



WITH THE SUPPORT OF THE EUROPEAN COMMISSION

European Sector Skills Council Commerce

# Report 2014

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## Employment and Skills

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European Skills Council  
Commerce





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# Foreword

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Globalisation, demographic change, the economic crisis and the decline in purchasing power, the constantly evolving needs of consumers, technological innovation and use of e-commerce, changes in the regulatory framework – these are some of the biggest drivers of change in the commerce sector. Developments over the last decade and predictions for the future suggest that these trends are going to continue. They will continue to transform the outlook of the commerce sector. This is clearly having an impact on the jobs destroyed by the ‘new’ era of commerce and the jobs that are being developed. Such changes also raise the question of how to update the skills required by the market in the future with a view to avoiding skills shortages and bottlenecks in the demand/supply of labour in the sector. For instance, Eurostat indicates that the commerce sector will need more than 22 million employees over the 2010-2025 period, including 4.3 million new jobs and 17.7 million replacement demands. How can social partners contribute to anticipating changes in the sector, how can they assess and identify the future skills needs resulting from the development and evolution of the sector?

In their joint working programme, UNI Europa Commerce and EuroCommerce have given high priority to addressing some of these questions, by discussing key issues such as adaptation to change, vocational training and skills needs.

This report is one of the outcomes of the third European Commerce Social Partners EU-funded project on skills anticipation and skills needs and follows up on the European Commission’s sectoral study entitled ‘Investing in the Future of Jobs and Skills Scenarios, implications and options in anticipation of future skills and knowledge needs Sector Report - Distribution and Trade’.

Further to the discussion on the outcomes of this study, EuroCommerce and UNI Europa agreed to apply for a EU-funded project to identify ‘Observatories’ or national skills councils. The latter are organisations that are active at sectoral, local and/or national level, in the field of employment and skills in the commerce sector, particularly in the following areas: labour market shortages, skills mismatches, employment trends, definition of qualifications and design of training programmes. This project has allowed the European social partners to take direct contact with over 15 observatories.

A further project has developed and launched the European Sector Skills Council (ESSC) Commerce. All results and background knowledge generated in the project led to the official launching of the Council on December 5th 2012.

This body aims to anticipate the evolution of vocational qualifications in order to optimise the match between skills and professional profiles. Therefore, through the ESSC Commerce, social partners have brought together representatives of

national bodies, in order to share knowledge regarding the evolution of companies and workers' needs, the evolution of skills and jobs, the assessment of practices, tools and methodologies for anticipating change in the sector.

The European Sector Skills Council Commerce consists of representatives from the following countries: Belgium (French-speaking), Denmark, France, the Netherlands, Portugal and Spain. A new EU Member State, Croatia, has also joined recently. In addition, representatives from Sweden and Estonia are currently following the activities as observers.

This report represents the outcome of the first year of activities of the ESSC Commerce. The European social partners in the commerce sector, UNI Europa Commerce and EuroCommerce, are proud to present to their

respective members, the EU Commission, stakeholders and other interested parties, the results of their joint work. The activity of the ESSC Commerce will continue. Social partners will put more effort into ensuring wider coverage in terms of countries and active bodies, so as to address skills mismatches between companies' needs and employees' skills and by extension, contribute to improving the attractiveness of the sector.

We would like to thank our colleagues from the ESSC Commerce partner organisations for providing support and input to the project's activities; our colleague Federico Brugnoli, and his team in SPIN 360, for coordinating the work of ESSC Commerce and establishing the methodology for this project; Aldo Torre and Synesis for disseminating the project results; and finally our colleague Jeff Bridgford for liaising with our members, analysing the data and writing this report.

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**Oliver Roethig**

UNI Europa Regional Secretary

**Christian Verschueren**

EuroCommerce director general

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# Executive Summary

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Commerce, one of the most dynamic sectors in the European Union, provides European citizens with considerable economic and socio-economic benefits. At the beginning of the decade (2010) Eurostat figures show that it generated a turnover of more than 7.8 trillion euros, and significantly more than many other sectors including manufacturing; it accounted for just over 5 and a half million enterprises, and considerably more than the next biggest sector, construction; and it provided employment for approximately 29 million people, the second largest sector, behind manufacturing.

There is clearly much at stake, and to remain dynamic and successful, the commerce sector has to look to the future to 'equip people with the right skills for the jobs of today and tomorrow'. This requires anticipating the need for skills more effectively and achieving a better match between skills and labour market needs. On this basis the European Commission agreed to support the European Social Partners, UNI Europa Commerce and Eurocommerce, in their efforts to set up a European Sector Skills Council, whose objective is to address a wide range of issues related to skills anticipation and labour shortages in the sector.

Commerce generally refers to two separate but linked sets of activities – wholesale and retail. However the distinction between the two areas of activities is more and more difficult to maintain, particularly now that wholesalers and retailers are moving up and down the supply chain.

Statistics for the European commerce sector are provided by Eurostat, and they are complemented in this study by figures from ESSC Commerce partners. Eurostat figures are classified under G: Wholesale and retail trade; repair of motor vehicles and motorcycles. Sometimes these figures are disaggregated, but not always, which on occasions makes it quite difficult to identify the exact data for the sector. Moreover, some of the figures provided by Eurostat are not always recognised by ESSC Commerce partners. There is a clear case for greater cooperation between the different bodies so as to ensure that there is a shared understanding of the definitions used in the collection and presentation of this data.

## Employment situation of the commerce sector, including forecasts and trends

In terms of the structure of employment in the European commerce sector there were over 10 million persons employed in wholesale and 18.5 million in retail throughout the European Union in 2010, and this represents a 5% and 5.7% increase respectively over the previous ten years.

The vast majority of persons employed in wholesale work for SMEs (81.2%), whereas the figure for retail is lower (63.0%). There are significantly more men than women working in wholesale – the proportion is more or less 2:1, whereas the opposite (1:2) holds true for retail.

In terms of age, according to Eurofound, wholesale is average for the employment of young people and has a relatively low number of older workers, when compared with other sectors, whereas retail has one of the highest levels of employment of young people and one of the lowest levels of older workers. Eurostat does not produce figures for the number of ‘non-nationals’ (ie immigrants) working in the sector, and this data is rarely available at the national level. Nor does Eurostat produce figures for the educational attainment of persons working in the sector, but some ESSC Commerce partners have been able to provide national data, from which it is difficult to draw solid conclusions from a comparative perspective.

Finally in terms of forms of employment, there is a great diversity. However Eurofound has noted that in

comparison with other sectors there is a relatively high percentage of employees within the wholesale sector on indefinite contracts (above the figure for EU-28, with just over 80%); less so, in retail (below the figure for EU-28, with just over 75%).

Given the importance attached to trying to reduce mismatches in the labour market, it is surprising to see that there is relatively little work undertaken to gain a better understanding of future skills needs in the commerce sector. Moreover it is a point of some debate as to whether existing studies provide practical guidance for policy makers, training providers and employers, and of course potential employees.

At the European level the European Commission has recently set up a EU Skills Panorama which is run on its behalf by Cedefop, the European Centre for the Development of Vocational Training, and which is described as a ‘central access point for data, information and intelligence on trends for skills and jobs across Europe’. It produces a series of short Analytical Highlights, one of which is devoted to retail and distribution services and which foresees an overall increase in employment levels in commerce in the EU-28 from 32,416,000 in 2013 to



34,417,000 in 2025 (6.2%). It also has a section on sectors and occupations. In terms of sectors, it features the wholesale and retail trade; repair of motor vehicles and motorcycles, and unfortunately for the purposes of this study the figures are not disaggregated. In the section on occupations, it features one particular occupation in the commerce sector - the sales worker, which covers a variety of different occupations. It is expected that from 2013 to 2025 there will be a 1% increase in the number of sales workers throughout the EU-28, with very wide variations between Member States.

At the national level there is a limited number of studies forecasting future employment trends in the commerce sector. ESSC Commerce partners have identified some examples. One such study, from the Netherlands, foresees a modest increase in the number of jobs in wholesale in the short to medium term, and 50,000 vacancies on average per year for the period 2015-2018; in retail it is expected that the number of employees (including self-employed) will increase gradually over the next five years, from 814,000 in 2014 to 825,000 in 2018.

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## Evolution of the commerce sector's occupations and associated skills

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Changes in the commerce sector's occupations and associated skills are influenced by a number of external and internal drivers (consumer, economic, technological, organisational and regulatory), and this faces wholesalers and retailers with a series of new challenges.

Consumer behaviour is changing. Consumers are more numerous; they are living longer; they are more diverse; they are increasingly more urban; they are better educated and better informed. In short they are considered to be more demanding. The fallout from the financial and economic crisis has reduced spending power for many consumers. Advances in information and communication technologies have had a major impact on the act of buying and selling and also on the ways businesses run their organisational processes. The regulatory environment continues to exercise a significant influence over developments in the commerce sector.

In the light of these changes ESSC Commerce partners have identified a core group of knowledge, skills and competences for each of the following occupations; warehouse operator, store manager, shop assistant, call centre agent, supply chain professional, checkout manager, retail entrepreneur, and specialist seller.

There is a general consensus that the knowledge required most often and for most occupations is occupational knowledge, generally knowledge of the products and/or services on offer. There is generally a consensus on the core skills and competences that are required for each occupation. However, given the heterogeneity of the different occupations, relatively few skills or competences, whether core or supplementary, are shared across occupations. In addition individual ESSC Commerce partners have proposed a considerable list of supplementary skills and competences for each of the

occupations, many of which are required because of the digitalisation of the sector. In addition some ESSC partners have come forward with proposals for 'soft skills', personal attributes that describe an individual's ability to work with others, which are sometimes difficult to describe, difficult to acquire and even more difficult to assess.

The sector is changing dramatically, under the impact of economic and technological drivers, and more specifically internationalisation and above all digitalisation, and ESSC Commerce partners have proposed a number of emerging occupations, as follows: international trade specialised technician/international trade assistant, e-merchandiser, e-commerce employee front office/e-shop assistant, entrepreneurial e-commerce employee, technical specialist in e-commerce, e-commerce operator, and expert in digital CRM - customer relationship management.

## Innovative tools, national and regional strategies, local initiatives, methods to monitor skills needs and address skills mismatches and gaps

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ESSC Commerce partners have identified a series of different examples of best practice of innovative tools, national and regional strategies, local initiatives, as follows: meeting skills needs, developing new qualifications, recognising prior learning, coordinating stakeholders, dealing with the increasing use of e-commerce, facing the challenge of 'multi-channel' retailing, analysing the conditions for transferability, analysing the criteria for successful strategies, and addressing and closing the skills gaps.



## Recommendations for future activities

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ESSC Commerce partners have proposed a series of recommendations for future activities, and they are to be found on the following page.

# Recommendations

The objective of ESSC Commerce is to address a wide range of issues related to skills anticipation and labour shortages in the commerce sector. This can best be done, by:

- 1 Ensuring that ESSC Commerce has a medium- to long-term stability to build up commitment and expertise to tackle issues such as skills anticipation and labour shortages and also skills development
- 2 Ensuring that a stable cooperation between ESSC Commerce and affiliated members of the European Social Partners enables national social partners to develop sustainable employment opportunities and the skills that the commerce sector will require in the future
- 3 Ensuring that the European Commission supports the work of ESSC Commerce and that the relevant Directorates-General associate it in their own initiatives relating to skills anticipation and development, notably via the European Skills, Competences, Qualifications and Occupations (ESCO) and the EU Skills Panorama, and to sectoral qualifications, via the European Qualifications Framework
- 4 Ensuring that ESSC Commerce expands its membership, reaches out to new stakeholders and contributes directly to the European networking of national observatories/industry skills partnerships
- 5 Ensuring that ESSC Commerce develops a wide communication and dissemination strategy to facilitate information exchange of good practice in terms of skills anticipation and development
- 6 Ensuring that ESSC Commerce provides support for the harmonisation of methodologies for employment forecasting among its members, to provide a common data framework which will provide a solid basis for planning its activities and monitoring the results of the projects it undertakes
- 7 Ensuring that ESSC Commerce undertakes regular applied research activities to monitor labour market developments in the commerce sector, in particular skills needs, so that policy makers, social partners and businesses, particularly small and medium-size enterprises, are in a better position to plan for the future and support the development of emerging occupations
- 8 Ensuring that ESSC Commerce undertakes regular applied research activities to examine national qualifications in the commerce sector, with a view to establishing a model of excellence for sectoral training, notably core qualifications and a bottom-up common framework, to facilitate labour mobility throughout Europe
- 9 Ensuring that ESSC Commerce has the appropriate financial and human resources to carry out this work.

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# Introduction

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The European Union is attempting to move beyond the financial and economic crisis, in order to create the conditions for a more competitive economy with higher employment, and, according to the European Commission, its Europe 2020 strategy aims to 'deliver economic growth that is: 'smart', through more effective investments in education, research and innovation; 'sustainable', thanks to a decisive move towards a low-carbon economy; and 'inclusive', with a strong emphasis on job creation and poverty reduction'.

Europe 2020 focuses on five goals in the areas of employment, innovation, education, poverty reduction and climate/energy, and the European Union has fixed a series of targets to attain these goals.

The target for employment is, as follows: 75% of 20-64 year-olds should be in employment by 2020. Some countries are advancing well and on the way to hitting these targets. Others however have a long way to go and, unsurprisingly, given the fallout of the financial crisis, some are going backwards.

To attain these targets the European Union has set up seven Flagship Initiatives, one of which, *An Agenda for New Skills and Jobs*, highlights the need to equip people with the right skills for the jobs of today and tomorrow<sup>1</sup>. The European Commission has subsequently proposed to establish a series of European Sector Skills Councils which are designed to anticipate the need for skills in specific sectors more effectively and to achieve a better match between skills and labour market needs. Their activities include:

- drafting reports on the employment situation in particular sectors and developments in the area of skills, and making policy recommendations
- building cooperation among organisations that monitor skills developments and helping them to operate more effectively in the countries concerned
- taking new action based on the skills information compiled, including creating and disseminating practical tools and setting up skills projects.<sup>2</sup>

<sup>1</sup> COM/2010/0682 final

<sup>2</sup> <http://ec.europa.eu/social/main.jsp?catId=784&langId=en>

The European Social Partners in the commerce sector, UNI Europa Commerce and Eurocommerce, have agreed to set up a European Sector Skills Council, whose objective is to address a wide range of issues related to skills anticipation and labour shortages in the commerce sector, and for example:

- monitor labour market developments in the commerce sector, in particular skills needs and employment forecast
- carry out reports/surveys/analyses on education, training and employment in the commerce sector
- contribute to the active networking of the involved stakeholders
- facilitate information exchange among the skills council members
- contribute to the information dissemination towards other stakeholders involved in education, training and employment in the commerce sector
- implement specific projects linked to the above mentioned issues
- provide recommendations in employment, education and training in the commerce sector
- carry out all activities which may generally contribute to the achievement of the objectives of a transnational nature as set out in the paragraphs above.

The following organisations have agreed to take part in the European Sector Skills Council Commerce:

***Belgium – FOREM – Emploi Formation en Wallonie - [www.leforem.be](http://www.leforem.be)***

Forem is a public service agency designed to support employment and vocational training in Wallonia, Belgium. It works under the authority of the regional government. Its tri-partite Management Board is made up of equal numbers of representatives from employers' organisations, trade unions and the regional government.

It supports the integration of job seekers and workers into the labour market by providing them with guidance as regards finding a job and developing skills. It also offers professional support to companies in the area of human resources and recruitment consulting.

It has a coordinating role within the labour market, disseminating information about latest labour market trends and determining how best the labour market can be developed.

***Denmark - Uddannelsesnævnet for Handels og Kontorområdet - [www.uddannelsesnaevnet.dk](http://www.uddannelsesnaevnet.dk)***

Uddannelsesnævnet is a joint secretariat for a number of trade committees for vocational education and training and a trade committee for continued training for adults in the commerce and clerical trades.

It is an independent institution, founded in 1979 by Danish Labour Market Organisation, which is managed by representatives of the employers' organisation and trade unions in the commerce sector.

On behalf of the social partner organisations in the commercial and clerical trades, it develops the content, structure and duration of initial VET and continuing VET programmes in Denmark.

***France - FORCO - Organisme Paritaire Collecteur Agréé du Commerce et de la Distribution - [www.forco.org](http://www.forco.org)***

FORCO, which was first established in 1994, is a national bi-partite agency designed to support vocational training in the commerce sector. Its Board of Directors is made up of equal numbers of representatives from employers' organisations and trade unions in the sector.

It has established an employment observatory for the sector – *Observatoire prospectif du Commerce*, which has the following tasks:

- carrying out inventories on socio-economic conditions, jobs, qualifications and training opportunities
- monitoring changes in professions, qualifications and skills and detecting emerging professions
- contributing to the matching of training supply to skills needs and the promotion of appropriate qualifications
- assisting workers in developing their own career path.

**France – Intergros - Organisme Paritaire Collecteur Agréé du Commerce de Gros et International - [www.intergros.com](http://www.intergros.com)**

INTERGROS is a national bi-partite agency designed to support vocational training in the wholesale and trade sector. Its Board of Directors is made up of equal numbers of representatives from employers' organisations and trade unions in the sector.

Its mission is to

- implement the employment and training policy defined by the social partners in the sector in enterprises and training agencies
- simplify enterprises' procedures for setting up employment and training projects
- support access to employment, particularly for young people
- enable workers to develop employability and establish their own career paths.

**Netherlands - Kenniscentrum Handel (KCH) - [www.kch.nl](http://www.kch.nl)**

KCH is the centre of expertise for vocational education, training and the labour market in the commerce sector. Under mandate from the Dutch Ministry of Education, Culture and Science, KCH performs a number of statutory tasks for the intermediate vocational education system in the Netherlands. It performs these tasks for the commerce sector and for manufacturers, suppliers and traders in the Fashion, Interior, Carpets and Textile industries (known in Dutch as the MITT sector).

It establishes qualifications on the basis of occupational profiles which describe the professional practice of a fully qualified professional. Social partners are responsible for compiling occupational profiles and ensuring that they are up-to-date. It then develops qualification files based on occupational profiles in conjunction with representatives of the education sector, the business community, employers and employees. These qualification files are assessed by an independent body that is authorised by the Ministry of Education, Culture and Science.

The Board of KCH, which has representatives from both education and business sectors, provides advice about the qualification files. These files are officially approved by the Ministry once they have been published in the Dutch Government Gazette.

Professional work placements are an essential element of the Dutch intermediate vocational education system, and KCH recruits companies that provide work placements, assesses these companies and offers them support so as to ensure the quality of the work placements.

**Portugal - Centro de Formação Profissional para o Comércio e Afins (CECOA) - [www.cecoa.pt](http://www.cecoa.pt)**

CECOA is the national Vocational Training Centre for Commerce (and Services) belonging to the Confederation of Commerce and Services of Portugal (CCP), which is a social partner organisation representing the commerce and services sectors, and was established in 1986 as a result of a protocol signed by CCP and IEFEP – the Institute of Employment and Vocational Training. The IEFEP is a public body which reports to the Ministry of Solidarity, Employment and Social Security and is responsible for the implementation of national policies in terms of employment and VET.

It aims to promote educational activities and vocational training, including apprenticeships in the commerce sector, throughout Portugal. It has its head office in Lisbon and two other branches in Oporto and Coimbra. It is recognised within the national system of quality evaluation and accreditation of VET providers, and its Quality Management System has been recognised since 2005 under ISO 9001:2008.

It is a member of the national network of centres dedicated to the guidance, validation, assessment and certification of (formal, non-formal and informal) skills and competences of young people and adults. It is also a member of the Knowledge Resources Centre national network. It is also a member of the Sector Council for Qualifications for the commerce sector that is coordinated by ANQEP – the National Agency for Qualification and Vocational Education and Training.

**Spain – Comisión paritaria sectorial de Comercio**

The Joint Sectoral Committee on Commerce is a bi-partite body created within the Tripartite Foundation for

Training in Employment and constituted as a result of sectoral collective bargaining between representatives of employers' organisations and trade unions in the commerce sector.

It manages training initiatives for employment and supports activities for the evaluation, monitoring and control of these activities. It also provides guidance for learners and for enterprises. In addition it has established a system of data collection and research to improve planning for the demand for training and the provision for sectoral and regional forecasting.



They have subsequently been joined by the following partners:

**Croatia - Hrvatska Udruga Poslodavaca - [www.hup.hr](http://www.hup.hr)**

The Croatian Employers' Association (CEA) was established in 1993 as a voluntary, non-profit and independent employers' association that represents and promotes the interests of its members. It was created by a group of Croatian entrepreneurs who recognized the potential of joint action and the importance of the employers' association in tripartite relations.

Founded on the principles of voluntary membership and democracy and as a representative of all its members' interests, the Association promotes ideas of entrepreneurial spirit, rights and freedom.

Since 1994 it has been the only employers' representative within the national Social-Economic Council, which is the highest tripartite body for social dialogue in Croatia and which was established in order to determine, defend and promote the economic and social rights of entrepreneurs and workers, to maintain harmonised economic, social and

development policy, to encourage collective bargaining, as well as the implementation of collective agreements in harmony with its economic, social and development policy.

Since 2012, it has been the headquarter centre/ representative of the UN's initiative Global Compact for Croatia, thus promoting the principle of corporate social responsibility among its members.

**Croatia - Sindikat Trgovine Hrvatske - [www.sth.hr](http://www.sth.hr)**

CTUC is a representative trade union which organises workers in the commerce sector and other service industries related to the commerce sector.

Along with other social partners, it promotes employment possibilities within the sector, by providing expertise and analyses of existing skills requirements on the basis of the labour market's current conditions and future needs.

It is active in the process of modernising vocational education in Croatia, especially through its participation in the activities of the Sector Council for Economy, Commerce and Business Administration. Its involvement with the Agency for Vocational Education and Training and Adult Education started in 2006 as part of the EU CARDS 2002 project: Vocational Education and Training: Modernisation and Institution Building.

Through the Sector Council for Economy, Commerce and Business Administration, it is developing the Sector Profile for Commerce as a tool for qualification planning and is participating in the qualification development process to improve the quality of the VET system in Croatia.



The ESSC Commerce partners have subsequently been joined in their deliberations by the following observers:

**Estonia - Kaupmeesteliit - [www.kaupmeesteliit.ee/](http://www.kaupmeesteliit.ee/)**

**Sweden - Handels - <http://handels.se>**



One of the key objectives of the ESSC Commerce in the initial stages is to produce consistent and reliable sectoral intelligence. To this end the ESSC Commerce has agreed to produce a series of reports which provide the basis for this report, as follows:

**Part 1** – Employment situation of the commerce sector, including forecasts and trends

**Part 2** – Evolution of the commerce sector's occupations and associated skills

**Part 3** – Innovative tools national and regional strategies, initiatives, methods to monitor the needs and address skills mismatches and gaps

**Part 4** – Recommendations of the European Sector Skills Council Commerce.

The sources for the data in this report are, primarily:

- Eurostat, whose main role is to process and publish comparable statistical information at the European level, and Cedefop, the European Centre for the Development of Vocational Training.
- ESSC Commerce partners themselves and the national statistical agencies to which they have access.
- Belgium – Office National de la Sécurité Sociale
- Croatia - - Državni zavod za statistiku, Republika Hrvatska
- Denmark - Danmarks Statistik 'Databanken'



- France - Enquête emploi 2011, Institut national de la statistique et des études économiques (INSEE)
- Netherlands - Kenniscentrum Handel [www.kch.nl/cijfers-en-trends](http://www.kch.nl/cijfers-en-trends); Uitvoeringsinstituut Werknemers Verzekeringen (UWV); Centraal Bureau voor de Statistiek (CBS)
- Portugal - INE, Recenseamento da População e Habitação (2011); INE, Inquérito ao Emprego; INE, Sistema de Contas Integradas das Empresas
- Spain - ([www.ine.es](http://www.ine.es)).

# Commerce in Europe

Commerce generally refers to two separate but linked sets of activities – retail and wholesale<sup>3</sup>. Together they make a significant contribution to economic and social-economic development in the European Union, as can be seen from the tables and figures below.

At the beginning of the decade (2010), as figures in section show, commerce generated a turnover of more than 7.8 trillion euros, nearly 5.3 trillion in wholesale and 2.6 trillion in retail, and significantly more than many other sectors including manufacturing; it accounted for just over 5 and a half million enterprises, just under 1.8 million in wholesale and just under 3.65 million in retail, and considerably more than the next biggest sector, construction; it provided employment for approximately 29 million people, just under ten and a half million in wholesale and just over 18.5 million in retail, the second largest sector, behind manufacturing.<sup>4</sup>

There has always been close interaction between wholesale and retail, and the distinction between the two areas of activities is more and more difficult to maintain, particularly now that retailers and wholesalers are moving up and down the supply chain. Retailers are increasingly producing and distributing their own products, particularly in the food sector. Wholesalers are moving closer to individual customers, particularly with the arrival of online shopping. Moreover some large-scale retailers are expanding to other sectors, financial services for example.

