Gerry Harvey's former lieutenant Tony Gattari is back in the channel with wisdom hard-earned from his last foray online. **David Binning** reports

Return of the prodigal e-tailer

It's been nearly 85 years since Tony Gattari left Harvey Norman and the Australian technology channel. Well, internet years that is. But it's the time-scale that seems appropriate for gauging the man these days. And besides, he's rather fond of big numbers.

After leading the growth of a fledgling $15 million technology business at the retailer into a $500 million juggernaut in just nine years, Gattari – now 47 – realised it was time he stopped making money for other people and took his destiny into his own hands.

But things didn't quite turn out the way he planned.

By his own admission full of hubris and perhaps a little greed, Gattari bet all his chips on the first dotcom boom and in early 2000 started the online tech retail store that nobody, including himself, thought could fail.

Yet the crash didn't discriminate between good ideas and bad, and smartbuy.com.au, along with Gattari, came crashing back down to earth like Icarus. "I went through the whole smartbuy thing and realised that I lacked wisdom," Gattari says. "I needed to learn some things."

Retreating from the dotcom wreckage, he went back home to spend more time with his wife, two children and books, especially on history and philosophy.

After a year he glimpsed the wisdom that had eluded him before the fall, including the realisation that a thing he does best is help others make money. This inspired him to start Achievers Group, an organisation he runs with a who's who of Australian business champions and which helped thousands of companies and professional people understand and realise their potential.

Drawing from those experiences, Gattari wrote a few books of his own, including Marketing Success and Business Success and produced a four-disc DVD series.

It made Gattari a brand in his own right, tutoring businesses on how to do better. One was so impressed, it hired him.

Melbourne's estore.com.au is emerging as the leader in online technology retail in Australia.

Its most recent full-year sales were $46 million, a figure Gattari in his capacity as director of corporate development and strategy says will double to about $100 million in next two years.

He says that having been an executive at Harvey Norman, one of Australia's most successful bricks-and-mortar technology retailers, as well as having steered a spectacular flop online, gives him a powerful set of credentials for his new role.

Yet he loathes shopping. Perhaps this is why he seems to understand it so well.

One of the biggest mistakes of the dotcom boom, he says, was its belief in the idea of "build it and they will come". "But you can't make people do things," he says. It's a lesson Gattari feels is fundamental to success in the online world: before a business establishes itself it must understand the "ant trails".

"Back in the '80s early '90s, Harvey Norman was a Mickey Mouse computer dealer," Gattari says. "Until we changed the ant trail". Gattari knew consumers had an appetite for computing; he simply figured out the easiest ways for them to buy.

The ant trail has shifted dramatically over the years, from bricks and mortar to the internet, leaving many resellers and retailers in great pain.

Gattari says the internet is "ripping the heart and soul out of many retailers, especially those in technology and fashion", citing the recent comments from his old boss Gerry Harvey and his calls for online retailers in Australia to be subject to the GST, especially with the high and still-rising Australian dollar leading more people online in search of bargains.

"The GST issue is a bit of a hot potato; it's simply too hard for anyone to fix at the moment," Gattari says. But he doesn't agree the solution to the problems facing bricks-and-mortar businesses is to make things harder for those operating online.

Everyone faces more competition. The booming number of online shops means that all need to work harder to attract increasingly fickle and time-poor visitors, with the average shopper possessing an attention span of just nine seconds, he says.

And the massive success of the Apple Store showed that well-conceived clicks-and-mortar businesses – those with a physical and virtual presence – still pose a threat.

Businesses must create a positive experience for shoppers, Gattari says, yet he reckons that very few know how.

The key is information. Most seasoned online shoppers already

feel they know more about the products than the average salesperson in a shop, so any online store that's going to win their business must be able to keep them interested and, ideally, tell them something they don't already know.

Gattari predicts that the quality of information provided by retailers of all stripes will be their key competitive difference over the next few years.

One of the first things he has implemented since joining eStore is a contact centre. Visitors to the site are presented with a phone number to ring should they want to speak to a person. And it has a chat forum so customers can exchange information and opinions about the site and products.

In the US they call this the hybrid model for online retail and, along with social media, is probably the most important trend driving the sector because to get a return customer they must feel happy, confident, informed and, above all, safe.

Gattari says sites such as Facebook, LinkedIn, Twitter and YouTube will play key roles shaping consumers' experiences of online retail by creating opportunities for online retailers to establish meaningful relationships with them.

Customers are able to share information such as discounts and special offers while building their own communities.

"Social networking presents enormous opportunities to help businesses to get customers to drink more than once," Gattari says.

Gattari's 10 tips to e-tailing success

1. Put your website everywhere; on all you brochures, direct mail materials, business cards
2. Understand search engines
3. Use social media tools such as Facebook fan page, LinkedIn, Twitter and Youtube
4. Advertise online using Facebook, Google ad words and Yahoo!
5. Make your website easy to use. Search engines can't recognise words in Flash. Provide simple buttons
6. Try to make your content unique
7. Put yours and your company's contact details on every page
8. Provide a "call to action" such as subscription to a newsletter in return for a small gift.
9. Update your social media details as often as you can
10. Enter customer details into a CRM product such as Salesforce.com

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eStore's Coppa on Gattari

If Tony Gattari is the godfather of bricks-and-mortar technology retail in Australia, the man who hired him at eStore, Lorenzo Coppa, was a pioneer of the clicks game.

Coppa's IT solutions company City Software Group was born in 1991 with card-not-present online buying in its DNA, taking over-the-phone orders at the outset even though trusted online transaction systems were still many years off.

Twenty years later its subsidiary company eStore.com.au is one of the most successful online technology retailers in Australia with annual sales approaching $50 million. With Gattari on board, Coppa expects that number to double.

"We want to sell technology products to every household and business in Australia," Coppa says. "That's our big hairy audacious goal."

Asked what it was that moved him to tap Gattari for the task, Coppa says: "When I first saw him talk, I thought, this man thinks like I think."

"He tries to get inside the head of the customer and work out their real needs; the driving factors in their search."

And he was impressed with Gattari's skill managing suppliers. With eStore juggling more than 700 suppliers, that's probably going to come in handy.
David Binning