



Rolling back the years: February 1995 to 2005

What was happening in the appliance channel, as seen through *Wares* magazine, 10, 15 and 20 years ago? **Merv Robertson** reports.



20 YEARS AGO – FEBRUARY 1995

This month 20 years ago, an earthquake measuring 7.0 on the Richter Scale hit the East Coast of the North Island. It was felt as far away as Auckland and Christchurch but, as the epicentre was in a sparsely populated area, no deaths or serious injuries occurred. Balloonist **Steve Fossett** also completed the first solo crossing of the Pacific Ocean and, after drawing the first test against

the West Indies, our cricket team lost the second by a whopping innings and 322 runs.

Back in our world, on the front cover of *Wares*, Philips alluded to some of its upcoming 1995 advertising campaigns and inside, went into detail. There was to be a TV series called *Life on my own Terms* which was targeted at women but, get this, one of the advertised products was a vacuum cleaner!

stand in Cologne would profile Goldair portable heating products and RCD safety switches. At that time, PDL was exporting to over 40 countries and was the third largest heater manufacturer in the world.

Both Mark and Troy are still with F&P, Mark as General Manager Design, whilst Troy is National Sales Manager for Fisher & Paykel Appliances. Graham Copp has a consultancy role as Marketing Manager for the Powerbase Group of electrical wholesalers.



20 years ago, Alistair Sutherland's repositioning of Philips was paying dividends. These days, Alistair may be living what he calls a "relatively reclusive life" but that doesn't mean less he's any less active...



Back in Feb 1995, there were two Kiwi exhibitors at Domotechnica – Fisher & Paykel and PDL Holdings. Two of the architects of F&P's presence are still with the brand today, Mark Elmore and Troy Scragg.

Kiwi companies go large on exports – Back in February 1995, Domotechnica was about to start in Cologne and New Zealand had two exhibitors at this massive overseas fair in Fisher & Paykel and PDL Holdings.

F&P had a 250m² stand which reflected New Zealand's clean, green image including large scenic murals. The stand was designed by **Mark Elmore** and a full range of F&P appliances was displayed. In *Wares*, Mark and **Troy Scragg** were pictured contemplating a model of the ambitious exhibit.

Over at PDL, Advertising Manager **Graham Copp** said its 80m²

Philips back from the brink – A major profile on Philips featured Managing Director **Alistair Sutherland** and his repositioning programme which was now paying dividends. Sutherland had taken up his role in July 1992 as the first local MD at a time when Philips was facing extreme difficulties, particularly in the Consumer Products sector.

As a result of a carefully devised and comprehensive repositioning strategic plan, the troubled Home Entertainment business unit had been resuscitated and was achieving excellent sales and profits in the face of aggressive competitors.

Alistair said at the time: "The organisation's structure is really only a bit of paper. Our role is to provide an environment where people's capabilities are maximised not only in their area of responsibilities."

He went on to add: "We're not preoccupied with market share to the 'nth' percentage point, but believe that a position of around 15-20% of the CTV market with video and audio leveraged off

that, gives us a strong, sustainable position.”

After Philips, Alistair worked at TMP/Morgan & Banks, primarily as Chief Executive Australasia. He retired at 51 to try his hand at new things “before I get too old”, he told me recently. These “new things” include the development and selling of small to medium businesses, bloodstock ownership and investment, all of which have been successful.

His time today is taken up with managing his investment portfolio, playing golf and travelling and he still races and breeds a few horses. By his own description, Alistair Sutherland now lives a relatively reclusive life with his wife **Charlotte** and their gorgeous 6 year-old daughter **Henrietta**.



15 YEARS AGO – FEBRUARY 2000

At the start of the new millennium, 19 year-old **Christina Aguilera** won Best New Artist at the 42nd Grammy Awards and the final *Peanuts* comic strip was published, having first hit the scene in 1950. In this month the late **Parekura Horomia** made his maiden speech to Parliament.

Wares’ Editor **Ross Middleton** had no doubt that the new century would “pull no

punches”. He was convinced that we would see the growth of global giants and a continuation of acquisitions and mergers and wasn’t sure what scared him most: “Computers running things, the conglomerate takeover or the current hodgepodge of dissemination and ineptitude.”

You will have your own thoughts on these timeless matters of concern as they relate to our current environment.



