



Success at Hand: Equipping Frontline Workers with More Mobile Devices to Drive Revenue and Delight Customers

CUSTOM REPORT

December 3, 2024

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Executive Summary

Mobile devices offer solutions to many challenges that retailers face: Enabling workers with mobile devices presents numerous benefits, from employee satisfaction to improved customer experience to retailer efficiency. We analyze findings from a proprietary survey of US-based retailers conducted in the third quarter of 2024, to examine the “unserved hands” opportunity in terms of edge computing—meaning employees who do not have mobile devices for their exclusive use.

Market Scale and Opportunity

- Coresight Research estimates that 7.7 million US retail employees in the drugstore, grocery, mass merchandising and specialty and other sectors in the US are “unserved hands”—they do not have dedicated mobile devices.
- Unserved hands represent an annual hardware, services and software opportunity of about \$2 billion in the US, we calculate. This figure reflects a richer variety of product form factors than solely standard ruggedized mobile devices, such as tablets, wearables and smartphone-like devices.

Coresight Research Analysis

1. Retailers’ Adoption of Mobile Devices Varies by Size and Segment

- The top barrier to the adoption of mobile devices is a skill or talent shortage, which could be mitigated by devices adopting the user interfaces and functionality of smartphones, which are commonplace and easy to use.

2. Store Operations and Merchandising Experience the Lowest Usage of Mobile Devices

- Respondents see the biggest benefit of introducing mobile devices across three key workflows: store operations, store floor activities and merchandising. More specifically, mobile devices can increase the efficiency of daily operational tasks, enhance communication between staff members and reduce manual paperwork and data entry in store operations.
- Mobile devices can also streamline planogram compliance, enhance promotional execution and improve product placement accuracy in merchandising.

3. Employee Devices Translate to Higher Employee Satisfaction and Productivity, Driving Greater Customer Satisfaction

- Providing employees with more devices should increase their productivity, with fewer trips to collect shared devices, as well as boosting satisfaction from personalization.
- Employees with their own devices will feel more valued by the retailer, and this employee satisfaction translates to superior customer service and therefore, customer satisfaction.

4. The Outlook Is Positive for Advanced Devices

- Retailers are willing to invest even more in devices with advanced technology: 78% of surveyed retailers are set to continue investing in advanced mobile devices or are will likely begin doing so.

What We Think

While retailers appear to have a clear understanding of the applications and benefits of mobile devices, many still have not equipped workers with mobile devices of their own, depriving the retailer of the multiplicative benefits of greater employee efficiency and customer satisfaction. Although a skill and talent shortage is a leading barrier to providing employees with devices, devices are increasingly adopting the interfaces of ubiquitous smartphones, which workers can use seamlessly. In addition, other tools such as AI (artificial intelligence) can increase workers’ capabilities and narrow the skills gap. Furthermore, employers raising employee satisfaction through greater deployment of devices could make front-line jobs more attractive, meaning they would further attract and retain workers. Associates enabled with their own individual devices are happier, which, in turn, reduces turnover, and that increase in associate happiness can lead to better customer interactions. Mobile device-enabled associates also have the ability to generate incremental revenues on the store floor by adding that incremental item to a shopping bag, upselling or performing on-the-spot services, such as inventory or price checking, which further enhances the customer experience.

Impacts of AI

- Leading-edge mobile devices are now capable of running large language models, bringing the power of GenAI to the user’s hand.
- Applications of GenAI (generative AI) include the creation of text such as emails and documents, and newer applications leverage the enterprise’s data for more relevant content.
- Retail users of mobile devices will benefit from accelerators and copilots, as they can make targeted recommendations as they understand the context of the work being done.

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Introduction

The retail industry constantly faces intense competition from existing competitors and new entrants, as well as alternative channels, such as video shopping. The industry is also now facing new challenges in terms of attracting and retaining workers due to heightened competition for employees from the restaurant and delivery sectors (the gig economy). Furthermore, understanding store dynamics is critical in driving success for retailers, but achieving operational efficiency remains challenging to many. There are multiple challenges—including issues around product placement, lack of planogram compliance, mislabeled price tags, item restocking and communication between teams—that are straining store teams and putting pressure on store operations. Store inefficiencies result in a gross sales loss of at least 6% for 40% of retailers, and an operating margin loss of more than 5% for 70% of retailers, according to a Coresight Research survey of US-based retailers conducted in January 2024.

While technology is not a panacea to these challenges, enabling workers with mobile devices can offer them a more rewarding and enjoyable work experience, which could reduce turnover. Mobile devices can also drive more memorable interactions for customers and provide a competitive edge for retailers as they put all of a retailer's information and services into the associate's hands. Improved visibility of store data also helps solve inefficiencies around item restocking, pricing and more.

This report examines the “unserved hands” opportunity among US retailers—meaning employees who do not have a dedicated mobile device for their exclusive use. We quantify the scale of the opportunity and explore the benefits and opportunities for retailers of equipping retail staff with dedicated mobile devices.

Our analysis in this report is informed by a Coresight Research survey of US-based companies operating in a range of retail sectors, conducted in the third quarter of 2024 (see Methodology for details). In our survey, we covered five types of devices: general-purpose handheld scanners, mobile computers (handhelds), tablets, wearables and mobile printers.

This report is produced in partnership with Zebra Technologies, a leading digital solution provider enabling businesses to intelligently connect data, assets and people. Zebra helps organizations monitor, anticipate and accelerate workflows by empowering their frontline and ensuring that everyone and everything is visible, connected and fully optimized.

