Retail Week

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Fewer, bigger stores for Arcadia as profits soar

More space for brands in Bhs as Green's empire notches up 13% rise in profits

BY TIM DANAHER

Arcadia's future lies in fewer, bigger stores, Sir Philip Green said this week as he revealed that profits at his fashion group have increased despite the recession.

Revealing a 13% jump in pre-tax profits to £213.6m in the year to August 29, Green told *Retail Week* that the merger of Bhs into Arcadia Group created the opportunity to consolidate the presence of his brands in many towns and reduce the group's rent bill.

"We're going to reshape the portfolio," he said. "We will end up with less stores but more space." The tycoon said the group has leases expiring on about 300 stores in the next two to three years.

Green intends to accelerate the roll-out of brands such as Wallis, Evans and Burton into Bhs stores, and wants about 100 completed by March. In some cases, this will allow small stores occupied by individual Arcadia brands to be closed.

Green said better use of space at Bhs is 'the most interesting thing we've got on'

He said that reshaping Bhs was more attractive than making acquisitions in the current market. "The potential of adjusting the mix at Bhs and using the bigger space is the most interesting thing we've got on."

Sales were up 2.7% to £1.9bn on flat like-for-likes. Green said he was happy with the year, particularly in the light of the recession and a very tough first quarter last autumn. "This is a good performance. If you consider where we were a year ago, we didn't know where we were going to land," he said.

"WE WILL END UP WITH LESS STORES BUT MORE SPACE"
Sir Philip Green, Arcadia

In the first seven weeks of the new year like-for-likes were up 2.3%. Again, the top performers were young fashion brands Topshop, Topman and Miss Selfridge, while the more mature brands fared less well. "Mainstream's tough," Green said. The figures do not include Bhs, which joined the group in July.

Ian Grabiner, who as chief operating officer has managed the integration of Bhs, becomes group chief executive.

Topshop's New York flagship has performed above plan since opening, Green said. More US stores and entries into Italy, France and China are planned.

Green said that while he was "cautiously optimistic" about next year, the impact of the VAT rise on January 1, increasing unemployment and next year's business rate rise, worried him. "You can't not be concerned about it," he said.

Argos to embark on brand makeover

Home Retail Group's Argos chain is to revamp its brand, including the logo. The shake-up will reflect a more modern identity in the wake of big changes to the business in recent years, such as its multichannel operations. Changes will begin to appear in new shops and the spring/summer 2010 catalogue. p2 ➤

Retailers in line for Halloween bonanza

Stores expect this Halloween to be a record year. Sales are forecast to climb to £235m from £195m last year, boosted by the event falling on a Saturday as well as its growing popularity in the UK. Halloween will be closely scrutinised by retailers for signs of how shoppers will behave at Christmas. p4 ➤

HMV's big-screen debut

p11, p14 ➤

Kingfisher creates top innovation role

The DIY giant has appointed Andy Wiggins to the new role of group innovation director. p3 ➤

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JOHN LEWIS AT HOME **The debut John Lewis at home store – John Lewis's first new format in 20 years – opened yesterday in Poole, Dorset.**

The two-floor store has a retail area of 39,000 sq ft. Head of new formats Tim Harrison said the opening cost about 20% of that of a same-sized full-line store, with the edited selection and a modular design approach cutting the fit-out time.

The retailer is mulling 30 locations for the format and the next store is to open in the first half of 2010.

As well as furniture and homewares, the shop features electricals. The opening comes as Marks & Spencer identified the home category as a "huge opportunity" and electricals group DSGi unveiled its first dual-branded Currys/PC World superstore.

Argos to undergo brand revamp

BY GEORGE MACDONALD

Catalogue store group Argos is to revamp its brand, including its logo, to reflect how the business has changed in recent years.

The overhaul will be seen first in new stores and its spring/summer 2010 catalogue, Argos parent Home Retail chief executive Terry Duddy revealed at the interim results.

Argos's sales rose 1.7% to £1.89bn in the first half, when benchmark operating profit fell from £85.5m to £79.7m. Like-for-likes fell 2.1%. Duddy said performance had exceeded his expectations and a brand "refresh" would modernise Argos's image.

The retailer reported: "Since the brand was last updated, Argos has become multichannel integrated, expanded through Argos Extra and internet-only ranges and developed more up to date store formats.

Refresh is to reflect business change

"A programme to improve customer understanding and refresh the brand has therefore begun. This programme will run over a number of years to update the brand across all operations."

Duddy said Chad Valley, acquired after the collapse of previous owner Woolworths, has become one of Argos's leading toy brands. He suspected traditional toys may be one of this Christmas's winning categories.

Homebase's sales rose 4.4% – up 2.8% like for like – to £866m. Home Retail's group sales climbed 3% to £2.81bn, generating benchmark pre-tax profit up 1% to £123m. Gross margin fell 100 basis points at Argos and 325 at Homebase.

Duddy said: "We continue to plan cautiously for consumer demand over the remainder of the financial year and there will also be a more significant impact from adverse currency movements."

Seymour Pierce analyst Freddie George was bearish about the performance. "The weakness on gross margins indicates both companies are under pressure from competition." Argos faces growing rivalry from food retailers and a better performance from electrical retailers, and Homebase is becoming more dependent on discounting, he said.

➤ **Argos video marketing, p7**

Harvey Nics boss warns of slow luxury recovery

Harvey Nichols chief executive Joseph Wan believes a "substantial shift" has occurred in the luxury retail landscape since the banking meltdown from which it will not recover for at least five years.

Wan said that luxury retailers should be prepared for the total pool of consumption in the sector to shrink and adapt accordingly to survive.

He said: "We do not talk about economic recovery at all – forget about it. We are focused on recognising and understanding that there has been a change of the total landscape in luxury retailing."

However, Harrods managing director Michael Ward said he had seen "no resistance" or changes to wealthy shoppers' spending habits.

Why retailers shouldn't fear a turnaround
Neil Gillis, p23

Industry slams credit insurance top-up scheme

Most retailers say the Government's credit insurance top-up scheme has not helped their business, while one of the biggest insurers admitted the scheme had not been as effective as hoped.

Atradius UK & Ireland head of risk Marc Henstridge admitted the initiative has "not been the success we'd have liked it to have been".

Only a handful of businesses have taken advantage of the top-up scheme and the British Retail Consortium found almost 85% of large retailers and 95% of small to medium retailers had yet to see a positive impact from its introduction.

The BRC is calling for an extension of the scheme, which comes to an end on December 31.

The organisation believes eligibility for the scheme's cover period should be put back from October last year to April 2008 – when insurers started to remove cover – for a real impact to be felt.

Dwell hires chairman as it eyes Habitat acquisition

Mid-market furniture retailer Dwell has made Neil McCausland chairman and is considering bidding for all or parts of Habitat if it is put up for sale by Ikea owner ICAF Antillen.

McCausland is also chairman of upmarket shoe brand Kurt Geiger and value retailer T J Hughes.

Dwell managing director Aamir Ahmad said: "We're building up the business and want a really strong calibre of people."

He described Habitat as a "very established brand", adding: "We'll see if we can get it back to making money."

Ahmad said he is looking at ways to raise finance. "There are a number of partners we are talking to already," he said.

In a statement, Habitat chief executive Mark Saunders said ICAF Antillen "has commenced a strategic review which may or may not lead to a sale of the company".

Ahmad said if Dwell does not buy Habitat in its entirety, it may be interested in certain stores. "It would be a good way for us to expand," he said.

Dwell is 'building up the business'

Lazard has been appointed as financial adviser to ICAF. In the year to March 30, 2008, Habitat's losses widened to £13.4m.

However, some potential private equity investors questioned Habitat's relevance in today's market.

In the year to January 31, Dwell's pre-tax profits were flat at £326,818, and revenue soared 54% to £24.8m.

Kingfisher creates innovation role to hold on to market leadership

BY NICOLA HARRISON

B&Q owner Kingfisher has created a role of group innovation director to ensure it remains at the cutting edge of retail.

Andy Wiggins, who joined the retailer as group strategy director in 2006, has been appointed to the post. He will be responsible for ensuring the group maintains its innovation leadership and works with suppliers to offer customers "new, original and exclusive products", as well as offering services that "make their shopping experience as easy as possible".

Wiggins will sit on the retail board alongside other senior executives including group chief executive Ian Cheshire, UK chief executive Euan Sutherland, international chief Peter Høgsted and group property director Ian Playford, who started at the retailer this week.

Shore Capital analyst Kate Calvert said it is important for retailers to keep innovating, even in a downturn. "It keeps the offer new and relevant to the consumer, gives a competitive advantage and reinforces market position, helping you to take share," she said.

Wiggins moves from strategy role

She described Kingfisher's move as "sensible" and in tune with its strategy to reinforce its position so that when an upturn comes the group will be in a good position to take advantage. "It's what I'd expect from a market leader," she said.

DIY retailers, along with electricals chains, have in the past often been slow to ensure innovation in stores, trailing clothing and health and beauty retailers, according to Calvert.

Wiggins will work across the UK, French and international divisions to ensure Kingfisher has "both structures and processes in place to capture, assess and develop ideas".

Other retailers have also been putting an increasing emphasis on innovation. Earlier this year Marks & Spencer bolstered its management team with the appointment of Cathy Chapman as head of product development and direction in food in an effort to deliver innovation.

IN BRIEF

➤ **MAIL DISRUPTION** Retailers have attempted to reassure customers of minimum disruption if Royal Mail strikes go ahead. Etail sales have already been hit by local strikes – growth hit a record low of 8% in September, according to the IMRG Capgemini e-Retail Sales Index. Last-ditch efforts to avert a national strike were taking place as *Retail Week* went to press.
➤ **Editor's comment, p22**

➤ **BLACKS LEISURE** The retailer's banks are understood to have rejected an approach from potential buyers in favour of supporting existing management. Restructuring specialist Gordon Brothers was keen to buy Blacks' debt but was turned down, sources said.

➤ **TESCO** The grocer is aiming to cut waste by replacing traditional bogof offers with 'buy one get one free later' deals. Tesco hopes the initiative will help minimise the amount of food people throw away. Shoppers will be given vouchers enabling them to claim their free items at a later date.

➤ **FINDEL** There was speculation about a possible bid for Findel, prompting a share price rise. The retailer, which runs brands including Kitbag and Cotswold Company, was said to be a bid target for rival N Brown.

➤ **PRINCIPLES** Debenhams has signed designer Ben de Lisi to relaunch Principles. The department store group will debut Principles by Ben de Lisi in February. It will be priced 20% lower than the old offer. Debenhams was set to reveal preliminary results as *Retail Week* went to press, and there was speculation chairman John Lovering was to stand down.
➤ **In the news, p28**

➤ **NISA-TODAY'S** The symbol group's sales rose almost 12% to £651.4m in the six months to the end of September. The performance puts the group on track to beat its target turnover of £1.3bn for the year. Its store count increased by 46 in the half.

IN BRIEF

➤ RW CONFERENCE The first big-name speakers have been confirmed for the Retail Week Conference 2010. DSGi chief executive John Browett, Tesco clothing chief Terry Green and eBay UK managing director Mark Lewis will all speak at the event, held in London on March 3 and 4 next year. Full details at Retailweekconference.com.

➤ ASDA The grocer has fired the first shots in the annual Christmas toy pricing wars with the announcement of its biggest toy promotion to date. The grocer will slash £6m off the retail price of 700 toys, with 100 products half price or less.

➤ BURBERRY The fashion house is suing Pets at Home for copyright infringement. Burberry claims that fabric on its products, such as dog coats and baskets, used a plaid design too similar to its own. Products have been pulled from the shelves, but the dispute has not been resolved.
➤ Cartoon, p25

➤ TESCO The grocer will spend £3m on senior management training via its Tesco Academy over the next year, in what it says is the biggest investment in developing a senior retail team to date. Its training spend is up 23% year on year.

➤ ETAIL Online retailers are coming under scrutiny from the Office of Fair Trading. The body is investigating if etailers are charging customers different prices for the same items, based on shoppers' purchasing histories. It is also looking into whether supermarkets are raising prices for bogof offers.

➤ BANANA REPUBLIC Gap-owned fashion brand Banana Republic has confirmed two more London stores. Brent Cross Shopping Centre will open next month, while St Martin's Courtyard, Covent Garden, will open in April, as reported by *Retail Week*. The retailer is also in talks over a store in the One New Change development in the City.

Retailers gear up for best Halloween ever

BY RACHAEL TAYLOR

Halloween is gearing up to be the biggest yet and is set to be a key marker for family spending in the lead-up to Christmas.

The festival has been creeping up retailers' agendas over the years and, according to research by Planet Retail, UK sales of Halloween-related products are expected to hit £235m this year, up from £195m last year and just £12m in 2001.

The expected burgeoning sales could be a positive indicator for Christmas trading prospects, according to MHE Retail chairman Edward Whitefield. "Halloween is a very important indicator for Christmas sales," he said. "Halloween is a time when impulsive spending takes hold, and discretionary spending is really under pressure."

However, Whitefield held out little hope of a bumper Halloween. "What we'll find is that the barometer will be low in Halloween spend and that will be indicative of Christmas," he added.

But retailers are more bullish about Halloween sales. Sainsbury's is expecting its biggest ever Halloween this year, boosted by the holiday falling on a Saturday, encouraging more adults to get involved.


Woolworths selling themed products online, but has left a gap on the high street

Asda is confident of a big Halloween weekend and is pushing the event to its shoppers with promotions on sweets and costumes. Planet Retail research director Greg Hodge believes that Walmart's American influence may have played a part in Asda and its rivals pushing Halloween.

He said: "Retailers are dedicating more space to Halloween stock in the style of the US, and see it as a route to more revenue."

The disappearance of Woolworths from the high street could provide an opportunity for retailers to grab a larger share of the Halloween market. While Woolworths.co.uk is selling themed products online, offline shoppers will be left looking for alternative outlets.

Discount retailer Poundland is also offering a large selection of seasonal Halloween stock.

Nick Wheeler joins My-Wardrobe board

Online fashion retailer My-Wardrobe has appointed Nick Wheeler, founder and managing director of shirt specialist Charles Tyrwhitt, to its board of directors.

It is hoped his input in the business will help the etailer grow its menswear offer, which was launched in January. He joins as a non-executive director and will also work with the board to develop its business strategy and build on the wider growth of the brand.

My-Wardrobe founder and chief executive Sarah Curran said: "Nick has years of experience in retail and I am confident that his managerial and strategic experience will be integral to the future growth and success of My-Wardrobe."


Wheeler: will advise on smarter offer

Wheeler, who founded Charles Tyrwhitt in 1999, will help advise on the etailer's smarter offer as it tries to appeal more to working "city boys". New offers this year include Richard James shirts and Hugo Boss formal label Boss Black.

The etailer has reported an 84% growth in revenues, with sales reaching £1.2m for the three months to September 21. It said that sales have also continued to rise month-on-month.

My-Wardrobe offers what it calls "accessible luxury" womenswear and menswear brands including Mulberry, D&G Dolce & Gabbana, Lyle & Scott and See by Chloé.

In the past year, visitors to the site have grown 180% to 1.2 million.

Charles Tyrwhitt began as a mail order offer and now has 14 stores, with a target of 50 in the UK.

How the new St David's scheme will reinvigorate Cardiff Property, p40

ANTHROPOLOGIE The US women's fashion and lifestyle retailer opens its first European store on Regent Street today.

As well as a 2,000 sq ft "vertical garden" (pictured), the 10,000 sq ft, three-floor store has a central staircase that includes steps studded with nodules from the same supplier used by the New York subway. Other features include window displays created from 12,000 used teabags, regular and herbal, with each suspended from an individual cotton line.

However, pride of visual merchandising place goes to the large fabric whale in the basement, which has been created and hand-painted by the in-house team.

➤ See next week's issue for a full review of the store

Clinton to expand store chains after better than expected trading

BY NICOLA HARRISON

Greetings cards retailer Clinton Cards is gunning to grow its store base from 876 to 1,200 within six years and has revealed better than expected full-year trading.

The retailer wants 750 Clinton Cards stores, 250 Birthdays shops and 200 Pure Party stores – a chain it launched this year that sells mainly party products.

Clinton has 681 eponymous stores, 180 Birthdays and 15 Pure Party outlets at present. Group managing director Clinton Lewin said of Pure Party: "There's definitely a business there we can expand in the future."

Clinton has come under fire for making a profit from buying back Birthdays

However, the retailer has come under fire from the property sector after revealing it made a £13.5m profit buying back Birthdays after putting it into administration earlier this year.

British Property Federation chief executive Liz Peace said: "No one is against being flexible, but when firms claim hardship and then buy themselves back, saving millions of pounds, or start expanding again, the likelihood is that landlords will stand firm."

Lewin also revealed plans to enhance Clinton's website, with new features including forums and blogs, as well as a "Moonpigesque" operation selling personalised online cards, to be launched next year.

He wants to extend the retailer's reach into English-speaking international markets via online operations and is aiming for the website to be a top five store eventually.

Clinton Cards' pre-tax profits rose from £22m to £24m in the 52 weeks to August 2, while revenue slipped from £357m to £345m in the period.

After an improved second half, with flat like-for-likes at the Clinton fascia, like-for-likes fell 3.3% over the full year. Like-for-likes rose 2.9% in the first 10 weeks of the current year.

The retailer, which has 20% market share, said that in its most recent week, Birthdays' like-for-like decline slowed to single digits. The chain's stores are expected to be profitable in the current year.

Lewin said he "feels good" about the full-year figures and that, had the retailer not put Birthdays into administration, "things would have looked a lot more bleak". He added: "We're quietly confident for Christmas."

➤ Etail start-up Whamoosh aims to grab a slice of the online cards market and go head to head with Moonpig. The business, set up by entrepreneur John Bickley, is targeting sales of £20m in four years. It will offer personalised cards and gifts.

MARKET DATA

BRC London and Scotland Sales Monitors, September

+7.5%
London like for like

+1.5%
Scotland like for like

➤ **Central London** sales showed their strongest growth since August 2008

➤ **The London figures** were helped by weak comparatives from last year, when the full force of the banking collapse hit, and by milder drier weather

➤ **Visitors from** overseas also helped London sales, with Middle Eastern visitors returning after Ramadan and sterling's weakness attracting European visitors

➤ **Scottish sales** lagged behind the UK, but still showed their strongest growth since June

➤ **Homewares and furniture** benefited from improvements in consumer confidence and the housing market in both London and Scotland

SEPTEMBER AD SPEND

Companies	Spend
Tesco	£7.2m
Asda	£5.9m
DFS	£5.6m
Morrisons	£5.4m
Sainsbury's	£3.8m
Marks & Spencer	£3.2m
Currys	£2.6m
B&Q	£2.4m
Next	£2.1m
Dreams	£2.1m
Lidl	£2.1m
Homebase	£1.9m
Boots	£1.8m
Aldi	£1.7m
Somerfield	£1.7m
Argos	£1.5m
John Lewis	£1.5m
JD Williams	£1.4m
Waitrose	£1.1m
Carpetright	£1.1m

Source: Billets Media Monitoring 2009

IN BRIEF

➤ **JUNE ROBSON** The founder and former managing director of retail design and project management company Zebra Projects died last week following a long battle with cancer. Prior to setting up Zebra in 1998, Robson spent 25 years with the Burton Group, working in senior roles in both operations and store design and development.

➤ **COS** The sister brand to Swedish fashion giant H&M is opening its first ever concession in London's Selfridges. The concession, to be on the second floor of Selfridge's iconic Oxford Street store, marks "a significant step" in the retailer's expansion. The opening adds to its five UK standalone stores.

➤ **MORRISONS** The grocer is opening a 920,000 sq ft sustainable warehouse and distribution centre, which, through initiatives like solar heating and wind turbines, will deliver carbon savings of 585,830kg. Located in Sittingbourne, Kent, it will service the chain's Southeast stores. Developers Gazeley and Standard Life Investments developed the site.

➤ **ZAVVI** The entertainment retailer has switched its web domain from Zavvi.co.uk to Zavvi.com in an attempt to capture a share of the European market. The retailer aims to generate half of its sales from Europe by September next year.

