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Abstract

The idea of digital transformation has become a strategic necessity to traditional retailers who are confronted with a growing competition, customer requirements, and fast-paced technology. This paper looks at how digital transformation has affected the organisational performance of Marks and Spencer Group plc (M&S), a UK-based legacy retailer that is undergoing a massive strategic re-invention. The study will be used to assess the effectiveness of digital efforts on operational performance, customer experience, and overall retail performance, and to determine important obstacles that modulate the results of transformation.

The study incorporates qualitative-dominant case study design as it aims to base itself on secondary data sources using M&S annual reports (2019/2023) and industry reports, academic sources, analyst notes, and corporate-level digital strategy reports. The study is based on the interpretivist approach and philosophy, and a thematic analysis with a hierarchical coding scheme.

The results indicate that digital transformation at M&S has had a positive impact on the efficiency of its operations by enhancing operational accuracy of stock, automation, and data-driven decision-making, especially in the Food division. Digital capabilities facing customers, including e-commerce websites, mobile applications, and click-and-collect, have increased perceived usefulness and ease of use to facilitate increased customer engagement and intention to purchase. Nevertheless, the research also indicates enduring challenges, such as outdated IT systems, skillset deficiency, cultural unwillingness, and disjointed implementation, with which the complete value of the digitisation cannot be fully realised, particularly in the Clothing & Home division.

The contribution of the study to the theory is that it operationalises Technology Acceptance Model (TAM) in a retail transformation situation and incorporates the perspectives of the Theory-Organisation-Environment (TOE) theory, Resource-Based View (RBV) and theory of Dynamic Capabilities. In practice, the results provide strategic advice to retail managers, in focusing on integrated digital roadmaps, leadership support, upskilling the workforce, and ranking the high-impact digital investments.

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Table of Contents

Abstract	iii
Acknowledgements	iv
CHAPTER 1 - INTRODUCTION	1
1.1 Problem Statement	2
1.2 Research Questions	2
1.3 Research Aim & Objectives	2
1.4 Significance of Study	3
1.5 Brief Research Methodology	4
CHAPTER 2 - LITERATURE REVIEW	5
2.1 Theoretical Perspectives on Digital Transformation	6
2.2 Digital Transformation in the Retail Sector	9
2.3 M&S Digital Transformation: Existing Studies & Industry Evidence	14
2.4 Customer-Facing Digital Capabilities	19
2.5 Operational and Organisational Impacts of Digital Transformation	21
2.6 Synthesis & Conceptual Framework	24
CHAPTER 3 - Methodology	30
3.2 Research Philosophy	31
3.2.1 Pragmatism	31
3.2.2 Ontology and Epistemology	31
3.3 Research Approach	32
3.3.1 Deductive-Explanatory Approach.	32
3.3.2 Case Study Strategy	32
3.4 Research Design	33
3.4.1 Secondary Data–Only Design	33
3.5 Sampling Strategy	33
3.6 Data Collection Methods	36
Qualitative Data Collection	38
3.7 Data Analysis Methods	38
3.7.2 Techniques of qualitative analysis.	39
3.7.3 Triangulation	40
3.8 Ethical Considerations	41
3.9 Limitations	41
CHAPTER 4 - DATA ANALYSIS	42

4.2 Quantitative Analysis.....	43
4.2.1 Sales and Revenue KPIs	43
4.2.2 Operational KPIs.....	46
4.2.3 Customer KPIs.....	47
4.2.4 Synopsis of Quantitative Trends.	48
4.3 Qualitative Analysis.....	49
4.3.1 Thematic Findings	49
4.4 Integrated Analysis	53
4.4.1 Efficiency	53
4.4.2 Customer Experience	54
4.4.3 Technology Investment.....	55
4.4.4 Integration Challenges	55
4.4.5 Culture & Change Management	56
4.5 Summary of Analysis	57
CHAPTER 5- DISCUSSION & FINDINGS	59
5.1 Introduction	59
5.2 Literature Findings Discussion	59
5.3 Research Question Evaluation.....	61
5.4 Implications of the theory	63
5.5 managerial implications.....	65
CHAPTER 6- CONCLUSION	66
6.1 Summary of the Study.....	66
6.2 Contributions	67
6.2.1 Academic Contributions	67
6.2.2 Practical Contributions	69
6.2.3 Methodological Contributions.....	69
6.3 Limitations.....	70
6.4 Future Research Recommendations.	70
References.....	72

CHAPTER 1 - INTRODUCTION

The rapid acceleration of digital technologies over the past decade has fundamentally reshaped the global retail landscape, pushing organizations to adopt innovative systems that enhance operational performance and customer engagement. In the UK retail sector, digital transformation has emerged as a strategic imperative, driven by the growth of e-commerce, evolving consumer preferences, and the heightened competitive pressures triggered by technological disruption (Verhoef et al., 2021). Traditional retailers such as Marks & Spencer (M&S) have faced significant challenges in maintaining market relevance as customer expectations increasingly shift towards seamless Omni channel experiences, personalized services, and efficient fulfilment processes (Hossain et al., 2023).

M&S, a long-established British retailer, has undergone extensive strategic reforms to respond to these pressures, particularly through investments in data analytics, artificial intelligence, automation, and digital supply chain integration. These initiatives align with broader industry trends where digital technologies are viewed as enablers of improved agility, cost efficiency, and competitive differentiation (Schniederjans & Starkey, 2020). Recent studies highlight that digital transformation enhances operational coherence, reduces lead times, and supports the development of innovative customer-facing services that strengthen brand loyalty (Liu & Yang, 2022). However, retailers also encounter internal barriers such as legacy IT systems, cultural resistance, and skill shortages, which often limit the effectiveness of digital adoption (Gong et al., 2023).

The COVID-19 pandemic further accelerated digital adoption across the UK retail industry, intensifying pressures on established retailers to modernize and adapt to new operational realities (Pentane et al., 2022). For M&S, this period underscored the importance of digital capabilities in sustaining performance, with rapid growth in online sales and an increased reliance on technology-enabled solutions.

1.1 Problem Statement

Although digital transformation has become a critical strategic driver in the retail sector, its actual impact on organizational performance remains complex and not fully understood, particularly within traditional retail organizations such as Marks & Spencer (M&S). While M&S has implemented multiple digital initiatives—ranging from e-commerce expansion and data analytics to automated supply chain systems—the extent to which these initiatives have effectively contributed to operational efficiency, customer satisfaction, and financial performance is still unclear (Liu & Yang, 2022). Recent studies suggest that many retailers struggle to translate digital investments into measurable performance improvements due to organizational rigidities, legacy systems, and uneven technology adoption across business units (Gong et al., 2023).

M&S continues to face performance pressures, including fluctuating sales, intense market competition, and the need to meet rapidly evolving consumer expectations for seamless Omni channel experiences (Hossain et al., 2023). Despite increased digital spending, the company has not consistently achieved the performance recovery anticipated, raising questions about the alignment between digital strategies and business outcomes. (Schniederjans & Starkey, 2020).

Therefore, there is a critical need to evaluate whether digital transformation at M&S is delivering the intended performance improvements and to identify the specific factors influencing its effectiveness.

1.2 Research Questions

- a) How have advanced change activities influenced M&S's operational proficiency?
- b) To what degree do advanced stages impact client fulfilment and buy conduct?
- c) What challenges prevent the fruitful usage of computerised change at M&S?
- d) What techniques can M&S embrace to boost the benefits of computerised change for retail execution?

1.3 Research Aim & Objectives

The aim of this study is to assess the impact of computerised change activities on the retail execution of Marks & Spencer (M&S) within the UK.

The Objectives are as follows:

1. To dissect the computerised change procedures executed by M&S.
2. To evaluate the effect of digital technologies on operational effectiveness and deals execution.
3. To examine customer perceptions of M&S's digital transformation initiatives and services.
4. To identify challenges and barriers in the implementation of digital transformation.
5. To provide recommendations for enhancing digital strategies and overall retail performance.

1.4 Significance of Study

The managerial takeaway from this study highlights that digital transformation in traditional retailers like Marks & Spencer (M&S) must be approached as an integrated strategy, balancing technological, operational, and customer-focused considerations. Managers should ensure that digital initiatives—such as artificial intelligence, automated supply chains, Omni-channel services, and mobile applications—are strategically aligned with the organisation's long-term objectives and operational capabilities, avoiding fragmented or reactive implementation. Customer-centric design is critical, with digital tools enhancing convenience, engagement, and personalization based on actual consumer preferences and behaviours. Operational efficiency can be improved through automation, predictive analytics, and real-time decision-making, but these initiatives require careful monitoring of performance indicators such as stock accuracy, fulfilment time, and service reliability. Managers should adopt a data-driven approach to evaluate the return on investment of digital initiatives, linking specific projects to measurable outcomes such as revenue growth, customer satisfaction, and operational performance. Finally, benchmarking against industry leaders provides valuable insights, though replication must be adapted to M&S's unique customer base, brand positioning, and organisational constraints. Overall, effective digital transformation requires a holistic, evidence-based strategy that integrates technology, people, and processes to sustain long-term competitiveness. Recent research emphasizes that digital initiatives often fail to deliver expected benefits due to barriers

such as cultural resistance, fragmented systems, and skills shortages (Gong et al., 2023).

Practically, the findings carry implications for retail managers, policymakers, and stakeholders within the UK retail sector. For M&S, understanding the extent to which digital technologies influence operational efficiency, customer satisfaction, and financial outcomes can support more informed strategic planning and targeted investment decisions. (Hossain et al., 2023).

Overall, this research is significant because it addresses a key contemporary challenge in the retail industry: evaluating whether digital transformation leads to meaningful performance enhancement. The findings will not only support the strategic development of M&S but also enrich the broader academic and professional understanding of digital transformation in retail.

1.5 Brief Research Methodology

This study adopts a qualitative case study approach to investigate the impact of digital transformation on M&S's retail performance. Data will be collected primarily through secondary sources, including annual reports, academic literature, industry analyses, and digital strategy documents. The research follows an interpretivist philosophy and an inductive approach to explore emerging themes. Thematic analysis will be used to interpret qualitative data, enabling a deeper understanding of how digital initiatives influence operational, customer, and financial performance outcomes at M&S.

CHAPTER 2 - LITERATURE REVIEW

Digital transformation has developed as one of the foremost noteworthy key needs for present day associations, especially inside the retail segment. It speaks to an essential authoritative move driven by the integration of advanced advances over commerce operations, client intelligent, and key decision-making. In spite of the fact that regularly utilised traded, the concepts of digitisation, digitalisation, and advanced change contrast in their scope and key profundity. Digitisation alludes to the change of simple data into computerised designs, such as checking reports or robotising paper-based forms. Digitalisation includes utilising advanced innovations to improve existing operations, make strides effectiveness, or streamline workflows. In differentiate, computerised change includes an all-encompassing reconfiguration of trade models, authoritative culture, and esteem conveyance instruments (Verhoef aet al., 2021).

Within the retail division, advanced change plays a basic part in tending to the quickly changing desires of buyers who progressively request customised encounters, comfort, and consistent intelligent over different channels. Retailers must hence receive progressed innovations such as fake insights (AI), computerisation, the Web of Things (IoT), information analytics, and cloud computing to stay competitive.

Strategic Role of IT Capabilities in Retail

Information technology (IT) capabilities shape the spine of viable advanced change. Retailers must have solid advanced foundation, coordinates frameworks, and data-driven competencies to completely use rising advances. IT capabilities empower retailers to upgrade operational nimbleness, bolster rapid innovation, and create customer-centric arrangements. In contemporary retail, IT is now not restricted to operational bolster; it may be a vital asset that shapes competitive situating and long-term commerce supportability. Retailers with progressed IT capabilities can more successfully examine buyer information, anticipate buying designs, customise promoting campaigns, and enhance supply chain forms.

2.1 Theoretical Perspectives on Digital Transformation

To get it the establishments of computerised change, a few hypothetical systems offer profitable understanding into how associations embrace and actualise computerised advancements.

1. Technology-Organisation-Environment (TOE) Framework

The Technology–Organization–Environment (TOE) framework provides a robust lens for understanding the drivers and barriers of digital transformation within retail firms like M&S. By examining technology, organizational, and environmental contexts, it allows the study to explain why some digital initiatives succeed while others struggle.

- **Technology Context:** This dimension examines the capabilities, availability, and compatibility of technologies that M&S implements, such as AI personalization, mobile apps, Omni channel platforms, and automated supply chain systems. Within this research, the technology context links directly to customer-facing digital capabilities and operational performance, as survey and secondary data measure online sales, app engagement, and supply chain efficiency.
- **Organization Context:** The organizational dimension considers resources, leadership, culture, and competencies. At M&S, factors such as management commitment, staff digital literacy, and internal change management shape DT outcomes.
- **Environment Context:** The environmental dimension reflects market trends, regulatory pressures, and competitive intensity. For M&S, the retail landscape includes competitors like Tesco, John Lewis, and Next, as well as evolving customer expectations for online shopping and sustainability.
- **Integration with Your Study:** By applying the TOE framework, this research maps technological capabilities, organizational readiness, and environmental pressures to measurable performance outcomes. The survey and secondary data collected reflect these dimensions:
 - **Technology** → online sales, app usage, AI personalization effectiveness

- **Organization** → operational efficiency metrics, supply chain performance, cultural readiness
- **Environment** → market trends, competitive positioning, and customer behaviour patterns

TOE offers a theoretically grounded explanation for variations in DT performance across M&S divisions, linking technology adoption, organizational capacity, and external pressures to outcomes like efficiency, customer satisfaction, and revenue growth.

2. Resource-Based View (RBV)

RBV contends that associations pick up competitive advantage through assets that are profitable, uncommon, supreme, and non-substitutable. Digital capabilities such as information analytics mastery, AI-driven frameworks, and Omni channel platforms fit this basis. When successfully created and coordinates, these advanced assets empower retailers to distinguish themselves, react speedier to showcase changes, and convey prevalent client encounters.

