

Frontline Engagement: What Retailers Need to Know

By connecting teams and empowering individuals in stores, retail brands can drive unprecedented results.

The hardest part of running retail stores isn't the technology, the supply chain, the product, or the pricing. It's the people.



Retailers count on their store employees to implement new technology, launch initiatives, engage with customers and work more efficiently. But more often than not these critical team members are left behind.

For years, retailers have tried to mitigate the effects of a disengaged frontline workforce through different strategies and technologies. Some brands implement punitive task-management systems, causing employees' passion and enthusiasm for the brand they support to all but evaporate. Some retailers incentivize employees with prizes and contest payouts, but they fail to connect the dots between a frontline worker's day-to-day role and the brand's larger vision. Employees at these companies have limited understanding of the inner workings of the business they support and therefore lack crucial knowledge that makes them useful decision-makers.

The solution is an altogether different approach, one that starts with frontline engagement.

Why frontline engagement?

The more engaged a brand's frontline becomes, the more quickly that brand can pivot. Essentially, engagement is what separates the retail brands that thrive in the face of change from the ones that falter. Frontline engagement drives every corporate initiative, from brand transformations to operational improvements.



Truly engaged employees understand how their own best interest and their company's best interest intersect. They have the necessary skills and knowledge to carry out their tasks and because they understand how these tasks contribute to their organization's greater good, they are intrinsically motivated. Therefore, these employees show little need for continual oversight.

Engaged store teams also have agency.
Employees understand that the decisions
they make have a tangible effect on the way
their brand performs. And beyond that, they
know they are allowed and encouraged to make
these types of decisions.

To properly engage their frontline employees, retailers need to invest in technology that unlocks **four key focus areas:** employee connection, store execution, real-time feedback and actionable insights.

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Chris Bailey, director of global retail operations, Allbirds

1

Employee connection: The key to connected commerce

Teams that feel connected to their company's mission are an essential part of a thriving brand community. If an employee on the front lines truly understands their role in bringing the company mission to life, their interactions with customers are naturally more authentic and compelling. As brands realize the effect of community on brand loyalty and customer acquisition, employee engagement is taking center stage.

Direct-to-consumer darling and shoe brand Allbirds firmly believes that business can accelerate practices that help protect the planet for future generations. The brand is committed to social innovation and is revolutionizing the footwear industry by finding new and creative ways to reduce its carbon footprint (literally). Not only are they taking steps to make better products in a better way, but they are also doing it worldwide, with dozens of brick-and-mortar

stores opening in multiple countries in just a few short years.

To harness the power of their brand ethos out in stores, Allbirds needs to ensure every single brick-and-mortar employee is kept in the loop. "We are doing things in a different way and we communicate that to our customers," says Scott Thomas, head of Global Retail Communications and Engagement at Allbirds. "But our team needs to know these stories. Our team needs to feel the passion and realize they are a part of bringing the brand to life in a successful way."

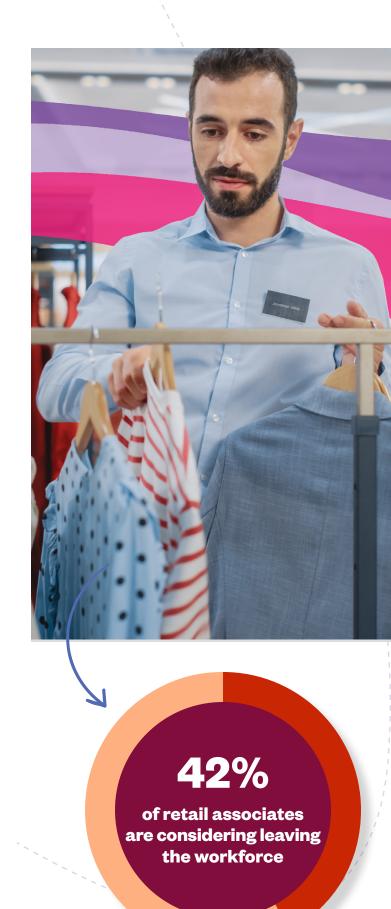
So, how does Allbirds radiate their brand's mission and culture of a distributed global workforce? By creating a highly branded, interactive "world within a world" inside their store communication and task-management platform, Zipline. At Allbirds, Zipline is called "The Nest": an engaging, central hub full of graphics, bird puns and short-form videos that keep frontline teams up to date on programs, product launches and company progress toward goals.

Brands like Allbirds stand for something. When their frontline employees understand and, in turn, personify that mission, they can engage with customers in an authentic way that drives brand loyalty across every channel. A sense of community and purpose keeps customers coming back to stores and encourages them to shop the brand online, driving incremental value for a company. "[Our stores are] a vehicle to drive brand awareness, provide a halo effect across channels, and allow us to become members of our communities across the globe," explains Chris Bailey, Allbirds director of global retail operations.

