

Survival Kit for Retail in Suburban Districts

A smart guide to successful retailing
in declining areas



Imprint

Edited by: Association du Management de Centre-Ville (AMCV)
Rue Samson 27, B-7000 Mons

Published by: German Association for Housing, Urban and Spatial Development
(Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V.)
Littenstraße 10, D-10179 Berlin

Design: Association du Management de Centre-Ville
VorSprung Design & Kommunikation, Bochumer Straße 19, D-10555 Berlin

Printing: Spree Druck Berlin GmbH, Wrangelstraße 100, D-10997 Berlin

September 2011



Survival Kit for Retail in Suburban Districts

**A smart guide to successful retailing
in declining areas**





Table of Contents

Introduction	3
Positioning	5
What is a positioning?	6
Positioning in an ailing district	7
Basic commodities	7
Specific goods	8
Summary chart	9
A Successful Example	10
A Failing Example	11
7 keys to successful retailing	13
1. Upstream	13
2. Outside	16
3. Inside	19
4. Retailer – Staff	21
5. Service = Flexibility	23
6. Communication	25
7. Offer	28
Conclusion	32
Bibliography	34

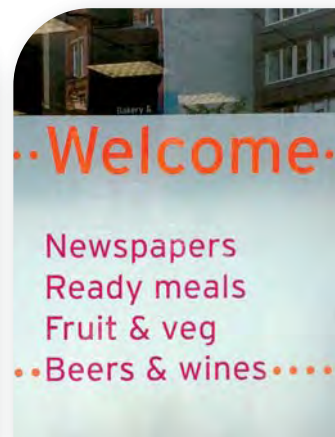
1

2

3

4

5



1

Preface

This guide is produced by MANDIE [Managing District Centres in Northwest Europe], a European project under INTERREG IVB and written by one of its partners, the AMCV [Belgian Association of Town Centre Management].

It analyses and compiles the results from questionnaires and interviews of retailers running their businesses in ailing districts around Northern Europe, either in Belgium, Germany or the Netherlands.

Retailers have accepted to reveal their keys for success but also to open up on their difficulties, their fights and the obstacles they have to deal with on a daily basis.

Introduction

Introduction

Retail is an induced function on a territory and a prerequisite to a healthy district. It is the sine qua non condition to provide and maintain minimal services to the inhabitants, make the district an [more] attractive place to live and work, to develop the neighbourhood, support craft industries and individual initiatives, tourism...

The last decades have seen a series of remarkable turnarounds in the economy. Growth has gone from extensive to intensive, to just being completely saturated, time has become a number one priority, family structures have radically changed, housewives have turned into working girls, the whole world is facing an escalating pollution, rising unemployment, ubiquitous pervasive media coverage, general implementation, spread and trivialization of poverty and violence. All these variables have completely modified consumers' behaviours and more generally speaking, the commercial apparatus.

Hypermarkets are progressively being abandoned in favour of a more and more customized way of shopping. Customers tend to retreat into themselves and look for more personalized, individualized, bespoke products. In a word, a more subtle offer, revolving around their own expectations.

They are looking for [positive] values and not only products.

Mass consumption has little by little been left aside to the benefit of a human scale intake.

Customers identify with brands and products conveying a positive image and making them feel good about themselves. Buying is not necessarily experienced anymore as a compulsory action to satisfy a vital need, but as a way to indulge oneself. More than watching the price, the customer is looking more and more after wellness, fulfilment, enjoyment, fun and delight. Purchases seem to be increasingly bipolar: either quickly fulfilling basic needs, or pleasure-orientated, regardless of price.

To answer these new tendencies, retail points must work on their offer but also on their store. Selling today is not only about having the right articles on display, but also about offering the right atmosphere in line with what your product says.

"Survival kit" seems a bit extreme when reading the subject next to it. Survival is often mentioned when referring to daring adventurers braving some hostile, barren lands or any other risk-takers, but no one would adjoin such a word to the local storekeeper... and yet, nowadays, it unfortunately seems more than well-suited when observing the economic trends of the last decades.

Indeed, yesterday, the places MANDIE is focusing on, and which are all suburban areas, used to be dynamic commercial poles. Today, these same districts are put in jeopardy by the unceasing development of new commercial bulldozers – should they be shopping centres, retail warehouses and retail parks, malls, category killers... – and at the same time, they

are still facing a certainly weakened, yet, still strong, city centre.

Many retailers sadly observe a growing deterioration of their neighbourhoods, systematic and pointless vandalism, and watch helplessly damage increasing.

They are also facing a number of discriminatory factors such as the lack of parking spaces, more and more anti-social behaviours, higher and higher unemployment rates, stronger immigration which needs proper integration in the social fabric. Confronted with outskirts giants, commercial war machines and still attractive hearts of cities, retail in districts must position itself in a unique way and can only survive thanks to a strong adaptative behaviour.

A very basic observation would state that convenience stores cannot compete commercial giants. Another one may also remark that they can offer something different, something shopping centres can't. Being physically smaller in some cases allows for faster response to market trends and conditions.

Indeed, there is very little chance of survival if you fight heavyweight on their territory; it would be suicidal for our district retailers to confront shopping centres. Yet, there are greater chances of success if retailers differentiate themselves from the commercial titans. To survive in this new reality, retail points must be relevant to the consumer to lure them back into stores to buy.

The best way to claim you're different is to show you're different, by strongly positioning yourself on the market.

Positioning

Positioning

“*A positioning is a global strategic choice aiming to give a credible, attractive and different position to the district retail point in people's minds; It is a policy, not a result or a fact*”¹

¹ From the Mercator, Lendrevie, Lévy, Lindon – DALLOZ, 9th Edition, 2009

Positioning defines what the retail point is, what makes it unique and why it is relevant to the audience. It is a volunteer policy consisting in choosing where to stand on the market, facing what competition and proposes clear values to its customers. To be apposite, a positioning in an ailing district should meet the:

- Interests of the district
- Expectations of the inhabitants
- Needs of people
- Demands of users

...and rely on the assets of being in a neighbourhood – physically and relation wise close to people...

