

## CASE STUDY: XENOS

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### Introduction

Xenos has been a successful retail chain in the Netherlands over the years since 1973. This success started within the grocery formula P. de Gruyter & zn., where the articles were imported from all kinds of different cultures across the world. Products that were not available anywhere else in the market, and were therefore immediately fun, delicious, and different.

Xenos is Greek and means “stranger” or “vreemdeling” in Dutch. The name fits the brand very well, it is what Xenos always has been: Cozy Different - “Gezellig Anders” (In Dutch). Shopping at Xenos is therefore a real adventure with surprising assortments with an average of over 10.000 products a year to brighten up Dutch homes. The experience is like shopping at a colorful bazaar. The company offers surprising and affordable food and non-food related products for different categories; living, cooking, household, party, cards and gifts, food, hobby, travel and free time, and seasonal products.



*Xenos Gezellig Anders Team Spirit.*

Over the years, Xenos has grown into a company with more than 156 stores in the Netherlands and great visibility online with a webshop that represents more than 20% of its sales. The stores are supplied with new products from the distribution center in Waalwijk in southern Netherlands. The distribution center is located next to the head

office, creating a one-family feeling around the strong cultural values visible everywhere on posters and other signs, being: heartfelt, adventurous, and colorful.

### Challenge

The Xenos adventure started in the summer of 2018 when the company needed a turn-around. A new management team was hired and they really felt a strong responsibility to be able to sustain the jobs of its employees, while making the company healthy again. The company grew by over 30% in revenue in the period 2018 – 2021. The secret of the success from 2018 until 2021 has been the focus on people, teamwork and building a strong employee-oriented culture together. Xenos unleashed the potential of their employees with a strong HR program including many elements like; a talent growth and development program (the X Academy), different ways of communicating via short videos, and an employee app where successes were celebrated and ideas were shared. Another great way of unlocking employees’ potential was a clear focus on “sustainable employability”, and many fun elements like the undercover boss and the yearly returning X event. A famous Xenos quote that is used and practiced daily at work is: “Together, with each other, for each other”. Of course, applicable for all stakeholders: employees, customers, suppliers and the shareholder.



*X Event*

The context the retailer is operating in, has become more and more challenging over the years, really VUCA (Volatile, Uncertain, Complex and Ambiguous). In the Netherlands, a very price-sensitive market, the retailer landscape has been characterized by the fight for the lowest price. Then Covid happened. Also, here the company did well and embraced being and doing things differently again. It focused on protecting the health and wellbeing of the employees but also the health of the company. This meant the company decided not to close during the start of Covid, as one of the few, which was the best decision ever. It proved a success and the employees really felt proud to be part of Xenos. These types of examples of which there are many, really prove the cultural ethos of “being different” of



Xenos and really doing it together for the health and wellbeing of everyone involved.

Together with all its stakeholders, Xenos realized a turn-around of the business by reinventing all the fundamentals of the business reaching amazing milestones. Customers rediscovered Xenos in every aspect; like a successful new brand positioning, the launch of a complete new formula and new store footprint, by opening 45 new stores, relocation of stores and refurbishing all existing stores (over 156 stores) and focus on building online capabilities launching an award-winning new webshop alongside a successful social media marketing strategy, renewing IT systems (like ERP) and focusing on the growth and development of the Xenos workforce which included proven training methods within the X academy, and many more.

After 3 years of creating the culture and bringing the growth back to the company, fertile soil was built. In 2021 the management team felt they needed a new inspiring vision and direction for the coming 3 years. What could be next? What about integrating sustainability even more?

Yet, how to do that as a retailer where you basically sell a lot of stuff, with a big impact on people and the planet? How, to make an easy change of products possible, while not adding further to more waste and pollution?

The impact of humans on the earth has been becoming increasingly clear. The effects cannot be ignored and are being felt by everyone from biodiversity loss, to climate change, plastic pollution, and so on.

At the same time, Xenos also has been acknowledging the hardening of society and the increasing inequality and lack of solidarity. That also goes straight against the values of Xenos to be colorful and heartfelt and be open to everything that comes from other cultures and is different. As diversity gives color to our lives.

Research from InRetail (“Moving to Sustainability 2030”) was showing consumers really were looking for more sustainability leadership by retailers in the Netherlands. Consumers are changing and have been becoming more conscious of their purchases and are increasingly opting for better, and more sustainable products. Also, employees are changing and prefer to work for companies that have a purpose and make a positive contribution to people and the environment.

So, while fertile soil was built for the company, the question was on how to keep this soil fertile with flourishing harvests, in the context of the fast-changing VUCA world with multiple crises like covid, the Ukraine war, and all the social and environmental challenges. How could Xenos help its customers to buy the products they love with peace of mind while still giving color to their life and that of future generations as well? It was clear, a different strategic approach and change were needed to become a future-fit company and take on a leadership role in sustainability in the Dutch Retail market to answer the needs of consumers and employees.

