

# SHOP DIRECT

Shop Direct's new Very Exclusive site offers consumers a host of luxury brands on credit. **Caroline Baldwin** speaks to chief executive Alex Baldock about why he thinks it will be a success



# Shop Direct unveils its luxed-up offer

**S**hop Direct chief executive Alex Baldock is on a mission to shake up the luxury market. With the launch of the retailer's new Very Exclusive site, Baldock wants to offer his shoppers the best premium brands in the world, on credit.

Launched yesterday, VeryExclusive.co.uk spans womenswear, footwear, accessories and beauty, selling aspirational designer fashion, upscale high street brands and the luxe collections of high street retailers.

"We see this as something new and genuinely different – we don't see anyone else democratising luxury, no one else is bringing these brands within reach," he says.

Baldock declined to give sales projections but is confident the venture will be a success.

"Whenever we've offered more premium brands, our customers have lapped it up," he says. "The more premium the brand, the more the credit offer comes into its own."

"It's the smart way for anybody to buy luxury. If you're buying a £500 ready-to-wear dress, why wouldn't you want to pay in three-month interest free instalments?"

The new site, inspired by customer demand, launched in time for London Fashion Week, which kicks off today, with 150 brands.

Shop Direct plans to have 5,500 lines by the end of the year. It features big name labels



**"We're about democratising and demystifying luxury and price"**

**Alex Baldock, Shop Direct**

including Vivienne Westwood, Gucci, Karl Lagerfeld, Marc by Marc Jacobs and Reiss.

Very Exclusive aims to bring accessible luxury to Shop Direct customers within the 26 to 35 age bracket. "We're not chasing different customers, and luxury isn't for everyone," Baldock explains. He expects 1.8 million of his four million customers to be interested in the new offering.

Traditionally, luxury retailers have nurtured a premium customer base, shying away from discounting and credit. So how has Shop Direct managed to convince them to get on board?

Baldock admits such brands are "picky" when it comes to who sells their products. But he says the retailer's new luxury brands took confidence from big names such as Apple, Samsung, Radley, L'Oréal and Hunter that are already available on Very.co.uk.

"I haven't had scepticism, it's been the

opposite, they see something new and distinct in the luxury market," he adds.

"Secondly, they can see what we're doing as an ecommerce player, with a £100m-plus investment programme to build a world-class digital retailer."

## Luxury on the rise

Maureen Hinton, Conlumino group research director, says it is a good time to launch the Very Exclusive proposition in the UK because of the improving economy.

She points out that the UK is now a major destination for luxury shoppers and interest is growing outside London. And, with the help of sites such as Net-a-Porter, the luxury sector has become more visible.

"When it's more visible and expanding, you become much more aware of it," says Hinton. "You've got people who see these luxury products and desire them, and Very Exclusive is making them more accessible."

Baldock says Shop Direct's rich analytics platform is also attractive to luxury retailers who will, in some cases for the first time, have access to detailed statistics on how their customers behave online.

"Catalogues were always richer in data than bricks-and-mortar, so we have 80-odd years of data on our target customer, and over the last