In 2000, **John Bongard**, then GM of Fisher & Paykel, was talking about growth at the Dunedin manufacturing facility thanks to unprecedented demand. 15 years later, as with many high achievers, he’s as busy as ever he was.

Busy-as, then as now! – 15 years ago, **John Bongard**, GM of Fisher & Paykel, was commenting on the extended capacity of its Dunedin manufacturing facility thanks to unprecedented demand for Fisher & Paykel built-in ovens, together with continuing strong sales of freestanding ranges and traditional dishwashers.

“To meet current demand,” he said, “all our manufacturing areas are running double shifts. Despite these moves we are still capacity restrained so it is essential this expansion gets underway immediately.”

John Bongard was to become CEO/MD of F&P Appliances from

April 2004 until September 2009. The following year he was awarded the Insignia of the Order of an Officer of the New Zealand Order of Merit for his services to business.

Today, John Bongard sits on two commercial boards in New Zealand, one in Australia and another in Thailand. He is Chair of Netball NZ, the Rising Foundation (a South Auckland organisation working with young people) and the Sky City Auckland Community Trust.

As if all that’s not enough, he is involved with the Totara Hospice and the Vodafone Events Centre Trust Board as well. Oh yes, he also finds time to play golf, catch fish and travel.



Were new products any more frequent 15 years ago? There were certainly more of them...

Hot millennial products – As is often the case, back in February 2000, floorcare was a busy category and Electrolux was pushing both its “mother” brand with the Oxygen range and a new line-up under the Volta brand – “big on features, quality and value, but small on price”. Interestingly, no RRP’s were quoted but the prices on show were “Go at around” prices.

Meantime, Ecco was promoting the new Swatch Twinphone, a visually striking product which would “bring colour & excitement to the retail communications product offer”. It was technically advanced and easy to use with the base doubling as a second handset. Although this was the February edition of *Wares*, dealers were reminded that this was a fantastic Christmas opportunity. Swatch of course these days is *the* force to be reckoned with in the global timekeeping industry.

In the first issue of 2000, we find key players in heating, among them Goldair from PDL and IXL Appliances with its own brand. Goldair was resplendent in all-new packaging and according to PDL, was New Zealand’s most top of mind heating brand among consumers. IXL, meantime was about taking energy efficiency into the 21st century.

I spoke with the current IXL Marketing Manager in Geelong, Victoria, who confirmed the company withdrew from New Zealand in 2007, saying “Doing it from Australia just didn’t work.” Mmm, same story today?



A retailer forum for the new millennium saw Warren Brewin, Wayne Coughlan, Dave McNeill and Nik Papa opining on the way forward: "Retailers have to adapt to changes... Otherwise things will pass them by."

Where to from here? – To mark the start of the year, a Q&A forum asked a series of questions of four leading retail personalities – **Warren Brewin** of Appliance Network Society (Beta Electrical), **Wayne Coughlan** of Guinness Appliances 100%, **Dave McNeill** of Stereo World & Homestyle Retravision and **Nik Papa** of Harvey Norman.

Questions ranged across the possible need to alter the way they did business, the future direction of modern retail, the use of electronic media, new-style merchandising, possible government legislation against international marketing and the exploitation of the advantages of traditional retailers over online competition.

Looking back, of course with the benefit of hindsight, none of the eminent panels' comments seem outlandish or in denial of the online issues they were already facing. Take this sound bite from Nik Papa: "Retailers have to adapt to changes and alter the way they do business. Otherwise things will pass them by and they will wonder what happened." Indeed.

Eddie Law on the way forward – Another retailer offered some forward looking statements in our February issue. The first

Sunbeam-sponsored Award for Excellence in Retailing of the year went to Eddie Law Appliances 100% in Whangaparaoa, whose "old school style shines through".

"Retailing should be kept simple," said **Eddie Law** back in 2000. "First you have to look after your staff. If you have a happy and reliable staff you will, in turn, have happy customers who keep coming back."

However, he also offered words of caution: "Business in the new millennium will be very difficult for many retailers. Retailers who grasp that you have to adapt and change to suit the new retailing environment, but still maintain that old style of personal attention are the ones who will succeed."

475 appliance stores join forces

A trans-Tasman alliance has been formed between independent appliance retailers representing 475 storefronts with a combined turnover of NZ\$1.4 billion.

