



Kingfisher's practical and poli

Kingfisher's results last week showed a group that has one store chain in recovery and another growing at stellar pace. John Ryan visits B&Q and Screwfix

Anybody leafing through the booklet accompanying last week's Kingfisher prelims would have noticed a fairly good-looking bit of store porn towards the back.

Closer inspection would have revealed that it was an in-store paint department with graphics showing colour charts that looked a little like a Technicolor periodic table. What the accompanying rubric did not say was that the store in question was the B&Q Extra in Farnborough, Hampshire.

This store has been in situ for just over a decade, measures 120,500 sq ft internally with an external sales area of 30,100 sq ft and was last refurbished in 2008. Yet it looks brand, spanking new and the paint department is the newest part of the whole interior.

The paint area is, in some measure, representative of a retailer that has been under the cosh for some time but which, to judge by last

B&Q EXTRA, FARNBOROUGH

Opened May 2003
Last refurbishment 2008
Newest feature The paint department

SCREWFIX, HEATHROW

Location Secondary, close to the A4
Major in-store feature The views into the warehouse from the counter
Major customer feature Convenience

week's results, may well have turned the corner.

B&Q UK & Ireland total sales were up 0.4% to £3.7bn in the year to February 1 and Screwfix's total sales increased 17.6% to £665m.

Now that like-for-like sales at B&Q have finally moved into positive territory (just) and Screwfix continues to race away, this looks like an outfit whose bottom line is on the move.

Incremental change

What is being done across the board at B&Q to effect change? And what is going to make things rosier? Is the Screwfix formula set to change and are things in place to ensure continuity of its stellar progress, given that upward-only growth frequently tends to be the stuff of budget sheets rather than reality?

In some respects, change at B&Q is incremental rather than wholesale, according to chief executive Kevin O'Byrne, who heads the recently appointed top team: "We don't really have a latest store as such. Our strategy is to make changes as we go and then to adopt the things that work. I'm not a great believer in the store of the future."

And to an extent, the paint department bears out O'Byrne's thinking. This is a very large store, the biggest in the chain, but the focus on a single

area is symptomatic of a step-by-step approach. "We've pulled everything together," says O'Byrne, making the point that the new-look paint area, more or less the first thing that visitors to the store encounter, is a response to the way people shop.

"It's colour you're after when you go out to get some paint. You don't care what the brand is," O'Byrne says. The expanded paint section does stock branded paint, but the paints have been displayed by colour first and brand second.

On the face of it, this would seem like common sense, but visit almost any other large DIY retailer, look at the paint offer and it's a matter of brands and own-brands first, arranged secondarily according to colour.

A fair degree of technology has been incorporated into the new Farnborough department. Sample cards illustrating a colour also bear a barcode. When a shopper takes the card to a member of staff, it is scanned and the appropriate recipe to produce the specific tone appears, allowing a member of staff to mix the paint.

The other point that should be borne in mind is the position that paint occupies in the DIY universe, according to O'Byrne. "We think paint is at the heart of any DIY project and by putting the accessories that go with this next to the paint we can get additional sales

For more pictures of B&Q, Screwfix and more store galleries go to retail-week.com/stores

