

Amazon to hire 100,000 workers to deal with coronavirus demand

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Retailers are ramping up hiring for positions ranging from the warehouse to the checkout counter, as delivery and service workers increasingly become indispensable to Americans largely confined to their homes because of concerns about the coronavirus.

Amazon says it will hire 100,000 workers to assist with online deliveries in the U.S., and raise their minimum pay to at least \$17 an hour through April.

"We are seeing a significant increase in demand, which means our labor needs are unprecedented for this time of year," Dave Clark, Amazon's senior vice president of worldwide operations said in a blog post Monday. "We are opening 100,000 new full and part-time positions across the U.S. in our fulfillment centers and delivery network to meet the surge in demand from people relying on Amazon's service during this stressful time, particularly those

most vulnerable to being out in public.

Meanwhile, Kroger, the supermarket chain, says that it has "immediate positions available ... across our retail stores, manufacturing plants and distribution centers."

In the midst of the coronavirus outbreak, which has spurred shoppers to flood stores in search of supplies, Kroger noted that job seekers "could be placed for employment within several days of applying."

The workers who stock shelves, operate registers and deliver meals, groceries and medicine are filling a vital role, as government officials shutters restaurants, ban large gatherings and advise the public to stay behind closed doors.

San Francisco was one of six Northern California counties that issued an order Monday mandating that everyone "shelter in place, that is, stay at home, except for certain essential activities and work." Among the exceptions who will be allowed to leave their homes for work are those in the government, those working on the construction of public infrastructure—and grocery store employees, as well as those delivering household products and food.

"With so many stores and restaurants closing, delivery workers are now the linchpin that connects businesses to consumers," says Neil Saunders, managing director of retail consultancy Global Data. "Without them, many businesses will simply grind to a complete halt."

But just as concerns about COVID-19 are ramping up demand, the virus could also hinder deliveries if workers fall ill.

"The worry is that with delivery volumes increasing and more people likely to fall sick, delivery networks could come under increasing pressure,"

Saunders says. "I think we are likely to see some retailers cut back on fast delivery promises in favor of broad windows like delivery within three to five days."

Alberto Oca, a partner in the strategic operations practice of Kearney, a global and management consulting firm added that hiring now is a smart move.

"Shippers and warehouse operators need to rapidly have backfill labor shifts," he said. "Cases are touched by multiple hands in the warehouses, so COVID-19 will impact."

Amazon says some delivery windows are longer than usual

Amazon previously warned that some of its delivery windows "are longer than usual," as it deals with popular products selling out, and attempts to block third-party sellers who are jacking up the price on sanitizers and other supplies.

"As COVID-19 has spread, we've recently seen an increase in people shopping online," the company wrote in a blog item on March 14. "In the short term, this is having an impact on how we serve our customers ... We are working around the clock with our selling partners to ensure availability on all of our products, and bring on additional capacity to deliver all of your orders."

Grocery delivery service Fresh Direct posted an advisory on its site that delivery windows were selling out, and it was adding more slots to meet the demand.

"Thanks to our direct supplier relationships, we are restocking products constantly," the company said on its website.

Orders expected to grow

Demand is likely to increase as government leaders ban dining at restaurants and bars.

Governors in six states—California, Ohio, Illinois, Massachusetts, Washington and New York—have said they will shutter eateries to prevent people

from gathering and potentially speeding the spread of the virus. In most cases only delivery or take out will be allowed.

Several mayors say they will impose similar measures.

"We are all first-responders in this crisis," Los Angeles Mayor Eric Garcetti said in a statement announcing that local restaurants, bars and other retail food sellers would be barred from serving diners on-site through noon, March 31. "I don't take these steps lightly, but they are absolutely necessary because our decisions today have the power to slow the spread of the virus and save lives."

Delivery was already on the rise as more Americans are choosing to purchase meals and then eat them at home.

Americans spent \$450 billion on restaurant meals during the 12 months that ended in January and 48.5% of those purchases were for takeout orders, deliveries and meals picked up from a drive through window, according to the NPD Group, a market research firm.

"Delivery has been growing for the past few years, and we would expect delivery growth to accelerate as many communities ask restaurants to close with the exception of take (out) and delivery," says NPD food analyst David Portalatin, who said that delivery represented 3.4% of all restaurant orders last year.

With 80% of food deliveries, other than pizza, coming from third party services like Grubhub or Door Dash, he added "it is reasonable to expect that orders from these platforms will accelerate."

To protect drivers, Door Dash says it's passing out hand sanitizers, gloves and wipes in areas that have seen an outbreak. It's also telling customers that they can specify their meals be left on their doorstep, and can even provide a picture of the exact spot in the app.

Additionally, "we are testing enhanced drop-off options for contactless delivery to be rolled out shortly," the company said in a statement.

Fresh Direct is also offering "touchless deliveries ... for all orders," it said on its site.

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