



2019

Australian Retail Innovators

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CONSUMER AND RETAIL TRANSFORMATION EXPERTS



Customer
Experience



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Social
Cause



Inspiring
Retail Leaders



Congratulations to our well deserving finalists in Retail Doctor Group's 2019 Australian Retail Innovators showcase. Each finalist embraces the transformative nature of our sector and the outcome is exemplary. Transforming retail is about vision, change, talent, incremental improvement, and relentless passion to be the best. Thank you to our finalists for leading the way on their journey to becoming the best.

Brian Walker, CEO of Retail Doctor Group

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Customer Experience

Customer centricity is at the heart of the retailer's offer, culture, positioning and deployment.

Readings Part of the community



READINGS is a leading independent Australian online merchant and retailer of film, music and fine books. They are considered to be one of the great literary resources in their hometown of Melbourne and across the country. Many experts and professionals use their teaching resources in their curriculum.

They took part in the Australian Retail Innovators Showcase, where they expressed their thoughts and ideas about taking their customer service and experience to a whole new level.

CEO Mark Rubbo stated some of the key points of their customer experience strategy. This is what makes Readings stand out from the crowd and such a loved institution by its customers.

Readings – customers first

Readings rely on several key points to provide an exceptional customer experience that makes a real difference. They build a sense of belonging and a community where their customers feel welcomed and accepted. Their online service is customer-centric, offering much more than just a traditional loyalty program.

By encouraging every online user who lands on their page to sign up, Readings allows each prospect to get access to their monthly magazine and get a special offering. That offering can be anything from an exclusive edition of a book to a special price incentive. Their service is driven by quality rather than quantity.

At Readings, every customer matters, there is no distinction based on spend and they remain independent with their choices of books to recommend to their customers.

Community spirit shared with customers

The Readings Foundation is funded by profits from the business and it provides grants that support a range of projects and organisations within Victoria and assists in the support of the development of literacy, community integration and the arts.

They are also the official bookseller and major partner of the Melbourne Writers Festival, which is Victoria's premier literary event.

Keeping communication active and catering to customers' needs

Readings put a lot of effort into maintaining a constant communication channel with their customers. They see this communication as a way of building a real relationship with their customer database. Because of that, their subscription rates are increasing.

They understand and recognise the awareness of modern consumers, as well as the importance of protecting personal data, which is a growing trend, especially in online retail. It's this ethos and communication that helps them identify consumers who see Readings as their favourite brand.

Gewürzhaus Delightful customer experience

GEWÜRZHAUS is one of those easy-to-remember success stories. Everything started back in 2010, with a small herb & spice business. Over the next couple of years, Gewürzhaus became one of the most prominent spice merchants in the market.

The store now offers over 350 single-origin spices, herbs, salts, peppers, teas, and sugars from all corners of the world. Gewürzhaus also includes over 100 unique small-batch blends in its offer, all mixed and milled by the brand itself.

However, playing the “cooking from the home and the heart” and “cooking is important for preserving tradition” cards is not the thing that launched Gewürzhaus to success. The approach to customer experience did.



Promote customer interaction with products

Gewürzhaus pays a lot of attention to customer experience in the store. This brand intends to help every customer develop a special kind of relationship with every product they are interested in. To achieve this, the brand allows customers to directly interact with all Gewürzhaus blends of herbs and spices in tubs.

Employees encourage customers to sample, read

labels, and smell the herbs and spices. This environment helps stimulate the love for food and cooking. The sense of smell is powerful, and it can take people back to strong memories. This is the feeling the brand successfully enhances in its stores.

The online store also features food recipes written by Gewürzhaus's in-house team members. All of these recipes incorporate unique spice combinations. This invites customers to drop by and smell the spices and herbs themselves. New recipes are always added to this list to keep the same level of interest.

A custom-tailored hiring policy

Everyone on the Gewürzhaus team is in love with food and cooking. This passion allows Gewürzhaus employees to provide excellent customer services. This interest is genuine and this is precisely why their employees can form meaningful relationships with the customers.

Employees are really interested in helping customers choose the best herb or spice blend. They take all the time they need to guide and show customers how to use and select spices. This is exactly what keeps customers coming back.

To ensure all of the above, Gewürzhaus places high importance on their recruitment process, especially for senior head office roles. Since the brand values attitude the most in its employees, sometimes it can take days before they are able to find a person suitable for a job role.

Focus on connecting with the customer

Gewürzhaus wants to ensure that the focus remains on their customers. This is why there is less focus on measuring the sales staff individually. However, they are focused on group results and offer great staff incentives to their leaders.

To promote connecting with customers, the brand gives a \$5 spice allowance per shift. The staff use this allowance to experiment with spices and herbs. They can then share this excitement with customers.



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Vinnies Victoria

The op-shop opportunity

BEING in retail in 2019 is about recognizing the needs of your customers, understanding their wants and buying habits, and putting an emphasis on rewarding them. Vinnies Victoria know this and are redesigning their business for the benefit of all.

Vinnies Victoria is a not-for-profit organisation and operates over 100 shops in Victoria that provide donated clothing, household items and furniture to families and people who are in need.

Jeff Antcliff, General Manager Vinnies Retail, explained his vision of a customer-centric approach, a model of operations where the customer comes first and receives loyalty benefits in a category that historically does not provide them, while at the same time creating an eco-friendly environment.

A VIP club for loyal customers

According to Jeff, one of the most effective ways to recognize the most loyal customers and reward them for their loyalty is by launching a VIP club. Aside from

increasing subscription rates, this VIP club is aimed at rewarding more customers and to keep them coming back. It is a redemption program that is automated and offered at the POS, so customers don't need to keep track of the benefits. There are also clear retail principles of clutter-free stores, attractive presentations and engaging promotions that drive return business.

Reuse, recycle and a green night's sleep.

Vinnies Victoria also chooses to work on its environmental credentials, which they know is important to their customers who look to re-use products in their shops. They have moved to Envirobags instead of plastic bags and have several waste recycling programs operational right now.

One example is that Vinnies Victoria have saved 10,000 mattresses from landfill. They take secondhand mattresses, re-spring and re-cover them and then sell them at a low cost to people in need - with a warranty.

Retail training for volunteers

Vinnies Victoria has over 5,000 wonderful volunteers in their shops and they are given on the job retail training and mentoring. Store managers and senior shop leaders also receive training in areas such as mental health to help look after customers in need in the community.

New suppliers

When Vinnies Victoria need new product to complement their range they first look to source from local suppliers and manufacturers in Victoria. Any overseas suppliers must comply with strict sourcing rules that ensure their workforce is treated well and fairly. These values are important to the Vinnies organisation.

Vinnies Victoria are using these retail strategies and many more like them to underpin the Vinnies mission and values of serving the community, as well as leading the growing secondhand sector in Australian Retail - what an opportunity, and the skies the limit.





Mirvac Charging up retail

NATIONAL retailer Mirvac knows that modern retail is all about being completely customer-centric. With that in mind, Tim Weale, their National Manager Retail Solutions has paired technology with customer demands to keep customers returning to their retail precincts.

Tim explained some highlights of Mirvac's business strategy that includes a commitment to using technology to create customer experiences that make a difference to their customers and retail tenants.

Mirvac retail's business strategy highlights: free wi-fi and electric vehicle charging

A key premise of the strategy is ensuring customers benefit from the latest technology trends when they are new and relevant - not in 12-18 months when the technology often arrives at their competitor's retail centres.

Tim explained that Mirvac has flipped the traditional role of landlord on its head; it now positions itself as a provider of services to both customers and tenants.

