

OVERSEAS

Not every journey abroad goes to plan but some UK retailers have found a way of adapting formats to make their domestic appeal work for a foreign audience, says **Mark Faithfull**

The great British

For domestic retailers thriving in the ultra-competitive market of the UK, the temptation to look beyond these islands' shores to the potential rich pickings overseas is hardly surprising. Such enticement has been luring UK retailers since the 1970s.

Yet recent history demonstrates that the challenges of global expansion are hugely complex. In 2012 Tesco became the latest big name to call time on its American dream, after accumulating five years of losses, despite putting in two years of on-the-ground research.

Tesco's original overseas odyssey started in 1993 when it paid £175m for Catteau, a 92-store grocery chain in northern France. After struggling against discounters and larger chains, Tesco exited France, selling up to Promodes in 1997.

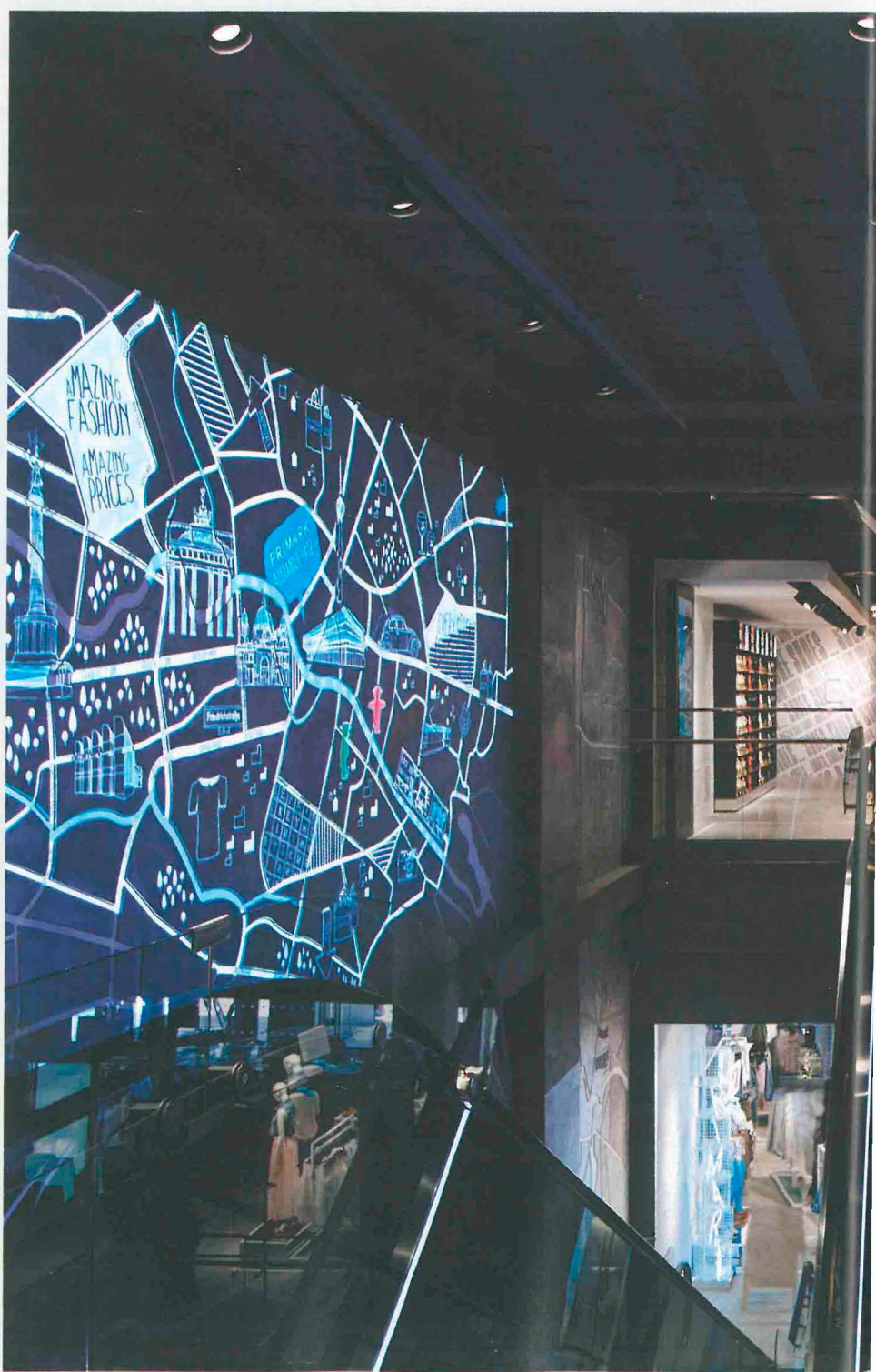
However, its second foreign expansion proved far more successful in the burgeoning Central European market.

