Never Knowingly Undersold
Our trading policy that is at the heart of our business
Contents

Never Knowingly Undersold

Introduction 3
The best value on the high street 5
Never Knowingly Undersold - on quality 6
Never Knowingly Undersold - on price 8
Never Knowingly Undersold - on service 11
Reasons why we love Never Knowingly Undersold 12
Welcome to this guide on our Never Knowingly Undersold customer proposition. Never Knowingly Undersold is a huge commitment involving many Partners across the business. It defines what is meant by truly good value, and it goes right to the heart of how John Lewis sets itself apart from its competitors. This guide will explain the principles, how we ensure that we are selling quality products, and how we compare our products with those of other retailers to offer market leading value.
“He [John Lewis] was always very anxious to give his customers really good value for their money and...he expressed from time to time through all the years of my own memory a wish to hit upon some notice that would be really satisfactory to his own mind and that could be exhibited “all over” his business-premises - something like “John Lewis & Company, founded in 1864 to supply the public with good value for ready money.” John Spedan Lewis
What is Never Knowingly Undersold (NKU)?
It’s a trading philosophy that is unique to John Lewis. NKU is a life long commitment to give our customers the best value on the high street for quality, price and service.

Value has been at the heart of our business since 1925
We are years ahead of other companies in the industry, with a value promise that first launched nearly a hundred years ago. Within the principles of our constitution it sets out how we should treat our customers, suppliers and community. So right from the start providing value, quality and excellent service whilst trading responsibly has been at the heart of how we do business.

Our founder, John Spedan Lewis was passionate about providing value to his customers and it was a subject that was instilled in him by his father, John Lewis senior. The quote on the opposite page is how Spedan recalls his father’s ideas for what was to become Never Knowingly Undersold.

In 1925 the ‘Never Knowingly Undersold’ commitment was launched and our dedication to provide good value was declared for all our customers to see. What does ‘undersold’ mean? A retailer ‘undersells’ another when it sells the same goods at a lower price. This means John Lewis will never knowingly sell identical products that are of a higher price or worse value for money than those offered by other retailers.

We also expect our John Lewis own branded products to at least match but usually exceed the quality and benefits of our competitors’ own brand products for the same price point.

The importance of value
John Lewis promises great value and goes further than the usual price matching promises.

Competitive prices versus good value
The retail industry is very competitive and retailers are in a constant battle to attract customers. In recent years it has become common practice for retailers to compare their prices with the market and use their low prices for marketing purposes. But customers are getting increasingly savvy. Where our competitors have focused on being the cheapest, we know that for customers that’s not enough.

We have all probably bought something at a low price, pleased with our ‘bargain’ only for the item to break or fall apart soon after. Customer requirements are changing.

A reasonable price is a big factor in a shopping decision, but they also want to know whether the product is responsibly sourced and of sufficient quality before making a purchase.

They also want more information to reach an informed decision about what they’re buying.

Never Knowingly Undersold - better than a price checking promise
At John Lewis, value is not just defined by price. We realise that customers don’t just want the cheapest product, they want great value and service too. So although we closely compare our prices against those of our competitors, our Never Knowingly Undersold philosophy ensures that the customer gets overall good, lasting value when they shop with us.

Our full Never Knowingly Undersold statement
Never Knowingly Undersold
on quality | on price | on service
To support our buying teams in delivering great quality products, we have robust processes and rigorous product testing. To provide great quality the Product Technology and Innovation team target both the suppliers and the products.

An ethical and responsible sourcing policy
As a responsible retailer, John Lewis aims to source products from sustainable supply chains, which minimise environmental impact and provide long-term, satisfying employment.

Our Responsible Sourcing Code of Practice sets out the Partnership’s expectations of suppliers. We expect them to be honest about the issues they face and share best practice, so we can work together to make realistic, long-term improvements.

We aim to have full traceability of all our raw materials to ensure they are legally compliant and in line with our internal sourcing policies.

Quality products
The highest standards of product quality
Product Technology and Innovation work with suppliers and offer advice on how to test and improve their products. They ensure that all the products are safe, legal and fit for purpose. The quality of our products should not only meet but exceed our customers’ expectations.

All products go through an ‘assortment review’ process before they arrive in our shops or online. This ensures that they are the right products for us to sell. A part of this process is to evaluate the quality of the products to ensure they meet our standards.

