

Fourth

Talent, Convenience, and Technology: The Retailer's Guide for 2022

Retail has spent 2021 rebuilding and adapting, so what will 2022 bring for physical retail? And what must retail leaders prioritise?

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Introduction

It's common knowledge to all that retail has faced a challenging climate throughout the pandemic, from forced closures due to lockdowns and corresponding falls in retail sales volumes[1], to redundancies, talent shortages, and supply chain issues. But challenge doesn't always equate to negative outcomes, as it can also fuel change, and this is definitely the case for retail. The pandemic propelled an already increasing shift to e-commerce, and retailers are now reimagining the in-store space and how consumers interact with it to maintain footfall. On the one hand this is at a Covid-safety level, ensuring people feel comfortable to shop in-store, but also offers access to new technology, brand engagement opportunities, loyalty programs and more. Reassuringly, our data shows that most consumers felt retailers made customer safety a priority this year, and almost two-thirds (65%) have shopped a mix of in-store and online this year despite the pandemic. A further 19% have only shopped in-store this year.

These figures indicate that the high street still holds a strong and important place for consumers in the UK, and retailers now need to cater to that, with our data showing the need to focus on a convenient and fast transaction process first and foremost. It's important retailers prioritise this above new technologies like chatbots or augmented reality solutions too. While consumers' needs for a convenient and fast payment experience give plenty of food for thought for retailers' forward planning, having the right people in place and slick talent management solutions (such as those enabling employee self-service that empower and improve employees' experience in role) are critical to making this happen. Fortunately, our research also shows that many retail leaders are planning a number of internal changes too, with talent management being a top priority.



As with our previous whitepaper, Post-Pandemic Retail: Retail Leaders' Plans and Predictions for the Industry[2], talent shortages are still impacting the sector, with almost all (94%) retail leaders saying they are 'worried' about it. While Brexit was a key concern with this previously, career changes out of retail, lack of skills in the sector and burnout are the main factors causing these shortages now. Alongside these, retail leaders' top operational challenges include consistent communication with staff, talent retention, and attracting the right talent before competitors do.

These challenges are informing retailers' plans for 2022. Amongst them, retailers expect to invest in more back-office operational technology to automate more processes, add more employee benefits to contracts, and implement more in-store technology. As with our previous research, **retail leaders also see HR and workforce management technology as the most important technology solution for their business in 2022**, alongside employee engagement/social collaboration technology, and customer loyalty technology.

With the risk of lockdowns seemingly low compared to the start of 2021, the year ahead should look very different to the last one for retailers, with more room to build on learnings from this period, innovate and futureproof. In this report, we highlight how consumer behaviour is changing and what that means for retailers, the main challenges for retail businesses this year, and what their priorities will be going into 2022, and show why technology - especially workforce management technology - will be vital in achieving this optimistic future for the industry.



Methodology

This whitepaper is built on insights from two surveys. One was a survey of 2,021 UK consumers (nationally representative sample), and the second survey was of 251 HR, digital transformation, finance and operations decision makers at senior manager level or above in retail sector firms of more than 500 people. The surveys were conducted by Fourth in collaboration with Censuswide in September-October 2021.



Consumer Habits:

Retailers With Convenience and Quick Transactions Will Do Best

While consumers shifted in droves to online shopping over the last year out of necessity, our research suggests that the high street isn't dead and in-store retail is still important for consumers' shopping. In our previous whitepaper, retail leaders indicated that their top challenges for 2021 were attracting customers to physical shops (29%), unpredictable consumer demand (27%) and remaining competitive against e-commerce brands (26%), however our latest research shows that two-thirds (65%) of consumers have shopped a mix of online and in-store this year, with a further 19% having only shopped in-store. The findings suggest consumers have perhaps reverted back to in-store shopping faster than retail leaders expect, as they seek normal routines such as retail therapy that physical shops better cater for.



Consumers shop online and in-store



Consumers shop in-store only



Demand Forecasting and Labour Productivity

A challenge for the retailer when dealing with unpredictable consumer demand is having the right number of staff available to deliver customers with the level of service they expect and demand while managing the cost of staffing. Overstaffing means too many staff, which incurs additional costs, while under-staffing impacts the customer experience.