Today's expansion abroad is being driven largely by fashion brands

Sainsbury's (with Shaw's) and Marks & Spencer (with King's and Brooks Brothers) embarked on US growth even earlier but eventually sold off their businesses as they dealt with domestic problems. HMV sold its last US outlet in 2004, after failing to make a profit. In 1993 Dixons sold its stake in electricals chain Silo, following six years of losses. Dixons – which turned its attention to Europe – has also been through consolidation on the Continent.

Yet those failed ventures provide valuable lessons. Today's expansion abroad is being driven largely by fashion brands. Taking what's core about domestic appeal and translating it for overseas tastes, preferences and traditions requires a great deal of thought and market knowledge, but there are potentially substantial successes to be savoured.

Designed by Dalziel & Pow, Primark Berlin features a huge multimedia installation in the store's atrium, visible from two levels



take off

Primark, Berlin

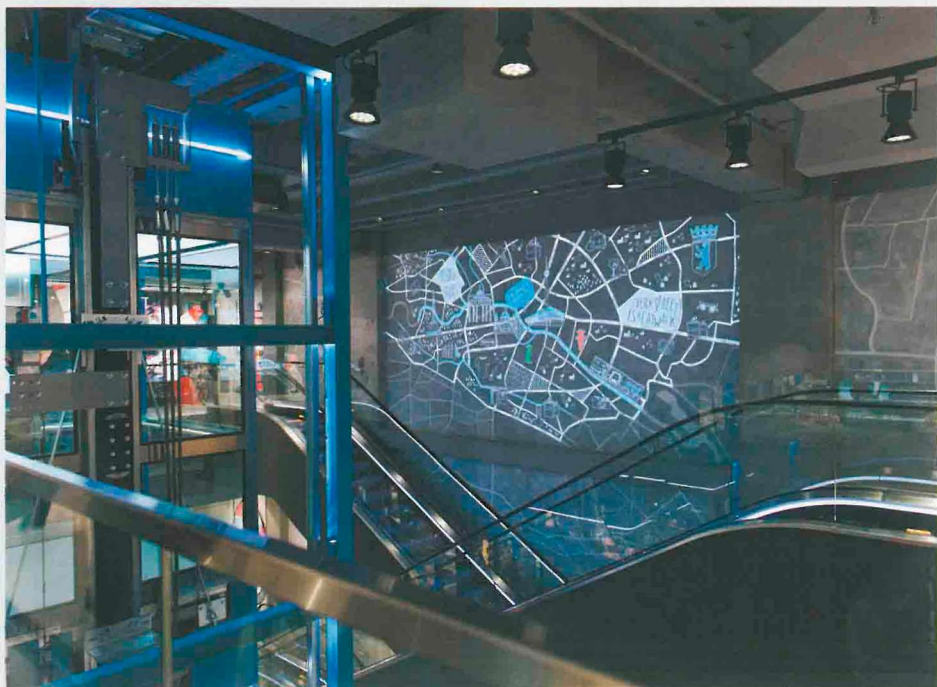
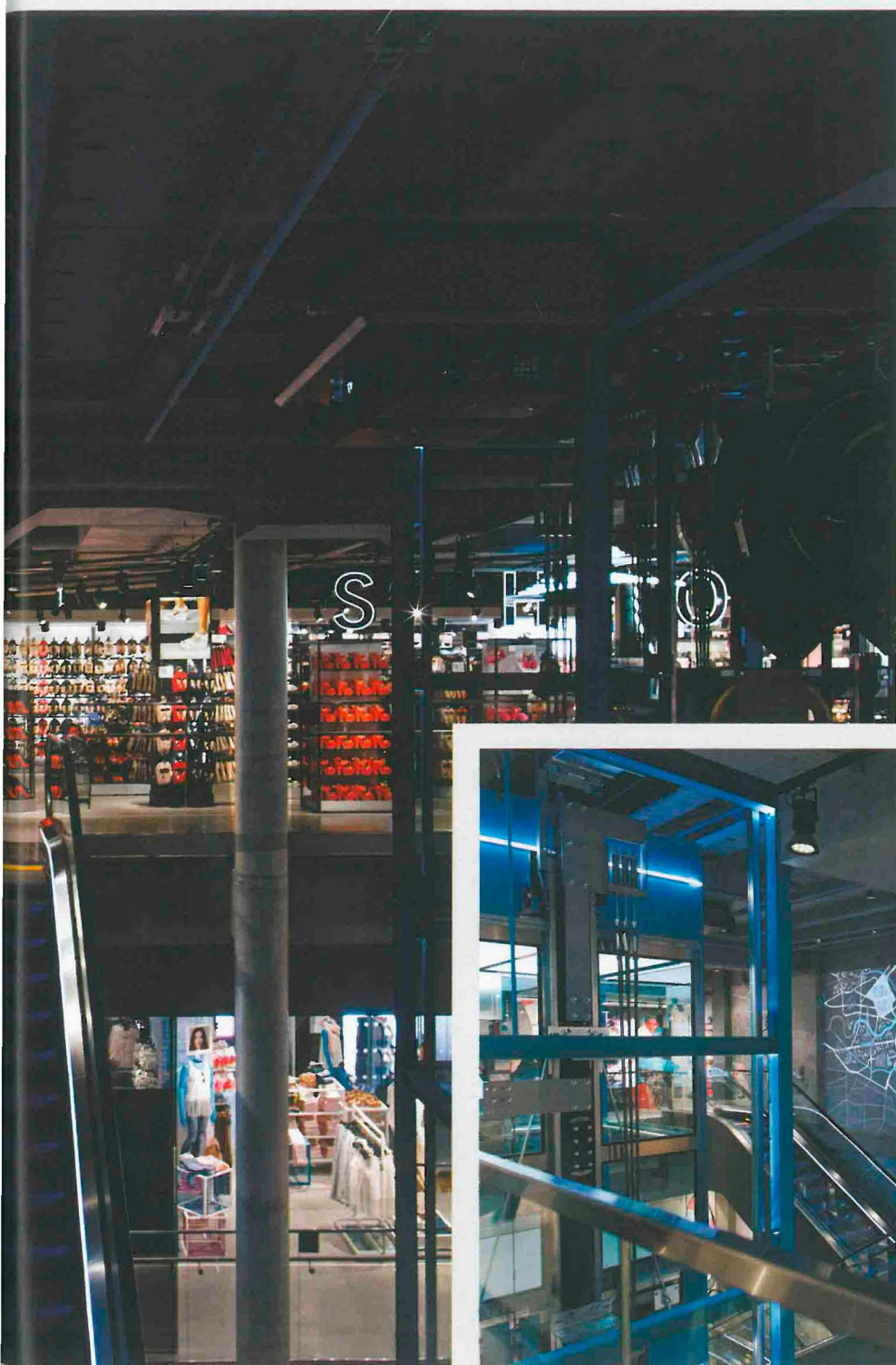
Featuring the first permanent application of projection mapping technology in a retail interior – it screens branded content on a giant wall map of Berlin – the Primark flagship in Berlin is a multi-sensory shopping experience rooted in local culture.

