10 THINGS YOUR BUYER HATES ABOUT YOU

ASKUITY | APRIL 2016
In the retail world, there is one great equalizer for every product supplier. Whether you’re a multinational conglomerate with thousands of SKUs, or a small supplier specializing in a single product category, every vendor is heavily dependent on their partner on the retailer side: their retail buyer. You could say that if there was ever a golden rule in retail, it’s that you must do everything in your power to stay in your buyer’s good books.

But building a strong relationship with your buyer extends beyond just a unique product assortment and competitive prices. After landing your products on the shelves of a major retailer, it’s then up to you to show that you have the chops to remain relevant to the retailer. This means filling POs on time, growing sales, and differentiating your product assortment to the retailer’s benefit. Above all else, the key to your longevity in retail is in maintaining a healthy, collaborative, and mutually beneficial relationship with your retailers and buyers.
OUR CONVERSATIONS WITH BUYERS

We met with a variety of buyers from some of North America’s largest retailers, and asked them to share their views on what makes a great vendor. But we didn’t stop there. We went one step further and asked buyers to describe their ultimate pet peeves and some of their worst experiences with vendors.

During our discussions, buyers opened up about their recurring pains with vendors and what they absolutely can’t stand. Based on these conversations, we put together a top 10 list of things vendors do to irritate their buyers, along with tips to overcome these obstacles. We hope this top 10 list will help you understand how to stay in your buyer’s good books and maximize your brand’s retail potential.
STAY AHEAD OF THE CURVE
Buyers don’t have much patience for unhelpful vendors. The retail relationship is meant to be collaborative, and your buyer is relying on you to help them hit sales and margin targets for your category. So if there’s one thing that’s sure to get under your buyer’s skin, it’s your inability to help them when they need it most.

When you have idle inventory that your retailer is looking to clear out, what are your options? Buyers don’t like markdowns, and vendors hate chargebacks. As a smart supplier selling into a major retailer, you should stay one step ahead of inventory problems by remaining on top of your sell-through data and reviewing your sales plan on a regular basis.

Whatever you do, don’t wait until it’s too late to take action. By looking at your sales results each week, you should understand when you’re executing below your targets and be prepared to intervene before deep markdowns and costly chargebacks are the only recourse.

“I ASKED MY VENDOR TO COME UP WITH SOME IDEAS TO HELP CLEAR OUT A FEW PALLETS OF SLOW MOVING INVENTORY. HIS SUGGESTION WAS ‘SELL MORE’”

- Anonymous Buyer
DON'T PESTER YOUR BUYER
The buyers we interviewed emphasized how little time they have between dealing with critical issues and managing existing vendor relationships. As one buyer put it, “I’m putting out fires all day, so if I’m lucky I have 3-5% of my day to look at new products and meet with prospective suppliers.”

So as buyers try to reclaim valuable time, they don’t appreciate when vendors drag them into ‘solvable’ problems. One buyer said that the best vendors are able to deal with issues on their own. As he put it: “You never want to be on our radar screens, never want to be the person always bugging me.”

The best vendors are able to self-manage effectively. When there’s a clerical issue, or something doesn’t look right on your latest PO, don’t get into the habit of picking up the phone to call your buyer first. It’s not necessarily a good thing to be on your buyer’s radar, especially if it’s for all the wrong reasons. Keep the manageable issues in house, and only reach out to your buyer when it’s absolutely necessary.

“I HATE IT WHEN VENDORS EITHER FILL UP MY EMAIL OR LEAVE ME TOO MANY VOICEMAILS. DON’T MAKE YOUR PROBLEMS MY PROBLEM.”

- Anonymous Buyer

“You call too often. Do you understand that I have caller ID and that’s why I’m not answering?”

- Anonymous Buyer
AVOID BEING SELF-SERVING
Just as vendors are dependent on buyers, today’s retail buyer is highly dependent on his or her vendors. One buyer stressed the important role that his vendors play in his success, explaining that, “as a buyer, you always need help in order to succeed. Internally, you can hit all the right buttons, you can work hard and you can move up in the organization, but the buyers who succeed are the ones who build strong relationships with great vendors who ‘get it’.”

Buyers have no interest in a one-sided, self-serving relationship, and going to your buyer with self-serving requests will only tarnish your relationship. You can’t ask your buyer to cut a new PO, or ask for an end-cap placement, if you can’t show how this benefits the buyer as well. As a vendor your credibility is everything, so don’t give your buyer any reason to doubt your commitment to a true partnership.

