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COVID-19 Retail Industry Sentiment Survey

Key findings

Week commencing 18 May 2020

Introduction

To help identify the business impact of COVID-19 in the retail industry, Deloitte is conducting a weekly survey of sentiment from retail executives

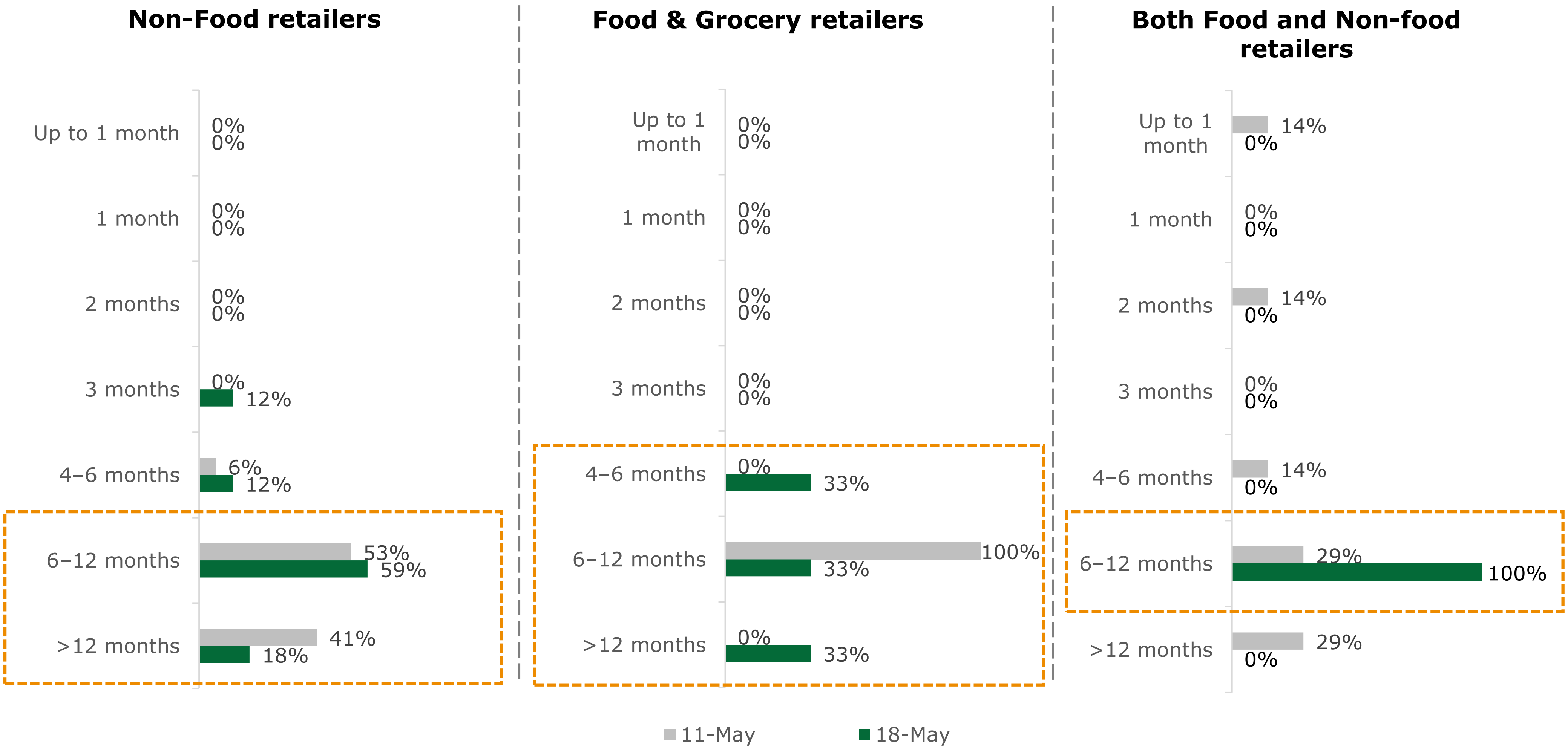
- These are the key findings from the Deloitte Retail Industry Sentiment Survey, conducted in May 2020, as part of our ongoing coverage of the UK retail industry. The findings are based on the responses of 27 senior figures representing businesses with a combined 2019 revenue of over £100 billon across both food and non food retail.
- The findings in this document represent the sixth survey conducted during the week of May 18, 2020.
- Stay tuned for our next set of COVID-19 Retail Industry Sentiment Survey findings and please visit our registration page to sign up.

