

RetailWeek

September 2018

PROPERTY



High street SOS

Bill Grimsey makes a fresh call to revive UK town centres

ALSO INSIDE:

- **Debate** Is the CVA the right course of action for struggling businesses?
- **Theatre** Retailers around the world are injecting compelling drama into the customer experience



“The struggles on the high street throw into sharp relief why retailers must keep up with the changing needs of customers”
James Knowles, Retail Week

What can retailers pull out of the bag?

So far this year, the retail industry has been full of drama. We've seen a raft of CVAs from retailers ranging from Original Factory Shop, to House of Fraser, Mothercare and Carpetright, while Poundworld has fallen into administration, and retailers including Toys R Us and Maplin have disappeared altogether.

In another dramatic turn, just last month Sports Direct acquired House of Fraser for £90m following a battle to control the troubled department store chain. It is unclear whether the 31 of its 59 stores already earmarked for closure will actually meet that fate under Sports Direct boss Mike Ashley's ownership.

The struggles on the high street throw into sharp relief why retailers must keep up with the changing needs of customers, and also beg the question, what is next for town centres?

Retail expert Bill Grimsey updated his

high street review in July, five years after he unveiled his original report, and seven years after Mary Portas'. We examine what makes this latest one different (see page 9).

What's certain is that Company Voluntary Agreements, which have become a fixture of 2018, are not helping already blighted high streets. On page 12, we speak to Alvarez & Marsal managing director Richard Fleming and Revo president Mark Williams, to explore the case for and against.

Finally, on page 15, we look across the globe to find examples of retail stores that are bucking the trend and drawing the crowds with innovative, customer-centric environments.

While there are sure to be plenty more twists and turns this year, it will continue to be the retailers keeping pace with changing consumer demands that win.

James Knowles, head of commercial content, Retail Week

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RetailWeek

SEPTEMBER 2018

PROPERTY

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Retail Week Property is printed by Henry Stone Printers, Ashford, Kent

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NEWS All the latest need-to-know property news, including Hammerson's premium push and Mike Ashley's House of Fraser predicament

The big picture

OPINION: What Mike Ashley needs to do to restore House of Fraser

BY JOHN RYAN

There is an almost pointless anonymity about House of Fraser stores currently. That is the challenge Mike Ashley must address.

The reason shoppers deserted House of Fraser, leaving it ready to be snapped up by Sports Direct, is actually simple: it doesn't feel like a House of Fraser.

Wander around the Oxford Street flagship, Jenners in Edinburgh or the Glasgow outpost and they are all different. In the normal scheme of things, thanks to the design and fit-out, you would probably still know where you are. Not so with House of Fraser.

These stores are chock-full of branded merchandise, but feel devoid of character. Walking around a House of Fraser store is like touring a department store everyman. This is the problem that confronts Ashley as he attempts to turn his £90m purchase into the "Harrods of the high street".

In fairness, he has lately proved adept at imbuing large spaces with character and a sense of being part of a greater whole. The Thurrock Sports Direct store, part of the bid to make that chain "the Selfridges of Sport", is a case in point. Visitors will know where they are, but will also feel they are somewhere that reflects the name over the door and what it represents.

The point is not whether we are witnessing the death of the department store, but whether 'house of brands' retailing is still relevant. 'Branded house' department stores – think Liberty, John Lewis or Selfridges – are instantly recognisable and still have a part to play. But simply filling a space with brands is surely the ultimate empty experience – brands are everywhere, so what's the point?

Ashley's task must be to give his acquisition 'House of Fraser-ness', whatever size the store portfolio ends up being. If shoppers can walk into a House of Fraser branch, know where they are and feel good about it, then a remarkable change will have been wrought and success may follow.

Hammerson unveils premium strategy

Hammerson will pursue a new premium-centric strategy in a bid to weather the retail downturn. The revelation came off the back of falling income for the six months to June 30.

The property developer will retreat from the retail park sector "over the medium term" in favour of flagship and premium developments.

Hammerson will also pivot its focus away from department stores and high street fashion – both of which face increased online competition and a lack of consumer appetite – shrinking space by 25% and 20% respectively.

Instead, it will prioritise "differentiated brands" and "aspirational fashion", as well as leisure and event spaces. It will also establish a 'City Quarters' concept to maximise value from the land surrounding many of its centres, and grow its business outside of the UK by 10%.

