

MULTICHANNEL

Selfridges is 2014 Luxury Retailer of the Year

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Exterior of Selfridges' Oxford Street store; photo credit Andrew Meredith

By SARAH JONES

British department store chain Selfridges is Luxury Daily's 2014 Luxury Retailer of the Year for its use of entertainment to make itself a shopping destination.

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Selfridges won over first runner's-up Saks and second runner's-up Net-A-Porter for its creative multichannel campaigns to draw consumers in-store and got them talking online. These retailers all worked to elevate their customer service and make shopping enjoyable and fun for their consumers.

The Luxury Retailer of the Year award was decided based on luxury marketing efforts with impeccable strategy, tactics, creative, executive and results. All candidates selected by the Luxury Daily editorial team and from reader nominations had to have appeared in Luxury Daily coverage this year. **Judging was based purely on merit.**

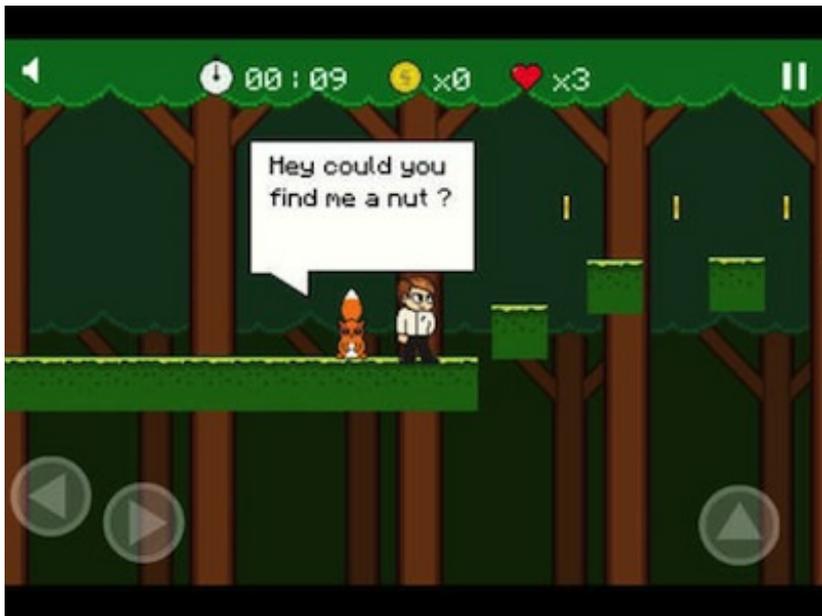
Destination retail

Selfridges operates four physical store locations in Britain, including its flagship on Oxford Street in London. It has made a number of investments in 2014 that show its commitment to bringing a heightened sense of customer service and amazement to its

shoppers.

Selfridges keeps up a continual stream of inventive in-store events, from a walking chocolate tour through its confectionary department to a new cinema playing both new and classic films.

For instance, during the holidays, Selfridges launched Destination Christmas in-store, which included a Paddington Bear-themed pop-up, wintry restaurant and live entertainment. Getting consumers involved outside of the store, Selfridges created a mobile game that allowed them to play as a sales associate.



Selfridges' "Elfridge and the Enchanted Forest" game

Selfridges has also been working to expand its selection of high-end fashion and jewelry, making itself more of a destination for luxury goods.

The retailer has revamped its menswear offerings with the addition of in-store boutiques. The newly opened boutiques, from brands including Givenchy, Dries Van Noten, Lanvin and Rick Owens, are meant to create a menswear destination within Selfridges' London location ([see story](#)).



Men's Lanvin boutique at Selfridges

Working to become the largest and most comprehensive destination for accessories, Selfridges is investing \$465 million in the department, claiming to be the largest investment in a single project by any department store globally. Its handbag area will get an overhaul, doubling its size to more than 50,000 square feet, and will join its shoe salons and Wonder Room, creating an overall space larger than 100,000 square feet.

