

The online shopping trend: do you fight it or join it?



Nov. 13, 2018

By Chris Drost

Just 10 years ago the residents of Bancroft were surveyed about their shopping habits. The survey showed that 60 to 70 per cent of Bancroft residents were doing most of their shopping for appliances, furniture, gifts and novelties in the community; and that 57 per cent of respondents shopped for most of their clothing needs in Bancroft and the remainder in Belleville, Peterborough or Toronto. With the surge in online shopping, a survey today might yield very different results. This prompts the question about the impact of online shopping on our local retail business community.

In 2016, Canada Post conducted market research into the state of e-commerce in Canada. 5,000 online shoppers in Canada shared their behaviours and opinions through an online survey. Those results form the basis of a report called, 'Growing E-Commerce in Canada - Unlocking the online shopper opportunity.'

The research revealed that eight in 10 Canadians are shopping online for a greater variety of purchases than ever before. While most online shoppers reside in cities, 20 per cent are from rural areas and small towns like ours. Millennials (18-34 years old) represent 30 per cent of the online market, generation Xers (age 35-49) 29 per cent, boomers (age 50-59) 35 per cent and pre-boomers (age 70+) five per cent. Of the Canadians who shopped online in the past year, 43 per cent of them make anywhere from frequent purchases (seven-12) annually, to being what the study calls 'power shoppers' (13-24 purchases) to 'hyper shoppers' (25+ purchases).

In a poll by the Angus Reid Institute dated Dec. 11, 2017, it is reported that only seven per cent of Canadians have never made an online purchase. Almost half of Canadians shop online at least monthly and two in three expect that they will do a greater proportion of their shopping online in the next year or two.

With the holiday season fast approaching Bancroft This Week spoke with 16 local retail businesses to find out how the Bancroft area's business community is addressing this online shopping trend.

The online review of local businesses quickly revealed that only two of the 16 businesses currently offer an online store with shopping cart and check out, while one business is set to launch an online store before the end of the year. Most, but not all, had a website, or at least an active Facebook page where in some cases, current products were displayed in photos. These businesses included a variety, everything from gift shops to clothing stores to general stores to art galleries to recreational equipment dealers from Limerick to Highlands East.

Local business owners Kathy and John Pires of The Stone Kitchen in Bancroft are set to launch their online store for jams in the coming weeks. John has researched the trend of online shopping and what it could ultimately mean for the future of their business. The Pires know who their target market is and are eager to launch the store to make it easier for their customers to order product all year long, not just shop in person during the prime summer months.

For the Pires, getting the technology set up has been a bit of a learning curve. Without training, it has been a challenge, but they are focused on the future. John says, 'We have even set up a packaging section in the shop to simplify the process of shipping as much as possible and having membership in certain provincial associations is helping us to keep our shipping costs down.'

If the online store for jams goes as planned, the Pires may consider adding other products too.

Diane Neuman of Posies Flowers and Gifts in Bancroft has offered online shopping for floral purchases for some time. Every year in

the fall Neuman says, "we think about getting the other products into the online store but so far, lack of time has been our biggest challenge."

Some sort of training would also be of great value. Neuman can tell from the source of floral orders coming in through the online store that it is a great opportunity to target cottagers throughout the part of the year when they are not in the community. She also recognizes that once all the products are online it will change the internal structure of her business to one where at least one person must be dedicated to keeping track of orders coming in through the computer.

Maynooth General Store is currently highlighting interesting products through Facebook, but owner Carla Van Balen-Walter has been thinking about offering a full online store. Concerns about the time to add and edit products and the initial set-up cost, concern her. It would also create a lot of extra work in shipping products.

"When you are only one person it would be difficult to take on all the extra work, although it would be an excellent way to reach my target market, cottage owners," says Van Balen-Walter.

Tracy Hagar of Foxfire Gallery and Gifts in Maynooth is not currently considering an online store. She promotes her products through Facebook but believes an online store would take a great deal of time both in administering and in packaging and shipping. Hagar also has concerns that the price point that she would have to charge would not be competitive as her small shop does not have the power of buying in bulk that large suppliers enjoy.

Mark Hanley, small business co-ordinator with the County of Hastings said, "the challenge is that local merchants buy in small quantities, so they are often paying as much for products as people can purchase online. Basically, there is little room for mark-up." Hanley believes that the real opportunity is for businesses that are making their own product, such as artists and artisans, as opposed to resellers of product brought in from other places. Research shows that Canadians prefer to shop online for Canadian products. He says the key is for local business owners to know clearly who their target market is and how to creatively reach them, without going against all the current privacy requirements that exist.

Hanley strongly suggests that "any marketing done by a retailer requires a strategy and thought pattern. You need to know who your customer is, what they want and how to best appeal to them." To do this successfully, whether your business has an online store or not, Hanley believes you need to have a dedicated person to work on marketing every day to make sure what you are doing is profitable.

Andrew Redden, manager of economic development and tourism for Hastings County, says some help is on its way for small business owners who have not yet invested in the new technology for establishing an online store. A program called "Digital Mainstreet," which was first launched through the Toronto Business Improvement Area Association, is currently being rolled out province-wide through the Ontario Business Improvement Association. This program includes a small grant component and advice for entrepreneurs looking to adopt technologies such as e-commerce and social media platforms. Businesses can register online at www.digitalmainstreet.ca.

The trend of online shopping is expected to continue to grow at exponential rates. What will the long-term impact be on traditional retail storefronts in small towns throughout North Hastings? Will spin-off businesses emerge related to online store management or shipping? Only time will tell if local entrepreneurs will fully embrace and adapt to the new way of doing business or continue to rely largely on foot traffic to achieve their long-term business goals.