

M&S In-Store Bakery

Project Title

M&S Café

Category

7.0 Interiors

Sub Category

7.2 Retail

Client Company

Marks & Spencer Plc

Design Consultancy

M&S in-house store design team with KIWI&POM Ltd

Current Date

19.07.12

“We faced an incredibly challenging cultural journey desperate to change both consumer and our team’s perception of our bakeries to make them more theatrical, give us food credentials and position them as truly inspirational. Using design as a ‘bond’ to our cross functional group this was brought alive changing the face of our food hall. A design project that has really given customers a reason to cross the road, inspired our teams and driven so much success. Not just a pretty solution but design changing lives!”

Jason Danciger, Head of Hospitality, Marks & Spencer Plc



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Executive summary

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(300) words

¹ The Bakers Federation

² Santander Sector Trends Report

³ M&S data

⁴ M&S data

⁵ M&S data

⁶ M&S data

The UK Bakery market is worth £3.4 billion and is one of the largest markets in the food industry¹. However, over recent years the sector has seen significant changes. Although the amount of bread eaten in the home has remained stable, demand for bakery snacks such as rolls, teacakes and scones and a trend towards speciality and continental breads² have had a major influence on the industry.

Marks and Spencer's has a significant stake in this sector with 450 bakeries in the UK. Whilst these bakeries traditionally formed an important part of the M&S food hall offering, by 2009 the changes in the sector and increasing competition meant these bakeries weren't achieving their potential – claiming only half the average profitability of the wider food-hall.³ In-house surveys revealed they were perceived as clinical and un-inspiring by both customers and staff alike⁴.

In 2009 following on from the success of the new M&S Café concept (previous DBA award winner) the same in-house retail team were given the task of reviewing and reigniting the in-store bakery. Kiwi and Pom were once again appointed to work alongside the in-house to deliver a more authentic, artisan look and feel and to reconnect and bring the bakery into the heart of the food hall.

In August 2011 the first new format bakery opened in Kensington, London. The concept involved a fundamental change in approach – from hiding away the baking process and the team that performed it, to celebrating the 'theatre' of the bake and changing the design to make it the heart of the operational process. The wide-ranging changes included environment, display, product, equipment, staff training and uniforms.

Today – and with more than 100 new concept bakeries now trading, profitability has increased to almost twice that of the average food-hall⁵ and staff positivity is up to 92%⁶.

The results are so powerful that the M&S board has committed to a full roll of the new concept throughout its estate of bakeries over the next 12 months - refurbishing every single one of its 450 bakeries. Never in the history of retailing has such an ambitious and fast program ever been achieved.

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Project overview

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1. The brief

- give the bakery a more 'market' feel – to be 'fresh not plastic' and offer the customer a better, more inspiring, more authentic shopping experience.
- create one cohesive M&S bakery environment incorporating pre-packed and baked in store' bakery.
- provide a focal point within the store that enhances the atmosphere through a hive of activity, with product being produced regularly.
- ensure products are highly visual and therefore the hero, displayed on equipment that enhances the bakery experience.
- Create a solution for our existing store formats and for our stores of the future.

2. Description

The overview

The M&S bakery has been through many iterations of both design and product range but by 2009 and with significant changes in consumer trends, the bakeries were feeling dated and had lost their connection with the baking process and the bakery staff.

A hidden process:

Operationally the bakeries were lacking in authenticity. The bakery was hidden behind floor to ceiling metal shelves and product was rear loaded behind this 'wall' without any view of the ovens or process. Extractor fans removed much of the baking 'smells' from the food hall and there was little sense that any product was baked on site.

Low morale:

The knock on effect for the bakery team, was that they were also hidden from view, meaning they could go all day without being acknowledged by staff or customers. This led to poor morale and a demotivated team.

Poor merchandising:

Product was merchandised into wire racks and harsh lighting gave the product a clinical, hospitalized feel.

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3. Overview of the market

In recent years there has been a tangible shift within the bakery sector. Retail sales have been affected by fluctuations in household disposable income, changes to shop trading hours and the high price of wheat⁷.

On the swing side, changes in consumer taste saw premium loaves including specialty and continental variations grow in market share and - whilst there has been no increase in the amount of bread eaten in the home⁸ - demand for bakery snacks including rolls, teacakes and scones has increased providing an opportunity for the hospitality team at M&S.

4. Project launch date

August 2011 launch of new bakery concept in Kensington, London.

By August 2012, the new bakery concept will be present in 150 stores.

5. Size of design budget

Confidential - not for publication.

⁷ Santander Sector Trends Report

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The previous M&S Bakery.

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The new M&S Bakery concept.

Design solution

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6. Outline of design solution

Showcasing the baking process

Market research of the M&S customer revealed that shopping was about far more than just necessity, but an integral part of their day – a social event, a lunchtime activity etc... A key aspect of the brief was to ensure the bakery played an intrinsic part in making this shopping experience more pleasurable.

