YOOBIC

RETAIL RECOVERY:

4 Ways to Cut Costs
and Boost Performance

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Introduction: Retail's New Reality

It's the understatement of the year to say that stores are facing a challenging road ahead. Business continuity depends on a retailer's ability to rise to, and overcome, each challenge along this road.

The new realities retailers face fall into 3 main categories:

#1 Profits

▶ Drastically reduced **foot traffic** - down 43% from last year[1]

▶ Decreased consumer brand **loyalty**

▶ Consumers who have **adapted to online-only shopping** over lockdown

#2 People

▶ **Heavier workloads** and more responsibilities, like enforcing COVID-19 safety regulations

▶ **Fewer store employees** who must be up to 30% more productive[2] to make up for the shift to online-only shopping

▶ **Fewer stores** post-reopening - many will stay shuttered permanently

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[1] Corkery, Michael, and Sapna Maheshwari. "Retail Sales Rise for Third Month, Though Growth Slows." The New York Times. The New York Times, August 14, 2020. https://www.nytimes.com/2020/08/14/business/retail-sales-coronavirus.html

[2] Adhi, Praveen, Andrew Davis, Jai Jayakumar, and Sarah Touse. "Reimagining Stores for Retail's next Normal." McKinsey & Company, May 8, 2020. https://www.mckinsey.com/industries/retail/our-insights/reimagining-stores-for-retails-next-normal.

#3 Pressure

▶ 10 years' worth of **digital adoption** by consumers and businesses crammed into just 90 days[3]

▶ Rapidly shifting customer **values and expectations**

▶ Every retailer and every retailer's competitors all jostling to **stay one step ahead of the curve**

These new realities have made operating a store costlier than ever.

Every retailer's main priority is now to cut costs - but without sacrificing the quality of the in-store experience or store team performance.

How can retailers change the way they operate their stores to reflect these seemingly competing priorities? Is it even possible to reconcile them?

It is - with the right approach, powered by tech.

Here are 4 ways tech can help you cut the costs of operating retail stores while improving performance.

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[3] Adhi, Praveen, Andrew Davis, Jai Jayakumar, and Sarah Touse. "Reimagining Stores for Retail's next Normal." McKinsey & Company, May 8, 2020. https://www.mckinsey.com/industries/retail/our-insights/reimagining-stores-for-retails-next-normal.

1. Switch to Digitized, Remote Store Visits and Audits

Store visits and audits are like a regular doctor's checkup for stores. They monitor the quality of customer experience, compliance with health and safety guidelines and help store teams perform better.

However, field teams are stretched thin and don't have enough time to visit every store in their territory. There are fewer field employees post-COVID-19, and the cost of their travel to and from stores really adds up.

But stores are under more pressure than ever, and need the coaching, support and correction field teams provide during a visit to adapt to the challenges of post-COVID-19 retail.

To be effective post-COVID-19, store visits and audits must:

☑ Help retailers cut costs

☑ Reduce the risk of spreading COVID-19 that comes with every in-person interaction

☑ Help field teams make the most of the limited time they do have in-store

How can retailers update store visit procedures to tick off each of the 3 boxes above?

By using tech to make in-person visits more efficient, while also giving field teams the option of **completing visits remotely**.

The Remote Store Visit Process

Complete
store visit report

Give feedback
and action plans

Store Manager

Field Manager
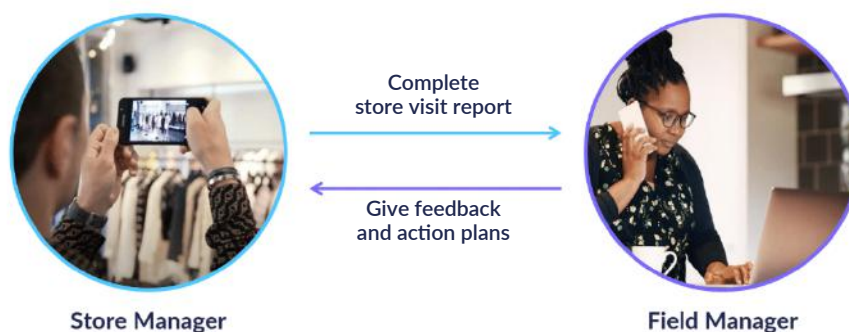
Example:

A regional manager has 25 stores to visit in their territory, but with all the time spent traveling, only has time to visit 2 stores per day. That's only 10 stores visited per week. But by using digitized, remote store visits, the regional manager can easily complete visit procedures for 4 stores per day (20 per week).

