

Much More Than A Paycheck

HOW A PAY EXPERIENCE™ HELPS RETAILERS ATTRACT
AND RETAIN EMPLOYEES AND BOOST PRODUCTIVITY



The COVID-19 pandemic has caused retailers to rethink almost everything about the way they work. As brands re-emerge from the pandemic, they face new challenges attracting and retaining the workers they need to staff new and newly reopened locations.

One area brands can't afford to overlook is pay. It plays a role in every retailer's success strategy, and it's changed forever. Pay isn't just about issuing paychecks anymore. It's now part of a critical experience that forges trust between an employee and an employer.

Creating a Pay Experience™ that encompasses everything from helping employees meet unexpected expenses to encouraging savings and better budget management gives retailers a prime opportunity to enhance the entire employee experience. And as any retailer will tell you, a good employee experience is essential to a great customer experience.

An ideal Pay Experience includes:

- ✓ **On-demand pay**, which allows employees to access their pay ahead of a scheduled pay date, helping them meet unexpected expenses and improving their money management;
- ✓ **Reward programs**, which give managers the opportunity to incentivize individuals with cash delivered through DailyPay;
- ✓ **Savings programs**, which allow employees to “round up” on-demand pay amounts, with the difference going into a savings account; and
- ✓ **Off-cycle payments**, which provide immediate access to funds when there's an under-payment issue or a payroll delay.

In this eBook, we'll explore the elements of a positive Pay Experience provided by DailyPay, with particular attention to areas that are most relevant to retail decision-makers. Case studies and testimonials will also demonstrate real-world examples of positive Pay Experiences in action. In addition, we'll outline major benefits to retailers, including enhanced employee productivity, lower employee turnover and reductions in cash theft.



OnDemand Pay

OnDemand pay, the foundation of the DailyPay experience, allows employees to access their earned pay ahead of a scheduled pay date. Rather than be limited by the time constraints of a traditional payroll schedule, workers can use OnDemand to transfer the money they've already earned to their personal bank account on their own timeline.

Employees may turn to credit cards or payday loans if an unexpected expense arises, but using these financial tools can have serious downsides. Retailers that make the DailyPay platform available to workers enable their team members to avoid the high interest rates and other penalties associated with many short-term options. On-demand wage access is a relationship-builder for employers, demonstrating the value employees bring to the organization by facilitating financial flexibility and giving employees better control over their money.

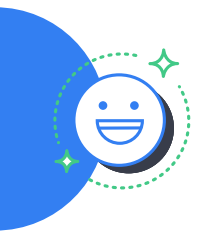
There's no cost to the retailer for employees' use of OnDemand. DailyPay carries all risk and funds workers' early access to pay. DailyPay even takes care of any bad debts, such as if employees commit timecard fraud and access more funds than they're entitled to receive.

DailyPay offers a variety of pricing options for employees to get early access to their earned pay, ranging from no-fee to fee-based options. Please reach out to your DailyPay sales team to learn about the different pricing options that best suit you and your employees.

Using DailyPay is also faster than a typical direct deposit through the ACH system. Where traditional payroll processes often take anywhere from 36 to 48 hours to show up in an employee's bank account, DailyPay replaces the ACH transaction and instead executes a direct — and nearly immediate — transfer of funds into the worker's account.

85% of users say DailyPay makes them better able to budget and pay large monthly bills (rent, utilities, car payment, etc.).

**DAILYPAY USER SURVEY,
MARCH 2020**



Reward Programs

When a team member hits a key sales goal or other metric, the retailer has an opportunity to deliver a differentiated Pay Experience and drive engagement. DailyPay's Reward feature enables store leaders to offer immediate payout for achieving that target. This feature can also be useful when employees go beyond the call of duty, such as coming in off-shift to help with restocking or staying late to cover another person's absence. Retailers are able to incentivize employees immediately, acknowledging exemplary actions and recognizing team members in the moment. This helps employees feel appreciated, leading to lower turnover and a stronger organizational loyalty.

The Reward feature follows the same fee structure as OnDemand.

59% of users say
DailyPay motivates them
to pick up more shifts or
work longer hours.

