The Independent Retailer Edge:
49 Points of Potential Dramatic Difference.*

“Be the best. It’s the only market that’s not crowded.”
—George Whalin, Retail Superstars:
Inside the 25 Best Independent Stores in America

I acknowledge a “towering intolerance” with the idea that independent retailers are at some inherent disadvantage vis à vis monster competitors. Quite the contrary, I think that in most instances giant competitors act as wake-up calls that should have been heeded long before the monster arrived at the doorstep! The “passionate pursuit of markedly special” is the raison d’être for starting any sort of local/local-ish business to begin with. Moreover, to say that local/independent retailers may act with far fewer constraints than multi-hundred store chains is, or should be, so obvious as not to be worth stating.

Is it tough going when the “big guy” steams into your homeport? Of course. But you are not without weapons. Hence this list of 49 PPODDs/Potential Points Of Dramatic Difference:

1. Passion for the product/service; passion for the people; passion for the business—visible!

“When most people visit my company and look around one of my warehouses, all they see is boxes. They see hundreds of thousands of boxes neatly arranged on shelves that rise up to the ceiling, almost 56-feet high. But when I look around that warehouse, I see something different. I see a fabulous business

*This paper was written expressly for independent retailers. But I believe that 90% of what is covered here applies to 4-person accountancies and 40,000-person IS consultancies and public works departments in cities of 16,000 or 1,600,000.
that my employees and I have built from scratch. You walk into my place and all you can smell is cardboard. I love it. That smell gets my juices flowing.” —Norm Brodsky, CitiStorage (from Bo Burlingham, Small Giants: Companies That Choose To Be Great Instead Of Big)

“You must be able to see the beauty in a hamburger bun.” —Ray Kroc, founder of McDonald’s

2. Energy/enthusiasm that inspires.

“Nothing is so contagious as enthusiasm.”
—Samuel Taylor Coleridge

“I am a dispenser of enthusiasm.”
—Ben Zander, renowned symphony conductor, lecturer on management

“A man without a smiling face must not open a shop.”
—Chinese Proverb

3. Entertainment!

“Shoppertainment”
—Jungle Jim’s International Market
(From George Whalin’s Retail Superstars)

“It’s always showtime.”
—David D’Alessandro, Career Warfare
4. DESIGN FANATICISM/ASAP

Primacy. (Be a pro. Hire a pro. ASAP.)

“Every Starbucks store is carefully designed to enhance the quality of everything the customers see, touch, hear, smell or taste.” —Howard Schultz

“We don’t have a good language to talk about this kind of thing. In most people’s vocabularies, design means veneer. But to me, nothing could be further from the meaning of design. Design is the fundamental soul of a man-made creation.” —Steve Jobs

“Design is treated like a religion at BMW.” —Fortune

“Design is everything. Everything is design. We are all designers.”

5. Experience to remember—parking lot to parking lot. (Think/design “flow”—à la Disney.)

“Experiences are as distinct from services as services are from goods.”
—Joe Pine & Jim Gilmore, The Experience Economy: Work Is Theatre & Every Business a Stage

When I first came across this quote, I thought it was the worst sort of flim-flam or “consultant-ese.” I have come to believe it is an idea of surpassing importance—indeed, “experience” is “holistic” (a term I normally don’t like), while service as ordinarily performed is “transactional.”
6. Learn to “speak theater”! Creating “experiences” is a craft and art that must be studied and embraced. IT DOES NOT COME NATURALLY FOR MANY OF US. Perhaps all training courses should include a “theater component.” Perhaps we need a de facto or de jure CXO —Chief eXperience Officer?

7. “Fanatic” attention to “tiny touches.”

“Courtesies of a small and trivial character are the ones which strike deepest in the grateful and appreciating heart.” —Henry Clay

8. “Awesome” parking lot!

9. Compelling restrooms. (!!!) The first of 163 items in my latest book, The Little BIG Things, was a riff on great restrooms at a little restaurant in Gill, Massachusetts.

10. Collateral duty. With tongue only partially in cheek, I propose these collateral duties:

**Maestro of Magical Moments
(With a nod to SAS boss Jan Carlzon who defined service in terms of “Magical Moments” of staff-customer contact.)

