

JUNE 2024

# THE WORLD OF RETAIL

The Biggest Monthly Stories From the Retail Industry!



# CONTENT

- 03 Customer initiatives mean More reasons to shop at Morrisons
- 04 Boohoo losses swell to £160m
- 05 Asda launches dedicated retail media unit
- 06 Pets at Home: Retailer unveils small stores under residential units
- 07 Shoplifting showing signs of reducing
- 08 Shein bets big on skincare and toy brands
- 09 Tapestry looks to open more Outlet stores
- 10 Two pints of lager! Heineken expands pub empire
- 11 IKEA delays Oxford Street opening once more
- 12 Chanel to increase investment in stores
- 13 The future of beauty: L'Oréal invests in Gen AI
- 14 Sacre bleu! Levi's blue store on Champs Elysee
- 15 The greengrocer: Aldi ramps up sustainability efforts
- 16 Disney store in London hosts Pixar Party
- 17 Dine online: Asda enjoys growth through website sales
- 18 Fresh new bakery concessions for Waitrose stores



# CUSTOMER INITIATIVES MEAN MORE REASONS TO SHOP AT MORRISONS



Morrisons has introduced a raft of customer-facing initiatives in recent months as new CEO Rami Baitiéh pledges to “refresh” the supermarket giant and improve customer relations.

Earlier this month, Morrisons extended its ‘Quieter Hours’ to offer shoppers more opportunities to experience a calmer shopping experience.

[The new extended scheme](#) will now run between 2 pm and 3 pm every week from Monday to Thursday, after it was first introduced in 2018 as part of the National Autistic Society’s Autism Hour campaign.

The scheme allows many of the traditional “disruptive” elements of in-store shopping to be removed, such as reduced levels of store lighting, turning music and radio off and avoiding tannoy announcements.

Other features include fewer movements of trolleys and baskets, the lowering of checkout beeps and other electrical noises, and alerting other customers that it is Quieter Hours.

## BOOHOO LOSSES SWELL TO £160M

Boohoo losses swelled to almost £160m as it encountered “difficult market conditions” caused by high levels of inflation and weakened consumer demand.

Sales were down 17% to £1.46bn in the year to February 29, which it said reflected its increased focus on profitability alongside the challenging market conditions. Revenue was also impacted by the growth of its commission-only marketplace model.

[The online retail group](#) noted the “positive trend” in the performance of its five core brands – Boohoo, BoohooMan, PrettyLittleThing, Karen Millen and the Debenhams marketplace – where it said the sales

decline had slowed from 9% in the first half, to 4% in the second. It highlighted the “strong growth” in the Debenhams marketplace, and heralded its “capital-light, stockless model” for driving high margin growth. To improve profitability in its non-core labels it has been transitioning them to the Debenhams marketplace, which it said was starting to bear fruit.





## ASDA LAUNCHES DEDICATED RETAIL MEDIA UNIT

Asda has become the latest grocer to launch an overhauled retail media offering in partnership with SMG.

The new business unit, named LS Eleven Media Services, will form a “fully integrated media services business” and was introduced to major suppliers earlier this year.

[The supermarket](#) said LS Eleven Media Services would use its first-party customer data, provided by its loyalty programme to offer brands more “customer-centric media planning” for [retail media](#) campaigns and a “more connected omnichannel experience.” LS Eleven Media Services is made of

Asda VP of customer Matt McLellan, who previously worked at Tesco and Dunnhumby, alongside Jon Beill, also formerly of Dunnhumby, who joined as the unit’s chief growth officer in December.

McLellan said: “We are proud of what we have achieved in Asda [Media Partnerships](#) over the last decade, but our partnership with SMG and the launch of LS Eleven Media Services is a step-change in our media offering for our brand partners.”



## PETS AT HOME: RETAILER UNVEILS SMALL STORES UNDER RESIDENTIAL UNITS

Pets at Home has opened two more small format stores in Sutton and Whetstone in London, as it branches out from its typical retail park sites.



