

Digitising all your selling opportunities - A case for thinking in the long term

by Vinny O'Brien

On 1st February 2021, the government announced a €55m grant with Tourism Ireland, aimed at bolstering the beleaguered, but critical economic sector. It was the latest in a wide-ranging number of grants being administered through government agencies over the last 12 months in particular. This type of support has existed for decades, but the sheer volume in 2020 was impressive.

In quarter four of last year, we counted over 70 available grants through agencies that could be utilised, if appropriate for businesses in Ireland. Personally, I have worked on the retail side of this grant process for over 3 years now and guided over 350 recipients in relation to how they should spend this funding in relation to their digital requirements. I am determined to deliver this article without mentioning the unmentionable, but the last 12 months has accelerated our online efforts anywhere from 2 -10 years in that period. The best statistics on this look like there was the equivalent compound annual growth rate of between 2- and 3-years growth across all categories during the period.

Grant aid and government supports play a key role in the growth of the SME sector in particular. In normal circumstances, there is time to build and understand the rationale and time to work with your regionalised representative to determine the best path forward. Last year that became survival, which meant, in my opinion, that decisions on spending were not wholly appropriate. Let me explain.

When we enter into survival mode, we make decisions based on a limited data set. Our thinking therefore is limited to that frame of reference. When I first worked in "multi/omni channel" retail with eBay in the UK, it was 2008, the last recession. This idea of expanding into new sales channels became the norm quite quickly. I remember working with Superdry and adding a sales revenue of close to £8m over a 9-month period on eBay, new, incremental revenue. Argos

have typically driven approx. £30m+ in this channel in the UK almost every year since. Yet in Ireland, we still question the validity of the brand, eBay. My point being, if we have a limited experience to draw on our solutions will be limited by this lack of experience.

When the global pandemic took hold in 2020 and funding became available, many didn't even reply (or apply?). I have learned that the best approach to this is to correctly diagnose the problem first. This enables true strategic thinking and gives us a pathway towards better investment decisions and the types of projects we should explore. Over the last 12 months, through a partnership I hold with BDO Eaton Square (part of a consulting arm of BDO Ireland), I have worked with over 20 brands/retailers in Ireland in helping shape those investment decisions. I have guided the projects and designed the strategies with them. I have witnessed the results, and this is my approach to where and how to use these government instruments.

Approach and considerations for projects

Invite your agency partner to come and do an analysis of your business, there is a lot that can be learned about your approach, business model and capability. This is the first step in understanding what is available to you.

Give ownership to an internal champion. This should be more than a title, this person needs to lead not just the project, but a cultural change. This role is critical to the long-term viability of the project.

Focus on business foundations. Jumping straight to advertising or selling first may not solve core challenges. Ensure an adequate portion of the spend has been allocated to getting processes, operations and financial structures in place to make this a viable and sustainable solution.

Think in the medium to long term. Designing a 5-year strategy right now is not the right approach, however, align yourself to projects and partners that have scope to grow with you beyond the project. The partners should be able to guide you past the immediate issue and help you to understand how the steps you take are appropriate for you in the long term. Do long term things with long term people.

Developing a digital plan is now a necessity. When we look to how consumers have responded, we can say confidently, that technology adoption across most sectors was welcomed. We will always have a need for "regular" business interactions, but our ability to manage digital and present good customer experiences will be the accelerator of growth and the foundation to strong customer experience. Regardless of sector or maturity, the idea of improved customer experience will be the barometer we need to watch closely.

eCommerce tools have become easier and quicker to deploy and there is an ever-increasing blurring of the lines of digital and regular commerce. Watch for the "e" to be dropped soon. And as a consultant in eCommerce, I can say it will be a positive step forward.

Companies such as Shopify have created a technology ecosystem that means that you no longer need to be a tech expert or hire a long-term development agency to deliver strong and robust solutions. Technologies are being delivered every day that require simple deployments, sometimes in minutes. This means you can learn quickly, keep costs down and test and learn with minimal risk. This type of approach is becoming the norm.