➤ **SAINSBURY'S** The grocer has begun rolling out recycling points for low-energy light bulbs to 200 of its larger stores. The chain will offer the service alongside battery recycling, which all retailers must introduce by law by 2010.

GIVe adopts planning system for products

BY JOANNA PERRY

George Davies' latest retail venture GIVe has introduced a planning and product development system from Decision Systems to support its operation and help the new chain optimise its merchandise mix.

The system was selected by George Davies with the involvement of his daughter Melanie Davies, who was previously business unit director for Per Una, which her father ran until November last year.

Much of the functionality in the Buyerplan system was developed with active feedback from buyers and merchandisers at Per Una when it was introduced there. Next was the first retailer to adopt the system.

George Davies said that he is depending on Decision Systems to provide the tools required to manage the womenswear business "in a competitive and challenging market".

Melanie Davies said that the version of the system being used at GIVe has been tailored to its requirements, and will be crucial to the business's success. It covers pre-season planning, range building, costing, fabric management, range selection, critical path management, delivery scheduling and stock building. As well as GIVe's own staff having access to the system, parts of it can be accessed by the retailer's suppliers online.

System will be key to GIVe's success

Importantly, she told *Retail Week*, the system is allowing the business to pay attention to all aspects when it comes to expenses, with costings shown for every detail in how garments are made up.

Other features that Melanie Davies highlighted as key included the stock management tool, which is used for pre-season planning, in-season forecasting of sales stock and the markdown process.

She said that the system helps GIVe manage risk and make quick decisions to reflect what its customers want. "The visual reporting tools will allow staff to look at every line individually and its true potential. We think that is a huge benefit," she added.

GIVe launched earlier this month with an online offer, flagship Regent Street store and a number of concessions in independent department stores.

Superdrug to test concession formats

Superdrug will trial a raft of new concessions in the run-up to Christmas, using the busy shopping period as a testing ground for fresh concepts.

From October 26, Photo-Me photo booths will be introduced to 10 stores and HealthMonitors, which check weight and other general health issues, will be set up in two stores.

The health and beauty specialist said that more concessions will be introduced next month, featuring services such as facial threading and spray tanning, and products such as beauty electricals.

This is the first time the retailer has given external businesses space to sell in its stores.

Superdrug director of health and impulse Simon Comins said: "Our customers have told us the kind of services they'd like to see us offer on the high street and this trial has been put into place to identify the right fit for our business."

Any successful concession concepts will be rolled out to more Superdrug stores next year.

Comins added: "There is a wealth of beauty talent out there offering personal services such as threading and tanning, and we see these augmenting the expertise of our beauty specialist colleagues in-store to give a rounder beauty offer to our customers."

HMV launches into cinemas City comment, p11, and News, p14

Argos pushes range via mobile videos

Argos customers can now receive product videos to their mobile phones after its supplier Wow! Stuff created the service to promote its Science Museum range.

In Argos's Christmas Gift Guide, which was released in stores last week, eight Science Museum products have a TXT4VID logo against them, showing that customers who text one of the product's names to a short code will receive a video showing the product in action.

Wow! Stuff and TXT4VID founder Richard North thinks that it should be possible to at least double sales of a product from a catalogue page using the service. In the past, his company has achieved 300% to 500% increases in sales by running product videos in stores, including on internet-enabled touchscreens.

TXT4VID said that Argos customers should receive a link to the 20-second video within about 10 seconds of sending the text. Customers must have a video- and WAP-enabled phone in order to download the video, and they will incur data charges at the standard rate. However, TXT4VID stressed that it is not making a profit on the service.

Argos would not comment on whether the service would be rolled out to a wider range of products in its future catalogues.

Adams plots expansion to claw back position under new owner

BY EVE OXBERRY

The new owner of Adams Childrenswear has vowed to return the retailer to its former position as a high street leader with an aggressive store expansion programme and more premium offer.

Habib Alvi, which operates in the textiles and financial services industries, bought Adams from former chairman and owner John Shannon in September. Shannon, who had rescued Adams from administration twice before, is no longer involved in the business.

A raft of Adams' former stores have reopened, with overseas expansion ahead

Adams has re-opened five of its former stores in the past six weeks and will open five more before the end of November, in Dartford, Bolton, Andover in Hampshire, Coventry and Kettering in Northamptonshire.

Four Adams concessions will also open in Menarys department stores in Ireland within the next five weeks. Adams currently has 124 stores and 17 concessions.

Adams has also expanded its price points with the introduction of more premium ranges.

Retail director Paul Walkden said that he is initially proposing 15 new stores before Easter. "The owners seem very ambitious. I expect expansion to escalate in 2010."

The kidswear chain will initially target key shopping centre sites it lost during its two administrations, including Bluewater, Manchester's Trafford Centre and the MetroCentre in Gateshead. Adams is also targeting international expansion via its franchise partners, with India and Poland first on the agenda.

Walkden said that trade had been stronger than forecast since the takeover, but that year-on-year comparisons were difficult because the stores were discounting heavily last year in anticipation of administration.

He added: "We are far less reliant on discounting since the investment by Habib Alvi."

Walkden also said Adams was committed to continuing its store refit programme, which began last September, and said the new investment would allow this.

Adams' contract with US kidswear chain Gymboree, which saw two Adams stores carry Gymboree's Crazy 8 product from autumn 09, is due for review at the end of this month. It is unclear whether it will be extended.

WEB VISITS

Data: Experian Hitwise (www.hitwise.co.uk)

SHOPPING

10 most visited UK sites week ending October 17, 2009

	Site	Market share	
1	ebay.co.uk	22.13%	=
2	amazon.co.uk	5.64%	=
3	argos.co.uk	1.72%	=
4	play.com	1.47%	=
5	ebay.com	1.07%	▲
6	marksandspencer.com	0.97%	▼
7	amazon.com	0.95%	=
8	tesco.com	0.93%	=
9	next.co.uk	0.83%	=
10	johnlewis.com	0.68%	=

TOYS & HOBBIES

10 most visited UK sites week ending October 17, 2009

	Site	Market share	
1	toysrus.co.uk	8.74%	=
2	joke.co.uk	5.40%	▲
3	lego.com	4.56%	▼
4	elc.co.uk	3.87%	▲
5	docrafts.co.uk	2.83%	▼
6	firebox.com	2.33%	▲
7	shop.lego.com	2.20%	▼
8	iwantoneofthose.com	1.91%	=
9	createandcraft.com	1.51%	▼
10	disneystore.disney.co.uk	1.42%	–

VIDEOS & GAMES

10 most visited UK sites week ending October 17, 2009

	Site	Market share	
1	play.com	36.89%	=
2	hmv.co.uk	10.70%	=
3	shop.game.net	8.94%	▲
4	lovefilm.com	7.85%	▼
5	asda-entertainment.co.uk	3.50%	▲
6	whsmith.co.uk	2.76%	▼
7	gamestation.co.uk	2.23%	▼
8	eidos.com	2.07%	▲
9	tesco.com/entertainment	1.99%	▼
10	blockbuster.co.uk	1.53%	=

Note: (=) non-mover, (–) new entry

Next week: Sport & Fitness/ Clothing & Accessories

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HIGH STREET SALES TRACKER

BDO

LAST WEEK'S LIKE-FOR-LIKE SALES FIGURES

+9.1%
Non-fashion

Homewares
-5.2%

Fashion
+6.2%

+46.1%
Non-store

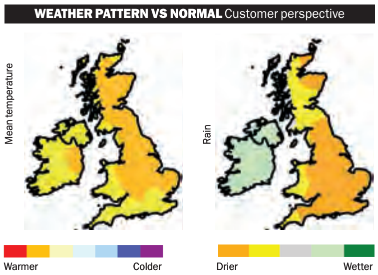
- Non-fashion grew for the eighth week in a row – the best run since the start of 2008. Luxury and gifting posted the strongest results
- Fashion sales rebounded this week as the colder weather helped outerwear and footwear. However, demand is still fragile in many areas.
- Homewares missed out on the general upturn with sales remaining negative. Some stores achieved a modest uplift with smaller-ticket items but big-ticket sales were weak
- Despite postal strike fears, non-store sales jumped sharply. Although fears of a strike remain, this increase augurs well for the Christmas trading period

Data and commentary supplied by Don Williams, head of retail at BDO.
To join or find out more about the index, please contact **don.williams@bdo.co.uk**

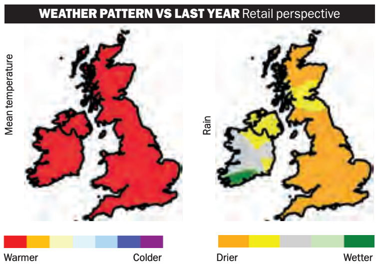
RETAIL WEATHER

Saturday, October 24 to Friday, October 30, 2009

WEATHER PATTERN VS NORMAL Customer perspective



WEATHER PATTERN VS LAST YEAR Retail perspective



THE WEEK LAST YEAR

A cold week, with some localised snowfall. Strong seasonal demand.

THE WEEK THIS YEAR

A changeable autumnal weather pattern is in place and will push areas of rain into the country from the Southwest. The first bout is likely over the weekend and more will follow towards the middle of next week. The rain is likely to be focused across the West, with the East being drier and brighter.

Averaged over the week, temperatures will be a degree or so either side of normal, with the mildest conditions in the South and West.

THE CONSUMER MINDSET

This week last year there was strong seasonal demand from a quite wintry week. While the wind and rain will generate some consumer interest, such strong demand is unlikely this year.

planalytics

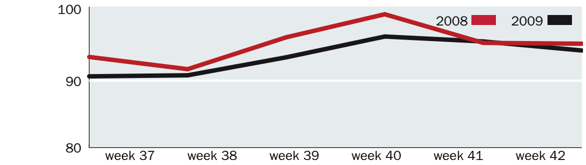
For more information, contact Steve Speck on 020 7321 3715 or sspeck@planalytics.com **www.planalytics.com**

WEEKLY FOOTFALL INDEX

Experian FootFall

UK NATIONAL WEEKLY INDEX

Change for week 42 (October 12 to 18, 2009): -1.4%
Change for week 42 year on year: -1%

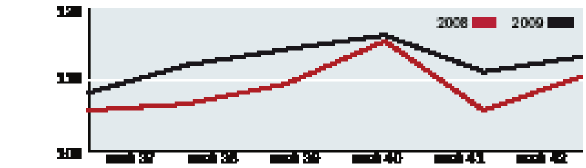


➤ In contrast to last week the UK footfall index showed a 1% decrease compared with the same week in 2008 – a return to the negativity witnessed throughout much of the year. The index also slid 1.4% week on week. Hopefully as the half-term school holidays and Halloween approach, weekly visitor numbers will pick up

➤ The department stores sector also underperformed against last year, with a year-on-year decrease of 2.7%, although footfall increased week on week. As selected department stores are offering up to 50% or 70% discounts alongside deals on Christmas cards and wrapping, shopper levels are now increasing as consumers start preparing for the Christmas season. However, it should remain challenging.

RETAIL PARK INDEX

Change for week 42 (October 12 to 18, 2009): +1.9%
Change for week 42 year on year: +2.5%



Note: The FootFall Indices are a range of benchmarks of shopper visits to more than 200 retail centres and are based on an average of more than 150 million visits a month. For further information, visit www.footfall.com

RETAIL WEEK MARKET MONITOR

Audio visual entertainment

Expenditure
-6.9%
£4.8bn

Number of units
-2.6%
453 million

Average selling price
-4.4%
£10.68

PRODUCT TRENDS

COMPUTER GAMES
Winners: Music, management/sim, wrestling
Losers: Platform, shoot 'em up, car racing

VIDEO & DVD
Winners: Children's school age, TV comedy and film musicals
Losers: Children's/family films, thriller and action films

MUSIC
Winners: Pop, hip hop and soul
Losers: R 'n' B, jazz, country

➤ Spend in the computer games market slowed, down 2% year on year.
➤ Games bought for family use rose to 22.7% of spend, which could be due to gaming being seen as a cheap way to entertain the family in recession
➤ The video market continued to decline, with spend down 7.7%. Year-on-year impulse spending fell 10%
➤ The amount the average consumer spends on DVDs a year fell from £85.48 to £76.07

tns Data: 52 weeks ending September 13, 2009 vs 2008. TNS Worldpanel Entertainment measures the film, music and game purchasing habits of 15,000 demographically representative British households. www.tns-global.com

CITY UPDATES
Read City news as it breaks online
retail-week.com/city

WHSmith nets second-half profit for first time in decade

BY NICOLA HARRISON

Bookseller and stationer WHSmith delivered better than expected full-year results, revealing it had been profitable in its second half for the first time in more than 10 years.

The retailer also outlined plans to open travel shops in Delhi as well as stores in UK workplaces.

In the year to August 31, group pre-tax profits increased from £76m to £81m. Travel operating profit jumped 17% to £48m and high street operating profit rose 4% to £49m.

Total group sales slid 1% and like-for-likes 5%. Travel like-for-likes decreased 2% and the decline was 6% at high street stores.

Stephen Clarke, managing director and commercial director of WHSmith's high street division, said: "This is the first time in over 10 years we've made money in the second half, due to our different mix of business and shifting away from entertainment."

Clarke said he expects the trend to continue. However, he added: "We're not seeing any change in consumer attitude at the minute, and are planning for a tough Christmas."

WHSmith's workplace stores will be aligned with its travel division, which generated a margin increase of 220 basis points. Three are open at the moment and a total of 10 are expected to be operational by the end of this financial year.

The retailer is also opening airport stores in Delhi, which will be its first foray into India. WHSmith wants five Delhi stores by the end of the year, as part of a new franchise model. It already has five airport stores in Copenhagen, run as a partnership, and in Shannon, Republic of Ireland, which it runs directly.

Profits at WHSmith's travel arm jumped 17% despite soft passenger numbers

WHSmith said travel growth held up despite soft passenger numbers. Clarke does not expect any recovery in passenger numbers this year.

The retailer opened nine high street stores in the period, and a similar number will open this year.

Shore Capital analyst Kate Calvert welcomed "another good performance from WHSmith, beating expectations". She said the strong performance in travel "demonstrates how the WHSmith story is changing" and that the retailer's decision accompanying the results to return £35m of cash to shareholders "highlights the strength of the business model and management's confidence in the future".

Investec's David Jeary said: "The expansion of its travel division into new channels and international destinations looks set to lay to rest the criticism that WHSmith can't shrink its way to profit growth forever."

Mothercare to extend Indian stores network

Mothercare has signed a second joint venture in India, with DLF Brands, the retail division of a local property giant, to accelerate its expansion there.

The nursery specialist, which has 23 shops in India, has increased its target store count from 100 to 200 after the deal, which it said would complement its existing partnership with Indian retailer Shopper's Stop.

Mothercare chief executive Ben Gordon said: "There are lots of positive growth stories for India. India and China went nowhere near recession, just slowed down, but growth is picking up."

Numis analyst Andrew Wade said the deal was good news for Mothercare, as India has a population of 1.2 billion and a birth rate double that of the UK. He said the deal "leaves the business with equity stakes in its two largest markets in the world, underpinning the medium term (India) and the longer term (China) international growth story."

Mothercare also said it will launch stores in Australia in its second half and take its Early Learning Centre business to South Africa.

"THERE ARE LOTS OF POSITIVE GROWTH STORIES FOR INDIA. INDIA WENT NOWHERE NEAR RECESSION"
Ben Gordon, Mothercare

The retailer continued to increase sales in its first half. Total revenue rose 8.2% and international like-for-likes advanced 1%. Mothercare now has 1,060 stores in 51 countries.

Gordon was confident for the rest of the year and said availability is "as good as it has ever been".

He expected the ELC robot toy to be a Christmas best-seller and said that its toys range would be given more space in Mothercare stores and in new ELC stores this year.

Are furniture retailers on the road to recovery? Big story, p18

Flying Brands sales flourish in third quarter

Strong sales at Flying Brands' gardening business helped keep revenues at the home shopping group in line with expectations in the three months to October 2.

Sales from continuing operations reached £5.5m for the third quarter – 2% lower than last year. But sales at Gardening Direct rose 30% on last year, partly due to timing differences of dispatches.

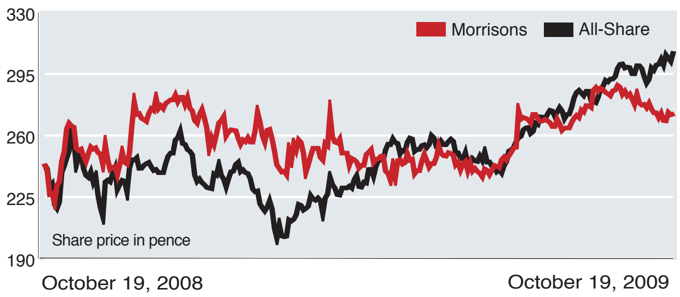
The retailer said that it expects like-for-like sales to increase 15% at Gardening Direct during autumn.

Sales at the Flying Flowers division were £1.4m for the period, compared with £1.6m for the same period the year before. The retailer pointed out that sales in the corresponding quarter last year were made at an "unacceptably low margin".

House broker Singer analyst Matthew McEachran said: "The outlook for the group continues to brighten and the possibility of restoring profitability at Flying Flowers in particular is an exciting prospect."

Flying Brands has also completed a share placing, raising £1.8m to reduce debt.

CITY VIEW



Brokers mixed after Morrisons visit

Grocer Morrisons held an investor day on Monday, when it took analysts on a tour of new small-format stores and a regional distribution centre on the south coast.

Jefferies analyst James Grzinic, advising buy, said: "We were impressed by the depth of the management team, the effectiveness of Market Street on a smaller footprint and the expansion ambitions warranted by the new distribution platform."

Oriel reported that the analysts' day showed "both Morrisons' store format and logistics are in good shape" but argued there is no catalyst to create more share price excitement and stuck to its hold stance.

Oriel analyst Jonathan Pritchard said: "The new small stores carry the Market Street characteristics well and there are many miles and basis points to save in the supply chain."

But he concluded: "While the shares and forecast are underpinned at their current levels it is hard to see much progress, especially when the general retail sector looks so appealing right now."

➤ FTSE All Share and AIM retail prices on p12

CITY INSIDER
GEORGE MACDONALD

Big screen should boost HMV

The curtain rises on the latest phase of HMV's reinvention today, with the opening of its first cinema in partnership with Curzon.

The venue is above the shop in Wimbledon, London, allowing the conversion of non-trading space to revenue generation and furthering HMV's objective to be an all-round entertainment player.

The venture is a test but, judging from a preview earlier this week, the augurs are good. The cinema has an upmarket, club-like feel and will show a mixture of blockbusters and art-house films. There's an Odeon right next door, so it should quickly become clear whether the idea is a runner.

Not so long ago, the retailer was called HMV Media. Although that moniker was dropped, it's perhaps an appropriate way of viewing the direction in which HMV chief executive Simon Fox has been taking the business.

Stores remain central but, in the digital era, are no longer the exclusive way of distributing entertainment products. HMV has been ramping up its online offer and pushing into wider entertainment categories, such as computer games. Cinemas and venues could complement the established retail business well.

One of the cinema's opening night films is *The Fantastic Mr Fox*. HMV's share price has been out of fashion of late, but Fox's strategy is surely taking the business in the right direction.

➤ HMV's debut cinema, p14

Remembering Keith Wills

The funeral of Keith Wills was held on Tuesday, when many of his retail analyst peers and City colleagues joined his family to pay tribute to a fondly remembered friend and top analyst.

Keith was a great friend of *Retail Week*. His regular columns were always a source of sharp insight, and retailers will remember him for his depth of industry knowledge, keen intelligence and integrity.

