

John lewis is a chain of retail stores marketing essay



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Introduction

John Lewis is a chain of Retail stores, based in Great Britain. John Lewis opened its first opened its store in 1864 in Oxford Street, London.

“ Never Unknowingly Unsold” an altogether different concept in the market and offering to the customers holds a promise that the price of the products sold in John Lewis Stores will be the lowest in the neighborhood which even helped John Lewis to establish strongly in the British Market basically more amongst the middle class people.

It has also been the motto and the slogan for the company for 76 years, since its establishment.

A partner of John Lewis Partnership which even includes other stores like Waitrose, Greenbee.

Every Employee who works at John Lewis is a partner in the company and is entitled to receive bonus out of the profits company earns yearly.

With Currently 29 stores Countrywide(28 John Lewis Retail stores and 1 John Lewis at home store) 8 more stores are yet to come in next 5 years in the UK, one of them at the Olympic Site in Stratford, London.

Several stores are also in the category of listed buildings because of the architectural designing, one of them being the flagship store at Oxford street, London

John Lewis Opened its largest store outside London in Wales on 24th September'2009 in Cardiff.

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With the efforts and the determination of the partners serving the customers with High Quality Goods and the best shopping experience, John Lewis has been able to reach the status of the Largest Retailer in the country.

On 1st January'2008 John Lewis Store at Oxford Street was awarded a Royal Warrant from Her Majesty the Queen for being a supplier of Haberdashery and household products.

Stores in Reading and Berkshire were also awarded with Royal Warrant by Queen on 1st January'2007 for being a supplier of household and fancy products.

History

John Lewis opened its first store as a small drapery shop at Oxford Street in 1864.

John Lewis buys the control of Peter Jones in 1905

It was year 1918 when the first edition of Gazette was published, magazine by John Spedan Lewis.

In 1920 John Spedan Lewis, Son of John Lewis incorporates John Lewis Partnership, which today has several companies including John Lewis, Waitrose(a chain of supermarkets offering food products) and Greenbee(offers Direct Services like Insurance etc)

In 1933 John Lewis buys Jessops, well established store in Nottingham. First store outside London.

In 1940 John Lewis also took over Selfridges Provincial stores.

With the era of internet and connecting with world via internet, John Lewis launches its website in year 2001 allowing customers to shop online and getting products delivered at their door.

Jessops rebrands itself as John Lewis in year 2002

Store in Caley shut its door for public in July 2006

John Lewis enters home Products too, opens up John Lewis at home shop in Poole, Dorset in year 2009, providing customers with wide range of products like Pillows, Duvets, Quilts.

Attains the status of Largest Department Store Retailer in 2010.

Goals and Objectives

Goals and Objectives are important business terms, the two aspects which help a company to become what it wants to.

Usually Goals and objectives are inter changed against each other, but practically they have really wide difference.

Goal refers to what you aim to become, whereas objectives are the ways or steps to achieve those goals.

To be the market leaders.

John Lewis takes the competition to a new level to be UK's favorite retailer, from its Never knowingly undersold tagline to providing best customer

service to conducting their business relations with integrity helps them to be UK's favorite retail house .

Make sufficient profits from the operations to sustain commercial vitality.

John Lewis does business with utmost care and low cost but never leaves quality, it has and will always maintain quality of its products, but the products are available at low and reasonable costs that the profits are high plus within the reach of middle class people, thus making it more famous and established amongst middle class of UK.

Employee Satisfaction

Every employee who works in John Lewis is a partner in the business. The profit is shared amongst the partners named as bonus, which motivates the employees to work harder being more focused and determined. An Individual's brilliance, determination and zeal to work which showers fruitful results are rewarded separately.

John Lewis even supports the employees who are in real need of financial help etc.

Customer Satisfaction

John Lewis recruits only those people who know how to work with integrity, determination while abiding by the principles laid down, which helps John Lewis to provide customers with a different and homely shopping experience in their stores. The prices, quality and value of the goods is different from the other stores in the surroundings which helps in attracting more and more

customers to their stores thus building a strong customer base and bond and even a brand image and goodwill for itself

Strategic Planning

Strategic planning is an integral process of an organization defining its strategies and direction and making decisions to allocate available resources to peruse laid strategies, which provides the organizations which a competitive edge over their competitors.

Strategies formulated by John Lewis top level management are basically targeting at 3 core goals, they being:-

Personal Satisfaction of the Employees

Strong customer base, brand value and goodwill.

Sufficient Profits yearly.

