

Time for a fresh lease of life?

by David Shrimpton

“We’re not closing”. The notice in the window of Fal’s Londis, in Clapham Park, south London, is one of the first signs that all is not well at the 1,100sq ft store. A glance down the rest of the parade is another big clue. Shop after vacant shop and a derelict pub on the end, the only businesses still open a pharmacy and a betting shop. Not a very inspiring sight.

The store, which backs on to a huge council estate and sits on the busy South Circular road, has been owned by the family since the 1980s and is now run by husband and wife Fal and Dilip Patel.

Redevelopment threat

For the past 19 years, however, a cloud has hung over the site, with a series of ever-shifting plans to redevelop the area leading to both residents and businesses being shipped out and leaving the store in a state of limbo. The landlord has tried to move the Patels out too, but they have resisted, so far, and still have four years to run on their lease.

“We have never really been able to put a finger on how quickly things will move,” said Dilip Patel, “so we’ve felt reluctant to invest in something where we weren’t sure about the timescale. We’ve been stuck for some time.”

Time warp

The result is a store that, while still well frequented by locals and passing trade, feels trapped in something of a time warp. The interior looks tired and most of the £10,000-a-week sales come from tobacco and impulse lines, with average spend sitting at just £3.20.

Into this mix came retailer Ramesh Shingadia, who owns two Londis stores in Sussex, and was visiting the store last month (March) as part of the Partners in Action initiative being run by Independent Retail News in conjunction with Unilever. A member of the Retailer Advisory Panel that helps shape Unilever’s unbiased category advice scheme, Partners for Growth, Shingadia came up with



Fal and Dilip Patel
Owners, Fal’s Londis, Clapham Park
Inset: mentor Ramesh Shingadia



Pictures by Priya Atwal

Laundry and table sauces



Amanda Quinton, channel category executive at Unilever, provided these recommendations to help Fal and Dilip Patel improve their laundry and table sauces fixtures:

1. Laundry products currently sit across five shelves towards the back of the store, in a generally well-segmented fixture, merchandised by format. Quinton felt there was still an opportunity to create a stronger, more shopper-friendly fixture and introduce a few key SKUs into the range.
2. This was especially true when it came to capsules. “That’s what’s driving the

market,” said Quinton. “The dosage is there for shoppers, so they don’t have to guess how much they need.” Recommended additional SKUs in capsules including Persil Bio 12-wash, Surf 10-wash in Tropical Lily and Ylang Ylang, and Bold Lavendar & Canomile 12-wash.

3. Further suggestions included moving washing-up and dish-wash products to the adjacent

household cleaning fixture, rather than being mixed in, as at present, and shifting powders (which are becoming less popular) to the bottom shelf in order to encourage shoppers to trade up to capsules.

4. With the barbecue season approaching, this was an ideal time to review the table sauces section. Quinton’s main recommendation was to re-organise the fixture

by sauce type – for example, putting all the ketchups together, all the brown sauces, all the mayonnaise. “That’s how shoppers shop the fixture,” she said.

5. The recommended shopping list of additional SKUs included Heinz Classic BBQ Squeezy 480g, Maille Dijon Originale Mustard 215g and Heinz 50% Less Sugar and Salt Ketchup Squeezy 435g. “That’s

quite a big line now,” Quinton said. “Shoppers like to have a choice of healthier products.” She also suggested bringing condiments onto the fixture and using key brands to ‘signpost’ the section and make it easier to shop.

6. Chilled foods – particularly fresh meat – could be moved closer to table sauces and condiments to create a strong ‘meal for tonight’ zone.

a series of recommendations to help the Patels take the business forward.

The first was to sort out the situation regarding their lease. “They need to get some good legal advice in terms of what their rights are as a tenant,” he said. “They need to get that clarified and get a bit more of a grasp on what’s happening with the long-term development proposals, then try and formulate some sort of strategy.”

Quick wins

There were also a number of immediate wins, said Shingadia. “They need to clean up the store. Give it a good coat of paint, clear out the windows, open them up – it makes the whole place more inviting. Those are really minimal, low-cost things.” Further suggestions included a new floor, LED lighting and price labels on all products. These improvements alone could add as much as 20% to sales, he suggested.

Shingadia also advised the Patels to take

a good look at their sales figures and profit margins to get a better handle on which areas of the store to focus on. “It’s important to get on top of the numbers and that could really help motivate them.”

The closure of other businesses on the parade has also opened a window of opportunity, particularly the recent closure of the off-licence next door. The Patels do not currently sell any booze but have now applied for a licence. “The off-licence is a must,” said Shingadia. “Off-licence is the number one cash generator in a convenience store these days. If you have the opportunity of getting an off-licence, that’s an easy win.”

Bringing in alcohol would also trigger a massive range rationalisation, with slow-selling and secondary products stripped out to make space for the new section. The current store was significantly over-ranged, and getting rid of the slow sellers would free up cash to invest in their alcohol offering.

Great location

Another closure on the parade has been the post office, and Shingadia suggested applying to put a Post Office Local counter at the back of the store, in order to drive footfall and help pull shoppers into the interior of the shop. “At the moment, it’s literally cigarettes and they’re out. The challenge is getting them to use other parts of the shop.”

With the store enjoying an enviable position on the South Circular, and plenty of free parking, food-to-go is another huge area of potential.

Shingadia recommended a bean-to-cup coffee machine from the likes of Tchibo or Costa, combined with a wider selection of take-away food, such as croissants and bacon rolls. “If they put all those things in, this shop should be doing at least £15,000 to £17,000 a week, and if it does get sold in the end, that would hopefully mean a really good premium on the selling price,” he said. “There’s no reason they can’t go for a business improvement strategy.” ■

To see a video of the store visit, go to www.talkingretail.com/tr-tv