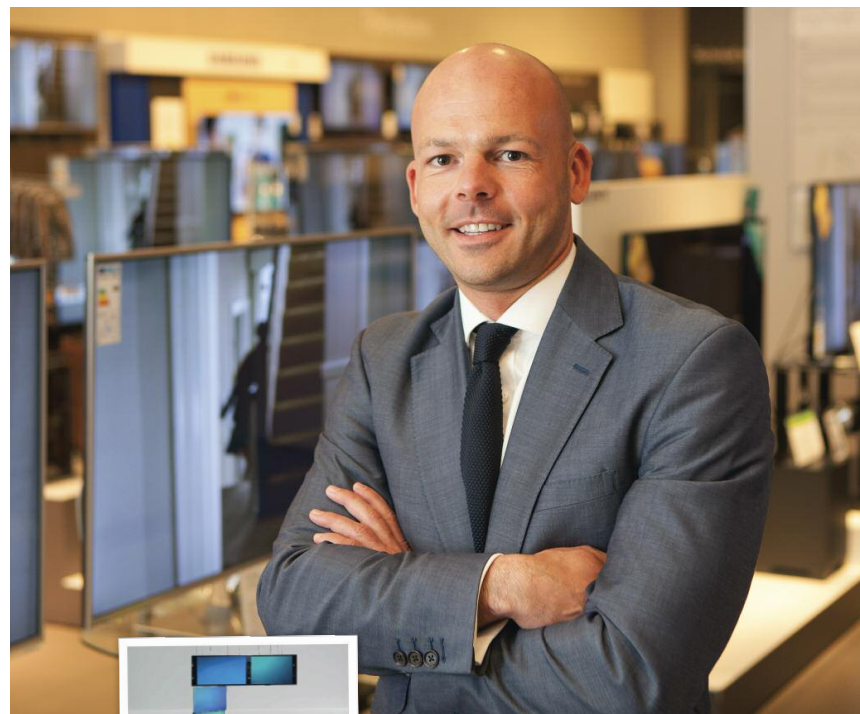
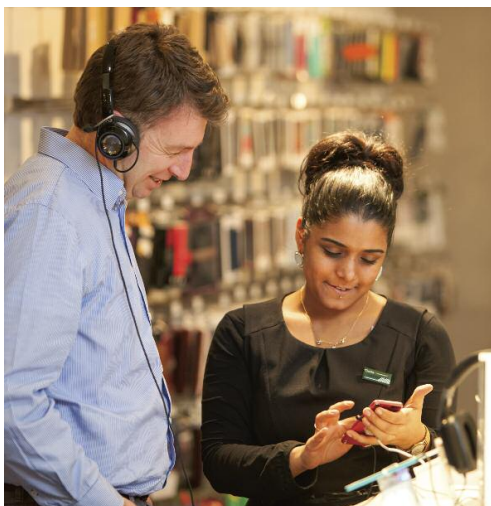


PHOTOGRAPHY: ROY FLECK, JOHN LEWIS



'CUSTOMERS COME TO US WITH THE REASSURANCE THAT WE'LL KEEP THEIR PRODUCTS WORKING FOR A MINIMUM OF TWO YEARS - IT'S SOMETHING THEY WANT'
ED CONNOLLY

SALES GENERATOR

In a fierce market, EHT Buying Director Ed Connolly is finding new ways to draw in customers, and it seems to be succeeding in powering up sales, says Dalia Dawood

If John Lewis did banks, they'd probably be among the most trusted in Britain. That's what a poll by price comparison website uSwitch revealed last year, with three in four customers happy for John Lewis to look after their money, cementing its reputation as the trusty anchor of the high street.

But while it has no plans to offer ISAs or loans, the division's 'guiding principle of trust' – as Ed Connolly, Buying Director, EHT (right) puts it – is reinforced by its latest proposition: extended guarantees.

STRENGTHEN TRUST

Ed and his team last month made John Lewis the first UK retailer to launch a minimum two-year guarantee on all its electrical products at no extra cost. It's a move that 'strengthens our trust

credentials', he says. "Customers come to us with the reassurance that we'll keep their products working for a minimum of two years – it's something they want." And it's mirrored in EHT's commercial results, with sales

growing at 20 per cent against last year since the proposition launched on 10 October.

In the fiercely competitive electricals sector, standing out from the crowd is crucial. Once a directorate that arguably strived

to keep pace with its Fashion and Home equivalents, and the market, EHT's 'gold standard' guarantee has transformed John Lewis into a trailblazer in technology: "We had no differentiation from our competitors, and our guarantee



WE'RE ENFORCING THE TRUST WE HAVE WITH OUR CUSTOMERS BY GIVING THEM BETTER VALUE FOR MONEY'

BRYONY HEWETSON



was inconsistent," Ed admits. "Now, ours is a market-leading proposition that sets us apart."

STAR TECHIES

Ed joins the *Gazette* in John Lewis Stratford City's EHT department to talk tech. Products that are an increasingly essential part of the trendsetting Stratford shopper's lifestyle surround us. Ed points out that here is a 'different type of customer': one that values gadgets

CLOCKWISE: Geeta Mehmi with a customer, bringing the message home; Ed Connolly; Ed with Bryony Hewetson

above homeware and clothing (EHT is the shop's best-performing department – see box, p12), making it the perfect 'test bed' for consumer electronics. "Stratford City is a modern branch, giving us the chance to expand into new territories to excite the customer," he says, pointing to bolder branding in a new concept floor that invites interactivity with products.

