



REPORT  
Engelhorn



## RETAIL RENEWAL —*Mannheim*

### Preface

Storied department store Engelhorn has clothed generations of Mannheim shoppers. Its top-drawer displays are enticing new visitors – and offering them an all-round experience.

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Mannheim is a city of just 330,000, nestled in Germany’s Rhine-Neckar region, yet it deserves wider recognition for all sorts of reasons. City-planners might be intrigued to see its unusual gridded layout, which was mapped out in the 17th century, earning it the moniker City of Squares. Aspiring entrepreneurs should be aware of the University of Mannheim’s business school, which is regularly voted among the best in Germany. And anyone involved in retail would do well to plan a research trip to Engelhorn.

“My ancestor Georg Engelhorn co-founded what was then called Engelhorn & Sturm here in 1890,” says the department store’s fourth-generation managing partner Andreas Hilgenstock, pointing at a photograph of the building that once stood at O5 (the city’s uniform streets are named alphabetically). Today the spot is the heart of his family’s retail empire, which comprises a complex of eight buildings in the centre of the city.

As one of the first shops to offer off-the-rack clothing at a time when pieces were commonly tailor-made, Engelhorn set a high standard for innovation from the start and it’s this appetite for the new that has guided the company for more than a century. “The wish to be different has carried us,” says Hilgenstock, patting his bespoke blue suit as he takes a seat in one of the leather chairs in his office. “We

- 01 Kitchen of Engelhorn’s Michelin-starred Opus V restaurant
- 02 Mode im Quadrat, one of Engelhorn’s eight buildings in Mannheim



- 01 Stocking up on chocolate in the lobby of Engelhorn's Mode im Quadrat
- 02 Stefan Fadenholz has been running in-house flower shop I Fiori since 2004
- 03 Italian delicatessen on the sixth floor
- 04 Faces is the department store's aperitif destination
- 05 Dine in style at Opus V
- 06 Richard Engelhorn
- 07 Mode im Quadrat houses international brands
- 08 Engelhorn's employees have an eye for detail

may be rooted in Mannheim but we are open to the world.”

It is this mindset and the strong family values instilled by Hilgenstock, his uncle Richard and cousins Simon and Fabian Engelhorn that have turned the department store, originally focused only on fashion, into a destination for international brands, accessories and – most unexpectedly – gastronomy. “It’s state of the art. We’re in Mannheim, the end of the world, yet this is the best you can find in Germany,” says Frank Emmerich, head of retail at real-estate consultancy CBRE. “They’re close to the pulse: they know the top brands and give them a presence. And what textile department store do you know that has such a varied offering, from a chocolatier to a florist, fashion and restaurants? The pros definitely have an eye on it. I would bet a bottle of champagne that Selfridges has had a look.”

In fact, according to Hilgenstock, Le Bon Marché in Paris and Stuttgart’s Breuninger department-store brand are also keeping a close eye on Engelhorn, as every retailer around the world works on refining its offering to compete not only with one another but also with the online marketplace. “We make €50m in revenue online; that’s 25 per cent of our sales,” says Hilgenstock of the e-commerce offering that was launched in 2004. “We currently have 50,000 items online but there’s room for improvement.” And it’s true: it’s not its online shop that has garnered worldwide attention but primarily the store’s forward-thinking physical spaces.

For example, the new so-called Acces wing, dedicated to handbags and accessories, was unveiled in 2007, years before retail leader Selfridges invested £300m (€330m) in its new Accessories Hall, which is set to be completed in 2018. In terms of turnover Engelhorn, with annual revenues of about €220m, is no Selfridges (which registered sales equaling €1.5bn in 2015). But in its ideas the plucky Mannheim department store is every bit as innovative as the London retailer. Much of this is down to the integration of food into the retail offer.

“The question today is how can I get people into the store and how



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can I get them to stay longer,” says Bernhard Heiden, creative director of South Tyrolean retail-design company Interstore Design, who has long been aware of Engelhorn’s supremacy in this area. “Everyone’s looking for a solution. And when you do something, it’s important not to lose the soul of the place. That’s what Engelhorn is good at.”

Engelhorn’s cuisine is led by Tristan Brandt, who helped create the five restaurants housed in the store: the casual Dachgarten, which serves hearty German and Mediterranean fare and turns into a little piece of Bavaria during Oktoberfest; the sophisticated Le Corange, which lays on a popular business lunch; the lively Faces restaurant and cocktail bar; the brand-new Vinothek, serving regional wines and antipasti; and the gem of the set, Brandt’s Michelin-starred Opus V. And that’s not to mention Engelhorn’s Moments champagne bar, the Nespresso bar and the health-oriented Bar Gipfelkette in the sports department.