Market Scale and Opportunity

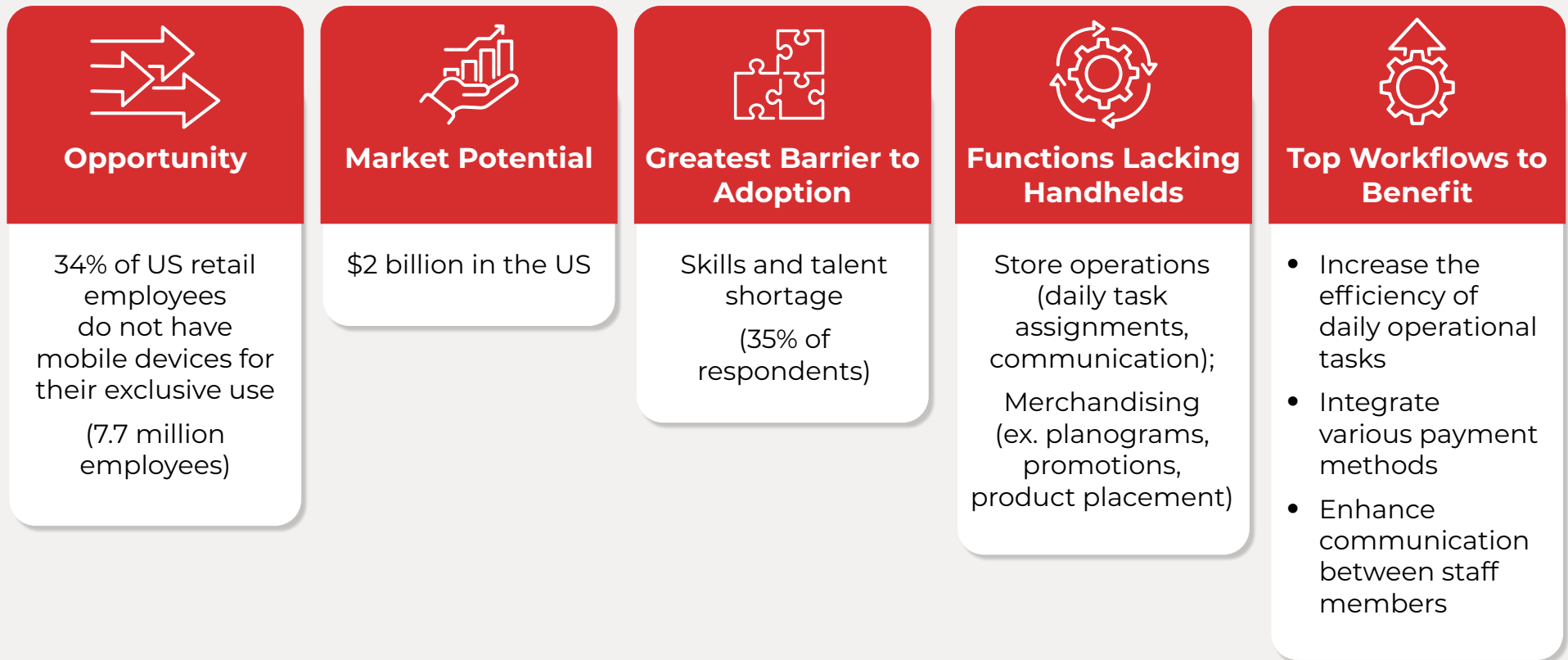
Extrapolating the results from our survey discussed in this report, Coresight Research estimates that 7.7 million US retail employees in the drugstore, grocery, mass merchandising and specialty and other sectors (including hospitality and restaurants) in the US are “unserved hands”—they do not have dedicated mobile devices. The remaining 15.9 million employees (based on a total of 23.6 million in these sectors, we calculate from US Census Bureau data) have their own exclusive device.

Unserved hands represent an annual hardware, services and software opportunity of about \$2 billion in the US, we calculate, based on the number of unequipped employees and average retailer spending plans revealed by our survey. This figure reflects a richer variety of product form factors than solely standard ruggedized mobile devices, such as tablets, wearables and smartphone-like devices, which could leverage a greater level of software content. Lower-cost devices could be expensed differently than as part of a multiyear capital investment program.

Equipping Frontline Workers with More Mobile Devices: Coresight Research Analysis

We present key findings from our survey in Figure 1 and present in-depth analysis below.

