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Coronavirus management: Are retailers taking the correct steps?

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Delivering the best possible customer experience during a crisis such as the coronavirus outbreak is key for retailers. Image credit: ActiveViam

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All eyes in the retail industry and worldwide are on the developments around the outbreak of the coronavirus.

With financial markets still in flux and the fourth quarter producing only moderate success at best for many retailers, the retail industry is trying to come to terms with the ways to both provide consumers with a safe shopping experience and achieve their key performance indicators.

That said, here are three key areas that retailers that should keep in mind when it comes to delivering the best possible customer experience and maintaining success while the global response to the coronavirus continues.

Keeping consumers confident

Consumer confidence is at the center of managing this outbreak successfully for retailers.

Therefore, retailers should have plans in place to anticipate any changes in consumer shopping behavior and preferences.

For example, retailers need to make sure that their online infrastructure is able to cope with a potential jump in online purchases within the affected areas.

Additionally, retailers must make sure that they have a strong communications strategy for letting customers know about any changes that could affect product availability or the overall customer experience.

These steps will allow retailers to keep their customers in the know and make them feel as if their loyalty is important even during this challenging period.

Rethinking sourcing and production

In addition to micro-level strategies, retailers need to begin at least considering macro-level management strategies as well. Chief among them is where the products they stock are sourced from and produced.

Many of the products that consumers purchase regularly in the United States are produced in countries that are currently at the center of the coronavirus outbreak, including Italy for luxury goods.

To keep consumers confident, retailers need to take a hard look at how they may be able to shift production and sourcing to other less affected countries, especially if the outbreak continues into the medium or long-term.

This, of course, is easier said than done, as it will require companies to have access to production facilities in other countries.

However, those retailers that are able to shift their supply chain may be best positioned to cope with this outbreak.

Optimizing operations

As a result of this shift in consumer confidence and the lackluster performance of the markets, now is the time when retailers should look to scale back their operations and keep things tight.

For example, retailers need to reduce orders of nonessential products and bring assortments and allocations to a minimum.

Simply put, the retailers that will rebound the best from this outbreak will be the ones that can downshift their operations and quickly scale back up as things begin to stabilize.

This means that retailers really need to lean into their data operations to make sure that only the most sensible purchases are being made at this time.

EVEN THOUGH the coronavirus has added an additional element of uncertainty to the business and retail markets, by focusing on these three areas, retailers can provide their customers with a strong customer experience without sacrificing too much when it comes to business performance.



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