

## Shop.Org 2012 Keynote: David Walmsley, Multichannel Development Director, Marks & Spencer

### “Digital Retail Strategies from Abroad”

Tuesday, September 11, 10:30a - 11:30a

#### Bio:

One of the UK's best loved retailers, Marks & Spencer has a unique heritage. Joining the retailer's board last year, David Walmsley is tasked with achieving its stated goal of becoming a leading international multichannel retailer. This session will focus on M&S's multichannel strategy, and particularly its push of digital media in store and international markets. Laura will cover the company's digitally infused innovation agenda that is enriching the in-store experience, and bringing web engagement into all customer contact.

#### Keynote Highlights:

- Marks & Spencer is a fashion, home and food retailer in the UK.
- We are growing internationally:
  - Skymall sites
  - Oman Muscat City Centre
  - Champs-Elysees store in Paris
- Digital stores have become more stylish, presenting a more fashion-forward agenda
  - They now offer guides that show seasonal trends and how a customer can wear them
- Customers have adapted to digital life
  - Affluent female: 55-65 years of age
    - Owns lots of tech (laptop 79%, smartphone 52%, tablet 35%)
    - She does banking, travel, photos, Facebook, music - all online
- How Marks & Spencer helps our customers:
  - Browse and Order points in store
    - Introduced iPad assistants
      - Mixture of product and digital support
      - Triangular conversation between customer, colleagues and screen
    - Introduced large screens to stores: “StyleOnline” feature
      - Users can drag and drop items together, can buy off screen or email store for later sale
    - Weaving digital into the fabric of stores
      - Free WiFi at all stores
      - Rolled out PC's to "back of house" so colleagues can use them during lunch break
- Trying out new things
  - Marks & Spencer app on Samsung TV
  - Aurasma technology at train station in Australia
    - Integrated it with Marks & Spencer iPhone app (MS Live feature)
- Mobile
  - Upgraded mobile website - m.marksandspencer.com
  - iPhone App
    - Can scan bar code
    - Store locator

- Facebook
  - Where loyal fans gather
    - Seasonal comments, recipes, new products, etc.
  - Host feels free to talk to customers
    - Fashions in the office, sunset's out the window
    - Live fast and authentic
- Results
  - Multi-channel sales are up 15%
  - We are ahead of the market growth rates in UK
  - Mobile sales are up 100%
  - New channel sales doubled
- Becoming truly multichannel means weaving digital into the experience, not bolting it on
  - 40% of sales touch online in some way
    - Shopping from home, ordering online for in-store pickup
  - Customer who uses 2 different channels spend 4 times more
- When we bring it all together in one space, the impact is dramatic
  - Cheshire Oaks
    - Store design delivers more inspiration (outfits, trends, looks)
    - Beauty area has a virtual makeover area; we have version of app on web
    - We have 12 browse and order points
      - Numerous iPad stations
- International Multichannel
  - We use Demandware
  - We have shops in 44 countries
  - We are shipping from the UK.com website to 83 countries
  - Launched France online at same time as opened new Paris store in 2011
  - Launched online in Ireland
  - We plan to have locally transactional businesses online in 10 countries by April 2013
- Lessons Learned
  - Building out local market has challenges
    - It's difficult to get the tonality right (language)
    - We needed to have more feet on the ground
    - Payment types (Visa, MC, Amex, Laser, etc.)
      - Difficult
      - Use U test, online testing, live video footage
    - Sales
      - France only has two times per year when products can go on sale

**Summary:**

- Three takeaways:
  - You can't obsess enough about the customer
    - Get under the skin of your shoppers
    - Get subscriptions to magazines
  - Being right is a very temporary feeling
    - Just when you feel you have a grip, the whole world moves on, i.e. mobile, UI, etc.
  - Digital is the fabric though which our customer experience will be woven
    - Goal: inspire and please, let it charm, surprise and engage

**Q&A:**

- What percent of sales are transacted online?
  - About 10%
- How does the multi-channel DNA take place?
  - Across the board, ground up with PC in back-rooms, top down with CEO store walkthroughs
- What are your failures?
  - TV advertising is iconic; it's important to expand and enrich.
  - It's difficult to create a rich experience via advertising, start to feel the product; we are moving away from digital banners.
- Do you sell food online?
  - Yes, about 300 pieces.
- How do you merchandize across the channel? How do you decide what leads?
  - We have one promo calendar in the business that forms the backbone of our site merchandising. Our web site is the best shop window for the business.
- What are your challenges tracking multi-channel analytics?
  - Have loyalty card and M&S card, we can mine that for the bigger picture.
  - Full end to end tracking is not there yet, starting to build insight, it is granular. More to come.