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COVID-19 Retail Industry Sentiment Survey

Key findings

Week commencing 27 April 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

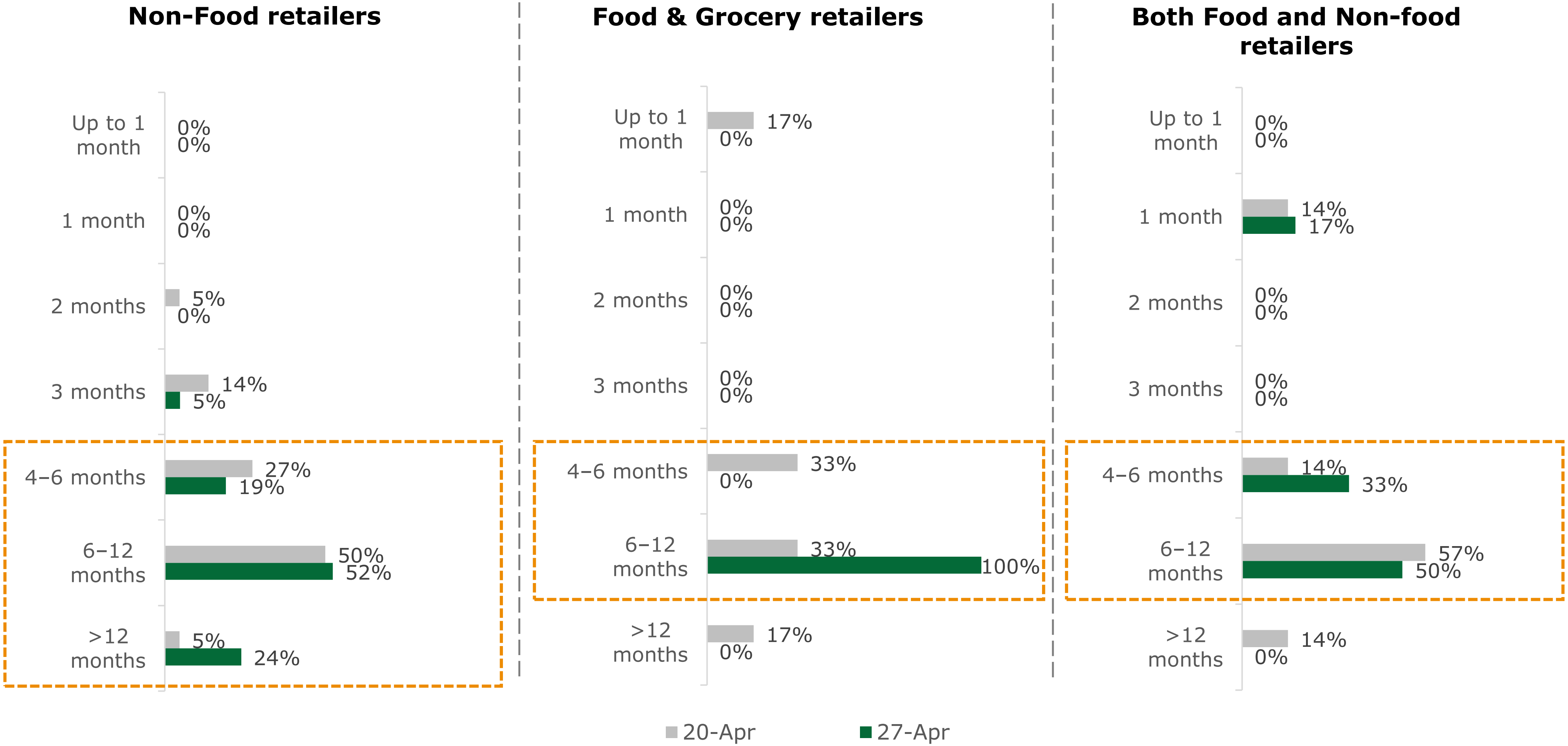
- These are the key findings from the Deloitte Retail Industry Sentiment Survey, conducted in April 2020, as part of our ongoing coverage of the UK retail industry. The findings are based on the responses of 35 senior figures representing businesses with a combined 2019 revenue of over £100 billon across both food and non food retail.
- The findings in this document represent the third survey conducted during the week of April 27, 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

All food retailers we surveyed now expect the disruption to last for more than 6–12 months; non-food retailer sentiment has been shifting towards longer term disruption with 24% (+19ppts) respondents anticipating it will last for more than 12 months

