

It's a battle to stay on trend in a global fashion arena

17 January 2014 | By Sheila King

International retailers making their debut on the UK retail scene ended 2013 with a flurry of activity.

J Crew opened its long-awaited flagship store on Regent Street, and Tottenham Court Road's homewares offer was given a much-needed boost with the arrival of Williams-Sonoma's furniture and accessories brand, West Elm.

Despite a mixed picture from UK retailers' trading updates as we start 2014, it seems demand for space in the UK from international retailers shows no signs of waning — which is great news for landlords, shoppers and the wider economy.

As consumers continue to take a considered approach to spending, retailers are carefully scrutinising their store locations. In our discussions with retailers that want to open in European cities, flexibility on the size of space has been key. US retailers in particular are willing to reinvent their store format from a flagship to a boutique or vice versa for the right location with the right consumer catchment. J Crew, Michael Kors and American Eagle are all good examples.

So it will come as no surprise that the attitude to investment into new retail markets is still "take time to get it right". Retailers eagerly watch how other entrants fare, while learning from others' experience on merchandising and shop fits.

Worldwide web

What is evident — and something that is unlikely to change over the medium term — is that UK shopping centres and strong retailing destinations are now competing for space in a global arena.

Birmingham's Bullring is no longer only vying with the likes of Manchester's Intu Trafford Centre or Kent's Bluewater to catch an international retailer's eye. We now have to demonstrate that we can compete with the best centres in destinations such as Shanghai and Hong Kong.

For Hammerson, this means taking a closer look at our centres, continuing to evaluate and improve the experience they offer, and constantly evolving the retail mix.

In an increasingly globalised market, "good enough" no longer cuts it.

Consumers expect new names to appear in their favourite shopping centres and, for a growing number of well-travelled shoppers, the brand names that cross continents are no longer new to them — they arrive here in the UK with close to mainstream appeal. Victoria's Secret is a classic example.

The best brands are recognised across the world, whether they have a domestic retail presence or not. And, as large retailers place more emphasis on multi-channel, there are now few international brands that arrive in the UK that have no prior consumer recognition.

The steady influx of international brands has been good news for our industry, and ensures a healthy appetite among UK consumers, while also encouraging domestic retail brands to up their game. The arrival of Forever 21 was keenly felt by our favourite fashion retailers, many of which sought to re-evaluate their store and merchandising offers. New Look in particular took note, and its subsequent changes translated into a positive Christmas performance and reignited consumers' love for the brand.

For retailers, 2014 will once again become “survival of the fittest”. Success comes in many forms — for example, we are increasingly seeing a preference from consumers for quirky brands that tell a story.

Ted Baker’s successful expansion overseas is a brilliant example of a retailer that refused to dilute its product for the overseas market, and it has been justly rewarded for it. Both its product range and shop fit retain the British eccentricity, which has been its point of difference.

Over the next 12 months, we can expect an increase in cross-border activity from accessory, beauty, technology and lifestyle brands. They are able to make the transition to the British market more easily and, by taking smaller stores, they can test their formats with lesser risk attached.

Smiggle, Aesop, Kiko and Lululemon all have a trademark style with that sought-after quiriness, and have expansion on the cards this year.

Success will be hard fought but, where a brand catches a consumer’s eye and can demonstrate value, it will be rewarded – although it will take tenacity and the ability to understand the shopper inside out.

Here’s to a 2014 full of new brands to Britain – making the industry and the retail landscape a more interesting, exciting and challenging place.

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