



La Roca Village, part of the Bicester Village Shopping Collection.

BUSINESS

## Value Retail Sees Sales Bounce Back Post-pandemic

- The company is looking to polish its offer to brands and customers at its outlet villages worldwide.

BY SAMANTHA CONTI

**LONDON** - Business at The Bicester Village Shopping Collection hasn't returned to normal post-pandemic - and Scott Malkin couldn't be happier.

The group, which counts 11 luxury outlet villages in England, Ireland, Continental Europe and China, said it has witnessed the quality of sales improve since lockdown ended, and seen further proof of its retail-as-hospitality concept.

Similar to what luxury brands experienced as they navigated the various worldwide lockdowns, BVSC saw sales shift to the digital sphere and a big uptick in spending from the local customer base.

"There is no return to normal," said Malkin, founder and chairman of BVSC's parent Value Retail. He added that the business has, over the past 18 months, become more sophisticated and rigorous in terms of its approach

to customer acquisition and experience - and its relationship with the brands.

Priorities have changed: Malkin believes that open-air shopping today has a new appeal in the post-pandemic world, with customers seeing the villages as out-of-town "oases of comfort and welcome."

That's why he believes it's more important than ever to deliver a polished offer to visitors, and to work as closely as possible with the brands to ensure that the inventory and merchandising are top notch. Indeed, the company continues to pitch itself to brands as a "full-price customer acquisition platform," rather than a place to park out-of-season stock.

To that end, Value Retail has made a series of key hires in the past month from big brands including Gucci, Burberry, La Rinascente and Ermenegildo Zegna.

They include Monica Marsilli, formerly vice president and global general merchandise manager of Gucci and buying and merchandising director at La Rinascente, and Paul Price,

formerly chief merchandise officer at Burberry and executive vice president of Lucky Brand Jeans.

Value Retail has also taken on Franck Collin, former managing director at DFS, merchandise director at the LVMH Moët Hennessy Louis Vuitton Group, and Guillaume Desjardins who was previously global customer experience director of Givenchy, and customer experience director of Europe for Ralph Lauren.

According to the company, sales growth through the summer and into the early autumn has been accelerating, while the average transaction value across the collection is up by 13 percent compared with 2019.

Villages including La Vallée in France; Maasmechelen in Belgium; Wertheim and Ingolstadt in Germany, and Kildare in Ireland have seen their spend-per-visit rise by between 25 and 32 percent compared with 2019.

Spend-per-visit at Shanghai Village has increased by 82 percent, while Suzhou Village has risen by 47 percent in the nine months to September versus 2019.

In terms of total sales growth, China has been leading the way

with sales at Suzhou Village and Shanghai Village up 78 percent and 113 percent, respectively, compared to the same period in 2019.

According to Malkin, BVSC has been hard at work refining its relationships both with its "guests" - as it refers to customers - and the brands. Malkin never wanted to go the e-commerce route - he sees these shopping villages more like luxury resorts than retail outlets - but that didn't stop him and the team from delivering digitally during lockdown.

The villages offer virtual shopping with customers able to contact the boutiques directly, make an appointment to shop virtually via phone, video call, email or WhatsApp.

The company said that in the first half of 2021, 14 percent of total sales across the villages in Europe came through virtual shopping services, which launched at the start of 2021.

During the summer, as footfall to the villages grew significantly, BVSC said that the average transaction value of purchases made using the virtual shopping service also increased - to almost seven times the amount of those made in person.

Like luxury stores - and brands - BVSC has been hosting special events for customers and increasing its personal shopping offer at the villages.

Over the past year it has hosted more than 355 special brand events across its European villages and nearly 100 in China. "These events, held both at our Village Apartments and within boutiques, have contributed significantly to customer acquisition, average transaction value and spend per visit," the company said.

Pre-pandemic, many of the villages were tourist magnets, with Bicester a prime example. Until COVID-19 struck Bicester, outside Oxford, was the second-most visited site for Chinese tourists in the U.K. after Buckingham Palace.

With inbound travel still recovering in the U.K. and various quarantine measures still in place worldwide, tourism has slowly been recovering. BVSC said it saw "early green shoots of a tourism rebound" during the summer months.

Across the collection, visits from Saudi Arabia increased by 146 percent; Kuwait by 102 percent; Qatar by 172 percent, and UAE by 91. The number of Americans rose 7 percent year-on-year in the first nine months.