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**UNIVERSITY OF NOTTINGHAM
BUSINESS SCHOOL**

**RETAIL STRATEGIES OF
NOTTINGHAM FOREST FOOTBALL
CLUB**

**Effective change management and engagement strategies for
Nottingham Forest to make it a successful Multi-Channel retailer**

By

NIPUN KUMAR DUBE [4073058]

MBA

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2008

**Individual Management project presented in part
consideration for the degree of**

General MBA



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ABSTRACT

As football fans and also business students with particular interest in retail strategy, the opportunity to work with Nottingham Forest in that capacity was appropriate.

Nottingham Forest Football Club is concerned with the level of sales and revenue it makes from merchandise sales, across all retail channels.

In tackling this issue, it was important to understand the shift in football from being just about entertainment but more about a business which not only pays for itself but also makes profit. Key to this shift is the knowledge that although football's (and sports in general) offering is intangible (i.e. it provides entertainment and a sense of belonging and attachment); it is this very intangibility that provides the basis for tangible cues. Tangible cues are physical signs and signals use to represent or direct to a non tangible service. The success of these tangible cues is dependent on the value attached to the club by the fans; that is, the loyalty of the fans to the brand.

It was also pertinent to note that in retailing, it is important to incorporate the various channels available. Most effective retail organizations have incorporated successful multi-channel retailing. These channels include the retail store, the online store, catalogues and telephone. If any of the channels is viewed uncharitably by customers (in this case the fans), it could and does affect the rest of the channels. Channel conflict is not tolerable in present day retail strategy.

The report also focuses on the change management issues and the engagement strategy that can be very effectively and efficiently utilized by the clubs. The key is to understand the drivers for change, identify the change champions and the level of engagement of its employees and also, the communication happening from the top management to the employees.

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Sport has captured the minds of the people across the world. It also has been able to foster a sense of national pride and contributes to a feel good factor among many nationalities. Football of all sports is being treated as a religion in many countries. There are cases where it has also been able to change the culture of the people. Football has been a passion for almost a century. But where there are passion and crowds there is an opportunity for business. (Marquez & Martin, 2001).

1.1 TRANSFORMATION OF FOOTBALL

For long Football lived in a closed world involving fans, players and semi – professional directors who took care of football in a sentimental way. However, when Murdoch bid for exclusive rights to broad cast the English Football, it moved from the romantic spirit on the streets to the offices of the businessmen. (Marquez & Martin, 2001).

A professional soccer club is like a Small Medium sized enterprise (SME) in terms of turnover and number of employees. There is however a difference, which is the image of the club, their fans and the extraordinary loyalty of its fans. (Morrow, *The People's game*, 2003).

There is also a difference in how different fans perceive their attachment with the club. “Many of them do not even contribute financially since they do not even buy any merchandise and only watches the match on TV. Other fans buy everything from shirts to expensive items including transportation fares and tickets for away matches and spend a lot of time in the branded world.” (Dolles & Soderman, 2005).

“*The Beautiful Game*”, though retaining most of its aesthetic qualities has since shifted to a more businesslike approach. While still concentrating on the game, they have also aligned themselves to different business strategies in order to survive.

1.2 RETAILING IN FOOTBALL

Key to a successful retail and market strategy employed by football clubs to encourage merchandising is image/branding and retailing. How the fan views the club will influence their relationship with the club and thus their willingness to purchase merchandise.

“A professional sports team has the potential to build what is known as brand equity by capitalising on the emotional relationship it shares with its fans.” (Underwood, Bond, & Baer, 2001).

The objective of the vast majority of professional football clubs in Europe includes both promoting football as a business and as a sporting activity. Thus it becomes one of the main differentiating factors from any ordinary SME.

After the revenues from broadcasting and contractual agreements, retailing has been one of the main areas of income for sports and in particular football. Most of the football clubs have been able to utilize their fan base and used their emotional attachment with the club to make money. Clubs' like Manchester United have even gone a step ahead by naming their store to Mega Store and have projected it as a spectacle.

There have been cases where the sales from football merchandise have become an integral part of the revenues for the clubs. In 2002, the income from the merchandise of the premier league clubs became their second largest revenue source. The clubs earned £347 m from TV contracts, £335 m from merchandising and £332 from admittance tickets. (Lonsdale, 2004).

The retailing aspect has been further utilized by the clubs, when they put the names of the players on the shirts in 1993. When Newcastle bought local boy Allan Shearer in 1996, the club made £ 250,000 in one day from replica's of striker's No. 9 shirt. (Management Today, 2006).

1.3 MULTI-CHANNEL RETAILING

Most retailers are exploiting the opportunities afforded to them by Multi-Channel options. The lure of being able to attract customers to three or four different purchasing channels is enough to entice any retailer to launch an Internet site or to produce a catalogue. With promises of increased average purchases, increased frequency of purchases and increasingly loyal customers (Kumar & Venkatesan, 2005), Multi-channel retailing is thriving. However, there is a distinct difference between being a Multi-channel retailer or simply a retailer that has multiple channels. The integration of the various channels is vital if any retailer is to reap the benefits. No longer is it acceptable to separate different sales channels and the failure to integrate can have disastrous effects. The music industry has been unable to effectively integrate online sales into its strategy and this has resulted in millions of dollars being lost to pirating, even the UK Real Estate market has been hesitant to integrate online sales with its store operations. This seems to reflect the current sentiment many have regarding online sales integration – fear.

Employees are fearful that online sales may result in stores being shut down and jobs being cut and managers are fearful that online sales may cannibalize their profits.

1.4 BACKGROUND OF NOTTINGHAM FOREST FOOTBALL CLUB

Nottingham Forest Football Club is an English professional football club based at the City Ground in West Bridgford, a suburb of Nottingham, England. They are currently playing in the Championship, which is the second tier of English league football. Nottingham Forest has an illustrious history which encompasses winning two consecutive European Cups, along with the domestic title, two FA cups and four League cups. (Nottingham Forest).

However, due to poor performances in the league and some poor decisions by the clubs share holders, the club has suffered in terms of the league positions and subsequently revenues. Recently, due to some good performance, they have reinforced belief in their supporters and are looking to leverage on the retailing opportunities available to them.

1.5 THE CASE

Nottingham Forest is aware that in order for their Multi-Channel strategies to be successful, there has to be a perfect integration between the store and the website. For this to be successful, some aspects of the organization must undergo some fundamental changes. Further, this change cannot occur unless the Nottingham Forest retail store employees are effectively engaged and are motivated enough to change as well.

The individual report which is linked to the main report will look at the Multi-Channel retailing in more depth and also compare the practices of Nottingham Forest Football Clubs with some of the Multi-Channel retailers from the other industry.

It will then try to find out the short comings in their strategy using various literatures and the comparison done. Based on the results recommendations will be given to Nottingham Forest Football Club to improve their strategies.

A proper research in this case will involve looking at the multichannel retailing strategies that can be employed for retailing in the football industry. It further looks at the change management and the engagement strategies for effective and efficient functioning of the store which discusses the top management's role in both the cases.

2.1 MULTI-CHANNEL RETAILING

There is a tendency for retailers to think of themselves as MCRs because they have multiple channels; however, this alone does not constitute a MCR. "A true multichannel retailer focuses on the lifetime value of the customer and delivers a consistent brand experience through each and every customer interaction, regardless of how the customer chooses to interact with the retailer" (IBM Global Business Service, 2007). Furthermore, the essence of MCR is being able to remove barriers and allow "customers to choose the right channel for the right product at the right time based on each and every shopping mission" (IBM Global Business Service, 2007). MCR is the most significant step in moving closer to a customer centric business as it stresses the ability to consistently deliver customer choice to the service standard dictated by the combination of channel and brand (IBM Global Business Service, 2007).

Typically, MCR includes the following three sales channels, each with its own advantages that can enhance the customer experience (About.com, 2001):

- 1) Stores:
 - a. **Browsing:** Arrangement of the shops should direct customers towards what they need or want.
 - b. **Touching and Feeling Products:** The customers should be able to touch and feel the products.
 - c. **Personal Service:** A good store should allow the customer to help themselves in picking out what they need.
 - d. **Cash Payment:** Or cash equivalent should be the main mode of payment.
 - e. **Immediate Gratification:** The customer should feel happy with his/her purchases.

- f. **Entertainment and Social Interaction:** Some customers come to the stores so as to interact with others.

2) Catalogue:

- a. **Convenience:** Using the catalogue should be convenient for the customers.
- b. **Portable:** A good catalogue should be portable.
- c. **Visual Presentation:** The catalogue should be appealing to the customer.

