

# The Retailer

A MAGAZINE  
FOR RETAILERS

May / June 2020



## LIFE AFTER COVID-19

What's in store for  
retailers?

## MARKETING

A retailer's 3-step  
marketing guide for  
smashing the new  
decade

## CUSTOMER EXPERIENCE

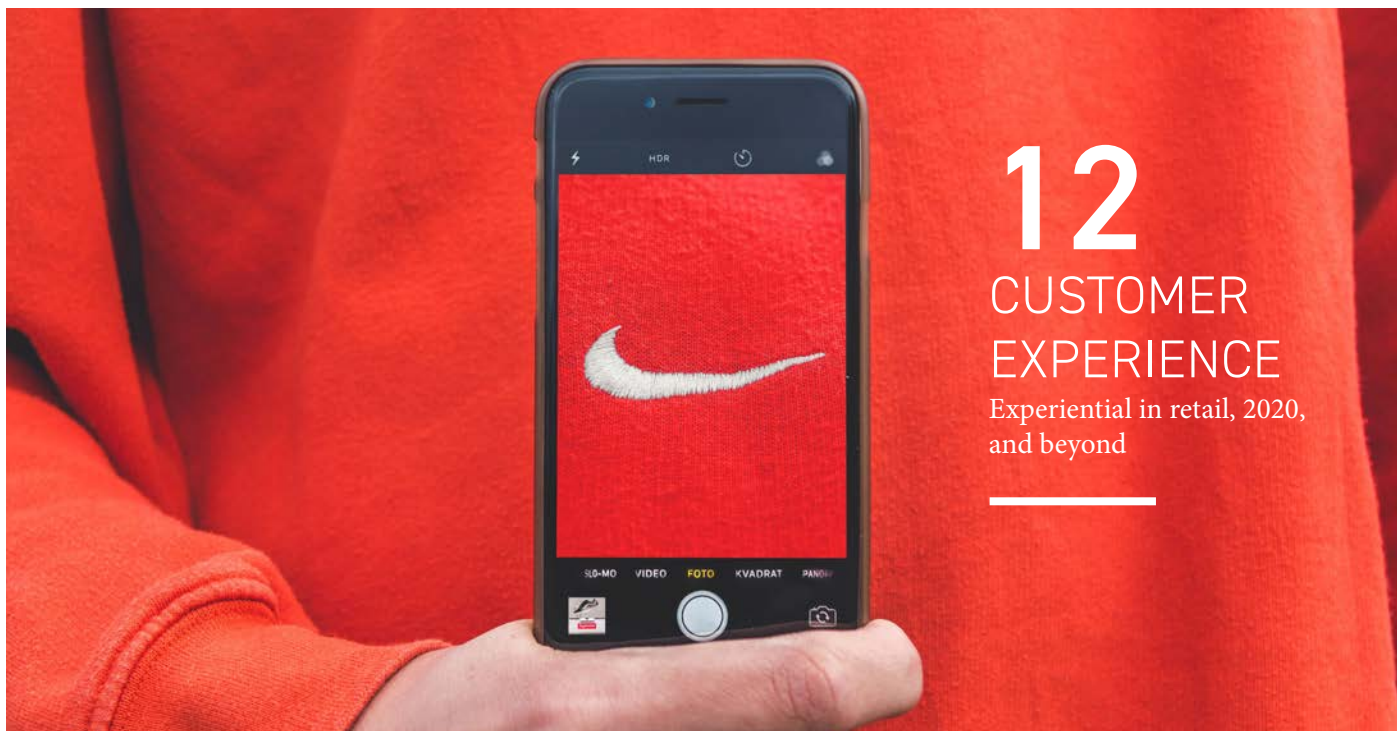
Experiential in retail,  
2020, and beyond

#68

THE DAWN *of a*  
*new* DECADE

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Experiential in retail, 2020, and beyond

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CUSTOMERS  
AT EVERY  
CLICK, TAP, AND  
SCROLL

Intelligent technology that  
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## The Retailer



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Australian  
Retailers  
Association

### THE AUSTRALIAN RETAILERS ASSOCIATION

112 Wellington Parade  
East Melbourne  
3002

Founded in 1903, the Australian  
Retailers Association is Australia's  
largest retail association, representing a  
\$325bn sector employing more than 1.3  
million people.



## INDUSTRY CURRENT AFFAIRS



### VIC PAUL ZAHRA



The Council of the Australian Retailers Association (ARA) is pleased to announce the appointment of Paul Zahra as its new Chief Executive Officer (CEO).

Paul is a highly regarded career retailer whose previous executive roles have included CEO and Managing Director of David Jones and senior leadership roles at David Jones, Officeworks and Target.

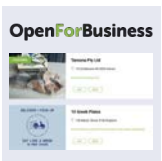
Paul Zahra said: "More than 1.3 million working Australians are employed in retail. The sector is Australia's largest employer of young people, and well over half of those employed in retail are women. Retail offers diverse and flexible career opportunities, everything from your first job, to a job in data analytics, merchandising or supply chain and logistics.

"In the last twenty years, the disruption and transformation of the sector has been significant as a result of ongoing changes in technology and consumer behaviour. However, what excites me is the untold story of innovation, whether in store formats, in online marketplaces, or the many small businesses that started life in someone's living room.

"This sector has the capacity to adapt and evolve, the power to connect people and communities, and the ability to make dreams a reality. I am optimistic about what lies ahead and look forward to supporting and advocating for our members as we overcome challenges, embrace transformation and evolve with the customers we serve."



### AUS STILL OPEN FOR BUSINESS



As lockdown restrictions have impacted many businesses across the nation, some businesses have made extraordinary moves to reinvent or pivot their services. But as thousands of Australian small businesses continue to adapt

during these difficult times, they need support.

With over 400 businesses already listed, **stillopenforbusiness.com.au** is the first website launched to act as a national up-to-date directory for Australian's to find local businesses that are still in operation. The service is free and allows users to search via suburb or product type.

Managing Director Rob Kennedy says, "We hope to provide a channel that Australian's can use for all of their needs during this time. And ultimately, we hope to provide a platform that is not only useful to Australian's but one that inspires them to continue supporting local businesses, which is so important for the economy once we come out the other side."

Businesses can upload their own details to create a listing themselves or opt to use a contact form on the website and the MMR team will upload their details free of charge. All business types can be included.

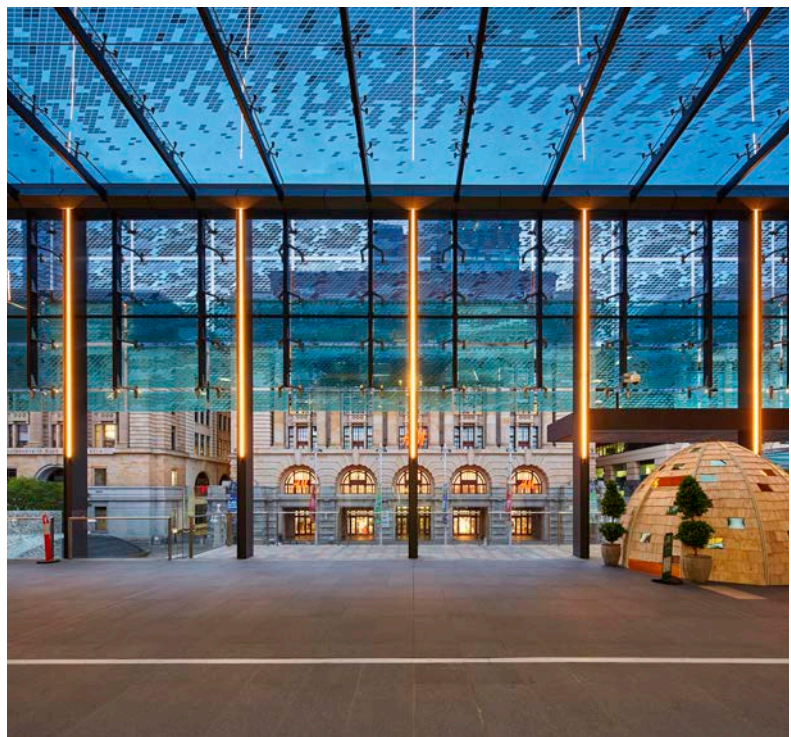


image @Ron Tan



### WA

## LIFE AFTER COVID-19

**Hames Sharley architects revitalise Perth's city centre in time for post COVID-19 retail resurgence.**

After the COVID-19 isolation period passes, a revitalised city heart awaits Perth commuters, shoppers, and diners. Perth architecture practice, Hames Sharley, were the lead architects on the redevelopment, which includes a new façade for a large retail precinct, known as Forrest Chase, together with a reimagined overpass on the Murray Street Mall and an enlivened gathering space, which locals refer to as Padbury Walk.

Hames Sharley Director Derek Hays says that although the design was conceived before the emergence of the COVID-19 pandemic, the approach was rigorously future-focused. "Retail environments have been evolving for some time, as shoppers look to these hubs for much more than a retail experience," Derek says. "The desire to not only shop but to gather together for other recreational and/or dining experiences was evident long before the pandemic — and that pattern looks set to continue, long after the pandemic passes."

The perimeter retail offerings in Forrest Chase were replanned to provide more appealing sized spaces in line with current retail requirements. Double-height shopfronts were designed to allow for retailers to fit out and revive Forrest Chase as a premier retail offering in Perth's CBD.

For more information, visit: [www.hamessharley.com.au](http://www.hamessharley.com.au)

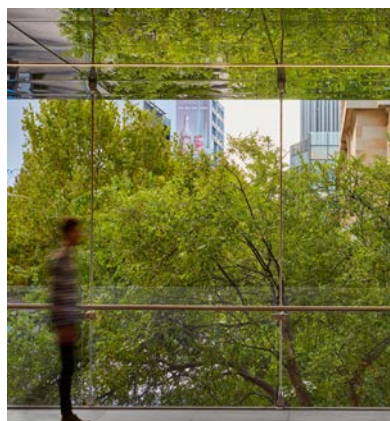


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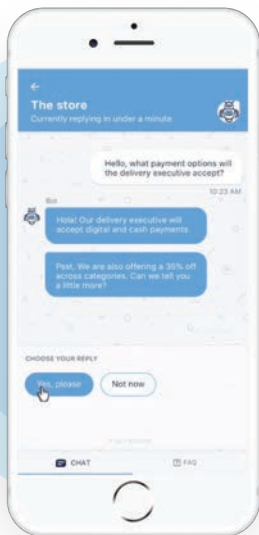
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Whether you're switching to remote to ensure the health and well-being of your employees, setting up emergency hotlines, or adapting your operations through the ongoing global crisis, we're here to help.



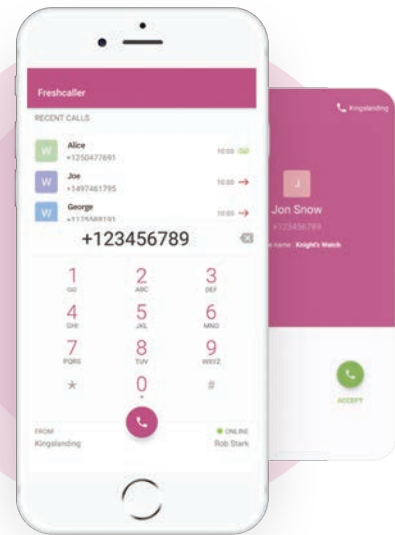
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T2

# DELIVERIES IN THE FUTURE AND WHAT THEY WILL LOOK LIKE

IF THE LAST DECADE OF RETAIL HAS TAUGHT US ONE THING, IT'S THAT EVOLVING CONSUMER EXPECTATIONS WILL CONTINUE TO INNOVATE DELIVERY AND RETURNS SOLUTIONS FOR YEARS TO COME.

*Justin Dery, CEO, Doddle Asia Pacific*







# CUSTOMER EXPERIENCE

## DELIVERIES

The only thing that doesn't change is change, and a decade in retail is no exception. A decade ago, some of Australian retail's current household names didn't even exist – think Showpo, The Iconic, Temple & Webster, and Afterpay.

As eCommerce has grown, so too have consumer expectations around deliveries and returns. A same-day delivery offer ten years ago would have seemed a farfetched concept, yet today, while not quite ubiquitous, it is much more commonplace.

Adjacent industries have contributed to these expectations. Disruptor brands like Uber, Deliveroo, Netflix, and Spotify have drastically changed the way customers expect to transact. They've designed products and services to be seamless and instantaneous. Retail's benchmark is no longer other retailers but other digital experiences.

### **Home delivery becomes a premium delivery option**

Growth in eCommerce means growth in parcel volumes; this is obvious. However, there is only so much space for home delivery to grow, with a finite number of delivery drivers and a finite amount of road capacity to handle the increased volume.







Enter consolidated deliveries via click & collect and third-party pick-up options, which will play a more significant part in the delivery landscape over the next decade.

This will result in home deliveries becoming a premium offering, given only to high-value customers or available to any customer but at additional cost. Delivering 50 parcels into one location instead of 50 individual homes is not only more efficient but also more environmentally friendly.

As environmentalism drives a higher proportion of consumer purchasing decisions, our delivery options will also have to meet higher environmental standards. Australia Post has already begun investing in this area for customers via the launch of the Australia Post Collect & Return service earlier this year. This adds supermarkets, pharmacies, department stores, shopping centres, and banks to its 3,500 strong retail store network to enable consumers to pick-up (or return) their online shopping from a place that suits them.

# “ AT THE DAWNING OF A NEW DECADE, WHAT MIGHT BE THE NEW DELIVERY AND RETURNS NORM WHEN WE LOOK BACK IN 2030?

## Free & fast delivery funnelled into click & collect

“Free delivery” had unprecedented success for retailers in the last decade in terms of checkout conversion; however, it came at a substantial cost. The next iteration of fast and free fulfilment will focus on driving consumers into stores by offering fast and free click & collect.

For in-store click & collect to be fast, retailers will need to invest in digitising their click & collect experience in-store, abandoning the manual and paper-based systems that may have got them by in the past. They will also need to have robust inventory data, enabling better stock utilisation and strengthening net promoter scores (NPS).

## Returns data becomes a new source of truth and profitable insights

The last decade saw retailers focus primarily on maximising sales by optimising conversion and acquisition. Consequently, the analysis was abundant in the impact of delivery options, payment methods, page loading time, imagery, and layout on checkout conversion. By contrast, returns were seen as a nasty side-effect of eCommerce success, and the prevailing view was that if you made returns difficult, you could reduce the number handled. What this failed to account for is that 41% of consumers have stopped shopping with a retailer following a poor returns experience.

As we enter the next decade, the technology exists to help us understand the underlying data behind returns, to reduce returns without penalising customers. Australia Post is leading again. They have launched a new free returns portal, which enables merchants to start collecting returns data to make more informed business decisions.

Retailers should ultimately be looking to capture returns data to identify problems with products, sizing, imagery, and fraudulent customer behaviour. From there, it's about using data to orchestrate how a return is processed and when it is received back to the distribution centre or 3PL. This allows retailers to streamline operations so the warehouse can focus on processing high demand or high-value products first, and low value items can even bypass the warehouse entirely and be delivered straight to charity.

Change is a constant that serves to keep us on top of our game and forces us to innovate. A new decade will bring new technologies to drive better delivery and returns solutions that are more efficient, more environmentally friendly, and drive better outcomes for merchants and consumers. Luckily, in amongst all this change, we have the learnings of the last ten years to guide us to continue to delight customers and build and grow truly successful Australian retail brands.







