

A LEADER'S PERSPECTIVE: DEFENDING RETAIL AGAINST CORONAVIRUS

C-level retail leaders answer your questions on
the impact of COVID-19 around the globe

THE RETAIL SUMMIT

In partnership with:



THE RETAIL SUMMIT

Dear Colleague,

The COVID-19 pandemic that continues to sweep the globe has overwhelmed health services and has taken a catastrophic physical and emotional toll on communities across every continent. With countries locked down and the closure of mass industry, the impact on the global economy is unprecedented.

Retailing is at the centre of this crisis, with iconic institutions permanently closing their doors and millions losing their jobs. Panic buying, volatile supply-chains and the boom in e-commerce has meant that retail has had to learn and react to meet the needs of the nation.

The Retail Summit's founding principle was to connect business leaders around the world and facilitate discussion across the ecosystem, enabling retailers to thrive. This crisis situation facing the globe retail community is testament to the fact that collaborative discussion and learning has never been more critical.

Over the past few weeks we've had the privilege of speaking to some of the most influential retail leaders around the world in our bi-weekly webinar series: 'Defending Retail Against Coronavirus'.

Together they have shared their insights on retailing in a crisis, answering your pertinent questions on how to adjust to the new 'normal'.

Featuring 14 retail leaders from multiple sectors and countries, each at varying stages of combating the virus, this open and honest guide shares with you how retailers are supporting and serving their communities. Whether you have questions around digital transformation, talent, leadership, business operations or physical stores, we hope this definitive guide helps you navigate the road ahead.

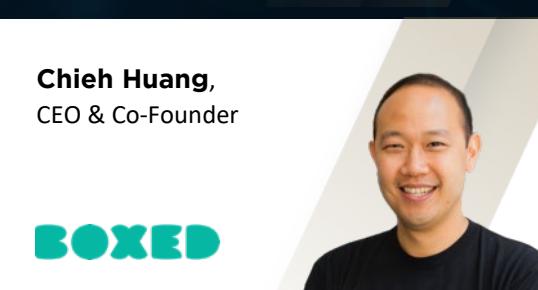
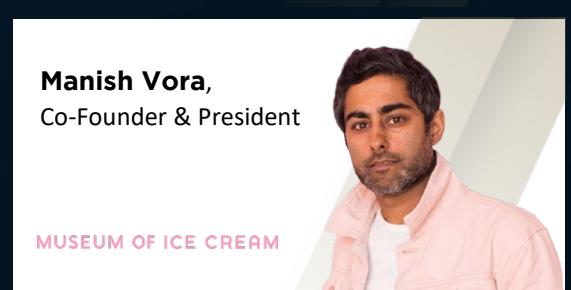
Thank you to the contributors who have been incredibly generous with their insights.

Regards,

Gary Thatcher
CEO & Co-Founder
The Retail Summit



CONTRIBUTORS:



BUSINESS OPERATIONS

The parameters which organisations now operate in have fundamentally changed within the last few months. This chapter will look at what exactly these new roles of engagement look like, what timeline leaders are predicting for business recovery and their contingency plans for a potential second or third wave of the virus.

Find out the operational changes COVID-19 is forcing on to businesses and how leaders are managing them. Hear how leaders are adjusting sales targets and core offerings to meet the demands of the ‘new normal’.

Contributors:

- **Jamie Miquel**, Executive Chairman, **Tendam**
- **Francis Srun**, Vice President, **Kidiliz**
- **Hans Carpels**, President, GEIE, **Euronics**
- **Nick Woodhouse**, President & CMO, **Authentic Brands Group**
- **Michael J. Prince**, President and CEO, **U.S. Polo Association Global Licensing**
- **Marloes Knippenberg**, CEO, **Kerten Hospitality**
- **Chieh Huang**, CEO and Co-Founder, **Boxed**

How will the pandemic change the way companies conduct business once everything returns to 'normal'?

TENDAM: The depth, radicality and global impact of COVID-19 will drive a very different normality, where some trends will be accelerated others will emerge. The values of sustainability, rational consumption vs accumulation and the value of the essential vs the accessory will take a bigger dimension. So will digital. Travel limitations and social distance will emerge as new elements to consider, since they might impact not just short term, but mid-term behaviours. From a business perspective, growth will remain important but resilience and capacity to generate sustained profits and cash will take further relevance.

KIDILIZ GROUP: I believe that many brands will disappear. Larger businesses will have reduced profit but survive. Small companies will not able to. The 'new normal' will allow new and exciting brands to emerge.



**BUSINESS
OPERATIONS**

BUSINESS OPERATIONS

THE RETAIL SUMMIT

How are you supporting your franchise partners in these extraordinary times?

TENDAM: Today is time for real partnerships, not for pure commercial partnerships. Partnership means helping the franchisees to apply the same strategy we are applying in our own operated stores. In terms of buying, marketing, sales strategy and liquidity protection we arrive at this point all together and the goal is to succeed together.

AUTHENTIC BRANDS GROUP: ABG has over 900 partners around the world, many of which are highly respected and skilled manufacturers, operators, and retailers. During these times, our in-house marketing and digital teams are highly engaged and offer support in any way they can.

Most importantly, we're helping drive traffic to branded e-commerce channels. With over 234 million social media followers across the ABG portfolio we're able to quickly pivot social strategy to support our partners as their business needs are changing in real-time.

Our teams are hard at work, creating various types of content, testing, and monitoring engagement across all channels so that we can apply best practices and optimize engagement across our brands.

Can you give an idea about the timeline for business recovery?

EURONICS INTERNATIONAL: We (consumer electronics) hope that the total of 2020 will be within the range of -5% to -10%.

