

BY JOE SKORUPA

## BLAME THE ASSOCIATE

### We can either blame weak store sales on associates and managers or fix the problem

The signature strength of the brick-and-mortar store is that it delivers instant gratification. Products are available for the customer to touch, try, take home and instantly use. It's a beautiful thing when it works, but the problem is it often doesn't work. Stores frequently fall short of meeting customer expectations and, in fact, stores scored lower in customer satisfaction than the online channel, according to the 2016 RIS/TCS "Shopper Insight 360" study.

When stores produce poor customer satisfaction a big part of the blame typically falls on the store associate. This occurs because associates are the customer's primary touchpoint while in the store. If customers are unsatisfied, the associate must have something to do with it. But associates, and the managers who supervise them, are only as good as the tools they have to work with, training they receive, and quantity of daily tasks they are required to carry out.

In this Custom Research report we examine the evolving role of the brick-and-mortar store and role of the associate as it transforms to meet the rising challenges and expectations of the omnichannel shopper.

### Role of the Associate

Just as products have to be in the right place at the right time for the retail model to succeed, so do sales associates. On a scale of one to 10 where one stands for no impact and 10 stands for highest impact, retailers give an 8.6 rating to the impact of having associates and managers in the right place to help customers in the right way at the right time. (See Figure 1.)

However, when we asked about the retailer's confidence that the store workforce will consistently do this we get a much different answer – a score of 5.5. (Note that a score of 5 is a neutral score that reflects neither high nor low confidence.) Retailers look for a score near the upper end of the spectrum for well-run business operations, so this means a score of 5.5 falls well short. (See Figure 2.)

The gap between the influence associates have on store performance (sales, profits and customer satisfaction) and the confidence retailers have in actually getting store personnel to do this effectively is disappointing to say the least and disastrous in terms of delivering optimum business performance.

This is especially true in 2016, a time when tech tools are proliferating at the store level with the assumption by headquarters that it will lead to improvement in productivity, adhering to corporate standards, and reducing workloads for associates and managers.

However, several recent factors have emerged that are effectively blocking the expected benefits of in-store technology. These factors include demands by the omnichannel shopper for a wide range of

Figure 1

Impact on increasing store sales and improving the shopping experience by having store/department managers and customer service associates on the sales floor in the right place helping customers in the right way at the right time.

(Using a scale of 1-10 where 1 stands for no impact and 10 stands for highest impact.)

8.6



Figure 2



5.5

Confidence level that store/department managers and customer service associates are consistently on the sales floor in the right place and helping customers in the right way at the right time.

(Using a scale of 1-10 where 1 stands for no impact and 10 stands for highest impact.)

Figure 3

How has the amount of corporate-driven workload changed year-over-year in your stores?



Figure 4

How have shoppers' expectations of store managers and associates changed year-over-year in terms of providing omnichannel services and giving assistance in areas such as product knowledge?

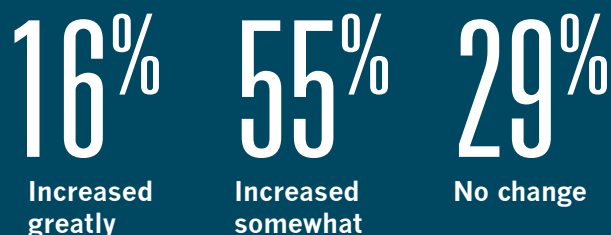


Figure 5

How many store-facing systems do your managers and associates have to access on a regular basis?

0-5	29%
6-10	36%
11-15	26%
16-20	7%
>20	3%



Figure 6

How many store-facing systems that managers and associates access on a regular basis are accessed by users on mobile devices such as tablets and smartphones?

0-5	81%
6-10	16%
11-15	3%

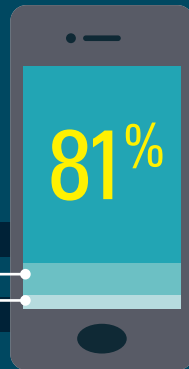


Figure 7

What percentage of the reports that your store teams are expected to read on a daily, weekly and monthly basis are delivered on paper?

Percent of Report	Percentage
0	23%
1-25%	52%
26-50%	13%
51-75%	7%
76-100%	7%

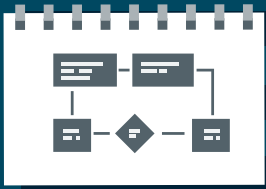


Figure 8

Impact on increased efficiency achieved by providing a single, intuitive interface on mobile devices for store managers and associates to view alerts/notifications from all store-facing systems.

