

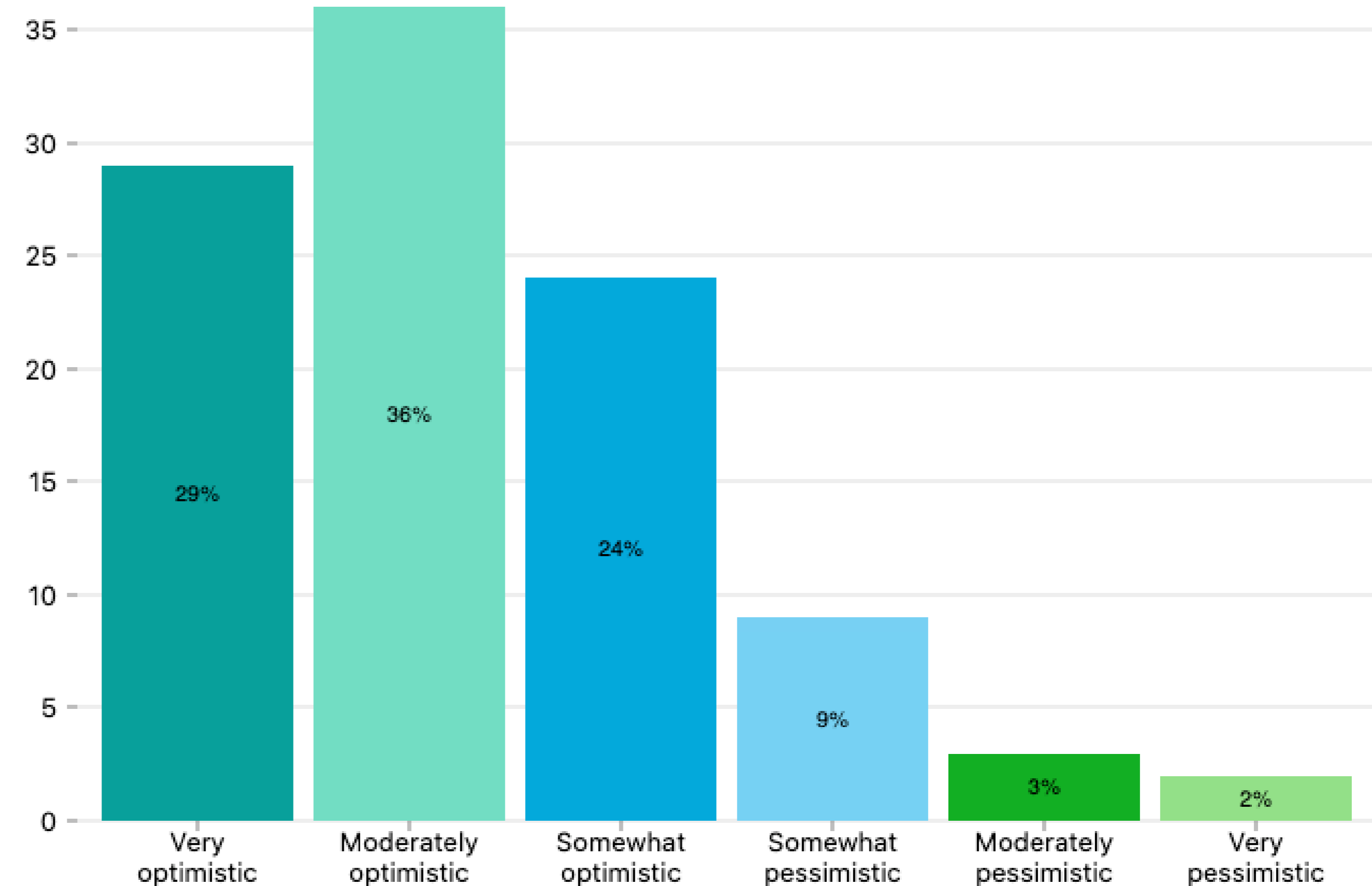
Airtable 2021 Retail Outlook Report

After a challenging 2020, retailers look to a brighter 2021 ahead

2020 was undeniably a challenging year—especially for retail. Nevertheless, morale in the industry is surprisingly strong: 65% of retailers say they're optimistic about 2021's economic climate.

To better understand that perspective, and what it means for the industry, we went to the source: retailers themselves. Here's what you had to say.

How optimistic are retailers about the 2021 economic climate?



THE STATE OF WORK	3
THE STATE OF TECH & TOOLS	8
LOOKING AHEAD	15
METHODOLOGY	19

THE STATE OF WORK

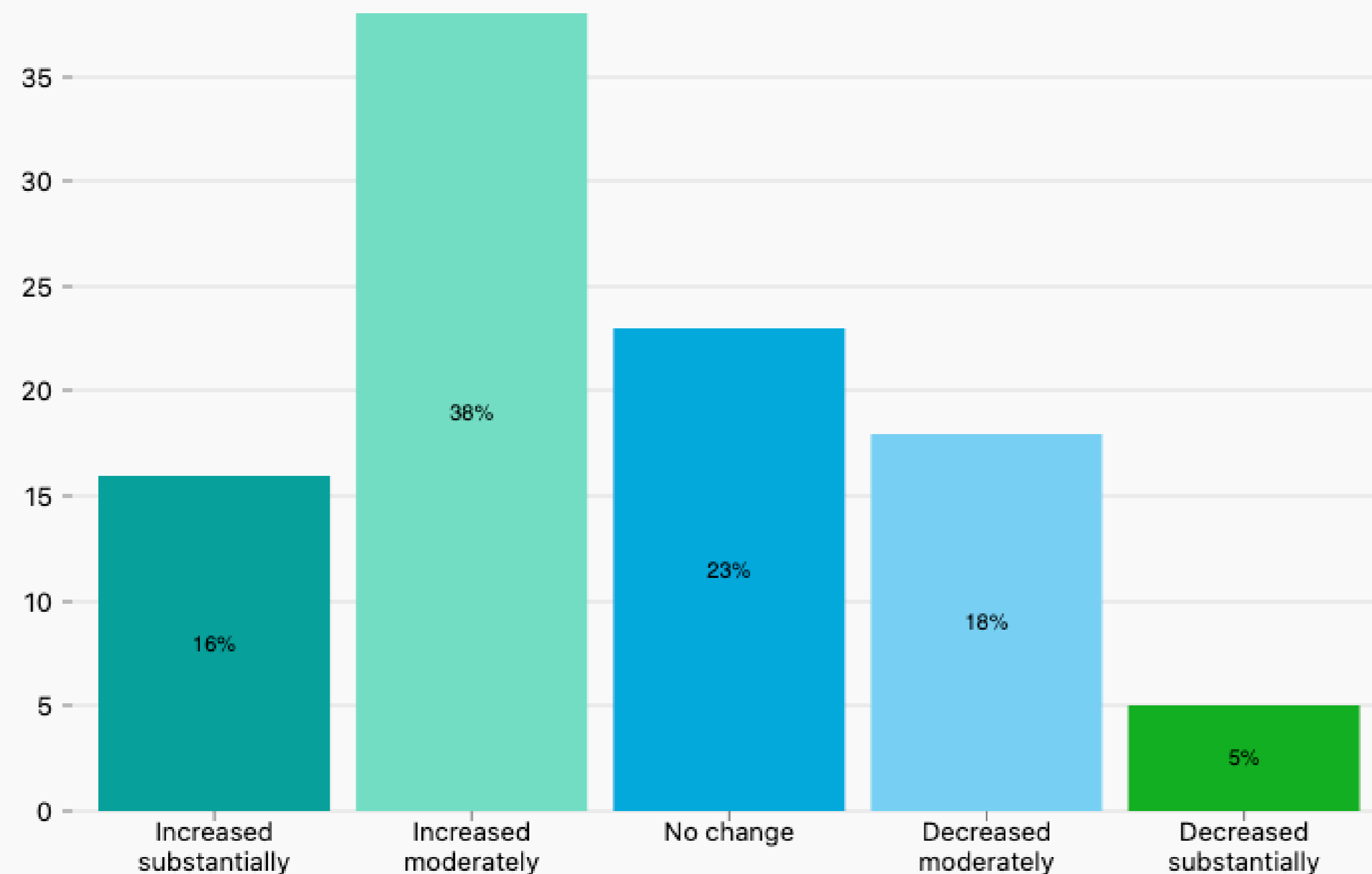
Rethinking the way retailers work

It's hard to overstate the unprecedented impact of the COVID-19 pandemic on the US retail industry.

