The impact of COVID-19 on e-commerce

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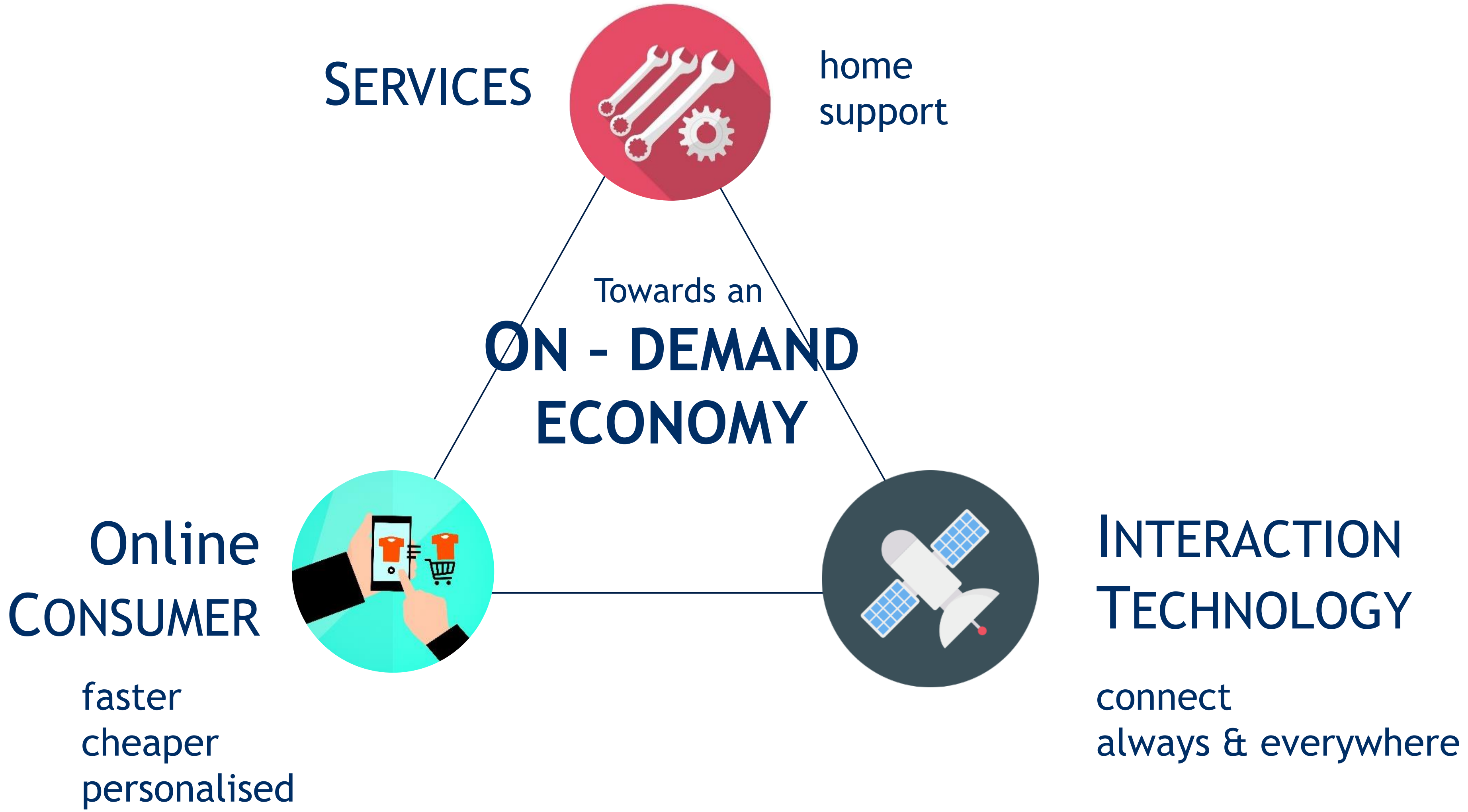
The ‘on-demand’ economy



