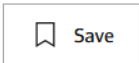




Super stores

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Despite all the products that promise verve and vigour, the wellness industry lacks business dynamism. But if the entrepreneur Philip Weinman has his way, that is going to change. Weinman, the chairman of the online training company MindAtlas and director of Catalyst Recruitment, has joined forces with Tony Uechtritz and his brother Richard, the founder of the listed JB Hi-Fi, to create a chain of retail superstores to sell vitamins and sports nutritional supplements. They plan to apply the successful JB Hi-Fi discount specialist model to the estimated \$800-million market for vitamins and sports nutritional products.

After 12 months of market research, the first VitaminMe store will open in Elizabeth Street in Melbourne's central business district in July. The stores will be large - 80 to 100 square metres - and full to the rafters with products, handwritten signs and a discount-store feel. Weinman hopes each superstore will have sales of between \$5 million and \$10 million a year. There are plans for six in Victoria, then more in the other states.

The vitamin retailing industry is fragmented. Supermarkets and pharmacies distribute between half and two-thirds of vitamins, and the rest are sold through independent stores. The small chains are growing through acquisition and franchising. The biggest of these is Healthy Life, part-owned by Jim Selim, founder of the troubled vitamin maker Pan Pharmaceuticals. After acquiring 10 DVC (Discount Vitamin Centres) stores in New South Wales and Victoria and 20 Natural Alternative Shops from Mayne Group, the Healthy Life chain has expanded to 130 stores nationally.

GNC LiveWell was recently acquired by a company listed on the Singapore stock exchange, Global Active, a subsidiary of another Singapore firm, OCIM. The new owners of GNC LiveWell plan to expand the chain of 35 stores to 130 within five years by franchising. These specialist chains are minnows in a growing market, but there still seem to be opportunities for well-funded retailers to create branded specialist chains. This is what Weinman and the Uechtritz brothers are planning to do.

