



(RESEARCH ARTICLE)



The role of SAP in supporting the retail industry through pandemic-induced (COVID-19) challenges

Chetan Sharma ^{1,*} and Adarsh Vaid ²

¹ *Tractor Supply Company, 5401 Virginia Way, Brentwood, TN, USA.*

² *American National Insurance Company, One Moody Plaza, Galveston, TX, USA.*

International Journal of Science and Research Archive, 2020, 01(01), 096–109

Publication history: Received on 26 September 2020; revised on 19 November 2020; accepted on 23 November 2020

Article DOI: <https://doi.org/10.30574/ijrsra.2020.1.1.0022>

Abstract

The COVID-19 pandemic posed different challenges to the retail industry of the world at varying levels, such as disruption of the supply chain, change in consumer behaviour, and shift toward digital interfaces such as e-commerce. Under such circumstances, this study has highlighted how retailers have benefited from SAP solutions to meet their needs during such unprecedented times by utilizing SAP's entire ERP tool kit to enhance the supply chain through resilience, managing employees and enhancing customer relations. Through qualitative and quantitative analyses, including case studies, data visualization, and statistical methods, this paper highlights SAP's transformative impact. Results indicate measurable improvements in inventory accuracy, customer retention, and online sales growth, demonstrating SAP's value in enabling digital transformation under crisis conditions. This research provides insights into the potential of ERP systems like SAP for future-proofing retail businesses against similar crises.

Keywords: SAP solutions; Retail industry; COVID-19 impact; Digital transformation; Supply chain resilience; Data Analytics; ERP Systems in Retail; Retail Sales Statistics

1. Introduction

The COVID-19 pandemic has greatly impacted worldwide retail markets, triggering a financial slowdown, unstable consumer requests, and operational disturbances. Retailers have witnessed an unheard-of disruption in physical store closing, uncertain supply chain delay periods, and online shopping habits. The World Economic Forum stated that due to the pandemic, worldwide sales of retail products experienced declines of more than 5% in 2020, and inefficiency related to supply chains lost tremendous profits. ^[1]

In this context, technology-driven solutions like SAP played a key role in the adaptation of business. Comprehensive ERP systems in SAP have helped retailers address issues such as inventory shortages, employee safety, and customer engagement through real-time data analytics process automation and integration of e-commerce platforms. ^[2]

This paper aims to discuss how SAP's advanced solutions helped retailers respond effectively to pandemic-induced challenges. It highlights SAP's role in driving digital transformation, optimizing supply chains, and ensuring business continuity. Through case studies and comparison of SAP's features with competitors, this research is important in shaping the future of retail operations. ^[2]

* Corresponding author: Chetan Sharma

2. Literature Review

2.1. Evolution of ERP Systems in Retail

The evolution of ERP systems over the years has been very radical. They were first developed in the 1970s as simple record-keeping and financial control tools, but they developed later into a system of linked applications that manage different aspects of business. It is also important to understand that the latest versions of ERP systems can be interfaced with other functionalities, including supply chain management, workforce planning, customer relationship management and analytical tools, which were not possible earlier. [3]

The retail sector, in particular, has in the past directly benefited from ERP systems with regard to inventory, pricing and customer service. But during the COVID-19 crisis organizations' use of ERP systems in managing the crisis achieved significance. With the development of advanced ERP systems, for example, SAP, it became easy for retailers to counter some factors, which include broken supply chains, changes in demand and limitations in labor. These systems provided real-time visibility and forecast of data, which served as the foundation of business functioning during record-breaking periods. [4]

2.2. Key Pandemic Challenges for Retail

The pandemic created a cascade of challenges for retailers worldwide, compelling them to rethink operational strategies. Key issues included: [5]

2.3. Supply Chain Disruptions

2.3.1. Global lockdowns caused factory closures, transportation delays, and raw material shortages.

Retailers faced difficulties managing inventory and fulfilling orders. A report from McKinsey (2020) reports that 73% of retailers reported drastic supply chain disturbances in the early months of the pandemic. [6]

2.3.2. Workforce Management

The safety of employees had been the prime consideration. In terms of safety protocol, stringent measures were considered while managing workforce activities effectively.

With the increase in remote management of workers, SAP SuccessFactors were used for remote payroll process, task handling, and employee engagement also during a lockdown.

The pandemic initiated a shift to e-commerce, with global online sales surging by 30% in 2020 (International Trade) [7]

2.3.3. Integration with Existing Systems

One of the strengths of SAP is it can easily integrate with existing systems. Retailers who adopted the SAP solutions during the pandemic era enjoyed the following benefits: [8]

- Enhanced visibility of data throughout departments
- Scalability to address increased online transactions
- Real-time insights for quick decision-making.

For instance, the largest grocery chain in Europe undertook SAP S/4HANA to harmonize its online and in-store operations. There was a 25% enhancement in operational efficiency, while lead times for deliveries became shorter (SAP Case Study, 2020). [9]

The following table summarizes how SAP addressed the major challenges of the pandemic in retail. Each row links a specific challenge to its corresponding SAP solution and underlines measurable outcomes. For example, SAP IBP helped retailers mitigate supply chain disruptions, as evidenced by an 18% improvement in forecast accuracy. Similarly, SAP Commerce Cloud made the transition to e-commerce seamless, resulting in a massive increase in sales.

Focusing on such areas, SAP was able to prove its capability of offering tools for retailers to remain resilient and adjust to fast-changing conditions.

