

# Puma SA's Luke Barrett-Smith on the new retail reality

By  Lauren Hartzenberg

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*As part of our #LockdownLessons series, Bizcommunity is reaching out to South Africa's top industry players to share their experience of the current Covid-19 crisis, how their organisations are navigating these unusual times, where the challenges and opportunities lie, and their industry outlook for the near future.*



Puma Fourways

Puma South Africa resumed trade at the beginning of May as South Africa settled into Level 4 of lockdown. In line with [regulations outlined](#) by the Department of Trade, Industry and Competition, the apparel brand has opened its local online store and as well as its numerous physical stores across the country for purchases of winter clothing and footwear.

In-store shoppers will find hand sanitisers at entrances, staff wearing masks and other protective wear, and customers are encouraged to pay with card or other contactless payment methods to avoid unnecessary contact with cash.

Puma South Africa MD Luke Barrett-Smith let us in on how the company is adapting to do business during the pandemic, and how he believes Covid-19 will impact retail moving forward.

**■ What was Puma SA's initial response to the Covid-19 crisis, and how has the business had to adapt under the various levels of lockdown?**

With the outbreak taking place in China, Puma's initial concern with Covid-19 was inventory - how the outbreak would impact production because most of our manufacturers receive their trims from China.

So our first reaction was to reach out to our local manufacturers to get an idea of how they would be impacted.

When lockdown was announced in South Africa our primary focus shifted to ensure the safety of our employees and transition into working from home. And then we focused on e-commerce from our [online store](#) with deliveries to take place post-lockdown.

**■ What are your thoughts on clothing retailers only being allowed to sell winter items under Level 4? And how would you like to see regulations eased going forward, keeping in mind the need to flatten the curve.**



Puma SA MD Luke Barrett-Smith

Clothing retail stores should not be restricted to winter clothing. I feel that the consumer's preference should dictate purchases because each person has a different perspective on what constitutes essential winter clothing.

*“ The focus should be on applying safety regulations in-store rather than on what can or cannot be sold. ”*

#### **How has your average workday evolved under lockdown?**

My workday in lockdown has been seriously busy. I am always on Microsoft Teams, from one meeting to the next and before I know, it's the end of the day. I do miss the daily interaction at the office with the Puma family.



#### **Expanded list of clothing now allowed for sale under Level 4**

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#### **How is Puma SA navigating 'physical distancing' while keeping the team close-knit and aligned.**

Physical distancing has three elements in our business. Firstly, the retail space is the most challenging. We adhere to all local requirements and in addition, we apply learnings from Puma stores across the globe, to ensure we provide the highest level of safety for our customers and staff.

Secondly, we ensure the relevant safety guidelines are stringently applied at our warehouse where our workforce is divided into three teams. These teams never come into contact with each other, so if contamination occurs we can avoid a total shutdown.

Thirdly, 90% of our head office employees are working from home. The entire team is kept aligned and informed by their strong department managers and through weekly updates using Microsoft Teams and e-mail.

#### **Has Puma experienced any major disruptions to its supply chain during this time?**

Some manufacturers have closed for lockdown and this has caused delays on the product delivery timeline.

*“ The greatest impact will come in the next few months as we have had to postpone launch and in-store dates for certain products. ”*

#### **What do you predict the impact of the Covid-19 pandemic will be on SA's clothing retail industry?**

The impact of Covid-19 in South Africa will be felt by our local manufacturers. Some will not re-open while others will take 2-3 years to recover to the same figures and output they expected to do before the virus. Retail stores without financial support will close. Rentals will need to be renegotiated.



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## ■ **What changes do you expect in the global retailing environment post-Covid-19?**

“ Social distancing will be the new reality and e-commerce will continue to produce the largest growth. ”

Until we have a vaccine, safety in stores will be a priority. The retail brands will shrink and marketing budgets will be adjusted. Major brands could take up to two years to get back to their current projection before the onset of the virus.

On the upside, the new reality is likely to open new opportunities for more local production and manufacturing.

## ■ **To conclude, do you have any encouraging words for industry peers navigating business during these uncertain times?**

In these times new business startups have the advantage because they were born into this new world. Longer standing and more established businesses need to adapt, therefore no more looking back but rather focusing on moving forward. Stay relevant to your consumer and prioritise both e-commerce and brick and mortar stores.

In this trade remember you need good partners from manufacturers to suppliers to landlords. You will succeed if all these partners work together and your leaders use a jugaad approach: accentuating flexibility and innovation.

**UPDATE:** As [online retail regulations have just been relaxed](#), Puma's full range of clothing and accessories is now available for purchase and delivery via the local online store.

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