

for that Wonderful,
frustrating, hilarious,
serious, exhausting,
rewarding process
called parenting
mothercare
since 1961



Gary Kibble, Global Brand and Marketing Director, Mothercare

Mothercare: six pillars to brand success

Mothercare's new website is the next step in its ambition to become the leading global retailer for parents and young children. *Emma Herrod* spoke to the company's Global Brand and Marketing Director, *Gary Kibble*, about how the launch fits in with its omnichannel and turnaround plans.

BABIES, FOR all that they only eat, sleep and use nappies for their first few weeks, come with a huge list of requirements before they are even born. There are the maternity clothes, hospital bag, car seat, crib or basket, blankets, muslins... and that's before you get to the clothes, memory boxes, toys etc. And then there's the decision about whether to buy a pram, a pushchair that lays flat or a travel system. It's enough to drive one mum on an online forum to ask whether buying such a thing should be as difficult as childbirth itself.

Mothercare aims to come to the rescue of all those mums and dads debating these

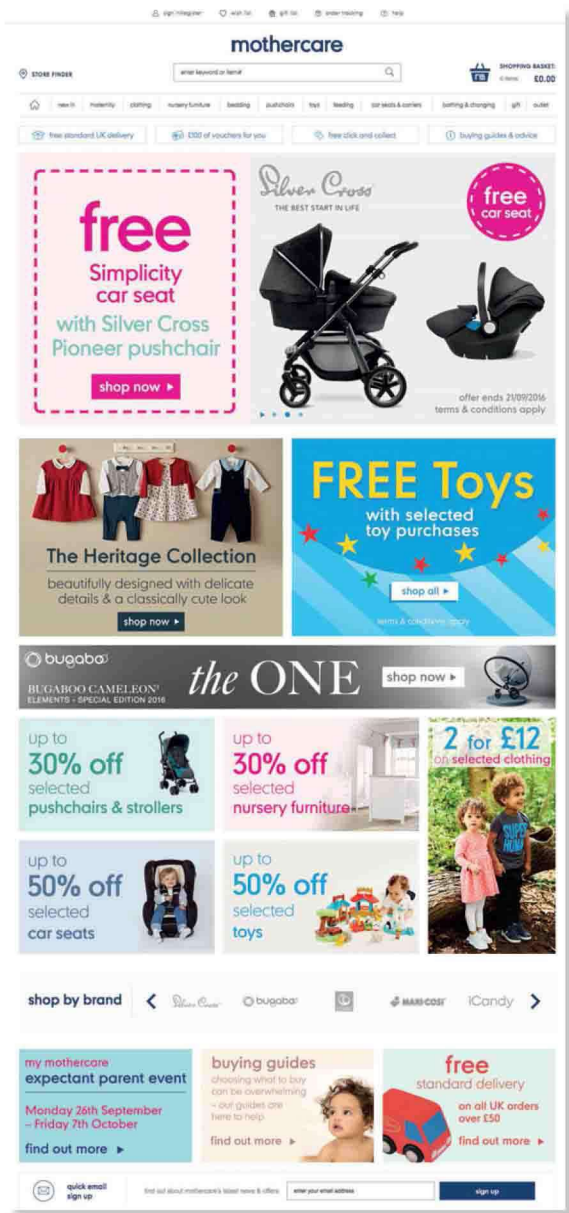
prenatal purchases by sharing advice and giving guidance at every stage of pregnancy and into their children's early months.

"We have ambition to be the leading global retailer for parents and young children," says Gary Kibble, Global Brand and Marketing Director, Mothercare.

The retailer is also part way through a turnaround plan which saw it return to profit in its last financial year after reporting losses for the previous four years.

CODING RELATIONSHIPS

It has just taken a major step on that path to omnichannel success with the launch of a new



Mothercare's new website includes responsive design, simplified checkout, natural search, improved navigation, performance and speed

website, which is better suited to its young, digitally-savvy customers. This launch was vital since the old site was losing the retailer sales with half of its customers dropping out between them adding items to their basket and ultimate conversion. "We weren't giving the customer what they wanted and needed," Kibble says.

He explains that Mothercare evaluated different platform options before taking the decision to remain with Demandware in the UK – Mothercare's international business runs on Magento. The move to a direct relationship with Demandware gives Mothercare full use of the platform's capabilities. These include, what Kibble calls the key points of responsive design, simplified checkout, natural search, improved navigation, performance and speed.

