



POST-COVID-19,
REIMAGINING THE RETAIL INDUSTRY

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Photo courtesy: [Quartz](#)

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By Amit Patel

ABSTRACT

As COVID-19 continues to spread, its impacts on individuals and businesses also increase. Around the globe, entire countries have come under quarantine orders and been asked to minimize human contact. As we start lifting the quarantine orders and re-opening businesses, the retail industry is scrambling to adapt. They recognize COVID-19, and their response to it, will have a significant impact on their businesses. This white paper provides insights on how retailers can remediate their short-term challenges, and develop strategies to address some of the longer-term implications.

“Change brings opportunity.”

Nido Qubein



INTRODUCTION

COVID-19 has caused substantial economic chaos, mandating significant changes to retail in particular. From iconic department stores to entertainment giants, COVID-19 has seemingly spared no one in its devastation.

In the U.S., before the COVID-19 pandemic, due to declining sales, several retailers and brands were already contemplating permanent store closures and/or filing for bankruptcy. The COVID-19 pandemic simply accelerated the process. In the first few months of 2020, 14 major retailers filed for bankruptcy.¹

Table – 1, List Of 2020 Retail Bankruptcies

#	Retailer	Bankruptcy Filed On	#	Retailer	Bankruptcy Filed On
1	<i>SFP Franchise Corp</i>	January 23	8	<i>J. Crew</i>	May 4
2	<i>Pier 1</i>	February 17	9	<i>Aldo</i>	May 7
3	<i>Art Van Furniture</i>	March 9	10	<i>Neiman Marcus</i>	May 7
4	<i>Bluestem Brand</i>	March 9	11	<i>Stage Stores</i>	May 11
5	<i>Modell's Sporting Goods</i>	March 11	12	<i>J. C. Penney</i>	May 15
6	<i>True Religion</i>	April 13	13	<i>Centric Brands</i>	May 18
7	<i>Roots USA</i>	April 29	14	<i>Tuesday Morning</i>	May 27

As COVID-19 restrictions are being eased globally, and retailers are gradually reopening their businesses, they face a multitude of short-term and long-term challenges around cash flow, public health and safety for customers and employees, consumer demand, supply chain and distribution, labor force, and marketing.

The COVID-19 pandemic will inevitably define new realities for the retail industry, and it is imperative for retailers to anticipate now what a post-pandemic world will look like, and begin to embark upon a transformation journey to better match the new reality.

We have identified five key areas where retail executives should be focusing their attention, right now.

¹ The Running List Of 2020 Retail Bankruptcies, [Retail Dive Team, June 2020](#)

1. EMPLOYEE AND CUSTOMER SAFETY

While we all optimistically look forward to the current pandemic slowing down and the development of a vaccine, there remains a possibility of variants of COVID-19 appearing seasonally or of an entirely new pandemic.

“As retailers reopen their business based on local guidelines, they must have a plan that ensures the safety of their employees and customers while seamlessly conducting business as usual activities. “

As retailers develop their plans for reopening, we recommend the following safety practices to create a safe and healthy environment for the employees to serve clients:

- ▶ Changing hours of operation to allow for deeper cleaning and sanitization
- ▶ Conducting regular health screenings of employees
- ▶ Providing face coverings, gloves, and hand sanitizers for employees and customers
- ▶ Installing dividers at the register
- ▶ Promoting contactless payments
- ▶ Increasing cleaning and sanitization frequencies
- ▶ Creating space for social distancing of six feet or more, including limiting the number of customers and employees in the store
- ▶ Pausing high-touch services and customer events
- ▶ Offering contactless curbside services, and home deliveries
- ▶ Keeping tried on or returned merchandise off the salesfloor for a period of time to ensure that it is thoroughly disinfected
- ▶ Modifying the fitting room experience:
 - Disinfecting the fitting room after each customer use
 - Waiting for a period of time before using a fitting room again

All of these modifications have significant implications for the way brick and mortar retailers will need to operate in the future.