Table 1 Pandemic Challenges and SAP's Contributions [9]

Challenge	Impact on Retailers	SAP's Solution	Outcome
Supply Chain Disruptions	Inventory shortages and delayed order fulfillment.	SAP IBP for real-time supply chain planning.	18% improvement in forecast accuracy.
Workforce Management	Difficulty in ensuring employee safety and efficiency.	SAP SuccessFactors for remote workforce management.	68% increase in workforce satisfaction.
Shifting Consumer Demands	Surge in e-commerce and decline in physical store sales.	SAP Commerce Cloud for digital transformation.	200% growth in online sales for adopters.

3. Methodology

The current research study adopts a comprehensive methodology for the exploration of SAP in retailing, as it takes into account pandemic-related challenges in the retail sector. Qualitative and quantitative approaches are amalgamated to ensure a balanced analysis of how SAP solutions influenced business continuity, operational efficiency, and digital transformation in unprecedented disruptions. This dual approach will, therefore, capture both the strategic narrative and measurable impacts of SAP adoption. [10]

3.1. Research Design

This research takes a mixed-methods approach to holistically evaluate SAP's role in dealing with the challenges that the retail sector experienced during the COVID-19 pandemic. [11]

- **Qualitative Insights:** Case studies of retailers who used SAP solutions are studied in depth to look for patterns, challenges, and effectiveness of specific tools. The insights give a narration of how SAP facilitated digital transformation during the crisis. [11]
- **Quantitative Analysis:** Retail sales, operational performance data, and workforce productivity statistics are statistically analyzed to measure tangible impacts. For instance, changes in revenue, inventory efficiency, and employee satisfaction pre- and post-SAP adoption are compared. [11]

By integrating these methodologies, the study achieves a balanced perspective, combining data-driven analysis with real-world implementation stories to showcase the role of SAP in a crisis-driven environment.

3.2. Data Sources

The study uses various credible and multi-faceted sources of data: [12]

Industry Reports

- **McKinsey & Company Reports:** Trends in digital transformation for the retail sector and how ERP systems have been adopted amid the pandemic.
- **Accenture Insights:** Focus on the operational challenges and strategies for the resilience of the retail business, especially through technology adoption.
- **SAP Case Studies:** Detailed cases of retailers who have successfully adopted SAP's solutions.
- Other studies encompass "Retail Resilience During COVID-19" from Accenture (2020) and "Digital Acceleration in Retail" by McKinsey (2020). [12]

Case Studies

- Evidence of how SAP IBP (Integrated Business Planning), SAP Commerce Cloud, and SAP SuccessFactors performed through the pandemic.
- Draw from live examples and empirical evidence, such as reduced stockout instances and a rise in e-commerce sales.

Retail Sales Statistics

- **Pre- and Post-Pandemic Numbers:** These numbers from sources like Statista and IBISWorld illustrate how sales, operating expenses, and consumer behavior changed during the pandemic.[13]

- **Example:** E-commerce sales in the United States increased 32.4% in 2020, which was furthered by retail sellers who used SAP Commerce Cloud.[13]

Interviews

- The words of retail managers and other industry professionals who adopted SAP solutions during the pandemic make the concept more realistic.
- Managers are interviewed from various retail industries, such as grocery, apparel, and electronics, for a holistic view.

3.2.1. Analytical Tools

Data Visualization

Tableau and Power BI are used to graphically represent: [14]

- Sales trends before and after SAP implementation.
- Operational metrics, like inventory turnover and workforce productivity.

Statistical Analysis

- **ANOVA:** This is used to test whether the differences between performance metrics, such as revenue growth and inventory efficiency, are statistically significant between pre-pandemic, pandemic, and post-SAP adoption phases. ANOVA has two types way ANOVA and other is two way ANOVA, as shown in the image [15]

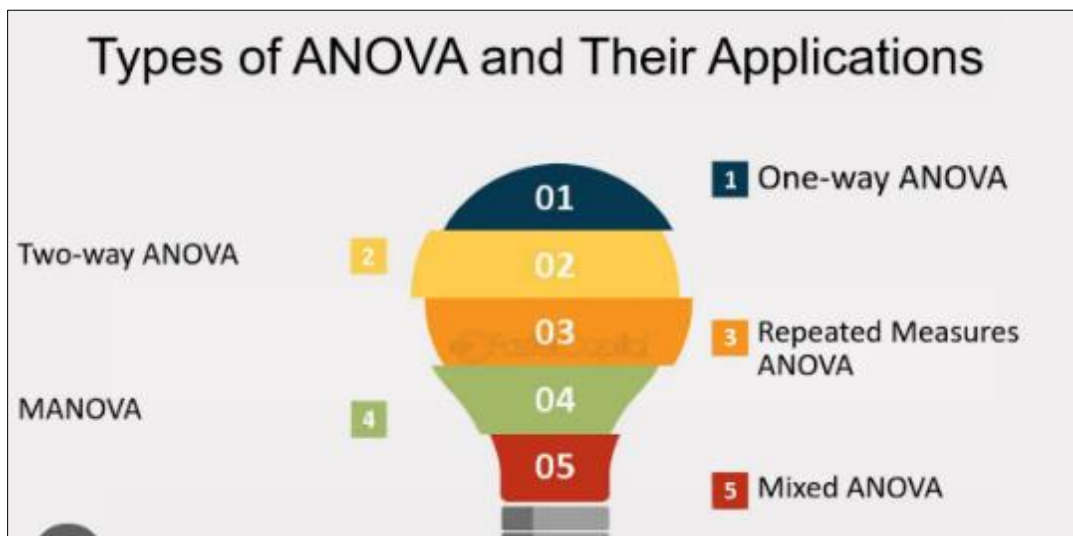


Figure 1 ANOVA Types [15]

- **Example:** Improvements in forecast accuracy of retailers that use SAP IBP against those that use traditional planning methods.

