



Has The Era Of The Empowered Workforce Finally Arrived?

Benchmark Report

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Sponsored by:



Executive Summary

Key Findings

Just a few short years ago we titled this research, “*What will it take to build a better workforce?*”.

Now, *today*, in the wake of a pandemic, supply chain shortages, rising inflation and a help-wanted sign hanging in the front window of nearly every retail storefront, the question has shifted to something far more meaningful: ***can retailers now shift quickly enough to adapt their workforce management behaviors to meet the needs of a world that has completely changed all around them?***

We conducted this study to find out. The following are some of the highlights of what retailers shared:

- Retailers’ top **Business Challenges** set up a vicious cycle: the need to keep prices down for shoppers means smaller margins, and smaller margins means less resources to find, train, and keep good employees. They know they are in a tough spot, and we begin this analysis on page 7.
- Thankfully, once we begin to examine **Opportunities** available (page 11), Retail Winners (those whose sales are outperforming the norm) are tackling these challenges more proactively. Nearly 80% of Retail Winners “strongly agree” that their customer-facing employees have a significant impact on their annual sales, and as a result are steadily moving away from the churn-and-burn thinking that clearly no longer works for our industry. These Retail Winners are increasing workers’ incentive programs, pay scale, and are offering more flexible scheduling – all at wildly disproportionate rates to that of average and underperformers.
- When we look inside the ways that retailers think they can overcome the **Organizational Inhibitors** that exist within their companies (page 14), employee enablement *is a top priority* for both the largest and the best performing retailers in our study. Three-fourths of Winners have committed to at least 20 hours/year to training new employees, compared to less than one-half of average and under-performers - and the less than one-third of them that follow through.
- Retailers tell us they *should* have invested more into finding, training, and keeping the best staff possible during the economically prosperous times since 2008, but in the **Technology Enablers** section of the report (page 18), they now *know* that their customers demand more informed staff than they currently provide. The good news? The overwhelming majority of retailers who responded to our survey indicate that they are moving quickly to address shortcomings they have in empowering their store employees with (usually mobile) communications capabilities.

Based on our data, we also offer several in-depth and pragmatic suggestions on how retailers should proceed. These recommendations can be found in the **Bootstrap Recommendations** portion of the report.

We certainly hope you enjoy it,

Brian Kilcourse and Steve Rowen

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Research Overview

Will The Song Remain The Same?

For decades now, the retail industry as a *whole* has been quite comfortable to adopt a common behavior in dealing with its workforce: speak publicly about how vital team members are, only to turn around and treat those same workers as something only slightly more important than expendable. It's a concept we've been frustrated by since we started examining this topic back in our earliest research in 2007.

Consider how we began our annual Workforce Management Report just last year:

The more senior the executive, the more likely he or she (is) to say, "Our most valuable assets are our employees" or, "We are most proud of our associates".

However, retailer practices, in general, have reflected a business model that presumes a transient, mostly part-time workforce. Employees (most especially those working in stores), were hired quickly, undertrained, underpaid, and *undermotivated to be great at what they do and the role they perform*. Unsurprisingly, they moved on just as quickly. Retail turnover, most especially in the United States, has been high for a very long time.

And way back in 2018, long before the COVID-19 pandemic seemed plausible to anyone outside the field of epidemiology, we were so frustrated by the state of affairs that we went so far as to title our annual benchmark report, *What Will It Take To Build A Better Workforce?*

Now, here in 2022, we believe we have our answer. It took a pandemic. And supply chain shortages aplenty. And inflation. And growing wealth inequality, particularly in the United States. And customers' inability to suffer through a shopping experience that pales in comparison to what they can create for themselves through a mish-mash of physical and digitally "hacked" shopping journeys. It has required a sea change of disruption.

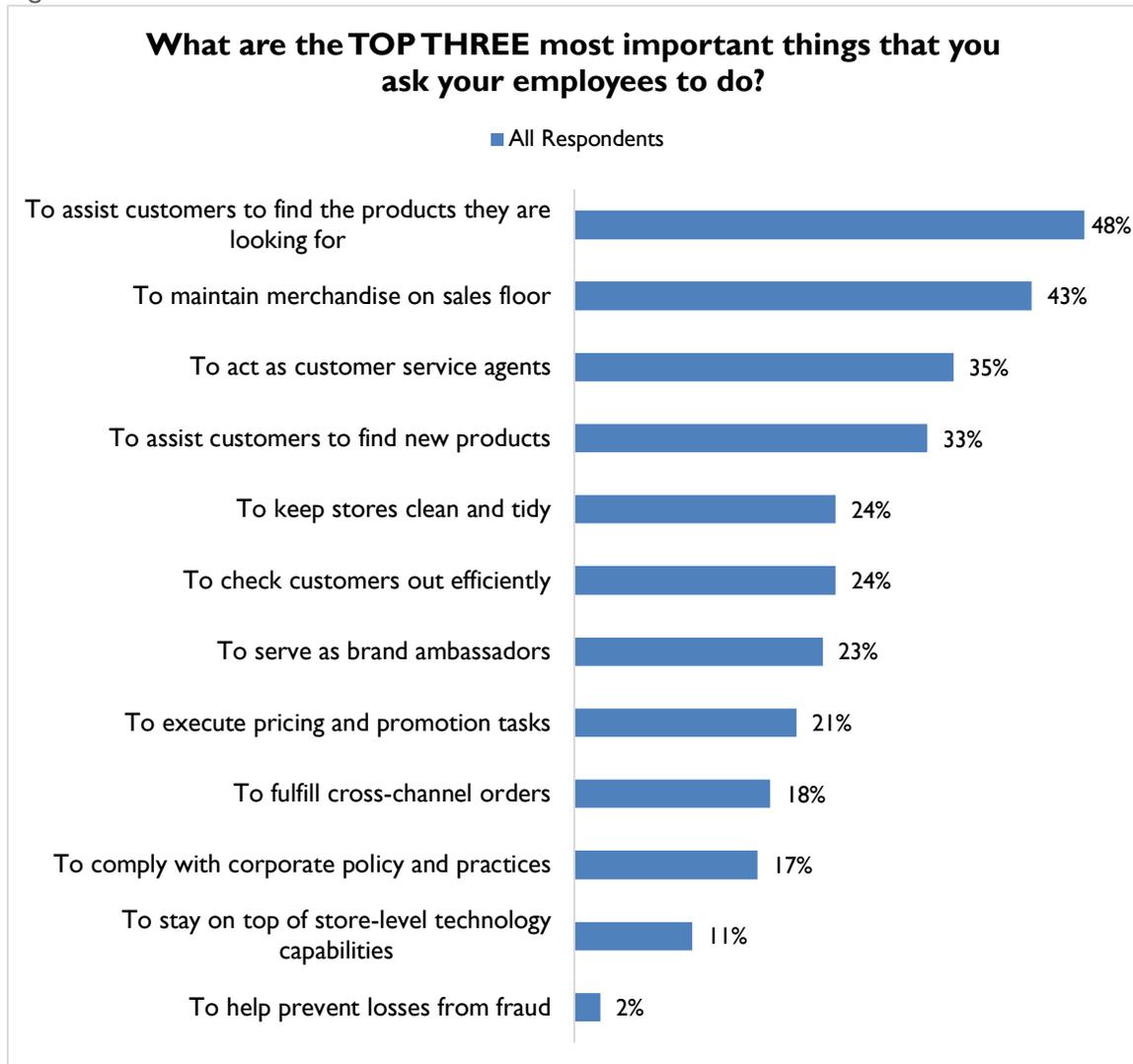
The question has thus shifted from, "*What will it take to build a better workforce?*" to something far more meaningful: *can retailers now shift quickly enough to adapt their workforce management behaviors to meet the needs of a world that has completely changed all around them?*

The song cannot remain the same. Retailers are aware of this. What this report aims to do is tease out the ways the very best retailers are racing to change their tune – and their tempo – to get back into the mix.

A New Era?

Logically, as we began our inquiry this year into what retailers are doing (and what they know they must do) in order to build a workforce capable of dealing with today's wildly intolerant consumers (more on that in a moment), we wanted to start by asking what they, retailers, think their employees are really for in the modern age. Figure 1 helps set that table.

Figure 1: Workers Are ‘Here For The Products’



Source: RSR Research, May 2022

Nearly one out of every two retailers that responded to our study, when faced with a list of 12 possible functions (and only allowed to choose 3 from those 12), selected “to assist customers to find the products they are looking for.”

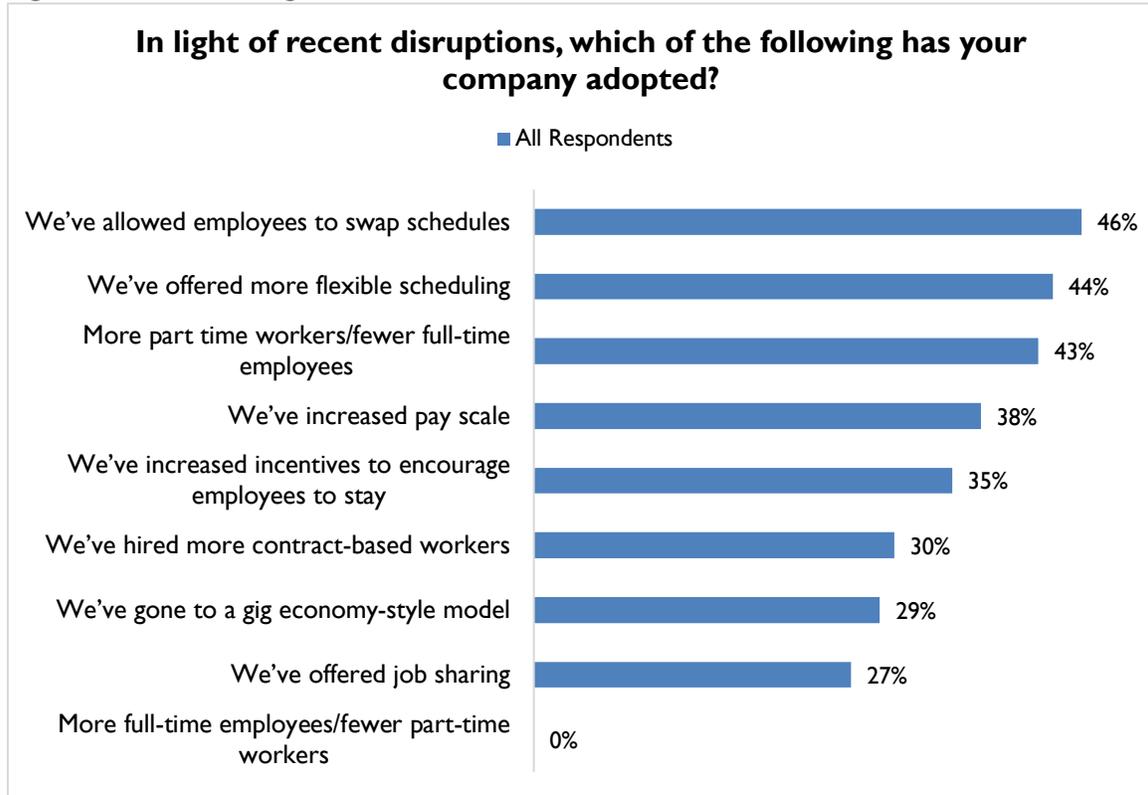
This is problematic in a number of ways, the starkest being that as it stands today, most shoppers no longer perceive store associates as being helpful enough to engage. In fact, our research on consumer shopper behaviors shows that shoppers are increasingly likely to just pull out their smartphones and solve their own problems rather than elicit the help of an associate. Put simply, they no longer see employees as being particularly helpful in that regard.

