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Long-Term Effect of COVID-19 Outbreak on Consumer Behavior and Online Retail in the United Kingdom

Abstract

The year 2020 has shown to be very different for the world due to the outbreak of COVID-19 virus that has affected the everyday lives of nearly everyone. The change of pace and restrictions have also affected the retail industry in the United Kingdom. It is a current issue at the time of writing, making the topic highly relevant for the future

This study has used Time Series analysis to determine whether the shifts in retail industry towards online purchases can be attributed directly to the virus outbreak as well as investigate the reliability of historical data-based forecast methods in the time of uncertainty such as the ongoing pandemic. The study discusses the state and role of retail in the United Kingdom prior and during the COVID-19 outbreak as well as the holistic dynamic of online retail practices worldwide.

By using data smoothing against seasonality it was made possible to relate retail sales data with the infection rate data, facilitating their correspondence and the effect of one on the other. By comparing the created forecast for the year 2020 to the real-life data it was concluded that sole reliance on historical-data forecasts can work well in predictable market conditions, however greatly deviates from the uncertainty created by said outbreak. All things considered, the study successfully created a future outlook for the upcoming trends in retail methodology and with that in mind advocates for the shift towards a more internet-based commercial activity.