For example, Mirvac was ahead of the curve when it made free, high speed WI-FI available to customers in most of its major centres, almost four years ago. Just like at home, customers expect to have the facilities and technology to access the internet while they're shopping.

Another standout example is Mirvac's introduction of free charging points for electric vehicles (EV) in all its major locations.

EV owners who shop at Mirvac locations now have the option to pull into a conveniently located charging bay, park up and charge for free while they do their shopping.

And it's a cost Mirvac is happy to wear as they know this group is engaged and tech-savvy and see the value in shopping at a centre where they can double up on their errands - do the shopping while the car is charging. At some stations, the leading technology enables a car to be fully charged in just 15 minutes.

Mirvac uses the feedback this group of early adopters provides - mainly through social media platforms - to keep raising brand awareness, to promote their charging capabilities in multiple locations and to keep customers coming back to their shopping centres.

When it comes to the latest technology, Mirvac looks to industry leaders like Amazon to take their lead.

"Companies like Amazon, they're changing the retail industry as we speak, and they're doing it fast by being completely customer centric" Tim said.

"A way to compete is to understand what customers want, exceed their expectations and match the two together" he said.

Kitchen Connection

The highest conversion rate in the niche



Kitchen Connection is a Queensland-based company specializing in kitchen renovations. With over 200 kitchen installations and renovations per month, Kitchen Connection is the leader in this industry. But this is only the result, and we can't learn from results without taking a look at the factors that led to them.

Kitchen Connection's success story is not an overnight success. The entire team, including the staff and managers, have worked hard to become one of the most recognisable kitchen brands in Queensland. Here is how they've achieved it.

End-to-end experience comes first

To take a business and make it a success story, you have to offer additional value to customers. Kitchen Connection does this during each phase of the customer journey, thus ensuring that the customers stay loyal. Over time, the company has refined this process and turned it into a marketing campaign.

The main factor here is the end-to-end experience, and that is exactly what makes Kitchen Connection stand out in the crowded kitchen installation market.

The experience starts in the showroom, then the design team visits the customer's home. They design and quote in the home at the first visit. Finally, the installation crew comes to remove the old and install a brand new kitchen. While this sounds like a pretty common business model in this industry, Kitchen Connection does it better.

Know who your customers are

The team at Kitchen Connection are aware of who their customers are. That allows them to fine-tune their

offer and make it even more attractive to prospective customers. The company operates in the "do it for me" market, meaning that the potential customers are generally time poor and want easy solutions with the decisions being made quickly and the company delivering on time and on budget. Once they have the home visit, customers know that they are getting an accurate fixed price quote and the project completion of 6 weeks, guaranteed. The 6 weeks project completion promise is faster than the competition and this is strong selling point.

The valuable investments in the showroom

The next thing in line that differentiates Kitchen Connection from the competition is their showroom design. The team are always there to help customers, do calculations, and provide advice and information, and Kitchen Connection doesn't hold back when it comes to investing in their prized showrooms (over \$350k spent on a showroom). They have over 20 locations, based mainly in convenient Homemaker centres.

The average industry conversion rate of "walk-in" customers is about 10 to 15%. Kitchen Connection's conversion rate of "walk-in" customers is over 50%.

Established hiring process

Finally, there is a strict team selection criteria. This includes assessing if they love working with people, are presentable and are hungry for success. The rest can be taught! This process has proved valuable and reflects the company's success as a whole.

Icon By Design

The benefits of being in control of a supply chain

ICON BY DESIGN is a decades-old family business, which is just part of its great success. The unique approach to furniture design, optimised supply chain and commitment all helped launch Icon By Design to the very top in this industry.

Complete control over the supply chain

To make the supply process simpler and to be more competitive in the market, Icon By Design has adopted the supply chain methodology used by retail leaders such as Apple. This resolves the problems associated with having too many people in the supply chain, which can result in poor customer experiences and higher prices. The company is using a detailed forecasting methodology for every product to ensure that the pipeline of stock keeps flowing. This direct factory-to-customer approach sends a strong message to customers and allows Icon By Design to adopt a competitive pricing policy. Their competition is generally not in control of their supply lines, giving the company a real advantage, resulting in greater customer satisfaction.

On top of that, the Icon By Design offer is value-driven with Scandinavian design skills and quality materials.

The customer experience

Icon By Design's famous customer experience is a result of their continuous effort with people. The company employs people with a "can-do attitude" and attention to detail is also highly valued.

The majority of Icon By Design's staff are trained in hospitality. The company also does not run pure sales performance incentive programs for the staff. This promotes the "helpful" attitude rather than hard selling. All of this has contributed to building a great atmosphere, which customers recognise and value.

Staying current with technology is important

To keep up with modern retail challenges, Icon By Design had to implement some of the most sophisticated systems on the market. One of their main points of difference is a very strong back-end stock system as well as CRM systems and a 3D CAD design system. The product factory is also highly automated. This all adds up to highly satisfied clients, due to the speed of completion, quality



and accuracy of delivery. Icon By Design is famous for incorporating cutting-edge technologies in day to day operations.

The unique and memorable store experience

The Icon By Design store experience starts as soon as a customer opens the door of the showroom. The shop brings your senses alive with lighting, music and even scents to create serenity and allow customers to relax and enjoy the shopping experience.

Litmus Lab A disruptive 360-degree customer experience



LITMUS LAB excels in playing with human nature to discover new things. There are plenty of companies out there that try their best to bring innovations to their customers' homes, but Litmus Lab does something different - something that helped the brand establish itself as a leader in the field.

What's even more interesting is that this is an e-commerce business with a physical front, and it has succeeded in combining both retail worlds. Let's see what makes Litmus Lab disruptive and what is the 360-degree customer experience that the company uses to encaptivate customers.

Disruptive 360-degree customer experience

This takes prospective customers on an exciting journey. All customers that visit Litmus Lab stores have a chance to try out the products and this is exactly what drives excitement.

Litmus Lab employees are well-trained, and they know how to take customers into a virtual reality experience. There are no hard-sale efforts whatsoever, they engage with customers, and the team are there to answer any questions no matter how complicated.

Employment strategy that makes a difference

Training at Litmus Labs starts from day one. First of all, the hiring process targets individuals who are passionate about new tech and home products, digital gaming and online experiences.

Secondly, Litmus Lab covers each product with a video, which are completely voluntary for employees to watch and learn everything there is to know about the products they are selling. This makes answering customers' questions a lot easier.

Litmus Lab cuts through the noise

Invoking excitement and desire in customers is easy, at least according to the Litmus Lab team. The company is using innovative products to attract the attention of modern consumers. But this is just one of many things that differentiate Litmus Lab from other similar companies on the market. Litmus Lab seamlessly manage physical and digital retail so that the customer experience is the same from both points of contact.

Litmus Lab leverages the fact that we live in a smartphone era. The company features products that run off a smartphone app. Both Android and iOS products are supported.

And finally, Litmus Lab products have to possess the ability to take people into a virtual reality state.

The future is around the corner

Litmus Lab is looking forward to meeting the future. With a very strong pipeline of new products and stable business foundations, the company expects to keep growing. They also cleverly recognise that the opportunity for growth is hidden in customer data.

Litmus Lab is opening several concession stores in Iconic Australia Department store Myer. The increased data will be used to identify customer profiles that resonate with the brand to facilitate further growth.



Omnichannel Excellence

The retailer boasts a seamlessly integrated omnichannel retail execution that is innovative and adaptive.