So right off the bat we see that – at least at the highest level of analysis - retailers are starting on the back foot. When viewed in aggregate, they see their workforce’s primary function through a lens that appears to be clouded by the past.

Maybe Not

It only makes sense, then, to then ask retailers what they have *done* to try and adapt in the midst of all the disruption of the recent months and years. Once more, we can see that at the aggregate level, the most that the majority of retailers have been able to get to is allowing their employees to swap schedules (Figure 2).

Figure 2: At The High Level, Not Great News



Source: RSR Research, May 2022

Thankfully, here at RSR, we don't just view the data by what all retailers are doing, and as we'll see in a moment, some retailers (thankfully) are FAR further along the maturity curve. In order to understand these differences, however, first we must introduce the concept of a Retail Winner.

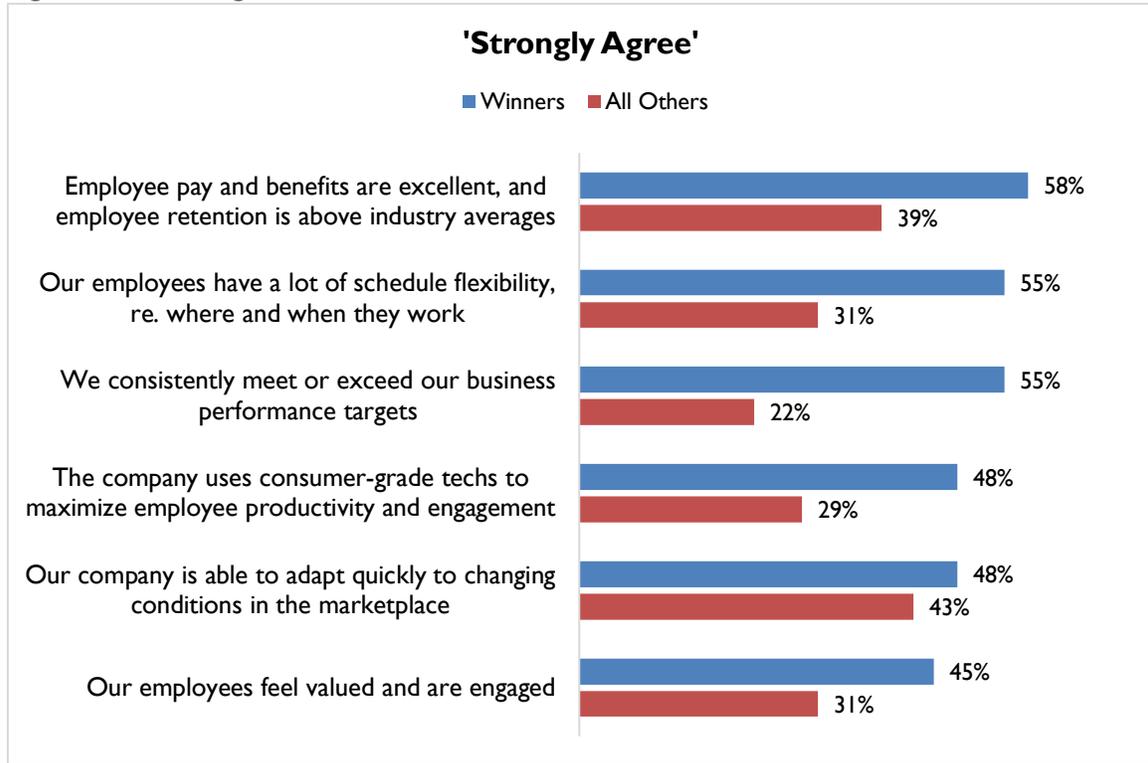
Retail Winners And Why They Win

In our benchmark reports, RSR quite frequently cites differences between retailer over-performers in year-over-year comparable sales and their competitors. We find that consistent sales performance is an outcome of a differentiating set of thought processes, strategies and tactics. We call sales over-performers "Retail Winners."

RSR's definition of these Winners is straightforward. Assuming industry average comparable store/channel sales growth of **7 percent**, we define those with sales above this hurdle as "Winners," those at this sales growth rate as "average," and those below this sales growth rate as "laggards" or "also-rans."

And immediately in this research we see these differences come to light. Consider the same data we just viewed in Figure 1, but now through the lens of performance (Figure 3).

Figure 3: Talking The Talk...



Source: RSR Research, May 2022

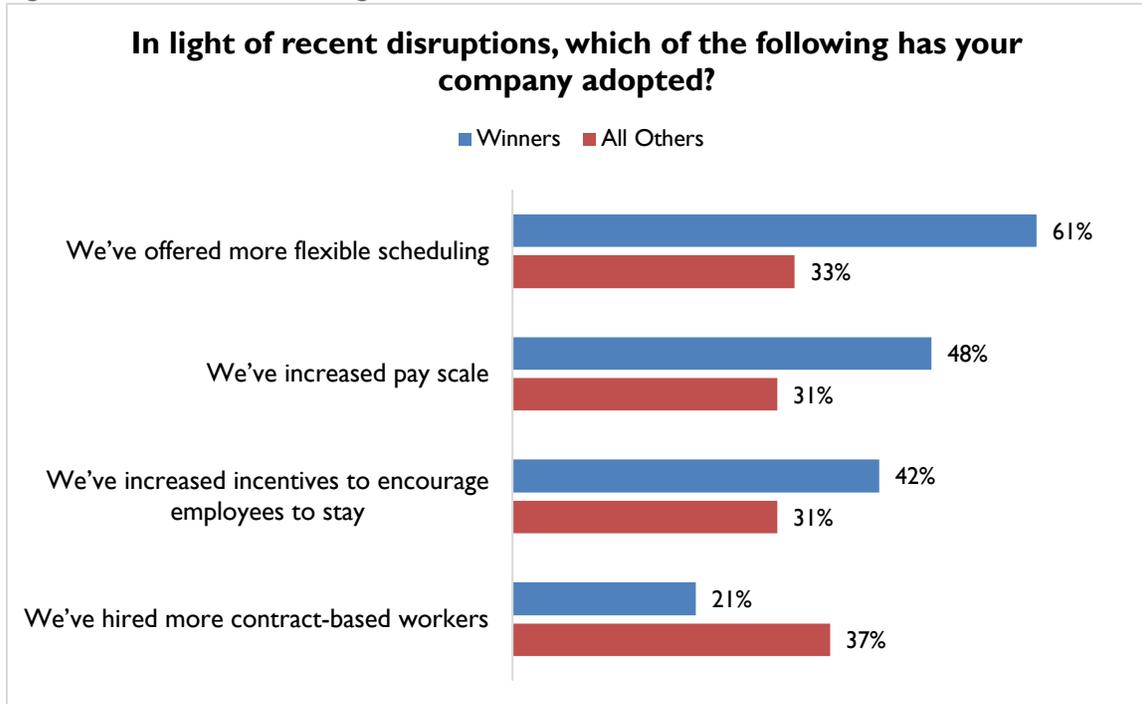
Figure 3 is a prototypical demonstration of why Winners outperform their average and underperforming peers. At a time when virtually every store in the United States has a “help wanted” sign hanging in the front window, Winners are FAR more likely to prioritize better pay and benefits for the employees they *do* have, and, as a result, are more likely to hang on to them. Virtually all of the points in Figure 3 are conceptual (in that these are sentiments, not action), but speak to this very notion: those wishing to work in retail (and excel there) have their veritable pick of the litter these days. Winners recognize this and act accordingly. As a result, they offer more flexibility into their scheduling AND they use more consumer-grade technologies to make the learning curve associated with using “store technologies” easier and shorter for associates. These things may seem like small differences, at first, but as we dig into this data throughout this report, we’ll find that they aren’t.

Winners are more able to adapt to changes in the marketplace, increase worker productivity and consistently meet and exceed their business performance targets *because* they believe – at a disproportionate level - that things like scheduling, pay, and user-friendly technologies in store really matter. They “get it”, and they think their employees are more likely to feel valued, engaged, and at the very base level: less likely to abandon ship for another retailer who “gets it” more.

In The Face Of Disruption

These concepts are only further reaffirmed when we look at what Winners have actually done in the face of the massive disruptions to the retail workforce model in the past few years (Figure 4)

Figure 4: ...AND Walking The Walk



Source: RSR Research, May 2022

Retail Winners don't just place higher value on these ideals, they are already working to enact them. Twice as many Winners have offered their workforce more scheduling flexibility, and nearly 1 in 2 has increased their pay scale. More than 4 out of 10 have also increased their incentive programs in order to stem the tide of workers looking to either a) go work for another brand that "gets it" or b) leave the industry altogether.

The only area revealed in Figure 4, above, where average and lagging retailers are outpacing Winners is in their hiring of contract-based workers. What can be surmised from this? That hiring contract workers is *not* a winning behavior. The retail industry needs smart, well-trained, and brand-loyal employees – employees who'll stick around for years to come and help serve as knowledgeable and helpful brand ambassadors - now more than at any other point in recent history. Winners get this, and in the coming pages of this report, we will see data point after data point that supports this notion.

As you'll soon discover, this is a Winners' report. Those looking to increase the value of their workforce will find much to learn from their example.

Methodology

RSR uses its own model, called The BOOT Methodology[®] to analyze Retail Industry issues. We build this model with our survey instruments. See [Appendix A](#) for a full explanation.

In our surveys, we continue to find the kinds of differences in thought processes, actions, and decisions cited above. The BOOT helps us better understand the behavioral and technological differences that drive sustainable sales improvements and successful execution of brand vision.

Survey Respondent Characteristics

RSR conducted an online survey in the spring of 2022 and received answers from 82 qualified retail respondents. Respondent demographics are as follows:

- **2021 Revenue (US\$ Equivalent)**

Less than \$250 million	6%
\$250 million - \$499 million	13%
\$500 million - \$999 million	38%
\$1Billion to \$5 Billion	30%
Over \$5 Billion	13%

- **Products sold:**

Fast Moving Consumer Goods	35%
Fashion & Specialty	21%
General Merchandise	29%
Hard Goods	15%

- **Headquarters/Retail Presence:**

	<u>HQ</u>	<u>Retail Presence</u>
USA	98%	98%
Canada	1%	55%
Latin America	1%	29%
UK	0%	33%
Europe	0%	35%
Middle East & Africa	0%	22%
Asia/Pacific	0%	29%

- **Year-Over-Year Sales Growth Rates** (assume average growth of 7%):

