

Strategic Management

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Strategic Management of Sainsbury during Covid-19

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Executive Summary

In this report, a detailed analysis of Sainsbury is conducted to understand the strategic changes the giant retailer had to make during the pandemic to provide the most to their customer while following the UK government issued rules and regulations. The analysis in this report is based on implementing the PESTEL framework analysis, SWOT analysis, Stake Holders analysis and Porter's Value chain analysis to understand the challenges and how the company overcome those challenges through the changing their operational strategies. The report also includes how the retailer processed the lockdown restriction and adopted the online retailing. Even though Sainsbury is a UK based retailer the giant retailer has to face challenges in the UK market as the market changed during the pandemic and customers demand varied from the regular market. The customers started focusing on essential items and as the pandemic affected the GDP (Gross Domestic Product) rate people spent less on non-essential items.

What is recommended

- The company should implement big data analysis to understand changing social trends and everchanging customer needs.
- The company should focus on reducing their use of single use plastics items and start using reusable items.

Methodology Used

The recommendations are based on the following sources:

- Sainsbury company website
- Argos website
- Sainsbury Tu clothing website
- Sainsbury bank website
- Published public articles
- Articles published by reputed news channels.

- Published articles on the website
- Book Sections
- University Reports
- Peer-reviewed reports

What the report covers

- **Page 1, Introduction.** Briefing about the company. The section discusses PESTEL analysis, SWOT analysis, Stake Holders analysis and Porters Value Chain analysis and how the analysis would be implemented in the challenges faced by the retailer during the global pandemic outbreak.
- **Page 2, Findings.** This section provides details regarding the data collected and all the analyses used on Sainsbury.
- **Page 14, Conclusion.** Concluding on the data gathered and highlighting the main challenges faced by the retailer.
- **Page 15, Recommendations.** Provide recommendations along with the specific path to implement.
- **Page 16, References.** Sources from the data gathered.

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1. Introduction

In December 2019, Wuhan a city in China in Hubei Province reported an outbreak of pneumonia due to unknown origin. The case was epidemiologically linked to Huanan Seafood Wholesale Market. The epidemic was initiated in January 2020 and within five months in May 2020, the virus spread worldwide infecting 48,06,299 people and claiming 3,18,599 lives. Due to the huge number of deaths caused by the virus the World Health Organisation (WHO) declared it a pandemic on 12 March 2020. The term pandemic and epidemic are often used interchangeably but an epidemic is an outbreak that spread over a larger geographical area like the Zika virus in 2014 in Brazil. Whereas a pandemic is an epidemic that spreads globally like Spanish influenza in 1918.

This report would critically analyse the external factors and internal factors affecting the performance of Sainsbury. Also, how do the external factors and internal factors influence one another, and how do the factors affect the strategies of Sainsbury to provide personalised customer service. The external environment is the macro-environment that can influence the companies' capabilities and can indirectly affect the company's micro-environment. The micro-environment consists of factors that directly affect the company's ability to serve their customers. To analyse the macro-environment factors in the report PESTEL analysis will be implemented as the framework includes the six major macro-environmental aspects of business: political, economic, social, technological, environmental, and legal. The micro-environmental factors would be analysed using SWOT analysis. The report would also consist of Stakeholder analysis and Porters Value chain analysis to analyse Sainsbury furthermore critically. (Ventriglio A, 2021) (Sansanee Sapapthai, 2020)

In 1869 John James Sainsbury and his wife Mary Ann established Sainsbury in partnership and opened a store at 173 Drury Lane in Holborn, London. The philosophy behind the shop was to offer "Quality perfect, prices lower". The innovative strategies of Sainsbury upset their rival Home and Colonial, Sainsbury store had a similar and uniform look in all stores. So, the customers recognised the store easily and also 'J. Sainsbury' sign was easily spotted through coaches and omnibuses. The store also offered round-the-back delivery option which added extra convenience to their customer. In 1922 J Sainsbury was incorporated as private company and was known as 'J. Sainsbury Limited' which became the UK's largest grocery group. Currently, Sainsbury is worth 4.82 billion market capital. The company in financial year of 2021/22 saw a sales growth of 3.4% versus the in 2020/21 the company saw a decline in sales by 2.6%. Sainsbury currently owns Argos, Nectar, Tu, Sainsbury Bank and Habitat. The company currently have more than 600 supermarkets, more than 800 convenience stores, and is amongst the top 100 FTSE (The Financial Times Stock Exchange) companies. (Hujainah, et al., 2018) (Balta, et al., 2015) (Smith, 2021) (PLC, 2020) (PLC, 2022)

