



CEM Case Studies Series **Retailing**



vs

M&S

Contributed by the Master Degree Students of
e-Commerce and Internet Computer, Master of
Science of The University of Hong Kong.

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About the Paper

CEM Case Studies Series

Title:

"H&M vs Marks and Spencer (M&S) – A Comparison on their In-store Shopping Experience"

Authors:

This case study is contributed by the Master Degree Students of e-Commerce and Internet Computing, Master of Science of The University of Hong Kong. The report is one of the course requirements for the module of CRM: Business Strategies and Techniques, being taught by Mr. Sampson Lee, President of G-CEM.

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Target customers and their critical needs

H&M (Hennes&Mauritz)

H&M is one of the largest European fashion retailers. Originated from Sweden, they are a pioneer of "fast fashion". Their clothing represents fashion, quality, and affordable price. Their target customer is the group of fashionable and trendy consumers who enjoy shopping, like high fashion and quality clothing at a low price.

The critical needs of their target customer are: follow the fashion trends tight and able to wear top designer labels at an affordable low price. Besides, they can find a wide variety of accessories and merchandise to mix and match with their cloths.

Marks & Spencer (M&S)

Marks & Spencer is a British retailer, which sells both clothing and food in their stores. In this article, we will focus on comparing their clothing section with H&M. Their target customer is middle-aged, middle class, with a focus on practical needs.

The critical needs of their target customer are: high quality and trendy clothing with acceptable price, good return policy, easy to maintain, wide range of sizes to fit different body measurement, ready to wear, and good for professional and executive wear.

Please note that this paper is based on the authors' personal observations and analysis. The involved companies did not officially participate in this case study or provide insight into the content of this paper and held no responsibility on the content of the paper.

Brand vales

H&M Brand Value:

Fashion and quality at the best price

Fashion - Wears are designed by top/famous designer, catwalk

Quality - Maintain the good quality even in competitive price

Best Price - Reasonable price that people in the town can afford

Marks & Spencer Brand Value:

Quality, value, service, innovation and trust

Quality - Products are produced in good quality

Value - Focus on the value of the goods, e.g. full range of size and colors

Service - Comfortable store, good sales service

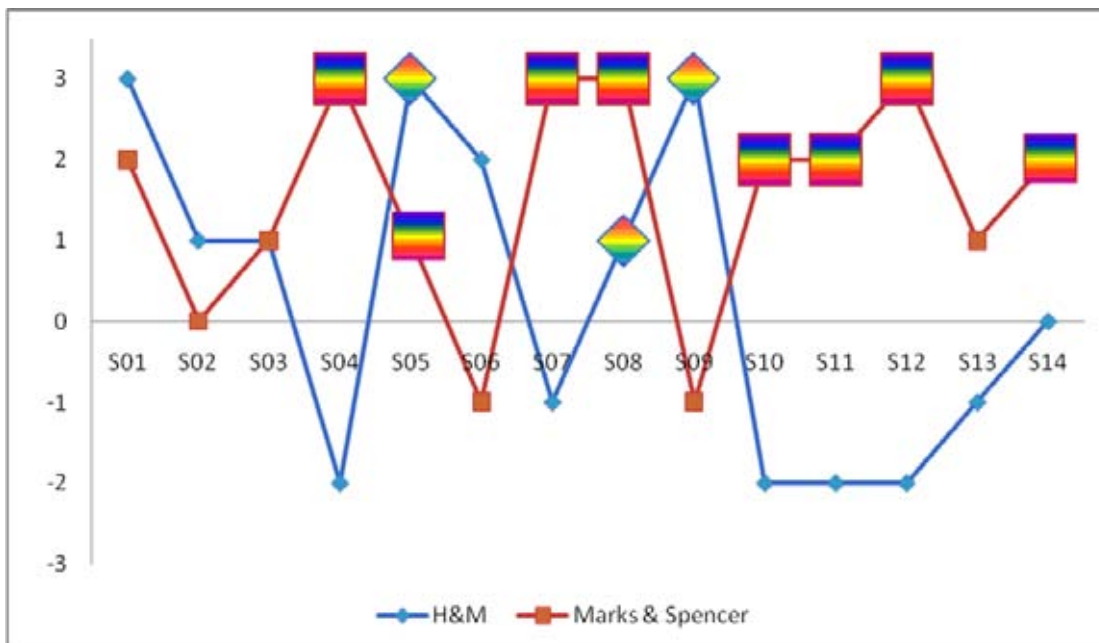
Innovation - Every store has a pleasant wines / chocolate / biscuit corner

Trust - Trust on service, quality, and refund policy

Emotion Curve

The below diagram and table illustrates the use of an Emotion Curve to measure the customer experience rating in a natural time sequence (from entry to exit to the stores).

