



THE COMPLETE GUIDE TO **THRIVING DISCOUNT STORE OPERATIONS IN THE AGE OF TRANSFORMATION**



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Transformation in the discount retail industry — strategies for exponential growth

The discount retail landscape is undergoing a transformative period, offering both exciting opportunities and unprecedented challenges. While inflation and economic uncertainty have impacted consumer behavior, evolving demands are also opening doors for innovation and growth. This ebook will dive into the current state of discount retail and explore how operational excellence can serve as the catalyst for unlocking new levels of success.

Economic Headwinds

It's no secret, the retail industry has faced its fair share of challenges in recent years. According to the [Centre for Retail Research](#), sales growth in the industry experienced a decline, reaching a low of -3.3% in 2022. Factors such as the cost-of-living crisis, inflation, and increases in interest rates led consumers to tighten their budgets and reduce their retail spending.

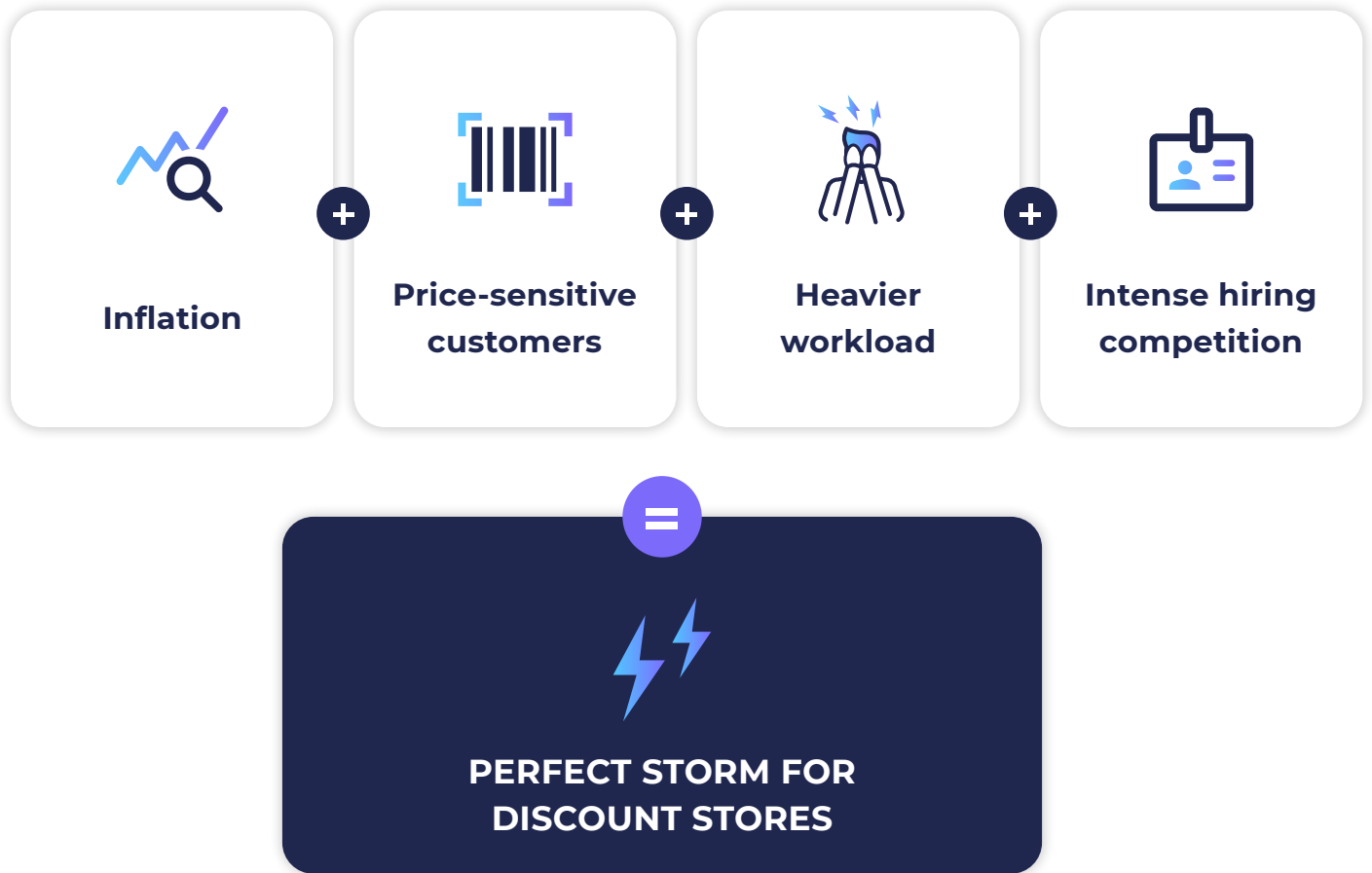
Major discount retailers like Target and Kroger, along with dollar stores, also [expressed concern about the rising threat of inventory theft and organized retail crime](#), which was thought to exacerbate the challenges stemming from weakening consumer demand throughout 2023.

