



Cracka CHRISTMAS

Nathan Gogoll

Many wineries admit they don't sell a lot of wine through their website – even though the wine information and order forms are all provided, consumers haven't been swarming to order their plonk online. But this hasn't stopped others from setting up websites dedicated to selling wine exclusively online. Cracka Wines is one website determined to corner the market in the same way carsales.com.au and realestate.com.au have in their domains.

"We want to be the major online wine seller," said Angus Hughson, Cracka Wines sales and marketing manager. "We aim to become the online wine Mecca and we'll be doing our best to achieve that. That said we want to provide a unique online sales platform to invigorate sales, helping the wine trade to clear stock, but also in a manner that keeps all, except perhaps for the major retailers, happy."

Cracka went live on September 20 and by the end of the first week of December

had sold 50,000 bottles of wine – more than 4,100 cases. There are 10,000 people on the mailing list thanks to a heavy PR campaign that resulted in mentions by talkback radio host Alan Jones and airtime on *A Current Affair* – as well as some tempting special deals on the website.

The average sale price per bottle has been \$12.70 with an average discount of 44% on recommended retail price.

"So far we have saved our customers about half-a-million bucks," Angus said. "We're selling wines from \$2.50 a bottle right through to French Champagne including Bollinger and Veuve Clicquot."

Angus said the key offering from Cracka would be interaction. "Online sales typically keep customers at arm's length, so we're trying to build some personality and give a shop-like opportunity for people to talk about wines," he said. "So a key part of the offering is to provide wine information."

As well as wine reviews, there are 400-

odd pages of information about wineries and another 70 on geographical indicators. "We want our consumers to be educated," Angus said. "And we're always about looking after wineries. The route to market is so hard – whether the wines are over-priced or there's been a lack of marketing – it's hard out there for whatever reason. We're willing to say 'this is a good wine' even if it is something that might only go slowly, we're prepared to take it on."

Cracka Wines has recorded both increases in sales each month since its launch and, perhaps surprisingly, there has also been an increase in bottle price. One of the drawcards of the website has been daily auctions – with a twist.

"The reverse auction confused some people, but as soon as they see it, they start to get it and love it," Angus said. "The idea came from a Sydney fish market style of auction. Seven days before the auction goes live people can view the catalogue and put in silent bids. It means people can have a look and say 'I'm willing to pay so

much for this'. The price starts at the recommended retail price and the price comes slowly down and the silent bids get enacted. The wineries also have the ability to put a reserve in at 50% of RRP."

Cracka aims to push towards sales of 11,000 bottles (900 cases) via auction each week and hope to achieve this by growing to two auctions per day that list 180 cases and sell at a 70% clearance rate – sales would be driven by a potential database of 75,000 wine buyers.

"In terms of competitors we are looking to establish ourselves as a mainstream retail option for the web-savvy buyer, using the auction system in some ways as our retail hook," Angus said. "That said our competition is other mainstream retailers with wide reach, Coles and Woolworths primarily."

Angus said the website tries to offer benefits for both consumers and wine producers. "The higher the price we sell a wine for, the more the winery gets in return," he said. "I think we have pretty good terms for the wineries, it's low risk – wineries retain ownership of their stock until it is sold and we offer quick payment turnaround. We are dealing with every part of the trade – from tiny producers with a pallet of wine left to sell, right through to Robert Hill Smith. We also have distributors on board. It doesn't make sense for us to bypass the distributors but we still have some who currently don't want to deal with us – and that's fine."

One thing that has surprised Angus has been the level of knowledge the Cracka consumers are bringing with them.

"The advertising we have done has resulted in a really knowledgeable consumer base," he said. "There is brand and point knowledge. And we get about 20 emails each day with questions like, 'Tell me about the 2005 vintage in McLaren Vale' and that has surprised us because we expected more bargain hunters."

The big selling wines are pretty stock standard – Barossa reds and cool climate whites – but the level of interest in back vintage wines has been an area of surprise. "All this ties in with our belief that we have a wine-savvy consumer base," Angus said.

The wine on offer is predominantly Australian and covers everything from 1999 Jacob's Creek Reserve Shiraz to 2010

Grosset Polish Hill Riesling – and while this doesn't necessarily make it a unique offering, the level of customer service just might. "We've personally emailed or called everyone who's bought from us," Angus said. "Almost everyone we've spoken to says, 'This is awesome'. We offer a 100% money-back guarantee and we've only had one case returned."

While the range is predominantly mainstream, the team is willing to take on product from any winery. "We know that boutique stuff sells more slowly but we are happy to have it on-board ticking along," Angus said. "Our long term vision is to look to help both the industry and the consumers."

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"The prices just kept falling!"

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