



COVID-19 Retail Industry Sentiment Survey

Key findings

Week commencing 04 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 30 senior figures representing businesses with a combined 2019 revenue of over £100 billion across both food and non food retail.
- The findings in this document represent the fourth survey conducted during the week of May 04, 2020.
- Stay tuned for our next set of COVID-19 Retail Industry Sentiment Survey findings and please visit our [registration page](#) to sign up.

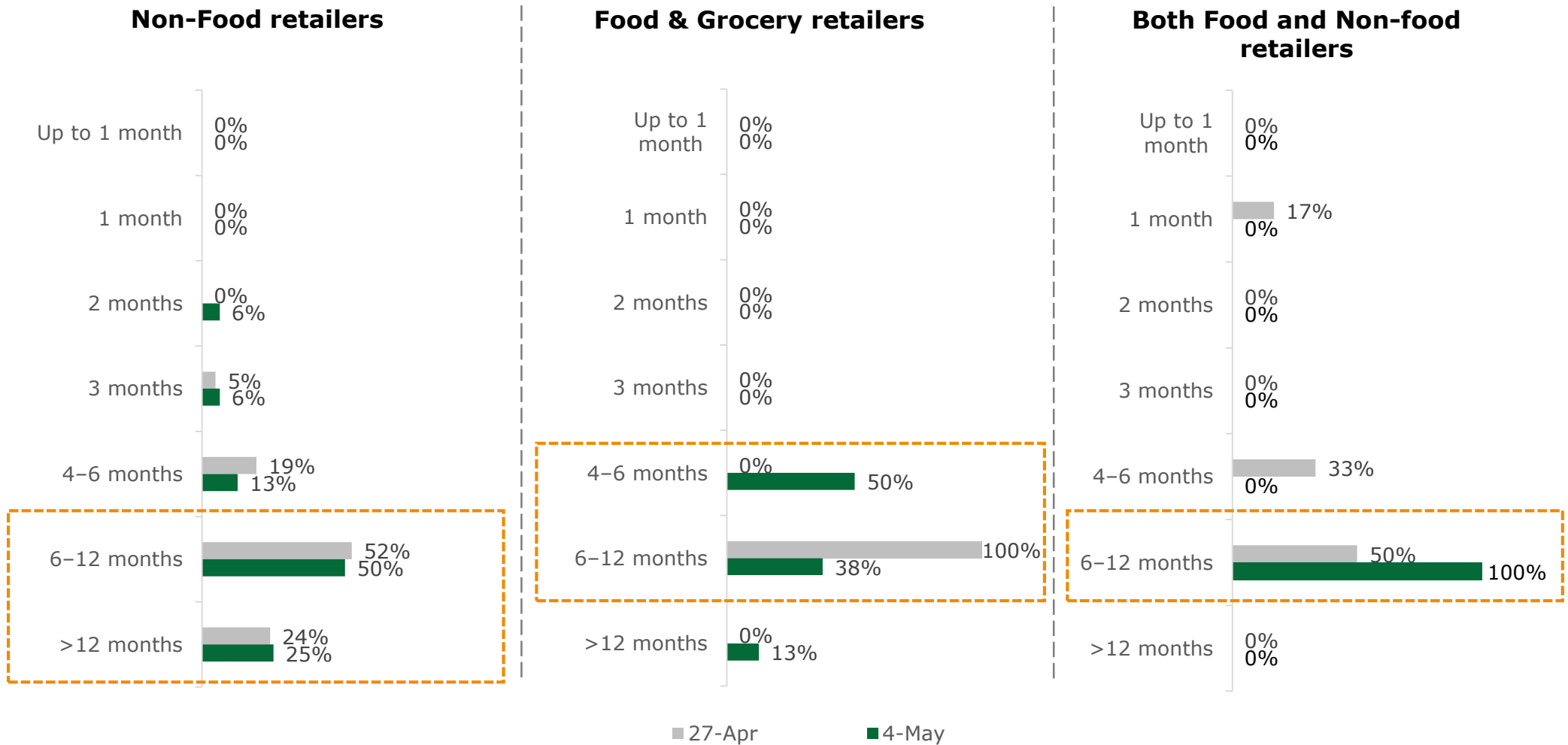


Deloitte treats survey responses as being made in the strictest confidence. Access to such responses is restricted to those within the firm working on the survey. The results of the survey will solely consist of data aggregated from individual responses to our questions, therefore respondents will not 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

