



The Impact of COVID-19 on U.S. Holiday Shipping and Business Sales

Since March 2020, the COVID-19 pandemic has impacted American small and medium-sized enterprises (SMEs) in varying ways — some companies saw sales slumps and employee layoffs while others benefitted greatly from increased online shopping.

Now as the holiday shopping season approaches, uncertainty about the long-term economic repercussions of the COVID-19 pandemic remains. Many SMEs worry that this most profitable time of the year may not be as fruitful in 2020. And yet, some SMEs are hoping that the holidays might be a beacon of light at the end of a tough year -- especially if their businesses already have an e-commerce component. According to [Deloitte](#), holiday e-commerce sales are expected to surge 25% to 35% -- an increase of between \$182 billion and \$196 billion. That is huge, compared to the 2019 online growth rate of 14.7%, when sales reached \$145 billion.

Yet, one thing about this holiday season *is* certain — it will be different.

To gain insight into what businesses expect from this holiday season, DHL conducted a survey of U.S. SMEs and its customers. Here are the key findings, compiled from the more than 2,500 responses:

The impact varies. When asked how the pandemic will affect sales this holiday season, business responses were fragmented. A slight majority (37%) of respondents said the global health crisis will have zero, or an unknown, impact on their holiday sales. Nearly tied for the top response, 36% of business owners said the COVID-19 pandemic will have a negative impact on sales; and 27% said it will have a positive impact (with 12% expecting a significantly positive impact).

Businesses will not require additional holiday staffing this year. While most SMEs did not agree on how the pandemic will impact sales, the majority of respondents agreed when it came



to holiday hiring. Nearly three-quarters of respondents (70%) said that staffing (full-time, part-time or contractors) will stay the same or decrease compared to last year.

Most are optimistic about e-commerce. Over half of respondents (62%) anticipate an increase in e-commerce sales compared with the 2019 holiday season. Over one-third (38%) anticipate no YOY increase. However, when asked to specify expected percentage increases, the 62% responded as follows:

- 27% anticipate an increase between 1-20%
- 20% anticipate an increase between 21-50%
- 15% anticipate increases over 50%

Fast and seamless logistics is top priority. When SMEs were asked what they considered most important to ensure a successful 2020 holiday season, 44% of respondents said fast global shipping. Although, many SMEs still worry that shipping may be impacted by pandemic-related supply-chain delays. In fact, 42% said supply-chain delays are likely to be their biggest challenge of the holiday season, while 39% said the bad economy will present the biggest challenge, 15% said fulfilling orders, and just 4% said website malfunctions.

Businesses need a successful holiday season now more than ever. To conclude this challenging year, all SME respondents said they were willing to try almost anything to ensure a prosperous holiday season. In fact:

- 32% said they would volunteer as Santa at the mall if it meant their businesses would have their best holiday season ever
- 31% would clean up after Santa's nine reindeers
- 20% would let the Grinch steal Christmas
- 17% would agree to eat only soggy fruitcake for the duration of the holiday season

Overall, the survey findings suggest that, despite it being an unprecedented year, the 2020 holiday season is important for all SMEs -- and those that can count on e-commerce sales will be the most successful.

The survey results also clearly show that every business has unique needs. Working with an experienced logistics partner, like DHL, during the holiday season can help companies navigate



these uncertain times. DHL is dedicated to working closely with companies, and to creating custom-shipping solutions so they can begin or continue to expand their businesses beyond the U.S. borders.

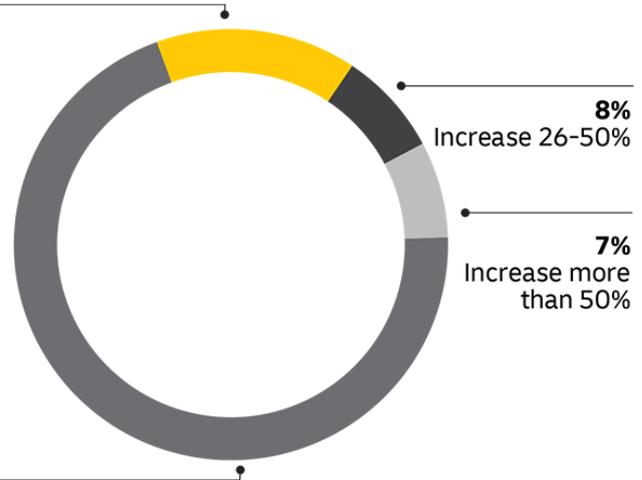
See below for the full survey results. Follow @DHLUS on Twitter and Instagram for timely information and updates.

