MULTICHANNEL RETAIL AND COVID-19

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Independent research by GlobalData with support from Amazon
The pandemic has disrupted how we shop. There have been shifts in where we spend money, and the number of retail transactions made online has increased. This has created a wave of negative headlines about the demise of physical retail.

What the headlines fail to appreciate is that the pandemic is not dividing retail, it is bringing online and physical closer together with many retailers using both channels harmoniously. This reflects how the consumer has always viewed retail: not as separate channels, but as one market.

The evidence suggests that the pandemic has acted as a catalyst for the closer integration of stores and online and many retailers are investing in, or plan to invest in, multichannel systems, processes and tools to drive their overall sales.

In any case, even if online transactions are isolated, it is important to understand that penetration did not reach anywhere near a majority of retail sales during the pandemic. Indeed, peak penetration rates during lockdown periods have since dropped back in all countries.

The reason the online channel failed to dominate is because customers’ needs are often best served by using multiple channels to make purchases. The best and strongest retail business models now reflect this: they present a seamless, channel-agnostic shopping experience for the consumer.
Retail was already changing rapidly. The pandemic has only hastened that process by causing extensive disruption to the way in which consumers shop and the way in which retailers do business.

Along with that change have come a lot of predictions about the future. Some of them are based on actual trends seen during periods of lockdown, others are more speculative in trying to assess what retail will look like in the years ahead.

In reviewing these various prognostications, it is important to keep two things in mind. Firstly, what happened during the lockdown period was unprecedented. Unless there is a view that most physical shops will be closed by government order on a permanent basis, it is not reasonable to assume that behaviors and ways of shopping during an exceptional time are the benchmark for the new normal.

Secondly, behind the headline figures there are a lot of dynamics that are invisible and need to be explored more deeply in order to understand where retail is headed.

Nowhere is either of these factors more applicable than in the predictions about online shopping and its intersection with the future of physical stores.

Long before the pandemic hit, there was a popular narrative that online was destroying physical shopping. This inaccurate view about online held that the digital world will, if not destroy, then eviscerate physical retail as we know it.

In some quarters, the pandemic has amplified and strengthened this view. As online penetration rose during the period of lockdown, so the chorus of voices proclaiming that the days of physical stores were numbered became ever louder.

In this report we have used an evidence-based approach to find out exactly how shopping habits changed during the lockdown and pandemic, how they have changed across the subsequent recovery period, and how they may evolve over the rest of this year.

The data reach some interesting conclusions, many disproving various hypotheses which have sprung up during the pandemic.

A key nuance many of the forecasts miss is rather than being a separate part of the shopping process, 'online shopping' is not distinct from physical stores and is often highly dependent on them. The thinking often ignores consumer preferences and behaviors which treat online and physical channels as parts of a single retail market.

This research shows that even during the lockdown period, a very significant proportion of sales that are attributed to the online channel are, in fact, multichannel sales that rely on both stores and online for success. Even across a disrupted year for stores, in all countries apart from France, physical spaces will drive and support around a third of online non-food purchases. In France, that figure is a quarter.

Notably, despite many non-food stores having been shut for at least some of the pandemic, the percentage of sales driven by them has held up remarkably well. Indeed, in the US, stores will influence and support a greater proportion of digital sales than they did at the start of the year – mainly thanks to retailers introducing new collection services such as curbside pickup.

Looking ahead, these linkages between stores and online channels are likely to strengthen rather than be diminished. This is mostly because during the pandemic many retailers quickly emphasized or added services that allowed shoppers to collect or return products to stores. If anything, the pandemic has accelerated the irrelevance of separate channels.

Many consumers started using these services during the pandemic and have found they like them. This is one of the reason why large percentages say they will continue to use the services more even when the pandemic has gone.

Retailers back this view. Despite the challenges that the pandemic has thrown up, the vast majority of retailers believe that stores will be just as important or more important in driving multichannel sales than they were before the coronavirus crisis.
• As a result, coming out of this crisis, most retailers intend to invest more in multichannel capability. A lot are now focused on how to leverage stores to drive and support online demand.

• This focus is not as misplaced as another popular pandemic view would hold. The argument runs that the online channel has dominated during the crisis, and, most particularly, the lockdown period. In fact, the data show that while the online channel took a much bigger slice of the pie – understandably so when non-essential stores were shut – it failed to take the majority of sales in any country in this study. Online was also heavily dependent on physical stores to get products to customers.

• There are several reasons for this, but foremost among them is people delaying purchases until they could visit physical stores and others diverting their non-food spend to essential retailers that remained open during lockdown periods.

• Another hypothesis that is often floated is that the penetration rates notched up by the online channel during the pandemic will stick. Here the evidence is also clear. While there is certainly a case for saying that online penetration will be higher after this crisis than it was before, the idea that online penetration will remain at peak levels is little more than fanciful.

• In every country included in the study, online penetration has already started to come down from peak levels as non-essential physical stores have reopened and some consumers have gone back to more established ways of shopping. Of course, this downsing in online penetration has occurred during a period when large numbers of people still feel uncomfortable about visiting shops. As such, it is fair to say that the penetration numbers could fall further still as and when the virus becomes less of an issue and consumers revert to patterns of behavior more similar to those seen pre-pandemic.

• The raw numbers speak for themselves and paint a picture that is far from gloomy for physical stores. However, it is also important to look beneath the surface to find out what is driving the numbers and to understand some of the nuance in the headline figures.

• One of the points that is often missed by those who believe the world of shopping will become more dominated by online, is the fact that consumers have a wide and varied range of criteria when determining where they shop, and these are best met by shopping across multiple channels.

• Indeed, from the consumer research, it is clear that no single channel provides complete satisfaction. Moreover, shopping using multiple channels allows the consumer to maximize efficiency in a way that shopping via a single channel is not able to match.

• One of the things that consumers across all countries clearly said during the lockdown, is that they missed the social interaction of physical stores - something that online has not been able to completely replicate, especially during a time when people have been physically distancing themselves from others.

• In a sense, not being able to go shopping or to visit physical outlets has given some consumers a newfound appreciation of stores which is one of the reasons why in countries that have reopened there has been a mini-rush to visit physical retailers. The pandemic has probably strengthened, not weakened, consumers’ long-term views of physical places and spaces.

