

RNS Retail Negotiation Series

Profitability Starts With The Buy



10 New Negotiation Mindset Approaches

Retail Negotiation Series (RNS)

Successful retail buyers use a new negotiation mindset that goes beyond basic collaboration to increase profitability while strengthening vendor (and internal) relationships.

Both the retail and vendor sides of the industry have been affected by recent economic and social upheavals. As buyer-seller beliefs continue to be shaped and reshaped by changing market forces, technological innovations, and customer dynamics, the traditional approaches to negotiation will come up short.

Through extensive national research, including interviewing and observing both large and small retailers, as well as conducting interviews with the vendor side of wholesaling and manufacturing, we uncovered 10 critical focus points of the New Negotiation Mindset. These approaches represent the input and experience of a range of levels within retail and vendor organizations, including Presidents, VPs, buyers, analysts, planners, and vendor sales reps.

Traditional Approach

Incremental growth ►

Well-defined, specialist roles (buyer-seller) ►

Limited relationship ►

Closely held business objectives ►

Single brand plans ►

Retailer as sole seller ►

Single- or multiple-channel retail ►

Product focused ►

New Negotiation Mindset

Dominance of segment/niche

Breakthrough results vs. incremental improvements

New interest and challenges to both internal processes

Thoughtful questions to uncover cost-savings, quality improvements, other process opportunities

Authentic partnering

Sharing information that deepens the relationship even if it creates vulnerability

Joint strategy development

Meeting earlier in the planning cycle to share and address needs/goals

Total category plan, incl. multiple brands

Helping vendor analyze, bring competitor products into the mix to better meet customer needs

Vendor is competitor as well as supplier

Understanding impact of vendor-owned brand and outlet stores

Omni-channel retail

Focus on creating consistent customer experiences across the brand (in store, online, print, etc.)

Source focused

Looking beyond product price and quality to understand social and environmental impact

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