

Thorntons eyes growth as turnaround delivers

BY BEN COOPER

Thorntons' turnaround strategy has delivered success and the retailer is now focusing on a year-round sales strategy, after reporting a 47% jump in pre-tax profits for the first half of the year.

Speaking to *Retail Week*, chief executive Jonathan Hart said a business restructure, which started just under three years ago, had brought "significant success" in increased sales and making the business fit for purpose in the modern world.

Thorntons revealed pre-tax profits of £7.2m for the 28 weeks to January 11, up from £4.9m in the same period last year, driven largely by growth in FMCG sales.

Hart said that as part of the strategy to revitalise the brand, he wants to drive sales throughout the year, not just across traditional calendar peaks, which currently account for 50% of sales.

He said: "We want to have



Thorntons reported a jump in profits

more of a year-round presence outside of Christmas and Easter. We found that most of our customers were only visiting once or twice a year."

Thorntons will increase its focus on emotional gift purchases by refurbishing stores to give them more of a "florist" feel and encourage shoppers to use chocolates as a replacement for

greetings cards and flowers.

Hart said that three years ago the retailer was grappling with a bloated property portfolio with "too many stores in the wrong locations". At its peak Thorntons had more than 360 stores.

Following an ongoing store disposal programme that has already seen the chocolatier shed 120 sites since 2011, FMCG sales now eclipse retail sales and are growing at a faster rate. In the first half of the year FMCG sales increased by 14.5% compared with like-for-like store sales, which grew by only 2.1%.

Hart is planning cautious international expansion of Thorntons' FMCG operations, supplying direct to grocers and supermarkets in selected countries.

"We are learning as we go," he said. "We're not going to rush at this, we are focused on the UK, but there's an opportunity there to grow over the next few years."