

Managing Your Stores With Blinders Will Kill You!

Opportunity

There is a reason thoroughbreds wear blinders when racing. It's so they can concentrate on the task at hand and not be distracted by the surrounding competitors. The horse, the jockey, the trainer, and the owner all have to believe in the horse's ability to win and what it needs to do to get there!

But sometimes the beliefs that they act on are in conflict and get in the way of reality. Blinders limit us to seeing what we want to see as opposed to what we should see ... the big picture. We do it all the time. Retailers too. Ask any merchandiser, manager, or operations person to evaluate their stores relative to competition. Consistently, they put themselves on top or, at minimum, "competitive". WHY? Blinders. We see what we want to see. Any knowledgeable professional can go into a competitor, tell you what they are doing wrong, and how they do it better in their own stores. In fact, that is usually what happens. **But you don't get better by pointing out competition's faults; you get better by finding out what they do RIGHT! Then you do it better ... "Imitate and Innovate".**

BOTTOM LINE: If you and your team don't think what consumers think (or why they think that way), you lose.

The following graph shows the Everyday Price reputation of a merchant relative to Competition in the eyes of the consumer and various groups within a merchant's organization. These positioning "differences" are very common - but deadly. Typically, when an organization develops a pricing strategy that is touted as making them "competitive", the consumer sees the merchant as below average.

WHAT? SO WHAT? NOW WHAT?

WHAT's reality? The reality is that no one agrees. But for progress to be made, these differences must be resolved. A customer's perception may not reflect your "reality", but their perceptions are what drive their "where to shop" decision.

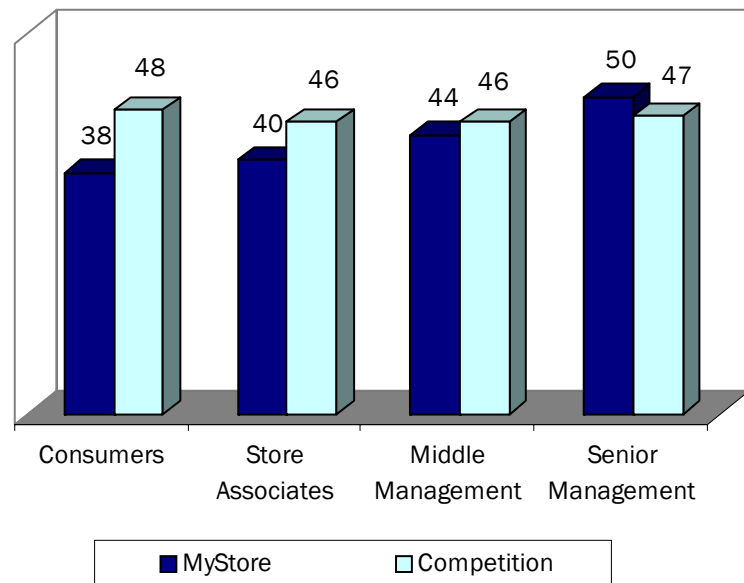
SO WHAT's the general trend? The higher the position in an organization, the more favorable the rating.

NOW WHAT? Identify if consumers' beliefs are based on Fact or Misperceptions.

If "Misperception," you have a communication opportunity. If "Fact," targeted & affordable action — even "out of the box" new ideas — is also required.

Everyday Prices

(Best Possible Score = 100)

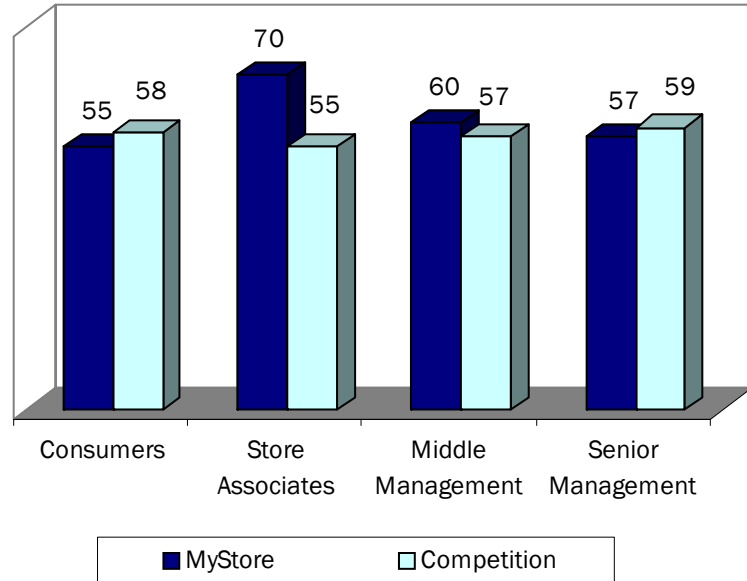


EXCEPTION: Let's look at a more personal attribute that drives a tremendous amount of sales. How do consumers see your store associates as "Friendly and Helpful"? Usually the highest score comes from the store associates, and why not? They probably believe they are friendly. And they might be ... but once again, the consumer may be making an evaluation on criteria different than the associate.

Equally important is store associates' perception of your company. If they don't believe in your programs or the store's position, **CONSUMERS WON'T EITHER** — because they won't provide frontline support to the consumer that you need.

Friendly & Helpful Employees

(Best Possible Score = 100)



Solution: GETTING ON THE SAME PAGE

The closer you can get to having all levels of the organization see what the customer sees, the more successful it can be in developing strategies and programs to capture a larger portion of the consumer wallet. How can this be accomplished?

- ★ Step 1: Measure the perceptions of consumers and key organization groups
- ★ Step 2: Evaluate the gaps. How far apart are these groups?
- ★ Step 3: Brainstorm as to why? Why do you feel the way you do? Why do others?
- ★ Step 4: Take action. This can occur on many levels. It may mean a new program or strategy. It may be as simple as doing a better job of communicating your position to the consumer, store employees, & other areas of the organization. **Important: be honest with each other and yourself, and "GET ON THE SAME PAGE."**



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