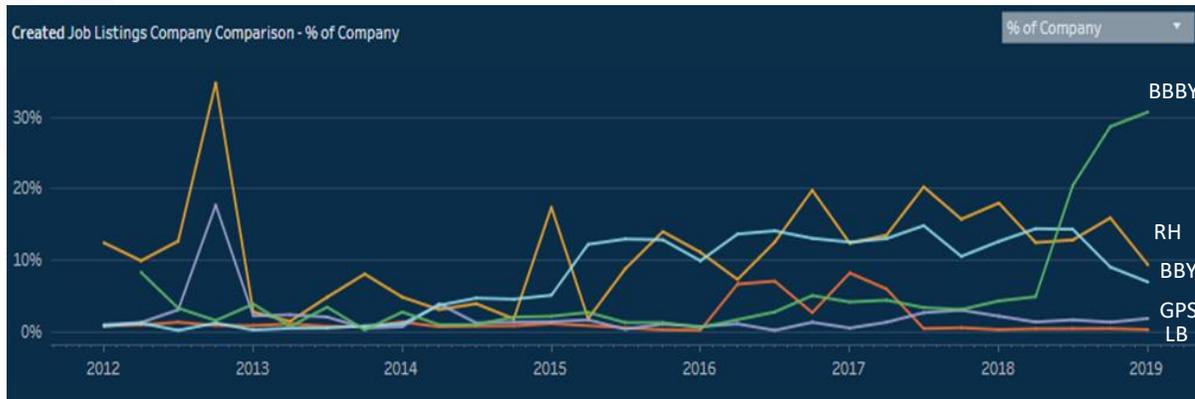


# Specialty Retail: Jobs data hints at omnichannel winners and losers

## Summary:

Using our Eagle Edge dashboard of employment data from LinkUp we examine hiring trends across the Specialty Retail sector. Focusing on job categories related to online retail reveals which companies are strategically hiring to build out an online or omni-channel presence in the market.

LinkUp Employment Dashboard - Online/Omni Channel Job Listings – Specialty Retail



Source: Eagle Edge platform, LinkUp

## Eagle Alpha Insight:

Company hiring trends by job type shows which companies are engaging in building an online presence. This has long-term implications for retailer growth profiles in coming years. Our analysis looks at BBY, BBBY, GPS and LB and identifies clear divergences in hiring strategies that could have implications for future growth profiles and profitability.



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Sector: **Consumer Discretionary**  
 Sub-Sector: **Specialty Retail**

- Companies mentioned:
- Best Buy (BBY)
  - Bed Bath & Beyond (BBBY)
  - RH (RH)
  - The Gap (GPS)
  - L Brands (LB)

# Key Takeaways

## 1. Datasets

- **LinkUp Employment Dashboards:** The Eagle Edge employment dashboards enable users to effortlessly explore the LinkUp Job Search Engine dataset, the largest, highest-quality index of global job listings.
- [See Appendix 1](#)

## 2. Backtesting/Significance

- **LinkUp Employment Dashboards:** The dashboards provide a window into company performance and strategy. Statistical backtesting has also proven the relationship between LinkUp data and company performance.
- [See Appendix 1](#)

## 3. Key Insights

### **Finding retailers that are hiring for an omni-channel world**

The retail sector has been going through a torrid time of late. Some retailers are performing relatively better than others due, in part, to a stronger online or omnichannel presence. The LinkUp employment dashboards on Eagle Edge, can be used to examine company hiring trends at an aggregate level, or the data can be filtered to analyze specific job categories or regions within the US. Using job categories we analyze employment trends across the Specialty Retail sector to gain an insight on retail company hiring trends. The evidence points to some companies in more advanced stages of hiring relevant employees to build out an omnichannel presence, while some companies are clearly lagging.