• None of this is to suggest that the online channel is unimportant, that it isn’t disrupting retail, or that retailers should ignore it. Nor is it to suggest that the pandemic has not created changes and shifts. However, in this report we present a fact-based view that places the online channel in its proper context, reviews its real role in the wider shopping journey, and takes a balanced view of how that will change as we emerge from the current period of crisis.
The traditional way of measuring sales focuses only on the point of transaction; however, this is only one part of the shopping journey and all other parts are ignored.

The more accurate way to understand sales is to look at how all elements of the shopping journey influence and support the point of transaction.

- The pandemic has created a lot of discussion about the rapid growth of the online channel. Numbers showing the increased penetration of digital sales and e-commerce growth have made for frequent talking points.

- Looking at the channel through which a sale has been made has the benefit of simplicity: it is relatively easy to measure and it is straightforward to understand. However, the main drawback is that it presents a superficial picture of how consumers shop and how retailers serve customers.

- The principle here is the point of transaction does not exist in isolation. A significant number of transactions are part of a wider shopping journey that involves multiple stages. Across each of these steps the consumer may use a variety of different channels to meet their needs. There are an enormous number of journey permutations, making it complex to map consumer behaviors.

- However, developing an understanding of the shopping journey and the interplay of channels is critical. Not least because it allows retailers to properly understand the assets they need to deploy in order to meet the needs of customers.

- With overly-simplistic narratives such as “more online sales equals fewer stores” now abounding, the pandemic induced trends have heightened the need for this more nuanced understanding.

- What’s interesting is that a great deal of the online channel growth coming from traditional retailers is closely connected to physical shops in some way. As the next slide shows, in a sense, the pandemic is increasing the links between online and physical channels and demonstrating that retail is, in fact, one big market rather than separate channels.
MULTICHANNEL DYNAMICS  • OVERVIEW

Growth of US retailers

Digital / multichannel growth rates of selected retailers
% growth during quarter over same period last year

- Although the disruption of the pandemic has driven up overall online sales, the growth advantage has been widely distributed among a variety of retailers. Online pureplay operators have benefitted but their growth rates have generally been below those of traditional retailers which quickly pushed a variety of multichannel services such as curbside collection.

- Best Buy, which has invested consistently in its multichannel proposition, was rewarded with a 242% increase in ‘digital transactions’ – though notably 60% of those transactions were collected or fulfilled from physical stores, underlining the importance of shops to the company’s digital success.

- Target’s online sales grew by 195% over its latest quarter, an exceptional rate of growth that came in addition to a 11.5% increase in store sales. The fastest area of growth for Target came from multichannel offerings such as pick up from store and its Drive Up collection service.

- The world’s largest retailer, Walmart, also notched up impressive digital growth with an uplift of 97%. Within this, its marketplace business grew by triple digits. This is an area of aggressive expansion, with Walmart recently announcing a deal to open its marketplace to Shopify’s small business sellers. Walmart has also invested in robotics to fulfil online orders from store warehouses.

- Outside of traditional retailers, the gross merchandise value of products sold through Shopify grew by 119% in the latest quarter.

- Taken together, these dynamics show that competition is increasing, and that the battleground isn’t between online and physical and the respective players in each channel – it is between all the players engaged in the retail market.

Notes:
- Chart shows the growth of digital and multichannel sales at each retailer over the same period of last year.
- Data refers to growth in the United States only.
- All data are for the latest reported quarter of each retailer at the time of publication. In most cases, this refers to the Q2 period which covers May through July of 2020. In all cases, growth falls within the period of the pandemic.
- Growth numbers have been rounded to the nearest whole number.
One of the reasons why retailers have been so innovative in developing multichannel services is because the retail industry is highly competitive with many companies actively competing for a slice of market share. Indeed, retail is one of the least concentrated industries in the United States, with the top 5 retailers only accounting for 19.9% of all revenue.

Against this backdrop, no retailer can afford to be complacent because the price of contentment with the status quo ultimately leads to consumer abandonment and the loss of market share. History tells this tale many times over, with even iconic names such as Sears – once the largest retailer in the world – falling into difficulty because of a failure to compete effectively.

There is no single dominant force within retail, and neither is there a group of dominant businesses. As the previous slide shows, this means that there are many winners from the shift to multichannel retailing and from the various trends that have surfaced during the pandemic.
Like their US counterparts, European retailers have also been posting elevated rates of online channel and multichannel growth.

The home improvement giant Kingfisher is leading the way with 225% digital growth. The group has emphasized the importance of stores in delivering this performance, with a management member commenting: “As the seriousness of the pandemic grew and moved swiftly towards Europe, I remember having conversations at Kingfisher about our future eCommerce plans and whether our stores were going to be assets or liabilities to them. For me, they are 100% assets: located close to our customers, they are in the right places to serve them either physically, or digitally – as picking, collecting and delivery hubs – no matter where the financial transaction takes place.”

Sainsbury’s saw very strong growth in grocery orders placed online. However, its physical supermarkets also helped to bolster the performance of its non-food Argos division. The group stated: “While all 573 Argos standalone stores were closed for the majority of the quarter, customers could shop with Argos online for home delivery and click and collect from Sainsbury’s stores.”

The French giant Carrefour has posted solid online sales growth for several years, but this has been accelerated by the pandemic. Click and collect and drive services play a central role in making the group’s online proposition attractive to consumers.
The future of store support

Compared to before the pandemic, which of the following will you do more of once things have returned to normal? (%)

<table>
<thead>
<tr>
<th>Service</th>
<th>United States</th>
<th>United Kingdom</th>
<th>France</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collect online orders from inside a store</td>
<td>59.6%</td>
<td>53.8%</td>
<td>50.2%</td>
<td>53.7%</td>
</tr>
<tr>
<td>Collect online orders from curbside / outside a store</td>
<td>68.2%</td>
<td>42.7%</td>
<td>38.9%</td>
<td>44.9%</td>
</tr>
<tr>
<td>Return an item bought online to a store</td>
<td>49.7%</td>
<td>52.8%</td>
<td>55.7%</td>
<td>41.9%</td>
</tr>
</tbody>
</table>

