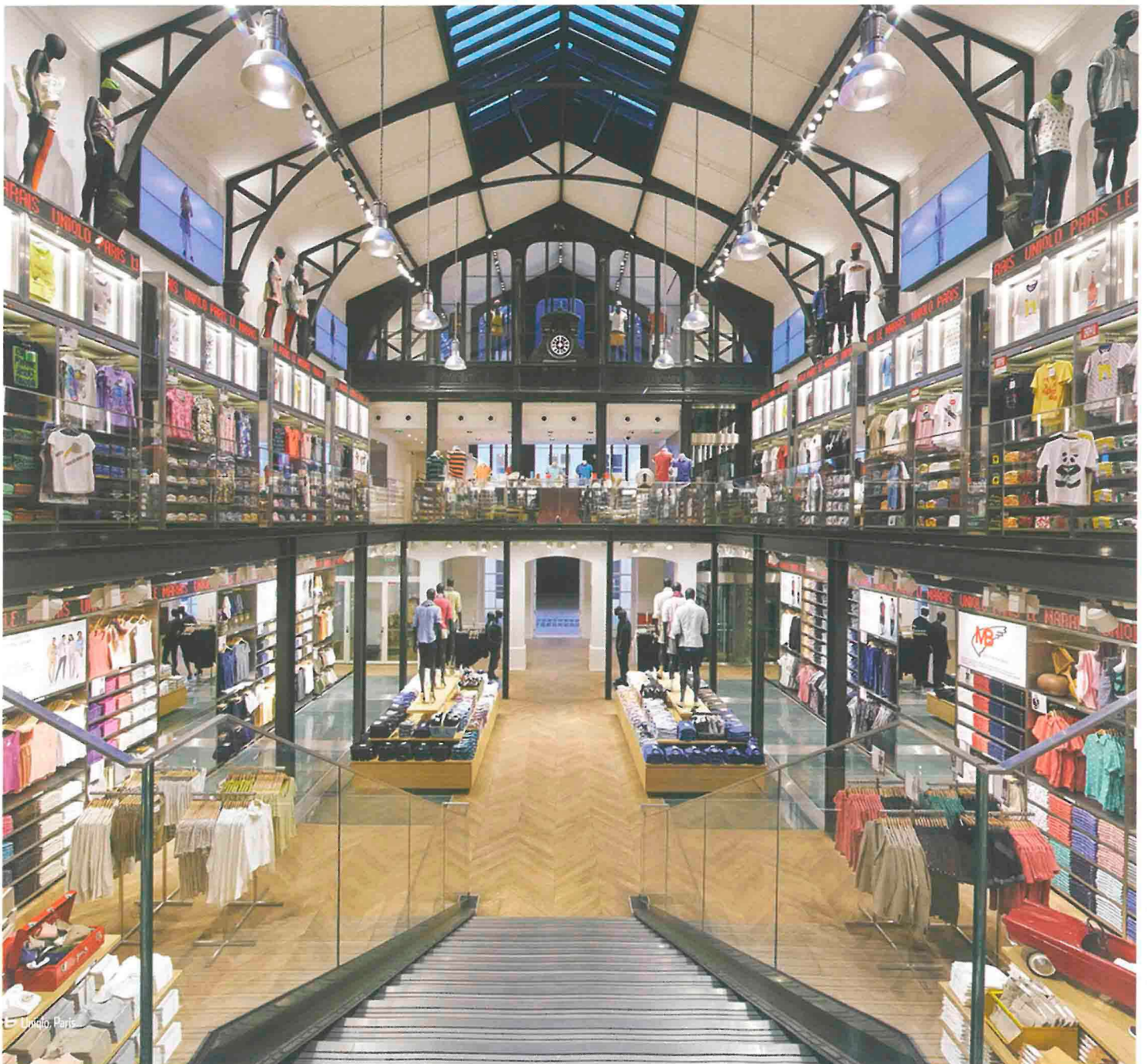


CHAPTER FIVE

RETAIL REBRANDING INNOVATIONS



Le Monde, Paris

- **Technology in store is an established part of the design process**
- **65% of consumers say they haven't noticed any retailer that has improved their store design in recent years**
- **Marks & Spencer, Tesco and Morrisons are singled out as the top three retailers most recognised for improving their store image**
- **Consumers tend to notice changes to store design more when shopping at food retailers**
- **Rebranding needs to be carried out on an almost constant basis**

Debenhams, Argos, Foyles, Waitrose, Hackett, the Co-op... These are just a handful of the retailers that have opted, in varying degrees, to rebrand or reposition themselves over the past 12 months in terms of their store design. But, of course, embarking on a store design overhaul is costly. So the question is whether it is worth it. Do shoppers notice? Or does it have a subliminal effect on boosting consumer loyalty and spend? This chapter looks at a handful of case studies of those retailers who over the past

year have embarked on a store design overhaul. Of the 1,000 shoppers surveyed, an overwhelming 65% say they had not noticed that any stores in particular had overhauled their store image in recent years (see chart 5.1).

