

APRIL 2020

## Grocery Sector Shows Up for Their Communities Amidst Coronavirus

---

Slayton Search Partners



While other industry sectors are going remote, virtual, or shutting down altogether in response to COVID-19, the grocery business is proving its essential role at the center of communities nationwide. However, it's not all business as usual. Grocers far and wide are pivoting in how they serve and protect both their customers and their employees.

The change was inevitable – from the moment it became clear that the virus was present in the U.S., people began panic-buying, quickly clearing grocery shelves of long-shelf-life products and cleaning supplies. Grocers have been quick to announce that empty shelves are a result of a demand issue, not a supply problem. And as the weeks have progressed, many stores have adjusted their hours in order to fully restock and reassure their customers that they're here to help.

To further serve their communities, many grocery stores have implemented hours specifically for vulnerable populations. They have stepped up their hygiene levels and are committed to limiting human contact – if you've seen long lines outside of Trader Joe's, for example, it's because they're severely limiting how many people are allowed in the store at one time in order to maximize safety and hygiene. In short, the grocery sector is doubling down to encourage and nurture confidence in their customers.

But they haven't forgotten about their employees in this troubling time. Many are actively hiring – Aldi, Kroger, Meijer and Publix, among others are adding thousands of positions to their workforce to handle the high demand. In addition, the International Foodservice Association has partnered with the Food Industry Association to have grocers employ food service employees who have been adversely impacted by Covid-19. To appropriately reward workers for serving on the front lines of this crisis, grocers are providing raises and cash bonuses. They're also instituting emergency leave policies to employees who are sick or are weary of the health risks attendant with attending work.

We'd be remiss not to mention the other major shift grocers are seeing at this time – the massive increase in online grocery shopping. In 2019, just 4% of sales came from online orders. Now, 41% of consumers say they're ordering online for the first time; use of apps like Instacart have doubled in usage. Grocers like Walmart who already have online ordering apps in place are well-positioned as this channel has quickly outpaced the number of in-store customers. In a time of social distancing, this makes sense – we're interested to see how the grocery sector evolves in the long-term as a result of this trend.

Finally, it's heartwarming to see many grocers and distributors, as well as food and beverage

manufacturers, giving back to their local communities, including the medical community and nonprofits who provide for homeless and food insecure populations. Now more than ever, it's clear how the grocery sector plays a pivotal role in our communities.