

Edcon bids farewell to Boardmans and Red Square brands

 By [Lauren Hartzenberg](#)

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Boardmans and Red Square cosmetics stores will soon be no longer as Edcon intensifies its focus on the Edgars brand in a bid to win back shoppers.



As part of the new [strategy revealed](#) by Edcon CEO Grant Pattison last week, Red Square will be renamed Edgars Beauty, while Boardmans will be rebranded as Edgars Home. Those brands will be housed inside the main Edgars store in malls. In the absence of an Edgars branch, Edgars Beauty and Edgars Home stores will be opened.

Discount clothing retailer Jet and the CNA stationery chain have survived the cut.

"I wouldn't refer to this as 'restructuring'. Essentially what we are doing is refining the strategy. Edcon in its heyday expanded into many new categories, many new formats. And it's typical in a turnaround type of situation, which Edcon clearly is in, for it to focus and go back to its core business, which is clearly Edgars, Jet and CNA," Pattison said.

According to [Bloomberg](#), the urgency comes as Edcon's retail sales fell 9.4% in the three months through 23 December and adjusted earnings before interest, taxes, depreciation and amortization slumped 25%.

Under Pattison's strategy, Edcon will reduce its more than 1,300-store footprint and cut floor space by 17% over five years to boost profitability.

Impact on jobs

Edcon is a significant employer in South Africa, employing more 14,000 permanent staff. The move to cut select chains will lead to job cuts, but Pattinson notes that it will in no way be a massive retrenchment exercise.

"I think it would be naïve to say that one can turn around a company without cutting costs in all areas. What we are trying to do, though, is we are trying to move the sales. We don't want to exit markets, we want to merge. So, by and large, 90% of the staff will be transferred from one store into the other that they are being merged with," he said.

"There will, of course, be some job cuts because some staff members, probably more at a store management or assistant management level, can't be accommodated in that new store or won't want to move to that new store.

"We are trying to retain the sales, so we obviously want to try and retain the sales staff."



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Reversing international strategy

Pattinson, who replaced Bernie Brookes as CEO at the start of 2018, says Edgars is focusing on its well-known private label brands like Kelso and Stone Harbour, and exiting international brands like Topshop.

"Back in 2011/12, the Edgars brand, the Edgars division, brought in 30 international brands, alongside the existing international brands we have, like Levi's and Dune and La Senza and Victoria's Secret. So the company actually went on a strategy to bring international brands to South Africa. We are reversing that decision. It hasn't worked well.

"...But we are keeping some international brands in their departments inside the store, and certainly those brands will shrink and there will be less of them. And then we will rotate them and try and keep exciting fashionable brands that customers want."

UPDATE: A previous version of this article stated that La Senza formed part of the stores being closed. This was incorrect. The La Senza brand will remain in Edgars stores and in some standalone stores in malls.

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