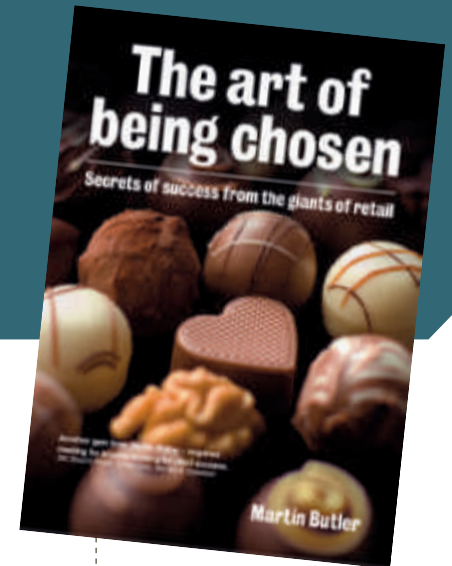




Martin Butler

The art of being chosen

What makes some retailers really successful while others fail? What if you could get face-to-face with some of the world's biggest retail names to find out the secrets of retail success? Respected retailer/marketer Martin Butler did exactly that and reveals all in his latest book, *The art of being chosen*.



With a very small number of exceptions, retailers don't sell anything that cannot be bought somewhere else. So, what makes customers choose to shop with one retailer over another?

Finding the answer was the mission retail advertising and marketing veteran Martin Butler set himself in 2008 when he embarked on his second book. Based on two years of face-to-face interviews with 100 retailers from all over the world, the support of the World Retail Congress and others, the book became a labour of love – taking him from oak-panelled boardrooms to South African townships; from New York to New Zealand; from Wal-Mart to Woolworths and from fashion to food.

On his world tour, Butler stuck to a firm rule. All the big names in retail would be asked, face-to-face, one question – what's the one thing that you have done that has had a profound and positive effect on your business?

Of the 55 most enlightening interviews selected, no two retailers gave the same answer. However, they did fall under six general themes or, as Butler puts them, six secrets – which is how

he divides up his book, along with relevant case studies. The six secrets are:

- Having a company mindset of being chosen;
- Being trusted;
- Appreciating staff;
- Visionary thinking;
- Having ideas as the lifeblood of the business; and
- Being different.

Successful retailers, says Butler, have a corporate mindset of being chosen, not of buying and selling.

NZRetail contacted the author and his publisher for permission to publish extracts from *The art of being chosen*. Here are some extracts of what he says on the subject of being trusted.

Trust

... In life it seems nothing works properly without trust. Certainly my research shows that after the fundamental re-orientation of being chosen, the successful retailers place an unparalleled premium on being trusted. Looking to be trusted in all they do, looking to be trusted in all they stand for. Indeed I would argue there's nothing bigger in a retailer's armoury than being trusted.

... But the first rule of trust is you can't ask for it, you have to earn it.

... Without getting too deep, the really successfully retailers are those who reflect the society we live in, often helping shape it. Retailers know that to be chosen and trusted they must care what people think, care about their role in communities and obviously care that customers choose to revisit them. The progressive retailers even lead the way on ethical issues: fair trade, sustainability, etc. For retailers none of this is worth doing if people don't trust their motives or trust that they will deliver what they promise. Honouring your word is, of course, morally sound and people will love you for it. But in this modern age there's a compelling business reason too. The simple truth is, if a retailer lets people down – betrays their trust – web-based communications will rip the heart out of its reputation at the speed of light with blogs and networking sites.

... Unsurprisingly, research confirms that people prefer to work for businesses they trust. The workforce is first to know when a business is not keeping

its word, ripping people off, so to speak. In these businesses it's the workforce that is encouraged to do untrustworthy things.

... From experience, many of these businesses refer to their customers as 'punters'. I hate it. Apart from the accepted use of the word in betting circles, I believe it positions the customer experience and expectation as one big gamble. It's disrespectful and sets the wrong tone. The customer experience should have nothing to do with chance.

... As a marketing man it has always struck me that advertising and marketing promotions seem to be a trust blind-spot for many retailers. It seems to be a tempting place for even the most conscientious of companies to fall short on their ambitions to be trusted. I suspect it's a consequence of wide-ranging laws aimed at rogue traders that push honest retailers to bend some incredibly prescriptive rules. How often have retailers hidden merchandise in remote

parts of the shop floor, for a given number of days, just to 'establish' unfeasibly high prices ready to be reduced in blitz of publicity.

