

Commodities

*Covid-19 impact
on the food and
agriculture sectors.*

Online & Delivery Services

*Online continues to gain
relevance and preference
amongst consumers.*

Foodservice

*Countermeasures
to face the Corona
Virus challenge*

Consumer Outlook

*Insight into how
consumers are shifting
their behaviour and
shopping patterns*



PURCHASING CONSTRAINS

The urge of consumers to stockpiling at home what they might need in case of quarantine or self-isolation has led to the need from retailers to implement measures to limit bulk purchases.

COMMODITIES

Covid-19 has been impacting hugely the commodity markets, disrupting, supply and demand worldwide. Businesses are under pressure, independently of food or non-food focus.

CONSUMER OUTLOOK

The COVID-19 outbreak and its global reach are impacting consumers across all countries that are dealing with this crisis. Shopping patterns changed, shopper behaviour altered, consumer confidence being put to the test. Will the behaviours we see now continue to describe retail after the outbreak? Or will consumers regain old shopping habits? Read about key consumer purchase behaviours during the outbreak and their impact on retailers and brands.

ONLINE & DELIVERY SERVICES

The Coronavirus outbreak has led to higher use of online and delivery services, that were not prepared to deal with such increased demand.

While working tirelessly to resolve these fragilities, retailers have also been using their websites to help and communicate with consumers through this crisis.

SUPPLY CHAIN MANAGEMENT

The significant and unexpected increased demand for several essential products has put retail supply chains to the test. Learn about the challenge's retailers are facing to manage their supply chain through the outbreak and what they can do about it.

IN-STORE OPERATIONS

Retailers not only need to create conditions for every consumer to shop, but also to protect their employees and keep doors open.

SUPPLIER WORLD

More suppliers are supporting this battle, by producing in their sites needed products. Retailers have also started anticipating payments to support the business of smaller suppliers.

FOODSERVICE

The foodservice industry is facing one of the biggest challenges they've ever had to face. The quarantine measures the governments are taking, impact directly the business with store closures, as social engagement is highly recommended to be avoided.

On the other hand, it is also an opportunity some companies are having to diversify and upgrade their business areas, for example in the delivery segment, as in the current scenario accounts for a bigger share of restaurant sales. Forecasts in the USA, tell the industry will lose \$24 billion over the next 3 months.

PURCHASING CONSTRAINTS

USA: 10 Household essentials that are selling out across the country

In light of the recent coronavirus (COVID-19) pandemic, people are taking precautions to stay healthy and stock their homes with all the supplies they might need to help disinfect surfaces and keep their hands clean, per recommendations from the Centers for Disease Control and Prevention (CDC).

As many of these household essentials are selling out across the country, USA Today has rounded up 10 of the most essential household products to have during the coronavirus outbreak:

1. Hand Sanitizer And Wipes
2. Hand Soap
3. Toilet Paper
4. Paper Towels
5. Cleaning Wipes
6. Dish Soap
7. Trash Bags
8. Disinfectant Spray And Cleaner
9. Laundry Detergent
10. Tissues

Source: USA Today

Denmark: Product purchasing limit with a twist

A supermarket in Denmark got tired of people hoarding hand sanitizer and came up with their own clever way of stopping it:

1 bottle kr 40 (€5.50)

2 bottles kr 1000 (€134.00) each bottle



Source: Twitter

Panic buying forces South African supermarkets to ration food

Countries across Africa reporting their first coronavirus cases have seen a rush on shops, with customers piling trolleys with wipes, sanitizer, and staples like rice and long-life milk.

In an attempt to prevent profiteering from the coronavirus, trade minister Ebrahim Patel said sellers will not be allowed to raise prices by more than increases in the cost of the inputs used to make them. "We're working with retailers to ensure that supply chain of food remains strong," he said.

To ensure more people have access to everyday essentials, Shoprite said it is now rationing the sale of toilet paper, tissues, wipes, liquid soap and hand sanitizer as well as some tinned foods, cereals, antiseptic disinfectants, medicines and vitamins.

Woolworths said it was introducing a limit of only five items per product and per customer on every grocery line, while Massmart's Makro has also restricted purchases of essential items like rice, frozen chicken, and toilet paper.

Source: ESM Magazine



KEY TAKEAWAYS

BY DAYMON

As Coronavirus outbreak continues to spread and trigger panic buying across the world, it builds-up additional pressure on Retailers, that not only struggle to maintain regular levels of stock but also see the need to stiffen their actions in an attempt to guarantee consumers access to essential goods and avoid shortage during this crisis. Retailers are now implementing more restrictive sell-out measures and are creating new tactics to limit the number of items per consumer, as it is the case of Meny in Denmark.

With the first Coronavirus cases being registered across African countries, retailers are trying to get ahead and concentrate their efforts to ensure they keep stock of the most sought out products such as hand sanitizer, toilet paper, canned food and long-life milk, while governments try to secure price stability in the market.

China: Rabobank outlines Covid-19 impact on several agricultural sectors

Disruptions are currently being experienced across the whole food and agriculture supply chain, but effective containment of the virus could lead to a rapid bounce back - as seen after the 2003 SARS outbreak. Rabobank said that in this scenario, the outbreak of Covid-19 will still negatively affect the food and agriculture sectors, while the Chinese economy is already in the middle of a slowdown due to African swine fever, trade issues, slack GDP growth, and overall weaker consumer confidence. The Covid-19 outbreak happened in the midst of the 2020 Chinese New Year activities, which is a significant factor. Before, it was projected that the sales during festivities will increase 8% year-on-year, to around USD155 billion. But given the situation that occurred – with several retailers and restaurant chains closing – the potential revenue loss both retail and foodservice during Chinese New Year week could range 20-80%, or USD31-124 bln.

Food & Beverages

Sales of daily necessities, like packaged food and soft drinks, are relatively resilient to outbreaks, but staple foods (frozen foods, ready meals, instant noodles, and baked goods) and soft drink categories may benefit thanks to panic-buying. Snacks, carbonates and 100% juices are likely to perform well due to 'emotional consumption' when consumers turn to comfort food when forced to stay at home. Alcoholic drinks might be more affected, with wine and baijiu the most hard-hit. Wine already experienced a tough 2019 with inventory overstock a reality. Increased warehouse management and rental costs will affect the entire sector.



Grains, Oilseeds

Short-term negative impacts are expected for soft commodities. Retail sales of these food necessities will be more resilient, as consumers tend to stock up on packaged edible oil, wheat flour, rice, and meat. After a full resumption of work, China is expected to continue to import soybeans but at a slower pace – as long as Covid-19 lingers. Purchases under the US-China phase one trade deal could, therefore, be affected.



Dairy

Generally, the impact on dairy should be short-term. As distributors are seeing a slower movement of inventory via retail channels, they are delaying restocking from processors. Tighter road traffic controls to contain the epidemic are causing disruptions to logistics within China, affecting processing demand and raw milk shipments. In the near term, the situation could also have an impact on China's appetite for dairy ingredients, with the carryover of inventory from last year and abundant January arrivals.



Animal Protein

If the outbreak is contained by the end of the quarter, the consumption is likely to recover strongly in Q2. But supply will not recover as greatly due to production suspension in Q1. Pork and poultry demand is expected to be impacted to a lesser extent, although sales through foodservice were reduced considerably. Many wet markets, especially those selling live birds, have been closed and the situation is not expected to change for a long time. Therefore, the demand to be pressured by the low supply of fresh meat, along with rising prices in Q2-Q3.



Source: IEG VU

Romania: Major problems for transport

Logistic operations are becoming chaotic for Romanian transport companies, as borders are almost all closed when normally they should be open for trucks. This situation is particularly sensitive for Romania because the price of being a European Union member lead to the fading out of the local industry.

Nowadays, Romania imports almost 80% of the food, so all the fruit and vegetables coming from Spain and Italy are being blocked from reaching Romania because the trucks are being asked to wait for days at the Hungarian borders. Additionally, Austria, Slovenia, Croatia and Serbia are also making more difficult the transportation of goods to Romania.

Trucks with medical supplies are also being stopped in Germany, as it is now limiting the export of medical equipment and medicines outside the country and therefore holding the trucks from reaching Romania regardless if the goods where originally imported from The Netherlands.

Source: Fleet Transport

Netherlands: Huge increase in supermarket turnover, while catering suppliers see turnover evaporate

Supermarkets were the stage of bizarre situations. Despite warnings, there was the hoarding of toilet rolls, hand soap or pasta, but also of fruit and vegetables. The CBL reports that some consumers have been buying much more than they usually do in their daily or weekly groceries. The consequences for the fruit and vegetable trade are very diverse. Supermarket suppliers have seen a huge increase in their turnover. Catering suppliers, on the other hand, are seeing their turnover evaporate. According to The Greenery CEO Steven Martina, the volumes last weekend exceeded those of Easter and Christmas. Catering establishments, on the other hand, have been closed since Sunday evening, so their situation is more troublesome. There are also major concerns on the import side, especially for suppliers at a great distance. It is very difficult to make decisions about trading with products that will arrive in three or four weeks. We now see this in preparation for the South African citrus season. *"Uncertainty is rampant"* says Michel Jansen, of Total Produce.

The focus seems to be mainly on products that are thought to have beneficial effects, such as ginger, and garlic, and products with long shelf lives, such as onions, cabbage and apples. The potato market does not yet seem to be benefiting from the situation. Market traders feel negatively disadvantaged compared to supermarkets now that many public markets have been closed, but in the Netherlands, there is still no total lockdown, as in other countries. Growers who are missing out on sales are coming up with creative solutions, like drive-ins for the sale of their products. Also, more people than ever before in the fruit and vegetable trade are working from home. In general, businesses feel supported by the package of support measures that the government has announced.

