

WEB MASTER



WEB
DEALER
OF THE
YEAR

Paperstone was named Web Dealer of the Year in the 2009 IDS League for its keen ability to compete on Google and grow its business on a digital platform. **Julia Dennison** speaks to director **Max Trotter-Landry** to find out how he sees the future of office supplies online

The internet is increasingly becoming the nation's favourite place to shop. This past Christmas, fewer and fewer people battled the High Street crowds to buy gifts, choosing instead to purchase them online in the comfort of their own homes. Indeed, future generations, many of whom are already working in offices, will see it as the only way to shop – the office products buyer included.

While the internet retail marketplace will be something many dealers will only now be thinking about entering, companies like Paperstone were built around it. When he founded his company with colleague Jim Brown in 2004, director Max Trotter-Landry knew he wanted to start an internet business – he just wasn't sure what he wanted to sell. On looking at the different internet business models available, he saw office products as one that had a history of success in the Google sphere – with the likes of Staples.co.uk.

Last year was rough for many in the industry, but for Trotter-Landry, 2009 was not as bad as it could have been. He even managed to grow Paperstone's turnover by about 30% despite adverse economic conditions. With such a successful internet business, it comes as no surprise Paperstone would be named Independent Dealer Success (IDS) League Web Dealer of the Year for 2009.

However, despite growing sales by nearly a third, the ambitious Trotter-Landry is not entirely satisfied. "It's less than we would have liked, but I think more than a lot of people," he says.

He credits his growth not only to further development of the Paperstone brand, but also to the size of his business. "Being a smallish business, it's easier to grow," he adds. "Growth is never as much as you'd like – that's the nature of the beast – but broadly speaking, we're pretty pleased."

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Growth also comes out of further investment in the development of Paperstone's website – both in terms of user experience and the way it runs. “We've made lots of subtle changes to the website that effect the way people react to it,” says Trotter-Landry. “We basically improved the usability of the website.”

It's one thing to grow turnover – but another thing to increase profit, which is something Paperstone has also managed to do over the last two years. This he attributes to his decision to decrease the prices on the items that people are most sensitive about and therefore more likely to do their research through Google to find a better price for.

“We find it pretty difficult,” says Trotter-Landry, “because at 18,000 products typically someone's sensitive about almost all of them, but paper feels more sensitive than ring binders, or something like that.” Other sensitive products he sites include toner cartridges and coffee.

“It's understandable with toner cartridges because they're really expensive,” he explains. “With the enormous price changes and the change in the Euro, we've seen our prices go up drastically, which we've passed on to our consumers, although we've reduced our margin on them to try and take some of the hit.”

In his recent analysis of the industry at November's Integra conference, IDS League analyst Martin Wilde encouraged dealers to consider e-commerce going forward, as a new generation of buyers look to Google to find their office products. For Wilde, the internet presents a get in or get out situation.

But is there room on Google for even more stationery e-tailers? Trotter-Landry thinks there is, but not very

much room and dealers have to be careful about what kind of internet business they choose to run.

“Yes, there's room for every dealer to sell their products online and communicate with their customers online, where there is a finite market is the first page of Google,” he says. “It's very different if you've already got a core base of customers and you then encourage them to use your website – I think that's straightforward for a dealer to do – but your typical office products dealer doesn't have any experience or skill in becoming an online e-tailer in the same way we don't have any experience running a warehouse.”

What is his prediction for online office product sales in 2010? “I would hope the market would be growing in 2010,” Trotter-Landry says. “I think it will remain competitive as it always has; we just have to be a bit better than the person next to us.”

This is easier said than done – how will Paperstone manage to be better? “We'll continue to improve our user experience,” he explains. “There's no silver bullet to making a good website, you just need to make it work in such a way so that your users enjoy it and feel loyal to your brand.” Trotter-Landry says he would like to see further growth in the region of 30-40% for 2010.

Despite the fact that more dealers on the internet means more competition for Paperstone, Trotter-Landry maintains that online is a good place to be at the moment. “I would encourage anyone to go into the internet,” he says. “It's a great place to be doing business just don't assume it's easy.” **DS**