In the previous design, floor to ceiling metal shelves hid the baker and made them feel isolated from rest of food-hall. A key strategic design move was to open up the bakery process to the customer. This has three key effects. First to expose the ‘theatre’ of the bake to the customers; secondly to communicate the freshness of the product and finally to physically connect the bakery team to the wider food-hall.

Simple authentic merchandising

The merchandising was designed to provide a feeling of authenticity and enhance the sense of the ‘master baker’. The old wire wracks and man-made materials were replaced with timber crates, wicker baskets lined with natural bamboo and special lining paper.

Introduction of an open glass counter meant speciality breads could remain unpackaged until purchase and provided space for tasting samples to be displayed on large wooden platters. This also provided room for a ‘grab and go’ offer which, crucially, also provided opportunity for the customer to interact with the (now knowledgeable and passionate) bakery staff.

Low level slanted shelving either side of the glass counter provides space for product to be laid out with a feeling of abundance. Bringing the bakery to the heart of the food hall

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The bakeries had traditionally been located to the rear of the store but the old design failed to have the presence to entice customers in. The new design opens up sightlines towards the bakery and its abundant display. New signage tracks provided a system for hanging boards communicating product stories and specials, helping to drive footfall and intentionally drawing customers across the food hall into the bakery realm.

Celebrating the team

The new design has provided the foundation for a new set of training materials for bakery staff. The change in this team has been dramatic. Simple moves, including replacing the old black fleece food hall uniforms, with classic cream aprons and chef jackets has given the team a new sense of pride.

Rather than being hidden away, several stores now complete the team brief in front of the bakery so the baker can listen to what else is going on in stores whilst they prepare the day's product – and are often given the opportunity to tell the teams about new products and tasting that week.

Scalability

The main strategic design moves are such that they can be scaled as required for different sized bakeries. Whether a small, medium, large or extra-large format, the baking process is exposed, simple glass units provide the centerpiece display and a palette of natural materials and display baskets can be adopted to give an authenticity regardless of footage available.

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Summary of results

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1. Increase in sales

Prior to roll out of the new concept, the bakery was performing at half the average profitability of the food hall. After focusing on product and training this was raised to meet average food-hall profitability.

After opening just over 100 new concept bakeries profitability has increased to almost twice that than average food-hall. Profitability of the new concept bakery driving that rise is almost three times that than average food-hall. This profitability has been driven both by more frequent purchases and by higher basket size (ie: customers trying new items).

2. Happier staff

M&S's annual survey 'Your Say' provides an opportunity for employees to communicate their thoughts and feelings about the business and their role.

Positivity scores in the last year (2011/12) were up to 92%. Engagement scores increased to 97%

3. Happier customers

Market research has also shown that 1 in 7 products purchased are from the in store bakery - proving the true halo effect this area has had on the rest of the food-hall.

- "So happy you've started selling cinnamon buns. Perfect with my morning coffee."
- "The bakery looks so enticing now. I'm trying a new product each week!"
- "It's just so impressive, the smell is great, all the breads, well done M&S, I want to eat the lot now"

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Research resources

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- **The Bakers Federation**

(www.bakersfederation.org.uk)

- **Paneotrad**

The Paneotrad was invented by a French baker and miller but can only currently be found in the UK in M&S stores. A Paneotrad is an Artisan bread system which divides and moulds dough into user specified shapes. Retarded dough that has been scaled and cut is placed into the Paneotrad. It is then divided and molded, stress-free, directly from the retarder, ready to be baked, taking less than a minute to divide loaves. The Paneotrad can be used to divide baguettes, half-baguettes and petits pains which can be personalised with your own cuts and twists.

- **Santander Sector Reports 2012**

(www.alliance-leicestercommercialbank.co.uk)

- **M&S Annual Report 2012**

- **Client data**

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Other influencing factors

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In order to maximize the impact of the new design, M&S invested in product development, staff training and new equipment.

However, as shown above (increased sales), these initiatives alone raised sales by only 5-6% compared with an increase of 15% and more when combined with the new design.

Product & equipment

The new in-store bakery concept led the team to look more widely at the offer and how it could be further improved. Other key changes included:

- Introduction of a new Paneotrade⁹ system in XL stores
- New products
- Upgraded products
- Product emliminations
- New packaging

Training

To support the new design, M&S launched product knowledge folders which included a key facts document giving product information including ingredients, method of productions, storage, reheating instructions, perfect partners and serving suggestions.

This was supported this with one-day ISB Hero workshop which focused on improving product knowledge to give the bakers the confidence to talk about their products with pride and passion. The design of the counter was key to making all this come together and has had a very visible impact on team moral.

There was no specific marketing or promotional activity around the new bakery concept.

⁹The Paneotrad was invented by a French baker and miller but can only currently be found in the UK in M&S stores.