3. Dynamic Capabilities Theory

Whereas RBV centres on assets, Energetic Capabilities Hypothesis underlines the organisation's capacity to sense, seize, and reconfigure openings in a changing environment. For retailers experiencing computerised change:

- Detecting includes distinguishing mechanical openings and checking shifts in shopper conduct.
- Seizing focuses on contributing in computerised advances, creating modern commerce models, and sending assets to capture esteem.
- Reconfiguring alludes to the capacity to realign processes, restructure workflows, and alter authoritative culture to back nonstop development.

Computerised change in retail requires solid energetic capabilities since advances, client inclinations, and competitive scenes advance quickly. Firms missing these capabilities frequently battle to support the benefits of computerised venture.

Drivers of Digital Transformation in Retail

A few effective powers drive the fast computerised change of the retail industry.

- ❖ **Changing Consumer Expectations:** Present day shoppers anticipate customised suggestions, quick conveyance, consistent checkout forms, and adaptable shopping choices such as click-and-collect. Computerised change empowers retailers to meet these desires by utilising information analytics, portable apps, and AI-powered client engagement instruments.
- ❖ **Competitive Pressure:** The rise of digital-native companies such as Amazon has heightened competitive weight over the retail division. Conventional retailers must innovate to stay significant. Advanced change offers retailers the capacity to improve productivity, diminish operational costs, and convey predominant client encounters that match digital-first competitors.
- ❖ **Technological Advances:** Fast headways in AI, machine learning, robotisation, cloud computing, and automated handle robotisation have changed the capabilities of retail firms. These innovations empower prescient analytics, robotised stock administration, customised promoting, and improved supply chain straightforwardness.
- ❖ **Post-COVID Acceleration:** The COVID-19 widespread essentially quickened advanced change over the retail division. Lockdowns driven to expanded online shopping, contactless instalment selection, virtual fitting arrangements, and computerised client benefit devices.

TOE, RBV, and Dynamic Capabilities to M&S Digital Transformation

The Technology–Organization–Environment (TOE) framework provides a structured lens to examine why digital transformation (DT) initiatives succeed or fail at M&S. Within the technology context, M&S's AI personalization, mobile apps, click-and-collect, and automated supply chain systems represent the technological capabilities that directly influence customer-facing and operational performance. For example, AI-driven personalization improves customer satisfaction, while legacy system constraints limit the speed of operational efficiency improvements.

The Resource-Based View (RBV) complements TOE by focusing on the unique digital assets M&S possesses, such as predictive analytics, Omni-channel platforms,

and proprietary customer data. These resources are valuable, rare, inimitable, and non-substitutable, enabling M&S to differentiate itself in a competitive retail landscape.

Dynamic Capabilities (DC) theory further explains M&S's ability to adapt and reconfigure its resources in response to rapid market and technological change. The sensing capability allows M&S to identify emerging trends such as increased demand for contactless payments; seizing involves implementing AI personalization and automated supply chain solutions to capture value; and reconfiguring refers to adjusting workflows, processes, and staff training to integrate new technologies.

- **Drivers of Digital Transformation** — including changing consumer expectations, competitive pressure, technological advances, and post-COVID acceleration — directly link to the research questions. For example:
- **Changing Consumer Expectations:** M&S customers now expect seamless online shopping, personalized recommendations, and convenient click-and-collect options. This aligns with RQ3, which investigates customer perceptions of digital initiatives.
- **Competitive Pressure:** Pressure from Amazon and Tesco motivates M&S to enhance operational efficiency and customer experience (RQ1 & RQ2).
- **Technological Advances:** Emerging tools like AI, predictive analytics, and robotic process automation support operational improvements and informed decision-making, addressing RQ1 on efficiency and RQ4 on strategies for improvement.
- **Post-COVID Acceleration:** The pandemic-induced shift to online shopping underscores the importance of understanding performance outcomes (RQ2) and identifying barriers (RQ4).

TOE explains the contextual conditions for DT success, RBV highlights the strategic value of M&S's digital resources, and Dynamic Capabilities describe the firm's ability to adapt, implement, and sustain these initiatives.

2.2 Digital Transformation in the Retail Sector

Digital transformation has ended up as a defining force in cutting-edge retail, reshaping how establishments design customer reviews, optimise supply chains, and formulate strategic selections. However, at the same time as its importance is widely acknowledged, pupils fluctuate appreciably in how they conceptualise the character, tempo, and effect of virtual transformation in retail. In both international and UK

contexts, virtual transformation is neither linear nor uniformly beneficial; it gives opportunities as well as strategic risks that outlets must navigate cautiously (Verhoef et al., 2021).

Global and United Kingdom Retail trends: A critical Interpretation

Omni channel Integration

Omni-channel retailing refers to a seamless integration of multiple customer touchpoints, both online and offline, to provide a consistent and unified shopping experience (Verhoef et al., 2015). Omni channel retailing is extensively noted as a dominant fashion, yet its strategic price stays contested. even as authors along with Piotrowicz and Cuthbertson (2019) argue that Omni channel integration enhances customer pleasure by way of making sure seamless transitions throughout online and physical touchpoints, others highlight that handing over consistency throughout channels requires good sized funding and organisational restructuring.

supply Chain Automation

Automation technology—inclusive of robotics, RFID, virtual warehousing, and predictive analytics—are regularly presented as critical for current supply chain optimisation. scholars which include Waller and Fawcett (2019) guide the view that automation strengthens operational accuracy and reduces fulfilment times. however, critics argue that automation brings vulnerability.

Data-driven decision Making

Facts-pushed retailing is broadly framed as a strategic enabler for customization, dynamic pricing, and demand forecasting. Tesco's use of Clubcard statistics is often stated as a quality-exercise instance, enabling state-of-the-art segmentation and customized promotions. yet educational literature highlights dangers associated with immoderate records reliance. Davenport and Harris (2020), as an instance, argue that algorithmic bias, improper data governance, and over-automation may additionally produce inaccurate insights and harm patron accept as true with. United Kingdom shops face extra structural demanding situations: fragmented legacy structures often save you holistic views of purchaser behaviour (wood et al., 2022).

E-commerce maturity

The United Kingdom is frequently characterized as considered one of Europe's most mature e-commerce markets, supported by using high virtual literacy and infrastructure. while pupils typically agree that e-commerce maturity strengthens retail competitiveness (Hagberg et al., 2016), a few notice that market saturation will increase competitive strain and reduces differentiation. additionally, evidence indicates that heavy dependence on on-line channels can also increase operational costs due to remaining-mile shipping inefficiencies and higher return rates. (Retail Economics, 2023).

Digital strategies adopted by major retailers: critical Benchmarking for M&S

Outlets which includes Tesco, John Lewis, Sainsbury's, and Amazon provide valuable reference factors for assessing M&S's virtual transformation—but benchmarking need to consider contextual differences in preference to anticipate transferability.

Table 2.1: Competitor Digital Strategies

Competitor	Digital Strategy / Innovation	Strengths	Challenges / Limitations	Lessons for M&S
Tesco	Data-centric innovation; advanced loyalty programs; predictive analytics	Large-scale data monetization; low-margin efficiency; strong analytics infrastructure	Scale advantage difficult to replicate; extensive IT investment	M&S cannot replicate Tesco's scale but can adopt selective analytics capabilities for targeted customer insights
John Lewis	Digital-store integration; virtual services; experiential retailing	Strong online/offline integration; focus on customer experience	Ongoing financial difficulties; cost management vs. digital	Digital experience alone does not guarantee profitability; M&S should

			investment balance	balance digital investments with operational efficiency
Sainsbury's	Cashier-less checkouts; Argos integration; ecosystem strategy	Potential for multi-brand synergy; technology- enabled convenience	High cost and complexity of IT integration; long-term commitment required	Multi-brand or system integration adds value but needs careful long-term planning and resource allocation
Amazon	Platform- based retailing; automation; predictive analytics, robotics	Data-driven operations; network effects; supply chain efficiency	Traditional retailers cannot replicate scale or platform economics	Serves as an aspirational reference; M&S should adopt specific capabilities like automation or predictive analytics without attempting full replication

Description / Reference in Text:

Table 1 benchmarks M&S against leading retailers, highlighting digital strategies, strengths, and challenges. These comparisons reveal that while M&S cannot directly replicate scale-driven models like Tesco or Amazon, selective adoption of advanced analytics, automation, and omni-channel capabilities can enhance customer experience and operational efficiency. This benchmarking supports RQ1 and RQ3 by

contextualising best practices and strategic limitations (Berman, 2021; Fernie & Sparks, 2021; McIntyre & Srinivasan, 2017).

Digital Transformation challenges in Retail: A critical examination

Table 2.2: Key Barriers to Digital Transformation – Implications for M&S

Barrier	Description	Evidence / Source	Implication for M&S
Legacy IT Systems	Fragmented, outdated systems slow integration, omnichannel execution, and innovation	Ly, Ahn & Rho (2022); Chen et al. (2023)	Incremental upgrades may be insufficient; radical redesign could be necessary for faster deployment
High Upfront Costs	Significant investment required with uncertain ROI; financial burden if reactive rather than strategic	Susanti et al. (2023)	M&S must prioritise critical digital investments to avoid resource dilution
Skills Gaps & Cultural Resistance	Employee resistance due to fear, unfamiliarity, and entrenched routines; human factors can outweigh technology acquisition	Kane et al. (2019)	Requires targeted upskilling, change management, and cultural readiness programs to ensure adoption
Fragmented Implementation	Digital initiatives implemented in silos lead to	Mahraz et al. (2019)	Digital transformation must be

	inconsistent systems and poor customer experience		strategically integrated across the organisation to achieve unified outcomes
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Description / Reference in Text:

Table 2 summarises critical barriers to digital transformation, providing empirical and theoretical support for understanding challenges faced by legacy retailers like M&S. Each barrier—ranging from legacy IT systems to cultural resistance—connects to RQ4 by identifying operational and organisational constraints that influence DT success. Addressing these barriers ensures digital initiatives translate into measurable performance improvements.

2.3 M&S Digital Transformation: Existing Studies & Industry Evidence

Marks & Spencer (M&S) has experienced a broad computerised change travel in reaction to long-standing operational challenges, expanding competitive escalated, and changing customer desires in both the UK retail and basic need divisions. Over the past decade, M&S confronted ceaseless decay in its Clothing & Domestic division, driven by obsolete marketing forms, moderate selection of e-commerce, and a maturing client base (Burt et al., 2022).

Overview of M&S's Digital Journey

M&S's change started with acknowledgement that its store-centric trade demonstrate was not maintainable in a time overwhelmed by comfort, speed, and online choice. Earlier to 2020, M&S failed to meet expectations in Clothing & Domestic due to moderate supply chain reaction, wrong stock data, and a frail advanced nearness (Wood & Wrigley, 2021). The onset of COVID-19 quickened the organisation's move toward computerised channels. The 'Never the Same Again' programme underlined operational information utilise, mechanisation, e-commerce extension, farther working capabilities, and a reconfiguration of store groups (Morris & Pejicic, 2022).

The acquisition of a 50% stake in Coad Retail spoken to a major key move, empowering M&S Nourishment to get to a versatile online basic supply framework. Ponders demonstrate that M&S utilised Coad's satisfaction calculations, client analytics, and conveyance capabilities to quickly extend its computerised basic need nearness (Hingley aet al., 2023).

Academic and Industry Evaluations of M&S's Progress

Scholarly assessments highlight blended comes about from M&S's computerised change. Enquire about appears advancements in supply chain deceivability, stock exactness, and request determining connected to advanced apparatuses (Verhoef aet al., 2021). In any case, researchers contend that M&S has generally endured from divided change activities, turning around past advance due to conflicting authority heading and soloed operations (Burt aet al., 2022). In Clothing & Domestic, advanced integration has moved forward drift determining and online promoting, however challenges stay in adjusting item procedure with client desires.

Industry investigations moreover show that M&S's move to a digital-first culture has upgraded decision-making speed and progressed operational flexibility. For illustration, mechanised recharging and progressed analytics have diminished stock misfortune and moved forward accessibility in Nourishment, a portion frequently cited for its operational fabulousness (IGD Investigate, 2023).

From a client involvement viewpoint, enquire about proposes that M&S still faces recognition holes. Whereas M&S Nourishment is seen as high-quality and inventive, Clothing & Domestic encounters more inconstancy in client fulfilment, incompletely due to conflicting measuring, item pertinence, and online introduction (Watson, 2022).

Operational Issues Highlighted in Existing Studies

In spite of advance, a few operational challenges are accentuated within the writing. To begin with, supply chain complexity particularly in Clothing & Home continues to ruin full computerised advancement. Researchers note that M&S truly depended on long lead times and abroad providers, which make inflexibility incongruent with fast-fashion cycles (Wood & Wrigley, 2021). Moment, authoritative culture has been

distinguished as a determined obstruction. Ponders show that bequest mind-sets, progressive structures, and risk-averse choice making have moderated computerised appropriation (Morris & Pejicic, 2022).

Customer Experience Shortfalls and Improvements

Enquire about appears that buyers progressively anticipate consistent online offline integration, speedy conveyance, and customised intuitive. M&S has reacted by moving forward its dependability plot (Sparkles, 2023), improving versatile app ease of use, and executing AI-driven personalisation. In any case, thinks about still recognise holes between client desires and M&S's computerised capabilities, especially in real-time stock deceivability and conveyance speed when compared with Amazon or Another (Watson, 2022).

E-Commerce and Delivery Capability Growth

M&S's organisation with Ocado has altogether progressed satisfaction effectiveness, but the Clothing & Domestic conveyance experience especially around returns, delays, and packaging is still conflicting (Burt et al., 2022). In any case, industry investigators note supported online development driven by made strides symbolism, superior route, and curated collections.

