

## australian wine business

“We buy what we need on a weekly basis,” he said. “We sell A\$300,000 or A\$400,000 worth a week sometime when we go A\$1.99.”

With A\$1.99 wines, there is also the bigger question of responsible alcohol consumption and the wider effect of their sale on the reputation of Australian wines.

“That’s a more broad question than anything related to one sector of the alcohol market,” Donohue said.

“I think the image of Australian wine is still extremely positive, and I think a very large proportion of Australian wine has traditionally been sold through the bag-in-box vehicle and that in

itself hasn’t been detrimental to the image of Australian wine.”

Leon is a little more circumspect. He says he knows there are industry concerns because he has been approached by the Australian Wine and Brandy Corporation seeking a meeting. He says he is happy to meet with the corporation.

“We don’t want the industry to go broke,” Leon said. “I say to the guys here that we need to help our suppliers because if they go broke who’s going to supply us?”

“We need to buy from them at a price where they stay in business.” ■

# From cellar door to the customer – online

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Good direct-to-consumer marketing helps to grow the most profitable part of your business. Usually sales ex cellar door are eight to 10 times more profitable than those made through tiered distribution. At the same time, you have the opportunity to develop an in-depth understanding of your end consumer and build a relationship with them. For small to medium wineries, this is critical.

For the past five years, Wine Business Solutions has been working with clients across Australia, New Zealand and South Africa, helping them to develop and implement successful direct-to-consumer strategies. From Craggy Range in New Zealand to Val de Vie in South Africa (now the operator of the country’s biggest winery direct mail order club), we have enjoyed helping wine companies become successful direct marketers.

One of the most common questions we get asked is, ‘How do I manage my customer interactions, purchasing (both at cellar door and online), email marketing, invoicing and accounting without having to re-enter information?’

Most of you will have a website that you use for web marketing and online sales. When you make a sale, the website should keep a record. You may have a customer relationship manager (CRM) system to make sure you keep in touch with your customers. When you contact your customer, the CRM keeps a record.

You might have a bulk email system for your monthly specials. When you create a mail-out and use the data from your CRM, you hope that you have not inadvertently contravened privacy rules and mailed people who have opted out, or worse yet, missed people who have opted in.

You will also have an accounting system, which is where everything should come together ... but most of the time it doesn’t.

The holy grail of computers and the internet doing exactly what you want seems further away than ever. Why can’t these systems just talk to each other, saving a bucket-load of time and preventing errors?

They can of course. Anything is possible if you throw enough money at it. The real challenge is, ‘How do I do it without going broke?’

There are three main options:

- Manual synchronisation – exporting from one system and importing into another. Anyone who has tried this before knows full well the hazards that await. Every time you take data from a system into a different format, there is the possibility of corruption and you can guarantee that some massaging of data will be required.
- Use a data aggregator – that is someone (or something) that resides separately from all of these systems and has a ‘connector’ for each one. These are usually custom-built or provided as a service.
- Find something that does everything – website, CRM, email and accounting.

I really like the sound of option 3 – anything that takes the hassle out of doing business and gives time back to my clients, staff and myself is a winner as far as I am concerned.

It is at this point that I have to acknowledge a huge debt of gratitude to Sean Hambridge from Web Design Experts. He showed me how to build this capability into the back-end of my website through the incorporation of a product called Business Catalyst for about A\$1000, and the ongoing cost of the service is less than the cost of the hosting fee I was already paying. For a small business, this is exciting news.

How should all this work? Let’s break it down:

## Your website

If your website is not able to be updated easily without the operator being a html geek, then it should be. This type of system is called a content management system (CMS). Business Catalyst driven websites enable you to log on to the site’s administration area and do this really easily. Probably the best way for most of you to proceed is to decide on three to four main repetitive functions that you would like to be able to manage yourself; for example, changing text on pages, adding photos, and updating your ‘Latest News’ page. As long as you can do this without messing up the look and functionality of your website, that should be enough for most of us. For example, I have just posted a notice in relation to our 2010 workshop series, which will have as its theme ‘Building a profitable, sustainable wine business’ ([www.winebusinesssolutions.com.au/Workshops.htm](http://www.winebusinesssolutions.com.au/Workshops.htm))

## CRM

A CRM system can also be as rudimentary as your email inbox and folders. Everybody needs to be able to lay their hands on customer history at some point.

## At what point is a CRM system necessary?

When you start wanting your customers to feel as though they have an individual relationship with you, however, there are too many of them to spend all of your spare time knocking out individual emails. A separate CRM will give you the user interface required to keep customer records up to date.

## What are the most likely CRM software programs our clients might use?

ACT by Symantec has been around the longest. I used to run it myself before Outlook hit market shelves all those years ago. It requires each user to have it loaded onto their computer. ▶

Salesforce.com is highly functional from A\$9 per user per month (up to five users). It allows interconnectivity with websites and other systems.