“Buying a stroller shouldn't be as difficult as childbirth”

Responsive design is an important factor for Mothercare since 86% of sessions are on mobile phones with the figure increasing to more than 90% when visits from shoppers using a tablet is factored in. The new platform can also move Mothercare to a 3-point checkout from a 7-point one, and for the retailer to optimise for natural search. Kibble says the Demandware platform also “gives us the ability to serve up content in a better, more user-friendly way”.

A new content hub is also coming into operation. This will sit centrally as part of the core platform, allowing Mothercare to serve content across different channels as it helps guide parents from the prenatal stage to postnatal and through the many issues and ‘teething pains’ of the early years.

BITE-SIZED CONTENT

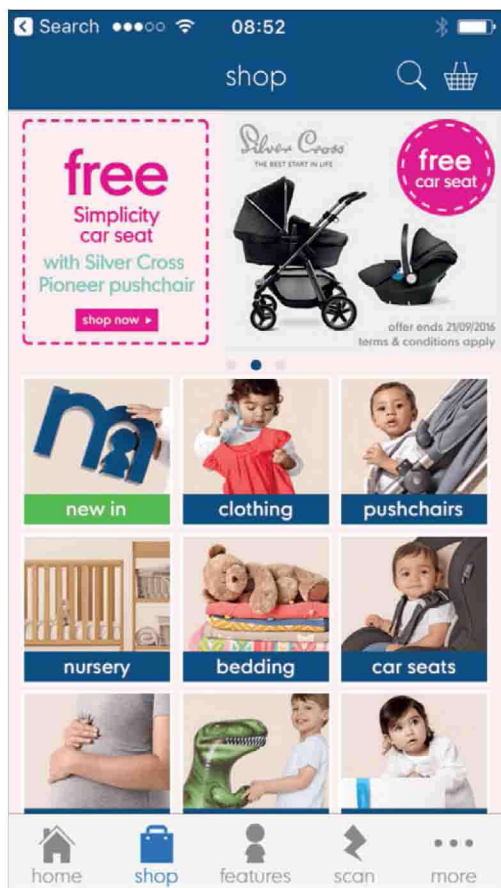
“The millennial customer wants to access content in a bite-size way and be able to interact through multiple devices at different times of the day,” says Kibble. As with other shopper groups, they may move from tablet at home, to mobile on their commute, PC at lunchtime and back to a mobile or desktop or laptop to complete the purchase at home in the evening. They also still visit the stores.

Mothercare aims to engage with shoppers in the prenatal stage when many need advice not only on which products they need to buy but also on what is happening at every stage of pregnancy. Kibble explains that someone who becomes a customer in the prenatal stage is worth three times to the retailer as much as one who starts purchasing after their baby is born. This is hardly surprising in the baby care market considering the amount of paraphernalia that seems to be ‘must have’ for a new baby.

As well as six different shopper personas, Mothercare has a series of 224 emails which are triggered by the different stages that the prospective parents go through. These include weekly pregnancy messages which allow the firm to engage in the journey with each customer.

Kibble explains that Google found that 69% of all maternity search terms are content related rather than for products, and that the number one search is for boys’ and girls’ names. This is why Mothercare has incorporated a random name generator into its app. Every time the phone is shaken, a new name is presented in text and audio form.

The priority for Mothercare, then, is to get shoppers to convert early on. One of mums’ first purchases is a maternity bra, ►



The Mothercare app gives omnichannel functionality while being fun and engaging

so Mothercare assists with zapcodes in its catalogue which, when scanned, automatically link the shopper through to connected, relevant content, such as a video on how to measure for the undergarment.

Customers do much of the research for these products online before they go to a store to see them and then either to purchase in store or online. More than half of those who buy a maternity bra in store will have researched it online in the past week, explains Kibble, so that led to an increase in bidding for the terms as a keyword, even though the ROI doesn't necessarily stack up when online transactions are accounted for alone. "We've invested in where keywords will covert in store rather than just online," he adds.

He acknowledges that there is still a lot of work to do to optimise the new site – including the checkout – and the business is talking to its partner Qubit about running A/B multivariate tests as well as looking at further personalisation. A Head of UX has been hired and there are plans to implement a small user lab.