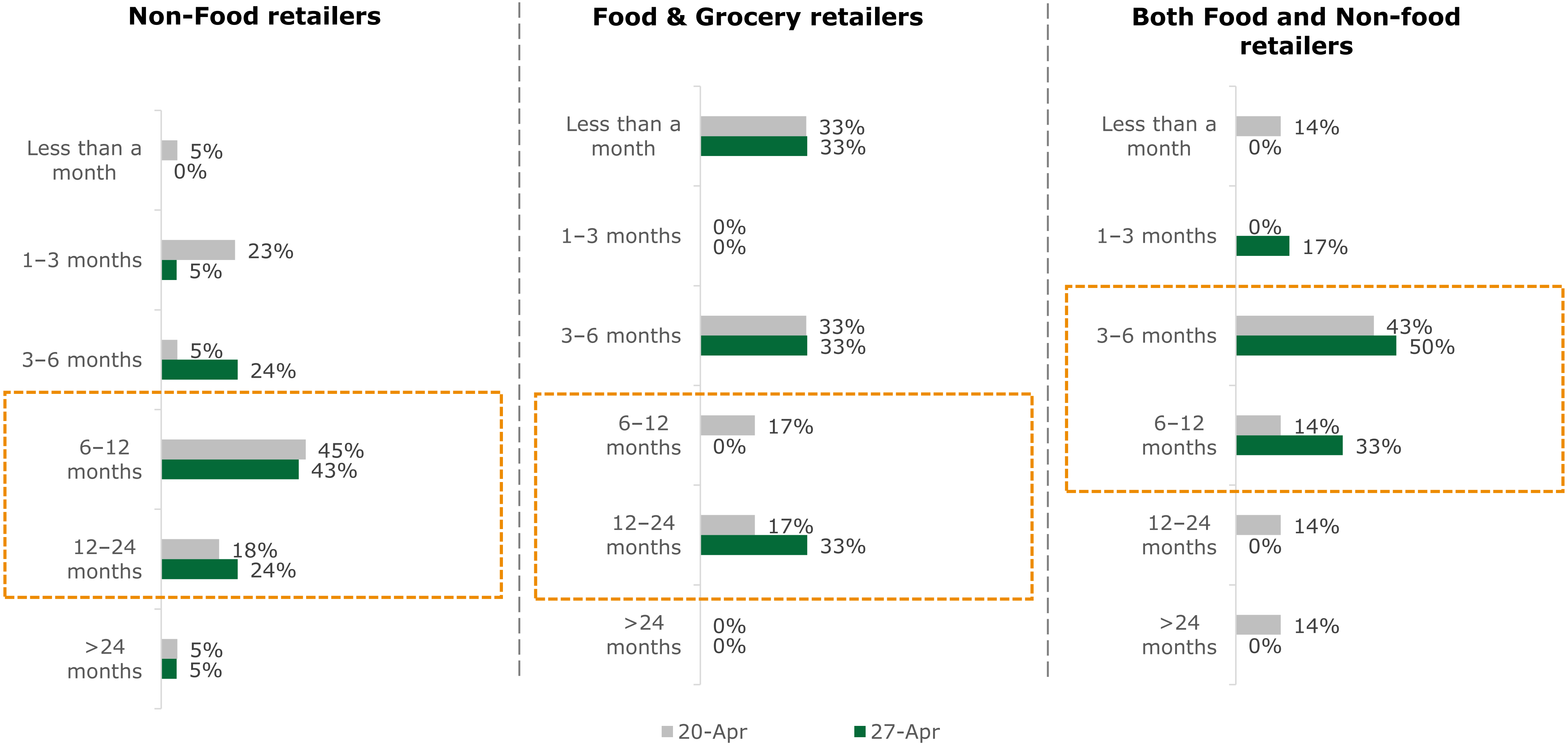


Q1: From now, how long do you expect material disruption to your business to last?

