



News

Columns

Interviews

BW Communities

Events

BW TV

Subscribe to Print

Editorial Calendar 19-20

Lockdowns: Time To Re-Look

The imposition of a long spell of lockdown was a precautionary step against the pandemic and there should not be scope for complaint.

Photo Credit :



29 September, 2020
by Pooja Misra , Venu Sharma

Print this article
Font size - 16 +

Accelerating research in AI and high-performance computing.

Learn more

Powered by Intel®

Quick Bytes



World Day Show



Category Jumblist

Smart Duan 20,0

Having gone through confronting hardships during the four months of lockdown, Retailers have been heavily relying on the weekend business to help revive sales and improve from the budgetary pressure that they have been saddled with. As per Retailers Association of India over 45 percent of the week's whole business for the Retail Industry, happens on the weekends i.e. Saturday and Sunday. In view of the hard fact, have the localised lockdown announced by the State Governments such as Uttar Pradesh, Haryana, etc. acted as the spoiler for Retailers?

India is largely a consumption-driven economy, and if the retail business falters it will debilitate the complete value chain from making of the product to stock management, distribution, and accessibility of the product to consumers. Weekend shutdowns have put the policymakers in dilemma at the Center as it hampers the recovery of the Indian economy. ICRA overhauled its FY21 GDP evaluation estimating a contraction of 9.5% from a prior evaluation of (-)5% in light of a "spate of weekend lockdowns in certain states and urban communities, capturing the incipient recovery that had set in during May-June 2020." As per ICRA, lockdowns forced by states likely to lead towards a severe contraction in the second and third quarters of the fiscal and will result in longer recovery time.

The Retail Business Survey conducted by RAI indicated that in April 2020 businesses had witnessed a (-) 80% y-o-y loss. With the Unlock there were hopes of a recovery and June 2020 numbers reflected losses of (-) 67% y-o-y, however with localised lockdown, numbers were dismal in July 2020 reflecting only a marginal recovery of (-)63% y-o-y losses. CEO, RAI has urged the

Accelerating research in AI and high-performance computing.

Learn more

Powered by Intel®

BW TV



Build Eng Nex Jets



7 ye Nar gov Who ecol



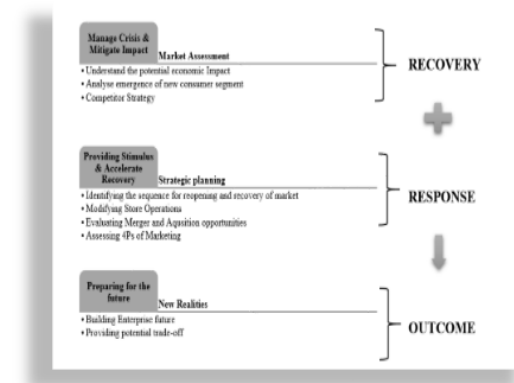
Center and the State Governments to collaboratively work towards supporting the revival of the retail industry. The Retail industry has been struggling to Riggle out of the severe blow on account of the selective lockdowns during weekends by the states, which is disturbing retail business and negatively impacting consumer sentiments. Several factors are needed to be in place to enable the retail sector to revive and recover.

Hilding Anderson, Sr. Director of Strategy, Retail, North America, said that “During black swan events like coronavirus, a clear understanding of risk can help organizations establish the right plan in the face of the unexpected”. Thus, careful and robust planning and agile execution are a must for retailers to meet the challenges in the post-lockdown scenario. Two years from now, it will be clear that retailers that survived were those that grasped the new reality and acted early and decisively. More specifically, preparing for this uncertain future requires careful scenario planning and active execution.

The Retail industry should also adapt itself to the 'new norms' by getting ready with a modified business strategy in response to the prevailing recession, especially, week demand, changes in consumer behavior, and an uncertain future. According to the recent survey performed by RBI, consumer confidence which records the current sentiment of respondents over a variety of economically significant factors has dropped to 53.8 in July from 63.7 in May. The same is indicative of a pessimistic outlook and decreased discretionary spending by consumers.

Thus, a fresh strategy is called for understanding “How to prepare for the new Reality in the Aftermath of COVID 19”. The long-term outcome depends upon the scenario planning ‘what plays out’ with the response ‘what one can influence’. To be able to respond quickly and effectively correct information must be available for an immediate effective response and for activating future endurance. “In every crisis lies an opportunity”. Analysis of the market at the current state will help in identifying valuable insights into shifts in the economy, competitors, consumer sentiments, upcoming trends in the market, and spending power of consumers. Market assessment is one of the crucial components of recovery to manage the crisis and mitigate losses of Retailers.

