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[Review]

## The Negative Effect of the Covid-19 Pandemic on the Acceleration of Startup Innovation in the Retail Supply Chain

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### Abstract

**Purpose:** The covid-19 pandemic has led to the implementation of strict measure such as social distancing and lockdown around the globe and these measures has largely affected the retail industry. This study is to examine the negative impacts of the covid-19 pandemic on the acceleration of startups innovation in the retail industry. **Research design, data and methodology:** The current authors used the qualitative content approach and the data collection process in this procedure starts with a formulated and direct research question which means that rather than asking how a change in one variable leads to a change in the other, the research question seeks to understand the meanings and experiences derived from the piece of communication. **Results:** This section outlines how retail companies can overcome the adversely effect of the Covid-19 pandemic on the acceleration of startup innovation in the retail industry. The solutions are mostly from peer-reviewed articles. All retailers should respond to the negative impacts of the covid-19 pandemic to ensure their continuity while accelerating startups innovations in the sector. **Conclusion:** This study implies that the retailing industry, alongside other sectors, should respond to the negative effects of the covid-19 pandemic by encouraging innovations and adaptations. The study has shown that flexibility is very crucial to adapt during the crisis

**Keywords:** Covid-19 Pandemic, Startup Innovation, Retail Industry, Supply Chain Management

**JEL Classification Codes :** D81, L81, M13, J22

### 1. Introduction

The covid-19 pandemic has led to the wide closure of several stores and businesses worldwide. Several businesses, including stores and factories, have closed or scaled down their operations due to policy mandates or a decrease in demand (Kalogiannidis & Chatzitheodoridis,

2021). Covid-19 has significantly disrupted the retail sectors including consumer behavior, product demand, retail store, and factory and logistics services availability. The retail industry was forced in the short term to be more concerned with the safety and health of its employees, supporting the increasing demand for food due to the lockdowns alongside the pressures from the supply chain. The sectors had to improve their physical spaces and management of their workforce besides overburdening their workers towards ensuring they cope with the business environment's challenges (Soto-Acosta, 2020). The negative impacts of the pandemic on the retail industry have shown the need for developing strategic business solutions and plans which aimed at ensuring business continuity and sustainability in the event of any future disaster. Since the retail industry was hit hard by the pandemic, the acceleration of startup innovations in the sector had greatly reduced. This research aims to determine

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the bad effects of the covid-19 pandemic on the acceleration of startup innovations in the retail industry. It will also outline the feasible solutions enabling retail industries to overcome the negative impacts of the covid-19 pandemic.

The covid-19 pandemic has led to globally implementing strict measures such as social distancing, lockdowns, and barring international flights, largely affecting the retail industry (Xu, Elomri, Kerbache, & El Omri, 2020). Social distancing, lockdowns, self-isolation and travel restrictions have forced the retail industry to decrease its workforce and manufacturing. The restrictions led to a significant decrease in the market value of the retail sector. Startup innovations, especially in the retail industry, play a crucial role in economic growth and job creation; however, the covid-19 pandemic has negatively impacted the sector, reducing their creation, challenging their survival, and limiting their growth. Since the pandemic outbreak, business registrations have greatly been decreasing over the past months. Most startups have faced several challenges due to the pandemic since they are more vulnerable than the existing business due to the shock brought by the crisis (Kawamorita, Salamzadeh, Demiryurek, & Ghajarzadeh, 2020).

The objective of this study is to examine the negative impacts of the covid-19 pandemic on the acceleration of startups innovation in the retail industry. This study will assist retailing companies in identifying the impacts of the pandemic in the retail sectors. It will also assist in identifying the feasible solution that retailing companies can implement towards overcoming the negative impacts of the pandemics on the acceleration of startup innovations in the sector. This study is crucial in assisting retailing companies in ensuing continuity and sustainability in the event of any economic crisis in the future. This study has filled the gap by addressing the pandemic's negative impacts, particularly in the retail sectors, alongside offering the appropriate coping strategies.

## **2. Literature Review**

This section identifies the key themes and findings regarding the bad effects of the covid-19 pandemic on the acceleration of startups in the retail industry. The past literature was identified through a systematic literature review using a combination of academic search engines. The literature reviews entail using only peer-reviewed articles to ensure that only credible sources are used in the study. The peer-reviewed journals are utilized in guiding expectations and likely results of this study. The review looks into the covid-19 pandemic and the impact of covid-19 on the retail sector alongside identifying solutions to

overcome the challenges. The chapter also highlights the research gaps while criticizing the existing literature towards justifying the current study.

