



**25 Years on the Digital Rails: Lessons I've
Learned in Ecommerce**

Richard Davies ex-MD & Owner of Media HQ & Hattons

From Customer
to CEO to



Customer to CEO to Closer

Today's talk

- 8 lessons I wished I'd learnt earlier..
- Focused on my mistakes (more interesting to learn from!)
- Also done a few things right ;-)
- Questions invited - please ask them "as & when"
- Friday PM slot - keeping it brief 🙄

My journey

1990 - spending pocket money on model trains as advertised in printed magazines

1997 - start degree in Computer Science Liverpool University

1999 - used MS ASP to build a “shop in a box” ecommerce platform - charged 3% commission to participating retailers

2000 - reached £1m of annual sales across 7 retailer websites (mostly in Cheshire & Merseyside)

2001 - Hattons £2m annual web sales - my best client

2008 - sell the “shop in a box” software and buy Hattons

2014 - start manufacturing Hattons own products in China

2018 - hit £20m total Hattons annual sales (team of 70)

2023 - liquidate & close Hattons

1a. Annual unique customers

Growth of Preowned

Big talking point in the company - lots of energy, positivity & focus



Pre-Owned	Unique Customers	Revenue
2013	595	£46,000
2014	5128	£734,000
2015	7980	£1,323,000
2016	9798	£1,685,000
2017	11520	£2,123,000
2018	14270	£2,684,000
2019	12034	£2,271,000
2020	11069	£2,183,000
2021	11169	£3,002,000
2022	12303	£3,681,000
2023	12225	£3,914,000

1b. Brand new items - £5.5m decline during the same period

Focused on (accepted) the impact of this, far too late

	Unique Customers	Revenue
2013	44774	£9,135,000
2014	44507	£7,777,000
2015	40375	£7,022,000
2016	44482	£8,196,000
2017	45292	£8,590,000
2018	47683	£10,239,000
2019	40440	£6,730,000
2020	42071	£6,168,000
2021	33151	£4,674,000
2022	29152	£3,859,000
2023	23739	£3,723,000

1c. Unique Customer Numbers - tells you a key truth

	Pre-Owned Trains		Brand New Trains		
Year	Unique Customers	Revenue	Unique Customers	Revenue	Approx Net Profit
2013	595	£46,000	44774	£9,135,000	£450,000
2014	5128	£734,000	44507	£7,777,000	£470,000
2015	7980	£1,323,000	40375	£7,022,000	£245,000
2016	9798	£1,685,000	44482	£8,196,000	£400,000
2017	11520	£2,123,000	45292	£8,590,000	£700,000
2018	14270	£2,684,000	47683	£10,239,000	£975,000
2019	12034	£2,271,000	40440	£6,730,000	£840,000
2020	11069	£2,183,000	42071	£6,168,000	£455,000
2021	11169	£3,002,000	33151	£4,674,000	£625,000
2022	12303	£3,681,000	29152	£3,859,000	£23,000
2023	12225	£3,914,000	23739	£3,723,000	£50,000

2. Relationships before Technology & Perfection



25% of
Hattons Revenue

2018: Hattons duplicated
their top selling item -
leading to getting “cut
off”

Flew too close to the sun



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3. Focus on customer expectations

5 STAR REVIEW



“Hello from sunny Sydney, I love your fantastic internet site! Looking at the photo’s deciding what to buy :)” - January 2002



4. Keep in Touch: Personal Contact is Best



**Go where your customers are.
Meet, talk & connect with them.**

**For us this meant exhibitions and
retaining our brick & mortar shop.**

**Now it could (maybe) include digital
content e.g. live video & TikTok
etc...**

5. Shipping options - a huge differentiator..

Clarity of
courier
options
provides
peace of
mind and
sets
expectations

HOW WOULD YOU LIKE TO RECEIVE YOUR ORDER?

☐ Collect in person from Rails of Sheffield shop

☒ Delivered to my billing address

☐ Delivered to a separate delivery address

EXPEDITED DELIVERY:






☐ I would like to upgrade to expedited delivery at extra cost if available when dispatched

Vague

SECURE CHECKOUT

1. SHIPPING INFORMATION ✓

2. DELIVERY METHOD
Choose one of the delivery methods listed below.

Delivery method	Costs
 UPS 2nd Day Air more info	€ 7,99
 UPS 3 Day Select more info	€ 7,99
 UPS Next Day Air more info	€ 7,99
 FedEx Ground more info	€ 7,99
 USPS more info	€ 7,99

◀ BACK **NEXT**

Clear (er) - could say when
it's arriving

6. Own your email audience

Build an email list from day 1

The Importance of Email Marketing Services



Email is the only marketing channel you own - social media or purchased advertising depends on others

7. Handle your HR

It's not only knowing your customers, but also your own team....

In high growth periods it can be easy to increase your workforce without really knowing them

Make sure you have robust processes in place PRIOR to growth.



8. Prepare an Exit Strategy



Jeff Bezos says even Amazon won't last forever.

Know when your beat...

**Kenny Rogers, The Gambler
"Know when to hold them, know when to fold them"**

To Summarise:

- **Over-reliance on a shrinking number customers & suppliers...**
- **Risks without diversification or exit strategy**
- **Focus on avoiding a culture of complacency**