**Titan of Tiny Touches.
(Little BIG Things)

**Sultan of Starts & Finishes

**Captain of Courageous Comebacks

**Superintendent of Social Media

**Admiral of After-sales Service
**Commander of Community Connection**
**Wizard of WOW!**
**Emperor of EXCELLENCE**

You get the idea …

11. Fun!!


13. MONSTER … annual event.

14. “Experience” must encompass a clear, compelling idea/vision.

   *Explain your “remarkable point of view”* (Seth Godin) …

   *“in 10 words or less”* (Tom Peters).

15. Why not aim to become, per Kevin Roberts/Saatchi & Saatchi …
   a “Lovemark”?

   “*Shareholders very seldom love the brands they have invested in. And the last thing they want is an intimate relationship. They figure this could warp their judgment. They want measurability, increasing returns (always) and no surprises (ever). Imagine a relationship with someone like that!*”

   “*No wonder so many brands lost the emotional thread that had led them to their extraordinary success and turned them instead into metric-munchers of the lowest kind. Watch for the sign:*”
“HEADS, NOT HEARTS, AT WORK HERE.

“When I first suggested that Love was the way to transform business, grown CEOs blushed and slid down behind annual accounts. But I kept at them. I knew it was Love that was missing. I knew that Love was the only way to ante up the emotional temperature and create the new kinds of relationships brands needed. I knew that Love was the only way business could respond to the rapid shift in control to consumers.” —Kevin Roberts, Lovemarks: The Future Beyond Brands

THERE MUST BE AN ABIDING EMOTIONAL ATTACHMENT TO …
YOU … not just “good brands you offer.”

16. Use of the word (and idea of) … WOW!

Or:

“Radically thrilling”

from a BMW ad
Why not you?

17. WOW! As Core Value

I am mostly put off by [typically insipid—hence meaningless] “core value” statements. But for every rule there are inevitably exceptions. And—Wow!—that holds in my book for Zappos.com:

Zappos 10 Corporate Values

Deliver “WOW!” through service.
Embrace and drive change.
Create fun and a little weirdness.
Be adventurous, creative and open-minded.
Pursue growth and learning.
Build open and honest relationships with communication.
Build a positive team and family spirit.
Do more with less.
Be passionate and determined.
Be humble.

Source: Delivering Happiness, Tony Hsieh, CEO, Zappos.com

18. Beware “Okay”!

“When we did it ‘right’ it was still pretty ordinary.”
—Barry Gibbons’ “realization from hell” (as new CEO of Burger King)

19. Visible commitment to EXCELLENCE.

EXCELLENCE. Always.
If not EXCELLENCE, what?
If not EXCELLENCE now, when?

EXCELLENCE is not an “aspiration.”
EXCELLENCE is … the next five minutes.

20. To use an old saw: “Retail is detail.” FANATICISM IN EXECUTION IS “STRATEGY” IN RETAIL.

“Remember to tuck the shower curtain into the bathtub.”
—Conrad Hilton’s complete answer when asked about his “secrets of success”

“Execution is strategy.”
—Fred Malek
“In real life, strategy is actually very straightforward. Pick a general direction … and implement like hell.”
—Jack Welch

21. **EDUCATION** /Learning events from one-off to “continuing ed”; “fanatic” follow-up (including “at home” services) to purchase; customer-led seminars; on-line tutorials beyond those provided by suppliers; own manuals (local knock-off of “dummies” books idea.)

22. **YOU ARE RESPONSIBLE**—not the vendor—**FOR THE CUSTOMER UNDERSTANDING/UTILIZING THE PRODUCT!**

   If the customer has problems in usage …

   **blame yourself!**

23. Add-on service packages à la BestBuy’s transformative …

   **“Geek squad.”**

24. MEGA-addon services such as complete fabrication of “at home” media/entertainment centers.


   “As used” settings are of the utmost value. (E.g., Abt Electronics has boats on display with full loads of marine electronics aboard.) The use of such settings
particularly appeals to … **WOMEN**. While men are jazzed by product specs, women tend to think more about the context of the product’s use.

26. Stellar listeners.

**Listening**

(*And when you read “listening,” please substitute “OBSESSION with listening.”)

