



# Manpower Update Report

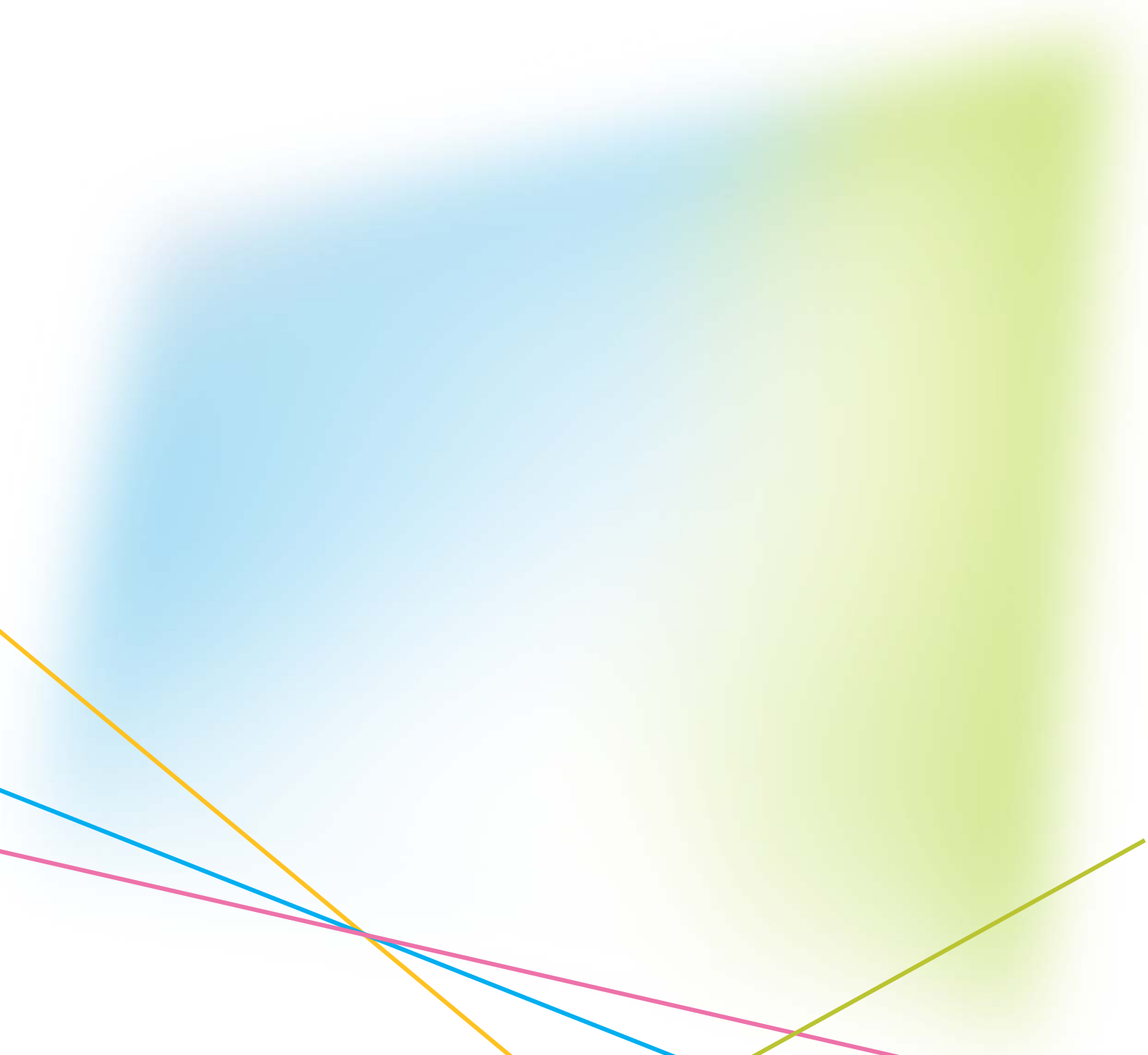
## Retail Trade

# 2021



# ACKNOWLEDGEMENT

The Retail Trade Training Board would like to express its gratitude to the members of the focus group for their valuable time and insights on the manpower situation in the Retail Trade. Special thanks go to the CPJobs and CTgoodjobs which shared with us their database of job vacancies. The views of focus group members and information from major recruitment websites formed an integral part of this report.



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# Introduction

## Background

The Retail Trade Training Board (RTTB) of the Vocational Training Council (VTC) is responsible for determining the manpower demand of the industry, assessing whether the manpower supply matches the manpower demand, and recommending the development of vocational and professional education and training (VPET) to meet the assessed training needs.