Figure 1. The Unserved-Hands Opportunity: Key Survey Findings and Insights



Base: 400 US retail business leaders
Source: Coresight Research



Retailers' Adoption of Mobile Devices Varies by Size and Segment

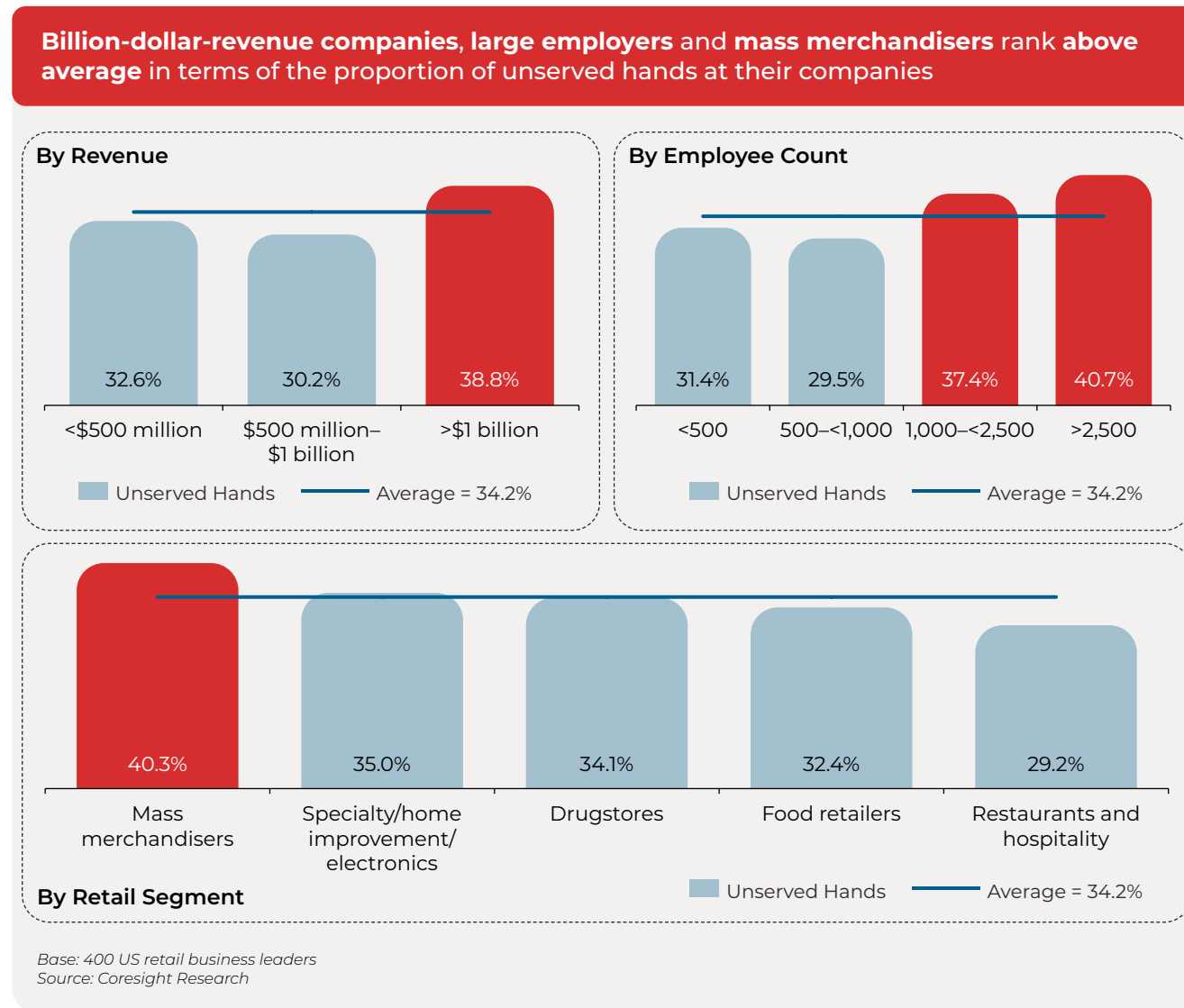
On average, surveyed retailers estimate the overall share of unserved hands at 34%, with larger retailers in terms of revenue and employee count possessing higher proportions of employees without devices.

Share of Unserved Hands Increases with Revenue and Employee Count

The share of unserved hands is markedly higher at retailers with greater than \$1 billion in annual revenue, likely due to the larger number of general and administrative employees needed to support larger enterprises, which may have to comply with greater levels of regulation, as well as the possibility for a greater number of shared devices within larger companies. Similarly, the share of unserved hands at retailers with more than 1,000 employees came in above the average for retailers overall.

Looking at unserved hands by sector, mass merchandisers' share is significantly above the average for retailers overall, indicating an opportunity; on the other hand, restaurants and hospitality appear well served (see Figure 2).

