HOWARD KENNEDY

EDGE OF RETAIL

STRATEGIC REPORT 2026

Foreword:

Edge of Retail Strategic Report 2026

As retailers contend with shifting consumer expectations, sustained cost pressures, rapid technological change and new modes of brand engagement, the sector finds itself at a defining crossroads. Retail is being reimagined not only in the way products are created, marketed and delivered, but in how brands build loyalty, meaning and cultural relevance.

This report looks ahead to the Edge of Retail in 2026: a space where heritage brands reinterpret wellbeing for a modern audience, where Korean skincare reshapes benchmarks of quality, and where experiential retail moves far beyond the transactional to foster community and genuine emotional connection. It is also a moment when AI and automation are moving decisively out of the pilot phase and into day-to-day operations, enabling sharper logistics, richer insight and more personalised customer journeys.

From the evolution of NEOM's wellbeing ecosystem to the growing influence of Asian beauty in the UK, from AI-driven merchandising to the renewed purpose of physical retail space, this report explores the forces redrawing both the economic and creative challenges of the industry.

Throughout, you will hear from founders, operators, innovators and advisers who offer clear perspectives on the opportunities and pressures shaping the future of retail.

Welcome to the Edge of Retail.

- EVOLVE – exploring product expansion, cross-border growth and the governance, IP and regulatory considerations shaping the future of wellbeing, beauty and AI-assisted design.
- DISRUPT – examining how technology, AI and culture-driven beauty trends are transforming retail experiences, brand discovery and community-led engagement.
- GROW – analysing shifting consumer expectations, loyalty and values-led leadership in luxury and specialist retail, and the role of culture, service and people in driving growth.
- EXPAND – investigating how storytelling, sourcing integrity and real estate strategy shape the evolution of physical retail spaces and support sustainable multi-site expansion.

We celebrate not only the resilience that continues to underpin the sector but the innovation and ambition that are driving its next chapter.

We hope the insights ahead help you navigate this period of transformation, spark new ideas and support the creation of retail experiences that resonate with the consumers of tomorrow.

Julian Hindmarsh
Chair of the Real Estate Department
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Lydia Christie
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If you have any questions or comments for the team, or if you would like to learn more about any of the topics covered in this report, contact us at:

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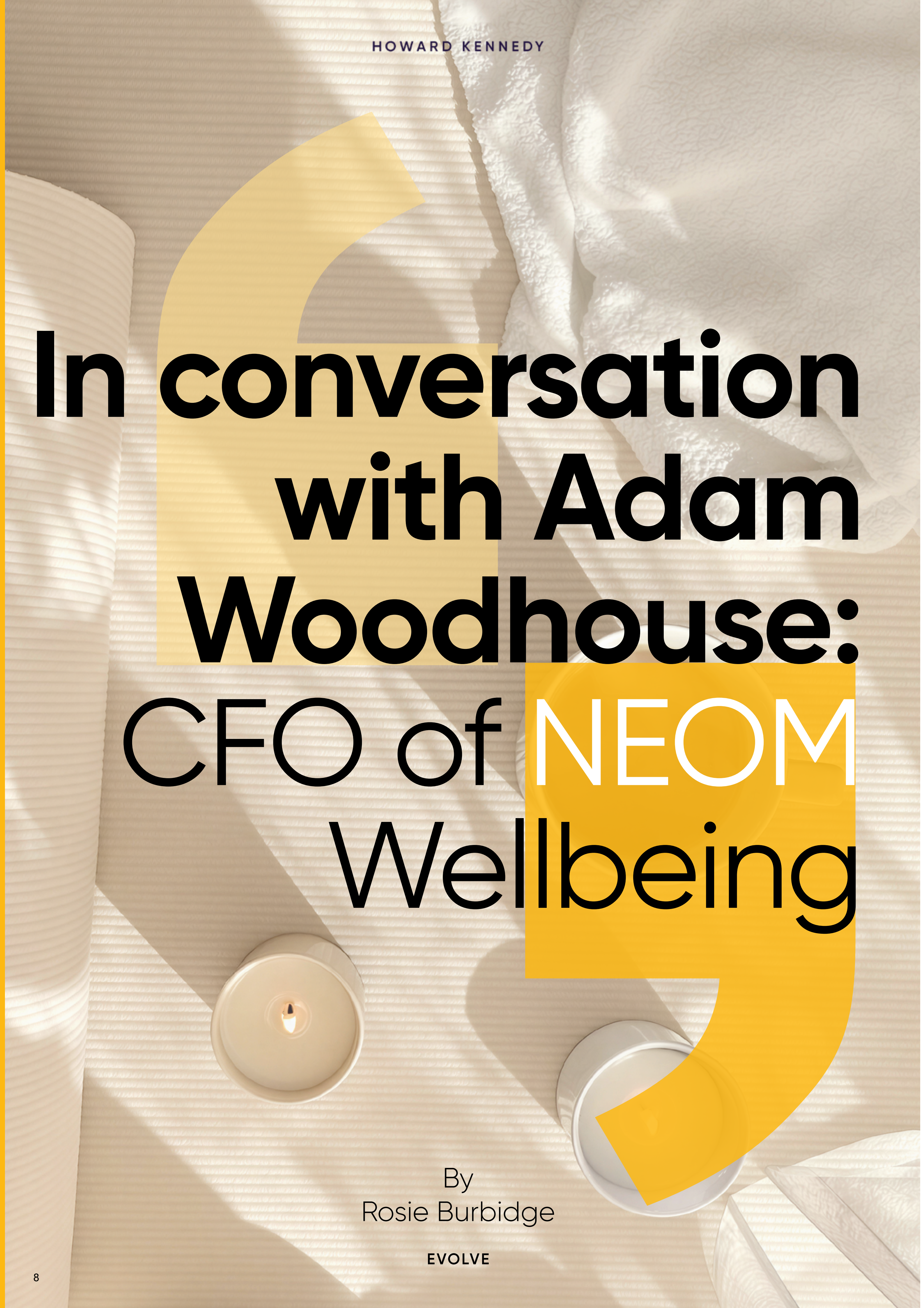
Evolve: Exploring product expansion, cross-border growth and the governance, IP and regulatory considerations shaping the future of wellbeing, beauty and AI-assisted design.



In conversation with Adam Woodhouse: CFO of NEOM Wellbeing

By
Rosie Burbidge

CFO Adam Woodhouse discusses NEOM Wellbeing's success and future with Rosie Burbidge, IP lawyer and Partner.

NEOM Wellbeing is one of the best-known wellness brands to have come out of the UK in recent years. Starting life as an aromatherapy-inspired candle line, it has since expanded to include new category areas, including bath and body, reed diffusers and electronic diffusers, with stores across the country, concessions in department stores like John Lewis, and expansion into the US and Ireland. Here, CFO Adam Woodhouse discusses NEOM Wellbeing's success and future with Rosie Burbidge, IP lawyer and Partner.

Rosie Burbidge: How did being a British brand inspire the origins of NEOM Wellbeing and its growth story? And how have you used that as you move into the US and other markets?

Adam Woodhouse: The brand was founded 20 years ago by Nicola Elliott and Oliver Mennell - the name NEOM comes from their initials. The origin story of the brand comes from Nicola's own wellbeing needs. She had previously worked in journalism for Marie Claire, working long hours, and realised that she was dealing with issues around stress and sleep. She had an interest in aromatherapy and started making her own blends of aromatherapy oils in her kitchen, developing fragrances she thought would have some palpable benefit to relaxation and sleep, and that's where it all sparked from. She started making candles and selling them at trade fairs, before then looking for wholesale buyers. It was predominantly a wholesale business at first and then moved into other sales channels, including our own website and Amazon. In 2017, we received private equity funding, which allowed the business to grow further. Of course, during Covid, we also saw another uplift, as people were looking for ways to invest in experiences that they could do at home. Since then, the business has evolved from home fragrance to bath and beauty and electronic diffuser pods. So there's been a strong correlation between category expansion and channel expansion.

RB: Has being based in the UK been helpful in ensuring the quality of all-natural ingredients?

AW: Yes, it's practically easier to see into your supply chain when you're only a two-hour train journey away, rather than having to jump on a plane to another location. We make everything except for the electronic diffuser pods in the UK. NEOM Wellbeing became a certified B Corp in 2022 and has since published two impact reports in 2023 and 2025 so we're quite far down the journey of being more sophisticated in terms of supply chain control and oversight. Having said that, there's always more to do and when you are a small business with just a handful of people, it's just easier to see who is making your products and the manufacturing standards if it's all on your doorstep.

RB: From a geographic perspective, the UK is your home market, but you have a large presence in airports, which must help raise awareness in the international community.

Which markets have you found are particularly good for growth and what are you looking at?

AW: So we have a presence in various European markets, with our biggest European market being Ireland. We do have distribution in EU markets outside of Ireland, but the focus is on the US. We've been there for a year and ULTA is our key distribution partner: we were originally in 70 stores, and now we're at 300, with the goal being to reach 1,000 next year. We've also got a US GM who has been building out a small team over there. Most of the growth opportunity and what's going to move the dial on the size of the business for the next 3-4 years is really the US market. We understand that it's not just about finding a great partner like ULTA, but being on the ground, educating store managers and sales staff, and getting our product into the hands of ULTA staff and potential customers. It's a wildly competitive market and you have to be there essentially shouting about why NEOM Wellbeing is special and what its point of difference is.

RB: Are you focused on particular regions in the US?

AW: We've got six regional target areas. For us it's about scale, and thinking about what makes the most economic sense in terms of certain metro locations, and how we can become a meaningful size within those certain target demographics. So it's not about being in as many locations as possible, it's about focusing your effort on a handful of very valuable cities and extended metro locations in the US.

RB: How has the trade war impacted business?

AW: It's only really impacted on our electronic diffuser pods, which are manufactured in China and shipped to the US. The fortunate thing for us is that the biggest area for growth for us in the US is the bath and body category. It's not that we don't care about selling pods – they are massively valuable in terms of getting into people's homes, and they usually drive more sales of the blended oils, but they're less of an important growth factor in the US than some of our UK-manufactured bathroom beauty products, which although there is a tariff now, at least its stable.

RB: You've talked a bit about the diffusers as a method of regular repeat revenue. Is that indicative of a move away from some of the original reed diffusers and candles?