Listening is ... the ultimate mark of *Respect*.
Listening is ... the heart and soul of *Engagement*.
Listening is ... the heart and soul of *Kindness*.
Listening is ... the heart and soul of *Thoughtfulness*.
Listening is ... the basis for true *Collaboration*.
Listening is ... the basis for true *Partnership*.
Listening is ... a *Team Sport*.
Listening is ... a *Developable Individual Skill.*
(*Though women are far better at it than men.)
Listening is ... the basis for *Community*.
Listening is ... the bedrock of *Joint Ventures that work*.
Listening is ... the bedrock of *Joint Ventures that last*.
Listening is ... the core of *effective Cross-functional Communication* (*Which is in turn Attribute #1 of organizational effectiveness.*)
Listening is ... the engine of *superior EXECUTION*.
Listening is ... the key to *making the Sale*.
Listening is ... the key to *Keeping the Customer’s Business*.
Listening is ... the engine of *Network development*.
Listening is ... the engine of *Network maintenance*.
Listening is ... the engine of *Network expansion*.
Listening is ... *Learning*.
Listening is ... the *sine qua non of Renewal*.
Listening is ... the *sine qua non of Creativity*.
Listening is ... the *sine qua non of Innovation*.
Listening is ... the core of *taking Diverse opinions aboard*.
Listening is ... *Strategy*.
Listening is ... *Source #1 of “Value-added.”*
Listening is ... *Differentiator #1*.
Listening is ... *Profitable.*
(*The “R.O.I.” from listening is higher than from any other single activity.)
Listening underpins ... *Commitment to EXCELLENCE.*
27. Social media—vigorous use thereof.

Do you blog?  
Do you tweet?  
(I hope to God the answer is twice “YES!!!!”*)  
(*You must be up to speed on Social Media.**)  
(**Opportunities are STAGGERING in magnitude.)

28. Our employees are our No. 1 competitive advantage and …

OBVIOUSLY (RIGHT??)  
… our No. 1 OPPORTUNITY  
to differentiate ourselves from monster competitors.

29. Leaders’ oath. If— and it is unequivocally so—a superb “roster” is the Independent’s Trump Card vs. the Monsters, then attention to the development of that roster becomes the sine qua non of the leader’s portfolio of tasks. Consider …

Oath of Office: Managers/Servant Leaders

Our goal is to serve our customers brilliantly and profitably over the long haul.  
Serving our customers brilliantly and profitably over the long haul is a product of brilliantly serving, over the long haul, the people who serve the customer.

Hence, our job as leaders—the alpha and the omega and everything in between—is abetting the sustained growth and success and engagement and enthusiasm and commitment to Excellence of those, one at a time, who directly or indirectly serve the ultimate customer.

“We”—leaders of every stripe—are in the “Human Growth and
Development and Success and Aspiration to Excellence business.”
“We” [leaders] only grow when “they” [each and every one of our colleagues] are growing.
“We” [leaders] only succeed when “they” [each and every one of our colleagues] are succeeding.
“We” [leaders] only energetically march toward Excellence when “they” [each and every one of our colleagues] are energetically marching toward Excellence.
Period.

30. “Insane” attention to hiring—emphasis on attitude; significant probation period; mentor for every new-hire; everyone a mentor including recent hires.

“In short, hiring is the most important aspect of business and yet remains woefully misunderstood.”
—Geoff Smart and Randy Street, Who: The A Method for Hiring

31. Hire for …

ATT-I-TUDE.

I once said to a Starbucks regional manager, “I’m stunned that almost all of your store people, from the U.S. to Saudi Arabia, always sport a smile. What’s your secret?”

She smiled as she answered:

“We hire people who smile!”

And to keep them smiling?

“We promote the ones who smile the most.”

Could it be that simple?
May be.
1\textsuperscript{st}-line managers!!!!!!!
(10X more important than most think.*
(*1\textsuperscript{st}-line manager is No. 1 factor—by far—
determining employee attitude.
(Same+ attention to promotion decision to 1\textsuperscript{st}-line
manager as to a VP.)

33. “Employer of choice” in your community. (Local “best place to work”
designation if applicable.) WHY NOT?? I AM DEADLY
SERIOUS ABOUT THIS! (For young employees, best place for
early development.)

