

Kingfisher PLC**Kingfisher puts physical stores at heart of online sales push**

Bricks and mortar outlets vital to fulfilling orders speedily, says chief Thierry Garnier



The pandemic kickstarted ecommerce at Kingfisher as lockdowns spurred a DIY boom among homebound consumers © Getty Images

Jonathan Eley NOVEMBER 1 2020

DIY conglomerate Kingfisher is putting physical stores at the heart of its ecommerce strategy, saying central warehouses are unable to support the quick deliveries that consumers demand.

Chief executive Thierry Garnier said that stores, which it operates under the B&Q and Screwfix brands in the UK, and Castorama and Brico Dépôt in France and elsewhere, while important for showroom and advice purposes, were core to online sales.

In Europe, Mr Garnier told the Financial Times, there was “this trend around click and collect and fast home delivery and for that you need a store”.

The pandemic kickstarted ecommerce at the group as lockdowns spurred a DIY boom among homebound consumers. Online sales have risen from 7 per cent of the group total to 19 per cent. Four-fifths of those are collected from stores.

Mr Garnier also pointed to China, where he [spent nine years](#) with French supermarket group Carrefour, and the US.

“Alibaba just bought one of the largest hypermarket chains in China,” he said, referring to the ecommerce giant’s move to [take control of SunArt](#). “Walmart have started a strategy against Amazon in the US that is around fast home delivery . . . in a large number of US cities Walmart can deliver in one hour.”

Kingfisher's B&Q stores can pick orders for collection within an hour. The default for home delivery remains next day but Mr Garnier said the group "can probably do better than that".

Mr Garnier said that a day after the UK was put into lockdown in March, he held a call with B&Q executives. "We asked: 'can you launch click and collect in all B&Q stores with 6,000 items tomorrow morning?' They were not sure. But by 10am the next day, they were ready," he recalls.

At the peak of the pandemic, one store in south-west London handled 1,500 click-and-collect orders in a day. The same store now does about 200 but the experience showed the flexibility of the system.

"The additional cost [of picking orders] is marginal," he said. "But if you build a fulfilment centre for 200,000 orders a week and it's only doing 50,000 a week, that has a massive impact on profits."

Mr Garnier is switching fulfilment of online orders to stores. Kingfisher measures online sales growth separately but orders fulfilled by stores are counted as shop sales, which he says gives an incentive to staff. "One of the problems for retailers is motivating store teams to push online sales, rather than thinking that [ecommerce] is a threat to the store."

The group is also considering whether to launch a DIY marketplace selling its own ranges plus offerings from third parties.

"Home improvement is our market so we should at least look at this very seriously . . . when you are the market leader in the UK do you let someone else come and do it, or do you do it yourself?" he said.

Ecommerce has been a significant factor in Kingfisher's recovery this year after a period of mixed results. Analysts expect annual sales to rise slightly to almost £12bn, while its share price is at its highest level since early 2018.

Mr Garnier believes DIY is resilient even if this year's boost does not endure.

He cites research showing an increase in interest in DIY among 18- to 34-year-olds: "I think we will keep a bit of that [interest]. How much growth it will bring, I don't know."

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