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CREDIBLY BUSINESS JOURNAL: NAILING YOUR IN-STORE STRATEGY - VOLUME 4

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Retail Trends



“The purpose of a business is to create a customer who creates customers.”

— Shiv Singh, Global Head of Digital & Marketing Transformation, Visa

Product and price can only get you so far. To win the retail game, you have to leave a lasting impression on every customer who walks through your doors.

In this second installment of the Credibly Business Journal series on retail trends, a new set of retail experts share actionable tips on how to delight customers within your four walls and keep them coming back for more. For this issue, four retail experts share their expertise to teach you:

- **How to create a pathway in your store to draw shoppers to the items you want them to see.**
- **What most retailers get wrong when it comes to sales training.**
- **Why pop-up stores are an effective retail tactic for creating buzz and capturing foot-traffic.**
- **How to prevent theft at the hands of experienced retail thieves as well as your own employees.**

These are skills that every retailer needs in their toolkit, and they’ll help you survive in a world where so many consumers are choosing to shop online for the sake of convenience.

If you’re wondering how to create experiences that shoppers can’t find on a smartphone, you’re in the right place. Thanks for reading, and please consider **Credibly for flexible, right-sized funding** as you build up inventory, hire staff, and remodel your store for the upcoming holiday season.

Best,

Glenn Goldman
CEO, Credibly

Therese Daves, *President & Owner of Medallion Retail*

POP UP: How to create temporary retail experiences that make lasting impressions



THERESE DAVES
President & Owner of Medallion Retail



It is almost impossible to walk the streets of a major city and not discover a pop-up event. The concept of pop-up has exploded, and can be seen in [pop-up hotels, bars, spas, doggie daycares, restaurants, playgrounds – the list goes on and on](#). But the retail pop-up started the trend, and it will be the retail marketer who drives its evolution, continuously redefining and re-imagining the pop-up experience.

The idea of retail pop-up seems relatively simple: find a spot, make it look great, throw open the doors and sell to savvy shoppers. The reality, however, is more complicated, requiring a broad skillset and a vivid imagination. Therese Daves, president and owner of [Medallion Retail](#), has been helping retailers pop up for years. We talked to her about the growth of the shopper-focused pop-up and how it's changing the face of retail.

What were your firm's first experiences with pop-up?

We were working in this area before they even called it pop-up. Back then it was flash retail, and it was all about moving product. Our job was to transform an unused space into a shop, usually overnight. We also created stores-within-stores – short-term, freestanding boutiques. These were positioned as destinations in the department store, designed to attract specific shoppers. They were pop-ups.

When you look at retail pop-up now, how do you think it's changed over the years? How is it the same?

Retail pop-up has changed drastically over the past decade; it's gained tremendous momentum. Go back just two years and you'll see something very different than what you see today. The biggest change has been in the purpose of the retail pop-up. It's now about so much more than selling. Retailers are using pop-up to build brands and showcase shopper experiences. The goal? Meaningful, memorable engagement, not immediate dollars.

What has remained constant about retail pop-up is the misconception that it's a perilous endeavor. Don't get me wrong; there's risk involved. But there's risk in almost any retail marketing tactic today. In the case of the pop-up, though, we've seen again and again that risk does indeed equal reward.



What three qualities do you think truly extraordinary pop-ups share?

First of all, I think that all really great retail pop-ups are immersive. They are interactive on every level, inviting the shopper into a shared story. It goes beyond storytelling. Amazing retail pop-ups create a physical, inclusive context for the shopper and the brand to make moments together.

I also think that a great pop-up is one that's surprising. Where it pops up must be surprising; that it even exists must be surprising. The use of space, the collection of products, the experience – it all should be astonishing. That makes a lasting impression.

The third quality that great pop-ups share is consistency of branding. Every decision about creating the pop-up is filtered through the brand lens. The look, tone, feel, product mix, everything; all demonstrate the unique brand personality. It just makes sense. If a brand is going to the trouble to create an astounding experience, it's foolish not to make sure shoppers know exactly who gave it to them.



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Should we now consider pop-up to be officially part of the marketing mix for most retailers?

We should have been considering pop-up a part of the retail marketing mix more than a year ago. It's too powerful a tool to be an afterthought or an add-on. A retail pop-up done right can be the centerpiece of a program that really surrounds the shopper, engaging her online, in-store and in-world. It's a great mechanism for omnichannel marketing.

What's the most important part of pop-up prep? What must retail marketers never neglect to do?

The most important part of creating a pop-up is knowing why you're doing it. What is the objective? What do you want to make happen? Until you figure that out, your pop-up will have no "bones;" there's nothing to work backwards from. Without a goal to drive towards, you won't know when you get there.

Doesn't a retail pop-up cannibalize business from the brick-and-mortar store?

Generally not. Think of them as two halves of the same whole. When done right, a retail pop-up supplements and expands the work of a fixed location store. Ideally, the retail pop-up offers something that the brick-and-mortar space cannot. There's connective tissue between them; each makes the other more relevant.

What does a retail pop-up do best: product sales or brand marketing?

Both. Plus, a retail pop-up can be a great testing ground for a new product; an amazing loyalty program perk; a way to explore a new geography or demographic; an opportunity to shift the position of a brand or an event to drive social media buzz. That's why having a clear objective for the pop-up is so important.



You were trained as a designer. Do you think visual impact is the most important element of a pop-up?

I think it used to be. Now it's about a comprehensive shopper experience. Beautiful visuals interwoven with sound, touch, even scent. Technology has given marketers the power to make almost any idea a reality. Visual impact is a major element of the experience – a must-have – but it isn't enough on its own.