In order to make for a clearer presentation of the sector it is nevertheless convenient to separate the two initially, and this is the approach that will be taken in this report.

<sup>3</sup> Commerce is sometimes referred to as 'distributive trades'. However this can lead to misunderstandings, since Eurostat statistics for distributive trades include retail, wholesale the repair of motor vehicles and motorcycles sector. Indeed many of the statistics produced by Eurostat refer to distributive trades and as they cannot be disaggregated, it is on occasions difficult to find specific figures for retail and/or wholesale.

For statistical purposes Eurostat classifies the repair of motor vehicles and motorcycles sector as NACE 45, wholesale as NACE 46 and retail as NACE 47. It is important to note that ESSC Commerce is responsible for wholesale and retail, but not the repair of motor vehicles and motorcycles sector.

<sup>4</sup> However there is some uncertainty about these employment figures. Eurostat comes up with a different figures of 32,791,400 persons employed in wholesale and retailing for 2010, and a figure of 33,014,800 for EU-27 (and a figure of 33,253,000 for EU-28 i.e. with Croatia for 2011)

<http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tn00151&language=en>

## Wholesale

Wholesale trade is defined as the 'resale (sale without transformation) of new and used goods to retailers; to industrial, commercial, institutional or professional users; to other wholesalers; or acting as agents in buying merchandise for, or selling merchandise to, such persons or companies' according to the OECD glossary of statistical terms.<sup>5</sup>

Eurostat does not define it as such, but describes wholesalers as being 'located between producers and users, providing know-how and knowledge in markets for which they have expertise'. They provide a range of services from basic storage and break of bulk, sorting, grading and logistics to pre- and post-production operations (for instance, labelling, packaging, bottling and installation<sup>6</sup>). For statistical purposes it covers eight specific areas, as follows:

- wholesale on a fee or contract basis
- wholesale of agricultural raw materials and live animals
- wholesale of food, beverages and tobacco
- wholesale of household goods
- wholesale of information and communication equipment
- wholesale of machinery, equipment and supplies
- other specialised wholesale
- non-specialised wholesale trade

Wholesale is an important sector in terms of EU economic and socio-economic development, as can be seen from Table 1. From an economic perspective turnover was valued at EUR 5,258 billion in 2010, which is equivalent to 22.2 % of the EU total for the non-financial business economy, and value added was estimated at EUR 550 billion in 2009, which is equivalent to 10.1% of the EU total for non-financial business economy. From a socio-economic perspective there were nearly 1.8 million wholesale trade enterprises, employing 10.4 million persons, which is equivalent to 8.2 % of all enterprises in the EU non-financial business economy and represents 7.9 % of the EU non-financial business economy workforce respectively.

'As such, the wholesale trade sector can be characterised as having a large number of enterprises, of an average size in employment terms, with a slightly above average value added share and a particularly high level of turnover'.<sup>8</sup>

<sup>5</sup> <http://stats.oecd.org/glossary/detail.asp?ID=2926>

<sup>6</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Wholesale\\_trade\\_statistics\\_-\\_NACE\\_Rev\\_2](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Wholesale_trade_statistics_-_NACE_Rev_2)

<sup>7</sup> *idem*.

<sup>8</sup> There is further uncertainty as to the figures. A Eurofound information sheet quotes from the Eurostat EU Labour Force Survey and comes up with a figure of 7,410,200 persons employed for 2010 <http://www.eurofound.europa.eu/publications/htmlfiles/ef13845.htm>

**Table 1:**  
**Key indicators, wholesale**  
**(NACE Division 46),**  
**EU-27, 2010**

	Value
<b>Main indicators</b>	
Number of enterprises (thousands)	1,787
Number of persons employed (thousands)	10,434
Turnover (EUR million)	5,257.689
Purchases of goods and services (EUR million)	4,678,001
Personnel costs (EUR million)	324,556
Value added (EUR million) (1)	549,881
Gross operating surplus (EUR million)	235,123
<b>Share in non-financial business economy total (%)</b>	
Number of enterprises	8.2
Number of persons employed	7.9
Value added (1)	10.1
<b>Derived indicators</b>	
Apparent labour productivity (EUR thousand per head)	53.6
Average personnel costs (EUR thousand per head)	36.0
Wage-adjusted labour productivity (%)	148.9
Gross operating rate (%)	4.5

(1) 2009

Source:<sup>9</sup>

## Retail

Retail trade is defined as 'the re-sale (sale without transformation) of new and used goods to the general public, for personal or household consumption or utilisation', according to the OECD glossary of statistical terms.<sup>10</sup> According to Eurostat, 'retailing is typically the final stage of the distribution chain from producers to consumers'. For statistical purposes it covers nine specific areas, as follows:

- retail sale in non-specialised stores
- retail sale of food, beverages and tobacco in specialised stores
- retail sale of automotive fuel in specialised stores
- retail sale of ICT equipment in specialised stores
- retail sale of other household equipment in specialised stores
- retail sale of cultural and recreation goods in specialised stores
- retail sale of other goods in specialised stores
- retail sale via stalls and markets

<sup>9</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Wholesale\\_trade\\_statistics\\_-\\_NACE\\_Rev.\\_2](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Wholesale_trade_statistics_-_NACE_Rev._2)

<sup>10</sup> <http://stats.oecd.org/glossary/detail.asp?ID=2345>

Retail trade is also a significant contributor in terms of EU economic and socio-economic development, as can be seen from Table 2.

**Table 2:**  
**Key indicators, retail**  
**(NACE Division 47),**  
**EU-27, 2010**

	Value
<b>Main indicators</b>	
Number of enterprises (thousands)	3,648
Number of persons employed (thousands)	18,562
Turnover (EUR million)	2,592,034
Purchases of goods and services (EUR million)	2,156,187
Personnel costs (EUR million)	291,953
Value added (EUR million) (1)	432,013
Gross operating surplus (EUR million)	160,245
<b>Share in non-financial business economy total (%)</b>	
Number of enterprises	16.8
Number of persons employed	14.0
Value added (1)	7.9
<b>Derived indicators</b>	
Apparent labour productivity (EUR thousand per head)	24.4
Average personnel costs (EUR thousand per head)	19.4
Wage-adjusted labour productivity (%)	125.7
Gross operating rate (%)	6.2

(1) 2009

Source:<sup>11</sup>

From an economic perspective turnover was valued at EUR 2,592 billion in 2010, which is equivalent to 10.9 % of the EU total for the non-financial business economy, and value added was estimated at EUR 432 billion in 2009, which is equivalent to 7.9 % of the EU total for non-financial business economy. From a socio-economic perspective there were 3.6 million retail trade enterprises, employing 18.6 million persons, which is equivalent to 16.8 % of all enterprises in the EU non-financial business economy and represents 14.0 % of the EU non-financial business economy workforce.<sup>12</sup>

The main characteristics of the retail sector are, as follows: 'a very large number of enterprises, generally having a small average size, producing a relatively high level of turnover but less value added'.<sup>13</sup>

<sup>11</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Retail\\_trade\\_statistics\\_-\\_NACE\\_Rev\\_2](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Retail_trade_statistics_-_NACE_Rev_2)

<sup>12</sup> *idem*.

<sup>13</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Retail\\_trade\\_statistics\\_-\\_NACE\\_Rev\\_2](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Retail_trade_statistics_-_NACE_Rev_2)

## Methodology

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The basis for the methodology of this report is close cooperation between the European Social Partners, the members of the European Sector Skills Council (ESSC) Commerce and the external experts.

**Part 1** - Employment situation of the commerce sector, including forecasts and trends is divided into two parts, wholesale and retail. An initial set of data regarding the structure of employment is to be found in comparative statistics provided by Eurostat for the year 2010. A further set of data is provided by ESSC Commerce partners on the basis of a survey questionnaire examining the structure of employment at the national level in subsequent years.

**Data for Part 2** - Evolution of the commerce sector's occupations and associated skills is provided primarily by ESSC Commerce partners on the basis of a survey questionnaire which investigates the impact that five drivers (consumer, economic, technological, organisational and regulatory) have on eight traditionally representative occupations in the commerce sector (warehouse operator, store manager, shop assistant, call centre agent, supply chain professional, checkout manager, retail entrepreneur, specialist seller); on key elements of knowledge, skills and competences that are required for each of these occupations; and on the generation of new emerging occupations.

**Data for Part 3** - Innovative tools, national and regional strategies, local initiatives, methods to monitor skills needs and address skill mismatch and gaps is provided by ESSC Commerce partners on the basis of a survey questionnaire soliciting examples of best practice at the national level in terms of meeting skills needs, recognising prior learning, coordinating stakeholders, developing new qualifications, dealing with the increasing use of e-commerce, facing the challenge of 'multi-channel' retailing, analysing the conditions for transferability, analysing the criteria for successful strategies and addressing and closing the skills gaps.

**Part 4** consists of a series of recommendations for the development of the European Sector Skills Council Commerce on the basis of proposals put forward by the European Social Partners, in consultation with ESSC Commerce partners.

Initial drafts of all parts of the report were circulated to ESSC Commerce partners for their comments, prior to the preparation of the final version.







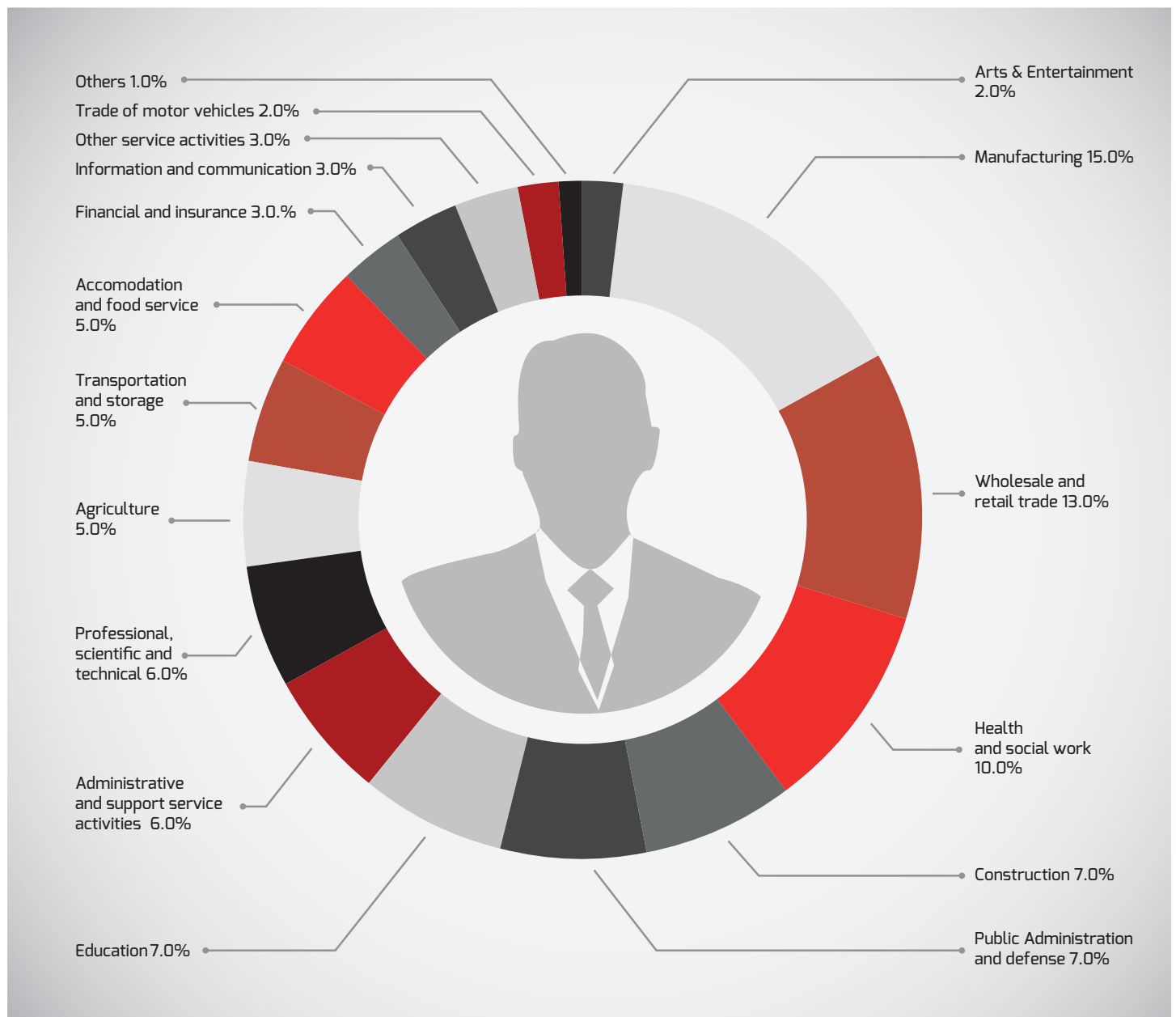
# Part 1

## Employment situation of the commerce sector, including forecasts and trends

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What is the employment situation in the commerce sector at the beginning of the decade (2010), and what trends, both before and after, can be discerned?

Commerce is an important employer, the second largest sector in the European Union (2010), with just under 29 million people. The sector employs approximately 13% of the total European workforce, and as can be seen from Figure 1, just less than manufacturing (15%), but significantly more than health and social work (10%), construction (7%), public administration and defence (7%) and education (7%).

**Figure 1: Employment in European commerce by comparison with other sectors, 2010**

Source: Eurostat, national accounts, EU-27 <sup>14</sup>

Employment within the commerce sector varies significantly from one Member State to another. At one end of the spectrum approximately 10% of the Finnish workforce is employed in commerce and approximately 18% of the Greek workforce at the other.<sup>15</sup> In terms of ESSC Commerce partners, the figure for Belgium is just under 12%; France, 12%; Portugal, just under 14%; Denmark, just over 14%; and Netherlands, 15%.<sup>16</sup>

<sup>14</sup> reproduced in Oxford Institute of Retail Management, *Retail and wholesale: key sectors for the European economy, 2014*, p. 19

<sup>15</sup> *idem*, p. 14

<sup>16</sup> No data for Croatia and Spain from these particular sources

## Wholesale

### Number of persons employed

In wholesale, as can be seen from Table 3, there are 10,434,200 persons employed in 2010 throughout the European Union, with significant overall global numbers, over a million people, in Member States with large populations (Germany, Spain, France, Italy and United Kingdom).<sup>17</sup>

**Table 3:**  
**Number of persons employed, wholesale, 1000s, 2010**

Source:<sup>18</sup>

Unfortunately these figures are not recognised by all ESSC Commerce partners. Belgium, for example, has a figure for 2010 of 187,200; Croatia 82,500; Netherlands 509,000; and Spain 1,076,782

The importance of wholesale as a national employer varies considerably. At one end of the spectrum approximately 2.3 percent of the Romanian workforce is employed in wholesale and 7.3% of the Greek workforce at the other.<sup>19</sup> In terms of ESSC Commerce partner countries, the figure for France is 4.5%; Belgium 4.8%; Portugal, 5%; Netherlands, 5.9%; and Denmark, 6.1%.<sup>20</sup>

Overall the trend is upwards from 2000. There is a 5% increase during the period 2000-2010 for the EU-27, 2% for the Netherlands, 4.8% for Belgium, 8.4% for France, and 10.6% for Portugal. The only ESSC Commerce partner country to see a decline during this period is Denmark (-2.3%).<sup>21</sup>

<sup>17</sup> However there is further uncertainty with the figures.

According to other Eurostat figures there were 10,083,300 persons employed in 2010 (National Accounts by 64 branches – employment data - nama\_nace64\_e)

<sup>18</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Wholesale\\_trade\\_statistics\\_-\\_NACE\\_Rev.\\_2](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Wholesale_trade_statistics_-_NACE_Rev._2)

<sup>19</sup> Eurostat, National accounts by 64 branches – employment data (nama\_nace64\_e)

<sup>20</sup> No data for Croatia and Spain from these particular sources

<sup>21</sup> Eurostat, National accounts by 64 branches – employment data (nama\_nace64\_e)

	Number of persons employed	
	Thousands	%
EU-27	10,434.2	100.0%
Austria	195.6	1.9%
Belgium	237.3	2.3%
Bulgaria	170.1	1.6%
Croatia	87.5	0.8%
Cyprus	20.5	0.2%
Czech Republic	247.3	2.4%
Denmark	146.1	1.4%
Estonia	27.5	0.3%
Finland	90.3	0.9%
France	1,068.0	10.2%
Germany	1,820.5	17.4%
Greece		0.0%
Hungary	170.1	1.6%
Ireland	89.4	0.9%
Italy	1,200.1	11.5%
Latvia	44.3	0.4%
Lithuania	70.7	0.7%
Luxembourg	15.8	0.2%
Malta		0.0%
Netherlands	499.8	4.8%
Poland	739.5	7.1%
Portugal	258.1	2.5%
Romania	322.5	3.1%
Slovakia	149.8	1.4%
Slovenia	47	0.5%
Spain	1,071.5	10.3%
Sweden	240	2.3%
United Kingdom	1,139.5	10.9%

**Table 4: Numbers of persons employed per size of enterprise, wholesale, 1000s, 2010**Source:<sup>22</sup>

	Total	LARGE	SMEs	Micro <10	Small <50	Medium<250
EU-27	10,434.2	18.8%	81.2%	31.8%	28.3%	21.1%
Austria	195.6	18.3%	81.7%	25.0%	30.0%	26.7%
Belgium	237.3	14.8%	85.2%	32.4%	31.4%	21.4%
Bulgaria	170.1	10.7%	89.3%	31.0%	36.6%	21.7%
Croatia	87.5				29.8%	
Cyprus	20.5	8.8%	91.2%	31.6%	33.7%	26.0%
Czech Republic	247.3	10.5%	89.5%	38.6%	31.5%	19.4%
Denmark	146.1	21.5%	78.5%	21.4%	31.2%	25.9%
Estonia	27.5			46.2%		17.3%
Finland	90.3	25.3%	74.7%	28.8%	27.1%	18.8%
France	1,068.0	30.7%	69.3%	23.2%	25.8%	20.3%
Germany	1,820.5	25.1%	74.9%	17.1%	26.9%	30.9%
Greece	:					
Hungary	170.1	13.1%	86.9%	36.8%	31.0%	19.1%
Ireland	89.4	16.8%	83.2%	25.4%	32.0%	25.7%
Italy	1,200.1	8.0%	92.0%	58.2%	24.2%	9.6%
Latvia	44.3	4.2%	95.8%	39.0%	37.0%	19.8%
Lithuania	70.7			29.8%	36.3%	
Luxembourg	15.8			29.3%		
Malta	:					
Netherlands	499.8	18.0%	82.0%	29.7%	28.4%	24.0%
Poland	739.5	15.2%	84.8%	39.7%	22.2%	22.9%
Portugal	258.1	7.4%	92.6%	45.6%	31.3%	15.7%
Romania	322.5	14.1%	85.9%	32.5%	30.7%	22.7%
Slovakia	149.8				28.1%	12.8%
Slovenia	47.0			44.9%		
Spain	1,071.5	12.8%	87.2%	39.0%	31.5%	16.7%
Sweden	240.0	21.7%	78.3%	26.1%	30.8%	21.4%
United Kingdom	1,139.5	33.0%	67.0%	16.2%	27.9%	22.9%

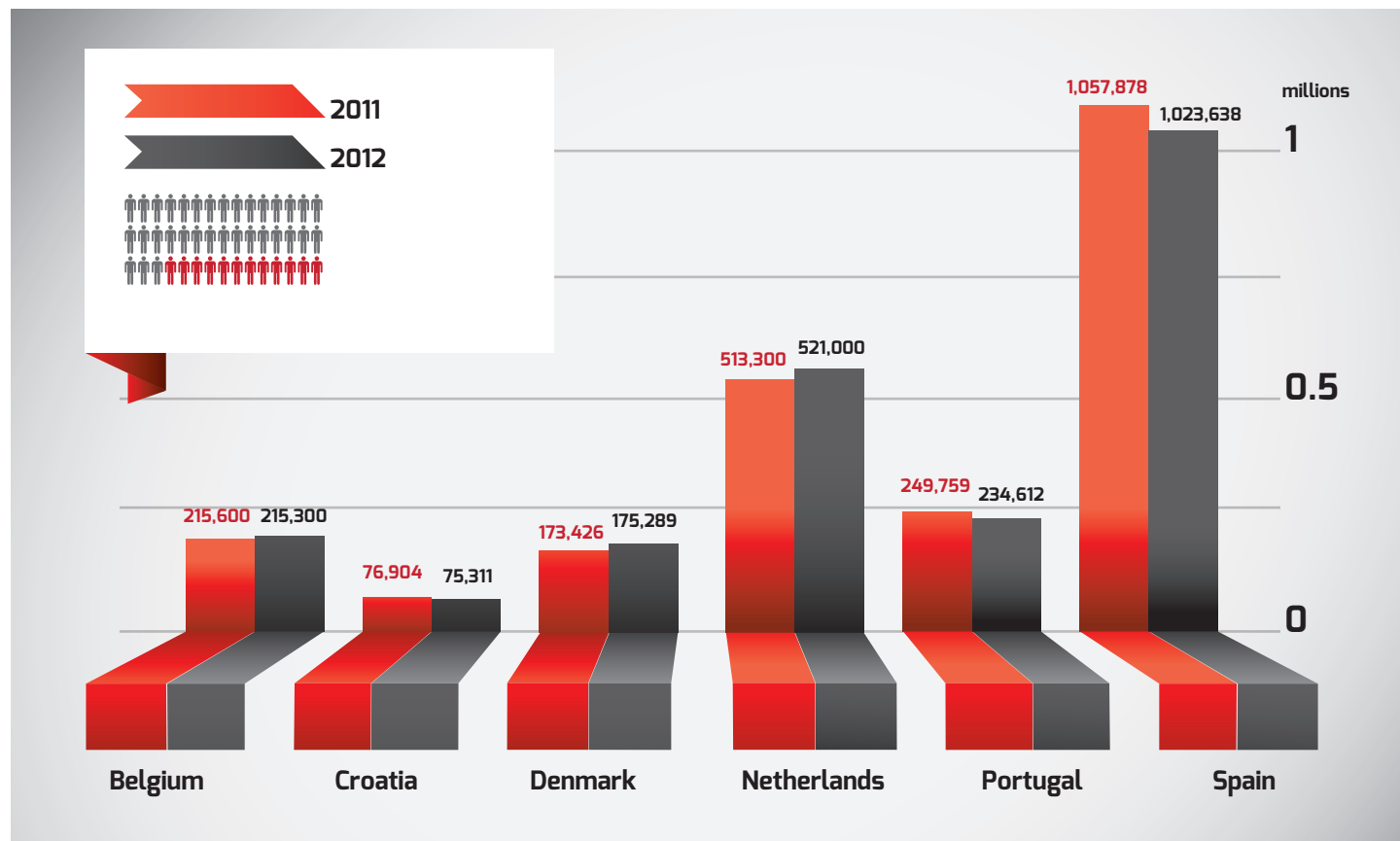
It is clear from Table 4 that the vast majority of persons employed in wholesale work for SMEs, with 81.2% in the entire EU-27, and more than 90% in Italy, Cyprus, Latvia and Portugal. Only in Denmark, Germany, Finland and Sweden is it less than 80%, and only in France and the United Kingdom is it less than 70%. Moreover in many countries micro enterprises, ie. those with less than 10 employees, form the largest category of SMEs.

In terms of ESSC Commerce partner countries, the percentage of persons employed in SMEs for France is 69.3%; Denmark, 78.5%; Netherlands, 82.0% Belgium is 85.2%; Spain 87.2%; and Portugal, 92.6%.

<sup>22</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Wholesale\\_trade\\_statistics\\_-\\_NACE\\_Rev.\\_2](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Wholesale_trade_statistics_-_NACE_Rev._2)

## Latest employment trends in wholesale in some ESSC Commerce partner countries

Figure 2: Employment trends in wholesale in some ESSC Commerce partner countries (2011-2012)



Source: ESSC Commerce partners

In terms of recent employment trends in wholesale further data have been provided by Eurostat. There were 10,327,800 persons employed in the EU in 2011 (National Accounts by 64 branches – employment data), which represents a small decrease in comparison with the previous year. For ESSC Commerce partner countries Eurostat has the following figures: 215,600 in Belgium for 2011 and 215,300 for 2012; 172,000 for Denmark in 2011; 1,193,400 for France in 2011; 513,300 for the Netherlands in 2011 and 520,600 in 2012; and 241,900 for 2011 in Portugal.<sup>23</sup>

At the national level, according to ESSC Commerce partners, there are slightly different figures, with the exception of Belgium where the figures are significantly different. The trend has been mixed. It has been generally upwards in Denmark and the Netherlands with figures of 173,426 in 2011, 175,289 in 2012 (and 176,547 in 2013) for the former and 513,000 in 2011, 521,000 in 2012 (and 536,000 in 2013) for the latter. In Belgium the figure has remained stable - 189,300 in 2011 and 189,100 in 2012. In Portugal, Spain and Croatia, however, the trend has been downwards, with figures of 249,759 in 2011 and 234,612 in 2012 for Portugal; 1,057,878 in 2011 and 1,023,638 in 2012 for Spain; and 76,904 in 2011, 75,311 in 2012 (and 70,937 in 2013) for Croatia.

