

Transformation in Product Promotion, Distribution and Logistics Planning Post Covid 19 Pandemic.

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Abstract: *The COVID-19 outburst is having an unembellished impact on people, society, economy, and business. The country is slowly unlocking itself and moving ahead, new trends, practices and business strategies are expected to emerge. As consumers and brands remain to be more associated through technology and the e-commerce system, they need to gratify to consumers' needs and wants in their merchandise offerings. Thereby brands must EVOLVE and REBOOT their business models and strategies to succeed. In this paper, the author talks about the significance of how the brands need to calibrate their businesses and business primacies to augment consumer and shopper involvement by creating a bendable distribution network system. By hastening the adoption of Omni-channel across brands, continuously refining and improving the supply chain, and converging on sustainable business policies to operate proficiently and flourish in a new business setting. Secondary data are the main sources of collection of data. The secondary data is collated and assembled from both published sources like Deloitte report and unpublished resources. In the 'new normal', brands need to be highly flexible to cater to these changes. They need to be on top of new developments and best practices in India and across the globe, and modify their strategies swiftly to meet consumers'/shoppers' anticipations.*

Key Words: *Customer perception, Consumer behaviour, Product promotion, distribution, Logistics.*

1. INTRODUCTION:

The promotional strategies, specifically advertisements, have shifted their focus towards supporting customers and navigating their course through this phase of new normal. Post-pandemic, businesses are striving to streamline the supply chains, distribution and logistics planning in order to secure the immediate operation systems. Post pandemic, with the very onset of Internet reform and economic growth of our country, consumer expectation and need started to form a shape where comfort and delight service have become vital criteria for product selection. The paper focuses on the changing promotional strategies which are used by various brands after the Covid-19 pandemic

A lot of brands in market keep working to evaluate the changing need of consumers, developing suitable product and also finding market place to reach the right customer. This pandemic has led to a digital reform and has paved a new marketplace on Internet where everything and anything is available to explore and review and have a virtual feel. As we know, India is a growing economy country and it has been considered in the assignment to brief the concept and scenario of how post pandemic the promotions and distributions of various companies have changed. However, the definition for marketing is same irrespective of the boundaries being India or International. It is the oldest science with the human beings of identifying, creating, exchange need and relationships between seller and buyer at a profit, therefore promoting and enabling the process of trading product and service. As explained by Philip Kotler, Definition of marketing, states it as a "Satisfying need and want through exchange process", he also says that the marketing is a broader way to reach out for the customer which involves selling as the prime cause been influenced through various steps like understanding the need, brand recognition and thereby completing elements of sale and purchase. It also includes different key process such as Need Identification, product development, customer reach and retention with loyalty building, need fulfilment. Following each of these processes gives sustainable market for marketer. Indian consumers have been found as most concerned compared with global groups. However, with the total number of reduction COVID-19 cases, a sharp decline is seen in the unease levels as shown below.



Figure 1: Consumer Concern

Background of the Study

Industry Profile: Study is divided into two parts, Logistics and Promotions.

For Logistics the Air-Cargo Industry has been taken by the author and to understand the Promotions FMCG industry is considered.

International Air-Cargo Industry

In many places around the world such as Europe and India, the term “3PL” (third party logistics) can encompass a wide range of services and shipping solutions. The solution includes the like of less than truckload (LTL) and truckload brokerage, intermodal, transportation management, freight forwarding, value-added logistics, warehousing, etc. The 3PLs also service a very wide range of businesses, both big and small. With this in mind, it is understood that the global freight market is very large, complex, and a lot fragmented. The more the complexity, the higher attractive it is to outsource to 3PL providers. For the carriers that keep their trucks loaded and have been moving profitable freight is the number one priority. This is truer for those smaller carriers, who do not have the sales resources or the fleet size to build healthy relationships with a huge network of shippers.

Fast Moving Consumer Good

With personal and household care accounting for 45% of FMCG sales in India, FMCG or Fast-Moving Consumer Goods sector is India’s 3rd largest sector. The key growth driver for the sector has been awareness, growing, easier access and changing lifestyles. Out of the gross revenue generated by FMCG industry, the urban segment (accounts for a revenue share approx. 55 %). However, last decade saw the growth & momentum of FMCG market in rural India vis a vis urban India.