Nevertheless, retailers proved to be resilient, adapting and pivoting as the landscape shifted around them. By investing in in-house teams over external partners—and reshuffling responsibilities internally—retailers drastically shifted the way they work in response to COVID-19.

THE STATE OF WORK

How has the number of employees at your company changed since the start of the pandemic?

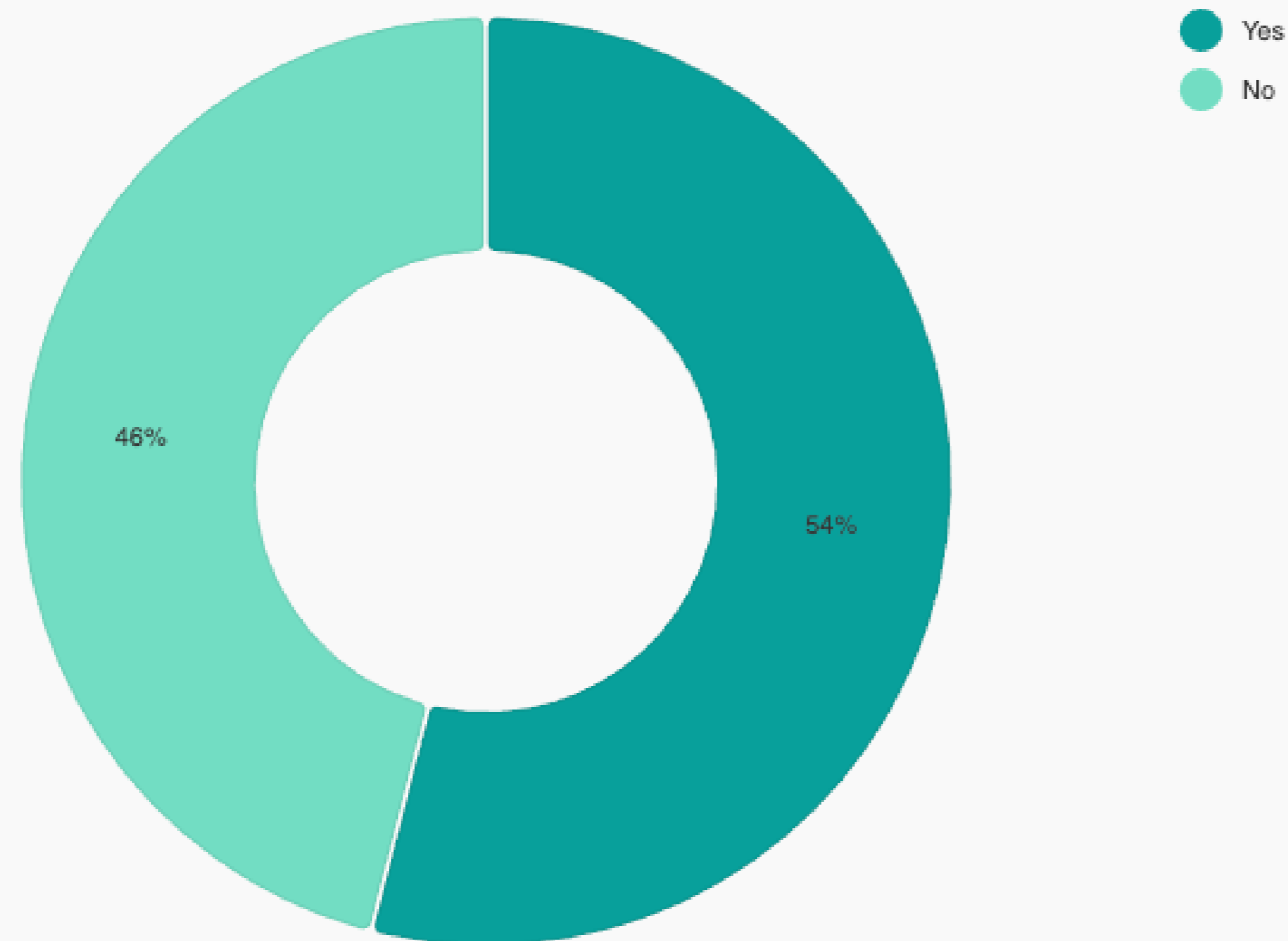


More than half of retailers increased headcount despite the uncertainty of 2020

The first quarter of 2020 saw the pandemic's arrival to the US, the introduction of various countermeasures, and vast changes in consumer behavior. But in encouraging news, 54% of retailers reported increased employee headcount since the start of the pandemic.

These increases were more pronounced in larger companies (1000+ employees), with 60% reporting increases, versus 49% of smaller companies reporting hiring gains. That aligns with findings from the Bureau of Labor and Statistics, which noted an uptick in jobs for retail trade at the end of 2020, and a slow but steady decrease in retail unemployment between April and December 2020.

Have you brought marketing and creative functions in-house due to the COVID-19 pandemic?



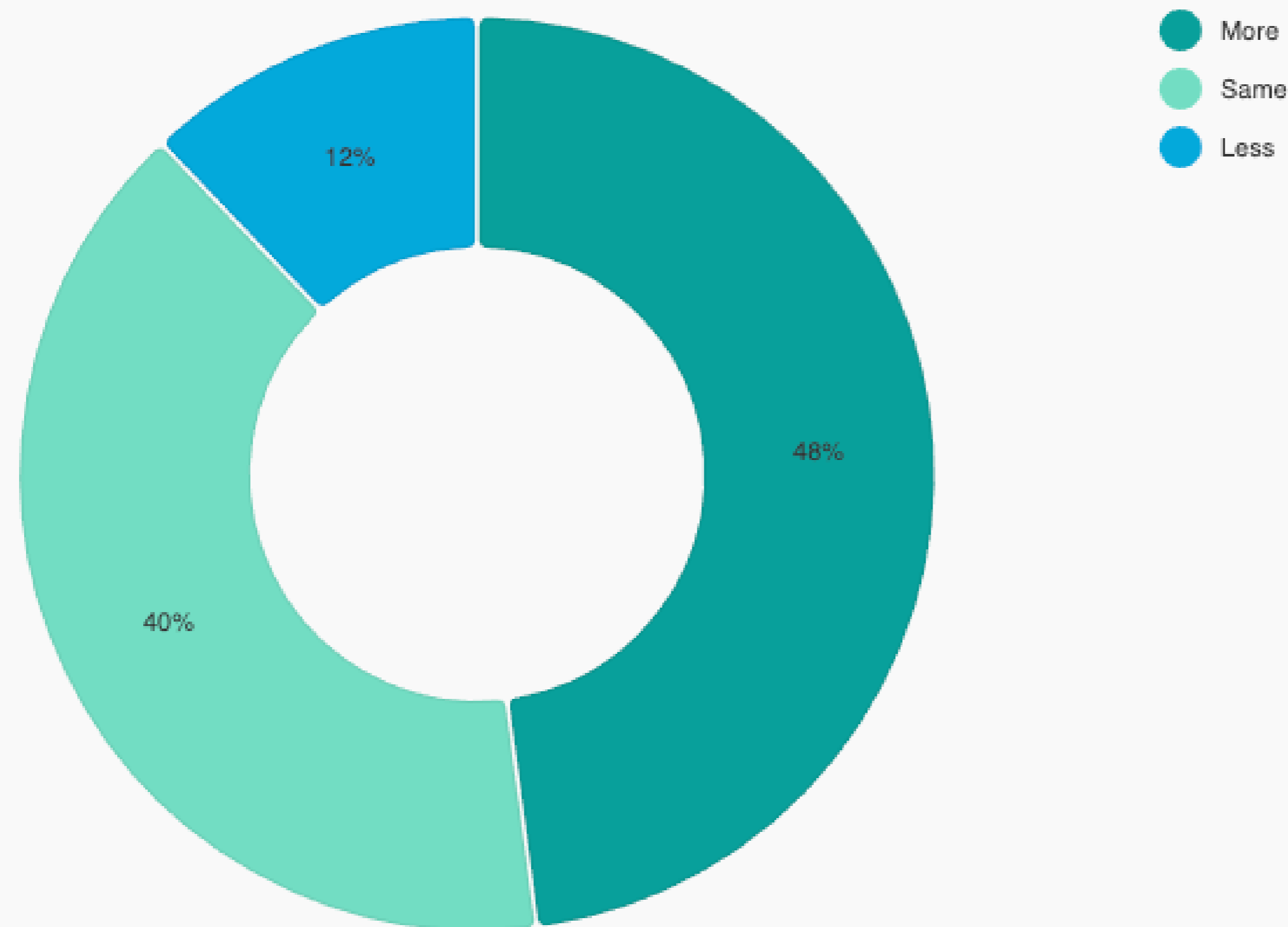
More marketing and creative teams moved in-house

The cause of increasing headcount? It could be tied to retailers' push to bring previously outsourced functions (like marketing and creative) in-house. 54% of retailers increased their in-house creative and marketing team footprint over the past year.

