

putting your BEST FOOT FORWARD

EXCEPTIONAL TRADING MEANS NEW OPPORTUNITIES FOR SMITH'S SPORTS SHOES FRANCHISEES

⇒ While many retailers have been hurting over the past year, Smith's Sports Shoes reports 'exceptional trading.' Why should this be? Franchisor Chris Smith's explanation makes a lot of sense. 'I know the recession is hurting many retailers, but those who are suffering most are mainly stores selling big ticket items or, at the other end, those who rely on customers spending discretionary income. At Smith's Sports Shoes, though, we occupy a robust niche in the retail marketplace. Our products aren't big ticket items but they are essential; we're in the leisure industry and, regardless of the economy, New Zealanders value their leisure activities. With the pressures of working harder for the same dollars and the cost of health care, people are looking after themselves more by exercising. Our sales growth is proof that people are not holding back from spending several hundred dollars on their sports and leisure footwear.'

There are already 12 Smith's Sports Shoes stores around the country making it one of New Zealand's largest specialist sports shoe retailers. Now Chris and fellow directors Bruce Greenhalgh and Mike Mackenzie have launched a major franchisee recruitment programme to establish new stores with Wellington Central, Lower Hutt, Gisborne, Rotorua, Invercargill, Napier and Nelson being priority locations.

Chris confesses his enthusiasm for sports shoes has been with him since the early 1980s when he joined father Martin in the family business, Smith's Family Shoes in Auckland's Dominion Road. 'It's a rewarding industry, a technical industry with innovation, style and performance,' he says. 'Back then, our stock was evenly split between sports shoes and family shoes but sports shoes accounted for 85% of the sales. We dropped the family range, changed our name and in 1982 established New Zealand's first specialist sports shoe store. A few years on, Bruce Greenhalgh joined the business to lead the brand into Hamilton and Christchurch then Mike Mackenzie joined as a director and shareholder in 1990. Mike now heads the Auckland operation.'

CONFIDENCE AND EXPERIENCE PAY DIVIDENDS

The three directors aren't afraid to admit that they and the franchisees have put in a lot of hard work to achieve high levels of sales and income. Despite the recessionary climate, they resisted slashing marketing budgets and instead launched television commercials promoting their range of Adidas, Asics, New Balance, Mizuno and other brands as well as key consumer benefits. 'The push into television has really worked for our franchisees, delivering amazing value for every dollar spent,' says Chris. 'From the day 60 years ago when my



grandfather opened Smith's Family Shoes, marketing has been one of our strengths.

'But it's about much more than advertising. It's having the right products and brands, the right prices, the right locations and, most importantly, exceptional customer service along with the right attitude towards the business. A Smith's Sports Shoes franchise isn't just an "open up in the morning and lock up at the end of the day" style of retail business. Many of our franchisees get involved within their territory supporting local sports teams, schools and community sporting events.'

ON YOUR MARKS...

A Smith's Sports Shoes store can be an excellent husband-and-wife business or run very successfully by a sole owner employing staff. 'An interest in sport helps but ahead of that I'd put a passion for providing the kind of service that brings customers back,' Chris explains. 'On average, each customer returns three times a year, so it's vital to make sure they are happy. It's all about interaction. We encourage franchisees and their staff to make full use of our specialist technologies such as video gait analysis using Silicon Coach software. We were the first specialist sports footwear store in New Zealand to analyse how a person's foot behaves during walking and running. We pride ourselves that the Smith's Sports Shoes franchise has one of the most comprehensive ranges available, and are confident that our stores are not only able to fit all customers with the correct footwear but also cover price points to fit into most customers' budgets.'

All of this expertise is taught to new franchisees during initial training to ensure they have knowledge of the key footwear components as well as an understanding of feet and biomechanics. There is also regular ongoing training to keep them up with the latest developments. A new franchise will cost around \$180,000 to \$250,000 to establish, including fees, sole trading area, stock and fit-out. Store size varies from 120 to 300sqm depending on location and assistance with site selection is included. Occasionally, existing stores are available with established goodwill.

'With 60 years' retail experience and 16 years' franchise experience behind us, we like to think we know how to help our franchisees make the most of their investments,' Chris concludes. 'As directors Mike, Bruce and I are so passionate about the industry and the Smith's Sports Shoes brand that we are already planning our 70th year celebration for 2019. That means any new franchisee can expect to deal with the same strong franchisor team for many years to come. If you're enthusiastic about sport and business, this is a great opportunity for you!' ■



THE TAUPO STORE (TOP) IS ONE OF 12 AROUND THE COUNTRY.

SMITH'S SPORTS SHOES DIRECTORS (FROM LEFT) MIKE MACKENZIE, CHRIS SMITH AND BRUCE GREENHALGH

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