

TOP 10 TIPS FOR RETAIL SUCCESS

Let's face it. Retailing is hard work. Your success is buffeted by so many factors – from consumer confidence to high wages to rising rents. For Australian retailers, we've also seen the opening of many more international stores that your customers may be a bit too keen to shop with!

Yet retail can be an extremely successful – and rewarding – business if done well.

We've worked with hundreds of stores over our nine years of distributing leading stationery, lifestyle and homewares brands across Australia and New Zealand. We've watched some of our retail customers go from strength to strength – particularly in independent retail where arguably it's much harder to succeed. We've noticed there are common factors to this success. So we thought we'd share these top 10 tips for Australian retail success.

1. Sell a brand, not a product

There are products, and there are 'brands'. So what is a brand?

Pinning down a definition can be tricky. The Dictionary of Brand defines 'brand' as: "a person's perception of a product, service, experience or organization."

When we talk about brands we mean products that have a brand name, a brand story and often brand recognition behind them.

Brands then tell a story – a story that customers can engage with. Moleskine's story began with the 'legendary notebook' but has come to mean so much more. To some people, it equates to style, design, quality and even status. It's a true 'brand' that now represents creativity, travel and even adventure.

We've built our business – and our retail customers' businesses on the value of the brands we distribute. After all, why would someone pay \$36.95 for a notebook when they could grab something similar for \$10? Yes, some of it is quality, but largely, it's brand.

This is why we insist on minimum opening orders by brand – so that a retailer have enough stock to showcase 'a brand' properly and create an instantly recognisable moment for their time-poor customers.

2. Design matters

"Design" may sound like a bit of a buzz word but it's often critical to business success: the design behind the brands you stock, the design of your store, the design of your window and visual merchandising.

Everything has an impact. Every design element communicates something.

Design is ultimately a communication tool as what products look like effect what people believe about them.

Design can communicate price, value, who a product or store is for – it's incredibly powerful.

The design of your store layout will impact how, or if, people shop with you. Your design can invite interaction, or block it. It can entice or send people away.

Design can also live on outside the confines of your store. We live in a social age and we've seen customers willing to photograph and share windows or displays they find inspiring.

It's why we sell 'design' stationery: stationery brands with a design aesthetic. It ensures their desirability – and thus our retailers' business success.

3. Marketing effort is rewarded

We were disappointed with the lack of marketing effort demonstrated by so many chain retailers for Christmas 2016. So few stores even referenced the occasion, or used it as a chance to be creative or inspiring. Most mainstream chains seemed to just focus on discounting and sales.

Putting marketing thought and effort into your windows and merchandising will always be rewarded. We've worked with retailers to put together stunning windows, featuring a single brand, beautifully presented, and the store has experienced an immediate sales uplift of 15-20% on that brand.

You'll hardly have missed all the dialogue in the retail marketing space about the importance of experiential retailing – trying to engage customers when they're in your store to deliver something they can't get with an online retail experience. Yet we're slow to see Australian retailers really try and take up this challenge, which we believe is to their own detriment.

4. Patchy stock = Patchy sales

Your displays need to look full and cohesive at all times. We've seen unfortunate experiences when stores have fallen behind on ordering and their displays end up looking patchy and untidy.

Poorly stocked shelves send subtle messages to your customers – messages that are unlikely to be positive! It's also costing you money: if you're missing 20% of a range you're likely losing 80% of sales – as it's the top performing units that will sell out first!

If you're stocking a brand, you want to be a 'destination store' for that brand. Your customers want to know you'll have a good selection in that brand and be well-stocked in its offering. If a customer does seek you out, and you're poorly stocked for a brand they're expecting to see, they're less likely to return.

We recommend that stores have auto top-up in place when viable. We've seen sales improvements of 40% – up to a whopping 100% – when auto top-ups are in place. Our visual merchandisers can restock stands and displays and so store managers don't need to spend valuable time or attention on ordering.

5. Don't carry only what everyone else is carrying

Getting your brand mix right is obviously key. You want to stock brands that people know and seek out. Plus you need new brands that you can introduce to your customers, giving them the experience of 'discovering' something new.

If you stock what all your neighbouring stores are carrying, what might seem sensible is actually a recipe for disaster. You need your own desirable brands – or why would someone buy from you instead of your neighbour?

Only stocking 'innovative' brands that no-one has ever seen before is also very dangerous, as it doesn't drive people to your store. We'd recommend a good mix is: 70% recognisable brands and 30% new brands, or ones you may have 'discovered' on a buying trip.

