

WHY RETAIL TRAINING IS MOVING RAPIDLY TO MOBILE LEARNING AND ON THE JOB TRAINING

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We are seeing an increase in the restructures of Retail Learning & Development Departments culminating in a move to digital and on the job learning and an abandoning of more traditional face-to-face methods of learning.

From our initial discussions with retail executives on these restructures, we have concluded that they are increasingly questioning the return from their training dollar, particularly from training their sales and service associates and managers, which **they said was costly, ineffective and achieved little in terms of financial results and return.** What traditional training they retained related to compliance, systems and mission critical roles.

We therefore decided to dig deeper and conduct some research on why training was ineffective and below we summarize our initial findings.

"What percentage of your store managers effectively implement and reinforce training and transformation initiatives in store?"

The answer on average was 15%.

Survey of retail executives and learning development professionals representing 250,000 associates

BACKGROUND

The 10/20/70 Learning Framework states that 70% of learning takes place on the shop floor driven by store management and 10% of learning is via training either face-to-face, mobile or eLearning driven normally by Learning and Development Departments.

The question we wanted answered was, “What percentage of your store managers effectively implement and reinforce training and transformation initiatives in store?” We suspected that the percentage would be in the lower range, but were shocked at the results.

We surveyed executives from Store Operation, Organisational Development, HR and Learning & Development of multiple large retailers across several categories on 3 continents with responsibility for over 250,000 store associates.

The answer was that **15%** of store managers on average were effective in implementing training and transformation projects.

IMPLICATIONS OF OUR FINDINGS

The implications of our findings are:

1. There is a very low level of highly capable store management who can implement change at the store level. This is backed up by other research we have conducted where we benchmarked high performing store management, and the percentage was slightly higher at 20-30%.
2. Store management do not have the knowledge, skills, acumen and/or confidence to implement these initiatives in-store. Most executives we have talked to state that sourcing good store management is one of their major pain points and impediments to growth.
3. Currently, retail training represents approximately 10% of learning and often 100% of the investment. If only 15% of store management are effective in reinforcing and embedding training and transformation on the shop floor, then the conclusion is the current methods used by retailers are indeed costly, ineffective and achieve little in terms of financial results and return.
4. A low level of effectiveness means that execution of transformation projects or strategy in-store will take longer, be more costly and need to be kept simple to implement.
5. Training store sales and service associates and managers via traditional training methods, such as face-to-face training is costly especially when you add in replacement labour cost and often do not deliver meaningful results so should be abandoned in favour of mobile & eLearning and apps.
6. Store operations should own training and transformation initiatives and the HR and Learning & Development function should support their efforts. In our experience, this is not often the case. Typically each party will work in their respective silo and neither party is fully responsible when projects disappoint or fail. A senior executive in the telco retail space put the failure rate at 90% when operations didn't drive these types of projects.

The cost of delivering mobile learning, eLearning and apps to a retail sales and service team is 10% to 20% of the cost of traditional face-to-face learning and twice as effective.

7. Recruitment to improve the level of store management capability will have limited success due to low level of acumen across the industry. Successful retailers are looking outside the normal pool of candidates to source candidates, for example Aldi Supermarkets only employs graduates to store management positions.

WHAT YOU CAN DO AS A RETAILER TO IMPROVE RESULTS AND GET A RETURN

1. **Move to mobile & eLearning and apps.**

The cost of delivering face-to-face training for retailers is high with associated high risk and low return. Typically the equivalent mobile & eLearning will be between 10-20% of face-to-face training investment and twice as effective when combined with in-store apps. The default position for most retailers is to conduct no training for front-line staff. We believe this as a result of past experiences of poor returns and as a consequence having to work with smaller budgets.

2. **Move to apps to monitor in-store application of training and transformation.**

Until recently there was no effective and efficient way to monitor and measure in-store activities. Apps have changed that.

You can now test associates and managers learning, certify them, schedule coaching sessions, assess skills, measure activity and produce reports in real time and guarantee that all staff are implementing learned skills on the shop floor in a fraction of the time.

3. **Retailers need to educate themselves on what is possible and global best practices.**

Traditional methods of training developed in the 1800's are failing modern retailers. You need to look no further than Apple, the world's most successful retailer, for inspiration and best practices. It is the responsibility of retail executives, store operations and HR to implement best practices and what really works, rather than stay with tried and true traditional methods that continue to disappoint.

4. **Measure the return on investment.**

There are enough data points in retailers to measure accurately the return on investment of training. However, there seems to be a reluctance to do so, understandably based on the above research which indicates the failure rate is high.

5. **Recognition that training large number of associates is challenging.**

With average annual staff turnover for retailers at 40% (in emerging markets it can be up to 100%), low level of store management capability, preponderance of casuals and part timers, is it any wonder that developing capability in retail is difficult and yet there are enough success stories to give retailers confidence to meet these challenges.

What we do know is that a training or transformation initiative in isolation does not work and needs to fit within the context of a strategy or change process. At the HR level it is incumbent on learning and development professionals to guide retail executives through this process.



SUMMARY

When it comes to training retailers frontline store associates and managers it is best to focus on using apps to reinforce training on the shop floor and move to mobile and elearning for knowledge and skills. It is a fifth of the cost and twice as effective.

Traditional training methods are high cost and high risk, however are still seen by many retailers as the first choice for delivery, the alternative is they do nothing.

The low level of competent store managers is a problem that I have addressed in previous articles. Apps support the development of store managers by monitoring that they are coaching and developing associates and implementing change aligned to head office initiatives.

Actions and apps speaks louder than words in retail.

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