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Headliner

➤ HIGH STREET SALES ON THE RISE AGAIN

Could this be the beginning of a return to spending on retail design?

Hope might be on the horizon for the beleaguered retail design sector. The latest data for retail sales, along with two major high street chains investing millions in revamping their stores, suggests a renaissance. But industry analysts say that the stores need an experiential concept to deliver real growth.

Following a weak January, retail sales rose last month at their fastest pace in two years. The Office for National Statistics said the volume of retail sales increased by 1.4 per cent between January and February, against the 0.8 per cent forecast by analysts.

'High street retailers need a better offer to persuade people to buy better product and spend more,' says Maureen Hinton, senior retail analyst at Verdict Research. 'It's not just about product but store environment.'

Tim Mutton, director of retail design outfit Blacksheep, believes that the future lies with the lead taken by upmarket stores, which can only be good for creatives in retail design. 'Department stores are the most dynamic sector of the high street at the moment, with service diversification moving from coffee shops in the Nineties to Selfridges' current grooming areas.'

Boots and Next have both recently announced store design roll-outs. Boots is investing £65m in rebranding and refitting stores over two years, starting this summer. Of Next's 480 stores, 20 per cent will be completed by next January. Simon Wolfson, Next chief executive, says the key is to avoid complacency and to inject some 'magic' and 'excitement', even into a successful brand.

Industry comment



TIM MUTTON
BLACKSHEEP

Retail design has an important future role in the renaissance of the high street. We're getting tired of celebrity brand partnerships. Let's hope Madonna at H&M and Kate Moss at Top Shop are the last of the breed - I don't think I could handle Posh Spice at B&Q.
www.blacksheepweb.com



IAN CAULDER
CAULDER MOORE

Currently there is pressure on high street brands from supermarkets, mail order and online retailers. Customers want more: they need an emotive experience to differentiate. High street brands must make an emotive connection.
www.cauldermoore.co.uk



CHRIS DEWAR-DIXON
FOUR IV

Three key trends appear to be the expansion of our retail clients' UK luxury brands overseas; an increased interest in ethical and environmental issues and the widening of multi-channel retailing as a response to online competition.
www.fouriv.com

SHOPFITTERS BENEFIT

The knock-on effect has benefited shopfitters as retailers' sales success has coincided with a need to revamp stores to keep up with rivals. Styles & Wood is one such shopfitter. The company reported an 84 per cent rise to £7.84m in full-year pre-tax profit and said 2007 started well. Revenues rose 57 per cent to £268.6m, earnings per share to 8.1p, and the shares have gained 22 per cent since the float last November. 'Premier league retailers are looking at the store environment,' said Neil Davies, Styles & Wood's chief executive. 'The refurbishment cycle has moved to three years from the traditional five to 10 years.'
www.stylesandwood.co.uk