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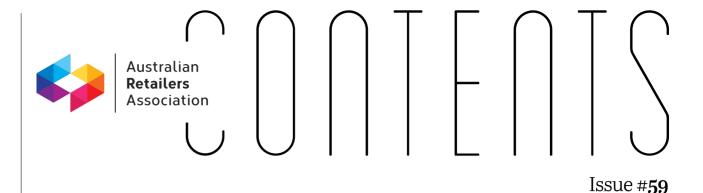












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ISSN: 183404720

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2017 Australian Retailers Association

The Retailer is printed on FSC paper stock using vegetable based inks by a printer with ISO14001 Environmental Management System Accreditation

FROM THE

EXECUTIVE DIRECTOR

s Christmas is just around the corner and retailers across the country are working hard to increase their trade, meet targets and satisfy customers, the ARA have organised a jam-packed November issue of *The Retailer*. This peak season can be quite stressful, but with careful planning, great management and continuous communication, this busy period can not only run smoothly, but transform a mediocre year into a positive path ahead.

With the year coming to an end, the ARA have been busy finalising a number of significant employment law issues facing the industry. In October, the ARA saw the Federal Court uphold the Fair Work Commission's Penalty Rates Decision, dismissing the Union's Judicial Review as it would significantly stifle employment growth within the retail industry. The ARA hopes other political parties who are seeking to overturn the Penalty Rates Decision are sensible enough to accept this Federal Court decision and allow retailers to get on with the job of employing more people, as retail staff are essential to the success of the industry.

Further to this, the ARA have put forward a submission to the Senate Education and Employment Committee to improve the flexibility of Enterprise Bargaining Agreements (EBAs) and rectify the Better-Off Overall Test (BOOT) for both retailers and employees working within the sector. As retailers are continually facing a fluctuating trading environment, the ARA believe the Fair Work Commission needs to re-evaluate the unnecessary complications surrounding the BOOT and will continue to support our members on this issue.

With so many momentous employment issues coming to a head this year, this edition of *The Retailer* is an invaluable tool for all retailers as it is strongly focuses on the people working within retail including employers, employees, trainers and suppliers. This final edition of 2017 delves deep into employee engagement, training, in-store systems and customer service, as these key resources are the heart and soul of the retail industry. With digital technology rapidly evolving the industry from an external perspective, this issue also discusses how mobile platforms, virtual reality and data integration can transform the business internally, not only benefiting the consumer but also increasing the retailers bottom line.

So, without further ado, we hope you enjoy this insightful edition of *The Retailer* and look forward to celebrating another year with you all in 2018.

Wishing you the very best for a successful Christmas and New Year trading.

1 manaran

Executive Director
Australian Retailers Association

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RETAIL NEWS FROM ACROSS AUSTRALIA

SQUARE EXPANDS ITS AUSTRALIAN OFFERING WITH ICONIC SQUARE STAND

one are the days of large point-of-sale systems, clunky cash drawers, piles of paper receipts, and cluttered countertops. Square Stand has introduced its new iconic payment platform for contactless and chip - the first out-of-the-box solution turning an iPad into a fully integrated point-of-sale system.

With tens of thousands of businesses now using this technology across the country, there was an overwhelming demand from Square sellers to find better countertop solutions that can help them streamline their operations as they grow and move into more fixed locations. Square Stand for contactless and chip is designed specifically to address these countertop needs for businesses of any size, location, and complexity.

The original mission was to help Australian small businesses start, run, and grow. Square's expanding list of products and services include: accepting card payments, online invoicing, inventory management, real-time analytics, and employee management.

A wider range of businesses can benefit from the powerful business tools being introduced. Since its launch, many retailers are already using this platform, regularly taking payments on the go, on a day-to-day basis.

Businesses are now being able to purchase Square Stand for contactless and chip online, or exclusively through Officeworks, retailing for just AU\$299.

Square creates tools that help sellers of all sizes start, run, and grow their businesses. Square's free point-of-sale service offers tools for every part of running a business, from accepting card payments with Square Reader to online invoicing, inventory management, real-time analytics, employee management, and powerful reporting. For more information visit squareup.com/au





AFTERPAY MOVES INTO WESTFIELD CENTRES AROUND AUSTRALIA

fter reaching a milestone of one million users, Afterpay has made a major move into Westfield centres across the country, introducing their pioneering payment platform to even more retailers.

Whilst they process over 20 percent of total online fashion retail sales, we can expect to see a boost in overall sales from Afterpay's expansion into retail stores across Westfield centres, by offering more customers a buy now, pay later solution.

Today's shoppers expect to move seamlessly between physical and digital channels and this partnership gives exactly what customers have demanded, with Afterpay's services already having more than 40 retail brands offering its platform through a network of more than 1500 bricks-and-mortar stores.

Customers can also use the platform as a convenient budgeting tool, as Afterpay provides time rather than finance to make purchases. Retail merchants gain incremental sales, a boost in customer interactions as well as a reduction in product returns - a key example of a partnership that aligns with the customer and retailer, driving a mutual benefit for both consumercentric parties.

With the introduction of Afterpay into Australian Westfield centres, customers now have even more purchasing power and innovative offerings, allowing them to choose the way they want to pay when they choose to shop, in-store as well as online.

Afterpay Touch Group is a technology-driven payments company that is driving retail innovation by allowing leading retailers to offer a 'buy now, receive now, pay later' service that does not require end-customers to enter into a traditional loan or pay any upfront fees or interest. Currently, Afterpay has over one million customers and over 7,200 retail merchants. For more information visit **afterpay.com.au**

AUSTRALIA POST PROVIDING SUPPORT FOR AUSTRALIAN BUSINESSES

ustralia Post has introduced its newly developed Digital iDTM technology, offering Australians a more convenient way to verify their identity online as well as access to important services.

This new technology has already been taken on by a range of companies and government departments such as: Airtasker, CUA Credit Union, Travelex and the Queensland Police Service.

Digital iDTM technology allows people to verify their identity information once, so they can then easily prove who they are online and in person through the platform's smartphone app. This removes the need for Australians to repeatedly use several forms of identity to prove who they are or have numerous passwords to access products and services.

Some businesses will start to adopt this technology to verify new members applying for selected bank accounts online or via their mobile device, enabling more people to complete the process digitally without visiting a physical branch. While other companies will use the new identification technology to understand their clients better.

The current existing identity verification processes are quite time consuming, and cost the Australian economy up to \$11 billion a year, according to Australia Post research.

Australia Post is a government-owned Postal Service operating both locally as well as internationally. Committed to meeting customer needs, Australia Post works to enhance experiences and outcomes by providing an unwavering commitment to customers, as well as diving technological innovation into its processes.

For more information visit auspost.com.au





POP-UP SHOPS WILL ALWAYS BE POPULAR

n Sydney and Melbourne, 20 percent of the high-street retail space in the CBD is made up of pop-up stalls, according to Colliers International retail leasing.

These days it seems that online sales are what customers are racing towards and what retailers believe is the answer. In reality, this is only part of the answer. Overall online stores are typically missing out on two essential factors - human interaction and engagement. Engagement with customers lies behind the success of pop-up shops.

The solution to providing human interaction is a model where retailers can sell goods online, but also personally engage with customers. Pop-up shops allow retailers to do this at a fraction of the cost of leasing retail premises.

The widespread global success of 'Fidget Spinners' can be attributed to being sold online as well as through pop-up shops in shopping centres. Kids would watch online videos of Fidget Spinners, and then see them at a stall where they can touch, feel, and try it out. Before you know it, parents are buying them and it's become a multi-million dollar global industry.

Many big online retailers with a good online following leverage the novelty of a temporary pop-up shop, using a limited window of time for customers to come check out products, creating a sense of urgency, and therefore increasing the chances of great sales.

Pop-up shops are popular and trending, with many retailers using them to engage and re-engage with customers for a minimal cost.

Advanced Business Abilities (ABA) provides a unique approach to coaching in business and leadership performance. With over 50 years of research backing the processes that ABA uses, they're able to offer support to business owners aspiring to reach goals within their industry, as well as in life. For more information visit

advancedbusinessabilities.com

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Retailers are suffering due to the lack of leadership in economic policy.

BY **HEATH MICHAEL** [ARA]

R

etail sales have posted the biggest twomonth decline in seven years as households reduced spending in many discretionary product areas. Not since late 2010 has there been a larger two-month slide.

The International Monitory Fund has suggested that the growing dead weight of Australia's debt has only just started

dragging on economic growth and employment. However, I believe there are a number of other fundamental economic pressures in addition to this, impacting consumer spending.

For some time, we have seen particular retail categories including Grocery, Takeaway Food and Household Goods hold up in the face of low to negative growth compared to the broader retail categories. However, these key retail categories, which represent over half of Australia's retail spend, are no longer holding up the overall retail growth figure - which itself has never really recovered since the GFC.

It is a timely reminder that retail conditions rarely stay strong for long unless they are driven by wage or salary growth. It is the lack of wage growth and high household debt which has created a difficult retail environment, and Australians will continue to see the retail sector decline over the next few years unless we see measures to address these areas.

In recent times we have seen an increase in retail employment, however due to the extremely low wages growth (which is a direct outcome of the broken enterprise bargaining system), retail sales continue to decline. Unfortunately, the Government has not implemented any real plans to address this broken

system and therefore the Australian retail industry will continue to suffer. Regrettably, without the Government's intervention to provide an increase in productivity throughout the sector, employers will simply be unable to increase staff wages.

Additionally, increases in the cost of essential services such as electricity and health, act as an additional tax burden, reducing consumer spending even further. This leads to another key point; in this year's Federal Budget we saw tax increases (under the guise of levies) for both individuals and businesses. These 'levies' will inevitably work their way through the entire economy.

The Australian Retailers Association (ARA) are also concerned over the increased energy costs and its impact on both businesses and consumers. In saying that, we must keep in mind that even in the current retail climate, the lowest wage growth figures can creep through tax thresholds, creating more harm to consumer pockets than any other economic issue.

Think about this, the last real tax cut, not counting the carbon tax compensation package - which saw a new tax introduced - was announced under Peter Costello in 2007 - that was ten years ago. For the Government to boast only a matter of weeks ago, that it was cutting the Budget deficit is disingenuous at best, as they continue to raise taxes for both consumers and businesses, and have no plan to deliver economic relief in the future.