This continues a broader trend of companies turning inward for creative and marketing needs. Increased desire for agility, and the importance of continuity (over campaigns) are just some of the forces driving teams in-house. And those needs have only been exacerbated by the pandemic.

THE STATE OF WORK

In 2021, will your company have less or more reliance on internal creative teams?



And in 2021, we expect to see this trend continue. A total of 88% of retailers expected to be as, if not more, reliant on in-house creative teams in 2021.

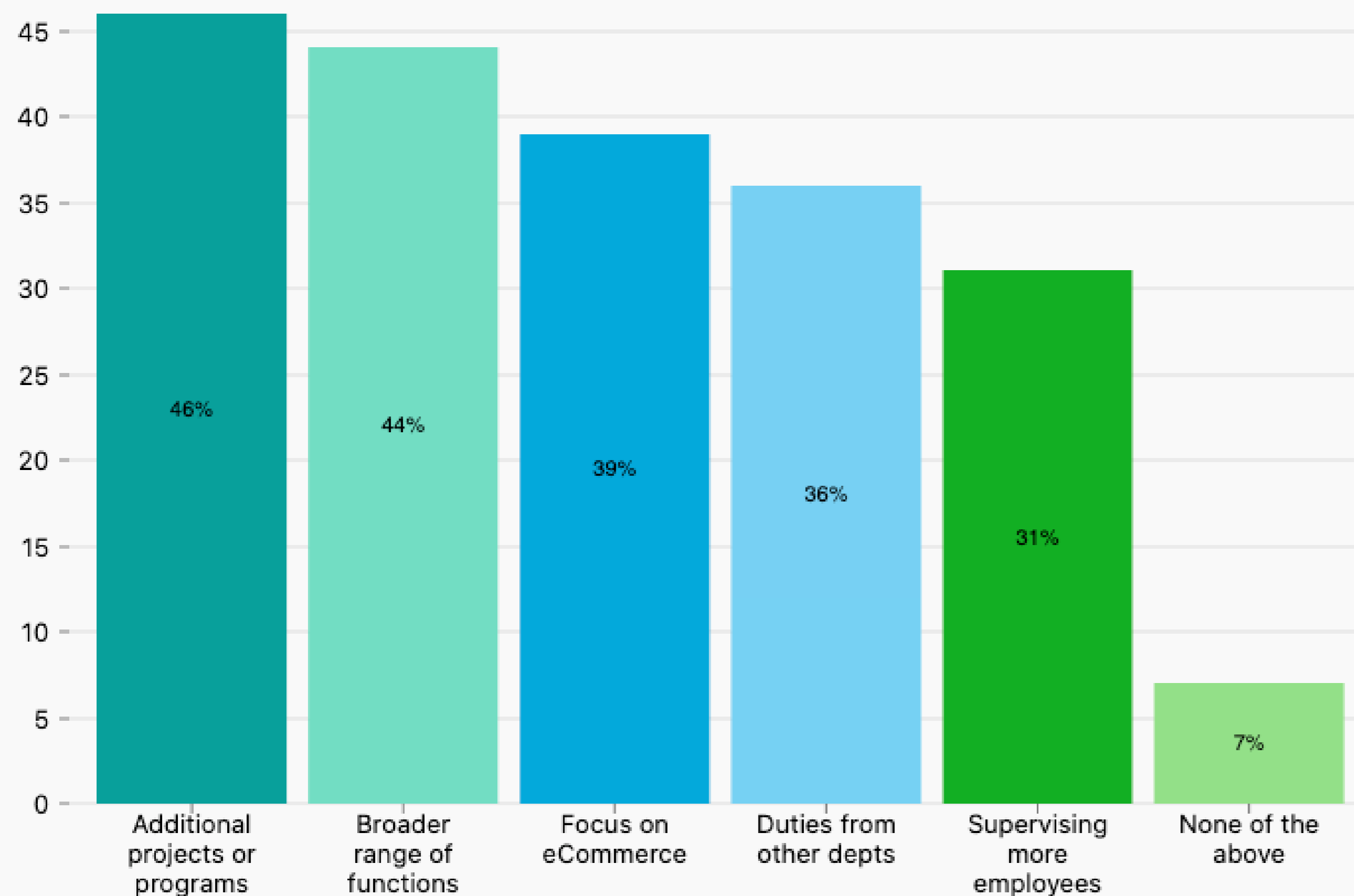
As retailers bring marketing and creative functions in-house, it's natural that they plan to increase their reliance on those teams. After all, once in-house teams have been built up and gained experience, they're better positioned to provide the agility and continuity that a transition to in-house promises.

"We were primarily in-house for all of our marketing but we brought our photographer/content team in-house in 2020. As the demand for content grew, we felt it was more equitable for the company; it allowed us to continue with a more reactionary marketing model. As the world seems to change moment to moment, our needs did as well."

—Joan Born, Brand Development Manager at Larissa Loden

THE STATE OF WORK

What new responsibilities have you taken on as a result of the COVID-19 pandemic?



People are taking on increased responsibilities across the board

A staggering 93% of respondents reported taking on additional responsibilities in 2020—even as their companies hired more people in 2020.

Nearly half of respondents reported taking on additional projects or programs (46%) and covering a broader range of functions (44%). And nearly one third reported increased supervisory responsibilities (31%).

"As our business changed, our responsibilities did, too. For example, we started manufacturing new products like masks to support our customers—and that meant taking on an entirely new set of responsibilities, and removing others."

—Corey Reid, Senior eCommerce Manager at Hedley & Bennett

THE STATE OF
TECH & TOOLS

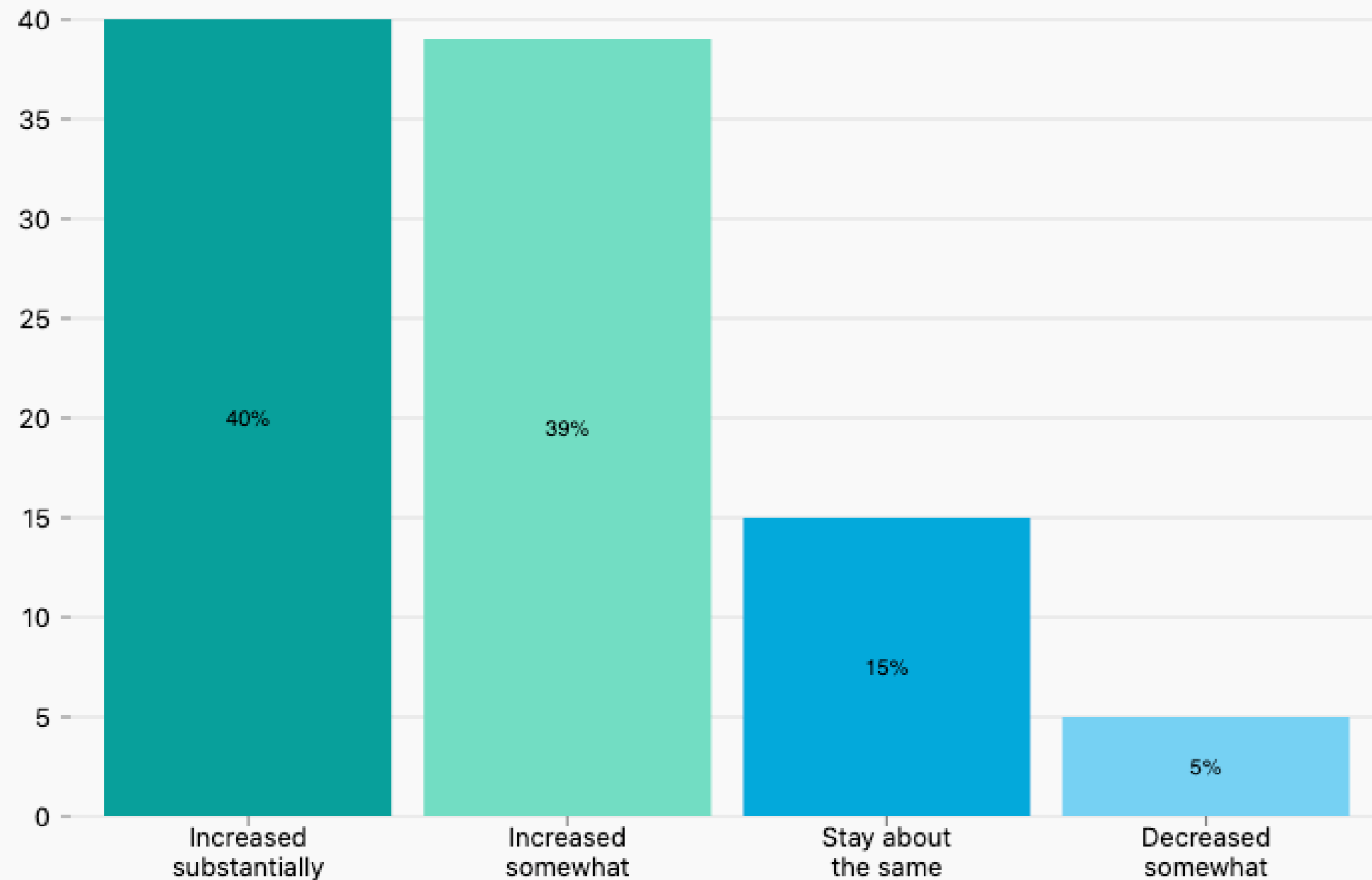
The more tools, the more productive?

