



Maplin: Store of the future

Industry sector: General retailers

Client company: Maplin

Design consultancy: 20.20

Submission date: 30 June 2017

“We chose to work with 20.20 on our Store of the Future because we felt that they would challenge us to stretch our thinking; making us feel uncomfortable in order to move our store proposition forward.

The result, our fantastic reinvigorated stores that are trading substantially ahead of expectations. We could not have made the leap without their support throughout the journey.

Oliver Meakin, CEO, Maplin



Executive summary

Aware that today's diverse and complex digital product market can be intimidating to consumers, Maplin asked 20.20 to re-define their in-store experience, putting technology at the heart of an experiential, innovative and hands-on retail environment.

With a focus on Smart Home technology, we have taken products out of boxes and powered them up for customers to interact with; brought theatre and play into the store experience; re-flowed categories to enhance convenience; empowered colleagues to deliver bespoke expert advice; developed a range of services to take smart technology into people's own homes; and used digital, interactive displays to inform and inspire customers.

The Cambridge pilot store opened in November 2016 and exceeded expectations. Since then a further 6 stores have launched – Staines, Sittingbourne, Crewe, Salford, Oxford and Chesterfield. A further 20 are planned to open pre Christmas. Key aspects of the concept are also being rolled-back throughout the chain.

+15%
like-for-like sales

+14%
average selling price

+18%
customer footfall

+11%
average transaction value

Word count: 148

Project overview

Outline of project brief

Maplin is a household name and since the 1970's a recognisable face on the UK high street, but the recent economic downturn has placed pressure on retail spending and consumer attitudes to value. Even with two years of modest growth, many areas of Maplin's market were becoming commoditised.

Non-food retailers such as Asda, Tesco and the price discounters have moved into a wider range of non-food categories, combined with the growing reach of extended ranges online and fast fulfilment services, making new competitors an increasing threat to Maplin's historically unique proposition.

Research had identified that price perception and value for money within Maplin's range, particularly commodity lines, was becoming more of an inhibitor to customers shopping.

In 2015 Maplin had seen a decline in footfall and it was identified that the retail formats were a significant drag on performance and a barrier to attracting new and key customer segments. Most customers were only visiting a store looking for a specific product and usually on an urgent mission. Cables, connectors, computing, home electrical and batteries were the main drivers of why customers visited stores.

Maplin's owners Rutland Partners, and the new leadership team, undertook a strategic review and engaged in a three-year investment programme. Central to this was the development of a new retail proposition.

Maplin engaged 20.20 to develop the new proposition and 'store of the future' design concept, which included planning, store design, retail communications, digital touchpoints and content design. The aim to step change customer perceptions and move the business away from being an 'electronics specialist' to a proposition which combines 'accessories' and immediacy with advice and 'discovery'.

Customer strategy

Customer segmentation had been carried out and we identified Maplin's core customer 'tech pros' and 'enthusiasts', collectively known as **Experts**

were moving online, unless they had an emergency purchase. They were also less likely to need advice.

Whereas two new segments were defined as 'enjoyers' and 'enhancers', collectively known as **Appreciators**. These customers wanted solutions and impartial advice.

By creating a proposition that appeals to these new segments it would allow Maplin to stretch into the fifth segment 'Novices'.

20.20 identified two broad customer missions, based on these two collective customer groups:

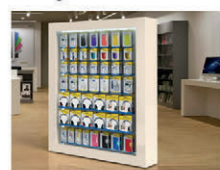
- Range & Speed – Technology products and accessories for your immediate needs.
- Discover & Dwell – Your partner and gateway to experience new ideas and get best advice.

Focus on customer needs

RANGE & SPEED

Tech products and accessories for your immediate needs.

Find / get



Focus on range and financial currency

Self-pay



DISCOVER & DWELL

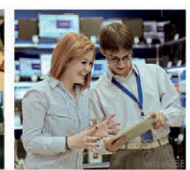
Your partner and gateway to experience new ideas and get best advice.

Browse / play



Focus on experience and social currency

Assisted sales



Business objectives

It became clear during the strategy stage and market review that there were significant opportunities to develop Maplin's position as a leader in technology retail, initially focussed on the CCTV and Home Automation sectors.