### **Solution**

In 2021 Doing Business Doing Good and Xenos met to go on a new adventure to further nourish the fertile soil. Together they have been shaping Xenos's new strategic ambition and impact plans, strongly rooted in the culture, values, and heritage of the company taking into account the new challenging context and the impact of humans on earth and each other.

Xenos always has been giving color to life, like nature, with products from different cultures and with lots of natural materials like bamboo and rotan. Yet, doing that in a more sustainable way, with the current and future generations in mind, making sure that consumers could continue shopping with peace of mind was the challenge moving forward.

A different approach to sustainability was really needed and also aligned with the Xenos brand essence of “cozy different”. So, that is how a regenerative ambition was born: which is about not doing less bad, but doing more good, no greenwashing, but the true positive impact, embracing a way of doing business inspired by nature, with a focus on the products, where the biggest positive impact could be made.

When the Xenos management team literally dived into nature with the strategy workshop, the realization emerged that all is connected and interrelated, that we ourselves are nature and part of nature. That nature doesn’t create waste, is circular and makes life thrive and flourish, gives life color, and works collaboratively together. That Xenos has strong roots in nature with its bamboo and rotan product materials, from diverse cultural backgrounds, but also its collaborative culture and stakeholder approach showed a resemblance with a bee hive in nature. So, what if Xenos could embrace nature more, and its regenerative life principles, as the inspiration and direction?



*Beehive creations at X event as metaphor for Xenos culture.*

Realizing that, it made sense to embrace being nature positive as a way of life for the organization, and strive to make a positive contribution to all of nature, which means giving back more than taking, for people, the environment, and society.

A renewed Brand Purpose was born: “Together Cozy Different towards Nature Positive”  
With an ambitious goal for 2025 to be seen as the most nature-positive retailer in the Netherlands, to be an inspiring example to others, that everyone who buys from Xenos contributes to a better world for an affordable price.

Undoubtedly, the leadership embracing the new strategic direction and living it was just a start. More importantly, it was crucial to involve all stakeholders as part of the journey, as contributors, co-creators, and co-travelers: employees, suppliers, customers, shareholder and other partners.

The journey set off with an employee X event engaging all employees to be part of the journey asking how they like to contribute which led to multiple ideas, projects, quizzes, and all employees being trained in what it means to work in a nature positive way.

The purchasing team went into a couple of workshops and trainings to really understand on how to involve their suppliers on the journey and how to start changing their products towards nature positive in line with the newly formulated KPIs with topics ranging from nature positive, regeneration, and circularity, to zero plastics. The suppliers were all invited on the journey by signing a new code of conduct and be part of sustainable retail platforms to make all sustainability measures transparent.

Of course, also the customers were involved by means of researching what they really expected of Xenos. The outcome of that study showed 65% of the customers wanted help in making more conscious and sustainable choices in the stores. There was a big need for more transparency about products and to really understand what is really sustainable and what not.

To meet the need of the customers and to make sustainability transparent across all suppliers, Xenos started a collaboration with the Global Sustainable Enterprise System (GSES) in 2022. The GSES Score is a universal sustainability rating system for companies, public organizations and NGOs. The rating works with internationally accepted frameworks and standards such as; GRI, SASB Standards, ISO, Sustainable Footprint standard, and over 550 ecolabels and certification schemes.

Xenos and GSES worked together to develop and launch the Nature Impact Rating: a business-to-consumer industry standard for making the sustainability aspects of products transparent, where zero leaves means not sustainable and 5 leaves means very sustainable.

In September 2022 Xenos launched the Nature Impact Rating during a retail congress during which the retailers and participants at the retail congress were invited to an educational workshop by Xenos and GSES sharing all the best practices on how to use it. Also, here Xenos opened up to share their learnings about the Nature Impact Rating with all their retail peers. This was done with the purpose to enable transparency in the

sustainability of products across the Dutch retail market, to make it easier for consumers to shop consciously. Also, here in sharing all their knowledge with their competitors, Xenos lived their ethos of “Together, for each other, with each other”, as together always can be achieved more.

*Nature Impact Rating explained.*

**HOE KOMT EEN PRODUCT AAN ZIJN SCORE?**

Onze duurzaamheidsscore, de Nature Impact Rating, is gebaseerd op onafhankelijke metingen van GSES. De meting van de productmaterialen en het productieproces bepalen hoeveel blaadjes een product krijgt; hoe meer blaadjes, hoe groener het product!

