

HoF unveils customer-centric model

BY NICOLA HARRISON

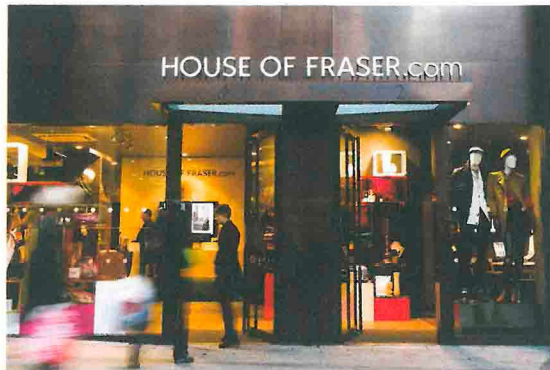
House of Fraser has embarked on a “pioneering” restructure as it aims to put the customer at the heart of its business.

Chief customer officer Andy Harding told *Retail Week* the department store group aims to “future proof” its organisational structure and stay ahead of the competition in the face of radically changing shopping habits.

Retailers have often struggled to structure their businesses to meet new demands. The big four grocers are among retailers to have restructured their stores and head offices. However, House of Fraser’s initiative represents a step beyond that because it has placed its ‘customer insight’ team at the centre of the business.

The unified team brings together for the first time House of Fraser’s brand, CRM, product and multi-channel functions. The heads of those departments now report to Harding and that team sits at the centre of the business so decisions can be based on customer insight “rather than perception”.

“One of our core values is ‘always put the customer first’,” said Harding. “But which business



wouldn't say that? There's a big difference between talking the talk and walking the walk. This demonstrates we are really customer-centric.”

The rest of the business has been broken down by customer journey: ‘awareness and consideration’, where brand and creative teams sit; ‘conversion and loyalty’, where the trading departments are based; and ‘advocacy’. The digital product teams sit throughout those departments, said Harding.

The change follows the first phase of the restructure that involved merging its multichannel trading team with its buying department.

House of Fraser has been one of the retailers at the forefront of multichannel development and has tested innovative technology in-store in order to better merge the online and offline experience, including using beacon technology in its store mannequins. The retailer also plans to launch shoppable windows in the run-up to Christmas.

Harding said the restructure is designed to “break down barriers” between departments.

“This is relatively pioneering,” said Harding. “We’re future-proofing our business as far as we can predict customer behaviour.”

Harding said the new structure, which has resulted in the creation of a net 12 new roles, would better enable the retailer to measure ‘customer lifetime value’.

He said the business asked itself 18 months ago if it was set up for a future when online sales represented 40% of total revenue. “We embarked on a project to understand whether we were ready for that growth,” said Harding. At present online sales represent 19% of total sales – ahead of the market.

The initiative is designed to set House of Fraser up for “significant long-term growth”, but Harding conceded: “There’s no right answer.”