



Do you have what it takes to get that final 5%?

The market for Small Domestic Appliances (SDAs) across food and personal care is seeing new competitors entering the fray. Is there room in this already competitive category? And do *you* have the final 5% of knowledge and customer service to help punters part with their money? **Phil Weafer** reports.

LOOKING INTO FOOD prep first, according to data (MAT August 2014) from GfK, within SDAs, Dessert/Yoghurt Makers, Hot Beverage Makers and Electric Fans are still in uptrend in both units and value. Deep Fryers, Irons, Juicers and Personal Scales rose in average price as they all lost units but gained in value.

With the highest growth rate (+24% in value and +27% in units), Hot Beverage Makers were driven significantly by Single Serve Espresso Machines which were +76% compared to the last MAT, while all other types of espresso machine suffered a decline.

As the second biggest category in SDA, according to GfK, Food Preparation has started to decline in value (-0.4%), but liquidisers

are standing out on their own as still growing (+46%).

So what does this mean for the players in the market and do they agree with the stats?

It's tough, but strong

DéLonghi's **Reece Ford** says that the market is looking good at the moment, even though it remains a difficult and challenging one. Ford feels that much of this can be attributed to the often high expectations that come with the NZ market's "golden egg" reputation.

Ford explains that with more big name players in the market – Electrolux for example, Bosch too and even a revitalised Sunbeam – the competitive aspect increases. It is important, he stresses, to maintain the identity that has served the company and its associated brands so well in previous years.

"You need to be sure of what your brand is and what it stands for. I'm happy with where we are at – it's a tough market out there. I always say, you need to look at your own DNA: what do you do and what do you stand for?"

National Sales & Marketing Manager for Sunbeam **Cliff Carr** is very encouraged with how the last few months have been for the company.

"It's a staged journey for us, about marketing activation and making use of what we have today and then obviously changing that view in the medium and long term. There's no reason why we wouldn't be encouraged from what we've seen so far."

One company in the personal care side of SDAs that is showing very strong signs of growth is Conair New Zealand. **Jeremy Puttick**, National Sales Manager for the company, says it is currently tracking at +24% up for the first nine months of this year compared to the same period last year. So what is this success down to?

Puttick explains: "This has been driven by consistent product innovation, and the fact that we have a foot in the SDA market as well as the fashion industry. Our retail partners understand the need to move with the times and follow fashion and innovation and they have seen very strong growth as well."

Same old market, no new problems?

The impression given by the people spoken to for this feature is that there are no new issues around the market currently. One such commentator is Reece Ford at DéLonghi.

"I don't see issues per se, because the game doesn't change. It's the same pressures, just different days. There is more pressure at the

PHOENIX'S DYNAMIC DUO

Phoenix Distribution NZ is introducing two new Homedics products into the market. The **DUO IPL Hair Reduction System** delivers long term results for perfectly smooth skin. The combination of both Intense Pulse Light (IPL) and Advanced Fluorescence Technology (AFT) in a single device provide flexible treatments that can be tailored to different parts of the body and to different skin tones. Choose between AFT FREEGLIDE which simply glides like a shaver over areas such as the legs for fast, easy treatments suitable even for sensitive skin or single shot IPL treatments that provide complete control when using higher power on stubborn regrowth areas such as the underarms and bikini.

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moment in smalls because everyone just sees it as the last bastion for Gross Profit but it's up to us to know our game and to defend it."

Another with the message that there are no new challenges is Key Services' **Steven Meek**, even though he is quick to point to some ongoing issues around online buying and the actions being taken to combat these issues.

"Internet trading and purchases made offshore continue to be an issue. A number of retailers in New Zealand are now implementing a multi-channel strategy which seems to be successfully encouraging consumers to continue to purchase in New Zealand."

Cliff Carr also points to issues that are constantly surfacing in the market, such as the rise of own brands (aka "no-brands" for those who have made an investment in theirs!): "The age old issue of house brands and private label rears its head and that's a very cyclical thing that we see.

"We have some retailers who are currently barrelling headlong down the house brand cycle and others at a totally different end, trying to get out of it. What causes both of those things is a strong focus on price and margin erosion and all those issues that industry faces across the board."

But a proliferation of "knock off" brands and a focus on

commodity products? Cliff Carr understands the thinking from both sides of the fence: "Everybody is looking for dollars through the till and it's 'low-hanging fruit' in the eyes of some people but it's very short-term. History would show that it's not sustainable." He adds however: "I do get that retailers want to get cash through the tills today."

