



The River Island Case Study: Implications for Differentiation and Re-Positioning

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Abstract

This article aims to examine fashion retail brands' differentiation and re-positioning strategies using River Island as a case study. It hereby describes how structure of the fashion industry has been subject to evolutionary change since the early 2000s. It also shows that River Island was able to use its own brand strategy to take a unique position in the market, while also establishing an identity as an international wholesale brand identity through its exploration of several different channels.

Keywords: Fashion industry; Retail brand; River Island; Channel expansion

Introduction

Since being established in 1948 by Londoner Bernard Lewis, the fast-fashion retailer River Island has had three different names: Lewis Separates, Chelsea Girl, and River Island [1]. After occupying an unused site in London's East End, where he sold knitting wool, Lewis partnered with three of his brothers, opening 70 Lewis Separates stores across the UK. Although it sold clothing typical of the 1950s, Lewis Separates gained renown for never carrying many of the same items, meaning the products were relatively unique. Lewis Separates also sold family clothing, meaning that young adults could shop in the same stores as their parents and buy the same styles [2]. Nonetheless, following the economic boom of the 1960s, Lewis Separates found that they had to shift from offering family-wear to be a boutique for the younger generation.

This shift, coupled with the increasing purchasing power of younger consumers, made the firm re-brand and re-position itself to 'Chelsea Girl', the name taken from King's Road in Chelsea [2]. This was considered a suitable strategy at the time due to the rise of Chelsea as a pop culture and fashion icon. Chelsea Girl's cheap yet cheerful image showed that Bernard understood the demands

and expectations of the target market [3]. Consequently, the firm opened a menswear division in 1982, named Concept Man; not long after that, Chelsea Girl was finally re-branded to the current name River Island [3], influenced by the River Thames, close to where Bernard had lived, and his boat [4].

River Island has remained the brand name since the 1990s, and the firm continues to sell own-label products in its 250 UK stores. River Island utilizes a monolithic – also called branded house – strategy [5,6], enabling it to take on a unique position in the market. For example, the product categories are designed to be in line with the name and design of the retail stores [7].

While River Island continues to focus on selling its own-labelled products under its main brand name, it has recently developed and expanded, bringing in its Holloway Road line of menswear and reviving the Chelsea Girl label, this time as a sub-brand. Its Chelsea Girl launch was supported by Lucy Moller, a National College of Art and Design graduate who draws inspiration from the brand's 60s, 70s, and 80s high street favorites [8]. Aiming to evoke a sense of nostalgia for consumers who shopped at Chelsea Girl in their youth,

the products have a unique vintage style that echoes the brand's early bohemian aesthetic. Finally, River Island also brought in the RI Baby collection for newborns in 2018.

Current Positioning and International Expansion

Beyond its product line expansion on a national scale, since 2010 River Island and other British fashion brands e.g. Barbour, Reiss, Jack Wills has also been exploring opportunities to expand internationally, initially going into partnership with ASOS to achieve worldwide recognition [9,10]. This represented a new direction for River Island in that it utilized a wholesale brand strategy, i.e. using other retailers to sell its own-label products. This partnership can be considered suitable due to the pure-play retailer's increasing popularity in the USA, Germany, France, among others, in addition to the UK [9]. Once it had achieved its goal of global recognition, River Island continued its expansion in 2013 by engaging with international e-retailers, entering the German and Swedish markets through, e.g., Zalando.com. Retailers gain a key advantage in employing wholesale brand strategies with pure-play retailers, especially international e-tailers like ASOS, in that they can achieve international exposure for the brand, thereby promoting British heritage indirectly and enhancing the brand's national image [11,12]. For instance, while a UK customer may not consider entering a River Island store, they may develop an interest in products from River Island while shopping on the ASOS website. Meanwhile, customers from other countries visiting an e-tailer's website may identify River Island as a British fashion brand, as it is considered a foreign brand. This may be beneficial for the brand positioning as in many countries, Britain has an association with quality. Hence, by expanding to both national and international e-tailers, fashion retailers can go beyond improving their brand image on the national level to further strengthen their brand positioning and compete internationally [11]. River Island began to diversify its product brands in 2018 by selling other premium brand labels, both in its stores and through its online channels, such as Levi's and Only & Sons. Finally, the fashion retailer launched Harpenne (owned by River Island Global Holdings) in 2019, continuing its market rise with a range exclusively targeting women 40 years old and above [13]. It reached this demographic by setting up a dedicated channel under the sub-brand. However, the crisis caused by the Covid-19 pandemic caused trading to stop soon after, and River Island shifted its focus to its current portfolio.

Re-positioning and differentiating

To offer customers an exclusive in-store experience while also enhancing its international positioning, River Island could draw inspiration from the approach of Boohoo.com, which launched a pop-up shop at the music festival in Coachella, USA. This emerged as a successful move as it allowed the value-led fast-fashion e-tailer Boohoo to set up a physical, albeit temporary, store to target younger adults with upmarket backgrounds, not to mention young

celebrities. With its similar target market, River Island could also collaborate with international music festivals, thereby enhancing its national and international recognition. It stands to gain from establishing a pop-up store in such an environment as customers are able to have a tactile experience with the products during their purchase decision-making. A physical presence is especially beneficial in the current era, with customers still wary following Covid-19 lockdowns and restrictions yet also looking forward to going out again. In addition, another strategy going forward would be to reintroduce the Chelsea Girl label as a womenswear sub-brand, nationally and internationally, thereby attracting consumers who remember shopping there. Specifically, it could target women 40 years old and above, i.e. the original market for Harpenne. This would further help the brand to stand out from its competitors by emphasizing its British history, in line with other fashion brands' emphasis on their country associations with the manufacturing location, e.g. Made in Spain for ZARA and Boohoo.

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Conflict of Interest

Author declares no conflict of interest.

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