To better reflect the dynamics of the manpower situation, one manpower survey collecting quantitative results is conducted every four years, and is supplemented by two manpower updates focusing on

qualitative feedback. The RTTB completed its manpower survey in 2019, followed by two manpower updates in 2021 and 2022.

This manpower update report comprises:

- (a) **a focus group meeting** with views from industry members on the latest industrial developments, manpower demand, recruitment difficulties, training needs, and measures to tackle the challenges the industry faces; and
- (b) **desk research and analysis** of recruitment information from major recruitment portals related to the retail trade.

# Objectives

The objectives of the manpower update report are:

- (i) to examine **the latest trends and developments** of the retail trade;
- (ii) to explore **the job market situation and recruitment challenges**;
- (iii) to identify **the training needs**; and
- (iv) to recommend **measures to meet the training needs** and to ease manpower shortage.

# Methodology

## Overview

This update report aims to provide the latest development of the retail trade through views collected from a focus group meeting, supplemented by desk research on job advertisements from major recruitment portals.

## Focus Group Meeting

The focus group members are representatives from 8 different branches of the retail trade, including:

- (1) food, beverages and tobacco;
- (2) supermarkets/convenience stores;
- (3) clothing, footwear and allied product;
- (4) department stores;
- (5) jewellery;
- (6) medicines and cosmetics;
- (7) durable goods; and
- (8) retail trade not via stores and mobile stalls.

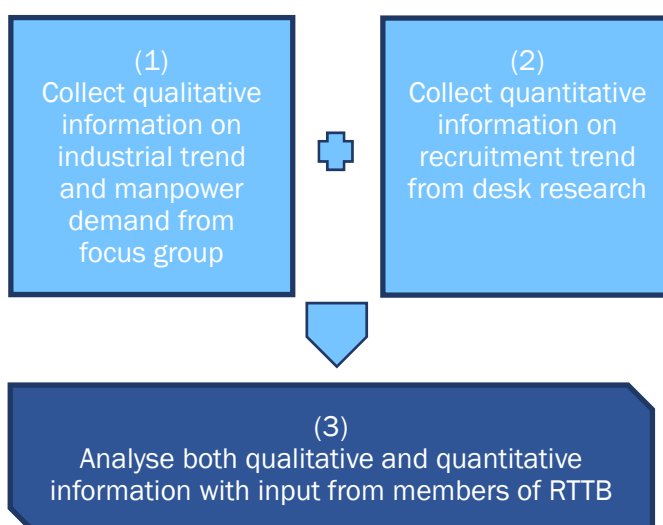
The focus group meeting was conducted on 23 April 2021. An experienced moderator led members to an in-depth discussion on topics selected by the Working Party on Manpower Survey of the RTTB. The discussion at the meeting was recorded and transcribed to facilitate analysis.

## Desk Research

Manpower information covering the period between Quarter 1 and Quarter 4 of 2020 was collected through desk research. An information system was developed to capture relevant recruitment data from major online recruitment portals. Collected information was mapped against the list of companies related to the retail trade under the Hong Kong Standard Industrial Classification devised by the Census and Statistics Department. After mapping and removal of duplicated records, a total of 10 649 recruitment records were collected during the research period and served as indicative information of the job market trend.

## Data Analysis

The analysis consists of three steps:





## Limitations

As this is not a full manpower survey, the findings and recommendations of the focus group meeting are more qualitative in nature and the report focuses mainly on the manpower trends. The information of job advertisements was collected from major recruitment portals, such as CPjobs, CTgoodjobs and the Labour Department.

Other channels, such as recruitment through HR vendors and referrals, were not covered. Since the data collected is a snapshot of a particular period without reference to any historical data, this can only be served as supplementary information to the findings of the focus group meeting.

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# Findings

## Factors Affecting Development of the Retail Trade

### Omni-channel Commerce for Seamless Customer Journey

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The COVID-19 pandemic has sped up a shift from store-based selling to digital and even omni-channel retail. But the reality is that many of the changes wrought by the pandemic to buying behaviours, channel mixes, workforce models, and business models were underway long before the pandemic. COVID-19 only accelerated these trends, driving an unprecedented level of urgency to retailers' actions.

