

# Retailer's Strategy in Reshaping Consumers' Satisfaction and Wellbeing During a Pandemic

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**Abstract.** The Covid-19 pandemic has given several challenges to retailers. Changes in the situation caused by this pandemic resulted in retailers having to make new strategies in order to satisfied consumers as well as pay attention to consumer wellbeing during their shopping experience. Changes also happened in consumers perception of shopping satisfaction during the pandemic. The purpose of this research is a descriptive study analyze which the result will explain whether the strategy being carried out by retailers during pandemic has create consumers satisfaction and pay attention to consumers wellbeing. Data obtained from observations, interviews, and surveys, from the perspective of the retailers and consumers, with the goal to help retailers to handle the pandemic situation with the right strategy. The result of this research are showing that several strategies are likely favorable in shaping consumer satisfaction and wellbeing, such as providing online shopping and hygiene facilities, and doing consumer social responsibility to contribute help the society during the pandemic.

**Keywords:** *Retailers, Reshaping, Pandemic*

## 1. INTRODUCTION

Covid-19 pandemic has forced businesses to make some, or perhaps, a lot of changes, in order to survive. He and Harris [1] said that it is represents one of the most significant environmental changes in the modern history that could potentially has a profound impact on basic marketing philosophy. So if a business wants to survive these tough conditions, changes need to be made because it is almost impossible to expect a different result if the method are remain the same. Readiness to adapt has become a capability that must be owned by business. The negative economic effects of the crisis is happened to almost every country in the world. As the result of a previous research conducted by Hadiwardoyo [2], the key to re-health the conditions of the national economy is the survival level of individual and business entities.

Retailers already struggle to be remain strong with rapidly growing competitions, especially from online store even before the pandemic happens. With the pandemic, of course it hit more. Data from Google Mobility Report (access at November 12<sup>th</sup>, 2020) shows that mobility trend to places such as retail services declines by 17%, and sales of the pandemic is only 10% of normal condition. Small and medium sized retailers might have survives more in times of crisis compare to the big one. As said by Eggers [3], given to their smaller size, they tend to be rather flexible when opportunities or threats arise in their environment. But they also has liabilities, such as the limited of resources. Also, this

type of retailers allows so many levels of business to do so, and in result increased competition is likely to occur, as the income will decrease due to increased supply [2].

In order to survive in the long term and has a competitive advantage towards competitors, retailers need to change their mindset. During the first months of pandemic, most of the retailers mindset is focus on just how to sell the products. If it sold, then it consider already a success. But of course, with competitors, this will be not be so easy in the long term. In order to make customers buying their products continuously, retailers need to create customers' satisfaction and shows empathy to their consumers during this though time.

This pandemic has also shifted consumer behavior. If previously consumers' decision to bought an item is by looking at the quality, or how good the service provided by the shop, then during a pandemic, consumers also pay attention to their health security during transactions in the store. This is why online shop also become the most though competitors for retailers during this pandemic. By shopping at an online shop or from a marketplace, consumers can reduce the risk of being expose to the virus. Therefore, retailers need to create a strategy to make sure that consumers' wellbeing is also being taken care of.

Pantano, Pizi, Scarpi, and Dennis [4] said that the profound changes caused by the pandemic also challenging consumer's behavior in retailing to the extent that they might leave a mark even when the

emergency is over. For example, consumers who shifted to another stores when their usual stores were having unavailability of products (which happened in a lot of stores during the first month of pandemic), might continuously bought from those stores. Another example is offline consumers who are switching to online purchases during pandemic and these changes later stays in the long term. Strategies to support future planning are needed within the shift on consumers' behavior.

Most of the retailers already aware about the needed to create consumers' satisfaction and wellbeing in order to maintain their present in the business. But what makes consumer satisfied before and after the pandemic might not be the same because the needs have been different. Pandemic is an uncertainty situations, and despite the needs to manage uncertainty in business, there is no certain framework about it. Sharma, Leung, Kingshott, Davcik, and Cardinali [5] believes that what makes it difficult for business managers to develop appropriate strategies to deal with effectively. This research trying to analyze whether retailers perception of the right strategy in this regard is also satisfied the consumers and considered concern for their wellbeing.

