

RETAIL

Citing COVID-19 impacts, Harvey Nichols sees significant losses in 2021

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Harvey Nichols has faced lockdowns throughout the pandemic. Image credit: Harvey Nichols

By LUXURY DAILY NEWS SERVICE

British department store chain **Harvey Nichols** recorded sales decreases throughout the fiscal year 2021, with the losses ostensibly stemming from several factors.

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The chain cited significant negative impacts from the COVID-19 pandemic, including a decrease in-store visits. The group said that in the year ended March 27, 2021, losses increased to 38.6 million pounds, or \$52 million at the current exchange.

Looking to turn the corner

The losses after taxes at 38.6 million pounds is an increase from 15.5 million pounds, or about \$20 million at current exchange, from the year prior.

The chain's turnover dropped 45 percent year-over-year to 121.3 million pounds, or about \$163 million at current exchange.



Manju Malhotra is the CEO of Harvey Nichols. Image credit: Image Bliss Photography

The group believes a significant reduction in tourist arrivals, store closures lasting almost eight out of the 12 months of the year and additional COVID-19 related factors contributed significantly to its losses.

Despite uncertainty about how the pandemic will continue to evolve, Harvey Nichols CEO Manju Malhotra is looking optimistically towards the future.

"During these unprecedented times, we have not stood still and focused on managing costs and cash flow during store closures and investing in our IT systems and website to drive our online channel," Ms. Malhotra said in a statement.

"We have broadened our category appeal and continued to look at creative ways to maintain the excellent service our customers expect."

For fiscal year 2022, the company has continued investing in its website and IT systems and a new customer rewards program which it plans to launch at the end of January 2022. The program will offer consumers tailored benefits and cash back options.

Several brands, chains and retailers across luxury sectors have implemented loyalty programs in an effort to foster customer loyalty.

Earlier this year, U.S. retailer Bloomingdale's is introduced new features to its Loyallist program, making it easier for customers to navigate the rewards program and earn more perks.

After being the first luxury fashion retailer to introduce a tender neutral loyalty program, Bloomingdale's opened all of its tiers to tender-neutral Loyallists, enabling any customer to earn rewards regardless of payment type. The retailer's "Top of the List Unlocked" elevated tier includes the program's most rewarding point earn rate and free premium shipping ([see story](#)).