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# COVID – 19 and Global Commerce: An Analysis of Fast Moving Consumer Goods (FMCG), and Retail Industries of Tomorrow

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Research Article

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## ABSTRACT

COVID-19 has impacted our lives from all the fronts. Businesses and Global Commerce will never be the same once the world restarts post COVID - 19. Multiple new trends like Direct to Consumer model (D2C), Omni – channel fulfilment, etc. would emerge in the industries of tomorrow. Companies that identify these trends proactively would emerge from this situation as winners. Macroeconomic dynamics, consumer behaviour and supply side disruptions form a complex network that drives these trends in the economy. In this paper, we have made an attempt to analyse this complex network with respect of Fast moving consumer Goods (FMCG) and Retail Industries of India, and have listed down trends in these markets and potential strategies companies must incorporate in order to come out of this pandemic successfully.

## INTRODUCTION

2020 will be remembered in history, as Coronavirus disease 2019 (COVID-19) has come up as an event that will remain imprinted in us for a long time. COVID-19 is an infectious disease caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2), a novel virus. It was first identified in December last year, in Wuhan, the capital of China's Hubei province and has since then spread globally across 170+ countries. The virus has taken the whole world in its grip and the coronavirus outbreak has been coined as a pandemic by WHO. With over 298,000 deaths and close to 4.37 million people affected, this disease has put the entire world under lockdown.

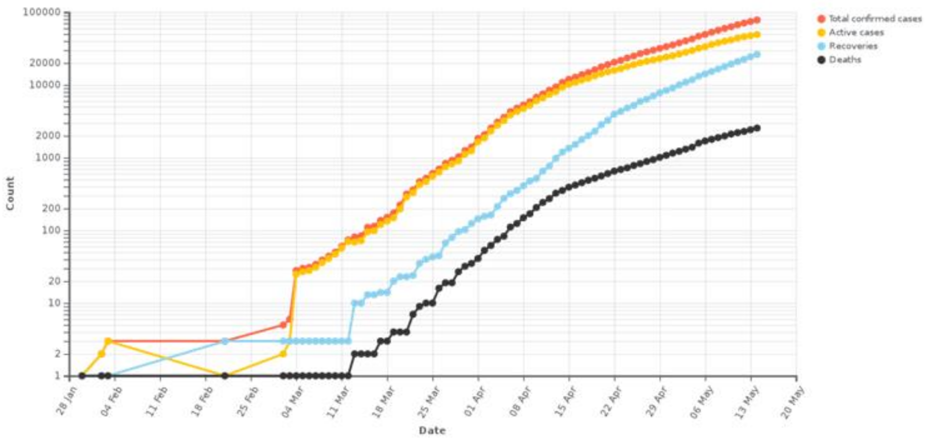
Global leaders are brought down to their knees because of deteriorating growth, critical healthcare infrastructure and ailing economy [1].

## MATERIALS AND METHODS

'The Great Shutdown' due to COVID - 19 is speculated to lead us to a Global recession, which is feared to be more devastating than 'The Great Depression' of 1930. This has stirred an uncertain situation which would have severe economic repercussions for economies across the world, with unemployment at peak and significant stagnation of consumerism. The recession is speculated to cause the collapse of the price of oil, the collapse of the tourism industry, hospitality industry, energy industry and a significant downturn in consumerism in comparison to the previous decade. Global stock markets crashed around 20% to 30% during late February and March 2020accompanied by unprecedented and volatile swings due to extreme uncertainty.

India, the second most populous country in the world is under high risk. The first case of COVID-19 pandemic in India was reported in January. The country went into complete lockdown from 23rd march onwards, with most of the industries and businesses under complete shutdown till date. The Ministry of Health and Family Welfare has confirmed a total of 78,003 cases, 26,235 recoveries, 2549 deaths in the country (Figure 1).