[See page 3 →](#)

## 4. Implications

### **Hiring trends a lead indicator of management strategy**

Hiring trends for some Specialty Retail companies have shown an omnichannel driven strategy for several years. For example, Best Buy (BBY) has been hiring relevant people for more than five years. This has translated into stronger comps for the company, as online sales pick up the slack from lackluster in-store comps. In contrast, retailers like The Gap (GPS) and L Brands (LB) do not appear to be hiring to build out a serious omnichannel presence. Online sales are becoming critical so a deficient omnichannel strategy is likely to continue to be reflected in poor performance for LB and GPS. Bed Bath & Beyond (BBBY) has had revenue growth problems for years. However, recent employment data would indicate the company has gotten the message and is about to ramp an omnichannel presence.

## Key Insights

### Sector level omni-channel hiring trends

Filtering by jobs created on Eagle Edge we have isolated jobs related to a company hiring for an omni-channel presence. The main job categories is Material Recording, Scheduling & Dispatching. From 2016 onwards the Specialty Retail sector has shown growth in hiring for these jobs on an absolute basis and relative to Multi-line Retail (Fig 1). Growth dipped in 2018 but has reaccelerated again.

Within Specialty Retail BBY and RH are advanced with a high proportion of total job listings going to omnichannel jobs (Fig 2). GPS and LB hiring shows no apparent online strategy. BBY has been hiring aggressively over the past year.

Figure 1: LinkUp Employment Dashboard - Online/Omni Channel Job Listings – By Sector

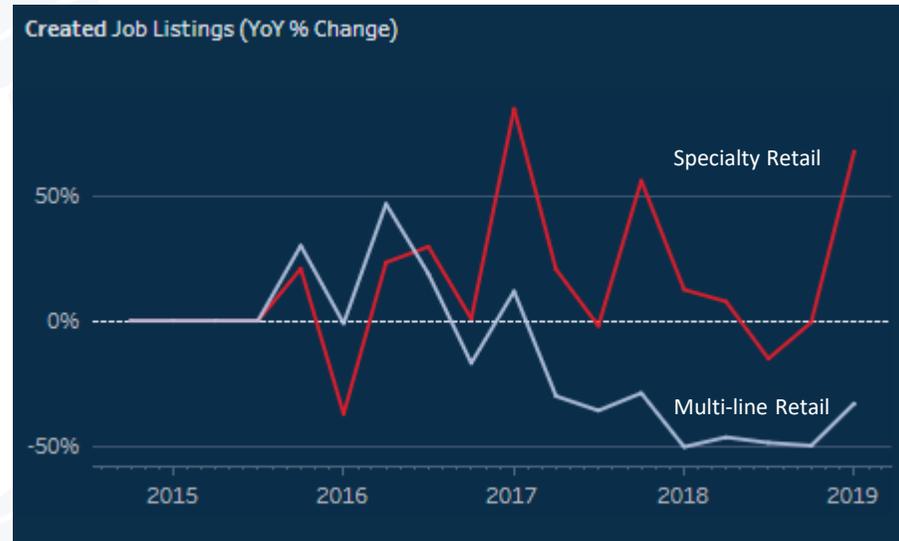
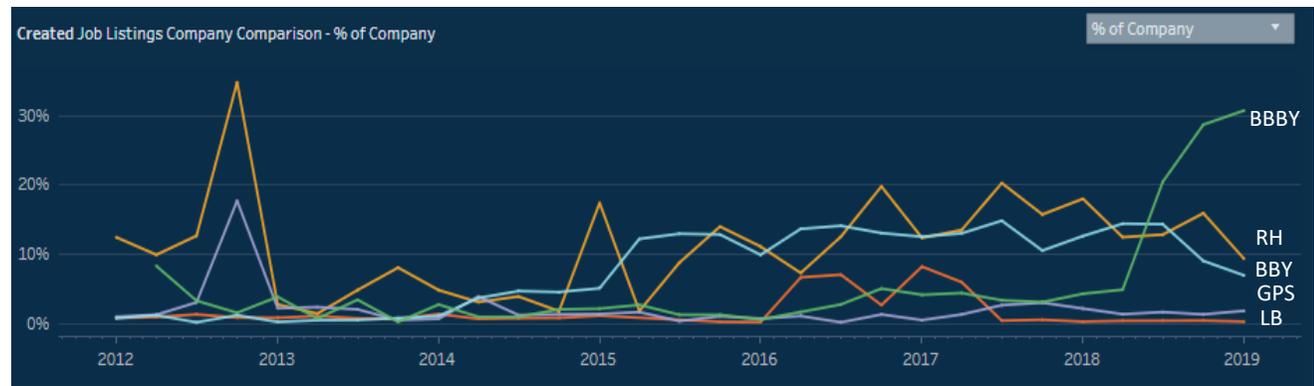


