



EXECUTIVE TRENDS FOR 2020 CONSUMER & RETAIL

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INTRODUCTION



Earlier this year, we released our [Eight Executive Trends](#) for 2020. Much has changed since then, yet the core insights have only gotten more real and relevant.

Observing the consumer and retail space in Asia, the shifts we identified seem to have intensified due to the outbreak of COVID-19. But the game isn't over. The market has changed, and smart business leaders and versatile candidates have a prime opportunity to evolve their strategies and approach to not just survive but actually thrive in the new normal.

FROM COMMON KNOWLEDGE TO COMPETITIVE STRATEGY

When the pandemic emerged, there was an initial sense that companies, employees and consumers were "all in this together." Then reality hit. Brick and mortar retail was decimated (except for grocery retailers), regional economic trade wars were exacerbated and China's domestic market began steaming ahead.

Domestic retail in Asia surged, and companies that produced packaged foods, small domestic appliances, cleaning and personal care products triumphed, while restaurants, hotels and leisure venues tanked. A major cultural shift got underway in many ways and for many people. Asian consumers tend to go out to drink, food and beverage establishments had to swiftly adapt and revise their strategy and rethink their overheads. Fast.

FLEXING THE DIGITAL MUSCLE

Asians are the world's largest digital consumers, and companies with a solid e-commerce strategy have weathered the storm and even steamed ahead, while others have found themselves at a crossroads – active digital strategies or disappear. Consumer goods no longer fly off the shelves, they are delivered to the doorstep. Companies have had to rapidly adapt their strategy, and evolve their supply chain. Thankfully, Asia has a robust online retail ecosystem and consumers tend to buy with purpose: impulsive purchases and returns aren't generally part of the culture. The competition may be high, but companies that develop and maintain a strong e-commerce platform can prosper.

Digital dexterity has also become a core element of customer service and team cohesion. We have a wealth of video-call services at our fingertips, and business leaders need to develop a sixth sense to keep their customers happy and their teams engaged. It's about replacing IQ with EQ and regularly taking the pulse on how our people and our consumers are feeling.

RETAIL RECRUITMENT IN THE NEW NORMAL

Many companies in the retail space are letting go of talented employees, but recruitment specialists have a key role in facilitating new hires. Larger firms are setting their sights on acquisitions and recruiters can provide placement services, guidance and resume building services. They can also offer CSR support and help companies and candidates through webinars, by bringing in experts to talk about how they deal with pandemics.

Companies can smooth the transition by being supportive and taking care of their employees, engaging with them emotionally in these turbulent times. Candidates can also self-propel by being patient, proactive and savvy when it comes to selecting the positions they apply for. The formula is pretty simple: engage your network, be resilient in the face of pushbacks, and find a good head-hunter.

If you'd like to discuss retail and consumer trends in Asia, please reach out and contact me, I'd be delighted to share insights.



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REMOTE WORK

The Challenge of Finding a Middle Ground



Simon Nolan | UK

Up until now, there was a clear trend over the last decade of increased location flexibility for senior leaders and employees alike, which is said to widen the talent pool – and improve work/life balance for many. But in 2020, the “trend” quickly turned into an unavoidable necessity as countries closed their streets and borders mobilizing employees to repurpose their children’s desks and living room coffee tables as new “office spaces.”

Companies that were able to quickly adapt, continued with business – those that were not able to digitally transform their teams weren’t so lucky. What is clear is that employees and leaders alike have had a taste of remote work. As we move forward into 2021, with time for reflection on what happened this year, people and companies must look closer at how their employees engage with the office.

Although a very large percentage have adapted to home working extremely effectively and there have been those who absolutely sing its praises (including my own colleagues) and those who struggle with it (me) I think that it’s important to find a happy middle ground when we look toward the blended possibilities of the future of work.

A DIVIDED WORKFORCE, A DIVIDED PEOPLE

It was quite clear to me at the start of the pandemic that the only people still working at a workplace were those who had no option. Supermarket staff, builders, gardeners – all of whom, by the nature of their work, had no flexibility and no option. At the height of the pandemic lock down, on the few trips out, it was clear that the main vehicles on the roads were vans and trucks. In a moment of uncertainty, these brave workers had no other choice but to continue their livelihoods in the face of danger.



It has created a strange spectrum of scenarios where on one side the white-collar population have been able to install themselves at home, and while the engine room of the economy cracked on. Unfortunately, in many sectors such as hospitality and retail, many lost their jobs by the thousands, turning lives, dreams and plans upside down from one day to another.

