Marks & Spencer

The client

Marks & Spencer are one of the UK's leading retailers, with over 15 million people visiting their stores each week. They offer stylish, high quality, great value clothing and home products, as well as outstanding quality foods, all responsibly sourced from suppliers we trust. They employ 65,000 people and have over 450 UK stores, as well as a flourishing international business.

The challenge

In October 2004, Marks & Spencer launched a new look for its stores and approached Experian® company, FootFall to help it measure the true impact on the business. The company had trialled other customer counting systems in 1993, 1997 and 1998 but found various limitations. The data produced was biased towards head office use rather than store use, there had been wasted opportunities to use the data effectively as there was no easy way to merge all the information that was being produced, and there was also some question over the accuracy of the results. For this reason they were keen to work with FootFall to deliver a cost effective solution with an accurate data management service, along with a user friendly reporting tool.

The approach

FootFall launched the first integrated 'real time' customer conversion trial in October 2004 to offer a new perspective on Marks & Spencer's store performance. The trial aimed to help the retailer understand how well it was drawing customers into stores, how many people were buying and most importantly, how many people were not buying to give a measure of 'missed opportunity'.

The following key drivers of conversion in-store were identified:

Product – availability; ranges; product segmentation
Behaviour conversion – service style
Staff – right people, place and time; product knowledge; selling skills
Customer services – fitting rooms; tills open; order points

The implementation

FootFall developed an innovative in-store solution that linked FootFall customer counts with POS (point of sale) data. The new Customer Conversion system, which was initially developed specifically for Marks & Spencer, placed a bigger emphasis on local reporting by developing individual conversion measures for each store.

Marks & Spencer had clear design principles in place to minimise costs which FootFall was able to fulfil. This included, central servers to host all data to minimise hardware in store, a store network utilised to minimise wiring requirements and all reporting was to be web based.

FootFall also developed a central strategic solution to fully utilise all of Marks & Spencer's current in-store data. Thermal perimeter counting devices were installed which fed back to data collecting units located in-store. These results were then collected by a server hosted at Marks & Spencer every 15 minutes. Simultaneously, POS data from Marks & Spencer's tills was fed into a data warehouse that extrapolated the required data and interfaced to the FootFall application.

By combining both sets of results at Marks & Spencer's IT centre, FootFall was able to produce meaningful reports, showing conversion rates not just for the whole store but for each department. Products sold and recorded via M&S's POS system were grouped into 'sub-baskets' to identify which department they belonged to. These figures could then be matched up to store visitor numbers to give an innovative capability to measure departmental transaction and conversion rates. Reports could be produced on a daily basis and long-term footfall and transaction patterns produced, including store comparisons.

The first tactical trial took place in just one store, moving from conception to installation in just five weeks. The trial was extended to a second store in March 2005 and then rolled out to all stores three months later following development of the strategic solution.

The results

Two years on, the new Customer Conversion system has radically improved Marks & Spencer's use of its in-store data. Following installation, stores have been able to see how customer flow and sales are linked and use this knowledge to improve conversion rates.

Stores are creating innovative staffing around customer flow and reinforcing 'Our Service Style' behaviours. By setting targets for conversion rates by department, the footfall data can be used to proactively manage, motivate and plan teams.

Future developments

FootFall is continuing Marks & Spencer's programme of development and exploring further ways to utilise in-store data, such as extending the analysis to include staffing data. Meanwhile, Marks & Spencer is driving a cultural change throughout the organisation and recognising customer conversion as a KPI with the aim of maintaining higher levels of conversion on a permanent basis.

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By making small, simple, sustainable changes in staffing, product availability and service based on our findings from the FootFall solution, Marks & Spencer have been able to drive measurable improvements in conversion, UPT (units per transaction) and basket size, which will result in significant and sustainable increases in sales

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Bill Donald –Project Manager, Retail,

Marks and Spencer