As consumer spending makes up 55 percent of the economy, the retail industry cannot thrive unless consumer confidence is re-installed. The ARA will continue to advocate for the industry and voice these concerns to ensure the Government understands what is needed to maintain economic sustainability, as employing more tax officials will not allow the retail industry to prosper.

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FIRSTLINE WORKERS:

THE HIDDEN GEM IN RETAIL

How Firstline Workers hold the key to success for organisation-wide digital transformation.

BY IAN HEARD [MICROSOFT AUSTRALIA]

he 'Amazon Effect' is of course a great threat to local retailers. In order to remain competitive, retailers must prepare themselves with a digital transformation strategy to grow the customer experience whether it's online or instore. While many retailers acknowledge digital transformation has had a major role in its success, they must also recognise that its success lies in the hands of its customer-facing or product handling workers. We call them Firstline Workers. They could be the shop assistant, the warehouse worker or the sales associate.

New research from Microsoft Australia reveals the core of any digital transformation starts with Firstline Workers, but the majority are often not involved. While local retailers acknowledge the major role digital transformation has to their success, our research showed that many overlook the role of its Firstline Workers – a crucial component that can impact upon the success of this transformation. As access to accurate and up-to-date information is essential for digital transformation, the demand for retail professionals who have an expanded technical skillset is imperative.

APPETITE FOR DIGITAL TRANSFORMATION

Microsoft's Firstline Workers research based on responses from 1,390 Australians found that there is a clear appetite for greater technological transformation among Firstline Workers.

Register operators, night fillers, sales associates and floor managers form the backbone of the retail industry. They're the ones who meet and greet customers, process sales and serve as the 'face' of a store, however, our findings indicate many lack the crucial information, resources and tools from senior leadership to empower them to create seamless interactions with customers.

Interestingly, 58 percent of Firstline Workers agree that the rise of global competition is the biggest challenge facing retailers, but only 39 percent feel well informed about what their organisation is doing to overcome this.

Many bricks-and-mortar stores still make use of a notice board, printouts or team huddles to communicate information to Firstline Workers. In an age where digital has become more prominent, traditional methods are becoming far less effective with workers feeling frustrated and unmotivated by the disconnect experienced from their headquarters. If retailers continue to communicate with its workers using legacy communication channels, information gets lost and it results in a lack of teamwork and more importantly, a bad customer experience.

Organisations who engage with Firstline Workers in their digital transformation initiatives will find themselves in a better place to succeed by ultimately improving the customer experience.

Microsoft's research also revealed that 49 percent of respondents believe greater deployment of technologies would enhance their skill level, and 45 percent believed it will enhance opportunities to collaborate and exercise greater strategic freedom, bringing real value to their work.

In addition to this, research showed that the benefits of these digital technologies are acknowledged by Firstline Workers, but in many cases do not reach them. This can be attributed to the fact that less than half of the respondents felt that their organisations provide them with the resources to help Firstline Workers build the skills needed for a successful digital transformation.



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We call them Firstline Workers.

To compete in what is shaping up to be a disruptive yet innovative industry, retailers must be proactive in improving customer experience. A real-world customer experience is the retail industry's key weapon against the rise of digital retailers. To remain competitive on both a local and global scale mandates rethinking on how to best use digital technologies. The use of digital technologies like internal chat platforms, mobile apps and devices will open up many different options for local retailers to alleviate its staff from monotonous tasks, enabling them to focus on instore customer experience.

The effects of digital transformation are powerful. It must be experienced by not just management but by Firstline Workers too. By culturally and technologically empowering all staff, retailers will be capable of redefining their customer experience and maintaining competitive advantage.

lan Heard is the General Manager, Digital Workplace and Collaboration at Microsoft Australia. Microsoft is the leading platform and productivity company for the mobile-first, cloud-first world, and its mission is to empower every person and every organisation on the planet to achieve more. For more information visit microsoft.com/



GREAT INNOVATION GREAT INNOVATION DESERVES INNOVATIVE WAYS OF LEARNING How retailers can use Virtual Reality in staff training. BY CÉDRIC BROSSETTE [NESPRESSO]

ubbed the training of tomorrow's workforce, the possibilities of using Virtual Reality (VR) to educate staff are expanding at a rapid rate. As the benefits of mixed reality and Augmented Reality (AR) are increasingly becoming more available to organisations, the ability to create effective and entirely immersive educational experience for employees is allowing organisations to capture greater attention and engage learners further.

When considering the training of retail staff, to effectively engage the brand message and importance of a well-rounded customer experience can be challenging, to say the least. Using VR in workplace training presents an opportunity that is simply not possible with traditional instruction methods and other mediums, such as online videos. Virtual Reality has the ability to recreate a 360 degree representation of a real-life situation or experience and bring the user on a journey to explore and learn in a controlled environment. These situations can be directly related to retail through product information, customer service, management or challenging situations in store.

The power of emotion also plays a significant role in the success of Virtual Reality in training. Neuroscience research continually indicates that bringing emotion into the learning process is key to knowledge retention and engagement. Our brains need novelty and emotions to learn efficiently; they trigger a dopamine release, which leads to a much greater ability to remember and process new information.

At Nespresso, more than 80 percent of employees are consumer-facing, making the learning and development of employees' customer-relations skills imperative. Boutiques are spread across the country, so Nespresso are constantly challenged to provide a cohesive training strategy to engage and educate staff in a way that doesn't interrupt their busy schedules and is accessible to all.

In November this year, Virtual Reality was used as a part of the training mix to

Virtual Reality has the

ability to recreate a 360

degree representation

of a real-life situation

the user on a journey

or experience and bring

to explore and learn in a

controlled environment.

educate retail staff on one of Nespresso's most innovative machine launches, Vertuo. Google DayDream technology was used to create a 360 learning environment that brought to life the product story, everything from coffee bean to cup. The simulation combined visuals with facts, figures and emotions, allowing for the technicalities of the Vertuo machine and its high-quality coffee to be

communicated simply and succinctly. Lasting for just 3.5 minutes, the module was a fast and intense input of knowledge around an incredible sensory trip of the Nespresso brand and new machine.

Virtual Reality was also used as a trigger to generate momentum and excitement with staff

about how revolutionary the Vertuo machine launch was for the brand. In order to match the great innovation of the product, Nespresso saw it fitting to provide its staff with innovative and exciting ways of learning about the machine and coffee.

Using Virtual Reality in the training mix has completely changed the way Nespresso look

at learning and development programs.

The experience has given its employees
the tools to deepen product and brand

knowledge and convey emotion in a completely immersive way.

The potential for Virtual Reality in training for the wider retail industry, is incredible. It's exciting to see how this technology will continue to grow, encompassing not only employees in the retail industry but eventually customers as well.

Nestlé Nespresso SA is the pioneer and reference

for highest-quality portioned coffee. From farming the bean through to perfectly portioned capsules, elegant and easy-to-use machines and personalised services, Nespresso is committed to delivering exceptional experiences to consumers. For more information visit nestle-nespresso.com

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Omni hannel



Fnd To Fnd



Global Expansion



l allored Implementation



Multi Brand Multi Site



Online Fraud
Prevention



Digital Strategy





mployees are a business' most valuable asset. This is a claim made by various business owners, as they battle to hold onto their star representatives. However, in an increasingly competitive business world, keeping hold of your best workers can be a challenging task.

For businesses to remain successful, it's important not only to find the best employees, but keep them engaged and feeling valued. Ensuring your team is motivated is essential for business productivity.

When an employee does decide to leave, this puts great strain on a business with staff turnover resulting in significant costs both financially and culturally. According to the Society for Human Resource Management, staff turnover costs in the form of hiring and training can reach as high as 50-60 percent of an employee's annual salary. Culturally, employers must also be quick to reassure the wider team of their value, so other heads aren't turned in the process.

As a way of encouraging staff retention many organisations will turn to costly solutions, such as employee benefits. However, falling under the impression that a more seductive welfare package will result in prolonged commitment, will actually only result in short-term goals which is unlikely to be sustainable.

Nevertheless, there are more cost efficient solutions to maintaining a motivated workforce. One benefit that's commonplace in many organisations today is having the opportunity to work remotely. Not all businesses can provide this, but for those that are setup to allow remote working (or working from home), this is definitely something they should permit. Actually, companies that do support remote working, were found to have a 25 percent lower employee turnover rate.

But as mentioned above, this isn't an option for everyone. So, how can businesses ensure they hold onto their talent, without having to potentially reshape the entire structure? The answer lies with hiring managers.

It turns out that one of the key reasons people leave their job is due to the cultural fit. In fact, recent research found that 63 percent of Australian workers are leaving their jobs due to a poor cultural fit. It was also uncovered that 96 percent of us believe a cultural fit is a principal factor when weighing up career opportunities.

For companies to ensure staff turnover is at the lowest possible level, they need to acknowledge cultural fit and attitude are both fundamental attributes that need to be assessed in the recruitment and selection process. Positive cultural fit can often be related to greater job

satisfaction, higher commitment, stronger retention rates and superior job performance.

There are solutions in the market that can assist hiring managers when recruiting for candidates to fit in with a company's ethos. Tools such as 'Expr3ss!' use intelligent predictive hiring technology to pinpoint candidates with a cultural fit for your business.

Having hiring managers that are willing to embrace new technologies in addition to utilising traditional HR, in return, will quickly find they are hiring the best people for their business, reducing turnover, saving money and developing a more productive and happy workforce.

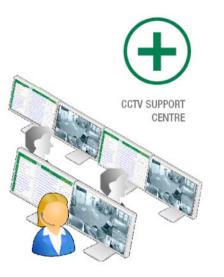
Resume-reading to select candidates for interviews is no longer enough. To get the best talent, start selecting candidates based on attitude and fit.

Carolyne Burns is the Co-Founder and Managing
Director of Expr3ss! Expr3ss! is a fast-growing
Australian software company that enables its
customers to efficiently pinpoint cultural fit as
well as skill level throughout the hiring process.
The predictive hiring technology uses proprietary
algorithms to pinpoint applicants likely to be successful
in role. For more information visit expr3ss.com

CCTU HEALTH

How retailers can improve outcomes and reduce cost of CCTV ownership

BY DAVID WEST [CAMVEX VIDEO SURVEILLANCE]



C

CTV technology has been around for some time and although its quality and accessibility has improved dramatically so has some of its complexity. Many systems are becoming larger and more complex to manage, including network management, cyber threat mitigation and efficient integration of newer HD CCTV

technologies with legacy systems. In today's day and age, many users lack the expertise to confidently make short and long-term decisions regarding their CCTV system management. Where there once were cables between a camera and a recorder there are now cameras and recorders connected to a network.

