

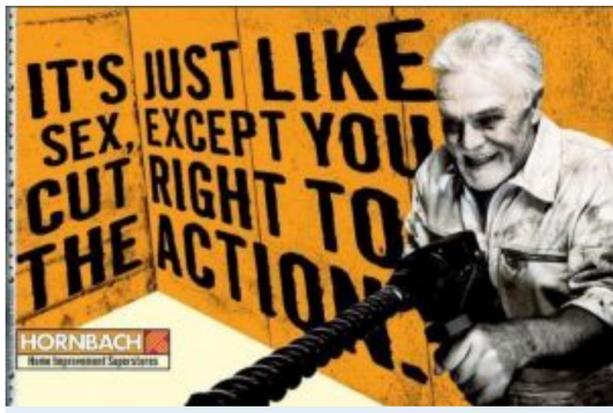


Home

Search

June 9, 2016

Jürgen Schröcker makes retailers fit & sexy



During a very successful career as Chief Marketing & Personnel Officer, Jürgen Schröcker forged an edgy corporate image at arch-conservative DIY group Hornbach until he left to become a management consultant in 2013.

One could make out a very good case for a pre- and a post-Schröcker era in German DIY advertising. Prior to his brilliant work, targeting the so-called project customer at Hornbach, DIY advertising was generally deadly boring and very predictable. Post Schröcker it almost has cult status.

And, if the saying is true that "*Imitation is the sincerest form of flattery*", then the current ad campaigns by Hornbach competitors such as Bauhaus look suspiciously like

praise.

Schröcker's emotional marketing messages, however, also polarise. Most DIY customers are highly amused, but there are some who will not shop on principle at Hornbach because they simply don't like such off-beat ad campaigns as "*Es gibt immer was zu tun*" (There's always a job to be done) or "*Hammer aus Panzerstahl*" (hammer made of panzer steel).

These also include a middle-aged male member of staff sporting a bikini; a heart pumping blood through bathroom tiles; black humour on such taboo subjects as death and the grave; and a nail driven through a hand.

To the fastidious few who don't care for this type of thing, Schröcker would presumably say: "*You're not the type of customer Hornbach is aiming at. Go to a football match and you will find their core customers in the stadium.*"

But love them or leave them, Schröcker's marketing is always memorable. There is probably no consumer in Germany who doesn't know the refrain of the TV ad "*Yippie - jaja - yippie - yippie - yeah!*"

In his best work Schröcker seems to have captured the very soul of the German *Handwerker* or DIY man. Is it Faust, is it *homo faber*, or just your next-door neighbour?

At the end of the day, however, it is success that counts. Schröcker's bold and controversial ad campaigns from 2009 to 2013 surely made a substantial contribution to dynamising sales for over a decade at former [Kingfisher](#) partner Hornbach, which posted net revenues in 2015/16 of around €3.8bn.

His creative ideas have also earned him numerous international awards, including a golden Effie no less than three times.



Jürgen Schröcker has just explained some the thinking behind his work in his latest publication *Fit+Sexy - Die Formel für mehr Erfolg im Einzelhandel* (*Fit+Sexy - The Formular for More Success in Retailing*)? Regrettably this book is currently only available in German - publishers Wiley please take note.

In his current role as management coach Schröcker helps companies of all sizes who wish to boost their sales in a sustained way. Here the Bavarian manager also draws on his experience as Head of Marketing at furniture group Möbel Walther and as a member of the advisory council at furniture discount chain Poco-Einrichtungsmärkte.

Some of his advice to potential clients was contained in the keynote lecture he held for Lebensmittel Zeitung at our "[Marketing Myths](#)" conference in Frankfurt last week. Jürgen Schröcker has kindly allowed us to reproduce part of his speech below:

Inspiring Consumers in a 4.0 World



Jürgen Schröcker

Advertising shows how retailers try to inspire consumers. Some focus on special offers, others on discounts. Remember failed German DIY store [Praktiker](#)? "20% off everything – except pet-food"? Or Baumax in Austria? "Baumax. Great value, low prices." Furniture stores knock 19 per cent off their prices as if they are paying the VAT for their customers. Supermarket leaflets are full of special offers.