The regional manager visits the remaining 5 stores in-person, since they have the lowest conversion rates and need some extra training that's best delivered face-to-face.

How remote store visits cut costs and improve performance:

#1 They help field teams cover more stores

There simply aren't enough hours in a week for field teams to visit each of the stores in their territory. The result is that some stores are over-visited, while others are under-visited. Performance and consistency suffer.

Remote store visits save field teams so much time that they can visit 50% more stores - whether in-person or remotely. Now, field teams have complete coverage of every store in their territory, and can even add more stores to their roster.

#2 They reduce travel costs

There's no gas, hotel and phone bills involved with remote visits. These savings can be reallocated to other areas of the business.

Cost savings for 25 field managers

Average monthly travel costs per manager pre-COVID-19:
$1,800

Average travel costs saved with remote store visits per manager:
$900

Total saved per month with remote store visits:
$22,500

Total savings per year
$270,000

(Source: YOOBIC customer data)
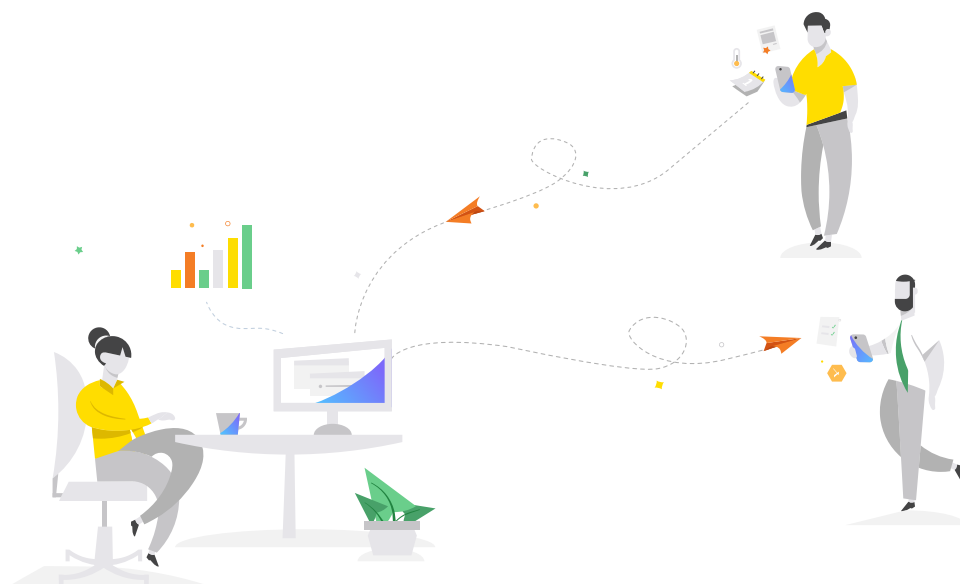
#3 They save time

The time field teams spend traveling to and from store visits really adds up.

With remote store visits, field teams save hundreds of hours of time that they can spend on remotely coaching store teams, visiting stores in-person that need their attention the most, and even increasing the number of stores in their territory.

Time savings for 25 field managers

Average weekly time spent traveling pre-COVID-19 per manager:

15 hours

Average weekly travel time saved with remote store visits:

375 hours

Total time saved per month :

1,500 hours

Total time saved per year

18,000 hours

(Source: YOOBIC customer data)

2. Automate Retail Data Analysis and In-Store Improvements with AI

So much retail data, so little time to process it.