### **2.1. Covid-19 Pandemic**

The first case of covid-19 was first reported in Wuhan, China in December 2019. The novel coronavirus variant causes the disease. Since the first outbreak of covid-19 in China, the disease has rapidly spread across the world, thereby infecting millions of persons besides causing several deaths and economic disruptions (Leite, Lindsay, & Kumar, 2020). It is an airborne disease that is rapidly transmitted from one individual to another. It causes mild conditions and can result in more severe illness, causing acute breathing difficulties. Its symptoms in humans entail respiratory symptoms such as fever, cough, and shortness of breath. It can result in pneumonia, a severe acute respiratory syndrome that can easily result in death. Several restrictions were implemented globally towards minimizing its spread, such as social distancing, washing hands, using sanitizer, covering the mouth while coughing, and wearing surgical masks (Wimalawansa, 2020).

### **2.2. Retail Sector**

According to the study (Amasiatu & Shah, 2018), the retail industry employs over three million employees, therefore, very crucial to the United Kingdom economy. In 2019, the retail sector generated 394 billion euros worth of retail sales. The industry accounts for approximately 5% of the gross value added in the United Kingdom economy. Larger retailers in the United Kingdom make up 14% of the total United Kingdom investment. According to the study (Pantano, Pizzi, Scarpi, & Dennis, 2020), the retail industry is recording sales growth since the unlocking of the economy by lifting the covid-19 rule and regulations. However, the greatest growth is achieved by the biggest online retail stores. There are various retail companies in the United Kingdom, such as Tesco, Sainsbury's, Walmart, and so. The retail industry in the United Kingdom is mostly dominated by supermarkets (Kalogiannidis & Chatzitheodoridis, 2021).

According to the study (Walker, Gowland, & Points, 2018), leading retail companies face many uncertainties; however, they are great working towards implementing strategies enabling them to sustain their operations after the disruptions by the covid-19 pandemic. Their workers are great to higher risk, and most of the goods sold are essentials, implying that non-essential products expire in the stores. Likewise, Nash (2019) insisted that retailers must adopt strategies aiming at guaranteeing the protection of their employees while ensuring their business continues as

normal regardless of the impact of the pandemic. Retailers should consider how they handle their employees during the pandemic besides just designing crisis communication strategies. Soto-Acosta (2020) stated that retailers can utilize their stores to educate customers about their products, improve their brand image, and enhance online sales.

### 2.3. Negative Impacts of Covid-19 on Retail operations

According to Naeem (2020), the covid-19 pandemic has negatively impacted business globally. Economically, consumers have been constrained by the covid-19 pandemic, thereby reducing their buying behavior on the retail outlets, thus leading to a decrease in sales and lower earnings. The announcement of the lockdown in March 2020 by the United Kingdom government led to a significant loss in their physical stores compared to the online stores of the retail sector. Sales revenue of the United Kingdom retail outlines greatly dropped due to the pandemic. Likewise, many jobs were lost due to the pandemic, as more than 125000 United Kingdom retail agents lost their jobs (Naeem, 2020). The total retail sales volumes decreased by 1.9% in 2020 compared with 2019 making the highest decrease in the decade. Generally, online sales increased by at least 33%.

Crick and Crick (2020) found that the covid-19 pandemic alongside the public health response greatly impacted the global economies. The pandemic has affected the retail industry due to the lockdown restrictions and social distancing, thereby leading to the changes in the goods and services consumed alongside consumer behavior. Therefore, some retail sector areas recorded worse sales than others (Crick & Crick, 2020). Similarly, According to Williams and Kayaoglu (2020), policy measures imposed towards minimizing the spread of the pandemic lead to the closure of non-essentials retail stores in March 2020. However, the non-essential retailers were later allowed to reopen but with several restrictions. The stores were ordered to close again as the pandemic worsened. It leads to a decline in the total volume of retail sales, especially for the non-essential retailers. Online retails sales began increasing highly following the rise of the pandemic as consumers switched to online shopping. The volume of sales reduced by approximately 4% when the second lockdown was introduced.

### 2.4. Negative Impacts of Covid-19 on Consumer Behavior

The covid-19 pandemic led to the implementation of lockdowns and social distancing, thereby affecting

purchasing patterns of consumers. Individuals have learned new ways of living the new normal. The lockdowns and social distancing alongside a stay-at-home order prevented consumers from visiting the physical retail stores. As a result, buying behaviors greatly changed as most consumers began ordering essentials commodities online. The restrictions greatly reduced sales recorded by the retailers. Customers turned towards buying less expensive commodities alongside the essentials goods leading to a decrease in customer loyalty. Most customers focused on their health first, thus shifted towards retailers offering online retail selling. However, most retailers did not have strong online shopping platforms during the time. As a result, most retailers began implementing and enhancing their online shopping platforms.

