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STRATEGY | M&A | TRANSFORMATION



COVID-19 | The Ramp-Up Route in Retail

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Ramp-Up Overview

The number one priority is to open retail stores and create a safe shopping environment for employees and customers. However, the situation bears the potential to think beyond the current store setup and reimagine the customer experience.

1 PRIORITY ONE | OPEN RETAIL STORES

 RAMP-UP STRATEGY	Which stores should I prioritize and open first?
 ORGANIZATIONAL PREPARATION	What do I have to prepare in advance for a safe and successful opening?
 SALES MEASURES	Which incentives can I use to boost offline sales and restore confidence?
 COMMUNICATION STRATEGY	What must I consider for internal and external communication?

Current challenges



For a successful re-opening of stores, retail companies must develop a detailed implementation planning. Seamless interaction of different modules ensures that health and business risks are minimized

Act now!

2 PRIORITY TWO | REIMAGINE RETAIL

 PORTFOLIO ASSESSMENT	How should I adjust my portfolio in the midterm?
 MARKETING MIX	How should I change my marketing strategy to better address evolving customers' preferences?
 STORE OF THE FUTURE	What do I need to do in order to make my physical store portfolio ready for the future?

Future challenges



To achieve sustainable, long-term success, companies need to anticipate changes in consumer behavior and adapt at an early stage. The current crisis presents a suitable moment to scrutinize the own strategy

Think ahead!

1 Priority One | Open Retail Stores

In order to open retail store doors again, retailers must consider the ramp-up strategy, orchestrate organizational preparations, implement sales measures and follow a consistent communication strategy to all stakeholders.


RAMP-UP STRATEGY

- Decision between **gradual opening** (waterfall strategy) vs. **complete opening** ("Big Bang")
- If opting for a gradual opening, identification of individual shop's opening priority based on criteria such as **shop importance** (e.g. flagship stores), **ownership** (self-owned vs. franchise), and **regulatory requirements** (e.g. store size and hygiene risks)
- Development of a **high-level ramp-up plan** defining required measures, responsibilities, and milestones

Degree of centralization




ORGANIZATIONAL PREPARATION

- **Modification** of the **sales floor** according to internal and external requirements (install cash deck protection, set up spacers and information boards, place hygiene products)
- Resumption of **operational activities** (order cash collections, ensure product availability, adjust opening hours online, update staff planning and schedules)
- Clearly define a **protocol of precautions**, incl. guidelines for cash handling, employee contact between shifts, and contingency planning)

Degree of centralization




SALES MEASURES

- **Development of special offers and promotions** to draw customers into shops without risking a run and potentially realize a **catch-up effect** from held back demand
- **Preparation** of a dedicated **online and offline marketing campaign** to generate awareness
- **Production** and dispatch of physical **marketing articles** for display in shops
- **Incentive** for dealers to additionally pursue **local promotion and marketing activities**

Degree of centralization




COMMUNICATION STRATEGY

- Identification of all **relevant stakeholders** (employees, works council, press, local authorities, etc.) and their **key concerns**
- Preparation of a **coordinated communication plan** incl. individual key messages
- **External communication of re-opening** via **all channels** with emphasis on strict hygiene precautions
- **Internal communication** of ramp-up plan **incl. Q&A**
- Establishment of an **internal and/or external hotline** addressing hygiene concerns

Degree of centralization



Degree of centralization: ● High ○ Low

2 Priority Two | Reimagine Retail

Secular retail trends, i.e. online shopping, online marketing, and digitization, revolutionize the customer experience. The COVID-19 disruption could be taken as an opportunity, to rethink a company's retail concept along these dimensions.



[1] manager magazine
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