

## HMV reveals which 27 stores have closed after sale to Canadian music boss

HMV has been rescued from collapse by a Canadian music entrepreneur, but 27 stores in prime locations have closed, including the site of its [first store on London's Oxford Street](#).

Doug Putman, who runs the Canadian retailer Sunrise Records, has bought the UK music and film chain after [emerging as the leading contender](#) over the weekend, heading off [competition from Mike Ashley's Sports Direct](#).

Under the deal, 100 [HMV](#) shops will remain open, protecting the jobs of nearly 1,500 workers across the stores and head office. However, the immediate closure of 27 stores will lead to 455 job losses. A further 122 warehouse jobs will go in the coming weeks.

Closure of the flagship store on Oxford Street signals the end of HMV's presence on London's most famous shopping street after nearly a century. That first shop was opened in 1921 by Sir Edward Elgar, the British composer.

HMV is also closing in other prime locations where rents are higher including the Trafford Centre in Manchester, Meadowhall in Sheffield, Westfield in White City, west London, and Bluewater shopping centre in Kent.

The retailer [collapsed into administration](#) just after Christmas, blaming tough conditions on UK high streets and competition from streaming sites such as Netflix and Spotify. Sales of physical music, games and video products in the UK fell by 11.4% last year, led by a near 17% slide in sales of DVDs and other physical film formats.

Announcing the deal, Putman said: "We are delighted to acquire the most iconic music and entertainment business in the UK and add nearly 1,500 employees to our growing team."

Putman said he would personally lead the turnaround over the coming months. He told the Guardian he wanted to expand HMV and would be putting more vinyl records and more live music events into stores.

He said he hoped to replicate Sunrise Records' success in [Canada](#), where he took over about 70 HMV store sites after the chain went bust there in early 2017. The business is now profitable and has more than 80 outlets after increasing sales every year.

"I don't know if there are people that love music more than in the UK but there isn't a marketplace I would love more to be a part of. We're very excited," he said.

The stores will continue to operate under the HMV brand, with four stores continuing to trade as Fopp outlets.

Putman said he believed HMV would be around in the UK for a long time.

“If we go back four or five years they said the book business [would be replaced by digital downloads]. There’s a great story in doom and gloom and we can focus a lot on the negative and not a lot on the positive. There’s a really positive story here, there’s a positive thing that [HMV] can do almost £250m of sales from 100 stores. That suggests a lot longer life [for HMV] than people think.

“Talk about the demise of the physical business is sometimes a bit exaggerated, especially in music specialists. Most of the decline is coming from nontraditional sellers like the grocery chains. We’ll be here for quite some time.”

Putman, 34, has been president of Sunrise Records since 2014 when it had just five stores. His company has been a beneficiary of the renewed popularity of vinyl: Sunrise [sold almost 500,000 LPs](#) in 2017.

The deal saves HMV from collapse for the second time in six years, after the restructuring firm Hilco [bought the business in 2013](#). Hilco called in administrators from KPMG in December, blaming an “extremely weak” festive trading season and “a tsunami of challenges” for retailers.

KPMG was tasked with either finding a buyer for the business or closing it down.

Neil Gostelow, a partner at KPMG and joint administrator, said: “We are grateful for the support of all key stakeholders including the suppliers whose support throughout this process has been key in securing this sale.”

Russ Mould, the investment director at AJ Bell, said HMV’s long-term future remained uncertain, despite the sale.

“HMV survives to live another day. Its acquisition by Canadian group Sunrise will ensure the iconic British brand stays on the high street. Alas, one has to question whether it has a big opportunity under the new owner or whether it is still living on borrowed time,” he said.

## **Doug Putman: the vinyl fan aiming to put a new spin on HMV**

Doug Putman, the Canadian entrepreneur and [saviour of HMV](#), is a self-proclaimed lover of vinyl records who is adamant that bricks-and-mortar music stores are still viable at a time when consumers are ditching CDs in favour of digital downloads.

With his [purchase of 100 HMV stores](#) in the UK, he is putting his money where his mouth is and has a major challenge ahead to turn around a retail business that has collapsed into administration [twice in the last six years](#).

Putman, 34, has a decent track record. His Canadian music chain Sunrise Records has grown from just five stores when he bought it in 2014 to 84 stores today. The bulk of that expansion came in 2017 when he bought 70 of HMV’s stores in [Canada](#) after the chain went bust there. Putman says the gamble has paid off, with those stores now making a profit.

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The music mogul has compared record shopping to a “treasure hunt”, leading customers to something unexpected, and claims the key to making a music shop work is offering customers depth of choice.

He [told Spill Magazine](#) that while most shops might offer Fleetwood Mac fans a greatest hits collection or the 1977 classic album Rumours, Sunrise stocks a greater choice. “Rather than having what I call the ‘basics’, we would offer Tusk and Tango in the Night. It takes it deeper and it gives the customer that assortment in the store.”

Putman has also been a supporter of aspiring musicians, hosting a competition that offered unsigned Canadian artists the chance to get their music stocked in Sunrise stores across the country.

Born in Hamilton, Ontario, Putman has built a business empire that also includes Everest Toys, the largest toys and games distribution company in North America. As the new owner of [HMV](#) in the UK, Putman will be hoping that a gamble that appears to have paid off in Canada will do so on the other side of the Atlantic.