**Table 1:** The changes in consumer behavior due to the pandemic.

|                            | 2018  | 2019  | 2020  |
|----------------------------|-------|-------|-------|
| Retail ecommerce sales     | 18.0% | 21.8% | 27.5% |
| Retail non-ecommerce sales | 82.0% | 78.2% | 72.5% |

According to the prior research (Ogundijo, Tas, & Onarinde, 2021), the level of competition greatly increased while demand greatly decreased; therefore, online well-established retailing companies in the sector could benefit from the few demand available. According to Griffith, Levell, and Stroud (2020), few retail companies developed agile, high-performing digital selling platforms and greatly benefited from the online shopping shift. However, most of the retailers that focused on physical stores were greatly negatively impacted. Likewise, retailing companies not dealing with inessential goods scaled down their operations or closed their physical stores due to the sharp decrease in the demand caused by the covid-19 restrictions by the government (Ogundijo et al., 2021). As a result, most retailers began recording decreased sales revenue, decreasing their capability to invest in new product development and innovations. Covid-19 has negatively affected small and medium-sized enterprise performance globally. The investment and retail sales have decreased by at least 13%, while the unemployment rate has increased by 6% due to the covid-19 pandemic. Likewise, Sayyida, Hartini, Gunawan, and Husin (2021) figured out that Online retails sales in the United Kingdom increased by 5.7% from the previous year to 27.5% in 2020. However, retail sales in physical stores decreased from 78.2% to 72.5% in 2020. The table 1 shows the changes in consumer behavior due to the pandemic. There was an increase in online sales than physicals retail stores sales. Since 2018, retail e-commerce

has been increasing while non-e-commerce retail sales have been decreasing (Sayyida et al., 2021).

### 2.5. How to Fill Insights in the Literature

A research gap is a question or a problematic issue that any existing literature has never dealt with within such a field. At some moments, a research gap would exist when there is a new impression or perception that has never been deliberate at any given time (Witteman, Hendricks, Straus, & Tannenbaum, 2019). Most of the review literature has mainly discussed the widespread impacts of the covid-19 pandemic on the economy. The reviewed articles were found to have limited information specific to the impact of the covid-19 on the acceleration of startup innovation in the retail sector. Therefore, it shows few empirical studies on the acceleration of startup innovation in retail sectors alongside the impacts of covid-19 on such startups. Most of the studies did not expand their study on the strategies for overcoming the negative impacts of the pandemic on the sector. Some studies have shown that covid-19 negatively impacted industries globally. Some studies were based on the healthcare sector thus cannot be generalized to the accelerations of startups innovations in the retail sector (Witteman et al., 2019). Likewise, there is little research on how retailing companies can overcome the bad effects of covid-19 on the accelerations of startup innovations in the retail sector. Therefore, this study works towards filling that research gap.

**Table 2:** Effect of Covid 19 Pandemic on Retail Sector

| Negative Factors  | Outcomes   |
|---|--|
| Constrained Consumers   | Consumers have been constrained by the covid-19 pandemic, thereby reducing their buying behavior on the retail outlets, thus leading to a decrease in sales and lower earnings.  |
| The covid-19 pandemic alongside the public health response            | Public health response greatly impacted the global economies. The pandemic has affected the retail industry due to the lockdown restrictions and social distancing, thereby leading to the changes in the goods and services consumed alongside consumer behavior. |
| Policy measures imposed towards minimizing the spread of the pandemic | It leads to a decline in the total volume of retail sales, especially for the non-essential retailers. Online retail sales began increasing highly following the rise of the pandemic as consumers switched to online shopping.                                    |

In addition to that, there might probably be inhabitants that have never been well deliberated. As already mentioned, most of the previous research has been basing their studies on other research gaps than the negative effects on the acceleration of startup innovation in the retail supply chain. As such, one would conclude that there has been no research about the acceleration of startup innovation in the retail supply chain ("Europe PMC," n.d.). An individual would conclude that there has not been enough research on the retail supply chains, so the reason for concluding that it emerges as a research gap. Likewise, there has been little or no research about the negative impacts of Covid-19 on such retail supply chains. However, there have been numerous researches about the impacts of Covid-19. Therefore, further research is needed on these retail supply chains (Röösli, Rice, & Hernandez-Boussard, 2020). Moreover, in this research, there is a peculiar thing about accelerating the startup innovation on the same. Whereby there has never been any of such a kind before.