CUSTOMER SURVEY

THIS HOLIDAY SEASON, MY BUSINESS' STAFFING (FULL-TIME, PART-TIME OR CONTRACTOR) WILL _____ COMPARED TO LAST YEAR'S HOLIDAY STAFFING.

15%
Increase up to 25%

70%
Stay the same or decrease



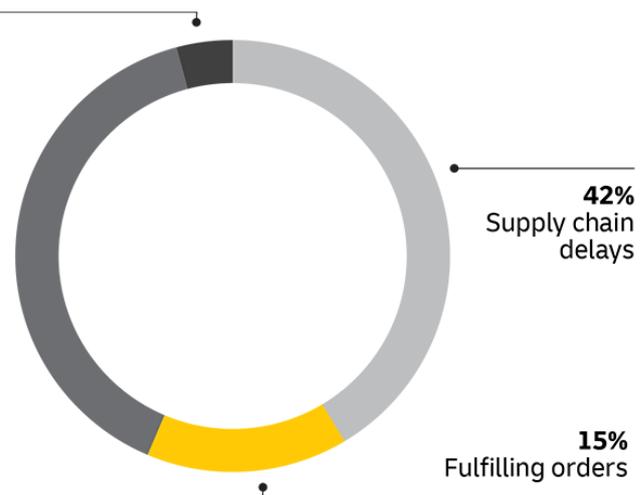
Source: 2020 DHL Holiday Survey

CUSTOMER SURVEY

WHAT DO YOU ANTICIPATE WILL BE YOUR BIGGEST CHALLENGE THIS HOLIDAY SEASON?