34. So buy a garage …

Zabar’s, one of the stars of George Whalin’s Retail Superstars, is a denizen of
Manhattan, where the price of everything is sky high. Including parking. While
Zabar’s is generous enough in terms of pay packet, the Manhattan parking tab is
over the top for many line employees.

Answer?

Zabar’s … BOUGHT … a garage for its employees’ parking needs.
Wonder why loyalty is sky high?*
And you …. 

(*Axiom: LOYALTY/Employees = LOYALTY/Customers)
35. OUR EMPLOYEES …

WILL BE SO KNOWLEDGEABLE AND ENGAGED THAT YOU [our customers] WILL …

“GASP.”

36. Embrace “thoughtfulness in all we do.”

Thoughtfulness is key to customer retention.
Thoughtfulness is key to employee recruitment and satisfaction.
Thoughtfulness is key to brand perception.
Thoughtfulness is key to your ability to look in the mirror—and tell your kids about your job.

“Thoughtfulness is free.”

Thoughtfulness is key to speeding things up—it reduces friction.
Thoughtfulness is key to Business Issue #1, cross-functional communication—XF communication is 98% a matter of social factors.
Thoughtfulness is key to transparency and even cost containment—it abets rather than stifles truth-telling.

Think about adding “Thoughtfulness in all we do” to your unit’s (or company’s) (or agency’s) values statement. As to the day-to-day “work of thoughtfulness,” I call it: “The Practice of Dogmatic Thoughtfulness.”

**ATTENTION: I HAVE PLACED SIGNIFICANT EMPHASIS ON WORDS/IDEAS SUCH AS: “LISTENING” AND “THOUGHTFULNESS.” (AND “SMILE POWER.”) THESE ARE NOT “SOFT” IDEAS OR “ANCILLARY” IDEAS. AS AN INDEPENDENT RETAILER, AN “INTIMATE RELATIONSHIP” WITH**
ONE’S CUSTOMERS INDUCES REPEAT BUSINESS—AND IS PRECISELY THE SORT OF THING THAT “BIG BOX” RETAILERS CANNOT BY AND LARGE REPLICATE.*

37. Determination to become “great/pleasant/caring/thoroughly professional people to do business with” on every dimension.

*Bulldog determination to become “great/pleasant/engaged/caring/thoroughly professional/insanely knowledgeable/accountable people to do business with” on every dimension.

38. “Customers for life.” By now, dozens of books have been written about “customer loyalty” and “customer retention”—some quite good. (See anything by Fred Reichheld.) But I’ll still stick with my original mentor on this idea—Cadillac dealer nonpareil Carl Sewell. He said a happy customer might on average buy at least a half dozen cars from him—and recommend him to a host of people. “I always tell our folks,” he said to me, “Think of that guy who walks through the door as wearing a neon sign on his chest that reads …

‘$1,000,000.’

Then act accordingly.”

*See brief case study at Appendix II: What Can Happen If You Open a Half-hour early!
39. “Insane” attention to training—employees, including owner, as teachers.

When the Great Recession hit the U.S.A., the Container Store doubled its front-line training budget—while others were cutting theirs. At worst, they said, folks entering the store would be down by 20%. The idea was to treat each “remaining” customer as a most precious gift.

40. “Open book” management. (100% of staff understand basic “business economics.”)

41. “People first” management. (Customers second!)

“You have to treat your employees like customers.” —Herb Kelleher, Southwest Airlines, on his … No. 1 … “secret to success”

EMPLOYEES FIRST, CUSTOMERS SECOND: Turning Conventional Management Upside Down* —Vineeet Nayar

THE CUSTOMER COMES SECOND* —Hal Rosenbluth (*I wholeheartedly vouch for both of these books.)

“We are a life success company.” —Dave Liniger, founder, RE/MAX
42. Constant solicitation of ideas from all employees.

_The four most important words determining organization effectiveness: “WHAT DO YOU THINK?”_

—Dave Wheeler, comment at tompeters.com

43. Constant visits to great retailers. (Memorize George Whalin’s _Retail Superstars: Inside the 25 Best Independent Stores in America_—visit every one in next few years. See _retailsuperstars.com_ for a virtual tour of each of the 25 celebrated stores.) (_There is a longer reading list at Appendix I._)

44. Superior systems. Simple systems. _And:_ Constant monitoring of systems grunge and un-intended customer consequences of errant systems. I religiously believe in the power of Great Systems. (“Great” ones, not “good” ones.) Moreover, I firmly believe that every system should be evaluated on the following dimensions:

- **Beauty!**
- **Simplicity!**
- **Clarity!**
- **Customer impact!**
- **“User-friendliness”!**

45. **Fanatic** … attention by _all_ at _all_ times to _all_ “customer interface” folks.