Furthermore, operational changes should result in at least £7m savings per year, including disposals and reducing the number of executive directors from four to two.

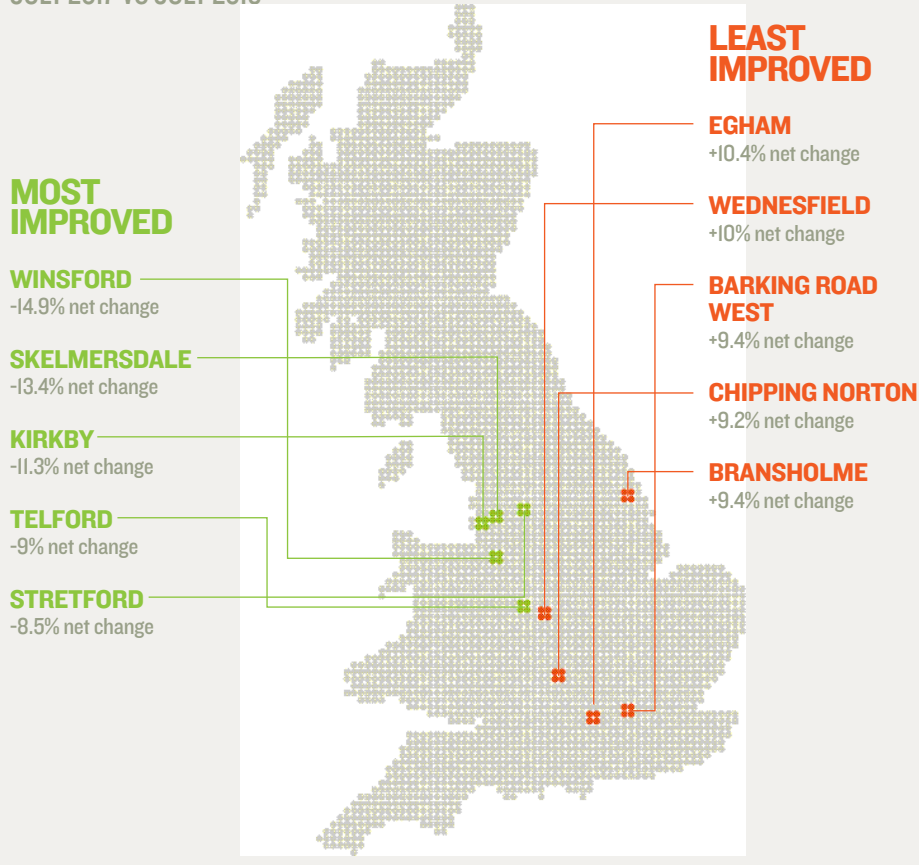
Chief investment officer Peter Cole, who is set to retire, will be retained on a consultancy basis until early 2020. Jean-Philippe Mouton will step down as an executive director at the end of the year. He will remain managing director of the company's French business and will retain responsibility for group marketing.

Hammerson will also begin a focus on capital efficiency, starting a share buyback of up to £300m and deferring the development of its Brent Cross project.

The company's profits crashed 80.6% to £55.7m in the six months to June 30, although adjusted profit inched up 0.5% to £120m. Net rental income fell 3% to £178.5m.

Most and least improved vacancy rates

JULY 2017 VS JULY 2018



Property news in brief

INTU reported that weak sentiment towards the retail property market has led to a decline in the value of its properties of £650.4m – a 6% fall.

The developer also reported a first-half loss of £503.4m versus a profit of £122.7m in the previous comparable period. However, Intu chief executive David Fischel said he was pleased by its interim results, which were delivered in challenging conditions.

Fischel said shopper traffic, showing a decline of 1.3%, had “significantly” outperformed the ShopperTrak benchmark of -3.3%.

Intu reported “minimal impact from the administrations and CVAs” during the six months to June 30 and noted that department store group House of Fraser is retaining all four of its stores in Intu locations.

Closures that were a result of administrations and CVAs hit Intu’s annual rent roll by 0.9%. Like-for-like net rental income increased by 1.3% in the first half, when the occupancy rate was 97%.

TESCO could launch a new discount chain as early as this month as Britain’s biggest grocer prepares to go toe-to-toe with Aldi and Lidl.

Tesco has been advertising for workers to staff new-format stores in Wandsworth, Lincolnshire and Cambridgeshire – of which the latter two are mothballed sites Tesco has sat on for years.

