

Examining the Experiences of Small, Independent Grocers during the COVID-19 Pandemic

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INTRODUCTION

Independent grocery stores—defined as “stores whose owners operate fewer than four outlets simultaneously” (Cho and Volpe 2017: 1)—are important assets for communities across the United States because they provide food access, employment opportunities, and tax revenue. Small, rural grocers also offer social benefits, such as providing gathering places for residents, serving as a community anchor for other businesses, and supporting fundraisers for local teams, clubs, and projects on store property (KSU n.d.). Independent grocery stores have faced continued challenges in recent decades. According to Cho and Volpe, the overall number of independent grocery stores declined between 2007 and 2015, yet the number increased in rural areas. As entities smaller than larger chain stores, they often have less bargaining power, resulting in higher consumer prices and less choice. Competition comes in many forms: supercenters, club and warehouse stores, discount dollar stores, convenience stores, pharmacies, online meal kit subscriptions, and online shopping (Dumont 2019). Independent grocers also face labor shortages and high operating costs, while lacking transition plans for leadership and ownership (Olive et al. 2020). Despite these challenges, their scale and position within the community mean they are often “more attuned to the needs of the community than chain stores” and

maintain a loyal local customer base (Cho and Volpe 2017: 1).

With 61 percent of its population living in rural areas,¹ Maine is the most rural state in the country, and independent grocery stores are especially valuable to our communities. The National Grocers Association has estimated 154 independent community grocers in Maine in 2020 contributed 1.2% of Maine’s gross domestic product with a direct economic impact of \$304.8 million. These grocers directly employed 4,164 people in jobs that paid \$131.4 million in wages.²

As the COVID-19 pandemic took hold in Maine, these vital community businesses were suddenly confronted with additional challenges. The pandemic threatened all components of the food system, from reductions in available farm inputs like fertilizer and labor to disruptions in food processing, packaging, and transportation, and led to reduced food availability and higher prices for retailers, restaurants, and consumers (Stephens et al. 2020). Drop in demand of certain food items along with social-distancing restrictions for workplaces, stores, and restaurants affected producer, processor, retail, and restaurant profitability (Béné 2020). Store owners navigated uncharted waters in an attempt to keep employees, customers, and the general public safe while also keeping food shelves stocked and businesses financially afloat.

In this research brief, we examine the resilience of independent grocers in Maine in light of the COVID-19 pandemic. While there are several definitions of resilience, a resilient system can “anticipate, absorb, accommodate, or recover from the effects of a hazardous event in a timely and efficient manner, including through ensuring the preservation, restoration, or improvement of its essential basic structures and functions” (IPCC 2012: 5). According to Bosso (2020) and Worstell (2020), traits of a resilient food system may include

- flexibility—connections to multiple supply chains;
- diversity—various types of producers, processors, distributors, and suppliers;
- redundancy—back-up food chain partners to maintain functions;
- adaptability—ability to change quickly to meet changing circumstances;
- innovation—creative transformation awakened by disturbance;
- self-reliance—integration into local communities with self-organization; and
- infrastructure—control of production inputs, storage, processing, packaging, and distribution.

According to Christophe Béné (2020),

COVID-19 did not reveal only the limits of our (national and international) health systems; it also illustrated the fragility of our food systems.... In sum, it sheds light on the central question of the resilience of food systems and its link to people’s food and nutrition security.

Using this lens of resilience, we conducted 12 qualitative interviews with Maine grocers, state agencies, and a trade association.³ We narrowed our geographic

focus to the state's major population corridor, running along Interstate 95 and the Atlantic coast from southern to central Maine. We also focused on grocers who did not source their supplies through larger grocery chains, such as Hannaford or IGA, Inc., which utilize logistical distribution networks for member stores. Fourteen stores met our criteria as well as being small, independent markets selling a variety of fresh, frozen, and shelf-stable "natural" or "health" food items. Nine of the fourteen agreed to take part in our interviews and were interviewed between February and July 2021. During these interviews, grocers commonly mentioned a trade association and several Maine government departments as sources for policy and operational guidance. Therefore, we extended our study to include their perspectives on managing COVID-19, and these interviews occurred July through August 2021.

The interviews were held over the telephone, through a Zoom call, or in-person and followed specific questions yet were semi-structured for flexibility to allow for elaboration or discovery of information that not previously included (Gill et al. 2008). Questionnaires and participation consent were sent to participants prior to the interview (see Appendix). Notes were taken during the interview. The responses were organized by key phrases, leading to generalizable themes of leadership and safety measures, community, supply chain and operations, communications, revenue and staffing, government support and final thoughts. We aligned experiences and reflections within those themes with the traits of a resilient food system.

TRAITS OF RESILIENCE FOR NAVIGATING COVID-19

As we reviewed the results from our interviews small grocers and related food policy and trade association leadership in Maine, we found many examples of resilience in their responses to the COVID-19 pandemic. We used the seven identified traits of resilience to provide a framework for understanding how these organizations dealt with the pandemic and the best practices they established, which may be useful for future shocks to this part of the food system.

