



2024 LABOR MARKET OUTLOOK

Retail

The State of Retail

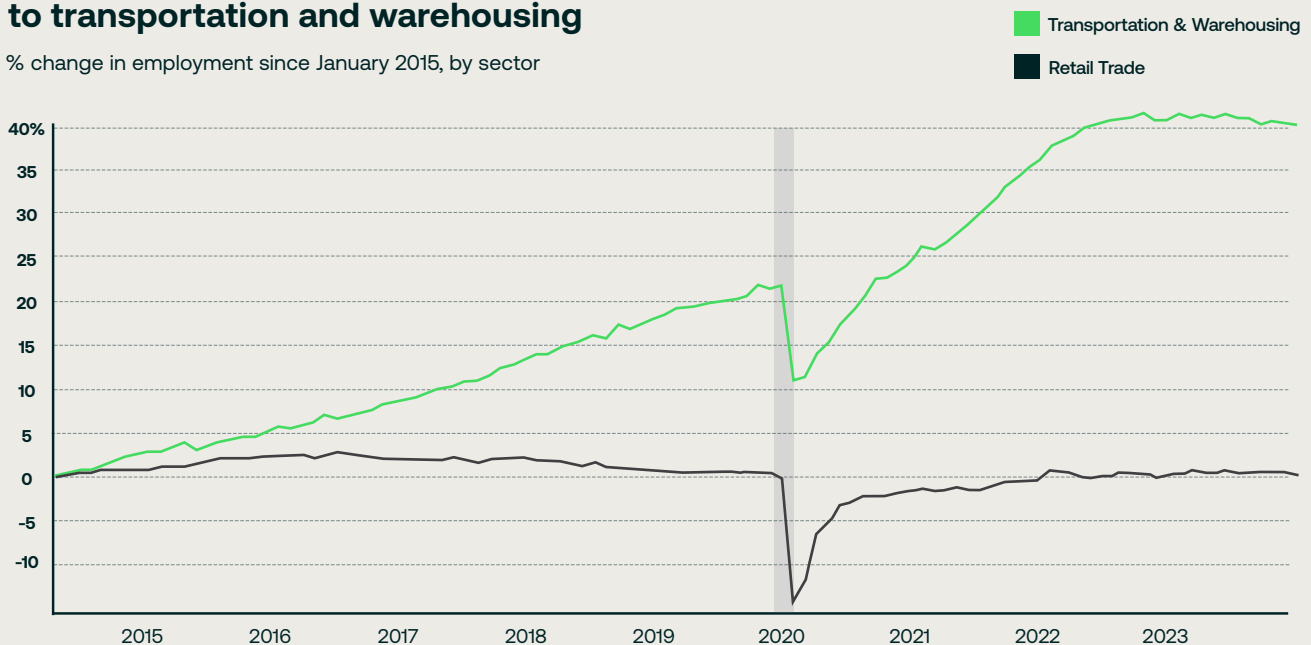
Retail sales have risen about 34% since before the pandemic,¹ but retail employment has barely budged.² That's partly because e-commerce sales have risen from 11.2% of all retail sales in Q4 2019 to 15.6% in Q3 2023.³ E-commerce is not only less labor-intensive than traditional brick-and-mortar retail, it also channels workers into different roles, most notably in transportation and warehousing, which have expanded roughly 15% since early 2020.⁴

Retail and e-commerce remain highly competitive businesses that are constantly evolving with new technologies and shifting consumer tastes. While retail roles typically receive relatively large numbers of applications per job, seven out of 10 retail executives described labor as their number one challenge in 2023.⁵ Businesses know that having skilled employees increases sales revenues, improves shopper experiences, boosts customer loyalty and retention, and enhances their brands. Despite recent increases in pay and benefits, many retailers continue to struggle when it comes to attracting and retaining personable, professional, reliable employees who are effective at sales and customer service.

“
 In a notoriously competitive business environment, successful retailers will differentiate themselves through a combination of customer experience, product innovation, efficient operations, and strategic use of technology— all of which will require a diverse range of talents and skills.”
 —Julia Pollak, ZipRecruiter Chief Economist

The e-commerce effect: jobs have shifted from retail to transportation and warehousing

% change in employment since January 2015, by sector



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, Jan. 2015 - Nov. 2023.