2. Findings

2.1. PESTEL Analysis

The book “Scanning the Business Environment” was the first book to use the PEST framework as a scanning tool. The Harvard professor Francis Aguilar and author in 1967 created a scanning tool named “ETPS” and used it in the book and further named the tool as PEST analysis. The standard PEST analysis comprises four different business factors namely Political, Economic, Social, and Technological. But the PEST framework has variations to adapt to different business criterions. The variation used in the report considers Political, Economic, Social, Technological, Environmental and Legal factors. (Wei Pan, 2019) (Thakur, 2021)

Political: The Covid-19 pandemic affected the political stabilities of every country as the countries changed their trading policies and applied commercial restrictions. Most of the countries changed their taxation rates which affected the organisational taxes and also increase the cost of products. As the pandemic affected local businesses the countries released grants and government assistance to local businesses. But Sainsbury decided not to claim for the grants and would pay all the VATs (Value-Added Tax) on time. As the commercial restrictions where implied importing and exporting goods where restricted from many countries. As UK transport secretary Grant Shapps said “Covid 19 was number one cause” of Britain’s supply chain struggles. This affected Sainsbury business capabilities as being a UK based company.

Economic: The pandemic resulted in higher inflation which disintegrated the purchasing power of the consumers. Inflation led to increase in price of products and indeed increased the cost of living as there was a shortage of daily necessity products. Due to several lockdowns and commercial restriction the stores were closed, and the standalone Argos completely moved to online retail store. Customers were asked to shop online and pickup their orders from the stores to ensure customer safety. But this affected the business as even though the sales increase in the grocery department, but the sales of clothing and other non-necessity item dropped. This was reflected in the February 2021 financial report as the suffered a loss and the debt increased on the company. As the pandemic affected everyone Sainsbury decided to provide basic pay up to 12 weeks to the employees who were extremely vulnerable or vulnerable due to the virus and were required to self-isolate. The company also gave 10% of thank you payment to around 157000 colleagues and front-line managers on hours they worked from 8 March to 5 April. Thus, overall affecting Sainsbury’s profit margin for the financial year of 2020 to 2021.

Social: As the Covid-19 outbreak was a sudden outbreak people started panic-buying, this resulted in shortage of supplies. As people started to stock the daily necessity supplies instead of reducing their supply requirements. As the struggled to restock the supplies consumers demands for soft drink, beer and barbeque foods increased as families meet more at home. As the pandemic hit people started

avoiding meat and dairy products. This impacted the dairy and meat industries. But instead of raw meat or farm meat people started choosing lab-grown meat, also according to recent reports sales for plant-based meat increased in US by 200%. To deal with the requirements of consumers Sainsbury struggled to stock their empty shelves with new global social food trend, also the alcohol intake during covid increased the pressure on Sainsbury due to the pandemic there was a shortage of lorry drivers and staffs, as they were forced to self-isolate. Therefore, Sainsbury decided to limit the product range and prioritise the availability of essential items.

Technology: Due to the pandemic the UK government, imposed lockdowns and as per government guidance all the 573 standalone Argos stores were closed. Sainsbury completely moved Argos to online only retail site, and asked customer to order their products online and choose online delivery or store pickup only. Sainsbury also prioritised the online grocery slots for elderly, disabled and vulnerable customers. The company also increased their total number of weekly slots by 50% and requested everyone to order online and pick up from store or choose home delivery. Sainsbury having their eCommerce website is helpful for the tech friendly generation however the company have to improve their customer experience. For this they could incorporate the data base analytical systems such as big data and AI. The incorporation of the analytical tools would help in increase in sales and would run better marketing campaign online. According to the Sainsbury report the groceries sales online grew by 7.6% and convenience sales grew by 1.3%.