USPAGL: We will see milestones over the next two years with targets and goals every few months for each milestone. It will be critical to do this thoughtfully and over time as this will be a marathon and not a sprint.

Should retail, leisure and entertainment industries cut prices over the next six months?

TENDAM: We have to take a realistic approach: consumers will change behaviour and they will take a conservative attitude towards consumption. At the same time they will put more pressure to the value for money equation. The best way to protect the business is to adjust our OTB's to this new reality, and yes, we will have more pressure to discount, but not by being over-stocked we will sell more.

“Exclusive agreements are a stronghold and could be the cornerstone to rebuild the business: focus on those who support you.”

Hans Carpels, President, GEIE, Euronics

What health and safety measures do you see being implemented once lock down has been lifted?

USPAGL: Great question. This will be a significant learning process and evolution. Our goal will be to open-up a few high-street stores first and then roll-out a thoughtful transition each week adding locations from street stores, to outdoor outlet centres to malls.

Our most important priority will be the safety and wellness of our employees and customers. We will have to be thoughtful about face covers, social distancing, curb side pick-up, occupancy limits, etc. We are currently working on our global plan as we will begin to reopen certain locations in May in several markets around the world.

KERTEN HOSPITALITY: Health & Safety always played an essential role in the hotel industry, as there are so many people going in and out. More than this, the question is what are the new consumer expectations,

and what are they willing to pay? Social distancing, away with buffets and packing people into very limited spaces was something already being questioned before, and with the current happenings, will not go back to how it was.

The world will find a new normal between guest expectations, governmental rules and regulations and the possibilities and capabilities of owners and operators.

BOXED: Many of the social distancing measures currently in place will be in effect for a long period of time. More employees working virtually, greater spacing out of employees in the fulfilment centres and offices, hand sanitizers throughout, smaller gatherings and a lot of other common-sense measures.

We've hired x4 the amount of porters to help us keep the facility clean and now have mandatory downtimes between shifts so that the facility can have a deeper clean between each shift. I think many of these measures are not going to be phased out anytime soon.

Do you see hotels changing their services in the short and long term to accommodate a new environment and customer needs?

KERTEN HOSPITALITY: Absolutely. I think now more than ever people will be taking the Mix-Use more seriously. It's an ecosystem and more than just a concept in a building. If done well, it should allow permanent / long term stay, with home working an "in-house" facilities which fit the demographic. Technology becomes a more integrated part of life, and travel will be more considered, so the long or the short stay will be more consciously chosen.

We are in the pre-opening stage for 5 new projects which are still due to go ahead this year. We have seen that owners and investors have been more positive and progressive than expected. We can see a shift towards having local businesses which can adapt and withstand situations like this, rather than giant contractors which are more impacted by mass globalisation.

"Cash is king. Rather than put pressure on sales targets, we need to consider the greatest cash generating activities. E-commerce and high profitability retail will win."

Francis Srun, Vice Chairman, Kidiliz Group

Do you have any plans in place if there is a second wave of COVID?

TENDAM: A second or third wave of COVID-19 should not be unexpected. The advantage is that we already know what COVID-19 is all about. So protective measures in all the offices and stores have to remain, we have to facilitate teams working from home, reduce business traveling and do an smart use of the new technologies to avoid events like sales and franchise conventions. COVID-19 has demonstrated to be a strong silent enemy and we have to be aware that it remains there, even if it is not showing-off. This also brings implications to other aspects of the company, such buying or liquidity protection, where being conservative is the most recommended action nowadays.

EURONICS INTERNATIONAL: We will focus on building-up our internal supply chain.

USPAGL: We have learned so much from the initial impact of the first wave of the virus and will continue to improve on preventative measures going forward as well as becoming more adaptable through technology and operation improvements.

How are you going to train staff on health & safety?

USPAGL: We are working on best practices for our global headquarters, country offices, as well as retail stores. We are getting input both internally and externally on these guidelines. Our goal is the safety and wellness of our employees and customers while also using common sense and consistency. This will continue to be a work in progress and evolve overtime. It has to be a team effort and be able to adapt over time as well.

SUPPLY CHAIN

The rapid spread of the COVID-19 has shocked supply chains around the world, proving how critical they are to the success of retail businesses.

Our leaders will discuss how they are overcoming challenges in order to continue to supply goods and services quickly, safely and securely.

This chapter will look at what fashion retailers are doing with their excess stock and how supply chains might improve once the pandemic is over.

Contributors:

- **Andrea Farris**, VP Development / Head of Solution Planning & Partnerships, **Walgreens**
- **Marcella Wartenbergh**, CEO, **Pepe Jeans**
- **Sandra Campos**, CEO, **Diane von Furstenberg**
- **Chieh Huang**, CEO and Co-Founder, **Boxed**
- **Radek Jelinek**, President and CEO, **Mercedes-Benz Italia**

SUPPLY CHAIN

THE RETAIL SUMMIT



How are you managing your surge in online traffic?

WALGREENS: Our first priority was to adopt an “operate first” mentality to ensure we kept our systems up and running for the customers and patients who are relying on us now more than ever before. In addition to a significant increase in Walgreens.com orders, we also observed changes in shopping behaviors. For example, our site allows customers to check stock at their local store, and since the start of the pandemic, we’ve seen a usage increase of this feature by more than 100 percent every *minute*. With essential items in stores being purchased so quickly, the team has quadrupled the technical capability behind this feature to make it as accurate as possible for customers to know if the item they need is in their local store.

BOXED: We've really needed to become laser-focused across all our teams (tech, operations, product, merchandise, marketing) to focus our efforts and energy on our core business to more efficiently meet the demand we've seen.

