



The original BOP Electric Power Board headquarters, in Church Street, Opotiki (circa mid-1920s).



2013: Bay Beta Tauranga today.



1964: Outside the Murupara shop close to its opening.



1960: Shot of the new Whakatane store featuring Simplicity Safety Washers and more.

ECL: More power to your elbow!

This issue we trace the progression of iconic retail brand ECL from its origins as the retail arm of the Whakatane power company in the 1920s to the present day. **Merv Robertson** reports.

WAY BACK IN the day, local body electric power boards dominated appliance retailing in New Zealand. It was only as recently as the 1990s that these groups progressively divested themselves of retail, the very last bastion being Dannevirke-based Scanpower in 2010.

Whakatane is a coastal town in the eastern Bay of Plenty, equidistant between Rotorua and Tauranga. Population in the town is just under 19,000 and overall, Whakatane District is a tad over 34,700.

The town was a prominent hub for shipbuilding and trade from around 1880 with farmland developing once the swamps were drained in 1904. The place grew rapidly through the 1920s as electricity was introduced for the first time. In fact, it was as early as June 1919 when the Whakatane Borough announced it would invest £150,000 (around \$14.75 million in today's terms) for public works projects in the District, including electricity.

Generation from a plant situated on the Karaponga stream began in 1922 and gradually the locals experienced the wonders of getting light at the pull of a cord and heat at the flick of a switch. This plant closed in 1938 when bulk electricity had to be bought from the national grid through the Bay of Plenty Electric Power Board

(BOPEPB) which had been constituted in 1925. The first headquarters for this entity was in Opotiki.

The promotion of electricity

To help promote electricity, the BOPEPB established a retail trading department and in 1927 a showroom was approved to demonstrate lighting and electrical appliances. The main question asked was: "Is electricity preferable to gas or coal?" Of course the Council fathers answered in the affirmative and it seems that irons, heaters and stoves were the first appliances offered.

Having captured the public's imagination, **JD Dicker**, the Board's Engineer, set about personally testing all appliances presented. It is even recorded that a Hoover vacuum cleaner salesman appeared at the December 1929 board meeting with a view to demonstrating his wares but, with Xmas fast approaching, and the minds of board members turning to the upcoming festivities, he was told to go away and come back to the next meeting.

The electric stove selected by JD Dicker was the McClary, which was a "solid plater" imported from Oxford in the UK. It retailed for

£18.10.00 (\$1,700 in today's terms). Believe it or not, the manufacturer's guarantee was five years although the Board offered a guarantee for the lifetime of the purchaser – talk about extended warranties, and at no extra cost!

Scott Bros Engineering in Christchurch started manufacturing coal ranges in 1878 and in 1931 released its first electric model, a two hot plate job on spindly legs which within two years was replaced by Model H three plate stoves which retailed for around £22 (\$2,500). Over the next few years, the factory ramped up production, prices reduced and when the series reached K, the BOPEPB took them on, phasing out McClary in favour of Kiwi-made.

By 1929, the BOP region boasted one electric range for every 2.9 households. At 31 March 1930, the board had connected no less than 398 ranges, 54 motors, 203 shops and offices, 1,008 houses, 83 pumps, 413 dairy water heaters and 432 milking plants. They had a grand total of 1,235 consumers.

Refrigeration was added in the 1930s with PSC (the Pressed Steel Company, forerunner to Prestcold) from England and Westinghouse from America. During World War 2 however, supplies all but dried up and when local production became protected in 1949, the Power Board, unable to get a Fisher & Paykel franchise, sourced Norge and HMV refrigeration with Beatty wringer washers added to the range. **Bob Oxenham** was the F&P dealer at the time.

Just like today, advertising was important to the Trading Department's success and in the early days, three daily newspapers were in publication – the *East Coast Guardian*, the *Opotiki Herald* and the *Whakatane Press*. Competition to secure advertising was keen, especially to promote these remarkable new home products.