“We wanted to create something unparalleled and we’re the only



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## Engelhorn in numbers

Founded: **1890**

Number of buildings: **9** (including the sports department, Boss store and Mode im Quadrat, as well as the airport store in Frankfurt)

Sales area: **41,000 sq m**

Restaurants: **5**

Annual revenue: **€220m**

department store with this constellation of restaurants and retail,” says Brandt, surveying the waiters setting the tables for the evening at the Scandinavian-inspired Opus V, which boasts beautiful views of Mannheim’s skyline.

Like every other aspect of Engelhorn, each restaurant was designed by architecture firm Blocher Blocher Partners and in-house creative director Jürgen Müller. Today the latter is rushing around from one floor to the next, preparing everything for Sunday’s inaugural Gourmetfestival.

“It’s all about wanting to buy the feeling and the experience,” says Müller as he rearranges the tagliatelle on the display shelf of the new Italian delicatessen on the sixth floor, next to the in-house tailor. “We’re always trying to integrate retail and food,” adds Brandt, noting that Sunday’s festival will welcome 1,500 guests to Engelhorn’s Mode im Quadrat (Fashion in the Square) house for a day of feasting.

That sunny Sunday in October there were 14 chefs – including 10 Michelin-starred greats such as Harald

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Wohlfahrt and Gerhard Wieser – alongside 40 regional wine-makers, all serving delicacies and drinks between racks of Belstaff and in-store brand Frantina to the sound of a rock band. “Department stores have to become more interesting,” says Hilgenstock, adding that this won’t be the last festival of its kind. “You can get clothing everywhere; we have to give consumers the feeling that they’re getting something special and exclusive. And food is an important part of that because it’s an experience that you can’t find online.”

Would Engelhorn be as successful outside of Mannheim? Perhaps, but for Hilgenstock that’s not the question. Engelhorn and Mannheim belong together and the Engelhorn family has never considered opening a branch elsewhere (apart from its airport store in nearby Frankfurt). “We grew with the city and are intertwined with the region,” says Hilgenstock, as he walks past the climbing wall in the sports department. “The war destroyed everything; our family and Engelhorn employees rebuilt the shop from rubble with their own hands.”

Now Engelhorn owns one of the tallest buildings in the inner city and it’s the only place to find international luxury brands such as Burberry and Prada. “It’s a fashion retailer with style,” says Andrea Heger, sipping champagne at the bar with her husband Sigg. Even though the couple live in Sinsheim, a 45-minute drive from Mannheim, they often visit the city for business and always factor in a visit to Engelhorn. “I’ve been coming here since I was a child and now we take our daughter shopping here. We’re probably wearing Engelhorn from head to toe.” — (M)

- 01 Andreas Hilgenstock (left) and Simon Engelhorn
- 02 Dachgarten restaurant ready for the lunchtime crowd
- 03 Tristan Brandt, chef and head of gastronomy at Engelhorn
- 04 Traditional German dish at Dachgarten
- 05 International designers are a big draw

## Q&A Nathalie Depetro

Director of Mapic, the leading international fair for the retail-property industry.

### How would you rate Engelhorn?

*Engelhorn’s concept is interesting. It’s all about customer retention so they are providing the right spaces to shop, eat, drink and be entertained. They’re also thinking holistically. In order to enhance the flow of people coming in and out, they’ve included more entrances and exits. And in order to communicate these efforts they’ve launched a magazine. It’s a glamorous glossy that shares food and fashion updates; it’s a piece of the experience that customers can take home.*

### Has food taken on a more important role?

*Yes, a diverse offering is essential. Shoppers are more discerning than ever. They don’t just want fast-food courts: they want a more curated and aspirational food-and-beverage offering.*

### What are the trends you’re seeing in the retail sector and how are department stores evolving?

*“Omni-channel” retail is the biggest market trend right now. Omni-channel means a multifaceted approach to providing customers with seamless shopping experiences, whether on mobile, desktop or in-store. In the end that’s what all trends have to be about, making shopping both easier and more enjoyable. Contrary to what people believe we’ve found that it’s the online market that is looking to keep up as department stores and the high street have adapted to the digital revolution. Online-retail players are now catching on to meeting customers at different points, not just digitally, and they are increasingly looking at bricks-and-mortar opportunities. Amazon opening its first physical bookstore in Seattle is a prime example of this trend. — MSS*



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