It's all about planning two, even three steps ahead. The challenge has been dealing with external issues out of our control, like delays in receiving product from our vendors, who are under enormous pressure themselves.

How can retailers optimise click-and collect and delivery during a period of high demand?

WALGREENS: Walgreens is uniquely positioned as one of only a few U.S. based retailers that have drive-thru pick-up locations. During this current COVID-19 pandemic, we recognized the need for safe, alternative shopping options that helped promote social distancing. As a result, we quickly developed and launched a new digital “order ahead” drive-thru shopping experience in a matter of just a few short weeks. Customers and patients can now conveniently order select household essential and health & wellness products online in advance and then pay for and pick up these items at more than 7,300 locations nationwide.

Going forward, will your supply chains become more diversified or move closer to home?

DIANE VON FURSTENBERG: We were diversifying before this crisis happened so are already in a good place, but more than that, we will focus on diversification of products – more products from different regions which will mean a more diversified vendor matrix from around the world.

PEPE JEANS: We were already quite diversified before the crisis but think the focus will now be more on diversification of product offerings and timings – we'll need to accommodate a shift in calendars and lead times i.e. when you need a type of product by. In this sense, we all need to focus on having agile and 'smart' supply chains which allow us to mitigate risks and react to them rather than focus on where the product comes from.



"I think Amazon has been hit by selling small orders with lower margin items: Retailers will need to watch out for that."

Chieh Huang, CEO and Co-Founder, Boxed

What do retailers need to think about when moving into a front-footed delivery model?

BOXED: Even we've seen our business and consumer behaviour shift in the last few months. Due to the uncertainty, folks are stocking-up, making higher orders in one delivery. On the other side we've also seen much smaller orders from high demand COVID-19 items such as hand sanitizers. We're needing to change our products as a result and have started using 'fully stocked' badges on products rather than the typical 'low in stock' badge online. Overall, as retailers push more of their sales into online, they will find their basket values paramount to offset margin compression. If you deliver it to home, you need to think about who is bearing that cost. I think Amazon has been

hit by selling small orders with lower margin items. Retailers will need to watch out for that.

Will consumers look unfavourably on materials being sourced from China?

MERCEDES BENZ: We have manufacturing facilities across the globe and that includes China. This coupled with the fact that there's a big growing consumer base in China means we won't be changing this. That said, yes, people will look closely now at what they're buying and where it has come from.

Industries are facing congested supply chains due to weeks of lost selling. What will be your strategy with excess stock?

PEPE JEANS: It's very challenging to predict – I wish we had a crystal ball! Overstock is a global problem with predictions of approximately 250 million left over pieces from the Spring season alone. Spring/Summer will depend purely on when shops re-open. We were able to mitigate the risk for the Autumn/Winter collection and were able to hold fabrics and stop production on certain items. We need to make sure we don't have excess inventory because excess inventory means working capital and that means cash.

DIANE VON FURSTENBERG: We started through having a digital sample sale and will continue to look into similar options. We put a hold on Winter production to prevent us from creating excess stock. We all need to look at future consumption because it's partially what's got us into this mess.

MERCEDES BENZ: This period is typically very popular for selling cars and so far we've lost two months. We're not the same as fashion industry in that we cannot do summer sales but we will have to consider options such as financial offerings in order to deal with the excess. We'll also leverage our digital abilities to approach certain customers for tailored offers. We need to be smart, fast and intelligent in this sense.



**SUPPLY
CHAIN**

PHYSICAL RETAIL

What will physical retail look like once we exit lockdown and resume to a new state of play? Will the purpose of stores change? Will there still be room for physical experiential concepts? And how will malls adapt?

Our experts share their views on the future role of physical retail and their top priorities for re-opening stores.

Learn how leaders plan to implement the highest hygiene standards and entice customers back in.

Contributors:

- **Jamie Miquel**, Executive Chairman, **Tendam**
- **Francis Srun**, Vice President, **Kidiliz**
- **Hans Carpels**, President, GEIE, **Euronics**
- **Nick Woodhouse**, President & CMO, **Authentic Brands Group**
- **Michael J. Prince**, President and CEO, **U.S. Polo Association Global Licensing**
- **Manish Vora**, CEO and Co-Founder, **Museum of Ice-Cream**

PHYSICAL RETAIL

THE RETAIL SUMMIT

Will the purpose of physical stores change after COVID-19?

USPAGL: Retail shopping is considered both a social activity and entertainment for many people, as it creates an important time with friends & family to meet for a variety of social activities. Despite trends moving towards online shopping and the many online benefits like easy search and price comparisons, speedy delivery and more, human interaction is the one aspect that's missing. This is why our retail stores remain a top area of focus, in tandem with an omnichannel strategy. Experiential retail and use of technology in retail will expand. Continuing to improve on technology, while placing safety as a priority, is going to be critical for future success. More focus will be needed on key items as well. Millennials and Gen Z are looking for experiences and value-

adds. We will see who can adapt accordingly to maintain the interest of the new consumer.

EURONICS INTERNATIONAL: The changes and developments we've seen taking place the past few years will now fast-forward; retail outlets should focus on less SKU's and more on experience and entertainment. A strong supply chain to meet the customer's needs will also be indispensable.