Senior and middle managers have been in the studies of their houses, with flexible working hours and zero commute cost. Junior staff, however, living in flats or house shares, had a far harder proposition, barely being able to move out of one room where they now need to spend 17 hrs out of 24.

I think it is easy to look through rose coloured glasses when you have no choice on the matter – we needed to just get through spring 2020 as best as we could. Now, however, as we manoeuvre and plan for a future where we can choose how to organize our teams, it is important to have a wider and more realistic perspective when talking about remote work.

WHERE HAS THE MAGIC GONE?

I hear so many people singing the praises of remote work, but they are significantly underestimating the opportunities that are removed, especially for more junior staff. We are missing those magic spontaneous moments where you grab a coffee with a colleague and inadvertently do a problem-solving session or air out frustrations. We miss out on those fortuitous questions in a meeting that leads you to a great new idea on how to tackle a current issue.

When we take out the social factor in work, we also take out the shared experience and wisdom that naturally flows in human connection.

Another question that arises regards career progression. How does a worker progress their careers when their actions and work suddenly aren't so obviously visible? I'm talking about that worker that spends extra time and goes beyond expectations to get the job done. In a catch-up weekly video call, we can talk about the deliverables, we can talk through some of the challenges, but the end goals are what are seen.

As a line manager or leader, you don't get to live and share the work process with that employee or watch them as they overcome obstacles. It's harder to measure grit and determination. When everyone in your team is getting the job done, how do you gauge who on your team are really knocking it out of the park and who among them are just going through the motions?

Are we really making the right choice when talking about promotions and career progression, or are we unconsciously biased against people who might just be struggling with dealing, communicating and showing their work in the virtual environment?



NO LOCATION, THEN ANY LOCATION

The other overwhelming concern and question that I see starting to be raised with companies and employees alike, is that if you can effectively do a role that isn't in a place of work, do you then take the risk of more roles being outsourced to countries with far cheaper labour costs? For some roles that require very specific skill sets, such as in tech and data focused jobs, companies have already started to outsource their talent.

Lastly, consider the effects on a loss on the social side of the business. Many employees consider their colleagues as friends, some people meet their future partners at work. In an isolated work environment and a more digital world in general, it is already harder to make strong and lasting human connections with people. Do we risk adding on another element to isolate people further resulting in a significant increase in stress and anxiety?

SO WHAT NOW?

A blended approach is key. A company is made up of different cultures and different personalities, you will have introverts and extroverts, and it takes all sorts of personalities to make a company work. What you need to do is understand the needs of each person and try to understand what situation helps them be the most efficient and happy employee that they can be.

As leaders, we need to listen to our employees, look at the job types, personality types and take this forced remote work experience to make our decision on how to move forward. Let's look toward making work spaces that fulfill the needs of everyone – those that like to be in office all the time, those that don't want to be in the office at all and the majority who will want a bit of both to varying degrees.

By nature, humans are social creatures and need long term and meaningful interactions. We need teams to get together, maybe not as often as before, but we should set the scene and even force the agenda to make in person moments to exchange ideas, get to know each other better and ultimately work better together.

Talent will naturally be more biased toward companies that offers them options, so the work begins for leadership to figure out what is necessary to make work, work for all.

If you would like to discuss more about remote work or executive recruitment, feel free to get in touch with me.



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EVOLVING IN A CRISIS

finding a brave new world in retail



Cristina Ródenas | Spain

Before the pandemic, if you asked the average person what a furlough was, many would not have been able to define it. To go from asking ourselves, “What is furlough?” to having most retail workers in furlough and seeing shops closed has been tough, but the retail sector is a resilient sector.

Although the retail industry has been deeply affected by Covid, I have been impressed by how companies have been able to react so quickly, and how they were able to pivot during this difficult situation to optimize their online presence and gain new opportunities. It all comes down to your world view – is it the end of retail as we know it, or the start of a great new beginning?

NOT DIGITAL? YOU ARE NOW

Online sales for retail companies have always been a challenge. In the past, companies would benchmark themselves with competitors asking, “What percentage is this company doing online sales?” and everyone agreed that the biggest business challenge was increasing this percentage. On average, I would say that between 7% - 10% of fashion companies were doing their sales online and now we have gone up to 25% in some industries!

Companies that have been quick to pivot online have been positively affected by the situation because people are not keen on going to shops right now, so even if we felt a strong drop in sales in the beginning, I can say that mitigation has been excellent.

Why? The key is in leadership. During the lockdown in Spain, I attended several conferences, seminars and webinars of CEOs. I was inspired to see how good some of those CEOs were in terms of making decisions, in their communication skills, and most interestingly, in their positivity.

