



# The Store Associate: New Roles, New Responsibilities

In partnership with



# Associates at ‘essential retail’\* locations have had their roles redefined in 2020.

Essential retailers have been forced to reassess and redefine their operational processes during the pandemic. Many were forced to set up online, BOPIS / Curbside, and other protocols to manage the rise in demand. However, most retailers had to do so using the same operational and technology capabilities as before the pandemic. Fewer associates per shift have to manage a greater number of tasks to ensure successful customer experiences.

## 43%

of essential retailers said they have increased hourly pay.<sup>1</sup>

Online grocery sales have surged as much as 200% this year, driven by the pandemic. In three short months, the grocery industry hit online sales projections forecast for 2025. Online sales have a direct impact the role of the associate since the majority of goods are fulfilled at the store level.

## 73.5 M

Online grocery orders were placed in May.<sup>2</sup>

## 150,000

New associates were hired by Walmart by the end of May 2020, with an additional commitment of hiring 50,000 in June.<sup>3</sup>

**As the industry adapts to the new environment, essential retail store associates face multiple issues:**

### **New roles and responsibilities**

Store associates are now responsible for managing social distancing, executing pick and pack for BOPIS and Curbside orders, and maintaining stringent cleaning policies.

### **Higher risk of exposure**

Even with the most stringent safety protocols in place, store associates have a far greater risk of being exposed to the virus. This puts a strain on both the associate and management.

### **Pay not commensurate with risk**

As the economy is reopening many retailers are terminating hazard pay and frontline bonuses in order to reign in costs. Associates may not find the pay is the worth the risk of exposure and look for work elsewhere.

\*Essential retail is defined as grocery, mass, drug and convenience.

## ‘Non-essential retail’\* absorbed the demand shock of the pandemic. As they reopen, retailers must take new approach with associates.

As non-essential retailers reopen, the majority face cash-flow and inventory challenges. These challenges will further compound the ability for retailers to attract the best associates with better pay and benefits. In addition, federal and state unemployment benefits packages often exceed the standard minimum wage, causing further challenges in attracting associates.

### 40%

of non-essential retailers said sales were down by more than 20% and plan to bring back fewer of the store employees as stores open.<sup>1</sup>

\*Non-essential retail is defined as apparel and specialty.

The decline in consumer confidence and loss of income due to furloughs will keep discretionary spending lower throughout 2020. Subsequently, the majority of non-essential retailers will need to shape store strategies to keep costs as low as possible. This includes re-assessing the number of associates per store.

### 50.7%

was the year-over-year drop in sales of apparel in May.<sup>2</sup>

### 30%

Of consumers have switched buying preferences from omnichannel retailers (store + online) to pure-play online only retailers as of June 2020<sup>3</sup>

As non-essential retailers try to recover from the economic impact of closures, retailers must factor in new challenges and adapt their associate policies accordingly.

#### Traffic limits and staggered openings

Stores must leverage associates to maintain protocols around social distancing. These limits will continue to put a drag on revenue.

#### Lower incentive for associates to return to work

Workers making \$8-\$12 before the pandemic are now collecting approximately twice as much in unemployment benefits from the government under the CARE Act.

#### New digital behaviors mean new processes.

With broad increases in eCommerce sales across segments, retailers must look at how many associates they need and increasingly, what their roles will be.

# Retailers must change their approach to associate management in the current environment in order to ensure customer needs are being met.



Test and learn

## Adaptability

New tasks, expanded roles,

---

Associate scaling



Understand the challenges faced

## Empathy

Virtual selling or service

---

Expanding available resources



Make it safe

## Care

Hygienic workplace

---

Fair employee policies

# Adaptability.

## Ability to reimagine in-store tasks and digital tools to manage work.

The focus on putting customers first has not changed. In fact, it has become even more critical. But the definition of what customer first means has evolved. Retailers must still equip store associates with the tools and knowledge needed to assist customers across the buyer journey in and out of the store.

**56%**

of retailers feel the pandemic will permanently change the way people shop. Technology and store re-engineering will be top investment priorities post the pandemic.<sup>5</sup>

### Key roles and responsibilities of store associates:

Retailers are pivoting their store and fulfillment strategies to manage the growing percentage of omnichannel orders. As retailers adapt, the roles and responsibilities of the store associate must change as well to deliver successful customer experiences.



Pick and pack omnichannel orders



Digitally check inventory



Provide personalized recommendations



Manage customer communication



Manage more backroom store tasks



Enforce social distancing rules and procedures

### Evolution of the store associate tasks:



Walmart is redesigning the store checkout experience by replacing the traditional in-person checkout lanes with self-checkout kiosks nationwide.



Kroger hired 100,000 employees using an expedited hiring process to support the expansion of Kroger pickup facility.

# Empathy.

## New virtual selling applications are playing more of a 'safety' role vs. an 'experience' role.

As eCommerce ordering rises across categories, retailers with relatively mature digital functions can focus the work of store associates on engagement across online and offline channels to deliver exceptional customer experiences.

# 75%

of retail leaders say customer facing employees have strong impact on annual sales.<sup>6</sup>

### Offer virtual service experiences:



Microsoft Stores, instead of furloughing employees, has successfully launched a new business model for 2000 employees to provide remote support to individual users and business customers.



Lowe's launched an augmented reality video chat service that allows professionals like contractors and plumbers to conduct virtual home visits.

### Better tools and training to ensure safe associate environment:



#### Scheduling optimization

Provide relevant tools and capabilities to ensure flexibility and autonomy of managing work schedule on the fly.



#### Better training approaches

Enable micro learning that can enhance the overall training process by providing timely, bite sized learning tips.



#### Improved communication

Ensure real-time communication mechanisms to keep associates connected during this chaotic time.