Environmental: The supermarket chain has very high level of carbon footprint as the warehouse needs to be lit around the clock. Sainsbury should also consider reducing the use of single use plastic and should look for ways to tackle their plastic waste. Sainsbury in 2021 reduced 20% of their greenhouse gas emission compared to 2018 and 2019. The company has also managed to plant 4.6 million native plants with collaboration of Woodland Trust. Sainsbury has a goal of reducing the plastic waste by 50% by 2025, the water consumption of Sainsbury is also 1 billion less annually than in 2005 and also committing with net zero operation by 2035. Sainsbury in 2021 and 2022 changed 100% of their lighting to LED lighting which reduced 70% of their electricity consumption.

Legal: During the pandemic UK government enforced lockdown to avoid the spread of the virus and for the safety of the people. The lockdown forced Sainsbury's to close their 573 Argos store and to reduce the staff in their stores. The government also stated the requirement of maintaining physical distance in the store which limited the number of customers in the store and also made it difficult for the retail worker to manage. To ensure the customers safety Sainsbury separated the customers and the colleagues on the billing counters by placing screens between them. Also, as the UK government stated that the stores need to be thoroughly clean and sanitised. Sainsbury made sure that the stores were properly ventilated, which meanwhile caused the stores to be chilly. Therefore, Sainsbury asked the customers to come prepared with warm clothes in the stores. As per UK government guidelines everyone where required to wear face coverings in the stores unless someone is exempted.

2.2 SWOT Analysis

Kurt Lewin first mentioned the strength, weakness, opportunities, and threats in a business in his posthumous text, "Field Theory in Social Science" over fifty years ago. In the early 1960s a Harvard professor acknowledged the analysis and gave it an acronym SWOT (Strength, Weakness, Opportunities, and Threats). The SWOT framework analyses the internal strengths of the company with the external available opportunities to help the company reach its objectives, by mitigating the internal weaknesses and external threats. According to Arthur Thompson "SWOT Analysis is a simple but powerful tool for sizing up an organization's resource capabilities and deficiencies, its market opportunities, and the external threats to its future".

Strength: Being UK's biggest groceries retailer Sainsbury has a strong market value. The company has a strong legacy in UK since 1869 and has an extremely experienced leadership team. The company during Covid-19 prioritised the customers and the people who were impacted and were vulnerable in the pandemic. Sainsbury started working closely with FareShare, Comic Relief and other charities and organisations to help people who have no other form of support. The company also decided to pay 12 weeks basic pay to their employees who were vulnerable and extremely vulnerable in the pandemic and the colleagues who needed self-isolation were receiving 14 days paid break. The company also decided not to take the government grants and to pay VAT payment on the regular time. During the pandemic the company had £300 million loss absorption. As the operating expenses increased and the incurred additional cost and reduced the revenue to protect the employees and the consumers. This delayed the restructuring activities but resulted the consumers and employees to reliably trust the biggest grocery chain. Also even during pandemic, Sainsbury continued to provide service to their customers and started an eCommerce site for the groceries and a separate website for Argos to continue the sale of electronic equipment's. The company also offered home delivery or store pick-up for the customers. This attracted a majority of customers to shop from Sainsbury as the daily necessities directly home delivered or available for store-up, but also as a result of lockdowns people were working from home. Therefore, a lot of customers relied on Argos for their work from home setup. As the company report states the sales of electronic product from Argos increased during the start of pandemic but then slowly started to drop in sales by mid-pandemic. Sainsbury also considered wellbeing of their employees by deploying them to different job roles required to function during the pandemic.

These strengths and functioning of Sainsbury helped them to stand strong during the pandemic and helped the biggest groceries store to sell products and daily necessities items even during lockdowns.

Weakness: The Covid-19 pandemic caused economic uncertainty and also resulted in a shortage of supplies. Sainsbury had to increase the prices for the goods. This impacted Sainsbury as due to pandemic lots of people lost their jobs and the unemployment rates increased, people had less money to spend. Therefore, the customers were just buying the daily necessity items and were not spending any extra money on any non-necessity products. There the sales of groceries increased during pandemic, but the company saw a drop in sales of electronic market, clothing, and banking market. Retailers like Sainsbury usually possesses risk from brand switching. During pandemic the risk increased as people started brand switching and started visiting the retailers near their location to avoid travel in the pandemic, some customers switched the brands to find some cheaper alternatives as the prices of product increased. Sainsbury has price and product competition with some discounter's retailers like Aldi. As the economy was affected in pandemic people started opting or cheaper alternatives for daily necessities. The company has been in financial crisis for the last 2 years as the result of decreasing annual revenue and net profit as compared to 2020. As the company decided not to opt for government grants during pandemic and to pay VAT on regular basis instead delaying the tax. During Covid-19 the company also offered 12 weeks basic pay to the extremely vulnerable and vulnerable employees and also gave paid breaks to employees for self-isolation for 14 days. This resulted the company to suffer an impact on their financial stability. Also, Sainsbury has a high attrition rate than its competitors as the company spends more time to train and develop their employees to provide better services to the customers.

