COMMUNITY ENGAGEMENT REPORT
THE CASE OF HARRODS

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Executive Summary:
The aim of this report is to present the Harrods company from the point of employees and customers, to understand the values of the brand and how they are achieved through management and leadership. The business practices are explored and PESTEL & SWOT Analysis are performed to clarify the “bigger picture”.

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1. Introduction

Harrods is a group of companies with a couple of enterprises with the headquarters situated on Brompton Road in Knightsbridge, in the Royal Borough of Kensington and Chelsea,London. The brand holds more than 330 departments of retail luxury stores, making it the biggest retail brand in Europe. Other organisations undertaken by Harrods include the Harrods Estates, Harrods Aviation and Harrods Interiors. Sengupta, M. (2015). The luxurious retail store is a “one-stop designer shop” presenting more than 1,000 brands in the online shop.

pic. 1: Harrods Retail Store at night, Knightsbridge, London



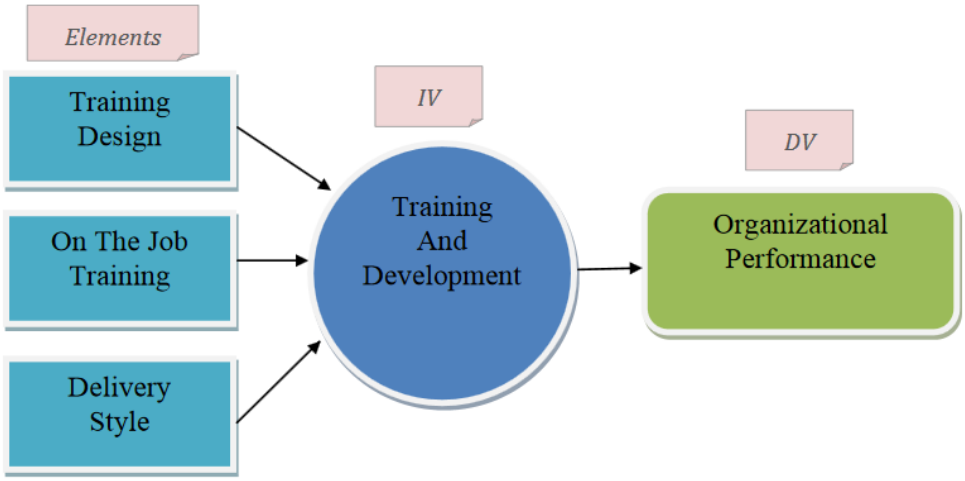
The company has developed a global Affiliate programme, which aims to bring together world-class content and opportunities for designers and luxury-lovers. The mission statements of the company says: “Ömnia Omnibus Ubique - All Things for All People, Everywhere. From where comes also the best values of the company: Luxury, Innovation, Service and Sensation (Harrods Ltd, 2019). The company was recognised as a Top Employer again in 2019 by the Top Employers Institute, which was a proudly deserved award due to its outstanding Human Resource Practices. Consequently, over the years Harrods has always been a place, attractive the most sophisticated and exquisite customers. The chief marketing executive officer of Harrods shares in an interview for the e-magazine “Marketing Week” that she finds the brand “as a brand with no one customer, product set or mono-brand, but rather a collection of niches

each with its own distinct character, all of which deserve respect" (Hills Amanda, 2019) and the title of the article says: "Why Harrods' marketing boss doesn't believe in segmentation" referring to the segmentation of customers. This article will further explore what strategies the brand has undertaken to fulfill the best customer service.

2.Discussion

A research paper published in the website of Global Journals by Khan Gh., Khan Ahmed & Dr. Khan M.(2011) reveals that the Human Resource Department is one of the main resources of an organisation and is the backbone of each successful company. This is due to the fact that immediately after employees enter into an organisation, they become the factor that is most connected and holding responsibility for achieving organisational goals. In order the employees to be highly engaged in their work and consequently their performance to contribute for an effective and efficient brand there are certain efforts by the HR Team as well as on the management level. Pic. number 2 is a graphic representation of the relationship between employees engagement and business goal.

Pic.2 Community engagement and brand performance



The efforts are in the form of training and development provided to employees on the start of the employment, but not only: the development and learning process can continue during the career path of the employees, when the companies are concerned

and understand that only when employees are well-trained and satisfied with the working environment, only then the business goals are met.
In the case of Harrods for example, there is a Sales Academy, responsible for the development of selling skills and expertise for the employees when working on the shop floor (The Times 100, Harrods).
Further, as Dobre, Ovidiu-Iliuta (2013) explains for the purpose of fostering retention and satisfaction in employees, “they should be given the chance to satisfy their esteem and self-actualization”. At Harrods, employees are given this chance by a multi-layer scheme of workshops and programs for all level employees to enhance their knowledge and life experience. Some of those options are: “Your Theatre” - improving selling skills, Harrods Fashion Program in partnership with London College of Fashion, the Schools of Communication, Harrods Sales Degree, The Business Academy, Oxford Summer School and many more, all concentrated on qualifying the employees, for the ultimate experience of both customers and employees.
Training at Harrods in “on-the-job” and “off-the-job” and is spread to all levels of employees. Further, the development process is based on four business competencies: “Working at Harrods, Your Impact on Others, Making Things Happen, Focus on Improvements ”, where each one is organised as an interesting and valuable workshop for the employees.
As Amanda Hill, the recently appointed chief marketing manager shares in a Drapers Fashion Forum and later in the e-magazine “The people who really do the marketing for us are the staff on the shop floor. More brands should market to our staff because if they’re excited about a brand, there’s no question it will sell better” (Whelan, G.,2018). This is where the position of the General Sales Manager comes as the daily most important “cherry on top of the cake”, as he/she needs to make sure all other Assistant Managers and Sales Managers are well-trained and motivated to devote their best spirit in performing unique customer service.
As a General Sales Manager at Harrods certain qualifications and knowledge must be present before the candidate step into the company and some improvement must continue to be applied throughout the job.
According to an article in Harvard Business Review, the most important competencies that the General Sales Manager resonates to are target fixation, command instinct, sales intuition, control orientation, coaching adaptability and strategic leadership (Martin, W.S., 2015). The mean of target fixation is to be goal oriented, target and

