

POINT OF VIEW

Myth Busting Retail Associate Mobile Enablement.

Smart use of mobile technologies can help retailers make store managers and associates more efficient, effective and productive in performing both customer-facing and operational tasks. Here, we bust 10 myths that may prevent retailers from realizing these benefits.



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Including Commentary From An Expert Panel



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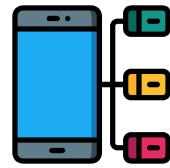
Myth #1: We Don't Need to Spend on This Right Now.

Investments in customer experience and other “make-the-promise” technologies often take precedence over the “keep-the-promise” value of frontline enablement.



9 in 10

retailers can be classified as Laggards or Followers when it comes to empowering their frontline workforce with modern tools and training to deliver an excellent employee experience.¹



The inability to perform operational tasks on mobile is the **#1** impediment to customer experience success according to store associates.²

“Every dollar we have invested in associate technology is worth \$100 of direct customer-facing technology.”

Gary Zorko

VP Information Technology / CIO, Z Gallerie

Key Takeaway: Customer experience and workforce empowerment are intricately linked. You can not have one without the other. Retailers must plan for and prioritize associate enablement as part of their customer experience programs.

“Associates are the frontline ambassadors, as well as the backend managers of operations for a retail store. It’s in the business’ best interest to equip them with the right tools and technology to deliver on the desired customer outcomes.”



Ananda Chakravarty



“Overcoming tech debt challenges to invest in associate enablement technology is key to remaining competitive in the future.”



Adam Silverman

Myth #2: It's Too Difficult.

Change, of any kind, is hard. This one involves changing workflows, potentially large capital investment and a re-wiring of the technical debt.

Retailers believe mobile enabling store associates is expensive and their organization is wired to resist change that requires a new way of doing things.

Change management combined with common sense can help provide the necessary guardrails against failure.



Target plans training and change management initiatives for store associates across current and new digital in-store experiences during upgradation/renovation of store design and layout.

Lack of sufficient IT budget and cultural resistance to change are **2 of the top 3** reasons why retailers do not invest in enabling their frontline.¹

Mobile enablement of store associates can start small and be smart; it doesn't have to be capital extensive or long-drawn.



Stance, a direct-to-consumer apparel retailer, used an API-first commerce platform to build an app-less mobile checkout experience at its NYC store. With the use of microservices and APIs, what would've taken months or even a year, instead took weeks.

"Legacy infrastructure, limited integration between systems, and siloed operations are challenges related with associate enablement today. But, most retailers transitioning to a 'perfect omnichannel model' are able to solve these by making the right technology investments."



Brandon Rael



"It absolutely isn't the case that it is too difficult. The real question is how well prepared the retailer is to overcome the very real challenges that do exist. Retailers can use microservices or find solutions that work with their existing legacy systems."



Ricardo Belmar

Key Takeaway: Mobile enabling store associates is a fundamental experience and process redesign exercise. The associated change is hard, but by no means unmanageable or prohibitively expensive.

Myth #3: There is No Clear ROI.

The costs associated with mobile enabling store associates are sometimes clearer than the value of doing so.

Inability to quantify ROI is the #1 reason for

9 in 10

retailers to not invest in frontline technology to empower their workforce.¹

A retailer with \$1B in annual revenue stands to gain approx

\$110 Million

(10% impact on both revenue and margin) by becoming a leader in frontline employee experience.¹

BONOBOS

By enabling its Guideshop 'Ninjas' (store associates) with mobile technology connected with inventory systems, CRM systems, ecommerce sites, point of sale systems and notes created by fellow employees, Bonobos drove:³

12%

increase in average order value (AOV)

4.7%

increase in units per transaction (UPT)

Key Takeaway: There are countless ways in which mobile enabling associates pays off, but if retailers were to focus on just 3 critical areas of opportunity: reducing turnover, increasing employee engagement and maximizing demand fulfillment, the ROI is undeniable.

"Putting aside any other benefits of mobile enabling retail associates, a retailer can increase sales and profit 10% by reducing turnover, increasing employee engagement and maximizing demand fulfillment."



Giri Agarwal



"The future is connecting every retail associate to a single network to gain the ability to measure ROI across channels. This will help optimize tools and training based on personal needs and grow return further."



Adam Silverman

Myth #4: Everyone Knows How to Use an iPad.

Smartphones and tablets were designed to be easy-to-use.