## **2. RESEARCH METHOD**

### **2.1. Location and object of research**

Because of the difference in pandemic management policies in each country which may result in different treatment and business strategies being taken, this research was conducted in the pandemic situation in Indonesia, researchers' location currently. Due to the limitations of researchers ability to collecting data related to distance, the interviews and surveys are mostly with retailers and consumers in Banda Aceh City, Aceh Province, Indonesia. The data was being collected during the months of October and November 2020, approximately 7 months for Indonesia being in a pandemic situation. The object in this study is the strategy being carried out by the retailers during a pandemic.

### **2.2. Types and methods of research**

This research is a descriptive study, the results of which will explain whether certain strategy being carried out by retailers currently has create consumers' satisfaction and pays attention to the consumers' wellbeing. The research method used in this study is a survey research method.

### **2.3. Sample**

Researchers were trying to get the data samples as much as possible in order to get a good result.

However, due to time limitation, this research get 314 samples data from consumers of retails business. The sample is determines by using a probability sampling type of random sampling.

### **2.4. Data collection technique**

Data collection technique or research instruments used are interviews (with 20 retail businesses' owner/manager) and literature study to see the strategies carried out from academic perspectives. Questionnaires were used to get the data from the consumers to know how they perceived those strategies to their satisfaction and wellbeing.

### **2.5. Data analysis technique**

The data collected in this study will then be analyzed using descriptive analysis method to convert a set of raw data into a form of more concise information. Researchers used SPSS version 2.2 to do the analysis.

## **3. RESULT**

From the data obtained during two months of interviewing and distributing questionnaires, some information was obtained. The strategy refer to being analyzed is the strategy related to consumers' satisfaction and wellbeing. The observation and or interviews are held with 20 retailers' owner/manager (Simpang Lima Grocery, Suzuya Departement Store, Indomaret, Alfamart, Bitata, Nusa Indah, Ramai, Sinbun Sibreh, PT. Kelola Pangan Indonesia, Ace Hardware, Informa, Maju, Reborn, Matahari Departement Store, Barata Departement Store, Tere Harlim, Kotty, Natural Cosmetics, Bogor, and The Body Shop). Business are engaged in food sector, apparel, home appliances, accessories, and cosmetics. From the observation and interviews, we obtained to get several strategy being carried out in order to get consumer's satisfaction and wellbeing during this pandemic time. Those strategies are as mention below. From 314 questionnaires being distributed, 37.3 % are in the age range 20-30, 32.5 % respondents are 31-40 years old, 25,8% are 41-50 years old, 3,5% >50 years old, and 1% <20 years old. Descriptive analysis is carried out using a Likert scale with a range of 1 to 5, with the following information:

- 1: strongly disagree
- 2: disagree
- 3: don't really agree
- 4: agree
- 5: totally agree

**TABLE 1.** Descriptive analysis

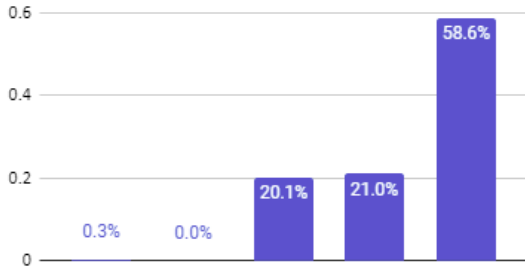
	N	Minimum	Maximum	Mean
A shop that provides online shopping facilities (via website/marketplace/social media) will be choices during a pandemic.	314	1.0	5.0	4.376
Perception to shops that impose physical distancing efforts by creating distances in queues during the pandemic.	314	1.0	5.0	4.952
Perception to stores that impose physical distancing efforts by limiting visitors entering the store during the pandemic.	314	3.0	5.0	4.971
Opinion about shop attendants who reminded visitors to keep their distance from other visitors or wash their hands/use a hand sanitizer.	314	3.0	5.0	4.971
Opinion about stores that pull self service, and provide shop attendants to pick up goods to be purchased, with the aim of reducing the circulation of the virus.	314	1.0	5.0	3.777
Perception about stores that provide hygiene facilities such as hand-wash sink, hand sanitizers, etc.	314	4.0	5.0	4.994
Perception about shores that provide health detection facilities such as temperature measuring devices, etc.	314	1.0	5.0	4.299
Perception about stores that have regular disinfecting schedules during the pandemic.	314	2.0	5.0	4.726
Consumers prefer to make digital payments for shopping during the pandemic.	314	3.0	5.0	4.704
Perception about a barrier between cashiers and consumers in shopping during the pandemic.	314	3.0	5.0	4.217
Opinion about a brand/shop that is subscribed to also releases health-related products during the pandemic (for example: masks, etc).	314	2.0	5.0	4.653
Consumers will make efforts to buy health-related products that are sold by brands/stores in question above.	314	2.0	5.0	3.166
Consumers feel satiesfied of shopping at a store that pays special attention to medical workers or other affected people during a pandemic, even though they have not felt direct benefits.	314	3.0	5.0	4.755
Opinion about stores' layout that placing essential products during a pandemic on fronts area.	314	1.0	5.0	4.646
Valid N (listwise)	314			

