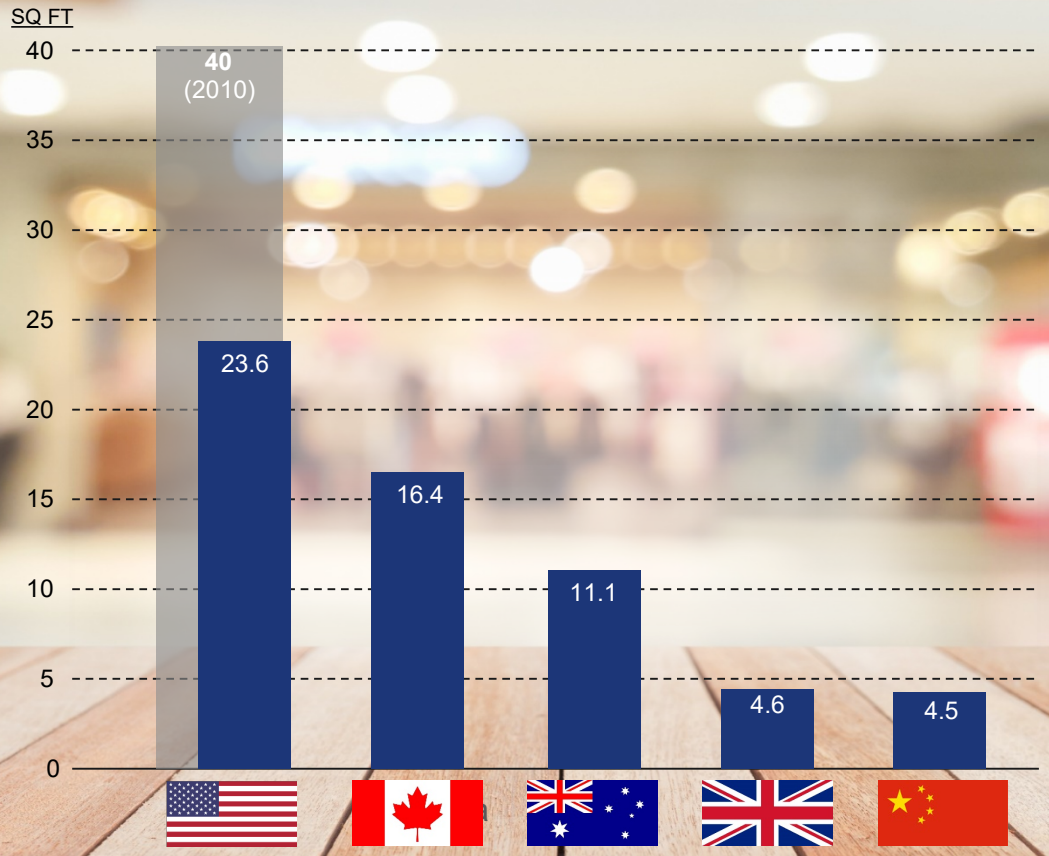
Retail Landscape

By Kirsten Early

Retail Square Feet Per Person



Where was retail prior to Covid?

amazon

Alibaba Group
阿里巴巴集团

ebay

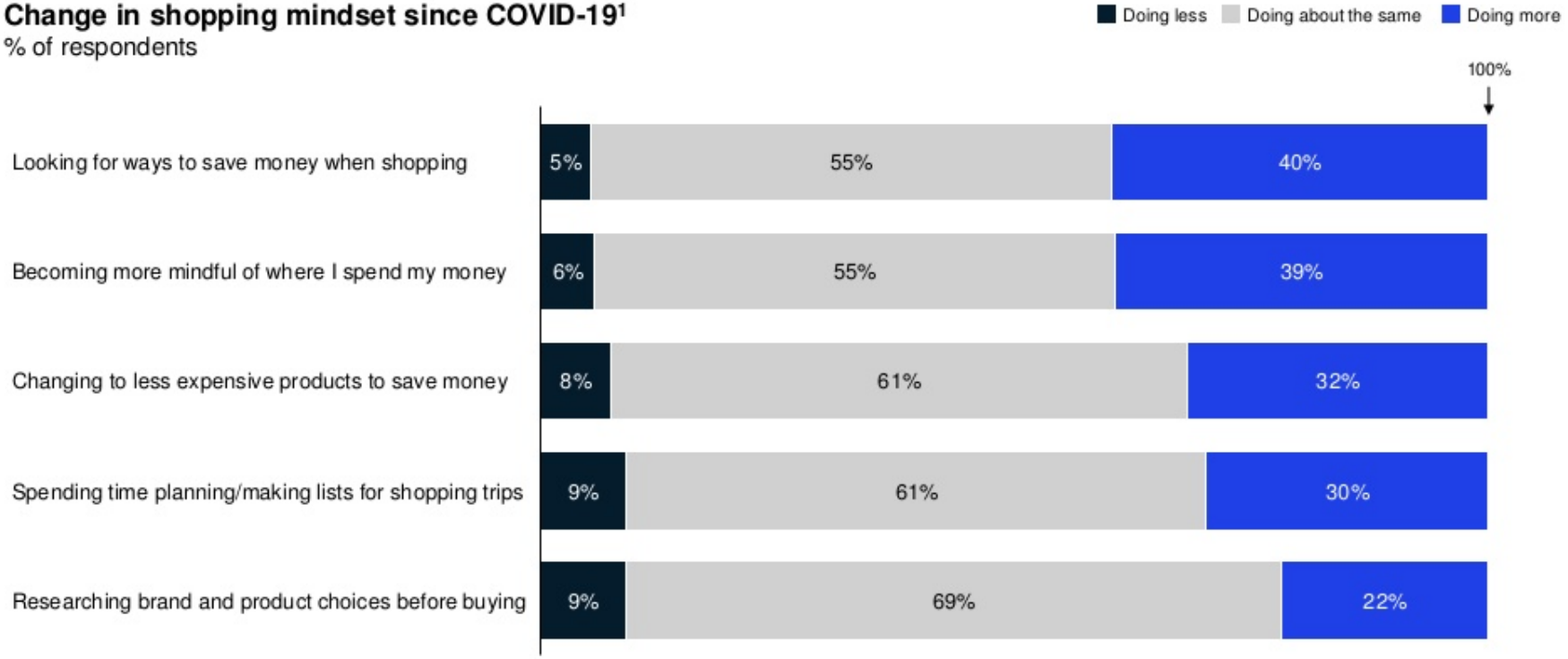
How will coronavirus affect the retail market?