Follow George on Twitter at twitter.com/GeorgeMacD

SHARE PRICE UPS & DOWNS

Figures at close 20/10/09 Source: PA Listings/ FT Information

Relative performance		Change on week		Change on year
FT All Shares	▲	+1.63	▲	+25.41
Food retailers	▲	+2.79	▲	+15.96
Stores	▲	+3.20	▲	+76.59

Week's biggest risers	Mkt cap (£m)	Price (p)	Change (%)	Reason
Clinton Cards	85.80	41.00	+26.15	Encouraging results
J Sainsbury	6,102.80	347.80	+11.73	Bid talk
Instore	13.70	6.00	+9.09	–
DSG International	1,167.10	32.00	+7.24	Broker bullish
Alexon Group	17.80	39.25	+6.08	–

Week's hardest fallers	Mkt cap (£m)	Price (p)	Change (%)	Reason
Blacks Leisure	13.60	29.00	-10.08	Troubled outlook
Laura Ashley	125.50	17.25	-8.00	–
JD Sports Fashion	251.10	525.00	-5.41	–
Moss Bros Group	25.50	26.25	-5.41	–
JJB Sports	82.20	31.75	-5.22	Stake sale

FTSE All Share companies	Mkt cap £m	Price (p)	Change on week (p)	Change on week (%)	3-month change (%)	PE
Tesco	30,098.60	383.50	+5.00	+1.32	+3.39	13.95
Morrison Supermarkets	7,211.80	273.10	+4.60	+1.71	+1.21	13.04
J Sainsbury	**6,102.80**	**347.80**	**+36.50**	**+11.73**	**+3.86**	**20.87**
Kingfisher	5,677.90	238.90	+6.90	+2.97	+18.91	21.36
Marks & Spencer	5,468.70	346.50	-0.40	-0.12	+5.40	10.71
Next	3,569.40	1831.00	+77.00	+4.39	+9.49	11.42
Home Retail Group	**2,662.20**	**308.00**	**+16.90**	**+5.81**	**+1.93**	**6.49**
Burberry Group	2,499.90	562.50	+25.50	+4.75	+25.33	-
Carphone Warehouse	1,895.00	199.50	-5.20	-2.54	+20.85	15.59
Signet Jewelers	1,474.90	1691.00	-24.00	-1.40	+33.31	-
DSG International	**1,167.10**	**32.00**	**+2.16**	**+7.24**	**+34.38**	**3.18**
Debenhams	**1,063.50**	**83.10**	**+4.75**	**+6.06**	**-4.34**	**7.93**
Halfords	836.80	396.70	+7.30	+1.87	+18.81	12.16
Kesa Electricals	827.70	153.30	-1.80	-1.16	+26.77	7.26
WHSmith	811.80	511.50	+24.50	+5.03	+20.49	12.16
N Brown Group	717.90	265.50	+11.50	+4.53	+12.43	11.54
Dunelm Group	**679.90**	**342.00**	**+13.40**	**+4.08**	**+23.86**	**18.21**
Sports Direct International	619.70	106.90	+3.90	+3.79	+18.13	38.29
Carpetright	**613.00**	**885.00**	**+18.50**	**+2.14**	**+43.62**	**50.27**
Game Group	572.30	163.60	+6.10	+3.87	+9.27	8.33
Mothercare	530.80	598.00	-10.00	-1.64	+11.78	16.48
HMV	**488.00**	**114.90**	**+2.20**	**+1.95**	**+1.32**	**10.67**
JD Sports Fashion	251.10	525.00	-30.00	-5.41	+6.39	9.97
Findel	181.10	37.00	-1.25	-3.27	+4.96	1.20
Ted Baker	175.60	426.00	-5.00	-1.16	+10.76	15.45
Topps Tiles	158.30	92.00	+1.00	+1.10	+16.72	26.95
Laura Ashley	125.50	17.25	-1.50	-8.00	+16.95	29.20
Thorntons	90.40	134.00	+4.50	+3.47	+59.82	24.82
Clinton Cards	**85.80**	**41.00**	**+8.50**	**+26.15**	**+45.61**	**2.57**
JJB Sports	**82.20**	**31.75**	**-1.75**	**-5.22**	**+13.91**	**0.48**
French Connection	43.60	45.00	-2.00	-4.26	+3.41	1.78
Moss Bros Group	25.50	26.25	-1.50	-5.41	+16.13	2.62
Flying Brands	21.10	82.50	-	-	+89.66	8.50
Alexon Group	17.80	39.25	+2.25	+6.08	-23.53	0.60
Instore	13.70	6.00	+0.50	+9.09	+9.09	1.10
Blacks Leisure	13.60	29.00	-3.25	-10.08	-31.55	0.82
Beales	7.70	37.50	+0.50	+1.35	+27.12	5.50
Jessops	1.10	1.07	+0.01	+0.94	-49.49	-

AIM-listed companies	Mkt cap £m	Price (p)	Change on week (p)	Change on week (%)	Three-month change (%)	PE
Asos	255.80	355.00	+15.50	+4.57	+8.36	26.07
Majestic Wine	136.40	225.00	+3.25	+1.47	+12.41	42.47
Mulberry Group	65.60	112.00	-10.50	-8.57	+55.40	24.91
Liberty	61.60	272.50	-	-	-4.39	8.30
Ideal Shopping Direct	34.90	117.50	+19.00	+19.29	+51.61	2.90
Jacques Vert	16.80	8.75	+0.25	+2.94	+42.86	4.40
United Carpets	8.90	10.50	-1.00	-8.70	+62.96	26.25
Theo Fennell	6.60	35.00	+0.25	+0.72	-26.32	2.20
Adili	2.70	2.50	-0.50	-16.67	-35.71	0.56

Talk that the Qataris were again in pursuit of Sainsbury's gave grocers a lift

Food hots up after Sainsbury's bid talk

BY GEORGE MACDONALD

Investor appetite grew for food retailers as speculation swirled that Qatar's sovereign wealth fund was once again considering a bid for **Sainsbury's**.

The rumour did the rounds late last week and took on a new lease of life on Tuesday, when it emerged that the Qataris had sold a big tranche of shares in Barclays and traders pondered what they might do with the money. Sceptics, however, pointed out that a takeover attempt looks unlikely given that the Qataris did not take part in Sainsbury's recent fundraising, thereby diluting their holding.

Home Retail Group, owner of the Argos and Homebase chains, posted interim benchmark pre-tax profit in line with expectations at £123m. Shore Capital rated the retailer a buy and said that weak comparatives to come, the demise of rival Woolworths and a less promotional trading environment mean Argos "could surprise on the upside". Investec, also advising buy, said: "Cash generation has remained very impressive."

Entertainment group **HMV** showed off its first cinema on Monday, and analysts left impressed. Pali International said: "Not every store has room for a cinema on the floors above, but it's a great idea, showing how HMV is working to exploit the synergies between the different forms of entertainment."

DSGi boss John Browett hosted City visitors to the new 45,000 sq ft Currys/PC World megastore in Fulham. Broker Singer noted: "The extra space has given the store a significant increase in range and authority, and has allowed a more diverse pricing architecture to be adopted, especially at the 'best' end of the range."

Analysts also visited value homewares group **Dunelm**, which held an investor day last week. The retailer impressed, and its share rose over the week.

Troubled **JJB Sports** was one of the week's biggest losers. The shares fell as one if its top shareholders, Crystal Amber, cut its stake from 14% to 5.4% ahead of a planned fundraising by the retailer. Crystal Amber insisted, however, that it remained committed to JJB, which is still its largest holding. JJB will hold an EGM next week to approve its fundraising.

Clinton Cards was the week's biggest riser after reporting an improving like-for-like trend in its preliminary results, which beat expectations. House broker Numis rated Clinton a buy and said the figures should be a catalyst for a re-rating of the retailer.

Results were expected from **Debenhams** as *Retail Week* went to press. Few formal updates are expected next week, when, other than JJB's EGM, the main event will be **Carpetright**'s pre-close statement.

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Holland & Barrett kicks off TV campaign for in-store deal

BY JENNIFER CREEVY

Health foods retailer Holland & Barrett has launched a TV campaign to promote its buy-one-get-one-half-price offer on everything in-store, which it claims is a first for any retailer in the UK.

The retailer has hired former Blue Peter presenter and *Strictly Come Dancing* contestant Gethin Jones as the star of the ads. The campaign kicked off last weekend and the promotion covers all of its 3,500 products.

Holland & Barrett expects the campaign to help it deliver double-digit growth on last year, having tested the offer earlier this year in its Irish stores.

Jones has been hired for a year and will also promote the retailer's Sports Nutrition offer, alongside its range of toiletries Dr Organics.

The retailer, which bought rival chain Julian Graves in September last year, is also ramping up its expansion plans.

It is seeking to open a further 30 Holland & Barrett shops, 10 of its GNC fascia, and 15 of its Irish stores Nature's Way. It will also refit 45 shops.

Gethin Jones stars in the TV drive and has been hired by the retailer for a year

The retailer is planning a new-concept store in Bury St Edmunds, which will trial offers such as food to go, dairy-free Ice Cream, fair-trade coffee, a self-dispensing 'build your own' breakfast counter as well as pick and mix sweets.

This month Holland & Barrett has opened four international shops in Singapore in a franchise partnership with Jay Gee Health. It plans to open 30 further shops in the region over the next five years. This will be followed by franchise shops opening in Malta.

Chief executive Peter Aldis said: "In the last 12 months we have seen success in our first franchisee in South Africa, with the expansion from three to nine stores. Singapore presents an exciting future and we are confident our strategic partners will make the Holland & Barrett brand a success."

He added that the retailer is seeking further franchise partners in different markets, and will "start franchising in other countries before the end of 2009".

Holland & Barrett, owned by NBTY Europe, operates 350 shops. It is committed to the Julian Graves fascia and also has 80 De Tuinen shops in the Netherlands.

Next year the retailer also plans to ramp up its online business, with a view to its direct channels contributing 10% of annual turnover. It will also explore interaction with online shoppers through the use of initiatives such as social media and blogging.

Holland & Barrett now has 544 eponymous shops in the UK.

HMV'S FIRST CINEMA **HMV has opened a three-screen cinema above its store at The Broadway in London's Wimbledon, which it hopes will kick-start a new revenue stream. Hmvcurzon will offer a mix of film and music and will share a foyer with the HMV store so cinema-goers can browse related products.**

A HMV spokesperson said: "Shoppers can watch the film and then buy the soundtrack, book or T-shirt; there is a lot of synergy between the two."

The entertainment group hopes to roll out more in-store cinemas if Wimbledon proves successful.

Wilkinson improves conversions on website

Wilkinson has increased customer conversion rates and average order values on its Wilkinson Plus ecommerce site.

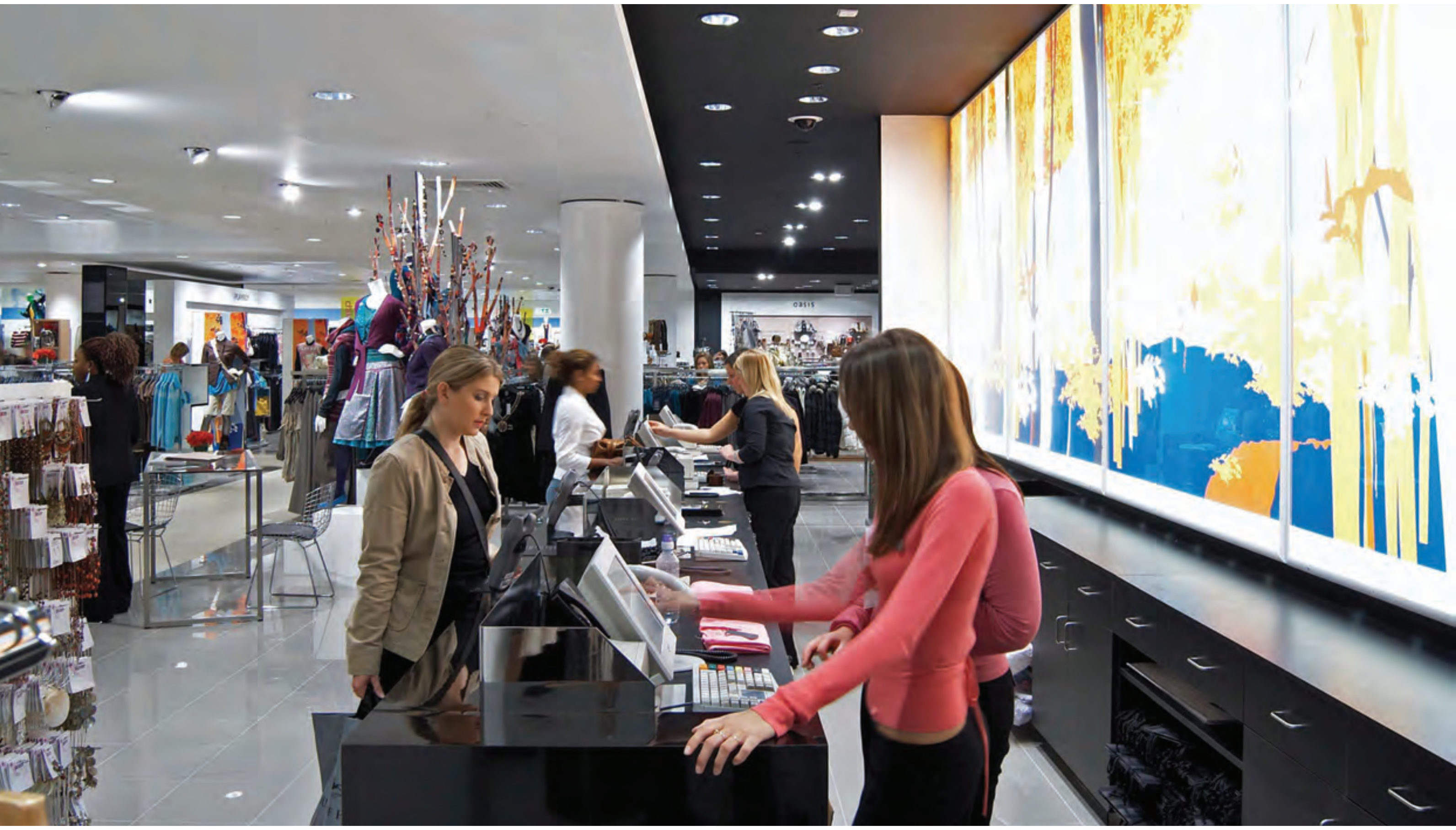
Conversion rates are up 23% and average order values have risen 16% since it added an intelligent recommendations tool to its Venda ecommerce platform in late June.

The system generates product recommendations for each individual site visitor based on where they have come to the site from, where they go, what they add to their basket and what they go on to buy.

Wilkinson Plus marketing manager Stuart Carlisle said: "We wanted a solution that could merchandise relevant products across dozens of categories."

He explained that the Venda Behavioral Merchandising system, which was provided in partnership with Avail Intelligence, is improving conversion rates by offering customers the correct product more speedily. Carlisle added: "At the same time we've also increased basket size by showing customers products they might not have initially come to buy, but were useful to them," he added.

Wilkinson's merchandising team is benefiting from the introduction of the technology. Carlisle explained that the fully automated system "saves us the work of defining individual rules for products that need to be promoted in many zones across the website".



INTERNATIONAL NEWS

"WHEN WE WENT INTO THE RECESSION WE SAW A CHANGE IN THE MIX OF LATTES VERSUS COFFEE, AND NOW WE'RE SEEING A TREND BACK TO LATTES"
STEVE BURD, SAFEWAY (US) CHIEF EXECUTIVE, ON SIGNS OF AN IMPROVING ECONOMIC ENVIRONMENT

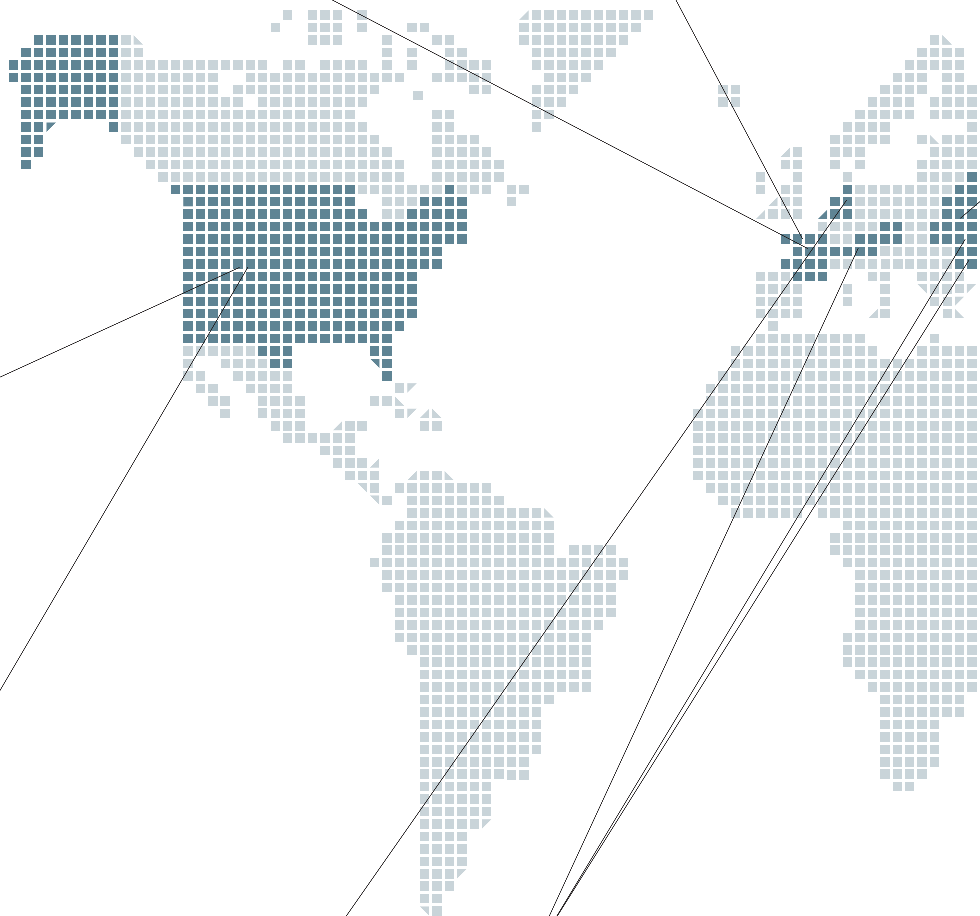
➤ **FRANCE** Carrefour has reported that sales for its third quarter reached €23bn (£21bn), a rise of 0.5% excluding petrol and at constant exchange rates.

In France, market share gains were driven by the strong performance of Carrefour Market – where like-for-likes increased 6% excluding petrol – and the success of Carrefour-branded products. The group's convenience formats put in a good performance, as did the newly-opened Carrefour City and Contact stores. However, hypermarket sales were weak, notably in non-food.

➤ **FRANCE** Casino's consolidated net sales contracted by a reported 1.4% in the third quarter of 2009, on the back of a 2.6% decline in the first half.

Reported sales in France were down 5.3%, a performance in line with the first-half trend.

Overseas, reported growth came to 6%, up from 2.4% in the first half, reflecting strong momentum in emerging markets, led by Brazil and the consolidation of Ponto Frio by Grupo Pão de Açúcar in July. The currency effect was a negative 0.7%, caused mainly by the decline in the Brazilian real and the Argentine peso against the euro.



➤ **US** Walmart has entered into a price war with Amazon and the nation's book retailers, lowering prices on certain highly anticipated hardback titles to $9 (£5.49).

The retailer listed prices for some upcoming hardcover releases, such as Dean Koontz's *Breathless* and Stephen King's *Under the Dome* at $10 (£6.10), which was answered with a similar price cut by Amazon. The two retailers then lowered the prices even further to $9.

➤ **US** Retail sales in America fell by the largest amount so far this year in September – 1.5% – but the fall was not as bad as expected.

The drop in sales was attributed to car sales plummeting following the end of the country's scrappage scheme. Car sales dropped by 10.4%, but when vehicles were stripped out, retail sales actually rose by 0.5%, better than the 0.2% that had been forecast.

➤ **NETHERLANDS** Dutch supermarket group Jumbo has won the battle to acquire Casino's subsidiary Super de Boer after raising its original offer.

The new offer values the company at €552.5m (£503.5m). Super de Boer has become something of a prized asset, with various supermarkets bidding for the chain after Jumbo's original offer.

"This is a very attractive transaction for our stakeholders," Super de Boer chief executive Jan Brouwer said.

➤ **AUSTRIA/BULGARIA/ROMANIA** Tengelmann is close to selling its remaining Plus discount operations in Austria, Romania and Bulgaria.