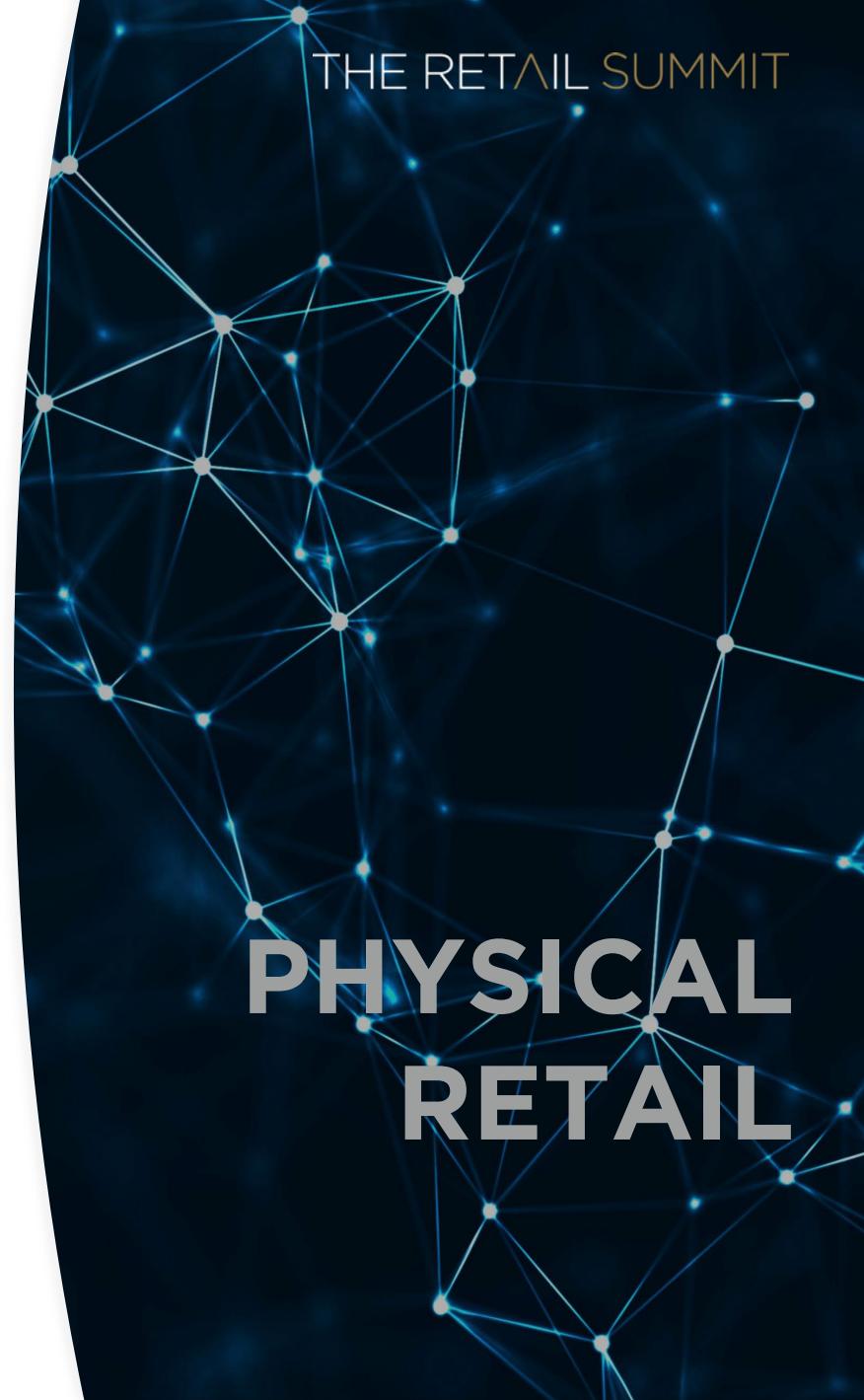
KIDILIZ GROUP: E-commerce will be the biggest focus of all. I believe that few large stores will emerge instead of many small boutiques. Large stores allow higher productivity (one stop shopping, lower logistic costs, lower labour costs). Hypermarkets may gain market share.

What does the future hold for shopping malls?

EURONICS INTERNATIONAL: Whether the mall is dead will remain to be seen, but they will have to act fast to avoid losing consumer confidence. I fear that consumers will try to avoid large crowds and possible solutions such as one way entry and walkways will make the experience less fun.

USPAGL: Some people will avoid malls in the short to mid-term but human nature is to socialize and congregate. We will see improvement over time, as long as retailers and our landlord partners are following social distancing guidelines and following safety precautions.

KIDILIZ GROUP: Shopping malls will win because large commerce is more able to adapt. People will prefer one stop shopping with possibility to have different services that malls will be able to offer.



PHYSICAL
RETAIL

PHYSICAL RETAIL

THE RETAIL SUMMIT



What can retailers do to alleviate customer's hesitation to try garments on in-store post-crisis?

USPAGL: To ensure less touch with product, technology can be introduced to show other colours, to see fit, etc., such as our Magic Mirror being used in some of our new concept “energy” stores.

In the U.S. we are also using the MyFit app to size men's shirts without trying them on. When a consumer touches a product, we will be thoughtful about safety first not only for that consumer but consumers who follow.

With social distancing essential, how does the physical experiential model evolve?

MUSEUM OF ICE-CREAM: We have to constantly evolve and social distancing is the current challenge of the day, just like adapting to attention spans, digital ticketing etc. Our business is designed to create intimacy and connection – so we were already designed to bring small groups in for timed tickets. We are not a traditional museum or event where we fill thousands of people into our building- the key to connection is proximity which will be a challenge. In this way we are well positioned.

Is the physical experiential model going to lose against digital platforms?

MUSEUM OF ICE-CREAM: We are in competition for time and we are all losing to digital disruptors such as Netflix or other industry equivalents. We don't actually want to compete with Netflix but instead compete for the time humans are spending on digital versus connecting in the physical world. In order to compete we need to be as smart about data, hospitality, content etc. as they are. The positive note is that we can compete because we, as an experiential concept, offer something that digital can never provide and COVID-19 is proving this to entire generations of digital natives - human connection is an innate and fundamental desire and need for all of us.