Source: Freshplaza

South Africa: Citrus industry awaits release of reefer containers from China

The impact of the Coronavirus on apples and pears, the most exported fruits at the moment, appears to be minimal. The demand is good and there seems to be no reduction in it. In week 11, apple exports to the UK increased by 177% and those to the Middle East grew by 56%, while exports to East Asia fell by 34%.

Cumulatively, at the end of week 11, apple exports to East Asia had increased by 42% compared to 2019. The same is true for pears, whose exports to the UK and Russia increased, while those to East Asia declined by 54%. By the end of the week, exports to all regions had increased compared to last year. Citrus sales are currently strong and a grower thinks that this is a good way to test the logistics lines. Getting the products onto the shelves of European supermarkets can be a challenge. The South African citrus sector is anxiously expecting China to free up ports and reefer containers for the industry, as the first large volumes of South African citrus will hit the market in May and June.

Transport documents are drawn up digitally, many people are working from home and warehouses are enforcing some rules. Schools are closed. For now, the disease has been reasonably well-contained in South Africa.

Source: Freshplaza

Dried fruit and nut industry responds to crisis

Europe is a key importer of dried fruits and nuts from various global origins. The epidemic has major implications for trade flows, particularly in view of the fact that consumers are likely to be seeking shelf-stable products – such as dried fruit and nuts – that are a suitable alternative to fresh fruit and vegetables. The latter is becoming increasingly scarce across Europe and elsewhere as consumers have panic purchased, leaving many supermarkets with sparse shelves in their fresh fruit and veg section.

Palm Nuts & More told: "As with most companies we are all facing enormous challenges. The Supply chain is the keyword. Nuts and dried fruits apparently are also part of the 'dried' products customers seem to stock up on. Demand has increased and we try to catch up as well as possible. Retailers report sales are better than during the Christmas season."

For example, Aldi typically requires delivery of dried fruit and nuts from 8 articulated lorries in one week had this week called for 42 loads. The same customer had also indicated a substantial upturn from Tesco.

Source: IEG VU

KEY TAKEAWAYS **BY DAYMON**

In this global world, where each economy depends on each other, measures taken by the governments regarding closing borders, to contain Covid-19, are impacting the commodity business worldwide.

Global supply chains are set for a major reshuffle as the coronavirus pandemic exposes the vulnerability of countries and companies.

Economies which highly depend on imports are now seeing themselves in a tangled situation in a struggle to keep the flow of supply to their markets, as neighbour countries close borders and retain goods.



CONSUMER OUTLOOK

COVID-19 Concerns are a likely tipping point for more transparency and local brand growth

Opting for locally produced products may fast become a necessity for retailers and consumers concerned about products originating from countries where novel Coronavirus (COVID-19) has spread. As fears about COVID-19 spread, consumer thoughts and actions are changing around the globe - and this represents an opportunity for retailers and manufacturers that can leverage local's appeal to mitigate consumer concerns.

Nielsen has found shoppers are exhibiting signs that they may steer away from products that travelled long distances with multiple human touchpoints, particularly products such as dairy, fruit, vegetables and meats. In recent years, consumers have generally displayed strong preferences for local dairy and fresh produce brands and products versus those coming from further afield. Amidst the ongoing COVID-19 crisis, anxieties around origins of products and ingredients are likely to fuel increased demand for even more local sourcing.

Consumers are looking to be reassured. More than ever, shoppers want to understand the supply chain, with complete transparency from farm to factory to distribution, and they want details of the measures being taken to assure their safety.

In the U.S., a lack of paid sick leave for many workers in retail, and the food industry in particular, has raised shoppers' concerns and is prompting some companies to adjust their policies. By giving employees additional paid sick leave, these retailers are signaling their proactive stance in preventing the spread of the illness, as well as reinforcing their safety measures to consumers.

Driven by necessity or the need for greater transparency, local brands and retailers are optimally placed to alleviate and deliver against consumers' product sourcing concerns. Local business will benefit from sharper messaging reinforcing supply chain visibility and focused distribution to reach consumers.

Source: Nielsen

COVID-19 outbreak: Key consumer purchase behaviors

As the novel Coronavirus (COVID-19) sweeps the world, consumers are being forced to dramatically change their purchase behaviors. Nielsen has identified six key consumer behavior threshold levels that tie directly to concerns around the COVID-19 outbreak. The thresholds offer early signals of spending patterns, particularly for emergency pantry items and health supplies, and these patterns are being mirrored across multiple markets.

	CONSUMER BEHAVIOR SHIFTS	COVID-19 EVENT MARKERS
# 1 PROACTIVE HEALTH-MINDED BUYING	Interest rises in products that support overall maintenance of health and wellness	Minimal localized cases, generally linked to an arrival from another infected country
# 2 REACTIVE HEALTH MANAGEMENT	Prioritize products essential to virus containment, health and public safety (e.g masks)	First local transmission with no link to other location + first related death/s
# 3 PANTRY PREPARATION	Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety items; spike in store visits; growing basket sizes	Multiple cases of local transmission and multiple deaths
# 4 QUARANTINED LIVING PREPARATION	Increased online shopping, a decline in store visits, rising out-of-stocks, strains on the supply chain	Localized emergency actions; percentage of people diagnosed continues to increase
# 5 RESTRICTED LIVING	Severely restricted shopping trips, limited online fulfillment, price concerns rise as limited stocks impacts pricing in some cases	Mass cases of infected; communities ordered into lockdown
# 6 LIVING A NEW NORMAL	People return to daily routines but operate with a renewed cautionsness about health. Permanent shifts in supply chain, the use of e-commerce and hygiene practices	Quarantines lift beyond region/ country's most affected hotspots and life starts to return to normal

Source: Nielsen

CONSUMER OUTLOOK

COVID-19 Impact on consumer spending

As the COVID-19 outbreak accelerates in Europe and the United States, governments, businesses and consumers are changing behaviors rapidly and this is reflected in consumer purchases in Italy, France, U.S. and the UK.

Products that help consumers clean their homes and stay healthy are in high demand. As a result, Paper Products, Home Care and OTC Healthcare purchases have spiked dramatically across all markets. Packaged Food purchases have increased across countries and, in areas where the outbreak is more developed, there is a higher increase in Fresh Food.

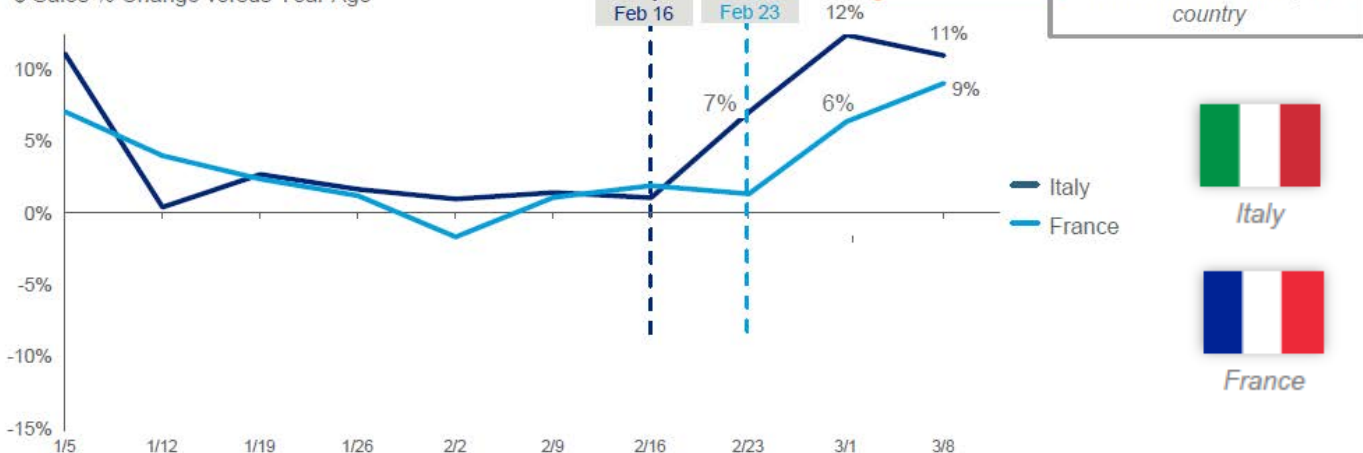
A few weeks further into the crisis, Italy & France are still showing high consumer spending, though Italy is beginning to stabilize.

Total CPG

Italy and France

Week ending Jan 5 – March 8 2020

\$ Sales % Change versus Year Ago



In the United States, we see an inflection point in the week ending 1 March, when significant stockpiling began.

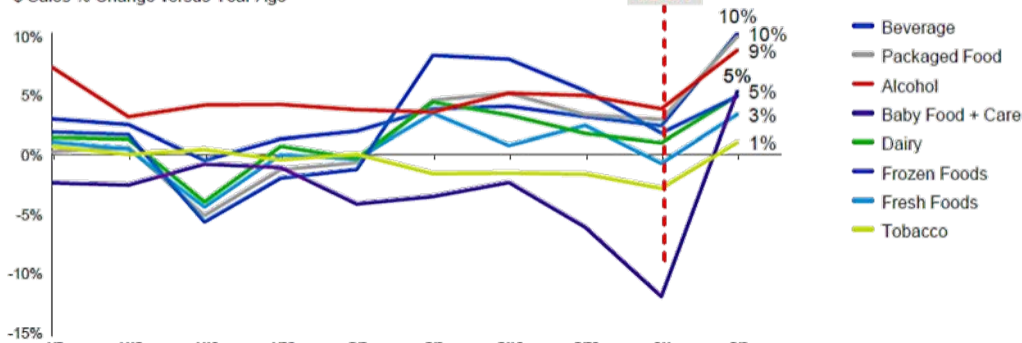
Consumption impacts to non-edible categories have been significant and, similarly, in edible categories, beverages and packaged food are seeing the stockpiling impact.

