

# SHOPPING EXPERIENCE

Three questions for Steve Lewis,

Managing Director of M.Video 

**What is the main difference between M.Video and its competitors in terms of the customer experience?**

What mainly sets M.Video apart are technologies and the way we interact with customers. We have several points of contact with the customer: stores, our website, a mobile app and sales assistants, and we strive to ensure that communication and service are completely homogeneous and equally effective at all these points. We call this approach ONE RETAIL.

The modern consumer appreciates speed and information. How are we responding to these demands? At all M.Video stores, sales assistants work with an additional tool, i.e., a smartphone connected to our m\_RTD information system. Using this system, sales assistants can tell shoppers much more about a product, compare several models, check how many bonus points a customer has available, see the customer's history and much more. Nobody works this way in Russia.

**What is the function of traditional stores in the era of mobile Internet?**

Despite the availability of technology, we can see that traffic hasn't decreased within our network, i.e., people still love to visit stores. Approximately 70% of the Group's customers use the Internet in the selection process, but more than 90% of all transactions are completed at stores.

In Russia, shopping centres are not just a place for bargains; they are centres for recreation and experiences, where people spend their leisure time. Therefore, we are developing our stores as centres for a new experience where shoppers can learn about the latest technologies and get acquainted with our products: hold new gadgets in their hands, put on a virtual-reality helmet, play a new game. This experience makes us unique, because no online store or marketplace can offer it.

**How does  
M.Video measure  
the quality of customer  
experience  
and service?**

For me, the most important indicators are customer loyalty and employee loyalty. Business is always about people, and we want to be sure that both those making a purchase and those making a sale have a good experience at M.Video. We regularly measure our net promoter score (NPS), which indicates a customer's willingness to recommend us to someone else. M.Video's NPS last year was 76%. For retail, this is an excellent result that confirms that our efforts to develop our site and our stores and to accelerate all client operations are working. And the level of staff turnover at M.Video, on the contrary, is one of the lowest: about 30%. This means that our employees are also satisfied, and satisfied sales assistants are able to make customers feel satisfied.



## Three questions for Sergey Li,

### Managing Director of Eldorado



#### **What has changed at Eldorado from the point of view of consumers since the merger with M.Video?**

Last year, we actually carried out a complete restart of Eldorado's business in three areas. First, Eldorado again became a specialised retailer of household appliances. Previously, the company pushed non-core categories, including products for children, which blurred the business focus and brand perception. We removed non-core categories from the product range and dramatically increased the digital electronics segment. In 2018, Eldorado's sales of digital goods increased by 50%, three times the market average, while sales of smartphones increased by 70%.

Second, we switched to an omni-channel model, balancing our product range, prices and services both online and offline, and we combined the philosophy of these two channels. Third, we updated our brand and our logo and launched a new concept for Eldorado 600 stores. This is a modern format with an average area of 650 square metres, which enables efficient performance on the basis of relatively small turnover.

#### **How does Eldorado's position differ from M.Video's? Who are your customers?**

Unlike M.Video, which focuses on premium technologies and the best service in the market, our values are simplicity, the best price and proximity to the customer. We focus on small stores near people's homes, an affordable product range and basic promotions such as EldoSale, i.e., sales of goods from leading brands at attractive prices.

Our customers are people who are looking for the best value for their money. At the same time, there are some intersections in Eldorado and M.Video's client bases. Someone might have a need that Eldorado is better placed to meet today, but tomorrow they'll go to M.Video to find something else they need.

Within the Group, Eldorado plays the role of an attacking brand. We have a presence not only in large cities and large shopping centres but also in smaller settlements and where M.Video will never open a store. Eldorado knows how to sell in a small format.





**How are Eldorado's online sales evolving?**

In 2018, we redesigned the eldorado.ru website and launched a comprehensive site update. We expanded the site's functionality, made the shopping basket easier to use, and we're going to double the speed of the site thanks to the introduction of Single-Page Application (SPA) technology. In total, we have to complete about 130 changes on the site this year, but we can already see that the transition to the omni-channel model is producing positive results: in Q1 2019, our online sales increased 24% year-on-year.