The Lott Digital & retail working hand in hand



THE LOTT is the largest retail franchise in Australia, selling Australia's official lotteries. Franchisees are now set to benefit from a range of new initiatives being introduced by the Lott.

In March 2019, the Lott unveiled its new Omnichannel Program to its network of around 3,800 franchisees. It comes as the Lott is also introducing a number of new customer initiatives including a free customer membership, win notification service, digital wallet and a new-look the Lott Membership card.

Through collaboration with its key partners, the Lott evolved a way to provide an improved brand experience for its customers. The Omnichannel Program was designed to offer a more seamless customer experience, while delivering great benefits for franchisees too. Based on customer insights, the program acknowledged the relationship between the physical and digital retail environments and its vital role in enhancing customer satisfaction and returns for franchisees.

The Lott wanted to deliver a retail experience that was second to none. The new Omnichannel Program sets out to do this by allowing customers to engage across multiple channels, whilst providing options to help drive the ongoing commercial viability of a franchisees' business. Additionally, this program was developed to help increase its customer base and customer repeat purchases.

Digital should empower brand not weaken it

Gathering customer-experience insights gave the Lott a clear indication that customers like having the choice to shop across multiple channels. They like to choose how, when and where they engage with the brand. With the digital business model becoming larger in the retail industry, the Lott started assessing the opportunities.

While stabilising major Customer Experience pain points, the Lott was also conducting a large research piece with Lotteries Customers to develop the Lotteries CX Strategy.

This piece of work helped to understand:

- "where to play" with Must Win battles and
- "how to win" with the supporting CX Strategies

This shift in service offering was about getting to know customers and letting them decide. From there, six must win objectives were set:

- Frictionless onboarding for the Lott's Membership Program

- Low cost effective customer support
- A targeted retail experience
- Amplify the belief in winning
- Recognise and reward loyalty
- Make play more social

Franchisees are brought into the digital channel

Franchisees are at the core of the Lott's business. While the Lott was focussing on making customer choice a priority, they were also about working closely with franchisees to help provide an engaging experience for customers. Franchisees supporting the omni-channel approach have the opportunity to earn additional commission by offering customers multiple ways to purchase.

To set-up a program with the best chance of success, the Lott wanted franchisees to fully engage with what the program has to offer. By meeting a set of performance measures, centred around education, communication, loyalty and compliance the franchisees' business will benefit.

Their previous system had not kept pace with the current retail environment and the implementation of the new model would for the first time, make commissions available to franchisees on omnichannel digital lottery purchases made by the growing number of bricks-and-mortar customers who like to buy lotteries both in the physical retail and digital channels.

Reward system for franchisees and customers

The Lott's research showed that customers wanted two things – control and consistency. They want control over how and where they purchase their entry. Most only played in-store, others loved the App, while some used both. The program wasn't about pushing customers online, it was about giving them the freedom to move seamlessly between channels. Offering products via multiple channels meant the Lott could provide customers with one consistent brand voice and experience, no matter where they purchase.

The Lott decided to remove the membership fee for customers. This fee proved to be a barrier for both franchisees and customers in the past. If a customer becomes a member of the Lott, the franchisee who helped activate that membership, has the opportunity to receive a sign-up bonus, which is a bonus commission on digital purchases made by customers that have signed up within four weeks.

What can we expect from the future

In the future, the Lott plans on leveraging new technologies to make their brand stronger and incentivise franchisees to perform better both in physical stores and digitally. The plan also includes using customer data to deliver personalised service to be truly customer-led.

Morsl The importance of healthy nutrition at work

HEALTHY nutrition is the main topic that's quickly taking the world by storm. In the last couple of years, more and more consumers have been looking for ways to eat well so they can stay in shape and feel healthy. With that in mind, Karla Borland, the finalist in the category of excellent omnichannel experience, has opened up on her fascinating concept that shows how struggles with the need for convenience, being time poor and lack of access to nutritious options during the workday, often prevent people from eating healthy.

Energy boost isn't candy bars or a diet drink

According to Karla, most people make a great mistake by having a chocolate bar and a diet drink when they need that energy boost at work. This becomes a habit, and before you know it, you're overweight with poor eating habits.

Instead of this, why not consider the possibility of cooking something healthy in the office? While there are healthy vending options, that's not exactly what will solve the problem.

We need to look beyond the conventional vending machine. That's how Karla introduced her concept of micro markets.

By getting open shelving and coolers in the office, it's possible to educate people on nutritional information and offer a wide assortment of foods and snacks, based on the highest quality nutritional criteria.

The concept of corporate wellness programs

Imagine an office with healthy eating options, right portion sizes, and foods and snacks free of artificial nasties. People can conveniently have a healthy snack in



a wonderful and trendy ambient, with a quick and easy self-checkout and effective 24/7 access.

Many businesses are required to operate 24/7, and the employees use their entire breaks to go out and have something to eat. Instead of that, they can relax and enjoy employee-centred corporate wellness programs.

Nowadays, we have companies focused on mental health, exercise, and other aspects of employee wellbeing, so eating healthy is a logical next step.

The problem is that most companies don't know how to provide and manage the healthy nutrition element in their wellness programs.

Having snacks is convenient, just because the



business world is deprived of time, so the employees are forced to rely on conveniences like unhealthy vending options.

This is what increases the risk of obesity and diabetes. However, this risk can be eliminated by introducing a balanced diet and healthy eating habits.

Having an impact on the overall health of the employees is Karla's main mission.

Education is the key

People need to be educated on fibre, sugar, salt, artificial sweeteners and saturated fat levels. These are the most important nutrition guidelines. People

need to learn to recognise these guidelines to improve their eating habits and eat better.

As part of Morsl's engagement program, it seeks to inspire the employees to upgrade their nutrition to improve their energy, resilience and performance.

This is the biggest challenge for Karla's company at the moment. To make people become aware of how eating fresh foods, fruit, more vegetables or a plant-based diet is good for them, we need to approach them through their preferred channels of communication - through social media.

The moment people realise the benefits of whole foods offerings, they'll start eating and feeling much healthier.

T2 Tea

Conquering channels, one teacup at a time



T2 OPENED its first store back in 1996 in Fitzroy, Melbourne. Over twenty-two years later, you can taste the Australian tea brand wherever you are - in the company's brick-and-mortar stores across Australia, New Zealand, UK, US, Singapore but also worldwide, via T2's online store.

It's exactly this combo of offline and online focus that made T2 this year's finalist in two categories - Omnichannel Excellence and Retail Leader.

The indisputable quality and uniqueness of its tea blends and teawares aside, T2 achieved success globally thanks to its forward-thinking leadership and smart risk-taking. Accelerating the winners and failing fast in some areas was key to their journey to date.

Both were on display once again during these last couple of years, as T2 was executing its first omnichannel strategy, one teacup at a time. Having modernized on one side and humanized on the other, this is how T2 Tea confirmed that it is indeed one of the hottest tea retailers around the world.

Recognising the multifaceted sides of customers

Born out of brick-and-mortar retail, T2 expanded to the digital marketplace in early 2016 in earnest, by launching its T2 website - a place for community, connection and commerce. Now that consumer behavior has changed,

the leadership team found it essential to re-imagine the business.

Enter the company's accelerated channel diversification strategy.

In developing the approach to multiple channels, T2 remained focused on one thing - the customer. It became obvious that diversification was not about the sheer quantity of distribution points, but about recognising customers' shopping behaviour across channels - through boutique stores to e-commerce to supermarkets and many in between.