Businesses understand the need to be going from "putting out fires" to fire-beginning, from strategic to key. They are tied in with moving from an impromptu, emergency driven, receptive method of working, to a favourable to dynamic, can-do, seeing-what's-next method of working. They are trying to cut out an ideal opportunity to consider how the world is changing, and will advance during the following year, three years and five. Post-pandemic, businesses are tied in with moving from digging in to opening up to additional opportunities, new plans of action, new items and client arrangements.

1.1 PROBLEM STATEMENT:

The main focus of the study is how Post -pandemic the product Promotion, Distribution and Logistics Planning have changed. It is to understand whether the changes are positive or negative and what impact it has had in the economy.

- How businesses have changed their product Promotion, Distribution and Logistics planning post-pandemic?
- This study aims at understanding the changes introduced in the promotion of various companies and different industries.

- It also aims at understanding how Covid'19 adversely effected the Air Cargo Industry.

2. METHODOLOGY:

SECONDARY DATA:

Advertisement images and videos of various brands (IKEA, ICICI Lombard, McDonald's etc.) Ramping up the supply chain post Covid-19: Report by KPMG and Deloitte. Covid-19 Ads: How brands are tailoring communications post lockdown- Financial Express

3. ANALYSIS AND DISCUSSION:

3.1 PROMOTIONAL STRATEGIES: ADVERTISEMENTS



Figure 2: IKEA- HOME LESSONS

Furniture retail organization, Ikea launched its 'House Lessons' ad-campaign that discusses about the new exercises that individuals took in at home during lockdown-From interfacing in the new typical, getting a charge out of a night in and dine-in, to setting the effort to learn new things, for example, refurbishing and DIY projects, the film features various exercises individuals couldn't ever have picked up during 'ordinary occasions' or before 'new normal'.



Figure 3: MCDONALD'S- HUNGRY HOUSES

To urge individuals to remain in and pick the brand's delivery benefits, McDonald's dispatched an incorporated ad-campaign 'Hungry Houses' featuring the need to #StayHome however not ravenous, particularly in the midst of these occasions when social removing keeps on being the need of great importance.



Figure 4: ICICI LOMBARD- #RESTARTRIGHT

As buyers get back to their work following almost three months of lockdown, ICICI alongside Ogilvy launched another ad-campaign that convinces individuals to 'Restart' their life post pandemic in the 'Right' way. Simultaneously, it imparts its own appropriation to the 'new ordinary' and updating of its medical coverage and insurance arrangements and benefits that adjust to the new normal period.



Figure5: GAANA- PLAY MUSIC, SAVE LIVES

Prashan Agarwal, CEO- Gaana said, “These are trying times for one and all, and we are showing solidarity and support to the shared challenge of COVID-19 by helping the most vulnerable Indian communities prevent and respond to the pandemic with our #PlayMusicSaveLives initiative. We have empowered our users to be able to contribute to this noble cause by streaming more music on our app and are heartened to have some of the biggest music artists like Vishal Dadlani encouraging their fans to stream more thereby helping save more lives.”

The impact of COVID-19 and how it is transforming the logistics and 3PL industry in abroad. In April, the global air freight capacity was down almost by 38.7% on a year-to-year basis, as the passenger flights were taken out of commission, which resulted to the surge in air freight rates. The air cargo capacity got down to 44% from the US into Europe, and 58% in the very opposite direction. The situation got extremely out of hands. Charter rates started to be running four to six times higher than normal, though it was expected that rates would be coming down as the passenger air capacity recovered some ground in the next months. In Europe, there were seen two phases, the first phase was in March where not only facilities were closed but also borders got very difficult for the trucks to cross. During the pandemic phase there were a lot of confusion and uncertainty and conditions from the people who were driving the trucks were very difficult and tough. But now, post pandemic the situation has started to get better and the trucks are able to cross will less difficulty and much ease. Although, a lot of facilities are still closed and with some industries which have hit significantly harder than others, hence resulting in a sharp drop in demand, estimated to be around 30% across Europe. Carriers have been seen struggling a lot during this phase but as we all see a gradual opening up of facilities and the demand is slowly recovering. Since the outbreak of COVID-19, the journalist states that the pandemic had certainly been testing the global supply chain and logistics, therefore highlighting the importance of innovation. The crisis has been throwing open a new world of challenges and possibilities such as a