Smart Home technology is a growth area, where our key target **Appreciator** wants to try out products before purchase and get impartial advice. The manufacturers are driving the conversation with consumers, and Maplin has the opportunity to become the first retail chain to offer a holistic view of the products and services required to bring this technology to your home.

This strategy highlighted that in order to achieve this growth Maplin would have to address some specific business objectives that related to the brand's proposition:

1. Drive customer awareness or consideration in the sector, by improving range visibility, especially online.

2. Become more attractive to Brands, such as Amazon, Samsung, Google to stock their leading edge products.

3. The sector is not well understood and the concept would require digital technology touchpoints in-store to disrupt and offer customers richer, in-depth information. This content would need to be structured and developed quickly to ensure it was available when the pilot store opened (5 months).

4. The need for a clear value philosophy which was not purely synonymous with a promotional plan but allowed Maplin to leverage expertise and trusted advice into a perception of 'good value, fairly priced'.

4. Enhance the Gaming range to attract younger customers looking to build their own home games systems

5. Build on the strong seasonal ranges, such as audio, headphones, electric toys and drones to build an Entertainment offer.

6. Defend core territories, such as Computing and Home Office.

7. Ensure that it was easier for our core **Expert** customers to shop and find the products they need.

Project Launch:
November 2016

Project Timeframe:
6 months from strategy to opening Pilot site
2 months to develop 5 digital applications to power Smart Life

Word count: 737



Maplin Cambridge - before

Design solution

Maplin's store of the future is a bright and inclusive space that connects people with bright ideas to take home today.

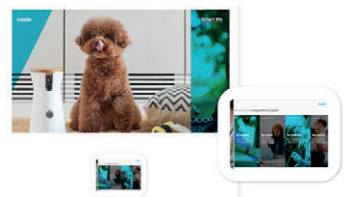
A vibrant area at the heart of the store hosts best-in-class home and lifestyle technology. Here colleagues are empowered to demonstrate products, start conversations and offer expert advice to make every day more seamless and more exciting.

Dynamic displays encourage shoppers to get hands on with the latest tech, while curated departments are clearly signposted and easy to shop for those coming to us on a mission.



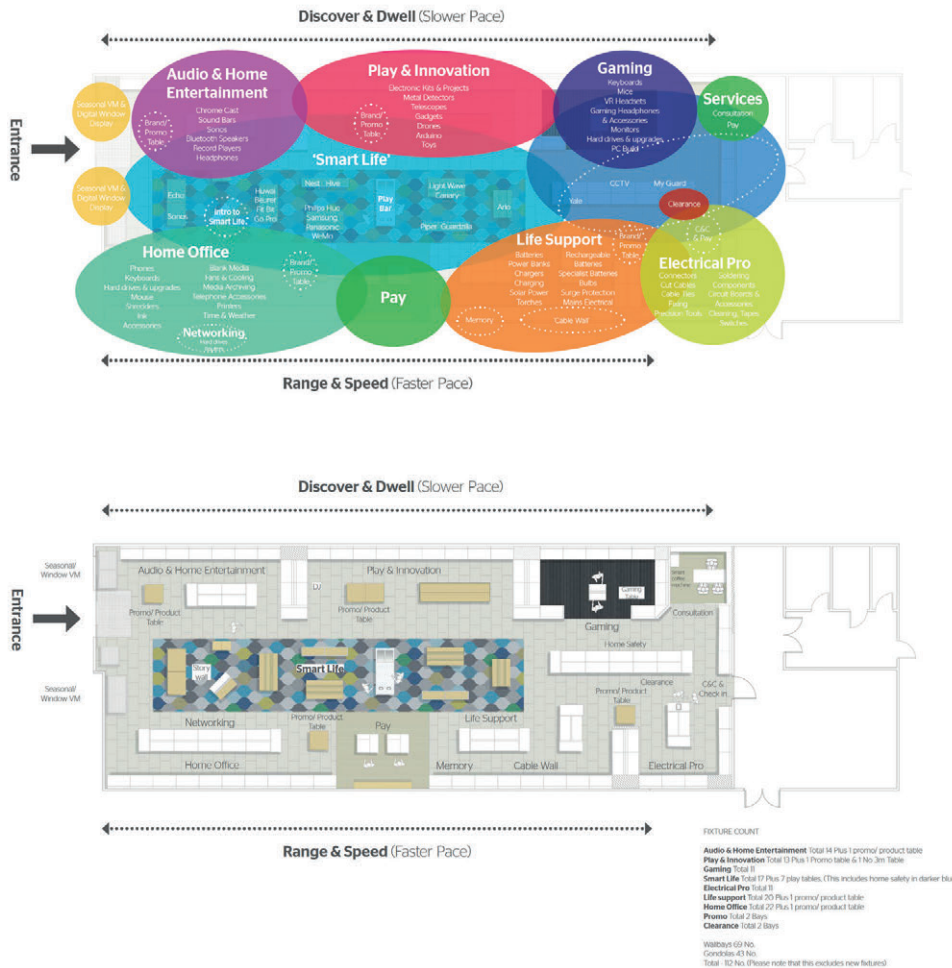
Distinct zones simplify navigation; each has its own personality delivered through the fixture layout and a bespoke sign.