Unfortunately, areas of concern for retailers seem to be similar. Most CCTV systems are not monitored live and are only accessed when there has been an incident. It is generally at this time when problems are discovered. These problems include discovering a broken camera, failed hard drives or power that has been inadvertently (or deliberately!) turned off.

To improve these outcomes, many retailers are changing their approach to how they use their security systems and seeking CCTV hardware monitoring – this is not to be confused with camera activity monitoring. Automated health diagnostics addresses these requirements as the system sends alert messages relating to faults such as camera and HDD failures to a diagnostics cloud server. It can also send alerts if a system isn't achieving the nominated minimum recording duration which can be a critical compliance requirement. These pro-active alerts not only result in quicker response times to problems but consequently save retailers money. Many CCTV users are now partnering with 'Design and Construct' CCTV specialist organisations to provide 'Managed CCTV Services' from system

conception to beyond the life expectancy of individual components and technology.

In Australia labour is expensive, and the cost of having technicians onsite to analyse faults can be overcome by remote analysis. Many issues can be qualified remotely and potentially resolved without a technician attending the site. Live support options enable a remote technician to connect directly to

Do you know if your system is operating at its optimal best?

If not, what are you doing about it?

the recorder or a client PC at the CCTV site. The remote technician can either take control of the session and resolve the issue, or visually guide the user onscreen how to complete the task to resolve any issues. This method is much faster and more cost effective than waiting for a technician to attend the site.

There are further benefits to this service particularly when

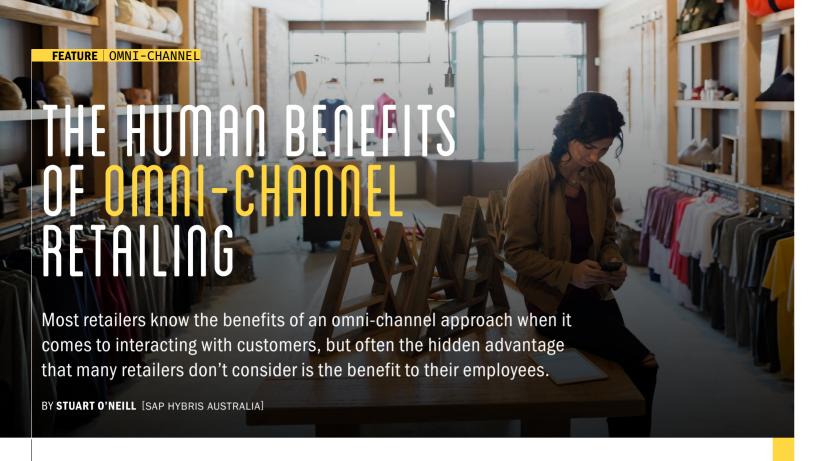
there are multiple sites. Maintaining uniformity with systems deployed across multiple sites can be challenging when different technicians attend. Centralised management of CCTV systems allows systems to be commissioned and audited remotely improving outcomes and consistency.

Consideration must be given to the required scope and the cost of your CCTV systems; the information recorded on these systems are not required often, but is almost always critical. Therefore, it is imperative that retailers invest in security and safety before an incident occurs.

David West is the Sales Director of Camvex Video Surveillance, helping retailers maximize their security investments and reduce shrinkage. For more information visit

camvex.com.au or email info@camvex.com.au

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ith Christmas around the corner and the imminent arrival of Amazon in the Australian market, many local retailers are considering how they can get one-up on their competition.

And in the modern, data-driven retail landscape, technology is a key investment in gaining a competitive edge. It's all about finding the diamonds in the data – drawing insights from business information to deliver better outcomes.

E-commerce has cemented itself as an indispensable, revenue-driving tool. It helps retailers generate more sales by building delightful customer experiences. But, the often-forgotten piece of the puzzle, is the impact it can have on another stakeholder to your business – your employees. Getting this data to the store-front in real time empowers retail assistants to deliver an experience every bit as insightful as the one found in an online shop.

Most retailers know that having a 360-degree view of their customers is key, and can see customer data as a rich source of information. These patterns and customer intent indicators can be used to build a contextual picture of who is buying products. It allows retailers to identify high-value customers and gain an understanding of who has the propensity to actually purchase. But fewer retailers think about applying this data to the shop-floor.

Frontline staff can't read minds but, properly equipped, can better understand customer intentions and satisfy their needs. Technology can bridge this gap by helping provide an omni-channel view of the customer. By overlaying customer data across marketing, commerce, service and sales, floor staff can identify and deliver a personalised and contextual experience. This simple type of information is available elsewhere in the organisation so why not empower the staff who need it with the data when they can best leverage it?

The role of retail assistants has changed dramatically, as consumers seek consistent and relevant interactions no matter what channel they use. In-store employees need to be empowered to engage a customer on the sales floor, upsell or cross-sell them based on what they have viewed online and

have the tools to present personalised offers to customers as they shop.

A truly integrated, omni-channel e-commerce solution allows you to put all the power of your commerce assets in the hands of your store assistants. They can share digital assets, such as video and technical data normally found on the web, with the customer as part of a conversation. This gives the consumer confidence and empowers assistants to sell more, resulting in increased sales.

As the face of your brand, staff are an extension of the experience you create for your customers. We demand a high level of knowledge from these staff members, making it a critical part and often under-resourced part of the purchase journey.

Today, customers do not see a distinction between their online and offline experience, and they expect consistency across these touch points. Given there is little product differentiation across many sectors, if brands fail to deliver this now expected level of service, consumers will seek a better experience elsewhere.

An omni-channel customer experience is not only a retail imperative, but this level of data-driven service is no longer a pipe-dream either. Empowering associates with tools, information, support and incentives to deliver exceptional in-store experiences that not just meet, but exceed online experiences is a reachable target that many leading retailers are heading towards today.

As retail grows increasingly competitive, market-leading omni-channel systems are becoming more demanded by customers. A solution which empowers in-store employees on the shop-floor, as much as it enables consumers online will add exceptional value to your business, and ultimately improve your bottom line.

Stuart O'Neill is Head of SAP Hybris Australia and New Zealand. SAP Hybris is a digital commerce software, creating relationships between businesses and their customers.

OPTIMISING REVERSE LOGISTICS AND GETTING VALUE FROM RETURNS

Investing in an effective returns process is a crucial part of doing business.

BY DANIEL PARK [ZEBRA TECHNOLOGIES]

Retailers are frequently struggling to make their Click & Collect operations profitable due to the huge increase in returns that Click & Collect has generated. The introduction of this new channel has led to a change in customer mindset, which means retailers have to deal with the complexity of more returns.

This change in how customers think and act is real and permanent. It's having repercussions today, as KPMG's Omnichannel Retail Survey 2016 identified that 23 percent of fashion returns were intentional, and two-thirds of customers surveyed said free returns was the most important factor when considering returning products.

Increased returns can lead to money being tied up in returned goods as opposed to new sales. For most of the year this could arguably be seen as a cost of doing business, but during peak seasons such as Christmas this can come to a crunch.

With this in mind, the case for efficient processes that make money rather than eat up profits rapidly becomes self-evident. In terms of getting this right, retailers need to consider three pillars:

 Reliability: It's imperative to get returned goods back into the system accurately by using scanners, mobile computers or RFID. Best practice in terms of customer experience suggests that it's important to enable shoppers to return through their choice of channel (instore, lockers, and pick-up). This only goes to further reinforce the fact that wherever the item is returned and whenever it is dealt with, scanning and processing has to be reliable.

 Accuracy: With stock going out and being returned through multiple channels, retailers need to be on top of their inventory management. Knowing where returned stock is and where it is wanted is important for accelerated order fulfilment and to reduce unnecessary stock holdings.

3. Speed: Retailers must be able to handle returns in a way that satisfies the customer and minimises costs, but it's equally important to get stock back into circulation again as quickly as possible. Many returns will be ready to go straight back on to the shelf, which means improved availability for customers wanting these items. In-store re-labelling and scanning back into the stock file keeps the wider stock picture up to date and reduces the risk of overstocking.

Developing improved Click & Collect processes isn't an optional feature, it's absolutely essential in the modern retail environment. With returns an increasingly inevitable part of doing business, retailers need to deliver customer convenience in the returns process.

Daniel Park is the Sales Engineering Manager of Australia & New Zealand for Zebra Technologies, a global provider of next-generation retail, supply chain, logistics and mobile solutions. For more information visit **zebra.com**







REGULARS | EMPLOYMENT RELATIONS

RETAIL RESOURCES: HIRING RIGHT S THE SECRET TO SUCCESS

How to ensure the success of your business through recruitment.

BY **NICK TINDLEY** [FCB]

e all know customer service is at the heart of the retail industry, so it comes as no surprise the success of your retail business is intrinsically linked to the ability and drive of your human capital.

This month's edition of *The Retailer* will emphasise the importance of recruitment and training strategies in the retail context to ensure you are getting the best out of your employees.

KEY TIPS FOR RECRUITING FOR SUCCESS

The importance of recruiting the right talent in the right role at the right time cannot be understated. The decisions you make in recruitment are paramount to establishing a solid workforce that will get your business across the line in the competitive world of retail.

Before circulating job advertisements it is important to reflect on the key aspects of the position and the type of candidate you are seeking to attract. You must carefully consider the wording of job advertisements and be specific with what you want and need from the candidate.

Avoid being too specific. Not only will this limit the pool of applicants and potential talent, the language used may leave you exposed to a federal or state discrimination claim. Stay clear of gender-specific terms and other terms not related to the inherent requirements of the role.

After receiving expressions of interests from eager candidates, interviews are your next key step in ensuring you make the right choice for your business. Interviews will provide you the chance to grasp whether or not the candidate is the right fit for the organisational culture and the role.

The structure of the interview process is essential for ensuring you see the ability and potential each candidate holds before making a strategic hiring decision. Employers must determine from the outset whether to do an initial group interview before singling out candidates for second rounds, or whether to have a trial period. Decisions such as these are important in allowing you to tailor the recruitment process to fit your business and get the most out of your candidates before engaging them.

