

Andrew Jennings on surviving the era of digital retail

Andrew Jennings, the former group MD of Woolworths and author of *Almost Is Not Good Enough*, recently shared valuable survival lessons for retail brands under siege in the digital age at an event hosted by executive search company Odgers Berndtson.



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"More than ever before, retailers have to be extraordinary to attract and retain customers, because almost is not good enough," says Jennings.

With close to five decades in retail, he has seen it all. With experience leading some of the world's most iconic brands like Harrods, House of Fraser, Saks Fifth Avenue and Karstadt Group, Jennings says retailers today have minimal time to get their message across.

Under pressure

Jennings believes traditional brands are under siege, with stores crumbling globally under the pressure of high rental rates. During the 2008 recession, 6,000 stores in the US joined the 'retail graveyard'. Last year, 8,000 stores went under. Worldwide, numerous brands have gone insolvent, including Stuttafords in SA.

High fixed costs and the expense of stocking merchandise are behind this, with pressures exacerbated by the rise of online shopping. But it's not all doom and gloom. There's a recipe for getting it right.



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Jennings' secret to surviving? "Be relevant."

Here are his four guiding 'rules' to achieve sustained relevancy in retail, compiled with input from 33 retail senior executives and CEOs around the world:

Know your customer

"In 2019, we're living in a world where the customer is the super being. They know exactly what's going on at the touch of a button. They want and expect transparency, value for money at every step of the journey, plus convenience," says Jennings.

"Understand their needs, wants and aspirations. Too many retailers don't spend enough time thinking about and talking to their customers. Do your staff ask customers how their experience was as they walk out the door? This kind of research isn't expensive. You can do it on your own at minimal expense and maximum return."



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Hire the right people who are passionate about what they do

"My definition of passion is the 'human soul on fire'. People make or break an organisation. If you don't have the right people, get the right people."

Jennings says that to move a business from good to great, you need:

- Leadership that inspires the business.
- Management that can ruthlessly implement the strategy of the organisation.
- Frontline staff who exceed customer expectations: "I once asked the founder of Four Seasons, Issy Sharp, the secret to service. He said it's consistency. Every interaction with a customer can either polish or tarnish your brand."

His view is echoed by Chania Stempowski, joint managing director of Odgers Berndtson sub-Saharan Africa, "You only get one shot at making an impression on your customer. As leading experts in recruitment and succession planning, we've seen, time and again, how the right people can instantly transform a business."

Constantly innovate, and innovate with excellence

"In Amsterdam, I saw the launch of the first plastics-free aisle in a supermarket. In Shanghai, I came across a staff-free, mobile shopping business built on wheels. You access the store and pay for goods via an app. The idea is that because driverless cars are coming, soon the mobile business will drive itself to the warehouse to be restocked," Jennings says.

"In Taiwan, there's a bubble tea business where you are served by bots. I've always set the bar high on newness. At Woolworths, I set a target of 70% new products per season. A business that's constantly innovating is usually a successful one."



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Keep change at the centre of your business

"The pace of change today is like driving on the autobahn. You can be going at 180 km/hr and still get overtaken. When I visited the chairman of Uniqlo a few years ago, he had one thing on the wall of his office – a sign that tech, but only when it makes business sense.

"AI and machine learning will take us to the next generation of shopping experience – think of Amazon's predictive tech expertise. Retailers have to become magnets. We need to attract people into our stores by being relevant, giving them newness, service and inspiration. Customers don't just want to be served by us, they want to be thrilled by us," says Jennings.

Stempowski concludes, "It will take a leader who is well equipped for a disrupted world – with deep strategic clarity, team building skills and thinking dexterity – to keep up with the accelerated pace of change in the retail sector."

7 top tips

More top tips for retailers from Andrew Jennings:

1. Inventory management is key.
2. Break down siloes and get departments to talk to each other.
3. Have a brand point of view; a personality. If someone gets blindfolded and dropped off in your store, you want them to take the blindfold off and know where they are.
4. Bricks and mortar retailers need an online business.
5. Customers want a wow factor. They want a memorable experience.
6. Don't expand until your core business is 100% successful.
7. Change the way you recruit. Think differently; creatively. You need young people, they're the future of retail.

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