Figure 2: LinkUp Employment Dashboard - Online/Omni Channel Job Listings – Specialty Retail



Source: Eagle Edge platform, LinkUp (click [here](#) to access)

For more on Eagle Alpha's offering contact:

[enquires@eaglealpha.com](mailto:enquires@eaglealpha.com)

1

2

3

## Key Insights

### Two companies with a clear omni-channel hiring strategy

Filtering companies within the Specialty Retail sector on Eagle Edge we examine hiring by job category. BBY reduced hiring of traditional retail sales workers as a percent of total hiring to less than 50% of top jobs (Fig 3). Over the same period it can be seen that the company was hiring in excess of 10-15% of total top jobs in Materials Recording & Dispatch. This has benefited online comps over the past several years. For BBBY it can be seen that the company began to hire in earnest for relevant roles from 2018 onwards and currently over 30% of listings are in these areas (Fig 4). While it may take time to build out an omni-channel presence, BBBY appears to be going in the right direction.

For more on Eagle Alpha's offering contact:

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Figure 3: LinkUp Employment Dashboard - Online/Omni Channel Job Listings– BBY

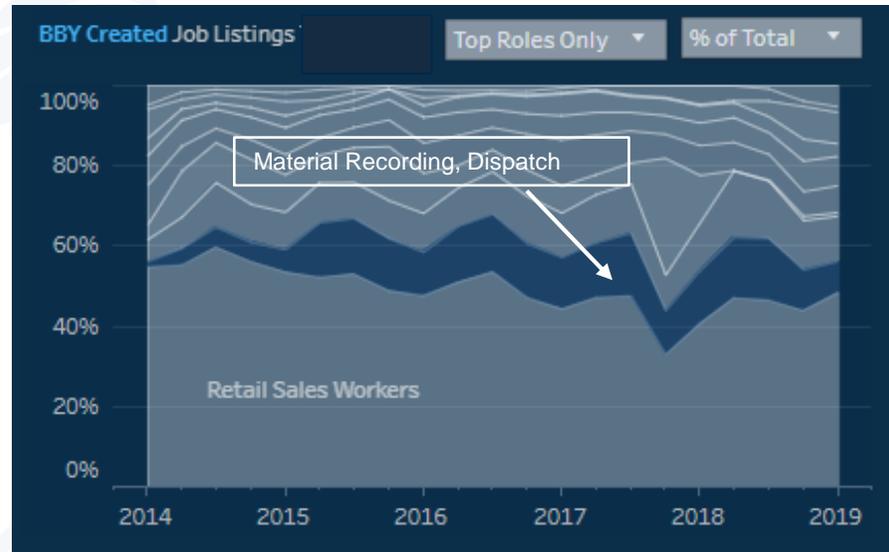
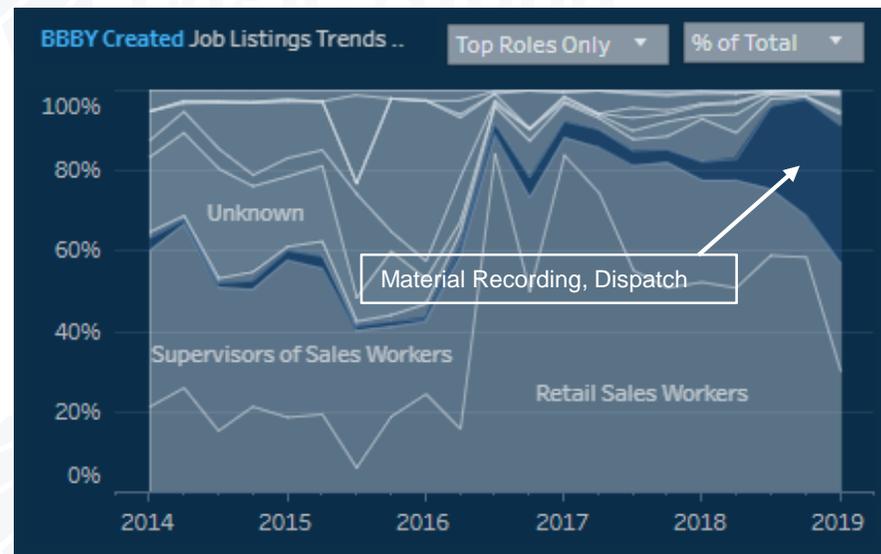