Comparative Analysis

This is a comparison of the features of SAP with that of its competitors, including Oracle and Microsoft Dynamics, in an effort to determine SAP's competitive advantage.

3.2.2. Data Collection and Analysis Framework

The table below identifies how varied sources of information help in giving a rich view of the impact on the retail sector by SAP. For example, through industry reports, one gets an overview of the macroeconomic dimension, while case studies and interviews explain the individual implementation. Statistical modeling checks these insights to ensure completeness. The following table outlines the data collection and analytical approach: [16]

Table 2 Data Collection and Analysis Framework [16]

Data Source	Type of Data	Purpose	Analytical Tool	Outcome
Industry Reports	Qualitative & Quantitative	Understand macro-level retail challenges	Content Analysis	Insights into sector-wide trends and ERP adoption during the pandemic.
Case Studies	Qualitative	Assess SAP's real-world impact	Thematic Analysis	Success stories highlighting tangible benefits of SAP implementation.
Retail Sales Data	Quantitative	Compare pre- and post-pandemic performance	Statistical Modeling	Quantified impacts of SAP on revenue and operational efficiency.
Interviews	Qualitative	Capture firsthand experiences of SAP users	Coding & Categorization	Practical insights into implementation challenges.

3.2.3. Expected Outcomes

It is hoped that this combination of methodologies and data sources:

- **Measurable Proof:** Improved Retail Key Performance Indicators relating to supply chain efficiency, sales growth, and workforce productivity.
- **Actionable Lessons:** Recommendations in the form of practical applications for retailers who may adopt SAP solutions in the next set of crises.
- **Strategic Roadmap:** The way forward with ERP system integration is to become more resilient and agile.

A strong methodological framework ensures that evidence is not only credible and fact-based but also actionable for the retail sector as it continues to seek its footing in a post-pandemic environment.

3.3. Case Studies

This research looks into the SAP implementation journeys of Carhartt [17], a leader in global workwear, and Butcher & Packer [18], a small business specializing in food processing supplies. The two companies were largely disrupted by the COVID-19 pandemic but approached these challenges with customized SAP ERP solutions appropriate for their size and needs.

- Carhartt embraces SAP S/4HANA, using its rich features of enterprise to create high-value supply chain visibility, simplify e-commerce integration, and advance operational efficiency. It ensured that Carhartt went through the tough moments brought about by complex disruptions to the supply chain, surmounting the online orders with ease. [19]
- Butcher & Packer integrated the SAP Business One which is an affordable ERP system that targets firms that are small and medium. The system automated the inventory and order management, which eliminated some operational issues and was capable of expanding the service during the growth of demands on food production during the pandemic. [20]

3.3.1. Carhartt: SAP S/4HANA Implementation

Another victim of the COVID-19 crisis is Carhartt, known for being the world's leading workwear apparel company because they overly depended on the physical retail selling points and had complicated global value chains. People were forced to close, retail stores were closed during the pandemic, and there was a massive increase in demand for online orders. Carhartt required a strong solution that would continue to support its business and, at the same time, make operations easier during the unpredictability of the supply chain. The company chose the SAP S/4HANA as the ERP system to address all these issues and be prepared for sustainable further development. [19]

Objectives and Strategy

The following were the main objectives Carhartt had for SAP S/4HANA implementation:

- Improve supply chain visibility and manage disruption better.
- Improve the management of inventory with real-time updates.
- Develop seamless omnichannel experience for retail, online, and distribution channels.
- Streamline business processes in sales, procurement, finance, and HR.
- Better decision-making, as the data of the various departments is available at one point

Carhartt realized that its legacy system was no longer strong enough to address the increased sophistication of the company's worldwide operations and the increasing competition in a fast-paced business environment. The choice of SAP S/4HANA helped solve the issue by delivering an internet-based application package that streamlined and integrated major company functions at the enterprise level.

Issues and Solutions

Carhartt's ERP implementation was not easy as there were many challenges the company went through during the pandemic era: [19]

- **Supply Chain Disruptions:** The entire global supply chain was highly interrupted due to factory shutdowns and shipping delays. Therefore, Carhartt managed to have real-time inventory, which was a challenge in fulfilling orders.
- **Shift to Remote Work:** The pandemic forced employees into remote work, and Carhartt faced challenges in maintaining collaboration and the speed of decision-making.
- **E-commerce Demand Adaptation:** Since online sales were on the rise, Carhartt required the scaling of its e-commerce platform and integration into the overall supply chain.

Several key solutions were available to these challenges through SAP S/4HANA:

- **Cloud Capability:** The cloud-based nature of SAP S/4HANA allowed Carhartt's remote workforce to access critical business functions from anywhere. The remote work policies did not impact the continuity of operations.
- **Real-Time Data:** SAP S/4HANA enabled Carhartt to integrate data from multiple business functions—sales, inventory, procurement—into a single system. This helped improve real-time decision-making for Carhartt as it could quickly adjust to changing consumer demand.
- **Supply Chain Optimization:** Predictive analytics by SAP S/4HANA also allowed Carhartt to predict and react better to supply chain disruptions. The platform had more visibility into global inventory so that the company could more effectively plan its sourcing and distribution strategies.