desire for greater resilience, the accelerated adoption of warehouse automation and alternative transportation modes. Companies that have double down on innovation now will be maximizing their chances of emerging from the pandemic in a very good shape. As a result of the pandemic, the journalist and industrialist have seen the deployment of robotic process automation (RPA) and autonomous vehicles for moving and storing products that accelerate further. Although the trending lines of logistics were already in place, but the reality of managing supply chains in the era of COVID-19 have dramatically upended old and odd ways of doing things. Warehouses that were using robots may not only be more efficient but might be less likely to shut down if workers started to get sick. With supply chains being reconfigured in response to the pandemic of covid'19, industrialist predicts that many organizations will relocate their operations to regions whereas free trade agreements are in place, particularly for companies, which are now reviewing the finer detail of their supply chains. For similar such reasons, an increased appetite for shorter supply chains was expected to drive a steep rise in near house shoring.

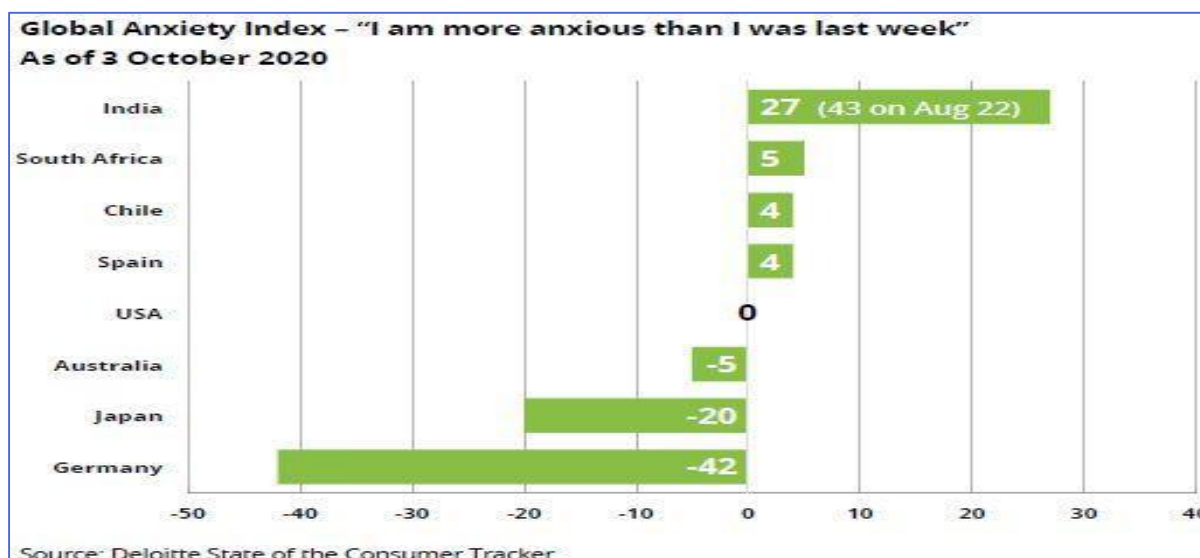


Figure 6: Global anxiety Index

Undoubtedly, like many others the industrialist has also witnessed an acceleration in the digitalization of processes, but not just in terms of customer behaviours but also within organizations and companies. What they have been seeing was that on the carrier side, which have become much more interested in engaging the very digital freight brokers like Coyote Logistics. But, on the customer side, we have started to see people moving from telephone communication and meeting in person to online chatting, video conferencing. We have also started to witness that customers have finally started to be accepting to move from paper to digital invoicing and PODs. It is a big advantage to a company with a heavy foundation in technology

3.2 DISTRIBUTION AND LOGISTICS PLANNING:

Day zero and beyond planning- The capacity to foresee and oversee request on and not long after Day Zero will be vital. It is critical to foresee how a commonly connecting set of shopper merchandise classes will act as far as request elements and inventory network between linkages. In this manner, organizations need to survey estimate suppositions and request assumptions, for their own classes as well as for those that seek a lot of wallet, alongside classifications, for example, transport and dealing with foundation, the promoting media space, and so on Organizations ought to assess existing business rules for dissemination arranging and stock degrees of basic things.

