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# Small Value-add Local Food Retailer's COVID-19 and Post-COVID-19 Strategies

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**Abstract** – The pandemic came as a blow to retailers that were already under pressure from online competitors that offered low prices and provided the convenience of shopping from home. The media tended to cover the plight and challenges for larger chain stores and big box retailers. However, the small local food providers and retailers also faced challenges and had to manage without the luxury of having dedicated staff and deep pockets with which to navigate through the pandemic. This paper explores the experiences and strategies used by 20 small local value-added food providers and retailers as they navigated the pandemic. Additionally, this paper discusses specific challenges that were unique to small local value-added food providers and reveals unique strategies and their accompanying tactics. Further, the study details the pandemic policies and tactics these small local value-added food providers and retailers plan to keep after the pandemic in order to better compete against larger competitors and to mitigate future disruptions caused by external forces beyond their control.

**Keywords** – Local food providers, value-add food retailers, COVID-19

**Relevance to Marketing Educators, Researchers and/or Practitioners** – Small, locally produced food providers and retailers, who are typically labor intensive and operate on tight margins, must increase their understanding for how to best appeal to shoppers post- COVID-19 to increase market share or simply to remain competitive. Educators can draw from the literature review to provide historical context to the pandemic and its impact on retailing.

## Introduction

The retail industry experienced many ups and downs particularly from 2017 through the COVID-19 pandemic, such that the term “retail apocalypse” became popular. The trend away from big box stores to boutique stores and the growth of online retail led to closures of many traditional brick and mortar stores. 2019 was a record-breaking year for store closures as over 9,300 stores closed, a 63% increase from 2018. While some viewed the retail landscape as apocalyptic, others viewed it as in transition. Their report shows that although stores were closing in record numbers, since January 2017, the general retail industry actually increased sales by \$565.7 billion. Of the retail segments examined, the apparel and department store chains experienced the most net closures. From 2017-2019 there were net closures of 9,651 stores. In 2019, there were more than five retail

chains opening stores for every independently owned store closing. Most of the growth came from food/drug/convenience/mass merchants and restaurants.

In early 2019, retailers had reason to be optimistic. Unemployment was low and while many retailers closed branches, overall, retailing sales rose. The hospitality and travel industries were at their highest revenue levels in more than 16 years and consumer spending was at a record \$13.2 trillion (Repko, Josephs, Wayland & Lucas, 2020). Traditional retail formats were no longer working as omnichannel retailing took hold. Very few could have predicted that retail employees would become essential workers as a pandemic hit the world. Now, in 2023, the United States have begun to normalize in terms of the impact from COVID-19 and yet understanding how such sweeping change has permanently impacted retail is useful for retailers to survive and thrive.

In this paper, we examine the impact of COVID-19 on small local value-add food providers and retailers and how the future of retailing may change for those small retailers based upon changes made during the pandemic.

## **Literature Review**

Retailers have a long history of change, particularly in the retail food industry. In 1859, Great Atlantic and Pacific Tea Company (A&P), who became the first chain store in America in 1880 with over 100 branches, changed the way grocers did business by offering fixed low prices (Turrow, 2017). A&P also offered advanced customer credit and free delivery like most of the other local grocers. In 1916, the grocery industry experienced a new paradigm. The Memphis, Tennessee, Piggly Wiggly store, under the leadership of Clarence Saunders, changed history. Saunders' had the idea to allow customers to pick out their own items, instead of having a clerk do so, and then pay at a central checkout area.

Over the last few decades there has been a growing market for locally produced food. These consumers seek the health benefits, sustainability, authenticity and convenience of consuming locally produced food products (Grunert, 2017). In fact, "buying local" has become one of the most important topics in food marketing. Consumers have developed a growing appetite for local food resulting in an increased number of farm-to-table restaurants and farmers' markets (Agricultural Marketing Service, 2016). Additionally, grocery stores and retail chains have become an increasingly important distribution channel in selling local food (Richards, Gomez, & Rabinovich, 2017).

