



Spoilt: from bricks to clicks

Moving a popular Melbourne gift store online.

Australia Post's flexible delivery products and services have helped Spoilt owner Chelsea McIntosh take her successful bricks-and-mortar gift stores online.

Customer: Spoilt

Website: www.spoiltgiftandhomewares.com.au

Industry: Homewares and gifts

Challenge: To grow the online business.

Solution: Flexible regular parcel delivery services, and prepaid satchels.

Results:

- Spoilt offers flat rate pricing for delivery Australia-wide.
- Spoilt provides free delivery for orders over \$100 to encourage customers to increase their order.
- Other delivery solutions, such as prepaid satchels, are cost-effective and give the business flexibility.



Background

While working in the city, Chelsea McIntosh noticed the dearth of shops in the working districts of the CBD and saw how often people had to do a round trip to do some purchasing or browsing in their lunch hour. After doing some research, she quit her job and opened her first gift shop, called Spoilt, in Collins Street.

The store has seen steady growth, largely through word-of-mouth and foot traffic. In the past eight years, McIntosh has opened three more shops in Melbourne's CBD, plus an online store.

The challenge

When McIntosh opened her online store in November 2009, she found that other online stores, without the costs of a bricks-and-mortar presence, could undercut her on price. She needed to work out how to drive sales, without having to cut the price of her goods.

The solution

McIntosh uses Australia Post for her deliveries as they provide flexible postage solutions and don't require a contract. Australia Post has an extensive network with flexible delivery options for customers, if they aren't home for the delivery.

She also decided to offer customers a fixed price for postage, which she hoped would be appealing to customers, while

freeing her from the time involved weighing items and charging accordingly. "To measure and weigh every item and put it into my system takes a long time, so having a flat rate makes that easier," says McIntosh. "Having a competitive freight price was a way of giving customers a good deal and attracting them to our website."

This was a learning for McIntosh, who was soon sending parcels interstate and found that the initial flat rate she was charging her customers was too low to cover the cost of delivering orders to a national customer base.

The results

Spoilt now offers delivery Australia wide for a flat-rate price of \$9.95 and it also offers customers free delivery for orders over \$100.

In 2012, McIntosh also started to use Australia Post prepaid satchels for some of her orders. A flat-rate price for satchels up to 500g, 3kg or 5kg provides certainty around postage costs and the satchels often turn out to be a cheaper option.

In future, customers will also be able to click-and-collect, giving people another convenient way to use the Spoilt online store.

McIntosh is open to using other Australia Post services as her online business grows. "Australia Post is great," she says, "as you can swap and change the services you use as needed. We'll probably use a pick-up service eventually."

Spoilt uses Australia Post regular parcel delivery and prepaid satchels. For more information about how we can help you deliver orders quickly and cost effectively, visit auspost.com.au, call 13 11 18, or visit your local Australia Post Business Hub. This case study is based on information provided by Spoilt and illustrates how one organisation has used Australia Post's delivery services and prepaid satchels. Many factors contributed to the results and benefits described. Australia Post does not guarantee comparable results elsewhere.