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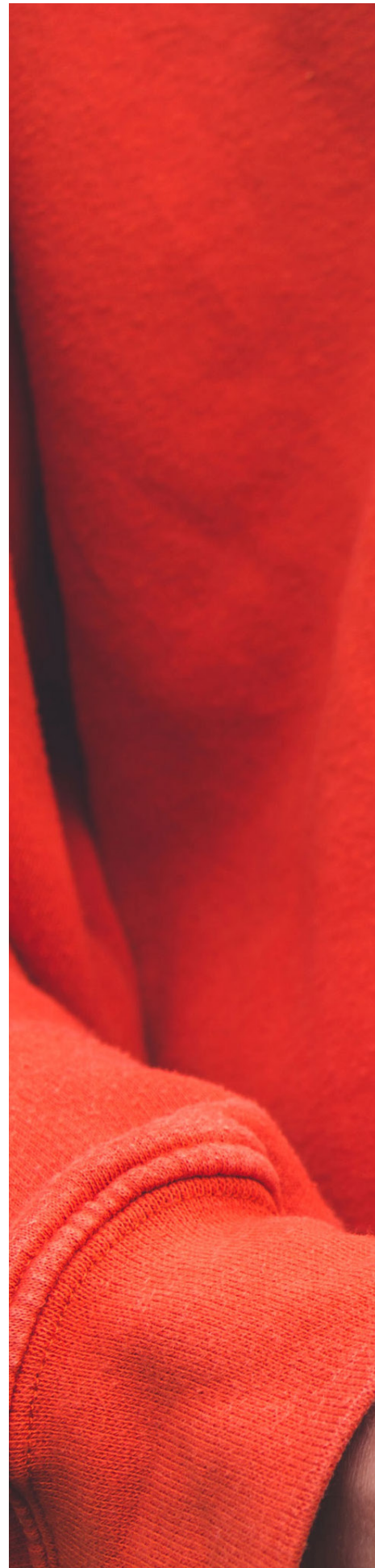
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# EXPERIENTIAL IN RETAIL, 2020, AND BEYOND

From the boom in online shopping to conscious consumerism, the past 20 years has seen an incredible evolution of the retail landscape. And now, a new era is upon us: the era of experience.

Through the early 2000s, online retail hit the world like a tidal wave, completely changing the way people find new products, purchase and engage with brands. Physical retailers found themselves struggling to compete, with customers no longer looking to them to inform and inspire. Instead, people went online, taking it upon themselves to research, read reviews, find discount codes, shop, and ship from anywhere in the world.

*Teresa Aprile, CEO, and Co-founder of Brandcrush*









**IT WAS THE AGE OF MORE.  
MORE OPTIONS, MORE SHOPPING,  
MORE SPENDING AND MORE STUFF.**

This online shopping frenzy fuelled the globalisation of retail, giving consumers access to a dizzying number of options and price points. Social media sold us aspirational lifestyles and launched new products, while influencers helped brands infiltrate our newsfeeds and blogs.

#### **At what cost?**

With online shopping hitting an all-time peak in the 2010s, some of the downsides of this “more is more” model started to surface. Around the world, people became more concerned about sustainability, and the appeal of “buy now, think later,” consumerism began to lose its shine. Suddenly, brands and producers found themselves facing tough questions around their economic, environmental, and social impact.

#### **Rise of the conscious consumer**

Consumers today expect more accountability from brands than ever before. They want to know where their products come from. Are the supply chains ethical? Are the people making our items being well treated and paid fairly?

They are looking to shop more locally where they can, and knowing more about their brands and products they buy. They don't mind a higher price tag, but they expect transparency and genuine interactions in exchange. This new type of consumer cares about where their dollars go, and which brands they support through their shopping. And this means that the role of physical retailers are becoming more important than ever.

#### **More than just products, shoppers want an experience**

Where online shopping gave consumers volume, access, and price point, physical retail offers a more holistic experience. It's less transactional, more “human”.

Physical retail is uniquely positioned to give consumers the chance to engage with brands and products tangibly. In-store experiences can share “behind the scenes” stories, giving shoppers an understanding of design and production processes. These experiences connect on the real and authentic level that modern consumers are craving.



More so than ever, consumers are looking for quality over quantity. The experience they have within a physical store can add value to products far beyond just their price tag.

### **The power of experiential for retailers**

For retailers willing to embrace experiential, incredible opportunities await. By giving shoppers the tangible, real-world connections they are craving, not only will your business benefit, but you'll demonstrate to customers that you value the relationship beyond just a cash exchange — building loyalty and trust.

Here are just a few of the incredible ways retailers have been harnessing the power of experiential.

### **Building brand narratives and showing where products come from**

In 2018, an online fashion brand, Everlane, invited customers to see first-hand how their new range of “outerwear with outlook” was made via the Everlane “Re-New” pop-up in NYC. This experiential concept store included a step-by-step installation depicting the process used to turn plastic water bottles into shirts, coats, sweatshirts, and scarves.

### **Collaborating with other retailers or like-minded brands to give customers unexpected value-adds**

Retailers' unique and targeted customer foot traffic can be an attractive proposition for CPG brands looking to connect with consumers. Sampling campaigns, traditionally reserved for street corners and train stations, can now be hyper-targeted through high foot traffic retailers, like Culture Kings.

Using experiential marketing platform Brandcrush, Dare Sparkling Ice Coffee popped-up in Culture Kings stores across Australia, connecting with the retailer's customer base of Gen Z and millennial males. Culture Kings' customers were delighted with a surprise freebie, while the retailer was able to earn media revenue.

### **Creating destinations for consumers to visit, explore and learn**

At Sephora Beauty Hubs, customers are given a fun and educational, retail experience. Interactive mirrors let shoppers virtually “try out” new products using augmented reality and get personalised beauty recommendations like skincare diagnostics and tutorials. The Hubs also offer Beauty Classes with makeup lessons and workshops led by beauty professionals.

### **Creating a community that blends lifestyle experiences with retail**

One of the keys to athleisure brand Lululemon's success is its community-based retail model. This is brought to life through experiential stores that combine a retail store with a fitness “sweat studio” and “fuel bar” for healthy refreshments. Not only do these stores give customers a sense of belonging and a place to connect, but they also offer a chance to try-out selected Lululemon “gear” for classes before they buy.



# THE ROLE SOCIAL MEDIA PLAYS IN TODAY'S RETAIL ENVIRONMENT

As technology continues to evolve, as does the way that consumers interact with their favourite brands, both online and offline. The upsurge in the use of social media and other digital channels means that the way retailers reach and engage today's consumers is drastically different to 10 years ago. Social media, for instance, is an advancement that has presented a new frontier and boundless opportunities for today's retailers to engage with more customers and expand their business.

*Zane Sabré, Co-Founder and Managing Director,  
MAISON de SABRÉ*







# MARKETING

## SOCIAL MEDIA

Similar to the shift from radio to television, we are once again witnessing a massive shift where consumers are directing their attention, this time from television to mobile.

But where to begin? Here are four ways you can implement an active social media marketing strategy to bring your business into the new decade.

### Define the type of influencer suited to your brand

Influencers are at the forefront of the digital marketing movement and provide a great starting point for your business, big or small. With an effective working relationship, influencers can help build brand awareness and drive conversions. There are two main categories of influencer - macro and micro -, and you might find that one is better suited to your specific business objectives than the other.

Macro influencers, for instance, have large follower counts and an inspiration-seeking audience; therefore, they are highly effective at driving brand awareness and extending reach. However, they often come with a hefty price tag and are less likely to lead to conversions, and are usually more effective for awareness campaigns. Micro-influencers, on the other hand, are often easier to relate to, which can help to drive conversions. While they have smaller follower counts, you will find that they often boast extremely engaged followers who are more likely to purchase products recommended to them.

### Focus on targeted locations

Research shows that consumers require at least seven touch points with a brand before they will consider making a purchase. Therefore, consider implementing a social media strategy whereby potential customers will see the same product from several different sources. Influencers located in similar regions will often have shared audiences, therefore engaging with influencers in a single area can help increase the exposure frequency of your brand to the same people multiple times. This helps to saturate your customers' news feed with your product, meaning you stay top-of-mind and relevant.

### Convert content to grab attention on multiple platforms

Many brands have introduced social media marketing into their strategy, so it can be easy for your content to get lost in the crowded space. To stand out, it's important to create 'thumb-stopping content' that is so cleverly crafted that it catches the customer's attention and causes them to stop scrolling through their feed. Simply reproducing an advertisement used in print or broadcast will not suffice on social media. Create appealing content that can be converted and displayed across a multitude of social media platforms to set yourself up for a successful campaign.

### Maximise your impact with minimal spend

For smaller, independent retailers, social media marketing can be a great option as it doesn't require the large marketing budget that many other advertising avenues do. If you have a minimal marketing budget, consider offering contra opportunities to micro-influencers to engage audiences. This involves asking influencers to post content in return for receiving a particular product for free. By engaging these influencers, you can reach thousands of customers, without spending a cent on advertising space.

Retailers worldwide are now turning to digital marketing as a new avenue to reach and engage customers. However, in a saturated market, it can be difficult for smaller retailers to stand out. By implementing a strategic, low-cost social media strategy, you could find it's the next crucial step to grow your business.







**IT'S NOW  
MORE  
IMPORTANT**

**THAN EVER TO  
RETHINK THE WAYS  
YOU INTERACT WITH  
YOUR CUSTOMERS AND  
PERHAPS LOOK TO  
WHAT DIGITAL  
MARKETING CAN  
OFFER.**

# A FAREWELL

## RUSSELL ZIMMERMAN CAREER REFLECTION

Over my eleven years at the Australian Retailers Association, I have been fortunate enough to interact and connect with some of Australia's most prominent and well respected CEO's. Having been the owner and operator of small footwear chain, Sparks Shoes since 1978, the role of Executive Director at the ARA has not only kept me informed but given me a far broader perspective of the retail industry.

Throughout my time at the ARA, I have developed an extraordinary amount of new skills that have enhanced my expertise in areas such as government, public speaking, lobbying, and media relations.

I've seen the industry change drastically over the last decade. While we have incurred difficult times and faced a great deal of hardship, we have also adapted, triumphed, and made headways in various parts across the sector.

The ARA has been involved in a range of policy and advocacy issues and has worked hard to ensure our members have a voice and feel supported by the industry.

In 2013, major retail associations, including the NRA, MGA, and ANRA, came together to support a reduction in Sunday Penalty rates. To have all of these industry bodies unite for a common cause was truly inspiring to see. To further support our members, the ARA lobbied with the Reserve Bank of Australia to encourage banks to offer low-cost or smart routing. There is still more work to be achieved in this area; however, it is estimated that when fully operational, this will save the retail industry over \$500 million annually.

The development of the Major Retail Alliance (MRA), although only just commencing, will solidify the retail industry, particularly under the leadership of recently appointed CEO, Paul Zahra.

More recently, the ARA worked with the ACCC to bargain collectively on rents with shopping centre landlords to support members affected by COVID-19. This enables members to discuss and share information relevant to negotiations, except for sensitive rent information, which will level the playing field between retailers and landlords.

Within the organisation, I've seen our annual ARA Australian Retail Awards grow from 130 attendees to over 500 attendees. The Awards provide a stage for retailers across Australia to come together and be recognised for their outstanding contributions to the sector.

When I started at the ARA, we had around 2,800 members. Now, as I leave, I'm pleased to see that we currently advocate on behalf of 7,800 small, medium, and businesses who are an essential part of the 145,000 retail businesses across Australia.

I am truly proud of the work and resilience our retailers continue to show to keep this \$320 billion-dollar sector thriving.

While there have been many rewarding parts of my career, I've also faced and overcome a few obstacles. The first was when I came to the ARA. I knew very little about the training and education sector, however, with support and guidance from ARA Chief Operating Officer and Director of the Retail Institute, Garry Terrill, and the Retail Institute team, I was able to expand my knowledge in this area and learn about the important role education and training plays in the retail sector.

The second and perhaps the most disappointing obstacle was at our attempts to amalgamate with the National Retailers Association to create one voice for the industry. Although I would have liked to have seen this merger come into fruition during my time with the ARA, I trust that the ARA will continue to persevere and act in the best interest of its members and the community.

The most recent obstacle that I and everybody else is facing is what is happening right now. In my 42 years of being a retailer, I have not come across times as complicated and as difficult as this. While these are uncertain times, my advice to you is this. Do not let worry paralyse you. Many SME retailers are unsure of what to do or fear making the wrong decision. You are better off making any decision than not making a decision and failing. As a general rule, put the customer first. Seize opportunities as they arise, and remember, COVID-19 won't last, but your resilience and adaptability will.

During challenging times, do not despair; we will get through this. Use the association for advice to help navigate your way through this and lean on industry peers for support.

There are a lot of things I will miss about my role as CEO at the ARA. Being able to interact with CEO's of major retailers, hear their needs and concerns, and then seek out ways to resolve their issues, was truly rewarding and empowering. I've worked with the ARA Council to make the best decisions on behalf of our members and the sector, and I'm grateful for the friendships I've forged with this incredible group of leaders.

Another aspect of my role that I will miss the most is my interactions with the incredible ARA team. The ARA team is small and agile but works hard to ensure our members stay informed, educated, and up to date with the latest news in the sector. Every single employee is an asset to the organisation, and I can honestly say that I have thoroughly enjoyed working alongside every one of them.

In closing, I would like to wish every one of you success and prosperity. I thank every member for their support over the years. Please continue to give Paul Zahra and the ARA your support so we can continue to grow the industry's vibrancy.

Sincerely,  
Russell Zimmerman.





# RETAIL INSIGHTS: A LOOK INTO AUSTRALIAN RETAIL

DEC 2019 - MAR 2020

*Tim Janczuk, ARA, Policy, Media and Communications Officer*





At a time when the retail sector is facing unprecedented challenges, it is wise to remember an old proverb: In the midst of every crisis lies great opportunity.

It is no secret that retailers across the country are facing incredible pressures, with difficult economic conditions exacerbated by a summer of bushfires, which had barely been extinguished before the onset of the COVID-19 pandemic. Now, more than ever, Australian retailers require the nation to demonstrate the resilience that has shaped the character of the nation, its people, and their businesses.

Let's take a look retail over the past few months:

## DECEMBER 2019

The December 2019 retail sales growth (2.66%) was disappointing after a sharp rise in November driven by relatively new US and China-inspired shopping events "Click Frenzy," "Black Friday" and "Singles Day" where retail had its largest retail sales increase in 2 years – a record \$27.9 billion.

While year-on-year growth was the key index when interpreting retail sales data, month-on-month falls in Department Stores (-2.80%), Clothing, Footwear and Personal Accessories (-1.46%) and Household Goods (-0.29%) were three of the four worst December results in categories where November retail events were widely promoted. This underlined the point that December sales were probably pulled forward.

# December

# 2019



■ December Sales (2.66%)

■ Department Stores (-2.80%)

■ Clothing, Footwear & Personal Accessories (-1.46%)

■ Household Goods (-0.29%)

# January

## JANUARY 2020

There was little to cheer over the January retail figures, which saw an annual sales growth of 1.96%. Takeaway (4.33%) and Liquor (3.64%) the only categories to record significant improvement. All other categories either stagnated or went backwards.

The Australian Retailers Association's former Executive Director, Russell Zimmerman, said bushfires were always going to affect this month's numbers and Coronavirus yet to impact ABS data.