Strategic planning included SWOT analysis, analysis done to analyze internal environment of the organization and to bring it at par with the external environment.

SWOT stands for Strength

Weakness

Opportunities

Threats

It also includes PEST analysis which is done to examine the external factors affecting the business and how change in them will affect the business, which helps the organizations to be better prepared for those circumstances,

PEST stands for Political

Economic

Social

Technological

SWOT ANALYSIS OF JOHN LEWIS

Strengths

John Lewis has a strong customer base, a brand image and goodwill which helped in becoming the UK's favorite retailer leaving behind its competitors like Debenhams, Marks and Spencer's etc, which itself is strength of John Lewis.

Each and every employee who works in John Lewis is a partner, be it a part time employee or a full time which entitles them to have share in profit.

Bonus is given to the employees at the end of FY out of the profit it earns, which motivates them to work hard and achieve targets set for them which helps the organization inturn.

It seems that John Lewis has placed itself well on the environmental and green issues too. For eg:-The fair trade policy it follows with the producers

the products in Africa. This helps in making themselves a positive brand in the eyes of customers and environmental activists.

Being a part of John Lewis Partnership it is under the scanner of extremely experienced management team of John Lewis Plc and of its own.

Weakness

Unlike the expansion policy TESCO follows, John Lewis serves only the UK market thus restricting itself to UK customers. If a problem arises in food retailing sector, it will be difficult for John Lewis to cope up.

Lack of flexibility for the employees.

Opportunities

Increasing online sales can be an opportunity because the company will get good returns as the website related cost is nothing as compared to online sales cost.

The new store coming up at Olympic site in Stratford will cater to the Olympic fans, as John Lewis is the official sponsor to Olympic games and the official license holder to sale Olympic merchandize

John Lewis will open its store in Dublin, which will help them to reach customers in Ireland thus expanding the business.

Threats

Customers might respond to new brand, John Lewis, in the country in a different manner from UK, even because of John lewis being a British brand.

Various other small brands whose price cap matches with that of John Lewis can be a threat.

Flexibility lacking in the working can be a threat to John Lewis, as the GREENBLOODED nature of the management at times can make employees frustrated.

PEST ANALYSIS

Political Factors

Globalization, can prove to be a challenge plus an opportunity for John Lewis. Challenge as it will have to compete with Retail stores from round the globe who would even be providing the customers with better services and products better than John Lewis. Globalization can prove to be an opportunity as it will allow establishing themselves anywhere round the globe.

Government taxation policy can reduce or increase the profit margin on products and services. -For example:- If the Corporation tax increases to let say 30% from 20% then John Lewis will have to pay more of taxes which will inturn decrease the profit

Economic Factors,

If the credit availability terms in the country are flexible, then availing credit will get easier from financial institutions which will help John Lewis to expand and grow even more.

Along with economic conditions, bank policies play an important role in affecting the purchasing power of the consumers, better and flexible the bank policy and economic scenario healthy, purchasing power increases which in turn will increase sales of John Lewis, which will increase the profit percentage.

With more and more competition in every segment from competitors like Debenhams, Marks and Spencer's John Lewis management keeps on coming up with different types of marketing techniques, giving more and more of incentive to the customers; affecting prices, resulting in the less profit.

Social Analysis.

Things have changed a lot from the previous times, people don't like standing in the queues, they prefer buying stuff online and getting the delivery at home.

People even prefer billing themselves via self billing kiosks. Today to become more successful and profitable innovation and proper marketing has become the key.

Consumers in the market have become aware about the Global climate problems; they are inclined towards companies who keep a check on carbon foot print are Green in there working in every aspect.

Technological Analysis

RFID (Radio Frequency Identification Device) technology can be used for significant benefits to the supply chain of Sainsbury's. If adopted, this technology will lead to fewer inventories for the supermarket firms leading to a leaner, more profitable organization.

Stores shall be technological advanced, usage of best quality Tills, ePOS systems , ERP systems for managing the company in an effective and efficient manner.

Conclusion

Through this piece it can be seen through the various analyses, PEST and SWOT, that John Lewis is an iconic British Retail brand, well loved by its consumers. It had been bearing losses in most of the quarters in the financial year when recession stuck the world but now importantly profits, have improved tremendously. However, it is not insulated to many outside risks like rising material costs and recession as analysed by PEST analysis.

Keeping in view the external and internal environment John Lewis has even planned to open it stores across the globe with first international store set to open in Dublin, Ireland.

Strategies Goals

Purpose

Power

Profit

Member

Customers

Business Relations

Community