However, heading into 2024 things seem to be looking up. Jared Bernstein, chair of the [White House Council of Economic Advisers](#), believes the optimistic start to the 2024 economy, driven by high consumer spending during the holiday season and increased consumer sentiment, could prompt consumers to shift back to their pre-inflation shopping habits.

“If you actually look at the trend in the economy ... I think you see some real momentum getting us in a good start for the new year,” Bernstein said.

So, what does this mean for discount retailers? In the event that consumers begin to stray away from off-price and discount retailer, there are a range of strategies that can be employed to win back those customers. This can involve further price reductions or the implementation of enhanced loyalty program features to entice shoppers back — however, the most successful discount retailers won't just stop there.

Turn economic headwinds into tailwinds...



Discount retailers have proven to be resilient players in this ever-changing landscape. It is projected that global retail sales will grow by [6.7% in 2024](#), with discount retailers like Aldi and Costco strategically expanding their presence to meet the expected surge in demand. Aldi, a German discount grocer, plans to acquire 400 new grocery stores in the south-eastern US, while Costco has plans to open 30 new Sam's Club stores. This global expansion aligns with the forecast that brick-and-mortar stores will continue to dominate, accounting for over [85% of total retail sales in 2024](#).

How can discount retailers help their stores overcome potential challenges they may face and ride out the uncertainty without sacrificing store performance? By relying on tech so each store can reboot with efficient, agile operations. Efficient stores consistently maximize their performance and revenue with the minimal amount of resources possible. Agile stores are ready for change and react at light speed without any disruption.

The power of operational excellence for discount retailers

In the face of these challenges and opportunities, operational excellence emerges as the critical differentiator for discount retailers. It equips businesses with the agility, adaptability, and efficiency needed to navigate the changing market landscape and unlock new levels of success.

Increased Profitability

By optimizing operations and streamlining processes, discount retailers can free up resources, maximize efficiency, and significantly boost their bottom line. This allows for further investments in technology, talent, and new customer initiatives.

Enhanced Customer Experience

Operational efficiency translates into a better customer experience. Efficient stores provide faster checkout times, reduced stockouts, and a more organized environment, leading to higher customer satisfaction and loyalty.

Improved Agility

Discount retailers with efficient operations are better equipped to respond quickly to changing market conditions and consumer demands. This agility allows them to seize opportunities, mitigate risks, and stay ahead of the competition in a dynamic environment.



Here are 5 ways retailers used lessons learned over the last year to rethink operations, and by doing so, elevate the performance of every store.

1 Digitize store operations to gain instant visibility into store performance



LESSON LEARNED:

Without real-time visibility into store operations, customer experience, safety and organizational agility are in jeopardy.

Discount retailers are facing a dynamic landscape that demands agility and responsiveness. To thrive in this environment, real-time visibility into store operations is no longer a luxury, it's essential.

Discount stores can't wait days, weeks and even months to find out whether or not store teams have implemented customer experience and safety instructions down to the letter. That's why unless it's in real-time, it's not real visibility. Visibility is a prerequisite for agility all discount retailers need in 2024, because you can't plan for the future without complete awareness of the present.



HOW TO FIX IT:

Digitize store operations to turn everything going on in-store into data you can track, measure and improve.

