

Wine Clubs and E-Commerce

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WITS
WINE INDUSTRY
TECHNOLOGY
SYMPOSIUM

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Wine Clubs – aka “Easy Money”

- The gravy train is pulling out of the station and you may not be aboard
- Club shipments showed a decline in Q4
- At best most clubs are now flattening out
- Hopefully if you attended my presentation at the DTC symposium you will be looking at where you are in the process and thinking about next steps



Managing Wine Clubs for Success

- Management Process
 - Club clusters with a manager and dedicated support staff
 - Centralized marketing and logistics support
- Organizational Alignment
 - Club is part of Direct to Consumer team
 - Retail and Direct both report to VP Retail Operations
- Systems and Linkage
 - Elypsis club management software links to POS and uses weblink to link with ewinery



Wine Club Continued

- Key Metrics
 - Conversion Rate
 - Sign Ups / TR traffic (also Web Sign Ups / Unique Visitors)
 - Attrition Rate
 - Calculated monthly, # of members active at start of month who are still active at the end of the month, expressed as a %
 - Batch Failure Rate
 - Number of successful orders / Active Members



Wine Club Continued

- Key Metrics
 - Recapture rate
 - Card failure = lost customer. Aim to recover 50% before end of month
 - Reorder rate
 - How many members reorder / active members
 - Reorder Channel
 - Segment each channel as % of business
 - Conversion and attrition by salesperson
 - These metrics will identify who needs training, retraining or an attitude adjustment



E-Commerce – aka “The Next Big Thing”

- Everyone knows e-commerce is exploding, how do you get a piece of the pie
- What you’ll need to succeed
 - Robust shopping platform
 - Easily navigable web site
 - Access to email addresses



Managing E-Commerce for Success

- Management Process
 - Dedicated e-commerce manager with a co-ordinator
- Organizational Alignment
 - E-Commerce is part of Direct to Consumer team
 - Retail and Direct both report to VP Retail Operations
- Systems and Linkage
 - Ewinery is our shopping platform, it also provides a robust CMS to make web updates easy to manage internally. Ewinery links to Elypsis system.



E-Commerce Continued

- Key Metrics
 - Traffic
 - Where does it come from
 - How do different segments behave
 - Navigation
 - How do people use your site
 - How easy is the shopping process
 - Measure homepage merchandising
 - Look at sales funnel to find problems



E-Commerce Continued

- Key Metrics
 - Conversion
 - Measure percentage of orders against unique visitors
 - Measure successful completions of sales
 - Average order value
 - Measure by traffic source and type
 - Measure keyword strategy
 - Measure email campaign effectiveness



How does this work in a multi-brand environment?

- Leverage
 - You can streamline operations over a number of businesses to gain operational advantages
 - You can promote specialization within the Direct team
 - You can gain pricing efficiencies for volume
- Complexity
 - Reporting!!
 - Managing multiple websites and 100's of SKU's is a challenge



Key Factors for Success

- People
 - Hire smart people
 - Provide ongoing training
 - Look outside the wine industry
- Systems
 - You need every piece of the puzzle to talk to each other
 - Ideally you need a good CRM tool

