

Coles, TZ lock in home deal

Michael Hobbs

Supermarket chain Coles is looking to expand its online Click & Collect refrigerated locker pick-up service across NSW and Queensland after a trial in Victoria proved popular.

Coles online general manager Keith Louie said the trial at the Coles Express in Windsor, Melbourne, which began in May, was a hit with shoppers and half a dozen more refrigerated locker units would be rolled out across those states early next year.

"Demand has been solid and sufficient enough that we have an opportunity and will therefore consider an extended trial," he said.

The initial trial included two refrigerated locker units that were installed at a Coles Express along Dandenong Road. According to Mr Louie, customer feedback suggested the heavy-duty key locks could be enhanced with a pin number panel.

"We wanted to keep things simple with this approach but our customers said 'this is a great concept but if we have to queue for a key at the service desk because it's busy then that detracts from the overall attraction of the offer,'" he said.

Coles has partnered with fastening technology provider TZ Limited, which is chaired by Wizard Home Loan founder and host of television's *Celebrity Apprentice*, Mark Bouris, to provide a more efficient lock and collect service.



Boxing clever . . . Mark Bouris with the patented container. Photo: NIC WALKER

TZ Limited's subsidiary, TZI Australia's customised SMART Device system and software, will be integrated with the Click & Collect refrigerated lockers, which lets Coles send customers a pin via an SMS or email. This allows them to pick-up their goods from the lockers any time.

"We can send access codes that allow consumers to roll up to the unit, punch in a code and go home," he said.

Coles's Click & Collect service offers different options for consumers including home delivery, pick-up

from 37 stores nationwide and now the refrigerated lockers.

"This next stage will be the final test model and if that goes well then we'll look to roll it out much further. It would be a considerably larger number," Mr Louie said.

Mr Bouris said the fastening technology was not exclusive to Coles and could be rolled out across a number of shopping brands.

TZ Limited's fastening technology is being trialled by Australia Post in Sydney, Brisbane and Melbourne. The initiative allows consumers to

pick up parcels from a particular locker any time. Mr Bouris said TZ Limited was also looking to expand the technology to households.

TZ Limited has redesigned the traditional letter box so it can hold and protect delivery packages. Using a swipe card or pin to open the box, delivery and postal services can drop off packages to front doors without clients' presence or signature.

When the delivery is made, the box locks and a text message or email is sent to the consumer who can use a pin to open it remotely or in person.

"The excitement and convenience of online shopping breaks down if the recipient is not available to receive the package when it's delivered," Mr Bouris said.

TZ Limited showcased the technology with a prototype letterbox. TZ holds the patent. The technology can be designed to fit any house including the front door or front gate and can be installed in apartment blocks.

It also comes in three module sizes based on data that shows what the average family, single or couple buys.

The exact cost was not disclosed but the box and technology could fetch between \$500 and \$1000.

Mr Bouris said the group sought to link with a group like Bigpond or a delivery service such as Australia Post or DHL to help install the technology. "Whoever wants to have a foothold on what's going into your letterbox — that's who we want to partner with," he said.

Spotless on goal watch

Michael Bleby

It is not yet clear whether Spotless Group will reach the target it has set itself to boost profits, a key shareholder said yesterday.

The contract services company has been cutting costs and investing in new IT systems to raise its ratio of earnings before interest and tax to sales from just below 4 per cent to closer to 5 per cent.

While this was the right strategy, it was unclear whether it would work, said Simon Marais, the managing director of Orbis Australia, which has an 8.33 per cent stake in the company.

"Whether they will be successful is very difficult to say at this stage," Mr Marais said.

"You get it a little wrong and you take a big hit on profits, you get it a little right and growth is huge.

"This is obviously what the private equity guys see — if we can get the margins up just 1 per cent it will make profits much higher."

That potential has attracted would-be buyer Pacific Equity Partners, but it is still unclear whether it will be met under the board or under a private equity owner.

Spotless chairman Peter Smedley earlier this month dismissed PEP's \$2.63-a-share approach, saying it was too low.