

Where did all the Toilet Paper go?

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Paranoia at Supermarkets

- As humans we tend to maintain control over our environments
- Shelves for essentials are empty
- Started with hand sanitizers, soaps and disinfectants, followed by toilet paper, followed by baking flour, pasta, canned food/ especially tuna, rice and beans
- More recently hair clippers and hair dye



Paranoia at Supermarkets

- People are buying large quantities of essentials and items with longer shelf life, to minimize the number of trips to the store
- Early March, Canned tuna sales went up 200% (Safe catch 400%), Baking yeast sales 647%, Spiral hams sales 622%, Hand sanitizer 470%, Toilet paper 845%.
- Early April, Hair clippers sales went up 166% and hair coloring products rose 23%

Aussie Shopper Tries To Return 4,800 Rolls Of Toilet Paper And 150 Litres Of Hand Sanitiser



REMODELLING YOUR BATHROOM DURING A CORONAVIRUS OUTBREAK





Toilet paper

\$200

Household

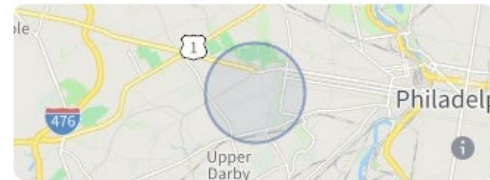
Listed 3 weeks ago in Upper Darby, PA

Details

Condition

Used - Fair

Tp



Upper Darby, PA

Location is approximate

Ask For Details

What Happened to the Supply



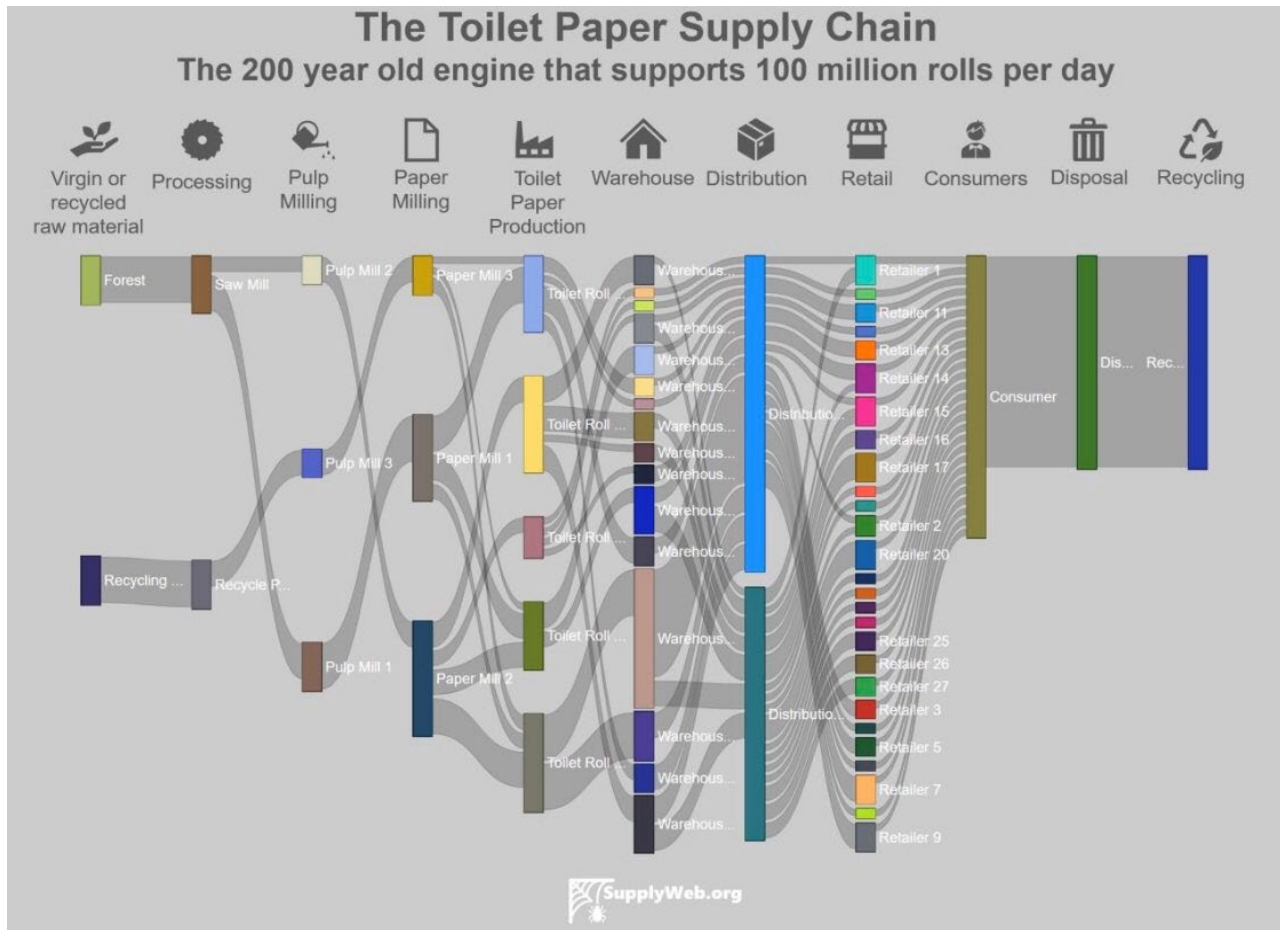
- No aggregate shortage, Commercial Demand vs. Consumer Demand
- Consumer goods become hot-ticket items with little warning
- Stores offer more than 40k items, consumers are buying only a small percentage
- Manufacturers producing more of less variety to maximize efficiency.



