

OPERATION OPEN DOORS

Retailer Perspectives

MAY 2020

SURVEY RESULTS | Overview

NRF surveyed retailers in May to understand how they are preparing to reopen as stay-at-home mandates lift, the challenges they are facing and the resources they need. NRF received over 50 complete and partial responses. The results cover:

1. Rent
2. Plans for store openings and operations
3. Social distancing and PPE
4. Supply chain
5. Employees and staffing

SURVEY RESULTS | Rent

Respondents are fairly split in terms of how they handled rent for April and May. Just 22 percent paid their rent in full in April and 17 percent did so in May. The majority either came to an interim agreement or are currently working on one with their landlord.

With regards to rent, which of the following applies?



NRF surveyed retailers on a number of issues relating to their plans and processes for handling store openings and operations.

Cleaning Processes

The vast majority of respondents (83%) are revising their workplace policies to allow for more time for both personal and store hygiene. This aligns with findings from NRF's recent consumer survey, which found that regular deep cleans are the top-ranked process retailers can have in place to ensure customers feel comfortable shopping again. Many retailers are also employing additional strategies:

- 36 percent plan to delay the restocking of returned goods for at least 48 hours. Another 18% plan to do so for at least 24 hours. Fourteen percent are not accepting returns for the time being.
- 59 percent expect to clean and disinfect returned items excluding apparel. Slightly fewer (48%) expect to clean and disinfect returned clothing and apparel. The most common strategy for cleaning apparel is steam cleaning.
- 49 percent are instituting special requirements for deliveries to stores while 57 percent are doing so for distribution centers. These requirements include implementing contactless drop-off, requiring employees to wear PPE or social distance and reduced hours or delivery times. Some are also setting aside deliveries for a time period and disinfecting boxes.
- Among those who have dressing rooms, 59 percent said they would temporarily close dressing rooms upon reopening. However, the majority are still determining how long dressing rooms would be closed. Those not planning to close dressing rooms are all planning to implement special cleaning procedures such as cleaning all surfaces after each use.

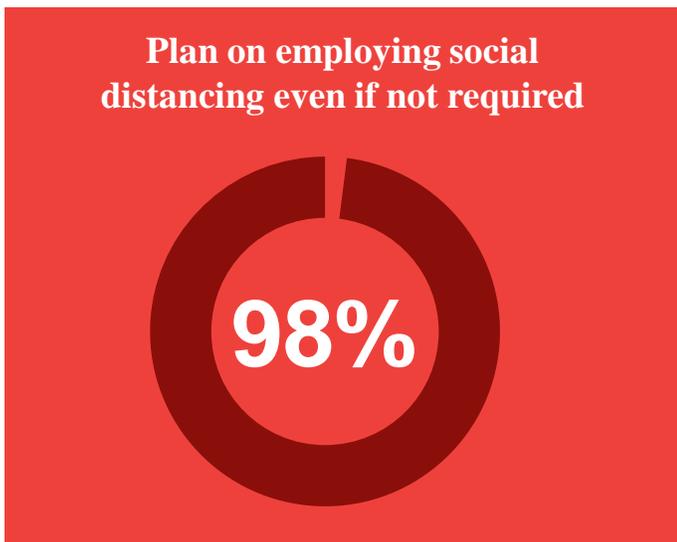
“All rooms will be cleaned after each customer leaves”

“Customers to return items to a rolling rack and disinfectant spray for clothes on rolling rack before re-shelving.”

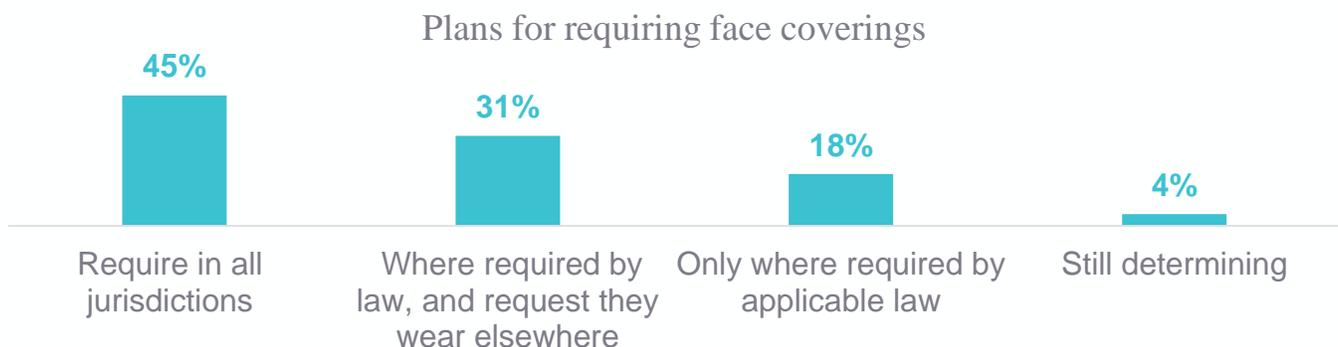
“We will quarantine try-on merchandise that is not purchased by customers and every other fitting room will be open.”