1

Digitize store tasks, processes and communications, so store data isn't lost in paper, emails, Excel spreadsheets or scattered across disparate applications.

2

Pull this digitized store data from stores in real-time, so teams can collect the information they need to support stores.

3

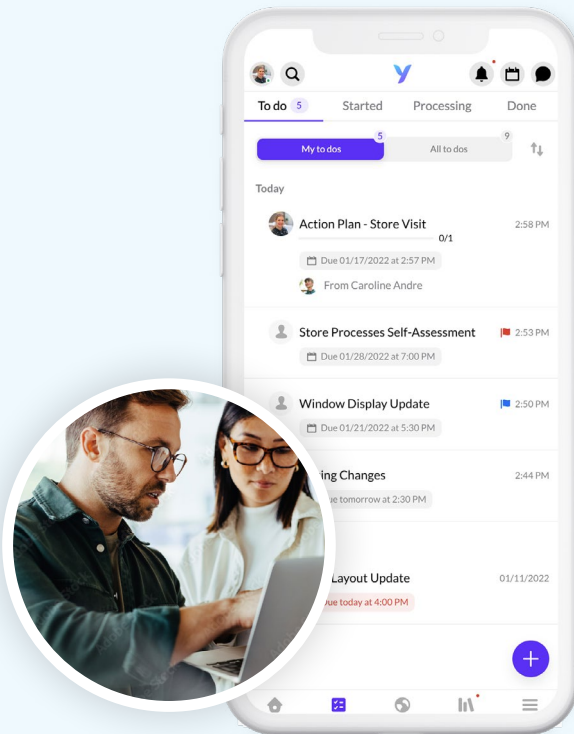
Automate the interpretation of this data for store, area and HQ teams with AI, so they can take data-driven decisions without needing to be data scientists. That way, they can react to changes in store performance and customer behaviour as they happen.



A REAL-LIFE EXAMPLE:

Lidl France is a discount retail chain with over 1,500 supermarkets in the country. Leaders needed to achieve visibility at the regional and national level for their supermarkets.

With the streamlined visibility that YOOBIC provides, leadership could conduct daily supermarket inspections and assign action plans to the team. The teams and leadership have instant access to photos and any comments. At headquarters, the teams there receive the visibility and insights they need to ensure stores are compliant with company guidelines at all times.



"Before YOOBIC, it was difficult for us to understand the situation of our supermarkets across the country. Now we are able to monitor compliance in real-time and understand our strengths and areas for improvement."

Thibaut Lièvre, Head of Sales Organisation at Lidl France

[Read Full Case Study](#)

2 Improve store communications to boost performance and employee experience



LESSON LEARNED:

When store employees are disconnected from their organization and peers, stores can't perform their best and employees are unengaged.

When store teams aren't kept in the loop with critical news and updates, they experience a disconnect that hinders their performance. In today's unpredictable retail climate, agility and responsiveness are crucial. By keeping everyone informed and engaged, retailers can unlock their full potential and navigate challenges with confidence.

By prioritizing communication, transparency, and employee engagement, retailers can create a unified front for success. This paves the way for a more resilient, adaptable, and ultimately, more profitable organization. In a world of uncertainty, connection is not just a benefit, it's the foundation for a thriving future.

74% of Gen Z employees value their job's purpose over its salary, so a disconnect from this purpose makes it harder to attract and retain top talent.



HOW TO FIX IT:

Use accessible, non-hierarchical and engaging store communications to connect workers to their organization and peers in other locations.

1

Use mobile devices to make internal communications available to every retail employee, whether they're on the shop floor or in the back office.

2

Encourage store and area teams to share their successes, challenges, feedback and questions to create a community between stores.

3

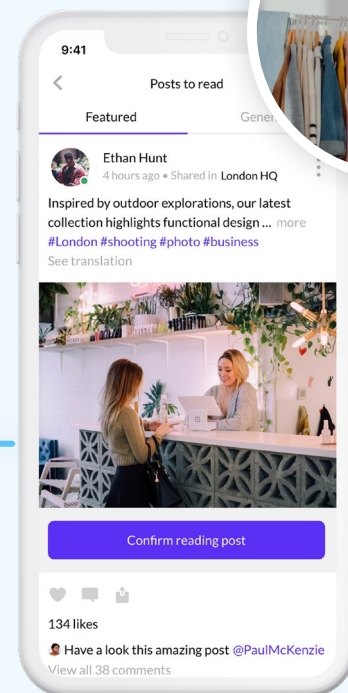
Use GIFs, emojis and a friendly tone to make internal comms fun to read, and use polls, comments and likes to make them interactive and measurable.