The stores in Austria are likely to be sold to Spar (Austria), while the network in Romania is likely to be picked up by Delhaize Group, and the young operation in Bulgaria by Schwarz Group's Lidl.

Closure of these deals would mean that Tengelmann has sold its discount operations in all nine operating countries, only retaining a 15% stake in the merged Netto/Plus operation of Germany.

➤ **UKRAINE** Metro Group-owned hypermarket Real has opened its first hypermarket close to the eastern Ukrainian port of Odessa, completing its entry into the Ukrainian market.

"Entering the Ukrainian market is a further step in the continuing internationalisation of our company," said Real chief operating officer Didier Fleury at the opening ceremony in Odessa.

"Since Real began its internationalisation in Poland back in 1997, further Real markets have opened in Turkey, Russia and Romania."

➤ **RUSSIA** Russia's Federal Antimonopoly Service (FAS) plans to clear the takeover of Russian retailer Paterson by X5 Retail Group.

FAS director Igor Artemyev said the service would approve the transaction on the condition that X5 Retail sells Paterson's stores in St Petersburg "within some reasonable time frame, maybe six months" in order to avoid enhancing its dominant position in the market.

➤ **SOUTH KOREA** Lotte Shopping has agreed to acquire Chinese hypermarket operator Times.

A Lotte Group spokesman said: "We have in effect acquired Times, although some processes [to complete the deal] remain."

Lotte Shopping will purchase a 72.3% stake in the company from chairman Kenneth Fang. The South Korean retailer is believed to have outbid rival Wu-Mart, which held "preliminary discussions" with Times last month.

Times operates around 52 hypermarkets and 14 supermarkets in Eastern China with annual sales of around $1bn (£609.6m).

➤ **AUSTRALIA** The country's largest retailer Woolworths' attempt to enter the DIY market looks under threat after its takeover of hardware retailer Danks has been put in doubt.

The competition regulator has raised concerns about Woolworths planned takeover. In a 13-page document, the Australian Competition and Consumer Commission said the purchase of Danks – a hardware retailer and supplier to 1,500 stores – could reduce retail competition.

Carrefour's exit from Russia – after only two store openings – seems premature

ANALYSIS

Carrefour's retreat from Russia a mysterious move

BY GREG HODGE

French retailer Carrefour has surprised the retail world by announcing its decision to exit the Russian market, having only recently opened its first two hypermarkets in Moscow and Krasnodar.

According to the retailer, the decision was taken after Carrefour posted a 2.9% drop in third-quarter sales. Carrefour said in a statement that it has decided to sell the business due to a lack of both prospects for organic growth and opportunities for acquisitions. In the past 12 months, Carrefour was negotiating with some leading Russian retailers, such as Lenta and Sedmoi Kontinent, about a possible acquisition, but no deal was closed.

It can take years for retailers to produce satisfactory results in new international markets – particularly high potential growth markets such as Russia – so it is surprising that the company has exited just four months after opening its first store. Poor sales and a lack of acquisition targets seem a convenient and perhaps an unlikely excuse.

Carrefour has been linked with the Russian market since June 2006 and has invested a considerable amount of time and money in opening its first stores in the country. The retailer would have been more than aware of the difficulties of acquiring businesses in Russia well before now, and couldn't have been expecting fantastic results from just two stores that have opened in the middle of a recession.

We could speculate that the Russian market is simply not the bed of roses many international retailers believed it to be. The latter seems almost certainly true, with only Auchan of the international retailers that have tried their hand in Russia having had any success. Perhaps the retailer simply underestimated the cost of a potential acquisition, or the change in ownership of many of the domestic retailers to the country's banks has complicated matters; either way, if the retailer harboured any ambitions in the market, it surely could have made something happen.

There have also been rumours Carrefour is about to exit China. The company has denied such allegations, with Chen Bo, spokesman for Carrefour China, saying: "[CEO] Lars Olofsson said on his trip in China last month Carrefour is optimistic about the Chinese economy and thinks highly of the potential for the market." Hardly a bullish denial, but it seems inconceivable that the world's second-largest retailer could exit two of the globe's fastest-growing markets in one year.

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Is furniture getting back on its feet?

Furniture retailers may no longer be dropping like flies, but that doesn't mean the sector's troubles are over just yet. Nicola Harrison reports

The carcasses of collapsed furniture retailers lie sprawled across the country for all to see, with scores of empty shops remaining unoccupied, some still bearing once proud names such as Land of Leather and MFI.

They are a stark reminder of how the sector has been ravaged in the recession. After last autumn's collapse of Lehman Brothers, consumer confidence was shaken to the core, house prices plummeted and consumer spend shrank. It was big-ticket purchases that suffered first, and the freeze was acutely felt by furniture retail, which is inextricably linked to the housing market.

But while furniture retailers are by no means out of the woods yet, is an upturn in the fortunes of the sector's retailers on the horizon?

And market-leading sofa specialist DFS also made unprecedented job cuts in September last year, as it sought to navigate through the recession.

Last week the BRC-KPMG Retail Sales Monitor showed that UK like-for-like sales rose 2.8% in September, while total sales climbed 4.9%. Furniture and flooring were the best performing categories.

John Lewis, a leading seller of furniture and a barometer of how the big-ticket market is generally performing, is starting to see improvement in its performance in the category.

"We're definitely seeing an upside in furniture at the moment," says Dave Brittain, head of furniture buying at John Lewis. He concedes that the uplift has a lot to do with soft comparatives last year. "The past 18 months were probably the hardest anyone here can remember," he points out. "Things got particularly bad around the time of Lehman's collapse. Sales fell off a cliff. No one expected it to be as bad as it was."

But things are looking up. Last week furniture like-for-likes at the retailer jumped 18%, and Brittain expects the growth to get stronger between now and Christmas.

John Lewis was forecasting growth in October and November, but sales started to rise in August. Brittain believes that is down to the strength of the John Lewis brand. "We're a brand that customers trust, we can hoover up business where people are nervous about spending on big ticket," he says.

Those still standing

While the many collapses in the sector have served to prove just how badly the recession hit, they have also provided opportunities for the survivors. Those left behind have been able to mop up market share left by the collapse of rivals such as MFI, which fell into administration for the second time last November, blaming the very poor market, the withdrawal of credit insurance and the failure of key suppliers.

At the start of the year, Chris Dawson, owner of furniture retailer The Range, opened a raft of temporary stores under the new fascia Trading Bargains to sell stock bought after the collapse of MFI.

The recession has provided opportunities for new chains too. World of Sofas opened its doors earlier this month in Scotland. Chief executive Paul Briant, one of the founders of Land of Leather, wants 60 stores across the UK within five years (*Retail Week*, March 13).

Clive Gilbert, managing director of Cargo, which is opening stores at the moment, said a number of factors have contributed to an uplift in sales in the sector. "Big players have dropped out

 In the news, p28

The demise of retailers such as Land of Leather (top) and MFI (bottom) has left the furniture market wide open for those still surviving

of the market or downsized their chains," he says. "And there's a huge number of independents gone. Also, people are investing back into their homes because they're not moving."

The Conran Shop managing director Nick Moore agrees with this last observation, and has noticed footfall increase in the past six to eight weeks for the first time in 12 months. "Customers are coming to terms with the fact they can't move house, so are prepared to refresh parts of their home instead," he says.

The Conran Shop, which opens its first Irish outlet in department store Arnotts this month, has introduced a lower price-point range in the recession to widen its appeal. Moore says this has helped draw in customers, as well as the fact that The Conran Shop is a "trusted" brand with a "good heritage".

Marc Henstridge, head of risk at credit insurer Atradius UK & Ireland, has changed his stance on furniture retailers in recent months. He says that, at the end of last year, he felt "very uncomfortable" insuring his clients against furniture retailers.

"Today I don't have that view," he says. Instead, he takes a "moderate" view. He maintains, however, that there is a dilemma: "How much market is Argos going to take? What is Ikea going to do? What moves will Tesco make?" There are still unanswered questions in how the market will play out.

Not out of the woods yet

According to PricewaterhouseCoopers director of strategy Kien Tan, it is no great surprise that the sector is experiencing a "small bounceback" in furniture sales. He says there will be some deferred purchases from the last two to three years, since the overall housing market started to slow.

He also points out that those consumers still in work have "never had it so good", with interest rates and mortgage replacements at an all-time low and VAT having been temporarily reduced. A PwC survey shows that consumer confidence has been slowly recovering during 2009, and is now more positive than in April 2008.

But there is a danger of getting carried away by these developments. "These are not the green shoots of recovery," says Brittain. "Without a shadow of a doubt there will be more retail collapses in furniture."

Stronger players, which have not emerged unscathed in the downturn, may agree. Ikea, the world's largest furniture retailer, saw years of growth come to a screeching halt this year, when it made an unprecedented 5,000 global redundancies from its 120,000-strong workforce. Its global president and chief executive Anders Dahlvig told *Retail Week* in May that the UK furniture market was "the worst I've ever seen it", and that he believed there was no other furniture market in the world suffering more.

PwC analysis shows that during the last recession, the only retail categories to fare worse than furniture were other ones involving big-ticket purchases, such as large home appliances and

WEB UPDATES
Follow the fortunes of the furniture sector online
retail-week.com

"THE PAST 18 MONTHS WERE THE HARDEST ANYONE HERE CAN REMEMBER. SALES FELL OFF A CLIFF"

Dave Brittain, John Lewis, on furniture sales at the retailer

jewellery. Consumer spending on furniture declined by 17% from peak to trough over a period of seven quarters, and then took another nine quarters to recover to pre-recession levels.

History repeating itself

So if the current recession is anything like the last, furniture still has some way to go before fully recovering. During the last recession, like this one, there was a "major shake-up in the UK furniture retail market", according to Tan, with the emergence of Ikea and Argos as "major forces in the sector" as well as exits such as Lowndes Queensway.

A major shake-up has occurred this time round too, with the list of well known fallen furniture retailers reading far longer than others in the wider retail industry.

Tan says "the combination of new entrants, discounting, the emergence of new out-of-town outlets and deferred purchases that helped the furniture market bounce back", in the last recession.

Tan believes any hints of a recovery may only be short term, due to the "worsening macro fundamentals", including VAT going back up next year, tax increases, the end of the stamp duty holiday, public sector spending cuts and the rise in unemployment. He also points out that British homes have "never been in better shape" – advances made in the field of home improvement in the early part of this decade mean there are fewer deferred purchases that need to be made.

He adds that consumers will return more quickly to small discretionary treats, rather than big-ticket purchases, which can be "delayed until confidence fully returns or there is a sustained recovery in the housing market".

Gilbert highlights that while top-line sales may be on the up, the bottom line may not look so healthy. "There are a lot of price promotions going on, so while the sales are there, the profits might not be," he says. "It's too early to tell if furniture has turned a corner, and it's dangerous to start talking about green shoots."

What the furniture sector can at least hope for is that the worst is behind it. Most of those that were going to fall have collapsed already. It is now up to the survivors to ready their businesses for what is going to be a tumultuous 2010.

FURNITURE RETAIL COLLAPSES

2008

MAY
Sofa Workshop's sister retailer New Heights

JUNE
Danish furniture retailer Ilva

JULY
- Floors-2-Go fell into administration, but was later bought out by its founders
- Sofa retailer ScS collapsed in the same month and was acquired by private equity firm Sun European Partners
- Beds Direct also went into administration, but was saved in a management buyout and renamed Helibeds

SEPTEMBER
Homewares chain Rosebys

NOVEMBER
Final administration of MFI

DECEMBER
Homewares retailer The Pier

2009

JANUARY
Sofa specialist Land of Leather

JULY
- Allied Carpets put into administration and bought by Hilco-owned Valco Capital Partners
- Lombok, bought out of pre-pack administration in a management buyout

WEATHERING THE STORM FURNITURE VILLAGE

The retailer has fared well, but Harrison expects this year to be tougher than last

Furniture Village is one retailer that has noticed an uplift in sales in recent months. Along with the rest of the furniture sector, it felt the effects of the recession. Profits were hit, but the retailer managed the turbulence better than many.

But in its first half this year, the retailer managed a like-for-like rise of 8%, with most of the growth coming in the second quarter. The week before last, like-for-likes rocketed 27%.

The retailer notched up its best sales day ever on this year's August bank holiday Monday, the result of promotional offers, heavy advertising and "dynamic buying", according to managing director Peter Harrison.

And, after its first year in which it did not open a store, Furniture Village will open a shop in Cheltenham before Christmas and is looking at signing for two more.

Furniture Village might have stayed the course, but Harrison is not complacent. "In January 2008 we held a meeting and I told the team we were about to embark on one of the toughest trading environments any of us have ever experienced," he recalls.

"We knew exactly what was coming. Of course, it was tough, and it's not easy now. Furniture Village has weathered the storm. And there has, without a doubt, been a storm. This is not over by any stretch of the imagination."

Harrison outlines three key factors that influence consumer confidence: unemployment, tax increases and public spending cuts. "All conspire against the consumer, and I wouldn't be at all surprised if conditions weren't tougher this year than last," he says.

What has led to the improvement at Furniture Village? Harrison says soft comparatives have to be taken into account, as well as the general improvement in the market compared with 12 months ago.

But mainly, he says, it is down to self-help. "As a business we're better now than we've ever been," he says. "We've made substantial improvements to our cost base on supply chain and we've improved beyond recognition the way we handle service. There's also been a revolution in merchandise, so we're catering for people from one end of the spectrum to the other. Our price span is amazing."

Harrison says that he did not cut spending excessively in a knee-jerk reaction to the recession. "You can't starve a growing child," he says.

He remains cautious about spring: VAT will be back up, public spending cuts will be in full swing and there will be "uncertainty" around the general election. "People are fed up and they'll get more fed up," warns Harrison, who adds that he expects conditions to improve more visibly in the latter half of next year.

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National postal strike would be a low blow


Tim Danaher, Editor

"A NATIONAL POSTAL STRIKE WOULD PLANT SEEDS OF DOUBT IN ONLINE SHOPPERS' MINDS AT THE MOST IMPORTANT TIME OF YEAR"

The art of letter writing is dead. You can send cards electronically, and even the gas bill now arrives as an email. It all adds up to bad news for Royal Mail, so you'd think the UK's postmen and women would be thanking their lucky stars for the one glimmer of light for their stricken industry: the rise of online retail.

Despite the downturn and inevitable slowing of online sales, multichannel remains the big growth area in retail at the moment, and while the big boys like Tesco and Marks & Spencer continue to build their online offers, the handful of retailers that have thus far resisted, like Zara and H&M, are giving in and building transactional sites.

All good stuff and it shows how retailers are working hard to meet shoppers' demands to be able to buy when, where and how it suits them. Carriers, including Royal Mail, have played a vital role in this. So how ironic that this very positive story is in danger of being stymied by strike action by the nation's posties.

Retailers will find ways of ensuring their products reach their customers, and alternative delivery providers will already be out to get business from retail customers worried about Royal Mail – although they can be expensive for smaller items and volumes.

But the biggest barrier to people shopping online is concern over purchases turning up, and a national postal strike would plant the seeds of doubt in the minds of online shoppers at the most important time of year. That won't be the end of the world for the big multichannel multiples, but it will be terrible news for the entrepreneurial smaller pure-play etailers that rely on Royal Mail. They deserve better from the postal workers, because they are the only ones helping build a sustainable future for the Royal Mail.

Malls due for shake-up

Yesterday's opening of Cardiff's new shopping centre (p40), combined with this autumn's other openings in Aberdeen, Bath and Glasgow, is likely to mark the last flurry of shopping centre openings in the UK for a good many years. They will open with much more empty space than planned, but are good schemes in good centres and will let up as the market recovers.

But even when the market comes back, the multichannel age will mean that the next generation of shopping centres will need to be different – more leisure experience, less monolithic blocks of space where small retailers subsidise the big boys.

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➤ Visit retail-week.com/blog today to read Tim's Retail Day blog

Meeting customers' delivery demands
In business, p43

Don't fear a turnaround job

It may have its downsides, but taking on a turnaround can be truly inspiring, says **Neil Gillis**


PETER SEARLE

Why would anyone of sound mind ever contemplate doing a retail turnaround? The reality is that if you pursue a career in retail, the volatile nature of this sector means that you are more likely than not to spend some of your career in a business undertaking a turnaround.

As someone who has specialised in business turnarounds for much of my career I can give you many reasons why you might want to avoid this experience. There is the stress of not knowing whether what you are planning will work. There are the difficult and often very painful decisions that need to be made. And there is the reputational battering throughout the process that only abates when you finally come out the other side.

Turnarounds are, by their nature, risky enterprises. Your starting point is always a business that is in trouble. Perhaps the worst aspect of the turnaround role, though, is the way that these businesses attract attention from some rather unsavoury characters.

Every ecosystem has its parasites and scavengers and capitalism is no different. It is still disheartening to experience individuals and companies deliberately attempting to destabilise a business in the hope of being able to reap some form of benefit. Most of the turnarounds I have led have, at one stage or another, attracted the attention of such individuals.

In this respect I have enormous sympathy with the management team at the JJB turnaround who are dealing with unprecedented storms around them while they try to get on with the very tough day job of restoring that company to health.

But there are many positives too. In my view these outweigh the many disadvantages of a turnaround. There is the satisfaction when you finally succeed. There is no better feeling than having pitched oneself against adversity and won.

There is the adrenalin that such business situations create. It would be hard to be as engaged or as excited by a business in a steady state where the brief was to deliver incremental improvement rather than revolutionary change.

But there is one overwhelming positive of becoming involved in a business turnaround that should be noted: the insight into the resilience and determination of human nature in the face of adversity is profoundly uplifting. To experience a team of people forget their differences and pull together in a common cause. To see politics and rivalry put to one side as people concentrate on what really matters. To watch the grace and maturity with which people at all levels of the organisation handle difficult news and uncertainty. These are the positive experiences that make a turnaround worthwhile.

NO CAREER IS REALLY COMPLETE UNTIL YOU HAVE SPENT TIME IN A BUSINESS TURNAROUND

In my view no career is really complete until you have spent time in a business turnaround. Business, at its heart, is about understanding human nature. You will see all extremes of human nature when you take part in a turnaround but in my view you will experience considerably more good than bad. There are few better learning experiences.

➤ **Neil Gillis is chief executive of Blacks Leisure**

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SIMON LAFFIN INDEPENDENT RETAIL ADVISER AND NON-EXECUTIVE DIRECTOR

A VAT nightmare waiting to happen?

Retailers are probably losing sleep now thinking about next year. Will there be a recovery?

What about input prices and sterling? And unemployment? And then there is VAT. When the rate suddenly went down to 15% last year, most couldn't reduce all their prices quickly. Many simply deducted the charge at the checkout in the meantime… or gradually forgot about it and took the margin benefit.

The new year present from the Government is an increase in VAT back to 17.5% on January 1. The timing is surely an example of a bureaucrat's tidy mind displacing common sense. Are retailers to redirect busy staff over the key holiday period to reprice thousands of lines? Do you try to get all your post-Christmas sales in between Boxing Day and New Year's Eve, before increasing prices or taking another margin hit on unsold stock?

One thing you can't do is charge more at the checkout without repricing all your lines individually. No doubt the Government is hoping that retailers will be reluctant to risk repricing, so dampening the inflationary effect. Mind you, manufacturers will probably be trying also to put through their price increases at this point, so that they can be hidden in the VAT publicity and avoid retailers having to increase prices again later.

But that isn't the only VAT worry stalking retail boardrooms. Will the Government go for an even higher rate? Especially attractive for an incoming Tory administration, it would reduce the strain on politically sensitive income tax rates. Unpopular as it might be, introduced early in a government's life, there is plenty of time for people to forget… and you blame it anyway on the mess left by Labour. A 20% VAT rate is a nice round number and would bring over £10bn.

Given how well grocers have done during the recession, they would elicit little sympathy if an incoming government abolished zero rating on food

> **"THE TIMING IS SURELY AN EXAMPLE OF A BUREAUCRAT'S TIDY MIND DISPLACING COMMON SENSE"**

This is a very unwelcome thought for retailers. Anybody who thinks of absorbing most of the first increase may well change their mind when they consider a second round.

