

Survival of the fittest and most agile will make or break retailers as lockdown eases

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Customers panic buying in droves, running out of stock on many basic essentials, and imposing product purchase restrictions may now be less of a headache for retailers, but plenty of other hurdles lie ahead as life slowly returns to some semblance of normality and non-essential shops prepare to reopen in mid-June.

A new report published in the *Journal of Business Research*, led by the University of Bristol, has highlighted the top priorities to help both physical and online stores satisfy fast-changing [customer needs](#) and expectations, while also meeting stringent government regulations.

Lead author Dr. Eleonora Pantano, Associate Professor of Marketing at the University of Bristol, said: "From the very outset of the pandemic, retailers have all faced unprecedented challenges. Many have already transformed how they operate in an effort to retain existing and gain new customers. This flexibility must both continue and improve, as they strive to survive and thrive in a retail landscape which has changed beyond recognition."

The paper highlights four key focus areas to boost business performance and [customer satisfaction](#).

Agility is everything

New dynamic capabilities are required to cope with rapidly-evolving

consumer demands and government stipulations on how businesses must be run. Adopting an agile approach would accelerate retailers' responses to such changes and simplify processes. Greater understanding of how stakeholders, including consumers, suppliers and staff, interact holds the key to more effective collaboration and the ability to adapt. The clock is also ticking to get these relationships and reactions right.

Dr. Pantano said: "The new agile mindset must be implemented quickly so retailers can manage the swift rebound in consumption after lockdown lifts and the pandemic ends, as well as prepare for the normalisation of consumption after this initial surge.

"It's not only about reacting quickly enough, but also the process of doing so. Suppliers, employees, and customers need to feel involved in order to achieve their buy-in. Instead of falling back on traditional plans to effect organisational change, retailers should engage with their stakeholders, solicit feedback, and act accordingly. The reallocation of staff roles is a good example of when taking an agile approach will reap rewards."

A bigger role in society

The coronavirus pandemic has highlighted the crucial role of grocery stores and their staff in society. Their employees, ranging from checkout operators to truck drivers, are now classified as key workers, alongside doctors, nurses, and teachers to name a few.

To show solidarity and support, some supermarkets have introduced customer priority times for NHS staff and vulnerable people, such as older customers. Other retailers have offered perks, for instance discounts or free meals. Businesses, including big fashion labels, have shifted their production lines to make hand sanitiser or protective clothing and equipment for healthcare workers.

Dr. Pantano said: "Expressing in positive deeds, not just words, how much they care about people and society in this pandemic has become a central part of retailers' strategies. Such tangible gestures and donations can improve brand image and increase consumers' attachment to it both now and after the crisis.

"In some ways the relationship has become more personal and retailers will be seeking to continue and capitalise on this once normality is restored, creating new opportunities for increased spend and customer loyalty as a result of demonstrating greater social responsibility."

Put customers' wellbeing at the heart

Retail service can have a huge impact on consumers' sense of wellbeing, so it pays to give this special attention. The pandemic has brought into sharp focus customers' vulnerability and specific needs, acceptable response times, and potential health hazards when shopping in store.

Dr. Pantano said: "Retailers which failed to adjust in time and disappointed expectations during the pandemic might well pay the price when normality resumes after customers have discovered other products or shopping platforms and changed their habits for good.

"However, through clear, sympathetic and appreciative messaging retailers are finding ways to comply with strict government measures, which create disruption and inconvenience, while at the same time achieving customer acceptance and satisfaction. By emphasising their priority is ensuring consumers' safety and health, not profit, a lot of trust and goodwill can be bought."

Moving towards shops reopening post-lockdown, customers might be even more tolerant of changes previously regarded as an unacceptable invasion of personal privacy.

Dr. Pantano said: "The countermeasures to comply with public regulation could lead to higher acceptance of biometric surveillance measures, such as body scanning, face recognition, and GPS, and other tracking systems. Customers may be more willing to disclose personal information to help track and control the virus spread and support containment measures.

"The question is whether these changed attitudes will last when the heightened sense of danger has passed."

Speak digital

Regular, relevant communication between retailers and their customers is paramount to improve understanding and help manage expectations. Sharing information on product availability and being transparent about purchasing restrictions on any particular products will help maintain a flow of timely information. Similarly, being open about and explaining measures to protect consumers' and employees' health, as well as its wider contribution to protect public health, should enhance customer engagement and the overall shopping experience.

Dr. Pantano said: "Online grocery shopping skyrocketed during the pandemic, resulting in websites crashing and huge delays in deliveries as businesses couldn't cope with the huge upswing in demand. In addition to addressing the logistical challenges, retailers need to advance customer relationship management systems and enhance safe interactions with customers.

"Introducing online chats round the clock to provide real-time customer assistance could be a powerful tool to win customer awareness, understanding, and trust. In short, retailers need to invest in new technology to speak the language of what customers want now and in future."

Dr. Pantano is a prominent retailing author, who has focused her research on the development of new [customer](#) solutions to improve retail analytics, strategies, and management.

More information: Eleonora Pantano et al. Competing during a pandemic? Retailers' ups and downs during the COVID-19 outbreak, *Journal of Business Research* (2020). [DOI: 10.1016/j.jbusres.2020.05.036](#)

Provided by University of Bristol

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