Fourth's advanced forecasting algorithm takes data such as same day last year, historical data, recent trends, weather forecast, and notable public and national events, to create an accurate demand forecast down to 15-minute segments. This forecast (on to which managers can overlay their local knowledge) then creates a highly accurate shape of the day, showing how many employees are needed at different times – including to complete non-revenue generating activities like accepting deliveries, stock replenishment, merchandising or cleaning. By accurately predicting which staff you need, where and when, you can avoid shifts where the business is understaffed and employees are run ragged. It also means you don't suffer from the opposite problem of idle staff who are either over-attentive or bored. Getting the balance right not only improves both customer service and sales, but also means employees are less likely to have a bad shift, helping build engagement.

The high street isn't dead

Among age groups, younger people were (as expected) more likely to have shopped online than older generations, but just one in five (21%) of 16 to 24-year-olds have only shopped online this year as opposed to a mix of online and in-store, or in-store only. In the same way, older age groups have been more reliant on physical shops this year, with 27% of over 55-year-olds having only shopped in-store. Overall, consumers plan to maintain this shopping behaviour going into 2022 as well, with slightly more of a shift towards in-store shopping.

Keeping the shopfloor Covid-safe for staff and customers was a challenge for retail leaders in 2021 (26%), and while it remains one for 2022 (35%), retailers are now well versed in consumers' expectations on Covid-precautions, and three quarters of consumers (75%) feel that retailers have made customer safety a priority this year. This means retailers largely can maintain what they've already been doing and prioritise other key areas without impacting customers' perception of in-store retail and its safety.

Consumer motivations to shop in-store

In fact, **consumers' main priority when it comes to retail is convenience, and retail leaders must ensure the in-store experience caters to that first and foremost to drive footfall in 2022**. When asked what would motivate them to shop in-store rather than online going into the next year, consumers' top three responses were: being able to see and try things before I purchase them (51%), no wait time for delivery (40%), and proximity to my home or work (35%). On the other hand, fewer consumers would be motivated by experience-led incentives, with only 22% motivated by unique experiences that aren't available online and 21% by in-store events or interactive experiences.

The findings reflect what consumers said they value when shopping in-store and dealing with retail staff too: a friendly attitude (46%), help when requested (46%) and genuine advice and knowledge of the products they're buying (35%), suggesting consumers' focus when shopping in-store will continue to be on better understanding of the products available, and most likely browsing products they've already seen online but want to learn more about and ultimately purchase quickly in person - also known as 'reverse showrooming'. These trends are broadly similar across age groups too, however younger consumers are more likely to value quick service and older consumers more likely to value help and advice, which could suggest younger people in particular are more likely to have already done their research by the time they visit a physical shop than older people.



The technology consumers want

As for technology, the convenience theme continues, as well as the focus on solutions that give extra deals or value. Consumers most want retailers to provide online shopping (37%), contactless payment (35%) and loyalty apps to receive offers (34%) - something that doesn't vary much among age groups or gender. Regionally, we see some small differences, with some areas such as the West Midlands, North West and Northern Ireland wanting more access to click & collect solutions. Overall though, what stands out is that **consumers have little interest in new technologies like cashier-less checkouts, chatbots or augmented reality and instead want great deals and smooth transactions**. So while many retail leaders may be thinking about creative concepts to engage shoppers and create a fresh retail experience, they can't forget the functional basics consumers want. They must prioritise convenience and value most, as well as having knowledgeable and well-trained staff.



Talent Attraction and Retention:
Retailers Adopt a More Employee-centric Focus

While having the right staff in place will be key to creating the smooth in-store experience customers are after, **talent shortages in the industry have been an issue throughout 2021 and 94% of retail leaders are 'worried' about them in their business (40% of those 'extremely' so)**. This number is as high as 100% of retail leaders in attractions, clothing, and automotive industries.

With retail workers having faced major impacts during the pandemic with widespread furloughing and redundancies, many people have left the profession, need to be re-trained, or may be reluctant about the security and safety of their role going forward. These factors make for a tough hiring climate and are influencing retail leaders' priorities going forward, with hiring and retention an important focus. Retailers are also having to take a step back and look within to make the sector more appealing to candidates by improving wages, and empowering shift management, training and development - all of which bodes well for employees in the long-run.



