

# A winning

formula

Every household in the world will be familiar with the likes of Apple, Burberry and Ikea. But why? Laura Heywood looks at some of the most reputable international retail brands to reveal what makes them iconic

**A**cross the globe there are hundreds of thousands of retailers competing to build an enduring image in the mind of the consumer. They might vary widely in their target consumer, merchandising choices, marketing positioning, advertising and sales channels, but they all share one universal aim – to be the number one choice for shoppers.

Yet of these myriad retailers, a mere handful stand out as true powerhouse brands. These are the names with which every household around the world will be familiar. They are the Coca-Colas and McDonald's of the retail world – retailers that have instant and universal brand-name recognition.

But what are the factors that combine to make an iconic retail brand? For Mark O'Hanlon, senior manager at Kurt Salmon, it's all about being a disruptive presence in a crowded retail space. "This means that these stores are able to steal a march on their competitors and, while they are often copied, their brand positioning in the customer mindset is secured for a long time," he says.

Consistency is another vital component of what gives the world's top international retailers the X factor, asserts Allyson Stewart-Allen, chief executive of international business consulting firm International Marketing Partners. "It's about their DNA that they've worked hard to create and sustain which makes them distinct, and the consumer wants to be part of the movement, part of the tribe."

Serving customers' needs is top of the list when it comes to what makes a global powerhouse brand, claims Anita Balchandani, OC&C Strategy Consultants' partner and head of UK retail. "An iconic retail brand is one that understands what matters to its customers and organises everything else – product range, brand image and channels – to market it in a way that enables them to uniquely serve those customer needs," she says.

Developing "multiple routes to growth" also play a part in establishing the world's top retail businesses, Balchandani adds. "The best retailers have also been the smartest at developing their businesses into new growth areas – whether it is online and mobile, new international markets or new formats, good retail propositions innovate and travel well," she says.

Helen Merriott, managing director for Accenture's retail practice in the UK, believes consumer accessibility to products and first-class fulfilment strategies are vital to the success of a brand.

"Customers need to know how and where they can make purchases, especially in this digital age where consumers are more demanding than ever." If it isn't convenient for them to purchase from a retailer or doesn't provide the experience they expect, then they will simply go elsewhere.

But for David Roth, chief executive of The Store, the global retail practice of WPP, establishing a global reputation isn't just about the sheer volume of consumers who have access to the brand. "Iconic brands have something special – they are highly differentiated in a meaningful way to their customers that transcends mere functionality but attains an emotional connection," he maintains.

For any retail brand looking for that elusive X factor, Roth believes it's a combination of two vital factors – "a renewed passion of the art of the merchant, curation and the love of product", combined with the ability to use data and technology "to give the customer a seamless experience, omnichannel access and insightful use of mobile and location-based technology".

To delve deeper into what makes a global retail brand truly iconic, *AI* has selected five of the most reputable retailers from around the world to reveal what makes them stand out head and shoulders above all the rest.



## BURBERRY

In a nutshell: Helping redefine the concept of contemporary British luxury fashion, Burberry has been busy broadening its appeal to include a new generation of consumers. This is thanks to a savvy social media marketing strategy and use of new technology cleverly connecting its high-profile fashion shows with today's consumer at their fingertips.

### HEADLINE STATS:

**Group sales:** £2bn in 2012/13

**Stores worldwide:** 206 mainline; 49 outlet; 214 concessions; 65 franchised; 20 UK

**UK retail sales:** £160m

**Number of FTE employees:** 8,887 in 2013

(Source: Retail Week Knowledge Bank)

In the past decade Burberry has reinvented itself as a highly sought-after fashion label. This international luxury brand may have a distinctive British heritage, but it is synonymous around the world with style and elegance. In more recent years it has successfully widened its appeal to attract a younger, more tech-conscious generation of fans thanks in part to a strong digital focus.

To other aspiring power brands, the Burberry success story should be considered "a masterclass in the use of technology and social media as marketing levers to become relevant and connected to a new generation of consumers and opinion formers", according to The Store's David Roth.

Allyson Stewart-Allen of International Marketing Partners also commends Burberry for its clever repositioning. "It has broadened its influence

beyond pure fashion into being a way of life, especially by deftly using social media. There's Burberry Acoustic, its homewares and interiors offering, its in-store live gigs, its advertising featuring fresh-faced young and aspirational faces, and its cosmetics and fragrance."

But an advanced digital strategy isn't the only reason Burberry has a global reputation, adds Kurt Salmon's Mark O'Hanlon, who praises the retailer for its "beautiful aspirational product, great brand sponsors and leveraging the Britishness but in a cool modern way".

The retailer has certainly come a long way since its first flagship store was opened in New York in 1970. The brand's presence and reputation has spread around the world, with more than 80 stores opened in emerging markets since 2009/10, to take the total number of Burberry stores in emerging markets to 173. This compares with 58 stores operating across these markets as recently as 2007 and demonstrates that a sprawling network across the globe is a large component of building international notoriety.

In the past seven years, with chief executive Angela Ahrendts at the helm, Burberry has undergone significant expansion in a handful of emerging markets, especially China where a £70m franchise buyout in 2010 enabled the luxury retailer to reap huge rewards – perhaps proving that dynamic leaders are a large contributing factor to an iconic brand's success. All eyes are now on Christopher Bailey, who took over from Ahrendts, who departed to become senior vice-president of retail at Apple, to see what results he can deliver.



## IKEA

In a nutshell: Originally a Swedish furniture retailer, Ikea has expanded around the world owing to a successful business model focused on offering stylish flat-pack furniture at affordable prices.

### HEADLINE STATS:

**Turnover:** £1.3bn in 2012/13

**Group sales:** £23.8bn in 2012/13

**Worldwide stores:** 345 – includes 45 franchised and 19 UK

**Number of employees:** 7,186 in 2013

**Number of group employees:** 135,000 in 2013

(Source: Retail Week Knowledge Bank)