

# Covid-19: Permanent shifts in behaviour reveals vulnerable sectors

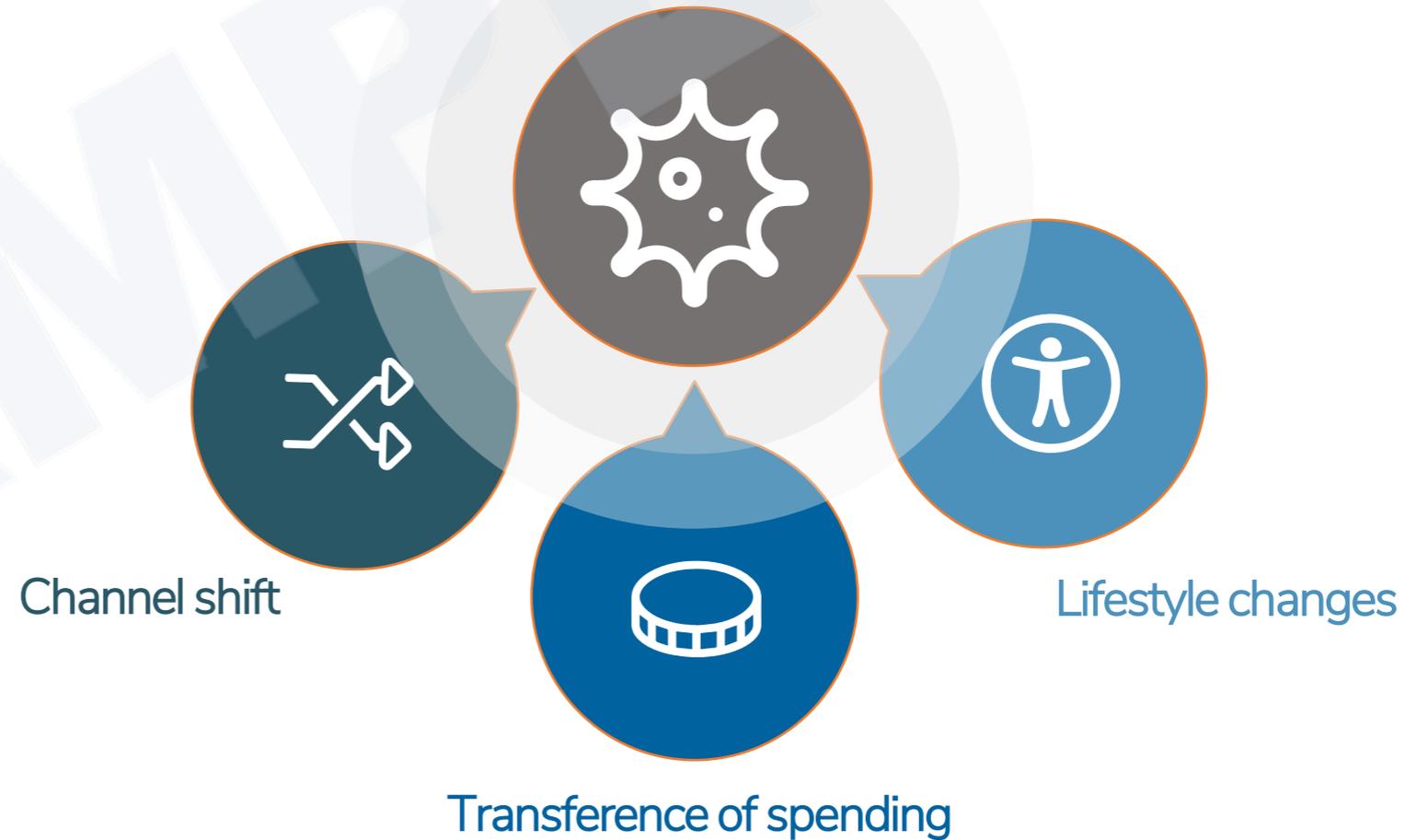
Richard Lim  
CEO  
Retail Economics



# Key Covid-19 impacts on UK retail