Around 75% of non-food retailers expect the disruption to last for more than 6 months as compared to 50% (vs. 100% last week) of food retailers; around 50% (vs. 0% last week) of food retailers now anticipate a 4–6 month disruption period

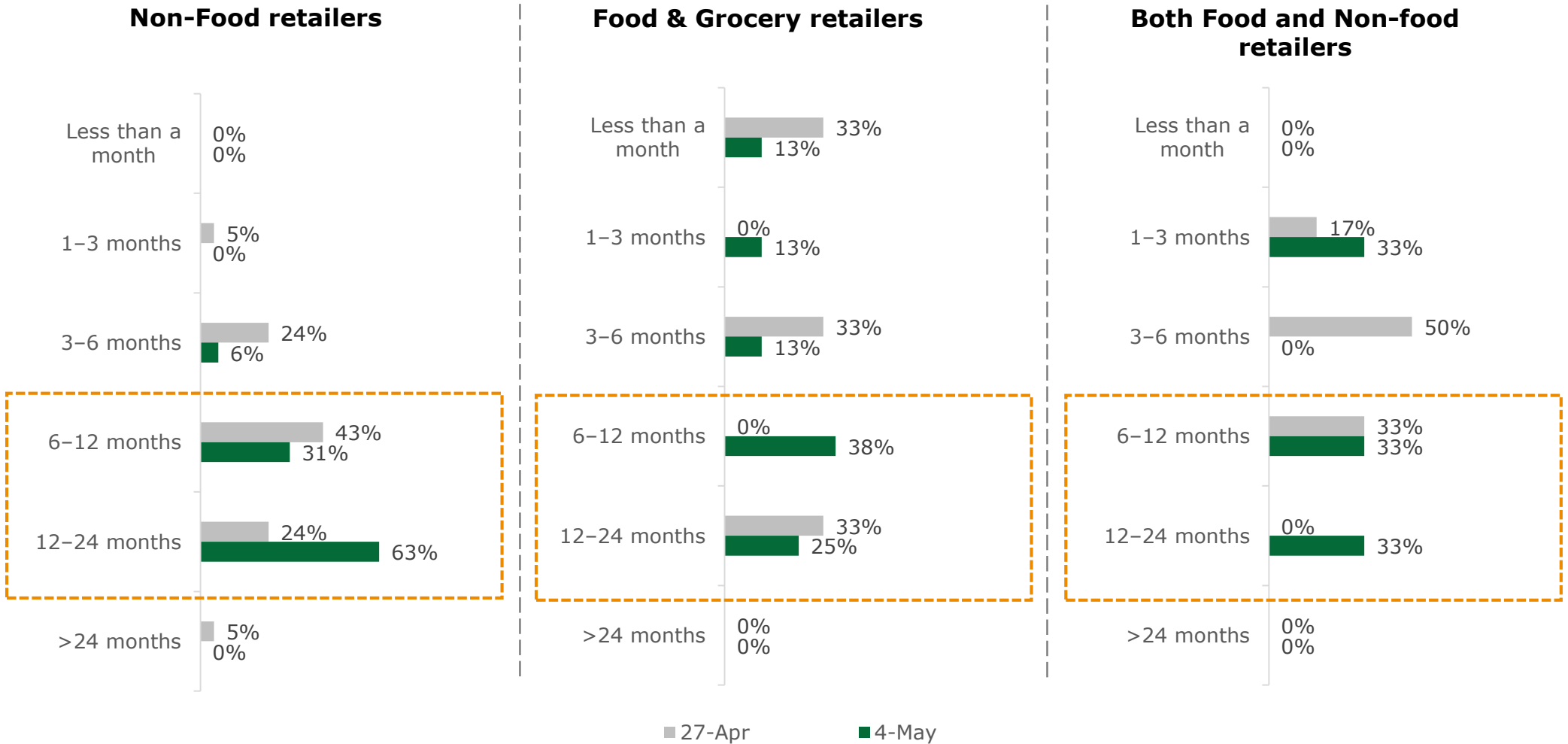


Q1: From now, how long do you expect material disruption to your business to last?

