

Department Stores - UK - April 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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“Department stores have reinvented themselves. They have become destination stores for younger customers offering aspirational brands, complemented by great own brands.”
– Tamara Sender, Senior Fashion Analyst

This report looks at the following areas:

- How have department stores performed over the last year?
- What are the main growth opportunities for department stores?
- How are department stores competing in a multichannel world?

In an increasingly competitive retail market there are many department stores that are outperforming. But sector growth is held back by the weakness of the largest company in our sector definition, M&S. In fact we estimate that sales growth in 2015 was only 1%, less than a third of the rate seen in 2012 and 2013.

All retailing is becoming more demanding, but we think that the most successful in recent years – John Lewis and House of Fraser - provide a blueprint for successful stores in the future. They stand out for their great brands, complemented by strong own brands, combined with first-rate service in attractive, well maintained stores with plenty of places to take a break. But on top of that they have a slick online proposition which must be as compelling as the physical outlets.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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