

Zim: Clothing retail giants endure tough market

By [Dumisani Ndlela](#)

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Clothing retail giants are finding that the battle for the cash market is turning tougher due to a proliferation of informal retail shops stocking cheap but quality merchandise from abroad.



This had resulted in the Edgars store chain in Zimbabwe performing weakly during the year ended 9 January 2010, in which period the group reduced its number of stores which had become “too high for the volume of business projected in the short-to-medium term.”

The company said its Express chain, which had been better stocked than Edgars branded outlets, “struggled for most of the year because of stiff competition in the cash market.”

Truworths reported disappointing sales at some of its outlets due to what it said were low disposable incomes and competition from the informal sector.

To beat competition from the cash market, Edgars had responded by taking “a big move towards importation of clothing and other products. This was because the imported goods were better priced and often of better quality than local products.”

Credit was successfully re-introduced in April, with 38 000 accounts being opened by year-end. This is however still below the peak numbers of more than 200 000 active accounts before credit facilities were abolished.

Truworths also brought back credit purchases, and its debtors accounts grew from 1 563 at the end of June 2009 to 24 881 accounts at the end of December 2009. Lay-by accounts amounted to 9 243 by December 2009.

ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on dndlela@yahoo.co.uk.

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