Pair this with a promise to protect that vital technology for longer, and it's unsurprising that an extended guarantee is so welcome to East London shoppers. In fact, it's a 'game changer', says Section Manager Bryony Hewetson: "We're enforcing the trust we have with our customers

by giving them better value for money. iPad sales are particularly strong as our guarantee has an additional year on Apple's."

BIG NUMBERS

But how can John Lewis's proposition steer the spotlight away from its rivals? With a £2m marketing campaign to make a bold statement, says Ed, who gestures to posters splashed across the department. One shows a big '2', the other a big '5' (to represent the five-year guarantee on all TVs), made entirely of electrical products.

'Clear and pure' by Ed's estimation, the posters demonstrate what he describes as a 'growing confidence in how we speak to our customers', focusing on the aesthetic appeal of EHT products, which are less function and more design-driven. "It's

EHT'S CHRISTMAS BESTSELLERS



A 'mobile Christmas' is on the cards, with online sales from phones and tablets expected to outdo computers – so it's good news that the iPad Air (£399-£739) is heading up the top tech Christmas products.

Wake up coffee connoisseurs! Sales of coffee machines are also set to soar, with 100,000+ units sold this year, and premium ranges popular.

The sound of success is in wireless streaming, with Sonos PLAY:1 Music System and Bose SoundLink mobile speaker £169 each, on customers' wish lists.

It's also the year of the luxury telly. While the exclusive £7,000 Samsung Curved OLED TV isn't in everyone's price range, Ed thinks it's 'a great anchor to explore other televisions' on which to watch your Christmas classics.





◉ another way we stand out from the market, where advertising tends to focus on price, but this is about inspiring customers," he adds.

The inspiration continues in shops, where investment in displays, pop-up spaces and interactive windows give John Lewis a strategic advantage. Our 'kind experts' – the Partners – can make the sometimes daunting experience of buying tech easier, says Ed, who admits this is difficult to replicate online; however, his aim of making a 'seamless' transition between the two channels is taking shape. "Online sales have grown to 40 per cent of our assortment – crucially, though, we have balanced growth online with double-digit growth from shops."

IT ALL ADDS ON

So far so good for EHT's prospects, but the sector – and market as a whole – continues to grapple with low profit margins. Although the John Lewis assortment's revenue shows significant annual growth, costs and competitive pricing under our Never Knowingly Undersold commitment put pressure on profit margins. The solution? Attachment sales. Accessories in particular attract a higher margin which, Bryony says, generate a similar level of profit to products of a higher retail value. "It's our job as sellers to build those

TRENDY TECH – THE VIEW FROM STRATFORD CITY

Imagine John Lewis Stratford City's EHT customers had their own Twitter account. Their favourite hashtag? '#technology', such is its importance to them in representing what's trending.

"Our customers love buying the latest technology and want to be one step ahead of the trends," says Bryony. But the competition to capture these trend-aware customers is tough inside Westfield shopping centre, with a fair number of electrical retailers among its 250 shops. Luckily, Partners know how to push the right buttons to drive customers through John Lewis's doors, thanks to EHT's new concept. "Allowing customers to test the products offers better service," says Selling Assistant Brian Fernandes. "I carry an iPod and connect to WiFi networks to demonstrate wireless streaming audio – they love it!"

Stratford shoppers are switched on to the latest television trends, too, buying the 4K-resolution TVs that are currently in vogue, while the trend for tablets continues thanks to the two-year guarantee offer, adds Brian.

Stratford's customers have made the EHT department the branch's most successful, beating the divisional average. Partners are growing own-brand sales, too, which are being boosted by a range of radios. Bryony adds: "Brands are important to customers, but so is affordability; the JL radios are popular because they're good value and look premium."



add-on sales, which make a difference to our profits."

COFFEE'S HOT

Today, EHT is John Lewis's fastest-growing category, doubling its market share in computing to 10 per cent and seeing growth in audio and small appliances. As

a heavily trend-led sector, it's already showing signs of benefiting from a 'coffee Christmas', with sales of machines causing a stir. "Customers' coffee habit is becoming more of a hobby," says Philip Berry, Merchandiser, Small Electrical, who says that divisionally 'expert' bean-to-cup machines are up 94 per cent on last year, while coffee overall is up 34 per cent on the year to date.

CLOCKWISE: Hoi Yin Wan holds the phone; Brian Fernandes gets hands-on with Apple; Mark Wolfisz puts the kettle on

Stratford City has similar results which, says EHT's Mark Wolfisz (inset, now working in Fashion Accessories), reflect customers' desire to 'bring coffee-shop quality drinks to their homes'.

FORWARD CHARGE

What does the future hold for our Electrical and Home Technology offer? "We want to refine the customer experience in shops and online," Ed says, adding that 'improving the recognition of own-brand assortments' is another growth area. "Own brand is a smaller part of EHT, but ours is a branded industry and we want to make it known that John Lewis has a place."

Ed's reward if he achieves his aims? A nice cuppa, brewed in a Sage by Heston Blumenthal coffee machine. "It's my favourite item in our assortment," he confesses, sharing his customers' love of 'professional grade' coffee.

But right now there's the trading peak to think about – and Ed is confident. "We're even more seasonal than the rest of the business, and we're ready to deliver a fantastic Christmas." We'll drink to that. ◉



'OUR CUSTOMERS HAVE A DESIRE TO BRING COFFEE-SHOP QUALITY DRINKS TO THEIR HOMES'
MARK WOLFISZ