<sup>23</sup> Eurostat, National accounts by 64 branches – employment data (nama\_nace64\_e)

## Employment and Gender

There are significantly more men working in wholesale in all countries, as can be seen from Table 5 – the proportion is more or less 2:1 for EU-27. According to the analysis carried out recently by Eurofound (the European Foundation for the Improvement of Living and Working Conditions) on 33 sectors, wholesale is one of the most male-dominated sectors, behind manufacturing, furniture, transport and storage, computer programming, utilities supply, metal industry, sale of motor vehicles and construction.<sup>24</sup>

**Table 5: Employment and gender, wholesale, 1 000s and %, 2010**

b = break in the time series

Source:<sup>25</sup>

	Total	Males	Females	Males	Females
	1000s	1000s	1000s	%	%
EU-27	7,220.8 <sup>26</sup>	4,818.1	2,402.7	66.7%	33.3%
Austria	193.6	116.6	77.0	1.6%	1.1%
Belgium	149.4	100.5	48.9	1.4%	0.7%
Bulgaria	115.5	69.5	46.0	1.0%	0.6%
Croatia	47.7	29.5	18.2	0.4%	0.3%
Cyprus	21.8	14.4	7.4	0.2%	0.1%
Czech Republic	162.1	96.0	66.1	1.3%	0.9%
Denmark	104.6	70.2	34.3	1.0%	0.5%
Estonia	17.4	10.8	6.5	0.1%	0.1%
Finland	91.4	59.4	32.1	0.8%	0.4%
France	987.2	665.3	321.9	9.2%	4.5%
Germany	1,089.6	699.4	390.2	9.7%	5.4%
Greece	164.1	116.7	47.4	1.6%	0.7%
Hungary	104.9	59.5	45.4	0.8%	0.6%
Ireland	51.5	36.9	14.6	0.5%	0.2%
Italy	966.6	673.7	293.0	9.3%	4.1%
Latvia	27.2	13.9	13.3	0.2%	0.2%
Lithuania	59.2	35.9	23.3	0.5%	0.3%
Luxembourg	5.8	4.0	1.9	0.1%	0.0%
Malta	8.8	6.5	2.2	0.1%	0.0%
Netherlands <sup>27</sup>	273.6	194.2	79.4	2.7%	1.1%
Poland	542.2	353.3	188.9	4.9%	2.6%
Portugal	149.0	104.5	44.4	1.4%	0.6%
Romania	218.0	135.0	82.9	1.9%	1.1%
Slovakia	69.4	43.7	25.6	0.6%	0.4%
Slovenia	20.4	11.6	8.8	0.2%	0.1%
Spain	713.8	489.2	224.7	6.8%	3.1%
Sweden	204.3	142.6	61.7	2.0%	0.9%
United Kingdom	709.3	494.7	214.6	6.9%	3.0%

According to ESSC Commerce partners the pattern continues for the period 2011-2013. As can be seen from Table 6, the proportion is more or less 2:1, and in Denmark and the Netherlands even higher.

**Table 6: Employment and gender in wholesale in ESSC Commerce partner countries (%)**

NA = not available

Source: ESSC Commerce partners

		2011	2012	2013
BELGIUM	Male	65.8%	65.8%	N/A
	Female	34.2%	34.2%	N/A
CROATIA	Male	60.0%	59.4%	59.4%
	Female	40.0%	40.6%	40.6%
DENMARK	Male	69.1%	69.0%	68.7%
	Female	30.9%	30.9%	30.3%
FRANCE	Male	68.0%	68.0%	68.0%
	Female	32.0%	32.0%	32.0%
NETHERLANDS	Male	72.0%	72.0%	72.0%
	Female	28.0%	28.0%	28.0%
PORTUGAL	Male	66.6%	67.3%	66.1%
	Female	33.4%	32.7%	33.9%
SPAIN	Male	65.7%	65.9%	N/A
	Female	34.3%	34.1%	N/A

<sup>24</sup>Working conditions and job quality: Comparing sectors in Europe, Eurofound, Dublin, 2014, p 14

<sup>25</sup>Eurostat, Employment by sex, age and detailed economic activity - lfsa\_egan22d

<sup>27</sup>There is further confusion with the figures. In the previous tables, the figure is 10,434,000

<sup>26</sup>KCH, the ESSC partner from the Netherlands, has a figure of 499,100 here

**Figure 3: Employment and gender in wholesale in ESSC Commerce partner countries (%)**





## Employment and age

In all countries the overwhelming majority of workers in wholesale in EU-27 are in the 25-59 category. There is nevertheless just over half a million under 24 year olds who have recently entered the wholesale sector. There is also a relatively high percentage of older workers (55-64) on the point of leaving the sector, which will clearly require consideration on the part of employers and policy makers. Will these older employees be replaced? And if the answer is yes, how? Further data, provided by Eurofound, shows however that in comparison with other sectors wholesale is average for the employment of young people and has a relatively low number of 50 + year olds.<sup>28</sup>

**Table 7: Employment and age, wholesale, 1 000s, 2010**

b = break in time series

u = low reliability

Source: <sup>29</sup>

	15 to 64	15 to 24	25 to 59	55 to 64
EU-27	7,220.8	563.9	6,388.3	808.8
Austria	193.6	23.4	165.6	18.3
Belgium	149.4	9.4	135.4	17.0
Bulgaria	115.5	9.6	103.4	9.2
Croatia	47.7	3.2(u)	43.6	5.5(u)
Cyprus	21.8	2.0	19.0	3.1
Czech Republic	162.1	9.9	148.6	17.3
Denmark	104.6	8.3	90.9	14.3
Estonia	17.4	:(u)	16.1	:(u)
Finland	91.4	7.8	78.8	13.7
France	987.2	64.7	905.1	95.1
Germany	1,089.6	103.9	932.8	152.3
Greece	164.1	7.0	153.1	15.5
Hungary	104.9	5.5	98.1	10.1
Ireland	51.5	3.1(u)	46.1	6.9
Italy	966.6	49.4	888.6	92.2
Latvia	27.2	:(u)	24.8	2.3(u)
Lithuania	59.2	5.0(u)	52.9	:(u)
Luxembourg	5.8	:(u)	5.5	0.6(u)
Malta	8.8	1.6	7.0	0.9
Netherlands	273.6(b)	26.6(b)	234.0(b)	36.6(b)
Poland	542.2(b)	46.7(b)	483.4(b)	46.5(b)
Portugal	149.0	8.5	131.7	19.7
Romania	218.0	23.7	193.2	10.0(u)
Slovakia	69.4	4.1	63.7	6.1
Slovenia	20.4	1.4(u)	18.7	1.1(u)
Spain	713.8	40.2	641.7	78.6
Sweden	204.3	16.2	173.3	31.3
United Kingdom	709.3	83.2	577.0	105.0

<sup>28</sup> Working conditions and job quality:  
Comparing sectors in Europe, Eurofound,  
Dublin, 2014, p 15

<sup>29</sup> Eurostat, Employment by sex, age and  
detailed economic activity - lfsa\_egan22d

As can be seen from Table 8, albeit with differing age categories, the overwhelming majority of workers in wholesale in ESSC Commerce partner countries are in the intermediate band (25-54), with Croatia having the highest percentage. There is a relatively high percentage of older workers in Denmark, and a significant jump in the number of older workers in the Netherlands from 2012 to 2013. Generally there is a low level of younger workers in all countries, with the Netherlands as an obvious exception, at least for 2011 and 2012. Does this mean that the wholesale sector is unattractive to younger workers, or does it mean that employers are loath to take on new (young) employees in these uncertain economic times?



**Table 8: Employment and age in wholesale in ESSC Commerce partner countries (%)**

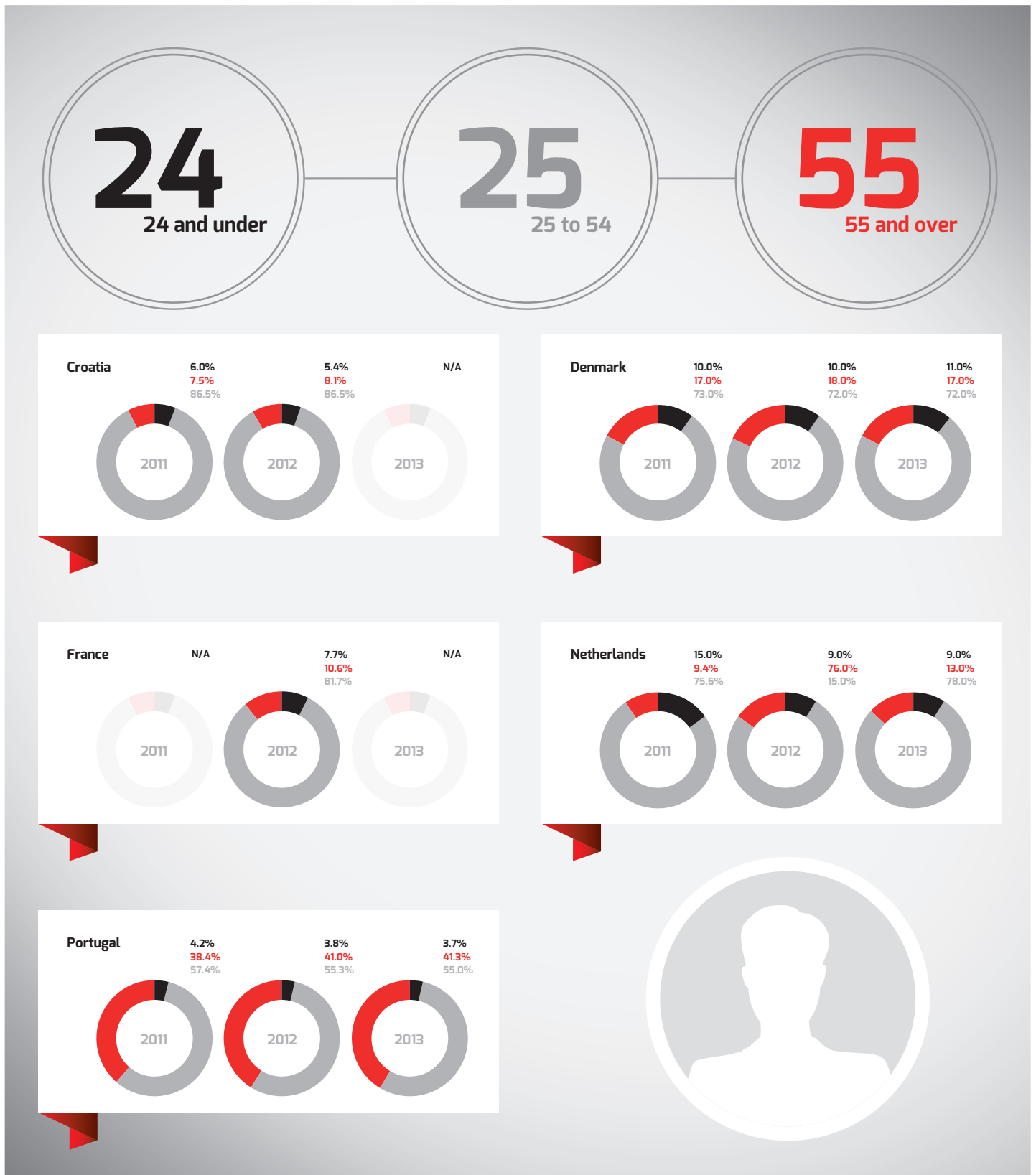
NA = not available

Source: ESSC Commerce partners

		2011	2012	2013
		%	%	%
BELGIUM	24 and under	NA	NA	NA
	25-54	NA	NA	NA
	55 and over	NA	NA	NA
CROATIA	24 and under	6.0%	5.4%	NA
	25-54	86.5%	86.5%	NA
	55 and over	7.5%	8.1%	NA
DENMARK	24 and under	10.0%	10.0%	11.0%
	25-54	73.0%	72.0%	72.0%
	55 and over	17.0%	18.0%	18.0%
FRANCE	24 and under	NA	7.7%	NA
	25-54	NA	81.7%	NA
	55 and over	NA	10.6%	NA
NETHERLANDS	24 and under	15.0%	15.0%	9.0%
	24-54	75.6%	76.0%	78.0%
	55 and over	9.4%	9.0%	13.0%
PORTUGAL <sup>30</sup>	24 and under	4.2%	3.8%	3.7%
	25-44	57.4%	55.3%	55.0%
	45 and over	38.4	41.0%	41.3%
SPAIN	24 and under	NA	NA	NA
	25-44	NA	NA	NA
	45 and over	NA	NA	NA

<sup>30</sup> Note different age categories

Figure 4: Employment and age in wholesale in ESSC Commerce partner countries (%)

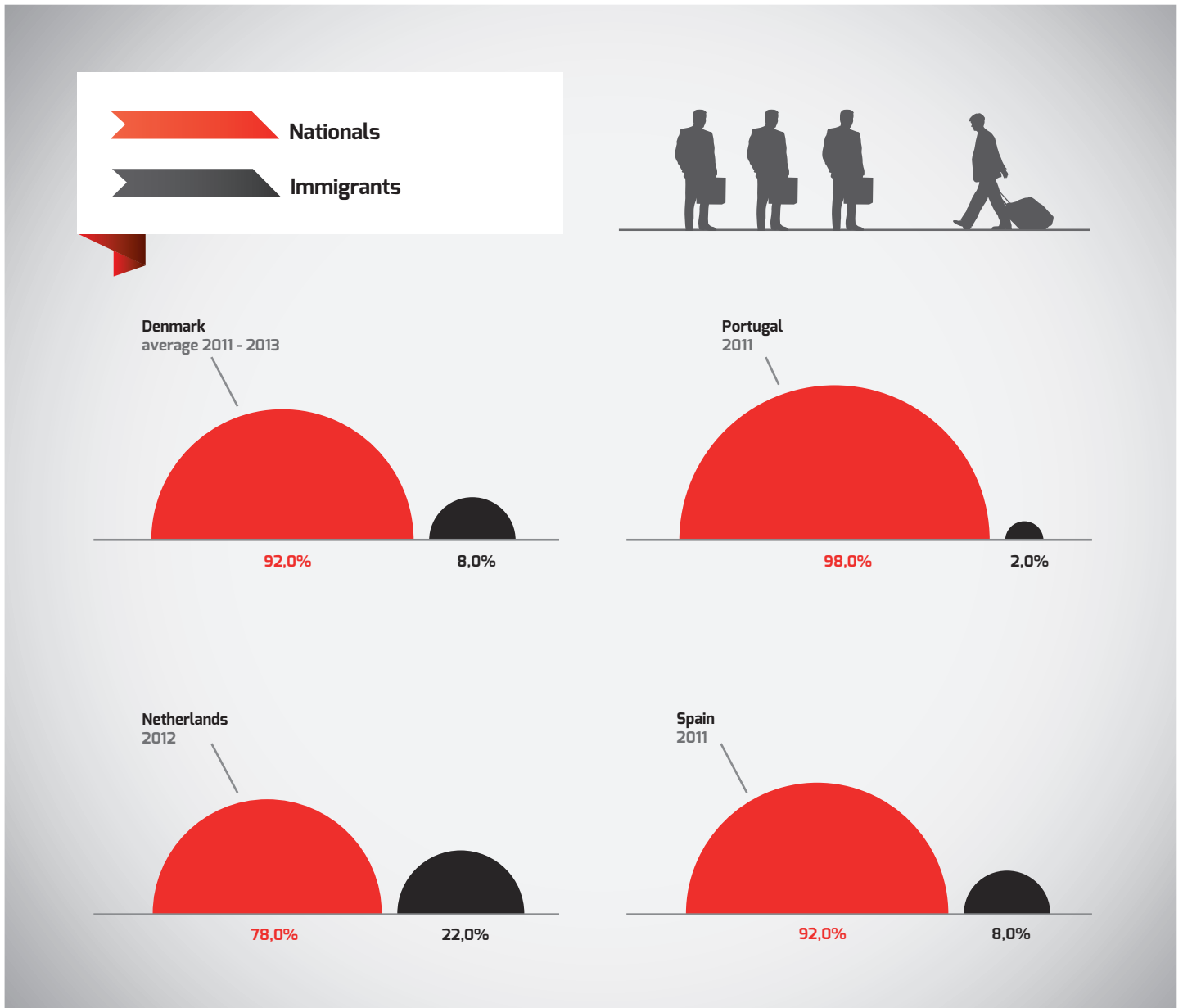


## Employment and national origin

There are no European statistics relating to employment and national origin in the wholesale sector, and the data provided by ESSC Commerce partners is limited. However, it does show that within this very small sample there is a relatively low level of migrant labour in the wholesale sector, particularly in Portugal, with the clear exception of the Netherlands.

**Figure 5: Employment and national origin in wholesale in ESSC Commerce partner countries (%)**

Source: ESSC Commerce partners



## Forms of employment for persons working in wholesale in ESSC Commerce partner countries

There are no European statistics relating to different forms of employment within the wholesale sector as such.<sup>31</sup> However Eurofound has noted that in comparison with other sectors there is a relatively high percentage of employees within the wholesale sector on indefinite contracts, just over 80%.<sup>32</sup>

The forms of employment in ESSC Commerce partner countries are very diverse and difficult to reproduce in tabular form. In Croatia all employees are on full time contracts, with a vast majority permanent (87.2% in 2011 and 86.2% in 2012) and a minority fixed term (12.7% in 2011 and 13.9% in 2012). In Spain there is no differentiation in the figures between full time and part time, and a clear majority is on permanent contracts (72.46% in 2011 and 73.43% in 2012), while 13.60% (2011) and 12.51% (2012) are on fixed term fulltime and part time contracts respectively. In addition, and this is major distinguishing factor vis-à-vis the other countries, 13.93% (2011) and 14.06% (2012) of the workforce are unpaid, which for the

most part means trainees. In Portugal the vast majority of persons employed are on different types of contract (fulltime/part-time/permanent/temporary) - 82.6% in 2011, 81.6% in 2012 and 80.2% in 2013. However here there is a significant differentiating factor - the high percentage of self-employed persons (16.8% in 2011, 17.6% in 2012 and 19.1% in 2013). In France in 2012 90% of the persons employed were on permanent contracts, whether full time or part-time; 6.9% were on fixed term contracts; and 3.1% were working for interim agencies. Of these 93.1% were on fulltime contracts and 6.9% were part-time.

Denmark does not have specific statistics for wholesale, but for the entire commerce sector. Employees are on permanent contracts in Denmark, two thirds of which are fulltime (64.9% in 2011, 64.9% in 2012 and 64.2% in 2013) and one third part time (35.1% in 2011, 35.1% in 2012 and 35.8% in 2013).

<sup>31</sup> They are presented within the overall category for distributive trades which includes retail and the repair of motor vehicles and motorcycles sector

<sup>32</sup> Working conditions and job quality: Comparing sectors in Europe, Eurofound, Dublin, 2014, p 17

## Employment and educational attainment in wholesale in ESSC Commerce partner countries

There are no European statistics relating to the educational attainment of persons employed in wholesale. However the Eurofound survey provides some information about continuing vocational education and training, and in wholesale just over 30% of those questioned said that they had received employer-paid training – slightly higher than the EU average.<sup>33</sup>

There is some limited data provided by ESSC Commerce partners, as can be seen in Figure 6. An absolute majority of persons employed in wholesale in Croatia and the Netherlands have ISCED levels 3 and 4. In France and in Portugal however an absolute majority have ISCED levels 1 and 2. In the Netherlands there is a relatively high percentage of employees with ISCED levels 1 and 2. Croatia and the Netherlands have relatively high percentages of employees with ISCED levels 5 and 6, whereas in France the level is considerably lower.

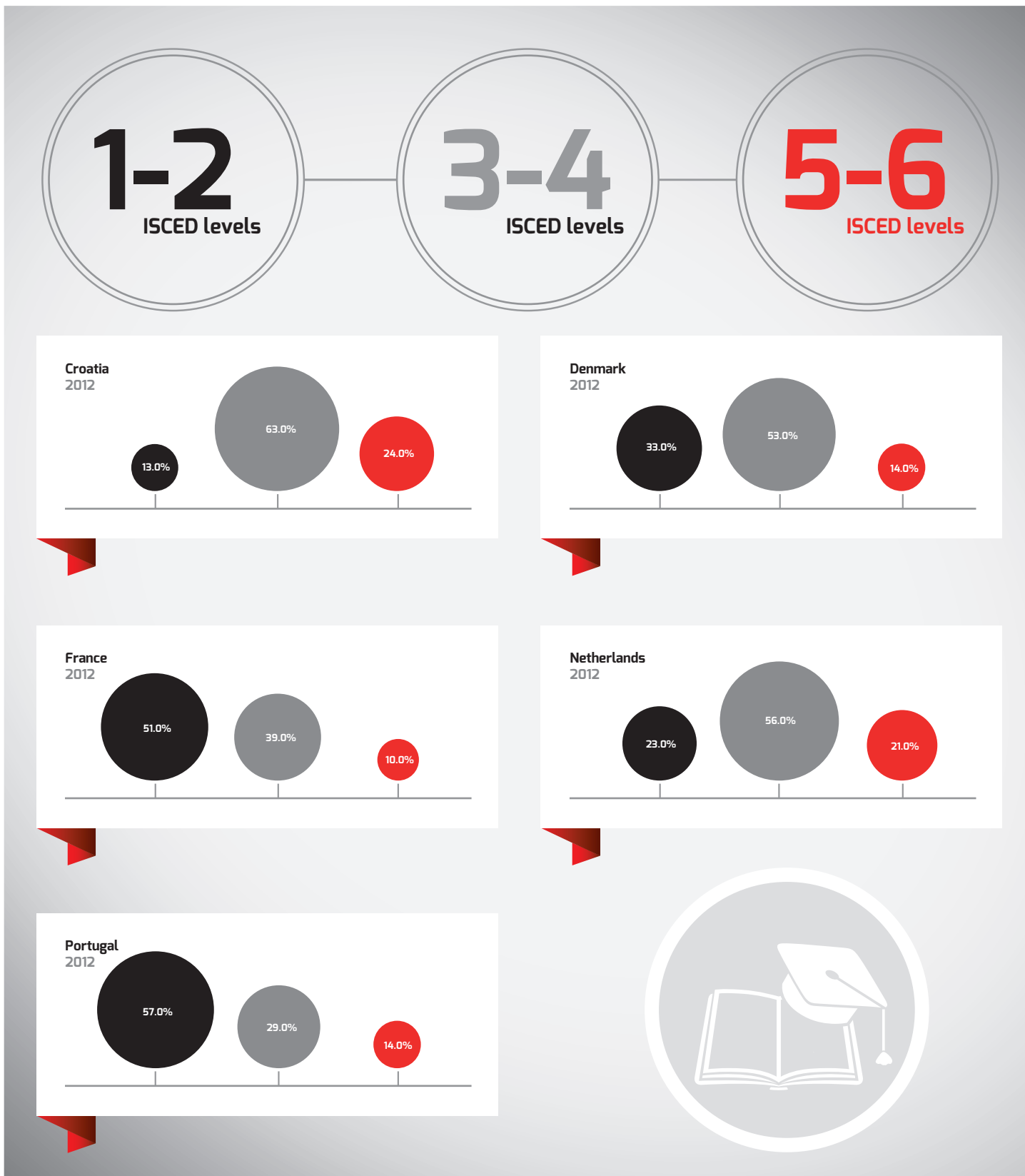
Here again Denmark does not have specific statistics for wholesale, but for the entire commerce sector.



<sup>33</sup> *idem*. p 30.

**Figure 6: Employment and levels of educational attainment in wholesale in ESSC Commerce partner countries (%)**

Source: ESSC partners



## Supplementary information on employment in wholesale in ESSC partner countries

Some ESSC Commerce partner countries provide further figures, which makes it possible to cross-reference different categories and give a more sophisticated view of the structure of employment in wholesale.

In Denmark, for example, it is possible to cross-reference age and gender: for 2012 37.3% of women employees were 24 years of age and under, 51.7% in the age bracket 25-54, and 11.1% were 55 and over; 26.0% of the men were 24 years of age and under, 57.9% in the age bracket 25-54, and 16.1% were 55 and over.<sup>34</sup>

In France it is possible to cross-reference gender and types of occupation, and this analysis shows that 24.1% of the men working in wholesale are managers/executives, whereas only 16.6% of the women are. Moreover, in the light of figures shown above that wholesale is a male-dominated sector, this disparity takes on more significant proportions. In addition 15% of women in the sector work part-time, whereas the figure for men is 3%.