The descriptive analysis is used to see how consumers perceive the strategies that have been carried out by these retailers with their satisfaction and wellbeing. The findings are described as follows.

### **3.1. Set up an online facility**

Along with the decline in mobility, providing online shopping facilities is used by retailers to not lose their consumers. Most retailers already had this

facilities before the pandemic and during the pandemic this facility was put forward to be introduced to consumers. Although online shopping can also be done through other applications owned by other companies (e.g Gojek, Grab), but many retailers believes providing this facility within their company aim to make it easier for consumers to shop and not lose contact with their consumers.

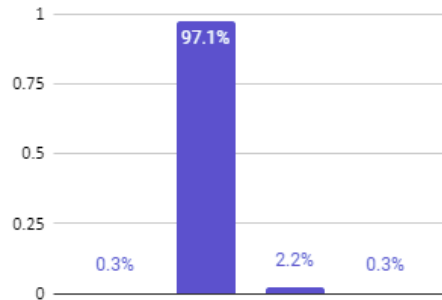


**FIGURE 1.** Graphic showing respondents preferetion to stores that provide online shopping facilities during the pandemic

From figure 1, we are sure that consumers prefer to shop in retail stores that provide online shopping facilities. For large and national companies like Ace Hardware, Informa, and Matahari Department Store, providing a good online facilities via applications is not a problem since they have enough resources to do so. But for smaller companies, it's not that easy, especially for those who already get decrease in demand during this pandemic. What this small retailers do to cope is just simple. While they can not afford to build an online applications, they use the applications that most consumers already have, like WhatsApp or Instagram. The additional result they also get is the establishment of a form of digital communication with consumers, which, if managed properly, can be a value added in the era of social commerce [4].

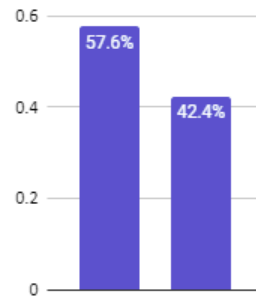
Figure 2 shows a graphic frequency to a question about consumers preferetion in actually using the online shopping facilities provided by the store. This figure was not using Likert scale. Consumers were asking to choose several information that related to them. The result shows that only 0,3% respondents fully only using online facilities provides. Most of them (97.1%) are still prefer going to the stores once or twice. 2.2% respondents are preferably to shop directly in store (and only using online facilities once or twice), and only 0.3% respondent never using the online shopping facilities that provided.

From previous interviews, we know that consumers still need to go to work or any other activities in the pandemic, so stopping at retail store once or twice will not be problem, though they are happy with the online facilities provided. Some also said that going to retail store is actually consider a pleasant time that they like to do. Since pandemic limiting people going to places, shopping at retail store is consider as a pleasure time. Bove and Benoit



**FIGURE 2.** Graphic showing respondents preferetion in using online shopping facilities provide by the stores during the pandemic.

[12] that retailers can take advantage from this situation if they can ensure that shop equipment is ready to facilitate visits during a pandemic.