A Tesco Metro in St Helens, Merseyside, is also set to re-open under a new name, while staff at a Tesco Metro in Liverpool’s Edge Hill have been promised jobs at a new store set to open this month, according to the *Guardian*.

Online job ads for some of the stores read: “The new retail format will be operated separately from the core Tesco business and as such benefits offered will be different from those offered at Tesco.”

Staff at the Tesco Metro stores are therefore being made redundant and asked to reapply for the new roles.

FOOT LOCKER has opened a store of two halves in central London.

Located at Marble Arch, the 7,000 sq ft flagship consists of a ground floor selling merchandise with a heavy emphasis on digital displays and a basement dubbed



Sports Direct posted a 12% lift in underlying EBITDA

the Experience Zone. The latter features Xbox games for shoppers to play, a trainer-cleaning service and, for the duration of the launch period, free haircuts from a temporary barber’s salon.

The shop is the latest iteration of the US sportswear and footwear retailer’s Power Store concept, which it is rolling out in major European cities.

SPORTS DIRECT posted a healthy rise in underlying earnings in its preliminary results, which the retailer largely attributed to its next-generation store portfolio.

It has been a year since Mike Ashley

unveiled the retailer’s audacious vision to establish itself as the “Selfridges of sport” and to boost underlying EBITDA between 5% and 15%. While many were sceptical, Ashley has delivered on his promise. Sports Direct posted a 12% increase in underlying EBITDA to £306.1m in the year to April 29, buoyed by a 3.5% boost in group revenue to £3.4bn.

Arguably ill-advised investments in the likes of Debenhams aside – Sports Direct took an £85.4m hit on its stake in the department store business – it has been a relatively stable 12 months for the sports retailer after a torrid few years.

HIGH STREETS

Bill Grimsey has published a renewed call to revitalise ailing UK town centres. But is there anyone equal to the challenge of making Britain's towns great again? **Mark Faithfull** reports



The vision for Burgess Hill in West Sussex, where NewRiver has planning approval for a redevelopment including residential units, a library, leisure and retail

Calling for a new LEASE OF LIFE

Mary Portas. Bill Grimsey. Their names are synonymous with attempts to revive the UK's troubled high streets and yet, far from a bold new future, a torrid 2018 suggests some UK towns could be in meltdown.

An extensive list of CVAs this year includes The Original Factory Shop, House of Fraser, Mothercare and Carpetright, while Poundworld has fallen into administration and retailers including Toys R Us and Maplin have disappeared altogether.

As a result, there is a new impetus behind the plight of the high street. The *Daily Mail* launched a campaign to save the British high street, and the *Mirror* launched its High Street Fightback campaign.

Undeterred by mixed reactions to his first review, Grimsey, the retired veteran retailer

best known for his time at the helm of frozen food retailer Iceland, is at it again, this time with *The Grimsey Review 2*. He concedes that the recommendations in his first review in 2013 were largely ignored. So, five years on, why try again?

"This review really was targeted at central and local government, and the fact

"I was part of a generation of retailers that turned UK towns into clones. That's not fit for purpose any longer"

Bill Grimsey

is that there is no recognised vehicle for local authorities to create not a retail plan, or a spatial plan, but a proper commercial proposition that provides a basis for the next 10 to 20 years," says Grimsey. "Town centres cannot rely on retail for traffic, so they need to figure out why people come. Unless you identify a USP and a way to attract investment, then you are going nowhere."

Key to moving past merely talking shop is to identify clear priorities and provide actionable and practical guidance, ideally under a dedicated and independent body, he says. The next, and crucial, step is getting government buy-in.

Grimsey reflects: "I was part of a generation of retailers that turned UK towns into clones and that's not fit for purpose any longer. If we can get town centres to play to



ROMFORD: A NEW MIX OF RETAIL AND COMMUNITY

Regeneration developer First Base has worked on a number of town centre projects, the latest being Romford, Essex, adjacent to a new Elizabeth line station.

“We looked at reintroducing the sorts of uses that were there before high streets became retail-dominated. A high street or town centre plan needs reinvention and a re-blurring of the lines between retail, leisure and community,” says First Base director Barry Jessup. “Too many local authorities saw the introduction of big-box retail, with its demands for large logistics

areas and car parks, as the saviour. In reality they did much to rob these locations of character and we actually see their demise as a real opportunity to bring in a mix on a more human scale.”