deadline driven. The command instinct refers to “creating the peer-pressure and attention-seeking environment that eliminates complacency” (Martin, W.S., 2015). Sales intuition is the experience of sales cycles and management of sales people performed. Control orientation connects to the level of monitoring performed by the General Sales Manager over the lower Sales Managers, as statistics shows the more control deployed, the better the results. The coaching adaptability is the mindset that a successful General Manager must possess to avoid the öne-fits-all attitude and has a personal approach towards his/her subordinates, especially when training is involved. Finally, strategic leadership is the way the General Sales Manager lays down the code of behaviour for others to follow in order to maximise revenue by a cost-effective model.

At Harrods, the Learning and Development has also created a cultural awareness training aimed to respond at constantly changing customers needs (Durham, C. ,2011).

3.SWOT&PESTELAnalysis

For the purpose of understanding the macro environment of the retail sector and department stores in United Kingdom, a Pestel analysis will be conducted followed by a SWOT analysis of Harrods London Retail Store.

3.1 PESTEL Analysis for UK Retail sector and Department Stores

In terms of political changes in the recent years, the two most valuable shifts are those for the fair treatment of human resources and those protecting the environment. As mentioned above, Harrods London has been nominated as the best employer for 2018, making sure employees are treated the right way and receiving appropriate wages. What else needs to concern Harrods is the coming laws in relation to protecting the environment, reducing or prohibiting the plastic usage and making sure the suppliers has fair practices too. So far, Harrods has been proud to operate a good supply policy from only trusted suppliers. More about the opportunities related to the political powers will be discussed in the SWOT analysis.

The economic changes that are expected for sure are also related to the political shifts, having in mind the uncertainty about Brexit outcome, there should be expected an economic shift. Already happening in London is the high level of terrorism that’s why

tourism and buying might have been lower in the last several years, however Brexit alerts probably had influenced foreigners to visit the city before the big governmental move. In general, the political pressure on retail stores is mainly related to new site lendings or rights for protection of the customers and better food and safety standards. Harrods is not to be affected by them, because of its high-end customer service that is already very far from most competitors in the industry and high above the average retailers and the law requirements.

The power of the society and its buying habits is present everywhere in the world and people are making more educated decisions on their purchases. Moreover, the diversity of London culture and ethnicity should act as an alert to all retailers. Harrods, as discussed, has a learning process to ensure employees with different backgrounds can meet customer expectation of various cultural mix.

The massive shift to online shopping and customer research techniques by cloud computing has transformed almost any business that wants to deliver adequate customer experience. Harrods has launched it own mobile application, not for scrolling and shopping, but to act as a navigation map troghout the store. Back in 2016 when it was launched, Harrods were pioneers in Europe, creating the ever first live digital mapping solution for their customers (PointrLabs, 2016). A thing to remind is the fact, Harrods was the first department store to install escalators in the store, which was again a very impressive move back in the previous century.

The legal circumstances for now are those under the EU laws that provides for the fair treatment of customers and employees. Still, when the Brexit is final, new legislations might come effective, which are still not known to the public.

3.2 SWOT ANALYSIS FOR HARRODS LONDON

Strengths: The best strength of Harrods brand is the pristine and unique presentation and variety of styles that no other player on the market can come close to imitate. This almost automatically leads to strength number 2: recognizable brand and loyal customers. Luxurious interior, perfect merchandising and great store location are also beneficial. The last, but not the least benefit is the well-informed and helpful staff.

Weaknesses: Absence of consistency on pricing tags and displays. Also the huge

variety of products might be considered as a weakness because of the great efforts to manage it.Much human traffic forming congestions inside the store in peak hours. Rushed and humble staff during busy times.

Opportunities: Make more technological upgrades in the store, obtaining potentials of AI and visuals tricks and illusions. Ability to attract new and famous designers. More social media presence and enhanced customer relationships. In order to maintain top positions in the retail industry, Harrods must utilize high-end technological solutions for the convenience and entertainment of their customers.
Threats: Enormous costs of maintenance and costs on training and development of employees. The ever more expanding growth of e-commerce. Uncertainty on Brexit impact on economics, tourism and national customer prioritizations.

4.Conclusion

In conclusion, the retail industry is huge and is still expanding, giving the best rate of e-commerce. However, society is still enjoying spending time outside the home and unique customer experience can never be exchanged. In the case of Harrods, the brand need to push its limits towards innovative approaches, which has always been the case for it and find a balance between its online presence and pristine department stores. From an employee point of view, Harrods can provide a very interesting and knowledge-immersive workplace. There are a lot of opportunities for people who have chosen Harrods as an employer and certainly a great career path is in front of them. The potential of the company is limitless and its values are here to stay, as the brand has proven so during the years.

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CPD Plan

Name: Antoniya Toncheva		**Covering the period from: 01/03/2019** **To: 30/04/2019**

What do I want/need to learn?	**What will I do to achieve this?**	**What resources or support will I need?**	**What will my success criteria be?**	**Target dates for review and completion**
. *I want to improve my communication with people and also improve my managerial skills*	*I will be running a manager cource*	*Money and time*	*I want to be able to lead more people*	*31/05/2019*