

Chairman Creyssel introduced the next meeting session.

Lessons learned during the COVID-19 pandemic: Retailer Perspective

The example of department stores

Presented by Selvane Mohandas du Ménil, Managing Director, IADS | France

Mr. Du Menil introduced IADS and its scope in representing department stores in 3 continents, as well as their role in fostering a close bond between their members. Regarding the COVID-19 pandemic, Mr. Du Menil stated that like many countries, they are living a permanent state of crisis. There were many lockdowns, and that has been the most challenging consequence of the pandemic. Also, the crisis accelerated trends already in place. For instance, retailers that were struggling prior to the pandemic found themselves in a worse situation. Market rightsizing is noticed throughout many department stores—and that can be a positive thing and help save many retailers.

He is optimistic for the members that have been able to reopen. Even though their footprint is lower than 2019, they are reporting modest sales increases. Mr. Du Menil mentioned that their members are sticking to a combination of day-to-day management and commitment to long-term projects.

As for lessons learned, Mr. Du Menil mentioned 3 important takeaways:

1. Organizational & working methods simplifications: members were able to quickly adapt to new scenarios.
2. From stores networks to retailers' ecosystems: members are implementing new ways to provide their customers with supplies and services (strong omnichannel acceleration).
3. Addressing the local customer: members cannot focus only on international tourism and customers. This led to a new type of sourcing (local, sustainable) and engagement with private, local labels and suppliers.

Mr. Du Menil concluded that they expect a race to efficiency in terms of HR organization (leaner, more reactive) with a quantitative change: qualitative (tech) to foster innovation. He pointed out the increased need to focus on the customer and the audience. This will impact where to have the stores, and what to offer (products/services). He finished his presentation reiterating the importance of focusing on the local customers in the coming years as well as behavior changes transforming what once was “nice-to-have” into “must-have” and its impact on sustainability.