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

Retail industry's recovery speed

Non-food retailer sentiment on recovery has also become more negative in the last week, with 72% believing it will take more than 6 months for normalcy to return (vs. 68% last week); there has been little change in food retailer sentiment on recovery

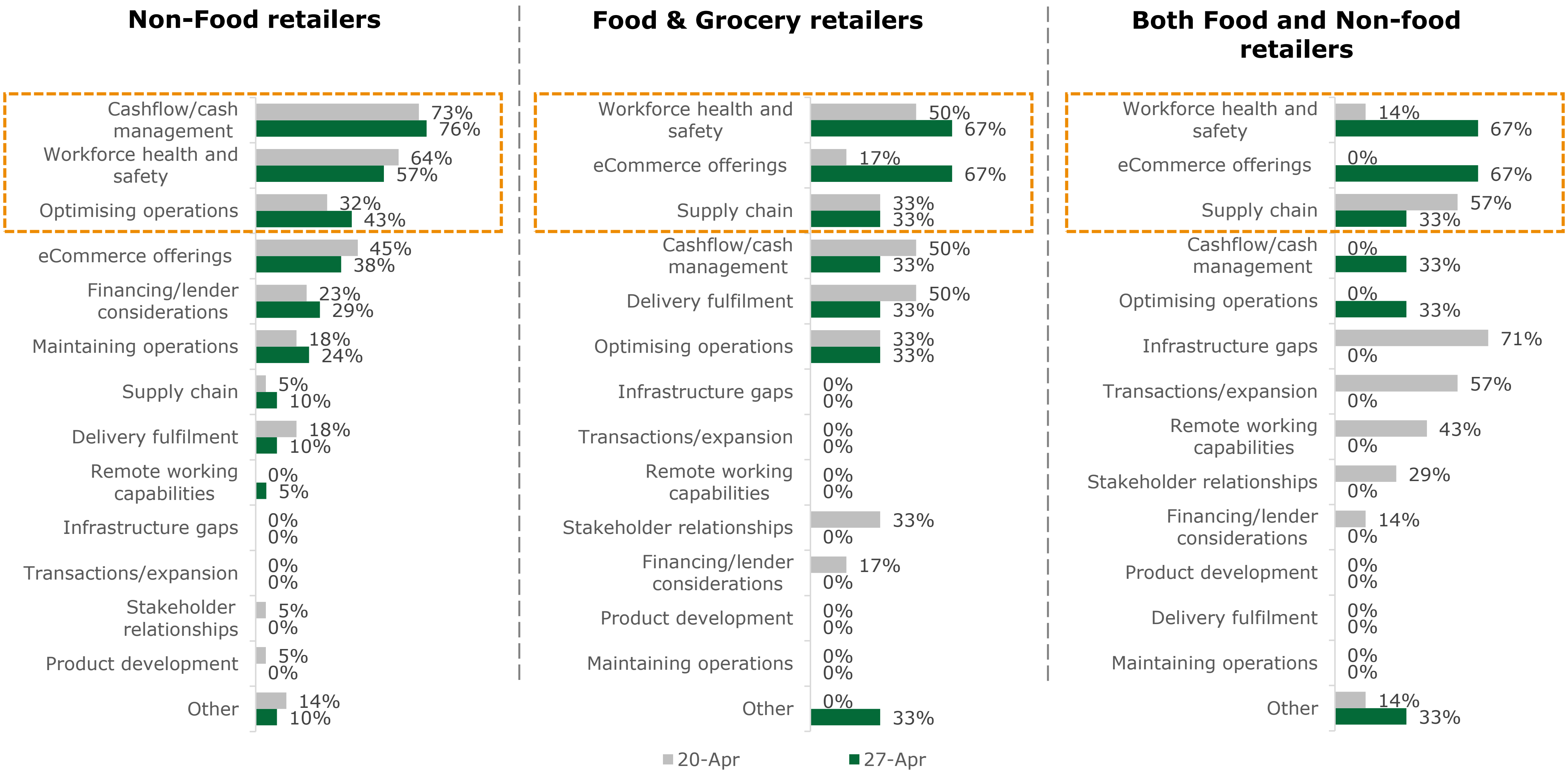


Q2: Once the COVID-19 pandemic is contained, how long do you estimate it will take for your business to get back to business as usual?