The food retailers' nightmare is that if an incoming government standardises VAT rates, abolishing zero rating on food, raising over £20bn. While zero rating food was sacrosanct for political reasons, the current crisis may preclude such luxury. Indeed last year, the Institute for Fiscal Studies concluded that it was not the most efficient form of helping the poor, and could more effectively be replaced by increasing means-tested benefits and income tax thresholds, still leaving a net £11bn gain.

But what about the effect on inflation? This is presently pretty low on the economic worry list. Politicians will expect retailers to absorb some of it, as happened when rates were cut last year. The food retailers have had a pretty profitable recession, eliciting little sympathy for their plight.

So maybe all those sleepless nights about VAT could indeed be just the precursor to a nasty hangover.


Retail Week
Labour Left is out to smear major retailers
THE GREAT DIY STORE RIP-OFF
DIY GIANT CHECKOUT SCANDAL
Queensway finds buyers
Victory near for Sunday compromise
Stores join forces to keep clean

21 YEARS AGO THIS WEEK

➤ **A public campaign** discrediting retailers was exposed as a politically motivated effort to undermine the move towards EPoS systems. B&Q, Boots and WHSmith were all accused of overcharging customers using their electronic scanning systems. The left-wing dominated Association of Metropolitan Authorities was thought to be behind the campaign.

➤ **School leavers** were widely targeted as the battle for new recruits reached crisis level. Several retailers, including Tesco, Next and Bhs planned to attend an upcoming jobs and training fair sponsored by Tesco, while Gateway was the latest to launch an in-house training scheme to attract young recruits.

➤ **The controversy** over the appeal for duty-free shopping in London's Trocadero Centre continued to grow as the Regent Street Association petitioned against it on the grounds of "unfair competition".

➤ **The British optical industry** prepared itself for a shake-up as Vision Express and Paris Miki, US and Japanese companies respectively, announced plans to target the UK eye market.

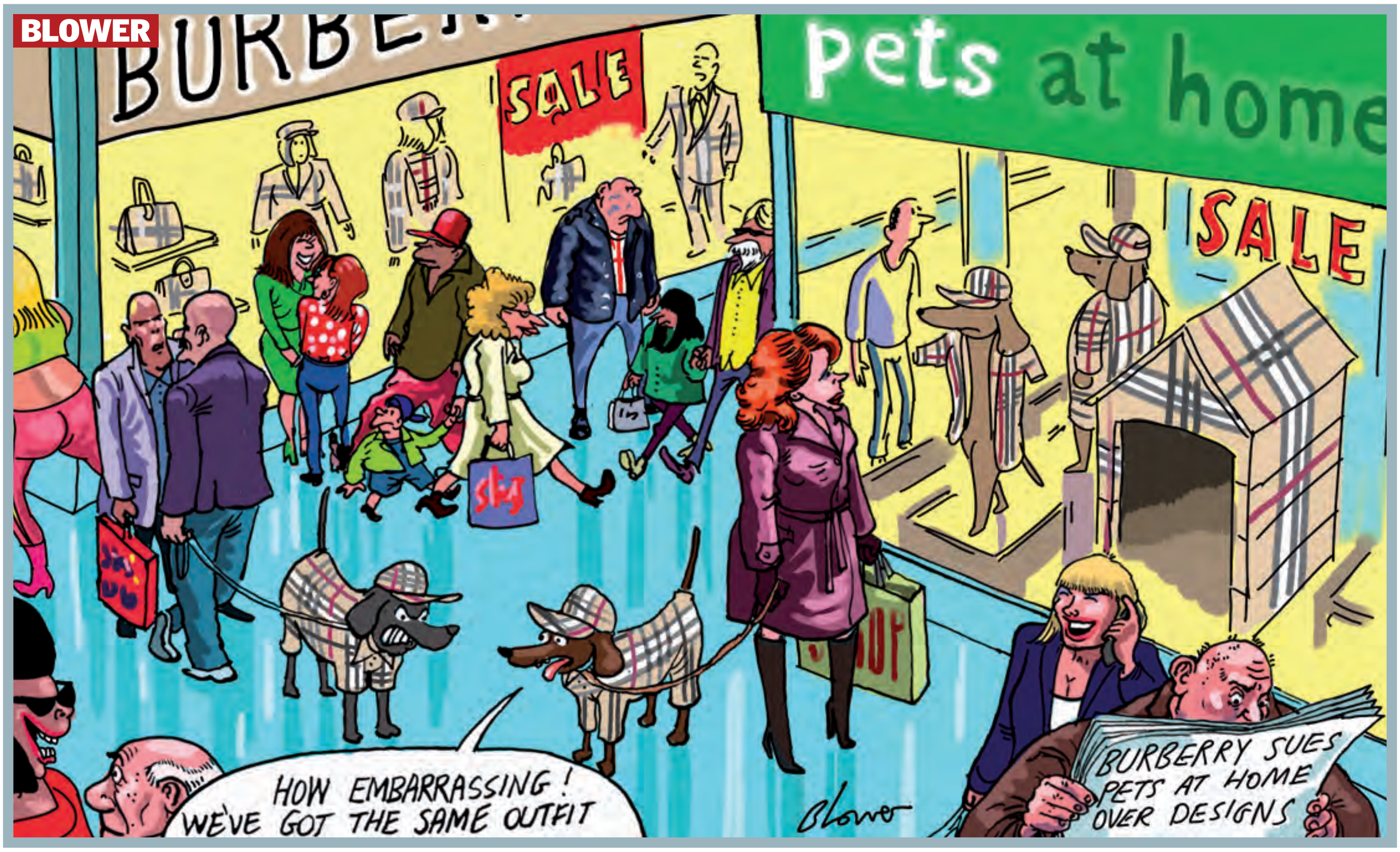
➤ **Kwiksave** announced plans to increase its retail space annually by 12% over the next few years. The retailer already boasted 560 stores, with a new store opening every week.

➤ **Retailers campaigning** for the deregulation of shop hours believed a compromise was imminent when the Conservative Party conference endorsed a degree of deregulation. Half day opening on Sunday, from 12pm to 6pm, appeared to be the most likely solution to the stand-off.

➤ **Marks & Spencer** opened its second store in Hong Kong following the success of its first in Kowloon.

The importance of getting the right ecommerce director Careers, p49

BLOWER



NEED TO KNOW

Jobs in grocery

Asda's Andy Clarke is concerned about unemployment and has pledged to tackle it head on, but what are all the big four grocers doing about this issue?

Why have job opportunities moved up the agenda?
Asda chief operating officer Andy Clarke said last week that more needs to be done to encourage young people, and the long-term unemployed back to work.

What is Asda going to do about it?
It has launched a three-year campaign to target young people (under 25s) as well as the long-term unemployed.

Asda also already runs a graduate scheme. The stores programme is flexible to accommodate staff with different experience levels, allowing scope to fast-track.

What about the other big four grocers?
Sainsbury's apprentices study for an National Vocational Qualification (NVQ) Level 2 in Retail (equivalent to 5 GCSEs A* to C), learning key skills in English and Maths and studying for a Retail Technical Certificate. The scheme started with programmes in meat, fish and bakery and for 2009/10 expanded to include pharmacy, and beer, wine and spirits.

Sainsbury's graduate programme comprises 13 schemes, the largest of which is the retail scheme that offers the opportunity to become a deputy store manager in two years.

And Morrisons?
Morrisons has its own Food Academy, which aims to train 100,000 people to NVQ Level 2 by 2011. About 500 apprentices have been trained this year, with the majority being in the 18 to 24-year-old group.

The grocer also has a bakery, butchery and fishmonger craft skills apprentice programme.

Morrisons also runs a Management Development Initiative to train managers. It also runs a graduate recruitment programme for manufacturing, logistics and roles in head office.

And Tesco?
Tesco's Retail Apprenticeships are one-year courses, with qualifications awarded by City & Guilds.

The apprenticeship is made up of three parts: key skills, NVQ and Technical Certificate. The NVQ in Retail Level 2 delivers on the job training to consolidate practical skills and knowledge of retail. The Tesco trainee management programme is a one-year scheme. Starting as a team leader, staff work up to line management, then a full management position. To qualify for the scheme, applicants need GCSEs in English and Maths (grade C or above), and 180 UCAS points.

Tesco also has 17 different programmes for graduates including a store management programme and office programme.

JENNIFER CREEVY

RETAIL LIFE COMMENT

Corporate social responsibility abroad
Analysis, p32

GOOD SHOP BAD SHOP

Martin Newman Independent ecommerce consultant

Apple, Brent Cross As a previous PC/Windows devotee, it's taken me quite some time to succumb to the delights of Apple. And now I have, I'd never go back. I just love everything about it.

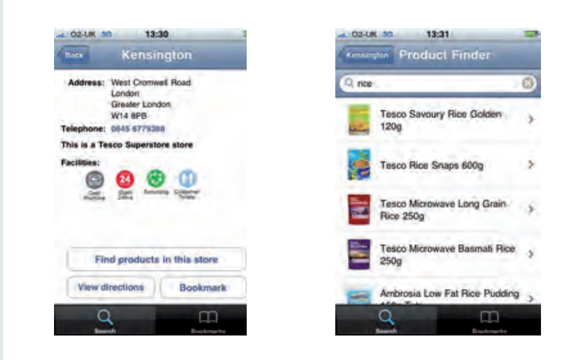
From a retail perspective, a recent trip to their store in Brent Cross was as seamless an experience as you can imagine. Buying a new MacBook Pro, I was served by a man with all the relevant knowledge required and he had a remote till. I didn't even have to wait around for my receipt. It was emailed it to me. Now that's what I call a good customer experience.

Matalan, Enfield I recently found myself in a retail environment I'm not used to – namely Matalan – with my wife. I felt that the checkout process was akin to being penned in like a sheep with nowhere to go, as they tried to cross sell me lots of other tosh I had no interest in.

I'd have had to trample over the endless line of people behind me to escape had I decided not to make a purchase after all. I'm a self -service customer and so I like to control my experience in store. As such, I won't be back.

ACTUAL STORES NOT PICTURED

MARTIN STABE'S WEB WATCH



Tesco iPhone app

More than 4,000 people have downloaded Tesco's first iPhone application, the Store and Product Finder, since it became available on the iPhone App Store earlier this month. The free app, is a project of the grocer's IT Innovation Club, an internal group that aims to rapidly develop innovative customer-facing technologies.

The app does what it says on the tin. Using the iPhone's location awareness, it identifies the Tesco store closest to the user's current location and provides directions. Having identified a nearby store, users can also search the grocery products stocked there by entering a product name or its 13-digit barcode number. This reveals the exact location of the product in that store.

Future versions may allow users to reverse the process to find the nearest store that stocks a particular item, Tesco.com head of research and development Nick Lansley wrote on his blog. Another feature Lansley hopes to include in future versions is real-time price information for each product.

JOHN RYAN'S STORE OF THE WEEK

Opening Ceremony Tokyo

US retailer Opening Ceremony welcomed shoppers to its first store outside North America at the end of August, when it opened a seven-floor quasi-department store in Tokyo.

Located in the city's Shibuya district, what marks this store out from others of its kind is the decision to tightly theme each of the floors, almost giving the effect of seven different stores in one building. Visitors will find themselves wandering through a series of different environments, each of which plays host to designer collections.

However, it is the combination of a highly idiosyncratic series of shopfits and some of the best visual merchandising that you are likely to see that really makes the store noteworthy. On the visual merchandising front, one of the most obvious features is the use of animal mannequins, whether it's the ostriches supporting glass cubes on their backs, or the giant, and distinctly menacing-looking, sheep that lurk in many parts of the shop.

Among many details, the fit-out includes white brick walls, through which asymmetric holes have been punched, mid-shop equipment in the form of pink, single-storey pagodas and a complete Victorian terrace of two-floor town-houses. There's even a Navajo-style reservation, complete with Native American-embroidered wigwam.

According to Opening Ceremony, the idea is that it has worked with the various brands that are on display to create "designated brand shops" that identify the aesthetic of the brand". Whatever your view of this, if you're Tokyo-bound, this is a must see.

LETTERS TO THE EDITOR email tim.danaher@retail-week.com

Competition test would hold back regeneration

Like a dog with a bone, the Competition Commission has renewed its recommendation that a competition test is needed in planning decisions to prevent convenience retailers with a strong presence in local areas from further increasing their representation, and to make it easier for competing retailers to gain a foothold in the same area. But have the full implications of such a test been thought through and will it deliver these objectives?

Many operating in the field of development would say that it is already a near-impossible task to secure and successfully promote a site for a food store. The test could stymie investment in new retail developments where need for a new food store exists, but the 'desired' competition cannot be attracted. This could well affect some urban areas that are badly in need of regeneration.

Furthermore, landowners might simply not be prepared to sell land if values are artificially squeezed through the effects of the test, potentially resulting in delays or sites simply being promoted for other uses in the hope of securing a greater value.


Grocery has a key role for the economy

Setting aside the fact that there are no direct proposals for how the test will be incorporated into the planning system and taken account of in planning decisions, a cumbersome and complex framework has been suggested for assessing whether proposals satisfy or fail the test. One obvious and guaranteed outcome is that there will be more and longer-running spats between retailers/developers and local planning authorities on the technical aspects of the process. I also suspect that, in some cases, decision makers will be prejudiced from making clear-cut, common-sense decisions.

The competition test, despite the concerns highlighted by some retailers previously, remains poorly thought out. I doubt whether it will deliver a better, more competitive convenience retail sector, and now is exactly the wrong time to introduce further controls on a sector that plays a critical role in our everyday lives and offers such potential to contribute positively to national regeneration objectives and the economy.

John Francis
Partner, DPP, Manchester

Postal strikes will only lose Royal Mail business

By calling strike action this week (*RW Online*, October 15), the CWU clearly does not have the best interests of its members at heart. Having lost the £25m Amazon contract as well as business from eBay and John Lewis, the union should back down and agree that Royal Mail management are best placed to make the right decisions for the long-term viability of the organisation.

The attitude of Dave Ward and the CWU is dated and pre-historic, and will only cause Royal Mail to ultimately lose more business, which will lead to further planned job cuts.

This will only end in a vicious cycle of strikes and job losses that will see Royal Mail privatised or become totally un-saveable

Elliot Williams
By email

Landlords must shoulder some blame for CVAs

I think that landlords that have attacked CVAs (*RW Online*, October 7) have to take responsibility for accepting tenants and do their homework.

I did some consultancy work for a retailer new to the UK market at Westfield London. I saw the level of rent, assessed the other overheads and said to them: "You'll be out of business in six months", and they were.

Any sensible landlord would have looked at the proposition and had cold feet long before agreeing the lease. Sadly, very few landlords are sensible and decline to take responsibility for what are, after all, their assets.

Quereline McGeddon
By email

Your comments from retail-week.com on...

➤ Asda's plans to target younger workers
I hope this isn't an example of age discrimination in the workplace, as that would be against the law. I thought employers like Asda and B&Q like older workers, as they were literate, coherent, reliable and not work-shy?

➤ Calls for Irish government to scrap upward-only rent reviews
How did a country with the same population as the Greater Manchester area end up having the fifth-highest rents on planet earth?

➤ H&M's September sales fall
Personally, I would say sales at H&M could be down because it's such hard bloody work to buy, select or anything in there. Mess, queues to try on, even longer queues to pay – so long, I abandoned my shopping recently.

➤ M&S to sell online in 73 countries
Hopefully over time, they can sort out some local sourcing, as sending clothes made in Vietnam to the UK, to be sent back to a customer who lives there is bananas, and not very eco-friendly.

➤ Advisers being brought in on potential sale of Habitat
Habitat was a great brand, and was innovative and exciting when Conran was involved. It has unfortunately lost direction over the past 10 to 15 years, and is very expensive in comparison with its competitors.

Has Habitat lost direction?

ONLINE POLL

This week's poll results
Do book stores have a long-term future?

61% Yes

39% No

This week's question
Will HMV's cinema venture be a success?

retail-week.com

PEOPLE FIRST
Read more profiles of top retailers on the website
retail-week.com

Chris Woodhouse

On the back of a successful float, shrewd debt handling and an expected rise in profits, the Debenhams finance director has plenty to feel bullish about, says George MacDonald

One of the most prominent finance directors in retail, Chris Woodhouse's career has mainly followed the ups of private equity interest in the sector, but he's had to deal with some of the downs too.

In partnership with Debenhams chief executive Rob Templeman and serial dealmaker and Debenhams chairman John Lovering, Woodhouse has played a key role in deal after deal. First it was Homebase, next Halfords, and then, in 2003, Debenhams.

But while inexorably linked to the rise of private equity ownership of retailers, Woodhouse has also managed what few others have of late – the successful transition from private to public company status.

Debenhams – unlike many of its peers so far – successfully floated. But, as private equity groups lost their master of the universe status, Woodhouse had to cope with the hangover of their involvement that for a time dogged Debenhams in the eyes of City investors. It was a challenge he proved himself up to. A disappointing share price performance post-float and profit warnings did not help, but the big issue became debt.

"CALLING HIM A FINANCE DIRECTOR UNDERSTATES IT. HIS ADVICE WEIGHS ON EVERY ASPECT OF THE BUSINESS"
John Lovering, Debenhams

Investors became increasingly jittery about Debenhams' owings in the wake of the credit crunch. But a £323m share placing and open offer in June provided the answer. Debenhams' fundraising not only dealt with the debt issue, it widened the shareholder base and provided cash for acquisitions.

Woodhouse may have plenty of financial acumen, but that is bolstered by retail operational nous, having spent six years as commercial director of Superdrug while it was owned by Kingfisher.

The combination has served Woodhouse well, whether day-to-day or immediately following a deal such as the purchase of Debenhams. He describes such situations as like "being handed the controls of an aircraft and having to get to grips with it fast".

Changes to capital structures, streamlining of decision-making and operating off a leaner cost base while driving sales are among the challenges he has typically confronted.

Asked about the ingredients of his success, Woodhouse says: "You need to be resourceful and turn your hand to a lot of things. The reality is that when you walk into a company it's not sufficient just to be a finance director because there's so much to be done. You tend to carve up the general managerial tasks between you."

It's an approach Woodhouse and Templeman have typified during their relationship, after being introduced to each other by Lovering.

Lovering says: "Calling him a finance director understates it. He's been mine and then Rob's right-hand man, and his advice weighs on every aspect of the business."

Woodhouse, who is also in charge of Debenhams' international business and was heavily involved in deals such as the acquisition Irish department store chain Roches in 2006, was signing off the preliminaries as *Retail Week* went to press. The retailer was expected to post a rise in profits to between £120m and £130m compared with £110m last year.

There was also speculation that Lovering was preparing to stand down as chairman. Woodhouse declined to comment on that likelihood, but what next? Woodhouse is already chairman of Gondola, the holding company of Pizza Express and other restaurants, so similar roles might prove attractive longer term. However, he emphasises that there is no change planned to his role imminently.

Lovering – who also declined to comment about his intentions regarding the Debenhams chairmanship – says: "Chris has demonstrated very wide capabilities and has scope to take on a very big general management role." It looks as if Woodhouse's trajectory is still upwards.

CAREER HISTORY

Joined Debenhams in 2003 after its takeover by acquisition vehicle Baroness Retail

Previous roles Homebase commercial director and deputy chief executive; Halfords deputy chairman

Family married with two children

Other business interests non-executive chairman, Gondola Group

What people say about him "He can come across as quite taciturn at first but he's very popular in the business."

What he says about himself "I lead from the front. I'd never expect people to do something I wouldn't do myself. I'm reasonably relaxed but, when the heat's on, I expect people to perform."

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The key events that will shape the next seven days in retail

Carpetright founder Lord Harris is feeling optimistic about trading prospects

October 28 Carpetright trading update

Market leader Carpetright will report on trading in the first 25 weeks of its financial year – the period to October 24 – amid signs that the market is improving.

Last week's BRC-KPMG Retail Sales Monitor provided some grounds for hope and, at last month's AGM, Carpetright founder Lord Harris said he was "cautiously optimistic" about trading prospects. The administration of rival Allied Carpets and mortgage approval trends were among the factors giving Lord Harris confidence.

