South East Museum
DEVELOPMENT PROGRAMME

Effective Retail for Small Museums

E-Commerce

Contents

Commentators estimate that 80 per cent of us buy online and that by 2020, 90 per cent will be engaged in e-commerce.

However in the museums sector even the large national museums are reporting that by far the majority of their retail sales are made to visitors to their sites rather than online, as most of the purchases made in museum shops are impulse buys. Buying a small souvenir online with the associated postage costs is less likely to appeal to a customer than buying the item during their visit when they feel compelled to take home a memento of their trip.

Online shops are good at attracting audiences who may not visit the museum but expectations should be realistic.

1. Web Shop

Prior to setting up the web shop it is a worthwhile exercise to take time to thoroughly research other web shops, just as you would visit other museum shops for comparative purposes. Look at a range of other websites including small museums like your own through to large national museums with similar themes. Also consider the wider retail market – what do you like about their sites and how easy are they to navigate to find what you want?

Some of the key points to consider are:

- As more people are moving away from laptops to tablets and smart phones people are now ordering online through these devices so the e-commerce site must be designed to suit all formats

- How easy is it to navigate from the museum homepage to the shop page? Links can be placed from all the webpages to the shop page

- How are the products grouped? For example are they displayed by theme or by product type?

- Photographic images of the products are critical and need to look professional. Scale size and clarity are all important to ensure the product meets the customer's expectations

- Without the opportunity to handle products, there needs to be clear description of each item, indicating the size, material compositions and in the case of toys, suitability for age group

- A secure payment system will need to be in place e.g. PayPal which also offers the opportunity for users to use credit and debit cards

2. Order Fulfilment

E-commerce experts are now offering quicker delivery times than ever before and with the arrival of drone delivery, customer expectation will become more difficult to meet. Plans will need to be drawn up prior to embarking on setting up an online museum shop giving careful consideration to the following:

- Who will check the orders on a daily basis?

- Which member of the team will physically pack and wrap the items when the orders come in

- Packaging materials will be required to ensure that goods arrive in pristine condition to meet customer expectations and you will need to calculate the costs associated with this. Some companies provide very elaborate packaging for their products so that on receipt the packaging has the appearance of a 'self-gift'. This approach may suit high-end purchases but the cost of the extra packaging required can impact on profit margins

- Speedy dispatch will be required so how will this process take place at the museum i.e. if selling from stock, will someone have the time every day to take items to the post office or will a collection be required?

- Anticipated delivery times will need to be shown on the website and will need to be met to avoid customer disappointment as a failure to deliver as promised can damage the customer relationship and will discourage repeat orders

- A clear indication of the postal charges will need to be shown on the website and the cost added to the shopping basket at the end of the transaction. These will need to be pre-calculated by individual weight and size or by order value

- Terms of trade will need to be made clear on the website relating to refunds and who will bear the costs of returning unwanted goods. For further information and guidelines on Consumer Contract Regulations visit www.legislation.gov.uk

3. Case Study Pendon Museum

One example of a small museum which is achieving success with online selling is Pendon Museum www.pendonmuseum.com.

Based in Oxfordshire, Pendon Museum recaptures scenes from the English countryside as it was in the 20s and 30s, using models to help visitors to understand about a past era and different way of life. The exhibition features some of the finest model landscapes, buildings and trains ever constructed.

Pendon were approached by a model railway manufacturer who wanted to produce replica buildings from their models and in return as part of the deal funded the development of the museum web shop.

Accessed from a shop tab on the museum homepage, the shop page is in fact an 'add-on' and while it has the same appearance as the museum website is in fact quite separate.

Rather than selling the low price impulse buys and souvenirs available in the museum shop, the focus in the web shop is on items that are difficult to obtain elsewhere e.g. expensive modelling or railway related books and special events hosted at the museum. These special events include a range of modelling workshops aimed at children and adults and can only be booked and purchased via the web shop, and of course have no added delivery or fulfilment costs. A recent addition to the items for sale is gift vouchers and charitable donations to the museum can now be made too.

With many orders for the modelling books now coming from overseas it has been critical that the postal charges have been carefully calculated to take into account the parcel destination as this ensures that the overseas sales are profitable. This has been straightforward at Pendon Museum as the product range is relatively small, and after the weight of each item has been measured the website software attributes the cost of postage to the item at the point of 'check-out' taking into consideration the postal destination.

Critical to the success of the web shop has been the e Newsletter compiled by Pendon Museum six times a year and sent to approximately 5000 people on the museum database. This database of visitors has been collected over the last 5 years from visitors to the museum and to the website following the realisation that previously 500,000 visitors had been to the museum but none of them could be contacted. The intention is to develop a relationship with the visitors in order to promote repeat visits, to raise the awareness of events and activities, to encourage referrals to family and friends, and to maximise purchases on the web shop. This approach is working as history has shown a large peak in orders following distribution of each newsletter.

Data from website visits is analysed and indicates that there are approximately 46,000 visits to the website per annum, of which 20% are from overseas. Using the free service 'Google Analytics', Pendon Museum can monitor the flow of visitors through the website and have used this to refine the web site format to encourage a longer 'dwell time'.

Pendon Museum now generate approximately £4k sales per year from their web shop with a very high margin, compared to just £250 in 2011.

4. Summary

You may wish to consider the following before setting up an online shop for your small museum:

1. Start focusing now on collecting email addresses from visitors to the museums and to the website so that it will be possible to start building relationships with the audience by contacting them via a regular newsletter

2. Do you have products that can't be bought more conveniently, cheaper and faster elsewhere?

3. Do you have the infrastructure for effective fulfilment?

4. Can you make a profit taking into account development costs?

5. Might the transactions damage your relationship with your customers if you can't meet their expectations around delivery times?

6. Do you have the other parts of your digital ecosystem in place for example an attractive website to build on to, a visitor database and regular communication with the audience e.g. Newsletter

7. As part of your audience development strategy do you know who you are trying to attract to the website?

Do remember that if you are not yet in a position to develop an e-commerce shop you can still feature the shop on the museum website to whet the appetite of those just checking the opening times for their next visit. The shop page should feature some enticing images of the shop, photographs of a selection of the lovely items for sale and a reminder that the profits from purchases support the work of the museum.

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