

2024

Compensation Best Practices Report Industry Cut

Retail & Customer Service

In 2024, the Retail and Customer Service sector is challenged by precarious economic conditions that create uncertainty. With inflation and minimum wage increases impacting the industry, being proactive and communicative about maintaining pay fairness and addressing pay inequities can be a significant differentiator. Additionally, providing performance incentives such as stock grants or equity can further set organizations apart.

Retail leads in:

- ☒ Having a dedicated compensation function
- ☒ Using non-traditional salary data to market price jobs
- ☒ Using purpose-built compensation technology
- ☒ Offering stock/equity as a differentiating benefit

Retail lags in:

- ☐ Proactively addressing severely underpaid employees
- ☐ Providing total rewards statements
- ☐ Having a centralized system for job description management
- ☐ Providing always-accessible information about the "what" and "why" behind pay

See how our compensation management solutions
can help you get compensation right

Learn more



Quick stats:

Retail and Customer Service industry

Compared
to overall

Preparedness

- **65%** have a dedicated compensation person or team. **+5%**
- **66%** have formal pay structures. **+3%**

Pay increases

- **4.8%** was the average planned pay increase for 2024. **+0.3%**
- **56%** proactively address severely underpaid employees. **-8%**

Salary data

- **27%** say non-traditional salary data sources are important. **+5%**
- **44%** use HR-reported aggregated data like Payscale's HRMA. **-1%**
- **25%** use a closed data network like Payscale's Peer. **+0%**

Technology

- **30%** use purpose-built compensation technology like Payscale. **+5%**
- **40%** are either cautiously optimistic or totally on board with using AI to make pay decisions. **+2%**
- **48%** provide total rewards statements. **-10%**
- **50%** have a centralized system for job description management. **-7%**

Communications

- **31%** post pay in job ads regardless of whether it is required by law. **-8%**
- **38%** provide always-accessible info about the "why" behind pay. **-7%**

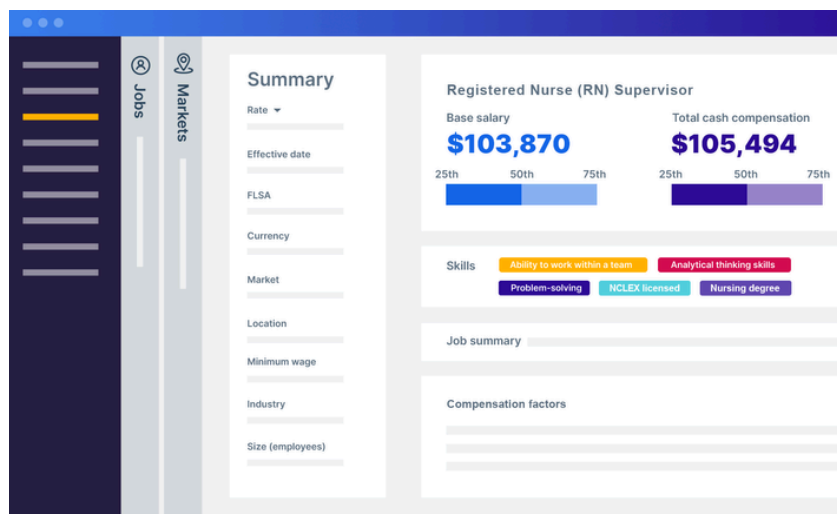
Variable pay and benefits

- **82%** offer variable pay. **+2%**
- **29%** stock/equity as a differentiating benefit. **+11%**

Methodology: For Payscale's 2024 Compensation Best Practices Report, survey respondents self-selected into one of sixteen industry choices — including Retail and Customer Service, which comprised 4 percent of total overall responses. See the CBPR for more on the methodology. [Download now.](#)

Build powerful pay practices with Payscale

Are you ready to uplevel your compensation management practices to attract and retain top talent and strengthen your employer brand? Over 50 percent of the Fortune 500 partner with Payscale to gain COMPfidence in their pay decisions.



With Payscale, you get access to:

- ✓ Diverse and industry-relevant data sources to help you market price your jobs
- ✓ Robust analysis and reporting tools to support budget planning and fair pay practices
- ✓ AI-powered technology to streamline workflows

Talk to a Payscale expert today to learn how our compensation management solutions can help you drive positive business outcomes.

[Get a demo](#)



About Payscale

As the industry leader in compensation management, Payscale is on a mission to help job seekers, employees, and businesses get pay right and to make sustainable fair pay a reality. Empowering more than 50% of the Fortune 500 in 56 countries, Payscale provides a combination of diverse and dynamic data sources, experienced compensation services, and scalable software to enable organizations such as Angel City Football Club, Panasonic, Mars Global, eBay, American Airlines, and PetSmart to make fair and appropriate pay decisions.

Pay is powerful. To learn more, visit payscale.com.