

## Face to Face With...

### Doug Ehrenkranz, Managing Director, Boyden Global Executive Search

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By Christine Hall

Doug Ehrenkranz has conducted executive searches for some of the leading names in retail and consumer products. For years, he focused on identifying what he describes as “classically trained” sales and marketing professionals for a number of blue-chip, Fortune 500 companies, later expanding his focus to include executive searches for smaller and midsized retailers and consumer products companies.

Before entering the executive search arena, Ehrenkranz spent more than 25 years in management, sales, marketing and operations with the likes of Procter & Gamble Co. and PepsiCo Inc. He also spent more than a decade as an executive in several business-to-business oriented companies in industrial commodities.

Ehrenkranz, who has a bachelor’s degree from The University of Arizona, serves on the board of directors of Child Advocates of Fort Bend County. He was interviewed by Christine Hall.

#### **Q** *How has Houston’s retail scene changed?*

**A** The local retail landscape is a reflection of consumer tastes and current trends and, therefore, is constantly evolving. It also is impacted by the national economy, business dynamics and cycles in the marketplace. For example, as consumer interest in gourmet coffee grew, so did Starbucks. When the company began to struggle with over-expansion, new store openings ceased and, in fact, we are seeing some Houston locations close. The local failure of Krispy

Kreme wasn’t due to waning consumer interest as much as a result of the company losing control of its brand due to overexpansion — and it disappeared from the retail landscape completely. The expansion of Wal-Mart, the contraction of Randall’s and the closing of Albertson’s in the Houston market stemmed from a change in both corporate dynamics and consumer trends. Wal-Mart’s low-price positioning drove out higher-priced grocers like Albertson’s. Randall’s lost traction as a hometown company when it was acquired by Safeway. Where there are losers, there are also winners. Kroger expanded its Signature stores to better compete and H-E-B expanded and replaced its Pantry stores with its Marketplace format. Both continue to open new stores.

#### **Q** *What is the main difference between retail marketing and consumer product marketing?*

**A** In consumer products, the marketing function is closer to the hub of the wheel which drives most everything else. In retail, the marketing effort supports store operations and merchandising, which tend to be the drivers. Not all marketers can easily make this transition. What makes marketing in the retail sector so exciting is the number of touch-points a good marketer can impact. In retail, there is such a wide array of variables, such as customer service, in-store conditions, in-store merchandising, store brands — all factors that can affect the retail consumer experience.

**Q** *What challenges do retailers face in attracting top talent to head their marketing efforts?*

**A** To attract top marketing talent to their company, retailers must show a commitment to marketing and be prepared to shift to more long-term thinking. Most retailers can, and do, measure their sales results every day — in fact, some every hour. Thus, there is a tendency to think in the short-term. Marketing is all about making a connection with the consumer, which, in most cases, is built over time. Branding is part of this but, unlike consumer goods manufacturers, retailers must consider multiple touch points in which to influence the customer experience. This is why it is so important to have a solid consumer marketing effort working in conjunction with store merchandising and operations.

**Q** *What are “classically trained” marketing professionals, and how do they differ from other marketing professionals?*

**A** In general, classically trained marketers have a solid background in consumer marketing. A classically trained marketing professional has experience in understanding consumer needs and knows how to build and execute a marketing

strategy around that. Many companies are so inwardly focused on their image and their message that it is easy to miss what is going on with the consumer. The challenge is compounded with a large retail operation. There are so many moving pieces, it is easy to lose focus on the consumer.

**Q** *You say it is difficult to convince experienced marketing talent to consider retail as a career move. Why is that?*

**A** Many retailers are perceived as being short-term in their thinking. For a top-notch marketer to make a move into retail, he or she needs to be convinced the company has a long-term commitment to marketing. On the flip side, marketing can be more exciting in retail as there are so many ways to impact the business and affect the consumer experience. A good marketing program can differentiate a retailer from its competition. Wal-Mart and Target sell roughly the same merchandise, but their marketing strategies are quite different.

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