

# The omicron surge compounds retail sector's worker shortage

## Article

**The news:** Retailers across the US are being forced to adjust their brick-and-mortar strategies as the spread of the omicron variant exacerbates the pressure on already stretched staff.

- **Walmart, Starbucks, Macy's, and Apple** are just a few of the retailers that have either reduced store hours or temporarily closed locations in response to rising numbers of COVID-19 cases,

per Insider.

**How we got here:** Pandemic-induced burnout has hit many industries hard, as the number of people quitting reaches record highs. This, coupled with omicron's highly contagious nature, has wreaked havoc on retailers' ability to maintain business as usual.

- A record **4.5 million people** quit their jobs in November 2021, **according to** the US Bureau of Labor Statistics. Of that number, **686,000 left retail jobs**, leaving the industry with a **4.4% quits rate** (the number of people quitting as a proportion of total employment). Meanwhile, the overall quits rate hit 3.0%, matching the high previously seen in September 2021.
- In addition to facing increased risk of COVID-19 exposure, retail workers are also **reporting** low morale due to severe staffing crunches, lack of hazard pay, and rising numbers of in-store shoppers.

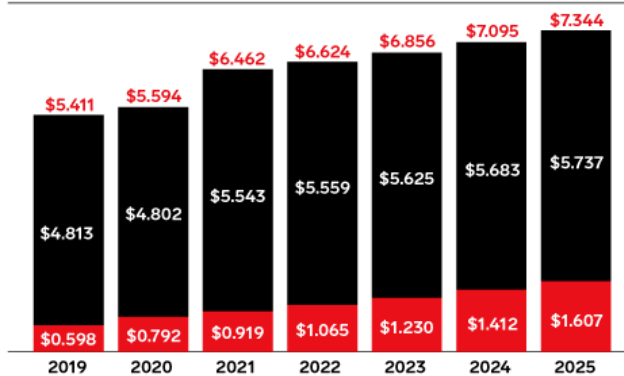
**The implications:** Retailers are overhauling their in-store experience on the fly by adjusting hours and adding more self-service options. For example, **ShopRite** earlier this week rolled out an **automated pickup pod** that provides consumers in New Rochelle, N.Y., with a contactless way to retrieve their online grocery orders. That type of technology can reduce the retailer's reliance on store employees and may drive an increase in online shopping.

- Even prior to the omicron wave, **68%** of consumers reported that the pandemic had altered their shopping habits, **per** a survey by Anyline.

Following a **32.4%** jump in ecommerce sales in 2020, online sales rose another 16.1% last year. We forecast that with fewer store hours, shoppers will likely continue to shift more of their spending online with **ecommerce sales expected to rise 15.9%** this year.

## US Total Retail Sales, by Channel, 2019-2025

trillions and % change



% change

<b>Ecommerce sales</b>	15.1%	32.4%	16.1%	15.9%	15.5%	14.8%	13.8%
<b>Non-e-commerce sales</b>	1.7%	-0.2%	15.4%	0.3%	1.2%	1.0%	0.9%
<b>Total</b>	3.0%	3.4%	15.5%	2.5%	3.5%	3.5%	3.5%

Note: excludes travel and event tickets, payments (such as bill pay, taxes, or money transfers), food services and drinking place sales, gambling, and other vice goods sales; numbers may not add up to total due to rounding  
Source: eMarketer, Oct 2021

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- Self-service options are appealing as **32% of in-store shoppers rank speed as their top priority** in a **recent survey**, with an independent and autonomous shopping experience coming in second (27%).
- In the Anyline survey, **89%** of respondents said retailers such as grocery stores should make checkout more efficient by offering technology such as self checkout and scan and go.
- ShopRite and other retailers are testing a variety of tools and fulfillment methods. In addition to the pickup pod, the grocer has experimented with delivery robots operated by remote drivers, as well as technology that uses automated bots to retrieve grocery items from a compact storage center.

**The takeaway:** The omicron variant has wreaked havoc on already challenged store-based retailers. As merchants test ways to keep their doors open, their natural experiments will likely result in new procedures that could fundamentally alter consumer behavior.