The Board branches out

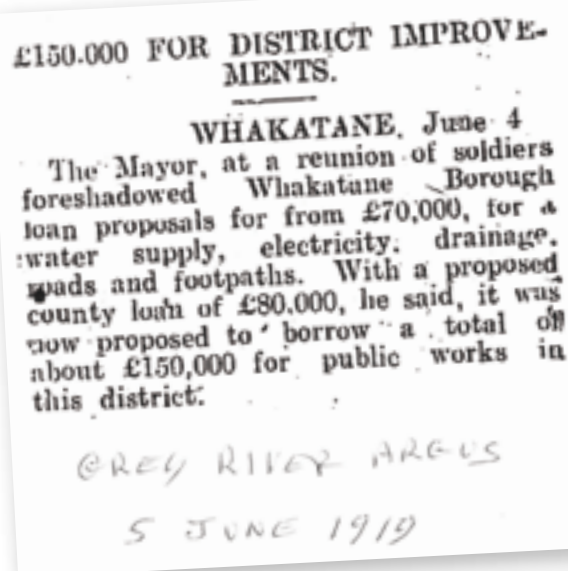
Around 1930, the Board opened an office in Whakatane and with it, a retail outlet operating out of rented premises. A Kawerau store would open in 1956 but it was March 1960 before the board finally bought a building from Hamilton Hardware in Commerce Street Whakatane. This site by the way was only vacated in 2006.

The opening of this flash new showroom was a big deal! By now Prestcold was the flagship refrigeration brand, Miss Simplicity was the wringer washer brand, Thor (later to become Champion) supplied top and front loading auto washers alongside Hoovermatic twin tub washers, Neeco and Shacklock ranges had been added and the early wall ovens with separate benchtop hot plates had been introduced.

Over time, the BOPEPB grew to dominate the region with its lifetime stove warranty and the additional draw card of hire purchase (HP) terms its major sales tools. Anyone with a power account qualified for HP and the only condition was that, if the payments lapsed, their power was cut off! Strong motivation to keep on paying and of course, the HP repayments could be added to the monthly power bill.

Dominant or not, at a Board meeting in September 1963, a report was tabled showing that the BOPEPB's Trading Department was losing money. The previous year's net profit was £418 (\$16,800 today) and some Board Members expressed their concern at this "unsatisfactory state of affairs".

Still, no less than seven years passed before a special committee got around to investigating the Trading Department. Their report found that the Board's service was "both justified and necessary" and "superior to private contractors". So the Trading Department continued retailing, installing and servicing and in fact, opened a showroom in Murupara the following year, amid hoopla never seen before in the small but flourishing town.



It's 1919 and Whakatane Borough reveals its plans for major infrastructure, including electricity (from the *Grey River Argus* of 5 June 1919).



ABOVE: Caught at the grand reopening of the Whakatane showroom, 1988 (L-R): Mark Jury and Colin Ashford.



RIGHT: Accepting the award for Retailer of the Year at the 2012 Beta conference (L-R): Mark Jury, Colin Ashford and James Hunt.

Making the connection

Connections with today's ECL started almost 50 years ago when, in 1967, still a high school student, **Colin Ashford** joined the BOPEPB's Trading Department on a work experience programme. Today he is a Director of ECL and Commercial Manager for the group.

In 1970 he started working full time. Originally seeking to be a linesman ("they said I was too small") Colin was "shunted" to the position of Assistant Storeman and graduated into appliance sales in 1973.

Fisher & Paykel was exceptionally strong through its franchise dealer network but, in the Bay of Plenty, the Power Board did massive business with "alternative brands". It was whiteware only in those days with Prestcold refrigeration, Champion and Hoovermatic laundry, plus stoves from Champion, Shacklock and Atlas.

Colin recalls: "No doubt about it, F&P had the name so we had to sell



Some of the original appliances preserved back in the day by Athol Williams and still on show at Bay Betta Kawerau today: a Fisher & Paykel wringer washer (early 1950s) at Bay Betta; PSC refrigerator; Atlas stove type KC by Scott Bros (mid-1930s); Vanguard stove; and 1929 McClary stove out of the UK.

A highly respected industry figure, it was Athol Williams who had the foresight to set aside the old appliances you see in the photos on this page in the belief that one day they would be of historic value. All these products can still be seen on display in some branches of Bay Betta Electrical. Athol Williams passed away in May 2006.

Bulk buys and booze

ECL Director today, **Mark Jury** joined the Trading Division in 1979 as Manager of the Kawerau shop and remembers that back then

products, not brands. We learned not only how to operate the appliances, but also how they actually worked and this in-depth product knowledge went a long way towards us securing such a strong market position.”

But the divisions around the BOPEPB also operating as a retailer hadn't gone away and in June 1973, the Whakatane District Conservation Society offered a unanimous opinion: “That it is wrong for a Power Board to operate a trading department in appliances to wilfully promote excessive and perhaps unnecessary sales of power in what would appear to be surplus empire building” (whatever that means).

On the other hand, Board Member **PG Skinner** observed at the time: “If the board did not continue to sell electrical appliances, then private enterprise would take up the slack.”

But BOPEPB continued to thrive and in 1975, the Showroom Supervisor, **Athol Williams**, would claim: “We have the largest selection of ranges and refrigerators in the province, outside Auckland.”

stock turns were of little consequence to the Power Board. “It was not unusual to have a substantial warehouse full of electric ranges piled six high,” he says.

