



TIMES ARE STILL CHALLENGING

A lingering recession, natural disasters, changing consumer behaviour patterns; New Zealand retailers are still facing some major challenges. However, the spirit of the New Zealand Retailers Association (NZRA) 2011 National Conference on 6 April, in Auckland, was positive.

Charismatic presenters such as Jack Smith, John Hartmann, Annah Stretton and Cameron Brewer inspired the audience during the morning sessions at the ASB Showgrounds, followed by an equally invigorating afternoon programme of speakers.

“There are reasons why we should be positive,” said Auckland City Council’s Cameron Brewer in his opening remarks: “Don’t waste a good recession. All those empty shops are creating all sorts of opportunities. Take this chance to reassess your business.”

“It is a bit like being in real estate – the good ones have survived, the bad performers have been sorted out and that brings opportunity,” he went on.

Brewer sees a lot of potential coming with the Rugby World Cup in September. “This will be a turning point, a great circuit-breaker, it will boost morale and lift spirits.”

Brewer referred to the generation shift and the new art of communication between consumers. “People are connecting in a very informal way and retailers have to mirror this,” he said. Especially in Auckland – with an estimated population of over two million in the next 20 years, he sees a lot of good chances for entrepreneurial retailing. Mega malls, such as Sylvia Park and Albany, have changed the retail landscape in greater Auckland. Retail spending has gone from \$38 bn in 1997 to \$66 bn in 2007.

Another target for retailers will be the ageing population. In 2031 there

will be 40,000 consumers over 85 and more than half a million over 60. They need to be catered for.

“It is great to know that we do have someone on the Auckland City Council who understands a bit about retail; this will make a huge difference for us retailers,” said John Albertson, CEO of the NZRA. As part of his role at the Auckland City Council, Cameron Brewer is chairman of the Business Advisory Panel as well as the District Plan and Urban Design Forum. He is also deputy chairman of the Economic Development Forum and, prior to that, he led the Newmarket Business Association.

Jack Smith, a veteran retailer from the US and founder of Sports Authority (see Retail people, page

32), entertained the audience with the story of the success of the ‘first big-box sports retailer’ – despite the opposition of giants such as K-Mart, Wal-Mart or J.C. Penney. In his case, big-box shopping did not mean discount. The definition according to Jack Smith was: assortment, service and everyday low prices.

Founded in 1987, the Sports Authority owns and operates 400 stores under the brand names Sports Authority, Gart Sports, Sportmart and Oshman’s Sporting Goods. It was acquired by K-Mart in 1990, and went public in 1995. Smith and Sports Authority were recognised with numerous industry awards. Jack Smith retired in 1999.

“Service sells and taking care of the customer” is Smith’s credo

and mission statement. Customer experience, employee experience and operation quality were the cornerstones of the Sports Authority's retail concept, which brought long-term financial growth. Providing information, service and a good choice of products creates a positive experience for the customer. Creating an atmosphere of mutual respect encourages the staff and a state-of-the-art operation system improves productivity.

"A little bit of extra means an awful lot," Smith said convincingly. He visited every store opening while he was acting CEO. "Success is not in the eye of the holder, it is in the eye of the consumer," Smith concluded.

After Smith's presentation, fellow countryman John Hartmann addressed the audience. Hartmann moved to New Zealand nearly a year ago to take up the role of CEO of Mitre 10, coming to this role from Home Depot in the US. Hartmann took a look at how the changing nature of the market has affected DIY customers.

DIY in New Zealand

"The land defines you," he stated and gave a short overview of the Kiwi psyche garnered from the results of recent market research ordered by Mitre 10. According to this research, New Zealanders have a strong and harmonious relationship with the land. Kiwis have a masculine culture, a stoic attitude, are strong, resilient and emotionally restrained.

"Sport is a currency in New Zealand, it is above religion," Hartmann continued – with a twinkle in his eye. Male relationships are dominant: "You worship your mates, you're easygoing, avoid confrontation and have a quirky sense of humour." This is why DIY is a central thing to a New Zealander, Hartmann concluded.

The DIY industry has done reasonably well over the recession, with consumers returning to their home projects in the face of economic



Clockwise from left
Annah Stretton;
Cameron Brewer,
Jack Smith; John
Hartmann; John
Albertson.



uncertainty. Asked about competitor Bunnings, Hartmann replied diplomatically: "There is room for two players in the market." Both companies could develop the market and help people with DIY.

Beauty and brains

One of the most glamorous presenters at the conference was Annah Stretton. John Albertson introduced her as a fashion designer, a publisher, a left-and-right thinker and a philanthropist.

Annah Stretton founded her fashion empire on a Waikato dairy farm in the early 1990s and, within one year, she had turned over her first million.

With passion, determination and sheer hard work, Stretton grew The Stretton Clothing Company into a \$10 million-a-year business, with 30 retail stores in New Zealand and a growing global market for her highly desirable clothing collections.

"Passion, discipline and integrity" were the terms with which Stretton described the success of her business. The fashion designer is about to break into the Australian market, turning the company into a \$60 million business.

"I love what I do," she confided. Life is too short to do things that you do not love, she argues passionately. The end result for a disinterested retailer would be a mediocre product for the customer.

"I am tired of shopping for shoes and being served by an 18-year-old girl who doesn't care whether I live or die, let alone buy the shoes!" Why do retailers do that?

Stretton pointed to the importance of staff members connecting with the customer. "Our target customer is a woman in her forties," she said. Hence she hires staff in the same age range and selects them very carefully. "I want employees who are as enthusiastic about our brand as I am."

Paying her staff above the average ensures that she has top-notch sales staff in her stores. At the time of the conference, Stretton employed 150 staff members in New Zealand.

"Great people are the lifeblood of the business.

Business is not personal

"It is important to lead well. Leadership is crucial to a business," she continued. "If someone does not

perform well, I tell them. Business is black and white and not personal. Some people do not fit into the environment and they do need to know it."

"We have to try things to achieve things, even if we fail. Failure was part of my success," she concluded.

The conference was held in conjunction with The NZ Retail Show, an exhibition showcasing the latest products and services to increase efficiencies in every area of retailing. Amongst the exhibitors were Statistics New Zealand, ACM New Zealand, Microsoft, Kudos Solutions, the NZRA, Intergen and the Retail Institute.

Nearly every category of retailing was covered at the show, from security technology, signage and display solutions to lighting, flooring, shelving, shop fitting, e-commerce and a lot more. ■

□ By **Doris Evans**, a freelance retail writer based in Auckland and regular contributor to NZRetail.