

# Marks and spencer and customer relations



Identify and explain the different customer needs of which the three M&S clothing ranges aimed to serve? Assume that the Perfect and Classic ranges serve essentially the same customer segment.

Identify and explain the order winner and qualifiers for these three different clothing ranges at M&S.

Apply the polar diagram to analyze and compare the different operations performance objectives for these three different clothing ranges at M&S.

Marks and Spencer was open in 1884 by Michael Marks, and Tom Spencer join into partnership in 1894; they hold principles of Quality, Value, Service, Innovation and Trust which makes the company having over 21 million customer per week , and over 600 stores over United Kingdom. (Marks and Spencer)

Identify and explain the different customer needs of which the three M&S clothing ranges aimed to serve? Assume that the Perfect and Classic ranges serve essentially the same customer segment.

## **Identify customer**

### **Demographic segmentation – Age and gender**

There are three reasons where age will influence on customer i) the requirement and needs is immensely by age. ii) to determine the lifetime revenue of a customer. iii) age changes affect population rapidly (Widing, Sheth, Pulendran, Mittal and Newman, p. 254-255). M&S targeted more on women clothing than men's clothing, this is because women usually do the shopping, including buying for men. Targeting women as customers doesn't

mean that M&S sell more female clothes, but the environment is made to comfort women while they are shopping, women purchase strategically, men purchase immediately (Anderson, 2010). Ages of customer in M&S are clarified in the case, which falls under 35 – 55 years old, which similar to period after early adulthood and before old age about 45 to 65 (Oxford dictionaries, 2010). Marks & Spencer offered more fashion focusing on older age groups (Cox & Brittain, 2000)

### **Demographic segmentation – Income**

Retailers like Harrods targeting a higher income group through offering more quality and expensive products (Cox & Brittain, 2000). In my opinion, targeting high income group could be done also by providing better service. The services may build up from delivery; spoil return, refund and etc. Higher income group will more focus on the products quality and service provided because cash is not essential to them.

### **Psychographic segmentation – Population**

M&S expand their business in countries where the population is high, example is Malaysia, and M&S owns 4 retail shop in Kuala Lumpur. KL has a high population of 1, 627, 172 in year 2010 (Appendix TABLE 1: DISTRIBUTION OF POPULATION (NUMBER & PERCENTAGE) AND AVERAGE ANNUAL POPULATION GROWTH RATE BY STATE, 1980-2010). Kuala Lumpur the capital of Malaysia, having high quality of living, advance technology, the Multimedia Super Corridor Malaysia is designed to move the standard of Malaysia into information and knowledge age (MSC). It is a good strategic to expanding retail business in high population area or in higher living standard area.

## **Behavioural segmentation – Loyalty**

The core customer of M&S consists of regular customer. Customer come back to M& because they are satisfied with M&S clothing. Customer are satisfied with service and goods provided by M&S (Widing, Sheth, Pulendran, Mittal and Newman, p. 473) Regular customer is important for a business to stay profitable because they willing to pay more, and acquire more items. Loyal customer will increase sales for the company. Through branded items good image could be created (Widing, Sheth, Pulendran, Mittal and Newman, p. 474). M&S is getting confidence and trust from customer as M&S clothing is emphasizing on lower pricing with high quality.

## **Others segmentation – Climate**

Climate will be temperature, wind, humidity and rainfall in an market area (Widing, Sheth, Pulendran, Mittal and Newman, p. 177). M&S target customer in spring and autumn as people are replenishing their clothing, change their trend, patterns according to the weather. Climate will affect the consumer, in terms of the packaging of the product during warm or cold climate. Or the duration of the product as there is seasonality happening as well (Widing, Sheth, Pulendran, Mittal and Newman, p. 189). This pattern of business dealing only appears on four season's country, where Malaysia the tropical country have nothing related to the four seasons. Malaysia consist of multiracial therefore the clothing business will be more concentrated during festival arriving, such as Chinese New Year for Chinese, Hari Raya Puasa for Malays, and Deepavali for Indians.

## **Technology**

Internet is gathers of information, way of communication, and new pattern of visual. There are billions of people are using internet, there even surfing internet had becoming a hobby. Through internet M&S customer able to check on their order, Delivery Services & Charges, Store Collection, Payments & Offers, Store Finder and Returns & Refunds. M&S can spread their latest new in their homepage [http://www. marksandspencer. com](http://www.marksandspencer.com) or through M&S facebook [http://www. facebook. com/#!/MarksandSpencer](http://www.facebook.com/#!/MarksandSpencer). The latest gadget information can be obtained easily and fast. Through facebook, people are advertising product through tagging others in the pictures.

