

ENGAGING & EMPOWERING THE MODERN WORKFORCE:

How Retailers Can Harness
The Power Of Their People






The day-to-day life of the modern store associate is more demanding than ever. In the past, employees were tasked with stocking shelves, assisting customers and completing transactions at the cash wrap. But as retailers build out their omnichannel operations and engagement strategies, associates' to-do lists and necessary skill sets are growing dramatically.

"The evolving role of the store has changed how customers and brands expect how store associates interact with them," said Adam Pressman, Partner in the Retail and Digital Transformation practices, [A.T. Kearney](#). "No longer is putting items on shelves enough. Associates are expected to effectively engage with customers, while also completing a variety of tasks."

In fact, results from the [A.T. Kearney *Achieving Excellence in Retail Operations*](#) study concluded that consumers say "experience" and "service" have the most profound impact on their in-store shopping journeys.

To meet consumer expectations, retailers are striving to onboard a workforce that can connect with customers on a "sincere and personal level, understand their needs, and have a desire to use the full range of technology available in the store to ensure that the client walks out of that store with merchandise either in hand or in transit," noted Jerry Sheldon, VP of Technology at [IHL Consulting Services](#). "Employers realize the need to hire someone with the diligence of a Boy Scout, and the interpersonal skills and emotional IQ of someone that participates in the drama club at school."

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— ADAM PRESSMAN, A.T. KEARNEY

After all, store associates are the face of the retail brand, noted Russ Ronchi, Co-Founder of [Formula 3 Group](#). "They're literally the first face someone encounters when they walk in your store."

However, retailers are encountering a predicament: While they're in dire need of friendly, skilled and tech-savvy employees, the average turnover rate in retail remains especially high, according to Ken Morris, Principal at [Boston Retail Partners](#).

"There is an increased number of available retail positions and a reduction in the number of people interested in them," Morris said in an interview with *Retail TouchPoints*. "To acquire and engage the right employees, retailers need to invest in tools, technologies and learning tactics that empower their workforce and make them feel more connected to the brand."

This special report uncovers how retailers can capitalize on the power of their people by:

- Implementing **cutting-edge technologies** that improve associate productivity and customer relationships;
- Rolling out **training programs**, learning initiatives and rewards to empower and engage employees; and
- Measuring **associate success** in new ways.

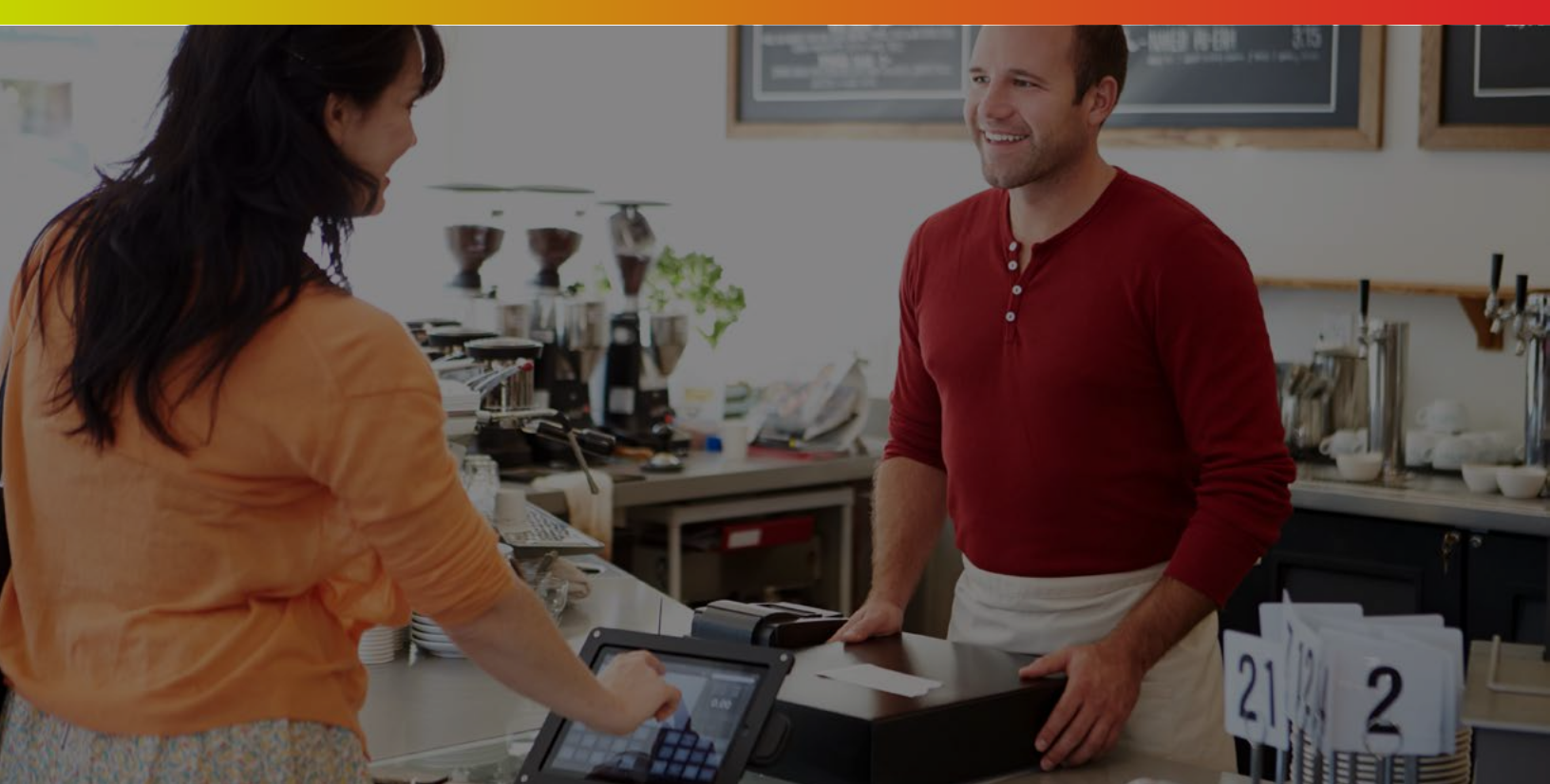
Top Technologies Improving Associate Experiences