To settle a positioning, retailers have to build it out of these 6 points:

1. **Be simple:** a positioning must be crystal clear, grounded on a small amount of distinguishing features. The aim is to find the right positioning for the right target. You cannot please everyone and you've got to know who you're selling your products to.
2. **Be attractive:** the store must correspond to high expectations of the target.
3. **Be credible:** in compliance with the characteristics of the retail point – a dirty beauty shop wouldn't be credible.
4. **Be specific:** it should propose an offer different from what competitors sell.
5. **Be profitable:** it should meet a critical mass of consumers. You may be the best shop on earth if no one comes in to buy your goods, your shop is meant to shut down.
6. **Be perennial:** it takes time for a positioning to be anchored in the market and in people's minds, therefore, it is very tricky, not to say perilous to change it. Once chosen, a positioning is meant to last & the retailer should really stick to it.

To position oneself on the market is to target one's future clientele.

What is a positioning ?

The analysis of MANDIE's questionnaires and the results of the interviews show two main trends in the positioning of retail in weakened

areas. Successful stores either sell products answering basic needs: food, clothes, ... or are experts in extremely specific products.



For instance, Cinecucina in Höchst (Germany) has set up a B to B business and focuses on catering for large companies. It started with the film industry and now, the retailer moves on with other private companies or private parties, but he only sells in large quantities. He has extended his offer to delivering cooking classes but always in a company spirit, for instance for companies' team building experiences.

Positioning in an ailing district

Basic commodities

Either local shops offer their customers something they know, like and trust: quality basic necessities, handy proximity, great knowledge of their goods and personalised customer service. Successful retailers in this category have a perfect knowledge of their offer; they are well

trusted by their customers, for whom buying their products is a guarantee of quality.

Or you'll find in the shop something new, different and exciting: these are stores filling a niche or surfing on a trend.

1

2

3

4

5



That would be the case of “Au Petit Chef” in Jemappes (suburb of Mons, Belgium). This butcher’s shop has been there for the last 50 years, selling fresh meat from known suppliers to local and loyal customers.

Recently, the store has been taken over by a young local the customers have seen growing up in the neighbourhood, some of them even having been in school with him. He knows the place and its people, what they’re looking for, what they need and what they’ll like. He delivers for free on his way back home and is easy on credit.

To fit the pace of life of the district and its new consuming habits, the retailer opens 6 days a week 10 hours a day, non stop.

7

Specific goods

They position themselves as experts, offering something people need or creating a need, proposing a highly specialized offer, attracting their customers with short-supplied, niche products, great knowledge of their goods and first

class service. Their exclusive range of goods attract people, sometimes far beyond the district, and turn these shops into highly attractive destinations.



The Mayers in Stuttgart (Germany) are a great example: they have been running their fruit juice manufacture for 3 generations. They are specialised in fruits of the season, working with local producers who supply them with unsprayed raw material.



They have been so good in their business that today, they are still the only one supplying the whole region with homemade fruit juices, free of preservatives and colouring agents. Each year, they organise special events such as open house days. Their strong integration in the social fabric is an additional support of their positioning and their deserved fame.

Retailers in this category are successful because they set themselves apart as unique. They propose something that cannot be found elsewhere.

To position your offer is to make a choice, and to sacrifice a part of the customers who will find no interest in your business.

Summary chart

1

2

3

4

5

For BASIC NECESSITIES	For SPECIFIC OFFER
Be Simple	
A positioning has to be founded on a small number of functional or symbolic characteristics, and defined in a one and only sentence, every word of which is essential.	
Our butcher's catch phrase: "There's no way you can't cheat with meat" guarantees the daily supply of trusted and fresh goods, coming from healthy animals.	The Mayers' promise is a consistently responsible domestic production following highest hygiene standards and fruit juices free of preservatives and artificial flavours, at a fair price.
Be Attractive	
It must be apposite, pertinent and meet needs as well as expectations. Not only is he answering a bare necessity, with the promise of fresh goods coming from trusted suppliers, but he's a great advice on meat, how to cook it, giving away his own little recipes, and he opens non stop 10 hours a day, 6 days a week, to adapt the district's pace of life.	It must either get in a niche or follow a trend, anticipating expectations and creating desire. Mayer is a family business making juices out of unsprayed fruits, answering a growing concern about health, and an increasing expectation from people who are paying more and more attention to their wellness and the way they feed themselves, watchful of natural & healthy products.
Be Credible	
The offer must be consistent with what the shops communicates.	
His shop could not be anything else but a butcher's shop: the colour of the door, painted in red, the logo [a pig's head], the window display, even the lighting in the shop.	The manufacture works with local fruit producers, unsprayed fruits, and produces fruit juices according to the season, without colouring agents and preservatives free.
Be Specific	
A positioning only works if the offer doesn't otherwise exist or is different from what competitors sell. He sells meat and meat-related products only.	The advantage of proposing a highly specialised offer is that the retailer can be original, get into a vacant niche. The Mayers only process fruits.
Be Profitable	
When you choose a positioning, you sacrifice a part of potential customers – you cannot please everyone. Yet you have to please enough customers to be profitable.	
There are no other butchers in the district – if he was facing competitors he would have to make sure to have a critical mass of consumers to make a living.	The business provides the whole region, equally selling to the private and to the professionals (hotels, restaurants, civil services, and other bodies).
Be Perennial	
Once chosen, a positioning is meant to last and the retailer should really stick to it.	
Our butcher has been sticking to the same positioning for 3 generations, so this positioning is well anchored in people's minds.	They've been working on fruits exclusively for the last 50 years and they're sticking to this expertise that feed their great reputation/name.