*(Using a scale of 1-10 where 1 stands for no impact and 10 stands for highest impact.)*

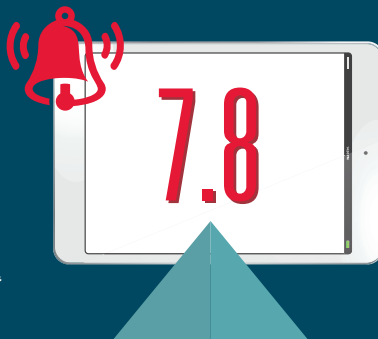


Figure 9

**8.2** Impact on increased efficiency and data quality achieved by providing a single role-based, intuitive interface on mobile devices for store managers and associates to have the ability to update in real-time alerts/notifications from store-facing systems. *(Using a scale of 1-10 where 1 stands for no impact and 10 stands for highest impact.)*



## ABOUT REFLEXIS:

Reflexis is the pioneer in Real-Time Store Execution and Workforce Management solutions that enable retailers to execute their customer engagement strategy flawlessly and uncover profit. The Reflexis platform of real-time store execution, task management, compliance, labor scheduling (including budgeting and forecasting), employee self-service, time and attendance, and analytics enables retailers to align store labor & activities to corporate goals and institutionalize best-practice response to real-time metrics and alerts.

For the past 15 years, more than 240 of the world's best retailers in multiple vertical categories have reported dramatic improvements in store-level compliance with corporate strategies; higher productivity of corporate, field, and store employees; and increased revenue and profitability after implementing Reflexis workforce management solutions.

The Reflexis StorePulse® real-time store execution solution synchronizes store-level activities with real-time KPIs, alerts, and customer demand. Stores can systemically execute best practices to provide a greater quality of customer engagement, leading to higher revenues.

Reflexis is privately held and headquartered in Dedham, Massachusetts and has offices in Atlanta, London, Germany, and India with additional sales presence in Canada, Latin America, and Europe. For more information, visit [www.reflexisinc.com](http://www.reflexisinc.com). For the latest news and updates, follow @ReflexisSystems on LinkedIn, Facebook, Twitter, and YouTube.



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new services and an accelerating digital transformation of the store, which refers to new technologies flooding into brick-and-mortar stores. Taken individually, each of these trends would add significant workload and complexity to store-level employees. Taken together they amount to a level of disruption that store employees struggle to cope with.

Nearly nine out of ten retailers (87%) say the volume of store-based corporate-driven workload has increased year over year. Of this percentage, 13% say it has increased greatly. The workloads for store managers and associates play a big part in the dip in customer satisfaction scores recorded by under-performing stores. (See Figure 3.)

One of the big reasons for the increase in corporate-driven workload is the need to provide omnichannel services to shoppers and giving assistance in such areas as product knowledge, according to 71% of retailers. Of this group, 16% say this workload has increased greatly. (See Figure 4.)

Omnichannel functions and services can produce powerful business results for retailers, but they can also become a major challenge. In the omnichannel world, associates are expected to know about product specifications in great detail, which items are best-sellers, and which items are highly recommended by online reviews. Retailers have mastered how to make this happen online, but are struggling to solve the problem within the four walls of the store

## Tech Complexity

The tasks and workloads of store-level associates are clearly affected by the number of store-facing systems they must use on a day-to-day basis. These applications are essential to operate a successful store in a national or large regional chain, but in some ways they add a layer of complexity that is having a big impact on the busy lives of associates and store managers.

More than one third of retailers (36%) say they need to access 6-10 store-facing systems on a regular basis to get through their work days in the store. The same number (36%) say they access at least 11 store-facing systems on a regular basis. Of that total, 10% regularly use 16 or more store-facing systems. (See Figure 5.)

Is anyone in retail surprised at these numbers? They shouldn't be. However, seeing them in this report validates the assumption that "more" is not "better" in terms of equipping stores with the tools needed to succeed. Consolidation is better. Convenience is better. Easy is better.

And mobile is better. Clearly it would help associates and managers if all the applications they need to use on a daily basis were available on mobile devices instead of forcing the staff to complete tasks by going to a laptop or desktop computer in the back office.

However, the vast majority (81%) say that five or fewer applications are accessible through mobile devices, such as smartphones or tablets. This means all the rest, a number that is likely to be at least twice as high, are not mobile-ready. (See Figure 6.)

## Smarter Stores

While it is true that technology is flooding into stores and creating a new layer of complexity and increased workload for store personnel, it is also true that technology brings certain advantages worth preserving. Here

Figure 10

8.4

Value of providing a single role-based and intuitive interface on mobile devices to interact with all your store-facing systems without requiring upgrades or replacements to your current store systems. (Using a scale of 1-10 where 1 stands for no value and 10 stands for highest value.)