2

Boosting employee retention through better communication

Employee connection doesn't just drive revenue — it also has the potential to boost employee retention. Last year, Zipline surveyed 500 retail associates in the US to better understand their feelings on the changing state of retail, workplace environments and how they connect with customers amid the

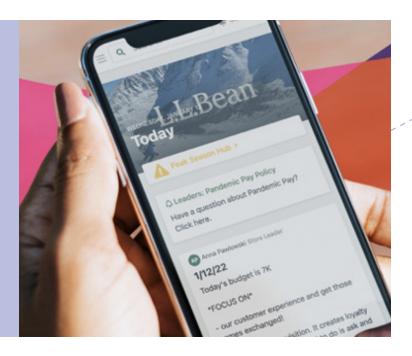


pandemic. The <u>2021 Labor of Love Report</u> showed that 42% of retail associates are considering leaving the workforce entirely, citing their voices are largely ignored by corporate.

"At Zipline, we believe that associates are the 'unlock' to delivering the best customer experience in store. We also know they are also the most difficult to reach and engage," says Melissa Wong, CEO and co-founder of Zipline. The nature of a frontline employees' work — they may only work a few short shifts a week, and they may not have access to store email — means they often feel disconnected from their company's mission and goals.

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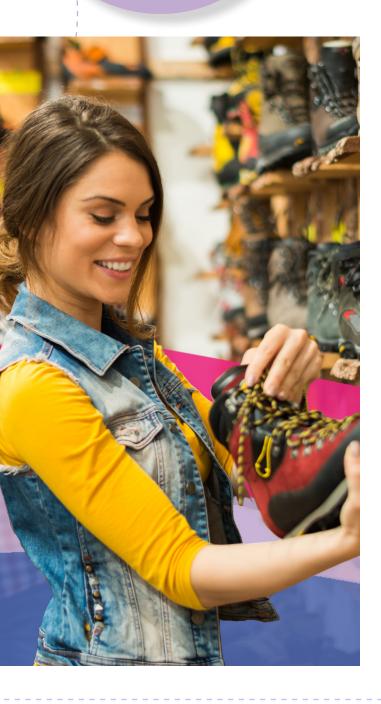


Antiquated communication methods like back-of-house communication boards and a company intranet were not working for L.L. Bean, who wanted to communicate with all employees, including frontline store associates (known as "Store Guides"). But thanks to Zipline, L.L. Bean was able to increase Guides' access to store directives, enabling teams to take more initiative. Zipline's Associate Experience module helps engage and inform employees while continuing to streamline communication and improve store execution.

"We're finding we can actually share more information with our Guides than we originally thought — more operational pieces, and not just company news. We're able to give them a peek behind the scenes of the business," says Justina Griffin, L.L. Bean's manager of store operations.

As a result, L.L. Bean's Guides feel even more connected to the brand and choose to stay with the company longer. "The biggest piece of feedback I've heard during store visits is that they feel like we're being more inclusive,"

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Griffin says. "That's such a big part of our brand and mission, so it's been extremely satisfying to hear that directly from the stores."



Store execution: A complex reality

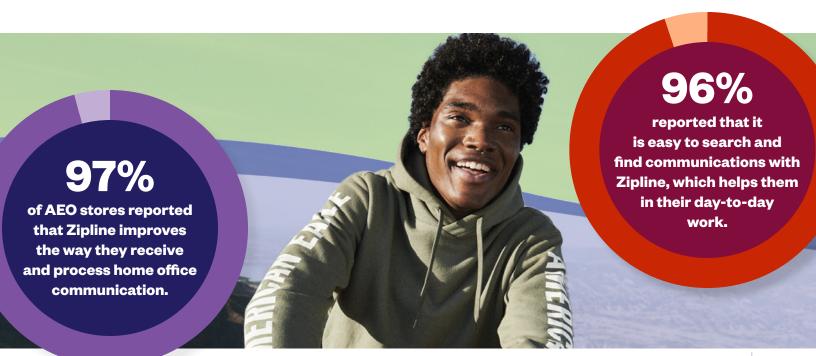
Store execution is the implementation of direction sent to stores down from headquarters. If that sounds simple — it's not. Today's store teams are being asked to provide a top-notch customer experience while also running product out to the curbside pickup, dropping deliveries in mall lockers and handing off purchases to Uber drivers for same-day delivery. Delivering the promise of connected commerce can happen only when store associates are given relevant, correct and executable direction and information to exceed customer expectations ... and the time to get it all done.

Store leaders (and specifically, store managers) are ultimately responsible for the financial performance, customer-service metrics and HR management of their given store. Balancing the needs of their individual location with direction from corporate is, at best, exhausting. Most store leaders spend their days planning labor schedules, checking displays, helping customers and coaching their direct reports — which can sometimes be in the dozens. Executing direction from headquarters is simply another task on this unending list.

In short, getting store teams to take timely, precise action is hard. Which is why so many retailers aren't great at it. In retail, store execution traditionally hovers around 29%. This means that less than a third of the direction HQ sends down to their store teams is executed correctly and on time. Retailers leave a lot of money on the table through badly executed campaigns — and it all stems from ineffective communication to the front line.