My Schedules

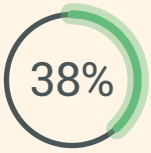
Scheduling is one of the most important parts of retail managers' roles, and is often a one-way process rather than a collaborative one. But with Fourth's My Schedules app, staff can proactively suggest times they are unavailable, while managers can offer open shifts that employees can volunteer for. With an accurate shape of the day, managers can also offer split shifts to cover busy periods, which might make it easier to accommodate employees' work / life balance and how they want to structure their day. All of this makes scheduling more collaborative, and opens up two-way communication – avoiding confusion, keeping employees happy and reducing the time it takes for managers to finalise their schedules.

What's causing talent shortages?

While retail is feeling the ongoing impacts of the pandemic when it comes to talent, it's an issue facing every industry due to the so-called 'Great Resignation' - the post-pandemic exodus of people from their lockdown jobs into new roles. Indeed, the Office for National Statistics' September Labour Market Overview[3] showed that the number of job vacancies in June to August 2021 was 1,034,000 - the highest since records began and almost 250,000 above its pre-pandemic January to March 2020 level.

For retail however, companies say the top factors causing talent shortages are people making career changes out of retail (38%), lack of correctly skilled people in the sector (37%), and people experiencing burnout or poor mental health as a result of the pandemic (37%). These factors do vary by company size though, and it's interesting to see larger businesses struggling with high pay expectations among staff. These changes in employees' pay expectations are likely to be a direct result of the job insecurity and mental health ramifications that employees faced during 2020, with retail workers seeking more stability and safety in their work.

TOP FACTORS CAUSING TALENT SHORTAGES



People making career changes out of retail

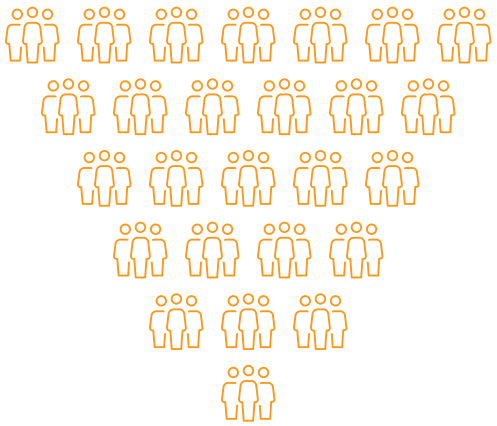


Lack of correctly skilled people in the sector



People experiencing burnout or poor mental health

TOP FACTORS FOR TALENT SHORTAGES BY COMPANY SIZE



EMPLOYEES	TOP FACTORS
5000-5999	Salary expectations too high/competitive
4000-4999	Salary expectations too high/competitive
3000-3999	Salary expectations too high/competitive
2000-2999	Burnout or poor mental health from the pandemic
1000-1999	Lack of correctly skilled people in the sector
500-999	People making career changes out of retail

The factors causing talent shortages varied by industry too. People making career changes out of retail, for instance, was the top concern for white goods (46%), electronics (45% - tied with too many entry level candidates), pharmaceuticals retailers (41% - tied with Brexit), while salary expectations being too high or competitive ranked highest for attractions (53%), clothing (43% - tied with too many senior candidates), and sporting goods retailers (50%). Perhaps unsurprisingly, burnout was the top issue for groceries (44% - tied with lack of correctly skilled people), home and garden (54%), and automotive retailers (46%) – reflecting how busy these sectors were during the pandemic.

Hiring and operational challenges for 2022

The talent shortages and the factors causing them mean that retail leaders plan to prioritise finding top talent and retaining them for the long-term in 2022. **When asked about what will be the hardest part about hiring talent next year, retailers said finding candidates that will stay in their role long-term, not just for now (39%), hiring the best candidates before our competitors do (37%) and finding the top candidates among large volumes of applications (36%)**. The data is similar to the challenges retailers raised in our previous research earlier in 2021, with finding candidates that will stay in their role long-term still the main challenge, but hiring the best people before competitors has moved from the third to second top challenge. The data emphasises the importance of scheduling and productivity tools, combined with self-service empowerment, in addressing this. These tools make employees' lives easier and make the day-job less taxing, giving them more of a voice and easy access to their shift management and personal information. It's also important that retailers have a fluid, seamless and on-brand onboarding experience to immediately engage prospective applicants - which an applicant-tracking system can cater for by immersing people in your company brand and culture from the moment they apply.



Applicant-tracking system (ATS)

Fourth's applicant-tracking system (ATS) can be a major help to HR teams in finding the most qualified candidates, as it allows them to search, filter, screen, and manage candidates with a single, intuitive dashboard so everyone knows where they are at in the process and what to do next. Applicants are also immersed in your company brand and culture from the moment they apply, with fully branded content and communications, while hiring managers can safely decentralise recruitment with access-driven permissions that give them a 'safety net'. Retailers can quickly show vacancies, streamline the interview process, maintain compliance, and eliminate paper-based processes.