While e-commerce has seen rising contribution to revenue, the position of brick-and-mortar cannot be underrated. It is the challenge retailers have been facing, to leverage the foundation of physical stores while developing e-commerce platforms or new business models. Therefore, some

retailers evolved the online-to-offline (O2O) shops to not only being pick-up points, but education centres to help more mature customers learn to use its mobile app to do e-shopping. This calls for the effort of retailers to create a seamless customer journey which is able to engage and retain customers and attract traffic to stores and omni-channel platforms.

**With omni-channel customer acquisition and retention strategies in need, retailers require manpower at the back-end with IT capabilities and e-commerce skills to create a seamless customer journey while frontline staff with digital marketing skills on top of traditional selling skills to boost sales.**

## Platform-based Business: A Challenge or An Opportunity

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Popularity of independent food retail stores has also changed the market landscape and intensified competition. By adopting omni-channels for purchase, delivery and refund, these stores have a more flexible operating model that responds quickly to evolving customer needs and shopping habits. The omni-channel retailing trend has prompted retailers to either ride on platform providers to expand their market or invest on the development of their own e-commerce platform.

**IT talents and logistics talents in the development of e-commerce platforms are in need, while retail talents are expected to be flexible and agile enough to support such changes and help their company stay ahead of fierce competition. For the companies, effort to prepare employees' mind-set with the new skills required is equally important.**

## Decline in Cross-border Travel leading to Local-centric Retailing

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Fashion retailers and the catering sector, where sales were highly driven by traveller traffic before the pandemic, have no choice but lay off workers due to restrictions on cross-border travel. Some retailers have attempted to negotiate with landlords to survive the tough times, but not all landlords would agree to reduce rent. As a result, retail manpower is lost and there is a concern over the possibility of post-pandemic manpower shortage. Some retailers have been developing an O2O

model to reduce the need for manpower.

Another issue with the decline in cross-border travel was the changing customer profile: from a heavily tourist-biased clientele to locals, and hence **frontline retail staff need to adapt to the changing customer profile and adopt different selling and servicing techniques to build customer intimacy for this O2O retailing journey.**

## Effectiveness of Post-pandemic Recovery Measures

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While the vaccination programme and travel bubble arrangements implemented by the government were seen as positive moves, retailers were uncertain about the effectiveness in supporting post-pandemic recovery. Regarding vaccination, it was considered a personal choice and would be difficult to enforce vaccination mandates at a company or trade level. For example, there were many old workers in the catering sector and they would have personal concern about the adverse effects after vaccination.

The arrangement of travel bubble might not be helpful as they only focused on overseas visitors while cross-border travel restrictions are still in place. By the time the focus group meeting was conducted, retailers were still pending for details of the Consumption Voucher Scheme to be rolled out in July, so they were awaiting to see its impact on retailing. **The transition from store-based retail to consumer commerce and platform-based businesses with loyalty programmes to analyse customer behaviour were more important business trends to be addressed.**

# Manpower Demand

## Digital Literacy among Frontline Staff

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**Digital literacy is considered an important skill frontline retail staff should master.** For example, adopting a Mobile Selling Assistant device (MSA) to facilitate inventory and price checking would allow more time for frontline salespeople to interact with customers and better understand their needs. Some frontline staff also needed to use digital gadgets like iPad when offloading goods, so familiarity with the latest retail technologies will help them check timeslots, speed up the transaction process and simplify manual work.

## Social Commerce Skills

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With shopper footfall dipping dramatically due to travel restrictions, some in-store salespeople have taken up a social commerce role by live streaming products through social media to customers in the Mainland. Through such alternative channels, retailers are able to engage non-local customers through virtual experiences and deepen connection even if their customers cannot visit Hong Kong. This reflected **the importance of grooming livestreaming skills and e-commerce skills among frontline salespeople so to enhance social media presence locally and in Mainland.**

## Big Data Skills

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With more customer data collected through loyalty programmes, retailers also see strong demand for big data talents. These talents are required to develop and manage e-commerce platforms at the front and back end in the office and to analyse customer data in a customer relationship management database, such as shopping patterns, purchase history, preferences, demographic information, etc. **This will not only make customers more contented during the customer journey, but more importantly better engage customers and generate repeat sales through retargeting marketing campaigns.**

## IT Support for Digital Transformation

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**The retail trade also sees heavy demand for IT talents who are familiar with supply chain digitalisation, system development and retail technologies as the pandemic has accelerated digital transformation initiatives.** Some retailers had been developing their own e-commerce platforms or even digital ecosystems over the past few years, which combined a digital payment system, a good transaction platform and a self-pickup delivery platform. The call for IT talents to use and enhance Enterprise Resource Planning (ERP) system and Warehouse Management



System (WMS) to support the whole lifecycle programme from online shopping to home delivery was essential. To enhance frontline staff efficiency and to resolve manpower shortage, some retailers have started installing self-checkout counters and upgrading their quick service system. In short, there is a great demand for both front-end and back-end IT talents to help maintain these platforms.