This data - from POS systems, online data, inventory and even customer reviews - contains the information retailers need to meet and exceed consumer expectations.
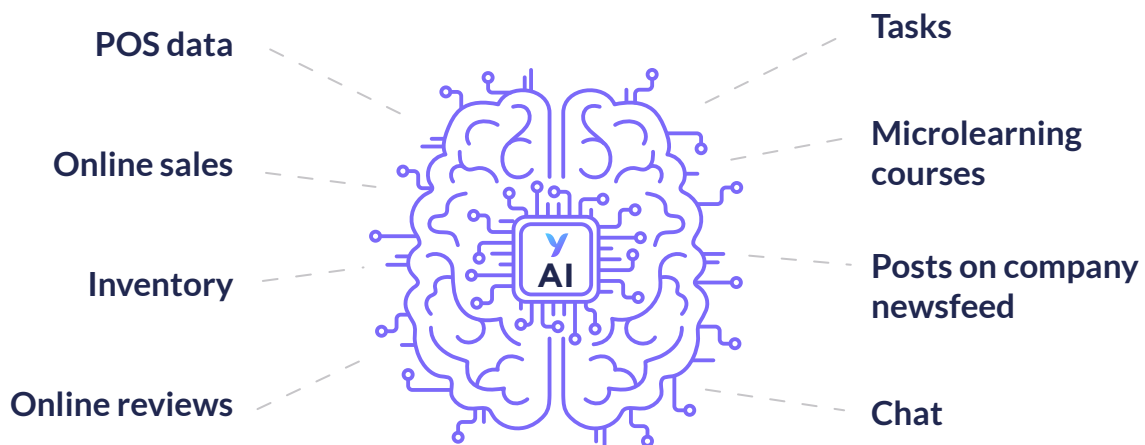
The problem is, this data is hidden away in folders, Excel spreadsheets and people's laptops. It will never see the light of day if no one takes the time to extract and analyze it all.

Integrating an AI-powered store insights tool with all data sources solves this problem by automating:

✔ The time-consuming analysis of online and in-store data

✔ The transformation of data into actions that lead to measurable improvements

AI automatically analyzes existing data...

...And turns them into prescriptive actions

POS data

Online sales

Inventory

Online reviews

AI

Tasks

Microlearning courses

Posts on company newsfeed

Chat

Example 1:

A top-performing SKU is detected from online sales data.

The AI algorithm flags this product as a best-seller and triggers a notification that's sent to store managers to place the product in the most visible locations of the store to generate more sales.

Example 2:

A store gets a negative comment and rating on Google reviews.

The AI algorithm flags the review and triggers a notification for the store manager to respond to the review and complete a questionnaire to investigate the cause of the customer's negative experience.

How AI-powered data analysis cuts costs and improves performance:

#1 It saves time

Automating data analysis gives field and HQ teams more bandwidth to focus on high-value tasks. The risk of human error is eliminated.

#2 It improves store team performance

AI turns data into actionable suggestions and tips for store teams, which means they're spending their time on tasks that have a measurable outcome.

And since they're actively engaged in improving the in-store experience, their employee engagement levels go up as well.

#3 It grows sales by shaping an omnichannel in-store experience.

AI catches patterns and issues in customer data that are easy for human eyes to miss. With AI, online data can shape the in-store experience for a real omnichannel customer journey.

And since it's so easy for store teams to make these data-driven improvements, it's like the in-store experience is improving itself in real-time. That means no more missed sales.

3. Go Mobile-First to Effectively Train and Communicate with Store Teams

Training and employee engagement budgets were the first to be slashed during the COVID-19 crisis.

This is the wrong way to go about cutting costs, because it leaves your company completely unprepared for whatever the future holds. Specifically:

▶ Frontline employees **feel demotivated** with the lack of transparent communication about the future of the company and their roles

▶ Frontline employees are **caught by surprise** when it's time to return to work

▶ Frontline employees **aren't prepared** for the onslaught of new procedures and technology they'll face once they're back on the job

▶ Frontline employees **aren't ready** for the next stage of company growth post-COVID-19

Combining training and internal communications in **one mobile-first platform** gives frontline employees what they need to perform their best amidst uncertainty - and it's available anywhere, anytime.

