



the future of retail report 2022 alcohol edition

Helping you to grow your food and drink business. Inside read:

- Q&A with award winning spirits business Sacred Gin
- The Future of Retail
- Make or break? Essential packaging tips
- Launch tips for food and drinks brands in 2021 and beyond
- 7 top tips for your eCommerce website from an online shopping addict
- A guide to eFulfilment technology
- 6 reasons that **diamond** might be the fulfilment partner for you

Q&A with award winning spirits business Sacred Gin

in this exclusive interview with Hilary Whitney, co-founder of specialist drinks retailer Sacred Gin, learn about retail trends, beautiful packaging and how she selected her fulfilment partner, **diamondlogistics.**

What trends are you seeing as a specialist alcohol vendor? How do you expect the market to change in the next few years?

Not surprisingly we have seen a huge increase in online sales. When consumers were unable to visit bars and restaurants, many of them started to make their own cocktails at home and quickly discovered that not only is it really good fun but it's a great way to create a sense of occasion, to draw a line at the end of the working week (or day!), for example. I think that this is a trend that will continue. Maybe not at the same momentum but it has definitely brought a great deal of pleasure to a lot of people.

“Interestingly, although online sales will continue to rise, I think that there is substantial evidence that smaller, independent retailers will flourish. During lockdown many of these businesses became community hubs for consumers who really appreciated the personal touch they provided.”



Kate and Dan of **diamondlogistics**

diamondlogistics is experienced in supporting eCommerce shops with exceptional delivery solutions. Whether you design, manufacture, source or distribute your products, we have a delivery solution to suit. From designer vases, subscription boxes or stand-up paddle boards **diamond** has years of experience supporting unique brands store and deliver worldwide. Contact **diamond** today for your free fulfilment consultation.

Contact our sales team today for your free fulfilment consultation.

Tel: 0333 567 5888 Email: sales@diamondlogistics.co.uk



Category-wise, our vermouths, which have been given World's Best Awards, have really come into their own as they are so versatile. I think the biggest changes will come as a result of Brexit – it will become much more difficult to make UK products available in Europe and there will be shortages of European products in the UK. We are noticing that already.

How has **diamond** supported your growth and the safe delivery of your products?

diamond has provided a great service, packing and sending out our online orders and going over and above to solve any problems or glitches in the system.

We have had some lovely feedback from customers, commenting on how quickly their delivery arrived and how beautifully it was packed.

How are you dealing with Brexit? And the ongoing COVID-19 pandemic?

We are still trying to find workarounds to deal with Brexit - we are discovering new challenges all the time! We were very fortunate during Covid that we were already available online and on 13th June last year, we moved our distillery from our home to Highgate High Street where we also have a retail presence which, as an essential business, has been able to operate throughout lockdown.

We also moved our events schedule – gin tastings, cocktail masterclasses and so forth – online, which turned out to be much more effective than we would ever have thought!

What should new retailers think about when choosing a fulfilment partner?

When choosing a new fulfilment partner it's important to consider your priorities. Obviously we needed someone who would be competitive pricewise and had a good handle on stock control.

“ As we needed a fulfilment centre to send out our products – high end spirits – to consumers, it was also crucial that the orders were packed to the very highest standard. This meant branded tissue paper, a complementary postcard and a gift note when required (presentation reflects hugely on our business). I am pleased to say that **diamond** have been able to deliver this. ”

It also helps that the staff are extremely personable and, on occasion, have gone over and above to meet our requirements.

What other advice do you have for emerging food and beverage retailer?

You really need to be able to sell online. If you are not ready or think you don't have enough pull through to do this yourself, you can always find an online retailer that could sell your product alongside other, similar goods. I also think that customer service is paramount - prompt, polite efficient service and, if there is a problem, sort it out asap and make sure they're kept fully up to date of any action you might be taking to resolve the situation.



fearless

the future of retail



Kate Lester, Founder and CEO of **diamondlogistics, offers a fearless opinion on the future of retail.**

We can see light at the end of the tunnel, in terms of the world emerging from the pandemic and lock down. New shops are opening, but the reality is retail habits have changed forever. As a class A shopaholic, I will be first out of the blocks. But shopping habits have undoubtedly changed.

