

# Online Retailing: Delivery, Collection and Returns: Inc Impact of COVID-19 - UK, October 2020

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## This report looks at the following areas:

- The impact COVID-19 has had on consumer attitudes towards delivery and collection services, and the implication for these areas moving forward.
- The size of the market for collections, and the impact that COVID-19 has had on collection-based sales.
- Levels of online shopping pre- and post-pandemic, and the legacy impacts of these shifts.
- Methods used to receive products in the past year and the impact COVID-19 has had on use of delivery/collection services.
- The level of returns in the past year and how COVID-19 may influence this moving forward.
- Price-sensitivity, in particular around the cost of same-day deliveries.
- Brand perceptions of leading delivery companies within the UK.

According to Mintel's COVID-19 Tracker on average 41% of consumers say they have done additional online shopping due to COVID-19 since the outbreak began in the UK. This extreme growth in online retail use will, based on Mintel forecasts, see online sales grow by 42.3% in 2020, the fastest growth rate in the channel since 2009 (+28.5%).

This growth in online purchasing has been seen across all channels but is particularly true in grocery, with the number of consumers buying food and drink online growing from 43% to 56% between April and August 2020.

One of the biggest threats to the market in 2020 has been the potential for logistics networks to be overrun by the additional demand caused by COVID-19. Significant investment has had to be made to ensure the demand for home delivery can be met, as well as that the safety of staff and customers is protected. This investment should mean disruption is minimised during the second lockdown in England, but the pressure on networks will be acute as retailers have to pivot to fulfil more demand online during the busiest time of year for the retail sector.



“Online retail has seen rapid growth in light of COVID-19 and this has placed a strain on logistics networks across the sector. The sector has reacted rapidly to meet demand and from consumers there is a new-found respect for the work done by delivery personnel.”

– **Nick Carroll, Associate Director of Retail Research**

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There is significant demand for some of these COVID-19-related safety measures to become commonplace longer-term, with 76% of consumers saying they want contact-free deliveries to remain even when the peak of the pandemic has passed and 54% saying that COVID-19 has made them more critical of the hygiene standards of online orders.

Whilst greater scrutiny is being placed on online businesses, there is also greater appreciation for their role in the market following their efforts during COVID-19, with 86% of consumers saying the outbreak has given them more appreciation for delivery drivers/personnel. More than this with online retail to be given a long-term boost by COVID-19 behaviours, this will naturally bring opportunity for retailers in the online channel and for those businesses that are key to helping retailers fulfil this demand.

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