

27 June 2019

Dear Customer

COLLECTABLE PRODUCT – EXTENSION TO DEFERRED PAYMENT PLAN

Smiths News fully recognise the impact that collectable product can have, on the cash flow of our independent customers.

The collectable market is one of the most exciting segments across magazines with regular new launches following popular sporting events, TV programmes and Blockbuster Movies. They offer a great opportunity to drive sales for your store.

Following a recent survey it was found that not all of our customers are aware of our Deferred Payment plan that we offer on collectables exclusively for our independent customers. Currently all collectable launches operate a 1 week deferred payment scheme which means you are not charged for product until 1 week after delivery.

We have worked with the National Federation of Retail Newsagents (NFRN) and key collectable publishers and are pleased to announce that from the **1st July 2019** we are extending this payment scheme to 4 weeks which now means you will only be paying for the product 4 weeks following receipt.

What benefits does this deliver to you?

This will give you the opportunity to sell collectable collections at no risk to your cash flow and therefore deliver you more profit.

- By providing a deferred payment facility to our independent customers it will give you the opportunity to sample these products with your consumers for 4 weeks with no risk and without any impact on your cash flow.
- This will give you the opportunity to take advantage of the key selling period when promotional activity and awareness campaigns will be at their highest and demand will be at its greatest.

Why Stock Collectable Product?

- The collectable market can generate over £40m in RSV per year.
- Publishers run heavy promotional campaigns which include TV and free sampling offers through magazines and national newspapers which will drive consumers through your door.
- Consumers tend to buy more than 1 packet of stickers at a time and will often go back to a store where they know their collection will be stocked.

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How will the scheme work?

- Product will be packed and distributed by Smiths News to you as normal and will appear on your Daily Priced Delivery Note (DPDN) with the reference – Goods delivered – Deferred payment.
- No charges will appear on your weekly sales invoice for 4 weeks.
- When the charge does appear on your weekly sales invoice 4 weeks later, it will do under the reference – 'Plus Deferred Now Due XXXXXX'

I'm sure you will agree that this is an excellent initiative and the increased deferred payment period will help your cash flow and drive sales.

We encourage you to support this opportunity by not early returning product and displaying it prominently; ideally on the counter which is proven to drive sales; giving it an opportunity to sell in your store as some of the most popular collections over the last 12 months have been unforeseen such as the LOL Surprise collection, Magiki collections and I Believe in Unicorns.

If you would like to discuss this further please contact your Customer Service Team in the first instance.

Yours faithfully

Area Distribution Manager

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