In addition to new cleaning requirements, nearly all retailers (98%) are planning on employing social distancing even where it is not mandated in stores to protect both customers and associates. While strategies for enforcing social distancing vary, some of the most common are:

- Plexiglass or partitions at checkout
- One-way aisles
- Six-foot spacing markers
- Limiting number of customers in stores
- Signage throughout store



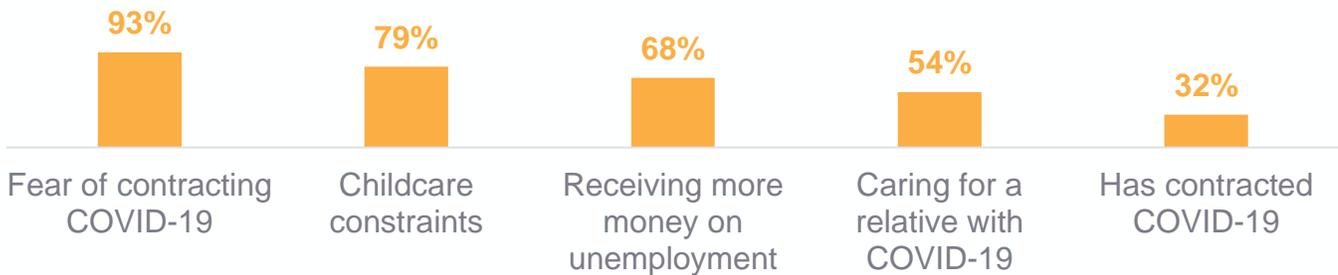
While most are implementing social distancing procedures, retailers are mixed when it comes to requiring individuals to wear face coverings.



However, 71 percent say they would likely admit a customer who refused to wear a mask.

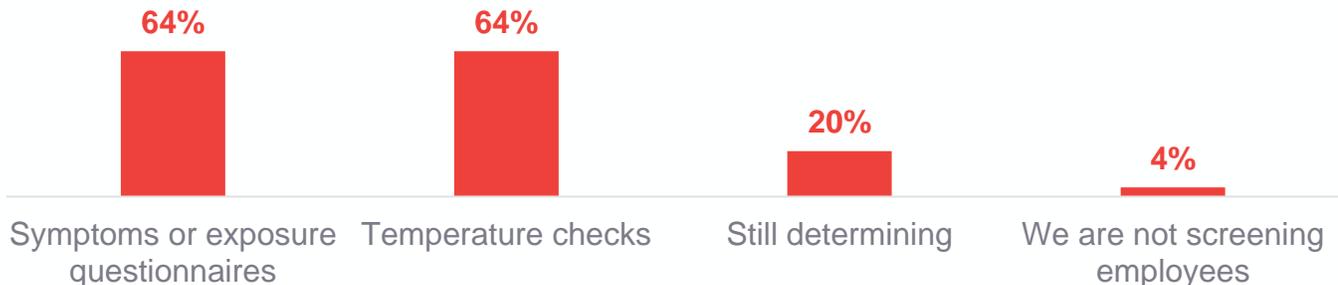
Most retailers report that they are staffed at their physical locations including distribution centers, call centers and stores. And many (70%) have recalled at least some of their workforce. However, more than three-quarters (76%) have also had employees refuse to return to work, primarily out of concerns of contracting the coronavirus. Just 14 percent of respondents said they were likely to offer incentives for employees to return to work.

Have experienced the following, COVID-19 related reason, for employees refusing to return to work



Additionally, the vast majority of respondents (96%) are planning to screen employees in the U.S. as they return to work. Of these, more than half (57%) are planning to screen in all geographies regardless of whether it is required by the local jurisdiction or not.

Screening methods for U.S. employees



Most intend to have employees take screening questionnaires or check their temperature at home rather than in the store.

Respondents also intend to supply employees with PPE. All respondents said they would supply face coverings and 86 percent said they were providing gloves.

Just under half of respondents (46%) report that they are either currently experiencing or expect to experience supply chain disruptions as they reopen. These disruptions are primarily around timing of deliveries rather than items being unavailable. In terms of inventory planning, 44 percent say they are accelerating or increasing orders while 69% are decreasing or decelerating orders. Some retailers are doing both — increasing orders for in-demand items while pulling back on others.

The majority (82%) are also having at least some issues obtaining PPE and cleaning supplies. The most commonly mentioned item was cleaning supplies (62%), followed by face coverings (45%) and thermometers (45%). Another one-third (33%) were having difficulty sourcing gloves. Respondents mentioned several solutions to dealing with shortages, including finding alternative suppliers, using multiple vendors and suppliers to source items or making their own.