The three-floor store on Alexanderplatz is a milestone in the new generation of Primark flagships devised by agency Dalziel & Pow.

Designed to capture the aesthetic and attitude of the city, expressing Berlin's edgy, creative atmosphere, it incorporates exposed concrete architecture, commissioned graffiti art by local illustrators and neon logos.

David Dalziel, group creative director at the agency, says: "Without a unique product or experience you are risking being ignored, being swamped in the local mix."

"Primark successfully exports its value proposition, understanding its USP lies in the ability to offer the right product at an irresistible price in a relatively smart environment. It exceeds local expectations wherever it goes."





London Underground tiles give unmistakably British styling to Fred Perry's Munich store

Fred Perry, Munich

Iconic detailing reminds those who shop in the fashion brand's store in Munich that Fred Perry was a very English chap who created a very British brand. Bringing that homage to life was the job of Shoreditch-based firm BuckleyGrayYeoman, which completed the design of the store in the vibrant Reichenbachstrasse area.

Director Paul White says: "Raw materials were an important aspect of the design, and not just because of the British links but also because they convey a strong masculine, almost industrial feel to the stores, echoed by the natural finishes and the locker room-style footwear area, which doubles up practically as a good storage solution.

"The concrete units also display accessories, previously stocked in a corner of Fred Perry stores. In Munich they have been put on metal trays to help provide a sense of order and to highlight the product, and this has resulted in a strong sales uplift."

Designed to bring the brand's Britishness to the fore, the sales floor incorporates the same tiles as those used at Covent Garden Tube station – the closest stop to the brand's flagship London store and headquarters. Other details include wall-mounted wooden tea trays displaying the brand's famous shirts, and a tiled counter lined with tea caddies where customers can enjoy the traditional beverage, doubling up as the till point for purchases.