“COVID-19 is proving this to entire generations of digital natives - human connection is an innate and fundamental desire and need for all of us.”

Manish Vora, CEO and Co-Founder, Museum of Ice-Cream



How do you see the relationship between landlords and retailers evolving post-crisis?

KIDILIZ GROUP: COVID-19 will reveal a lack of support from landlords worldwide. Retailers have to get more control, and when possible, acquire property themselves. Large groups with negotiation power will be able to establish new terms, including variable and stronger partnerships with landlords.

Will visual merchandising and store windows lose importance in a world experiencing less in-store traffic?

USPAGL: I think there will be a stronger need for better merchandising. Getting the consumer's attention and keeping it. One of the consequences of the coronavirus will be the change in spending behaviour of the consumer. Promotions and sales campaigns in-store and online will be even more important going forward.

More value-oriented products will be demanded, in particular our basics. Core product is also less risky from an inventory point of view.

PHYSICAL RETAIL

What are your top 3 priorities when planning for recovery of your physical stores?

TENDAM: Number 1 priority is to ensure a pleasant and safe store environment, for associates and clients. Number 2 is about attitude and morale: we have to make sure that returning to the stores is a celebration, and not a feeling of fear, so they will be willing to come-back. And finally connecting on-line and off-line will be dramatically accelerated. Stores have to look like as before, but cleaner, and more organised, we have to avoid that over-protection generates barriers and discomfort.

AUTHENTIC BRANDS GROUP: Of ABG's 5,500+ branded stores around the world, 1,194 have re-opened. We're continuing to work with our partners to slowly and thoughtfully re-open over the course of the next few months.



Our top priority is the safety and well-being of our community, customers and employees while continuing to provide both an enjoyable and memorable shopping experience. We continue to monitor and follow the WHO and local governments' recommendations and are making adjustments to our daily in-store practices.

Some practices that are being implemented in our branded stores include providing hand sanitizer throughout the stores, sanitizing high-touch areas every 30 minutes, providing protective masks and personal equipment for employees, practicing safe distancing at our check-out lines and fitting rooms and offering curb side order pick-up.

Signs are also placed throughout the stores to help educate customers and encourage everyone to follow the new safety guidelines.

Has demand bounced back in your China stores?

AUTHENTIC BRANDS GROUP: We are seeing some very positive momentum with our brands in China. E-commerce has been very strong, and we continue to be impressed and encouraged by the ingenuity shown by our partners to connect with consumers and pivot to adapt to this new retail landscape, whether it's new channels, new products, special offers, loyalty programs, etc. Understandably, mall traffic was initially a bit slower immediately following the lift in restrictions, but we're now starting to see it return. Our brands maintain the highest standards within the store and take every precaution for making the consumer feel at ease while shopping. Over the Labour Day holiday, we saw an increase of traffic within the malls and positive sales results which is incredibly encouraging as we continue on the road to recovery.

What store formats have worked for you in mainland China?

USPAGL: Our global "High Goal" energy store launch started in the tech capital of China. Since the initial launch, the store had outperformed and doubled the sales of the other existing 100 retail stores we currently operate there. Using simple innovation and technology like a magic mirror, cashless buying, livestreaming sport & fashion content and access to social distancing selfie stations. It's true experiential shopping.



**PHYSICAL
RETAIL**

E-COMMERCE & DIGITAL

COVID-19 has forced companies to accelerate their e-commerce proposition and proves digital transformation is a business imperative.

This chapter will provide insight into how organisations are modifying their e-commerce and digital strategies.

Our leaders will discuss how they are re-thinking their IT roadmaps and preparing for more online demand.

Contributors:

- **Nick Woodhouse**, President & CMO, **Authentic Brands Group**
- **Sandra Campos**, CEO, **Diane von Furstenberg**
- **Colleen Caslin**, CEO, **Jessica McCormack**
- **David Boynton**, Chief Executive, **The Body Shop**
- **Marloes Knippenberg**, CEO, **Kerten Hospitality**
- **Andrea Farris**, VP Development/ Head of Solution Planning & Partnerships, **Walgreens**
- **Michael J. Prince**, President and CEO, **U.S. Polo Association Global Licensing**

Has this crisis made you re-think your digital investments?

AUTHENTIC BRANDS GROUP: If anything, the crisis has accelerated the initiatives we've been working towards over the last few years. Now more than ever, it's important to create a unified e-commerce experience across our brand portfolio through strategic technology partnerships. We're focusing our resources on increasing conversion and improving the user experience.

DIANE VON FURSTENBERG: This crisis will accelerate the move of the entire fashion industry to online. In 2019 we invested in digital innovation and that is still in our top 3 priorities; we invested in AI, brought in a chat tool and sizing measurements to be able to increase revenues at conversion and reduce returns. We've also focused on creating a content-rich site which also remains a priority and will be accelerated by this crisis. Going forward, a new investment I'd like to make would be on data analytics.



E-COMMERCE
& DIGITAL

E-COMMERCE & DIGITAL

WALGREENS: Overall, the need to quickly adapt and meet changing consumer behaviours during this challenging time has further accelerated our digital transformation journey.

In April, the use of the Walgreens mobile app was up 22% compared to the same time last year as more patients turn to digital health services during the pandemic. To further support people during this critical time, we recently launched additional tools and resources on Walgreens Find Care, including a COVID-19 Risk Assessment tool that's powered by the Microsoft Healthcare Bot service to help users determine their risk of COVID-19 based on CDC guidelines. Customers can use Walgreens Find Care to help navigate their health care experience – from initial consultations to getting their prescriptions filled – without ever leaving their home.