**FIGURE 3.** Graphic showing respondents preferetion for delivery services after doing online shopping.

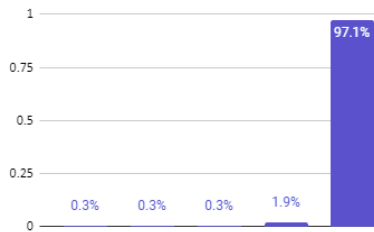
After buying via online, some retailers also providing the home delivery services, or a click-and-collect one (buying online and go to the store to get the stuff ready to take home). Figure 3 is a frequency of a question about consumers preference for delivery services in online shopping. It also not in Likert scale and consumers were ask to choose one choices between two choices provided. It is shows that most consumers (57.6%) prefer to get their stuff delivered to their home by retailers (of other delivery services) compare to get it by themselves to the store. If retailers can provide delivery services arranging to the consumers (so that consumers only need to do one-clik-shopping), most likely it will boost consumers satisfaction in using online facilities.

Online facilities strategy can be carried out in the long term after pandemic to meet the large amount of shifting consumers behavior that previously never bought online. Some research studies [4] [6] suggest that online grocery shopping has witnessed stable through limited growth in the last decade.

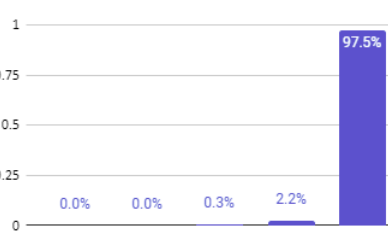
**3.2. Doing physical distancing**

Physical distancing is one of the recommendations for society to do during a pandemic. Almost all the retailers being observed are doing this in their store. This is also a strategy to show the store’s concern for consumers’ wellbeing in a pandemic situation [5] . Some retailers clearly state the existence of physical distancing regulations by placing signs on the floor or limiting visitors from entering the store. Some didn’t do it this way but conveyed the shop patrons who queued too close to keep their distance among each other. Retailers are aware that this can effect their business negatively. From the interviews, we

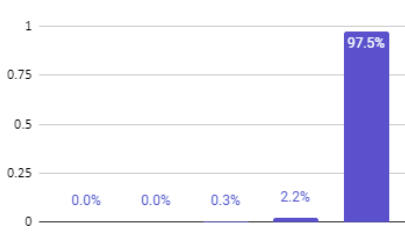
know that some consumers did not take this very well, especially for those who did not believe about the existence of Covid-19 from the beginning. Some research [7] warn in their research that social distancing might result in distant social relationship, if not doing properly. Some consumers might not feel very well with physical distancing because it makes their waiting times (to pay, to enter the store, etc) longer. But an emergency could be a situational factor affecting the perceived length of waiting time [4] . Dennis, Alamanos, Papagiannidis, and Bourlakis [8] ) also stated a concern about it to consumers wellbeing.



**FIGURE 4.** Graphic showing respondents perception about stores that impose physical distancing effort by creating distances in queues during the pandemic.



**FIGURE 5.** Graphic showing respondents perception about stores that impose physical distancing effort by limiting visitors entering the store during the pandemic.



**FIGURE 6.** Graphic showing respondents perception about shop attendants who reminded visitors to keep their distance from other visitors or wash their hands/use a hand sanitizer.

However, figure 4, 5, and 6 shows that most respondents are totally agree with stores’ effort of imposing physical distancing. Descriptive analysis in table 1 shows a mean number of >4.9 in each questions, which is near to 5 in Likert scale, meaning most of them are totally agree with this policy. Physical distancing is also a requirements for public places during a pandemic, which is considered to be a good strategy to show concerned about consumers’ wellbeing in relation to efforts to reduce virus transmission during a pandemic.

**3.3. Pulls self-service, replace it full service from the shop attendance**

Covid-19 pandemic situations result in the risk of virus transmission from various surfaces. Self-service is considered to pose risk to shop visitors and

employees because consumers need to touch and approach to many items in a store. Some retail store, like Simpang Lima Grocery and Bogor, eliminating self-service and replacing them with full service from shop attendants. Stores believes that the risk of transmission can be minimized of only a few people touch the goods in the store. Stores also believes it will not limiting consumers shopping experience, and stores was actually showing that they are genuinely care of consumers wellbeing and wanted to take extra work in order to do so. Sharma , Marshall, Reday, and Na [9] believes that stores don’t need to worry so much about limiting consumers’ involvement with a product or a consumption situation, that it will not lead to consumers’ complain.