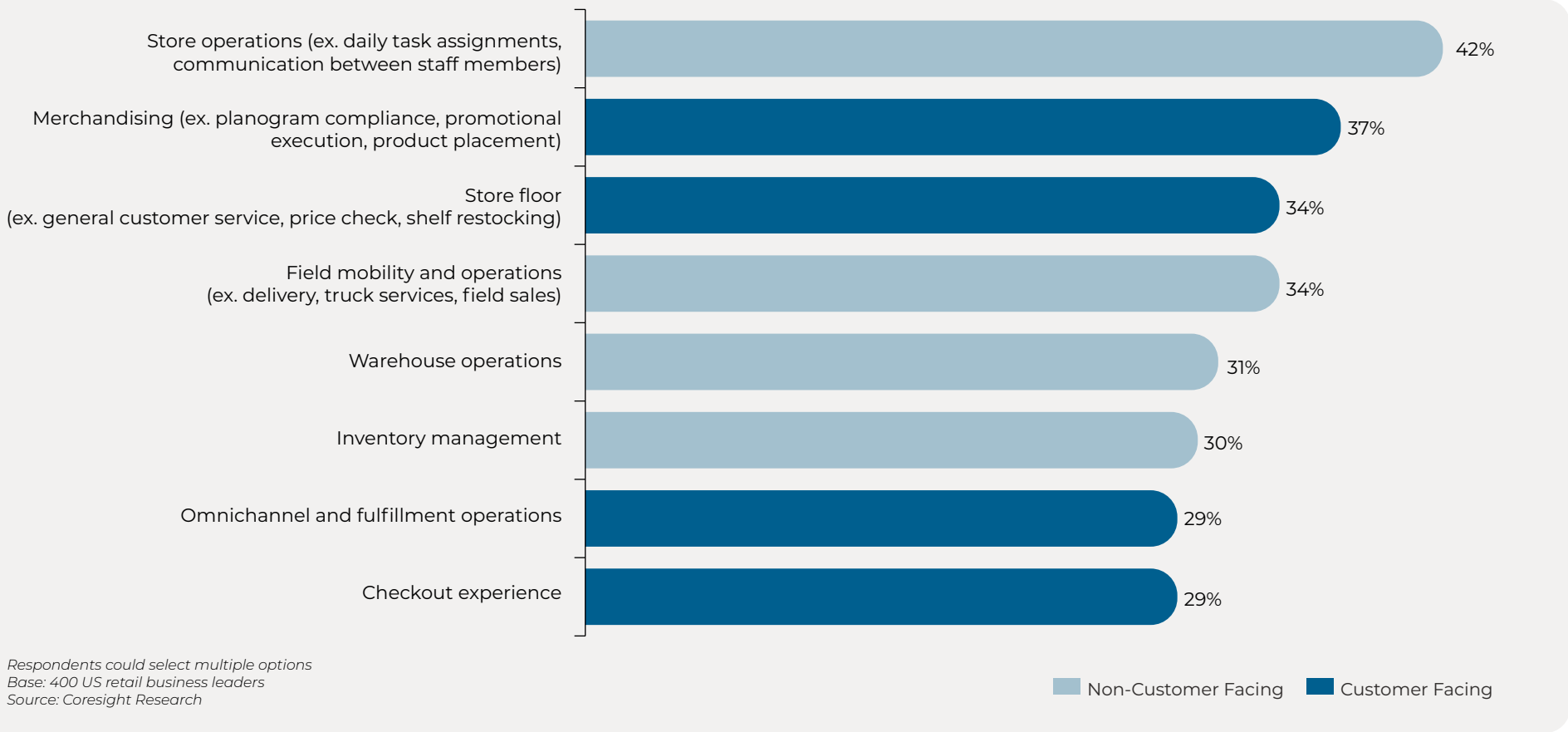
Figure 2. Average Percentage of Retail Employees Without a Dedicated Retail Mobile Device (%)



2 Operations and Merchandising Stand To Improve Most from Mobile Devices

Many business functions remain substantially underserved (see Figure 5), presenting several opportunities for improvement through the deployment of mobile devices. By increasing their deployment of dedicated mobile devices across these underserved areas, retailers can improve operational efficiency and compliance, as well as enhance customer satisfaction.

Figure 5. Business Functions That Do Not Use Dedicated Mobile Devices (% of Respondents)



Below, we analyze the top three functions that do not use mobile devices (and therefore, opportunities to use them), along with successful use cases.



The most significant opportunity lies in **store operations**, with 42% of respondents lacking dedicated mobile devices in this area. Within store operations, these devices can revolutionize daily task assignments, enhance communication between staff members and streamline overall store management, ensuring that employees are well coordinated, thus reducing downtime and enhancing productivity.

Store Operations Case Study: Lowe's

Lowe's is a leading home-improvement company with more than 1,700 stores, employing approximately 300,000 associates and executing about 16 million customer transactions per week (as of November 2024). The company uses Zebra software to manage its 125,000+ devices featuring vendor and custom applications that help unlock productivity, reducing the need for manual tasks. These devices have resulted in associates being able to spend 60% of their time with customers, Lowe's reported in early 2023. The devices include a push-to-talk feature, enhancing communication, and for BOPIS (buy online, pick up in-store) orders, they guide associates through the most efficient path in the store so that they can process the orders directly from the store floor.



In **merchandising**, where planogram compliance and promotional execution are crucial, 37% of respondents do not use dedicated mobile devices. Integrating these devices can ensure the precise execution of merchandising plans, as well as provide retailers with real-time updates on promotional effectiveness and optimal product placement, directly impacting sales, profitability and supplier relations.

Merchandising Case Study: Office Depot

Specialty office-product retailer Office Depot deployed mobile technology from Zebra Technologies to improve store-associate performance and scheduling. The implementation enables store managers to prioritize and assign tasks to associates, and when completed, assign the next task on the list. Real-time access to compliance and completion rates enables the retailer to measure success and improvement across its stores. According to Zebra, the retailer reduced overtime costs by 95% and cut scheduling time to 30 minutes a week from approximately three hours, saving 6% in payroll costs annually, while achieving a 90% in-store task completion rate.



Activities that take place on the **store floor**, such as customer service, price checks and shelf restocking, are also of great importance to retailers, as they have a direct impact on customer sentiment, defining the customer experience and whether the customer leaves the store without purchasing anything or never returns.









Store Floor Case Study: Walgreens

Drugstore retailer Walgreens serves 8 million shoppers online and in nearly 9,000 stores (as of November 2024). After completing a company-wide digital transformation, the retailer found that its inventory-management tools, comprising a mix of legacy devices, required extra labor and were inefficient, which harmed customer service. Walgreens equipped store teams with Zebra tablets and mobile computers, which means it can conduct inventory cycle counts and execute replenishment from the store floor, as well as enabling associates to place online orders directly on behalf of customers.