3) Internet:

- a. **Convenience:** The website should be arranged in such a way that it is convenient for users to negotiate.
- b. **Safety:** Customers information given over the Internet should be safe.
- c. **Broad Selection:** The details in the site should offer a wide selection to the users.
- d. **Detailed Information:** Customers should be able to get precise information from the website.
- e. **Personalization:** A good website should give the customers a sense of personalized service.
- f. **Problem-solving information:** A customer should be able to go to the website and obtain clarification.

Multi-channel retailing is imperative for UK retail success for a number of reasons, including:

- Multi-channel customers drive more sales at a higher gross profit – over 60% of retailers have found multi-channel customers to be more profitable (Kumar & Venkatesan, 2005).
- Multi-channel customers are more loyal (Kumar & Venkatesan, 2005).
- ‘Super Shoppers’ – those who use all three channels - represent 34% of online shoppers and are four times as likely to purchase online, 70% more likely to purchase from the store and 110% more likely to purchase from the catalogue (Kumar & Venkatesan, 2005).

Perhaps what is most important is that 60% of customers want to use multiple channels to make purchases (Boa, 2003) highlighting the demand for Retailers to move towards MCR. A recent study by Shop.org (2001) shows that multichannel shoppers purchase more frequently and spend 2-4 times more than single-channel shoppers (Figure 1):

Figure 1: Breakdown of Multi-Channel Shoppers (Kumar & Venkatesan, 2005)

	SHOPPED IN SINGLE CHANNEL	SHOPPED IN TWO CHANNELS	SHOPPED IN THREE CHANNELS	SHOPPED IN FOUR CHANNELS
Revenues (\$)	4,262 ^a	5,736 ^b	13,250 ^c	60,076 ^d
Share of Wallet	0.20 ^a	0.35 ^b	0.48 ^c	0.72 ^d
Past Customer				
Value (\$)	6,671 ^a	10,874 ^b	22,472 ^c	94,456 ^d
Likelihood of				
Staying Active	0.11 ^a	0.15 ^b	0.38 ^c	0.67 ^d



^{a,b,c,d} Means with the same letter are not significantly different from each other at $\alpha = 0.05$.

However, increased customer expenditure is not the only benefit MCR has for Retailers and it is important that companies such as Nottingham Forest Football Club be fully aware of all the benefits and ensure that these benefits are communicated clearly to its employees – because if they do not see MCR as beneficial, it makes any type of integration very difficult. Stone *et al* (2002) outline the following benefits of MCR:

1) **The benefits that work through customers are:**

- a. The identification and capture of opportunities for increasing value per customer.
- b. Increased convenience and an improved experience, reducing customer churn rates and increasing their motivation to buy more from the supplier.

- c. The ability to leverage and established brand creating positive impacts on brand perception and mitigating the risk of brand damage.

2) The efficiency benefits are:

- a. Increased efficiency through the sharing of processes, technology and information.
- b. Increased organizational flexibility.
- c. Increased efficiency in dealing with business partners, so they can reduce costs.
- d. Increased efficiency in exploiting customer data to identify customer needs, possibly indicating new paths for growth.

3) The benefits for customers are:

- a. Increased choice in the way they can interact.
- b. The ability to switch easily between the various channels, when it suits them and wherever they want to, depending on their preference and the type of interaction.

However, MCR does not come without its own challenges, many of which can override any potential benefits and lead to inconsistencies across the channels. These challenges include:

- Heavy investments in unconvincing multichannel strategies and technologies that result in a poor return on investment.
- Problems in bringing together and standardizing data about customers or resulting from interactions with them.
- Problems unifying different systems which may have very different data models.
- Difficulties in reducing or abolishing organizational boundaries.

(Stone, Hobbs, & Khaleeli, 2002)

Many retailers agree that the “biggest problem they faced was their inability to recognize known customer through all touch points” (Stone, Hobbs, & Khaleeli, 2002). This is because MCRs typically control a number of customer touch points that are not coordinated as closely as they should be and few have a ‘curriculum of contact’ that “lays out the precise type, timing and

frequency of the customer contact” (IBM Global Business Service, 2007) that leads to promotional overlap and inefficient use of company resources.

However, perhaps that biggest challenge facing MCR is channel conflict, something that Boots must overcome in order to succeed. “Channel conflict has been named by many companies as the most important issue regarding their online sales strategy” (Muller-Lankenau, Klein, & Wehmeyer, pp- 4, 2004). Channel conflict occurs when one channel coalition perceives that another is engaged in behavior that prevents or impedes the first from achieving its goals (Webb & Hogan, pp-2, 2002). This problem arises because having multiple channels places “conflicting demands on internal company resources such as capital, personnel, products and technology” (Webb & Hogan, pp-2, 2002) and this results in “conflicting objectives of various channels [leading] to internal conflicts over customers, raising the potential for customer confusion and dissatisfaction” (Webb & Hogan, pp-3, 2002).

This is precisely what Nottingham Forest has to guard against. It has to make sure that its channels are not competing against each other and no channel should be worried about the other cannibalizing on its profits. One way to solve channel conflict is to reduce the reliance on channel-specific goals and adopt channel-wide goals – it is important that these cross-channel metrics include customer- and employee-focused measures (Stone, Hobbs, & Khaleeli, 2002). Channel conflict is perhaps the most serious concern for companies when they adopt a MCR strategy and is something as stated earlier that Nottingham Forest needs to be aware of and look for solutions to minimize any potential conflict.

Finally, retailers have to focus a large part of their efforts on multichannel management, and this change is driven by seven key drivers (Stone, Hobbs, & Khaleeli, 2002):

- 1) Customer demand.
- 2) Channel costs.
- 3) Strategic competitive advantage and differentiation.
- 4) Allowing customers to manage relationships.
- 5) Convergence of channel roles.
- 6) Increased variety in customers’ channel use patterns.
- 7) Regulatory pressures.

However, what makes MCR so difficult to implement successfully is that it requires an entirely new organizational model, “one that adapts people, processes and technology to meet this coordinated approach” (Stone, Hobbs, & Khaleeli, 2002). Strong support is needed from the Senior Management Team, as well a “clear vision of how channel integration will generate business value for the organization and where the main changes need to be in the organization” (Stone, Hobbs, & Khaleeli, 2002). Most importantly, especially for Nottingham Forest, “employees must have the right skills to understand increasingly sophisticated customers, analyze customer preferences and create value from these customer relationships, while the organization must train their employees to develop the right skills” (Stone, Hobbs, & Khaleeli, 2002).

It is clear that MCR can bring a lot of benefits for a Retailer like Nottingham Forest and even more clear that Retailers must embrace the trend towards online purchasing; however, there is a large degree of change that an organization must undergo in order for MCR to be successful and effective – the skill lies in managing that change and engaging those who are most affected by it.

2.2 ONLINE RETAIL

At the crux of this issue is online shopping. Wider accessibility and larger bandwidths have helped to legitimize this retail channel as it becomes an increasingly important part of any Retailer’s core business. Online shopping has steadily grown in popularity in the UK and by 2012 “online sales will increase by 32%, to £60 billion per annum and would account for approximately 20% of all retail sales in the UK” (DataMonitor, 2008). Online retailing offers traditional retailers an attractive sales channel that provides high levels of audio and visual content as well as virtually infinite space for products (Stone, Hobbs, & Khaleeli, 2002). This has resulted in many retailers hastily setting up online sites in an attempt to harness its potential for increased sales. In reality, many of these sites only account for a small percentage of total company sales and can lead to lost customers if the online and in-store experiences are not consistent with one another.

2.3 CHANGE MANAGEMENT

Nottingham Forest may have pinpointed where they have problems and are ready to make changes that would improve their sales and revenue. However, they have to bear in mind that business is run by the employees. If the employees do not buy into the vision of what the organization wants, then it cannot be effectively carried out. This is where change management comes in.

There are many causes that make lead to organizational change. These include the growth strategy, competitive pressure, customer pressure, government legislation, and technology development. When change is going to happen it is essential that the organization adopts a structured approach in order to move it from its current state to its desired state. This is where change management theory comes to the forefront. Managers have to be able to introduce and manage change in order to ensure that organizational objectives are achieved. In addition, they have to ensure that they earn the commitment from their employees throughout the change process. At the same time, they have to ensure that business continues as usual – providing a difficult balancing act.

Many perspectives of change can be defined. One key perspective is that change can be seen as an emerging and ongoing process of organizational transformation, rather than a phenomenon that can be predicted, pre-planned, and has a finite end point. Emergent approaches to change stems from this as change is seen as a series of linear events within a given period of time and is viewed as a continuous process. Emergent approaches focus on the developing and unpredictable nature of change that usually evolves through the interaction of multiple parameters, such as context, political processes, and consultation, within the organization (Burnes, 2000). There are many essential activities that are important for managing change, as shown in Figure 2 (Cummings & Worley, 2001).