Figure 11

Value in terms of store managers/associates responding the right way to surprises and changing conditions due to the following situations. (Using a scale of 1-10 where 1 stands for no value and 10 stands for highest value.)

Stock-outs	8.3
Surprise customer traffic fluctuations	7.2
High-value customer arrival	7
Negative social media feedback	6.7
Employee sick-callouts	6.6
Extreme changes in weather	6.5
Loss Prevention-related alerts	6.5
Alerts regarding impending employee overtime	6.3
Omnichannel tasks (e.g., Buy Online, Pickup in Stores)	6.3
Positive social media feedback	6
Faulty equipment / machinery	6
Late truck arrivals	5.8
Non-completion of corporate tasks	5.7
Critical recalls	5.1



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are key insights into the impact this trend has on stores:

- Paper or digital reports? Nearly a quarter (23%) of retailers say that no reports they send to stores are delivered on paper. So, the good news is that paper reports are dead for these retailers, but not for the remaining 77%. Of these, more than a quarter (27%) say they deliver a fifth or more of their reports on paper. (See Figure 7.)

- As noted, the use of mobile devices in stores will grow for a very good reason: it can have a big impact on store efficiency if it uses a single role-based and intuitive interface for easy viewing of alerts and notifications from all store-facing systems. Retailers rated the impact of this functionality as 7.8 on a scale of 1-10 where 1 stands for no impact and 10 stands for highest impact. (See Figure 8.)

- Retailers rated even higher the ability to update in real-time the alerts and notifications being sent – 8.2. (See Figure 9.) And they rated even higher the ability to interact with all store-facing systems without requiring upgrades or replacements to current store systems – 8.4. (See Figure 10.)

- Asked to rate the value of having associates and managers responding in the right way to surprises and changing conditions retailers gave high value marks to three tasks: stock-outs (8.3), surprise customer traffic fluctuations (7.2), and high-value customer arrivals (7). These marks are on a 1-10 scale where 1 stands for no value and 10 for highest value. (See Figure 11.)

## Methodology

This study was conducted during the month of September and only senior executives from national or large regional retailers were invited to participate. The results do not include any store-level, field-level or regional employees. Only headquarters-level staff responses were included.

## Conclusions

In the era of omnichannel retailing, shoppers expect more from stores than value, deep selection, and a compelling environment. Each of these three essentials must be maintained, but it is incumbent upon retailers to add to this mix courteous and knowledgeable store associates who can solve customer problems and assist customers in their purchase decisions.

Gone are the days when an associate's primary tasks were stocking, restocking and checkout. Much more is required to meet the demands of the omnichannel shopper and an equal amount is required to meet the demands of the digital transformation that is taking place at both headquarters and the store.

The recommended solutions retailers should pursue include the reduction of paper reports and notifications, consolidation of multiple software applications into single-view interfaces, and a transition to mobile-enabled applications that remove the need to access back-office computers.

Sure, retailers can blame associates for problems occurring at the store level, but ultimately failure or success rests with headquarters. Retailers who want their stores to succeed will support their frontline employees by providing them with the smart tools and training they need to perform the hardest job in retail. **RIS**

Figure 12

Are stores currently equipped with the tools and training to re-prioritize tasks and activities in real time based on the needs of the business, expectations of the company, and customer demand?



Figure 13

Annual Revenue

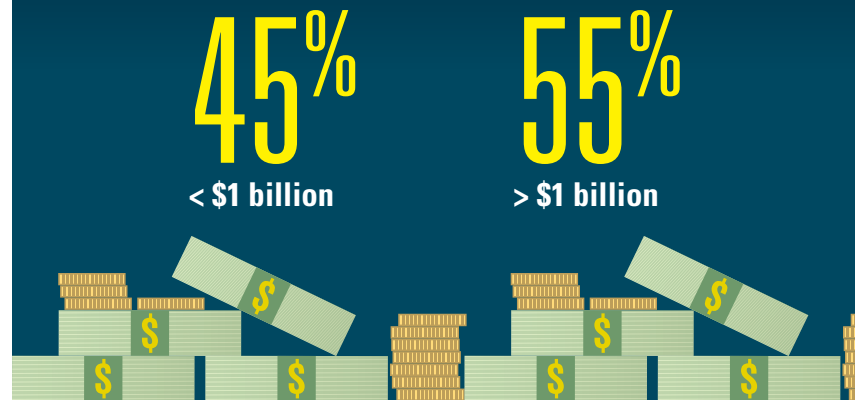


Figure 14

Sales Performance in Last 12 Months