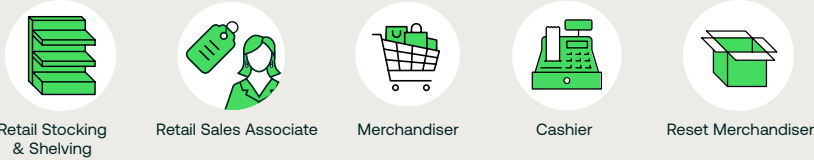
1 "Advance Retail Sales," U.S. Census Bureau, Nov. 15, 2023.
 2 "Current Employment Statistics," U.S. Bureau of Labor Statistics, Dec. 8, 2023.
 3 "E-Commerce Retail Sales as a Percent of Total Sales," U.S. Census Bureau, Nov. 17, 2023.
 4 "Current Employment Statistics," U.S. Bureau of Labor Statistics, Dec. 8, 2023.
 5 Wilson, Marianne, "Deloitte: Retail's three hot-button issues — and biggest challenge — in 2023 are ...," Chain Store Age, Jan. 13, 2023.

Industry Snapshot

Fastest-growing job titles

Based on change in job postings, 2022 to 2023

Demand for these roles rose between 2022 and 2023:

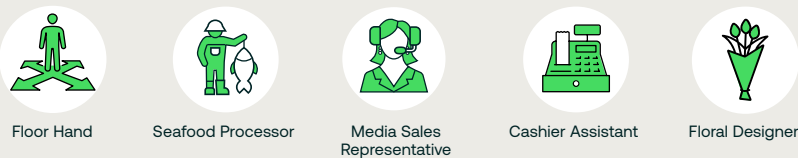


Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023; roles with over 100 postings.

Top-performing job titles

Based on average # of clicks per posting

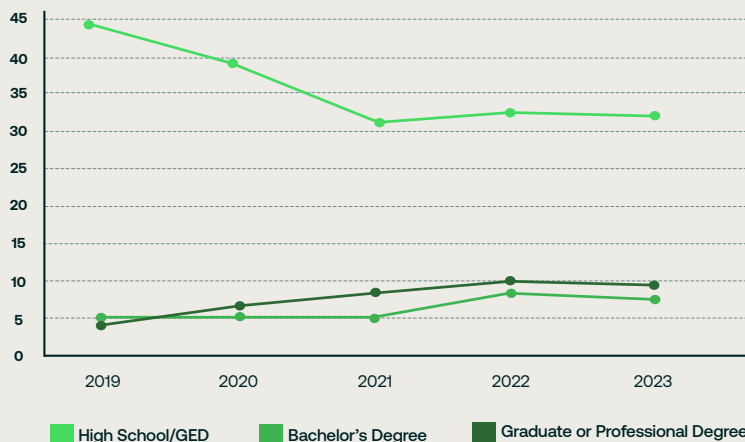
Job seekers on ZipRecruiter express the highest interest in these roles:



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; roles with over 100 postings.

Evolving job requirements

Fewer retailers are insisting on high school completion for retail associate, warehouse worker, and driver roles. At the same time, they are increasingly requiring advanced graduate or professional degrees as they become more technologically-advanced.



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2019 - Oct. 24, 2023.

Top-performing markets

Based on average # of applies per posting

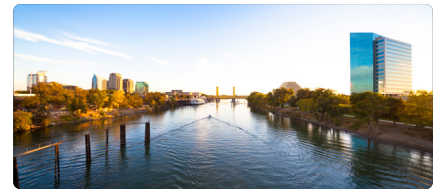
Job seekers in retail on ZipRecruiter express greatest interest in these markets:



New York, NY



Wider Los Angeles Area, CA



West Sacramento, CA



Palm Springs, CA



Las Vegas, NV



Monteca, CA

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; markets and roles with over 100 postings.

Four Trends to Watch



1. Self-service

The adoption of self-service checkout machines, once unpopular, has surged since the pandemic, with businesses now rapidly expanding and upgrading the technology. This shift is expected to reduce cashier positions but increase hiring of salespeople and customer support staff. However, some companies have concerns regarding workforce diversity, because a significant number of cashiers are women.⁶ To address this, businesses are providing reskilling opportunities and recruiting more women into male-dominated fields.