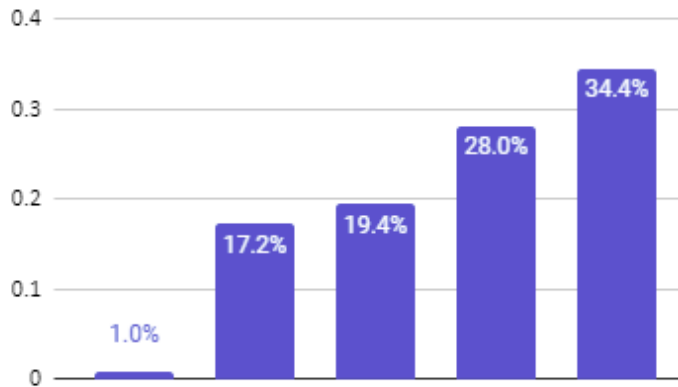


Figure 7. Graphic showing respondents opinion about pulling self-service.

These beliefs also support by findings as showed in figure 7. Most respondents agree with this strategy and consider it good for consumers' wellbeing. Descriptive analysis in table also shows a mean number of 37.7, which near to 4 in Likert scale. However, retailers need to be careful with this strategy, because comparing to other strategy, the mean number is the lowest. Meaning, there still quite numbers of consumers whose not really into this strategy. This could happen because with pulling self-service, consumers perhaps losing the experience of picking goods from the shelves, which said by Terblanche and Boshoff [11] as one of the activities favored for consumers from shopping.

**3.4. Provide supporting tools for hygiene and health detection**

It is extremely important during a pandemic to always maintain hygiene. Every retailers store being observed and interviewed provide a hand wash sink for their consumers, or at least a hand sanitizer gel/spray. Consumers are told to used it everytime they enter and or exit the stores. Some store even assign an employee to remind the consumers' to do so, and some stores make a regular schedule to disinfect their store. There are extra expenses that must be incurred by the store in this regard. Research shows that hygiene is signaling consumer safety during the pandemic and beyond [12] ). But through observation, some people didn't actually comply with this. So whether this strategy is carried out to simply meet service standards during a pandemic, or is it really useful to help improves public health, is still a question to some retailers.

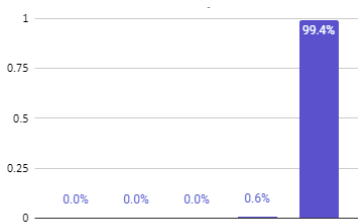


FIGURE 8. Graphic showing respondents perception about providing hygiene facilities such as hand-wash sink, hand sanitizers, etc.

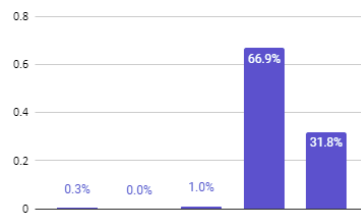


FIGURE 9. Graphic showing respondents perception about providing health detection facilities such as temperature measuring devices, etc.

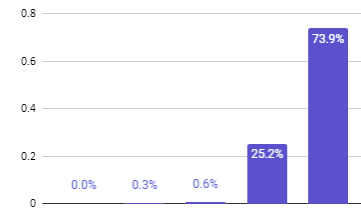


FIGURE 10. Graphic showing respondents perception about regular decinfesting schedule during a pandemic.