A joint venture between First Base and the London Borough of Havering for Romford will bring around 1,070 new homes, work, retail and leisure spaces, plus a new school and health centre. A new bridge will link the site to the Elizabeth line at Romford station, and retail and F&B will occupy the scheme’s lower floors.

their strengths, the UK will be a very different and much better place going forwards.”

In Grimsey’s view, part of that process involves re-evaluating the Business Improvement Districts (BIDs) and the way zones are reinvigorated. “BIDs are working in some urban areas, but some national retailers are being handed huge national bills every year for the levies across multiple BIDs. And they don’t see the ROI,” he says.

“Scotland’s Town Partnership (STP) has been quite successful and has changed the conversation by talking about community improvement districts, which brings in

“Too many local authorities saw the introduction of big-box retail as the saviour”

Barry Jessup, First Base

all stakeholders, including businesses. I also want to see government backing for portals for data and best practice to help local authorities. That’s what we need, it’s a

no-brainer. We need to share what does and doesn’t work and identify the leadership to take this forward, not have another review.”

Edward Cooke, chief executive of shopping centre body Revo, has been leading calls for financial support for towns and retailers. “We have been pushing the Government to change the way they charge business rates. We believe the tax rate should be set annually, be significantly lower and not be linked to the RPI [Retail Price Index] or CPI [Consumer Price Index],” says Cooke. “Obviously, it could have an impact on HMRC revenues, but our view is that this would be largely offset by the help it would give businesses.”

BREATHING NEW LIFE INTO A BELGIAN TOWN

Just four years ago, the Sint-Amanduskerk, a Catholic church in the West Flanders town of Roeselare, Belgium, a city of 63,000 people, was lying empty, maintained by the council at public expense. Today it plays host to a local farmers’ market, pensioners’ meetings and parents enjoying a drink while their children use the crèche.

It and the green space created around it is symbolic of the radical transformation of the town, inspired by Bill Grimsey’s first review, which led the council to rethink its entire approach to the town centre, build a new public square with a library, renovate the Sint-Amanduskerk and restore the area around the train station.

“Five or six years ago, we saw the challenge presented by the internet and how it could change our city,” recalls Mayor Kris Declercq. “We knew that if we didn’t put political effort into changing the situation, our town centre would be dead. With Bill’s report, we saw a way to transform the town and to make sure that we could make Roeselare a place people wanted to live, to raise their children.”

The city’s main shopping street was redesigned and free ‘speedy parking’ was introduced for people spending just half an hour in town. Parking in squares like the grand Grote Markt was relocated to underground car parks, so that those areas could instead host tables from local bars and restaurants.

The council trialled fining landlords if premises were left vacant for more than a year and offering cheap rents to new businesses. It also introduced free pram hire; a courier system to take shopping from shoppers to their homes, town-wide free Wi-Fi, an app offering reductions and a local gift card.

“We made the town a meeting place – people come for leisure, for culture and for dinner as well.

“But they also come to shop,” says Declercq. “I was very inspired five years ago. I needed some big reforms for our shop owners. It is good that a city like us has found inspiration in the UK to see how the same problems can generate creative solutions.”

Infrastructure funding

Revo proposes the introduction of a specific infrastructure fund for public realm and mixed uses in towns and cities.

Ian Fletcher, director of real estate policy at the British Property Federation (BPF), concurs and points to the Barclay Review of business rates in Scotland, where the recommendations were implemented “despite the focus on Brexit”. He says the BPF would like to see something similar introduced in the rest of the UK, where many companies are still struggling with business rates and where the Government has done little to address the lack of confidence in the issue. He stresses: “We’re not asking for a rush job, but we need to start somewhere.”

Matthew Hopkinson, co-founder of insight company Didobi, which provided data for both editions of *The Grimsey Review*, adds: “One of the biggest differences between the latest review and the first one is that there is much greater recognition that it’s a much bigger problem than too many shops, or online. Occupiers are seeing retailers going under that they perhaps wouldn’t have expected.”

