



Show Notes | S1 Ep3 The Role of People in Physical Retail

Special Guests: **Jackie Culp & Lou Chestman**

INTRODUCTION:

Welcome to **Retail Done Right**. These Show Notes accompany our Season 1, Episode 3 podcast, “The Role of People in Physical Retail.”

We’re in a new era of retail - the era of the Customer Channel – where Shoppers’ rule. This requires retailers to be empathetic and supportive of their customers, in every way.

Have there been changes in the role of the physical store? No doubt...

- Mission-driven shopping
- Fewer store visits
- Less traffic (which was already a trend pre-pandemic)
- An educated consumer who has researched extensively online prior to coming to the store
- New shifts like fulfillment in store and from the store as well as curbside pickup

We’re still shopping in stores. And, as a % of in-store versus online, the vast majority happens in-store. – 84%, according to the most recent [US Census Bureau](#) statistics.

Technology and the transformation in consumer shopping habits gets most of the press right now... But I think we are missing something here. It’s not about the technology. It’s about the people that make this happen. All the people – from behind the scenes to the front-line team.

OUR GUESTS:

Our guests are former colleagues from Sunglass Hut, and who are now principals with [Next Performance Horizon](#), [Jackie Culp](#) and [Lou Chestman](#).

PEOPLE WORK FOR PEOPLE:

The conversation began with the guiding principle that **People Work for People**.

As Jackie shared, “I believe in SERVANT LEADERSHIP; the practice of putting the needs of the employee first, of empowering others; allowing them to be their very best. It is important to meet people where THEY need to be met both professionally and personally. You need to be present and pay attention; when you ask someone “How Are You?” you need to take the time to LISTEN with Empathy and connect with their response. This helps to build trust in the relationship. “

Lou built on this, “If you are a leader, you are in the relationship business. Relationships are fostered when people feel listened to and valued, but listening takes a lot of practice. You have to be present in the moment; ignore internal noise and preconceived thoughts. You have to listen with an attitude of genuine curiosity and interest in the other person. Finally, listen with empathy in hopes to sense the other persons perspective, feelings, actions and desires. “



The physical retail experience is people + people + stuff. Great retail managers work not just to create a great customer experience, but a good staff experience too. You know when you walk into a well-run store - especially at closing time when people are cleaning but not too busy for customers as there's a sense of purpose around the action.

RESEARCH AND LINKS:

- We discussed a recent article about a toxic store environment at Lululemon in Business Insider: <https://bit.ly/3gN94r5> (paywall)
- The impact of returns to your bottom line and the opportunity to leverage the physical store and your staff were discussed. Returns skyrocketed in 2020. <https://bit.ly/3gN94r5>
- **Trader Joe's** was discussed as an example of a retailer with great people, people who we believe have tried their products, share real feedback and suggestions and are allowed to be individuals.
- Cristene challenged the traditional store level-based P&L metrics, along with asking the question if sales/square foot was a relevant metric. Here are some links for her research:
 - <https://www.statista.com/statistics/752193/department-store-sales-per-square-foot/>
 - <https://www.statista.com/statistics/1200016/average-sales-price-retail-properties-united-states/>
 - <https://leasetome.com/blog/us-retail-vacancy-may-increase-by-a-billion-sq-ft-in-2020-or-not/>
 - <https://www.investopedia.com/terms/s/sales-per-square-foot.asp>
- **Wawa** was another example of a strong retailer with great employees. "Today, Wawa is your all day, every day stop for fresh, built-to-order foods, beverages, coffee, fuel services, and surcharge-free ATMs. A chain of more than 850 convenience retail stores (over 600 offering gasoline)."
- To see the **Mr. Brainwash** installation that was in the Sunglass Hut Soho flagship, visit these links:
 - <https://www.freshnessmag.com/2015/05/13/sunglass-hut-artist-series-mr-brainwash-collection/>
 - <https://youtu.be/HW8iJDq1Y3A>

CONCLUSION:

We ended with a conversation about energy. As Lou stated, "At the epicenter of the customer experience and the associate experience is energy." It's that simple.

It's about the Customer Channel. And in physical retail, the staff is a key differentiator.

Jeff Fisher & Cristene Gonzalez-Wertz

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