
CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

FOR DECISION

Title: SALE OF PANORAMIC POSTERS

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Purpose

To update the Committee on the trial sale of posters of the panoramic paintings by the Cairngorms Business Partnership, and to agree how continue future sales.

Recommendations

The Committee is asked to:

- a) agree that trial sale of panoramic posters approved in February 2009 has been completed.
- b) agree that we should continue to sell posters, and that the best way forward is to offer the opportunity to publish and market posters for 3-5 years to COAT and CBP.

Discussion

1. In February 2009 the committee agreed that we should work with the Cairngorms Business Partnership (then the Cairngorms Chamber of Commerce) to trial the sale of panoramic posters of two of the five views of the National Park. We paid for the printing of 4,000 posters and contracted CBP to trial the sale of the posters across CNP. The results are detailed in Annex I.
2. The remaining stock of posters shows the old CNP boundary and so any continuation will be with a slightly amended poster with options for design changes.
3. We now need to decide whether to continue with sales and how to take forward this work.
4. With sales of some 1,500 posters in 18 months we feel that commercial profit was not the main outcome of the trial – in fact printing costs and payments to CBP to undertake the trial exceeded income generated. We consider that the main outcomes were:
 - a) Raising awareness of CNP with visitors and participating businesses through sales of a quality souvenir
 - b) Modest income generation for Cairngorms Outdoor Access Trust (COAT) through a 50p levy per poster.

5. There is clearly a demand from businesses wanting to sell the posters and from visitors wanting to purchase them and we feel that that on this basis it is worth continuing to sell the posters. However, we feel the quantities sold during the trial indicate that this is **not** a strong commercial proposition to go to open market tender. We consider that the best method of continuing sales and, meeting the outcomes listed in paragraph 4, is to offer opportunity to publish and market posters for 3-5 years to COAT and CBP. This would also 'test the market' in a limited way. The key criteria for determining the successful 'tender' including:-
 - a) Estimated number of posters that will be sold in the period
 - b) Number of views offered for sale (there is potential for five posters)
 - c) Income generated from sales to support the work of COAT
 - d) No cost to CNPA

6. We would not be bound to accept a bid from either organisation and if we were not happy that there was an effective proposal we could consider a wider tender.

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ANNEX I: REPORT FROM CAIRNGORMS CHAMBER OF COMMERCE ON CNP PANORAMA TRIAL SALES

BRIEF

To test the market for the sale of CNP Panorama posters, to determine their marketability and price threshold, to inform future CNPA tenders.

PARAMETERS

- a) CNPA made posters in tubes available for CCC to sell: 2000 of the Badenoch and Strathspey view and 2000 of the Dinnet and Deeside view.
- b) CCC to use existing database and contacts to pilot the sale at wholesale and retail quantities and prices.
- c) Donation from each sale to be made to Cairngorms Outdoor Access Trust.
- d) Report on sales to be given to CNPA
- e) Final report on research to be given to CNPA
- f) Retail price of poster in a tube was set at £7.95.
- g) Net wholesale price was set at £3.00.

MARKET RESEARCH

CCC designed a questionnaire to test the marketability of the product. 70 businesses responded to the questionnaire, including the major retail points within CNP. The questions asked covered the following points

- a) What should be the gross retail price of the poster
- b) What should be the net wholesale price of the poster
- c) What comments would they make on the actual poster
- d) What comments would they make on the price structure

RESULTS OF MARKET RESEARCH

- a) The retail sales price threshold varied from £3.00 to £16.00. 38.5% respondents thought the retail price should be between £7.99 and £9.99; 27% respondents thought it should be between £5.99 and £6.99. Of the remainder, some wouldn't comment, some wanted the price to be cheaper, but most (11% total) would have paid more.
- b) Although the general response to the design was favourable, interestingly 14% respondents specifically mentioned that they would have preferred it as a picture with a border that went all the way round. They then felt that they could frame it as a picture and not just as a poster. They equated this with an increase in the potential sales price.
- c) There was no correlation between the retail price that people thought should be paid and the actual price that they were prepared to pay when they asked to buy any. No-one refused to pay the price asked.
- d) There was general consensus that the retail price should be the same across CNP, regardless of outlet. Everyone was happy to sell at designated retail price.
- e) A handful of people asked for other views, but the bulk, as anticipated, wanted B&S view, equating to 80% sales.
- f) NB The wholesale price is an arithmetical calculation based on retail price e.g. £3.00 net wholesale equates to a gross retail price of £7.20. (NB – this wasn't the retail price used in the trial because of the COAT donation).

SALES

Total stock sold for the period is 1,350 units.

Cairngorms Outdoor Access Trust (COAT) Donation

Based on these sales a donation of £675.00 (outwith VAT) is due to COAT. This payment will now be made.

Income

Total sales (net of VAT) to date are:

	Total Sales	Value
Wholesale @ £3.00 per unit	1,287	£3,861.60
Retail @ £6.91 per unit	63	£435.33
Total	1,350	£4,296.33

CONCLUSIONS

- a) Panoramic views were well received as a concept
- b) Sales of approx 1500 posters were better than anticipated. The Cairngorms Business Partnership will continue to sell posters until asked to stop by CNPA.
- c) Retail price was not an issue; indeed it could have been higher. £9.99 was probably the limit.
- d) If it had been designed with a border, the price threshold would definitely have been higher, as people would have regarded it as a picture to frame and not just as a poster.
- e) The donation to COAT was not an incentive, but didn't detract from sales.
- f) Framed copies were enquired about. Prices prepared to be paid for a framed copy varied from £20-£50. No meaningful conclusions can be drawn from this, as the frame costs vary enormously with materials used.