

The DIY giant is rationalising its offer and deploying new technology. By **Matthew Chapman**

# NEWS ANALYSIS

## B&Q aims to reinvent big-box stores with digital roll out

**B**&Q hopes to reinvent its warehouse store format by rationalising its offer and introducing same-day click-and-collect within two years.

The DIY retailer will offer 18,000 SKUs as part of a next-day click-and-collect service before the end of the year. Within two years B&Q will offer around 35,000 SKUs via click-and-collect, the majority of which will be available to collect on the same day.

B&Q's focus on click-and-collect is being supported by a rationalisation of its ranges, which will be reduced in-store and broadened online.

Chief executive Kevin O'Byrne said the company is focused on a "great" click-and-collect offer because "we need to raise our game and embrace the changes digital is bringing".

Rival Homebase is also attempting to reinvent big-box retailing to become a digital leader as it prepares to close around a quarter of its stores.

As part of plans to bolster multichannel appeal, Homebase customers can pick up click-and-collect orders from Argos stores.

B&Q has begun the rationalisation process with its door range, which has been reduced from around 300 sold in-store to around 70. The online range has been increased to more than 500.

Prior to the process around 46% of the retailer's SKUs accounted for 2% of its sales, while 600 of its best-selling SKUs in-store contribute to 24% of sales. The average B&Q store stocks 40,000 SKUs.

Alongside reducing the product range, B&Q is focused on displaying product with a greater authority by removing offers such as three-for-two in favour of a clearer focus on individual prices.

B&Q commercial director Darren Blackhurst said that when he joined in January "the essence of being a warehouse had been ripped from the offer" and that is now being addressed.

The retailer's ecommerce sales are



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growing from a low base and in the six months ending August 2 they increased by 101%, a rise of £17m.

The online sales increase was down to improving search functionality and navigation on the ecommerce site.

B&Q has also invested £60m in a new responsive design website, which went live in September, as it aims to capital-

ise on the surge in mobile shopping.

B&Q estimates around 50% of online sales are incremental rather than cannibalising existing sales, based on the online sales of Kingfisher stablemate Screwfix.

### Investment in technology

The investment in the online offer is being supported by a modernisation of the in-store experience, which includes new technology such as a piece of software called B&Q Spaces.

B&Q says the software has reduced the time it takes a customer to plan a new kitchen from two hours to four minutes.

Customers can save designs of a kitchen in-store and play around with them using the technology at home. B&Q is also considering rolling out the technology to other ranges, such as its bathroom range. B&Q Spaces is live in 24 stores at present and is expected to be operational in all stores before peak in January.

Introducing the technological innovation to the kitchens department comes as B&Q commits to withdrawing from yo-yo pricing on kitchen ranges.

O'Byrne said: "It is challenging but we have to hold our nerve and detox – we will come off those sales. The retailer with the healthiest and fastest-growing business is Ikea and it does not do yo-yo pricing."

B&Q also aims to revolutionise the paint-buying experience through the exclusive relationship it has in Europe with US paint brand Valspar.

The retailer is testing a system that allows customers to colour match a paint against any item. Once it has been matched against an item such as a handkerchief, the sales assistant will create the paint within minutes and the colour tone will be stored on a B&Q database that the customer can access from any B&Q store.

Big-box stores in the digital age may outwardly appear a relic of a bygone age, but tying them into a strong online proposition could breath new life into the gigantic retail spaces.

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