

concession

NEWS

UPDATE



CONCESSION VILLAGES - MAKING THE MOST OF WASTED SPACE

In this week's edition of Concession News, we look at how garden centre owners are extending their retail offer to include additional retail space, within purpose built or converted units to enhance the appeal of their sites.



As garden centre retail reaches its peak season, garden centre owners turn their heads towards the skies. They are looking for divine inspiration to define their performance for the year as they await the main barometer of trade within the sector, the weather.

This season has shown that the weather causes a temperamental outlook which can shift sales from a week to week basis, making it very difficult to manage stock levels and cash flows. A sluggish early season has meant that pent up demand could explode within May, after an excellent forecast, which could result in people gardening in their droves.

Garden centres therefore, have gone from over ordering and wasting stock, to struggling to have enough live product to service the demand.

As a result, garden centres now more than ever are investigating how they can plan ahead to ensure that their business is as weatherproof as possible.

Recently garden centres have invested into their restaurant operations and internal displays as the sales performances have suggested that there is less reliance on plant sales but customers are still prepared to visit.



In 2012 the Garden Centre Association reported that (when compared to 2011), plant sales were down 13.03% for the year in addition to seed and bulb sales which also fell by 8.21%. Catering however was up, 8.84% and clothing (+5.47%) and gifts (+4.49%) also fared well.

This has meant garden centre owners need more analysis of their sales return from their internal space and are ensuring that floor space is allocated to departments which guarantee profit.

To support this trend in developing the customer shopping experience and business planning, garden centres have turned to Concession retailers to diversify their offer. In addition to introducing new brands, ranges and reasons to visit all year round, Concessions ensure profit returns whatever the weather.

Without the overhead costs of staff, fittings and stock the rent that Concessions pay goes on to the bottom line profit thus ensuring financial stability and secure cash flows.

In addition, thanks to the increased interest in garden centres from retailers looking to invest in to the sector, garden centre owners are able to work with complementary retailers to expand their retail proposition and introduce purpose built retail units on to their sites, specifically for concession operators to trade from.

Not a new initiative, retail developments within garden centres is a recognised way for owners to maximise all of their land and creating the perfect leisure, retail destination.

Some of the UK's most loved retail developments are based within garden centre owned sites. For example, Trentham Gardens, Garden Parks Peterborough, Bicester Avenue Home & Garden Centre, have all created retail parks with garden centres as the anchor tenant.

Clearly, these sites require large scale investment and can be considered the premium of garden centre developments. Other garden centres can follow suit, albeit in a more modest way, thus enabling site owners to create purpose built retail units for new tenants to trade from, alongside the host operator.

The Garden Centre Group, for example has created a number of these developments, including stand alone units within their sites at Bridgemere, Andover, Woodbridge and Rugby. Some of the retailers that were attracted to these sites include, Lakeland, Cotswold Outdoor, Edinburgh Woollen Mill, Cotton Traders, Rectella, Yankee Candles, Mountain Warehouse, Hotters Shoes to name a few. The majority of these units were built purpose built for the interested retailer and let before they were built.



Other groups and independent garden centres have also invested in their sites in this way to enable customers the opportunity to experience more than the core garden centre ranges. East Bridgford Garden Centre, Pughs Garden Centre, Mere Park Garden Centre, and the successful development at Hilliers Eastbourne have all proved that working with complementary retailers enable garden centres to maximise their land potential whilst improving their retail proposition.

Commenting on the project **Edward Tarbatt, Owner of East Bridgford Garden Centre** said, *“Phase 1 of the development of our site was to install purpose built retail units for concession retailers. The introduction of these retailer enhanced the shopping experience for our customers and generated a buzz around the site which lasts all year round. We have*

since developed our restaurant and work with the concession partners to create a real day out destination.”

Although not all garden centres have the opportunity to expand in this way as a result of restrictive planning permissions garden centre owners should be willing to explore all opportunities they think would be of interest to additional retail.

Chris Primett of Malcolm Scott Consultants said *“Introducing purpose built concession units to garden centres can help enhance the retail proposition. Securing the right permissions for these units is not always straight forward but where possible, complementary retail units are a useful method of developing within existing garden centre premises to support the core gardening offer.”*



If new building developments are not possible, Garden Centres may be able to utilise existing buildings already on site to convert into retail use.

Storage buildings, existing covered areas, even dwellings can be converted to retail use and those previously underutilised spaces make for ideal opportunities to introduce new tenants to the site. The cost of investigating these projects can be offset by the rent terms available and the agreements put in place ensuring profit and improved footfalls.

Where possible garden centres should look to see how they can introduce complementary retail on to their site as weatherproofing a business, to lessen the reliance on good weather is essential to securing the long term growth of the business.

Richard Lewis. Business Development & Marketing Manager for First Franchise added: *“Every garden centre has the potential to introduce concession retailers on to their site. Whether they have internal space available, land for development or buildings to be converted, every inch of the entire site should be analysed to unlock the profit potential available. Rental incomes in any weather, more reasons for customers to visit and a better return from garden centres’ land means that separate units for complementary retail are a great way for site owners to weatherproof their business.”*

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