

Case Profile: Milan Direct

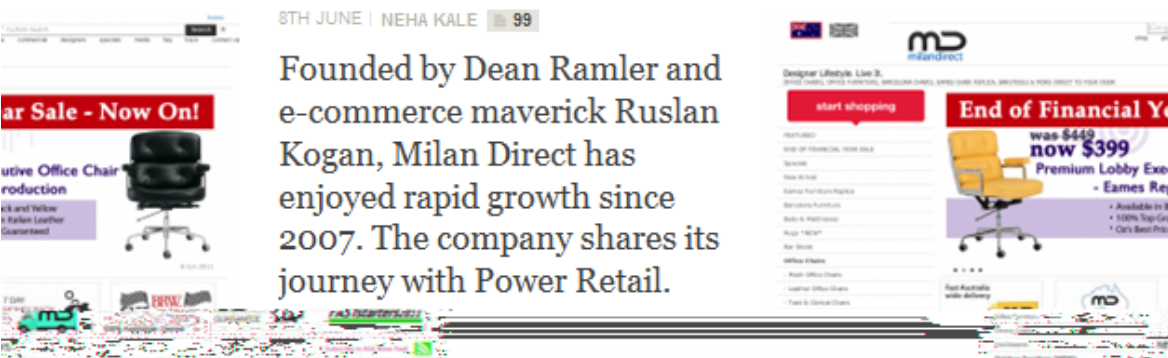
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Founded by Dean Ramler and e-commerce maverick Ruslan Kogan, Milan Direct has enjoyed rapid growth since 2007. The company shares its journey with Power Retail.

etail business.

in the online designer replica from the combination of its two furniture manufacture and supply the online entrepreneur, and a pioneer of

n Direct was able to source the best e to bring them to the market at prices classic pieces available at a price and five years later, this same purposes of designer items to consumers at the

ess model?

value to consumers by cutting out all retailers. By focusing on efficient sells its items direct to the consumer of Milan Direct's cost-cutting measures of all our products on our website, rooms drive up the costs for all ce from the showroom. This is e to consumers anywhere.

g up your online retail business

relatively new when Milan Direct was o actually create that market. In this espite its size and sometimes funky rom the comfort and convenience of ts customers that using our online odel has become commonplace.

realm, what will be your key

rs, our key challenges are to expand best value to our customers. To do ent processes, while being highly manage all these elements in a way has also been awarded the contract to mes, which involves selling over assive project, and will be all operated Melbourne.

1. Take us through the background of your online re

Milan Direct was founded in 2007 to exploit an opportunity furniture market. The spark that created Milan Direct was fr founders – Dean Ramler, bringing a pedigree of quality furni knowledge, and Ruslan Kogan, an established and innovativ the direct-to-consumer online model.

With a very modest up-front investment, from day one Mila quality designer reproduction furniture pieces, and was able that everyone could enjoy. It was the desire to make these c everyone could enjoy that gave Milan Direct its purpose – a is now being expanded to bring a broad (and growing) range best possible price.

2. How would you describe your e-commerce busin

Milan Direct's business model is simple – to bring the best v: the unnecessary costs that drive up the prices at traditional processes and “cutting-out-the-middle-men”, Milan Direct s for better value than its competitors. An obvious example o is providing high quality images and detailed specifications removing the need for a bricks and mortar showroom. Show consumers, yet only serve those within a reasonable distanc inefficient, given there is ample information available online

3. What were the key challenges you faced in setting and how did you overcome these?

Milan Direct's market – the online furniture market – was re created. The key challenge to exploiting any new market is t context, it was to show the market that designer furniture, d shapes, could be purchased and delivered to your door, all f your computer desk. Milan Direct worked hard to prove to i model brought better value, and now the online furniture m

4. Now that you're established in the e-commerce re challenges and plans over the next two years?

Milan Direct thrives on competition – over the next two yea our range and geographical reach, while always offering the this, Milan Direct will always have to employ the most effici responsive and adaptable to the market. The challenge is to that maintains our edge over our competitors. Milan Direct sell off all the furniture used in the London 2012 Olympic Ga 700,000 pieces of furniture used by the athletes. This is a n by our Australian staff out of our Head Office in Albert Park,

5. What unique components of your business do you believe make you a stand out example of online retailing?

While there are various narrow online retailers specialising in designer replica furniture, as well as others with budget furniture, and also those traditional retailers such as [Ikea](#), Milan Direct has a broad product range that offers classic and new designer furniture and homewares for all areas of your home or office. Another unique component of our business model is that it is extremely efficient by being purely online. For example we launched in the UK over 1.5 years ago with no staff on the ground in the UK. This has all been managed by our dedicated team at head office in Melbourne. We plan to launch into several new countries in the coming 12 months, again, with no staff on ground. We consider that this is a testament to our successful model.

6. How would you describe your approach to fulfilment and logistics and what differentiates that part of your business?

Our approach to fulfilment and logistics is very much in line with our business model – and that is to use the most efficient and effective third party logistics providers, so that our products are brought direct to our customers in the most efficient and cost effective way. If a cost in the logistics chain can be avoided, Milan Direct works hard to cut out that cost, and pass on the value to our customers.

7. How is mobile commerce influencing your e-commerce practices?

As an online business, our model has always been available anywhere on the internet however realising that with the rise in popularity of m-commerce and people searching and now shopping on their smartphones we launched a tailored mobile website which makes transacting on your phone much easier! We have also made several coupons available to sites for our customers to use on the go, which have proved very popular with our customer base.

8. With technology constantly evolving and the introduction of new software, hardware, devices and applications, what's your philosophy on continuous improvement in the e-commerce arena?

Our aim is to constantly lower our costs and prices by utilising the latest technologies in creating efficiencies in our business model. If a new technology can cut out unnecessary costs in our model, we will employ and then pass these savings back to our customers, and this has been a big key to Milan Direct's successes over the past 5 years.

A great example of a technology which has created massive efficiencies at Milan Direct in the past is the use of cloud computing. 100% of the Milan Direct business including our email accounts, newsletter databases, operating manuals and process documents are all stored online in the cloud with [Google](#). This means that any Milan Direct staff member can log in from anywhere in the world to service our customers. This keeps our costs low, increases security and in the end allows us to sell our products for much less than our competitors.

9. Which are the most important trends likely to impact your e-commerce business?

Perhaps the key trend that will impact our e-commerce business will be the extent to which online shopping continues to become a key part of the global retail market. In most cases, the online model will offer better value, yet we find many segments of the market still use bricks and mortar stores for their shopping needs without recourse even to online research. The rate at which more and more consumers learn the benefits of using the web to research and find the best value will impact all e-commerce businesses, including Milan Direct.

10. What are some of the things you wished you had known while you were setting up your e-commerce business?

Milan Direct has worked hard to innovate and create its business model in a relatively new retailing medium, and is proud to have, through this work, developed significant knowledge in the e-commerce area. We believe that knowledge comes from hard work and 'just doing it', and therefore do not particularly wish we had knowledge from any other means.



Article by NEHA KALE

Neha is a writer and editor for The Media Pad, publisher of Power Retail. She has a background in business, arts and film journalism and an interest in new media and digital strategy. She is looking forward to exploring how retailers are impacted by the online space for Power Retail. Neha is a magazine junkie whose other additions include coffee, travel and live music. She likes to run but has a long-time allergy to team sports.