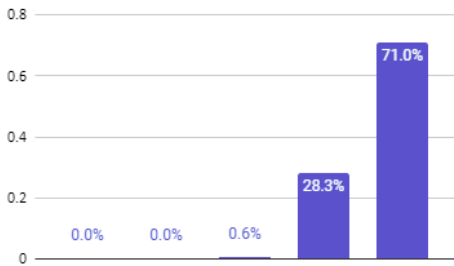
The finding in this research is we can see from figure 8 to 9, that most consumers are favored regulations regarding health hygiene, especially in providing hygiene facilities such as hand-wash sink, hand sanitizers, etc, and consider a good strategy to maintain consumers' satisfaction and wellbeing. The

descriptive analysis in table 1 also shows mean number >4.7, which is near 5 in Likert scale, meaning most respondents are totally agree. It means, the strategy regarding supporting tools for hygiene and health detection were actually effectives

in getting consumers' satisfaction and as a move that shows attention to consumer's wellbeing.

**3.5. Contactless payment**

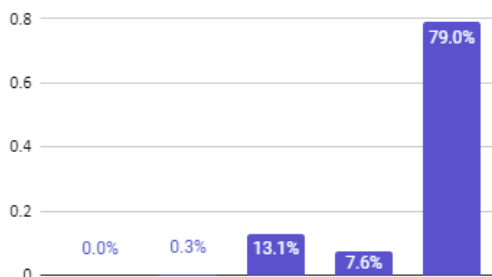
Since physical distancing applied, payment in store might be a problem. Contactless payment is a strategy for consumers wellbeing during pandemic



**FIGURE 11.** Graphic showing respondents preference to make digital payments for shopping during the pandemic.

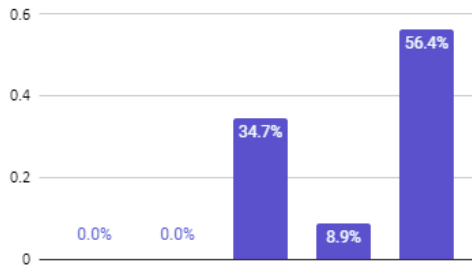
From figure 11 we know that 71% respondents are most likely choosing digital payments for shopping during the pandemic, and most of them (56.4%) is not having any problem with protective screen at pay points. From the descriptive analysis in table 1, we also know that online digital payment was more favorable than protective screen (from the mean number which is bigger on online digital payment statement). Based on this finding, it is considered important for retailers to provide digital payments facilities. Not only to limit contact during pandemic, Durmaz and Efendioğlu [13] suggest that traditional marketing will eventually travel to digital marketing, so this strategy was also can be carried out in the long term.

**3.6. Producing medical garments**



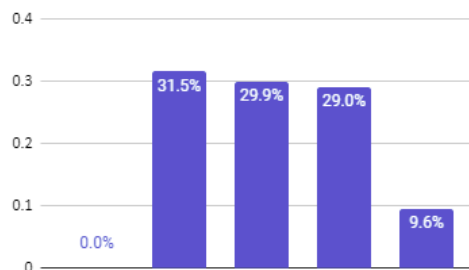
**FIGURE 13.** Graphic showing opinion about brand/shop subscribed to also releases health-related products during the pandemic (for example: masks, etc.)

[4] . To provide a contactless payment, some retailers already provide digital payments, some who doesn't have digital facilities using more conservative way by installing protective screens to limiting contact at pay points, and some retailers are doing both.



**FIGURE 12.** Graphic showing respondents perception about protective screen at pay points,

In order to meet demand expectations during a pandemic, many retailers are diversifying their products. Retail in apparel produces and or selling masks to meet consumers' needs, and at the same time anticipates a decrease in demand for apparel. It is also hoped that with this diversification, consumers will buy the other product while buying another product. As we know, for retailers that had diversified across sectors with different types of business at different poles, it is likely that they will survive the crisis [2] . The strategy to produce health-related products was taken by business not only in order to make profit, but also in context of social awareness related to the pandemic situation. The current pandemic offers a wide range of significant opportunities to those with a more mindful and acumen approach to corporate social responsibility [1] .