What is the hardest part of the pop-up creation process?

Moving from concept to production can be challenging, but only because it's such a monumental step in the process. There's a "no turning back now" feel to it; exhilarating, sure, but major. I think that's when everyone realizes that "this thing is really gonna happen."

Should a pop-up always have a social media component?

I think social media is critical to retail pop-up success. It can be effective at every phase of a pop-up's lifespan. Social media drives traffic. It allows shoppers to be citizen journalists and fashionistas. It can add energy to sagging attendance. It can make your brand the topic of trending buzz, and your shoppers feel like insiders. Social media partnerships should be an element of every pop-up.

What are the three biggest mistakes you see retailers making when executing pop-ups?

The first mistake would be moving forward without an objective. This is so important; I can't say it too many times.

The second mistake is trying to make a retail pop-up be all things to all people. The beauty of the pop-up is its specificity; its elegance is in its simplicity of message. You have to be careful not to dilute its impact. This doesn't mean a pop-up can't do two things well. It does mean it can't do four things well.

Wearing out your welcome is the third retailer pop-up mistake. It makes sense on paper; so much has been invested, the return has to be through the roof. And while that's very true, an extended stay is probably not the way to make that happen. A huge part of the attraction of the pop-up is the fact that it's temporary. The experience is fleeting. Opportunities to be a part of it all – to be an insider – may be scarce. Not everyone will get in. Exclusivity is attractive, and fear of missing out is strong. So leave when the time is right, and leave them wanting more.

How can a retail marketer make a pop-up stand out among all the other pop-ups?

It's competitive in pop-up right now. Every industry is doing it; retailers are not just contending with other retailers. It's a battle royal for consumer attention. Those who understand their public, make them feel special and exceed their expectations for a meaningful experience will win.

And serve food. Everyone will get in line for a snack.

What do you say to those who think pop-up is too expensive to execute?

I think people who are concerned with the bottom line – as they should be – must understand how scale-able retail pop-up is. It's the shopper experience that has to be huge, not the dimensions of the event site. With pop-up, there are countless variables in play. Grand or intimate? Sales staff or hosts? Designer setting or crowd-sourced surroundings? Technology on-site or hands-on charm? Each allows for a decision about scale.

What will retail pop-up look like in five years?

I know it won't look like it does right now. The retail business is changing like never before. As a critical retail marketing tool, the pop-up must continue to evolve as well. I think the big changes we'll see will not be around physical size or scope or grandness, but rather in the expansion of the levels of intimacy, customization and personalization shoppers will experience.

We will see some jaw-dropping, mind-boggling pop-ups in the coming years. As I said earlier, literally anything is possible. Designers and storytellers have the tools to make amazing new worlds. And people do love a spectacle.

But they also love connection. The future of retail pop-up is not about technology and virtual reality. Those will factor heavily as channels for experience delivery, I'm sure. But the experience – the close, authentic, singular, life-enhancing moment between shopper and brand – will always be the heart of the successful retail pop-up.

“The beauty of the pop-up is its specificity; its elegance is in its simplicity of message. You have to be careful not to dilute its impact.”

ABOUT THERESE DAVES

A big-picture thinker, problem solver and retail marketing insider, Terry demonstrates distinctive expertise in – and a true passion for – the industry she helped shape.

Her well-informed perspective and deep experience allow her and her talented teams to provide clients with signage, display and shopper experience solutions that result in meaningful, profitable customer connections. Partner clients have included Foot Locker, Nike, Vitamin Shoppe, Timberland, Converse, Toys “R” Us, the NBA, Barnes & Noble and Sports Authority.

Combining a designer's eye with a bottom-line focus, Terry drives growth, innovation and collaboration across the company. Her hands-on approach ensures that clients receive consistent strategic direction, eye-popping creativity, across-the-board efficiency and product quality.

Her work has been recognized with numerous industry awards, including Temporary Display of the Year from POPAI.

Terry is an accomplished downhill skier and a proud speed junkie.

Medallion Retail's Website

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By the Numbers: Credibly + Retail

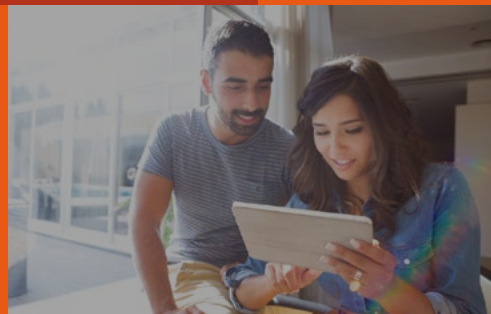
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Creating the Customer Path:

Why a successful merchandising strategy starts in the parking lot

Rich Kizer & Georganne Bender (Kizerandbender.com)

Consumer Anthropologists, Retail Strategists, Professional Speakers, Authors, and Consultants



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Have the basic strategies of retail changed since you first teamed up back in 1989? Aside from the fact that we're all on our smartphones now, is the game fundamentally different than it was back then?

RICH KIZER: The game isn't any different. The channels are the difference. There are now opportunities in the marketplace beyond just the brick-and-mortar retail store.

GEORGANNE BENDER: It's still all about the customer, and it's still all about the customer experience. We always laugh when we hear about some "new" strategy, like "You've got to be **high-touch** on the sales floor," and we're thinking, "That was in our first program in 1989."

RICH: Probably the biggest difference is that one presentation doesn't suit all people anymore. Back in the '60s, '70s, and '80s in the retail environment, you could pile it high and watch them buy. Make it look nice on a rack and everybody's happy because they all think alike.

