012.

PADDINGTON FLAGSHIP STORE

MARKETREACH LICENSING SERVICES_STUDIOCANAL KIDS & FAMILY

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DBA DESIGN EFFECTIVENESS AWARDS 2025

AGENCY: OFFICE TWELVE
FOR PUBLICATION

RELAUNCH OF THE → PADDINGTON FLAGSHIP STORE → *AT PADDINGTON STATION, LONDON* → APRIL 2025.

EXECUTIVE SUMMARY

This submission details the landmark relaunch of the Paddington flagship store at London's Paddington Station in April 2025. The project strategically transformed the retail space into a premier, immersive brand destination, designed to deepen the emotional connection with fans, attract a new generation of consumers, and drive significant commercial growth. The achievements have been outstanding across all key metrics:

→ Enhanced Brand Experience
The redesigned store has been overwhelmingly praised by customers for its vibrant and inviting atmosphere, leading to an 83% increase in weekly average footfall.

→ Exceptional Commercial Growth
The relaunch ignited immediate and sustained sales growth, including a +61% average weekly increase in in-store sales post-reopening. Average customer basket size increased by over +12.5%.

→ Audience Engagement
The repositioning of the store has resonated with a new, younger demographic. Since relaunch there has been a growth of 282% in likes and 180% views on social channels lead by the instore content strategy successfully boosting brand visibility and driving engagement from a wider, more diverse audience.

→ Commerce

↑83%
FOOTFALL

↑61%
INSTORE SALES

↑12.5%
BASKET SIZE INC

→ Social

↑282%
SOCIAL LIKES

↑180%
SOCIAL VIEWS

In summary, the Paddington store relaunch has been a resounding success, creating a profitable, landmark destination that has surpassed all commercial and engagement targets.

PROJECT OVERVIEW

This project was the complete strategic redesign and relaunch of the Paddington brand's flagship retail store, located at its iconic home in London Paddington Station. The new design encompassed a complete physical refurbishment, new interactive customer experiences, exclusive merchandise solutions, and the integration of digital platforms, all aimed at deepening the emotional connection with fans and significantly boosting brand visibility and commercial performance.

The project was highly collaborative between STUDIOCANAL Kids & Family and O12. Internally, it involved close partnerships between retail, marketing, and brand teams to ensure a cohesive experience. Externally, key brand partners, including The Paddington Bear Experience and the upcoming Paddington the Musical utilised digital screens and dedicated zones within the store design to create powerful, reciprocal marketing opportunities.

KEY FACTS

→**PROJECT COMMENCED** FEB 2024
→**LAUNCH DATE** APRIL 2025
→**DESIGN FEES** £90,000

MARKET CONTEXT

Retail is in a race against time. UK-wide, footfall in high streets and shopping centres has seen persistent year-over-year declines—down as much as 5–6% in March 2025, with May still showing negative trends (-1.7%). Even during traditionally strong periods like Christmas, recovery has been short-lived and followed by spending freezes.

Like many heritage-focused retailers, Paddington faced similar trends in declining footfall and sales against a backdrop of sluggish overall toy and collectable market performance. In 2024, industry analysts Circana, reported total UK toy and collectable sales declined by about 3.7% by value compared to 2023, impacted largely by cost of living pressures and normalisation after pandemic highs. Despite signs of market stabilisation—driven by value and niche product growth—and the emergence of the 'kidult' consumer, retailers remain challenged by ongoing commercial volatility. Recently, Hamleys, an iconic heritage brand, cut 29 UK stores due to underperformance, maintaining only 11 in the UK.

2004 TOTAL UK TOY AND COLLECTIBLE SALES DECLINED BY 3.7%

by value compared to 2023

'FOOTFALL DOESN'T AUTOMATICALLY TRANSLATE TO RETAIL REVENUE'

Away from the high street Travel hubs like Paddington Station are high-traffic environments—but footfall doesn't automatically translate to retail revenue. Visitors are often transit-focused: hurried, distraction-prone, and primarily intent on reaching platforms.

Retailers must compete with travel behaviour, not just with other stores. To capture attention, retailers must align with transit rhythms—quick interactions with meaningful brand moments.

Reimagining heritage brands such as Paddington and bridging legacy with modern relevance also comes with its own considerations. Heritage brands carry rich legacies, storied narratives, and deep-rooted emotional value. But today's consumers, especially younger generations, don't

purchase nostalgia alone. They gravitate toward brands that feel authentic and alive, anchored in tradition yet boldly relevant. The real challenge is translating heritage into something vibrant and resonant, without stripping it of its soul. The first hurdle is balance. Lean too heavily into nostalgia, and you risk appearing outdated. Push too hard toward modernity, and you dilute the very legacy that defines you.

