

Technical Meeting

Commercial Development

14th and 15th November 2019

Gödöllő Royal Palace

Gödöllő, Hungary

PARTICIPANTS

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Technical meeting are for sharing knowledge. They take place so people, from different environments can take home different ideas and learn from each other.

Among the main topics, were discussed the problems encountered by the shops and the possible solutions. We visited the shops of the Palace of Gödöllő, and then heard presentations of various establishments.

Some information from the SumUp Questionnaire results:

- 67% of shops have web shops, and 33% don't.
- The average opening hours are from 7 to 9 hours a day.
- The size of the shops and their locations vary, but are mostly prolific if they have a bigger size ($> 300\text{m}^2$) and if they are located on the exit route of the visitors.
- The revenue per visitor is getting lower and lower.
- The best-selling items are guide books, books, magnets, pencils, textile bags, cups and site specific products.
- Shops are usually on the second or third place for incomes.

What can be the plans to increase the sales in shops:

- Opening new shops
- Increasing the size of the shops
- Refurbishing the shops
- Make studies about customer's habits
- Moving the shop to the main exhibition route
- Rethink the prices

Schloss Schönbrunn, Austria :

The Palace of Schönbrunn is a very attractive place, the first museum in Austria, with more than 4 million visitors a year, and around 10 million visitors in the park. The goal is to keep people there for the longer time possible, by for example opening new shops in the gardens. In certain aspects, the Palace has reached its maximum potential, that's why it is essential to develop a brand and promote it off-site.

- Not only products from the Palace, but from the Town.
- Traditional Products : Magnets, key chains, snow gloves, beverages, ice-cream, souvenirs
- New products : Licensed products, Wine with original designs
- Retail partners : Distribution off-site : Shop at Vienna Airport, Lindt Chocolate, Presence in tourist-destinations shops
- Wholesales : Outside distributors
- Books, sold on Amazon
- Online web shop is only 1% of total benefit.
- Every design line has its own story.

The Palace has decided to take a different turn concerning licensing. The outside partners receive the logos, the pictures, and then the Palace receives a licensing fee. The first step is to check for trademarks all around the world, to see if there are no copycats. The second part is to create an artwork, by using pictures of the rooms, building and image, and making them marketable. The third part consists in choosing the good design, such as an iconic wallpaper of the Palace, that you will find in a few years on a lot of products. When the process is finished, a press conference is organized, with a small event, to show the launch of the product.

Château de Versailles, France:

The Palace of Versailles has been a public establishment of an administrative nature since 1995. Its administration and financial management are independent. The annual budget of the establishment is about 100 million euros. Expenses are financed by its own resources. There are 5 different shops in the establishment.

- The different shops offer different products, you can't find the same products in every shop. One shop for books, one for objects derived from motives in the Palace.
- Every shop has a different architecture, but it is always inspired by a part of the establishment.
- The aim of the Château is to create partnerships with the private sector.
- 20 books published a year, exhibition catalogues, books for children, essays, books for the visit.
- Some of the shops are used as places for events, such as meetings and signings with authors.
- Partnerships with brands, to create « limited editions » such as perfumes, crystal glasses.

To know what to sell, you need to know your audience. That is why the Palace of Versailles ordered studies from an outside company to know the age, the sex, the professional situation of the visitors. They were also asked questions about waiting times at checkouts, was the shop attractive, was it in the spirit of the Palace how many products did they buy, how did they find the product offer and, most importantly, what did they buy, and why.

Consortium of Savoy Royal Residences, Italy:

La Venaria Reale was the largest project of conservation of cultural assets in Europe. It was inaugurated in 2007, and has attracted many people, making it the 5th visited cultural site in Italy. Its visitors are mostly from Italy, with only 10% visitors from foreign countries. It attracts around 1 million visitors every year.

- 3 commercial areas: café, shop and private events. They are all directly managed.
- The top 3 areas are: Restauration (45%), Bookshop (25%) and Parking (20%)
- All of the products are handicrafts.
- Regional companies are preferred to create particular designs.
- Showing the past of the Palace with the articles.
- The most iconic products are perfumes, ceramics, silk products and books.
- Limited edition books are written to make them special and unique.
- Products that are inspired from themes of the Palace are most sold.
- The products are only sold in 1 place, and nowhere else in Italy. Only the products of the other palaces of the consortium can be sold in other palaces.

The Palace is focused on artisanal excellence and the development of the economy of the region by using local manufacturers to save the identity of the products. It creates a synergy, no products are made in china. The establishment also wants to get rid of plastic, like in the bookshops where they use paper.

Patrimonio Nacional, Spain:

Patrimonio Nacional, means the Royal Heritage, and that it belongs to the State. It is a public organisation which has two major objectives: to support the head of state, and to provide access to the public. The institution manages 19 Royal Palaces and other establishments, 157.000 historical and artistic pieces, and 22.000 hectares of natural heritage. Their goal is to promote the use of the brand and logo « *Reales Sitios de Espana* ».

- 86m² is the average space per shop among all the palaces managed by the institution.
- They need to make benefits, but still offer an adequate and coherent image according to the values of the Institution.
- They want to improve the visitor's experience.
- Maximization of sales.
- Presence on Instagram and Facebook for publicity and to listen to customer's reactions.
- Collaborations with digital initiatives for publicity.