Deloitte treats survey responses as being made in the strictest confidence. Access to such responses is restricted to those within the firm working on the survey. The results of the survey will solely consist of data aggregated from individual responses to our questions, therefore respondents will not be identified on an individual basis. The data for the survey is collected via an open weblink and as such, participation is not limited to a controlled list of intended recipients.

Survey responses

Length of the disruption to the retail sector

Retailer sentiment on disruption has improved slightly with 24% (vs. 6% last week) non-food retailers and 33% food retailers believing the disruption period to be less than six months; however the majority of retailers still anticipate a disruption period of more than six months.

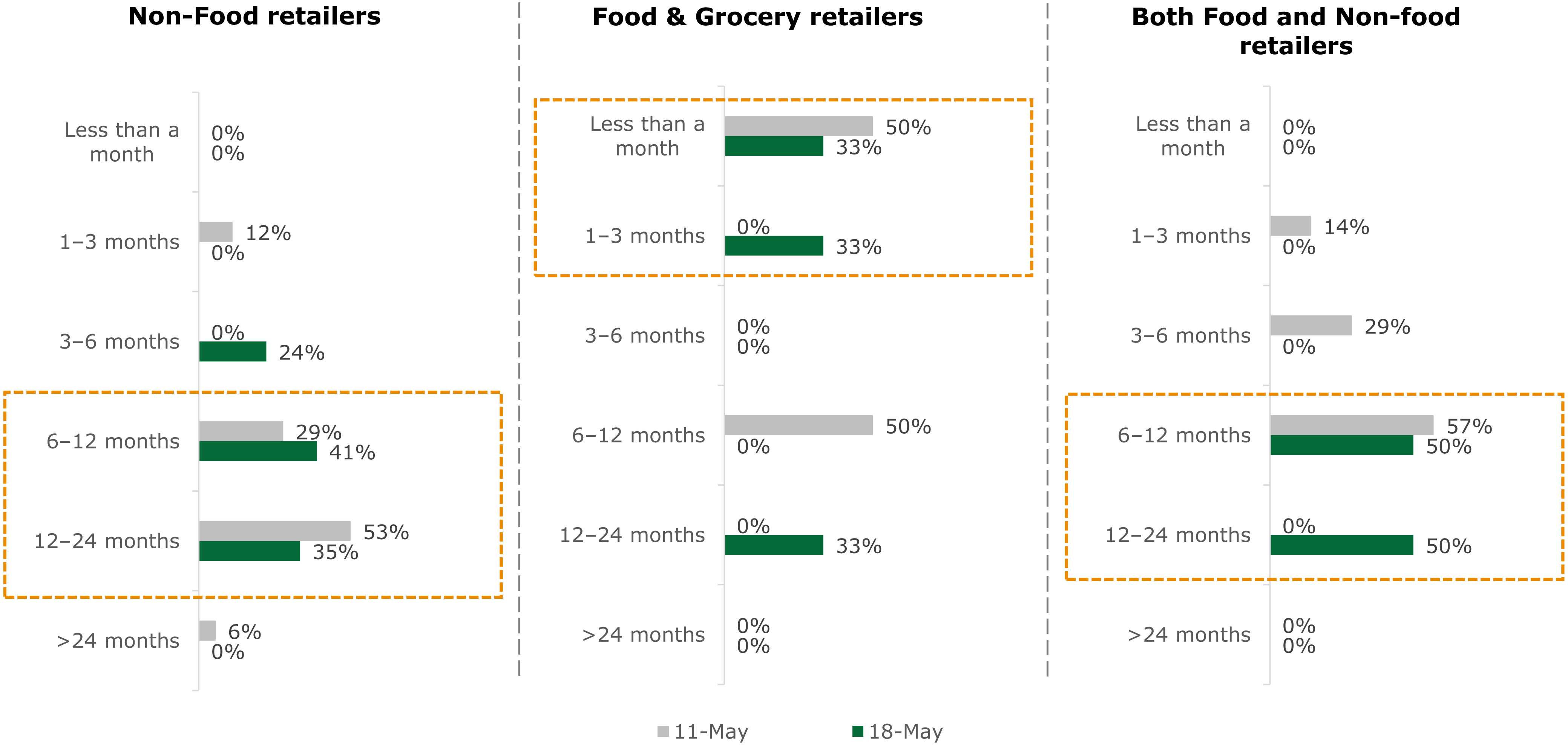


Q1: From now, how long do you expect material disruption to your business to last?

Note: Please note that percentages may not add up to 100% due to rounding-off error

Retail industry's recovery speed

76% of non-food retailers expect that once the disruption has ended it will take more than 6 months for the sector to recover, however this sentiment has shifted more towards the 6–12 month horizon (+12ppts) rather than the 12–24 month horizon (-18ppts); food retailer sentiment on recovery remains upbeat as 66% anticipate normalcy to return in under three months.

