

# Rules of engagement

Toy specialist The Entertainer is on a mission to place stores at the centre of its multichannel plans, as it seeks to offer faster and more direct delivery options. **Kate Doherty** finds out more from multichannel director **Duncan Grant**

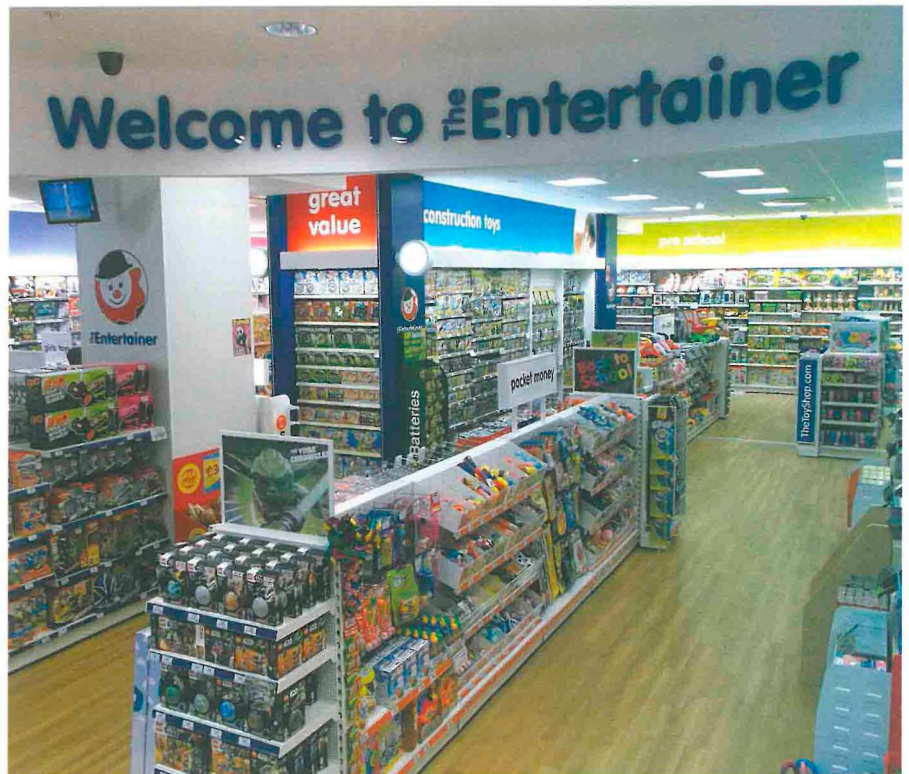
The Entertainer's retail ascent has ramped up a gear. In March, the toy specialist triumphantly walked away from the Oracle Retail Week Awards with the Zolfo Cooper Growth Retailer of the Year award.

Later that same month, it reaffirmed that growth, posting record full-year sales and profits, with pre-tax profit increasing 16% to £6m in the year to January 31. Sales rose to £125m from £94.3m the year before, while like-for-like sales rose 1.3%.

While like-for-like sales growth across the stores, careful cost control, store revamps, relocations and the opening of 14 new stores across the UK were credited with the success, The Entertainer's flourishing multichannel model has been a driving force.

"I would say 2013 was the year when The Entertainer really matured as a multichannel retailer," says multichannel director Duncan Grant.

In 2013 the retailer felt the true benefit of its previous year's launch of a new ecommerce platform that integrates the online business, physical stores and supply chain. The £1.5m investment was driven by a desire to connect every customer with every product. "It turned



us from just being a 'website tagged on to our stores' retailer, into a true multichannel retailer," says Grant.

At the heart of The Entertainer's connected operations has been delivery and order fulfilment. The investment has allowed the retailer to offer a click-and-collect service with a 30-minute turnaround time – and as proof of the service's success, click-and-collect sales were up a staggering 93% in the five weeks leading up to Christmas.

