

NETWORK VIDEO

Muswellbrook

NSW



At the Counter

According to local Network Video operator Renae Smith, there's mining 'lots of mining' in NSW's Muswellbrook, a mid sized country town of around 18,000 people. The town's partially transient population of contractors and out of town workers all labour in the region's open cut mines, which are located in the Hunter Valley region, around two hours west of Newcastle.

"We don't have many family facilities, but it's very sports orientated for the people that are here", says Smith.

The town is also notable for the 2009 arrest of perhaps Australia's youngest armed robber, a ten year-old local who robbed Smith's store and the local Harvey Norman at gunpoint.

Q&A

What brings people through the door?

We have cheaper days on Monday, Tuesdays and Wednesdays – any three new releases for \$9.95. We have internet cafes, our confectionary range is good, and our staff are really friendly. A few of our customers say they come here because of our staff.

Which title rents/sells its pants off?

Any really good comedy movies, something like *Friends With Benefits*.

Most popular genre?

Comedy and Action.

Celebrity customers?

Not so much that I can think of lately because it's not that sort of a town that people come through.

Most bizarre behind the counter experience?

Our store was held up by a 10 year-old with a gun. It was a replica pistol, but the staff who were on couldn't tell that at the time. You can Google the story.

Is Blu-ray strong for you?

We're really building our Blu-ray library, we tend to lean a bit towards AAA blockbusters rather than smaller titles because they need the promotion. It's probably not the most profitable at the moment, but we've got the option there for customers. We have a 3D Blu-ray section as well, because that's the way of the future.

Best non-disc related sales product?

We have American Candy and American Ice-cream, and we really try to push the point of difference. A lot of business people, contractors and miners use our six bay internet kiosk.

Is piracy a problem for you?

Yes and no. I think it's a problem everywhere, but with the miners disposable incomes not really an issue for them.

What's the size of your store?

It's around 200 square metres. No-one in their right mind would have put a video store in it!

Business breakdown

Who are your customers (demographic)?

Miners, contractors and families. We really push the idea that if you've got four kids a trip to the movies will cost you \$110 for tickets, popcorn and drinks easily. In our store you can get two movies, two Cokes and popcorns for \$25.

How has the rental market been performing over the last 12 months?

I don't think it's too bad. Our store's picked up, but we've done a lot of things. We've invested in a shop fit-out the front. Where a lot of stores are holding back and not buying as many copies of movies, we're actually buying more and trying to put them through as ex-rentals. Our figures have increased, we've probably doubled in the last 12 months because we did spend a bit of money to make the business look like a great movie store, and we knew what we were doing.

Our closest cinema is around 50 kms away. We don't have a cinema in town. A Big W and Video Ezy are our only competition.

What's been the key to your store's success?

We diversified, we don't just do rentals. We do ex-rental, new movies, custom orders on a two day turnaround, we're involved with facebook and our website. We push the difference, we make sure that we always have specials, and try to cater to all our different markets.

We've got other plans to put a small convenience footprint in, and we've got the room to do that as well. We also

About the Owner

Prior to her work in Home Entertainment, Renae and husband Daniel worked for a Caltex company moving between different service station sites as managers.

"Then we got into a newsagency and the people that owned the lease on the building owned the local Blockbuster," says Smith. "A year later they basically said they were willing to shut it down and walk out. We paid for their stock and computer system and have turned it into a really viable business."

Currently Renae works a job at the local coal mines, in addition to managing her store from afar.

have slushee machines and a coffee ordering service. If it was just movies, we wouldn't survive.

Do you have a business strategy that supports this?

We really push the fact that being Network we are the movie people. Our staff really live that motto, so they're very passionate about what they do. They could sell ice to an Eskimo. We try to sell an experience not just a movie, but you can't have a business without great, passionate staff.

What advice do you have for other store owners?

They have to be passionate about what they do. Your customers know if you're not into it, and then they're not into it. You have to be involved in the industry, and know what's going on.