“ Some people will never go back to shopping the way they used to. The elderly, infirm or very time pressed. There is gold in these markets if you target them in a way that is attractive. ”

Commodities or specialist goods are perfect for online. Household product sites like www.webothere.co.uk makes it very easy to order bulky and cost-effective goods direct to your home. Equally specialist goods – like www.SacredGin.co.uk – are easier to source online as there are very few stockists of this premium product.

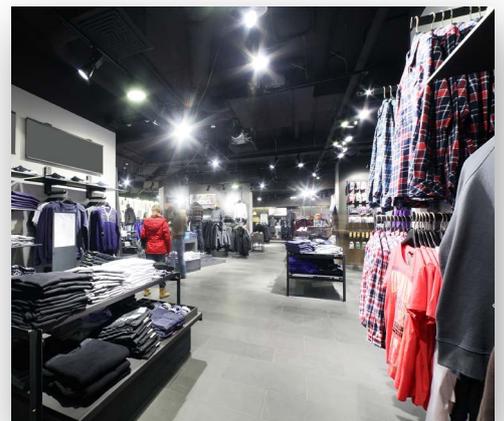
It's the stuff you want to try on, touch, feel or see – like furniture – that will drive retail moving forward. For example, buying shoes online is very hit and miss, as is buying furniture. The look, feel and weight of shoes is a touch-based experience.

A lot of people like their Saturday food shopping – I can't see this being eroded entirely – and substitution is annoying. But shopping at Waitrose for a few key products – and getting the bulk on Ocado – is a way of mixing modes of purchase and retaining the best bits for the consumer. And who wants to lug huge bags of shopping when you can get it delivered for a £5? And it's those last minute things – the capers and anchovies you decide you need for your dinner party – that your local delicatessen will always be strong at supplying.

big retailers

Retailers have to embrace multi-modal experiences including click & collect, home delivery as well as onsite shopping. Shopping experiences will need to be a big day out, so they have to be fun and engaging.

You won't just pop to the shops – there will have to be further motivation. Ikea has this nailed – albeit their delivery times on line aren't great at present. (Ikea if you need a hand you know where we are!).



make or break – key packaging tips for alcohol products

insight about the best packaging for booze, and the government's plastic tax.

sustainable

What are the hot topics in packaging right now?

“ Retailers want (and need) sustainable packaging. The government is introducing a plastic tax which comes into effect from April 2022. ”

And what trends are you seeing within high-end homeware retail? People seem to be moving away from the norm, exploring new brands and niche items.