**Figure 1.** Semi Log plot of the spread of SARS-CoV-2 and of COVID-19 deaths in India.




Under the complete lockdown, less than a quarter of India's $2.8 trillion economy is functional. India is estimated to lose over Rs 32,000 crore ($4.5 billion) every day during the lockdown. The country has as many as 40 million migrant workers and their potential exodus can lead to tragic episodes for economy as well as administration.

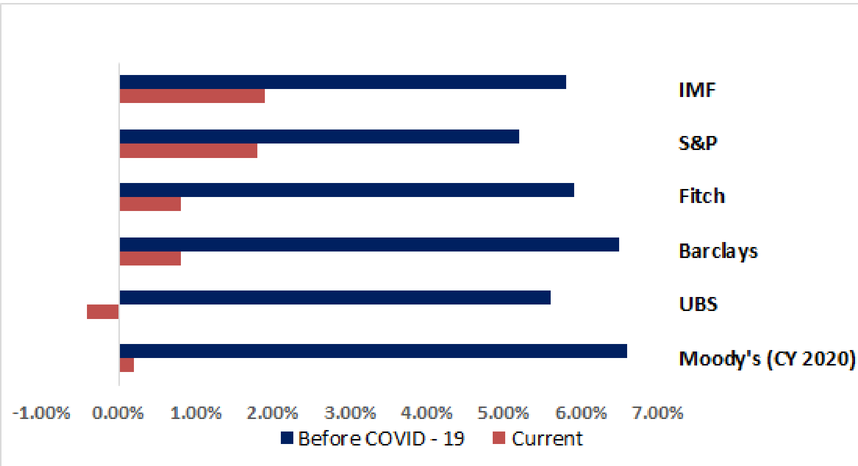
The Micro, Small and Medium Enterprises (MSMEs) sector, which contributes to 30% of India's GDP, is one of the key drivers of the Indian economy. The shutdown will have huge effects on informal workers, MSMEs, farmers and the self-employed, who are left with no livelihood in the absence of transportation and access to markets. Shopping centres and other retailers across the country have reduced hours or closed down entirely. Departmental stores and clothing shops have been specially hit. Many are expected not to recover, thereby accelerating the effects of the retail apocalypse. Tourism, Automobile, Aviation, Real estate, Dining, and Luxury goods industries are almost non-functional. Unlike other recessions in the past, this pandemic recession has brought down the sales of some sectors to zero. Due to restrictions on transportation and manufacturing halts, the supply chains are completely disrupted creating demand supply imbalances. Disrupted food supplies threaten to trigger a food crisis.

The list is long and no sector has been spared by the COVID-19 pandemic. With severe disruptions in the economy, the need is to adjust to the 'new normal' and minimise the impact by preparing for a changed tomorrow. In this paper, we first examine the macroeconomic impact of COVID-19 on Indian economy. We then move on to analyse the demand and supply disruptions due to COVID-19 in two major sectors of our economy. Retail, and FMCG. Using this analysis, we have made an attempt to portray the markets of tomorrow the challenges and possible strategies for the businesses to face them.

## Macroeconomics of COVID–19: Economic impact on India

COVID–19 arrived in India at a time when we were already battling the slowing consumption in our domestic market.2019 saw events like US-China trade war and Brexit. Economic vulnerability already had a dark shadow on our global economy and its impact on our GDP was evident. COVID-19 came in the wrong time and added supply side disruptions as well along with the slowing domestic and global consumption/demand. Disruptions in supply and weak demand causes a series of spiral macroeconomic problems for any economy. While multiple sectors lost their demand or started seeing zero demand, sectors like FMCG and Pharmaceuticals saw increased demand, but could not fulfill them due to the supply side disruptions in sourcing raw materials and logistics/distribution challenges. The recovery scenarios are difficult to predict considering that Indians are conservative spenders and thus a possible further drop in demand [2]. This sentiment is evident with analysts drastically reducing the 2020 outlook for GDP growth of the Indian economy, as observed in Figure 2.

