

NZX and Media release

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## Smiths City launching in Auckland with two new stores

*Stores on the North Shore and in Mount Wellington to officially open with a commitment to help Smiths City's customers and the communities in which the company operates 'live better'.*

Smiths City tomorrow (Friday 8 December 2017) officially opens two new stores in Auckland, underscoring its confidence that a trusted national furniture and appliance retailer offering a great customer experience can thrive in the face of strong online competition.

The opening of a store in Wairau Park on the North Shore and another on the Mount Wellington Highway is the culmination of a drive by Smiths City to capitalise on the strong long-term growth opportunities it sees in the upper North Island.

The Auckland stores, and another recently opened in Whangarei, were part of the Furniture City chain, which Smiths City acquired last year. Their refurbishment and rebranding under Smiths City's new 'live better' format follows the opening of new stores in Taupo and Hastings.

"The upper North Island, and the Auckland market in particular, offer strong long-term growth prospects. Demand for housing, a key driver of Smiths City's sales, continues to outstrip supply, while the region's long-term economic prospects look good," says Smith City Chief Executive Roy Campbell.

Mr Campbell said the 'live better' livery, which is being rolled out across the retailer's 33 Smiths-City branded stores, had been developed in response to changes in the retail market including the rise of the online channel.

Already the new format is delivering results for Smiths City, which next year celebrates its centenary. The Whangarei store, which opened under the Smiths City brand in early September, is generating sales 17% ahead of the same period a year ago, when it traded under the Furniture City brand. Meanwhile, the Hastings store, the first Smiths City store to open in the city, has carved out a good share of the local market despite strong competition.

"The rise of online shopping has resulted in much greater price transparency and significantly intensified competition. Traditional 'bricks-and-mortar' retailers must not only embrace the online channel, but also make the most of the in-store experience, which cannot be matched by online-only competitors," Mr Campbell said.

"In our core categories of furniture and appliances, the instore experience is more important than ever. Customers in these core categories want to touch and feel products before they buy. They want to sit on the

sofa, test the comfort of a bed and see whether their chosen fridge has all the storage compartments they need.

“Good service, no-fuss delivery and the confidence that customers can talk to someone ‘just down the road’ are qualities that are highly valued by Kiwis. Combined with Smiths City’s point-of-sale finance offer, they will beat a good deal from an online-only retailer, hands down. We are excited by the opportunities in Auckland.”

The new stores have been designed with the customer experience at the top of mind. They offer wide aisles that give customers quick and easy access to the departments they want to visit. Each department is colour coded so they can be easily identified. Furnishings are also displayed in ‘lifestyle sets’ to show customers how a new sofa, bedroom suite or dining room table may look in the home.

The ‘live better’ brand also carries with it a commitment to help its customers and the communities in which Smiths City operates live better. Beyond the retail offer in the store, Smiths City is making good on this promise by offering its support to a variety of charities including Ronald McDonald House South Island and Cure Kids, the largest funder of health research outside the government sector. This support will extend to offering \$1 reserve auctions on a range of appliances and home furnishings at the Auckland stores.

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### **About Smiths City Group Limited**

Smiths City Group (NZX.SCY) was founded in Christchurch in 1918 and has a proud tradition as one of New Zealand’s oldest and largest retail chains. The company floated on the stock exchange in 1972 and operates 36 stores (including 3 clearance centres) nationwide. It also operates the Smiths City Finance, and the Smiths City Commercial businesses. On the web: [www.smithscity.co.nz](http://www.smithscity.co.nz) and [www.smithcitygroup.co.nz](http://www.smithcitygroup.co.nz).