

INTERVIEW

With a new chief executive and an Australian launch in the offing, Lakeland is changing. Marketing boss Tony Preedy explains to **Emily Hardy** how the retailer's values will keep it on course



Lakeland's new era of growth

Lakeland marketing director Tony Preedy

On a characteristically soggy day in the Lake District, tourists and locals alike pour into Lakeland's 12,000 sq ft flagship store, a stone's throw from Windermere railway station.

Shoppers persuaded to pick up oven gloves after watching *The Great British Bake Off* need only step off the train and negotiate a few puddles before reaching the newly refurbished store.

They are met warmly by aproned staff and welcomed into Lakeland's world of on-trend kitchenware and homeware products, complete with an impressive mezzanine, upon which a restaurant sits.

This is no ordinary store – it's also home to Lakeland's headquarters. From this Windermere base, Lakeland's owners – the Rayner family – have quietly built a business that over the past 50 years has grown to 69 UK stores, along with fledgling operations in Germany, India and the Middle East.

New ideas, old values

However, the business is preparing for big change. For the first time since its origin, there will not be a member of the Rayner family at the helm because the retailer has hired BP

retail director Catherine Nunn to lead it. Nunn takes over from current chief executive Sam Rayner, who is stepping up as Lakeland's chairman next January.

Add to this the retailer's move into Australia – it will open 12 shop-in-shops later this year before launching standalone branches in early 2017 – and the uncertainty at home following the Brexit vote, and it is gearing up to be a lively year at planet Lakeland. However, marketing director Tony Preedy is taking this all in his stride. "It's a strange combination of lots of change and lots of things staying the same as well," he says as he breezily greets *Retail Week*.

He admits that there is an element of the unknown. "Catherine has been hired as new chief executive and will, of course, have new ideas," he says. "She will see opportunities and have a fresh perspective. But, at the same time, she will no doubt respect the culture and the values of the company she is joining."

Preedy says the values originate with Lakeland's founder Alan Rayner: "Our guarantee is that we're only happy when you're happy, and we'll do whatever it takes to make it so. This principle is a founding philosophy, and remains very relevant today.

"It's not rocket science, we just make sure

we do what we say we're going to do. But in many, many places this is not done. Some organisations feel they have to command and control, but ours is based on a family culture and trust," he says.

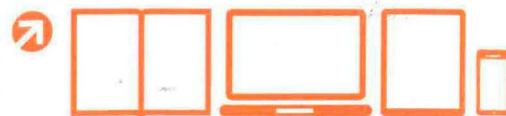
Preedy does not expect Nunn's arrival to change that. "The Rayners have put a life's work into what you see here today, and I would think it unlikely that Catherine will overturn the apple cart. Also, Sam is executive chairman, so he's not going to be absent or spending his time on the golf course" he says.

Lakeland started life selling agricultural products. Alan Rayner was a farmer who discovered that shoppers were more likely to buy chicken when it was wrapped in a plastic bag rather than paper.

The plastic wrapper became a hit with farmers and Lakeland Plastics was born. Popular products such as lammacs – plastic jackets to protect baby lambs – put the business on the map before it moved into the domestic market.

The retailer is now famous for its ever-expanding range of kitchen device, from the apple corer to the spiraliser. Preedy describes Lakeland as an innovator and compares it to fast-fashion retailer Zara in terms of product development. "Zara is admired for taking a trend and turning it into product very rapidly.

View a store gallery of the new
Lakeland headquarters at
Retail-week.com/Lakeland-HQ



Lakeland created plastic coats for lambs, known as lammacs, which became big sellers

Likewise, we churn our assortment very aggressively with new products at a rate of between 100 and 200 a month," he says.

Product is not the only area in which Lakeland innovates. Preedy says the brand is also "10 steps ahead" when it comes to omnichannel. Alan Rayner originally sold his products door-to-door and was getting more orders than he could cope with. So he came up with a rudimentary version of what is now the Lakeland catalogue to make the process more efficient: "Consequently, Lakeland has got decades of experience in home shopping so we understand how to fulfil orders and build customer relationships."

Expanding across continents

Lakeland has also invested wisely and has had a live view of stock and click-and-collect for years. One of Nunn's first projects will be taking Lakeland Down Under. The retailer, which already has a small presence in Germany, India and the Middle East, plans to open its first store in Australia early next year, following the opening of 12 shop-in-shops with local electricals chain The Good Guys.

Preedy says Australia is a "very good

opportunity" for Lakeland. "The market is slightly insulated and relatively small. Consequently, the product innovation just hasn't been there," he says.

"We think we can bring something different, so we're taking the best of the Lakeland assortment to the Australian market and we think it will translate extremely well."