Figure 4: LinkUp Employment Dashboard - Online/Omni Channel Job Listings– BBBY



Source: Eagle Edge platform, LinkUp (click [here](#) to access)

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## Key Insights

### Two companies with no real omnichannel hiring strategy

Both GPS and LB have been suffering from a revenue growth perspective for some time. But it appears that neither company is hiring to build out an omnichannel presence to target online sales.

The response to poor sales by GPS (Fig 5) and LB (Fig 6) is decidedly old school, hire more Sales Workers and Supervisors of Sales Workers. These job categories account for over 80% of top job listings. In the most recent March calendar quarter listings for materials handling, scheduling & dispatch accounted for less than 2% of jobs listed for GPS and less than 1% for LB. Lack of an omni-channel strategy could hamper these companies growth prospects for years to come.

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Figure 5: LinkUp Employment Dashboard - Online/Omni Channel Job Listings – GPS

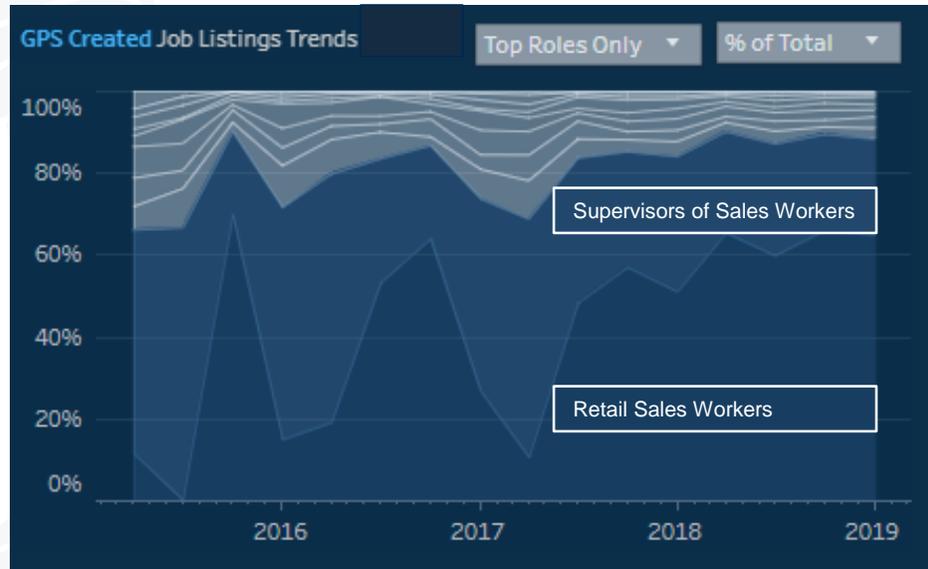
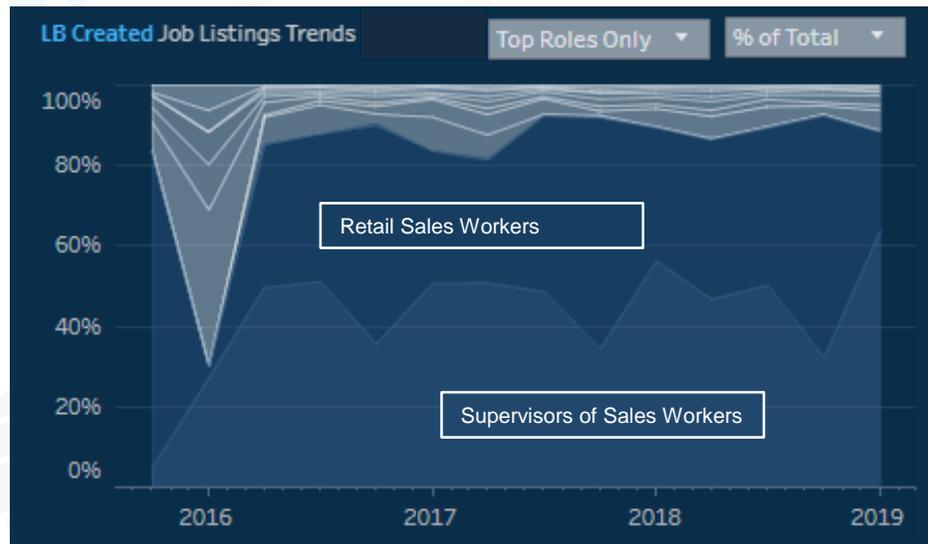


