

DIY digital retail at Kingfisher – managing a transformation program across five years and multiple countries

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Summary

Kingfisher is home to many retail DIY and home improvement brands, but for the next five years, it's embarked on its own ambitious digital refresh.



Steve Willett

We've looked in the past at [the efforts of US DIY retailer The Home Depot to digitally transform its operating model](#), with some success to date, [particularly among the Pros](#) as well as the amateur home improvement enthusiasts.

In Europe and Asia, Kingfisher is attempting to pull off the same trick, executing on [a bold transformation plan announced in January](#) that is intended to boost profits by £500 million from 2021. The plan is heavily dependent on improving the group's e-commerce and online capabilities and involves a hefty £800 million investment in tech and implementation costs.

Kingfisher currently operates over 1,030 stores in eight countries in Asia and Europe. Its main retail brands are B&Q, Castorama, Brico Dépôt, and Screwfix. The transformation program has been driven by CEO Véronique Laury, who was appointed in 2014 with a brief to turn the businesses around. That's a task that's going to take 5 years, she reckons, but insists that early progress can be seen:

We start from the customer and you will see that whatever is in the offer or in digital, we are building a deep knowledge about customer and their home improvement project and this is the starting point of everything we do.

At the heart of the transformation is a drive to drive to unify the firm's IT estate as well as a program known as Brilliant Basics. This is a scheme to take the omni-channel expertise of the group's Screwfix digital retail business and apply that to all operating units. The Kingfisher website says of Screwfix:

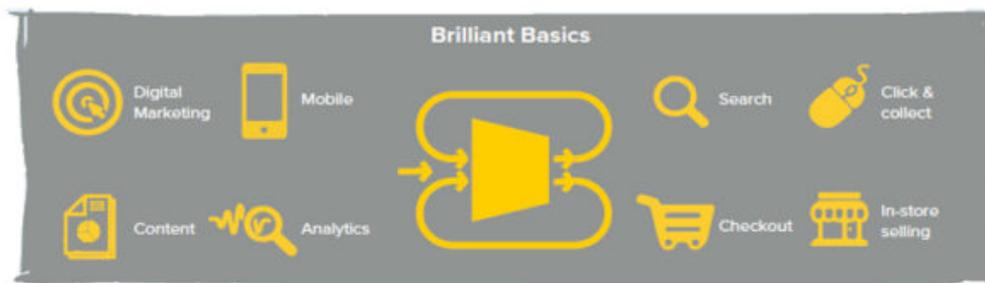
As one of the best-in-class operators in digital retailing, Screwfix is well placed to provide the benchmark for Kingfisher's digital plans. Screwfix has seen 26% annual growth in its website traffic,

99% annual sales growth in mobile and developed a 'click & collect' offer that means stock is available to customers in stores within five minutes of the order being placed.

The Brilliant Basics programme will involve improvements in areas such as the search functionality of Kingfisher's websites, mobile technology, better product content information, an easier checkout experience, digital marketing and click & collect. These initiatives will drive web traffic and conversion, driving higher digital and also store sales and will be facilitated by the unified IT investment programme, currently being rolled out across Kingfisher.

The man on the front line here is Steve Willett, Chief Digital & IT Officer and Operations Director of Omnichannel at Kingfisher, who says he's got a busy six months ahead of him:

We've basically got to finalize the rollout of B&Q and we'll do complete most of the rollout of Castorama France. Where we then go in is the backend of 2017, is the implementations that we're talking about as cluster two which is effectively four countries. So it's Castorama Poland, Castorama Russia and then Iberia and Romania. So they're actually in two groups at the backend of that years and we're ramping up the implementation for that and basically have already started.



Progress is good, he argues. At B&Q, all the core HR and finance is implemented with the store rollout delivered ahead of schedule. The firm's most recent half year accounts were prepared in the new system. In-store customer ordering functionality and enhanced click-and-collect functionality which is currently rolling out to the B&Q stores. The next big phase will be converting all the supply chain and F&R functionalities over, which should happen for the beginning of Q4.

Willett says there are learnings en route:

What we are seeing from the rollout in B&Q is the system is enabling the colleagues to spend more time with the customers and serving the customers because we're making the tasks more efficient. What we've also done is we've step-changed the amount of information available to the colleagues in the aisles to serve the customers. We've now real-time stock data that also enhance product data that we're flushing out from the diy.com.

Customer journey

That's all helping to re-imagine the customer journey, he explains:

We said what we wanted to work on was end-to-end customer journeys. It's in the ambition, which is we want to help customers all the way through their journey on doing a project. What do we mean by that? So, if you take a bathroom project, effectively it goes over about seven months, going from

inspiration all the way through to delivery. So we started work on customer journeys. In that, we see as a massive opportunity to step-change our customer experience.

Time and again, the best practice benchmark during the transformation program is Screwfix, for example, in the area of search. Willett says:

We know that good online search and good natural search out on the Internet drives both traffic and conversion. And in fact, some of that best practice has been applied to the early part of the year in B&Q which is why we're starting to see some of those numbers.

In the new search tool that we're implementing, so we're all going to implement a new search tool into the unified IT program, technically, that's underway, and actually, we're going for an implementation in B&Q in Q4 and then Castorama France in Q1. And then the rest of the group will get it as we roll out the group IT program.

The firm is in build-mode for a new series of mobile apps and websites, a necessity for the first half of 2017 because, as Willett admits candidly:

It's fair to say our [mobile] experience as a group at the moment is not great.

Digital analytics is also a priority, he says, although there has perhaps been too much enthusiasm here in the past:

If we can't analyze how people use our sites and shop at our sites, we can't improve properly. So, actually, in digital analytics, the group to be fair was a bit of a mess. We virtually added every digital analytics tool on the market, deployed somewhere. So we've completely rationalized all the tools. We've come up with this common set of KPIs for the group and the common way of implementing it and we've now got a common digital dashboard that's actually across the group. So we're moving forward on that.

The final stage will be the checkout process:

We implemented a much simpler one-page checkout into Screwfix at the beginning of the year. And we've actually seen increased conversion by about 6% which is fairly large in the scheme of things. The similar checkout to that, we will build for B&Q and we're just starting to build the Castorama. We'll be putting that checkout into the group IT platform. So, in terms of Brilliant Basics, we're moving forward and we're on plan.

Willett and his team are working to some tight deadlines and there's been tweaking of 'milestones' to tie in with the realities of a major, multi-nation rollout and manage risk. But Willett is adamant of one thing:

We will not sacrifice quality for speed. So, if we need to stop, we need to slow down, then we will.

My take

A major endeavour and one to track over the coming years as the DIY refresh takes shape.

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