A REAL-LIFE EXAMPLE:

Leading fashion retailer francesca's centralized all store communications in their YOOBIC mobile app.

Instantly reaching 3000+ employees with important updates, and making sure they're read and actioned on, has helped francesca's build a community and keep staff in the loop to improve engagement across the entire store network.



"Our team is diligent in liking every comment and answering questions posted in the Newsfeed. Not only do we have more personal connections with the teams in our boutiques, but we are also alerted to, and can act on issues as quickly as they arise. We also see boutiques answering each other's questions and supporting each other, deepening the people connections, and giving our field team members a voice."

Kim Rogers, francesca's Director of Boutique Operations

Read Full Case Study

3 Simplify repetitive store process to improve customer experience



LESSON LEARNED:

When store teams spend too much time on tasks, customer experience suffers.

Store teams spend too much time completing store processes in lieu of helping, advising and being available to customers.

This problem has grown exponentially worse over the last year because there are fewer employees with heavier workloads. That leaves store teams with next to no time to spend on customer experience when it matters most of all. When not managed efficiently, repetitive processes like opening checklists and daily store reports also make the retail employee experience more overwhelming and less fulfilling.



HOW TO FIX IT:

Digitize routine and repetitive processes to strike the perfect balance between fast, accurate completion and giving store associates more time to spend with customers.

- 1 Get rid of paper-based processes and recuperate the time lost on the printing, filling out and filing away that goes along with it.
- 2 Merge tools like email, phone and intranet into one. That way, retail employees have everything they need in one place without any juggling of multiple tools and lost productivity.
- 3 Digitize complex processes involving different people, departments and approvals. Task handovers and waiting for approval is where bottlenecks happen and productivity is lost.

81% of workers want updated process to improve their efficiency so they're not overburdened.*



A REAL-LIFE EXAMPLE:

Intimates retailer Adore Me digitized all store processes like weekly checklists, marketing and promotional campaigns and **completed 1100+ tasks in 2023.**

This has freed up time for store colleagues, and increased completion of daily checks and compliance to 100%.

9:41

Store Visit

1. Exterior

Is the signage in good condition?

Yes No

+ Add a new action

Are the opening hours displayed?

Yes No

Action(s)

○ Please display updated opening hours 02/18/2022

+ Add a new action

Is the display case clean (no fingerprints)?

Yes No

Next



"YOOBIC has been a great tool to help us transition from online-only to physical retail: it helps us attain near-perfect operational execution in-store, as well as train and engage with our teams."

Camille Kress, Head of Retail at Adore Me

[Read Full Case Study](#)

4 Digitize regional team process to support stores remotely



LESSON LEARNED:

When regional teams rely on in-person visits to support stores, performance declines and costs increase.

The retail landscape is constantly evolving, driven by changing customer behaviors and a need for increased operational agility. Regional teams play a vital role in supporting individual stores, traditionally through in-person visits, audits, and coaching. However, the current climate requires a more adaptable approach.

Relying solely on in-person support becomes impractical under these circumstances. Regional teams need to reimagine their approach to effectively support a larger number of stores with limited resources.



HOW TO FIX IT:

Digitize regional team processes. That way, regional teams can do some of them remotely, which broadens coverage and improves support of stores.