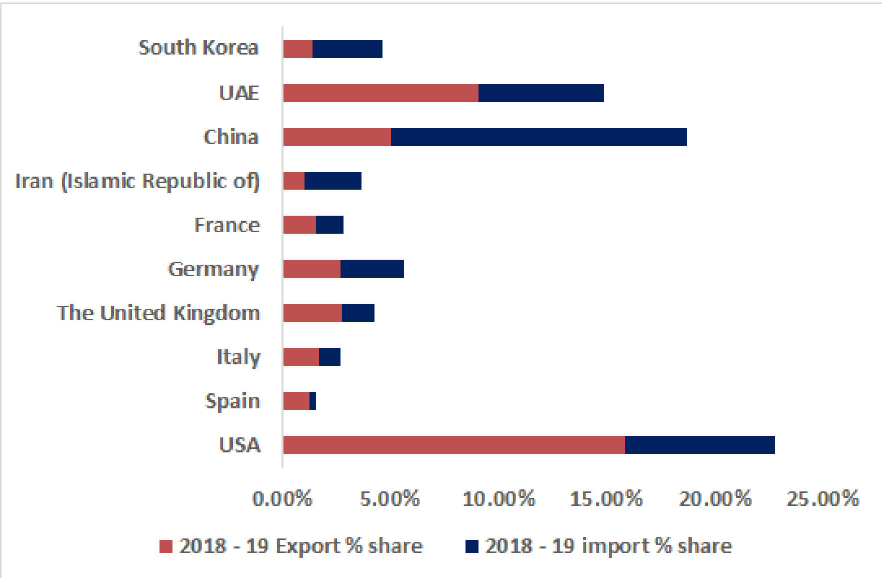
**Figure 2.** FY21 GDP Growth Projections for India - Current vs Before COVID–19. Data from IMF, S and P, Fitch, Barclays, UBS, Moody's.



India saw a slow growth of GDP in the year 2019, with growth rate hovering around 5% in all the quarters of 2019. Weak financial institutions, underlying structural weaknesses due to policy matters resulted in low investor confidence on the supply side of the economy and issues like unemployment impacted the demand side of the economy. While 2019 was the slow year, 2020 was looked upon as a year that will bring back India's GDP into the growth track and most of the outlooks for the FY21 GDP growth rate were optimistic between 5.2% to 6.6%.

However, COVID-19 changed these outlooks. Historically, a recession has always been due to liquidity crunch caused by weak financial institutions. Several economic measures and tools are available with the Governments to face these challenges. However, probably it is the first time in the history of Global markets, we are facing recession due to people not being able to get to work. Most economic indicators suggest that some of the biggest economies are on the verge of the greatest real recession in nearly 100 years (Figure 3). The trauma of financial markets coupled with the sudden stop of all economic activities and the reduced domestic/global demand will lead to much serious problems like high unemployment, and left unchecked, we might be staring at a stagflation or a depression, something more serious than recession.

**Figure 3.** Export or Import Share of India to from the most affected Countries by percentage 2018–19. Data from Ministry of Commerce and Industry, Government of India.




Along with the domestic impact of reduced consumption, factory shut downs and travel restrictions, India would also be affected by external impact due to COVID-19 Weaker global demand (less exports), supply chain disruptions, and global financial shocks. Author's analysis of the export and import share of India to/with the world's most severely affected countries (that has 67% of the COVID-19 confirmed cases) shows that highly affected 10 countries account for 43% of India's exports and 39% of India's imports (World Health Organization) (Figure 3). These countries also account for 59% of the world GDP that indicates a global financial slow down. This would severe the impact on the Indian economy as a whole.

While it is evident from the previous analysis that we are staring at a negative to zero growth in GDP, impact of COVID-19 on sectors has not been uniform, unlike a financial recession. During a crisis like COVID-19, industries can be classified into three buckets based on Market demand and recovery probabilities,

- **Stable or Increasing Demand:** Currently, these industries are not able to cope up with the demand and will continue to have high demand post COVID 19 impact. These sectors will not see recessionary trends Examples: Essential sectors like FMCG, E-grocers and delivery centres.