Source: TPR-UAntwerpen

Impact of COVID-19

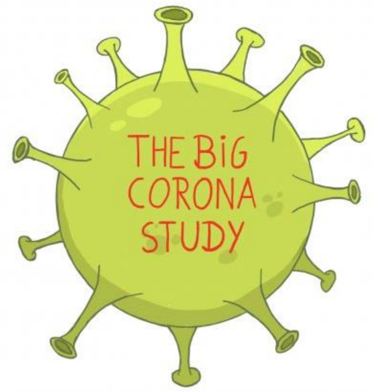
Retail is one of the hardest hit sectors

1. GDP in the Euro-area was down 12% year-on-year, the sales of non-food products dropped by 23.8% in April 2020 compared to a year before (Eurostat)
2. In Belgium, 40% of the small retailers had an online channel before March 2020. During lockdown 1, 50% of the pure-offline retailers openend an online channel.
3. Retailers with a new online channel reported a loss in turnover of 75%.

2 surveys

The retailer

- **April 22 – June 1, 2020**
- Targeting **small retailers** through sector federation, local governnments etc.
- **4 blocks of questions**: prevalence of online channel; operations; future perspective; general characteristics
- **389 stores**

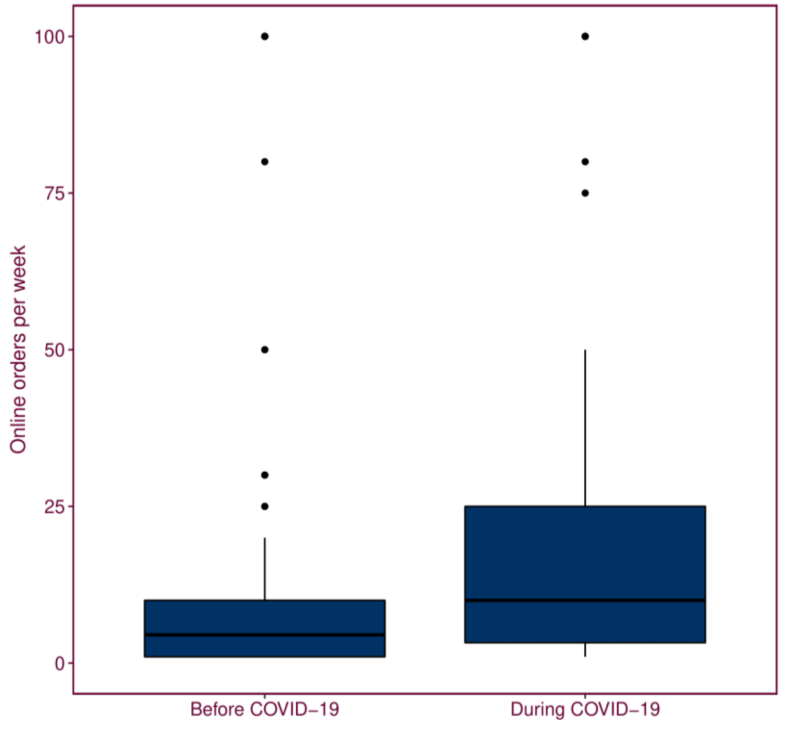


The consumer

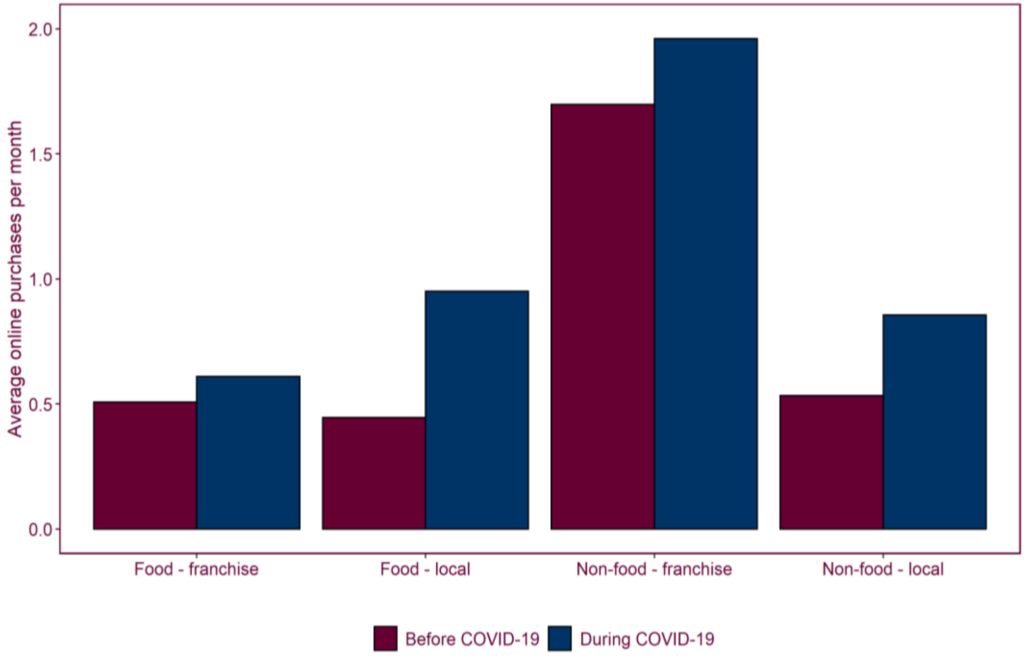
- **May 12, 2020**
- **Monthly frequency of shopping online** in four categories: food – franchise; food – local; non- food – franchise; non-food – local.
- **7 categories of explanatory variables**: Socio-demographic; Household; Employment; Prudence; Modal choice; Built environment; Welfare
- **78,047 respondents**

Online retailing during COVID-19

Retailer



Consumer



Online retailing during COVID-19