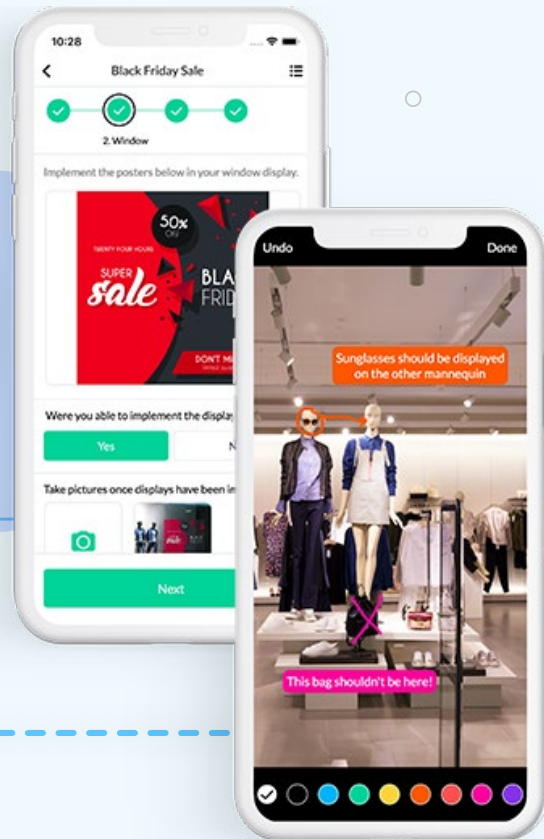
- 1 Open up remote communications between store and regional teams with video calls, photos and live chats to give regional teams visibility into store performance.
- 2 Delegate simplified regional team processes to store teams using digitized checklists, pictures and calls.
- 3 Supplement in-person store visits and audits with remote ones using steps 1 and 2. Regional teams now have broader coverage of each store, fewer travel expenses, and can do more to support each store with less time and fewer resources.



A REAL-LIFE EXAMPLE:

francesca's used remote store visits to broaden regional team coverage of stores across almost 500 stores.

Regional teams now have better visibility into store performance and ensure the correct deployment of projects and equipment to meet company standards.



"They [field leadership] were and are the center of our success — and it's important to recognize their work. Through this process, we took their feedback to create our strategy moving forward as the new francesca's. The overall resounding feedback was in everything we do, how can we keep it simple." — Kim Rogers, francesca's Director of Boutique Operations

[Read Full Case Study](#)

5 Upskill store teams in their flow of work to drive efficiency



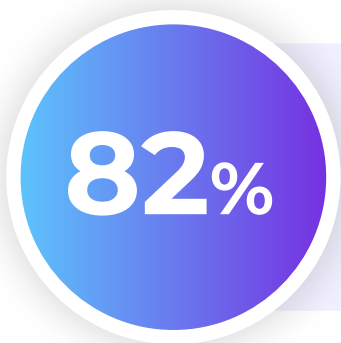
LESSON LEARNED:

When retail employees aren't trained with the right training tools, they don't have the knowledge and skills to drive efficiency.

Employee knowledge drives productivity and efficiency. Discount retailers need those in-store conversions now more than ever.

But “traditional” training (in-person, take-home materials or conventional e-learning courses) doesn't keep up with discount store employees needs because it's infrequent and not at their fingertips. In fact, 53% of employees don't receive regular training. What's more, most training tools have low adoption rates since they're inconvenient for busy store teams. The result is that training doesn't get completed and/or isn't retained afterwards.

And as foot traffic surges, so will retail's hiring needs and the competition for top talent. Employers without proper training programs won't be able to attract or retain the talent they need. Plus, an accelerated onboarding process will help get new employees up to speed quickly, allowing them to be more productive and helpful in their roles. This will help improve retention rates: research shows [82% of employees stay](#) when they have a superior onboarding experience.



of employees stay when they have a superior onboarding experience.



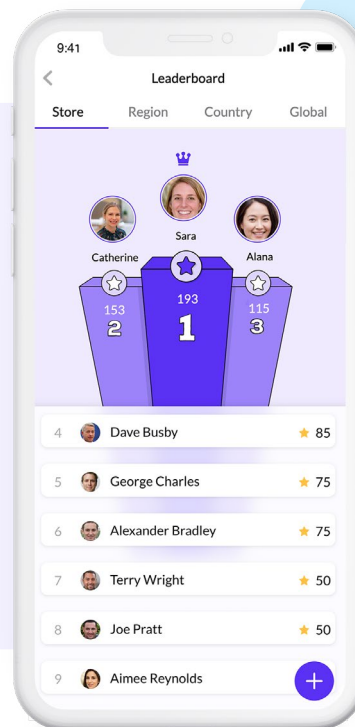
HOW TO FIX IT:

Tailor training to the grocery store employee flow of work to give store teams the knowledge they need and the employee experience they want.

