

Why marketing is foundation stone of retail brand building

14 July 2011 | By [Michael Barnett](#) Retail Week

The high street is a hostile environment for retailers right now. Wickes director of marketing Rob Murray tells Michael Barnett that the retail sector must use marketers' skills better to help it overcome economic constraints.



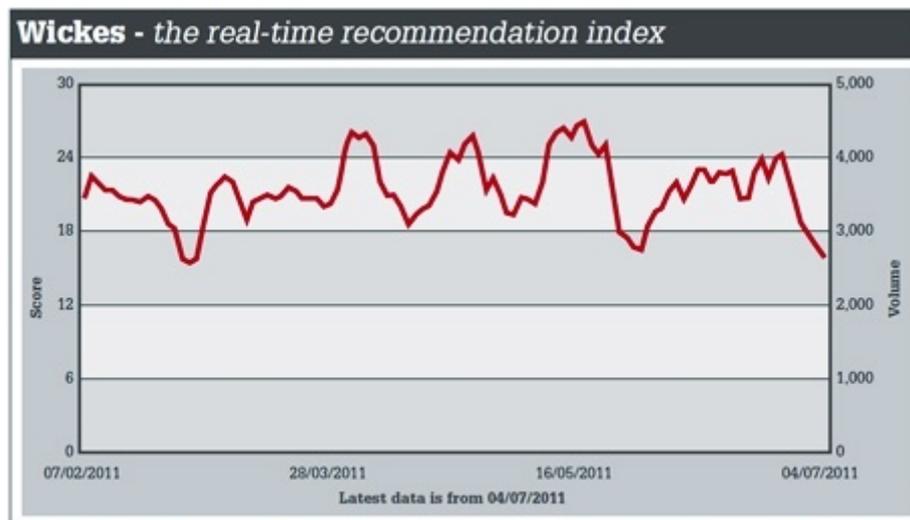
Marketing Week (MW): Which marketing issues are top of Wickes' priority list?

Rob Murray (RM): Pricing is a real theme. We need to give our customers genuine value without trashing our profit margin.

Tradesmen are going to more stores for equipment to do a job than they were a few years ago because they now cherry-pick on price. Most commercial trade directors, which is what I am essentially, will say managing that issue is one of their concerns.

Then there is the issue of getting data to create real value for your business, without completely swamping it. Anyone who has transaction-level data like we do [from the brand's My Card loyalty scheme] has the

ability to spend everyone's entire life analysing data and making no decisions. But there is a real source of competitive advantage if you are good at getting insight out of your data.



Source: YouGov BrandIndex figures showing the propensity of people to recommend Wickes over the last six months.

MW: What are your strategies for marketing Wickes in the current retail environment?

RM: One of our strategies is multichannel. Most retailers would say we need to be multichannel because it is very fashionable and it is also fairly obvious. But that is not the right starting point - we need to do what is right for the customer. Most white van drivers still have some kind of catalogue on their dashboard, alongside a copy of The Sun newspaper.

A lot of companies run multichannel operations as a silo or separate business unit. We did in the early days, but it is now fully integrated into our business. You cannot be a multichannel retailer and have each channel as a silo.

One of the challenges is cultural - how do you get people who have spent all of their careers just thinking about packs on shelves to think about catalogue pages, web pages or products that are sold online but not in store? If I am the category manager for paint, I have no choice but to think about my web offer.

The success of our store colleagues is measured against total sales, not just store sales, for their catchment. It is all about integration, and getting everyone to think about online and catalogue sales as well as the stores. It is much harder than you would think. We are learning as we go.

MW: How important are mobile phones and the internet, compared with the traditional stores and printed catalogue?

RM: Tradesmen have been relatively late adopters of doing business on both the web and mobile, but I think it is going to come through quite quickly and we are building a strategy in that area. In a sense, we have been allowed to be a relatively late adopter in that area ourselves because of our trade customer. They tend to just pop into an outlet or ring up from a catalogue.

There is a two-year cycle of handset renewal that is forcing people to switch to smartphones. Even late adopter groups like tradesmen are ending up with smartphones. It is starting to blend into their work. You cannot have a credible multichannel strategy and not think about mobile as part of that.

It is very easy to say we need to have an app because everyone is saying that. But we need to think about how our customers are buying products and how best we can help them. That is always our approach rather than just jumping onto a bandwagon because everybody has one. We do not know what the answer is yet - and that is deliberate.

Wickes - the real story

Wickes' marketing challenge for 2011 is to increase its share of the consumer DIY market while retaining its traditional trade customers.