Better communication = better execution

The arrival of the pandemic highlighted retail's execution problem: brands had to act and react quickly to navigate uncharted waters and take care of employees and customers. But for many retailers, this was next to impossible. The culprit? Fragmented communication in stores. Some employees received messages and could access documents; others were unaware of them. As a result, execution suffered.



"Communication is the train that brings initiatives from headquarters into stores where execution happens. If the track is broken, nothing gets to stores," says Zipline's Wong. "Without effective communication, store teams can't understand what they need to do or why it's so important. They don't have ways to keep track of the work and understand the context behind the message."

Just before the COVID-19 pandemic struck, American Eagle Outfitters rolled Zipline out to their store teams. The investment proved to be a wise one for AEO. "There was a lot of information we needed to share with our store associates to make sure they were well informed," says Sunny Woo, senior vice president of American Eagle and Aerie Stores at AEO Inc. "We needed to ensure that all stores had access to the policies and procedures for their specific locations." AEO's store communications team mobilized quickly and used Zipline to provide the company's safety guidelines and new policies, all in one place.

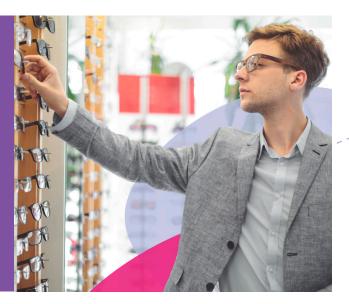
Today, AEO continues to use Zipline as a single platform to connect to all employees, streamline communications and task management, and ensure flawless store execution. Ninety-seven percent of AEO stores reported that Zipline improves the way they receive and process home office communication. In addition, 96% reported that it is easy to search and find communications with Zipline, which helps them in their day-to-day work. AEO notes that its partnership with Zipline saved the company labor hours in the past year — hours that can now be redirected to delivering more engaging customer experiences.



Actionable Insights: You can't improve what you don't measure

In the online world, customer data can be collected, analyzed and reported out in the blink of an eye. But among brick-and-mortar stores there's still a massive delta between "HQ telling stores to do the thing" and "HQ checking"

Zipline unlocks the traditional lines of retail communication to give every employee a voice, in a way that strengthens their relationship with the brand.



if the thing actually happened." Too many retailers still rely on constant in-person visits, foot-traffic counters and sales numbers to understand if the initiatives they spent months developing actually worked. They rely on anecdotal feedback and act on assumptions.

It's clear that retailers need the ability to track the relationship between their communications to stores and the execution rate at each store. This is how they can confidently measure how they might improve their execution.

Warby Parker faced this exact challenge while scaling their brick-and-mortar presence. The company was founded as an online retailer but now sells its trademark glasses across over 160 physical retail store locations

in the US and Canada. The company realized early on that there was a disconnect between headquarters and stores. Jessica Almanza, senior manager of retail communications and training at Warby Parker, explains the problem: "We were scaling so quickly and adjusting to having so many employees in stores. We realized that we couldn't expect our retail team members to sift through emails, documents and videos throughout the day to stay up to date."

After implementing Zipline, Warby Parker now has everything in one place and can easily track tasks and readership at the store level, rather than blindly hoping store teams have read information and executed tasks. "With Zipline, we finally feel like we have total control of our comms program," Almanza says. "We know what has been seen and what has been completed. It's night and day from where we were before."

Unlocking valuable feedback loops

The most successful retailers implement technology that allows stores to share what's working with other stores and with HQ. These continuous feedback loops are how brands scale the experiences that win customers' hearts and share of their wallets. After all, store employees are closest to the customer experience and are usually the first to know what's really working (and what's not).

Zipline unlocks the traditional lines of retail communication to give every employee a voice, in a way that strengthens their relationship with the brand. Through real-time messaging, two-way communication, and features like surveys and assessments, Zipline makes it possible for executive leadership to reach all the way down to frontline employees directly. In turn, those frontline employees can share knowledge and suggestions back up the chain, right from the sales floor.

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Conclusion

A focus on frontline engagement will ensure all store employees are son the same page, and give headquarters teams the reassurance of knowing all company information is being read and properly executed. Retail executives can sleep well at night, knowing all information has been disseminated, read and acted upon.

Retailers who effectively connect with every employee with open communication not only have happier, more loyal employees, but also more satisfied customers.

Brick-and-mortar stores aren't just a place to make a sale; they're a place to connect with shoppers, boost what they purchase and turn them into advocates for your brand. And the best way to do this? With empowered and enabled employees.



About Zipline

Zipline is the frontline engagement platform we wished we had when we worked in stores. By streamlining and personalizing messages from HQ, it quiets the noise and prioritizes work for field teams. Integrations and an open API put everything in one place and gives employees the context they need to get their jobs done. Real-time communication capabilities and powerful insights give teams the knowledge agility they need to have more control over the business. Zipline enables retailers to pivot quickly, roll out strategic initiatives and ensure the whole company is aligned.

If you'd like to learn more about how Zipline can ensure your initiatives are executed correctly, and on time, visit <u>getzipline.com</u> and contact us for a demo today.

