

# Brazilian Suppliers and Retailers Battling COVID-19 Agree That Collaboration Is a Necessity for Recovery

Between April 7 and 9, 2020, Advantage Brazil surveyed 60 Senior Leaders from 50 Suppliers and Retailers in Supermarket, Drugstore, Cash & Carry and Wholesale channels. Respondents were asked about the impact of the crisis on their business partnerships and its effects on performance in the short and long-term.

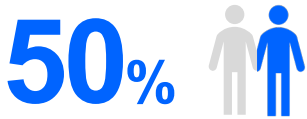
“ Collaboration has never been so important and has become a competitive advantage for players that will survive this crisis.”

– Brazilian Retailer

## The Crisis Landscape in Brazil:

In just a few days, Brazil’s economy was pushed back from the 21<sup>st</sup> century to the challenges of an economy in wartime, with radically changing lifestyle and consumption habits. A lack of crisis preparation highlighted several areas of weakness within businesses’ operating models. Given the volatility of this new environment for suppliers and retailers alike, strategy was overshadowed by urgency.

## Findings in Favour of Collaboration:






of respondents observed an **improvement in their business partnerships** during the crisis; particularly impacting the following relationship areas:

- ✓ Readiness to resolve issues
- ✓ Constant communication
- ✓ Focus on critical subjects
- ✓ Quick response times



of respondents reported that the partnering companies who provided the best collaboration during the crisis were among those within the **top performance tier in the annual Advantage Report™** program.

## Challenges Imposed by a Lack of Collaboration:

-  **40%** of respondents stated ‘**information sharing**’ as “something that would have made all the difference if it were in place prior to COVID”.
-  Companies immediately felt the impact of **not having crisis management plans and contingency teams** in place during the first few days of the crisis.
-  **Significant demand shifts, production, transport and delivery capacity** represent daily challenges for all players in getting products onto shelves.

## Future Considerations for Partners to Achieve Successful Recovery:

- 1) View consumer spending (share of wallet) holistically** – this provides a broader assessment of shoppers’ capability to consume post-crisis given individuals’ loss of income.
- 2) Develop joint strategies by category, channel, and store format** - this crisis requires a full revision of JBPs and renewed strategic alignment. Operationally, additional metrics will be necessary for more intense collaboration across all areas and levels.
- 3) While nearly all respondents expect the growth of e-commerce opportunities, it is important not to divert the focus from physical stores** that are and will remain the largest share of business by far.