

The Chambers – Going for Gold in 2012

Members of the retail consultancy organisation The Chambers put forward their views on 2012 and retail success.

Sally Bain:

2012 is the year for retailers to launch the 'charm offensive'. People want to be cared for and appreciated, and now much more than ever when they can so easily think they don't really need to buy that item anyway. Retailers have often not *really* delivered great customer service, and lower staff levels have been noticed in many stores this year ... anyone found it hard to find floor staff to ask for help (and did they know the answer?) or spent more than 5 minutes in a queue lately? Yes, great sales assistants are a great cost ... but they *so* make a difference. And if they have great interpersonal (charm) skills they will more than repay this cost in 2012 with greater conversion levels and basket sizes ... which is much more measurable than a charming advertisement.

For more information, contact Sally on her mobile: 07973 310990

Ric Belfield:

Going for retail gold in 2012 will require innovation and the best innovators are learners, not knowers. The same can be said about innovative cultures; they are learning cultures. Leaders who have built these cultures, either through intuition or experience, know that in order to discover, they must eagerly seek out things they don't understand. They must fail fearlessly and quickly and then learn and share the lessons with the team. This behaviour enables them to empower others around them to follow suit - and a culture of discovery is born and nurtured. Unfortunately, it is often a very smart and long serving employee who eventually becomes an expert in using his or her knowledge to explain why things are impossible rather than possible. They should be challenged, retrained, and compensated for failing forward. But if this person's habits are too deeply ingrained to change, you must let them go. Otherwise, this individual will unwittingly keep your team from seeing opportunity right under your noses.

For more information, contact Ric on his mobile: 07973 310990

Jane Bonbernard:

The retail winners in 2012 will be those that are able to reinvent themselves. In music it's Lady Gaga, in film it's Johnny Depp, and Jamie Oliver reinvents himself daily starting yet another new business - this time a Recruitment Agency as the ones he has to deal with are in his words "c..." If others don't support your business model, do it yourself. Amazon's Lockers have come out of the challenges of dealing with inflexible delivery companies. So, in 2012, will our supermarket friends fill their half empty delivery lorries with parcels so we can receive them at 10.00pm when we are all home? Or - even better - will we see on line supermarket shopping done via video phone so I can choose the fruit and vegetables being selected for me? Here's hoping...

For more information, contact Jane on her mobile: 07764 291234

Eric Cabocel:

Traditionally, the key priorities of well-managed retailers are to select a competitive offering which meet consumers' expectations, to design an attractive shopping environment, to extract "best value" from their suppliers and to ensure that products are available on the shelves. However, they often overlook another critical lever: people. Staff often have considerable accumulated knowledge which goes untapped. By better capturing their ideas and opinions, and unleashing their creativity, retailers can differentiate in many ways: offering more targeted customer service, increasing processes' efficiency etc. Taking into account the current job market, it should not be too difficult to mobilise those employees who have retained their job as well as new hires for sharing their insights. Many inexpensive tools - both online and traditional ones - are available for purpose. In 2012, my advice for retailers is to internally "crowdsource" a series of actions to improve overall performance.

For more information, contact Eric on his mobile: +33 (0)6 63 01 58 11

Sarah Charles:

Use 2012 to your advantage: this year will remain tough given the uncertainty about the Euro, unemployment, public sector unrest and the continued economic downturn. Margins will suffer as retailers trawl for sales through promotions and discounts. The savvy consumer will apply their comparative pricing skills gained through the food price wars to other sectors. Growth is perceived to be a concept for the few and the brave and our challenge to you is to find ways to position yourself to (slowly) gain the ground you need. Know your customer and focus on new and differentiated ways to both bring them in more frequently and convert the fickle into the loyal.

For more information, contact Sarah on her mobile: 07802 611784

Sue Dean:

Consolidate at home, embrace emerging markets. Global consumption continues to shift from developed to developing, west to east, and north to south. More markets can be reached through more channels, so test out online before investing in stores. As well as the obvious India and China, consider Brazil, with strong GDP growth, a population of 193 million, rising retail sales and significant investments planned for the 2014 World Cup and 2016 Olympics.

For more information, contact Sue on her mobile: 07879 475462

Tom Hayhoe:

Prepare for an odd summer. Be light on your feet: 2012 is a year without any sensible precedent. Don't underestimate the British appetite for hoorays and hoopla – or the ability of News Corporation to convince us that the 'Great' in Great Britain actually stands for something. Forget that the economy is in deep doodoo and without a voice in Europe our leaders can do nothing about it. Ignore grumpy Londoners, comparing the Olympics to the Blitz, complaining about the cost and resenting the VIP bus lanes. Elsewhere, we will break out the Union Jacks, prepare to celebrate plucky British underperformance, and lap up Olympic promotions in early summer before turning into the Royle Family on 27th July, slumped in front of the telly for three weeks instead of shopping (remember, just about everyone finds at least a couple of Olympic events engaging – unlike the World Cup when the WAGs go shopping while the lads watch the footie). With any luck, we will all then head out in mid-August for some retail therapy to overcome our emptiness after the circus leaves town.
For more information, contact Tom on his mobile: 07850 561863

Neil Munz-Jones:

In these challenging times it is tempting to get sucked into price wars (e.g. the grocers with Tesco's latest 'Big Christmas Price Drop'). The other alternative many retailers consider is to 'maintain margin', thus avoiding the price wars but at the expense of market share and volume. An alternative approach is to think about 'value'. What else can we do to improve the value of our proposition (i.e. not just product but also service). There is a significant segment of consumers who, while cash is still tight, are increasingly aware of the benefits of a 'buy once but buy well' rather than a 'buy cheap' approach to their purchases.

For more information, contact Neil on his mobile: 07774 750 132

Sue Pedley:

Quality on the high street has dropped to an all-time low. Mainstream fashion retailers faced with an escalating cost of supply and too frightened to move on price, have cut quality big time to make ends meet. The result is thin and lack-lustre fabrics that consumers are unwilling to buy. So winners in 2012 will wake up to the fact that consumers aren't stupid, and will bite the bullet on quality, even if it means edging prices up as a result. My prediction is that consumers in 2012 will pay more for quality they actually feel good wearing.

For more information, contact Sue on her mobile: 07941 025019

Amanda Poole:

Turbulent times are causing many consumers to change shopping habits. Their budgets are shrinking, jobs are in jeopardy, familiar retailers are closing units. All this breaks old habits and leads customers to look for new places to fill their shopping needs. It's time for them to experiment with on-line or with new offers, so this is the opportunity to enter the market if your retail offer clearly gives value and a boost in depressing times. So Bingo is back big time, 'wowchers' and on-line discount deals, payday loan financing and loyalty programmes to give extra value or an allowable treat. Individual and Corporate security has also become a concern. There is growth in the economy it is just not evenly spread – you need to be on the lookout for the pots of gold.

For more information, contact Amanda on her mobile: 07973 803263

Mhairi Rodrigues:

2012 brings retailers both challenges and opportunities - reports of another tough financial year ahead yet the promise of a golden year with the Jubilee and the Olympics. To realise these opportunities retailers need to focus on operational excellence. This will help deliver the potential short term growth driven by the Jubilee and the Olympics whilst managing the possible logistical difficulties of having both people and products available to those customers. Operational excellence includes establishing efficient processes and effective systems, along with an organisational structure, that enhance the customer experience. And the real win - operational excellence will enable future growth post 2012.

For more information, contact Mhairi on her mobile: 07753 934698

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