

THE PEN SHOP

Betting 100% Online In A Luxury Market





Our History

- Opened in 1946
- Luxury pen specialists
- Oldest pen retailer in the UK
- 20 stores including 4 in London
- 15 concessions
- 5 stores in Airports
- 200 staff members



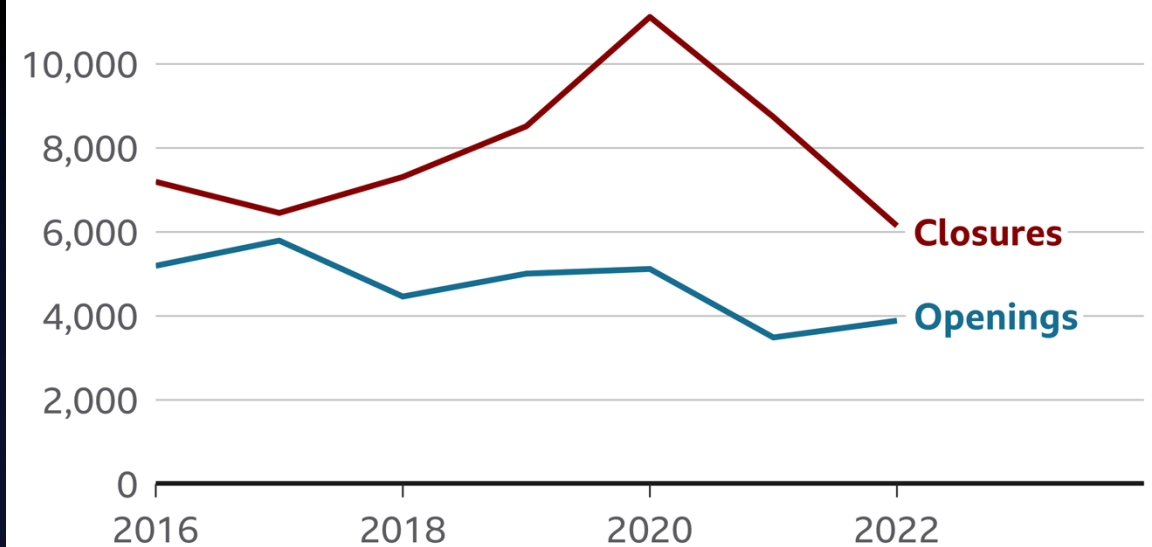
Our Stores



How Has Consumer Behavior Changed?

- Online shopping sales have more than tripled in the last 10 years
- After COVID, ecommerce sales surged and while many have returned to store shopping, 43% of consumers now buy products online rather than go back to stores.
- 22% of consumers now buy fashion products online as returning products has been made easier
- 17,125 stores closed last year

More shops have closed than opened in the first half of every year since 2016



Data compares openings and closures in the first half of each year in Great Britain. Includes high streets, retail parks and shopping centres.

Source: Local Data Company for PwC

Why We Started Closing Down The Stores

- Increased rent (38% increase in London)
- Increased rates (10% in ten years)
- Technology changes made pens more niche
- Buying behaviour showed an increasing shift towards online shopping
- The most recent closures saved over £150,000 a year in rent



Challenges we have faced with closing the stores and how we overcame it

- Customers want to see/hold high value products before purchasing
- Certain suppliers only allow retailers with stores
- Customers sometimes want to talk to people directly
- Perception that the company is failing if it closes down the stores
- Improved imagery with graphic designer
- Improved marketing on specific brand to increase sales for the brand
- Avoided the use of chat bots and used actual people
- Increase brand awareness by increasing presence in different markets, to different demographics.

How Closing The Stores Has Benefitted The Pen Shop

- Considerably lower costs
 - Rent
 - Stock
 - Rates
 - Wages
- Cost effective expansion
- Increased customer reach
- Round the clock sales
- Ability to grow in other countries much quicker
- Greater profit margins
- Lower risk
- Problem solving became much easier when everything is centralized



How our fulfillment strategy has changed?

Previous

- Large warehouse for own brand products
- Suppliers sent stock directly to stores
- Large fulfillment team

Current

- Small warehouse
- Dropship integration with stock management system
- Small fulfillment team
- Efficient system allowing same day dispatch up to 3:30pm
- Much more accurate stock control



What Is Next For The Pen Shop?

- Branching out into international markets
- The return of our 'own brand' products
- Selling on multiple channels
- Becoming market leader on personalized pens
- Relaunch The Pen Shop Pen Amnesty Charity





Thank You For Listening

Any Questions?