Today, the technicalities of how you present and sell product to different groups of customers are very important. But there's a balancing act, because even if one group isn't receiving what you do, another group might.

GEORGANNE: The other thing is that we have so many choices now. So when I walk into your store, I'm comparing you to what I saw online, what I saw on Pinterest, what my friends are talking about on social media. You're not just Georganne's Dress Shop in the Midwest on Main Street, you're compared to everybody.

RICH: You're competing in the world, and expectations rise because of that. There's always somebody that's doing something cool.

So many of the thought leaders and innovators in the retail space are focusing on how to reach Millennials and Generation Z. What should retailers actually be focusing on?

GEORGANNE: It's funny, because when you think about it, Millennials have been around for a really long time; the oldest are in their 30s. But all of a sudden, a switch has been flipped and everybody's saying we only need to care about Millennials. And yet Baby Boomers are still a huge percentage of consumer demand. They have deep pockets, and they don't think they're old, so they're still reinventing themselves.

Unfortunately, some retailers have turned a corner and they only want to take care of younger people. That's just a thing in this country; we've always been about youth. Try being a 50-plus-year-old woman looking for clothes these days. Forget it. Nobody knows what we look like, and no one cares. I weigh the same as I did after I had my kids, but things shift and they don't fit the same way — but they still cut a size 10 the same way they've always cut a size 10.

I grew up shopping at **The Limited**, and what I didn't realize as a consumer is that The Limited has an age range that goes from high school to maybe 30. I aged out of that store, and I got mad at them when it happened because there was really nowhere for me to go to after I aged out.

RICH: That's what happens in the fashion industry, though. Younger people get in and establish the way things look. And that's okay — but it's going to happen to Millennials just like it happened to us.

The video you did at Peaceful Parlour for MSNBC was a great crash-course in merchandising techniques. When you first visit an independent retail store like that, what are you looking at first?

GEORGANNE: Start in the parking lot. Is it clean, is it easily accessible? Will it be easy for the mother getting her baby out of the car? Can you get a stroller or a wheelchair or a motorized scooter up onto the sidewalk to get into the store? We look at their windows, their storefront sign, all those things.

I'll give you an example: I was in the **Algonquin Commons** recently, and there was a lady with a double stroller trying to get into the front door of one of the stores, and her stroller would not fit through the door. They had a door on one side, a pole in the middle, and then a door on the other side. To get into that store, she would have had to take her kids out, fold up the stroller, push it in, and put her kids back in.

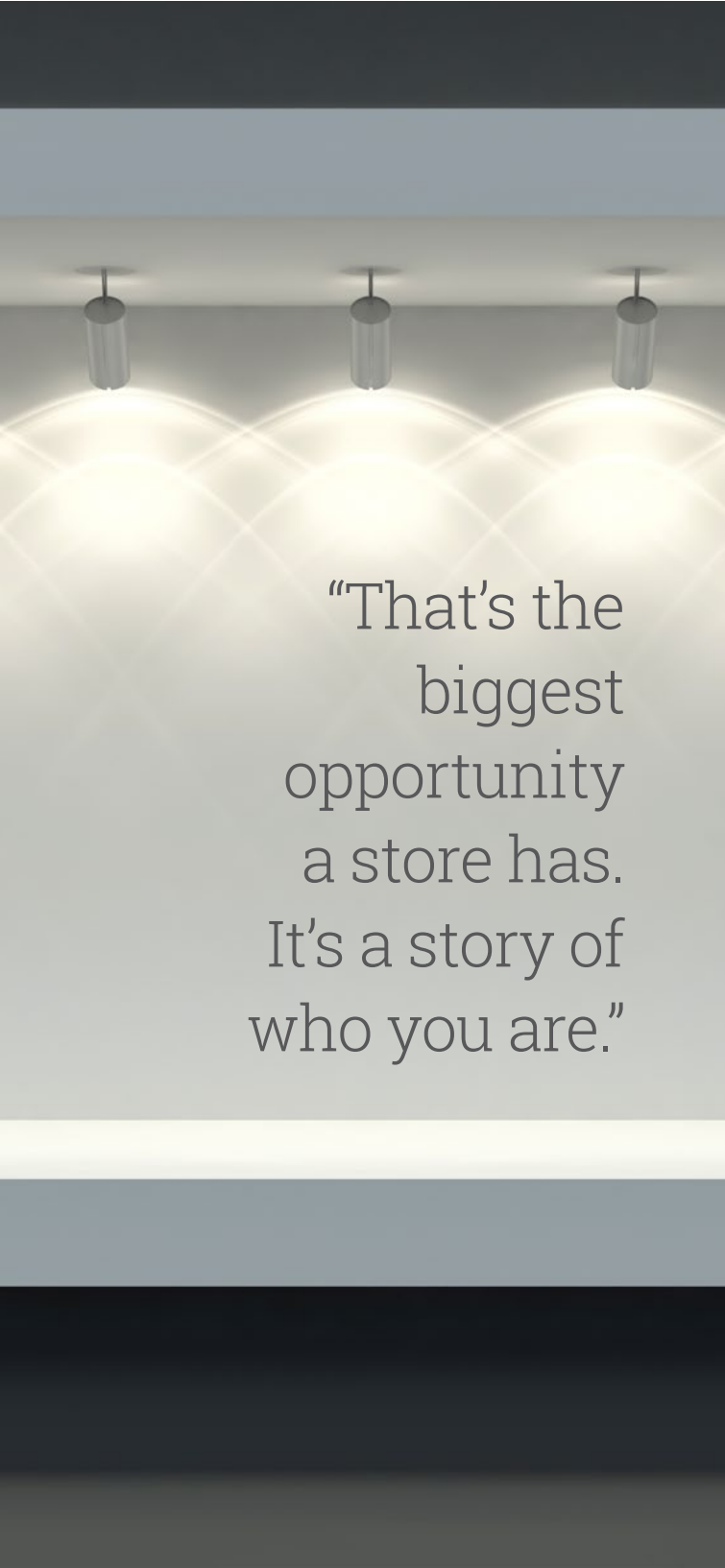
RICH: What we say to retailers is, perceptions are already being built and you haven't even said a word to the customer. The customer hasn't gone through the threshold of your front door, but they've already got an opinion about you.

