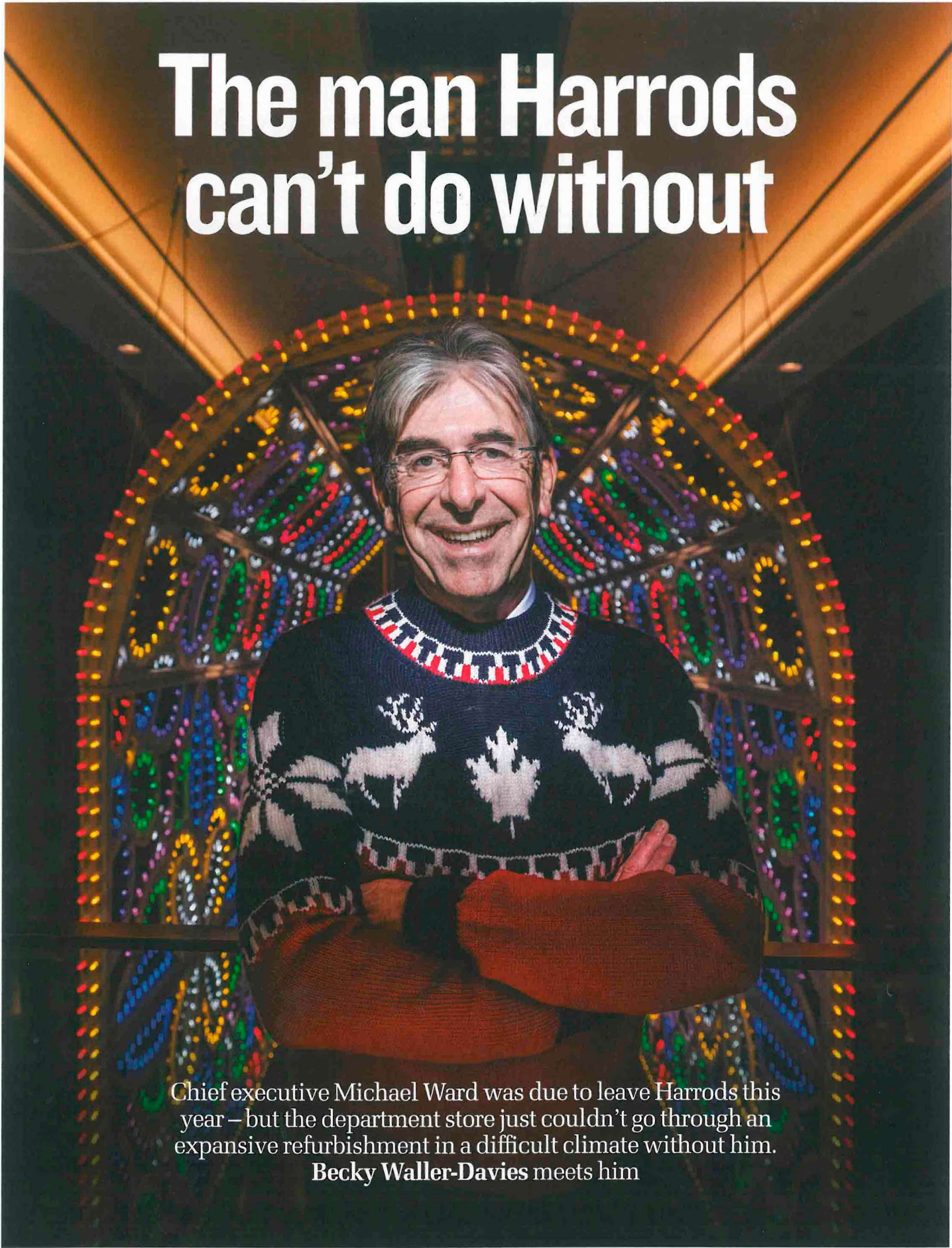


INTERVIEW

The man Harrods can't do without

A photograph of Michael Ward, the chief executive of Harrods, smiling and standing in a festive setting. He is wearing a dark blue sweater with a white and red patterned collar and a white maple leaf design. He has his arms crossed and is wearing a brown knit hat. The background is a large, arched structure covered in colorful Christmas lights (red, yellow, green, blue, and white) against a dark background.

Chief executive Michael Ward was due to leave Harrods this year – but the department store just couldn't go through an expansive refurbishment in a difficult climate without him.

Becky Waller-Davies meets him

See more pictures of
Harrods' revamped store
Retail-Week.com/Harrods-Ward



Christmas is a crucial time for every retailer but some, like luxury department store group Harrods, really comes into its own during the festive season.

On the day Retail Week visits, the Dolce & Gabbana Christmas tree stands proudly outside its Knightsbridge store, bedecked with giant baubles and cherubs as throngs of tourists fill the Italian Christmas market on the fourth floor – courtesy of its association with the designer pair.

Harrods has also teamed up with Dolce & Gabbana on a multicoloured light installation, made of thousands of delicate lightbulbs, which fills its newly designed grand entrance hall.

Harrods is committed to making its festive experience unique. As part of its Dolce & Gabbana tie-up, its famous food hall played host to a fashion show of women's and menswear created especially for Harrods.

While Harrods is one of the only retailers capable of hosting such an event, chief executive Michael Ward says that with such innovation comes increasing pressure.