## Expertise in new technologies

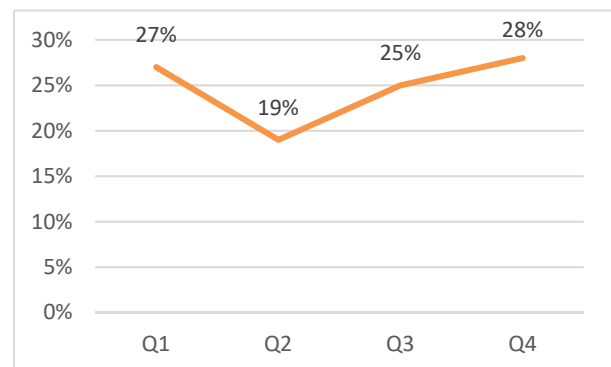
**Disruptive technologies are continually reshaping businesses and job markets.** The adoption of new technologies, such as Robotic Process Automation (RPA), could potentially be a long term solution to manpower shortage and aging issues in the trade. It is also true that some frontline operation staff are vulnerable to physical injuries. RPA applications in the retail trade are expected to improve this situation, not only providing assurance for staff safety but also reducing risks and costs for companies. With the help of new technologies, demand for manual workers is likely to decline in the future, though traditional operation staff are not expected to be wholly substituted by retail technologies.

## Hot Jobs and Skills in Demand Revealed by Recruitment Information

In 2020, a total of 10 649 job advertisements related to the retail

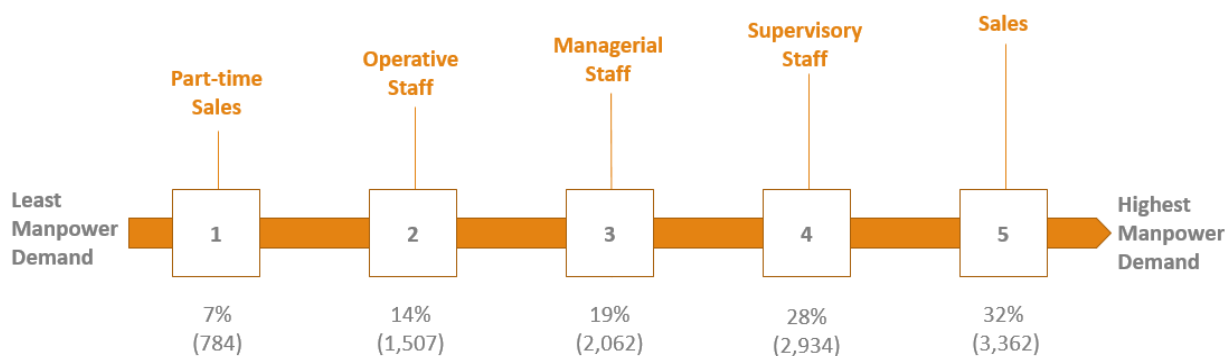
trade were collected through major recruitment portals. The relatively low job advertisement rate in Q2 was probably due to the big hit of COVID-19 and the uncertainty to business operation brought by various preventive measures, which led to some shut down of businesses. Yet the downward trend picked up gradually in Q3 and Q4 with the help of the Government's Employment Support Scheme under the Anti-epidemic Fund.

**Figure 1 Number of Online Job Ads (Q1-Q4 of 2020)**



Among the 10 649 job advertisements, the manpower demand in the Sales level is the greatest in 2020, which reflected the fact that the manpower pool in this job level took up almost 50% of the total manpower population (i.e. 278 640) as per the 2019 manpower survey for the retail trade. In contrast, the Part-time Sales level had the least manpower demand in 2020 as per the number of job advertisements collected throughout 2020 while it was the second largest manpower pool in 2019.