- Longer term, the linkages between stores and online are likely to strengthen rather than be diminished.
- Most of this is because during the pandemic, many retailers quickly emphasized or added services that allowed shoppers to collect or return products to store. In the US, for example, many retailers started offering curbside collection for online orders. This added to the already significant number of retailers offering multichannel services like collect from store.
- These services satisfy consumers who want to receive products quickly and sometimes who do not feel comfortable doing a full shop in a store. They also help retailers manage online demand peaks more effectively and protect margins as they are usually a cheaper option than delivering products to consumers’ homes.
- Many consumers started using these services during the pandemic and have found they like them. This is one of the reason why large percentages say they will continue to use the services more even when the pandemic has gone. In this sense, it looks like stores will become a more – and not less – important part of the online ecosystem in the years to come.
The retailer view

Compared to before the pandemic, what are your views on physical stores as a driver of sales?
Percentage who said they will be just as important or more important (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>88.9%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>87.3%</td>
</tr>
<tr>
<td>France</td>
<td>90.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>85.7%</td>
</tr>
</tbody>
</table>

Notes:
- Data from retailer survey.
- Combined response for those saying stores will be just as important as before the pandemic or more important than before the pandemic.

• Despite the challenges that the pandemic has thrown up, the vast majority of retailers believe that stores will be just as important or more important in driving online sales than they were before the coronavirus crisis.

• Retailers saw firsthand the damage the closure of physical stores did to their businesses. Not just in terms of profitability, but also in terms of lost sales opportunities. They also saw that those retailers that had already integrated shops into the online and omnichannel ecosystem were able to hold on to more sales and to recover faster than those that had not.

• This is one of the reasons why, coming out of this crisis, most retailers intend to invest more in multichannel capability. A lot are now focused on how to leverage stores to drive and support online demand. Generally, it is easier for retailers with an existing physical footprint to drive multichannel than it is for primarily online retailers which need to put significant investment into real estate and stores to create a multichannel proposition.

• None of this means to say that no stores will close – indeed, retailers are very aware of the need to optimize their store fleets. However, it does underline the fact that there is a big role for physical stores to play in the future of retail.
Shopping is social

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage Who Missed Social Interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>78.9%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>81.5%</td>
</tr>
<tr>
<td>France</td>
<td>82.3%</td>
</tr>
<tr>
<td>Germany</td>
<td>69.8%</td>
</tr>
</tbody>
</table>

Notes:
- Data from consumer survey.
- Consumers were asked to identify aspects they had missed about physical shopping during the lockdown period.
- Numbers show percentage who noted they had missed the social interaction that physical shops afforded them.

- One of the points that is often missed by those who believe the world of shopping will become more dominated by online, is the fact that consumers choose where to shop based on a variety of considerations.
- One of these considerations is social. People visit physical shops because they like to interact with other human beings. Sometimes this interaction is active, where consumers will meet with friends or chat with store associates. Sometimes it is more passive, where consumers will simply appreciate being in a physical space with other people.
- One of the things that consumers clearly said during the lockdown, is that they missed the social interaction of physical stores. In the US, UK and France around 8 out of 10 consumers agreed that they missed the social side of shops. In Germany, the number was slightly lower, but 7 out of 10 still concurred with the view.
- It is fair to say that some consumers probably now have a newfound appreciation of stores – which is one of the reasons why in countries that have reopened there has been a mini-rush to visit physical retailers. This underlines the point that consumers need multiple channels to satisfy all their needs.
Even during normalized periods of trading, a common narrative around the fact that stores are becoming less important has become prevalent. Due to various bankruptcies and restructurings during 2020, this message has been amplified.

While it is true that some stores have become less interesting to consumers, most of this has been down to the various missteps of retailers themselves. The majority of retailers that are now shutting shops are largely those that have failed to invest in or evolve their propositions. As such, they have made themselves less relevant to consumers.

What is less true is that online is making physical stores redundant. As the data on previous pages shows, stores still account for the majority of sales. But more than this, stores also exert an influence on, and help to drive, online sales.

Even across a disrupted year for stores, in all countries apart from France, physical spaces will drive and support around a third of online non-food purchases. In France, that figure is a quarter.

Notably, despite many non-food stores having been shut for at least some of the pandemic, the percentage of sales driven by them has held up remarkably well. Indeed, in the US, stores will influence and support a greater proportion of digital sales than they did at the start of the year – mainly thanks to retailers introducing new collection services such as curbside pickup.

**Percentage of non-food online sales in 2020 that will be influenced or driven by a physical store**

*Forecast numbers*

- **UNITED STATES**: 35.7%  
  Change from start of year: +2.6 % pt

- **UNITED KINGDOM**: 38.5%  
  Change from start of year: -4.4 % pt

- **FRANCE**: 25.1%  
  Change from start of year: -0.3 % pt

- **GERMANY**: 32.7%  
  Change from start of year: +0.2 % pt

Notes:
- Pie charts show the percentage of non-food online sales that are influenced or driven, in some way, by a physical store.
- The numbers are full year 2020 forecasts based on actual data for January through June and predictions for the remainder of the year.
- The changes are the full year forecast minus the percentage influenced in January 2020.
Peak online penetration

<table>
<thead>
<tr>
<th>Country</th>
<th>Penetration at peak</th>
<th>Change on 2019 full year</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>21.4%</td>
<td>+7.5 % pts</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>27.7%</td>
<td>+11.5 % pts</td>
</tr>
<tr>
<td>France</td>
<td>15.8%</td>
<td>+5.1 % pts</td>
</tr>
<tr>
<td>Germany</td>
<td>18.0%</td>
<td>+7.0 % pts</td>
</tr>
</tbody>
</table>

Notes:
- Peak penetration refers to the month when online sales as a proportion of all retail sales were at their highest. All figures are the monthly penetration numbers.
- For the UK, the peak penetration month was May, for all other countries the peak penetration month was April.
- The change on 2019 is penetration in the peak month minus the penetration rate across the whole of the calendar year 2019.

During the pandemic, there has been a lot of talk about how buying online dominated the retail landscape and how it replaced physical stores as the predominant means of buying products.