Again employers must be careful in the language used and questions asked during interviews. Employers may not ask questions relating to a candidates personal background

or characteristics such as age or marital status. To avoid discrimination claims, questions in interviews must be unambiguous and relevant to the inherent requirements of the job.

UNPAID WORK TRIALS

If you are going to ask candidates to trial for a role, you need to ensure that this is clearly communicated in writing and that you pay this prospective employee for the time spent undertaking the trial. It is also important to note the minimum shift engagement period under the relevant Award.

The importance

of establishing

and maintaining

good relationships

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ees is paramount

to retaining top

talent.

MAKING AN OFFER OF EMPLOYMENT

Once you have decided which candidates are the best fit, the next stage is the offer of employment. Employers must be wary not to rush this process and leave your business potentially stuck in unsuitable employment arrangements.

Before offering a successful applicant a role it is important you have carefully considered and determined what the terms of engagement will be. Consider whether you need a permanent staff member,

whether the engagement is for a fixed period of time, or whether you need flexibility with a casual engagement.

Where you engage casuals, it is extremely important to reiterate the nature of casual employment, stating they are hired on a casual basis, have no guaranteed hours of work and that each shift is a separate engagement. Given the influx of Christmas casuals into the retail industry at this time, it is extremely important employers are transparent with the nature of the casual's employment. It can even be stated in the contract that they are employed as a "Christmas Casual" for the season and that there is no guarantee of their employment continuing at the end of the period.

After you offer the role to an employee and they accept it, ensure that you have the new employee provide you with the signed employment agreement before they commence work. Best practice is for the employee to be rostered once

For more information regarding retail recruitment please contact the ARA Employment Relations

Team on **1300 368 041**

the signed contract is received, however you can get them to bring it on their first day of work. It is also important that you provide the employee

with access to the relevant policies and procedures that will apply to their employment, and that you request them to read and acknowledge these before they commence. They should have a clear idea of who they can contact should they have any questions.

INDUCTING YOUR NEW RECRUIT

When training and inducting new employees it is important to consider the different needs each employee may have. There is no 'blanket approach' to inducting employees, and given the retail industry is largely made up of

young new recruits, it is important that they be inducted in a way that 'speaks their language'. Make sure employees are clear on what the expectations are, encourage them to ask questions and, where possible, pair them up with a buddy to ensure they are comfortable and fitting in as best as possible to your business.

TAKE AWAY POINTS

Take the time to ensure your recruitment and on boarding processes are fluid and well thought out as this will safeguard your business from getting it wrong. The importance of establishing and maintaining good relationships with your employees is paramount to retaining top talent. Focusing on your staff and the ways in which you engage new employees reduces your risk of losing money on unnecessary recruitment costs and ensures you build a strong workforce to skyrocket the success of your business!

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RETAILERS NEED TO GIVE BAD BEHAVIOUR THE BOOT

How retail businesses can ensure their employees are better off overall.

BY **PETER HARTE** [KRONOS]

o remain competitive in the current retail landscape, businesses need to provide personalised service, a high-quality product at an attractive price point, offer multiple methods for payment and stand out from the crowd. Further, they must ensure they're adequately protected against cyber security threats and remain compliant in all facets of their business or risk hefty fines.

People are a retail business' most important asset. They are the friendly face that not only greets the customer, but keeps them coming back, time and time again. The Fair Work Commission (FWC) has measures in place that ensure employees in the retail sector get a fair deal and are adequately remunerated for their time.

CHALLENGES FACING RETAILERS AROUND BOOT

The FWC uses a Better Off Overall (BOOT) test to assess registered working agreements against awards, comparing them to ensure the employee is better off overall under the registered agreement for it to be approved. To maintain compliance, retail businesses must ensure individual employees are adequately remunerated for the work they perform over a period of time.

For example, if an employer is offering an Enterprise Bargaining Agreement (EBA) with a fixed hourly rate that is significantly higher than the Modern Award, the General Retail Industry Award (GRIA), across the entire

week, they still need to ensure employees working weekends are better off on the EBA than they would be with the penalty rates applied on weekends on the Award.

WHEN RETAILERS FAIL TO COMPLY

In recent years, a number of retail employees, both past and present, registered their complaints with Fair Work claiming that under their EBA they were not better off comparatively.

These employees had worked weekends whereby the penalty rates they would have earnt under the Modern Award, would have outweighed the increased hourly rate they received as described within their EBA.

The counterargument from retailers was that overall, a subset of employees working the same job within the same department, would be better off over the

course or a period in time. However, the FWC deemed individual employees need to be better off, regardless of that status of an entire group of workers.

Several Australian retailers have been headline news this year failing on workplace compliance. They, along with other retailers who are learning from their mistakes, have looked to intelligent workforce management software to provide a BOOT comparison on a weekly basis. These businesses now enjoy the comfort and surety that they are complying with Award and agreement rules, and their people are being looked after.

EMBRACING TECHNOLOGY TO ENSURE COMPLIANCE

Given the complex and volatile nature of legislation, many retailers struggle to keep abreast of the requirements they need to adhere to.

Workforce management technology can assist retailers in safeguarding against compliance, regulatory and company policy breaches, and also to measure their employee EBAs against Modern Awards to ensure all their employees are, in fact, better off overall.

The Kronos Workforce Central application provides business intelligence comparative data, and Kronos' Workforce Analytics for Retail provides insight into the business by providing a full suite of retail reports and dashboards. Through this insight, business owners minimise the risk of fraud and regulatory breaches.

INSURING YOUR RETAIL BUSINESS FOR LONG TERM SUCCESS

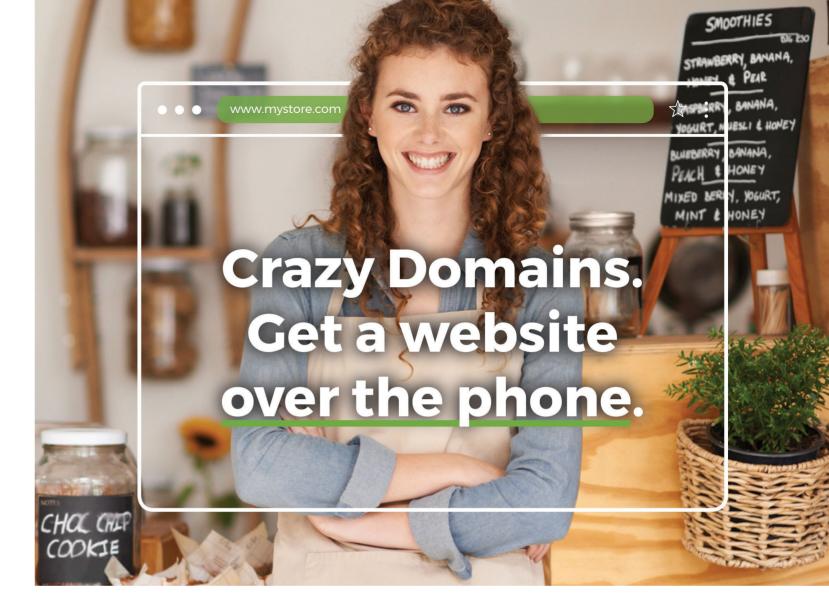
With ever increasing competition, tightening consumer spend and decreasing margins, retailers can't afford to have compliance breaches added to the mix. These issues impact brand, customer loyalty, employee engagement and expenses, in the end all hitting the retailers bottom line.

Investing in workforce management software provides retailers with the tools to optimise their labour; leading to increased revenue, reduced expenses and improved employee engagement. They will also be assured they are truly maintaining compliance.

Peter Harte is the Managing Director of Kronos ANZ/SEA, the global leader of workforce management software. For more information visit **kronos.com.au**



technology can assist retailers in safeguarding against compliance, regulatory and company policy breaches



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TECHNOLOGY IS CREATING A FASTER

MORE INTUITIVE AND DATA DRIVEN RETAIL SECTOR

A look at the top digital trends that are changing retail.

BY BEN PFISTERER [SQUARE]

t is easy for retail businesses to view the rise of digital engagement as a threat to traditional retail, but it is just as important that retailers also see the opportunities it brings. Digital engagement is an opportunity to capitalise on your customer's love of all things electronic, to provide a more personalised experience and create a more dynamic in-store environment. It's also an opportunity to save time and money by streamlining and digitising tiresome business processes.

With more of the world's biggest brands setting up retail footprints in Australia and the growing dominance of the e-commerce giants in the online retail market, it's more important now than ever for smaller retailers to adopt effective digital tools that can help them thrive.

Here are six ways that you can use digital technology to help your business work smarter and offer your customers more:

MEET YOUR CUSTOMERS ONLINE

Customers often turn to the internet when searching for information about a business they're interested in. This is why it's important to have your store locations and other details including trading hours and social media handles listed

online - both on your website and other platforms like Google, Facebook or Yelp.

It might seem obvious, but you'd be surprised how many businesses don't check to see if they are listed properly online. A good test is to search for businesses in your area and then search for your business name — your business should come up in both of these searches.

STREAMLINE YOUR POINT OF SALE (POS)

AND REDUCE WASTE

Gone are the days of oversized POS devices, clunky cash-drawers, piles of paper receipts and cluttered countertops. Businesses can now run fully integrated POS and payments systems, like the new Square Stand for contactless and chip. This new payment system streamlines business operations into one platform — from accepting card payments to online invoicing, inventory management, real-time analytics, and employee management.

GO MOBILE WITH YOUR CUSTOMERS

Having a mobile POS device is an easy way to create a positive end-to-end customer experience in your retail store. By enabling customers to make payments wherever



Ben Pfisterer is Square's Country Manager for Australia. Square creates tools that help sellers of all sizes start, run, and grow their businesses. Square's free point-of-sale service offers tools for every part of running a business, from accepting card payments with Square Reader to online invoicing, inventory management, real-time analytics, employee management, and powerful reporting. For more information visit squareup.com/au



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TECHNOLOGY | INTEGRATION

they are, you are saving them the hassle of lining up at the checkout and ultimately offering them the same convenience as purchasing online, with the added benefit of one-to-one personal service.

USE DATA TO IMPROVE YOUR BUSINESS

Having data and analytic tools is a must these days, especially for time-poor retailers who need a quick snapshot or a detailed breakdown of their sales. Analytic tools have traditionally always been available to big businesses to help them work out profit margins and maximise revenue, but advancements in digital technology have made these tools readily available to businesses of any size or type. Employing good data analytic tools will help you gain important insights into what's working and what needs to change in your business, so you can continue to make informed decisions to maximise revenue.