In retail, we decided to accelerate expansion of our partnership with Postmates to offer nationwide same

day delivery of over-the-counter medications, health and wellness, beauty and grocery products.

THE BODY SHOP: It's definitely made us reflect on the consequences of not having developed e-commerce uniformly around the world – this has meant that most markets have been able to pivot pretty successfully, but others have ended up with no stores open and no means of driving revenue. We'll work more closely with our partners to help them develop stronger capabilities and share what we have learned.

JESSICA MCCORMACK: Jessica started her business connecting with her clients on Instagram. While jewellery transactions represent a small percentage of online global sales, digital platforms drive traffic to our townhouse so clients can engage in the true brand experience. Clients are often fatigued of buying endless basic products online and so they enjoy the store experience especially when it comes to purchasing jewellery.

How might e-commerce and omnichannel offerings improve due to COVID-19?

THE BODY SHOP: We've learned that we can be more flexible and much faster to respond than we thought was the case before. The whole organisation has learned a ton from this and I expect that we will continue to be more responsive and more part of the national conversation than we've been able to in the past.

Have you taken measures to reprioritize your project roadmap?

JESSICA MCCORMACK: Companies are considering appointing a Chief Crises Officer to anticipate and prepare for the next crisis. However regardless of the size of a business or their ability to hire dedicated staff to manage these unprecedented times, the safety and wellbeing of clients and employees must be paramount. For us, Operations, HR and IT are playing a critical role in taking the lead in building guidelines, ensuring teams are equipped with the right tools to work remotely and video conference regularly. The proper re-entry into the workplace and anticipating any future crises is top of mind. Our top priority will remain the safety of our clients and employees and our strategy will have to keep adapting as the weeks unfold.

"We think that around a 50% increase on pre-COVID-19 levels of online shopping is not unrealistic once stores are fully open again."

David Boynton, Chief Executive, The Body Shop

Will technology play a greater role in hotels, co-working spaces and restaurants going forward?

KERTEN HOSPITALITY: Technology has been a speaking point for the past couple of years, and the major questions were always: what is a "nice to have" and what is a "necessity"? Having been forced to use a lot of tech, we now understand what we need as absolute basic in our hotels in the future. I believe that there will be fewer unnecessary items and a landscape that is more narrow and specialised with better capabilities. In terms of automation in the industry, at the moment I think it is too expensive to heavily integrate. There's a cost to things that may even seem quite basic such as smart automated coffee machines. I think we'll get there but I'm not sure how much the industry can bare at the moment with the pace its going at.

Do you see a future use of robotics for food production?

BOXED: Yes I see that happening. Most of our fulfilment centres are automated. This used to be about efficiency and the ability to get packages out, but now looking at it through a different lens, it's also about safety. Automated machines touch a box about 20% less which traditionally means more efficiency. Now the focus is on the 20% less 'human touch' before the box goes out the door to consumers. So yes, I would imagine there could be a good use of automation for similar things going forth.

How much business, during and post-lockdown, do you think will be done online and how prepared are you for this?

THE BODY SHOP: From the very outset we set ourselves the goal of recovering at least half of our lost store revenues through our direct channels. It looks as though we'll be able to achieve this, largely as a result of our store-only customers giving e-commerce a try for the first time. The jury is out on how sticky this is going to be in future. We are seeing a mixed picture and early evidence from China is inconclusive. We think that around a 50% increase on pre-COVID levels is not unrealistic once stores are fully open again – probably until the end of the year.

JESSICA MCCORMACK: Social media marketing has been front and center in our marketing strategy. We have worked tirelessly on our messaging and focusing on lifestyle, authenticity and humanistic content. Right now, even though we are physically distancing, people

want and need to connect, to feel that they are a part of a community and know that they are thought about.

Jessica leads with a sense of humour and carefully curates the content, often demonstrating how to style some of her jewelry pieces. While we want to offer a fresh approach, our core messaging is positive in a turbulent time and that in all the uncertainty we are here for those special occasions as jewelry brings happiness.

USPAGL: During the first several weeks of the crisis, we witnessed a drop in e-commerce sales as consumers were focused on necessities and less on discretionary items like apparel. However, in recent weeks, our sales have been growing nicely on e-commerce and passing prior year performance. This has resulted in our global acceleration of U.S. Polo Assn. e-commerce sites across key countries. Digital retail's importance has been increasing every year and with the pandemic, the sense of urgency and importance has been significantly increased.

BRAND & MARKETING

Hear how global leaders are positioning their brands and communicating with their customers during this time of crisis and uncertainty.

This chapter will dive into the ways brands are using digital channels and content to shape a more conscientious marketing message.

Learn how fashion and luxury brands plan to adapt to a new consumer mindset.

Contributors:

- **Nick Woodhouse**, President & CMO, [Authentic Brands Group](#)
- **Sandra Campos**, CEO, [Diane von Furstenberg](#)
- **Colleen Caslin**, CEO, [Jessica McCormack](#)
- **Marcella Wartenbergh**, CEO, [Pepe Jeans](#)
- **Hans Carpels**, President, GEIE, [Euronics](#)
- **Michael J. Prince**, President and CEO, [U.S. Polo Association Global Licensing](#)
- **Chieh Huang**, CEO and Co-Founder, [Boxed](#)

BRAND & MARKETING

THE RETAIL SUMMIT

How are you adding value to your customers through content?

