SWEET DREAMS are made of this

United Sweets franchisees benefit from both retail and online revenue with a massive reach

⇒ Having a bright idea is one thing – developing it into a successful business is another. But that’s exactly what Finn Puklowski and his family did when they turned the sweet counter of their video store into an online sensation and a mall attraction in its own right. Now the United Sweets brand is being franchised with a unique model that offers retail franchisees a real share of online sales. The website unitedsweets.co.nz is already attracting 10,000 unique visitors per week and boasts 51,000 Facebook likes, which is quite a starting point – in fact, the company claims to be New Zealand’s largest small business on Facebook.

In two short years, United Sweets has also become the largest imported confectionery retailer in New Zealand. ‘We already have six retail outlets, five within key malls and one a large shop format,’ explains Finn. ‘Along with our website, these specialise in selling quality confectionery brands from the US, the UK and other countries.

‘This is an exciting market with limited competition and United Sweets dominates the category with 1300 products in circulation. We leverage billions of dollars of research and marketing from brands such as Wonka, Jelly Belly and Hersheys with exclusivity over imported lines not produced in Australasia. The product range also extends into drinks, cereals, sauces and more.’

Creating A Monster Opportunity

The Puklowski family have always been an entrepreneurial family; Finn grew up working on market stalls then, while still at school, working 25 hours a week in the family video store. ‘I wasn’t so interested in school but I was fascinated by business. Dad introduced me to benchmarking our performance against other franchisees in the chain and that opened my eyes. At the same time I started travelling overseas and got some insights into international markets.’

Confectionery was originally a source of add-on sales at the video store, but then Finn – still just 20 – and his sister Micah got creative. ‘We built our first website and launched a Grab One promotion with a thousand $40 vouchers. It went viral and that set the pace and tone for the business. We went from nowhere to the largest online confectionery retailer in four weeks!’

But online isn’t everything so they used their in-store experience to develop a kiosk to take United Sweets to the malls of New Zealand. The first, with a footprint of just 5 x 2m, opened in The Base, Hamilton, in September 2012 and proved instantly successful but too small for the demand it created. ‘For our third kiosk, in Porirua, we enlarged it to 15 sqm,’ says Finn. ‘It worked in that for a month and it proved an ideal size so we’ve repeated the larger design in Palmerston North, Bayfair Tauranga and Northlands Christchurch. We’re planning to open another three outlets in Christchurch, Auckland and Nelson before Christmas 2013, and all of these will be franchised as going concerns. In total, we have plans for 32 kiosks and 20 conversions, and already secured 20 leases.’

Exclusive Territory For Online Revenue

The United Sweets franchise model is an unusual – possibly unique – one. Every franchisee will operate their own kiosk but will also have an exclusive mapped territory. That provides two sources of income: sales from the kiosk itself plus shared revenue from online sales.

‘Basically, gross profit from online orders is shared with franchisees through their postcode territories,’ explains Finn. ‘If a delivery goes to a franchisee’s area, they make money. It avoids the problem of retail outlets just being showrooms for products that people then buy online. It means franchisees benefit from our huge online presence, which is boosted by a dedicated two-man team of social media marketers. The team is constantly monitoring global trends to keep the United Sweets brand ahead of the curve.’

Meanwhile, the kiosks are being located in major malls attracting over 2 million foot traffic. ‘We’ve proved they can turn over up to $500,000 gross, plus the online revenue on top,’ says Finn. ‘That can make for some very healthy returns. By operating each new kiosk ourselves prior to franchising, we can establish the customer base, staffing levels and, most importantly of all, instil our company values on each site ready for the franchisee to grow.

‘All outlets will be independently valued by BDO and Harcourts prior to being marketed and will include around 25 days’ stock. The investment required will vary from store to store but is likely to range from $150,000 to $250,000 plus SAV (stock at valuation). All the major franchise banks have indicated their interest with Glenn Tasker from ASB offering their full support and putting their team at our franchisees’ disposal.

“We’re looking for is inspired and inspiring people with the personality to project the intense, fun, young culture of United Sweets and make us stand out in every mall. You’ll also need to be able to develop the same enthusiasm in your staff. If that sounds like you, and you want to join a truly unique and fast-growing franchise that combines the best of retail and online for the benefit of everyone – ring me now!”

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