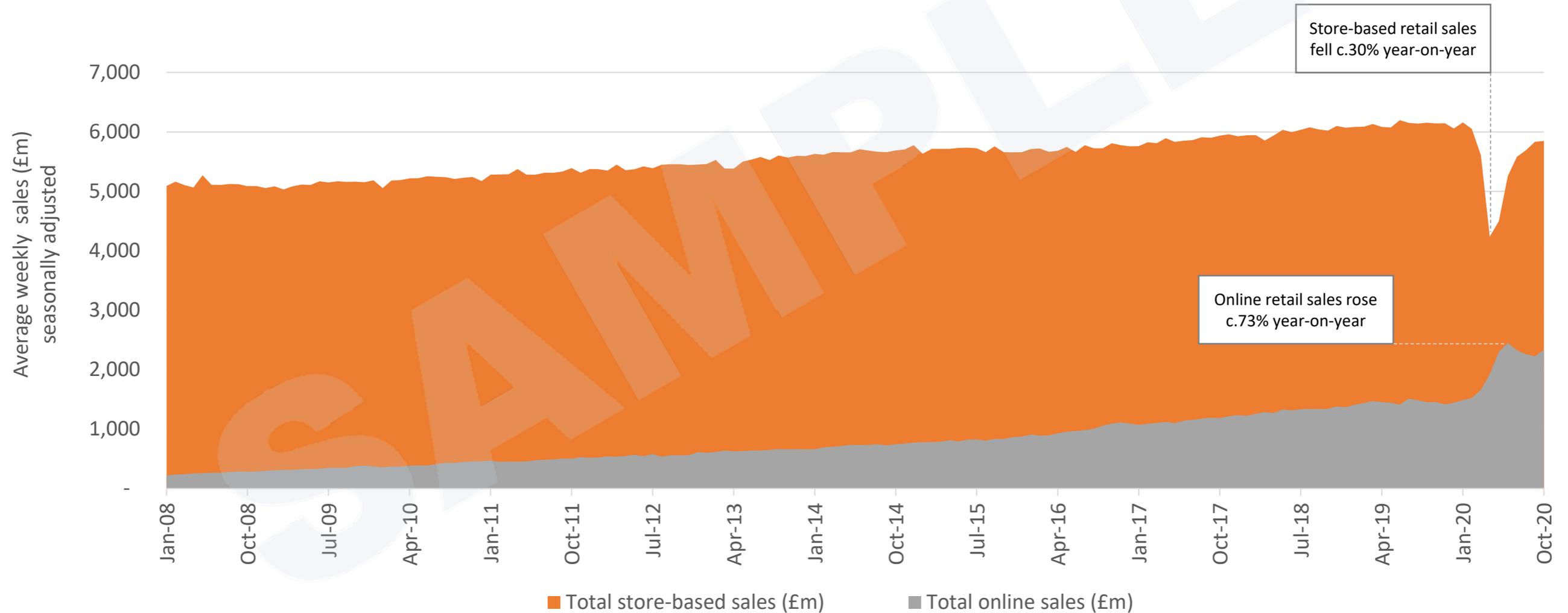


## The key impacts from Covid-19 on the consumer sector



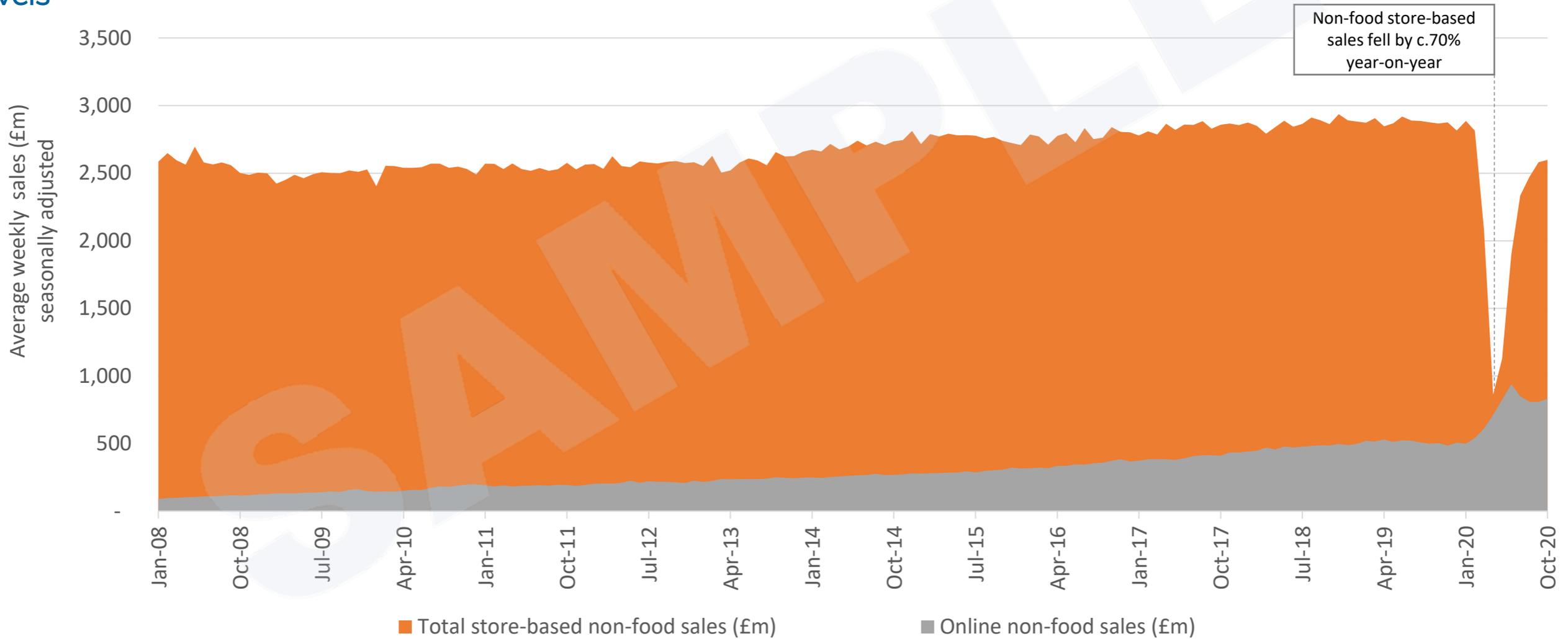
# Looking back at the impact of Covid-19

