

opinion

CWB SPEAKS TO TWO CHILDRENSWEAR E-TAILERS AND AN ONLINE EXPERT TO DISCOVER THE INS-AND-OUTS OF GOING FROM ONLINE ONLY TO MULTI-CHANNEL RETAILER.



CLAIRE WHITTINGTON AND NICOLA KING
Owners, allthingscute.co.uk

Was it your intention to start online and then open a shop?

We always hoped in time we'd open a bricks and mortar shop but felt it was essential to build our online business first. We also had to consider at the time we started that our local area was well served by three independents. We started online in September 2007 and since then one of those boutiques has closed. Throughout 2008 and 2009 we established excellent growth of our online business and started our search for bricks and mortar in January 2010. The store [All Things Cute in Quorn, Leicestershire] will open early September.

What are the differences in starting online and then opening a shop rather than the other way around?

Most shops establish an internet business purely to boost sales of existing stock and don't view them as separate markets. It would be a mistake for us to assume our online business can just port into a shop without any changes to our stock portfolio. We've looked at the products currently available in the local area and reviewed our portfolio, increasing our stock commitments by five new brands that will initially feature in the shop only. Establishing an online-only business is a real challenge as some designers and agents are still wary of supplying internet-only accounts. We owe great gratitude to our agents who supported us throughout and recognised we had a sound business.

What tips do you have for other e-tailers thinking of opening a shop?

Consider the markets as they're very different and if the shop location is likely to attract the right customers for your stock and how to manage stock control. We're implementing a linked EPOS solution to our internet ordering.



DEBORAH COLLIER
MD and chief strategist,
Echo E-Business

What are the differences between starting as an e-tailer and opening a bricks and mortar store and vice-versa?

Establishing an online store is far less costly. Online merchants can access a larger global market quickly and attract customers at a lower cost using online marketing. Customers who visit online can then be enticed in-store to view, try and touch goods. Bricks and mortar shops, depending on their size, traditionally have a more localised loyal client base who may be converted to online buyers. The online store is essentially then a means to widen the retailer's audience, increase sales and reduce costs.

How can these two retail channels best support each other?

Whatever channel – bricks and mortar shop, mail order or online – each should be a seamless ordering experience. A customer may see products online but wish to see them up close before making a choice. If they see clearly there's a shop they can visit, they can do so and purchase in-store. Similarly, a casual browser visiting a shop may decide to buy online later.

What tips do you have for e-tailers thinking of opening a shop?

Ensure the location is clearly advertised on your website and give customers a reason to visit, such as a product launch or an entertaining in-store experience. Consider how innovative digital technologies might be employed in-store to aid the purchasing experience and ensure your brand identity in store matches your online brand. Costs can be cut and efficiency greatly improved by employing integrated systems for merchandising and stock management. Logistics and delivery also need to be carefully and centrally handled, ideally using one integrated system.



LEANNE STEWART
Co-owner, Peace and Jam,
www.peaceandjam.co.uk

Was it your intention to start online then open a shop?

No, it hadn't really been in our initial business plan. However, as our label portfolio grew, so did our need for storage and it seemed a natural progression to combine a larger storage area with opening a shop. We knew from our online trading history that a bricks and mortar store in our area [Glasgow] would do well as we were offering labels and product that were in demand and not readily available in the city.

What are the differences between online-only and multi-channel retailing?

The obvious one is the face-to-face contact with our store client base; sometimes online interactions can be quite impersonal. The shop allows us to showcase our labels and talk in-depth to customers about the fit and quality of items, which can be hard to get across online. On the flip side, the website allows us global exposure and caters for out of town customers and those familiar with the labels who want to shop at their convenience without the need to travel. Another big difference having the shop is the restriction in working hours; there was definitely more flexibility when operating an online-only service.

What tips do you have for other e-tailers thinking of opening a shop?

Research your trading history to ascertain demand for your offer in your locale. You may have a lightbulb moment when you see you've a lot of sales coming from a specific area, which may be somewhere you'd flourish. One of the major pitfalls is definitely the cost. From the shop-fit to overheads, they soon mount up, but so far the positives have far outweighed the negatives for us.