

Gosh!

Iconic comic shop marks new chapter

Leeds city centre: leading the way

Women in retail

Are you being served?

POPAI Awards 2011





Value fashion retailers need a new in-store design mentality, claims David Martin, joint managing director of retail design agency M Worldwide.

Once the darlings of the UK high street, value fashion retailers are struggling to keep their heads above the water. New Look has seen profits tumble by 40 per cent along with a mass exodus of senior executives, and is currently reviewing its property portfolio. Over at H&M, net profits slumped by 15.4 per cent for the third quarter. Even profits at the mighty Primark are slowing.

Adverse weather conditions this past winter almost certainly played a role, but that's just one blip in a tale of woe that sees value fashion retailers on the high street facing relentless onslaught from every angle. There's the increase in costs of commodities and the VAT increase. And let's not forget this summer's riots. Consumer confidence is near its lowest level since the depths of the recession in 2009, according to a GfK NOP poll. Discounting is at an all time high and competition for share of wallet is fierce. Then there's the rise and rise of retailers like ASOS that provide immediate retail therapy to shoppers from the comfort of their homes. Shoppers can buy clothes during their weekly shop at out-of-town grocery retailers, and city shopping centres like Westfield offer a much more glamorous, attractive, one-stop-shop leisure and retail experience.

If all that wasn't bad enough, it seems that many fashionistas are turning to an 'enduring quality is better than quantity' mindset, with luxury brands like Burberry reporting a 40 per cent profit growth in its last financial year.

With more than one in 10 shops on high streets and shopping centres now vacant (according to a BRC vacancy survey in September 2011), with Mary Portas' independent review into the future of the high street looming later this month, and with the threat of US brand Forever 21's speed retailing concept into the UK, what can value fashion retailers do to revive their fortunes?

As we grope our way out of the recession, things aren't suddenly going to go back to way they were. This tale of woe isn't a short-term recessionary hit, it's about a sea change in shopper needs, behaviours and patterns - and the high street is fast losing relevance.

While retail design can't fix all these problems, value fashion retailers on the high street need a total rethink of the in-store customer experience to give shoppers what they want, in a way that can't be replicated online or in out-of-town 'warehouses'. The retail customer experience isn't something new. When I graduated 20 years ago, people were already talking about 'retail theatre' but somehow it never really arrived. We lived in a booming throwaway society back then. Competition wasn't quite so fierce



and the internet was in its infancy, with no one dreaming of its potential. Those value fashion retailers that were around reaped the rewards, keeping spend as low as possible to hang on to margins.

The good news is that some value fashion retailers are finally realising that to compete in a static bricks-and-mortar environment in our new reality, they have really got to push the boat out.

Topman – the personal touch

Earlier this year Topman launched a personal shopping service for men in its Oxford Street flagship store. While personal shopping services have previously been predominantly viewed as the preserve of the elite, Topman's initiative highlights the increasing trend for high street retailers to offer services once limited to high-end department stores.

The interiors have an air of exclusivity and are influenced by gentlemen's clubs and bars, using a fairly simple palette and mock-Regency white panels. There's also an Xbox gaming area and an Asahi honesty bar. It offers a luxurious but modern surrounding, so that men on appointments enjoy the time spent there.

TK Maxx – value doesn't have to mean cheap

TK Maxx has seen high growth since its 1994 arrival in the UK. The TK Maxx concept is unique but simple. TK Maxx buyers shop the world all year round and negotiate great deals to bring customers quality brand name clothing and homeware at up to 60 per cent off the recommended retail price. A typical TK Maxx store is based in an out-of-town retail park and stocks an average 50,000 items. Daily deliveries bring up to 10,000 new items to store every week, so customers find a constantly fresh and exciting mix of top brands and great quality at low prices, every time they visit.

The centrally led buying methods mean that individual stores receive very few advance details on product deliveries. Stores need to be flexible to accommodate a constantly changing range of products. Store environments are functional, have low fit-out costs to support the operating model and take a largely rational approach to design. Although communicating a 'no frills' approach and focus on price, the retail design feels more 'value supermarket' than 'clothing and homeware store' and does little



to support the quality brands on offer.

But with plans to open more properties on the high street, TK Maxx is currently injecting a bit of creative magic to the in-store experience. A flagship two-level 14,000 sq m location on Gracechurch Street in the City of London is the first of these.

Recognising that many TK Maxx shoppers go into the stores two or three times a week to 'find a bargain', that the act of rummaging through the rails is an engaging and entertaining experience, and that there's a constant stream of newness and freshness to its products, a wide range of store principles have been developed around planning, shop front branding and windows, brand messaging, departmental fixtures, along with a new palette of lighting, materials and finishes. The result is a happy meeting of operational efficiency and flexibility that also creates more pauses for shoppers, more ways of presenting product.

My for Tesco – value department store

Tesco launched My, a new 'house of brands' department store concept near Prague, in the Czech Republic. My sells inspiring, fashionable and affordable clothing, beauty, toys, electronics

and homeware products, also incorporating a Tesco food hall. Based on the core brand idea of 'accessible aspiration', a simple monochrome palette is accentuated with bold modern colour applications on each floor to define the various zones and collections, and help customers navigate the space. The check-out system enables customers to pay for any goods at any check-out within the store.

This is a far cry from what we currently see in UK supermarkets - and is perhaps a taste of things to come, as retailers like Tesco continue to grow their product offering beyond food, venturing into the realms of standalone brands like F&F clothing label, electronics brand Technika and Skin Wisdom toiletries.

The Centre for Retail Research recently warned that 60,000 shops could go by 2015 in the biggest high street restructuring ever. A focus on price, deals and range is just not enough any more. The need to deliver retail entertainment, or retail theatre, is no longer a nice to have, or an aspiration for the future. The future is now, and those retailers that continue to lag behind may indeed go the route of Woolworths, Alders, MK One and C&A. **Rf**

www.mworldwide.co.uk