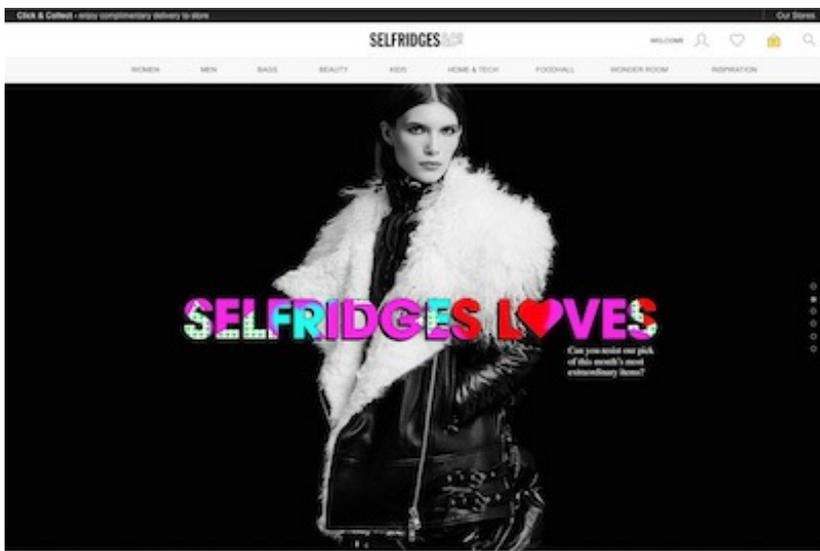
Luxury brands have also trusted Selfridges for unique multichannel distribution. Cartier, Chopard and Bulgari are all available online through Selfridges' Click & Collect service, tied to its Wonder Room fine jewelry section.



Promotional image for Cartier click & collect

Selfridges is also making investments in its multichannel shopping experience. The store was an early adopter of click and collect, but has also worked to ensure that its consumers outside of the United Kingdom have a positive online shopping experience.

The retailer relaunched its online store Oct. 1 with a new look and touch-first approach.



Selfridges updated online store

Selfridges made a commitment to invest more than \$64 million over the next five years in its Web site, committing itself to making a seamless, fulfilling multichannel shopping experience for consumers. As consumers become more comfortable buying luxury products online, having an easy-to-use ecommerce platform is a major customer service.

Selfridges is the most trafficked premium online store in the United Kingdom, with 1 million visits per week, a statistic 30 percent higher than its closest competitor. In addition, sales through the online channel have more than doubled each year-over-year since its launch in 2010 ([see story](#)).

Selfridges' work has paid off. The retailer is not a public company, but it shared its record financial results for 2013, in which all of its channels saw year-on-year growth.

Selfridges' gross sales in 2013 rose 10.4 percent year-over-year to \$1.9 billion and its operating profit was a record approximate \$240 million operating profit, an increase of 12.3 percent. The department store credits its international expansion and investment in multichannel for its record year, which will remain priorities going forward ([see story](#)).

First runner's-up: Saks Fifth Avenue

Throughout 2014, Saks Fifth Avenue was transformed under the vision of new president Marigay McKee, formerly of Harrods. New owner Hudson's Bay Company, which also has Lord & Taylor in its stable, also had an influence on the retailer during its first full year of ownership.

Saks unveiled a new look for its catalog that is more editorially-focused, and also changed the image of its packaging.

Hudson's Bay Company invested in ecommerce and digital, tapping Michael Burgess, who was the former president of Saks.com, to oversee digital marketing for all of its retail brands.

The new HBC Digital group consists of experts who create the ecommerce and marketing strategy for the group, applying best practices and sharing knowledge across the brands.

Each of the retail chains under the HBC umbrella, including department store chain Saks Fifth Avenue, benefit from shared knowledge, since the approach raises the ROI on digital marketing spend ([see story](#)).

For the first time, Saks live-streamed its holiday window unveiling, which included a live performance from the Rockettes of the Radio City Christmas Spectacular and a light show, which was touted as the first of its kind due to its integration of LEDs, strobes, up-lights, video projections and music.



