

ABi's series of 'Fact Sheets for Retailers' provide concise information on the key topic areas that impact on business success within the retail environment. Each fact sheet highlights the key issues and provides practical advice on the given topic.

If you would like any further advice on any issues relating to this fact sheet then please contact us. We will be delighted to help.

ABi Associates Limited is recognised by clients, businesses and agencies as one of the country's leading business development companies. We have over ten years of experience and expertise in providing business support to small businesses to help them succeed and grow.

Today's fast paced, competitive and chaotic consumer world provides a multitude of challenges for retailers. ABi offers a diverse range of unique, innovative and tailored business services to meet these challenges. These services include business diagnostics, training, sign posting, market planning, specialist consultancy and networking events. Whatever your business challenge, we will show you a way of meeting it effectively.

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Independent retailers and the internet



We hear a lot these days about how sales on the internet are growing. But is it really a way for independent retailers to secure and grow their businesses?

This review examines three approaches to using the internet for retail. These should help independent retailers consider whether it is right for them.

The three approaches are:

1. Raising awareness
2. Selling through auction sites.
3. Setting up your own web site for sales

Of course, these three approaches are not mutually exclusive. In fact, they can be complimentary.

Nor do they exclude other approaches and strategies so think carefully about how you can use the internet to work for your shop.

1. Raising Awareness

People increasingly use a search engine on the internet to look for the products that they want, even if they do not want to make an online purchase. So make sure that you are listed in any relevant online directories – certainly the free ones. You should be very careful when considering online directories that require payment: look for reliable evidence that a listing will bring you increased business before parting with any cash. Some people will make extravagant claims that should not be believed.

Make sure that your complete postcode is easy to find on the net. With a postcode, there are many sites that will show people your exact location in seconds. It is much more difficult to locate your business if people can only find your address without a postcode.

Also, look at whether your neighbours are listed in directories or appear elsewhere on the internet. This is especially important if you are dependent on passing trade – if you have solicitors, accountants, dentists, etc. as neighbours it is in your interests to ensure that they can be found on the internet – their surfers can become your passing trade.

In addition to directories, it can be free to get your name on the internet through reviews, local authority web-sites, news sites, blogs, press releases, and so on.

2. Auction Trader

eBay is the biggest and best known auction site – but there are others that serve particular localities and / or products.

First, some caveats:

- trading on auction sites is risky – the market is certainly very different to the one you are used to as a shop owner serving a relatively small customer base.
- not only are you competing against other professional traders, there are many, many others working on auction sites part-time, occasionally or as a hobby. Not all of these will have the same kind of expenses as you: not all will pay tax or be registered for VAT.
- traders say that 15% of auctions are won in the last few minutes of bidding. The busiest time is at weekends – which might interfere with your current activity. You will have to spend some time answering questions from bidders.

However, some online training is provided by auction sites and they do provide a lot of information about PayPal and other payment methods.

- online auctions will almost certainly expand your potential market place – depending on your type of business, that might have a beneficial impact on traditional trade, too.
- you will improve your chances of success with effective descriptions and well-presented web pages - use photographs (preferably colour) and detailed descriptions
- Make sure that you list your goods under the right categories. Many people search by keyword – so make sure you use the most appropriate descriptions – and get the spelling right
- A lot of auction customers look at the feedback left by your other customers – so make sure that whatever you send out is well-packaged and delivered promptly

But do be careful in the online market place: there are a lot of fraudsters out there.

3. Web site

What do you want your web site to do?

To some extent this is a question about your customers. What do your customers want your web site to be?

It could be:

- online brochure
- lead generator
- sales tool

Customers might want to check whether you usually stock a particular brand or line before 'phoning you or coming to your shop with an order, or they might want to confirm that the actual item is in stock.

They might want to browse your stock and think about which item they want: in this case they might need a picture and some product information to help them make the choice. You could write the product information yourself or you could have a link to the manufacturer's site.

Or you might want to have a full e-commerce site where customers can buy from you direct without contacting you personally at your shop or via the 'phone.

Make sure you get quotes from professionals when you are thinking of developing a web-site – particularly if you will be involved in e-commerce. There are a lot of people who claim to be able to build web-sites who are quite talented and make offers that seem very good value. But unless you are an expert yourself, you will not know how secure the web-site is and you do need to be confident that your financial transactions – and the financial details of your customers – are secure.

Don't forget that you can use your site to promote any online auction activity that you are involved in.

Conclusion

As an existing independent retailer, you have several sources of competitive advantage over the so-called 'dot com' entrepreneurs who enter the marketplace with so much noise and then disappear relatively quietly.

- For a start, you will already have a supply chain and a track record with suppliers.
- You might be able to take advantage of discounts for bulk buying not available to those without trading retail outlets.
- You might also have a relationship with banking services.
- You are aware of existing business legislation, tax and accounting practices.
- You will also have premises and a business address.

You must make the most of these competitive advantages if you are to become a successful online retailer – the alternative is hard, hard work and a considerable amount of risk.

ABi produces a range of Fact Sheets for businesses. The "Future of Retail" Fact Sheet provides additional information for independent retailers on this topic.