Edible

United States

Week ending Jan 5 – March 8 2020

\$ Sales % Change versus Year Ago

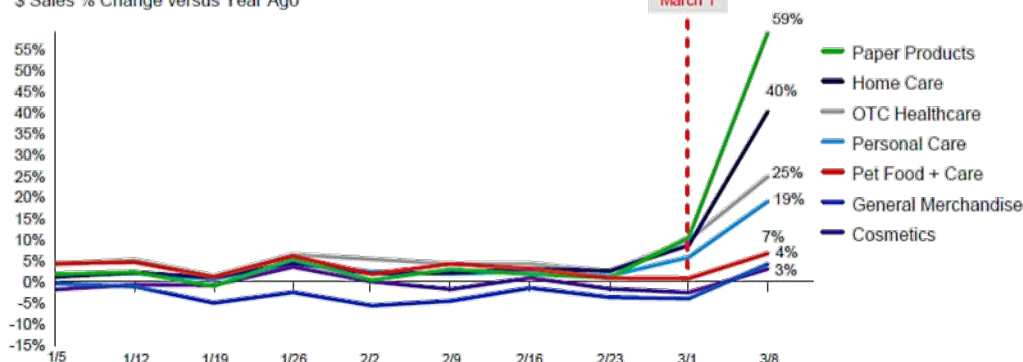


Non-Edible

United States

Week ending Jan 5 – March 8 2020

\$ Sales % Change versus Year Ago

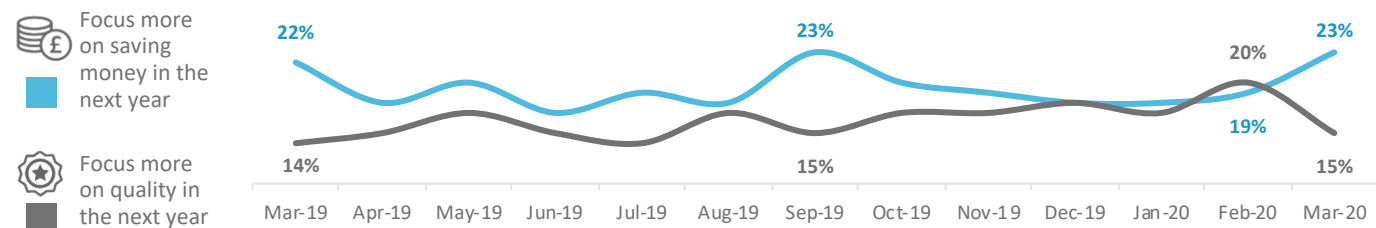


CONSUMER OUTLOOK

UK: The shopper reaction to the Coronavirus (COVID-19)

With rising concerns over the impact of COVID-19 on UK's economy and daily life, financial confidence has understandably declined recently. This comes at a time when it has been reported that the virus is being transmitted more rapidly in London, and UK businesses, many of which are in London, are feeling the impact of Coronavirus (COVID-19) measures.

With financial confidence declining, shoppers are not placing the same emphasis on product quality when completing their shopping. With increased levels of stockpiling reported, it is no surprise that shoppers are less focused on quality.



There has also been an increase in larger, main shops in March. Shoppers appear to be shopping for longer periods as opposed to individual evening meal missions.

With stores changing their opening hours as a response to changes in shopper demand, consumers are prioritizing different factors when it comes to choosing where they shop, such as good product choice and availability. Customers are more willing to compromise on convenience, with store location becoming less of a driver of store choice at the moment.

The growth in requests for online shopping is seeing a steady increase, with a higher proportion of customers mainly using this channel to complete their shopping.

Source: IGD

Italy: Shopping trends amid the COVID-19 outbreak

In the early days of the COVID-19 crisis in Italy, consumers rushed to the stores to stock up on emergency health items, such as hand sanitizers and face masks, along with fresh fruit and vegetables. The rush came as Italy saw the number of diagnosed COVID-19 cases rise dramatically, prompting the government to lock down the entire country by March 9.

Unlike in some countries, there were no attempts by major retailers to limit sales of in-demand items. However, concerned retailers attempted a proactive approach with messaging, including via media outlets to advise that there was no need to be concerned about supply levels.

Some stores began limiting the number of people who could be inside the store at the same time, which may drive people to buy products in larger quantities or pack sizes. For in-demand items, the market is seeing fewer promotions because consumers are less price sensitive than normal.

Additionally, locally grown food and local brands have always been the norm in terms of popularity in Italy and this may be amplified during the outbreak. People have not increased their food ordering from restaurants in an effort to avoid food shopping - *"This is not in our culture; we are happy to cook food from scratch."*



Source: Nielsen

How COVID-19 is changing grocery shopping in China

With COVID-19 spreading across China, market activities are disrupted on many levels. Consumers are compelled to use online services for daily shopping, putting many industries under pressure.

Consumers are uneasy about the virus and are becoming extremely aware of hygiene and improving their immunity. Therefore, consumers are focusing their shopping on necessities such as fresh groceries.

In the meantime, the lockdown of residential areas has kept consumers at home, resulting in moving their shopping needs online.

Lockdowns have caused a reduction in travel and, consequently, this also had an impact on physical retailers and foodservice. The limited logistics of goods and movement of people has caused the delay of online deliveries, product shortages and has extended the time it takes for stock to be refilled.

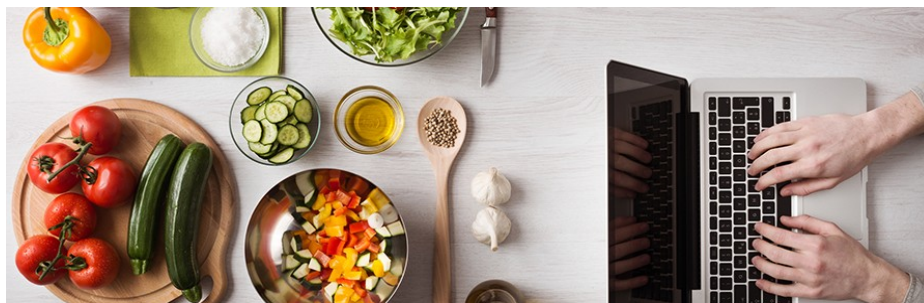
During the outbreak, a grocer stayed open by creating a WeChat group for local communities where it highlighted the products that were available via pictures and videos. The grocer encouraged local seniors to purchase products via this WeChat group. The products were then delivered every morning and stored on shelves outside each community for self-collection.

Fresh grocery buyers, and especially older generations are coming together to bundle products for a cheaper unit price. Research suggests that older consumers place a great emphasis on value for money; as a result, group buying has become more prevalent

during this period. Also, following the advice to stay at home, shopping frequency and the amount bought per visit, have changed as locals seek to avoid unnecessary outings.

The market is seeing significant increases in basket sizes for fresh groceries, with shoppers much more likely to buy for the full week ahead. It is likely this will create a new habit among a proportion of shoppers even after the outbreak ends, leading to a change in shopping habits for the long term. This will result in a ripple effect on buying patterns and demand for larger pack sizes.

Source: Mintel



China and Asia-Pacific: COVID-19's effect on consumer behavior

Epidemiology aside, the effects of COVID-19 spreading will have wider implications, not just on how economies function, but also on how consumers behave, across China, Asia-Pacific, and around the world. One effect of China's economic rise is its influence in the adoption of and adaptation to new technologies and behavior patterns that percolate out into the wider consumer sphere. With consumers being home-bound, the pace of life slows. The need for new routines emerge. Working from home becomes a necessity. Planning rationed shopping expeditions alters shopping lists. Elders, previously reticent to shop online, find that new, easier-to-use apps and social media make shopping a breeze. Hygiene is high on the agenda, so opportunities are opening up for more cleaning products, new ways to clean, and new home hacks from online videos.

With limited shopping, China's home-bound families are renewing their joy in-home cooking, finding creative ways to concoct meals with "what's in the larder". Online cooking videos are helping with the discovery of new recipes, new ways to create dishes, and new influences. Home cooking and consideration of shopping strategies might lead to consumers to better appreciate using what they have, leading to less waste. Fewer home-delivery meals perhaps, and less throw-away packaging.

Brands need to keep marketing their products and services but must innovate their way through changes in the consumer market, such as changes created by an epidemic. JD.com was already developing AI-enabled vending machines, but the COVID-19 crisis gave it a reason to trial these to sell fresh produce to home-bound shoppers in China. More importantly, if the innovation works to fulfill a basic human need, then it has the potential for longevity – for as long as the need persists.

The same drivers of consumer behavior apply to wider Asia-Pacific just as much as they do in China. The key is to take any opportunity - crisis-induced or otherwise - and use innovative thinking to identify new ways to use technology to solve life's issues.

CONSUMER OUTLOOK

USA: Consumer confidence sinks as Coronavirus spreads

Consumer confidence has plummeted alongside increasing fears about the spread of the coronavirus. Consumer spending accounts for almost 70 percent of the U.S. economy. A drop in consumer confidence is often viewed as an indicator of reduced spending.

In recent weeks, financial markets have plunged. Major sporting events, entertainment venues and schools in some states have closed in response to the coronavirus. The travel and hospitality industries have been particularly hit hard.

