

Task 4

McKinsey's Seven S Framework

Strategy

John Lewis state that 5% of customers account for 50% of sales but face the challenge of realisation that the 5% do not remain the same every year. Customers are shopping both online and offline, so John Lewis are looking at total sales in catchment areas. They found that customers are researching products online and then buying in store and vice versa. The advantage of buying in store is that customers will be served by owners of the business which creates an authentic service (Marketing Week, 2014).

Staff

John Lewis (John Lewis & Partners, 2019) recognise the hard work of their partners, their dedication and focus in delivering a great service in creating a value led experience for the customers such as Experience Desks at John Lewis playing the roles as advocates. The partnership aims to retain their members (employees) who they believe are people with ability and integrity.

Skills

John Lewis (My5, 2019) have skilled staff in their factories who make bespoke items. Their suppliers and factories are in Britain which is a key advantage.

7P's marketing mix

People

Staff show commitment through via their productivity as they are looked after by John Lewis in the forms of pay shares and perks (My5, 2019).

Product

High quality products of rarity and responsibly produced in Britain. They sell Inspirational products which play a key role at John Lewis as their products are own-brand and exclusive to John Lewis (John Lewis Partnership PLC, 2018).

Price

Products are developed to bring quality and value and are offered at competitive prices and are regularly checked by the price-monitoring team

against competitors on the high street and online. John Lewis price match for like for like products on request easily (John Lewis & Partners, 2019).

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Appendix

Values

- **DO RIGHT:** We act with integrity and use our judgement to do the right thing.
- **ALL OR NOTHING:** We put everything we have into everything we do.
- **GIVE MORE THAN YOU TAKE:** We put more in, so everyone gets more out.
- **BE YOURSELF. ALWAYS:** We're quirky, proud and at our best when we are free to be ourselves.
- **WE NOT ME:** When we work together anything is possible.

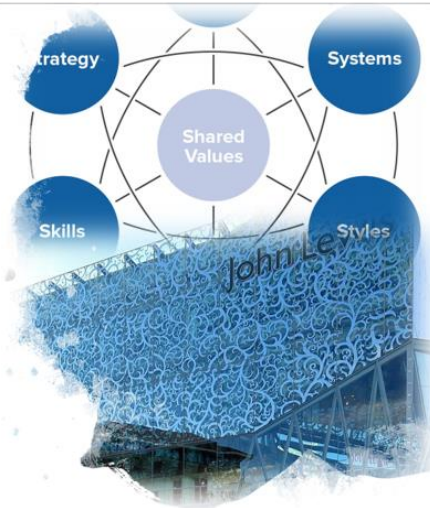
(John Lewis Partnership, 2019).



McKinsey's Seven S Framework

Strategy

- Sharing power with all partners
- Network of elected councils, committees and forums which enables partners in participation in decision making
- Challenge management performance
- Have a say in how the business is run
- Partners gain benefits in employee ownership by:
 1. making a profit
 2. Knowledge and power
 3. Feed their views to management.



McKinsey's Seven S Framework (cont.)

Strategy

- Developing marketing activity
- Deploy marketing activity
- Develop strategy for the whole brand.



McKinsey's Seven S Framework (cont.)

Staff

- Relationships based on mutual respect and courtesy
- Equality between members
- Recognition of individual contributions with reward.
- Largest employee owned business
- Happiness of the partners first
- Employee satisfaction (incentives of bonuses and discounted holidays)



JOHN
LEWIS
& PARTNERS

McKinsey's Seven S Framework (cont.)

Staff

- The ultimate purpose described in the constitution
- Culture of democratic vitality demonstrated by the employees through passionate co-workers
- The future of John Lewis will remain owned by partners and remain the business of people.
- Shared principles
- Trained and skilled employees



McKinsey's Seven S Framework (cont.)

Skills

- Skilled partners in factories
- British suppliers/manufacturers
- Apprenticeship programmes in retail, LGV driving, vehicle maintenance, hospitality, human resources, project management, leadership and accounting.



7P's Marketing Mix

People

- Diversity and inclusion opportunities
- Investment in partner health and wellbeing
- Better pay (extra pay depending on shares)
- Return value to partners in the form of rewards, wellbeing, skills and opportunities
- Disability friendly environment



7P's Marketing Mix (cont.)

Product

- Fashion with sub-brands with modern rarity
- Continuously developing home assortments
- Own label packaging.
- Broad choice of products
- British suppliers/manufacturers
- Recognised for high end quality
- Value for money



7P's Marketing Mix (cont.)

Price

- Competitive prices
- Price match with other competitors
- Price to match quality (value for money)
- Pro-active price monitoring team
- Same national pricing in store and online
- Further discount on products if found cheaper (8 mile radius of store)
- Loyalty card (rewards and treats)



Porter's Generic Strategies

'Never unknowingly undersold'

The Differentiation Strategy

- Rarity and uniqueness
- Branded products
- Quality and value
- John Lewis image portrayal
- Offer bespoke products/services
- Customer experience

Cost Leadership

- Offer lowest price or price match
- 'no frills' - secondary spending
- Price promise



Segmentation & Targeting

Segmentation

- Deepened relationship with old customers
- Brand loyal customers (Ethical and sustainable products)
- Listening to customer needs and responding swiftly (pricing and flexible shopping hours)

Concentrated Targeting

- Christmas adverts to promote message to families (40% of profits made 5 weeks before Christmas)
- End-to-end customer experience