Preedy is also confident about Lakeland's progress in the Middle East and believes there is scope to grow its 17-store portfolio in the near future.

However, he is more reserved when discussing the company's operations in India and Germany: "We got into the Indian market early so that's more of a marathon than a sprint. But we're in with one of the best retailers in the

"Some organisations feel they have to command and control, but ours is based on a family culture and trust"

Tony Preedy, Lakeland

country – Trent, part of the Tata group – and they too recognise that it is a long-term game."

He describes Lakeland's standalone German business as "another slow burner". "We are privately owned and not beholden to quarterly results, so we can take our time to get things right," he says.

"In the UK we have five decades of accumulated brand awareness, but in Germany we don't and acquiring this can be very expensive. There are many flash-in-the-pan firms that burn through investors' cash, making a lot of noise before very quickly going out of business, but we're not one of those. We've invested in the business in Germany and we're committed to it."

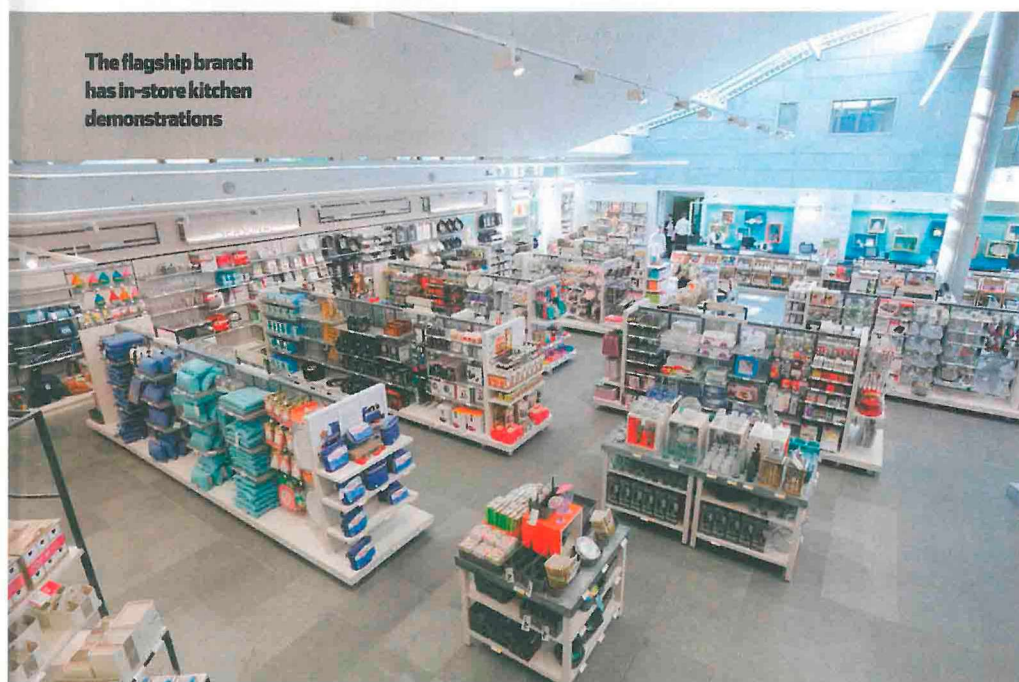
Preedy says that the retailer will become "increasingly international" in the future and is eyeing new markets, although he does not reveal where. Lakeland is also confident about the UK, despite the uncertainty about Brexit. "It's too soon to tell what the effects will be and it's not something we have at the forefront of our minds," says Preedy. "Because, at the end of the day, we're a retailer – customers will shop with us if we've got good, innovative products they can trust."

He also believes customers would be prepared to pay more for its goods if it were forced to up prices to offset a rise in raw material costs due to sterling's devaluation: "If we keep our promises, it doesn't matter if the price is 2% higher than last year because the



The founder of Lakeland Alan Rayner's sons Martin, Sam and Julian have all been involved in the business

The flagship branch has in-store kitchen demonstrations



currency has changed a bit. Besides, currency is just one factor out of many that can have an impact on product sourcing."

Preedy is keen to build Lakeland's presence in the UK: "There are places in the country where I feel we should be, but there needs to be a certain amount of sanity in the property market for us to do a deal. We'd like to have more stores in London but we're not sure it's feasible in some parts, so we will continue to serve those customers through other means."

He also hints at Lakeland expanding its concession partnerships with garden centres Dobbies and Wyevale: "It's a win-win situation for everyone, and these are the sorts of relationships we look for."

Behind Preedy, through the Lakeland head-office windows, is a view of lambs grazing in a sodden field. The animals are not wearing the retailer's famous lammacs, however. Lakeland is not a retailer that needs to rely on past glories. Its founding principles and focus on innovation should help the retailer continue to grow far beyond the green fields of England.