Over at T2, they admit that "at the end of the day, we just wanted to make sure we could serve our customers where they were shopping and recognize that a customer is not homogenous in the way they shop."

What brands often forget about is that psychodemographic profiles are fluid. No target audience is restricted to only one type of behaviour. Modern-day customers are tech-savvy online shoppers, but they are also have multifaceted buying personas that span locations, modes of buying and times of day. Especially if they're shopping for tea.

With that in mind, the main idea behind T2's omnichannel strategy was to make their products available wherever the customers are and in this truly serve their needs. Recognising that a customer could easily replenish their Melbourne Breakfast tea bags during their end-of-the-week supermarket shop, but also order a brand new T2 blend online or stop by T2's store for brew tools and gorgeous teawares to build their own tea lifestyle wherever they are.

Creating an online experience as a flavour maker

Creating an omnichannel strategy for a tea brand is not easy. Early on in the ideation phase, T2 was facing a unique challenge - how to translate the highly sensorial, immersive and experiential T2 store experience across other channels like online, in a department store or on a static-shelf in a supermarket.

The solution was cross-channeling, which allowed the retailer to use the many touchpoints between the



customer and its brand as a cross-reference to the next point in the customer journey.

As T2's leadership explained, this customer journey may start on a plane, where a customer picks up a magazine with T2's story or advertisement showcased in it. The ad would inform the customer that their favourite tea blend is now available at their local supermarket, but also remind them to stop by the T2 store for a bespoke masterclass and try new exciting innovation and brewing tools. However, that's not the end of the journey.

Once in-store, a customer is encouraged to go to the T2 website and check out the recipes for the tea blend they've just purchased or some information about the designer behind the unique gift packs. The website will provide even more than that, employing automatic product recommendations to complement the purchase and drive online sales and invite the customer to become part of the T2 Tea Society - a community of advocates bound by their love of tea done differently.

Ultimately, T2 learned to use each channel as part of an "ecosystem rather than as an independent entity in and of itself". Within that ecosystem, e-commerce is only one of many supplements for the experiential in-store experience, together with wholesale partnerships in a

number of different areas such as travel, retail, department stores, cafes, and hotels, to name a few.

What's in store for T2 and what's new in T2 stores?

Going forward, we'll witness two major outcomes of T2's current efforts - one home-grown and one abroad. The company continues to focus on building a T2 Generation globally and is excited about what they hope to be their next market expansion in China.

At the same time, T2 remains focused on revolutionizing the tea market for Australians - continuing to reinvent an ancient ritual with ever surprising modern twists.

T2 is passionate about one: all channels, be they digital or not, have a role to play in inviting an avid tea drinker or a new experimenter back to the place where it all began - an evocative and distinctive T2 brick-and-mortar store where they can immerse all senses in the wonderful world of tea that T2 puts on offer and have a real cuppa with a real person!

Creating an environment where failure is not feared but is seen as a key part of the learning journey for the brand has been important to building a T2 culture and team, not only up for the changes in the market but excited about the opportunities that come from them.

Research and Strategic Focus

The retailer utilises timely and relevant market, global and internal insights to shape a clearly differentiated strategy.

IKEA A leading lifestyle brand in retail innovation



IKEA is a leading brand in furniture retail that has always been dedicated to innovation. Their business strategy is incredibly adaptive, intuitively targeting the urban market and exploring the potential of smart homes.

This strategy marks a new era for IKEA, transforming the company into a lifestyle brand that is fully committed to the growing trend of urbanisation. The main goal is to move with the times and adapt the brand to smaller category formats that are intended to bring IKEA as a lifestyle brand into the concept of smart homes.

With unique category specialist stores, IKEA is aiming to stand at the very forefront of technology and seamlessly integrate their business into an omnichannel retail platform.

The strength of IKEA's retail strategy

Aside from becoming an urban omnichannel platform retailer, IKEA is also a leading organisation in raising brand awareness regarding brand equity, sustainable growth, the importance of being agile and adaptive, and how the uniqueness in proposition helps brands understand their core market.

Perhaps the biggest strength of IKEA is agility that surpasses its core retail operating models that include huge

and fixed store models. A huge big-box retailer model is hardly adaptable and agile, and according to IKEA's CEOs, that kind of a model is no longer part of the urbanisation trend.

That's why IKEA is moving towards a new concept of becoming a leading lifestyle brand that bases its business strategy on adaptability and agility to bring new value to both the brand and the customers.

Research as a strategic focus

Becoming a lifestyle urban furniture retailer is all about a strategic focus on research that helps IKEA understand customer opportunities, markets, and trends. This research and product development are key differentiators for IKEA because the brand develops its products with customers in mind but, more importantly, with the accent on consumer lifestyles.

The main point of this customer-centric approach is to bring the brand closer to the lifestyle of its consumers in order to adapt to it fully. While this desire for adapting is one of the main strengths of IKEA, it's also a pain point.

The converse of growth, understanding consumer behavior and building profitable retail around it is much harder than it seems. It takes a lot of time to research, interpret, and understand the market before deploying innovation. This is the main point of the innovative IKEA journey.

How to cope with a rapidly changing environment

According to IKEA, the best thing to do is to target the right audience and make an effort to understand their needs intimately before deploying an offer. This is where research plays a vital role in determining the success of any business because this research gives valuable insights into the demographics of the core markets.

Understanding demographics is the best way to adapt and become more agile to cope with changing consumers. The more a brand invests in their customers, the more it is able to adapt to their needs and wants.

Carbatec A new era of woodworking



WITH over 30 years of expertise in woodworking under their belt, Carbatec is a leading company dedicated to perfecting and retailing professional-quality woodwork tools and machinery in Australia and New Zealand.

Simon Lowe, the managing director and principal, opened up about the strengths of Carbatec's retail business, how to capitalise on those strengths, and what retail start-ups should take into consideration to remain competitive today.

Capitalizing on the strengths of retail business

Since Carbatec is a second-generation business, the biggest strengths are the love of woodworking, long years of expertise, wholesale and commercial division, online and physical distribution, cooperating with overseas partners, and customer focus.

According to Simon, Carbatec is fully dedicated to retail, wholesale, and commercial aspects of the brand's business with a strong accent on the needs of its customers. If a company is to prosper in the retail business, it has to undertake thorough and intense research to comprehend and understand consumer insights.

By interpreting consumer insights and research, Carbatec was able to align its operating expenditure, marketing budget, communications channels, and, of course, its offer to their core consumer. This includes all aspects of personality profiling, into the offer. That means that there's a greater deal of efficiency to the way they go about, and decisions made are not opinions as much as evidenced with good strategic insight.

Without consumer and market studies, no business is able to cope with the rapidly changing retail landscape of today. That's why research comes first as it helps businesses

cope with future trends and consumer demands.

Through its research, Carbatec discovered that there was a segment of potential customers that could be interested in woodworking if they had the knowledge and skills to be able to participate. There was also a gap in the market for an educator who could teach customers about woodworking and allow them to create their own products. From this Carbatec have developed "Make-it with Carbatec"; instore classes and workshops to allow customers to create their own "one of a kind" products and develop their woodworking skills. This is creating a loyal base of Carbatec customers who were previously not participating in the category due to barriers of knowledge and skills.

Action and consequence

Capitalising on the strengths of your retail business takes time. Being able to transform according to ongoing business trends affects your working capital management, cash flow and the cost of growing a business.

All these things matter greatly, but finding your target audience, partners, external suppliers, and internal team to grow with is the hardest. The people you work with have to share similar value systems as the brand they work for. Otherwise, it's a waste of time.

