

How Fashion Retail is Adapting in the UK



A fascinating recent article from Drapers (a fashion retail publication) gives an eye-opening rundown on how clothing retail brands – and the commercial real estate (CRE) they occupy – have changed in two short years. As a result of lockdowns and shifts in consumer behaviors, the article says the UK “retail landscape is unrecognizable”, pointing to the real world closures of Debenhams and the Arcadia brands (Topshop, Topman, Miss Selfridge, Dorothy Perkins, Burton and Wallis), Oasis, Warehouse and Gap – brands that have left main street and gone online only.

As the RetailGazette.co.uk explains: “Gap confirmed it would shut down all 81 of its stores in the UK and Ireland by the end of 2021. It intends to take its business online ‘in a phased manner’ from the end of August through to the end of September.” These kinds of shifts have driven CRE retail trends, like the rise in satellite fulfillment and distribution centers.

Fashion retail faces specific challenges because of the complexity of their supply chains and the customer desire to see, touch, feel – and crucially, try on – their wares. This segment took a particular knock in the UK after changing rooms/fitting rooms had to be closed as a result of Covid-19 cautionary regulations. These have since reopened.

Room to Breathe

Those not looking to shift to digital first had to adapt to regulatory safety matters, but also to customer expectations of safer spaces and that brings us back to the CRE side of things.

Marks & Spencer Head of Clothing and Home for Retail Alison Grainger told Drapers that it had “adapted its clothing space after stores reopened, as a ‘conscious decision to allow more space between our equipment in store, so that customers would feel comfortable shopping as restrictions eased’.”

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Another benefit of more space is accessibility, for those with disabilities, wheelchair users, and parents navigating spaces with strollers. Savvy CRE professionals will need to keep this in mind when advising clients.

Still in Flux

Black and white predictions – especially fear-mongering over the “death” of retail – must be met with caution, as this remains an ever-shifting sphere. Take the first example above, Debenhams who literally incorporated the “.com” into their brand name. Despite their “digital department store” aspirations, Debenhams.com “is set to return to retail with the opening of a flagship beauty destination at Manchester’s Arndale shopping center”.

Toy retailer Toys R Us is another brand leading a return to the high street, four years after shutting down their last UK store.

Trends in the Making

These are the shifting waters that retailers and their CRE partners will have to negotiate in the coming months, without knowing what the end mix will look like.

Analysts have predicted a rise in niche stores, more space, and click and collect, as well as experiential shopping and augmented shopping – all pointing towards the firmer establishment of the omnichannel approach. Not so much a death, as a rebirth then.

One final upshot of this is that CRE professionals serving this sector will have to broaden their own knowledge and collaborate with their peers, as servicing retail in the years to come may mean grappling with a mix of retail, warehousing, logistics and more.