On the other hand, attracting candidates to apply for roles was previously the second top challenge for retail leaders, but no longer sits in the top three, and with the third main challenge now around surfacing the best people among large volumes of applications, it's clear that plenty of people are applying for jobs, but they aren't necessarily the people that retailers need.

The ripple effects of Brexit carry on as well. Notably, finding qualified candidates due to talent shortages caused by Brexit has increased as a challenge, from 31% to 35% and remains the fourth top challenge in both surveys. Pharmaceutical retailers in particular cited Brexit as the top factor for talent shortages in their sector (41%), alongside career changes out of retail.

In terms of hiring, finding qualified candidates due to talent shortages caused by Brexit is the top concern for clothing businesses (47%), second top challenge for groceries (44%) and automotive businesses (35%), and the third biggest hiring challenge for attractions businesses (35%) and sporting goods retailers (36%). It was also most likely to be an issue for larger businesses, with businesses between 4,000-4,999 employees and between 5,000 and 5,999 employees citing it as their top hiring challenge (67% and 56% respectively).

Retail leaders' top operational challenges for 2022 align with the themes of hiring and retention too: communicating consistently with all employees (35%), retaining my best employees by maximising staff engagement (34%) and attracting the right talent before our competitors do (32%). Among company sizes, smaller businesses with 500-999 employees were more likely to cite retaining my best employees by maximising staff engagement as a top operational challenge (41% of 500-999 employees vs. 22% of 5000-5999 companies), while bigger companies were more likely to be concerned about stock, salary and scheduling challenges. The top operational challenges vary by sector too, as evidenced in the below table.



Fourth Engage: Employee Self-Service

Within every retail business there are a range of systems and tools that workers need to access to complete their daily tasks. With different systems for different tasks, it often means employees have not just a number of sites or applications to access, but also a number of different usernames and passwords to remember. This can be a source of frustration for employees, especially if they forget log-in details or don't have access to the functionality they need to do their job.

With Fourth Engage, employees have easy access to key documents like company policies or a company handbook. With ESS (Employee Self-Service) staff can also access payslips online, check and book holiday or update their own personal information (which also helps reduce administrative burden on HR teams).



Single Sign-On (SSO)

The Fourth Platform houses all of Fourth's retail cloud solutions for managers and employees alike. The Fourth app is a mobile gateway to the platform, ensuring staff get access to the tools they need (like rotas, payslips, and personal information) – and ensuring only those employees with the correct permissions can access advanced managerial features (like approving shift swaps). With SSO employees can access all the Fourth applications they have permissions to without having to remember multiple usernames and passwords. And because the Fourth platform integrates with hundreds of non-Fourth apps, this Single Sign-On benefit enables easy-access to all job tools for you and your team.

TOP OPERATIONAL CHALLENGES FOR 2022 BY RETAIL SECTOR

Attractions	Retaining my best employees by maximising staff engagement Attracting the right talent before our competitors do Ensuring staff feel safe to come to work
Groceries	Ensuring staff feel safe and comfortable coming to work
Sporting goods, home and garden, and electronics	Communicating consistently with all employees
White goods and automotive	Retaining my best employees by maximising staff engagement
Clothing	Communicating consistently with all employees Ensuring staff feel safe and comfortable coming to work
Pharmaceuticals	Attracting the right talent before our competitors do

How technology can help improve hiring and retention

The findings reflect a need for retailers to be able to quickly sort through data and analyse patterns (for instance in hiring and retention), communicate and engage easily and consistently with employees, and a means to conveniently manage operational needs like shift scheduling. This is where our human capital management solutions help retail leaders reduce admin, improve scheduling and payroll processes, and gain better insights that the business would not have otherwise had, with the technology acting as a single source of truth for the business and its employees.

For hiring, our applicant-tracking system (ATS) can be a major help to HR teams in finding the most qualified candidates, as it allows them to search, filter, screen, and manage candidates with a single, intuitive dashboard so everyone knows where they are at in the process and what to do next. Applicants are also immersed in your company brand and culture from the moment they apply, with fully branded content and communications, while hiring managers can safely decentralise recruitment with access-driven permissions that give them a 'safety net'. Retailers can quickly show vacancies, streamline the interview process, maintain compliance, and eliminate paper-based processes.