The biggest monthly drops were seen in department stores, household goods retailing and clothing, footwear, and personal accessory retailing. ANZ says consumer confidence fell 1.7% in the first week of January to its lowest level in over four years. A likely impact of the bushfires.

Aside from the bushfires, there were other factors which contributed to the weak retail figures. December and January are traditionally usually the two busiest months boosted by Christmas and Boxing Day sales, but lately it seems to have lost its importance as more consumers do their shopping early in November for Black Friday and Cyber Monday sales.

### TAKEAWAY

### LIQUOR

### NOVEMBER

### DECEMBER

4.33%

3.64%

Black Friday  
Cyber Monday

Christmas  
Boxing Day



# FEBRUARY 2020

February's retail outlook experience growth as "easily predicted" by Mr Zimmerman given the consumer behaviour over the previous six weeks when the coronavirus crisis started to influence shopping habits. The annual sales growth was 1.82% with Pharmacies (6.64%), Supermarkets (3.57%) and Takeaway (5.05%) recording the biggest improvement on an annualised basis, while discretionary expenditure went backwards. "Household items, non-perishable foods, commodities like toilet paper, medicines, electrical goods, some department store lines...these are the categories that experience a surge when people believe they're going to be housebound for a protracted period of time - which is exactly what's happening," Mr Zimmerman said. The ABS used data from supermarket scanners to conduct a more detailed analysis, which found increased purchases of frozen and canned fruit and vegetables, cereals and breads, toilet paper and tissues, pharmaceuticals and infant food and products - items that some supermarkets have now imposed purchase limits on, to stop panic buying.

# MARCH 2020

March figures were no surprise in trend terms where there were rises in categories such as food, beverages, pharmacy, and electrical, offset by steep falls elsewhere in the section. The trend validated the buying behaviour in February, where customers began stockpiling goods ahead of anticipated lockdowns and saw food increase by 23.5%, groceries increase by 35.6%, and essential items such as toilet paper and pasta selling at twice the usual rate.



**THE AUSTRALIAN RETAILERS ASSOCIATION'S CHIEF EXECUTIVE OFFICER, PAUL ZAHRA, SAID, "IT'S GREAT THE NUMBER OF CORONAVIRUS CASES IS FALLING, BUT IT WILL TAKE TIME FOR THOSE TO RESOLVE EVEN AFTER NEW CASES STOP ALTOGETHER. ANY LIFTING OF LOCKDOWNS HAS TO BE DONE WITH THE HEALTH AND SAFETY OF RETAIL STAFF AND CUSTOMERS AS THE TOP PRIORITY. WE WANT TO OPEN FOR BUSINESS, BUT WE NEED TO DO IT PROPERLY WHEN WE DO."**

# Business advice from Ardrossan Insurance Brokers

For natural disasters and cyber exposure, suitably designed insurance policies can provide some protection. Still, they will require a collaborative discussion and agreement between business, experienced broker, and insurer to design the appropriate cover.

The solution for Coronavirus or other pandemic diseases is not provided by insurers as they will exclude within their policies any listed human diseases under the Biosecurity Act 2015. As of the end of January 2020, Coronavirus is now a listed disease under this Act.

The next ten years will challenge all retailers when considering sourcing products, the use of technology, and distribution to its customers. The successful retailer will need to establish and revisit its Business Continuity Plan to ensure when disruption occurs; it is best positioned to manage and survive.

## Revisit or create a Business Continuity Plan:

1. Retailers should ask suppliers where they source their product from, be aware of the materials/components within the final product and where these are sourced. Is there a bottleneck/critical point in the supply chain?
2. Review alternative suppliers from different regions and establish relationships Network within your industry, banking connections and government agencies such as Austrade to establish a broader range of suppliers
3. Ensure your relationship with suppliers is strong so in the event of interruption you can be a priority if the product is limited
4. Expand your supplier review to include critical support suppliers (e.g., technology, transport)

*For additional information regarding risk and insurance, please contact ARA Insurance services on 1300 368 041 option 8.*

# Advocacy

## THE ARA'S ADVOCACY EFFORTS

In light of the COVID-19 pandemic, the ARA has been strongly advocating for all our retail members – large, small, and independent retailers – across multiple levels of government to help adversely affected businesses in financial hardship.

For more updates, advice, and resources, visit [bit.ly/RETAILALERT](https://bit.ly/RETAILALERT)



Enormous energy has been devoted to lobbying activity across issues, including wage subsidies, rent relief, cash flow assistance, support for business investment and digital innovation, and the development of resources to help retailers access these programs and comply with regulations. It is pleasing to see government action at a federal level to establish the JobKeeper program and the Mandatory Leasing Code of Conduct. It states moving to legislate the code and support rent relief measures.

Significantly, ARA members have been granted interim authorisation by the ACCC to bargain collectively on rents with shopping centre landlords. This enables members to discuss and share information relevant to negotiations, except for sensitive rent information, which will level the playing field between retailers and landlords. The ARA has also worked to ease logistical pressures during the crisis, such as lobbying to lift delivery curfews to supermarkets and shopping centres to ensure critical goods are delivered.

State governments across the country have released various stimulus packages providing urgent cash flow assistance to eligible retailers, such as cash grants of up to \$10,000 and the waiving of selected government fees and charges while easing administrative burdens. This complements similar measures passed during the summer bushfire crisis to provide bushfire-affected retailers with financial support.

The ARA continues to represent the retail sector across a range of issues: in the field of employment relations, we will continue to advocate for Award simplification and defend the sector from accusations of “wage theft;” we will continue to work with state and federal governments to ensure the retail sector has access to the right skills through support for training and development, and we will persist lobbying the RBA and working with industry partners to reduce transaction fees and charges to minimise the cost of doing business.

**“Retailers are working harder than ever to forge a path to success, building businesses that are strong and resilient in the headwinds of change. The Australian Retailers Association stands by your side, and we will continue to work hard to forge a path to recovery for all sectors of the Australian retail industry.”**



# Industry Insights

For the months  
of Jan, Feb,  
and Mar

60%

of retailers  
expected their  
businesses to fall  
short of targets

Boxing Day/  
Christmas Day  
sales for 2019

63.7%

63.7% of retailers recorded  
fairly flat or markedly slower  
than 2018

## WHAT OUR MEMBERS TELL US

Since the start of February

75.12% of retailers have seen a negative impact due to the Coronavirus.

Sourcing stock from China

80.14% of retailers source stock from mainland China.

Loss of tourism in Australia

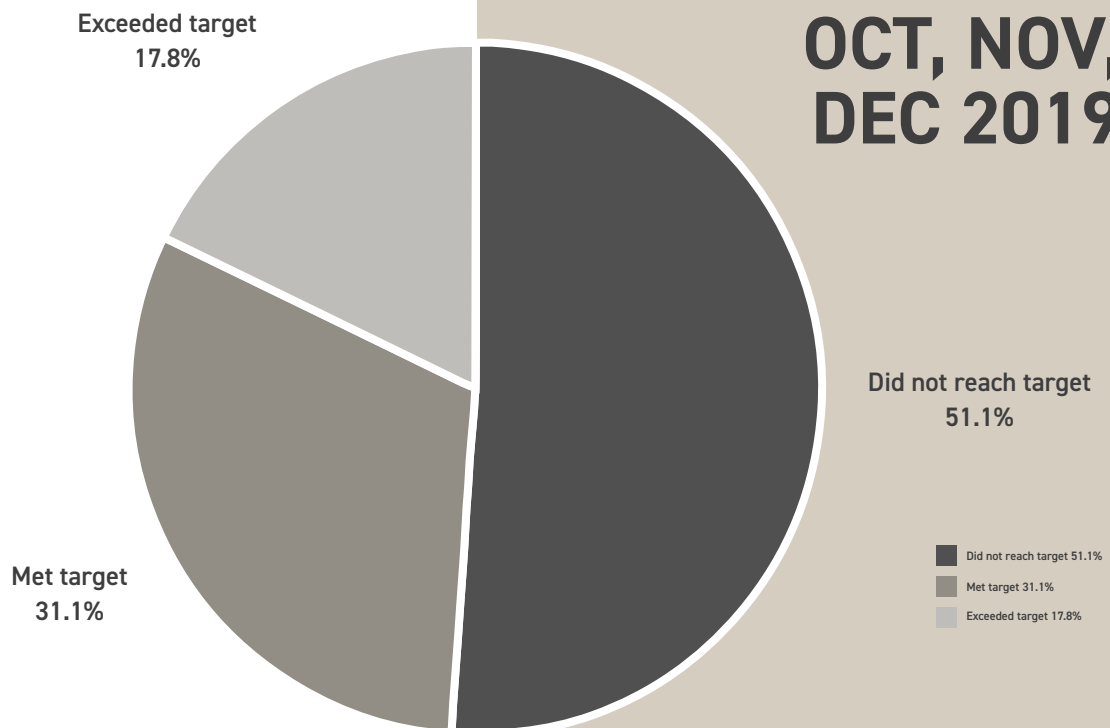
62.68% of retailers have been affected by the loss of tourism in Australia

37.32% of retailers have not been affected

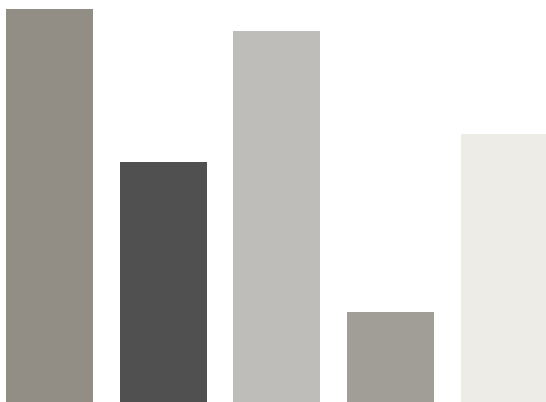
### About the Australian Retailers Association

*Founded in 1903, the Australian Retailers Association is Australia's largest retail association, representing a \$325bn sector employing more than 1.3 million people. Our mission is to ensure retail success by informing, protecting, advocating, educating, and saving money for members. For more information, visit: <https://www.retail.org.au/australian-retailers-association/>*

**OCT, NOV,  
DEC 2019**



## COVID-19



- 57.42% of retailers are reducing staff hours
- 34.21% of retailers are reducing staff numbers
- 56.70% of retailers are reducing forward stock orders
- 11.96% of retailers are increasing forward stock orders
- 32.06% of retailers expect to do nothing or other

Sources:

<https://www.surveymonkey.com/results/SM-NPGLXH9X7/>

<https://www.surveymonkey.com/results/SM-HT9MXH9X7/>

<https://www.surveymonkey.com/results/SM-M7RFNH9X7/>

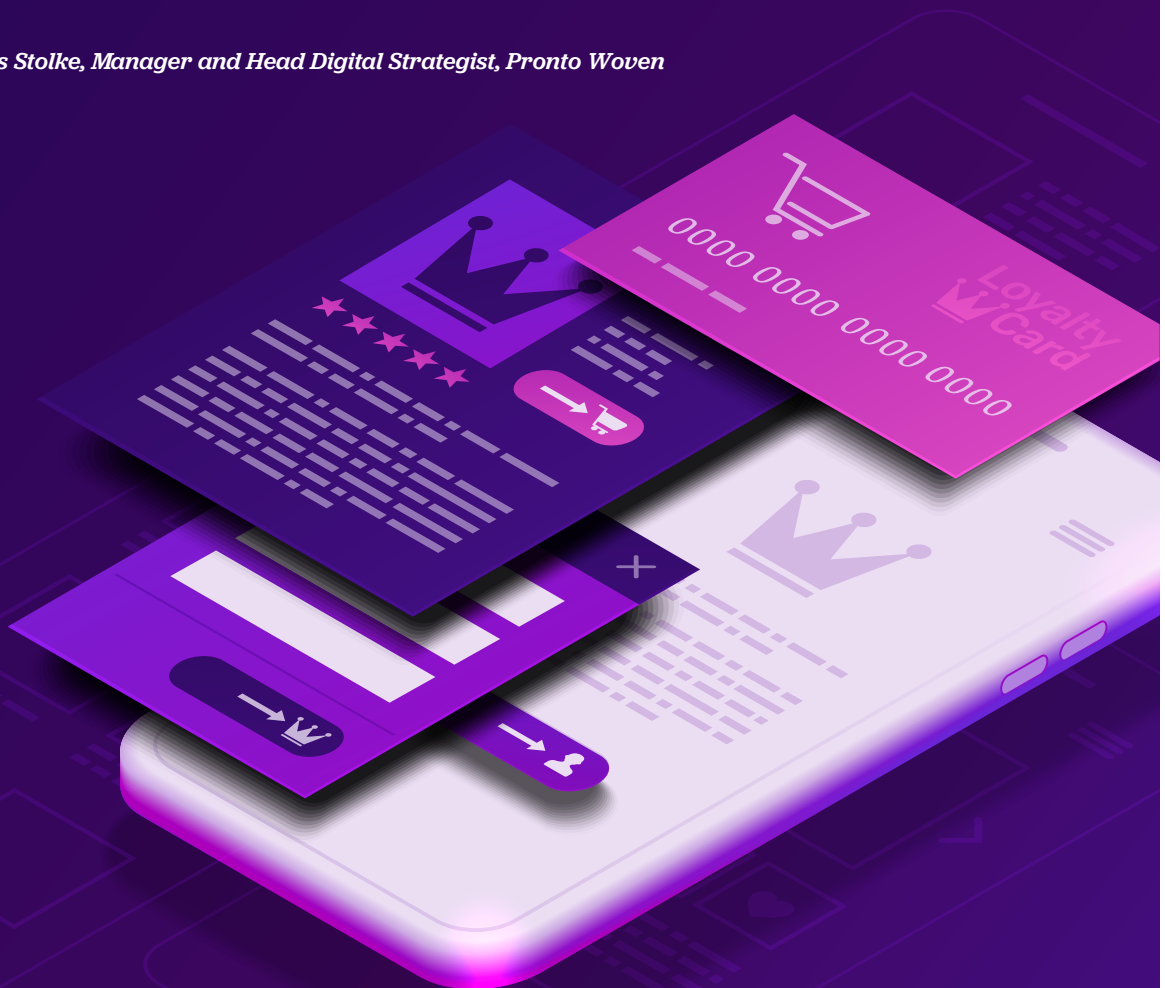
<https://assets.kpmg/content/dam/kpmg/au/pdf/2020/australian-retail-outlook-2020.pdf>



# DELIGHT YOUR CUSTOMERS AT EVERY CLICK, TAP, AND SCROLL

AS THE AUSTRALIAN E-COMMERCE INDUSTRY CONTINUES TO GROW, SMART RETAILERS ARE SEIZING THE OPPORTUNITY BEFORE THEM BY DRAWING ON INTELLIGENT TECHNOLOGY THAT DELIGHTS THE CUSTOMER AT EVERY CLICK.

*Chris Stolke, Manager and Head Digital Strategist, Pronto Woven*



Despite representing the 55th largest country by population, Australia is the tenth-largest e-commerce market in the world – with analysts predicting Australia's e-commerce industry will reach a value of \$35.2 billion by next year!

To capture this opportunity, investment in e-commerce technology is on the rise – here are three areas that offer the greatest return and fuel increased sales revenue.

### **Deliver the full package – from homepage to the doorstep**

Whether a customer walks through the doors of your store or scrolls through your website, the process from browsing to purchasing and delivery needs to be frictionless. This can't happen unless your systems, processes, and people are aligned.