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

Current key priorities

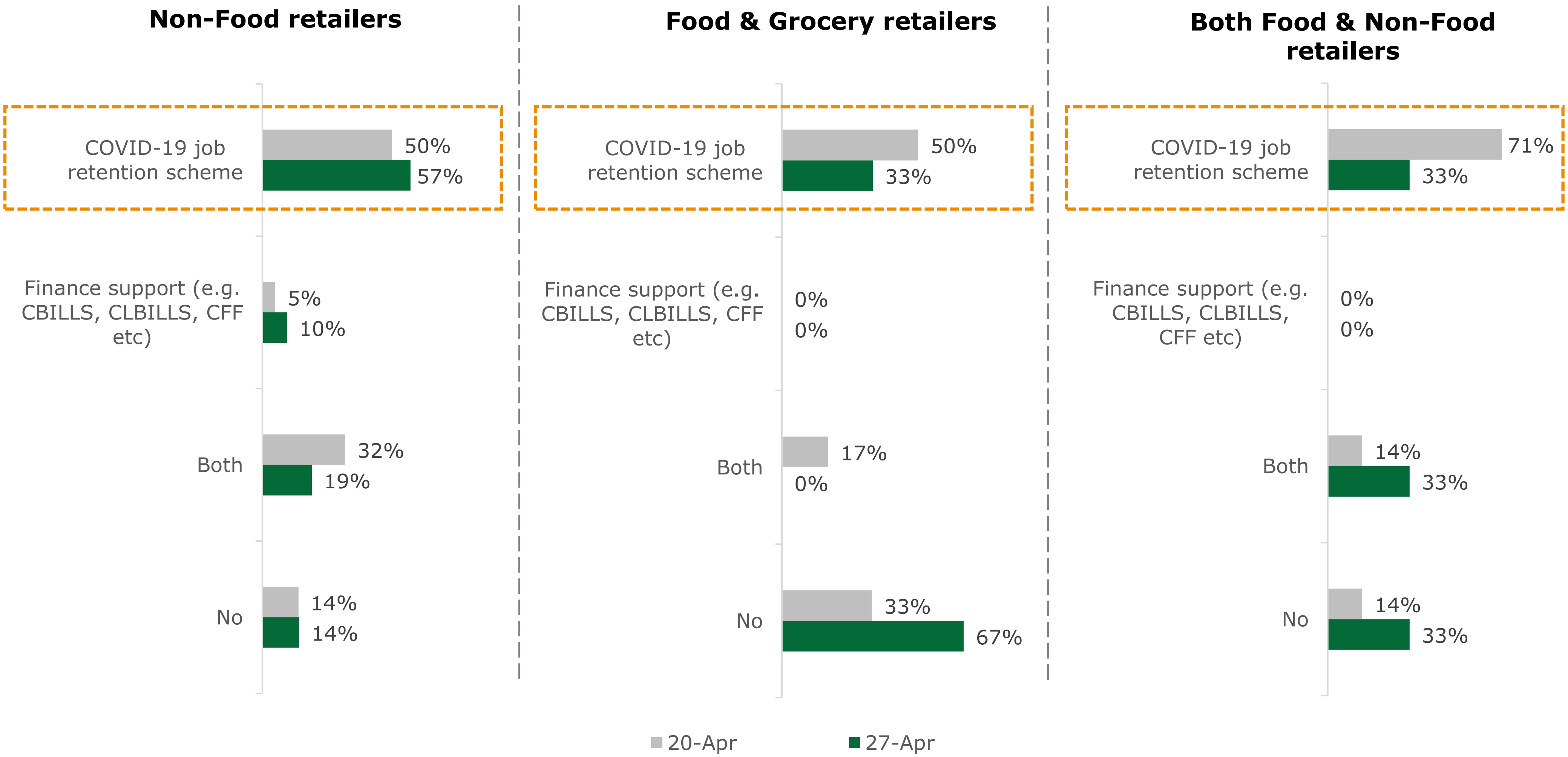
Workforce health and safety has risen to the top of the agenda for food retailers followed by their e-commerce offerings (67% vs. 17% last week) and supply chain as they look to scale up their online businesses; cash management remains the number one priority for non-food retailers)



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

Government-backed schemes

The number of non-food retailers (86%) participating in one or more of the government support schemes has been unchanged over the last week, with the job retention scheme proving the most popular

