

Comment: Reducing store portfolio may challenge retailers

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Many retailers have recognised the power of ecommerce to drive sales and offer a compelling and convenient way for their customers to shop. But not all store groups have worked out how they will manage the effect online sales have on the rest of their business, particularly their store requirements.

So it is interesting to see DIY trade specialist Wickes taking the lead as it works to reduce the size of its stores in light of growing online sales.

Retail Week revealed last year that Wickes aimed to ditch 1.4 million sq ft by subletting up to a third of its floor space. Last week Wickes' owner Travis Perkins revealed it has begun to "alleviate" its rent burden through its first moves towards subletting, to retailers including The Range.

So how much longer will it be before others follow suit? Many retailers will be thinking about how to achieve a slimmed down portfolio, but surely it is rival shed operators on retail parks that are most in need of trimming stores.

It seems incongruous with today's online-savvy, convenience-loving shopper to have a giant 150,000 sq ft store plonked in the middle of a retail park.

B&Q and Homebase will undoubtedly be looking at their store bases and how they can be altered.

It has dawned on grocers too that hypermarkets are not in keeping with the customer's new mindset. Analysts have suggested it is time Tesco looks to sublet its largest stores to either retailers or convert some space for services.

Fashion retailers are also considering trimming their stores. New Look wants smaller shops and has met landlords to discuss subletting.

Cafes have become a feature in stores such as Dunelm. Next, Waterstones and the grocers also all have cafes, helping to prolong dwell time and bring in rent revenue.

But realigning a property estate to meet the demands of customers in the online age is no mean feat, and presents a huge challenge. No doubt store groups will be keeping a close eye on Wickes, which through its subletting initiative has taken the Do it Yourself mantra to heart.

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