Bridging the generational divide also demands fresh channels and voices. Collaborations with key influencers, limited-edition collections, or technology-infused experiences can recast classic brand elements in a contemporary light. These efforts not only attract younger audiences but also generate social-media-worthy moments—critical in today's attention economy. Experiential design strengthens this connection. Multi-sensory retail or immersive brand moments engage customers in deeper ways—turning heritage from something you own into something you live.

Before its transformation, the Paddington store was commercially stable but underperforming against its potential. In line with wider market challenges, year-on-year performance was in decline, with Q1 2025 sales down an average of 3% compared to the same period in 2024, and average basket spend falling by 7%. Footfall presented a more urgent challenge, with a sharp average decline of 46% across January to March. The previous store environment lacked the emotional warmth, charm, and premium quality that defines the Paddington brand—missing the opportunity to create a memorable experience that could drive deeper customer engagement. The redesign was commissioned to address these issues and re-establish the store as a flagship expression of the brand—a retail benchmark around which future commercial activity could pivot.

THE BRIEF

The primary business challenge was to revitalise a key physical retail asset in an era of digital-first commerce and difficult market conditions. The opportunity was to leverage Paddington's enduring global appeal to create a landmark destination that could cut through the noise of a busy London station, attract a new generation of younger, style-conscious consumers, and serve as a powerful physical anchor for the entire brand ecosystem.

The initial scope was a comprehensive transformation of the retail space to improve customer experience and drive sales. As the strategy developed, the brief evolved beyond a simple refurbishment. It expanded to include the creation of a multi-purpose brand hub, incorporating 'Instagrammable' moments, digital solutions for driving dynamic content marketing, and an in-store events programme. This strategic shift focused the design on creating a destination valued for its experience as much as its merchandise.

KEY OBJECTIVES

→CUSTOMER Elevate the customer experience to increase footfall, dwell time, and engagement.

→BUSINESS Drive a sustained, significant increase in in-store sales and average basket value.

→BRAND Attract a younger, digital-conscious demographic and strengthen the store's ability to market wider brand initiatives.

DESIGN SOLUTION →

The flagship store design directly addressed the objectives by focusing on strategic creative decisions. A more spacious, vibrant, and inviting store layout was central to elevating the customer experience. To capture attention and drive footfall in a busy station environment, the design responded to three key creative challenges:

→ Brand storytelling
The space needed to communicate the essence of the Paddington brand at a glance—capturing imaginations in under five seconds.

→ Flow that invites exploration
An intuitive layout was essential—not just for browsing, but to encourage passers-by to pause, engage, and discover.

→ Standing out in sensory overload
Amid the noise, movement, and visual clutter of the station, the store needed to offer a calm yet compelling contrast—using refined visual language and immersive design cues to invite dwell time.

CHALLENGE

Customer service is key to ensuring a pleasurable customer experience. Operationally, Paddington station is tricky to manage deliveries and stock with a storage facility across the station, which meant historically replenishing the product during the day created challenges with limited storage in store.

SOLUTION

Our solution was to integrate a feature roller racking solution behind the till, which optimised shelving storage with a minimal footprint, reducing the time staff spent travelling between storage facilities, ensuing they can focus on providing an elevated service for customers.

To drive higher sales and basket value, the design integrated bespoke displays for exclusive, premium products, which encouraged considered purchases and contributed to an increase in average basket size. Fixture aesthetics and creative callouts complimented the presentation of exclusive, high-quality merchandise (like the Merrythought bear) to better communicate value and increase desirability. To cater to diverse shopper behaviours—ranging from hurried commuters to browsing tourists and dedicated brand fans—we designed two distinct customer journeys. At the core, a central ‘grab and go’ zone offers quick access to bestsellers, ideal for time-pressed visits. This is complemented by a slower, more immersive peripheral route that invites exploration and discovery of the wider product range. These carefully considered navigation strategies helped tailor the experience to different customer types and played a key role in improving commercial performance.

To attract a younger audience, the design incorporated modern aesthetics and “Instagrammable” photo opportunities, which immediately led to 730,000 Instagram reel views. Features like the Paddington statues and photo moments were directly responsible for the surge in user-generated content helping to attract a younger, digitally native audience. Digital screens were integrated into the design to share dynamic content and communicate broader Paddington brand initiatives—helping to build a sense of community with newly engaged customers.

730K
IG REEL VIEWS

As part of the store design process, Paddington and the creative team envisioned the space as a stage for in-store experiences and events designed to engage younger audiences. At launch, guests were treated to free family activities—including face painting, a photo booth, themed sweet treats, and a meet-and-greet with Paddington himself.

