

Department Store Retailing - UK - April 2015

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"The main department stores have been among the types of retailers leading the way in both expanding delivery options and click-and-collect as consumers are increasingly looking for the easiest and most convenient way to shop and receive their purchases."
– Tamara Sender, Senior Fashion Analyst

This report looks at the following areas:

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

The department store sector has grown by 18% between 2009 and 2014 to reach £15.1 billion. The sector has seen slower growth of 2.2% in 2014 due to falling sales from M&S and a weak performance by Debenhams.

John Lewis stands out as one of the winners in the sector and also within the UK retail sector. It has been gaining market share and is closing in on M&S to become the leading department store as the retailer reaps the rewards of the success of its multichannel operations.

High-end department stores have continued to outpace their mid-market equivalents and the gap in the growth rate between the two has become even more accentuated in the last year.

Department store definition

There are no hard and fast rules. But, we would expect stores to typically trade from a minimum of 1,000 sq m and stock at least half a dozen different broad product categories, with one category unlikely to account for more than two thirds of turnover, and usually significantly less than this.

As a minimum, all department stores covered in this report sell adults' and children's apparel, lingerie, fashion accessories, footwear, beauty products and some homewares. Larger full-line stores have a much wider product assortment.

Some department stores retained their food halls through the 1990s and others have been re-introducing them. The food offer is typically upscale and geared towards fine foods and delicatessen, and therefore differentiated from the everyday supermarket.

The offer usually covers a mix of concessions and own-bought ranges, increasingly with a private label element within the own-bought assortment. M&S differs in that virtually its entire range is own-brand/private label.

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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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