While it is certainly true that online penetration rose sharply during periods of lockdown, the evidence and data do not show that online came anywhere close to becoming the most significant channel.

During the peak month of penetration, online accounted for well under a third of all retail sales across all countries in the study. In France and Germany, online was well under 20% of total sales during the peak month.

There are a couple of reasons behind this ‘underperformance’ relative to expectations. The main one is that within food and grocery, where sales accelerated during the pandemic, purchasing was still predominantly done in stores.

Another factor is the fact that a relatively small proportion of sales that would have traditionally been made in stores migrated online. As stores closed, some shoppers stopped buying or postponed their purchases rather than make that spend using only online. This point underlines the importance of stores to the health of the retail ecosystem.
# Non-food peak online penetration

## Online non-food penetration by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Penetration at peak:</th>
<th>Change on 2019 full year:</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNITED STATES</td>
<td>32.0%</td>
<td>↑ +13.0 % pts</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>48.6%</td>
<td>↑ +25.5 % pts</td>
</tr>
<tr>
<td>FRANCE</td>
<td>44.3%</td>
<td>↑ +27.4 % pts</td>
</tr>
<tr>
<td>GERMANY</td>
<td>37.6%</td>
<td>↑ +19.8 % pts</td>
</tr>
</tbody>
</table>

### Notes:
- Peak penetration refers to the month when non-food online sales as a proportion of all non-food retail sales were at their highest. All figures are the monthly penetration numbers.
- For the UK, the peak penetration month was May, for all other countries the peak penetration month was April.
- The change on 2019 is penetration in the peak month minus the penetration rate across the whole of the calendar year 2019.

- Given that most grocery and food stores remained open during lockdown, exploring the data for just non-food – where most stores were closed – provides a more dramatic picture of how online grew during the pandemic.
- However, even here, non-food online sales never topped half of total non-food sales. This again, brings some perspective to claims that online dominated during the lockdown period.
- In the UK, which was the most penetrated market, online non-food sales reached 48.6% of all non-food sales in April. The US had the lowest level of penetration at 32%, which reflects the partial nature of the lockdown and the fact that in some locations non-essential physical stores were trading as normal.
- The data here reflect the importance of essential retailers to the physical non-food space. In the US, many shoppers visited mass merchants like Target and Walmart for their non-food needs as both chains remained open during the lockdown period. In the UK, the non-food offer of grocers like Tesco were a destination of choice for many shoppers who wanted to buy from physical stores.
- In some countries, a selection of non-food retailers – such as home improvement stores – were deemed essential and remained open. This further suppressed the penetration rates of digital.
MULTICHANNEL DYNAMICS . OVERVIEW

The fall from peak

Change in online penetration over time
All figures in charts are online penetration for the month of the peak and the two months following (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Peak</th>
<th>Peak +1</th>
<th>Peak +2</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNITED STATES</td>
<td>21.4</td>
<td>18.8</td>
<td>17.5</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>27.7</td>
<td>25.1</td>
<td>24.0</td>
</tr>
<tr>
<td>FRANCE</td>
<td>15.8</td>
<td>14.0</td>
<td>13.1</td>
</tr>
<tr>
<td>GERMANY</td>
<td>18.0</td>
<td>13.3</td>
<td>14.3</td>
</tr>
</tbody>
</table>

Change from peak to peak +2:

- UNITED STATES: ↓ -3.9 % pts
- UNITED KINGDOM: ↓ -3.7 % pts
- FRANCE: ↓ -2.7 % pts
- GERMANY: ↓ -3.7 % pts

Notes:
- Peak penetration refers to the month when online sales as a proportion of all retail sales were at their highest. All figures in the charts are the monthly penetration numbers.
- For the UK, the peak penetration month was May, for all other countries the peak penetration month was April.
- Peak +1 is the month following the peak; peak +2 is two months after the peak.

- Another view that has been widely postulated is that sales that migrated online during the lockdown and pandemic period would remain online and that, because of this, the relatively high online penetration levels would stick.

- Again the data do not back this hypothesis. Indeed, as all countries came out of lockdown and physical stores reopened, online penetration levels dropped as consumers switched back to using physical stores as the point of purchase.

- This change took place against a backdrop of a still-spreading pandemic that made some consumers nervous about physical shopping and continued to suppress footfall levels. As such, it is fair to say that the penetration numbers could fall further still as and when the pandemic becomes less of an issue and consumers revert patterns of behavior seen before Covid-19 hit.
The fall from peak for non-food

<table>
<thead>
<tr>
<th>Country</th>
<th>Peak</th>
<th>Peak +1</th>
<th>Peak +2</th>
<th>Change from peak to peak +2:</th>
<th>Change from peak to peak +2:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNITED STATES</strong></td>
<td>32.0</td>
<td>26.4</td>
<td>24.2</td>
<td>‼️ -7.8 % pts</td>
<td></td>
</tr>
<tr>
<td><strong>UNITED KINGDOM</strong></td>
<td>48.6</td>
<td>40.8</td>
<td>38.0</td>
<td>‼️ -10.6 % pts</td>
<td></td>
</tr>
<tr>
<td><strong>FRANCE</strong></td>
<td>44.3</td>
<td>27.2</td>
<td>23.5</td>
<td>‼️ -20.8 % pts</td>
<td></td>
</tr>
<tr>
<td><strong>GERMANY</strong></td>
<td>37.6</td>
<td>24.1</td>
<td>25.2</td>
<td>‼️ -12.4 % pts</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

- The penetration decline in non-food is even more dramatic as the impact of store reopening has played a more significant role. In all countries, except for the US, online penetration has come down by double digits since the peak. The US likely lags because the pandemic was still worsening over the period.
- Again, much of this has taken place against a backdrop of continued nervousness in relation to shopping physically and patchy levels of reopening among retailers. As such, it is reasonable to assume that penetration rates will fall still further as and when the pandemic is brought under control.