- **Suspended Demand:** These industries currently have low to zero demand but will spike and recover the suspended demand post COVID 19 impact. Recession trends would depend upon government fiscal policies and cash flows. Examples: Discretionary sectors like: Automotive, Apparel, Consumer durables, etc.

- **Lost Demand:** These industries currently have low to zero demand. The demand lost will be permanent and cannot be recovered post COVID 19 impact. Demand will not fully resume to normalcy post COVID 19 leading to recessionary trends. Examples: Service sectors - Travel and tourism, Malls and theatres etc.

Since demand and recovery scenarios vary for different sectors, the impact and strategies for recovery also differs from sector to sector. Indicates the varying impact on different sectors of the Indian market due to COVID – 19. Fast moving consumer goods is the fourth largest sector in Indian economy (India Brand Equity Foundation, 2020). The growth of this market has been mostly in double digit, closely linked with the GDP growth of the Indian economy. Better macroeconomic indicators would mean consumers would have a better spending power and that essentially translates into a better growth for the FMCG sector. Also, most of the essential goods falls into this sector, which is another reason for a high growth.

It can be seen from FMCG has seen a consistent growth from 2016 till date and the future of this sector has been pledged very prospective as well. However, CY 2019 has not been very promising for FMCG sector. According to the market research firm Nielson, the growth slowed down to 9.7% from 13.5% in the year 2018. The growth slowed down to 6.6% in December quarter, the lowest in last three years. This growth is also much lower to 15.7%, the growth rate an year ago.

Rural sales have always been ahead of urban sales in the FMCG Industry. Rural sales of FMCG saw a slow growth in 2019. This can be attributed to reduced GDP growth rate, liquidity crunch in the markets which weakened the household consumption. Along with liquidity pressure, consumer spending was also weak due to low job addition, no salary hike, etc. Adding to all these were the floods and drought in the rural part, that indirectly resulted in high food inflation, that impacted the consumer.

FMCG Sector was expected to be back on track in 2020. Nielson had predicted a growth rate of 9 – 10% for FMCG market in the CY 2020 before COVID-19. GDP was expected to be back on the track, Monsoon was expected to be good, Government spending on infra projects were expected to increase, and all these gave indications of money in the hands of consumer and thus a bright year for FMCG sector.

However, with COVID-19 coming into picture, Nielson has slashed the growth rate of the FMCG sector to 5% to 6% from its earlier 9% to 10%. In the quarter ending March, FMCG sector grew 6.3% (including e-commerce) in value turns, which is a sharp downward trend compared to the 13.8% growth the sector saw in the same period in CY 2019. An interesting break up from this data point is that demand for packaged food segment of FMCG grew by 7.8% in March quarter of 2020, compared to nonfood categories which grew only 1.8% in value. This trend points out at the panic buying and stock piling of the food items that occurred in the Indian market at the end of March quarter as the country prepared for the lockdown.

Despite panic buying and stockpiling trend that occurred at the end of March quarter in FMCG sector, 2020 looks like a gloomy year for the sector. It is evident that while stockpiling trend would increase sales once, then the demand would stabilize as the consumers would have enough stock. Also, since COVID-19 has hit the economy the most, money would not flow to consumers and thus consumers would resort to conservative spending, which essentially translates into a hit on the FMCG sector.

Immediate Impact of COVID- 19 on Demand and Supply in FMCG Industry of India can be summarized in the below points

- Panic buying increased the demand in the industry initially. However, the demand would stabilize soon.
- Essential products like packaged food, groceries, health and hygiene products like soap, sanitizers, etc. saw unprecedented demand.
- FMCG companies struggled to serve the market demand at the panic buying phase in last weeks of March and first half of April, due to disruptions in their supply chain – from sourcing raw materials, manufacturing, till last mile distribution. With lockdown and travel restrictions, companies are still producing at sub optimum levels and pushing sales of only essential items.
- The disruptions in manufacturing and distribution due to lockdown resulted in the drying up of inventory amongst the retailers, which impacted the supply of products to the consumers.