Despite the attention that local food has received in recent years, there is still a lack of clear understanding of the term 'local food' in the literature (Enthoven, Van den Broeck, 2021; Kumar, Murphy, Talwar, Kaur, & Dhir, 2021). Some scholars define "local food" based on the physical distance or the logistical steps taken between production and the place of consumption (Kumpulainen et al., 2018). Scholars that subscribe to this notion of physical distance suggest that to consider a product as local, it should have originated within 10–100 miles of its consumption (Adams & Adams, 2011; Feldmann & Hamm, 2015). According to Statista (2018), 96% of consumers, similarly, believe that local food must be grown or processed within 100 miles of the selling point.

Consumer perceptions of quality, environmental friendliness, safety, taste and healthiness affect their intention and behavior of food purchase (Suciu et al., 2019). Therefore, the acceptance of local products depends on the benefits and limitations perceived by consumers when purchasing them. Born and Purcell (2006) group the arguments for buying and consuming local products into three dimensions: (a) the healthiness and quality of the products, (b) economic, and (c) social benefits and ecological sustainability. This is reflected in the UN Sustainable Development Goals (SDGs): goal 2, to end hunger, achieve food security and improved nutrition and promote sustainable agriculture (United Nations, Department of Economic and Social Affairs, 2020).

Chen (2020) proposes that consumers purchase from local food suppliers for egoistic, altruistic and biospheric motivations. Tandon et al. (2020) study the associations between intrinsic and extrinsic motivations, attitude, and buying behavior toward organic food. Intrinsic motivation is defined as the drive to engage in specific behavior for its own sake and extrinsic motivation is defined as a responsibility, duty or obligation. Kim and Huang (2021) analyze locavorism, a construct formed by three dimensions: opposition to food transported over long distances; communalization, which refers to consumers seeing themselves as actively participating in the local community; and lionization, which is a belief in the superiority of taste and health of local food.

We propose three types of benefits. Firstly, consumers perceive local products as fresher and tastier, and having better quality and nutrition, are beneficial for their family's health and for gastronomic aspects (Bir et al., 2019; Witzling and Shaw, 2019). Second, the economic and social benefits of consuming local products are due to the development of local economies, the generation of employment, the support of small local businesses of farmers and commercial establishments, and a closer contact between producers and consumers. These are altruistic motivations, understood as an unselfish attention concerning others (Kumar et al., 2021). Thirdly, there are environmental benefits because the consumption of local products reduces the contaminating gas emissions from transport (Jensen et al., 2019; Kneafsey et al., 2016; Kumar and Smith, 2018). Birch et al. (2018) find that personal or egoistic motivations influence consumption decisions more than altruistic motivations, just the opposite of Chen (2020).

During COVID-19, success for many independent local food providers hinged on understanding customer and market needs and being nimble enough to adapt to a rapidly changing environment. This required much more intense communication with customers, constantly monitoring market conditions, and staying abreast of local safety mandates. It also required greater attention to maintaining and even expanding operating options. That typically meant more intense workforce planning, preparation and communication (Villena, Novakovic, Stephenson, & Nicholson, 2021).

A key factor in this positive outcome was frequent, open communication regarding modified employee safety protocols. Management spent more time on the floor interacting with workers while senior management became more digitally accessible. During the shifts in overall and channel demands, both processors and retailers responded by focusing on fewer SKUs with particular emphasis on those with high volume and high rotation (Villena, Novakovic, Stephenson, & Nicholson, 2021). Understanding how COVID-19 has changed established practices and if any

of those practices implemented during the pandemic should remain is important if locally produced food providers are to survive and thrive, post COVID-19.

