

How Italian Suppliers and Retailers are Coming Together During COVID-19

At the peak of the COVID-19 epidemic in Italy, Advantage Group surveyed senior and mid-level managers from 32 suppliers and retailers across Italy. Participants spanning the Food & Beverages, Home and Personal Care categories provided feedback on their partnership and performance needs during and post-crisis between March 27 and April 3, 2020.

“ ...we must find solutions that allow both parties to support each other and respond in a winning way to new market needs.”

“ ...we are managing some critical issues trying to find the quickest and most effective solutions so as not to compromise customer relations and to guarantee the supply of products on the shelves. We are updating customers on these difficulties in a very timely and transparent manner; our customers are doing the same with us.”

- Italian Suppliers

Business shifts predicted to have the most long-lasting impact post-crisis.



Tied for 4th: Supply chain diversification and more challenging negotiations within business relationships (25%)

Expectations that partners have of one another today and post-crisis:

Reciprocal trust, transparency and a collaborative spirit

Current		95%
Future		91%

Support in supply chain and logistics management

Current		93%
Future		79%

What Matters Most on the Road Ahead

1) “Together We Succeed”

The challenge and opportunity is to keep business **relationships healthy and solid** today. Even more than in the past, a relationship has to be ready and fit enough to jointly tackle the efforts for the future that lies ahead.

2) A Sustainable E-commerce System

Retailers and suppliers indicate that e-commerce and overall digital capacity will be crucial moving forward as it is an overdue optimization. E-commerce is just the tip of the iceberg in that changes may be **more structural than expected** as businesses consider future ways of working together.

3) New Business Models & Systems

Retail omnichannel fills new market needs and fosters sustainable business practices. **D2C (Direct to Consumers)** systems are here to stay as all the market players look for convenient ways to bring goods to consumers. **Joint Collaboration** creates an unprecedented opportunity for suppliers and retailers to win together after this great market shift.