Views across the space are open and invite customers to explore the different categories and departments.



The central area of the store is transformed into a 'Smart Life' hub, with a distinctive LED lighting feature.

Products are set up and displayed on tables, ready for customers to try out.



We rationalised the product adjacencies, to align with the customer missions. The layout principles allow flexibility across the different sizes and shapes of store, but retain a consistency based on the shopper missions – Range & Speed on one side; Discover & Dwell on the other.

The overall range has been reduced by 5%. New fixtures and displays have been designed to ensure Maplin can present the same breadth of product, even though we have opened up the space and lowered the fixture heights significantly, allowing customers to browse, play and interact with the products.



Smart Life



New fixtures

Connecting brilliant ideas with digital



Access

Extended range,
smart C&C,
purchase options



Empower

Product information,
roaming payment,
data & analytics



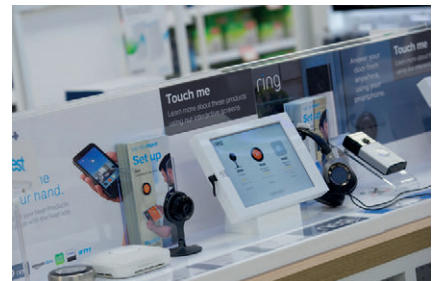
Inspire

Active displays,
connected demos,
interactive content

Technology has been the great enabler in this transformative approach. At the heart of the 'Smart Life' hub is an interactive 'Play Table', where customers can see how products work together. Customers can ask Amazon's Alexa to turn on Philips Hue lights or power up a WeMo switch, or use an iPhone to activate a Yale Smart Lock or a Nest Thermostat.

Touch screens located alongside products allow customers to understand the different ranges and how the platforms work together, so the question "Does this work with Apple HomeKit?" is now answerable in seconds.

We have re-invented digital product displays creating a fully connected environment, bringing the benefits of an online customer journey directly into store by designing an app that displays each product's capabilities, alongside customer reviews.





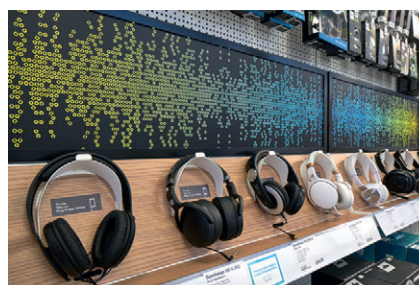
Away from the 'Smart Life' area, we have ensured the transformation is delivered across all categories. Store adjacencies and fixtures have been reimagined to improve shopability – from CCTV to Home Party equipment; to a new Gaming experience; to easier and quicker shopping for electrical and digital components.

While store colleagues are on hand to offer more expert advice. A new consultation space has been created where customers can further discuss their requirements, and arrange home audits and installation services with colleagues.



A new in-store communication system has been designed to enhance the product stories through the use of engaging graphics, digital tablets and POS. Connecting customers on an emotional level and engaging with them according to their shopping behaviour.

Word count: 496



Summary of results

The primary aim was to attract a broader, mainstream customer base of **Appreciators** to the newly designed stores. For Maplin to become the go-to retailer for Smart Home technology, whilst retaining their core customer base of **Experts**.

The six stores have increased the proportion of the **Appreciator** customer segment in the store by over 70%. We have also seen an uplift in female shoppers (now 25% vs. 18%) and families (now 40% vs. 30%)

Maplin's business target was to achieve a 15% uplift in sales, in all refurbished sites. All six sites are exceeding this target and building momentum. A further 20 sites are in the pipeline for opening pre Christmas 2017, with an extensive roll-out in 2018.