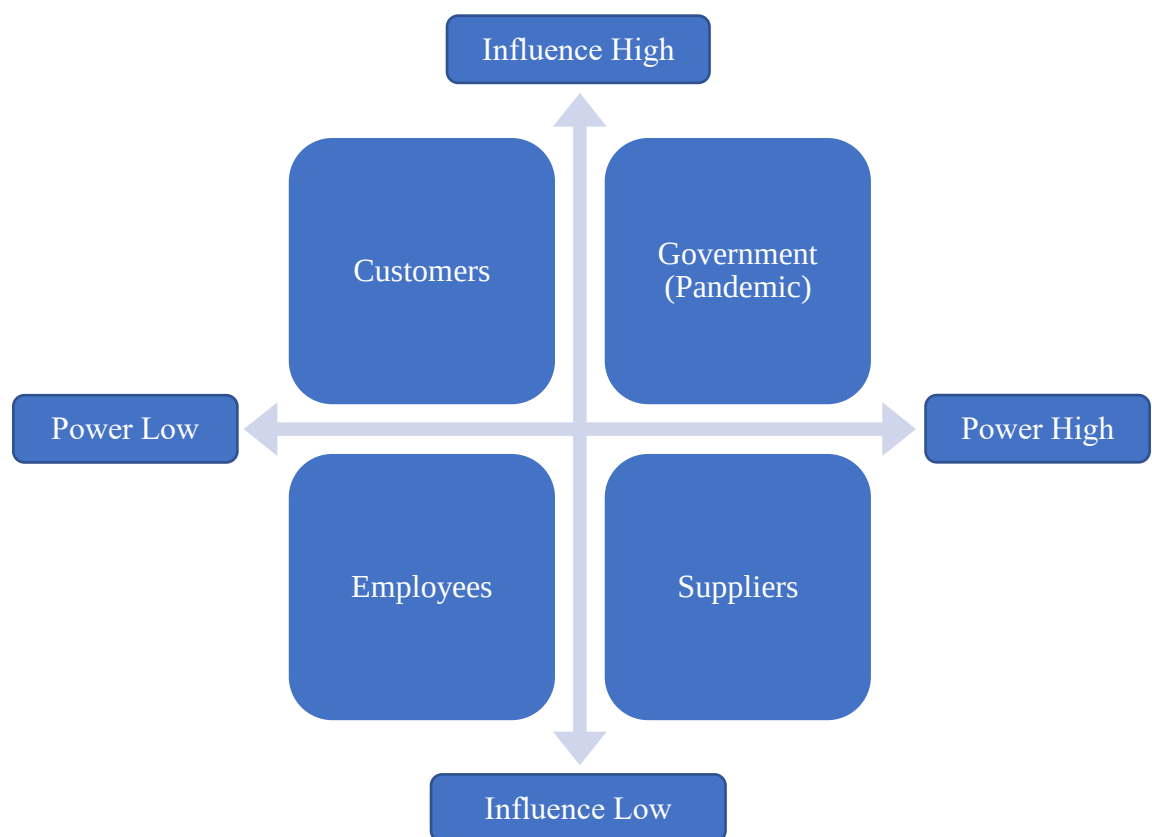
Opportunities: Sainsbury has successfully established a large network in UK during the pandemic the company started their online websites and started home deliveries. The online platform would channel new customers to Sainsburys, and this investment had opened a new channel for Sainsbury to understand their customer base and their needs. The company could incorporate big data analytics and can have a leverage over the opportunities by knowing customer better and would help Sainsbury to analysis the everchanging social consumer trends. The company could respond to new market trends in advance and build new revenue streams and diversify their categories too. During Covid-19 pandemic, to minimize and avoid the spread of virus the company increased their number of self-checkout machines therefore the company now have an opportunity to enter a new emerging market and to adopt new technologies to improve the sales of their products and to provide better customer service. After Covid-19 pandemic the company now have an amazing opportunity to expand globally, even though Sainsburys attempt to buy ASDA was blocked by CMA (The Competition and Market Authority), the global expansion would help company to grow more and to explore new market other than UK. With the new home delivery concept, the company should also consider expanding more in the rural areas of UK as in the recent year's village areas are growing in with a fast pace, so the company could capitalise the moment and expand their retail business in the new markets.

