



# UNIEURO: RETAIL MANAGEMENT IN A GLOBAL CRISIS

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Company:



## Abstract

This case focuses on a large retailer for consumer electronics selling mostly offline before the COVID-19 Pandemic. Then, the crisis forced stores to open for a limited number of hours and implement measures to avoid crowding. Furthermore, consumers feared contagion. As a result, online sales surged for nearly all retailers. For Unieuro, the balance shifted from 10% sold online, and 90% offline to 50%-50%. Several employees were shifted to follow online orders. The case starts around the end of the first lockdown due to the COVID-19 Pandemic. Now that Unieuro has successfully managed the Pandemic, by quickly moving online, it becomes clear that the current 50-50 balance is hard to be maintained. There are two main options to be discussed here: to decrease the share of online sales, forfeiting in part the gains made during the Pandemic but leveraging on the offline stores, where Unieuro is strong in up-selling and customer assistance. Or to somewhat increase the online sales, leveraging on the better customer information provided by the analytics (see Table TN.2), on the lower managing costs of the website, and the growing trend of e-commerce.

What is interesting is that no option is a win-win because both channels have mixed advantages and disadvantages here, and they seem to target different customer segments.

The latter part of the case reports some of the performance metrics of Unieuro online and reports on consumers' perceptions. This is an interesting case about topical retailing issues faced by companies such as Unieuro and Bestbuy, which opens up opportunities for students to focus on ever-green questions: (i) how to define the right balance between online and offline sales? (ii) what role to give to the offline stores: leading or ancillary? (iii) what shopping experience do the offline stores and the website offer? (iv) what actions to put in place, concretely?

### Target for Teaching

- Retail Management
- Consumer shopping experience
- Digital Marketing
- E-Commerce

### Target audience and Issues

This case was developed with an MBA audience in mind, specifically for a course on retailing or digital marketing, where it is possible to reach an advanced level of discussion related to the above objectives on performance metrics and what should be done next.

In a more general MBA marketing course (e.g., a core or “fundamentals” course), the case would be suitable for a retailing session, consumer shopping experience, or digital marketing. It could also be used in an undergraduate marketing course. Executive and senior practitioners would find this to be an interesting case. It could be useful as an introduction to markets where e-commerce is less common. For example, it could serve in an executive education program as the impetus for discussing how online sales are changing and what the future holds for retail. More traditional cultural contexts might refuse the newest technologies (artificial intelligence, smart mirrors, beacons, etc.). It could also be useful as an example of a large retailer that suddenly faces external pressure to “re-invent” itself.

### Teaching objectives

Several teaching objectives can be focused on when using this case in the classroom, depending on the course’s nature and the key learning points the instructor wants to convey. The following potential angles could be taken, either on their own or in combination:

- Explore how offline and online distribution channels can be integrated to create an omnichannel -or at least a multichannel- retailing company and how offline stores can be used to strengthen e-commerce. Focus on actions to make offline and online stores from the same company allied, rather than competitors.
- Discuss what balance between offline and online sales a retailer should achieve. Discuss how the two channels could offer a different customer experience, therefore targeting consumers with different needs and wants, and how they could help up-selling and cross-selling.
- Discuss what constitutes a “good” e-commerce site and a “good” shopping experience and how consumers could be targeted. Focus on actions to make the average online ticket heavier.
- Consider after-sales issues: how to maintain consumer trust over time, and what to do next.