



Retail management and marketing

Online retail marketing

DR. FIONA ELLIS-CHADWICK:

The influence of the internet is forcing high street retailers to really rethink their marketing strategies in order to engage with their customers. Companies like Amazon and ASOS are embracing the potential of e-commerce, but in doing so, they're redefining traditional retail business models. Some sectors, where personal service is very very important have been slow to respond. Such sectors like high street opticians. In this film you'll meet Jamie Murray Wells, an online entrepreneur, who with his company Glasses Direct, is challenging the status quo. Defending the high street experience is Paul Lewis, an independent optician.

JAMIE MURRAY WELLS:

My inspiration for glasses really came from, you know I suppose all the business ideas I was considering at that time came really from personal experience, so it was just a question of kind of keeping aware and you know I bought a pair of glasses, they were kind of rimless ones, and they were made for my prescription and they cost me £150. These glasses can't cost that much, there's more metal in a teaspoon than in this pair of glasses you know what makes it up and I wasn't really aware of what an anti-reflective coating for example did and all the rest of it and I suddenly thought, there must be more to it than what meets the eye. So I sent my prescription up to a laboratory which took me a long time to find a laboratory that would talk to me and they sent down a pair of glasses for £6 whole sale. So in one hand I was holding a pair for £6 and in the other a pair for £150 and I was thinking, there's got to be an opportunity here on the internet, and I was quite lucky and I think there are still a lot of opportunities on the web but I was very lucky in that the optical industry as such had been kind of gathering dust and no one had attempted to create a kind of online presence for buying glasses yet in 2004.

PAUL LEWIS:

Nowadays, certainly in independent practises, the optician, and it usually is an optician as opposed to an assistant, would spend the time helping people choose the right frame that suits them making sure it's going to fit correctly, and making sure the lenses are going to fit in the frame as well and a lot of times people come in and certainly choosing glasses, they haven't got a clue what they want, or they'll have an idea what they want and it's the wrong idea.

DR. FIONA ELLIS-CHADWICK:

There's two parts of the process really aren't there for a high street optician, there's the clinical side, and there's also the retail sales side, and how does this work?

PAUL LEWIS:

Well Specsavers for instance is a quasi franchise, where the optometrist is a person that does the eye examination and possibly the dispensing optician own the practice. But they're also in partnership with Specsavers UK. So it's not a franchise and it's not a partnership, it's an amalgamation. So they'll have a vested interest while the person doing the eye examination will have a vested interest in the person doing the retail. Groups like D&A and Boots will employ people. So the optometrist will be employed and the dispensing optician will be employed and the staff will be employed. You then have full independent. Whose an optometrist that owns a practise, does his own eye examination, maybe will even do his own dispensing or employ a dispensing optician. But he's got total charge of the direction at that practice. Then you've got, what we are, which is a hybrid. Where we, I own the practise, with my wife. And we employ local optometrists to do the eye tests for us, and they're totally independent. I think the benefit for clients in that respect is the optometrist's advice, is purely independent. You will only have glasses, if you need them. They don't benefit in any way. They only get paid for their daily rate.

JAMIE MURRAY WELLS:

When investors are looking at different categories, when entrepreneurs are looking at different categories, when big retail giants were looking at different categories to move on to the web. You know I think optics naturally I think fell last as the biggest challenge of them all, and what we have to do and what still fascinates us here is trying to build and you know fashion ways online and offline in fact ways for people to overcome that barrier of going you know "I really need a salesman to look over my shoulder and help me buy these. For all these mail-order and e-commerce business, you're presented with the same challenge which is that how do you sell something that has fitting issues to a customer. And also in optics we have a very disruptive business model. We've effectively said to the industry that they should split. That thinking about the two activities they do, principle activities are testing site consultation usually done by an optometrist and selling of glasses, which is usually done by an optical assistant, a sales person effectively and will rarely dispense an optician but we've said to them that you should split that and we think that that's incredibly important in both of those. It's very important to see and optometrist and all of our customers have to have seen an optometrist to buy from us and to get your eyes tested and very important to have the best service and the best recommendation, the best way of filtering glasses, the best range, the best try before you buy mechanisms that are possible and that's where we focus on, is the selling of the glasses and doing the best job we possibly can there. And you know in order to do that effectively, in order to get people over the hump of coming online, we've had to really think quite hard about you know, how to get people comfort support, that idea that the glasses are going to suit them and fit and all the rest of it and so for example, two innovations that we've done here in the last few years have been first of all, our try at home scheme. So you go online, you choose 4 or 5, 4 glasses from our website, you put them into wish list and we send them out to you for free with blank lenses and it is amazing because you know you can't walk into a Specsavers store and go "right I want that one, that one, that one and that one, I'll be back in two week". They just don't have the stock and the distribution model to support that. For another one which you will find on our website is our virtual mirror. Where you can upload a picture of yourself, or use a webcam to use it live and actually see your face moving around with the glasses on, live effectively. And whether it's online or offline, I think the job of a cutting edge web business like ours, dealing with a very high touch product like glasses is to continue to innovate and find ways of getting customers comfortable with buying online.

PAUL LEWIS:

People still want the good pair of glasses, certainly, my category of clients which are generally 45 years plus 'cause we tend to specialize in the very focal lens and the more technical advanced lenses, it doesn't affect us. But certainly on the budget, yes I can see that can affect the lower price sales. I can see peoples reason for wanting to go online because they can perhaps get 3, 4, 5 pairs of glasses quite cheaply, it doesn't matter if they throw them around of loose them, because their investment isn't too great. I still think that people will want a better pair of glasses, a good pair and then they'll get the cheap ones online as a kind of backup, sort of spare pair.