In Portugal, for example, it is possible to cross-reference gender with age, gender with forms of employment, gender with levels of educational attainment and age with educational attainment. In 2012 68% of those 24 years old and under were women, with 32% men; 67% of those between 25 and 44 were women, with 33% men; and 76% of those over 45 were women, with 24% men. In terms of forms of employment 35.1% of those with a contract were women, with 64.9% men; 20.9% of the

self-employed were women, with 79.1% men. In terms of educational attainment and gender, 21.7% of those with ISCED levels 1 and 2 were women, with 78.3% men; 46.6% of those with ISCED levels 3 and 4 were women, with 53.3% men; and 49% of those with ISCED levels 5 and 6 were women, with 51% men. In terms of educational attainment and age, 38.2% of those with ISCED levels 1 and 2 were 24 and under, 46.5% were aged between 25 and 44 and 73.2% were 45 and over; 52.7% of those with ISCED levels 3 and 4 were 24 and under, 34.7% were aged between 25 and 44 and 18.0% were 45 and over; and 9.1% of those with ISCED levels 5 and 6 were 24 and under, 18.8% were aged between 25 and 44 and 8.8% were over 45.



<sup>34</sup> Other cross-referenced categories exist but they refer to wholesale and retail together and are not disaggregated.



## Retail

In retail, as can be seen from Table 9, there were 18,561,500 persons employed in 2010 throughout the European Union, with particularly significant numbers in Germany and the United Kingdom, and to a lesser extent in France, Italy and Spain.<sup>35</sup>

**Table 9: Number of persons employed, retail, 1000s, 2010**

Source: <sup>36</sup>

However here again these figures are not recognised by all ESSC Commerce partners. The Netherlands has a marginally lower figure – 772,000. Spain has a marginally higher figure of 1,733,045. Belgium has a much lower figure of 252,800.

Retail provides significantly more employment than wholesale in all countries. Its relative importance at the national level varies considerably. At one end of the spectrum approximately 7.3 percent of the Maltese workforce is employed in retail and 11.3% of the Latvian workforce at the other.<sup>37</sup> As to ESSC Commerce partner countries, the figure for Belgium is 6.8%; France, 7.5%; Denmark, 8.1%; Portugal, 8.6% and Netherlands, 8.9%.<sup>38</sup>

Overall the trend is generally upwards from 2000. There is a 5.7% increase during the period 2000-2010 for the EU-27, 4.7% for France, 6.4% for the Netherlands and 9% for Belgium. The figure for Denmark remained stable during this period. Portugal was the only country to experience a decline (-1.8%).<sup>39</sup>

	Number of persons employed	
	Thousands	%
EU-27	18,561.5	100.0%
Austria	3,43.3	1.8%
Belgium	318	1.7%
Bulgaria	311.3	1.7%
Croatia	140.1	0.8%
Cyprus	37.8	0.2%
Czech Republic	357.8	1.9%
Denmark	223.4	1.2%
Estonia	44.8	0.2%
Finland	163.6	0.9%
France	1904.9	10.3%
Germany	3,333.3	18.0%
Greece	:	
Hungary	322	1.7%
Ireland	211.3	1.1%
Italy	1,893.2	10.2%
Latvia	91.3	0.5%
Lithuania	129	0.7%
Luxembourg	23	0.1%
Malta	:	
Netherlands	810.4	4.4%
Poland	1,291.6	7.0%
Portugal	459	2.5%
Romania	471.5	2.5%
Slovakia	191.7	1.0%
Slovenia	55.8	0.3%
Spain	1,712.7	9.2%
Sweden	311.4	1.7%
United Kingdom	3,043.9	16.4%

<sup>35</sup> There is however another figure (18,824,100) in the series, National Accounts by 64 branches – employment data, produced by Eurostat

<sup>36</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Retail\\_trade\\_statistics\\_-\\_NACE\\_Rev.\\_2](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Retail_trade_statistics_-_NACE_Rev._2)

<sup>37</sup> Eurostat, National accounts by 64 branches – employment data - nama\_nace64\_e

<sup>38</sup> There is no figure for Spain in these statistics - National Accounts by 64 branches – employment data

<sup>39</sup> Eurostat, National accounts by 64 branches – employment data - nama\_nace64\_e

**Table 10: Number of persons employed by enterprise size, retail, 1000s & %, 2010**Source:<sup>40</sup>

	Total (thousands)	LARGE	SMEs	Micro <10	Small <50	Medium<250
EU-27	18,561.5	37.2%	63.0%	38.3%	15.8%	8.8%
Austria	343.3	45.7%	54.3%	28.6%	18.3%	7.4%
Belgium	318	31.4%	68.6%	43.4%	18.4%	6.8%
Bulgaria	311.3	9.2%	90.8%	60.8%	20.5%	9.5%
Croatia	140.1	41.4%	58.6%	31.7%	14.3%	12.6%
Cyprus	37.8	18.6%	81.4%	48.4%	19.3%	13.7%
Czech Republic	357.8	32.7%	67.3%	44.0%	15.5%	7.8%
Denmark	223.4	45.0%	55.0%	20.4%	22.3%	12.4%
Estonia	44.8			23.5%		19.1%
Finland	163.6	47.5%	52.5%	24.2%	20.3%	8.0%
France	1,904.9	35.3%	64.7%	38.0%	14.9%	11.8%
Germany	3,333.3	39.2%	60.8%	25.7%	23.3%	11.8%
Greece	:					
Hungary	322	25.8%	74.2%	50.2%	15.8%	8.3%
Ireland	211.3			25.0%	24.1%	
Italy	1,893.2	19.1%	80.9%	63.3%	12.2%	5.4%
Latvia	91.3	26.8%	73.2%	34.3%	22.3%	16.6%
Lithuania	129	32.0%	68.0%	35.5%	18.7%	13.9%
Luxembourg	23			27.5%	25.0%	
Malta						
Netherlands	810.4	41.2%	58.8%	30.7%	17.5%	10.5%
Poland	1,291.6	23.7%	76.3%	55.7%	10.8%	9.8%
Portugal	459	24.2%	75.8%	54.5%	14.1%	7.2%
Romania	471.5	18.6%	81.4%	49.5%	22.4%	9.5%
Slovakia	191.7	25.1%	74.9%	49.2%	18.8%	6.9%
Slovenia	55.8	48.7%	51.3%	23.9%	11.4%	16.1%
Spain	1,712.7	30.3%	69.7%	53.9%	11.4%	4.4%
Sweden	311.4	37.8%	62.2%	31.0%	18.0%	13.3%
United Kingdom	3,043.9	68.6%	31.4%	13.0%	12.0%	6.3%

<sup>40</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Retail\\_trade\\_statistics\\_-\\_NACE\\_Rev.\\_2](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Retail_trade_statistics_-_NACE_Rev._2)

The number of persons employed in retail who work for SMEs stands at 63.0% for the entire EU-27. However the figure is much lower than in wholesale (81.2%). Only in Bulgaria does the figure go above 90% (slightly), and only in Italy, Cyprus and Romania above 80%. At the other end of the spectrum only 31.4% of the British retail workforce is to be found in SMEs. Micro enterprises, ie. those with less than 10 employees, form the largest category of SMEs in many countries but less so than in wholesale.

In terms of ESSC Commerce partner countries, the percentage of persons employed in SMEs in Denmark is 55%; Croatia 58.6%; Netherlands, 58.8%; France, 64.7%; Belgium is 68.6%; Spain 69.7%; and Portugal, 75.8%.

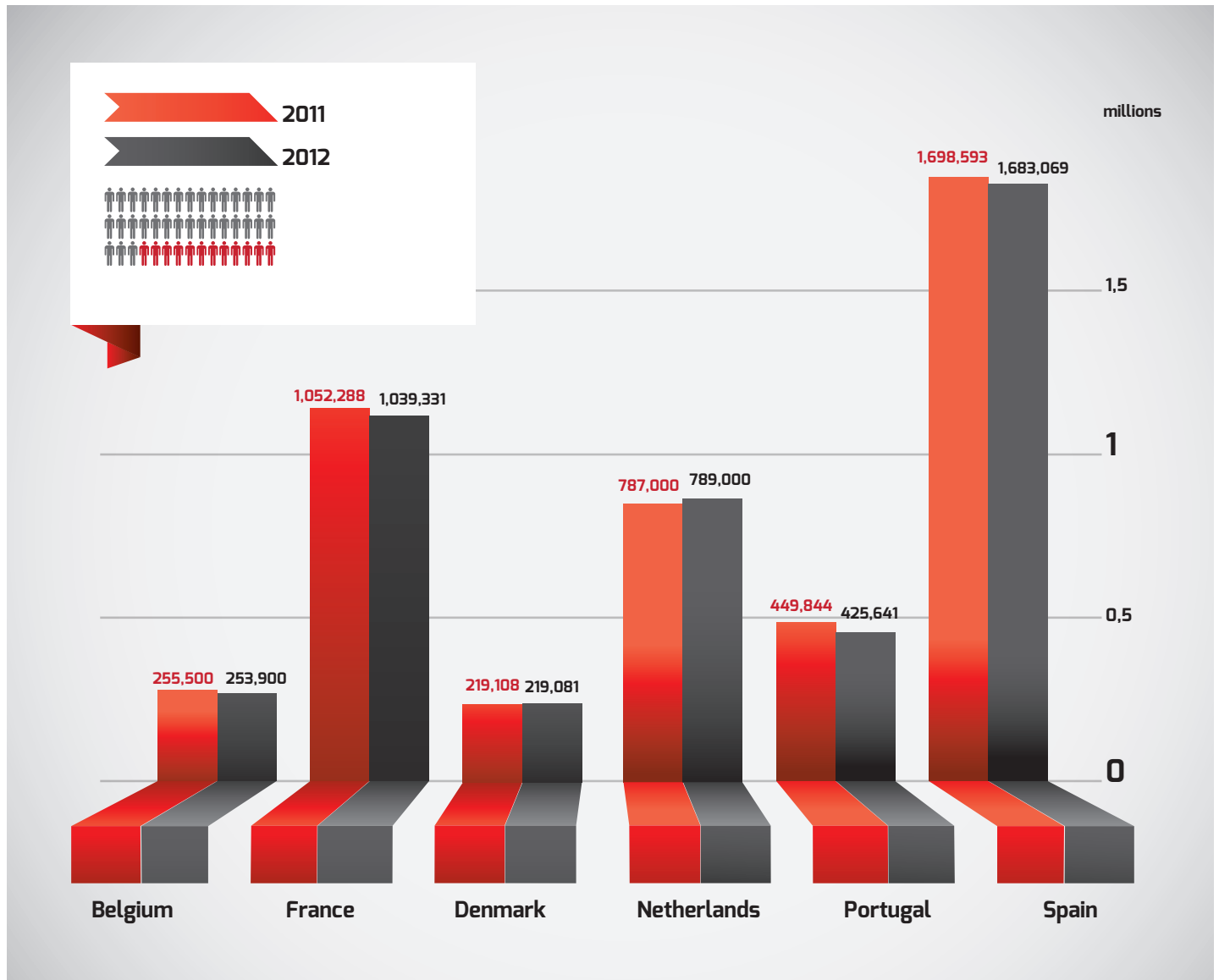
## Latest employment trends in retail in some ESSC Commerce partner countries (2011-2013)

In terms of recent employment trends in retail further data has been provided by Eurostat. There were 18,835,500 persons employed in the EU in 2011 (National Accounts by 64 branches – employment data). In terms of ESSC Commerce partner countries Eurostat has the following: 306,000 in Belgium for 2011 and 305,900 for 2012; 226,000 for Denmark in 2011; 2,025,600 for France in 2011; 786,900 for the Netherlands in 2011 and 788,500 in 2012; 428,400 for 2011 in Portugal; but no figures for Croatia or Spain.

According to data provided directly by ESSC Commerce partners, the figures are slightly different, with the exception of Belgium where the figures are significantly different. The trend has been generally upwards in the Netherlands with figures of 787,000 in 2011 and 789,000 in 2012. In other countries the trend has been generally downward: in Belgium 255,500 in 2011 and 253,900 in 2012; in Spain 1,698,593 in 2011 and 1,683,069 in 2012; in France 1,052,288 in 2011 and 1,039,331 in 2012; in Denmark the figures were stable in 2011 (219,108) and 2012 (219,091). In Portugal there was an increase to 449,844 in 2011 and a decrease the following year to 425,641.



Figure 7: Employment trends in retail in ESSC Commerce partner countries (2011-2012)



## Employment and Gender

There are significantly more women working in retail in all countries than men, except Malta, and this provides a clearly contrasting image with the situation in wholesale. The proportion is more or less 2:1 for the entire EU (63:37), but with a higher proportion of men in some countries, notably Denmark, Greece, France, Italy, Cyprus, Sweden and the United Kingdom. According to the analysis carried out by Eurofound, retail is one of the most female-dominated sectors – only activities of households as employers, social work activities, residential care activities, human health activities, education, textiles and clothing, and other service activities are more so.<sup>41</sup>

<sup>41</sup> Working conditions and job quality: Comparing sectors in Europe, Eurofound, Dublin, 2014, p 14

**Table 11: Employment and gender, retail, 1 000s, 2010**

b = break in the time series

Source: <sup>42</sup>

	Total	Males	Females	Males	Females
	1000s	1000s	1000s	%	%
EU-27	18,663.7	6982.5	11,681.1	37.4%	62.6%
Austria	348.4	107.4	241	30.8%	69.2%
Belgium	350.4	145.3	205.1	41.5%	58.5%
Bulgaria	356.3	121.9	234.5	34.2%	65.8%
Croatia	130	39.8	90.1	30.6%	69.3%
Cyprus	42.7	17.4	25.3	40.7%	59.3%
Czech Republic	351.9	107	244.9	30.4%	69.6%
Denmark	238.6	105.7	132.9	44.3%	55.7%
Estonia	48.6	9.4	39.2	19.3%	80.7%
Finland	162.8	50.7	112.1	31.1%	68.9%
France	1,919.2	763.9	1,155.2	39.8%	60.2%
Germany	3,259.8	1045.4	2,214.4	32.1%	67.9%
Greece	530.1	257.1	273	48.5%	51.5%
Hungary	358.6	119.9	238.7	33.4%	66.6%
Ireland	185.5	68.5	117	36.9%	63.1%
Italy	1,848.8	872.4	976.4	47.2%	52.8%
Latvia	89.9	16.5	73.3	18.4%	81.5%
Lithuania	129.9	33.1	96.8	25.5%	74.5%
Luxembourg	9	3.2	5.8	35.6%	64.4%
Malta	13.8	8.1	5.7	58.7%	41.3%
Netherlands	695.5(b)	264.2(b)	431.3(b)	38.0%	62.0%
Poland	1,430.8 (b)	421.1(b)	1,009.7(b)	29.4%	70.6%
Portugal	436.5	182.5	254	41.8%	58.2%
Romania	771.1	253.9	517.1	32.9%	67.1%
Slovakia	195.2	47.4	147.7	24.3%	75.7%
Slovenia	80.4	28.7	51.8	35.7%	64.4%
Spain	1,833.5	683.1	1,150.4	37.3%	62.7%
Sweden	267	102.1	164.9	38.2%	61.8%
United Kingdom	2,709.2	1,146.4	1,562.8	42.3%	57.7%

<sup>42</sup> Eurostat - Employment by sex, age and detailed economic activity - lfsa\_egan22d

According to data provided by ESSC Commerce partner countries for the period 2011-2013 the pattern continues. As can be seen from Table 12, the proportion is more or less 2:1, with the exception of Denmark and the Netherlands, where the percentage of men is higher.

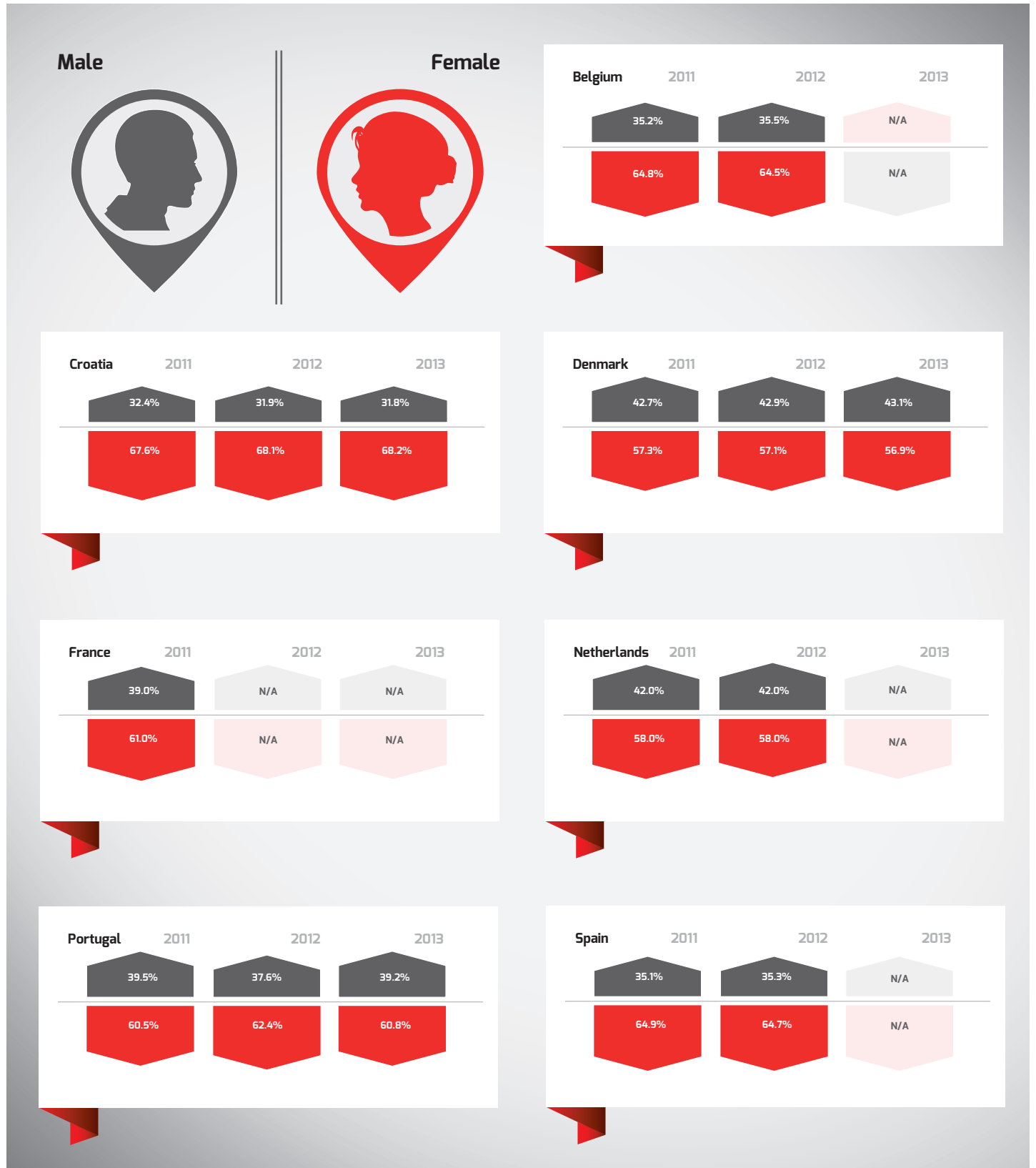
**Table 12: Employment and gender in retail in ESSC Commerce partner countries (%)**

NA = not available

Source: ESSC Commerce partners

		2011	2012	2013
BELGIUM	Male	35.2%	35.5%	NA
	Female	64.8%	64.5%	NA
CROATIA	Male	32.4%	31.9%	31.8%
	Female	67.6%	68.1%	68.2%
DENMARK	Male	42.7%	42.9%	43.1%
	Female	57.3%	57.1%	56.9%
FRANCE	Male	39.0%	NA	NA
	Female	61.0%	NA	NA
NETHERLANDS	Male	42.0%	42.0%	NA
	Female	58.0%	58.0%	NA
PORTUGAL	Male	39.5%	37.6%	39.2%
	Female	60.5%	62.4%	60.8%
SPAIN	Male	35.1%	35.3%	NA
	Female	64.9%	64.7%	NA

Figure 8: Employment and gender in retail in ESSC Commerce partner countries (%)



## Employment and age

The overwhelming majority of workers in retail in the EU are in the 25-59 category. There is however a very significant number of employees aged 24 and under (3,241,600) who have recently entered the retail sector, but a lower number of older workers starting to consider leaving the sector. According to analysis carried out recently by Eurofound, retail has one of the highest levels of employment of young people and one of the lowest percentage of 50+ year olds when compared with other sectors. <sup>43</sup>

**Table 13: Employment and age, retail, 1 000s, 2010**

b = break in time series

Source: <sup>44</sup>

	15 to 64	15 to 24	25 to 59	55 to 64
EU-27	18,663.7	3,241.6	14,787.9	1,933.4
Austria	348.4	62.9	279.8	30.6
Belgium	350.4	48.8	289.8	36.6
Bulgaria	356.3	35.6	308.3	35.9
Croatia	130.0	17.9	110.6	9.7(u)
Cyprus	42.7	5.9	34.8	5.4
Czech Republic	351.9	33.9	306.7	39.8
Denmark	238.6	107.7	123.7	19.9
Estonia	48.6	4.8	42.1	7.7
Finland	162.8	43.7	111.9	19.0
France	1,919.2	303.5	1,576.8	179.6
Germany	3,259.8	489.6	2,625.7	443.1
Greece	530.1	41.1	468.1	53.2
Hungary	358.6	30.6	322.6	31.3
Ireland	185.5	49.7	130.1	16.1
Italy	1,848.8	167.8	1,620.2	177.2
Latvia	89.9	10.9	77.0	10.0
Lithuania	129.9	12.3	114.8	9.8
Luxembourg	9.0	1.0	7.8	1.1
Malta	13.8	3.4	10.0	1.3
Netherlands	695.5(b)	299.1(b)	372.0(b)	60.6(b)
Poland	1,430.8(b)	208.7(b)	1,190.7(b)	115.7(b)
Portugal	436.5	58.4	358.4	48.2
Romania	771.1	79.9	687.2	34.0
Slovakia	195.2	17.5	175.7	15.1
Slovenia	80.4	9.9	69.9	4.7
Spain	1,833.5	193.7	1,566.5	187.2
Sweden	267.0	75.1	178.8	30.7

<sup>43</sup> Idem, p 15

<sup>44</sup> Eurostat - Employment by sex, age and detailed economic activity - lfsa\_egan22d



The overwhelming majority of workers in retail in ESSC Commerce partner countries are in the intermediate category, with Croatia having the highest percentage by far. There is a relatively high percentage of older workers in France and in Portugal (although the category in the latter is bigger). There is a very high level of young workers in Denmark and the Netherlands. Unlike in the wholesale sector, the retail sector is often the entry point into the labour market for many young people, and employers are clearly willing to take on new (young) employees, even in these uncertain economic times.