October 29 Aberdeen Union Square opening

Hammerson's Aberdeen mixed-used scheme Union Square, which hosts 56 retail units, will open to a day-long celebration in the Scottish city.

Lettings have been challenging but as the only shopping centre to open in Scotland this year, it hopes to make a real impact with celebrity performances and traditional Scottish pipers entertaining shoppers.

The £275m scheme will bring a crop of retailers to the city for the first time including Zara, Vero Moda, Azendi and Paperchase.

October 31 Halloween

With related retail sales expected to hit £235m in the UK, according to analyst Planet Retail, Halloween is becoming an increasingly important sales opportunity for retailers.

Consumer spend on the annual event is believed to have grown 20-fold over the past decade as British shoppers have increasingly taken the traditionally American holiday to heart.

Last year, UK stores benefitted from a sales boost of £195m and this year analysts have forecast an even higher spend as Halloween will land on a Saturday.

Halloween will boost retail sales

IN NEXT WEEK'S ISSUE

Staff appearance
How fussy are retailers about how staff dress and present themselves, and does it make any difference?

Anthropologie
US cult retailer Anthropologie hits the UK with its first store on London's Regent Street. John Ryan assesses whether its boutique style has translated from the US.

Westfield London
One year on from its grand opening, *Retail Week* heads back to the west London retail giant to see what's changed and how shoppers have embraced the centre.

Carbon reduction
Retail Week hears about how some major retailers are reducing their CO_2 output as part of the carbon reduction commitment.

MY RETAIL LIFE

Darren Blackhurst
Chief trading officer, Asda

What was your first job in retailing?
I was an undergraduate working at Tesco.

Which retail company do you admire most and why?
It has to be Asda. The colleagues are wonderful and genuinely some of the friendliest people I have ever had the pleasure to work with.

What is the trait you least like in yourself and why?
I am known to take it all far too seriously at times.

Who have you learned most from in your retail career?
I have been fortunate to have worked with some of the best retailers in the world and it's impossible to name just one person. Probably the most influential people in my career have been Colin Smith (former Tesco/Somerfield), John Gildersleeve, Tim Mason and Sir Terry Leahy (Tesco), Andy Bond and Rick Bendel (Asda), and Lee Scott and Mike Duke (Walmart).

What advice would you give someone starting out in retail?
Focus on the job at hand. Be completely customer focused. Understand your business and the market and keep everything you do simple.

What keeps you awake at night?
Eating too late in the evening.

What's the most satisfying part of your job?
Working with really talented and committed colleagues. That is the Asda secret; one team. My board colleagues are world class, so there is always something to learn.

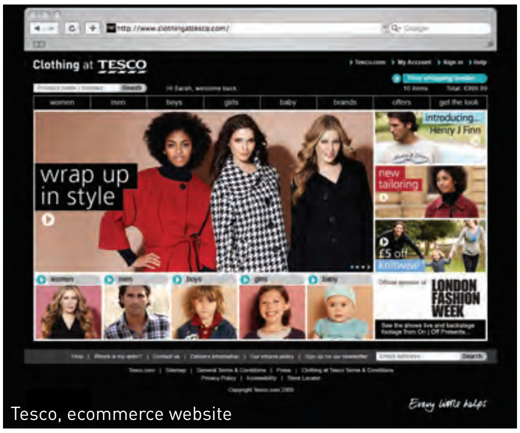
What's your proudest achievement?
In general, becoming a dad. Work wise, becoming chief merchandising officer for Asda.

What job would you have done if you hadn't become a retailer?
I am a frustrated rock star. I imagine I would be a struggling guitarist in a band.

What's your favourite shop and why?
The Tesco Lotus on Ko Samui. It was an incredible experience opening a shop on a tropical island.

What's your last purchase?
The book, *Buddhist Reflections on Life* by Ajahn Sumedho.


Hackett, Sloane Street



Tesco, ecommerce website


Ralph Lauren, New Bond Street


Hackett, Regent Street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Winning over shoppers

Retailers are often the media's whipping boys when it comes to the treatment of employees abroad, but many are putting something back and reaping the benefits, says Sara McCorquodale

Retailers have been criticised this month for exploiting factory workers in Asia by human rights group War On Want. Employee wages and working conditions were slated in the organisation's annual Let's Clean Up Fashion report.

On a positive note, New Look, Primark, Gap, Marks & Spencer, Monsoon Accessorize and Next were praised for their moves to increase workers pay. However, the review stated: "No brand or retailer is paying its workers a living wage, or has yet put together a systematic programme of work that is likely to raise wages to acceptable levels in the near future."

But this isn't the whole story. Some retailers are going above and beyond the call of duty to ensure their workers in Third World countries are being treated fairly. Many are working with charities to improve the areas related to their supply chain, or going into countries where there is need and attempting to improve trade.

Last year, Marks & Spencer opened the first of four planned eco-factories in Sri Lanka where it manufactures lingerie. In addition, the retailer's clothes exchange scheme – run in partnership with Oxfam – has raised £2m for the charity.

Elsewhere on the high street, Arcadia has worked on a living wages project for its workers in a factory in Bangladesh where each employee earns three times the minimum wage. The retailer intends to extend this scheme to more of its factories in the area. Trade union rights are also recognised if workers are members.

Meanwhile, Burberry has a confidential worker hotline for employees in its supplier factories and has consultants teaching staff and management how to run more effective worker committees.

In the War on Want report Gap received the highest grade for its work to ensure employees in its supplier factories are paid and treated fairly. The retailer works with trade union Self Employed Women's Association (SEWA) in north India and employees have received an 80% pay increase in the past year.

Ikea is working with Unicef, focusing on issues such as adult illiteracy and poverty

The importance of displaying corporate social responsibility – be it through fair wages, having an eco-conscience or implementing schemes to help the community – has never been more important in maintaining a good reputation domestically.

Documentaries such as Channel 4's *The Devil Wears Primark* and BBC3's *Blood, Sweat and T-shirts* have ensured outsourced production remains a topical issue and certain retailers have borne on-screen criticism as a result.

On paper, the facts and figures surrounding retailers' work abroad are impressive and mark a change in their approach to production in other countries. Efforts to increase wages and better working conditions are ongoing but it is clear very few are resting on their laurels.

But how does it feel to be the person implementing these initiatives? Over the next two pages, Ikea and Hotel Chocolat describe their experiences in India and St Lucia.

"REACHING WOMEN ABOUT EDUCATION WILL HAVE A KNOCK-ON EFFECT AND CREATE CHANGE"
Marianne Barner, Ikea

with sound ethics

IKEA SUPPORT ON THE SUB-CONTINENT

Marianne Barner is head of social initiative for Ikea. The retailer began working in a coalition with Unicef, Save the Children and 500 villages in India and Pakistan 15 years ago to educate and empower women and children.

The areas they focus on are closely related to the retailer's supply chain. In these villages, Ikea gives thousands of children access to education. In addition, children and mothers are immunised against illnesses such as measles, polio, diphtheria and whooping cough.

In June, the retailer also launched an initiative called the Sunnan Lamp Campaign. Through this programme, every time one of the solar-powered Sunnan lamps is sold in an Ikea store, the retailer donates one of these lamps to Unicef for children in homes without electricity to help them do their school work.

Most recently, the retailer dedicated a budget of £113m to extend its work to 5,000 villages in Central and Eastern Europe, Africa and Southeast Asia by 2013 with the help of Unicef and the United Nations Development Programme (UNDP).

At least 50,000 women will be encouraged to become entrepreneurs, contribute to the income of their household and participate in local political decision making. The UNDP will assist Ikea by educating women in finance and business and helping them access micro credit loans. They will also have the opportunity to take advantage of classes to become more literate and will be offered leadership training.

Barner says: "We launched our project in 500 villages and now about 80,000 more children go to school. I feel proud of our work in Pakistan and India – very, very proud. I think everyone in the company does.

"It is important to us as a business, because we are working to try and make sure child labour does not happen, and to do this we need to concentrate on issues like adult illiteracy, poverty and access to education."

She adds that the retailer's work in India has evolved, and will continue to, because of the positive response staff working on the programmes have had from co-workers and also from the people they are trying to help in India.

Marianne Barner: 'We want to help women become enterprising'

As part of Ikea's soft toy range, money from each sale goes to charity

She continues: "I love being in India and meeting the children and women we started these initiatives to help. Obviously it's very different to being in the boardroom. It's very satisfying to see what we are achieving and that it is doing good for people. It's one of my favourite parts of this job, I'm very lucky.

"We wanted to take a holistic approach to this and we knew if we empowered women this would have the same effect on their children. We knew this had to be achieved through education. In order to reach children, reaching women was of the utmost importance. Teaching women about health and the importance of education will have a knock-on effect and create change, and we think this is the best way to do it.

Barner says that the support won't stop there: "We are working on the next step now. We want to help women become enterprising and allow them to contribute to their family's income. It's very, very important that they receive leadership training and understand business. Then they can become entrepreneurs and start their own businesses."

Ikea has closed the loop on its corporate social responsibility work, with products developed to help fund the schemes being expanded and gaining popularity with customers in their own right. Barner explains: "We started the Brum Bear campaign in 2003 and from every bear sold we donated £1.50 to Unicef. Now, we donate €1 (92p) from every soft toy to our social responsibility schemes. This has raised €16.7m (£15.2m)."

The success of the campaign has led to the expansion of Ikea's soft toy range. They have grown in popularity, and the retailer now makes over 70 different toys.

Barner concludes: "They're such cute little guys too, I'm really proud of them and children seem to enjoy them. I think this has been such a success because the child who gets the toy will be happy and the children on our schemes who also benefit will be happy. Our customers realise this."

"THIS IS NOT JUST ABOUT LARGESSE, WE ARE TRYING TO SET UP A PROFITABLE BUSINESS"

Angus Thirlwell, Hotel Chocolat

HOTEL CHOCOLAT COCOA PRODUCTION IN THE CARIBBEAN

Angus Thirlwell is co-founder and managing director of Hotel Chocolat. The business began in 1993 and after creating its own engaged ethics programme in 2002, the retailer bought the 140 acre Rabot Estate in St Lucia in 2005. Since then Hotel Chocolat has grown its own cocoa on the island, creating jobs and trade for farmers who previously had been earning very little income for their product. The retailer, which currently has a factory in Cambridgeshire, plans to build and open a St Lucia facility by 2011.

Thirlwell says: "I get out three or four times a year and it's probably the most fulfilling part of what we do on a couple of levels. Growing cocoa is so rewarding – a big cocoa pod is about half the size of a rugby ball."

When the retailer entered St Lucia it did not want to be seen to be getting rich while the farmers it traded with were not improving their own living standards. It has signed up 70 cocoa growers to its scheme.

Thirlwell says: "This is not just about largesse, we are trying to set up a business that is profitable and gives sustainable food to other cocoa growers. We found out a lot of farmers had left cocoa because the way the business worked here before – they didn't make much money. They had to drive to a warehouse in the capital city and leave their bags of cocoa there without any money changing hands. This system was run by a private company that had its own objectives – the farmers would have to wait six months to get paid.

"We need good cocoa for our business and had a series of meetings with farmers and told them: "If your cocoa meets our quality standards we'll buy every bean you grow and we guarantee to pay you within a week". We wanted to be honest and transparent about this.

"The farmers are good to work with and it's easy to have a dialogue with them. They are very well-informed about British politics and most of them support English football teams. They are very well educated people, the schools in St Lucia are of a high standard."

Like Ikea, Hotel Chocolat has married its corporate social responsibility message and its products. "They are so proud St Lucia cocoa is being made into a St Lucian chocolate bar, it has always been put into a blend with other beans before," explains Thirlwell.

"We have an event every year where we invite the farmers to a lunch and talk about our plans for expansion and what this will mean for them. We enter the St Lucian chocolate into taste awards and bring the prizes over to show them.

"Now that we have more cocoa we can start to experiment with different recipes. Previously we only had two recipes but now we are launching four new ones."

Thirlwell concludes: "The ultimate expression of our commitment to St Lucia will be when we build our chocolate factory there. We're planning to open that in 2011 and then we can offer jobs to local people there. Local artists will do our designing and local engineers will keep the factory working."

Angus Thirlwell (top) plans to build and open a factory in St Lucia by 2011 so he can offer jobs to local people

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Making history

Many visitors to the British Museum want to take home a souvenir. But how can they be persuaded to buy more than just a pencil or tea towel? John Ryan reports on a makeover of the museum's shops

Even in these days when the unit of currency is, effectively, a fiver rather than a pound, a million pounds is still a lot of money. And when it comes to spending on store design and fit-out, the expectation remains that a sum of this magnitude will buy you something good looking, depending on the size of the space involved.

The British Museum is coming towards the end of a rethink and consequent refit of the four stores housed within the institution and the cost has been, well, yes, £1m – which for the area shared by the four retail spaces sounds like a lot.

The main retail store in the British Museum is the Great Court Shop. Few prizes for guessing, perhaps, that is it in the covered area known as the Great Court – with the jaw-dropping ceiling that was delivered by Sir Norman Foster at the start of the decade. The Great Court is where the museum's blockbuster exhibitions are held and, with 6 million visitors a year, almost all of whom pass through the area, it has high footfall almost every day.

Talking shop

As such, it should be a honeypot for any retail set-up – with the tills rarely anything other than busy. For director of buying and retail Roderick Buchanan, this was probably his aim when he retained design consultancy Small Back Room to work on updating the museum's retail offer. Buchanan has not been at the museum for long. He arrived, fresh from Tesco last year and set about revising the retail proposition.

There has been a tendency for museums, particularly at the mass market end, to work along the lines of offering pencils with, perhaps, the name of the current temporary exhibition written on them, alongside much more expensive items such as prints, ties and limited edition works of art.

No problem with this, of course, except that as Buchanan points out, very often the same level of service is afforded to someone paying £1 as to the individual prepared to spend north of £200.

THE BRITISH MUSEUM, LONDON

The stores
The Great Court Shop – "the family shop"
The Collections (due to open at the end of this month)
The Book Shop
The Grenville Room – more expensive and limited edition items

The cost Refit total will be around £1m

The design Callum Lumsden at Small Back Room

The museum's retail chief Roderick Buchanan

For this reason, when he sat down with the wholly British Museum-owned Museum Company, which oversees much of the commercial activities, proposals to remedy this were on the table. Not so straightforward as it sounds. "You don't have a meeting with the museum, you have a debate," Buchanan observes. Nevertheless the debate was had and work began.

The 3,200 sq ft Great Court Shop is one part of the retail quartet that includes The Grenville Room, for museum artefact high rollers; a bookshop; and the 1,100 sq ft Collections shop, opening at the start of the next month. But it is the Great Court Shop that is the largest of the four. "This is the high street. This is the family shop," says Buchanan, adding that about a third of its customers are children, usually on school trips, and two-thirds are families. It is also a significant money-spinner. In January, it was taking about £120,000 a week, rising to £190,000 a week at peak, according to Buchanan.

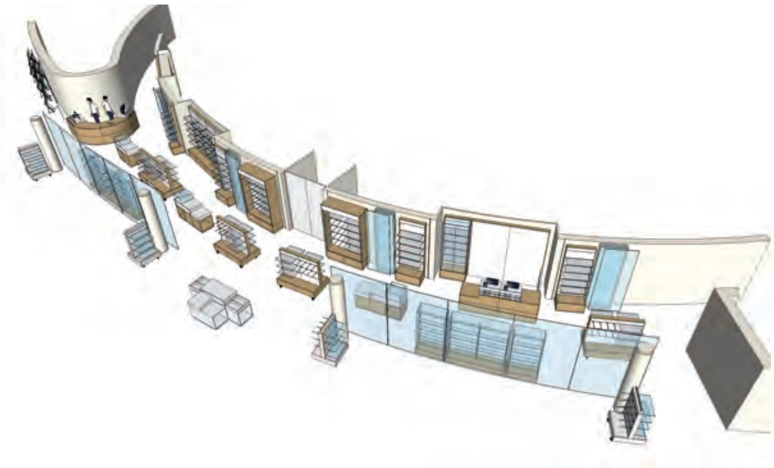
And if the makeover that has just been completed is successful, it should take more. The brief given by Buchanan to Small Back Room creative director Callum Lumsden was straightforward: "Provide the best design to fit the museum." Buchanan continues: "The whole purpose of the store refit was to improve the visitor experience. The shops hadn't been touched since 2000."

Talking to Lumsden and Buchanan, it quickly becomes apparent that one of the primary objectives in the redesign of The Great Court Shop was to bring more light into the space. Metal halide lights have been inserted, giving better colour rendition and saving the museum £6,500 a year in energy bills. Previously, it took 380 watts to light an area now covered by 35 watts, says Buchanan.

However, it is the shop equipment in this store that impresses more than the light. The latter will be pretty much taken for granted by shoppers, while the displays are what will draw them to the merchandise. The store's geography is ➤

Will Cardiff's St David's centre extension prove a winner? In business, p40

(Clockwise from above) The Great Court Shop is divided by a moveable partition; the store is located in the centre of The Great Court; the Book Shop entrance has colourful, outsized books overhead; glass display units alongside the Great Court Shop's long glass wall



(Left) Themed displays will be the mainstay of the Collections Room; (above) the bookshop features modular mid-shop equipment

such that it is long and relatively deep, wrapped around the cylinder that used to be the Reading Room at the museum, prior to the Foster roof being put on.

The outcome is that there is a lot of room for mid-floor fixturing. Lumsden explains that, owing to a tight budget, the aim was to create a modular solution that could be used across all of the museum's shops. "We also wanted to design merchandise systems that would make the stock sing," he says.

However, the different ways in which the merchandise system can be deployed is illustrated by the Great Court Shop itself. The shop is divided by a movable partition into two parts: one for adults and a smaller area for kids. If the merchandise were removed, you would still be able to feel the change of mood as you pass from one area to the other, owing to the change of colour and the level of brightness – the kids' area is brighter.

The other matter also considered was that of getting people into the shop. Although the store has a long, curved glass frontage, much of it was just that: a long glass frontage with limited ingress. Buchanan says this was one of the major frustrations from the moment he took the job. A major task facing the design team, therefore, was to put in another door – to encourage people to come in and browse, instead of presenting them with an attractive glass wall through which they could see things, but which was still a wall.

And when they do come in, they can find their way around thanks to a signage system that has taken the spider's web of glass and steel over the Great Court as its point of reference – an elegant and practical design solution.

An easy and open space, therefore, in which to pick up a souvenir of your visit to the museum and with four till points instead of two, even when it's busy, it is unlikely that a long wait to pay will form part of the experience.

"THE WHOLE PURPOSE OF THE STORE REFIT WAS TO IMPROVE THE VISITOR EXPERIENCE. THE SHOPS HADN'T BEEN TOUCHED SINCE 2000"
Roderick Buchanan, British Museum

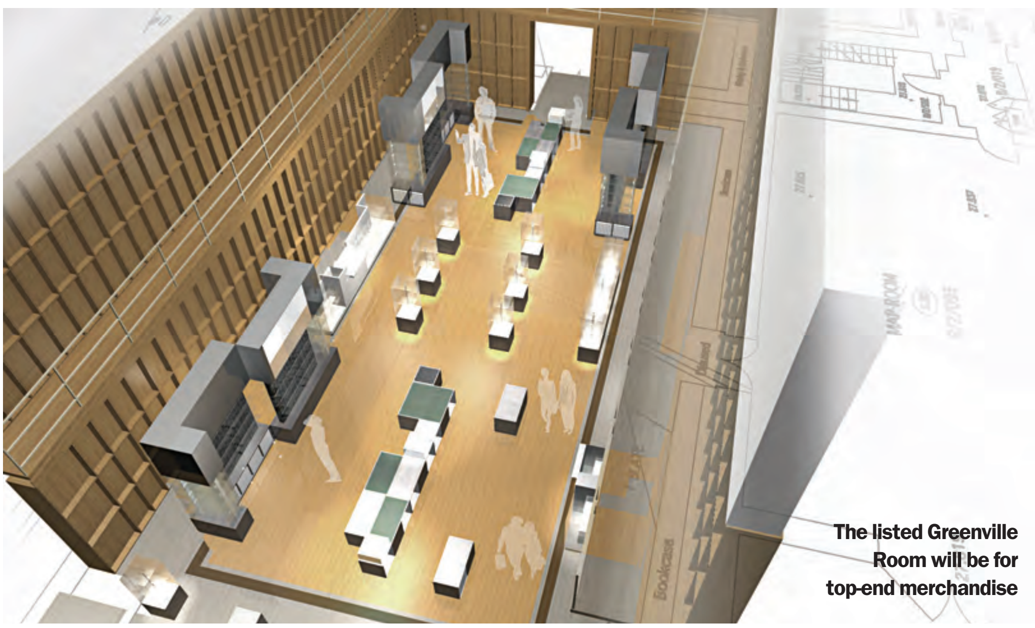
But will it all have been worth it? There are, after all, certain objects that seem to sell themselves. Buchanan is particularly proud of the Shah Abbas mousemat, a keepsake based on rugs displayed in the Shah Abbas: The Remaking of Iran exhibition. The shop took £65,000 from this one item, merchandised on a small unit, between February and June, when the show came to an end – a sales density most high street retailers can only long for.