9

A Successful Example

1 offer: organic products

1. **Be simple:** From the very outside, the shop says what it is about, and harmoniously carries on inside with clear indoor signage, layouts and displays.
2. **Be Attractive:** Organic products are highly attractive especially in Germany, where this branch has shown a 10% steady increase for the last 10 years. And they are particularly in the district highly concerned by health and wellness.
3. **Be Credible:** The shop is clean, well stocked, nicely shelved. The atmosphere is warm and colourful, as you imagine nature; the whole place is in line with what it sells.
4. **Be Specific:** The specificity of the shop is based on organic products yet shows a large diversity of products, clearly stored. You can find vegetables, wine, but also cosmetics and accessories. Here the organic specificity matches a wide range of products.
5. **Be Profitable:** The shop attracts customers beyond the district as it is known for its unique offer and products that can only be found there.
6. **Be Perennial:** It is largely profitable, listening to customers needs and anticipating their expectations



Wehringhauser Bioladen in Hagen (Germany)

A Failing Example

1 offer: organic products



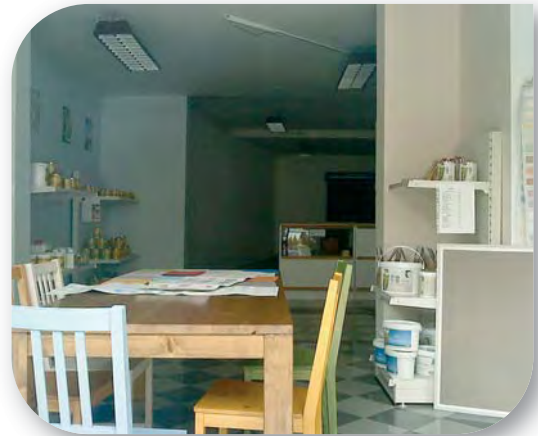
From outside, former decaying shop sign, unreadable contact details, the shop is dirty, dark and overall neglected, it's impossible to know what's in the store, as there is no light.



The shopwindows are filled with ads and posters completely unrelated to the store, and confusing with products turning their back to the street.

- 1. Be simple:** Instead of being clear and concise, the shop is confused and complicated: from outside, it's impossible to know what the shop is about. In fact the shop is selling organic products of all types: from seeds, to aromatherapy, paints, cleaning products, up to pets' shampoos and human cosmetics ... The offer itself is confusing: does it make sense to mix such differing use products on a same display?
- 2. Be Attractive:** One can also wonder if organic products are something really "attractive" and needed in an ailing district, where small bare necessities businesses are dying one after the other? Did the store-keeper really assess the potential of the shop before starting it? Moreover, are the prices related to organic goods, and charged to the local customers, in line with their budgets?
- 3. Be Credible:** Organic products are directly related to nature, freshness, ... Bio and fair trade are not really consistent with dark, empty spaces, cold colours, decaying frontage. The whole shop is at the opposite of wellness. From outside, you cannot even see what's going on, because it is so dark inside. Inside, the shop is all about washed-out, fading colours, the whole place is not credible.

4. **Be Specific:** The retailer based the specificity of the shop on “organic products” but does it really make sense when inside the shop you find cosmetics adjoining pets goods, cleaning products next to nutritional additives and supplements, paint displayed just above aromatherapy and healthy seeds to eat ...? Specificity would imply a real organisation of the shop with clear signage to guide the shopper; being an expert is pretty much the opposite of being a general store, which seems to be the case here.
5. **Be Profitable:** Has market research been carried out to know about the possible profitability of such a store on such a location? Did the storekeeper really assess of the potential critical mass the shop was about to meet or the choice of the offer was only made out of the retailer’s very own taste?
6. **Be Perennial:** Needless to say the shop was not perennial and did not even last a year ...



Inside, no signage to guide the customer, no displays promoting one product or enhancing a novelty, incoherent displays with unreachable products under tables, etc.

7 keys

1

2

3

4

5

7 keys to successful retailing

Once the positioning is set, there are 7 points to be taken into account to turn your business into a winning machine.

1. Upstream

Profitable retailing can only be achieved by identifying, anticipating and satisfying customers needs and desires. Before starting anything, it is necessary to wonder if there is a need for your business. If the neighbourhood already counts three bakeries, maybe opening a fourth one is not such a good idea. In the same way, a very specific offer filling a niche might be great if it meets the appropriate critical mass of consumers for the retailer to make a decent living out of it.



Beware that you might not be the only one having the idea to fill a niche. There might be parallel openings planned in your field without you knowing it. In this precise case, a district manager may be of great help. Indeed, as a part of his/her role is to welcome and guide new settling retailers in their implementation, he/she could warn you of potential openings in your line of business, help you redirect your activity or make you aware of other complementary business you could work with.

These seem obvious but are some of the unmissable questions every single person willing to start a business should ask himself/herself. A business plan is needed in order to eradicate bad ideas, reshape a concept, complete a first offer and start on a healthy basis. Part of this business plan is to project your needed turnover: how much must you make to be beneficial? How much do you need to sell? How many customers will you need per week/day?

What is the need in your area? Can you supply the need? Does the business you are planning relate to this need? If not, how can you readjust your offer to adapt the need? Can you make profit out of your offer?

Retail Marketing

Thanks to upstream retail marketing, retailers can value the needs of the customers and the potential of the district, identify current, unfulfilled wants, define and quantify them, determine which target groups they should serve. A right assessment will determine the nature of the retailer's business. The essence

of retail marketing is to develop businesses that satisfy specific needs of consumers and to supply them at prices that will yield profits. It encompasses a wide range of activities including environmental analysis, market research, consumer analysis, product planning, business plan...²

² Retail Marketing mix and planning, by Charles Blankon, PhD



Bernard Saintes first observed there was a craving demand for a bookshop in La Louvière (Belgium). Then he wondered what were the fundamental needs of the town, and that's how he started with schoolbooks and computers', before extending to novels, and any other book responding to his customers' requests.

Since he first started in 1987, his bookshop's turnover has not ceased increasing.

There is the absolute need to know your product and your products' audience. Without knowledge of your target market, there is no starting place. The first one would be the environment: in which context are you implementing your business – what is the story of the place, what is it like now, what are the obsta-

cles you're going to face, who are your potential customers, what is their profile, budget...? Which competitors are you going to face? How can you propose something either complementary or different? – you must look for an attractive market compatible with your goals and resources.

