



DBA DESIGN EFFECTIVENESS AWARDS 2009

Project Title:	Hiho Rebrand
Category:	01 Corporate/Brand Identity
Sub Category:	1.2 Design and Implementation costs under £100,000
Client Company:	Hiho
Design Consultancy:	Blue Marlin Brand Design
Current Date:	10 June 2009

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EXECUTIVE SUMMARY

Let's face it; retail is not exactly the category anyone is clamouring to get behind at the moment. The figures are grim – almost continuous negative like-for-like sales growth in the past year.

This is the story of how Hiho, a family owned jewellery, giftware and homeware retailer, is bucking that trend, thanks to its new identity. Hiho recognised that to sustain retail and show sales growth amidst some of the worst trading conditions this country has seen in a generation, it needed to invest in a strong positioning and a powerful brand identity.

Five months later, with one shop refit and a new show stand at two events, the results speak for themselves:

- 21.4% like-for-like sales increase for first refitted shop
- Entire retail estate like-for-likes up 2.7% since the brand re-launch in a retail market that is declining by 1.6%
- Refitted shop doubles overall estate like-for-likes
- 11% like-for-like growth at refitted shop versus spiraling declines at competitors H. Samuel and Ernest Jones
- First refitted shop outperforms the rest of the Hiho estate by 20%
- Best ever sales at shows and events with up to 31% like-for-like uplift
- Return on design investment in just five months

These results are all the more significant because four months prior to the first shop refit like-for-like sales of that shop were down 0.8%, while the rest of the estate was up 11.5%.

The first refit's success means that at a time when many retailers are streamlining and cutting back on investments, Hiho is now fast-tracking all its stores to the new look and feel by the end of 2009.

And all this, with virtually no other influencing factors.

PROJECT OVERVIEW

Outline of Project Brief

Hi Ho Silver, retail silver jewellery specialist, had introduced many new lines and extended their range into giftware and houseware products so the name and brand identity no longer fully represented who they were and what they were doing to existing and new customers.

They came to Blue Marlin Brand Design for a full review of their positioning, name, brand identity and look and feel to:

- increase sales in their retail shops
- increase sales at shows and events

Description

Hi Ho Silver, based in Somerset, consists of fourteen retail units, a stand presence at shows and events across the UK, and a web shop. They source and design beautiful, unique silver jewellery, gifts and housewares.

Formed in 1995 as a partnership by brother and sister Andrew and Caroline Ransford, it has maintained a steady growth curve. Initially the business retailed at UK shows and events. It developed a loyal customer base, but in 2001 its schedule was affected by the first foot-and-mouth outbreak, leading to the cancellation of many key shows. That was when they started opening shops. The first shop's success in Lyme Regis led to expansion into high streets in South Somerset, and later nationwide. A transactional website (www.hihsilver.co.uk) launched in May 2007.

The directors of the business have been working on a two-year strategic growth plan since 2007, yielding 49% growth in the first year. By 2008, customer and employee research showed that the Hi Ho Silver brand had become disparate and confusing. In order to continue growing, Hi Ho Silver decided to redefine its brand positioning, name (now Hiho), identity and look and feel.

Overview of Market

Hiho's success since the rebrand is all the more telling given the current state of the UK retail market which is seeing some of the most challenging conditions in its history. In April 2009 the British Retail Consortium (BRC) director general said retail sales from June 2008 – March

2009 had reported negative like-for-like sales growth in 9 of those 10 months (*Source: brc.org.uk*).

In the jewellery sector, like-for-like sales at Signet, which trades as H. Samuel and Ernest Jones in the UK, spiralled in its fourth quarter, with sales falling 9.2% in the 13 weeks to 31 January 2009. Like-for-like sales dropped 7.8% at H. Samuel and 11% at Ernest Jones in the same period (*Source: retail-jeweller.com*).

More locally, Hiho has anecdotal evidence that over the two quarters since its Sherborne shop was refitted, nearby High Street retailers have seen a fall in trade (*Source: local Sherborne High Street shop owners*).

Project Launch Date

The new brand launched at Hiho's Sherborne shop in November 2008, with a redesigned show stand appearing at Cheltenham Racing Festival and Badminton Horse Trials in Spring 2009.

Sherborne's success means Hiho is fast-tracking all its stores to the new look and feel by the end of 2009. Two additional shops were refitted in April 2009, and three more are underway at the time of writing this entry. The redesigned website with the new look and feel launched 7 May 2009.

Size of Design Budget

< £50,000 design fees paid to Blue Marlin.