(See Vineet Nayar’s _EMPLOYEES FIRST, CUSTOMERS SECOND: Turning Conventional Management Upside Down_. Nayar, founder of one of the world’s top information services companies, describes an organizational approach that effectively applies all our resources to those who face the customer.)
46. “Overkill” response to customer problems—especially “trivial” problems. A “Culture of ‘Yes’” to customer requests—even ones that bugger the imagination.

THE PROBLEM IS RARELY/NEVER THE PROBLEM. THE RESPONSE TO THE PROBLEM INVARIABLY ENDS UP BEING THE REAL PROBLEM.* (*PERCEPTION IS ALL THERE IS!)

47. STRATEGIC UNDERSTANDING OF WOMEN-AS-PRINCIPAL CUSTOMERS. (May require radical surgery.) (Will require abundance of women in leadership roles.)

STRATEGIC UNDERSTANDING OF/COMMITMENT TO WOMEN-AS-PRINCIPAL CUSTOMERS. (Will likely require radical surgery.) (Will require abundance of women in leadership roles.) (“ROI” STRATOSPHERIC. JUST ASK HOME DEPOT ABOUT LOWES!)

(One small datum: In my remarks to NARTA, I mentioned that my renovated “batch” on Golden Bay, in New Zealand, was fully equipped with Fisher & Paykel goods. [FP is a major vendor to NARTA members—I was publicly acknowledging them.] Fact is, I had only a vague sense that this was true. I asked my wife, Susan, “Don’t we have some appliances from those Fisher whatever...
people?” She had, without the tiniest consultation with me—Why would she consult me?—scoped out the appliances, spec'd them, ordered them, selected the dealer, negotiated price and delivery, etc. I was in no way, shape, or form even marginally involved. FYI: I have confirmed this general hypothesis all over the world—in the last month in the Sultanate of Oman and in Sao Paulo—the story is always the same.)

“Women are the majority Market.” —Fara Warner, The Power of the Purse

“One thing is certain: Women’s rise to power, which is linked to the increase in wealth per capita, is happening in all domains and at all levels of society. Women are no longer content to provide efficient labor or to be consumers with rising budgets and more autonomy to spend. … This is just the beginning. The phenomenon will only grow as girls prove to be more successful than boys in the school system. For a number of observers, we have already entered …

the age of ‘womenomics’

… the economy as thought out and practiced by a woman.”

—Aude Zieseniss de Thuin, Women’s Forum for the Economy and Society

AS LEADERS, WOMEN RULE: New Studies find that female managers outshine their male counterparts in almost every measure”

—TITLE/ Special Report/BusinessWeek
NOTE: ANYBODY LISTENING? [Damn few, as far as I can tell.]

THIS IS THE ULTIMATE DEFINITION OF “STRATEGIC ADVANTAGE.”

48. Embrace … “boomers-geezers.” (“We have the money. We have virtually... all ... the money.” And a lot of time left.)

“People turning 50 today have … more than half … of their adult life ahead of them.”
—Bill Novelli, 50+: Igniting a Revolution to Reinvent America

Age 44-65: “New Customer Majority”
—David Wolfe & Robert Snyder, Ageless Marketing

“Marketers’ attempts at reaching those over 50 have uniformly been miserably unsuccessful. No market’s motivations and needs are so poorly understood.”
—Peter Francese, founding publisher, American Demographics
“Fifty-four years of age has been the highest cutoff point for any marketing initiative I’ve ever been involved in. Which is pretty weird when you consider age 50 is right about when people who have worked all their lives start to have some money to spend.”
—Martha Barletta, PrimeTime Women

