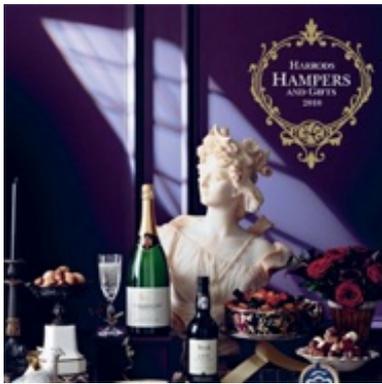


MAIL

Harrods highlights most expensive gifts in 2010 holiday catalog

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By PETER FINOCCHIARO

London retailer Harrods is upping the ante by pushing its most expensive gift items at the front of its 2010 Hampers and Gifts catalog despite waning British consumer confidence.

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Harrods' upfront placement of the most expensive hampers of foods, wines and spirits in its catalog marks a departure from last year, when it positioned goods in the highest price point near the middle of the publication. The bold step is counterbalanced with efforts to appeal to consumers' less extravagant sensibilities by offering a wide range of goods in lower price points.

"Even in a challenging economy, there are several things a catalog company can do to retain customers," said Tanya Hansel, founder of [Hansel Marketing Group](#), Round Rock, TX.

"The key is flexibility and providing a variety of price points that appeal to all budgets," she said. "It's a smart way steer upscale customers towards the higher price points and allow potential customers to try the entry-level selections for a reasonable price."

Ms. Hansel is not affiliated with [Harrods](#) and agreed to speak as a third-party expert.

Putting aspiration out front

The front sections of a catalog play a key role in framing consumers expectations.

The first four items featured in last year's edition were all valued at £225 – or about \$360 USD – or less.

Harrods waited until page 22 to show readers an item worth more than £1,000 (\$1,600 USD).

However, this year's Hampers guide came out with guns blazing.

The first item featured in the catalog is the £1,250 Supreme hamper, appearing on page 4.

The massive gift basket includes 14 different wines and spirits, three types of tea and coffee, and 25 different food items such as biscuits, chutney, chocolates, dry-cured beef and cavier.



Harrods 2010 Supreme hamper

With the exception of two sets of wine bottles valued at £100 (\$160 US) and £90 (\$144 USD) on page 9, all hampers in the catalog through page 16 are priced at £350 (\$560 USD) or higher.

This year's catalog includes 53 gift sets, compared to 41 last year. Forty-two percent of hampers and gifts are valued at more than £125 (\$200 USD) versus 32 percent in 2009.

However, Harrods did scale back on the number of items in the highest price point.

Whereas the retailer offered two hampers worth at least £1,000 last year, this year's catalog features only one such gift basket.

Instead, a greater percentage of goods were neither relatively cheap nor extravagantly expensive.

Thirty-three percent of all hampers and gifts were valued in the middle range of between £125 (\$200 USD) and £350 (\$560 USD), compared to 20 percent last year.

Harrods was not available for comment by press deadline.

Hampers galore

New hampers this year include a £450 (\$720 USD) Vintage Collection, created in celebration of the Harrods 2010 Vintage Christmas theme, as well as a £200 (\$320 USD)

family-themed hamper with two wines, an assortment of cheeses, biscuits and cakes, and a Harrods edition Monopoly set.



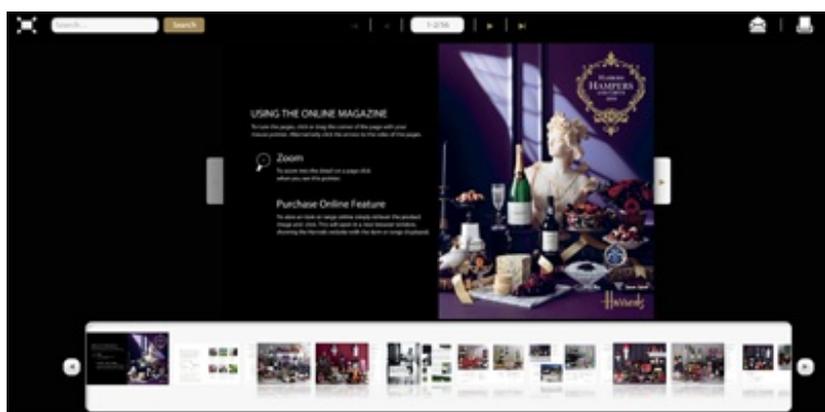
Harrods 2010 Family Hamper

Finally, the retailer teamed with food makers Daylesford Organic Stichelton Dairy to create five new hampers, including the £275 (\$440 USD) Daylesford Complete Larder.

Holiday shopping simplified

Consumers looking to purchase hampers from the catalog can do so via five different mechanisms: online at <http://www.harrods.com>, by telephone, in-store, by mail or by fax.

While 2010 catalog is not the first available online, this year's edition brings some new functionality.



Harrods Hampers and Gifts 2010 catalog online

In addition to letting viewers view online, Harrods is now also enabling them to jump straight from the pages of the catalog to their shopping carts.

Users can roll over products displayed in the digital catalog with their mouse and click to launch a new window with the product's page on the Harrods Website.

The retailer is offering free shipping on all orders placed before Nov. 19.

“Although luxury customers might be spending less money each time they shop, there's a

good chance that the purchase frequency hasn't decreased quite as much," Ms. Hansel said. "Customers still expect outstanding service and appreciate that personal touch."

Final Take

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