The benefits of New Zealand's Appliance Connexion Ltd and Australia's Narta International Pty Ltd have ratified the strategic alliance after meetings last year.

The alliance aims to improve the competitiveness of members as the Australian and New Zealand markets come closer together with increasing competition. Peter Drummond, chairman of Appliance Connexion, told Wares.

"We have a growing number of members of both products and services with common ownership and face the same challenges and trends as international barriers are broken down," he says.

The appliance industry worldwide has achieved a margin squeeze as e-commerce, distributors and retailers

consolidate to improve efficiency in production and distribution costs.

"Technology issues such as e-commerce, digital television, computer connectivity and MPEG will impact on all appliance retailers and it is critical we have the knowledge and buying power to continue to be market leaders," says Mr Drummond.

Appliance Connexion and Narta have both significantly improved their market position but continued growth was stifled by such a fast-changing industry.

Appliance Connexion is New Zealand's largest appliance retail group with 130 stores with a combined turnover of more than NZ\$200 million per annum. The group includes household names such as I.V. Martin, it has led and the success 100% Your Electric Store franchisees.

Narta has grown rapidly in recent years to 330 storefronts and includes 20 leading independent retailers across Australia.



Peter Drummond, chairman of Appliance Connexion

A new trans-Tasman alliance for 2000 comprising Appliance Connexion and Narta International represented 475 independent storefronts with a combined turnover NZ\$1.4 billion.



"Drama" as Narta comes to NZ – "475 appliance stores join forces" was the dramatic headline on page 5. The announcement was a trans-Tasman alliance which had been ratified by the boards of both Appliance Connexion here and Narta International Pty in Australia. The two organisations represented 475 independent storefronts with a combined turnover NZ\$1.4 billion.

ACL Chairman **Peter Drummond** said at the time: "Technology issues such as e-commerce, digital television, computer connectivity and MPEG will impact on all appliance retailers and it's critical we have the knowledge and buying power to continue to be market leaders."

At that stage ACL had an annual turnover in excess of NZ\$300 million from 125 shops (including the 65 100% Your Electric Store franchise outlets) and Narta had 350 stores across the ditch.

These days, New Zealand retail members of Narta include ACL, Smiths City Group (Smiths City, Powerstore and LV Martin),

Farmers, JB Hi-Fi, Kitchen Things, Appliance Shed and DTR, representing a total of 234 shops.

In Feb 2000, Stewart Grainger was RINGGRIP's new National Business Manager. These days we see that Stewart is National Sales Manager at DIY Resolutions NZ.



Eddie Law Appliances 100% in Whangaparaoa and the store's "old school style" grabbed the first Award for Excellence in Retailing of 2000. "Retailing should be kept simple," said Eddie 15 years ago. This is the team today.





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Just quietly moving & shaking – 15 years ago, **Stewart Grainger** had just been appointed National Business Manager at RINGGRIP. Formerly a Key Account Manager at Amalgamated Hardware Merchants (these days known as AHM and still going strongly to this day), he took up his new position with over 13 years' experience in the hardware industry. These days we see that Stewart is National Sales Manager at DIY Resolutions NZ.



10 YEARS AGO – FEBRUARY 2005

For the first time just a decade ago, North Korea admitted to having nuclear weapons. At the 77th Oscars, **Jamie Foxx** was named Best Actor for his portrayal of **Ray Charles** in *Ray* while **Hilary Swank** was adjudged Best Actress for her lead role in that year's Best Film, *Million Dollar Baby*. **Clint Eastwood** also got an Oscar for his direction. At home, *Swing* by Savage dominated the New

Zealand Top 40 for almost the whole month.

On the front cover Electrolux promised to make life easier and this led on to a spread inside where the global giant spoke of creating "appliance performance art". Wow!

The Editorial began by observing the year had started out "at a cracking pace and cautioned that "those not already on for the ride might find the train doesn't stop for passengers until December 31st". Was it a good year in the end?



Just 10 years ago, LM Rankine Trading was still the New Zealand Distributor for LG and Managing Director **Michael Park** had just hosted a dealer visit to LG's plant in Gumi, South Korea. These days, Michael is focused on promoting New Zealand at New Zealand Centre, particularly in education and culture.



