

# Five COVID-era themes reshaping the retail sector



## Flight to online

With stores closed, sales mix has shifted to digital channels and is likely to continue

**7-18pp**

increase in penetration of consumers shopping online compared to pre-COVID, resulting in “years of acceleration in a matter of months”



## Shock to loyalty

Mixed access to stores and supply chain disruption is challenging brand loyalties

For 15-20% of consumers who are switching stores or brands

**over 50%**

expect to maintain new “switched” habit



## Need for hygiene transparency

Consumers’ hygiene norms and expectations shift to contactless and self-service

**50-100%+**

growth in consumers using curbside pickup and BOPIS with about half expected to continue using these new shopping options



## Return to essentials & value

Basket composition favors essentials categories that tend to require more labor to generate lower margins

Significant impact to household spending

**60%+**

consumers expect to reduce spending on discretionary categories



## Automation of retail business system

Technology is changing the way retail works across many core tasks (e.g., stocking, check out, returns)

**Top 5**

sectors for automation potential include retail ((alongside sectors like foodservice and manufacturing)