The approach of Hornbach is totally different. Its spring 2016 spot depicting a naked man falling fast and violently down a hill, in the process diving through grass, scree, wood, and even getting a nail in his backside. "You're alive. Do you remember?"

Yet it's not these differences, which top the agenda in discussions on the right marketing strategy. At the top are the "must dos" needed to survive in the future 4.0 world and to overcome the danger of 'disruption'.

Supposed survival recipes – the 'must-dos'

Tomorrow's world is not just digital. Many of its building blocks will no longer be where they used to be. And it's not just retailers who are asking whether and how they can survive in such a world. That's the reason why so many 'must-dos' are being proclaimed as rules for the right marketing strategy:

Without automated, data-driven, algorithm-based marketing and programmatic media buying you'll end up losing your competitive edge, many marketers claim. You must maintain control of the sales funnel at all touch points along the customer journey. You have to increase your effectiveness through dynamic pricing, loyalty cards, targeting,

Google AdWords, content marketing, native advertising and newsletters, made palatable by €10 vouchers.

Decisions are dictated by cost-per-order or cost-per-click. Online, agility and speed are today's buzzwords. There can be no question about it: To be successful in tomorrow's world, you've got to master tomorrow's tools. But in doing so, you've got to watch out for excesses, and you've got to keep in touch with reality.

But first of all there is one fact, you should realize: All of those 'must-dos' won't determine whether you're successful. None of them ever led to a breakthrough, however excellently they were applied. And similarly, none of them helped to avoid failure. Just look at Neckermann, [Schlecker](#), Praktiker and at the many loss making ecommerce-retailers.

None of these 'must-dos' will really help you to meet the decisive challenges.

Determining success: The challenges facing us today and tomorrow



The first challenge is the incredible increase in competition. Retailers are expanding their branch networks and [crowding themselves out of the market](#). The good ones are also competing in a race to modernise. And producers themselves are also joining the battlefield, opening up flagship brand stores, factory outlets und online shops.

New concepts are emerging – just look at the rise of organic and vegan specialists in food retailing. Ecommerce is growing exponentially. An online shop based in Kiel sells its products in Garmisch, and vice-versa. Retailing has become transnational, unhindered by borders. As a result we end up with much greater competition.

To survive, you've got to stand out from the rest. If you just do what everyone else does, you'll never end up a winner. A company has to build up a unique profile. It has

to know how to reach out to its customers, offering them true added value.

Secondly, in a digital world you need a new pricing strategy. Whatever you might think to the contrary, low prices will remain important for the majority of customers and business models. Yet digitalisation has made prices transparent. Anyone can check online who's offering the best price. And there will always be someone offering a particularly low price.

In the past, customers used to have to wait for a special offer. That's no longer necessary. In the past, advertising alone could create a positive price image, because ultimately the majority of ideas we used to have on the right price have come from advertising. It was very difficult and took a lot of effort to compare prices. But things have changed completely. We've got more shops and we can check every price online.

So we have to change our strategy. As a retailer, we must prevent our price image from being undermined, even when sometimes an online competitor is much cheaper. We've got to attract customers not just with special offers. We've got to get them believing that everything we offer is fairly priced.

It's no use assuming that customers don't know what prices online competitors are offering. You have to adapt your overall price strategy and selling arguments to these prices.

Thirdly, not today's customers, but tomorrow's customers are relevant tomorrow. The 4.0 generation is a new generation. Not just because of how they use the Internet and how they shop. Many of them don't have a car – they prefer Car2Go.

You won't find them watching the TV programme "'Wetten dass ...?'" – they prefer 'Circus Halligalli'. You won't see them at McDonalds – they prefer Heroes Premium Burger et cetera. They're on an organic and vegan trip. They sport beards and tattoos.