## Care.

### Ensure hygienic working environments and fair employee policies.

A safe and secure retail environment is as critical to the employee's experience as the customer's. Apart from ensuring hygiene measures, there is a growing need to build impartial policies across social and economic parameters.

**86%**

of C-level retail executives ranked employee compensation and safety as the top priorities during the pandemic.<sup>5</sup>

#### Take the extra steps to provide hygienic working environment:



Whole Foods Market has stood out as the Health & Safety all-star. The grocer demonstrated compliance with associates wearing face coverings inside (98%), respecting 6-foot boundaries in customer interactions inside (91%), providing plexiglass barriers at checkout (95%), and offering contactless payment (87%) at the stores visited.



Trader Joe's ranked top three in the Health & Safety study due to consistency and attention to important safety standards. 94% of all stores visited actively monitored guest traffic and occupancy at the entrance.

#### Offer fair employee policies to attract the best employees:








Starbucks Corp. has reversed its prohibition on employees wearing apparel and accessories that highlight the Black Lives Matter movement after its stance caused a backlash on social media.



Target announced raising the per hour salary of store workers from \$13 to \$15 nationwide. In addition, the brand has also paid workers an additional bonus for working during the crisis.

## Five recommendations to meet new associate expectations.

-  1. Align associate management practices to the different challenges and opportunities faced by the segment the retailer operates in, as they are very unique in the current environment.
-  2. Look to mobile technology to better enable associates as they take on new roles and responsibilities. Easy to access and contactless tools will provide a more efficient operating environment as we adapt to a new normal.
-  3. As the definition of customer experience evolves, conduct proper training on digital tools to ensure associates understand and can adhere to new operational protocols.
-  4. Build virtual experiences to help associates help empathetic relationships with customers to bridge the gap between physical and virtual shopping experiences.
-  5. Define high-quality safety procedures and practices to ensure a healthy work and shopping environment.



## Sources:

1. [Korn Ferry Survey](#)
2. [Retail Trade](#); U.S. Census Bureau
3. [Coresight Research](#)
4. [Daily Pay: Retail Touchpoints](#)
5. [Adapting to the New Normal](#); Cambridge Retail Advisors
6. [The New Retail Model: Becoming Agile and Efficient](#); RSR Research





Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences for its clients, delivered through the power of people and the Microsoft ecosystem.

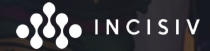
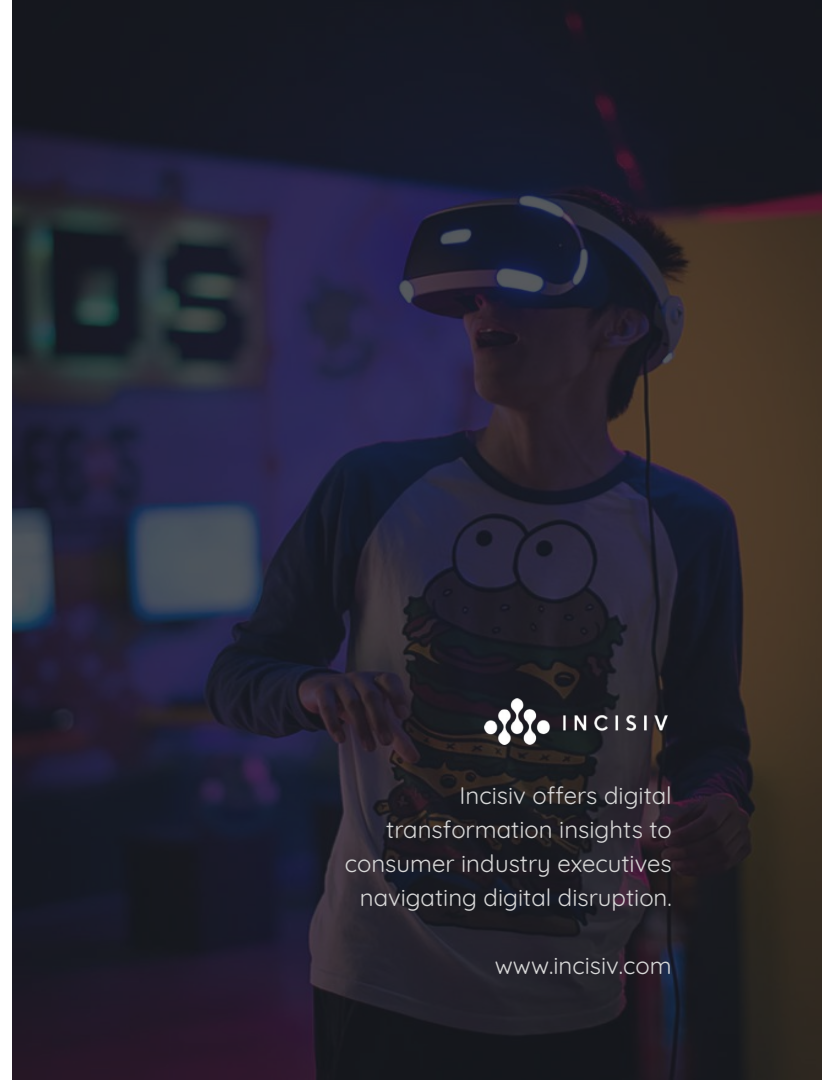
Learn more at:  
[avanade.com/retail](https://avanade.com/retail)



Microsoft enables retailers to deliver personal, seamless, and differentiated customer experiences by empowering people, enabling digital transformation, and capturing data-based insights to drive growth.

Learn more about intelligent retail at:  
[microsoft.com/retail](https://microsoft.com/retail)

Copyright © 2020 | Incisiv Inc



Incisiv offers digital transformation insights to consumer industry executives navigating digital disruption.

[www.incisiv.com](https://www.incisiv.com)