What Happened to the Supply

- Supply shift from commercials to households.
- Challenges with labeling and packaging
- Food processing facilities are closing due to the outbreak
- Processes in place to protect workers causes delays in getting the product to the consumers

Back to the Toilet Paper





Back to the Toilet Paper

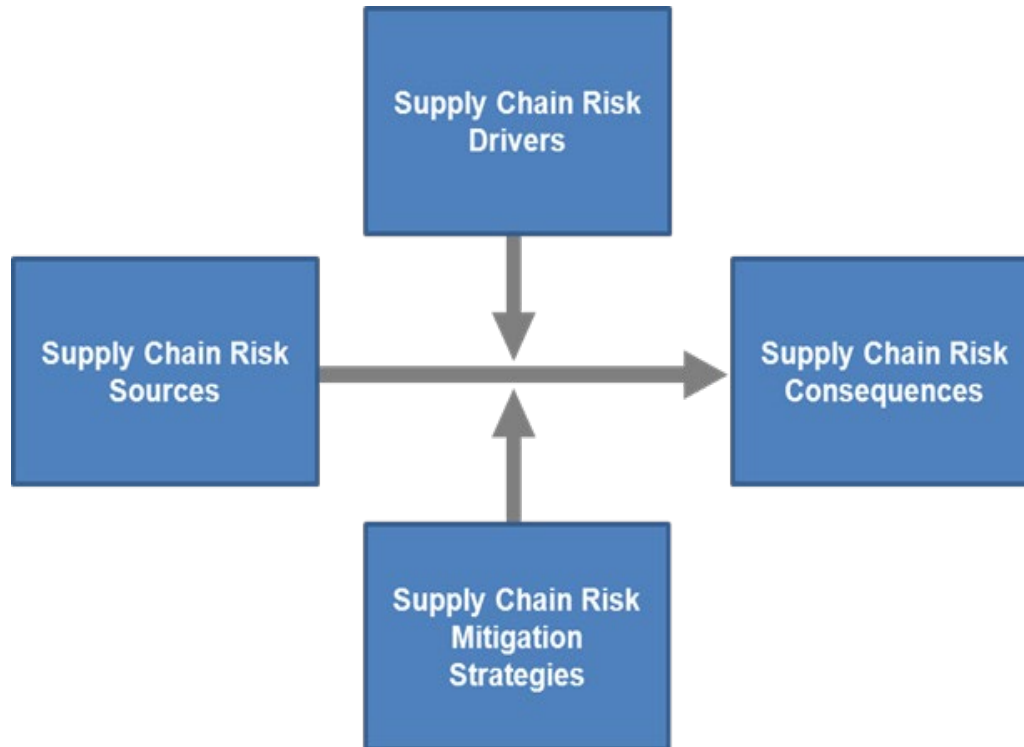
- Not very profitable for retailers, bulky, so inventory kept at stores is limited
- Big three, Georgia-Pacific LLC, Proctor & Gamble Co. and Kimberly-Clark Corp, low margin product
- Generally frequent shipments and shelves' restocking.
- Difference in pulp, Commercial vs Household toilet paper
- Prior to the coronavirus crisis, 50-50 commercial vs Household