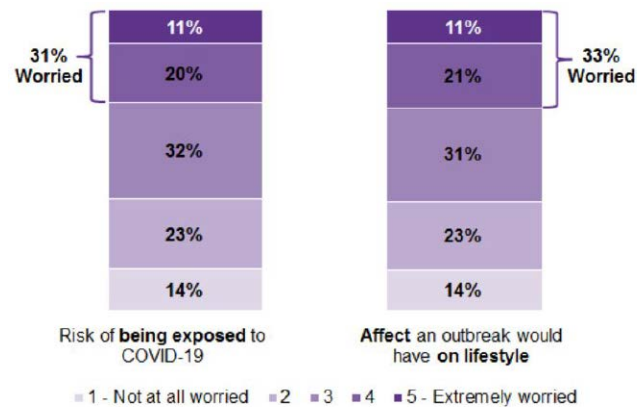
Consumer sentiment dropped at a similar pace two other times in recent years. The first was in December 2018, when the Federal Reserve boosted interest rates as the economy was slowing and a trade war with China was heating up. The other decline occurred in August 2019, when President Trump ratcheted up his trade war with China and threatened to impose steep new tariffs on consumer goods.

"In both of those times, economic growth was on shaky grounds, and it took a long time for consumer confidence to rebound, as well as a change in policy," economist John Leer said. "This case, for me, is really worrisome because it's unclear what policymakers can do to reverse the trend."

Source: The Hill

Canada: consumers respond to COVID-19

Concerns about the virus among Canadians is moderate and few have changed regular routines. The majority of Canadians aren't panicking about the risk of being exposed to COVID-19 or the impact of the outbreak on their lifestyles.



The majority of Canadians are focusing on what they can control – their germs; and practicing conscious consumerism, making them attentive to brand actions and policies.

Source: Mintel

Russia: How are consumers preparing for a pandemic?

In countries where the situation with the spread of the new coronavirus has taken on the scale of an epidemic, one can find similarities in how consumers prepare for potential quarantine and stockpile the necessary products. First, sales of personal hygiene products, masks and antiseptics grow at a double-digit rate, then, as the infection spreads, consumers begin to replenish food supplies: cereals, canned and frozen goods and other products with a long shelf life. Similar trends can now be seen on the Russian market.

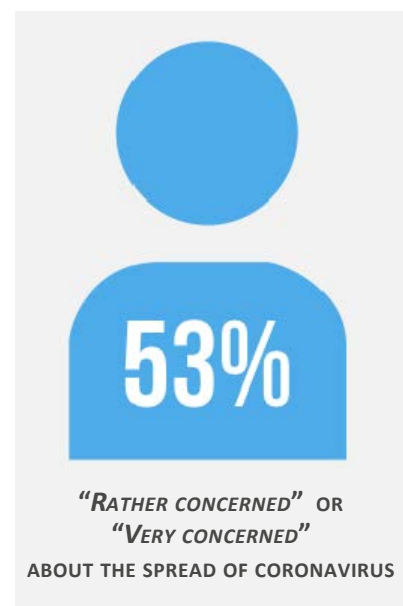
A survey conducted by Nielsen among Russian consumers, observes that more than half (53%) of the respondents admitted that they were "rather concerned" or "very concerned" about the spread of coronavirus. 22% of respondents said they canceled traveling abroad, as many (22%) restricted the use of public transport, and almost a third (32%) refused to attend public events.

At the time of the survey, 5% of consumers in Russia had already purchased any products in order to prepare for possible quarantine, 7% - medicines, 18% - disinfectants and personal hygiene products. Among those who bought food, the most popular products were cereals (87%), canned goods (79%), pasta (75%) and coffee and tea (62%). With regard to hygiene products, most of the respondents purchased medical masks (76%), wet wipes with a disinfecting effect (67%), and antiseptic hand gels (65%).

It is now more important than ever for retailers and manufacturers to improve their logistics, as well as pay attention to communication with consumers: confirm quality, emphasize features related to useful properties or remind about contactless delivery.

In addition, local producers can benefit from this situation, since Russian-made products, according to buyers, may be safer than imported ones. Already every fifth consumer polled by Nielsen in Russia said that he began to pay more attention to the country of origin of the purchased goods.

Source: Nielsen



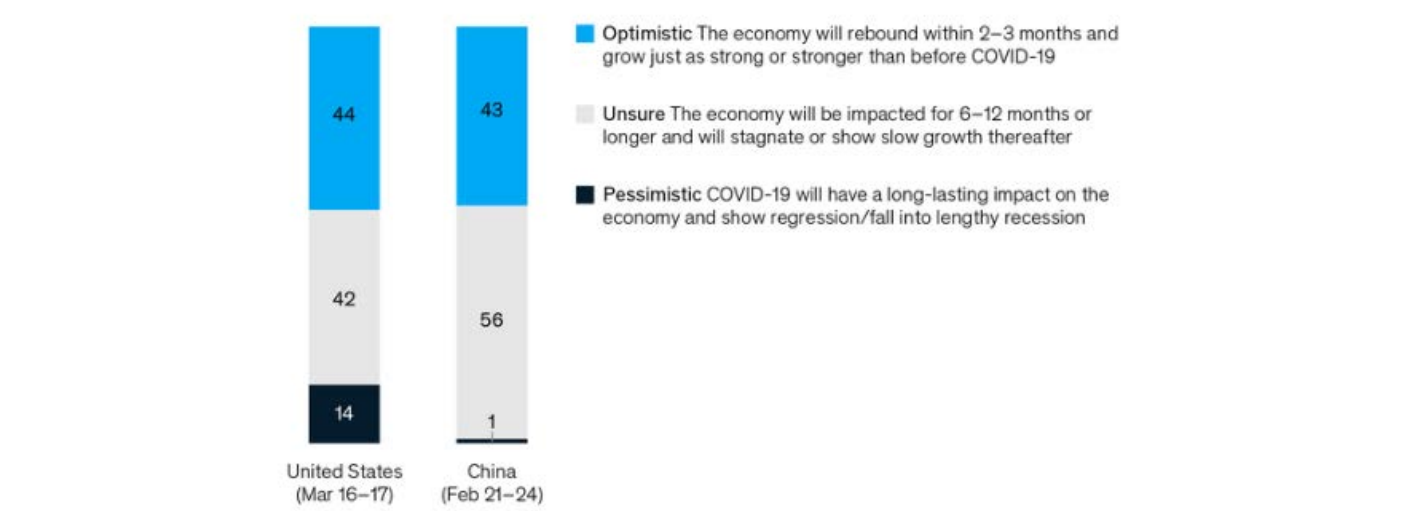
CONSUMER OUTLOOK

USA: Consumer sentiment during the Coronavirus crisis

American consumers are still optimistic about the economy, but they're already reporting changes in their income, spending, and behavior.

As governments and organizations continue to work toward containing COVID-19 and stem the growing humanitarian toll it is exacting, the economic effects - at the macro and sector levels, as well as on employment - are also beginning to be felt.

As in China in late February, US consumers are optimistic despite the crisis.



However, US consumers are already spending carefully and less than before. 59% of consumers state that “Given the economy and my personal finances, I have to be very careful how I spend my money” while 48% say that are cutting back on their spending.

One-third of US consumers already report reduced income and approximately 70% of respondents believe their finances will be impacted by more than 2 months due to the Coronavirus situation.

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Consumers expect to spend more only on must-have categories, while positive online trends can be expected for home essentials and entertainment.

	Increase	Stay the same	Decrease
Groceries	+14		
Snacks	-7		
Tobacco products	-14		
Take out/delivery	-22		
Alcohol	-23		
Non-food child products	+4		
Household supplies	+1		
Personal care products	-11		
Skincare and makeup	-38		
Furnishing and appliances	-44		
Footwear			-47
Apparel			-50
Jewelry			-53
Accessories			-55
Entertainment at home		+3	
Books/magazines/newspapers		-10	
Consumer electronics		-36	
Out of home entertainment		-63	
Petcare services		-35	
Fitness and wellness		-40	
Personal care services		-49	

CONSUMER OUTLOOK

As China's Coronavirus outbreak eases, a wary return to shops for consumers

As shops shut their doors across Europe and the United States, in China the sharp drop in new coronavirus cases has encouraged consumers to venture back into malls and restaurants - for the most part still quite cautiously.

Getting Chinese consumer spending back on its feet again soon is seen as imperative for the health of the domestic economy and the many people whose livelihoods depend on the retail and restaurant sectors.

It is also key for many international brands that have already seen first-quarter earnings dented by the outbreak in China and are bracing for tumbling sales in western markets. For some big popular brands, the response to reopening has been encouraging.

Hundreds of shoppers crowded Apple's stores on two main shopping streets in. IKEA, which opened three of its Beijing stores, saw high visitor numbers and queues as it implemented new social distancing rules such as only four people per elevator.

That said, the appetite to get out and spend is far from robust and many shops are still quite empty while some restaurants remain shut. Many Chinese say they remain worried about the possibility of new infections as more people return to work. They are also reluctant to spend much, fretting about job security and potential cuts to wages as the economy struggles.

"Consumer sentiment is still in the process of returning from panic to normal or a new normal" and it also remains to be seen whether the epidemic will have a long-lasting impact on how consumers shop with some analysts speculating that online ordering and deliveries will become even more entrenched.

Source: Reuters

COVID-19: Dine-in treats and cooking as leisure stand to benefit

Shoppers have stocked up on kitchen cupboard essentials, following calls for people to be prepared to have to self-isolate.

With many people thinking twice about spending time in busy public spaces, food and drink catering to evenings in are in the position to benefit. This spans from dine-in deals to treats to elevate a home cinema experience.

The role of cooking and baking as enjoyable means to occupy oneself can come into play here. Occupying the kids is a reason to get their rolling pins and aprons out for two in five (43%) parents who bake, while improving their skills is what drives 28% of home bakers.



