

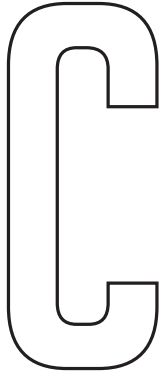


DON'T SELL WHITEWARE, SELL EXPERIENCES

How far along the road are we towards making selling appliances an experience? **Steve Bohling** reports.



Photos: Kitchen Things Luxury Collection



Customer experience – “CX” to those in the know – is a key touchpoint in retailing today.

No longer a “nice to have”, in conjunction with good retailing practices (something that would have been top of mind with CX champions Perch recently), CX can make a difference to a retailer’s bottom line.

To show off an appliance brand in an controlled yet interactive manner, we already have the Miele Experience Centre in Auckland, which is not only an integral part of the brand’s Chartered Agent structure but has also probably served as a model whose progress other brands will have been following closely...

We’ve also been watching Fisher & Paykel rolling out Experience Centres around the world, from China some years back now, to the latest in Costa Mesa, California.

Can we expect to see something similar in New Zealand? Fisher & Paykel continues to play its cards close to its chest but, reading between the lines, it’s fair to expect some action in this respect next year.

In terms of other single brand showcases, next month we will see the results of BSH Home Appliances’ much anticipated showroom in Parnell, Auckland and it will be interesting to see how the new facility fits in with the new agency approach to Gaggenau and Neff.

We may also see KitchenAid bringing a single brand showcase approach to New Zealand, the brand having recently launched its first “experiential” store in Melbourne following the Australian launch of KitchenAid major domestic appliances...

Staying with appliances, but taking a

multi-brand stance, is Smiths City, whose recent store makeovers have kicked the brand firmly into the current millennium.

Harvey Norman too has just invested millions taking the experience you can have at its Wairau Park store up to “Flagship” status (see page 10 for more).

And then there’s the new Kitchen Things Luxury Collection, of which more below...

HAVE YOU EVER “EXPERIENCED” AN APPLIANCE?

There’s a new player that’s targeting the top end market, not with pricing but with experiences.

The Jones Family Business (JFB) incorporates retail network Kitchen Things, Jones Services (which delivers, installs, services and supports), distributor Applico and now, 32 years since the launch of Kitchen Things, it has a new subset, the Kitchen Things Luxury Collection.

Situated on Newmarket’s Morrow Street the new venture is directly opposite the building site that will become Scentre Group’s \$790 million reinvention of the shopping mall, complete with David Jones, almost 2,800 car parks and extended hours.

The culmination of years of planning, but just a month and a half since its soft launch, it’s already clear that the Kitchen Things Luxury Collection venture is a Big Deal, both from a company and an industry perspective.

Why? Because:

- Both the investment and the concept are significant to JFB.
- It is a multi-brand, cross-category pitch, comprising kitchen, laundry and bathroom products, all fully functional.
- It sets out all of the above, with branding, but in its very own, immaculate way.
- It’s all about knowledge, experience and theatre, rather than strictly “retailing”.
- It may be targeting the absolute top end but the approach will have a trickle-down effect.

Add to this the absence of price tags, that only the very best from each brand is on show, the fact that the elegantly attired staff aren’t commission-based and that the client is the whole focus and you start to see how different

this new venture is from the norm.

And, far from being a one-off, all being equal, once the concept is proven, there will be similar Luxury Collection showrooms in Wellington and Christchurch as well, possibly as soon as within the next 18 months.

Plus, some of the learnings will filter down to the less rarefied Kitchen Things format, so look out for further step changes...

Far from simply meddling in the mass market – “a pretty ugly space” says JFB patriarch, **Mark Jones** – the Kitchen Things Luxury Collection aims very high indeed, as you can see from the photos.

Even the arrangement of prestige motor cars outside during the opening events should be seen as a statement of intent.

Inside, eight self-contained, fully working kitchens sit within individual very highly finished kitchen-dining areas that have been painstakingly curated, right down to the choice of furniture and cutlery, each with a distinct style that’s matched to and enhances the brand.

Only one of the brands chosen for inclusion has not engaged with what I consider the better choices of the new space’s designers but you should visit the place yourself and make up your own mind as to which brand I’m talking about.

The refurbished and seemingly expansive 900m2 building has been taken back to bare concrete but also displays very high attention to detail with services literally supported by one-off metal fixtures, copper tubes for the wiring and copious amounts of elegant modern lighting.

I could go on about how different this new venture is from what you’d consider normal retail but I’ll leave it to Mark Jones to explain further.