EMPLOYEE MANAGEMENT

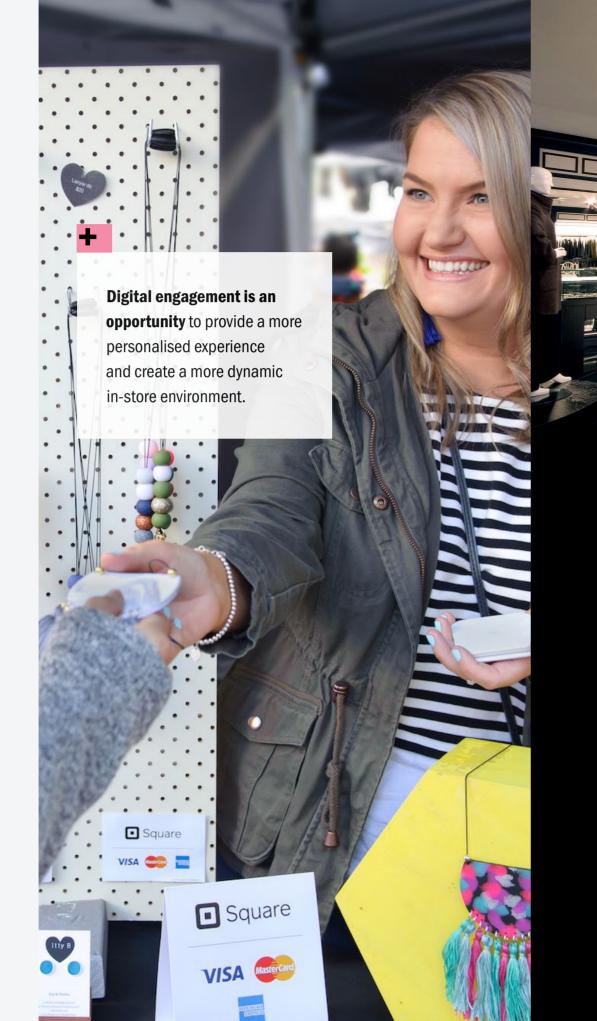
Growing your team and hiring new staff is exciting. But managing employees, especially across multiple retail locations, can also be challenging. For one, as a busy business owner, you're unlikely to be able to be in multiple places at once, which makes supervision difficult.

Employee management software is a great way to support this. It's best to look for an employee management system that integrates with your POS system and allows your staff to set up personalised employee accounts with passcodes. This makes clocking in and out a breeze for them, improves your payroll management system, and also allows you to track employee transactions and sales history.

INVENTORY CONTROL

Inventory is one of the most critical costs of a retail business and can be a make or break. Businesses with multiple locations need to be particularly mindful because, with every store you add, your inventory costs will also increase.

There are various ways to effectively manage retail inventory and investing in a digital platform is a must these days. You can set up your stock lists quickly by importing products easily with CSV spreadsheets and receive email stock alerts when items are running low.





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AS GENERATION Z HITS THE STORE AS BOTH EMPLOYEE AND CUSTOMERS, ARE RETAILERS READY?

With Generation Z coming of age – as both employees and customers – retailers need to embrace the expectations of this 'digital native' generation.

BY RAGHAV SIBAL [MANHATTAN ASSOCIATES]

COMING OF AGE

In a Millennial obsessed market place, retailers may be surprised to realise that Generation Z (Gen Z) now makes up a large portion of the population. This generation born at the turn of the millennium, is growing in importance not only as potential customers but also as employees, and their arrival in the marketplace will hail a new era of retail.

Indeed, anecdotal evidence is already beginning to show a new overlap between online and bricks-and-mortar stores: while in-store footfall is generally falling, closing stores have a significant negative impact on online sales within that location. Gen Z are using the store as a shop window before buying online. In this complex, intertwined new business model, retailers need to get savvy to ensure every aspect of the experience reflects the expectations of this increasingly significant customer group.

Although the temptation may be to bracket Gen Zs with Millennials – especially in their attitudes towards technology - the reality is very different. While Millennials have grown up alongside a digital revolution and actively embraced it, Gen Zs were born into e-commerce and social media. It is their world and as such, their

expectations of the adult environment as both consumers and employees, will be very, very different. New technologies, from Amazon Drones to Virtual Assistants, will become a part of the new shopping norm for Gen Zs.

Clearly as consumers, Gen Z will expect a slick retail experience, one that offers a frictionless shift between channels. And as they share every aspect of life via Snapchat and Pinterest, Gen Zs can make fantastic brand ambassadors – but only if the experience meets their expectations.

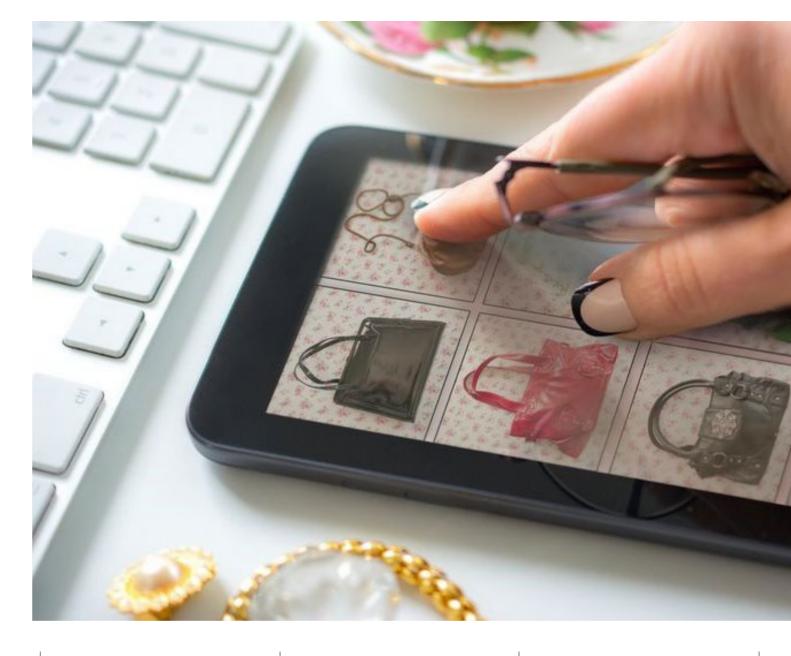
More critically, perhaps, for retailers already struggling to attract the right talent, is the role of Gen Z as employees. This digital native generation is used to being empowered with the right information; and they will expect that experience to be mirrored in the workplace. Their digital skills could and should be a major asset and they will be baffled and frustrated to be asked to work in a retail store where the customers have more information than the retail staff. This single device generation will look askance when shown one system to check inventory, a separate iPad for recommendations, plus another fixed electronic Point of Sale (POS).

Gen Zs will expect a single device model and real time access to the in depth inventory



Retailers that are able to create a truly digitally enabled, end-to-end business model should capture this increasingly influential generation as they are the future of retail.

and customer information required to deliver an excellent customer experience. In a low unemployment market with high demand for digital savvy individuals, creating a working environment that supports Gen Zs' digital technology expectations will be key for retailers looking to secure the next wave of fresh talent.



EMBEDDED TECHNOLOGY

Of course, retailers have looked to improve the digital experience in response to the demands of Millennials. But Gen Zs' digitally native expectations are a step ahead. Equipping retail staff with iPads is step one – ensuring they can also close the sale on the shop floor, rather than returning to the POS or using a separate system to check inventory is an essential next step.

Similarly, retailers can build on the investment in beacon technology and kiosks by extending beyond the current provision of website access to create a destination experience that connects kiosk to enterprise supply chain and customer transaction system. Every in-store experience, whether delivered by kiosks or retail staff, must be personal, timely and relevant – and that means

embedding technologies within the end-to-end retail model. Therefore, retailers that are able to create a truly digitally enabled, end-to-end business model should capture this increasingly influential generation as they are the future of retail

Businesses across every market are looking to attract the best young talent, to harness the insight of digital natives to deliver competitive advantage. The catch 22 is that without creating a positive working environment in the first place, it will be incredibly tough to recruit these high-quality employees. Retailers need Gen Zs – and it will be the creation of a digital native retail experience that will be key to attracting this generation as both consumers and employees.

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Australia and New Zealand of Manhattan
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and omni-channel commerce, converging frontend sales with back-end supply chains.
For more information visit manh.com.au

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ether you send one or 1,000 customer emails each day - it is crucial that you don't lose sight of how important each one is - that each one is an important relationship building tool in your business.

Consider that your email might be the only communication that customer gets from you on a particular day. That email can not only change their relationship with your business (perhaps one step closer to 'love' and 'loyalty') but, written correctly, can impact their day on a much deeper level.

Getting customer emails right is worth the investment of time. Regardless of your automation system, there are some must haves inside your email that can (re)shape the way a customer feels about your business. An email (automated or not) should be as close to two people having a conversation as possible. This makes your customers feel like they are doing business with a human, unfortunately many businesses miss this mark.

Firstly, and quite obviously, is personalisation. Making every email personal is so important. Aside from using the recipient's name in the salutation, use it elsewhere in the email - fittingly of course.

As Dale Carnegie said in his book 'How to Win Friends and Influence People', "...remember that a person's name is, to that person, the sweetest and most important sound in any language..."

Ensure the email is coming from a human too - not just a team. "Many thanks Max" is much better than "Many thanks, Customer Service Team". Put a face to the name too. Not only will a photo help build trust and increase conversions, it will make your customers feel like they are dealing with real people.

Always say thank you. No matter what the email you are sending is responding to, a complaint, a compliment, an enquiry or feedback - say thank you. All (good) business owners acknowledge that even the worst feedback is helpful feedback used to grow your business.



"vou can automate processes but automating relationships is much harder."

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BUSINESS OPERATIONS | PERSONALISATION



Look at your language – are you using positive language? Do you have sentences such as "actually, you can find that product here if you click," or "I understand but...". Taking out words such as "actually" and "but" can change the tone of your emails. Try saying instead, "absolutely we do! You'll find it here," and "I really appreciate your point, unfortunately..." etc.

If your emails are a sales conversation and you use the words "I" and "we," you are talking about your brand, and as the saying goes "customers don't care what you know, until they know you care...".

If you are telling them everything about you, I guarantee the information is not getting consumed. A sales email needs to be telling the customer what you can do for them, what the outcome will be for them, how much revenue or free time it will generate for them. You need to start using words like "you" and "your" instead.

