

concession

NEWS

UPDATE

FRANCHISE OPERATIONS AND GARDEN CENTRES – COMPLETING THE PACKAGE



Franchise operators regularly take out concession space within garden centres to raise the profile of their business. In this edition of Concession News, we look at how there is a mutually beneficial working relationship between a Franchisee and a garden centre.

The BFA (British Franchise Association) has reported that Franchising now contributes £13.4bn to the British economy. In June 2012, there were 929 operations throughout the UK, employing 594,000 people.

The number of Franchise packages taken out has increased during the recession. The BFA has cited a number of reasons why this growth has occurred in a turbulent market. Firstly, banks view Franchises as a less risky proposition for lending than a start up business. In addition, when individuals are looking for something new to invest in, with inheritances or redundancy packages, they often turn to Franchises due to the established operational and marketing procedures they offer.

It would also appear, that as professionals come towards the end of their working life, they often look to become self employed, and so the proven format of a Franchise operation offers a more flexible and appealing approach to work.

The BFA's research tells us that the average age of the Franchisee is 49. When professionals reach this stage of their careers, they would generally be able to offer a new venture their experience and professionalism to a level above someone who is starting out. As the majority of packages available are service driven, these Franchisees are thus in a better position to identify with their customer's needs and requirements.

Michael Eyre, the Chairman of the BFA says: *"The advantage with franchising, rather than recruiting, is that you are engaging with people who want to be in business for themselves and who have the desire to develop a business with proven systems and structure within a recognised brand."*

A BENEFIT TO THE CUSTOMERS

Market research has found that the majority of service driven Franchise operations share a very similar customer base with garden centres. As a result, when releasing Franchise packages to a new Franchisee, the Franchisors (the owners of the brand) often look for a

garden centre show room area or advertising launch pad to help establish and support the operation.

Dream Doors, for example, the bespoke kitchen doors, drawers and worktops specialist have been offering Franchise packages since 1999.

Whenever a new Franchisee joins, they actively seek a garden centre to establish the business as a result of the success of their existing operations.



We spoke to **Ian Jenkins** the **Dream Doors Franchisee** currently within **Blooms Garden Centre, Cardiff** who told us: *“Working within the garden centre provides a no hassle approach for us. The existing customer base is excellent, the rates are affordable and the trading environment benefits, such as free parking and relaxed shopping are key. Although people rarely go to the garden centre looking specifically for our services (unless they have found us on the internet beforehand), our continued presence within the garden centre has ensured people now know where to go when they need us.”*

As a Franchisee becomes more established within a garden centre, they have the opportunity to work with the site owner to raise the profile of their in store presence and ultimately develop their customer base. A number of Granite Transformation Franchisees have started within a garden centre with a small, unmanned display area which has developed into a fully manned showroom.

This development has been experienced by Ian Floyd (GT Franchisee Nottingham) and Annette Shaw (GT Franchisee Maidstone) who now have established show rooms for Granite within Notcutts Garden Centres Wheatcroft and Maidstone (part of the Newnham Court Shopping Village) respectively.

These additions to the garden centre enable the growing customer base to benefit from having additional offerings on site, thus making them a ‘one stop shop’ for demographically matched projects and service providers.

Due to the professional nature of the signage and displays, the garden centre can be assured that the installation of either a manned or unmanned concession area will be in keeping with the quality of a well run, garden centre department.

Graham Pugh, Owner at Pughs Garden Centre currently works regularly with Franchisees and said: *“Franchise operators provide a good link to the core garden centre customer base. The services they provide are in line with what our customers want, without competing with our own departments. We have had car maintenance companies in the car park and internal display stands, all of which have been manned and operated professionally. They*

provide good year round revenue for us and we offer them prominent display areas that fit within our retail footprint.”

The mutual benefits that govern these on site display areas, mean that both Franchisee and garden centre can work together to enhance the customers day out experience.

Ian Silverton, Managing Director, Promotional Space Ltd *“Franchise operations cover an array of different market sectors, which directly appeal to garden centre owners and ultimately their customers. We have targeted Franchisees deliberately, because the strength of the brands they represent means we can confidently offer them to garden centres. Covering both internal and external areas, small advertising areas or larger showroom space, Franchises provide a definite opportunity for garden centre owners to develop their revenues and expand their offer.”*

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