- Peak penetration refers to the month when non-food online sales as a proportion of all non-food retail sales were at their highest. All figures in the charts are the monthly penetration numbers.
- For the UK, the peak penetration month was May, for all other countries the peak penetration month was April.
- Peak +1 is the month following the peak; peak +2 is two months after the peak.
DETAILED DATA: USA
MULTICHANNEL DYNAMICS IN THE USA
Summary data
USA online

- **Online penetration 2019:** 13.9%
- **Online penetration 2020:** 17.8%
- **Percentage point growth 2019-20:** +3.9%
- **Actual value growth 2019-20:** +27.7%
- **Offline growth in 2020:** -5.4%

Overall online penetration by month
% of total retail sales

Overall online growth by month
Year-over-year, %
Food and non-food split

Food: overall online penetration by month
% of total retail sales

Non-food: overall online penetration by month
% of total retail sales
Overall percentage of online sales supported by physical stores
% of total online sales

Percentage of online food sales supported by physical stores
% of total online food sales

Percentage of online non-food sales supported by physical stores
% of total online non-food sales

Overall percentage of online sales supported by physical stores
Full year 2020 forecast, %

Percentage of online food sales supported by physical stores
Full year 2020 forecast, %

Percentage of online non-food sales supported by physical stores
Full year 2020 forecast, %

% point change from start of year

37.9%
+3.1

59.0%
+3.4

35.7%
+2.6
**Consumer views**

**Impact of store closures on non-food purchasing**

How has not being able to visit physical stores affected your non-food spending? (%)

<table>
<thead>
<tr>
<th></th>
<th>Significantly reduced</th>
<th>Reduced</th>
<th>Moderately reduced</th>
<th>Remained the same</th>
<th>Moderately increased</th>
<th>Increased</th>
<th>Significantly increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total reduced:</td>
<td>70.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total increased:</td>
<td>10.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Restricting physical store visits**

% of consumers who say they are visiting physical stores less for health reasons (%)

<table>
<thead>
<tr>
<th></th>
<th>Mid April</th>
<th>Mid July</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total reduced:</td>
<td>74.1</td>
<td>55.9</td>
</tr>
<tr>
<td>Percentage point change from April to June:</td>
<td>-18.2</td>
<td></td>
</tr>
</tbody>
</table>

**Missed features of shops**

What have you missed about not being able to visit physical shops? (%)

<table>
<thead>
<tr>
<th>Feature</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Social interaction</td>
<td>78.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having a day/morning/afternoon out</td>
<td>72.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finding new products and ideas</td>
<td>63.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to see and feel products</td>
<td>58.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being able to ask advice</td>
<td>50.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Future habits**

Compared to before the pandemic, which of the following will you do more of once things have returned to normal? (%)

- Collect online orders from inside a store: 59.6%
- Collect online orders from curbside / outside a store: 68.2%
- Return an item bought online to a store: 49.7%
### Views on stores
Compared to before the pandemic, what are your views on physical stores as a driver of sales? (%)

- More important: 26.7%
- Just as important: 62.2%
- Less important: 11.1%

### Views on online penetration
Over the next year, what do you think will happen to the online penetration level seen during lockdown? (%)

- It will reduce: 82.2%
- It will remain the same: 11.1%
- It will increase: 6.7%

### Multichannel investments
Will you invest more or less capital in multichannel capability over the next five years? (%)

- More: 86.7%
- About the same: 11.1%
- Less: 2.2%

### Future plans
Which of the following are you planning on doing over the next year? (%)

- Doing more fulfillment from stores: 68.9%
- Offering more curbside collection services: 66.7%
- Offering more collect from store services: 51.1%
- Offering more returns to stores: 51.1%
DETAILED DATA: UK

ONLINE DYNAMICS IN THE UK
**Summary data**

**UK online**

- **Online penetration 2019:** 16.2%
- **Online penetration 2020:** 22.4%
- **Percentage point growth 2019-20:** +6.2
- **Actual value growth 2019-20:** +31.2%
- **Offline growth in 2020:** -12.1%

---

**Overall online penetration by month**

<table>
<thead>
<tr>
<th>% of total retail sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.11</td>
</tr>
</tbody>
</table>

---

**Overall online growth by month**

<table>
<thead>
<tr>
<th>Year-over-year, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0%</td>
</tr>
</tbody>
</table>
MULTICHANNEL DYNAMICS  •  UK
Food and non-food split

Food: overall online penetration by month
% of total retail sales

Non-food: overall online penetration by month
% of total retail sales
Overall percentage of online sales supported by physical stores
% of total online sales

Overall percentage of online food sales supported by physical stores
% of total online food sales

Overall percentage of online non-food sales supported by physical stores
% of total online non-food sales

Full year 2020 forecast, %

% point change from start of year

37.5% 33.6% 38.5%
-3.8 -1.0 -4.4
### Consumer views

#### Impact of store closures on non-food purchasing

How has not being able to visit physical stores affected your non-food spending? (%)

<table>
<thead>
<tr>
<th>Significantly reduced</th>
<th>Reduced</th>
<th>Moderately reduced</th>
<th>Remained the same</th>
<th>Moderately increased</th>
<th>Increased</th>
<th>Significantly increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.2</td>
<td>33.7</td>
<td>18.5</td>
<td>12.1</td>
<td>6.2</td>
<td>2.4</td>
<td>0.9</td>
</tr>
</tbody>
</table>

**Total reduced:** **78.4%**  
**Total increased:** **9.5%**

#### Restricting physical store visits

% of consumers who say they are visiting physical stores less for health reasons (%)

- **Mid April:** 86.1%
- **Mid July:** 48.2%

**Percentage point change from April to June:** **-37.9**

#### Missed features of shops

What have you missed about not being able to visit physical shops? (%)

- **Social interaction:** 81.5%
- **Having a day/morning/afternoon out:** 78.4%
- **Finding new products and ideas:** 70.2%
- **Ability to see and feel products:** 61.4%
- **Being able to ask advice:** 55.8%

#### Future habits

Compared to before the pandemic, which of the following will you do more of once things have returned to normal? (%)

- Collect online orders from inside a store: **53.8%**
- Return an item bought online to a store: **52.8%**
- Collect online orders from curbside / outside a store: **42.7%**
## MULTICHANNEL DYNAMICS. UK

### Retailer views

#### Views on stores
Compared to before the pandemic, what are your views on physical stores as a driver of sales? (%)

- More important: 30.9%
- Just as important: 56.4%
- Less important: 12.7%

#### Views on online penetration
Over the next year, what do you think will happen to the online penetration level seen during lockdown? (%)