4%
Website malfunctions

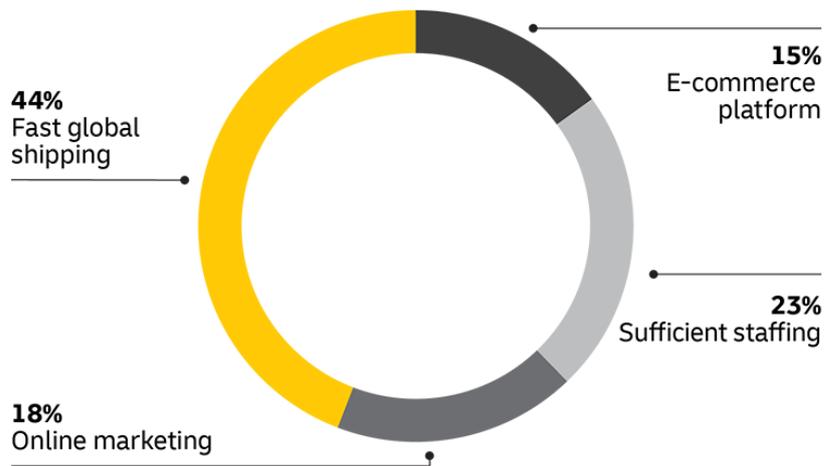
39%
Bad economy



Source: 2020 DHL Holiday Survey

CUSTOMER SURVEY

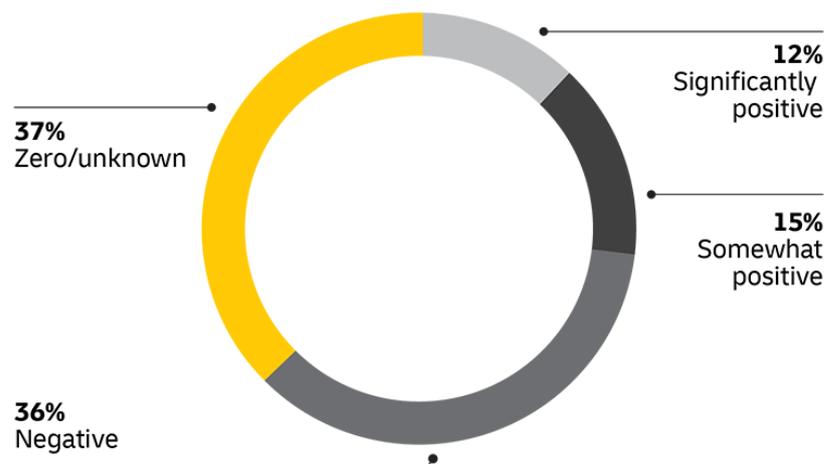
WHICH OF THE FOLLOWING DO YOU THINK WILL BE MOST IMPORTANT FOR A SUCCESSFUL HOLIDAY SEASON THIS YEAR?



Source: 2020 DHL Holiday Survey

CUSTOMER SURVEY

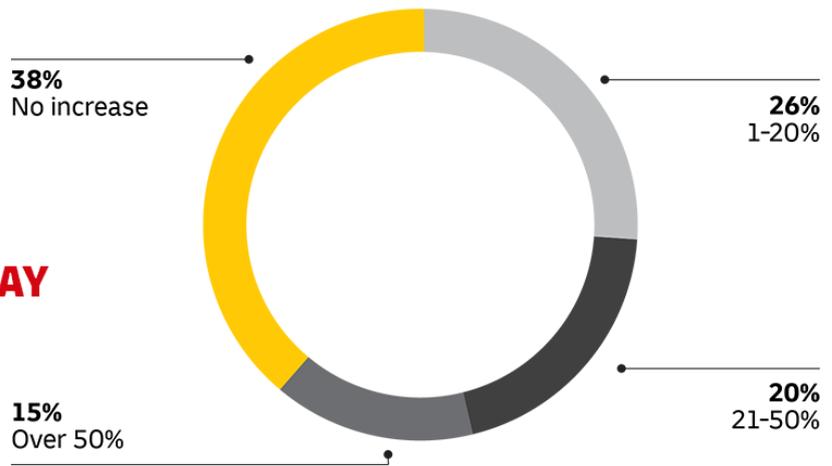
THE RECENT GLOBAL HEALTH CRISIS WILL HAVE A _____ IMPACT ON MY HOLIDAY SALES THIS HOLIDAY SEASON.



Source: 2020 DHL Holiday Survey

CUSTOMER SURVEY

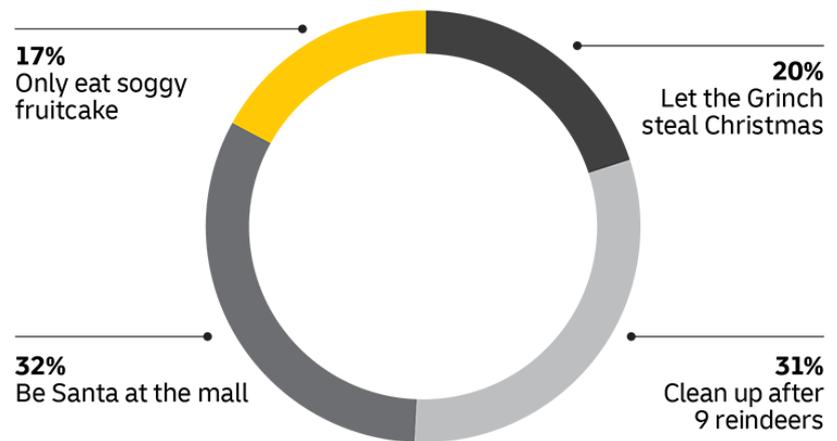
HOW MUCH OF A YEAR-OVER-YEAR INCREASE IN E-COMMERCE SALES DO YOU ANTICIPATE FOR THE 2020 HOLIDAY SEASON COMPARED TO THE 2019 HOLIDAY SEASON?



Source: 2020 DHL Holiday Survey

CUSTOMER SURVEY

I WOULD IF IT MEANT MY BUSINESS WOULD HAVE THE MOST SUCCESSFUL HOLIDAY SEASON EVER THIS YEAR.



Source: 2020 DHL Holiday Survey