### **COVID-19 Timeline**

In the Fall of 2019, the novel SARS-CoV-2 coronavirus emerged in Wuhan, China (Scripps Research Institute, 2020). On December 31<sup>st</sup>, 2019, spokespeople from China told the World Health Organization (WHO) of an outbreak of a novel strain of coronavirus causing severe illness (Ibid, 2020). This was the beginning of a pandemic that caused harm to both human health and world economies. On March 11, 2020, the World Health Organization declared the coronavirus outbreak a pandemic. Retail Customer Experience (2020) tracked the environmental impact of the virus on retailers. The following highlights are modified from Retail Customer Experience (Mottl, 2020):

- January 31, 2020: Coronavirus likely to impact airport travel and retail worldwide
- March 13, 2020: Questions surface about payment methods for retailers. Digital versus Cash
- March 16, 2020: Retailers close stores for worker safety and customer safety
- March 17, 2020: Amazon is hiring 100k workers to keep up with online sales increases
- March 19, 2020: Grocers begin to hire more to meet demand
- March 24, 2020: Retail industry begin lobbying for federal support
- March 25, 2020: Retailers begin to set up 'special' shopping times for seniors
- March 27, 2020: Stimulus package to offer \$350 Billion in small business loans. \$2 Trillion rescue package offered to businesses and employees
- March 30, 2020: Coronavirus Aid, Relief, and Economic Security (CARES) Act provides relief
- April 1, 2020: Walmart begins checking employee temperature before shifts
- April 6, 2020: Amazon begins to deploy masks and taking worker's temperatures
- April 7, 2020: Target workers get masks, gloves...customers get more space.
- April 16, 2020: Some retailers prepare to open; The Nebraska Mall gets ready to reopen. Walmart sets special pickup hours for their COVID-19 high-risk customers
- April 21, 2020: COVID-19 drives e-commerce upward 'big time'. Treatment of essential workers impacting consumer decision-making
- April 27, 2020: The U.S. House approves an additional \$484B in relief funds for small businesses, testing and hospitals
- April 30, 2020: Social distancing drives changes in the way consumers spend their money
- May 5, 2020: Consumer mindsets are shifted during the virus outbreak
- May 11, 2020: The National Retail Federation (NRF) says the retail recovery will be gradual
- June 8, 2020: The National Bureau of Economic Research announces the United States is in a recession, which began in February 2020
- May 11, 2023, marked the end of the federal COVID-19 public health emergency (PHE) declaration. This doesn't mean that COVID-19 is over, but the end of the PHE did initiate a cascade of updates to COVID-19 data collection, reporting, and surveillance (National

## **Methodology**

Following Moustakas (1994), the researcher used an empirical phenomenological research approach to explore retailers' experiences, perceptions, and feelings relating to the central theme of the adaptation from pre- COVID-19 to post- COVID-19 retailing strategies. Fundamentally, this study examines how small value-add retailers have changed their retailing strategies and tactics brought on by the COVID-19 pandemic. Core to the study is the type of retailer participant and their geographic location. This study includes 20 individuals responsible to develop and implement marketing strategies and tactics for small value-add local food retailers located in the Northeast and Mid-Atlantic sections of the U.S. with sales of 20 million U.S. dollars or less, annually. The businesses represented included small grocery stores, orchards, gift basket providers, butchers, distillers, and vineyards. The businesses that participated in this study were located using chamber directories and through online searches. The researchers reached out to qualifying food retailers through email or by phone to invite the business owner to participate in the study. Eleven participants were female and 9 were male. All of the participants were owners of the company that they represented.

Interviews, which began in August of 2021 through April of 2022, were conducted using Zoom and were digitally recorded and transcribed using NVivo 10 software before being analyzed for potential themes. Each interview lasted between 35 and 45 minutes. Data collected through the interview was transcribed and reviewed line by line as soon as possible after the completion of the interview, and coded by themes using NVivo 10 software. The use of the NVivo 10 content management system aided in the organization of data storage, making querying data more accurate and efficient (Hutchison, Johnston, & Breckon, 2010).

The researchers followed the seven-step method outlined by Moustakas (1994). Interviews were recorded using Zoom and then: (a) were transcribed manually and the researchers listed relevant works and phrases to the qualitative phenomenological study; (b) were coded based upon relevant information; (c) were grouped by related themes; (d) were checked for consistency against the participants' recorded information; (e) researchers discovered and described the meanings of experiences related from participants; (f) the researchers constructed a detailed written account of each participant's perspective notating common categories, patterns, and themes; and finally (g) the researchers constructed a written synthesis from the experiences of the participants.