Outline of Design Solution

Blue Marlin Brand Design helped the directors encapsulate the brand vision for the company as an 'English, Eclectic and Eccentric' retailer of jewellery, gifts and homeware.

This brand vision is now the driving force for everything Hiho says and does, from employee training through to marketing communications.

Blue Marlin's work also included a name change to Hiho, a new identity and brand look and feel. As Hiho has limited funds for implementation, it was also important that Blue Marlin provided a kit of parts and guidelines for the identity and look and feel, allowing Hiho to implement the identity itself in a cost and time efficient way.

The identity captures all that is 'English, Eclectic and Eccentric'. It echoes Hiho's aspiration to be the only stylish, contemporary and accessible jewellery retailer that places uniqueness at the heart of everything it does.



SUMMARY OF RESULTS

INCREASE IN SALES

Sales: Retail

21.3% like-for-like sales increase versus 1.6% decline in retail market

Hiho's Sherborne shop relaunched November 2008. In an overall UK retail market that has seen like-for-like declining sales of 1.6% from November 2008 – March 2009, Hiho's Sherborne shop has significantly bucked this downward trend with a like-for-like sales rise of an astonishing 21.4% (see Figure 1). This is almost solely due to a significant increase in the number of customers as the amount spent per customer has not risen.

Not only this, but Hiho's entire estate, including Sherborne, is up 2.7% like-for-like since the brand relaunch, compared to a declining retail market of 1.6% (see Figure 1).

	UK Retail market like-for-like	Hiho Sherborne like-for-like	Entire Hiho estate like-for-like
Nov 2008	-2.6%	-5.6%	-2.3%
Dec 2008	-3.3%	+16.2%	-5.9%
Jan 2009	+1.1%	+22.4%	-7.3%
Feb 2009	-1.8%	+49.8%	+19.5%
Mar 2009	-1.2%	+24.3%	+9.3%
5 month average	-1.6%	+21.4%	+2.7%

Figure 1: Hiho Sherborne like-for-like versus retail market (Sources: British Retail Consortium-KPMG Retail Sales Monitor and Hiho internal sales data).

Beating the competition: 11% like-for-like growth versus declines for H. Samuel and Ernest Jones

Not only is Hiho bucking the overall retail market, the Sherborne shop saw 11% like-for-like sales growth in the 13 weeks to 31 January 2009 versus spiraling drops for High Street jewellery chain powerhouses H. Samuel (-7.8%) and Ernest Jones (-11%) (see Figure 2).

	H. Samuel	Ernest Jones	Hiho Sherborne
13 weeks to 31 January 09 like-for-like	7.8%	-11%	+11%

Figure 2: Hiho Sherborne like-for-like versus H. Samuel and Ernest Jones (Sources: Retail-jeweller.com and Hiho internal sales data)

Hiho Sherborne outperforms the rest of the estate by 20%

Hiho Sherborne is significantly outperforming the rest of its retail estate by 20%. In the five months post refit, like-for-like sales were up 21.4% compared to the rest of the estate which was up 1.3% (see Figure 3).

Sherborne's success was responsible for doubling the entire estate's like-for-like sales from 1.3% to 2.7% since relaunch (see Figure 3).

These results are all the more significant because in the four months prior to Sherborne's refit, like-for-like sales of that shop were down 0.8%, while the rest of the estate was up 11.5%. While it's true that Sherborne was closed for one week in October for the refit the shop was still underperforming against the rest of the estate in the three weeks that it was trading in October (see Figure 3).

	Hiho Sherborne like-for-like	Hiho total estate like-for-like (excl. Sherborne)	Hiho total estate like-for-like (incl. Sherborne)
Prior to Sherborne relaunch			
Jul 08	+12.2%	+14.5%	+14.3%
Aug 08	+3.7%	+13.7%	+12.9%
Sep 08	+0.7%	-1.4%	-1.3%
Oct 08	-19.6%	+19.5%	+16.2%
	(includes one week shut down for refit)		
4 month average	-0.8%	+11.5%	+10.5%
Post Sherborne relaunch			
Nov 08 (Sherborne relaunches)	-5.6%	-2.0%	-2.3%
Dec 08	+16.2%	-7.5%	-5.9%
Jan 09	+22.4%	-9.7%	-7.3%
Feb 09	+49.8%	+17.5%	+19.5%
Mar 09	+24.3%	+8.0%	+9.3%
5 month average	+21.4%	+1.3%	2.7%

Figure 3: Hiho Sherborne like-for-life versus the rest of the estate pre and post relaunch
(Source: Hiho internal sales data)