Beyond hiring, labour optimisation is essential right now in creating a positive employee and customer experience, improving retention, and for ensuring a retailer can compete and survive. Employees are crucial to sales success, but are also a big part of the retailer's cost structure and the top variable cost at a store-level, so during a talent shortage it's important that retailers can optimise the limited workforce and identify ineffective uses of labour. Our workforce management technology can help provide real-time visibility of labour performance across all stores, giving the essential data and insight retailers need to optimise. When combining this with a great onboarding experience, improved benefits, an employee self-service functionality and training and development opportunities, retailers can create a more attractive career proposition for their people.

At a day-to-day level, retailers need solutions that recognise the importance of workforce health and safety, so as an extra level of protection, Fourth introduced an in-app survey for team members to declare they are well and can work ahead of their shift. These employee submissions feed into the scheduling solution, meaning managers can see team members who are healthy to work and which people haven't completed the survey. This data allows managers to confidently assign shifts, while employees can feel reassured their company is invested in their wellbeing.

Retail in 2022:
Trends and Predictions

Retailers in the UK have faced a perfect storm of challenges in 2021 between the pandemic and Brexit, but are fortunately now looking toward a future that seems to hold less uncertainty around lockdowns and pandemic-related restrictions. While short-term uncertainty remains around supply chain challenges[4] and the forthcoming seasonal shopping period, overall it's becoming easier for retailers to assess where the industry is at and plan for a stronger year ahead.



The top challenges for the retail industry

Looking ahead to 2022 as we continue to move out of the worst of the pandemic, retail leaders say the top challenges for the industry in 2022 are remaining competitive against e-commerce brands (37%); sourcing staff post-Brexit and ensuring staff have the correct visas and work permits (37%); and keeping the shopfloor Covid-safe for staff and customers (35%). These challenges reflect a shift in priorities compared to 2021. In our previous research, retailers' main challenges this year were attracting customers to physical shops (29%), unpredictable consumer demand (27%) and remaining competitive against e-commerce brands (26%). While remaining competitive with e-commerce will always be important for in-store shops, the 2022 challenges reflect the current concerns around hiring and retention, but seemingly there is less worry overall about whether consumers will return to physical shops.

37%

Remaining Competitive Against E-commerce Brands

37%

Sourcing staff post-Brexit and ensuring staff have the correct visas and work permits

35%

Keeping the shopfloor Covid-safe for staff and customers

However, smaller retailers with 500-999 employees are an exception to this, with 40% citing attracting customers to physical shops as a key 2022 challenge compared to larger retailers. Businesses with a £1-9.99 million turnover were also more concerned about uncertainty and footfall, citing their top 2022 challenges as attracting customers to physical shops (71%), the fear of more lockdowns, and remaining competitive against e-commerce brands (both 57%). Attracting customers to physical shops was also most likely to be a challenge for attractions and clothing retailers.



TOP CHALLENGES FOR THE RETAIL INDUSTRY IN 2022 (BY TYPE OF RETAIL BUSINESS)

Attracting customers to the physical shop/premises	Attractions Clothing
Sourcing staff post-Brexit	White goods Groceries
Remaining competitive against e-commerce	Sporting goods Automotive Home and garden
Unpredictable consumer demand	Pharmaceuticals Electronics

The trends around hiring challenges and remaining competitive with e-commerce reflect in retail leaders' top business priorities for 2022, with leaders planning to focus on retaining current staff through improving staff engagement (38%), improving and diversifying the in-store guest experience with less staff-to-customer engagement (37%) - something more prominent among larger retailers in particular - and defining and blending the in-store and online guest experience to extend brand interaction (36%) - all of which are broadly similar to retailers' 2021 priorities too.

Fourth Engage

Fourth Engage is a powerful communications app that makes it much easier to engage with employees. For example, it includes a news feed and a channel for urgent notifications and announcements, so staff can easily stay up to date. (Of course it's easy to track and report on who has seen what.) You can also use the Groups function (just like WhatsApp) to communicate with specific groups of people or send direct messages. And employees can set up their own groups to communicate with colleagues on non-work related subjects too, like team socials. This helps them build stronger relationships, which in turn makes them feel more part of the business. What's more, Engage is a fully integrated part of Fourth's Workforce Management solution, which means access to the app is automated. Often when companies use a third-party communications tool, the challenge is to get employees to log on in the first place. With Fourth, employees regularly log in to access payslips, check rota scheduling, swap shifts and more, therefore Engage communications are the first thing an employee will see when they are accessing this essential information. And if an employee leaves the business, their access is revoked so you can be confident that private or sensitive information isn't sent to leavers.

