

TRADE APPLIANCES

By developing an innovative e-commerce strategy, Trade Appliances has expanded from being a local retailer of built-in kitchen appliances to one of the country's leading independent retailers in this sector; it now offers a catalogue of more than 5,000 products from the world's leading manufacturers.

OBJECTIVES

As the housing market recovered from the 1980's crash, people began to invest in property again and as a result, the kitchen appliance market grew rapidly. Trade Appliances recognised this trend and was determined to establish itself as the leading national supplier to this burgeoning market for built-in kitchen appliances, such as range cookers, ovens, microwaves, dishwashers and refrigeration products.

The company already had showrooms in Nottingham and Derby and it was keen to capitalise on this nationwide boom. To do this demanded a rapid rate of growth. Founder Mark Fawsitt recognised that e-commerce offered a realistic and low cost alternative to opening a chain of showrooms one by one and would enable the company to achieve all of its objectives.

SOLUTION

After considerable research, Trade Appliances produced a detailed specification and commissioned a contractor to design and deliver a bespoke e-commerce and e-business solution.

The website now offers an online ordering facility for any of its 5,000 products, each of which is displayed with a photograph and a full product description. Customers are able to visit the site at any time, browse for the products they require and place orders at their convenience. Although more than 80% of orders are now generated via the website, customers are also able to place orders by phone or in person at one of the company's four showrooms.

Both the company's staff and its online customers use the same core system to enter orders. These are processed in the same way through the company's online back office system and details are sent to the dispatch department for fulfilment. This has created a fully co-ordinated operation and a unified level of service.

The system has speeded up the entire order process and has eliminated the need for paper copies of order documentation, as information is now stored on an online database which is updated as the order progresses.

The database can also be used to create a wide range of management and marketing reports. These allow managers to

Best practice in:
E-trading, e-business

Sector:
Other

Size of firm:
75 employees

Location:
Huthwaite, Nottingham

Website:
www.trade-appliances.co.uk



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EMMA LOWE – E-MARKETING MANAGER

identify cost prices or profit margins, and obtain real-time information about distribution and stock levels. This also improves the purchasing structure and communication with suppliers. Instant awareness of buying patterns means that the company can recognise trends and source additional items at advantageous rates.

“We approached the implementation of the e-business strategy in the same way we would for developing any other aspect of our operation,” said Emma Lowe, e-Marketing Manager of Trade Appliances. “We undertook an intensive period of research and development and invested a substantial amount of money to ensure the site was aesthetically pleasing, easy to use and offered total customer satisfaction.”

Critically, the company has invested in disaster recovery and back-up systems. The entire database and website are mirrored at a second location, and if the primary host be destroyed, a signal is transmitted to the mirrored host and the website will be automatically restored in a matter of minutes.

Trade Appliances has also used the site to provide a comprehensive range of benefits to its customers. Customers are now able to contact Trade Appliances’ staff to get further information about any product using the online ‘call-back’ and ‘information request’ services. The company answers all queries on the same working day, providing they are received in office hours.


Once an order is placed, customers are kept informed about order progress by e-mail and SMS text messages and through the online order tracking system. Eighty per cent of all correspondence is now sent by e-mail, which has reduced stationery, printing and postage costs, as well as cutting response times. Even so, Trade Appliances still believes that the personal touch is extremely important and every customer is telephoned an hour before delivery to confirm that the delivery time is convenient.

RESULTS

Perhaps the most vivid illustration of the effectiveness of Trade Appliances’ e-business strategy came in September 2003, when a fire swept through the company’s headquarters and warehouse. A total of £4m of damage was caused destroying the entire stock, administrative equipment and all the delivery vehicles.

Fortunately, because the web-based system was physically separate, it was safe. “The back-end part of the website was unaffected by the fire, so we still had a complete record of all





orders, transactions, stock levels and delivery schedules. By Sunday evening, less than 15 hours after the fire broke out, we had managed to contact every customer whose order might be effected," explained Emma. This customer focus won sympathy and less than 1% of orders were cancelled and these were due to time constraints rather than the company's handling of the situation. Trade Appliances was able to start trading again just 24 hours later and even went on to record its best-ever monthly sales figures.

Helped by a proactive marketing strategy, Trade Appliances website now receives more than 11,000 unique visitors every day, compared to 5,500 the previous year. In the last financial year, the company's turnover has increased by 100%, to top the £23 million mark, and more than 30% of all orders are now generated by customer recommendation.

In recognition of its success, Trade Appliances was the Overall National Winner and Winner of the National category for e-trading, at the DTI and InterForum Awards for E-commerce, 2004.

CHALLENGES

As the site has become more successful, Trade Appliances has expanded its product catalogue to meet overwhelming customer demand. The sheer number of products available through the site has now presented a problem because it can appear slow to customers, especially to those without broadband.

"The number of products listed in our online catalogue makes it difficult to minimise download times," said Emma. "We have purchased more bandwidth and moved the website to a faster server. We are also working hard to reduce image sizes and speed up download times."

In addition, the company utilises the information provided by the online database to identify trends – it then moves the most popular items on to its homepage to help make life easier for visitors.

The company is committed to customer service and it has enhanced its internal customer care procedures so that if a customer can be contacted by phone instead of e-mail and if a product they have ordered is out of stock to confirm whether the delay will be convenient.

"We recognise that a small percentage of people remain wary of shopping online. For this reason we have redesigned the front-end of our website to help increase awareness of the security measures in place." comments Emma.



Top tips:

- Formulate a business plan which clearly defines every step required to meet long-term objectives and back it up with substantial investment in time and money.
- Treat the internet and e-commerce like any other aspect of the business: have realistic aspirations and enough investment to support continued growth.
- Use a combination of intensive research, careful planning and extensive staff training to ensure that the implementation of new technology is successful.

THE LAST WORD

Over the next 12 months, Trade Appliances plans to upgrade its fully integrated stock management system to include a bar code system. This will instantly upload deliveries on to the system and each product will automatically be allocated to the correct order. This will speed up the fulfilment process and will help to provide customers with precise information about order status.

“Thanks to the e-business and e-commerce solution, we have achieved record-breaking sales month on month. It has streamlined our entire operation, increased efficiency and improved customer service,” concludes Emma.

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