To design your offer, you should:

- **Set a target:** age, needs, profile of the decision-maker, family structure, income, ...
- **Define and study the competition:** what is the current situation, do you have any competitors and if so, how will they react?
- **Define the content of your offer:** what kind of product are you going to sell, at what price, what is its shelf life, evolution, how and what to communicate about your offer? What will be the name of your shop, what brands will you sell, and why?
- **Define the way you will be supplied:** volume, frequency, by who ...?
- **Define the way(s) you will sell:** directly to the consumer, via the internet [e-business for e-shopping], cross-selling, up-selling ...?
- **Determine the potential of the product:** in volume, speed of adaptation, future ...?

The retail marketing analysis aims to highlight if there's a need or expectation from the users for the offer you're willing to develop. Retail marketing will also help defining the type and size of store you will open [will you need staff on top of you, if so, how many and who?], its location, the product that will there be sold, at what price and to who.

Then you can work on your shop itself...

Key features



By MANDIE's questionnaires, and after the upstream retail marketing has been carried out, 6 other major features are key factors impacting the success (or not) of a business:

- 2 – its outside,
- 3 – the way it is laid out inside,
- 4 – who's running it and how,
- 5 – the kind of services offered to the customer,
- 6 – the way the shop communicates, and
- 7 – what it sells, the offer itself.

Indeed, a shop is certainly a whole, yet filled with an infinity of variables going from general layout, to the quality of the products up to the skills, courtesy and kindness of the staff.

This little guide will tackle the 6 afore mentioned topics, funnelling retail from the shop's outside to its very offer.

1

2

3

4

5

2. Outside

Well, what about “outside”?

Outside is firstly your location: Where does your shop stand? Is it right on the main street of the district, with high footfalls and in the middle of commercial concentration, or on its own in some little street behind? There is no need to settle in a place with a low rent but in front of which no one passes... unless people know where you are and you're strong enough not to rely on impulse purchase in which case you may be considered as a destination and not only a “shop” like another.

Once you've set your business up in an appropriate location, where you're likely to make a profit, there is still an important need to work on your outside, and this for several reasons. First of all, because outside is where your customers come from: can anyone see your shop? Is it visible? From sideways? Full face?

From in front of your store to the window shop, up to the cleanliness, lighting and window display: what does your shop say? Is it in line with what you sell? Storefront display should not only welcome customers looking for you but should attract passersby that might not otherwise enter the store.

Your storefront is your first way of advertising. It should be consistent with your offer. A black and dirty frontage for a babies' shop wouldn't make a lot of sense.

What happens in front of your shop already gives an idea of what is going to be found inside.



Cardy in Antwerp (Belgium), has long been settled in the main street.

And even though its products are of the highest quality, the storekeeper is extremely professional and has a great relationship with her customers, she admits that her location has been essential to the success of her business.

L' Aquarello in Hagen has found a trick to be seen from everywhere with a bill-like store front, crystal clear windows, and soft lighting of the indoor, enhancing paintings in the window shop.



- If you have parking places straight in front of your shop, don't use them for your own car, leave them for your customers either because they're in a hurry, with young children, old, handicapped, or just because it's one more service you're offering them.
- Keep your pavement clean, safe [no trash, less crash!] and appealing, your walls and frontage without graffiti, to prevent further deterioration, and your shop window shiny and sparkling.
- Visibility requires good store signs to be seen both full face and sideways. Their shape, colour & lightening should also be appropriate and linked to your activity.
- Work on your shop window: that's what will attract – or not! – customers to your shop, even if they had not planned to step in. Avoid dark backgrounds behind the glass, as they have a mirror effect on stoppers by. Instead of showing the products you're selling, it would allow potential customers to tidy their hair and straighten their ties.

Ruud Schellekens, a bike specialist in Eindhoven (Netherlands) did even better. On top of the powerful full face store sign, and the sideways', the owner has hanged another one across the alleyway separating the store from the next building, allowing the shop to be visible from far ahead.



1

2

3

4

5

Window shops need constant and recurrent renewal. Frequency is directly related to your activity: daily for all food industries (cheese, fishmonger's, butcher's shops, bakeries, greengrocers, ...) weekly for a fashion store, monthly for other outfit stores (shoes or baby's gear for instance), and shops such as jewelleries, beauty shops, bookshops, ..., less often for stores selling products such as office supplies, bedding, furniture, ...

Appropriate window shops also implies:

- **Proper lighting**, so people can see what you're offering and be attracted to it, and so some items are promoted and some products enhanced, etc.
- **Adequate display**: it might be ok to be messy if you're a joke shop, yet it would be less appropriate to be chaotic if you're selling design articles. Generally speaking, a neat, spaced-out and tidy window display is often clearer for the customer, and the offer easier to understand. Whatever your offer, dust is not an option.

Below, Quadrux in Hagen shows a great example of what can be undertaken. The retailer had a local artist paint his whole storefront in such a way that you cannot miss what you get inside.

Now you're good with your top outside, and the customer is stepping in, inside your shop must follow what you've promised.



3. Inside

As soon as he/she has stepped in, the customer should be seized by the general atmosphere emanating from your retail indoor. The rule seems to be: Work on the 5 senses. Retail is all about seeing, smelling, touching, tasting products, adequate sound supporting the overall concept.

Needless to say, cleanliness is a necessity, no one could imagine a beauty parlour but immaculate.

Indoor is not only about layout, it's also about displays and shelves. There is a need to re-merchandise constantly, either to fill the empty spaces but also so when customers walk into your store, there will always be something new to buy.

Some maybe small, but nonetheless usable, areas of the store should be dedicated to presenting and/or promoting products. These displays should be appealing and leading customers to discover, constantly being renewed to generate frequent and recurrent visits.

General atmosphere must relate to the activity of the shop:

- Overall layout: are your products well pointed out? Layout should indicate clearly where is what.
- General atmosphere is also achieved through the global light, soft and warm for a hammam for instance, colours of the walls, sweet and fruity in a candies' shop – when possible and appropriate, also plan a tasting area for buying customers.
- For those who have the opportunity, a testing zone, like in a kitchenware & cookware store, a cooking show may take place ...? In all the food shops, testing the products is easy to set up for the storekeeper and definitely a plus for the customer who then knows what he/she is purchasing.



The HoBic Club in La Louvière has a perfect control of its indoors. You would go there for a walk among the displays: from paint to notebooks, each of your sense is in alert. From the colours of the items, the smell of pencils, the peaceful quietness of the place, the soft touch of the papers on sale, an overall feeling of warmth and wellness wraps you up.