And ten years from now, lifestyles will be modified further. The world's not going to wait for us. It's up to us to show tomorrow's customers that we're in tune with what's going on in the world; that we're interesting and not boring, old-fashioned; and that we prefer to set trends, instead of following a leader.

Fourthly, we've got to meet up to these challenges not just in our stores. We have to use advertising in order to communicate to people who we are and what we stand for. At the same time, advertising needs to be conceived in a way that will make people take notice of it and in a way that moves them.

'Fit & Sexy' as a new approach

Fit+Sexy – Die Formel für mehr Erfolg im Einzelhandel

Publishers: Wiley-VCH, Weinheim
357 pages
Price: €24,99
ISBN: 978-3-527-50861-7

These are the core messages in my latest book 'Fit & Sexy'. 'Fit' stands for offering customers added value. 'Sexy' means being exceptionally attractive to customers. How can we manage this?

Let me show what I mean by looking at German DIY company Hornbach, where I was in charge of marketing from 1999 to 2013. When I left, the company ran 140 stores in nine countries, posted annual revenues of €3.4bn and had strong like-for-like growth.



Big bold and orange: A Hornbach facade in Frankfurt

Hornbach is clearly focused on 'project customers'. A project is generally something more than just knocking in a nail, changing a bulb or hanging up a picture. It's something that permanently changes our house or garden – for instance modernising the bathroom or converting the loft.

Hornbach orients its whole business, product range, prices and services towards the needs of such project customers. This is Hornbach's brand model, putting passion for projects at the core, under the advertising slogan "there is always a job to be done".



Famous logo, famous claim: There is always a job to be done

You won't find spare parts for your bicycle or car there. What you will find are special products tailored to your project needs.

And Hornbach prices are consistently low, because at the end of the day the customer must be in a position to finance his project, whatever its size. And when it's a summer

project, it's no use coming up with special offers in spring or autumn.

What's the good of a special offer for a 100cm by 110cm window, when the customer needs an 80cm by 120cm one? When you're re-tiling the floor, you don't just need floor tiles. You need skirting tiles, adhesive, grouting and the right tools.



Inside the Big Box: Sales at the German DIY giant topped €3.8bn last year

The bottom line here is: "No special offers. Permanent low prices!" and "No loss leaders. Everything's low-priced!" Compare this strategy with Praktiker's "20 % off everything, except pet food" and with many competitors who distribute weekly leaflets full of special offers!

Hornbach offers the service that customers need for their projects. As they will often have technical questions, it's important to have skilled sales staff – an aspect which features strongly in Hornbach's strategy: Hornbach positions itself as a service provider, not as a self-service DIY store.

And this is what its advertising tries to put across. You spot projects, not just products, and why you need Hornbach's gigantic product range for them. There were TV spots focussed on its skilled staff, or on its permanently low prices.

But much more important is the emotional dimension of the brand. The motives and values of project customers, addressed by advertising like this: "The only thing that counts in any project is – the project itself." You might see a hand bored through, but where's the problem?

All major campaigns since 2001 have addressed customer motives, underlining the slogan "There's always a job to be done!" So that customers feel that Hornbach understands them.

An additional aim was to get people to tell stories about Hornbach with a view of attracting the customers of tomorrow. To achieve

this, campaigns had to be exceptionally creative, daring and cutting-edge.



The Hammer, made of real tank steel

We therefore created spectacular campaigns like "women at work" – "Women don't moan just because of a small scratch", or Ron Hammer, the "House of Imagination", and developed the hammer "made of steel taken from a real tank".

These campaigns have given Hornbach its image as an "in" place to shop, proving the success of the strategy. Its basic principles are:

- 1) Be fit: Offer your customers added value. And show it in your advertising, instead of reducing yourself to special offers and discounts.
- 2) Be sexy: By confirming customer motives and sharing customer values, thereby stirring emotions.

And by coming up with out-of-this-world campaigns – ultra-modern and daring – to make it clear that you are in tune with tomorrow's customers. Get them thinking "I've got to go there!" or "I must have it!".

