

# Daily Mail



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# GUNNED DOWN IN THE GHETTO

# Budget stores march into upmarket malls

## Poundland and Co find success away from the High St

By **Lucy Collins**  
and **Andrew Levy**

**BUDGET** retailers are taking advantage of the economic downturn by spreading from high streets to more upmarket shopping malls, according to a leading analyst.

Chains such as Poundland, Greggs the bakers and fashion outlet Peacocks had already expanded into hundreds of locations in recent years as savvy customers hunted for value for money.

But they are now benefiting from cheaper rents in shopping centres, whose visitors are also looking to make their money go further.

A study of 500 top shopping centres found that Poundland, which sells a huge range of goods stationery to brand-name food all at the same fixed price, has been the fastest growing retailer since 2008.

Part of its dominance is down to seizing the opportunity to move into the vacuum left behind by the collapse of Woolworths in 2009 – in many cases taking over premises the failed chain left empty.

Value fashion shops such as Peacocks and H&M have also taken advantage of the squeeze on pockets to seize places among the top ten fastest rising stores. Cheap

snacks are also in demand, with Greggs and sandwich shop Subway among the success stories of recent years.

Robert Clark, director of Retail Knowledge Bank, said budget chains are occupying shopping centres, helping them to become mainstream.

'Shopping centres have become the new High Street – they replicate it and in some cases are bigger and better,' he said.

'Perhaps they were deemed a bit more upmarket but it's a sign of the times, an acceptance of value retailers, new and older ones.'

### Poundland

**THE** store was founded by friends and former market traders Dave Dodd and Stephen Smith.

They opened their first shop in Burton-on-Trent, Staffordshire, in 1990 using a £250,000 loan from Smith's father Keith.

Initially they were snubbed by landlords who feared they would undercut other shops. Today 329 stores employ 7,000 and sell everything from brand name foods to DIY accessories.

### GREGGS

**BAKER** John Gregg started in business selling eggs and yeast to homes from his pushbike. He opened his first shop, with a bakery in the rear, in 1951 in Gosforth, Newcastle upon Tyne.

Now the chain is bigger than McDonald's, with more than 1,400 outlets employing 19,000 staff selling cheap, popular food to eat on the run – such as sausage rolls, sandwiches and pasties. It is listed on the FTSE 250 index.

David Fischel, chief executive of Capital Shopping Centres, told the Financial Times that shoppers were flocking to budget chains in the downturn.

'It happened in the early 1990s and it's happening now,' he said.

'Retailers who would not traditionally have gone inside a shopping centre are starting to go in.'

'Where high streets are looking tired, they would prefer to be inside a shopping centre.'

Other brands which have expanded significantly include Shoe Zone and Card Factory.

Leaps in technology in the mobile

### PEACOCKS

**PEACOCKS** Penny Bazaar opened as a family-run market stall in Warrington, Cheshire, in 1884 and has remained in the Peacock family ever since.

It moved to its current base in Cardiff in 1940 and now employs 5,000 staff at 550 stores in UK and 100 overseas. The shops switched from selling homewares and basic clothing to value fashion and benefited from a big celebrity following, including designer Pearl Lowe.



**Trendy:**  
An £18 dress  
at Peacocks

phone sector have fuelled demand, giving the sector the greatest expansion of all retailers – with 3 and Orange the biggest winners.

Bluewater in Kent was named the top shopping centre in the study, which was compiled by Trevor Woods Associates using footfall, size, number and type of shops.

The MetroCentre in Gateshead was second, followed by Westfield in West London.

Senior partner Trevor Woods said: 'Retailers don't open stores if consumers don't want them.'

'They're responding to what the public are looking for.' A spokes-

man for Greggs, which has around 1,400 shops and plans to open 500 more, said: 'Shopping centres have a great deal to offer.'

'For us, they are a destination to shop and people are likely to need to eat as part of their trip; having a high number of retailers in one location helps to drive footfall.'

'For the customer, shopping centres sometimes offer free parking and a sheltered environment in poor weather.'

Greggs' busiest shop is on the main shopping street in Newcastle, and most popular product is the sausage roll.