

Sales up for Mr Price, re-branding on the cards

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South African retailer Mr Price reported sales growth of 9.2% for the four months of the financial year ending 31 March 2012, while comparable sales growths increased by 6.7%.

As a result of the company opening 29 and closing 37 stores, its weighted average trading space decreased by 0.7%.

"In the future, new and expanded space is expected to well exceed planned space reductions," the retailer said.

Earlier this month, it was announced that UK design consultancy Dalziel and Pow would be working on a new brand identity and store concepts for Mr Price.

The first three prototype stores with the new concept would be rolled in Johannesburg in November.

The consultancy will create new concepts for the group's three retail chains: apparel, sport and homeware - bringing them all into line with a new brand idea, while maintaining their individual character and unique positioning.

"The approach taken by Dalziel and Pow has been to identify and reinforce the common identity of each brand, yet encompass the inherent characters of the individual fascias and set them apart as strong identities in their own right.

"Using scale, changing pace, and sensitivity to materials and colour palette, three strong schemes have been achieved. To support the new brand identities, packaging and in-store communications are being developed for each, holistically delivering the Mr Price personality," the consultancy said.

Dalziel and Pow have worked with brands such as Next, Sony, Primark, Levi's, Topshop and Nokia.

The Durban based retailer with over 900 stores said cash sales constituted 81.6% of total sales for the period under review.

April saw an increase of 15.8%, followed by May with a gain of 10.5%, June pencilling in 2.8% and July with a 6.6% uptick.

"This irregular pattern is due to the high sales base arising from the extended school holidays associated with the FIFA 2010 World Cup in June and July 2010. Sales growth of 12.0% has been recorded for the period August 7 to 24 2011," the company said.

Mr Price's home division reported a 9.2% increase in sales, while trading space decreased by 4.2% and its apparel division reported sales growth of 9.1% with increased trading space of 1.5%.

In May the group posted a 50% rise in profit for the year ending in March, thanks to lower markdowns and tightly controlled expenses.

The retailer's success stems from tracking offshore trends from stores such as Zara, Mango and H&M, and delivering fashion offerings at the right time, at affordable prices.

Chairman Alistair McArthur noted in May that the group would start researching various countries in which to set up stores in new markets.

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