Sub-Processes		H&M	Marks & Spencer
S01	Shop Location	3	2
S02	Shop Outlook	1	0
S03	In-store Decoration	1	1
S04	Pleasant Atmosphere	-2	3*
S05	Psychological Identification	3*	1
S06	Product Variety	2	-1
S07	Product Customization	-1	3*
S08	Product Quality	1*	3*
S09	Product Price	3*	-1
S10	Staff Service	-2	2*
S11	Fitting Room	-2	2*
S12	Cashier	-2	3*
S13	Exit	-1	1
S14	Post-Sale Service	0	2*



Effective Experience Delivery

Both Marks & Spencer (M&S) and H&M have stores all over the world and well received in Hong Kong. M&S has 10 stores in Hong Kong and H&M has 4 stores in Hong Kong. Take a look of the store locations of the two companies: M&S (Central, Causeway Bay, Diamond Hill, Kowloon Bay, Kowloon Tong, Quarry Bay, Shatin, TST, Tsuen Wan, Tsing Yi), and H&M (Central, Mong Kok, Kowloon Station, Kowloon Tong), both of them target to the high spending power customer group. However, according to the consumers' shopping behavior, you can divide them into two groups, who are practical consumers and fashionable and trendy consumers.

Interpreting M&S Emotion Curve



In this case, the target customers of Marks & Spencer (M&S) belong to the group of practical consumers who place more functional considerations on their cloths. They perceive clothes as necessity to cover the need of being dressed. Therefore, their critical needs are good quality cloths which suit their functional purposes and also personal tastes.

M&S claim that their brand values are quality, value, service, innovation and trust. Customers are interested in purchasing products with high quality and good value of their brand. As a matter of fact, M&S has expanded and strengthened one of their brands - Autograph strongly in 2007/08. The brand focuses on offering elegant and luxury range of clothing. Besides, M&S consider the quality and the value of products are their important brand value. These two issues which represented as product customization and product quality located at the pleasure peak of the emotional curve are also important to their target customers. As a result, we can see that M&S is delivering an effective experience in terms of product quality and value to their target customers, though the price may be a bit too high as compared to other competitors. However, M&S fails to perform well in terms of innovation as the image of brand (clothing style) is generally perceived as conservative. For the brand value of trust, The Post Sales Service part can deeply reflect this. M&S provide global goods return service, which injects good confidence to customers about the product quality and the stores'

responsibility. Trust also includes the earth protection and green life concepts advocated by the store. However, it is not easy to be experienced by shopper. Only if customers study about the product materials and manufacturing process, they will come to realize the beliefs they have.

Interpreting H&M Emotion Curve



The target customers of H&M belong to the group of fashionable and trendy consumers who see shopping as a social activity providing pleasure in their daily life. They acquire the most fashionable clothes each season and want to follow the trends without investing a lot of money. In order to fulfill the needs of the customers, H&M launched EDLP (Every Day Low Prices) products. In addition, they invited the top fashion designers in the industry such as Karl Lagerfeld to be their partners for designing the new collection. As shown in the emotional curve, there are two pleasure peaks happening in the process which are psychological identification and product price. As a result, we believe H&M is successful in making the combination of the best design under the name of an inexpensive clothing label. In fact, to maintain the low price policy, H&M has to give up the customer service. Fitting and cashier usually have long queues. Sales staff is relatively less as compared to the number of customers. It is not easy to get help when you have encountered problems or issues.

In sum, the above two companies are also doing relatively good job in delivering effective experience to their targeted customers. However, fashion retailing is a very competitive industry and all players need to be very alert and sensitive to the changing needs of their target customers, not mentioning other external factors like economic environment.

About G-CEM



G-CEM (Global Customer Experience Management Organization) helps companies to create effective customer experience. Our patent-pending methodologies combine the art and science of CEM in assessing and delivering branded and total customer experience (TCE). G-CEM International Partners are located in Europe, Asia, and North America. Our services include [TCE Evaluation](#) and [CEM Certification](#). Visit Us: <http://www.G-CEM.org>.



Total Customer Experience (TCE) Evaluation



The TCE Evaluation consists of two parts: TCE Model Building sets a comprehensive blueprint and renders a complete architecture to measure, manage, and improve the total customer experience as perceived at multiple touch-points and among multiple channels across the entire customer lifecycle. The TCE Assessment measures the effectiveness of experience in driving customer satisfaction, brand differentiation, sales transactions and creating advocates. The combination of TCE model building and assessment helps companies deliver a branded and effective total customer experience. For details, please visit: <http://TCEevaluation.G-CEM.org>.

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