The new shops, which launch as the [retailer](#) boosts its presence on London's high streets, will sell a range of pet owner essentials and offer an advice counter for customers.

Both stores are located at the base of residential buildings in the capital with limited parking spaces.

The Sutton and Whetstone stores are the latest Pets at Home's small format pet care centres, which include Camden, Putney, Balham and Ealing.

The shops measured roughly 5,000sq ft, making them far smaller than [the retailer's](#) traditional unit size and come without its typical vet and grooming services.

Pets at Home Sutton store manager Rachel Etherington said: "Our location allows us to provide pet owners with convenient access to all their pet care essentials, as well as expert advice from our specially trained colleagues, right on their doorstep."

# SHOPLIFTING SHOWING SIGNS OF REDUCING

Shoplifting is showing signs of falling, according to a new survey, amid widespread reports of a rise in thefts.

A poll by the Office for National Statistics (ONS) indicates 26% of retail businesses experienced shopper theft last year, compared to a record high of 28% in 2022, the [BBC reported](#).

A separate ONS report, based off police crime figures, found reports of shoplifting hit their highest level in 20 years last year, as police logged 430,000 cases of the thefts.

However, the Commercial Victimization Survey (CVS) found a two percentage point drop in thefts. The annual survey is regarded as a more reliable measure due to it surveying companies on their experiences of crime, while the police data is distorted by whether companies report incidents.

The CVS reported more than three-quarters of supermarkets said they had experienced theft from a shopper, and 43% said their workers had been assaulted or threatened.





# SHEIN BETS BIG ON SKINCARE AND TOY BRANDS



Shein is wooing brands such as household goods conglomerate [Colgate-Palmolive](#), toy maker [Hasbro](#), and skincare brands to sell their products in its

marketplace, [Reuters](#) reported Tuesday. The company, known for affordable and stylish clothes—albeit made with [concerns](#) about labor practices and its environmental impact—is taking steps to create a platform that is everything to everyone.

“Everybody associates Shein with fashion, but we are doing all verticals,” Christina Fontana, Shein’s senior director of brand operations for Europe, Middle East and Africa, said at a Paris conference on April 17, according to Reuters.

“Our consumers want brands, [so] if that’s what they’re looking for, that’s what we’re going to give them,” she added.

Shein has the [largest fast-fashion market share](#) in the U.S, and its annual profit doubled to [\\$2 billion](#) in 2023 from the year before. It’s eyeing an IPO and a whopping [\\$90 billion valuation](#).



# TAPESTRY LOOKS TO OPEN MORE OUTLET STORES

Tapestry, Inc., the U.S.-based parent company of Coach, Kate Spade New York and Stuart Weitzman is upping its focus on outlet stores, including by adding high-demand products like the Coach Tabby handbag to these channels at full prices.

Todd Kahn, CEO and brand president of Coach, said bringing premium products to outlet stores plays to the habits of consumers who often use smartphones to choose their purchases. The line between retail stores and outlets is blurring as customers look for products across multiple touchpoints. “In June, we’re going to take the Tabby at full price to 100 outlet stores in North America,” Kahn stated. This move is part of Tapestry’s broader strategy to harmonize the shopping

experience across different retail formats, acknowledging that consumers do not always perceive the distinctions between outlet and retail stores.

The newly launched [katespadeoutlet.com](https://www.katespadeoutlet.com) replaces the brand’s “Surprise” sales, offering a more seamless online shopping experience for outlet consumers. This digital component is designed to help with omnichannel customer penetration, which has already seen an uptick this quarter according to the results.



# TWO PINTS OF LAGER! HEINEKEN EXPANDS PUB EMPIRE



Brewing giant Heineken will reopen 62 pubs that were closed in recent years and invest £39m in refurbishing hundreds of sites across the UK.

The company said the cash injection into its Star Pubs & Bars chain will create more than 1,000 new jobs. The UK pubs industry has been hard hit by closures both during the Covid pandemic and afterwards as cost of living pressures weighed on consumer spending.

