



Non-essential online retailers defiantly optimistic with over two thirds confident about the future despite big concerns over festive trading

November 9, 2020

- *Although 67% of British retailers say they are confident about the future of their business, 62% are expressing concerns that Q4 sales will not be enough to recover from the impact of COVID-19.*
- *This comes after 63% of all British retailers surveyed believed that a second wave lockdown would be damaging.*
- *Over two thirds (69%) of UK retailers that sell online internationally now see international ecommerce becoming more important to their business.*

London, October 2020: Despite many areas of the UK moving to tighter lockdown restrictions, roughly two-thirds (67%) of those surveyed are confident about the future of their business, and as of October 2020, over half (51%) of them saw growth in their domestic sales since the outbreak of the pandemic. However, 62% of British retailers express concerns that Q4 sales will not be enough to recover from the impact of COVID-19. This is according to a new survey of 200 discretionary online and multichannel British retailers commissioned by Global-e, the leading cross-border ecommerce solutions provider, and carried out by Censuswide.

As the lockdown forced physical stores to close, ecommerce was a 'lifeline' for 69% of those surveyed, with 63% having invested more in ecommerce as a result. Of those retailers that do sell internationally, nearly half (44%) have seen positive growth in international markets since the beginning of the pandemic, with over two thirds (69%) now anticipating international ecommerce becoming more important to their business in the future.

However, many British retailers recognize the value of successful trading during the upcoming festive period, with 70% believing that festive trading in Q4 is more important to their business this year than any year previously, with roughly two thirds (67%) admitting it will be vital to their survival. As a result, a similar figure (68%) plan to begin discounting earlier this year than in previous years.

Almost half (48%) of all British retailers said a second wave of COVID-19 and possible further lockdown was their biggest concern, with only 27% viewing Brexit as a major concern. However, two thirds (66%) of respondents were concerned the introduction of tariffs for products sold to consumers in the European Economic Area (EEA) will negatively impact sales to the EU.

Global-e also surveyed UK retailers within different sectors that traded internationally to see how the pandemic has affected their business. Topline stats include:

- Entertainment (80%) and fashion retailers (69%) have invested the most in ecommerce following COVID-19, just ahead of department stores (65%) and household and DIY (65%) retailers.
- Sports and leisure (86%) and health and beauty retailers (72%) are the most convinced that international ecommerce will be of greater importance in future trading. This is followed by household and DIY (71%), electricals (71%) and fashion (62%) retailers.
- However, while 54% of fashion retailers and 48% of health and beauty retailers surveyed saw a surge in their international sales, only 29% of the sports and leisure retailers surveyed saw such an increase.
- Less than half (46%) of fashion retailers view the upcoming Q4 festive period more important to their business this year than any year previously, whilst sports and leisure (86%), health and beauty (72%), entertainment (70%) and department stores (67%) value this period more.

Nir Debbi, Co-founder and CMO at Global-e, said: "The global pandemic has no doubt sent shockwaves through the retail sector, with many clearly seeing their ecommerce channel as a lifeline in the wake of mass store closures. However, the accelerated shift towards online shopping worldwide isn't equally benefiting everyone.

Many British retailers have also reaped the rewards of cross-border ecommerce, and 69% value it as a crucial part of their strategy's future. Indeed, with the surge we've seen in cross-border ecommerce trading this year, it is clear that it is a vital opportunity for revenue growth and has become a key to survive the decrease in domestic sales and the closure of physical stores. Previous years had shown that the pre-holiday peak is a global phenomenon, with shoppers worldwide looking to benefit from the different promotions. Together with the consistent increase in cross-border trade, expanding their reach to international markets will enable brands and retailers to better capitalize on the upcoming peak and drive Q4 sales.

However, if British retailers want to weather the storm successfully, the key is a strong ecommerce strategy – both domestically and internationally. Brands that will be able to provide shoppers with an optimal shopping experience that is localized to their market, will be in a stronger position in the long-term and drive sustainable revenue growth."