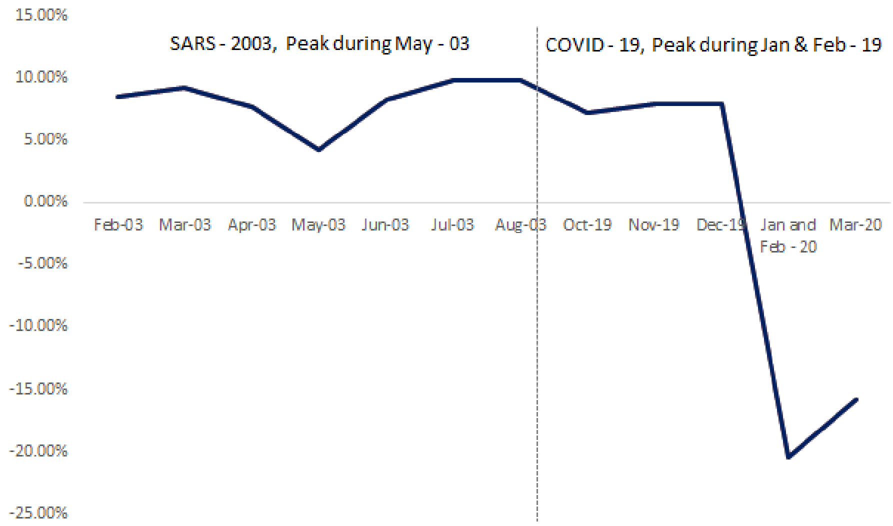
## RESULTS AND DISCUSSION

Retail is one of the largest segment in the Indian economy, that contributes to 40% of India’s consumption and employs an approximate of 40 – 50 million people (Boston Consulting Group, 2020). With a consumption of $1.7 – 1.8 trillion and an estimated CAGR of 9% to 11% from 2019 to 2025, retail segment is a breadwinner for many families. While there is a clear picture of organized retail segment/modern trade, data points are not available for the magnificent traditional trade segment, and it is estimates that a large number of Indians are dependent on Retail segment for their livelihood.

COVID-19 has had a significant impact on retail in multiple fronts. In India, with mandatory lockdown, all retail shops and the entire modern trade was asked to shut down for more than 2 months, except establishments that sold essential goods. However, according to an estimate from Retail Association of India (RAI), only 8% of the retail segment in India sold essential goods. This implies that 92% of the establishments saw zero sales for close to two months.

While the data is not out yet for the lockdown period in the Indian retail segment, we can look at data from China during their lockdown period. China imposed lock down and drastic travel restrictions to contain COVID–19 in the month of January, February, and March, and the Figure 4 indicates the drop of retail sales of consumer goods to -20.5% in the months of January and February [3].

**Figure 4.** China's month-on-month Growth of Retail Sales of Consumer Goods during SARS-2003 and COVID–19. Data for February–2003 till August–2003 from National Bureau of Statistics of Chinathrough CEIC, Data from October–2019 till March–2020 from Statista.




Below are the likely disruptions in Indian retail segment due to the drop of Sales and changing consumer behavior (Invest India).

- **Ballooning of Inventory:** Unlike FMCG, where there was a trend of drying up of inventory of essential goods, in non-essential goods retail segment, there is a likely ballooning of inventory in stores and warehouses since summer inventory is still lying in the stores and next season inventory(autumn or festive) are lying in the warehouse due to advanced orders (longer lead time for orders).
- **Higher discounting to excess inventory:** Retailers would be forced to run multiple discounting schemes to attract conservative customers so that they can generate some liquidity and also liquidate lying inventory. This would dilute the margins and would hit the profitability of the entire segment. Inventory from the past season that might not move may have to be written off.