**Table 14: Employment and age in retail in ESSC Commerce partner countries (%)**

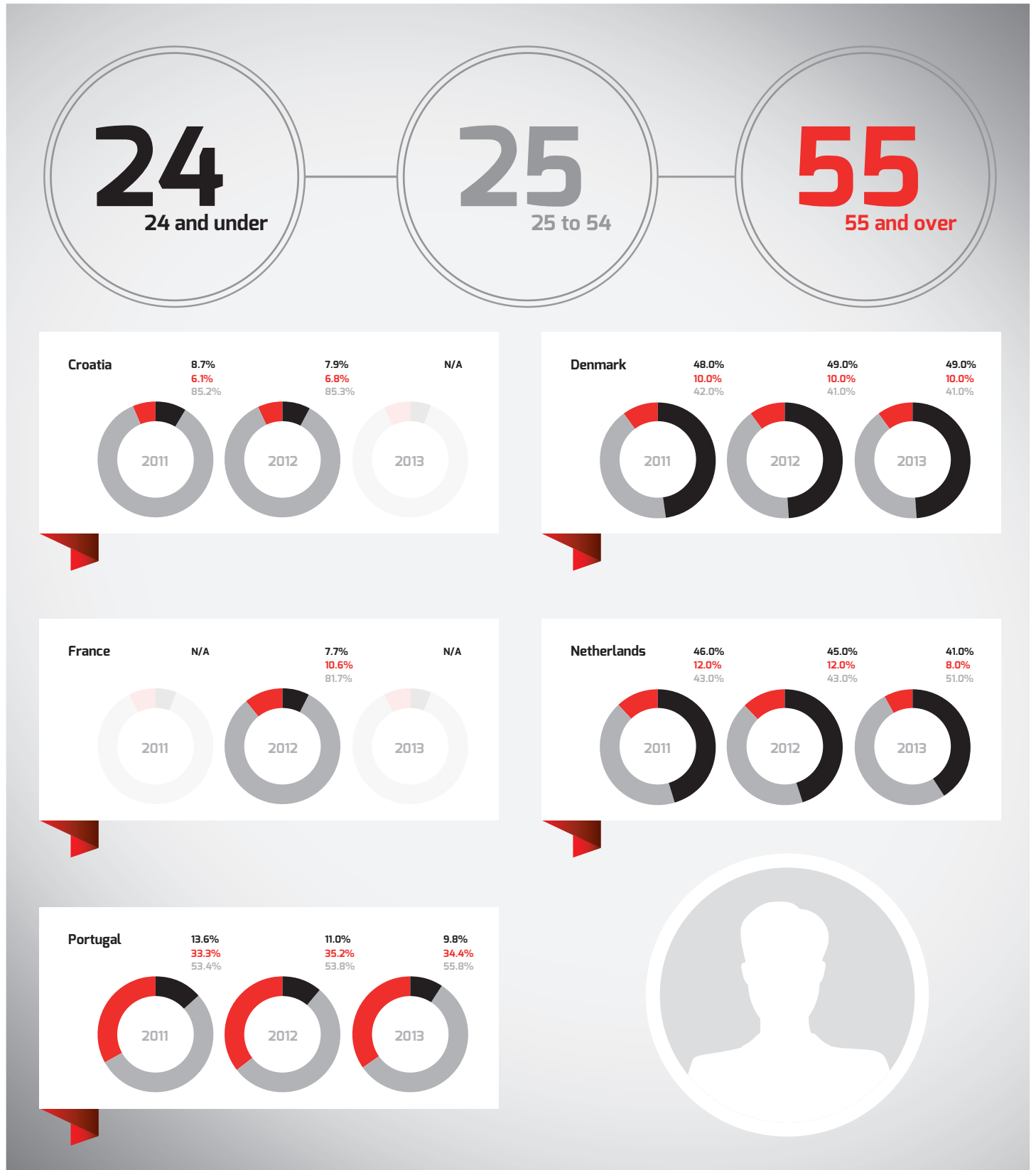
NA = not available

Source: ESSC Commerce partners

\* Different age groups

		2011	2012	2013
		%	%	%
BELGIUM	24 and under	NA	NA	NA
	25-54	NA	NA	NA
	55 and over	NA	NA	NA
CROATIA	24 and under	8.7%	7.9%	NA
	25-54	85.2%	85.3%	NA
	55 and over	6.1%	6.8%	NA
DENMARK	24 and under	48.0%	48.0%	49.0%
	25-54	42.0%	41.0%	41.0%
	55 and over	10.0%	10.0%	10.0%
FRANCE*	24 and under	17.0%	NA	NA
	26-54	75.0%	NA	NA
	55 and over	22.0%	NA	NA
NETHERLANDS	24 and under	46.0%	45.0%	41.0%
	24-54	43.0%	43.0%	51.0%
	55 and over	12.0%	12.0%	8.0%
PORTUGAL*	24 and under	13.3%	11.0%	9.8%
	25-44	53.4%	53.8%	55.8%
	45 and over	33.3%	35.2%	34.4%
SPAIN	24 and under	NA	NA	NA
	25-44	NA	NA	NA
	45 and over	NA	NA	NA

Figure 9: Employment and age in retail in ESSC Commerce partner countries (%)

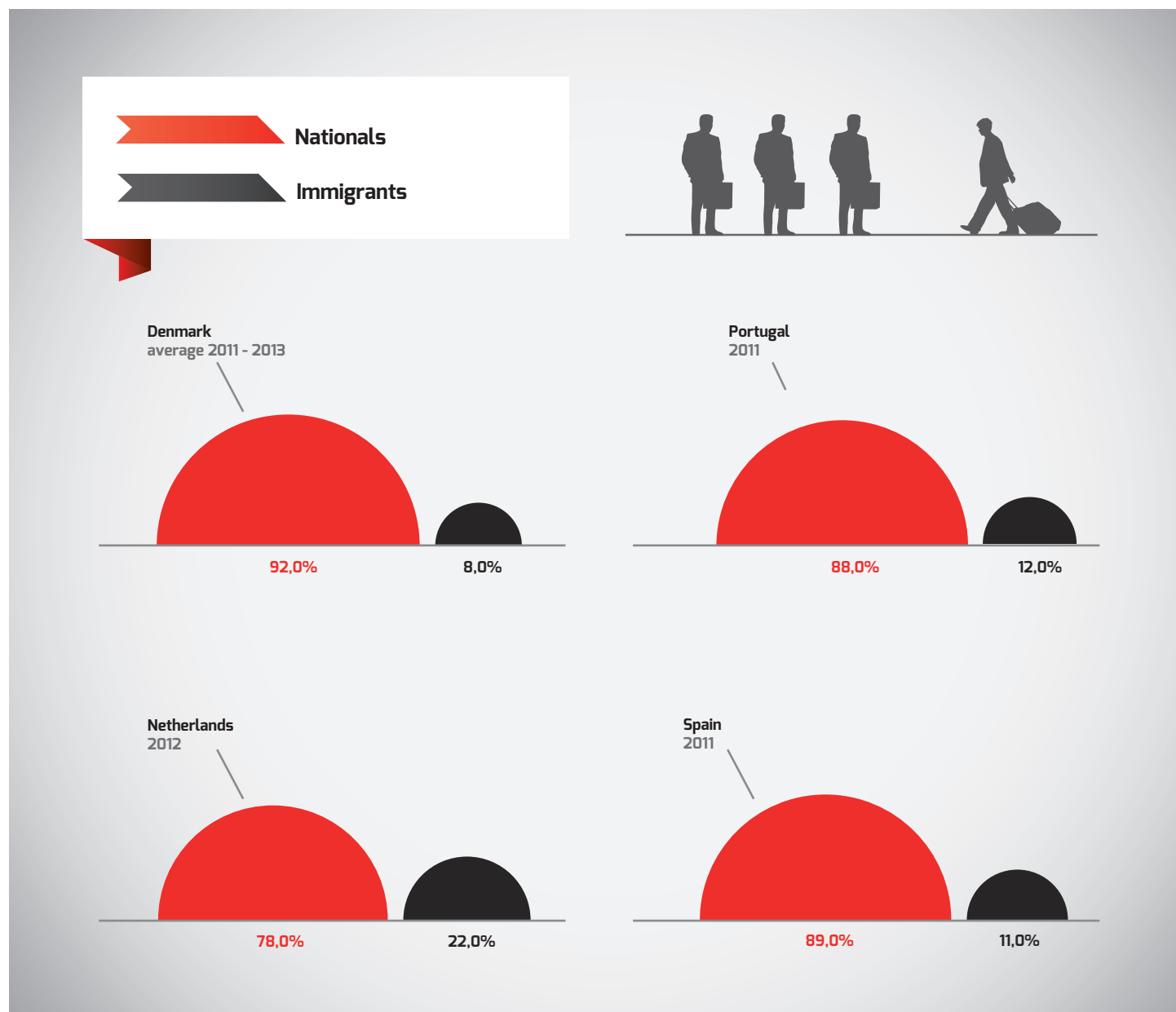


## Employment and national origin

There are no European statistics relating to employment and national origin in the retail sector, and the data provided by ESSC Commerce partners is particularly limited. It nevertheless shows that there is a relatively low level of immigrant labour in retail in Denmark, Portugal and Spain, but a higher level in the Netherlands.

**Figure 10: National origin of persons employed in retail in ESSC Commerce partner countries (%)**

Source: ESSC Commerce partners



## Forms of employment

Eurostat does not provide statistics for the different forms of employment within the retail sector as such.<sup>45</sup> However according to Eurofound, there is a relatively high percentage of employees within the retail sector on indefinite contracts (just over 75%). However in relative terms retail is a sector with a low level of persons employed on indefinite contracts (26th out of 33 sectors).<sup>46</sup>

Here again forms of employment are very diverse and difficult to reproduce in tabular form.<sup>47</sup> In Spain there is no differentiation in the figures between full time and part time, and a majority is on permanent contracts (60.88% in 2011 and 61.07% in 2012); 12.48% (2011) and 12.00% (2012) are on fixed term fulltime and part time contracts respectively. In addition, and this is a major distinguishing factor again, a significant minority, 26.64% (2011) and 26.93% (2012), is unpaid. In Portugal there is a category of unpaid workers, but it is very small.<sup>48</sup> The vast majority of persons employed are on different types of contract (fulltime/part-time/permanent/temporary) - 72.1% in 2011, 72.0% in 2012 and 70.7% in 2013. However there is a significant differentiating factor - the high percentage of self-employed persons. 24.5% in 2011, 26.5% in 2012 and 27.4% in 2013. In Croatia all employees are on full time contracts, with a vast majority permanent (79.33% in 2011), and a minority fixed term (20.38 in 2011).<sup>49</sup> In the Netherlands there is no distinction in the figures between permanent and fixed term

employment – 30% are on 40 hour contracts, 11% are on 32-36 contracts, 14% are on 24-32 hour contracts, 18% are on 12-24 hour contracts and 27% work less than 12 hours per week. In France a vast majority are on permanent contracts (88%), with 12 % on fixed term contracts, and 73% are full time, with 27% part time (2011).

## Employment and educational attainment

There are no European statistics relating to the educational attainment of persons employed in retail. However the Eurofound survey provides some information about continuing vocational education and training, and in wholesale just over 20% of those questioned said that they had received employer-paid training – a sector with one of the lowest levels.<sup>50</sup>

There is some limited data provided by ESSC Commerce partners, as can be seen in Figure 11. In terms of educational attainment the majority of employees in Croatia have ISCED levels 3 and 4. This is the case for the Netherlands in 2012, but not in 2011. In Portugal, however, there is a clear majority of persons employed in retail with ISCED levels 1 and 2.<sup>51</sup>

Here again Denmark does not have specific statistics for wholesale, but for the entire commerce sector.

<sup>45</sup> They are presented within the overall category for distributive trades which includes retail and the repair of motor vehicles and motorcycles sector

<sup>46</sup> Working conditions and job quality: Comparing sectors in Europe, Eurofound, Dublin, 2014, p 17

<sup>47</sup> The Danish figures have not been repeated. They are to be found above in the similar part of the wholesale section.

<sup>48</sup> 1.4% in 2011, 1.5% in 2012 and 1.9% in 2013.

<sup>49</sup> Trainees (0.29% in 2011)

<sup>50</sup> idem. p 30.

<sup>51</sup> International Standard Classification of Education (ISCED)

Level 1: Primary education or first stage of basic education

Level 2: Lower secondary or second stage of basic education

Level 3: (Upper) secondary education

Level 4: Post-secondary non-tertiary education (i.e. technical specialised schools)

Level 5: First stage of tertiary education (i.e. Bachelor degree)

Level 6: Advanced research qualification (i.e. Masters, PhD)

**Figure 11: Employment and levels of education attainment in retail in ESSC Commerce partner countries %**

Source: ESSC Commerce partners



According to one of the French ESSC Commerce partners, ‘traditionally education attainment and the qualification obtained in the formal education process have never constituted a decisive criterion for recruitment in commerce, and this includes white collar workers. Recruitment criteria have been based above all on individual attributes (motivation, rigour, adaptability, aptitude for managing, readiness for change), more than knowledge gained in the formal education process and even technical skills. Internal promotion remains an important channel for professional advancement. The sector recruits a variety of different persons, from the non-qualified to those with a Masters qualification’.<sup>52</sup>

<sup>52</sup> FORCO

## Supplementary information on employment

Some ESSC Commerce partner countries provide further figures, which makes it possible to cross-reference different categories and give a more sophisticated view of the structure of employment in retail.

In Denmark it is possible to cross-reference age and gender: for 2012 37.3% of the women employees aged 24 and under, 51.7% in the age bracket 25-54, and 11.1% were 55 and over; 26.0% of the men were aged 24 and under, 57.9% in the age bracket 25-54, and 16.1% were 55 and over. Other cross-referenced categories exist but they refer to wholesale and retail together and are not differentiated.

In Portugal it is possible to cross-reference gender with age, gender with forms of employment, gender with levels of educational attainment and age with levels of educational attainment. In 2012 62% of those 24 and under were women, with 38% men; 56% of those between 25 and 44 were women, with 44% men; and 46% of those over 45 were women, with 54% men. In terms of forms of employment 66.4% of those with a contract were women, with 33.6% men; 51.2% of the self-employed were women, with 48.7% men. In terms of educational attainment and gender, 58% of those with ISCED levels 1 and 2 were women, with 42% men; 68.7% of those with ISCED levels 3 and 4 were women, with 31.3% men; and 67.7% of those with ISCED levels 5 and 6 were women, with 32.3% men. Finally In terms of educational attainment and age, 30.2% of those with ISCED levels 1 and 2 were 24 and under, 48.1% were aged between 25 and 44 and 80.3% were 45 and over; 57.7% of those with ISCED levels 3 and 4 were 24 and under, 35.8% were aged between 25 and 44 and 14.1% were 45

and over; and 12.1% of those with ISCED levels 5 and 6 were 24 and under, 16.0% were aged between 25 and 44 and 5.5% were over 45.

In Spain it is possible to cross-reference gender and forms of employment. In 2012 64.10% of those on permanent contracts are women, 35.90% are men; 68.81% of those employees on temporary contracts are women, 31.19% are men; 52.71% of those unpaid are women, 47.29% men.



## Forecasting in Wholesale and Retail

Given the importance attached to trying to reduce mismatches in the labour market, it is surprising to see there is relatively little work undertaken in the commerce sector to gain a better understanding of future skills needs. Moreover it is a point of some debate as to whether existing studies provide practical guidance for policy makers, training providers and employers, and of course potential employees.

At the European level the European Commission has recently set up a EU Skills Panorama which is run out of Cedefop, the European Centre for the Development of Vocational Training and which is described as a 'central access point for data, information and intelligence on trends for skills and jobs across Europe'.<sup>53</sup>

It produces a series of short Analytical Highlights, one of which is devoted to retail and distribution services and which foresees an overall increase in employment levels in commerce in the EU-28 from 32,416,000 in 2013 to 34,417,000 in 2025 (6.2%). In retailing it foresees an increase from 18,007,000 in 2013 to 19,037,000 in 2025 (5.7%). 'Among the 24 countries in the EU-28 for which retailing forecast data is available, 19 countries are anticipated to create additional jobs to 2025. More than half of the 1 million new retail jobs created by growth in the EU retail industry will be in Spain (311,480 jobs) and Italy (255,210). Over a hundred thousand new retailing jobs are anticipated in Romania and the United Kingdom.

Only the Czech Republic, Germany, Hungary, Luxembourg and Portugal are forecast to have a decline in overall retail employment in the period to 2025.' Finally it foresees an increase from 14,409,000 to 15,381,000 in distribution services (6.7%). 'In the period to 2025, 24 countries are forecast to have net increase in the number of jobs – all countries except for Belgium, Bulgaria, Germany and Sweden. The largest increases are anticipated in Spain (a net increase of 333,580 jobs), the Netherlands (117,690 jobs) and France (95,710 jobs).<sup>54</sup>

The web site has a section on sectors and occupations. In terms of sectors, it features the wholesale and retail trade; repair or motor vehicles and motorcycles, and unfortunately for the purposes of this study the figures are not disaggregated. In the section on occupations, it features one particular occupation in the commerce sector - the sales worker, which covers a variety of different occupations.<sup>55</sup> It is expected that from 2013 to 2025 there will be a 1% increase in the number of sales workers throughout the EU-28.<sup>56</sup> It foresees a 27% increase in numbers in France, 21% in Malta, 19% in Norway, 14% in Greece, 12% in the Netherlands, 11% in Spain and Sweden, 10% in Belgium. At the other end of the spectrum there will be a reduction of 28% in the Czech Republic, 23% in Latvia, 18% in Slovenia, 13% in Estonia, 12% in Portugal and Luxembourg, 10 % in Poland and Croatia, 6 % in Denmark and 4% in Italy. Some of these figures are backed up by reference to national studies, but sometimes it is difficult to correlate the different figures, given the variations of occupational definitions and time periods under consideration.

<sup>53</sup> <http://euskills panorama.cedefop.europa.eu/>

<sup>54</sup> *Focus on Retail and distribution services, EU Skills Panorama, 2014*

<sup>55</sup> *This wide ranging grouping corresponds to category 52 in the International Standard Classification of Occupations - '*

*Sales workers sell and demonstrate goods in wholesale or retail shops, at stalls and markets, door-to-door, via telephone or customer contact centres.*

*They may record and accept payment for goods and services purchased, and may operate small retail outlets'.*

*It accounts for 'around 11.1 million out of the estimated 18 million retail employees in 2013'*

<sup>56</sup> *All education levels - <http://euskills panorama.cedefop.europa.eu/KeyIndicators/Occupation/results.aspx?searchmethod=2&indicatorid=671&occupationid=1157&sectorid=0&skillid=euskills panorama =0&nationalcountryid=0&>*

## Forecasting at the national level - in ESSC Commerce partner countries

There are some examples of studies to forecast future employment trends in the commerce sector in ESSC Commerce partner countries.

In the Netherlands the Uitvoeringsinstituut Werknemers Verzekeringen (UWV), an autonomous authority commissioned by the Dutch Ministry of Social Affairs and Employment to provide employee insurance and labour market and data services, has undertaken a study for wholesale and for retail. In wholesale it expects the number of jobs to increase in the short to medium term, and the number of vacancies to be 50,000 on average per year for the period 2015-2018. It expects to see shortages in certain areas - commercial-technical staff, product managers, product specialists with technical, commercial and consultant skills and team leaders and first line managers. There will be less demand for university graduates in the field of work-intensive production and logistics. Some regions will do well, but some, Groningen, Friesland, Drenthe, City Triangle, Central NSW, Achterhoek, Gooi and Vecht, Noord-Holland, Zuid-Kennemerland, Zeeland and the three parts of Limburg, will do less well.<sup>57</sup> In retail it is expected that the numbers of employees (including self-employed) will increase gradually over the next five years (2014 - 814,000, 2015 - 817,000, 2016 - 820,000, 2017 - 822,000, 2018 - 825,000). The number of vacancies will increase over the same period from 114,000 in 2013 to 118,000 in 2014 and up to 140,000 in 2015-2018 – an increase of 23%. The UWV expects there to be a reduction in the number of middle managers. Most regions will benefit, with the exception of Achterhoek, Gorinchem and South Limburg.<sup>58</sup>



<sup>57</sup> De groothandel – Samenvatting sectorbeschrijving, UWV

<sup>58</sup> De detailhandel – Samenvatting sectorbeschrijving, UWV



In France one study examines the business-to-business wholesale sector, and another analyses future developments in the retail sector. The former presents three different scenarios - 'optimising the organisation', 'improving supply' and 'gaining new markets'. The first scenario, described as relatively pessimistic, presupposes a difficult economic context, marked by further periods of recession and increased competition, which will lead to the 'optimisation' of the production process of the entire sector. The second scenario, described as relatively optimistic, imagines a return to economic growth and ambitious structural reforms at the political level and a changing economic model. The third scenario, a relatively intermediate position, foresees little change in terms of economic fundamentals, but an emphasis on gaining new markets. Over the ten year period from 2010 to 2020 it is expected that the 'optimising the organisation' scenario would lead to a loss of 5.3% in terms of jobs, the 'improving supply' scenario would lead to an increase in employment of 11.2%, and the 'gaining new markets' scenario would lead to a more modest increase of 3.2%.<sup>59</sup> The study on the retail sector, which was carried out by the *Direction de l'animation, de la recherche, des études et des statistiques*, considers the period from 2010 to 2020 and forecasts a net reduction in the number of cashiers of 1,000, but an increase of 74,000 for shop assistants, 46,000 for sales representatives, 21,000 for middle managers 77,000 for executives.<sup>60</sup>

In Belgium a recent study by the ESSC Commerce partner foresees a number of occupations whose activities will change in the near future – shelf stockers, warehouse operators and self-service cashiers. In addition it foresees two occupations whose activities will change and have the potential for increase in employment possibilities – commercial-technical staff and shop assistants.<sup>61</sup>

In Portugal a study has been undertaken to estimate regional needs for intermediate qualifications in the short and medium term in the sector and in this way provide a means of improving the functioning of the National Qualifications Framework. Starting from already existing practices that are consolidated in the regulation of the VET supply system it forecasts an increase of 66,385 persons employed (+8.3%) for the period 2009-2020.<sup>62</sup>

As to Denmark there is no consensus on the development of employment in the retail and wholesale trade in Denmark. Both of the social partners' organisations may produce their own estimates and have a clear view of the decisive trends, but there are no officially recognised forecasts for future employment.

There is clearly significant a need for more analysis, at the national and European levels, both in terms of quality and quantity.

<sup>59</sup> *Contrat d'Etude Prospective <Commerce Interentreprises>*, CREDOC/GESTE, 2011

<sup>60</sup> *Les Métiers en 2020, Dares Analyses, Mars 2012, p 13*

<sup>61</sup> *Métiers d'avenir, Etats des lieux du secteur du commerce du gros et du détail, Forem, 2013*

<sup>62</sup> *These figures refer to wholesale and retail, and also vehicle repair. Chapter 4 'Quadro 45. Cenário do emprego por CAE e cluster regional em 2020 (Nº)'*  
<http://avaliacao-regional-qualificacoes.quatenaire.pt/content/05.02@relatorio-final.html>



# Part 2

## Evolution of the commerce sector's occupations and associated skills

As has been seen in Part 1, commerce is an important employer, the second largest sector in the European Union (2010), with just under 29 million people. The commerce sector's occupations and associated skills are evolving, and in the context of this report the ESSC Commerce partners have chosen in the first instance to highlight eight different traditionally representative occupations:



What changes are being felt in these different occupations and what is driving these changes?

## What is driving these changes?

These changes are influenced by a number of external and internal drivers – consumer, economic, technological, organisational and regulatory.<sup>1</sup>

### Consumers

Retailers and wholesalers are faced with a changing set of consumers.

Europeans are more numerous. As has been shown by the latest Eurostat figures, the EU-27 population has increased from 492,320,886 in 2006 to a provisional figure of 501,412,825 in 2013,<sup>2</sup> an increase of approximately 9 million and all in all a vast market for the retail and wholesale industries. The EU-28 population in 2020 is expected to be 512,474,771 – a further 11 million.<sup>3</sup>

Europeans are living longer. The number of people aged 60 and above in the EU is now rising by more than two million every year, more or less twice the increase observed until about three years ago. The EU-28 old-age dependency ratio is 27.48 in 2013, and it is expected that it will rise to 31.82 in 2020.<sup>4</sup> This is mirrored by a rise in the age of the working population.

Europeans are more diverse. The EU-27 Member States are host to some 20 million non-EU-nationals. A further 10

million EU nationals are living in other Member States, and approximately 5 million non-EU-nationals have acquired EU citizenship since 2001.<sup>5</sup>

Europeans are living differently. As the population ages, more people live in smaller households, increasingly consisting of a single person. At the same time, many young adults are staying in the parental home longer before deciding to set up their own household.<sup>6</sup>

Europeans are increasingly city dwellers. Recent figures show that at the beginning of 2011 41% of the population of the EU-27 lived in urban regions, 35% in intermediate regions and 23% in rural regions. Moreover in the previous year, the population of urban regions grew by 5.2 per 1000 inhabitants and intermediate regions by 2.2‰, while rural regions decreased by 0.8‰.<sup>7</sup>

Europeans are also better educated, as measured by the number of students in tertiary education (ISCED levels 5 and 6), increasing, for example from 21.7% in 2007 to 26.6% in 2012.<sup>8</sup>

<sup>1</sup> Final Report from the Expert Group on Retail Sector Innovation, European Commission, 2014

<sup>2</sup> Eurostat, Population on 1 January (tps00001)

<sup>3</sup> Eurostat, Population projections (tps00002).

<sup>4</sup> Defined as the 'the projected number of persons aged 65 and over expressed as a percentage of the projected number of persons aged between 15 and 64'. Eurostat, Projected old-age dependency ratio (tsdde511).

<sup>5</sup> Demography Report 2010, European Commission, 2011, p 3

<sup>6</sup> *idem*, p 72

<sup>7</sup> Eurostat news release 51/2012 – March 2012

<sup>8</sup> Eurostat, Distribution of population aged 18 and over by education level and age group (ilc\_lvps04)

According to ESSC Commerce partners, the new consumer trends and changes in consumer profiles will necessitate new business concepts, processes and ranges of products and services offered, and this in turn will require that those in managerial positions, such as store managers and retail entrepreneurs, improve their understanding of the business environment and put in place strategies that respond better to consumers' needs. They will need to concentrate on specific customer segments, such as the elderly, for example, who are making up a bigger share of the population or groups who are more sensitive to environmental issues.

Specialist sellers will need a more sophisticated knowledge of the products and/or services they are offering, an enhanced ability to present their products and/or services and an ability to provide individual guidance and counselling to more demanding consumers; they will also need to be able to build up strong and long-lasting relations with consumers. Call centre agents, 'potentially the beating heart and the business card of all consumer-centric organisations', will also need to have a better understanding of the products and/or services they are offering, so as to be able to deal with more demanding consumers who can obtain information from other sources, notably the internet.