The retailers that are doing well are those looking at all parts of the equation. Just as a sold-out product is removed from in-store promotions, an item that goes out of stock should not be presented as a choice for your customer. The technology exists to help you monitor this and automatically update your website in real-time. After all, nothing's more frustrating than moving through a virtual path to purchase, only to learn the item isn't available at payment – or worse after. This creates a negative brand experience.

We have the technology available today to allow us to complete visibility across entire operations from where software powering online stores talk to warehouse management systems. Retailers embracing this have a definite advantage in the ever-accelerating online world.

### **Own your value proposition**

The retail industry is saturated and incredibly competitive. To differentiate your business, retailers must define a value proposition and stay true to this. If your value proposition is based

on being price competitive, it's important to have the right tools to deliver this. For instance, utilise a system that monitors other online stores and ensures your products remain competitively priced.

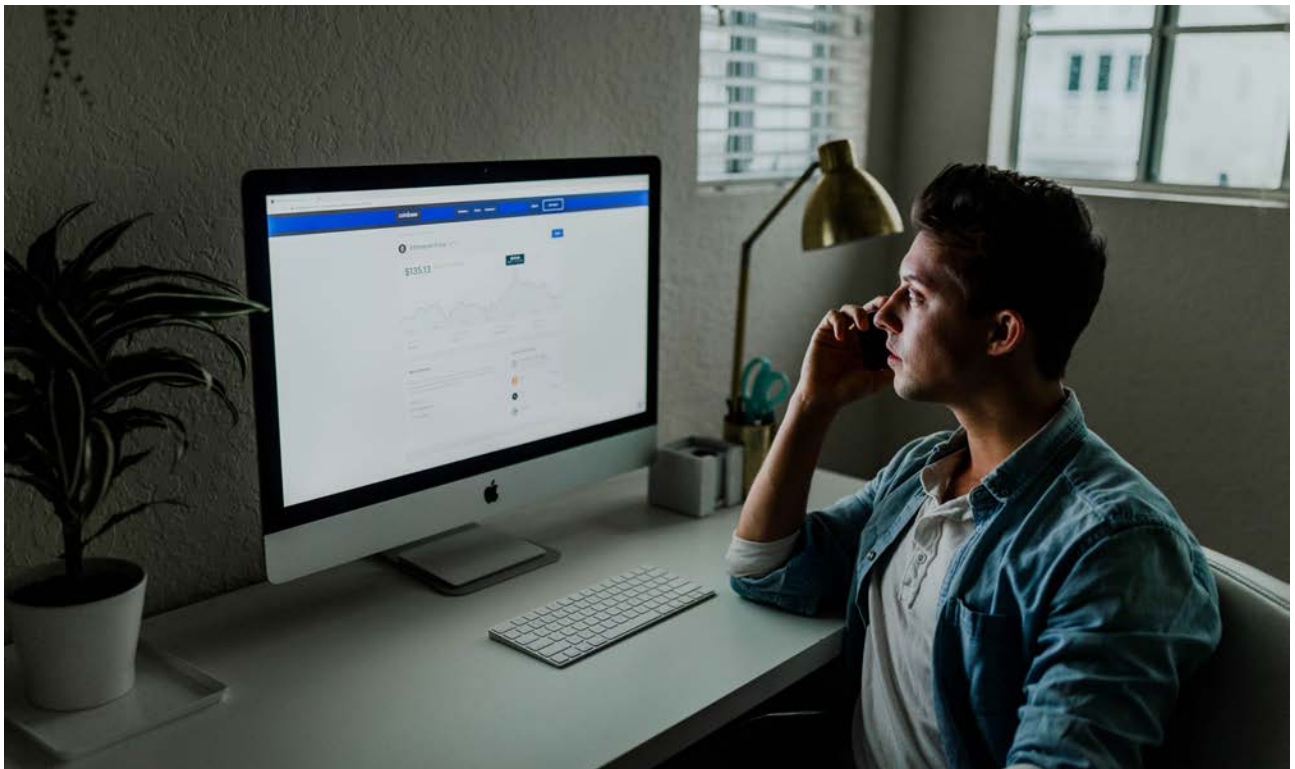
Your value proposition may not be price driven and instead be focused on exceptional customer service. For example, returns are an area that often leads to dissatisfaction. According to Australia Post, 29 per cent of survey respondents said it was too much effort to organise a return. In comparison, 34 per cent indicated it was too expensive to return a product. Taking the hassle out of delivery and returns will improve loyalty.

One Australian retailer living true to their value proposition is Victorian spirits retailer, Blackhearts & Sparrows. Their online presence well-styled, clearly categorised and lets customers know when to expect their orders. To deliver on such a promise, the online store is seamlessly connected to the retailers' supply chain management technology so that orders are filled and dispatched with a fast turnaround.

### **Sharpen your advantage with data and insights**

Every retail business has the potential to be a data-driven business – taking the guesswork out of strategic decision making. Data is one of the most valuable resources a retailer has, and it can revolutionise the experience for your customers.

For instance, do you know the delivery options your customers prefer? Are they more likely to want to express delivery, or perhaps they prefer click-to-collect? Research has found that 60 per cent of Australians will abandon a shopping cart if the shipping cost is higher than expected, so providing options and even special offers on this up-front, helps to capture sales.



The same goes for tailored promotions. If you know a large proportion of your customers purchase several items together, why not run a promotion and serve these as contextually relevant suggested items to shoppers as they browse your site? You can also cross-promote separate items based on the customers' purchase history at checkout.

Just like a high-performance retail staff representative knows to pick on subtle cues to guess a customer's preferences, AI-fuelled business intelligence solutions can help you visualise and analyse large e-commerce trends as they happen.

The online behaviours of a customer should enable your system to personalise better with tailored offers and recommendations. The more you understand your customers' shopping habits and customise their experience accordingly, the more aligned your customers will feel to your brand.

While many elements form a successful e-commerce strategy, it's critical to keep the customer experience at the heart of your holistic approach and stay true to your brand's

value across every channel. As the Australian e-commerce industry continues to grow, smart retailers are seizing the opportunity before them by drawing on intelligent technology that delights the customer at every click.

**PRONTO**  
SOFTWARE

## ABOUT

*Pronto Woven*

Pronto Software is an Australian developer of award-winning business management and analytics solutions. Pronto Xi, our ERP software, integrates accounting, operational, and mobile features in a single system – optimising business processes and unlocking actionable insights. Over 1,700 organisations have leveraged our industry experience and innovation to increase growth and revenue. Pronto Woven is a specialised business unit within Pronto Software.

[PRONTO.NET](https://pronto.net)



# Looking for a low-fee super option?

Rest's Balanced - Indexed investment option was just named *Money* magazine's 'Best of the Best'.

The award demonstrates the value Rest provides to members.



Find out more at  
[rest.com.au](https://rest.com.au)

Rest

Product issued by Retail Employees Superannuation Pty Limited. Consider if it is appropriate for you and read the PDS available at [rest.com.au/pds](https://rest.com.au/pds) before deciding to join or stay. Awards are only one factor to consider when deciding how to invest your super. More details – go to [rest.com.au](https://rest.com.au)

# WHY ORDER MANAGEMENT IS THE KEY TO GREAT CUSTOMER EXPERIENCE

USING TECHNOLOGY AND DATA TO REDUCE OVERSTOCKS AND PROVIDE CUSTOMERS WITH REAL-TIME INVENTORY TO ENSURE THEY RECEIVE DELIVERIES PROMPTLY.

*Graham Jackson, CEO, Fluent Commerce*

The past decade has seen the rules of the retail industry fundamentally change, with the next ten years set to take the industry even further into new territory.

The one standout fundamental that has emerged and will continue to rise is that high-quality customer experience remains essential for business success with expectations rapidly evolving.

Retailers will need to achieve this at increasingly efficient speeds and effectively use data to deliver a service at a hyper-personalised level, while at the same time contending with higher expectations around sustainable delivery and procurement practices.

Underpinning all of this is order management. Successful retailers in this decade won't rely on discounting; they'll focus on their customers' convenience. Order management software today can provide retailers with a real-time view of inventory so they can ensure products are delivered to customers most quickly and cost-effectively.

Everyone has had poor experiences, particularly with online retail. An order set for Christmas or a birthday that isn't delivered on time, or worse, is belatedly found to be out of stock, is a fast-track to an outraged customer, and a high potential for poor word-of-mouth and review.

Australian retailers have a unique challenge about how to meet customer expectations for free, same day, next hour, and next day delivery affordably. Having one huge warehouse somewhere in Australia

and trying to dispatch goods around the country is not only slow, expensive and bad for the planet, but also unnecessary when the technology exists to enable retailers to dispatch from store and route products from the customer's local area.

They need to unlock the power of their store network and turn them into mini distribution centres to reduce time, costs, and environmental impacts in the last mile delivery. Good order management software can help here and therefore improve the customer experience, reducing costs for retailers, and increasing customer loyalty.

Successful retailers will need to continue to invest in order management systems that orchestrate orders for fulfillment and route products from an optimal inventory location. This system will provide real-time inventory visibility for both staff and the customer, so employees can process returns, and provide controls and feedback to management.

Failure to capitalise on this has already heralded scaremongering of the retail apocalypse over the past few years, as we have seen many retailers struggling to keep up with new consumer expectations, increased global competition, and escalating expenses.

Increased visibility and understanding of customer behaviour will also provide data and power better decision making for retailers. We will also be able to predict supply and demand more effectively, with the potential for auto-replenishing supplies directly to customer's homes.



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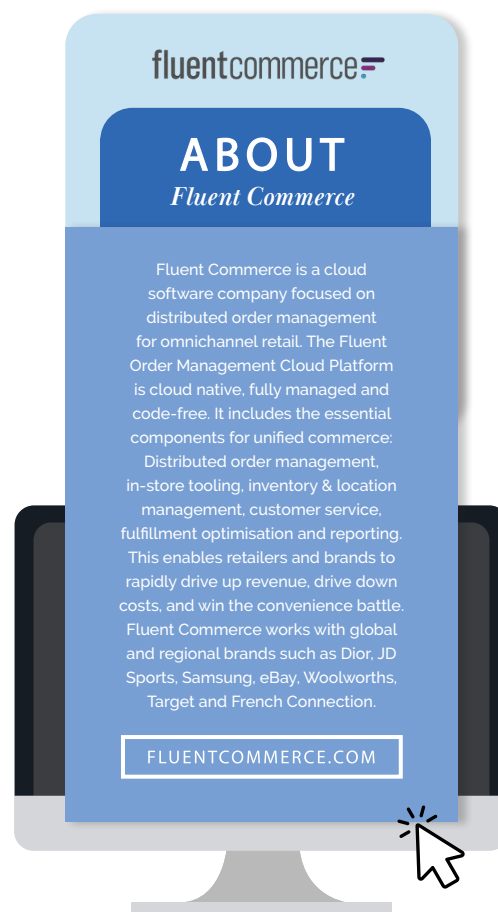


It also reduces the overbuying of inventory, overselling, cancelled orders, and the need for more discounting to move stock. This data will also be used to predict future behaviour habits better, shaping products down to details like colour and style, to create bespoke offerings.

Those retailers that successfully mesh digital and physical presences are likely to thrive, with stores acting as mini distribution centres and places to return and collect items. Even previously online-only, players are increasingly opening pop-up or even permanent stores to leverage the power of the store network.

The next decade of retail will rely on investment in technology, such as order management software that can underpin these retail and customer service essentials.

The retail rules of 2020 will likely be significantly different from those in 2030. Still, to get ahead in the next decade, retailers must continue to adapt, move forward, and always ensure the customer experience remains a fundamental business priority.





Australian  
Retailers  
Association

# MEMBER BENEFITS

We're here for retailers, big and small.

The Australian Retailers Association (ARA) is Australia's leading retail peak industry body, representing over 7,500 local and international members in more than 40,000 locations. The ARA will provide you with the tools and expertise you need to help your business navigate the retail minefield in these challenging times. Let us take care of the nitty-gritty, so you can get back to preserving and growing your retail business.



## Employment Relations Consulting

We have a number of employment relations consultants on call to answer your questions. Uncapped and unlimited, simply call 1300 368 041.



## Retail Workshops and Courses

Members receive exclusive and discounted education and training opportunities through the ARA's Retail Institute.



## Industry Events and Networking

The ARA hosts and facilitates events that connect you with like-minded retailers, industry leaders and change-makers.



## Member Benefits

To ease the financial pinch on retailers, we offer advice on consumer law such as issues with refunds and returns, a free consultation on tenancy and lease renewal, and great deals on insurance.



## Human Resources Portal

Your membership includes unlimited access to the powerful ARA Employment Relations Management System - everything you need to make HR administration easy, and workplace compliance simple.



## Coronavirus Resources

We have developed a range of tools, financial support measures and resources to help our retail members during this challenging time. Get access to webinars, digital HR management tools and regular government updates.

The ARA's core services make life easier for retailers. The ARA's expertise and in depth knowledge informs and protects its members.

THE ARA HAS BEEN ENSURING THE SUCCESS OF ITS MEMBERS FOR OVER

**116**  
years

THE ARA HAS DEVELOPED OVER

**34**  
policies and codes of practice

**50%**  
of Australia's top 20 retailers ARE ARA MEMBERS

THE ARA'S ADVOCACY INITIATIVES HAVE SUCCESSFULLY DELIVERED THE RETAIL INDUSTRY OVER

**\$40**  
million in savings

THE ARA'S TELEPHONE ADVICE LINE RESPONDED TO OVER

**16,000**  
calls  
including Coronavirus (COVID-19) advice

We're here to save you time, money and hassle.

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e. [info@retail.org.au](mailto:info@retail.org.au)  
p. 1300 368 041



# PAYRIGHT PAYS OFF FOR MELBOURNE BROTHERS AND JOINT CEOS, MYLES AND PIERS REDWARD

THE REDWARD BROTHERS ARE REVOLUTIONISING THE BUY NOW, PAY LATER LANDSCAPE WITH PAYRIGHT. THE BROTHERS DISCUSS HOW HIGHER-PRICED PRODUCTS AND SERVICES ARE CHANGING CUSTOMER DEMANDS.

*Christine Kardashian, Group Account Director, Launch Management Group Pty Ltd*





Myles and Piers Redward share the CEO position of thriving Australian buy now, pay later company Payright, which they established together in 2016 when they identified that a large number of merchants and retailers with higher-priced products and services were massively underserved.

Both Myles and Piers career extends across the business and consumer finance sectors. Before establishing Payright, the brothers worked with some of the biggest names in financial services, including Esanda Finance, FlexiGroup, GE Captial, and Moody's.

Putting their heads together and drawing on their combined 25 years of experience, the brothers developed Payright, a service that enables merchants to offer a buy now, pay later flexible payment option to their customers, and in turn, accelerate return-on-effort.

“Consumers want more choice and flexibility in the way they shop and pay,” explains Piers. With an increasing societal trend for spreading the cost of purchases and larger expenses, building the Payright business was a natural progression for the brothers. In only a few years, the buy now, pay later market has grown exponentially, and the background and knowledge they bring to the business has been fundamental.

“There is a clear growth in the buy now, pay later space in the addressable market – the opportunity is close to \$300 billion in retail alone”, says Myles.

Piers says he and Myles wholly share the CEO role, and either one can stand-in for the other at any given time. Both brothers are hands-on and oversee the details of the business while watching as the buy now, pay later revolution evolves.

It was their keen eye on the sector that realised the gap with higher-priced products and services.