Deloitte has pointed out that during the great recession of 2008-09, where businesses of brick and mortar declined giving space to e-commerce was seen as economic recovery took hold. At the same time, new players, off-price retailers, and discount stores appealed to customer demands. Thus, now during the 2020 recession, several potential and new strategies can reshape the retail environment by following partnership archetypes such as retailer/brand making like-for-like acquisitions, category/channel expansion, retailer acquiring new business models, and buying capabilities. It is time to face the fact and start looking for innovative and novel thoughts, making them the best practices for the future. Many brands like BATA and LEVIS have already taken the first step and made consumer strategy shift by introducing “Bata-Store-On-Wheels” and “Levis offering curbside pick-up as well as Store Pick-up”. In a nutshell, context building for new realities is anticipated for a better outcome.



During periods of uncertainty, various possible outcomes can be explored, either investing in the Omnichannel (BATA partnered with omuni to unify its demand and supply) or ensuring a safe store experience or a combination of both. Retailers need to grasp reality and act wisely.

The imposition of a long spell of lockdown was a precautionary step against the pandemic and there should not be scope for complaint. However, it is also expected from the government to rescue the huge retail chain which is a lifeline to the economy with required liquidity support and relaxing weekend Lockdowns. At one end, wherein the industry is preparing an ambit of scenario planning for a better outcome, the Government should take note that the entire economy is at the edge of a significant fall; timely actions are required to sail through the deep ocean. A recent announcement of

amendment in the weekend lockdown by the Haryana Government has certainly given partial relief to retailers and is a step in the right direction. It is time that the Government and Retailers work hand in hand and identify the best over the good. At a time where many cities are on partial lockdown and retailers are busy with scenario building, expectations from the Government to provide support increases.

Disclaimer: The views expressed in the article above are those of the authors' and do not necessarily represent or reflect the views of this publishing house. Unless otherwise noted, the author is writing in his/her personal capacity. They are not intended and should not be thought to represent official ideas, attitudes, or policies of any agency or institution.

Tags assigned to this article:

Lockdowns

retails

Pooja Misra

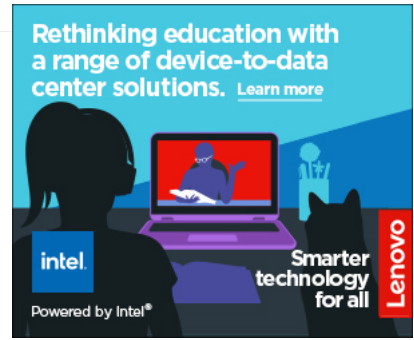
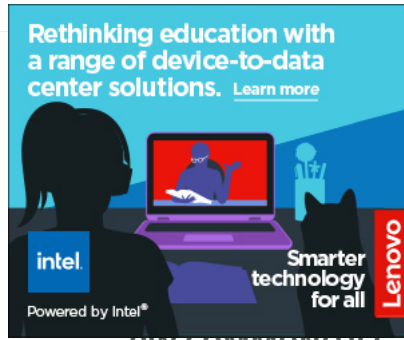
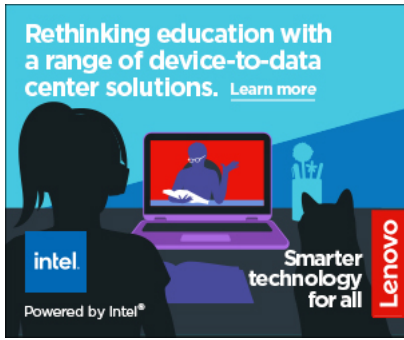
The author is Chairperson, PGDM (Retail Management) & Associate Professor of Economics, Birla Institute of Management Technology (BIMTECH)

[More From The Author >>](#)

Veenu Sharma

The author is Assistant Professor, Retail and Marketing, Birla Institute of Management Technology, Greater Noida

[More From The Author >>](#)



BW COMMUNITIES

BW Communities is an array of business news websites targeted towards niche communities and readers across various industries



BW C|WORLD

- ☞ Accenture Announces Intent to Acquire BENEXT, Independent French Product Management Consulting Company

- ☞ Wipro and Securonix Announce Partnership to Deliver Managed Security Services

- ☞ Towards Intelligent Digital Transformation

[Read More »](#)

BW DISRUPT

- ☞ Leverage Edu On Boards Ambesh Tiwari As Chief Marketing Officer

- ☞ How technology solutions can streamline Deal Flow for Alternative Investment Funds in 6 ways

- ☞ Connected Communities: Data-driven farming and emerging technologies to transform the agriculture sector

[Read More »](#)

BW SMARTCITIES

- ☞ Gehlot Government rejigs 25 IAS

- ☞ K Kailashnathan appointed as Ch Secretary to Gujarat Chief Minister

- ☞ Meghalaya CM Conrad K Sangma "MyMeG- A Citizen Engagement Ini

Category Jumblist ↕