Attracting new Brands

The pilot store at Cambridge was instrumental in persuading Amazon to sell Echo in Maplin (it was only available via Cambridge to start with, but was successful enough to persuade them that a full store roll out was a good idea).

Other brands that were influenced by the store were Google, Go Pro and Samsung who were further convinced that Maplin was a retailer that could sell leading tech brands. This was a fundamental part of the strategy to attract the more mainstream **Appreciator** customer base.

+15%

like-for-like sales

year on year growth and versus control

+14%

average selling price

+11%

average transaction value

+18%

customer footfall

versus control

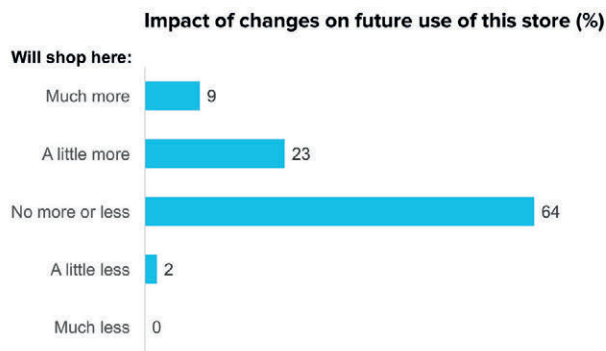
+11% year on year

Customer engagement

This new format has delivered high street leading Customer Satisfaction scores of 90%, with 82% describing it as their “Ideal retail experience” and 84% “Likely to visit in the next six months”.

One customer commented “It’s like an Apple store, but you know what you’re talking about”.

One third (32%) believe they’ll shop here more as a result of the changes. Hardly any feel they’ll now shop here less.



+50%
customer dwell time
6 mins to 9 mins

+70%
proportion of
Appreciator customers

7 out of 10
believe the store is
significantly better

more
female shoppers
25% versus 18%

nps 64

more
family shoppers
40% versus 30%

Digital engagement

Over 50k digital interactions in the Cambridge store since opening.

Colleague engagement

Colleagues are also positive about the changes, stating “The Play Tables are great for actually showing customers what they are buying and to demonstrate connectivity” and “Play Tables completely change how we interact with our customers”.

Research conducted by a third party with store colleagues highlighted how colleagues loved the new stores – the new joined up technology, that they could demonstrate to customers, and the tablets that they had to help with customer service.

In the two corporate offices Maplin colleagues are genuinely proud of the Cambridge pilot store – “It is a bricks and mortar example of how we are transforming our brand and our stores”.

Colleagues in other stores can also see that its part of a plan to transform the whole estate and not just a flagship store. The launch of a further five stores has enhanced this view.

Influencing factors

The sales impacts are measured against a control group of stores and a base period, therefore, the sales gains are net of market factors affecting Maplin.

The growth in the Smart Home market is a factor but only in that the refitted stores have showcased these products much better – however the sales gains are against stores that sold the exact same products. While Amazon Echo was an exclusive product in Cambridge pre-Christmas this doesn't impact the 15% sales gains seen in the other stores that launched post peak when Echo was available in all stores.

New product lines specific to the Cambridge store (not others) did add about 3% to the sales

gain at Cambridge, so in the first three months gains of circa 20% included 3% from exclusive lines.

Advertising and promotional activity was not a factor, aside from a limited local marketing in week two there has been no extra marketing support.

Footfall is very dependent on the retail park footfall, rather than promotional activity. As a result, at the Cambridge store we have seen 30% footfall increases, against a backdrop of the park seeing a 10% footfall decline.

We are not aware of any factors that would have boosted the sales lines post refit other than the stores themselves, and greater staff engagement.

Sources

We used a company called shoptalk research – main contact helen.carruthers@ntlworld.com to conduct both quantitative and qualitative research at all the new stores.

The Cambridge store in particular has got a lot of favourable reviews in the industry including this one from ABA research:

https://www.abaresearch.co.uk/single-post/2017/02/15/ABA-Hit-or-Miss--Maplin-New-Concept-Store?utm_campaign=abanewsmail&utm_content=banner1&utm_medium=email&utm_source=abanewsemail160217