- It will reduce: 80.0%
- It will remain the same: 10.9%
- It will increase: 9.1%

#### Multichannel investments
Will you invest more or less capital in multichannel capability over the next five years? (%)

- More: 89.1%
- About the same: 9.1%
- Less: 1.8%

#### Future plans
Which of the following are you planning on doing over the next year? (%)

- Doing more fulfilment from stores: 63.6%
- Offering more returns to stores: 45.5%
- Offering more collect from store services: 40.0%
- Offering more curbside collection services: 38.2%
DETAILED DATA: FRANCE

ONLINE DYNAMICS IN FRANCE
**MULTICHANNEL DYNAMICS . FRANCE**

**Overall online**

**Summary data**

France online

<table>
<thead>
<tr>
<th>Overall online penetration by month</th>
<th>% of total retail sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-19</td>
<td>12.69</td>
</tr>
<tr>
<td>Jan-20</td>
<td>11.33</td>
</tr>
<tr>
<td>Feb-20</td>
<td>10.27</td>
</tr>
<tr>
<td>Mar-20</td>
<td>13.87</td>
</tr>
<tr>
<td>Apr-20</td>
<td>14.03</td>
</tr>
<tr>
<td>May-20</td>
<td>13.07</td>
</tr>
<tr>
<td>Jun-20</td>
<td>12.04</td>
</tr>
<tr>
<td>Jul-20</td>
<td>12.82</td>
</tr>
<tr>
<td>Aug-20</td>
<td>14.61</td>
</tr>
<tr>
<td>Sep-20</td>
<td>14.42</td>
</tr>
<tr>
<td>Oct-20</td>
<td>14.55</td>
</tr>
<tr>
<td>Nov-20</td>
<td>15.75</td>
</tr>
</tbody>
</table>

**Overall online growth by month**

Year-over-year, %

| Dec-19 | 11.9 |
| Jan-20 | 10.6 |
| Feb-20 | 11.4 |
| Mar-20 | 29.4 |
| Apr-20 | 36.4 |
| May-20 | 26.6 |
| Jun-20 | 26.2 |
| Jul-20 | 25.0 |
| Aug-20 | 22.9 |
| Sep-20 | 17.0 |
| Oct-20 | 18.0 |
| Nov-20 | 18.7 |
| Dec-20 | 22.1 |

**Overall online penetration by month**

% of total retail sales

- **Online penetration 2019:** 10.7%
- **Online penetration 2020:** 13.7%
- **Percentage point growth 2019-20:** +3.0%
- **Actual value growth 2019-20:** +21.8%
- **Offline growth in 2020:** -8.1%
MULTICHANNEL DYNAMICS . FRANCE
Food and non-food split

Food: overall online penetration by month
% of total retail sales

Non-food: overall online penetration by month
% of total retail sales
**Overall percentage of online sales supported by physical stores**

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan-20</th>
<th>Feb-20</th>
<th>Mar-20</th>
<th>Apr-20</th>
<th>May-20</th>
<th>Jun-20</th>
<th>Jul-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total online sales</td>
<td>21.0</td>
<td>21.2</td>
<td>16.3</td>
<td>12.3</td>
<td>14.6</td>
<td>18.8</td>
<td>19.8</td>
</tr>
</tbody>
</table>

**Percentage of online food sales supported by physical stores**

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan-20</th>
<th>Feb-20</th>
<th>Mar-20</th>
<th>Apr-20</th>
<th>May-20</th>
<th>Jun-20</th>
<th>Jul-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total online food sales</td>
<td>7.5</td>
<td>7.7</td>
<td>7.1</td>
<td>6.8</td>
<td>7.8</td>
<td>8.2</td>
<td>8.4</td>
</tr>
</tbody>
</table>

**Percentage of online non-food sales supported by physical stores**

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan-20</th>
<th>Feb-20</th>
<th>Mar-20</th>
<th>Apr-20</th>
<th>May-20</th>
<th>Jun-20</th>
<th>Jul-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total online non-food sales</td>
<td>25.4</td>
<td>26.1</td>
<td>20.1</td>
<td>15.4</td>
<td>17.3</td>
<td>23.0</td>
<td>24.9</td>
</tr>
</tbody>
</table>

**Overall percentage of online sales supported by physical stores**

Full year 2020 forecast,%

- Overall: 20.6%
- % point change from start of year: -0.4

**Percentage of online food sales supported by physical stores**

Full year 2020 forecast,%

- Overall: 7.9%
- % point change from start of year: +0.4

**Percentage of online non-food sales supported by physical stores**

Full year 2020 forecast,%

- Overall: 25.1%
- % point change from start of year: -0.3
**Impact of store closures on non-food purchasing**

How has not being able to visit physical stores affected your non-food spending? (%)

- Significantly reduced: 21.4%
- Reduced: 28.2%
- Moderately reduced: 23.6%
- Remained the same: 16.9%
- Moderately increased: 4.6%
- Increased: 3.1%
- Significantly increased: 2.2%

**Total reduced:** 73.2%

**Total increased:** 9.9%

**Restricting physical store visits**

% of consumers who say they are visiting physical stores less for health reasons (%)

- Mid April: 82.5%
- Mid July: 51.3%

**Percentage point change from April to June:** -31.2%

**Missed features of shops**

What have you missed about not being able to visit physical shops? (%)

- Social interaction: 82.3%
- Finding new products and ideas: 71.7%
- Having a day/morning/afternoon out: 70.3%
- Ability to see and feel products: 67.4%
- Being able to ask advice: 52.4%

**Future habits**

Compared to before the pandemic, which of the following will you do more of once things have returned to normal? (%)

- Collect online orders from inside a store: 50.2%
- Collect online orders from curbside / outside a store: 38.9%
- Return an item bought online to a store: 55.7%
MULTICHANNEL DYNAMICS . FRANCE

Retailer views

Views on stores
Compared to before the pandemic, what are your views on physical stores as a driver of sales? (%)

Views on online penetration
Over the next year, what do you think will happen to the online penetration level seen during lockdown? (%)

Multichannel investments
Will you invest more or less capital in multichannel capability over the next five years? (%)