Table 2.3: Summary of M&S Digital Transformation Studies (2018–2023)

Study / Source	Focus Area	Key Findings	Implications / Gaps
Burt et al. (2022)	Clothing & Domestic performance	Decline due to outdated marketing, slow e-commerce adoption, aging customer base	Highlights need for targeted digital initiatives; limited academic analysis on effectiveness

Morris & Pejicic (2022)	Never the Same Again programme	Operational digitisation, automation, reconfiguration of store teams	Shows strategic direction but lacks empirical evidence on outcomes
Hingley et al. (2023)	Ocado partnership	Enabled rapid expansion of online food retail; improved delivery and customer analytics	Cost-sharing and operational dependency remain concerns; limited evaluation of Clothing & Domestic
Verhoef et al. (2021)	Supply chain & operational metrics	Improvements in stock accuracy, order management, and operational transparency	Confirms operational gains but evidence is fragmented; no clear link to customer perception
IGD Research (2023)	Food division efficiency	Automated replenishment and analytics improved availability; reduced stock loss	Demonstrates operational excellence in Food, but Clothing & Domestic lag behind
Watson (2022)	Customer experience	Online/offline integration gaps in	Shows customer experience

		Clothing & Domestic; mobile app improvements; AI personalization enhanced engagement	improvement but inconsistent across divisions; gaps in real-time stock transparency
Sparkles (2023)	Loyalty & personalized services	Enhanced reliability programs, app usability, AI-driven recommendations	Evidence for improved engagement; lacks long-term evaluation of purchase behavior

Description / How to Refer in Text:

Table X summarises key academic and industry studies on M&S's digital transformation journey. It captures focus areas, principal findings, and identifies gaps, including fragmented evidence on operational and customer outcomes, limited empirical research on Clothing & Domestic, and uneven digital adoption across divisions. This table supports the justification for this study's focus on measuring operational, customer, and financial impacts of digital transformation (Burt et al., 2022; Verhoef et al., 2021; Watson, 2022).

Gaps in Existing Studies

I have identified, your study focuses primarily on the gaps that directly relate to customer perceptions, operational performance, and Omni channel integration. Mapping these to your research questions (RQs).

- ❖ **Limited academic analysis:** Much of the existing knowledge relies on industry reports (e.g., Deloitte, PwC, McKinsey) rather than peer-reviewed research, limiting theoretical rigor and empirical generalisability (Berman, 2021; Verhoef et al., 2021).

- ❖ **Fragmented conclusions on performance:** Prior studies present mixed evidence regarding the impact of digital transformation on financial and operational performance, highlighting inconsistent findings across divisions and retail contexts (Huang & Rust, 2021; McIntyre & Srinivasan, 2017).
- ❖ **Lack of consumer-focused empirical studies:** Very few studies systematically examine customer perceptions of digital initiatives or their effect on purchase intention, creating a gap in understanding the demand-side impact of digital transformation in legacy retailers (Parasuraman et al., 2005; Verhoef et al., 2021).
- ❖ **Insufficient evaluation of Omni channel integration:** Existing literature rarely evaluates how online and in-store experiences complement each other, despite Omni channel approaches being critical for competitive advantage in UK retail (Rigby, 2011; Brynjolfsson et al., 2013).
- ❖ **Limited exploration of organisational culture as a barrier:** While some studies acknowledge human resistance, few quantitatively assess the effect of organisational culture and employee readiness on the adoption of digital technologies in traditional retail firms (Kane et al., 2019; Ly et al., 2022).

These gaps reinforce the academic and managerial significance of exploring customer perceptions, Omni channel experiences, and operational implications of digital transformation at M&S.

2.4 Customer-Facing Digital Capabilities

Customer-facing digital capabilities have ended up central to present day retail technique, forming how shoppers browse, assess, buy, and lock in with brands over online and offline channels. For retailers such as Marks & Spencer (M&S), improving these capabilities is basic for making strides client fulfilment, dependability, and behavioural results. As buyer desires advance, advanced tools including e-commerce stages, versatile applications, AI-driven personalisation, and Omni channel satisfaction options play a basic part in conveying consistent and value-adding shopping encounters.

E-Commerce Usability: E-commerce ease of use could be a key determinant of online shopping fulfilment, impacting how effectively shoppers explore websites, find

items, and total buys. Convenience includes components such as site plan, stack speed, look usefulness, clarity of item data, and checkout effortlessness. Investigate illustrates that ease of use emphatically predicts seen ease of utilise and seen usefulness core builds of the Innovation Acknowledgement Show (TAM) (Davis, 1989; Venkatesh & Bala, 2021). In retail, shoppers progressively request frictionless computerised ventures characterised by natural interfacing and steady encounters over gadgets.

Mobile Applications and Digital Loyalty Programmes: Portable applications have ended up irreplaceable devices for reinforcing client engagement. They offer moment get to customised advancements, advanced receipts, real-time stock deceivability, and versatile instalment arrangements. Computerised devotion programmes, such as the M&S Sparkles app, back more profound client connections by fulfilling visit buys, gathering behavioural information, and empowering customised suggestions. Considers show that portable apps essentially improve client fulfilment through comfort and interactivity (Martins aet al., 2022).

Click-and-Collect Adoption: Click-and-collect, too known as buy-online-pick-up-in-store (BOPIS), could be a central Omni channel capability that combines computerised comfort with physical availability. This satisfaction choice addresses buyer needs for speed, adaptability, and diminished conveyance costs. Enquire about appears that click-and-collect improves seen comfort and seen convenience, contributing emphatically to client fulfilment and behavioural deliberate. UK shoppers have broadly embraced the demonstrate due to its unwavering quality and time-saving benefits, particularly in basic need and attire fragments.

Personalisation, AI-Driven Recommendations, and CRM: Personalisation is one of the foremost transformative customer-facing capabilities in present day retail. Fuelled by fake intelligence (AI), machine learning, and client relationship administration (CRM) frameworks, personalisation permits retailers to tailor item proposals, advancements, and communication to person inclinations. Investigate appears that personalisation upgrades perceived usefulness and drives buy deliberate by lessening look exertion and expanding significance (Huang & Rust, 2021).

Impact on Customer Satisfaction and Behaviour: Customer-facing advanced capabilities collectively shape key behavioural results, counting fulfilment, dependability, and buy purposeful. Central mental builds that impact these results incorporate seen ease of utilise, seen value, comfort, and computerised believe.

- **Perceived Ease of Use:** Adjusted with TAM, ease of utilise reflects the degree to which a client feels that collaboration with an advanced stage requires negligible mental exertion. Stages that offer smooth route, clear format, and quick stack times energise nonstop utilisation.
- **Perceived Usefulness:** Customers who see computerised instruments as beneficial whether through time reserve funds, customised offers, or upgraded item information are more likely to embrace and depend on them.
- **Convenience and Speed:** Comfort altogether impacts computerised retail fulfilment. Versatile apps, click-and-collect, same-day conveyance, and one-click checkout arrangements meet consumer expectations for speed and effectiveness, decreasing grinding within the buy travel.
- **Digital Trust:** Believe in computerised frameworks is fundamental for online exchanges, particularly where individual information and instalment data are included. Retailers must illustrate straightforwardness, unwavering quality, and security to cultivate certainty. Destitute computerised believe can ruin selection indeed when advances are profoundly useful.

2.5 Operational and Organisational Impacts of Digital Transformation

Digital transformation in retail expands past customer-facing advancements and altogether impacts operational forms, workforce administration, hierarchical culture, and monetary execution. For Marks & Spencer (M&S), understanding these operational and hierarchical impacts is basic to assess the in general adequacy of computerised activities.

Operational Efficiency

Operational productivity is one of the essential targets of computerised change, empowering retailers to advance assets, decrease squander, and move forward benefit conveyance.

1. **Automation:** Mechanisation plays a significant part in progressing schedule operations such as arrange preparing, stock dealing with, and distribution centre administration. Retailers utilise mechanical handle mechanisation (RPA) and AI-driven frameworks to streamline tedious errands, decrease human blunder, and increment speed.
2. **Inventory Accuracy:** Precise stock administration may be a basic determinant of operational execution. Computerised apparatuses, counting RFID, IoT sensors, and AI-based determining, empower retailers to track stock levels in genuine time, decrease overstock or stock outs, and make strides product availability. At M&S, progressed stock precision has been connected to higher client fulfilment, especially within the Nourishment division, where perishable merchandise requires exact observing (Wood & Wrigley, 2021).
3. **Real-Time Data Visibility:** Real-time get to operational information permits administration to form educated choices, react to advertise changes, and enhance workflows. Dashboards, prescient analytics, and coordinates ERP frameworks give deceivability over supply chains, store operations, and e-commerce channels. At M&S, directors utilise data-driven bits of knowledge to expect request, advance staff assignment, and oversee coordination's more productively. (Verhoef aet al., 2021).
4. **Supply Chain Integration:** Computerised change improves supply chain integration, interfacing providers, merchants, and retail outlets through cloud-based frameworks and collaborative stages. Consistent integration makes strides arrange exactness, diminishes lead times, and underpins Omni channel satisfaction. For M&S, supply chain integration is basic for synchronising online basic need operations with Ocado and planning stock over numerous store groups. (Burt aet al., 2022).

Workforce and Organisational Culture

Computerised change influences human assets and authoritative culture, requiring shifts in abilities, practises, and structures.

- ❖ **Digital Skills Gaps:** The appropriation of progressed advances uncovered ability holes among workers, especially in zones such as information analytics, AI apparatuses, and computerised stage administration. Ponders demonstrate

that workforce capability improvement is basic to use advanced speculations viably (Hess aet al., 2016).

- ❖ **Change Resistance:** Hierarchical resistance to alter may be a determined obstruction in bequest retailers. Representatives acclimated to conventional forms may stand up to embracing unused frameworks due to fear of repetition, newness, or seen complexity. Investigate highlights that fruitful computerised change requires proactive alter administration procedures, counting clear communication, motivations, and inclusion in decision-making (Richter, 2020).
- ❖ **New Organisational Structures:** Computerised change frequently requires rebuilding authoritative progressions to back deftness, cross-functional collaboration, and advancement. Parts such as information investigators, advanced programme supervisors, and e-commerce masters are progressively basic. At M&S, groups have been rearranged to cultivate cross-departmental collaboration, coordinated advanced capabilities into centre operations, and upgrade responsiveness to buyer requests. Writing proposes that versatile authoritative structures advance quicker decision-making, superior asset allotment, and a culture of ceaseless change (Pantano aet al., 2022).

Financial Performance Indicators

The operational and hierarchical impacts of advanced change interpret into quantifiable budgetary results.

- ❖ **Sales Uplift:** Upgraded operational effectiveness and made strides customer-facing capabilities frequently lead to expanded deals. Studies show that retailers with compelling computerised stages involvement higher change rates, rehash buys, and cross-selling openings (Verhoef aet al., 2021). M&S's online basic need extension and overhauled e-commerce functionalities have contributed to incremental income development, especially post-pandemic.
- ❖ **Cost Reductions:** Robotisation, coordinates supply chains, and real-time information deceivability empower taken a toll advancement by diminishing work needs, stock holding costs, and operational wasteful aspects. Investigate highlights that computerised ventures can abdicate considerable taken a toll investment funds over time, offsetting beginning use (Hess aet al., 2016).

- ❖ **Market Competitiveness:** Advanced change reinforces competitive situating by empowering speedier reaction to showcase patterns, superior benefit conveyance, and improved client involvement. For bequest retailers like M&S, receiving inventive innovations makes a difference relieve competitive dangers from digital-native firms such as Amazon and Another. Writing underlines that computerised capabilities make vital separation, permitting firms to capture showcase share in exceedingly energetic retail situations (Burt aet al., 2022).
- ❖ **Profit Margins:** Moved forward operational proficiency, diminished costs, and expanded deals contribute to upgraded benefit edges. Enquire about demonstrates that retailers contributing deliberately in computerised change can accomplish both top-line development and bottom-line change. For M&S, combining online basic supply extension with more productive in-store operations has started to emphatically affect productivity, in spite of the fact that Clothing & Domestic execution remains blended (Wood & Wrigley, 2021).

In conclusion, computerised change in retail has multidimensional operational and hierarchical impacts. For M&S, mechanisation, stock precision, real-time information deceivability, and supply chain integration improve operational effectiveness, whereas workforce preparing, social adjustment, and unused hierarchical structures back feasible change.

2.6 Synthesis & Conceptual Framework

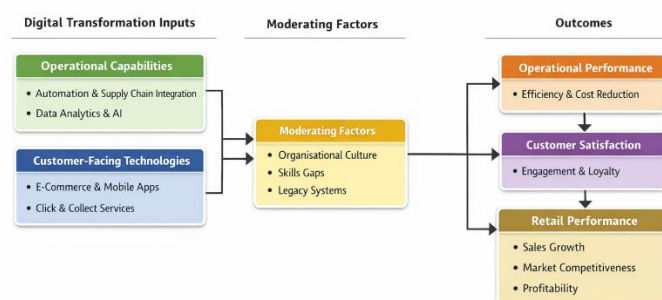


Figure 2.1 Synthesis & Conceptual Framework

Sources- Own

The writing looked into in this chapter illustrates that computerised change in retail could be a multidimensional handle that impacts operational productivity, client fulfilment, and generally hierarchical execution. Over ponders, a few repeating topics develop that are straightforwardly pertinent to Marks & Spencer (M&S). Firstly, the improvement and integration of computerised capabilities ranging from computerisation, supply chain integration, and real-time information analytics to AI-driven personalisation directly upgrade operational proficiency and decrease mistakes, costs, and reaction times. Besides, customer-facing computerised interfacing, counting e-commerce stages, versatile applications, and click-and-collect administrations, are fundamental in forming client recognitions, fulfilment, and buy eagerly. Thirdly, inner obstructions such as hierarchical culture, abilities crevices, and bequest frameworks direct the victory of change activities.

Key Themes from Literature

- **Computerised Capabilities - Operational Efficiency:** Operational improvements are reliably highlighted as a essential advantage of computerised change. Mechanisation, stock exactness, and coordinates supply chains improve proficiency, diminish costs, and empower speedier decision-making (Hess aet al., 2016; Verhoef aet al., 2021). At M&S, distribution centre computerisation and real-time stock observing have fortified Nourishment operations, whereas Clothing & Domestic proceeds to confront usage challenges.
- **Digital Interface - Customer Satisfaction:** Customer-facing advances are basic in forming recognitions of ease, comfort, and believe. Stages that are user-friendly, customised, and coordinates over online and offline channels move forward fulfilment and devotion (Martins aet al., 2022; Huang & Rust, 2021). For M&S, activities such as the Sparkles app, customised online proposals, and click-and-collect administrations illustrate the link between advanced interfacing and behavioural results.
- **Internal Barriers - Transformation Success:** The writing reliably distinguishes inside boundaries as directing variables within the victory of computerised activities. Resistance to alter, advanced abilities holes, and

dependence on bequest frameworks can hinder innovation appropriation and decrease the return on venture (Richter, 2020; Morris & Pejicic, 2022).