Semi-structured questions (see Appendix A) were used to gain insight into the long-term impact of the pandemic on small local value-added food providers and retailers moving forward after the U.S. federal government ended the COVID-19 public health emergency (PHE), on May 11, 2023.

## **Results**

Every company that was able to remain open (18 of the 20 businesses interviewed), despite the mandates requiring closures to all non-essential businesses, saw an increase in sales over the time period of 2020. This revenue increase often occurred later into the pandemic as initially the extra costs for maintaining social distancing and protecting employees negatively impacted the bottom line. These costs included signage, plexiglass, and personal protection equipment like masks and gloves. In general, companies with risk management policies in place before the pandemic, like employee policies on extended sickness or strict sanitation policies to prevent the spread of harmful bacteria, experienced far lower initial income losses than those without them.

Each participant reported a number of challenges that came with doing business locally during a worldwide pandemic, however, one participant, an owner of a specialty food shop in Pennsylvania, summed up well what many others experienced. They said, “The challenging and stressful impact of COVID-19 was complying with government regulations because of the cost and management implementation of those regulations.” Three significantly impacted business functions were mentioned by all but one of the respondents, both as being impacted by COVID-19 and as areas that will remain changed as a result of the pandemic. They include, (a) retail store operations, (b) employee policy, and (c) marketing strategy. Each of these business functions will be discussed as a theme of the findings and unpacked as the respondents managed them during the pandemic crisis. The researcher will then discuss the respondent’s plans to retain some of the strategies that they developed during the pandemic.

### **Retail Store Operations**

Social distancing became an immediate concern for both customers and employees after the World Health Organization declared the coronavirus outbreak a pandemic on March 11, 2020. Many participants initiated online ordering through their own websites and social media channels, and curbside service for their customers. Prior to the pandemic, only half of the study participants sold products online and none of the businesses offered curbside pick-up. A Pennsylvania orchard owner stated, “While we’d love to get them in our store, we understand that many of our customer’s prioritize saving time and convenience over the in-store shopping experience. So, we’ll provide the customer with what they want. Though we’ll still invite them inside for a free sample upon their arrival in the parking lot.” In most cases, these two commerce options were implemented early in 2020 when so much uncertainty existed regarding closing mandates for non-essential brick and mortar locations. That same orchard owner in central Pennsylvania continued, “Our curbside service was a lifesaver. So many of our elderly customers were afraid to come inside but were also unfamiliar ordering online so we took their orders over the phone and had our people take their orders to their car, upon arrival.”

A gift basket owner from Pennsylvania said, “We had to move quickly and pulled together an online store almost overnight. Without that additional revenue stream, we would not have survived.” The commitment to pursuing these online retail options were critical to these small retailers and is proving to be a valuable long-term investment. One vineyard owner from Virginia

made this comment about the speed in which they fill their online orders. “We will sell no wine before its time. As soon as we get the customer’s wine packed and ready for shipment, it’s time.”

Four of the participants interviewed began to sell their products on large retail sites like Amazon and Etzy. One specialty food business owner from eastern Pennsylvania said it this way, “When COVID-19 happened, we were not even thinking about Amazon. We were strictly a street business – a food away from home type of business. But because of everything that happened, people’s buying habits have changed.” An owner of a small retailer grocer in Maryland said, “Amazon is a different world from just having your products available in a physical store. On Amazon, you have to advertise and promote.” This online channel has been a viable, but complex process for these retailers.

One participant, the owner of an orchard from central Pennsylvania that was unable to offer online ordering, developed a system that allow for online pre-payment. These payment methods were valuable when this local value-added food retailer began to initiate home delivery in mid-2020. Not only were they able to meet the needs of their customers, they nurtured deeper customer relationships while eliminating the payment process at the time of the home delivery. One participant, a butcher from central Virginia, added this insight: “We had considered home delivery before the pandemic but just couldn’t make the numbers work. The investment into the ordering system and refrigeration deterred us from moving forward with this strategy. Once the pandemic hit, we decided to make those investments and found that customers were far more open to paying a delivery fee. As it turns out, in addition to being seen as providing premier customer service, we were able to actually make a few dollars on the delivery itself.”