- Care for the scent of the place, like strawberry smell at a greengrocer's, avoid rotten a smell in a butcher's shop.
- Music – beware of the sound level, prevent hard rock music to play in a shop selling baby's outfit, and play charts in teenage stores.

1

2

3

4

5



As we've seen earlier on, Wehringhauser Bioladen in Hagen (successful positioning example) shows a great example of pleasant and clear inside: spaced-out shelves, clear layout, well-ranged and tidy shelves...

How to create a successful display?³

- Be in line with your customers' profiles. If the bulk of your business's customers are males between the ages of 20 and 40, the bulk of your displays should probably be shaped to catch their interest.
- Be careful of pursuing merchandise display designs that sacrifice effectiveness for the sake of originality.
- Make certain that the cleanliness and neatness of the display is maintained.
- Do not overcrowd a display. Customers tend to pass over messy, busy-looking displays. Instead, Ralston and Foster affirm that a display should feature a single item or point of interest. Every primary article [in a display] must interact with every other so that they all come together as a group. If they don't it will look as if there is not one design, but several.
- Combine products that are used together in displays. For example, pairing ski goggles with other outdoor apparel is apt to be more effective than placing it alone or with some other product that is only tangentially related to skiing.
- Enhance small items by displaying them in such a way that would-be customers can get a good look at them without having to solicit the help of a member of the staff.
- Pay attention to details when constructing and arranging display backgrounds. They should support and emphasize the product, not distract customers from it.
- Merchandise displays can also sometimes be utilized to educate customers. A well-conceived display could, for example, illustrate a product use that may not have occurred to most customers. "In addition to selling actual merchandise, display can be used to introduce a new product, a fashion trend, and a new 'look' or idea," explained Martin Pegler in Visual Merchandising and Display. "Display can be used to educate the consumer concerning what the new item is, how it can be worn or used, and how it can be accessorized. The display may also supply pertinent information, the price, and other special features."

More generally, make sure to merchandize the store for multiple sales as much as possible.

³ Encyclopedia of Business, 2nd ed – <http://www.referenceforbusiness.com>

4. Retailer

Staff

The atmosphere of the shop doesn't only concern layout and senses. It also relies on the friendliness and involvement of the staff – when you get in a shop, it's more inviting to be welcomed by a smiling “hello” than just being completely ignored by bored indifferent employees.

Most of the retailers in ailing districts either are working on their own, and can only rely on their great personality and in their very capacity to run a shop, or work with their family which implies the same kind of commitment. When they are hiring one or several employees, these ones are closely involved in the business.

The retailer must also be a strong leader and decision maker, dedicated to his/her business. Proactive behaviour is one of the most important personality feature needed to be a successful retailer. This stands for your own business but also as part of a community: being proactive can also be to go and see your store-neighbours to organise together a Christmas animation for the district – also profitable for your turnover. The stronger you're integrated in the social fabric, the better you can answer your customers' needs.

Running a shop simply starts by being able to welcome the customer to your universe, showing you care and he/she's making the differ-

ence. Every step he/she makes inside the store should be inviting and appealing. This also implies that shelves are fully filled.

Managing your stock is essential to the survival of your retail point. You may choose to be well stocked in order to cope with demand and meet requests. Or, on the contrary, you can decide to work on a zero stock basis to generate your customer's regular visit to your shop, arousing their curiosity.

Whatever your choice in terms of stock, there is the need for your shop to continuously propose new articles, sell up-to-date items, and make your customers discover new products, so each time they get in your shop they find something new and appealing.

All of these products need to be known by heart. As an individual retailer, some of your biggest assets are the knowledge you have of your product and the time you can spend with your customer, which are main reasons for them to stop by.

You certainly cannot compete on prices proposed by the big ones, but explaining you offer and paying attention to your customer, spending some time advising and guiding them in their purchases, are definitely fields where you can win over the commercial titans.

1

2

3

4

5



Great personality, that's what “l'écrivain public” in La Louvière is about. Not only this retailer listens to his customers, continuously making himself aware of what is needed in the district, but he is the most outstanding storyteller you've ever met. He takes his time to give you personal guidance and customized advice; when you get there it's not only to be given professional opinion, or because you know you'll find what you're looking for, but also to be told stories.

Moreover, this allows you to know better your clientele, to be more aware of their expectations and tastes, all this knowledge helping you out when you replenish and restock. To permanently bring novelties to your business, you have to pay attention to and be mindful of what's on the market, just brought out or released. This steady training may occur through reading specialised press, attending fairs and shows, launching competitive intelligence and monitoring, market watchdog and competition benchmarks. To keep this knowledge to the high level of expertise you're at, you've got to be aware of what's going on in your field, keep yourself perfectly informed and keep your expertise at the top.



Great retailers often unite in a trade association, that's the case in Hagen where "Wir in Wehringhausen" has brought together a proactive board of dynamic retailers. They form a nucleus of creative ideas for neighbourhood activities and are at the genesis of the main events within the district, making it a nice place to live and work.

GUT LEBEN UND EINKAUFEN
Wir in Wehringhausen!

This non stop training you're indulging yourself with, should also be shared with your staff. They need to know as much as you do to be as good as you are with your customers. But also, so they are committed to your business as much as you are. Your recruitment must take into account these aspects, you must hire nice people with positive attitudes, look for people who want a career, not a temporary job, make sure your employees are in line with what you sell (a 55 years old experienced vendor might not be what you need if you're managing a streetwear shop), interested by and familiar with the product you sell and willing to learn. Check that they are as well aware of the business and of the offer as you are. And to keep good employees, create an environment where they are happy to work, give them advantages, care about them, offer incentives discounts, family days. A successful retailer offers services to his/her staff and to his/her customers.

That has been Angelo's – women, men & children outfit – choice in Jemappes (Belgium). The eponymous retailer has opted for a "just in time" stock management. To fulfil his clientele's expectations, our retailer watches every weekend Saturday night's most popular TV programs, and organise his stock selection according to the new stars' and latest trendy top model's dressing. Every Monday, he restocks his shop to sell for the week. This way, he gets endless visits from his customers on the look-out for the new trends and their new fashion wear of the week.



