
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: BRANDED MERCHANDISING

Prepared by: Francoise van Buuren, Head of Communications

Purpose

1. To gain agreement from the Board to explore opportunities to use Cairngorms National Park branded merchandise to help raise the profile of the Park, build a sense of closeness and potentially raise additional funding for the work of the Park. Given the specialist knowledge and expertise needed for retailing branded products it is proposed merchandising agencies are invited to take this work forward on behalf of the CNPA.

Strategic Context

2. Branded merchandising provides an opportunity for local business and communities to benefit from the Cairngorms National Park brand by enhancing the visitor experience. It also has the potential to provide additional funding which could support a range of the National Park Partnership Plan outcomes. This work specifically supports:
3. NPPP Outcome 3: *People enjoying the Park through outstanding visitor and learning experiences:*
 - a) More people will enjoy, learn about and help to conserve and enhance the Park
 - b) The expectations of visitors are met or exceeded.
4. Corporate Plan Programme 1: *Building the Cairngorms Brand and Visitor Experience:*
 - a) To deliver an excellent visitor experience and ensure we capitalise on the Cairngorms National Park brand as a valuable asset, using it in a consistent way to support business, raise awareness, and create a sense of ownership and inspiration.

5. Corporate Plan Programme 2: *Getting Involved*:
 - a) To develop opportunities for people to get involved in, learn from and contribute to the Cairngorms National Park, and in particular support communities to develop capacity to take control and responsibility for their own futures.
 - b) A clearly focused set of initiatives to enable people to feel connected to the Cairngorms National Park.

6. Corporate Plan Programme 5: *Developing Opportunities for Recreation*:
 - a) Maximise opportunities for enjoying the Cairngorms National Park through recreation so this becomes renowned as a place to enjoy the outdoors, and an exemplar of land, community and recreation interests working together.
 - b) Good information on recreation opportunities, easily accessed by visitors and residents

Recommendations

7. **The Board are asked to agree:**
 - a) **That the Board are content for the CNPA to explore licensing options that support the values of the Park brand and initially ‘test the market’ by letting a tender for a merchandising partner.**
 - b) **That they are content that any profits are placed in the Cairngorms Fund.**

8. If the recommendations are agreed, officers will tender for a merchandising partner to develop a range of branded merchandise for sale via VICs, retail outlets and online with a % coming back to the Cairngorms Fund. A licensing agreement will need to be developed with legal support. The tender will set criteria as to what merchandise is acceptable and the successful tender will be responsible for producing, storing, distributing, selling and any after sales services and will take on full legal liability for any faulty items/customer complaints. The CNPA will ensure that any merchandising partner only produces products that support the brand values in terms of quality, sustainability and ethical considerations. This will be done through a licensing agreement.

Strategic Policy Considerations

9. Almost all National Parks in the UK produce some branded products mostly in-house, sold via their Visitor Information Centres or used as free give-aways at events. The Cairngorms National Park is 10 years old and the only branded materials we have ever produced are – postcards, pen-drives and badges - all as free give-aways. The brand has also been used on maps, path leaflets, footprint guides

and panorama posters and applications to use the brand has resulted in it being placed on product packaging and on materials supporting various events and campaigns (e.g. branded recycle bags). The brand is also used on clothing or on branded vehicles by CNPA and our partners but always jointly branded with the identity of the other organisation.

10. In 2009/10 CNPA contracted the Cairngorms Business Partnership (CBP) to trial the sale of two of the panoramic images of the National Park as posters for a 12 month period. Over the trial period 1,500 posters were sold at a recommended retail price of £7.99. It had previously been agreed through Finance Committee that a proportion of the sales would go to support the work of Cairngorms Outdoor Access Trust. Each sale returned £0.575 per poster to COAT – a total of £862.50 during the trial period. Sales have continued since the trial ended while both CBP and COAT agreed the best way to take forward poster sales.
11. CBP has recently decided not to continue selling posters and we are in negotiation with COAT over the continued sales of posters.
12. Branded merchandising will support the Communications and Engagement Strategy by helping to raise the profile of the Park, creating an emotional connection with the Park and a mechanism which allows people to give something back to support the work of the Park.
13. By putting this work out to tender it is anticipated that ‘state aid’ issues will not apply and by taking a private sector led approach it is unlikely other private sector organisations will criticise the CNPA for leading on commercial activities. As any profit from merchandising will feed into the Cairngorms Fund we anticipate that NGOs and other voluntary bodies will not object to the CNPA producing branded merchandise to help raise funds for the work of the Park.
14. The Management Team have considered various options and agree this is the preferred approach to test the market, retain a degree of control over the quality of branded products being produced and allow this work to benefit from being private sector led. Support for this work will involve discussions with the CBP and the Brand Development Group and is expected to help raise awareness of the Park, establish a closer connection to the Park and potentially raise additional funds for the work of the Park.

