be true again
- Even the survivors will be reshaped by the coming recession
- Yet more turmoil for physical retail space...
- ...and the prime candidates to fill empty retail space are facing their own challenges

#### LESSONS FROM OTHER REGIONS

- In China, the first country to exit lockdown, footfall has slowly returned
- In Germany a similar trend is apparent
   Figure 54: Google COVID-19 Community Mobility Reports,
   Germany (national) 15 February 7 June 2020
- Recovery in footfall much slower in Italy
   Figure 55: Google COVID-19 Community Mobility Reports,
   Italy (National) 15 February 7 June 2020
- What this means for the UK

## APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION

- Data sources
- Market size
   Figure 56: Major retail categories, broken down by SIC code, 2020
- Abbreviations

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100





# **About Mintel**

Mintel is the **expert in what consumers want and why.** As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **mintel.com.**