(Picture 1)

## **Environment**

Store environment is essential to a retailer, because the environment directly affects consumers” total shopping experience. The environment will be the facts that affecting consumers” store choice decision for shopping. M&S stores (Picture 2) provides comfortable shopping environment, where customers will feel pleasant will they are in the stores. Good retailer must have different design for each store, something special in the stores maybe. Customers will not feel bored while there shopping. (Picture 3)

## **Customer Need**

**Customer intends to satisfy their demand through purchase of goods or services.**

## **Design**

Oxford dictionaries define design as a plan or drawing produced to show the look and function or workings of a building, garment, or other object before it  
<https://assignbuster.com/marks-and-spencer-and-customer-relations/>

is made (Oxford dictionaries, 2010). In another word: blueprint. Customer are buying for the latest design, they like to be updated to the fashion world. Newer design in clothing will create different outlook for men and women, stylish outlook makes a person smart looking. Design may be in single pattern with more colours, different style of wordings, different types of material. Different design is needed to open more selection for customers. The design must be different or unique from common, this will attract more customers.

## **Trend**

Trend is direction on fashion, people follow on trend. Through magazine there are published with latest trend on wearing, people intend to follow the trend. Examples Vogue (magazine), this magazine published latest trend, Vogue are the world most influenced fashion magazine. Why do people need to follow trend? It is a desire to dress up nicely; it is a requirement for models, celebrities, singer to be up-to-date.

## **Sizes**

M&S Customer required the sizes of cloth are ready and available. Customer does not want to enter into M&S and get nothing out form the stores. Sizes range is important for customers. In most of the Malaysia's store, the sizes are classified into extra small (XS), small (S), medium (M), large (L), extra large (XL), and maybe double extra large (XXL) all this will be the common sizes of clothing in Malaysia. It is hard to determine the actual sizes demanded. M&S could make research, questionnaires to conduct a range of size which is highly demanded. No sizes, no business.

## **Quality**

Quality makes the difference between M&S and a normal shop. From history M&S clothing's selling point is higher quality at a lower price. M&S have been improving from time to time. They have been researching a lot of new fabric or new technology. M&S long-lasting quality where colours won't fade or shrink; this will fulfil customer demand.

## **Pricing**

Pricing methods such as cost-plus pricing, target return pricing, value-based pricing and psychological pricing (Allen). Pricing for clothing in M&S is value-for-money. The clothing pricing must be equivalent to the quality. The price of the items must be reasonable. Pricing of a product will also be affected through the

**Target markets – Exclusive product set for high street.**

**Competition – A strategy to compete with competitors.**

**Company objectives – Pricing must be reasonable fitting company's vision.**

## **Culture**

Culture is learned beliefs, values, customs, artefacts and rituals of a society or group (Buyer Behaviour). Culture could be guidance in life; culture is also a sharing of information and knowledge in society. Culture is defined as a complex set of learning, shared, and interrelated behavioural patterns that differentiate a society from another (Harrison, Dalkiran and Elsey, 2009, p. 101-103). M&S is so successful in expanding their business overseas. There

must be some culture different between UK the core market and abroad business. To overcome the barriers of culture:

Cultural illiteracy – this could be good if hired a local people as guide and advice from them will be meaning full.

Limited cultural adaptability – An overseas manager couldn't adopt the norm and culture easily, because of different mindset. The local people might not be accepting the ideas from international manager.

Good marketers could adopt their product into abroad market, by formulating the 4P concept, price, promotion, place, and product. In order the carry on the product in foreign, new ideas, new designs, and maybe different language as explanation could be in the consideration. Examples of brand Ashworth, their washing instruction on cloth is in both Chinese and English.



