

concession

NEWS

UPDATE



PLANNING AHEAD!



In this week's edition of Concession News, we look forward to 2014 as retailers prepare to plan the year ahead and add fresh impetus to their retail offer.

Retailers are readying themselves for Christmas, yes...already. Displays are being built and decorations are starting to be put up, "it seems to get earlier every year." So, with Christmas already planned and taking shape, retailers start to think about their plans for 2014.

Planning the buying categories, marketing and improvements to the venue are at the fore of retailers' minds, as they look to start the New Year with a bang and gather some sales and income momentum, before the peak Spring and Summer trading periods.

Space planning is a crucial part of this process as site owners analyse the sales figures to identify which departments have been a success and which need refreshing in the New Year. During this analysis, retailers are scrutinising their space to find room for Concessions.

Concessions not only provide, guaranteed year round revenues but they also create new reasons to visit and offer customers something new and interesting to view. As competition for customers' attention increases, retailers need to be able to provide a unique offer to their sites to ensure they attract new footfalls and increased sales across all departments.

Garden Centres in particular use this time of the year to identify how they can incorporate Concession tenants, as they look to provide a less 'seasonal' or 'weather reliant' approach to running their business.

Graham Pugh, Owner of Pughs Garden Centre said *"It is essential that we know exactly how our space is going to be used in the New Year before we get into the full swing of Christmas. We need to make sure in*



January, that the year starts well and customers choose to visit us all year round. We are constantly analysing all areas of our garden centre from the existing shop space to the development opportunities and incorporating Concessions into our plans is crucial to our growth as a business."

Evaluating the costs are as important as evaluating the sales, to ensure a well managed business. Therefore, garden centre owners will look at how improvements to their key departments will enable them to make savings whilst maintaining the quality of the offer.

As a result, expert Concession tenants like Pets Corner, Maidenhead Aquatics, and Camping operators have increased in popularity to enable site owners to save the cost burden of these expensive to maintain departments whilst improving the expertise and ranges available.

In addition, the catering facilities are being scrutinised as the increased importance of the Restaurant offer means that constant investment and maintenance outlay, in addition to the costs of staff and wastage, make them a very difficult department to make profitable. Retail caterers like Massarella Catering have, as a result, turned their attention to instore Concession operations, rather than stand alone coffee shops and restaurants to fuel their expansion and work with site owners to create the right proposition, menu and service.

As part of refreshing the instore departments, garden centre owners look at how sales can be increased from core, unseasonal departments such as Clothing, Giftware and Leisure products and how introducing new brands will add value to the offer.



Brands such as Cotton Traders, Edinburgh Woollen Mill, Klass Clothing, Roman Originals The Works, Pavers Shoes and Yankee Candles bring with them demographically aligned ranges and expert marketing which add footfall to the host whilst increasing sales in their own bought departments.

With specialist ranges being launched in to the garden centre sector from the likes of Peacocks Kids, Rectella, Hammonds Furniture and Shuropody, we are seeing a change in the retail footprint which is being echoed in the high street as retailers look to introduce new ways to attract customers and manage the profitability of their sites.

Although the leading Concession brands have specific requirements, all retailers can incorporate tenants in to their footprint, as working with local operators can have the same affect on footfalls, so long as they are complementary to the core offer.

The income benefit of all Concessions is managed and maintained by ensuring that the agreements in place work for both parties to ensure a mutually beneficial, long term, on site trading partnership.



Richard Lewis, Business Development & Marketing Manager of First Franchise Ltd adds *“Planning for next year needs to be undertaken before Christmas so that retailers can allocate their space to the most profitable departments. Analysis of the instore areas will free up space for Concessions as the year round income and footfall they provide will improve the profit position of the host and will also contribute to increased sales in other departments thanks to improved footfalls.”*

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