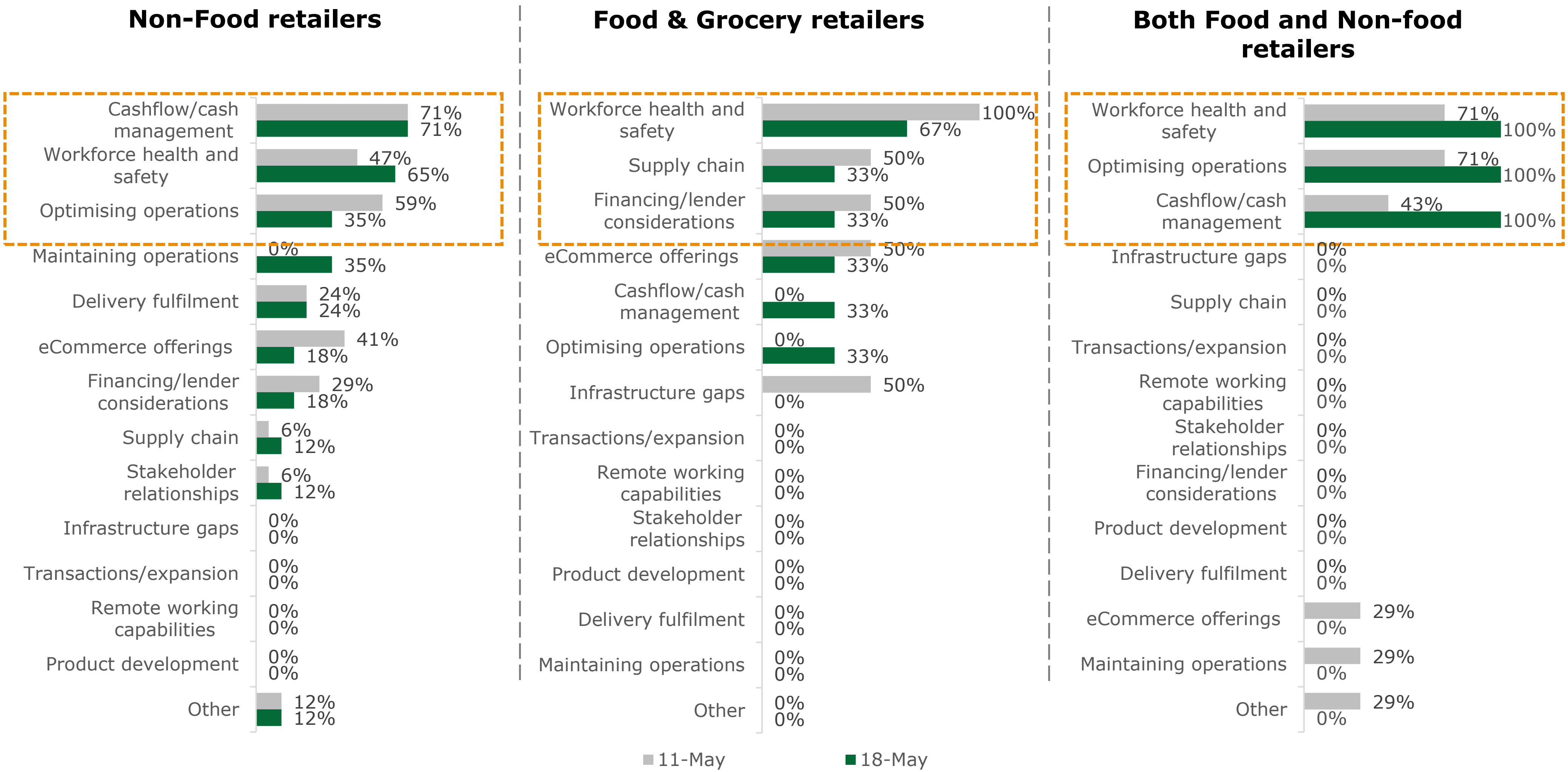


Q2: Once the COVID-19 outbreak is contained, how long do you estimate it will take for your business to get back to business as usual?

Note: Please note that percentages may not add up to 100% due to rounding-off error

Current key priorities