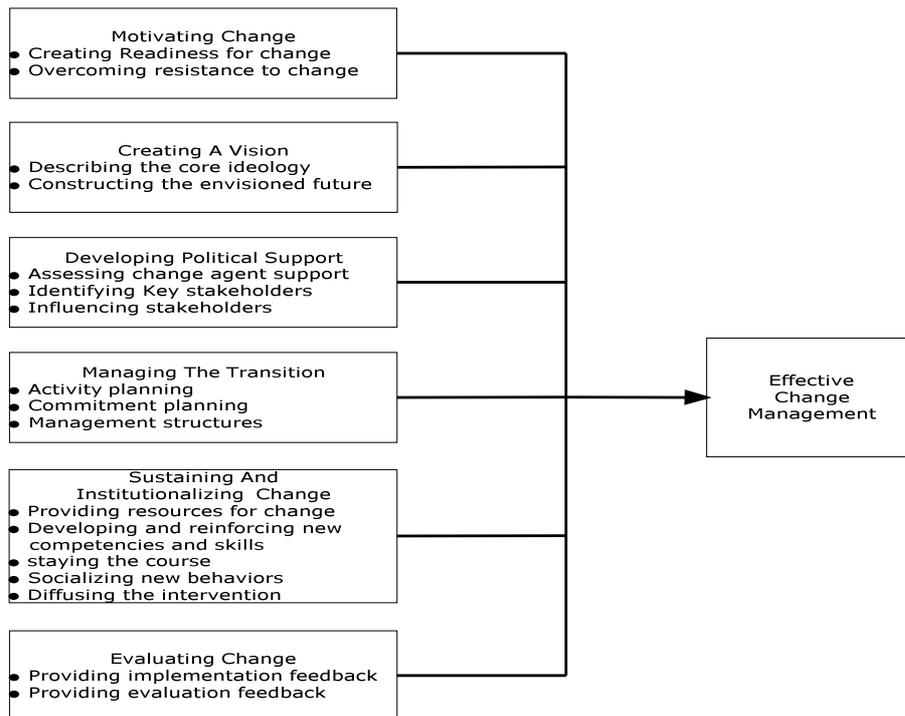


Figure 2: Activities contributing to effective change management (Cummings & Worley, 2001)

Improving revenue for Nottingham Forest Football Club would involve many steps of technological, management, operational and most importantly, cultural changes. These changes would need to integrate both the retail operations and the website. Robbins & Judge (2007) outline the eight steps needed for Organizational change:

1. Establish sense of urgency.
2. Form coalition of power.
3. Create new vision.
4. Communicate new vision.
5. Empower others to act on vision.
6. Plan and create short term wins.
7. Consolidate improvements and make adjustments.
8. Reinforce changes through behaviour.

Once the change process has begun it is vital that it is sustained and institutionalized. The on-field affairs should not be divorced from the marketing and business side. It is about Nottingham Forest Football Club. Everyone should be motivated to add to the bottom-line. Finally, feedback evaluation from change process is essential for any change to stick.

2.4 ENGAGEMENT STRATEGY

One of the key to success factors in realizing organizational change is to effectively engage employees at all levels. Their active participation is essential in the change processes. Some organizations use the term "engagement" to refer to employee's attitudes and perceptions of various characteristics of their work situation. However, there are many definitions of engagement given by companies, consultants, and researchers which vary in scope and content. "Engagement involves both emotional and rational factors relating to work and overall work experience" (Perrin, pp-5, 2003). Emotional factors tie people's satisfaction and the sense of inspiration and affirmation they perceive from their work and from being part of the organization, while rational factors relate to the relationship between the individual and the broader corporation, to the extent to which they understand role and unit's role relative to company objectives (Perrin, 2003). Stockley (2006) defines engagement as the "extent that an employee believes in the mission, purpose and values of an organization and demonstrates that commitment through their actions as an employee and their attitude towards the employer and customers". Most engagement definitions refer to the relationship between an individual's role and responsibility in an organization.

Therefore, when there is a change in the organization, it needs to be driven by engaging employees within the organization to the objectives of the change. However, engagement is a subjective term that differs between employees and so it is important that organizations intending to engage employees understand what the employees themselves define as engagement.

Furthermore, when developing an engagement strategy, organizations need to be aware of how engagement varies across different job levels. A successful employment engagement strategy "helps to create a community at the workplace and not just a workforce" (OPC(UK), pp- 1, 2005). The desired outcome for effectively and positively engaging employees is that they will form an emotional connection with the company. This emotional connection will result in increasingly motivated employees, who will put in that extra, *discretionary effort*. The challenge then is to find ways in which to engage employees and reduce the chances of employees becoming disengaged -which can have a destructive influence within an organization.

Towers & Perrin (2003) list the top ten drivers of engagement – they are, in order of importance:

1. Senior management's interest in employees' well-being.
2. Challenging work.

3. Decision-making authority.
4. Evidence that the company is focused on customers.
5. Career advancement opportunities.
6. The company's reputation as a good employer.
7. A collaborative work environment where people work well in teams.
8. Resources to get the job done.
9. Input on decision making.
10. A clear vision from senior management about future success.

Successful engagement efforts begin with the understanding that change takes time and is a continual process. Many models, mostly based on social marketing theory, are developed to describe the stages of change. In order to influence behaviour, people must go through the three stage of a "K-A-B" model (Keohan, 2008):

- a) **Knowledge** – Stakeholders must become aware of the change that is happening, the relevant effort, activities and events, and time period.
- b) **Attitude** – Stakeholders need to form an attitude about the knowledge they have internalized. This means tangible and positive evidence that company is serious and committed to the program, should be observed. Behaviour change appears in key leaders, major and employees.
- c) **Behaviour** – Stakeholders should be given the tools, guidelines, and support required to change their behaviour when they have knowledge and attitude. Recognizing and rewarding the right behaviour and showing intolerant to unaffiliated behaviour are vital.

There are many similarities between this model and the drivers of engagement as communication and development are vital. In any engagement strategy, employers have a responsibility to "provide employees with information...[t]o the extent a company consistently keeps employees fully informed, it provides the necessary foundation for employees to behave responsibly and accept accountability for making their own decisions" (Perrin, 2003).

"Beyond recruitment and induction, employee engagement activities should includes communication activities, rewards scheme, activities to build the culture of organization, team building activities, and leadership development activities" (OPC(UK), pp – 1, 2005).

Strengthening its organizational culture is an effective way to engage employees as a strong organizational culture has the following functions:

1. Conflict reduction.
2. Co-ordination and control.
3. Motivation.
4. Creates a sense of identity for members.
5. Fosters a sense of commitment.

(Robbins & Judge, 2007)

2.5 LIMITATIONS

The literature discussed above has some limitations in the context of Nottingham Forest Football Clubs retail store. Firstly, many of the retail studies are ad hoc and context specific. These studies may not have universal application. The studies which are conducted for one store may not be applicable for other stores and similarly the study done at the time may not be applicable in today's world. Secondly majority of the retail studies have been conducted at the grocery outlets. The Grocery retail industry is only a fraction of what might be defined as retailing. Lastly, the society is evolving. This results in continuous change in consumer lives, needs and wants and their choices (Kraft & Mantrala, 2006).

This chapter looks at the responses given by the interviewees as part of the research undertaken to study the strategies and functioning of the Nottingham Forest Football Club. The responses will be analyzed using the data collection with literature review in chapter 2. The information that is presented in the interviews and the questionnaires will be used as part of the discussion that will enable this paper form some predictions about the future direction of the Nottingham Forest Football retail store, based on the inputs from all the different sources that have been considered throughout this project.

3.1 RETAILING IN OTHER SECTORS

Before one can begin to form a company's engagement strategy it is necessary to understand the market in which that company competes as well as current practices that its competitors abide by. This will enable the company to better understand what tactics have succeeded and which have failed, providing them with a better chance for successful implementation. Companies such as Best Buy, Argos and Tesco, all of whom have created excellent employee engagement strategies for the integration of Multi-Channel Retailing (MCR). Several important lessons came out from this process, many of which were incorporated into our recommendations.

3.1.1 BEST BUY

Although Best Buy is a North American company, its use of the online channel is excellent: it sees 40-50% of all its in-store purchases influenced by research online (DataMonitor, 2008). It also produces weekly online flyers that are specific to the consumer's area code – resulting in a more personalized online experience. Some of the tools used by Best Buy in an effort to engage its 140,000 employees (DataMonitor, 2008):

- Creation of a Best Buy 'language', whereby company-wide acronyms are used only by Best Buy employees, resulting in a stronger organizational culture.
- Best Buy has clear, company-wide goals that each employee understands is their job to help reach.