How retailers will embrace technology in 2022

Retailers are recognising the importance of technology in helping work through their current challenges and plan for a strong 2022. When asked what they most expect to change in their business in 2022, retail leaders said relying on and investing in more back-office operational technology to automate processes (34%), adding more employee benefits to contracts (34%), and implementing more in-store technology (e.g. self-checkouts) (31%). This trend of investing in more back-office technology is highest among those retailers turning over £500 million or more (42%), and with groceries (50%), attractions (47%) and home and garden (38%) retailers.

THE MOST EXPECTED CHANGES IN BUSINESSES IN 2022

34%

Operational technology to automate processes

34%

Adding more employee benefits to contracts

31%

Implementing more in-store technology



The Problem: Financial stress increases attrition

Two-fifths (40%) of working Brits admit that money worries have affected their mental health in the workplace. This affects how they feel about work and when people don't feel good about work, they are more likely to leave.

The Solution: Financial welbeing drives retention

The more control people have over how they're paid and their financial lives, the better they feel about their work and the work they do - which encourages them to stick around. Our partnership with Wagestream means all our clients can offer staff empowering tools to improve their financial wellbeing.

How Does it Work?

In the Fourth Wagestream app, you can give employees power over their pay - with smart budgeting, savings and coaching, built around a flexible pay cycle – all through an easy to use app that's accessible via Single Sign-On from the Fourth Platform. All payments are facilitated by Wagestream, with no impact on your payroll process or cash flow.

The Outcome: Happier Employees, Higher Retention

By giving colleagues Wagestream, organisations can transform the employee experience, with quicker recruitment, higher retention rates, more overtime take-up and better financial wellbeing.

Fourth Analytics

Another key priority for mid-size retail companies in particular is spending more time analysing data to identify efficiency savings.Fourth Analytics can support with this, helping business leaders and operations teams to rationalise the information their teams need to achieve their goals, identify opportunities and drive efficiencies to ultimately operate a more efficient and profitable business. It provides highly intuitive out-of-the-box data visualisation, which allows easy comparison of KPIs across applicant tracking, HR, scheduling, payroll, purchasing, transactional POS and employee engagement.

These changes for 2022 show some shifts from our previous research, with implementing in-store technology moving from the top priority to the third, while adding more employee benefits to contracts has become a bigger priority (reflecting the hiring challenges in the industry). It is perhaps unsurprising then that retail leaders think the most important technology solutions for their business in 2022 are: HR and workforce management technology (40%), employee engagement/ social collaboration technology (39%) and customer loyalty technology (38%) – and that these all rank above e-commerce technology. In our previous research, HR and workforce management technology was also seen as the top solution, but there is now a greater focus on employee engagement technology (was 25% and now 39%), and customer loyalty technology (was 29% and now 38%), which replace more operational focuses of e-commerce technology and inventory management technology within the top three focuses. However, these trends vary slightly across different company sizes.

THE MOST IMPORTANT TECHNOLOGY SOLUTIONS FOR THEIR BUSINESS IN 2022

40%

HR and workforce management technology

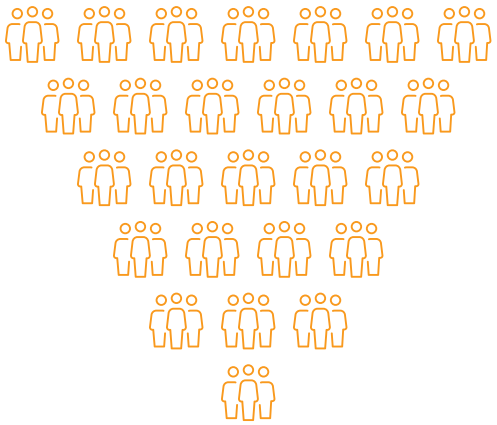
39%

Employee engagement/ social collaboration technology

38%

Customer loyalty technology

MOST IMPORTANT TECHNOLOGY SOLUTIONS FOR RETAIL BUSINESS IN 2022 BY COMPANY SIZE



EMPLOYEES	TOP FACTORS
5000-5999	E-commerce technology
4000-4999	Customer loyalty technology
3000-3999	HR and workforce management technology
2000-2999	Employee engagement/social collaboration technology E-commerce technology
1000-1999	HR and workforce management technology
500-999	Customer loyalty technology