2. Social commerce

Social commerce and the influencer economy have become indispensable for retailers, with 91% selling on social media.⁷ Younger generations are increasingly making purchases based on social media influences, creating job opportunities in social media marketing and influencer partnerships.



3. Digital experience

Retail is undergoing a digital experience transformation, with interactive kiosks, in-store apps, and virtual try-ons becoming common. Retailers are heavily investing in digital, cloud-based, AI-driven, and sensor-driven automation, competing with major tech companies for talent.

4. Optimized delivery and return

Given growing customer demand for same-day and next-day delivery, retailers are increasingly optimizing their delivery and return processes. They are investing in data analytics to understand what drives returns and optimize reverse logistics systems. Retailers increasingly need highly skilled customer service staff at the point of return to strengthen connections with customers and offer personalized exchanges.



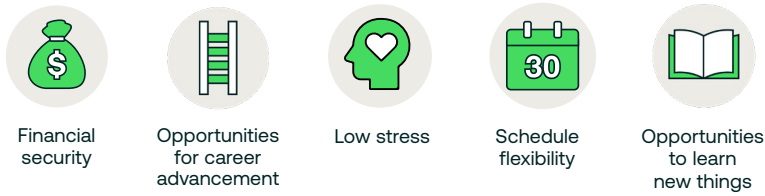
⁶ "Current Population Survey," U.S. Bureau of Labor Statistics, Jan. 25, 2023.

⁷ "The top retail trends in 2023," Retail Dive, May 1, 2023.

Attracting the Workforce of Tomorrow

What workers want

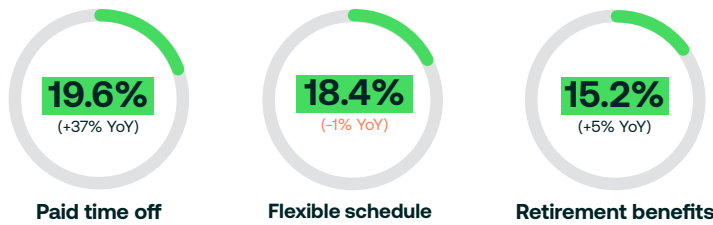
Job seekers like retail roles for the financial and career advancement opportunities they provide.



Source: ZipRecruiter Q3 2023 Job Seeker Confidence Survey.

Trending benefits

Mentions of benefits in job postings on ZipRecruiter



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023.

54.7%

of retail job postings on ZipRecruiter list soft skills.

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

62.4%

of retail job postings on ZipRecruiter are hourly.

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

“Retail 2.0”: Technologists and the Retail Transformation

As technology transforms the retail industry, demand for tech workers continues to rise. On ZipRecruiter, there are currently more jobs for software engineers at retail companies than at tech firms. Greater personalization in retail will require artificial intelligence and data science, with employer demand for relevant skills rising. Retailers will have to develop their own customer data platforms to track consumer behavior if they hope to keep up with customers’ expectations for ever-more-personalized shopping experiences. Retailers who offer both brick-and-mortar and digital channels are increasingly developing systems to merge siloed data and create seamless shopping experiences. As these changes gain momentum, roles like UX Designer and Technical Product Manager are growing rapidly.

ZipTips

As the industry struggles to hire against attrition and attract digital talent from tech companies, retailers will need to:

1. Prepare the workforce for technological change

Analyze the workforce implications of emerging technologies, and invest early in employee reskilling and career transition programs.

2. Define clear job descriptions

Clearly outline the responsibilities, qualifications, and expectations for each role. This helps attract candidates with the specific skills and attributes needed to drive current industry trends.

3. Modernize employee experience

Introduce technology into the employee experience, not only the customer experience. For example, use centralized HR solutions for scheduling requests, shelf-scanning robots to eliminate tedious manual tasks, and online learning management systems for employee training.

4. Assess soft skills during the hiring process

Beyond technical skills, evaluate candidates’ soft skills, such as communication, adaptability, and teamwork. These skills are crucial for navigating industry trends effectively.

5. Introduce special incentives for hard-to-fill roles

Retailers specifically struggle to fill unpleasant jobs (like those involving meat service) and those requiring experience (like retail manager roles). Special incentives and rewards can help make those roles more attractive.