Most retailers rely on a “stick-it-in-for-the-win” strategy with in-store mobility. Only **30%** of retailers provide training to store associates on mobile technology deployments.⁴



The lack of training, change management or thoughtful user experience have led to numerous failed retail associate mobility deployments. Dixons Carphone armed its store associates with mobile devices and a clienteling app with the intent of improving customer experience. Due to limited training and software performance problems the device saw limited adoption by associates. Dixons added a layer of Quality of Service(QoS) to manage the Quality of Experience(QOE) of all apps in the store to alleviate performance problems the new app introduced. It further invested in training associates on how and why to use the devices. Its renewed efforts led to a 40% increase in in-store conversion.

Key Takeaway: Just arming your frontline with devices you believe they know how to use naturally just doesn't work. There's a lot of work that has to go into making it easy for them to use, making it rewarding for them to embrace change, and helping them with soft-skills that may not come naturally to them.

“Associates not only need training on the mobile device, but on how to engage with a customer while using it. Most mobile associate enablement initiatives that fail are due to no training or a poor user experience.”



Ricardo Belmar



“Enterprise software isn't exactly the Gold Standard for user experience. Retailers will have to work doubly hard to make sure they aren't just turning enterprise apps on mobile devices without rethinking the entire experience ground-up.”



Giri Agarwal

Myth #5: Our Shoppers Aren't Digitally Savvy.

Retailers in specific categories such as convenience, grocery and off-price retail have experienced growth without perceivable digital behavior from their shoppers.

You no longer compete with just your next door neighbour.



Consumer expectations are shaped by their best experiences across industries.

Digital behavior cuts across income levels, regional preferences and retail categories.



Dollar store customers like digital coupons even **more than the average** consumer.⁵

Digital redemption volume in the dollar store channel increased **276%** year over year in 2017.⁵

Key Takeaway: Your shoppers are digitally savvy whether they engage with you digitally or not. Focusing on past growth can give you a false sense of security and create a dangerous blind spot.

"Today's consumers are connected, informed and empowered through their digital interactions with brands. Their expectations are shaped not only by competing retail brands, but also digital companies and experiences across industries."



Brandon Rael



"Digital retail is more than table stakes today, it is inherent. The level of digital engagement of generation Z across different areas of life is illustrative of their future needs as digital consumers."



Ananda Chakravarty

Myth #6: Wi-Fi Makes All Problems Go Away.

Wi-Fi has attained utility like status. Shoppers expect retail stores to have Wi-Fi, just as they do electricity.

In-store Wi-Fi will soon be ubiquitous



90%

of shoppers use their smartphone while in-store.⁶

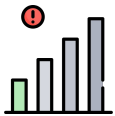


4 in 5

customers say fast guest Wi-Fi is important for them to choose to shop at a retailer.⁷

But

Bad Wi-Fi is worse than no Wi-Fi



58%

of retailers say their Wi-Fi network does not effectively engage the customer.⁸



49%

of adults would have a negative impression of a retailer if free Wi-Fi was advertised at a location but they were unable to connect or experienced a poor connection.⁸



"Customer experience depends on the ability of the network to access data outside the store through the associate's mobile device and other in-store digital capabilities, rather than just high-speed Wi-Fi which is only an access point."



Ricardo Belmar

"It is important to derive insights from the customer Wi-Fi and funnel them back into the strategy, while ensuring it is implemented properly and securely."



Giri Agarwal

Key Takeaway: Guest Wi-Fi can increase customer satisfaction and help retailers generate greater customer insight - both of which are very valuable. However, it is important to ensure the right network capacity for the store Wi-Fi as well as control of associate and guest device access through an intelligent system to enable growth.

Myth #7: Our Associates Aren't Digital Savvy.

Store associates use some of the most outdated and archaic technology in stores. A combination of inertia and a lack of understanding of their changing workforce may have retailers believe their frontline workforce isn't as digitally savvy as their shoppers.

Retailers just aren't doing enough to enable their store associates.



50%

of store associates say shoppers have better tech tools than them.



61%

say they are not armed with mobile devices.⁹



Only **36%**

plan to make better workforce management practices and tools a strategic priority in 2019.¹⁰



Whereas, store associates' expectations from enterprise technology are evolving.