It is hard to believe this is the case when a complete overhaul is undertaken, such as the work that has occurred at the Debenhams flagship on Oxford Street, where everything from the exterior to the layout and palette of materials used in the interior have been altered. But most rebranding

is less all-encompassing. This may be the point. Rebranding tends to be undertaken incrementally and massive reinventions are the exception, rather than the rule. Were they not undertaken in this manner, then they would quickly feel outmoded and therefore there is an argument that rebranding has to be engaged in on an almost constant basis.

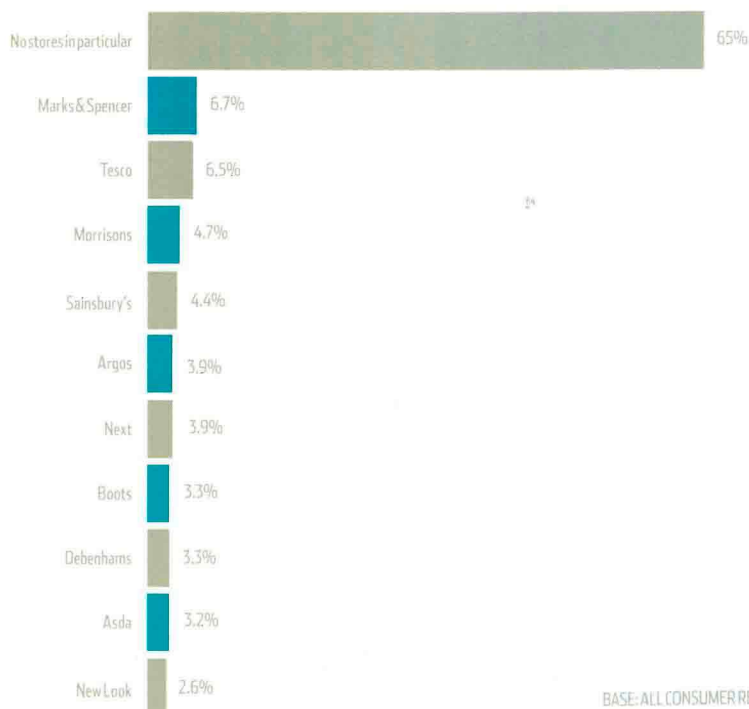
That said, the retailers that respondents to our survey single out for having carried out noticeable improvements to their store interiors in recent years include Marks & Spencer, Tesco and Morrisons. Argos and Debenhams were also in the top 10, and their rebranding strategies are outlined in more detail below. The latter has undergone a flagship revamping, while Argos has looked at how to rebrand its customer proposition.

Two out of three of the retailers in the top 10 are food retailers, and Marks & Spencer has been hard at work refining what it does in its standalone Simply Food stores and in its food halls. That this stands out for consumers is easily understood when it is considered that much of food retailing still relies upon generic box architecture and layout. Anything that strays from this template will therefore be highlighted. Tesco has been changing its in-store appearance across the entire estate at speed for some time now and it has reached the point where a sufficient number of stores have been reconfigured that shoppers will actually notice. The same is true of Morrisons, which in spite of persistent problems with the discount food retailers, has been endeavouring to do things differently. It has done so and shoppers are aware. Yet this is food retail. Those operating in other parts of the retail spectrum are rebranding on a regular basis, but such is the pace of change that the only time this gets remarked upon is when they fail to do so.