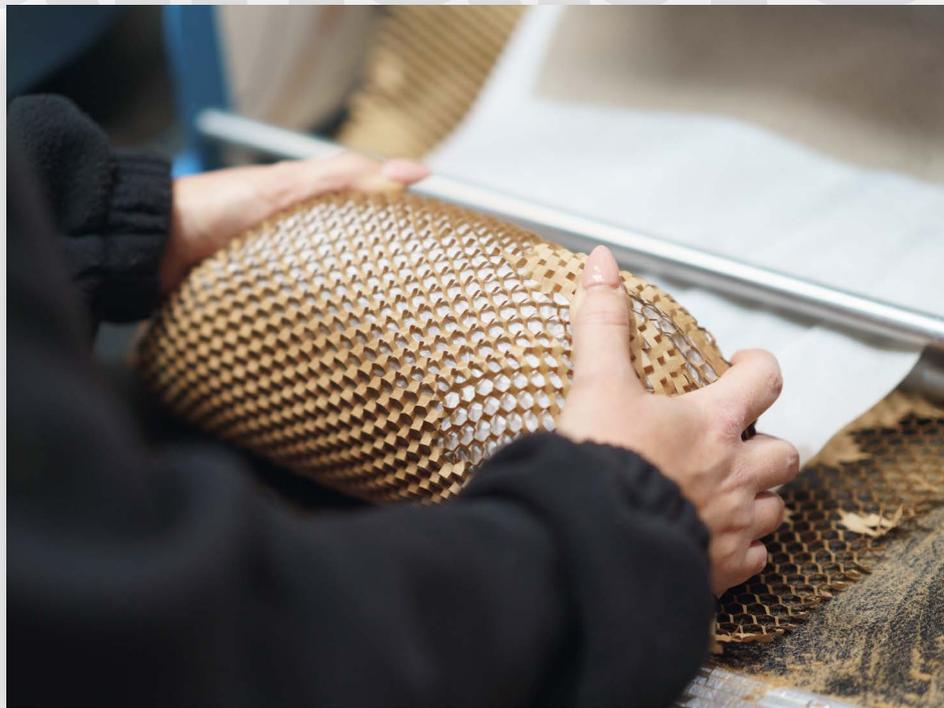
The popularity of our high-end clients like

Sacred Gin or 3 Ravens Rum, which can be stocked in department stores like Selfridges, shows that people are moving towards quality over quantity. Its also about artisan products.

What is the plastic tax?

“ The new tax applies to plastic packaging produced in, or imported into the UK that does not contain at least 30% recycled plastic. ”

It will not apply to any plastic packaging which contains at least 30% recycled plastic, or any packaging which is not predominantly plastic by weight. Imported plastic packaging will be liable to the tax, whether the packaging is unfilled nor filled.



Which packaging is best for alcohol brands?

Because we specialise in alcohol we store and transport a lot of glass and super fragile items.

“ We’ve done our best to remove plastic – which is important to our clients – but so is getting the product to the customer in one piece. ”



If we’re sending bottles, we usually include inflatable recycled plastic packaging made with lower micron materials. It’s important to find the right balance, which tends to be a mix of paper and recycled plastic.

Or we can use a product called Geami. It’s effectively a giftable version of bubble wrap. It’s attractive because it concertinas into a honeycomb layer around the product. The cells interlock to firmly secure the items.

“ It’s 100% recyclable and biodegradable protective paper – a nice alternative to bubble wrap. Quite often packaging isn’t pretty, but this is! ”

What about the customer experience?

Some of our clients provide very specific instructions for their boxed items which our Service Centre teams will follow. This is to ensure that every item is constructed to the same high standard and is dispatched in the layout they expect – whether it’s box 1 or box 501 – they should look exactly the same. We often do bespoke picks – making up a Bloody Mary Kit or including an accessory pack for making Cocktails. All in a days work here at **diamond**!

“ We produce luxury packaging when required. We can include a thank you postcard in an envelope which has an embossed logo on the front, logoed tissue paper and careful wrapping. It’s quite beautiful. ”

We also include the order slip with a branded sticker on it and can add marketing too to encourage repeat purchases. If customers have a good un-boxing experience they’ll talk about the brand in a positive light. Customers receive a boutique experience from these luxury alcohol brands which is similar to a high-end department store. Beautifully wrapped and sealed.

And the box itself?

We use as standard double wall corrugate boxes here at **diamond**, which isn’t always the standard across fulfilment centres. We want to ensure the products are as protected as possible to ensure safe delivery

And the large orders?

Within **diamond** there is always a reliable delivery solution for large homeware products. Whether it’s a carrier option through our multi-carrier services or our own courier drivers delivering it, we can provide the support needed to deliver bulk into retailer or direct to consumers at home.

launch tips for food and drinks brands in 2022 and beyond

as friends and family start to re-unite over food and drink, Kate Lester – founder and CEO of **diamondlogistics** – reflects on the pandemic, and offers some solid advice on how to launch a food and drink business.



