

M&S: An Adventure in Building Marketing Capabilities

The challenge

At the start of 2013, the M&S Food Marketing Team found themselves faced with a plethora of external and internal challenges that were threatening to affect our strong Food sales growth. We were under even more pressure as the wider M&S business also faced a number of competitive threats.

Rising energy and commodity prices were impacting consumer spending habits and, whilst consumer confidence had started to improve, it remained fragile in the threat of a triple-dip recession.



The competitive environment had become increasingly intense and we found ourselves in a slowing market, needing to grow at the expense of other major multiples. With the long term decline in footfall on the High Street, the business was looking for online sales to drive growth. However, online was still a relatively small part of the overall offer and therefore reinvigorating the core business was a key strategic priority.

Meanwhile, buying habits were changing with customers increasingly demanding a more personalised experience in store and online. As an organisation, we needed to adapt. We needed to become more relevant, more often to customers. Whilst the business had started to take steps in that direction (1,500 iPads were rolled-out to our store employees to support their customer interactions), they were looking to the Marketing team to step-up and lead the way.

The Marketing team was newly formed with the amalgamation of 3 separate teams into one 'end-to-end' strategic Marketing function. At the same time, there was a change of leadership in the food group with Steve Rowe taking over as the Executive Director, Food. He was looking to Marketing to be the catalyst for brand growth.

However, whilst our employees were passionate and proud to be working for our 130 year old brand, 50% of the Food Marketing team were either new to the business or new in role. In particular, our Food Marketing team and leaders needed to be equipped to influence the strategic direction of the business, to drive customer-centred growth. With differing internal views regarding our positioning there was a need for a clearly defined and well-understood Food Brand Positioning. As a result, food

business performance was impacted – our like for like food sales growth had slowed and market share was flat.

OUR OBJECTIVE

To deliver profitable growth of the Food Business in a price-driven market by building Marketing's capabilities across the customer experience

What we did

Working in partnership with Brand Learning, a global consultancy with unique expertise in inspiring people and lifting the capabilities of people and organisations to drive customer-centred growth, we rolled out a three-phase capability programme:

PHASE 1 – Building a common way of marketing in core functional capabilities

Initially, we focused on raising functional performance by lifting capabilities around **Brand Positioning**. We needed to make sure we had a clear and simple brand positioning that was aligned to the wider business strategy and brand purpose, and allowed us to truly put the customer at the heart of our strategic planning. Together, we developed a bespoke positioning tool which we used to build a shared understanding of what the Food Positioning should look like through the use of a common framework. Using leading-edge content with external best practice examples to stretch and inspire teams, the capability building was delivered by Brand Learning through high energy, engaging workshops for marketers and colleagues from adjacent functions. The workshops were also used to introduce new, cross-functional ways of working to deliver a fully integrated customer experience.

Our next step was to ensure the customer journey was clear and well-understood. We developed a comprehensive **Integrated Communications Process** with relevant tools and templates. This was rolled-out to the Marketing function and its agency partners, leading to a reinvigorated communications plan, 'Adventures In', which had customer insight at its heart.

PHASE 2: Applying capabilities to establish a new Food Positioning and deliver across the customer experience

Establishing the food positioning was critical both for Marketing, to enhance its influence within the organisation, and for the business, to enable us to drive a distinctive and motivating customer experience in a price-driven market.

Firstly, a Live Action Learning (LAL) approach was used to continue to build the team's capabilities and develop a new Food brand positioning (driven by insight), and then translate the positioning into strategies and activities across the customer experience.

Through a series of LAL workshops, run by Brand Learning, our Food Marketing and Insight teams:

- Generated fresh insight into the needs of our target customer
- Established a new differentiated food positioning
- Generated new strategies and activities to deliver the positioning across the holistic customer experience
- We developed a new brand look and feel linked with our food brand positioning. This was executed across multiple touchpoints supported by a new style of photography and tone of voice delivered both on and offline.



Secondly, we established new ways-of-working and made our planning process more robust to enable Marketing to work cross-functionally to deliver the new brand positioning across the customer experience.

The new **Brand and Marketing planning** process has been central to improving cross-functional working and helped the team translate the Food group strategy into a co-ordinated customer plan of cross-functional initiatives for each of M&S Food's strategic pillars.

The planning process for developing our seasonal campaigns now involves collaboration across Insight & Loyalty, Product Development, Trading and Marketing teams. This has led to more consistent and integrated campaigns for the customer.

PHASE 3: Driving performance by inspiring marketing leaders to lead a customer-centred organisation

Significant progress had been made in lifting the team's functional performance and applying these capabilities to establish a distinctive Food Positioning and winning strategies and activities focused on the customer experience.

