

Simon Burke – The Big Interview

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It is easy to define eras in certain industries, but perhaps a little more difficult to succinctly explain how retail has reinvented itself over the years.

In music, for example, there was the swinging sixties, the new romanticism of the 1980s and early 90s' Brit Pop, but in retail it is a challenge to define just how the process of selling has changed over time.

Current Hobbycraft Chairman and experienced senior retailer Simon Burke, whose first major industry role was as CEO of music specialist Virgin Retail, believes retail can be broken down into three distinct ages separated by technology - with the third of those only just being born.

"I think it is the beginning of a new technological era – there is no question about it," he told Retail Gazette.

"There are perhaps three eras you can talk about in retail: The first is the pre-internet era when up until the late 1990s shops were shops where people did their shopping, while mail order was something separate and quite small and specialised.

"Then you had the internet era, which has come along and in some sectors has completely revolutionised shopping, but in others it had had more limited impact.

"Now I think we are at the beginning of the mobile era. I'd compare to this to where the internet was in around 1998 – just before it really started to take off."

Burke, who has previously been Chairman at Irish supermarket group Superquinn and toy specialist Hamleys, believes that retailers need to get over the fear factor relating to the impending mobile revolution; something he claims held back many companies during e-commerce's emergence on the scene at the start of this century.

While online-only retailers and a selection of high street stores got to grips with e-tail at an early stage, there were just as many companies operating in the industry which shied away from its advances.

“When the internet came along - and to some extent, the feelings still exist today - it was seen as a rival to shops,” Burke remarked.

“Some have always had this fear of pushing too hard in their online business for fear of undermining store sales, a theory reinforced by the spate of stores closing down and high streets becoming deserted. Internet trading is seen as a contributor to this.”

As a result of slow e-commerce adoption in some fields, companies such as e-tail giant Amazon took control of the market for books and other entertainment products, at the expense of businesses like high street bookseller Waterstone’s, **which was recently sold off by HMV Group in order to reduce the entertainment specialist’s losses.**

Now, the experienced Irishman is keen for retailers not to make the same mistakes when it comes to m-commerce.

“It is very early days, but I think retailers have a lot of waking up to do to the potential that this actually offers their in-store businesses,” he said.

“With mobile technology, what is beginning to dawn on retailers is that there does not have to be an either/or.

“This is a technology which isn’t going to take business away from shops – it can actually be deployed to promote business in shops.”

The likes of Burke, who in his role as Non-Executive Chairman of mobile voucher firm **Eagle Eye Solutions** is at the forefront of the m-commerce switchover, as well as other retail luminaries who are backing mobile tech, do not want retailers to miss out on the opportunities presented to them by this new technological platform.

Earlier this month, **former Executive Chairman of Marks & Spencer Sir Stuart Rose** oversaw the launch of a mobile payment system designed to speed up m-commerce adoption on the high street.

Dubbed Simply Tap, the tool developed by Charles Dunstone’s The Mobile Money Network allows customers to order products from participating stores such as Carphone Warehouse, Thorntons and Pretty Green, just by entering a corresponding code displayed in store or online.

Meanwhile another familiar retail face, Sir Terry Leahy, ex-CEO of the UK’s largest supermarket Tesco, is working alongside Burke at Eagle Eye, **having invested in the business earlier this year.**

“Sir Terry has been to every board meeting,” Burke explained.

“Since leaving Tesco he has invested in a lot of retail and retail-related businesses, but what is different about Eagle Eye is that he is actually giving time to it. We hugely value the fact that we meet with him every month.



Sir Terry Leahy is a keen advocate of mobile technology in retail, and has invested in mobile voucher firm Eagle Eye Solutions. “As you would expect he has been able to open some very interesting doors for us – not least with Tesco.”

With so many of retail’s most successful figures from the last decade offering their backing to mobile development within the industry, it is difficult for companies to argue against this medium as an area in which to invest.

Burke certainly maintains that it is the way forward, and he sees huge marketing benefits for businesses which get involved in the initiative he is backing, with companies able to experience greater redemption rates for vouchers at more cost-effective prices.

“We think vouchering is a critical element of moving traffic into stores,” he argued.

“The other big thing is price comparison and information as you shop, and potentially location-based marketing, which are all things that will make it easier for people to do their shopping in stores.”

Comparing the success of voucher schemes in operation when he was in charge of Superquinn to the potential provided by mobile-based systems now, Burke described today’s technology as “a totally different phenomenon”.

“We’d mail our customers with vouchers, and if you got a conversion of five per cent on that that would be extremely good,” he added.

“In the case of mobile vouchers, the same principal applies as people have to sign up to it, but we have seen redemption rates of up to 90 per cent in certain regions during trials Eagle Eye undertook.”

It is expected that Sir Stuart Rose's initiative will receive further backing from retailers in the months ahead as the benefits of the technology become clearer, and Burke revealed that Eagle Eye is in talks with three of the UK's biggest grocers about deploying its mobile voucher system in their stores.

Fashion, electricals and household goods specialists, as well as sportswear, arts & crafts and pet product retailers, are all reportedly showing an interest too.

"It's really a case of across the board," Burke clarified.

"There is no retailer that isn't interested in planting a promotional offer literally into the hands of their customer, without needing to resort to the very expensive business of mailing it out."

With so many retailers struggling with the costs of running their businesses and worried about the lack of footfall in their stores, there can be no better advert for investing in m-commerce than that. And with the support of renowned retail professionals such as Burke, it is only a matter of time before the new mobile era is firmly established.