AW: No, home fragrance is still our core in the UK, and it would be reckless to give up on that. I think it's what's got us to where we are in a lot of ways. We've innovated and spent a lot of time, effort and money on keeping up to date on those subcategories – for example, in the last year, all of our essential oil reed diffusers all got what we call a "re-stage" – a full redesign in a brand new glass vessel, with different reeds, and a new kind of refill, an aluminium bottle. So we've continued to invest in that category. There are lots of different reasons why you might light a candle in a room versus putting on an electronic diffuser.

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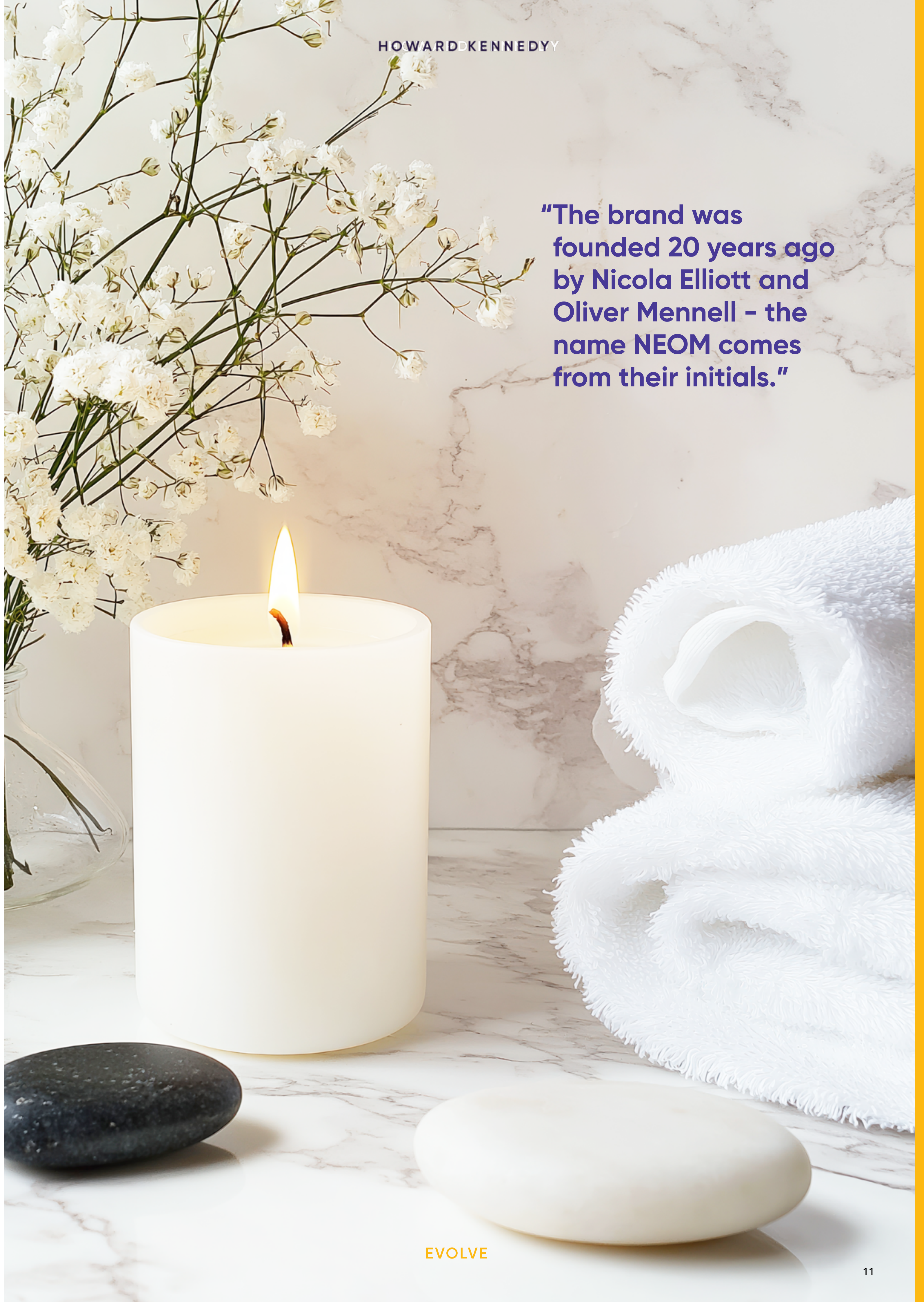

"The brand was founded 20 years ago by Nicola Elliott and Oliver Mennell - the name NEOM comes from their initials."

RB: In the last few years you've rebranded in a relatively subtle way. What was the thought process behind that?

AW: I wouldn't really call it a rebrand – it's definitely subtle. I think it was driven by some feedback from customers, panels and retailers and I guess the desire to make sure that we were ahead of expectations. Things like getting rid of cursive scripts to make sure that we were looking as clean as we wanted in terms of brand aesthetic, which we've had positive feedback about. I think all of our various assets – from products to emails – all look more harmonious now. It was part of a desire to tighten all of that up – being clearer that our USP is around wellbeing that's powered by 100% natural fragrance. We're being clearer about the way we talk about it in our stores, and on our websites. That very small logo and typeface change were just additional add ons to try to move us all in the direction that we wanted to go.

RB: Are you looking to align with influencers with the particular metropolitan locations that you're working on?

AW: Yes and in particular those influencers are aligned around the product categories that have the most traction in the US, like the bath and body products. I would be lying if I said I was an expert in it, but it does feel less like the Wild West than maybe 10 years ago. There are some good tech integration platforms that enable brands like us to scale activity in a way that is more commercially viable than in some of the old ways from 5-10 years ago. It feels like it has become more transactional in a way that can be tracked and scaled. It's a space that has become more commercially viable.

RB: You've recently opened on Regent Street, and it looks like you have a mixture of owned stores and concessions. How are you finding managing the real estate side of things?

AW: Broadly speaking, NEOM Wellbeing is four businesses. There's a DTC business, wholesale business, stores and then Amazon, which is a business in and of itself. There are nuances to all of them: for example, we sell on both the vendor and seller side of Amazon, and we staff some of our concessions, at places like John Lewis. I think the value comes from understanding what each of those channels really does for you. Why does it exist? Why is it important? What does good look like? What are the metrics you're trying to hit? And each of them comes with a different P&L structure and quite different non financial KPIs you're trying to hit. So for example, in the stores is where our customer spends most of their time, so it's the only place where you can get the full NEOM Wellbeing experience, with expert advice and knowledge about the brand, and where you can try every product in every fragrance. We don't think that the future of the brand is to have hundreds of stores, it's not necessary.

In the early stages, new channels naturally start as "hobbies" because you run them lean to test whether they have potential and can become profitable. That's perfectly reasonable when you're figuring out what has legs and trying to grow profitably year after year. But as those channels scale – multiple physical stores, a multi-million-pound Amazon business, and a large DTC business – you reach a point where treating them as hobbies no longer works. To keep scaling, each channel needs to be run with real expertise and appropriate resources. You can't afford to have any underdeveloped areas once they're material to the business. New experiments, like TikTok Shop, should still start as lean MVPs, but established channels have to be operated with robust expertise.

RB: AI search seems to be a much bigger thing now than it used to be. Is that something that's affecting conversions to the website? Is it something you're looking to improve?

AW: Yes, it's part of our thinking. From what we see through our SEO agency and industry conversations, the factors driving AI-surfaced results are broadly similar to traditional organic SEO, imperfect, but not fundamentally different. Traffic is gradually shifting toward AI platforms like ChatGPT, but much of what appears there is still driven by the same content and links that power Google, which itself is increasingly AI-driven. Our view is that this is a gradual evolution rather than a sudden cliff-edge change, and something to adapt to over time rather than a rapid, disruptive overhaul.

AI Design in Retail: Innovation, Risk and the Strategic Decisions Leaders Need to Take Now

By
Rosie Burbidge

AI is transforming how retailers design products, packaging and brand assets. It brings efficiency and creative scale, but it also introduces significant risks that can expose businesses to avoidable litigation, brand damage and operational disruption. This article sets out the key risks for retailers and the governance actions required to use AI safely and competitively.

AI-assisted design is now a board-level issue.

AI is already embedded across the retail design ecosystem. From generating product concepts and packaging layouts to creating logos, colour palettes and marketing graphics, AI tools are reducing time to market and expanding creative capacity.

However, these tools are trained on large datasets that may contain copyrighted or protected works. They can generate designs that are unoriginal, insufficiently distinctive or inadvertently similar to trade marks or product designs owned by others. They can also produce creative assets that fall outside the scope of copyright protection entirely. The result is a concentration of strategic risk that affects brand value, product roadmaps, supply chains and regulatory exposure. These risks require oversight at the highest level.

The five key IP and brand risks every retailer must manage

1

Loss of protection for AI generated designs

Copyright protects original artistic works. Where AI is used with limited human creativity, there may be no copyright in the output. Retailers could invest heavily in packaging or product aesthetics that competitors can freely copy. For retailers competing on brand distinctiveness, this is a material commercial vulnerability.

2.

Infringement of third party rights

AI can generate logos, patterns or product shapes that resemble existing trade marks or registered designs. Because AI models are trained on pre existing data, similarity can arise even when designers have no intention to copy. Using such assets in packaging, labelling or advertising can expose the business to infringement claims and the risk of reprints, recalls or rebranding at scale.

3.

Brand and reputational harm

AI generated content can reflect biases or cultural references that conflict with your brand values. A slogan, image or pattern that seems innocuous in the design workflow may appear insensitive or inappropriate when viewed in context. With social media scrutiny, the reputational impact can be immediate.

4.

Contractual and supply chain issues

Design agencies and freelancers are increasingly incorporating AI tools into their workflows. Without clear contractual terms on ownership, warranties and tool usage, retailers risk unclear title to key brand assets and exposure to hidden liabilities created upstream.

5.

Regulatory and operational gaps

Upcoming regulation, including the EU AI Act and evolving UK frameworks, will impose transparency and governance requirements on the use of certain AI systems. Retailers that cannot explain how their AI-assisted designs were created may face compliance challenges. Operationally, the use of unapproved tools and lack of version control can lead to inconsistent outputs and increased legal exposure.

