
Bricks and clicks: Omni-channel is the future of Irish retail

As the Irish Government reveals a new €5.5m Covid-19 Online Retail scheme, an omni-channel bricks and clicks model is the future for Irish retail.

Today (20 August) a new €5.5m Covid-19 Online Retail Scheme announced in the Government's July Stimulus package was activated by Minister of State for Business, Employment and Retail, Damien English TD.

The idea is to help Irish retail businesses enhance their digital capability, drive online sales and grow their customer base.

Now is the time to act. Most of the time Irish online shoppers flock to overseas sites instead of local online stores and between 50pc and 70pc of online shopping in Ireland goes out of the country.

Perhaps out of patriotism or need driven by the Covid-19 lockdown, this balance shifted in recent months in favour of Irish retailers with [Irish consumers estimating that they have done most of their online shopping with Irish SMEs \(53pc\) versus international retailers \(47pc\)](#).

The question is ultimately can this swing to Irish retail be sustained rather than be short-lived.

Can the Covid-19 Online Retail Scheme make a difference?

The fund will be managed by Enterprise Ireland and applicants will receive a grant of up to 80pc of project costs, with these grants ranging from €10,000 to a maximum of €40,000.

Targeted at indigenous retailers with a pre-existing online presence, this fund will accelerate their online offerings to respond to both domestic and international consumer demand.

The grant can be used to fund fees for service providers, to develop and implement a digital strategy supported by in-house training, and to enhance the retailer's website and related systems.

"The Government has been listening to retailers across the country and it is clear that the Covid-19 pandemic continues to make it an urgent priority for businesses to accelerate the growth of their online offering," Minister English said. "For many retailers, developing their online sales channel for consumers has been a long-term goal prior to the pandemic."

“I know the difference grants such as these are making in hundreds of businesses throughout the country. Retailers are seizing the opportunity to significantly enhance their online shopfronts and complement their traditional presence. The increased customers and revenue make an important contribution to the bottom line. It also provides consumers with more opportunities to support local businesses in their community, even when shopping online.”

Enterprise Ireland executive director Stephen Creaner said that the online scheme has been a success so far and that 185 companies were granted funding in early July under the previous Covid-19 Online Retail Scheme.

“This scheme is boosting retail businesses throughout Ireland,” Creaner said. “The last funding round saw more than two thirds of grants going to companies outside Dublin. It is an important measure as the retail sector throughout Ireland looks to reopen and provide a safe and secure shopping environment for customers, both in store and online.”

Bricks and clicks the only way forward

“Even before the arrival of Covid19, it was becoming increasingly clear that a model based exclusively on store-based retailing had passed its peak and the days of being able to drive growth through physical stores alone are over,” said Owen Clifford, [head of Retail Convenience](#) at Bank of Ireland.

Clifford said that with large volumes of online sales going overseas, this presents an urgent challenge.

“Over 70pc of all online sales in Ireland are going overseas. As a sector, we need to work collaboratively to rectify this alarming statistic and on-shore online. If people are buying online, we need to encourage them and give them the option to buy from an Irish business.

“The days of referring separately to ‘Bricks and mortar sales’ and ‘online sales’ are coming to an end – progressive retailers no longer refer to their business in such a binary manner – they know that both channels are fully complementary and integral to the sustainability of their business.”

Clifford said that retailers will need to use their online platform as a catalyst to drive sales but to also entice customers back into their physical stores.

“Retailers now need to be good at not just buying and selling products, but also adept at online fulfilment, data analytics, social media and process/supply chain automation. The capabilities and investment required to succeed in retail continue to expand and the Covid-19 online retail scheme will act as a timely support for retailers nationwide,” Clifford added.

His colleague Paul Swift, head of [Technology, Media and Telecoms Sector](#) at Bank of Ireland agreed that now is the time to act.

“Data has shown that while 69pc of Irish SMEs have a website; only 32pc of those companies sell products or services online. By not selling online, SMEs are missing out on their share of Ireland’s e-commerce market, which is estimated to hit €4bn by 2024, according to Statista.com. I think it is fair to say that many businesses have struggled with building out their online and e-commerce capability, simply because of being unsure of how to undertake the journey or not knowing the type of technology or platform that would best suit their needs.

“This latest additional round of funding for the Online Retail Scheme is to be welcomed and will go some way to addressing those needs by helping more Irish businesses to further enhance and grow their online capability, assisting with the associated costs of taking their businesses to the next level.

“Likewise, it will also support access to training and development to help build the requisite skills sets required to support these businesses in adopting and adapting to the benefits that technology can bring to their businesses,” Swift said.

A new adventure in retail

Great Outdoors successfully applied for an Online Retail Scheme grant in a previous call.

Derek Moody, owner and director at Great Outdoors, said: “The opportunities this scheme presented to our business have been eye opening. Prior to applying to the Covid-19 Online Retail Scheme, online business was already very important to Great Outdoors.

“However, we were at a stage where significant investment was required to take the business to the next level. This opportunity came at exactly the right moment and, as a result, we are much further ahead with our projected timeline for online development.

“The application process was incredibly straight forward and we are now working with a superior platform; we have developed our skillset and we are exploring new markets. We have also recruited two new staff members for the online team.”

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Published: 20 August, 2020