If you look closer, you'll see what's wrong

Now, let's look at companies who complain they are losing sales. You'll often find that they haven't got their basics right. You'll find products without price tags, staff without the right skills, or long queues at understaffed cash tills.

In addition, many companies are virtually interchangeable, so why shop there? They don't think about which customers they should be targeting, don't put themselves in the position of their customers.

The result? Product quality is bad or doesn't meet up to customer expectations – I'm very angry with a Siemens cooker that is much too loud for my open-plan kitchen. Or about *Tempo* tissues which have lost so much of their quality in recent years. While these brands still survive on account of the goodwill built up with customers over the years, they shouldn't take future success for granted.



Hornbach's 'house without limits' TV campaign:
There is a home in every hut

Retailers are not structuring their product range properly. When I go to a supermarket advertising 'good food', I can't find the usual French cheeses I expect. And instead of that organic *brezel*, I'm offered an unpalatable 29-cent *brezel* because the shop thinks it's got to compete with Aldi.

The supermarket just hasn't understood what its customers want. It therefore comes as no surprise that the German customer barometer '*Kundenmonitor*' reveals a dramatic decline in image figures.

Then I go out shopping for a T-shirt. The store has thousands of T-shirts, in all colours and sizes. But I'm looking for a bright and breezy summer T-shirt, without a big fat brand logo and in size 'M'. And all of a sudden I find my choice reduced to one single T-shirt. And when I look at the queue in front of the cash desk, that one choice goes down to zero. The list of problems is endless.

At the outdoor specialist store, the anorak I like carries a price tag stating 'Recommended retail price: €99'. That immediately makes me get out my smartphone and check what the anorak costs elsewhere. And of course I find that I can buy it online for €59. The store is operating as if the Internet didn't exist.

Nevertheless I would have bought the anorak there, even though it was more expensive, if the store had given me the feeling that they were trying to keep their prices down (perhaps offering a 'house price' of €89), or if the store had made a special effort to advise me which needed to be rewarded. Unfortunately the opposite was true.

Hornbach, for example, provides free Wi-Fi within its stores and communicates aggressively that it's not afraid of internet competition.



When targeting tomorrow's customers, there are already many retailers who have adjusted their strategies and further developed their marketing concepts – for instance Lidl with its modern stores (and advertising). Yet there are still lots of retail chains operating with unchanged concepts dating back to the 1980's.

30 years ago, it was great to go into a large bookshop and find a couch where you could sit and read. But that was 30 years ago – and the same couch is still there. Nothing's changed.

While other customers are out at [Zalando](#) parties, a woman customer at your typical fashion store will find herself squeezing into a narrow changing room without anywhere to put her handbag, and with a big notice forbidding her to take in more than three items.

She might like those jeans, but they're just a bit too long. But there's no tailor service offering to shorten them overnight and deliver the jeans to her door the next day.

Some retailers come up with 'new' ideas. But when these are nothing more than 'bumper stickers', not a change of attitude,

customers will soon notice that nothing has really changed. As at [McDonalds](#), whose organic burger turned out to be just a marketing gag.

Learning from successful companies

We've got to look at what successful companies are doing, whether in the retail sector or elsewhere. Here, you find the Fit & Sexy principles.

Take for instance retailers like Boesner who sells artists' materials. They know their customers, they provide value, stir emotions and organize inspiring events.

Take Hieber with its Edeka fresh food centres or Motel One with its low-budget designer hotels, or Jungbrunn in the Tannheimer Tal with its 7,000m² spa. All of them have a clear idea of who their customers are and what they want.

Looking at consumer goods, take Nespresso for coffee; Dyson for household appliances, or Weber for BBQs. In my view they all belong to the 'Fit & Sexy' category. Their products are really good and benefit the customer, while at the same time being sexy. In other words they are well-designed and embody – or even create – a specific lifestyle.

All you need to do is to think about George Clooney – or the Weber Grill Academy courses, all of which are booked out months in advance.



And always, it's emotional and very often bold advertising which catches attention and gives a company a great boost, as seen by Zalando's scream of joy and Edekas "*Wir lieben Lebensmittel*" (We love food).