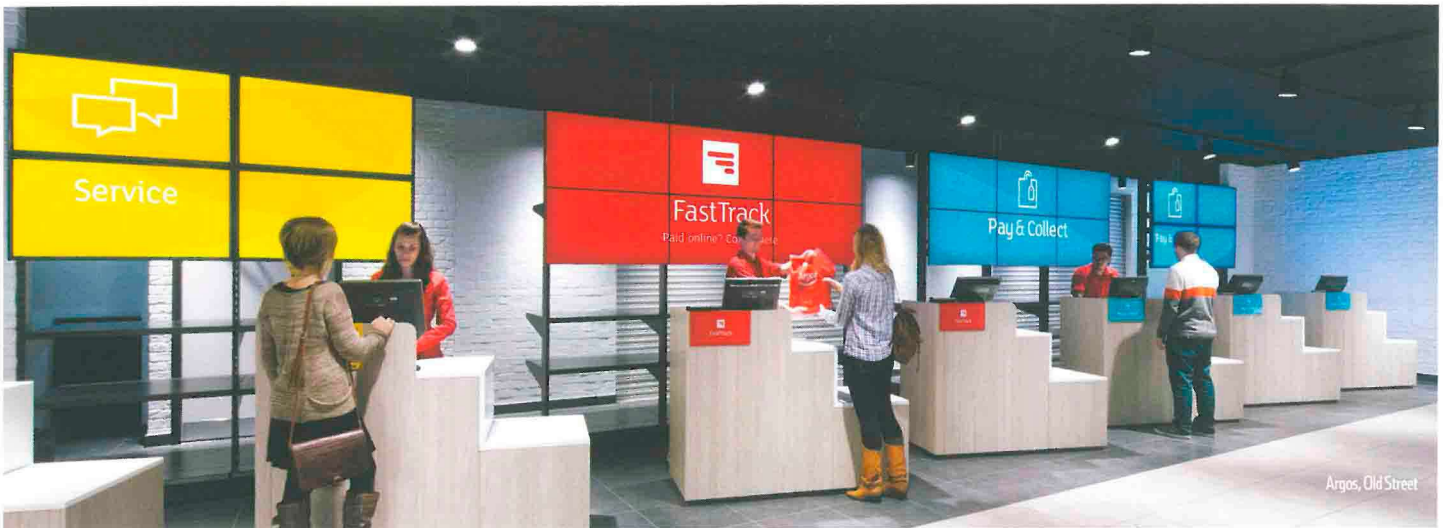
DEBENHAMS: THE FLAGSHIP REVAMP

Mid-market department store retailer Debenhams has suffered in a number of locations from playing second fiddle to House of Fraser and nowhere was this more obvious than on Oxford Street, the home of its flagship. This multi-floor, 233,000 sq ft store was last given a revamp in the 1980s, when the high-profile Ralph Halpern was in charge of the

5.1 WHICH RETAILERS DO YOU THINK HAVE IMPROVED THEIR STORE DESIGN IN RECENT YEARS?



BASE: ALL CONSUMER RESPONDENTS



Argos, Old Street

Burton Group, of which Debenhams was a constituent element. The organisation later morphed into Arcadia and Debenhams went it alone.

And the Oxford Street store had remained as a relic of its time when all around it changed and updated. A revamp was therefore required for no better reason than to bring the brand up to speed with its neighbours and to reposition Debenhams as a destination for shoppers in central London.

The intention was not only to update the store, but to position the retailer in the vanguard of retail. The task and the price was very substantial, with the interior costing £25m and the remodeling of the exterior costing a further £15m.

Starting from the outside, windows were created on the two corners of the building, to give shoppers a reason to look at the store while passing. These were positioned high above the street and made to protrude from the building itself. The rest of the store exterior was clad in a form of metallic chain mail that moves in the wind, giving the impression of a moving structure.

Internally, the store was also remodelled. The bank of escalators, with the long travelator-like approaches on each level prior to the stairs rising, was retained. The atrium around this was opened up however, affording shoppers views up and down the store's multiple levels. Large-format graphics were added to the mix, ensuring that the somewhat confusing navigation that had characterised the interior prior to the refit was no longer an annoying feature. Other elements included an iPad-festooned click and collect lounge and a beauty hall that would rival the nearby House of Fraser flagship.

The whole project took a year to complete and the store reopened just ahead of Christmas 2013. In terms of rebranding, this is not perhaps the most radical overhaul, but it does serve to illustrate why retailers undertake this kind of work and how a large space can be transformed. It is now close to a year since the revamp and in that time, Debenhams on Oxford Street has been put back on the map. The store is once more a flagship in appearance, as well as name, and other stores in the Debenhams portfolio look set to benefit from an Oxford Street halo effect.

ARGOS, OLD STREET: CUSTOMER PROPOSITION REBRANDING

For many years Argos, part of the Home Retail Group, was a store that might have been considered a retail curiosity. This was a retail proposition that involved walking into a retail space in which very little was on display and then leafing through catalogues prior to heading for one of the service counters and waiting for your chosen product to be bought from the stockroom.

