



Retail Supply Chain Update

October 30, 2020

Kroger rolls out rapid antibody COVID-19 testing to all pharmacies

- The Kroger Co. has begun offering customers rapid antibody COVID-19 testing and plans to roll out the service to all of its 2,200-plus pharmacies.
- Kroger Health, the company's health care services arm, said Wednesday that the Food and Drug Administration-authorized rapid antibody tests are now available at Ralphs Grocery pharmacies in California and Kroger pharmacies Michigan. The tests are slated to be available at all Kroger Co. pharmacies and 220-plus Little Clinic locations in 35 states by the end of November.

U.S. consumers preparing for second wave of stockpiling

- Winston-Salem, N.C.-based Inmar said Tuesday that 57% of shoppers surveyed are now deciding whether to replenish their stock of goods gathered at the start of the coronavirus pandemic. Meanwhile, another 54% of respondents said they aim to be prepared by always having a stockpile of key items going forward, in case of safety issues and supply outages at stores.
- Consumers cited the upcoming winter season and the resurgence of COVID-19 cases around the country as the chief reasons for their planned stock-ups, according to Inmar.
- Of those polled, 27% said they're considering a winter stockpile because certain products might not be in stock when needed. The same percentage expressed concern that another wave of the pandemic would make in-store shopping less safe.

Target 'Black Friday Now' deals: Series of weekly sales will run throughout November amid COVID-19

- Target's Black Friday 2020 will be a series of week-long sales throughout November, instead of the traditional short holiday shopping extravaganza.
- The retailer unveiled more details of its plans Thursday, along with some of the deals to help shoppers plan for "a safe, stress-free shopping experience" amid the coronavirus pandemic.
- Target says this year "nearly all" of the "Black Friday Now" deals will be available for an entire week, both in stores and online. Contactless, same-day Drive Up and Order Pickup services are available for orders on either platform, or can be received via same-day delivery with Shipt.

Amazon predicts \$4 billion in Covid-related costs next quarter, with unpredictable holiday sales

- The online retailer said in its earnings report on Thursday that operating income for the last three months of the year will be between \$1 billion and \$4.5 billion. That incorporates roughly \$4 billion of costs tied to Covid-19 for things like testing, cleaning, extending employee breaks and social distancing measures.
- Chief Financial Officer Brian Olsavsky said on the call with analysts that every fourth quarter carries uncertainties because of the holidays and volatile weather patterns. It's by far the biggest period of the year for the company by revenue, and this year is expected to be Amazon's first quarter ever to surpass \$100 billion in sales.
- But the end of 2020 is particularly unpredictable. Prime Day, Amazon's annual mega-shopping event, was pushed back from July to October this year as the company adjusted to the strains of the coronavirus. The election is next week, and control of the White House and Senate are up in the air. Facebook and Walmart are even predicting possible civil unrest around the election results, which may take a long time to be finalized. The economy grew at its fastest pace ever in the third quarter, but coming off the worst quarter in history.
- "There's a whole host of conditions that generally come to bear in Q4," Olsavsky said. "I think the fact that Covid is dwarfing all of those is causing a lot of uncertainty."