

# Retail workers feel disruption from shifting shopper habits

By ANNE D'INNOENZIO Today



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NEW YORK (AP) — With new options and conveniences, there’s never been a better time for shoppers. As for workers ... well, not always.

The retail industry is being radically reshaped by technology, and nobody feels that disruption more starkly than 16 million American shelf stockers, salespeople, cashiers and others. The shifts are driven, like much in retail, by the Amazon effect — the explosion of online shopping and the related changes in consumer behavior and preferences.

As mundane tasks like checkout and inventory are automated, employees are trying to deliver the kind of customer service the internet can’t match.

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So a Best Buy employee who used to sell electronics in the store is dispatched to customers' homes to help them choose just the right products. A Walmart worker dashes in and out of the grocery aisles, hand-picks products for online shoppers and brings them to people's cars.

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Editor's note: This story is part of Future of Work, an Associated Press series that explores how workplaces across the U.S. and the world are being transformed by technology and global pressures. As more employers move, shrink or revamp their work sites, many employees are struggling to adapt. At the same time, workers with in-demand skills or knowledge are benefiting. Advanced training, education or know-how is becoming a required ticket to the 21st-century workplace.



Long known for low pay and mundane tasks, retail work is changing as stores emphasize customer service to compete with online sellers. Employees are taking on new roles as retailers offer personalized services the internet can't match. (Jan. 8)

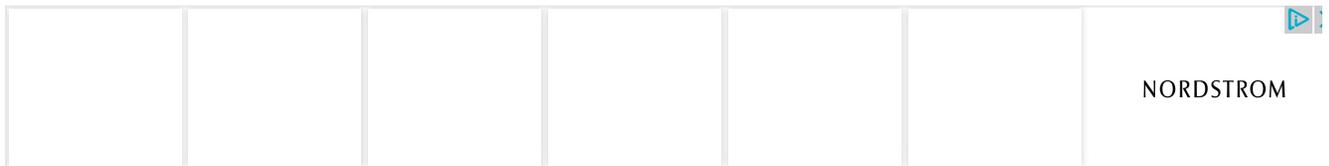
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Yet even as responsibilities change — and in many cases, expand — the average growth in pay for retail workers isn't keeping pace with the rest of the economy. Some companies say that in the long run the transformation could mean fewer retail workers, though they may be better paid. But while some workers feel more satisfied, others find their jobs are just a lot less fun.

Bloomington's saleswoman Brenda Moses remembers the pre-internet era, when the upscale store was regularly filled with customers ready to buy. These days, department stores are less crowded and the customers who do come in can make price comparisons on their phones at the same time as they pepper staff with questions.

"You tell them everything, and then they look at you and say, 'You know what? I think I will get it online,'" she said.

Moses has seen her commission rate rise to 6 percent from a half a percent, but her hourly wage dropped from \$19 as low as \$10 before it came back up to \$14. Depending more on commissions means her income fluctuates, and she's competing with her colleagues for each sale.



"Now," Moses said, "you have to fight to make your money."

The same could be said for the retailing industry, overall. In 2017, 66,500 U.S. retail jobs disappeared (not taking into account jobs added in areas like distribution and call centers). In the past decade, about one out of every seven jobs have vanished in the hardest-hit sectors like clothing and consumer electronics, says Frank Badillo, director of research at MacroSavvy LLC. Though department stores have suffered the most, smaller businesses also have struggled to compete with online sellers.

Many of the survivors are rushing to adapt. Of the retail jobs that remain, over the next decade as many as 60 percent will either be new kinds of roles or will involve revised duties, says Craig Rowley, senior client partner at Korn Ferry Hay Group, a human resources advisory firm. He estimates the number is about 10 percent now.

How fast retail jobs will change and what they'll look like depends on three factors, Rowley said: the pace at which online shopping advances; the speed at which robotics and other technology progress; and shifts in the minimum hourly pay.

"Jobs for workers will get more interesting and be more impactful on the company's business," Rowley said. "But the negative side is that there will be fewer entry-level jobs and there will be more pressure to perform."

Some retail workers at the vanguard of the changes — like Laila Ummelaila, a personal grocery shopper at a Walmart in Old Bridge, New Jersey — speak glowingly of their new responsibilities.

Walmart, the nation's largest private employer, has scrutinized every job in its stores as it looks to leverage its more than 4,000 U.S. locations against Amazon's internet dominance.

The company now has 18,000 personal shoppers who fill online orders from store shelves, and 17,000 check-out hosts whose responsibilities are more extensive than the greeters of old, including keeping the area clean and making sure registers move efficiently. The company has also shifted workers from back-room clerical jobs and eliminated some overnight stocker positions in favor of more daytime sales help. The customers like the changes, company officials say, pointing to more than three years of sales growth at its established U.S. stores — a contrast with other, suffering retailers.

Ummelaila became a personal shopper after joining the company three years ago. To meet her store's goals, she must pick one item per 30 seconds. If she can't find something, she has to quickly get a substitute that's as good or better.