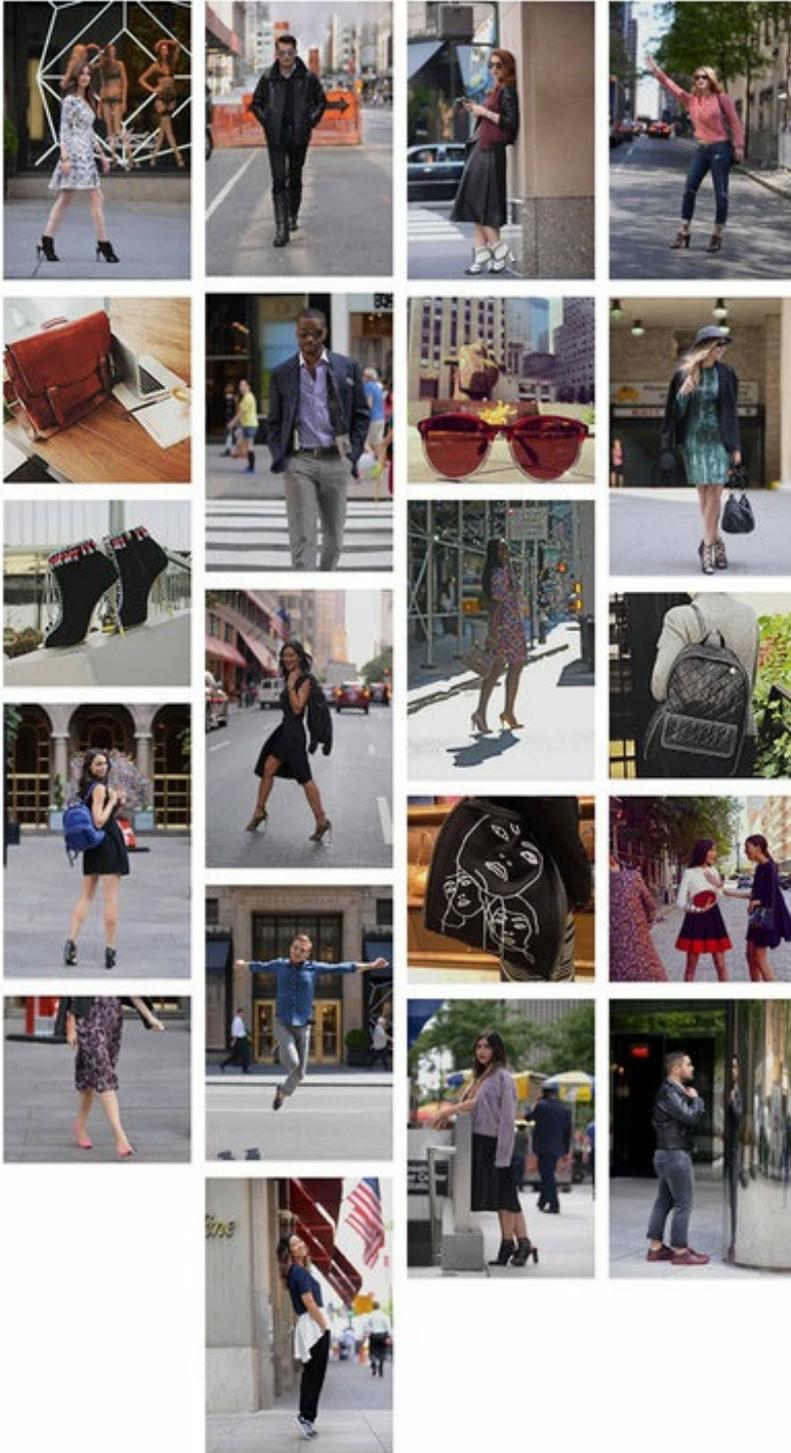
Rockettes for Saks

Saks heightened its sense of community through a new content hub that streamlines social media interactions with consumers.

Using New York Fashion Week as a backdrop, Saks' content page, housed on the retailer's Web site, launched Sept. 4. The new aspect of Saks' Web site, dubbed as a "fanreel," will create a center for the retailer's fashion-forward consumers to gather and share via social media ([see story](#)).