Risk scenarios: what can go wrong

Scenario 1:

Supplier exposure

A design agency uses an AI tool that has been trained on unlicensed third party content. Although the agency believes the tool is legitimate, the underlying model includes copyrighted works used without permission. When the rights holder discovers that the retailer is using AI generated graphics derived from their material, they allege infringement and breach of licensing terms. The retailer becomes directly involved in the dispute, even though it had no knowledge of the training data and no ability to control the supplier's workflow. The retailer must deal with urgent take downs, reworking of creative assets and potentially significant legal costs.

Scenario 2:

Packaging redesign

A major brand approves an AI-assisted packaging design and sends it to print. After launch, a competitor alleges that the design infringes their registered design. The brand must urgently contact a large number of retailers, both online and in store, to coordinate removal of affected products. Thousands of units need to be scrapped, supply chains must be reworked at speed and the situation generates unwanted media attention. The incident also strains relationships with key retail partners who face operational disruption through no fault of their own. This illustrates how a single AI generated asset can trigger significant commercial, reputational and logistical fallout.

Scenario 3:

Brand refresh

An AI generated logo is registered as a trade mark. Six months later, when the business prepares to expand into a new market, clearance searches reveal a similar pre existing mark in that new market. The brand refresh must be reversed, requiring withdrawal and replacement of digital assets, packaging updates and store materials. Significant marketing investment is wasted and the delay disrupts the planned market entry. The incident also diverts internal teams and creates uncertainty for external partners. This highlights how reliance on AI generated brand elements, without robust clearance processes, can lead to strategic setbacks and unnecessary commercial expense.

"AI offers significant opportunities for creativity, efficiency and speed in retail"

Practical controls and governance.
A strategic, business wide framework is essential to manage the risks associated with AI-assisted design. The following controls provide a clear structure for safe and accountable use of AI across the brand and design lifecycle.

1.

Create an AI governance framework for design

Map where AI is used across design teams, approve a vetted list of tools and require teams to record when AI contributes to an asset. Ensure all outputs undergo human review to assess originality, brand fit and potential legal exposure.

2.

Strengthen contractual controls

Update agreements with agencies and freelancers to address AI use explicitly. Contracts should set out ownership of AI-assisted assets, require use of approved tools with appropriate licensing, include warranties on originality and provide audit rights to confirm compliance.

3.

Implement systematic clearance processes

Mandate trade mark and design clearance checks for any AI generated brand names, logos, packaging or product designs before they are adopted. This reduces the risk of investing in assets that cannot be used or protected.

4.

Develop a filing strategy for AI-assisted assets

Where human creativity forms a meaningful part of the process, register trade marks and designs to protect distinctive brand elements. A structured filing strategy ensures consistency and reduces the risk of competitors copying AI generated material.

5.

Stay ahead of regulatory change

Assign responsibility for tracking developments in UK and international AI regulation. Understanding how new rules affect design workflows, disclosures and record keeping is essential for long term compliance.

Conclusion

AI offers significant opportunities for creativity, efficiency and speed in retail design. Without strong governance, it can also expose retailers to substantial IP, brand and operational risks.

The businesses that will benefit most from AI are those that pair technological ambition with well structured risk management and a clear IP strategy.

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Disrupt: Examining how technology, AI and culture-driven beauty trends are transforming retail experiences, brand discovery and community-led engagement.

In conversation with Ruaraidh Grubb, founder of Own-Kind

By
Rosie Burbidge

Rosie Burbidge, Partner at Howard Kennedy, sat down with Ruaraidh Grubb to discuss Own-Kind, the clienteling and customer-engagement platform he founded in January 2018. Originally designed for luxury fashion sales associates, the tool enables them to create highly personalised shoppable lookbooks in seconds. Here, they discuss the origins of the business, why it evolved from its initial aims, and what the future may hold.

Rosie Burbidge: What is Own-Kind?

Ruaraidh Grubb: Own-Kind is a customer engagement platform that brings together CRM, clienteling, content creation, event management technology, appointment booking and an AI agent. All of this exists to help brands deliver a strong customer experience through a single touchpoint. It also provides data to help brands understand engagement levels, purchase intent and when to follow up, enabling them to build stronger customer relationships.

RB: How did the idea for Own-Kind begin?

RG: We originally explored the idea of a 'digital wardrobe'. The goal was to create something positioned between Farfetch and The RealReal/Collective. Customers would have a digital record of everything they owned, creating a valuable dataset for full-price retailers. Retailers could then understand what a customer already had, what would pair well with it, and what their tastes and preferences were, helping them deliver a more personalised service.

Customers would also be able to send items from their digital wardrobe directly to resale platforms like Vestiaire Collective or Depop. But the model created too much friction and proved difficult to execute, so we moved away from it.

Coming out of lockdown in 2021, we had a major breakthrough. Brands had highly trained sales staff with strong customer relationships, which had always been central to the pre-Covid in-store experience. During Covid, that experience deteriorated: masks, sanitising, limited capacity and constant interruptions at store entrances. We realised brands needed a remote sales tool that preserved sales advisors' expertise while compensating for the compromised in-store environment. That insight still holds today. People continue to value human connection, especially in store, and many still prefer speaking to a real person.

RB: You mentioned an AI agent. I understand this is a new tool. How does it work?

RG: The AI agent helps clients carry out tasks more efficiently, especially when applying complex filters to segment their audience. Previously, building a segment such as "customers who purchased jackets, haven't bought in six months and spent over £2,000" required multiple manual filters. Now the AI agent can create these filters in near real time, apply them to the database and give brands a much more accurate picture of their customer base. This allows us to generate richer insights, including reporting, data visualisation and further analysis.

RB: How do you ensure brands and customers feel comfortable with an AI agent?

RG: At the moment, our AI agent has no direct access to customer data. It simply applies filters, and we maintain a strict separation between the AI and the data itself. It's easy to imagine a future scenario where someone types something into ChatGPT and receives information about a recent purchase, leaving them wondering how that data was accessed. We want brands to feel confident that we're using AI carefully. There is enormous potential, but also significant risk.

RB: How are you using automation?

RG: We use automation for tasks such as post-purchase follow-ups. Two days after a customer makes a purchase, a task is created for their sales advisor to send a thank-you message. We can also schedule follow-up emails after a few weeks or months to re-engage customers.

RB: Can you help brands see how many sales Own-Kind has helped convert?

RG: Yes. We're fully integrated with a brand's e-commerce and retail POS systems, so we can see not just whether a customer converted but which channel they used, where the purchase happened and which touchpoint contributed. This helps us demonstrate ROI, learn more about customers and use those insights to further improve the platform.

"People continue to value human connection, especially in store, and many still prefer speaking to a real person."

RB: Brands now communicate with customers across so many different channels. How do you decide which to use?

RG: Brands typically use WhatsApp, SMS, email and social platforms. SMS and WhatsApp feel more personal and have higher open rates, but they can become intrusive if misused.

We help brands navigate this. First, customers must give explicit consent - SMS, for example, should only be used if someone has opted in. Then we use data to determine each customer's preferred channel and segment communications accordingly.

Our aim is to make it easy for brands to reach out on a 1:1 basis while respecting each customer's preferences, including how and when they like to engage. While the theory is simple, the execution is much more complex: it requires unifying data from multiple sources, generating insights and turning them into clear actions within the platform. That's where we add real value.

RB: How are you helping brands create and distribute social media content effectively?

RG: We want to help brands turn newness into sales. VIP customers already have high exposure to brand content: they follow on social media, visit the website and regularly see campaigns. When new campaigns launch, VIPs may engage, but the content itself often doesn't feel new.

Many platforms try to solve this by resending existing imagery, usually static. While this distributes content, it doesn't feel personalised or fresh. Our approach repurposes existing assets into interactive, individualised content using core brand elements, personalised names and dynamic imagery and video. Because the format is new and personalised, it feels genuinely relevant to the customer.

RB: What's next for Own-Kind?

RG: Two things we've already touched on. One is social media. I think it's still not being fully addressed by client-selling platforms, so we're thinking a lot about that. Then there's the AI agents – we are thinking about how we can deliver more functionality to the AI agent that doesn't give access to the customer database. And finally, I think it's always interesting to consider the push and pull between the in-store retail experience and the convenience of online shopping. Over the last year we've seen brands experience a plateau of e-commerce and a focus on experiential events, so it's working out how we can support that.

Cupid for Your Skin:

Bringing Korean Beauty to UK Consumers

Julian Hindmarsh in conversation with Melody Yuan, Founder of Skin Cupid

Korean beauty has taken the global skincare scene by storm, but bringing its innovation and philosophy to UK consumers required vision and persistence.

Julian Hindmarsh speaks with Melody Yuan, founder of Skin Cupid, about her journey from a personal passion to building one of the UK's leading destinations for K-beauty. Melody shares insights on scaling a niche concept into a thriving brand, the role of community in growth, and how authenticity remains at the heart of Skin Cupid's success.

Julian Hindmarsh: Skin Cupid began as a passion project in 2021. What inspired the launch, and how did you identify the opportunity in Korean beauty for UK consumers?

Melody: I've always struggled with acne-prone, sensitive skin and tried countless products, but it was Korean beauty that transformed my approach. K-beauty focuses on gentle, healing ingredients and a "skin-first" philosophy, unlike Western skincare which often aggressively targets problems.

I started using K-beauty over 10 years ago, long before it was popular in the West. During COVID, I began offering skincare consultations out of passion and saw a huge gap in the UK market. K-beauty is known for affordability, innovation, and being ahead of trends, yet these products weren't easily accessible locally.

That insight led to Skin Cupid—acting as a "Cupid for your skin"—matching people with products they'll love and that truly work.

Julian Hindmarsh: What have been the biggest operational challenges in scaling from an online store to pop-ups and international expansion?

Melody: Scaling fast brings challenges. First, finding the right talent to match growth was harder than expected. Second, introducing a new category meant compliance hurdles—many K-beauty products weren't registered in the UK, so we helped brands with labelling and regulatory processes.

Third, moving from e-commerce to experiential retail was a steep learning curve. Our first pop-up in December was a success, giving us insights on footfall, conversion, and customer preferences. But creating a flagship experiential store was another level—mapping customer journeys, logistics, visual merchandising, and even details like shelving height. We wanted customers to feel emotion and connection, not just shop. That required meticulous design and staff training.

