

## ANALYSIS

Independent department stores face more challenges than ever, yet many are excelling. **Graham Soult** takes a look

# Indie department stores can survive and thrive

Over the decades, many independents have been gobbled up by larger rivals, or have vanished from the high street entirely. Earlier this year, McEwens of Perth closed its doors after a century and a half, blaming, inevitably, the impact of online retail and the economic downturn.

Meanwhile, Beales, itself a product of previous mergers and acquisitions, is shutting a third of its stores following a company voluntary arrangement earlier this year as it seeks to restore profitability.

Even the big-name department store groups are not immune from turbulence, with flagging own-brand sales at House of Fraser and squeezed margins at John Lewis.

Indie or not, it's clear that department store success comes from delivering the right offer, at the right price, via the right stores and channels.

That said, many long-established indies, such as Rutherfords of Morpeth and Barkers in Northallerton, have invested in their offer and store environment to become distinctive destinations. In London, Liberty and Selfridges both wow with their windows, and appeal to shoppers by creating a truly memorable in-store experience.

So what exactly differentiates a successful independent department store from a failing one? And how can Britain's indies teach the big names a thing or two?

## Premium positioning

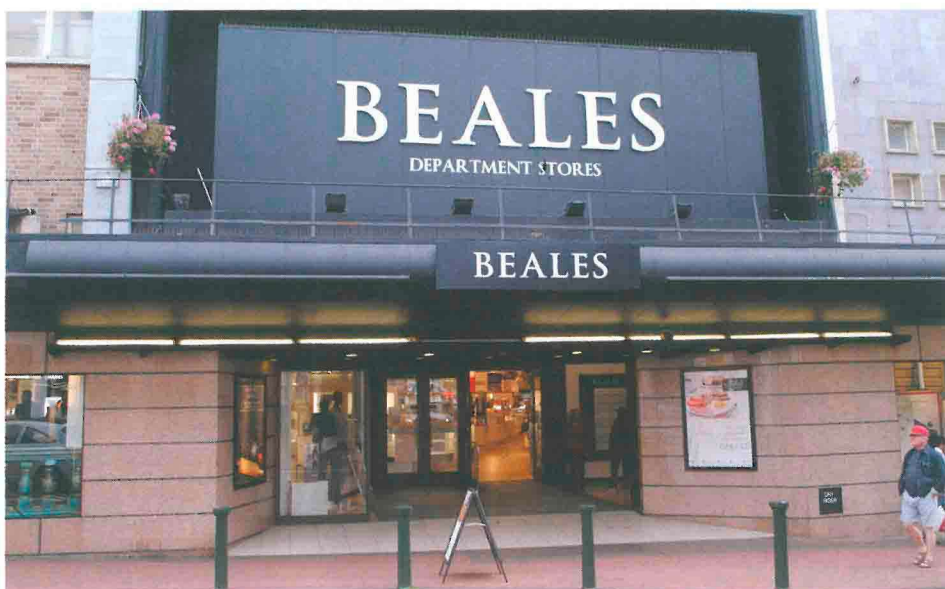
As discount retail gets ever more crowded and cut-throat, trying to compete with big names such as B&M or Primark is rarely a wise strategy.

Most of the independent department stores that are doing well have adopted an unashamedly premium positioning, drawing in shoppers by offering quality brands and products in a lovely environment.

Indie department stores can't always match the big players on price but in terms of customer service and sheer quality of engagement, they often have the upper hand.

We all know by now that simply selling stuff isn't enough. Shopping is just part of the high street experience. Browsing and buying is interspersed with coffee stops, gym visits and meals out. Increasingly, the whole episode is documented for the world to see on Instagram, Twitter or Snapchat.

In this multichannel world, department stores need to be about celebrating the physical space and offering experiences that you just can't replicate.



In the 1960s, John Lewis famously closed its hairdressing salons in stores. Half a century later, buzz in department stores is once again being driven by in-store services: beauty consultations, nail salons, and Prosecco bars.

## Food drives footfall

Department stores are increasingly recognising food and drink as a core part of their offer and a powerful footfall driver.

Nevertheless, too many stores still feature a cheerless cafe with plastic furniture. It's such a wasted opportunity – make the in-store eatery an appealing destination in its own right, and it's a win-win all round.

Amazon has many strengths, but it hasn't yet found a way to hook in new shoppers with steaming lattes or homemade cake.

From functionality to fulfilment, getting all the ingredients of a department store ecommerce operation right is a challenge. It doesn't come easy or cheap, and might not be the way forward for every business.

Beales, for example, scrapped its online store last year to focus on getting its branches back on track. However, for other longstanding indies, such as Havens of Westcliff-on-Sea, ecommerce is proving a major growth driver.

A department store is unlikely to thrive without some form of digital presence. A business might not be selling online, but it still needs to be searchable and digitally engaged. The internet can be a threat to physical retail,

but its power as a generator of brand awareness and footfall is still too often undervalued.

## The future

With the focus often on the survival and reinvention of established retailers, it's easy to forget that there are still new independent department stores opening.

One recent arrival is Sandersons, which opened in Sheffield last month. Badged as a boutique store, its extensive glazing, airy atrium and exposed-brick walls are more New York loft than traditional department store.

Sandersons has an impressive array of brands such as Joules, White Stuff and Barbour, and has worked with suppliers to curate a coherent yet distinctive look for the store as a whole. Meanwhile, the inclusion of lesser-known brands, such as Polish cosmetics house Inglot, gives shoppers another reason to visit.

Add an in-house 'beauty ambassador' – make-up artist to the stars Armand Beasley – and the first offshoot of iconic Newcastle coffee house Blake's, and you have an exciting, experiential store that's ready-made for snapping and talking about on social media.

Time will tell whether Sandersons can match the longevity of stores such as Barkers and Rutherfords, but for the moment, it's well worth enjoying and celebrating what a beautiful 21st century department store can look like.

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