

The Book on Winning at Retail

BY WALTER F. LOEB

There are many ways to change the dynamics of a company. I recently wrote about Jack Mitchell, CEO of Mitchells/Richards in Connecticut, who motivates his company to achieve outstanding results through direct, personal contact.

There are, however, many companies that need to develop a much greater focus on their target customers in order to be successful. Too many retailers still believe that success is based on traditional ways of doing business. They live with a number of myths that keep them from being leaders – and being successful.

A recent book by William N. Ander and Neil Z. Stern, “Winning at Retail” (Wiley, 2004, \$29.95), takes a critical

Retailers understand customer service. The reality is that customers differ with management about customer service. While many stores pride themselves on service, customers prefer a logical layout of departments, that product information is readily available and that merchandise is in stock. Friendliness helps, but help in a self-selection environment is more urgent in the customer’s mind.

driven, likes to get in and out of stores and is less likely to shop in malls.

Retailers believe they can successfully control customers. The reality is that customers have too many options. Whether it is on the Internet, by telephone or in the store, the customer enjoys her freedom to shop when she wants to shop. Today’s customers do not go “shopping”; they do not have the time. Customers set out to buy specific items, meaning fewer and shorter trips to stores.

Ander and Stern are senior partners at McMillan|Doolittle, a Chicago-based consulting firm. They have worked with many large and small retailers and are well respected in their field. It is the authors’ belief that customers will recognize the dynamics of companies that set themselves apart from the competition by focusing on their strengths. Whether it is the Wal-Mart slogan (“Always Low Prices. Always.”) or the vast assortment in a Home Depot store, the customer quickly recognizes the company’s strength and shops for a specific reason in that store.

The authors establish five “EST” criteria: Cheap-EST, best exemplified by Wal-Mart or Costco; Big-EST, such as Home Depot, Best Buy or Barnes & Noble; Hot-EST, such as Chico’s, Starbucks or Target; Easy-EST, such as Container Store or Kohl’s; and Quick-EST, such as McDonald’s, Walgreens or Kinko’s. The authors profile the winning organizations in each segment, and their specific examples are great guidelines for other retailers to adopt.

I think this book offers a unique perspective and valuable insights into the dynamics of modern retailing.

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LOEB retail letter

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look at leaders of the retail industry. It examines many retail myths and offers some excellent suggestions on how to be a winner in the competitive retail environment. Some of the myths include:

Retailers put customers first. The reality is that, in many cases, retailers put their own interest in the way of customers’ interests. While I can point to Jack Mitchell as a unique motivator, the fact is that many stores make the shopping experience unpleasant. For instance, finding a blouse in a specific style or color requires a visit to several departments in a store since blouses are not sold in one specific department.

Retailers understand who their customers are. The reality is that customers have changed dramatically over the last couple of decades, and many stores have not changed with them. Demographics have changed, and in many cases stores have not reacted to new customer demands, the language they speak and the apparel sizes they require.

Retailers believe that customers love to shop their stores. The reality is that many customers don’t like to shop. Today’s consumer is value-