
Mecca and Kogan obsessed by how customers think

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Sue Mitchell

Customer obsession is more crucial than having the best product or service, according to the co-founders of three of Australia's most successful retail businesses, who warn there's a "learning curve" not all bricks and mortar retailers have mastered yet.

Zip Co's Larry Diamond, Mecca Brands' Jo Horgan and Kogan.com co-founder Ruslan Kogan say retailers need to look under the hood and make sure they have the culture and structures necessary to enable them to survive amid unprecedented disruption.

"Everyone says they're customer first and it's really easy to say that," Mr Diamond told retailers and business lead-

ers during a panel discussion hosted by Arnold Bloch Leibler.

"You have to look under the hood at what's happening inside the company – how are they digesting data and researching and talking to customers, how are teams being developed so they can respond quickly," he said.

"That's the biggest problem – a lot of companies aren't architected properly under the hood to be customer first.

"For me it's about the culture and the way of working that will deliver the future, it's not the widget we're going to have in four years' time."

Mr Kogan said retailers needed to be customer obsessed: knowing what they were thinking, what made them happy

and what products they wanted, and finding ways to deliver.

"Our internal mantra over 10 years is there's always a better way, everyone is allowed to question every decision," he said. "Everything is up for grabs and everything can be challenged."

Ms Horgan said when she launched Mecca 23 years ago customers had to come to stores to shop and if the barriers to purchase were not too high they would make a transaction. "Digital has turned that on its head and put control firmly back with the customer, where it should be," she said.

"That means the whole industry, whether you're bricks and mortar or online, really needs to reframe how it focuses on the customer."

Retailers needed to meet the needs of customers not only on price and product but in terms of how they wanted to shop – online, in large-format stores or small neighbourhood stores; how they wanted to pay, whether by cash, credit card or buy now, pay later; and whether they wanted home delivery, express delivery or click and collect.

Mr Kogan said online retailers could never replicate "experiential" retailing as well as brick and mortar retailers.

However, they were better placed to leverage data to build profiles and relationships with customers and virtually reorganise their entire online store every day to pique their customers' interest.