To amplify reach and drive footfall, influencer partnerships were activated with All White House (100k followers) and Raising Isla in London (32k followers), resulting in rich, engaging content and a combined view count of 118k—showcasing the refreshed store and exclusive merchandise. With upcoming collaborations from Gen Z–focused brands such as Skinnydip London and the introduction of an ongoing events calendar, the new store environment is well-positioned to sustain and grow this momentum.

The Paddington store refresh represents a confident reimagining of what heritage retail can be—emotionally resonant, operationally efficient, and commercially impactful. Through a strategically led design approach, we delivered a space that balances storytelling and functionality, connects with new generations, and repositions the store as a flagship brand destination. By responding directly to the unique challenges of the location, modern retail expectations, and diverse customer needs, the design not only elevated the in-store experience but also delivered measurable growth in footfall, basket value, and digital engagement—setting a new benchmark for the brand’s physical retail strategy.

RESULTS

The relaunch of the Paddington flagship store delivered transformative, multi-layered results that significantly outperformed all initial objectives. The evidence demonstrates a comprehensive commercial and brand success, directly attributable to the strategic design solution. When reviewing the results below, please note that refurbishment works took place between weeks 4 and 12.

PERFORMANCE VS OBJECTIVES

→CUSTOMNER OBJECTIVE *Enhance customer experience, footfall & dwell*

The fresh new design of the Paddington store has received overwhelming positive feedback directly from customers. Instore teams have noted a significant increase in comments on how much more inviting, spacious, and vibrant the new store feels.

THERE HAS BEEN A POSITIVE IMPACT ON DWELL TIME, INCREASED ENGAGEMENT, AND A NOTICEABLE UPLIFT IN CUSTOMER ENTHUSIASM.

Since the reopening of the refurbished store in April 2025, Paddington has observed a remarkable surge in customer footfall, clearly demonstrating the positive impact of the transformation. When comparing year-over-year performance, the results are striking. The average weekly footfall between April 29 and July 6, 2025, has increased by +83% compared to the same period in 2024.

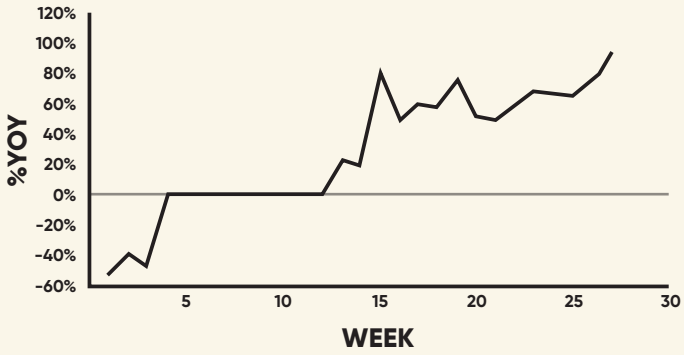
Looking at individual weeks, the growth is equally impressive: footfall during the reopening week was already up +22% compared to the same week in 2024. Five weeks later, weekly footfall was up +68% year-over-year. By the week of July 6, traffic had more than doubled compared to 2024, with a +94% increase. This consistent and substantial uplift highlights the success of the refurbishment in driving visibility, attracting more customers, and boosting in-store engagement.

↑83%

FOOTFALL

weekly average, compared to the same period in 2024.

→FOOTFALL 2024 VS 2025



→**BUSINESS OBJECTIVE:** Drive a sustained, significant increase in in-store sales

Since the reopening of the refurbished store, we have observed a significant and sustained uplift in sales. Between April 1 and July 7, 2025, the average weekly revenue increased by +61% year-over-year compared to the same period in 2024.

↑61% **SALES**
weekly revenue increase compared to 2024

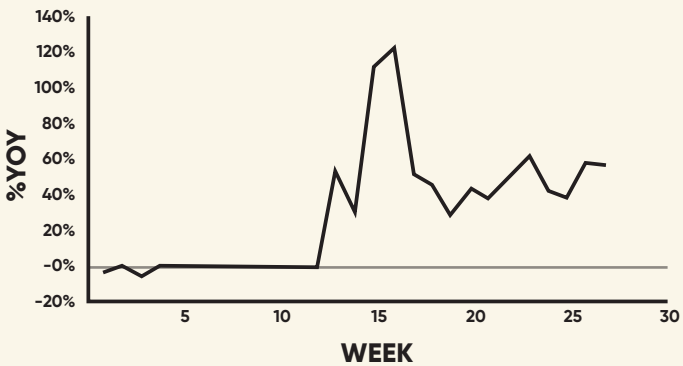
The impact of the refurbishment has been particularly strong in recent weeks. For instance, during the week of July 1 to 7, revenue was up by +57% YoY, marking the highest-performing week in over a year. From June 2 to July 7, weekly revenue consistently exceeded the same weeks in 2024 by +51% to +77%, showing both stability and sustained momentum.

