

concession

NEWS

UPDATE



BUTCHERS, BAKERS & REVENUE MAKERS



In this week's edition of Concession News we look at how the retail experience provided by garden centres now offers a real alternative to the high street. The mix of well maintained horticultural displays, excellent catering facilities, high street retail names and local businesses provide the perfect formula for retaining customer footfall all year round.

All garden centres, big or small are established because of their horticulture reputations and expertise. All garden centres big or small can work with other businesses to provide a unique retail experience which will ensure that customers choose to visit their sites rather than the competition, or even the high street.

The importance of creating a more diverse retail offer within garden centres has gathered momentum in recent times. As gardening has truly established itself as the nation's favourite hobby, the growth of garden centres has meant that owners now, in order to maintain interest, need to provide customers reasons to visit outside the main gardening seasons.

The development of the restaurants and improvements to the leisure and giftware ranges has meant that modern garden centre retail is focused on a home and garden experience. This in turn offers one of the premium, leisure destination, shopping experiences within the UK retail sector.

Concessions have contributed to this and the development of concession tenants within garden centres follows an interesting story.

Additional services and service providers have always been present within garden centres. In the past, deals would often be done between local businesses and garden centre owners, often for a mutual arrangement. The garden centre owner would often offer space within their sites in exchange for a favour. **Graham Pugh of Pughs Garden Centre** recalls "*We used to work with companies such as landscaping firms, who would do some work for us in exchange for a display area at the site.*"

ADDITIONAL ONSITE SERVICES CAN HELP CUSTOMERS WITH GARDEN PROJECTS

Through the increasing demand for more large scale home improvement projects, garden centres started to rent out external areas of their sites to conservatory companies to install show sites and display areas. Thus, the demand for more formal arrangements and contracts increased.



The expertise of the companies that were able to complete these large scale projects complemented the horticultural expertise of the staff already on site. Garden Centres, as a result quickly became a 'one stop shop' for projects in the home and garden.

As garden centres became more popular and grew, they were able to extend their premises and create retail environments which were able to accommodate the increased demand that the new footfall was creating. Garden centre owners subsequently realised that they needed to provide more facilities for their customers so they could enjoy shopping at the sites. Ultimately this created an experience which rivalled the large, modern, improved retail surroundings.

The improvements to the garden centre catering facilities as a result proved to be the most significant development of the modern garden centre retail. In addition, departments such as giftware and leisure started to expand within the larger premises that were being built.

The impact of improvements to the restaurants and coffee shops meant that garden centres created an environment where people wanted to stay, enjoy and visit regularly. Some customers then and still today make the garden centre visit a weekly event.

Consequently the traditional garden centre season extended, and garden centre owners needed to ensure that the customers that were visiting regularly were given enough new experiences to maintain footfalls throughout the year.

The development of garden centres has also improved as a result of the introduction of concessions which has gathered pace in recent years. Concessions have helped garden centre owners enhance their retail offer, without affecting the quality of their horticultural standards.

Steven Palmer, Finance Director of Squires Garden Centres explains how this ethos lives on within their group: *"At Squires our priority is to enhance the horticulture ranges and catering offers within our garden centre. Concession tenants add not only useful, year round revenue; they also provide our customers with additional services that we would not usually be able to offer. External concessions are the main source of concession income for our group and the prominent, visible locations we offer our tenants increases the appearance of unused areas of our sites and attracts customers that we would not usually see. We like the tenants to*

advertise their presence within our sites in order to tempt customers to spend the day with us and choose to come to the garden centre rather than the high street or even the competition.”



Internal concessions have added new departments to the traditional garden centre footprint, and through engaging customers to find their requirements, garden centres are able to source the right retail partner for their sites, tailored to their customer needs.

With high street names such as Edinburgh Woollen Mill, Cotton Traders and Pets Corners actively moving into garden centres and directing customers to their stores, customers now have a choice of where to shop, other than the town centre. With the free parking, pleasurable leisure environments and competitive agreement terms, garden centres offer a real alternative to the struggling high street.

