

## The Future of retail

by Alan Sircom

**T**he nature of retail is changing. That doesn't just apply to audio – in fact, high-end audio retailers are bucking the trend and not folding as fast as some of the better-known names in the retail sector – but every retailer needs to look to the way they work. As audio is almost unique in its touch-and-try aspect, in that the experience of audition and demonstration can only be performed in a face-to-face setting (and that has traditionally meant 'in a store'), the future of high-end audio is closely tied to the future of high-end retailers.

While I am buoyed by audio's ability to survive where other retailers stumble, there should be no complacency here. UK audio retail chain Superfi went into administration in Feb 2019 (the original company – Eunice Radio – started selling audio equipment in 1929), and a number of small retailers have quietly fallen below the radar or have gone out of business in recent years. Superfi was just one of 42 high-profile multiple retail store closures in the UK, a situation echoed around the world.

Each has its own different reasons for this down-turn in retail – political unrest in Hong Kong, the ever-dangling Brexit in the UK, sanctions in Russia, trade wars between the US and China, and fear of recession in Germany – all contribute to a retail environment where people act more cautiously with their money... and high-end retail often suffers. Even within a given country, the trading conditions in a capital city (high rental and business rates) are different to those in more suburban and rural locations (reduced foot traffic due to the rise of the retail park). And, of course, there is the elephant in the room; online shopping. The continued success of the online space has

seen many former 'bricks and mortar' retailers go online only, and others fail because 'bricks' cannot beat 'clicks' anymore.

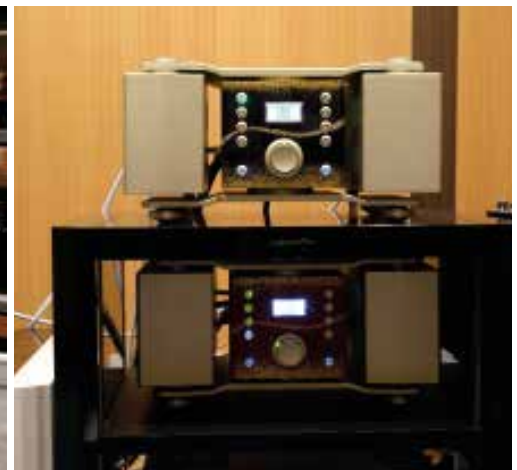
However, as suggested earlier, the future is not totally bleak. The concept that 'the high street' will simply become a land of nail bars, hairdressers, and coffee shops hasn't quite materialised. It's clear the high-traffic retail environments are undergoing significant change, and the stores that populate such areas may face an 'adapt or die' moment sooner or later. Fortunately, we have a number of successful and adaptable chain stores (such as Audio T and Richer Sounds in the UK and HiFi Klubben in Denmark, the Netherlands and Germany) who buck the trend. But, many of these stores have to cater for a wider audience than is possible for a dedicated high-end audio retailer as a result of coping with the costs of surviving in high-traffic retail environments.

In a very real way, we are in a unique position to evaluate the future of retail for audio. The UK has been called the most challenging retail environment in the world at this time and – although we strive to be an international publication – we are based in the UK. But we also cover many companies around the world. Based on visiting many retailers through our 'Meet Your Maker' features, I've highlighted several types of newer forms of retail that may offer a continued space for high-end audio to flourish. I'm going to generalise these, treating them effectively as case studies, but they are backed by a very strong sense of retail identity and direction.

### THE 'SUPER-RETAILER' Audio Exotics

Based in Hong Kong, Audio Exotics takes the concept of 'retailer' to unparalleled levels. The company stocks a select portfolio of lines (including such well-known names as Vertere Acoustics turntables and cables, Robert Koda amplification, Cessaro loudspeakers, Argento cables and Tripoint Audio grounding devices) and this would already place Audio Exotics into the upper echelon of audio retailers. However, where it goes from there makes the company unique.

This is a retailer that commissions pinnacle-grade products from many of its top-line manufacturers (most notably Wadax digital electronics, Zanden analogue electronics, and Gobel loudspeakers, but also including Dalby Audio Design cables and mechanical isolation systems). Many of these pieces remain exclusives to Audio Exotics, or are launched at Audio Exotics with a lengthy period of exclusivity to the store. Many of these products command exceptionally high prices as befit their 'beyond the flagship' performance and finish. We've covered Audio Exotics at length in our 'Meet Your Dealer' feature in *Hi-Fi+* Issue 176, and how the company has three stores under the same banner on Hong Kong Island (a combined audio and music store in Central, Audio Exotics main store in Sheung Wan, and the large prestige store across the island near Aberdeen harbour), but the real focus today is on how this develops the retail space. Audio Exotics is all about providing the ultimate



in service for top-end clients. Their exclusive clientele has access to products that are only available at Audio Exotics, because they are bespoke products made for AE. The products are defined, designed, and installed without parallel (any retailer who lists Stirling Trayle amongst the brands they offer takes installation several steps beyond 'seriously'). The end result is unquestionably amongst the most exclusive and musically most impressive available. This limits the number of places around the world where such a lofty

high-end environment could develop (just as there are only a few places around the world that match Hong Kong's industrious energy, it's likely that those few places could sustain this kind of bespoke atelier retail environment), but it makes Audio Exotics both a commodity (brand?) that could be extended into other parts of the world, and a destination in its own right for the pinnacle-seeking international audiophile.