In particular, Payright is developing the buy now, pay later category in the services market – a largely untapped space – enabling businesses such as plumbing, photography, and beauty, to name a few, the ability to offer buy now, pay later to their customers.

“Being co-founders and joint CEOs, there is naturally a strong team dynamic, and as brothers, we are fortunate to have complementary skill sets and industry knowledge, having worked for some of the world’s largest payments corporations,” says Myles.

“While we agree on most things, there are always going to be some things we don’t agree on, the fact that we are brothers makes this much easier to navigate. We are intimately aware of the challenges and opportunities within the buy now, pay later space, which is what prompted us to get involved in this business”, continues Piers.

Piers and Myles truly show the power of teamwork with a winning combination of shared beliefs, diverse talents, and, most importantly,

collaboration. Both brothers describe themselves as “calculated risk-takers with an entrepreneurial streak,” and they have capitalised on this to create an effective partnership that includes consistent and open communication. Piers and Myles encourage this with the broader Payright team and promote a culture of people empowerment within the business. This is something the brothers have been committed to from the outset, to create a clear and unique company culture.



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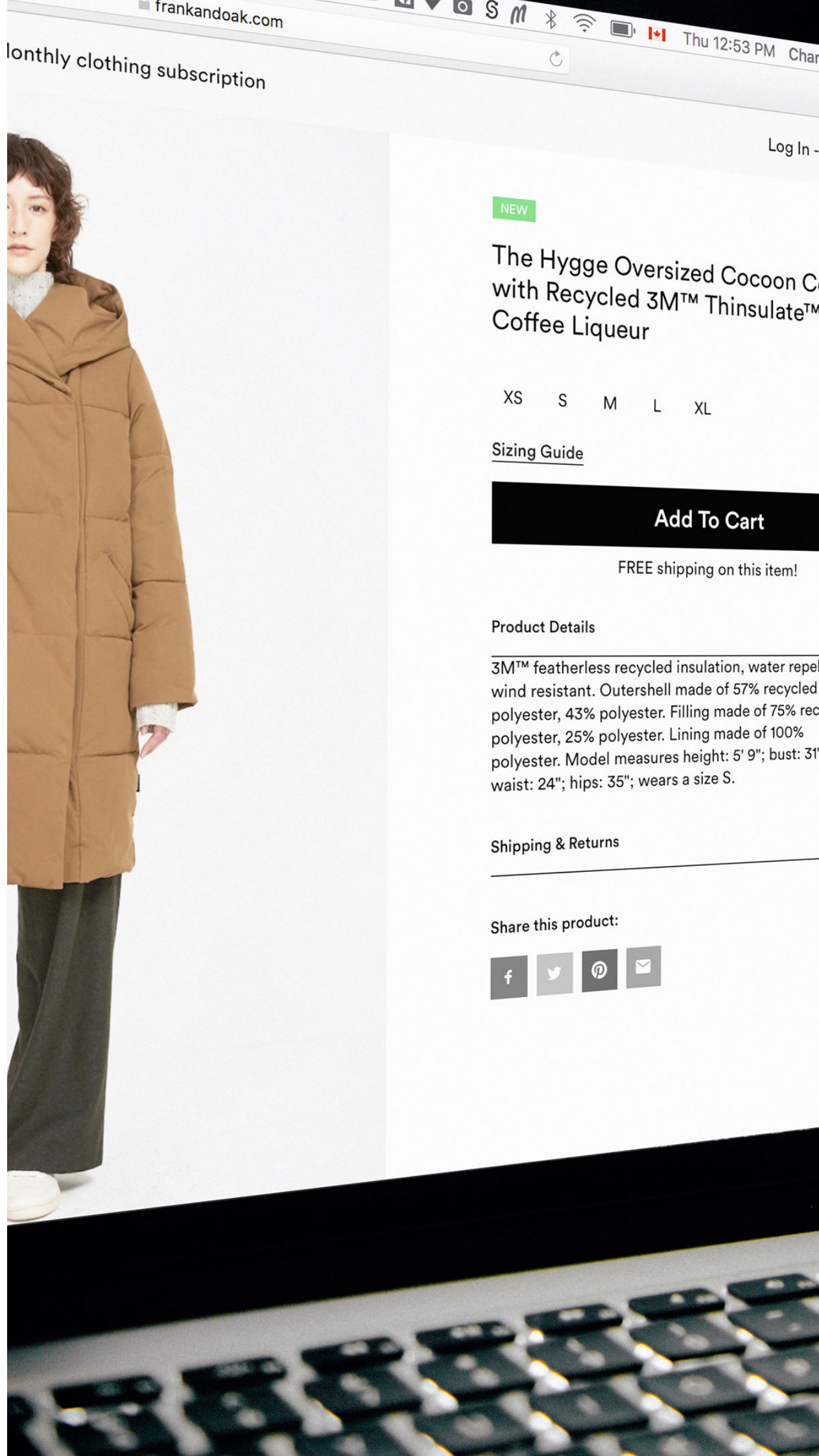


Myles says with a rapidly developing business; it is easy to get lost in the growth story and lose track of business fundamentals. “Throughout our journey, we have been very conscious of this and spent quite a bit of time and resources into finding the right people to assist us in building Payright into a meaningful player across the buy now, pay later space.” Piers adds, “While the concept of ‘surrounding yourself with good people’ is not new, getting it right can certainly be a challenge. We believe our investment and time in this has yielded a great outcome and will continue to be one of our guiding principles.”

According to the 2018 KPMG Enterprise and Family Business Australia survey report of family businesses in Australia, 70 per cent of Australian businesses are family-owned. Payright is a family-owned enterprise that holds close family values – from the care they offer merchants and customers, to the culture they inspire within the team. The brothers have also tapped into their talented family, with several family members active within the business. From a business perspective, the joint leadership and family structure add a degree of stability for the entire Payright team.







NEW

## The Hygge Oversized Cocoon Coat with Recycled 3M™ Thinsulate™ Coffee Liqueur

XS S M L XL

[Sizing Guide](#)

Add To Cart

FREE shipping on this item!

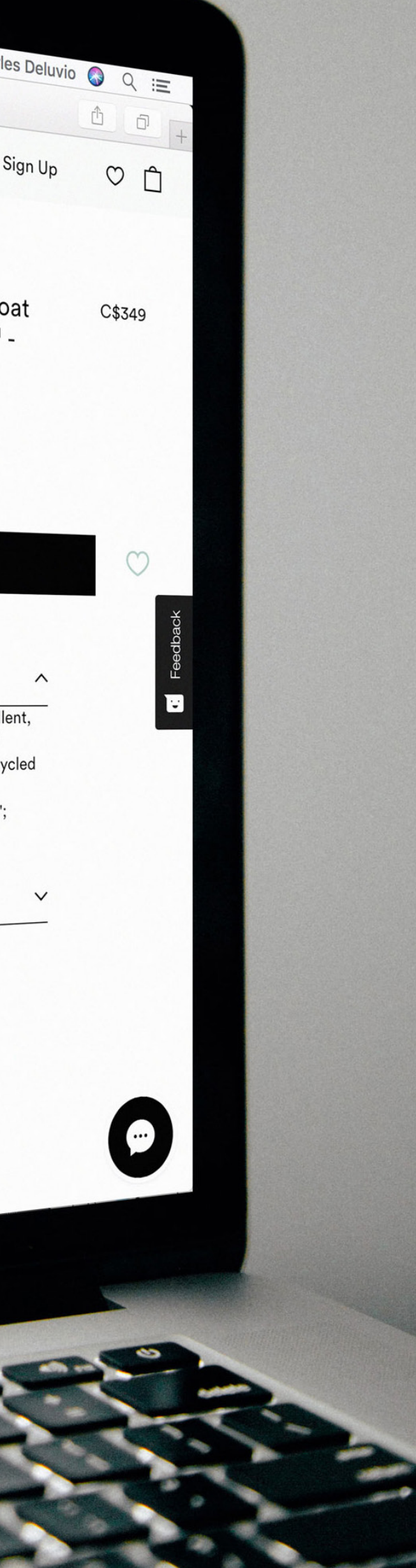
### Product Details

3M™ featherless recycled insulation, water repellent, wind resistant. Outershell made of 57% recycled polyester, 43% polyester. Filling made of 75% recycled polyester, 25% polyester. Lining made of 100% polyester. Model measures height: 5' 9"; bust: 31"; waist: 24"; hips: 35"; wears a size S.

### Shipping & Returns

Share this product:





# THE DATA INSIGHTS TO LIFT YOUR BRICKS- AND-CLICKS GAME

RETAILERS WHO ACCESS AND  
USE VITAL IN-DEPTH CUSTOMER  
DEMAND INSIGHTS CAN STAY  
AHEAD OF THE RETAIL CURVE

Innovative retailers are now using technology to create a seamless omnichannel experience that bridges the gap between online and in-store.

Thriving retailers are selecting smart technologies that benefit their customers and provide data insights to help make better business decisions. The right technology can benefit everyone in the business, from those making strategic decisions (like the CEO) to operational roles, including Ecommerce Managers, Marketing Managers, Merchandise Planners, Allocation Analysts, and Customer Service teams.

So what technology systems or services are you currently using to understand customer demand across your entire store network and better facilitate the unison of your bricks-and-clicks?

*Andrew Maver, CEO, stockinstore*



## AS WE ENTER THE NEW DECADE, BRANDS THAT DO NOT INVEST IN RETAIL TECH SOLUTIONS TO IMPROVE THEIR ONLINE AND IN- STORE EXPERIENCES FOR CUSTOMERS ARE AT RISK OF BEING LEFT BEHIND

### Going beyond simple data collection benefits the whole team

An array of SaaS solutions for retailers is now available, saving hours of development time and ongoing costs associated with the necessary upkeep of in-house built systems. For retailers, the challenge is choosing the right SaaS provider who'll go above and beyond to service your business.

With stockinstore, retailers tap into customer demand data that are readily available in our reporting suite. It's data that's 'retail gold' because, in today's highly competitive retail landscape, access to these kinds of insights allows retailers to sharpen their game and stand out from the crowd.

The good news is that your customers' clicks, calls, and taps are already telling you exactly what they want and where they want to shop. The key is how you capture and, more importantly, utilise that data.

And that's where stockinstore is ready and rearing to go with you.

### Customers talk, and so does the data

By knowing your customer product demand by location, you can ensure stock is where it needs to be and when. You'll also have access to our lost sales in-store report so you can understand

your customers better and predict their wants and needs. You'll have access to reports on inventory and merchandise planning based on real-time customer demand, which can reduce over-stocks and maximise your seasonal selling opportunities. And if you're keen to report on the effectiveness of your marketing campaign in-store, we've thought of that too!

### Convenience is key

The ability to generate these kinds of reports at the click of a button ultimately means less guesswork and better decision-making across the business. With more real-time reports available, you'll also realise that every touchpoint is an opportunity to delight and strengthen customer relationships. With access to this vastly untapped resource of insights, retailers can stay ahead of their competitors and ensure a vital return in customers for their bricks-and-clicks.

### A solution for the future

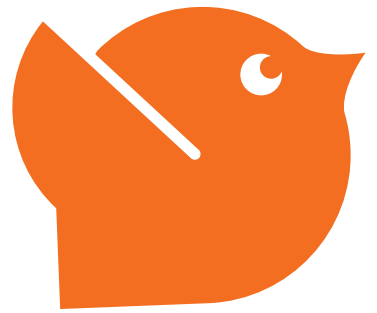
As we enter the new decade, brands that do not invest in retail tech solutions to improve their online and in-store experiences for customers are at risk of being left behind. With customer expectations continually evolving and competitors always hot on your heels, if you: innovate and deep-dive into customer demand data, it'll be sure to help your business thrive in today's climate.





# Get up and humming fast.

Integrating humm could take less time than reading this ad.



**Want more customers with more buying power fast?**

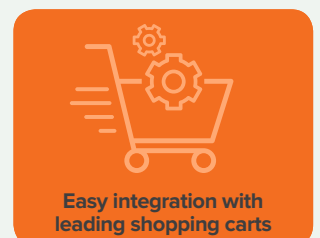
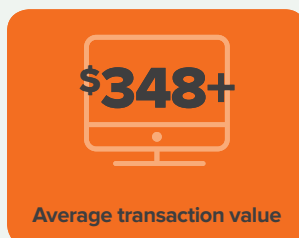
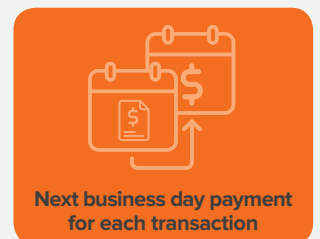
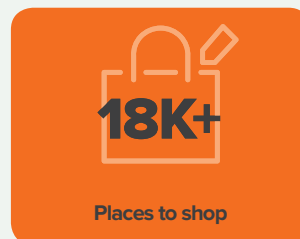
Then connect your business to **humm**.

One of Australia's most flexible Buy Now Pay Later services.

With our **'Little things'** product, customers can shop up to \$2K with flexible repayment terms and no interest ever.

Your business will love communicating with over 1M customers already using **humm**.

Best of all, **humm** instantly integrates with leading shopping carts – so you can get your business humming fast.



For more information call **02 8905 2273** or visit **[www.shophumm.com.au/sell-with-humm](http://www.shophumm.com.au/sell-with-humm)**



**SO, YOU'VE GOT  
A SMASHING  
OMNICHANNEL  
EXPERIENCE AND  
A BULLET-PROOF  
CUSTOMER LIFECYCLE  
MARKETING STRATEGY,  
NOW WHAT?**



# A RETAILER'S THREE-STEP MARKETING GUIDE FOR SMASHING THE NEW DECADE

IN THE EVER-CHANGING RETAIL INDUSTRY, WHAT WORKED YESTERDAY WON'T NECESSARILY WORK TOMORROW. BRANDS MUST CONTINUALLY REFINE THEIR MARKETING STRATEGIES TO ENSURE THEY'RE MEETING CHANGING CUSTOMER DEMANDS.

*Adam Ioakim, Managing Director, APAC, Emarsys*

The last decade was huge for retailers. We saw the rise of hundreds of new brands and the decline of others that were much-loved for generations. We watched as the retail industry adapted to eCommerce—and then shifted to accommodate the consequent demands of mobile commerce, otherwise known as mCommerce. It was a turbulent decade, but ultimately, retailers are now in a better position to prepare themselves for the demands of the twenties.

## 1 OMNICHANNEL MORE IMPORTANT THAN EVER

If the last decade taught brands anything, it's that a seamless omnichannel experience is a key to attracting and retaining customers. In the 2010s, brands focused on providing their customers with an integrated shopping experience, whether online from a desktop or mobile device, via phone, or in a brick-and-mortar store. Omnichannel strategies are essential as a consistent brand image and message ensure a heightened sense of familiarity and relationship with the brand.

While the adoption of omnichannel marketing strategies has been an important step for brands to excel, the journey has only just begun. To thrive in this ever-competitive market, retailers need to ensure they're continuing to meet their

customers where they want to be met. And, in this decade, one of the biggest channels the retail industry will need to come to grips with is voice assistant technology.

According to the Deloitte 2019 mobile consumer survey, Australians are using voice-assisted speakers and home hubs more frequently, with a year-on-year growth of 51 per cent. In the near-term, as voice assistants become more ingrained in our lives, new opportunities for brands arise to develop a voice or conversational strategy to reach consumers in this channel. Looking further into the future, it's not hard to imagine a time when consumers will have some kind of personal artificial intelligence that guards their attention. Brands will need to rethink the fundamentals of marketing to survive in a world of voice-based shopping.

