

RETAIL

## Galleries Lafayette looks to speed digital makeover with La Redoute

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*La Redoute collaboration with Mais on Pre. Image credit: La Redoute*

By STAFF REPORTS

France's Galleries Lafayette Group has acquired a majority stake in online retailer La Redoute.

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While this agreement will see Galleries Lafayette Group buy 51 percent of La Redoute's shares through its holding company Motier, the group has plans to eventually acquire a 100 percent stake in the fashion and home furnishings e-tailer. Together, Galleries Lafayette Group and La Redoute will form an omnichannel group that will be the largest retailer of fashion in France.

### Omnichannel opportunity

The family-owned La Redoute began as a wool mill but has grown into the largest pure-play ecommerce retailer of apparel and home furnishings in France, with revenues of 750 million euros, or about \$891.6 million at current exchange. The site gets 9 million unique visitors a month, and it has high awareness both in its home country and throughout Europe.

La Redoute's co-chairmen Nathalie Balla and Eric Courteille will stay at the helm of the company, keeping the retailer's team in place.

"La Redoute and Galleries Lafayette are two historic French companies, both pioneers and innovative retailers that have served their customers for 180 and 120 years respectively," Ms. Balla and Mr. Courteille said in a joint statement. "This project marks the beginning of a new era for La Redoute.

"It is a source of tremendous pride for all our teams, which are working relentlessly to deliver our transformation plan successfully," they said. "The backing of a prestigious and long-term investor such as Galleries Lafayette group will give us the resources and capabilities we need to pursue and accelerate our strategy.

"The opportunities created by this link-up will facilitate further new developments in France and internationally, bringing us closer towards our sales target of 1 billion euros by 2021."



*La Redoute fashion. Image credit: La Redoute*

While La Redoute is gaining the backing of the group to help it on its growth plan, for Galeries Lafayette, this partnership gives it access to La Redoute's digital savvy, helping to further its own digital efforts.

Both of the partners will also be able to take advantage of the parallels in their operations, sharing information and finding synergies.

"The combination with La Redoute is a great opportunity for our group, our employees and our customers," said Philippe Houze, executive board chairman of Galeries Lafayette Group. "While the fashion and retail industries face unprecedented global change, the complementary positioning and expertise of La Redoute and Galeries Lafayette - the Group's flagship brand - would establish us as a leading physical and digital retailer specialized in fashion and home furnishings, with French roots and international outreach."

Last year, Galeries Lafayette Group similarly acquired private sale site BazarChic in an effort to strengthen its own ecommerce operations.

The purchase gave Galeries Lafayette group 100 percent of BazarChic's capital and a majority stake in the company, with the remaining stake going to the retail group in the coming years. This was the second ecommerce startup added to Galeries Lafayette's stable this year, representative of the group's focus on digital ([see story](#)).

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