- **Cash crunch or liquidity issues:** Ballooning of inventory would lead to a low liquidity and cash crunch for almost all retailers. Also, smaller retailers without enough buffer might be forced to shut down the business.
- BOPIS (Buy Online and Pick up in the store) is being encouraged and is being practised by many modern retailers due to delivery challenges
- Multi-brand retailers are becoming omni channel deliver by themselves, or collaborate with other last mile partners. For example, Future Group, which serviced online orders for groceries only from its Easy Day stores in Delhi NCR, has extended that capability to 250 of its Big Bazaar stores across the country. Kolkata-based Spencer's Retail has also partnered with internet firms like food delivery platform Swiggy, cab-hailing app Uber and bike taxi start-up Rapido to deliver orders placed by customers on its website

Retail sector consists of multiple segments under it like online retail, essential goods, automobile retails, etc. With varied segments, the impact of COVID-19 on all these have not been uniform and has been at various levels. An examination of China's total retail sales broken down by segments during the period of lockdown – January and February, 2020 would give an understanding of the level of impact on various segments under retail. Similar drop in sales and impact can be predicted for segments under India retail as well during the period of the lockdown and subsequent quarter after it, based on the recovery scenarios, which we will examine in the later part of this paper.
It can be observed from the non-essential segment of retail is being hit the most during the lockdown. The hypothesis of increase in sales of food grains due to panic buying and increasing e–commerce penetration in retail can be confirmed from the below data points. While all other retail segments have seen a negative growth rate, online retail sales of physical goods, Grain and foodstuff, and beverages segment has seen a positive growth rate of 3%, 9.70% and 3.10% respectively. The most impacted retail segments have been automobile, furniture, and Garments with the steepest negative growth rate of -37%, -33.5%, and -30.90% respectively. Similar trends can be predicted for Indian market as well, except for the beverages segment, which is expected to see a negative growth due to the lockdown orders.

According to a report by the retail intelligence platform Bizom, Indian retailers suffered a significant 71% drop in demand during the first week of lockdown. Confectionary is the worst hit category, after beverages. The report reveals that the sales in this segment was down almost 25% to 30% after Holi and similar trend might continue till May end.

### Recovery scenarios: Markets of tomorrow

COVID-19 would impact commerce in three major streams reduced labour supply, reduced demand and supply in specific industries, and rising trade costs. In terms of recovery scenarios, three scenarios were proposed by WTO. V-shaped scenario is assumed to be the optimistic scenario, in which health related effects and the social distancing measures are expected to go away quickly. In U-shaped scenario, which is considered as mildly pessimistic, the social distancing measures are expected to stay for around 6 month. In L-shaped scenario which is a pessimistic scenario, the social distancing measures are expected to stay for around a year. The demand and supply recovery of different sectors in the commerce post–COVID are expected to differ based on what recovery scenario, the

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respective economy and global economy goes through and the impact is expected to vary between sectors within an economy as well. The below Table 1 illustrates the change in GDP growth rate of different countries in these scenarios of recovery [4].

**Table 1.** Percent Deviation of GDP from Baseline.

| Real GDP | V - shaped | | U - Shaped | | L - Shaped | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| ASEAN | -6.1 | 4.6 | -12.2 | 9.7 | -14.7 | 3.3 |
| China | -4 | -3.5 | -7.9 | 7.2 | -9.9 | 2.5 |
| European Union | -5.2 | 4.1 | -10.1 | 8.4 | -12.1 | 2.9 |
| India | -5.4 | 4.6 | -11.1 | 9.9 | -13.4 | 3.2 |
| United States | -5 | 4.8 | -8.8 | 8.6 | -10.8 | 2.9 |
| Japan | -4.4 | 3.9 | -8.1 | 7.4 | -9.5 | 2.4 |
| Other Asian Countries | -5.8 | 5.1 | -11.4 | 10.3 | -13.4 | 3.2 |

With respect to Indian economy, the initial impact of COVID–19 was the supply chain disruptions due to the non-availability of raw materials from China. It was expected that the recovery would be V–Shaped, given that COVID–19 was limited to China. However, with COVID–19 being declared as a pandemic, the V–Shaped recovery is expected to be unlikely and a U–shaped recovery is expected. But if the spread of COVID–19 continues in the current rate and spreads in the community, then the recovery might be a long path and India might see an L–shaped scenario with severe impact on its economy. With L-shaped scenario, the economy is expected to be stuck in recession throughout the year and the economy might take a long time to come back to normalcy. In case of a U–shaped scenario, it is expected that the supply chain problem/sluggish global demand would intensify and the Indian economy bounces back to normalcy in Q4 FY 2021. On other hand, in case of an L–shaped scenario, the situation would ease in Q1 FY 2022.