The availability of help provided by staff rank in the top five factors fueling shopper satisfaction, according to Zebra Technologies' "17th Annual Global Shopper Study," published in 2024. Moreover, according to a survey of US retail executives conducted by Coresight Research in January 2024, pricing errors ranked as a critical challenge: three-quarters of surveyed retailers reported a mispricing rate of at least 5%, while one in five retailers reported a mispricing rate of above 15%.

Within the business functions shown in Figure 5, retailers cited several workflows—defined as the distinct tasks performed by retail employees—that do not fully utilize mobile devices, as detailed in Figure 6, below. Many of these workflows include direct interaction with customers (such as improving response times, speeding up checkouts, fulfilling orders or simply making associates more efficient), revealing that mobile devices allow employees to spend more time on the store floor with customers than in the back room.

Figure 6. Top Workflows (by Business Function) That Lack a Featured Dedicated Device

Function	Top Three Workflows Not Fully Utilizing Handheld Devices
 Store Floor	<ul style="list-style-type: none"> • Improve customer service response time • Enhance the accuracy of price checks and product information • Reduce the time taken for restocking shelves
 Checkout Experience	<ul style="list-style-type: none"> • Speed up the checkout process • Reduce transaction errors • Integrating various payment methods (credit cards, mobile payments, etc.)
 Merchandising	<ul style="list-style-type: none"> • Streamline planogram compliance • Enhance promotional execution • Improve product placement accuracy
 Store Operations	<ul style="list-style-type: none"> • Increase the efficiency of daily operational tasks • Enhance communication between staff members • Reduce manual paperwork and data entry
 Inventory Management	<ul style="list-style-type: none"> • Improve inventory accuracy and management • Reduce out-of-stock situations • Enhance theft detection and prevention
 Warehouse Operations	<ul style="list-style-type: none"> • Improve warehouse picking and packing efficiency • Reduce errors in order processing • Enhance inventory tracking and management
 Omnichannel and Fulfillment Operations	<ul style="list-style-type: none"> • Streamline buy online, pick up in-store (BOPIS) processes • Improve the efficiency of delivery and curbside pickup • Enhance order accuracy for online purchases
 Field Mobility and Operations	<ul style="list-style-type: none"> • Improve the efficiency of field operations • Enhance communication between field and office staff • Improve field sales representatives' access to product information and reduce delays in field data reporting

For each business function, respondents were asked to select the three workflows that would benefit the most from equipping employees with dedicated mobile devices; the workflows shown here were selected by the highest proportions of respondents overall.
 "Field mobility and operations" functions include delivery, truck services and field sales.
 Base: 400 US retail business leaders
 Source: Coresight Research

Customer Experience and Store Operations Workflows Would Benefit the Most from Mobile Devices

Our survey indicates that the three business functional categories poised to benefit most from the introduction of more devices are store operations, merchandising and store floor activities. A closer examination of specific workflows reveals that **store operations** and **customer experience**-related tasks offer the greatest potential for value creation (see Figure 7).

- Store operations occupy the top two workflows that would benefit from equipping employees with mobile devices. Increasing the efficiency of daily operational tasks ranks highest, by a roughly 25-point margin, according to our analysis. Interestingly, enhancing communication among staff members ranks second, indicating a pain point among employees and a significant opportunity for improvement.
- Customer-facing opportunities appear most frequently among the results, indicating several opportunities to improve customer satisfaction. Despite the ubiquity of payment cards and functions such as tap to pay, the integration of these various payment methods represent a major opportunity. Improving the accuracy of price checks, customer service response time and the efficiency of delivery and curbside pickup also represent situations when associates directly interact with customers; these situations could be improved by the use of mobile devices as associates equipped with their own personal devices will be more efficient and productive, and a better job experience will, in turn, improve the customer experience.

Figure 7. Top 10 Workflows That Would Most Benefit from Equipping Employees with a Mobile Device (Z-Score Index)