“I still have visions of one 1980 bulk buy of several dozen Champion cookers which arrived, each with a bottle of scotch attached. The story was that it was a double-up and the supplier sent the whisky as a peace offering; or was that a bribe? I was 24 at the time and you can imagine my consternation when Athol [Williams] decided to keep the cookers but send the scotch back. That was the nature of the man.”

In the late 1980s the Power Board implemented a plan to differentiate retail from its other core business units by rebranding each appliance outlet as Electricity Centre Limited, or ECL.

By 1987 it was deemed that the once modern showroom in Commerce Street Whakatane was getting very tired and a major refurbishment was budgeted for the following year. As part of the planning, Colin Ashford, by then Showroom Manager, was joined by

Mark Jury on an inspection tour of retailers across the North Island.

The Power Board had never been in brown goods so one of the duo's tasks on their tiki tour was to learn from others and transfer that knowledge back home. So it was that, when the new-look store was made ready, Goldstar and Toshiba TVs, Mitsubishi VCRs and Pioneer midi systems were prominent additions.

The grand reopening and relaunch of the Electricity Centre in April 1988 was heavily promoted and attracted a large crowd. One local reporter likened it to the throngs at a Harrods sale in London, comparatively speaking I guess. The celebrations went on for a week with Brown Goods Monday, Laundry Tuesday, Small Appliances Wednesday, Ranges Thursday and Refrigeration Friday.

By now Simpson Appliances had become seriously strong for non-F&P dealers and the Electricity Centres had embraced the brand big time, so much so that the climax of the Whakatane store's reopening promotions was "Simpson Saturday".

At this stage there were no less than seven appliance retailers in Whakatane and Colin Ashford recalls that his team focused a lot of attention on pre- and after sales service. "Every time a new product came to market, the service team would set it up in the workshop, disassemble it, reassemble it and by the end of the process we all knew exactly what it did, how it worked and how best to sell the features and benefits."

Brian Stewart was working at a retailer called HiFi Source in 1990 and in May that year was recruited into the Electricity Centre primarily to help grow the AV performance. He later became manager of Tauranga and then Group Operations Manager before leaving the company in 2013. Brian was Wares Retailer of the Year in 2007.

Buying from the board

In 1991, in line with the trend of Power Boards separating themselves from appliance retailing, BOPEPB set up a programme to make this happen. Mark Jury, just appointed Retail Manager for the group, in conjunction with **Greg Dalton**, then BOPEPB Marketing Manager, bought the retail side, registering ECL Limited in 1994.

"We thought we knew everything," says Mark today. "What a ride! Initially we had shops in Whakatane, Kawerau, Opotiki and Murupara with 80% of our turnover coming from HP accounts we inherited."

But reality hit home pretty quick: "Of course we now had no power account advantages and many customers simply stopped paying. The contracts were full recourse so I spent a lot of my time driving a truck around Murupara, Ruatoki and Opotiki either collecting money or repossessing appliances. I faced knives, dogs, gangs, the lot – but I was bloody determined and lived to tell the tale. Eventually non-recourse HP was introduced to retailers across the land, firstly by CFL."

Things soon settled down with the new owners putting their own stamp on the business and sales went to another level. "Fortunately for us," says Mark Jury, "The Power Board had invested in a sophisticated standalone retail point of sale system, so from the outset we were right up with the play at checkout."

But ECL really needed to up its game further to be competitive in brown goods and Sharp was eager to support. For a time it was wall-to-wall Sharp – every model, every price point – and this certainly was a major launching pad for audio visual.

About sharing the love

As already mentioned, in the mid-1990s power companies decided to split their operations into separate entities – electricity retail and lines – and every account holder in the Bay of Plenty for example was issued

with a parcel of shares. This created an opportunity for the new ECL.

Mark Jury takes up the story: "We offered to buy the shares from customers in exchange for appliances. The volume of transactions processed saw ECL, for a short time at least, listed as a major shareholder of the Bay of Plenty Electric Power Board. Fully funded by cash flow, we eventually sold the shares, which by then had quadrupled in value. We were back in control. I then bought Greg's shares, simultaneously onselling them to long term employees in key positions. I called this their 'golden handcuffs'."

But the future of the stores wasn't solely reliant on getting its own house in order. "It was evident to me that our success or failure was directly related to the relationships we built with our suppliers which in turn linked to our purchasing trends. Put crudely, if we moved more boxes we got looked after but, if we stayed still or went backwards, we died. Our philosophy was to get beside new Reps and construct the relationships from there," says Mark.