“I’M ONLY GOING TO BE SUCCESSFUL AS A BUYER IF MY VENDORS ARE SMART AND ACTUALLY HELPING ME.”

- Anonymous Buyer
DON'T BE A SOCIAL CLIMBER
Buyers can’t stand when vendors try to go above their heads. Whether it’s because they want more shelf space or hope to gain a new listing, vendors will sometimes go above the buyer’s head in an effort to secure an outcome that their buyer won’t grant. A word of advice: don’t do this.

Buyers don’t care if you know their boss or if you formerly worked with Jim in another department. Name dropping doesn’t impress them, and undermining your buyer will only make them resent you. This is a guaranteed way to hurt your relationship.

At the end of the day, remember that buyers are people with the same feelings, insecurities and career aspirations as you have, and if you give them the impression that you can’t be trusted, they won’t want to work with you. As one buyer explained, “Sometimes vendors go above our heads, which makes us look out of the loop and, frankly, it just makes us look bad to our bosses. This is the fastest way for a vendor to get in my bad books.”

“GOING ABOVE ME ISN’T GOING TO HELP YOU.”
- Anonymous Buyer
BE CAREFUL WHEN REFERRING TO OTHER RETAILERS
(HINT: YOUR BUYERS ARE LISTENING CLOSELY)
We gleaned some interesting insights around best practices for vendors when it comes to divulging details from other retailers, but unfortunately the answer isn’t clear-cut.

Some buyers said that they preferred it when a vendor used a similar retailer’s data to support their business plans; for example, anonymously using a competing retailer’s sales data to justify the suggested PO numbers for a new product launch. However, others expressed wariness about vendors loosely discussing sales strategies at competing retailers. One buyer said, “if you’re coming into my meeting and telling me about what my competitor is doing this season, I’m now worrying that you’re doing the same thing with them.”

So what’s the key takeaway here? We’ve seen that smaller retailers are more interested in learning about best practices from big retailers that have a ‘larger sample size’. Conversely, buyers from larger retailers are more protective of their sales data and strategies, and are less likely to adopt strategies from a competitor. As a vendor, you must carefully exercise judgement when sharing cross-retailer information, and be aware of how you speak about your buyers’ competitors.

As a vendor, your best course of action is to mask and aggregate sales data to maintain credibility while still being discreet. Don’t give the impression that you are sharing secrets, but rather, showcase that you are using data to reduce risks and validate your decisions. Your buyer will respect you for it, so long as it’s done right.

“NEVER — AND I MEAN NEVER — GIVE THE IMPRESSION THAT YOU’RE SHARING SECRETS FROM ONE RETAILER TO THE NEXT.”

- Anonymous Buyer

5  BE CAREFUL WHEN RefERRING TO OTHER RETAILERS
ACT LIKE A CATEGORY CAPTAIN, EVEN IF YOU’RE NOT ONE
The last decade has been a tough time for retailers. Online shopping and direct-to-consumer models have made the retail landscape more competitive than ever, and retailers are constantly looking to cut costs. Because of this, major retail chains continue to make massive changes to ‘trim the fat’ and remain as lean as possible. As one buyer explained, “They’re outsourcing everything today – data integrity, accounts payable, distribution centers – but there are certain functions you just can’t outsource, like inventory management and buyers. So now you have buyers and inventory analysts having to pick up the slack.”

With the influx of new responsibilities for merchants, they need their vendors to step up and contribute even more than they have in the past. One buyer emphasized her expectation that vendors come to line reviews with data and bulletproof strategies to grow sales, saying, “show me how you’re going to price it, how you’re going to merchandise it, and how many it sold on ad at this price.”

This is exactly why point-of-sale data sharing is increasingly becoming the norm in retail. In order to transfer responsibilities from overstretched buyers to vendors, retailers have invested millions of dollars into reporting systems that share sales and inventory data with vendors. Ultimately, buyers expect vendors to use this data to generate the insights they need to make the right decisions.

“NOWADAYS, RETAILERS ARE GETTING SQUEEZED AND THEY’RE OUTSOURCING ENTIRE DEPARTMENTS TO CUT COSTS, BUT THE ONE THING THEY CAN’T CUT IS A BUYER. SO OVER TIME, WE’VE BEEN ACCUMULATING MORE AND MORE RESPONSIBILITY AND WE NEED VENDORS THAT HELP US MANAGE THE WORKLOAD.”

- Anonymous Buyer
FACETIME WITH YOUR BUYER IS INVALUABLE - SO DON'T WASTE IT
You may notice a common theme with buyers... They don’t have a lot of time and they can’t afford to waste it.