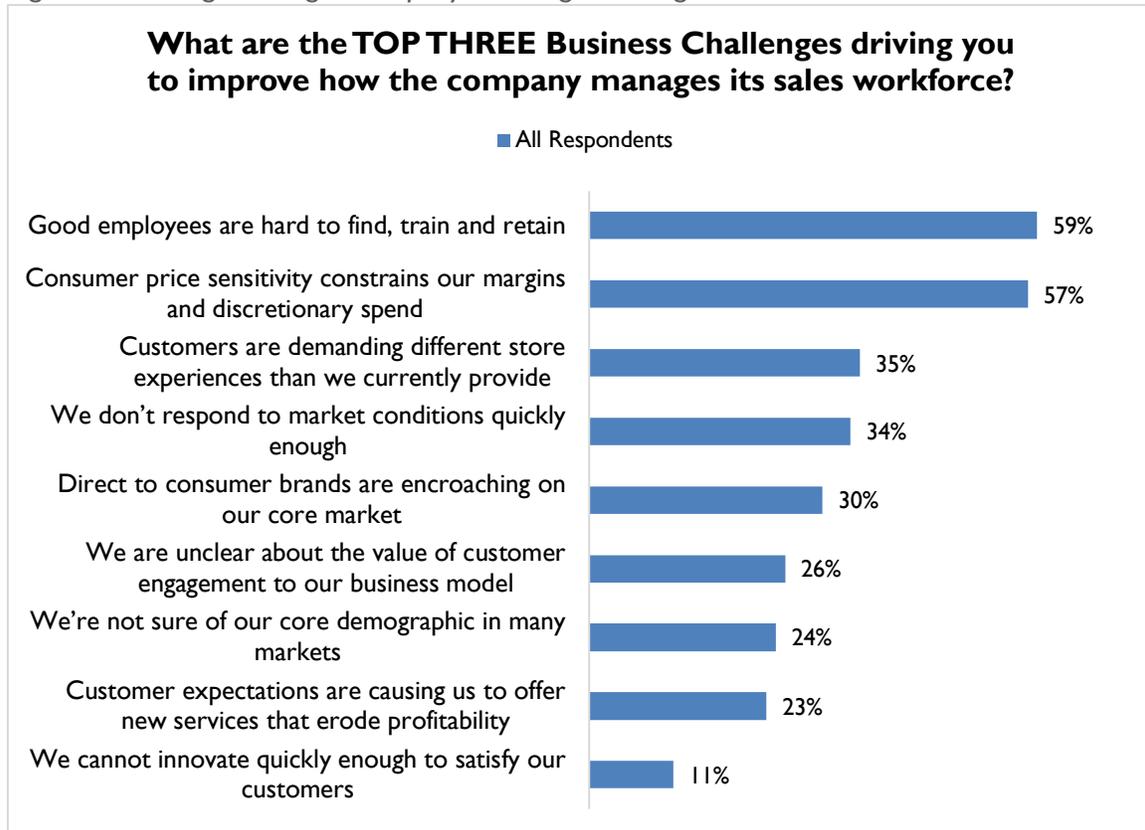
Worse than average (“Laggards”)	9%
Average	51%
Better than average (“Retail Winners”)	40%

Business Challenges

A Vicious Cycle Emerges

When we ask retailers to self-identify what’s driving them to improve the ways in which they manage their salesforces, a harrowingly complex scenario immediately presents itself: the need to keep prices down for shoppers means smaller margins, and smaller margins means less resources to find, train, and keep good employees. This is a vicious cycle (Figure 5).

Figure 5: Margins Beget Employees Beget Margins



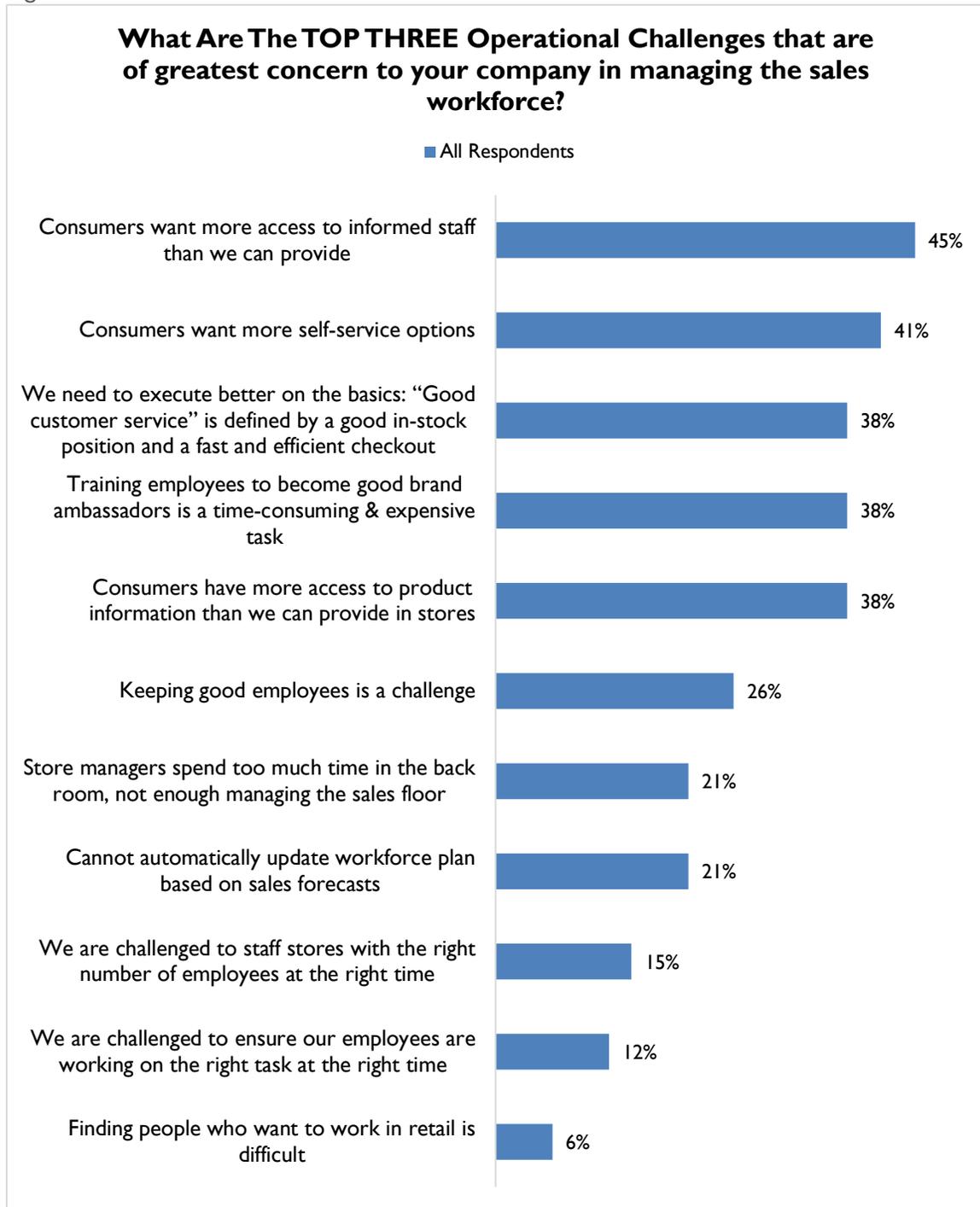
Source: RSR Research, May 2022

What makes the data in Figure 5 so troubling is that long before a pandemic seemed possible, inflation seemed plausible, or supply chain shortages were the norm of the day, retailers were *already* citing consumers’ price-sensitivity as a reason they couldn’t invest more into their workforces. In fact, throughout the entirety of the 13-year bull-market the stock market has just experienced, we’ve been conducting this research steadily. And retailers have been telling us they just didn’t have the wiggle room to invest in their salesforce – that they had too many other priorities. This, during a period of directionally-upward economic prosperity when real estate prices skyrocketed, education costs soared, and customer confidence and spend rates steadily climbed.

With that as a backdrop, how are retailers expected to make the required investments *now*, especially as cost of goods continue to increase, shipping costs rage wildly and customers – frightened by the looming effects of an inflationary market – look to slow their discretionary spend?

The answer is simple: because they have no choice. Customers are demanding it (Figure 6).

Figure 6: No Choice In The Matter



Source: RSR Research, May 2022

It's Not Too Late

Retailers *should* have invested more into finding, training, and keeping the best staff possible during the economically prosperous times that have been in our midst since 2008. Or to quote ourselves, they should have been using this time to be "building a better workforce." Instead, concerns over the ways Amazon was stealing market share by luring in-store shoppers online kept many frozen

in their tracks. Another large swath was more concerned with delivering short-term gains to their shareholders than in the costly endeavor of investing in a workforce that would – long-term – provide value to the brand in the eyes of the consumer. Such an investment gamble is costly, often-times unpopular to run up the chain of command, but when done properly, ultimately pays dividends by giving the brand’s largest investment (its stores) significant meaning to exist in a time of turmoil. We cannot begrudge any retailer for these behaviors. Truth told, despite an environment of economic prosperity, the past 15 years have been *incredibly* trying times, as most legacy brands try to navigate just how they fit into consumers’ lives in the new normal, one where they are being asked to think about NFTs one moment and how they’ll be selling in the metaverse the next.

What we see in Figure 16, above, however, is that despite how we got here, retailers now *know* that their customers demand more informed staff than they currently provide. Not investing in a proper, old-school-well-trained-smart-and-helpful staff is no longer an option: **retailers have to do it if they want to stay alive**. The industry can only support a handful of brands where the customer’s expectation is low-cost products, low-chance-of-engagement and therefore low-value-employees are “good enough” to stay afloat. For those scenarios, self-service will suffice just fine, and 41% of retailers say that’s where they are betting their futures.

However, for those whose value prop is anything other than “lowest cost possible at the expense of anything else”, this is going to take people. Well-informed, helpful and engaging people, armed with the technology needed to provide **real customer service**. It’s one of the best tools most retailers still have in their arsenal to prevent the shoppers they currently have from becoming “all Amazon all the time” shoppers.

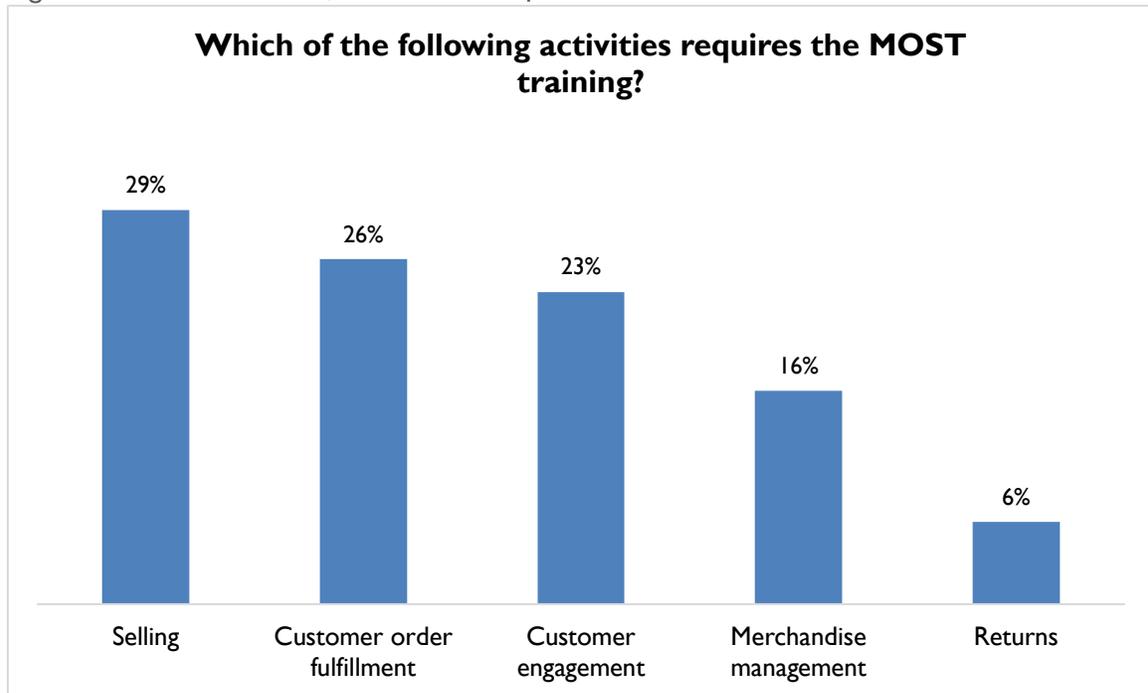
What Are We Training For?

As mentioned previously in this report, we conduct some version of this exact research every year and have been since our inception in 2007. One of the most important things we ask about involves training, and consider the following from our 2020 report, which was conducted during the height of the pandemic:

Many retailers had neither invested the funds nor training required for their workforce to meet the challenges 2020 brought at scale. When the COVID-19 pandemic struck the world in March (2020), these trends not only accelerated, but accelerated at warp speed. Many of the employee-rich functions retailers had been ignoring for far too long came home to roost.