Communication

One unique platform

Mobile Learning
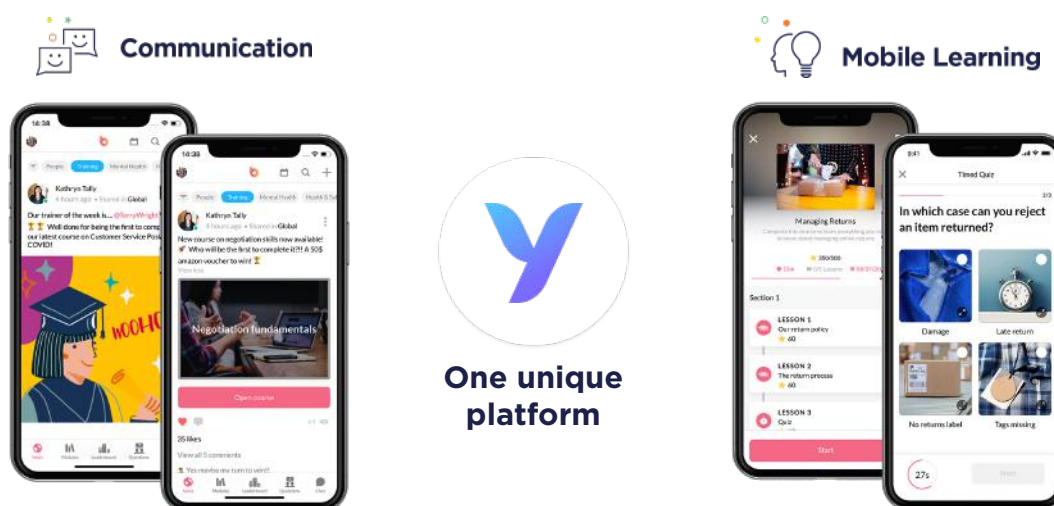
How a mobile-first training and communications platform cuts costs and improves performance:

#1 It makes training more efficient

Employees have access to the resources they need on the go, wherever they are, and can use their mobile devices to get support from their peers.

And since mobile learning is less expensive, less time-consuming and reaches more employees than traditional workplace learning (e.g. webinars and classroom sessions), each employee can do more with less, and that's what operating a retail store post-COVID-19 is all about.

#2 It grows sales by improving customer experience

Employees will make time for learning if it fits into their daily workflow. That means they're actively engaged in improving their product knowledge and skills.

Customers are drawn to knowledgeable, helpful frontline employees after so many months of social isolation. In fact, consumers in the US, the UK, France and Germany ranked knowledgeable and helpful staff as one of their top 3 priorities[4] for browsing and making purchases in-store. Perfectly trained employees are the best personification of your brand and the best way to draw consumers back into stores.

#3 It creates an engaged and reactive workforce

Frontline employees are especially prone to feeling disengaged from the rest of the company, because they're often the last to know about important news and updates.

But with a mobile-first internal communications platform, all employees are kept in the loop. One announcement can reach thousands of employees in an instant, keeping them up-to-date on important health and safety information, new procedures and more, so they can react quickly and be prepared for whatever the future holds.

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[4] Adhi, Praveen, Andrew Davis, Jai Jayakumar, and Sarah Touse. "Reimagining Stores for Retail's next Normal." McKinsey & Company, May 8, 2020. https://www.mckinsey.com/industries/retail/our-insights/reimagining-stores-for-retails-next-normal.

4. Consolidate Retail Tools into One Platform

Does anyone do their best work with 35+ tabs open on their browser?

Similarly, do store and field teams do their best work when they're constantly jumping back and forth between different tools and systems instead of focusing on customer experience?