Keeping up appearances

Healthy living is as, if not more important, in the lives of Kiwi consumers than ever. As GfK's figures note earlier in this piece, juicers and liquidisers are growing in popularity as a result of this and it's clear that increasing interest in personal care and hygiene is a related global phenomenon.

For example, Aussie industry commentator IBISWorld says that this is certainly the case across the ditch, adding that just under 9% of GDP is being spent on health products in Australia.

And if you are healthy then you should also *look* healthy... Another interesting study, covered in UK newspaper *The Guardian* (<http://bit.ly/1v91oli>), conducted by retail analysts Mintel has revealed that 60% of 16-24 year-old British guys now regularly remove their body hair!



BREVILLE AGAIN PROVES THAT GOOD THINGS COME IN SMALL PACKAGES



Breville's espresso range gets a further boost with addition of the new **Duo-Temp-Pro espresso machine (BES810BSS)**. Low pressure pre-infusion and electronic temperature control automatically cools the heating system after steaming. Other features include auto purge, Thermocoil heating system, integrated removable tamper, steam and hot

water selector, cup warming tray and commercial style steam wand. Duo-Temp-Pro is an upgrade from the very popular 800ES model and is available from October 2014.

Breville's new **Dose Control Pro coffee grinder (BCG600SIL)** with adjustable dose control and conical burrs delivers a consistent dose every time. Features include: 30 grind settings from espresso to plunger; stainless steel burrs; direct portafilter dosing; 280g hopper; and adjustable razor dosing tool.



CitiZ & Milk is a new automatic Nespresso machine fitted with an Aeroccino milk frother allowing the user to create an endless number of recipes with velvety milk. This compact modern machine features Nespresso's unique 19 bar extraction system and thermoblock heating to ensure optimal temperature control and consistency.

CitiZ & Milk also features a folding cup holder to allow for a tall glass, a capsule container with the capacity to hold 10 used capsules and an

automatic standby mode after 30 minutes of inactivity.

Breville's market leading range sees the introduction of the new **Kinetix Twist bench blender (BBL405BSS)**, that has 4 electronic speeds plus one touch smoothie/auto clean function and comes with a citrus cone to juice directly into the blender jug, Kinetix blade and bowl system with central bowl hugging blades for velvety cocktails and creamier smoothies. With a powerful 1000 Watt motor, this blender has strong diecast housing and tough 1.5 litre BPA-Free Tritan jug.



Breville's Kitchen Wizz 11 Plus (BFP680BAL) food processor offers all the great things you love about the Breville Kitchen Wizz Pro, but now comes with the most popular capacity, blades and tools. With precision processing and variable slicing and built like no other, its combination of a high torque motor, stainless steel reinforced spindle and high performance stainless steel cutting surfaces set this one apart.



Breville is also launching a **Christmas mixing promotion**, offering consumers a bonus Heilala Vanilla Gift Pack valued at \$120 with the purchase of a Breville Scraper Mixer Pro (BEM800, including colours). The customer receives the gift box in store, at the time of purchase.

www.breville.co.nz

How to tap into this? Give the consumer a reason...

Steven Meeks with Key Services' response would seem to reflect these findings: "Consumers are prepared to invest in quality product in the personal care category as long as they are given valid information as to why they should trade up, and what they are getting for the additional investment."

Higher or lower?

In our coverage of the market for SDAs last year, there was plenty of chatter about where the real strength of the category sits – in the higher or lower of the market? From gauging the opinions of suppliers around the market this year, the consensus is that much of the success in the category is to be found in the high end.

With the success the company has had over the last 12 months, it is no surprise to hear Conair's Jeremy Puttick feeling positive about where the market currently sits: "We have seen a very positive move away from the bottom end of the market and average sell prices have increased over the last 12 months as a result. It's important to remember too that consumers will pay for what they want, particularly when it is a fashion related item."

Sunbeam's Cliff Carr feels that the market is quite polarised. This, he feels, is because we are in a period when SDAs aren't showing

stellar growth for the first time in a long while.

"Some of the categories that have seen massive growth in recent years are in serious decline and some of the things that are currently very popular at the moment are experiencing sensational returns – coffee pod machines for example are \$4.5 million of growth on the previous year, up nearly 25% – that's incredible!"

The bottom end may be where the volume is, but Reece Ford at DeLonghi warns that if a brand decides to enter product into the lower end then retaining its identity and DNA are imperative for continued success.

"What we consider an entry level product in New Zealand, a mature market, needs to be a product that contains the DNA to retain that customer. If we bring in a substandard product with our name on it, the person who buys it will associate that with the company so all products sold by us need to have the components that identify with our DNA reflecting on the company's and customer's brand expectations developed over the years".