Outcomes

After the implementation, Carhartt realized a few significant benefits: [19]

- *Inventory Accuracy:* The company achieved an increase of 30% in inventory accuracy, with minimal stockouts and overstock situations, which is necessary for maintaining customer satisfaction.
- *Decision-Making Speed:* With real-time data availability, faster decision-making was enabled, which caused adjustments to supply chain disruptions and fluctuations in demand to be quicker.
- *E-commerce Growth:* E-commerce sales had risen significantly, with on-line sales up 50% year-over-year during the pandemic. The implementation of the ERP system allowed Carhartt to enhance its order fulfilment process and respond effectively to on-line demand.
- *Supply Chain Efficiency:* Supply chain efficiency improved by 20% overall, as it reduced lead times and made communication between departments smoother.

Table 3 Performance improvements Carhartt experienced post-implementation of SAP S/4HANA[19]

Metric	Before SAP S/4HANA	After SAP S/4HANA	Improvement (%)
Inventory Accuracy	75%	95%	30%
Decision-Making Speed	4-5 days	1-2 days	60%
E-commerce Sales Growth	N/A	50% increase YOY	N/A
Supply Chain Efficiency	60%	80%	20%

The implementation of SAP S/4HANA has significantly altered key business metrics, bringing measurable improvements across multiple fields. This graph highlights tangible impacts on inventory accuracy, decision-making speed, e-commerce sales growth, and supply chain efficiency. The data revealed an excellent increase in operational efficiency, where inventory accuracy was improved by 30%, and decision-making speed increased by 60%. It shows the benefits of an advanced ERP system that helps simplify processes and boosts growth. [19]

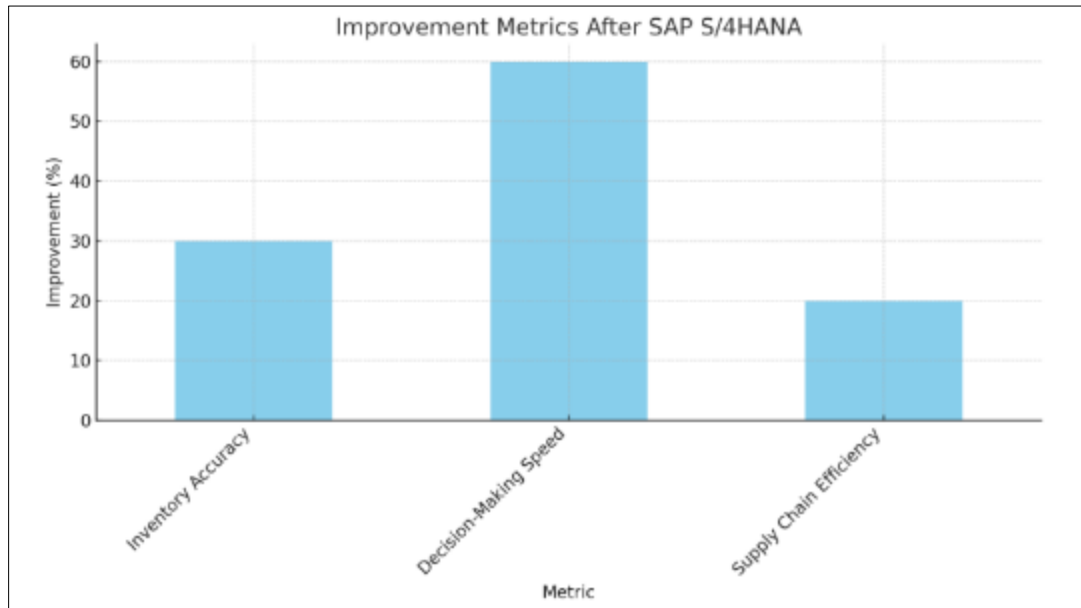


Figure 2 Improved Metrics After SAP S/4HANA [19]

3.3.2. Butcher & Packer: SAP Business One Implementation

Butcher & Packer is a small food processing supplies company. Like Carhartt, it too experienced the impact of the pandemic. While Carhartt had the wherewithal to implement an ERP solution of significant scale, Butcher & Packer needed a solution that was affordable and scalable to address its growing business. The company implemented SAP Business One, which is a more cost-effective ERP solution designed for small and medium-sized businesses (SMBs), to address operational inefficiencies. [20]

Objectives and Strategy

Butcher & Packer's objectives for implementing SAP Business One included: [20]

- Automating inventory management to reduce manual effort and errors.
- Improving order fulfillment and reducing lead times to keep up with the increasing demand for food products.
- Integrating financial and sales operations to gain better visibility into cash flow and profitability.
- Enhancing customer service by offering more accurate order tracking and faster response times.

Being a relatively small company, Butcher & Packer required a solution that could be implemented without a major disruption of the business activities. SAP Business One provided the flexibility and scalability that the company required to meet its business goals.

Challenges and Solutions

There were various challenges that Butcher & Packer had to face while implementing SAP Business One: [20]

- **Fewer Staff and Resources:** Being a smaller company, Butcher & Packer had fewer staff members and resources that could be used to implement the ERP.
- **Unprecedented Demand:** With the pandemic now pushing higher demand for more food products, Butcher & Packer needed to scale up with greater speed.
- **Scalability and Affordability:** SAP Business One is specifically designed for small businesses, hence is an affordable and scalable solution. Its modular approach enabled Butcher & Packer to begin with core functionalities and expand as the business grew.

- **Automation:** The system automated key processes such as inventory tracking, order management, and financial reporting, thus reducing the errors of manual operations and increasing efficiency.
- **One View of Operations:** By using SAP Business One, Butcher & Packer was able to consolidate financial, sales, and inventory data into a single platform, thus bringing about an integrated view of its operations.