Strategic Risk Management

15. The Strategic Risk register identifies two risks which directly relate to this area of work:

Strategic Risk	Comment
Inadequate management and control of brand and brand development leads to loss of brand value.	By tendering for a merchandising partner and having a licensing agreement in place we will work in close partnership to ensure the brand values are protected
Insufficient funding means the NPA is unable to deliver all lines of work and projects identified in Corp Plan and NPPP	Inviting a merchandising partner to explore the opportunities and test the market we may be able to introduce branded merchandise to help raise the profile of the Park and raise potential funds.

Implications

16. The initial costs associated with this work will be restricted to staff time to develop a tender proposal, advertising costs to promote the opportunity with potential merchandising partners and legal costs to provide a licensing agreement. Longer term, much of the risk will lie with the merchandising partner to test the market while the integrity of the brand will be protected by a licensing agreement which sets out clear criteria relating to how the Park brand can be used for merchandising purposes.

Success Measures

17. Gaining a merchandising partner who can develop and deliver branded merchandise for sale which reinforce the brand values will allow us to 'test the market' to see how branded merchandise can help meet our corporate objectives. In particular measures of success will include visitor awareness of the Park brand through the visitor survey, number of branded merchandise available for sale and sold, number of outlets selling branded merchandise, profits made which contribute towards the common good fund.

Supporting Information

18. The following options have been considered in taking this work forward:
- a) Review the Brand Guidelines and work up details as to how branded merchandise can be made available to individuals or organisations who have successfully applied to use the brand. A licensing agreement will need to be developed with legal support. This will rely on a commercial enterprise coming forward to ask for use of the brand for merchandising purposes and

may not result in any branded merchandise being made available (left to market forces to see if there is a demand for these products).

Pros: open to multiple organisations

Cons: little control and complicated to administer

19. Produce some branded merchandise (in-house) to be used:

- a) As free give-aways at our events, for volunteers, education, with stakeholders
- b) For sale via the CNPA website online (likely to involve considerable storage and distribution issues/costs)
- c) For sale via VICs, other retail outlets, brand ambassadors and other websites online (profit margins likely to be too tight for this to do anything other than raise awareness and will require considerable cost/staff input)

Pros: full control lies with CNPA

Cons: lack of expertise, small scale, unlikely to be a game changer, could be costly and complicated to administer (storage, distribution, financial transactions), could raise 'state aid' issues and not private sector led

20. Proactively seek/tender for a supplier or a retail agent to develop a range of branded merchandise for sale via VICs, retail outlets and online with a % coming back to the CNPA. A licensing agreement will need to be developed with legal support. The tender will set criteria as to what merchandise is acceptable and the successful tender will be responsible for producing, storing, distributing, selling and any after sales services and will take on full legal liability for any faulty items/customer complaints. It is unlikely this will produce high profit margins in the current economic climate, but it will allow us to test the market, raise awareness of the Park, enhance the visitor experience with the potential for some additional funding for Park Projects.

Pros: private sector led, a degree of control, simple to administer, partner can be agreed in advance

Cons: May not be a merchandising partner out there

21. Over the years, regular updates on the development of the Brand have been presented to the board but no paper relating specifically to branded merchandising has been considered. In 2006, the Brand Management Group explored opportunities for branded merchandise and advice provided by a specialist consultant, Paul Wareham, concluded there was limited demand and sales potential at that time. The Brand Management Group decided: "as demand for merchandise with the brand is, at this stage, low, that no further action on merchandise

development will be taken” (taken from the minutes of the CNPA Brand Management Group meeting held on 18th April 2006.)

22. Now that the National Park is 10 years old, the brand image is well established (46% of visitors can describe the brand unprompted) and the Panorama pilot has demonstrated there is some interest in branded merchandise it is recommended we should ‘test the market’ through the appointment of a merchandising partner. The objectives will be to raise awareness of the Park, build an emotional connection and if possible help raise funding for Park projects while maintaining the integrity of the brand.

Francoise van Buuren

13 December 2013

francoisevanbuuren@ Cairngorms.co.uk