**FIGURE 14.** Graphic showing efforts to buy health-related products that are sold by brands/stores.

However, for figure 13 and 14, we know that most consumers indeed totally agree with the idea of brand/shop releases health-related products (79% respondents are totally agree with the idea and descriptive analysis in table 1 shows mean number of 4.6, meaning 5 in Likert scale), but the matter of

their efforts to buy this product is a different one. This research shows that only 9.6% consumers is highly positive and 29% respondents are agree to making efforts to actually bought this health-related product from brands/stores they knownd. The rest

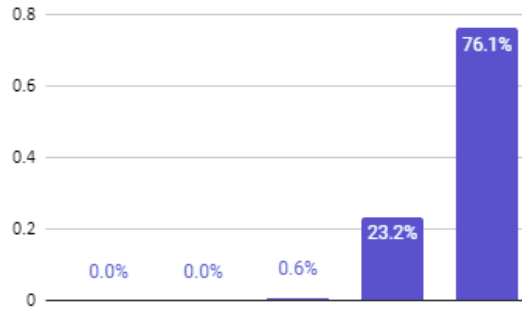


FIGURE 15. Graphic showing consumers feeling of store that pays special attention to medical workers or other affected people during a pandemic, even though they have not felt direct benefits of it saying otherwise.

Descriptive analysis in table 1 shows a mean number of 3.2, meaning 3 in Likert scale, which said that most respondents don't really agree to make efforts in buying health-related products from

brands/store they knownd. Therefore, before doing this strategy, retailers should make a calculations regarding the production costs of the product with the possibility of it profit.

**3.7. Giving special treatments to essential workers.**

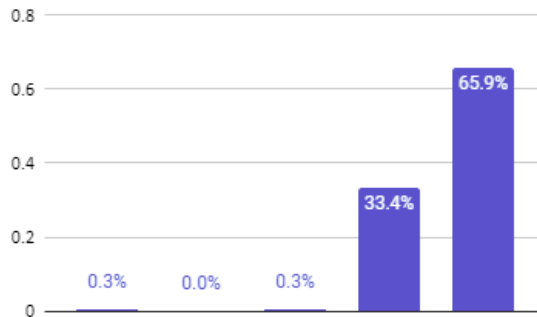


Figure 16. Graphic showing opinion about stores' layout that placing essential products during a pandemic on fronts area

As suggested in [1] that corporate social responsibility is important during crisis, in [4] also believes that there is a new role for retailers in society as they are expected to pay attention to social problems that occur around them. If it possible, make an efforts to help, or show their concern for these problems. During this pandemic, there are concern about health workers who has to work extra, and some people who have been affected by this pandemic economically and mentally. In order to contribute to give attention, some retailers are giving special treatment, such as discount, to the essential workers, such as health workers, or those affected by this pandemic. For example, The Body Shop is giving big discount to doctors. Some of the retailers

interviewed also giving special treatment to those who affected by donating some of their income, etc. This was carried out as social responsibility movements. The benefit that they could get from consumers who are not getting direct benefit from this strategy is that they will feel proud to shop at a store who has shown care and empathy during time of crisis.

From figure 15 we know that indeed consumers feel proud and happy to shop at stores that pays special attention to issues related around them, such as giving discount to medical workers or other affected people during a pandemic, even though this has no direct benefits for them.



### 3.8. *Change the store lay-out*

Changes in the store lay-out were made to make the buying process faster and minimize unnecessary contacts. Stores are placing items that are much needed during the pandemic to areas easily accessible, or provides striking colors and larger font size to make it easier for consumers to look at items that they need to take without having to walk around the store.

From figure 16, we believes that the lay-out strategy meets the consumers' satisfactions as the graphic shows that 65.9% respondents are totally agree with this strategy. Finthariasari, Ekawati, and Krisna [10] also believes that this strategy will increase consumer satisfaction.

## 4. CONCLUSION

Managing uncertainty situation like Covid-19 pandemic can be done with strategies that help retailers reduce or cope with the uncertainty. Based on the results of this study, researchers concluded that the strategies adopted by retailers has satisfied consumers and considered paid attention to consumer wellbeing. Retailers could consider continuing this strategy for the long term even after the pandemic has ended, especially strategies that are highly favorable, like providing online shopping and hygiene facilities, and continue to shows care for social issued around them. A calculation must be made regarding product diversification to avoid uneffective production. Even after the pandemic, consumers expectation concerning safety will likely to continue, so it's better for retailers to meet those expectation. The consideration developed in this research open up several possibilities for future

research, for example about how the implementing strategy affect retailer's profit.

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