Heineken said: “With working from home more commonplace and people looking to save on travel, major refurbishments will concentrate on transforming tired pubs in suburban areas into premium locals.”

The company said that by the end of this year, the UK operation will have reopened 156 pubs since the start of 2023, “reducing the number of closed pubs in its estate to pre-pandemic levels”.

Some of the pubs that Heineken is re-opening have been shut for more than four years, others have been closed for 12 months.



# IKEA DELAYS OXFORD STREET OPENING ONCE MORE

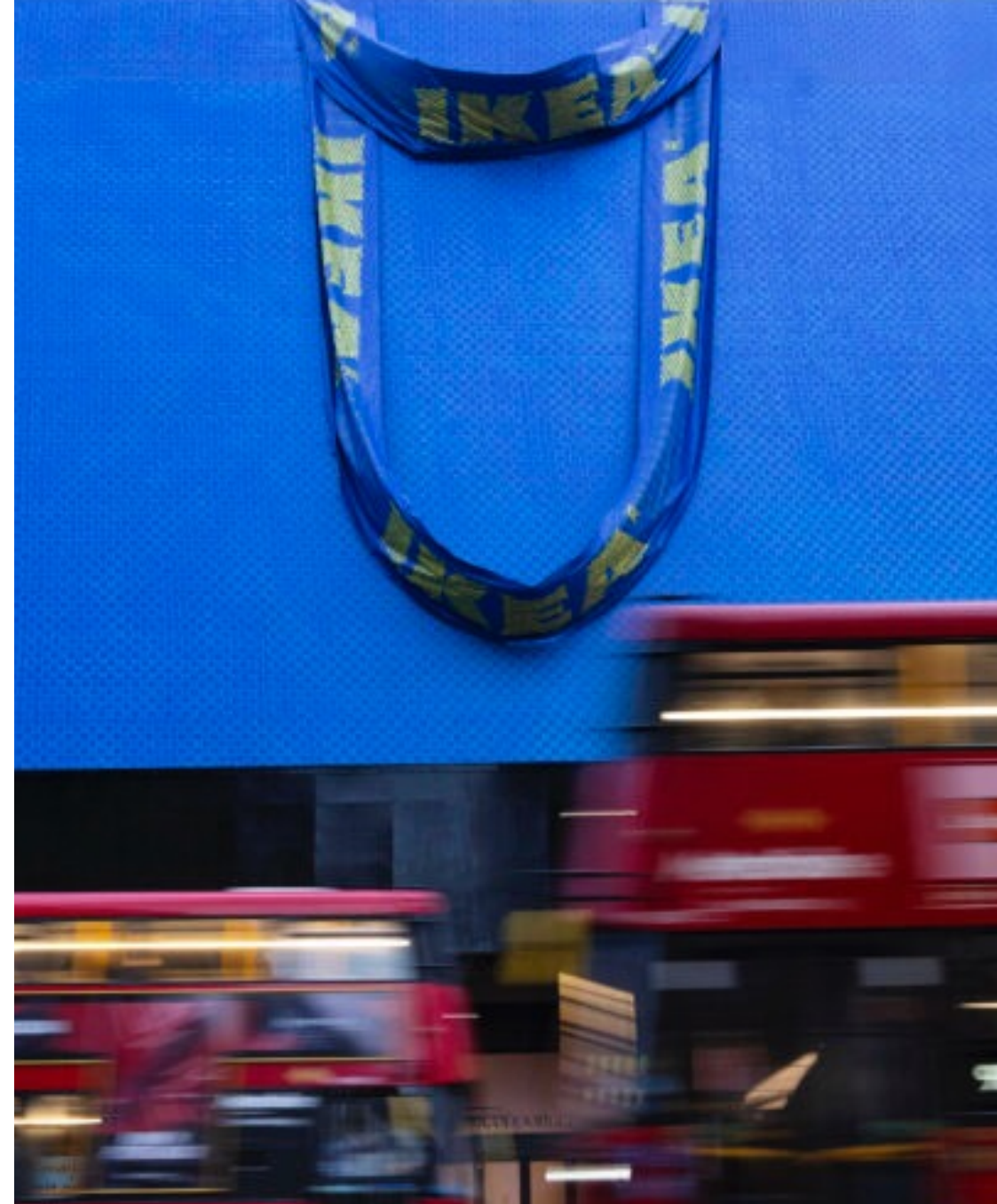
Ikea has pushed back the opening date of its highly anticipated store on Oxford Street once again until Spring 2025.

