

# 75%

## OF THE U.S. SUPPLY CHAIN IS DISRUPTED DUE TO COVID-19 OUTBREAK

The Institute for Supply Management released a survey in the 2nd week of March, amidst the COVID-19 lockdown in the U.S. According to the report, nearly 75 percent of companies confirmed supply chain disruptions in some capacity due to Coronavirus-related transport restrictions.

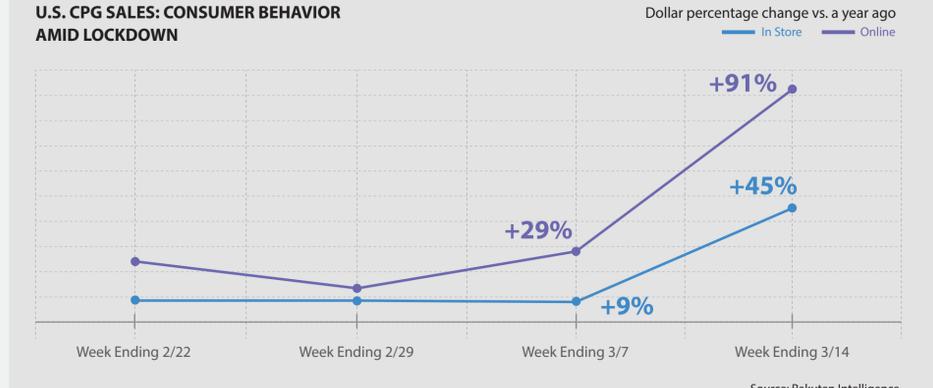
## ENDURING MARKET DYNAMICS

### Did you know commodities sales in the U.S. increased by \$8.5 billion during the two weeks of lockdown in March 2020?

Yes, Consumer buying behavior is changing drastically as a result of COVID-19 – what people buy, where they buy from, how they buy, how much they buy, and how often they buy.

Consumers around the world are actively stockpiling emergency supplies from the day WHO declared the Coronavirus as a pandemic outbreak. Consumers are hoarding emergency items labeled “Pandemic Pantries,” such as basic food items including canned goods, flour, sugar, bottled water, medical kits, etc. This unprecedented situation will have lasting effects with a significant impact on businesses and the economy across the globe.

With this situation, we are also witnessing a drastic change in consumer behavior towards in-store and online buying.



CPG sales in the U.S. increased (In-Store & Online) by \$8.5 billion during the two weeks ending March 21, 2020.

## CHALLENGING TIMES: RETAIL & CPG

The Retail & CPG sector has an already overstretched and complex supply chain. Consumer's panic buying behavior during the Global crisis makes it difficult for CPG companies to supply products as per demand.

Companies in these sectors are forced to seriously reconsider their tactics and proficiencies in the mentioned areas:

**Production**

**Inventory Management**

**Logistics**

**Distribution**

**Pricing Strategies**

**Commerce**

**Consumer Engagement**

## QUARANTINED IMPLICATION: CONSUMER BEHAVIOR COMPARISON

Retail and CPG companies must leverage available data sources and predictive models to effectively anticipate and react to potential supply chain disruptions. They must stay on top of the changing consuming behaviour and react to fluctuations in demand levels with speed and scale.

Source: Nielsen Retail Measurement Services, Total U.S. All Outlets Combined (xAOC), 1-week period vs. a year ago.



COVID 19 developments have ignited consumer demand to the “pantry preparation” threshold.

## RE-INVENTING THE SUPPLY CHAIN WITH AI

Supply chain companies can alleviate some of the COVID-19 impacts with effective forecasting by leveraging data science platforms & predictive supply chain models as mentioned below:

### ENABLING COMPANIES WITH AI CAN BRING ABOUT TRANSFORMATIONS

**BIG DATA**

**ROBOTICS**

**COMPUTER VISION**

**AUTONOMOUS VEHICLES**

# 80%

80% Companies believe that they will experience some impact because of COVID-19 disruptions, as per the results of The Institute for Supply Management (ISM) survey.

“Companies would see a sustained surge in consumer demand, during the corona virus crisis and well beyond recovery. This demand will primarily be driven by consumer sentiment to ensure that they are well stocked on basic necessities during times of crisis. In order to fulfil this demand it is imperative that manufacturing companies control the quality and fulfil the retail channels, both brick and mortar and e-commerce, in a streamlined manner. AI, Analytics and Optimization are key to ensure that this streamlining of manufacturing and distribution happens in the supply chain”.

**Eron Kar**  
VP of Supply Chain Analytics – Affine

## VOLATILE MARKET? TIME TO RE-STRATEGIZE

To ensure that the community continues to thrive without being disproportionately affected by catastrophes in the future, enabling the Supply Chain Industry with AI can bring about transformations in:

### DEMAND AND SUPPLY CHAIN PLANNING

Organizations should optimize the current supply chain to ensure that imperative products are available in the right place at the right time.

### FLEXIBLE PRICING STRATEGIES:

Organizations can look at ways to adopt a transparent & flexible pricing strategy to avoid price gouging and to provide information about essential product availability at affordable prices.

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### PRODUCTION OPTIMIZATION

Organizations can optimize their factories and production focus to address product shortages in specific categories at specific locations.

### IMPROVING RESPONSE TIMES

Organizations can assess and create ways of reducing order turnaround times and response rates so as to respond swiftly with changes in demand.

## DEVELOPING AN ECOSYSTEM FOCUSED ON CONSUMER NEEDS

Moving from a reactive supply chain to proactively managing supply and demand will help companies to stay on top of changing consumer behavior & market fluctuations. Time to look out for innovative ways to aid consumer access with minimal complications.

## ABOUT AFFINE

Affine is an end to end Advanced Analytics provider, offering capabilities across the analytical value chain from Business Intelligence, Data Engineering and Analytical modeling to solve strategic & day to day business challenges of organizations worldwide.

Affine is a strategic one stop shop analytics partner to medium and large-sized organizations (majorly Fortune 500 & Global 1000) around the globe that creates cutting-edge creative solutions for their business challenges at very competitive price points.

Affine develops solutions for multiple verticals such as CPG, Retail / Wholesale, Manufacturing, High-technology, Gaming, Media and Entertainment to name some and is respected as one of the Marquee names in the “Consultancies for Transformation”.

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