These retailers also implemented a variety of operational strategies in their traditional brick and mortar stores due to the paralyzing impact of the pandemic on customer traffic. Customers that were brave enough to come into the store were asked to wear masks and 80% of the study participants provided hand sanitizer bottles in the store – some at the entrance, others at the check-out, and a few retailers provided them in both areas. Two of the participants created hand washing stations as their business centered around outdoor activities. Two thirds of the participants redirected the traffic flow to minimize customer contact with one another and all but two of the participants utilized signage to instruct their customers to keep six feet away from other customers.

Regarding the six-foot rule, the owner of an orchard in central Pennsylvania noted: “We took the lead of other retailers but, honestly, keeping customers six feet apart was more or less regulated by the customers themselves. Policing customers was not how we wanted to be perceived so we think the signage provided ‘permission’ for customers to self-enforce”. An owner of a vineyard, in Maryland stated, “We really had to respond to the customer. Frankly, they were demanding that we adhered to a policy of mask wearing for our customers when they were indoors. Even after the government removed the mask mandate, customers overwhelmingly wore them and, maybe due to peer pressure, seemed to convince others to wear them.” It appears that, at least some of the participants felt that requiring customers to wear masks was not only tolerated, but embraced.



## **Employee Policy**

Just as the customers had valid concerns surrounding the spread of COVID-19, employees also felt anxiety and, in some cases, consistent low-level fear. Personal Protection Equipment (PPE), including gloves and face masks were supplied to employees of all of the businesses that participated in this research. Twelve of the businesses in the study erected plexiglass barriers between employees and customers in places like service cases and checkout areas. One orchard owner from Virginia stated, “At first it felt weird. Here we were erectly barriers when, for years, our hope was to tear them down, to build relationships. The barrier went against everything we want to create with our customers.” This sentiment of protecting customers and employees was necessary but difficult for several owners. An owner from a butcher shop in PA offered, “Health comes first, but standing behind a sheet of plastic sure was off-putting.” Thirteen study participants required their employees to self-administer their own body temperatures using a mobile thermometer before starting their work shift. Although, of all of the PPE, temperature taking was the most nebulous practice in terms of start and stops dates and duration of the practice.

Fourteen of the 20 participants imposed new travel policies on their employees. As a Virginian gift basket business owner noted, “The pandemic showed us how vulnerable we really are and the reality is that there may be future strains of the disease or another disease that is not yet in existence. We will continue to tweak employee policies so that should another outbreak occur, we have something in place.” Most of the policies discouraged domestic travel and forbid international travel. Of those participants that did create travel policies, most required at least a two-week transition period before their employees were welcomed back to work. This policy was not always popular with employees. One owner of a butcher shop in Virginia commented, “I had a few employees that were that thrilled about the policy. They had vacations plans out of state and could not afford to take an additional two-weeks off with no pay. We were stuck with a decision. We decided to pay the employee for the extra mandated time off.” The owner of a specialty food retail store in Delaware revealed, “I am pretty sure that employees were not always forthright about going away for long weekends. We didn’t ask and they didn’t tell.”

During the pandemic, keeping current employees and finding new ones became a challenge for all but one participant. In some cases, at the very start of the pandemic, some very good, long-term, employees left their positions permanently and, in many instances, not to return. These employees tended to be elderly or were mothers of small children. For employees that did contract COVID-19, a longer return to work policy allowed employees time to transition back to work. Six study participants initiated creative perks and activities, including Pizza Fridays, and extra bonuses, to retain employees and lift employee morale.

## **Marketing Strategy**

Fourteen of the interviewed participants created events to entice customers to visit their businesses. Examples include sample tastings, seasonal activities including hayrides, behind the scenes learning opportunities, and springtime planting classes. One independent grocery store owner from central Pennsylvania actively reinvented themselves to become more of a destination spot by, “adding museum elements of historical interest to visitors.” They provided a “more engaging experience by recreating a market scene from an earlier era in their long history.” This historical

addition, complete with photos and actual business artifacts from the 1970s' was meant to create a community feel in spite of the difficulties and separation caused by the pandemic. Four of those interviewed added at least one distribution channel, moving products to their customers through food trucks, mobile retail locations, and through market stands at farmer's markets and roadside stands. Two owners of a specialty food store and distillery in Pennsylvania even participated in local holiday parades to "keep their business on people's radar" and to "show that we are continuing to invest in the community. We are here, we are local, and we will remain." As mentioned, most of the participants leveraged the intimacy that can come with a smaller, more intimate retailer.