The data shows that retail leaders are clearly recognising the crucial role of technology in people management and the link between a happy team and better business outcomes. **Fourth's workforce management technology acts as one fully-Integrated system where retailers can find, hire, onboard, train, schedule, pay, engage and retain team members.** All HR information can be kept in one cloud-based location, the payroll system is specifically built with retail's challenges in mind including shift work and variable hours, and our Payroll Bureau ensures employees are paid the right amount at the right time and fully compliant at all times. In addition, our Employee Engagement software means retailers can share important information with groups, teams, or the entire business, while ensuring employees can access document libraries and HR policies in one place. It simplifies processes with employee self-service, promotes team collaboration within a single mobile app, and strengthens company culture through custom branding.

In terms of the greater focus among organisations on benefits and wellbeing, retailers should consider Financial Wellbeing platforms that empower employees to take control of their financial lives. This is how top retailers are going beyond more transactional financial wellbeing benefits.



The platform offered through our partnership with Wagestream is a market leading Financial Wellbeing platform specifically designed to empower your team. Wagestream reduces financial stress and builds financial resilience for over half a million workers - by giving employees power over their pay - with smart budgeting, savings and education through one app, built around a flexible pay cycle.

How bricks and mortar retailers expect to compete with e-commerce

Retailers do still need to compete with e-commerce brands to keep in-store offerings appealing to consumers, and are adapting the in-store experience to do so. Looking ahead, retail leaders say the top changes they expect in-store retailers to make to compete with e-commerce are reducing all offers and pivoting to a more premium in-store experience to differentiate the online experience (39%), implementing an app or other customer loyalty technology to push customers offers and updates (38%) and adding hospitality (37%). In our previous research, the third expectation was doing more frequent sales and in-store only offers as opposed to hospitality, but this appears to be less of a priority now compared to hospitality.

In general, bigger retailers were more likely to expect in-store retailers to expand their product range to compete with e-commerce, suggesting that could be a trend for 2022 among bigger shops, and 71% of retail companies with a turnover of £1-9.99 million expect in-store retailers to introduce shop-in-shop experiences. There is also some variation among types of retailers, with attractions and clothing retailers expecting to implement apps or customer loyalty technology to push offers and updates (both 53%), while the likes of sporting goods retailers will opt for shop-in-shop experiences (50%).

Interestingly, the findings are somewhat at odds with our research's findings on consumers' preferences, with consumers' motivations for shopping in-store being more oriented to convenience, great value and fast service, rather than interactive experiences or a more premium offering. However, among the technology solutions consumers want, customer loyalty apps was the third top solution, so retailers building these into in-store plans may fare better in 2022 than those who don't. Likewise, when considering how to change the in-store experience to better appeal to customers against online shops, retailers must keep convenience and value at the forefront of plans to be successful and consider how staff can be best equipped to help people, rather than investing in too many new technologies that consumers - for now at least - are less concerned with.

Conclusion

While the retail industry has faced huge amounts of change in 2021, our research shows there is still a clear - albeit changing - place for the high street in the UK, and retailers must now assess where they are at and begin planning for a stronger 2022. While a number of retailers are planning to change and modify the in-store experience to remain competitive with online retailers, those that prioritise things like customer loyalty technologies over non-essential experiences, will most likely see better engagement with their customers in-store.