15 Ideas to Set Your Store Windows to Sell

read it on KizerandBender.com

“You're competing in the world, and expectations rise because of that. There's always somebody that's doing something cool.”





“That’s the
biggest
opportunity
a store has.
It’s a story of
who you are.”

Which products would you choose to put front-and-center in a window display, or right when customers enter your store? Which items would you highlight?

GEORGANNE: Customers have about four-to-six seconds to take in your windows, whether they’re walking by, driving by, or walking into the store. So if you have a window display that has a whole bunch of little things, they won’t see it. You need larger pieces in the windows.

Then, you have 10 seconds or less to capture the customer’s attention when he or she walks in the front door of the store. You also need to know that there’s a space inside the front door, between five and 15 feet depending on the size of your store, that’s known in the retail industry as the “decompression zone,” and anything you put in that area, customers won’t see until they’re on their way out.

RICH: The first thing that customers do when they walk through the door is take in the vista of the store. It’s like this huge picture in front of them. That first three-to-five feet in most stores is like a no-man’s land until they’re exiting. I always equate it to being at Disneyland. When you first walk in to Disneyland, your eyes are focused on Main Street to the castle — that incredible panoramic view.

GEORGANNE: We have retailers that put signage there, they put class schedules there, they put merchandise there, and that merchandise doesn’t sell and they can’t figure out why. It’s because nobody starts to really look at merchandise until they’re at least five feet inside the door.

Rich just mentioned the “vista.” We have this exercise called “The V and the Vista,” where we have retailers go five feet in front of their front door — so, to the end of the decompression zone — stand in the center of the door and open their arms up in a giant V. And whatever you see standing directly in front of you, that’s the vista. It’s the most important selling space in the entire store, because that’s what customers see first when they walk in. That’s where displays called “speed bumps” go. It’s new merchandise, it’s hot merchandise, it’s things you don’t want customers to miss. And it’s **cross-merchandised**.

RICH: That’s the biggest opportunity a store has. It’s a story of who you are.

GEORGANNE: Right, it’s telling a story. And then while you’re still standing in that space, you look from your shoulder down to the tip of your right index finger, and every product and piece of real estate that’s in that space, we call that “lakefront property.” That’s the second-most important selling space in your entire store.

RICH: People have a tendency to either go right or look to the right as they enter the decompression zone.

GEORGANNE: The wall that you're looking at, at the tip of your index finger, that's your most important wall in the store. Then, you look down from your left shoulder to your pointer finger, and that's your third-most important space. So what we say to retailers is, you want to make sure that you're merchandising and changing these areas all the time — that you're not just putting merchandise on that front right wall and leaving it there for years.

How often should a store move around its product or rearrange the floor layout to keep things fresh?

GEORGANNE: There are parts of your store — the **endcaps** and the speed bump displays, for example — that need to be changed once a week whether they need it or not. Because sometimes our salespeople don't see the whole store, either. They'll say, "Hey, when did we get that?" And you're thinking, "It's been here for six months, where have you been?"

You also need to "toss the sales floor," which means moving the entire sales floor around, once a year at minimum, and even better once a quarter.

Now that we know where customers start looking when they enter a store, how do you create a path to get them moving through it and interacting with product?

RICH: First of all, 50% of the store will not be seen by your customer; this was an actual study. Most people that enter a store will have something on their mind, they'll focus on that, and they'll go to that area. And so, our mission is to make paths, but those paths can't be so easy that they just take the customers to the bread in the back of the store, so to speak, if that's what they're looking for.

So what we do is, we disrupt the designated path where they walk so

that they're forced to look at other things, by putting merchandise in the old path areas and **strike-zone merchandising**.

GEORGANNE: You have to place your fixtures in such a way that you're leading customers to look at different merchandise throughout the store.

RICH: We want to move customers through the store almost in a 360-degree direction, so we focus on creating these pathways. We want to make you stop and look without completely being in your way, without inhibiting someone with a stroller.

If we look at a store knowing that customers are going to bend right, we'll take advantage of that. After they're in the store, we'll plant speed bumps in the middle of an aisle, for example, to force them to stop and look and make a right or left. The point is, we're trying to create paths that generate the most visibility for every product that we have to sell within a store. We try to make it a treasure hunt.

GEORGANNE: You don't want customers to walk in the front door and immediately make a beeline for the back of the store and miss everything else that's in the path.

RICH: In the MSNBC video we did with Peaceful Parlour, that store sold an awful lot of tea, and customers would make a habit of going in and heading straight for the tea. Now, it's great that their customers are coming back, but here's what can happen: A tea customer walks right in, they know exactly where to go, and they make a beeline for it. So when that study says 50% of a store potentially is never seen, that's why, because customers get a handle on where everything is.

What we did in that store is just disrupt it a little bit. We moved things slightly so that the customer had a more pleasant experience of discovering within the store, while still not inhibiting them or taking a lot of time from them.



