

Conviviality Retail uncorks a new offer

The group that owns Wine Rack and Bargain Booze is raising its in-store game. John Ryan talks to Conviviality boss Diana Hunter

Last week the promisingly named Conviviality Retail unveiled a strong set of results. Profits were up more than 30% and store numbers across the group's three fascias, Bargain Booze, BB's Warehouse and Wine Rack, were down by 62.

That does raise two rather signal questions – did Conviviality Retail have some truly awful stores and equally, what has it done right to perform well with fewer outlets?

At Wine Rack, the (much) smaller part of Conviviality's portfolio, there has been change and it has yielded results, according to chief executive Diana Hunter.

"I think it's really difficult to look back at the past, but the disappearance of certain players [eg Threshers and Victoria Wine] has left a gap in the market," she says. "Customers do still value a high street wines and spirits specialist."

Three-pronged approach

Hunter, credited with the roll-out of the Little Waitrose format at the eponymous grocer prior to taking the reins at Conviviality, has been quick off the mark as far as change at store level is concerned, especially with Wine Rack.

Towards the end of 2013, she tasked design consultancy Household with defining Conviviality's brand propositions and creating a tone of voice for each.

The outcome was three distinct philosophies. Bargain Booze Classic, which is defined as a 'top-up' off-licence, would be demarcated as cheap and with a good choice. Bargain Booze Select Convenience would have more in-store recommendations and a broader choice, while Wine Rack would be a destination shop for the enthusiast who wants to know more.

This looks suspiciously like the supermarket mantra of 'good, better, best', but it is unusual for it to be applied to beers, wines and spirits standalone shops.

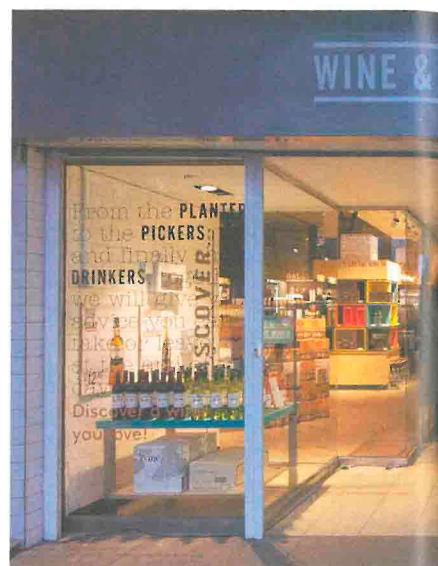
CONVIVALITY RETAIL

Fascias Bargain Booze, BB's Warehouse, Wine Rack

Pre-tax profit for year to April 27 £9.3m – up 31.5%

Number of Wine Racks to open this year 15

Number of Bargain Booze branches to open this year 60+
Design Household



According to Julie Oxberry, managing director of Household, for Bargain Booze that meant the stores should be places where "shopping, sociability and entertainment meet". The idea of an off-licence being in the 'entertainment business' says quite a lot perhaps about what constitutes fun in the UK, but as a form of positioning it does seem to have worked for the brand.

And Hunter betrays her supermarket roots – albeit an upmarket grocer – with the idea that the opportunity at Wine Rack should be to bridge the gap between supermarket wine deal shopping and fine wine merchants. Practically, that meant a new-look store at West Byfleet in Surrey, the small commuter village that is often viewed as part of greater Woking.

Here, shoppers were treated to a more informal take on the business of selling wine, which retained the notion of expertise.

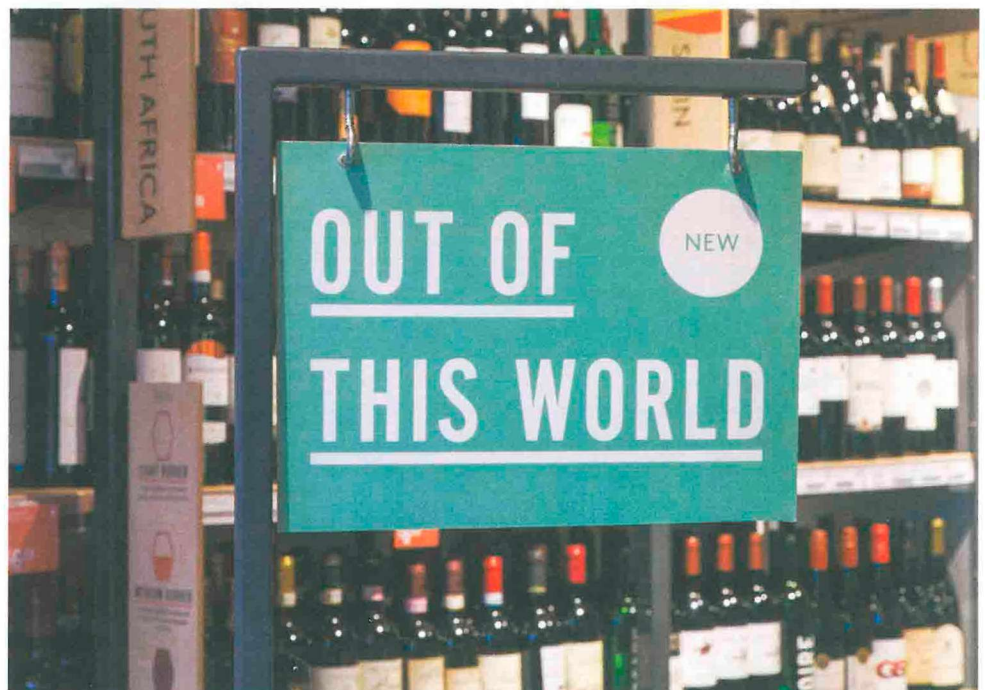


Wine Rack has ditched its old store design (above) for all of its new openings





The new-format Wine Rack in West Byfleet has the look and feel of an upmarket independent store





Expert opinion

The bulk of the Wine Rack store portfolio at present boasts a royal blue fascia. It's quite hard to miss, but would hardly be classed as subtle. And the bold white font that is used smacks rather less of quality and considerably more of deals and price. Travel to West Byfleet however, and things are more subdued.