The appeal of baking as a low-cost leisure activity was seen in 2008/09 sales in many related product categories flourishing during the recession. As stockpiling makes headlines, evenings in hold opportunities for dine-in treats and entertaining cooking projects alike."

Source: Mintel

USA: The impact of COVID-19 on consumer behavior

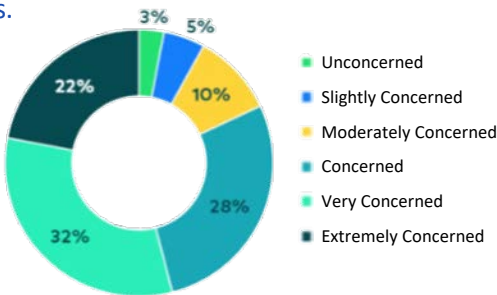
59% of American consumers stated they had already changed their purchasing behavior, with school closures, travel bans, and the need for social distancing impacting communities nationwide.

Younger shoppers are bringing their "try anything" attitudes to prepping for COVID-19, stating they are more likely to buy products they might not otherwise buy and shop in stores they might not otherwise shop.

28% of shoppers also state they are replacing in-store trips with online purchases, as empty stores shelves and social distancing demand a move to seeking out alternative retail options.

The level of concern towards Coronavirus among Americans has risen sharply, with nearly all consumers showing some level of concern, and more than half very or extremely concerned.

Source: Numerator



KEY TAKEAWAYS BY DAYMON

The spread of the Coronavirus is leading to profound changes to the way people lead their lives. The outbreak is teaching consumers about the importance of hygiene and food safety, and impacting the way they do their grocery shopping.

Consumers have now gone back to purchasing in higher quantities and less frequently, and though this behaviour is directly linked to COVID-19, it is unclear to determine if and when consumers will return to their usual grocery shopping habits.

Also, the outbreak has led to higher awareness and use of new technologies, especially from older consumers, and this behaviour will, most likely, endure.

ONLINE AND DELIVERY SERVICES

Coronavirus: How retailers are using their websites to help online shoppers

The response to COVID-19 is changing quickly and retailers are using their websites to keep online shoppers updated.

Across the world retailers are taking different approaches.

1. Virtual Queues: to control traffic to the website and manage shoppers' expectations, some retailers are putting in place virtual queues.

2. Limited Availability: some retailers are using their homepages to explain to shoppers, that due to increased demand, service might be impacted. In some instances the communication will take over the entire homepage, for others, it might be a banner.

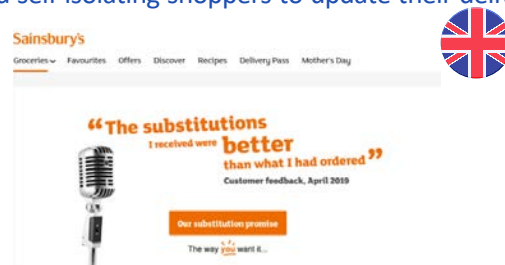
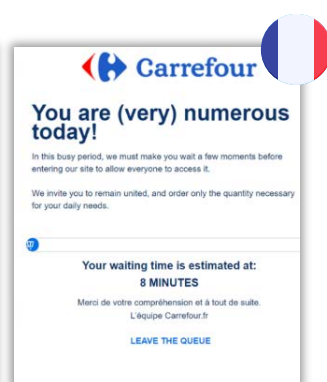
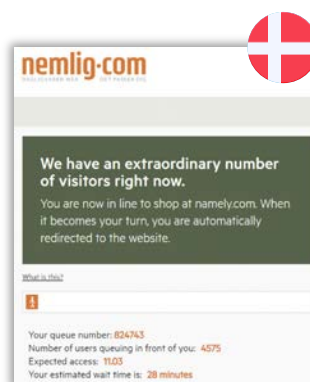
3. Question and Answers: Some retailers are providing information banners on their homepage that click through to a question & answer page. These pages are regularly updated as the situation develops. In the US, Walgreens has a homepage banner, explaining that "Helping communities... is our top priority". It clicks through to a page that explains the virus, clarifies the symptoms and how people can prevent infection.

4. CEO's: Some retailers are applying a more personal approach through the CEO. For instance, Target in the US. Has its CEO, Brian Cornell explaining that shoppers' health and safety, is Target's priority.

5. Self isolation: Retailers need shoppers to clarify if they are self isolating to protect delivery drivers. In the Netherlands, Picnic is making an *important announcement* on the homepage, and explains why it's having to temporarily provide contactless deliveries. Whilst Tesco, is using its slot booking page to remind self isolating shoppers to update their delivery instructions.

6. Reassurance: Coronavirus has impacted availability. In the UK, Sainsbury's is highlighting its *substitution promise* (if it offers a substitute costing more than the item ordered and the shopper keeps it, a voucher is provided for the difference). In Canada, Loblaws is reassuring online shoppers that prices will remain the same as in-store.

Source: IGD



95% of AliExpress Russia sellers from China have restored work and send orders

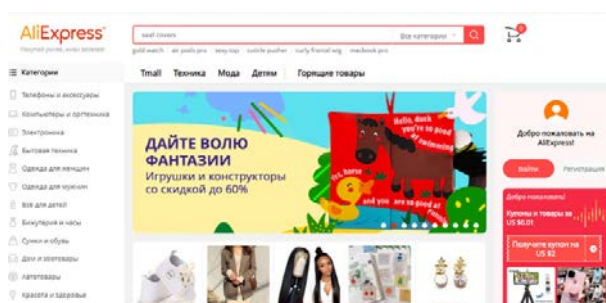
95% of manufacturers from China on AliExpress returned to normal operation and restored deliveries of goods to customers normally. During quarantine in China (February - early March), sales of Russian manufacturers on AliExpress Russia increased by 20%. This is an unprecedented growth in local suppliers.

While returning to their normal operations, the company is offering coupons with compensation for the next purchase to users who were faced with a delay. Coupons depend on the amount of the order and the waiting time. Customers whose orders were delayed will be given coupons totaling 90 million rubles.

A report from AliExpress stated that during the peak quarantine period in China, a large number of manufacturers could not send orders normally. Many regions of China are gradually restoring their regular operating mode: production is restarting and employees are leaving quarantine. Alibaba previously announced the resumption of delivery work in China. Logistics company Tsainyao (owned by Alibaba Group) also announced the reinstatement of logistics, including in Russia.

To speed up delivery, AliExpress launched several new logistics formats: daily charter flights to the largest cities of Russia (Moscow, Novosibirsk and Yekaterinburg) in a joint project with Russian Post, which allows to accelerate the delivery of orders to the Russian Post offices by 10- 15 days in major cities, as well as delivery to thousands of X5 Retail Group stores.

Source: Infopro54



ONLINE AND DELIVERY SERVICES

USA: Amazon to deliver Coronavirus test kits in Seattle

To assist in bringing at-home testing kits for COVID-19, the disease caused by the coronavirus, to homes of Seattle-area residents, Amazon Care is reportedly in discussions with local health groups, according to a CNBC report.

Amazon Care rolled out last fall as an experimental effort to provide employees and dependents in the area of Seattle with high-quality health care. It comes with a website as well as an app for staff to ask questions. Amazon has also brought on doctors, as well as public health experts.

Seattle, for its part, has turned into one of the regions in the country that has been most affected by the coronavirus. In the Seattle area, schools have been shuttered for nearly a week. In addition, King County is now registering many new cases daily.



And, in separate news, Amazon announced it is making a \$5 million Neighborhood Small Business Relief Fund to provide cash grants to Seattle small businesses affected by the coronavirus. The fund is for small businesses that have a physical presence near the Regrade and South Lake Union office buildings that have less than 50 employees or under \$7 million in revenue on an annual basis. The applications will be under consideration over the second part of this month, and funds will be sent next month.

Source: Pymnts; CNBC

INDIA: COVID-19: Rising online grocery demand

As authorities are encouraging people to stay at home, the demand for grocery home delivery is rising sharply and, since the beginning of the epidemic, online grocery retailers have seen a strong growth in their business.

For Big Basket, the traffic and revenue doubled in less than two weeks. The average basket size increased by 20%, with many new users placing orders for the first time. Within Grofers, orders increased by 80% across Mumbai, Bengaluru, Pune and Ahmedabad, and 60% in Delhi National Capital Region (NCR) and Hyderabad while the average basket size increased by 18%.

Also, to keep up with demand, retailers are working to ensure availability, access and price of goods. Discounts and multi-buy promotions have been withdrawn to discourage stockpiling and so far prices have been kept in check.

Grofers' current delivery time is three days in Delhi and two days in other cities. Big Basket, normally delivers on the same or next day, now delivers in three to five days in some areas. Both retailers have ramped up supply chain capabilities and hired more personnel to ensure essential supply chains are functioning well.

Source: IGD

Sales growth doubles at Ocado

Alongside a first-quarter trading update, Ocado Retail has given some insight into how the panic buying linked to the coronavirus is impacting its business.

The online grocery retailer, which is now a joint venture between the Ocado Group and Marks & Spencer, saw a 10.3% uplift in revenue to £441.2m over the 13 weeks to 1 March. Average orders per week rose by 10.2% to 343,000, while the average order size edged up 0.3% to £110.24.

After last week Ocado had to stop accepting new orders after experiencing "a simply staggering amount of traffic" to its website and more demand for products and deliveries than it could meet, the website is now back on track.

Nevertheless, the retailer, issued a cautious note, highlighting that the strong increases now could give way to a fall later as customers burn through their stockpiles.

Ocado Retail's Chief Executive Melanie Smith said: "We expect the impact of forward buying to unwind at some point."