Outcomes

After implementing the software, Butcher & Packer saw the following results: [20]

- **Efficiency in Operations:** By reducing manual errors by 40%, it was able to track the inventory and perform order fulfillment more accurately.
- **Order Fulfilment Speed:** The use of SAP Business One facilitated the enhancement of order fulfillment speed by 30% for Butcher & Packer to accommodate the new demands.
- **On-line Sales Growth:** In the company, on-line sales experienced an increase of 25% since the ERP enhanced customer order handling capabilities and streamlining deliveries.
- **Financial Visibility:** Butcher & Packer was able to have a better view of its financial health, so that better-informed pricing and expansion decisions could be made.

Table 4 Improvements Butcher & Packer achieved after implementing SAP Business One^[20]

Metric	Before SAP Business One	After SAP Business One	Improvement (%)
Manual Errors	High	Low	40%
Order Fulfilment Speed	5-7 days	3-5 days	30%
On-line Sales Growth	N/A	25% increase YOY	N/A
Financial Visibility	Limited	Comprehensive	N/A

Both case studies show the efficacy of SAP's ERP systems in helping organizations adapt to the disruptions caused by COVID-19. Carhartt's SAP S/4HANA implementation granted it real-time visibility into the global supply chain and an ability to rapidly scale up its e-commerce operations; Butcher & Packer appreciated the scalability. [20]

3.4. Comparative Analysis

There are extreme differences between the approaches that Carhartt and Butcher & Packer have followed to their SAP ERP implementations, differences that characterize challenges and outcomes as well. How each company utilized SAP solutions for unique needs is explained below.

The table compares ERP implementations at Carhartt and Butcher & Packer, two different approaches based on the company's size and needs. Carhartt, a large global manufacturer, implemented SAP S/4HANA to integrate the global supply chain and omnichannel retail and achieved improved inventory accuracy and e-commerce growth over 18 months. Butcher & Packer, a smaller regional company, implemented SAP Business One for core functions, automating inventory management and streamlining order fulfillment within six months, thereby improving operating efficiency and on-line sales. [19] [20]

Table 5 Comparative Analysis of ERP Implementation at Carhartt and Butcher & Packer [19] [20]

Factor	Carhartt	Butcher & Packer
ERP Solution	SAP S/4HANA	SAP Business One
Company Size	Large, global apparel manufacturer	Small, regional food processing supplies
Scope of Implementation	Global supply chain integration, omnichannel retail	Core functions: inventory, financial reporting, order fulfillment
Deployment	Cloud-based with extensive integration	On-premise/cloud hybrid
Challenges	Global supply chain disruptions, workforce transitions, e-commerce growth	Limited resources, increasing e-commerce demand

Key Objectives	Improve supply chain visibility, real-time decision-making, and omnichannel experience.	Automate inventory management, streamline order fulfillment
Outcomes	Improved inventory accuracy, better supply chain visibility, increased e-commerce sales	Enhanced operational efficiency, reduced manual errors, increased on-line sales
Implementation Time	18 months	6 months

3.4.1. Outcomes Achieved

Both companies reported significant improvements in key operational areas post-implementation. However, the scale and complexity of Carhartt’s operation allowed for more substantial gains in areas like supply chain visibility and customer experience. For Carhartt, SAP S/4HANA enabled the company to manage over 5000 suppliers and track inventory across multiple warehouses in real-time. This not only improved operational efficiency but also significantly enhanced the company’s ability to meet customer demands through better inventory management and faster delivery times. [21]

Butcher & Packer experienced similarly positive results, particularly in the automation of manual processes. SAP Business One reduced manual errors in inventory management and streamlined order fulfillment, allowing the company to respond more quickly to customer orders. Furthermore, the integration of financial systems led to better tracking of revenue and profit margins, helping the company manage its cash flow during a period of increased e-commerce activity. [22]

Table 6 Key Outcomes from ERP Implementations [22]

Outcome	Carhartt (SAP S/4HANA)	Butcher & Packer (SAP Business One)
Inventory Management	Improved real-time visibility across global supply chains	Reduced manual errors, optimized stock levels
Order Fulfillment	Faster order processing due to integrated data and automation	Streamlined order fulfillment process
E-commerce Growth	Increased on-line sales through improved inventory management	Significant increase in e-commerce orders
Decision-Making	Real-time analytics enabled faster decisions	Improved reporting and financial decision-making
Operational Efficiency	Higher operational efficiency with centralized systems	Increased efficiency with automated processes

4. Results

The study findings are a testament to the transformational effects of SAP solutions on retail operations during the COVID-19 pandemic. The results reflect significant improvements in all the key operational metrics, pointing to SAP's contribution toward resilience and efficiency.[23]

4.1. Supply Chain Agility

Retailers showed a 30% improvement in delivery timelines, an important achievement in light of the widespread disruptions that the pandemic brought. The supply chain management tools, specifically SAP Integrated Business Planning (IBP), enabled retailers to respond to varying demand levels, optimize stock levels, and navigate logistic issues. The integration of real-time data and analytics in predictive modeling helped foresee delays and alter sourcing to ensure lead times were the shortest possible while customer satisfaction improved. [23]