Advice for retail start-ups

Any retail start-up that wants to grow into a successful business and change with the ever-evolving business environment has to discover and diagnose the target market in order to interpret and understand it. This insight will provide valuable investment opportunities start-ups should consider.

These investments are according to the latest trends, and every retail start-up should take a customer-centric approach toward understanding and leveraging that knowledge as their competitive advantage.

This is what will help differentiate those start-ups from their competitors and build brand value that matters in the eyes of the consumer.

Also, tracking those insights is important as well, because as the team at Carbatec know, consumer activity is changing all the time as the transformation of retail takes place. So, Simon takes the very sage view of ensuring that Carbatec has a very deep understanding of all matters that influence its business from consumer, market and trends to a heavy focus on research.

Research has helped Carbatec develop a strategy in order to build a business with true value, a modern business that copes with the changes by swimming with the current rather than against it.

Chatime A soft drinks pioneer



CHATIME is a global teahouse franchise that is based in Taiwan. It is a huge franchise with over 2500 different stores in 38 countries. It has been operating in Australia ever since 2009, and now boasts over 100 stores. The company itself strives to bring popularity to this amazing local drink and share the culture all around the world.

Chatime is not only focused on meeting customer expectations when it comes to soft drink industries but determined to bring a little bit of culture across the seas. It is known for its exclusive flavours and a unique customer experience. With the rising popularity of Chatime T-breweries, they have stayed true to their main route and their primary goal. It is leading the soft drink industry in innovation, outstanding customer service, and cultural experience.

The strength of the retail business

The main strength of Chatime lies in innovation. To get ahead of the competition curve today, you need to be utterly innovative and ready to invest in research. That research needs to include three major points in retail: Customer | Competition | Marketplace.

Once you gather this valuable data, you can use the information to turn it into an intuitively deployed action plan.

From this research Chatime have developed a detailed customer profile which is used to talk to the customer at all points on their journey. This has then allowed Chatime to understand where the customer pain points are and therefore how to fix them.

The success of this customer relationship can be clearly seen in their numbers with their loyalty scheme growing rapidly in the first few months following the launch of their mobile app. Leading Chatime to win best loyalty program at the QSR media awards.

What it takes for a business to capitalise on this strength?

The best answer to this question is consistency. Chatime uses customer knowledge, experience, expertise, insights, and research to develop their strategy. That data is the

key to consistency and the essential part of creating a strategic framework with clear business goals, marketing, and advertising strategies.

Consistency helps to completely and fully comprehend and understand all of the important competitive metrics on a global, national, and local level. By doing so, Chatime take's the data gathered from research and embed it into its business goals and targets. It's also essential to stay focused on the core objective - to grow the business.

Staying competitive means to recognize your pain points

Every business has its strengths and weaknesses. Strengths are easy to determine, but pain points pose a real threat to staying relevant and competitive in the retail industry. The most common pain point in retail is business growth and the inability to share the existing business culture with the forthcoming partners to achieve that growth. Most of the time, businesses partner up with other companies that don't share their vision for greatness or passion for success but most importantly, the high level of customer-centricity. This is, perhaps, the biggest problem in retail today as most businesses aren't aware of all the opportunities that customer-centricity has to offer.

At Chatime, they manage such shortcomings and pain points by sticking to their mission, strategy, and business plan whilst keeping their customer at the centre of all decisions.

How to incorporate innovation into a business strategy

All it takes is to understand the critical metrics in retail like consumer behaviour, their spending habits, profiles, preferences, needs and wants.

Chatime speak to their customers regularly to understand the changing customer demands. This allows them to develop innovations ahead of competitors based on where the gaps are in the market from a customer's perspective.

These innovations then allow Chatime to stand out from their competitors with not only new products but differentiated customer journeys and marketing.

Chatime marketing team have taken these detailed customer profiles and developed distinctly different campaigns to really focus on their target segments not only in location of advertising but in tone of voice, imagery and out there concepts, seen in the success of their "Blow me I'm a Hot Tea" campaign.

Those businesses that take a customer-centric approach and put their consumers above their business goals are the ones that will usher a new era of innovation.

Progress supporting progress

Chatime prides itself on the progress it has made within the QSR sector and strives to progress even further through keeping their customer at the centre of everything they do.

Social Cause

The retailer embraces a strong social utility in mission, deployment and people leadership.

Endota Spa Making a change through female empowerment

It takes great dedication and hard work to establish yourself as a leader and build a strong franchise that's making a difference in the world. There's no denying that women have unique challenges in the business world and many difficulties they have to overcome.



But regardless, this is what Melanie Gleeson, the founder, and CEO of Endota Spa, has succeeded in.

Opening her first spa in 2000, Melanie is today the proud owner of the largest spa network in all of Australia, and a finalist for the Australian Innovators Award.

It's not all about business, as she's also standing up and supporting a social cause she believes in.

Arts and therapeutic studio that's making a change

Melanie Gleeson and Endota Spa have joined up with Marnin Studio in an effort to support and empower the local Indigenous women of Fitzroy Crossing in West Kimberley.

At the Marninwarntikura Women's Resource Centre where Marnin Studio operates, women come together to create artisan products such as textiles or painted boab nuts.

Since the core values of Endota Spa are to help women be their best and live their best lives, as well as reconnect them with Mother Nature, Melanie has chosen to support and show appreciation for the women in her indigenous community and help them thrive.

Endota Spa is all about replenishing both your body and spirit. It's a haven for women where they can escape the stresses of their everyday lives, and so supporting the social enterprise with Marnin Studio made perfect sense for Melanie.

The greater impact of supporting a social cause

Supporting the indigenous women at the Marninwarntikura Women's Resource Centre has brought great benefits.

As a social enterprise program, the centre provides activities, mentoring, and support to these women to offer them and their families safety and foster financial independence.



Endota Spa contributes 1% of its Colour range sales to the organisation, ensuring that it continues to raise funds and improve the lives of the Indigenous women.

The impact is greater than this, demonstrating how Endota Spa helps women inside the spa and outside of it not only strengthens the relationship with the customers, but it also encourages them to take action. This both moves the business forward and offers further support to the Marninwarntikura Women's Resource Centre.

Supporting a social cause you believe in

For business owners who are inspired by Endota Spa's story and would like to find a social cause to support, Melanie has this advice: trust your instincts and look for a cause that inspires you.

Supporting a social cause can bring financial and other benefits to a business, but this isn't the goal. If you want to invest in a cause, it has to be something that mirrors your company's values.

It has to be something that you can connect with and stay with for a long period of time. Do your research, and follow your passion. It will give you a greater sense of purpose and drive you.

Koala Leading the way to thriving



KOALA is an Australian sustainable furniture business that combines design and technology to create excellent customer experiences. They want to fix the furniture industry and do the planet a favour by reducing the environmental footprint. Koala offers high-quality products designed in Australia that are affordable, easy to assemble, easy to try and functional.

They are dedicated to making a positive impact on society, the economy and the environment, and are passionate about making the planet and humanity thrive.

As a B Corp, they are meeting the highest standards of social and environmental performance and transparency. By using their business as a source for good, they build trust and credibility.

Thrivability – more than just sustainability

Koala is not only focused on providing sustainable and affordable products but also prides itself on promoting thrivability. They want to thrive, but they understand that a business can thrive only if nature and society thrive.

To be thrivable, a business must be good for the environment, the community, the customers, and the employees.

Mitch Taylor, the founder of Koala, wants to provide better outcomes for the society and the planet. This is why Koala produces only sustainable and ethical products that help minimise waste and protect the natural world.