It operates in a sector where consumers are very price-sensitive and many of its competitors, including MFI, Habitat, Moben and Focus, have failed in recent months, either shutting stores or ceasing trading.

Wickes is mopping up some of the talent and property left by its rivals but the retailer has some difficult marketing work ahead.

Although the DIY sector is set to grow 0.9% in 2011, increasing its sales to £9.37bn, according to research company Verdict, few businesses are seeing this in practice.

Wickes saw its total sales in 2010 increase 2.3% to £1bn on the back of new store openings. However, the majority of market share gains are coming from the trade, rather than the consumer market.

MW: How have you structured Wickes' marketing department since the boardroom role of marketing director was created three years ago?

RM: We have set out to create a retailer that is structured to be customer-driven, and at the heart of that is category marketing. The category manager of paint has a full marketing mix remit for the paint category - she is responsible for the product that we sell, the packaging, the merchandising, the pricing, the promotional campaign and the marketing communications. She works in the classic holistic way that FMCG marketers work.

Basically we are an own-label operator. We are a retail brand and we are also a product brand. Because we do not stock other brands, we are free to create our own proposition, free to find a manufacturer that can make that for us and then to market it how we want to. We would view [external] brands as a bit of a straightjacket because we would have to do what that brand does and not be different from anyone else.

MW: How is this different from other retailers?

RM: In the typical retailer, the dominant commercial function would be buying because it is about sourcing the right products, creating the right supply chain and so on.

Yet a retailer is nothing but a marketing organisation. All it does is put things on shelves that it thinks customers are going to buy, then it attracts people to those shelves. So marketing should be very high on the retailer's agenda.

MW: How do you measure whether this approach is working?

RM: Everything we do has to be counted in terms of return on investment. There are a couple of facts that make me believe our overall strategy does work. One is that we are in our fifth consecutive year of market share growth. The other is that in three of the last four years, including the most recent year, we have come top in Verdict's Customer Satisfaction Survey.

We have just started another change programme to reskill ourselves, reorganise ourselves and evolve our capability so that in three years' time we are still one of the best marketing departments in retail.

MW: How easy is it to find the marketing talent to do this?

RM: I am always surprised how hard it is to find good candidates, but then I tend to be delighted when we find a good one. It feels like you have to kiss a lot of frogs, but then you find someone who is amazing. I do have a feeling that marketing has deskilled over the years. I do think that there are a lot of marketers who are either in an ivory tower or just focus on the sexy bit of marketing - the brand and communications bit.

Nobody is more passionate about creative work than me, but it only exists for commercial reasons. If you lose track of the commercial benefit, you lose your way as a marketer. I also think a lot of the good people are staying put. It is a high-risk thing to move jobs at the moment.

We have had to fill a lot of vacancies from outside to build our skills but we also need bright young things coming up from the bottom. With a department of 90 people, we should be virtually self-sufficient in terms of talent when that works well. It's important to us, but we aren't quite there yet.

MW: How are you seeking to attract these marketers to Wickes?

RM: There is a management focus called Great Place to Work. It is not some poncey values or principles thing. We want everyone who works for us to go home and say: "I enjoyed today". That is the single most important thing to the board because if people feel that way, they will be more productive. Because marketers are right at the heart of the business, they have to love their jobs. This is a massive motivation for us.

Wickes real-time reader responses



@JonB4tes *How do you see your brand developing over the next five years?*

Rob Murray (RM): I expect this business to continue to grow share and retain its distinctive positioning. There is a lot of headroom in the business. We are a very dynamic, ambitious business.

Some retailers, in chasing growth, choose new opportunities that are not true to their positioning. There are lots of new revenue streams that we can develop, but we can develop those while being true to what we are. There is a real sense of what Wickes is and what Wickes is not - whether you are talking to a store colleague, the managing director or anyone in between.



@23red *Following the closure of MFI and other high street kitchen companies, what is Wickes doing differently to remain competitive?*

RM: Our competitors tend to be much broader in their appeal. On the DIY side, that is now just B&Q and Homebase, but on the trade side you have the whole world of merchants, including our own sister companies in Travis Perkins. We have a clear role within those two markets, targeted at the small tradesman and the DIYer so they can just come in and buy what they need.

Retailers tend to have very short planning horizons but we have done work thinking about 2020 and how the market might look, particularly thinking about the balance between different channels and the role of the bricks-and-mortar store.

One of the key themes of multichannel is the balance between that and the rest of your estate and how they link together. If you take Moben, which has gone bust, what has been in the media is that it could not afford to pay the rent. Multichannel provides incremental business growth, but it also cannibalises your estate, so you have to manage that balance really precisely.