

# The human touch ... or maybe not

Retailers, workers and customers contemplate a digital future

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Anxiety about automation on the retail shop floor isn't exactly new, as Lake Michigan College business instructor Danny Langston can attest.

Asked how the retail industry might look, with computers and robots taking over more routine tasks – like answering phones – Langston responds with an anecdote from his own history.

“I worked over a decade

in retail, while I was in school, and before I graduated (college). I was at a home improvement company,” Langston said. “There were always rumors of reduction in force, or layoffs, and, ‘sales are down.’”

For Langston, the big

takeaway of those experiences boils down to one piece of advice: “Get ahead of it (the trend), instead of reacting to the times.”

“To help as many customers as possible, I had to take responsibility – and talk to vendors and get the specialized knowledge,” he said.

## Retail workers stranded?

On this much, experts and economists agree: as technology ramps up, its impact on our lives is impossible to overlook.

Notable examples include self-service checkouts and touch screens in coffee shops, grocery stores and

restaurants. Self-driving cars and trucks are on the horizon.

What these trends bode for the retail worker, and the human experience, is up to the beholder.

For example, a McKinsey Global Institute study

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claims half of all work activities can be automated in 40 years – especially repetitive tasks now done by bank tellers, data processors and travel agents.

A Cornerstone Capital Group study, released last month, goes further.

Total retail employment now stands at about 16 million, exceeding that of manufacturing, which ranks second, at 12 million, the study notes.

The World Economic Forum estimates that 30 to 50 percent of retail jobs are now at risk, once all known automation technologies are fully implemented, according to the study.

If that projection sticks, technology will wipe out 6.5 to 7 million jobs, which means a greater percentage reduction than the manufacturing industry experienced, the study claims: “A large proportion of the

human capital represented by the retail workforce is therefore at risk of becoming ‘stranded workers.’”

### Postponing the retail apocalypse

Larry Bauer, vice president of marketing for First Source Bank’s South Bend office, has a different view.

“Isn’t it interesting how Amazon is opening stores and Apple has stores?” Bauer said. “Those companies that are at the top of the automated food chain, if you will, are going about some distribution channels that are more traditional.”

If First Source’s experience is any indication, Bauer said he doesn’t expect the human experience to disappear from the retail equation.

“We’re trying to embrace all the technology our clients want, and are demanding, but we are still providing that face-to-face conversation,” Bauer said. “Our clients are still want-

ing opportunities to talk to somebody, even if those opportunities are not as many as they were in the past.”

Automatic teller machines are a fact of life – First Source has 81 at its 102 Indiana and Michigan locations – but there is still demand for specialized jobs like investment specialists and mortgage processors.

That means customers still come inside to chat about their needs, Bauer said.

“It’s expanded the role from (processing) pure day-to-day transactions to taking care of the full relationship with the client,” he said.

Bauer cites First Source’s newly introduced “side by side” concept as a way technology and the personal touch can coexist in a retail setting.

“Instead of sitting across from you, they (the banker) stand, side by side – what’s on the screen is completely transparent,” Bauer said.

“We’re finding that our clients are very accepting of this new way of doing banking.”

### Going by the wayside?

The Cornerstone study’s assertions drew wide attention in newspapers like the Kansas City Star, whose own article stated: “Millions of retail jobs – as we now know them – are going the way of gas station attendants. Just as ATMs replaced many bank tellers, automated check-out stations are supplanting retail clerks.”

By contrast, major business publications like Forbes scoffed at the study, as its headline suggested: “This Week’s Retail False Flag: Automotion-Threatened.”

Like Bauer, Langston is confident the human element isn’t going by the wayside in retail completely, for a couple reasons.

First, many companies are trying various online options to complement

their brick and mortar stores, Langston said.

One example is the “click and collect” model of so-called BOPUS (Buy Online, Pick Up in Store) services.

“That’s serving these companies quite well. Sam’s Club said 30 percent of their online or e-commerce sales were picked up in the store,” Langston said.

Second, some products and services just don’t lend themselves to an automated solution, like home improvement, Langston said.

“You need somebody with specialized knowledge to mix your paint or arrange for an installation,” Langston said. “You’re just not going to quite get that in the online arena.”

Other examples include electronics, as Langston found recently, when he went hunting for an MP3 player.



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“I could ask the clerk any questions, and I could see the product. I was getting information that no customer review or product description was really offering me,” he said.

But companies must invest in continually training workers, who must be as nimble as their employers, Langston said.

“I’ve been in retailers where customers are absolutely frustrated because the retailer will just throw a warm body in that department, who can’t answer questions and is nowhere to be found,” he said.

One piece of advice, Langston said, still stands for workers looking to carve out a long-term retail career.

“We recommend that people stay ahead of the curve. Don’t wait until there’s a layoff. Start taking classes. Start thinking how you can be valuable to your current company, or a different company, in your chosen career,” he said.