Sourcing- It is significant for retailers to evaluate basic crude material accessibility and guide it to high-esteem items and income streams. Distinguishing supply-side limit limitations and amount/value instability arises as a key centre region. Likewise, associations need to assess existing alternate courses of action, and survey contract arrangements for reasonable variety conditions that will feature potential dangers to address. These audits would likewise help distinguish conceivable headroom for better overseeing incomes and rethinking select agreements for better terms. In conclusion, associations likewise need to assess embracing substitute sources and doing possibility studies to think about expense versus store network comfort.

Supplier risk assessment- Purchaser organizations ought to quickly distinguish their key/top providers just as understanding/evaluating their dangers and capacity to meet inventory necessities. With the flood sought after for basics, organizations ought to comprehend their provider's capacity to supply materials with the correct quality norms and practicality. This appraisal ought to incorporate providers of materials just as administrations that may influence

the speed/suitability of their tasks. Associations ought to make alternate courses of action alongside their providers, in accordance with situation based emphasize focuses distinguished. Congruity of provider/seller activities not long after the COVID-19 lockdown facilitates might be a region of worry from the viewpoint of money positions, individual's accessibility, and so forth An unmistakable multi-guide seller conversation toward distinguish these dangers, in this manner, is fundamental in anticipating post-COVID-19 availability.

Managing product portfolio- Customers with a blend of items traveling through their store network need to examine their own item blend and characterize business needs. This is especially basic in situations where these items share assets as far as crude materials, fabricating infra, selling space, groups, and so forth The requirement for prioritization emerges from limitations regarding restricted accessibility of shared crude material, different groups working at underneath ordinary headcount, and so on. This would require a cross-utilitarian collective exertion—including the business, fabricating, sourcing and arranging groups, alongside money — to distinguish the most appropriate item blend when assets are compelled. Our experience shows that, from a business point of view, the emphasis on benefit each working hour is the most basic measurement while choosing the item blend.

Monitoring inventory and the flow of goods- Staple retailers are attempting to oversee critical stockpile difficulties as purchaser alarm purchasing has prompted stock-outs. Checking stock levels and improving perceive ability over all inflow of products, subsequently, is basic. Retailers ought to likewise attempt to acquire perceive ability on the provider's end—provider creation plans, shipment subtleties, and so on to comprehend and anticipate any material stream interruption circumstances already. Putting resources into an innovation driven dashboard which gives continuous data by means of an application., could be a decent choice for retailers to investigate. Guaranteeing smooth material taking care of, alongside sufficient labour accessibility, is another region that should be checked on and stopped.

Delivering to the last mile- Retailers should audit the areas of Delivery Centres and wholesalers to figure chances by geology. Directing an investigation on stockroom and front-end handling limit alongside its effect would uncover potential pressure areas of interest that should be fixed. For those with sends out and worldwide activities, assessment of fare plans by country and dangers related with every objective are fundamental to guarantee ideal stream arranging under obliged assets. With interest for home conveyance at record levels, organizations ought to likewise consider collaborating with set up players who can offer computerized requesting and additionally, last mile conveyance abilities.

Assess cash/liquidity position- Customer organizations ought to painstakingly evaluate their liquidity positions and likely alternatives to contribute, acquire, or sell. Changing to grounded devices for money estimating and the executive's merits investigating to guarantee thorough money see over an all-encompassing time span and under various situations. It is likewise basic to assess capex projects from an execution ban or potentially an achievement instalment deferral viewpoint. Among organizations with a sourcing back-end connected to the agribusiness or Micro, Small and Medium Enterprises (MSME) areas, there's high reliance on money to pay for stock; it is imperative to audit the generally speaking capex and income spending plans with more thoroughness and evaluate current arrangement for assortments and instalment deferrals. Numerous retailers are likewise now auditing their generally monetary dependability under a wide range of situations to check whether they need to improve their monetary game plans.

Shift to 'safe retailing'- Coronavirus has driven clients to focus on wellbeing and store network security over expense and comfort. Buyers today are abler to purchase from organizations that are finding a way to check the spread of the infection inside their extent of activities, and past. There is an unmistakable prerequisite for retailers and buyer products organizations to realign their tasks in manners that give negligible touchpoints. Furthermore, organizations need to guarantee that the excess touchpoints are worked such that flags an attention on the security and wellbeing of all partners included.