Hopkinson advocates an independent body like the STP to advise towns. “It really rolled

NewRiver has planning approval for 226 residential units at Cowley



THINKING BEYOND RETAIL

“The UK is over-supplied with retail floorspace, in part as a result of the way planning has been allowed,” says Allan Lockhart, chief executive of developer NewRiver. “We would like to see out-of-town retail impact assessments funded by developers giving the money to local authorities to commission genuinely independent studies, to ensure they are justifiable beyond doubt.”

He advocates a proper test of social impact and town centres given special status. “Elderly and lower-income residents are often the only shoppers left in a town centre and that’s not good for social cohesion,” he says. “We need developers and local authorities to work to bring in medical facilities, local authority services and libraries, and residential alongside retail to create community hubs.”

NewRiver has such plans across a number of schemes, including Wallsend where, with North Tyneside Council, it incorporated a library and customer service centre for the council using surplus retail space. Footfall increased and vacancy rates went down, and the partners then developed an Aldi on adjacent council land. “The town centre desperately needed a food retailer,” adds Lockhart.

“We also have planning approval for 226 residential units at Cowley and a redevelopment at Burgess Hill, with 140 residential units, a library, leisure and new retail.”

its sleeves up and brought the BIDs back under its umbrella,” he says. “It’s about going back to why people wanted to live in towns. They need to be diverse, multi-generation hubs that work for everyone and, actually, the social and mental well-being of people living in nice places has huge benefits.”

Fletcher agrees and says the BPF would favour a central organisation to which it could input its own expertise and experience. “What the latest review did well was identify the structural obstacles to change,” he says.

“We’d like to see more flexibility of uses in planning and more sharing of information and quick action. Most of this is not rocket science.”

Clearly, there is much work to be done. Where the last round of reviews stopped short of effecting real change, retailers will be hoping that landlords and local authorities alike take notice and move to rethink high streets if they are to remain relevant.

THE GRIMSEY REVIEW: FIVE YEARS ON

While both editions of *The Grimsey Review* carried a series of recommendations, some of the key points and developed ideas from 2013 to 2018 include:

LEADERSHIP

- Reiterated previous call to establish a commission for each town centre to build a 20-year vision supported by a broad business plan in five-year chunks, and create a full-time high streets minister.
- Has now also asked for equivalent of Scotland’s Town Partnership.

THE VISION

- To prepare for a connected town that puts libraries and public spaces at its heart.
- To enable the change-of-use process to convert entire sub-high streets to residential or other uses and consolidate retail.

BUSINESS RATES

- Calls for independent review and alternative tax.

EMPTY SHOPS

- Calls for penalties for landlords with shops that are left empty for more than 12 months.

PARKING AND OUT-OF-TOWN RETAIL

- Nominal first-hour parking charge.
- Inclusion of free 30-minute parking zones.

NEW SET UP NATIONAL DATA PORTAL

- Knowledge portal to support the implementation of data platforms for high streets and town centres.

DEBATE

This year is shaping up to be the year of the CVA. So is it a vital tool for retailers on the brink or a pointless exercise in putting off the inevitable? Two leading property voices tell Retail Week what they think. Interviews by **Luke Tugby**

DRASTIC

Is the CVA a fair course of

FOR

RICHARD FLEMING
Managing director,
Alvarez & Marsal



A year after the global financial crisis struck in 2008, I did my first CVA, with JJB Sports. Consumer confidence had plummeted and the internet was starting to have an impact, albeit not the major one it has today.

For banks and insolvency practitioners, the only way of dealing with a retailer that was on the verge of going bust at that time was to either put it into administration or pre-pack a chunk of the business to a third party. They were the only two routes people could contemplate.

A CVA is different, because it enables the legal entity to survive. Whenever I launched a CVA, I was thinking: how can I save this business, but also the legal entity and maximise returns for all stakeholders? And could we use the existing shareholder base to raise money and fund a turnaround plan? It was a fresh lens on something that had been staring everyone in the face.

At that time, landlords were extremely grateful for CVAs. They understood the clear and overriding benefit – that a CVA has to offer creditors more than they would get via administration or liquidation. For landlords, that means rent and rates for a period of time that they wouldn't get in the event of an administration.

What I don't understand is that, some of the things landlords criticise now are the things they praised in 2009. Administrations just happen and landlords have no say. CVAs give them a package of information, as well as 14 days to speak to the company to understand why it's happening, and then have a vote. That's what landlords liked.

Just like 2009, we are in another cycle where retail is really challenged. The difference is that this challenge is less about recession, but about the evolution of retail.