JESSICA MCCORMACK: "Cosy", "craftsmanship" and "conscious" are the new luxury retail buzzwords. We're using social media and our own site both to stay relevant to our customers and to expand the business by capturing market share in a down economy. The 'secret sauce' is having a close-knit real-life community to engage with in the first place.

Clients are buying into values more than anything else and everyone is looking to discover their tribe or community. Jessica has built her global community of women collecting her pieces as if they are artwork -albeit to be worn everyday. We connect with clients on an emotional basis, jewellery is a deeply emotional purchase. Our approach is authentic and focuses on the craftsmanship and the ethos of the brand. Rather than the traditional parameters of fine jewellery, Jessica's four C's in diamonds is collect, craft, curate and community.

AUTHENTIC BRANDS GROUP: It has been interesting and inspiring to see how our teams and the wider community have adapted to the current climate. Our partners have stepped up in numerous ways, pivoting their operations to create protective equipment for frontline workers and making concerted efforts to distribute products to people in need.

We have also shifted our tone and content on social media and through email marketing to reflect what's going on in people's lives and in the world right now. As for results, we're seeing an increase in engagement on user-generated content (UGC), rather than produced campaign imagery. We're also seeing a boost in engagement on posts featuring DIY and low-cost organization ideas, allowing our brands to become an organic part of a larger conversation.

Audiences are also responding very well to charitable efforts that give them an opportunity to give back, whether by purchasing products where a portion of proceeds benefits COVID-19 relief or celebrating healthcare heroes and essential workers on our feeds and platforms.

Can non-essential retailers continue to trade without damaging their brand?

JESSICA MCCORMACK: It is a fine line and it really depends on client relationships and whether clients give themselves permission to buy in these uncertain times. Jewellery is often viewed as an investment and an emotional purchase. First and foremost we want our clients to know how important they are to us and we are thinking of them. However many clients are purchasing pieces they have been looking at for some time. While person-to-person retail has been on pause for over two months, transactions are happening on online channels. We do business via whatsapp, emails and Instagram.

What kind of marketing efforts will you be running to get customers back into your stores?

EURONICS INTERNATIONAL: Social and next day delivery - something pure players can't offer.

USPAGL: Our marketing will focus more on function and less fashion for the short term. Core and approachable basics are what people want and need right now. Our marketing efforts will continue to be very strategic through social media, some print and billboards. Our messaging will be consistent as uplifting, sport-inspired.

"The recent success of our first-time digital sample sale shows people are still buying at certain prices and certain types of products."

Sandra Campos, CEO, Diane von Furstenberg

BRAND & MARKETING

What category of product do you believe will boom after COVID-19?

BOXED: Hand sanitizers, paper towels and wipes will become staples in most households and offices. I think masks will become a bit more commonplace in countries that traditionally didn't have a mask-wearing culture. Also, with necessity being the mother of invention, I fully expect we'll see a surge of new antibacterial and touchless products coming out, for both home and office.

JESSICA MCCORMACK: In terms of fine jewellery, clients are re-evaluating their shopping choices and they are connecting with an emotional and sentimental piece of jewellery. It is an emotional purchase and in uncertain times symbolic of love, friendship and protection. They are looking for enduring pieces. This emotional engagement with jewellery is nothing new,

historically amulets were viewed as protective pieces worn for centuries.

What is the most appropriate way of communicating with your consumers during this period?

PEPE JEANS: It's a real combination. We cannot say we need to completely stop selling but we do need to bring the human into the business side of things. At Pepe Jeans, we think about the type of product we are pushing and how we are presenting it. We need to think about what our customers needs are today, and with that, share what we're doing as a company for employees and our communities.

What is the most appropriate way of communicating with your consumers during this period?

PEPE JEANS: It's a real combination. We cannot say we need to completely stop selling but we do need to bring the human into the business side of things. At Pepe Jeans, we think about the type of product we are pushing and how we are presenting it. We need to think about what our customers needs are today, and with that, share what we're doing as a company for employees and our communities.

DIANE VON FURSTENBERG: This situation has pivoted everyone towards digital and digital content which has been marvellous to watch, regardless of industry. We have an 'In Charge At Home' campaign because 'In Charge' is part of our purpose as a company - we will continue to focus on that. That said, overall, it's been a real combination. We've been providing content; engaging specialists whether its psychologists or physical trainers, celebrated Diane's favourite movies and books too. We also realise there's a reality of business and we have to sell inventory and generate cash. We had a first-time digital sample sale which was wildly successful. It shows people are still buying at certain prices and certain types of products.



**BRAND &
MARKETING**

BRAND & MARKETING

THE RETAIL SUMMIT

What will your brand strategy be post COVID-19?

JESSICA MCCORMACK: As the economy begins to open up, companies will have to adapt to a landscape in which traditional practices no longer work. Brands need to make radical adjustments to their brick and mortar stores to create safe environments both for employees and customers. Purchasing investment items over more transient pieces will be paramount, whether that's a great coat or a piece of fine jewellery. This goes hand in hand with the increasing demand for sustainably-made items, hand-crafted pieces. The shift towards more sustainable practices which we saw gathering pace prior to the pandemic will be drastically accelerated.

After confinement, it's going to be about access to products of longevity, integrity – things that are meaningful. Our customers are gravitating toward pieces that presumably are making them feel good. With the time for contemplation these past few weeks

have dealt us, we have surveyed our wardrobes and our homes and those pieces that didn't inspire no longer have a place to hide.

Our prediction is an uptick in bespoke orders where people will repurpose those treasures in their jewellery boxes, a way of preserving the memories those pieces carry whilst giving them new life. We know our clients and their families as friends, often for many years. So whilst they spend birthdays and special occasions under isolation we are still seeing fine jewellery purchases being offered as gifts for birthdays and anniversaries.