Are there any common mistakes you see in stores these days when it comes to merchandising?

GEORGANNE: We see people who are not taking advantage of their lakefront property. We see too many open spaces on the shelving. We see merchandise that's not properly signed, or merchandise that has been there for a while and is dusty. We see apparel stores that hang a sweater on a fixture but they don't hang a skirt with it, and a hat and a belt and a handbag and everything else the customer might need.

Not too long ago, a lady complained to us in a focus group that she hates going into stores and saying to a sales associate, "I love your outfit, where is it?" and the sales associate says, "I didn't buy it here." That's why a lot of places like Macy's are having people wear all black, so that doesn't happen.

Retailers get this thing that Rich and I call "retail tunnel vision," and it's where you get so focused on the things that you have to do for the day that you don't see the big picture of your store. But you really need to see things from the customer's point of view, and walk around your store and look at every display. Is it interesting? Does it have merchandise I want to pick up? Is it signed properly? If it's a home décor or do-it-yourself or craft kind of thing, do I understand what else I need to make that product? You have to make it exciting, interesting, and easy for the shoppers.

RICH: Georganne mentioned signing, and this is an incredibly important point. In a store, there's signing for

everything. We have signing for products, we have vendors' signing throughout stores. You can walk into any store in the world and see a million names and brands, promoting what they're carrying and what they're doing.

The one thing you don't see regularly in most stores is the name of the store — their own brand message. You don't see it. We have signs for Levis and every other product we carry, but we don't have a signage program throughout the entire operation that says something about our store with the brand, with our name.

GEORGANNE: On the bottom of every sign in your store, you should have the name of the store and the web address, or the name of the store and the store's slogan.

RICH: I will never forget, we were trying to explain this to a store owner about 10 years ago, and he said, "I don't think that's a problem. Everybody knows what the name of my store is." And we happened to walk up next to one of the cash registers and a lady was writing a check — that's why I said it was 10 years ago — and she looked at the cashier and said, "I'm sorry, who do I make this out to?" Case in point.

Brand equity needs to be represented in the retail store, because sometimes it's a real differentiating factor. If you like my store because we offer really high service, I want to make sure my name is burned into a position in your mind.

ABOUT RICH KIZER AND GEORGANNE BENDER



Rich Kizer and Georganne Bender are professional speakers, authors and consultants whose client list reads like a "Who's Who" in business. Companies internationally depend upon them for timely advice on consumers and the changing retail market place.

KIZER & BENDER are freelance contributors to MSNBC's television program Your Business. They made Meetings & Conventions Magazine's list of Meeting Planners Favorite Keynote Speakers, have been named two of Retailing's Most Influential People, are included in the Top 40 Omnichannel Retail Influencers, and are listed among the Top 50 Retail Influencers two years in a row (2015 & 2016).

Their Retail Adventures blog was recently named the Top Retail Blog by PR Newswire Media, and one of the Top 50 Retail Blogs in 2016. And with good reason: Rich and Georganne are experts on generational diversity, consumer trends, marketing and promotion, and everything retail. They are widely referred to as consumer anthropologists because they stalk and study that most elusive of mammals: today's consumer.

Any speaker can talk about consumers, but Georganne and Rich actually become them. In addition to yearly focus groups, one-on-one interviews, and intensive on-site studies, their research includes posing as every kind of customer you can imagine; and maybe even a few that you can't. The result of their research is literally straight from the mouth of the consumer: solid ground-level intelligence you can use to better serve your own customers.

KIZER & BENDER's observations are widely featured in national newspapers, national and international industry and consumer publications, and on radio and television programs across the U.S., including The New York Times, Chicago Tribune, Chicago Sun Times, Las Vegas Review Journal, NBC, CBS, WGN, ABC, MSNBC, National Public Radio (NPR), The Voice of America, AARP, and National Retail Federation publications.

Their books Visual Merchandising & Store Design: How to Set Your Sales Floor to Sell, Digital Marketing: Essential Strategies for a Noisy World, BRANDING!, and Jingle Bells...Christmas Sells: Events, Promotions & Tips for the Holiday Season! have helped thousands of retailers improve their bottom line.

KIZER & BENDER are married — just not to each other! 2016 marks their 26th year as a speaking team. Their presentations blend brilliant content with colorful examples, humor, and insight. You'll learn while you laugh! And you'll come away with inspiration, ideas, strategies, tactics, tips, and techniques you can use the second you return to your business!

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BOB PHIBBS, CEO of the Retail Doctor, Sales Coach, Retail Author, and Motivational Business Speaker

HUMANS TALKING TO OTHER HUMANS

Why Proper Sales Training Can Make or Break Your Store's Customer Experience

In **one of your recent blog posts**, you described how one of the largest retailers in the U.S. told you that their employees receive just 45 minutes of training before going on the floor – which seems completely inadequate. So how much training is enough?

Let's start by defining what "retail sales training" really is. Because for some stores, it means showing employees where the bathrooms are and how to clock in. That's not training. To me, that's called "onboarding."

Other people say, "We spend a lot of time training our employees on product knowledge." Well, that's not sales training either.

The way it used to work, a manufacturer would have a product, and they would bring in dealers who would learn about the product, take it back to their stores, and teach their employees about the product. If customers were interested in something, they'd have to go to the store to find out more. That's where the model was in the '40s and '50s, all the way until the last 10 years.

Now, the customer already has that product knowledge when she walks into your store. But learning about the product is not why she's there — otherwise, she would have just bought it online.


