

## SATURDAY BUSINESS

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The Gucci store at Pacific Fair.

## Gucci sets sights on top spot

ITALIAN fashion house Gucci says it wants to reach €10 billion – more than \$A15.5 billion – in annual sales and replace Paris-based Louis Vuitton as the world's biggest luxury label.

The Gucci brand is reaping the benefits of a radical makeover under designer Alessandro Michele, with a flamboyant style that has won over fashion fans and helped sales surge.

Gucci, part of the Kering conglomerate that includes other labels such as Saint Laurent, expects eventually to overtake its peers including mega-brand Vuitton, owned by Kering's French rival LVMH Moët Hennessy Louis Vuitton.

"We're in the same league ... The question is not if, but when," Gucci chief Marco Bizzarri said at a strategy update yesterday.

Last year, Gucci chalked up €6.2 billion in sales. That meant it came in behind Vuitton – estimated by analysts to bring in more than €8 billion – as the luxury industry's number two, in close contention with a few others, such as Hermes.

The luxury industry, fuelled by Chinese demand, is expected to pick up pace this year, with global revenue forecast to expand 6 to 8 per cent, according to a report by consultancy house Bain & Company.

## YOUR BUSINESS

# Yatala firm switches to ITS priority

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A GOLD Coaster is making his mark around Queensland with a fully-charged electrical business that taps into growing demand for so-called "intelligent transport systems" (ITS).

Yatala-based Mi Electric was started by ex-New Zealand Navy electrician Jason Morris in 2014.

Mr Morris made the jump across the ditch in 2007 after scoring a job with infrastructure maintenance and engineering company Tenix.

"Auckland is cold eh? I got sick of the weather so I packed up and moved over here," he said.

"That was after seven years' in the NZ Navy. I was electronics but I sub-branched into light weapons. I looked after all the anti-aircraft guns, torpedoes and all that stuff. I went to East Timor and the Solomon Islands on peacekeeping activities."

Mr Morris said after working for Tenix and other companies, he began to see an opportunity to launch his own firm specialising in road lighting, traffic signals and ITS.

"I saw a gap in the market," he said. "I wanted to work for myself. I could see where things were heading in the

electrical industry. We were putting a lot of stuff in the ground a few years back. Running conduit cables in pits and such, and now we are using those same connections for housing fibre, cameras, and speed limit signs."

Mr Morris said he first had to get "runs on the board" and did this through heading out west.

"We picked up a contract to do the only set of traffic lights in Nanango through contacts I had working in the industry for many years," he said.

"We moved from Nanango to a project in Roma. We did the conduiting – civil electrical work – for an industrial estate out there. We spent three or four months out there."

Mr Morris said the jobs, which required him to be away from his then-pregnant wife Mandy, were tough, but worth it to establish credibility for his fledgling firm.

"I got out to Roma and India had just been born. That was difficult at the start. But, we had to get runs on the board, we had to get credibility, before we could come back into town and say we can build this or that."

After moving out of his home base at Mermaid Waters to a serviced office in Bundall, Mr Morris picked up a significant

project with the Department of Transport and Main Roads in Gympie.

"We managed to pick up some work with TMR around Gympie. We placed ourselves on a panel with TMR in the Wide Bay-Burnett region. We picked up a big project which ultimately led to us establishing an office in Bundaberg. That was in 2015."

The company has been on a steady growth trajectory since then. Last year it moved from a strata unit in Yatala to a massive 1135 sqm warehouse and 261 sqm office in the same industrial suburb.

Mr Morris said he sees further growth in ITS.

"This is all the managed motorway systems, the speed limit signs, and the variable message signs. The CCTV – the closed circuit televisions that provide visibility back to the traffic management centres."

Between November last year and February this year, Mi Electric installed two full-colour variable message signs – one near the Sundale Bridge, and another near Tedder Ave, Main Beach, to convey information to motorists for the Commonwealth Games.

He said an expansion to NSW is on the cards next year.

### MI ELECTRIC

Established: 2014  
Staff: 80 (10 in Bundaberg)  
Base: Yatala, office in Bundaberg  
Business: Industrial and commercial electricians, providing road lighting, traffic signals, intelligent transport systems, and lighting services from Cairns to the Gold Coast



Jason Morris runs Yatala's Mi Electric, an industrial and commercial firm providing road lighting, traffic signals and intelligent transport systems.

Picture: RICHARD GOSLING



John Christensen appeared at an inquiry into the franchise sector.

## Aust Post franchisees stamped out

GLEN NORRIS

AUSTRALIA Post has been embroiled in the parliamentary inquiry into the troubled franchise sector with one franchisee claiming he was left destitute after the government-owned corporation decided to close its franchise network.