Spend is shifting from retail to leisure, we are seeing more internet-only retailers, we are seeing business rates and

“Is it not right that we have a mechanism to try to save the legal entity of a business, rather than letting it die?”

the living wage increasing. Those dynamics are what is making bricks-and-mortar retailing so hard right now.

The need for CVAs, therefore, hasn't changed. It's just that, over the last nine years, they have become better understood.

When I first brought them to the market, it was largely only me and my partner at the time, Brian Green, doing them for three or four years. But insolvency practitioners learnt about the merits of CVAs and that's why we had more and more of them happening – and we haven't had any publicity or landlord countering until May.

All the comments we hear from healthy retailers saying CVAs give unhealthy retailers a competitive advantage – that was all being said in 2008, 2009 and 2010. It was guff then and it is guff now.

The reason it is guff is because all of these retailers are on life support. There hasn't been a single retailer going through a CVA that has surprised people, because they are all on the verge of becoming extinct. How can that be a competitive advantage?

I always look at it this way: what do you do when someone comes into A&E and they have a main artery severed? Their odds of surviving might be 10% or 20%, but they will try to save you.

Is it not right that we have a mechanism to try to save the legal entity of a business, rather than letting it die through an insolvency? Of course it is – and because of that, the case for using the CVA process remains a strong one.

MEASURES

action for the market as a whole?

CVAs are a symptom of the issues facing retail, not the root cause. But the increasing and liberal use of the CVA process has serious consequences and should be cause for concern.

At a time when the UK is trying to give the impression that it is open for business, this use of CVAs undermines the trust required between two parties entering into a contract. If one side can unilaterally rip up a contract in this way, it reduces the attraction of a sector that is crying out for investment – a lack of which puts jobs and the wider economy at risk.

It is no wonder that these growing concerns around the use of CVAs reached a tipping point as a group of landlords mounted a legal challenge against House of Fraser in the Scottish court, following a controversial creditor vote in June.

The petition lodged by the group challenges the CVA on the grounds of both “unfair prejudice” and “material irregularity”, reflecting our own view on CVAs – and the view of many of our members – that landlords have been disproportionately and unfairly affected.

The overriding consensus across our membership, which includes property owners, retailers and local authorities, is that the spirit of fairness that originally underpinned the CVA process has been lost. The process is fundamentally flawed, in that it allows all creditors to vote on a process that in fact targets a single creditor group.

Rather than a tool of last resort, CVAs are effectively being employed as a legal loophole and tax efficiency measure to enable businesses to escape rental liabilities and rates bills, reduce property portfolios and exit contractual agreements.

Moreover, sudden termination of a lease agreement puts a huge financial strain on the landlord, and should that lead to their own insolvency, the pain would be shared by the

local authority through reduced income from business rates, which help to fund public services.

Many of the largest retail property owners are in fact pension funds, so the sudden loss of income caused by CVAs may unexpectedly touch many more of us directly than is first apparent.

It is also a misconception that CVAs only affect landlords. Their ease of use leads to an uneven playing field, penalising solvent retailers and occupiers that cannot – or will not – re-adjust their cost base in this manner and have conducted their businesses responsibly.

The sum of this serves as a significant deterrent to private and public sector investment into town centres and high streets, which are already struggling to adapt to the structural changes in retail.

These concerns have led us to call for the use of CVAs to be scrutinised by the Government, to ascertain how CVAs are being marketed by advisers, and to establish if they are in fact an effective tool for saving businesses and preserving jobs.

Between 2008 and 2017, 12 retailers have undertaken a CVA, with only two surviving in the long term without going into a subsequent administration. Industry statistics suggest the chances of surviving a direct administration are almost double that of a CVA, primarily because they facilitate a dramatic and wide-ranging restructure that addresses and reduces corporate debt.

So, in many cases, the pain of CVAs in their current form – felt across various stakeholder groups – completely undermines confidence in the market for the sake of limited success, causing long-term damage to a sector that can least afford it.

I predicted in the spring that the use of CVAs would come under greater scrutiny and face legal challenge. It gives me little pleasure to be proved right.

AGAINST

MARK WILLIAMS
President,
Revo



THEATRE

From mattresses to storage boxes, buying even the most basic commodity items can be turned into an experience for customers. **John Ryan** checks out some all-singing, all-dancing stores across the globe

At Ichiba Westfield, customers get a taste of Japan that goes beyond buying groceries



The new retail

THEATRE

There is a reason why 'great customer experience' is the key phrase being bandied around boardrooms right now; without it, retailers are dead in the water.