Amid a landslide of other changes, the COVID-19 pandemic also forced a pivot to remote work around the world.

That shift toward remote work has also accelerated a shift toward digital collaboration for retailers. Separated from the office—and from one another—retailers found new ways to collaborate from afar. For many, that meant increasing investment in digital tools. And in terms of productivity, it seems to be paying off.

THE STATE OF TECH & TOOLS

Compared to 2019, did your company's use of digital software tools increase, stay the same, or decrease?



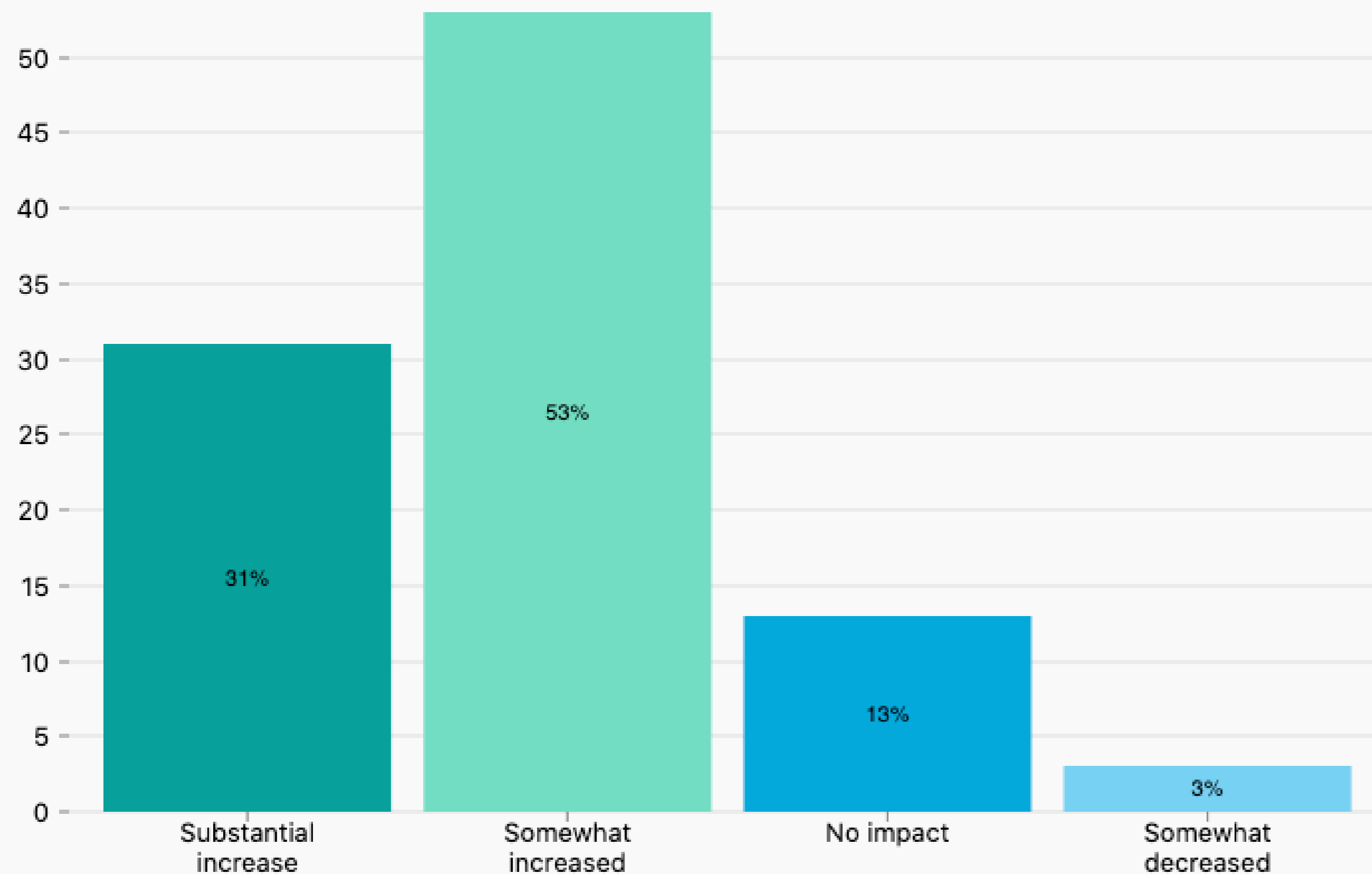
Digital tool use soared with a shift to remote work

In the radically altered retail landscape of 2020, retailers reported a vast increase in the reliance on digital tools. Nearly four in five reported a substantial (40%) or moderate (39%) increase in digital tools over the course of 2020.

"Our digital tools became a lot more important to us over the last year. The pandemic forced us to use all of the tools in our stack, and to use them wisely. The more we used them, the more benefits we saw. I can't see us going back to a world without them."

—Jeff Rouelle, Sales Director at Heron Books

How have digital tools impacted your work productivity while working remotely?

