

Bergdorf's and Harrods set out to woo big spenders

Luxury sales Stores are opening salons to attract high-net-worth customers, writes *Rachel Garrahan*

At Christmas, Bergdorf Goodman's celebrated festive windows on Fifth Avenue in New York will be enhanced by a glittering addition, in the shape of gems on display from its new jewellery salon, officially scheduled to open on December 15. The salon is the retailer's most important renovation since the late 1990s and reflects fine jewellery's growing significance for luxury department stores around the world.

According to a 2014 report from consultant McKinsey, annual global jewellery sales are expected to grow from €148bn to €250bn by 2020, and retailers want to stay ahead of the game.

As well as its own entrance on 57th

Street and store windows, the salon at Bergdorf's is introducing new watch and jewellery brands including established brands such as Piaget and Bulgari and independent designers such as Yannis Sergakis and Daniela Villegas. It launches with a collaboration with Gemfields, the gemstone mining company, which will feature emerald and ruby jewels by 15 designers including David Webb and Kimberly McDonald.

"We are trying to give our customer an experience they can't get elsewhere," says Elizabeth von der Goltz, Bergdorf's senior vice-president of women's ready-to-wear and jewellery.

Next spring, Bergdorf's will start holding trunk shows, temporary in-store showcases, featuring some of the world's pre-eminent designers whose work is not usually available in stores. They will include Carnet by Michelle Ong and James Taffin de Givenchy.

In London, fine jewellery is also a priority for Harrods department store.

"It is our fastest-growing department," says Helen David, fashion direc-

tor of womenswear, accessories, fine jewellery and childrenswear. While the department reports strong sales in luxury gems between £5,000 and £15,000, most of its growth is at the highest price points.

Having expanded its fine jewellery department to two rooms in 2013, Harrods is opening a refurbished luxury jewellery room this month. The addition of Graff Diamonds last year and Harry Winston in 2012 — brands with



Bergdorf Goodman, New York

an emphasis on big stones and one-off pieces — has been pivotal to Harrods' jewellery strategy. "These are the two names at the very high end that have changed what we consider a big sale," says Ms David.

But high-net-worth buyers are increasingly shopping from their own homes. Last month McKinsey forecast that global online sales of luxury goods could triple to €70bn by 2025, representing 18 per cent of luxury spending.

Where possible, Lane Crawford, the Chinese luxury retailer, aligns its website with its in-store jewellery offering. "We believe our physical stores and online flagship Lanecrawford.com are complementary," says Lianna Man, vice-president of womenswear, home and jewellery.

Bergdorf's and Harrods are also addressing online jewellery sales. Harrods will shortly launch a dedicated jewellery boutique at harrods.com while Bergdorf's is expanding its online offering. However, both believe the channel is limited given the one-to-one

approach required in selling jewellery.

Ms David says that while the internet is useful for showcasing products and for customer research, someone wishing to buy a stone for £2m will want to talk to a specialist. "In the jewellery world, I don't think [online] will ever be the main way to purchase," she says.

Plukka, a fine jewellery retailer based in Hong Kong, is developing a strategy to tackle this problem. Its founder, Joanne Ooi, launched the business online-only in 2011 and expanded it to physical boutiques and trunk shows.

She believes nothing will replace seeing jewellery for real and is therefore launching a "viewing-on-demand" service this month.

Starting in Hong Kong before expanding to the US and UK, customers will be able to select up to five pieces available in their location to view at home. A charge of \$38 will be made for the service, refundable when customers purchase either on the spot from the customer representative that delivers the items, or later via the website.