- Every morning, before the stores open, each store has a meeting where they cheer on the previous day's top performer; how the store rated against other Best Buy locations and what today's targets are.
- Hand-shakes are frowned upon at store level, only high-fives are given – this includes the store managers.
- There is a mandatory monthly meeting where the employees are told the company-wide statistics and congratulated and further encouraged to remain motivated.
- Each Best Buy store has a “Viewpoint Committee” that consists of five employees (the members change every year) who are responsible for encouraging employee engagement.
- Levels of employee engagement are measured every year through a Gallup poll.
- All store General Managers go to an annual Best Buy conference where they listen to motivational speakers, such as Lance Armstrong, with the intention of bringing what they have learned back into their stores.
- All Best Buy employees are offered company stock options and Best Buy matches 15¢ to each dollar.
- All employees receive a raise at least once a year.

This has helped Best Buy to invert its Organizational pyramid, facilitating bottom-up communication from its employees. Something that we feel could be a valuable lesson for Boots.

3.1.2 ARGOS

Argos has perhaps provided the best example of a UK retailer that has successfully incorporated MCR into its core business strategy. Many in the Retail industry look to Argos as evidence of how online sales can drive a company forward, and many seek to replicate its successful “Bricks and Clicks” model. However, Argos’ online sales only account for 5% of its total business sales (E-Business Watch, 2004) a number that many would perceive to be much higher. Some key innovations in Argos have enabled employee engagement to be effective: “new technologies have had a profound impact on internal communications as well as on the way in which Argos communicates with customers and suppliers” (E-Business Watch, 2004).

An important advantage of the new technologies is the feedback which Argos can collect through its various communication channels – its website is one of these channels. This feedback enables Argos to understand how effective its channels are and highlights opportunities for improvement. In an effort to better understand its online customers' expectations and retail experience, "Argos implemented an innovative system of regular customer feedback sessions in which customers are invited to attend 'open evenings' to make suggestions of how to improve services" (E-Business Watch, pp – 2, 2004). This increased dialogue has proven to be advantageous for Argos and has enabled it to incorporate even more innovative online tools, such as "Ring & Reserve" and "Text & Take Home", which reflect customer and employee preferences.

3.1.3 TESCO

"Looking at the UK market, the explosive growth of the retailing sector is one of the most important changes to have taken place within the British economy in the post war era" (Morelli, 1997). Britons top retailers like Tesco, Sainsburys have been successful because they have been able to identify the need for them to be innovative and adjust to the changing demands of the modern consumer. The competition within the industry is mainly on price. However, this approach was combined with a widening of firms product range and developing a niche in specific segments like readymade food and vegetarian segments (Morelli, 1997).

Tesco which is UK's leading grocery chain has been successful in retailing using a customer centric approach with core purpose of creating value for its customers to earn their lifetime loyalty through its loyalty scheme, which has become an industry bench mark (Muller-Lankenau, Klein, & Wehmeyer, 2004) and has been able to align the product offering with the customer demand (Morrison & Assendelft, 2006).

The integration between Tesco stores and Tesco.com has also been very successfully achieved. Tesco has also been a very successful internet grocer. The differentiating factor for Tesco is that it enables its customers to buy online from their familiar local Tesco stores with each store's pricing and inventory system linked to Tesco.com and the food is then delivered by Tesco.com vans (Muller-Lankenau, Klein, & Wehmeyer, 2004).

After looking at the some of the best practices from the multi-channel retailing business of the few companies and trying to compare them with what Nottingham Forest follows, it becomes evident that Nottingham Forest retail channels still needs to acquire the efficiency that can be

achieved. There is a degree of integration between their functions like the retail and the website. However, this has not transpired into revenues and profits for them. It can be further argued that a perfect integration of their business process is no guarantee that they will be able to achieve perfect success.

Internet is still not the preferred medium for the purchase of their Merchandise. As per the survey conducted by us only 2 people from a survey list of 50 people were shopping online, i.e. a meagre 4% (Refer Appendix 5). Brandon however maintains that their website is doing a good job in terms of satisfying the market that is there. But, the average value of each online sale is around £ 5 - £ 7 (Refer to Appendix 1) less than the similar size clubs. Brandon also knows the importance to maintain their web site to a high standard and have a perfect integration between the store and the web store.

One thing that needs consideration is the amount of traffic on the Nottingham Forest's web site and what percentage of the traffic is going to their online store and then the percentage of the people who actually end up buying. They currently do not have any particular data of these numbers. They also do not have data which can help them to identify which customers are coming again and details of the repeat business.

Multi-channel retailing should be conducted in a way which can enhance the customer experience (About.com, 2001). There is very little evidence of it in Nottingham Forest Store. There are no surveys conducted either in the store or on their website about the functioning of the either and the wants of the supporters. Thus understanding consumer behavior is also very important if the multi-channels have to be successful.

Having multiple channels enables the consumers to choose from a number of options and do preliminary research before purchasing, thus encouraging long term loyalty (McGoldrick & NatalieCollins, 2007). No presence in the city centre is also playing against the Nottingham Forest. Adding another chain to the already existing store only enhances the stores competitiveness in the marketplace.

Online and the store can complement each other, it enables the shopper to look and choose from the entire list of items which is sold in the store and place the order from the convenience of their homes. Thus, helping in "yielding many benefits for the retailers involved, producing more connections with customers and increasing the share of customer" (McGoldrick & NatalieCollins, 2007).

"Importantly, multi-channel retailing is not just about exploiting technology to open new channels to market. To succeed, retailers need to capitalize on the growing volumes of

information readily available through physical and online interactions, integrating this information horizontally across their business resulting in their ability to bridge organizational silos to deliver a totally new integrated experience for the customer.” (IBM Global Business Service, 2007).

For multichannel retailing to be successful there needs to be a proper management guiding the process and the employees should accept it drive the vision of the company forward.

3.2 CHANGE MANAGEMENT

Multi-channel retailing can act as a great enabler for remodelling the organizations based on their customers. “The challenge is how to transform the organizations structure and processes, carefully gauging the extent and pace of change to meet employee and customer expectations without damaging the brand.” (IBM Global Business Service, 2007).

Currently, we feel that Nottingham Forest is in stage three; it has established a sense of urgency (they have realized that the club’s revenues need to be much more than what they are. Also a realization that other similar clubs are doing much more than them) and has formed a coalition of power (their Marketing Director Brandon Furse is championing the change), so now it must finalize its vision and begin to communicate it with the rest of the Nottingham Forest staff. The key element is the vision creation and promotion. In the past, Nottingham Forest was unable to effectively communicate the objectives and directions to the other staff. This resulted in not much marketing initiatives happening. Also there was no or very little co-ordination between the retail staff and the management about the marketing initiatives (Jackson, 2008) (Refer to Appendix 2).

It is likely that Nottingham Forest store employees fear the impending change, as many people would, and that fear is influenced by unclear company objectives that create misunderstanding in the affected group. This is another result from an unsuccessful communication of its vision throughout the organization.

In order to effectively manage change, Nottingham Forest needs to clearly and effectively communicate its roadmap for change. If it fails to do this, it may result in uncertainty when the transition begins which can counter any type of co-ordination. Once the change process has begun it is vital that Nottingham Forest sustains and institutionalizes the change in order for it to become embedded in the organization. Currently, Nottingham Forest does not have a clear strategy to cope with how to drive the continual process smoothly. Nottingham Forest still has deficiencies in many

areas such as the website functionality. Finally, feedback evaluation from change process is essential for any change to stick.

This analysis shows that Nottingham Forest needs a lot of improvement in many areas according to the effective change management activities. To narrow down the improvement, Nottingham Forest requires an approach to increase the inter-coordination between online and retail departments, to smoothly transition to a fully integrated service, and to develop long-term success. A clear strategy trying to engage and motivate employees is vital to the management of change at Nottingham Forest.

3.3 UNDERSTANDING THEIR CUSTOMERS

Consumer behavior is an important aspect of any retail business. It is important for any retailer to understand them to be successful. Therefore, it is rightly said that “a merchandise strategy is all about targeting the right people, with the right merchandise at the right time in the right place.” (Newman & Cullen, 2002).

The interviews with Kevin and Brandon revealed that currently there is nothing being done to understand the demands and the needs of their fans. To be able to achieve their vision and the changes that they wish to envisage, it is important to know the fans better. There has to be a way to understand their requirements.

3.4 ENGAGING THE EMPLOYEES

Satisfied employee of any retail store can help in driving the sales of the products. They are able to greet and make the customer wanted in the store. As per the survey conducted by us most people were reasonably happy with the service and the friendliness of the people in the store. Also the staffs were not overly anxious and very outgoing this could be attributed to the fact that the interview with Kevin highlighted that there was no incentives for the store employees to put in their full effort. There was no on target earning and Nottingham Forest also lacked in the way, they were evaluating their employees. There were no Key Performance Indicators (KPI's) on which the employees could be marked.

