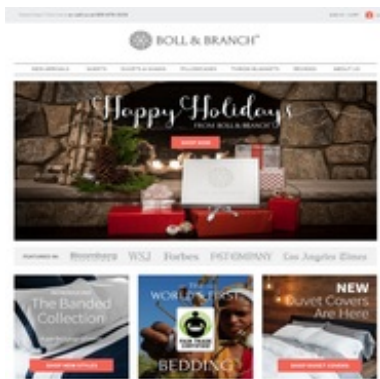


Q&A

Ecommerce and Fair Trade increasingly becoming must-haves for brands

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Boll & Branch storefront

By NANCY BUCKLEY

Starting and maintaining a company, especially one that launches with ecommerce early in its lifespan and upholds Fair Trade standards, can prove to be difficult, but can also bring positive results.

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Luxury Daily

Symphony Commerce and Boll & Branch, a linen company, have teamed together to jump start Boll & Branch's linen business with integrated ecommerce platforms. Looking at a new company with Fair Trade and digital standards can give luxury brands, especially those selling home products, a different view on how to bring the new world into the old world of luxury.

"Ecommerce enables brands to have a 1:1 relationship online," said Henry Kim, co-founder and president at [Symphony Commerce](#). "It gives them an always-on touch point with customers and allows customers to make purchases 24/7. Because consumers can interact with the brand without visiting a store, they become more loyal.

"With consumers spending so much online, ecommerce enables them to really

understand a brand's messaging, especially when there is a deeper mission like that of Tom's Shoes or Boll & Branch," he said.

In this Q&A, Mr. Kim and Scott Tannen, CEO and founder of **Boll & Branch**, explains how Boll & Branch and Symphony Commerce have teamed together to create an integrated ecommerce platform.

This conversation with with Mr. Kim and Mr. Tannen. Here is the dialogue.



Henry Kim

What do you recommend for a company looking toward ecommerce?

HK: If your company already has a wholesale presence, look at your current customer base – your brand evangelists – and target them online, giving them the tools to communicate your brand message. Research what your competitors are doing and identify your unique value proposition – whether it's design, product, or mission – and make sure it's communicated.

Brands must also consider all the components needed to run a success ecommerce operation – a mobile storefront, an order management and payment system, third party logistics and a way to integrate the wholesale side of the business to your back end. The storefront is just a vehicle – there are many logistics to manage to fulfill purchases.

ST: The name of the game is efficiency and scalability when it comes to being successful in ecommerce. First off, in most categories that are well established at bricks-and-mortar you have to realize that you're not competing with other ecommerce brands as much as you're competing with the traditional way in which consumers have always purchased. You need to offer a reason to buy differently – that starts with a commercial (price) benefit. In reality, the way you can offer that benefit is by keeping your business efficient. You need to have lower operating costs to retain strong margins and better value to the customer.

What kills a lot of strong ecommerce ideas/products is lack of scalability. Suddenly, you get 1,000 orders in a day and it takes you a week to fulfill. You've now delivered in a way that is not up to par with your offline competitors. You might find yourself disappointing the early adapters that are crucial for your long term growth. You're on life support if that hasn't killed you.

How can ecommerce change the way consumers view a brand?

HK: Ecommerce enables brands to have a 1:1 relationship online. It gives them an always-on touch point with customers and allows customers to make purchases 24/7. Because consumers can interact with the brand without visiting a store, they become more loyal. With consumers spending so much online, ecommerce enables them to really understand a brand's messaging, especially when there is a deeper mission like that of Tom's Shoes or Boll & Branch.

When a brand turns toward ecommerce and sees a traffic spike, what are the best methods to accommodating more consumers?

HK: Technically, make sure you have enough machines to maintain a fast site speed and avoid your site crashing altogether. That won't only cause lost sales, but also damage to your brand's reputation. Logistically, you need to have processes in place to fulfill orders in a timely manner and be able to support a heightened level of customer service. When traffic spikes, it's critical to exceed expectations and convert first-time purchases into loyal customers.

As a new brand, what are the obstacles when launching on ecommerce?

HK: All too often, a brand will try to focus on areas they are not knowledgeable about. They'll waste significant time and money to set something up, only to redo it a few years later. The list of solutions involved in ecommerce goes on and on, from email and digital marketing, to storefront and payment, to inventory and order management. If you outsource the back office particulars to an expert who can put the right infrastructure in place and pick a solution that scales, you will be able to focus on your products, marketing and new customer acquisition and be one step ahead of most other brands.

ST: Well, the cost of entry isn't low. Many entrepreneurs think that whatever capital they have access to can be poured into product and that margin flows to their pocket. Marketing is not inexpensive and it is an easy way to lose a lot of money if you're not careful. Plus, your cash-flow goes right back into inventory for the first few years. So, growing is expensive too.

If you're an entrepreneur who wants to make money and do it quickly, make software or start a SaaS business. Ecommerce is a very long game and incredibly intensive for an entrepreneur. There are easier ways to make money... but I'd also argue that creating a brand is far more rewarding.



Scott Tannen

What are Boll & Branch's main marketing strategies?

ST: We still believe that our category is broken. Forever, the big brands and retailers have put the customer at the bottom of the value proposition. They make products because they can (not because they're demanded) and employ marketing tactics that are so shady you'd be shocked if I went through them all.

Our marketing strategy, if you even call it that, was to start from the ground up by architecting Boll & Branch as a business that made sense – putting people first. We talk about our employees, the farmers from which we purchase and our customers the same way – they're all people. They all have families. They all want a fair deal. Workers want fair pay. Farmers want a fair deal. Customers want great quality at a fair price. When you break apart all of the cobwebs in this category, it becomes quite simple.

How does being a Fair Trade brand change the way Boll & Branch is marketed?

ST: I wouldn't say it changes anything. Honestly, when I see entrepreneurs in our category or adjacent ones that are not Fair Trade it kind of shocks me. I understand that a lot of big businesses have been built such that Fair Trade would hurt their margins and their shareholders might not allow it. But, if you're starting a new business and you don't take the time in your business plan to think about how your business can positively impact the very people that will prove the key ingredient of your success (those who make the products you sell), it makes me shake my head.

Many high-end brands do not have ecommerce, were there any hesitations when deciding to adopt the platform?

ST: It is very hard to sell wholesale and direct. Trust me, every luxury brand wants to have an ecommerce platform – but most have tried and failed because it is fundamentally so different from the core business. There are no large POs and your cash flow is much more strained when you don't have receivables. Just because you have a successful offline brand, it won't automatically translate online.

To start an ecommerce business, you will likely hurt your overall P/L. You have to see the upside (and it can be huge) on the long term to have the bravery as an executive to prioritize it.

If you stand in the middle of the road, you're likely to get hit by a bus. A lot of luxury brands have been flattened over the years... and they're scared to be again.

What is in the future for Boll & Branch?

ST: Had you told me when we launched 11 months ago that we'd sell millions of dollars worth of sheets, have incredible people ranging from President Bill Clinton to Christina Aguilera telling us that that our brand would be able to positively impact thousands of farmers, factory workers and human trafficking victims (via our donations to Not For Sale), I don't think I'd have believed you.

What's exciting is that we're just getting started. We've just introduced Duvet Covers and a

whole host of colors of sheets and blankets. We also have some incredible new items in new categories coming throughout 2015. Additionally, Boll & Branch products will be in some of the top hotels and resorts in the world in the next couple of months which is very exciting for us.

Final Take

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