We will examine the component of this lack-of-training-conundrum in great detail in the **Organizational Inhibitors** section of this report, but before we do, it is important to gauge exactly what retailers think employees need training to do most. As we see in Figure 7, that answer is “selling – and when you’re not actively selling in store - help fulfill any orders for those who are.”

Figure 7: Train To Sell, Train To Fulfill Others' Sales



Source: RSR Research, May 2022

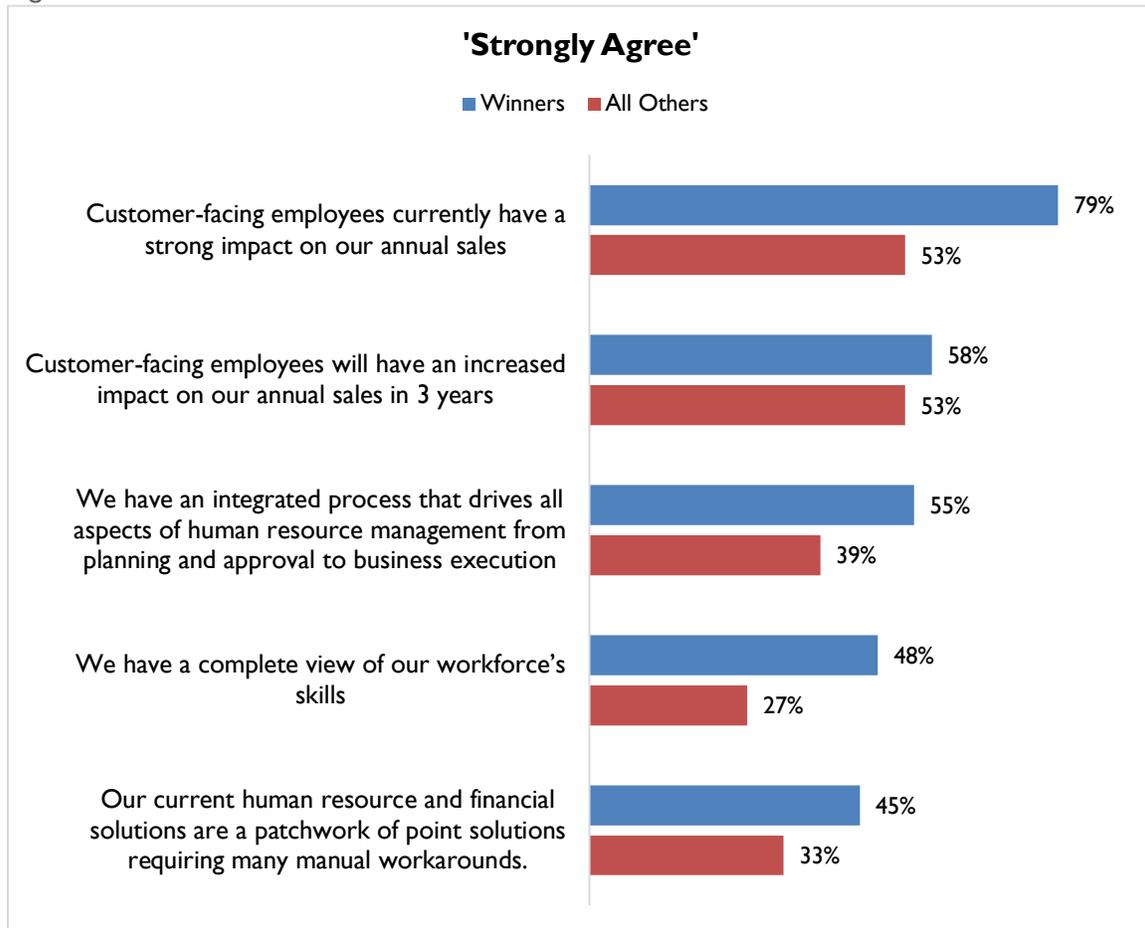
Now let's examine the **Opportunities** that arise from all of these challenges that retailers are currently facing.

Opportunities

Winners Show Their Hand

During the intro section of this research, we declared that this would be “a Winner’s report.” Figure 8 is a perfect example of why that is.

Figure 8: Store Associates Matter – A Lot



Source: RSR Research, May 2022

Winning in retail isn't an accident. It happens because some retailers - often times due to the culture created at the highest levels of leadership - when faced with the *exact* same challenges as everyone else (inflation, supply chain woes, pressure from Amazon.com, etc.), chose to perceive those challenges differently. As a result, they react differently. It's not just that they do the same things as everyone else and just do them better – it's that they do *totally different things*. Those little things add up, and they translate into better sales even during difficult times.

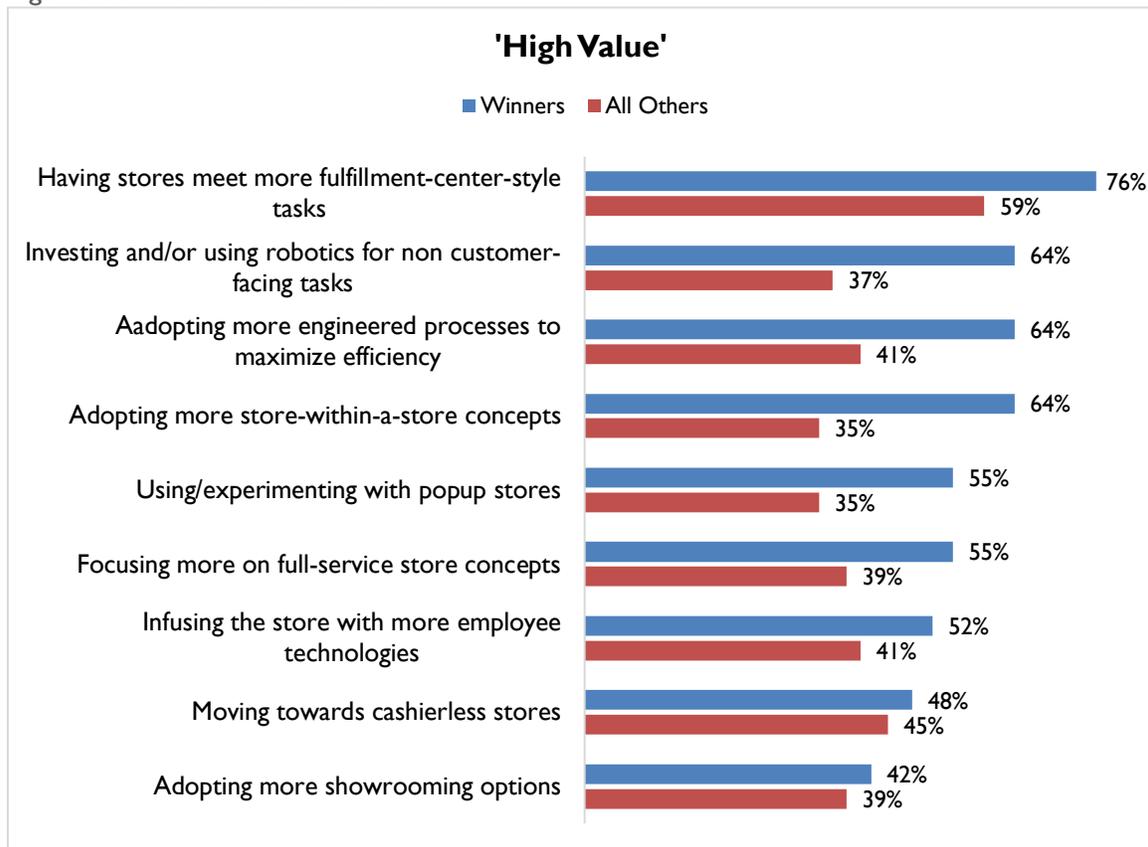
The fact that nearly 80% of Retail Winners “strongly agree” that their customer-facing employees have a significant impact on their annual sales speaks volumes. It means they are far less likely to see their associates in the “old ways” that have plagued our industry for too long, and are steadily moving away from the churn-and-burn thinking that clearly no longer applies.

This is not to say Winners are “there” yet – far too many retailers still have yet to make the difficult changes to train and compensate their associates in a way that keeps them as loyal employees for year in and year out (hence all the help wanted signs currently hanging in retail stores fronts), but they understand the impact these people have on sales at a disproportionate level – and that is a start. It’s a meaningful start to a transformation that will likely come with several growing pains along the way.

The Evolution Of The Store, Itself

In an omnichannel world, just as the role of the store is changing, so too must the role of the employees who fill those stores. A moment ago, we saw that the only type of training retailers value nearly as much as “selling” is “customer order management.” Here in Figure 9 we can see exactly why that type of training is so important: the best performers view their stores as rapidly becoming nodes in a supply chain to fulfill all kinds of new and innovative tasks.

Figure 9: More More More



Source: RSR Research, May 2022

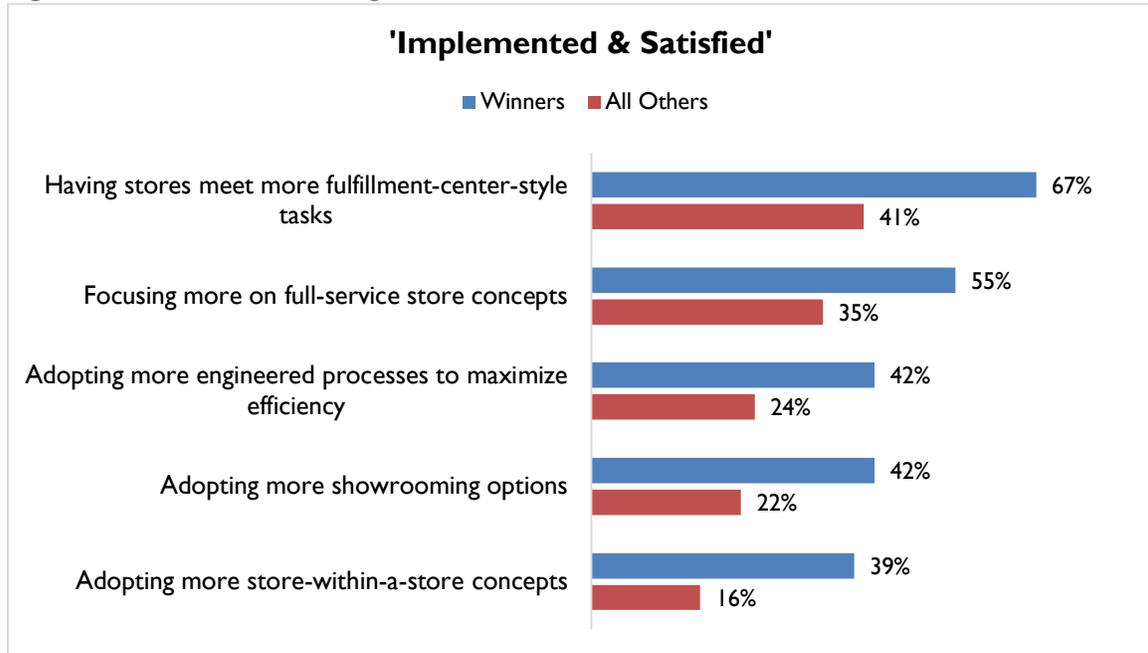
Winners want more of everything in the chart above. Behind the scenes, they want to use their stores as ways to fulfill online orders more effectively *and* they want more robotics to help handle the procedures that go into that (and more) in ways that customers don’t see. At the same time, as it relates to what customers do see – and in an effort to build more loyalty – they want more pop-up stores to bring fresh energy (and fun!) to their own image, while also wanting more stores-within-their-own-stores to help drive loyalty to brands – oftentimes brands who’ve invested heavily in an image that would help boost the retailers’ own image by association. They want more employee technologies in store. They want more efficiency all the way around. Quite simply, they just see

more opportunity all the way around. They have greater appetites, in general, and more hopeful for the future of the store going forward. They see a brighter future.