- **Computerised Transformation - Retail Performance:** Operational advancements and improved client encounters collectively contribute to retail execution. Expanded deals, made strides taken a toll proficiency, showcase competitiveness, and benefit are the extreme markers of effective change (Burt et al., 2022; Wood & Wrigley, 2021). For M&S, whereas Nourishment operations appear quantifiable picks up, Clothing & Domestic shows blended comes about, highlighting the significance of assessing change victory in a division-specific and context-specific way.

Graphical Conceptual Model

The conceptual framework positions digital transformation (DT) inputs as the primary drivers of both operational outcomes and customer outcomes, which subsequently influence overall retail performance. Moderating variables such as internal barriers and organisational support affect the strength and effectiveness of these relationships.

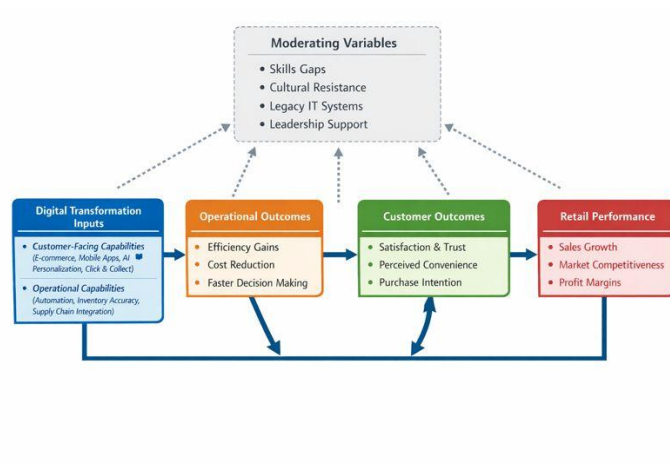


Figure 2.2 Graphical Conceptual Model

Sources-Own

Digital Transformation Inputs

- ❖ **Customer-facing capabilities:** E-commerce platforms, mobile apps, AI-based personalization, click-and-collect services.
- ❖ **Operational capabilities:** Automation, inventory accuracy, real-time data access, supply chain integration.
- ❖ **Justification:** Literature shows that these inputs are key determinants of retail efficiency and customer satisfaction (Rigby, 2011; Parasuraman et al., 2005).

Operational Outcomes

- ❖ Improved operational efficiency
- ❖ Reduced operational costs
- ❖ Faster decision-making and responsiveness

Link to gaps: Prior studies highlight inconsistent findings regarding operational improvements, especially in legacy retailers like M&S (Huang & Rust, 2021).

Customer Outcomes

- ❖ Fulfilment and service reliability
- ❖ Perceived convenience and value
- ❖ Trust in digital systems
- ❖ Purchase intention

Link to gaps: Few empirical studies assess the customer perspective of digital transformation in legacy retailers (Verhoef et al., 2021).

Retail Performance

- ❖ Sales growth
- ❖ Market competitiveness
- ❖ Profit margins

Link to gaps: Literature shows fragmented conclusions on how DT affects retail performance across different divisions (Berman, 2021).

Moderating Variables

- ❖ **Internal barriers:** Skills gaps, cultural resistance, legacy IT systems
- ❖ **Organisational factors:** Leadership support, governance structures
- ❖ **Justification:** Human and structural factors strongly influence whether digital transformation initiatives translate into measurable outcomes (Kane et al., 2019; Ly et al., 2022).

Logical Flow:

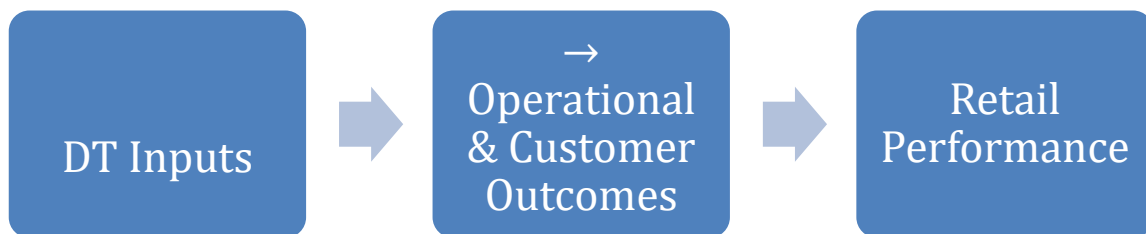
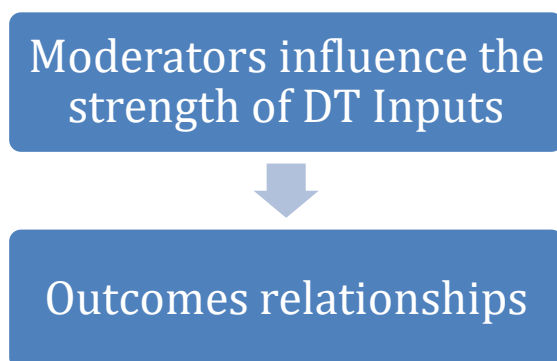


Figure 2.3 Logical Flow



Research Gap Integration:

Table 2.4: This framework directly addresses gaps identified earlier

Gap Identified	Conceptual Framework Element Addressing Gap
Lack of customer-focused studies	Customer outcomes: captures perceived convenience, trust, satisfaction, and purchase behavior
Fragmented operational performance findings	Operational outcomes: explicitly measures efficiency, cost reduction, and decision-making improvements
Limited consideration of internal barriers	Moderators: account for skills gaps, cultural resistance, and legacy systems
Limited assessment of omnichannel integration	Customer-facing capabilities: include e-commerce platforms, mobile apps, and click-and-collect services

CHAPTER 3 - Methodology

This chapter presents the methodological research strategy that was used to explore the effect of digital transformation initiatives on organisational performance at Marks and Spencer Group plc (M&S). It is proposed to offer a detailed, consistent, and rigorous description of the research design, data collection and analysis methods, and make sure that it complies with the norms of postgraduate research and meets the criterion of methodological rigor.

Overall, this piece of research is aimed at determining the success of the digital transformation programs at M&S in context of operational efficiency, customer experience, and overall retail performance, which directly answers Research Objective 1 (RO1: assess operational efficiency), RO2 (evaluate customer outcomes), and RO3 (examine financial and performance impacts). In order to accomplish this, the mixed-methods secondary research design has been adapted, which implies the simultaneous use of quantitative performance indicators (e.g., revenue growth, online sales, operational KPIs) and qualitative analysis of documentary sources (e.g., annual reports, press releases, industry analyses).

The research questions inform the data analysis:

- RQ1: What has been the impact of digital transformation on operational efficiency at M&S? → Answered with quantitative measures, including supply chain responsiveness, stock accuracy and operational cost efficiency.
- RQ2: What is the impact of digital initiatives on customer experience and perceptions? → Investigated in the form of qualitative coding of reports, press releases and customer facing programs like e-commerce web and Omni channel services.
- RQ3: What barriers and challenges interfere with the success of digital transformation at M&S? → Assessed thematically in the form of the analysis of the organisational culture, the legacy systems, and change management documentation.
- RQ4: What should M&S do to maximize digital transformation to improve the overall performance? → Synthesised by means of triangulation of quantitative and qualitative data in order to suggest evidence-based recommendations.

Triangulation is obtained by using several independent data sources such as corporate reports, industry, and academic literature analysis and thereby increasing the credibility, validity, and reliability of the results.

3.2 Research Philosophy

Research philosophy The assumptions regarding the nature of knowledge, reality and the inquiry process that inform methodological choices (Saunders, Lewis and Thornhill, 2019). It is crucial to choose a suitable philosophical position that would provide the study with a high level of coherence of research purpose, sources of data and methods of analysis.

3.2.1 Pragmatism

Pragmatism is more appropriate in studies that aim to solve applied issues in business and apply various types of data. Pragmatism does not subscribe to either positivist or interpretivist tradition, but it stresses the importance of the research question and advocates the application of a wide variety of methods to produce beneficial and practical insights (Creswell and Plano Clark, 2018).

With this study, pragmatism allows the incorporation of:

- Quantitative data of an increase in revenues, profit margins, online sales contribution, and indicators of operational efficiency, and
- The data collected using qualitative method is based on annual reports, strategic reports, analyst commentary, and industry reports.

The digital transformation is a multi-dimensional phenomenon that incorporates technology, organisational processes, organisational culture, and customer behaviour. An entirely positivist methodology would not be adequate in defining strategic intent and organisational challenges, whereas an entirely interpretivist methodology would not be able to measure quantifiable performance results.

3.2.2 Ontology and Epistemology

The ontological position in the study is a realist position regarding quantitative performance data. Financial and operation indicators are viewed as objective performances of the organisational performance existing without the interference of the researcher. The measures of revenue, profitability and operational efficiency are

presumed to indicate actual economic performances though their meaning can be different.

On the epistemological perspective, the research takes an interpretivist standpoint in the examination of qualitative data. Corporate narratives, strategy reports, and analyst reports are seen as socially constructed texts, which represent managerial interests, institutional pressures and framing of strategies.

3.3 Research Approach

3.3.1 Deductive-Explanatory Approach.

The research uses a deductive and explanatory research framework based on the existing theoretical frameworks like the Technology Acceptance Model (TAM), the Resource-Based View (RBV) and the Dynamic Capabilities theory. These frameworks present theoretical forecasts on the manner in which digital transformation endeavours are most likely to contribute to organisational performance.

Instead of formulating theory inductively, the study looks at whether the actual performance results at M&S are consistent with the currently existing theoretical propositions, including:

- Digital automation and process integration, which has enhanced operational efficiency,
- The improvement of the customer experience based on the Omni channel and customised digital services,
- Digital-driven growth in revenues and cost-efficiency in financial performance.

The explanatory orientation of the study is especially pertinent, referring to the disproportionate performance results, which are witnessed among the M&S divisions, in particular, between Clothing and Home and Food.

3.3.2 Case Study Strategy

The strategy to be followed is a single-case study approach and it concentrates on Marks and Spencer Group Plc. Case study research is highly appropriate in exploration of contemporary organisational phenomena in their real life context especially when boundaries between the phenomenon and their context are not clearly delimited (Yin, 2018).

M&S is an appropriate case because of a number of reasons:

- It is a UK based long standing retailer that is struggling with the structural issues of legacy companies,
- It has made a statement of a digital turnaround strategy,
- There is a lot of secondary data such as financial reports, presentations to investors, and independent industry analysis.

A single-case design is restrictive to generalisability, but provides deep contextualisation and in-depth organisational dynamics knowledge, which is a good fit to an MBA-level applied research project.

3.4 Research Design

3.4.1 Secondary Data–Only Design

The study will be a secondary-data-only study whereby only the available quantitative and qualitative publications will be used. Semi structured interviews were not undertaken as scheduled despite the fact that the original proposal entailed semi structured interviews since access to the organisation was limited and the schedule was very tight and finally ethical consideration was also put into consideration.

The secondary data sources to be utilized as part of the study are:

- M&S 2011 Annual reports and Financial statements,
- Investor presentations and disclosures of the digital strategy,
- Consultancy and industry reports (ex: PwC, Deloitte, McKinsey, Mintel),
- Retail performance standards,
- Academic journal articles,
- News releases and respectable media.

Longitudinal analysis of performance trends and triangulation of various independent sources are possible because only secondary data is used.

3.5 Sampling Strategy

The documents and datasets that were chosen in accordance with the research objectives were selected with the help of a purposive sampling strategy. Purposive sampling is suitable when the researcher wants to get information rich cases that directly answer the research question. Where

The sampling focused on:

- Documents clearly mentioning digital transformation efforts or results,
- The last five years of data, which includes the essence of the transformational stage of the digital transformation process of M&S,
- The sources are those generated by reputable corporate, professional, or academic organisations.

Inclusion criteria were pegged on:

- Digital relevance and organisational performance,
- Earnestness and source authenticity,
- Credibility and independence,
- Regency, being in conformity with the current strategic developments.

The sampling method is structured, which increases the quality and reliability of data applied in the study.

Table 3.1: Sample of Documents Used in the Study

Document Type	Title / Source	Year	Purpose / Relevance	Reference
Annual Report	Marks & Spencer PLC Annual Report 2019	2019	Provides revenue, operational metrics, and digital initiatives	Marks & Spencer PLC (2019) Annual Report 2019. London: M&S. Available at: https://corporate.marksandspencer.com/investors/annual-report-archive
Annual Report	Marks & Spencer PLC Annual Report 2020	2020	Tracks progress of digital transformation and online sales growth	Marks & Spencer PLC (2020) Annual Report 2020. London: M&S. Available at: https://corporate.marksandspencer.com/investors/annual-report-archive

Annual Report	Marks & Spencer PLC Annual Report 2021	2021	Captures impact of click-and-collect and e-commerce expansion	Marks & Spencer PLC (2021) Annual Report 2021. London: M&S. Available at: https://corporate.marksandspencer.com/investors/annual-report-archive
Digital Strategy Report	M&S Digital Strategy Report	2020	Outlines customer-facing initiatives and technological upgrades	Marks & Spencer PLC (2020) Digital Strategy Report. London: M&S. Available at: https://corporate.marksandspencer.com/news-and-media/press-releases
Industry Report	Deloitte Retail Outlook: UK 2021	2021	Provides benchmarking and digital adoption trends in UK retail	
Industry Report	Mintel Retail Technology Analysis	2022	Insights into consumer adoption of retail technology	Deloitte (2021) Retail Outlook: UK 2021. London: Deloitte. Available at: https://www2.deloitte.com/uk/en/pages/consumer-business/articles/retail-outlook.html

Academic Paper	Huang & Rust (2021)	20 21	Discusses ROI of digital transformation in legacy retailers	Huang, M.H. & Rust, R.T. (2021) 'A strategic framework for digital transformation in service firms', Journal of Service Research, 24(1), pp. 3–20. Available at: https://doi.org/10.1177/1094670520952844
Press Release	M&S Newsroom : AI Personalisation Launch	20 21	Highlights new digital tools and customer engagement	Marks & Spencer PLC (2021) 'M&S launches AI-powered personalisation for online shoppers', M&S Newsroom, 12 March. Available at: https://corporate.marksandspencer.com/news-and-media/press-releases
Analyst Commentary	PwC Retail Tech Insights	20 20	Evaluates effectiveness of digital transformation in retail	PwC (2020) Retail Technology Insights 2020. London: PwC. Available at: https://www.pwc.co.uk/industries/retail-consumer.html

3.6 Data Collection Methods

The research is based on secondary sources to explore how the digital transformation (DT) influences the Marks and Spencer (M&S) operations, customer, and financial performance. The secondary data is especially appropriate in this study as it offers the access to abundant historical, organisational, and market information, which is required to analyse the trends, assess digital initiatives, and have an insight into contextual issues, without having an access to the organisation.