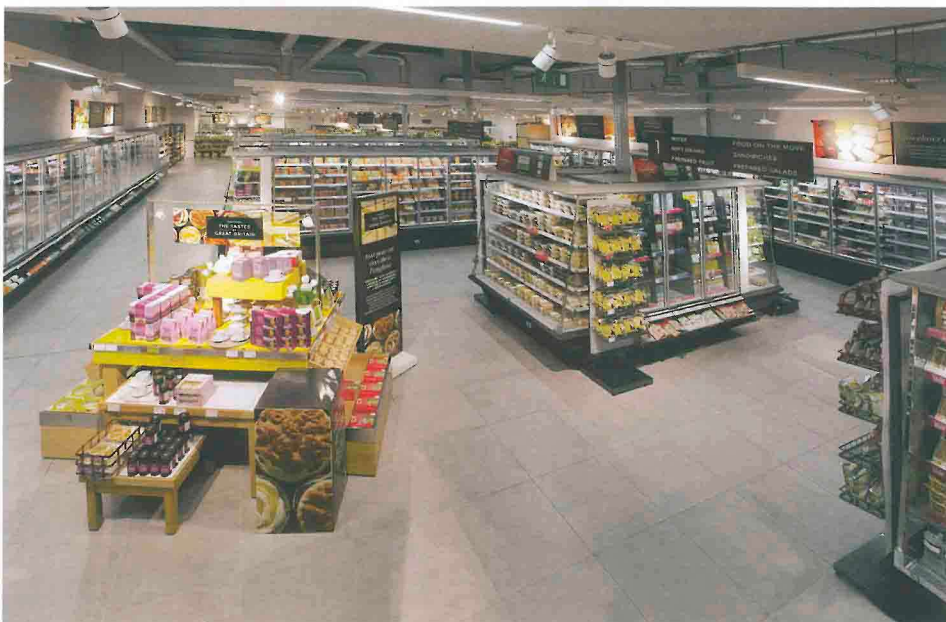


Tesco, Prague

Such has been the innovation at Tesco in Central Europe, that much of what has been achieved has been less about adaptation of UK formats and more about bringing back fresh ideas. Tesco opened its first hypermarket in Hungary before introducing the concept to the UK, and late last year refreshed its Prague 'department' store, located in the busy Letnany shopping mall.

Improvements included a new look fresh food department, a range of new service counters, including Tesco's first in-store florist, and a 1,600 sq ft F&F department, with its own separate entrance from the mall, bringing the F&F store concept work pioneered in the UK to European customers.

David Morris, boss of Tesco stores Czech Republic, says: "Letnany brings together in one location for the first time many of the elements of our work to improve our larger stores. I'm delighted to see so much learning from around the world reflected in store departments. Customers are changing the way they shop and our role is to adapt."



M&S, Brussels

The inglorious exit from mainland Europe said more about Marks & Spencer's domestic troubles than the performance of its overseas portfolio, but in more recent times the retailer has been very much back on the international trail.

M&S has flexed formats, opening an e-boutique in The Netherlands and a swathe of Simply Food stores, but in Belgium this May it went back to its roots with a 53,800 sq ft store in Avenue de la Toison d'Or, Brussels. It contains a 30,000 sq ft food and wine section, a 90-seat cafe and a fresh bakery.

Chief executive Marc Bolland says it gives the retailer "a unique opportunity to offer something truly special". He adds the key to expanding has been not only a well-honed franchise system but also that M&S entered the markets online first, launching a Belgian ecommerce site in November 2012.

INTERIORS OVERSEAS



Topshop, New York

Topshop has been in the US since 2008 with its first store in New York. This was followed by openings in key cities and the establishment of Nordstrom concessions.

Late last year a second New York store was launched, which at 40,000 sq ft across four floors is the second largest store in the Topshop empire, and is on Fifth Avenue to boot. The store mixes New York's love for large footplates and high ceilings with an

all-LED lighting system and sparing but effective use of 'cool Britannia', such as Vivienne Westwood touches.

"Brands with attitude tend to thrive," says Dalziel & Pow group creative director David Dalziel. "Ecommerce has transformed the risk involved in entering new markets; web sales can identify a need for a specific product in a specific location. It's easier to read a new market than ever before."



Hamleys, Moscow

In March Hamleys opened Europe's largest toy shop in Moscow, designed by global retail and brand consultancy Fitch.

Expanding Hamleys' design signature, the 75,350 sq ft two-storey Hamleys World is billed as a world of entertainment and discovery.

The shopping experience includes nine themed zones: enchanted forest, imagination, Lego world, magic kingdom, metropolis, motor city, park, safari and space. Each world mixes retail, attraction and entertainment.

Hamleys chief executive Gudjon Reynisson says: "Hamleys is about making toys fun for families all over the world."

"At Hamleys Lubyanka, through our partners, we had a fantastic opportunity to develop our retail experience to be even more memorable."

David Blair, chief executive of Fitch EMEA, says: "Play is a serious business. The more a person can interact with a product, the more immersed they become in the brand, the deeper the connections they build."

"The Hamleys World concept continues to build on a place where toys come alive."



Motor city, one of nine themed zones at Hamleys Moscow, includes a go-kart track