Once the new platform is "firing on all cylinders", the retailer will further explore personalisation on the website.

MOBILE

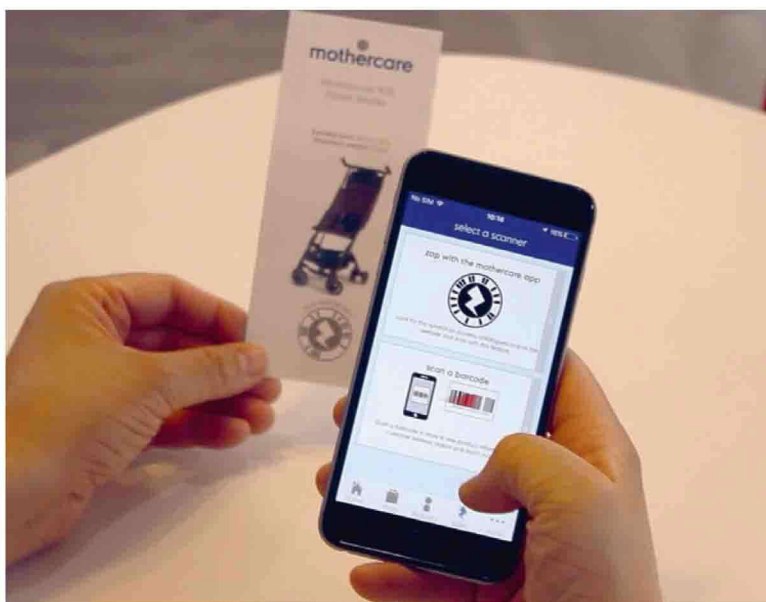
One of the other ways in which Mothercare is improving the experience for its omnichannel customers is through its mobile app. As well as the baby-naming functionality, it allows users to scan items in store and to see past purchases and their digital receipts. These custom-designed receipts include product images that link to the product details in the app. Customers also have the option to send eGift Receipts to friends and family directly from the app.

The app has also given Mothercare a place to build deep and meaningful relationships with customers because shoppers can use it as a centre of advice and guidance, as a tool for their maternity needs such as building a hospital packing list, as well as for shopping for products. A video by Mylene Klass, for example, links to an online checklist as well as to the online store. Kibble explains that the app converts higher than the old mobile site.

STORES

Mothercare's transformation is not restricted to online and digital. The stores, too, are undergoing a makeover with a number being closed and others opened. Mobile is becoming more evident in stores with swing tags with Zappar codes being put on products such as car seats and strollers. These codes, when scanned with a smartphone, bring up further information on the product and rich media. More importantly, customers can see reviews, explains Kibble. This gives reassurance in the product and a "final level of endorsement", turning interest into purchase.

Zappar codes link customers from catalogue pages and swing tags in store to rich content online



At the end of August, Zappar codes appeared in the printed catalogue allowing shoppers to interact with products digitally, view videos of pushchairs being put up and car seats explained. They are being used on products whose price or complexity needs “the extra bit of hand holding”.

Digital screens are also being introduced into the refurbished stores to add further interest for shoppers and provide a platform through which the company can educate them. A video about car seats, for example, will loop on a screen near where they are located in store. Further interactivity is planned for these screens.

Store staff have been equipped with iPads so customer orders can be placed from anywhere in the shop. Some 1,200 iPads have been introduced in the UK stores and these have been linked to a sales growth of 25% over the past year. Customers currently have to pay for their purchase at the till, but in the next 12 months this will change so that store staff can take the payment along with the order on an iPad, without having to go to a physical checkout area. “Web-enabled store 2.0 will be more of a ‘clienteling’ service,” says Kibble.

The iPads and app will turn customers’ interactions with staff into more of a personal shopping appointment. Staff will have access to customer data, which through the analytical warehouse stores browsing and purchasing data, so they can give more meaningful and personalised information to individual customers. They will know what level of product and price point to pitch to each customer, whether it’s from the good, better or best range, for example.

Expectant parent evenings are held in stores three times a year. These bring together external experts including midwives and St John Ambulance to give advice as well as product presentations. These are attended by up to 25,000 customers each year, each carefully selected from the company’s database and invited personally.

Post-birth, it invites 20 to 25 new mums who have given birth around the same time to a meet-up in store. Kibble describes these new mum meet-ups as Mothercare being true to the brand.

