

## Mastering innovation and marketing at retail



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If I was entrusted with running your retail company's marketing department in a capacity as your marketing director, where would I begin to innovate? Well, quite frankly, I would not spend time thinking about where to begin, I would just get on with it.

To innovate means to look at something and be able to see that it does not work or it could be better. You then immediately take the necessary actions by introducing changes, new ideas and novel work approaches in the way that will make that which does not work, work. You also work out how that which does not work well can be improved and work better. When you streamline the work to make it more efficient, the result is innovation.

Here are just six examples of many of the world's greatest persons who had remarkable fascinations with innovation:

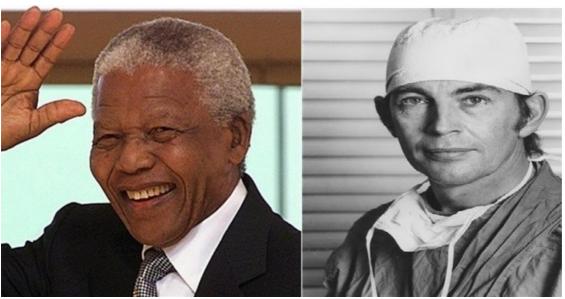


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- Nelson Mandela looked at South Africa as it was during apartheid and realised that it was time to innovate. His decision to act marked the point of no return in South Africa's movement away from apartheid and towards a united, undivided South Africa. Well, this is still work in progress.
- Chris Barnard saw the need to innovate when he performed the world's first human heart transplant. This
  extraordinary act of innovation pushed the boundaries of science into the dawn of a new medical epoch.
- Alexander Fleming's discovery and development of penicillin, the world's first true antibiotic, almost 90 years ago in 1928, innovated the way illnesses were (and still are) treated.
- The Wright brothers mustered the courage to innovate when they invented the first successful aeroplane. Today it takes only two hours to fly from Cape Town to Johannesburg. Just imagine business life without aeroplanes, driving from Cape Town to Johannesburg for business meetings instead of flying.
- Abraham Izak Perold developed the Pinotage, a red wine grape which is South Africa's signature variety invention in 1925, through crossing Pinot Noir and Cinsault. Abraham's innovative mind wanted to combine the best qualities of the robust Hermitage with Pinot Noir, a grape that makes great wine but can be difficult to grow.
- Allan MacLeod Cormack, along with his associate Godfrey Hounsfield, developed the Computed Axial Tomography
  Scan or CAT. Allan provided the mathematical technique for the CAT scan, in which an X-ray source and electronic
  detectors are rotated about the body and the resulting data is analysed by a computer to produce a sharp map of the
  tissues within a cross-section of the body.

Innovation does not require lengthy meetings and endless brainstorming sessions. Some of us, retail marketing executives, spend a lot of time perpetually planning, researching and reinventing the wheel. Yes, you need background data to make decisions, but find easily accessible information and get on with the task ahead. Doing so will facilitate innovation very quickly because you will immediately be able to see what does not work and instantly tweak it. You will instantaneously be able to introduce completely novel work approaches to make things work better than they do. That is innovation.

More often than not, those who came before us have done all the necessary ground work, including planning and researching for troubleshooting. All that is needed in order to innovate is to get on with the activities and processes of solving major work problems, social challenges and performance difficulties. Such activities and processes lead to innovation.

### Enemies of innovators and innovation killers: How to deal with them?

- In the public space you get haters. Ignore them. Your work is to create and innovate. Theirs is to hate.
- Still, in the public domain, there are self-aggrandising critics who disapprove of you
  and your work, and will take every opportunity to publicly criticise you. They all want
  to see you down. Wear your thick skin and let your super talents, creativity and
  innovation elevate you above all the negative sentiments. Let your enduring
  brilliance tower above all mediocrity. Don't engage your critics, your super intelligent
  work will. After all, your peerless work should make every critic envious.
- Then there is the workplace where you get path blockers. Barriers are everywhere for you to break down. Here you need to tread carefully, you cannot just ignore your boss and colleagues. Listen to them. Is there a merit to their criticism? Is it constructive criticism seeking to aid and improve your creative spirit and innovation process? Develop and equip yourself with the necessary imperative skills that will enable you to listen to criticism about yourself and your work without being offended and defensive. Affirm yourself and assert your work. Insist on receiving only constructive criticism. Ask your critics how your innovation will not work, and challenge them to help you in coming up with better innovation. It is all about team work and pulling together. Above all, let your innovation be absolutely unrivalled in problem solving.
- Do not avoid a life of bitter and taxing entanglements. That is where the greatest innovation lies. Easy does not make you grow. It does not make you innovative. Embrace difficulties and seek to find your greatest glory in them. The saying goes, "From the ashes, the phoenix rises to its greatest glory".

Innovate by guarding against fear of failure: Don't be paralysed by fear and by those who seek to ridicule you.

I have never been afraid of being ridiculed because of failure. I have never been frightened of being made the laughing stock of any situation because of failure. Every time and every day, I just get up, forge ahead with conviction and do what must be done with guts. I definitely don't hear or see people when they are negative and against me. Especially when they keep saying that "it cannot be done. You will not succeed. You are not innovative." Such people become invisible to me, I don't see them and their auditory ceases to sound.