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

Retail industry's recovery speed

Non-food retailer sentiment on recovery has worsened significantly with the scale tilting from a 6–12 month to a 12–24 month horizon; food retailer sentiment on recovery has also become more negative with 63% (+30ppts) expecting normalcy to return after 6 months

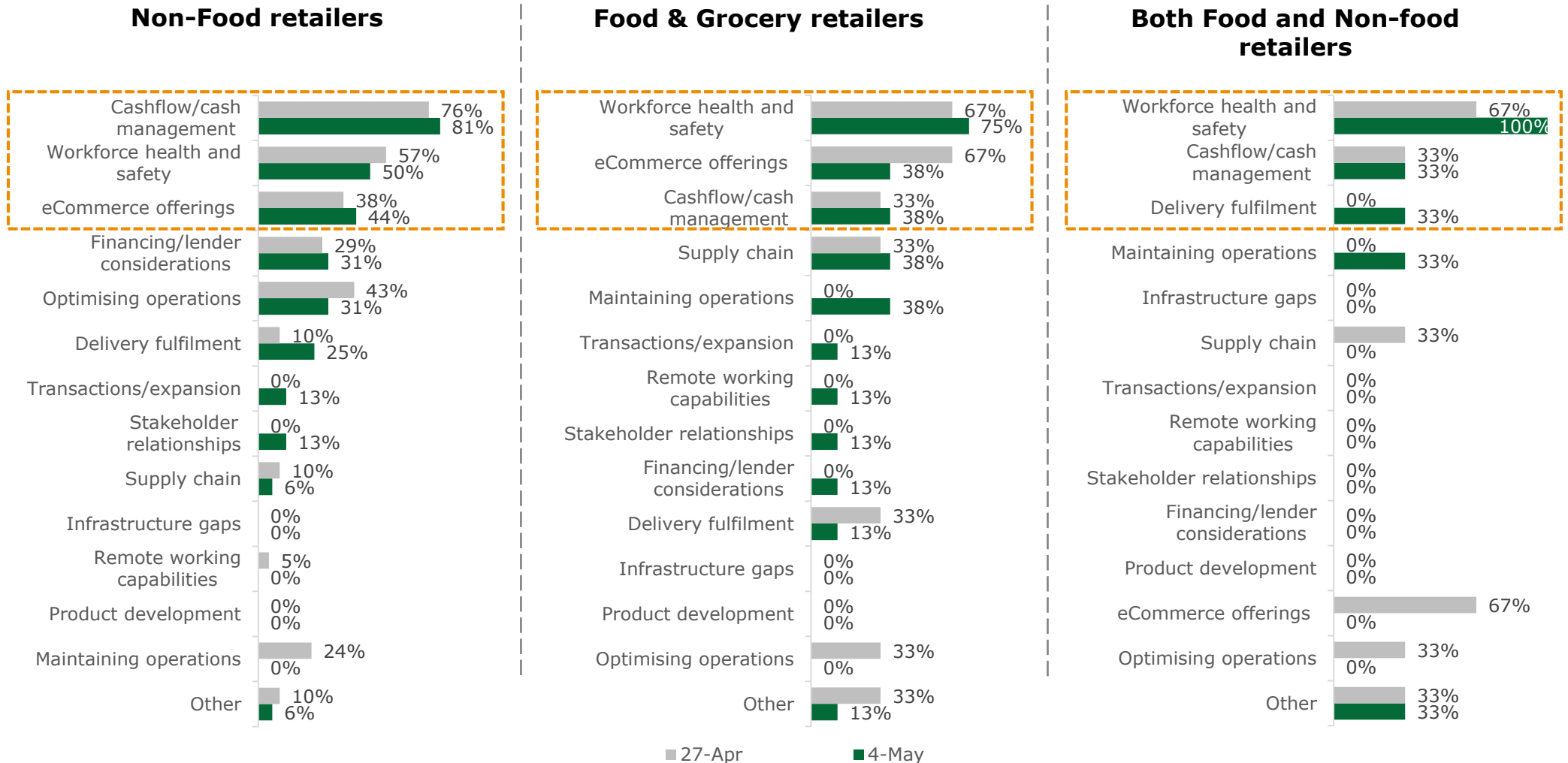


Q2: Once the COVID-19 outbreak is contained, how long do you estimate it will take for your business to get back to business as usual?

