

RETAIL

Harrods follows Galeries Lafayette's lead by chasing Chinese shoppers into China

January 6, 2020



Like many luxury stores, Harrods has had an eye on the China market. But now it is putting down roots in the mainland for the first time. Image credit: Shutterstock

By [Avery Booker](#)

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Six years after the grand opening of luxury department store [Galeries Lafayette's sprawling Beijing outpost](#) and nearly a year after the opening of its Shanghai location the venerable London-based department store Harrods is now opening its first permanent store in mainland China.

Located in Shanghai's Pudong district, the new location, which opens this year, is [Harrods' first outside of the United Kingdom](#) and, according to Michael Ward, Harrods managing director, comes after a decade of China-focused investment.

"If you look at all of the reports, they say, quite categorically that all of the growth in the next five years is going to come from Southeast Asia. And is going to come from [millennials](#)," Mr. Ward told Britain's *Telegraph* about the store's eastward push.

"So we've got to go after that," he said. "It's very important that you follow the money We see the continued growth of China, but we see a need to be a more permanent resident in China."

This renewed effort in China comes on the heels of last month's ["A Very Harrods" Christmas pop-up event](#) at the Temple House hotel, which was hosted by Mr. Ward in Chengdu and featured a slew of top luxury brands and even British doormen flown in from [London](#).

As Harrods sees it, China's younger consumer is eager to bask in the aura of the Harrods brand without having to fly off to London. But is this really the case?

Are younger Shanghainese shoppers clamoring for a 170-year-old, Qatari-owned British department store in their city when it is already bursting with other options such as Lane Crawford, [10 Corso Como](#), [Galeries Lafayette](#), [K11](#) and dozens of high-end boutiques that lure in customers with cute cafs and coffee shops?

Previous discussions that Harrods had about entering the China market [fizzled out in 2010](#), but with London facing a possible slowdown in Chinese high-end shopping next year, the store has the right motivation in giving Pudong a

shot.

But the question remains: How will an **already luxury-saturated city** such as Shanghai respond?

One interesting tidbit from Mr. Ward's recent interview was how he is emphasizing courting millennials, when, by most accounts, digitally-native and price-sensitive **millennials who shop in mainland China** largely avoid bricks-and-mortar and view a stop at Harrods in London as a photo-op rather than a home away from home although it is just that to a certain type of U.K.-based expat from China.

BUT HARRODS has likely learned a great deal from its French luxury retail counterpart's experiences in mainland China over the past decade.

After the new Shanghai location drums up buzz around a star-studded grand opening, maybe it will manage to sustain momentum throughout the rest of the year?

If it does this, it will certainly stand out as a lesson for other international retailers as **the uncertain Chinese luxury market** enters a new decade.

*Reproduced with permission from **Jing Daily**. Edited for clarity and style.*

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.