Robert Rippin told a hearing by the Parliamentary Joint Committee on Corporations and Financial Services in Brisbane yesterday that he initially wanted to sell the business back to Australia Post when

his wife died in 2011 but was told he would receive nothing back.

"I was told to keep running the business for the 10 year period of the agreement or hand it back for nothing," said Mr Rippin, who owned a post office on the outskirts of Adelaide.

Later when the postal giant decided to close the franchise network it initially offered him \$300,000 for the business he had bought for \$490,000. He also had paid \$1.8 million in franchising fees while running

the shop from 2007-2015.

It eventually bought it back for \$490,000 plus another small payment. Mr Rippin said that following the death of his wife, Australia Post had changed the franchising agreement to reduce commission fees, equating to a loss of \$140,000.

"I have been left financially ruined, with no home and no super," said Mr Rippin.

Another Australia Post franchisee John Christensen, who ran an Australia Postshop at Coorparoo until 2011, said he

initially bought the business because he was told Australia Post was privatising more than 100 corporate post offices to build a large franchise network. Mr Christensen said Australia Post did not disclose that it had a binding enterprise bargaining agreement with postal unions to only open 20 franchise stores.

It announced in 2014 it was planning to end all franchise agreements. He said the business was profitable and he would have continued operating it if he was allowed to.

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## BUSINESS INSIGHT

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# Welcome solo travellers to boost bookings

THE Gold Coast is widely known and marketed as a family-fun destination, and for good reason.

With its theme parks, resort life, and sun-sand-sea reputation, the city is in high demand by families.

Yet there are other types of visitors to the Gold Coast, so it's important to understand how and why tourists differ. For example, travellers can be differentiated by their country or region, by demographic factors such as age and gender, or by motivations and activity preference including why they travel and for what purpose.

One 'niche' group I have been studying for some time is solo travellers. These are the tourists — both women and men — who travel alone. Often times this is by choice, sometimes it's by circumstance. People may travel on their own for business or leisure. The web-based company Solo Travel has noted that around one-in-four people want to travel solo in the next year. And according to research by Booking.com, Australia is the number one destination for solo travellers.

So, why do they do it? For my own research, I spoke with 40 women solo travellers, and the reasons for going it alone are varied: for adventure, a sense of independence or empowerment, because they prefer their own company, or sometimes because they simply can't find someone else to go with (or that they would want to go with)! Paradoxically, travelling on one's own can also be a great way to meet other people.

Three things to know about

solo travellers:

1. They don't want to pay for two: It is still surprisingly difficult to book a single room in a hotel or on a cruise ship, and to not be charged the same as a twin/double/family room (the 'single supplement'). With increasing numbers of solo travellers, the pricing mechanisms need to change, too.

2. They want to be welcomed, not ostracised: No doubt we've all had that awkward experience where the restaurant hides us because we're eating on our own, or of feeling like the odd one out

**“ACCORDING TO RESEARCH BY BOOKING.COM, AUSTRALIA IS THE NUMBER ONE DESTINATION FOR SOLO TRAVELLERS**

when surrounded by families and couples. Make your solo travellers feel welcome from the start, and you will earn their trust, and their money.

3. Understand your solo female travellers: First of all, recognise that you do have solo female customers. At a particular capital city hotel, I have twice had the experience of being welcomed on the in-room screen as 'Mr Wilson'. Research shows that the majority taking solo journeys are women.

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## Bubs lifts China profile after deal with eCommerce giant



Bubs Co-CEO and managing director Kristy Carr with commercial director Nicholas Simms.

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INFANT formula maker Bubs Australia has significantly increased its potential market in China by securing a deal to sell its products on China's largest e-commerce platform, Alibaba.

Alibaba has 580 million monthly users across its apps. "Alibaba is one of the largest retailers in the world," Bubs Australia founder managing director Kristy Carr said on Friday.

"This is therefore an important milestone in the evolution of our cross-border e-commerce strategy, that will significantly broaden our reach to Chinese parents."

Bubs Australia has now launched a flagship store on Tmall Global, one of Alibaba's platforms Bubs Australia said mother and baby products are the second largest category on Alibaba, spearheaded by infant formula.

"As the only Australian vertically integrated producer of goat milk infant formula, we will be in a unique position to offer Chinese parents comfort that we have complete control over the quality and scalability of our supply chain back to the farm gate," Mrs Carr said.

Bubs, which already this week had agreed to supply China-based New Times Asia in a deal that more than doubles its annual sales revenue, also said on Friday that it has also applied for the licence it needs to sell Chinese-labelled products in stores in China.