As social distancing mandates have forced us physically apart remembering and celebrating those occasions has never been more important. Instead of a birthday party we are seeing some of life's most important milestones being celebrated with jewellery. The discussion with the client is not only about which styles they might like, but also the significance behind each of the pieces which have an associated meaning.

TALENT & LEADERSHIP

What happens to talent management when entire companies are made to work from home, teams are furloughed and employee health becomes a daily risk?

This chapter will uncover how leaders are keeping their employees motivated during lockdown, their thoughts on remote working and what skills they now deem most desirable.

Our experts will also share their personal strategies for managing through crisis along with their biggest takeaways so far.

Contributors:

- **Chieh Huang**, CEO and Co-Founder, **Boxed**
- **Hans Carpels**, President, GEIE, **Euronics**
- **David Boynton**, Chief Executive, **The Body Shop**
- **Michael J. Prince**, President and CEO, **U.S. Polo Association Global Licensing**
- **Nick Woodhouse**, President & CMO, **Authentic Brands Group**

TALENT & LEADERSHIP

THE RETAIL SUMMIT

In a post-COVID-19 world, what skills will be in high demand?

AUTHENTIC BRANDS GROUP: Now that many businesses have built a strong virtual presence, skills relating to digital, social media, and data analysis are going to be extremely important as we continue to move.

That said, what we've continued to see stand out, again and again, are people who are highly creative and adaptable. These are the people who move the needle at ABG. Emotional intelligence is more important than ever now that we're connecting with most of our audiences virtually. Being able to empathize and understand what our audiences are going through, and what they want to see, will allow us to make our content and product more relatable.

towards this new normal. With so many people working from home and spending more time on their screens than ever, digital platforms are quickly becoming the primary platforms where brands interact with their audiences most. Analytical skills will also be important as companies will continue to predict trends and build results-driven marketing strategies based on raw data.

USPAGL: Retail stores will be seeking strong operational and management skills. From a corporate perspective, there will also be an expectation for more analytical minds and expertise in social media and e-commerce.

EURONICS INTERNATIONAL: Adaptation, ability to change and think outside of the box.

How do you de-stress during this rather stressful time?

THE BODY SHOP: I think most of us worked too hard and too long in the early weeks and probably suffered a bit of burn out as a consequence. It quickly became obvious that it was a marathon and not a sprint and we needed to ensure we had the reserves of energy to keep us thinking clearly and making good decisions. That meant stopping the days of back to back video calls and building back space into the schedule to exercise, to find new inspiration and to think about the future and what might be next for us.

What has been your biggest learning during the crisis?

USPAGL: I continue to be motivated by my team and our global licensing partners everyday. You also learn in challenging times who are your true partners. Take care of your employees and consumers as best as possible. Be thoughtful, flexible, respectful and use common sense. Finally, preserve cash and invest wisely to maximize the best opportunities.

EURONICS INTERNATIONAL: Stay humble but positive: optimism is a moral duty!

“The ‘human spirit’ knows no boundaries. We will overcome this stronger, more focused, smarter about our surroundings and so much more.”

Michael J. Prince, President and CEO, U.S. Polo Association Global Licensing

TALENT & LEADERSHIP

Will you allow your staff to work remotely more often once the pandemic is over?

USPAGL: I am offering a lot of flexibility in our corporate office. I have great trust in my team and have always supported remote work opportunities. This trust has grown even stronger during this time, seeing how hard everyone is working, at all times, yet offering flexibility for them to manage their personal lives and families. Remote flexibility will be the new normal and companies will miss out on talent if they aren't open to it.

EURONICS INTERNATIONAL: Working from home will be a part of the new normal, but those who think they should only be doing tele-working,

could see themselves made redundant by cheaper forces in India or Africa.

How can business owners practice agility and speed whilst avoiding rushing into decisions?

BOXED: I absolutely am cognizant that it's a very difficult balance to strike. Previously, the safe decision would be to not decide anything at all -- perhaps not rock the boat. However, in this environment, there is a real cost of delaying action or not being decisive.

How can we optimize employee engagement during lockdown?

THE BODY SHOP: We took the approach of maybe over communicating in the beginning, really investing a lot of time to explain our thinking and the decisions and actions we were taking. We've tried to be as transparent as possible and share the things that are going well and also where things aren't. We've aimed to use video as much as possible - people seems to be responding much more to seeing faces and it helps the sense of connection at a time when we are so separate from each other.

What are the most important lessons you have learnt from the pandemic?

USPAGL: The “human spirit” knows no boundaries. We will overcome this stronger, more focused, smarter about our surroundings and so much more. I also hope we all realize how important sustainability and protecting the health of our planet is to us today and for future generations. That said, what we've continued to see stand out, again and again, are people who are highly creative and adaptable.

EURONICS INTERNATIONAL: Let's hope that; we de-globalise certain supply chains; that a good performing health system shouldn't be regarded as a cost.

TALENT &
LEADERSHIP

DIVE INTO IMPACTFUL CONVERSATIONS WITH THE LEADING VOICES IN RETAIL AT A TIME AND PLACE THAT SUITS YOU



What's Next for Beauty & Luxury?

Join us four distinguished businesswomen to explore how the beauty and luxury spaces are adapting to the new climate.

→ [**Watch it now**](#)



Retail on the Front Line

Join three leaders from the retail and hospitality sectors to discuss how organisations are putting their people and customers first.

→ [**Watch it now**](#)



A New Normal: Retail Post-Coronavirus

Join us for the second instalment in our webinar series to continue the discussion on what the future of retail might look like post-crisis.

→ [**Watch it now**](#)