- 50% of those not operating an online channel before the pandemic opened an online store
- Medium number of online orders/week: 5 -> 15
- 23% of pre –COVID-19 turnover

Online retailing during COVID-19

“Shop local” seemed to work

1. there is a large solidarity due to ‘all of us being in this together’.
2. the shop local campaigns by sector federations as well as initiatives taken by local authorities seem to be very effective.
3. Picking up your purchase at the shop next door or being delivered by the shop owner provided a small but very much needed opportunity of social contact during isolation.

Impact of COVID-19

But webshops seem a “quick fix”

1. 96% of the businesses that started selling online did not charge anything extra to cover the costs of opening the online store or processing the orders
2. 60% did not ask for a delivery fee
3. 50% of the respondents indicate that payments occur only during or after the pick-up/delivery
4. 57% of the respondents created the online channel themselves
5. 49% of the respondents do the delivery themselves (even +10km)

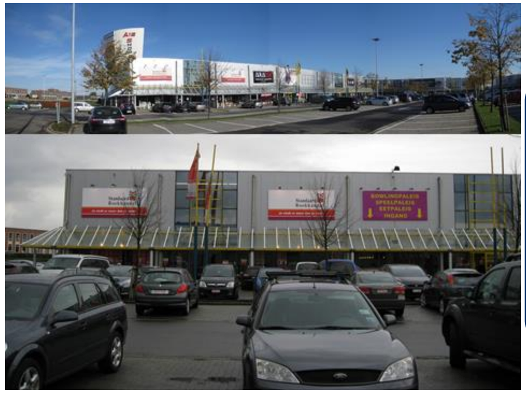
Impact of COVID-19

The logistics sector is following swift

- **The rise of “deliver local?”**
- **Projects “slim naar antwerpen”:**
  - Cargovelo – Velopack