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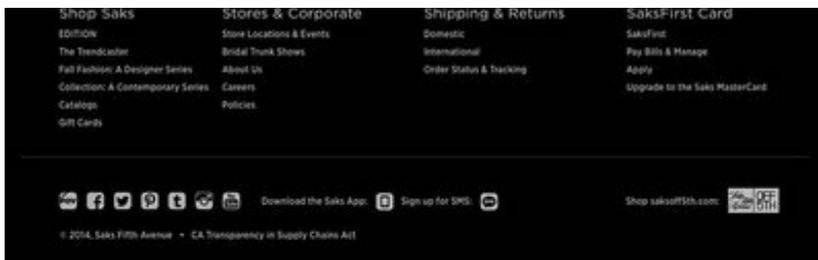


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SaksStyle hub

Saks finds ways to open up with consumers via social media, whether that means sharing a video of Ms. McKee accepting the Ice Bucket Challenge or giving a teddy bear a voice.

As a result of its digital efforts, Saks landed in the top two of L2's department store report ([see story](#)).

The retailer has also found ways to reach affluent consumers through unexpected print placement.

Saks will be the first major department store to partner with MediaJet, a newsstand found in private airports nationwide, to offer consumers the ability to shop and fly instantaneously.

The retailer will have its catalog on newsstands across the country. Private aviation guests will have the opportunity to pick up a catalog and browse Saks' collections while inflight, creating a space for midair shopping among affluent consumers ([see story](#)).

Saks also sponsored Condé Nast-owned W magazine's upcoming stand-alone special issue W:Art.



Saks ad in W: Art

The 88-page *W: Art* focuses on the direction of contemporary art, from galleries to music producer and recording artist Pharrell Williams. By acting as primary sponsor and exclusive retail partner of this issue, Saks was able to more fully immerse itself in the art community and other creative channels, a mission of Ms. McKee ([see story](#)).

Keeping up a level of customer service, Saks also allows for personal shopping services in select markets. It continues to invest in its omnichannel shopping experience, ensuring that however consumers want to shop, they are taken care of with free shipping and sharing inventory across channels.



Saks personal shopping experience van

Saks saw ecommerce sales of \$166 million in the third quarter, representing 1 percent growth, bringing the year's total to \$444 million ([see story](#)).

The retailer is expanding its physical retail presence, with plans to open in lower Manhattan and Canada.

Second runner's-up: Net-A-Porter

Net-A-Porter may not have a physical store, but has instead created a community online for its shoppers to interact with each other and with brand representatives.

The retailer launched Net-A-Porter Live, which shows users who is buying what where through Google Maps. On a dedicated page, consumers can see a scrolling feed of what is being purchased around the world, giving them an insight into what is popular.

Net-A-Porter also encourages a social conversation surrounding recent purchases, by asking consumers to post images of their merchandise and tag it #TheNetSet.

Venturing outside of online, this year, Net-A-Porter launched its first print magazine, "Porter" that leverages curated editorial content to increase engagement with consumers.



Inside Porter issue one

The first issue of Porter was sent to subscribers' mailboxes and newsstands in February.

The branded magazine allows Net-A-Porter to connect with consumers beyond the initial point of sale to give more context to products and services ([see story](#)).

As many luxury publications have slowly turned toward mass in response to the changing publishing industry, Porter's introduction, the retailer's first venture into print media, has created tension among competitors because of how far down the purchasing funnel it resides. With no regional content and only pure fashion and beauty coverage, Porter instantly appeals to Net-A-Porter's following of 6 million in a way that other imprints may have trouble competing against.

Porter's most competitive element is that although the campaign efforts from designers such as Gucci, Fendi and Valentino can be seen in other established imprints, Porter's readers can shop its pages instantaneously ([see story](#)).

The retailer competes with physical retail stores by offering same-day delivery in select markets and allowing for live chat on its Web site to solve any sartorial questions.



Net-A-Porter promotional image

Net-A-Porter, despite growth, is currently unprofitable, but the retailer's parent company Richemont continues to see potential. In its interim results for the six month period ending Sept. 30, Richemont said, "Sales growth at Net-A-Porter continued to exceed the group's average and that business reported improved results."

Final Take

Sarah Jones, editorial assistant on Luxury Daily, New York

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