For example: a field team for a cosmetics retailer previously used each of the following tools:

▶ A CRM to find previous store visit reports and enter new reports manually

▶ An app for ordering out-of-stock materials for stores, like testers and display stands

▶ Outlook, to send daily activity reports to their zone managers

▶ A mobile-friendly LMS for training

▶ An internal communications app for company news and updates

But by **consolidating these 5 tools into one**, the brand's field teams now spend less time jumping between different platforms on their mobile devices, and don't have to duplicate data entry. HQ can retire tools like outdated CRMs, which **cuts costs**.

How consolidating tools cuts costs and improves performance:

#1 It reduces licensing costs and simplifies vendor management

Using one platform means fewer vendors to pay, less overlap between tools, and simplified vendor management that's easier to justify to other areas of the business.

Licensing costs are reduced, and the quality of support from the vendor is better since they understand a wider scope of your business.

#2 It makes employees more efficient

Employees spend less time jumping between apps and tools. There's no time lost on duplicating data entry or tasks, since everything is centralized. Everyone saves time by only having to complete training for one tool, rather than multiple ones. Tools must be simple for busy frontline teams who are always on the go and have more responsibilities than ever.

#3 It makes the entire organization more agile

Using one platform for field and store teams gets rid of data silos and gives organizations full visibility into what's going on in-store. That visibility creates speed and decisiveness that makes an organization better placed to quickly solve issues and adapt the in-store experience to meet consumer expectations.
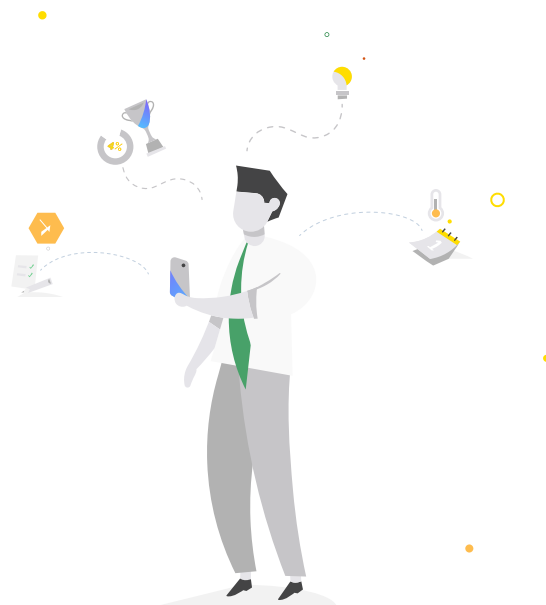
Key Takeaways

By rethinking store operations with tech, retailers can cut costs without sacrificing improvements to customer experience and both store and field team performance.

Here's how:

✔ By **using remote store visits** to cut travel costs, save time and give field teams a broader coverage of store performance

✔ By **using AI-powered data analysis** to save time, make data-driven improvements and create an omnichannel in-store experience

✔ By **using mobile-first team training and communication** to improve productivity, grow sales and adapt quickly to change

✔ By **consolidating apps and tools** into one centralized platform to cut vendor costs, improve team efficiency and boost organizational agility

It might seem as though brick and mortar retail and the post-COVID-19 world are at complete odds with each other.

How can retail ever go back to normal with so many constraints and such hesitant consumers?

It might take time, but with a new approach to running stores that's powered by tech, organizations can shape a new retail reality that keeps **customers safe and happy**, **refocuses frontline employees** on what's important, and **keeps costs low**.

About YOOBIC

200 + retailers and brands including Lacoste, Boots and Puma are using YOOBIC's digital workplace to boost performance and lower the cost of operating physical sites during the COVID-19 crisis.

Digitized, streamlined task management makes field and frontline teams more productive and refocuses them on what really matters - customer experience.

Powerful AI-powered analytics constantly improve the in-store experience so it exceeds consumer expectations.

A **unified platform for internal communications and team training** creates an engaged, knowledgeable and agile frontline workforce.

And finally, **combining disconnected platforms into one** gives deskless workers everything they need to be happy and productive, without the complexity and high costs that come with managing multiple vendors.

See for yourself how YOOBIC can help your stores adapt and thrive in retail's new reality:

GET A DEMO