**Table 3:** Effect of Covid-19 Pandemic on Customer Behavior

| Consumer Behavior                                | Outcomes   |
|--|--|
| Shifting to the Online shopping                  | Most retailers began implementing and enhancing their online shopping platforms and level of competition greatly increased while demand greatly decreased; therefore, online well-established retailing companies in the sector could benefit. |
| Not preferring physical shopping                 | Few retail companies developed agile, high-performing digital selling platforms and greatly benefited from the online shopping shift.  |
| Turned towards buying less expensive commodities | Most retailers began recording decreased sales revenue, decreasing their capability to invest Covid-19 has negatively affected small and medium-sized enterprise performance globally.   |

### 3. Research Design

The content analysis method was conducted as a research methodology for the present study and this method was developed as an objective and systematic way of analyzing the content of communication and has been taken up by many disciplines. While it is important, the method is used to summarize and describe verbal material and draw inferences from the material on its meaning and effect. Apart from the frequency of words, themes, and concepts, the method also connects them. The method goes beyond deriving the lexical meaning of terms, themes, and

concepts to consider their context and origin circumstances. Qualitative content analysis is based on interpreting written material using classification procedures to code and recognize styles (Hsieh & Shannon, 2005). The method provides a means through which phenomenon is analyzed and described through the context within which the data is supplied. Through this method, data can be decomposed into the fundamental ideas explaining the research phenomenon (Choi, 2021).

Qualitative content analysis can either be conceptual or relational. Conceptual analysis examines certain concepts that are inherent in the data. The goal of conceptual analysis is to identify terms in the data related to a certain concept. The terms may be implicit or explicit. Explicit terms appear on the surface and are easily identifiable, while implicit terms are more difficult to code and require subjective interpretation. While both implicit and explicit terms play a role in analyzing a given artefact, it is important to understand that implicit data is subjective and dependent on the researcher's interpretation (Elo & Kyngäs, 2008). On the other hand, relational analysis begins by examining a particular concept. However, it goes further to explore the relationship between concepts. It is based on the premise that concepts have no meaning other than that which is derived from their relationship with other concepts.

The data collection process in qualitative content analysis starts with a formulated and direct research question. The research question in a qualitative content analysis seeks to describe phenomena rather than explain the phenomena. Rather than asking how a change in one variable leads to a change in the other, the research question seeks to understand the meanings and experiences derived from the piece of communication. The research question in qualitative content analysis seeks to identify casual relationships by asking about the experience, understanding, and meaning rather than how one concept causes the other (Hong, 2021; Kang, 2020).

The data collection process begins by identifying the content that will be analysed. The researcher needs to identify the medium containing the verbal communication to be analysed and the genre of the verbal communication. For example, the medium could be peer-reviewed articles, while the genre could be political speeches. In some instances, the amount of communicated material to be analysed is relatively small, in which case, all the material is analysed. However, if there is a large amount of material to be analysed, a sample may be selected. Rather than sampling people or products, content analysis involves sampling content (Lee, 2021; Richard & Kang, 2018; Woo, 2021).

The current authors obtained the textual data through web QDA (Qualitative Data Analysis) software tool because it provides correct texts to analyse and enables

researchers to correct right textual themes for the research topic. For this reason, we could obtain suitable data which provides a high degree of validation, accessing emerging prior studies and items to be provided research solutions for the present study.

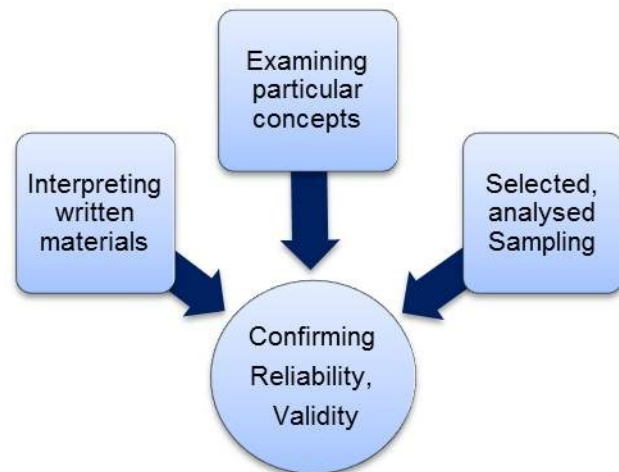


Figure 1: Validation of Qualitative Textual Data Collection

### 3.1. The Reason why this Qualitative Content Analysis is suitable for this research

This type of analysis uses subjective judgment to analyze an organization's values or projections based on information that cannot be quantifiable, like management know-how, such as administration expertise, business sequences, the strength of an investigation and expansion, and work relations. However, this type of analysis differs from quantitative analysis, which focuses on numeric found in reports like balance sheets. Therefore, qualitative skills are those that cannot be measured but are observable.