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

Current key priorities

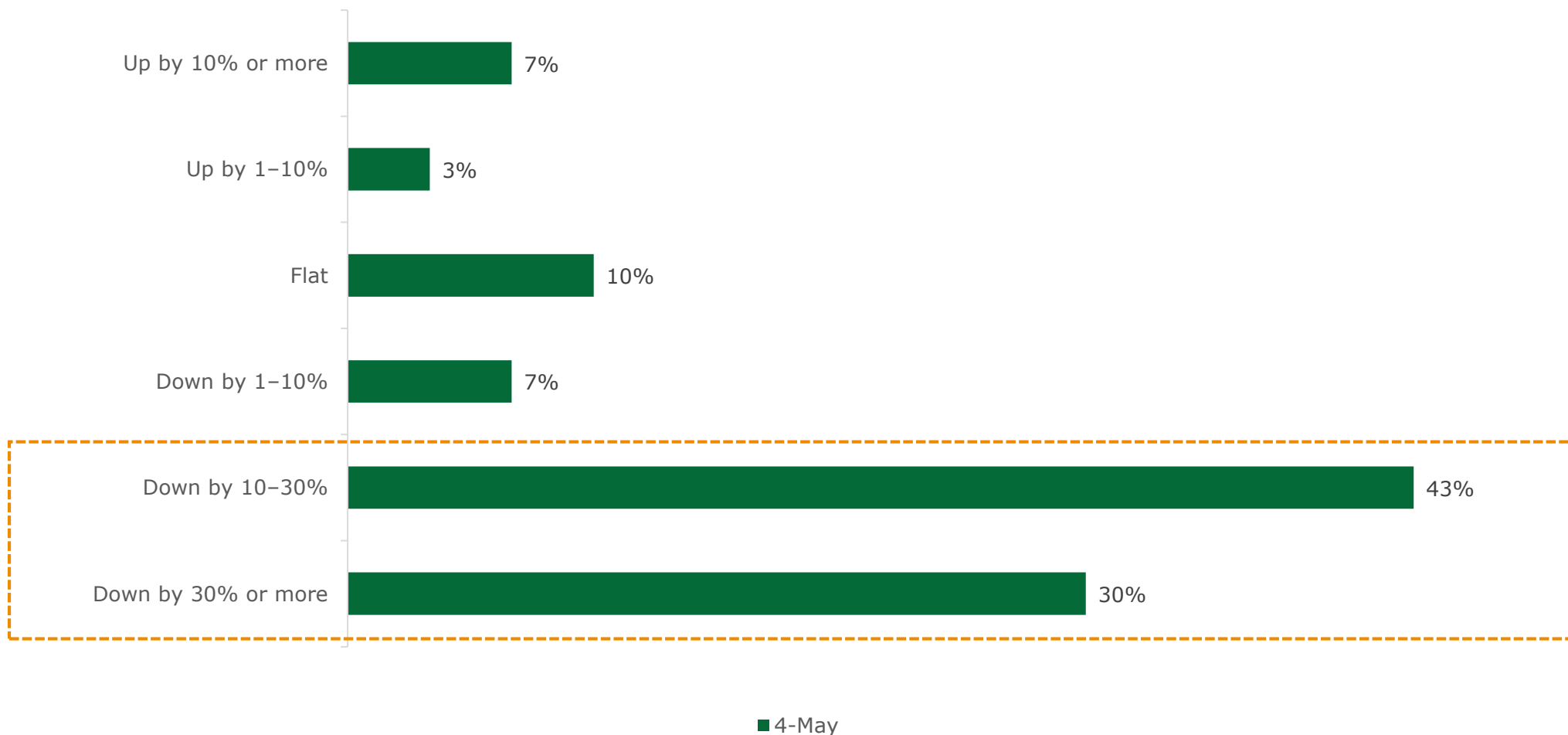
Cash management, workforce health and safety and eCommerce offerings are the key priorities for nearly all the retailers; food retailers have also placed maintaining operations (+38ppts) and supply chain (+5ppts) high on their agenda