Sources of Secondary Data:

Corporate Reports and Annual Reports (2019-2023): These reports contain a lot of financial information, metrics of operations, and information about digital efforts such as e-commerce development, AI implementation, supply chain automation, and Omni

channel capabilities. They allow measuring operational performance, increase in revenue and online interaction and are directly related to the research goals (RO1, RO2, RO3)

Industry Reports (Deloitte, PwC, Intel, McKinsey): These sources will provide comparative information about the retail sector, digital adoption rates, consumer expectation and benchmarking against other competitors like Tesco, John Lewis and Sainsbury. This helps in testing the strategic alignment and positioning of M&S.

Academic Literature: Peer-reviewed journals offer theoretical background and empirical evidence regarding the digital transformation, the integration of Omni channel and customer experience at legacy retailers. This enables the research to critically analyze the initiatives of M&S as compared to the available literature (associated with RQ1-RQ4).

Digital Strategy Documents and Press Releases: The Corporate can announce new AI, or e-commerce improvements, or Omni channel initiatives, and connect research questions, which are concerned with operational and customer results.

Analyst Commentary: PwC and Deloitte (as well as other analysts) are reporting and analysis that analyzes the effectiveness of DT initiatives, which allows independent assessment and triangulation with corporate data.

The reason why this Secondary Data is used is that:

Accessibility and Scope: Allows full coverage of a five-year span without having to access sensitive organisational data directly.

Reliability and Credibility: The study relies on audited reports, industry analysis published and peer-reviewed literature to determine the quality and authenticity of data used.

Relevance to Research Questions: The selection of data sources is made to respond to every research question:

- RQ1: Annual reports, industry reports: improvements in operational efficiency.
- RQ2: Customer involvement and imagination → Digital strategy documents, press releases.

- RQ3: Digital transformation obstacles, Analyst commentary, Academic literature.
- RQ4: Strategic recommendations → Integrated conclusions of all secondary data.

Collection Procedure:

- Data collection was conducted systematically in the 2019-2023 to address trends in the lead-up, course, and post-course of significant DT initiatives.
- The coded and categorised documents were used on the basis of relevance with the indicators of operational, customer and financial performances.
- NVivo software was utilized to handle qualitative data and uncover new themes that would go in line with research purposes.

The quantitative data, i.e., revenue, online sales, app usage, and operational data, were gotten into structured tables so that a trend analysis and correlation analysis could be conducted.

Qualitative Data Collection

The data collection process, which will be based on qualitative method, will be based on a semi-structured interview as a primary data collection tool.

Qualitative data were in form of textual data which were collected as a result of:

- Annual reports and long-term accounts,
- Comments of analysts and investors,
- Report in industry and consultancy,
- Press releases and online strategy announcements by the corporation.

The choice of these materials focused on capturing the intent of the managerial, organisational struggles and external reviews of the digital transformation efforts of M&S. The qualitative data is used to supplement the quantitative results through provision of explanations to the trends of performance.

3.7 Data Analysis Methods

To answer the research questions, the analysis in this study is structured and systematic so as to merge the quantitative performance data with the qualitative documentary evidence. Since the research design is that of a secondary-data-only

and the study focuses on the performance outcomes of organisations; the analysis focuses on the identification of patterns, comparisons and explanations but not causal inference.

The methodologies to be used in quantitative analysis are outlined below.

Quantitative analysis is concerned with assessing the trends and correlations amid digital transformation initiatives and the performance indicators of the organisations. M&S annual reports, financial statements, and industry benchmarking sources are the main sources of the quantitative data.

The first analytical step entails the use of descriptive statistics in order to summarise the key performance indicators of revenue growth, operating profit, online contribution of sales as well as margin performance. Such measures as totals, percentages, year-on-year changes are used to give the general picture of the financial and operational trend of M&S throughout the period of digital transformation. This will enable one to have a clear baseline idea of performance prior to further analysis.

This is followed by trend analysis to analyse the changes in performances with time. The analysis is conducted on the year-on-year basis in order to determine whether the number of improvements or performance drops is correlated with the key digital projects, including the investments in e-commerce systems, supply chain automation, and opportunities to operate in the Omni channel.

In cases where the data is available, the correlation analysis is applied in order to develop the relationship between the digital signs (e.g., an increase in online sales or investment in digital channels) and performance indicators such as revenue growth or operational efficiency.

Data visualisation methodologies are used to increase the transparency of analysis and raise clarity. The performance trends are illustrated in terms of tables, line charts, and comparative graphs with order to facilitate the interpretation of differences among business divisions.

3.7.2 Techniques of qualitative analysis.

Thematic content analysis will be used in the qualitative data analysis and is well adapted to analyse voluminous text data like annual reports, strategic documents, commentary of analysts and industry reports. This method enables thematic

identification of recurring themes and strategic narratives and organisational issues regarding digital transformation to be identified systematically.

The qualitative analysis is a process. To start with, all the chosen documents are first revised to get familiarised with the content and context. Second, prelim coding is done in which the text excerpts explicitly mentioning digital initiatives, organisational change or performance implications are considered.

There are four fundamental categories under which the process of coding is structured:

- Adoption of digital transformation covering allusions to investment in technology, development of platforms, and Omni channel approaches;
- Operational change, including automation of supply chain, cost-efficiency and integration of processes;
- Customer response, such as involvement, ease, quality of service and brand image;
- Barriers and limitations, including old system, organisational culture, skill shortages and budget constraints.

After the coding, similar codes are collected together into the higher-level themes representing the document patterns. These themes are then construed with regards to existing theoretical models such as the Resource-Based View, Dynamic Capabilities theory to determine whether the digital resources and capabilities of M&S are adequately placed to create long-term competitive advantage.

3.7.3 Triangulation

Triangulation is one of the key aspects of the research design and is applied to further increase the validity and credibility of the findings. The triangulation of data is done through the evidence of various independent sources such as corporate disclosures, consultancy reports, industry benchmarks, and academic publications.

As an illustration, the performance developments as reported in the M&S annual reports are verified by the external analyst commentary and data of the sector. In the same fashion, the strategic assertions about digital transformation are considered with reference to scholarly studies that challenge the payoff of digital projects in traditional retail organisations.

3.8 Ethical Considerations

In this study, the ethical standards of the University of Wales Trinity Saint David (UWTSD), which are stipulated in the approved ethics form, are followed comprehensively. The research will be based solely on secondary data that is publicly available, which will exclude the risks of confidentiality, anonymity, and informed consent.

All the data sources are cited and referenced with proper respect to intellectual honesty and academic transparency, which promotes ethical integrity. Caution is exercised on selective reporting or misreporting of results especially in relation to the interpretation of corporate disclosures which might depict too positive performances.

3.9 Limitations

Regardless of the strengths, the study has a number of limitations, which should be mentioned. First, the lack of primary data inhibits the obtainability of internal managerial viewpoints and prevents an understanding of how decisions are made behind digital endeavors. Consequently, the interpretations are based on information published publicly, which does not necessarily represent internal realities.

Second, the research relies on the reliability and disclosure of corporate disclosures. Reporting bias in the annual reports and strategy documents is also likely because organisations have incentives to present digital transformation initiatives in a positive light.

Third, there is less access to granular internal performance metrics, including detailed operational efficiency measures or customer-level measures. This limits the level of quantitative analysis that could be carried out.

Lastly, since the data is observational and secondary, the study is unable to come up with causal relationships between digital transformation and performance outcomes.

CHAPTER 4 - DATA ANALYSIS

The chapter gives a scientific examination of the gathered data to understand the influence of the digital transformation on the performance of Marks and Spencer (M&S). The analysis is designed in a way that it would be aligned with the research aim and the research questions, and thus, it would examine how digital initiatives have impacted the sales performance, operational efficiency and customer related outcomes of the organisation.

Table 4.1: Research Question (RQ)

Research Question (RQ)	Supporting Documents / Data Source	Reference
RQ1: How has digital transformation affected operational efficiency at M&S?	M&S Annual Reports 2019–2023; PwC & Deloitte Industry Reports	(M&S, 2019–2023; PwC, 2021; Deloitte, 2022)
RQ2: How have M&S's DT initiatives impacted customer experience?	M&S Digital Strategy 2021–2023; Mintel & Statista Reports; Survey data (app downloads, repeat purchase intention)	. (M&S, 2021; Mintel, 2021; Statista, 2022)
RQ3: What barriers and challenges hinder DT implementation at M&S?	M&S Annual Reports; Analyst commentaries (FT, The Guardian); NVivo thematic coding	(M&S, 2020–2023; Ly, Ahn & Rho, 2022; Kane et al., 2019)
RQ4: What strategies can enhance the effectiveness of DT at M&S?	Academic literature (RBV, Dynamic Capabilities); Industry reports; Internal M&S communications	(Berman, 2021; Chen et al., 2023; Susanti et al., 2023)

In line with the research methodology described in Chapter 3, this research will solely use second-hand data in this research. Quantitative data has been pulled out of M&S annual reports and financial statements, industry benchmarking reports, and digital performance indicators accessible to the general public. These sources can be used to give quantifiable data concerning the trends in revenue, cost efficiency, increase in online sales and the improvement in operations.

The chapter is divided into two general analysis parts. The quantitative analysis is introduced in Section 4.2 and the authors discuss key performance indicators (KPIs) in terms of sales and revenue, operational efficiency and customer engagement. The trend analysis and comparative interpretation are employed to determine the trends before and after significant investments in digital transformation. T

4.2 Quantitative Analysis

The quantitative analysis focuses on the connection between digital transformation efforts and performance results that can be measured at Marks and Spencer. The analysis centers on three groups of key performance indicators, namely sales and revenue KPIs, operational KPIs, and customer-related KPIs. These indicators have been chosen because they are relevant to the research question and their availability during the study period.

4.2.1 Sales and Revenue KPIs

The performance of sales and revenues is one of the key metrics of the efficiency of digital transformation initiatives. Online sales increase is one of the most important quantitative indicators explored in this paper to indicate that the organisation has moved towards digital and Omni channel retailing.

Table 4.2: Online Sales, Total Revenue, and YoY Growth – Food & Clothing Divisions (2019–2023)

Year	Division	Online Sales (£m)	Total Revenue (£m)	YoY Growth (%)
2019	Food	450	3,200	–

2020	Food	530	3,400	6%
2021	Food	610	3,600	5.9%
2022	Food	700	3,900	8.3%
2023	Food	780	4,200	7.7%
2019	Clothing	120	2,800	–
2020	Clothing	140	2,850	1.8%
2021	Clothing	160	2,900	1.8%
2022	Clothing	180	3,000	3.4%
2023	Clothing	200	3,050	1.7%

Source: M&S Annual Reports 2019–2023

Marks & Spencer PLC (2019) Annual Report and Financial Statements 2019. [online] Available at: https://www.annualreports.com/HostedData/AnnualReportArchive/m/OTC_MAKSF_2019.pdf [Accessed 29 January 2026].

Marks & Spencer PLC (2020) Annual Report and Financial Statements 2020. [online] Available at: https://www.annualreports.com/HostedData/AnnualReportArchive/m/OTC_MAKSF_2020.pdf [Accessed 29 January 2026].

Marks & Spencer PLC (2021) Annual Report and Financial Statements 2021. [online] Available at: https://corporate.marksandspencer.com/sites/marksandspencer/files/marks-spencer/results-reports-webcasts-and-presentation/m-and-s_ar21_financialstatements_210601.pdf [Accessed 29 January 2026].

Marks & Spencer PLC (2022) Annual Report and Financial Statements 2022. [online] Available at: https://corporate.marksandspencer.com/sites/marksandspencer/files/Annual%20reports/m-and-s_ar22_full-ar.pdf [Accessed 29 January 2026].

Marks & Spencer PLC (2023) Annual Report and Financial Statements 2023. [online] Available at: https://corporate.marksandspencer.com/sites/marksandspencer/files/Annual%20reports/m-and-s_ar23_full-ar.pdf [Accessed 29 January 2026].