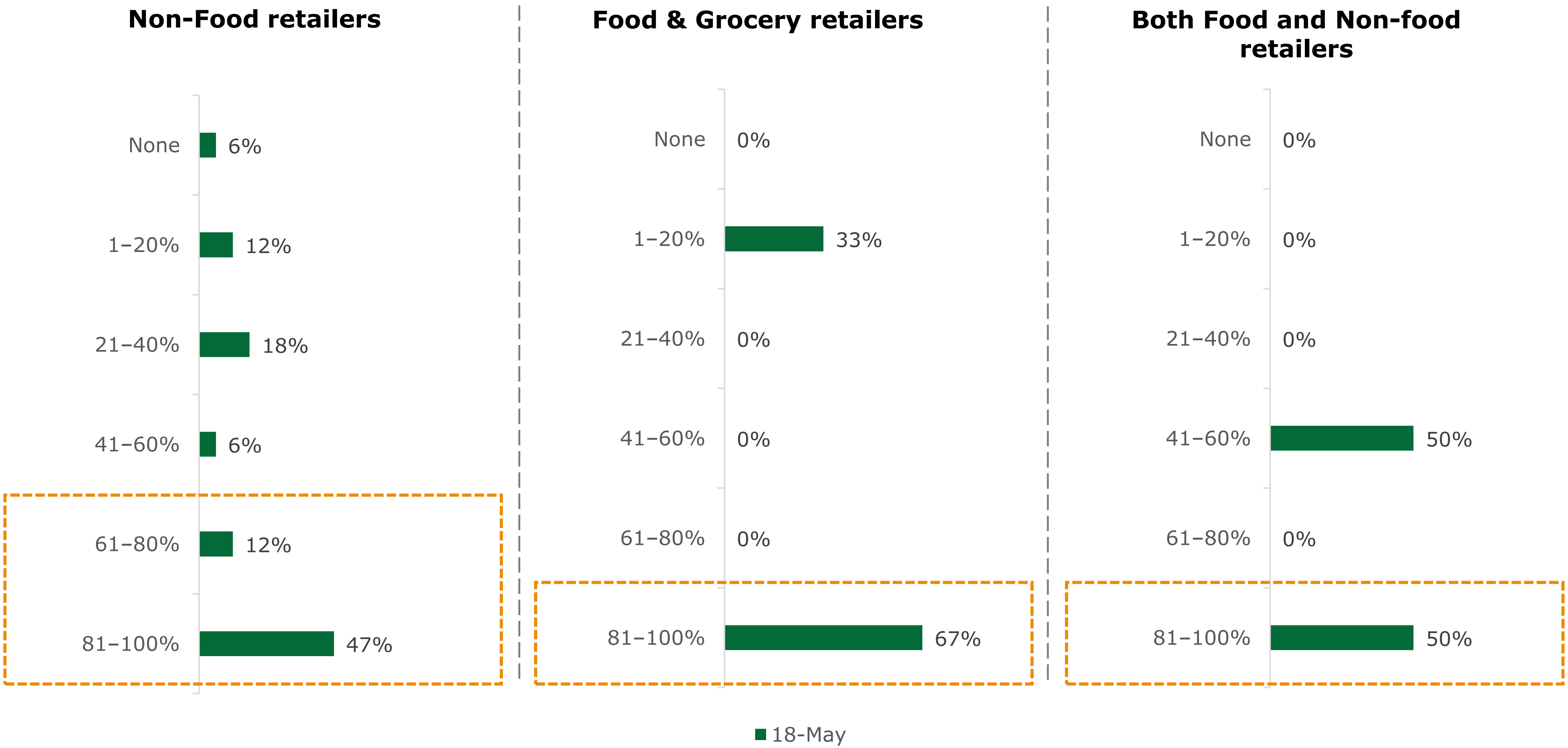
Cash management, workforce health and safety, and optimising operations remain the top priorities for non-food retailers; workforce health and safety continues to be the primary focus for food retailers followed by supply chain and financing considerations.