"You have to get better every year," he says. "It is about what you can envisage, it's a step-change. Doing what you did last year is not going to cut the mustard."

Resignation reversed

Ward's year was supposed to be remarkably different. After 11 years at the luxury department store, he handed in his resignation early last year. However, as economic conditions started to bite, he reversed his decision to help Harrods weather the storm.

"I think somebody decided for me," he says with a smile. Ward has worked to make sure Harrods sets the pace in a rapidly changing luxury world, and has embarked on a £200m refurbishment of the department store.

It's the first major project under owner the Qatari Investment Authority, which acquired the group from long-time owner Mohamed Al-Fayed in 2010.

Ward says the transformation played a part in his decision to stay. "It's a really complicated transformation – if you move one thing you probably have to move six other things – it's like three-dimensional chess... somebody else coming in would probably have delayed our plans," he says.

Vitamin jabs and cigar rooms

Ward appears remarkably upbeat for someone who should still be jet-lagged following a whistlestop tour of the Far East.

But he says his vigour is down to a vitamin injection from the Harrods Wellness Clinic, which opened in May as part of its refurbishment programme.

The cocktail of vitamins is ideal for soothing customers who might be nervous before trying out the more innovative treatments, such as cryotherapy, which sees customers plunged into -110°C conditions.

Ward usually opts for cryotherapy too and insists that it makes you feel "amazing".

"One customer has cryotherapy every day," he says. "If you've got most of the things in life and you can start to invest in yourself, why wouldn't you?"

On the opposite end of the wellbeing scale, Harrods is also investing in a smoking room with a difference.

"[It] will have the technology that allows you to smoke without your clothes then smelling of smoke," Ward explains.

That cigar lounge will also contain keeps – medieval-style fortresses where customers will be able to store their cigar collections.

"There will be a safe area in the store that you can access but you will also be able to check that the temperature and humidity are absolutely perfect from anywhere in the world via your phone," says Ward.

Another department that Ward has big plans for is the Harrods' food hall. He believes food is at the heart of the department store's offer, but takes a dim view of the trend for shoving in third-party restaurants to fill up excess space.

People so dwell on the past that they forget to dwell on where the future is, where the customer is taking their thought processes

Michael Ward

"It's not just about refurbishing the food hall, it's about the whole experience," he asserts.

"It's about bringing the baker into the room – you can see him bake, you can put your initials on the bread he's cooking.

"You sit in the coffee bar in the morning and just before bells ring for the fresh pains au chocolat to come out, we go round and tell people they're about to come out of the oven and ask whether they'd like one.

"Literally everybody buys one. The bell rings when they're ready and everyone cheers – it's a real ceremony every time."

Constant innovation

He has a similar message for the rest of the industry. "I think that people just don't think properly about engagement," he says, when I posit that Harrods has it easier than most when it comes to all things experiential.

Ward believes retailers have become too focused on what's already gone wrong.

"All people seem to think about is loss-making portfolios," he says. "Does a loss-making portfolio really come as a surprise? If it did, you shouldn't be in the job."

Before Harrods, Ward was boss of Lloyds Pharmacy and so knows the harsh realities of the high street. "My most important meeting every week was to go through the stores which

had the largest declines," he says. "After a while, we had recovered them and we didn't have any on that path so everything became forward-looking.

"If you suddenly have to close 100 stores then there's something severely wrong. But people so dwell on the past that they forget to dwell on where the future is, where the customer is taking their thought processes."

The new beauty

Beauty is one such area where retailers desperately need to innovate if they are to keep up with the brands operating in their sector.

The category is a hive of M&A activity and innovation with new brands such as The Ordinary and Glossier springing up to compete with the established beauty hall grandees.

"We have seen beauty going through a revolution," agrees Ward. "We have to move away from being a 'cash and wrap' offer to being purely experiential. And that's what the whole beauty transformation is about."

He bemoans the fate of department store beauty halls, criticising them for failing to be inventive. "Department stores are simply trying to take on Sephora," he asserts. "And they will lose. Sephora will come into the UK, it's one of the largest markets and it's perfect for them."

The US beauty giant pulled out of the UK market in 2005, after failing to make its mark during six years in Britain. But the industry is rife with rumours that its return is imminent.

"It had a foray and didn't do it very well," says Ward. "It will not make that mistake twice. Why would you try to pitch yourself in a similar way to the leader in the market?"

Ward is keeping quiet on what his new beauty hall will look like but insists it will be "entirely different from anyone else's because, as you would expect, we scoured the world and looked at them all".

"What we are doing, as we did with our [uber luxury perfume department] Salon de Parfums, is launch where nobody is fighting.

"Most of the brands thought we were mad: Salon de Parfums is on the sixth floor and is very expensive. But we just doubled the size of it because it's been so successful. Why? Because it's hugely exclusive product in a beautiful environment. And we will create fragrances just for you.

"You can spend half a day with us working through what you do and don't like."

It's a brave move but then that seems to be Ward's default setting. Of course, it helps that he's obsessed with Harrods, as his resignation U-turn shows.

Ward points out that he wouldn't want to lead any other business. "No, not for me," he says in his no-nonsense Hull accent. "Besides, this isn't the hardest gig in the world."

And with boundless energy – the vitamin injection must be working – he's off, pulling on a Christmas jumper (a surprise, all his idea) for his photo shoot. **rw**