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The Business Landscape 2021/2022

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The past year has been landmarked by much change and disruption which has been directly influenced by the implications of both the Covid-19 pandemic and Brexit coming into effect. In my profession as a Brand Strategist in Barry Group, a leading Irish wholesale distribution company based in Cork, I have witnessed the impact of both variables in full force.

Let's start with the impact of Covid-19. From the outset we witnessed fundamental change across sectors. With limited notice, retail outlets and production facilities closed globally which resulted in product and commodity shortages, while capacity limits and curfews were imposed on the remaining businesses which were deemed 'essential service'. As a result, consumer behaviour norms radically changed and digital platforms surged in use for both shopping and social occasions. Additionally, as households became infected with Covid-19, businesses were severely impacted either being short staffed or shut down essentially. As we exited 2020 and wishfully looked forward to 2021 and key milestones including the vaccination roll out, the full effect of Brexit became a reality. Whilst negotiations between the European Union and the United Kingdom aimed to reach amicable terms, there were unfortunately many factors which were not considered resulting in considerable disruption. Essentially, while the world paused in 2020, the ramifications of this were truly felt in 2021.

The primary implication of this is the *K shaped recovery* we are currently facing. This form of recovery is typically seen post-recession, but in this case, it is due to our emergence from over a year of repetitive lockdowns, sectors including hospitality having staff members on the Pandemic Unemployment Benefit and inflation. The diagonal strokes of the letter *K* represent two components of the economy which are facing different financial outcomes as a result of the present economic climate. According to IDG's ShopperVista survey, lower income households, younger shoppers and women were more likely to present on the lower end of the *K* and conversely, higher income households, older shoppers and men were commonly being presented on the upward part. As a result of this, businesses will now face a fresh challenge as they will have to identify the needs of both cohorts of customers and ensure their offering is reflective of today's consumer requirements.

Another significant issue facing Irish businesses is the knock-on effects of the availability of the Pandemic Unemployment Payment. While there is no doubt that this government subsidy played a fundamental role over the past two years, it is the availability of it where the issue lies. Still to date, despite the fruitful jobs market at present it is difficult to fill key roles of all skill levels. There seems to be a growing aversion to change resulting from altering attitudes to employment and work engagement. Although this is undoubtedly a challenge for businesses, it must also be considered that this may result in repercussions for future job seekers. As roles are not being filled, companies will be forced to evaluate processes and systems and introduce new levels of efficiencies in order to achieve

their optimal running standards. The dangerous downside to this is that companies will not be in a position to offer experience for professionals looking to move up the career ladder due to role consolidation and automation moving forward.

In addition to this, allowances will have to be made due to the increasing cost of doing business. While there are many influences contributing to this, Covid-19 repercussions and Brexit are primary factors. While the world went into lockdown in 2020, production factories of basic commodities shut down and therefore led to global shortages which in turn led to price increases. This has also contributed to the increasing cost of supply chain to move these scarce goods. The cost repercussion of staff members having to isolate due to either being a close contact or a confirmed Covid-19 case must also be considered along with the time consuming and costly implications of Brexit.

While there seems to be many downfalls to the situation we are faced with, there also are opportunities that businesses must consider. Evidently the rise in online shopping was the saving grace of retail outlets that had to close the doors to their premises. This continues to be a key revenue stream for businesses expanding their offering to new and diverse markets. Going forward, it will be essential to look at the efficiencies that can be saved by offering an e-commerce solution be it online booking, a click and collect option for a deli or a digital storefront. All of these solutions alleviate recruitment issues and optimise workflow. A further cost saving initiative is utilising a remote workforce and reducing overheads. Lastly, the instore shopping experience has never played a more important role. Now is the time that businesses need to identify shopper missions and user journeys and ensure that all paths to purchase are immersive, engaging and entice customers to return time and time again. Moving forward, customers expect and seamless and convenient shopping experience. It is imperative that businesses rise to these challenges and forward-thinking academics are producing quality research that is solution driven in order to accurately respond the acceleration levels of change. We are in an era where business practice and academia must meet and together, solve key business challenges.