Q3: What are your key priorities over the next four weeks? (multiple answers possible)

Store reopening – Q2 2020

As lockdown restrictions ease, 59% of non-food retailers plan to reopen more than 60% of their store estate to customers by the end of June 2020; food retailers are more optimistic with two-thirds planning to utilise more than 80% of their store estate by the end of Q2.

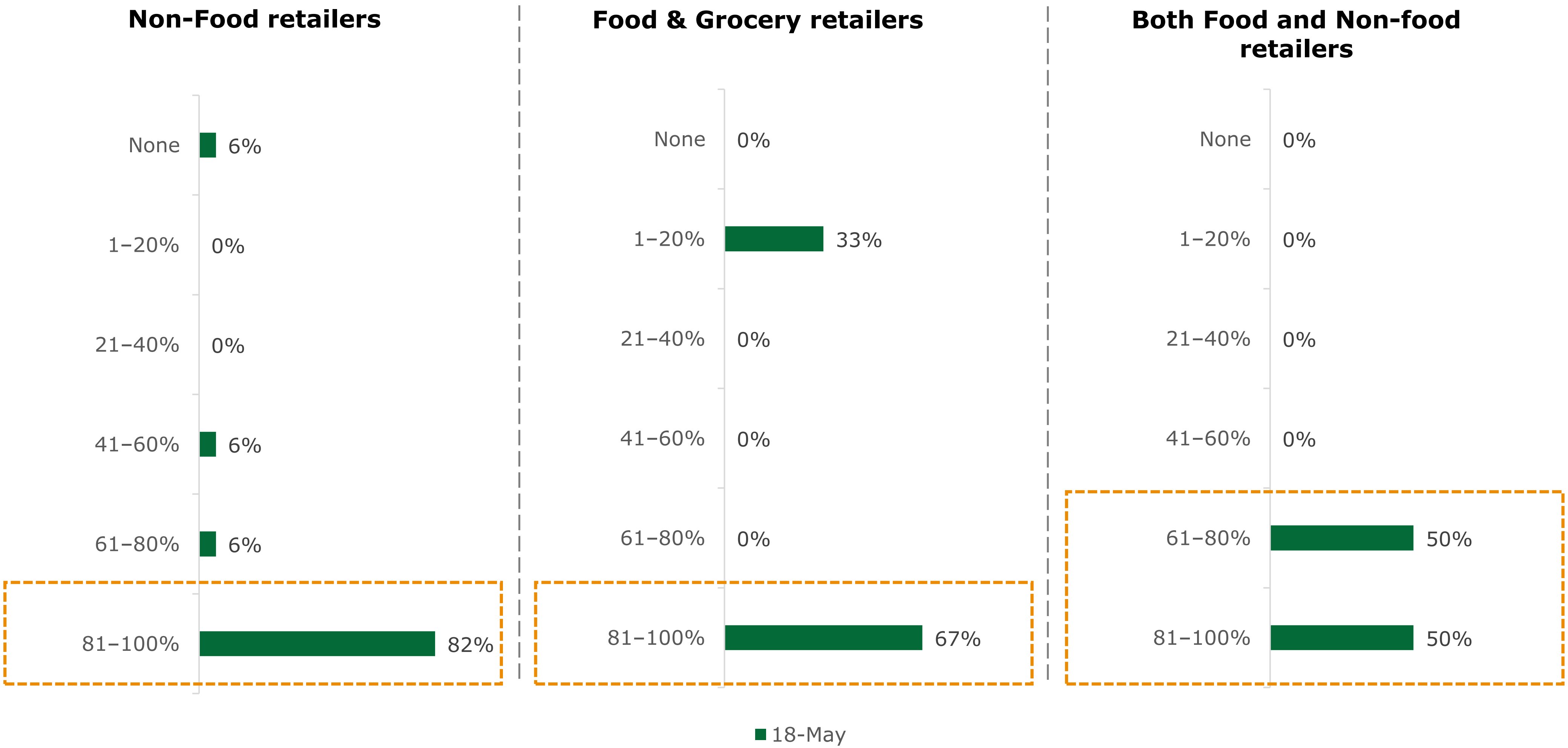


Q4: What percentage of your store estate do you plan to have open by the end of June 2020?