But interestingly, research shows that customers understand what's going on with this fake discounting. Customers, being almost complicit, [are] refusing to buy certain categories of merchandise unless heavily marked-down – furniture being a tarnished example. It's as if normally rational customers need to lean on huge discounts to give themselves permission to make the larger purchases. We all know specialist retailers that are on 'Sale' 50 weeks a year – where's the trust component in this? It must surely be a warning that the customer trust-contract has been broken – a fitting epitaph in the making. Certainly a sector the faceless merchants of internet discounting are circling, licking their lips.

... But, over the years, every day low pricing (EDLP) has taken this trust conundrum head-on. In reality, retailers find weaning themselves and customers off high-low pricing is very difficult – it is, after all, a mechanism that puts the retailer in control of stimulating sales and gives the customer a reason to buy. Some retailers I've spoken to look longingly at

EDLP but reckon it takes half a generation and a good deal of pain to successfully achieve.

... We're seeing a similar breakdown of trust around the world at Christmas-time too. Customers hesitant to buy in the run-up to the festive season or fear prices will be reduced before the big day. Who hasn't been tempted to give an IOU as a Christmas gift to guarantee a saving in the January sales? And note I said 'tempted'! How often do you hear observers of retail saying Christmas is getting later every year? No wonder. It's because there has been a breakdown in trust. It's become a case of who will blink first – somewhat ironic at this special time of year.

I believe Christmas trading needs to be re-invented with some form of 'goodwill' on prices. How about a price guarantee? Retailers and shoppers would certainly be happy with that ...

Not to be missed

The above is just a taste of one of Butler's six secrets to success. However, the case study interviews that follow each chapter make for fascinating reading.

Here's a taste of some of the luminaries Butler interviewed:

- **Tesco** is undoubtedly one of the most revered retail brands in the world. A company with global ambitions, it puts customers at the very centre of its thoughts with trust being a non-negotiable value pervading everything it stands for.
- **Wal-Mart**, the largest retailer in the world, is famed for its ruthless pursuit of low prices. But few really know that the mechanics that led them to being able to deliver their deeply held beliefs on such a grand scale. Indeed, according to Jack Shewmaker, Wal-Mart very nearly sunk without a trace back in the 1970s before giving customers a reason to choose them every day.
- **Marks & Spencer**, one of the world's most famous retailers, was suffering at the hands of its new competition. By re-orientating the mindset of the business, its customers were given a reason to choose this much-loved brand once again.
- **Starbucks** serves 50 million cups of coffee each week. It is probably the most important global retail success story of modern times and it is driven by a deeply held conviction that the people who serve and the people they serve deserve nothing but the very best.
- **Sainsbury's** was recently crowned the UK's supermarket of the year. In a ruthlessly competitive sector this business has rediscovered it's form by asking its people to talk to each other and suggest better ways to operate. It's been a simple conversation with dramatic success.
- **Kingfisher Group** is a truly

international home improvement retailer. It was one of the first retailers to successfully persuade millions of customers the importance of sustainability. Visionary thinking that is saving the planet and delivering commercial rewards.

- **New Clicks** is a drugstore business with 350 stores throughout South Africa. With some prescient thinking that's taken almost forty years to be realised, this group now has permission to dispense competitively priced pharmaceuticals and clinical services to a needy population.
- **Bunnings** is Australasia's number one home improvement retailer. What an executive heard on a business course has laid the foundations for a change management programme that has effortlessly galvanized the entire business. An idea so effective it's helping deliver record profits and a new international shorthand.

And these are just a few randomly selected retailers you can read about in *The art of being chosen*. In the words of Hugh Perrett, founder of Pak 'N Save and inducted member of the New Zealand Retailers Retail Hall of Fame, "If you can't learn from this book perhaps you shouldn't be in retailing or you've been in it too long!" ■



WHO IS MARTIN BUTLER?

Born into retailing, Butler is a true hybrid – part retailer, part marketer – and he uses this unique combination to inform his thinking. During a distinguished career in advertising and marketing, he has worked in top international agencies including the Grey and Saatchi & Saatchi networks. In the 1980s, he became one of London's youngest advertising agency owners by launching his own company which he then built into one of the largest, privately owned, advertising and marketing groups in the UK. He has now sold his company but continues to enjoy working with retailers – running practical workshops on his books and regularly speaking at business schools and international conferences around the world. This is his second book, the first being *People don't buy what you sell*. Follow Martin on his blog at: martin-butler.com and for any speaking engagement enquiries, go to: martin.butler05@btinternet.com.



READER OFFER

NZRetail readers can buy *The art of being chosen* at a special discounted price of £14.99, inclusive of packaging and postage, by going to: www.mb2000.com/acatalog/NZRetail-Reader-Offer.html