Lastly, check the tone of the email - is it formal or casual? There's been a long, held debate of what

is the preferable tone, however a recent survey of 2000+ online customers found that 65 percent of them, across all ages and all genders, preferred a casual, more friendly manner in customer emails. Of course, if you are delivering bad news to a customer, a casual tone may not be appropriate, so ensure you use the right tone for the right purpose. But a casual tone can help humanise an email and create trust.

Remember you can automate processes but automating relationships is much harder. While an email is not the same as a face-to-face conversation, the end result should leave your customer feeling like they had a personal experience with your brand or business, and be excited to do business with you again.

Each email might be a bit of effort, but it's a massive opportunity to build better relationships, grow your customer base and continue the personal experiences your customers have.

Jenn Donovan successfully runs her own retail business and a company named Inspiring Retail, which educates, connects and inspires small business within in the retail industry. Her passion for empowering retailers worldwide using the simple tools, skills and attitudes necessary to build successful, profitable and productive businesses—makes her the perfect mentor, coach and speaker when it comes to retail. Contact Jenn at jenn@inspiringretail.com.au



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HAUE YOURSELF A MERRY LITTLE CHRISTMAS TRADE

How retailers can optimise their Christmas trade this festive season.

BY KATHERINE MECHANICOS [ARA]

ith Christmas fast approaching many retailers find this time of year both daunting and stressful, however there are some key business strategies that retailers can put in place to optimise their Christmas sales.

With only four weeks to trade during this peak season, the key to success for every retailers Christmas trade is to carefully create a marketing strategy.



CONSUMERS AT THE CORE OF CHRISTMAS

As consumers are constantly bombarded with marketing collateral in December, retailers need to ensure their key messages are clear and concise. Layering your marketing communications to build enticing pre-Christmas offers are a terrific way to build relationships with new customers, but retailers also need to be targeting their existing customer base.

Many businesses can often make the mistake of mass marketing to expand their customer base during Christmas, however planning a personalised marketing strategy for your existing customers is crucial to retaining their business and continual loyalty.

Retailers most effective incentive schemes need to be designed to both reward, and maintain customer loyalty, as well as drive demand for future purchases. This strategy does not need to be complex but most importantly simple and effective

In many businesses, the level of loyalty will vary dramatically across your current customer base. For existing customers, retailers will need to identify their top customers so that they can reward them accordingly at Christmas. For the next tier of loyal and emerging customers, retailers also need to plan a loyalty framework to not only sustain growth, but also increase sales for the coming year

In both cases it is important to refrain from marketing your business as a discounter as consumers buy on emotion as well as budget during Christmas time. In fact, it's easier to increase the average spend by pushing emotional buttons than relying on a price war to get you there.

THREE WAYS TO CREATE IMPACT ON CUSTOMERS

Seduce them into the store with an emotional pull, this can be the theatre of the store layout.

Educate them once they are in the store by providing great customer service and carefully planned signage that gives customers tips and solutions on what to buy.

Convince them to buy on the visit with concrete facts that support your offer.

IT'S NOT HOW BIG YOUR STORE IS, IT'S HOW YOU USE IT

Another cost effective and high impact marketing tool for retailers during Christmas is the look and feel of your store. The exterior of your store and your focal window displays are often the only opportunity you have to capture the consumer's attention. The careful positioning of the right product, in the right place, at the right time, has consistently proven to provide success stories for many retailers.

In fact, Visual Merchandising (VM) is the hook that stops passing traffic and the point of difference that provides an edge against the competition. Given that some of your products may be available from other outlets it is important to embellish your store with a carefully planned and executed VM strategy.

Working to the theory 'less is more' allows retailers to clearly select their most important product ranges and coordinate a strong statement using only what is required. Often the most visually appealing stores are the ones that have the simplest statement to make.

For example, going-green is an increasing trend amongst retailers who are trying to adapt to consumer behaviour. Incorporating display elements with an environmental message is a great point of difference.

On the other end of the spectrum, interactivity is also becoming increasingly important for retail displays. This form of VM often involves technology supported displays that assist customers in finding solutions. In fact, directory services that provide gift suggestions in-store are proving extremely popular for many large format retailers.

For independent and boutique retailers, there is an ever-increasing emphasis on quirky art and design elements that create a unique identity from large scale chains and heavy discounters. Those retailers that use the simple yet effective powers of VM to grow their brand recognition and identity will constantly reap the benefits of these silent sales.

From the buying of

a strong Christmas trade result depends

well-coordinated and

on an informed,

motivated team.

the product range to the sales process;

Therefore, planning a strategy to outmerchandise your competitors is crucial. A consistent promotional message that flows through all signage and communication platforms is also crucial. This is not a one-off communication, but a series of creative messages about your business which can turn a potential customer into a long-term consumer.

STAFF ARE YOUR STRONGEST ASSET

And finally, a great Christmas trade starts with the right people. From the buying of the product range to the sales process; a strong Christmas trade result depends on an informed, well-coordinated and motivated team. This team collaboration really comes down to having a detailed marketing strategy and promotions calendar in place for staff to have a clear overview of how to transform stock into sales.

Retailers not only need to make sure their team is prepared, they need to ensure their staff have a reason for being a part of the business in the longer term. In this case, managing a stable workforce during this peak season is imperative, as retailers need to keep their team members

engaged to maintain their commitment to the business. In fact, the cost of replacing a shop floor staff member can be as high as 60 percent of their salary. It's also been found that businesses with high staff turnover levels can also suffer low team

service levels. This evidence proves that investing in your employees and improving employee retention can have huge financial benefits for your business.

Therefore, not only is it vitally important to

Therefore, not only is it vitally important to have a Christmas trade strategy with a strong marketing focus on consumers, it is crucial to also plan the motivation of your team to keep their spirits high throughout, and beyond the Christmas period.

morale, instability and inconsistent customer

THREE WAYS TO KEEP YOUR STAFF ENGAGED AND MOTIVATED DURING CHRISTMAS INCLUDE:

Adequately staffing the store

It's important to recruit early and plan rosters well in advance. Ensure there is always a leader on each shift and there is clear planning for what is required by each individual.

Invest in your team

Training your staff in product knowledge, creates a positive customer experience. Changing their product focus frequently keeps them interested and engaged.

Rewards and recognition

Set the targets for your team at an achievable but motivating level. It's important your business incorporates simple rewards and recognition tools to keep them motivated.

For plenty more tips and tricks in developing a Christmas trade strategy, the Australian Retailers Association's 'Optimising Christmas Trade' workshop covers all areas of retail operations including Visual Merchandising, Financials, Sales & Service and Customer Experience.

The ARA's Retail Institute offer this training course to members and non-members as an external or in-house workshop. For more information on this workshop and how to effectively approach the busy festive season please contact Yvonne Chow, ARA's Human Resources & Talent Manager on Yvonne.Chow@retail.org.au

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Even without spending a dollar, trade events can do remarkable things for your profitability!

BY CASANDRA BODIE [FRONTLINE STORES]

n tough retail climates, the best way to increase your profitability is to get smarter in the way you operate. In this instance. I don't mean smarter as in more educated. I mean smarter as in being open to new ideas, concepts and in having the courage to reach out and network. Fortunately, new ideas and networking events are often readily available, and attendance is often free.

Whilst trade events and buying expos often might help you freshen your do have a heavy focus on "buying", there is usually no obligation, so there is plenty to be gained by the proactive retailer. In fact, the following resources are some basic improvements you can make to your independent business from attending a trade event.

IMPROVE YOUR VISUAL MERCHANDISING

Closely examine how suppliers merchandise similar products to what's carried in your store. Event exhibitors are often forced to present products on lean budgets so you can learn a lot it is highly likely there are similar businesses in from the ideas they implement.

UPDATE YOUR TREND FORECASTING

Look around. Suppliers at trade events have invested heavily in forecasting the future trends with their product development, and looking around at common themes or designs can give you an insight into what those findings were. Whether it's common themes with colours,

accessorising or even fabrics and materials, bringing the forward-thinking trends into your store early can help you get ahead of the curve.

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The best way to

increase your

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PLAN FOR NEW PRODUCT

If your current product range is leaving sales a bit static, looking for new ideas range. Even if you can't afford to invest too much in new products currently, it might be as simple as finding a hero product that you can move to a more prominent position in your store environment.

NETWORK FOR MUTUAL GAIN

It sounds clichéd, but a problem shared is a problem halved. If you are facing challenges then non-competing markets that are facing similar situations. Connecting and building friendships can bring you fresh ideas, and provide new opportunities for combining purchases or exchanging stock.

FIND THE SHORTCUT TO SUCCESS

In life, there are always shortcuts, and trade events are a great way to find them. Prompt the company representatives you deal with to share the new ideas or the pathways they have available. Maybe since you last spoke there are new ERP systems you could be linking into, or easier ways to feature their product on your digital platforms.

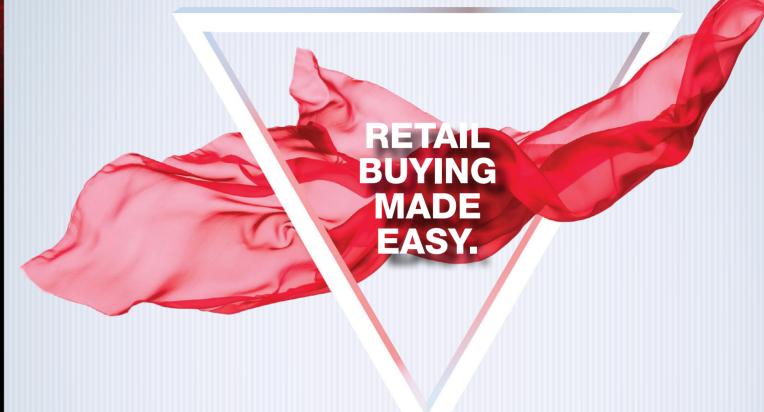
> It's easy to get side-tracked by products, but operational shortcuts are improving all the time too.

Probably the worst thing any business can do when facing a tough situation is to keep doing what they have been doing. Whilst money may be tight at times, taking a day out of the business to bring some new FREE ideas back into the business can be a great start

towards turning the ship around.

One such trade event for your consideration is FABE-theFrontlineAustralianBuyingEvent,which is owned and managed by FrontLine Stores Aust Ltd, for independent retailers around Australia. For more information, visit fabevent.com.au.