**DAILYPAY USER SURVEY,
MARCH 2020**



Savings Programs

Taking proactive steps to build a better financial base can have a powerful positive effect on employees. DailyPay offers several ways for employees to save for the future, including rounding up their OnDemand pay amounts with the difference going into a savings account. DailyPay's AutoSave tool offers the ability to set up a recurring savings amount, transferring funds into a savings vault and deducting them from the individual's available spend balance. On payday, because the platform supports account splitting, the designated amount is moved to the employee's personal savings account, while the rest of the pay is deposited into the employee's checking or other primary account already established within the application.

The DailyPay Save tool provides additional flexibility. Workers can use it to designate any amount they choose from their current pay period to immediately be earmarked for their personal savings account. This encourages picking up extra shifts and increases the power of retail incentive programs, since employees are able to shift those "bonus" dollars into savings right away.

The DailyPay PromptedSavings tool asks users if they want to add to their savings each time they withdraw through the application. It's a critical step in helping employees get into the habit of saving, even if it's just \$1 to start.

Because DailyPay believes that saving should be free, its Save feature carries no fees. The money employees designate for savings is all theirs.

46% of users say
DailyPay helps them
save more money.

**DAILYPAY USER SURVEY,
MARCH 2020**



Off-Cycle Payments

Designed to address the administrative and operational needs of the payroll team, OffCycle is a back-office function that retailers can utilize to provide employees with immediate access to funds when there's an under-payment issue or a payroll delay. This allows brands to resolve one-time events, such as timecard errors and miscalculations, as well as closing out final paychecks for terminated employees. Some states require immediate delivery of a departing worker's paycheck, and the ease of DailyPay's OffCycle feature allows an organization to quickly account for accrued vacation, expenses and other items. And because it's a direct transfer, the money shows up in the employee's account almost immediately.

The OffCycle feature is fee-free and provides a robust support structure for retail companies while helping them control their labor and administrative costs.

78% of users say
DailyPay helps them
pay their bills on time
and avoid late or
overdraft fees.

**DAILYPAY USER SURVEY,
MARCH 2020**

CASE STUDY

Adecco



Adecco, an innovative nationwide staffing agency, is always seeking opportunities to improve its worker and client experience. A desire to prevent home-life concerns from interfering with candidates' blossoming careers prompted the firm to explore wage access solutions as a way to give workers greater control and flexibility in managing their financial resources.

Any new solution had to integrate into the company's existing systems. "We have so many different offices and on-site contracts nationwide that we really wanted it to be seamless for our colleague base out in the field," said Angie College, Adecco's Senior Vice President of Operations. Multi-state compliance was also a priority, as was minimizing the number of vendors involved in the process.

"People get into situations where they need access to funds, and sometimes that impacts their work life."

ANGIE COLLEGE, SENIOR VICE PRESIDENT OF OPERATIONS AT ADECCO

DailyPay's on-demand wage access solution fit all of Adecco's requirements. The platform gives employees access to their money as soon it's earned. It integrates cleanly with Adecco's internal technology stack. DailyPay is compliant with each state's payroll programs and reporting requirements, and the solution natively supports Adecco's existing connection with payroll provider ADP. Even the training process for Adecco's workers was simple and nondisruptive, leveraging online tutorials plus on-site education at select client locations.

Access to DailyPay's features enables Adecco to attract better-quality candidates, even in highly competitive fields. Clients have been enthusiastic about the platform, too. "The system emphasizes consistent clock-in and clock-out procedures for our workers, and that has improved our operational functions," College said.

Workers appreciate being able to manage their finances on their own terms. With money issues handled and peace of mind about their future plans, workers are better able to focus on their jobs. It creates a more productive atmosphere for employees and a more stable workforce for Adecco's clients.

CASE STUDY

Wireless Vision



Wireless Vision, a large nationwide operator of carrier-branded retail stores, constantly challenges its internal team to develop innovative ways to attract new talent and engage existing employees. The firm's workforce includes a sizable Millennial population, making instant gratification and convenience top motivators for staff.

With high turnover common among retailers, Wireless Vision's payroll team was inundated with new-hire setup and processing final paychecks for exiting employees. And because it has team members across the country, the company had to maintain compliance with multiple federal and state-level regulations around timely paycheck disbursements. "It's something that would normally take a couple of days to address, but with DailyPay we can now complete those in a 24-hour time frame," said Yolanda Royall-Williams, Wireless Vision's Senior Director of Human Resources.

"It has made a great impact on the onboarding experience when employees find out we've made DailyPay available to them."