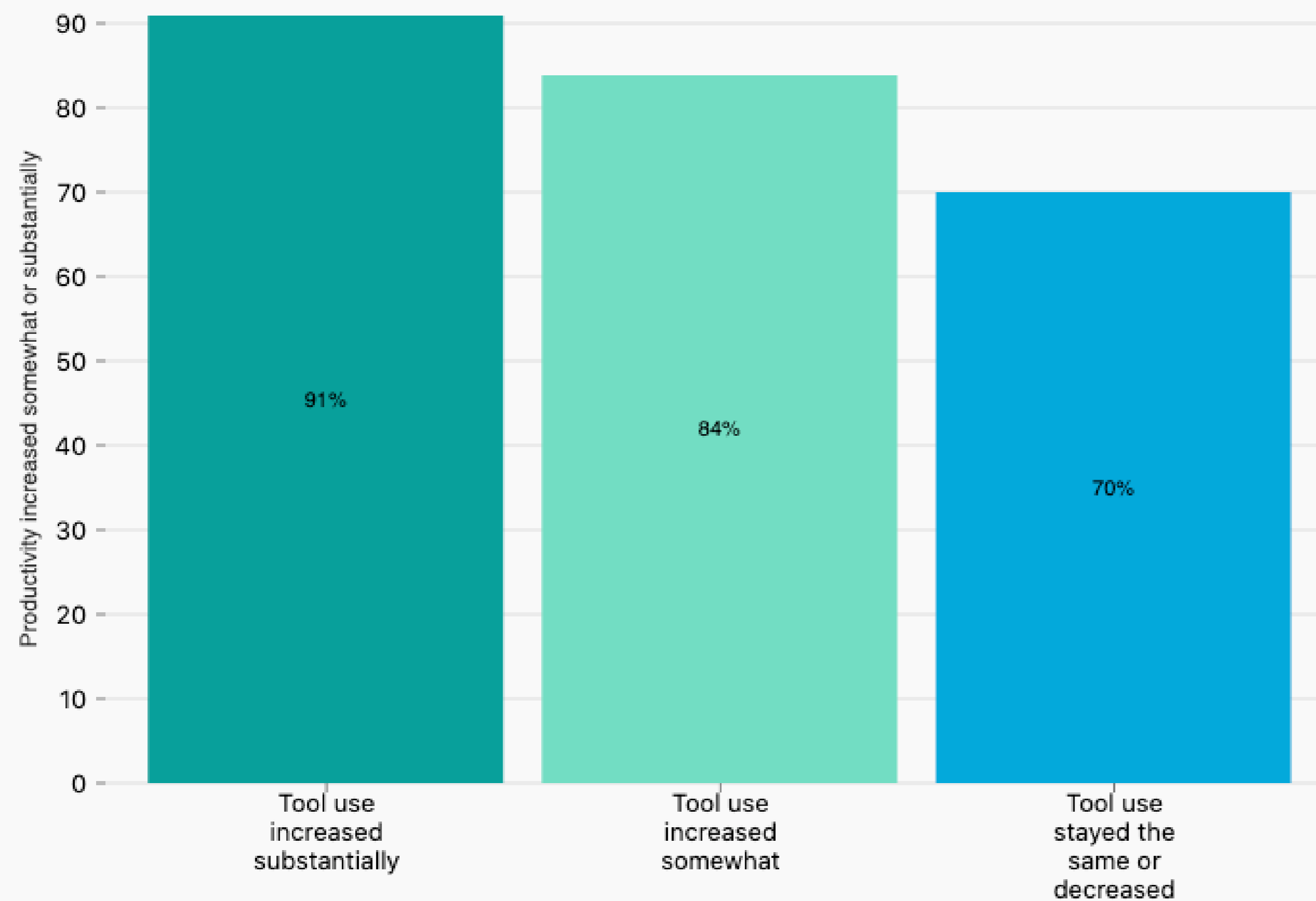


And 84% say they've increased productivity in a remote-first workplace

And making more use of digital tools is paying off. Increase in tool use correlated with similar gains in productivity, with 84% of retailers reporting that digital tool use made them more productive while working remotely.

That's especially true for those at the manager level and above. Among managers, VPs, and executives, 87% feel digital tools increased productivity while working remotely in 2020. That uptick could be tied to their job responsibilities, since those at senior levels have a broader view into how tooling impacts productivity at large (not just at the individual level).

How does digital tool use influence productivity while working remotely?



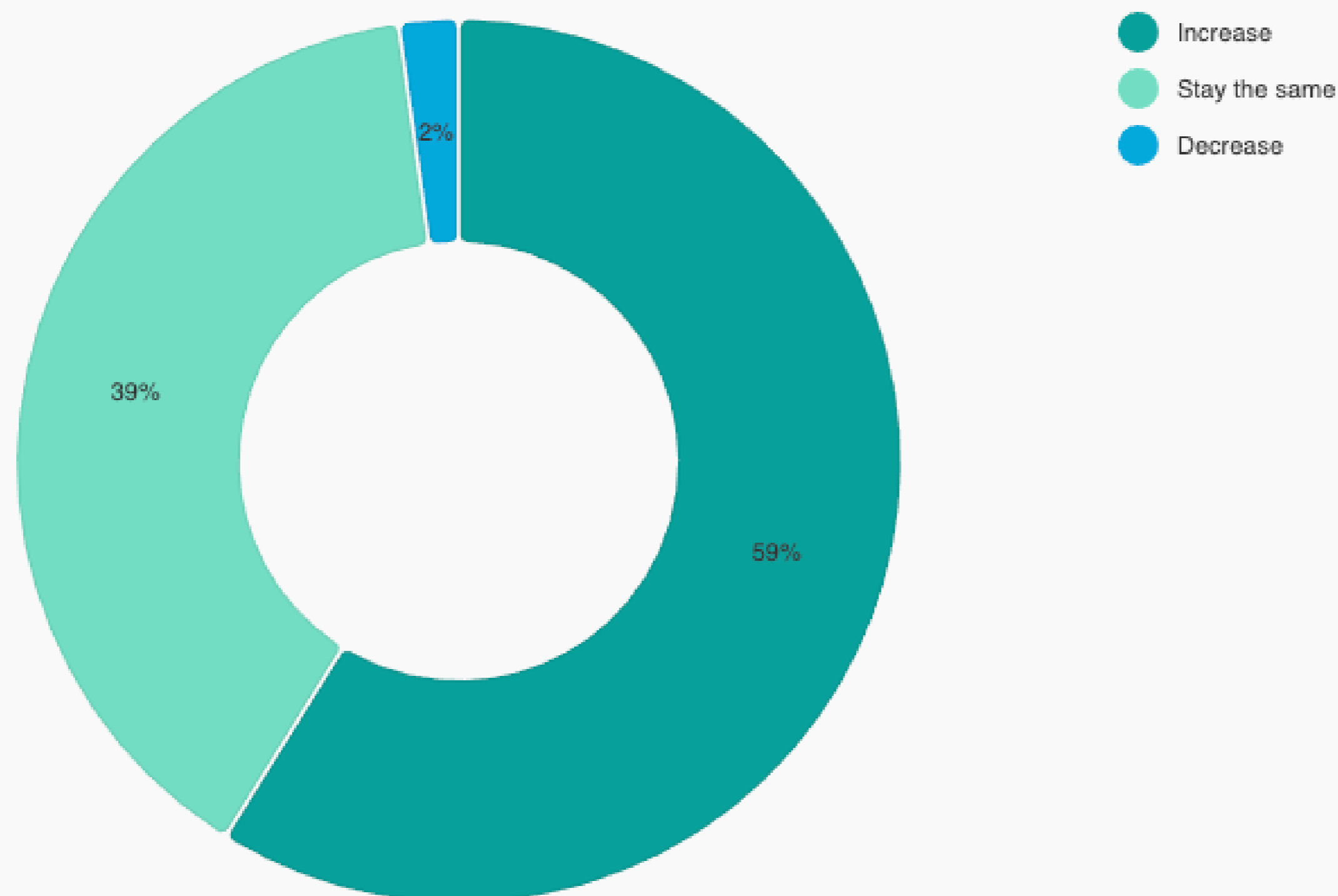
The more likely companies are to invest in tools, the more likely they are to see those gains. Amongst companies that increased their use of digital tools, 91% of employees felt their productivity improved.

On the flip side, at companies that maintained or decreased tool use, 70% of employees felt a lift in productivity.

“With the rise of remote work, we found new ways to use our existing tools more deeply. We became more strategic about how we used our tools, and more structured.”

—Corey Reid, Senior eCommerce Manager at Hedley & Bennett

How will your digital tool stack change this year?



Companies will rely even more on digital tools in 2021

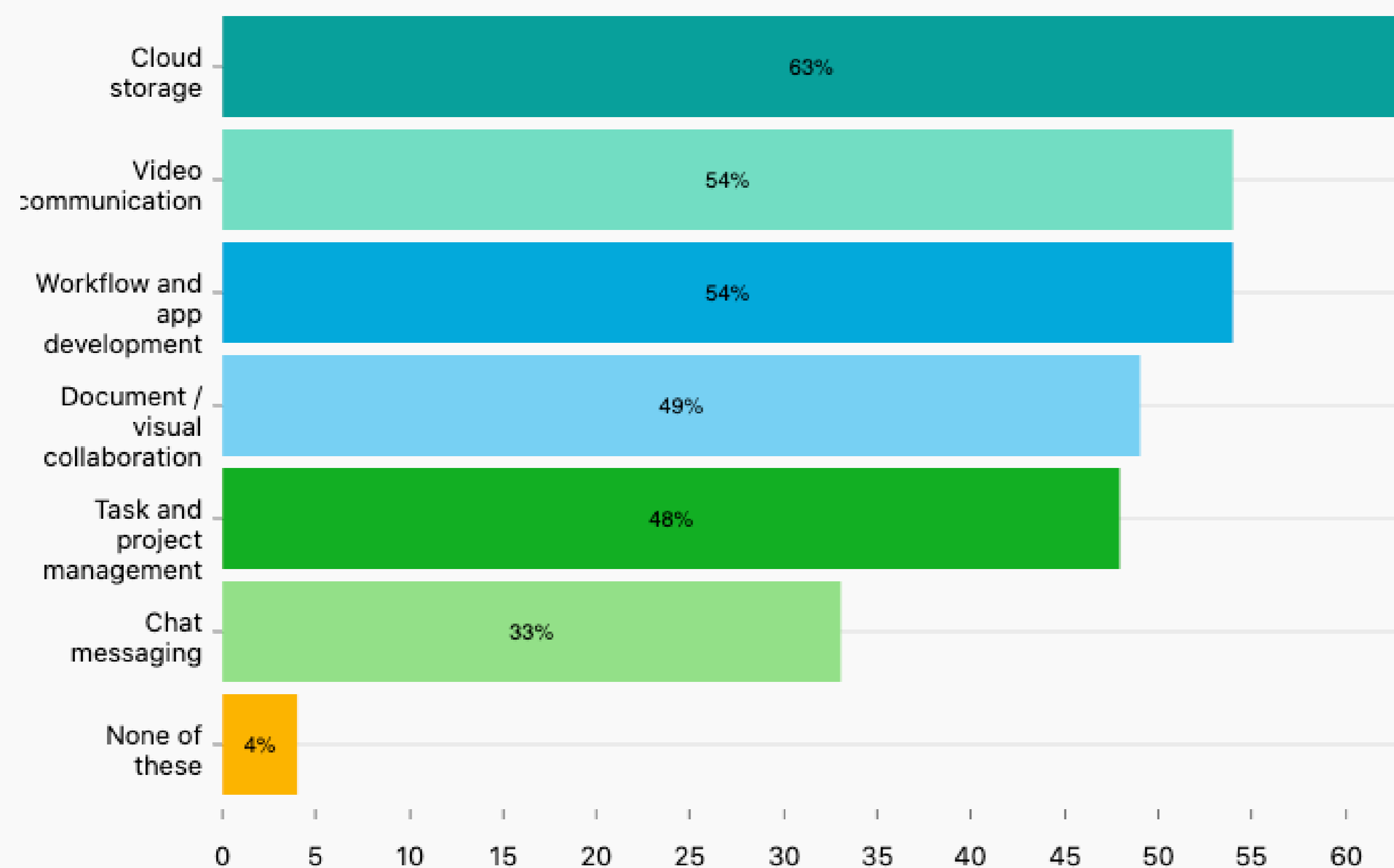
Respondents believe their companies' use of digital tools will continue or expand in 2021. 59% of retailers plan to increase the number of digital tools they use this year. All in all, a total 98% say their digital tool stack will grow or stay the same.