Hence, for this reason, the employment of these skills as far as this research is concerned has various importance and reasons. For one, the information allows the user to explore numerous ideas and further explain the quantitative skills (Wahbeh, Nasralah, Al-Ramahi, & El-Gayar, 2020). Moreover, it would be used to define a research question and determine the best data collection methods for your research question, whereby there would be leading research questions and neutral research questions (Webber-Ritchey, Simonovich, & Spurlark, 2020). Additionally, it would assist in the development of a cohesive interview guide, staying neutral such that the participants would be let to share their stories freely, doubling up or ensuring that teamwork is embraced. Finally, it would be an important tool in analyzing of the results. The analysis is also important in this study because it deals with intangible information that is not exact and can be difficult to collect

and measure at some point. Again, another reason is that the research deals with people and organization's company structures which are the fundamental requirements for such analysis. Viewing at an organization via the eyes of a client and then understanding its competitive advantage helps in qualitative analysis.

## **4. Solutions**

This section outlines how retail companies can overcome the bad effect of the Covid-19 pandemic on the acceleration of startup innovation in the retail industry. The solutions are from peer-reviewed articles and are specifically for retail companies. All retailers must respond to the negative impacts of the Covid-19 pandemic to ensure their continuity while accelerating startups innovations in the sector.

### **4.1. Shifting from Business Continuity to Crisis Management**

It is crucial for every retailer, especially during the covid-19 crisis, to revisit its business continuity plans towards reassuring their customers, employees alongside managing the inevitable supply chain constraints and demand shocks. Retail companies should prioritize critical business activities and create contingency plans for any possible disruption, including the current pandemic (Fabeil, Pazim, & Langgat, 2020). Every retailer must plan and implement flexible and effective crisis management to overcome the pandemic's negative impacts. Likewise, the management of various retail companies should respond to the actual situation facing the company daily.

They should ensure that the company adapts to the ever-changing environment, thus minimizing the negative impacts of the crisis on startups innovation in the sector. Every retailing company must take a control tower approach by building contingency planning based on key information and decision-making towards ensuring sustainability (Fabeil et al., 2020). For instance, retailers should decide every day the number and location of stores to keep physically open. It is crucial to close some stores where other stores can serve customers due to supply constraints and decreased staff.

Retailers can also close stores in areas with extreme competition. Crisis management planning entails developing a plan assisting retailers in identifying potential threats as they plan and game the company tasks, information, and communications crucial for mitigating such threats. It also entails being better equipped to respond to particular incidents effectively (Boyacı-Gündüz, Ibrahim,

Wei, & Galanakis, 2021). Retailers must devise strategies towards coming out of the uncertain conditions alongside deciding on the future actions for continued performance. It is crucial for taking necessary precautions or any future crisis. It is essential to establish a crisis team coordinating responses efforts towards ensuring business continuity. The crisis team should review crisis and business continuity plans while developing plans for any future disaster, especially for critical roles (Dyatkin, 2020). There is the possibility of some employees falling ill or not performing their job due to the impact of the crisis; it is crucial to have contingency plans for their roles.

### **4.2. Switching to E-commerce and Digital Experience**

The importance of online presence for selling products became evident as the physical stores closed. It implies that retail companies should enhance their e-commerce and digital presence for all stores. Retailers can develop a website that potential clients can easily access and navigate (Moşteanu, 2020). Likewise, retailers should develop an application enabling consumers to view and purchase items from their convenient places. The application will assist in increasing acceptability for customers, thereby increasing sales and revenue. Moreover, retail companies should enhance their marketing efforts, especially social media marketing, to enhance new customer acquisition. The techniques are crucial in increasing the company's revenue, which can accelerate startup innovations in the retail sector.

Retailing companies should also reskill their retail workforce towards assisting them in improving online sales. Retail Company's human resource departments should recruit or identify employees with online business skills. The department should also identify retail employees without adequate e-commerce business skills and organize adequate training and development to ensure that physical retail stores do not face interruption when dealing with online sales (Fabeil et al., 2020). Reskilling retail employees is crucial in enhancing their skills and knowledge of helping customers with their online shopping experience.

Likewise, retail companies should develop customer-friendly applications for their online clients to enhance their online shopping experience. The techniques are crucial in increasing brand awareness and loyalty, enabling retailers to be competitive effectively. Social media marketing leads to greater customer accessibility alongside improving communications channels. Retailers will be capable of overcoming geographical limitations alongside the lockdowns and restrictions imposed due to the pandemic. By embracing online retailing, retailers will have easy access to the market, reduce overheads, and widen their

market due to the high growth potential resulting from e-commerce (Drummond, O'Toole, & McGrath, 2020). However, companies have to implement high-security mechanisms in their online systems to avoid fraud and cyber-attacks.

### 4.3. Reassessing Inventory and Employees

Most companies were forced to lay off most its employees to enable them to remain operational during the covid-19 crisis. Essential retailing stores such as supermarkets and drug stores were allowed to open; however, they still struggled due to decreased customers leading to decreased revenue while stilling incurring similar expenses. As a result, they ended up laid off non-essential employees. Reducing employees assist in cutting the overhead cost freeing up funds invested in technological advancement towards accelerating startups innovations in the sector (Mather, 2020).

