

STORES

Budgens' local lab

Convenience specialist Budgens has opened a 'lab' store in Dorset that shows the way as far as display and merchandising is concerned. By **John Ryan**

Broadstone is a district in Poole and Poole is just down the road from Bournemouth and all of the preceding are just inside Dorset.

Even with this description, people could be forgiven for struggling to locate Broadstone on the map. And when they do get there, like so many parts of the Poole/Bournemouth conurbation, it is quite hard to work out where one suburb ends and the next begins.

Nonetheless, as a place, Broadstone is noteworthy as the location of a Budgens 'lab' store – meaning a branch of the convenience store group in which new ways of doing things are being tested.

There are good reasons why Budgens is trying new things. According to accounts filed in late 2014, parent company Musgrave Retail Partners GB showed pre-tax losses running at £63.4m in 2013 against £2.6m the prior year.

The result probably accounts in some measure for the arrival of turnaround specialist Peter Ridler, who took the Budgens and Londis reins in May last year.

Since then, change has been on the menu, as Ridler and his team have tried to do something with a convenience business that looked to be under pressure from a combination of Lidl and Aldi on the one side and the convenience formats from the big grocers on the other.

For shoppers, the Broadstone store is the most tangible evidence that there are shifting sands at Budgens. The retailer has had a company-owned store here since 2009, when it acquired the location following the disappearance of Somerfield. It was not until 2014 however that the decision was taken to refit

the store and change the external appearance.

Because this is a store that is owned by Budgens, rather than a franchised outpost, the retailer has had a free hand to do what is felt necessary to improve things.

It is also an internal selling vehicle.

One of the problems about effecting change in an organisation that relies upon its franchisees is that a large dose of goodwill is required to encourage the owner/managers of each store to spend money to alter the appearance of a branch. They are profit-focused and spending more money than is absolutely necessary is not high on the agenda.

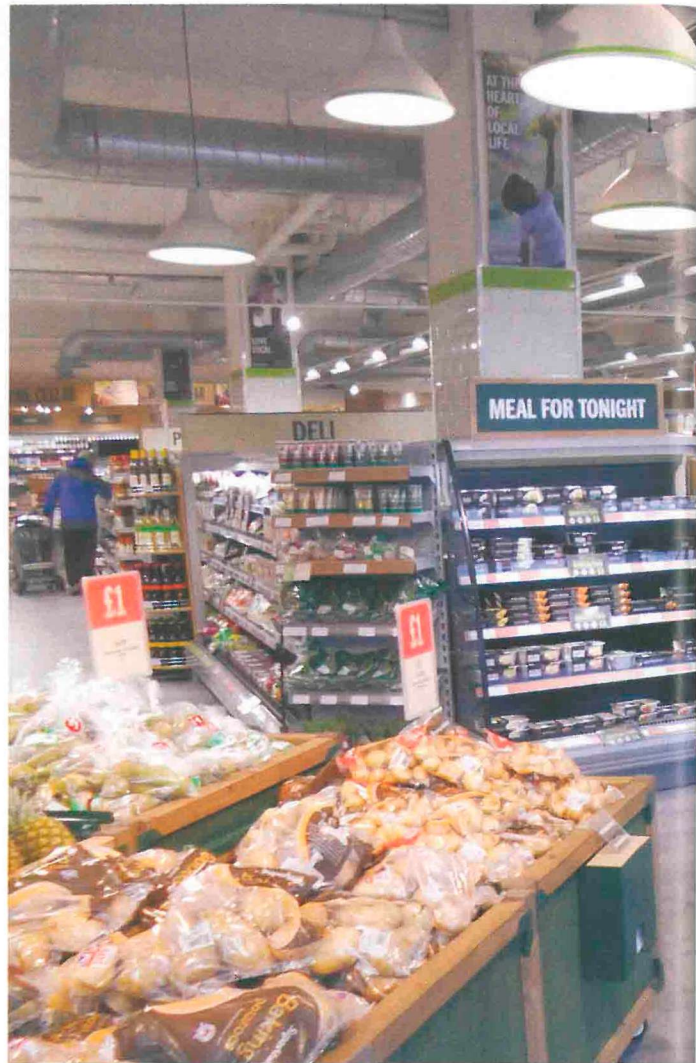
To an extent therefore, Broadstone is about selling to shoppers, but also about providing a paragon for franchisees, showing them what is possible.

Saturation point

The refit was completed and the shop reopened at the beginning of October last year, having grown in size from 6,200 sq ft to 6,512 sq ft. Store manager Nigel Hughes says that the area has reached "saturation" as far as food retail is concerned: "There are two 70,000 sq ft Tesco Extras and a 70,000 sq ft Asda nearby and a 15,000 sq ft Tesco at the end of the road," he says.

He also points out that the nearest Lidl has just had a makeover and there is a Waitrose just a couple of miles away. Worth noting too is that Budgens' immediate neighbour is a Tesco Express that looks badly in need of refurbishment.