While the overall outlook for the FMCG has been good compared to all other sectors in the economy, given that most part of the segment falls under the segment of essential goods, the recovery scenario's is expected to V-Shaped or U–shaped depending on the category of goods.

FMCG weekly value growth rate data for China from Kantar World panel for, illustrated indicates the recovery scenarios of the FMCG industry for different segment of goods. Categories like personal hygiene products and home cooking products, packaged food, etc. saw a growth in China during COVID – 19 lockdown and in the period of recovery after that. These categories saw growth in the said period. Categories like toilet papers, pet food, etc. saw a limited impact, with an increase in demand and a brief decline. The curve of decline was not steep and return to normalcy was quick. These categories did see the trend of panic buying in the beginning. However, these are not the products which are consumed on a daily basis. Thus, the stockpiling would have resulted in the reduction of demand.

Categories that include products like cooking oil, yoghurt, biscuits, nutritional supplements and laundry detergent saw a decline in consumption, but were quick to recover the lost demand and return to normalcy in China. This segment of FMCG saw a V-shaped recovery from COVID-19. On the other hand, categories with products like shampoo, skin–care, makeup, etc. saw a steep decline in demand during the peak of COVID-19 and are yet to recover, after 6 weeks of the lifting of lockdown. These are expected to see a U–shaped recovery and are expected to return to complete normalcy only by end of Q2 2020. Similar trends are expected in India given the similarity in our consumption pattern. Different categories of products are expected to see different recovery patterns.

While we saw the demand side recovery scenarios of the FMCG sector due to COVID–19, it is necessary that we also inspect the supply side impact. COVID–19 has disrupted supply side in two major ways,

- **Supply chain disruption:** Due to severe restriction on the movement in India, all nodes of supply chains are being impacted starting from sourcing of raw materials, till the last mile delivery of the finished goods. Severe impact has been on the distribution sector of the supply chain
- **Manu facturing shutdown:** Lockdown in the country has impacted production of the goods and even when there are permits to continue production, most of the factories are operating at the sub optimum levels due to labour shortages and the social distancing guidelines

While the second point has been a temporary disruption, the first disruption of supply chain given raise to many interesting trends that might shape up the FMCG sector of tomorrow. We will examining one such trend in this paper.

Traditionally, FMCG Supply chain has had several layers between the manufacturer and the retailer, who would distribute the products to the consumers. With COVID–19, this network was disrupted and the companies struggled to move goods from one level to another. This resulted in two phenomena in the market–Direct to Consumer Model (D2C) and partnerships with ride hailing services for delivery. Both of these phenomena are inter related.

Though D2C has not been a new model, many companies which followed traditional supply chain models had no plans of adopting D2C model. In D2C, the FMCG company would try to eliminate all the intermediate levels between itself and the consumer. These levels would have distributors, wholesalers, etc. The company would try to directly reach the retailer or the consumer. This model has its own inherent advantages and disadvantages.

COVID–19 has accelerated this phenomenon and FMCG companies are directly trying to reach the consumer eliminating all the intermediate levels. Companies are partnering with ride hailing services like Dunzo, Rapido, etc. for efficient distribution. Some examples are highlighted in Table 2.

While these partnerships might be temporary, companies who tried out D2C model during COVID-19, might examine this model in the post COVID times, and there is a possibility that market of tomorrow would see multiple FMCG companies adopting D2C supply chain model and shunning the traditional supply chain model they always had. This might change the function and role that distributors and wholesalers played in the market [5].

