

How Will the Grocery Industry Be Impacted by COVID?



The coronavirus has changed the world as we once knew it. It's impossible to ignore the new ways that the pandemic has taught us to think and behave.

Citizens all over the world are changing the ways that they went about their everyday lives as COVID-19 has introduced new normals that are upending traditional models everywhere.

One such arena that is currently being reconfigured is grocers. New trends in grocery services are sparking a domino effect that's impacting everything from shoppers, grocery brands, and even commercial real estate.

There's no turning back now, and the best thing we all can do is stay informed and plan accordingly to all the upcoming trends hitting the grocery scene this year and beyond.

The New Normals for Grocers

Thanks to the coronavirus, grocery shopping broke into the modern era and even the most old-fashioned shoppers have realized that groceries can be done with the click of a button. As more consumers skip out on the trip, grocery stores need to adjust their business flows to support these changes - now and into the future.

Digital Solutions to Physical Problems

Technology is revolutionizing the grocery scene as we speak. Expect consumers to continue using remote shopping apps and services even after the threats have wended down. The data gathered during this time points to an upwards surge in online shopping services, especially for essentials such as food.

This solution is easy, convenient, and just as effective as traditional shopping - making it a win-win scenario.

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3 Long Term Implications for CRE

As BOPIS and at-home delivery trends dominate the grocery market, commercial real estate's tenants are going to need to rethink the way they're using their square footage.

1. Online Order Storage Space

Space will need to be allocated to store the packed and ready grocery orders that are awaiting curbside pickup or their designated delivery window. This storage-type area will resemble a refrigerated warehouse, where each order is organized, labeled, and flowing through a logistics method to keep everything organized.

Many stores have already closed their sit-down table areas and converted them into a packed and ready order station. But, if the scales continue to tip towards more online orders, that space will likely need to expand.

2. Adopting an E-Commerce Warehouse Area

It might be in the best interest of brands, shoppers, and online order fulfillers to create a grocery inventory space just for remote shoppers. This way, it's easier to keep an accurate catalog of what is and isn't available. Plus, it alleviates some of the traffic within the general shopping grounds.

A larger order-storage area coupled with expanded aisles equals a larger grocery store, so expect tenants to look for larger spaces to house their brands.

3. Complete Redesign of Aisles

Increasing the space between each aisle will make social distancing easier, and redesigning the customer experience to seamlessly accommodate one-way aisles is needed. Many people find the makeshift 'one-way' signs on the floor a poor solution for the long term changes hitting the grocery scene. It's a bit awkward because, after all, the store wasn't designed to flow like that.

Brands need to hit the drawing board once again to come up with a lasting proposal that will overcome the challenges brought forth by the coronavirus - and all of these solutions involve CRE.