Own brand quality
We continually benchmark our own brand product against our competitors to see how we compare for quality, performance and price.

If a Partner identifies a competitor’s product that they think delivers better quality for price than our own brand product, they should tell their manager, who can decide to raise it with the Merchandise Standards team.

The team will either re-examine the price and/or work with suppliers to improve the product quality.
“Providing great quality products reassures our customers that what they have bought will last and is good value for the price paid. If something customers bought at John Lewis lasts longer or does the job better than another product bought elsewhere at a similar price, they will have got better value.”
Never Knowingly Undersold

offering great value at a fair price

The second part of the NKU trading philosophy is to offer our products at a fair price for the value they provide. If a product is sold for better value elsewhere, we will refund the difference in price.

So how do we decide whether the overall value that we offer matches or even exceeds what is offered by our competitors?

Price matching principles
There are three price matching principles we consider when matching a price. These three principles are described in more detail below.

1. Is the product identical?

The product has to be the same in terms of make, model number, colour and size. Just a small variation can affect the price, for example a watch might look the same in every way except for the colour, but one colour might be more expensive than another. To make the policy really clear our guidelines state that we expect the specification on the box to match the product inside. So we require the stock to be new, boxed and with an unmodified product inside.

Our own brand products are exclusive to John Lewis so the same product won’t be found elsewhere. We expect all John Lewis branded products to at least match but usually exceed the quality and benefits of our competitors’ own brand products for the same price point. Each product undergoes an assortment review so that we’re confident it is of a high quality amongst similar products on the market.

Product Technology and Innovation conduct Quality for Value Benchmarking (QVB) too where Partners test the product in trials.

2. Does it have the same service conditions?

The way a product is sold can change the value a customer gets, so we make sure it is being offered on the same basis as us.

The things we consider when comparing the service conditions are:

Stock availability
The competitor should have the item in stock. If we sell items ‘to take away’ and we have the stock available, we expect our competitor to have the product available to take away too. If the item is normally delivered, the competitor should be able to deliver in a broadly similar timescale to us.

Delivery
We include the competitors delivery charges when making a price comparison on items that are normally delivered.

This is because some delivery charges are not optional and make it impossible to obtain the item at the advertised price. The competitor should also be able to deliver in a broadly similar timescale to us.

Installation, fitting and disposal
Where a customer is buying a product and a service (e.g. carpet and fitting, dishwasher and installation) we match the total competitor price, including the prices they charge for these services.
**PRICE MATCHING PRINCIPLES**

1. **Is the product identical?**
   - Same make
   - Same model
   - Same colour
   - Same size

2. **Does it have the same service conditions?**
   - Item is available
   - Delivery charges match
   - Fitting & disposal match

3. **Is the competitor a high street retailer?**
   - Presence on high street
   - Clearly displayed prices
   - Staff available to give advice
   - Same online trading name

**Price match agreed**

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3. **Is the competitor a high street retailer?**
   
   The competitor’s service has to be of equivalent quality and provided in similar timescales to ours. We match other high street retailers if they offer broadly the same proposition as us.

   **This includes:**
   - They must have a physical presence on a high street or at another comparable shopping destination (eg shopping centres, but not factory outlets)
   - They should have stock available to buy and take away with clearly displayed prices

   **For these reasons there are some companies we do not price-match:**
   - On-line only businesses such as Amazon, Dabs and Play.com
   - On-line only sister companies of high street competitors such as Dixons.co.uk (part of DSGi) or Empiredirect.co.uk (part of Richer Sounds)
   - Auction sites such as Ebay
   - Mail order companies or factory outlets
   - Retailers who are in administration or closing down
   - Companies that do not trade from the UK mainland

   If you are ever unsure of how to apply these principles, please check with your line manager or local Customer Support Team.
What happens if a customer challenges a price?
Our proactive approach to price checking means our customers are very unlikely to find better value elsewhere. Occasionally a customer may find an identical product being sold elsewhere by a high street competitor for a lower price. In this instance they can ask us to match this competitors’ price on the day of purchase or within 28 days from the date they purchased the product with us.