Source: KamCity

KEY TAKEAWAYS BY DAYMON

The coronavirus outbreak has exposed a few fragilities in some online and delivery services. Retailers, however, have worked hard and, even with still abnormal levels of demand, are getting back on their feet and improving their operations.

At the same time, retailers are playing a role in helping and educating consumers through their websites, providing information not only on the virus but also explaining their difficulties dealing with the unexpected increased demand.

Retailers are also communicating that health is their priority, and that includes both customers and employees.

SUPPLY CHAIN MANAGEMENT

COVID-19: Managing a retail supply chain through the outbreak

The impact of the COVID-19 outbreak is unprecedented, with retailers and manufacturers around the world dealing with a sudden sharp increase in demand for goods. IGD has identified three interdependent challenges retail supply chains are currently tackling:

1. PRODUCT AVAILABILITY

The situation: When availability begins to decline, adjacent products, or any product with available stock, can experience heightened demand.

What retailers can do: The most important thing a retailer can do is to communicate with its suppliers to understand where problems may arise and what high-level mitigation plans are in place, while keeping things high-level and being flexible when exploring the levers available to reduce friction. Also, retailers should explore all options about how orders get from the supplier, which may be overseas, to the retailer distribution center and protect key products by limiting bulk buying where possible.

2. GOODS-IN, ORDER ASSEMBLY & GOODS-OUT

The situation: Significant unforeseen increases in demand cause problems for retail distribution networks.

What retailers can do: A clear view of the products that shoppers most value at this moment in time is vital. Micro-managing supplier orders and prioritizing delivery slots for the most important loads is fundamental. Retailers should also work with suppliers to re-stream products into networks or sites under less stress and to decide on whether to delay replenishment of lower priority products. Also, retailers should look for efficiencies and be conscious of how future scenarios may impact demand for different groups of products.

3. SYSTEMS MANAGEMENT

The situation: Retailers are seeing major and unpredictable changes in trade, affecting the accuracy of supply chain systems' automated forecasts.

What retailers can do: Given the situation, ordering systems cannot be left to their own devices and retailers should intervene where necessary. Central teams may need to take control as first come, first served will unlikely be the right approach. Review and assess the impact of promotions on the current situation. While many promotional products may not be those currently experiencing issues, reducing associated uplifts would free up distribution capacity.

Source: IGD

Coronavirus impact on global supply chains

Multinational companies feel the disruption in their supply chains as coronavirus continues to spread. Production disruptions in industries where China plays a core role in the global supply chain, such as household goods, hi-tech goods or textile industries, will have an adverse effect as companies could struggle to find alternative suppliers.

Industry	% Share of Global Production in China, 2018	Industry's Exports Share, % of total 2018	Impact on Global Supply Chain
Household Goods	35%	33%	High
Hi-tech Goods	46%	27%	High
Textiles and Apparel	54%	23%	High
Machinery	38%	14%	Moderate
Rubber and Plastic	38%	8%	Moderate
Pharmaceuticals and Medical Goods	29%	8%	Moderate
Chemical Products	42%	7%	Moderate

Hi-tech goods is likely to be one of the most-affected industries as China remains the world's largest producer and exporter. A number of multinational companies have already been affected. For example, Apple shortened working hours in its stores across China and issued a warning that supply chain disruption might also affect operations in other countries.

Besides manufacturers, air transport is also expected to feel the impact as large carriers, including British Airways and Lufthansa, stopped their flights to China. Air transport remains among the key transportation modes for fragile, perishable or high-value goods which require quick delivery. Disruption of air travel would largely impact chemical products, pharmaceuticals, hi-tech goods and machinery industries, having an adverse effect on global supply chains.

Overall, the coronavirus outbreak has already impacted global manufacturing and transportation industries. In the last few years, China's role in global industry and supply chain increased, thus the impact on industries will depend largely on companies' capabilities to find alternative suppliers and the success of governments across the world to contain the virus outbreak.

Source: Euromonitor

SUPPLY CHAIN MANAGEMENT

Russia: The consequences of Coronavirus

The Russian market quickly felt the effects of the epidemic with a reduction in the supply of Chinese products. This mainly concerns the non-food sector - clothing and electronics.

So, back in mid-February, the deputy head of the Ministry of Industry and Trade, Viktor Yevtukhov, announced that Russia would have to look for a replacement for China in light industry.

Among the alternatives, he primarily mentioned South Korea and other Asian countries, Turkey, Italy. In connection with the active spread of the virus in Italy and Korea, these countries fall outside the list of V. Evtukhov, as, probably, Turkey - because of the sharp cooling of relations between the two countries.

Deliveries of smartphones, gadgets and other electronics from China to Russia are also delayed. Due to the rather large stocks of electronics produced in China, which were reported by Russian retailers - M.Video — Eldorado, Svyaznoy, and others — it is more likely to wait for its shortage.

With the food sector, things are simpler. Although in the first weeks of the epidemic in the retail stores of the Far East there was a shortage of a number of products due to the rather large turnover with China, this problem was soon resolved.

According to GfK, the cumulative share of sales of Chinese goods in the FMCG packaged goods segment is 0.2% of the market.

Not the most positive future of the Russian-Chinese trade turnover was described in early February by the CEO of INFOLine analytical agency Ivan Fedyakov, who reported that by 2020, China will lose the status of a stable and reliable supplier of goods, leading entrepreneurs to actively seek new suppliers of products in India, Pakistan, Malaysia and other countries.

However, given the current trend in the spread of coronavirus throughout the world, it is likely that the epidemic will also be affected in the regions of South and Southeast Asia.

This means that it will become much more difficult to look for alternatives to China, and with the active spread of the disease, this factor will no longer play a key role in the issue of trade supplies.



Source: retail.ru

KEY TAKEAWAYS

BY DAYMON

The Coronavirus outbreak has put both global and local retail supply chains to the test. From product availability in-store and in distribution centres, to stocks control and supply chain systems management, retailers have a lot on their hands when it comes to ensuring their stores stay fully stocked, especially on those essential and most sought out products.

Success in the current situation will require speedy responses and flexibility, as well as full collaboration and communication between retailers and suppliers to ensure that stock makes it onto the shelves and products are available for customers in this time of need.

IN-STORE OPERATIONS

European retailers adopting staff protection measures

In **Germany**, at many stores of Aldi, Lidl, Netto, Rewe, and Penny, plexiglass panes are currently being installed at the cash registers, the respective spokesmen said. This so-called spit protection is intended to protect cashiers from droplet infection with the new virus Sars-CoV-2. In some markets, operators also install plastic films hanging from the ceiling in the checkout area.

Carrefour (France), has started mounting translucent shields made of plexiglass and other materials to protect cashiers who are exposed to customers, the executive added, on top of other measures extended to all staff, including the use of hand gels. In some stores without protections at check-out counters yet, employees improvised on Monday, with one mounting a shield made of cling film over a clothes horse, pictures shared by worker unions showed.

Source: Reuters; T-Online.de



The cash register of an Edeka supermarket in Baden-Württemberg: the cashier stands behind a pane made of plexiglass. (Source: Philipp von Ditzfurth / dpa)

USA: Hy-Vee provides unprecedented in-store virus protection

As of Friday, March 20, customers will no longer be allowed to bring in reusable bags until further notice, as it's difficult to ascertain their cleanliness, and, over the next few days, temporarily window panels will be installed at checkouts at all locations to provide an additional layer of protection for employees and shoppers alike at the point in the store where they're in closest contact. The panels are already in place in Hy-Vee's Des Moines-area stores.

"The spread of this virus is asking us all to take extraordinary measures and change the way we live our lives," explained Randy Edeker, chairman, CEO, and president of the West Des Moines, Iowa-based

supermarket chain. *"We are continuing to adapt at Hy-Vee so that we can serve our customers and keep everyone in our stores as safe and healthy as possible."*



Source: EnsembleIQ

Russia: Delivery Club has disabled the ability to pay cash orders for the prevention of Coronavirus



Delivery Club will disable the ability to pay in cash for orders executed by couriers of its own logistics service. You can pay for the order only in the mobile application using a credit card, Apple Pay or Google Pay. Switching to online payment will simplify the transfer of orders and minimize the interaction of customers and couriers. *"Reducing the number of contacts between people is the most effective way to prevent coronavirus infection, so we think it's right to take this step. Many users who still prefer to pay in cash, in our opinion, are ready to switch to payment inside the application. And now is the time to do it,"* says Mukhit Seydakhmetov, Operations Director of Delivery Club. Those restaurants that deliver orders by their couriers and work with Delivery Club in a marketplace format are also recommended to switch to contactless delivery and non-cash payments.

Source: Retail.ru

IN-STORE OPERATIONS

France: Monoprix and Carrefour offering medical staff priority service to buy food

Au personnel hospitalier et médical

NOUS VOUS PRÉPARONS UN KIT DE 1ERE NECESSITÉ

COMPRENANT	
RIZ	1 KG
PATES	1 KG
CRÉMERIE	12 OEUFS
EAU	1 PACK
LAIT	1 PACK
SUCRE	1 KG
FARINE	1 KG
PAPIER TOILETTE	1 PAQUET
PAIN	1 BAGUETTE

À VENIR RÉCUPÉRER* À TOUTE HEURE DE LA JOURNÉE

Tous solidaires

La Direction

*Aux heures d'ouverture du magasin et sous réserve d'approvisionnement et sur présentation d'une carte professionnelle. Prix selon approvisionnement et selon la marque des produits. Règlement à l'accueil du magasin.

While the food chain drives and delivery services have been completely overwhelmed for several days in the face of the influx of orders, Monoprix has just set up a system allowing hospital staff, very mobilized during this period of Covid epidemic - 19 due to the coronavirus, to benefit from priority access to the delivery slots on the site.