Establish a 'war room'- Given the continually advancing situation, it is indispensable for shopper merchandise organizations, retailers and brands to build up a cross-useful enabled war-space to take choices smoothly. Given the current unpredictability in customer conduct and interior working chain, it is basic to set up the core values and center goals for the war-room while giving the dynamic power to choose and execute activities in a hurry. The war-room should be going by the C-suite or somebody engaged to that level for the reason and span of dealing with the COVID-19 emergency. Brands and retailers that have successive front-end cooperation with shoppers should be particularly mindful so as to incorporate legitimate and security colleagues in the war room.

Given the moving idea of buyer inclination and conduct in India, speculations should be made in sloping up the inventory network framework throughout the following not many years. Giving a consistent excursion to customers through a blend of computerized and actual infrastructure will require the support of a solid supply chain network. Coronavirus, taking all things together, its instability and stress, has opened up freedoms to really investigate the whole distribution network and reconsider it for the upcoming necessities.

3.3 MANAGERIAL IMPLICATIONS:

3.3.1 PRODUCT PROMOTION

- Companies are now trying to pay attention to the customer segment and interest by denting into their concerns instead of using the same old ‘stay in, stay safe’ agenda.
- The major focus point for the companies is to understand where the business wants to tackle the disproportionate market and strive to be relevant and effective to the users.
- The brands need to focus on ‘customer delight’.

3.3.2 PRODUCT DISTRIBUTION AND LOGISTICS PLANNING

- Shift from globalization to regionalization- Localized supply chain networks.
- Supply chain stress test- More adaptive and flexible supply chain networks.
- Automation + Human touch- Effective use of technology to ease the manual work.

Post pandemic the product Promotion, Distribution and Logistics Planning have really changed dramatically.

1) Marketing (Promotions and Advertisements)

Marketing is the science and art of the human beings identifying, exchanging, creating the need and building relationship between seller and buyer at a profit. It is promoting and enabling the process through which one can trade a product or service. Since Pandemic the concept of marketing has been redefined. It does not only mean maintaining physical contact to build relations but staying in touch digitally as well.

2) Digitalization

We all are aware of the crucial role Digitalization has played in the fast advancement of global economy especially during this era of pandemic. In developed markets and developing markets, Digitalization is one of the most prominent and established platform and market. Organized digitalization has about 70–75% share in total marketing as compared with developing economies.

There is a saying “Be where your customer Are” and post covid, digitalization is enabling the different brands to remain where their current customers stay i.e., in social media, Fb, Twitter, YouTube, IG. It has an impressive growth in all the different markets, whether huge or small.

3) Situation in emerging nations: India and South East Asia

The spread of smartphones and other means of technology that help us in sharing information across has been truly pervasive in India. Having a population of more than 1.4 billion, India has 900 million number of active mobile phone connections. Since Covid, there has been a large growth in the number of smart phone users in India, it has given the opportunity for a sharp rise in the industry.

4). Change in consumer behaviour

Covid'19 has made all the consumer tech friendly, socially educated and information rich. Apart from all this they have limited time. We know that, technology is quickly evolving and the graph is upward sloping. Embracing the needs after Covid'19, resulted from new consumer motivations and requirements. Consumers' ability to influence other people and companies alike is much bigger than earlier years.

4. CONCLUSION:

The impact of the pandemic has been unparalleled. There continues to be great complexities and uncertainty regarding the spell and gravity of the crisis. Stay-at-home fiats, and the subsequent health and economic concerns are shifting what we purchase and consume as well as where and how we buy and shop. Businesses must ought to formulate, adopt and implement REBOOT & EVOLVE strategies as discussed below to remain in the ever dynamic and unpredictable market:

REBOOT for FY '20 and beyond

- Rearrange businesses and business urgencies post COVID-19
- Enrich consumer and shopper involvement
- Boost distribution channel post COVID-19
- OMNI-channel for escalating reach
- Organize more effectively efficiently
- Triumph by focusing on sustainable approach and orientation

EVOLVE to survive in competitive consumer landscape

- Engross and engage for enhanced connect
- View and Vote of consumer to be utmost
- Orderly arrangement of supply channels for seamless and cohesive solution
- Loyalty to be made by extra efforts regarding CRM strategies

- Verify and prove for commitment
- Enrich and enlarge product and service offering

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