

Copy the Best Retailers

An RPM study of leading specialty retailers reveals five concepts that can be applied to any retail proposition:

1. Simplify your product range e.g. Vodafone stores.

Have you noticed that the Vodafone shops are amongst the busiest retailers in shopping malls? Obviously this is because the cell-phone is the “must have” accessory of this decade, but take a look at how few products these stores have on display! Even counting all of their accessories there would be fewer than 300 SKUs in a typical store. It just goes to show that as long as you figure out what customers need – you don’t have to stock everything. Just stock one product that will satisfy each customer’s needs, keep it always in stock, and sell them what you’ve got! This makes the shopping experience so much easier because staff can quickly help customers make a decision.

2. Bundle your consulting service with every product e.g. The Athlete’s Foot.

This retailer really knows what it is “famous for”. They have perfected the art of bundling their FitPrint® consultancy service with every pair of shoes they sell. This “free” consultation means that they can charge top dollar (sometimes \$100 more than the discounters) for their products. Sure, they don’t have the same customer volumes as Rebel or Smith’s – but they make up for this by making more profit per customer.

3. Use a dedicated checkout operator e.g. Harvey Norman.

It doesn’t make sense to have your top sales consultants stuck behind the counter processing sales at peak times. It’s not smart to have expert sales staff fumbling behind the till while untrained assistants give customer advice! Surely the checkout job can be done more efficiently by someone who is the “expert” at this role?

4. Sell more combos e.g. Subway.

Fast food franchises have figured out a way to sell three things to their customers – create a combo! Other stores should copy this model in their high volume categories. Ask your staff this simple question “If you have XYZ problem what three products would you use?” You will quickly find that there are common combos that should be easy to sell because your staff already believe in them. The secret is to pre-build the combos so that they can be purchased quickly and easily.

5. Make your store customer friendly e.g. Apple.

If you’re lucky enough to have visited any of the Apple stores worldwide you will know that the Apple experience is different from almost any other retailer. Not only do they greet you with a high-paid (US\$20 an hour) staff member at the door, but their team of Apple Geniuses WANT to solve your problems and answer questions. Their staff are passionate and engaged, and they encourage you to USE all of their cool products - not just look at them in a locked display.

While you might never catch up to Apple in terms of re-defining the way retailing is done, the more you can copy these best-practices, the more likely you will be able to retain a profitable niche as a specialty retailer. It is critically important to create an instore experience that DIFFERENTIATES your store from the self-service aisles at the supermarket. Any specialty retailer that tries to compete head-on with the mass discounters will soon find that they can't win on price or volume against these Fast Moving Consumer Goods (FMCG) experts.