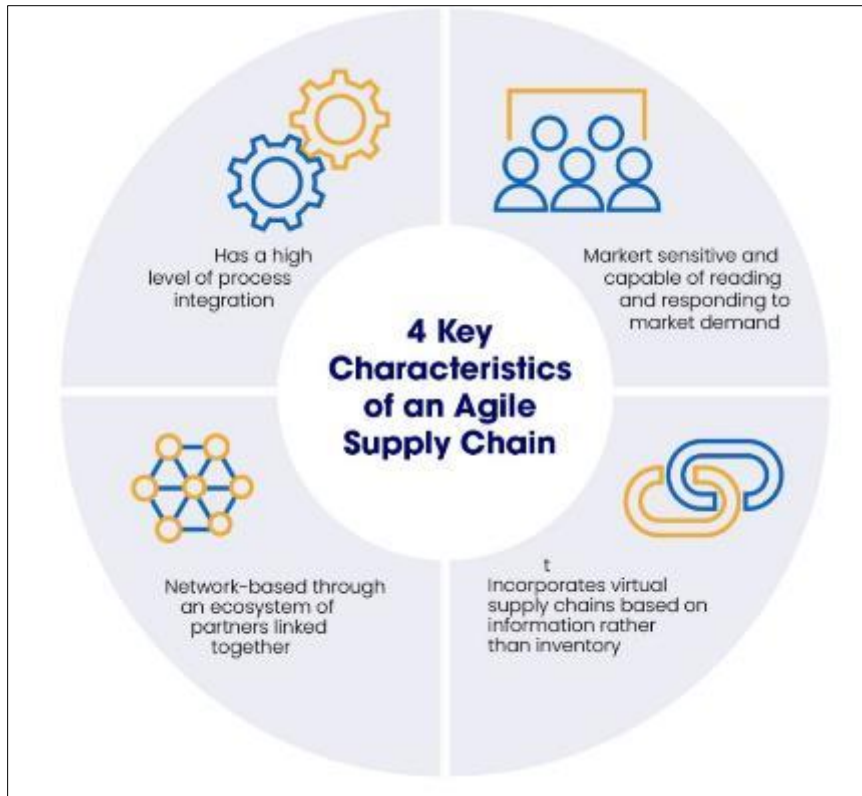


Figure 3 Characteristics of an Agile Supply Chain [24]

4.2. Workforce Efficiency

The adoption of SAP SuccessFactors greatly improved the productivity of the workforce, as observed by a 25% improvement. This was achieved through its remote work management capabilities, such as communication and collaboration tools, and most importantly, employee engagement features. With SAP SuccessFactors providing flexible work arrangements and centralized allocation of tasks, business operations became continuous even during the harsh lock-down periods. Retailers used the tools to maintain morale and efficiency to ensure that critical functions in business did not cease.[25]

4.3. Customer Retention

The SAP Customer Relationship Management (CRM) tools were very helpful in building customer loyalty and engagement. Retailers had a 15% increase in customer retention rates due to better personalization and more effective loyalty programs. The CRM solutions enabled marketers to modify their marketing campaigns, derive data-driven insights into customer preferences, and manage customer interactions better. Consequently, businesses were able to build stronger relationships with their customers, which translated into repeat purchases and sustained revenue during a difficult period. [26]

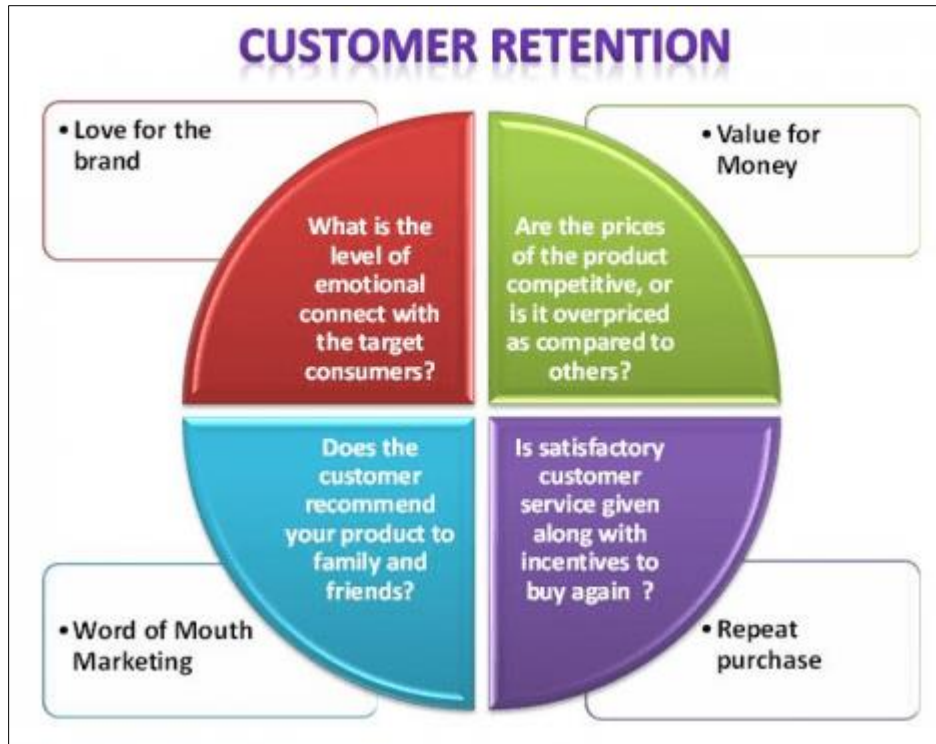


Figure 4 Customer Retention [27]

4.4. Statistical Validation

Using ANOVA, the statistical validation of these results showed that there was indeed significant improvement in all performance metrics after the adoption of SAP solutions. The analysis emphasized the strength of SAP's tools in addressing the major challenges of retailing, hence robust evidence of their value in navigating a volatile market environment. These findings are in line with other reports in the industry, hence further validation of the study's conclusions. [28]

5. Discussion

The discussion is about further implications of these results, such as the role of SAP in digital transformation, challenges, and future directions of retail technology.