Figure 6: LinkUp Employment Dashboard - Online/Omni Channel Job Listings – LB



Source: Eagle Edge platform, LinkUp (click [here](#) to access)

# Appendix 1:

## Data Sources, Methodology and Backtesting



### Datasets/Dashboards

#### LinkUp Employment Dashboards

The LinkUp employment dashboards on Eagle Edge enable users to effortlessly explore the LinkUp Job Search Engine dataset, the largest, highest-quality index of global job listings.

LinkUp's proprietary technology indexes millions of jobs every day from employer websites. Their sophisticated technology has enabled them to create the largest, highest-quality index of global job listings consisting of over 50,000 companies and 150 million jobs.

The Eagle Edge employment dashboards cover 1,700 largest US stocks across all sectors. The customized visualisation on Eagle Edge enables users to explore hiring trends by region and job title at a company and aggregate sector level.

[Click here](#) to access the LinkUp employment dashboards on Eagle Edge

### Backtesting/Significance

#### LinkUp Employment Dashboards

Independent analysis of the LinkUp dataset has demonstrated alpha in the data.

- Academic research demonstrated that the "Jobs Active" variable produces the highest and most consistent returns (6-8% yearly). [click here](#)
- Deutsche Bank found that accounting and quant factors based on LinkUp's job posting data provide incremental and uncorrelated alpha. [click here](#)

Eagle Alpha have used the data in the past to pre-empt changing momentum for a number of companies:

- Palo Alto [click here](#)
- HubSpot [click here](#)
- Chipotle [click here](#)

LinkUp have also demonstrated a number of applications for the dataset for macro investors:

- Employment Data Enables More Granular Analysis of the Labor Market [click here](#)
- Employment Data: Macro Use Cases [click here](#)

## Appendix 2:

### Related Eagle Alpha Content



#### LinkUp Employment Dashboards

FAANGs – Employment Data Shows Firms Lawyering Up as Investigations Ramp Up (12<sup>th</sup> June 2019)

#### Insights Reports

Fast Food: Social Media Analysis of Secular Industry Shifts (29<sup>th</sup> May 2019)

GPS: Discounting Trends Improve for Gap Brand and Gap Inc. (21<sup>st</sup> May 2019)

Ross Stores: Consumer Search Interest Inflecting to Upside (8<sup>th</sup> May 2019)

WSM: Consumer Demand Trends Relinquish 2018 Gains (8<sup>th</sup> May 2019)

#### Flash Reports

FAANGs – Employment Data Shows Firms Lawyering Up as Investigations Ramp Up (12<sup>th</sup> June 2019)