Likewise, companies must reassess their inventory management to reduce costs relating to the supply chain alongside reducing the number of stocks. Retailers must understand the kinds of goods with higher demand during the pandemic (Schleper, Gold, Trautrim, & Baldock, 2021). The companies can increase the items in high demand while decreasing items with less demand. It is crucial to review workforce location and travel. Retailers should focus on establishing where staff is and the number of employees in vulnerable locations. Retaining essential employees while stocking highly demands goods is crucial for increasing their revenue (Nilufer, 2020). It will assist the store in evaluating overall employee performance towards increasing business performance. It is also crucial to empower employees through engagement technology. Employees require access to customer data enabling them to serve every customer better, thus enhancing overall sales.

### 4.4. Mergers and Acquisitions

The retail industry is highly competitive, especially during the Covid-19 pandemic that has led to decreased demand. The Covid-19 pandemic is more likely to reshape the retail industry completely. Therefore, smaller and less profitable retailing companies must merge towards creating larger companies that are more profitable. Most retailing brands are struggling due to the pandemic; however, merging will assist in increasing their customer base while also increasing their opportunity of leveraging individual success towards creative and more profitable business plans even though the Covid-19 pandemic has hardly hit the retail sector. Proper planning will enable the retailer to increase its efficiencies and flexibility in the future. Generally, companies merge towards sharing information, technology,

and other resources, thereby increasing the company's overall strength. Mergers are very useful in overcoming existing challenges, reducing weaknesses, and gaining a competitive advantage. By merging, retail companies will increase their market share, which is crucial in gaining economies of scale towards increasing their profits (Christofi, Leonidou, & Vrontis, 2017). It implies that there would be more funds to invest in startup innovations in the retail industry.

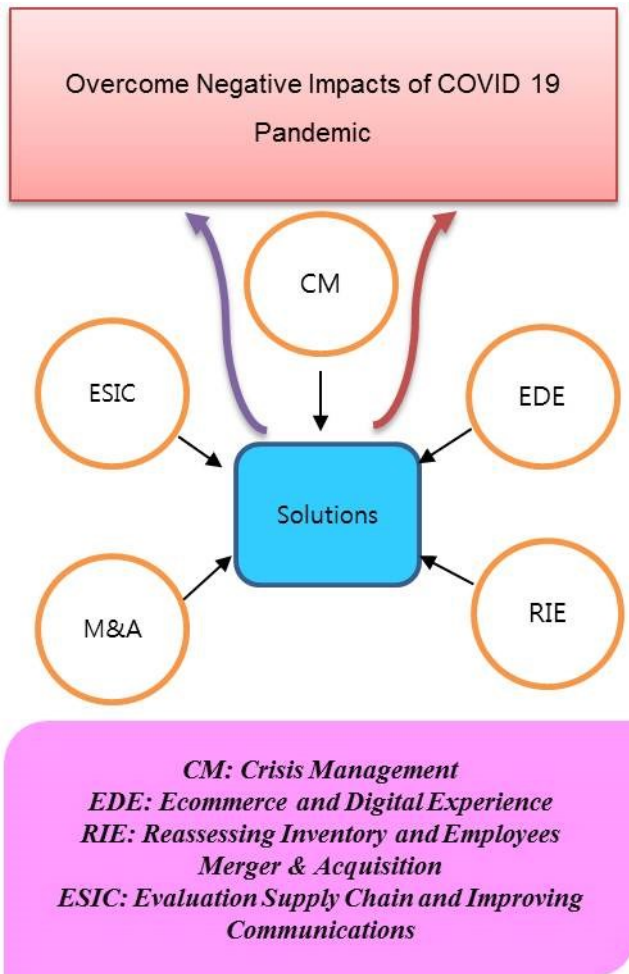
Mergers and acquisitions are very crucial for the retailer to increase their innovation. It is assisting obtaining quality employees, industry knowledge alongside other business intelligence. However, it is crucial to merge with businesses that complement organizations and adapt to running a larger business (Lasak, 2021). Mergers also would be crucial for assisting retailers in accessing funds or valuable assets for their new development. It will assist retailing companies that are underperforming during the pandemic improve their operations since expanding internally would be very difficult. Product diversification also results from margining and acquiring other companies within the retailing sector while reducing the company's level of competition (Avinadav, Chernonog, & Perlman, 2017). Generally, mergers and acquisitions in the retail industry are crucial for struggling retailers as they will be capable of implementing their strategies faster, which can greatly accelerate startups.