Flexibility

The COVID-19 pandemic forced the grocer interviewees to navigate new challenges and pivot regularly to be flexible. Each grocer stated that the well-being and safety of staff was the priority. One grocer created alternative jobs for any staff member who no longer felt safe working the front lines. Another paid staff for their typical pre-COVID-19 number of work hours, even though their work schedules were reduced during the pandemic. Other grocers expanded employee sick time. That level of care and concern was also extended to the grocers' customers as they worked to create stores where safety was explicitly modeled and enforced. Furthermore, one grocer implemented free home deliveries for customers most in need.

All grocers stressed that relationships with employees and customers are essential. Grocers will continue to ensure that staff are paid well, given adequate time off, and provided with clear communication. Some of our interviewees suggested that, should a similar situation occur again, they might reduce store hours to give staff more time off between shifts to reduce employee burn-out. Ultimately, the grocers' survival depended on maintaining a consistent

supply of product, reliable and healthy employees, as well as a steady stream of customers. The grocers reported meeting a wave of new shoppers, including those who moved to Maine during the pandemic. This expanded customer base contributed to record revenue (during the pandemic) as reported by all grocers interviewed.

Diversity

While larger, chain grocery stores experienced some product shortages early into the pandemic (Johansson 2021), the grocers stated that their shelves were rarely empty. All the grocers ordered through multiple distributors, many of which distributed locally grown/raised products.⁴ Local and regional supply channels were instrumental in minimizing supply disruption. Most stores worked directly with local farmers. In one example, a grocer sourced directly from more than 300 different Maine farmers and artisans. Several interviewees noted how essential the shorter supply chains were to the continuity of their business. Some stated that this experience helped them recognize the importance of a diversified local and regional supply chain. Others expressed their plans to diversify their supply chains and increase local sourcing as a result of lessons learned from the pandemic. For their customers, grocers developed diverse shopping options, such as online ordering, storefront pick-up, and home delivery. Diversity was also demonstrated through weekly trade association communication that incorporated best practices from outside Maine, thus sharing various resources, perspectives and policies.

Redundancy

Related to diversity, redundancy in supply distribution was important for grocers whose stores also have cafés, which corresponds to having at least two

distribution channels: retail and food service. These redundant suppliers gave grocers options when one distributor did not have product. Redundancy was also demonstrated in communication from state agencies and trade associations including live webinars, recorded webinars, COVID-19 website content, condensed policy interpretations from Governor's Executive Orders, and ready-to-print checklists. This information was provided in multiple formats (webinars and emails, paper flyers and letters) and through various portals (government agencies, trade associations, chambers of commerce, and news networks).

Adaptability

Our interviewees had to be adaptable when finding strategies to maintain retail customers and staff. Several grocers described a need for creativity as they tried to support their long-time loyal and new customers. They used social media to connect with customers, share safety measures, and run promotions and engagement initiatives. Two grocers fashioned mystery boxes of mixed food or beverages or offered to-go food samples to entice shoppers. Others repackaged bulk supplies, like flour and eggs, for household portions. Some also expanded their home goods selection to include sponges and cleaning supplies as well as health and beauty products so they could become a one-stop shop.

Innovation

Most interviewees did not have online ordering, curbside pickup, or delivery systems before the pandemic. Several grocers had previously contemplated an online cart but never pursued it, due to time or technology constraints or because they assumed that shoppers preferred the in-store experience. All grocers had to pivot to some form of online system. Some

who were not yet connected to a larger point-of-sale system had to start with using spreadsheets to track incoming and outgoing inventory and taking orders via phone and email. While other larger grocery chains already had staff or even entire departments devoted to these services, most grocers had to figure it out on the fly. For many it was chaotic; yet all acknowledged that incorporating online shopping options was essential and that these services are most likely here to stay. Two grocers explicitly stated that they plan to continue and expand delivery options after the pandemic, noting that these new services will enable them to better serve the diverse needs of their customers.

Self-reliance

The interviewed grocers demonstrated self-reliance as they taught themselves about safety protocols, especially during the first few months of the pandemic. All grocers implemented pandemic safety measures before Governor Mills' Executive Order 49 FY 19/20 mandated masking on April 29, 2020. The grocers were proactive in initiating social distancing and capacity limits before the creation of the Maine Department of Economic and Community Development (DECD) COVID-19 Prevention Checklists. Grocers believed they had to err on the side of caution and make hard decisions when the federal government provided inconsistent recommendations or vague guidelines. Such safety and customer requirements came at a price, namely, stress for staff who served as the mask police as well as lost customers who refused to follow the protocols. Once Maine mandated pandemic guidelines on April 29, 2020, the burden of enforcing the rules was shared by the state and the local communities. The grocers were further supported by the state when the mask

mandate was simplified and strengthened with Executive Order 19 FY 20/21 on December 11, 2021.⁵

Infrastructure

The grocers we interviewed improved their infrastructure during the pandemic by implementing delivery services and online ordering options. These innovations enabled them to provide services through methods that reduced contact with customers.