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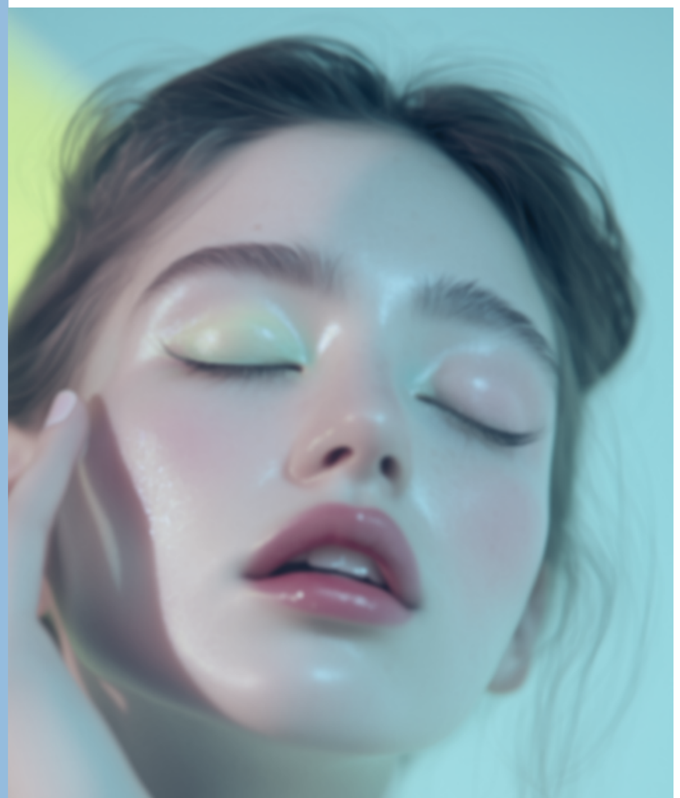
Julian Hindmarsh: How do you select products that appeal to both skincare newcomers and enthusiasts?

Melody: Curation is at the heart of Skin Cupid. We never stock every SKU from every brand. Our team tests 99% of products before listing them, sharing feedback across different skin types and concerns.



We use three lenses:

1. **Effectiveness – Does it solve a problem?**

2. **Innovation – Is it new and filling a gap in our assortment?**

3. **Customer demand – Are people asking for it?**

Community input is vital - we regularly ask followers what brands or products they want to see next.

Julian Hindmarsh: What role does community play in your growth strategy, and how do you keep customers engaged and loyal?

Melody: Community is everything. We’ve grown through word-of-mouth, education, and organic social reach. Customers connect with our team personally - we share skincare journeys and struggles, making the brand relatable.

We reward loyalty through VIP perks like masterclasses, events, and exclusive goodie bags. Our flagship store was designed with customers in mind - open spaces, storytelling ceilings, and interactive features like claw machines for loyalty members. Every touchpoint reinforces that we care deeply about our community.

Julian Hindmarsh: How do you maintain authenticity and trust while growing rapidly?

Melody: Authenticity is non-negotiable. Our content is educational, not just promotional. We’re transparent about what works and what doesn’t- even breaking down viral products that may not suit everyone.

No brand can buy our voice. We only promote products we believe in, backed by rigorous curation and ingredient checks. We even host educational sessions with brand manufacturers to ensure

accuracy. Compliance is another trust pillar—every product meets UK regulations, which sets us apart from grey-market sellers.

Julian Hindmarsh: What insights have you gained from physical retail activations like your London pop-up, and how do they shape future plans?

Melody: Physical retail works when it’s experiential. Our pop-up taught us that customers crave novelty and engagement. At our flagship, we created “Cupid World,” a members-only zone with rotating gifts and immersive design. Events like hosting K-pop idols keep the experience fresh.

“Community input is vital - we regularly ask followers what brands or products they want to see next.”

Retail isn’t just about sales - it’s about creating moments that strengthen brand loyalty.

Julian Hindmarsh: What trends in Asian beauty are you watching closely, and how do you stay ahead?

Melody: Korean beauty evolves fast, driven by government-backed innovation. Skin barrier care remains strong, with ingredients like PDRN trending for regeneration. Slow-ageing, dermatology-inspired formulations, and wellness (inner health) are rising. We stay ahead by constant dialogue with brands and monitoring emerging concepts.

Julian Hindmarsh: What’s next for Skin Cupid?

Melody: Following our flagship success, we plan to expand experiential retail across key UK cities and internationally. We aim to create culture, not just retail - becoming the most trusted destination for Asian beauty.

We’re also growing our merchandise line after our tote bags sold out within a week. Customers want to wear Skin Cupid, which signals strong brand affinity. Our future stores and partnerships will deepen this cultural connection.

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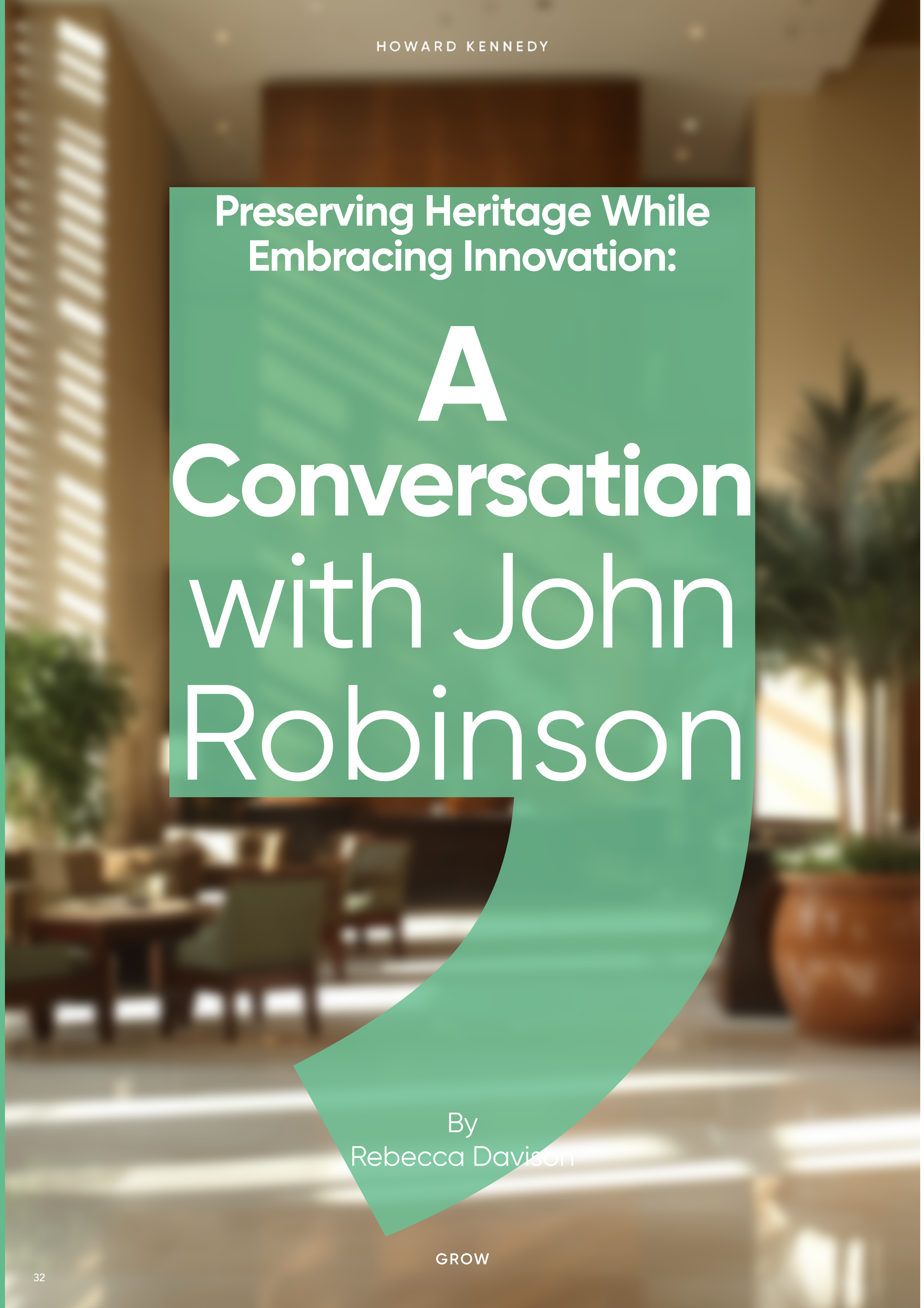
Grow: Analysing shifting consumer expectations, loyalty and values led leadership in luxury and specialist retail, and the role of culture, service and people in driving growth.



Preserving Heritage While Embracing Innovation:

A Conversation with John Robinson

By
Rebecca Davison

In the world of luxury jewellery and watchmaking, few names carry the weight of tradition and trust quite like David M Robinson. As Managing Director of DMR & Co. Ltd, John Robinson has overseen the evolution of this family-run business while staying true to its values-led culture.

In this exclusive conversation with Rebecca Davison, John Robinson shares insights on creating exceptional customer experiences, fostering loyalty, balancing heritage with innovation and navigating partnerships with iconic brands like Rolex and Patek Philippe.

Rebecca Davison: As a family-run jewellery business, how do you preserve your values-led culture while competing with PE-backed retailers?

John Robinson: The answer is s a simple one; we encourage everyone in the company to treat our clients as they would do for their family or friends. Additionally, all our colleagues are, in reality, customers of our business because if they are not cared for, how can we expect them to pass on that caring attitude that pervades all we do. Leadership creates that culture of caring.

RD: In a time where retail is increasingly experiential, how does DMR create a customer journey that stands apart?

JR: We look at the journey through our customers' eyes and from their perspective constantly. We focus on the genuine feelings that can emerge from retail. We try to be good hosts, always welcoming and generous. We always offer to go the extra mile to help our clients, be it a chauffeured car to collect them for a special occasion, surprise gifting or invites to special events or launches. Sometimes a good experience is just about someone returning a phone call!

RD: Client loyalty is clearly at the heart of your business, what do you believe keeps customers returning to DMR time and time again?

JR: I genuinely think people are loyal and certainly want to be and if treated correctly we have a chance to secure their loyalty. We never take it for granted, sometimes we do make mistakes, but we learn from them, and we always listen. People go where they are made to feel welcome. True in luxury retail, restaurants and hotels.

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RD: There is a real sense of pride and warmth when you visit your boutiques. How do you foster such strong internal culture and brand advocacy among the team?