To conclude with some further principles, if you want to inspire consumers:

1... Focus on content, not on tools

Data-driven marketing: The general aim here is to put over the right message to the right consumers at the right time. In my view this is virtually impossible – for a number of reasons.

Amazon can collect tons of data about me and my habits – but when I buy a book somewhere else, it doesn't get this information. If it's not me but my wife using my account, this will influence the value of the data. It might know, what I liked yesterday, but it will never know exactly, what I'll be interested in tomorrow.

But even if you know exactly which topic is relevant for a potential customer at any particular moment in time, what messaging are you going to use? The result will probably be an email or an online ad nearly always announcing a discount, a special offer or a voucher. Are these really going to make you buy something?



Look at all that junk mail you get pushed through your door. Alongside a dozen or so leaflets with the latest special offers from your local supermarkets, you might find four direct mails from fashion retailers, all offering discounts or other "benefits". But which one should you give my custom to? Does the mailing have any long-term effect?

The price search machine will give you a top ranking – when your price is low enough. But does that price make economic sense? If you order something online today because the offer and price are just right, will you remember the name of the trader tomorrow?

So it's not that easy to get over that 'right' and effective message. But it's the content that counts, if you really want to reach your customers. For this reason, I like Edeka's advertising: The "*Wir lieben Lebensmittel*" campaign which was very emotional and

addressed hard facts like "our asparagus comes from local farmers".

And by the way: with regard to tools, it'll be the large companies who have the advantage over smaller retailers. They have the enormous budgets for hardware, software and manpower. Therefore, what might the right strategy for a large company may be completely wrong for a smaller company.

2... Use technology to improve customer value

New technologies are opening up new opportunities. Shop4 Runners.de now is able to send me a daily email. Its competitors are doing the same. Do they think that these will convince me to buy from one of them? Receiving unsolicited mails just made me delete my address from Shop4Runners-mailing list.

Companies are now starting to use dynamic pricing – i.e. digital price tags which can be changed several times a day or even set for individual customers – to get the most money out of them.



Price is important for a customer. And that's the reason why companies mustn't play around with them. Though customers love special offers, they absolutely hate being cheated.

When pump prices go up at the gas station just because people are about to leave for their Easter holiday, there's nothing they can do about it. But when a consumer feels cheated by retail stores, he will go and buy the desired product somewhere else.

Radio beacons in the stores communicate with customer smartphones, "fuelling" CRM programs. What's the point of sending a customer who is already surrounded by thousands of articles on sale one more offer on his smartphone – and one with

probably a lower margin than all of the other products.

Instead, new technologies should be used to increase customer benefit. Investing in this field is a much more important marketing task than creating yet another special offer.

When a customer is able to shop from the same retailer in both a real and online world, when the offline and online offering perfectly match each other and provide the same level of service – that's what customers want.

You can buy dog baskets at a pet store. And it's quite natural that, given the size of such baskets, not all of them can be displayed on the store shelves. Why doesn't the store provide iPads with access to its online offering next to the dog basket shelf? And what do I do when I want to look up the properties and suitability of dog food? That's just the right thing for online information.

In an interview with the German business magazine *Wirtschaftswoche* (12/2016), Mathias Kammüller, CEO of the German engineering company Trumpf, stated that:

"Our customers can configure machines able to punch forms out of metal sheets on our website. There are over a million different possibilities. After the customer has configured the machine, he immediately gets told the price. All he then has to do is to hit the 'Order' button for the order to be sent straight to our special production facility. Four hours later, the order is ready for shipment. Just a few years ago, the whole process lasted four days."

Just compare that with other processes! I recently bought a Zeyko kitchen from Segmüller. I ordered it in July for delivery at the end of October. It finally arrived in the middle of December – 21 weeks after the original order.

The cupboards had to be installed before the worktop could be measured and ordered. And the worktop had to be installed before the backsplash could be measured – by fitters who came specially – and ordered.