**SPIEGEL ROTAN BLOEM**

**DUURZAAMHEIDSSCORE**

**PRODUCTMATERIALEN**

- 67% recyclebaar
- 100% herbruikbaar

Vrij van gifstoffen in het gebruiksproces

25% composteerbaar

**PRODUCTIEPROCES**

- 15% gemaakt van gerecyclede materialen
- 25% gemaakt van biobased materialen
- 0% gemaakt van hernieuwbare materialen

**xenos**  
Meer weten? Scan de QR-code of ga naar  [Xenos.nl/duurzaamheid](https://www.xenos.nl/duurzaamheid)

**HEB JIJ ONZE DUURZAAMHEIDSSCORE AL GEZIEN?**

**GSES Score Nature Impact Rating**

Een bewuste keuze maken? Dat kan met onze duurzaamheidsscore. Hoe meer blaadjes, hoe groener het product!

Lees meer op de achterzijde

**#XENOSNATUURPOSITIEF**

**xenos**

**Conclusion**

The nature-positive journey of Xenos has just begun. It is of course a big effort to change the thousands of products together with all stakeholders towards nature positive and transform all the elements of the business towards becoming nature-positive.

The Xenos Management was recognized for the journey so far and they have been rewarded as Retail Management Team of the Year 2022-2023.



*Retail Management Team of the Year 2022-2023*

Xenos is very committed to its new ambition and has mapped its nature-positive journey clearly with impact KPIs from 2021 to 2025 and towards 2030. You can obtain more details about it on the company website.

The only way forward is to keep moving step by step, constantly discovering, learning, and working together with all stakeholders, because the horizon is constantly shifting and changing during the journey, including more and more sophisticated demands for sustainable products from customers. Xenos, its employees, and all its stakeholders are constantly progressing together, following the wisdom of the African proverb which tells us,



**“If you want to go fast, go alone. If you want to go far, go together.”**

So, therefore Xenos invites everyone to join them on their nature-positive journey.



**DOE  
JE MEE?**

We werken er elke dag hard aan om onze klanten alles wat 'anders' is te laten omarmen en op die manier hun leven te verrijken. En om onze positieve bijdrage aan onze omgeving te vergroten. Met als uiteindelijk doel dat iedereen die voor een betaalbare prijs iets bij Xenos koopt, bijdraagt aan een mooiere wereld.

Dat is een ambitieus doel.

We gaan met alles wat we doen al de goede kant op, maar hebben nog een lange weg te gaan. En we nodigen jou uit om met ons mee te gaan op deze reis. Om samen onze natuur positieve bijdrage zo groot mogelijk te maken. Kijk voor meer informatie op  [Xenos.nl/duurzaamheid](https://www.xenos.nl/duurzaamheid).

*Join us on our Nature Positive Journey!*

### **Questions to stimulate conversation on the case**

*How do you think a regenerative and nature-positive approach is different than how the majority of businesses are approaching sustainability?*

A regenerative or nature positive approach puts the greater thriving of all of life at the center of every action and decision. It embraces a living eco-systemic design approach and view vs a mechanistic and linear one. A regenerative approach is a way of life, that embraces the principles of life, gives back more than is taking, and is inspired by nature to operate as nature. The outcomes of this approach create positive impacts for all of nature, including the business, vs other sustainability approaches that create less harm, zero harm or positive impacts partly.

*What other activities would you propose to be added to the HR strategy of Xenos to keep employees motivated and fulfilled?*

Measure and monitor (you get what you measure), new KPIs in all employee work plans, ambassadors' programs to engage employees on the nature positive journey, lots of trainings to build new skills and capabilities, include new strategy/communication in

recruitment and talent and leadership development, build a culture like an ecosystem, help leadership and employees to reconnect to their own Purpose and how this links to Xenos Purpose.

*What other future challenges might retail chains cope with in the near future?*

Artificial Intelligence, Robots, Nature and Climate Change Disasters, talent acquisition, new upcoming rules and regulations, wars, logistical challenges, resources scarcity, recession, price increases and many more.

### Links and media

Website: [www.xenos.nl](http://www.xenos.nl)

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## 3.2 MARKET SEGMENTATION, TARGETING AND POSITIONING

Markets consist of buyers, who differ in one or more ways, for example, in their wants, resources, buying attitudes, and locations. The technique that is used by marketers to get grips with the diverse nature of markets is called **market segmentation**. Through market segmentation, companies divide large, heterogeneous markets into smaller homogenous segments that can be targeted more efficiently and effectively with products and services that match their unique needs and wants. The objective is to identify groups of customers with similar requirements so that they can be served effectively while being of a sufficient size for the product or service to be supplied efficiently. Usually, especially in consumer markets, it is not possible to create a marketing mix that satisfies every individual's specific requirement precisely. Market segmentation, by grouping together customers with similar needs, provides a commercially viable way of serving these consumers (Ellis-Chadwick and Jobber, 2016).

The first step within the process of market segmentation involves the identification of the best ways to segment a market and then pin down the characteristics of each group (this second step is called **profiling**). Next, the company must evaluate the attractiveness of the segments and select the most appropriate target markets. Finally, the business organisation needs to **position** the product or service relative to competitive offerings within the chosen market segments.