According to a McKinsey & Company survey:

- Consumers continue to shift their spending towards essentials while cutting their discretionary spending
- With the expectation that our economy recovery will take at least 6 months, consumers continue to focus on need based or essential buying habits
- More than 1/3rd of Americans have seen a decline in their income or savings in the last two months

Americans are becoming more mindful of how they spend their money and adopting new habits to save money

Change in shopping mindset since COVID-19[1]
% of respondents



[1] Q: *Which best describes how often you are doing each of the following items?* Possible answers: "doing less since coronavirus started"; "doing about the same since coronavirus started"; "doing more since coronavirus started"; figures may not sum to 100% because of rounding.

Source: McKinsey & Company COVID-19 US Consumer Pulse Survey 7/30–8/2/2020, n = 2,024, sampled and weighted to match the US general population 18+ years

Retail trends

Researchers have continued to see a shock to brand loyalty

With the new coronaconomy, consumers have more options than ever to shop from

- 1000's of new E-commerce and online shopping websites available
- Over 75% of Americans have tried either a new brand, or a new method of shopping during the pandemic
- Grocers and other essential categories have experienced the largest shock to loyalty
- 60% of customers recently used inspiration from a digital form of advertisement to decide where to shop at

Retail trends

The biggest concern for retailers post -corona is the mass flight from traditional retailers to digital delivery channels

- This shift in online shopping is likely here to stay permanently and shoppers are gaining more access to online as well as contactless delivery
- In addition to this, with companies such as Amazon and Google utilizing AI technologies more and more, there will be more emphasis on pleasing the consumer as efficiently and easily as possible

Retail trends

Lastly, Americans are spending more of their at -home time in different ways than they were prior to Corona

How can retailers adapt?

- Penetrate the E-commerce market
- Need for hygiene transparency/ensuring a safe environment to shop in
- Listen to your consumers needs as there is a massive shock to brand loyalty and in order to retain/attract new consumers, your offerings will have to be hyper-relevant, hyper-local and hyper-hygienic
- Have a crisis management/contingency plan for if and when something goes wrong in the supply chain

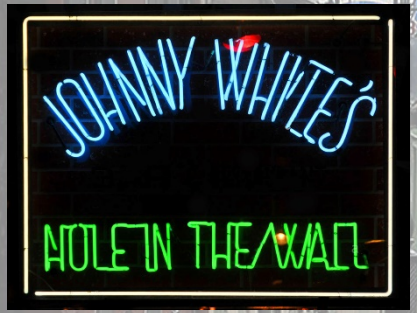
Walmart+

- Walmart+ is a good example of one of the world's most well -known retailers fighting to maintain their market share
  - They have introduced this subscription service to rival Amazon prime
  - It will cost $98 per year and allow for unlimited same day grocery deliveries from any Walmart
- By offering this service, they are adapting their market to fit the consumers hygienic needs and worries as well as introducing themselves to the home delivery space to rival Amazon

Local New Orleans retail market

In New Orleans alone, many retailers that have been around for decades have been forced to close.

Additionally, many bars are in jeopardy of closing as they have hardly been open the last 3 months.



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MANNING'S
SPORTS BAR & GRILL

Post Covid future

- There are opportunities for retailers to increase their revenue through innovating and adapting with the changing times
- Reopening won’t stop E -commerce surge - need to adapt to keep pace with these E -commerce giants
- Brick and mortar stores will see lots of Automation and advances in technology

Rumors

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