If you have 'done' high-end and want to go further, Audio Exotics is the shape of things to come. Sonically, this truly bespoke system is simply one of the most sublime musical experiences one can get this side of the live event, with a sense of scale, imagery, dynamics and detail that is impossible to obtain elsewhere. Chris Leung of Audio Exotics commissions bespoke pieces from already bespoke manufacturers, and that really pays off. ▶



## ▶ THE DESTINATION STORE KJ West One

Prestige London retailer KJ West One has had its home in swanky Marylebone for the longest time. Back in the 1980s, KJ Leisuresound was well-known as an oasis of high-end audio with a clientele of wealthy medical professionals from nearby Harley Street. The name has changed, as have some of the clients (although Harley St is still a centre of excellence for private medicine, Marylebone, Mayfair, Park Lane and many of the other parts on the British version of the Monopoly board are home to some extremely wealthy individuals. And that's a good clientele to have!

That kind of catchment area makes a boutique retail establishment in the area a functioning possibility, even if that retail space is some of the most expensive in the world. With business rent and rates that border on the astronomic, a store like KJ West One has to revise its look every few years to remain 'relevant', but with a healthy customer base of London's wealthiest, it can afford to target a more up-market audience.

It would be very easy for KJ to fall into the 'if it ain't broke, don't fix it' trap and forget to capture new markets. But, through a regular series of open-evenings and events, the store manages attracting new and existing business back into the store. In fairness, this isn't rocket surgery... more the application of good retail skills. But, those skills are required to keep places like KJ West One in business in a cut-throat retail environment.

There is only a finite market for such stores, although that market is significantly larger than the truly bespoke store. It's possible that three or four such stores can thrive in any modern capital city and one or two can also exist in and around the major metropolitan metropolises in a thriving economy. ▶

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## CONCLUSION

This is potentially just the start of an irregular series looking at possible futures for retail, distribution, manufacturing, and more. We are already seeing big changes to the way retail is conducted, and some of them are changing the shape of retail on fundamental levels. Can the store survive, or survive in its current guise? Probably yes, but in a much smaller manner than before. In a way, the more mainstream retail may in some cases go to an online/part online retail environment akin to The Listening Suite. Having demonstration and installation facilities in this case might not be as up-front as a listening room in a shop on the high-street, but it is better than having no facility at all. At the higher-end, retail boutiques continue to thrive, but in increasingly more up-market environments to reflect the nature of the audio buyer (no one buying from a KJ West One like store would consider entering an old-fashioned slightly messy hi-fi shop, and vice versa). Finally, the ultimate destination store in Audio Exotics is truly hi-fi's equivalent of the Savile Row tailor, making a bespoke system for those who can afford the very best.

One thing's for certain; audio has moved from being the sleepy backwater of consumer electronics to becoming a more fluid market in all aspects. We can't second guess what the future holds! +

## ▶ THE 'INDUSTRIAL PARK RETAILER' The Listening Suite

When last we visited The Listening Suite in Ireland, it had just moved from a small premises in the centre of Dublin, to a slightly larger store-front on the outskirts of Dublin. Today, it has moved away from the store-front retail environment altogether, to a Business and Enterprise Centre in Newtownmountkennedy, County Wicklow, some 30 miles due south of Dublin. The store itself is part-virtual; the retail space is largely online, with the company's website doing much of the heavy lifting usually performed in demonstration. However, where this differs from just another e-commerce site is the store has both demonstration facilities on-site in Co. Wicklow, and provides the full 'Improve My Hi-Fi' service conducted at the customer's site.

This is at the edges of traditional retail, in that most customers buy from the online store, and few take up the demonstration facilities that are offered to them. However, the 'Improve My Hi-Fi' aspect of the service kind of places the Listening Suite back in the traditional retail environment, as it offers more than just a click of a mouse.

This retail environment would likely not survive were it not for the parent company, which provides both studio engineering services and high-grade PA design and hire for touring bands in Ireland. In contrast, other 'industrial park retail' success stories tend to be in retail parks and include several stores in one (often musical instrument and/or rare record sales).