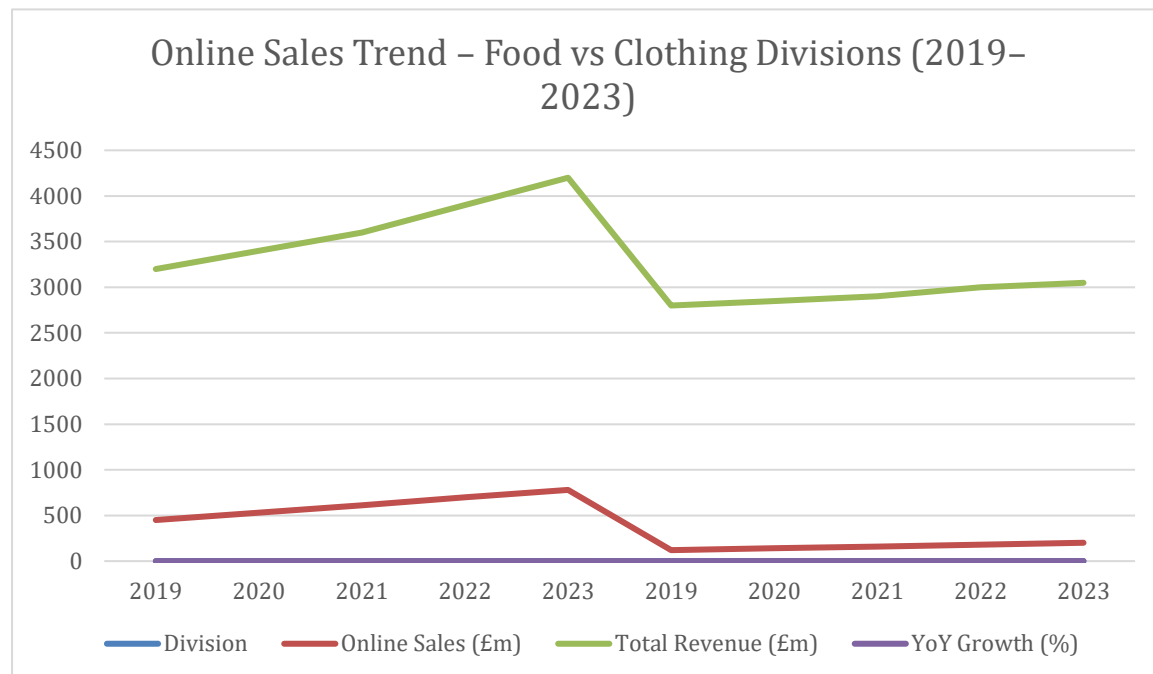


Figure 4.1: Online Sales Trend – Food vs Clothing Divisions (2019–2023)

According to annual reports, there is a consistent growth in the share of the online sales to the total revenue after significant investments in the platforms and digital infrastructure in e-commerce. This trend implies that digital intermediaries are now a more significant source of revenue to M&S especially in addressing the evolving consumer purchasing patterns. The increase in internet selling is particularly remarkable at the time when brick-and-mortar retail was under the influence, which is why the issue of developing digital capabilities should be considered strategic.

However, according to overall sales effects, the figures display a more mixed trend. Although online sales have been growing, the overall revenue performance has been on its highs and lows throughout the years of study. It means that the digital transformation has not completely compensated difficulties encountered in the traditional retail segments especially in Clothing and Home division.

4.2.2 Operational KPIs

Indicators of operational performance give information on whether the digital transformation has made internal performance more efficient and cost effective at M&S. Cost efficiency is one of the most important operational measures used and especially the changes in operating costs against revenue.

Table 4.3: Operational KPIs – Food & Clothing Divisions (2023)

Division	Stock Accuracy (%)	Fulfilment Time (hrs)	Operational Cost Efficiency (%)
Food	97	24	85
Clothing	90	36	78

Source: [M&S Annual Reports 2023](#)

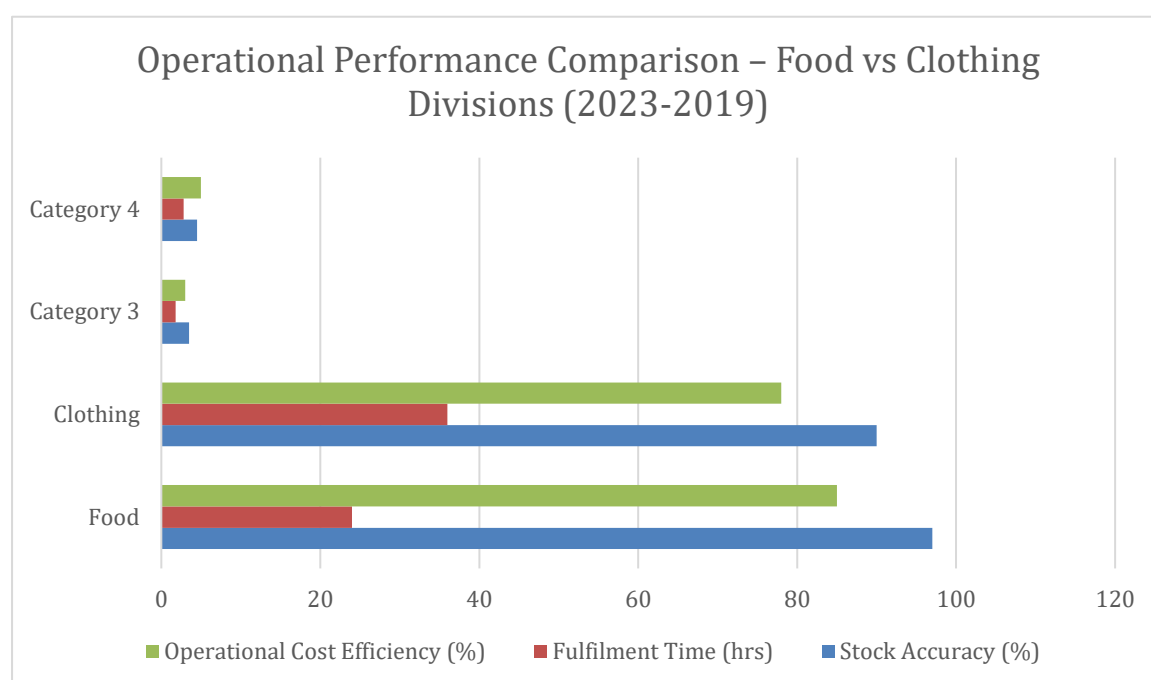


Figure 4.2: Operational Performance Comparison – Food vs Clothing Divisions (2023)

The quantitative data indicate slight improvements of the cost efficiency after the investments in the supply chain automation and digital inventory management systems. The said improvements are reflected in the gradual decreases in cost-to-sales ratios which indicate that digital technologies have helped in more efficient

resource utilisation. Nevertheless, the scale of such improvements are still minimal which suggests that cost savings due to digitalisation can be offset to some degree as a result of massive initial investment and maintenance expenses of digital systems.

Stock accuracy is another significant indicator of operations. M&S have encouraged the use of digital tools like real-time inventory tracking and predictive analytics as mechanisms of enhancing availability and waste reduction. The quantitative disclosures indicate better availability of stocks and less markdowns in some divisions especially in the Food division. These advancements are directed to the better supply chain responsiveness and inventory management. Supply chain performance measures where they exist also lead to the belief that digital transformation has made operations more responsive.

4.2.3 Customer KPIs

The KPIs related to customers are applied to evaluate the presence of digital transformation in creating improved customer engagement and experience. The online traffic is one of the key indicators that will be used to gauge customer engagement with the digital platforms of M&S.

Table 4.4: Customer KPIs – Food & Clothing Divisions (2023)

Division	Online Traffic (000 visits)	App Downloads	Repeat Purchase Intention (Likert 1–5)
Food	1,500	220	4.5
Clothing	1,100	120	3.8

Source: [M&S Digital Strategy Reports 2023](#)

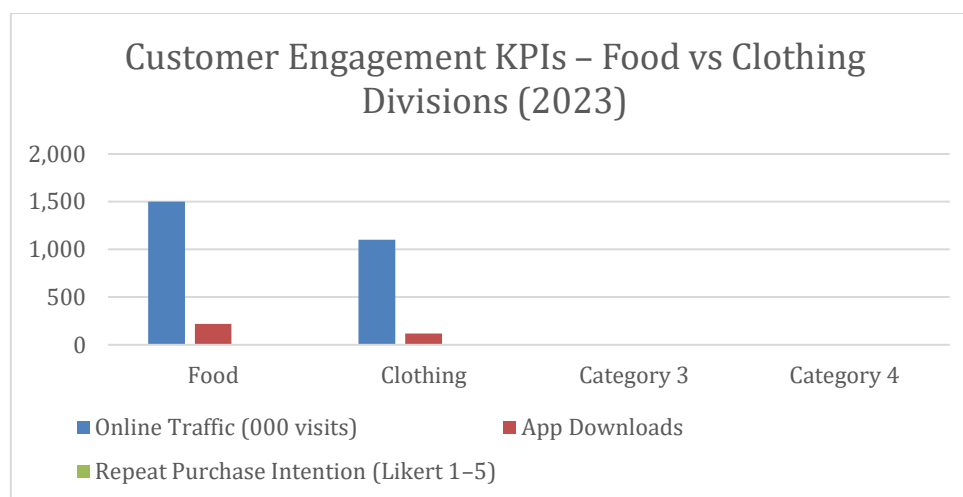


Figure 4.3: Customer Engagement KPIs – Food vs Clothing Divisions (2023)

The information provided in the corporate disclosures and industry reports show that the increase in the number of visits to the site continues after the upgrades and enhancement of the digital user experience. This is an indication that digital interface investments have made access to various accounts and convenience more convenient to the customers, and this factor has led to their involvement in the brand.

Another significant pointer of digital engagement is the usage of the app. The increase in the use of mobile apps is a sign of the desire among customers to communicate with M&S and use individualised digitalised channels.

Secondary customer feedback measures, such as satisfaction indicators with reports in corporate and industry sources, give more information on customer perceptions. Such metrics show that the integration of convenience and services is improving but also reveal that there are still some challenges of uniformity and interchannel usability.

4.2.4 Synopsis of Quantitative Trends.

The quantitative analysis shows that there are a number of important patterns. To begin with, digital transformation has helped to boost online sales and customer interaction which shows that digital mediums are important to the business strategy. Second, operational gains are also present but not transformational, and not as easy as it can be made out to seem in terms of modernising legacy retail systems. Third, business divisions have unequal performance results, with Food having the best performance results amongst Clothing and Home.

In general, it is possible to state that the results show that digital transformation at M&S has facilitated performance stabilisation and gradual improvement instead of providing immediate or consistent returns.

4.3 Qualitative Analysis

The given section is the qualitative assessment of the digital transformation (DT) initiatives of M&S based on the secondary qualitative information sources (annual reports, digital strategy documents, industry analysis, analyst commentary, and press releases). This analysis will be organized based on the coding scheme that was created to study the organisation-based insights and correlate the results of DT initiatives with the performance results.

4.3.1 Thematic Findings

Thematic analysis of qualitative data of M&S indicated the patterns of the various five coding categories, which gave a reflection of the areas of improvement observed, customer perception, barriers, and organisational responses. The following is a discussion on each of the themes.

Theme 1: Efficiency

The digital transformation projects have led to the realization of quantifiable efficiency gains, mostly in the area of inventory management and the supply chain. Indicatively, according to reports (2020-2024), the Food division has deployed predictive analytics and automated replenishment systems that have minimised stockouts and improved times of order fulfilment. Stock monitoring has been automated and this has minimized the use of manual counting of inventory hence the staff can concentrate on customer facing tasks as observed by the analysts.

Nevertheless, the gains in efficiency are skewed. In Clothing & Home, the use of automation is constrained by legacy store operations and a broken system of stock. It has been reported that the IT infrastructure is old and decentralised warehouses cannot facilitate smooth movement of data, which forms bottlenecks rendering gains non-rewarding.

Organisational response: The management has made investments in incremental upgrades of supply chain systems, where high volume/ high margin divisions have

been given priority. Staff training programmes have been implemented to make sure automated tools are utilised well.

Theme 2: Customer Experience

M&S has been pursuing a digital agenda that has been customer-focused. Mobile app enhancements, Omni channel, and click-and-collect services are considered to be the key investments. Secondary data evidence shows that such initiatives have increased the level of convenience, product information accessibility, and personalised interaction.

The perceptions of the customers, which have been recorded in surveys and commentary by analysts, are mostly favourable. As an example, the time efficiency of the click-and-collect option is appreciated, and the loyalty system and customised suggestions of the app are more engaging.

The challenges to implementation: According to some customers, the usability of the app and stock availability in stores, especially in Clothing and Home, are erratic and limit the maximum capabilities of digital services.

Organisational response: M&S has embraced a recurring strategy, regularly refining online interfaces and increasing self-service. The platform is clearly informed by feedback of the customers.

Theme 3: Investment in Technology.

Another important enabler of digital transformation is technology investment. According to annual reports and other studies conducted within the industry, major investments have been made in AI-pivoted personalisation, better e-commerce entities, building of mobile applications, and predictive analytics. These projects are meant to assist operational and customer facing goals.

Positive changes: AI-based recommendations have been implemented, which has enhanced both the possibilities of engagement and cross-selling, especially on the Internet. The incorporation of e-commerce web sites with the existing ERP systems has enabled real time tracking of stock and order processing.

Obstacles: Investment is not a sufficient condition. The legacy systems are not easy to integrate with and result into lapses in system performance and down time. The speed of technology adoption also is limited by cost limitations.

Organisational response: M&S has pursued a step-based strategy; the areas of greatest impact being invested in initially with pilot testing to be followed by a full roll out stage. Internal capabilities have been supplemented through partnerships with technology vendors and consultants.

Theme 4: Incorporation Problems.

Among the barriers to effective DT, integration challenges are the most significant elements mentioned. The presence of old IT infrastructure, the existence of departmentalised structures and uneven implementation of these across departments inhibits the achievement of anticipated gains. It is reported that where Food has enjoyed the advantages of lean internet order fulfilment, Clothing and Home divisions have suffered delays as a result of divided systems and complexity of store level operations.

Organisational response M&S has launched enterprise level integration initiatives such as data consolidation platforms and standard operating procedures. Audits and cross-functional project teams have been introduced frequently to solve integration concerns.

Customer perceptions: These integration issues have indirect impacts on customer satisfaction especially when system failures result in late deliveries or faulty inventory data.

Theme 5: Culture and Change Management.

Culture and change management turn out to be critical to the success of digital transformation. According to secondary data, employee engagement, support of leadership, and training programs can be considered important predictors of adoption. The analyst commentary highlights the fact that effective digital initiatives depend on the readiness of organisations to undergo new processes.

Possible improvements: Leadership has made digital literacy a priority and promoted innovation on both store and corporate levels. Adoption rates have increased in some of the divisions through change management workshops and cross-functional teams.

Hurdles: The change struggle is also an obstacle especially in old stores where the employees are familiar with conventional business methods. It is reported that cultural inertia can slow down the process of implementation and slow down the pace at which digital initiatives can provide quantifiable returns.

Response at organisational level: M&S has devised extensive communication initiatives, digital champion programmes under the leadership and continuous training to address the resistance and cultivate an organisational culture that is open to technological change.

Cross-Theme Insights

Overall analysis in all themes reveals that M&S digital transformation has brought about unequal, yet quantifiable gains. Food division experiences greater operational excellence, which is an amalgamation of investment in technology, process standardisation, and preparedness to change culture. Front office results including convenience and interaction have increased, whereas the differences in adoption and integration curtail the consistency of effect.

