

The Australian



E-tailer's \$6m plan to establish bricks-and-mortar presence

- Fran Foo
- From: The Australian
- January 12, 2010 12:00AM

E-TAILER dstore.com.au will spend up to \$6 million to establish a physical presence as it opens its first storefront in a few weeks.

DStore had hoped for a Christmas launch but a collapse in talks with local councils in October stymied that plan.

The first store will be located in southeast Queensland and will be between 800sq m and 1000sq m, dStore chief executive Andrew Cooper said.

It aims to open six physical stores by June 2011 at a cost of \$1m each, he added.

Funding to build the first shop will be sourced internally, he said. "Thereafter we will look at other funding means," Mr Cooper said.

"It costs \$1m to set up each store but we're profitable and we reinvest in growing the business. We're looking at around half a dozen stores in the next 18 months."

Mr Cooper said the stores would be located in regional towns with a population of about 10,000 people. "We want to go into areas that are not adequately served by large department stores," he said.

About 800,000 products are sold on dStore's online shop. Unlike eBay, which acts as a "host" to individual sellers and small businesses, dStore sources and sells its wares directly to consumers.

DStore has warehouses in NSW and Queensland that cater to its large array of goods, including electronics, homeware and kitchen appliances.

Mr Cooper believes the market is ripe for the picking as Australia's largest retailers have been asleep at the wheel while their US and European counterparts have been quick to embrace the internet.

"Even if they started seriously doing business on the internet it will take them two or three years to catch up," he said.

The privately held company has 20 full-time employees.

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