

From the Computer to Your Kitchen

After more than a century selling whitegoods, the Winning family has moved into the online world.

CEO of Appliances Online John Winning was always destined to work in the realm of appliances. His family's bricks-and-mortar business first opened its doors in 1906, and since then has built a proud tradition and history. Over a century later, the family retains complete ownership of the company. Fast track to 2011 and John has created a successful new enterprise for the family through Appliances Online that can claim more than 100,000 satisfied customers.

John describes the formation of Appliances Online: "My family's business, Winning Appliances, originally began as a Sydney appliance retailer and now also has stores in Brisbane. I was working there as a salesperson and they got a lot of recommendations from kitchen companies and architects.

"Anyone who knows the industry knows that people tend to buy a whole kitchen package: oven, cooktop, rangehood, washing machine, drier, all at once. As Winnings is known as a destination shop for kitchen packages, we were missing out on the sales of replacement appliances — where someone's appliance dies and they come in for a new one.

"What these customers normally do is pick up the latest catalogue, go online, do some research, call around and order that appliance. We saw an obvious opportunity there and I put my hand up to say, 'Why don't we try selling online?'



As featured in *Australia's Best Retail*
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"We attracted new business because people are often going to be time-poor and their appliances can die unexpectedly. There's a big market for replacement appliances, and people are going to jump online to do their research, whether they're at work or at home after hours when it happens."

Appliances Online was established in 2005 and runs in conjunction with the Winning Appliances' range, service and philosophy.

"We take a lot of responsibility for the supply chain," explains John, "and we hold a lot of stock ourselves across our warehouses nationally, so that when a customer orders something we know we can get it to them. We've got to be pretty smart about our overheads; we're lucky that Appliances Online has the support of Winning Appliances, and we often share stock between New South Wales and Queensland, where we've got a presence."

To illustrate the key features that make Appliances Online a success, John says, "We offer same-day delivery in selected areas, and we're always expanding that. We offer free delivery, connection, and removal of your old appliance to be recycled. When a plumber or electrician is required for a connection, we offer that for a fee — as opposed to simply telling

our customers to find their own expert. All these services are currently available in all the major population hubs of Australia such as Perth, Brisbane, the Gold Coast, Sydney, Newcastle, Wollongong, Canberra, Melbourne and Geelong.

"Unfortunately, if you live in the middle of Australia, we don't have an electrician who can come and deliver something for free and connect it.

"What also makes Appliances Online unique is our core-value promise of providing customers with the high-level service Winning's has always been renowned for and replicating all the best elements of shopping in a bricks-and-mortar store, but online."



With these customer service guarantees in place, Appliances Online has built a strong network of suppliers.

Reflecting on the selection criteria that are applied to potential suppliers, John says, "We want to make sure that we are going to be able to have a good working relationship. We want to know that our suppliers have got a reputable brand with great after-sales service, and also a good quality product that has a point of difference in the market.

"I'm the fourth generation from the Winning Appliances business, and some of our business relationships go back to well before I was born. We've built our whole business upon great relationships with all our suppliers, and we've kept a very open-door policy as a business.

"Suppliers can come in and talk to us about what they're doing, if they've got any issues, if they think we're doing something well, or ▶



John Winning

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- John Winning

if there's an opportunity for us to promote their brand in a better way than we're doing currently – we're totally open to that.

"We would never shut the door on them and say, 'Let us run our business the way we want to; you just sell us the goods'. We don't do business like that. We like to open the door and have great communication and build solid, longstanding relationships."

"What Appliances Online is to white goods, Big Brown Box is going to be for audio-visual technology products."

- John Winning

With regular reminders for retailers to 'adapt or die', the move to online has allowed the Winning family to diversify their operations without sacrificing quality or service. The family has expanded further with the recent purchase and relaunch of Big Brown Box.

"Big Brown Box was a competitor of Appliances Online," John says, "and was previously owned by the Thorn Group, a publically listed company known for owning Radio Rentals, among other things. They decided to pull out of the market and put the website and trademark up for sale. We purchased those and have relaunched Big Brown Box as an AV specialist. Basically, the easiest way to explain it is like this: what Appliances Online is to white goods, Big Brown Box is going to be for audio-visual technology products."



"It's pretty hard to be the specialist if you do everything," he continues. "It's hard being respected as a jack-of-all-trades, and the same goes with our customers. We wouldn't want one of them calling up and trying to get advice on a washing machine from someone who only knows a lot about the latest in television technology."

"We launched Big Brown Box at the end of June and it is purely an online model, like Appliances Online. Call up, get the best advice, have it delivered for free – in most areas – with installation options on delivery and plenty of stock so customers can get their orders quickly – which translates to all the same benefits that make Appliances Online successful."

Appliances Online has continued to embrace innovative ideas online since its launch. John says, "We have worked hard to earn every one of the 152,000 fans on Facebook. We are probably one of the biggest retailers in Australia to Facebook fans." This forward-thinking attitude keeps Appliances Online at the forefront of online retail in Australia.

The company continues to grow despite increasing concerns regarding Australia's retail climate. Appliances Online has recently expanded its operations into Perth on the back of Australia's resources boom.

"We've just opened a warehouse there to give our customers in Perth our award-winning service experience. Whereas before, Perth had a five-day turnaround for delivery, now it will be the next business day, and all the other features I mentioned. We are lucky to have a lot of loyal customers in Western Australia who have been dealing with us for five years and waiting five days for their goods to be delivered; they no longer have to experience that wait."

As online commerce vies for greater market share in Australia, Appliances Online will be in a strong position for years to come. As to the company's plans for the future, John says, "We'll be focused on increasing our ability to service more of the population. We aim to open a warehouse in Adelaide by the end of the year, and then we'll look to more regional areas to expand our delivery network."

"After that, we plan to expand a few of our categories that complement the Appliances Online model, including whitegoods, barbeques and outdoor. We also intend to look at other categories within Big Brown Box as well. There are definitely exciting times ahead."



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