Total retail sales fell c.20% in April 2020 as the impact of the lockdown decimated sales



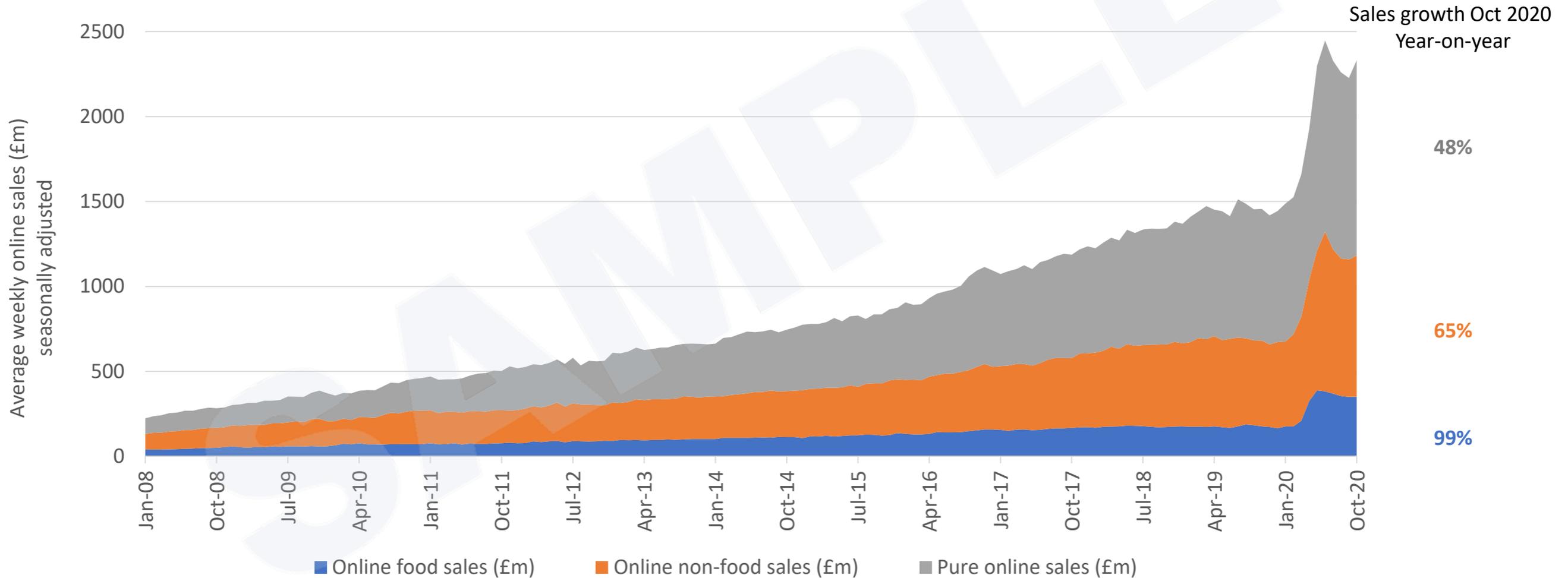
# Looking back at the impact of Covid-19

Store-based non-food sales decline sharply. Online has picked up some of the slack and remains at elevated levels