JR: Day by day. We are always delighted to see our clients walk in and a warm welcome always awaits. Many of such visits are booked on a by appointment basis now (something that became popular after Covid) so it's little easier to plan. We take the view that our clients are visiting our home, so we do as all good hosts do, we offer a genuine welcome and everything from teas and coffees to whiskies and wines, usually the client's favourite brand if possible. Our clients can be with us for three to four hours so it's important everyone feels relaxed.

RD: What are the biggest challenges, and opportunities, when it comes to balancing DMR's heritage with the need for innovation in today's luxury market?

JR: Our heritage is our strength and when the business was started by DMR there was always a simple focus on how our customers felt when they left. That Day One thinking still underpins everything we do. We can't be the biggest in our sector and we can't offer the most locations, but we enjoy the personal scale and nature of our business.

RD: How can and does digital engagement support and enhance DMR's overall brand strategy?

JR: Digital can help...many clients start their journey online and may see our jewellery on social media or on our website but from that first point of contact, we try to make technology work for our clients - from iPads to phones, Salesforce as a CSP through to CAD and digital 3D printers in our workshops. Ultimately if our client just wants to sit with the goldsmith for a while and watch as they create their jewellery, we make that happen too. Not very "techie" but certainly human and memorable.

RD: How do you see the brand evolving over the next five years, particularly in terms of product offering and customer experience?

JR: I think there will be a move towards genuine luxury.... who wants to wear a ring that a thousand others have, ubiquity is not luxury. Bespoke is luxury - customer commissions around our design work and having your own personal goldsmith is luxury. Being invited to privately visit the world's best brands or attend exclusive "invitation only" events is luxury. The same is true for personalised gifting and having a relationship with a brand that thinks ahead for you and of you, is luxury.

RD: DMR is an authorised retailer for both Rolex and Patek Philippe – two of the most prestigious names in watchmaking and has a boutique at the Peninsula Hotel in London. What drew you to these partnerships and how do they align with your brand values?

JR: Patek Philippe and Peninsula are family run brands so there is an automatic and implicit synergy. Everything they do really is personal. Rolex, although larger in scale, runs on similar lines; their ambassadors are part of the Rolex family as are the scientists, geographers, oceanographers, zoologists, artists, dancers, opera singers and institutions they support through their Perpetual Planet initiatives. We try like those brands to give back as much as possible, especially to the communities we draw from and the projects we want to see supported.

RD: A final question, demand for many luxury watches is at an all-time high. How do you manage expectations of both new and longstanding clients – around allocation and availability?

JR: With candour and honesty. It is impossible for Patek Philippe or Rolex to make as many pieces as the market would take and to attempt to do so is counterintuitive. Something that is both omnipresent and always available is not always so desirable. Making a luxury watch is unbelievably complicated and the watch will last for many generations. No one is rushing anything. Someone told me once that game rule one in life is that "you can have anything you want but you can't have everything you want" and all the life lessons we can possibly think of apply to this mantra. We are happy to share the insight and the wisdom we have gathered with our customers and the true luxury customer understands and values provenance, scarcity and authenticity in the product and caring, professionalism and honesty from the luxury house. Like the people in Patek Philippe, Rolex or the Peninsula, we love what we do.

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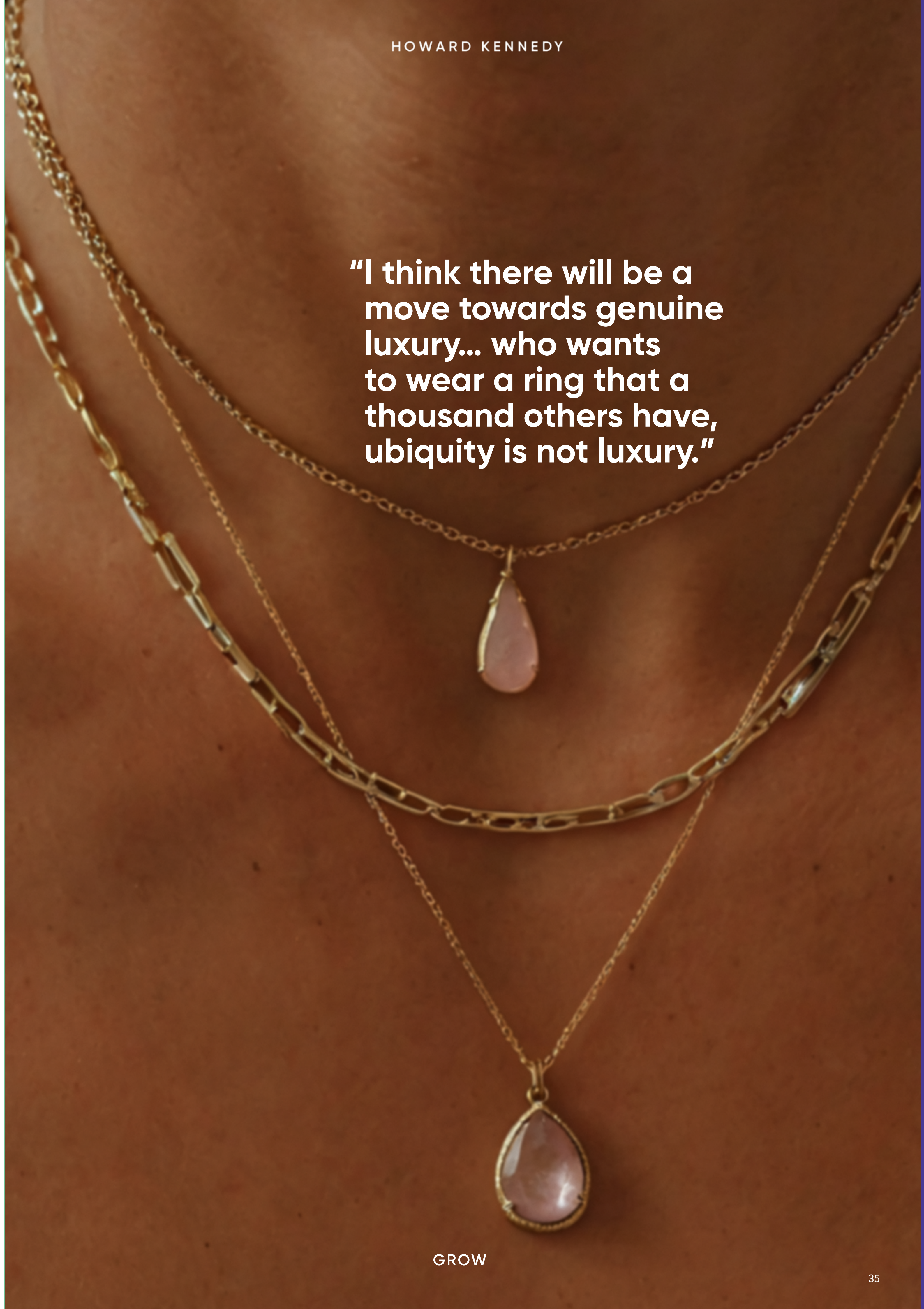

“I think there will be a move towards genuine luxury... who wants to wear a ring that a thousand others have, ubiquity is not luxury.”

GROW

Modernising Tradition:

Chris Brook-Carter on Leading Retail Through Change

By
Lydia Christie

Lydia Christie speaks with Chris Brook-Carter, Chief Executive Officer of the Retail Trust, about modernising one of the retail sector's oldest institutions for today's realities. Chris reflects on the leadership lessons of the past five years, the growing wellbeing crisis facing retail workers, and why happy, healthy people are now critical to business resilience.

Their conversation spans the pressures reshaping retail - from economic uncertainty and generational change to the rise of AI - and explores how data, culture, and better people leadership can help the industry thrive.

Lydia: You've been at the Trust for five years now and there has been significant and rapid change during that time. What have been the biggest leadership lessons from modernising a very old organisation in a modern, retail-focused world?

Chris Brook-Carter: I think one of the biggest lessons is around relevance - the constant search for it, and the need to make sure your organisation stays relevant over time. That's as true for us as it is for a retailer. Fundamentally, it comes down to asking: who are you there to serve, and why do you exist in the first place?

When I look back at the transformation of the last five years, the most important thing we did was go right back to the beginning - January 3rd, 1832 - and really understand why the founding patrons set the organisation up in the first place. When you do that, you almost always rediscover a very clear sense of purpose.

What was remarkable is that those founding principles - nearly 200 years old - still felt just as relevant today. The idea that happy, healthy people create thriving industry; that real change requires as many people as possible feeling connected to a shared cause; and that investing in people's health is ultimately an investment in productivity and prosperity. Those principles became the foundation of our strategy.

Lydia: You mentioned that those founding ideas are still relevant today. From a mental wellbeing perspective, have you seen shifts over time that perhaps wouldn't have been envisaged originally?

Chris Brook-Carter: Yes, definitely. Over the last five years, one of our biggest achievements has been repositioning the Trust so it sits right at the centre of how the retail sector looks after its people. We now act as something of an umbrella organisation, helping the industry develop a stronger sense of identity around wellbeing.

There's no doubt we're the right organisation at the right time. Covid fundamentally opened up conversations around mental health that were long overdue. Business has a critical role to play in public health - especially when the state is struggling to cope with rising mental health issues, particularly among 16–24 year olds.

There's also a clear self-preservation element for businesses. If people aren't well, businesses don't thrive.

Historically, the Trust has stepped in at pivotal moments. In the 1860s, it helped shape the working week. In the 1890s, it opened retirement homes before there was any national safety net. In the late 1940s and early 1950s, it played a major role in rebuilding UK high streets after the Blitz.

I genuinely believe we're at one of those moments again. We're facing rising absence, more people leaving work due to ill health, and a real crisis in the workforce. As an organisation, we have a huge opportunity to help address that in one of the UK's most important industries.

From a leadership perspective, another crucial lesson has been getting the team right - building a high-performing culture that feels more like a fast-moving startup than a traditional charity.

"For a long time, wellbeing support was very one-size-fits-all. We now know that doesn't work"

Lydia: Retail is facing huge uncertainty - economic pressure, rising costs, and technological disruption. How do those challenges shape your work around people and wellbeing?

Chris Brook-Carter: Retail has always been tough, but it really is particularly challenging right now. Cost bases are harder than ever to control - wages, technology, consumer expectations - all of it creates uncertainty and pressure on sustainable business models.