The service is still being rolled out and should be operational from the start of next week in the 250 stores that deliver at home, in a total of "120 cities in France", reports Diane Coliche, who also specifies that a reduction of 10% will be applied "in solidarity".

Carrefour is also working on setting up a similar service "to provide healthcare personnel with priority and free access to express delivery from a choice of more than 4,000 products. This initiative will be operational within a few days," specifies the brand.

The distributor also offers hospital and medical staff "essential kits" (consisting of 1 kg of rice, 1 kg of pasta, 12 eggs, 1 pack of water and milk, etc.) of around € 20 to be collected from its supermarkets (the Carrefour Market) at any time of the day

Source: Le Parisien; LinkedIn

UK: Retailers continue to adopt measures to fight Covid-19 spreading

WAITROSE
& PARTNERS

M&S
EST. 1884

All store cafés and rotisseries are temporarily closed, and the making of coffee has ceased, to allow more staff to restock shelves. Some stores are also closing early for this reason. More than 2,100 John Lewis partners are helping in Waitrose shops and supporting deliveries.

As on Waitrose.com, there are also limits in place on the number of units shoppers can buy – currently three of any specific grocery items, and two packs of toilet roll.

Like an increasing number of retailers in the UK and globally, M&S will allocate the first hour of shopping on certain days to vulnerable and older shoppers. This commences on Friday 20th March, and from next week it will take place on Mondays and Thursdays. M&S will also offer the same first-hour shopping prioritization to NHS and emergency workers on Tuesdays and Fridays. M&S has requested other shoppers to respect its request to uphold the initiative that aims to provide easier access and better availability for those who need it most.

KEY TAKEAWAYS BY DAYMON

In the first phase, measures from retailers were mainly directed to consumers, trying to avoid social contact (by, for example, implementing restrictions to store entry) or creating special shopping slots to elderly consumers or consumers with special needs.

Now, as everyone needs to keep their doors open, in-store measures are centred on the employees – protecting them is key to keep them healthy, but also to avoid consumers getting sick. Delineating space near checkouts, for example, is one way to keep shoppers apart from each other, and also apart from cashiers and other store staff.

Source: IGD

Suppliers' responses to help fight the pandemic

Suppliers are reacting quickly to support health and medical services fight the Coronavirus (COVID-19) pandemic, as well as helping provide shoppers with products that help them too.

BREWDOG, starts using one of its distilleries to produce hand sanitizer - A great example of a company reacting quickly and keen to help people fight the pandemic is Brewdog. The Scottish brewery announced one of its distilleries in Scotland is now producing hand sanitizer gel. The product is called Brewgel Punk Sanitizer and is sold in-stores across the UK. This is a positive example of a company not afraid to move into a new category, where they have no experience to help others.



Source: IGD



JUMIA announces partnership with **RECKITT BENCKISER** - Jumia, one of the leading ecommerce platforms in Africa, has announced a partnership with Reckitt Benckiser.

The new partnership aims at providing shoppers with access to hygienic products at low costs. This will enable a steady supply of many hygiene products, including soap and disinfectant, at affordable prices. Jumia said it will take no commission on branded products, such as Dettol, JIK and Harpic and reinvest the commission to discount prices. Reckitt Benckiser will provide free delivery nationwide on selected items in the countries where Jumia operates. Products are available to shoppers via the Jumia website, on the page called "Stay safe", which is co-owned with Reckitt Benckiser. The page also provides important information related to coronavirus (COVID-19) and how to put in strategies to ward against it.

Denmark: Salling Group pays millions to suppliers

Salling Group released DKK 500 million to smaller Danish suppliers by setting aside the credit times on approved invoices. It must ensure that suppliers can better get through the corona crisis. This is what the grocery group writes in a press release.

"Our initiative immediately contributes to improving the liquidity of smaller companies, and it is one of our contributions to Denmark being able to maintain as many jobs as possible on the other side of the Corona crisis," says Per Bank, CEO of Salling Group. According to Per Bank, some suppliers are lacking liquidity, for example, because their sales have gone down or they have sold more than usual, which means that they have to buy extra raw materials. He says that it takes one to two days before the suppliers get the money.



"Some should have had the money first in 45 days, and not to wait for a lot of red tapes, we will pay the money within the next few days," he says. The payment covers both those who supply goods and services to the Salling Group.

This is for example in connection with cleaning or production in bakery and butchery departments, the press release states. Per Bank, CEO, also says that in the future similar handrails may come from the group. - We can easily think of that. If there is a similar need in a month, we will look at it again, he says.

Source: bt.dk

Diageo warns of profit hit as bars close

Drinks giant Diageo has warned its profits will fall this year, as bars and restaurants in China are forced to close due to the coronavirus outbreak. The Guinness-owner said operating profits could be £140m-£200m lower than expected due to disruption across Asia. It joins companies such as Apple and Danone in warning about the impact of the deadly virus.

It said that bars and restaurants in China "have largely been closed and there has been a substantial reduction in banqueting... We have seen significant disruption since the end of January which we expect to last at least into March. "Thereafter, we expect a gradual improvement with consumption returning to normal levels towards the end of fiscal 2020."

Events being postponed in several other Asian countries, especially South Korea, Japan, and Thailand, as well as a reduction in conferences and banquets and a drop in tourism have all had an impact on people buying its products. It added that the coronavirus outbreak had caused a "significant reduction" in people using airports, especially in Asia, hitting travel retail.

DIAGEO

Source: BBC

UK: Morrisons to pay small suppliers immediately

Supermarket chain Morrisons is to pay its small suppliers immediately to help keep them afloat amid coronavirus uncertainty.

Morrisons is the first major UK supermarket to make this kind of change to its payment terms. It follows government measures to support small firms and the UK economy.

Small firms supply Morrisons with thousands of its products. Paying them immediately will help them weather any difficulties they face through disruptions to their manufacturing processes, or if any of their staff go sick, the spokesman said.



Source: BBC

LVMH Converting Its Perfume Factories To Make Hand Sanitizer

LVMH

MOËT HENNESSY • LOUIS VUITTON

LVMH announced on Mar 15, that it is converting three of its perfume manufacturing facilities where it normally makes fragrances for its Christian Dior, Givenchy and Guerlain brands to make hand sanitizer instead. The first deliveries will be tomorrow and by the end of the first week, LVMH expects to have made 12 tons of the hydroalcoholic gel. The product will be given at no charge to French authorities and the largest hospital system in Europe.

LVMH is accomplishing several things with this move. It is, of course, responding to a shortage of hand sanitizer. But more than that, it is positioning itself to its consumers and its employees as doing what's in the public interest. It is also justifying having its factories remain open and keeping its employees coming to work. All of those things make the company more purposeful and less commercial.

What's so interesting about LVMH's move is how quickly they are doing it and their understanding of what luxury means right now. Luxury used to be providing the highest quality products—now it means that and more. A true luxury business has to fill consumers' needs at the highest level and by converting to hand sanitizer manufacturing, LVMH is doing just that.

Source: Forbes

KEY TAKEAWAYS BY DAYMON

Suppliers have joined the battlefield and are showing resilience in the face of the COVID-19 pandemic.

Major industries from automotive, electronics, pharmaceuticals, medical equipment, and supplies, to consumer goods, have been significantly affected and are now taking actions and joining efforts in fighting COVID-19 outbreak. If larger companies feel the impact of this big disruption in supply and demand, smaller companies face bigger challenges, as they have fewer resources to support their structure and their workforces. In this hyper-connected world, retailers and suppliers will have to work together to overcome this crisis and strengthen their partnership.

COVID-19's impact on foodservice

Mintel is currently running research into how consumers are reacting to the crisis. Early indications are that sizeable minorities are looking to avoid crowded places, which will inevitably have a knock-on effect on the foodservice industry.



In the worst-case scenario, many pubs and restaurants will see businesses fall drastically. Restaurants may be forced to have limited trading hours and/or takeaway or home delivery services only.

In the short term, pubs and restaurants will have to change courses to adapt to the rapidly changing situation. This includes reverting to single-use containers and cutlery, as opposed to re-usable options, to prevent the spread of the coronavirus. In the longer term, businesses that have come to rely on imports from badly hit countries such as China may consider moving to local/regional supply chains.

Source: Mintel

Portugal: McDonalds Adjusting operations

McDonald's advanced to the temporary adjustment of its operation in Portugal, keeping only the services of McDrive and McDelivery in operation, after the State of Emergency was declared in the Country.

"Over time, McDonald's has outlined a contingency plan that has been adapting to the different stages of the evolution of the coronavirus outbreak, always with the priority of safeguarding the well-being of its employees and customers," says the banner in a statement.



In the restaurants that will provide the services, McDonald's will have reduced teams. The goal is to minimize personal contacts. *"We reinforced the strict hygiene and safety processes, and introduced new procedures for delivering orders to Customers at McDrive, and to drivers from Glovo and Uber Eats, who provide the McDelivery service", it concludes.*

Source: Hipersuper

UK: Foodservice steps up to Corona Virus challenge

COVID-19 GUIDANCE AND RESOURCES FOR HOSPITALITY BUSINESSES IS AVAILABLE ON OUR WEBSITE

www.ukhospitality.org.uk/coronavirus



Businesses have announced a raft of new measures as the food sector recalibrates to cope with the fallout from the spread of coronavirus. Across the country, restaurants are switching to delivery services of pre-prepared meals to cook at home after the government said that planning rules will be relaxed so that pubs and restaurants can operate as takeaways.