"You start to get to know the customers, you know what they like," she said, "how they like their meat ... and how long they keep milk in the fridge."

Best Buy, meanwhile, has begun a free service in key markets where salespeople will sit with customers in their own homes and make recommendations on setting up a home office to designing a home theater system. Best Buy said shoppers spend more with a home visit than they do at the stores. The project follows Amazon, which reportedly has been testing a program that sends employees to shoppers' houses for free "smart home" recommendations.

At Steve Frederick's townhouse in Chicago, Billy Schuler offered advice about speakers that can be adjusted from a smartphone. Schuler, who had previously worked at Best Buy for 14 years, returned to the company to take on the new role.

"Customers are more relaxed when they are in their home," he said. "We can do a walkthrough of the house and see their needs." He likes to "break the ice" by calling the person and chatting a day or two before the visit.

Frederick, who's spending close to \$20,000 on the equipment, describes himself as "old-school" and says he needed a lot of help. He thinks it was worthwhile.

"When you are spending that kind of money, you want to have someone come in and explain it," he said.

Schuler declined to give specifics but says he is well compensated. Ummelaila says her pay went up to nearly \$12 per hour from \$10 when she became a personal shopper.

Target credits its strategy of assigning dedicated sales staff in areas such as clothing, consumer electronics, and beauty for helping increase sales, and says having visual merchandisers create vignettes like shoppers would see in specialty stores inspires people to buy. "You are making an outfit and telling a story on each rack," says Crystal Lawrence, who works at a Target store in Brooklyn, New York. She likes the variety in her new job, and Target says it plans to keep paying higher wages for those specialized roles.

But a survey of nearly 300 retail workers — conducted by the Center for Frontline Retail and Community Development Project at the Urban Justice Center — found that of those workers whose job responsibilities have changed, more than 40 percent said they hadn't received pay increases to reflect that.

Wages for hourly retail workers have risen less than 9 percent since 1990, compared with 18 percent for overall workers in the private sector. There has been some progress recently; some of the biggest retailers, like Walmart and Target, have made moves to increase pay in the face of low unemployment and competition for workers.

"For a long period, these retail jobs were just terrible on average," said Michael Mandel, chief economic strategist at the Progressive Policy Institute. "Retail stores have been following one strategy: high turnover, low wages. That strategy is no longer viable."

Mandel sees hope in technology, which he says has historically created more and better-paying jobs than it has eliminated.

The National Retail Federation trade group points to government data showing that even in large supermarket chains where self-checkout has become standard, the number of employees per store has held steady over the 15 years through 2014. And the demand for grocery cashiers increased in the past few years, says Burning Glass Technologies, a company that analyzes labor market data.

McDonald's says the self-serve kiosks it has been rolling out won't result in mass layoffs, but will mean that some cashiers shift roles to accommodate changes like offering table service.

But a report prepared by Cornerstone Capital Group for the Investor Responsibility Research Center Institute predicts that more than 7.5 million retail jobs are at risk of being eliminated by automation over the next several years.

Amazon is testing a grocery store in Seattle without cashiers, using cameras and shelf sensors to keep track of the items that shoppers grab and charge them. Eatsa, an automat-style restaurant in San Francisco, lacks cashiers as well — diners order at kiosks and workers prepare the food behind an opaque wall, with virtually no interaction between them.

A labor group representing 1.3 million grocery and food workers is trying to combat automation by highlighting that workers' specialized skills — like the care they take in icing a rose on a wedding cake, or arranging flowers, or the ability of human workers to recognize spoiled food — provide a benefit to shoppers.

“Separating progress for the consumer, for the worker, for the economy versus the stockholders ... those are completely different things,” says Erikka Knuti, a spokeswoman for the United Food and Commercial Workers International Union.

Others say automation and happy workers are not necessarily incompatible.

Walmart's CEO Doug McMillon foresees fewer sales associates at his stores, but they'll be better paid and better trained. Walmart has trained 225,000 supervisors and managers on topics like new apps and better customer service. It says managers who go through the academies have better retention rates than those who do not. Workers who report to those managers stay longer. And entry-level workers who complete a new training program are more likely to remain.

It's a shift retailers may have to speed up. Government figures show the rate of retail workers quitting their jobs in 2016 was at its highest since 2007.

Alfredo Duran, who started as a sales associate at Gap and worked at six retailers over 15 years, left the industry two years ago. As a manager at clothing chain Mango, he was making \$75,000 a year. But

once the store closed, he had trouble finding another job in retail because no one wanted to pay him for his experience.

“It’s gone down. One person is doing three jobs. And you can’t move up,” said Duran, 38, of Queens, New York.

He’s now a concierge at a Manhattan hotel, making half of what he used to earn — but happy he left retail.

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AP Video journalists Terry Chea in San Francisco and Teresa Crawford in Chicago contributed to this report.

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