

RetailWeek

ON THE ROAD



Anything but middling

In the third instalment of this year's retail road trip, **Emily Hardy** heads to the resurgent Midlands and uncovers a wealth of retail opportunities

The Midlands thrived during the industrial revolution of the 18th and 19th centuries but has more recently lagged behind as Birmingham – the area's biggest city – has been overshadowed by its flourishing rivals, such as Manchester.

But it's making a comeback, says the newly elected West Midlands Mayor, and former boss of John Lewis, Andy Street.

Indeed, its new business-savvy mayor describes the West Midlands as "one of the standout success stories of the country", and puts this down to a combination of factors.

For a start, productivity in the West Midlands has stood at nearly three times the national average for the last three years, and pay increased faster than any other part of the country last year.

This is partly a reflection of the strength of the area's key sectors – automotive and aerospace – which produce high paying, high-quality jobs, as well as the region's strong export numbers, which Street says are of particular significance in a "post-Brexit world".

But the West Midlands, and Birmingham in particular, is also fast becoming one of the UK's tech capitals.

New businesses are being started in the region at roughly twice the country's average rate. Asos is one of the companies that has chosen to set up part of its IT function here.

This has also been a positive for The Works,

based in Sutton Coldfield on the outskirts of Birmingham. "Many of those that have been at the forefront of the digital and pureplay revolution are based here," says multichannel director Simon Joseph.

"We want iconic and leading edge businesses to think of the West Midlands as its potential home," says Street.

Work is set to commence on high-speed railway HS2 this year, which will further boost the area's economic prosperity. The region, where HS2's headquarters will be based, is predicted to be the main beneficiary of the rail route, Street says.

The West Midlands' return to form can only be good news for retailers in the region as, in the simplest terms, a strong economy gives people spending power and drives sales.

Grand Central and the Bullring

When it comes to retail in the UK's second city, shoppers are spoilt for choice with the new rail station development Grand Central, the refurbished Mailbox, home to upmarket brands including Harvey Nichols, and the iconic Bullring mall.

Visitors to the city are immersed in retail as soon as they step off the train at Birmingham New Street, where the Grand Central shopping centre opened just under two years ago.

To Street, Grand Central is a "dramatic, bold statement of coming to a city of scale, and ambition".



Birmingham's Grand Central

A testament to that is Street's decision, when he was at the helm of John Lewis, to open a flagship store in the development.

Grand Central certainly lives up to its name. The shopping centre overlooks the vast atrium, which houses the New Street concourse, where light floods in through the transparent roof.

As well as John Lewis, the 435,000 sq ft centre houses more than 30 retailers, alongside many cafes and restaurants.

Hammerson acquired Grand Central in January last year and the property developer's director of UK shopping centres Pete Cooper says the scheme is "redefining railway retail".

The centre is certainly bustling when Retail Week visits. Some shoppers sip a glass of Prosecco at the Fizz! Bar while waiting for their train, others browse beauty products at Jo Malone and Mac while many inevitably head to John Lewis.

Grand Central may be busy but there are a number of vacant units. Cooper says this is a hangover from the change of ownership – Grand Central was developed and owned by Network Rail and Birmingham City Council.

He says: "If you're building something to sell it you fill up the space and do the best you can but a railway and a local authority don't have the retail finesse that we do."



Andy Street

Follow our series as we explore
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Link Street, which connects
Grand Central and the Bullring

East Midlands' retail stars

A quick trip across the country brings us to the East Midlands – home to some of the country's biggest high street names, including Boots, Next and Dunelm.

According to Dunelm boss John Browett, being based in Leicester offers the homewares retailer "the best of both worlds". It's a relatively cheap area to do business in, he says, yet it is just over an hour by train from London.

Leicester, where Dunelm began life as a market stall, "has a great energy and drive about it". Browett adds, "you can always attract good people, such as IT refugees from London, who are happy to settle in the area and stay with you."

Browett, who grew up in Leicester, says he particularly enjoys the straightforward nature of the locals, dubbed 'Leicester direct'.

Another one of the East Midlands' retail stars – now part of health and beauty giant Walgreens – is Boots, based in Nottingham.

Boots' growth story, the retailer says, is inherently linked to the development of the city, where it was founded 168 years ago.

Sophie Clapp, company archivist at Boots, says: "The location is an attractive place for businesses to be based – particularly for the region's focus on life sciences, and its central location works well for our logistics operations."

However, Boots, which employs 8,000 people at its Nottingham head office, has also had a significant impact on the region.

"The impact of Boots changed the local landscape, not just through the beautifully designed shops and factories but also local attractions and parks such as Nottingham University Park campus, which it donated to the city as green space for local community to enjoy," Clapp says.

There are numerous examples of Boots' heritage across Nottingham, not least of all its first store. Best known is the bust of Jesse Boot that sits overlooking both the Boots site and the University of Nottingham.

The statue is inscribed: "Our great citizen Jesse Boot, Lord Trent. Before him lies a monument to his industry, behind an everlasting monument to his benevolence."

The Midlands is a place with retail woven into its very fabric.

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Trendy artwork specialist Vincent Van Doodle focused on selling through marketplaces such as NotOnTheHighStreet and Etsy before opening a pop-up on Link Street a year ago. The success of the venture has led the retailer to take a permanent shop there.

Birmingham-born co-owner Oli Silvester says Link Street gives independent retailers a place to flourish. "There's a gap in the market for independents here," he says. "Link Street is bringing it into the mainstream."

Cooper says that Grand Central, Bullring and Link Street give Birmingham's shoppers a vast array of retail experiences. "We're giving people stacks of choice, which makes this one of the best retail destinations in the UK," he says.

Despite the empty units, Cooper says demand is strong for space in the centre. "There are one or two people in here when we bought it who we knew weren't going to be around forever. For everyone that is saying I don't think this is the environment for me, there'll be at least one other person who says 'I'm over-trading, I need some more space'."

Cooper says it is rapidly learning what works at Grand Central, with gift retailers prospering in the centre. "Shoppers ... want to go straight in, get it quickly and get out," he says.

This is where the shopping experience differs from that in the Bullring, Birmingham's most famous shopping centre, which neighbours Grand Central.

Cooper says the centre, also owned by Hammerson, offers shoppers a real brand experience, and they can spend a full day out there.

The Bullring, which will celebrate its 15th birthday next year, is undergoing lots of change – most evident in Link Street, the walkway connecting the Bullring to Grand Central.

Just two years ago this part of the centre was in dire need of refurbishment. With the arrival of Grand Central, Hammerson did just that.

Taking inspiration from London's Box Park, it's now a pop-up laden street where up-and-coming brands can showcase their wares.