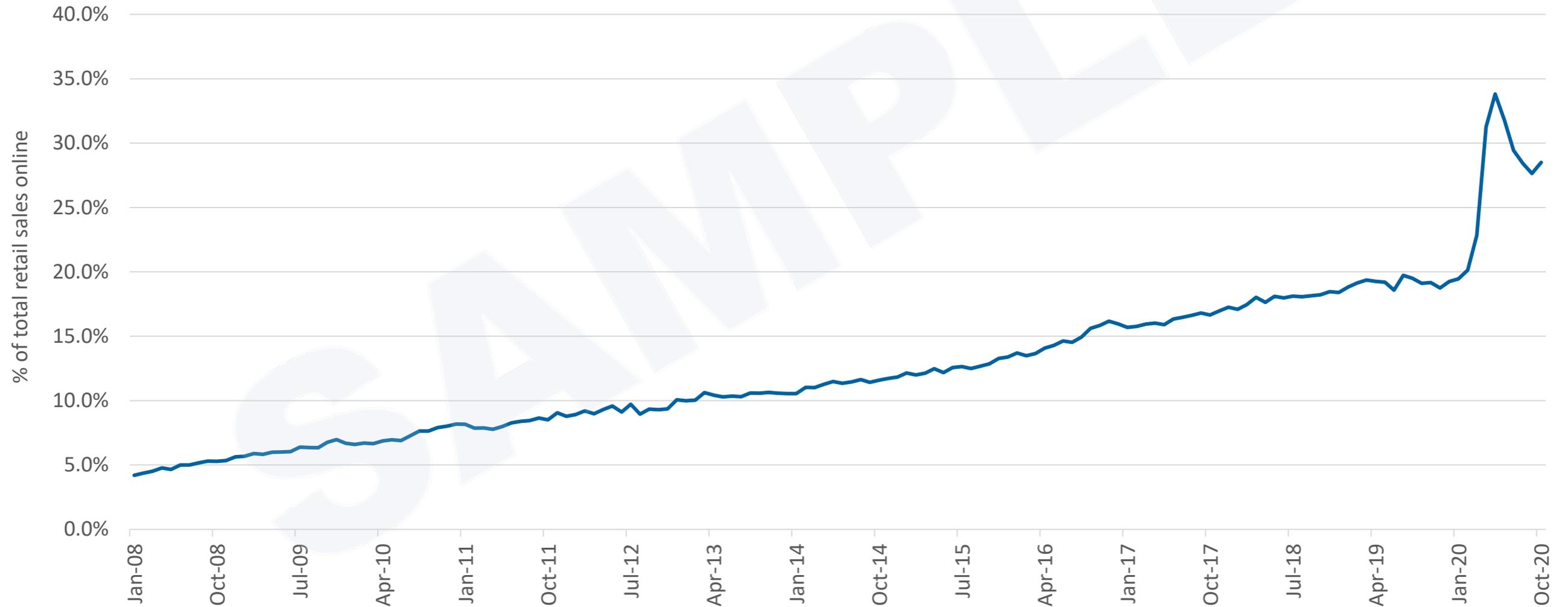
# Looking back at the impact of Covid-19

The closure of non-essential retail stores necessitated a shift towards online with sales rising 73% in June



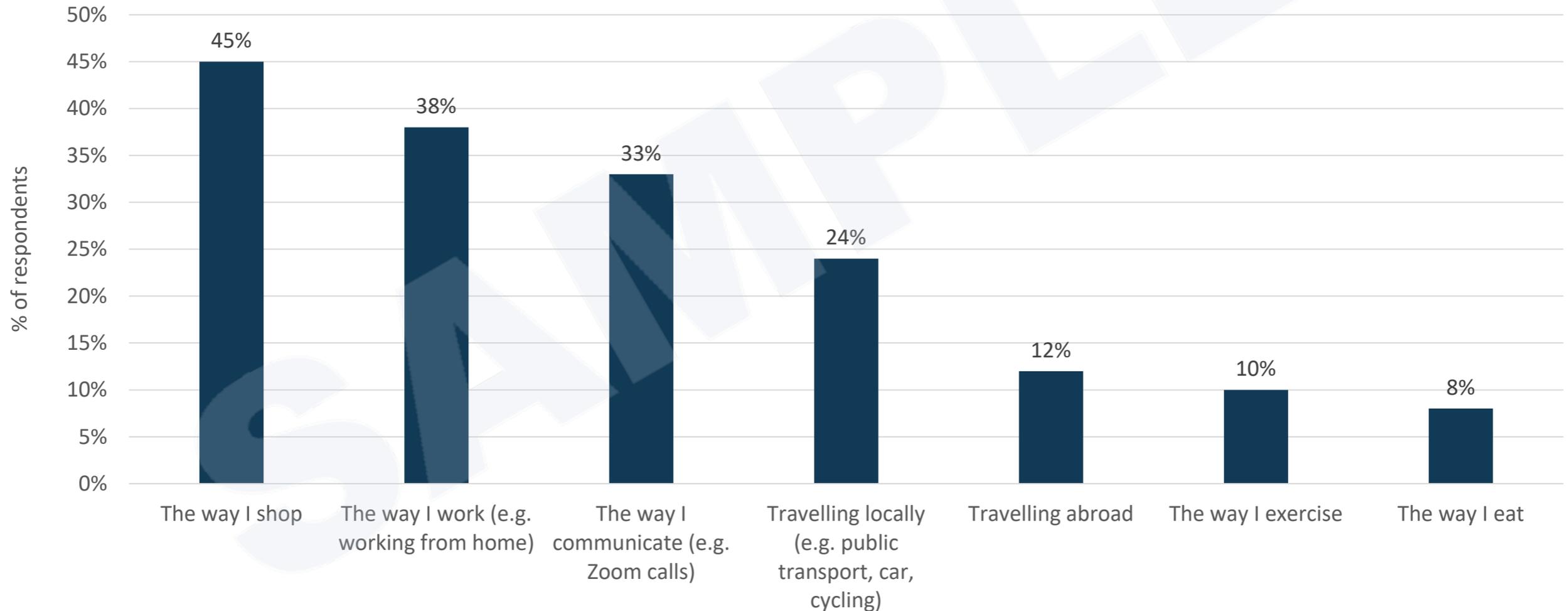
# Looking back at the impact of Covid-19