My definition of retail sales training is, "How do I transform an interaction with a stranger to build enough rapport so that I become a trusted adviser?" That's the part that is missing, and that's the goal of retail sales training.

There aren't any revolutionary concepts involved in effective sales training; it's simply a structure that holds the interaction together. But knowing and doing are the keys here. Even if I had three hours to go through a retail sales training program — which I do for clients all the time — it becomes a fire hose. They hear it, and they think, "Oh, well I'm already doing that." And they might try one more thing, but they don't practice it, so they go back to being the same way they were.

I have an online sales training program called **SalesRX**, and the first course is 24 lessons that are 3-5 minutes long. People ask me, "Oh, how long does it take? Just a week?" And I say, "That's probably three months." Until they actually use what was taught in the first two lessons, there's no point in going on, because I need them to choose the words they're going to use, and not just say, "Hi, how are you today? Can I help you find something? Do you have a budget?"

That's lazy, but that's what 45 minutes of training gives you. Your employees are going to sell like they're in their PJs in front of the TV.





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Open Hearts and Curiosity

Unfortunately, for a lot of people, retail is just one step up from being a janitor or working at a McDonald's or something. They have this silly attitude that they're settling. But if you look at almost any CEO of a major company, they trace their beginnings back to working at a store. They had to learn about customer service. They had to put somebody else before themselves.

People bring in their own baggage when they come to work at a retail store, especially millennial employees. Millennials grew up with everything, but they also are pretty frugal. So they're working at a retail store, and they know they can get the products cheaper on Craigslist or eBay or something, and they look down at the woman who's thinking of buying the \$1,000 dress, because she could do **Rent the Runway**, and it would be a better use of her money.

Now combine this with the idea that Baby Boomers are actually looking for great customer service and not finding it, and you have a really bad retail operation set up; it's almost like you brought a Trojan Horse into your store. You thought you brought this person in to work, but really, they've got a critical eye about it.

Retail sales training has to get rid of all that, so that employees are able to greet somebody with an open heart. That means leaving your baggage at the door, and just being curious about why that customer drove through traffic and the rain and the fog today, and she couldn't find a place to park, but she finally did and walked into our store.

Once you're curious, life gets a lot easier, because then the customer tells you their hopes and their wishes. And if you're not curious, you're dead. I laugh when I see this at hardware stores: A customer will say, "I need a bolt for my toilet," and the salesperson never even suggests, "Why don't you upgrade to a new toilet?" or "When's the last time you replaced it?" Not even in their minds do they do that.

But if that salesperson actually asked, "Well how long have you had it? You know, you're probably wasting a lot of water, and you can install a new toilet that's a little higher or a little lower, and it might be more comfortable for you. Why don't we look at that?" Instead, we've got Old Joe who can find a toilet screw for any toilet from 1920. Well, that's not the point!

Ultimately, what we're going into a store for is wisdom. I can find product knowledge and facts everywhere. I can find a lower price from anywhere. But when you don't train employees, they default to, "What can I help you find?" And if you have a question, maybe they'll pull up a tablet, maybe they'll ask somebody else, but the shopping is pretty much done alone. You're on your own, and people don't shop to feel alone. We shop to feel hopeful, and we shop to meet other people.

Great retailers understand this, and they spend an awful lot of money training their employees for days, and in some cases weeks, on how to make that bond — and that's crucial.



How to Train a Millennial

First off, no generation is better than another. Millennials are the most hopeful generation and the most educated, but they also quickly tire of things. They're not going to be at a job for 40 years waiting for a gold watch. You're lucky if they wait six months before they move on. That's who they are.

So what I tell my clients is the more you start off easy, the harder it's going to be later on. You really do have to say, "You're here five minutes before nine, and if you're not here once, you'll get a warning, and twice..." You have to set the boundaries and repeat it to them and make sure they understand, because these are people who are used to calling their moms and asking them to bring their homework.

One of the things I use now in hiring is just asking people, "How lucky do you feel, on a scale of 1 to 10?" That's an interesting one, because if they say "I'm a one or a two, nothing good happens to me," then they're probably not hopeful, and they're going to share that with every customer. It's not a deal killer, but it tells me what the training is going to have to be.



Care About the Customers – Not Your Competitors

As a retailer, the only place you can compete is within your four walls. Do that right, and the world is easy. Do that wrong, and no app is going to help you.

It's not brain surgery, but it is focused, and that's the difference. You're either saying, "Customers are the most important thing, and how do we reflect that with our employees?" or you say, "Employees don't matter, we want high turnover so they don't ask for raises, we get them within the threshold that they don't have to get benefits, and we keep culling the herd."

Well that's fine, but you're not going to be around for long, because you can't win on price. Online can always beat you on price. And if you look at the online brands that are opening boutiques now, like Bonobos and Shoes of Prey, their boutiques are great because they understand, "This is our chance to wow our customer and tell our story."

So why can't you do that in your small retail chain or your gift store or your electronics store or whatever? Why do we default to the idea that, "Oh, they can do that because they're Apple." No, anyone can do it.

My last piece of advice is this: Don't look at the competitors. Look in the mirror, because the answers are right there.

The winners usually don't care about the other guy. The ones who are struggling tell me about how some competitor carries their line, underprices them, and lies to their customers. It's like, "Wow, you've really made this a science." So it all comes back to looking in the mirror and making your customers feel like they're the most important person in the world in that moment. It's not hard, but it takes focus.



ABOUT BOB PHIBBS

Bob Phibbs, CEO of *The Retail Doctor*, is an internationally recognized business strategist, customer service expert, sales coach, marketing mentor, retail author, and motivational business speaker. His mission is to provide training and inspiration to businesses and teach them how to compete successfully in today's retail environment.