Small or emerging food and beverage retailers have had a helluva ride. Many had a retail only presence, which was good when they had signed a deal with the likes of Selfridges, but no good if food halls were shut!

They have had to develop a multi-modal delivery model and build an independent fan base to drive sales.

“ It’s no longer about securing the big deals just with the retailers – to survive they need to drive a passionate following of their brand. Now, food brands need to sell local, sell your own marketplace, sell on multiple platforms including social and sell in retail. ”

This can look like a really challenging proposition for start-ups – particularly when you look at the complexities of fulfilling all of this demand and creating a marketing strategy for each access to market point.

“ A good fulfilment and delivery partner should be able to guide you through the operational bit with ease, and have systems to fully integrate with multiple marketplaces simultaneously. This will enable them to focus on the marketing. ”

Standing out from the crowd, however, has had its challenges as there has been literally thousands of launches as many people sought to deal with the adversity of this year by creating something new, and there has been a veritable flooding of the marketplace with ‘artisan brands’.



The key ones we have seen launch or scale very well in the pandemic have been 'comfort' or 'healthcare' foods stuffs – booze, honey, chocolates – with higher price points. A fulfilment model only really works cost effectively for higher unit value stuff – the average order of £20+ – with post and packaging no more than 25% of initial retail cost – and free delivery incorporated for multi-packs – or until sales are over the £50 price point.

It's important for brands not to be a one trick pony. A minimum of four SKUs that can be independently marketed as a start-up has been key.

“ No longer would one rum product be enough to keep your hard-won clients satisfied – you need to be able to get them to buy again, and cross sell other products to scale the business effectively. ”

This means additional resources have to go into Research and Development, and product development to sate the curiosity of the customer base and drive sustainable growth via repeat business.

Sacred Gin – a **diamondlogistics** partner – is one of my favourite examples of a drinks brand nailing it. This independent brand, launched by Ian Hart back in 2008, is a small Highgate distillery which has taken vacuum distillation to the world. Ian traded in a Wall Street career for a Natural Sciences degree from Cambridge, which has helped him create a unique set of drinks, having fully embraced R&D. One trick pony it is not.

In terms of Brexit, it has been nightmarish, and I would encourage people to crack their home markets first before launching a trans-European strategy. This will allow time for the minutiae of the Brexit deal to sort itself out – we have found many delays in customs and subsequent delivery – however this is decreasing as time passes and I am sure will be mostly sorted by the end of the year. We always say there is opportunity in adversity.

To improve your odds, **diamond's** key recommendation are:

- Build a brand – locally, regionally, nationally then globally
- Multi-modal marketing
- Seamless multi-marketplace fulfilment with combined inventor
- A variety of similar products to continue to sate customer demand
- Build yourself time to do all the above by outsourcing non brand functions (i.e. fulfilment) so you can focus on product and marketing

As the world reopens, as the UK's general public starts to enjoy a social life with friends and family again, I expect food and drink to be at the heart of celebrations, and that we'll continue to see people purchase with purpose and support small and emerging brands.



7 top tips for your eCommerce website from an online shopping addict

by Kate Lester, founder and CEO of **diamondlogistics**

I buy a lot online. That's right, I'm a shopping addict. And whilst I've been testing the sites of **diamondlogistics'** retail clients, I've learned some lessons on customer experience.

Here's my advice for all you retailers operating an eCommerce website.

#1. Make paying VERY easy

It's a faff when you have to put in your address and billing details when you buy something online. The best websites either have Apple pay or Amazon Pay, which offer a one click payment experience. Trust me, online shoppers are lazy, we notice multiple click sites and love anything that makes it super easy to buy, buy, buy. And if you can't or won't do this then at least make sure that your payment choices are actually valid for your site.

