

A store that offers 'everything'

Swedish retailer Clas Ohlson forays into the Middle East with its Dubai store at Mirdif City Centre – the brand's first location outside Europe using the franchise model, writes **Rupkatha Bhowmick**



“Customers who walk into our stores say they feel the ‘wow’ element, so much so they start doing word-of-mouth advertising for us,” says Klas Balkow, president and CEO of Scandinavian brand Clas Ohlson.

“If you ask a consumer in Sweden what it is we offer, the most common answer you get is ‘everything’, which, of course, may not be completely true but our endeavour is to meet consumer needs through our diversified product range,” he elaborates.

A look at the Nordic region provides a glimpse of how Clas Ohlson caters to the community. Last year 92% of consumers there – male and female, aged between 18 and 69 years – visited our brand outlet because of the fantastic width of its product portfolio – 9,000 products and counting.

“We excel in offering solutions for the practical problems of day-to-day life. When consumers browse around our store, they find solutions to several things they are looking to fix,” asserts Balkow.

Clas Ohlson deals in five categories –

home, leisure, hardware, electrical and multimedia. “We offer the most practical solutions for everyday issues in each category. It could be something for the kitchen or something to fix at home. It could also be tools for gardening or useful things to carry when you’re travelling. Basically, it’s really end-to-end at price points that are highly attractive,” claims Balkow.



Klas Balkow

He feels things should be no different in Dubai, where Clas Ohlson opened its first outlet at Mirdif City Centre, although he does acknowledge that this part of the world is a new experience for the brand. “We may not offer snow shovels or snow-related items here but we’ll definitely consider stocking solar cells and other such items,” says Balkow, pointing out that some items are being customised to cater specifically for the Middle East market.

Clas Ohlson has been in existence since 1918, starting out in Insjön (Dalarna, Sweden) as a mail order business. Today it has emerged as

one of Europe’s strongest brands. “We have grown consistently over the past 95 years, strengthening our position in the market with our high quality yet affordable products offered with friendly and efficient customer service,” Balkow observes.

“We saw a gap in the market for a concept offering multifarious solutions for everyday needs under one roof. That’s where we came in. The solutions we offer are relevant for consumers residing in any part of the globe. We aim to emerge as a leading international retailer, foraying into markets outside the Nordic region. We’ve started expanding our presence in Europe and we are now marking our footprint in the Middle East,” he explains.

Balkow feels launching the brand in a dynamic city like Dubai is a good way of stepping beyond Europe. Another advantage of being here is the cosmopolitan crowd living in the city, with many people already acquainted with Clas Ohlson.

“Dubai is an exciting market and we’d like to reach out to as many consumers as possible. That’s why we strive to get into accessible yet attractive locations. It



could be high street or a shopping mall. That would vary from country-to-country. But it must be a popular venue that attracts high footfall,” he elaborates.

“Mirdif City Centre is a prime spot, a fantastic location for us to be in. When the mall expressed the desire to house a Clas Ohlson outlet, we were more than happy to launch our first Middle East store there,” Balkow adds.

According to him, the MCC store – spanning over 14,273 sqft – falls under the brand’s classic format in terms of size. Along with its two other formats – mega and small – this ensures flexibility in selecting locations.

Clas Ohlson is collaborating with the Kuwait-based Al Homaizi Group to penetrate the Middle East market. “We started discussions with the Al Homaizi Group around two years back and announced our partnership less than a year ago in September 2013. The group’s SYH Retail has extensive experience of franchising in the region; its existing partners including Ikea, among other international brands. We



Seda Bayarlar

“**The brand’s current store count stands at 198, of which 13 are contracted stores – 82 in Sweden, 71 in Norway, 32 in Finland, 12 in the UK and one in Dubai.**”

banked on their in-depth regional and franchise knowledge since this is the first store we’re operating following a franchise model,” Balkow comments.

“It’s a good match for us, considering it took us little time to begin speaking in the same language,” he adds.

“Our franchise agreement with Clas Ohlson is for the long-term. We strongly believe the brand has huge potential in this region. That’s because Clas Ohlson is a one-stop destination where a family would love to shop simply because it offers something for every age-group, making shopping convenient and fun,” confirms

Seda Bayarlar, managing director of SYH Retail.

When asked why a Kuwait-headquartered group chose to set up a Clas Ohlson store in Dubai, she explains, “The reason is Dubai’s expatriate residents, who account for almost 80% of its population. Our preliminary research showed that if we set up our first Clas Ohlson store in Dubai, it would give us an understanding about regional consumer needs. After all, our brand offering is for the many, so our experience here will help us develop a strong commercial strategy for future expansion.”

“Our immediate plan is to set up another store in the UAE by next year. Thereafter, gauging consumer feedback, we will go ahead with our expansion plans,” she adds.

“At this point, there is potential for at least 20 Clas Ohlson stores in the GCC in the next five years,” reveals Balkow.

With the current 185 stores and 13 contracted stores, Clas Ohlson has a total of 198 stores, of which 82 in Sweden, 71 in Norway, 32 in Finland, 12 in the UK and one in Dubai. Beyond the Middle East, the brand is planning to enter Germany next year. ■