That trend is likely driven by the gains in productivity teams are seeing from tool use. As noted in the last section, increased use of tools is linked to increased productivity—so retailers may want to double down on tool investment moving forward.

“The interesting thing is that digital tools help work overall, not just remote work. The ability to work remotely actually has made employees much more efficient. Once everyone went remote, it became a level playing field. You don't feel you're missing something by not being in the office—I think it works better that way.”

—Michael Zung, Co-Founder & CEO at Bloomist

What tools do decision-makers want to invest in for 2021?

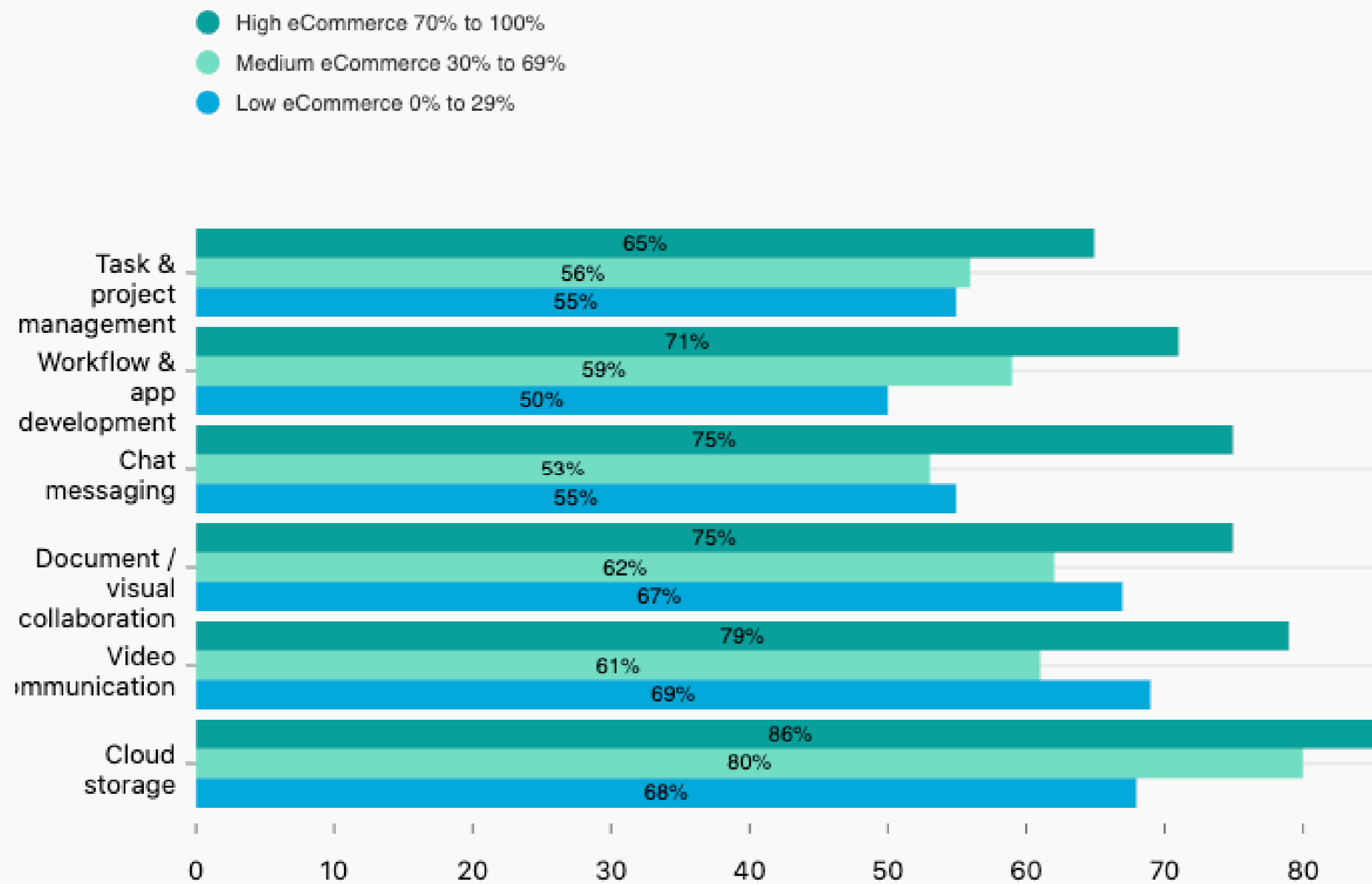


So what tools, exactly, are retailers looking to invest in? We asked software decision-makers which digital software tools they want to invest in over the year ahead. The biggest winners were tools aimed at enabling remote collaboration at scale, like:

- Cloud storage (63% want to increase investment)
- Video communications (54% want to increase investment)
- Workflow & app development (54% want to increase investment)

THE STATE OF TECH & TOOLS

What tools are eCommerce-focused retailers investing in?



This trend is even more pronounced in companies with strong eCommerce businesses. Companies with a high share of eCommerce revenue (70% to 100% of total revenue) are more likely to already have access to:

- Cloud storage (86%)
- Video communications (79%)
- Document/visual collaboration (75%)
- Chat for office communications (75%)
- Workflow and app development (71%)
- Task and project management (65%)