Food-to-go brands, meanwhile, are partnering with the likes of Deliveroo and Uber Eats to offer doorstep deliveries after deciding to prevent people from eating in stores. Rather than retreat into a state of self-preservation and introspection, many businesses are stepping up their efforts to support local communities and key workers.

Several high street brands are giving free or discounted hot drinks and food to NHS workers and sending free deliveries to local NHS hospitals. Many are partnering with charities to make sure food doesn't go to waste and say they are working on ways to support elderly people isolated in their homes. Some alcohol producers have switched to producing hand sanitizer to alleviate pressure on supply. Senior executives at some food and drink businesses, meanwhile, are taking pay cuts while others have set up funds to be put towards the wages of bar and waiting staff.

The defiant response came as UKHospitality called on the government to announce an employment support plan to help protect livelihoods and the 1 million-plus jobs now at risk in UK pubs, restaurants, bars, hotels and leisure attractions. CEO Kate Nicholls said that while the package of support measures announced earlier this week by the Chancellor represented significant help that will give many companies a lifeline, *"the massive issue remains people and preservation of jobs"*. UKHospitality estimates the hospitality industry has already shorn between 200,000 and 250,000 jobs, with the majority of these cuts coming in the past few days.

Source: Foodservice Footprint

How global foodservice is adapting to Covid-19

Restaurant and food-to-go operators in many countries around the world are having to adapt to new advice about social distancing in light of the coronavirus (COVID-19) pandemic. Here is a summary of the latest actions some of these operators are taking:

Focusing on delivery – Meituan (in China), started offering a non-contact delivery service, where uniforms, containers and employee practices are modified to remove potential exposure to the virus (KFC and Pizza Hut have set up similar services).

To keep up with demand, Meituan is supplementing delivery drivers with unmanned delivery vehicles in central locations. Around the world, other delivery companies such as Just Eat and Deliveroo in the UK, UberEats in the US and Swiggy in India are following China’s lead and introducing no-contact delivery options.

Starbucks will shift to a “to-go” model at around 10,000 stores in the US and Canada. Customers won’t be able to use seating but will still have access to mobile ordering, drive-thru and delivery.



Changes to in-store service and environments - Starbucks in the UK and North America has temporarily banned reusable cups in response to the coronavirus outbreak. In the UK, customers still receive a 25p discount for bringing reusable cups with them, but drinks are served in paper cups.

In the US, McDonald’s is closing company-owned restaurants to diners to focus on takeaway, delivery and drive-thru, and are asking franchisees to follow suit. Other fast-food operators such as Chick-fil-A and Shake Shack are doing the same nationwide as governments in some states place restrictions on pubs and restaurants.

Supporting staff - In the UK, Deliveroo has established a fund to support riders that contract coronavirus or are told by doctors to isolate themselves. It will pay out to impacted delivery riders in excess of the equivalent of UK statutory sick pay for up to 14 days.

Uber Eats in the US said it would provide delivery drivers affected by the illness with financial assistance for up to 14 days.



Supporting frontline workers - In Ireland, a Go Fund Me page set up to fund meals for hard-working healthcare staff has raised over €34,000 in under 24 hours. The Feed The Heroes fundraiser page was created to do something to say thank you to the people working on the front-line during Ireland’s outbreak of coronavirus. The page is asking people to donate whatever they can while getting food providers across the country to register if they can take orders and deliver to hospitals.

Uber Eats announced it has committed 300,000 free meals on Uber Eats to first responders and healthcare workers in U.S. and Canada, in coordination with local and state and provincial governments

How global foodservice is adapting to Covid-19

Supporting the community - In the UK, Sky News reported that government ministers are in talks with takeaway delivery companies Just Eat and Deliveroo to provide food and support to elderly and vulnerable people if they are forced to self-isolate over coronavirus.

Chipotle Mexican Grill has announced it will offer free delivery in the US in order to aid those not wishing to leave their homes due to coronavirus.



Reassuring customers - Operators have been quick to reassure customers about new cleaning procedures and to communicate the availability of delivery services.

In the UK, Costa Coffee, Pret A Manger, Tortilla, Farmer J and HOP are just some of the brands announcing their coronavirus protocols through their newsletters.

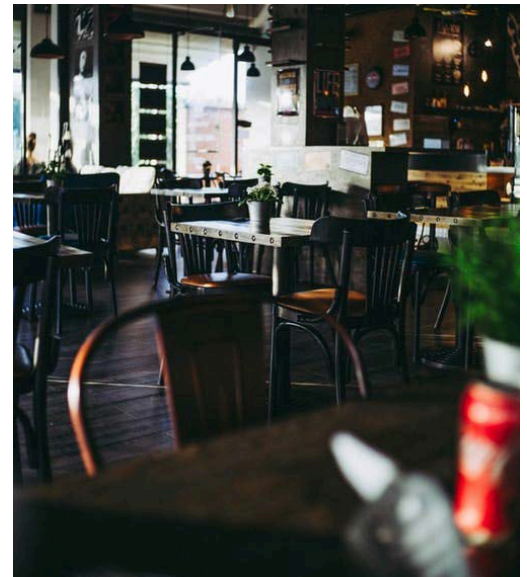
Delivery companies such as Just Eat and Deliveroo have been doing the same via email and social media.



Boosting cashflow - Out-of-home dining is a cashflow dependent sector with high overheads of rent, rates, and wages. Two London-based restaurant groups, Harts Group and Cricket, are incentivizing customers by adding an additional percentage to voucher purchases. For example, Cricket offers an additional 20% on any voucher purchased over £250, valid until the end of the year.

In the US, Uber Eats announced today it will begin offering daily payouts to restaurants for deliveries rather than waiting until the end of the week. This could become more important as delivery accounts for a bigger share of their sales during this time. Uber Eats US will also be waiving delivery fees for orders from independent restaurants and increasing marketing efforts.

Also in the US, Grubhub has gone further by announcing that it will temporarily suspend the collection of up to \$100m in commission payments from independent restaurants impacted by coronavirus nationwide



Temporary store closures - In the US, Starbucks stores in locations in "high-social gathering locations" like schools and malls will temporarily be closed, as will stores in communities that have been hit with large clusters of coronavirus cases such as Seattle and New York.

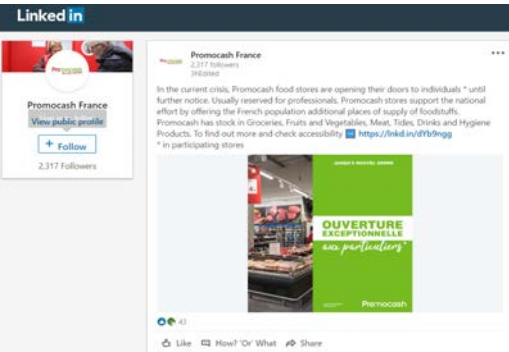
In Italy, Starbucks said that it will close all its locations until 3 April. The fast-food chain Burger King also suspended its operations in Italy until the situation improves.

Time Out has temporarily closed its five food markets Lisbon and the USA



Makro, Sligro and Promocash will temporarily open to consumers in Netherlands and France

Normally, only entrepreneurs can go to self-service wholesalers. But because catering businesses had to close their businesses because of the coronavirus outbreak, wholesalers no longer have much business.



Promocash stores support the national effort by offering the French population additional places of supply of foodstuffs, assuring stocks won't be a problem.

Self-service wholesalers such as the Makro and Sligro branches will temporarily open to consumers in the course of Thursday. The supermarkets had asked for this on Wednesday.

The opening is part of the emergency package that the food sector presented to Prime Minister Mark Rutte earlier this week.



Source: Promocash – LinkedIn; nu.nl

USA: Foodservice organizations partner to ensure retailers receive food deliveries

The International Foodservice Distributors Association and FMI-Food Industry Association have created a program to connect foodservice distributors that have excess capacity (products, transportation services, warehousing services) to assist food retailers and wholesalers that require additional resources to fulfill needs at grocery stores, which are experiencing skyrocketing demand triggered by COVID-19.

Food industry experts have indicated the demand for food, water, and cleaning products over the course of recent weeks has exceeded any previous shopping holiday season, which has caused retailers to experience delays between replenishment, according to a company press release. However, many local and state governments have recommended or mandated closing restaurants, schools and other businesses that are supported by the foodservice distribution industry. While food industry resources are stretched to capacity, foodservice distribution resources are in need of economic sustainability. This partnership will not only fill a crucial gap but will also serve the American population from one end of the country to the other, IFDA President and CEO Mark Allen said in the release.

Source: Fast Casual

Netherlands: #HELPDEHORECA

Due to the closure of the catering industry, catering businesses are temporary without income. To continue supporting these business during the crisis, two restaurant owners created the movement #HELPDEHORECA, which appeals to support of the community.



With the platform 'Help the Horeca', catering partners collaborate with the online platform Gifty to support catering entrepreneurs during this difficult period and to enable consumers to enjoy the catering industry again soon.

Vouchers can be purchased via www.helpdehoreca.nl by anyone who has a warm heart for the catering industry in the Netherlands. These coupons help entrepreneurs earn income, even now that they are closed. Consumers can redeem the coupons as soon as the cafes and restaurants open their doors again

Source: HELPDEHORECA

KEY TAKEAWAYS BY DAYMON

The Foodservice industry is facing one of the biggest challenges it ever had to face, as Covid-19 lead to temporary store closures, or ultimately to a very reduced activity. The current scenario drives to huge impacts in the industry demand, but also in its sustainability, specially in what regards to keep employees in a business which is not generating income.

We also perceive this as an opportunity for the most capable businesses, to reinvent themselves and enhance their service portfolio, namely through the creation of partnerships with other companies. Online and delivery services are key for smaller companies that want to survive.