Particularly so when it comes to stores. In light of the switch to online shopping, physical shops must prove their worth more than ever, whether that's through sales, branding or engagement.

Here we examine some of the most inventive and exciting store formats from across the globe, from an underground Parisian DIY workshop to a Melrose Avenue services haven.

Nordstrom Local, Los Angeles

Located on Los Angeles' fashionable Melrose Avenue, Nordstrom Local is billed by the

eponymous Seattle-based department store operator as the "store without inventory". On the face of it, this does not sound like the formula for any kind of experience, at least not a positive one, as surely the point about any store in a town or city is that it has things in it that you may care to buy.

There are, in fact, certainly things that shoppers might wish to part with their cash for in Nordstrom Local; it's just that they are not physical. What is on offer is a store that is a click-and-collect centre, an order point and a place where a range of services are available. Practically, this means a laundry service, a cobbler, a nail bar, a tailor and a cafe, among other things.

The other point about the store is that it is a department store operator's response to

the challenge that is Amazon. By creating a proposition through which merchandise can be ordered, but which also offers a range of services, it is doing something that the online giant, at the moment, cannot.

At 3,000 sq ft, this is not a big space, but since it opened, towards the end of 2017, it has proved popular with shoppers in the City of Angels and Nordstrom has just announced that it will open two more Nordstrom Locals, in the Brentwood and Downtown districts of LA, before the end of this year.

On this reckoning, 'experience' might be defined in opposition to online and, while it uses several elements that internet merchants might regard as ground zero, Nordstrom Local does quite a lot that neither terrestrial nor digital retailers currently provide.

PROPERTY THEATRE

A series of roomsets plus a customer workshop at Leroy Merlin enhance the shopping experience



Leroy Merlin, Place de La Madeleine, Paris

Imagine heading underground to get your DIY tools and essentials and, while doing so, undertaking one of those nagging projects that you've been meaning to do for ages.

To an extent, French DIY giant Leroy Merlin's new store in Paris' Place de La Madeleine, is about making a virtue of necessity – space in this part of the city is limited. But in so doing, it has created something that is an experience and is a sharp contrast with DIY norms.

The store is housed in a former underground car park a short distance from the *grands magasins* of Boulevard Haussmann. Covering three floors and with a 53,820 sq ft selling area, this may be small in the Leroy Merlin pantheon, but it is a large retail space for central Paris.

Yet it feels manageable, thanks to the retailer's efforts to carve the interior into a series of DIY roomsets, with the intention of making a more appealing

experience than might otherwise be the case. And then there is the workshop, the 'Atelier des Bricoleurs'. This is a discrete space equipped with tools, where those with a project in mind can pay €5 (£4.51) an hour and use the workbenches to do the job. And for an additional €5 an hour, they can also benefit from expert advice, in case there is uncertainty about what to do next.

This is certainly an experience – and the very idea of a colonnaded entrance that dives down into the depths, in the same manner as cars used to disappear from street level at La Madeleine, is exciting in its own right. Leroy Merlin is pushing the boundaries of what would normally be viewed as high street DIY retailing and in so doing is creating in-store experiences.

Ichiba, Westfield London

"Europe's largest Japanese food hall" opened in July and, for shoppers standing outside this one, at one end of the new extension to the Westfield London shopping centre, it really is like looking at a little slice of Tokyo.

Composed predominantly of plain wood with louvred screens, a composite floor and very large graphics picked out in white neon, Ichiba makes you feel as if you have left the confines of a very big mall and

"Leroy Merlin's very idea of a colonnaded entrance that dives down into the depths is exciting in its own right"

strayed into a place where modernity and tradition work side by side.

Visitors can treat this as a straightforward Japanese supermarket, with all the usual variants on soy sauce, noodles, rice wine and pre-packaged sushi being in place. There is also a fish counter and a bakery. It is unlikely, however, that shoppers will stop at the simple acquisition of oriental provisions. Instead, like many food halls, this is about in-store eating as much as shopping.

Everything is fresh and, to add to the theatre of the interior, the kitchen and those working in it are visible through a glass screen along one of the perimeter walls. When it comes to ordering, customers choose from an overhead menu and are given a bleeper that vibrates and flashes when the food is ready.