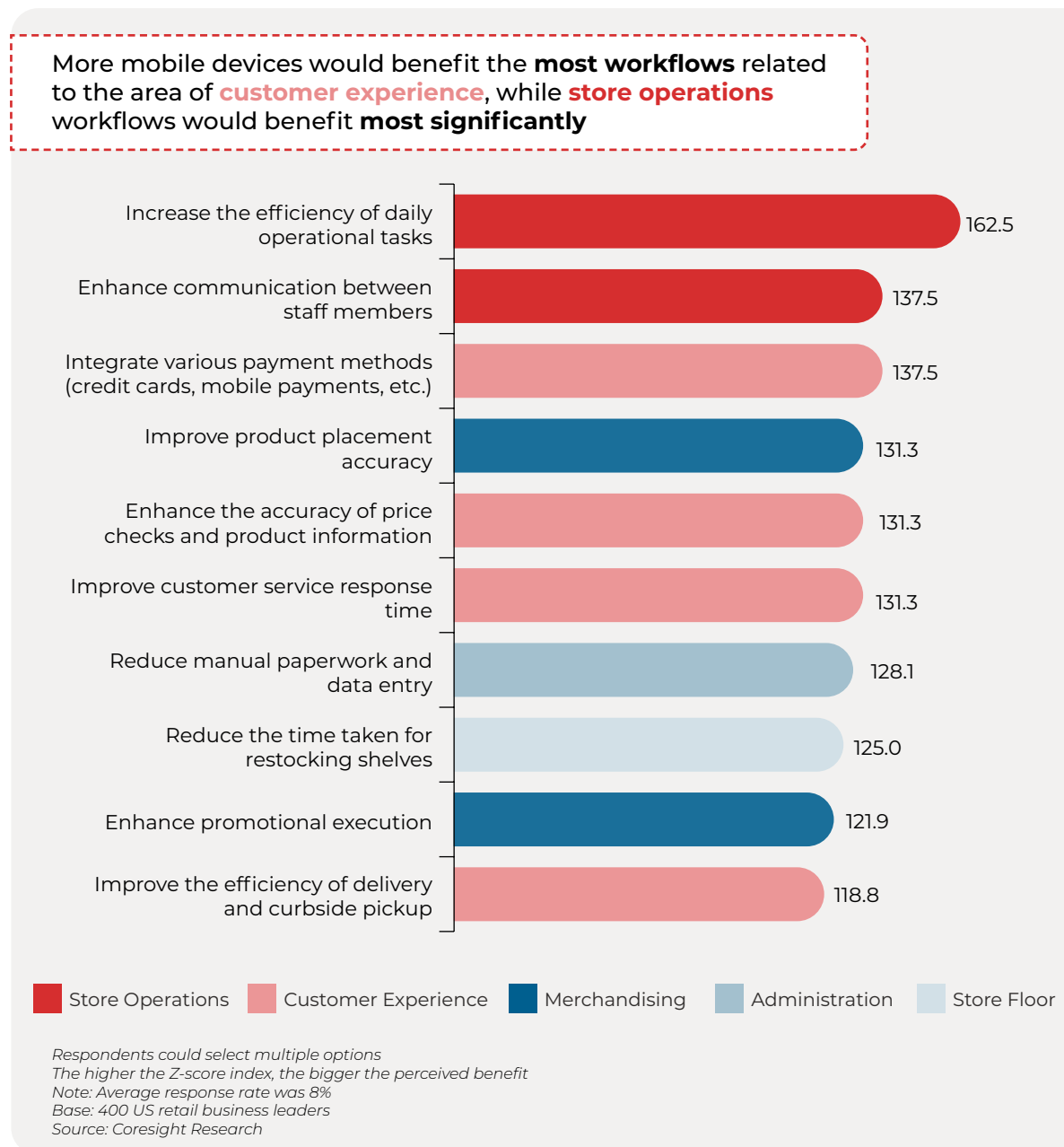
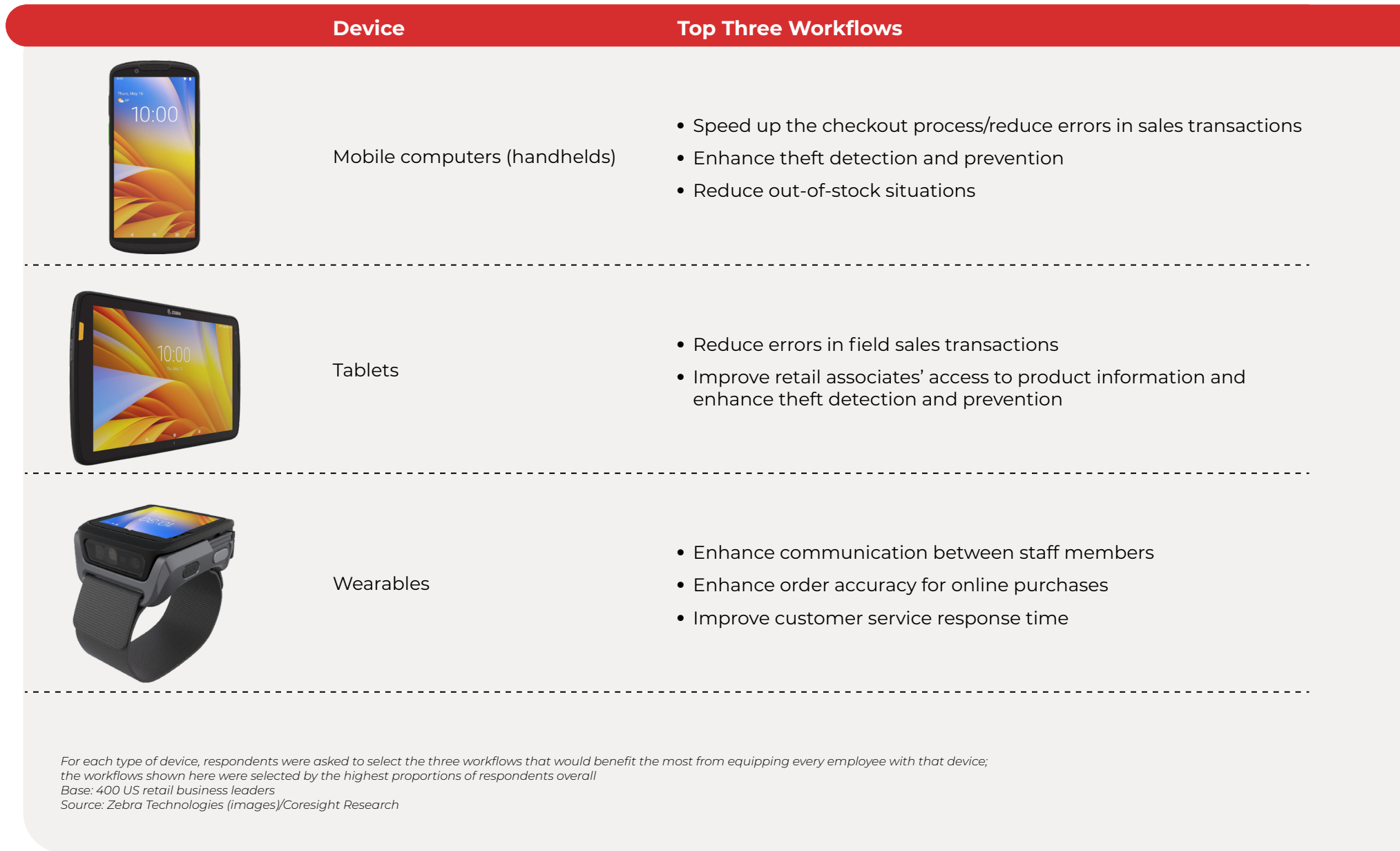


Figure 8 details the top three workflows in which each type of device would drive benefits for users, based on our survey data.

