



Uncharted Territory: How COVID-19 Could Affect Your Retail Business

**A WhizBang! Retail Training Guide
to Preparing Your Store for the
Global Spread of Coronavirus**

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We are truly in uncharted territory... Not in over a century has there been such a significant response to a disease outbreak, and we have never before experienced this kind of epidemic in our modern, highly connected, interdependent world. This week, new information about the global spread of the novel coronavirus COVID-19 prompted us to create a special report for independent retailers both in North America and worldwide, about how you can plan and prepare your business for its potential arrival and spread in your community.

Regardless of what actually happens, being proactive and thinking about your plan is a prudent business move. If the virus spread is mild and very contained, you may only need to use a few of the ideas in this report. If it is more severe, you may use all of these ideas and more. The point is that **it's better to have a great plan that you don't use, than no plan when you need one.**

What We Know About COVID-19

About the Global Spread of COVID -19

While unfortunately no one, can predict exactly what will happen and how the outbreak will proceed, Dr. Nancy Messonnier, director of the US Centers for Disease Control (CDC) National Center for Immunization and Respiratory Diseases held a press conference on February 25, 2020 and shared many important facts with the public. Three important facts for independent retailers to note include:

1. **There has been sustained community spread of the virus in 8 countries** (now 9, including the USA) **and growing**. Here is the excerpt from the transcript of her February 25 press conference.

“The global novel coronavirus situation is rapidly evolving and expanding. There are still a lot of news coverage about community spread in a few countries since the last time we talked. This means that cases of COVID-19 are appearing without a known source of exposure. Communities include Hong Kong, Italy, Iran, Singapore, South Korea, Taiwan, and Thailand.”

2. **It’s not a matter of IF there will be community spread in the US, it’s WHEN and how severe/widespread the virus will it be**. Here is the excerpt from the transcript of her February 25 press conference.

“Ultimately, we expect we will see community spread in this country. It’s not so much a question of if this will happen anymore but rather more a question of exactly when this will happen and how many people in this country will have severe illness.”

As of February 26, the probable first case of community spread in the US was reported in California.

3. **NOW is the time for US companies, families, and individuals to prepare for this situation**. Here is the excerpt from the transcript of her February 25 press conference.

“Last, I want to recognize that people are concerned about this situation. I would say rightfully so. I’m concerned about the situation. CDC is concerned about the situation. But we are putting our concerns to work preparing. And now is the time for businesses, hospitals, community schools, and everyday people to begin preparing as well. Over the last few weeks, CDC has been on dozens of calls with different partners in the health, retail, education, and business sectors. In the hopes that employers begin to respond in a flexible way to differing levels of severity, to refine their business response plans as needed.”

And that is exactly why we have created this special report, to help independent retailers plan and prepare for what could be coming – whether it is mild and well-contained or has more widespread and significant effects.

You can read the full transcript of Dr. Messonnier’s press conference here:

<https://www.cdc.gov/media/releases/2020/a0225-cdc-telebriefing-covid-19.html>

About the Coronavirus COVID-19

Of course, there are already many respiratory viruses that affect humans worldwide, including seasonal influenza, that can have severe complications including death. So why are health officials so concerned about this particular strain of viruses? We have gathered a few facts that may help you understand and assess the potential threat.

1. **This strain of virus is completely NEW** which is why you sometimes see it referred to as “novel” coronavirus. Novel means new. The concern here is that there is no “herd immunity.” In other words, no one in the world has had the infection and developed antibodies or immunity to resist this virus and there is, to date, no vaccine to prevent it.
<https://www.who.int/health-topics/coronavirus>
2. **This virus is very contagious.** Based on initial data from the outbreak in China, scientists at the Los Alamos Laboratory in New Mexico have calculated the R0 (pronounced “R naught”) factor of this virus to be between 4.3 and 6.7. That means that one person who has the virus is likely to spread it to between 4 and 6 other people. To put it in context, the regular seasonal flu has an R0 factor of about 1.3 while the most contagious diseases of all, like measles, have an R0 factor of 12-18. Of course, these are initial estimates based on early data, but everyone pretty much agrees that this virus spreads quickly and easily.
<https://www.medrxiv.org/content/10.1101/2020.02.07.20021154v1>
3. **This virus can have severe complications.** Based on the initial data coming out of the China outbreak, about 20% of the people who get the virus have severe complications requiring hospitalization and about 2% die from those complications. While this is much higher than the normal flu (mortality rate of about 0.1%) it is far lower than viruses like SARS, or MERS at upwards of 10-30% mortality rate. COVID-19 is more contagious than SARS and MERS, but less deadly meaning more people will get it, but the percentage of deaths will be lower. Overall deaths worldwide have already far surpassed both the SARS and MERS epidemics.