It is also important that the top management engage the employees to create a highly motivated and committed work force. There has to be a point where the vision of the company is communicated to them. They have to be involved in the changes that are happening, the activities that are being planned. This is because they for the front line who are in direct contact with the fans. Also, being in constant touch with most of the fans, they have a key idea about their requirements.

It is important to note here that Nottingham Forest retail store and the web store is managed by a handful of employees only (Jackson, 2008). In order for it to realize the benefits of having a highly engaged workforce it needs to develop an engagement strategy that recognizes that what it takes to engage employees is different than from what it takes to Attract and Retain them (Figure 3). Clearly we can see that Pay and Benefits are not key drivers for employees when it comes to engaging them with the company’s vision and increasing the business. So it is essential that Nottingham Forest focuses its strategy on addressing employee’s “Learning and Development” and their “Work Environment”.

Figure 3: What It Takes to Attract, Retain and Engage (Towers & Perrin:2003)

Top 10 Elements That <i>Attract</i> Employees (Attraction Drivers)	Top 10 Elements That <i>Retain</i> Employees (Retention Drivers)	Top 10 Elements That <i>Engage</i> Employees (Engagement Drivers)
<p>Pay</p> <p>2 Competitive base pay 8 Pay raises linked to individual performance</p>	<p>Pay</p> <p>6 Competitive base pay</p>	<p>Pay</p>
<p>Benefits</p> <p>1 Competitive health care benefits 3 Work/life balance 4 Competitive retirement benefits</p>	<p>Benefits</p> <p>10 Overall satisfaction with benefits needed in day-to-day life</p>	<p>Benefits</p>
<p>Learning and Development</p> <p>5 Career advancement opportunities 6 Challenging work</p>	<p>Learning and Development</p> <p>1 Career advancement opportunities 2 Retention of high-caliber people 4 Development of employees' skills 8 Challenging work</p>	<p>Learning and Development</p> <p>2 Challenging work 4 Customer orientation 5 Career advancement opportunities 10 Senior management vision</p>
<p>Work Environment</p> <p>7 The caliber of coworkers 9 Recognition for work 10 Reputation of the company</p>	<p>Work Environment</p> <p>3 Overall work environment 5 Resources to get the job done 7 Clear goals from manager 9 Manager inspires enthusiasm</p>	<p>Work Environment</p> <p>1 Senior management interest in employees 3 Decision-making authority 6 Reputation of the company 7 Collaboration with coworkers 8 Resources to get the job done 9 Input on decision making</p>

Two-way communication is a crucial success factor in any engagement strategy and this is the biggest challenge for Nottingham Forest. Nottingham Forest is facing the problem about the apparent disconnect between its retail department and the marketing department, in terms of the marketing and the promotional activities carried out by them (Jackson, 2008). This problem is likely to become greater when the company starts its new campaign. From the interviews it was discovered that the company failed to properly communicate with its employees about the role of the employees within the retail store.

There is also a possibility that the people in the store may offer some resistance in offering more services towards its online operations. For example, they have to manage inventory of online store in the shops and they have to serve online customers with whom they do not feel any relationship with which is contrary to when people walk into a store and they deal with them personally. In addition, they hesitated in putting the extra effort needed to sell the products that would have generated benefit to the online division. These findings may depict that the company lacked good practices in employee engagement. It was unable to communicate to its employees and failed to create mechanisms to encourage employee feedback.

Developing an effective engagement strategy is an urgent and important task for Nottingham Forest. According to the findings from the interview, Nottingham Forest has previously failed to develop effective communication channels needed to transfer its vision for the direction of the company from its top management team to the store employees.

It has become clear from our research that Nottingham Forest has a problem. Its physical store and the web store should focus on increasing their integration as it is vital to the company's future success – the problem lies in being able to communicate this to the rest of Nottingham Forest employees and motivating them to work towards achieving a goal. There is an obvious disparity between the top management and the store employees which is negatively affecting any type of change program that is implemented. Nottingham Forest physical store and the web store have to guard against the feeling that each could cannibalize on the other channels profits. This is not necessarily the case because if there is a proper integration then each channel could complement the other and increase the volume of customers in either store, thus increasing their sales. It is crucial that Nottingham Forest focuses on communicating the specific benefits to each party involved; it needs to emphasize the potential for a win-win outcome.

Nottingham Forest's failure to create the revenue and the profits has further disengaged many of the store managers and employees as the lack of support they perceived as receiving from Nottingham Forest Marketing team has made them even more wary of their commitment to making it work. Nottingham Forest needs to have a short term plan (in order to stress the immediate benefits) as well as a medium-to-long term plan so that employees are assured that the Management is committed to providing the support needed in order for this integration to be fruitful for all parties involved.

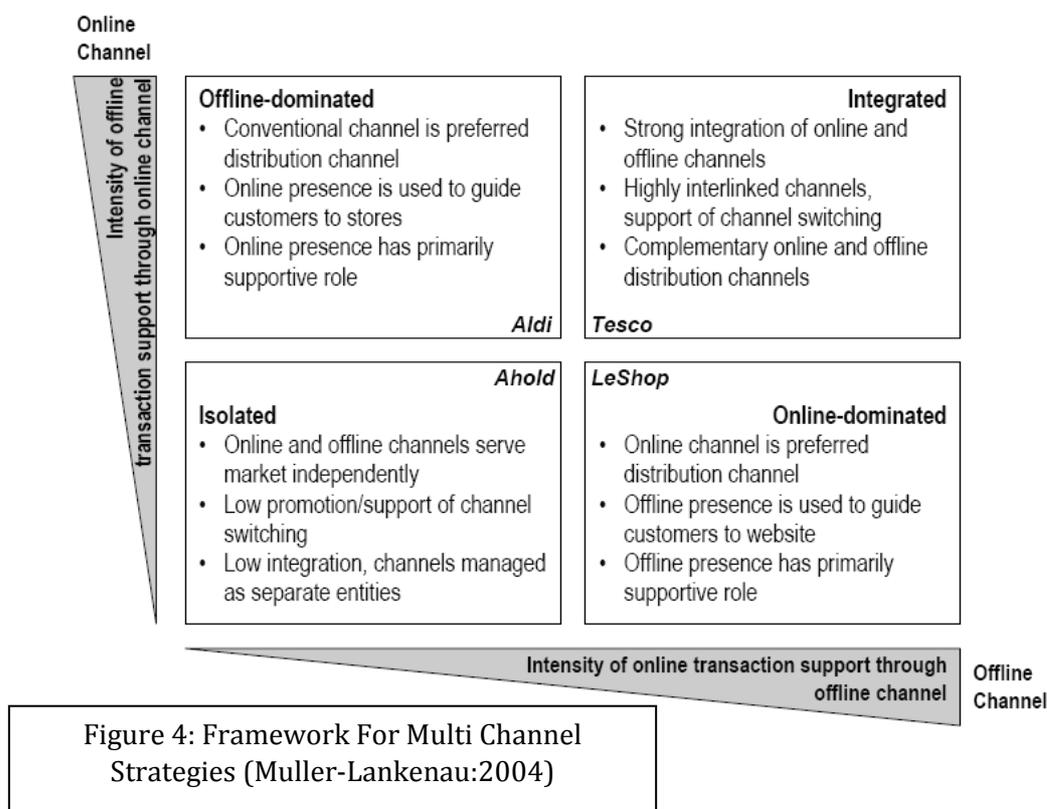
It is imperative that Nottingham Forest begins to implement a change program that will enable the organization's culture to adapt to these new changes.

In order for the seamless integration to occur Nottingham Forest needs to create a clear vision as to where it will take the company and identify the changes that need to occur. Once the vision and areas of change are agreed upon, it is imperative that they are then communicated to everyone throughout the organization and even the employees in the store who are handling the core operations. This openness and willingness to discuss change is the first step in engaging its employees and building a sense of trust with them. Building this trust will also help to encourage motivation and loyalty in its employees, enabling Nottingham Forest to reap the benefits of having an engaged workforce. However, in order to do this it is important that Nottingham Forest takes the time to engage its employees in a dialogue in order for it to better



understand their worries, aspirations and goals. This constant feedback mechanism will help to ensure Nottingham Forest forms a new organizational culture that is receptive to change.

