

Retail Industry Overview: The Coronavirus Era Outlook

July 2020

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Key findings

OVERVIEW OF RETAIL AND COVID-19

Retail sales will decline in nearly all regions in 2020

Retailers face several simultaneous challenges in 2020

Temporary store closures stem virus, harm annual sales

The US to post the largest absolute sales decline in 2020

The retail industry faces a multi-year recovery process

PHASES OF RETAIL RECOVERY

Retail's four phases of COVID-19 evolution

Phase 1: Crisis

Phase 2: Stabilisation

Phase 3: Recovery

Phase 4: Normalisation

Subsequent "waves" of virus will move countries to earlier phases

REGIONAL SNAPSHOT

Australasia: effective public health response mitigates declines

Asia Pacific: COVID-19 case loads shape retail outlook

Middle East: low oil prices compound public health challenges

Africa: pandemic compounds existing economic challenges

Eastern Europe: economic factors to delay Russian recovery

Latin America: overlapping challenges in action

North America: diverging government efforts between US, Canada

Western Europe: low case numbers lead to better retail outcomes

KEY TRENDS IN RETAIL

Grocery sales grow due to stockpiling, closed institutional channels

E-commerce will be transformed by the COVID-19 pandemic

Manufacturers, mono-brand retailers invest in omnichannel

Even essential retailers are seeing costs rise

LOOKING AHEAD

Retail's performance is tied to the trajectory of the pandemic

High levels of COVID-19 cases severely hinder retailers

Recovery will be a slow process due to overlapping challenges

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