**Figure 2 Manpower Demand per Job Level**



The top 5 jobs shown in Table 1 were identified among all job advertisements and they took up 59.2% of the total. Three top jobs in demand, i.e. Sales, Part-time Sales and Merchandising Executive, came from the “Clothing, Footwear & Allied Product” branch which was the top branch with the most employees (18.1% of 278 640) across all branches per the 2019 manpower survey for the retail trade. The second job in high demand, Logistics Assistant at the Operative level in “Consumer Goods” branch, was highly sought after in 2020 probably due to the rise of online shopping accelerated by COVID-19. Marketing Executive at the Supervisory level in “Retail Trade not via Stores & Mobile Stalls” branch had a great demand during COVID-19. The manpower was likely required for boosting and maintaining online sales.

**Table 1 Hot Jobs in Demand**

Top 5 Jobs	% of Job Ads Collected	Branches with Hottest Demand of Top Jobs
1. Sales	31.5%	Clothing, Footwear & Allied Product
2. Logistics Assistant	7.8%	Consumer Goods
3. Part-time Sales	7.4%	Clothing, Footwear & Allied Product
4. Marketing Executive	6.8%	Retail Trade not via Stores & Mobile Stalls
5. Merchandising Executive	5.7%	Clothing, Footwear & Allied Product
<b>Total: 59.2% of 10,649 job ads</b>		

The hot skills shown in Table 2 were identified from the views collected at the focus group meeting. These hot skills appeared mostly in jobs related to the marketing and e-commerce professions. It reflects the need of relevant pre-service training or retraining for these jobs.

**Table 2 Hot Skills in Demand**

Hot Skills	Marketing Executive	Marketing Manager	Marketing Assistant	E-commerce Executive	Business Analysis Manager	Visual Merchandising Executive	Sales
Social media	****	***	**	*			
Search engine marketing/optimisation	****	***	*	**			
Digital marketing	****	***		**		*	
Data analysis	****	***		*	**		
O2O/Omni-channel	****	***		**			*
Creativity	****	***				*	**
Content management & creation	****	***		**		*	

## Recruitment Challenges

### Reluctance to Join the Retail Trade

Some members opined that **retail was perceived by many people as a ‘second tier’ trade as the long working hours, shift duty and salary were not favourable.** The need to handle difficult customers and complaints even posed hurdles to young entrants. Retail stores and food outlets are forced to operate shorter hours and comply with changing anti-pandemic dine-in arrangements, working conditions have become less favourable and appealing to job seekers. It was perceived that uncertainty in career prospects offered by the trade would further increase recruitment difficulty.

### Adaptability & Competencies of Inexperienced Manpower

Many retail companies have expanded networks and sources to recruit talents outside the retail trade. However, employees lacking retail experience tend to have difficulty in adapting to retail operation, and they are not equipped with the required retail skills to sustain them in the trade. **Some retailers tried to simplify recruitment procedures, arranged online job interviews, launched referral programme, sourced online aptitude test to screen in suitable candidates.** All these resulted in some success in securing better quality hiring and improving recruitment efficiency.

# Training Needs

## Digital Marketing and Data Analytics

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As e-commerce undergoes rapid development during the pandemic, the retail trade has to utilise digital marketing to facilitate communication with consumers as well as big data analytics to generate consumer insights on purchase behaviour and consumption preferences. **As retailers gear up for digital transformation, employees across functional departments are expected to be digital savvy, too.**

## Pre-employment Career Guidance and Industry Exposure

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Most young job seekers might not be aware of the latest developments and career opportunities available in the retail trade. Hence, **employers and training institutions could join hands to provide to students an accurate portrayal of the job nature, real working environment, career path and talents required by the trade: retail is not just about managing a shop but also involves strategic decision making and multiple capabilities.**

## Soft Skills and People Skills

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Nowadays, consumers are more discerning in evaluating products and increasingly pursuing for an enhanced customer journey, in particular a seamless and supportive omni-channel experience. **It would be important for young people to develop online and offline customer service skills and people skills to handle enquiries and resolve conflicts.**

Good servicing attitude and empathy would give customers peace of mind and help companies to retain customers and drive business growth.

## Cross-industry Experience Sharing

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Retail is a fast-paced, customer-facing and customer-centric trade. Hence, training content should go beyond theories such that staff will be able to acquire practical skills. **It would be more appealing for companies in the trade to invite companies from different industries to share their expertise and success stories to inspire staff to think and work out of the box.** Such experience sharing opportunities are also more likely to appeal to younger talents.

## Hybrid training mode

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The pandemic has generated huge cross-training needs that traditional training approaches cannot accommodate, and e-learning is often adopted to meet the needs. As such, e-learning would remain a key training mode for corporates to maintain

organisational competitiveness and boost productivity. Having said that, a **hybrid training mode with classroom training and field training combined in the learning and development programme would be more effective.**

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# RECOMMENDATIONS

With the latest trends and development of the retail trade identified, the measures below are recommended by the focus group members and the Retail Trade Training Board to meet the training needs and to ease the problem of current and potential manpower shortage.