Apart from encouraging consumers to purchase ethical alternatives, they also recycle all their returned mattresses or donate them to charities.

The challenges and solutions for creating sustainable products

Sandy Marrow, Sourcing and Supply Manager, states that the main challenges of creating sustainable products are

the end of life for returned products and raw materials.

Koala is constantly improving its materials and supply chain and reusing and recycling all their returned products. They are committed to working on solutions to produce sustainable and recyclable products while retaining quality and stability. They also don't use any chemicals in their products and are constantly improving packaging.

Koala has partnered with WWF-Australia to save endangered animals from extinction and make an even bigger difference in the world.

With every mattress that Koala's customers purchase, they make a koala adoption. Every sold sofa contributes to a turtle project that trialed on Milman Island, helping to save marine turtles and their habitat.

This is because green sea turtles are threatened from extinction due to the effects of climate change, as 99% of them are female. Koala and WWF are finding solutions to cool the sand temperature and stop the feminisation of the turtle population. Recent results showcased that the trial worked and produced 90% more male turtles. Next steps of implementing the shade solutions are on the cards.

Driving businesses to make a change

Businesses are increasingly looking to become more sustainable and Koala is proud to be one of the B Corp leaders to drive brands to make a change.

Consumers are also demanding for sustainable products made responsibly. As a matter of fact, 33% of consumers choose to buy from brands that are doing good environmentally and socially.

The founder, Mitch Taylor, hopes to inspire other businesses and customers to do their part in supporting the Australian wildlife and make the world a better place. He advises brands to make sure they align their values with whatever change they want to make to become more sustainable and ethical.

Flora & Fauna Vegan, ethical and cruelty-free



FORMED in 2014 by Julie Mathers, Flora & Fauna is a retailer offering 100% vegan, ethical, and cruelty-free products. At first, it was all about beauty and skincare, but now fashion, home, and health joined the mix to support better lifestyle choices, including protecting the environment.

Purpose and ethics

The purpose of Flora & Fauna is to provide people with better choices by offering vegan, organic, eco-friendly, and ethical products for improving their lives and protecting the environment. They offer environmental solutions that are easily accessible and very affordable, and they educate people on the importance of making responsible decisions that benefit both them and the planet.

Flora & Fauna provides carefully sourced, tried, and tested products that have never been tested on animals. Julie Mathers, the founder and CEO, grew up in love with all life and animals, and she is passionate about driving change and protecting the planet.

In 2017, Flora & Fauna became one of the first retailers in Australia to receive a B Corp Certification. Being a B Corp Certified business means meeting the highest standards of verified social and environmental performance, credibility, authenticity, legal accountability, and public transparency. It means using business to do good - to walk the walk, not just talk the talk.



Sustainability inspiring conscious consumers

Flora & Fauna has saved tonnes of waste by removing plastic from use. All their packaging, which is made in Australia, is reused and recycled.

This inspires consumers to be more conscious and make better choices. As a matter of fact, 90% of their customers select minimal packaging when placing an order, choosing to receive just a product in the box, without any tissue papers or samples. They have achieved over 300,000 orders with handwritten notes, and their returns are at a small fraction of 1%.

Flora & Fauna also hopes to inspire other brands and retailers to become more conscious and start focusing on sustainability. As a B Corp Certified business, they are leading the way as a retailer and they hope others will follow suit.

Their advice for organisations looking to follow in their footsteps is to be authentic and genuine and to stand by their purpose and values instead of focusing only on making a profit.

Connecting with customers

Flora & Fauna has a high customer retention rate, as consumers increasingly want to improve their lives and the environment. The company's repeat purchase rate is 40%, with the majority of millennials coming back for another purchase within two months.

The organisation also has a very high employee retention rate. They grew over the past two years by 300% and 120% respectively.

This is all thanks to the company's ability to connect with consumers and build strong relationships. They share their passions and encourage people to turn to veganism, but without an ounce of judgment.

They do this by getting to know their customers first and learning about their pain points, without ever profiling them. They connect with them on social media and via email, where they interact with them daily and weekly, respectively.

Patagonia In the business of protecting nature



Patagonia is known as one of the biggest and most powerful global brands in retail.

As such, this brand is fully dedicated to raising awareness about ecological and environmental problems. The company wants to show what brands in retail can do to protect nature and spread that eco-friendly awareness.

Going green and being sustainable, these are the things that will shape the future of the retail industry and beyond.

Patagonia Australia is on a mission to protect the planet and raise the alarm.

A mission to save the planet

According to Dane O'Shanassy, Country Director of Patagonia Australia, Patagonia is centralised around one single goal - we're in business to save our home planet.

Since the urgency of the environmental crisis keeps growing, the brand has made it a priority to step their efforts and show what consumers and other businesses can do to mitigate it.

The problems with our natural habitat are now present in every corner of our planet, so we need to act accordingly. Countless industries and companies are dealing with large amounts of waste, which is directly related to climate change, loss of species, pollution, and so on.

Patagonia's mission has long been to set an example of how it's possible to use your business to protect nature.

"We found that one of the best things we can do for the planet is to make stuff last longer and keep it out of landfill." - Dane O'Shanassy

Decision-making is the foundation of change

As a leading brand in its niche, Patagonia sets an example by acknowledging that every business is having a certain impact on the nature around it.

By working smart, businesses have the power to reduce that impact and their decision-making process should revolve around such a concept.

In fact, according to Dane, this is the business model that Patagonia is putting into practice. Every company needs to keep nature in mind when developing business strategies because every action has its consequence.

The only way to become eco-aware is by taking responsibility for those actions.

A shift towards conservation and environmental causes

The fact that this brand is adamant about amplifying environmental issues and conservation efforts aligns with their ongoing support of environmental movements. Being specific, standing for something, that's what Patagonia is all about, and that's precisely what makes their core business even more relevant.

Patagonia is recognised internationally for its contributions of more than \$100 million in grants and in-kind donations globally to date. The company's founder Yvon Chouinard also co-founded 1% For The Planet, an international organization whose members contribute at least 1% percent of their annual sales to environmental causes.

Every segment of Patagonia Australia's business, including their employees, is dedicated to making this world a better place.

It's all about moving away from the concepts of consumerism and capitalism. Running a business purely for profit and living in a product-consuming society is unsustainable.

Patagonia has set an example for every brand in the world. The change starts with you. It's a small start, but if given time, it will grow.

The Source Bulk Foods

Revolutionising the way we shop for food



THE Source Bulk Foods has successfully brought zero-waste shopping revolution to our doorsteps. The story of The Source Bulk Foods starts with Paul Medeiros and Emma Smith in 2007 and their humble food store "Eder's Landing". During the next couple of years, their businesses flourished.

In 2012, The Source Bulk Foods was born, with the idea to make unpackaged food easier to access and to minimize the waste caused from retail especially plastic bags.

This company's success was not a coincidence. For one store to grow and become one of the most recognisable franchises in Australia, it has been a brand story that sends a strong message of working towards zero waste. While the initial focus was on plastic bag removal the whole waste cycle has been targeted over the last 5 years, from suppliers to the end consumer. Suppliers are encouraged to reduce packaging and suppliers with conscious minimisation of packaging are preferred. The waste reduction is not forced on the consumer, rather they are given options such as using their own containers and bags to reduce waste. It is hard to capture the quantity of plastic bags and waste saved, however Paul estimates that since they started they have saved tens of millions of plastic bags from going into waste and entering our oceans, killing wildlife. Shopping at The Source Bulk Foods makes customers feel like they are making a difference.