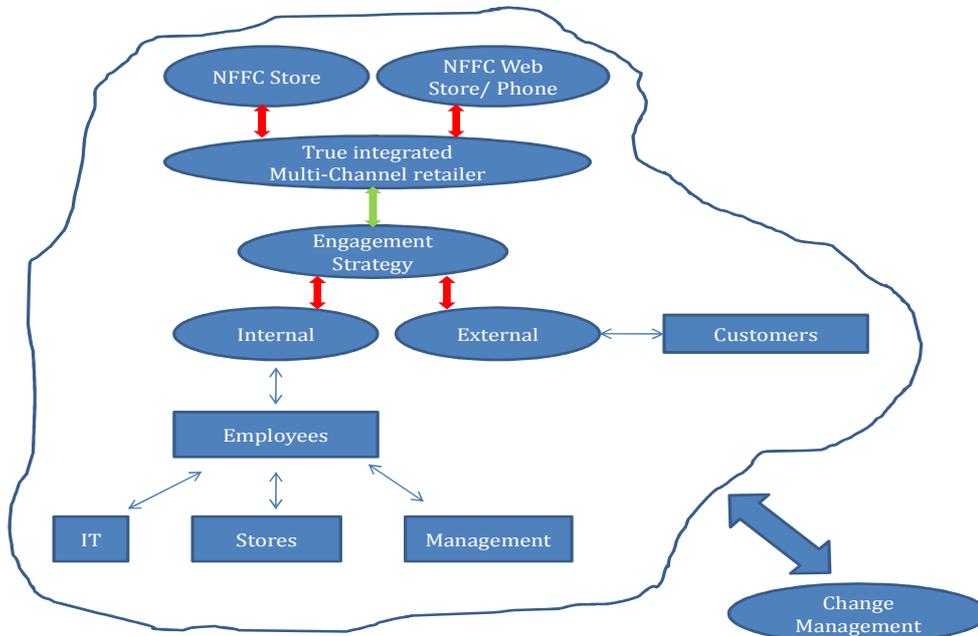
When looking at Nottingham Forest’s multi-channel strategies is important to understand where they are currently at so as to better understand what needs to be done in order to move it to where it needs to be – integrated. Using Muller-Lankenau’s (2004) framework for Multi Channel Strategies (Figure 4), we can better understand where some of the other important retailers are at and, more importantly, what Nottingham Forest needs to do in order for it effectively integrate its online and offline channels.



As mentioned earlier, MCR requires a new type of organizational model, one where employees need to be trained and receive the development needed in order to understand the potential for this type of retailing. Nottingham Forest has shown the sense of urgency to develop on its strategies to increase its sales. Therefore it is a perfect vehicle for driving change in its employees. By identifying those employees who are most engaged and developing those into change champions for a perfectly integrated store and the web store. Nottingham Forest will then be able to provide its employees with the most effective means of engagement – from within.

4.1 RECOMMENDATIONS

It is with the above in mind that following recommendations for the seamless integration of Nottingham Forest Store and the web store using the organizational diagram below:



At the heart of our recommendations is the need for communication and feedback mechanisms throughout Nottingham Forest. This will enable Nottingham Forest to engage its stakeholders more effectively, resulting in a more powerful engagement strategy – all of which increase the likelihood of managing the change successfully. With regards to each individual level, we propose the following recommendations:

1. Multi-Channel retailing

The Key to multichannel retailing is integrating the processes and the information for the benefits of the customer and the retail business as a whole. It should be carried out at a pace so that it can be handled by the customer and the staff in a proper manner. (IBM Global Business Service, 2007). There is also a need to have a sustainable business model. “A successful multi-channel strategy is about transformation of culture, operations and technology. Retailers must manage these changes, creating an open organization and establishing a flexible infrastructure able to integrate new technologies, service options and concepts as they emerge.” (IBM Global Business Service, 2007). It is also important to support a good website with the necessary

marketing activities as a good website may damage the brand by setting the level of expectations too high. (IBM Global Business Service, 2007). We recommend the following points which need to be considered:

- a. Cross Channel Metrics.
- b. Consistent purchasing experience.
- c. Identifying all customer touch points and develop a curriculum of contact.

2. Internal Communication:

- a. One Company, One Vision, One Direction – Forward.
- b. Company Language.
- c. Emphasize that Nottingham Forest supports and is committed to change through medium and long term goals.
- d. Developing Short term plans and communicate its immediate benefits.
- e. Using stakeholder engagement, Develop clear KPI's, metrics and address concerns (inventory, volume and costs).

3. External Communication (Customers):

- a. Cross Promotion in order to raise awareness.
- b. Feedback Mechanism.
- c. Regular Surveys to understand their wants and needs.

4. Employees:

- a. Identify the change champion at all levels. The person who can guide the change with a strategic mindset.

5. Management:

- a. Focus on GSM's and ROCM's as key change enablers.
- b. Communicate the benefits of MCR.

6. IT:

- a. Review the Bandwidth optimization at store level and website.

7. Store Employees:

- a. KPI's to evaluate the employees.

- b. Increase the online awareness to make the integration between the multiple channels better.
- c. Form an employee engagement committee.
- d. Daily warm up meetings to outline current affairs online / store.
- e. Daily targets and celebration of the previous day's performance and performer.
- f. In store competitions to keep employees focused and motivated.
- g. Employee blog site to encourage web use – Review the McDonald's employee blog spot for possible ideas www.stationm.com/entrance/.
- h. Utilize the stepping stone staff development program and integrate MCR development to create champions - DOT.COMMANDERS.

Nottingham Forest Football Club has issues with its sales and revenues. For them to become a successful retailer and reap the benefits from all the channels effectively and efficiently a lot of effort and focus needs to come from the top management. There is also a need for proper communication and vision to flow from top to the bottom of the company. They have to have a proper change management and engagement strategies which needs to guide the NFFC store and propel it forward to become a true Multi-Channel retailer by seamlessly integrating all the channels.

4.2 LIMITATIONS

This report was based on literature by others and also on interviews and questionnaires to collect more information. Whilst the literature review was able to cover significant grounds on what has been written, the interview process, although informative, was not able to incorporate a sample that was totally representative of the Nottingham Forest Football Club fan base. The interview process was limited to 50 fans that were interviewed through questionnaires and interviews with the key management staff. Also, interviewed were some members of staff in the University of Nottingham who also is a fan of the club. This proved sufficient to identify patterns in behaviour and thought though it might not have been enough to determine whether these views were an accurate representation of the entire fan base. Whilst there was a slight unequal weighting of male to female participants, 70% to 30% respectively, it does not seem to skew the data in any way.

During the course of the project, the main contact in management was deeply involved in another project with added responsibilities from the club and hence he was not able to give the project as much time as he would like to have given.

4.3 CONCLUSION

The Nottingham Forest possesses a rich history and recognizable brand name in the world of football, irrespective of the position they currently occupy. If Nottingham Forest can leverage on this, while also ensuring that it finally incorporates the multi channels available for retailing (i.e. online, physical shops, catalogue and phones) they will be able to greatly improve the sales and hence revenues.

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APPENDIX 1

DATA FROM BRANDON:

Online Shop and Mail Order

Current position:

Total Shop Turnover 05/06	£ 747,269
Online	£ 122,540
Total Shop Turnover 06/07	£ 871,743
Online	£ 159,897
Phone Orders	£ 36,466
Total Shop Turnover 07/08	£ 750,953
Online	£ 118,776
Phone Orders	£ 25,082

Benchmarking against other clubs:

	Ipswich Town	Norwich City	Wolves	WBA	Nottingham Forest
Annual retail/merchandise revenue 2005/06 season	£1,536,393	£1,313,435	£2,260,984	£2,000,000	£747,269 £1,252,558
Number of replica shirts sold direct from Club during 2005/06 season	15,460	20,100	26,442	32,000	9,043 21,030
% of 2005/06 retail/merchandise revenue from online	15%	17%	19%	10%	16.4%
Average value of each online sale for 2005/06	unavailable	£30.00	£35.91	unavailable	£26.22
Annual retail/merchandise revenue 2006/07 season	£1,579,243	£1,376,733	£2,009,416	£2,300,000	£871,000 £1,459,837
Number of replica shirts sold direct from Club during 2006/7 season	13,145	18,652	24,518	29,000	11,123 25,867
% of 2006/07 retail/merchandise revenue from online	19%	21%	16%	10%	18.3%
Average value of each online sale for 2006/07	unavailable	£30.00	£34.51	unavailable	£27.93
Annual Home shirt Yes/No if No what season had new	No, 05/06	Yes	No, 05/06		No, 05/06

home shirt sales				Yes	
Do the Club own exclusive distribution of Branded kit? Yes / No	Yes	Yes	Yes	Yes	No
Shop Epos System	ECR concepts	ECR concepts	Medoc	Cybertill	Medoc
Online Shop system	SnowValley	SnowValley	SnowValley	Sportcentric	Medoc
Is the Online Shop integrated with Epos? Yes / No	No	No	Yes	No	Yes
2006/07 cost of online shop system	1.7% £5,000	1.9% £5,512	3% £9,645	1.1% £2,500	1.1% £1,800
Total Number of retail outlets	3	12**	2	2	1

** Includes Carrow Road, The Mall, Pilch Sports Store and 9 other county concessions

Red figures include sales of Forest branded Umbro items not sold through NFFC.

