

# COVID 19 AND THE GROCER



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Over the past several weeks grocery stores across San Diego have been working overtime to deal with new challenges caused by the COVID-19 pandemic. The COVID-19 effects have been staggering. News outlets are reporting sale volumes exceeding 300%, with no end in sight. The daily operations of grocers are in overdrive with dedicated warehouse teams working feverishly around the clock to unload product and restock shelves. Store merchandising buyers have been both surprised and caught a little off guard with the customer over purchasing which is creating an uncertainty of when products will be delivered and back in the store. As the news reports point out, if shoppers went to the store and purchased goods on a weekly basis the product scarcity would be basically solved.

Many markets are trying to be creative to assure products will be available for their customers. For example, buyers are purchasing more items in bulk. Instead of individual boxes of pasta,

they are buying 10 lb. pasta bags; similarly, they are buying 32 oz. cans of vegetables instead of 12 oz. cans. Additionally, stores have reached out to different vendors, such as restaurant distributors, to find product. With safety and cleanliness at the forefront of store operations, many self-service pre-made foods, such as soups, now have designated food handlers. The installation of plexiglass guards at the check out counters, along with 6-foot distance markers on the floors, are responding to the social distancing requirements. Many stores have designated checkout lanes and dedicated shopping times for our senior and high-risk customers.

## THE GROCER

During this unprecedented period in history, the value of our grocery store has become increasingly apparent and underscores the vital role they play in our communities. They provide



a source of nutrition, jobs and tax revenue that support the community. From a bigger picture perspective, when markets are part of a bigger retail center, they draw shoppers to the centers several times a week, generating consistent cross traffic for other tenants. That helps everyone survive and be successful.

## PRICE CHANGES

“Price is King” still resonates with consumers. The weekly ads, whether online or in print, draw shoppers into stores. For the larger stores, this means thousands of price changes per week. The consistent and high volume of price changes is a big expense to companies in terms of labor and operation needs. Of course, we all know that when we go to the store to buy discounted items, we may end up spending more than we originally intended on other items!

## CONSUMER EXPERIENCE

With grocery stores as well other retailers, today’s consumers demand personalized service, great products and omni channel options. The major grocery chains - Whole Foods, Bristol Farms, Vons and Ralphs and the neighborhood markets – Sprouts, Barons Market, Seaside Market and Jimbos, have answered this demand by updating stores, creating special

places to shop and offering online ordering and delivery services. These brands are striving to keep their customer’s happy through great service, in-store offerings and ambiance. In my mind, the most notable competitive advantage the neighborhood markets enjoy is the people culture within the companies. They have built company brands which resonate within the communities. The neighborhood markets obsessively endeavor to have the best products, and to supply products their customers want, versus just carrying name brand goods. Since the neighborhood markets were born in their home neighborhoods, they also strive to play a very active role in the community. Barons, Sprouts, Seaside Market, and Jimbo’s have a strong presence in the San Diego community, and they reinvest in those communities by supporting local causes and organizations. Whether your grocery purchases are from brick and mortar, online or a combination of both; the one constant through the changing times and now even after the COVID-19 pandemic, is that grocers are an irreplaceable part of our daily lives and communities for the foreseeable future.



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