

A half-century of Habitat

From its heyday as a design innovator to tough times and reinvigoration, it has been an eventful 50 years for Habitat. Rebecca Thomson speaks to managing director Clare Askem

Habitat's 50th birthday comes at a more hopeful time for the retailer than might have been expected five years ago.

Today, it is starting to turn a corner and leave behind the turbulent years of the recession. But it will probably always remain a key example of what happens when a brand's managers forget why it existed in the first place.

Habitat's reason for being, back in 1964 when Terence Conran launched it, was to provide beautiful design at affordable prices. It became synonymous with innovative products and bringing new ways of living to UK shoppers.

"When the stores first opened, they caused a stir because they were selling things in a way that didn't exist on the high street," says Habitat managing director Clare Askem. "They did that with unique products that were inspired by travels from around the world. Fifty years ago, the world of homewares retailing was largely limited to the department stores."

Habitat was different because it sold a lifestyle to its shoppers. Today, there are other homewares retailers who do this in an expert way – The White Company, Cath Kidston and Made.com to name a few – but in 1964 it was almost unheard of.

"It was incredibly different and unique, and I think it changed the way in which lifestyle shopping came into people's worlds. It was about a modern way of living," Askem observes.

That forward-looking stance is still what the brand is all about, she maintains. "Habitat has always moved with



"HABITAT HAS ALWAYS MOVED WITH THE TIMES – IT'S NOT REALLY A BACKWARD-LOOKING BRAND"

Clare Askem, Habitat



Terence Conran with his then wife Caroline Herbert (centre) and PA in an early Habitat store

the times – it's not really a backward looking brand. It has always been about leading the way, not about being like everybody else, but offering a different point of view."

Part of Habitat's uniqueness comes from its Design Studio, she says. The fact that 85% of its products are designed in-house, and can't be bought elsewhere, is a crucial contributor to success in a world where consumers are flooded with cheap, identikit choices.

But while it is true that strands of Habitat's design heritage have always run through the business, it became too small a part of its proposition in the late 1990s and early 2000s. While some of its goods – the Very Important Products line, for instance, which was designed in-house in 2004 – were unique, much of its offer became too similar to other, cheaper retailers. The spectre of market share sponge Ikea loomed over the brand and Habitat became too mid-market, unable to compete on either price or product.

Maureen Hinton of analyst firm Conlumino says: "It was a big influence on style but did not maintain its momentum. When non-specialists expanded

into homewares – the supermarkets, M&S, BHS, Argos, B&Q and John Lewis – they all offered similar styles and prices and of course Ikea expanded, it began to lose its status."

As Terence Conran said in an interview with *Retail Week* in 2008, much of Habitat's early role on the high street was usurped by Ikea in later years. He said: "It could do a lot worse than look at what Ikea has done out of town and try something similar on the high street."

That sounds fairly close to what Home Retail, which purchased the Habitat brand, three central London stores and the UK website in December 2011, now hopes to do with it. Habitat now has 21 stores across the UK and 18 'mini' stores or concessions where shoppers can access the full range from online kiosks. There are plans to have 50 of these mini Habitats by the end of 2014.

The group is also using the Habitat brand to bring another dimension to the product ranges in Homebase and Argos – it purchased the brand not just to have another fascia, but to get its hands on its unique, design-led products.

Askem says: "We see that as a really important development for the brand."



We're recognising that customers sometimes want to touch and feel products, but we are also investing massively in our website and online capability."

She adds that the brand continues to invest in design and its product portfolio. "That product needs to be very accessible and affordable," she adds.

A new advertising campaign is on the way, and Askem says the retailer is remaining faithful to the tagline "Beautiful, useful and affordable since 1964".

While Ikea has used some digital technologies in an innovative way – particularly in its marketing and advertising – it has been slower on the uptake when it comes to a multichannel business model, perhaps leaving a space for Habitat to muscle in.

A design-led, multichannel, high street homewares retailer with a focus on a good store experience sounds like something UK shoppers are ready for – there is still work to do, but Habitat's next 50 years may emulate the greatest successes of its last 50.

HABITAT'S 50TH BIRTHDAY CELEBRATIONS

Habitat is running several initiatives to celebrate its 50th birthday. The main one is the Design Reunion, for which the retailer has asked six designers from different eras of Habitat's past to create a product for its autumn/winter collection in 2014.

The designers working on products include Sarah Campbell, who founded the textile designer partnership Collier Campbell with her sister Susan Collier in 1979, and Aaron Probyn, a young British designer who has also worked with the Conran Studio. Other designers involved are Tord Boontje, Shin Azumi, Simon Pengelly and Claire Norcross.

The designers are working with Habitat's creative director Polly Dickens at the retailer's design studio – something that Askem says sets the retailer apart. "Most product comes out of that studio," she says. "Each of the designers has designed a piece and we are curating them."

The retailer also commissioned artist and designer James Joyce to produce a logo for the 50th birthday that draws inspiration from the retailer's archive collections.

Joyce has worked with brands from Google to publishing house Faber and Faber, and Askem says they wanted an "of-the-moment aesthetic" for the logo.

In September the retailer will also launch an exhibition



based on the Design Reunion collection in its King's Road store that examines the process of design. "It's looking behind the design a little bit, at the inspiration and the processes behind design." Askem adds there will be a "whole range of things around recognising the history of the brand and trying to get people to talk about it."