YOLANDA ROYALL-WILLIAMS, SENIOR DIRECTOR OF HUMAN RESOURCES AT WIRELESS VISION

The specialty retailer also had ongoing problems with till fraud. After launching DailyPay, far fewer workers turned to the store tills when an unexpected expense put them under financial pressure. "We have reduced the amount of investigations related to fraud significantly since launching DailyPay because we're giving employees quick access to their funds," Royall-Williams said.

The addition of DailyPay to Wireless Vision's voluntary benefits offerings has become a valuable recruitment tool as well. The retailer initially expected DailyPay to increase engagement with front-line associates, but Royall-Williams noted that "even our salaried employees have gravitated to it: 10% of our corporate employees are participating in the DailyPay program." In the first year alone, Wireless Vision spent \$15 million on access funds from DailyPay, demonstrating its broad use and tremendous value to the retailer's workforce.

A successful wage payment implementation offers 4 key benefits for retailers.

1. FACILITATE PAYROLL CONTINUITY

The **ability to facilitate payroll continuity** is vital for any employer. Between stringent regulatory mandates and the enormous impact payroll mistakes or delays have on workers, as well as the company's reputation and bottom line, payroll professionals are deeply committed to a reliable and timely process. DailyPay has taken extraordinary measures to ensure all operating protocols are not only compliant in all 50 states, but that they're seamless and simple, designed to avoid disruptions to employers' existing payroll procedures.

2. ATTRACT BETTER JOB CANDIDATES AND REDUCE EMPLOYEE TURNOVER

A strong on-demand wage access solution is a competitive recruiting tool **to attract high-performing talent**. DailyPay's customers have seen candidates opt to accept a position that offers on-demand wage access for up to 15% lower pay than the next competitive job. It also helps **reduce employee turnover**. Once workers have the opportunity to enjoy the flexibility of utilizing their funds on an as-needed basis, the prospect of switching to an employer where that benefit is not available is far less attractive. Employees are likely to stay if it means they can continue to exercise tighter control over their finances.

A [Korn Ferry survey](#) found that part-time hourly retail store employees had the highest turnover rate of all positions in the sector, with an average rate of **81%** in 2018, up from **76%** in 2017.

3. INCREASE EMPLOYEE PRODUCTIVITY

Helping relieve employees' financial pressures results in an *increase in employee productivity*. Instead of dealing with money matters at work — spending time online or on the phone trying to come up with the funds they need in the near term, for example — workers can be more engaged with customers and focused on accomplishing their duties.

The transparency that exists with DailyPay enables employees to recognize when they need to work longer hours or when to offer to pick up extra shifts to maintain their income. Employees can earn the funds they need to meet their financial goals and achieve greater stability while building a deeper commitment to their role in the business.

4. IMPROVE EMPLOYEE LOYALTY AND OVERALL WELLNESS

Employers can *improve employee loyalty and overall wellness* by offering an on-demand wage access solution that's flexible and easy to use. The availability of the DailyPay platform empowers employees to control their finances and make better decisions about money, health, child care and other priorities. This symbiotic relationship builds trust between employees and employers while creating a better, more transparent environment for everyone.

With DailyPay, retail workers have reported productivity increases of nearly **300%**.

DAILYPAY

In a [Bank of America Merrill Lynch survey](#), **53%** of employees reported skipping or postponing health-care-related spending to save money.

Conclusion

In a post-COVID-19 retail world, retailers that create a convenient Pay Experience can win the war on talent. DailyPay offers a no-cost, no-risk way to close the loop on the employee experience by creating a Pay Experience that goes above and beyond what's offered by competing employers. Organizations can now empower staff with an on-demand wage access platform that's flexible enough to fit employees at every stage in life, and robust enough to solve some of the biggest workforce and payroll challenges retail brands face.

DailyPay saves employees **\$1,205 per year** on average in reduced fees from loans, overdraft and late fees.

DAILYPAY USER SURVEY,
MARCH 2020





DailyPay is a SaaS award-winning fintech solutions company supporting over 2 million employees at world-class companies including Adecco, Berkshire Hathaway and Six Flags with an on-demand pay platform. DailyPay is headquartered in New York City with operations located in Minneapolis.

For more information about DailyPay, visit dailypay.com or follow @DailyPay on Twitter or LinkedIn.

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