A step change in the proportion of online sales



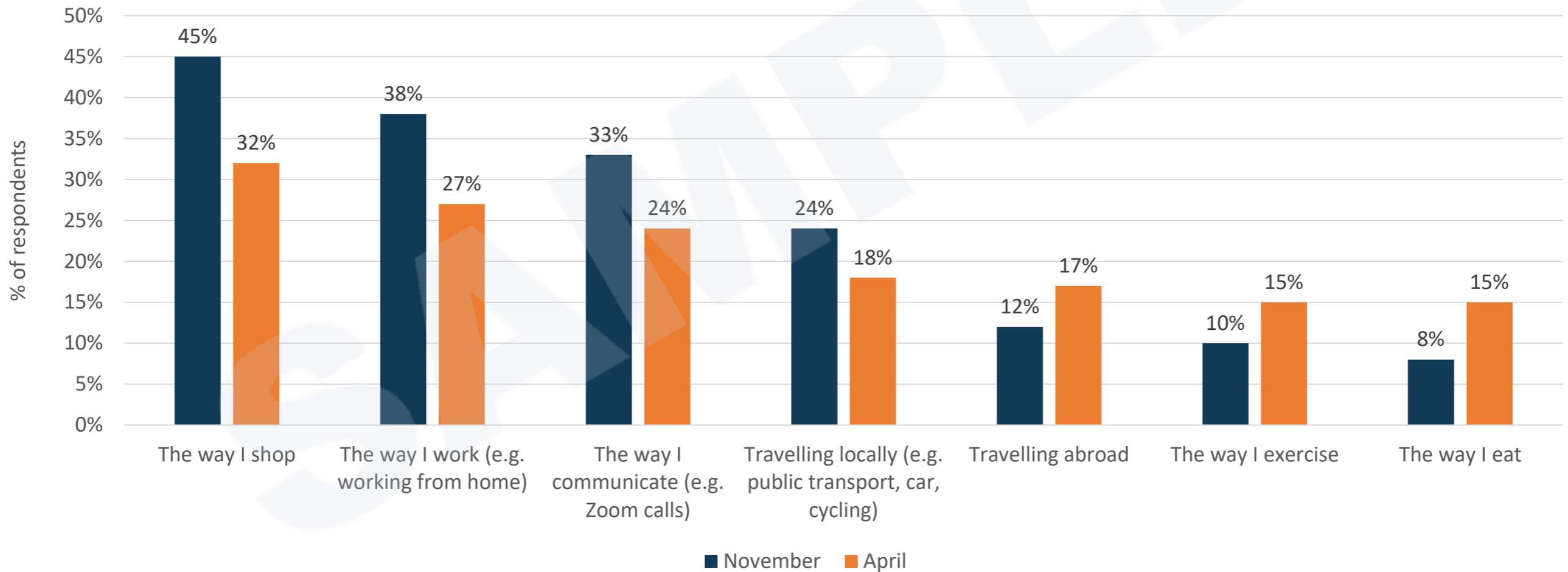
Source: ONS

## What habits are you likely to change permanently as a result of Covid-19?



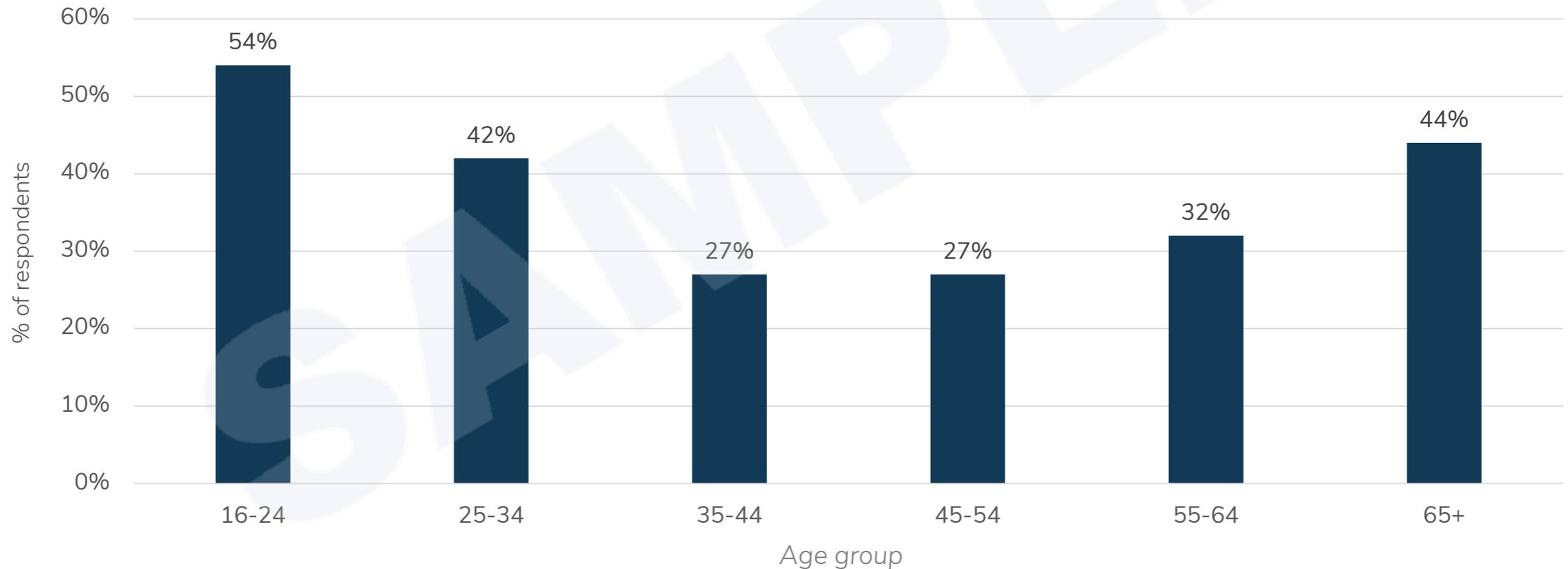
# Looking forward

As perceptions around the impact of the virus have