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Retailers at the forefront of growth

Retailers that have grown fast are rated in this year's AlixPartners Growth Retailer report

FROM THE VALUE players to the premium retail market, retail growth is being gleaned across the board. From Blue Inc and Edinburgh Woollen Mill to Whistles, the third AlixPartners Growth Retailer report reveals just how much retail opportunity is being found across all types of brands aimed at all types of demographics.

Nor is growth confined to a specific sector. It is striking to see that Ikea and Oak Furniture Land have made the top 10. Both operate in a space that has been under considerable pressure in recent years but one that is now starting to benefit from the recent upturn in the UK economy.

The relevance of ranking the UK's fastest growing retailers is demonstrated by the fact that there is great degree of consistency among those that have made the cut.

This year's top 10 features two former winners of the Oracle Retail Week Awards Growth Retailer of the Year Award – Aldi and The Entertainer – and the latter narrowly missed out on the top spot for a second consecutive year. Among the top 30 retailers in this year's ranking, 15 have featured in either of the two previous editions of the report and seven have been included in both.

While 2014 was undoubtedly the year of the retail IPO, as businesses such as Ao.com, B&M

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UK store numbers			
	2005	2010	2015
The Entertainer	36	49	100
Blue Inc	28	98	240
Edinburgh Woollen Mill*	296	427	1,000
Whistles	50	82	100
Oak Furniture Land	n/a	1	59
Aldi*	320	414	550
Charles Tyrwhitt*	7	13	18
IKEA	13	18	18
Mountain Warehouse	23	92	200

While this year's winner of the Growth Retailer of the Year Award may have gone to pure-play retailer The Hut Group, physical expansion has been a key growth driver for some of the other retailers that made the top ten. However, store openings should not be undertaken for growth's sake – especially in today's multichannel world – and should fit within the retailer's overall strategy.

and Pets at Home listed on the stock market, it is interesting to note that two retailers which ranked among this year's top five have decided to remain privately owned businesses – The Hut Group and Blue Inc.

For some time there had been speculation that The Hut Group may seek an IPO, but these rumours were put to bed by its chief executive Matthew Moulding last year. While Moulding stated that The Hut has got its business model right, he felt that a listing at this stage of the retailer's development might hamper its ability to make strategic acquisitions. Instead, the company sold a 20% stake to private equity firm KKR in July 2014.

Blue Inc revealed its intention to float in May 2014 but reversed that decision within a couple of months over concerns about volatility in the market. It has now turned to private investors to help fund its ambitious growth plans, which include further expansion in both the UK and abroad.

Turning to leadership, this year's ranking yet

again includes a number of businesses that continue to be driven by their inspirational founders.

They include The Hut Group's Moulding, who established his business in 2004 and initially found success by operating 'white label' websites on behalf of other retailers, before changing course and establishing his own websites – either from scratch or through acquisitions.

Mark Neale also remains in charge at Mountain Warehouse, a clearly differentiated outdoor retailer that now has 200 stores across the UK as well as a growing international presence.

But there are also retailers that have been transformed following a change of ownership. Whistles is a prime example – chief executive Jane Shepherdson has repositioned its rather staid image into a credible high street fashion brand following her arrival in 2008.

Meanwhile, Blue Inc's growth trajectory was given a major boost when Steven Cohen acquired the business in 2006 through his Marlow Retail investment vehicle. Under his watch, the fashion retailer's store network has increased more than sixfold, not least owing to the acquisition of Officers Club in 2010.

Another key unifying theme in this year's list has been multichannel development, which has been evident through various strategies. For instance, Oak Furniture Land was established as an online business but made a move into physical retailing in 2010 and now generates two-thirds of its turnover through its store network. Similarly, shirtmaker Charles Tyrwhitt now trades through more than 20 stores in the UK and abroad, but was originally founded as a mail order company in the 1980s.

Among the traditional bricks-and-mortar retailers, The Entertainer's online business has been outperforming its store network for a number of years, but it still views its store network as being at the heart of its multichannel operation.

Its click-and-collect service accounted for more than a third of its online sales over the recent Christmas trading period, which underlines the importance of maintaining a physical presence.