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???Rishi Kumar



During a widespread <u>labor shortage</u> in the United States, some companies have responded by <u>automating jobs</u>, especially non-management roles. But in the retail industry, some of the biggest and most successful businesses are investing in their people, not replacing them. Retailers ranging from Target to Walmart are empowering their store associates to deliver an even better customer experience when consumers demand more flexible ways of shopping. Here are some noteworthy examples.

# **Walmart Goes Mobile**

Walmart recently <u>unveiled</u> a new in-house app, Me@Walmart, built exclusively to help U.S. store associates do their jobs more effectively and simplify daily tasks. In addition, Walmart is providing 740,000 associates with new Samsung phones loaded with the app. As a result of supporting associates with mobile technology, Walmart intends to improve customer service. Me@Walmart provides several features that help employees improve the in-store experience. For example, a voice-activated personal assistant for work, the Ask Sam feature, saves time by letting associates ask the

app questions to locate merchandise and get answers for customers quickly. And push-to-talk enables associates to instantly connect using their mobile devices like walkie-talkies, which helps store associates react to customers' needs in real-time.

Walmart also plans to improve Me@Walmart to speed up the time it takes for stocking associates to get items from the backroom to the sales floor. Instead of scanning each box individually, associates will hold up their devices and use augmented reality to highlight the boxes that are ready to go. This process will get products to shelves faster.

Read more about Me@Walmart through this Walmart blog post.

#### **Target Taps into Store Associates' Personal Passions**

Target recently launched a new position, food & beverage coordinator (FBC), that makes it possible for foodies to serve Target shoppers better. Target FBCs apply personal backgrounds in culinary to help Target store associates improve the food and beverage experience, such as teaching store associates about processes to reduce food waste. They also assist shoppers directly.

Target recently <u>highlighted</u> several FBCs and their backgrounds. For instance, an FBC from Chicago says he visits two stores daily to manage food/beverage standards. Another FBC applies her love of the grocery industry and personal passion for preparing meals to help Target store associates make sure they're providing the best possible mix of natural and organic product selection available on the shelves.

Like many successful retailers, Target had succeeded by hiring and training store associates to adapt to change, such as when the rapid acceleration of curbside pickup made it necessary for more Target store associates to quickly learn how to manage the many steps required to deliver products efficiently to curbside lanes. The FBC role helps Target provide a better experience for its fast-growing grocery business.

# **Rethinking Location for Store Associates**

More retailers might want to borrow a page from Best Buy's playbook. The company is retraining store associates to deliver online orders to customers' homes. The employees can choose to deliver ecommerce orders as a way of taking a break from their responsibilities in-store. The employees use official company cars to deliver packages directly to homes. The store associates are also trained to consult with customers on add-on options such as signing up for Best Buy's membership program or recommending an in-home service associate to consult on the purchase of high-consideration products such as home electronics. This way, employees enjoy the option of getting out of the store, and they learn new skills. In addition, Best Buy is training some store associates to handle technical questions remotely via video chat.

Best Buy is not the only retailer rethinking where store associates do their jobs. For example, Apple is reportedly testing a hybrid work model for its store associates. The program, "Retail Flex," will make it possible for some store associates to alternate between working remotely and in stores. When they're working remotely, store associates will manage tasks ranging from technical support to online sales. Retail Flex will go live later in 2021. Apple will time the rollout with the launch of several new Apple products.

Apple, like Best Buy, is responding to a customer base that increasingly shops remotely. And both

retailers are responding to a U.S. labor pool that wants more flexible work arrangements that give them time away from the face-to-face experience of working in a retail store. Of course, the pandemic has made store associates more aware of the health and safety risks of working in crowded stores. Many are not quite ready to return to the way things were before the pandemic.

Being more flexible demonstrates a commitment to meeting store associates halfway. More money won't address these concerns. Showing empathy and flexibility just might.

#### **Amazon GO Provides an Alternative**

Investing in people stands in stark contrast to approaches other retailers have taken in recent years. In 2018, Amazon launched its Amazon Go stores, which are heavily automated. Through a native app, customers use their mobile devices to manage their entire visit to an Amazon GO store, including loading their own groceries and handling checkout themselves, all without having any contact with a store employee. There are now approximately 26 Amazon GO stores across the United States. Amazon sees automation as a way of speeding up the process of moving people through an Amazon GO store with as few stops and steps as possible, including the need to interact with a cashier. All that means more revenue accruing faster for Amazon and a speedier purchase journey for the customer.

Target and Walmart offer vastly different alternatives. Target is doubling down on making its stores places for shoppers to browse and interact with store associates. For example, Target is turning stores into destinations by opening mini-stores such as Ulta and Apple that exist inside locations. So far in 2021, Target has committed \$4 billion annually to refurbish its store network to attract shoppers who are adapting to new habits in the post-pandemic age.

Meanwhile, Walmart recently <u>redesigned its stores</u> to make it easier for shoppers to navigate them and find merchandise with their mobile apps. But Walmart still designates areas where people can spend more browsing, for instance, baby products such as strollers that a parent might want to test first. And both Target and Walmart rely on sales associates to provide customer service. This is especially crucial because Target and Walmart stores are much bigger than Amazon GO locations (about the size of a convenience store). A large store naturally attracts more foot traffic than a convenience store, and more associates are needed to ensure a seamless experience.

# **Defining the Future of Retail**

These retailers show how to <u>define the future</u> of retail by re-imagining the store. They're maximizing the value of the physical store in more creative ways, such as supporting last-mile delivery. Technology that makes functions such as product management more effective is crucial. Customers benefit when store associates have better tools for getting products stocked, shelved, and prepared for delivery faster. When a retailer manages products at high volume across <u>10,000+ stores as Walmart does</u>, shaving seconds and minutes off product shelving and fulfillment at the employee level delivers benefits at scale.

They're also transforming themselves by creating a better experience through data and intelligence. For flexible working arrangements and in-store technology to succeed, retailers need to crunch vast amounts of data ranging from inventory levels to store associates' working hours and locations. From there, retailers need support employees with intelligence (such as accurate insight about product availability) to respond to customers ("Do you have dryer sheets for baby clothing, and in which aisle, baby or laundry?"). To pull all this off, retailers must align their technologies and

processes in support of their people.

# How Might Your Retail Business Adopt Technology to Support Your Employees and Customers?

How might your business adopt technology and align it with your processes to support your people?

Retailers need to have organizational agility in place, and to make that happen; they must prioritize the right initiatives and get them funded. Intelligent digital platforms that enable great associate experience are key to making store associate's life easy. Highly motivated and trained associates will be able to support customers more efficiently. Focusing on customer centricity and customer delight is crucial to success for retailers.

Centific helps retailers act with agility as consumer behavior continues to evolve and businesses require stronger alignment between people, processes, and technology. We are a transformation partner for clients in areas ranging from enterprise AI solutions to cloud enablement. We apply a human-centric approach to innovation, ensuring that modern enterprises build meaningful customer experiences that deliver measurable outcomes. Contact us to learn how we can help you do that.

# For More Insight

- "Three Ways Retailers Can Win in a Post-Covid World"
- "Why Retailers Need an Intelligent and Adaptive Digital Fabric"
- "Five Trends Shaping Retail from 2020-2025"

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