The Cambridge Satchel Company
Building a British Brand

• The Cambridge Satchel Company has built its success on offering a highly distinctive, quality product as well as its innately British identity.

• This has appealed to international shoppers, and the company has courted Chinese shoppers through marketing activities in China and selling on Tmall.

• Since 2013, The Cambridge Satchel Company has operated a limited number of its own shops in high-footfall and prestigious locations that attract overseas tourists.

• Product diversification is supporting the company’s growth. We met the product-development teams at the company’s main factory, and saw some of the designs, such as smaller bags, they are cultivating in order to draw in more shoppers.
THE CAMBRIDGE SATCHEL COMPANY
BUILDING A BRITISH BRAND

PROFILING AN OLD-FASHIONED TYPE OF STARTUP

In an age when entrepreneurship is often characterized by “serial entrepreneurs” starting tech companies, selling them for big bucks, and then repeating the cycle, the story of The Cambridge Satchel Company is woven through with more rewarding themes. It is a business that was conceived by a mother looking to pay for her children’s education. It is focused on traditional products that are still handmade in England, yet are sold for a fair price rather than aimed at the most affluent shoppers. And it has cultivated a brand image that exudes an understated Britishness that appeals to both domestic and international shoppers.

In this report, our latest in a series of company profiles, we look at this company’s journey from startup to global brand fame and export success. Our report is based on our discussions with the company’s founder, Julie Deane OBE, our visit to the company’s main factory and our tours of its London stores.

First, we run down key events in the company’s history. The Cambridge Satchel Company has been a story of rapid growth, from kitchen-table startup to a globally famous brand. The distinctively colored satchels that are the firm’s trademark product leaped to the public’s attention in 2010, when fashion bloggers began showcasing and carrying them, including at New York Fashion Week.

Figure 1. The Cambridge Satchel Company: Time Line

2008 Founded by Julie Deane, who is looking for a means to pay school fees for her children.
2010 The company’s satchels are worn by bloggers to New York Fashion Week.
2011 First collaboration, with Comme des Garçons.
2012 Opens a pop-up store in Covent Garden, London.
Deane is the first woman to be named Entrepreneur of the Year at the Europe Business Awards.
Deane is awarded Officer of the Order of the British Empire (OBE) for services to British industry.
The company starts selling on Tmall in China.
2015 Launches its first-ever dedicated men’s collection and opens a men’s shop in Covent Garden, London.
Collaboration with Vivienne Westwood.
Opens new stores in Brighton and Cambridge.
2016 Collaboration with the Rolling Stones. Opens a store in Edinburgh.

Source: Company reports/press reports/Fung Global Retail & Technology
THE BRAND

The Cambridge Satchel Company has built its success on offering a highly distinctive, quality product. The subsequent scaling up of the company has been helped by two interlinking factors: its innately British identity and its popularity among international shoppers.

Recent collaborations with celebrities and fashion designers have underscored the brand’s Britishness: Vivienne Westwood and the Rolling Stones are the latest names to partner with the company.

This British identity has appealed to international shoppers, and the company has courted Chinese shoppers, in particular:

• The company’s Cambridge store features the poem Leaving Cambridge in its window; the poem is famous in China and provides a photo opportunity for Chinese tourists.

• Its stores feature some signage in Chinese and store staff includes Chinese speakers.

• The company exhibited a “Great Wall” of satchels at a British trade event in Shanghai in March 2015. Online, the company has worked with the Alibaba Group to bring its products to the Tmall platform and build awareness among Chinese shoppers. The company participated in the Singles’ Day shopping event in 2015 and will promote a British-themed event to celebrate the Queen’s 90th birthday.

• For now, the company exports Tmall orders to China individually from its Leicestershire factory. But if demand continues to build, The Cambridge Satchel Company, like other firms exporting to China, may find it more efficient to fulfill orders from a distribution center based in China.

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THE FACTORY

At the heart of the brand is its promise of English-made, hand-produced, quality products. We saw this firsthand when we toured the company’s main factory, in Leicestershire, which produces around 500 bags of various designs per day.

We saw the end-to-end production of the company’s goods, from the quality control review of the raw material; through cutting, stitching and assembly; to packing and dispatch. The company’s concern for quality in material selection and through the production process was evident, and we were left with the impression that this was a brand that had not diluted its integrity in scaling up.

We asked Deane if she was tempted to move some production overseas, not only to save costs but to be closer to key export markets. She replied:

Many times, it would have been cheaper to outsource manufacturing overseas, but we would have lost the personal connection we feel to the product and our service staff. One of the things I am most proud of today is starting a factory from scratch and seeing it grow, as well as supporting a whole new workforce every day.

THE SHOPS

Since 2013, The Cambridge Satchel Company has operated a limited number of its own shops in high-footfall and prestigious locations such as Covent Garden in London. Deane told us the company has a strategy of opening stores in areas that attract overseas tourists. In Edinburgh, for instance, a recently opened store is close to Edinburgh Castle and the Royal Mile. The enthusiasm of foreign visitors, and especially Chinese tourists, for
outlet stores suggests an avenue for further growth in its domestic market over the medium term.

MARKETING

The company uses social media as a key way to engage with potential and loyal customers. At its main Covent Garden store, shoppers are encouraged to take selfies using a large mirror and then share them on social media.

The company’s social media followers are rewarded with regular notifications about price promotions, such as straight discounts and free extras such as embossing and delivery. The company also runs online competitions: a Mother’s Day promotion allowed consumers to compete to win bags for themselves and their mothers, as well as a trip to Cambridge.

THE PRODUCT

Product diversification is supporting growth for The Cambridge Satchel Company. We met the product-development teams at the company’s main factory, and saw some of the designs they are cultivating in order to draw in more shoppers. The company is lining up smaller bags that appeal particularly to Chinese consumers and smaller-ticket accessories, such as smartphone cases, that broaden sales opportunities. There look to be opportunities to tap the men’s accessories market more fully, too, including broadening the range to non-bag accessories.
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