Threats: In 2020 during the Covid-19 pandemic Sainsbury sustained an annual revenue and net income drop as during the pandemic according to the UK

government Sainsbury had to close multiple stores this resulted to the annual revenue to drop by 3.2% and net income to drop by 32.78%. After pandemic Sainsbury's financial stability was compromised as the company decided the wellbeing of their customers and employees during pandemic and decided to absorb the loss during Covid-19 pandemic without opting for government aids or without delaying the payment of VAT. This instability has raised a serious pressure on the company as after the pandemic the people demanded for rise in pay level and movements such as demands for £15 an hour pay and also the pandemic resulted increasing product pricing which has pressurised the profitability of the retailer giant resulting in narrow profit margin. After pandemic the shortage of skilled workers increased in the market which presented a threat to Sainsburys growth in the market. The retailer giant has a neck-to-neck competition with several other retailers such as ASDA and Tesco. The company is also pressurised by the low profit margin retailers like Lidl and Aldi as the as these retailers offer varieties of product at a very low prices and therefore attract more customers as due to the pandemic the increase in inflation rate have resulted in the customers capability to buy products. Therefore, several customers are switching brands and shopping for the cheaper retailers which threatens the sales of Sainsbury. The company have also been caught in several controversies such as diary price-fixing, ethical issues, environmental issues, and many more. This continuation of controversies would result in Sainsbury to lose its market value. (Extensive SWOT Analysis Of Sainsbury's – UK's Top Supermarket, 2021) (Ventriglio A, 2021)

2.3 Stake Holders Analysis

Concepts similar to stakeholder analysis was traced in multiple instances in the past of the longstanding nature of civil society but the concept stakeholder was first used in 1963 at an internal memorandum at the Stanford Research Institute. Stakeholder analysis is a developed tool or set of tools with different purposes depending on the implementation. The analysis can generate more information about the company's stakeholders. Stakeholders are groups, organisation or individual s who are interested in the company project and can influence the outcome of the project. The analysis is used to gather information from inside or outside the project environment and accordingly using the most influential stakeholders to overcome the weak stakeholders. (Crosby, 1991) (Balta, et al., 2015) (FossHansen, 2021)



- 1. Government:** The outbreak of Covid-19 pandemic affected the functioning of the business as the government had take immediate action to control the spread of virus. Therefore, the UK government imposed lockdown all over UK. Sainsburys had to close all 537 standalone Argos according to government guidance and had to operate as an online-only retailer. The government also implemented social distancing and compulsion to wear mask. Sainsbury had to incorporate the new regulations implemented by the government and change their operating strategies. For the customer and employee's safety, Sainsbury installed screens between the customers and the employees. The company also restricted the number of customers entering the store at one time. To stop the spread of virus according to government

guidance the stores were needed to sanitise at multiple time a day and the hygiene standards needed to increase to secure the customers and the employees. According to the UK government guidance to control the spread of the virus the employees having the symptoms of the virus had to self-isolate themselves for 14 days but this self-isolation fully paid break. Also, to provide shielding to the employees Sainsbury offered 12 weeks full pay to the vulnerable and extremely vulnerable employees. The frequent lockdowns also disrupted the supply chain within UK and its neighbouring countries. The government also imposed trade restrictions during the pandemic to control the spread of virus. This resulted in shortage of supplies to Sainsbury and the company had to implement the restriction on customers by limiting the number of essential items in a single shop, so that the essential supplies last longer and can be distributed to number of customers. Therefore, the government had the highest power and influence on Sainsbury during Covid-19 pandemic as the country needed to control the spread of the virus. Therefore, Sainsbury incorporated the newer regulations and rules imposed by the UK government and changed its operational strategies for the welfare of the customers, employees, and the society.

