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## Interview: Technology investment to play its part in Carpetright turnaround

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**Carpetright announced a strong rise in annual profit last week, and CEO Wilf Walsh has explained to Essential Retail how the business is using technology to help its turnaround strategy.**

Carpetright CEO Wilf Walsh says that as the overall market leader in sales of floorings and carpet in the UK, the company should also be "leading the drive" in terms of the technology it deploys for customers to use on their shopping journeys.



Carpetright's new-look store on Clapham High Street in south London

The former chairman of Fortuna Entertainment Group and managing director of betting firm Coral, who took over the reins at Carpetright in July 2014, is looking to use the retailer's website to drive people into stores, where he expects the vast majority of sales will continue to be completed in the immediate future.

"If you can create inspiration on the website it gets people into store," he told Essential Retail.

"Unlike other businesses, our store managers do not think that online is cannibalising sales in stores – it's actually driving people in. Carpet is the second best legal high smell after a marker pen; you need to be in a shop touching, feeling and smelling it because it's actually a sensory experience."

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Walsh was talking at the official opening of Carpetright's new-look store on Clapham High Street, which is the first of four shop revamps that are expected to set the tone for the business's future image. Designed by the True Story agency, the stores have a fresher, open layout and have been created, in part, to attract a more affluent customer.

Since taking over the CEO role from company founder Lord Harris of Peckham 12 months ago, Walsh has started an organisational restructure that he hopes will create a step change in the public's perception of the brand. The new CEO acknowledges that profit warnings under the previous managerial regime and a struggle for sales have had a negative impact on Carpetright's image, but last week's announcement that profit for the year to 2 May 2015 rose £8.4 million to £13 million is an encouraging start for his team.

Much of the early work Walsh has undertaken revolves around new methods of direct communication with its customers, and this is proving to be an eye-opening experience for the business.

"When it comes to customer service, we've moved away from mystery shopper to an email survey system called 'Do we measure up?', which is run by SMG who have done some very good work," he explained.

"We've had over 70,000 individual emails over the course of five and a half months – customers saying what the experience was like, where they were and who served them. For us it's just a case of measuring it and data mining the information which is based on the performance of in-store staff, our fitters and estimators."

Carpetright's role now is to monitor this feedback and look at what will draw people into its stores. It is hoped that the new layouts, which are soon to appear in Tunbridge Wells, Reigate and Thurrock, will refresh the company's image, in addition to the £4.5 million that will be put towards tech investment to upgrade "aged" transaction systems across its estate.

Interest-free credit is now offered to customers and Walsh suggests the retailer is now processing its customers "a lot more efficiently" than before.

But what has Walsh picked up from his time in the sports betting world that can be transferred successfully to carpet retailing?

"It's understanding that customers want information fast, they want it on the move and they want to be engaged," he noted.

"You only buy new floor coverings every few years. Unless your carpet is on fire, the chances are you don't really need it! What we must do is provide an end-to-end, hassle-free service which at the start is technology driven with online research, right through to when the product is fitted and every stage in between."

He also expects technology to play an increasingly more prominent role in the retailer's stores, in terms of touchpoints for people who may wish to bring their own plans and super-impose flooring options on to those details.

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And despite the fact most carpet purchases are made in a store, Walsh says that around 85% of the transaction journeys start online – so there are plenty of ways the business is looking at developing the digital experience for its customers.

"We are asking ourselves what's the next stage?" said Walsh.

"It's not currently that easy to accurately measure your own carpet needs, but why can't we develop the app that allows you to do that which means you can confidently come into a store, download the carpet of your choice and show how it will look in your own home?"

The Carpetright team acknowledges it is only at the start of its transformation journey, but the four new store concepts cover different markets and formats, and Walsh will be monitoring the impact the refreshed brand has on sales, conversations and footfall. Depending on the results and subsequent customer research, the new look could be rolled out across the UK, in due course.

It appears the business is also open to hearing about new ideas surrounding technology and systems that will have a positive effect on its customers' experiences, and the processes have been put in place to learn more about shoppers' expectations.

"We've had a string of profit warnings over the last few years, which I think saps confidence in the brand internally as well as externally, but we've got some really good people," said Walsh.

"There's a lot of knowledge and expertise in this business – it's just a case of tapping into it with a more collegiate approach. You try and motivate people and give them a clear plan, communicate it and let them enjoy it."

Link: <http://www.essentialretail.com/news/article/559aa4824d2eb-interview-technology-investment-to-play-its-part-in-carpetright-turnaround>