

# Case Study



“Office World and its customers have derived significant benefit from **RetailTherapy**. They extended our vision on how to be best at online retailing. They are a long established and trusted supplier for us and they consistently deliver beyond our expectations”

Ian Robertson, Head of Supply Chain, Office World.

## Integrated e-commerce system boosts Office World sales



When Office World decided to embrace e-commerce, the route chosen was a system that would be customer friendly and fully integrated into its business. This choice has clearly been justified, as by the end of the first year of operations, the company has generated additional six figure direct sales revenues from its integrated website.

In early 2001 Office World had nearly 60 UK stores and three direct channels for sales of its office equipment and furniture, using telephone, fax and email. A static web site attracted thousands of visits per month, but offered no transactional capability. The telesales operation was set up in-house in 1996 but subsequently outsourced. Karen Lashley, the Manager of Office World Direct, was recruited in 2001 to bring it back in-house and telesales revenue grew substantially thereafter.

“We identified a very strong demand from customers wishing to place orders over the web,” said Karen Lashley. “We had a high level of visits to our site and could see that there was an opportunity to be highly competitive in our market by offering customers a real-time e-commerce sales channel.”

“Much of the infrastructure to support a web operation was in place already,” continued Karen, “the call centre could take delivery enquiries, sales, or other queries without needing to change radically.”

The options for the design and functionality of the web site were categorised into three levels, low end, mid range and the high end and quotes were sought from suppliers for all three. Key to the functionality was a fully integrated system with the JDA warehouse and logistics system.

“We wanted a solution that would drive an increased level of customer action, give real time stock information and order tracking, but also offer added value to the customer, such as linking related products or offering alternatives if one was out of stock,” continued Karen.

The mid and low-end solutions gave a high level of manual intervention - only the fully integrated high-end solution offered the customer experience that Office World wanted.

“We opted for the high end solution proposed by **RetailTherapy**, who had worked successfully with us to build and design our call centre system and had demonstrated an understanding of our business,” said Karen. “The new web site was, in effect, an extension of the telesales operation.”

Michael Bailey, a Director at **RetailTherapy** was involved at all stages of the project. “With our existing knowledge of Office World’s telesales operation,” he said, “the prototype web site that we produced for the Board was very effective and powerful. We were offering them the very best practice in e-commerce, with a web site that would give them the opportunity to stay highly competitive.”



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Working with the design and image of the catalogue and stores, **RetailTherapy** recreated the same design elements in the home page of the web site giving continuity of image. Within fourteen weeks the site was live and active.

Every product held by Office World appears on the web site, almost all with photos. The buyer for each product sets up the price, description and image which links to the warehouse to track stock levels. Phase 1 of the web site went live in September 2002 and incorporated all items except furniture. Modifications to the cataloguing and linking together of items within the furniture stock had to be made before this could also be put on the web site. With furniture accounting for nearly a quarter of overall sales, it was important to incorporate this into the site. This was completed and went live in November 2003.

The impact on sales since 2002 has been significant with steadily increasing sales now contributing consistently to revenue and profit. The profile of users of the web site breaks down to a 50/50 split between businesses and consumers, with typical business users being sole traders, perhaps doctors surgeries or IT consultants, a wide range of small firms and even some larger companies and organisations.

“Our initial research suggests that our web shoppers are new customers,” said Karen Lashley. “There has not been any loss of business from the stores and only a marginal move from telesales. But the cost per sale is significantly reduced and the call centre has seen a reduction in delivery and sales enquiries.”

“We encountered some business issues relating to security and compliance of credit card payments which we resolved at an early stage,” continued Karen. “But this highlighted the need for us to build in sophisticated fraud prevention measures and we spent time during the first year analysing how shoppers use the site and developing anti-fraud measures. As shoppers move around the site they now accrue risk points depending on their behaviour. When someone reaches a threshold of points, we are alerted by the system and can manually check the order. Over the last year manual checks have prevented many thousands of pounds worth of fraud. With the system now doing most of this automatically, we are confident that further fraud will be prevented.”

Further developments of the e-commerce system are being considered. Many of these have come directly out of the customer research carried out during the first year. “The site is very intuitive to use,” said Bailey. “One click and you can go anywhere. But we want customers to return again and again to the site, so it is crucial that it evolves and continues to give the customer a good experience. Office World now has a system that gives it front to back-end integration, a customer friendly experience and a method for monitoring customer behaviour and business activity to enhance sales and marketing activities.”

Karen summed up the value of the site to Office World. “We have opened up a significant new sales channel for our customers and we are confident that revenue from the web will continue to grow “

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