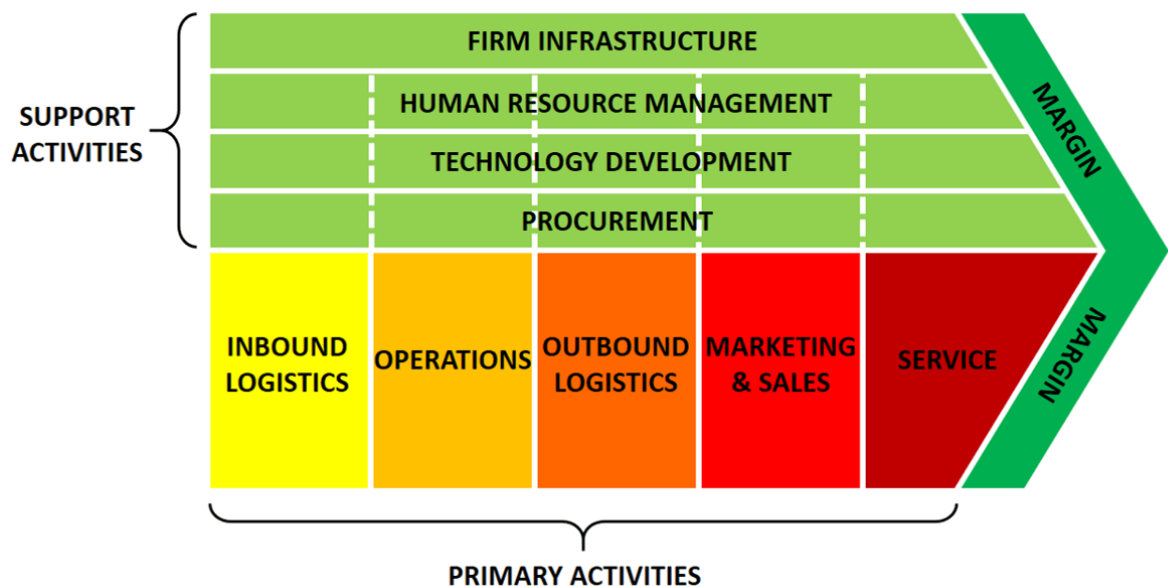
2. **Suppliers:** The sudden outbreak of Covid-19 pandemic impacted the supply chain as the government incorporated trade restrictions and imposed frequent lockdowns. This forced Sainsbury to adapt to the situation and change their operational strategies to resolve or minimise the influence of the disrupted supply chain on the customer experience. The disrupted supply chain and logistic service caused a shortage of essential items in Sainsbury stores; therefore, Sainsbury restricted the number of products a customer can buy at one single time. This allowed the essential items to last longer and available to larger number of customers. The company also closed the fresh food counters and cafes and focused on the essential items only. Sainsbury also started limiting product range and prioritised the availability of essential items. Early on in the pandemic due to sudden shift in customer demands for products as the customers adjusted to the new lifestyle the company saw an increase in sales for some products whereas certain products were dropped in demands. These sudden changes pressurised the company suppliers as the customer demand changed and the suppliers and Sainsbury have to fulfil the customers new requirements. Therefore, to support the suppliers the company decided to continue with their previously place order and try and postpone them, but at rare instance cancelled the previously placed orders. The company also agreed to pay for any products the supplier specially produced for the company. The company also ensured that correct payment was given to the workers and the factories were operating with the government issued safety guidelines, ensuring safety of the workers, and securing their livelihoods. Therefore, suppliers had the higher power in the company's change process, but the influence was low as the company already considered the safety and security of their employees and suppliers.