SugarCRM has a 'Community Edition' which is open source (A\$0 licence fee – host it yourself), as well as the SaaS (Software as a Service) subscriptions from A\$9/user/month (up to five users).

## Which of them can integrate with the Business Catalyst-type application, and how easily?

Sean says he is aware of a project being specified to integrate with Business Catalyst for Salesforce.com, and he has had an in-principle statement from developers that they can also integrate with SugarCRM.

Ease of integration depends on the scope of the project. Unfortunately, there are just too many variables involved to be able to estimate the resources required to integrate. It would be a bit like getting a fixed price for a swimming pool without anyone knowing if your backyard was dirt, rock, swamp or cliff – they all change the game significantly.

## Email marketing

Staying in touch with your customers and prospects can yield almost immediate benefits – there is nothing that brings your brand into focus like a well-presented communiqué. Much has been written on the efficacy of different types of approaches.

From our own perspective, we find that personalised emails with our quarterly 'Wine Paper' attached as a \*.pdf is still by far the best way to go and this is the source of most of our business. With a Business Catalyst driven website however, you can see exactly who visited your site, what they bought, how much they spent, what searches they used to find you, and you get a free weekly html newsletter that tells you all of this so you don't even have to look it up. You can thereafter produce highly targeted email campaigns based on people's buying patterns. For wineries, this can be hugely advantageous.

## Accounting system

Stephen Blacketer of Morton Blacketer, the company behind CellarDoorMETRICS, says the majority of people his company deals with in the wine industry have EzyWine or MYOB. Ezy principal Nick Cugura says his company now has 360 users, which accounts for most of the mid-sized companies in Australasia, and a good proportion in South Africa. Ezy has the capability to do tailored mail-outs to a database in a way that is integrated with the accounting module, so it can do some of things that a Business Catalyst driven website can.

For those who don't run Ezy or would like different formatting options, Business Catalyst provides a very low-cost alternative. It probably sounds to you by now that I am flogging Business Catalyst, but it is not available for people like you and I to buy directly – you need to deal with an agency or web designer to gain access. Web Design Experts has its own incarnation called 'Online Business Expert', for example.

One of the benefits of Business Catalyst is that the whole platform is provided under a SaaS model. This means that upgrades, security issues, bugs, enhancements and ensuring that it functions as claimed is all the responsibility of the service provider (Business Catalyst). Designers and agencies are then able to concentrate on specifics in relation to the business questions at hand.

## How many alternatives to Business Catalyst are there?

In terms of CMSs, both SaaS and licensed, there are hundreds – see [www.cmswire.com/cms/products/](http://www.cmswire.com/cms/products/) for a list. It really depends on your developer – many of these platforms are expandable as long as they have the skills.

Prices also vary from a A\$0 license fee (open source) to monthly subscriptions of A\$10-\$1000, up to licensed platforms that start at A\$20,000-50,000 and go up from there. These costs do not include any professional services.

## Is Business Catalyst the best value-for-money solution?

Clearly it is for small business – your investment in the platform is fixed. This cost is minimal compared with implementing a solution.

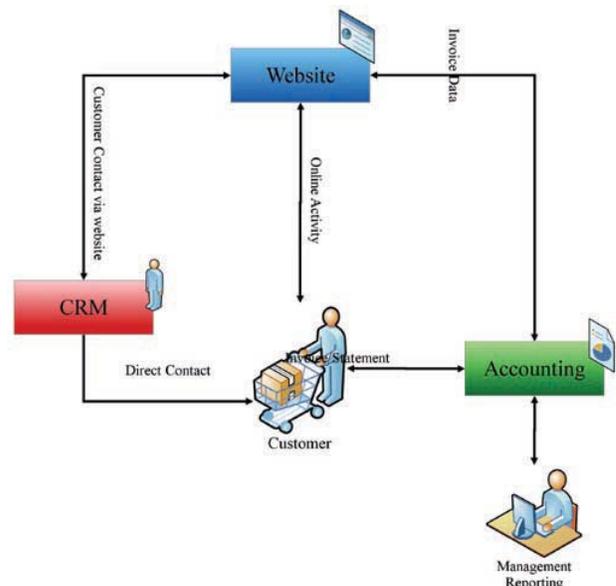
In terms of the cellar door business model in this context, the following areas often exist and transact independently:

- Catalogue/shop
  - online
  - physical
- Customer contact
  - phone
  - email
  - online community
  - cellar visit
  - loyalty programs
- Website.

The benefit of connecting them up using an integrated system is:

- if a customer interaction occurs, you can capture it
- if a sale takes place, you can account for it
- if a status changes, it changes everywhere
- if a record is needed, it can be easily located
- measurability of campaigns, sales and prospecting
- ease of spotting trends in customer activity.

Altogether, so much is possible more easily and cheaply than it was a year ago, so now is a good time to review your direct-to-consumer strategy. ■



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