Almost every retailer interviewed told us that they took advantage of the uncertainty surrounding the marketing environment during the pandemic as an opportunity to review their promotional activity. Half of the retailers increased their overall advertising spends. Ten retailers added at least one new social media channel and nineteen participants increased their use of social media to reach customers and inform them about their products as well as procedural responses to the pandemic. Six of those interviewed also took time, during the pandemic, to work on their websites. Many of the changes on the websites were made to incorporate online ordering or selling but two customers embarked on a major revamping of their site.

Increasing word of mouth became a priority for the owner of a Pennsylvania vineyard that took "to the streets, passing out menus and rack cards – actually talking face to face to potential customers." One meat market owner from Virginia recalled his strategy during the winter of 2020. He mentioned, "Traditionally, we sell a lot of oysters in the winter. This year I took to the radio, talked about oysters to as many people as I could, and even keep a dozen quarts under refrigeration in my truck, attempting to sell them to employees of the local restaurant where I eat lunch and the bank employees where I do my banking. I sold more oysters than any other winter, by far."

Customization was another strategy used by several of those that were surveyed. One specialty food retailer from Maryland stated, "The one thing we have is local and local means small, and small means nimble. The news was filled with businesses that were pivoting and I thought, heck, we can pivot. So, we developed customization strategies that we knew the big guys couldn't copy." Instead of selling in traditional sizes or standard flavors, many of those interviewed described ways in which they customized. One gift basket owner stated, "If they ordered a coffee and want specific coffees in the basket, we did it even if we had to operate under a lower profit margin for that particular customer."

Many of the retailers that participated in this study collaborated with other businesses. In almost every case, businesses joined area chambers and business economic groups or increased their participation within those business organizations with whom they already belonged. Participating in these group events provided the retailers with (a) opportunities to promote their business and sell their products, (b) valuable information about current pandemic regulations and useful tips on surviving through the remainder of the pandemic, and (c) hope from other members that were also struggling. One participant who owned a gift basket business in Pennsylvania said it this way, "At

the end of the day, it was just important to know that we were not alone. Being a part of like-minded people helped me immensely.” The help from outside partners was of extreme importance to many of the study participants. Some of the chambers held regular Zoom meetings to keep their members abreast of the latest pandemic news. One participant who owns an orchard in Pennsylvania praised the local Chamber of Commerce, stating: “When things were shut down, the Chamber of Commerce really stepped up to the plate. They offered virtual meet-ups and meet and greets to keep the ball rolling.”

Other collaboration centered around formal associations, business consultants, and banks and credit unions – all whom have vested interest in the survival of the business. Not only did chambers and other business actors play a valuable role with those that were interviewed, but ten of the participants also created informal alliances with like businesses in other non-competing areas. One Virginia vineyard owner stated, “We partnered with anyone that we thought could help us and with whom we could reciprocate. It has worked well and I can see those relationships continuing.” The owner of a Pennsylvania orchard, who collaborated with other orchards in other states said, “Within the farm market community, there is a friendly competition and I would say a very healthy collaboration as we have navigated through this pandemic.”

## **Managerial Implementation Moving Forward**

The pandemic created the need for local food retailers to implement rapid changes if they were to survive. Now that the pandemic is officially over these retailers are assessing which changes, made to survive the pandemic, will remain. Surprisingly, one retailer has eliminated all the changes they made during the pandemic. They feel as though business was optimal before the pandemic and believe that consumers desire their prior business model. However, the other 19 participants have retained several changes and believe that their businesses, and the customer, will benefit in the long term.

Maintaining memberships in chambers and other business groups is a high priority for local food retailers as many of the participants found great value in these groups. Not only were these professional groups helpful in terms of providing information and sales outlets, but many participants appreciated the emotional support they received during times of uncertainty. However, meeting in person still has its challenges so 14 of the participants expect to participate with these business groups online.