Figure 8. Top Workflows for Which Different Types of Mobile Device Would Provide the Greatest Benefit to Employees



3 Employee Devices Translate to Higher Employee Satisfaction and Productivity, Driving Customer Satisfaction

Equipping employees with their own devices offers multiple benefits for both employees and retailers, especially as the two are synergistic.

Retailers rank employee satisfaction highest among the expected benefits of adopting retail mobile devices. For employees, having their own personal devices reflects their value to the retailer—associates with personal devices can also personalize their devices, improving their experience. According to Zebra Technologies’ “17th Annual Global Shopper Study,” 87% of employees feel more valued when their employer provides technology tools to help them work. Improved associate sentiment could also reduce turnover and training cost.

Having more devices also translates to higher efficiency, the second-biggest benefit of mobile devices. Employees with their own devices will be more productive—both in general and, more specifically, when serving customers—as they do not constantly need to walk to the back room to check out and return devices, and they will not face delays when waiting to access a shared device or to reconfigure it to their preferences or needs.

Employees’ greater efficiency benefits retailers directly and indirectly through better service that they are able to offer to customers; customer satisfaction ranks third among expected benefits of dedicated mobile devices, per our survey (see Figure 9).

Figure 9. Expected Benefits from Equipping Employees with Mobile Devices (Z-Score Index)



Respondents could select multiple responses
The higher the Z-score index, the bigger the perceived benefit
Base: 400 US retail business leaders
Source: Coresight Research

Equipping employees with mobile devices drives numerous benefits for the customer experience

4 The Outlook Is Positive for Advanced Devices

Retailers are willing to invest even more in devices with advanced technology: 78% of surveyed retailers are set to continue investing in advanced mobile devices or are will likely begin doing so. Such devices include simplified smartphone-type devices (not ruggedized) that include relevant software for task management and voice assistance, or a small wearable with a screen display and either a camera or scan engine for barcode/image capture. Advanced devices are not necessarily more expensive than current-generation devices; wearables can use these technologies to perform a single function and therefore could be less expensive than a full-featured enterprise device.

What We Think

While retailers appear to have a clear understanding of the applications and benefits of mobile devices, many still have not equipped workers with mobile devices of their own, depriving the retailer of the multiplicative benefits of greater employee efficiency and customer satisfaction. Although a skill and talent shortage is a leading barrier to providing employees with devices, devices are increasingly adopting the interfaces of ubiquitous smartphones, which workers can use seamlessly. In addition, other tools such as AI (artificial intelligence) can increase workers' capabilities and narrow the skills gap. Furthermore, employers raising employee satisfaction through greater deployment of devices could make front-line jobs more attractive, meaning they would further attract and retain workers.

Associates enabled with their own individual devices are happier, which, in turn, reduces turnover, and that increase in associate happiness can lead to better customer interactions. Mobile device-enabled associates also have the ability to generate incremental revenues on the store floor by adding that incremental item to a shopping bag, upselling or performing on-the-spot services, such as inventory or price checking, which further enhances the customer experience.

Implications for Retailers

- Retailers with higher penetration of mobile devices will see their customer-facing associates better able to offer last-minute sales, such as adding additional items to shopping carts and upselling.
- Retail associates with mobile devices will be able to check prices and inventory, leveraging this information to provide enhanced, knowledgeable customer service.
- Associates with their own, personalized devices will possess higher levels of satisfaction, translating to lower turnover rates, more experienced associates and lower training costs.
- By equipping more associates with mobile devices, retailers should see more efficient operations and, as a result, higher margins.

Implications for Technology Vendors

- As the capabilities of mobile device hardware steadily advance, they will create additional opportunities for devices that leverage the most recent innovations.
- Vendors that can simplify the user interface of mobile devices, particularly making the user interface similar to that seen in smartphones, will drive lower training costs for retailers.
- Generative AI (GenAI) offers new ways for vendors to make mobile retail devices more powerful and useful.

Impacts of AI

- Leading-edge mobile devices are now capable of running large language models, bringing the power of GenAI to the user's hand.
- Applications of GenAI include the creation of text such as emails and documents, and newer applications leverage the enterprise's data for more relevant content.
- Retail users of mobile devices will benefit from accelerators and copilots, as they can make targeted recommendations as they understand the context of the work being done.

Notes

Data in this report are accurate as of November 13, 2024.

Methodology

Informing the data in this report are online surveys of decision-makers at US-based retailers, conducted by Coresight Research.

1. 400 respondents surveyed on July 8, 2024:

- Companies with \$50+ million in annual revenue and 50+ retail employees (less than 100% of which currently use dedicated mobile devices)
- Companies operating in the retail sector—including food, convenience grocery or supermarket; restaurant and hospitality; specialty, home/home improvement and electronics; and drugstore, health or beauty
- Role of Senior Manager or above with familiarity of their companies' investment in, and performance metrics of, digital transformation technologies.