The [Swedish furniture giant](#) said it was “fully committed” to opening the flagship as it continues “extensive renovation works” on the seven storey Grade II listed building, which its investment arm Ingka Investments [snapped up for £387m](#) in 2021. It said the delay was caused by the discovery of water ingress on the lower of the two basement levels.

As a result, it has [pushed back the opening](#) of its 82,000sq ft three floor flagship from Autumn this year to Spring 2025.

Ingka Investments managing director Peter van der Poel said: “IKEA Oxford Street is a one-of-a-kind project, involving the sensitive and sustainable upgrade of a Grade II listed building that is over a hundred years old.

“Following the discovery of an unforeseen water ingress issue, we’re now taking vital steps to mitigate long-term flood risk, and to protect and future-proof this historic building for many years to come.”



# CHANEL TO INCREASE INVESTMENT IN STORES

Chanel plans to expand its retail footprint in 2024 following a positive year in which it bucked the wider luxury slowdown to report double-digit growth.

The French luxury house's revenues grew by 16 per cent year-on-year to \$19.7 billion in 2023

Chanel said it plans to increase its capital expenditure by 50 per cent in 2024 with more real estate and retail investments, following a record capital expenditure at over \$1.2 billion in 2023 relating to the distribution network.

Notably the opening of the 'twin' boutique in Milan and the reopening of the flagship boutique in Beverly Hills. The brand's operating profit rose by 10.9 per cent to \$6.4 billion in 2023.

Global CEO Leena Nair said: "We are a \$20 billion business today, and it's because we've always stayed faithful to our fundamentals — building the design of a legitimate brand, which means exciting creation, exciting collections, new campaigns like the latest [Bleu de Chanel]'s [Timothée Chalamet film](#) [directed by Martin Scorsese], creating the ultimate luxury experience for our clients, which means constantly elevating our distribution network, investing in our people and keeping a long-term perspective."







# THE FUTURE OF BEAUTY: L'ORÉAL INVESTS IN GEN AI

[L'Oréal](#) will unveil innovations that deliver 'Beauty for Each, Powered by Beauty Tech'. They include a portfolio of cutting-edge skin and hair

Diagnostics, a GenAI-powered personal beauty assistant, a GenAI Beauty Content Lab called CREAITECH to augment creativity, a revolutionary hair dryer based on infrared light technology, a micro-resurfacing device for advanced skincare performance, and the most realistic, human skin-like technology platform for scientific research and product testing.

Made possible by the convergence of biology, mechanics and electronics, Skin Technology by L'Oréal more closely mimics the vast diversity of real, human skin, including conditions such as eczema and acne, as well as the ability to tan and heal from injury.

L'Oréal is currently working with start-ups and renowned institutes worldwide on further developing the technology to enable skin that can actually feel.

# SACRE BLEU! LEVI'S BLUE STORE ON CHAMPS ELYSEE

Levi's has moved location on the Champs-Élysées. With less than 100 days to go until the Olympic Games, the world's number one jeans brand has moved from number 76 on the Parisian avenue, where it has been established for 12 years, to number 44.



**THE SHOP HAS ADOPTED THE LATEST CONCEPT, THE DETAILS OF WHICH WILL BE ROLLED OUT ACROSS THE BRAND'S NETWORK**

The new Levi's flagship has eleven linear metres of windows to showcase its universe to the more than one million French and international visitors who ply the avenue every month.