From Goldstar to Life's Good – A decade ago, LM Rankine Trading was still the New Zealand Distributor for LG and Managing Director **Michael Park** had just hosted a dealer visit to LG's massive plant in Gumi, South Korea. **Simon Little** went along as well. The message across the top of the PDP (Plasma Display Panel) production line read: "World Top PDP Maker by 2005".

Simon found similar motivational signs throughout the factories and offices and found it was obvious the messages were far from just rhetoric. Goldstar had been founded in 1958 and the following year had produced the first Korean-made radio. At the time of this trip, LG Electronics had 75 overseas subsidiaries and sales of \$US25.7 billion. At home they had 14 factories and 17 research & design centres.

The then local MD Michael Park, always a popular figure here, sold his LG business back to LG in 2007 and now spreads his time between the two countries. "I spend more time in Korea but return to New Zealand during your summer and winter to meet up with family and friends and to avoid the extreme heat and cold of Korea," he said during a recent catch-up.

In Seoul, he is focused on promoting New Zealand at the New Zealand Centre, particularly in education and culture. These days, LG Electronics controls 114 local subsidiaries worldwide, with roughly 87,000 executives and employees.

Swimming with the Sharks – Specialised Sales & Marketing was continuing with its aggressive promotion of the Shark brand and setting new standards in what it called "Interactive, Self-Sell Packaging". Boxes included a "story book" flap which enabled the shopper to "interact with the product in an exciting way".



Shark may not have been the force it is today but 10 years ago, Specialised Sales & Marketing was just as aggressive promotionally.

Sunbeam has always been a prominent brand in *Wares* and in fact the company was a SPEDA member and inaugural advertiser way back in 1992 when **Bud Little** first published the magazine. The



Armed with new DVD media and players, Teac was "firing blanks" even though they had a "tidy package".

February 2005 issue saw the brand taking a ballsy approach to launching the "world's best blankets".

In the same issue, I may be reading too much into this but I found Teac, out of Hastings reckoning they were "firing blanks" even though they had a "tidy package". The "blanks" were a new DVD recordable disc for both data and video. The "tidy package" was indeed, just that, the DVP200 portable DVD player.



10 years ago the Kiwi coffee market as we know it today was just coming to the boil for the appliance channel.

The genesis of today's coffee market? – 10 years ago, *Wares* Staff Writer **Peta Temple**, long since back in the UK, was conducting a thorough survey of the rapidly growing coffee making sector.

Peta reported that a recent US study had shown that for the first time, gourmet-coffee beverage consumption had increased, driven by espresso-based beverages. Peta's investigation showed a similar trend here and she was left in no doubt that coffee consumers were demanding higher quality, not just for special occasions but for everyday drinking as well.

Wares listed 18 players in our market – Ariete, Black & Decker, Bosch, Breville, Brio, DeLonghi, Dualit, Electrolux, Moulinex, Philips, Rowenta, Saeco, Sultan, Spidem, Sunbeam, Tefal, The Warehouse and Zip.

GfK reported that across all types of coffee machines, volume had grown 12.9% in 2004 versus 2003, but the value growth had been 18.1%. Dominating both numbers were Espresso-type machines with a leap of 37.4% by volume and 31.1% by value whilst at the other end of the scale, Combos had plummeted by 59.6% and 60.3% respectively.

As for today, we know that Espresso dominates Hot Beverage Makers and that Full Automatic (by far the smallest Espresso version) is growing in units but declining in value, Single Serve is in rapid growth (although not as fast as last year) and Solo Tradition is gaining in both volume and value with the average selling price a healthy 8% up on 2013. My thanks to GfK for those stats.

Harvey does Apple, Retravisión does seven – There was plenty of retail news in February 2005. First up we read of Harvey Norman's new Apple "store within a store" which had opened in December. Then there was Retravisión's coup of landing seven new "branded" storefronts in one fell swoop – Vince Roberts Appliances on Auckland's North Shore, five Radford's stores across the Wellington region and Johnstone's in Balclutha.

At the time, **Mary Roberts** talked of breaking out of just whiteware into browns, PCs and cameras. "It's a learning curve but that's why the group is so good."