5. Service

Flexibility

What is “service”? To serve someone right is to be able to step in his/her shoes, show empathy. Providing great service is basically making your customer’s life easier.

As a customer, what do you expect when you go shopping? A store opened when you’re not working, that can order an article you need, tells you when it gets there and proposes to deliver it to you, where different means of payments are possible, that gives you credit when you’re short by 2 cents and that is ready to change an article if it doesn’t suit you ...



Wilhems Apotheke in Hagen has a very intensive, customized customer service, a whole cosy room at the rear of the shop even being dedicated to advice and tests. Customers and their handicaps are kindly addressed and payments can be spread for those in need.

This sentence sums very quickly up a series of services that make a store successful.

1. **Opening hours:** they shouldn’t suit you, but your customer’s schedule. Remember our butcher opening non stop 6 days a week from 8.30 am till 6.30 pm? For the rush hours, he has an extra employee. Opening longer hours during holidays or special moments of the year (Christmas, Valentine’s and Mother’s day... etc.), planning for after-hours shopping, seem to bring a quick return on investment.
2. **Product:** what the customer wants is missing? Propose to order it and warn him/her when it finally gets in.
3. **Alteration,** different payment methods, credit and credit notes, refund or return policy, after sales, loyalty programs, lay-aways, gift and birthday certificates, gift wraps and delivery services, seating areas, in-store events, ... are as many services that can make your store even more pleasant and appealing.
4. **Cash in/check out:** as a customer, you don’t expect to spend more time to the cash desk than you did in the store, looking for your items. Customer transactions should be quick and last less than 3 minutes. After which they should be greeted of some “thank you, see you soon”...

Roughly speaking, think customer relationships, not just customer service, short approaches, quick check outs. Indeed, service is also about knowing your clientele and make it feel special: meet and greet each customer, determine his/her need, know how to suggest additional items – think lifestyle, not article. Service is about guiding your customers in their choices, and helping them out finding what’s right for them.

1

2

3

4

5

Service is also about being adaptable and being able to listen to your customers, adapt your offer to their new needs and wishes.

“This should go without saying but so often companies forget that a polite “hello, how can I help you” or a professional and prompt dealing with a customer complaint can actually mean the difference between a repeat customer and one that goes over the road to the competition. Customer service isn’t just about big white smiles and being polite, it’s also about being efficient and going the extra mile for customers. Your advantage over the larger stores is the extra attention you can lavish your customers. Make an effort to know your customers by name, and even call big spenders when you get in a shipment with merchandise just right for them”⁴.

⁴ *Franchise Finder – 5 Key Factors to Running a Successful Retail Business – Ensure that your Retail Business is a Success*



Meister Bauwer Juweliers in Höchst has built a strong relationship with his clientele. All of his 13 employees know each customer’s name. People don’t only come into his shop for the wide variety and quality of his products but to live a shopping experience where services are complete going from bespoke jewelry to repair and certification, where sales are customized to their wishes and relate to their tastes.

6. Communication

Retailers have to build their reputation and credibility in order to attract the level of customers they require to keep the business afloat. The first element of marketing is the positioning you've adopted – then, the way you communicate on that positioning.

For customers to enter your store, they need to know you exist. Have you told them you were opening? Are direct mail, advertising in the local newspaper, promoting flyers, coupons, actions you have contemplated to carry out? Or more simply, a see-through sticker during the works in your shop before your opening, announcing what it will be about, when you'll be starting off, and in what way you will be different?

"Tismer the orthopaedics shoemaker" in Hagen has a skilful use of communication and advertisement: he has set up a customer card gathering all important information related to each treated person, he constantly advertises in local newspapers, places flyers on cars, distributes each year his own calendar and has lately started a fruitful cooperation with orthopaedic doctors. Starting with his shop that he uses as a permanent advertising tool, and a showroom exhibiting the material and tools utilized for his craft business, Mr Tismer is full of new ideas, and successfully dedicates a special part of his yearly budget to communication means.



Ihr Diabetes Spezialist
J. Tismer
 ORTHOPÄDIE - SCHUHTECHNIK
 SANITÄTSHAUS

Wir laden Sie ein:
 Am 20.11.09 von 10.00 - 18.00 Uhr

Bestimmen Sie unsere neue Passade, stützen Sie sich mit einem Glas Sekt/Orangensaft oder Schiltschen und versuchen Sie Ihr Glück bei unserem Gewinnspiel.

1. Preis: 1 Stadterreise zum Heidelberger Weihnachtsmarkt für 2 Personen
2. Preis: 1 Paar Schuhe (Activlex)
3. Preis: 1 Essen für 2 Personen im „Lokal“
4. Preis: 1 Paar hochwertiger Hausschuhe
5. Preis: 1 Paar Klimawäsche nach Wahl und viele weitere attraktive Preise.

Der Erlös dieses Gewinnspiels geht zu 100% an den Kinderschutzbund.

J. Tismer
 Lange Str. 59
 58089 Hagen
 Tel. 0 23 31/33 05 93

Outside, we saw that earlier on, is your first and cheapest way of advertising. You need to be visible, thanks to your store sign, lighting, storefront design, window shop display, etc. Inside should be a natural continuity of the outside promise: indoor displays, shelves' layout, in-store promotions, special offers.

The way you promote your products within and out of your premises says a lot about your expertise. Create a buzz and make people speak – highly – of you.

