

Brainy Breakfast – Case Studies

Advintage

An online wine warehouse booming with email marketing

It all started in '99 with a champagne special and an email database of 30 ...

John Macpherson, Director, Advintage Wines

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“We haven't done any research and have no online marketing budget - but we've sold a heck of a lot of wine...” That is how the ‘no-nonsense’ John Macpherson, co-founder and Director of Advintage Wines kicked off his presentation to over two hundred Auckland marketers at the recent *Jericho Brainy Breakfast*.

In association with the New Zealand Marketing Association, Macpherson made the trip from Hawkes Bay to tell the Auckland marketers exactly what it takes to establish a powerhouse e-commerce business with just a few staff.

“My business partner and I decided to indulge a passion and give wine retailing a crack – the lawyer said no, the accountant said no and we were told numerous times that we'd die with supermarket competition.”

“It all started in '99 with a champagne special and an email database of 30... within two days we'd sold 100 cases!”

Fast forward to 2006 and Advintage has generated well over \$20 million in online wine sales and is run by a staff of just five.

| John admits that he didn't realise at the time the ‘thing that would get us home was eCommerce!’.

Email marketing now sits squarely at the heart of Advintages operation...and its success.

It was thanks to Jericho and their email marketing software “SmartMail” that a whole new world was opened up to us in 2001. In the early days of email marketing, Jericho provided our business with a fully transactional email marketing tool – so with one click a regular customer could order wine from an email - pretty much instantly,” says Macpherson.

“In 2001 email was a relatively new thing. People were actually happy to give you their email address, receive an email and they would gladly forward it to the next person. We learnt the value of an active email database early on.”

These days Advintage communicates wine specials regularly – up to twice a week – to its customer database. Via e-mail marketing, the Hawkes Bay company regularly turns over \$30,000 in a matter of hours following a newsletter send.

“Internet marketing has a real spontaneous element to it. We’ve discovered that our tongue-in-cheek marketing style fits well with that and people can be tempted into impulse buys. What’s more, most shoppers are buying on their boss’s time so it helps that our purchase mechanism is super-fast with a \$6.95 courier fee anywhere in the country,” says Macpherson.

“Our success online stems from getting our backend delivery systems right. Our customers trust us because we exceed their service expectations. If you’re an online retailer you have to be better, faster and stronger than bricks and mortar stores.”