There was little glamour in the process and the advent of home shopping via the internet looked set to potentially deal a death blow to this form of shopping. Yet walk into the store on London's Old Street and it is apparent that there has been a major rethink of what is involved in shopping at Argos and the retailer has been almost completely reinvented.

The catalogues of old are gone and in their place are screens, large and small, clean white mid-shop tables and service counters that offer 'pay and collect', 'fast track' (click-and-collect) and 'service'. Moreover, its technology has been noted by the consumers polled for this report (see chapter 4) when asked to describe what they particularly like about certain retailers' store designs. The store environment has also been rethought with a black ceiling, giving a quasi-industrial feel, spotlights and white, tiled, flooring. The whole enterprise has been brought into the multichannel world, with different ways of shopping in store and of having your shopping delivered all forming part of the offer.

The design is largely modular, meaning that it can be replicated in other locations with relative ease. Argos has gone from being a high street also-ran to serving as one of the leaders in in-store technology.

The other point that should be made is that what is on view may look complex at first approach, but is in fact highly intuitive, meaning even technophobes are able to navigate the proposition with ease. As a rebrand, this is almost a different shop and yet the process of shopper education that has been involved seems straightforward and to have been embraced.

Early indications are that the move has been successful and the format is now being rolled out. This may be incremental change, but it is a hefty increment and positions Argos as one to watch on the high street.

CO-OP: CUSTOMER PERCEPTION REPOSITIONING

A director of a large London design consultancy comments: "Everybody wants to like the Co-op." This is a brand with a community-led reputation where its customers were treated as being part of a club and given benefits in the form of vouchers and money-off accordingly. To an extent this has lost its power, however, owing to the fact that the UK is the home of the supermarket loyalty card and the 'more you spend the more you save' mentality is now commonplace in food retailing.

With this in mind and, just as importantly, with the notion that shopping habits are moving increasingly away from weekly big shops in superstores to more regular convenience-based shopping, the Co-op decided to enhance its convenience credentials. And some of the most compelling evidence of what has been done can be found at the retailer's store on Old Street in east London.

Here, the Co-op has reinforced the local nature of its proposition with signs on the door welcoming shoppers to 'The Co-operative Food Old Street', but it has also worked hard to make this a grab and go offer. As an area, Old Street has a well-educated and generally youthful demographic in its environs during the week, thanks to it being just along the road from 'Silicon Roundabout', the home of London's software creation sector.

Practically, this means that lunchtimes in the area are about young, well-heeled shoppers who need to get lunch and are in a hurry. With this in mind, the Co-op has placed a heavy emphasis on hot food and food-to-go offers, ranging from meat pieces, to baked-on-the-premises pastries. Customer flow through this relatively large space is simple and mid-shop units are low, ensuring that in-store navigation does not become a problem.

There are also ancillary services, such as a Costa Coffee vending machine and Amazon

collection lockers for those who have ordered online and wish to collect in a store rather than have their items delivered to their home. And throughout the store there are graphics with messages that stress the Co-op's roots including those stating "Sharing our success for over 150 years" and "Your community makes a difference".

In total, this is about bringing the Co-op into line with what its competitors have been doing, but it is also concerned with repositioning the retailer as a democratic purveyor of food and food on the move for shoppers in a hurry.

CONCLUSIONS

When should a rebrand be undertaken?

There is no set timetable for this, but falling shopper numbers and declining sales indicate that a rebrand may be urgently required.

What is the minimum that should be done?

Again, opinions will vary, but frequent 'tweaks' of a brand will probably be more useful than massive reinventions on a highly sporadic basis. Keeping customer perceptions about a brand positive is a matter of constant updating.

Rebrand or reposition?

Sometimes these two can prove to be one and the same, but rebranding will normally mean a comprehensive overhaul, where repositioning can translate as moving things along to deal with shifting shopper habits which will mean subtle change.

Does rebranding pay?

Rebranding tends to be undertaken in extreme situations and, as such, it will show almost immediate results, positive or negative, against

what precedes it. The new-look Argos stores were nothing less than a revolution for the retailer and the outcome has been a turnaround in its fortunes in a way that many might not have predicted prior to the rebranding being undertaken.

How important is innovation as part of the rebranding process?

The creative director of a London store design consultancy says that there is little point undertaking a rebrand if shoppers are unaware that something has been done. This is backed up by the design director of a major value fashion retailer who comments: "There was a time when you could get away with a coat of paint and a few graphics. Today there has to be a lot more thought if the results are going to come through at the till."



Debenhams, Oxford Street