

Wal-Mart jumps at Kiwi firm's kiddy cart

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Auckland-based Cabco Group has found a way into the US retail market with a kid-centred shopping trolley.

The TV Kart lets children watch television as they're wheeled around the supermarket.

Cabco developed the child-friendly trolley six years ago. It has evolved from a child-shaped cart, which occupied youngsters for 20 minutes, to showing TV programs, which can keep kids' attention for an hour. Research shows the average shopping trip takes 58 minutes.

The shopping trolleys feature an LCD screen with a chip containing two hours of programs. If a child is content, mum or dad will shop longer, and this translates into more profit for the store.

Each trolley is estimated to add \$15,000 to \$20,000 in sales annually. Cabco has just signed a deal to provide the trolleys annually to US retail giant Wal-Mart.

Cabco CEO Doug Bartlett says: "We don't sell the carts. We supply carts to the stores for free." The company makes its money by renting the carts for US\$1 per shopping trip.

One of Cabco's 15 US employees will collect the rent each week from the stores. Cabco has contracted MAG Assembly Ltd in Auckland to produce the carts. It's churning out 15 a day and will significantly increase this figure next year.

Bartlett expects to supply up to 10,000 a year and hopes to have 35,000 trolleys on the world market in six years. Then they will need replacing, generating more business.

The carts are in 17 supermarket chains in New Zealand, Australia and the United States. They are being exported to Wal-Mart in Texas, Nevada and Illinois, and the HEB chain, similar to Pak 'n' Save, in Texas. "Feedback is always positive," Bartlett says of parents' response to the carts.

The only downside is matching the number of carts to the need. Too many are available on Mondays and Tuesdays and too few on weekends. Bartlett says Cabco is turning over \$4.5 million annually and he's aiming for \$50 million - \$100 million in a couple of years.

Sales are increasing every week, he adds.

Several years' more development is envisaged to perfect the carts.

They will evolve again in six months, Bartlett estimates, with the addition of interactive buttons.

The goal is to please the parents. If they're happy with the carts, he reckons the supermarkets will keep the orders coming.



Happy kids translate into dollars