## 2 CUSTOMER LIFECYCLE MARKETING IS WHERE IT'S AT

The retail industry is fraught with change, but one thing remains constant: the value of knowing your customer. Understanding who your customer is and their behaviours, needs, expectations, and desires are invaluable to retailers.

At present, we see too many retailers focused on short-term wins, such as sales events or the offer



# MARKETING

## FEATURE



of discounts to court hard-to-win customers. That's not to say that these tactics don't work—as part of a well-thought-out marketing strategy, they can deliver in droves. However, it's difficult to find valuable customers during a sales period or with the offer of a discount. These customers can sometimes cost a brand.

Customer lifecycle marketing is one of the most undervalued overarching strategies for retailers, and, as we move into the '20s, it should be the priority in place of a hyper-focus on just acquisition or retention. Lifecycle marketing is the entirety of the experience, interactions, and content that customers engage with for the duration of their time with a brand. They might be potential buyers, new customers, or lifetime evangelists.

### 3 LOYALTY AS A STRATEGY, NOT JUST A PROGRAM

So, you've got a smashing omnichannel experience and a bullet-proof customer lifecycle marketing

strategy, now what? The next step is to foster loyal and long-lasting customer relationships.

The value of loyalty is not lost on brands, many of which have invested lots of money into building and sustaining loyalty programs. Unfortunately, with the average Australian belonging to 6.1 loyalty programs, these schemes have become commoditised and are no longer enough to retain customers.

Loyalty is more than a program, no matter how excellent the scheme is. Sadly, too many brands have a functional platform but lack a loyalty strategy.

Loyalty should be about recognising, rewarding, motivating a customer at every stage of the lifecycle. Building a loyal customer takes time, strategy, and investment; it can't be done overnight.

In the ever-changing retail industry, what worked yesterday won't necessarily work tomorrow. Brands must continue to refine their marketing strategies to ensure they're meeting changing customer demands.



SEASON 2 COMING SOON

Australian Retailers Association

**PRESENTS**

# WOMEN IN RETAIL SERIES

## DID YOU KNOW?

*57.7% of the retail industry is comprised of women*

*39.1% of managers are women*

*43.3% of all manager-level appointments went to women in 2017-2018*

*10.4% the current gender pay gap on base salaries*

**VIEW SEASON 1 INTERVIEWS FROM MORE WOMEN IN RETAIL**

FOR MORE INFO, VISIT [BIT.LY/WOMENINRETAIL](https://bit.ly/womeninretail)

*Women*  
in Retail Series



Australian  
Retailers  
Association

# LOOKING TO UPSKILL YOUR STAFF AND KEEP YOUR BUSINESS THRIVING?

*Equip your team with the right skills to boost your business with the ARA Retail Institute*



As a service provider under the banner of the Australian Retailers Association, the ARA Retail Institute provides education and consulting solutions to members and the broader retail industry. Managed by a group of highly skilled retailers, the institute is attuned to the needs of the industry and delivers support that is progressive and aligned with our client's development plans.

Since its inception, the ARA Retail Institute has helped thousands of Australians and retailers gain nationally accredited Certificate and Diploma qualifications while pursuing their retail career. Our graduates have gone onto secure roles varying from sales assistant, senior management, and category management roles in prominent retail stores across Australia, including Officeworks, Furla, Chanel, Myer, Glue and Lagardere, to name a few.

As retail is a \$325 billion-dollar sector employing over 10.3% of the Australian working population, we firmly believe in helping Australians enter the workforce and offer opportunities for current employees to upskill themselves. With so many courses to choose from, we have broken down each course to help you find the right one for you and your business.

## CERTIFICATE II IN RETAIL SERVICES



### Course Description

This program is designed as a pre-employment pathway program to equip candidates with skills and knowledge for ensuring job-readiness in the retail sector.



### Suited for

Jobseekers/people looking to join the retail industry.



### Career opportunities

Potential job roles for individuals with this qualification include business to business sales officer, sales representative, and customer service officer.

## WHAT YOU'LL LEARN

- Engage the customer
- Assist with customer difficulties
- Build customer relationships and loyalty
- Work effectively in a team
- Work effectively in a secure environment
- Identify and respond to security risk
- Sell to the retail customer
- Contribute to workplace health and safety
- Control stock
- Balance and secure POS terminal
- Develop personal productivity
- Produce visual merchandise displays
- Support marketing and promotional activities



## Delivery options

### FULL QUALIFICATION

- 12 Units of Competency
- 7/9/13 weeks
- Classroom/ Online delivery
- Part-time option

### PART QUALIFICATION / SKILLSET

- Up to 7 Units of Competency
- 5 weeks
- Classroom/Online delivery
- Part time option

## COURSE PRICE

\$2000

\* Government Funding available

For more information visit: <https://www.retailinstitute.org.au/event/sir20216-certificate-ii-in-retail-services/>

## CERTIFICATE IV IN RETAIL MANAGEMENT



### Course Description

This qualification reflects the role of individuals who lead a frontline team and manage the day-to-day operations of a retail store or department to implement and deliver on organisational objectives and standards. These individuals possess a range of highly developed selling and customer engagement skills with sound knowledge of product and service offerings.



### Suited for

Store/branch managers, assistant store managers, department managers.



### Career opportunities

This qualification provides a pathway to work in a diverse range of retail settings including speciality retailers, supermarkets, department stores, and quick-service restaurants.

## WHAT YOU'LL LEARN

- Roster staff
- Monitor retail store financials
- Create a customer-centric culture
- Maintain employee relations
- Lead a frontline team
- Maintain store security culture
- Achieve sales results
- Maintain workplace safety
- Coordinate visual merchandising activities
- Develop the retail frontline
- Recruit, select and induct team members

## Delivery options

### FULL QUALIFICATION

- 13 Units of Competency
- Up to 12 months
- 1 monthly session
- Classroom/Work-based/Online/Blended

### PART QUALIFICATION / SKILLSET

- Up to 6 Units of Competency
- Classroom/Online

## COURSE PRICE

#### Group discount available

(For groups of 5 or more, contact us to take advantage of a discounted course cost)

**\$3300**

\* Government Funding available

For more information visit: <https://www.retailinstitute.org.au/event/sir40316-certificate-iv-in-retail-management-3/>

## DIPLOMA OF RETAIL MERCHANDISE MANAGEMENT



### Course Description

This qualification provides a new platform for professional development to build sustained talent and productivity improvements in merchandise teams. Drawing on foundations of best practice in merchandise planning and buying, this program is facilitated by industry-leading retail professionals who are equipped with strong education & facilitation skills.



### Suited for

Buyer, planner, category manager, merchandise manager.



### Career opportunities

Individuals with this qualification can perform roles such as a retail buyer or merchandise planner.

## WHAT YOU'LL LEARN

- Develop a merchandise strategy
- Plan a merchandise product range
- Conduct a post-trade analysis
- Negotiate and establish supply arrangements
- Develop a merchandise financial plan
- Develop a merchandise promotional plan
- Plan merchandise buying trips
- Plan product development
- Manage merchandise quality and compliances
- Develop and e-commerce strategy
- Recruit, select and induct team members

## Delivery options

### FULL QUALIFICATION

- 11 Units of Competency
- Up to 12 months
- 1 monthly session
- Classroom/Online

### PART QUALIFICATION / SKILLSET

- Up to 5 Units of Competency
- 1 monthly session
- Classroom/Online

## COURSE PRICE

**\$4500**

\* Government Funding available

For more information visit: <https://www.retailinstitute.org.au/event/sir50317-diploma-of-retail-merchandise-management-2/>

“The trainer has really in-depth and industry & practical knowledge and delivered the session in a really relatable manner making the learning journey really enjoyable. The sessions have really provided the students with condensed knowledge which would have taken them years to learn from being in different roles and responsibilities. The business has now adapted a common language across the department which has improved communications significantly.”

- Lagardere  
Skill Set - Diploma

“The formal group training has really provided an amazing opportunity for the team members across different stores to learn together and share ideas across the business. The team members are able to discuss and provide more ideas on best way to enhance performance in their stores. They are also looking at some business aspects which they have never considered or have any knowledge previously but have significant impact on store performance such as rostering activities, financial planning, report provision and report analysis.”

- Furla and Glue Store  
Skill Set - Certificate IV store management program



Australian  
Retailers  
Association



[www.retail.org.au](http://www.retail.org.au)

If you're interested in enrolling in one of our courses or if you'd simply like to find out more, please call us on **1300 368 041** or email [training@retail.org.au](mailto:training@retail.org.au).  
For additional information visit, [www.retailinstitute.org.au](http://www.retailinstitute.org.au).





# KELLI DONOVAN

DESIGNING THE FUTURE OF RETAIL WITH A PASSION FOR PURPOSE AND CHANGE

*Zoe Thompson, ARA, Marketing and Communications Officer*

The retail ether is constantly bombarded with new solutions, from ways to improve customer experience, to supply chain technologies and everything in between. While it's easy

to get caught in the thick barrage of trends and information, retailers like Kelli Donovan and her team at Pure Pod, are determined to bring the retail experience back to basics. Kelli's mission to create a healthier and cleaner planet for

generations to come is the driving force behind creating quality, timeless fashion designed to last. Her commitment to designing with passion and purpose is realised through her strong advocacy for educating and encouraging consumers, stockists, and creative designers to consider the sources of their purchases, their maker, and their current ethical footprint.

In this interview, read all about Kelli's retail journey, her business, and her vision to create a more sustainable and ethical industry.

## **What made you want to work in the industry?**

I've worked in retail for almost my whole career. From a young age, I worked for my family's women's shoe stores, an experience I'm so thankful for. It gave me a well-rounded knowledge of retail from how to run a retail store, to buying, and customer service.

I then worked in retail fashion stores across London, Melbourne, Byron Bay, and Canberra. In Melbourne, I was designing for large retail and department stores. I had to design products, go on buying trips around the world and sell these designs to the buyers through storyboards I designed or with the actual product that we had to make up for sales meetings.

I have always loved fashion and have a long history in it. When I was a little girl, I used to sit for many hours watching mum sew dolls and toys for the school fetes to raise money. Being involved in fashion design from such an early age, the desire to sell to customers only grew with time.

## **What is the best part of your job?**

The best part of my job is being able to work directly with our makers, and see the impact our sales has on their lives. With every sale, we can make sure they have a wage to support their families and assist their communities. Telling the stories of the textiles and the clothing to our customers is also great. It helps them reconnect with the way clothing used to be made. I'm

fortunate enough to have the opportunity to be creative and do what I am supposed to be doing.

## **What do you love about retail? What inspires you?**

Having grown up with my mum, who ran shoe stores, and my grandmother, who was a tailor, I think my love for retail has always been in my blood. My inspiration comes from our Pure Pod customers who inspire me every day.

## **How has your vision changed since you first started?**

In the beginning, it was about the environment and making clothing using a lower impact and organic fibres. Since the Rana Plaza factory collapse in Bangladesh in 2013, where over 1,134 people lost their lives, and the Fashion Revolution movement happened, I found it's not just about the clothes; it's about the whole human impact as well.

As the ethical fashion industry has grown since we started in 2006, so have the choices in the supply chain and transparency of all areas from textiles to makers to buyers. It's no longer about just the textiles and the wearer; it's so much more. Over our 16 years in business, we have a stronger voice as pioneers and ethical change-makers. It's exciting to see the major stores and buyers around the globe looking at their supply chains and talking about it to make positive changes.

## **What changes would you like to see in the industry?**

It's more than just making and selling clothing. For me, it is about global change in the fashion industry to make it safe and fulfilling for all workers in our industry and create less pollution in the textile and clothing manufacturing process. As designers, we need to consider the whole supply chain from the first inception of the design to the end product. I would like to see the thoughtful design and circular economy be encouraged across all parts of the industry to reduce our impact on the environment.



**“ SMALL  
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AND RETAILERS,  
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EMPLOY MORE  
PEOPLE AND BOOST  
THE INDUSTRY.**





## What advice would you give young people in the industry who are passionate about making a career in retail?

Learn as much as you can from every person you meet, no matter their age or background. Everyone has a good story to help the next generation who will take over our industry, even if the industry has changed from their days. While the industry is running at a much faster pace than it used to and sales approaches are now more tech-based, we can still take old fashioned methods of selling and producing and create new ways of using them.

## How can the retail industry better support you as a leader in your field?

I think the industry can help by supporting our community by buying from Australian brands. Small businesses are a huge employer in Australia, and by supporting these smaller brands and retailers, we can help them employ more people and boost the industry. Smaller retailers and brands can make quicker innovative changing in their businesses than large companies. By supporting small Australian creative businesses like Pure Pod, we can make big changes and help lots of people in our supply chains.

## What are some of the sustainable alternatives your organisation uses?

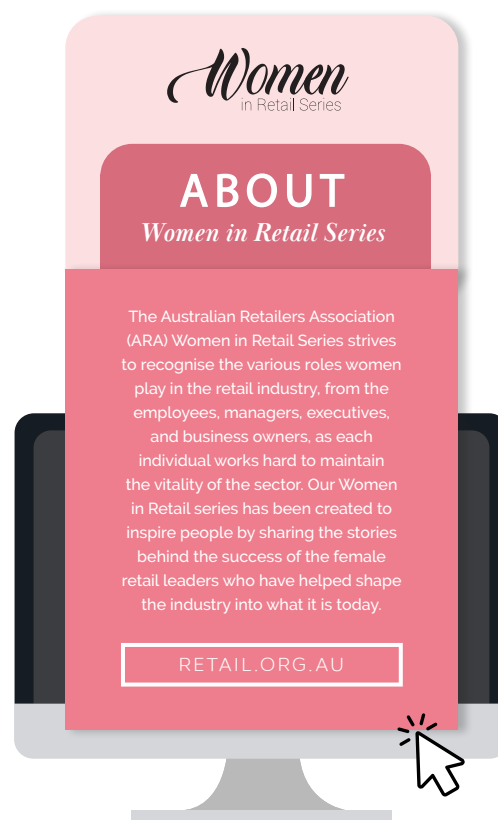
We use a sustainable business model and aim to reduce the impact of fashion through promoting a circular economy, waste reduction, and cultural change. We do this by selling sustainable garments, offering an online marketplace where customers sell garments they no longer need, and hosting sustainable lifestyle workshops. Pure Pod predominantly uses plant-based fibres, and many of our garments are vegan and are produced with end-of-life cycles in mind. We also work with skilled tailors within Australia to support an industry that has seen a steep decline locally.

## How important is it to communicate the purchasing of sustainably made products/services to consumers?

It is everything to our brand. This is the whole purpose of our brand, our ethics, and why we make Pure Pod clothing. I think consumers are now searching for brands with a purpose and open supply chain. Consumers are more educated about products than ever, and they are vying for change and to buy products they'll feel good about.

