

CF Watsonville 10/14/94

Watsonville Woolworth

General - 1992

store spared

10/14/94

Company plans nationwide cuts

Staff and Wire Reports

Watsonville's Woolworth will survive a trimming the Woolworth Corp. is putting its stores through nationwide.

Woolworth Corp. said Wednesday it will close or redesign 970 stores and eliminate 13,000 jobs as it transforms itself from a home-spun variety-store chain into a more urban retailer specializing in such merchandise as shoes or women's clothing.

About 400 of the stores being closed are the old-fashioned five-and-dimes that anchored many a Main Street since the company's founding 114 years ago.

Employees of the Watsonville store were told at a meeting at 9 this morning that the Main Street store is a viable operation and will remain open.

The Register-Pajaronian was unable to obtain more information about the decision this morning. Phones at the corporation's headquarters in New York City were busy all morning.

"People don't have time to shop at inefficient stores," said Sid Doolittle of the Chicago retail consulting firm McMillan-Doolittle. "The variety store is a slowly dying dinosaur."

Outside urban areas especially, customers are shopping instead at discount superstores like Wal-Mart, Kmart and Target.

Woolworth said it will concentrate on its most profitable chains, particularly its Foot Locker and World Foot Locker shoe stores, the RX Place deep-discount drugstores and the Northern Reflections women's clothing stores.

Wednesday's announcement will leave Woolworth with about 450 dimestores.

The company didn't disclose exactly which stores will be affected, but spokeswoman Frances Trachter said Woolworth wants to maintain general-merchandise stores in urban markets "where the concept is most viable."

The stores being closed incurred \$36 million in operating losses during the first six months of the year while contributing about 9 percent toward total company revenue of \$4.42 billion.

About 250 will be converted into other types of stores, including

CF Watsonville -

STORE

General RP p. 10

► From Page 1

10/14/94
about 100 in Canada that will become outlets of The Bargain Shop, which sells low-price clothing and household goods.

The 10,000 jobs being eliminated in the United States and 3,000 in Canada represent 9 percent of Woolworth's total work force.

Woolworth also is closing 330 Kinney and Footquarters shoe stores. Some Kinney stores will be remodeled and stocked with more fashionable items and more brand names. The stores will also put more emphasis on women's merchandise.

Based in New York, Woolworth has more than 9,000 stores in North America, Australia, Asia and Europe.

"Woolworth is now more fully becoming a truly specialty store operator," said Steven Kemkraut, an analyst with Bear Stearns & Co. "It's sad because (general merchandising) is part of American history. But it's a retail format that doesn't really work anymore."