



# Analyst fears the worst for ailing Stuttafords

Observers of the South African retail industry are not convinced that Stuttafords can survive business rescue as planned.

By Palesa Vuyolwethu Tshandu 1 Nov 2016



Is the department store dying? Shoppers at a Stuttafords store in Johannesburg.

Picture: [Russel Roberts](#)

The grand old dame of retailers has announced it has voluntarily submitted itself to business rescue. It will present details of this in February 2017, following festive season trading.

"I think by the end of next year, it will be extinct," Kaeleen Brown, a retail analyst at SBG Securities said on Monday.

Stuttafords has about 13 international brands including Ted Baker, Gap, French Connection and Banana Republic under its banner. It trades from eight department stores and 15 monobrand stores. But the retail has failed to maintain momentum among aspirational South African shoppers.

CEO Robert Amoils said on Monday that from February, the group had seen a dramatic fall in turnover and margins.

Competitors had been promoting and discounting products and Stuttafords was obliged to follow suit.

"We saw dramatic declines in customer demand, whether it was in the form of customers buying less or less often — and when they did buy, they bought down in terms of lower-priced products," he said.

Brown said if the business were to survive, offering further credit might be a big driver of sales. The group had always offered credit.

Most recently, this accounted for about 18% of turnover.

**Source:** Business Day

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