Benchmarking Analysis:

Exclusive kit distribution – Our direct Umbro branded sales represents 43% of the total market. If the assumption was applied to our total turnover then 05/06 would be increased to £1,252,558 and 06/07 would be £1,459,837. These figures then become a realistic comparison to the other benchmarked Clubs.

Replica shirt sales – As stated above Forest direct sales represents 43% of the total Forest shirt market therefore total direct and indirect sales could be considered to be 05/06 = 21,030 and 06/07 = 25,867.

Online Percentage – Forest perform in line with other Clubs in terms of %age of turnover online. This suggests that the online shop is doing its job in terms of satisfying the market that is there.

Value of Shopping Basket – At £27.93 for 2006/07 we are £3 to £7 below the other two Clubs who provided data. There is certainly opportunity to increase this. This basket amount represents 5,707 online transactions and if each one was raised by £7 then = nearly £40,000 of turnover.

Annual home shirt – This certainly has an effect on increasing turnover in a year where a home shirt comes out. Whilst in League One the Club will remain on the two year cycle, only increasing the frequency to annual when back in the Championship.

Exclusive distribution – There is definitely a significant improvement in revenue when the Club is the exclusive sales channel for their own branded items. The assumed revenue and shirt number figures for the market size are not to be taken without understanding that those volumes would have been reached through third party shop marketing, but they are they as an idea of market size as it stands.

Shop systems & costs – There is very little to choose from in terms of online shop costs, but it is assumed that the systems which integrate with the EPOS system have operational efficiencies.

Number of stores – Without further knowledge of what these other stores are it is hard to draw any reasonable analysis from this information. With Norwich having 12 outlets and one of the lowest turnovers, it would be fair to assume that number of outlets has minimal impact on turnover.

In summary – We are underperforming in comparison with other similar and in some cases smaller fan size Clubs. Our League position does not help this but there is definite room for growth.

Potential

Top End Performance – Kitbag use the following equation to define possible size of online shop turnover:

20% of Club website traffic should be going onto the online shop. 5% of online traffic should be converted into sales and the average shopping basket should aim to be £40 in value.

Per month = 20% of 200,000 = 40,000, 5% of them = 2,000 all spending £40 = £80,000 per month = £960,000 per year.

Is this a realistic amount? This would mean we would have to have over 600% growth in our online turnover, a figure that is way beyond our achievable short term level.

Online Shop Comparative Analysis

When comparing various online shops, not just in football but in other areas of retail there are obvious things missing and in need of improvement from Forest shop online pages:

1. No details on fabric or composition.
2. No details on what sizes are in stock.
3. No visuals of items out of stock, for example when you go to nightwear and PJ's the page is empty!
4. No ability to pre-order and be emailed when item is back in stock.
5. There should be examples of all the styles currently in the range with clear product information and the ability to request an email when the item is back in stock.
6. No feature to enlarge and view products close up or at different angles.
7. No colour swatches or fabric swatches.
8. Limited choice of colours and sizes (see example from Liverpool site of one of their popular fast selling lines available in multiple colour options). Both Arsenal and Liverpool offer best selling lines in wide choice of colours in all their fashion and core lines.
9. Limited choice of styles and designs.(see example from Liverpool above the kids PJ's are available in 5 different styles and all styles have colour options so there are over 15 choices).
10. Choice of clothing merchandise very limited, in children's section excluding training and football kit there are 5 options for kids boys and girls in clothing and under some categories like polo and sweat tops and PJ's the pages are empty!. Liverpool offers 24 different designs of casual and leisurewear under children's excluding kit and training. If an item is out of stock it is still left of the site and there is the ability to pre-order etc.....see above point 3.
11. Lack of choice and poor styling. There are 2 items available in the clothing section under baby wear and one of these is a booty set. Liverpool have 47 baby wear styles (not including colour ways) available excluding accessories.
12. Photography generally very poor. still life and model shots are very crude. Some garment photos have not even been ironed! No details on fit, fabric, quality or performance of fabric.
13. Christmas section still online at Forest, this should be seasonal, such as Easter Eggs, etc.
14. Forests postage costs are more expensive than the other two who are both £4.95 flat fee to UK/Eire, Forest Charge £6.00.
15. Arsenal's layout and shop front page very sophisticated but clear. When you click on a section i.e., ladies wear fashion or junior fashion, you immediately enter a landing page containing all of the product categories available with clear pictures and icons giving full

range of choice. This is very consumer friendly. See example in link:
<http://onlinestore.arsenal.com/icat/juniorfashion>.

16. The ranges are not only more extensive but far more sophisticated and in line with current fashion trends. See example of 2 pages from Arsenal shop.

Ladies t-shirt: <http://onlinestore.arsenal.com/invnt/a1785>.

17. Both Arsenal and Liverpool offer a wider contemporary selection of branded merchandise that through well designed sophisticated online presentation enhances the quality and overall desirability of the product.

Comparative Analysis Conclusion:

1. The design of the range in general is very uninspired and old fashioned. The choice in colour ways and depth to range is poor.
2. The design, layout and typeface of the Forest online store looks old fashioned and outdated in comparison to others.
3. The site is slow and difficult to navigate.
4. The photography is amateurish and detail of product is very limited.
5. Blank sections and pages where items are out of stock.
6. Best sellers should be available in a wider choice of colours.
7. No product information (i.e. composition, fabrics, performance, fit).
8. No ability to order and view out of stock items.
9. Consistently out of stock on key best selling lines.
10. Design of merchandise, clothing and gifts is both unimaginative and lacking in excitement not reflecting current trends.
11. Outdated and out of season merchandise and sections.
12. No teasers or incentives on what's coming up and what's new into stock.
13. Postage costs higher than other clubs, no delivery choices or gift wrapping services.
14. Editorial needs boosting, needs to draw the consumer in and give them as much information as possible. Clear distinctions and layouts between core lines, training kit and fashion items etc. renaming categories and sections to sound more exciting and clear.
15. Retail pricing comparable to other clubs, although value for money and quality of the product is not.
16. Technical issues of card not being accepted.

Options:

Stay as we are

This is not an option if we want to improve the performance and profitability of the shop.

- Pro's
 - little cost and no risk
- Con's
 - Shop continues to underperform

- Customers continue to be dissatisfied with service which leads to less repeat business

Outsource the online shop and mail order operation

This can move us forward in the short term, but might be less profitable in the medium to long term if we got our 'in-house' option right. This piggybacks expertise and resources that we don't currently have 'in-house' and would be expensive for us to acquire, i.e. design and buying expertise of people who know the latest fashion trends. Measures must be in place to protect our brand, managing marketing campaigns and running the rule over photography and all aspects employed by the 3rd party. Contracts should not be longer than Umbro deal. Perhaps initial two year with KPI's of rolling two year thereafter.

There are three suppliers that operate this option:

Sporta – Arsenal & Liverpool.

After initial discussions we are too small at the moment for them to be interested in taking on our mail-order / online shop.

Kit Bag – Aston Villa, Manchester United, Portsmouth, etc..

Have made an offer to do this for us but they are not 'bothered' about us.

Offering 10% royalty of net sales

Genesis – GB Rugby League, Brownwings.

They are interested, but are as yet to make an offer.

Overall:

- Pro's
 - No financial risk
 - Guaranteed return
 - Reduced costs
 - Uses expertise and skills that would be expensive to acquire 'in-house'
- Con's
 - Not under NFFC control
 - Not capitalising on potential profit
 - Small reward

Change online shop supplier, retain integration with EPOS.

- Improve the management of the site with better functionality and easier to use look and feel.
- Faster turnaround of uploading new items and include 'soon to be in' items.
- Improve the product range to be more up to date and create the right image.
- Manage Suppliers better, have less and focus more effort on each one.
- Use the marketing database to create interest in shop merchandise.
- Improve postage rates to UK and overseas, bulky items become more attractive to purchase.

- Improve the level of customer service with quick turnaround of queries, improve the overall experience of buying online and retain customers.
- Exploit 'up sell' and 'cross sell' opportunities.
- Collect customer data for further marketing opportunities.
- An improved Marketing focus across the whole shop, change supporters perception and engage with them.
 - Pro's
 - Increase turnover & Profitability
 - Improve perceived brand of NFFC
 - Improve supporter's experience of dealing with NFFC
 - Con's
 - Increased cost
 - Risk of ROI

Look and Feel of Physical Shop

Exterior:



Interior:

Areas in need of improvement:

Ceiling tiles.

Carpet cleaning.

Replacement shelving racks.

Better product signage, both next to the product and ceiling level section.

Better planning of product position, make customers walk past other products to get to best selling items, whilst being mindful of congestions on match days.

Product range:

Have we got it right? I believe we don't currently have the expertise to maximise this element. Could employ external / internal resource for this.

Customer Service:

Have we got the right personnel? Can they be managed better? Is more resource needed?