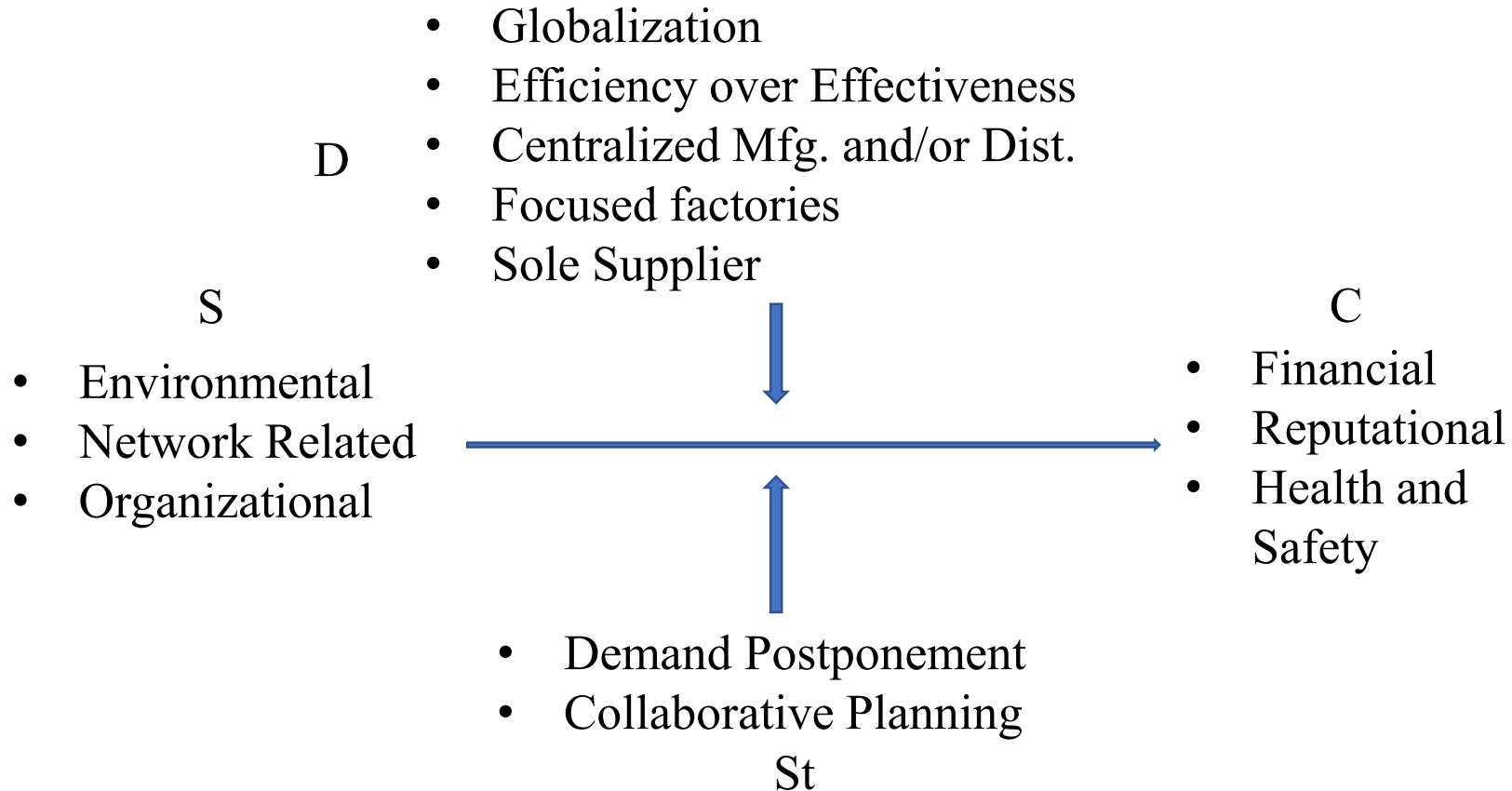
Back to Toilet Paper

- Companies increasing output, making fewer varieties
- Commercial demand is holding steady or increasing, more usage at hospitals and other essential businesses.
- Raising prices can be option to prevent hoarding, but not rational
- Massive surge in “Bidet” sales

Supply Chain Risk Management (4 Constructs)



Supply Chain Risk Management



Source: Juttner, Peck, and Christopher (2003).



Approaches to manage risk

- Supply Management
- Demand Management
- Product Management
- Information Management



What Supply Chains Can Do Now On?

- Map supply chains, cost intense but long term benefits
- Monitor suppliers, Global and Local
- Support the suppliers: place orders in advance, pay them upfront or on delivery, financially support them

Need for SCRM? Yes there is absolute need

How can I learn more?

- Published Literature
- SCOR Model
- Methodologies by consulting companies such as PwC, Deloitte, etc.
- Others

Questions/Comments

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