Patience. There is no silver bullet. We have to prepare to play the long game and realise that transition takes time. In Ireland we added over 5,000 new eCommerce businesses last year, in the UK that number was just shy of 100,000. The market is crowded, and advertising is more challenging.

More mature digital companies

Focus on optimisation and measurement. Using the tech approach mentioned above means that you can test more, quicker. Technologies such as Salesfire, Shopbox and Styla allow you to understand what people are doing on your digital properties and make decisions to affect change.

Optimisation is a key word to understand as it delivers on two fronts. Improving customer experience is beneficial to your end user and will be the reason they come back. But getting more efficient at delivering these experiences will keep your long-term marketing costs down and we have seen companies reduce their marketing costs by 40% and still doubling revenues over a 12-month period. This type of measured approach is possible with the right tools in place.

What are you doing to keep your customers? A clear retention strategy will come from really understanding your customers. We recommend proper customer profiling, surveys and segmentation as key areas in understanding how to build a retention strategy. Typically, we start with an internal desire and turn this into a customer goal. We need to understand that the customers point of view needs to be the guiding rationale and build your strategy around this.

A customer first approach is a universal and now mandatory approach for strong digital marketing.


Be where your customers are. Be prepared to work in channels that today maybe do not even exist. Instead of being multi or omni channel, we need to be open to the idea that our customers/consumers have many engagement points and that places a responsibility on us to be where our customers are. Creating a catalogue that is easily adaptable to channels is key and remember anything that can be digitised now as a product, will be. It is expected that Amazon will open their Irish distribution centre and by extension become competition for everyone trying to grow in eCommerce in Q1 or early

Q2 2021. We need to plan for working with Amazon, not looking the other way, in hope.


Let's talk Amazon briefly. There are many ways to work with Amazon and I have been doing this for 15 years. Yes, it is big and time consuming, but treated as a proper channel, can provide a global outlet for your products. Amazon will measure you on those pillars I wrote about earlier, this is their essence, so fail to prepare, prepare to fail. Marketplaces present a wonderful opportunity to test your market assertions. If you cannot do it on Amazon, chances are you will struggle on your own site too.

Finally, the race for talent is going to be a considerable challenge in 2021.

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The sheer volume of requirements means you may need to hire agencies in the interim. Hiring policies need to be reviewed and domain expertise sought. This is where the challenge lies in 2021. If 2020 was the year of survival, then 2021 will be no different.

Homegrown

There is a huge number of tech companies in Ireland who provide all the solutions we need now and are providing world class solutions, across all sectors – Sensorpro – email marketing, Webio – Conversational commerce and chatbots/payments, Flexifi – flexible point of sale payment options and many more.

But we don't need to look too far beyond our doorstep to deliver what we need, we just need to look in the right direction.

Summary

Government funding options are providing a lifeline to organisations that didn't have investment capital to start on their journeys. This funding should be seen as a stepping-stone to something better or the step you felt you couldn't take.

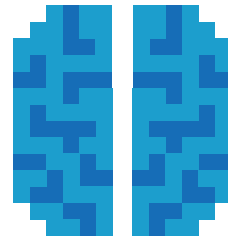
These grants should not be considered in isolation and the possibility of qualifying more than once should be discussed and worked out. This is our approach. Ongoing funding is required

beyond the project. All government agencies will want to see a coherent vision with measurable impacts along the way. You should think about your project in same way.



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Vinny O'Brien is one of the UK and Ireland's leading eCommerce experts, with specific expertise in automotive, fashion, hard goods & home and proven results with FTSE 100 retailers, eBay and FMCG brands like Pepsi. Vinny lectures in eCommerce across the UK and Ireland, he is an investor and advisor in DTC eCommerce Start-Up, Crua Tents and Irish Auto Parts and is also an expert in Six Sigma and LEAN.



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