

# Edcon shuts stores in bid to save sales

By [Colleen Goko](#)

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Retail cannibalisation is becoming a significant feature in the domestic market and it is for this reason that Edcon is shutting down stores where it can, says CEO Bernie Brookes.



Retail cannibalisation occurs when a company's new stores steal customers from existing stores. This can reduce overall sales even though sales in the new stores generally do well. Cannibalisation can hurt sales volumes and market share.

"As the leases come up, we are reviewing the stores to see if we should keep them open or not," said Brookes.

"It's the most sensible thing to do, especially if you consider the market as it is right now. If you look at Mall of Africa, for example, our store there has taken sales away from stores close to that area.

"In some cases, we are looking at reducing store size by closing certain departments or floors," said Brookes.

In the year ended 25 March, Edcon closed eight Edgars stores, four Jet stores and five Jet Mart stores. The retailer closed seven stores in its speciality division that includes CNA, Red Square and Boardmans.

Brookes said fewer stores would be opened in the future.

Source: *Business Day*

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