Since launching his retail consulting company in 1994, Phibbs has helped thousands of businesses in every major industry to strengthen their business structure, close more sales, and stay far ahead of their competition. (Watch a two-minute video about him and his speeches [here](#).)

Phibbs has worked with some of the largest retail brands in the world including Bernina, Caesars Palace, Hunter Douglas, Lego, Omega, Hearts on Fire, Husqvarna, Tommy Bahama, Vera Bradley and Yamaha.

With over thirty years experience beginning in the trenches of retail and extending to senior management positions, he has been a corporate officer, franchisor and entrepreneur.

The Retail Doctor has motivated audiences around the world including Bahrain, Brussels, Portugal, New Zealand and the UK with his message of hope and actionable tactics retailers can take to increase their sales.

His presentations are designed to provide practical information in a fun and interactive way that leaves a lasting impression, and allows participants to take ownership of the success principles Bob shares in his candid manner.

The Retail Doctor's Website

<http://www.retaildoc.com>

Bob's YouTube channel

<https://www.youtube.com/user/BobPhibbs>

Bob's Twitter

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“The winners usually don't care about the other guy.”

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Nicole Leinbach Reyhle, *Founder of Retail Minded, Co-Founder of the Independent Retailer Conference, Author and Spokesperson*

Loss Prevention

6 Ways to Combat Retail Theft in Your Store

Whether you call it shrink, theft, or shoplifting, there's no question that stolen product impacts a retailer's bottom line. According to the **National Association for Shoplifting Prevention**, there are approximately **27 million shoplifters** in our nation today – that's 1 in 11 Americans – with more than 10 million people having been caught shoplifting in the last five years. So how can businesses combat this frustrating and expensive problem?

As a small business owner, midsize business owner, or corporate entity, there are various ways in which you can aim to combat theft – especially since those who steal don't limit themselves to one type of business, small or large. Preparing to handle theft before it happens is key, with various layers of protection for your business necessary.

To help identify what may make the most sense for you, consider the following *loss prevention strategies*:



Check Out Your Checkouts

Did you know that many shoplifters **buy and steal merchandise in the same visit**?

The National Association for Shoplifting Prevention has found that shoplifters commonly steal during a store visit in which they also make a purchase. This strategy is aimed to distract store employees from their theft and as a result, make stealing even easier.

To help avoid overlooking this in your own store environment, make it habit among all employees to open lids, bags, or anything else that may close that they are purchasing, as well as look under all items in their cart or bag. Check out customers after they have checked out already, a strategy common at Costco, for example, where employees match receipts to items in shopping carts.

Considering your store size and employee head count, vary your check out procedure to best accommodate your staff availability – but at the very least, encourage a thorough review of customers and the bags, coats, and other accessories they may be wearing to help avoid stealing. Of course, you can't open purses or insist customers unzip their coats to see what they may have stashed away, but you can be more vigilant than you already are.

Analyze Your Store Risks

As a store owner or manager, it's likely that no one knows your store better than you – unless that someone wants to steal from you. Put yourself in the shoes of a thief and walk around your store, identifying the potential risk zones for shoplifting. Consider your overall store layout, merchandising, and inventory. Do you feel confident your store is risk free, or are there shoplifting risks in your store?

Like everyone else, the reality is you cannot 100% guarantee you won't be the victim of theft, but you can consider your risks and aim to strengthen them. It's important to keep your inventory organized and your team aware of merchandising standards that may include replacing items once they are sold on store shelves. As the folks at **Shopify** recently suggested, "if your store is messy, disorganized, or a maze to get through, it can be harder to notice that you've been 'gotten' until it's too late."

A final thought? Channel your inner Sherlock Holmes and challenge your employees, friends, and even family to do the same to gain multiple perspectives on risk zones in your store.



Re-Merchandise Based on Risk Potential

Not all risks come with reward, so rather than let your risk zones become a problem, consider how re-merchandising your store can help. Areas that are infrequently monitored by employees or have limited view from the checkout area are often the most vulnerable when it comes to theft.

Due to this, consider what products you place in these areas and how other products — such as larger items that may not be easily removed — may be more ideal in these places. Other areas that may bring risk include corners, areas behind shelving, displays located directly by the exit door, and changing rooms.

Small products that are easy to pocket or stuff into bags or purses are typically the most vulnerable items when it comes to shoplifting. Examples include jewelry, decorative items, candies, lip balms, and other small items. Placing these vulnerable objects in high risk areas is a bad combination that may tempt potential shoplifters, so consider how a shift in merchandising can help combat this.

Finally, consider placing high-priced inventory — whether it's diamond earrings, an expensive scarf, or whatever your priciest item may be — in glass casing or on shelves that demand employee engagement in order for customers to touch them.



Design Your Store Layout With Theft in Mind

When designing a store layout, merchants often consider displays, office space, changing rooms, curb and window appeal, storage and more. Too often, however, theft is not a priority in this design process. To help create an anti-theft strategy for your store, begin by creating a design layout that caters to theft prevention. Retail store layouts that do this often distract shoplifters, and as a result, avoid having to deal with theft as often as others do.

Some things to consider when designing your layout include placing the checkout area of your store between the merchandise and the exit. This creates a barrier between your inventory, your staff and would-be thieves. Combined with employees trained to communicate with all store visitors — customers and thieves alike — someone who is looking to steal will be less likely to do so because of this store layout.