Most of the brands Telegram Co. distribute have what we refer to as 'territory protection'. Basically this means we'll ensure you're the only store in your suburb (or town in a regional area) with a particular brand or line in a brand.

6. Don't treat customer sales like single transactions

It's hard to get someone through your shop's door – and unfortunately you already know the majority of people who walk in will walk out without opening their wallet.

So why let them leave without trying to engage them in some way? If they do shop with you, make sure you get an email address whenever possible. If they don't, you can still make it attractive for people to provide their details. You have unprecedented chances to engage with them – whether via social media, loyalty programs or even a competition.

People want to be acknowledged, feted, treated as special. And as a retailer, you want some sort of database to work with so that you can hopefully sell to someone in the future, if not now.

So you need to think a bit more like a marketer and try to let as few people as possible leave your store without engaging with you in some way.

7. Merchandise, merchandise, merchandise

We work with some of the best independent retailers in Australia. The most successful keep their space and displays fresh and alive, with daily tweaking, weekly updates and monthly overhauls.

You need to consider every display. What are the best sellers and are they easy to reach? Do you have too much choice and risk confusing customers? Does your display guide your customers on what they should buy?

We've been selling Moleskine in Australia for over five years. Every display will always include the best-selling black, classic, large notebook. It's what people recognise – and anchor for a range. But we wouldn't ONLY display that product. It's merchandised with a mix of new products and often of the non-notebook variety, to continue to build the brand's story and proposition.

If you don't have an eye for visual merchandising, hire staff that do. The other option is to work with your suppliers. Telegram Co. employs visual merchandisers across all states and if a retailer is significantly invested in a brand, we can truly make that brand sing in the space.

8. Look for savings to pass onto your customers

Customers love a bargain. Yet the cycle of sales that dominate chain retailing is frightening. Price has never been a sustainable competitive advantage. In fact, some of Australia's most successful retailers almost never have sales – or when they do, they use them extremely strategically.

Clearance of brands by distributors is a chance for you to access stock at a lower price point and be able to offer genuine savings to your customers. You can do this in a managed way – planning for it – rather than simply losing margin on a 'sale' event.

Clearance of your own low sellers will always be a fact of life, but clearance by brands or distributors could prove extremely valuable if you maximise the opportunity.

9. Stock turn – Live it, breathe it.

Latest releases, limited editions and media-darling products are great sellers. They bring people into your store to spend. But you can't fill your store with only the very hottest sellers. You need your range to appeal beyond peak sales events and releases. And this is where stock holdings – and stock turn – become important.

A shop lives or dies on stock turn. Yet it's scary how few independent retailers understand the stock turn on their various products. It's hugely valuable information: vital to planning, sales and profitability.

A \$20 item that turns over 10 times a year is very different to an \$100 item that turns over three times a year. If you don't have the information, you can't prioritise ordering or manage cash flow.

10. The value of 'an experience'

People remember moments in their lives. Experiences. It's what we value as human beings.

When someone buys a notebook, they're not really buying pieces of paper. They're buying potential – for creativity or organisation or education.

Bringing an understanding of these needs into a retail store offers huge opportunity – one that online shopping is hard pressed to replace. When retailers understand the experiential element of their store, and understand they're doing more than exchanging goods for cash, we see them grow and sustain.

Brands resonate with customers. Customers crave the chance to get close to a brand – so why not let them do this at your store? A purchase can act as a souvenir of an interaction with a brand.

So why not create a space in your store for that interaction to occur – and the sales will follow. Perhaps it's event based, perhaps it's a chance to 'play' with your product, perhaps it's the way your staff interact with visitors. There will be a way to make visiting your store an experience – and that will translate to repeat visits from satisfied customers.

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About Telegram Co.

Telegram Co. partner with the best global brands and retailers across Australia and New Zealand to bring customers exceptional products for work, for home and for you. We distribute designer stationery, lifestyle and homewares products – tools for living.

Telegram Co. is an Australian business with a team of forty dedicated people – and five mood-boosting pooches. We aim to turn the traditional model of distribution on its head. Telegram Co. is a new breed of distributor—a true partner that is as passionate about the brand's success as the founder and as committed to a retailer's sales success as they are.

Like to stock our brands? We invite you to [apply as a stockist \(http://www.telegramco.com/partner-with-us/\)](http://www.telegramco.com/partner-with-us/).

ACKNOWLEDGEMENT OF COUNTRY

Telegram Co. operates on the lands of the Wurundjeri Woi Wurrung Peoples of the Kulin Nation and the lands of the Gadigal Peoples of the Eora Nation, as well as other lands across this vast continent. We pay our respect to Elders past, present and emerging.

Always was, always will be Aboriginal land

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