E-commerce will require that supply chain professionals, for example, constantly review their planning and their logistics processes to cope with 24/7 demand. These changes will be felt by many within the supply chain, particularly warehouse operators. Check out managers and store managers will be faced with ensuring that their staff members respond to changing consumers' needs, particularly concerning opening hours, whilst at the same time respecting labour laws, notably on issues of working time.

## Economic

Retailers and wholesalers have had to deal with the fallout of the financial and economic crisis. GDP in the EU-27 grew year on year by 3.4% in 2006 and 3.2% in 2007, but fell to 0.4% in 2008 and plummeted to -4.5% in 2009. It grew modestly by 2% in 2010 and 1.7% but fell again to 0.4% in 2012 and 0.1% in 2013. These are average figures, so for some countries the decline has been vertiginous – for Estonia, Latvia and Lithuania in 2009 – and very severe – for Greece in 2010, 2011 and 2012 and Cyprus in 2013.<sup>9</sup>

In many countries disposable income has stagnated, but in some, Greece, Ireland and the United Kingdom, real gross disposable income (per household per capita) was still lower in 2012 than in 2006.<sup>10</sup> Many Europeans have less money to spend. According to Consumers in Europe, a European Commission report published after the onset of the financial crisis, 'During periods of recession, disposable income is reduced and consumer confidence usually falls. A slowdown or contraction in economic activity often results in fewer luxury purchases being made, for example, lower sales of jewellery, holidays abroad, or other big-ticket purchases (such as cars or furniture). Consumption of items such as these is often postponed or deferred until there is evidence of an upturn in economic fortunes, with many consumers holding back their purchases.'<sup>11</sup>

Retailers and wholesalers have increasingly needed to

<sup>9</sup> Eurostat, *Real GDP Growth rate – volume (tec00115)*

<sup>10</sup> Eurostat, *Real adjusted gross disposable income of households per capita (ted00113)*

<sup>11</sup> *Consumers in Europe, European Commission, 2009, p 100*

monitor supply chain developments very closely. Whilst currency fluctuation is no longer a concern for companies trading within the euro-zone, it is for other EU members trading with euro-zone members. Moreover it is a concern for all in a broader global context. The US dollar – the currency in which most raw materials are traded – stood at 1.33 to the euro in September 2013 and August 2014, which implies a certain level of stability, but saw considerable fluctuations over the year, with highs of 1.39 and lows of 1.31 during this period. The currency of EU's biggest trading partner, China, the renminbi, stood at 8.16 in September 2013 and 8.24 in August 2014 to the euro but saw highs of 8.68 and lows of 8.06 during the same period. Failure to monitor and act appropriately in the currency markets at the appropriate time can have catastrophic consequences for retailers and wholesalers.

For ESSC Commerce partners, competition is increasingly fierce, and 'there is no such thing as local business', and nowhere is this more evident than for supply chain professionals and retail entrepreneurs. The changing economic environment will dictate the need to readjust business activity, and this will require supply chain professionals to update their knowledge of the latest developments in supply chain management and consequently to recalibrate their strategy.

Store managers will need to be 'buyers' as well as good 'sellers', identifying good suppliers and negotiating conditions, such as payment conditions, stock levels, storage and transportation, that maximise business development. The increasing level of business competition on a global scale demands an improved ability to know how rivals compete so as to anticipate the latter's movements.

### Technological

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Retailers and wholesalers have had to respond to rapidly changing new technology systems, and more specifically to the increasing potential provided by information and communication technologies. This has changed the way companies trade, notably through the tools to automate business processes, to analyse performance and to manage relationships with customers and suppliers. Computer management programmes for inventory, purchasing and transportation enable employees to undertake a variety of different activities simultaneously. Automatic identification and data capture, such as voice-directed warehousing and radio frequency identification, make it possible to optimise processes within the logistics process.

Readily available access to information, particularly but not only in terms of price comparisons, increasingly guides consumer choice. In addition, the advent of online 24-hour shopping has redefined the relationship between the retailer and the consumer.

This presupposes that good internet connections are available, and that they are used. According to recent figures from Eurostat, 'In the EU28, 79% of households had access to the internet in 2013 and 76% had a broadband internet connection, compared with 55% and 42% respectively in 2007. For most individuals in the EU28, using the internet has become a regular activity,

with 62% of individuals using it every day or almost every day and a further 10% at least once a week. On the other hand, 21% of individuals reported in 2013 that they have never used the internet, compared with 37% in 2007.<sup>12</sup> This ranges in 2013 from 95% of households in the Netherlands, 94% in Luxembourg and 93% in Denmark and Sweden to 58% in Romania, 56% in Greece and 54% in Bulgaria.<sup>12</sup>

60% of internet users reported that they shopped on line in 2012. Of these internet users 82% were located in the United Kingdom, 79% in Denmark and Sweden, 77% in Germany, 73% in Luxembourg and 72% in Finland. At the other end of the spectrum 29% were in Estonia and Italy, 17% in Bulgaria and 11% in Romania.<sup>13</sup>

ESSC Commerce partners have highlighted the fact that wholesalers are increasingly selling direct to the consumer and by making direct contact are in a better position to generate sales and to know what consumer needs are. Moreover the efficient management of logistics processes, by supply chain professionals and also warehouse operators, providing fast, just-in-time services offers a 'unique selling point'. Technological innovations in equipment, at the level of work processes and tools used in the work processes, will require warehouse operators and supply chain professionals to upgrade their skills and develop new working practices. 24/7 shopping on the internet has had a significant impact in terms of work conditions, particularly for occupations such as warehouse operators and supply change professionals.

An online presence is also increasingly important for

retail entrepreneurs so that 'multi-channel' consumers can obtain information about the location of the retail outlet; they can learn more about the product before they enter stores; they can also buy the product or other products online at a later date. Social media and e-business applications provide an opportunity for store managers to be in contact with consumers. Being able to provide guidance to consumers and demonstrate product knowledge is increasingly important, for store managers, shop assistants, call centre agents, retail entrepreneurs and specialist sellers, and this will increasingly be done at a distance. Moreover this will be done with consumers with different languages and from different cultures which in turn will require enhanced foreign language and intercultural skills. Indeed it is more and more difficult to run a retail business on the basis of 'one channel'. Because consumers have access to more information, it is crucial to know what rivals are doing in terms of products and prices, particularly for shop assistants and specialist sellers.

All in all technological innovations in equipment, and tools used in the sales process, will have an impact on the skills necessary to use these devices (eg digital level) as well as in the development of new working practices.

New technological developments will make it easier for store managers to carry out certain tasks, such as personnel management and stock control. In some cases changes in technology will change occupations fundamentally. Self-scanning will reduce the number of checkout assistants, which will have a clear knock-on effect for checkout managers.

<sup>12</sup> Eurostat News Release, 199/2013, 18 December 2013

<sup>13</sup> Eurostat News Release, 147/201, 15 October 2013

## Organisational

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Technological developments have significant consequences for organisational processes. According to a report published by the Oxford Institute of Retail Management, 'European retailers make significant investments in innovative technology systems, such as self-scanning, loyalty marketing systems, mobile web platforms and new payment platforms which continue to transform the consumer's experience and the efficiency of retail businesses'.<sup>14</sup>

Another development has the potential to revolutionise organisational processes - data mining, the extraction of intelligence from 'big data' to improve market analysis, to analyse consumer patterns, to build up consumer profiles and also to plan for workforce availability. In wholesale 'activities are mainly focused on process innovations across the supply chain, and in new services that add value to the business-to business consumer'.<sup>15</sup>

ESSC Commerce partners have underlined the importance of customer data collection, and the role played by store managers, retail entrepreneurs and specialist sellers in this process. The advanced use of information technology and the internet means that business processes are increasingly automated and that information on sales, consumers and inventory is changing all the time, with the result that more and more retail employees, and particularly specialist sellers, need more sophisticated IT skills. In addition, 'multi-channel' sales and marketing make logistics and supply chain issues more complex, particularly for supply chain professionals. The complexity and the need for an increased efficiency of the businesses dictate an increased need for analytical skills and flexibility from these professionals.

An increasingly competitive business environment and a readiness by some large companies to decentralise some of their decision-making requires more complex organisational strategies and plans of action on the part of store managers who need to improve their decision-making and human relations management skills (including motivation programmes, staff training activities), marketing and sales strategies (segmentation of target customers, development of customers care services), financial skills (cost control, and price formation). Checkout managers will need new forms of organising activities, an increased level of organising skills, stress and time management skills, communication skills and team management skills.

Retail entrepreneurs will need to be more adaptable and responsive to the economic environment, and this will require more enhanced entrepreneurial skills (initiative, strategic vision and creativity), also problem solving and decision-making skills, an increased ability to integrate into working practices new forms of organising activities. Marketing and sales skills are also relevant as consumers typically look for high quality products, and the competition is increasing. Finally, it is fundamental that these professionals have a human resources strategy (including training) that encourages motivated and qualified staff to identify with the company.

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<sup>14</sup> Retail and wholesale: key sectors for the European economy, Oxford Institute of Retail Management, 2014, p 63

<sup>15</sup> *idem*, p 65-66



More and more occupations, and not only those like specialist sellers and retail entrepreneurs working closely with global companies, will require language and intercultural skills, as regular daily interaction with colleagues increasingly takes place in different languages and with people coming from different cultural and social backgrounds. Equally, as people take advantage of the free movement of workers, one of the fundamental principles of the European Union, awareness of cultural diversity will be required for them to work together in the same workplace.

### Regulatory

The regulatory environment exercises a significant influence over developments in the commerce sector. The most notable overall example at the European level is the Single European Market with its emphasis on the free movement of capital, labour, goods, and services, and the removal of physical, technical and fiscal barriers between Member States. This has led to the introduction of a host of different EU Directives. All retail outlets will be affected in one way or another by the EU Working Time Directive and national regulations concerning Sunday trading. They will also be affected by a series of EU Directives on environmental protection, for example the Waste Electrical and Electronic Equipment Directive. Certain occupations, warehouse operators for example, will be working in an environment which needs to comply with a number of EU Health and Safety Directives.

Other regulations decided at the national level, taxation for example, and the lack of uniformity from one country to another, clearly have a significant impact, particularly in frontier regions, on competition and, by extension the

profits of retailers and wholesalers.

At the local level planning regulations - particularly regarding the readiness of municipal authorities to approve or refuse retail developments in out-of-town locations, a vexed question throughout the European Union - are central to the profitability and survival of different parts of the sector. Decisions on congestion charges for lorries and commercial vehicles entering city centres would clearly hinder the development of the sector.

ESSC Commerce partners have drawn attention to the need for certain occupations, and particularly those at managerial level, to have a greater awareness of environmental issues.

In addition, store managers and retail entrepreneurs will need to be familiar with the latest changes in tax and social security legislation and consumer protection relating to their business activities and ensure that the changes are reflected in their own organisations.

Shop assistants will need to be up to date with consumer protection legislation, as will call centre agents who, if working in an international environment with different legislations, will need to know about consumer protection in different countries.

If there is no EU legislation in place, then supply chain professionals will need to be up to date on legislation affecting the different elements of the supply chain in different countries. Legislative changes in tax, labour matters, consumers protection and other matters linked with the kind of business in question, will dictate the need for updating knowledge and putting appropriate procedures in place.

## What knowledge, skills and competences are required for the eight traditionally representative occupations in the commerce sector?

ESSC Commerce partners were asked to consider a core group of knowledge, skills and competences for each of the following occupations and if appropriate to add any others they deemed useful:



The emphasis is on knowledge, skills and competences needed to practice the occupation, to do the job in question. At European level, within the context of the European Qualifications Framework, knowledge has been defined as 'the outcome of the assimilation of information through learning'; skills as 'the ability to apply knowledge and use know-how to complete tasks and solve problems'; and competence as 'the proven ability to use knowledge, skills and personal, social and/or methodological abilities, in work or study situations and in professional and personal development'.

In the views of ESSC Commerce partners the knowledge that is required most often and for most occupations is occupational knowledge, generally knowledge of the products and/or services that are on offer. Depending upon the occupation, they also made proposals for other forms of knowledge: appropriate legislation for consumers and employees, regulations for environmental protection and waste management, developments in health and safety legislation, customer relationship management handling systems, the technological and technical systems to be used to manage the supply chain, the role and function of e-commerce, digital purchases processes and online consumer motivation.

There is generally a consensus amongst ESSC Commerce partners on the core skills and competences that are required for each occupation. However, given the heterogeneity of the different occupations, relatively few skills or competences, whether core or supplementary, are shared across occupations. There is in addition a considerable list of supplementary skills and competences that individual ESSC Commerce partners have proposed for each of the occupations. The list of different skills and competences, whether core or supplementary, is long and heterogeneous, and so they will be listed specifically below for each occupation. What is clear though is that many of the supplementary skills and competences are linked to the digitalisation of the sector.

Although not addressed directly as such by the European Qualifications Framework, there is an increasing tendency to mention 'soft skills' - personal attributes that describe an individual's ability to work with others. Although difficult to describe sometimes, difficult to acquire and even more difficult to assess, these skills have also been proposed by ESSC Commerce partners for certain occupations: for example, working independently, but within a team environment, for warehouse operators; leading and motivating a team, for store managers; active listening and good oral communication on the telephone, for call centre agents.



## The views of the ESSC Commerce partners



According to ESSC Commerce partners, the overall task of the warehouse operator is to execute the accurate packing and shipping of consumers' purchased materials, receiving goods, labelling, checking quality, storing goods and documenting any damage. The following core knowledge, skills and competences are required:

- detailed knowledge of products for distribution <sup>16</sup>
- preparing for the reception and storage of products in a warehouse
- collecting and preparing products for shipment
- checking the quality of products on reception and prior to shipment
- processing and handling products carefully and accurately
- preparing the data for product inventories <sup>17</sup>
- following instructions, work agreements and prescribed work procedures, particularly as regards health and safety
- working to strict deadlines
- working independently, but within a team environment. <sup>18</sup>

The warehouse operator's knowledge of products for distribution becomes greater in the light of new technological developments. Language skills may be needed to deal with the different imported products' labelling.

The ability to prepare for the reception and storage of products is impacted by technological developments, such as 'track and trace' technology (for example radio frequency identification and barcodes) which save time and improve productivity significantly. From a regulatory and organisational perspective importing, and also exporting, is subject to a number of controls and requires knowledge of international regulations and some foreign language skills.

Changes in consumer behaviour are influencing the warehouse operator's ability to collect and prepare products for shipment, particularly as distribution for business-to-business activities is increasingly made directly to consumers as a result of the opportunities that e-commerce provides. The ability to check the quality of products on reception and prior to shipment becomes more pressing as consumers become more demanding, and this process is significantly assisted by new technological developments.

The ability to process and handle products carefully and accurately is required in response to consumers' demands and economic constraints. The same applies to the ability to work to strict deadlines, as turn-around times will become shorter.

<sup>16</sup> One partner considered that 'basic' knowledge was sufficient. Another did not consider that this was a key element.

<sup>17</sup> One partner did not consider that this was a key element

<sup>18</sup> One partner considered this important but not strategic

The ability to prepare the data for product inventories and to follow instructions, work agreements and prescribed work procedures, particularly as regards health and safety are particularly important in organisational terms. Moreover they increasingly require an ability to deal with new products with more sophisticated technological applications, particularly in terms of IT which may be primarily available only in English.

The ability to work independently, but within a team environment becomes more important, when supervision is done from elsewhere, and particularly when it is done from another country.

In addition to the knowledge, skills and competences mentioned above, ESSC Commerce partners proposed others, as follows:

- knowledge of environment protection and waste management
- general computer literacy skills
- working with different types of database
- adapting to new technologies which affect work procedures, such as voice-directed warehousing and radio-frequency identification
- identifying gaps in stock and implementing established procedures to ensure that they do not re-occur
- dealing with customer and supplier complaints.



According to ESSC Commerce partners, the overall task of the store manager is to organise and control the operations of establishments which provide retail services. The following core knowledge, skills and competences are required:

- knowledge of products and/or services for sale in the store
- knowledge of basic bookkeeping
- managing physical and human resources efficiently
- understanding the business environment so as to maximise the potential for the store
- budgeting proficiently to ensure successful future development
- analysing sales reports and setting targets based on sales figures
- developing a sales strategy and putting it into practice <sup>19</sup>
- managing relationships with suppliers and consumers
- Leading and motivating a team.

<sup>19</sup> One partner did not agree with this as a 'key' element. Another partner proposed 'ability to develop a sales strategy, including after sales service, and put it into practice'

The store manager's knowledge of products and/or services for sale in the store will be increasingly informed by more sophisticated consumer demands, and it will be necessary for the store manager to make clear choices between sales and communication channels, since the in-store shopping experience will remain important, even within a 'multi-channel' environment. In addition the availability of new technologically sophisticated products on the market and the creation of new services will require store managers to monitor the introduction of new products and/or services and to make them available in a timely way within the store.

New technology is leading to the automatic generation of bookkeeping data, but it will be important for store managers to understand what lies behind the figures. What do these figures mean for the development of the store's activities? New regulatory developments, particularly in terms of tax and social security legislation will dictate the need to be constantly updated so as to put in place appropriate working practices.

The ability of store managers to manage physical and human resources efficiently will be impacted by the changes in consumers' profiles and demands. Store managers will need to recruit staff with higher levels of soft skills and to train staff on a regular basis to deal with consumer demands. They will need to make better use of the store space to display and 'sell' products and/or services in an attractive way. Moreover economic constraints will require that physical and human resources are managed more productively, and this may lead to significant organisational changes, positive and negative for employees, within the store.

Economic constraints will require that store managers

understand the broader business environment better, and, in order to do so, will require them to modify their behaviour so that they think and act like entrepreneurs. For this they will need a better understanding of trends in consumer needs, sales and activities of rival organisations.

Consumers are increasingly sensitive to prices, quality of products and branding. Fixing the right price to the right product to the right customer and an ability to budget proficiently are required by store managers to ensure customer satisfaction and business development. This will require the integration of new technological tools and organisational strategies into the store's work processes to ensure future successful business development.

New consumption trends and consumer profiles require store managers to analyse sales reports, which requires an enhanced ability to engage in customer segmentation and to set sales target figures accordingly. The increasing level of competition requires an enhanced ability to control costs and ensure business profitability.

Store managers will need to factor in supply chain conditions, which may be subject to different global economic influences, as part of their marketing and sales strategies (including after sales service), given that these conditions will have an impact on price and also delivery deadlines. Putting these strategies into practice will of course be dependent upon an ability to devise and develop more sophisticated organisational strategies, action plans and marketing concepts.

An ability to identify reliable suppliers offering good conditions will be a prerequisite for business development. If these suppliers are in other countries, then there will be a need to internationalise business practices, which

means ensuring that staff members have the appropriate languages and intercultural skills to develop and retain these relationships. Consumers are increasingly looking for a good 'buying experience' which is often dependent upon the attitude of the staff. The ability to lead and motivate a team, to be willing to engage in collective bargaining and to negotiate human resource developments, is crucial in this aspect.

ESSC Commerce partners have proposed other knowledge, skills and competences for store managers, as follows:

- knowledge of appropriate legislation for consumers and employees
- knowledge of regulations for environmental protection and waste management
- knowledge of the digital purchases processes
- knowledge of online purchase motivation
- knowledge of Dynamic Digital Management
- creating experiences for the consumer
- exploiting space in the best way – space management
- planning product displays
- using different marketing and sales channels
- configuring and processing digital markets
- using e-commerce, m-commerce and social media as a means to increase sales
- developing and putting into practice staff training activities
- managing stock in an efficient way.





According to ESSC Commerce partners, the overall task of the shop assistant is to be in direct contact with the consumer, to provide general advice and to stock shelves. The following core knowledge, skills and competences are required:

- knowledge of products and/or services for sale
- following instructions, work agreements and prescribed work procedures
- displaying products according to the plans devised by a visual merchandiser and/or store manager
- identifying and responding to consumers' needs
- presenting products to the consumer in an attractive manner
- providing guidance and recommendations to the consumer concerning product range, prices, delivery, warranties, product use and care
- responding to consumer requests/complaints and providing aftersales service
- registering and handling cash/credit card transactions with consumers
- working within a team environment. <sup>20</sup>

Changes in consumer trends will require shop assistants to identify and respond to consumers' needs, to improve their ability to present products to consumers, to provide appropriate guidance to consumers and to respond to consumer requests/complaints and provide aftersales service. Moreover a good atmosphere in the store is part of the 'buying experience' that consumers look for, and staff attitude and good communication within the workplace set the tone for this positive atmosphere. In this way shop assistants will form part of a 'face to face' marketing strategy.

Companies investing in retail outlets in other countries will need to be sensitive to issues, such as language and intercultural skills, to ensure that shop assistants in these countries are able to follow work procedures appropriately.

As legislation regarding consumer protection develops, so shop assistants will need to update their knowledge.

In organisational terms the pressure put on businesses to be more efficient and productive requires from shop assistants an improved focus on results/sales and on personal organisation and productivity.

<sup>20</sup> However in some countries these elements are split between different levels. In the Netherlands, for example, three of these (providing guidance and recommendations to the consumer concerning product range, prices, delivery, warranties, product use and care; responding to consumer requests/complaints and providing aftersales service; registering and handling cash/credit card transactions with consumers) would not be required for level 1.



ESSC Commerce partners have proposed other knowledge, skills and competences for shop assistants, as follows:

- effective oral communication skills
- creating positive experiences for the consumer
- working with new technological applications
- controlling stocks and supporting the stock management processes
- focusing on results
- analysing consumer expectations and needs
- handling conflicts with consumers
- packing products properly, and delivering them to the consumer, if required
- working increasingly in a multicultural environment.



According to ESSC Commerce partners, the overall task of the call centre agent is to handle incoming or outgoing consumer calls for a business, telephone existing and prospective consumers to promote goods and services, and to obtain sales and arrange sales visits. The following key knowledge, skills and competences are required:

- knowledge of customer relationship management handling systems
- knowledge of products and/or service on offer
- general computer literacy skills
- typing and data entry skills
- problem solving skills
- working in potentially stressful conditions
- handling consumer expectations and needs
- active listening and good oral communication on the telephone
- maintaining good documentation and reporting.

Changes in consumer expectations will require call centre agents to provide a more efficient service, a greater knowledge of their products and/or services, a readiness to solve problems, all this via an efficient customer relations management handling system which allows for good documentation and reporting.

Technological change will require call centre agents to improve their overall IT skills and to integrate these new applications into their day-to-day work processes.

Companies investing in agencies in other countries will need to be sensitive to issues, such as language and intercultural skills, to ensure that call centre agents in these other countries are able to communicate effectively at a distance and to uphold the image of the company.

As legislation regarding consumer protection develops, so call centre agents will need to update their knowledge, and ensure that it corresponds to the regulations in different geographical areas.

In organisational terms the pressure put on businesses to be more efficient and productive requires call centre agents to focus more on personal organisation and problem-solving skills, whilst at the same ensuring a commitment to productivity.

ESSC Commerce partners have proposed other knowledge, skills and competences for call centre agents, as follows:

- knowledge of the role and function of e-commerce
- knowledge of digital purchases processes
- knowledge of online consumer motivation
- adapting to a situation where the consumer is increasingly demanding
- working in a multicultural workplace.



According to ESSC Commerce partners, the overall task of the supply chain professional is to plan and operate distribution activities, such as logistics channels, transport, stocking, warehousing. The following core knowledge, skills and competences are required:

- effective oral and written communication skills
- identifying and solving problems readily

- working in potentially stressful conditions <sup>21</sup>
- negotiating, preparing and administering enforceable contracts
- managing a warehouse prior to the distribution of goods
- managing product inventories <sup>22</sup>
- handling the flow of goods from point of origin to point of consumption
- gathering, assessing and interpreting data as regards supply chain performance
- managing relationships with suppliers and consumers.

A breakdown in communication can be costly, and so effective oral and written communication skills are essential for supply chain professionals, as are foreign language and intercultural skills for those that work internationally.

Consumers are better informed and more demanding, and this requires that supply chain professionals plan the logistics process efficiently and also have the ability to anticipate potential problems. From an organisational perspective supply chain professionals need the ability to put in place warning systems that are available to their own business structures.

Given the change in consumer profiles, supply chain professionals need to develop negotiation and personal organisation skills to ensure that contracts are clear and enforceable.

Supply chain professionals need an enhanced ability to factor in influences from the broader economy to the management indicators and priorities to be taken into consideration in warehouse management. They also need an ability to take advantage of technological developments, notably in terms of IT systems, to improve warehouse management. Regulations, specifically concerning health and safety and also quality control, need to be monitored for change, and new work procedures need to be introduced to ensure compliance with these changes. An ability to influence the efficiency of business structures can be achieved through effective just-in-time warehouse management.

