# River Island outlines strategy with PwC to preserve 230 stores after £32.2m loss



River Island, a prominent player in the UK fashion retail landscape, is in the midst of a significant restructuring effort following the announcement of considerable financial losses. The iconic retailer has tasked PricewaterhouseCoopers (PwC) with drafting a comprehensive strategy aimed at preserving its 230 High Street branches. This decision arises from a staggering pre-tax loss of £32.2 million for the year ending December 2023, a sharp decline from the £7.5 million profit reported the previous year.

The retail environment for fashion has been undergoing a seismic shift, marked by evolving consumer preferences towards more diverse and convenient shopping experiences. River Island, which employs around 5,500 staff, noted a 15% dip in sales, reflecting these changing dynamics. The company described 2023 as a "year of reset," indicating an urgent need to realign product offerings and enhance the overall shopping atmosphere to regain competitive footing.

Historical context amplifies the weight of River Island's current challenges. Established in 1948 by Bernard Lewis—who initially sold fruit and vegetables from a bombed site in Notting Hill—the company has witnessed profound changes throughout its history. Originally named Lewis and Chelsea Girl, it rebranded as River Island in 1988 and grew to become a household name in retail, even being among the early adopters of online sales. In recent years, however, the company has faced heightened competition, particularly in the digital arena, where customer expectations for convenience and variety have surged.

In its transparent communication regarding current struggles, River Island's management highlighted several contributing factors to its financial downturn. The company has cited increased operating costs, inflationary pressures, and ongoing supply chain disruptions as significant hurdles. Additionally, the retail landscape has grown increasingly competitive, complicating efforts to attract and maintain customers. A statement from River Island Holdings Limited pointed to geopolitical events as exacerbating conditions, leading to escalated energy and labour costs while simultaneously squeezing consumer spending power.

Efforts to address these challenges have already led to workforce reductions at the company's head office in London, impacting areas such as buying and merchandising. This initiative aligns with River Island’s broader commitment to transformation, as evident in its hiring of AlixPartners in January 2025 for further cost-cutting and profit enhancement strategies. Although the company has endured a serious setback, its leadership remains cautiously optimistic about recovery prospects.

Notably, River Island continues to navigate a rapidly evolving retail landscape by seeking to revamp its strategies and improve performance against a backdrop of economic uncertainty and shifting consumer habits. As the company endeavours to reshape its identity and return to profitability, its historical significance in British retail underscores both its potential and the challenges it faces in adapting to modern retail demands.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.mylondon.news/news/uk-world-news/huge-fashion-chain-230-stores-31809107), [[2]](https://www.retailgazette.co.uk/blog/2024/10/river-island-loss/)
* Paragraph 2 – [[1]](https://www.mylondon.news/news/uk-world-news/huge-fashion-chain-230-stores-31809107), [[4]](https://www.theindustry.fashion/river-island-remains-positive-despite-32-2m-loss/)
* Paragraph 3 – [[1]](https://www.mylondon.news/news/uk-world-news/huge-fashion-chain-230-stores-31809107), [[3]](https://www.retailgazette.co.uk/blog/2023/10/river-island-turnover/), [[5]](https://www.theindustry.fashion/river-island-hires-advisors-after-losing-tens-of-millions/)
* Paragraph 4 – [[1]](https://www.mylondon.news/news/uk-world-news/huge-fashion-chain-230-stores-31809107), [[6]](https://www.retailgazette.co.uk/blog/2025/01/river-island-head-office-jobs/)
* Paragraph 5 – [[2]](https://www.retailgazette.co.uk/blog/2024/10/river-island-loss/), [[4]](https://www.theindustry.fashion/river-island-remains-positive-despite-32-2m-loss/), [[5]](https://www.theindustry.fashion/river-island-hires-advisors-after-losing-tens-of-millions/)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.mylondon.news/news/uk-world-news/huge-fashion-chain-230-stores-31809107> - Please view link - unable to able to access data
2. <https://www.retailgazette.co.uk/blog/2024/10/river-island-loss/> - In October 2024, River Island reported a pre-tax loss of £32.2 million for the year ending 30 December 2023, a significant decline from the £7.5 million profit in the previous year. Sales fell by 15% to £701.5 million, attributed to increased competition and changing consumer preferences for more diverse and convenient shopping experiences. The company described 2023 as a 'year of reset', focusing on refocusing product ranges and enhancing the shopping environment to improve business performance.
3. <https://www.retailgazette.co.uk/blog/2023/10/river-island-turnover/> - In October 2023, River Island reported a 90% drop in operating profit to £7.4 million, despite a 12% increase in turnover. The decline was due to inflation and costs associated with clearing excess stock. The company remained positive, citing the return of former CEO Richard Bradbury as executive chairman and significant changes that were starting to bear fruit.
4. <https://www.theindustry.fashion/river-island-remains-positive-despite-32-2m-loss/> - Despite a pre-tax loss of £32.2 million for the year ending 30 December 2023, River Island remains optimistic about the future. The company attributed the loss to increased competition and changing consumer preferences. It described 2023 as a 'year of reset', focusing on refocusing product ranges and enhancing the shopping environment to improve business performance.
5. <https://www.theindustry.fashion/river-island-hires-advisors-after-losing-tens-of-millions/> - In January 2025, River Island engaged AlixPartners to assist with cost reduction and profit improvement strategies following a pre-tax loss of £32.3 million. The company operates 250 stores and is seeking ways to improve profitability amid rising costs and competitive pressures.
6. <https://www.retailgazette.co.uk/blog/2025/01/river-island-head-office-jobs/> - In January 2025, River Island initiated a redundancy programme at its London head office, with job cuts expected across departments including buying, merchandising, and HR. This move follows the company's engagement of AlixPartners to help with cost-saving measures and improving profitability.
7. <https://www.retail-week.com/fashion/river-island-profits-plummet-as-it-struggles-with-excess-stock/7044751.article> - In October 2023, River Island reported a 90% drop in operating profit to £7.4 million, despite a 12% increase in turnover. The decline was due to inflation and costs associated with clearing excess stock. The company remained positive, citing the return of former CEO Richard Bradbury as executive chairman and significant changes that were starting to bear fruit.