## **Illustration 1**

### **Application**

### **Considerations**

**Quality – the material**

**Design – suiting?**

**Price – affordable**

**Trend – latest?**

**Sizes – available?**

**What to buy?**

**How to buy?**

**Trigger**

**Chinese New Year is near. There is a New Year party.**

**Initiator – Why need to buy**

**It is a culture to wear new cloths.**

**Influencer**

**Promotion in shopping mall (Picture 4)**

**New trend and design are attracting**

**Family shopping**

**Going to buy?**

**Where to buy?**

**Place, which shopping mall to go, outlet, available areas.**

**Shirts, T-shirts, pants, jackets, skirts, or blouses.**

## **Online purchase**

### **Walk in to the store**

**Due to the Chinese New Year is near, as a Chinese wearing new clothing in Chinese New Year is a culture. So one day I walk into the M&S store located at Suria – KLCC, picked 2 T-shirt as casual wear, and 1 new shirt for my career. These 3 pieces of clothing is after the main consideration of the quality, price and design. The quality and price are reasonable where I could have afforded it.**

**Identify and explain the order winner and qualifiers for these three different clothing ranges at M&S.**

### **Identifying order winner**

Try regaining confidence from customers in the quality and fit of its clothing.

To rebalance the price structure of items in M&S stores.

To extend the range of entry prices.

M&S delivery new item to stores faster and more effective.

M&S intend to resize their clothing product for more fitting cut.

### **Identifying order qualifiers**

M&S have high quality fabric which at value-for-money prices.

M&S have different quality for different product ranges.

M&S have core customers where they would prefer stylish clothing.

More brands are labelled so that customer could have differentiated M&S product in terms of pricing and design.

<https://assignbuster.com/marks-and-spencer-and-customer-relations/>

## **Table (Landscape)**

### **Perfect and Classic Range**

#### **Autograph Range**

#### **per una Range**

#### **Product Range**

Targeting core customers and more mature customer

Targeting wider audience within unique environment

Targeting fashion-conscious women

### **Design Changes**

More targeting busy lifestyle customer, more fitting sizes

More toward designer collections

Latest trend of design, individual cut of sizes,

### **Price**

Quality and price are reasonable (value-for-money price)

High street pricing

10% higher than M&S main range

### **Quality**

Long lasting, versatility, comfort, high quality fabric at value-for-money prices.

Cutting edge design within unique environment

High quality range, superb design with affordable price

## **Sales Volume SKU**

60 lines of items for women and men

Lower quantity for top designers collections

Limited quantity, production run with no repeat order

## **Order Winners**

Classic design with quality at reasonable price

Available in certain stores, which will increase the demand of customers

Highest quality materials and

## **Order Qualifiers**

Offer to customer that having busy lifestyle with design such as machine washable, non-iron and tumble-dry friendly

Special compare to other stores, Autograph having top designers collections of items

Designed with very latest trend, individual cut of sizes, ease to shop

## **Operations Priorities**

Evergreen collection, fell free to wear what you want that reflects own styles

Production in Portugal lead to lower labour cost

Limited edition, lower quantity in stock to attract more demand in the market

<https://assignbuster.com/marks-and-spencer-and-customer-relations/>

## **Apply the polar diagram to analyze and compare the different operations performance objectives for these three different clothing ranges at M&S.**

Below diagram will compare the competition, price, product performance, place and also promotion for M&S clothing product range.

### **Rating**

#### Product Quality

M&S clothing have their strength in the high quality. In each line of product, M&S try to maintain their objective of values and quality. Comparing to others, M&S have their own research and development in their fabric. They even took took a man fabric (utility schedule 1005) later renamed as Marspun, M&S is successful to make it into popular line of clothing range (Marks and Spencer). M&S is ahead before the competitors in terms of the research and development for all products. Product concept also mentioned consumer will prefer products that offer more quality, performance or innovative features (Kotler and Keller, 2009, p. 58).

#### Competition

Merriam-Webster defines competition in business as “ the effort of two or more parties acting independently to move into the business of a third party by offering the most encouraging terms.”(Merriam-Webster) M&S is facing numbers of competitors such as TK Maxx, Matalan.

#### Price

Normal pricing method will be based on cost of goods sold. Price will indicate the value the item. M&S is lining their product with price. Pricing lining is making customer to differentiate between brand and products (Cox & Brittain, 2000). Advantage of price lining will be less confusion of customer on price, items could be differentiating in promotion zone, normal zone or exclusive zone (Cox & Brittain, 2000). It also could help on focusing on the line it will be more effective when advertising (Cox & Brittain, 2000). This is the reason why M&S classified these three line item product with different price.

#### Promotion

Objectives of promotion is i) stop and shop, ii) shop and buy, iii) buy bigger and iv) repeat purchase (Cox Roger & Brittain Paul, 2000). Type of promotion could be price cut or free gifts. Promotion is given in order to create and expand more sales.

#### Place or Location

Location of a store is more important than pricing and quality. Location couldn't be changed easily, but price and quality could still have gap for improvement. New launching products have to be in store on time, therefore selection on store distribution is important.