- 3. Customers:** The sudden pandemic outbreak caused a global panic within the people. The UK government decision to impose lockdown to control the spread of virus caused a more panic within the UK consumer market as the customers started buying and storing essential items. Which caused shortage of supplies for the essential items. According to the UK government guidance the retailer giant had to increase its safety and hygiene standard in the stores and regularly sanitise the store to avoid the spread of virus. Sainsbury also installed screens between the customers and the employees to limit the interaction between them to avoid the spread of virus. UK government also imposed mandate for compulsion to wear mask in the store and also restricted the number of customers allowed in the stores at a time. This impacted the shopping experience of the customers. As the lockdown were imposed by the UK government Sainsbury had to close all the standalone Argos and several stores were just open for home deliveries or click-and-collect option. The company started its eCommerce website and changed Argos into online-only retail store. To provide better service to the customers Sainsbury decided to increase the click and collect booking slots for the customers and increased the number of slots by 50% per week. The retailer also prioritised the grocery slots for elderly, disabled or vulnerable people. The retailer had an ambition to deliver 6.00.000 slots per week to enhance the customer experience. As the retailer were focusing on the safety and security of their customer and their employees Sainsbury were practicing guidelines given by the UK government and was implementing social distancing rules and regulations. The fresh food counters and the cafes were also closed and were fully focused on keeping only essential items on the shelves for customers convenience. Therefore, customers had higher influence on Sainsburys operational strategies as the company had to make changes to suit customer demands, so that they can maintain their customer service reputation and to ensure the safety of their customers.
- 4. Employees:** Pandemic outbreak impacted a lot of businesses as the UK government imposed lockdowns which resulted for some companies to permanently or temporary close their stores. This increased unemployment rates as most of the companies were dismissing their employees, as the stores where closed the companies had no requirements of employees. This left majority of employees in a vulnerable situation as due pandemic the price of essential items was increasing, but also losing job had an impact on their buying power. Sainsbury however was focused on the welfare of the employees and the customers. The company offered 14 days paid self-isolation leaves. Extreme vulnerable employees and vulnerable employees were paid 12 weeks basic pay to the employees to sustain their and their family's life's. The retailer also instead of directly dismissing their employees tried to reemploy them in different departments. As during pandemic due to lockdowns, the stores where closed and the requirement of employees in the store decreased, whereas as the stores where closed the company deployed their eCommerce website. For the smooth functioning of the website, more

employees were needed in the warehouses and the backend offices. Therefore, the employees from the stores were deployed in warehouses or other departments. The retailer also made sure that every store, office, and warehouse were practising the government provided guidelines to avoid the spread of the Covid-19 virus. But recently, the retailer has been facing a backlash as Sainsbury changed their absence policy on 29th April 2022. According to which the employees can only have leave for 3% of their annual working contract. Which roughly means around a week and half. Over that the employee may be subjected to sanction or dismissed. This now also includes the time taken off by the employees due Covid. The new rule has caused a serious issue as now the customer would be served by employees who has Covid, because the employee has to come to work because to stay off would trigger disciplinary. This puts the life of the customers and the employees in danger. Therefore, employees have the least influence and power in Sainsbury as the decision for the employees are made by Sainsbury, to sustain the business and for the welfare of the customers. (Sansanee Sapapthai, 2020)

2.4 Porter's Value Chain

Porter value chain model is tool developed by Harvard Business School professor to analyse the company's value chain. A company value chain is a combination of process that a company uses to make money. In 1985 Michael Porter the Harvard professor in his book "Competitive Advantage" explains the value chain as a collection of processes that a company performs to create value for their customers. This can be directly linked to the competitive advantage. The advantage of Porter's value chain model is that the model focus on customers whereas other models focus on departmental and accounting for example. The Porter's value chain model is split into two main activities namely: Primary activities and Secondary activities. These activities are furthermore broken down in different processes and activities. (Porter, 2019) (Simatupang, 2017) (Dekker, 2003) (Bedford, 2022)



(A) Primary Activities:

- 1. Inbound Logistics:** Due to the pandemic outbreak the logistic and supply chain was disrupted. The retailer faced a shortage of essential items because of the disrupted supply chain, logistics and due to sudden increase in demands of some items over other. As Sainsbury faced increase in demands of the essential products the retailer had to communicate with its suppliers about increase in demands for certain products. Due to increase in demands of some products over others the suppliers also faced manufacturing crisis as they had to concentrate majority of their manpower and raw resources on some essential items. Therefore, they have to stop the production of the other products and focus on the essentials. But Sainsbury maintained their healthy relationship with their suppliers as the retailer gave compensations and supported their suppliers to gradually move their manufacturing focus on their essential items.
- 2. Operations:** Sainsbury the giant retailer now has 1407 store spread all over United Kingdom. Among them 1267 stores are located within England. The

retailer also owns Argos and have 728 stores dedicated to Argos. But during pandemic Sainsbury was asked by the government to close down their standalone Argos stores. Therefore, during the pandemic outbreak Sainsbury closed down 537 standalone Argos stores and decided to move Argos to online only retailer. Also, the company focused their sales on the essential items and filled up the shelves with them, so that the customers could conveniently shop in the store.