### 4.5. Evaluation Supply Chain and Improving Communications

Understanding the supply chain will assist retailers in identifying potential vulnerabilities in their operations. Retailers should begin by evaluating the supply chain of their most critical products beyond the first and second suppliers. Evaluating the supply chain is crucial in developing a contingency plan, especially when the business suppliers get affected by the lockdown and travel restrictions imposed during the pandemic or crisis (Mahmud, Paul, Azeem, & Chowdhury, 2021). For instance, retail industries in China have switched to suppliers from other countries such as South Korea since their suppliers from the United States and the United Kingdom were negatively affected by the covid-19 restrictions, especially the air travel ban.

Likewise, it is crucial to get communication right during a pandemic by ensuring effective and accurate. It is crucial to keep employees informed about the relevant strategies and steps taken by the company. Communication should be enhanced even for the supply chains. More creative ideas can be brought to the table, thereby increasing innovation in the retail industry by ensuring proper communication between external suppliers and stakeholders. Improving

communication is crucial for supply chain success (Stacho, Stachová, Papula, Papulová, & Kohnová, 2019). It is crucial to prioritize stakeholders and suppliers alongside evaluating their impacts on the company if they stop supplying. It is crucial to always have options by having different potential suppliers. Having a single supplier can be very disastrous in the event of a crisis. Communication is crucial in the success of the supply chain as it makes it faster, more efficient, and effective. It entails communicating the best standards, practices, and priorities.



**Figure 2:** Solutions based on Content Analysis

Likewise, it also assists in understanding customers' needs, which is crucial for enhancing innovations in the retail sector (Bheekhar, 2021). Retailers can use telework tools to enhance communications. The Covid-19 pandemic has made it difficult to have physical meetings, especially for larger retailers. As a result, most companies switched to online meetings such as zoom, Google meet, etc. Consistent and effective communication with retail employees can

strengthen the company besides enhancing its culture (Luthra, Mangla, Chan, & Venkatesh, 2018).

**4.6. Combination of the Solutions**

The retail industry should use the five solutions to overcome the negative impacts of the Covid-19 pandemic on the acceleration of startup innovation in the retail supply chain. For one reason, merging and acquisitions would enable the merged businesses to enjoy more business benefits than the retail supply chains could have been enjoyed solely (Suresh, Sanders, & Braunscheidel, 2020).

**Table 4:** Summary of the Solutions

| Solutions  | Description  |
|--|--|
| Shifting from Business Continuity to Crisis Management | The company adapts to the ever-changing environment, thus minimizing the negative impacts of the crisis on startups innovation in the sector.  |
| Switching to E-commerce and Digital Experience         | The techniques are crucial in increasing the company's revenue, which can accelerate startup innovations in the retail sector. Retailing companies should also reskill their retail workforce towards assisting them in improving online sales.                |
| Reassessing Inventory and Employees                    | Companies must reassess their inventory management to reduce costs relating to the supply chain alongside reducing the number of stocks. Retailers must understand the kinds of goods with higher demand during the pandemic                                   |
| Mergers and Acquisitions                               | It is very crucial for the retailer to increase their innovation, assisting obtaining quality employees, industry knowledge intelligence. However, it is crucial to merge with businesses that complement organizations and adapt to running a larger business |
| Evaluation Supply Chain and Improving Communications   | Evaluating the supply chain is crucial in developing a contingency plan, especially when the business suppliers get affected by the lockdown and travel restrictions imposed during the pandemic or crisis   |

The challenges that existed would reduce in the first place. Weaknesses would be reduced since the retailers have been a combine, then they would be focusing on doing



away with them. Moreover, it would be much easier to gain a competitive advantage, as mentioned above, increasing their market share.

Again, that would allow them to regrow faster, and thus, they would employ more employees due to increased customers. Additionally, they would no longer be encountering more losses than before (Xie, Yin, Xue, Shi, & Chong, 2020). In addition, the evaluation of their supply chain and improvement of their communications will ensure that more goods or products move in and out of business, making it a healthy one. When they move to eCommerce and digital experience, they will go a step higher when compared to the level they were before they decided to come up with this idea. There is the probability of customers being able to purchase goods from wherever they are. Also, the organization can decide to be delivering their products and goods to their customers (González-Torres, Rodríguez-Sánchez, Pelechano-Barahona, & García-Muiña, 2020). Once more, if the business moves from business continuity to crisis management, overcoming the negative impacts would be much easier than it would have been if they never came up with such a solution (Pantelimon, Georgescu, & Posedaru, 2020). Hence, the managerial team would understand why it should incorporate all the solutions for better and higher incomes.

## 5. Discussion

This Covid-19 pandemic has impacted retailing companies differently depending on the kinds of goods they deal in and whether they operate physically or online. The objective of this study was to examine the negative impacts of Covid-19 on the acceleration of startups innovations in the retail industry. Another objective was to identify the solutions that the retailing companies can utilize towards overcoming the bad effects of the covid-19 pandemic. To achieve this, the study utilized secondary research through reviewing the existing literature relating to the study topic. The study identified that covid-19 negatively impacted global economies.

