

Sector : Fashion Manufacturing and
Retail
Year of Establishment : 1999
Number of Employees : 3
Website : www.donegalknitwear.com



“Handloomed Woolen Garment Production and Sales”

DONEGAL KNITWEAR

“We knew nothing about going online, but we knew if we didn’t, the business would die. We took a leap of faith” - Thomas, Donegal Knitwear.

Crisis:

Customer Engagement, Conduct of Business-as-Usual, Sales

About

Established in 1999, Donegal Knitwear is a family run business. Located on the Wild Atlantic Way in Donegal, a popular tourist destination during the summer months. The company handlooms knitwear from locally sourced wool called "Donegal Tweed Yarns" which is spun only 15km from the company’s premises, so their products are 100% Irish made. Sales were conducted out of a small retail outlet on the Main Street of the small village of Glen Cholmcille. The company had no online presence and relied entirely upon footfall past the retail outlet as their sole customer source. The company relied heavily on tourist trade, welcoming visitors mostly from the UK and USA during the summer months. Summer tourist trade sustained the business through the leaner periods as they experienced moderate business in the lead up to Christmas, but virtually no trade from January to April. The was despite the retail outlet being open, often from 8am to 8pm in hopes of making a sale. The company produced 13 different types of sweater/jumper in multiple colours, as well as hats and scarves. They had a large amount of ‘dead stock’ that had been in the store for years and not sold. Their best seller was a roll-neck jumper available in various colours.

Background

When the pandemic hit in March 2020 the company's only source of revenue was stopped when the retail outlet was closed by lockdowns. Despite the lockdown, owners were still obliged to pay rent, utilities and rates despite uncertainty on whether they would be able to open doors again for the summer tourist season. The owner decided three days into the lockdown that he needed to adapt, or his business would die. Before the pandemic, the business only had two employees. The government was offering a small grant for moving businesses online. He decided they would take 'a leap of faith' and try to move their sales online. They had no experience with digital technology, websites or social media as the company had never been online before. The company was now going to close its retail outlet completely and move entirely online.

Digital Tools

E-Commerce System: **Shopify**

Social Media: **Facebook, Instagram**

Other: **Digital photos, videos**



Methodology

The company created an account for a nominal fee of €35 euro on the Shopify shopping platform and created the website themselves. Initially they experienced a few sales, but not enough to sustain the company. In a bid to improve revenue, they hired a marketing advisor who decided the company needed a revamp. The newest employee decided they would focus only on marketing and producing Donegal Knitwear's best seller, the rollneck sweater in multiple colours. The website was recreated for a once-off fee of €500 and a professional photoshoot was organised to showcase the woolen garments. The promotional strategy included a focus on 'sustainability' and '100% Irish made'. Accounts were created on Facebook and Instagram to promote the new online presence in a bid to build trade. They retained the use of Shopify to optimise search engine promotion based on key words.

The organisation's move online was incredibly successful. From March 2020 to August 2020, the company doubled its revenue from the entire year before (2019). They also managed to sell off most of their dead stock. From August 2020 to December 2020, they sold the same amount again. The company owners were delighted with the results, promotion on social media and through Spotify had saved their business. To try and retain a 'personal' approach that customer would have experienced in the shop, they implemented a 'live chat' feature which allows clients to chat in real-time with the company owners. Often clients query the 'handloomed' nature of the garments, or the '100% Irish made' aspect and the owner himself who makes the products is able to chat to them and has sent them videos of him making their garments. Despite the upturn for the company, they still expected the January to April downturn experienced in previous years. To their surprise, sales continued right through to Summer 2021 and into the second half of 2021 as with the year before.

Conclusion

Donegal Knitwear's move to 100% online sales as a result of challenges presented by the pandemic resulted in an opportunity for the company that they were not even aware of. The bespoke nature of the clothing and its sustainability and Irish made features may have contributed to this, but the company would never have received the same exposure had they not made the brave move to close their retail outlet doors in March 2020. By moving online during the pandemic, the company managed to triple its revenue and sell off old stock. They also incurred reduced overheads as they no longer needed to pay rent, utilities and rates for the retail outlet. Those costs had been replaced by much lower Shopify and postage costs. The company now also distributes products internationally to the UK, Europe, USA and even as far as Australia and New Zealand. Owners have stated that they will remain online permanently and will not reopen their retail outlet post pandemic. The business operates much more efficiently online and it has also made the work-life balance for this family-run business more manageable. They intend to continue to utilise Shopify and social media to promote their company and its products. A Google search using key words 'Donegal Knitted Jumper' returns results that show Donegal Knitwear to be at the top of the list of websites despite many producers in the area. In 21 months of being online, that is a remarkable achievement!