



The Omnichannel Battleground:

Empowered Associates are Key Differentiators for Brick- and-Mortar Stores

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Retail associates have long been seen as a cost lever that need to be optimised and automated. However, the explosion of channels and a changing customer landscape is forcing brick-and-mortar retailers to look at every lever differently and treat their physical assets (including associates) as a key to providing better service and diving efficiencies.

Some years ago, a large retailer such as Nordstrom could pride itself on being

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the benchmark for customer service through dedicated and loyal employees. But can this work today for traditional retailers? That is the big question. While retail stores are co-managed by a combination of store associates, AI robots, intelligent systems and self-service technology, it is essential to note that humans have to be in control for all these technologies to work in tandem. The crux of it all, therefore, is in how retailers train and engage digitally native associates to work together with in-store technology. This is one of the key determinants of the success of a store.

Changing Workforce Dynamics

Retail associates today demand the same experience as customers. They tend to be loyal to organisations that address their basic professional needs but also provide a fun, organised and safe environment to work. Gone are the days where an associate would spend months to learn processes, toggle between different excel sheets to get information or look at a job sheet to check tasks.

A recent report '*Big Demands & High Expectations: The Deloitte Millennial Survey*', suggests that by 2025, 75 percent of the workforce would comprise of Millennials, and a significant part of the remaining 25 percent made up of Gen Z-ers. The report says that Millennials and Gen Z-ers are naturally tech savvy. Devices and technology have been their companions everyday ever since they were born. Their motivations aren't monetary alone. They care a great deal about social trends, experiences and the ethical quotient of the brands they are associated with.

Keeping the findings of this report in mind, here's what retailers need to think about:

1. Seamless Transition From Day-To-Day Tech to Workplace Tech:

For a generation that has grown up on smartphones and seamless connectivity, it is demotivating to work on archaic systems that are non-intuitive or reflective of life outside work. Retailers



must adopt a design-led approach keeping employees at the center of the decision making process and re-imagine the workplace tech instead of quick and easy fixes. There are multiple retailers who migrate from a RF gun in stores to an android-based device, only to see a different set of problems with the new device.

2. Tech-Enabled Onboarding & Training:

Retail in-store attrition is at around about 20 percent – 30 percent a year and there are temporary workers due to seasonality, promotions and new launches. Training, therefore, becomes an important part of associate engagement. As this new workforce is more known for instant and granular consumption of information, and not known very well for



human relationships, technologies such as voice-based assistants, AR/VR-based training tools must be imagined and brought into practice. This would not just enthruse the employees, but also result in a huge reduction of cost associated with on-boarding and training.

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3. Collaborative Work Environment:

With physical stores continuing to serve the Omnichannel needs of the customer, the range of activities that a store associate performs have grown manifold in the last few years. Apart from selling, associates spend more time today in activities such as receiving, stockroom/shelf replenishment, picking, packing, manning customer pickup counters, aisle checkout, answering customers' Omnichannel queries etc. All these point to a solution that should help an associate work with people across functions and departments. Having an associate focused social network and collaborative tools and structuring policies that promote collaboration will ease the work environment.

4. Enabling a Gig Economy at Work:

Global economics today is majorly driven by 'sharing'. With respect to the workforce, employees are looking at alternate means to engage in interesting tasks, and to earn money through them.

Role of Technology at Brick-and-Mortar Stores

Technology decisions are made with clear decision-making criterion that has stood the test of time even today across industries based on personal experience. The key parameters considering all the important prospects under one roof are:

Customers: Customer Satisfaction, experience, Net promoter Score

Employees: Serve customers better, customer delight, ease of doing business

Revenue: Increase average ticket number of transactions

Capability: Enter new markets, attract new customers, create new categories

This is more relevant in a store setting, where associates can pitch in on a busy day (or when their colleagues are on unplanned leaves) and earn money through that. Workforce scheduling and labor management at stores is still a top-down approach at most retailers, with the respective store managers 'pushing' work to the associates. Instead, if retailers can make associates bid or qualify for some jobs, that will create the right 'pull'.



5. Gamification of Work: We are already seeing retailers employ this at stores. Developing a scoring mechanism where associates can team up, compete and earn points with productivity numbers are measured against each other and overall organisational KPIs can go a long way in improving the productivity.

6. Transparency in Business Decisions:

Engaging associates in business decisions, and frequently communicating updates and developments specific to a region or a store through platforms such as podcasts, blogs can build the emotional connect between an associate and a retailer. This transparency in decision making has the potential to instill a sense of ownership in each associate, which can then keep them motivated.



In the fight for dominance in the Omnichannel world, associates have the potential to turn the store network into an asset. Customers love coming to stores and an empowered associate can build brand loyalty, help provide the right experience and enable convenience in ways that machines will struggle to do for the next 10 years. Investing into associates to build the right infrastructure for the stores involves investing in people, technology and processes, and re-imagining the store with the customer and the associate as the key stakeholders. 