LOOKING AHEAD

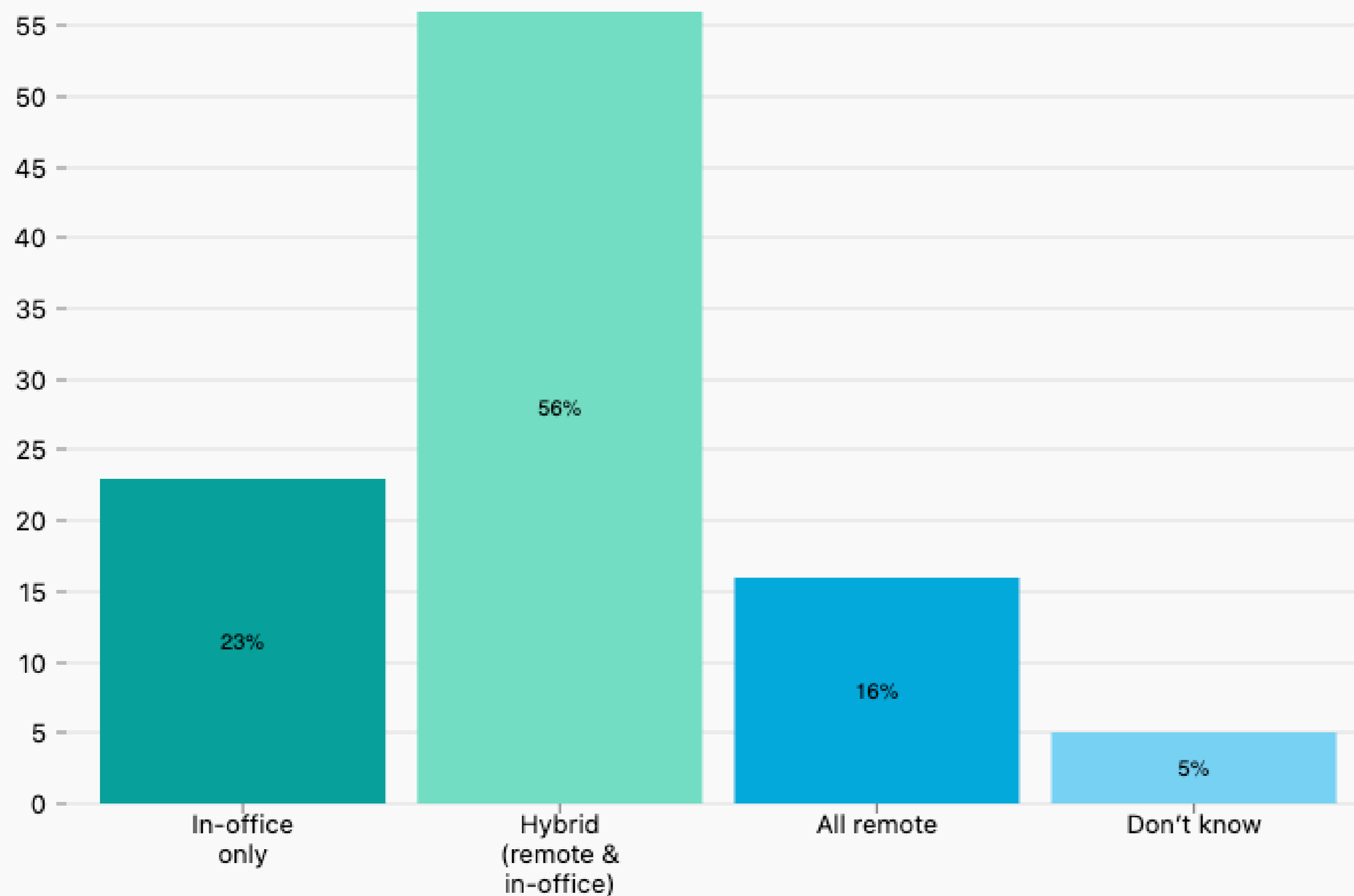
Predicting the future of work

Retailers believe some of the changes presented by 2020 will be temporary; others may be permanent. While it's difficult to predict what the new normal will bring, retailers are optimistic about what 2021 holds.

In spite of this uncertain future, retailers are hopeful for increased headcount, increased budget, and flexibility at work.

LOOKING AHEAD

What type of working environment will your company offer post-pandemic?



Hybrid work (remote and in-office) is likely here to stay

Looking past the pandemic, 56% of respondents expect their companies to rely on a mix of remote and in-office work. While few respondents expected a return to an entirely on-site work experience (23%), even fewer foresaw a move to remote-only work (16%).

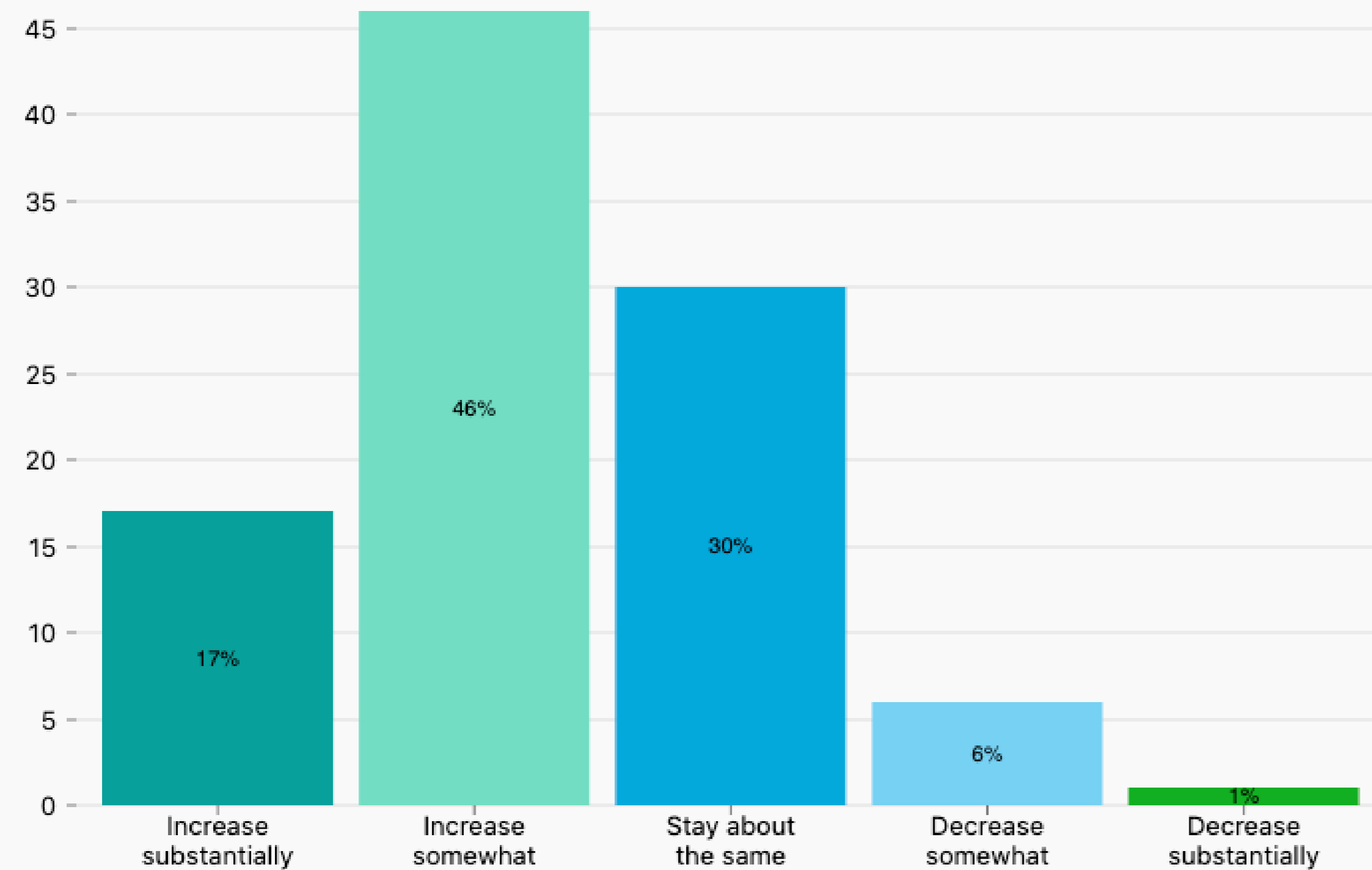
Post-pandemic, we may come to see the hybrid work model as a best-of-both-worlds scenario. After all, as we look past the pandemic, no two employees' individual needs will be the same. Differences in health vulnerability, living situations, and at-home responsibilities may necessitate a broader spectrum of working environments and options. A hybrid approach—instead of an emphasis on all in-office or all remote work—could be the key to accommodating those needs.

“I anticipate there will be a heavier shift to hybrid working than before...partly because we have proven how effectively we can work remotely. So the need to be in person isn't the same as it was before.”