A lounge area provides breathing space at The Container Store, where design specialists (right) are on hand



Ichiba has been designed by Cada Design and is a joint venture between the Japan Centre Group and Cool Japan Fund, with the latter being a body that aims to promote Japanese food and culture overseas.

This is about experiencing a different culture as well as visiting a food hall.

The Container Store, Dallas

On the face of it, it would be quite hard to see how a store selling containers could really constitute any kind of experience, let alone one that might be described as being in the vanguard of the new retail theatre.

Yet the Dallas-based Container Store opened a shop in July that aims to turn buying items into an experience that will be remembered.

It is worth noting that The Container Store, which has branches across the US, is generally characterised by stores that are sheds. This means high ceilings and a strictly utilitarian feel to the interiors. In the new Dallas store, in order to avoid this, the ceiling height has been lowered and there is more space between aisles and display units in order to allow a relaxed shop.

There is also a lounge area, allowing shoppers to take a break from the rigours of browsing a very large space and to have a discussion with one of the store's design specialists prior to heading off to the Custom Closet Studio.

This may not be the most radical experience in retail, but when it is set against the general look and feel of the great majority of those operating from shed portfolios, it is a sparkling exception to the mundane rule.

Le Chalet Casper, Montreal

Online mattress and associated merchandise retailer Casper has branched out into the world of physical retail over the past 12 months with stores in the US and this one, in Montreal.

Dubbed, in deference to the Francophone population, Le Chalet Casper, like upscale speaker retailer Sonos and the UK's Nationwide Building Society, this store uses frames to create the outline of houses, in order to foster a sense of the domestic for shoppers.

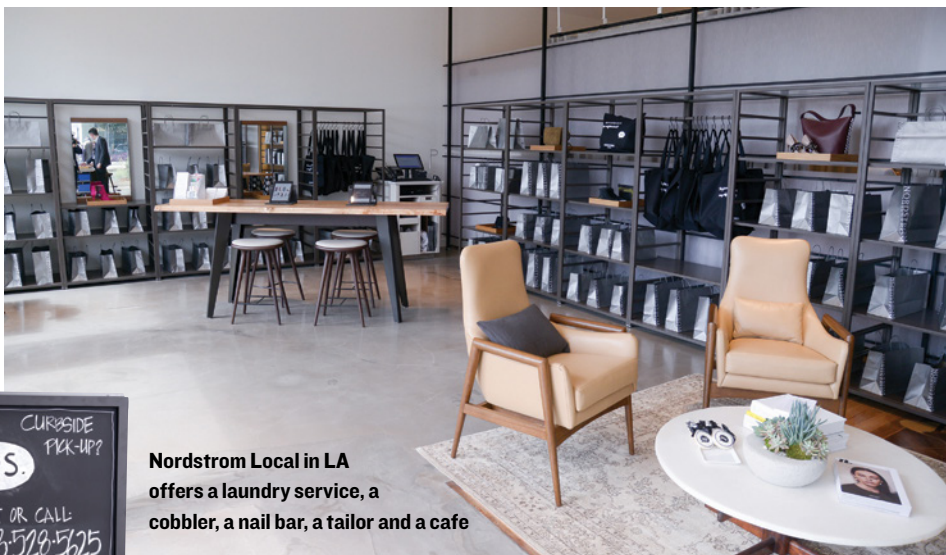
At Le Chalet, again owing to its Quebec location, this means log cabins housing beds bearing Casper mattresses and a decking area outside the cabins with deckchairs, a camping table and lighting. A strip of astroturf with a faux log fire has been installed between the two cabins, and on the

walls there are graphics of a leaf that may, or may not, be a maple.

In terms of being appropriate to the location, Casper has made considerable efforts. And, as a means of making more of mattresses and giving shoppers the chance to test-drive the merchandise in something approximating to a bedroom, this is considerably ahead of any Ikea roomset.

This being Canada, a canoe has been added to the storescape. Positioned in the main body of the shop, it has been painted white, in keeping with the colour of the mattresses, and there are pillows in the craft, in place of cushions.

Casper understands that selling a commodity does not mean that an interior has to be stripped back to the basics. A story can be told via a series of stage sets and an experience is created.



Nordstrom Local in LA offers a laundry service, a cobbler, a nail bar, a tailor and a cafe