

5 trends disrupting the UK retail landscape

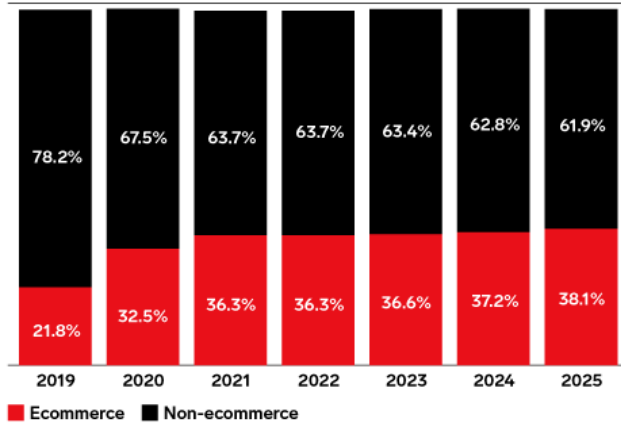
Article

Last year, there was a huge shakeout in the UK's retail landscape. Long-established names disappeared, hobbled by pandemic pressures, while a swath of digital-first players gained new customers. Though many digital (and some fast-adapting physical-first) players benefited hugely from the pandemic, it doesn't necessarily mean they'll remain relevant.

The UK is one of the world's most mature retail ecommerce markets: This year, 36.3% of total UK retail sales will be digital sales, a share second only to that of China. Physical retail still has an important role to play, though, with some digital-only players beginning to see reduced demand now that in-store shopping has resumed.

Retail Ecommerce vs. Non-Ecommerce Sales Share in the UK, 2019-2025

% of total retail sales



■ Ecommerce ■ Non-ecommerce

Note: excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling, and other vice goods sales
Source: eMarketer, Oct 2021

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eMarketer | InsiderIntelligence.com

We have identified five key trends that retailers should act on now if they want to remain relevant and thrive post-pandemic. While each trend is important, there's a hierarchy of relevance and immediacy. We have ranked the trends as follows, giving each trend a "temperature check":

- **Trend 1: Marrying physical and digital channels.** All retailers need to have omnichannel on their radar. Even the biggest digital-first retailers understand the importance of a physical presence/strategy **(Hot)**.
- **Trend 2: Maintaining a slick delivery experience.** The UK had to deal with largely uncontrollable pandemic- and Brexit-caused complications to the supply chain. However, consumers won't relax their expectations for speedy shipping unprompted. But retailers can, take the time to explain potential delays and ensure that their last-mile delivery and pickup options are up to snuff **(Hot)**.
- **Trend 3: Making sustainability a core consideration.** Consumer awareness of this issue was heightened during the pandemic, and it doesn't show signs of easing. Retailers must take actions to address customer preferences in this regard **(Hot)**.
- **Trend 4: Going direct-to-consumer (D2C).** Several brands took advantage of going directly to consumers during the pandemic. As society reopens, consumers' desire to interact with brands directly online has been "diluted" slightly, but it should still be an important tactic going forward **(Warm)**.

- **Trend 5: Offering a subscription service.** This is a somewhat niche trend, but for those retailer categories that it's a good fit (replenishment items like shaving goods or food and drink), getting this strategy right will be vital (**Lukewarm**).

For more on the UK's retail sector, read the full report:

Report by Bill Fisher Nov 19, 2021

UK Post-Pandemic Retail