3. **Outbound Logistics:** The retailer also started their eCommerce store for more customer convenience. The retailer also started home deliveries and click and collect from the stores during the pandemic. The retailer closed their fresh food counters and cafes and restocked their shelves with the essential and high demand items. Sainsbury also reduced the variety of products available and only stocked the store with essential products. As the retailer started their eCommerce website, Sainsbury increased their slots available per week for customers to pick up their orders by 50% and also prioritised the availability of slot to senior citizens, disabled customers, and vulnerable customers.
4. **Marketing and Sales:** Due to pandemic and lockdown Sainsbury started their online retail stores. The company offered the click and collect service to their customers. This increased the sales for Sainsbury as the customers could now conveniently order their essential supplies and products from Sainsbury's website the product would be delivered to their house or could be picked up from the nearby store.
5. **Service:** As per Sainsbury philosophy the retailer strived to serve quality item in lower prices to their customers. During the pandemic outbreak the retailer strived for the welfare for its customers and employees and implemented strategical changes in their operations to add convenience and support the customers and employees. During the pandemic the retailer also practised and followed all the guidelines provided by UK government. The stores were well sanitised and cleaned, the customer and employees were wearing mask in the store and social distancing rules were followed.

(B) Secondary Activities:

1. **Firm Infrastructure:** An effective infrastructure management could strengthen Sainsbury competitive positioning in the market. As the infrastructure denotes range of activities such as- strategic management, accounting, finance, and planning. Therefore, effective infrastructure optimises the value of the whole value chain for Sainsbury. The retailer employs business manage in corporate level
2. **Human Resource Management:** The retailer can achieve cost minimisation objectives by analysing hiring and training costs with their relative returns. An effective HR management would allow Sainsbury's to reduce the competitive pressure based on commitment and skill of its workforce.
3. **Technology Development:** During the pandemic Sainsbury changed Argos to an online-only retailer shop and also Sainsbury started its eCommerce

website. The retailer could also incorporate the modern data analysis which would help the retailer to understand social trend earlier.

4. **Procurement:** Sainsbury has a robust supplier ecosystem that helps the retailer to obtain quality items. As Sainsbury's main goal was to provide quality items in lower prices. By implementing the data analysis on their eCommerce website, the retailer obtains the new social trends and can prepare to provide and satisfy the customer demands.

3. Conclusion

After carefully analysing the situation faced by Sainsbury during the outbreak of Covid-19 pandemic the retailer had to majorly change their operational strategies. As Sainsbury was an offline retail store before the pandemic but during pandemic Sainsbury opened its eCommerce website and also completely moved Argos to online-only retailer. The giant retailer also started home-deliveries and click and collect option for the customers. This spiked the customers interest as now the customers would shop from Sainsbury from the comfort of their home. The company can increase the convenience for the customers by recommending them items according to their previous search history. To gain more customer information and their needs the company can incorporate the use of big data analysis on the website.

During pandemic the retailer followed all the rules and regulations implemented by UK government. The company also thought of their customers, employees, and suppliers' welfare, during the difficult times of the pandemic. Thus, this was appreciated by the customers and the employees and Sainsbury also kept an healthy relation with their suppliers.

4. Recommendation

1. Sainsbury should incorporate big data analysis on their website as this would help them more data about their customers needs and demands. Which in can improve the customer shopping experience on the website the site would recommend items according to their search history. Also, the implementation of big data analysis would help the retailer to understand new social trends in the market, so that Sainsbury can stock the products well before to provide and fulfil the new customer demands.
2. Sainsbury has a large amount of carbon footprint as the retailing chain has to keep their stores and warehouse lights constantly on and also the warehouse and store needs Air conditioning and heating which increase in the hydrofluorocarbons which increases the amount of greenhouse gases. The retailer giant also has higher use of single use plastic. Sainsbury should incorporate the use on recyclable packaging and shop reduce the use of plastic. The company could also provide shopping bags made of recyclates or should provide reusable cloth bags.

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