

Updated 3 mins ago

Former Coles Myer CEO Dennis Eck tips rise of the micro brand



Former Coles CEO Dennis Eck: "You can build a brand very quickly because you don't have to go through the traditional brand-building that you did 20 years ago." Supplied

Latest Stories



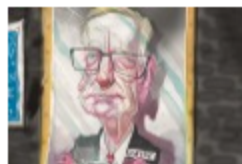
Investors are playing 'poker' with property sellers

1 min ago



Amazon paves way for the rise of micro brands

3 mins ago



A laundry list of misconduct

● LIVE

[More](#)



by [Simon Evans](#)

Dennis Eck, a former chief executive of the Coles retail conglomerate, says the new retail landscape emerging across the world amid the rise of e-commerce giants like Amazon has paved the way for the rise of micro brands in consumer goods able to build a presence in very quick time.

Mr Eck, who is based in California but is in Sydney currently for meetings with ASX-listed company Cellmid in which he has \$2 million investment and is also a director, said Amazon and its fellow e-commerce behemoths had overturned the retail rules in a short space of time.

But the new retail environment where social media and digital communication had a large influence on consumer behaviour and buying patterns, meant that new consumer brands could gain traction very fast in their particular segments, and they didn't necessarily have to become ubiquitous global brands which were household names.

"Because of the digital nature of communications and the speed at which things happen, there is the real possibility of micro-brands," Mr Eck told *The Australian Financial Review* on Monday.

"You can build a brand very quickly because you don't have to go through the traditional brand-building that you did 20 years ago."

Mr Eck – who from 1997 to 2001 ran the Coles supermarkets, Target, Kmart and Myer businesses when they were all under the Coles Myer umbrella – became a director of Cellmid in March and invested an extra \$1 million as part of a placement to investors at 38¢ a share six weeks ago to take his shareholding in the anti hair-loss and anti-wrinkle creams group to a stake worth \$2 million.

Advertisement

Get a Personal Account Manager for your business

Andrew, My Sport Live

Switch now

vodafone

T&Cs apply.

The advertisement features a man in a black jacket with 'My Sport Live' on it, smiling and talking on a mobile phone. In the background, there is a blurred scene of people playing tennis on a court. A professional video camera on a tripod is also visible. The text is overlaid on a dark background.

He returned to the United States after [his departure from Coles Myer](#) when the non-supermarket businesses suffered a profit slide but still keeps an eye on the Australian retail market.

Not nimble enough

But he said he was too far removed to make any astute observations about whether he thought the [de-merger of the Coles supermarkets group](#) onto the ASX as a stand-alone group would be a success. "I'd rather not comment on that," he said.

One global theme which would accelerate was the dominance of Amazon in many sectors. "I think there is a great possibility it is going to feed off the weak," Mr Eck said.

Retail businesses which had been mainly bricks and mortar-based had been too slow to pick the shifts and had been left with a legacy of large store networks which weren't as nimble as they needed to be.

But it was relevance to the end customer which was the most important thing in the new retail landscape. "I think any retailer can stay relevant as long as they continue to adapt". He said traversing social media and building brands through the power of word of mouth and recommendations was crucial.

Mr Eck said the health and wellness category was growing strongly as cashed-up Baby Boomers wanted to age gracefully.

"First of all you have a population that is ageing. People have a bit more money to spend to look and feel good and to maintain their health".

"Vanity is a human trait. There's no doubt".

Cellmid has ambitious plans for its Evolis anti-hair-loss lotions and shampoos which have begun selling in the United States in department stores including Neiman Marcus and Bloomingdales.