Outsourcing:

Measures must be in place to protect our brand, managing marketing campaigns and running the rule over photography and all aspects employed by the 3rd party.

Contracts should not be longer than Umbro deal. Perhaps initial two year with KPI's of rolling two year thereafter.

Can outsourcing only work with exclusivity on kit deal?

Systems:

The EPOS system does an adequate job but doesn't have an acceptable web front end. Other systems can interface real time into our EPOS but that might solve look and feel of customer experience but doesn't solve product range or customer service.

APPENDIX 2

DATA FROM KEVIN:

1. Ordering of new kit 8 months in advance. For July delivery orders have to be placed in December.
2. Umbro is the main supplier plus there are 10 – 15 suppliers for the other products like pens etc.
3. Most popular item:
 - a. Red home shirts
 - b. Away shirts
 - c. Training wear
 - d. Leisure wear
 - e. Accessories
4. On match days staff requirement of 15 people and he looks for experience and passion for sports for the people he hires.
5. No match day targets.
6. No staff incentives.
7. Since the new red shirt has been launched the sales have gone up by 150% through the store and 5% through the mail order.
8. There is no comparison of best practices with other clubs which involves Kevin going and visiting the other club store, shows and exhibitions (eg: Chelsea exhibitions).
9. They have a mobile shop on match days.
10. There was a discussion about expansion plans a few years ago, but nothing has happened so far.
11. Evening match attendance is approx: 14 – 16,000 and Saturday match between 19 – 21,000.
12. Sales of GBP 2,500 on non match day weeks and GBO 2,000 from the web on non match day weeks.
13. Evening match there is sales of GBP 6,000 and day match the sales between GBP 10 – 17000.
14. There was an open day on 3 August where the sale was GBP 26,000. Between 10 – 12,000 people came for the open day.
15. Enquiry box on the website but no suggestions box.
16. There is same stock for web and store.

Date:

1. When match on Sky TV the attendance is low and hence the shop sales are low.
2. Last year's budget was GBP 800,000 and they achieved GBP 750,000. This year the budget is GBP 946, 976.
3. For forecasting they take into account whether there is a new kit launch and which league they are in and they only have a review of the Forecast if they are way below the target.
4. They have a tour which is priced at GBP 4.5 and they do not end the tour at the store.
5. They had a store in the City Centre but because of the high rent they had to close down.
6. Their new shirt got launched this year. They had ordered 5000 shirts from Umbro and it was sold out within a month. They always have a backup option with Umbro which they have called in which is around 2500 shirts of which few shirts remain and Umbro says that it cannot deliver the new stock before December.

7. Club gets a lump sum from Umbro which compensates the margins in the store.
8. They had launched a season review CD of which they have already sold 3000 copies.
9. Employees get a 10% discount.
10. They also print the numbers at the back of the jersey even if it is not bought at the store.

APPENDIX 3

MEETING WITH GREAME CURRIE:

1. Also a supporter of Aston Villa.
2. Sits in the Trent Stand.
3. Has bought jerseys at the club and does not want any other sports shop to get the money therefore, prefers to buy it at the club.
4. Does not like the idea of first purchasing tickets and then queue in to go to the store
5. They don't do anything for Tourist.
6. No catalogue.
7. Not enough promotion during Christmas or any other festival.
8. Poor range of goods.
9. Poor website.
10. Should have a retail store in the city centre.
11. Price does not matter to buy football merchandise.
12. They should exploit their history especially the Brain Clough era and the European cups.
13. There should be more corporate activity.

8) Quality of Shopping Experience:				
9) Layout of the store:				
10) Location:				
11) Attractiveness:				

12) What would make the shop/shopping experience better:

ONLINE:

1) Choice of goods: High: Medium: Low:

2) Why Online:
 Shop is a Hassel: Convenience: Other:

3) Weekly, how much time do you generally spend on the NFFC Website:
 0 – 30 min: 30 min – 1 hr: 1 hr +:

4) How often do you visit the online store:
 Weekly: Monthly: Rarely:

5) How often do you buy:

	Excellent	Good	Fair	Poor
6) Ease of shopping:				
7) Service:				
8) Good Sales and promotion:				
9) Quality of Shopping Experience:				
10) Layout of the Website:				
11) Attractiveness:				

12) Satisfaction:				
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13) What would make the experience better:

COMMENTS:

APPENDIX 5

QUESTIONNAIRE RESULT

	TOTAL RESPONSES	AGE WISE SEGMENTING				MALE				FEMALE			
		0-15	15 - 25	26 - 50	50 +	0-15	15 - 25	26 - 50	50 +	0-15	15 - 25	26 - 50	50 +
No. of Interviews	50	4	15	25	6	1	10	20	4	3	5	5	2
Bought Merchandise	48	4	15	24	5	1	10	19	3	3	5	5	2
Where do you buy from													
Nottingham Forest Store	24	4	8	7	5	1	6	5	3	3	2	2	2
Website	2		2				1				1		
Others	22		5	17			3	14			2	3	
What do you generally buy													
Jerseys & Training wear	43	4	14	20	5	1	10	16	3	3	4	4	2
Other Shirts	2		1	1				1			1		
accessories	3			3				2				1	
What do you think about pricing													
High	6		1	1	4		1		3			1	1
Medium	42	4	14	23	1	1	9	19		3	5	4	1
Low													
Spend / Visit													
Below 25	3		1	1	1		1		1			1	
25 - 50	40	4	13	20	3	1	8	17	2	3	5	2	2
50+	5		1	3	1		1	2	1			1	
STORE													
Choice of goods													
High	3			2	1			1				1	1
Medium	20	1	7	10	2	1	4	6	1		3	4	1
Low	25	3	8	12	2		6	12	2	3	2		
How often do you visit the store													
Weekly	7	2	3	2			2	1		2	1	1	
Monthly	35	2	10	22	1	1	7	18	1	1	3	4	
Rarely	6		2		4		1		2		1		2
How often do you buy													
Per Season	43	2	13	23	5		9	18	3	2	4	5	2
Monthly	5	2	2	1		1	1	1		1	1		
Ease of Shopping													
Excellent	4			1	3			1	1				2
Good	20	1	5	14		1	2	13			3	1	
Fair	16	3	6	7			5	4		3	1	3	
Poor	8		4	2	2		3	1	2		1	1	
Service													
Excellent	5		1	2	2		1	1	1			1	1
Good	19	3	7	8	1		5	6		3	2	2	1
Fair	15		4	10	1		2	8	1		2	2	
Poor	9	1	3	4	1	1	2	4	1		1		
Friendliness of People													
Excellent	8	3	2	2	1			1		3	2	1	1
Good	16	1	7	6	2	1	5	4	2		2	2	
Fair	13		5	8			4	7			1	1	
Poor	11		1	8	2		1	7	1			1	1
Good Sales and Promotion													
Excellent	1				1				1				
Good	6	1	1	1	3		1	1	2	1			1
Fair	20		9	10	1		5	7			4	3	1
Poor	21	3	5	13		1	4	11		2	1	2	
Quality of Shopping Experience													
Excellent	2			1	1			1					1
Good	3			1	2			1	1				1
Fair	20	4	7	9		1	4	6		3	3	3	
Poor	23		8	13	2		6	11	2		2	2	
Layout of the store													
Excellent	3			1	2			1					2
Good	7	1	1	3	2	1	1	3	2				
Fair	20	1	6	12	1		4	10	1	1	2	2	
Poor	18	2	8	8			5	5		2	3	3	
Location													
Excellent	5	1	1	2	1	1		1	1		1	1	
Good	10		5	5			2	3			3	2	
Fair	13	3	5	5			4	3		3	1	2	
Poor	20		4	12	4		4	12	2				2

Atractiveness														
Excellent	1			1									1	
Good	5	1	1	1	2		1	1	1	1	1			1
Fair	20	3	7	10		1	4	7		2	3	3		
Poor	22		7	12	3		5	11	2		2	1		1
ONLINE STORE														
Choice of goods														
High														
Medium	1		1				1							
Low	1		1				1							
Why Online														
Shop is a hassle														
Convenience	2		2				2							
Other														
How often do you visit the online store														
Weekly														
Monthly	2		2				2							
Rarely														
Ease of Shopping														
Excellent														
Good														
Fair														
Poor	2		2				2							
Service														
Excellent														
Good														
Fair	2		2				2							
Poor														
Good Sales and Promotion														
Excellent														
Good														
Fair														
Poor	2		2				2							
Quality of Shopping Experience														
Excellent														
Good														
Fair														
Poor	2		2				2							
Layout of the website														
Excellent														
Good														
Fair														
Poor	2		2				2							
Atractiveness														
Excellent														
Good														
Fair														
Poor	2		2				2							
Satisfaction														
Excellent														
Good														
Fair														
Poor	2		2				2							