

Forrester forecasts \$2.1tn in retail losses globally in 2020

Market research firm Forrester predicts that due to the coronavirus, retail sales in 2020 will decline by an average of 9.6% globally, a loss of \$2.1tn, and that it will take four years for retailers to overtake pre-pandemic levels.



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According to Forrester's updated retail forecasts across North America, Asia, Europe and Latin America, the impact of the coronavirus on retail sales will vary worldwide given the regional differences and considering that each country is at a different stage of the pandemic.

Key findings from Forrester include:

Global

- Non-grocery offline sales will see a 20% growth contraction in 2020.
- Retailers will continue to face growth constraints, with a lot of brick and mortar retailers predicting losses in 2020. Many will also assume that their growth in online sales will not be enough to offset the lost sales from store closures.

North America

- In the US, retail sales will fall by \$321bn in 2020, a decline of 9.1% from 2019.
- In Canada, similar losses are expected, with total retail spending expected to decline by \$25bn in 2020, representing a 7.7% drop from 2019.



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Europe

- Retail sales will lose €260bn across EU-5 (the UK, France, Germany, Spain, and Italy) in 2020, a decline of 10.4% from 2019.
- Due to Covid-19, Forrester expects a €56bn loss in French retail sales in 2020 compared to Forrester's pre-Covid-19 predictions, representing a 9.5% drop from 2019. In Germany, total retail will fall by €60bn in 2020, a decline of 10% from 2019. For the UK, Forrester expects a £56bn loss in UK retail sales in 2020, an estimated decline of 11.4% from 2019.

Asia-Pacific

- In AP, the loss of sales is predicted to reach \$767bn in 2020, a decline of 10% from 2019.
- China is the most negatively affected country in the region, with \$192bn of retail sales lost in January and February of 2020 compared to the same period in 2019.

LATAM

Retail sales is expected to decline 6.8% for 2020 in LATAM.

"Covid-19 is significantly impacting the global retail landscape," said Michael O'Grady, principal forecast analyst at Forrester. "Retail categories like grocery and essential consumables are performing well, while other categories like fashion, beauty, and cosmetics are seeing a marked decline in consumer spend."

"In 2020, there will be a significant decline in global retail sales, particularly with non-essential items sold offline, which will be a big challenge for brick and mortar retailers. Online sales, however, will be more resilient. To navigate the crisis, retailers need to manage their costs and drive their e-commerce sales and services as much as possible."

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