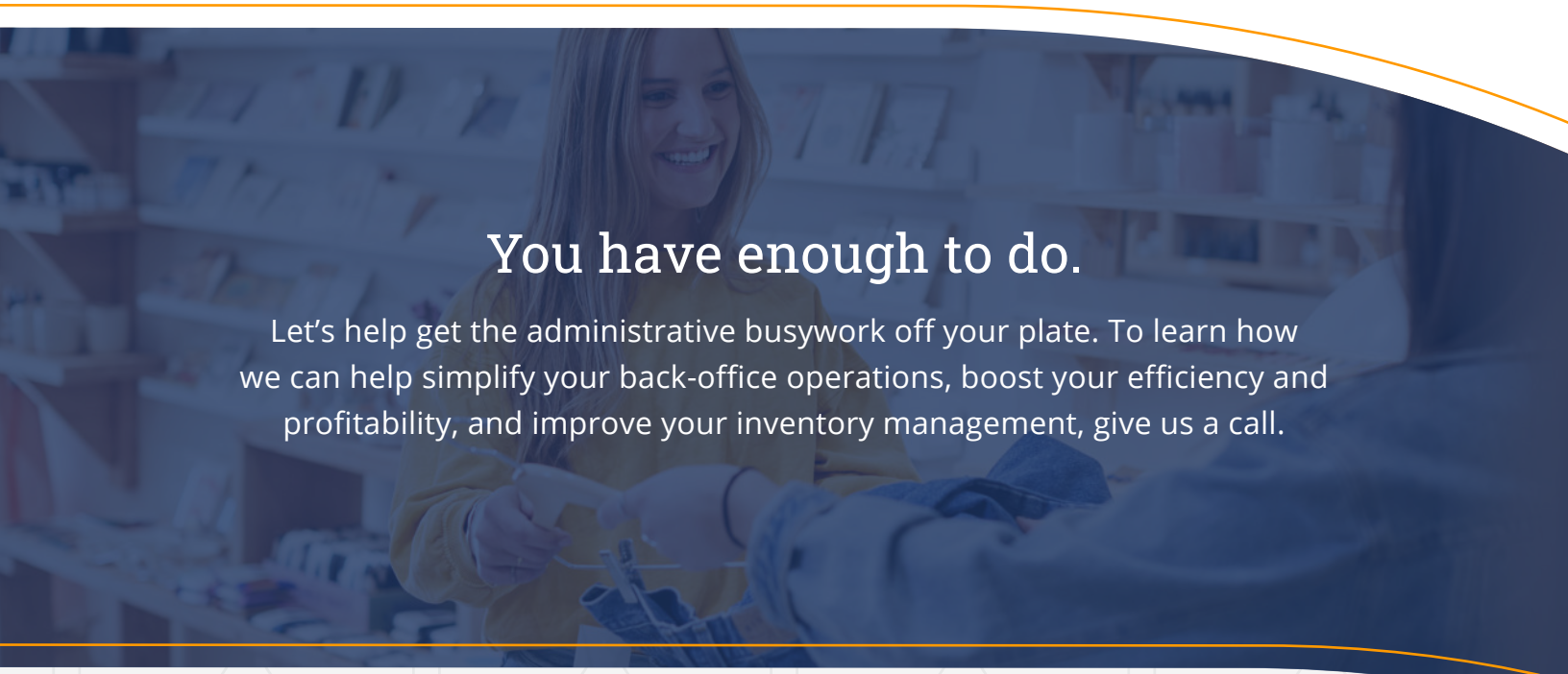
Likewise, retailers must also be putting their people at the forefront of planning for 2022. Hiring was a top challenge this year and will remain one next year as well, with retailers seeking to improve retention, employee engagement, communication and employee contract benefits. This is reflected in retail leaders' view that HR and workforce management technology will be the most important technology solution for 2022, ahead of even e-commerce technology. Implementing this technology can help retailers manage all HR information and needs in one place, while also providing the data and insights for future planning and labour optimisation. Fourth's technology enables retailers to find, hire and onboard staff quickly; pay staff correctly and on time; empower employees with control over and better access to their wages in real-time; better forecast staffing needs to optimise productivity while controlling labour costs; provide managers with an automated scheduling tool to build and manage staff rotas; and enhance scheduling by interacting with employees in real-time through a mobile, self-service app. Fourth can provide our expertise, insight and solutions to assist you with navigating the challenges ahead and help you to thrive in the next year.

About Fourth

Fourth provides end-to-end, best-in-class technology and services for the hospitality, leisure and retail industries. Its procurement, inventory, and workforce management solutions, coupled with a complete data and analytics suite, give businesses the actionable insights they need to control costs, scale profitability, improve employee engagement, and maintain compliance.

Since its merger with US-based HotSchedules, Fourth serves more than 7,000 customers across 120,000 locations globally.

Fourth works with multi-national companies across the retail, hospitality and leisure industries, including Holland & Barrett, Robert Dyas, Ryman, Boux Avenue, Fortnum & Mason, Tesco Family Dining, Gail's Bakery, Soho House, The Ivy, The Dorchester, The Ritz, Burger King, Leon, Pizza Express, Wentworth Club and SSP Group.



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