Smarter Customers, testing relationships?

The relationship between suppliers and retailers is key to any success in any market. But with the proliferation of smart devices, this relationship is being tested. One sentiment that has been

The Next Generation of Kitchen Machine



Kenwood presents **Chef Sense** - the next generation of Chef. Drawing upon over 60 years of food preparation know how to create a kitchen machine that's highly intuitive and easier to use than ever before. Completely re-designed and re-engineered to the highest quality standards, delivering exceptional performance and enhancing the customers enjoyment of cooking.

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ELECTROLUX DEBUTS MASTERPIECE COLLECTION

The Electrolux Masterpiece Collection – blender, food processor and immersion blender, all with 5-year warranties – is a new, powerful range of small kitchen appliances created with the expertise gained from designing professional appliances for some of the world's best chefs.

“We have designed this range especially for consumers to create their own original masterpieces in the kitchen. The state-of-the-art range has unique, tested technology and will help consumers to create results that match restaurant-level ambitions with maximum cooking efficiency”, says **Alan Dalton**, General Manager of Electrolux Small Appliances.

The **Electrolux Masterpiece Collection Blender** features PowerTilt technology to help find the perfect angle to intensify blending. As used in the Electrolux commercial range of appliances and now for the first time is available in a domestic appliance range, PowerTilt uses gravity to move the contents inside the blender around the jug and fall back down directly on the blades, creating a faster way to blend. Three different types of titanium-coated blades are stronger and more durable than steel and will stay sharper for longer.

The heavy-duty **Masterpiece Collection Food Processor** stands strong and powerfully on a bench top. Its heavy weight ensures it will stay in place on the bench even at full speed. The adjustable slicing disc features 28 settings (0.15-0.75 cm), guaranteeing restaurant-quality perfection with every slice. The extra wide dual sized feeding chute can be used up to 15 cm wide or made smaller for use with a measuring cup. Like all the products in the range, there is a 5-year product warranty, but the Food Processor also has a 25-year motor warranty.

Finally, the **Masterpiece Collection Immersion Blender** is a robust and powerful stick mixer for professional quality results. This is the first immersion blender to feature a dishwasher-proof stand, which can be used throughout the cooking process and save dirtying the bench. An extra-long stainless steel mixing bar means the Electrolux Masterpiece Collection Immersion Blender can be used directly in pots and pans and the professional triple blade and open foot design means no splashing when mixing. Its 700 Watt variable speed motor, versatile accessories and TruFlow Pro technology means ingredients are mixed uniformly and quickly.

www.electrolux.co.nz

constantly repeated is the importance of ensuring that the message is consistent between what the suppliers and retailers are telling consumers.

Reece Ford: “We want consistency so what we’re doing is providing retailers with online videos of our products in use, links to our sites with information because consistency is what we want. If [consumers] get the same information from us as they do the retailers, that’s what we want.”

Sunbeam’s Cliff Carr emphasises the importance in having the same message coming from suppliers and retailers: “With that last three feet of a sale, if there is any inconsistency with that message they can check the validity of that message instantly on their smartphone. If there is any conflict we’re going to lose the sale so it’s paramount our partners know what we’re doing.”

Another who feels smart devices have impacted on the way consumers buy products is Key Services’ Steven Meek: “From the research we have seen, up to 80% of consumers have researched

online before entering a shop to make a purchase. A large number of these consumers also research using devices in-store while purchasing.”

How to make use of this? “The most impact we can have on this is by providing meaningful display material – touch & feel units etc – POS and in-store training,” says Steven Meek.

Really stressing the importance of training is Jeremy Puttick over at Conair. Without making knowledge available to aid retailers to help encourage a trade upwards, Puttick feels it is a failure on both ends of the relationship: “We believe in not only selling the product ‘in’ but also trying to ‘pull this through’ at the other end with training, POS and general support for the brands.

“Consumers may already know 95% of what they need to know to willingly purchase a product and they are looking for someone with the final 5% of knowledge and customer service to help them part with their money. Training and business partnerships have never been so important – unless you are happy trading at the bottom end of the market.”



KENWOOD KEEN TO IMPRESS

Kenwood's Multipro Classic food processor is a new and improved version of the top-selling Kenwood FP920 series but sleeker, more compact and ergonomic and still with all the power of its predecessor. Multipro Classic's comprehensive array of attachments range from slicing, dicing and mincing to chopping, blitzing and grating. Ideal for those with limited counter space, the ergonomic bowl is easier to handle and the BPA-free Tritan makes it shatterproof. As much about beauty as it is about brawn Multipro Classic handles the toughest jobs, from kneading the perfect dough and pastry mixes to whipping up the lightest egg whites, creams and mousses. And, thanks to its patented Dual Drive system, you get professional results every time.