## Enhancing Trade Image with Jobs Redesigned

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Much has changed over the past year and the definition of what it means to be a retailer is changing too. To counter-balance some deep-rooted negative impressions of long working hours, low wages, poor benefits and frequent customer complaints towards the retail trade, the government and trade associations should promote positive aspects of joining the retail trade, such as the **career prospects and opportunities arising from digitalisation and adoption of retail technologies.** Trade re-engineering to **redesign traditional posts with innovative duties and craft new positions with creative job titles and emerging skills** is another way that will appeal to new blood.

Companies should also **review employment benefits** related to holidays and leave arrangements to ensure young talents do not see their social life compromised when choosing a retail career.

Employees' **mind-set change for digital transformation** should also be uplifted so that they see technologies as a tool to enhance job efficiency, boost sales and service quality and further their capabilities and performance.

## Equipping Skills for Creating Seamless Customer Journey

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As technology advances, retailers should not focus only on technology application, but on how to use it to deliver an entire customer journey to include a seamless



omni-channel experience that connects the online world to an in-person experience in a right-sized, technology enabled, service-driven store.

Companies are encouraged to **use technologies like AI to create experiential retailing for customers, further enhance their supply chain readiness, fulfilment infrastructure and delivery operations** to ensure a positive purchasing and delivery experience, and **sharpening O2O customer servicing skills, digital marketing techniques, complaint handling strategies and product knowledge** to provide timely and precise customer service.

As a hot topic and a magic word, training institutes may **introduce the concept and strategies of O2O in training programmes** so to equip trainees with a general understanding.

## Empowering Manpower with Digital Skills

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While the future is digital, it will be created and sustained by humans. **IT skills for developing platform ecosystems** to enable a platform-based business and to facilitate a seamless onmi-channel experience are in hot demand. **Data analyst skills** to translate data into insights and intelligence is a great asset to a retail company.

**Hands-on training of digital marketing and social media skills to deploy staff to e-commerce roles** such as social media retailing, live-streaming, search engine marketing, and content creation and management are the basics. **System training** is inevitable too.

In short, more focus should be placed on practical skill sets rather than theoretical knowledge and these practical skills should catch up with the industry trend as far as possible. The training should also be made **easily accessible on an e-learning platform and in bite-sized** to facilitate learning by practitioners, especially those from SMEs, anytime anywhere. All these should draw the attention of training institutions, trade associations and human resources departments in designing pre-employment and retraining programmes.

## Managing Manpower Demand & Costs with Technologies

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Companies are encouraged to **leverage various new retail technologies** to minimise reliance on manpower especially for low-skilled jobs, for instance, service automation with self-service kiosk machines or self-checkout counters, streamlining of retail operation with MSA devices, deployment of back-end systems like ERP system and WMS.

**Digitalising recruitment processes**, such as online application submissions and assessments, will also help increase recruitment efficiency and control costs amid an intensifying competitive market landscape.

## Enhancing Career Preparation for Young People

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Early engagement is critical to manpower development. Training institutions and retail companies may further collaborate to

offer **more variety of internship opportunities**. This will give young talents earlier exposure to what is behind the retail trade, other than being a frontline sales, and a better idea of the retail career path, attracting more new blood to consider landing the first job in this trade. Following internship could be a **recruitment programme** to avoid talent loss. **Trade scholarships** will be a recognition to young talents and encourage them to join the trade.

**Live stories by trade experts** on their career pursuit and talent development are attractive to young people in visioning their career in the retail trade. **Career counselling** will also help manage the expectations of young talents towards a retail career.

In addition to introducing the retail career at the post-secondary school level, training could take part in the secondary school curriculum, such as the **Applied Learning**

**Course**, so that young people are provided an informed choice of their future study and career path at an early stage.

## Revitalising Silver-Haired Workforce

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The aging population in Hong Kong has taken up more than 18% of the total population as per the 2019 statistics by the Census and Statistics Department. This group of population, mainly from the post-war baby boomers, is healthy and active. To better revitalise them to the workforce and the society, the government could **incentivise retail companies to employ the silver-haired generation**. Training institutions may also develop **retraining programmes targeting the silver-haired** to help them adapt to positions suitable for them and equip them with the necessary skills for the digitalising retail operations.