*To learn more about Kelli, the Founder of Pure Pod, visit [purepod.com.au/pages/our-story](http://purepod.com.au/pages/our-story).*

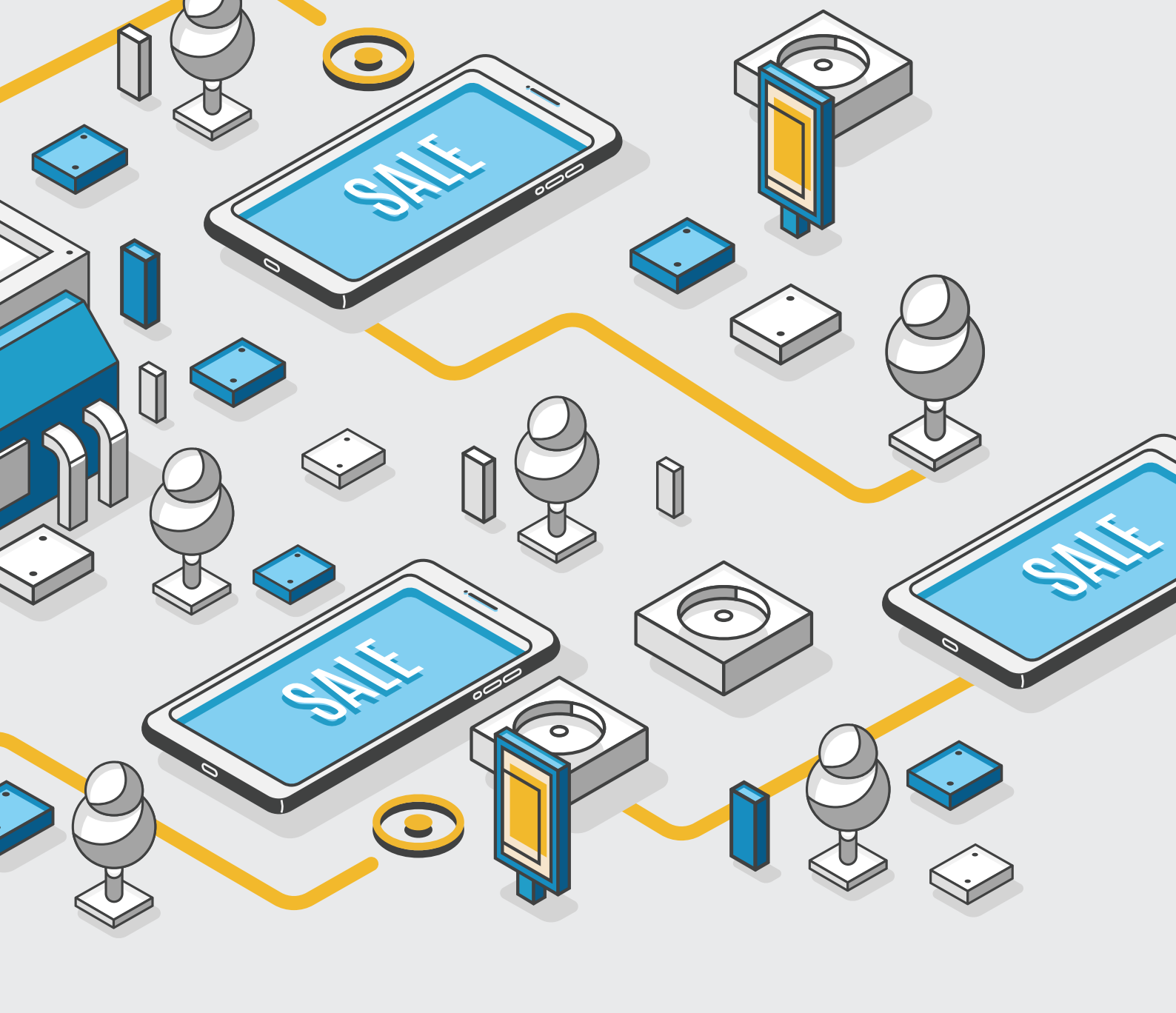
*For more stories like Kelli's or to watch interviews from passionate leaders visit, [australian-retailers-association.com/women-in-retail-series](http://australian-retailers-association.com/women-in-retail-series).*





# A DECADE OF DEVELOPMENT FOR ELECTRONIC PAYMENTS

*Richard Wormald, Division President, Australasia, Mastercard*



A decade ago, the way retailers accepted payments was very different.

The technology we take for granted today, like tap and go, was starting to emerge. Consumer electronics companies were looking at how near field communications (NFC) could be used to allow payments through mobile and wearable devices.

Today, card payments are the most frequently used way to pay in Australia. Data from the Reserve Bank of Australia (RBA) shows 10 billion card payments for a total value of \$678 billion in 2018/19, with the use of debit out-pacing that of credit.

Looking forward, the Australian payments market will continue to evolve and innovate quickly over the next few years. New entrants, new technologies, more payment options, and the introduction of new products and services by system participants like Mastercard will continue to expand choice and ways for retailers to reach consumers. Our more connected and digitised world poses greater cybersecurity risks.



# TECHNOLOGY

## PAYMENTS

Online payments create a new frontier for fraud and data theft. Threats to financial information, and the potential for a crime against businesses, have increased as payments have become more complex and interconnected.

The latest data from AusPayNet shows card fraud costs Australians nearly \$600 million each year. The vast majority of this fraud is online. While that's undoubtedly a substantial figure, it's worth remembering that it represents less than 0.1 per cent of all transactions. Furthermore, the data shows growth in the card-not-present fraud rate has started to decline, likely as a result of ongoing investment in making electronic payments safer.

In this world, the advanced, sophisticated security measures deployed by the established payment schemes will be vital to maintain consumer and retailer confidence in doing business online.

We also understand retailers are concerned about managing their costs as commerce becomes more complicated. So, it's important to consider schemes' investment in security and innovation when considering whether merchant choice routing delivers real benefits to your business.

While merchant choice routing sounds like it could reduce acceptance costs, it may lead to an increase in fraud for card-not-present transactions, if transactions are routed to networks offering less security protection.

For retailers, routing transactions through a scheme with less sophisticated fraud detection and identity verification technology could increase false declines for electronic payments, reducing sales and needlessly irritating customers.

It's also essential for retailers to know that for those debit card transactions that can currently be routed, Mastercard is already the lowest cost, and we intend to remain competitive in a least-cost routing environment.

Despite Mastercard having the lowest debit card present fees, your bank may not be passing this on to you. This is because of their practice of 'blended billing,' which means the price you pay for accepting a Mastercard debit card includes a mixture of costs reflecting different transaction types.



While blended billing has the advantage of being simple, we encourage all retailers to talk to their banks to make sure they have access to the Mastercard debit card present fees. Because these are the lowest cost, this should eliminate any need to choose which scheme to route to.

The latest innovation making card payments safer and more cost-effective to process is tokenisation. This works by replacing a consumer's original card details with an alternate card number called a token, which is managed by the network. This token is then used to process a payment, while the real account data is safely protected.

Using tokens means a business never sees or holds any card numbers. Even if your business systems are hacked, the token can't be used by anyone other than the original requesting merchant.

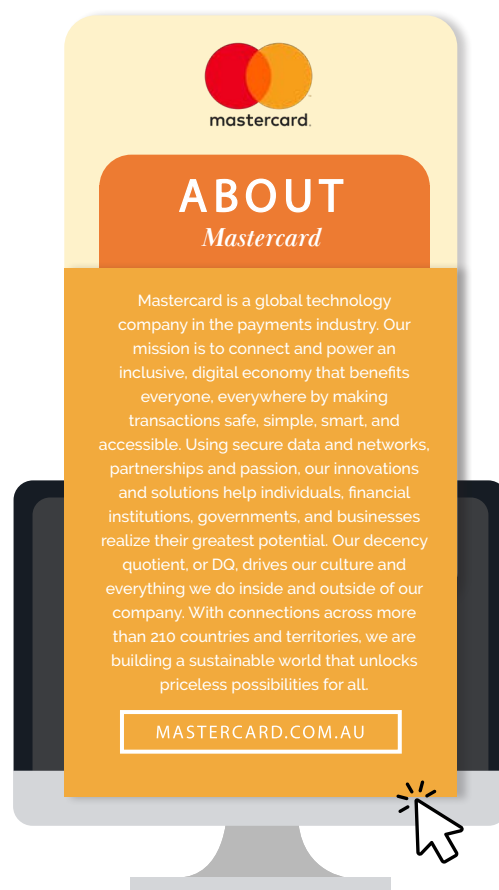
There are also additional advantages. Because the business never holds the card number, tokenised transactions have a lower risk profile, which makes them less expensive for banks to process, resulting in lower costs for retailers. These payments also receive higher approval rates, meaning retailers can make more sales. Finally, tokenisation assists a business to manage recurring payments. If a customer's card expires or is lost, tokenisation



assists with transaction continuity and minimises declines and lost sales. The growth of the digital economy means plastic cards will not be the dominant form factor for payments in the future, as evidenced by the proliferation of digital wallets, mobile wallets, and the growing number of card-not-present transactions. Already 25 per cent of transactions are on a mobile device with contactless payments.

The rollout of the 5G communications network, advances in artificial intelligence (AI), augmented reality (AR), and the Internet of Things (IoT) will lead to a very different payment system than the one we understand today.

As online transactions grow-in-size and volume, payments system participants like Mastercard are developing more advanced tools, leveraging tokenisation, biometrics, and machine learning technologies, to protect businesses and consumers. These technologies improve security, reducing the significant costs associated with fraud in the system. Mastercard's investments in technology increase choice for consumers, greater sales for businesses, and safer transactions, resulting in a more resilient payments system with advanced functionality.







# LOSS PREVENTION FOR MODERN BUSINESS

ASK ANY BUSINESS OWNER WHAT  
CONCERN THEY HAVE FOR THEIR BRICKS  
AND MORTAR STORE, AND YOU'LL HEAR  
SECURITY AT THE TOP OF THEIR LIST.

*Nick Karas, Managing Director, Dominance Guardian Services*







# LOSS PREVENTION

## BUSINESS OPERATIONS



Just about every well-run business will have put in place affordable and straightforward security solutions that reduce risk and provide an adequate deterrent to potential opportunist offenders. Without delving too deep into criminology theories, it is important to understand how the average thief's mind works.

Amateur opportunist criminals commit most shoplifting crimes. They may come into your store with the intent to take something, but they haven't worked out how they are going to do it and are likely to be deterred by the presence of employees.

On the other hand, sometimes there will be an organised group of people who enter the store with a plan. They know exactly what they want to steal, where it is, and how they will get it. These types of offenders are classified as Organised Retail Crime offenders (ORC). In the past, the reality has been that these people will steal from you no matter what fail-safe mechanisms you put in place – so the focus has historically been on reducing opportunistic crime.

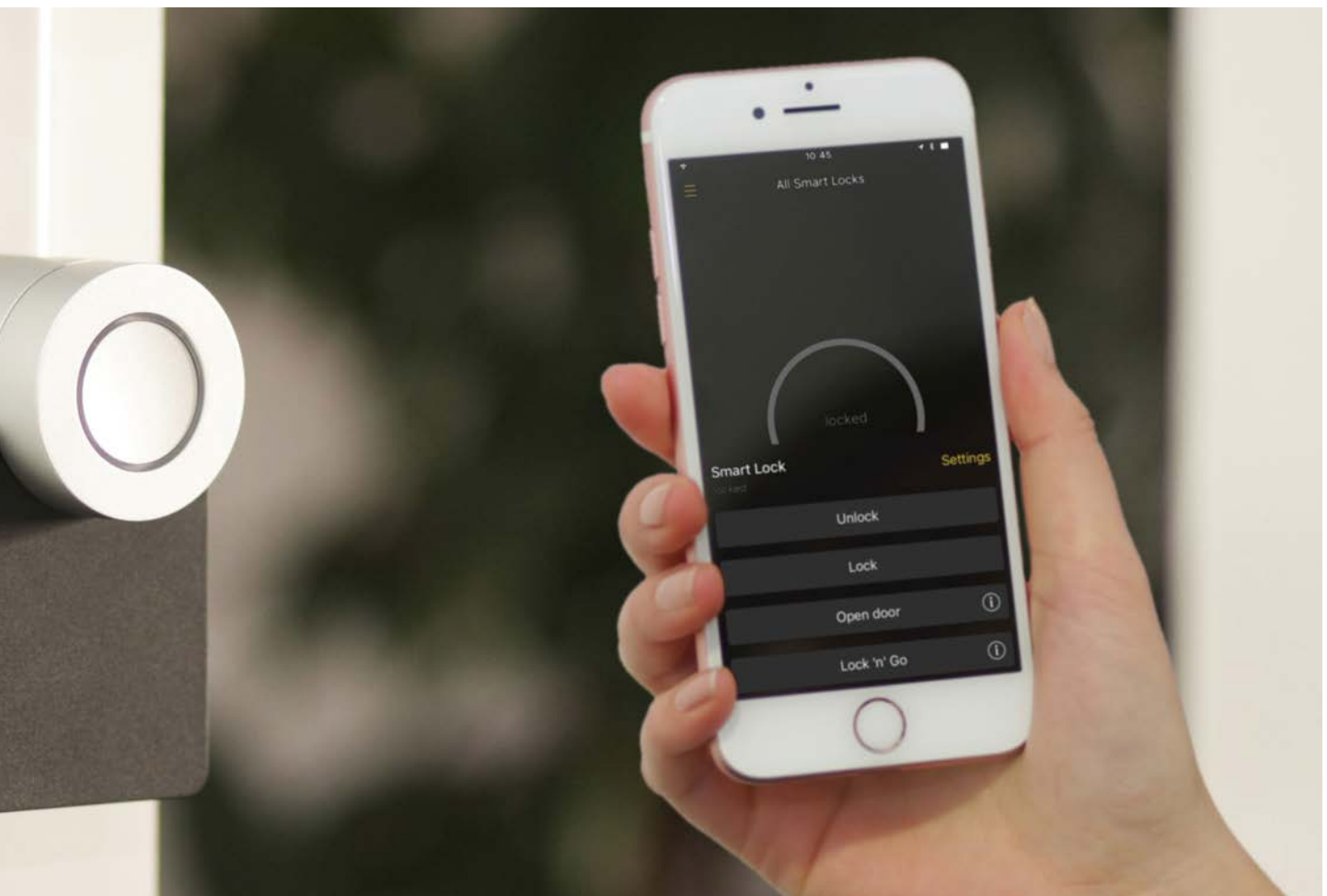


**ANY  
BUSINESS  
MOVING TO  
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WOULD BE  
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DETECTION  
SOFTWARE.**

As technology advances, we are slowly combatting this thought process to deter ALL crime, with sufficient security measures now becoming readily available and much more affordable.

Facial and licence plate recognition are already installed at many major retail stores around Australia with clear and measurable results. With commercially available facial recognition software, stores can get real-time alerts when known offenders enter their premises. This gives them the chance to either ask the offender to leave before they can steal or to ensure staff is always present, limiting the amount of alone time required by any would-be thief to steal.

Another area of focus in the modern era is fraud by way of stolen credit cards and their use in online transactions. These have escalated at an astronomical rate as the retail landscape has shifted more and more online. This area of shrinkage has really taken off in the last couple



of years and is showing no signs of slowing down. It is also where most retailers see the bottom line hit hardest. To combat this, online retailers, along with any store which accepts online credit card payments, have started employing I.T. teams dedicated to using modern data analytics to monitor all credit card payments and prevent the loss of stock. Numerous companies offer fraud detection solutions at the payment gateway, which can shift the liability away from the retailer for card-not-present transactions.

For smaller businesses, which may not be able to justify such a spend on this security measure, simple security policies like verifying I.D. when making an online purchase or cooling-off periods between the point of sale and delivery date can be used to counter the modern-day criminal.

The goal of retail security for a business is to look more difficult to steal from than other stores in the area. It's all about smoke and mirrors!

Retailers need to understand that risk comes from external theft (shoplifting), internal theft (staff), and fraud – and will need to develop strategies to safeguard the business.