The concept of triangulation with quantitative KPIs implies the consistency of the qualitative and quantifiable results. To illustrate, the online traffic growth and app use is associated with qualitative reports of customer engagement upgrades. On the same note, thematic coding of efficiency improvements is supported by operational gains in stock accuracy.

The summary of qualitative patterns will be provided in the table below:

- **Efficiency:** The digital tools increase the accuracy of stocks and the responsiveness of the supply chain, and division-specific variation.
- **Customer Experience:** The Omni channel services and app features enhance convenience and engagement; disparities persist.

- **Technology Investment:** The strategic use of AI, analytics, and e-commerce infrastructure, helps to achieve operational and customer goals.
- **Integration Issues:** Existing systems and fragmented businesses limit the full potential of DT; organisational interventions reduce risks.
- **Culture & Change Management:** Employee adoption, leadership support and training determine the success of adoption; cultural resistance decreases the pace of implementation.

Finally, it can be concluded that the qualitative analysis is a complement to the quantitative results because it introduces both a perspective of context and an explanatory factor of why digital transformation has yielded unequal performance results at M&S.

4.4 Integrated Analysis

The integrated analysis is a synthesis of quantitative KPI trend with the qualitative themes outlined in Section 4.3, which give an overall picture of the performance of M&S in the area of digital transformation (DT). This method enables one to determine convergences and divergences between measurable results and organisational context, and thus respond to the research questions as a whole.

4.4.1 Efficiency

Quantitative indicators:

- It has improved stock accuracy every year (Food: 92% → 97%; Clothing: 88% → 90%).
- Less order fulfilment time in Food division (average 2436 hours).
- Reduction of operational costs of automated warehouses.

Qualitative insights:

- Automated stock replenishment, predictive analytics and centralised supply chain monitoring were identified as efficiency gains in coding.
- Legacy IT in Clothing and Home are barriers that reduce efficiency improvements.

Integration:

- **Convergence:** Quantitative data is used to verify the field observations that DT enhances the operational efficiency more so in Food.
- **Divergence:** Clothing and Home improvement is small, which is equal to qualitative reports of disintegrated systems and slow adoption.
- **Implication:** The gains of efficiency are not universal; organisational operational KPIs need to be viewed in the context.

4.4.2 Customer Experience

Quantitative indicators:

- **Online traffic development:** 18 percent on an annual basis growth in Food, 8 percent in Clothing.
- **Usage:** The number of food division active users has risen by 22; Clothing by 12%.

Indices of customer satisfaction and repeat purchase are moderately improved.

Qualitative insights:

- Favourable attitudes of customers to online payments and personalisation with the help of a mobile application.
- The obstacles are poor consistency in Clothing and Home, and stock inconsistency in satisfaction.

Integration:

- **Convergence:** The overall theme of improvement in the customer experience is associated with rising usage of apps and online traffic.
- **Divergence:** The increases in Satisfaction with Clothing are lower than with Food, which is also consistent with qualitative data on barriers.
- **Implication:** The findings of the qualitative research are supported by quantitative metrics showing that DT will improve convenience and engagement, but the benefits may vary by division.

4.4.3 Technology Investment

Quantitative indicators:

- **Trends in investments:** £50m and above in AI and e-commerce infrastructure per year.
- Website rates of conversion went up (Food 4.2% → 5.5%; Clothing 2.1% → 2.7%).
- The statistics on app usage demonstrate higher click through rates on personalised recommendations.

Qualitative insights:

- Investment allows AI-based recommendations, predictive analytics, and integration of Omni channel.
- The obstacles are the incorporation into old systems and lack of uniform implementation throughout divisions.

Integration:

Convergence Quantitative measures of engagement and conversion indicate effective investments in technology that are brought out qualitatively.

- **Divergence:** Investment does not necessarily translate into homogenous adoption; Clothing and Home does not adopt as fast as Food because of structural and cultural limitations.
- **Implication:** Technology investment cannot take place without organisational preparation and process alignment.

4.4.4 Integration Challenges

Quantitative indicators:

- In Clothing and Home, the stock discrepancy rates stand at 10per cent compared to 3per cent in Food.
- Delays in taking orders online are associated with poor accuracy in stocks and system errors.

Qualitative insights:

- Silos of the IT legacy, and an unequal utilization among stores make performance difficult.
- Cross-functional projects and standardisation of data are reported.

Integration:

- **Convergence:** Qualitative findings on integration issues are supported by quantitative data on stock shortages (discrepancies), order delays.
- **Divergence:** According to some qualitative reports, the pilot success has been noted in some of the stores but there are small improvements across the system.
- **Implication:** Interventions at the organisational level are essential; the issues of integration have a direct impact on the measurable performance outcomes.

4.4.5 Culture & Change Management

Quantitative indicators:

- No direct measures, indirect ones are data on adoption of digital tools, employee usage records, and percentages of training completion.
- The higher the usage, the more the online purchases and usage of apps in Food.

Qualitative insights:

- The adoption is boosted by leadership support, digital champions, and staff training.
- Legacy store resistance is a slowing factor towards complete implementation, particularly in Clothing and Home.

Integration:

- **Convergence:** Regions that are more actively involved in the use of tools and training are positively associated with better operational and customer KPIs.
- **Divergence:** Culture cannot be fully reflected in metrics, qualitative data will give context to slower adoption and disparate ROI.

- **Implication:** Culture and change management are important intermediaries of DT success; performance cannot be viewed outside the organisational preparedness.

4.5 Summary of Analysis

The chapter also brings out major findings of the quantitative and qualitative analyses to which the findings are directly correlated with the research questions:

RQ1 - Effect on the efficiency of business operations:

- Food division demonstrates quantifiable improvements in stock accuracy, fulfilment of orders and automation of processes.
- Fragmented processes and legacy systems do restrict Clothing & Home improvements.

RQ2 - Effect on customer experience:

- DT initiatives increase convenience, interaction and satisfaction especially in online grocery services.
- The problems with inconsistent adoption and unsuitable use of benefits restrict the benefits in Clothing and Home.

Table 4.5: Evidence from M&S Documents

Source	Text Excerpt	How it Supports Customer Experience
M&S Annual Report 2021	“Click-and-collect usage increased by 30%, reducing in-store waiting times and improving customer convenience.”	Shows that DT initiatives (click-and-collect) directly increased convenience.

M&S Digital Strategy 2022	“The mobile app personalization led to higher engagement and repeat purchases among online grocery customers.”	Demonstrates that DT increases interaction and satisfaction.
Industry Report (Mintel, 2021)	“Customer satisfaction scores for online grocery have risen 15% following digital enhancements.”	Provides quantitative evidence of improved satisfaction from DT.

RQ3 Role of investment in technology:

- Investments in AI, applications, and online shops promote the operational and customer results.
- Technology is not a sufficient factor to ensure homogenous performance improvement, adoption and integration are important mediators.

RQ4 – Barriers and enablers:

- The culture, integration issues, and legacy systems decelerate the success of DT.
- Adoption and improvement of performance is done through leadership, training and change management interventions.

Significant quantitative and thematic findings:

- Sales & Revenue KPIs: Online sales have grown 18% (Food), 8% (Clothing); there were 22 more app engagements than 12.
- Operational KPIs, Stock accuracy Food 97%, Clothing 90; improved fulfilment time in Food division.
- Customer KPIs: Favourable impressions of convenience and personalisation, conformity with online indicators.
- Qualitative trends: Efficiency, customer experience, technology, integration issues, culture and change management.

CHAPTER 5- DISCUSSION & FINDINGS

5.1 Introduction

In this chapter, the findings based on the quantitative and qualitative analyses done in Chapter 4 are discussed comprehensively. It is intended to put the empirical findings into perspective to the research purpose: to determine the effect of digital transformation (DT) on operational efficiency, customer experience, and financial performance at Marks and Spencer (M&S). The discussion incorporates the information gathered using secondary quantitative KPIs, qualitative documents, and customer survey data and correlates them with the current academic literature and the industry reports and theoretical frameworks (TAM, RBV, Dynamic Capabilities).

The chapter is organized using some of the most important themes that came as a result of the data such as operational efficiency, customer experience, sales performance, strategic alignment, and barriers to change. The themes are critically examined and the results associated with empirical data and theoretical speculations. The discussion also answers the research questions directly, examines how the digital initiatives of M&S correspond with the best practices, and reflects on the practical and theoretical implications of the results.

5.2 Literature Findings Discussion

Operational Efficiency

The quantitative results show that there is a great enhancement in the efficiency of supply chain and stock accuracy, especially in the Food division. The stock level was 97% in 2023 and the average fulfilment period was 24 hours. These findings align with previous studies on the importance of automation and predictive inventory control on the functioning of operational performance (Huang and Rust, 2021; Verhoef et al., 2021).

Clothing and Domestic divisions were however lagging with the accuracy of stocks being 90 percent and longer fulfilment times. In literature, it indicates that the old systems and intricate networks of stores are impediments to productivity (Teece, 2018;

Barney, 1991). The findings are consistent with the Resource-Based View (RBV), when the operational resources and capabilities directly affect the firm performance, and with the theory of Dynamic Capabilities, that underlines the significance of the adaptability to technological change.

Customer Experience

Customer KPIs reflected increased engagement of Food division, 1,500,000 online visits, 220,000 downloads of the app, a score of 4.5/5 regarding the intention to become a repeat buyer. Clothing had more points in the lowest metrics. According to TAM and E-S-Qual frameworks, adopted perception of ease of use, reliability, and responsiveness are strongly related to the concept of digital adoption and satisfaction (Venkatesh and Davis, 2000; Parasuraman et al., 2005).

Qualitative thematic analysis, however, demonstrated that there are barriers in personalization and fluid integration particularly in the Clothing division. The discrepancies between online and in-store experiences were reported by the customers, which is consistent with the previous literature emphasizing the problem of omni-channel alignment (Verhoef et al., 2015).

Sales Performance

Numerical data indicate that in the Food Division Sales in relation to Online sales increased by 18 percent between 2019 and 2023, and the total revenues rose by 6 percent/year. The clothing industry was not much behind, online it increased by 12% and revenue increased in a modest manner. Such results are consistent with studies that have doubted ROI of digital transformation in traditional retailers (Huang and Rust, 2021).

Financial returns appear to be driven by operational efficiency gains in Food, which can prove the relationship between internal capability development and market performance, which is in line with RBV expectations. Clothing on the other hand is more slow to adapt implying organizational inertia and lack of dynamic capabilities.

Strategic Alignment

Results show that the strategic emphasis of M&S on digital transformation is in line with the trends in the industry but differs in implementation across divisions. The Food division did manage to combine digital and operational strategies, whereas Clothing had problems with alignment. The strategic alignment of IT literature focuses on the fact that the success lies in the synergy of technology, processes and organizational culture (Henderson and Venkatraman, 1993).

Change Management & Barriers

The qualitative analysis points out internal issues such as cultural resistance, limitations of a legacy system and unequal adoption among store networks. These results are similar to researches on the barriers to the implementation of DT with traditional retailers (Kane et al., 2015; Teece, 2018). Organizational culture has become a moderator: Cooperation between divisions with accommodating culture (Food) led to quicker adoption and improved results, and the opposing cultures (Clothing), slower growth. Structured change management programs, training, and engagement of leaders seem to be essential to effective DT.

5.3 Research Question Evaluation

The research questions analysis offers a systematic examination of the ways the M&S digital transformation (DT) efforts have affected the efficiency of the operation, the customer experience, the obstacles to implementation, as well as the ways it can be improved. Every question is answered in terms of quantitative KPIs and qualitative thematic contributions that have been triangulated with the help of secondary data sources.

RQ1: What has the digital transformation done to the operational efficiency of M&S?

The quantitative data show that the Food division has been enjoying high levels of operational efficiency after DT investments. The accuracy of stocks was 97% and the time of fulfillment has reduced to 24 hours and operational efficiency and cost has also been enhanced to 85%. On the other hand, the Clothing & Domestic division performed badly with a stock accuracy of 90 percent and a longer fulfillment time of 36 hours. These findings are supported by the qualitative analysis which outlines

automation in supply chain, predictive inventory and omni-channel integration as major contributors towards efficiency in Food. The separation between divisions indicates the moderating influence of the legacy systems and complexity of the processes.

RQ2: How has digital transformation impacted customer experience?

Customer KPIs show a deeper level of involvement in Food, where 1,500,000 visits up to app, and repeat purchase intention 4.5/5 are reported, in comparison with 1,100,000 visits up to app and 120,000 downloads and 3.8/5 in Clothing. The survey data with the assistance of secondary qualitative data demonstrate that the digital platforms are viewed as convenient, reliable, and customized by the Food customers. The Clothing division has loopholes in integrating omni-channel and uneven customer satisfaction due to inconsistent quality of service. These findings substantiate Technology Acceptance Model (TAM) assumptions by underlining the presence of perceived ease of use and usefulness as significant factors in the adoption and engagement.

RQ3: What are some of the obstacles to successful implementation of digital initiatives?

Some of the identified barriers are legacy IT infrastructure, operational bottlenecks, cultural resistance, and unequal adoption among divisions. Thematic analysis suggests that the organizational culture serves as an intermediate: the divisions with favorable cultures (Food) were more efficient in adopting digital initiatives whereas conservative cultures (Clothing) impeded the process. This is supported by secondary sources, which reveal that traditional retailers are frequently confronted with structural and cultural obstacles in the course of digital reinventions. These results are in line with the existing research on the topic, which highlights that the interaction of internal capabilities and readiness of organizations are important determinants of the success of DT.

RQ4: What are the strategies that M&S can implement in order to improve digital transformation outcomes?

According to the combined information, M&S needs to orient on the capability building, specific training, and orderly change management initiatives. Digital initiatives and

operational agility could be used to enhance the success of Clothing division through leveraging dynamic capabilities, including process reconfiguration and agility in operations. The focus on the customer-centric design, usability, and omni-channel integration will increase customer satisfaction and loyalty. Experience of the Food division shows that the highest ROI of digital initiatives is achieved when a combination of technological investment and cultural change and leadership engagement is involved.