“ I recently went through the whole process of creating an account on an eCommerce website with my Amex card, only to receive a message saying 'this card doesn't work with this site.' Despite the fact they have an Amex icon! ”

#2. Make sure your site works

Multiple sites I tested didn't update the basket. However I didn't discover this until checkout, which meant I had to go through the arduous process of deletion and basket updating, which was a bore. I also spotted broken URLs, missing descriptions etc... It just smacks of a lack of professionalism which deters that online purchase, particularly when buying from higher quality providers.



#3. Make it easy to navigate

Keep menus present and up-top consistently, so if you want to buy more you can do so easily. Have back buttons and intuitive site organisation. I'd say the best way to do this is NOT test the site yourself but ask friends and family with varying degrees of internet savvy to go through the buying process. If anyone gets stuck, particularly in your target market, then make changes to ensure ease of use.

ease of use

Add an 'other people who bought this also bought' function, which creates an upsell opportunity. Or a multiple offer – 'buy this bundle for XX.' I am a sucker for that and it adds value to individual sales.

#4. Make sure goods are in stock

“ Do not advertise products online if they are out of stock! Or at the very least say 'out of stock' on the product page, not when you get to the till. This is VERY annoying indeed! Make sure your webpage shows live inventory on your website. You'd lose a sale and future customer for sure if you accept an order, then have to go through a rebate/refund process. ”

#5. Have a great search and/or filter function

I don't want to scroll through pages trying to find my granddaughter a gift and then not be able to buy it in her size. Make it easy for people to find exactly what they want.

#6. Use an appropriate delivery carrier

Perception in that last mile is important. I recently bought a high-end jumper from one of our premium brands and was surprised at who delivered it. The nature of the delivery method was not in line with the premium product I was buying. I, like millions of other consumers, don't mind delivery costs. It saves me a trip to the shops. But I'm less impressed when goods are left in a recycling bin/ puddle/not delivered on time etc. So use a quality carrier.

Don't get me wrong – our cheap and cheerful carriers do an amazing job which is fit for purpose for lower values goods. But when selling premium, think about a congruent delivery experience for your end user.

#7 Packaging is MUCH more important than you think

“ My key gripe is ridiculous amounts of packaging. It's so wasteful. Make sure your packaging is recycled/recyclable. I recently stopped using a dog food provider after years of asking them when their packaging would become recyclable. Consumers are savvy to this now. ”

And make unwrapping the delivery an experience if your brand is a quality one. It's a mini-Christmas for me when I open my weekly online purchases. I really appreciate the tasteful wrapping of quality goods, particularly if I am gifting them to others. Again this can be done for relatively little by a great fulfilment partner and believe you me, it makes all the difference.

If you'd like to test your online process and receive a free assessment from Kate Lester, email kate.lester@diamondlogistics.co.uk and include FREE ASSESSMENT in the subject line.

a guide to eFulfilment technology

Daniel Allin, Chief Product & Innovation Officer for **diamondlogistics**, who works closely with retailers FatStick Boards and Books that Matter, offers some advice on the eFulfilment tech which is expanding eCommerce capability.

Choosing the right fulfilment technology is vital to the success of any eCommerce business. Whilst the product may be selling and the website is doing its job in terms of attracting and engaging with buyers, all of this hard work can easily be undone if the post sales operation falls down.

“ A smooth post sales process is essential in retaining repeat buyers. ”

If it's broken, it can quite quickly lead to buyer frustration due to late delivery or in extreme cases, picking errors leading to the wrong goods arriving at the destination.

Good technology is also paramount when it comes to scale. Whether you are picking, packing and despatching yourself or outsourcing to a fulfilment partner, process is key.

Here are five simple things you need to look out for.

#1. Integration

In this modern age of technology, manually keying in order data into your warehouse management system should be avoided at all cost. For scale, you need a seamless flow of order information from your sales channel to your WMS. You are far more likely to achieve this if you use one of the more commonly used eCommerce sales channels.



marketplace

Whether you sell via major players or your own bespoke marketplace, we can integrate flexible fulfilment with your operation.



