

ECR Academic Student Award 2021

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Johannes Kepler University Linz | Institute for Retailing, Sales and Marketing

Master Thesis

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Title

The Covid-19 Crisis and its Effects on In-Store Operations and Marketing in Grocery Retailing

Research Question and Objectives

RQ: “What impact did the Covid-19 crisis have on in-store operation and marketing in grocery retailing in Austria during the shutdown period?”

- **RO1:** Pointing out the most challenging process for the store manager of Austrian grocery stores during the Covid-19 crisis, focussing on logistics, other processes, employees and manager as well as customer
- **RO2:** Comparing different phases and identifying the resulting differences based on changes due the COVID-19 crisis
- **RO3:** Finding other hidden changes arising through the COVID-19 crisis for grocery stores, their store manager, but also for their customer

Methodology

Characteristics	Description
Research Methodology	Qualitative Research
Research Instruments	<u>Secondary Data Research:</u> <ul style="list-style-type: none"> Literature Review <u>Primary Data Research:</u> <ul style="list-style-type: none"> 51 Interviews (approx. 22 hours) Semi-Structured Interviews with Representatives of the Grocery Retailing Sector (Store Managers and Franchise Partners)
Time of Interviews	March-April 2020
Type of Interviews	Telephone Interviews (Reason: Lockdown during the field phase)
Method of Analysis	Qualitative Content Analysis with Quantitative Elements (Descriptive Statistics)
Instruments of Analysis	MAXQDA, SPSS

Key Results

Spatial Aspects (Where consumption occurs)	<p><u>High importance of proximity</u></p> <ul style="list-style-type: none"> Preference of stores located in their hometown / next to their hometown Reasons: Home office, closure of non-food stores
Temporal Aspects (When consumption occurs)	<p>Differentiation between phases of the crisis</p> <p><u>Beginning phase of the crisis</u> (high degree of changes)</p> <ul style="list-style-type: none"> Panic buying, hoarding and extreme purchase behaviour of customers Reasons: uncertainty, fake news in social media, fear <p><u>Beginning and lockdown phase of the crisis</u> (high degree of changes)</p> <ul style="list-style-type: none"> Decreased purchased frequency ↓ Increased average purchase ↑ Reasons: uncertainty, fear of infection, recommendation of government, following the rules, solidarity
Causal Aspects (What and Why consumption occurs)	<ul style="list-style-type: none"> Very essential products Products from local producers Packaged products instead of fresh ones (e.g. bakery)
Procedural Aspects (How consumption occurs)	<p><u>In-store operations</u> (high degree of changes)</p> <ul style="list-style-type: none"> Contactless acceptance of delivery Direct transport to sales room / no storage in back rooms Replenishment – increased workload Out-of-stock situations / bottlenecks in delivery Security measures – e.g. check-out area (see Adapted grocery retail instore logistics model) <p><u>Other</u></p> <ul style="list-style-type: none"> Payment: increased use of cashless options Elderly shoppers – delivery services

Visualisation of changes in in-store operations

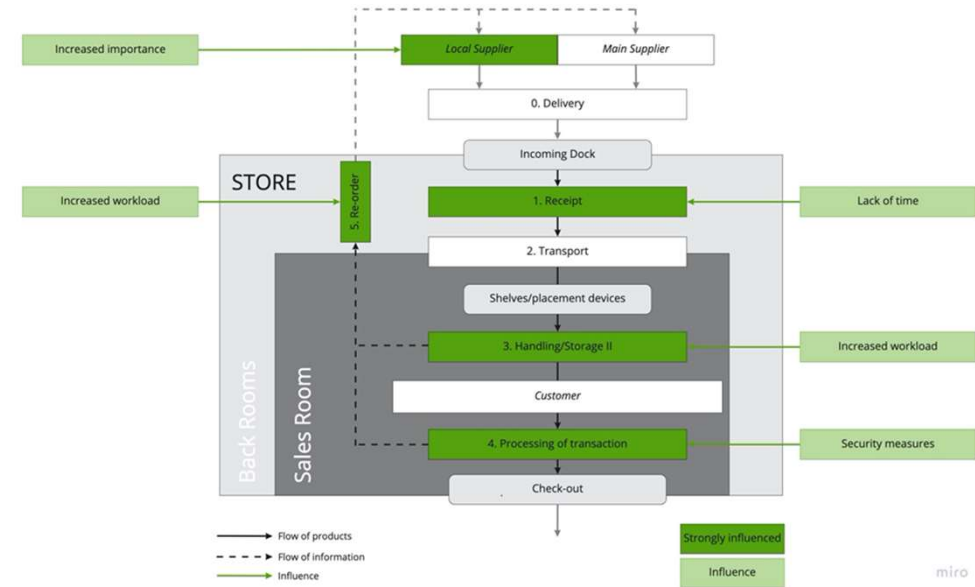


Figure – Adapted grocery retail instore logistics model

Relevance for ECR / ECR-Members

- The results support the **relevance of adjustment** in behaviour in times of crisis.
- The thesis delivers information in order to **fulfil the needs and wants of consumers in uncertain times** like the Covid-19 crisis and show the **very specific behaviour** of costumers and front line employees in those times.
- Furthermore, the thesis may help working groups as well as service platforms in order to **discuss and elaborate future-oriented solutions** for the stakeholders mentioned below.
- The findings are of particular interest for stakeholders like the **grocery retailing industry** as well as **suppliers of groceries**. Other FMCG categories may also be interested in those outcomes.
- **Recommendations and implications** for suppliers, manufacturers and retailers in the grocery industry are provided, e.g. increase purchases of local suppliers, increased need of personnel resources, focus on availability of products or changed in-store shopping experience. Those may be solutions for an efficient and sustainable work between costumers and grocery retailers in the future.

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