Talk, Meet Action

It is of vital importance, then, to know what steps they have taken thus far (Figure 10).

Figure 10: Mission In Progress



Source: RSR Research, May 2022

As we see in Figure 10, Winners are already setting themselves up for a path to increased success. While the list of what they want is extensive, the list of what they have already begun doing is far more focused. What's more, their top desire – to have stores better able to meet fulfillment-center-style tasks – is also where they've made the most inroads. More than 2 out of 3 Retail Winners are already satisfied with the work they've done here, compared to roughly 40% of all others.

This is a Winner's report. Now it's time to see what stands in their way.

Organizational Inhibitors

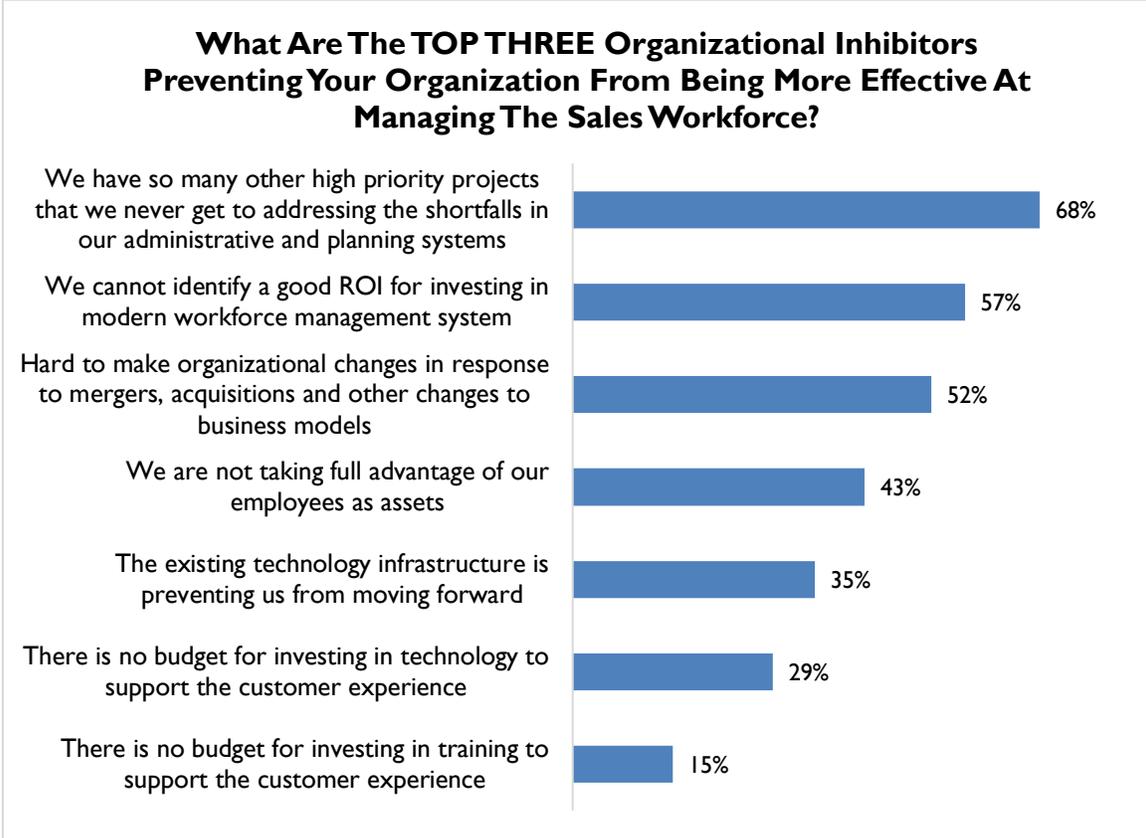
Other Priorities

Earlier in this report we learned that retailers are frustrated by the availability of labor and the expectations that prospective employees have regarding wages, benefits, and training. Retail is a tough business; the work is hard, the hours are long, and customers are demanding. In a high employment market, retailers struggle to attract new talent. But that’s just one of many challenges retailers face.

Consumer expectations are the elephant-in-the-room issue when it comes to addressing the myriad challenges for retailers. The old expectations for low prices and high availability are just a baseline; shoppers today are hyper-informed and impatient, and they use always-connected mobile technologies to inform virtually every one of life’s decisions – including where they will shop, what they will purchase, how they will purchase it, and how much they are willing to pay.

Those new expectations have triggered an almost wall-to-wall redesign - or at least a reconsideration - of retailers’ operating models. No retailer is immune from these pressures. Fundamental changes are happening on both the supply and customer-facing sides of the business, and so it’s no surprise that “other high priority projects” stand in the way of retailers’ ability to address “administrative and planning” processes such as store-level workforce management (Figure 11).

Figure 11: Too Much To Do

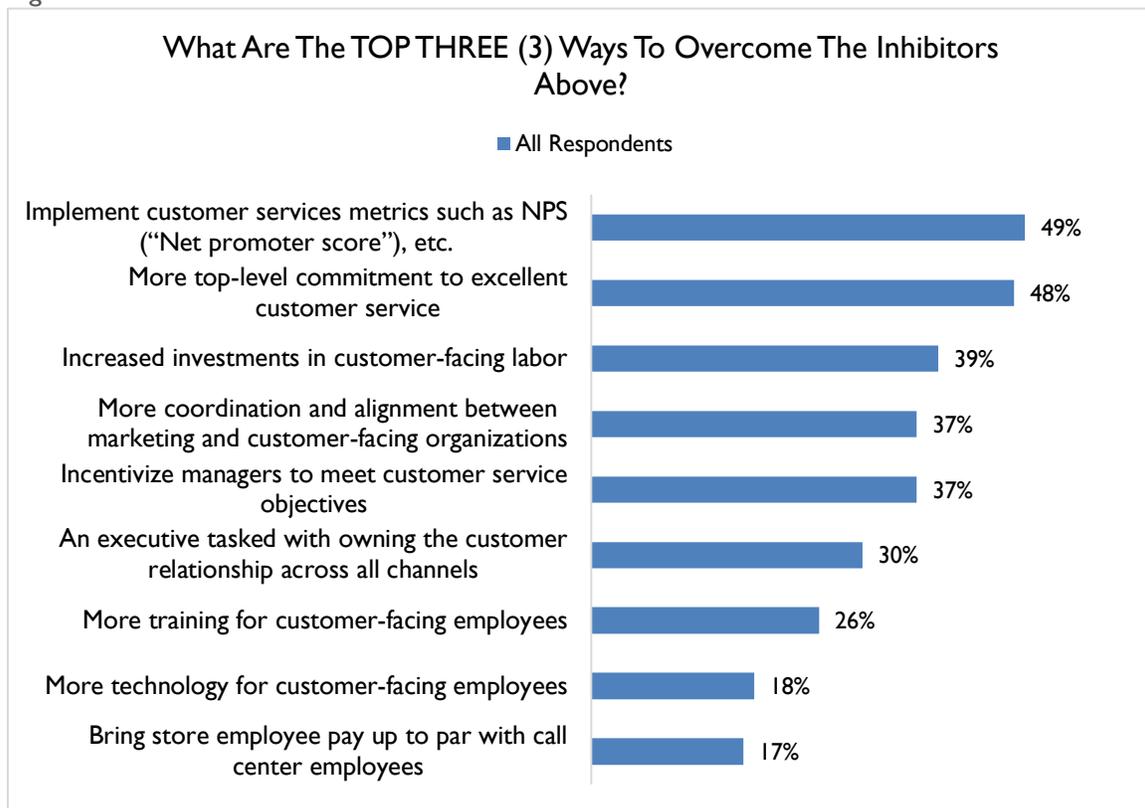


Source: RSR Research, May 2022

Although in aggregate, “other high priority projects” is the top inhibitor for both over-performing Retail Winners as well as average and under-performers, a look inside that result reveals interesting differences that speak to the dynamics of the retail marketplace itself. Less than one-half (40%) of the largest retailers (in this study, those with more than \$5B in annual revenue), indicate that other priorities are pushing workforce management improvements to the back burner – those retailers are ahead of the industry in redesigning business processes to meet today’s challenges. But 100% of retailers reporting less than \$250M in revenue identify other priorities as a top inhibitor. For RSR benchmark studies, “100%” is remarkable. Perhaps in a reflection of that, 88% of fashion & specialty retailers identify it as the top inhibitor by a wide margin.

To get around that challenge, survey respondents basically want to de-emphasize “a good ROI”, by highlighting customer expectations (as evidenced by “customer service metrics”) and a greater commitment from top management for excellent customer service (Figure 12).

Figure 12: Customers Want It – Retailer Have To Deliver It



Source: RSR Research, May 2022

As we learned with “other high-priority projects”, these findings are not consistent among retailers. The desire for more executive commitment to greater customer service is driven by retailers with \$1B or less in annual revenue. But the largest retailers (>\$5B annual revenue) are relatively unconcerned (20%) compared to all other retailers (51%).

Employee enablement is a top priority for the largest retailers; when we look inside the ways that retailers think they can overcome top inhibitors, many of the largest retailers want to focus on preparing customer-facing employees with training and technology (Figure 13).

Figure 13: More Management Focus? Or More Employee Enablement?

	All Respondents	5B +	All Others
More top-level commitment to excellent customer service	48%	20%	51%
Incentivize managers to meet customer service objectives	37%	20%	39%
More training for customer-facing employees	26%	50%	22%
More technology for customer-facing employees	18%	50%	14%

Source: RSR Research, May 2022

Getting Beyond Talk

Earlier in this section, we highlighted the impact of consumer expectations on retailers today. Today's shoppers are hyper-informed and expect store employees to be at least as knowledgeable about products and services as they are. Retailers are responding to the challenge. Figure 14 shows that in the last five years, both attitudes and commitment about employee training have changed. Especially notable is the number of retailers that commit 11-30 hours per year for both existing and new employees.

