

Limelight-shy Wiggle boss Stefan Barden comes out of the shadows to tell **James Wilmore** how the etailer keeps ahead of the competition

How Wiggle won sports etail's yellow jersey

STEFAN BARDEN is a man who prefers to stay out of the public eye. Since taking over from Humphrey Cobbold two years ago as Wiggle's chief executive, Barden has kept a low profile.

Observers may think it is something to do with the etailer being owned by private equity group Bridgepoint, but it is also a reflection of Barden himself. "We don't like to be in the spotlight and I personally don't like to be in the spotlight either," he says.

"There are many dotcom CEOs out there who are constantly beating the drum. That's just not us. We're not remotely interested."

Instead the 52-year-old, a former food industry veteran, prefers to focus on those who pay the bills, namely the customers.

"We are ruthlessly focused on customer service and their feedback," he says. "Our group net promoter score is over 70 and our UK score is over 80 – that's pretty good."

Focus is a word Barden returns to again and again. Rather than getting distracted, Wiggle has focused on core products lines – cycling, running and swimming – while also narrowing the number of countries it operates in from 120 to 70 since last year.

Sales increases

The strategy is paying off. Last week Wiggle reported a 16.7% jump in full-year profits on an 11.5% lift in sales to £179m. The UK, accounting for around half of Wiggle's revenue, was particularly impressive with sales up 26%.

The only downside was the hit in reported earnings from currency movements, particularly in Australia and Japan.

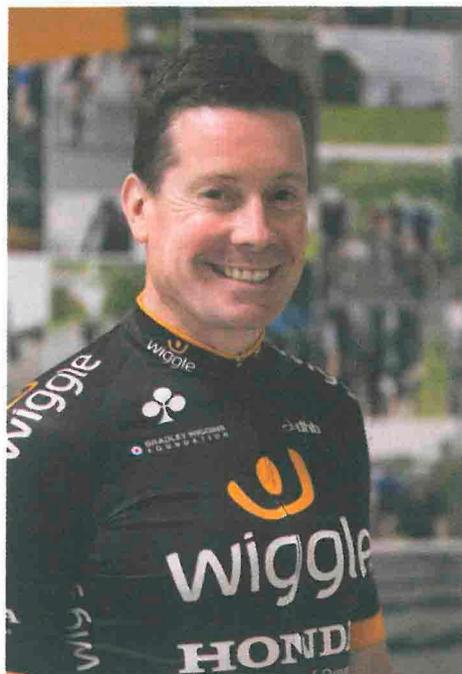
In its current financial year, which started in February, sales are up again.

Wiggle does particularly well in clothing, accessories and bike components, but Barden declines to detail the exact breakdown for each category.

He is particularly satisfied, however, with the performance of Wiggle's clothing brand, dhb, named after its founders Mitch Dall and Harvey Jones and longtime employee Paul Bolwell.

Annual sales of dhb have passed the £10m mark. "We believe it is one of the largest cycling clothing brands in the UK, if not the largest," says Barden.

Another success has been Wiggle's own brand of nutritional product, launched this year and the only item to carry the company name. "We think it's important to have the name on it because it is something you are going to



"Cycling is very fragmented, but online is taking share and we believe we can cash in on that change"

Stefan Barden, Wiggle

put inside you," says Barden.

The continuing sales uptick has led Wiggle to transfer its main warehouse operations to a new £10m premises in Wolverhampton. The 320,000 sq ft facility, which opened this month. It gives capacity for up to £750m of annual sales.

The upgrade is part of a three-year strategy that Barden is overseeing, designed to simplify the way Wiggle works. The etailer is around 40% through that strategy.

"We are working hard to take out all extraneous effort and computerise as much as possible," says Barden. But he is quick to deny that might affect staff numbers.

"We are growing more quickly than we need to take out cost," he says. "Colleagues will be retrained in their particular roles as they learn these high-level skills."

Barden's under-the-radar approach was tested earlier this month when Wiggle informed its customers that its workshop concessions at Homebase were pulled due to "circumstances outside our control". The fallout meant Barden having to clarify that it had no beef with the Home Retail-owned business and the trial had gone "extremely well".

In fact, since *Retail Week* reported the breaking of ties between Wiggle and Homebase, Barden says he has been "inundated" with offers from other retailers to work with Wiggle.

He declines to say who, but admits the company is "looking at what the future of physical retail is". He says: "Clearly if you're online having a customer touchpoint is helpful."

Despite that, it would appear any full-on Wiggle physical offer is still some way off.

Online opportunities

"We are focused online," says Barden. "There are so many growth opportunities online and I wouldn't want the business to get distracted by trying to do something in that [physical] space. If we were to do something in that space it would have to be a full-on programme."

At the moment, Barden says physical stores remain on the "opportunities" list.

The approach is understandable bearing in mind the number of projects Barden is overseeing – not least the launch of a Wiggle app this week.

As for the competition, Barden admits he was surprised by Halfords' unscheduled trading update earlier this year warning about falling cycling sales.

But he observes: "We do think the UK industry is being hit by the strong pound. People can buy from European sites. But Wiggle stays on top of price by updating its prices daily based on analytics. We make sure we are not being beaten."

Barden, who has represented Great Britain in European sprint triathlons, is enthusiastic about the opportunities that lie ahead. He still does the "odd" event but his focus remains Wiggle.

"If you look at Europe alone for the tri-sports, that's about £16bn of annual sales, of which two thirds is cycling. Two thirds of the remainder is running and the rest is swimming," he says.

"Cycling is very fragmented, but online is taking share and we believe we can cash in on that change."

As far as Barden is concerned, there is not the slightest danger that Wiggle is running out of road.

➤ See more on Retail-week.com/WiggleBoss