

RetailWeek

ON THE ROAD



# Retail gets a culture shock

Retail Week's roadtrip continues with a jaunt around the Northeast and Yorkshire, via family-owned Pavers and this year's City of Culture, Hull. *Grace Bowden reports*

**B**etween business rates, the national living wage and the apprenticeship levy, it would be easy to think that retail and the Government have an adversarial relationship. However, one Yorkshire city is proving that both can come together to create a thriving, and profitable, retail scene.

Hull is just over halfway through its tenure as the UK City of Culture 2017, and the public and private sectors have united to make its reign a success.

While £27m of public sector money was invested into transforming the city centre, local businesses have ploughed a further £5m into the fund to date.

Jim Harris is the manager of the city's largest shopping centre, St Stephen's, one of the 12 businesses that gave financial backing to facilitate Hull's 365-day festival of cultural events.

"It has been a hugely galvanising force," says Harris. "There's been a resounding message from businesses in the city centre on the level of energy they feel from shoppers and the number of new customers they see."

Harris says that usage of St Stephen's car park is up 40% year-on-year and footfall after 6pm is up 8%, driving a 4% increase in food and

leisure spend in the shopping centre.

And it's not just St Stephen's that is benefiting. During the city's Made in Hull cultural festival, 37% of businesses in the city centre reported a rise in turnover and 27% saw profits rise, according to Hull City Council.

Harris is adamant that this is just the beginning for Hull's retail renaissance. "This is about legacy – it's going to take time but I think it is a game-changer for the city," he says.

The city has undertaken a variety of projects to boost footfall, including the refurbishment of indoor food court Trinity Market and Hull Minster, which has held events including an ale festival and music performances.

St Stephen's, which boasts an annual footfall of 12 million, has also held events in the shopping centre, including a parade with a samba band.

"One of the crucial roles for us to play is to be a genuine heart of the community and the City of Culture bid has given us a chance to really cement that," says Harris.

## Putting Hull on the map

The concerted effort from the local council and businesses to put Hull on the map comes after a period when the city was down at the heel.

"It's very tough for bricks-and-mortar retailers if you operate in a city that doesn't have an in-built tourist infrastructure or double as a transport hub," says Harris.

"Hull has always been around for that convenience shopping trip but whereas before people would have driven to Leeds or Newcastle for a day out shopping, they're now thinking of us."

The united front that the city's businesses and councillors have shown demonstrates how being named City of Culture has acted as a springboard to turn around Hull's previously flagging fortunes.

It also provides a blueprint for the many secondary cities across the UK facing declining retail footfall.

## Northern sole

A quick train journey takes us to North Yorkshire, where Pavers has quietly been building up a footwear empire.

The company was set up in York in 1971 by Cathy Paver, an ambitious mum who took out a £200 bank loan (she told the bank she was buying a sofa) to fund her footwear business.

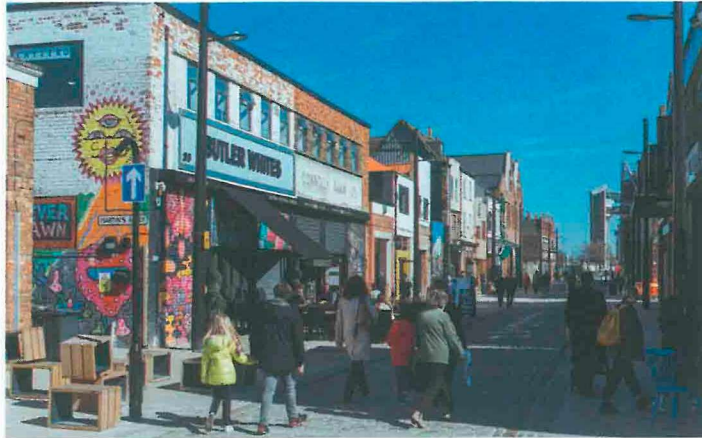
Cathy passed away earlier this year at the age of 88, but the business remains family-run. Cathy's son Stuart has been at the helm for the last 25 years, whilst his son James acts as director of sales. Sister-in-law Debbie even presents the retailer's home shopping channel, which airs on Sky.

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**Jim Harris, St Stephen's shopping centre**



**During the Made in Hull festival, 27% of businesses in the city centre saw profits rise**

challenge, leaving the retailer's Yorkshire heartland is out of the question.

"We're the only big retailer left in North Yorkshire. It's far sexier to be based down South, but then it's more difficult to retain people and it costs more," he explains. "We've developed a very strong team and will continue to be based here for as long as I can see."

### Setting up camp in Sunderland

Next stop: Sunderland, where we visit the rather snazzy headquarters of Pentland Brands-owned Berghaus.

Brand president Richard Leedham – who has worked for Berghaus for more than 20 years – admits that like Pavers, Berghaus has

recruitment challenges. "It's not the easiest place to attract talent to so we've invested in a great working space and flexible working, allowing people to live all over the country but spend a lot of time in Sunderland," he says.

Pentland, which also holds a majority stake in JD Sports, has ploughed investment into Berghaus headquarters, including creating a fully operational product development lab.

The revamped space also boasts a variety of outdoors-inspired design details including a chalet-style dining area and climbing rope-lined stairwells.

The two-year long refurbishment was completed at the end of 2015 and won a top title at the British Council for Offices Awards last year.

"It's the most active office environment we could offer, short of being based in the mountains somewhere," says Leedham.

It's an investment that has paid dividends for the business, which has recruited executives from North Face and Unilever in recent years.

Location aside, the outdoors brand is looking at demystifying the sector, which Leedham concedes can be intimidating for shoppers.

"We provide for everyone from a dog walker to people participating in extreme sports and I don't think we're doing the best job as an industry of selling that," says Leedham.

Berghaus has recently closed the vast majority of its standalone stores.

Leedham explains that the sector has gone through "massive consolidation" in recent years and that Berghaus' retail portfolio had not driven sufficient sales to justify the running costs.

Berghaus is prioritising its online and wholesale channels. Retailers in which it is stocked include Cotswold Outdoor, Blacks and Millets.

However, Leedham says there is a lot both Berghaus, and the sector at large, can do to attract new customers.

"Traditional outdoor brands have been far too male focused and we're missing out on the opportunity to engage a wider consumer, and especially women within that," he says.

From the samba bands of Hull to the chalet halls of Sunderland, these retail businesses are giving talent and shoppers alike new and compelling reasons to come up North. **RW**

However, managing director Stuart Paver says that family members have to earn their stripes elsewhere before joining the business.

"It's got to be for a position that they're suited to and is available," he says, adding that his son James, who did stints at investment banks including Goldman Sachs, "took a big pay cut" when he took his role at Pavers.

Pavers caters to the female shopper aged 45 and over, but the vast majority of its customers are in the 65+ age bracket – a sector of the market that Paver says is very underserved.

"We have a very loyal customer base and we'll never get the peaks that other people report but we also don't get the troughs," he says.

"I'd much rather have this loyal customer base than a flighty one that you don't know will come back to the shop next week."

The retailer has 130 stores across the UK and Ireland but is gearing up for a rapid bricks-and-mortar expansion with a particular focus on the Southeast, and snapped up eight of Brantano's former outlets after it collapsed earlier this year. It wants to grow to up to 240 stores and has 65 new locations in its pipeline.

"During difficult times its often much easier for somebody like us that's got a very good balance sheet and is strong financially to acquire units and do deals that work for us in the long term," says Paver.

Although Paver concedes that recruiting buying and merchandising positions in the sleepy town of Upper Poppleton can be a



**Berghaus' Sunderland headquarters features a chalet-style dining hall**