I was impressed by a sector that was threatened to be badly affected by the lockdown, with its ability to minimize the negative effects through excellent leadership capabilities and agile thinking.



RECRUITING IN TIMES OF CRISIS

Recruitment through these tough times have not stopped, but the focus has certainly shifted. I used to focus heavily on sales or sales oriented / product-oriented positions and these have all turned into back office, IT, finance, and HR recruitment projects.

As companies face serious issues and challenges ahead, they need the right talent to mitigate, improve and perfect processes. What has been common through recruiting in times of crisis, is that there are specific soft skills that companies are looking for, regardless of the position.

Here are the 8 soft skills that companies are looking for in leaders today:

- 1 We need quick leaders that make decisions in a very short amount of time
- 2 We need very transparent and communicative people
- 3 Leaders must have a strong balance between being empathetic, but at the same time, being very rational. They must be sensitive to their employees, but at the same time, protect the business and be rational when making decisions
- 4 They must listen to their stakeholders. We must be careful and avoid pressuring suppliers, clients or other stakeholders too much. We are a community, and we need to take care of each other. You never know what situation the other person may be in
- 5 Of course, you must be flexible - flexible minded and flexible in changing plans when you need to

6 Of the greatest leaders that I have seen during this pandemic, what really impacted me were the ones that were humble and/or optimistic. It is easy to be optimistic when things are going well, but during times of crisis, your employees are scared, and it is your responsibility to take care of your people. If you transmit pessimism, it ultimately will not be good for them or for your company

7 RESILIENCE, RESILIENCE, and RESILIENCE

8 Lastly, we are searching for leaders that have a very high knowledge about data collection. We are being directed towards a very digital world. We're transforming the world of retail and data affects all decision-making today.

THE FUTURE OF RETAIL

If I were to make two predictions on the future of retail, the main focus has become improving the client experience. Retail will look to strengthen and personalize e-commerce. To do this, it is necessary to ensure efficient logistics, a simple and rapid return policy and the capacity to manage extraordinary amounts of big data.

Secondly, we need to talk about remote working. It's a big challenge we are facing, but also an interesting opportunity for people like me who don't work in a specific place with a team. I have relationships with my clients, my candidates and with my colleagues, of course, but I have a virtual platform to do that. Remote work has many challenges, but I think it ultimately makes us more productive. We don't lose time going to and from locations and we even save money.



Most importantly, I believe that companies that continue to offer remote work options will really increase the retention rate of employees. We've all had a chance to "test out" remote work, so those that found that it offered an added value have that idea very clear now. But of course, we need to evaluate everyone's situation.

I completely agree that in order to transfer company's culture and company values, a new joiner needs to be in the office, but for senior people like me who don't need to manage anyone, we are the first ones who really can take advantage of this remote working situation.

MOVING FORWARD

I think we have made huge steps compared with what was needed in the past. It's difficult to predict the future because we haven't touched ground yet on this pandemic. If we are being realistic, it's possible that there are many more challenges to come, perhaps even the worst of it is yet to come, but we are prepared for the worst, and we are prepared for when things start to inevitably become better too.

2020 has been a year of change in our organizations.

Those that have taken the time to be prepared, are armed with the right talent will be faster moving in any future crisis. We are making decisions in business and digital transformation now and the retail world will need more strategic leaders.

At the end of all this, we have already made the first steps and we will keep on improving our way of working from now on...it just depends on how you see it.

I hope that you have enjoyed reading this article. If you would like to discuss the future of retail further, please feel free to send me an email.



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LIFTING LATIN-AMERICA

How to boost consumer and employee spirits in shaky times



Rodrigo Escudero | Peru

For consumer and retail leaders, the shift from brick and mortar to digital strategies was already top of mind – as we highlighted in the Consumer and Retail trend within our Eight Executive Trends for 2020.

The COVID 19 pandemic rapidly accelerated this trend around the globe. In Latin America, it's been a giant leap for businesses of all shapes, sizes and sectors, and in many cases, going digital is a question of survival.

In our region, more than six months after lockdown was first declared, many countries are yet to emerge from the cocoon: consumers and companies still face confinement, curfews and containment as airports, businesses and social venues remain firmly closed. So how can business leaders in Latin America bridge the digital gap and raise team and client morale?

STRENGTHENING THE SUPPLY CHAIN

From major chains to SMEs, companies across the region have seen the lion's share of their business shift to e-commerce. Even heavyweight players who attributed 15-20% of their business to online sales pre-pandemic now register figures of 60-70%. This has naturally placed a strain on supply chains since March. Many firms in the region don't do delivery and ongoing curfews have led to store closures, queues and backlogs.