The good news is that 80% of the people who catch COVID-19 have symptoms similar to the regular influenza and are soon healthy again. Young children seem to be less affected than older people.

<http://www.cidrap.umn.edu/news-perspective/2020/02/study-72000-covid-19-patients-finds-23-death-rate>

These facts combined with the continued global spread present a picture that can be very concerning. However, now is not the time to panic but to be prepared. It is a time for calm, measured, critical thinking. It's a time to plan for possible difficult events while we all hope for the best possible outcome.

We have identified 5 potential areas of disruption that could affect your retail business.

They are:

- Supply chain disruption – you won't be able to get products
- Social distancing disruptions – people will stop going out
- Financial disruptions – people may stop spending money
- Team disruptions – your employees' ability to work may be affected
- Personal disruptions – you and your family may be affected

We'll discuss how you can plan for and minimize the effects of each one of these disruptions later in this report, but the most important thing you can do is to head into this situation with the right mindset.

Developing A Resilient Mindset

There's no doubt that this challenge is going to test, and grow your resiliency. You will need mental toughness. The mindset of a problem solver, who proactively tackles challenges.

Viktor Frankl, author of Man's Search For Meaning, famously said "The last of one's freedoms is to choose one's attitude in any given circumstance."

This is your challenge.

Choosing the attitude of a proactive participant in your success, rather than an attitude of victimhood will determine how you will feel and how well your business will perform in the months ahead.

The first, and perhaps, most important thing is to keep a level head. Simon Sinek says, "Panic causes tunnel vision. Calm acceptance of risk allows us to more easily assess the situation and see the options."

One of the best ways to avoid panic and to develop resiliency is to plan ahead and prepare for what could come – even if it doesn't come. Some stores will see very few, if any, disruptions. Some could see many of these disruptions. Preparing is the best course of action in any case. The remainder of this special report will help you assess what could happen as the virus continues to spread and give you ideas for ways to prepare and respond.

How You Can Respond to Potential Disruptions

Although there are bound to be some disruptions, bumps, and difficulties ahead, there are lots of things you can do NOW to plan and prepare. Ignoring the possibility of spread and putting your head in the sand is a bad strategy. Figuring out now what to do in case things become more serious is smart business.

Here are five potential disruptors we have identified and some ways you could possibly respond to minimize their effects... and even become a hero to your customers and community.

Supply Chain Disruptions

Because many factories in Asia, specifically in China, have been shut down for several months now there will be supply chain disruptions. Even if miraculously the virus disappeared today, those shutdowns will certainly continue to cause problems for retailers into the near future.

What could happen?

- You could experience long lag times and inconsistent delivery on goods coming from overseas. Shipping has slowed on many items.
- It's possible that you won't be able to get products at all, either because they aren't being shipped or because large corporations are buying up whatever supply does arrive.
- Even goods manufactured in other parts of the world often use components made in China or other affected countries. This will also cause problem with the supply chain.

What can you do?

- Find local merchandise sources. Look for goods entirely made in your area or for manufacturers who have so far been unaffected by the lack of products from China. Now is the time to look for multiple sources of your best products.
- Be a merchandise scavenger. Call your vendors and ask what they *do* have available. They are your partners and can help you weather this storm! Call retail friends in your industry and see if they have pockets of overstocked merchandise they'd like to sell you.
- Expand your mix. If you can't get what you normally sell, what else could you bring in? Think about what different kinds of products your customers might need in case of community spread or social distancing in your area. You could even sell staples like toilet paper or disinfectant wipes as a service to your customers... But don't hoard or price gouge. Be a good human.
- Add and expand services. In times of economic downturn or scarce resources, people will often repair items rather than replace them. Can you offer repair services on your products? What other kinds of services could you add to take the place of any lost revenue from missing product sales?
- Create your own merchandise. It's a long shot, but some retailers might be able to create their own merchandise, or have it made for them.
- BE CREATIVE. There are certainly ideas specific to your store, your town, your industry that you can come up with. It's what we do as independent entrepreneurs – **we figure stuff out!** As a matter of fact, the ability to figure stuff

out, move quickly, try many new things and go with what works is one of your major competitive advantages.

Think of the big corporations like enormous oceangoing freighters – they definitely have some advantages, but also drawbacks. It's hard for them to stop, change direction, react quickly, head into narrow crevices or shallow waters. Think of your business as a little speedboat. You're nimble, you're able to react quickly, you can go where the big box retailers can't.