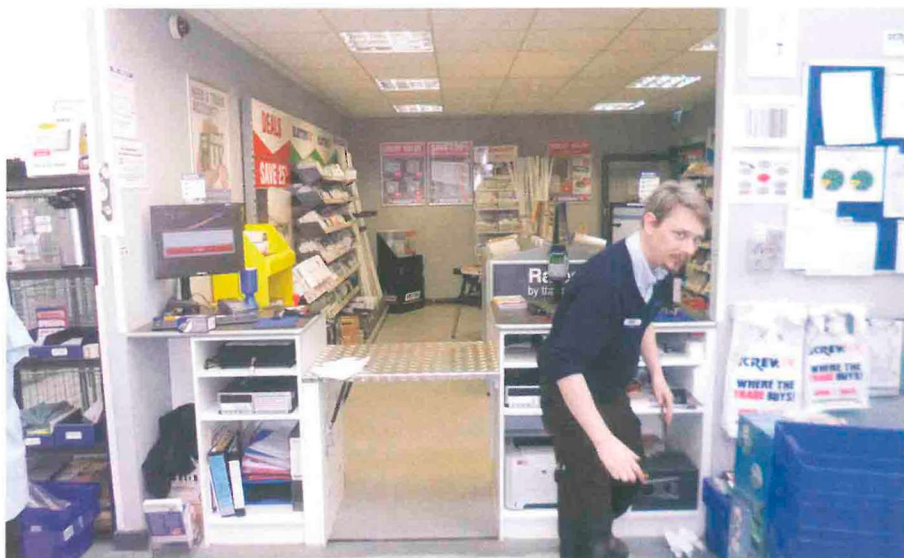


shed stores



(Above) The B&Q Extra in Farnborough has put its revamped paint area front and centre of the store; (below) Screwfix's visual merchandising is more utilitarian





Screwfix's stripped-back interior reflects its no-nonsense 'go in, get it, get out' approach. It is aimed at tradespeople and committed DIY enthusiasts

where the margin will be greater than that achieved by the paint," he says.

Farnborough then is like a bigger version of most other B&Qs, but in this instance an element within it is being put to use as a test-bed for the chain.

O'Byrne says there remains a requirement to make B&Q stores more "female-friendly", but that the challenge will be to realise this while keeping the retailer's "DIY project heritage" to the fore.

He is also a long-term advocate of in-store technology for use by shoppers, but with reservations: "I'm not sure if customers like the big screens that you see in (German) DIY stores like Obi, Bauhaus or Hornbach. They probably want to use their own [mobile] technology in a store."

B&Q is a very mature business and is not a retailer where increases in square footage are on the cards any time soon.

It is therefore a matter of managing the existing portfolio and seeing what can be done in-store and online – B&Q's DIY.com is due for a revamp this summer – in order to improve performance.

Stellar Screwfix

That could not be said of Screwfix, the trade and hard-end DIY chain. Andrew

"OUR STRATEGY IS TO MAKE CHANGES AS WE GO AND THEN TO ADOPT THE THINGS THAT WORK"

Kevin O'Byrne, B&Q

Livingston, chief executive of Screwfix, makes the point that last year the retailer opened stores at the rate of roughly "one a week". At present there are 336 Screwfix stores.

As a proposition it is entirely different from B&Q. Livingston describes the stores' interiors as "utilitarian".

"What we do is offer convenience. For us, it's about having a store that's visible for the most part," he says.

Livingston says 50% of Screwfix's web customers are click-and-collect, highlighting the fact that for many visitors to the branches, a purchase decision has already been made.

That said, there are elements about a Screwfix store that work to add incremental sales to the mission-based nature of a store visit. Practically, Livingston points out that this can mean new product areas are given prominence, deals that appear in the catalogues will be showcased or that "everyday consumables" are visible.

Recently, the back-of-shop warehouse where the products are stored has been made much more visible. All of which can clearly be seen at the large branch just off the A4 near Heathrow.

"It's not over-pretty. We don't go to

great lengths to doll it up," says Livingston, but he makes the point that "customers are impressed by the way in which we merchandise the store when they see the warehouse."

Screwfix remains one of the ultimate examples in retail of 'get in, get it, get out' and it is convenience, rather than visual merchandising, that is the focus.

Given the highly local nature of a Screwfix store's catchment, it would appear that there is still considerable room for expansion in the UK and Livingston remains bullish about the opportunity: "The stores are working incredibly well right now," he says.

This is a formula that remains an infant when set against the giant that is B&Q, but what is interesting about both is that the leaders of the two businesses have a clear vision about how their store estates should be treated.

To judge by the stores, Kingfisher looks well placed to benefit from the much-vaunted recovery of the UK economy and with both elements of its UK business firing, it has the chance to paint the balance sheet black(er) this year.



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