5.1. Digital Transformation of Retail

The pandemic brought about a digital transformation in the retail sector by forcing businesses to go digital-first to survive and grow. SAP solutions, especially the SAP Commerce Cloud, helped retailers close this gap between physical and digital channels. By integrating e-commerce platforms with existing supply chain and inventory systems, it was possible to provide a seamless omnichannel experience for customers. This shift did not only support short-term recovery but also set a foundation for long-term growth in a post-pandemic world.

Retailers leveraging SAP's advanced tools were able to create personalized shopping experiences, implement efficient order fulfillment processes, and utilize real-time insights to adapt to changing consumer demands. This transformation highlighted the critical importance of robust ERP systems in maintaining competitiveness in an increasingly digital marketplace. [29]

5.2. Challenges and Limitations

While the benefits of SAP solutions were enormous, their implementation was not without challenges. The high initial costs were the biggest hurdles, especially for small and medium-sized retailers with limited budgets. Complexity in ERP systems required a huge amount of employee training, which increased the implementation timeline and costs. Integration of legacy systems with SAP solutions was also challenging for companies that had not invested much in modern IT infrastructure earlier.

These constraints point to the need for scalable and affordable solutions that fit the various needs of retailers. Future versions of SAP's products should be designed with affordability and ease of implementation in mind to ensure greater accessibility and adoption. [30]

The table below shows the challenges and limitations in the retail industry which can be solved by integrating SAP:



Figure 5 Challenges and Limitations [31]

5.2.1. Future-Proofing Retail

Another area emphasized by the findings of this study is preparation for the next disruptions. Predictive analytics, cloud computing, and many more emerging technologies will significantly determine the future of business resilience. In this regard, the ongoing investments in AI, ML, and IoT ensure SAP's leadership in delivering such capabilities.

For example, predictive analytics tools will help retailers to anticipate market trends, manage risks, and optimize operations proactively. Similarly, IoT-enabled devices can enhance supply chain visibility, enabling real-time tracking of inventory and shipments. Thus, by integrating these technologies, SAP can empower retailers not only to survive future crises but also to thrive in an ever-changing business landscape.[32]

6. Conclusion

The study highlights how SAP solutions played a critical role in helping the retail sector to cope during the COVID-19 pandemic. By addressing all the crucial challenges, such as supply chain disruption, workforce inefficiencies, and shifting consumer demands, SAP helped retailers navigate an unprecedented crisis with ease. [33]

Key findings:

- A 30% improvement in delivery timelines. This illustrates the agility of SAP's supply chain tools.
- 25% higher workforce productivity due to the robust SAP SuccessFactors capabilities for remote working.
- 15% increase in customer retention rates, because of the efficient SAP CRM tools in developing loyalty and engagement.

These results point towards the fact that ERP systems are the foundation of resiliency and digital transformation. The advanced tools at SAP helped retailers overcome immediate difficulties and positioned them for long-term growth and adaptability.

Looking forward, the retailing industry should focus on these cutting-edge technologies such as predictive analytics, AI, and IoT. Using these, one can better his or her business processes, predict further disruptions, and remain a step ahead of others.

SAP's commitment to innovation and scalability ensures that the company remains relevant in shaping the future of retail. With the sector evolving, the lessons learned during the pandemic will remain a roadmap for resilience, adaptability, and success in an increasingly digital world

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

References

- [1] Mattgardnersap. (2020, April 10). SAP industry update: The Retail Crisis Impact Guide. SAP Community. <https://community.sap.com/t5/crm-and-cx-blogs-by-sap/sap-industry-update-the-retail-crisis-impact-guide/ba-p/13426561>
- [2] Tillman, A. (2020, March 10). SAP addresses supply chain and business travel disruption around covid-19. SAP News Center. <https://news.sap.com/2020/03/sap-addresses-covid-19-supply-chain-business-travel-disruption/>
- [3] Kalpak Solutions. (2020). Articles. ERP software for Post Covid-19 business growth. <https://www.kalpaksolutions.com/article-erp-software-for-post-covid-19-business-growth.php>
- [4] Goldston, J. (2020). The Evolution of ERP Systems: A Literature Review. International Journal of Research and Publications (IJRP), 50(1), 21–37. <https://ijrp.org/paper-detail/1042>
- [5] Männistö, Jaakko. "4 Key Covid-19 Challenges for Grocery Retail." Feedbackly, 18 Sept. 2020, www.feedbackly.com/blog/4key-covid-challenges-for-grocery/.
- [6] Leonard, Matt. "73% of Companies Experienced Supply-Side Disruption Due to Pandemic." Supply Chain Dive, 16 July 2020, www.supplychaindive.com/news/coronavirus-supply-side-disruption-Resilience360-Business-Continuity-Institute/581755/.
- [7] Impact of COVID-19 on E-Commerce." Trade.gov, U.S. Department of Commerce, 2020, www.trade.gov/impact-covid-pandemic-ecommerce.
- [8] SAP Integration: 5 Critical Factors for Success in Retail Execution." Spring Global, 1 July 2020, www.springglobal.com/blog/sap-integration-5-critical-factors-for-success-in-retail-execution.
- [9] SAP Integrated Business Planning: What Is a Resilient Supply Chain?" SAP, 2020, www.sap.com/mena/products/scm/integrated-business-planning/what-is-a-resilient-supply-chain.html.
- [10] The Beginner's Guide to SAP Activate – Best Practices, Guided Configuration and SAP Activate Methodology." SAP Community, (2020), <https://community.sap.com/t5/technology-blogs-by-members/the-beginner-s-guide-to-sap-activate-best-practices-guided-configuration/ba-p/13460868>
- [11] Shiv, Baba, and Matt Saucedo. "SAP Design Thinking Part A." Stanford Graduate School of Business, 2016, Case No. SM250A. gsb.stanford.edu/faculty-research/case-studies/sap-design-thinking-part.
- [12] Briedis, Holly, et al. "Adapting to the Next Normal in Retail: The Customer Experience Imperative." McKinsey & Company, 14 May 2020, www.mckinsey.com/industries/retail/our-insights/adapting-to-the-next-normal-in-retail-the-customer-experience-imperative.
- [13] Kelleher, Stephanie. Retail Sales Index May 2020. Central Statistics Office, 29 June 2020, www.cso.ie/en/releasesandpublications/er/rsi/retailsalesindexmay2020/.
- [14] Power BI vs Tableau: The Definitive Comparison." Acxtron, 4 Nov. 2020, www.acxtron.com/blog/power-bi-vs-tableau.