Colin Ashford agrees: "That's still our style. We don't try to take advantage of new reps. We try to help them understand our business, how we tick. Two typical examples which come readily to mind are **Malcolm Bain** and **Alan Dalton**."

"A special committee found that the Board's service was 'both justified and necessary' and 'superior to private contractors', so the BOPEPB's Trading Department continued"

"In 1994, Malcolm was the Westinghouse rep and in 1996 Alan first called on us as a Whirlpool rep. Those guys worked closely alongside us and the fact was we did the business with them as people, not necessarily with their companies. Look at where they both are today and the relationships remain."

Strategies for staying afloat

A significant milestone for ECL occurred in 1993 when it became a foundation member of the Appliance Network Society Limited (Appnet), the derivative of the old Simpson Network. Robinson Industries and Simpson Appliances were the inaugural suppliers and a national independent appliance retail group was born, comprising dealers whose main strengths were whiteware and service.

The following year, Appnet reached an agreement with Betta Stores of Australia to operate in New Zealand and by the end of the year there was a national group identified as Betta Electrical, armed with relationships with suppliers from all sectors of the industry.

As the so-called "big box" phenomenon gained momentum towards the end of the 1990s it became inevitable that dealers – independents in particular – needed to develop an infrastructure to not just cope but actually stay afloat.

At this time, Mark Jury was busy taking a long, hard, analytical look at the ECL business and deciding what changes needed to be made to secure longevity. He had a myriad of ideas running through his head but more pressing requirements were a beefed up back office, a plan to spread the managerial load and then later, the development of systems which could assist in future proofing the business.

So, as Y2K loomed, he hired an Australian banker by the name of



“Cleanliness & thrift via electricity!” proclaims a BOPEPB advert from the *East Coast Guardian* (February 1935).



A list of the BOPEPB's Whakatane staff from 1975. Among them, Colin Ashford is still there, Bay Beta's Commercial Manager.



BOP Electricity advert from the *News Gazette* February in 1991 features staff. See if you recognise anyone!

James Hunt, who had given up the corporate life for one in the Eastern Bay of Plenty. James started with ECL as a part time accountant in Whakatane, the home town of his wife **Tracie**.

He recalls: “Four of us operated from a dingy room in the old Power Board building, with no ventilation and a colony of mice. Pretty much straight away I became excited by this industry and was very happy to jump on board full time. Apart from Whakatane, our shops were all quite small – Opotiki, Kawerau, Murupara, Otorohanga and Tē Kuiti.

“Mark had a million ideas in terms of growing ECL and I was extremely motivated by being able to help facilitate his decisions in taking the company to new levels in new areas. In 2001 we took a major step by opening a branch in Tauranga.”

Looking after number one

With the new millennium well underway we now fast forward to today when, having come through difficult economic times, we see ECL as a highly efficient and successful group. So what about life since Y2K, how is the business structured today and how do they see the future unfolding?

Mark Jury: “It was becoming ever more obvious that something had to change in the independent marketplace as the big chains continued to squeeze. We had three buying/marketing groups and in my opinion that was two too many.

“One really big group seemed a no brainer to me so I initiated behind the scenes discussions with the management of ACL, Retravision and our own Appnet with some early signs of agreement.

“However, ego got in the way and the status quo prevailed. Right then I decided that the preservation and strength of our own business was paramount and we set out to put structures in place to ensure that, regardless of what happened with the three groups, ECL would be a long term player of some significance.”

Part of this was in 2003 the appointment of James Hunt as General Manager, says Mark. “He has been key to the conversion of my ideas, my vision if you like, into operating systems that work.”

Adding rigour to the mix

Part of the strategy for ECL's future success was to spread into the Bay of Plenty and King Country, but to cope, seriously upgraded admin practices and operating systems needed to be in place. Once these were embedded, Taupo launched in 2004, Rotorua a year later and Tokoroa in 2006.

Mark Jury looks back on those exhilarating times: “We were actually making good money, we were buoyant, we were bullish and the work we had put in meant we were operating under bloody good management systems.

“One of our important marketing decisions which paid off big time, and is still doing so in fact, was to promote ourselves on television using TV One's ‘zone’ concept of regional breakouts. Share of voice is really important to get high up on customer's shopping list and there's no doubt that television positioned us strongly, supported of course by the Beta catalogues and local press.”

In 2007 further opportunities presented themselves after Guinness Appliances decided to withdraw from Katikati and Waihi. After negotiations, ECL took over those branches and then closed Rotorua in 2008, redeploying the resources across other branches.