Click-and-collect orders are treated in the

same way as home-delivery and dispatch-from-store orders, effectively transforming the physical stores into mini warehouses. "They are all held in one system," explains Grant. "So we can move those orders around the business to wherever we want to send them and fulfil an order from the store in exactly the same way as we would fulfil an order from a warehouse. It gives us a lot of flexibility."

The decision to place stores at the heart of its multichannel infrastructure has been welcomed by employees, according to Grant. "Our employees love the fact that three or four years ago everyone was talking about the death of the store and the shrinking of estates, but we are still growing significantly year on year. One of the reasons we have been able to do that is because we are making the stores the centre of our multichannel plans and not the fulfilment centre," Grant says. For staff, that means more exciting and varied roles. ↘



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Duncan Grant, The Entertainer





### Exemplary click-and-collect

Click-and-collect has also played a big part in engaging employees. Before the click-and-collect upgrade, customers had to wait two or three days for delivery. The 30-minute option has been something of a game changer, guaranteeing customers better access to stock. "Click-and-collect is the fastest-growing part of our business now and that's been great," Grant says. The growth of service means store staff now appreciate the benefit of click-and-collect sales against their own sales target. The knock-on effect of that has been palpable.

"Probably 18 months ago the average store manager would have just seen that as a nice bonus, but probably wouldn't necessarily have been able to tell you what their click-and-collect sales were. Now for many stores it's the difference between hitting target and missing target, and they really know what their click-and-collect sales are," says Grant.

"That's what I mean about it maturing into a multichannel business because it's moved from being something that only the online department are excited about to something the whole business is excited about."

So engaged are the store staff that they are requesting and driving ongoing improvements and change around the online offer. "They're not seeing it as a disruptive influence on their department, they are seeing it as a way to generate significant extra sales so they want to see improvements."

Same-day delivery and dispatch from store has also been part of the connected sales effort. Last year The Entertainer teamed up with delivery firm Shutul to allow it to provide a 90-minute delivery service, with goods dispatched from store. "It has been really well received by customers," says Grant. He

## THE ENTERTAINER ABROAD

Multichannel is likely to be integral to The Entertainer's international expansion. In September 2013 the retailer signed a franchise agreement covering the Middle East with Dubai-based Al Owais Enterprises and in December opened its first store in Dubai, with a further 44 shops planned for the next five years.

Grant recognises an opportunity to grow its online business overseas by working with franchise partners. "Many countries outside America and western Europe have a small but fast-growing ecommerce and multichannel market, so there's a chance for us to bring our know-how because the UK is very well developed as a multichannel market," he says.

adds, however, that the additional cost of the delivery means that it can be an expensive option for shoppers, making it more suited to people willing to splash out on faster delivery.

When it comes to store dispatch, Grant's ambitions include giving customers a more affordable same-day option and giving both online and offline customers access to store inventory when the warehouse is sold out – an arrangement that the retailer has been trialling. For instance, if a store customer finds a product to be out of stock in a particular store but available in another store, that item could be delivered from that store by courier or carrier to the customer's home or their local store.

Early trials revealed promising results, with each order including at least one item that the retailer would previously have had to say was out of stock. The benefits also include the shifting of older and discontinued stock. "That's really exciting for us because, without making any investment in endless stock for extra breadth of wage, we are able to pair up more customers with inventory that we already own," Grant says.

But having 89 UK stores acting as warehouses brings its own challenges, including ensuring consistent customer experience from every dispatch point, not just the main fulfilment centre, as well as guaranteeing those orders are profitable.

Grant adds that with so many ways for customers to get their hands on stock, explaining the options online without over complicating the customer journey can be challenging.

While the businesses' multichannel model is already enviable, Grant confesses there's room for improvement. "We don't yet have a fully mobile-optimised site, which is a big hole in our strategy that we're looking to fill," he says. There is also greater opportunity for actionable data analysis, according to Grant.

Having wasted no time in expanding from a single local store in 1981 to a business with a 89-strong UK store portfolio, The Entertainer is providing multichannel inspiration for retailers both at home and abroad. It is a bold multichannel mindset with stores at the centre that has and will continue to drive this retailer's impressive expansion.