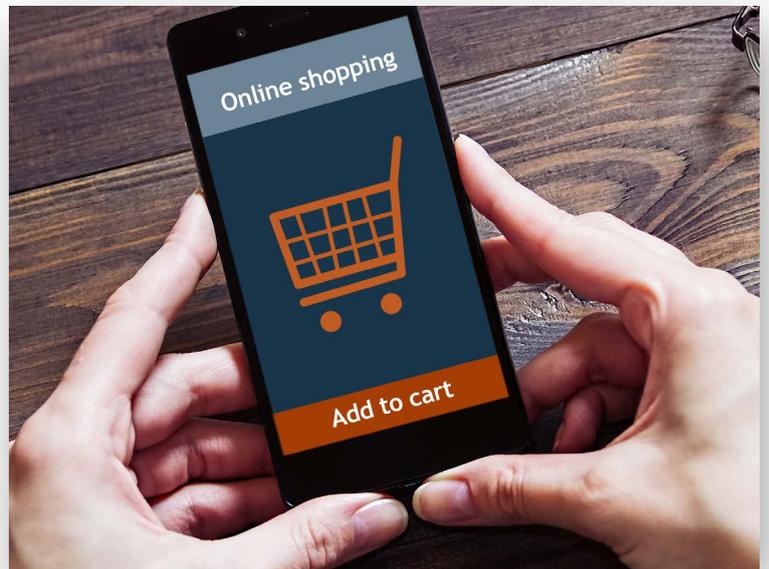
integration

#2. Live inventory with stock sync

The live transfer of stock and order data will give you a huge advantage.

“ Knowing what you have to sell and how quickly you can fulfil will lead to happy consumers. ”

If you get this bit wrong, you'll end up over promising and under-delivering, which will only alienate consumers.



#3. Knowing where stock is within your Fulfilment Centre

A good warehouse management system will not only show you where your stock is within your warehouse, but it should optimise your space efficiency. Transparency is crucial to effective and efficient storage.

#4. An efficient pick and pack operation

If you want to scale up your sales, you'd better be prepared for it operationally. To ensure you can keep on growing without adding infinite bodies to your operation, your tech needs to do the heavy lifting. Optimised algorithms will help create efficiency when it comes to picking from the right locations in your warehouse, reducing walking distance and scanning barcodes to ensure the correct products are picked.

#5. The delivery

From the consumers perspective, the warehouse operation is an unseen, virtual operation that might as well happen on the moon. The delivery on the other hand is the physical transaction with the consumer – this bit really matters!

“ Choose the best possible delivery partner, or better still, have multiple based upon value of order, size, weight, geographical location. Make sure your client is wowed and it will create repeat business. ”

carriers

Smart, simple distribution solutions

Logistics carriers including: diamond logistics, DHL EXPRESS, Royal Mail, dpd, FedEx, Hermes, and TNT.

wowed

6 reasons to outsource your fulfilment to diamondlogistics

leaders

- #1. Unlike most eCommerce providers we are happy to support launch brands. We have scaled 100s of businesses online and are truly dedicated to you expanding your children's brand.
- #2. From single purchases to complex subscription boxes and multiple item picks, we really understand the importance of presentation, delivery and time scales to support your brand growth.
- #3. We have a packaging specialist here to advise you, so you can make sure your client's unwrapping experience is memorable and that goods are delivered intact as well as on time.
- #4. We are fully registered and audited by the HMRC Customs and Excise and can guide you in how to ensure you are 100% compliant. EU and global deliveries are made simple with our support.
- #5. Experienced in dealing with a variety of delivery destinations – local, national and global. And a variety of delivery types, whether direct-to-consumer or into retailers.
- #6. We offer local, national and global delivery and are leaders in same-day, overnight and international delivery.



experienced