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How convenience powered Screwfix's success

From mail-order specialist to 530-store powerhouse, Screwfix has made itself indispensable to its customers. *Emily Hardy* reports

Trade specialist Screwfix has become a great retail success by not thinking of itself as a retailer. The Kingfisher-owned brand sets out instead to be the “best possible business partner” to the UK’s 165,000 tradespeople, to whom time is money.

It is that affinity with customers, their needs and frustrations that keeps Screwfix ahead of the curve.

Chief executive Graham Bell says: “It sounds trite, but listening to what tradespeople need – so they can do their jobs and keep money coming in – informs our decisions.”

Over a cuppa – builder’s tea, obviously – at the Screwfix head office in Yeovil, Somerset, Bell explains how taking seriously the

old adage of ‘putting the customer first’ has fuelled the company’s transformation from a small mail-order specialist in 1979 to the 530-store multichannel powerhouse it is today.

It was “really keen” customers pleading for a physical store, he says, that led to Screwfix opening its first shop 12 years ago, for example. Similar customer demand was the reason behind its implementation of a 24-hour contact service.

Knowledge is power

While Screwfix’s humble beginnings may now seem like a distant memory, those roots are partly what has enabled it to stay close to its customers’ needs and make the most of multichannel opportunities.

Screwfix’s origins as a catalogue business and then a website mean that, from day one, it has always been able to make use of customer data.

“We know all our customers and can see what they are buying,” says Bell.

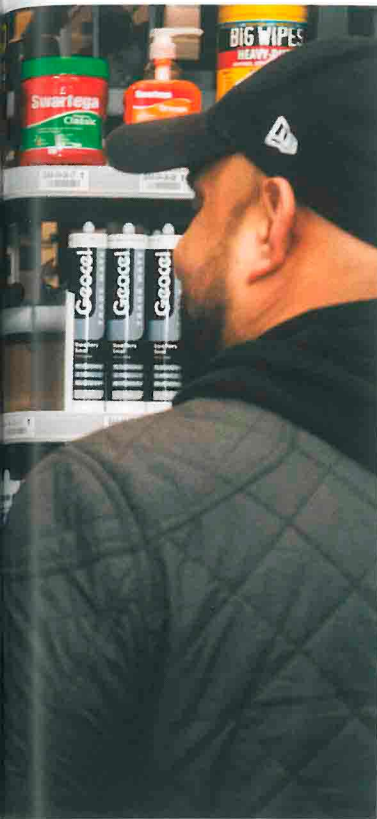
The judges agreed that Screwfix, acquired by Kingfisher in 1999, has “the clearest understanding of its customers”.

Many traditional retailers can only dream of having such quantities of customer data to hand and Screwfix shows how effective smart use of data can be.

Trend-spotting

It allows the retailer, for instance, to personalise its marketing and to spot more unusual shopping

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Screwfix

trends, such as the propensity for its trade customers to buy products for home use.

"It means we can look at where to broaden the product range, too," Bell says. "In fact, the biggest growth category at the moment is landscaping, which we're looking to do more in now. We can see it's definitely going to be a big new category for us."

In terms of scale and power, Screwfix is, as one judge put it, a "juggernaut of a business". Yet it is simultaneously as agile and nimble as a Mini Cooper.

"It's not possible to future-proof, but you can ensure you're as flexible as possible. We never get further than a three-year plan because the world moves on," Bell says.

This means that, unlike many of its chunkier retail counterparts, it can speedily adapt to meet its customers' needs.

Screwfix has been particularly busy over the past year – despite operating in a challenging home and DIY market – keeping its community of both old-school and tech-savvy tradespeople happy.

And its initiatives have clearly resonated because active customer numbers jumped 12% to 7.6 million and like-for-like sales leapt 11.7% in the six months to July 31, 2017.

So, what are some of the fixes the company has made?

In response to customer feedback, Screwfix introduced digital click-and-collect kiosks in selected stores, which have reduced waiting times – a pet hate of busy tradespeople.