Companies with solid digital platforms and communications strategies have fared best, notably in the food and beverage sector, where customers can, for example, bypass the distributor and Whatsapp their order to the factory to collect.



READING THE REALITY CHECK

Moving from onsite to remote work has also made team management complex, and many Lat-Am companies had neither the resources nor the infrastructures to support restructuring and retraining. In Peru, many employees simply don't have a computer at home. Some companies have taken the initiative to provide employees with IT equipment, while others have kept in touch via phone. Beyond a doubt, HR teams in the region are working harder than ever to boost morale, optimize engagement and soothe uncertainty among their employees.

New hires are finding digital skills, soft skills and flexibility are highly sought after. Candidates and companies are having to be as flexible as they can and consider roles that they might previously have not.

THE DAVIDS AND THE GOLIATHS

With tourism, leisure and fashion taking the hardest knocks in the region, major players - from department stores to home appliance firms are closing their doors. But every cloud has a silver lining: some smaller restaurant and convenience stores are flourishing by offering take out services and essential goods like rice, drinks and cleaning products. Delivery may still be off the cards, but tenacity is firmly on the menu.

As we slowly recover and recalibrate, I'm convinced that our courage, collaboration and creativity will see us through.

If you'd like to chat about consumer and retail trends in Latin-America, feel free to drop me a line.



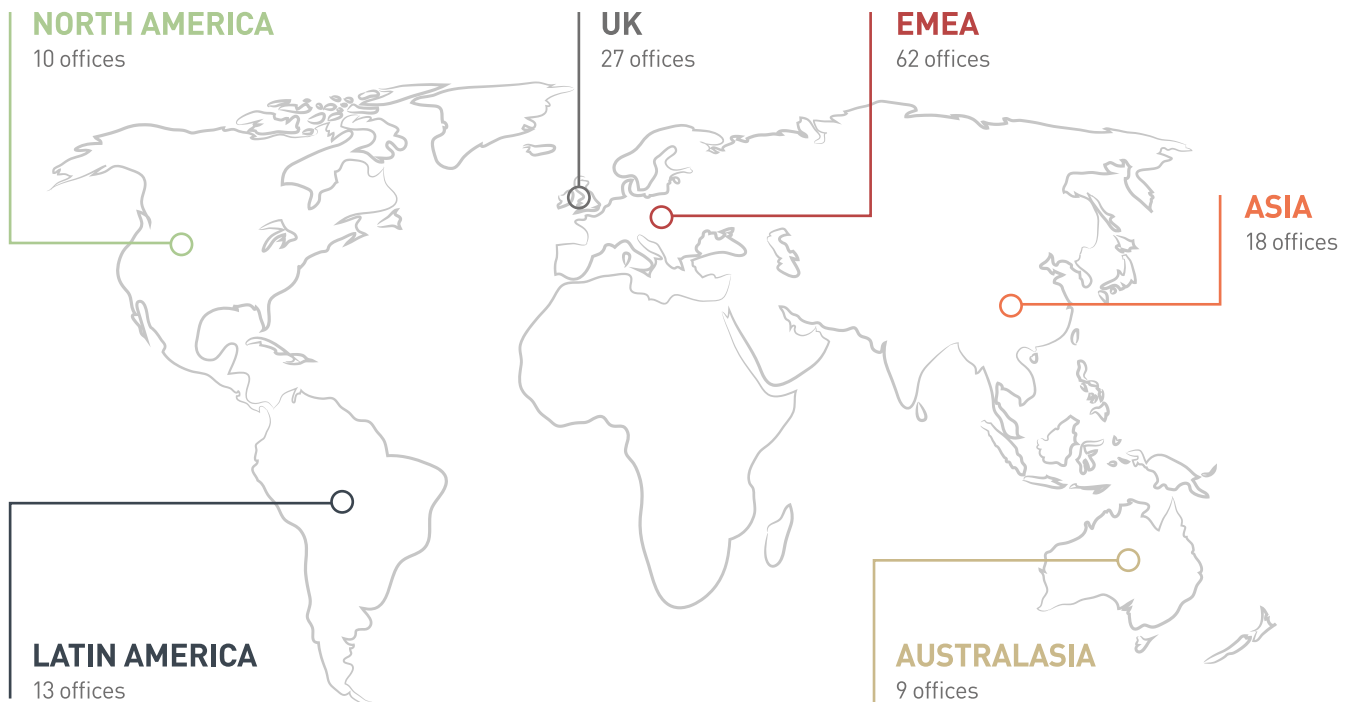
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