Simon Edwards, Group Operations Director of Golden Acres Garden Centres comments: *“In the current climate it is critical that we give consumers as many reasons to visit us as possible. This sets us apart from not just the competition but also high streets and other retail destinations. It is important, that in addition to the big brands, Garden Centres use local tenants to provide customers with an interesting mix of services and a reason to visit all year round. At John Browns Garden Centre, for example, we have a Hairdressers and Florist alongside Cotton Traders, Camping and Aquatics (among others). These experiences alongside our core horticulture ranges and catering facilities offer customers more variety and encourage repeat visits.”*

As a result of the improvements to the professionalism of the agreements that govern the tenants within garden centres, site owners are able to offer an array of different operations which are bespoke to each centre.

INCORPORATING ADDITIONAL RETAILERS ADD TO EXISTING DEPARTMENTS

For example, garden centre owners have been keen to invest in their food halls in recent years. As a result, a demand for specialist ‘add on’ businesses, such as, Butchers has increased. These more locally focused and independent businesses create a community feel to the host garden centre, and provide a good example of how specialist businesses can trade alongside each other to provide regular visits.



Robert Jones, Retail Director for Walter Smith Butchers, who are a tenant within Blooms Garden Centre, Rugby says: *“We were keen to operate one of our stores from a garden centre as we know that the customers that visit these sites are a perfect fit for our offer.*

There is an excellent tie up between the food halls that garden centres create and our service and we wanted to be part of the shopping experience that garden centres are looking to create. The horticulture products and well run catering on site mean that we see customers returning to the site regularly and thus become aware of our store as a result. We work closely with the garden centre to make sure customers know we are there so there is a mutual benefit to us both generating footfall all year round."

In addition, Walter Smith has developed a very loyal customer base that visits the site each week, whom are customers that would not usually have gone to the site.

Longacres Garden Centre the UK's largest garden centre, works with a number of tenants including a butchers. **Rick de Kerckhove**, comments on how concessions are incorporated in to their strategy: *"At Longacres we have been keen to develop our entire retail proposition and offer customers an experience that is new and different each time they visit. Our horticulture ranges and restaurant are of course still key to retaining customer footfall but working with the concession tenants we have on site, including our butchers for example, helps us maintain a unique approach to attracting customers to visit on a more regular basis."*

Increasingly, the industry is working with local tenants and national retailers to provide a unique proposition within every garden centre. In a time where businesses are increasingly reliant on new revenue streams, garden centres have the opportunity to introduce new complementary businesses to their sites in order to secure improved cash flows and footfalls without detracting from their core ranges. If garden centres are horticulture experts, bringing in other expertise to assist them with services they would not usually be able to provide is a sure way of attracting customers outside of the key seasons.

Providing a service to the customers would appear to be an integral part of ensuring garden centres retain the loyal customer bases they work tirelessly to create. To complement the garden centres plant advice, restaurant service and exceptional standard of retail displays, the retailers that trade alongside garden centres bring their own unique brand of expertise thus providing customers with a host of expert services under one roof.

CONCESSION TENANTS AVAILABLE TO ALL

On this, **Caroline Owen of Scotsdales Garden Centre** adds: *"The concession operators that would be ideal for garden centre owners to consider would be a partner that would attract customers when they would not usually visit. Vets, healthcare, even hairdressers offer customers access to demographically matched services in a more convenient location than say, the local high street. Garden centres should be aware that their retail offer ensures customer dwell time and their concessions should be part of a concentrated effort by owners to get new footfall through the doors."*

Supporting this, **Carol Paris, HTA Director General and Operations Director of Garden & Leisure** adds: *"The customers that visit garden centre are primarily there to shop the horticulture and leisure ranges which have developed to an exceptional standard over the years. The introduction of additional retailers to garden centre sites, national or local,*

provide customers with something different to see which will help secure the visit during peak seasons or offer a specific reason to visit in the off season. Working with smaller, specialist tenants enables all garden centres to engage a local customer base which helps them become a 'retail hub' within the community."

Richard Lewis, Business Development and Marketing Manager of First Franchise said of working with garden centre owners on their concession portfolios: *"We work with garden centres to find the right tenants for their sites based on the requirements of their customers. We usually start the discussions by trying to match the site owner's needs with the expansion criteria of the retailers we work with but we do look to recruit more local or specialist operators if required. Each garden centre has its own identity and we need to provide a unique customer experience to every site we work with."*

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