Shopping incentives are heterogeneous

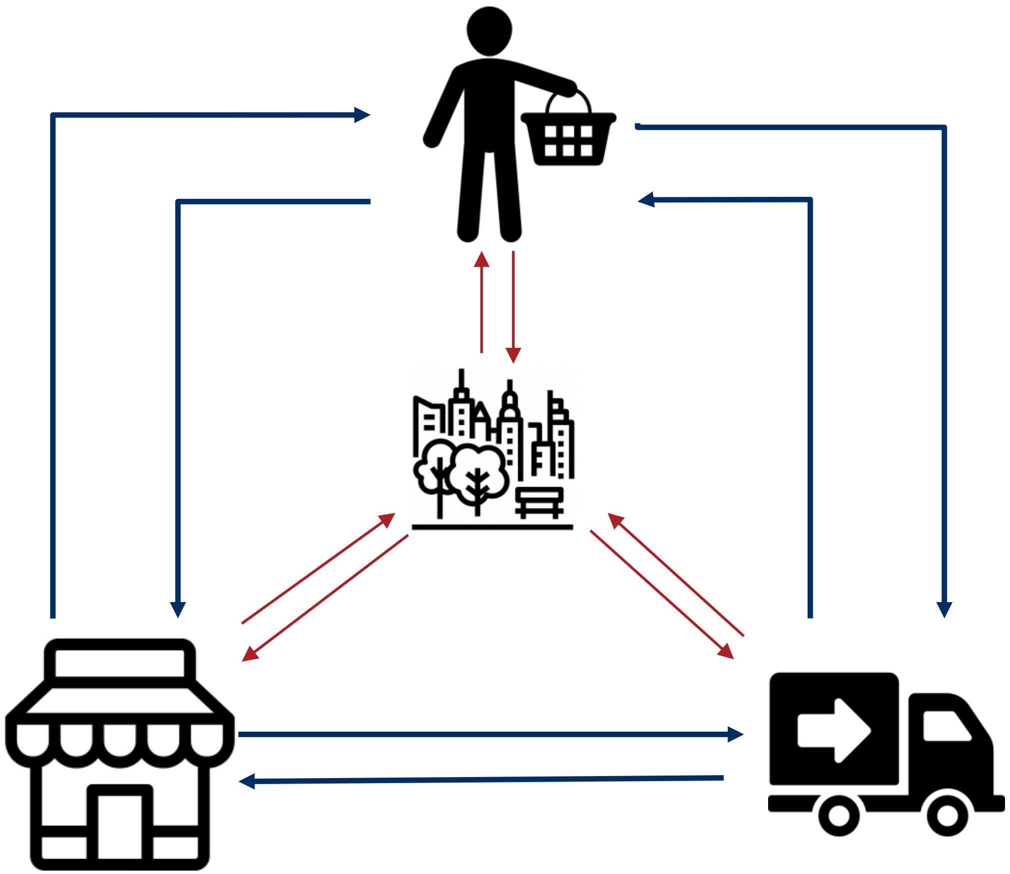
FUNSHOPPING



RUNSHOPPING

SOFASHOPPING

Retail & logistics?



Cushman & Wakefield 2021

"Logistics, residential and life science are the pandemic winners. Logistics will be a key benefactor of this trend and supply chain changes will be an added driver of [real estate]demand in some areas"

"The revolution in retail is still in its early days, but the role of strong retail in anchoring destination and convenience locations is clear"

What policy?

- **Limited number of initiatives**
  - Mechelen, Gent
  - Antwerpen, Brugge, Sint-Niklaas
  - ?

Gent levert

COORDINATION

- Local: need for integrated spatial planning for logistics – and dynamics between departments of economy and mobility.
- Supra-local: need for guidance from the *regional?/federal?* level is paramount:
  - Level playing field (cfr. Ecozone)
  - LSP does not want to switch from to to to when making a tour Mechelen – Tienen – Leuven - Brussels