settled, sentiment towards a permanent shift in the way we shop, work and communicate have become more entrenched



## Have you started buying any products online that you always previously bought in-store because of Covid-19?

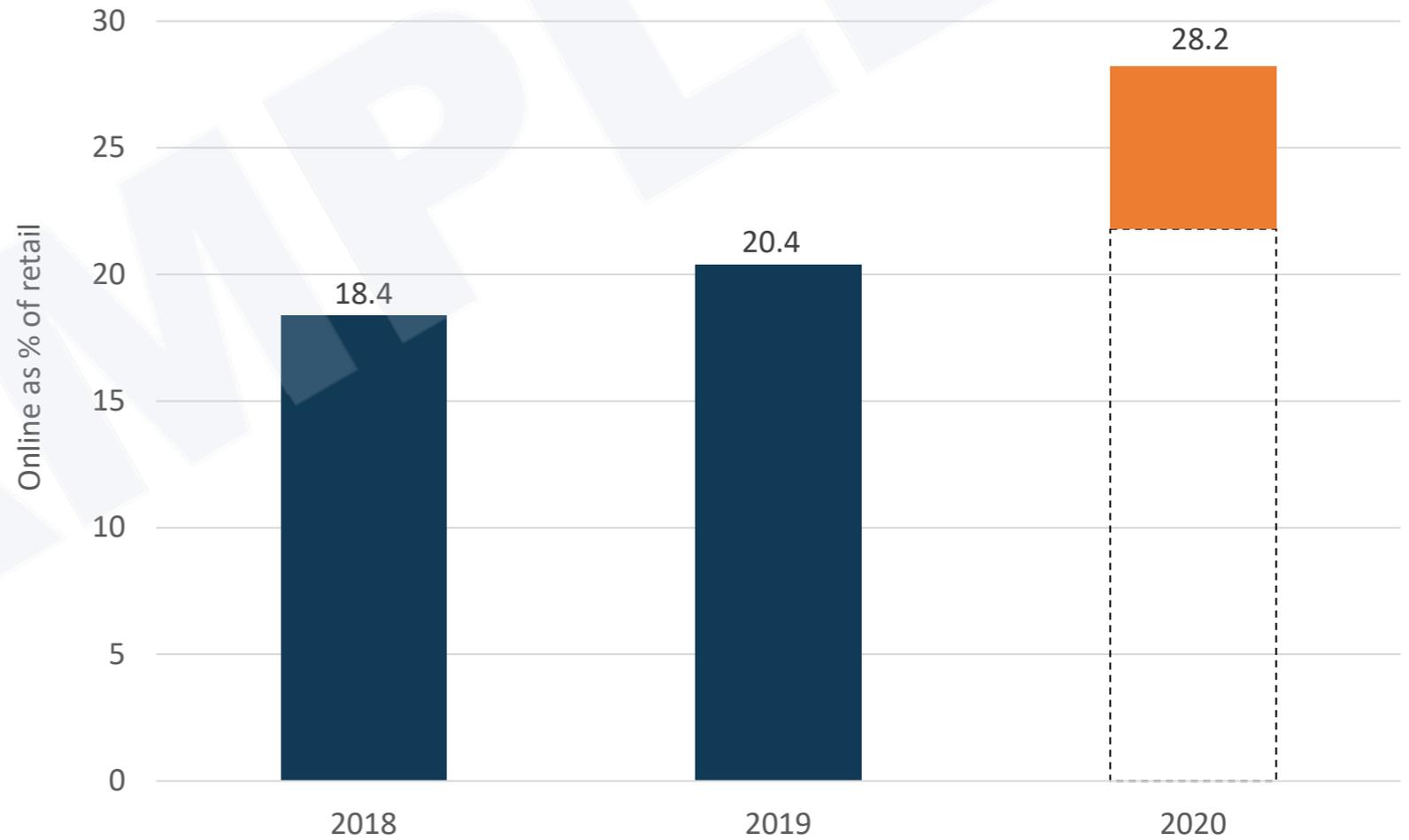
Respondents who answered “yes”