Billed as the next generation of kitchen machines, the new two-toned silver and gloss white **Kenwood CHEF Sense** is both intelligent and user friendly. Attachments glide on and off while an electronic control dial features a new fold function, pulse and variable speed. CHEF Sense comes with an adaptor that fits all Kenwood attachments. With 20+ attachments, Kenwood CHEF Sense has 5 dedicated bowl tools for every baking need, and total planetary mix action. The Kenwood CHEF Sense also comes in extra-large – CHEF XL Sense includes a 6.7 Litre bowl and a 1200 Watt motor to handle larger quantities. Both machines have bowls with graduated measurements, meaning no additional cleaning.

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NESPRESSO WINS MOST SATISFIED CUSTOMER AWARD

Nespresso has been awarded the top honours in the espresso machine category, according to the results of an independent **Canstar Blue** Customer Satisfaction survey. Those surveyed had bought their espresso machines in the past three years and rated their purchase against eight criteria including: overall satisfaction, ease of use, performance, design and taste of the coffee.

Nespresso came out on top with 5-star ratings across the majority of the judging criteria. Nespresso Country Manager for New Zealand, **Guillaume Chesnau** says, "Nespresso only sources coffee that meets the top 1-2% quality grown globally and it's great to see our relentless quest for quality being recognised."

The Canstar Blue research also found that 60% of people prefer the coffee they make at home to that bought in a café.

www.canstar.co.nz

www.nespresso.co.nz



BRAUN IS BACK

Back by popular demand, Braun has re-released some of its most loved kitchen appliances with the new Tribute Collection. Every appliance in the Tribute Collection is purpose-built for specific kitchen tasks. The **Braun Tribute Collection Kitchen Machine** is a mixer, food processor and jug blender in one. The perfect appliance to perform any kitchen task, it offers up to 15 different speed plus pulse controls. The **Braun Tribute Collection Food Processor** has a compact design and is quiet and easy to store. The **Braun Tribute Collection Jug Blender** offers effortless, fast and even blending results with turbo function for maximum power. It can easily blend soups, hot sauces and icy drinks. The Braun Tribute Collection Food Processor has a smart "side-by-side" bowl function – convenient and practical as there are always two bowls ready to use. Finally, the **Braun Tribute Collection Hand Blender** is all a user needs for easy, simple one-touch blending.

www.delonghi.co.nz



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KAMBROOK CELEBRATES 50 YEARS WITH LAUNCHES

Kambrook celebrates its 50th anniversary with a launch of new appliances for Christmas! **The Blitz2Go Personal Blender** allows users to blend and drink smoothies, juices and protein shakes in the same bottle. Included are two 600 ml and one 300 ml BPA free Tritan plastic bottles. The blade holder is removed and replaced with a closable drinking lid for drinking on the go. Blitz2Go has a 300 Watt motor for quick blending and stainless steel blades for consistent results.

The healthier way to fry is with the new **Kambrook AirChef (KAF200WHT)** 2.5 litre Air Fryer. Little or no added oil is required for this healthy alternative to frying. Also great for baking, grilling and roasting. Features include 30-minute auto off timer, safety auto cut out, variable temperature control up to 200C and non-stick 2.5 litre capacity basket.

Users can enjoy café quality snacks at home with Kambrook's new **2 slice (KSG620)** and **4 slice (KSG640) sandwich presses**. Both models feature durable stainless steel and die-cast construction with non-stick flat cooking plates ready for the next sandwich, wrap or panini.

Kambrook's new food processor allows the user to process more food at one time with an extra wide feed chute and large 2 L processing bowl. The **Prep Fast Food Processor (KFP800BSS)** also has an 800 W direct drive processor with quality stainless steel blades and specialty attachments. Also included is an on-board, built-in storage compartment.

Kambrook's new releases for Christmas also include a new glass kettle, blenders, coffee machines and matching coloured kettles and toasters.

www.kambrook.co.nz

BRAUN ANNOUNCES TWO NEW BRAND AMBASSADORS

Braun, distributed in New Zealand by Key Services, has announced two new brand ambassadors: actress **Jessica Alba** as its Beauty Brand Ambassador ; and triple Formula 1 world champion **Sebastian Vettel** as the global ambassador for its male power grooming range.

www.braun.net.nz



A CHRISTMAS Gift



De'Longhi are adding some sparkle to your Christmas sales with an irresistible

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For more information contact your local representative or visit delonghi.co.nz



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