

COMMERCE

HBC makes \$250M investment in multichannel with Gilt acquisition

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Gilt has discovered which products sell best on mobile

By STAFF REPORTS

Saks Fifth Avenue owner Hudson's Bay Company is growing its off-price business with the addition of Gilt to its stable of banners.

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With this acquisition, the retail group is planning to integrate Gilt within Saks Off 5th locations, giving the flash seller a bricks-and-mortar presence. As an innovative retailer with strong capabilities in mobile and personalization technology, Gilt may help HBC further the digital efforts of its more traditional stores.

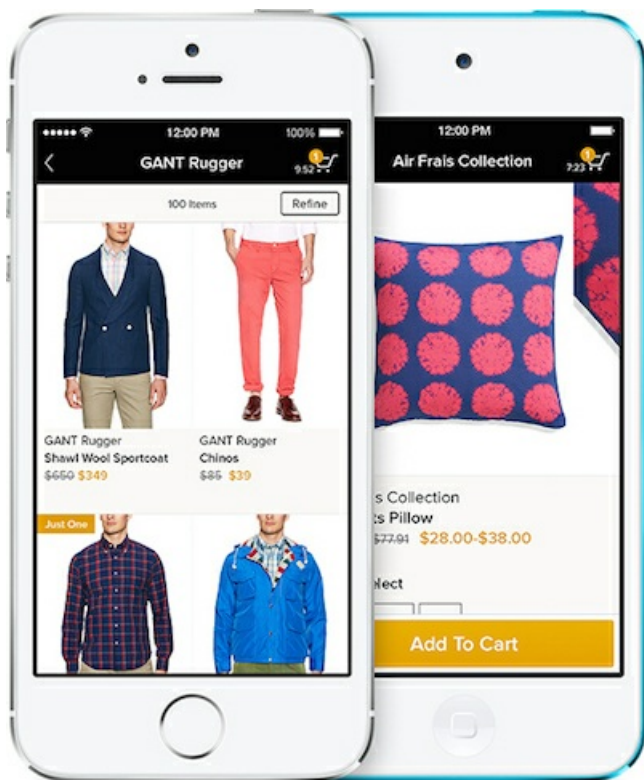
Omnichannel approach

After the acquisition goes through, HBC plans to leverage its successful off-price business Saks Off 5th to give Gilt shoppers an omnichannel experience. Purchases made on Gilt will be able to be returned to a Saks Off 5th location, and Gilt concept shops will be opened at select Saks Off 5th stores.

About 50 percent of the purchases Gilt's 9 million members make occur on mobile. The platform is also popular among the desired millennial generation.

A Gilt executive at the Mobile Shopping Summit 2015 revealed that consumers have no problem purchasing items such as Hermès handbags on mobile, suggesting that accessories and jewelry are better suited to mcommerce than ready-to-wear apparel.

During the "Loyalty Panel: Increasing Customer Lifetime Value By Developing A Consistent Brand Voice Across Devices" session, the executive discussed how some retail categories are not as readily bridged with mobile as others. Consequently, the brand has revamped the imagery in its mobile application and site and lessened credit card friction to make the shopping process seamless and fuel more sales ([see story](#)).



Gilt on iPhone

"With this transaction we are further accelerating both HBC's all-channel offering and Gilt's growth," said Jerry Storch, the CEO of HBC, in a statement. "We plan to continue to foster Gilt's culture of innovation, which has helped create a strong brand with a loyal and devoted millennial following.

"Adding Gilt to our rapidly growing digital business is very exciting and we see tremendous potential to enhance our mobile and personalization strategies by leveraging Gilt's advanced capabilities," he added. "We look forward to welcoming the Gilt team to HBC and to benefitting from the complementary nature of our businesses."

The company's corporate structure will enable HBC's other flagships to benefit from Gilt's expertise in digital.

In 2014, HBC tapped the former president of Saks.com to oversee digital marketing for all of its retail brands.

The new HBC Digital group, now led by Dion Rooney, consists of experts who will 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](#)).