

Retailers put great stock in little shops

Lower rents are proving a big incentive

Kiosk stores located in the middle of shopping centre aisles attract more customer traffic

Archie Ogaya

Retailers are moving to smaller kiosk stores in malls to be closer to high-traffic areas and generate more revenue with lower rents, industry leaders say.

Evo Group, which sells kiosk and kiosk stores, has opened two kiosks in Abu Dhabi and Sharjah in the past two months and plans to open another store by the end of the year, said Deepak Baheti, the chief executive.

"The traffic near the kiosks is quite good because there is a lot of purchases which are spontaneous," he said last week.

"It's the centre of the mall and it attracts much more traffic because it's open on at least three sides, sometimes four sides."

Retail sales in the UAE have been

hit hard by the economic downturn and were down by as much as 10 percent in the first half of this year, compared with the first half of last year.

Retailers have been forced to become more creative to grab a slice of shrinking sales, while keeping a close eye on costs.

Mr Baheti said the smaller-format kiosks, which sell electronics such as mobile phones, MP3 players and cameras, were a major part of Evo's expansion this year because they enabled it to have a presence in the better malls.

"It cost more per square foot, but not, from the return you get per day," he said.

"A kiosk is normally not more than two meters or three meters wide, so you're talking about a small space," he said. "But for the space that you occupy, the owner is much happier."

London-based, Dubai-based marketing consultant for supermarkets, which makes retail kiosks, said kiosk sales were 20 per cent higher so far this year than the company's other products, such as digital signs and exhibition stands.

"Even though our customers' budget is not low, people are buying in the fast-moving consumer goods departments," Mr Baheti said.

Grand Optics opened its first kiosk, Grand Opticians, on the ground floor of Dubai Mall two weeks ago to be closer to the high



Prime location: retailers like Evo have seen the benefits of low rents and high customer traffic at kiosks located in the aisles of shopping malls. (Image: Pictal / The National)

traffic, said Murali Murabati, the general manager of the national company. This kiosk also helped to draw attention to Grand Optics's other location in Dubai Mall on the second floor, which sees less traffic, he Murabati said.

Mark Morris Jones, the senior director for retail and industrial prop-

erty in MEENA for the property firm Old Richard Ellis, said retail kiosks were becoming more common as newer shopping centres, such as Dubai Mall had wide hallways that were able to accommodate them.

As well, retail kiosks have become more sophisticated over the years, with better lighting display cases

and lighting, he said. Kiosks are also a cheap way for retailers and landlords to boost sales, Mr Morris Jones said, adding that neither parties needed to spend thousands of dollars to fit out a kiosk shop.

"You bring a kiosk, which is ready-made, plug it into a socket in the floor - that's it," he said. "It's rela-

tively inexpensive for the retailer and landlord to get those things up and running. And from the landlord's point of view, there is very little or no capital required and the rent goes pretty much to the bottom line."

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the number

40%

the amount retail sales fell in the first half of the year as a result of the economic downturn