Supply chain professionals need to ensure that product inventories are properly managed using the appropriate IT applications, and that stocks of products are available and adjusted to market requirements to avoid negative responses from demanding consumers.

The use of e-commerce systems to buy and sell products and/or services has a significant impact on the planning and implementation of the logistics process, and this requires that supply chain professionals have highly developed e-skills. Technology provides an opportunity, via 'track & trace' systems, to improve the handling of the flow of goods from the point of origin to the point of consumption.

<sup>21</sup> One ESSC Commerce partner considered this unnecessary as many different occupations are stressful

<sup>22</sup> One ESSC Commerce partner considered this too practical for a supply chain professional

To remain competitive, particularly in an international market, supply chain professionals will need to improve their ability to gather, assess and interpret data concerning supply chain performance in general, and their own performance in particular. This data will then need to flow into the working practices of the company to ensure greater flexibility to adapt and adjust. They will also need to remain up to date with international legislation and regulations that influence their company.

As the competition becomes more intense and the supply chain extends beyond national borders, it will be necessary for supply chain professionals to develop foreign language and intercultural skills and improve communication and networking skills with suppliers and consumers.

ESSC Commerce partners have proposed other knowledge, skills and competences for supply chain professionals, as follows:

- detailed knowledge of the technological and technical systems to be used to manage the supply chain
- knowledge of developments in health and safety legislation

- planning, managing and assessing resources efficiently (human, physical, etc)
- taking advantage of new technologies with a view to optimising the supply chain and logistics processes
- managing relationships with large-scale suppliers
- reporting quickly and accurately to first line management
- leading and motivating a team.

One partner has added a specific comment about the sustainability of the supply chain. In the area of logistics, this includes dedicated facilities for the pick-up and delivery of goods ordered online, increasing efficiency and contributing to a more sustainable supply chain. These types of development can impact fundamentally on logistics business models, generating significant new skills demand, especially with regard to the use of technology. For food retailers, the move to reduce waste impacts on areas as diverse as labelling, refrigeration, marketing and stock management. This has implications for many job functions within companies, as new business processes are introduced, and there is a need for all staff to be aware of sustainability considerations.





According to ESSC Commerce partners, the overall task of the checkout manager is to manage cashiers in supermarkets, department stores and other big stores. The following core knowledge, skills and competences are required:

- knowledge of products and/or services for sale
- knowledge of basic bookkeeping <sup>23</sup>
- knowledge of company security policies and procedures involving money <sup>24</sup>
- organising the recruitment and selection of cashiers <sup>25</sup>
- developing and maintaining on-going cashier training activities <sup>26</sup>
- ensuring that cashiers comply with established company guidelines
- scheduling working time for cashiers
- ensuring the accuracy and security of all payments received at the cash desks <sup>27</sup>
- creating and maintaining a team environment.

New consumer trends and changes in consumer profiles are leading to an increase in the number of products and/or services available, which requires that checkout managers have a greater ability to know the characteristics of the products and/or services available. Moreover new data collection techniques provide more information about the consumer, and checkout managers will need to know how to turn that data into sales.

Increasingly bookkeeping data is generated automatically, but checkout managers will need to know what lies behind the figures. Changes in regulations, particularly concerning tax, accountancy and financial matters will require that checkout managers need to monitor these developments and ensure that any changes are reflected in new working procedures.

Increased competition and low salaries make for a high turnover of cashiers, and checkout managers have to improve strategies for recruiting cashiers and also retaining them.

<sup>23</sup> One partner proposed 'knowledge of basic bookkeeping, including basic fiscal issues'

<sup>24</sup> One partner proposed 'knowledge of company security policies and procedures involving money and other means of payment'

<sup>25</sup> One partner considered that, depending upon the size of the store, this could be done by others., the human resource manager for example

<sup>26</sup> One partner did not consider that this was appropriate at this level of the organisation. Another partner did not consider this a key element

<sup>27</sup> One partner proposed 'ability to ensure the accuracy and security of all payments received at the cash desks'

Consumers are more demanding, and checkout managers need to organise training activities that focus on consumer profiles and preferences, products and services available and consumer care. Training is also required to ensure that cashiers obtain the skills to deal with technological advances and new processes and to keep up to date and comply with established company guidelines.

It is clearly essential to ensure the accuracy and security of all payments received at the cash desks, and checkout managers need to ensure that they monitor and control this process appropriately.

As previously mentioned above, a good atmosphere in the store is part of consumers' 'buying experience', and staff attitude is part of this atmosphere. Checkout managers have to improve their skills in motivating their staff to create this atmosphere and ensure that good staff are retained.

ESSC Commerce partners have proposed other knowledge, skills and competences for check out managers, as follows:

- good IT skills
- working in a flexible and multicultural workplace



According to ESSC Commerce partners, the overall task of the retail entrepreneur is to organise business processes and concepts in personally owned businesses. The following core knowledge, skills and competences are required:

- knowledge of products and/or services for sale
- gathering and analysing data about the market, sector and the company
- defining company policy and financing, based on facts, planned objectives and activities
- managing and handling the flow of goods and inventory
- supervising sales activities and delegating tasks to employees on the basis of clear instructions
- monitoring the quality and productivity of work and operational processes
- creating opportunities for improving and promoting the company
- taking a commercial approach to the balance between cost and benefits
- identifying and responding to consumers' needs
- working in a flexible and multicultural workplace.

The consumer trends and changes in consumer profiles will clearly require that retail entrepreneurs have a detailed knowledge of their products and/or services. Moreover they will have to be creative in making the best use of technological innovations in equipment and at the level of work processes to create and develop new products and/or services. In organisational terms they will need a clear strategic vision and well developed marketing and sales skills.

Economic constraints will have a clear impact on market and sector data, and retail entrepreneurs will need to update constantly their analysis of market and sector information to inform their own decision-making processes. Integrating technological developments, such as upcoming technological tools in market research and monitoring processes, into business processes will be a deciding factor.

The rapidly changing economic environment will require retail entrepreneurs to improve their ability to think and act strategically, and to adapt their strategy to the reality of the company's position and the market situation. For this they will need an enhanced ability to use the new technological systems, such as customer relationship management to collect and analyse company data.

As part of their business strategy retail entrepreneurs need to consider their suppliers, and they need to increase their capacity to identify good suppliers and negotiate with them conditions that can maximize business development, such as payment conditions, stock levels, storage and transport.

In organisational terms retail entrepreneurs will need to improve their ability to supervise sales activities and

delegate tasks to employees by integrating new forms of organising into working procedures. It is also important that retail entrepreneurs develop a human resources strategy (including the provision of training) that encourages motivated and qualified staff to identify with the company.

In order to satisfy consumer demands it will be necessary for retail entrepreneurs to monitor the quality and productivity of work and operational processes by putting in place procedures for quality control and processes efficiency. Linked to this there is a need to ensure compliance with quality standards defined by law, regulation or good practice in the sector.

To create opportunities for improving and promoting the company it will be necessary to have a sophisticated understanding of existing consumer needs so as to launch appropriate campaigns to the right customers (segmentation; personalised communication). Equally it will be important to keep up to date with new technological developments, particularly in the field of social media, and integrate them into communication and promotion strategies. From an organisational perspective it will be necessary to integrate these tools into the working procedures so that the staff can promote the company.

One way of improving retail entrepreneurs' ability to take a commercial approach to the balance between cost and benefits is to improve cooperation with other partners which in turn, if managed properly, will reduce commercial risk. In order to improve the ability to identify and respond to consumers' needs retail entrepreneurs will need to ensure that new technological tools are integrated into the company's working procedures.

ESSC Commerce partners have proposed other knowledge, skills and competences for retail entrepreneurs, as follows:

- knowledge of human resource management
- knowledge of appropriate legislation for consumers and employees
- knowledge of regulations for environmental protection and waste management
- knowledge of the behaviour of the digital user
- knowledge of the role and function of e-commerce
- knowledge of digital purchase processes
- knowledge of Dynamic Digital Management
- creating experiences for the consumers
- using different marketing and sales channels for different types of consumers
- using e-commerce, m-commerce and social media as a means to increase sales
- handling consumer expectations and needs
- supervising financial and cash flow management activities
- leading and motivating a team
- working in a flexible and multicultural workplace.

One partner has added a comment about sustainability and retail entrepreneurship. As demand for more sustainable and environmentally-friendly products increases, some retailers have already developed strategies to respond to and promote more sustainable consumption patterns.

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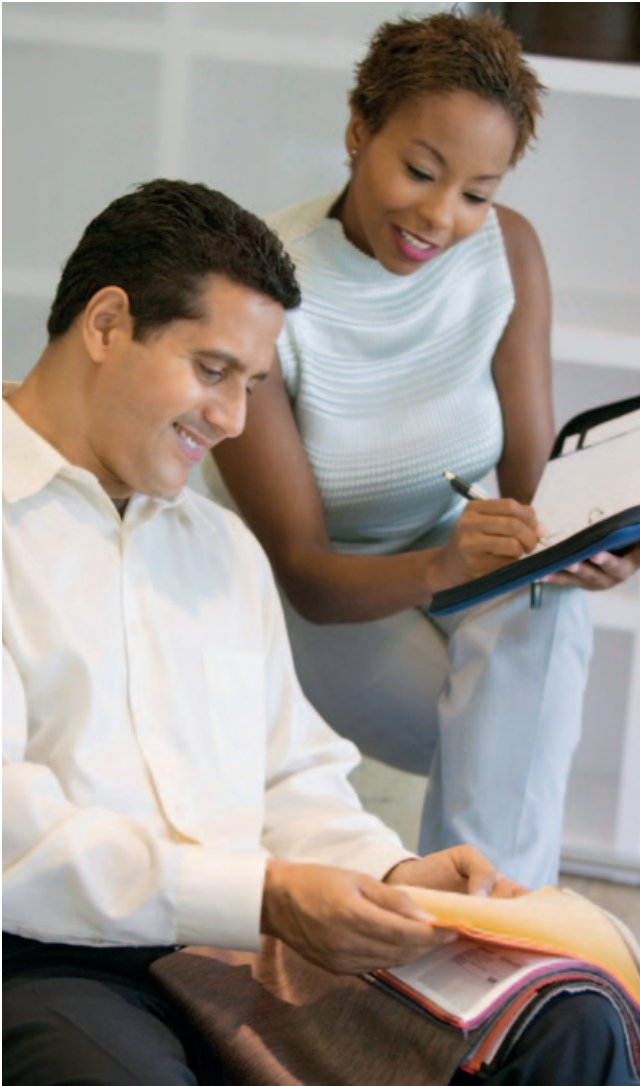


According to ESSC Commerce partners, the overall task of the specialist seller is to be in direct contact with consumers and provide specialist advice. The following knowledge, skills and competences are required:

- detailed knowledge of specialist products and/or services for sale
- estimating product sales so as to determine the level of inventory required <sup>28</sup>
- displaying specialist products according to the plans devised by a visual merchandiser and/or store manager
- identifying consumers' needs

<sup>28</sup> One partner did not consider this a key element





- providing guidance and recommendations to the consumer, as regards product range, prices, delivery, warranties, product use and care
- responding to consumer requests/complaints and providing aftersales service
- registering and handling cash/credit card transactions with consumers
- preparing clear and comprehensive invoices for goods sold or services provided <sup>29</sup>
- working within a team environment. <sup>30 31</sup>

The new consumption trends and changes in consumer profiles will clearly require that specialist sellers have a detailed knowledge of their products and/or services, that they know all the characteristics of the products and /or services available and that they can provide a clear response to the different consumers' needs. The availability of new products on the market and the creation of new services will require specialist sellers to keep updated as regards trends in new products and/or services.

<sup>29</sup> One partner did not consider this a key element

<sup>30</sup> One partner did not consider this a key element

<sup>31</sup> One partner agreed with the attributes but, with a view to expanding the role of the specialist seller from one of 'inside store' seller to 'external store' seller, made the following proposal for the attributes, so as to provide a description that would cover a larger number of people:

- detailed knowledge of specialized products and/or services for sale
- estimating product sales so as to determine the product stock level required
- displaying specialized products (and/or help customers to display them) according to the plans devised by a visual merchandiser and/or store manager
- identifying consumers' needs (including prospecting new customers)
- providing guidance and recommendations to the consumer concerning product range, prices, delivery, warranties, product use and care
- responding to consumer requests/complaints and providing aftersales service
- registering and handling cash/credit card transactions with consumers
- preparing clear and comprehensive invoices for goods sold or services provided (and/or transmitting internally orders and ensuring that goods and services delivered respond to the agreement made with customers)
- working within a team environment.

In order to estimate product sales so as to determine the level of inventory required the specialist seller will need to have a well-developed understanding of the business environment, an ability to carry out sophisticated consumer segmentation and estimate the necessary product sales targets according to this segmentation. The pressure put on businesses to be more efficient and productive require specialist sellers to have a clear focus on results/sales and on productivity.

In order to be able to display specialist products according to the plans devised by a visual merchandiser and/or store manager specialist sellers need to have a clear understanding of what consumers want and what they find attractive, and this will inform decisions on new forms of displaying the products.

Specialist sellers need an improved understanding of marketing concepts to understand the sales process in a more global context. They need a deeper knowledge of the products and/or services they are providing to ensure consumer satisfaction. They need the appropriate language and intercultural skills, as consumers come increasingly from different countries. They need an ability to take advantage of technological developments providing tools, such as customer data collection systems, which can identify each consumer profile and provide personalised answers.

In order to provide guidance and recommendations to consumers specialist sellers need an ability to present products and/or services and offer personalised guidance and counselling and an enhanced ability to build up strong and long lasting relations with consumers. Given the increased level of competition consumers are in a stronger position to 'shop around', and specialist sellers need a greater understanding of the products and/or services,

prices and conditions offered by rival companies. They need an ability to keep up to date with new technological developments, particularly social media, as part of the sales process. They also need to keep abreast of new legislation to ensure their compliance with new laws and regulations regarding consumer protection.

In order to respond to consumer requests/complaints and provide appropriate aftersales service, specialist sellers need to develop sophisticated networking and negotiation skills, flexibility and problem solving skills. They need an ability to integrate new technological developments into working processes and to keep a firm focus on customer relation management.

They need an ability to integrate new technological tools into the working processes so as to ensure that all monetary transactions are satisfactorily handled and all invoices for goods sold or services provided are prepared.

To ensure that these tools are well integrated into working procedures and properly implemented specialist sellers will need to work closely with other colleagues in a team environment.



ESSC Commerce partners have proposed other knowledge, skills and competences for specialist sellers, as follows:

- active listening and good oral and written communication skills
- knowledge of the behaviour of the digital user
- knowledge of the role and function of e-commerce
- knowledge of digital purchase processes
- knowledge of online purchase motivation
- knowledge of Dynamic Digital Management
- creating experiences for the consumers
- using different marketing and sales channels
- packing the products properly, delivering them to the consumer and arranging their transportation, if necessary
- gathering and analysing data about the market, sector and the company
- negotiating contracts/agreements (products, prices, means of payment, selling conditions, delivery, etc) and ensuring that contracts are followed by both parties
- managing relationships with consumers.

## Emerging occupations

In addition ESSC Commerce partners have proposed a number of occupations that are emerging to reflect the changes taking place in the commerce sector. The trend is clear from these proposals. The sector is changing dramatically, under the impact of economic and technological drivers, and more specifically internationalisation and above all digitalisation.

### International Trade Specialised Technician/International Trade Assistant

A global world means global consumers, and companies need to market their products and/or services to consumers coming from diverse cultural backgrounds. Employees in the commerce sector need to be sensitive to cultural differences in business practice and take this into account in their professional activities. Global trading makes it necessary for companies to have employees that are able to manage import and export activities on a global scale.

Trading across borders increases the need to work with electronic and web data exchange/management systems and this in turn requires new skills. The mere existence of global brands (eg Nike, Zara) and products that can be sold throughout the world (via internet or not) makes it necessary to manage these brands and these products and the business practices underpinning them on an international scale. This also means that employees need to know, respect and follow a complex web of national laws, European and international trade agreements and regulations (eg International Commercial Terms; World Trade Organisation regulations).



Companies that sell to or buy from cross-border markets need to have robust corporate strategies and business structures to monitor the ways markets function, deal with consumers from different cultural backgrounds, know and coordinate the necessary support services to buy or sell successfully (eg logistics, financial operations and insurance), and these activities clearly requires a specific occupational profile and a specific set of knowledge, skills and competences, as follows:

- carrying out studies and business monitoring
- engaging in export selling
- engaging in import buying
- coordinating services for successful import buying and export selling.

### E-merchandiser

There is a significant increase in the number of consumers prepared to buy online, competition is becoming intense and companies have to deal with better informed and demanding customers. This requires companies (whether solely online or 'multi-channel') to have employees who are able to promote and display products and/or services in an attractive way.

New technology makes it easier to collect data which can be used to target and segment customers and position products, and this in turn creates a demand for specialists to deal with the appropriate technology.

Selling online products and/or services requires companies to develop business strategies that encompass

marketing, merchandising, web technology, web design and online data management, and this range of diverse activities can only be found in a new occupational profile which requires a specific set of knowledge, skills and competences, as follows:

- knowledge of web design
- knowledge of e-marketing and social media
- promoting the sale of goods/products and services in a digital online store
- presenting and displaying products/services to potential consumers in an attractive manner, in a digital environment
- planning and analysing web data regarding consumption trends, consumers' behaviour online, sales, consumers loyalty online, etc



### E-commerce employee front office/e-shop assistant

More and more consumers of all ages are buying and selling on the internet. Modern consumers want access to information about the vast range of brands available and make their purchases at the lowest price possible. They also expect increasingly to be provided with a certain level of attention and customer care, and so customer service must be of a high standard, whether face-to-face or online. Although the means will differ, requests and complaints need to be handled quickly and professionally by the front office.

The development of the internet, the rapid growth in the use of social media and the change in consumer behavior means that there is more information available, which is leading to increased competition in the commerce sector. Retailers that expect to remain competitive must be 'multi-channel', and a web presence is more and more important. The e-commerce employee Front office/e-shop assistant must be complementary to employees working in other sales channels. The one can support the other. The former can for example map the consumers' requirements and as a next step present them to the latter in the physical store.

Analysing the consumer's needs and offering alternatives to the customers can be done digitally. The traditionally anonymous consumer in the physical store can become a 'trusted' client, on the basis of information gained from digital channels. The e-commerce employee front office/e-shop assistant requires specific knowledge, skills and competences, as follows:

- knowledge of products and/or services for sale
- knowledge of the technical developments of online selling
- knowledge of the behaviour of digital consumers
- knowledge of in-store technology
- using social media for commercial purposes
- identifying and responding to consumers' needs and dealing with consumers' 'pre-knowledge' via online research
- advising digital consumers in ordering online
- linking the different sales channels and guiding the consumer to the most appropriate one
- handling e-mail and online reactions effectively
- following instructions, work agreements and prescribed work procedures
- registering and handling credit card transactions with consumers
- working within a team environment.

### Entrepreneurial e-commerce employee

Consumers are increasingly choosing to buy online, and the act of buying and selling is changing radically. The contact with the consumer is also changing. New technological resources are at hand to connect with the consumer. With the appropriate computer software customer data can be collected and analysed to determine sales trends in general. Equally it can be used to identify the purchasing patterns of each individual consumer or groups of consumers and then to predict future purchasing trends.

Moreover the situation is dynamic, and changes in the pattern of sales can be relayed directly to the company. This information can then be further developed in marketing campaigns for groups of consumers or individuals. Consumers that buy a certain product, a book for example, will increasingly be the target of marketing campaigns and receive publicity material, suggesting books by the same author or books on similar themes, directly into their personal computers at home or at work.

'Multi-channel' sales are becoming increasingly important and will have a greater significance for companies' business objectives. For this reason, companies will deploy specialists for online sales to complement the activities of others in the more traditional sales channels. These specialist

entrepreneurial e-commerce employees will require specialised knowledge, skills and competences, as follows:

- knowledge of products and/or services for sale
- gathering and analysing data about the market, sector and the company
- knowledge of digital consumers and their behaviour
- knowledge of technical developments in online selling
- knowledge of social media and the ability to use it for commercial purposes
- implementing the technical online developments in the organisation
- defining online company policy and financing, based on facts, planned objectives and activities
- managing and handling the online flow of goods and inventory
- supervising sales activities and delegating tasks to employees on the basis of clear instructions
- monitoring the quality and productivity of work and operational processes
- creating opportunities for improving and promoting the company online
- identifying and responding to consumers' online needs
- researching the online behaviour of consumers
- analysing the attractiveness and usefulness of websites.
- liaising with website designers and constructors.

### Technical specialist in e-commerce

Although consumers are becoming accustomed to using digital tools, it is important for the companies to make it easier for them to purchase the products and/or services they want. So, retail companies need to have employees capable of designing a virtual store that facilitates the whole purchasing process.

As competition in the retail sector increases, retail companies need to offer attractive products and/or services at an attractive price, both in virtual and bricks-and-mortar stores, and they need employees capable of providing good online services.

The digital technologies are constantly evolving, and the retail sector needs employees that can monitor this development and use this experience and knowledge to offer a good service for their customers. They also have to be sure that they comply with various European and

national regulations, such as sales or data protection regulations.

Designing the whole purchasing process in a virtual store is a difficult and complex task, requiring new activities and a new occupational profile, and that in turn requires a specific set of knowledge, skills and competences, as follows:

- knowledge of online interactive techniques
- creating a management network - user-business and business-supplier
- adding payment systems to the platform and checking their functioning
- organising the electronic network and managing its interoperability with other systems
- designing and creating an e-commerce website
- managing the contents of the website
- programming and accessing interactive information
- maintaining, checking and controlling the system in real time.

### E-commerce operator

Consumers increasingly expect retail companies to use digital means to contact them. E-commerce operators have to be able to deal with customers and monitor the whole process digitally, from the reception of the order to the delivery of the product to the door of the consumer.

In many countries the economic crisis has led to reductions in consumers' spending power, so the retail industry has to find new ways to attract potential customers. The e-commerce operator has to use digital tools to attract new consumers and, at the same time, retain the existing ones.

ICT is constantly changing, and e-commerce operators have to be capable of managing all kind of digital resources. They need to have up-to-date knowledge and experience and to monitor the latest technological developments and trends. They also need to be aware of European and national regulations, particularly to ensure that data management activities do not fall foul of data protection legislation.

Many traditional retail companies are realizing that virtual stores are essential if they want to survive. They have to adapt their structures to ensure that virtual activities are well integrated into life of the whole organisation. In order to achieve this goal, companies need well-trained professionals, including e-commerce operators, with the following knowledge, skill and competences:

- knowledge of technical systems
  - knowledge of operative channels
  - managing the content to be used in the transactions
  - dealing with orders
  - managing invoices and payments
  - dealing with users' and providers' complaints
  - setting up physical logistics
  - managing and processing the network
  - improving productivity.
-



**Expert in digital CRM -  
customer relationship management**

Consumers' behaviour and preferences are constantly changing. So, companies need professionals capable of identifying, detecting and anticipating these changes. Experts in digital CRM have to be able to attract new customers for the retail company, as well as retaining existing ones.

The economic importance of the virtual world is increasing constantly, and companies have to take advantage of this new opportunity to ensure that they can attract and retain new virtual customers.

Retail companies are facing the increasing importance of social networks, the spread of smart-phones and the latest challenges posed by the development of ICT, and they need to ensure that they have the employees to do this.

These experts in digital CRM need to deal with the issue of data protection, and managing customers' data bases means that they have to respect all the European and domestic regulations regarding this matter. Virtual retail stores need a new strategic approach, different from the one used in physical stores, and to achieve this, they need employees with the following knowledge, skills and competences:

- knowledge of the role and function of e-commerce
- knowledge of digital purchasing processes
- knowledge of the digital user and his/her behaviour as a customer
- knowledge of the techniques required to attract and retain customers
- knowledge of Dynamic Digital Management
- understanding online purchaser motivation
- using continuous management as a loyalty tool
- configuring and managing digital markets
- managing users in a personalised way.



# Part 3

Innovative tools,  
national and regional  
strategies, local  
initiatives, methods to  
monitor skills needs  
and address skills  
mismatches and gaps

What is being done to monitor skills needs and address skill mismatches and gaps?

ESSC Commerce partners have identified a series of different examples of best practice of innovative tools, national and regional strategies, local initiatives, as follows:

- meeting skills needs
- developing new qualifications
- recognising prior learning
- coordinating stakeholders
- dealing with the increasing use of e-commerce
- facing the challenge of 'multi-channel' retailing
- analysing the conditions for transferability
- analysing the criteria for successful strategies
- addressing and closing the skills gaps.

## Meeting skills needs

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One way of responding to skills needs is to establish a specific qualification which provides potential employees with the skills directly required by the labour market. This has been done recently in Portugal with the qualification entitled 'International Trade Specialised Technician' – the first ever qualification at EQF Level 5 in the commerce sector. This qualification provides access to a post-secondary level qualification, helps to ease the transition from school to work and at the same time allows for progression towards higher education.