Combined with the ability to pick up items just one minute after ordering, the result has been a 47% click-and-collect surge.

Responding to another customer frustration – paperwork – Screwfix updated its app so that its trade shoppers can create lists, save

receipts and host their Screwfix card all in one place.

Mobile is the retailer's fastest growing channel, with sales soaring 98% year-on-year. The Screwfix app has been downloaded 390,000 times since its launch in 2015.

And as part of its Simply Better Service initiative, Screwfix has given colleagues the tools to fix problems reported by customers.

Putting customers first

That includes putting a customer service rep on the shopfloor at all times, and empowering its 24/7 contact centre staff and social media team to engage customers in a less formal manner so conversations are more authentic and consultative.

Bell says: "Technology is moving everything forwards and online, but people still really want to talk to people. Tradespeople never know what a project is going to bring. There's a demand to speak to someone, day and night, and get things sorted quickly. So we do that."

The judges were also impressed by Screwfix's bricks-and-clicks strategy – it opened 60 stores last year, so 97% of the UK population now lives within a 30-minute drive of a physical touchpoint.

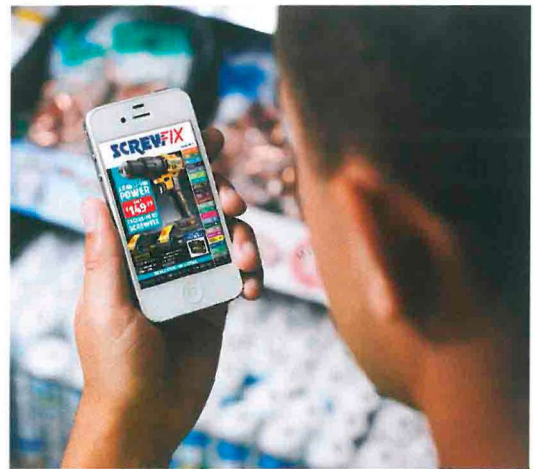
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The Screwfix contact centre in Yeovil

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Graham Bell



The business is eyeing a store portfolio of around 700 units, but Bell says its bricks-and-mortar presence could expand far beyond that as customer demand grows for shops in smaller market towns.

"We combine all the mediums, all the channels. It's all about convenience," Bell, who cut his teeth at Asda and has now been at Screwfix for 11 years, says.

"If you focus on what the people want, it is the right thing for the business. We often wonder why we didn't do things sooner."

The home improvement project is never complete at Screwfix. Even though it is the jewel in Kingfisher's crown, Bell says there is more work to be done.

The retailer continues to invest in compiling feedback via monthly tradespeople surveys and regular focus groups, which Bell himself often attends. So expect more innovation in future.

For example, Screwfix is piloting a same-day delivery service in London.

"We found it wasn't going to be viable without charging for it, and I was really worried about that," Bell admits. "But it turns out the

cost isn't even a consideration. If someone needs a small thing urgently for a job, they say it's worth it for the time saved."

It is also gently branching out into B2B services – an opportunity Bell describes as "huge". However, he insists this diversification won't be a driving priority for Screwfix.

"It could be huge, but we don't want to have big contracts that other people fight for, or unnecessary complications."

Indeed, "keeping it simple" is a priority for Bell who, since taking the helm last year, has also put people back at the top of the agenda.

As the company progresses and grows, he is eager to make sure that everything, from the PoS in stores to head office functions, are kept simple for every member of staff.

The proliferation of start-ups, fuelled by new technologies, means that – like most businesses – even the super-agile Screwfix faces the risk of disruption.

Embracing change

Staying on top of emerging technologies, not to mention the five-year transformation strategy – One Kingfisher – being



Employees at the Ilford store

implemented by its parent company, will be key to the business retaining its crown.

But Bell's attitude towards disruption is sanguine. "It's about not being a victim of change," he says. "It's becoming easier for people to disrupt. There are always disruptors, but they just enable you to change and improve. We always think, 'what can we take off them?'"

And he is confident that the retailer will not lose its agility or customer understanding.

"We are the future," Bell confidently asserts. **RW**

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