61%

of the retail workforce is younger than 40 years old.¹¹



Technology is an important factor for **82%** of workers below 34 years old to determine whether they want the job or not.¹²

"Every associate is also a digital being in other parts of their lives. Their daily experience with technology drives their workplace technology expectations."



Ananda Chakravarty

"72% of associates are more likely to stay with a brand if they are provided with the tools and training to enhance their job. And 2 out of 3 say it is a must have at a future job."



Adam Silverman

Key Takeaway: Retail store associates are just as digitally savvy as the shoppers they serve. They expect a similar high-performance workplace experience enabled by fast, user-friendly, mobile-first systems.

Myth #8: It Won't Happen to Me.

There are those who have been breached, and those who don't know they have.



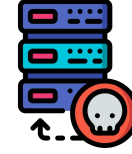
52%

of retailers say lack of perceived need is their top reason for not implementing data security.¹³



62%

of customers say they're more afraid of data being compromised now than they were 2 years ago.¹³



Breach rates in the last year are up **2.5X** from 2017.¹³

“There are only two types of companies: those that have been hacked, and those that will be.”

Robert Mueller

FBI Director, USA - March 2012.

Key Takeaway: Enterprise cyber attacks are not about ‘whether’ anymore, but ‘when’. Retailers implementing associate mobility strategies must conduct a detailed risk assessment, and institute a plan to protect enterprise, associate and customer data.

“A retailer can never be 100% safe from a data breach today as most data is being accessed by a large workforce. But, it is important to not compromise the security of data for a great customer experience.”



Ricardo Belmar



“Your shoppers trust you with their data. Protecting that trust is key to building a valuable relationship with them. Once that trust is lost, it is extremely difficult to recover.”



Brandon Rael

Myth #9: In-Store Digital Initiatives Mean Increased Labor Cost.

Digital in-store initiatives mean greater operational complexity - more volume, variety and velocity of tasks.



7 in 10

retailers consider growing omnichannel or digital initiatives as their top in-store labor challenge.¹⁴



Adding in-store digital experiences may usually mean having to add labor hours, but it doesn't have to. Importantly, associate mobility can help optimize how store associates spend their time.



Bealls' store associates were able to reduce **25% - 35%** of time spent on markup and packaging online orders with the help of tools available on mobile devices.¹⁵

Key Takeaway: Mobile enabling store associates can help optimize store labor and reduce cost by helping them be more productive, efficient and effective at operational tasks while being able to spend more revenue-generating customer-facing time.

"Some retailers are in-fact exploring how to use mobile technologies to reduce store labor cost. Whether a digital initiative increases labor cost depends on what the retailer wants to do, and what the initiative is."



Adam Silverman



"Per head cost of labor definitely increases when adding technology and providing training to use it. However, this is a short run cost in comparison to the long-term value, which is improved customer experience and increased workforce productivity."



Ananda Chakravarty

Myth #10: All Digital Experiences are Created Equal.

Retailers have labor standards that tell them how efficiently a physical task - such as pick, pack & ship - is working. In the absence of a similar standard for digital experiences, they are flying blind into the unknown.

The store network isn't just about providing guests fast and free Wi-Fi. It must also support retailers' plans for executing various necessary store operations:



Core Store Operations (Inventory management, merchandising, replenishment, etc.)



Customer Facing Technologies (Fitting room technology, AR/VR in-store experiences, personal shopper, etc.)



In-Store Digital Marketing Initiatives (Personalized promotions, social media, etc.)



Customer Service Applications (Clienteling, personalised recommendations, etc.)

However, not all use cases are equally important.

A slow point of sale experience will result in lost sales, brand reputation damage and loss of customer loyalty.

If in-store inventory is not correctly updated via data passed from the store's IOT devices to the corporate ecommerce website or consumer mobile app, it may lead to an inaccurate order, loss of profit and a broken customer promise.

Yet, a lot of retailers do not have the ability to prioritize network traffic based on context.

Key Takeaway: Enabling store associates with mobile technology will invariably lead to an increase in the volume, variety and velocity of network traffic. Retailers must be able to compartmentalize and prioritize traffic based on source and context.

"Digital for digital's sake is not the right strategy. Those initiatives that add value to both the customer and the brand must be prioritized."



Brandon Rael



"Across the multiple digital experiences driven in the store some are more critical than others to drive business value. But, the success of digital in-store initiatives depends on the ability of the network to prioritize key experiences over others and deliver consistent experiences across all use-cases each time."



Ricardo Belmar

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