While employee travel restrictions have been lifted by all of the retailers in the study, a few of them are still seeking to redefine the return-to-work policy. The owners realize that they need to upgrade their human resource policies to protect their businesses, customers, and employees, but also do not want to be overreaching in terms of travel restrictions and mandatory time off should a future pandemic occur.

One way that several of the participants plan to mitigate the risk of being so vulnerable is to hold more inventory and to purchase supplies from multiple suppliers. One Virginian food retailer stated, “The supply chain is a fragile, and crucially vital, part of our business; we can never put ourselves in the same position again.” Another part of the distribution channel, how the retailer

distributes their products to the customer, is also on these retailer's minds. Sixteen of the participants now sell products online either through their own website or through another retail site like Amazon.

Six of the participants still offer home delivery and 12 participants still offer curbside pickup. Most of the participants have opted to go back to their old store layouts but three plan to maintain the new layout. They mention that it is "more efficient" and "lessens the opportunity for shoplifting".

Every participant is planning to continue using more social media channels, more often. This is understandable given the value they saw in connecting with present and future customers. Two of the participants have hired in-house social media managers or have outsourced to a freelance social media specialist to manage their accounts. However, the rest have designated an employee that has other responsibilities, the duty of creating content, posting that content, and providing back-end analytics to manage their social media marketing efforts.

Lastly, most of the study participants have increased their community involvement efforts to become more visible and to reinforce their commitment to the local community by way of participation in local activity and through providing educational and inspirational events, useful not only during a pandemic but as a way to compete against the large retailers that put pressure on smaller local food retailers.

## **Discussion**

The researchers sought to examine how small value-add retailers have changed their retailing strategies and tactics brought on by the COVID-19 pandemic. Indeed, the coronavirus impacted each of the businesses represented in this study, some more severely than others. Small food retailers that conduct much of their business outside, such as orchards and vineyards, had the luxury of their employees working outdoors and the impact to the employees, was different than, for example, a butcher shop that houses their employees in a more confined space. However, in all cases, the actual brick and mortar component of the retail structure, where customers enter a building and interact with employees around service counters and checkout counters, was similar.

Each local food retailer responded to the onslaught on the pandemic in a multitude of ways, not only to comply with the legal mandates, but as a way to compete with other retailers – both brick and mortar and online. The strategies that remain going forward have two things in common – they are sustainable from an operational perspective and they are useful in some marketing sense. For example, increasing the use of social media is sustainable as each retailer has created a role for an employee that can consistently manage their social media efforts and, from a marketing perspective, using social media is an effective and relatively easy and inexpensive way to engage current and future customers.

## **Conclusion**

While the study participants developed a number of unique strategies to deal with an adverse situation, the majority of them ended up with increased sales during the pandemic, after an initial

decline in sales and an increase in expenses. Many of the businesses found additional revenue streams online, through other distribution points, and through collaboration with other businesses.

The bottom line for many of these retailers is that the pandemic has given them an opportunity to put into practice several of the main competitive advantages they possess. These small local food providers and retailers were reminded through the difficulties they endured that they have a message that is not able to be replicated by larger corporate stores. They can be so much nimbler than the larger chain and big box stores. They can provide customizable products that add-value to their customers. They can build on the relational component of doing business with local community members. They have a huge tool to market themselves and drive home their own unique selling propositions – social media.

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## **Appendix A**

Q1. How has the coronavirus impacted your business?

Q2. What strategies or tactics have you implemented to remain viable and relevant to your customers?

Q3. Which of these strategies and tactics do you plan to retain moving forward?

Q4. What additional strategies or tactics are you considering as a result of the resurgence of various COVID-19 variants?

Q5. Have you garnered support during the onset of the pandemic from local chambers of commerce or a trade association of some sort? Have you created your own alliance with similar retailers?

Q6. How do you think your competitors will respond to your strategies and tactics?

Q7. Why will customers continue to support you as opposed to switching to a competitor?

Q8. In general, how are you dealing with the national/big-box competitors, as well as other small competitors?