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Here's How This COVID-19 Tracker Helps Retail Get Inventory Right

By Tara Donaldson



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Stores are opening but will consumers return? Join Cushman & Wakefield and rue21 for the Retail in Recovery webinar June 17 at 2 pm ET.

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And that's where Chain of Demand hopes to step in.

The predictive analytics firm that typically taps into artificial intelligence to help brands and retailers minimize inventory risk and maximize margins has added a COVID-19 Retail Tracker into its fold. The publicly available resource curates retail-focused insights and COVID-19 projections to help the industry “prepare for a new retail.” The aim is to track the virus’ movement and its resulting [effect on retail](#), and use that to make informed determinations as to what demand and sales might look like in the weeks and months ahead.

With the COVID-19 Retail Tracker, viewers can see coronavirus case projections by country, including which areas are still seeing the virus accelerate, versus places that have entered the suppression phase, which can help companies with regional planning for upcoming quarters.

“We are the only one that includes proprietary COVID predictions on when select markets will enter their suppression phases (where there is low pandemic activity, based on CDC’s Pandemic Intervals Framework), or when the market will start to recover, in addition to relevant retail market data,” Chain of Demand CEO and founder AJ Mak told Sourcing Journal.

From there, users can see how retail sales performed by country during those various phases of the virus.

“We examine consumer spending trends across 2019 and compare the movement of total spend for 2020,” the company website says. “It provides an indication of how consumer spend will be in upcoming months.”

And that indication will prove critical for companies trying to determine what to buy—if anything at all—for the balance of the year, as most will be overburdened with unsold or undelivered inventory from Spring/Summer '20. The tracker also keeps tabs on fashion players’ order cancellations earlier in the year, which were prompted by store closures and concerns about the ability to sell through spring and summer stock in the face of still-shuttered stores and still unrevived demand. While most brands and retailers are still in the decision-making phase of their second-half planning, with some looking to ‘pack and hold’ this spring’s inventory for next spring and others working on ways to offload the product sooner, many will still need to figure out what they’re doing with fall and winter product.

“We expect to see a lot of spring goods adopted for the fall,” Mak said. “We also expect to see tighter ranges for winter as companies are still very cautious...about the pandemic situation come winter.”

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“Our fashion predictive models are designed to predict sales over six-month periods to match with the major seasons in fashion (Spring/Summer and Fall/Winter), and our recommendations are provided six months before the start of the season so buyers, merchandisers and planners can optimize inventories at the time when they need to place their orders to their suppliers,” Mak said of the company whose management team has more than 20 years of combined experience in sourcing, product development, allocation and digital transformation.

The most recent update to the tracker outlines U.S. mall reopening progress as well as changes in major retail stock performances by sector, to highlight how well or poorly major companies are performing based on the pandemic's effect on their stock, as well as how offline companies are performing compared to their e-commerce counterparts. The data is designed to reveal insight and allow for reasonable inferences as uncertainty is expected to prevail for the remainder of the year.

“While the full ramifications of the COVID-19 pandemic on the retail industry is yet to be seen, we have already witnessed the catastrophic effect COVID-19 has had on retailers and brands of all sizes,” said Chain of Demand, which counts Fung Retailing and Asia-based luxury distributor Bluebell Group among its existing clients. “Despite an increasing number of countries slowly reopening their doors desperate to restart their businesses, shifting consumer demand and stifled orders have proven that the retail industry is no longer the same.”

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