Casandra Bodie is the Marketing Manager for FrontLine Stores Aust Ltd., a member driven organisation focused on providing benefit & opportunity to independent retailers. For more information visit frontlinestores.com.au



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THE SECRET TO EFFECTIVE EMPLOYEE ENGAGEMENT FOR

THE RETAIL INDUSTRY

Retailers can increase customer satisfaction levels by actively engaging workforce.

BY BULENT OSMAN [STAFFCONNECT]

mployee engagement is a worldwide problem – but the retail industry is particularly affected. The Employee Engagement Trends Report

from Quantum Workplace revealed that nearly 35 percent of retail employees in the United States (US) feel disengaged – that's lower than the national average for all industries in aggregate. Low engagement affects a retailer's bottom line as disengaged cultures contribute to a higher staff turnover, lower sales and poor customer metrics.

Of particular concern is what the study showed about co-worker connections. The following categories as rated by retail employees all decreased from the previous year:

- Whether coworkers consistently 'go the extra mile' to achieve great results (-2.7 percent).
- Whether employees can depend on the other members of their team (-0.6 percent).
- Whether close employee colleagues show commitment to producing top quality work (-0.5 percent).

It's not just the US that suffers from engagement woes – Australia also faces similar problems. A recent Gallup poll shows the vast majority of Australian workers (76 percent) feel some level of disengagement. This leads to problems for employers and employees alike, not the least of which is high staff turnover that can negatively

affect the customer experience (CX). Further, as CEO of The Retail Solution, Roger Simpson notes "Motivated and engaged employees also stay longer and inspire others to perform, along with numerous other positive outcomes."

DRIVING DISENGAGEMENT

A few industry trends are exacerbating these engagementrelated problems for retailers. For example, online retailers like Amazon are getting so big that many employees in traditional stores are understandably anxious about whether they'll be needed in the future. In addition to this. many retail employees are non-desk employees (NDEs) who have enhanced around communication. As major players like Macy's close stores and cut thousands of retail jobs, employees become more focused on employment than engagement. This is certainly true in Australia, where Amazon Go is on deck to be up and running in less than a year.

There's a catch to this situation, however, at the same time that these industry transformations potentially threaten employee engagement, finding a way to better engage retail >>





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Research shows that lack of recognition is the number one reason employees leave.

employees can become a retailer's secret weapon.

So how can the retail industry effectively drive employee engagement and retain talent in this climate of job insecurity? Giving pay hikes is one tried and true strategy to improve the employee experience (EX), and many big box retailers like TJ Maxx have already jumped on this bandwagon. The disadvantage to using money as an incentive is that it's sometimes only effective in the short-term, since it's a form of extrinsic motivation. Therefore. EX is better influenced by creating opportunities for intrinsic motivation.

It has been discovered that the biggest company pride and intrinsic motivator that drives engagement for its employees is Facebook. So what exactly predicts pride levels? People's belief in the company's future (optimism), the degree to which they care about the company's goals (mission), and how confident employees feel that the organisation is improving the world in some way (social good).

CULTIVATING CONNECTIONS

Giving retail employees a sense of optimism, mission, and social good may sound like a lofty ideal - and it is. But at the root of these engagement drivers is connection - whether employees feel empowered to connect with their peers, managers, and the larger company. It's about creating a two-way communication line so that retail workers in any role or location stay in the loop.

Bulent Osman is the Founder and CEO of StaffConnect, a comprehensive mobile employee engagement platform. The StaffConnect solution transforms the employee experience by enabling large enterprises to connect, communicate and engage their entire workforce, especially remote, non-desk employees. For further information visit staffconnectann.com

A 2016 study found that, the Australian retail industry's average staff turnover rate is 41 percent, with workers hanging up their hats after just 10 months. Why? Research shows that lack of recognition is the number one reason employees leave so solving this issue is key.

The retail industry needs a simple solution that can help retailers reach, communicate with, and engage their employees. There is currently only one tool that addresses this panoply of needs - cloud-based mobile engagement platforms. example, StaffConnect, a mobile employee engagement platform, can boost retail employee engagement. This mobile application can provide staff with a better understanding of the company's mission, which in turn increases their knowledge of the organisation's social contribution.

This type of mobile engagement solution also lets retailers measure and analyse employee engagement over time. Since this mobile platform empowers all employees to share and collaborate, retailers can finally create an emotional connection with their teams that can turn the dial on increasing engagement. 📜



RFTAIL TRAINING IN A DIGITAL AGE

Smartphone training applications are replacing traditional methods of learning.

ou would think mobile train-

BY BILL ROONEY [60NE5 RETAIL CONSULTING]

ing applications are a new phenomenon, however learning through applications have been around since 2014, with key retailers such as Target USA, Bunnings and Best Buy utilising specific apps to train 'on the job' and provide information to associates to enhance the customer experience. Another prime example is the Intel Corporation who have also been working with training apps for a number of years, providing selling skills in 27 languages to retail sales people in the world's largest retail businesses.

The Australian Retailers Association (ARA) have launched the ARA Sales Professional and Store Managers Certification through a smartphone application. This digital industry certification is delivered 'on the job' and available for immediate implementation using any mobile device. With many Australian retailers and

Modules Introduction to the Program

their staff missing out on developing vital sales and service skills, the ARA have made this training mobile application affordable for retailers of all shapes and sizes.

SO. WHAT IS 'RETAIL DIGITAL LEARNING' AND WHAT ARE THE ADVANTAGES OVER TRADITIONAL LEARNING?

The advantages of digital learning through mobile applications in a retail environment are multifaceted. With many key global players entering the Australian market it is important for local retailers to invest in their staff to enhance the customer experience. The benefits of investing in the ARA Sales Professional and Store Managers Certification are outlined below.

It's cost-effective: This application is cheap and continuous compared to other forms of training. It can also be accessed predominantly 'on the job' therefore there are no replacement wages. In fact, we have estimated this training platform

> is about 10 percent of the cost of face-to-face learning.

> It appeals to Millennials: Millennials like to be motivated and challenged. They learn through fun, gamification and bite-sized feedback - these are all attributes of a mobile training application.

> It's effective: The emphasis of modern retail training is now work based, and via in-store activities where 70 percent of the learning is retained, as opposed to an external training event where there is only a 10 percent

> It measures staff development: The ARA Sales Professional and Store Managers Certification application can also measure and assess staff development against a retail competency framework, ensuring their sales and service skills are constantly improving.

consulting, instructional design and training especially around the customer experience. Bill can be contacted on mobile 0417362073 or email bill.rooney@6one5.com

For more information regarding the ARA Sales

Rooney Mr Rooney is a Director of Gone 5 Retail

Consulting a specialist in retail and consumer

Professional application please contact Bill

It tracks continuous coaching: With this mobile application, retailers can ensure managers are coaching their staff on the training content once back in store. According to our research, only 15 percent of managers are effectively coaching staff on delivered training programs, thus negating its effectiveness. Therefore, this particular training app can ensure managers are continuously coaching their retail teams.

WHAT IS INVOLVED IN A TYPICAL RETAIL IGITAL TRAINING PROJECTS

This program is initially focussed around Store Managers and Assistant Store Managers and usually entails an hour Leadership & Coaching eLearning webinar and a one day "How to Coach" face-to-face training workshop. After this is completed Store Managers can then download the Managers App to become certified as a ARA Retail Store Managers Certification.

The Sales Team program includes a one-hour Sales & Service eLearning webinar from which staff can then download the Sales App which includes a five-question module, a video role play and script to rehearse with their manager before practising with a customer while the manager observes. The manager then certifies them against a sales competency framework.

In eight short weeks (and only five minutes work per week) all staff and managers are coached, assessed and certified as ARA Retail Sales Professionals and Managers. From here, Retail Executives can then view the capability of all their staff and measure improvement against Average Transaction Value & UPT.

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HOW TO BE POSITIVE ABOUT THE NEGATIVES

Use proven tactics to turn your actions on poor performance into high impact team building.

BY PAUL FARINA [FRESH EYE SOLUTIONS]

t is a situation that can make us squirm more than Stephen King's last horror story - you know, that chat you need to have with one of your direct reports? The one where you have to point out a big fat negative in their work. Why is it so hard? Even pointing out a small critique in someone's work can be tough for several reasons.

When we are working with people on a daily basis, it is taxing to be the 'Bad Cop' all the time. Sometimes tolerating behaviour or biting one's tongue is easier, and saves us from hurting anyone's feelings – including our own. We don't want to be an ogre figure in the store, we want to maintain healthy trusting relationships with our staff.

It's really not easy to give bad feedback and if anyone says that it is, they are either lying, or maybe enjoy it a little too much. But, both of these are rare, and even the most seasoned manager can find it difficult to give negative, or constructive feedback. This conversation becomes harder when you are dealing with an emotionally charged situation, or a person that is displaying irrational behaviour.

Giving negative feedback is also a hard thing to do well. The potential of hurting a relationship with the person in question is a real risk. In addition

to this, there is also a risk of disrupting the positive culture you are trying to create throughout your team. There are so many aspects of this conversation that can go wrong, and that is never an easy scenario to manage.

However, being able to give negative feedback well is an absolutely critical aspect to being able to manage a team. This is one of the key tools that every business needs to use to be able to build confidence and ability within their team. There are great benefits associated with this skill. We can build trust by showing people that we are consistent and honest no matter how difficult things get. If done well, we can increase closeness in a relationship too. Having these conversations allows us to build strong relationships with our teams. A bond can form within disagreeing points of view. For example, within personal relationships, the cliché says, "every argument brings you closer". As a manager "every constructive-feedback-conversation brings you closer".

We understand that avoiding these conversations is detrimental, and that executing them when required can be good for everyone involved. But how do we perform them to get the best results and mitigate the associated risks?



IN-HOUSE | FEEDBACK

THE EARLIER THE BETTER

Delaying your feedback will reduce the effectiveness of your conversation. Details will be hard to remember, and the person will be less receptive. The term 'nip it in the bud' can be utilised here. This also stops feelings festering inside you which can build tension and increases the likelihood of the negative feedback becoming emotionally charged. Giving the feedback swiftly is the best way to go.