This strong cause compliments other notable innovations used in store and between franchise store owners.

Consistent quality of service throughout all stores

Consistent quality of service is a crucial factor to consider, especially when going through business growth. Ensuring that all customers have the same experience across all stores is definitely a recipe for success. We can see all of this in The Source Bulk Foods.

The success of the franchise depends on the constant development of the team. Paul Medeiros, Co-Founder and managing director of The Source Bulk Foods Group, is frequently in the stores.

By staying in touch with processes, customers, and operations, he ensures that all stores are working as intended and that all customers are treated in the best possible way.

Employee training is also important here. Everyone working at The Source Bulk Foods, ranging from admin positions and procurement managers to marketing manager and national operations managers undergoes an in-store training of 2-4 weeks.

Open dialogue with customers

The Source Bulk Foods is known as an innovator in the food vertical. While Emma Smith, Co-Founder and previous Head of Marketing & Product and her valuable team at The Source Bulk Food, played a vital role in developing the brand, there was someone else.

The company adopted a unique strategy to keep evolving. The customers also had a say in brand development. The company has an ongoing strategy to ensure that customer inputs keep flowing in.

Innovative and sustainable ideas are always warmly welcomed, and the team makes sure to implement them in day-to-day operations.

Plenty of collaboration opportunities

Internal collaboration is another factor that put The Source Bulk Foods ahead of the competition. Think tank collaborations are a regular occurrence in this company.

Everyone in the Senior management team is a part of the Franchise Advisory Committee and has insight into the developments in all 51 stores. There is also a new product committee and marketing collaboration committee in the making.

This practice creates a lot of room for creativity. The company has also implemented a communication platform to enable communication between individual team members.

On top of that, the company has made it clear that all stores can communicate directly and freely among themselves to address issues and exchange experiences.

The Source Bulk Food recipe for innovation

The Source Bulk Food recipe for innovation is not a secret. The firm's co-founders say that to be innovative, you have to surround yourself with a team that is eager to learn and apply, and you must trust this team to take on more responsibility. Innovation doesn't happen overnight. It is a process and leaders have to allow time to clear the mind for think tanks.

Inspiring Retail Leaders

Retail leaders who continuously make a memorable contribution to their retail brand, their team, or Australian retail as a whole.



Paul Medeiros

The war on waste

WHEN it comes to following the path of zero waste, we see many retail companies talk the talk, but few of them actually walk the talk.

It takes great sacrifice, effort, and dedication to build a zero-waste company from the ground up, but that's exactly what Paul Medeiros from The Source Bulk Foods has achieved.

This successful zero-waste grocery store is making waves in the food retail industry and setting an example for us all.

Talking with Paul, we've found out what drives this family business forward and how it's reached such success.

Conserving the planet for future generations

What started out as a simple fruit and veg store that sold natural, unprocessed foods and quickly grew to become a mini supermarket. As the business grew and started selling packaged groceries, Paul realised just how much waste was left behind.

With the arrival of his kids, he's shifted his focus to following the zero-waste path and not looking back. As he explains, that's how he wants his children to grow up as well.

Although he comes from a corporate background, his business was not about chasing money, but rather about making a change, educating others, and offering them more eco-friendly choices.

This isn't just a business decision, as he and his family are living that minimalistic lifestyle as well.

The bigger implications of going zero waste

For a successful food retail company to be considered zero-waste, it has to ensure thorough regulations

throughout the supply chain. This means that everyone needs to be going plastic-free, suppliers as well.

Once the supplier stops wrapping their products in plastic, it isn't just one single store that benefits from it. The entire process changes, competitors using the same suppliers will start reducing their footprint on the environment, and this echoes throughout the entire industry.

The best part, however, is the ability to educate the consumers about their impact to encourage further changes. At the end of the line, it's the consumers who are opting for these eco-friendly choices, and it's the consumers who are promoting this change in the industry.

They get to learn about what's happening behind the scenes, how they're affecting the industry, and how they're making a change for the better.

The Source Bulk Foods makes sure to keep them informed through their website about how much waste was reduced, how many trees they've helped plant and more. This encourages them to keep supporting eco-friendly businesses and embark on the zero-waste journey themselves.

Follow your passion if you want to make a change

For business owners who want to become more sustainable, there's one thing you can learn from Paul, and that is to follow your passion.

Going eco-friendly because it's the current trend, or because you want to chase the money will get you nowhere, as consumers can see right through that.

If you believe in a cause and are fighting for it, and you partner up with equally passionate franchises and suppliers, you can make a significant impact and help promote an important social cause.

Carlos Antonius



CARLOS ANTONIUS heads up one of the leading franchise businesses in Australia, Chatime, pioneers in bringing bubble tea to a western market. He states that he has garnered this much-needed experience starting it out on the retail floor as an ordinary worker and then slowly climbing up the corporate ladder to the spot where he currently is. This experience at all levels of retail has given him the understanding of how important it is that staff are experienced with all aspects of the business.

"I think everyone who has a vested interest in a commercial outcome in a retail business needs to be engaged at grassroots level. I think one of the challenges in any business as you grow is ensuring that this remains part of the every day process."

This is a key driver to his success, that he has not lost sight of the everyday aspects of the business all the while dealing with strategy, stakeholders and business growth.

"I actually enjoy the opportunity where I'm able to block out periods of time every quarter, where I can spend time out in the field with our operations team, talking and engaging with customers. There's been some amazing gems of information that have come out of those experiences, and not just from direct customer engagement, but also with our field team generally."

Generating ideas

Carlos attributes his ideas from having a thorough knowledge of customer, market and competitor insights. Detailed research in all of these areas allow for the generation of new ideas for him and his team.

"We can't do anything without insights, consumer insights. Firstly, about our current customer, but more importantly, general macro research around retail categories and what's happening from a trend perspective." Carlos, by nature, has a good sense of observing and listening to the key stakeholders and then striving to align their expectations of the brand.

Driving Innovation through Leadership

Carlos believes in driving innovation in a business through the culture in the organisation. "The question goes, whatever we are doing, how can we improve upon it? How can we do it better than anyone else? Every single employee at Chatime is invited to give their opinion on how they can improve the business and is rewarded accordingly." The curiosity of how can we potentially do this better is key.

Carlos strives to inspire his employees to think and innovate through his leadership position. He states: "I think innovation is something that should be lived and breathed through everyone in the organization. From a leader's

perspective, we need to set examples and lead from the front to ensure that everyone throughout the business has the same opportunity to think and to bring forward creative ideas to improve the performance of the business."

It is all about empowering everyone in the business. "Innovation doesn't necessarily mean that you need to be creative, because I think when you talk about creativity around people, "Well, I'm not funny, or I'm not an artist. I'm not a creative type of person." And I think sometimes we've got to unbuckle what creativity means. Creativity, for me, is around thinking a little differently. How do we look at a certain business challenge or opportunity, and look at different ways of trying to find a solution to it. For me, that's creativity."

Importance of transparency

Having the right team around you is critical and the ability to have honest transparent conversations with that team will help to achieve your joint goals.

"I think trust is an under used term from a value perspective. Whether it's a professional relationship or personal relationship, once you build trust with anybody, you can then have the right conversations, because the parties acknowledge and agree that whilst you may debate and challenge a topic, that you do it with the right intent and you do it at the betterment of both the individuals, but also with the business in mind. And I think that has to be established very early on." It is important to have a shared vision, not just the leaders vision.

Challenge yourself

Being a leader involves not only challenging those around you but challenging yourself.