You’ll need to check that the price the customer has paid falls within our guidelines before we refund the difference in price and reduce the cost of the item in our branch. There are two places you can go for help with this:

**Branch Operating Procedures (BOP) intranet site**
The BOP intranet pages give these step by step guides on undersales:
- Completing proactive price checks of High Street prices
- Confirming an undersale
- Matching a competitor’s price during an extravaganza
- Processing a customer’s reported undersale on the shop floor
- Processing a Partner reported price match
- Responding to an undersale enquiry in the Contact Centre

You should familiarise yourself with the relevant guides. Go to the Partner Intranet, click into the John Lewis pages and you will see the BOP icon where you can access these procedures. Then click BOP followed by Undersales.

**Retail Support Desk**
This team are on a telephone helpdesk and can be contacted for all your shop floor questions. If you are in any doubt about whether to confirm a customer’s request for a price match, just give them a quick call on 777 3322.

**USEFUL TO KNOW**
Did you know that all Partners are encouraged to help us remain competitive on price by reporting instances of a local competitor’s shop selling the same item for less than us?

Partners reporting a competitor price (that has not already been noted), will receive a bonus of £3 for each price match identified. Take a look at the ‘Partner reported price match’ BOP for more details.

**NKU Pricing Policy activity pack**
There is a little more detail in this booklet on Horizons if you’d like to read more about how and when we price match.

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How do we check prices?

**Buying teams**
Proactive national pricing
We check and match the nationwide prices of national high street competitors on their websites and during their sales and match the lower of their online and instore prices.

**Local branch teams**
Proactive local pricing
We check and match the prices of high street competitors local to our shops, including their sale prices.

**All channels**
Customer price matches and refunds
We will match a price before a customer purchases, or refund the difference for up to 28 days post-purchase, against any high street competitor in the UK mainland.

Same price, same service conditions
Providing a competitor beating shopping experience

Our standard of customer service doesn’t just last while the customer is purchasing a product. It lasts throughout their end-to-end omnichannel shopping experience.

Our commitment to service is shown in how we help customers choose the right product, get the product home and support them after they have made the purchase.

Expert and impartial staff
A strength of our service is that we recommend the best option for the customer, based on understanding their needs. This ensures customers spend their money on something that is right for them. Our Partners are expected to offer unbiased advice and are knowledgeable about the products.

Advisory services
We offer personalised ‘Experts on Hand’ advisory services to customers who want an in depth discussion about their potential purchase. Most of these services are free and simply require an appointment.

Free extended guarantees
All TVs, computers and most of our large electrical appliances come with an extended guarantee at no cost. These guarantees are an important way to reassure our customers and represent market leading value.

Delivery and installation
We offer a choice of delivery, installation and disposal services, ensuring that our customers can make the most of their new purchases. All our services represent good value for money and we expect the service customers experience in their home to be of the same high standard as they receive in our shops. The services we offer include installation of electrical products and appliances, disposable of old electrical goods and mattresses, furniture assembly, carpet and kitchen fitting.

Aftersales support
Our focus on customer satisfaction does not stop when a customer gets their purchase home. We want customers to enjoy their purchase throughout its life and so provide extensive aftersales support and advice.
It drives brand loyalty
When shopping for a particular product, it can be very time consuming to check prices of where else it is sold and the total value on offer.

Our Never Knowingly Undersold commitment reassures our customers that we are always offering them the best value on the high street, building their trust and making them want to shop with us again and again. Partners can often view price matching as a negative but the trust we build with our customers through Never Knowingly Undersold, also encourages them to use John Lewis for other important aspects of their lives, for example home insurance or nursery lists.

It attracts customers
Our Extravaganzas, where we price match a competitor’s promotional event across all identical items that we sell, drives a large volume of customers to come and shop with us.

They create a real buzz in store and encourage people who have never shopped with us before to come inside and take a look. Every new customer that shops with us, not just during an Extravaganza, will experience our great service and competitive prices.

Because of Never Knowingly Undersold they know they can always rely on us to offer the best value in the high street, creating an ongoing relationship, perhaps even for life. These are the kind of customers that many of our competitors can only dream of.

Never Knowingly Undersold is a commitment that is much loved by Partners and customers. It is ahead of its time and gives us an excellent competitive edge. Spread the word!

It is a great selling tool!
Never Knowingly Undersold is a great selling tool. It’s very reassuring to know that when you buy a branded product at John Lewis, you will not find it being sold at a lower price anywhere else on the high street.

Never Knowingly Undersold is at the heart of John Lewis and it is fantastic to talk to our customers about. Never knowingly undersold is a commitment that is much loved by Partners and customers. It is ahead of its time and gives us an excellent competitive edge. Spread the word!