All of which should point to challenges for any retailer seeking to raise its game in the area. Yet Hughes says that post-refurbishment the average



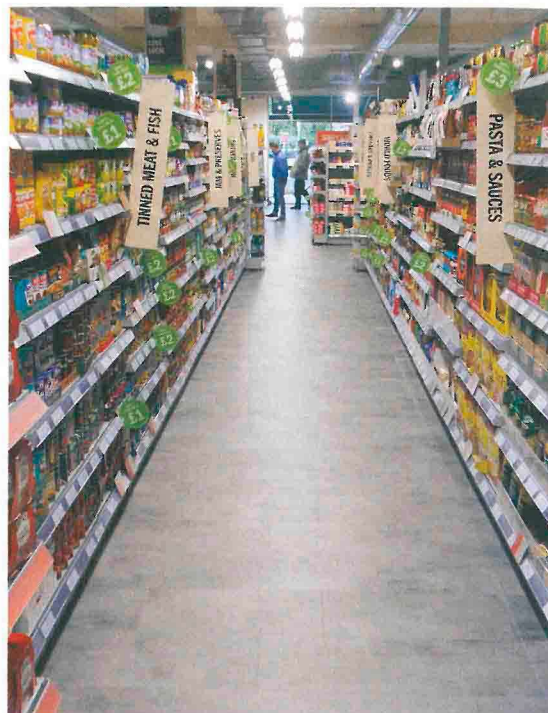
The fresh produce offer at the front of the store (above) and wine section (right) serve as templates for Budgens' franchisees to follow

basket value has risen from £9 to £11 and that the categories which comprise 'fresh' have risen by 65%, like-for-like.

Wood is the word

Stand outside the store and the contrast between Tesco and Budgens could hardly be greater. The Tesco shopfront is white with windows that

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do not allow the shopper to see in. Budgens, by contrast, is wood-clad on the upper portion of its fascia and the windows afford views into the cafe that fills the area to the right of the entrance. It is also easy to see beyond this into the store proper, which boasts 'warm' lighting and more wood-trimmed fixtures.

Walk through the door and the initial impression is that this is a store with a strong focus on fresh. This element of the offer was at the back of the shop in the old scheme, but the decision to bring it to the front was central to the revised layout.

The left-hand perimeter wall is home to the greengrocery offer, which is fronted by six tiered and wood-clad mid-shop units that bear special offers. They are on wheels and the combination of plain wood and a designerly faded dark green paint give them a market stall feel.

It is quite hard not to notice the over-

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head pendant lights and exposed air conditioning trunking, which give a down-to-earth and not over-finished sense to this interior. The floor has been changed too, and slate-grey tiles are used throughout.

Beyond the fruit and veg space and still on the left-hand side of the shop, it's fresh meat and a Cook implant. The

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For more pictures of Budgens' 'lab' store in Broadstone visit Retail-week.com/stores



latter is a concession provided by the eponymous Sittingbourne-based prepared meals company and Hughes observes that they "are very strict about the way they are presented". What is interesting is the manner in which the Cook wood-trimmed freezer and chiller units fit very comfortably with the rest of the shop.

Across the aisle there is fresh meat, much of which is from local suppliers (Budgens managers have autonomy to source up to 5% of the in-store offer locally). Hughes points to the venison and other exotics, noting that on "opening day we sold more game than beef, lamb and pork put together".

All of this is displayed on chiller units that have low wooden baskets at their base in which condiments to accompany meat are displayed. It's a simple device, but it works and the puzzle is why this is not done more widely.

So to the wine and spirits area, which looks as good as anything that the big supermarkets offer.

More wood makes this area what it is and the lighting is subdued. Pride of place goes to a £26 bottle of English sparkling wine (*méthode champenoise*) which comes, naturally, from a Dorset vineyard.

After that, it's ambient products and Hughes admits that this area is



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flat as far as sales are concerned. This is perhaps less surprising, given that ambient produce has a tendency to be the same everywhere, no matter how deft the merchandising.

A number of the shelves have been given wood trim and the bus stop-style product markers have about them a recycled appearance,

adding to the store's market atmosphere, but that is about it.

There are five cash desks and no self-scan tills, which is unusual. Hughes says this was a very conscious decision by Ridler as Budgens is famous for its service and he wanted each shopper to be served personally. Maybe so, but it still looks a little curious in the con-

BUDGENS, BROADSTONE

Opened October 2014

Size 6,512 sq ft

Ambience Market-like

Design In-house and

consultancy Relish

Brand identity In-house and
consultancy SEA

text of convenience store norms.

On the way out, there is a Costa coffee machine and on Fridays shoppers can help themselves to a free coffee when they spend £10 or more.

Taste of more to come

This is certainly a good-looking shop that has a lot more in common with a Little Waitrose or an M&S Simply Food than with any of the offerings from Sainsbury's or Tesco.

A second smaller store following the Broadstone Lab example has just opened in Byfleet, Surrey, and a third is to follow in late April.

The tricky bit for Budgens will be persuading its franchisees that this is where the future lies.

For the moment however, Budgens has a store that is among the leaders in appealing convenience store interiors and on that basis it looks to be heading in a more profitable direction. ■