## **Life Cycle of M&S three clothing range**

### **Time**

### **Sales**

### **Introduction Growth Maturity Decline**

#### **Introduction**

**While introduction of new product, customer is skimming through the price and product is penetrating into the market slowly.**

#### **Growth**

**When times come to growth in the sales, the price shall maintain. Profit is generating.**

#### **Maturity**

**As time goes into maturity where sales are increasing but in slower rate.**

#### **Decline**

**This is the time where sales are dropping. Company could introduce new product, to capture new market.**

### **Classic and Perfect (landscape)**

#### **Objective**

#### **Introduction**

#### **Growth**

#### **Maturity**

#### **Decline**

#### **Competition**

Competitions are low, because not much of same product in the market.

More competitors launch similar product.

The market have more and more similar product. Benefits for consumer as the choices grow.

When the market demand decline, supplier quitting the market because this won't make them money.

## **Product Quality**

Qualities are there, but not much change made.

Quality graded and more types of different quality is made.

The maximum of line product made.

No more R&D, as the product starts is to be replaced and quit from the market.

## **Price**

Pricing at this stage are stable, low changes.

Sales are increasing, market share are increasing.

Sales reaches peek, price is adjustable, to maintain the share prices.

Sales are declining this stage, but still maintain profit.

## **Promotion**

Promotion is low at this rate. There is not much competitors.



When competitors increase, promotion starts by stressing on differences.

Promotion is on going, stressing on reminding customers about the product.

The product are withdrawing from market, therefore the promotion are minimal in this rate.

## **Place and location**

As the product starts launching, the location distributed is limited.

The product is available at more outlets.

The product is distributed to maximum outlets.

Fewer outlets available for the product. Stock is running out, no repeat production.

Classic and perfect offers a wider range of clothing. It could be a strategic of M&S to engage the customer into one-stop-shopping (Widing, Sheth, Pulendran, Mittal and Newman, p. 487).

## **Autograph**

### **Objective**

### **Introduction**

### **Growth**

### **Maturity**

### **Decline**

### **Competition**

Competition is low, over whole life cycle. Autograph has to keep up with trends. Therefore the graph is fluctuating as time pass.

### **Product Quality**

Quality varies with the requirement of trend, and differentiates between product designs.

### **Price**

Autograph is fixed as high street price, the price won't fluctuate much.

### **Promotion**

The promotions are low all time. Autograph is to maintain their high street image in the market. Not to increase the demand through promotions as the supply of Autograph is little.

### **Place and location**

Place and location is limited and distribution on clothing have to mainly concern to local adoptability and their behaviour.

Fad is defined as an intense and widely shared enthusiasm for something, especially one that is short-lived (Oxford dictionary, 2010). Autograph is major based on development on trend. Autograph will have to focus on fashion changes. Trend could be easily affected by culture, movies or songs. Trend is defined as direction, sequence of events and durable than fad (Kotler and Keller, 2009, p. 112). This helps to explain the irregular movement on sales in the life cycle diagram.

## **Per Una**

### **Objective**

### **Introduction**

### **Growth**

### **Competition**

Competition is lowest. The supply of the stock is low and the demand is higher. There is also pre-order through internet or booking in store.

The sales vs time curve is escalating in high rate, but it also representing the end of the product life.

### **Product Quality**

Quality made in this case are high, to attract more customer. Pre-order is mostly consist of loyalty customer.

Quality will be the same as the time in the life cycle are short. There is no time an no need to do any changes on the product.

## **Price**

Low supply in the market, and highly demanded forces the pricing to be placed on the highest.

Price remains the same. Profit will be seen in curve rising rapidly.

## **Promotion**

There is no promotion needed. Most pre-order came from loyal customers.

## **Place and location**

The location available for the stock is very limited.

Slightly more location will have the stock.

Per una clothing provides the highest quality, and lower volume. Aim of per una's product, is to having the highest quality at reasonable price, limited edition basis and ease to shop. Per una targeted most for the loyal customer. Pre-order could be made; most of the sales is contributed by loyal customer.

Why are people demanding for luxury goods like per una? Maslow's theory explains this situation where people will keep demanding and satisfying themselves (Kotler and Keller, p. 201-203). When they satisfied their most important needs, they will move into the next most important needs (Kotler and Keller, p. 201-203). People acquiring per una is for self-development, to update them to the top fashion in this world.