Our opportunity as an organisation is to help retailers see that significant savings can be made through their people - not by employing fewer staff, but by keeping the people they have happy, healthy and productive.

Across the 200 businesses we work with, covering around 650,000 people, our data suggests the financial risk to the sector from health-related churn alone is around £7 billion a year. Historically, businesses haven't tackled this strategically, largely because they didn't have the data to connect absence and churn with specific drivers - or to know what interventions actually work.

What we're building is a model that shows organisations where their risks are, what's driving them, and how to intervene in a targeted, measurable way.

Lydia: With the data you're gathering, what are individuals valuing most in terms of wellbeing and engagement? And do you see generational differences?

Chris Brook-Carter: Absolutely - and this highlights why data is so important. For a long time, wellbeing support was very one-size-fits-all. We now know that doesn't work.

Different generations, job roles, seniority levels, and demographics all engage with wellbeing very differently. For example, 16–24 year olds are currently the least happy group in the workforce. They're more likely to experience anxiety, absence, and churn. Older generations generally show greater resilience.

Job roles matter too. Our data shows colleagues in distribution centres are the least happy, followed by store colleagues, with head office employees being the happiest. There's also seasonality - wellbeing tends to dip during peak retail periods and improve in spring. That's why we encourage major engagement and training initiatives during spring, when people are more receptive.

So the strategy has to be nuanced. One approach simply doesn't fit everyone.

Lydia: Looking ahead, how are you using AI and technology to support this work?

Chris Brook-Carter: For a charity doing this type of work, we're relatively advanced in our use of AI. With data from 650,000 colleagues, there are huge numbers of micro-trends beneath the surface. AI allows us to identify those and act on them.

Each month, our platform generates tailored action plans for partner businesses, highlighting risks around absence and churn and recommending targeted interventions. We also use AI to personalise support for individuals - not just addressing symptoms like poor sleep, but identifying root causes and directing people to the most appropriate resources.

I'm very optimistic about AI's role in workplace health. It enables true personalisation at scale.

That said, AI will also cause disruption in retail, including job losses. But I believe it will massively increase the importance of culture. If AI levels the playing field on IQ, then EQ, culture, and human connection become the real competitive advantage.

Lydia: How do you measure the success of your work with retailers?

Chris Brook-Carter: At the simplest level, we're obsessed with reach - how many people are accessing support each year. That support ranges from crisis intervention after traumatic incidents to everyday help with sleep, finances, or lifestyle changes.

But we're equally focused on outcomes: are we improving health, reducing absence, and preventing people from reaching crisis point in the first place?

Currently, around 15% of the 650,000 colleagues we support engage with our services - far higher than industry norms. Our priority is growing that number, because early intervention is what truly drives down churn and absence.

One of the biggest predictors of wellbeing is still the relationship with a line manager. That's why training junior line managers is always one of our first interventions. In retail, they manage the majority of staff and customer interactions, yet often receive the least training in people skills.

We work hard to prevent accidental counselling - encouraging managers to signpost people to professional support rather than trying to solve complex mental health issues themselves.

Lydia: Finally, what's your vision for the next 12–24 months?

Chris Brook-Carter: Our focus is on two main areas.

First, continuing to develop our data and AI capabilities to give the sector deeper, more actionable insights that reduce costs through happier people.

Second, building a coalition of retailers to campaign for kinder, healthier shopping environments - for colleagues and customers alike. This year's Let's Respect Retail campaign (retailtrust.org.uk/respect) has had strong media reach, national advertising through shopping centres, and free training for over 3,000 colleagues in conflict de-escalation and recovery.

However, to turn this into a true national movement, we need more major retailers to come on board. This is a complex, society-wide issue, and it requires an industry-wide response. Individual policies aren't enough - we need to face this challenge together as a sector.

The New Employment Rights Act 2025:

What Retailers Need to Know

By
Annie Long and Lydia Christie

The Employment Rights Bill received Royal Assent on 18 December 2025, becoming the Employment Rights Act 2025. It introduces sweeping reforms that will significantly impact how retailers recruit, retain, and manage their workforce. The changes are set to reshape employment practices and will particularly impact the retail sector where flexibility, agency staff, shift work and variable hours are common.

Implementation will be phased over the next two years, but retailers should start preparing now to mitigate compliance risks and to maximise employee engagement. At the time of writing (25 February 2026) further Government consultation papers and regulations are expected to be published setting out more details of the forthcoming changes. Retailers can contribute their views by responding to the consultation papers.

"The Employment Rights Bill received Royal Assent on 18 December 2025, becoming the Employment Rights Act 2025. It introduces sweeping reforms that will significantly impact how retailers recruit, retain, and manage their workforce."

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Key Changes Impacting Retail

1.

Guaranteed Hours

One of the most disruptive changes for the retail sector may be the requirement to offer guaranteed hours to qualifying workers (those on zero hours or low hours contracts) and agency workers to reflect the hours they have worked over a reference period (anticipated to be 12 weeks), if their hours exceed the minimum number set out in their contract or the minimum threshold to be specified in regulations. Importantly for the retail sector, where seasonal workers are commonplace, further details are awaited in respect of the grounds on which it may be acceptable to use fixed term contracts where retail businesses reasonably consider that there is only a temporary need for qualifying workers to do work.

Retailers will also be required to provide reasonable notice of shifts, shift changes and cancellations or will be required to make compensation payments for cancelled, moved or curtailed shifts where sufficient notice is not provided. In preparation for this, retailers are advised to review their rostering systems and payroll processes.

These provisions are expected to take effect in 2027.

2.

Flexible Working

Whilst employers will still be able to refuse flexible working requests on specified business grounds, the Act provides that they can only do so where it is reasonable. Employers will need to set out their reasoning for refusing the request and explain why they consider it reasonable. With potentially more flexible working applications, retailers could consider job shares, split shifts, or hybrid roles.

3.

Statutory Sick Pay (SSP) and Family Leave

The Act proposes that from April 2026 SSP will apply from day one (removing the current three-day waiting period) and the lower earnings limit (currently £123 per week) will be removed. This will increase costs for retailers, particularly for part-time or lower-paid staff. There will also be day-one rights to paternity, parental and bereavement leave.

4.

Harassment and Discrimination

The proactive duty to take reasonable steps to prevent sexual harassment (which came into force on 26 October 2024) will be converted to a duty to take 'all reasonable steps'. Employers will also be liable for acts of harassment by third parties (not just sexual harassment) against their staff in the course of their employment, unless they can prove that they took all reasonable steps to prevent it. With harassment from third parties towards retail staff sadly on the rise, to help to show that 'all reasonable steps' have been taken to prevent harassment, retailers should consider:

– Conducting risk assessments;

– Implementing customer conduct policies;

– Refreshing and undertaking regular staff training;

– Reviewing incident reporting mechanisms; and

– Displaying signage to deter inappropriate behaviour.

Confidentiality clauses (or NDAs) preventing workers from making allegations of harassment, discrimination or the employer's handling of them, will be void (with exemptions expected to be set out in regulations). There are reputational risks associated with these disclosures being made. Retailers will need to inform staff of the preventative steps they have identified from their risk assessment, update internal guidance and systems and enhance and strengthen their procedures and processes, particularly relating to internal investigations. Retailers that foster a transparent and safe working culture will also benefit from reduced worker turnover and absenteeism, and enhanced productivity.

5.

Unfair Dismissal

After much back and forth, the Act will reduce the current two-year qualifying period for unfair dismissal claims to six months. Careful planning and changes to probation policies and performance management processes will therefore be required in the first half of 2026.

The Act also removes the cap on compensation for unfair dismissal claims (which is currently the lower of 52 weeks' pay or £118,223). Getting termination processes right will therefore be important for retailers. The Government has confirmed that it will publish an impact assessment regarding the removal of the compensation cap before implementing it.

These changes are planned to take effect from 1 January 2027.

6.

Fire and Replace

The Act provides that it will be automatically unfair to dismiss employees to replace them with non-employees (i.e. contractors) performing the same work (unless the reason for the dismissal is that the employer's need for work has diminished). Retailers should be mindful that they won't be able to switch to self-employed staff to save costs.

7.

Trade union reform

The Act introduces significant trade union law reforms. Some of the key changes planned to take effect in October 2026 include new rights of access to workplaces for unions for the purpose of recruitment, organising and collective bargaining, but not for strike action purposes. There will also be a new requirement to give workers a written statement of their right to join a union, which will apply from the outset of employment. Retail businesses which have not previously had much or any engagement with unions will need to be proactive in preparing for these changes.

Looking Ahead

The Government will continue to consult on the proposals before they come into force between April 2026 and the end of 2027. The Act will be challenging and disruptive in the retail sector, and retailers should review processes and adapt to the changes now to stay ahead and be compliant.

> "Further Government consultation papers and regulations are expected to be published setting out more details of the forthcoming changes. Retailers can contribute their views by responding to the consultation papers."