"There's a book that I'm reading at the moment and one of the key messages is around being comfortable in the uncomfortable. It takes a very special person to be able to do that, because to live in a space where you're constantly challenging yourself is very difficult, because human nature is that you want to be comfortable."

So challenging traditional thinking is what Carlos believes a leader and organisation needs because it's about shifting mindset.

"It's not really about today and potentially it's not even about the way we're going to be in three year's time. What does our business look like in six months time? The retail environment is shifting so quickly. We could be working in an environment where we actually have a cashless environment in our T-Breweries. That's how quickly this business, and the retail environment, moves. And I think it's important from a leadership perspective to continually push."

Dean Salakas You have to experiment to succeed

WHAT'S the key to success? Some would say that it's intelligence, some ingenuity, others still would say it's luck. While everyone's path to success is different, and everyone faces different challenges and opportunities, getting advice and insight from some of the most innovative leaders of today can always push you along.

Speaking to Dean Salakas, a finalist for the Australian Innovator's Award and the man behind The Party People - the largest retail party supplies outlet in Australia - we've learned how he outperforms the competition, and what he thinks the key to success is.

Get to know your customers

Talking to customers should be your number 1 priority, according to Dean. Understanding what they're saying and getting a feel for what they want can mean the difference between success and failure.

Not only does communication with customers allow you to learn more about their wants and needs, but it also provides you with excellent feedback on what you're doing right and what wrong.

Online reviews can be an excellent teacher for any company, and responding to them will allow you to connect better with the customers and learn more about them, more so than you would from analysing your basic demographics.

Even the negative reviews can prove to be your chance for improvement. It's only necessary to remember that negative comments aren't personal attacks, but rather opportunities that you should take advantage of and learn from.

Don't be afraid to experiment

You must have heard the saying, "you need to fail to succeed." But Dean looks at failure from another angle. His motto is "you need to experiment to succeed." Every failure is a chance for improvement, meaning it's no failure at all.

Succeeding in this competitive market requires you to take risks and test different things out. Sometimes none of your efforts will work out, but even if there's the slightest chance of success, you must go for it.

Currently, The Party People is experimenting with two massive innovative technologies. One of them is scan-and-go, which allows customers to walk around the brick-and-mortar stores and scan items with their smartphones.



The second one is the "magic mirror" technology, which uses augmented reality and allows customers to try on costumes without actually putting them on.

Both of these technologies are new and uncertain, but being afraid of change will lead you nowhere. Experiment and embrace the changes as they come.

Never stop learning

The expectations of leaders has changed in the past few years. While we used to see leaders as infallible people who held all the answers, a successful leader of today needs to be aware of their weaknesses. They need to be continually learning and improving if they wish to be successful.

People of action, those who aren't afraid of making a mistake, those who embrace innovation, change, and learning are the ones who will ultimately come out on top.

If you wish to succeed, focusing on learning, experimenting, communicating with your customers is an excellent place to start on your path.

Nicole Sparshott



Hands-on leadership and empowering the team

Nicole Sparshott is the Global CEO of T2 and Vice President on the Global Leadership Team for Unilever's Food & Refreshment Category. Over her 25 year career her experiences across all aspects of retail have honed her unique leadership skills leading her to the current role at T2.

One of Nicole's differentiating factors is her obsession for the customer throughout all aspects of the value chain, wanting to connect with them as unique human beings rather than data points. Her own passion in this area was also influenced by different mentors that have inspired over her career. All have had a drive for understanding human beings better.

"They've been incredible visionaries, very humble in the way they have delivered, and equally very people centric."

Explore real experiences

Nicole stresses the importance of duality – being able to simultaneously operate 30,000 feet in the air and also deep in the weeds. It's about replacing ivory towers with front line conversations and experiencing the everyday process first-hand – that is the only way for a retail leader to keep improving. All of the challenges in the board room, can certainly be better understood and often fixed by walking in the shoes of the people you serve and the team who serve them.

"Spending time in the distribution centre fulfilling e-commerce orders or unpacking boxes in store during peak trading periods are my wake up call... my reality check. It enables me to be more informed, to understand how strategy impacts operations and most importantly to empathise with our team members doing key roles and appreciating the challenges they face and where as a leadership team we can focus our energies to remove barriers and enable growth"

Nicole finds inspiration comes from unexpected places and stresses the importance of an outside perspective, experiencing different industries and brands to challenge your thinking.

"Could be tech, could be finance... can be the world of arts. It doesn't really matter, just looking at how companies are solving people's problems. Whilst they might be different problems, I'm always fascinated by how others have approached them and what we can learn."

Creating innovation

If offering advice to those wanting to innovate within their business Nicky would first and foremost say to never be afraid to seek advice from people who have done it before and surround yourself with expertise different to your own.

"Innovation is not always the magic bullet. In fact more innovation fail than succeeds. So be clear on the problem

you are trying to solve; invest in minimum viable product testing so you can fail fast and learn quickly and build a culture of innovation in all you do – product, process and ways of working – vs it being an event. Above all have courage. True innovation does not have history to build on – it is about envisioning the future"

Another key part of her leadership strategy is listening to the team

Nicole is a firm believer of investing in her most valuable asset, the team. Good leaders don't create followers, they nurture and enable new leaders. T2's values have been key – curiosity, creativity, passion, generosity, courage and accountability. She seeks to foster an 'All In' culture where team members are valued for their opinions and their contribution. At T2, the leadership team find ways to facilitate cross functional input – whilst we have strong functional expertise, we also recognise the criticality of interdependency – 'We each win, when we all win. At the end of the day, you're only as good as your team. Advocacy comes bottom up not top down."

Nicole knows the importance of creating an environment to empower your team to take risks, even though this means that on some occasions they may fail. Therefore creating an environment where failure is not feared, but is seen as part of the learning journey is an important cultural enabler.

When looking for new team members Nicky has three areas of focus. Firstly the ability to marry creativity with commerciality – "I want people to be super creative and imagine possibilities beyond the obvious in any part of our business. It can be creativity in the way we structure our supply chain for greater agility or in the way we develop training platforms for enhanced connectivity... At the same time we need to be commercially astute in the choices we make and the impact they have on the business".

Secondly is mindset – which often trumps skillset. Irrespective of role I find myself asking 'would I work for this person?' Before I ask other people to do just that! Can they be comfortable sitting with ambiguity? Can they inspire others when there is no clear road map? Can they really get out of their comfort zone and experiment. This is so important when trying to create a culture of innovation and a pioneering spirit.

Thirdly, and possibly most importantly, is accountability. Are they able to hold themselves accountable to do what they say they will do? With empowerment, comes responsibility and ownership. Most importantly, Nicky recognises that the job of leadership is never done...it does not matter what role you are in or how much tenure you have. A beginners mindset is the way to keep learning and innovating and doing that in partnership with your whole team, well that's the recipe for success.



Thank you to all our finalist retailers

	Universal Store	
Monsterthreads	Wilson Retail	Endota Spa
Kitchen Connection	Chatime	Flora & Fauna
Lush	Carbatec	Grill'd
Litmus Lab	IKEA	Koala
MotoMe by Macquarie	Olivers	Patagonia
Supercheap Auto	The Lott	The Source Bulk Foods
Gewürzhaus	Amazon	Cancer Council
Readings	Dan Murphy's	Kidstuff
Icon By Design	JB Hi-Fi	The Source Bulk Foods
Mirvac	T2	Harris Farm Markets
Vinnies Victoria	Morsl	PETstock
	Sacha Drake	



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