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

Impact on earnings – Q3 2020

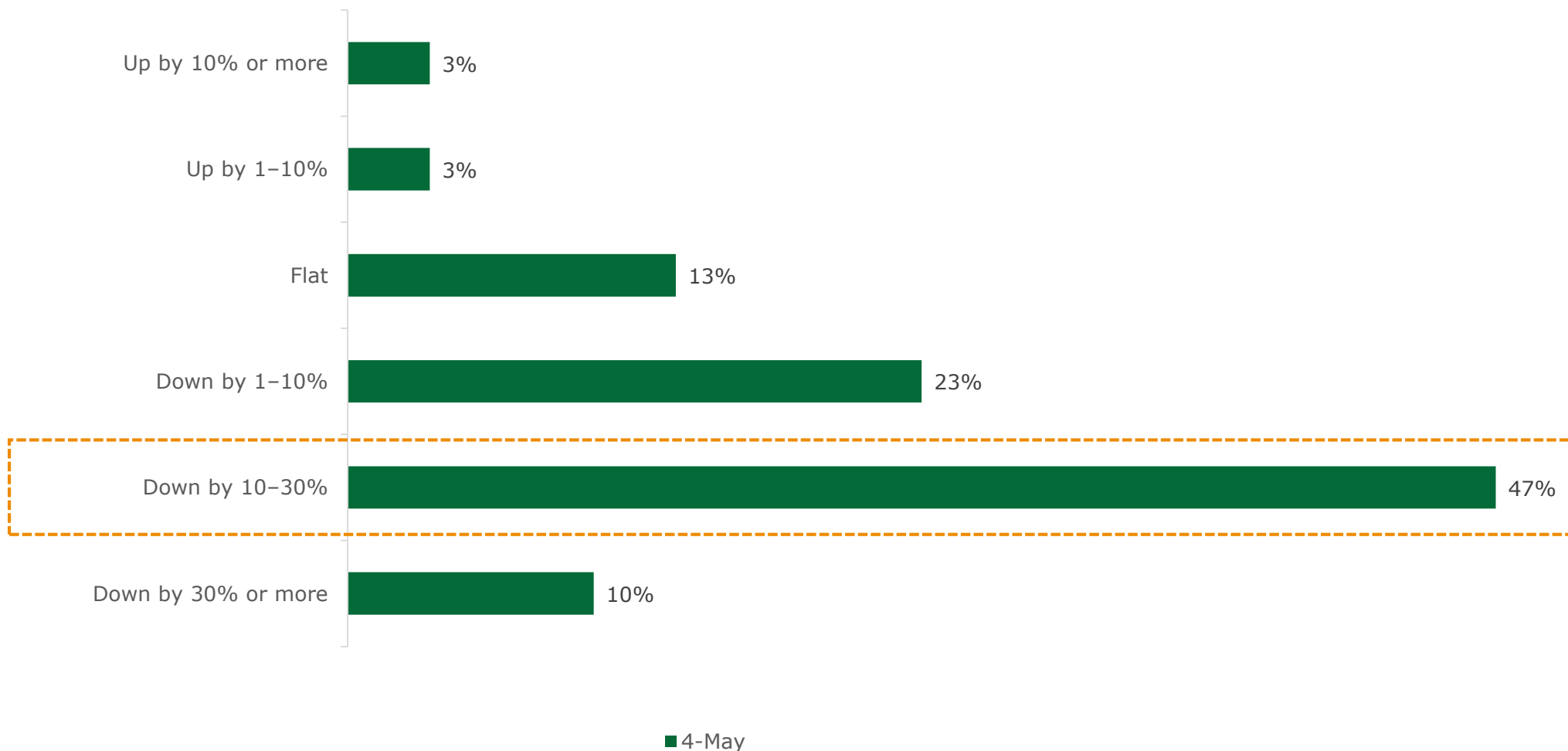
Almost three-quarters of the respondents (73%) believe that their earnings will shrink by more than 10% in Q3 2020, compared to last year, as a result of the pandemic; 20% of the respondents, primarily food retailers, expect their earnings to either increase or remain at last year's levels in Q3 2020



Q4: By how much do you expect revenue to be impacted in Q3 (Jul-Sep) 2020 compared to last year?

Impact on earnings – Q4 2020

80% of respondents expect their revenues to decline in Q4 2020 compared to last year with around half of retailers fearing a 10–30% drop in their revenue; 13% of respondents, mainly food retailers, expect a flat year-over-year revenue impact in Q4 2020