The key actor in Denmark for meeting skills needs is the trade committee – '*faglige udvalg*'. Trade committees lay down the detailed content of the vocational training programmes within the general framework provided by the National Council of Education and Training, and more specifically the duration and structure of the training programmes, their objectives and assessment, as well as the distribution of time spent on work-based and school-based training. There are approximately fifty trade committees for different sectors of the economy, and importantly, they are composed of key labour market actors, social partners - trade unions and employers' organisations, as well as government representatives and VET institutions. The social partners have equal representation on these trade committees and together they form a majority. There is a trade committee for retail and also for wholesale,<sup>1</sup> and the "Info Box"<sup>2</sup> gives an example of the work of the former.

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<sup>1</sup> For a list of different trade committees, see <https://www.ug.dk/job/artikleromjobogarbim/omarbejdsmarkedet/organisationer/faglige-udvalg>. For the retail trade committee for retail, see <http://www.detail.uddannelsesnaevnet.dk/>, and for the wholesale trade committee, see <http://www.handel.uddannelsesnaevnet.dk/Default.aspx?ID=154>.

# INFO BOX 1

## Meeting skills needs Portugal

In Portugal companies that sell to or buy from external markets need solid corporate strategies and adequate business structures to monitor the markets they work for on a permanent basis. This requires employees with specific and specialized skills to manage import and export activities on a global scale. They need to be able to deal with customers from different cultural backgrounds and to coordinate appropriate services (logistics, financial operations, insurance, etc) to support these activities.

A broad-based consultation process was set up with the relevant stakeholders,<sup>2</sup> and it was formally decided in March 2013 to set up a new qualification 'International Trade Specialised Technician'. Following the standard procedure the qualification was located at Level 5 within the Portuguese National Qualification Framework (NQF).

The strategic and technical development of the

qualification formed part of a European process of development that took place in the framework of an EU-funded Leonardo da Vinci pilot project. The qualification shares the same learning outcomes as qualifications that exist in other countries (Belgium, France, Italy, the Netherlands, Portugal, Romania, Slovenia, and Spain), and in this way ensures mutual recognition between the countries and organisations involved in the partnership as well as 'recognised' mobility of learners during the training process.

The specific benefit of this type of approach is threefold.

It has brought innovation and attractiveness to the commerce sector and met a real need expressed by Portuguese and global companies operating in Portugal for well-trained intermediary professionals who are ready to support those companies in the process of internationalisation. It has offered companies an opportunity to host trainees for on-the-job training and to use this period as a 'trial period' in the framework of future employees recruitment policies.

It has also helped to reduce the skill mismatch in the commerce sector. It has established the first ever qualification at EQF Level 5, and it has provided the Portuguese NQF with a qualification and associated training that meets the needs of the labour market.

<sup>2</sup> CECOA (National Vocational Training Centre for the Commerce Sector); ANQEP (National Agency for Qualification and Vocational Education and Training); Sector Council for Qualification for the commerce sector; IEFP (Institute of Employment and Vocational Training); social partners from the commerce sector, companies, universities and technical institutes; Technical Commission for post-Secondary Technological Training; MSESS (Ministry of Solidarity, Employment and Social Security); Secretariat of State Employment and Vocational Training.; Ministry of Economy; potential learners.

It has provided access to a post-secondary level qualification which helps to ease the transition from school to work and at the same time allows for progression towards higher education, as this qualification foresees European Credit Transfer and Accumulation System (ECTS) credits.

Finally, for young people it has provided access to a qualification in an attractive and 'in need' area and thus improved their employability. It has offered them a mandatory period of on-the-job training which in turn has enabled them to consolidate and apply the knowledge, skills

and competences that they have acquired in formal education. Finally it provides them with an opportunity for international mobility.

## INFO BOX 2

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### Meeting skills needs Denmark

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Meeting skills needs forms part of the everyday work of the trade committee for retail. It has developed methods to monitor skills needs that include both long term trends and short term changes. It monitor trends by observing developments in the retail trade globally, either by organising visits to other countries with leading roles in retailing such as USA, Great Britain and other European countries, or via magazines, newspapers, electronic media and other written and electronic sources.

The trade committee for retail carries out studies to examine the impact of long term trends on the retail

trade in Denmark, the job functions that employees will need to carry out, and the skills and competences that are required by both management and employees to carry out these job functions. Parallel to this, the trade committee analyses the effect of initial education and training and the demographic and educational level of the employees in the sector. Although skills needs do not change fundamentally over time, it may be necessary to change the description of the skills and/or the relative weight of each constituent part of the training.

The specific benefit of this type of approach is that the social partners, who are directly involved in labour market developments and are well placed to understand future skills needs in the sector, play a leading role. Moreover, they, in cooperation with other members of the trade committee for retail, are able to act rapidly and directly to ensure that VET provision meets these skills needs.

The success of this approach is dependent upon the ability of the training centres to understand what skills are required and to be able to translate the needs into meaningful training activities. If the trade committee does not find the new skills relevant, there is a risk that the training will respond to yesterday's or today's skills rather than tomorrow's.

## Developing new qualifications

In the Netherlands significant changes are afoot in terms of the development of qualifications. From 2015 onwards the 17 sector-based knowledge centres will be restructured into a reduced number of sectoral departments under the auspices of the 'Cooperation between VET and the world of work' (*Samenwerking Beroepsonderwijs Bedrijfsleven – SBB*). One of the sectoral departments covers the commerce sector. In this way the SBB will be able to develop more generic broad-based qualifications which in turn will allow for improved comparability between qualifications and greater flexibility in terms of VET provision.

# INFO BOX 3

## Developing new qualifications Netherlands

In 2011 the Ministry of Education, Culture and Science produced an Action Plan 'Focus on Craftsmanship' for the VET system and in 2012 handed over a central advisory role to a new umbrella organisation 'Cooperation between VET and the world of work' (*Samenwerking Beroepsonderwijs Bedrijfsleven – SBB*). The 17 sector-based knowledge centres are in the process of being restructured into a reduced number of sectoral departments under the auspices of the SBB.<sup>3</sup> One of these sectoral departments deals with commerce.<sup>4</sup> The board of the SBB consists of 12 members: six representatives from social partners (three from employers' organisations and three from trade unions) and six from training providers and trainers.

The qualifications are to be developed in the following way:

- social partners (employers' organisations and trade unions) establish the occupational profiles and, together with VET experts in one or more joint committees - '*paritaire commissies*', which reflect the composition to be found in the SBB

Board; they are involved in the description of the qualifications on the basis of competencies - the sum of knowledge, skills and attitudes that are needed for the job, in society or for further study; they ensure that the qualification files comply with legal requirements and sectoral needs; they advise on changes or updates for qualifications (or parts of qualifications) on the basis of labour market developments; they validate sectoral qualifications (or parts of qualifications); they propose the sectoral elements for labour market research to support the development of the qualification structure

- qualification files are developed according to one single format by using one fixed set of 25 competencies for all types of vocational training, thus ensuring improved comparability between the various qualifications in the overall qualifications structure
- the qualifications structure is used primarily as a basis to develop study programmes but can also be applied to the process of accreditation of prior learning, job-seeking and examination.

The key to the success of this initiative, as with all vocational training initiatives, is to ensure good cooperation between the world of work and training providers. This is particularly important in a fast moving sector like e-commerce, where the curriculum and the course content may start to be outdated, even before the apprentice has finished his or her 3-4 year course.



<sup>3</sup> The seventeen knowledge sectors cover the following sectors: Aequor (agriculture and horticulture), Calibris (health care, social care and sports), ECABO (economic/administrative, ICT and security), Fundeon (construction industry and infrastructure), Kenniscentrum GOC (graphic and media), Innovam Groep (automotive), Kenniscentrum Handel (retail, wholesale and international trade), Kenteq (metal, electrical and mechanical technology), Kenwerk (hospitality, bakery, tourism, recreation and facility), KOC Nederland (hair care, foot care and beauty care), Kenniscentrum PMLF (process technology, environmental technology, laboratory technology and photonics), Savantis (painting and maintenance, plastering and finishing, and presentation and communication), Kenniscentrum SH&M (furniture and joinery industry, wood trade, wood processing industry, and related industries), SVGB kennis- en opleidingscentrum (health technology and creative craftsmanship), SVO (fresh food retail and industry), VOC (bodywork industry), VTL (transport and logistics).

<sup>4</sup> The sectoral departments cover the following: commerce; built environment and engineering; mobility, transport and maritime; care, welfare and sport; creative industries and ICT; food, tourism and hospitality; economic and administrative occupations; specialist crafts and other professions.

## Recognising prior learning

According to a factsheet for the wholesale and retail trade produced by Eurofound, ‘with regard to educational level, it is worth noting the lower than average proportion of workers with tertiary education (13.6% compared to the average of 23.5%)’, and a higher than average proportion of workers with ISCED levels 1 and 2. (primary education or first stage of basic education and lower secondary or second stage of basic education).<sup>5</sup> Indeed, as has been noted by an ESSC Commerce partner in Part 1, ‘traditionally education attainment and the qualification obtained in the formal education process have never constituted a decisive criterion for recruitment in commerce, and this includes white collar workers. Recruitment criteria have been based above all on individual attributes (motivation, rigour, adaptability, aptitude for managing, readiness for change), more than knowledge gained in the formal education process and even technical skills.’

There is a growing consensus that many people may have a variety of knowledge, skills and competences that are not immediately recognisable because they are not certified. Certain European countries have put in place a system for recognising non-formal and informal learning, and some (Finland, France, Netherlands, Norway and Portugal) are considered to have a high level of development.<sup>6</sup>

More recently the Council of the European Union agreed in December 2012 that Member States should have in place, no later than 2018, arrangements for the validation of non-formal and informal learning.<sup>7</sup>

“Info Box” 4 and 5 provide an insight into the arrangements for recognising prior learning in Portugal and the Netherlands respectively.

<sup>5</sup> Wholesale and retail trade – Fact sheet, European Foundation for the Improvement of Living and Working Conditions, Dublin, ef081426en.

<sup>6</sup> 2010 update of the European Inventory on Validation of Non-formal and Informal Learning - Final Report, Cedefop, Thessaloniki, p6.

<sup>7</sup> Recommendation on the validation of non-formal and informal learning, Official Journal 2012/C 398/01

# INFO BOX 4

## Recognising prior learning Portugal

According to a survey conducted in 2000 by the National Statistics Institute, 64.2% of the entire Portuguese workforce did not possess a school leaving certificate. This was the mainspring for the development of a system which assesses, recognises, validates and certifies prior learning. In the commerce sector occupational profiles and training standards have been established for seven occupations (commercial employee; logistics assistant; commercial technician; logistics technician; marketing technician; sales technician; window dresser technician).

In this way adults in the commerce sector with the appropriate knowledge and skills can have their experience assessed and certified.

Not only has this system contributed to an improvement in the levels of qualification in the Portuguese commerce sector, but it has reinforced cooperation between stakeholders from the world of VET (schools, training providers, assessment centres) and stakeholders from the world of work (companies, social partners, local and regional development organisations). In the commerce

sector it has identified the existence of qualified and specialised staff and stable teams that have ensured the efficacy, quality and sustainability of the certification process.

Moreover it has provided employers with access to better qualified employees with more recognisable knowledge, skills and competences, which in turn contributes to raising productivity and levels of competition.

For the system to function properly it is essential to ensure that the innovative nature of the methodology is understood, accepted and that the process is rigorously assessed. Any suspicion regarding the credibility and the quality of the process will clearly undermine its implementation.



# INFO BOX 5

## Recognising prior learning Netherlands

In November 2006, an agreement was signed in the Netherlands by a series of stakeholders (representing employers' organisations, trade unions, training providers and the Ministry of Education, Culture and Science) who were committed to the voluntary recognition of prior learning. One of the main objectives was to increase the employability of individuals and employees.

The procedure for the accreditation of prior learning (APL) in the Netherlands is the same for all sectors and always contains the same steps:

- information and advice for the candidate, the employer and any other organisations
- preparation of the individual arrangements, on the basis of a decision by the candidate to start the APL procedure
- recognition of competences: portfolio (supported by the mentor)
- validation of competences: assessment (by the assessors)
- description of results and accreditation (by the assessor) in an APL report, in line with already existing formal qualifications

In practical terms, the competences that are required for an occupation are identified by sectoral organisations and linked to a qualification. The individual or employee then needs to provide the evidence that s/he has the appropriate competences for the qualification. These competences are then assessed. If the assessor considers that the candidate has all the appropriate competences, then the qualification is awarded. If however the candidate does not have all the appropriate competences, then s/he has to take a formal course that leads to acquiring the required competences.

Throughout the process the candidates have access to guidance from specific (and indeed most of the time sectoral-specific) organisations, and the assessment is also be done by these APL-certified organisations. Progress has undoubtedly been made. Further progress will require a culture shift in the following ways:

- from thinking in terms of one education and training programme for all to thinking in terms of tailor-made training programmes at the request of individuals
- from an institutional perspective to an individual perspective based on lifelong learning
- from focusing on the content of learning programmes to putting the focus on professional performance and competences
- from thinking in terms of examination in formal settings to thinking in terms of assessing learning in different contexts.

## Coordinating stakeholders

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As can be seen in the section on meeting skills needs, the Danes put an emphasis on coordinating all stakeholders, and this is an approach that has been recently taken up in Portugal. A forum is needed for this coordination to take place, and recent changes in the law in Portugal have made it possible to establish Sectoral Councils for Qualifications (SCQ). Subsequently a SCQ 'Commerce and Marketing' has been set up to involve relevant and 'targeted' stakeholders in the commerce sector in the anticipation and reduction of skills gaps and mismatches. As can be seen in Info box 6, it has reviewed all the available qualifications in the sector, introduced improvements on the basis of market needs and taken an important step forward, by approving the integration of a new qualification entitled 'International Trade Specialised Technician' into the Portuguese National Qualification Framework (NQF).

# INFO BOX 6

## Coordinating stakeholders Portugal

Article 17 of the Portuguese Decree-Law No 396/2007 has paved the way for the establishment of Sectoral Councils for Qualifications (SCQ) whose objective is to cooperate with the National Agency for Qualifications to update the National Qualifications Catalogue. It is composed of representatives of government agencies, trade unions, employers' organisations, companies and training providers – 10 in all.

On this basis a Sectoral Council for Qualifications 'Commerce and Marketing' was set up in 2009. This approach has been beneficial for the sector, the National Qualifications Framework and also young people themselves.

This partnership approach has brought innovation and attractiveness to the commerce sector and provided the sector with access to better qualified employees with up-to-date knowledge, skills and competences. In turn this has contributed to an improvement in competitiveness of Portuguese companies in the commerce sector.

It has enabled the Portuguese National Qualifications Framework to be more all-encompassing, by ensuring that qualifications, competence standards and training standards meet the needs of the market in the commerce sector.

Finally it has enabled young people to have access to qualifications that are modern and up-to-date and that demand the knowledge, skills and competences required by the commerce sector. In short it has enhanced the employability of young people. For those people already in employment it has provided a lifelong learning perspective and thus an opportunity for further progress in the world of work.

Considerable time is required to identify the skills needs, to transfer them into training activities and to establish the qualification. The challenge is to ensure that stakeholders have the time and space to accompany a long process successfully



## Dealing with the increasing use of e-commerce

The growth of online retailing, particularly in sectors such as clothing, books, electrical goods, where purchased items are normally distributed via postal networks, has led to a review of the ways in which company logistics are organised. Systems that favoured the distribution of goods from producers to national or international suppliers to distribution centres to stores and then on to the consumer are giving way to systems that favour the distribution of goods directly from producers to distribution centres to parcel sorting centres to parcel delivery centres direct to the consumer.

The transition from a face-to-face sales model to an online model requires companies to consider their logistics strategy and in turn to train logistics experts in understanding the specific changes that are required for each set of circumstances. The Spanish example, in “Info Box” 7, makes the case for dealing with changes in e-commerce logistics.

### INFO BOX 7

#### Dealing with the increasing use of e-commerce Spain

The objective is to offer better services for online customers, to reduce the costs linked to logistics and waiting time, to increase sales in the bricks-and-mortar store, and to improve e-commerce sales.

The logistics activities to be developed by the company will depend on its organisational structure and the sector. The increase of the online sales will reduce the face-to-face sales, so the bricks-

and-mortar stores have to complement their offer with the e-commerce, in order to avoid the ‘empty streets’ phenomenon.

It is profitable for companies to associate themselves with online platforms that specialise in e-commerce, for the following reasons:

- it is possible to start an e-commerce business and benefit from the latest technologies without high investment
- it includes virtual customers, thus increasing the potential for sales
- it benefits from commercial technological advances, improving the company’s image and prestige
- it increases the potential market, offering new

opportunities to improve sales

- it reduces the costs linked to human resources, thus potentially increasing employment
- it reinforces the company's market share, offering advanced services and improving customer satisfaction
- it attracts new customers and fosters their loyalty, thus improving the company's competitiveness by responding to customer demands
- it expands the business reach, without adding new costs
- it increases profit margins thanks to the new activity.

The success of this e-commerce strategy lies with the commitment of the entrepreneur who needs to be prepared to disrupt the status quo and manage the transition from face-to-face sales to an online model.

## Facing the challenge of 'multi-channel' retailing

The development of new technology and the changing behaviour of consumers has had a significant impact on the wholesale and retail trade, as has been demonstrated in Part 2 of this report. 'Multi-channel' consumers can obtain information about the location of the retail outlet; they can learn more about the product before they enter shops; they can also buy the product or other products online at a later date. Moreover, as has been seen in Part 2, there is the increasing development of a series of emerging occupations, such as e-merchandiser, e-commerce employee front office/e-shop assistant, entrepreneurial e-commerce employee, technical specialist in e-commerce and e-commerce operator.

In Denmark, as "Info Box" 8 demonstrates, the trade committee for retail has identified a need for improving skills relating to 'multi-channel' retailing and created a course to respond to these needs.

# INFO BOX 8

## Facing the challenge of 'multi-channel' retailing Denmark

The trade committee for retail has responded to the need for e-commerce skills by revising the learning outcomes of the retail VET course, so that the newly trained shop assistants also have skills relating to 'multi-channel' retailing. Furthermore the trade committee has developed a 3-week course in 'multi-channel' retailing at EQF level 5, so that the VET students and their companies can add this supplementary module to their training. In addition courses with a similar content have been developed within the framework of continuing VET for adults, so that existing shop assistants that have already completed their initial training can acquire these additional skills.

Although 'multi-channel' retailing is widely accepted by companies in Denmark, there is considerable variation concerning the place where this task is performed. In some companies the task may be outsourced; in others the task may be undertaken at company headquarters. Some companies hire internal IT experts, and in others the normal staff are responsible for 'multi-channel' retailing. The content and the outcomes of the training are closely connected to the needs of the target group, so the trade committee has to adjust the content and the outcomes to the requirements of the commerce sector.

The success of this initiative is dependent upon the readiness of training providers to take up the challenge. When introducing a new possibility for acquiring new skills, there is always the risk that at the beginning demand for the skills is weak and take up is low, and training centres may be reluctant to include these new courses in their programmes.



## Analysing the conditions for transferability

When faced with the challenge of rapid changes in different labour markets, education systems are engaged in numerous developments. Important lessons can be learnt in one system, and/or part of a system, and transferred to another, whether in the same country or another. This does not mean at all that systems, or part of systems, can be transferred in their entirety, but it does provide an opportunity for discussion and the potential transfer of ideas.

In the Netherlands in 2006 a pilot project was undertaken to provide for a shorter form of higher education programme, a two-year Associate Degree (AD) course. It was launched in order to address the shortage on the Dutch labour market of people with a qualification level of between VET level 4 (EQF 4) and bachelor's degree level (EQF 6). It was primarily intended for students who had already graduated from middle-level vocational education and training (*mbo-middelbaar beroepsonderwijs*) and working people wanting to enter higher education.

### INFO BOX 9

#### Analysing the conditions for transferability Netherlands

The initial idea for the Associate Degree (AD) was designed to be transferable and has developed into a total of 57 pilot programmes which have been approved by the Minister of Education, Culture and Science.

The main features of an Associate Degree (AD) programme are: it should be an official free-standing course and linked to an official Higher Education (HE) qualification.

In addition it should be based on a bilateral partnership between a VET provider and a higher education institution. The latter takes the lead in designing the programme, and both provide input for the content of the training. The training is then provided by VET trainers.

In 2011/2012 nearly four thousand students were enrolled on these two-year courses. The AD pathway is comparatively popular with people who are already active in the labour market - more than one third of first-year students were 30 years of age or older, and they were more likely to be part time and following the primarily work-based curricula.

An AD in entrepreneurship was set up by the University of Rotterdam at Level 5 of the Dutch Qualifications Framework (EQF Level 5). The aim of the qualification is to train competent entrepreneurs or entrepreneurial managers.

The educational programme focuses on self-employment (entrepreneurship) or entrepreneurship within a company ('intrapreneurship'). During the education programme students have to study subjects, such as economic and financial affairs, marketing, organisational behavior, law, market research and entrepreneurship.

The 10 competences of the AD programme are similar to those for the Bachelor degree in Small Business and Retail Management (SBRM). Students on the Bachelor programme have to acquire skills at Level 3, and AD students at Level 2, with the exception of communication skills which both sets of students need at Level 1.

On successful completion of the programme AD students obtain a legally recognised Associate Degree diploma. It is expected that they will take on different positions in different industries. Within the commerce sector, they have gone on to work as store managers, branch managers, marketing and sales staff, product managers and account managers.

## Analysing the criteria for successful strategies

A key decision for any business is the decision to develop a good expansion policy, for example, to open up a new store, and this Spanish example in "Info Box" 10 goes through the steps that are required to ensure that the decision is taken in the light of the appropriate criteria.

This approach, if successfully followed, will enable the entrepreneur to determine the real importance of the problem and then to work on the priorities for choosing the location.



# INFO BOX 10

## Analysing the criteria for successful strategies Spain

Every market is composed of factors such as the potential number of consumers, their spending potential, their capacity for buying and their buying habits. With this in mind, the process to choose the best location for a retail business includes the following steps:

- choosing the commercial area, which requires an understanding of the number of potential customers and their spending potential, the characteristics of the competitors and the appropriate legal factors
- defining the type of location, which may be in a small commercial area or in an out-of-the-way area, which will clearly have an impact on such elements as the cost of rent and the number of potential consumers available; or in a commercial centre in the city centre, which will offer the possibility of many consumers but will come with potential disadvantages, such as the lack of parking areas; or planned commercial centres, which offer the potential for many consumers, potential economies of scale, parking spaces, but also competition from other retailers
- analysing the potential for passing trade, which is a function of the numbers of pedestrians, the number of vehicles, possibilities for public transport and options for parking
- analysing the specific location, which takes into account the visibility, size and disposition of the store.

## Addressing and closing the skills gaps

In order to address and close the skills gaps, stakeholders require a clear understanding of the skills needed by the sector and the ways in which training providers can respond. In Denmark trade committees produce an annual report that describes the latest developments in the retail sector in terms of labour market and training developments.

A similar report is carried out for continuing vocational education and training, and both reports are officially sent on to the Ministry of Education.

These reports provide the evidence for proposing changes to training provision. As can be seen from “Info Box” 11, the trade committee lays out the plan of action to be taken in the short and long term, and it has recently introduced training in ‘multichannel’ retailing, retail leadership, innovation and entrepreneurship.

## INFO BOX 11

### Addressing and closing the skills gaps Denmark

In Denmark trade committees produce an annual report that describes the latest developments in the retail sector in terms of labour market and training developments. This detailed report covers the entire sector and ‘sub-trades’ within the sector and includes statistics on the following: how many companies are taking on apprentices; how many companies are recognised to train apprentices; how many apprentices complete their training; how many apprentices still work in the sector a year after finishing their training; how many apprentices have started up their own businesses; and how many

apprentices continue on to further education.

The report also gives an insight into the short- and long-term trends that impact on the retail sector.

These reports provide the evidence for proposing changes to training provision so as to close the skills gaps. It could be, that trade committees develop an entirely new form of training, or make changes to existing training or even discontinue existing training. They can decide on changes to the structure and the duration of the training, or simply add new elements. In addition trade committees are in a position to introduce ‘sub-trades’ and then to propose that companies in these ‘sub-trades’ are recognised for training purposes and begin to provide these new forms of training. In this way the trade committee for retail has recently changed the focus of training for apprentices and introduced new courses at higher levels (EQF level 5), for example, in ‘multi-channel’ retailing, retail leadership, innovation and entrepreneurship







European Skills Council  
Commerce



Eurocommerce  
85, Avenue des Nerviens  
B-1040 Brussels - Belgium  
+32 (0)2 737 05 82



UNIEuropa Commerce  
40, rue Joseph II  
B-1000 Brussels - Belgium  
+32 (0)2 235 08 68