Future plans
Which of the following are you planning on doing over the next year? (%)
DETAILED DATA: GERMANY

ONLINE DYNAMICS IN GERMANY
Summary data

Germany online

- Online penetration 2019: 11.0%
- Online penetration 2020: 14.1%
- Percentage point growth 2019-20: +3.1
- Actual value growth 2019-20: +26.8%
- Offline growth in 2020: -4.2%

Overall online penetration by month

% of total retail sales

Overall online growth by month

Year-over-year, %

- December 2019: 13.28
- January 2020: 14.34
- February 2020: 14.06
- March 2020: 13.65
- April 2020: 13.37
- May 2020: 15.64
- June 2020: 14.48
- July 2020: 16.97
- August 2020: 13.8
- September 2020: 13.5
- October 2020: 13.2
- November 2020: 12.9
- December 2020: 12.6
- January 2021: 12.3
- February 2021: 12.0
- March 2021: 11.7
- April 2021: 11.4
- May 2021: 11.1
- June 2021: 10.8
- July 2021: 10.5
- August 2021: 10.2
- September 2021: 9.9
- October 2021: 9.6
- November 2021: 9.3
- December 2021: 9.0

- December 2019: 35.3
- January 2020: 39.0
- February 2020: 36.5
- March 2020: 36.9
- April 2020: 29.5
- May 2020: 28.2
- June 2020: 22.9
- July 2020: 21.0
- August 2020: 25.7
- September 2020: 26.1
- October 2020: 26.5
- November 2020: 27.0
- December 2020: 27.5
- January 2021: 28.0
- February 2021: 28.5
- March 2021: 29.0
- April 2021: 29.5
- May 2021: 30.0
- June 2021: 30.5
- July 2021: 31.0
- August 2021: 31.5
- September 2021: 32.0
- October 2021: 32.5
- November 2021: 33.0
- December 2021: 33.5
Food: overall online penetration by month
% of total retail sales

Non-food: overall online penetration by month
% of total retail sales
Overall percentage of online sales supported by physical stores
% of total online sales

Percentage of online food sales supported by physical stores
% of total online food sales

Percentage of online non-food sales supported by physical stores
% of total online non-food sales

Overall percentage of online sales supported by physical stores
Full year 2020 forecast, %

Percentage of online food sales supported by physical stores
Full year 2020 forecast, %

Percentage of online non-food sales supported by physical stores
Full year 2020 forecast, %

% point change from start of year

31.6%
+0.3

15.1%
+1.4

32.7%
+0.2
Impact of store closures on non-food purchasing
How has not being able to visit physical stores affected your non-food spending? (%)

- Total reduced: 76.3%
- Total increased: 8.1%

Restricting physical store visits
% of consumers who say they are visiting physical stores less for health reasons (%)

- Mid April: 79.4%
- Mid July: 46.4%

Percentage point change from April to June: -33.0

Missed features of shops
What have you missed about not being able to visit physical shops? (%)

- Social interaction: 69.8%
- Finding new products and ideas: 68.3%
- Having a day/morning/afternoon out: 65.0%
- Being able to ask advice: 60.6%
- Ability to see and feel products: 52.6%

Future habits
Compared to before the pandemic, which of the following will you do more of once things have returned to normal? (%)

- Collect online orders from inside a store: 53.7%
- Collect online orders from curbside / outside a store: 44.9%
- Return an item bought online to a store: 41.9%
**Retailer views**

**Views on stores**
Compared to before the pandemic, what are your views on physical stores as a driver of sales? (%)

- More important: 26.2%
- Just as important: 59.5%
- Less important: 14.3%

**Views on online penetration**
Over the next year, what do you think will happen to the online penetration level seen during lockdown? (%)

- It will reduce: 73.8%
- It will remain the same: 16.7%
- It will increase: 9.5%

**Multichannel investments**
Will you invest more or less capital in multichannel capability over the next five years? (%)

- More: 85.7%
- About the same: 9.5%
- Less: 4.8%

**Future plans**
Which of the following are you planning on doing over the next year? (%)

- Offering more collect from store services: 59.5%
- Offering more returns to stores: 54.8%
- Doing more fulfilment from stores: 52.4%
- Offering more curbside collection services: 33.3%
DETAILS
DEFINITIONS, EXPLANATIONS AND METHODOLOGY
Product and market definitions

- **Retail.** The report and data cover the retail market. This includes all consumer product segments (see below for more details). Digital products, such as individual music downloads and e-books, are also included. The following are excluded: business to business sales, secondhand goods, wholesale trade, gasoline and fuel, automotive vehicles (auto accessories are included), foodservice, household services such as plumbing and installation, medical devices, prescription drugs, travel, insurance, subscriptions services such as Netflix, etc.

- **Food.** The food part of retail includes all food and drink based products bought from retailers. Household essentials such as cleaning and paper products are also included. Alcohol and tobacco are included under food.

- **Non-food.** The non-food part of retail is everything that is not specified under food. This includes homewares, furniture, home improvement, electronics, apparel, health, beauty, sports, games, leisure and hobby, entertainment, and other various products.

- **Taxes.** Taxes such as sales tax, VAT, USt, TVA that is added to the cost of goods as per law or regulation. Numbers in this report include taxes.

Channel definitions

- **Online sales.** This means a transaction that is made online – i.e. payment for the product is made online regardless of the other channels used during the shopping journey. For example, a product paid for online and collected in store is counted as an online sale.

- **Physical sales or store sales.** This means a transaction that is made in a physical store – i.e. payment for the product is made in a store regardless of the other channels used during the shopping journey. For example, a product paid for in store and then delivered to a customer at home is counted as a physical sale.

- **Other channel sales.** Other channels include mail order, telephone and television shopping. These form a relatively small element of most markets.

- **Online.** Online includes all methods of digital shopping such as via a desktop, laptop, mobile phone, social shopping, and so forth. Ordering via an online kiosk within a store is considered online shopping. However, placing an order in store where staff place the order and then take payment is counted as physical shopping.

- **Physical stores.** These cover all types of physical location where products are sold. Traditional retail stores such as mass merchants, grocery stores, specialist stores, convenience stores, drugstores, etc. are included. So too are market stalls, pop-up shops, in-mail kiosks, vending machines, sales from mobile trucks, and so forth.