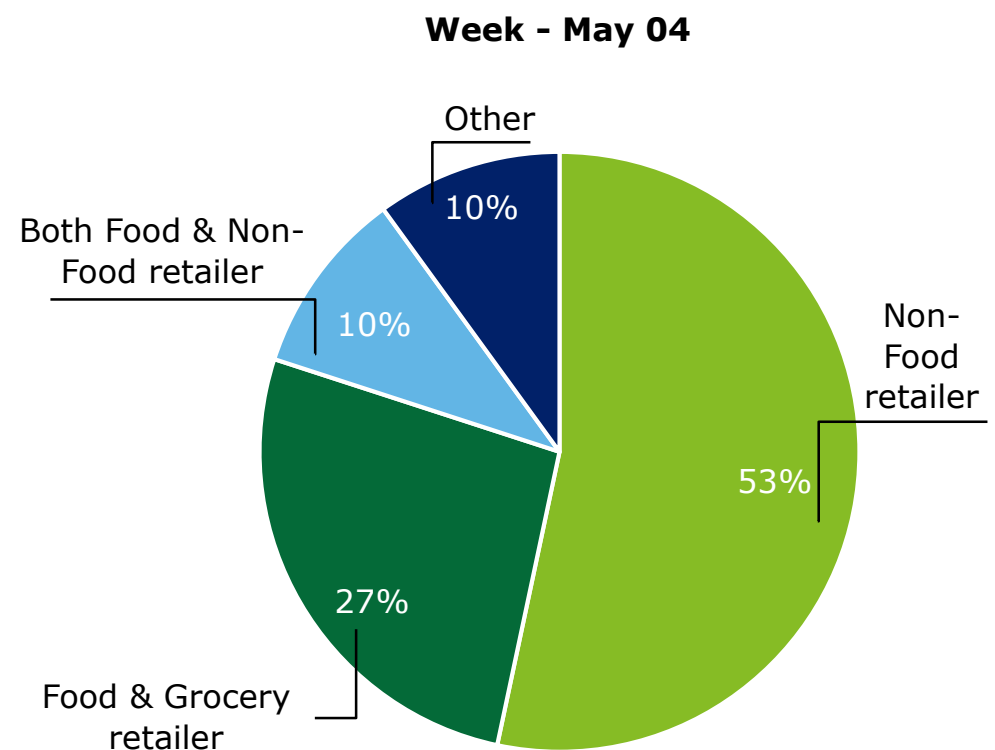
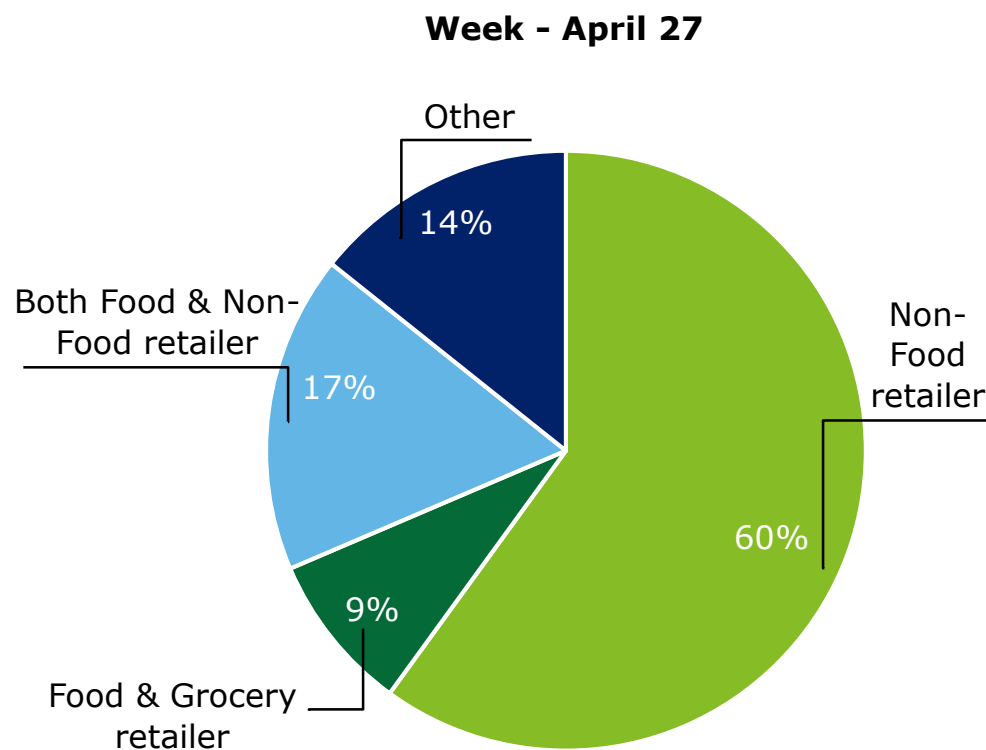
Q5: By how much do you expect revenue to be impacted in Q4 (Oct–Dec) 2020 compared to last year?

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

Appendix

Respondent profile

Almost two-thirds of the respondents (63%) identified themselves as non-food retailers (both pure and mixed) in the fourth Retail Industry Sentiment Survey rolled out in week commencing May 04



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

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

Contacts

Please get in touch if you have any questions



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