Sales: Shows and Events

Hiho has also totally rebranded its shows stand, with record-breaking results in its first two shows with the new stand:

- Best ever sales achieved in 10 years of trading at Cheltenham Racing Festival, up 31% like-for-like over 2008 (*Source: Hiho internal sales data*)
- Best ever sales achieved at Badminton Horse Trials, up 20% like-for-like over 2008 (*Source: Hiho internal sales data*)

In many ways achieving these results was much more difficult to achieve than in retail shops. For anyone who understands what doing a show entails: the logistics and difficulties in setting up a stand to look like a newly rebranded shop in the middle of a field; this really demonstrates what an impressive performance this is.

RETURNS ON DESIGN INVESTMENT

Hiho's design investment was repaid within just five months. This is just accounting for like-for-like sales increases at the Sherborne shop, Cheltenham Racing Festival and Badminton Horse Trials. With more shop refits and events planned over 2009 Hiho estimates that by end of this year their investment will have repaid itself at least ten times over, not a mean feat in retail where margins are notoriously low.

CUSTOMER FEEDBACK

The following feedback is from shoppers at the Sherborne store in February 2009:

"I love HiHo because your shop [in Sherborne] is so beautifully displayed. Your staff are always really friendly and just before Christmas we were given a free glass of champers!"

"I love Hiho because of the friendly staff, the beautiful shop layout and for the fabulous range of unusual and fantastic gifts and products."

"Every time I enter the shop I don't want to leave."

"After a visit I leave feeling happy, inspired and with hundreds of ideas for original gifts."

OTHER TESTIMONIALS

"The re-branding of Hiho has had an extremely positive impact on PR and marketing activity: it has completely re-energised and updated the brand and made it far more media-relevant and consumer friendly. This has meant we have been able to expand the type and number of publications we approach and has therefore created a huge number of new opportunities for showcasing the brand and its unique collections within mainstream, high fashion consumer media."

Jonathan Kirkby
PR Account Director, Hiho
EdenCancan

"I have no doubt whatsoever that our new identity is the single largest contributing factor to the remarkable success of our Sherborne shop, shows at Cheltenham and Badminton, and to the business overall."

Andrew Ransford
Managing Director, Hiho

AWARDS

- Fast Growth Business Awards 2009: finalist for Retailer of the Year
- UK Jewellery Awards 2009 (the pre-eminent jewellery industry awards in the UK): finalist Multiple Retailer of the Year (winners to be announced 16 July 2009)
- UK Jewellery Awards 2009: finalist Employer of the Year (winners to be announced 16 July 2009)

RESEARCH RESOURCES

- Hiho internal sales data
- Hiho customer feedback forms
- British Retail Consortium-KPMG Retail Sales Monitor
- brc.org.uk
- Retail-jeweller.com
- Local Sherborne High Street shop owners

OTHER INFLUENCING FACTORS

Was it advertising?

Hiho did not undertake any advertising, so it's not that.

Was it new product ranges?

There were some new products specific to Sherborne but they made a very small impact on the gross sales figures and they were mainly there to show off the new branding. Hiho has now introduced these new products in all refitted shops, stands and the web shop. The overwhelming success of the Sherborne shop versus all other Hiho shops cannot be attributable to this.

Was it employee training?

Prior to the brand relaunch, employees at the Sherborne store received training but this was entirely around the brand positioning, its design and how employees should use the look and feel in store.

Was it email marketing?

A Valentine's Day email marketing campaign was done in February 2009. Hiho used this as an opportunity to focus on the new identity and look and feel in the communications and to drive footfall to Sherborne. This resulted in a 49.8% like-for-like increase at Sherborne that month, compared to 17.5% for the rest of the estate.

Was it sales/promotions?

Hiho had a January sale, but this happens in all stores every year so the increased sales at Sherborne cannot be attributable to this. They also had a promotion leading up to Christmas. Again, this was in all stores and has happened for the past two years.

Was it changes in marketing communications at the shows?

Marketing communications at shows has changed, with Hiho much more aware of the fact that they have to tell their customers what is happening at Hiho. However, all the communications echo the brand's look and feel developed by Blue Marlin.

Was it PR?

Hiho works with a PR agency and there has been an increase in coverage since the rebrand. However, per the testimonial from their PR agency noted earlier in this entry, they believe it is the new identity that has helped them reach a wider fashion audience.

Was it the website?

The website with the new look and feel didn't relaunch until 7 May 2009 so the success of Sherborne and the show stands were not affected by this.