# Step change in online sales



## Online sales expected to reach 28% in 2020



Source: Retail Economics

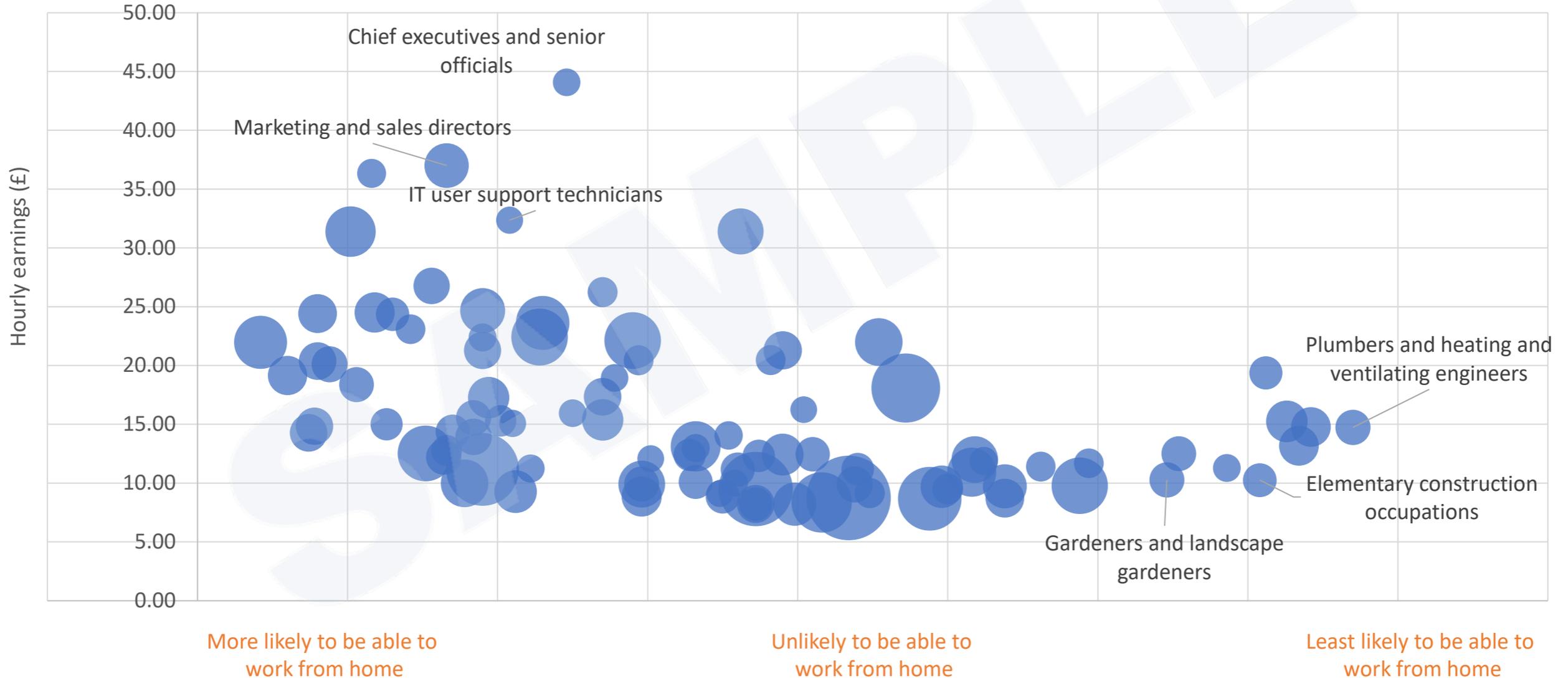
# Transference of spending

## Half of household expenditure has been disrupted because of the impact of Covid-19



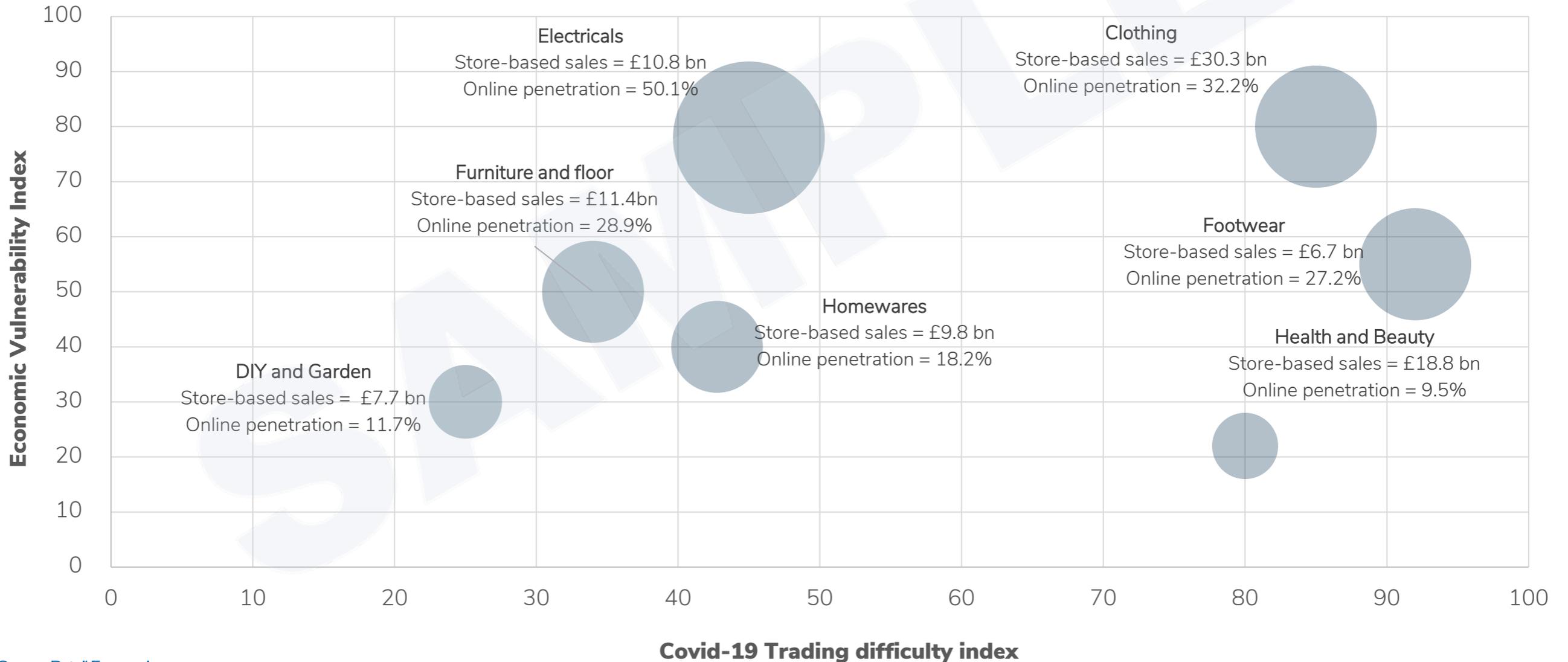
# Higher-paying jobs are more likely to be able to WFH

Affluent households are likely to have better job security and higher willingness to spend



# What does this mean for UK retail?

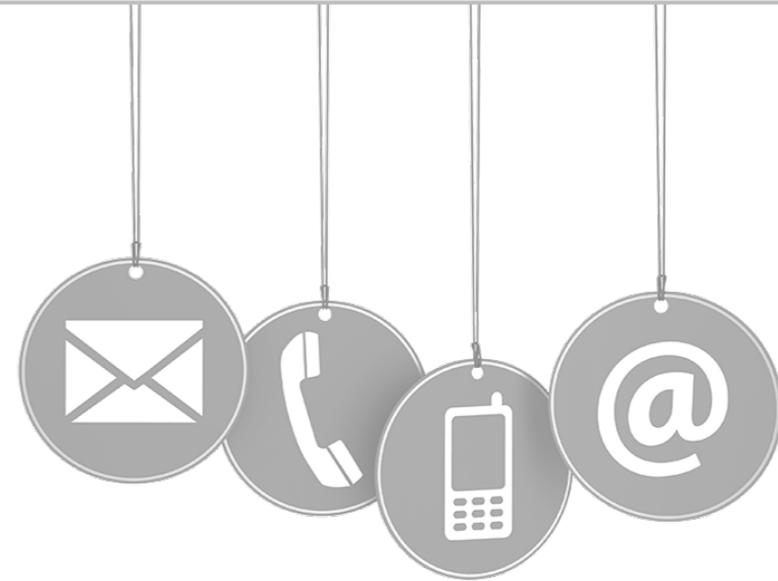
## Identifying vulnerable sectors



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The image shows two overlapping graphics. On the left is a brown square with the LinkedIn logo at the top, followed by 'TOP VOICES' in large white letters, '2020' in a gold circle, and 'United Kingdom' at the bottom. On the right is a white LinkedIn profile card for Richard Lim, Chief Executive at Retail Economics, featuring a profile picture and a QR code.



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