- **Online penetration.** The proportion of retail sales where the transaction is made online.

- **Physical penetration.** The proportion of retail sales where the transaction is made in stores.

Multichannel definitions

- **Multichannel.** Sometimes called omnichannel. The use of more than one channel during a single purchase. To be a multichannel purchase, the consumer must make use of more than one channel during a given shopping journey.

- **Shopping journey.** The complete process undertaken when buying something. This involves everything from the initial purchase trigger through to after care or service. The shopping journey is much wider than the point of transaction. The shopping journey is shown in detail on subsequent pages.

- **Point of transaction.** The part of the shopping journey that involves payment for the product being bought.

- **Receiving the product.** Sometimes called point of fulfilment. The part of the shopping journey that involves receiving the product.
MULTICHANNEL DYNAMICS . DETAILS
Definitions and explanations

Multichannel definitions, cont...

- **Driver of sales.** Anything which forms part of the shopping journey and contributes to the point of transaction.

- **Influencer of sales.** The same as driver of sales.

- **Returns.** Products which are returned to the retailer for whatever reason. Returns do not necessarily need to be made via the same channel that fulfilled the product. Where this is the case, the shopping journey technically becomes multichannel. However, as the product has been returned it does not count as a sale and so has no impact on the numbers.

- **After care or service.** Advice, assistance or help given after a purchase has been made. For example, training on how to use or setup electronics.

Fulfilment definitions

- **Collect from store.** Also called buy online pickup from/in store, BOPIS or BOPUS. A service where consumers pay for a product online but then collect the product they have purchased from inside of a store. This includes in-store locker collection as well as collection from dedicated collection service points.

- **Curbside collection.** Also called drive-up, curbside pickup, or trunk delivery. A service where consumers pay for a product online but then collect the product they have purchased from outside of a physical store. This includes services where the product or products are brought directly to cars and methods such as outdoor locker collection.

- **Click and collect.** A generic term for buying online and collecting from a physical location. Note that this term is sometimes used to refer exclusively to collect from store services.

- **Delivery.** Delivery of the products to an end location such as home or to a workplace, usually via a carrier like USPS, FedEx or UPS, or via the retailer’s own distribution and fulfilment network.

- **Ship-to-store.** A service where an online order is shipped from a warehouse or distribution center to a store for collection by a shopper. Within this report, this kind of service is included under collect from store and the sale would be included under online.

- **Ship-from-store.** Also called store-based fulfillment. A service where an online order is shipped from a physical shop to an end location such as a home or workplace. Within this report, these orders would be included under the online channel.

Other definitions

- **Delivery charges.** Additional charges or fees, over and above the product costs, which are levied on orders to cover fulfillment. Delivery fees are not included in any numbers within this report.

- **Years and months.** Unless otherwise stated, all time periods are calendar years and months rather than financial periods of reporting.
The shopping journey is used to understand the complete process of shopping. It is much wider than simply looking at where the transaction is made, which is the traditional, but rather limited, way of measuring sales.

The principle here is that the point of transaction does not exist in isolation. A significant number of transactions are part of a wider shopping journey that involves multiple stages. Across each of these steps the consumer may use a variety of different channels to meet their needs. There are an enormous number of journey permutations, making it complex to map consumer behaviors.

The diagrams opposite show the shopping journey framework we use.

A multichannel sale is where more than one channel has been used within a single shopping journey. This can involve any combination of channels and stages within the journey. So, for example, browsing products in stores and then transacting online is classified as multichannel. So is transacting online and then collecting a product from store.

To understand multichannel sales we used the following broad process:

1. Profiled spending, by food and non-food, for consumers: how much they spent in each channel across each month
2. Found what activities they typically undertook when shopping for products in the store and online channels
3. Identified what proportion of spend each activity applied to over the course of the month
4. Calculated the total spend attributable to each activity in the journey over the course of the month
5. Removed duplication (i.e. people undertaking more than one activity on the journey) to get a total influence/support spend for each segment
6. Totaled up food and non-food for the overall influence/support spend

![Diagram showing the shopping journey framework and multichannel sales](image-url)
To calculate the numbers the following inputs were used:

- GlobalData’s consumer panel, which has tracked detailed weekly shopping behaviors and buying habits of a representative sample of over 82,500 consumers since the pandemic started in March 2020.

- This consumer data was supplemented by further consumer research to assess views and opinions on a variety of multichannel topics. For this a survey of 2,000 consumers per country was conducted in early July 2020. Sampling was representative in terms of the population profile.

- Data provided by individual retailers which breaks down transactions and fulfillment by channel and, where available, customer habits and shopping patterns.

- Results from a survey of a representative sample of multichannel retailers operating in each country covered by the report. This work was carried out in late June and early July 2020.

- All the data are built into our model of consumer spending which allows us to calculate the various metrics on a national level. Retail analysts carry out several checks on this model to ensure its accuracy and validity. This includes checking against data from individual retailers, official government data, industry data and other sources.

- An exhaustive review and analysis of existing reports on the consumer spending habits in the broader retail industry was also conducted as part of the checking and research process.

- Where provided, forecast data is modelled using a three-step process:
  1. Cross-correlation auto regression of inputs over time
  2. Bayesian techniques refine to single-most robust forecast
  3. Cross-correlation auto regression and Bayesian refinement for the final output

- Inputs for the forecasting model include standard economic and social variables as well as specific data from consumer research, retailer predictions and retail metrics such as store numbers.
GlobalData is a global research agency and consulting firm. Within the firm’s retail division, our work focuses on all aspects of retailing and consumer behavior, which we deliver through a variety of different reports and our interactive Intelligence Centre. We also undertake bespoke research and consulting work for clients.

We are headquartered in New York and London with offices across the world. Our analysts and researchers work to understand the latest trends and developments in retailing across developed and emerging markets. We also have a global panel of consumers which we use to undertake consumer surveys and to gauge and assess sentiment and views on various retail issues.

We work with many of the world’s leading retailers, FMCG groups, property firms and those in the financial sector to help them maximize success through developing a thorough understanding of the retail sector and its likely future performance.

Further information

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