I only hear innovative voices in my head and see only the unseen in the way things could be. My intentions are always to make a lot of work progress with the tasks at hand. If I fail, then it was wonderful because I would have been much wiser from learning from failure, and rich with experience and knowledge acquired from it. If I succeed, then it is innovation that worked, and I would be proud of it. Not doing at all will not result in any innovation. The possibility of unpleasant results should not scare the life out of you.

One of my greatest innovation quotes of all time is from a movie called *Ripley's Game* starring John Malkovich as the notorious Mr Ripley. I first saw this movie about 10 years ago and it is still one of my best in my movie collection. After one of his infamous escapades, upon being asked, "who are you?", Mr Ripley asserts himself confidently:

"I'm a creation. I'm a gifted improviser".

Aren't we all? Yes, we are! Only if we could have the required discipline to apply ourselves and our minds more than 100% in creativity and innovation. When we do jobs that we hate, then we can't. For those who are passionate about what they do, innovation requires that we become the gifted improvisers who are not afraid of their giftedness. That is what I always strive to be. That is what you should always strive to be.

In a recent exclusive interview with eNCA, Trevor Noah, the renowned South African comedian with a global footprint and television host of American comedy show, *The Daily Show with Trevor Noah* said to eNCA viewers:

"I genuinely do not live my life through the filter of being afraid. I don't think of things and go 'I'm afraid, what if it doesn't work, what if...', because then you shouldn't do anything, you won't do anything. You have to do it. You have to go forth. At what point do I call it a failure? For me, being able to pay the rent doing comedy in South Africa, that means I've succeeded. And then I was successfully touring the country (South Africa), that means I've succeeded. And then if I tried to go international and I failed, I wouldn't call it a failure of myself. I would be like, 'oh that didn't work out, I focus more on this'. You just find another path. I always think to live life like a river, it flows, you find a path of least resistance. And over time the stream becomes stronger."

For me, Trevor's words are the epitome of an obstinately tenacious innovative mind powered by stubborn ambition. That is what is needed in order to achieve the highest and greatest levels of success through innovation. This is how you reach the pinnacle of success.

I purposefully titled this article 'Mastering innovation and marketing at retail' for one reason only:

Mastery of any skill is achieved only by getting up and doing it, repeatedly without fail. Mastery is achieved through repetition. So is innovation. You repeat it (let's try it again), and if it does not work, then you innovate.

Thomas Edison, the greatest innovator of all time, put it well: "Innovation is 1% inspiration and 99% perspiration." Reflect on how much time your organisation spends on inspiration versus perspiration. What are the barriers to execution? How are you attempting to overcome them?

Innovation in marketing at retail manifests itself strongly in the following business imperatives, and it is exactly where I would start doing some innovative work immediately:

## 1. Social media and mobile phones.

The disruption in the form of social media and mobile technology is far from over. Consumers of today are accustomed to a world dominated by communications technology and social media. What about tomorrow's consumers? Well, futuristic consumers will have grown up in a world dominated by more sophisticated and improved communications technology and social media. Retail marketers cannot escape this revolution and it is where they should innovate the most.

It is already happening, both current and new-generation shoppers demand to see creative and innovative retailers who embrace the latest technologies both online and in-store. Such savvy and sassy consumers are attracted to those retailers and retail environments that can keep up with the rapid pace of technological changes. Creative and innovative retailers who embrace online and mobile revolution attract more customers, make more sales and increase profitability.

## 2. Omni-channel delivery.

How to cater for today's consumers who expect an integrated and seamless experience online, on the go and instore? Let the consumer be the focus of your innovation, not the channel. Do not be too segmented when thinking about engaging customers through different channels. Marketing at retail cannot afford to think in terms of channel "silos". Yes, a healthy competition between different stores of the brand is good, however, cannibalism is very bad for business. Innovate by teaching both your online and in-store staff not to compete against each other for business. It is even worse when such internal competition results in your staff purposefully withholding vital information from the customer about something that might be of interest via an alternative platform. Retailers, their marketers and staff need to think more about the customer than the channel. This will facilitate the provision of a seamless service across all channels. That is the key to creativity and innovation in retail channel management.

## 3. In-store experiences.

Dull and gloomy stores with no life and excitement but only boring music and unattractive staff are gone. I do not mean to be offensive here, but consumers are drawn to very attractive men and women. This works in a retail store's favour in boosting sales because more often than not, the deadly combination of charm and attractiveness of a sales person lowers the 'No Defences' of a consumer. Physical stores have evolved into experience-based destinations that drive brand loyalty and engage customers at a more emotional level. Shoppers want to have a great time shopping and seek to buy experience. To be innovative in responding to this, retail marketers can employ many strategies that sell the "experience" to shoppers.

