

Dear Michael & Betty,

Just a few thoughts on paper.

In itself much of what I write/say might not be that new or spectacular, but especially the way it interacts with each other most probably makes a difference.

THE key issue -not only in retailing- is **meeting the consumer needs**. Many people talk about this but I mostly only see the lipservice and not the action required to really make it happen.

Two crucial questions have to be answered:

- 1: Who is my consumer
- 2: What are their needs.

Modern business (marketing) concentrates on segments of the total market; in your case the total market is clothing for men in general. (Sub)Segmentation can go in two different areas and combinations thereof;

at the consumer side the (sub)segments can be divided in age/agegroups-boys/teens etc-socio-economic-income classes etc. etc..

at the product side a large breakdown is possible; sportswear-formal-casual-high/low quality-high/low price-school wear-night wear-under/over wear etc etc.

The BIG question is to determine a product/market combination/segment which:

- is big enough to sustain profitable sales now and in future.
- suits the existing image/profile/customer base of your present business.
- you can identify with-however this does not mean that you have to be part of the chosen segment yourself! You are often more objective when you are not.
- which can be reached/marked out clearly especially with regards to your total communication concept (which consists of all the signals you send out to your potential customer.)

Whether we like it or not, ~~but~~ modern business demands that one specializes more and more and that all efforts are focussed on the chosen segment(s).

The increased competition and thus exposure to mostly aggressive marketing methods of national chains and individual businesses/retailers have changed the consumer behaviour dramatically! Consumers become more and more 'educated' buyers the last 5-10 years and they expect to be treated that way. This applies to every part of our buying behaviour, whether it refers to a service of our local council-telecom-our doctor or the local retailer the customer is simply more demanding; we can't 'get away' with the old methods.

We can't be all things to all people any longer, most consumers don't expect that and don't even appreciate that approach anymore; there is simply too much choice and too much 'commercial noise' around. The services we offer have to be made clearer and easier. The 'corner dairy' concept is rapidly on the way out, especially in an area with an

overkill of shops within a 20 km radius for a basically non-essential product.

YOUR CHALLENGE!

Choose the correct product/market combination(s) and translate those in specific goals and objectives. Then develop action plans and implement them all aimed at achieving the set goals. EVERYTHING has to be focussed on achieving the final goal! I realize that this in itself sounds simple and not very spectacular, but I know from many years of experience that actually doing it that way is a MAJOR challenge.

It often needs a (total?) 'change of thinking. Crucial is at one side the willingness/readiness to go 'all the way' and at the other side the need to know exactly what your chosen market segment really needs and wants, how they want it, when, at what place at what price etc etc etc.

GREAT SO FAR?

To really get 'the ball rolling' may I suggest you try to answer the following questions:

- * Where do you want the business to be in 5-10 years in terms of image-profile-customer/market combination-location?(s)- sales/profit and not in the least your own positions in it.
- * In 5-10 years how do you want your average consumer to describe your business(es). This is the place to include some of your dreams!?

Also you need to analyse the present position and results. No sensible decisions on future changes of direction can be made without proper inside in the present situation. Some questions you should ask yourself (and answer) are:

What segments are now buying; try to break down your business into blocs or customer groups and link them with products they buy, preferably with information on volume/profitability.

Do the different groups relate to each other, how?

How important is every group to your business?

What 20% of your customers are responsible for what 80% of your sales/profit.

What 20% of your products are responsible for what 80% of your sales/profits.

The whole idea is to determine the importance of the different consumer groups and product groups at present.

Another important thing I would suggest you do in this stage is make a strengths & weakness analysis. This refers especially to the internal aspects of your business, not the external (business) environment you work in. This is often much harder than you would think.

Once you have analysed what your position is it will be 'much easier' to determine the changes to your direction. You may come to the conclusion that you need a bit more research first, but we will see that when we get there. I am pleased to be able to help you along the way; I just like this type of challenge and would love it when you would take advantage of it.

Have a look through the Esprit books, they might give you some ideas. Afterall 7-10 years ago they were 'revolutionary' material.

Please let me know how you are going.
Regards