Social Distancing Disruptions

If community spread of the virus occurs in your area, people may start to stay away from other people to avoid getting the virus – it's called social distancing. You have only to look at the recent outbreaks in Italy, Korea, or Japan to see what disruptions even outbreaks much smaller than the one in China can cause.

What could happen?

- People could avoid crowds and public places. Places like your store, like the grocery store, schools, events, concerts. Any place where lots of people usually gather.
- People could start “sheltering in place.” In other words, they will put themselves on self-quarantine and not leave their homes. This happened in China and is happening in Korea, Italy, Iran and other places where widespread outbreaks are occurring.
- There could be government enforced quarantines. This is done to contain the virus in a particular area and protect the outside population from getting it. This has happened in virtually every country where the virus has spread into the community. In Italy, for example, eleven towns are quarantined with no one allowed in or out.
- Overall result – you could experience LESS FOOT TRAFFIC in your stores.

What can you do?

- Your very first line of defense is to make the most from every customer who DOES come in – and you will still have people going to your store. Each and every customer will be super precious, and your team will need to maximize each sale and maximize customer satisfaction. NOW is the time to do sales training and get your team laser-focused on delivering the Perfect Purchase for every customer.
- Consider offering deliveries of customer purchases. If they won't come and get your merchandise, take it to them! This is a simple strategy that nearly any retailer can add with relatively little difficulty. Ask your insurance agent what you need to do if your employees are driving their own cars and delivering for your company.
- Do Facebook Live selling events. It's a fun way to bring your store to them if they don't want to come to you. Host an event where you show, model, demonstrate,

explain, give tips about your merchandise. Let customers buy using a program like Comment Sold and then (see above) deliver it to them.

- Practice personal clienteling. Take a look at the Top 20% of your customers and have your employees call them up and ask what they might need – then deliver it. Again, this is when a highly trained sales staff is so important and their selling skills have to be top notch. Calling and actually caring about your best customers is a truly wonderful response to a possibly bad situation.
- Create special bundles for people if they have to shelter in place. Think about what people might be experiencing if they have to shelter for long periods of time – some folks in China have been stuck inside for months! They might be bored, they might need staples, they might be looking for a distraction. Here are just a few examples to get your own ideas flowing.
 - Bookstores – Create bundles of 5 books to read while at home: mystery-lovers bundles, biography-lovers bundles, kids bundles, etc. Anything to keep people entertained!
 - Pet stores – Create bundles of everything their pet might need for a 2 to 3 month period: dog food/treats/toy bundles, cat food/litter/catnip bundles. It's not anything they wouldn't buy anyway; you're just bundling up enough to last a while.
 - Toy stores – Create bundles for families to stay busy: game and puzzle bundles, arts and crafts bundles, construction toy bundles.
 - Vacuum stores – Create bundles with vacuum bags and cleaning supplies to keep the house disinfected and safe.
- Create a space for community and social interaction. If the social distancing drags on, people will still want to engage and connect with their friends and others who share their interests. Be the go-to place for your community of customers!

Throw a social media party just to have fun and get away from the stress/boredom. Or try out a conferencing app like Zoom or Google Hangouts where everyone can login and talk and see each other. This technique will work especially well for hobby type stores (quilters, knitters, bikers, skiers, runners, radio-control enthusiasts, painters, etc.) but also just for people with shared interests (fashion, new moms, pet-lovers, etc.)

You could do a brunch bash (everyone makes their own breakfast at home) a Q & A session, a sit-n-knit party, a fashion show, a cocktail party... and many more. You don't have to sell anything – just be their go-to place for connectedness and when life gets back to normal you'll have created uber-loyal, passionate fans.

- Do specials in your online store if you have one. Of course, the easiest way for people to buy when they won't go out is to buy online. If you don't have an online presence now, what can you do to add some sort of online selling?

- Keep communicating. Email MORE often. Post MORE often, Do MORE videos. Let them know you are still out there and that you care.
- BE CREATIVE. There are certainly ideas specific to your store, your town, your industry that you can come up with. How can you sell when your customers don't want to physically go into your store?

Financial Disruptions

China is the world's second largest economy and the disruption to its economy will certainly have ripple effects on the overall global economy.

What could happen?

- People whose companies are affected by the supply chain disruptions could be laid off, fired, or working fewer hours. For example, we have friends who work in Chicago for Korean electronics manufacturers who are already laying off workers in all areas of the company.
- There could be a general economic downturn. Already the stock markets are dropping in response to the spread of the virus and risk of recession in some more fragile European economies is a concern.
- Result? People just generally stop spending and start saving money... which can mean overall lower sales for you.

What can you do?