Note: Please note that percentages may not add up to 100% due to rounding-off error

Store reopening – Q3 2020

By the end of Q3 the majority of non-food retailers plan to have most of their stores open, however, there are still 12% of non-food retailers that are anticipating having 60% or less of their stores open, with 6% planning for stores to remain shut.



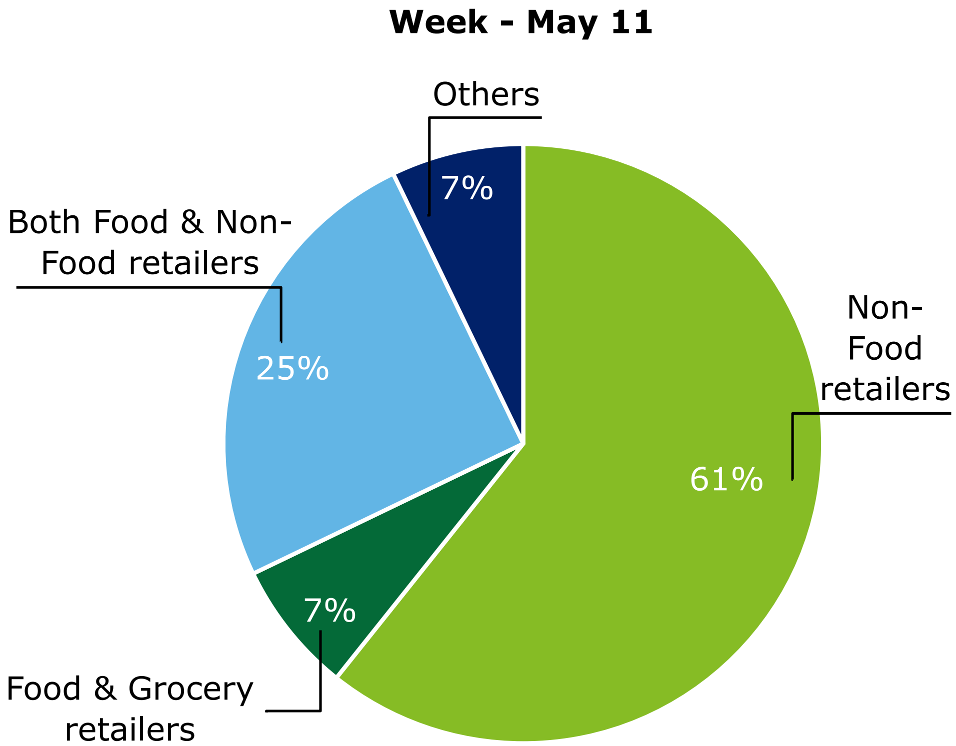
Q5: What percentage of your store estate do you plan to have open by the end of September 2020?