The new store environment has not only driven more traffic but also improved customer engagement and conversion, leading to significantly higher commercial performance. Every month has resulted in a new all-time high since the re-opening.

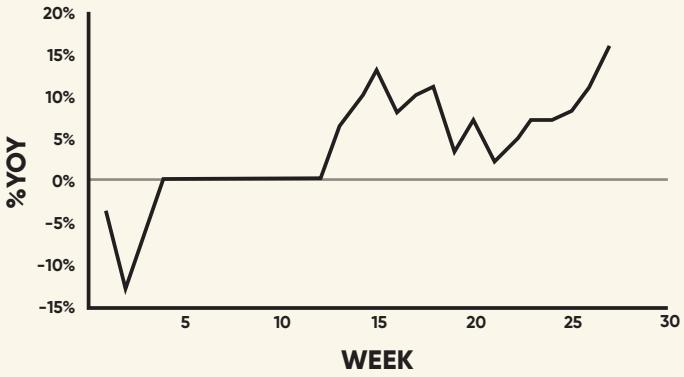
Since the store's reopening, we have observed a clear and steady increase in Average Basket Spent per customer. From April 1 to July 7, 2025, the average transaction value rose by +12.5% compared to the same period in 2024, reflecting stronger purchasing intent and a greater perceived value.

This upward trend gained momentum throughout the quarter. Over the last five full weeks — from June 2 to July 7, 2025, average basket value was +13.5% higher year-over-year, with the week of July 1 to 7 showing the strongest result: an increase of +16% YoY, the highest average spends recorded in over a year.

→SALES GROWTH 2024 vs 2025



→AV. BASKET SIZE 2024 vs 2025



These results confirm that the improved store layout, enhanced product presentation, and elevated customer experience are effectively driving higher engagement and conversion, they not only exceeded internal targets but also outperformed industry averages.

→**BRAND OBJECTIVE:** Attract a younger, digital-conscious demographic

Beyond the impressive increase in footfall, the reopening of the refurbished store has had a major impact on digital presence and cut through with a new, younger audience. On Instagram, between November 2024 and February 2025 (preopening), store-related posts generated a total of 34k likes and 718k reach.

34K ♥ **IG LIKES**
store-related posts generated.

282% **IG LIKES GROWTH**
since the reopening.

2M **REACH**
cumulative reach, since the reopening.

Since the reopening (from April 10 to date), we've seen these numbers grow to 129k cumulative likes and 2M cumulative reach: a growth of 282% in likes and 180% in views. This great increase reflects both the excitement surrounding the reopening and the improved content strategy driven by the refresh.

Among the standout Instagram posts, a reel announcing the new store on April 10, 2025, reached 473k reach, while a store video posted on June 7, 2025, attracted 314k reach.

On TikTok, we have observed a similar dynamic since the store's reopening. A post published on April 16, 2025, shortly after the reopening, garnered 210k reach, while another video posted on June 7,2025, showcasing the new store in detail, achieved an impressive 294k reach.

The continual engagement on social channels post relaunch evidence an increased and sustained engagement with a fresh demographic.

EXTERNAL FACTORS →

ACKNOWLEDGEMENT OF EXTERNAL FACTORS

While Paddington remains a much-loved British icon with enduring cultural relevance—bolstered by collaborations, the development of exclusive merchandise, the launch of the Paddington Experience in May 2024, and the release of Paddington in Peru in November 2024—it is important to recognise that these significant milestones alone have not translated into consistent commercial success for the Paddington Station retail destination.

Despite the brand's widespread popularity and emotional connection with audiences, the store—like many—has continued to face challenges in fully capitalising on this appeal. These external factors—while undoubtedly positive for brand visibility—have highlighted the need for a more strategic and experience-led retail approach.

IMPACT

THE SCALE AND BREADTH OF IMPACT

The impact of this project extended far beyond the shop floor, creating a halo effect across the entire Paddington brand ecosystem.

The scale of the success is evident in the near doubling of average weekly sales and the new-found audience reached online, establishing a new performance benchmark for the brand. The breadth of the impact touched every facet of the business: it revitalised direct-to-consumer revenue streams (in-store and online), provided a powerful new marketing platform, repositioned the brand for a younger demographic, and drives positive and stable commercial achievement. It successfully transformed a single retail location into a cornerstone of the brand's vision and strategy.

Building on the success of the Paddington flagship, STUDIOCANAL Kids & Family is set to replicate and evolve the design concept in a new premium London location on The Strand—scheduled to open in late 2025. The move reflects the strength of the flagship's commercial and brand impact and signals the next step in expanding Paddington's presence through strategically led experience-driven retail.

CREDITS

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