Retail segment is broadly classified into discretionary and non – discretionary sectors. Due to the lockdown, the non-discretionary retail sector is completely shut down and the recovery seems to be bleak for this sector. According to Retail Association of India, only 7% to 8% of the retail industry is functioning and the rest 92% is shut down.

**Table 2.** Partnerships of FMCG Companies with Last mile/Distribution providers in India.

| Company | Last mile/Distribution Partners | Cities where partnership is operational |
|---|---|---|
| Marico | Zomato, Swiggy | Mumbai, Gurugram, Mumbai, Kolkata, Chandigarh, Ahmedabad |
| ITC | Domino's (Jubilant FoodWorks) | Bengaluru, Mumbai, Noida, Hyderabad, Kolkata, Chennai |
| Britannia | Dunzo | Metropoliton cities - Consumers can order Britannia biscuits, cakes and milkshakes by placing their orders in the Britannia Essentials Store on the Dunzo app |
| Spencer's Retail | Uber India, Rapido, Scootsy | Mumbai, Gurugram, Cochin, Hyderabad, Haridwar, Chennai |

Similar to FMCG, various sectors within retail is expected to have different recovery scenarios. Categories of retail like packaged food and commodity saw the fastest recovery. Essential retail saw growth during COVID – 19 lockdown in India. Categories like homecare saw an increase in demand in last weeks of March, due to the month end buying pattern and announcement of lockdown. This category has seen limited impact and is expected to recover quickly.

Beverages and Confectionary saw a complete shut down for a while during the lockdown. But the demand picked up with the relaxation of the lockdown and this category is expected to see a V – shaped recovery. However, discretionary retail categories like furniture, apparel, garments, footwear, etc. are the most impacted with zero sales since 2 months of the lockdown. These categories will see problems like ballooning of inventory and liquidity crunch, which might result in many small businesses being wiped out. These categories are expected to see a U – shaped recovery in terms of demand.

On the supply side, e–tail or e–grocery has received significant attention for essential goods. Most of the modern retail giants have tied up with e–commerce players for an effective fulfillment. A major example here being Future Group's Big Bazaar, which partnered with Rapido and Scootsy for distribution. Cash and Carry retailers such as Metro have started direct distribution to their kirana partners.

Though e–tail has received significant attention, it is the local brick or mortar shops or the kirana shops that emerged as a winner in this scenario. Though modern retail tied up with online platforms for distribution, procurement was a challenge for them and they could not fulfil the increasing consumer demand during the lockdown. A major trend that was observed in India during the lockdown phase is that people started buying from their neighborhood kirana stores. Neighborhood stores also started home delivery in their locality. If the small neighborhood stores get digitalized and focus on customer convenience, we expect the trend of increasing modern trade penetration to reverse, and traditional retail might still hold the ground with respect to India. Local brands and kirana stores have shown resilience during the lockdown with recovery being 65% by week three of the lockdown.

Omni–channel fulfilment has been a major trend in the retail industry since the second half of this decade. Almost all major retail chains were trying to reinvent their distribution model and were trying to find alternate channels to reach the customer, and to attain a higher customer satisfaction. With COVID–19, omni-channel fulfilment has moved on to being a necessary factor, from being a differentiating factor as it was in the past. If a retailer, be it modern trade or traditional trade, does not think of omni–channel fulfilment and innovative ways of reaching his customer, he would not be able to survive in the market of tomorrow.

## CONCLUSION

COVID–19 has disrupted our lives. The world will never be the same. While the industry is expecting for a return of the normal from the pre–COVID world, it is evident for most of the companies that a new normal is emerging and that is different from what was normal in our past. While we have examined major trends like direct to consumer model in FMCG and omni channel fulfilment in retail, there are multiple trends that are emerging – both due to the changing customer expectation, and due to the disruptions in the supply chain. Dynamics in the economy is driving these changes. To survive in the market of tomorrow, in the post COVID world, a firm must be pro–active in identifying these trends and must adapt to them. While we might see companies like Alibaba emerging from these situation, current giants are also in the risk of falling from their glory.

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