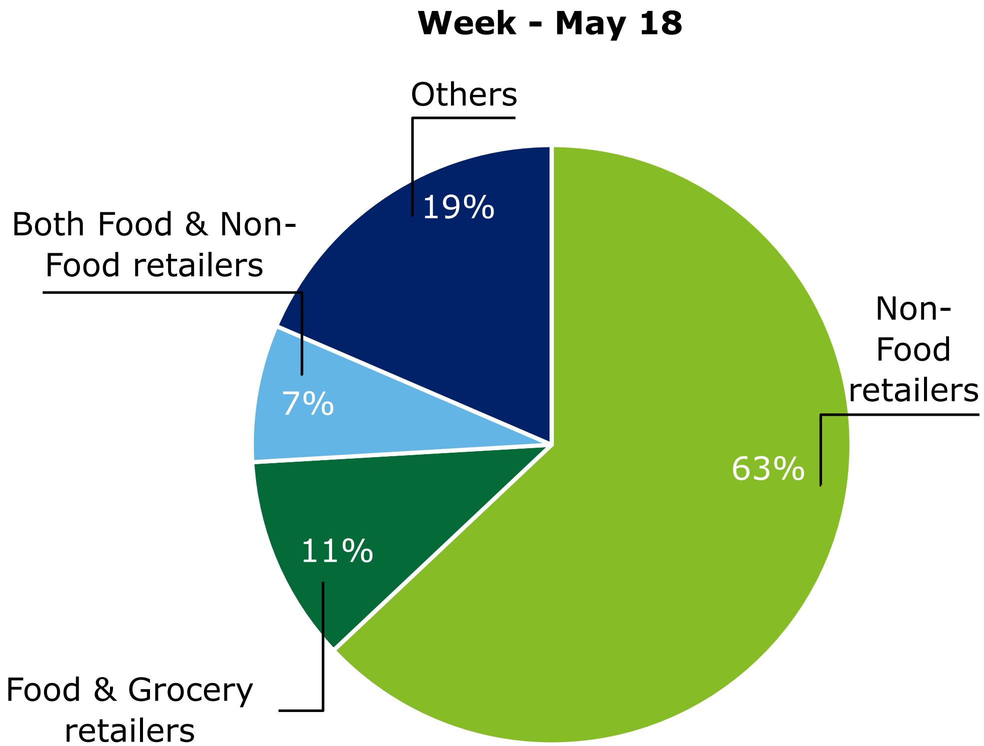
Note: Please note that percentages may not add up to 100% due to rounding-off error

Appendix

Respondent profile

More than two-thirds of the respondents (70%) identified themselves as non-food retailers (both pure and mixed) in the sixth Retail Industry Sentiment Survey rolled out in week commencing May 18





Q: Is your business predominantly a Food & Grocery retailer or a Non-Food retailer?

Contacts

Please get in touch if you have any questions

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