"The brand is so well recognised," **Karen Radford** told *Wares*. "We are predominantly known as a furniture retailer so our alliance with Retravisión is twofold. Firstly we want to increase awareness of Radfords, attracting a younger age profile and



Top retail news in February 2005 included Harvey Norman's new Apple "store within a store" and Retravisión's grab of no less than seven new "branded" storefronts.

secondly we want to let people experience the excellent service we're offering."

Down south, **Mary Johnstone** was excited: "We made the switch to Retravisión. Eight years ago we moved location and we just needed better back-up from our buying group. It's all there with Retravisión."

To bring the story bang up to date, Mary and **Vince Roberts** closed their business in the middle of last year, Radfords is long gone and Johnstone's is now identified as 100% Appliances.



Back in February 2005 Leader & Watt got JVC Retailer of the Month. Co-founder **Horace ("Hop") Watt's** son **Brian** was GM at the time but was in the process of handing over the reins to his son **Peter**, who holds that position today. The pair are seen at Rob Duckworth's farewell party last year.

From white to brown (or bust) – In October 2009, Leader & Watt 100% YES was the first profile in our Iconic Retailer series. Back in February 2005 the store got JVC Retailer of the Month. There's a period photo of co-founder **Horace ("Hop") Watt** making a presentation of a TV to a customer. Hop's son **Brian** was GM at the time but was in the process of handing over the reins to his son **Peter**, who holds that position today.

To this day, 100% Leader & Watt Appliances with its six stores maintains a position of strength across the Manawatu and in November last year this iconic retailer was honoured with the presentation of a Manawatu Lifetime Business Award.

From whiteware to brown goods now. **Steve Allbury** founded Eastern HiFi out of the back of his van in 1975 and, 30 years later,



10 years ago, Steve Allbury was floating Eastern HiFi on the NZAX. Two years later Steve suffered a heart attack and retired. Nowadays fully recovered, Steve and wife Clare Danks operate a successful import company.

with the business widely recognised as a top end audio-visual specialist, *Wares* reported how he had raised \$5 million by floating on the NZAX, New Zealand's alternative stock exchange whilst retaining 48% of the business. The idea was to get to 10 or 11 stores, some of which would be franchised. A finance division was also planned.

Sadly Steve suffered a heart attack in 2007 and was forced to retire. After he left, the company took a new direction and subsequently fell over. Fully recovered these days, Steve joined up with his wife **Clare Danks** and the pair operates a successful importing company (www.mtmeru.co.nz) specialising in giftware. An independent Eastern HiFi still operates on the original Tauranga site.

Movers & shakers, 10 years ago – It's always interesting to look back on the personalities featured in past issues and track down their whereabouts now. On a single page in February 2005's *Wares* we see **Rachel Allen** being appointed by Parex to represent the Bissell range, **Russell Reardon** taking up the position of Chief Executive at Guinness Appliances 100%, **Matthew Bevan** and **Phil Gray** both moving into National Account Manager roles at Sharp and **Kim Hawthorn** joining Groupe Seb as a Territory Manager covering South Auckland, Waikato & Bay of Plenty.

Bringing these names up to date, Rachel has moved over the



A handful of movers & shakers from exactly a decade ago, a surprising number of whom are still gainfully employed by the same companies!

ditch and is a Melbourne-based Territory Account Manager for Bissell, Russell now owns four Tauranga-based businesses, namely Kitchens R Us, Wardrobes R Us, Mr Shelf and Dexion Supply Centre. Matt of course, is still at Sharp in the role of National Sales Manager Retail but I haven't been able to locate Phil or Kim.

Vodafone too had put together some new appointments, namely **Sarah Brown** and **David Berry** as Key Account Managers, joining **Justine Percival** who was already ensconced in a similar role. Sarah now plies her trade as NZ Retail Sales Manager at McCain Foods (NZ) looking after grocery but both David and Justine are still at Vodafone as Pre-paid Channels Manager and in Key Accounts respectively.

We'll take another look back 10, 15 and 20 years ago at names and faces, brands and products and general industry news in April, when we acknowledge some more Sunbeam Retail Excellence, catch up with the NZ Whirlpool crew back in the day and read of a retailer's business going up in smoke – literally... ❏

Check in at www.wares.co.nz to see all of our features! To view previous instalments of "Rolling back the Years", type <http://bit.ly/1z35YT6> into your browser and to view the "Retail Icon" series enter <http://bit.ly/1j9wzbx>

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