“The Kitchen Things Luxury Collection is very much our take on the future,” he says.

“This is what I believe in 10 years’ time will be the core of our business.

“This is what the very best retailers in the world do, and they’re generally family businesses, focusing on the ultimate service.”

Using only absolute top of the range

Continues on page 10...



HARVEY NORMAN'S KIWI FLAGSHIP STORE

Last month marked 21 years since Harvey Norman first opened its doors, in Wairau Park on Auckland's North Shore.

The anniversary was celebrated with some style thanks to the completion of a substantial rolling refit which has rendered the previously lacklustre spaces lighter, brighter and altogether more engaging.

Post-makeover, the store even seems a lot larger although little has apparently been gained in terms of showroom floor area.

Wairau Park has also received Flagship Store status, as seen being rolled out across Australia since last year, and shares many of the programme's obvious touchpoints and some of its key elements of look & feel.

Better organised and with clear sight lines, the "new" store also features a comfortable, glassed-in Experience Room to demonstrate home entertainment, an interactive space called Games Hub where gamers can actively engage with products and working kitchens which have already been used to good effect during the opening events.

In terms of the "experience", it's certainly a better place to browse. It's even got its own Facebook page: www.facebook.com/HarveyNormanNZWairauPark/





products, the staff at the Morrow Street site are not only comfortable with and experienced in the selling of truly luxury goods but also highly knowledgeable about the products and technologies on show.

As mentioned, price is the last item to be addressed after the architect or designer has used the showroom to make some choices and their customer (who can use the roof top parking or can arrive in Newmarket courtesy of the Luxury Collection!) has experienced first-hand what the latest technologies can offer, by both cooking themselves and/or being catered for by a chef.

“We’re all about teaching customers the benefits of how they’re going to live in the future because everyone’s time poor,” says Mark Jones.

“We believe there’s a massive need in the industry for this, because too many times customers are going to a retailer and being sold on price.

“There’s no pressure to buy, buy, buy here. There’s not a single price ticket in this whole showroom.

“It is about finding the right solution, rather than price, and this is our take on the future.

“Teaching customers about the benefits and then tasting or experiencing those benefits is what this showroom is all about.”

Never one to worry overmuch about what everyone else is doing, Mark Jones is firm that the Kitchen Things Luxury Collection is an “experience centre”.

“This is not a retail showroom, this is theatre. This is where the industry is going and you know we are privileged to be able to say that now after all these years we have the very best.”

Given the level of investment into the new premises alone will have been substantial, what about the risk factor?

“I think in our business it’s always a risk if you’re going in a different direction,” says Mark Jones with a wry smile.

“We’re doing what we think is right. Five years ago I never dreamed we’d be selling toasters for a thousand dollars...

“But I’ve always believed that if you’re creating a business for future generations then you have to lead by example.



Mark Jones: “This is not a retail showroom ... this is theatre.”

“You have to back your own beliefs and I have believed for a long, long time that the New Zealand appliance industry has been destroyed by people just going to the lowest price.

“Our whole focus is to make this a long term business and to actually do more of what the client wants rather than what retailers have traditionally done.

“Because our team is here just to look after the client, they will spend the absolute maximum time, whatever they want to do and if we can see that they are still unsure we’ll get it in a chef or a cooking tutor at no cost to make sure that they’re making the right decision.

“If we’ve done the job right, in five years’ time, in 10 years’ time, people will be saying ‘you’ve got to go to that showroom, there’s nothing else like it, I learned so much’ – that’s success!”

Will it work? Mark Jones is never less than positive.

“We went into this on the basis that if we got 80% to work then we’re way ahead of our competition and I believe it will be way more successful than that.

“Many international industry people we respect who have visited the showroom have

told us this experience showroom concept would be successful in any top cities like New York, London, or Shanghai.

“We just hope that we are successful in New Zealand and our family business, under my daughter **Rachel Louie**’s leadership in future years, can provide the ultimate service for many more generations.

MAKE IT PERSONAL

KPMG NZ’s 2018 *Customer Experience Excellence Report* states in no uncertain terms: “Globally, the correlation between increased consumer willingness to pay and customer experience has never been clearer.

“As we see leading New Zealand brands differentiating in the market by delivering exceptional experiences, we also see revenue increases from the value added – proving this global trend is true to our context.”

But the isn’t a one size fits all scenario, adds KPMG: “Personalisation is the most important pillar in customer experience excellence for the New Zealand consumer.

“It’s akin to hosting someone well, coupled with an ingenuity to alter something standard in order to meet the current need.”

I leave it to you to decide which of the examples included here ticks that last box. 17



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