Home Depot - Alternative Data Showing Slowdown for Home Improvement Retail (21<sup>st</sup> May 2019)

Adidas Share of Sneaker Mentions Improves on Social Media (10<sup>th</sup> May 2019)

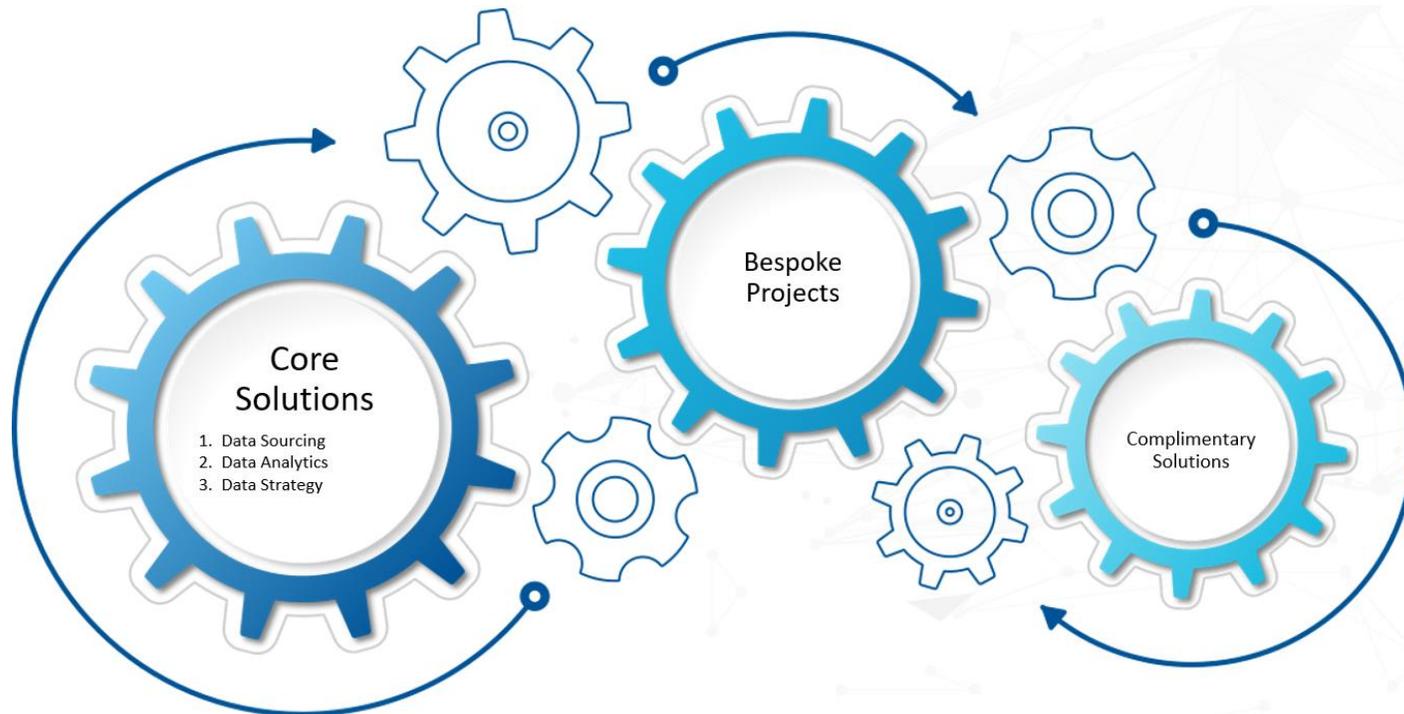
Evidence of Improving Pricing Dynamics at Fossil (9<sup>th</sup> May 2019)

To see complete report archive, please click [here](#).

## Appendix 3:

### About Eagle Alpha:

Eagle Alpha was set-up in 2012 to provide alternative data solutions to the buy-side. There are three categories of solutions: 1) Core Modules; 2) Bespoke Projects; and 3) Complimentary Solutions.



To learn more please click here: <https://eaglealpha.com/overview/>

# Appendix 4:

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