The whole process of getting from previous incarnation to present form has taken about six months, and a fair amount remains to be done before The Grenville Room and The Collections are anything like complete.

However, the listed Grenville Room does serve to show how things have improved in what has been done so far. Much of the mid-shop equipment in this shop came from Heathrow Terminal 4 about five years ago, when the museum closed its shop there. As such, it is very much a stopgap solution and feels like it, in spite of the expensive merchandise on display.

Head for the Book Shop, along a narrow corridor, not far from the museum's entrance, and while it is clear that much of the modular equipment has also been used in this room, the feeling is entirely different. As this is a bookshop, the ceiling is covered in quotes with perhaps the best being: "If people don't like Marxism, they should blame the British Museum." (Karl was a regular in the Reading Room.) There are also comfortable corner seats that have been integrated into the shop's perimeter, in order to allow reading time.

By the end of this year, the museum will have four remodelled and redesigned stores and, all things being equal, should see revenues on the up. Gift shops and, to an extent, department store retailers, could do worse than taking time out to visit the museum to see what has been done. There is quite a lot that could be learned.



The listed Greenville Room will be for top-end merchandise

Welsh capital

The opening of the extension to the St David's centre in Cardiff may have coincided with the economic downturn but the scheme will still invigorate the city, says Tim Danaher

When the extension to Cardiff's St David's centre opened yesterday, it was the culmination of 10 years' work by developers Capital Shopping Centres (CSC) and Land Securities. Their misfortune was that by the time that work on the scheme neared completion, the retail property market was at its lowest ebb for a decade.

Cardiff is the biggest shopping centre opening of the year, and with the exception of Westfield's scheme in Stratford, is the last of the noughties shopping centre development boom. After a decade when we've become used to shopping centres opening fully let, it's inevitable that a lot of the talk around the opening of Cardiff is going to be around the number of units not open and trading on day one. The sight of a major new centre opening only 70% let will serve as a stark reminder of just how rapidly the market for space has deteriorated.

While realistic and honest about the challenges they have faced, the developers are looking on the bright side, confident that even at opening day the scheme will deliver a real improvement in choice for the shoppers of the Welsh capital. There were due to be over 50 retail and catering units trading on opening day, with more than half of the retailers making their debut in both Cardiff and Wales as a whole.

Timing is everything

CSC retail and leasing director Jo Skilton says the issue with lettings has never been Cardiff but with the broader challenges in the market. "The economy dictated the initial slow uptake. Given what's been happening, people having been saying let's batten down the hatches. But we've never had to oversell Cardiff."

Several retailers that have recently taken space or are still in talks won't have been ready for yesterday's opening day. While far from ideal, it does create an opportunity for the developers to create excitement around a second wave of openings pre-Christmas, by when another 30 units should open, and a third in the new year.

"There's an opportunity to create a buzz around the next phases of openings," says Skilton. In addition to the openings announced so far, which include H&M and New Look, giant American brands Apple and Hollister are also believed to have secured stores in the scheme, although the developers refused to confirm this.

That said, the developers have needed to manage expectations among local shoppers and have worked closely with the local media in the Welsh capital to ensure that shoppers know what will be there from the outset.

And there is plenty to get them excited, with the scheme giving a real retail heart to a city where much of the retail offer was tired and which lacked a real sense of having a centre. The site was previously occupied by an old Toys R Us store and some car parks. But it's a prime site between the city's station and leisure pitch of St Anne's Street – also home to the city's shopping landmark, House of Fraser's Howells store – and the existing high street, Queen Street.

The highlight of the scheme is unquestionably a John Lewis store that pushes the boundaries of what could be expected from the department store, particularly in fashion with a bold, brand-led storefit (see last week's issue for a full review). The John Lewis store sits in a separate building from the main centre but is linked by bridge at first floor level that leads into the main upper mall of the shopping centre.

And there are some other big unit shops ranging up to 23,000 sq ft in size. On a visit last week Superdry-owner Cult Clothing's store stood out, while New Look and the Disney Store also

(Clockwise, from main image) The bridge connecting the shopping centre to John Lewis; double-height frontages on the upper level help give stores a real presence

Picking the right candidates to work for you Retail surgery, p47

appear to have moved their shopfits on for the new project. Double-height frontages on the upper level help give the predominantly fashion stores there a real presence, and the planning of the units gives some strong adjacencies – for example jewellers Fraser Hart, Goldsmiths and Beaverbrooks occupy three of the corners at the main junction of walkways on the lower level.

Spaced out

The design of the mall itself is not radical and lets the shops do the talking, but what it does do is give a pleasing feeling of space and light with a high curved ceiling that is glazed to allow lots of light in. Above, there are 304 flats; just as challenging to sell as the shops have been to let given the challenges in the mortgage market. A new public library, which has won awards for its architecture, has also been built as part of the Section 106 agreement to get planning permission for the scheme.

The mall itself follows a gentle curve round from the John Lewis store at the southern end to link in to the existing St David's centre to the north. Although the new part of the scheme has been dubbed St David's 2 throughout the development programme, that tag has been dropped and the developers are committed to ensuring the existing centre doesn't get left behind. The older part of the centre, which was built in 1982 and is anchored by Marks & Spencer and Debenhams – which has taken some extra space in the extension – has been refurbished. Only a couple of tenants, such as Sports Direct, are relocating into the new part of the scheme.

The development is also designed to link in with the city's traditional cityscape, with side entrances linking up with the city's historic network of arcades. Some stores such as Reiss, face outwards into The Hayes rather than into the centre itself. Others, like H&M – which has a three-storey store – are double fronted with both street and shopping centre entrances.

The imminent arrival of the new scheme has had the effect of shaking up the city's existing retail scene. The most notable change has been the refurbishment and rebranding of the 144-year-old Howells department store, to trade under the name of its parent company House of Fraser, as it seeks to retain its place as the city's leading department store in the face of a concerted charge from John Lewis.

"THE ECONOMY DICTATED THE INITIAL SLOW UPTAKE. BUT WE'VE NEVER HAD TO OVERSELL CARDIFF"
Jo Skilton,
Capital Shopping Centres

There is certainly a retail catchment there for the taking. Cardiff dominates the Welsh shopping scene, which has few other major attractions for shoppers, and on a visit last week John Lewis was clearly attracting affluent older shoppers taking a day out. The queue in its espresso bar was 20 minutes long at 10.30am on a Tuesday morning and the store appears to be trading very strongly. If this is a sign of what lies ahead for the rest of the centre, it will do very well.

The shopper base in the main centre will be younger, but the hope is it will increase visits from shoppers from across south and mid-Wales and it should reduce leakage of shoppers over the Severn Bridge to Bristol, the nearest competing centre of any size. According to Experian figures quoted by the developers, the completion of St David's will propel the city to eighth in the UK retail rankings.

Incentives to take space have been available and in the circumstances are likely to have been generous but Skilton insists "we haven't been throwing money at retailers". The development has brought together two of the biggest developers in retail property in an unusual joint venture arrangement, by which the two pooled together their landholdings in the area to create the ideal scheme.

It has been one of the more challenging schemes of recent years but both developers insist it has worked well, with a clear division of labour between the two. CSC has overseen the leasing and marketing while Land Securities has managed the construction. On completion it is intended to hold the scheme in the joint venture for the foreseeable future, and there will remain more work to do to complete the leasing process.

It won't have been the most successful launch of a new centre ever in terms of leasing, but the scheme will nevertheless really up Cardiff's previously humdrum retail offer and give the city a retail core it was lacking. In any case, shopping centre development is a long-term game. As Skilton points out, CSC opened Lakeside with a lot of empty units too. And that worked out in the end. St David's is likely to as well.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How to dispose of your old computers safely Retail surgery, p47

The cost of convenience

Retailers aren't keeping up with consumer demand when it comes to providing convenient and cost-effective delivery choices, says Alison Clements

You're offering Saturday delivery, so if your loyal customer orders before 4pm on Friday, she'll get her designer T-shirt in plenty of time for a special night out. You had better hope the small print doesn't put her off, though. "Our Saturday delivery service costs £10. Our courier will deliver your parcel between 7am and 9pm. A signature may be required on receipt." Oh, hold on. She's cancelling the order and blaming you for ruining her hot date. Suddenly she doesn't feel quite so loyal, and who can blame her?

The harsh reality is that thousands of consumers want to shop regularly online, but they feel let down by the lack of convenience when it comes to delivery. And so often the carriers need a signature for proof of delivery, meaning goods end up being sent to distant depots.

"Today's online shoppers would like to choose Saturday, named day or am/pm delivery windows, and the fallback option of parcels being left in a designated 'safe place'," says Iain Beveridge, vice-president of operations at GSI Commerce, which has clients including Peacocks and Early Learning Centre.

"Some retailers and carriers are working towards making these service improvements possible, but there are obstacles. It costs a bit more to offer am/pm delivery because a driver is covering the geography twice in one day instead of once."

He thinks retailers and carriers are "their own worst enemies" for insisting on sticking to the proof of delivery model regardless of the value of some products. "A quick win would be to switch most deliveries to non-signature and take details of an agreed safe place at the time of ordering, for use by the carrier if no one is in," he says.

High-value electrical goods require real flexibility when it comes to home delivery, as 'knock and drop' isn't an option. Comet's in-house operation aims for quality and reliability above and beyond cost efficiency, says Comet director of services Toby Lousada. The range of delivery options includes next-day and timed slots for large items such as fridges and washing machines, but prices do reflect the cost of a ➤

"WE FOUND THAT 26% OF CUSTOMERS WOULD BUY MORE [ONLINE] IF MORE DELIVERY OPTIONS WERE AVAILABLE"
Brian Gaunt,
Home Delivery Network

Customers who buy online are keen to have a range of delivery options – but etailers are lagging behind carriers in ushering in innovations in service

FEATURES ONLINE
Visit the website to read more practical features
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"WHAT MATTERS MOST TO OUR CUSTOMERS IS THAT WE DO WHAT WE SAY WE'RE GOING TO DO – TURN UP ON TIME AND DO A GOOD JOB"
Toby Lousada, Comet

two-man team, specialist installation and removal and disposal of packaging. Whereas a standard delivery any time between 8am and 6pm, seven days a week, costs £19.95, customers can pay a bit more – £24.95 – for morning (8am to noon), midday (10am to 2pm) or afternoon (2pm to 6pm) delivery.

For smaller items such as laptops and toasters, standard delivery (weekdays, 7am to 6pm) is £5.82, and there's a popular morning option too, with a drop between 7am and noon on weekdays costing £7.79. A Saturday option between 7am and 6pm costs £11.69.

"We've responded to customer-driven requirements, and we already have the scale of 300,000 deliveries a year to get the costs to the lowest point possible without jeopardising our high customer service standards," says Lousada. "We have invested in training our drivers on technical installation skills and customer service skills, and although price and choice are important, we know that what matters most to our customers is that we do what we say we're going to do – turn up on time and do a good job."

Ultimate goal

Beveridge is certain that if retailers clubbed together and built some scale into more sophisticated delivery models, the costs for regular parcel deliveries would come down, and first-time deliveries – the ultimate goal of any home shopping operation – would happen far more often.

Home Delivery Network (HDNL) chief executive Brian Gaunt is on just such a mission to generate scale in customer-focused delivery operations, believing that it will lead to far greater convenience for British shoppers, and persuade them once and for all that buying goods online needn't be a headache.

"At the moment retailers feel they must charge a premium for the more convenient delivery options, but if we could drive volume in these areas, they wouldn't need to," says Gaunt.

For instance, HDNL delivers 340,000 parcels a day on weekdays, but only 30,000 on Saturdays. If figures were ramped up for Saturday deliveries, there would be no need to charge much extra for the service. Already HDNL can deliver on a Saturday for less than £5 a delivery, yet etailers that offer the service are typically charging £10 or more.

"They're either incurring extra cost to get their product out for a Saturday, or they're making a margin," says Gaunt. It would clearly be frustrating if retailers were more interested in making a profit from these delivery options than bettering the image of home shopping as a mainstream service, he feels.

Research carried out by PricewaterhouseCoopers for HDNL both last year and this year has provided insights into what services online shoppers would like to see available, and how much they would be willing to pay for greater convenience. Breadth of delivery options was considered very important by the panel of 1,000 internet shoppers questioned. "They want convenience and ease, and we found that 26% of customers would buy more if more delivery options were available," explains Gaunt.

He says the fact that a quarter were willing to pay between £4 and £10 for next-day delivery, and 28% would be willing to pay about £5 for an evening or Saturday delivery, should make compelling reading for all committed etailers. Yet only 30% of the 95 retailer websites explored as part of the survey were offering Saturday delivery.

"Our business has invested heavily in systems and delivery options to help online brands deliver greater convenience, but we can only hope to drive higher levels of online shopping if that convenience is offered, and at the right price," says Gaunt. "We have a number of innovative, forward-thinking clients whose first-time delivery success rate is well above average because they are very good at offering choice and building additional service elements into their websites." One client, Direct Wine, owner of the Laithwaites Wines and The Sunday Times Wine Club brands, has just moved to offering Saturday deliveries and is trialling evening delivery with HDNL, for instance.

James Roper, chief executive of etail body IMRG, says: "A named half-day is a very hot idea for shoppers, and will appeal as long as there's no big price tag. We don't charge people to enter shops, so why should we charge to use a website?"

IMRG is presently developing a Gold Standard, part of its IDIS and ISIS accreditation scheme, which will fly the flag for first-time delivery success, making the service options offered by individual etailers far more transparent.

Simple solutions

GSI Commerce says clients that collect mobile phone numbers to text or safe-place details, or provide 'track and trace' and 'collect in-store' options, can hone down failed deliveries to just 2% or 3%. "Rather than sit back and wait for more complex delivery structures to bed in, many of us are getting on with introducing simple and cost-effective alternatives," says Beveridge.

But making the necessary changes can take time. One multichannel retail director who asked not to be named says: "We know that capturing details of a safe place isn't difficult, but many companies like us are waiting for the next stage of web development to get signed off by the board, so we're being held back."

Consumers want a range of options and, slowly, they're getting them. What does seem pointless is for carriers to innovate and strive to keep delivery prices keen if retailers don't try to do the same.

CONSUMER VIEW

What are shoppers prepared to pay for delivery convenience?

25%
of respondents are prepared to pay £4 to £10 for next-day delivery

28%
of respondents are willing to pay £5 for an evening delivery

22%
of respondents are willing to pay more than £5 for a Saturday delivery

- Only 30% of the 95 retail sites reviewed offered Saturday delivery and very few offer evenings
- Where Saturdays are offered, pricing can be restrictive – at up to £10
- Less than a third of retailers offer premium services other than 48-hour and next-day
- Retailers are interested in timed deliveries (Saturday, evening, am/pm) but sceptical about their reliability

Source: Home Delivery Network research carried out by PwC, 2008-09. 1,000 people were interviewed

Practical advice on the operational issues facing your business today

Q We are replacing all the computers in the back offices of our stores. How can we dispose of the old ones in a safe and secure manner?

A The introduction of the Waste Electrical and Electronic Equipment (WEEE) Directive in July 2007 makes business users legally responsible for disposing of their equipment in an environmentally responsible way. Plus, there is always the concern that data from the hard disk could end up in the wrong hands.

One way to overcome this is to donate the equipment to a specialist charity. Computer Aid International has been approved by the Environment Agency and uses government-approved data-wiping software on PCs it receives. It aims to cut poverty through practical IT solutions.

Sainsbury's has donated old PCs to support the training of nurses in Kenya

Retailers that work with the international development charity and receive a professional decommissioning service include Sainsbury's, New Look and Monsoon Accessorize. Sainsbury's has donated more than 3,000 PCs to Computer Aid. The supermarket's latest donation of computers has gone to support the training of nurses in Kenya with an e-learning programme. The charity says most PCs being upgraded in the UK have another four to five years of life left in them; and once the charity has made sure all the data has been removed, these PCs can be used to bring education and training to people across the globe.

To date it has provided more than 150,000 fully refurbished PCs to schools, hospitals and not-for-profit organisations in more than 100 developing countries.

The charity says it will collect the items from you, or you can deliver them to its North London workshop. More information is available on its website at www.computeraid.org.

BRIEFING

Most UK call centres sit on a reservoir of sensitive credit card data – in clear breach of the Payment Card Industry Data Security Standard rules. Audio recordings of calls routinely contain credit card numbers and security codes. Call recording specialist Veritape says there has been at least one incident of recordings stolen in the past year, and believes that only 3% of call centres are compliant with the standard. Veritape is proposing a new "silent number" standard and kitemark.

Only 6% of consumers are satisfied with customer service on the high street, which could lead to a huge loss in sales, a nationwide poll shows. Of 6,523 consumers asked about service quality in hotels, pubs, restaurant and stores, 56% said they would forgo a purchase if service was poor, said customer experience specialist Retail Eyes. Consumers were least satisfied with their experience of high street retailers, while 11% rated service in supermarkets highly.

➤ Got a question you'd like answered in the retail surgery? Email us at retailsurgery@emap.com

Q Since the recession began, we have had a lot of people applying for positions in our stores who have never worked in retail. How can we tell if they would work well in our industry?

A There are 2.4 million unemployed people in the UK and with many industries contracting it is no surprise jobseekers are looking for work in other sectors.

While some may not be suitable for retail, many will have transferable skills that could make them ideal candidates, despite their lack of experience in the industry.

McCarthy Recruitment divisional manager Lindsey Page says: "I think the key thing is flexibility about what position the candidate wants in the company. If they are talented they will be promoted very quickly.

"However, for some people who have never worked in retail it is necessary to start them at the bottom. If they want to, they can raise their profile within six months. A lot of skills and attitudes are transferable from retail to other industries. If a person is engaging and has a passion for customer service they will be good at the job and enjoy it."

Job candidates need to be flexible

Page says to be cautious about people who have worked on their own a lot in their previous jobs.

"IF A PERSON IS ENGAGING AND HAS A PASSION FOR CUSTOMER SERVICE THEY WILL BE GOOD AT THE JOB"
Lindsey Page, McCarthy Recruitment

"People who are used to working on projects by themselves and those who don't like change would probably not enjoy working in retail or be suited to it. It's such a fast-paced environment and might move too quickly for some people," she says.

She adds: "People coming from a variety of industries would be suitable for retail. They will have had to engage with people and build relationships with customers, and that's what retail is all about."

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CANCER RESEARCH UK

Tapping online talent

Finding senior retailers with online retailing skills is not easy, says Sara McCorquodale

The importance of online cannot be underestimated, especially in light of a Mintel report earlier this year that revealed 23 million Brits now shop online. Considering this figure was less than 7 million in 2004, it is no surprise that the demand for ecommerce directors has grown substantially.

However, finding someone to make a brand an online success is not a simple task. Online retail is still a relatively young sector within the industry. And senior ecommerce directors are scarce, executive search company Exley Hervey found in a recent survey of 50 major retailers including Gap, Harrods and Marks & Spencer.

The skills set expected of them adds to recruitment difficulties. A successful candidate must have a strong commercial understanding and traditional retail skills. They are also required to be fully versed in all the latest forms of social media and web technology. Lesley Exley, founder of Exley Hervey, says: "There aren't many fully rounded ecommerce directors out there because the job itself is a big ask."