The once linear shopping journey has turned into a zigzagged path consisting of myriad information sources. As a result, the role of the associate has changed dramatically.

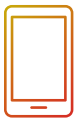
"Consumers have more information at their fingertips, so sales associates are used in a completely different manner," said Victoria Brown, Senior Research Manager for [IDC Retail Insights](#). "There are still requests for other sizes or to see if an item is available elsewhere, but online shopping has changed much of this."

Store associates now have **three very different roles and information requirements**, according to Brown:

1. **Product Expert**
2. **Fulfillment or Materials Handler**
3. **Interaction and Experience Coordinator**



Some of the top technologies and applications designed to augment the in-store experience for associates and shoppers include:



Mobile POS and Clienteling

40% of retailers say empowering associates with mobile tools is one of their top three priorities through 2016, according to Boston Retail Partners' [**2016 POS/Customer Engagement Survey**](#). Top capabilities include guided selling tools for associates (73%), clienteling (63%), and suggested selling based on what is in a customer's closet (51%). With real-time access to pertinent customer data, associates can get a 360-degree view of the customer they're serving, including his or her personal tastes, brand preferences, favorite colors, styles, preferred sizes and more. Not only does this create a great experience for customers, but it also makes associates feel more confident in their selling and service skills. A variety of retailers, such as [**Nordstrom**](#), [**Design Within Reach**](#) and [**True Religion**](#) have improved customer engagement and overall sales since implementing mobile POS and clienteling tools in-store.



Digital Displays

Retailers can use digital displays to promote new products or timely promotions. Additionally, some associates are finding innovative ways to use digital displays as fodder for conversations with shoppers in order to communicate with them on a more personal level.

For example, **NYX** uses digital signage to integrate [user-generated content \(UGC\) and feedback](#) into store strategies. A large digital content wall spotlights makeup trends and popular items. Shelf displays also are adorned with item scanners and smaller digital screens. When consumers scan a product, they will receive UGC that features the product and real-life makeup looks. In this case, the screens inspire shoppers if they're browsing on their own. Associates also can scan the product as they're speaking with customers to show how it can be used to create a variety of styles.



Wearable Technology

To determine whether wearable technology is a fit for their business, retailers need to establish goals and the role the technology would play in the overall experience. Jewelry eTailer **BaubleBar** has used Google Glass to create a guided selling experience for online shoppers. Members of BaubleBar's Service With Accessorizing Talent (SWAT) team wore Google Glasses to walk around a sample sale while chatting with online shoppers so they could purchase items from their homes in real time. (Learn more about the jewelry eTailer's service strategies [here](#).)