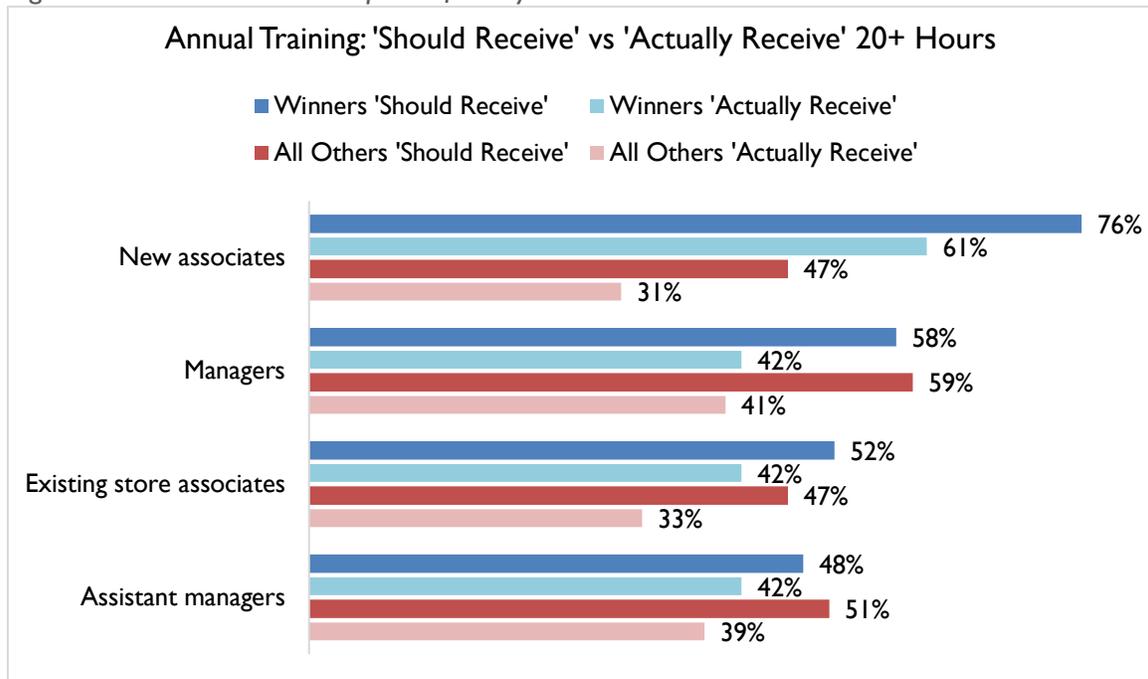
Figure 14: Walking the Talk

2017	New Employees			Existing Employees		
	# Hours	Should	Actually Do	# Hours	Should	Actually Do
	1-10 Hours	23%	37%	1-10 Hours	52%	60%
	11-30 Hours	44%	45%	11-30 Hours	37%	29%
	> 30 Hours	33%	19%	> 30 Hours	11%	11%
2022	New Employees			Existing Employees		
	# Hours	Should	Actually Do	# Hours	Should	Actually Do
	1-10 Hours	9%	27%	1-10 Hours	22%	29%
	11-30 Hours	63%	59%	11-30 Hours	61%	62%
	> 30 Hours	28%	15%	> 30 Hours	17%	9%

Source: RSR Research, May 2022

As is so often the case, retailer Winners are leading the industry (Figure 15) in their commitment to training. Three-fourths of over-performers have committed to at least 20 hours/year to training new employees, compare to less than one-half of average and under-performers (and less than one-third of them follow through!).

Figure 15: Another Example Of Why Winners Win



Source: RSR Research, May 2022

And while retailers generally agree on the amount of time that should be invested in managers, assistant managers, and existing employees, it's clear that Winners are far more willing to take a chance and invest in new employees. Average and under-performers are looking for a commitment of time from the employees first. That is shortsighted at best, and probably harmful to their bottom line performance.

People-Process-Technology

What is clear from the findings we've outlined is that despite retailers' tendency to point to "other priorities" standing in the way of investments in new workforce management solutions, it is the commitment and follow-through with employee training that should be a top focus for retailers if they want to keep up with Winners – and that takes leadership commitment.

It's also important that leaders keep the *people-process-technology* framework in mind. Retail leaders need to balance the organization, the business processes, and the enabling technology to drive change. Many retailers show an increased willingness to invest in their people to improve performance – and in turn, meet or even exceed customer expectations.

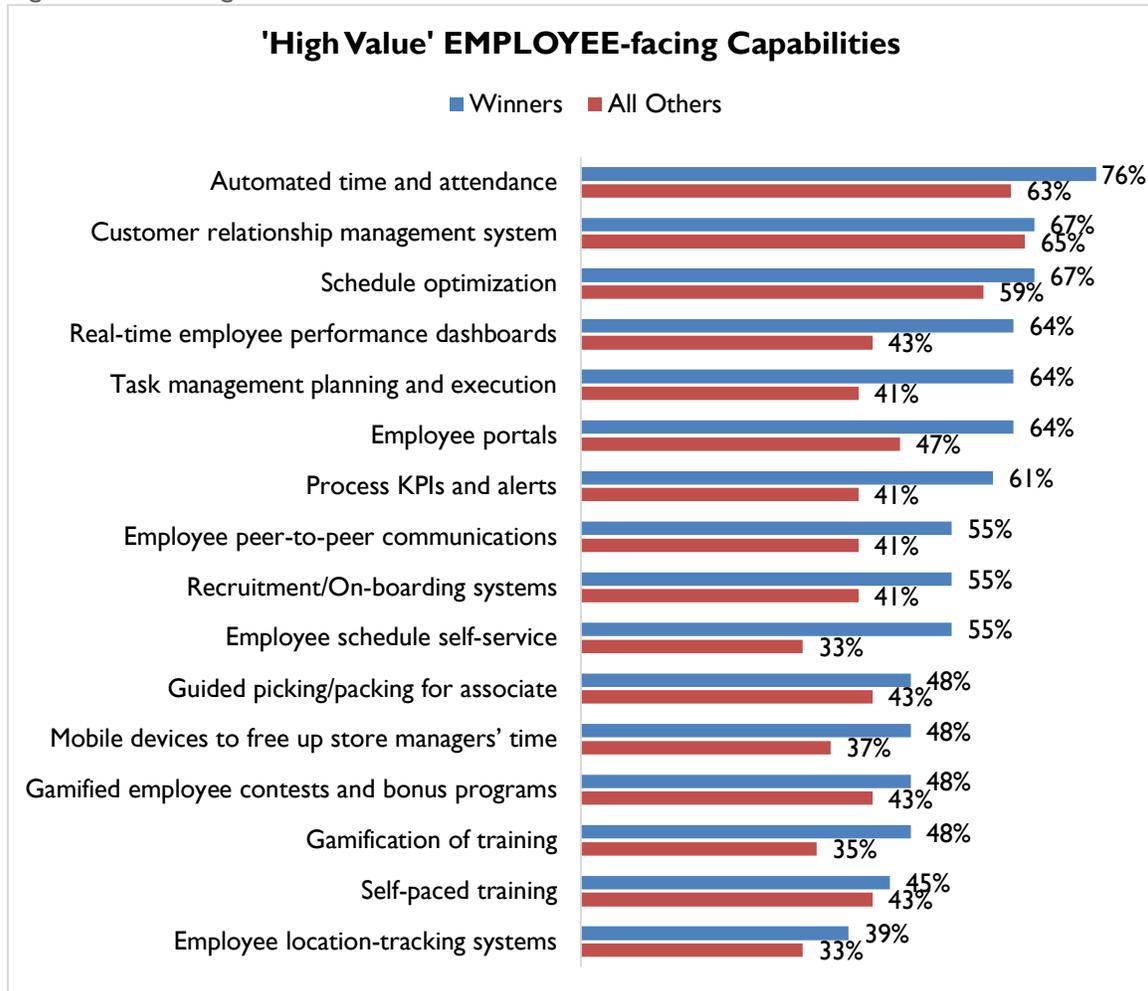
In the next section, we'll examine the extent to which retailers are investing in technologies that will make it possible to meet consumer and employee expectations.

Technology Enablers

Getting Beyond The Basics

Most retailers “get” the importance of automated time and attendance and scheduling tools to manage hourly employees in the stores. Those tools have been around for decades. But that is only the start of capabilities that retailers view as “high value” to help them enable the store workforce (Figure 16).

Figure 16: A Big Toolchest



Source: RSR Research, May 2022

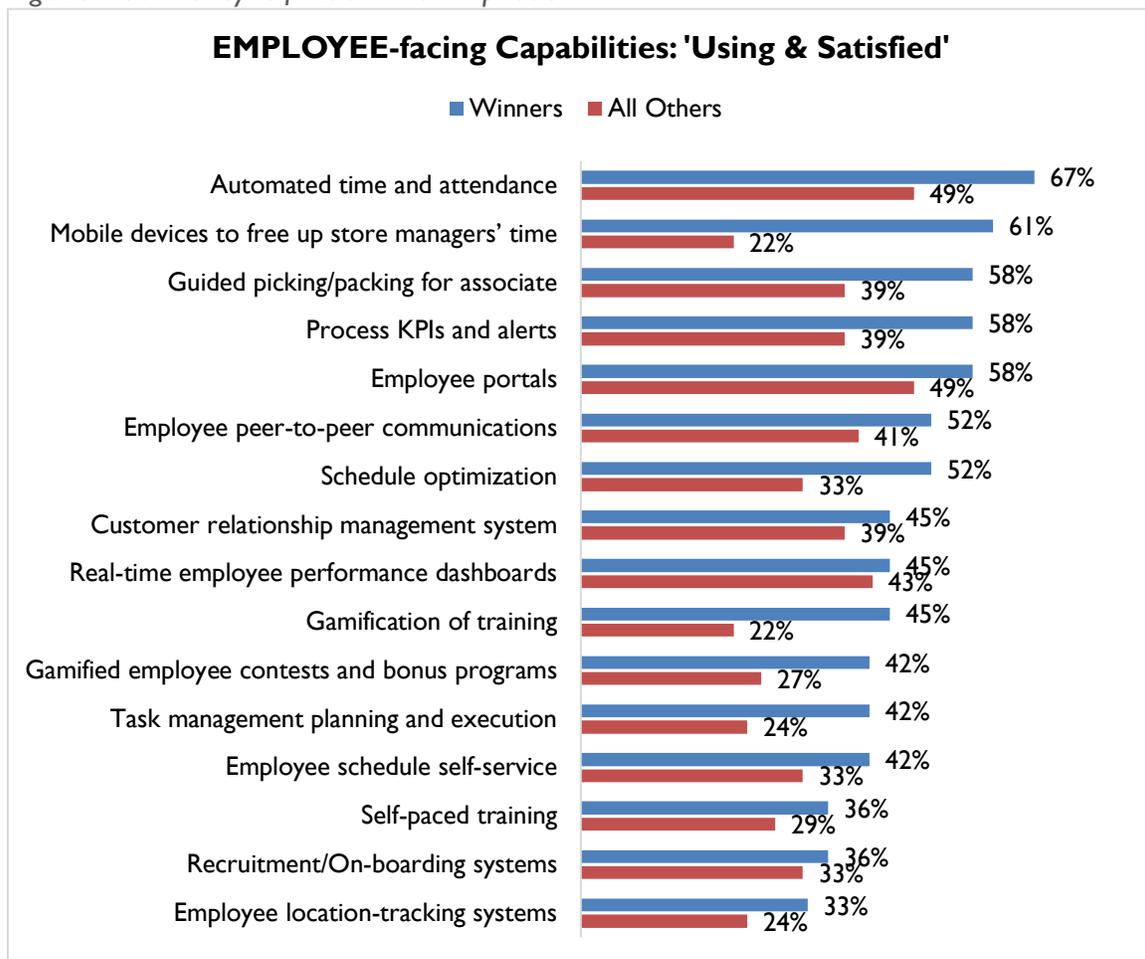
Aside from agreeing on the importance of time & attendance and schedule optimization, as well as CRM (customer relationship management) systems, Retail Winners and others quickly separate from one another. Over-performers place higher value tools that are pointed right at employee empowerment: in addition to CRM (which should help employees service individual customers better), employee portals, peer-to-peer communications, self-scheduling, and self-paced and gamification of training are all intended to help employees help themselves.

Winners also have a more favorable view of employee management tools, such as employee performance dashboards, task management, KPIs and alerts, onboarding systems, and employee location tracking.

There are a few interesting differences in the emphasis the largest retailers (> \$5B annual revenue) place on some of these capabilities. For example, 90% of the largest retailers assign “high value” to employee portals (compared to 54% overall), and 80% assign “high value” to real time employee performance dashboards (compared to 51% overall). These differences are probably attributable to the size of the workforce that those retailers have to manage.

Technology adoption often lags behind the value that retailers assign. But Winners lead in every capability we asked about (Figure 17).