ASK INSTEAD OF TELL

Allowing for self-assessment can be a great way to instil learning in the situation and disarm any backlash from the feedback. I find that if I point out faults all the time, it can beat people down, and can build resentment. Instead, get the person to do a self-evaluation by asking them "How could have this been done better?" or "I can spot a problem with this. Can you see it?" This invites discussion, and gives the person a chance to figure it out for themselves, rather than being told what they did that was incorrect. It is a great way to turn a potentially negative conversation into a positive one. We could take this further by inviting discussion on how a task was done, even when it was done well to see if there is room for improvement on our usual activities. I also like to invite discussion and feedback on how I did too. This shows your intention on wanting the best work rather than being driven by ego or status.

SPECIFICS ARE CRITICAL

When giving negative feedback we will cause ourselves a world of pain if we are being vague and inattentive. There is a lot of room for misinterpretation, misunderstanding, and confusion. We want to avoid all of these at the best of times. When someone completes a task poorly, using specific details and clear examples is essential. Having the facts straight is critical otherwise there is no credibility in the feedback. Remember, preparation is your friend, as per any management discussion.

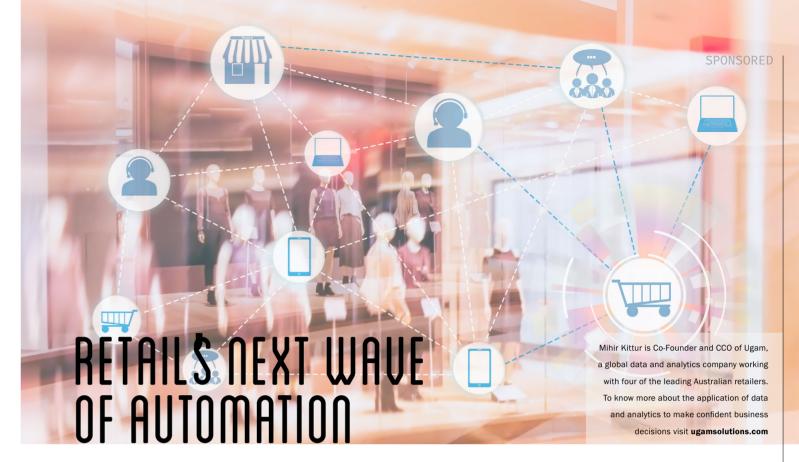
No matter what techniques we utilise, there is one common requirement that is needed at all times. It is acknowledging the way we deliver our feedback as being more important than what we actually say. Be sure to remain respectful, keep the feedback as private as possible (no public shaming), and use an appropriate tone.

A positive intension will carry us through these important conversations, and like many things – the more you do it, the better you will become at it.

Paul has over 15 years of Sales, Marketing, and Management experience from small independent business all the way through to the corporate world. Working with small business leaders, Paul focuses on team dynamics, systems, and adaptability to positively impact revenue. For more information visit

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Retailers will need to master collecting and synthesizing data to keep delivering better value to their shoppers.

BY MIHIR KITTUR [UGAM]

etailers have copious amounts of customer data.
But, that is clearly insufficient in the age of the new customer. Many retailers talk of a 360-degree view.
But frankly, how many even have a 36-degree view of their client base? And, if they do, are they able to deliver better value to their shoppers?

Companies like Amazon, Starbucks and Netflix are good examples of retailers that are 'data collection machines'. They collect humongous amounts of varied data to not only understand customer profiles (like most do), but their attitudes, sentiments, affinities, behaviours, and context. They test responses to marketing campaigns and monitor their transaction patterns. Information on a customer's network, feedback, product ratings and preferences relative to their shopping journey are tracked. These resource investments stem from their obsession to truly empathise with a customer.

Thanks to cloud storage and computing technologies it is now feasible to store and synthesize this structured and unstructured data. Sophisticated machine learning algorithms help uncover patterns in shopper behavior which can be leveraged in near real-time to promote relevant products and offers. It is vital, however, not only to be able to generate real-time insights but to setup an infrastructure that enables execution of decisions. This strategy, accompanied by a robust mechanism to learn from these decisions, can certainly optimise consumer data.

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Sophisticated machine learning algorithms

help uncover patterns in shopper behavior which can be leveraged in near real-time to promote relevant products and offers. That said, retailers need to be equipped for an evolution, not a revolution. Companies will move from dependence on primarily internal data to internal and external data. They will move from data stored in siloes to data lakes and big data infrastructure. They will move from static and rusty analytical models, to deploying machine learning and artificial intelligence supplemented with human intelligence. They will move from low speed activation and gut driven learning, to real-time activation and proactive nudges.

The core of all this automation will be customer obsession and superior data-driven capabilities. The real winners will be those who adapt to this quickly, and of course, their shoppers.

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HOW TO RE-ENGAGE EMPLOYEES

As the retail sector goes through significant change in Australia. some organisational restructures will be inevitable.

BY HEATHER PARKINSON [DIRECTIONEERING]

t's no secret, the retail sector is currently going through significant change. Consumers' purchasing habits are shifting to bargain hunting online. Artificial Intelligence (AI) and automation are completely changing the workforce and retail operations. But, perhaps most telling, is the current volatility in the Australian retail market.

According to the latest Australian Bureau of Statistics (ABS) figures for the retail sector in August. Australian retailers faced their worst decline in sales since early 2013, as consumers curbed their spending. Low wage growth and the high cost of living in Australia are radically changing consumer spending habits. This means retailers are having to achieve more with less, forcing retailers to optimise their processes. From online sales bots to automated warehouses, retailers are reducing their outlays to remain profitable and continue to grow during this slow spending period.

With many retail leaders looking at ways to improve their operations, many businesses will be required to restructure their organisations. Ensuring your restructure is successful will be highly dependent on whether leaders can keep the remaining employees engaged and motivated, believing in the company and not feeling like they are on board a sinking ship.

So, how do you go through a successful organisational restructure?

COMMUNICATION IS CRITICAL

Successful completion of a restructure requires management to obtain the support of remaining employees. Communicating as much information as possible, as quickly as possible, is key.

As such, managers need to inform employees of the changes that have occurred or are to occur and the reasons for them. Don't dress them up, be honest about why and explain the difficult decisions the organisation has had to make. Reassure them that they are valued members of the organisation and the ones that will be responsible for helping to drive the company forward in this new environment.

But, maybe most importantly, they need to know the individuals affected by the restructure are receiving financial and career support to assist them in their transition. This will help quash any negative rumours of connotations of the company and how it treats its staff.

During a restructure, employees' feelings can range from fear to relief. Some remaining employees will feel guilty they still have their jobs whilst others don't. Some will feel angry management was unable to stop the restructure and protect their teams.

It's also expected that some employees will act out their feelings in atypical ways, as they experience higher stress levels. While the management team will need to keep rules >



"continued visibility, open, truthful and constant communication by the management team is critical for a smooth transition and faster recovery following a restructure."











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consistent, there needs to be some leeway during this period as employees adapt to the changing

To prepare for this, hold a discussion with HR and senior leaders to determine a consistent approach is implemented across the organisation. Many of the calls will be judgement decisions. Creating as much consistency across these calls will be critical to ensuring nothing is seen as unfair.

To help engage with employees in a safe environment and reduce random outbursts, set up group meetings where employees have the opportunity to vent their feelings and ask questions. Only when issues can be discussed without reprisal and with a positive focus on resolving any issues, the workplace can begin to heal and organisation objectives can be addressed.

EMPOWERING EMPLOYEES

To empower employees during this period, they need to be reassured of their worth to the organisation as, after all, the remaining employees are the new organisation. Management teams will play a crucial role in bringing back a positive and empowered mentality into your workforce.

They will need to be prepared to answer questions about future job security, the quality of life in the restructured organisation and plans for the future - both from an individual and organisational perspective.

As such, continued visibility, open, truthful and constant communication by the management team is critical for a smooth transition and faster recovery following a restructure. It will help remaining employees understand why the company has done what it has done and why they are an integral part of the organisation moving

As the retail industry continues to battle with changing consumer habits and technological disruption, organisational restructures are almost a foregone conclusion. Ensuring you are open, honest, communicative, sensitive and reassuring will bring about the best results and empower remaining employees to help lead the organisation in its new future.













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Develop a Category Financial Plan

SIRRMRM005

Undertake merchandise financial planning at the category and subcategory level for a retail organisation. Review merchandise plans and product categories.

VIC 8 MAY 18 | NSW 15 MAY 18 | QLD 22 MAY 18

Plan a Merchandise Product Range

SIRRMRM006

Develop a commercially viable range of retail merchandise that reflects an established merchandise category financial plan and merchandise strategy.

VIC 5 JUN 18 | NSW 19 JUN 18 | QLD 26 JUN 18

Negotiate & Establish a Supply Arrangement

Learn to negotiate, evaluate and formalise agreements with suppliers. Develop skills to determine supplier suitability and establish agreed terms of supply.

VIC 3 JUL 18 | NSW 10 JUL 18 | QLD 24 JUL 18

2018 PUBLIC COURSE CALENDAR

Develop a Merchandise Promotional Plan

IRRMRM008

Develop a merchandise promotional plan that supports merchandise performance. Schedule promotional activities aligned to a merchandise strategy.

VIC 7 AUG 18 | NSW 14 AUG 18 | QLD 21 AUG 18

Plan Merchandise Buying Trips

SIRRMRM009

Plan buying trips for the purpose of sourcing new product, materials or suppliers. Develop trip itinerary, key activities and identify product opportunities.

VIC 4 SEP 18 | NSW 11 SEP 18 | QLD 18 SEP 18

Plan Product Development

SIRRMRM010

Plan the development of new retail products. Learn to generate product ideas suitable for a defined marketplace and prepare a design brief for production.

VIC 2 OCT 18 | NSW 9 OCT 18 | QLD 16 OCT 18

Manage Merchandise Quality & Compliance

elon skills to review quality and complian

Develop skills to review quality and compliant standards, ensure products meet requirements and take action to address quality and compliance issues.

VIC 23 OCT 18 | NSW 30 OCT 18 | QLD 6 NOV 18

Develop Social Media Strategy

SIRXMKT006

Evaluate social media platforms to identify opportunities to maximise business exposure. Develop strategies for content to increase consumer engagement.

VIC 5 NOV 18 | NSW 19 NOV 18 | QLD 3 DEC 18

For more information:

http://info.retail.org.au/buying

E: training@retail.org.au | P: 03 8660 3341

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REST's Core Strategy has been ranked No.1 for long-term performance more times than all other super funds put together.

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