On enquiring why everything took so long, I was told by a clerk: "I am given the measurements on a slip of paper. I make them into a plan, which I then send to Zeyko. I get a technical drawing back from their system, which I then have to approve. It's only then that Zeyko has the backsplash produced – by a supplier." No wonder that it takes Zeyko six weeks to deliver the backsplash.



In the end it took 52 weeks, one year, to have the kitchen fully installed! The main reason for this, as far as I can tell: no interconnected IT processes between the fitters on the job site, the retailer, the supplier and the sub suppliers. That's not 4.0!

With technology, you could improve communication, set up useful dialogues with your customers. Companies naturally invest in advertising, sales and service personnel, and in people at information booths within their stores.

But when you look at how they communicate with customers wanting to contact them by phone or online, the results are dreadful. Ring them up and you'll get stuck on hold for hours. Trying to contact them online, very often you cannot find a 'contact us' button.

Having finally found a contact form, you will probably have to fill in lots of superfluous yet mandatory fields, or even have to register as a customer.

How different things are at Hieber. At this successful southern German food retailer affiliated to the Edeka Group, you can actually talk to all managers, whether Mr Hieber personally or any member of the top management because the website shows their personal email-addresses and phone numbers. That's the signal you should be sending out to your customers.

Why not place "contact" in the middle of your homepage, like Google's search input box? And, if I can actually see the person I'm talking to – in a Skype-type way – so much the better.

One thing is clear: I would not use technology to bombard people with offers. I would use it to communicate with them. Do you call that advertising or service? It doesn't really interest me what you call it. Whatever it is, it's marketing.

3... Show respect for your customers

The commercial used by Roller, one of Germany's largest furniture retailers, is supposed to be funny. But Roller seems to consider its customers are stupid because the salesman in the ad corrects their use of the German language.

Meanwhile, Roller's competitor SB-Möbel Boss advertised with comedian Cindy aus Marzahn as a testimonial. Cindy is indeed very funny, but she is corpulent, always dresses in pink clothes, and is earthy. Would you want to buy nicely designed living room furniture from such a store?

Again: Hornbach's approach is different. Project customers are heroes and treated with respect.

4... Inspire with good advertising

What sort of advertising will help me win by inspiring my customers? Good advertising! But that isn't what's happening.

Supposedly containing valuable and free information, the leaflets you get pushed through the door are generally so bad they go straight into the dustbin as junk mail.

Online advertising is just as bad, and if you've got any sense you'll activate an ad-blocker. The minute the advertising starts on



Cindy aus Marzahn



TV, you either grab your remote control and zap to another channel or go to the loo.

But what if advertising was really good, informative, useful, interesting and entertaining? Advertising that gets you saying: "The ads are coming. I just love watching them". That would be truly effective advertising. And it can be done.

Just compare the leaflets you get from Aldi or Lidl with the ones from other food chains.

With regard to creativity, Sixt has managed to become the outstanding rental car company. The advertising Ikea used when opening their new store in Lübeck was done with so much individuality and loving care that people saw it as making their lives more beautiful.

Hieber's TV commercials are totally different to usual supermarket ads. In Basel and southwest Germany they now have cult status.

The bottom line: If you're looking for ways to win customers, then inspire them with good advertising. Now, let me summarize very simply: To inspire customers...strive to become Fit & Sexy!

Related articles in German: Mythos Marketing conference review by Mike Dawson on page 51 of **Lebensmittel Zeitung**, no. 23, 10.06.2016 as well as a book review and interview by Jörg Konrad on pp. 43 & 44 of **Lebensmittel Zeitung**, no. 2, 15.01.2016

German Retail Blog

Sign up for your [FREE newsletter](#) now!

RetailUpdate

Sign up for your [FREE newsletter](#) now!

Tweet

Recommend 6

G+ 1

Share 7

Forward Article

[Newsletter](#)

Comments [\(Write a comment\)](#)

This is an English-language blog, please write all comments in English!

Thank you.

Your e-mail address will **never** be published or shared. Required fields are marked with *

Your Comment *

[Send](#)