The restrictions imposed by the government, such as social distancing, lockdown, and air travel ban, led to the closure of most physical retailing stores, especially for non-essential retailing companies. There was a sharp decrease in demand, forcing even essential retailers to lay off most of their staff to continue operating. Likewise, the lockdown measures, social distancing measures, and fear instilled in the consumer minds led to a great shift in consumer behavior as consumers moved to online buying. As a result, retailing companies with well-established online shopping platforms recorded higher sales revenue than those without established online selling platforms.

As a result, retailing forms began moving towards embracing online selling and home delivery services for sustainability. The negative impact of the pandemic on retailing sectors negatively impacted the acceleration of startups innovations in the sector. Therefore, the study has identified five feasible solutions for the retailing companies to overcome the negative effects of Covid-19 to enable them to continue accelerating startups innovations. The impact of the Covid-19 pandemic has shown the importance of flexibility in achieving business success. The study practically implies that demand planning is crucial in pandemics or crises. It assists in identifying products that are more relevant in the pandemic or crisis times than in normal times. The study findings show that retailing companies dealing in essential services relevant to the Covid-19 pandemic, such as drug stores and supermarkets, were not closed down even during the lockdown. Such retailing companies were perceived to be more critical during the Covid-19 pandemic than before. Therefore, it implies that retailing store planning and management could assist retailers in the future to overcome future crises or pandemics by stocking products that are critically demanded in the particular crisis.

Theoretically, this study enriches academia by providing pacific research on the impacts of Covid-19 on the accelerations of startups in the retailing industry. The study offers a comprehensive analysis and solutions enabling retailers to overcome the negative impacts. This research implies that the retailing industry, alongside other sectors, should respond to the negative effects of the Covid-19 pandemic by encouraging innovations and adaptations. The study has shown that flexibility is very crucial to adapt to such changes during a crisis. Retailing companies that shifted faster to online selling managed to cope with the uncertainties during the pandemic, which rapidly changed the business environment. The study has shown that even though the pandemic negatively impacted the retailers, the online retailers experienced fewer negative impacts. This research has shown that retailing companies with physical operations had more difficulties coping with the pandemic's negative economic impacts.

The study implies that retailing companies must act and respond accordingly to the Covid-19 pandemic based on their impact. In some instances, the companies must be flexible to change and modify their mode of business operations, like embracing a digital business model towards supporting their business during pandemics. The effects and actions alongside responses of retailing companies toward the pandemic vary depending on their digital business operations. Practically, the companies, including retailers, can utilize the study findings, and solutions can be utilized by the companies, including retailers, towards making informed decisions during crises

and pandemics. It can assist managers in responding faster to the changes by embracing feasible solutions to enable them to continue operating. The study contributes to understanding how the pandemic has influenced business enforcement, especially the retail sector, and how businesses can adapt to new changes brought by pandemics.

## 6. Future Direction and Limitation

Future research should focus on performing quantitative research on the same sector to identify the positive impacts of the Covid-9 pandemic on the retailing sector. The current study focused on the negative impacts of the pandemic on retailers; therefore, there is a need for future research to identify the positive impacts and opportunities presented by the pandemic to the retailing companies. The current study utilized secondary data through literature review; however, future research should focus on primary data. More research should be done on how the pandemic has impacted e-commerce retailing companies and how they dealt with it.

Future research should also focus on areas that might not have been tackled well or new areas that need to be researched. For instance, there was no research about the positive impacts in this study, if they are there. For instance, the same research can be undertaken in other parts of the globe, depending on how the pandemic strikes the place. Again, there could be research on the advantages that came up in the retail stores due to the coronavirus disease, 2019. On another note, the same can also be conducted in supermarkets or other bigger stores.

One of the greatest limitations of the current study is the risk of generalization. The study generally focused on retailing companies, especially startups in the world. The consumer experience might differ for bigger retailing companies and other countries impacted differently by the covid-19 pandemic. The study focused on the secondary data available in the past literature. However, some secondary data can be general and vague thus might not be the actual view of the retailing companies during the pandemic, thereby not helping the decision-making.

Likewise, the information from the secondary sources might not be accurate even though the study relied only on peer review articles. The sample utilizes to generate the secondary data might be small. Including retailing companies based in particular countries such as the United States, Canada could have given better insights. The study focused on the retail industry in normal case as a whole rather than focusing on specific retail companies, thereby being too generalized. As a result, it reduces the reliability of the findings (Woo, 2021; Lee, 2021). Based on the limitations, it is recommended that future researches

should adopt a quantitative study approach. Similar research should be conducted with a quantitative approach enabling the possibility of generalizing the results with several companies and industries. It could result in deeper analysis and results.

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