EXPAND

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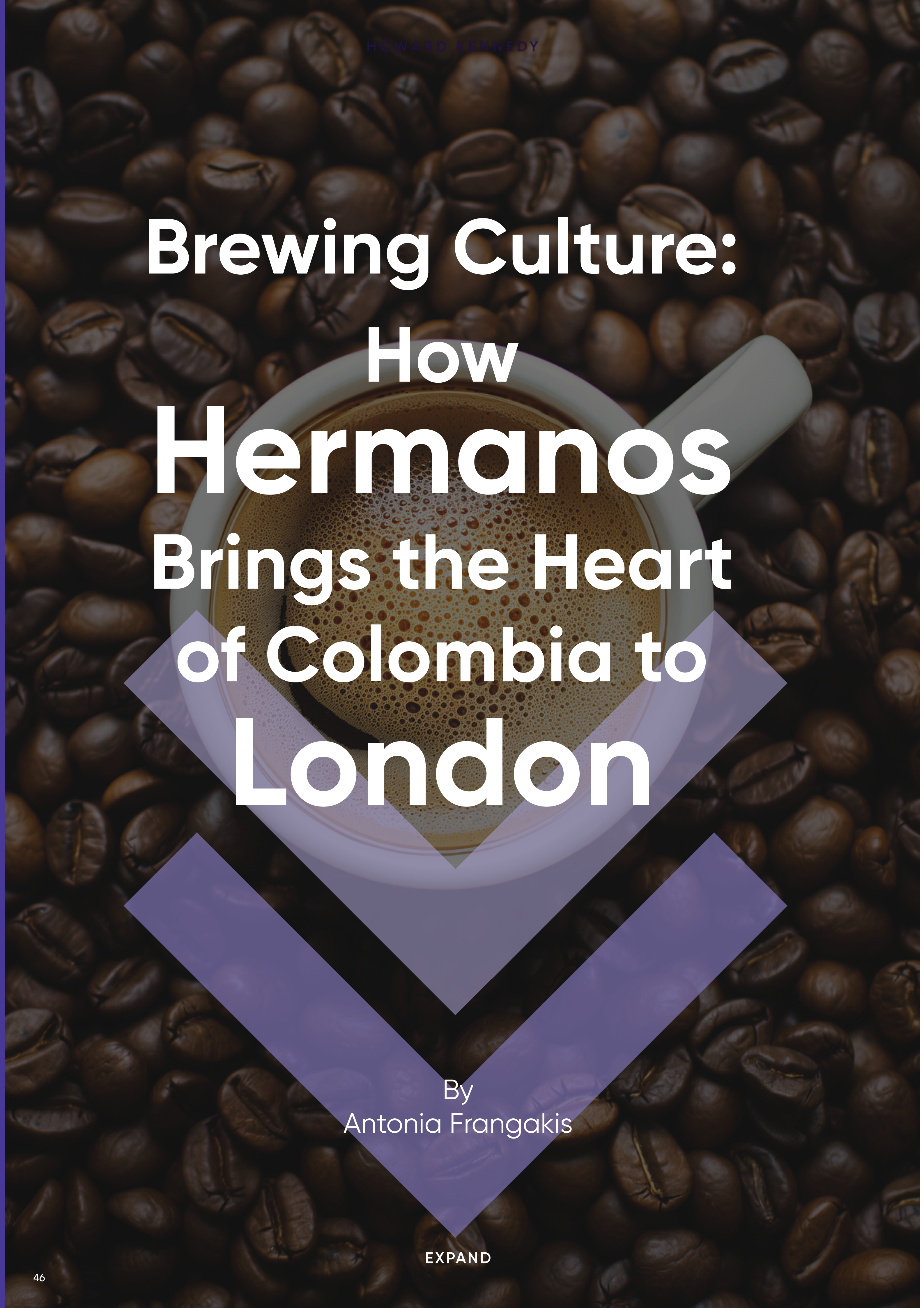
Expand: Investigating how storytelling, sourcing integrity and real estate strategy shape the evolution of physical retail spaces and support sustainable multi-site expansion.



Brewing Culture: How Hermanos Brings the Heart of Colombia to London

By
Antonia Frangakis

In conversation with Victor Gamboa, co-founder of Hermanos

Commercial property lawyer Antonia Frangakis sat down with Victor Gamboa, co-founder of Colombian coffee roasters Hermanos. Founded in 2018 by brothers Victor and Santiago and long-term friend Adnan, its raison d'etre is to bring the warmth of Colombian culture to the UK via one of its most famous exports, its coffee culture. Here, he discusses how his Colombian heritage has shaped the journey of the business, the challenges of scaling when you are a small batch business, and how storytelling is at the heart of everything they do.

Antonia Frangakis: Hermanos started as a pop-up in Walthamstow in 2018 – what inspired the brand, and how has your Colombian heritage shaped its journey?

Victor Gamboa: One of the things that inspired us was that we always wanted to bring Colombian coffee to the UK properly. When we started with pop-ups, we knew the most important thing was getting people to try the coffee.

Santiago and I are both from Colombia, and we always wanted to create a place that only focused on specialty Colombian coffee, showcasing the diversity that Colombia has. That was the starting point.

The pop-up was a way to test that idea – to see what people thought. The reaction was overwhelming. People tried the coffee, loved it, and from there things grew slowly, little by little. That Colombian heritage – knowing the coffee, the farms, and the culture – is at the heart of everything we've done since.

AF: How do you balance small-batch craft with scaling across London and beyond?

VG: For us, growth only works if quality is never compromised. One of the main ways we balance that is by investing heavily in equipment and processes that allow us to scale while maintaining control.

We invested in a Loring roaster, which gives us excellent quality control. Every batch we roast is tested – whether it's six kilos or 15 kilos. If something isn't right, we simply don't sell it.

When we started, we had a one-kilo roaster. Now we operate a 16-kilo roaster, but we still roast little and often. We carefully control roasting days and freshness. We don't sell coffee in our stores that's more than three or four weeks from the roasting date.

That approach – roasting frequently, testing everything, and prioritising freshness – allows us to grow while keeping consistency across our stores and online.

AF: What makes your approach to sourcing and roasting different, and how do you ensure quality and traceability across every cup?

VG: We do all our sourcing ourselves. We travel to Colombia three or four times a year. We visit the farms, meet the farmers, know their families, and understand their land and processes.

That gives us a very clear picture of quality at farm level. For specialty coffee, that's crucial because the processes matter so much. It's not about having the latest equipment – it's about discipline and systems.

We work with many small farmers who don't have big infrastructure but produce incredible coffee because they follow strong processes. We cup the coffee in Colombia, and when it arrives in the UK, we cup it again to ensure it's exactly the same coffee. Sometimes

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what you taste at origin isn't what arrives, so that consistency check is essential.

Because we have direct relationships, we also have full traceability – we know exactly where every coffee comes from and who produced it.

AF: How do you support Colombian farmers and communities through direct trade and sustainability initiatives?

VG: We work directly with farmers – there are no intermediaries. We pay based on quality, not on the C market price. If the market price drops, that doesn't affect what we pay our farmers. All the money goes directly to them. That allows them to invest in their farms and their families. We've seen many farmers send their children to school and university, and now those children are returning to the farms with new knowledge. Before, many young people left farming altogether and moved to the cities. Now they see coffee farming as a viable, dignified way of life.

In terms of sustainability, farmers are taking much better care of the land. Many now grow coffee under shade using native trees, which increases biodiversity. From the outside, the farms look like forests. This biodiversity reduces the need for pesticides. They're also using much less water during processing and recycling that water instead of polluting rivers. Protecting the environment means they can keep producing better coffee long-term.

AF: What role does storytelling – through packaging, retail, and digital – play in connecting customers to the origin of your coffee?

VG: Storytelling is everything for us. Especially now, when many brands talk about ethics or sustainability without really backing it up.

Every bag of coffee we sell has a name – the name of the farmer, the farm, or the region. All our coffees are single origin. If you see a coffee called Don Domingo, that's the farmer's name. It's from his farm in Santander. We don't blend.

That creates a direct connection. Customers can see exactly where their coffee comes from and who produced it.

We've also brought farmers to the UK so they can see the end customer and hear feedback. On social media, when we travel to Colombia, we talk about the farmers and put them in the spotlight ourselves. That authenticity is visible to customers.

Because customers see that real connection, they're happy to pay a little more. They know their purchase has a genuine impact – both in Colombia and here in the UK.

AF: How do you create a memorable customer experience, both online and in-store, in a competitive coffee market?

VG: In-store, we try to recreate a bit of Colombia – through music, artwork, decoration, and atmosphere. We want the spaces to feel relaxed and welcoming.

We also run tastings, festivals, and events. When you're proud of the product you sell, it shows. Customers often say, "I didn't know coffee could taste like this," and that makes our teams proud too.

"That Colombian heritage – knowing the coffee, the farms, and the culture – is at the heart of everything we've done"

Customer experience is paramount. If a customer isn't happy with their coffee, we replace it immediately – no questions asked, no manager approval needed. If a barista isn't happy with a drink, they remake it.

Online, we're just as personal. We offer next-day delivery, accommodate special requests, and treat customers like friends. We offer subscriptions for convenience, but we also handle individual requests carefully.

We always ask ourselves: how would we want to be treated as customers? That mindset guides everything we do.

AF: What trends are shaping the future of specialty coffee, and how is Hermanos adapting to meet evolving consumer expectations?

VG: Coffee is constantly evolving – new varietals, new fermentation methods, new processing techniques. Colombia's geography gives us incredible potential, and we're always looking for rare and exciting coffees.

Processing, especially fermentation, is developing quickly. Farmers are experimenting more, and we actively seek out those coffees. We rotate our coffees every three to six months so customers are always discovering something new.

We also innovate with formats, like cold brew. Each store makes its own cold brew, which means customers get variety and freshness. We don't dictate one single approach – we let creativity happen at store level.

Being present in our shops, listening to customers, and adapting quickly is key.

AF: What's next for Hermanos – are there new formats, locations, or product innovations on the horizon?

VG: At the end of last year, we launched franchising. That's one of the ways we see the business growing, alongside opening our own stores.

Franchising allows us to showcase more Colombian farmers and buy more coffee from them. London and the UK remain huge opportunities, but we're also exploring international growth.

Legal issues to consider for any retailer **looking to expand its offering**

By
Antonia Frangakis

"Diversification can create new revenue streams and enhance customer experience, it also raises a range of legal issues that must be carefully considered before implementation."

As consumer expectations evolve, many retail operators look to broaden their offering beyond traditional retail sales. This may include introducing food and drink services, hosting in-store events, offering beauty or personal services, or incorporating leisure or community uses. While such diversification can create new revenue streams and enhance customer experience, it also raises a range of legal issues that must be carefully considered before implementation.

Planning Considerations

One of the first issues is whether the proposed activities have the relevant planning permission required. Planning permission is required for change of use, and for certain works. The broad nature of use class E, which covers a number of commercial uses, is incredibly helpful for a number of operators who need flexibility in their use but it's important to note that even though this allows greater flexibility, restrictions may still apply through local planning conditions or planning obligations, for example a planning permission may allow retail use under class E but have a condition which prevents any change in use, or a certain type. Before changing use, or incorporating a new use, planning should be checked.

Lease Restrictions

Most retailers will occupy their stores under leases, and it's important to check what the lease allows, and does not allow. Many retail leases restrict use, hours of operation, alterations, signage, or the sale of certain products such as alcohol or hot food. Landlord consent may be required, and failure to comply could result in breach of lease.