1

2

3

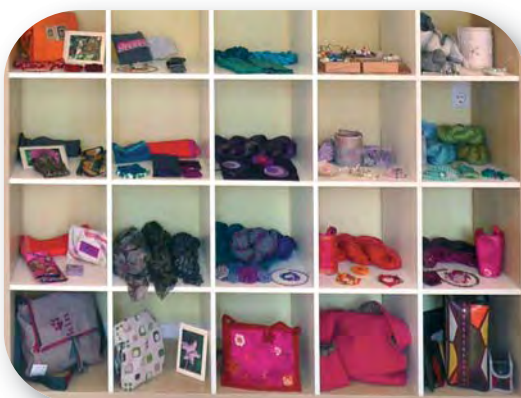
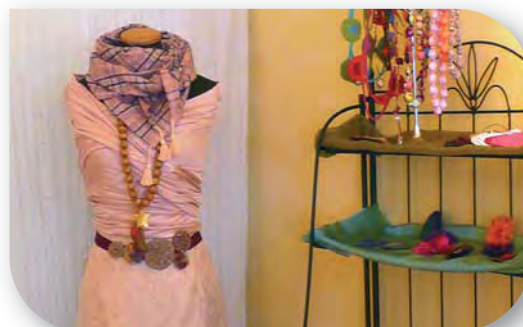
4

5

Like these two ladies in Hagen who met the challenge, by proposing a very peculiar way of communicating on their own work...

The Atelier für Anziehendes

Indeed, these two fashion designers propose original and unique women clothes imagined and made by stylists, but not only by themselves. They have turned their shop into some great showroom, opened to any other stylist carrying out the same kind of creations, this way paying a part of their rent, and giving at the same time their customers the opportunity to discover new designers on a regular basis.



Neopolis

When he started his business, Neopolis' storekeeper in Dour (Belgium) wanted to focus on comics ... He soon realized there was more of a craving need for schoolbooks in the neighbourhood. He then wrote to all the academics around: kindergartens, secondary and high schools, libraries, institutions, offering group discounts and special prices. Parallely, he started late openings on special releases (see example next page) and dedicated reading spaces in his shop, like tables and chairs for children to discover stories. His shop has now been a growing success for the last 2 years, when retailers who started at the same exact moment around him failed.



Marketing your shop also means setting up recurrent happenings: wine tasting every first Thursday night for a spirit dealer, produce of the month for a seasonal treat once a year (strawberries declined in cakes, soups, ice creams...), debates in a café, ...

In Höchst for example, the bookstore Buchhandlung am Schloss has set up a monthly reading by local authors with grand reception, opened to customers and wider public, and advertised thanks to a newsletter. The retailer also hosts a reading breakfast dedicated to children. Each first Wednesday of the month, kindergartens are welcomed to discover a new story which is read to them, thanks to this event. She also organizes special events on the international day of books: foreign children are invited to tell the story of how their parents came to Germany and write this down in a workshop (this was the program in the shop last year). Since migrants are now the majority at local schools in the district, the importance of such measures and to engage children in reading in their new language is very important. All these events have become as many meeting occasions for the district.



Don't miss out on the special events:

- VIP sales for your best customers only.

The following example, Lucia, women's clothes boutique in La Louvière, has its own undisclosed database, collected for years. The private sales her owner organises are enhance and flattering to her customers, who wouldn't miss them for the world.



- Special opening hours for a release

as Neopolis (previous page), a new bookshop in Dour, did it for the last publication of Harry Potter. The date of the release corresponded to Halloween and the retailer decided to organise a late opening until 11.00 pm. In a few hours, his whole stock had vanished and his ordering book was completely full. Not only this event meant high sales and consequent profit for him, but it also made people aware of the shop existence and the event started a buzz.

Your communication speaks highly of your offer, it has to be in adequacy and relevant to the promise you make to your customers.

1

2

3

4

5

7. Offer

Quality

Quality is your number one concern: you cannot fight it – if your product is no good, customers won't come back, as they will find the same junk anywhere else at a lower price.



Chaussures Vignon in La Louvière has built its strong reputation over this one condition. The quality of its products has created a buzz that still today make the shops stand as THE city centre's quality shoe shop.

Specificity

Specificity: customers must feel that what they get in your shop they won't get anywhere else. What makes your offer so special? Is this rare piece of meat so difficult to find? Or are you the only one to sell this brand in the district, as you've negotiated the exclusivity? Or this very special bread you're the only one to bake?



Variety: propose a wide range of goods. Should you be a baker, you may propose a whole variety of breads to consumers: in size, shape, with seeds, flavoured etc. If you're selling saucepans, you may choose a highly qualitative selection of brands and exclusive ranges, that cannot be found in large chain stores.

Variety

1

2

3

4

5



Wittenberg in La Louvière sells an amazing range of kitchenware. Articles from exclusive brands can only be found in this odd shop only selling quality. The retailer offers limited editions of a wide range of quality cookware, which makes the success of the store.

Evolutive: be aware that the world changes, so should your products. You also as a retailer need to fit in and grow adapting your times.

Evolutive



T Wiesgke, in Antwerp, started up specialising in school uniforms and academics dresses. As time passed by, the retailer noticed that on the one hand, uniforms were less and less requested by customers and on the second hand, there was a growing need for other outfit. Today, the store keeps on being specialised in school uniforms but the owner narrowed this department for the benefit of several corners responding to neighbourly needs. The retailer managed to keep a successful activity by listening to his customers, forecasting their needs and adapting them.

Innovative

Innovative: proposing new products to your clientele is a way of securing its loyalty. The more you make your customers feel they've entered Ali Baba's cave, the more you'll make them want to enter and enter again. There is no mystery: successful retail stores keep up to date with trends, technology and new products.



Another impressive example is the one of Loellmann in Höchst (please, see above). This shop, that has been running for more than 130 years, started up as a baskets maker...! Over the years the family business has evolved following its time to become the shop dedicated to babies it is today. Needless to say, it shows great adaptation, constantly adjusting the offer to local demand and retail framework. Today, they're still and again working on improving their offer. Even if they have started laying off products for elder children, they have decided to concentrate on their specificity which is baby carriages, going from exclusivity in brands only available in their store and nowhere else on the German market to the exclusivity in products, only sold in their indoors (Besafe car seats for babies and Naturekind baby carriages) up to the repair and maintenance of damaged babies' carriages – they are subcontractors of a company in charge of mending children's carriages from the Frankfurt airport (covering a market from Europe to Japan). Even in their own speciality, they focus on an even stronger specificity to respond to the market's needs. Naturekind baby carriages for instance are solely made out of natural material, and do not contain any contaminated parts, knowing organic products currently steadily follow a 10 % increase in market shares each year in Germany.

