



Create a Compelling Culture A 7 Step Plan for Success by Gerry Morris

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Culture: *The set of shared attitudes, values, goals and practices that characterize an institution, organization or group.*

In the midst of one of the most challenging economic climates we've experienced in many years, there is an opportunity for home furnishings retailers to actually grow their businesses.

Creating a compelling culture can be the key to carve out a new strategy for success in these uncertain times.

This article will present 7 Steps that can be the guideline to help retailers increase sales and profits and cultivate a more loyal following of customers. It allows for and requires creative thinking to make it work.

"For the times they are a-changin!" - Bob Dylan

Things really are "a-changin'" and it is important to recognize three trends that will most certainly affect consumer shopping and buying choices.

- Consumer Mindset

As a result of the slow economy, consumers are re prioritizing their needs and wants. They are spending more time at home and are taking on an appreciation for more simple things.

- Environmental Movement

Green is not a fad, it's a cultural shift that goes well beyond recycling. Consumers are gravitating toward companies that offer products and support causes that benefit the environment and society.

- Social Media

In his ground breaking book *Socialnomics*, Eric Qualman states, "Social Media is changing the way consumers and companies communicate and interact with each other." People are paying less attention

to what companies say about themselves, and are consulting with their social network peers to decide what and where to buy.

Retailers can ill afford for customers to have negative experiences, because word of mouth now travels at light speed. There's a new boss in town.

Why is Culture Important?

In retail, most everything can be copied except for a company's identity, reputation and culture.

To fully appreciate the power of culture, let's take a look at some companies in other categories. Apple, Whole Foods, Starbucks and Zappos are, in a sense, good comparisons to our industry in that they all deal in products that most consumers use everyday. When that's the case, there is tremendous competition seeking to grab a share of an enormous pie.

What do these companies have in common?

- High quality products
- No focus upon pricing, sales, or discounting to drive business
- Unique and enticing environments
- Outstanding customer experiences

But there is another common trait that has propelled them to the top of their respective categories. All have created such a compelling culture that consumers want to step into their world, take a piece of it home, tell others and go back for more.

The new cliché is, "Create unique buying experiences", but I say unique can be horrible and not everyone that visits a store buys.

Why not create an experience that so far exceeds expectation that most every guest, not just buyers, can't wait to tell others. "Even if you don't need furniture now, you've got to go there, it's awesome!" How does a retailer create that kind of culture?

Here's how:

1. Create A New Approach

Unfortunately, especially in slow economies, many retailers use the tired old low price, long financing and free service message to attract shoppers. While it does increase traffic, this "swing the door" promotion kills profits, sabotages RSA's and does nothing to create customer loyalty. Customers are motivated to seek and prioritize the "bang for their buck."

With the changing consumer mindset described above, retailers can just connect the dots. What better products are there to invest in than home furnishings? Shout it from the rooftops!

I call it "giving a glimpse of what life could be," lifestyle images and messages that engage the imagination. Preconditioning the customer changes expectations. Inspired imaginations evoke the emotions that compel people to take action. That same message can be communicated by RSA's directly to shoppers. "More and more people are choosing to invest in quality furniture to make their homes a sanctuary or haven."

2. Create Real Customers

Thomas J. Winninger in his book, *Bullseye*, says that all customers are not customers, some are just transactions and will never recommend nor buy from a company again.

Instead of trying to be everything to everyone, its important to identify what he calls “stakeholders” and gather good information from them to know how to effectively expand business by developing more long term relationships.

The best way to collect and compile good information is to standardize a list of simple questions that all RSA’s should ask every customer everyday.

“Why did you come to us initially?” “What keeps you coming back?” “What could we do for you that we are not already doing?” This information must be documented so it can be analyzed to create the best course of action for companies to take in all areas of their business.

3. Create a Niche

To gain recognition, and separate from the competition, retailers must identify their strengths and unique traits and leverage them to differentiate and create a niche in crowded market places. Maybe Oscar Wilde said it best, “Be yourself; everyone else is already taken”.

But author Seth Godin, in his book *Purple Cow*, says even that is not enough. Godin states that “successful companies must either become remarkable or else they will become invisible.”

Retailers should find something “udderly” (sorry, I could resist) I mean utterly unique and even quirky to create curiosity and keep people talking. That will be up to individual retailers to determine, but Seth’s book has a lot of great ideas and is well worth reading.

Weir’s Furniture Village in Dallas has an “ole timey” General Store within their store. You can smell the homemade cookies baking as soon as you cross the door.

4. Create An Exciting Environment

With the overwhelming majority of furniture buying decisions being made by women, a great place to start is to view every aspect of a store visit from her perspective.

- Never wait until something needs cleaning or straightening. Create a daily checklist of chores to keep the store in first class order with attention to detail. Many “just lookers” saw something they didn’t like.
- Tap into emotion with an enticing multi sensory environment of display, lighting, music and sounds, snacks and beverages.
- Keep things fresh. Customers love to be surprised by what they find each time they visit a store. Redecorating and re-merchandising the floor should be an ongoing process.

5. Create Advocates

Through customer service issues, retailers can create advocates or assassins according to JD Powers Book, *Satisfaction*. Customers that have a problem resolved to their liking think more favorably of a store than if they never had a problem.

Customer service should be job one for every employee, not just a department. Policies should be customer friendly, but based upon principles of integrity and fairness. It’s not right to appease an abusive customer and hold the line on others. Word can quickly get out to “throw a fit” to get what you want.

- Communication is the key. Customers will be more patient if they believe someone is working on their behalf.

- Make the delivery of goods a wonderful experience for customers. The delivery staff should be ambassadors for a company.

6. Create A Higher Purpose

More and more people are seeking out companies and brands that support causes that benefit the environment and society. Retailers can set the standard for recycling and energy efficiency and proactively lead or support efforts that benefit their community.

- Offer helpful seminars with experts in various fields.
- Make presentations to companies or organizations and offer them incentives to do business.
- Think outside the box. One young RSA convinced his company to do mattress road shows at retirement communities. Genius!

7. Create a Culture From Within

While all the suggestions listed above are important in creating a culture, the best way to attract and create loyal enthusiastic passionate customers is to attract and create loyal, enthusiastic, passionate employees.

- Empower RSA's

RSA's may be the only touch point shoppers have with a company. Research shows that most shoppers ultimately buy from someone they trust. Retail sales is demanding. It's important to have confident, competent, caring career professionals and make it worth their while by addressing their quality of life issues.

- Have A Mission

Switch from selling to serving. People can perceive motive and if a company's main focus is sales and profits, empowered shoppers will elect to shop elsewhere.

Write out a mission statement and create core values. Go over them in daily preparation meetings to make sure everyone is on the same page.

Delivering Happiness In a Box by Tony Hsieh, CEO of Zappos, sets the standard for creating a company culture and should be must reading for every company dealing with the public.

Create Success!

In the long run, home furnishings will always be one of the best categories of consumer goods to sell. But it's important for retailers to adapt to changes in order thrive. Implementing this 7 Step Plan can help do just that.