However, to drive performance in practice, it was recognised that marketing leadership needed to step-up and inspire this change. This required a focus on functional marketing and business skills as well as instilling a customer-centred mind-set and behaviours.

Our Food Marketing Leadership team worked with Brand Learning, who ran coaching sessions to help build commitment to a shared purpose and the values/behaviours required to drive a truly customer-centred organisation.

To enable and accelerate this change, customer-centred leadership coaching and facilitated strategy sessions were run with the Food Management team to clarify their role and commitments in driving brand purpose across the business, putting the customer experience at the top of the leadership agenda.

Key highlights

- Established a common language and way of marketing in M&S Food (focused on critical areas e.g. brand positioning and integrated communications)
- Applied the new capabilities to build a differentiated, premium brand positioning in a price-driven market
- Enabled Marketing to work cross-functionally to drive brilliant customer experiences through new processes and live action learning programmes
- Inspired and equipped Marketing Leaders to drive customer-centred strategies and behaviours across the business

What we achieved

Since putting the customer at the heart of our business planning to improve the overall customer experience, we've seen significant business impact. Strengthened marketing capabilities have led to a motivated, high performing Marketing team which has, in turn, delivered superior business results.

Building a common way of marketing, and applying new capabilities has helped re-energise and galvanise the Marketing community, by demonstrating what great looks like and equipping them to step-up their performance. The roll-out workshops were widely valued with **94% of participants saying they would recommend** them to their colleagues.

"The session was a transformative learning experience, relevant to the work I do and particularly beneficial from a development point of view"

Participant of the Business Planning Workshop

Brand Positioning

- The entire Food business now understands the value of our Brand and feel confident in explaining the Food Brand Positioning and delivering it in practice. It's understood cross-functionally from food directors to trading managers.
- We are the only brand that hasn't had to invest in prices.

- Food has consistently been the strongest for M&S in terms of **Brand Momentum** and is currently sitting at the second highest ever recorded point.

Integrated Communications

- Our briefing practices have improved significantly, as evidenced by our **'Adventures in'** campaign, which has won the following awards:
 - Creative Circle – Gold – Film Craft – Cinematography
 - Creative Circle – Gold – Best Music
 - Campaign Big Award – Silver – Retail
 - Campaign Big Award – Silver – Grocery & Soft Drinks
- More specifically, **'Adventures in Britishness'**, was ranked an incredible **4th** by Brainjuicer in their analysis of UK ads in 2015. We have also had a very strong showing with **'Adventures in Surprises'**, ranking as the best Christmas retail ad in 2015 according to Brainjuicer's Emotion into Action (EiA) score.



Marketing Planning

- As a result of making our planning processes more robust, we have **significantly extended the planning horizon**, which has hugely improved efficiencies across all our teams.
- Cross-functional brand teams are more confident in adopting a **united approach** and as a result **75% of our customer experience measures have increased** since the programme was launched 3 years ago.
- Cross-functional planning also fuelled the **success of our new Sparks loyalty programme**, providing customers with tailor-made offers and rewards. The programme took less than a year to implement, launching 8 months ahead of schedule and demonstrates the huge step forward the business has taken to place **customer insight at the heart** of its investment and planning.

Food Business Performance

Our investment in Marketing capability has also helped attract new talent from outside M&S, with senior hires from companies such as Unilever, Heinz, Nestlé, as well as successful international retailers. This has further built our capabilities and Marketing thinking, with new leaders championing and leveraging our common way.

Our high performing Marketing team was highlighted in the **2014/15 Employment survey ‘Your Say’ with scores improving by +37%**. This made the Food Marketing team the most improved marketing team in the business and is used as an example of best practice by the rest of M&S:

“The Food Marketing team have shown the benefits of putting the customer at the heart of what they do and the impact this has on our business. Their joined-up approach and focus on their clear understanding of the brand have been critical pillars to their success.”

Rob Weston, Global Brand Director GM & Food, M&S

Now, the Food Marketing Team plays a pivotal strategic role within our business:



Our significantly strengthened team has stepped-up to lead the cross-functional agenda, delivering a superior customer experience. Over the last 3 years, our capability building investment has delivered significant ROI and supported our **LFL UK Food sales growth of 4%** in spite of the most competitive food market of recent years. We have also outperformed all the other top supermarkets, leading to a **record market share of 4.3%**.

“The investment we’ve made in Marketing Capabilities over the last few years has played a pivotal role in achieving the strong business results in our food business that you see today”

Steve Rowe, CEO, M&S

Customer experience results reinforce that we are now truly putting the customer at the heart of our business and thus becoming ‘more relevant, more often’ for our customers. **Over 75% of our customer experience measures have increased** in the 3 years since the programme launched and our **Net Promoter score has increased by 8 points**.