## Very Exclusive's big name brands

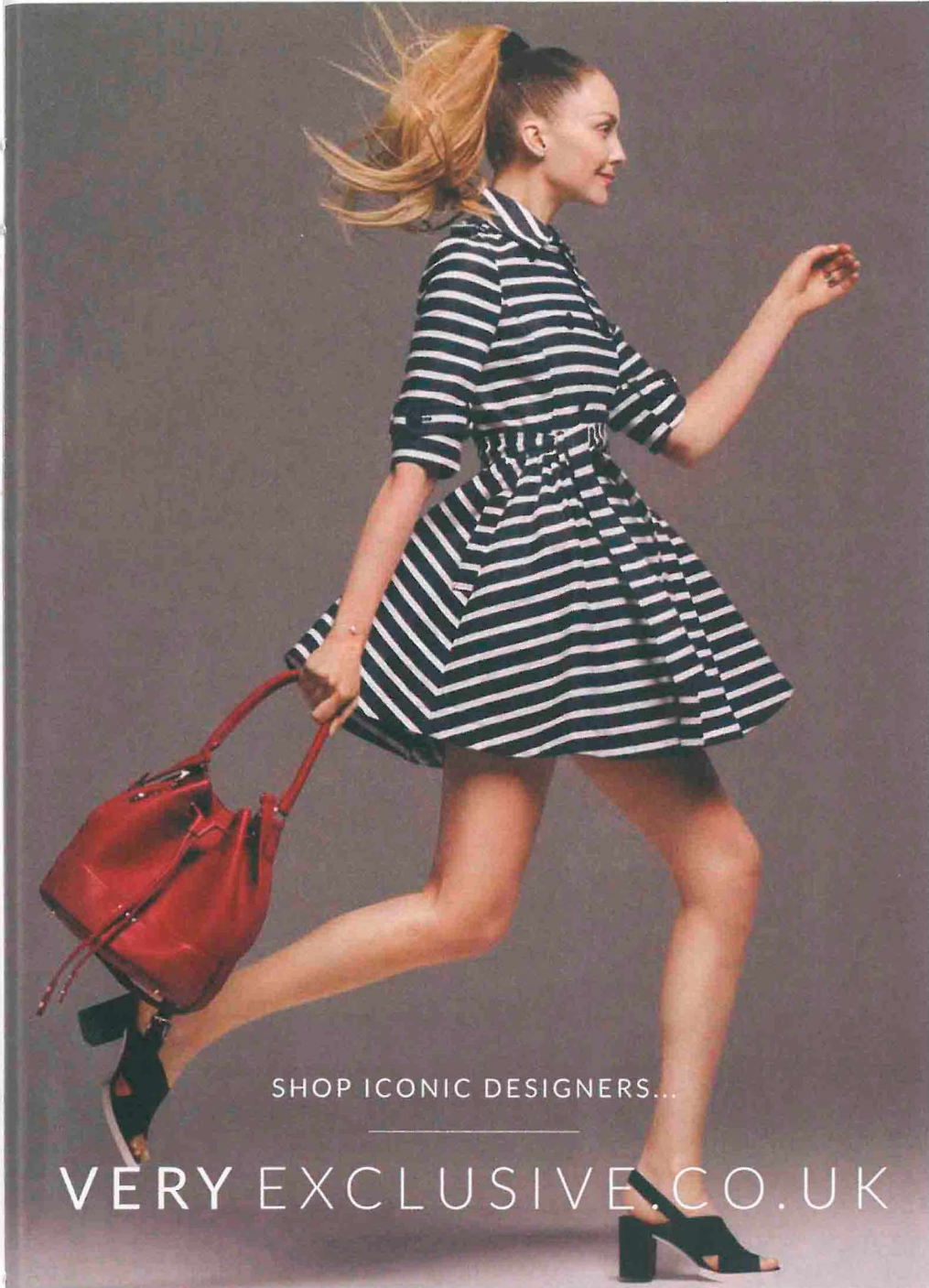
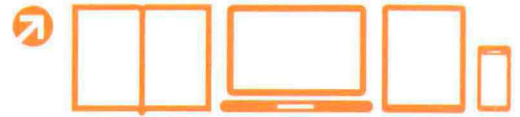
**Fashion** Vivienne Westwood, Anglomania, Barbour Carven, Calvin Klein, Diesel, DKNY, Gucci, House of Holland, Hunter, J Brand, Joseph, Juicy, Karen

Millen, Karl Lagerfeld, Links of London, Love Moschino, M Missoni, Marc by Marc Jacobs, McQ, Prada, PPQ, Red Valentino, Reiss, See by

Chloe, Tommy Hilfiger

**Beauty** Anna Sui, Bliss, Fake Bake, Illamasqua, Nars, Philip Kingsley, Stila, T3

Tell us what you think about  
Shop Direct's new site on  
[Retail-week.com/veryexclusivelaunch](http://Retail-week.com/veryexclusivelaunch)



SHOP ICONIC DESIGNERS...

VERY EXCLUSIVE.CO.UK



12 years we've got the wealth of transactional data from being an ecommerce provider, as well as the wealth of data coming from being a lender and a financial services provider.

"We've invested a tonne of money into data science and analytics, as well as hiring from online gambling and gaming who are much further ahead when it comes to data."

Shop Direct plans to add more famous brands over the coming year, and will continue to invest in data analytics and personalisation to make the customer experience stronger.

"We're working hard to deliver this strategy to transform this business into a world-class digital retailer, and Very Exclusive is bang on with that strategy," says Baldock.

**Editorial content**

The retailer also worked hard to hire a credible team to launch the business. It appointed My-Wardrobe.com founder Sarah Curran as managing director, as well as Vicky Kavanagh who joined from Harvey Nichols to lead fashion buying, and Clare Morgan from Harrods who is leading the beauty team.

In the run-up to launch, Curran was encouraged to treat Very Exclusive as a start-up in order to keep the project fresh and lean, says Baldock.

He says the team "has the best of both worlds" because it enjoys the freedom of being entrepreneurial and not getting "crushed" by the Shop Direct machine. "But they can lean on

the machine, its scale, ecommerce and fulfilment," he says.

"It's a start-up with 1.8 million potential customers on day one," he says.

When the retailer unveiled plans for Very Exclusive last year, Curran was optimistic it would be a success. "We believe Very Exclusive is going to go down a storm with stylish women across the UK," she said.

"We'll be looking to offer a curated edit, along with our favourite pieces of each collection that will fit perfectly into every woman's wardrobe.

"The site itself will provide a rich editorial experience that will guide women through the season's collections, trends and key looks."

Baldock says the site will have a different look from the rest of the Shop Direct portfolio, after investing heavily in editorial content.

"It's not elitist or alienating, it is speaking to a girl in the tone she's used to," he says.

Shop Direct may be charting new territory by offering luxury on credit but Baldock is confident it will succeed. "It's about helping our customer through what can be an intimidating world – we're about democratising and demystifying luxury and price," he says.