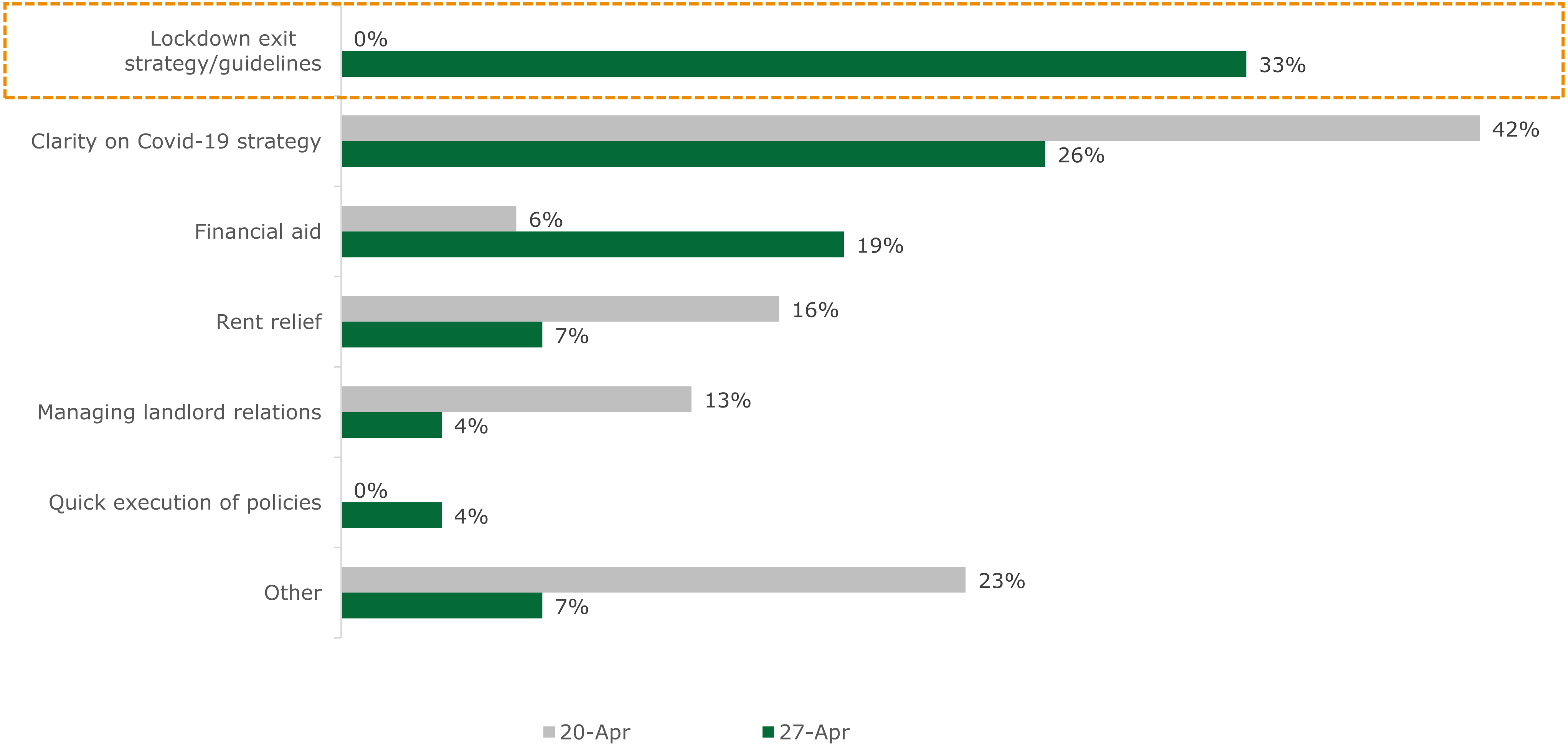


Q4: Have you participated or do you plan to participate in any of the following Government-backed schemes?

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

Government's priorities to support the industry

As the lockdown period extends, respondent sentiment has shifted towards clarity on lockdown exit strategy, rather than COVID-19 mitigation strategy; financial aid and rent relief are the next two priorities for respondents