“One particularly puzzling category of youth-obsession is the highly coveted target of men 18-34, and it’s always referred to as ‘highly coveted category.’ Marketers have been distracted by men age 18-34 because they are getting harder to reach. So what? Who wants to reach them? Beyond fast food and beer, they don’t buy much of anything. ... The theory is that if you ‘get them while they’re young, they’re yours for life.’ What nonsense!”
—Martha Barletta, PrimeTime Women

“We are the Aussies & Kiwis & Americans & Canadians. We are the Western Europeans & Japanese. We are the fastest growing ... the biggest ... the wealthiest ... the boldest ... the most (yes) ambitious ... the most experimental and exploratory ... the most different ... the most indulgent ... the most difficult & demanding ... the most service & experience obsessed ... the most vigorous (and least vigorous) ... the most health conscious ... the most female ... the most profoundly important commercial market in the history of the world—and we will be the Center of your universe for the next twenty-five years. We have arrived!”
—yours truly, PowerPoint slide that tees off this section in my presentations

49. **Offense, not defense!** Andrew Lambert, one of Lord Horatio Nelson’s more recent biographers, claims that Nelson’s greatest strength was: “Other admirals were more frightened of losing than anxious to win.”

I have observed the same phenomenon in business and even sports. In the face of new retail challenges of epic proportion, “avoiding losses” is a loser’s game. “The” answer is a determination to “be the best,” to “stand out from the crowd by a mile,” to “win”—not merely “hunker down,” “slash costs,” exude “grime determination,” and “not lose.”
“Other admirals were more frightened of losing than anxious to win.” —Andrew Lambert on Admiral Horatio Nelson
APPENDIX I: Some Suggested Reading

George Whalin, *Retail Superstars: Inside the 25 Best Independent Stores in America*

Bo Burlingham, *Small Giants: Companies That Choose To Be Great Instead Of Big*

Carl Sewell, *Customers for Life: How to Turn That One-Time Buyer Into a Lifetime Customer*

Kevin Roberts, *Lovemarks: The Future Beyond Brands*

Vineet Nayar, *EMPLOYEES FIRST, CUSTOMERS SECOND: Turning Conventional Management Upside Down*

Tony Hsieh, *Delivering Happiness: A Path to Profits, Passion, and Purpose*

And perhaps …

Tom Peters, *The Little BIG Things: 163 Ways to Pursue Excellence*

Tom Peters, *Re-imagine!: Business Excellence in a Disruptive Age*
Appendix II: Case Study

What Can Happen If You Open a Half-hour Early!

The bill came to about $2,700.

Getting that hearty bundle-of-bucks is an indicator of what happens when you open a little earlier and close a little later than the norm.

My wife went shopping for a mattress at the Nelson store of a “major New Zealand retailer.” The retailer, incidentally, had run a huge print ad that day in an effort to immediately increase traffic—though my wife hadn’t seen it. It was rather late in the day. She wandered around, wasn’t overly impressed by the offerings—though they were decent enough. There were four or five salespeople on the floor, however, who had a fair shot at earning her custom. Not one approached her. A few minutes later she walked out. Not in a huff. Just walked out.

The next morning, while awaiting the 9AM opening of another shop (not bedding), we walked past Brownies, a family-run mattress and bedding store, around since 1939. Brownies, to our pleasant surprise, stood out by opening at 830AM, about a half-hour, at least, before the herd. One of the family members, on active duty at the opening bell, subsequently told us they opened early and closed late in part to attract folks going to or coming back from work. “That’s when a lot of people shop,” was their straightforward answer (in the “duh” category—though it apparently didn’t occur to others).

An exceptionally knowledgeable salesperson immediately engaged Susan. She wandered around, and eventually made a purchase. That is, she purchased the mattress she’d hoped to find. And, uh, a set of twin bed mattresses and bed frame that were not on her list. And about four pillows—as I said, about $2,700 worth in total.

All because the store was open early, had a decent-but-not-spectacular set of products, and very attentive-but-not-hovering staff.

The “major New Zealand retailer,” by the way, is also under newfound competitive assault. Their local folks failed miserably—not on product selection, but on attentiveness. My wife is not as picky about customer service as I am, by a long shot. But aggressive rudeness is another kettle of fish.

May Brownies prosper from now until kingdom come!

(And may the “major New Zealand retailer” get its act together—that is, improve by an order of magnitude on the basics which can indeed set local stores apart from the “big box” monsters.)