The shop has adopted the latest concept, the details of which will be rolled out across the brand's network over the coming months. On the right as you enter, an area is entirely dedicated to 501, with the three issues displayed in hyper-large format on the wall.

Next to it, an area is dedicated to the history of the brand, with photos of the first Levi's fashion show in Paris in 1947 at the Palais de Tokyo.

The have also expanded the Tailor Shop, its customisation and repair area. Already present in its previous store, this area offers customers the chance to modify and repair their Levi's clothing thanks to a team of four dedicated staff.





## THE GREENROCER: ALDI RAMPS UP SUSTAINABILITY EFFORTS

Growth is not the only thing Aldi is focused on. The retailer has also been taking big steps to up its sustainability credentials.

The grocer has set some impressive targets, including cutting food waste by 90% by 2030, and also rolling out some first-of-its-kind innovations, such as cardboard wine bottles and double toilet rolls.

Aldi UK sustainability director Liz Fox tells Grocery Gazette: “As the fourth largest supermarket in the UK, we have a responsibility to put sustainability at the heart

of everything we do.”

Some of the discounters [biggest targets](#) include an aim to reduce its overall operational greenhouse gas (GHG) emissions by 26% by the end of 2025 (against baseline year 2016) and a commitment to encourage its strategic suppliers, to work towards setting science-based emissions targets by the end of 2024.

# DISNEY STORE IN LONDON HOSTS PIXAR PARTY

Taking place on Sunday, 19th May, at the Disney Store on Oxford Street between 12pm to 4pm, there will be a chance to experience the transformation of the store by Pixar Storytellers with a variety of Pixar-themed activities tailored for all ages.

Experience immersive 'streetmosphere' performances by Pixar Storytellers outside the store, featuring nods to beloved Disney and Pixar films. Inside the Disney Store, step into the creative world at the Make Your Own Forkycraft table, where kids (or adults!) can bring the latest member of the Toy Story family to life.

In addition to these exciting family activities, guests will have the exclusive opportunity to preview the latest Pixar products on sale at the Disney Store, including special commemorations such as the 15th anniversary of Disney and Pixar Up! and the highly anticipated release of the Disney and Pixar Inside Out 2 movie.





# DINE ONLINE: ASDA ENJOYS GROWTH THROUGH WEBSITE SALES



Asda saw a jump in its first-quarter sales as demand for online grocery shopping continues to grow.

In the first quarter to 31 March 2024, the [supermarket giant](#) delivered a 6.6% increase in total sales, excluding fuel, to £5.3bn, alongside 1.4% growth in like-for-like sales.

It comes as online grocery now represents 18% of food sales, driven by a 5.6% increase in the number of average weekly orders over the period.

Asda co-owner Mohsin Issa said that in online grocery, Asda is now “firmly established as the number two player in the market.”

However, the grocer noted that a “particularly strong contribution” to its positive sales performance came from its [clothing](#) brand George at Asda, which it claimed “outperformed” the fashion and homewares markets during the quarter.

# FRESH NEW BAKERY CONCESSIONS FOR WAITROSE STORES

Waitrose is set to open its first in-store Gail's Bakery in a move aimed at “enhancing and improving” its experience for customers.

Due to open on 6 June, the launch comes a year after the [premium grocer](#) first introduced dedicated Gail's bakery areas within 64 of its [stores](#).

Built in Gail's traditional style, shoppers at Waitrose's east London Canary Wharf branch will soon be able to order fresh goods and drinks prepared on site at the 280 sq ft cafe, alongside its click-and-collect services.

It will also offer home and office delivery for its sharing ranges.

Waitrose said the new move “reinforces our commitment to enhancing and improving the Waitrose experience for customers, a record number of whom shopped with us last year”.

Waitrose customer director Nathan Ansell said: “Building on our successful partnership with the launch of a new and innovative Gail's bakery is hugely exciting.





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