A watery sea-blue aquamarine colour takes the place of the royal blue and where a great many standard Wine Racks have large posters that shout price, price, price, a graphic on the window of the new store reinforces the notion that advice is on hand.

As for the interior, a standard Wine Rack is posited broadly on getting a fair amount of stock out on the floor and there may even be the sense of overcrowding.

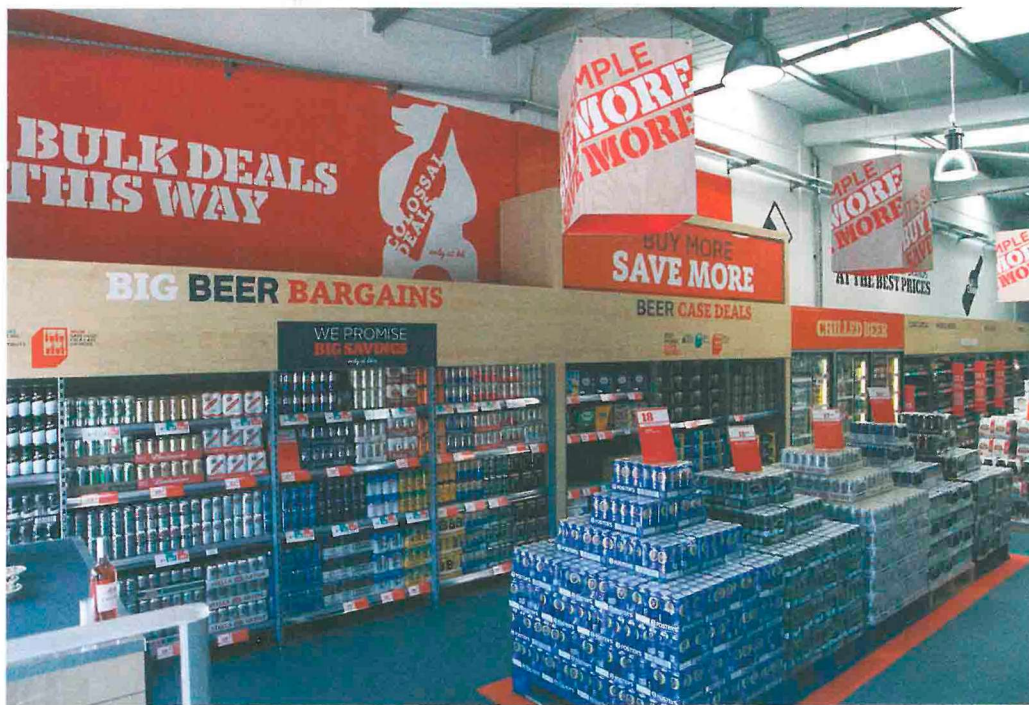
Not so in West Byfleet, where wooden floorboards, a white tiled service counter and walls, and a black ceiling void combine to create the ambience of an independent wine retailer.

It is the sort of place that will be visited by those in the know and those wanting to be so, rather than the high street deal-seeker – although price remains important.

There are quite a number of wine shops on affluent high streets that look and feel like this. However, they are the preserve of the independent wine merchant, not the chain. That is what sets this store apart and validates the ambition to smooth the transition from supermarket to fine wine shop.

In-store there are notes in the form of cartoon-style graphics that sit next to selected bottles intended to tell shoppers a little more about what they are looking at.

This is a familiar design trope. Visit a store such as the upscale Cambridge Wine Merchants, on that city's Bridge Street, and almost every bottle on display has a handwritten label around its neck bearing, presumably, a member of



The new BB's Warehouse store in Wakefield places an emphasis on price and accessibility

staff's opinion of what to expect from the contents. That might not be possible in an operation on the scale of Wine Rack, but a good attempt has been made to do so – it is similar to Waterstones' practice of placing staff-written book reviews around its shelves.

It is a wine shop with mass-market ambitions then, but it also boasts a local and specialist face. According to Hunter, the new look is being taken to

all new Wine Rack stores this year, which will mean 15 others will follow the West Byfleet template.

Mass-market appeal

There are also big changes afoot at Bargain Booze. As well as modernising its extensive store portfolio – it will have refreshed its whole estate, running to just shy of 600 stores, by September – the retailer has just opened its first BB's Warehouse in Wakefield, West Yorkshire.

The bulk of the Bargain Booze stores are franchises but the pilot BB's Warehouse, which measures 2,700 sq ft, will be company-owned and is something of a departure for Conviviality Retail.

Posited on the notion that the more you buy, the more you save, this is, as the name suggests, a warehouse-style store where the emphasis is on accessibility and a democratic approach, according to Oxberry.

The decision to open the initial store in Wakefield is indicative perhaps of a retailer that is not hidebound by affluent metropolitan locations, but one whose stores are intended to have mass appeal.

So where does all this activity leave Conviviality? In less than a year, it is a retailer that has taken the measure of its estate and decided on a clear course of action, segmenting its offer with a series of well-defined formats and product propositions. But does this mean that the success elicited by its recent results is set to continue?

The changes look impressive so far. If successful, management and investors will be popping the corks.