Figure 17: Plenty Of Room To Improve



Source: RSR Research, May 2022

One capability in particular jumps out as an exception to the general rule that adoption of a technology lags the value retailers assign to it: **Mobile devices to free up store managers' time**. While 48% percent of Winners give that capability “high value”, 61% report that the technology is installed and delivering value (Figure 17). While such a finding might be a notable anomaly, the data-inside-the-data show that it is once again the largest retailers that are driving adoption (70% compared to 41% overall). As before, we believe that this is a reflection of the size of their

operations. What's interesting is that in this case Winners appear to be taking a lead from big retailers, and not the other way around.

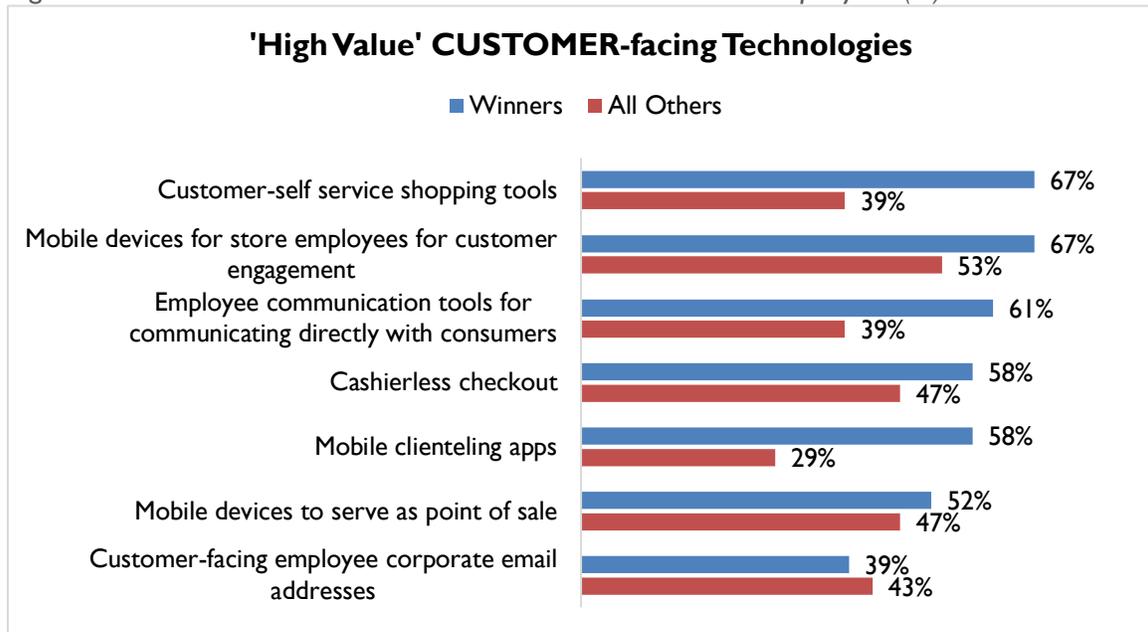
We can only wonder at what average and under-performers are thinking when so few of them have successfully rolled out mobile devices for store managers. **This is a clear fail on their part.** For example, what good are “KPIs and alerts” if the manager has to go up to the office to see them on a desktop computer? Or “real time employee performance dashboards”?

Servicing Tech-enabled Consumers

It's almost trite nowadays to point out that consumers often have more information at their fingertips than store employees do. RSR has been pointing out since the earliest days of consumer adoption of “smart” mobile technologies that “consumers nowadays carry ‘the store’ in their pockets and purses”.

As we saw at the start of this report, retailers believe the most important thing that their employees can do is to help consumers find the products they are looking for (Figure 1). That is more than just talk; a majority of retailers place a high value on mobile devices for store employees for customer engagement (Figure 18), and an almost identical number say that they are using and satisfied with those technologies (Figure 19). This is a clear reflection that many retailers have decided to give their store employees the same power of information that consumers take for granted. **That's a tactic that every retailer should be deploying.**

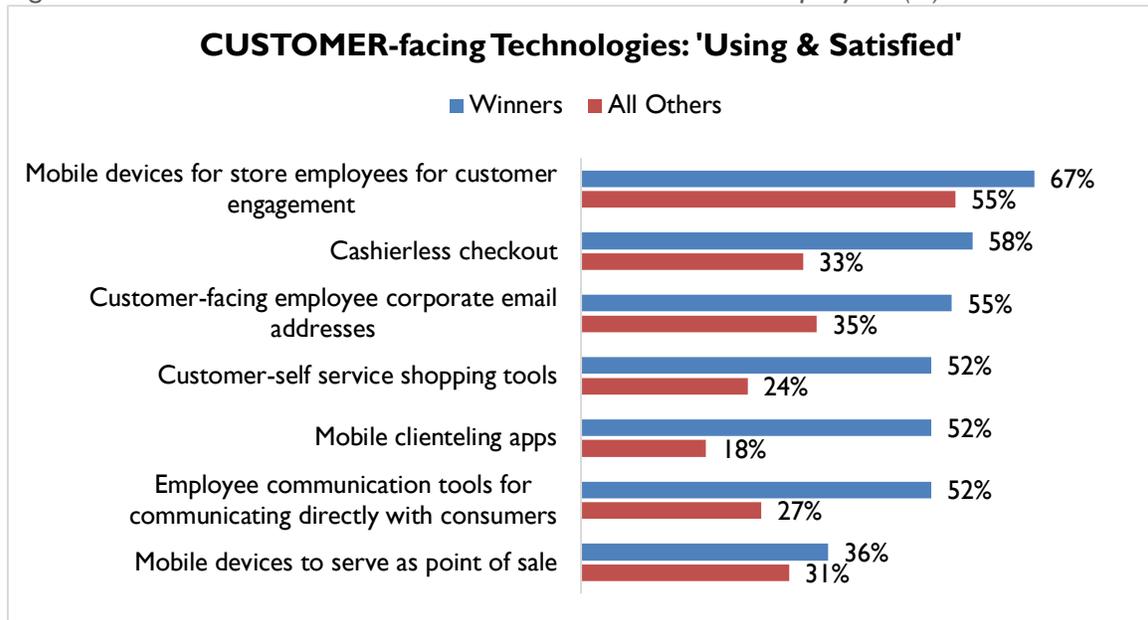
Figure 18: Tech For The Customer & For The Sales Employee (1)



Source: RSR Research, May 2022

But while making it possible for employees to more effectively engage with tech-enabled customers is a high priority, retailers also know that many customers prefer self-service; Winners are particularly interested in giving customers more self-service shopping tools and (to a slightly lesser extent) enabling cashierless checkout.

Figure 19: Tech For The Customer & For The Sales Employee (2)



Source: RSR Research, May 2022

As we just learned, re. mobile devices for employees, almost as many retailers that place a high value on customer self-service techs are using them and are happy with the result.

Looking at these findings by performance group gives us a better understanding of what’s really going on when it comes to enabling customer-facing employees with technology. In the choices we presented to our survey respondents, the only choice that Winners didn’t assign a high value to was “customer-facing employee corporate email addresses” (and in our view, that’s completely understandable).

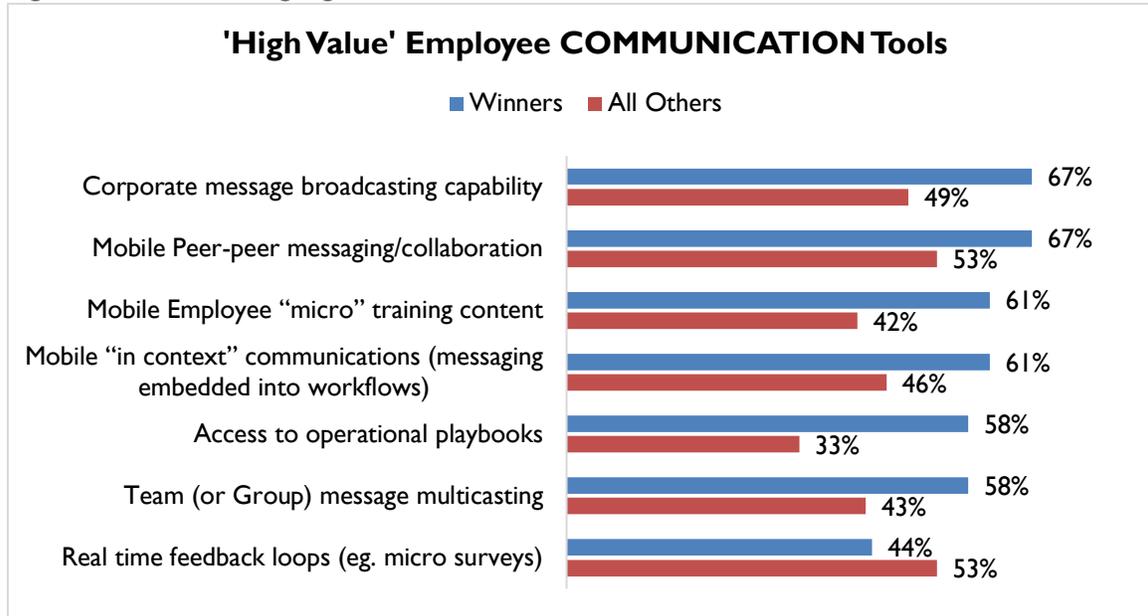
But the only choice that a majority of average and under-performers did rate as high value was mobile devices for store employees. The inference requires no explanation.

Helping Employees To Help Each Other

“Mobile” is the underlying theme for technology enablers when it comes to the store workforce. With the unfortunate exception of average and under-performers’ failure to roll out “mobile devices to free up managers’ time” (Figure 17), empowering employees with the same kind of technology that consumers use is clearly the way forward. Employees are just like everyone else – smart mobile might have been a discretionary item in 2009, but it’s one of life’s necessities now.

The pervasiveness of mobile technologies creates the opportunity for retailers to use team communications to encourage teamwork and to provide just-in-time information to staff. Retail Winners certainly see the opportunity (Figure 20), and even a majority of average and under-performers see the possibilities for **peer-peer messaging and collaboration** in particular. Of course, retailers (like all employers) must be aware that given no other option, employees will use public chat messaging or social media to communicate with one another anyway – and so it’s preferable to have them using company-controlled channels.

Figure 20: Encouraging The Team

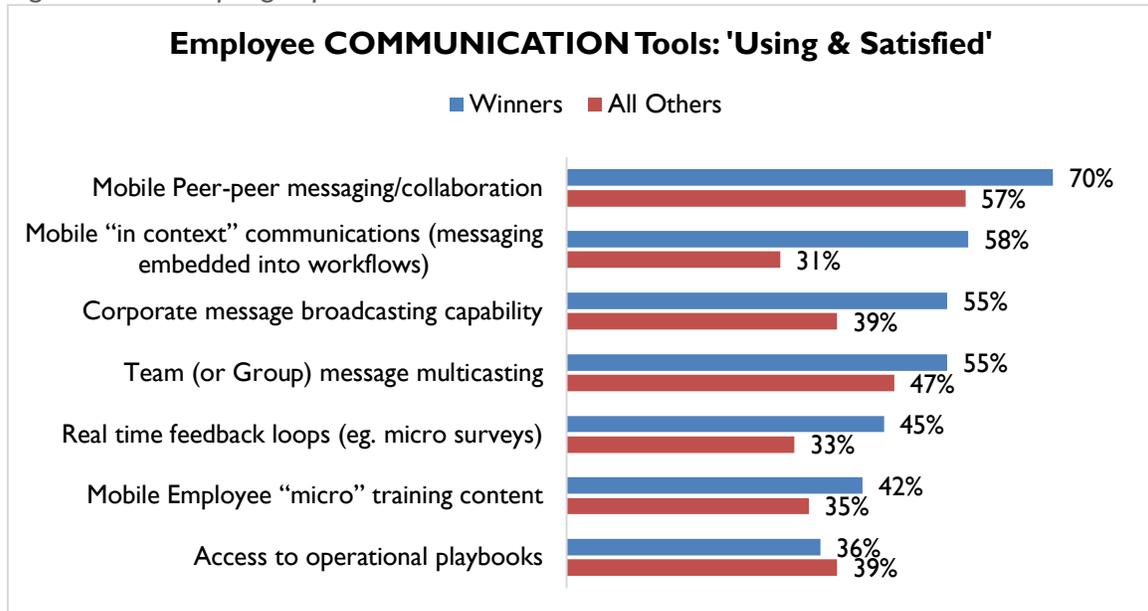


Source: RSR Research, May 2022

Interestingly, more FMCG (fast moving consumer goods) and GM (general merchandise) retailers assign a "high value" to peer-to-peer messaging (69% and 71% respectively) than do Fashion & Specialty retailers (47%) and Hardgoods merchants (25%). That likely has to do with the size of their store staffs.