- 1 Use mobile to make training available to every employee, wherever they are. The majority of retail employees — 74% — think mobile app-based training would be easier.
- 2 Make training content short and easily digestible, so it fits into a store associate's flow of work and gets new employees in their roles as quickly as possible. This means sessions are short enough to do between shifts, and it's easy to find information whenever the need arises.
- 3 Make training content fun, engaging, competitive and social, so everyone has a reason to come back for more. It's critical to match training to what younger employees are used to, and also to give older employees something refreshing to change things up.

74%

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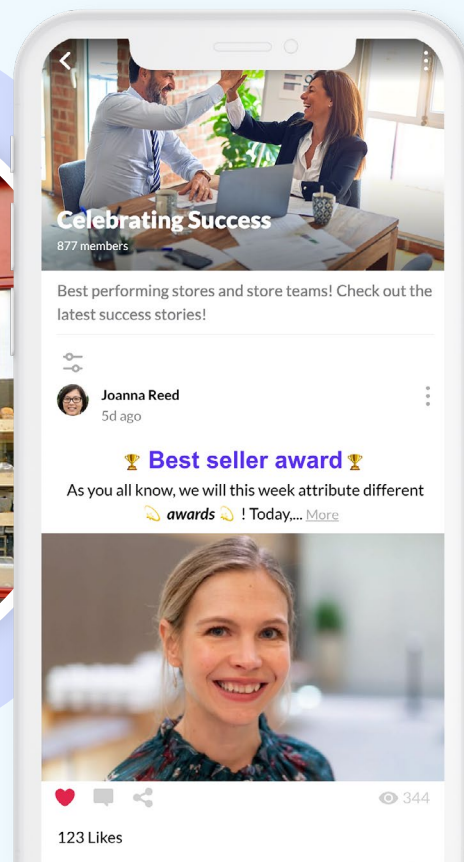




A REAL-LIFE EXAMPLE:

Organic grocery retailer Naturalia digitized their onboarding and training with YOOBIC across 250 stores.

Now that quick courses and quizzes on products, processes and the brand are available anywhere and anytime, Naturalia is more agile in managing the onboarding and training process of employees throughout their working life.



"The YOOBIC solution enables us to reach every member of our workforce. Onboarding and e-learning courses accessible on mobile phones have enabled us to be more agile in managing the onboarding and training of our employees throughout their working life."

Mélody Le Barbenchon, HR Director, Naturalia

Key takeaways:

Discount retailers should use tech to boost the performance of their store network and help stores adapt and thrive in a transforming environment by:

- 1 **Gaining visibility into store operations as they happen to drive performance at scale**
- 2 **Connecting store teams to their peers and organization to improve employee engagement, motivation and performance**
- 3 **Streamlining store tasks to refocus store associates on customers to improve in-store experience**
- 4 **Supplementing in-person regional processes with remote ones to better support stores and reduce overheads**
- 5 **Training and upskilling store teams in their flow of work to improve team productivity**

The future of discount retail is bright for businesses that embrace operational excellence. By investing in technology, optimizing processes, and empowering their workforce, discount retailers can navigate the current challenges and emerge stronger than ever. This future belongs to the agile, efficient, and customer-centric businesses that can adapt to a rapidly changing landscape.

Ready to chart your course towards operational excellence? Request a demo to learn more about how YOOBIC can help your discount retail business weather the storm and thrive in the years to come.

About YOOBIC

YOOBIC's frontline employee experience platform helps retailers like Lidl, Home Bargains, Michael's, francesca's and more to give business leaders and frontline teams the performance tools they need to communicate, learn, and work—all in one place.

With streamlined communications, mobile learning, and digitized task management, YOOBIC drives operational excellence while drastically improving the frontline employee working experience. 350+ companies around the world trust YOOBIC to improve operational consistency and agility, get real-time visibility into multi-location business execution, and improve customer experience.



Want to see it in action?

Get a Demo