

# ECR Academic Student Award 2021

**Teresa Schwendtner, MSc**

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

**Master Thesis**

Supervisor: Univ.-Prof. Dr. Christoph Teller

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    | <p><u>Secondary Data Research:</u></p> <ul style="list-style-type: none"> <li>Literature Review</li> </ul> <p><u>Primary Data Research:</u></p> <ul style="list-style-type: none"> <li>51 Interviews (approx. 22 hours)</li> <li>Semi-Structured Interviews with Representatives of the Grocery Retailing Sector (Store Managers and Franchise Partners)</li> </ul> |
| 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

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

## Visualisation of changes in in-store operations

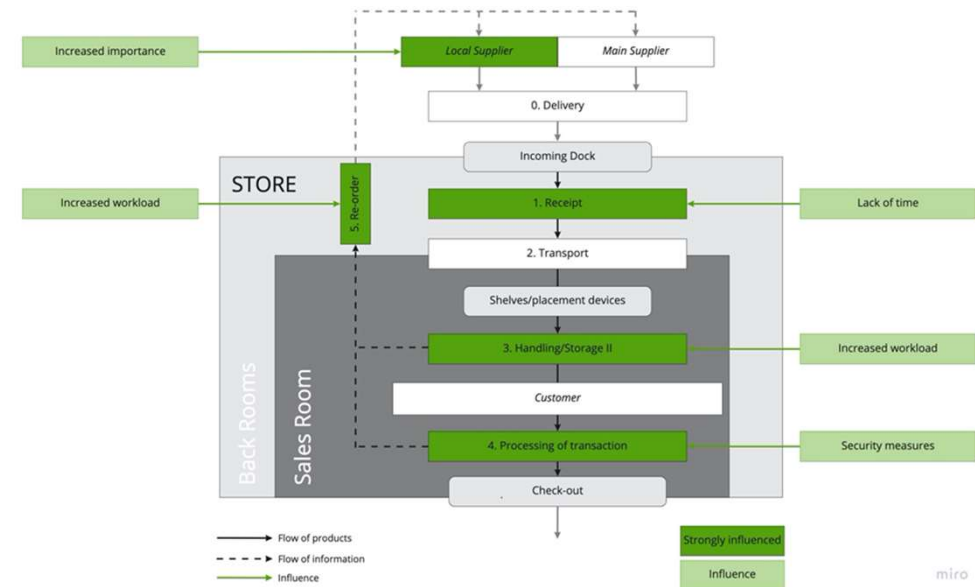


Figure – Adapted grocery retail instore logistics model

# 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.

# Contact details



**Teresa Schwendtner, M.Sc.**



[teresa.schwendtner@jku.at](mailto:teresa.schwendtner@jku.at)



+43 681 812 705 88