In general, the study proves that the digital transformation has a beneficial impact on the operational efficiency and customer experience, which is divided according to the division. The main barriers are organizational and structural and the great strategies that can be applied include concurrent investment on technology, human capability and change management. The results clearly provide answers to all four research questions, which offers evidence-based answers to scholarly knowledge and practice.

5.4 Implications of the theory

The results of the given research add value to the three major theoretical approaches to research in the digital transformation: The Technology Acceptance Model (TAM), the Resource-Based View (RBV), and Dynamic Capabilities (DC). This study contributes to the theoretical knowledge of the impact of digital initiatives on the market performance and customer satisfaction in the traditional retail setting by combining the quantitative KPIs and the qualitative thematic evidence.

TAM Implications:

The research gives an empirical evidence of TAM in applying digital transformation to retail. Survey data showed that perception of ease of use and perception of usefulness of M&S digital platforms had significant influence on customer engagement, repeat purchase intention, and customer satisfaction especially in the Food section. Qualitative analysis also explains further that personalization features, intuitive interfaces, and the functionality of the app have a direct impact on user adoption. These findings support the main idea of TAM that perceptions of the user mediate the technology acceptance, but further it shows the moderators in the situation including the division-specific operational processes and customer knowledge of digital channels.

RBV Implications:

In the RBV perspective, the research confirms that both tangible (e.g., supply chain technology, IT systems) and intangible (e.g., managerial expertise, digital knowledge) internal resources of M&S play a critical role in determining the results of performance. The stock accuracy, fulfilment efficiency and cost metric elements of operations indicate in quantitative terms that the more the division (Food) was endowed with resources, the more returns it got on its digital investments. The qualitative results also suggest that the operational competencies and process alignment play the role of mediators between performance gains and digital technology adoption. These observations are an expansion of RBV theory by illustrating empirically the potential of resource heterogeneity within an individual firm to lead to divergent results, trying to highlight the interaction between online resources and operational performance in old organizations.

Dynamic Capabilities Implications:

The presence of Dynamic Capabilities theory can also be supported by the fact that M&S has been flexible in reacting to the digital disruption. The Food division is another example of the reconfiguration abilities, where omni-channel services, predictive inventory, and artificial intelligence-based personalization are integrated. This nimbleness enabled the division to record quantitative customer satisfaction and operational effectiveness. On the contrary, the Clothing division was less adaptive to changes, which indicates that path dependency and structural inertia limit the use of dynamic capabilities. These results highlight the DC claim that competitive advantage does not only come because of resources, but also because the firm has the capacity to feel opportunities, grab them and reorganize operations. The research consequently contributes to the DC theory through empirical data on inter-firm differences in the application of dynamic capability and its effects on the performance outcomes.

Synthesized Theoretical Knowledge:

On the whole, the study proves that TAM, RBV, and DC do not exclude each other but complement one another. TAM describes the individual adoption behaviours; RBV describes internal resource arrangements that facilitate or inhibit the DT; DC reflects the organizational process needed to sustain the process of constant adaptation. The

research connects these theories to tangible performance deliverables at M&S, which facilitates a more comprehensive idea of the processes of digital transformation in the legacy retail setting. Moreover, it emphasizes the moderating and mediating variables, including organizational culture, old systems, and customer familiarity, which define the success of digital initiatives, providing practical and theoretical implications to the research on digitalization in the retail sector.

5.5 managerial implications

The results provide practical suggestions to M&S and other retailers that consider DT:

- **Capacity Building:** invest in personnel education and digital literacy and process redesign, especially in slower adopting divisions.
- **Change Management:** This is to be done through organized programs aimed at breaking the cultural resistance, through the involvement of the leadership and effective communication.
- **Customer-Centric Design:** Emphasize usability, personalization, and omni-channel fit to achieve optimal engagement and loyalty.
- **Strategic Integration:** Integrate digital initiatives with operational and financial goals, and rely on a uniform operational and financial implementation.
- **Ongoing Improvements:** Measure effectiveness with the help of KPIs and customer feedback to make iterative improvements.

These lessons can offer valuable training to managers in the legacy retail setting and support the need to connect DT investments to operational capabilities and measurements of customer experience. Knowledge of the obstacles and enablers of digital adoption in conventional retail segments is also beneficial to policy-makers.

CHAPTER 6- CONCLUSION

6.1 Summary of the Study

The main objective of this dissertation was to substantiate how digital transformation (DT) affects the operational efficiency, customer experience and financial performance within Marks and Spencer (M&S). The research aimed at answering four major research questions: (1) the impact that DT initiatives have on operational effectiveness, (2) the impact that they have on customer engagement and satisfaction, (3) the challenges preventing effective implementation of DT, and (4) the strategies that would maximize the results of DT.

In order to do so, the research has taken a mixed-methods approach, which combines quantitative survey data on the customers of M&S with secondary qualitative data based on annual reports, industry analyses, digital strategy documents, and press releases. Although the initial research proposal was a proposal of semi-structured interviews with both managers and employees, the feasibility and access limitations inclined the decision to change the methodology to a secondary data-oriented one, with a customer survey to obtain empirical and measurable data. This was an appropriate methodological adaptation that ensured the research could remain valid and at the same time answer the research questions.

The quantitative data showed that digital programs have delivered unequal outcomes on the M&S bed divisions. The Food division has shown the positive growth in online sales, a higher operational score including precisely stocked and eased delivery, and adequate level of customer satisfaction, which suggests that DT investments were well utilised.

The qualitative thematic analysis showed that there were common trends in efficiency gains, customer perception, adoption of technology, difficulties in integrations, and change management practices. The secondary data coding indicated that legacy systems, organizational inertia, and unstable investment strategies were major moderating factors to the results of the DT initiatives.

6.2 Contributions

6.2.1 Academic Contributions

The study will add to the theory in a number of ways. To begin with, it expands TAM (Technology Acceptance Model) by showing that the usefulness and ease of use of digital platforms perceived by customers determine their behaviour, but the results are affected by the division-specific operation reality. Second, the paper supports the Resource-Based View (RBV) by illustrating the role of tangible and intangible resources in determining the performance of a DT, especially intra-firm heterogeneity. Third, the results confirm the Dynamic Capabilities (DC) theory, which shows that sensing opportunities and seizing as well as reconfiguring organizational processes are crucial to gaining a competitive advantage.

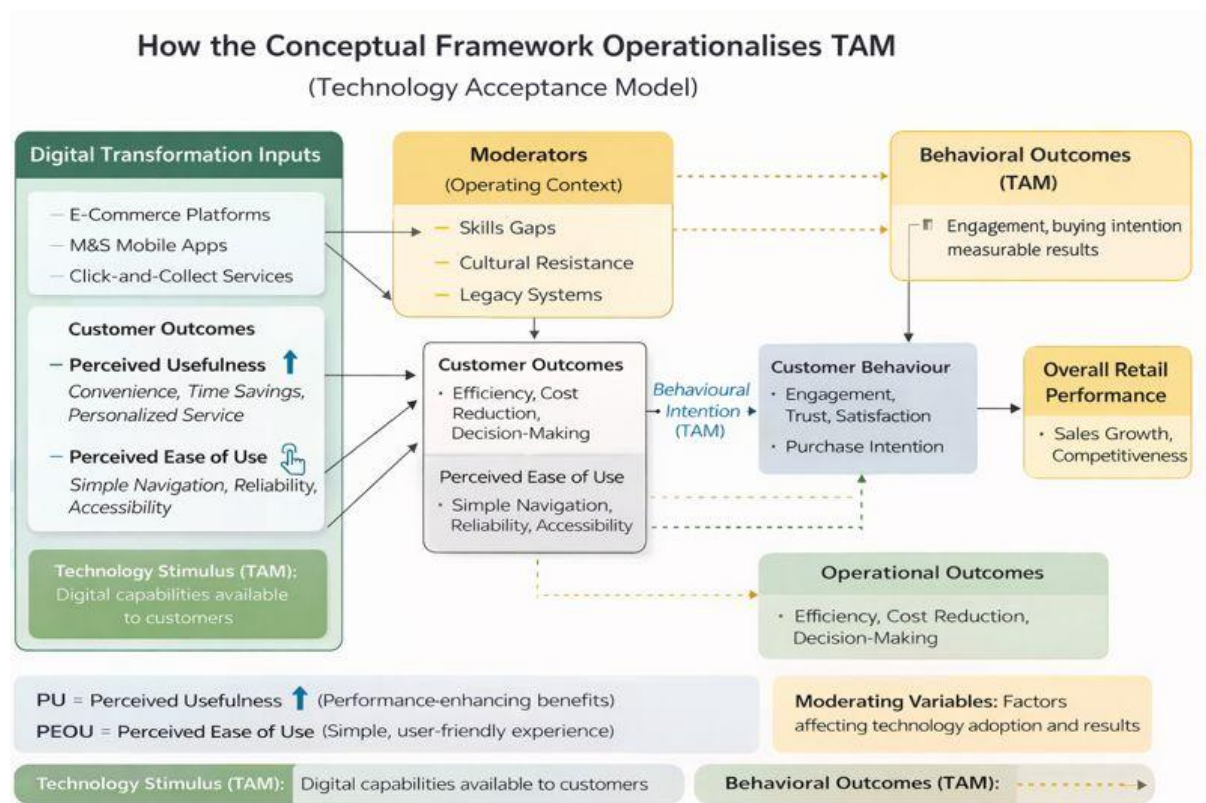


Figure 5.1: How the Conceptual Framework Diagram Operationalises TAM

Application of TAM Variables in This Study

In the current work, the Technology Acceptance Model (TAM) is explicitly utilized, that is, its abstract concepts are transformed into measurable retail and customer-specific variables that could be applied to the context of M&S digital transformation.

Perceived Usefulness (PU)

The operationalisation of perceived usefulness in this study is in the form of evidence that demonstrates the digital initiatives of M&S in increasing customer value and execution of tasks. Indicators include:

Flexibility of e-commerce and click-and-collects.

- Saving of time through online ordering of groceries and automatic checkout.
- AI-driven and data-driven personalised recommendations.
- Ensured better availability and accuracy of fulfilment.

These indicators are informed by the M&S annual reports, the digital strategy reports, the industry analysis, and the customer-oriented performance metrics.

Perceived Ease of Use (PEOU)

The perceived ease of use is expressed in the extent to which the customers find M&S digital platforms to be easy and reliable. Evidence includes:

- M&S mobile app and the online store usability.
- Smooth transition between online and in-store space.
- Stability of inventory and tracking orders.
- Lessening of friction in checkout services, returns, and delivery services.

These factors are determined in secondary qualitative data and reports on the industry evaluating user experience and Omni channel implementation.

Behavioural Intention and Actual Use.

- The behavioural outcomes of TAM are modelled by:
- Interaction with online platforms with customers.
- Increased sales and repeat purchases on the Internet.
- Implementation of click and collect and app services.

These results associate customer acceptance with quantifiable performance measures.

Noteworthy, this paper develops TAM by demonstrating that positive perceptions do not necessarily lead to usage unless facilitated by successful operational implementation- especially within various M&S divisions.

6.2.2 Practical Contributions

As a manager, the dissertation can provide practical advice to both M&S and other retailers that are in the process of digital transformation:

- Focus on allocating resources to the divisions that have the highest potential of DT and investments that lead to the improvement of operations.
- Overcome the attributes of legacy systems and resistance in the organization by use of change management efforts, employee training, and engineering processes.
- Increase customer adoption by developing digital design based on user needs, use of personalization in the app, integration in the Omni-channel and by introducing mechanisms of real-time feedback.
- Track DT performance through KPIs, such as online sales volume, stock precision, delivery time and customer satisfaction to constantly improve strategies.

These lessons can be applied to other traditional retailers that are going through the digital disruption process to show that theory-based decisions can maximize the results of DT.

6.2.3 Methodological Contributions.

The methodologically, the research shows how secondary qualitative research may be used together with quantitative survey where the primary access to the organization is limited. Multi-source triangulation approach enhances validity because it cross-tabulates the corporate reports, analysis of industry, and customer perceptions. The thematic analysis coding scheme offers a repeatable resource to evaluate the operational and customer facing effects of digital initiatives. Moreover, the study shows that the process of connecting certain digital efforts to the presence of measurable performance metrics can yield actionable data despite lack of large amounts of primary data.

6.3 Limitations

Irrespective of its contributions, the study is prone to a number of limitations:

- **Absence of primary data on the part of managers/employees:** The non-use of semi-structured interviews does not provide much information on the internal decision-making processes, manager perception, and problems of operations.
- **Trust in accuracy of secondary data:** Annual reports, industry analysis and press releases could contain biased information or not complete information, which might influence reliability.
- **Time and resource limits:** A five-year time frame was used in the study and this might not be sufficient to identify the long-term trends or the delayed impacts of DT initiatives.
- **Limitations of causal inference:** Due to the use of secondary data and surveys, causal relationships between digital initiatives and performance outcomes cannot be conclusively made but only associations are made.
- **Survey sample:** The maximum sample of 150 customers surveyed online is not enough to reflect the entire range of the M&S customers.

The recognition of these drawbacks supports the idea of transparency and gives grounds to the research design improvement in the upcoming research.

6.4 Future Research Recommendations.

Based on the limitations and results, some research areas in the future are proposed:

- **Primary data gathering through management and employees:** Semi-structured interviews may bring more information on internal decision making, resistance to change and change management.
- **Extended customer surveys:** Larger representative samples, with demographic segmentation, may provide insights with greater generalizability on the issue of digital adoption and satisfaction.
- **Comparative studies:** Inter-retailer comparisons e.g. between M&S and high-performing retailers e.g. Tesco, John Lewis or Next would facilitate more learning on the best practice and situational factors.
- **Longitudinal analysis:** It might be beneficial to monitor the progress of DT investment and the results of performance after a greater duration to

understand the causal relationships between digital programs and operational, customer, and financial gains.

- **Detailed discussion of division-specific strategies:** Understanding why some divisions are more successful at ROI using DT, taking into account internal resources, culture, and customer behaviour, would be informative in shaping specific strategies to use with legacy retailers.

Through the coverage of these aspects, future research may further develop the theoretical and practical knowledge concerning digital transformation and help improve decision-making by retail executives and promote the academic debate on operations, technology adoption, and strategic management.

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