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RETAIL RESPONDS TO COVID-19

[Barrie Scardina](#) • 3/25/2020

How is the industry being impacted by the unprecedented challenges of the global pandemic?



Our nation's retailers have been facing unprecedented disruption for the last decade. Now, a global pandemic has left many stores and restaurants shuttered indefinitely. Industry forecasts predict that even more brands will permanently close this year. Every day brings a new set of challenges as we navigate this once-in-a-generation crisis.

Two Sides to the Story

Last week, most mall developers, retailers and restaurants closed their doors or reduced their services, which eliminated millions of jobs for hourly associates. Brands have shuttered distribution centers as demand for apparel, footwear and accessories dramatically declines. Conversely, grocery stores, pharmacies, and big box stores are struggling to keep up with demand, working around the clock to stock shelves and keep stores clean. Online retailers are stressed to meet demands, adding thousands of new employees to keep up with consumer needs. It's rare for an industry to experience such distinct highs and lows, with one sector struggling to keep up and one struggling to survive.

The Industry Responds

One thing is for certain – the retail community will be changed forever by this experience. We know, though, that in times of crisis, retailers come together to meet challenges and raise money and awareness. This innovative, passionate industry is mobilizing to address the country's immediate health care needs. Luxury brands, brewers, and distillers are converting factories to make hand sanitizer. Designers, like Christian Siriano, are making masks and hospital gowns instead of ball gowns. In addition, key organizations including the CFDA, ICSC, and NRF are banding together to secure federal relief for small and large businesses.

Partnering is Essential

As brands rally to survive, partnering with landlords, developers, and financiers will be critical. This may be the most important time in our nation's history for owners and occupiers to support each other. Brokers, real estate consultants, and advisors can facilitate these relationships, ensuring that together this eco-system is focused on industry employees and consumers. Formulating these relationships now will pay dividends on both sides in the near-term and in the future.

Be Data Driven

Retailers, landlords, and developers will need to use data to make complex decisions during this time. Strategically evaluating locations and assets will drive decisions that improve profits and deliver value long term. Businesses need to understand the changes occurring in the sector including legislation, competition, and international trends. They need to evaluate liquidity, rationalize the store portfolio, and look for savings in the supply chain. Making the right commercial real estate decisions will require data, analytics, and competitive insights. Aggregating the right information will set both parties on a path to success.

What's Next

Cushman & Wakefield is ready to support developers, landlords, and tenants as we move through this health and economic crisis. Working together, we can identify opportunities through strategic consulting, newCommerce, and expert brokerage teams. The retail industry has some of the best and brightest minds, and by joining forces, we can weather this storm and reposition the retail landscape for future growth.

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