Smart Technology

Depending on the brand or product category, a number of smart technologies can help associates do their jobs better. For example, **Sephora** partnered with the Pantone Color Institute to create Color IQ, a proprietary device that scans the surface of consumers' skin and assigns a specific Color IQ number, then reveals specific lip, foundation and concealer matches. Given the higher price point of Sephora's products, Color IQ eases customers' concerns about potentially choosing the wrong product shades and improves their confidence in associates' capabilities.

True Religion Augments Clienteling With Mobile And Wearable Tech

True Religion has achieved a new level of omnichannel excellence by combining digital signage with mobile POS, an associate-facing Apple Watch app, CRM and robust clienteling capabilities.

First launched in December 2015, the True Religion “Band” app was designed to integrate with Aptos Mobile Store Point of Sale and Aptos Enterprise Order Management. Created in partnership with Formula 3 Group, the app allows associates to “flick” product images from the watch to a large digital signage screen. This keeps shoppers engaged, despite True Religion’s traditionally small store formats, by giving them in-depth views of product images and styles. When a shopper is ready to make a purchase, store associates can complete the transaction on a tablet device.

With the addition of Aptos CRM and Clienteling, the updated app arms associates with more detailed customer information. This “closet” of data shows product images, past purchases, average order value, lifetime value and social media feedback. Employees can use all back-end information to facilitate a highly personalized experience.

Click [here](#) to learn more about the True Religion experience, or watch the below video featuring John Hazen, SVP of Direct to Consumer & Omnichannel for True Religion.



Education And Enablement Imperatives: Think Visual And Interactive


Up to 60% of retailers are struggling to execute and measure the ROI of technology investments, according to the A.T. Kearney **Achieving Excellence in Retail Operations** study. To ensure new technology meets customer and corporate expectations, 75% of retailers say they plan to invest in training and additional staff over the next year.

Industry analysts spotlighted the training and engagement tactics they believe are most effective:

- **Video:** “YouTube videos are one of the most effective training tools,” Morris of Boston Retail Partners said. “They can be accessed from anywhere you have Internet access and the combination of audio and visual is the clearest way to communicate new processes.”

Pressman of A.T. Kearney added that the explosion of YouTube, Netflix and other consumer-facing video channels validates the growing importance of video. Retailers need to explore video “as a way of communicating and sharing information with their employees.”

- **Rewards and incentives:** “To me, it comes back to incentives for performance with today’s workforce,” Sheldon of IHL said. “If that reward is money, okay, but if the reward is an experience, even better. Zumiez is doing some really innovative, creative and effective things in this area. It is a young, hip and cool brand and when they reward employees for meeting goals, they bring their top performers together for a training event wrapped in a party.”

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— KEN MORRIS, BOSTON RETAIL PARTNERS

While educational courses, quizzes, videos and rewards programs help employees stay up-to-date with new practices and technologies, sometimes the most powerful influencer is a monetary reward. Despite their shifts to omnichannel engagement and fulfillment, many retailers have not adjusted the ways they measure employee success and productivity, which has negatively impacted employee engagement and loyalty.

5 Tips For Forging Associate Engagement And Relationships

Retailers need to take a hard look at their employee engagement, training and empowerment strategies to ensure they're cultivating the culture and work lifestyle that star-quality employees crave. Our industry experts offer a series of best practices to guide the way:



"Listen to your associates. They have the best feedback because they are in the trenches."

— RUSS RONCHI, FORMULA 3 GROUP

"Invest in an employee as if they were going to be there for a lifetime, because if you do, you might be hiring the person who will be your CEO 25 years from now. Provide them with the technological tools they need to be successful."



— JERRY SHELDON, IHL CONSULTING GROUP



"Recognize and reward associates who effectively engage the customer and enhance the customer experience across channels — those are the customers who will keep coming back and help sell your brand."

— KEN MORRIS, BOSTON RETAIL PARTNERS

"Create a community. Help employees and customers feel like they're part of something bigger, that they have a joint ownership in the growth of the company. REI is a great example because the brand has a community of outdoor enthusiasts working there, and a co-op model that gives dividends to their customers. Customers feel like they're contributing to the growth of the company, and the associates are passionate about what they do."



— VICTORIA BROWN, IDC RETAIL INSIGHTS



"Share stories. Just as brands are evolving their storytelling and content offerings to customers via social sites like Instagram, Snapchat, etc., we should also understand the value of sharing stories with our employees. Finding moments to share successes and reinforce positive experiences can have a big impact internally, as well."

— ADAM PRESSMAN, A.T. KEARNEY

A New Equation For Associate Productivity And Profitability

Consumers' omnichannel shopping behaviors have made measurement more complex. Today, retailers need to be able to measure the lifetime value of customers, which requires knowing them and understanding their behaviors across all channels. Retailers need to be able to track when and how a store associate played a role in the shopping journey, and whether that associate impacted the final buying decision — regardless of whether a purchase took place in a store or online.