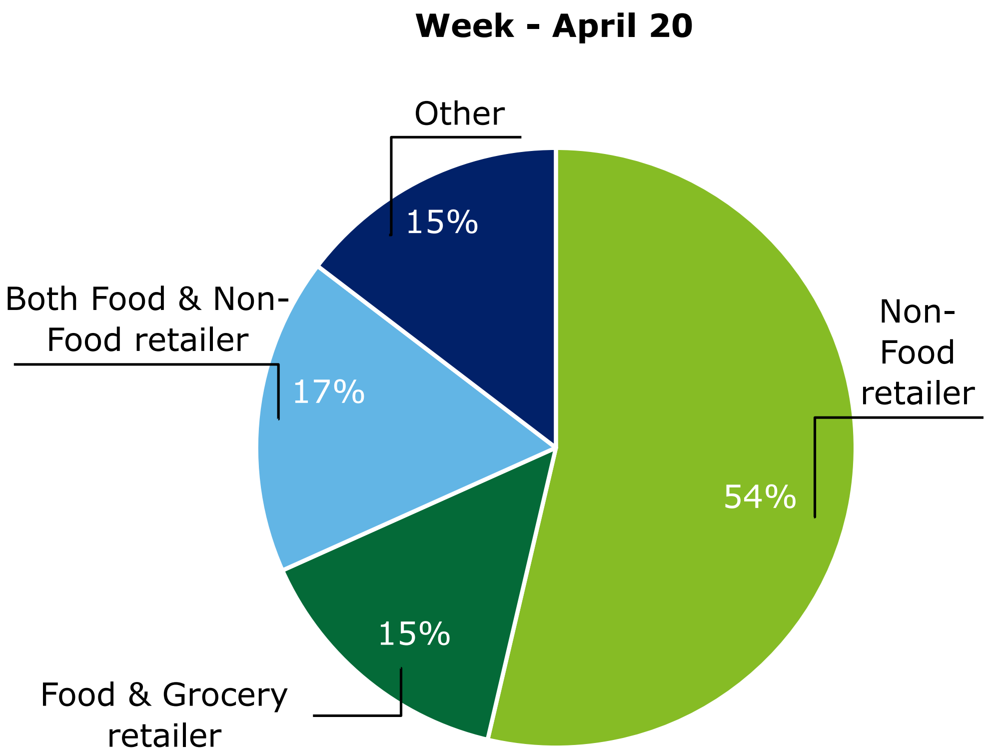


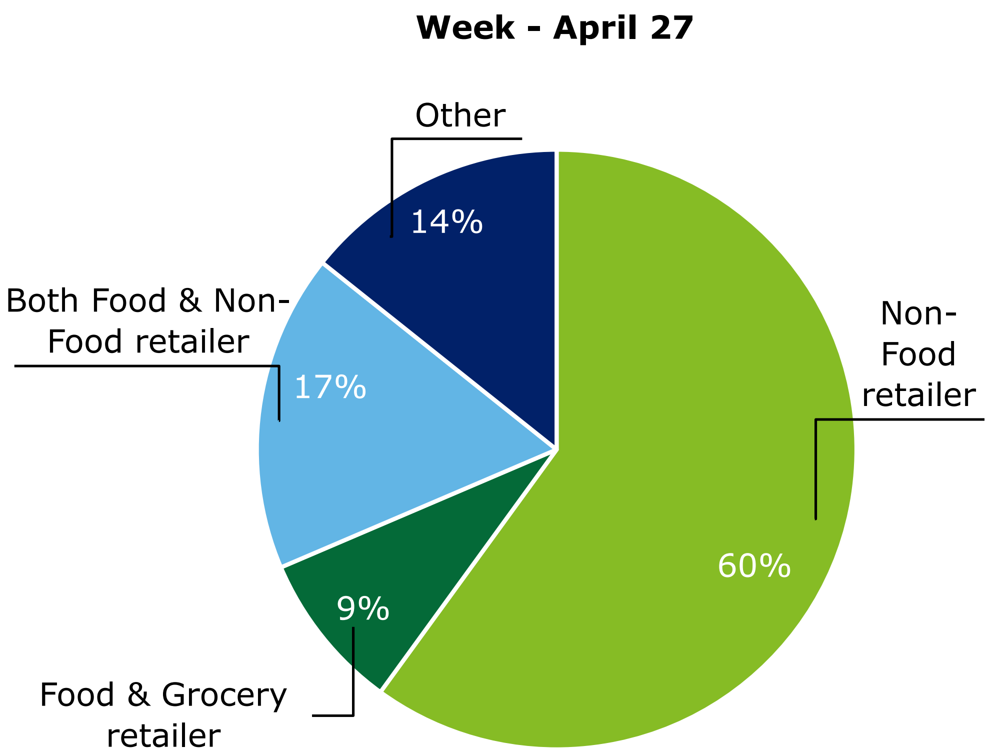
Q5: What additional government support would you like to help you cope with COVID-19?

Appendix

Respondent profile

Almost three-fourth of the respondents (77%) identified themselves as Non-Food retailers (both pure and mixed) in the third Retail Industry Sentiment Survey rolled out in week commencing April 27





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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