But the 2007 Global Financial Crisis and four-year recession took its toll to the extent that some 23 independent appliance shops in the same general locale as ECL's operation closed their doors. But for the stringent operational disciplines now in place, ECL may well have been added to the list.

Mark Jury admits that they realised that even more controls were necessary, or being in business “wasn't going to be much fun”.

Surviving and controlling interests

To explain what happened next, James Hunt says that in 2010, when the Hamilton store opened, “The big picture demanded that we took a long, hard look at all aspects of our set-up and from that exercise we identified a weakness in our group stock control.

“Branches were autonomous in their buying and, human nature



being what it is, individuals had their own product preferences and of course their favourite reps, resulting in our inventory blowing out to crazy levels. As an example, we had around 70 different floor care SKUs across the branches.

“We had excellent staff and good systems but poor control over stock levels which were where the biggest overheads existed. So two things had to happen: product offerings in each branch needed to be standardised and buying procedures drastically tightened.”

It was a long process, but the management team went through the stock, line by line and model by model in every category. They analysed sales performance, stock turn and profitability and eventually rationalised not only product lines, but also suppliers. “Only a few small suppliers fell off but we reduced our range down to just a third of what it had been,” says James.

Mark expands: “We also decided we would not be a warehouse, reducing backup stock and ordering little but often. What we finished with was what we call our core stock programme and our perpetual inventory system which incorporates central buying. Essentially this means that the whole group operates with the same range across the various categories and minimum and maximum stock levels are set per line item per branch.

“Our computer system reports every daily sale overnight and based on the criteria, produces a list of proposed orders each morning to restore the programmed levels. In 80% of the cases, I just press the OK button and our suppliers get their orders. A huge advantage is that our inventory is stable rather than fluctuating.”

“Ego got in the way and the status quo prevailed. Right then I decided that the preservation and strength of our own business was paramount and we set out to put structures in place to ensure that”

With the range now uniform and inventory under tight control, the next piece of the jigsaw to sort out was marketing. **Emma Parsons** has been with ECL over a decade now and in her current position of Marketing Manager has had a significant impact on a corporate level. She has influenced shop layout, group store signage and is responsible for all product advertising. Her role sees her in regular touch with branches, suppliers and the Appnet support office which produces the TV commercials and Betta Electrical catalogues.

Where to from here?

All this was a major departure from the way ECL had operated over the years so, once the key decisions had been taken, it was time to sell the benefits to the branches, and of course the suppliers.

James Hunt explains: “Naturally enough, there was opposition from the branches at first because their autonomy was taken away but they were won over when they saw how their stock turn improved and their profitability increased.

“From a supplier’s perspective, it took a while for some of them to accept that their reps no longer had the ability to do deals during their regular calls but the advantages of having guaranteed floor space and



daily reordering, even when the rep was not in our shops won them over in the end.

“As Mark says, suppliers’ reps became trainers and their influence on our staff now rests on their ability to impart product knowledge and differentiate their models from the opposition. These changes were probably the biggest in the company’s history and it took the best part of a year to completely bed them down – but the results prove their worth.”

Mark Jury admits that some may see a negative side to what is a substantially rock solid policy, in that it is very conservative. It doesn’t take risks, but he is quick to point out that this has been a crucial factor in the group’s consolidation through decidedly tricky trading times. ECL is a profitable business and he intends that it remains that way.

“We still have the management prerogative to make special promotional buys when the right deal is on offer, but rather than take, say 100 in one hit, we will usually factor the deal into our minimum/maximum levels over a month’s invoicing period.

“Our growth, turnover and profit-wise has been considerable over the last three years and several suppliers have experienced double digit increases with us. A side benefit is that we are now able to do accurate financial forecasting and our suppliers have a virtually daily forecast from us.”

Mark Jury summarises: “When I look back 10-12 years, I see Appnet as a support office not listening to its members, I see an independent retail sector under pressure and I see myself hell bent on not just surviving, but developing ECL into a material presence, regardless of the fate of others.

“Now, I’m a relatively happy man! Appnet, under new management, is now a low-cost but very effective support office for the Betta brand and, whilst the independent sector is still vulnerable, ECL Group is indeed a material presence. I believe our operating systems, our staff and our marketing programmes are second to none.

“As to the future, well, there seems to be general positivity around the improving economy and I share that optimism. Of course I’m more focused on our own future than that of the industry at large and to that end, all the hard work we have invested has paid off.

“Currently we are a nine-store group, but as we add more branches going forward, our superior staff and systems will allow us to simply plug the newbie’s into the network and they are good to go. This combination enables us to continue our expansion, ensuring we remain relevant to our supplier partners.”