Additionally, aim to create a space that has an openness about it that allows employees to view store visitors nearly all the time. Less visible places attract shoplifters, but through store design you should aim to avoid this whenever possible. You should also make any changing rooms only accessible with employee engagement, decreasing the chance of someone using this space as a place to steal inventory.

Pretend You Have More Security Than You Do

Let's face it — security cameras, tags, and even security guards are all great ways to distract shoplifters. But if you are like many merchants, you can't afford all of these for your store. What you can do, however, is take advantage of some of these tactics without breaking the bank.

One way to do this is to install a dummy security camera that can deter amateur shoplifters targeting indie stores. You can even buy recycled electronic security tags and install them on high-value products to help scare potential thieves away. Of course, the real deal is always better but if that is not in your budget, consider how you can still give that perception to customers that it is.

Keep an Eye on Employees

The US Chamber of Commerce reports that **75% of employees** will steal from their employees within their professional lifetime, which means that you are likely at risk for being among those employers who may be stolen from. Keeping this in mind, be sure that you and your team are the first line of defense against shoplifters — including those who may work for you.

Communicate your concerns to your employees about shoplifting in general, then make sure they are aware that you are aware of inventory, dollars, and anything else that is at risk for being stolen. Teach them to keep their eyes open for suspicious characters and vulnerable items both from an internal and external perspective, then be sure they know the door is open for them to share any concerns they may have.

Communication is key here, which is the basis of any healthy relationship — including those between managers and employees.

In Conclusion

When it comes to theft, you need to be clear with potential thieves what you will do should they be caught. Having clear messages within your store space can help deliver this message, with some examples including:

“Shoplifters will be prosecuted.”

“Please ask an employee for access to the dressing room.”

“Employees Only.”

“Smile! You're on camera.”

Each sign communicates that your store is positioned to prosecute shoplifters while also firmly stating that your store space is a secure environment for your customers, employees, and your items.

Creating a theft prevention plan can be daunting, but the extra efforts will cost you far less than dealing with stolen inventory and thieves later. So with no time to waste, what are you doing today to help prevent theft in your store tomorrow? Using the above strategies, begin protecting your business from the millions of shoplifters roaming in and out of retail stores today.



ABOUT NICOLE LEINBACH REYHLE

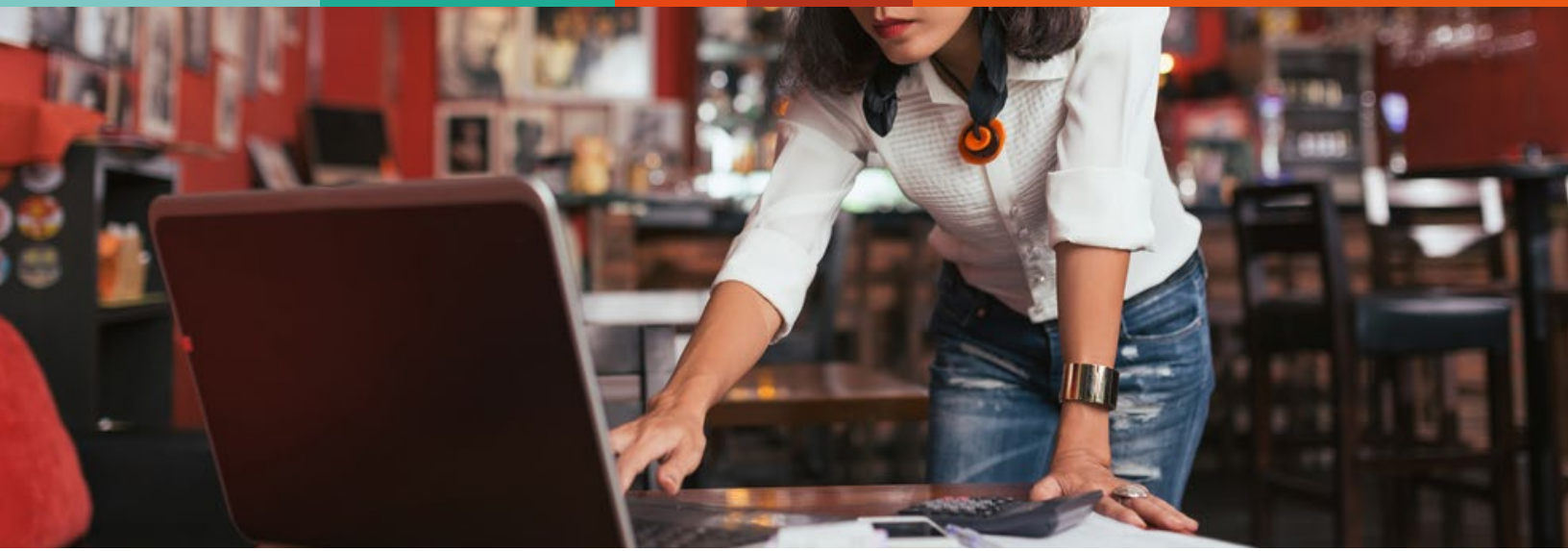
Nicole Leinbach Reyhle is the Founder and Publisher of Retail Minded, a publication committed to supporting independent retailers through news, education and support, as well as the Co-Founder of the Independent Retailer Conference.

Recognized for her expertise in independent retail, Reyhle has published thousands of articles about small business and is the Author of the book Retail 101: The Guide to Managing and Marketing Your Retail Business from McGraw-Hill. Additionally, Reyhle has a regular column on Forbes.com discussing all things retail, has been the Spokesperson for Small Business Saturday from American Express since 2014 and has served as a Spokesperson for Fiverr.com.

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