Complementary: cross-market and cross-sell your products. If you're an hairdresser, you'll make your customer's day by offering to undertake a manicure at the same time. You make him/her save some time at a decent price. If you're a fishmonger, propose deli, seafood platters to take out, your sales will fly and your stock will gain in management, ... etc.

Complementary

1

2

3

4

5



TeeFee's owner in Höchst has been selling more than 200 different sorts of teas for the last 14 years. Together with this very specific offer, she proposes teapots and teasets, flavoured and special sugars, chinaware, chocolates and many other items related to tea.

Integrated: bring local actors and producers into play. The stronger you are integrated in the social fabric of your district, the more people will trust you.

Integrated

The Erzählcafé

The Erzählcafé Altes Backhaus in Hagen is a great example of integration (not only) and a great way to end this chapter and this guide. The concept of the place is based on a community system. All members of staff are seniors working on a voluntary basis, cooking their own recipes of cakes, biscuits and dishes. They have settled this business in a charming little house, very cosy and warm, with an old balcony, used as a terrace and a lovely courtyard beautifully decorated with flowers and furniture. Once a week, a complete homemade meal is served at lunchtime and otherwise, the place opens from noon till evening, for tea and coffee breaks or a hot chocolate with a piece of cake. The general aim of the café is to be a cultural spot for the residents of the district Wehringhausen. Readings, philosophical debates, small exhibitions are organised on a regular basis, and the place also shows a will to pass on from a generation to another. Younger people are given information and are being told stories of former times by their elders, contemporary witnesses of History. Overall more or less 5 events are planned each month.



Conclusion

Being a great retailer in an ailing district requires great social skills, adaptability, excellent knowledge of one's offer and steady update of the product's evolution, capacity to listen to customers and ability to fulfil their expectations... but being successful starts with finding the right product to sell at the right place and at the right moment.

Positioning and clear focus on the 7 gold keys of retail – retail marketing, outside, inside, staff, service, communication, offer – are major elements to be taken into account to make sure one's business will make it over time.

Before setting one's business up and during his/her upstream retail marketing, the retailer often stands alone, and might not be aware of all the ins and outs of the place he/she's going to settle in. Being guided and informed by someone well anchored in the district's life, and well aware of its commercial functionalities may not only facilitate the store's implementation but also prevent avoidable mistakes.

All this information can be found at the district centre management. In term of commercial development, district centre managers can indeed be of great help as a consequent part of their job is devoted to helping newcomers to settle.

Regarding retail, it means that the district centre manager is here to help the implementing store in many ways. First of all, the district centre manager can make the business developer aware of what is already around and what is going to open shop wise. This way, the newcomer may confirm his/her choice in terms of offer, completely change it if needed or just readjust some bits to fit in.

Then, the district centre manager can help find the right location for the new business, as regards to its activity and what's on the market, or about to be, in terms of commercial vacancy.

A district centre manager may also guide the storekeeper-to-be in his/her administrative procedures, inform him/her about statute law, local opening hours, commercial situation and background, introduce the newcomer to his/her fellows, to existing networks, etc.

Once settled, the new merchant can still rely on the district centre manager to follow his/her shop up. For instance, in Arlon, Belgium, the district centre manager has coached a storehouse from looking for and finding the right location to its opening. She has also introduced the storekeeper-to-be to the owner of the empty shop, and helped both parties find a right and fair rent to pay and be paid.

Solutions have been found regarding delivery issues, visibility of the shop. For the store opening, a listing of the district's VIP has been sent to the retailer by the district centre manager, who, since the store has opened, has also provided the storekeeper with a feedback, helping her to adopt a new approach to stick more closely to people's expectations and requests.

District centre managers, with their field knowledge, their very own and precious experience of the place where they work, their local networks and relationship with existing retailers can be of great help to newcomers. Their role is to be a interface between the retailer and a whole series of useful stakeholders. They are a supportive intermediaries here to assist retailers upstream, during their implementation and help them grow strong in the district, so they become new successful, integrated and lasting businesses.

1

2

3

4

5

Bibliography

Books

- Mercator, by Lendrevie, Lévy, Lindon – DAL-LOZ, 9th Edition, 2009
- Big Ideas for small retailers, by John Castell, Management Books, 2006
- Positioning, by Al Ries and Jack Trout, McGraw Hill, 2001
- Small Stores Survival – success strategies for retailers, by Arthur Andersen LLP, National retail Federation, John Wiley & Sons, Inc. 1997
- Practical marketing for your small retail business, by William H. Brannen, Prentice Hall, Inc., Englewood Cliffs, New Jersey, 1981

Presentations

- Retail Marketing mix and planning, by Charles Blankon, PhD
- Retail essentials: How to open and run a successful retail store? By Mercedes Gonzales, The Global Purchasing Group, Inc.

Articles from the internet

- Why do businesses still fail? By Romeo Richard, www.articlesnatch.com
- Skills required for starting a successful retail business, by Kendall Blair
- Skills required for starting a successful retail business, by Michael McCormick
- Skills required for starting a successful retail business, by Angela Charles
- Keys to success in the clothing retail business, by Mayumi Mendoza, Staff writer
- Key to retail success? Customer Contact, by Carmen Marti
- Stocking up: ABC Stores' Paul Kosaka says the key to successful retail in Waikiki is to remerchandise, by Choo, David K., Hawai Business, Thursday, July 1st, 2004
- Merchandise Displays, Reference for Business, Encyclopedia of Business, 2nd ed. Mail-Op, Merchandise Displays, www.referenceforbusiness.com
- 5 Key Factors to Running a Successful Retail Business – Ensure that your Retail Business is a Success, Franchise finder, www.franchisefinder.co.za
- Merchandising is the Key to a Successful Point of Sale, by Phillip Adams-Wright, <http://EzineArticles.com>
- The Long Lost Merchant: Core Skills Remain Key to Successful Retailing, by Bill Roberti
- Don't Blame the Economy for Poor Retail Execution, by Peter N. Schaeffer
- Managing Retail to Outlast the Recession, by Gilbert W. Harrison – May 14, 2009

This guide is the result of transnational work within the MANDIE project, under INTERREG IV B.

