

How Harrods Is Betting Big on the Fine Jewellery Boom

The storied British retailer is planning its most ambitious renovation in years to create a brand new watches and jewellery boutique.

By Cathaleen Chen



Harrods is set to undertake its most ambitious renovation in recent memory: a multimillion-pound expansion of its fine jewellery and watches department to create a new, two-story destination for the category on the ground and basement floors of its London flagship.

The project, which was approved by city planning officials last Friday, will commence next year, the company confirmed to *The Business of Fashion*. It will mark the biggest and most architecturally significant redevelopment of the 175-year-old building in Knightsbridge and will require removing part of the floor slab to create a double-height space.

“The scale of this transformation is truly significant,” Harrods managing director Michael Ward said in a statement. “While I won’t cite a specific figure, I can say that it represents an investment several times greater than any previous store development in modern-day Harrods.”

Upon completion, the new watches and jewellery department will feature two curved escalators — the first of its kind in Europe, according to Harrods — that aim to create a grand sense of arrival. The space itself will be completely novel, with arched entryways, marble columns and a replica of the building’s ceiling from the 1920s.

The new destination will introduce an innovative format to the traditional department store setting: Rather than displaying the assortment in multibrand glass cases, the space will carve out individual two-story “vertical” boutiques for Harrods’ biggest brand partners in the category, according to Beth Hannaway, director of buying of fine jewellery and watches. Each boutique will have its own set of stairs or elevator, and will offer a more intimate shopping experience akin to monobrand street-side stores.

“We will be changing the very structure of the building,” Hannaway said. “There’s no real comparison within the multi-brand watches and jewellery environment, which is why it’s so exciting for us, because we’re doing something that no one will have experienced before.”

It will also be an opportunity for smaller brand partners to offer a customised retail experience without needing to operate stores of their own, she added.





The project, which does not yet have a completion date and will likely require years to undertake, aims to capture the **momentum of the fast-growing hard luxury sector**. Watches and fine jewellery are slated to outperform luxury overall this year, with branded jewellery in particular expected to grow at a compound annual rate of 8 to 12 percent between 2019 and 2025, according to McKinsey and BoF research, or three times faster than the total market.

“In the last number of years, high jewellery and horology in particular have been at the very top of the pyramid and have been incredibly resilient for us,” said Hannaway. “Strong overall performance clearly leaves us in a nice position to firstly have the confidence to invest in the category.”

For Harrods, which is owned by the investment arm of Qatar’s sovereign wealth fund, hard luxury has rebounded dramatically since the pandemic. The opportunity of revamping the category lies in offering shoppers a whole new experience for purchasing a Rolex or a five-carat diamond ring. The union of watches and jewellery in one space rather than separate departments also reflects the shifting behaviour of today’s consumers, according to Ward.

“The outdated notion of watches being a ‘masculine’ purchase and jewellery a ‘feminine’ one no longer reflects the way our clients or brand partners engage with the category,” he said.

Hospitality will be another focus in the new destination. For instance, Harrods plans to use its existing food and beverage offering, which includes multiple restaurants and a fresh market hall, as additional services for customers in the jewellery boutique.

Approval from the Royal Borough of Kensington and Chelsea means Harrods can now reach out to brand partners in conceiving its new space. Harrods currently stocks the likes of Cartier, Van Cleef & Arpels and Audemars Piguet.

“When the team looks back five or 10 years after completion, success will be measured by one clear benchmark: that Harrods is unequivocally recognised as the ultimate global destination for hard luxury,” Ward said.

