

London Group Proposal

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This group proposal will explain why the region of North Europe, and the city of London is a sufficient apparel and textile complex to conduct retail internationally. We will discuss why we chose this particular region, discuss the economic, political, and social stability of London, retailing before and after COVID-19, and the value of the United Kingdom's currency. In addition, we will discuss the e-commerce of the region, cultural geography, return on investment, and determine what natural resources are prevalent in the region.

### **Selfridges and Co**

The retailer that we chose to represent our group is Selfridges and Co. Selfridges was founded in 1906 by Harry Gordon Selfridge, and is known to be among the largest department stores in England, second to Harrods (Aluxe, 2018). This retailer's philosophy is "the customer is always right" as established by Mr. Selfridges. He sought to create a perfect shopping experience which includes music, gourmet food, and stylish interiors. In addition, Selfridges provides a genderless shopping experience known as agender, which involves selling fashion forward items in a genderless way. In this particular concept space, designers avoid using gender binaries, focusing on the items itself (Aluxe, 2018). Selfridges is a brand that values its customers, and the shopping experience by making it a welcoming space for all types of people.

### **Economic, Social, and Political Sustainability**

Looking at economic, social, and political stability of a region plays a major role in determining whether London is a sufficient location to do e-commerce. In terms of economic stability, London has one of the world's largest economies, towering over the rest of the United Kingdom. Financial and business services of London have become predominant sectors in previous industries. Not only is London one of the world's many fashion capitals, e-commerce

and relative industries are rapidly growing sectors of its economy (The Development of London Economy, 2020). The value of 1 pound is equivalent to 1.29 in US dollars.

In terms of social stability, Britain hasn't changed from its original class system. Britain is known for having a strict class system that can be harder to climb if you don't have the right resources. But in the most recent years, "Unfortunately, the relative proportions of people moving up or down a class now seems to be reversing. 'More men and women are experiencing downward mobility and fewer of them experience upward mobility than before,' says Erzsebet Bukodi at the University of Oxford" (Robson, 2016). With more access to education, and social media playing a huge part in how successful you are, this could be a social advantage.

In terms of political stability, it seems that Britain hasn't been the most stable. There is an argument on whether there is certainty in voting: "'Britain doesn't feel stable anymore,' said Tim Bale, a professor of politics at Queen Mary University of London. 'We're a European country, with voters becoming more volatile over time. People don't have the same tribal loyalties that they used to.'" (Erlanger, 2017). The traditional ways of thinking and living are being thrown away by the new generations, as they are not settling for just anything anymore. Although this may not be stable, it is important for all voters and people to be represented and heard. It's unstable now but change is coming and hopefully most if not all will benefit greatly from this.

### **Retailing before and after COVID-19**

Before the Coronavirus took over and changed our everyday life, being a consumer looked a lot different. Due to the wake of the pandemic, in store shopping looks different in cities like London in the United Kingdom. The pandemic is quickly changing how consumers shop and what they shop for. "Retail sales rose above pre pandemic levels in July, the first month

non-essential shops were allowed to reopen, official figures showed (Inman, 2020). The figures will show that the consumer desire to shop has increased since the ease of the lockdown in May. In response to many Oxford street shops opening in July, internet shopping also suffered a noticeable decrease in sales. Online shopping sales remain more than fifty percent higher than in February, this helped push overall retail sales above pre pandemic levels for the first time. “Household good stores and other non-food stores experienced the sharpest recovery, increasing sales by six percent respectively above their February 2020” (Inman, 2020).

Retailing has truly changed forms of retailing in ways that were very unexpected. According to the Office of National Statistics, DIY products sold well due to people starting home renovation projects during lockdown. Retail stores are putting precautions into place to prepare for the influx of consumers excited to get back a sense of normalcy. Having hand sanitizer at the entrances, social distancing signs on tables and the floors throughout the store makes it safer for shoppers to enjoy their shopping experience. “Probably one of the biggest changes coming back is our fitting rooms are closed and retailers currently have an extended refund policy” (The Times News, 2020). This means customers don't have to be rushed, they can try on clothing at their own leisure and return if the items don't work out. Some retailers on Oxford street even use an app that keeps track of the amount of customers that come into the stores.

### **London's Cultural Geography**

For starters, London, capital of the United Kingdom located in South- east of England, is one of the biggest, and wealthiest cities. Not only known for its big financial centers, but for their education, fashion, media, arts, and cultural practices. London is populated, due to being a major tourist destination. In addition, it is well developed in commerce and manufactured industries.

Moving towards the culture specifically, London is a big city with such diversity. A lot similar to New York City, London is populated with people from different nationalities, cultures, religions, and composed with various languages. Due to London's admirable setting, it attracts many people from around the world to travel, and live in London. "Different communities from different regions of the world started to settle in certain areas in the UK" (Traveller, 2020).

London is most known for their diverse population, where no symbolic culture is prevalent other than their festivals, and modern vibrant architecture. London is very big on their economy, and ethnicities from all around the world seek jobs there. Ranging from Asians, Black, White, British, White, and more; the city has been shared by other locations for centuries. Considering that the people are from different parts of the world, their style of fashion, and other social publications are influenced and inspired by mixed cultures.

### **Natural Resources**

Clothing has a cost factor due to the natural resources used to produce these items, of which include land, water, chemicals, and energy used. Based on the company we have chosen to represent us, Selfridges and Co., it is the proper channel to promote sustainable products to the consumer. Selfridges and Co has their own campaign titled, Project Earth, where the company works to offer a new twist on retail in a sustainable and effective manner. Under this sustainable campaign, the company ensures to use the most environmentally friendly elements, derived from approved, sustainable resources (Our Commitments: Project-Earth: Selfridges, 2020).

### **Ecommerce**

Electrical commerce has become international in the last decade. This mechanism achieved success on the World Wide Web and continues to grow at a fast rate. The growth of e-commerce does not seem to decline in the near future, as this method is only opening gates to

new opportunities for the trade along with the new advancements of technology. Majority of countries that were able to accomplish success in ecommerce are part of the G7 countries. According to *business.com (2020)*, China is leading on 1st rank, United States on the 2nd and on third its United Kingdom. China is on the top without being part of the world's most developed countries, but it is a substantial economy which competes with countries like the United States. Out of total sales of the United Kingdom, the 14.5% comes from online sales. As stated by *DISFOLD (2020)*, despite being a small country and population, 65 million people are internet users out of 66.65 million total population when only about 80% of Americans use the internet. People in the United Kingdom are taking their business to bigger platforms such as Amazon etc to increase their reach and also because not the websites are easy to use. So with something so well built, easy to use and accessible, it will grab the attention of more people even outside of the region to encourage them to shop.

### **Return on Investment**

Investing in London has the potential to be very profitable. In terms of real estate and property, London is a prime location to purchase land. That is because the real estate market is very stable here. Even through recessions, such as the one in 2008-9, the London real estate market was able to quickly recover. This is evident through the lack of defaults on mortgage loans in UK, as it happened in the US (Coobrick). According to Coobrick Property Consultants, the average cumulative return on investment for commercial property in London is 12.7%. With profitability this high, it will be possible for us to expand and find real estate value in other regions and countries.

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