To further improve omnichannel performance, to change company culture and to support the ethos that you deliver what you measure, one of the KPIs for store managers is online sales in their area.

“Mothercare’s old site was losing the retailer sales with half of its customers dropping out between adding items to their basket and ultimate conversion”

Kibble explains that this encourages omnichannel behaviour from store staff, who are happy to collect customers’ email addresses so they can be sent a digital receipt, for example. This enables Mothercare to improve how it connects customers’ online and offline purchases and behaviour, know what they’ve ordered online, their browsing behaviour, and be able to present them more relevant content.

He says that in 2012, the business had the details of 300,000 customers on its database. Today, that has reached 2.5 million active customers who have interacted with Mothercare by opening an email or purchasing something online or in store in the past three months.

THE VISION

Mothercare has a clear vision of its transformation and the way that it touches every part of the business. Led by Mark Newton-Jones, who was fundamental to Shop Direct’s transition from a catalogue business to a digital retailer, the Mothercare transformation is explained by its Brand House, a diagram which maps out how it will achieve its vision of being the leading global retailer for parents and young children and tells staff why each step is being taken.

Internally, the company’s plans are to unite mums and dads to take on parenting together; externally this is being promoted as ‘Welcome to the Club’, its new branding and marketing campaign which will launch on 6 October.

The transformation will be achieved through six pillars:

- Becoming a digitally-led business;
- Supported by modern retail estate and a great service;
- Offering style, quality and innovation in product;
- Stabilise and recapture gross margin;
- Running a lean organisation while investing for the future;
- Expanding further internationally.

These pillars will be based on the four foundations of modern systems, infrastructure, governance and talented people.

The launch of the new website is a major milestone in its first pillar of digital retailing. To date, 73 stores have been refitted as it reaches close to the half way point in the programme, with 8 new stores opened and 63 closed. This transformation to web-enabled stores has all happened over the past 18 months, explains Kibble. All of its 178 stores ►



From old to new. Some Mothercare stores hadn't had a lick of paint in 10 years

will have been refurbished by the end of 2017. "Some stores haven't had a lick of paint in the past 10 years," he says.

The transformation is being funded by the rights issue announced in September 2014 through which Mothercare raised £100m from shareholders. A large proportion of this funding is being spent on the stores and on digital.

CULTURAL CHALLENGE

One of the biggest challenges has been the cultural change; it's a big shift, especially when you consider that some people have been with the company – which was established in 1961 – for 20 or 30 years and are passionate about the brand. Kibble says: "One of the big challenges is helping people understand that the consumer has changed and continues to change at a rate of knots, and unless we are prepared to be left behind we have to move at a faster pace to catch up and then overtake so that we can pre-empt what the customer wants before they know they need it."

He explains how everyone across the business has to be brought along on the transformation journey and understand that they have to deliver what omnichannel shoppers want and if you don't give them what they want they'll go somewhere else.

There is also the financial challenge – especially in a turnaround situation like Mothercare's. The company can't afford to make any mistakes and this adds to the pressure that everyone is under. "There isn't really a way to overcome that. It's just the

“Mothercare has ambition to become the leading global retailer for parents and young children”

reality of being in a turnaround where profit margins are tight,” he says.

Kibble does say, though, that metrics help here since they make it easier to justify the ROI of every pound. A leap of faith is still needed “particularly when we're in uncharted territory.”

So how is the success of the transformation plan being measured? Financial is one way and customer satisfaction, too, is being taken into account. The latter is measured by customer exit surveys online and in store. It's also measured through the conversion funnel. “We obsess about checkout conversion particularly – every 0.1% improvement means a lot,” explains Kibble. Employee engagement is the third factor that Mothercare is using to measure success. “We want a team of people who are motivated, focused and show and give discretionary effort, and this comes in if people have bought into the story.”

Will a shiny new site and a lick of paint in store help turnaround Mothercare and keep investors happy? If what Newton-Jones did to turn around Shop Direct is anything to go by then the answer must be yes. With the digital leadership and new kid on the block Kiddicare having made an early departure from the maternity and early years sector after promising first steps, there is the opportunity for a company with Mothercare's heritage and heft to really engage with expectant millennials. With a rolling three-year-long roadmap for its digital strategy, there is more innovation to come as it catches up with its customers' expectations – and ultimately overtakes them. 🌈