So, how does an human resources manager fill this position? Not by inviting all applicants. "If you put an ad in a newspaper you'll get blitzed with applications from all and sundry," Exley says.

She adds: "When you're trying to find good talent you need to work with parties that understand your business and its function."

Retailers should also identify what kind of team they're looking for to advance their department. Exley says: "You have to decide how big an investment you are going to make in ecommerce. Then you need someone to advise you on the scope and scale of your ecommerce opportunities.

"You need to work out the practical ways of adapting to your website work, whether you look to hire an ecommerce team or outsource it."

Combining a more retail experienced ecommerce director with a younger web-confident team could be the most prudent way to meet your company's needs. "Staff under 30 are much more ecommerce savvy because they have grown up with the internet," says Exley. "In this situation the team needs to be given enough freedom to make the ecommerce channel work.

"A brand director has to feel comfortable with this and understand the team needs responsibility within the structure," she concludes.

An ecommerce director must be fully versed in the latest forms of social media

IDEAL ECOMMERCE DIRECTOR QUALITIES

- Have traditional commercial understanding and acumen honed to suit online
- Be profit orientated. The changing retail landscape should not affect their hunger to sell
- Be creative. Giving customers an exciting online experience of a brand in a competitive market – innovation is paramount
- Be cross functional. They should understand the entire business and how the various channels interact. Through this they will be able to deliver an integrated customer experience and brand message

WHAT IT'S LIKE TO WORK AT... SAINSBURY'S

Founded 1869
Based Holborn, London
Number of staff More than 150,000
Number of stores 830
Number of days' holiday Dependent on the role and length of service
Key employee benefits Subject to qualifying criteria but a colleague discount card, annual bonus scheme, family friendly policies, parental leave, pensions, life assurance, share schemes, career breaks and awards for long service
Work ethos To provide a customer-driven working environment with respect for every colleague

The inside view from head of resourcing Lee Rhoden

What makes the ideal Sainsbury's employee?
The ideal colleague must be passionate regarding the retail business as well as being totally in tune with customers.

As a workplace, what sets Sainsbury's apart from its competitors?
A passion for retail coupled with an exciting and dynamic working environment with many progression opportunities and some very innovative reward policies.

How do you strive to retain your staff?
Some of our award-winning leadership and development activities have helped to produce a culture of internal progression. Also, our family friendly working policies and variety play a part.

How do you ensure employees have a good work/life balance?
Ensuring colleagues work to a 39-hour week. Our family-friendly working policies also help our colleagues maintain that essential work/life balance.

Serving Private Bryan

NAAFI
Serving the Services

Wherever Britain's Armed Forces go, NAAFI goes too – providing retail, leisure and catering services and a vital taste of home. Whatever your role, you'll have the satisfaction of knowing that what you do makes a real difference to our troops. Retail here is more challenging, but it's more rewarding too.

Country Managers, Afghanistan

Minimum £40k + annual bonus of 25%

You'll be responsible for everything from co-ordinating the supply chain and achieving sales targets to building rapport with local unit commanders across all your stores in Afghanistan. Commercially astute and a confident negotiator, you're a natural when it comes to people management. Significant retail experience is also a must.

Retail Managers, Afghanistan

Minimum £30k + annual bonus of 15%

Just like on the high street, this role is all about delivering real value and a great service to your customers – even though the surroundings are very unique. An experienced retail manager, you'll be right at the heart of the military community, running a retail unit packed with all the familiar brands from home. Experience of controlling stock levels and managing staff is essential.

To work for NAAFI in Afghanistan you are required to have military security clearance. To obtain security clearance you must be a British passport holder and have lived permanently in the UK for the last 5 years.

To find out more and to apply, visit **www.jobsatnaafi.co.uk**
or call Debbie Witney-Martin on 01980 627060. Closing date: 31 October 2009.

www.jobsatnaafi.co.uk

Dartington

Managing Director

Dartington Trading Company Ltd • £55,000 to £60,000 per annum • Permanent • South Devon

For over 35 years the Dartington Trading Company has offered the highest quality products and service to the South Devon community. From its special village location at the Dartington Cider Press Centre, the Dartington Trading Company runs fifteen unique shops, eating places and workshops with an annual footfall of 600,000 visitors. In addition to this the Company owns The Totnes Bookshop, a leading independent bookstore in the centre of our neighbouring historic town of Totnes. The Dartington Trading Company bases its business on the highest ethical standards, not only sourcing fair-trade and local products but also convene all profits to support the charitable works of The Dartington Hall Trust, a pioneering charity developing innovative solutions to some of the most pressing problems facing society.

As Managing Director of Dartington Trading Ltd you will report to the CEO of Dartington and be an active member of Dartington's Senior Management Team. Your key responsibilities will include;

· Delivering our vision for The Cider Press Centre to be the most distinctive independent out of town retail centre in the South West

· Developing a business strategy to generate acceptable profits for The Dartington Hall Trust

· Leading the development of annual business plans to execute the strategy

To succeed you will need to be an experienced senior retail manager with a firm understanding of key retail functions together with broader commercial vision, and the ability to translate strategic plans into specific business objectives. With a demonstrable track record of leadership and achievement, you must have a high level of drive and initiative, a proactive nature, be tenacious and committed to the values of the Company.

In return we offer the opportunity to work in a creative and entrepreneurial environment, with the reward of knowing that your hard work and success will make a significant contribution to the charitable activities of Dartington's across the arts, sustainability and social justice.

For more information about the role and for details of how to apply please visit our website www.dartington.org/jobs

Closing date: 12 noon, Monday 26 October 2009.

Dartington is striving to be an equal opportunities employer.

The Dartington Hall Trust is a registered charity no.279756.

Dartington is a pioneering charity, nurturing ideas to address pressing problems.
We work together for the advancement of the arts, social justice and sustainability.

Operations Manager

Blue Diamond operate a group of 12 Garden Centres in England and the Channel Islands. We target ABC1 consumers through our aspirational environments which deliver a point of difference within the sector. We are the fourth largest garden centre group in the UK. Further details can be found on our website
www.bluediamond.gg

We are looking for an experienced retailer who is passionate about retailing, has an eye for detail and a creative flair, to join our Group Operations team as an Operations Manager. If you have these qualities and would like to work for a progressive, innovative business which can offer an excellent remuneration package and career prospects then please apply to:

Alan Roper,
Managing Director,
Blue Diamond Ltd,
PO Box 350
Castel,
Guernsey
GY57SS

Le Friquet
Home of Garden and Living

Or email: alan.roper@bluediamondgroup.gg

The Shires
Shopping Centre

Centre Manager – The Shires Shopping Centre, Trowbridge

The Shires shopping centre is a 105,000 sq.ft centre located in the county town of Wiltshire. Anchored by Argos and Iceland the centre has over 45 stores which are a mixture of national and independent traders which attracts over 6 million visitors every year.

Workman Retail is looking to recruit a dynamic and focused Centre Manager to lead and further develop the centre and its team.

The Role

The role involves the day to day management of the centre which will include:

- Ensuring the highest standard of tenant and customer service through a small management team
- Structure, manage and monitor the centres service charge budget
- Health and safety
- Maintaining, managing and enhancing income stream from 1000 space Car Park
- Developing links with council, local community and media

The Successful Candidate

- Will have worked in a shopping centre environment
- Possess excellent organisational and interpersonal skills
- Be capable of identifying and implementing fresh initiatives
- Ideally but not essential, possess or be studying for the BCSC Diploma in Shopping Centre Management

How to Apply

This is an excellent opportunity to join a highly successful and ambitious managing agent. Workman Retail is able to offer an attractive salary and benefits package. Please apply in writing, enclosing a full CV and stating your current remuneration to:

James Rose
Workman Retail, Merchants House
South Wapping Road, Bristol, BS1 4AB
James.Rose@workman.co.uk
Closing date for applications: 06 November 2009

workman retail

General Manager (Based at Eldon Square, Newcastle)

Competitive Salary + Excellent Benefits Package

Capital Shopping Centres PLC ("CSC") is the UK's leading shopping centre business, and is a wholly owned subsidiary of FTSE-100 company, Liberty International PLC. CSC's portfolio of 14 shopping centres are located throughout the UK, providing 12.9 million square feet of retail space to some 229 million customer visits per year.

Eldon Square is one of the largest city centre shopping destinations in the UK with over 130 shops, cafes and restaurants and indoor sports & leisure centre. It is currently being transformed thanks to a £170 million investment with the final phase of the redevelopment, St Andrew's Way, due for completion in spring 2010.

THE ROLE:
Providing leadership to the Centre Management Team, your key aims will be:-

- Taking a leadership role in the business community, promoting Newcastle as a retail, leisure and tourism destination.
- Providing supportive and inspirational leadership with a clear direction towards achievement of corporate goals and local goals.
- Drive the commercial success of the Centre; putting the customer first and delivering consistently high standards.
- Drive a customer focused attitude through the team, supporting retailers to achieve their aims.
- Challenging employees; encouraging a positive approach to problem solving and leading the team to realise their full potential.

THE CANDIDATE:

- Do you have sound commercial judgement?
- Can you bring enthusiasm and creativity to the role?
- Do you thrive in a dynamic customer focused environment?
- Do you have a "can do" attitude?
- Do you lead by example, inspire a team and have a proven track record of doing so?
- Do you want to be part of an exciting and successful team?

Experience in retail is essential whilst experience of working in a Shopping Centre environment is desirable.

HOW TO APPLY:
If you fulfil the above criteria and are interested in joining the Capital Shopping Centres team, please send a full CV including your current salary to:

Bernard Kingsley, Head of HR, Capital Shopping Centres, 40 Broadway, London SW1H 0BU or email to Personnel-Recruitment@lib-int.com

Please quote ref: CSC: 008/10/09

Closing date for completed applications is Friday 6th November 2009.

CSC
CAPITAL SHOPPING CENTRES

ELDON SQUARE

Enquiries: Ingram Robertson
Tel 020 7728 3849
email:ingram.robertson@emap.com

Fashion Retail Academy

The Fashion Retail Academy is a ground breaking industry and public-private partnership supported by major fashion retailers and funded by the Learning & Skills Council. It was the first National Skills Academy setup for high quality FE vocational training in Fashion Retail. It really is a unique combination of retail business and fashion education that is specially designed for a challenging and fast-paced fashion retail world.

We are growing and our refurbished state of the art building and curriculum have been developed to prepare students for the fashion retail industry. We are based at the heart of the retail sector in the centre of London.

We now have two exciting opportunities to join our team. Both roles will be reporting directly to the Head of the Academy.

Marketing and Communications Manager

£21,000 per annum (Equivalent to £35,000 pro rata)
3 days or 22.2 hours per week (flexible working considered)

You will play a significant role in the development and delivery of our strategic marketing plan and will help us to achieve ambitious growth targets. Ideally, you will be a manager with marketing or business qualifications who has responsibility for managing direct mail campaigns, customer communication, print and media buying, budgetary control, internet marketing activities and customer data, as well being a skilled leader and people developer.

Academy Business Manager

£21,000 per annum + profit share (Basic equivalent to £35,000 pro rata)
3 days or 22.2 hours per week (flexible working considered)

You will be responsible for the development of our ambitious growth plans for diverse income streams. You will work in partnership with key retailers and academics, to generate commercial opportunities and profitable revenue streams for the Academy.

You will already have acquired substantial relevant knowledge of the retail industry together with an appropriate degree or professional qualification; and a proven track record of positive team leadership in a similar role.

You will have excellent communication skills and the ability to work with people at all levels of the organisation.

To discuss either role further please contact Karen Dennison, Principal, telephone 020 7307 2343.

For an application pack for the above roles please contact her PA Kimberley Kelly at recruitment@fashionretailacademy.ac.uk or telephone 020 7307 2343.

The closing date for receipt of applications is 6th November 2009 and should be sent to Kimberley Kelly, Fashion Retail Academy 15 Gresse Street, London W1T 1QL or to recruitment@fashionretailacademy.ac.uk .

These posts are subject to CRB checking.

The Fashion Retail Academy aims to be an equal opportunities employer.

Fashion Retail Academy

www.fashionretailacademy.ac.uk

CELTICA

STORE MANAGER

CAERNARFON,NORTH WALES

Celtica opened in April 2008 as a quality retail showcase for the best products of Wales and other Celtic nations, offering a wide range of designer fashions, bespoke jewelry, specialist cosmetics, artwork and books, home furnishings and food. There is also a vibrant café within this 14,000sq.ft. newly built and fitted retail store, which is located within the stunning Doc Fictoria development on the waterfront in the World Heritage town of Caernarfon.

To apply please send a covering letter and full CV stating salary details to Jon Mendoza, Celtic Centre (Caernarfon) Ltd. Matthew House, Llys Edmund Prys, St Asaph Business Park, St Asaph, LL17 0JA.

Focus on a brighter career...

Store Manager career opportunities nationwide

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So if you want to become part of our team and part of an exciting future then please contact me at peter@jessops.com.

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Michael Page RETAIL

GENERAL STORE MANAGER

£65,000-£80,000 + Exceptional Package

Leading UK retailer requires a strong retail talent, from the food and general merchandise market. Managing in a large format, multiple product environment, you will lead a team of highly motivated people. You will possess strong interpersonal skills and have a real understanding of food retailing and of the customer experience, having previously managed a high volume food retail business.

switch

CATEGORY CONTROLLER - HEALTH & BEAUTY - SOUTH EAST

circa £55,000 + benefits

Excellent opportunity to develop your career in a newly formed role. You will be responsible for leading your commercial team in maximising future growth. You will have a track record in the health & beauty sector in a buying / category management role.

Michael Page RETAIL

REGIONAL MANAGER/DIRECTOR

Up to £100k

You will have experience of multi-site management in a high volume, fast paced environment. The ability to lead your Area and Store Managers to develop their own store teams across the wider business is vital. You will ideally have worked in mainstream Retail at a Senior level with a high level of responsibility for turnover and people.

Allied CARPETS RUGS · WOODS · LAMINATES · VINYLS

MERCHANDISER - ORPINGTON, KENT

Basic salary £40,000+ depending on experience + a range of benefits

Allied Carpets is one of the UK's best known names in flooring. We currently have an opportunity for a Merchandiser to join our small management team team. Reporting to the Chief Executive, your primary objective will be to enhance business performance.

RETAILKUDOS SEARCH & SELECTION

HEAD OF LOGISTICS – INTERIM / PERM

Competitive Salary

With a national store count of 700, the business is to embark on a number of strategic projects. Your overall remit will be to develop a cost effective logistical, transport and supply chain service. Key projects include: Revision of logistics fleet and 3PL providers. Strategic partnerships, reverse logistics and backhauling. Sustainability and recycling projects. You will have excellent people management skills and a proven track record of achievement. Southern / Home based.

Michael Page RETAIL

GENERAL STORE MANAGER

Up to £80,000 + Car + Benefits

Leading UK retailer requires a strong retail talent, from the food and general merchandise market. Managing in a large format, multiple product environment, you will lead a team of highly motivated people. You will possess strong interpersonal skills and have a real understanding of food retailing and of the customer experience, having previously managed a high volume food retail business.

NAAFI

IRETAIL MANAGERS, AFGHANISTAN

Minimum £30k + annual bonus of 15%

Just like on the high street, this role is all about delivering real value and a great service to your customers – even though the surroundings are very unique. An experienced retail manager, you'll be right at the heart of the military community, running a retail unit packed with all the familiar brands from home.

Dartington

MANAGING DIRECTOR

£55,000 - £60,000

As Managing Director of Dartington Trading Ltd you will report to the CEO of Dartington and be an active member of Dartington's Senior Management Team. To succeed you will need to be an experienced senior retail manager with a firm understanding of key retail functions together with broader commercial vision, and the ability to translate strategic plans into specific business objectives.

NAAFI

COUNTRY MANAGERS, AFGHANISTAN

Minimum £40k + annual bonus of 25%

You'll be responsible for everything from co-ordinating the supply chain and achieving sales targets to building rapport with local unit commanders across all your stores in Afghanistan. Commercially astute and a confident negotiator, you're a natural when it comes to people management. Significant retail experience is also a must.

ALDI

AREA MANAGER

£40,000 rising to £60,000 after 3years

Our Aldi Area Manager Scheme covers the full spectrum of retail management from store operations and trading to administration, from logistics to property management. Running over a number of months, it will be one of the most intensive working periods of your life.

savills

CENTRE AND OPERATIONS MANAGER

£Competitive Salary

The Metquarter, is Liverpool's finest collection of fashion brands offering top names in fashion and retail in an innovative environment. Metquarter is now recruiting for a Centre and Operations Manager to be responsible for all elements of the day to day management of this dynamic centre.

switch

STORE MANAGERS – SOUTH EAST

Basic Salary: £40,000 - £50,000 + Excellent Package + Bonus

Market leading retailer requires exceptional Store Managers with strong product and retail sales experience coupled with excellent man management skills. You will be able to demonstrate a clear track record of success within your career to date and have a progressive CV. Driving your business and ensuring the high level of customer service is integral to the role as well as creating a successful team around you·

To apply for these jobs and many more, go to www.retailweekjobs.com

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retail-week.com

CHECKOUT

Selfridges asks the public to get their kit off

What's the most fun you can have on your own, with your clothes off, in London's West End?

One option is to head to the third floor of Selfridges where part of the recently created denim department is devoted to "Bodymetrics".

Retail Week's stores editor John Ryan visited the space and was quickly asked to take his clothes off, yes, "all of them and any jewellery that you might have", and then to step inside a cabin. Having done so, a red beam passed over his body and when, clothed once more, he presented himself at the Bodymetrics counter, a disturbingly anatomically correct computer picture of him was proffered.

Apparently, you can then have a perfectly fitted pair of jeans made. In the interests of taste and modesty, we refrain from reproducing the picture.

Getting wind of a float away from recession

At last. News of a private retail float that is defi going ahead. Before you g excited, we have to confes not a company.

Alex Fortescue, v headed Apax's retail a consumer group, is leav after 10 years. He intend n to investing but, for the ree months, he and his mily are sailing across the tlantic in their new boat.

He tells us: "Given the environment, I am hoping it will prove to be rather a good time to be afloat and away from it all."

A RETAIL WRITE-OFF With the name of legendary wide boy Arthur Daley from 1980s hit TV series *Minder* plastered above the door, this is one Australian brand that will never catch on back in the UK, according to intrepid picture-taker Jamie Zuppinger, managing director of executive search firm Barracuda Search. He snapped this store in Melbourne.

UNDER THE COUNTER

Tony Holdway
Retail and marketing specialist

Due to the twists and turns in our amazing retail landscape, it's always a tough decision on topics for this column. Invariably I settle, in an almost OCD-like way, on something essentially fringe but important to me.

In a break with tradition, I thought I'd kick off the impending Christmas debate. Like many a retailer reading this weekly tome, I'm now embroiled in the final throes of preparation for that golden quarter. And what a fascinating next couple of months it promises to be…

When I started at the excellent Shop Direct earlier this year I thought it pertinent to check that this business was in no way connected to Sports Direct – I wasn't about to start feathering the nest of that bloke who appears to have spent the best part of 2008/09 systematically dismantling Newcastle United. It isn't.

Anyway, back to crimble. Which way will all our customers turn? What retail choices will they make? Will our set-up be earlier yet their shopping later still? Are they still as cash-poor and credit-needy? Will they even shop at all?

Second guessing what their next move will be – even through detailed qual and quant research – can't exactly be described as shooting fish in a barrel. It does, however, give you confidence that whatever plan you've drawn up has real thought, and a better chance of success. It will also aid the eventual evaluation and learning.

Right now it's about ensuring your strategy and subsequent plan plays to the brand strengths, the content within the plan has rigour and impact that delivers for your customers, and that you've got enough width to add in those inevitable tactical overlays that will appear as you trade.

All of this will give you much needed differentiation. If you can dramatise this differentiation in your customer communication and through your people, you stand a real fighting chance. The best do; the majority shuffle their feet in those awkward meetings and don't.

I suspect that beyond the illustrious retail winners this year we will continue to see a necessary correction in our high street make-up, and that will mean January, for a few, will be less about the rigour and more about rigor mortis.