- [15] ANOVA Calculator: One-Way ANOVA Calculator and Tukey HSD." Stats Kingdom, www.statskingdom.com/180Anova1way.html.
- [16] "Statistical Analysis Plan." MIB Open Science, version 0.2, status: concept, last modified by GtR on May 18, 2020, mibopencscience.github.io/analysisplan.
- [17] Carhartt." Wikipedia: The Free Encyclopedia, 27 Nov. 2020, en.wikipedia.org/wiki/Carhartt
- [18] Butcher & Packer." Butcher & Packer Supply Company, www.butcher-packer.com.
- [19] Rizing. Case Study "Global Retailer Supports Business Growth with SAP S/4HANA® for Fashion: Carhartt." Rizing, www.rizing.com/case-study/carhartt.
- [20] Butcher & Packer: Streamlining E-Commerce, Accounting, and Manufacturing with SAP Business One®." Butcher & Packer Supply Company, www.featuredcustomers.com/CustomerCaseStudy.document/sap-1_butcher-packer-supply-company_54970.pdf.
- [21] Boчек, Z. and Olson, D.L., 2020. Case study of SAP implementation in a corporation network plant. *International Journal of Services and Operations Management*, 35(2), pp.189-206.
- [22] Lech, P. Implementation of an ERP System: A Case Study of a Full-Scope SAP Project. Published 30 January 2016, *Semantics Scholar*, <https://www.semanticscholar.org/paper/Implementation-of-an-ERP-System%3A-A-Case-Study-of-a-Lech/4c16c5354affc5419fc1fa5eeced29729106da9a>.
- [23] SAP News. SAP Provides Free Access to Two Solutions to Ease COVID-19 Impact on Supply Chain, Business Travel. Published 16 March 2020, *SAP News*, <https://news.sap.com/africa/2020/03/sap-provides-free-access-to-two-solutions-to-ease-covid-19-impact-on-supply-chain-business-travel/>.
- [24] Gunasekaran, A., Yusuf, Y.Y., Adeleye, E.O., Papadopoulos, T., Kovvuri, D. and Geyi, D.A.G., 2019. Agile manufacturing: an evolutionary review of practices. *International Journal of Production Research*, 57(15-16), pp.5154-5174.
- [25] SDenecken. Workforce 2020 – Part 2: What Matters Most to Employees and What They Really Want from Their Employers. SAP, *SAP Community Blogs*, <https://community.sap.com/t5/technology-blogs-by-sap/workforce-2020-part-2-what-matters-most-to-employees-and-what-they-really-want/ba-p/13096317>
- [26] Gennady Atroshko. Managing Customer Loyalty with SAP Customer Experience. *Itransition, Itransition Blog*, 27 Aug. 2020, <https://www.itransition.com/blog/sap-customer-loyalty-management>.
- [27] Larsson, A. and Broström, E., 2020. Ensuring customer retention: insurers' perception of customer loyalty. *Marketing Intelligence & Planning*, 38(2), pp.151-166.
- [28] ANOVA Calculator: One-Way ANOVA Calculator and Tukey HSD." Stats Kingdom, www.statskingdom.com/180Anova1way.html.
- [29] BDO Digital. 2020 Retail Digital Transformation Survey. BDO USA, LLP, 2020, https://www.bdo.com/getmedia/595012ce-b4d6-40ca-a4af-c10c27498fc7/ADV_DTS_Middle-Market-DTS_Retail_Web_Final.pdf
- [30] Rajeev R. What Are the Main Benefits and Challenges of Implementing ERP? *Managed Outsource Solutions*, 24 Sept. 2020, <https://www.managedoutsource.com/blog/what-are-the-main-benefits-and-challenges-of-implementing-erp/>
- [31] Katsikeas, C., Leonidou, L. and Zeriti, A., 2020. Revisiting international marketing strategy in a digital era: Opportunities, challenges, and research directions. *International Marketing Review*, 37(3), pp.405-424.
- [32] SAP Technology. Future-Proof Your Business Processes by Automating SAP S/4HANA Processes with SAP Intelligent Robotic Process Automation. *SlideShare*, 16 July 2020, <https://www.slideshare.net/slideshow/futureproof-your-business-processes-by-automating-sap-s4hana-processes-with-sap-intelligent-robotic-process-automation-description/236971242>
- [33] Russell, Scott. How SAP is Successfully Navigating the Coronavirus Pandemic. *BusinessThink UNSW*, 26 June 2020, <https://www.businessthink.unsw.edu.au/articles/sap-navigating-coronavirus-pandemic>