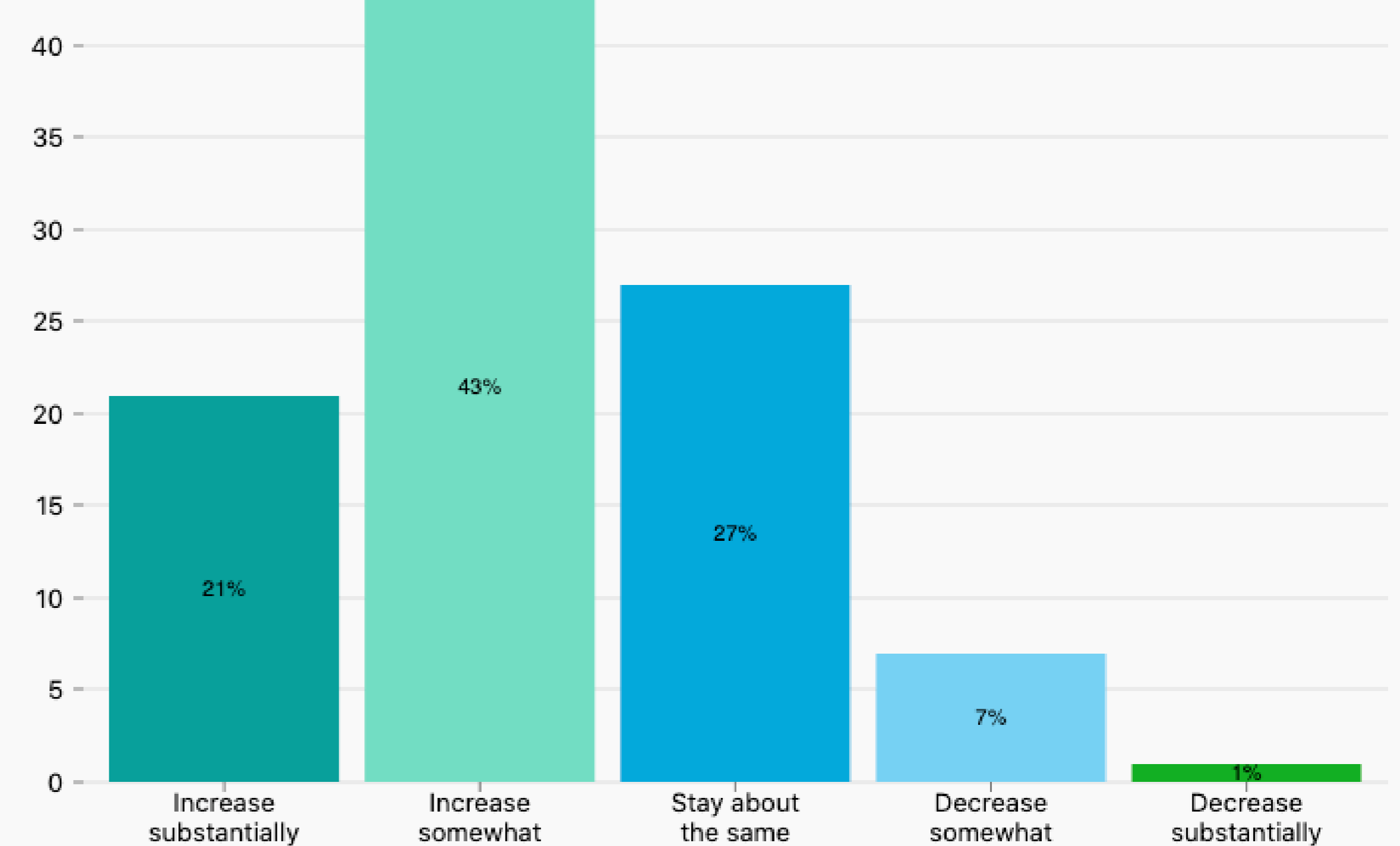
—Stepheny Roman, Sr. Manager of Planning & Buying at Misha & Puff

LOOKING AHEAD

How do you anticipate headcount to change this year?



How do you anticipate budget to change this year?



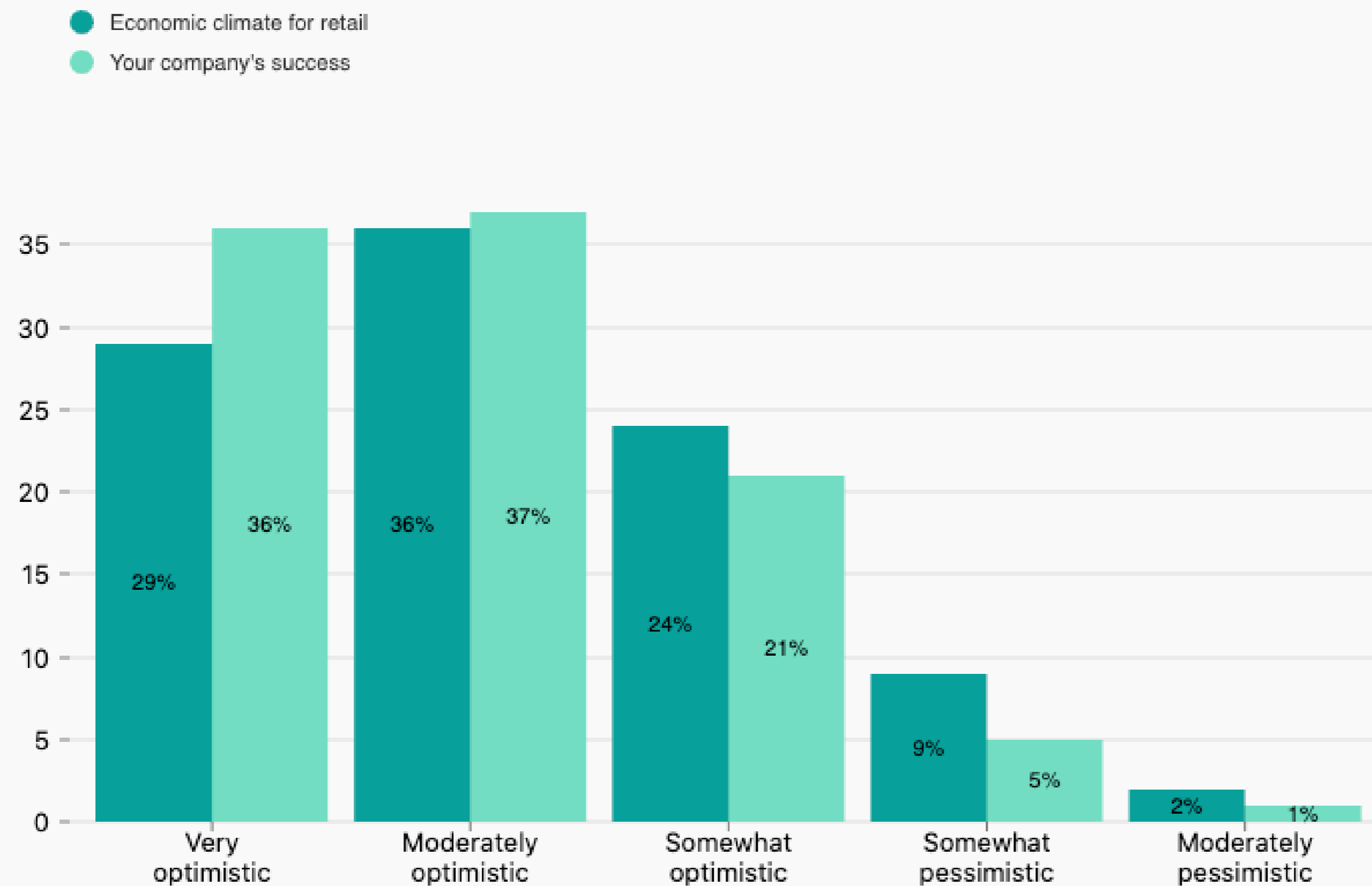
People expect more headcount—and budget

Retailers are confident in their trajectory for 2021. Overall, 63% expect hiring to increase and a similar number (64%) expect bigger budgets for their teams.

However, IT workers were even more confident than their colleagues in store operations and customer experience (CX). While 79% of IT workers expect their teams’ budgets to increase over the next year, fewer of our respondents in store operations and customer experience (CX) expected headcount and budgets to grow in 2021 (41% and 34% respectively).

LOOKING AHEAD

How optimistic are you about your company's success in 2021?



Retailers are optimistic about their own success in 2021

Constantly evolving restrictions on brick and mortar business and the rapid realignment of consumer priorities made for an uncertain environment in 2020. But overall, retailers are optimistic about the year ahead. 65% of respondents described themselves as moderately or very optimistic about the economic climate for the retail industry in 2021.

And those that feel positive about the economic climate feel even better about their company's chances of success. For example, 29% of retailers feel "very optimistic" about the economic climate—but 36% feel "very optimistic" about their company's success.

This prevailing optimism is a surprising, but impressive sign coming out of a year of incomparable challenges. While we may not know exactly what the "new normal" will look like long-term, retailers' confidence in the road ahead is a hopeful signal.

METHODOLOGY

The 2021 Retail Outlook Report is based on insights from a 10-minute online survey conducted between December 8th and December 15th, 2020. The survey was designed by Lawless Research and programmed in Qualtrics, with data analyzed using Q Research and SPSS. The study includes 641 respondents (including 135 Airtable customers and 506 respondents from Lucid's B2B panel) who are full-time employees of US retail, eCommerce, or fashion organizations.

The study included respondents with a role in administration/executive leadership, advertising, communications, customer experience, finance, graphic or web design, human resources, IT, logistics/supply chain, marketing procurement, product design/development, social media or store operations. All respondents represented in the study self-identified as either (1) a purchase decision-maker, evaluator or influencer for digital software tools to support collaboration, communications, processes, productivity or cloud storage or (2) someone who uses digital software tools at work at least once a week.