"If your systems can't talk to each other, you're in for a rough ride," Ronchi noted. "Understanding your data touch points and how to make it all flow together is what leads to successfully measuring productivity and success."

Many retailers (55%) also do not offer employees incentives for fulfilling omnichannel orders, according to the **2016 Customer Experience/Unified Commerce Survey** from Boston Retail Partners. Other rewards vary:

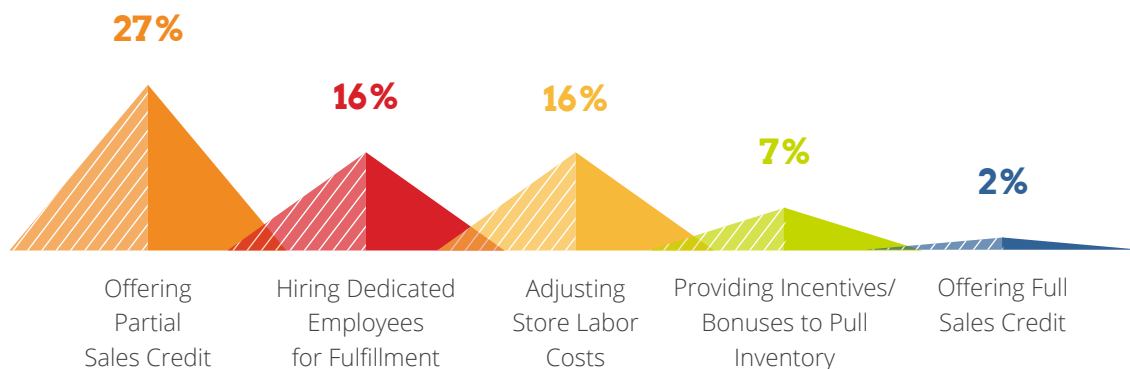
- Offering partial sales credit or commission for orders fulfilled from a store (27%);
- Having dedicated employees handle fulfillment (16%);
- Adjusting store labor costs/credits to compensate for orders fulfilled from a store (16%);
- Providing incentives or bonuses to pull inventory and fulfill orders promptly (7%); and
- Rewarding associates with complete credit for a sale (2%).

Morris added: "When retailers fail to motivate and compensate sales associates, they risk lackluster adoption of processes at the floor level, and subpar customer experiences."

Focusing solely on sales generated by each associate also negates the personal element of associate-to-shopper conversations, according to Brown. "Maybe an associate spent time with a customer helping them with a custom look for an upcoming event and they only purchased one item, but later on down the line they think of that great experience, and return to the store to buy more because they know they will have quality interactions."

To ensure they're recognizing and rewarding employees effectively, retailers will need to take these factors and overall task completion into account and refine their incentives accordingly.

RETAILERS' TOP ASSOCIATE INCENTIVES FOR FULFILLING OMNICHANNEL ORDERS:



Culture: The Backbone Of Engaged Brand Communities

Just as consumers expect better experiences from the brands they buy from, employees expect the same from the businesses they work for. However, research from [Gallup](#) shows that only 32% of the modern workforce is engaged, with 51% not engaged and 18% disengaged. Millennials are the least engaged (29%) of all age groups.

Members of the modern workforce want to join a thriving corporate community and feel fulfilled in their professional lives. Retailers need to further invest in creating this empowering and satisfying environment so they can hold on to their best employees.

“In the pursuit of omnichannel excellence, the store associate has been largely ignored,” Pressman said. “Creating a positive working environment and investing in helping them to be successful are critical to engaging the modern workforce. Smaller brands like **Warby Parker** and **Bonobos** provide great examples of how brands are setting clear brand standards and are seeking employees who share those beliefs and values.”

Only 32% of the modern workforce is engaged. 🐦

— GALLUP





In an era of virtually limitless choice, sustained competitive advantage only comes to retailers who engage customers differently—by truly understanding who they are, what they want and why they buy. At Aptos, we too, believe that engaging customers differently is critical to our success. We are committed to a deep understanding of each of our clients, to fulfilling their needs with the retail industry’s most comprehensive omni-channel solutions, and to fostering long-term relationships built on tangible value and trust. More than 500 retail brands rely upon our Singular Commerce platform to deliver every shopper a personalized, empowered and seamless experience... no matter when, where or how they shop. Learn more: www.aptos.com.

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