The institution is also facing challenges:

- The Palace is sometimes closed to the public, because of the King's visit (58 days in 2017).
- Adapt the commercial space to a historic building.
- Some stores sell at the same time tickets and products.
- Difficulty of external signaling, not a lot of indications for the location of the shops.
- Flow management. The places are sometimes too small, and the flow of people is too high.

Their products are:

- Porcelain, Sculptures, Jewellery
- Own creations inspired by elements of National Heritage (stuccos, crowns, illustrations).
- Collection of portraits, shields and other ornaments.
- Products for special and temporary occasions : seasonal exhibitions, museum nights

Monaco Souvenirs Shop, Monaco:

The Monaco Souvenirs Shops is a private company which collaborates with the Prince Palace of Monaco. There are 3 different tickets: The Prince Palace, the Prince's cars collection and the oceanographic museum. The products of the shops are based on these 3 different places.

- The souvenir shop is outside the Palace.
- You can buy your ticket at the souvenir shop, and not in the Palace.
- There are no shops in the Palace at the end.
- There is a discount if you buy something after seeing the Palace.

There are some general collections of products, in collaboration with the city of Monaco, the Casinos, the Oceanographic Museum, and then there is the exclusive collection with the Prince Palace. The administration of the Palace receives the projects and agrees to it or not. (10% chance of success)

The problems are:

- Low chance of success for approval.
- Some members of the family don't want to appear on any product.
- The logos, such as the crown, are the Family's property and can't be used.
- No official shop for the Prince Palace.

Pros:

- Historical Background
- No need for publicity
- Grand Prix de Monaco (Formula 1)
- Big events, like weddings : Creation of postcards
- Lot of different products in the shops (Formula 1 products, Prince Palace, City of Monaco, Books in different languages)
- High benefits (sometimes 10 times the price of manufacturing)
- Costs reduced by working directly with the manufacturers.

Museum of King Jan III's Palace at Wilanow, Poland:

The Palace dates back to the 17th century and has been inhabited until the 19th century and it is the most important palace of Poland. The history of the palace's focuses on the 17th century. There are over 5000 pieces of art inside the Palace. The History focuses on the marriage of King Jan III and his wife, the biggest love in Polish history. It helps create a narrative inside the Palace about the court tradition. The museum has two parts: one for culture, and one for nature. The palace is located on the outskirts of Warsaw, during the II World War, it wasn't destroyed like the city of Warsaw. The main customers are children, families and schools, who go there for educational purposes.

- The main shop is located on the main visit route of the visitors. They can go there, when they enter the palace, and when they leave.
- There is another shop, for re-enactments in the gardens. Handmade products are shown, how they were created in the 17th century, and the visitors can buy them afterwards.
- There were mostly books, but research proved that the visitors wanted to buy other products, so they developed gifts and souvenirs. The direction of production changed.
- Limited space for shops. They are using 200 years old furniture in the shops, such as bookshelves.
- To sell more books, there is a Printing Press, to show people how books were made.
- Most of the products are made in Poland
- The products are based on the History of the Palace. (e.g. perfumes, books, honey)
- Main problem is to choose the right product to create.

The function of the shops:

- Selling books and souvenirs
- Creating new products
- Cooperation with suppliers
- Providing information on the exhibitions for the visitors
- Collecting feedback

Moscow Kremlin Museums, Russia:

In a modern museum, a souvenir shop has a very special meaning for a museum and for the visitor. For the museum, it is an instrument of branding, creating a positive image. For the visitor, it is a reminder of what he has seen, what he has experienced during the visit of the museum. Every year, almost 3 million people buy tickets.

- 70% of the objects are taken on commission.
- 30% of objects are branded items.

- Most common objects found in shops : Magnets, Pins, Stationery, Jewellery, Silk products and porcelain
- 5000 types of products, they are trying to reduce the amount and only leave the most profitable products in the shops.
- Different types of shops : one for temporary exhibitions (souvenirs created especially for the exhibition) and others for everyday visitors
- Some shops are very small, and it's difficult to buy a souvenir if you are with a big group.
- Different types of sizes : 6m², 2-3m², 40m², 105m²
- Modern, self-serving shops are being created and will open in a few years – The visitors will not have to wait in line for a long time.

Conclusion:

As seen through the presentations, the shops have a primordial role in the Palaces, because they reflect the ideas that the establishments want to show. A shop is not only a shop, it's a place for the visitors, where they can buy the experience and bring it home. Every palace is different, but the high quality of the products is reflected everywhere, because all of us are Royal Residences. The majority of the products shown, are made in the country itself, and not from other countries. They contribute to develop a local economy, by using regional and local manufacturers. The shops can recreate a certain feeling (Perfumes in Versailles), they can show how things were before (Print Machine in Wilanow) and be a place for children to learn new interesting facts.

The biggest problems encountered by most of the Royal Residences where the placement of the shops. They sometimes lack indications, or are not big enough to contain a bigger group of visitors, and they are not always located on the main route used by the guests.

The role of social media is getting more and more important. By promoting new products with press conferences, promoting the items on Facebook, Instagram, the establishments are certain that their products will not be forgotten.