



Avoid the trap of retail clichés

Clichés are all too common in the world of business. Some are timeless pieces of wisdom, however, others have outlived their value. **SUSAN MARTIN** takes a look at some common phrases thrown around in the world of retail.

Clichés are commonplace across the retail industry and in some instances, they've become almost hard-coded into our thinking.

In the same way that there are habits that serve us well, and others that undo us, I think some of these clichés may be doing more harm than good.

Before we begin any specific analysis, allow me to set the scene with a quick look at the actual meaning of a cliché.

One definition is, "a trite, stereotyped expression; a sentence or phrase, usually expressing a popular or common thought or idea, that has lost originality, ingenuity, and impact by long overuse."

With this in mind, let's put a few of our old favourites under the microscope and see if they can be considered tried and true thinking and are worthy of keeping around, or whether they're archaic and it's time to move on.

In some cases, it may not be time to move on all together, but instead to reinvent!

Garbage in, garbage out

This expression has its origins in computer science and was first used in the 1950s and 1960s.

The saying, 'garbage in, garbage out' holds true for more than just IT environments and is as simple as it sounds. If you use low-quality or inaccurate information or inputs, such as poorly managed data, you will get low-quality or inaccurate outputs.

This impacts the value of analysis and forecasting.

With a high dependency on data, retail merchandise planners were early adopters of the 'garbage in, garbage out' principle. The implications of poor data are very well known in that field.

The positive news is that with data and tech becoming increasingly mainstream, there has been a greater focus on the importance of good data. Even the cool kids in marketing are talking data these days.

A rising tide lifts all boats, and this is one piece of wisdom we should keep for now.

Stack it high, watch it fly

This is one phrase I've wanted to change for some time. A more accurate saying might be 'stack it high, kiss profit goodbye!'

This particular cliché bothers me a lot. I know there are many successful businesses based on this concept. We often hear this phrase used in relation to a 'category killer' strategy, where a retailer eliminates competition and achieves market dominance through capacity, reach and product selection.

The financial capabilities and size of a large retail chain, for example, gives them an edge over small businesses because they purchase from manufacturers and suppliers in bulk. Buying in bulk offers advantages when it comes to negotiating prices, dating, and shipping costs.

That's all well and good when it is the



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actual business strategy. That is, when 'stack it high, watch it fly' is the operating model; marketing and ultimately profitability fold into it.

Sadly, this method is often not based on strategic pricing or volume objectives. Simply having lots of stock does not mean you will sell it.

Profit erosion is the inevitable outcome of this misstep, giving away early margin gains to clean up the long tail and free up cash for the next stock investment.

The time has come to release this old chestnut back into the wild.

Spray and pray

This cliché reflects a lack of strategy, process, and sometimes discipline.

Whatever the underlying reason – lack of experience, confidence, or leadership and resulting direction – hedging your bets in the retail game is just not good enough.

The response to hearing this saying is to reply: 'hope is not a strategy.'

It is critical to know your market, customers, competitors, and product, and to become laser-focused on your point of difference.

Formulate this into a strategy, translate it into a merchandise financial plan, apply assortment principles around width and depth, and target appropriately.

This will drive optimal stock investment decisions and profitability. Competitive

forces in a global economy spell the end of vague buying and ranging.

You must stand for something, or you will become a pushover in the retail market.

We can move on from this cliché too; delete it from your thoughts!

Retail is detail

I support this expression, however, caution is needed.

At one end of the scale, it's often the small things that make all the difference, particularly in execution at the customer-facing side of the business.

The other extreme is our counter cliché, 'analysis paralysis'.

This is a trap people who value planning are often accused of falling into. It's increasingly difficult to avoid with more data becoming accessible every day.

To my mind, the key here is to select the appropriate level of detail for the task, and the specific outcome required.

Retailers should ask themselves question such as, what decisions need to be made? What are we solving for?

Work back from that starting point to gauge the right level of detail and how much analysis is enough.

Making decisions is easier when you understand that you're not looking for the right answer, if there even is one, but the best possible answer given the information you have, under the circumstances.

Lock this one in, but always carefully consider 'retail is detail'.

Right product, right place, right time

This old saying is often associated with merchandise planning specifically.

I'm a fan of achieving these 'right' results using the right stock, in the right place, at the right time.

I just think there is work to do in how these results are achieved.

If retailers keep throwing around this expression without giving attention to whether we are doing the 'right thing' to get the 'right result', we run the risk of potentially spinning our wheels aimlessly and losing traction.

At all costs, we need to avoid speeding off in the wrong direction.

The customer is king

Cliché meets buzzword!

Just about any current buzzword would fit right in here: customer experience, personalisation, free returns, flexible delivery windows, same-day delivery, buy now and pay later.

They're all concepts driven by the desires of customers; however, retailers must accept that sometimes a business cannot meet every need.

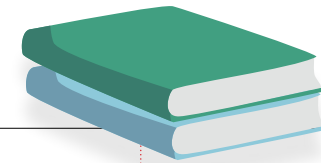
The customer is still the *raison d'être* of retail, and technology is rapidly enabling new ways to show them just how much we care. Increasingly, the trick for retailers, from my perspective, is to find the balance that's right for them with longevity in mind.

What is that unique blend of meeting the increasing expectations of customers, keeping up with the industrial changes of a competitive market, and ensuring that they remain profitable in the process?

All new initiatives add up and weigh heavily on the cost of doing business.

The full impact of these additional costs is not always fully understood, and the true cost and benefit in the long term is sometimes hidden.

Once again, being clear on what the business stands for will help determine which shiny new objects are the best fit. We're keeping this cliché for now.



HOPE IS NOT A STRATEGY

Learn

Understand your market, customers, and competition

Establish

Focus on your point of difference

Break it down

Develop an overall strategy and merchandise financial plan

Refine

Apply assortment principles

Target

Approach the appropriate customers

It's not rocket science

Neither retail nor merchandise planning is rocket science. Most things in life aren't.

Just because a process is simple and/or straightforward, doesn't mean we should assume we are getting it right or doing it well. Why? Because 'knowing' and 'doing' are not the same thing.

There is a risk of oversimplifying things, especially when it comes to concepts like merchandise planning. It's common, especially when under the pressure of a deadline or an environment where a project is under-resourced, to fall back on default ways of working or thinking.

Accessing those prized planning benefits doesn't come down to rocket science, but it does require acknowledging and facilitating planning within the business.

We run the risk of oversimplifying important tasks when we overuse this kind of cliché and it's best we move away from this kind of thought.

Some things never change

Retail is always changing, but has it ever really changed that significantly? The essence is the same; some aspects have evolved, as is the natural course of things.

Now is a great time to take our retail thinking off auto-pilot and inspect our habits and default behavior patterns.

What wisdom of the past do we continue to hold as sacred, and what ideas is it time to release? Reframing, reinventing, and replacing old ideas with fresh concepts is a sure-fire way to stay ahead in the retail world. ✨

SUSAN MARTIN is founder of Smart In Planning. She has 25 years' experience developing stock planning systems for retailers in South Africa and Australia. Visit smartinplanning.com