Strategies that seek to enhance in-store experiences should be the focus of innovation underpinned by activities that seek to develop new experiential concepts that engage the consumer physically and emotionally. Invite customers to test a product or service in-store. Add a benefit so that they would come. It could be freebies, free food or entertainment. Once they are inside the store they will see many more things they could buy. The trick is to lure them to come. Getting them in pushes up sales.

Checkers is inviting shoppers to come to their stores to try their 'ready-to-cook' meals. Their adverts for this are compelling and pleasing to the eye. They show different chefs cooking outrageously decadent gourmet meals, sizzling steaks, etc. Retailers and brands that have developed unique brand experiences include Checkers, Woolworths, Makro, Converse, Topshop, Louis Vuitton, Lego, Prada, etc.

Shoppers don't see stores as transactional places only. To innovate, retail marketers must realise this and start to increasingly use in-store experience to build brand presence, generate customer interest and loyalty by showcasing new products, services and concepts. Innovative retail marketers must see the store as an opportunity to provide their public with an enduring and enriching experience that reflects brand messaging and values.

## 4. Tracking and monitoring.

Do retail marketers always know and understand what truly goes through a shopper's mind as he or she walks through a retail space? Do marketers know how the shopper in the aisle makes a purchasing decision? Innovate by researching and investing in the best in-store shopper behaviour tracking and monitoring technology. Investigate and employ systems such as Radio Frequency Identification (RFID) to gather more specific information about in-store decision-making and patterns of attraction.

For example, Adidas NEO apparel stores use RFID to track the combinations of clothes that people try on, and more importantly, what is left behind on the changing room floor. Adopt RFID technology and tailor make it for your own in-store environment for monitoring and tracking.

By the way, RFID was once used to track cattle and other livestock, and now it is used to track and monitor consumers as they continue shopping.

#### 5. Smart and contactless.

Be one of the leading pioneers in introducing self-checkout systems in an effort to eliminate the checkout queues. Integrate into your stores smartphone applications, contactless technology, augmented reality, motion sensors or even face recognition software to deliver a better shopper experience, and to capture useful data for your retailer.

I hate queues and, as a result, I hate going to the bank (very notorious for long queues with only two or three servicing tellers at a time) and I despise going to grocery stores. I'm not the only one in this, the majority of consumers hate queues. South African shoppers would kill to have more of the advances in Near Field Communication (NFC) technology and RFID-based self-checkout systems in all the major South African supermarkets. This will ultimately lead to the elimination of the long queues, especially over the weekend.

I do not understand why South African retailers are very slow adopters of this innovation. South African shoppers are ready and willing to install an app on their smartphone or tablet and will be very happy to use it to scan tags during their shopping trip between aisles. At checkout, the retailer simply imports that data into their system and handles final payment. The busy shopper who has limited time to spend in a store is then free to leave and go about his/her other activities for the day.

The big benefit for the retailers is that they do not have to invest in any type of electronic readers. Shoppers provide their own equipment via an app on their own smart mobile device. The first South African retailers to massively adopt this still fairly unique system would reap huge rewards through PR and marketing opportunity for the stores that have this system in place.

## What is the reality of the new disruptive and innovative retail environment?

To achieve mastery in marketing innovation in the retail space, marketers at retail cannot avoid getting more disruptive, creative and adaptable about the reality of the new innovative and disruptive retail environment. Your innovation strategy must include the above mentioned five drivers of creativity and innovation in retail. These trends shape the future of the retail sector. They are important trends and developments that are causing new consumer behaviours and impact future retail environments and service offerings. The end results are growth, profits, repeat purchases and more customers.

The pressure to cut costs and maximise efficiency gains continues to reign supreme in retail. Technology stands out as the most impactful factor in shaping the sector's innovation. Smartphones and associated applications are unlocking new consumer behaviours, which are causing retailers to rethink the way they sell goods and services. Contactless payment, RFID and augmented reality are creating opportunities for retailers to redesign their physical stores and curate new customer experiences that fuse the physical and digital worlds. Flexibility is key to success as retail marketers continue to experiment with these and other technologies across all channels.

As you continue to think about where and how to innovate, ponder the rise of the savvy shopper

- They are careful and spend their hard-earned money wisely.
- When grocery shopping, they cross-shop and buy more store brand products.
- They pre-plan shopping and seek value.
- They never go without a shopping list when doing grocery shopping. That list is no longer on a piece of paper but rather on their smart phones, iPads or tablets.
- They use price comparison sites and shop around to get the best prices.
- They use auction sites such as eBay.
- Because added value is important to them, when shopping they use vouchers and coupons. They collect points whenever they can and make use of loyalty programs.
- Above all, they practice the art of no compromise. They would rather not buy from your store, they would rather forsake your brand, than compromise on their shopping needs and wants.

# Do not delay the inevitability of the disruption. Instead, make better decisions about what to do with it

Marketing disruption is the greatest and grandest form of innovation. It presents massive changes affecting businesses today. The time is now for building new marketing capabilities from disruption. We cannot prevent marketing disruption. To do so is to stop innovation. Instead, we can make better decisions about what to do with disruption. We can decide to deal effectively with marketing disruptions. I choose to lead the disruption from the front, rather than being its follower.

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