

In this column, I take on a current retail trend and reveal how you can craft corresponding, differentiated strategies that will give you the edge!

Retailer Trend: Decision-making Shifts & Synergies

Observation

Things are humming along with your top retailer, and then your buyer tells you, “I can’t go forward with your program. Marketing overruled me.” That scenario has been played out with our supplier clients, in one form or another, countless times over the past several months.

In my last column, I took on retail’s revolving door: how retail decision-makers are transitioning in and out of positions more rapidly than ever before. The next chapter of that story concerns the changing face of those decision-makers . . . and how their determination to bust out of silos presents opportunities for you.

Motivation

Until very recently, retailers took a bottom-up approach to decision-making: buyers held the reigns and they were empowered to use their judgment to make product and branding decisions; DMs and GMs more or less provided oversight. Now, retailers are laser focused on maintaining brand consistency; and when I use the term “brand,” I’m referring to everything from private label to store environment. They’ve expanded their definition of brand considerably, and that’s exactly why buyers aren’t primarily entrusted with it. Individual decisions and preferences can compromise consistency and make that bigger brand story seem disjointed. Decisions regarding which products and brands will support the master brand are now top down; they’re being made at higher and higher levels, and buyers are being tasked with implementing that vision. Most significant of all, though, is the role that marketing is playing in all of this.

Marketing teams are the stewards of the master brand, and therefore are taking on a much more active role in both supplier and brand decisions. And with marketing taking the lead, retailers are determined to have all of the functions that impact the brand operating synergistically. That means operations, product development, and merchandising must all be in alignment with the master brand vision and working cross-functionally.

Differentiation

So, if you’re going to differentiate, you will have to find ways to go deeper with the retailers with whom you already have relationships. After all, these are the ones who have made it through the worst and come out on the other side. We’re working with our clients to create influence webs that make the most of these relationships and that stack the odds in their favor when cross-category programs are in the process of being developed. Let’s look at a few ways that you can do the same:

1. **Meet your decision makers . . . and influencers.** That means your marketing people meet with their marketing people and you maintain relationships at the buyer level while also getting to know people in operations. And, you’re also

keeping an eye on the new positions that retailers are creating around customer experience, emerging media, cross-category merchandising, and other initiatives. These positions are being created for a reason and they have influence. It should go without saying that only your best and brightest should be working with this group of higher-level players!

2. **Don't expect notification.** Retailers are not obligated to inform you when they give programs to another supplier, or when incremental opportunities are being developed. Your goal, then, is to be the one who gets the call for these opportunities; and your chances of that happening increase exponentially when you have more relationships and when you are perceived as being in alignment with your retailer's larger strategy (not just your category).
3. **Raise your hand.** Too many suppliers assume that there are rules written on a tablet somewhere regarding how every program is developed, when in fact, the business has become more opportunistic. That's great news . . . but only if your people on the front line are comfortable raising their hands, that is, telling your retail partners that you are willing to step up for evolving opportunities and that you are constantly looking for new ways to help them achieve their goals. Many of the more innovative co-branding and cross-category programs have been driven from the supplier side.
4. **Pull it together.** In one of my client's recent meetings with a retailer's marketing VP, he noticed the VP writing down the names of folks in operations and merchandising that my client mentioned in passing; it was clear that he didn't know those people, but felt that he should! As big retailers get bigger through consolidation and competitive attrition, operations may be housed in a different building from marketing, and merchandising may be in another state. Everyone is supposed to be talking, but that isn't always the case. Retailers tell us that suppliers that take on a coordination role are highly valued—and favored. So, as you expand your relationships, facilitate connection points between them and keep all of the players in the loop along the way.

By understanding these decision-making shifts in retail, you'll be ahead of many of your competitors. By implementing even one of these strategies I suggested above, you can transform your business!