It's not surprising that (given the prevalence of text messaging and social media) mobile peer-peer messaging/collaboration leads the way in successful implementations (Figure 21).

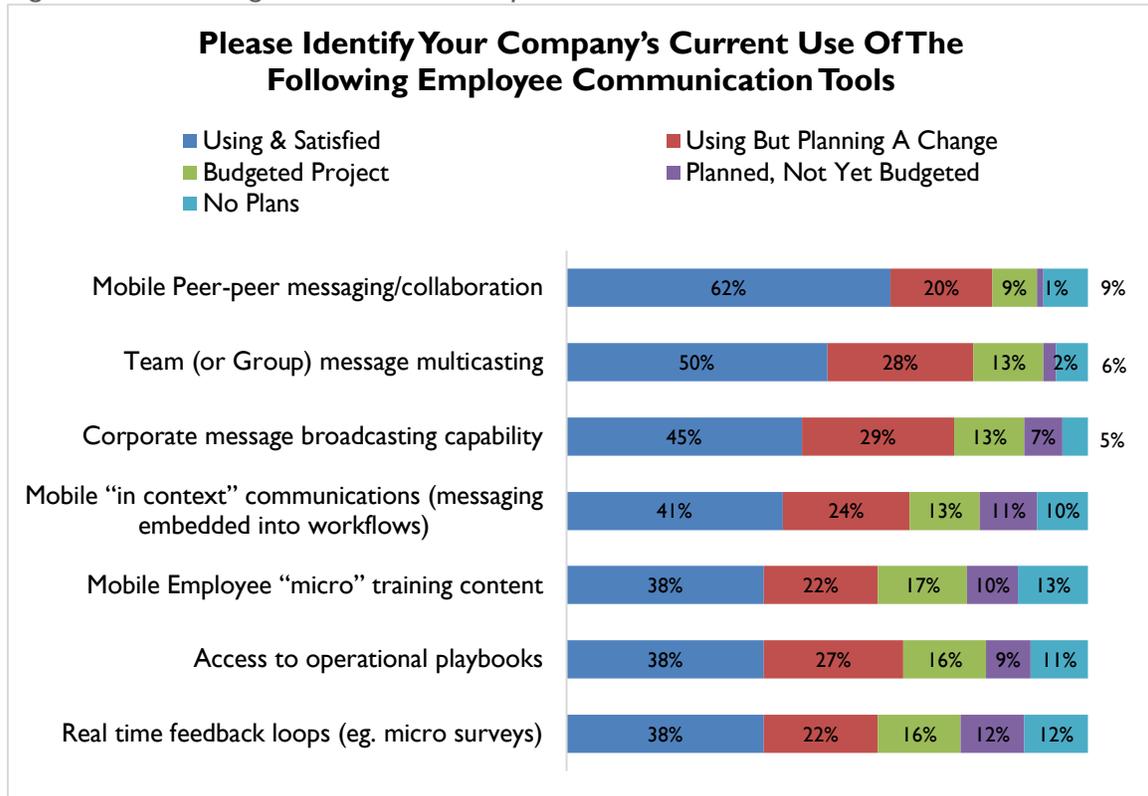
Figure 21: Keeping Up With The Times



Source: RSR Research, May 2022

As for the rest of the capabilities we asked about, it's clear that retailers are in the process of addressing them (Figure 22). The overwhelming majority of retailers who responded to our survey indicate that they are moving quickly to address shortcomings that they may have in empowering their store employees with (usually mobile) communications capabilities.

Figure 22: Moving Fast To Catch Up To Consumers



Source: RSR Research, May 2022

That's really positive news! While it may have taken retailers more than a decade to come around to what consumers already know, that **putting real time information and communications capabilities directly into the hands of store employees while they are on the sales floor is hugely enabling**, they finally get the message.

BOOTstrap Recommendations

In today's world, the role of the store is changing, and so too must the role of the store employee. Modern shoppers are hyper-informed and impatient, and they use always-connected mobile technologies to inform virtually every one of life's decisions – including where they will shop, what they will purchase, how they will purchase it, and how much they are willing to pay. Retailers believe the most important thing that their employees can do is to help consumers find the products they are looking for, and many have decided to give their store employees the same power of information that consumers take for granted.

But in times like the current low-unemployment economy, retailers struggle to attract people who want to work in an environment where the pay and benefits are low, the hours are long, training is minimal, and customers are demanding. Retailers know that investing in the development and maintenance of store staff to provide real customer service is an imperative.

In the face of these daunting challenges, RSR offers the following recommendations, culled from what we have learned in this study from over-performing Retail Winners.

First And Foremost: What Should The Brand Experience Be?

We live in a time where “self-service” has been redefined. Our research on shopper behaviors shows that they are increasingly as likely to solve their own problems with their smartphones, as they are to elicit help from a store employee. Retailers need to ask themselves: *what do we want the customer experience to be?* There is no one size fits all, but store employees are **brand ambassadors**. Almost 8-in-10 Retail Winners understand that customer-facing employees have a strong impact on annual sales, and a majority of all retailers believe that their impact will only grow.

That impact can be either accidental or purposeful. We recommend that latter.

Invest In The Sales Staff

To reach a new labor pool, Winners indicate a greater willingness to offer “excellent” **pay and benefits, schedule flexibility, training and tools** to empower their sales staff. Not unexpectedly then, a majority of Winners say that they consistently exceed business performance targets, compared to less than one-in-four average and under-performers. The lesson is self-evident: *you get what you pay for.*

Recognize That This Isn't A Choice

As the world exits this stage of the pandemic, escalating consumer expectations have triggered a wall-to-wall redesign – or at least a reconsideration – of operating processes and the technologies that support them. Retailers accept that consumers want both more access to more informed staff and more self-service options, while at the same time they have to get better at the basics of a good in-stock position and an efficient checkout. Achieving these objectives requires focus and investment. Simply put, retailers have no choice – customers are demanding it.

New Tasks Require Training

The majority of over-performers have successfully implemented new store fulfillment-style tasks and full-service store concepts. These new customer services concepts require new processes and new techs- *and new training.* A majority of Winners recognize the need for both new techs *and* new

training for sales staff. Moreover, three-fourths of Winners show a much greater willingness to invest in *new* employees. All retailers should follow their lead.

Mobilize

One of the incongruities in this study is that while a majority of retailers place a high value on “mobile devices for store employees for customer engagement” (with Winners once again leading), less than one-half (Winners and non-winners alike) prioritize “Mobile devices to free up store managers’ time”. We applaud the former and are dismayed at the latter. Consumer-grade mobile technologies and apps are no longer nice-to-haves. Consumers have them in their pockets and purses; those that serve consumers must have the same capabilities.

Communicate

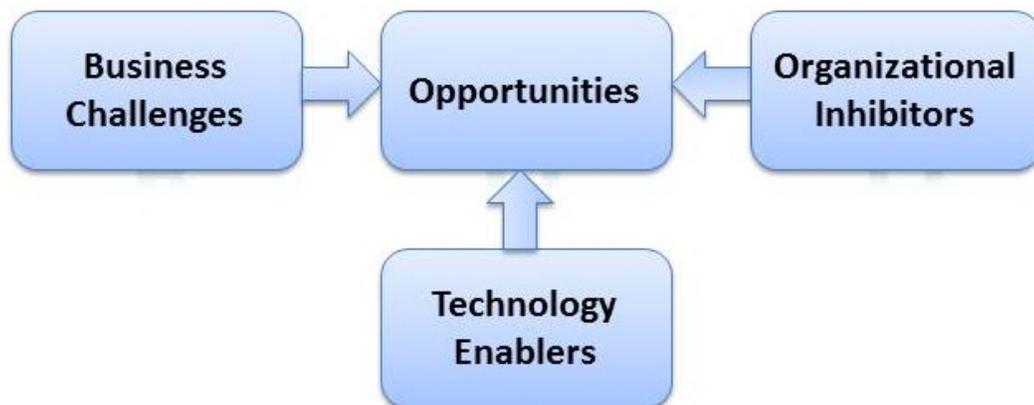
The pervasiveness of consumer-grade mobile technologies creates the opportunity for retailers to use team communications to encourage teamwork and to provide just-in-time information to staff. Retailers see the possibilities for **peer-peer messaging and collaboration** in particular. Of course, retailers are aware that given no other option, employees will use public chat messaging or social media to communicate with one another anyway. While it may have taken retailers more than a decade to come around to what consumers already know, that putting real time information and communications capabilities directly into the hands of store employees while they are on the sales floor, is a huge enabler.

Appendix A: The BOOT Methodology[®]

The BOOT Methodology[®] is designed to reveal and prioritize the following:

- **Business Challenges** – Retailers of all shapes and sizes face significant **external** challenges. These issues provide a business context for the subject being discussed and drive decision-making across the enterprise.
- **Opportunities** – Every challenge brings with it a set of opportunities, or ways to change and overcome that challenge. **The ways retailers turn business challenges into opportunities often define the difference between Winners and “also-rans.”** Within the BOOT, we can also identify opportunities missed – and describe leading edge models we believe drive success.
- **Organizational Inhibitors** – Even as enterprises find opportunities to overcome their external challenges, they may find **internal** organizational inhibitors that keep them from executing on their vision. Opportunities can be found to overcome these inhibitors as well. Winning Retailers understand their organizational inhibitors and find creative, effective ways to overcome them.
- **Technology Enablers** – If a company can overcome its organizational inhibitors it can use technology as an enabler to take advantage of the opportunities it identifies. Retail Winners are most adept at judiciously and effectively using these enablers, often far earlier than their peers.

A graphical depiction of the BOOT Methodology[®] follows:



Appendix B: About Our Sponsor



WorkForce Software is the first global provider of workforce management solutions with integrated communications capabilities that improve employee and customer experiences and business results. The company's WorkForce Suite adapts to the organization's needs, no matter how unique, and enables associates to do their best work with easy access to communications, guidelines, product training, tear sheets, and brand messaging. WorkForce Software is helping some of the world's most innovative retail organizations optimize their labor, streamline their retail operations, and attract top talent with a truly modern approach to workforce management

For more information, please visit www.workforcesoftware.com.

Appendix C: About RSR Research



Retail Systems Research (“RSR”) is the only research company run by retailers for the retail industry. RSR provides insight into business and technology challenges facing the extended retail industry, providing thought leadership and advice on navigating these challenges for specific companies and the industry at large. We do this by:

- **Identifying information** that helps retailers and their trading partners to build more efficient and profitable businesses;
- **Identifying industry issues** that solutions providers must address to be relevant in the extended retail industry;
- **Providing insight and analysis** about a broad spectrum of issues and trends in the Extended Retail Industry.

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