

REPORT OF FINANCE MANAGER

SUBJECT: TRADING STRATEGY 2013 - 2018.

Introduction

This report is intended to guide the National Park Authority's (N.P.A.) trading strategy over the next five years. It should be stressed at the outset that trading is not a primary function of the N.P.A.; any trading activity is incidental to the N.P.A.'s main purposes but the income generated does help finance the cost of the free information service which is one of the primary objectives of the N.P.A.

The N.P.A.'s visitor centres and heritage sites represent one of the most visible and high profile expressions of public service in the National Park. Visitors require and receive a wide range of information and interpretation to help them enjoy their visit, and make the most of the time they spend in the Park. The National Park Authority has operated this service for over 30 years

During 2012, a total of 245,441 people visited National Park Sites. Whilst principally going to either, visit a heritage site, or in the case of the Visitor Centres to obtain information (provided as public service) many visitors also purchase books, maps, and souvenirs. This presents a significant opportunity to raise awareness of the National Park and its work. The simple act of purchasing a post card may be the only contact a visitor has with the National Park Authority, and it is therefore important that it remains in their mind as a positive memory.

The core objectives of the Trading Strategy are:

- to interpret and communicate NP purposes through merchandise and packaging;
- to convey a sustainability ethic;
- to provide an innovative, exciting and quality product range;
- to back up & complement free information;
- to ensure an appropriate mix of products;
- to exceed customer expectations and requirements;
- to ensure that we do not operate with unfair advantage over other local outlets;
- to generate income to meet NP financial targets; and
- to offer sales space to support local suppliers and crafts people.

The above objectives will be achieved with consideration to the following:

a. Communication of National Park Purposes

Merchandise is a vehicle for National Park messages and makes a valuable contribution to brand building. Branded merchandise can also enhance the feeling of 'ownership' of the Park, which in itself is an invaluable mechanism for achieving National Park objectives. Clothing and souvenirs are often seen as the highest profile branded goods, however although the sales value of some of these are high the actual numbers sold are small in comparison to our other main branding area, which is our range of National Park publications.

Although packaging is also a high visibility vehicle for the National Park logo and messages, though for sustainability reasons, packaging of products needs to be reviewed

b. Purchasing

The overall guiding principle for the purchasing policy is that all products should, wherever possible:

- Have a strong association with the National Park, conservation and biodiversity, plus cultural and heritage of Pembrokeshire and Wales in general;
- Environmentally friendly products and packaging will be sourced wherever possible;
- Be sourced where possible from local manufacturers or suppliers.

c. Pricing Policy

Goods are to be sold at a reasonable commercial mark to ensure we do not undercut local businesses. Recommended retail price (RRP) will be adhered to; however in the absence of a RRP mark up should at least 33% (over and above the impact of VAT). Each centre shall ensure a consistent mark up of the same products sold at other centres. National Park products should be priced at a realistic level, with the agreement of the Commercial Group.

d. Product Range

The current product range comprises:

- OS and other maps;
- Publications (including National Park walk packs / books and leaflets);
- Souvenirs - both the Park's own merchandise and others;
- Clothing - both the Park's own merchandise and others;
- A range of locally produced crafts;
- A small range of drinks and snacks; and
- Exhibition sales,

targeting a wide range of markets including children, educational, outdoor enthusiasts, and day visitors.

It is important to keep product ranges up to date to meet the changing needs of the market. It is also important to recognise that the needs of visitors, for instance, to St Davids may vary to those at Tenby and thus require different product ranges, therefore the product range will be at the discretion of the individual centre manager, with consideration to the All UK Parks' Minimum Standards Document. Consideration should be given to obtaining best value by joint ordering of stock as appropriate.

Regular feedback from self completion questionnaires in Visitor Centres and attractions

will be analysed and reviewed regularly to ensure that customer needs are met.

e. Stock Control

Stock holding should be kept at a minimum level at all times, taking into consideration seasonal requirements. Each manager should consider the possibility of sourcing from stock-holdings at other centres.

At the end of each summer season sales values, sales quantities and stock holding quantities will be analysed (with a product sourcing matrix) and reported to the Commercial Group.

f. Support to Local Craftspeople

The centres should be used as showcases for examples of work from local craft businesses where space permits, thus encouraging visits to local arts and crafts producers. This is not only important in helping the economic viability of small rural businesses, but also promotes the local identity of the National Park. As display space within the centres is limited, we should endeavour to display items from local craftspeople and so offering them the opportunity and exposure to our footfall before featuring non local craftspeople. .

g. Competition with Local Retailers

There is potential for the NPA trading operation to impact on the local retail trade, and procedures need to be in place to address this. Price sensitivity and product range are the key issues. There is a need for a consistent pricing policy throughout all outlets, and occasionally decisions may have to be taken not to stock certain product lines. There is, however, an expectation on the part of the customer that certain goods should be available at information centres which may be available elsewhere in the immediate locality, particularly maps and publications. The convenience factor is important to visitors, and existing practice in this respect has already been well established.

h. Sales to other Retail outlets.

In 2012 we supplied publications to 15 non NP businesses/outlets with takings of £1,980 with the majority of these sales being generated through book sales.

j. Catering

The cafe at Oriel Y Parc is franchised and subject to the licence agreement between the tenant and the NPA.

Recommendation

That members acknowledge the trading as detailed above and approve the Trading Strategy for the years 2013 to 2018.