The heart of infrastructure support services was an innovative and redundant communication system. Interviewees collaborated within Maine and across the nation to gather information on best COVID-19-related safety practices and the Paycheck Protection Program (PPP). They then shared this knowledge through several strategies, including regular webinars, press releases, downloadable checklists, policy briefings, and emails. Agency and organization websites adapted their landing pages with up-to-date COVID-19 information. This communication infrastructure was redundant in both form and content, reaching stakeholders through digital, hard-copy, and radio outlets.

Commissioners from our interviewed agencies often spoke during the regular briefings led by Dr. Nirav Shah, Director of the Maine Center for Disease Control and Prevention. Commissioners also conducted webinars with their respective agencies. This necessary infrastructure cultivated a direct line of communication between the state and participants, where agencies answered questions and shared updated guidance.

The trade association was particularly innovative, cooperative, and responsive by co-creating a public campaign to promote kindness, respect, and collegiality. With a goal to improve mental and physical health

for essential workers, their statewide “Let’s Be Kind” campaign encouraged customers to be patient, wear masks, and get through this uncharted territory together.⁶ This strategy was developed to address shopper fear, frustration, and impatience that grew from changing mandates, longer wait times, unknown product availability, and new health and safety measures. This campaign started in July 2020 with social media, complemented with posters and public service announcements. Retailers downloaded materials to use in their own businesses. Once the vaccines were available, media resources were updated with new policies for facial coverings based on vaccine status.

Another major resource for interviewed grocers was the Paycheck Protection Program (PPP), administered by the US Small Business Administration.⁷ All grocers participated in PPP, which they considered essential to maintaining their operations and staffing. In addition to PPP, one grocer took advantage of municipal grant opportunities. Grocers used these additional funding sources to weather the uncertainties of COVID-19.

STUDY LIMITATIONS AND EQUITY

With nearly 70 grocers listed as members of the Maine Grocer and Food Producer Association,⁸ our study represents a fraction of Maine’s grocery landscape, and our findings cannot be generalized for policy recommendations. We also recognize that our study did not include the resilience of consumers during the COVID-19 pandemic. We recognize that food policy cannot be created without taking into account the other critical system components, such as production, processing, distribution, consumption, waste, and recovery.

Conversations about resilience must also stretch beyond retail and include meaningful discussions about who benefits and who does not. A value chain can demonstrate resilience, but if many community members cannot access what it offers, then we are not meeting community needs. We are not suggesting that the burden of solving inequity in our society rests on independent grocers and value chain businesses. Rather, we can learn from these grocers and their acts of innovation and community engagement to bridge access for marginalized food producers and lower income consumers.

CONCLUSION

The existing weaknesses within our food system demonstrated by empty grocery shelves (Taylor et al. 2020), rising food prices,⁹ and continued food insecurity (Feeding America 2021), have been on full display during the COVID-19 pandemic. The validity of food system resilience was also on display during the pandemic (Worstell 2020). In this study, we looked for examples of seven traits of resilience—flexibility, diversity, redundancy, adaptability, innovation, self-reliance, and infrastructure—within small, independent grocery stores in Maine. We found local and regional suppliers kept grocers stocked, while new services (such as online ordering, curbside pickup, and home delivery) met customers’ changing needs and concerns during the COVID-19 pandemic. Trusted relationships along the food value chain with farmers, store staff, and customers were essential, as well as governmental assistance with funding and safety protocols. Despite new patrons and increased profits, these businesses were

Let’s Be Kind

DOING BUSINESS DIFFERENTLY HELPS KEEP MAINE SAFE.

Let’s Be Kind campaign logo.

challenged by staffing shortages, exhaustion, and customer disrespect.

It is important that we all use this pandemic experience to be better prepared for future shocks. The lessons learned and insights gained by these grocers can contribute to additional research used to form policies that mitigate challenges when future disruptions occur across the food system.

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NOTES

- 1 <https://mtgis-portal.geo.census.gov/arcgis/apps/MapSeries/index.html?appid=49cd4bc9c8eb444ab51218c1d5001ef6>
- 2 <https://www.nationalgrocers.org/grocers-impact-america/>
- 3 Potential grocer participants were identified through listings with the Maine Grocers and Food Producers Association, the Independent Natural Foods Retailer Association, and the Neighboring Food Co-op Association, along with internet searches using the phrases “natural food stores” and “health food stores.”
- 4 Some grocers applied the notion of local only to Maine, whereas others defined

local as the region containing Maine and neighboring New England states.

- 5 <https://www.maine.gov/covid19/timeline>
- 6 <http://www.retailmaine.org/lets-be-kind-campaign/>
- 7 <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program>
- 8 <https://www.mgfpa.org/about-mgfpa/membership-directory/#Grocers>
- 9 <https://www.bls.gov/news.release/cpi.nr0.htm>

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