- Become an active marketer! You can't just sit around hope that people will remember to shop with you. Think outside the box and FIND A WAY to create sales. This is all brand new – uncharted territory – so who knows what will work and what won't? Keep trying! Keep marketing!
- Eliminate waste. You could conserve your own cash by eliminating wasteful spending and find ways to reduce unnecessary expenses. Now is a great time to shop insurance, phone, internet, and credit card processing fees. We have listed some great resources for you at the end of this report. Do you have employees that aren't pulling their weight? Now might be the time to eliminate that position. You can't afford to keep employees who aren't your best.
- Cut fat, but don't cut muscle. Make sure you keep using the services you use that provide a positive return on investment. For example, if you use inventory planning services through Management ONE – keep doing it! This will be critical for managing your inventory as supply chain is disrupted. Keep using your Retail Sales Academy – this will be critical for maximizing the sales potential for each and every customer interaction. Keep using your Social to Sale membership – leveraging your social media interaction will be critical and you will need all the most up to date information. Investments that have a positive return or make you a better retailer will be what allow you to emerge from this in good shape.

- Consider delaying capital improvements. Can you wait to put in the new carpet or refresh your exterior sign? If folks are not coming into your store, it might not make that much difference. Hold on to your cash for the moment and invest when things get back to normal and people are returning to your store.
- Call your bank and re-negotiate your loan repayments. Can you work a deal to pay less during this situation and catch up later? Also, think about paying just the minimums and think of the interest paid as insurance.

Team Disruptions

If the spread of the virus comes to your area, your employees' ability to work could become disrupted.

What could happen?

- Schools could close (this has happened in almost every area where community spread is occurring) and they might have to stay home and care for their children.
- Your employees could simply choose not to come in and risk being infected by customers.
- There could be a government enforced quarantine in your area preventing your team from reporting to work.
- Your employees could get sick themselves with the virus and not be able to work, possibly for an extended period. Most people (80%) get mild to moderate symptoms and will recover fully, but they may still be contagious before, during, and even possibly after they are showing symptoms.

What can you do?

- First increase your selling efficiency in store to use fewer people if you have to. Again, this means lots of sales training so your people can work with multiple customers at once, or they can sell effectively on the phone.
- Let them work from home. If you can't have them in the store, let them work from home as much as possible. They can still call your best customers and do phone clienteling (remember that from social distancing disruptions?) or they can connect with and engage customers on social media. They can call vendors and source new goods for you from home.
- Now is the time to decide if/how much/how long you'll pay your employees if they can't make it in to work. Of course, you will want to be as generous and flexible as possible!
- Create a culture of trust and support. This means being open and honest with your team about what's happening, what they can do to help, what they can expect, and how they can help you. You're in it together!
- Use the A.D.D. techniques with your employees – Ask. Discuss. Decide. Whatever situation or problem you are facing in your business let them help you brainstorm and solve it. You don't have to do it all alone!

- Ask them to help you solve a specific problem – “We aren’t getting as many people in the store because they are afraid of getting the virus. How can we keep sales up if people won’t come into the store?”
- Discuss the situation and come up with as many ideas as possible for a set amount of time – maybe it’s the duration of one staff meeting, maybe its two days on Facebook post, etc.
- Decide on which actions you will take and then get busy.
If you let them help you plan the fight they won’t fight the plan!

Personal Disruptions

If the virus spreads to your area your own personal life could be disrupted and that will certainly affect your business.

What could happen?

- You or your family could get sick. Just like your employees, that might prevent you from working in the store for a period of time.
- You could be under forced quarantine and unable to go into your store.
- You could run out of food/supplies/necessities. If you are under quarantine or are sheltering in place, you could run out of stuff.

What can you do?

- **PUT YOUR OWN MASK ON FIRST!** You know how on the airplane they always say that you should put your own oxygen mask on first, and then help others? Same thing with this situation. You can’t help other people if you are struggling or in need. Take care of yourself first so you can help others.
- Make a plan, don’t panic. You’re doing the right thing by reading this report and starting to come up with a plan! If the virus spread is mild and very contained, you may only need to use a few of the ideas in this report. If it is more severe, you may use all of these ideas and more. The point is that it’s better to have a great plan that you don’t use, than no plan when you do need one.
- Stock up. Buy a little extra of the things you normally use in your daily life. You don’t need to hoard or purchase exotic survival equipment. Just make sure you have enough of what you might need. There is a checklist of suggested items at the end of this report.
- Prepare now – a month early is better than one minute late. If you try to get supplies and things after the virus has already spread to your area, you may be too late. If you get them now, you’ll have them and if you don’t use them for a shelter in place situation, no big deal – it’s all stuff you’d use anyway!
- Proactively manage your stress. Of course, even thinking about this kind of potential problem brings stress and strain. Here are a few ways to manage your stress:

- Always respond to stress with action. No use sitting around worrying about stuff that may or may not happen. Instead, take action. Make a plan. Stock up. Call your best vendors. Do something that will make a difference. You'll feel better.
- Be mindful of your emotions and your responses. Meditation can be a huge help in both bringing awareness and managing your emotions. We recommend the *Ten Percent Happier* app – more info in the resource list below.
- Get some exercise. Go for a walk, hit the gym, take a bike ride, dance... Whatever you like to do to get your body moving is great. Exercise is great at releasing endorphins and is a proven stress reliever.
- Repeat some positive affirmations. If you feel yourself stressing out and the negative self-talk creep in, replace it with some positive phrases. Say them out loud – it makes a difference. Here are some ideas for positive phrases: “I’ve got this!” “I can handle this!” “I’m resilient.” “I’m smart and will figure this out!”

YOU’VE GOT THIS!!!

We are in uncharted territory... true. We don’t know what may happen. But no matter what, we believe in you and we know that you’ve got what it takes. Hope for the best, but plan for the worst. We’re all in this together!!

Resources

Here are some possible helpful resources for you as you plan and prepare for the spread of COVID-19. Bonus... they are all great resources even if the spread is very well contained and the effects are very mild!

Cut Expenses

PayRoc

If you are looking to decrease expenses, consider having PayRoc give you a free quote on your merchant processing fees. They saved us many thousands of dollars in fees each year, and they could be able to help you also. Right now they are having a deal where they **guarantee they can meet or beat your current rates – or they will give you \$1,000!**

[If you're interested, contact Dan Housman from PayRoc.](#) It sure couldn't hurt to get their free quote.

Manage Your Business

Management ONE

If you want help with your inventory open to buy planning, your inventory flow, as this situation unfolds, then the team at Management ONE can help. Get in touch and they will do a free financial review to find out how or if they can help you. [To learn more, contact Marc Weiss at Management ONE.](#)

Retail Sales Academy

If you want to maximize the potential of every customer who comes in the door and give your team superior sales training, the Retail Sales Academy is for you. It does more than just train your team; it helps you build a long-lasting service culture that sells. [You can learn more and sign up at RetailSalesAcademy.com.](#)

Crystal Media

Leveraging your social media presence and keeping up to date on what's working is going to be a critical component of your success – no matter what happens in your area. Our favorite social media expert for store owners is Crystal Vilkaitis from Crystal Media and you can [click here to learn more about her Social to Sale program.](#)

Comment Sold

This platform is a great way to sell online using your existing social media accounts. It's kind of like adding a mini online store! [Check out the details on their website.](#)

Manage Your Stress

Ten Percent Happier

This is a great app that uses lessons and science along with guided meditations to help you reduce your stress and get control of your emotions. We love that they call it “meditation for fidgety skeptics!” [You can download it here.](#) Or find it in the app store on your phone.

Protect Yourself

N95 or N100 Masks

The experts are saying that most people do not need masks if they are healthy and that the general population doesn't use masks correctly to prevent themselves from contracting the virus. Masks can be helpful, however, if you are sick to prevent YOU from spreading it to OTHERS. If you decide to purchase masks for yourself or your family, be sure to get [N95 or N100 rated masks, like these.](#) Anything else is pretty much useless.

Have another great resource? [Let us know and we may add them to the list](#) in updated versions of this report.

Stay Connected



Connect with us on Facebook for future updates, ideas, strategies and conversation about how other retailers are handling the COVID-19 situation to by [joining the WhizBang! Retailers group](#).



Find out more about [WhizBang! Training](#) and the 11 essential business skills you need to run an incredibly successful retail business. Sign up to get [free weekly tips for store owners](#) and managers.

About The Authors

Twenty years ago, Bob and Susan Negen founded WhizBang! Retail Training to help retail store owners and managers get the nuts-and-bolts skills they need to run a successful business. In those twenty years they have worked with hundreds of thousands of retailers, presented at trade shows and conferences all over North America, created numerous courses for retail owners, managers and employees, and written a best-selling book on retail marketing.

Their skills and real-world perspective come from over 40 years of combined on-the-floor retail experience. Bob founded the Mackinaw Kite Co., an award-winning chain of kite and toy stores, and ran them for 19 years. Susan started her retail career as a senior executive at Bloomingdale's and Macy's, before she joined Bob at the Mackinaw Kite Co.

Together they have a knockout one-two punch of sophisticated "big business" skills and street-smart small business experience.