The results have a margin of error of $\pm 5\%$, at a 95% confidence level.

2. 150 respondents surveyed during January 30–31, 2024:

- Companies with \$100+ million in annual revenue
- Companies operating in the retail sector—including DIY (home improvement), drugstores, grocery, liquor, mass merchandisers and warehouse clubs/wholesalers)
- Role of Senior Director or above with familiarity of the performance metrics of their retail stores.

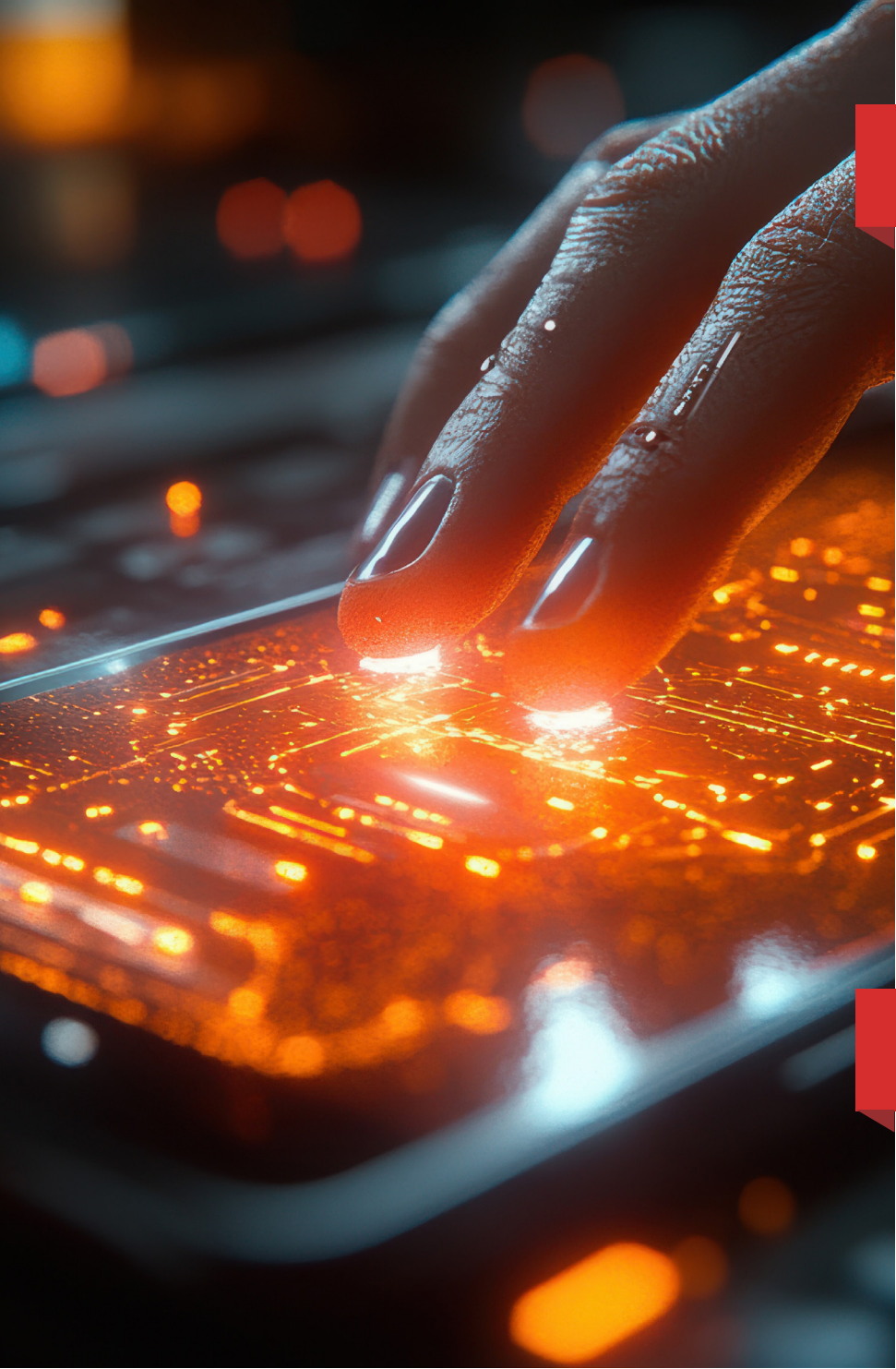
The results have a margin of error of $\pm 10\%$ at a 95% confidence interval.

3. 200 respondents surveyed in November 2022:

- Companies with at least 50 consumer retail locations and which spend at least \$100,000 per year on IT solutions (ex. wholesale club, business services/office supplies or auto parts businesses)

The results have a margin of error of $\pm 7\%$ at a 95% confidence interval.

Some figures in this report use a Z-score index, which is a statistical measure that represents relative variance from average survey responses with a minimum value of 100.



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This report is produced and made available to non-subscribers of Coresight Research in partnership with Zebra Technologies.

John Harmon

Managing Director of
Technology Research

Sunny Zheng

Analyst

Steven Winnick

Vice President—
Innovator Services

New York • Hong Kong • Lagos • London • Mangaluru (India) • Shanghai

coresight.com

To discuss our research or partnership opportunities, contact inquiries@coresight.com

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