### **External Theft**

External theft is probably the most recognisable form of loss experienced by small retailers – which is, unfortunately, an unavoidable part of today's retail industry. However, a little bit of investment into resources can go a long way in reducing that risk. The key is to educate and train your employees. They should be aware of high-risk areas, high-risk items, and the most common theft strategies.

### **Merchandising**

When deciding on the store layout, always consider the risk when laying out high-risk merchandise. Try to display the stock in view of employees and CCTV. Don't place high-risk stock near the entrance, fitting rooms, toilets, or in isolated areas. Also, make staff aware of any new high-risk stock in store and where it is on display.

Well placed signage throughout the store can have a deterrent effect. Of course, if CCTV is used, the standard legal signage should be used at entrances (this will differ depending on your state). However, it is also essential to use it discreetly but effectively throughout the store. Consider placing CCTV signage or prosecution signage near high-risk stock and in staff blind spots.

### **RFID Tags**

Tags are a very cost-effective way of monitoring high-risk stock. The average tag can be brought for approximately 10 cents each, and some studies have shown that the ROI comes in at around 200 per cent. At a slightly higher cost, you can even purchase tags that come with GPS tracking, which can be invaluable when it comes to assisting law enforcement with recovering your stolen goods and prosecuting offenders. Source tagging is essential for RFID to be cost-effective; otherwise, it adds tasks to store employees who have to fit the tag. If considering RFID, check with existing suppliers to see if they can tag your products before delivery.

### **Install CCTV**

CCTV doesn't have to be a massive investment. A limited amount of equipment placed in the right areas can be an effective deterrent. It's important to remember why you are installing this equipment. A lot of the time, you generally won't be using the equipment to catch the thieves. More likely, it will be better utilised as a tool to prevent and deter. Therefore, it should be placed in plain sight and high-risk areas such as at the entrance, above tills, and blind spots of vision of staff.

High-quality systems that can be monitored locally or remotely are relatively cheap, and with no ongoing costs are well worth the initial investment. As previously mentioned, if you wish to spend a little extra on your CCTV system, Many cameras today have inbuilt technology such as people counting, dwell time, and heat mapping analytics, meaning cameras, as well as being a security measure can be a powerful tool for use in marketing and product placement.



### Loss Prevention Officers

LPO's have long been used as a tool by larger retailers to combat shop theft. LPO's are a great deterrent, and a capable team can ensure that not only are the offenders stopped, they are also brought to justice. Covert loss prevention is a very high-risk field of security, which several security firms such as my own specialise in training providing for.

### Fraud

Fraudsters are an ever-growing risk, with many retailers being considered as easy targets. The most common offences include using counterfeit notes, credit card fraud, and return or exchange fraud.

### Credit/Debit card

One of the major risks with debit cards is the use of stolen cards to obtain goods for later return. Train staff to be aware of customers using cards to buy small value items and seeking high-value cashback as part of the sale. Be aware of any customers who attempt to manually enter credit card details into an EFTPOS machine.

This is one of the most common ways for credit cards to be stolen as the offender does not need to gain physical possession of the card; all they need is a copy of the card numbers. Also, take notice of people using contactless payments and returning later for a refund in cash or asking for a refund on an alternate card. Ensure the same card in – same card out policy. Ask for ID, check the person who is presenting the card is the cardholder.

### Refund policy

Having a strong and clearly signed refund and exchange policy is a great deterrence to potential fraud. Having a no receipt, no refund policy is a very solid start. Not being seen as an easy target for returning used goods is also a good step.

A common ploy from thieves is to pick up a receipt dropped in the carpark and enter a store with an empty bag and select the item displayed on the receipt and place it in their bag. They will then go to the front of the store and request a refund for that item claiming to have brought it earlier. I've always found it to be a good idea to watch any customers walking around constantly

checking a receipt that they brought in with them.

### Click and Collect fraud

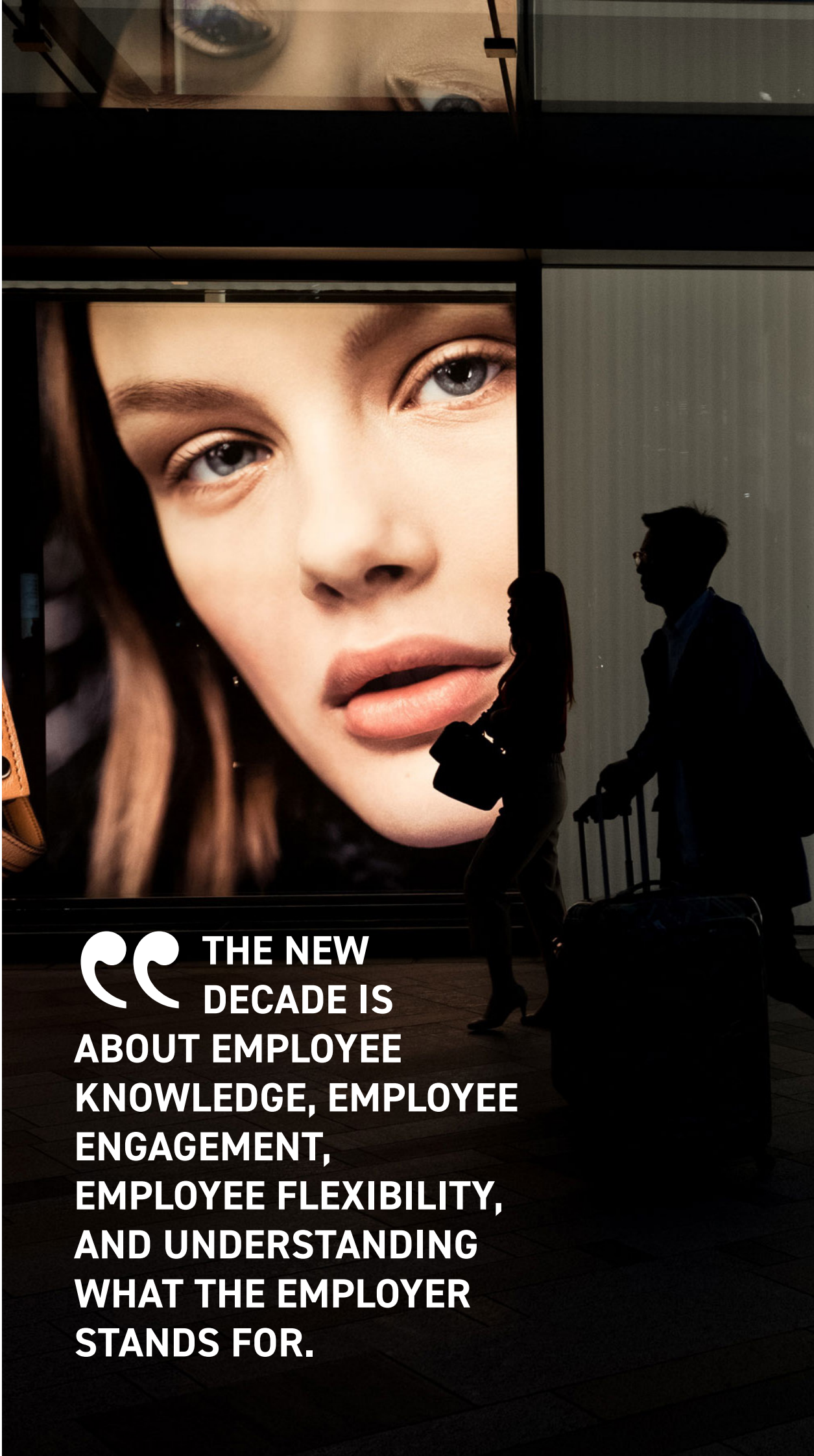
Click and collect is an excellent tool for a business to have available as it does open them up to a new market of people. But it must be kept in mind that this is also somewhat of nirvana for fraudsters out there. It is just about impossible to prevent an online purchase from being made with stolen credit card details, but there are measures which can be taken to avoid the loss of the stock which has been fraudulently paid for. By merely having a policy such as a two-day cooling-off period between making the purchase and allowing the pick-up of an item, you are allowing enough time for a bank to flag a transaction as fraudulent.

As I mentioned earlier, the main goal is to make your store a harder target than the store next door. This is nearly always a very achievable target, and with the right attitude and effort can be attained in a brief period.



# DAWN OF A NEW DECADE

BUSINESS OPERATIONS



“ THE NEW  
DECADE IS  
ABOUT EMPLOYEE  
KNOWLEDGE, EMPLOYEE  
ENGAGEMENT,  
EMPLOYEE FLEXIBILITY,  
AND UNDERSTANDING  
WHAT THE EMPLOYER  
STANDS FOR.



## IS IT TIME FOR THE FOCUS TO SHIFT TO EMPLOYEES, EMPLOYEE ENGAGEMENT, AND THE GROWING WORKFORCE OF MILLENNIALS?

The dawn of the new retail decade comes with a new employer challenge: 'How do you become an employer of choice?'

The past decade was all about online, e-commerce, omnichannel, frictionless customer experience, and CX. However, what happened to the focus on employers' number one asset, their employees?

For so many businesses, it has been very little, with many retailers focusing on top-line sales and cost-cutting to prop up profits. But how sustainable is this? For many retailers, it is not, and many are now falling short and either closing, going into administration, or reducing their footprint.

So what does the dawn of the new retail decade bring, and is it time for the focus to shift to employees, employee engagement, and the growing workforce of millennials?

One thing for employers to consider is how they will handle operation more frequently when the employees are the ones deciding who they work for and when they work.

That means the employer of choice will be taken to a whole new level — one that has never been experienced before, and one that many of today's business leaders and managers may not even be thinking about.

*Andrew Myers, VP APAC and Global Digital Strategy, WorkJam*



## 2020 brings with it the new decade of employee engagement

So, what is employee engagement, and what is it worth? Let's look at it through the eyes of an employee who works for a business that has adopted a digital workplace like WorkJam. What can this employee do versus a traditional retail business model?

With the WorkJam digital platform, Jess receives her work schedule on her mobile device. In essence, no more paper schedules stuck on the notice board in the store or receiving a photo of the roster via SMS, WhatsApp, email, or phone from her manager.

Jess can be completely flexible when it comes to her schedule. If she has a conflict, Jess can direct swap a shift with one of her teammates, or just open the shift up to other employees that are trained at the same level as her. Jess is in control of when and where she works as this business allows Jess to choose whatever store she wants to work in, and Jess has decided to have shifts in four of her favorite stores near where she lives — all accessible on her mobile device.

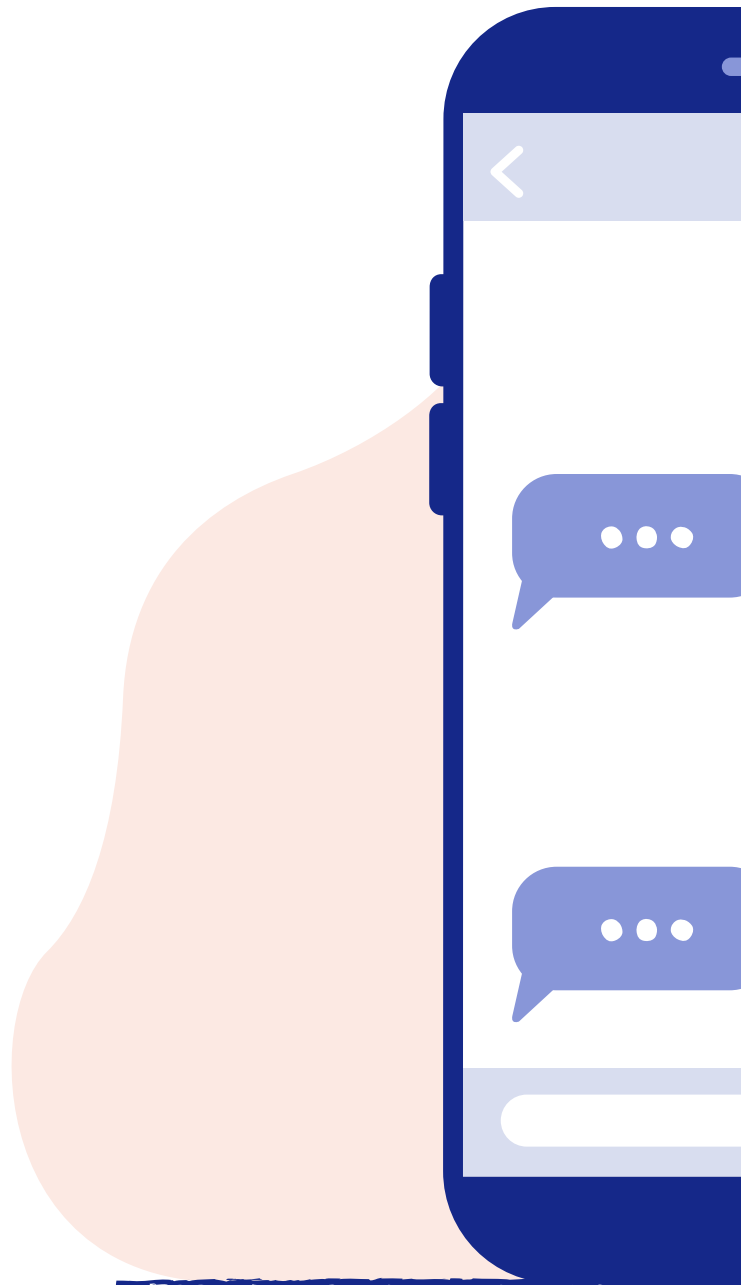
Jess's employer provides digital training, which is completed on Jess's phone and is scheduled to appear when she is on shift or at one of the locations where she has chosen to work. This makes it easy for Jess to complete training or simple product knowledge micro-learning, on new products or promotions, for example.

Making training easily accessible has increased Jess's knowledge and confidence in dealing with customers. And with her employer's incentive program, Jess earns points for completing the training, which awards her discounts on products.

Jess particularly likes receiving videos on her phone about new products, design tips from the buyers, and marketing information ahead of new promotions. She especially likes the CEO's weekly video about what's happening in the business and the focus of the week ahead. Jess feels more connected to the head office team, where at her previous employer, she never knew

anyone outside of the store.

All of this makes Jess engaged with her employer, far more so than a previous employer where scheduling was paper-based, training was rare, and if there was training, everyone had to try and complete it on the one store computer. With her new employer, Jess has everything she needs to complete her work and manage her schedule around her lifestyle, because she can also request time off, leave messages, or





communicate directly with her manager all via a digital workplace.

How is your business operating today? Are you still running a paper-based business that is not frictionless for your employees, is not engaging, and one that is difficult for employees to learn about your business?

If you, as an employer, are not focusing on employee engagement, then no doubt your

turnover will increase, and the fact will impede your sales your employees cannot learn in quick, short, and interactive ways. The focus needs to be on employee engagement for the new decade. your sales. Your employees cannot learn in quick, short, and interactive ways. The focus needs to be on employee engagement for the new decade.

Employee engagement drives sales, drives customer experience, drives higher levels of retention, reducing turnover, absenteeism, and recruitment costs. Having a digital workplace that makes it easier for employees to complete their work will make you the employer of choice. This is especially true as more millennials focus on what the employer does for them, what they do for their community and planet as a whole, and how they help the employee learn and develop.

This dawn of a new retail decade is about the employee experience (EX) driving the customer experience (CX). Businesses that do not focus on becoming a digitally engaged employer will become the retail collateral of the next decade.





# **The Retailer**