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How can British luxury return to growth after COVID-19?

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Harrods, with its colorful window display, joined a worldwide movement uplifting local communities with rainbows of hope. Image credit: Harrods

By SARAH RAMIREZ

NEW YORK Creativity and innovations will help the British luxury industry regain its footing as it looks to recover from the global pandemic.

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During conversations at the Future of Luxury eConference on Sept. 23, representatives from Walpole, the British luxury trade association, discussed how the coronavirus pandemic has impacted brands and retailers in the United Kingdom. Although luxury brands have faced challenges, the pandemic has underscored the importance of strong strategies surrounding ecommerce and sustainability.

"We've seen an extraordinary acceleration of activity during this time resetting, of pause," said Helen Brocklebank, chief executive of Walpole.

Future of Luxury eConference was produced by Luxury Daily

Retail response

When the pandemic-induced lockdowns in the U.K., it hampered spring sales at Harrod's and other luxury retailers.

According to Michael Ward, managing director at Harrod's and chairman at Walpole, Harrod's sold "significant volumes of product" during the closures through a partnership with online retailer Farfetch. This allowed the team at Harrod's to access the platform's ecommerce technology while it built its own in-house team of programmers.

"As a small luxury business, we could never afford to compete in the marketplace with all of the digital players [on our own]," Mr. Ward said.



Helen Brocklebank is chief executive of Walpole

The post-shutdown challenge remained, however, to sell high-quality inventory with minimal discounts, safely and without unnecessary waste. Harrods opted to move off-season inventory to a different location to better allow for social distancing at its flagship.

Since July, the Harrods Outlet in West London has sold fashion, beauty and accessories stock left over from the current season, complementing online efforts at Harrods.com ([see story](#)).

Mr. Ward noted there has been renewed interest among shoppers for home furnishings and gym equipment as a result of the pandemic, while luxury's "power brands" have only seen modest sale declines.

"The brands that have really taken the pain are smaller brands that are not really in the eye at the top of the eye of the consumer," Mr. Ward said. "And they're seen as not being long-term luxury."

Moving forward

Prior to the pandemic, British luxury was growing steadily for years even with years of uncertainty surrounding Brexit. The business spans sectors, including automotive, apparel, hospitality and retail.

Both Mr. Ward and Ms. Brocklebank believe the pandemic has made sustainability even more important in luxury, especially as brands work to connect with younger consumers.

"What we've seen really accelerating is really clear is this idea of luxury with a heart' brand purpose," Ms. Brocklebank said. "But the pandemic has accelerated that move towards that absolute need for brand purpose and need for doing the right thing, but also that coming incredibly strongly to the top of the hierarchy of communications and activity for those brands."

The executive cited the efforts of British luxury brands at the beginning of shutdowns to assist with healthcare needs, including manufacturing hand sanitizer and personal protective equipment.

As the recovery continues, elevated experiences in retail and luxury will also see resurgences.

"The emotion and the experience of the hearts of luxury," Ms. Brocklebank said. "It's the essence of why people like luxury: it makes you feel incredibly special."