Title Restrictions

A restriction may have been placed on the title restricting the way the land can be used. This may be a historic restriction which has a relatively low level of risk attached to it, and often insurance is considered an adequate means of mitigating risk. However, it should

be remembered that insurance will not affect the practical issue of enforcement if the store is forced to close and cease trading. The terms of any insurance should be reviewed to ensure that it does not just cover the cost of defending any claim but any other costs which are important, for example loss of rent and/or the cost of the initial fit-out.

Licensing and Regulatory Approvals

New offerings may trigger additional licensing requirements. For example, selling alcohol typically requires a premises licence and a designated premises supervisor, while providing late-night refreshment or hosting live music or events may also require licensing approvals. Beauty treatments, massage, or cosmetic services may require local authority registrations, while any operator handling food needs to check business registration and compliance with food safety regulations. Failure to obtain the correct licences can result in enforcement action, fines, or closure. There is also ultimately the reputational risk to consider in any "public" breach scenario.

Health and Safety Obligations

Broadening customer activities can significantly expand a retailer's health and safety responsibilities depending on the nature of the use. Operators must ensure that risk assessments are updated to cover new services, equipment, or customer behaviours. This may include fire safety assessments for higher occupancy, specialist training for staff, safe food handling procedures, and compliance with workplace welfare regulations. Public liability exposure may increase, requiring updated insurance coverage.

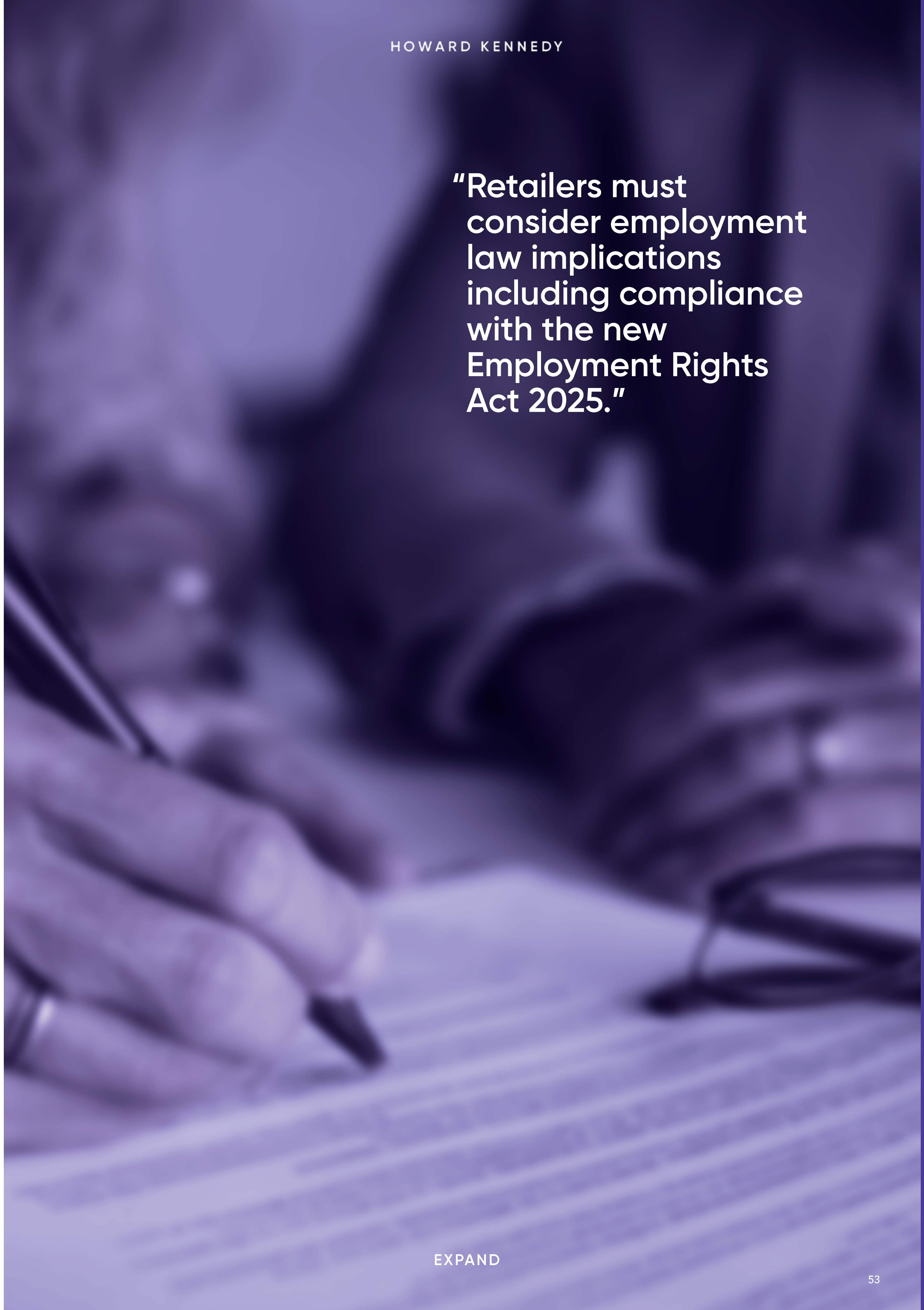
Employment and Staffing Issues

Introducing new services may require staff with different skills or qualifications, such as trained baristas, chefs, therapists, or event staff. Retailers must consider employment law implications including compliance with the new Employment Rights Act 2025, including training, working time compliance, right-to-work checks, and potentially different pay structures or tipping arrangements.

Consumer Protection and Advertising

Any new offering must comply with consumer protection laws. Pricing must be transparent, advertising must not be misleading, and cancellation or refund rights may differ depending on whether services, experiences, or subscriptions are being sold. Where bookings or digital platforms are used, online consumer rules and data protection obligations will also apply. Any lotteries or prizes also need to be properly managed and in compliances with legal requirements.

While broadening a retail offering can be commercially attractive, it is rarely a simple operational change. Planning, licensing, health and safety, employment, consumer protection, and property law issues all require careful consideration. Early legal advice and engagement with landlords and local authorities can help retail operators manage risk, avoid delays, and ensure that expansion plans are both compliant and commercially successful.



"Retailers must consider employment law implications including compliance with the new Employment Rights Act 2025."

If you have any questions or comments for the team, or if you would like to learn more about any of the topics covered in this report, please feel free to contact us at Howardkennedy.com or via email at:

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We would also like to express our gratitude to all the contributors who shared their expertise, insights, and experiences with us. Without their valuable input, this report would not have been possible.

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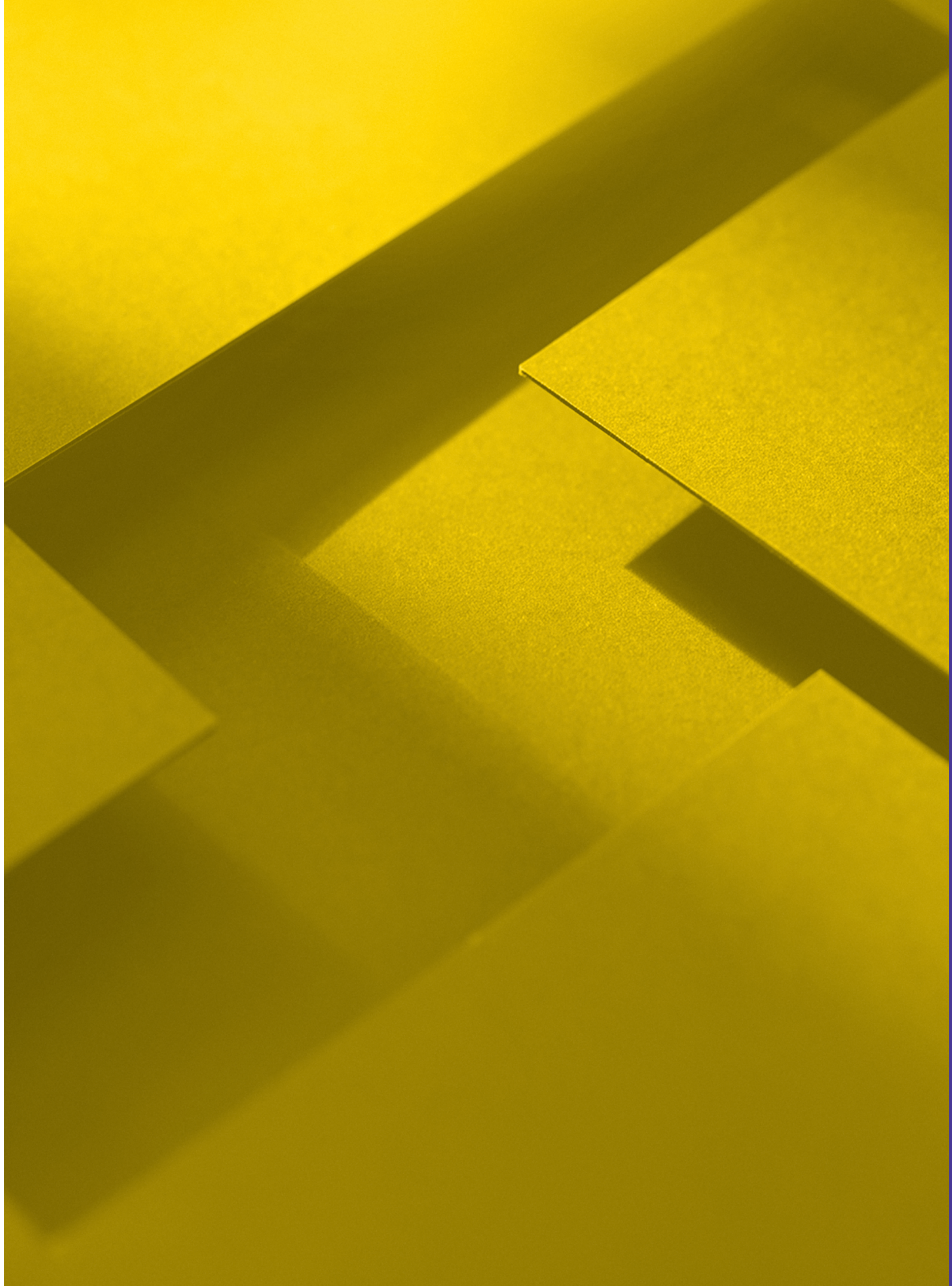

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EDGE OF RETAIL

STRATEGIC REPORT 2026