



Comet: Kingfisher could axe stores located at edge of towns

Comet ponders stores closure

By David Benady

Retail giant Kingfisher is considering shutting down nearly a quarter of its Comet stores in a fresh attempt to remove excess capacity from the overcrowded electrical retail market.

Kingfisher, which owns Woolworths, Superdrug and B&Q, as well as Comet, has told City analysts that a review of the chain's operations could include the closure of "20 to 50" of its 235 Comet stores.

It is understood the firm could axe smaller stores located at the edge of towns, many of which were opened in the early and mid-Eighties.

Kingfisher is in its closed period before announcing interim results in March, and says it cannot comment.

Morgan Stanley analyst Nick Bubb comments: "Half of Comet's

smaller stores are poorly located, and the company needs to restructure its store portfolio."

But store rationalisation is not the only issue facing Comet's new chairman Eddie Styring, Bubb explains. "Comet missed out on the PC and multimedia markets. Its product mix is another problem."

Kingfisher is under growing City pressure to take radical action at Woolworths. In a note by top brokerage house Natwest Markets, analyst John Richards argues that the chain should be split in two.

The larger stores should be sold off to other high-street players such as Marks & Spencer, WH Smith and Tesco – for its Metro format, he says. The smaller shops could then be positioned as local convenience stores.

ITC makes changes in Programme Code review

The Independent Television Commission has amended its rules governing product placement, viewer competitions and promotions as part of an overhaul of its entire Programme Code.

The move follows recent breaches of the undue prominence section of the code, which relates to product placement.

Earlier this year, Granada TV was fined £500,000 for promoting branded products on its daytime show *This Morning*. The broadcaster was recently criticised for a similar offence in a *Sooty* programme, although it was not fined.

This section of the code now more clearly explains the ITC's ban on product placement. "Any

reference to a product or service must be limited to what can clearly be justified by the editorial requirements of the programme itself," state the revised guidelines.

"An important practical yardstick is that no impression be created of external commercial influence on the editorial process. In no circumstance may the manner of appearance of a product by the subject of negotiation or agreement with the supplier," say the new guidelines.

Nor should branded products be referred to in audio by brand name – "as a general rule".

Amendments have been made to most sections of the Programme Code following consultation with licensees.

Procter & Gamble says milder versions of its Oil of Ulay Skin Discovery and Max Factor Active Response Cream will be ready within weeks. Both brands were withdrawn after users complained of blurred vision and sore eyes. Several cosmetics firms are using similar technology, known as AHA, in face creams, but say there is no danger to users.

Boots the Chemist is relaunching its No7 cosmetics line for the first time since 1935 (MW November 11). The marketing spend is thought to total £4m, and will include an advertising campaign created by Chiat Day, 313 new or reformulated products and in-store merchandising. The advertising campaign starts on February 20 and aims to relaunch No7 as a premium line.

Bulmers is launching Amstel, the Dutch beer, into the on-trade market, with £3.5m brand support. The first launch will take place in the Granada region, and national coverage will be phased in later. Advertising will include a poster campaign.

Don Marketing and oil giant Shell UK's latest round in their continuing legal battle (MW January 17) was adjourned until April 13 at the Royal Courts of Justice on Monday...

...The Advertising Standards Authority has begun investigating the Make Money promotion which lies at the centre of the legal dispute.

The Guardian is launching the UK version of *Wired* on March 24, with advertising support from a poster campaign in London and national press (first revealed MW 21 October 1995). *Wired*, which will have a print run of 70,000, will run to 116 pages, with ads in the launch issue from Absolut Vodka, Microsoft, Porsche and Toshiba.

Sears has made two senior appointments to its Sports and Leisurewear division, which comprises the Olympus Sports and Milletts chains. The new chairman for the division is Derek Lovelock, managing director of the Sears womenswear division. He is to be joined by ex-Thomas Cook marketing director Fiona Ferguson, who will be buying and marketing director for Milletts...

....Thomas Cook's new marketing director will be Dido Harding, a consultant with McKinsey, the management consultants. She is appointed after a year-long search for a replacement for Ferguson. Thomas Cook says Ferguson has wanted to move over to a buying role for some time, but a suitable job was not available. (News analysis, page24)