So when you’re prepping for your next buyer meeting, keep it simple and be as concise as possible. Buyers across every industry expressed much frustration over meetings that provided little value and too much ‘fluff’. Your retailers want you to come prepared with insights – after all, this is why they’re sharing sell-through data in the first place – and buyers expect you to bring new ideas to grow sales and improve margins.

Buyers want to believe in your pricing strategy and promotion ideas, but they need to trust that your insights are actually supported by data. Spare the meaningless slides, and come prepared to talk sales and margins with numbers to back you up.

“WHY ARE YOU BRINGING 60 SLIDES TO A 30-MINUTE MEETING? I DON’T NEED TO SEE 5 SLIDES ABOUT YOUR COMPANY’S HISTORY AND A PICTURE OF SUZY WRAPPING A PALLET.”

- Anonymous Buyer
DON'T BE SLOPPY
Can you imagine making a $100,000 clerical mistake? This story might sound funny, but it happens more often than you think.

The first step in maintaining a healthy buyer relationship is making sure everything ships on time. Buyers and retailers don’t have patience for unreliable vendors, and these types of blunders are likely to earn your company a bad reputation, and possibly put you at risk of being delisted.

When we spoke with this particular buyer about the delayed shipment, he explained that, “These mistakes are bound to happen, but this company then had the exact same issue a year later. Let’s just say things didn’t work out well for them….”

Errors like this will inevitably occur, but the key takeaway here is that large retailers don’t dole out many chances to unreliable vendors. Realistically, retailers have no shortage of quality vendors to choose from, and a failure to learn from your mistakes will almost certainly put your brand on the chopping block. Major retailers are laser focused on customer service, and they won’t take risks with vendors who continue to make the same mistakes time and time again.
MINIMIZE YOUR BUYER’S RISK WITH DATA
Buyers are highly risk-averse, and in order to avoid poor results which negatively affect their comps and bonuses, retail buyers rely on vendors to provide data points that help mitigate the risk of going with a proposed new item or new merchandising strategy. As described by one buyer, “It really bothers me when vendors come to meetings without data. I don’t understand how they expect me to trust them without any data to back up what they are saying.” Another buyer said, “Don’t just ask. Build a strong case for why you deserve it.”

But telling a story with data isn’t always easy for vendors – which has given rise to new alternatives for point-of-sale reporting and cross-retailer analytics. Buyers expect you to be on top of your numbers, because your strongest competitors are actively using data and they expect the same from you. So when you’re suggesting a new price, or an alternative planogram assortment, consider that your buyer isn’t likely to budge unless you have the data to convince them that the risk is worth the reward.

“LOWERING PRICES IS GREAT, BUT YOU HAVE TO SHOW ME THAT YOUR LOWER PRICE WILL DRIVE UP UNIT SALES TO MAKE UP FOR THE LOSS IN REVENUE PER ITEM.”

- Anonymous Buyer

“MY SUCCESS AS A BUYER IS ALL ABOUT MINIMIZING RISK. IF YOU WANT TO CHANGE SOMETHING, PROVE TO ME THAT IT ISN’T TOO RISKY.”

- Anonymous Buyer
10
UNDERSTAND HOW YOU MOVE
THE NEEDLE
In most consumer retail verticals, promotions play a key role in contributing to top line success. Promotions are the ultimate balancing act of margin and units, and retailers expect perfection. As a product supplier, you are required to forecast how your promotions will perform, and you must ensure that your inventory levels are sufficient. This is where cross-retailer analytics and sales planning become highly valuable.

As a smart supplier, come to the table with examples of promotions that have already been tested and proven at a major retailer. Remember that your buyers aren’t big fans of risk, so when you plan a promotion with your retailer, be sure to analyze your entire roster of previous promotions, and be prepared when your buyer asks, “How many more units are we going to sell?”.

Above all, be sure that you’re organizationally prepared to execute on the promotional opportunities you are given. If you fail to provide the expected promo lift because of avoidable issues – like empty shelves and short shipments – you may find your buyers opting to run promotions with your better-executing competitors.

“LAST YEAR, I HAD ONE VENDOR WHO RAN A LOYALTY PROMOTION ON THE SAME WEEKEND AS A 40% OFF PROMO. THEY CLEARLY HAD NO IDEA WHAT THEY WERE DOING... NOT ONLY DID WE LOSE OUT ON A SIGNIFICANT CHUNK OF MARGIN, BUT THEY EMPTIED OUT OUR SHELVES FOR DAYS.”

- Anonymous Buyer