



How to WOW Customers

AFTER THE PURCHASE

WD
WINEDIRECT
SELL MORE WINE



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Remember – 100% accuracy and stellar service are the expectations.

Summary

Direct-to-Consumer order fulfillment is about much more than shipping your wine. It's often your best (and most overlooked) opportunity to deliver happiness and build long lasting relationships with your customers.

Shipping and delivery are key value drivers in the online shopping experience. A smooth fulfillment process will ensure your success in meeting customer expectations and in gaining their loyalty. Customers are looking to you for communication, visibility, and ultimately for flexibility.

In this paper, we outline five ways you can use the post-purchase experience to impress your customers and keep them coming back for more.

1

Get the right product, to the right person, at the right time, every time. And then follow with outstanding service.

This is the first and foremost building block of a WOW customer experience .

Order accuracy is the one tangible, logistical element that ties your customers to the winery. As soon as an order is placed, a bond and trust are formed. Likewise, fantastic customer service is not a "nice to have" but rather a "must have" that will help you build trust. While pursuing new customers is always important, those efforts should never distract your team from the ongoing goal of cultivating relationships with your current customers. A recent survey by Econsultancy¹ shed light on the fact that most companies are more likely to be focused on acquisition than retention (40% versus 15%). This is despite the fact that the probability of selling a product or service to an existing customer is in the neighborhood of 60-70 percent, while the probability of selling to a new customer is only 5-20 percent.²



2

Use the shipping package to build loyalty

With all of the effort that goes into building an excellent experience in your tasting room or through your website, it's easy to overlook the shipping package. Given the fact that your customers are likely thrilled to be receiving a delivery from you, this is a perfect opportunity to remind them that in your eyes, they are a VIP.

Wine is a luxury product, which means that customers expect the delivery, including packaging and presentation, to be part of the overall experience. In effect, it's another marketing channel which presents an opportunity for you to strengthen the bond you've built with your customers. Some of the most successful retailers today use the contents of the shipping package to turn an ordinary product delivery into a memorable experience.

What should you put in the box?

A thank you note

Online retailer Everlane includes a thank you note encouraging customers to share a picture of their purchase through social media.

Special offers

If possible, include offers that are based on your customer's buying history or product preferences.

A treat

Everybody loves surprises!

A review request

They've just received your wine so this is a great time to send them back to your website to review it.

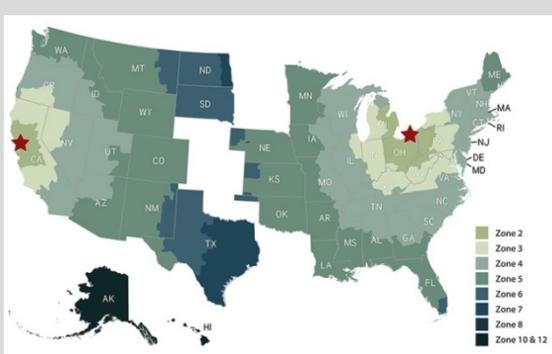
A catalog or flyer

Provide your customers something to leisurely flip through at a later date or share with friends.



Tip

The best way to speed up delivery is to move your product closer to the customer - and we're here to help. WineDirect's Bi-Coastal service reaches 90% of US wine consumers in 2 business days or less.



Set expectations. And then exceed them!

According to a recent comScore study which was commissioned by UPS³, consumers prefer to have their expectations set early in the process to save time or unnecessary hassle. How can you do that?

Provide a shipping timeline.

And then do better than what you said you would do! Remember, what customers are really interested in is not so much when your product will SHIP. They want to know when it will ARRIVE.

Use systematic shipping upgrades for your best customers.

Think Zappos! This underutilized tactic is particularly appreciated by wine lovers, who often put wine purchases on hold when temperatures begin to rise. Surprise them with an upgrade and your customers will love you for it!

Be known for speedy delivery.

Times are changing and many customers have become accustomed to instant gratification. In fact, according to *The Pulse of the Online Shopper*, 48% of customers aren't willing to wait more than five days for their purchases. It's in your best interest to shorten delivery times by whatever means possible.

Offer online package tracking.

Then follow up with proactive, real-time updates, preferably in the form of a text message. With the proliferation of email messages we all experience, a text message is less likely to be overlooked.

Be upfront with your shipping costs.

Let's face it. We all hate to be surprised by higher than expected shipping costs. In fact, most customers, when forced to enter personal information before their shipping costs are revealed, will simply abandon the shopping cart. Let them know what shipping will cost. And better yet, offer shipping incentives to reward them for buying direct from your winery.



4 Take the pain out of the adult signature requirement.

The wine industry lags far behind other categories in terms of ecommerce sales, and that's due in large part to regulatory obstacles like the adult signature requirement. It's not easy for the average person to plan his or her day around an anticipated wine delivery, especially without knowing when that wine is expected to arrive. Your success in building DTC sales, therefore, hinges on your ability to provide delivery on your customers' terms, i.e. when and where it's convenient for them.

At WineDirect, we've added a number of tools to help you make sure your packages are delivered on the first try. Implementing and using these tools as well as some of the suggestions below is one of the most important efforts you can make in terms of improving the delivery experience. Not only will it reduce the costs you face in terms of labor and return fees, but it will also result in much higher customer satisfaction levels.

Request a business address.

It's always a good idea to suggest that customers use a commercial address for their wine shipments. Not all are able to accept shipments at work, but if they are, this is the easiest way to make sure someone is available to sign.

The heads up email

Sending a wine club shipment out in a couple of weeks? Don't forget to email your club members this week to give them a heads up. This provides them the opportunity to make any necessary adjustments to their shipping address before the package is shipped. We understand that some wineries fear the heads up email might trigger a cancellation request. However, the goodwill gained by your proactive efforts to make sure your customers are happy will minimize that risk.

UPS My Choice

Did you know that WineDirect is the first company in the wine industry to offer free UPS My Choice memberships to its customers? When consumers use My Choice, WineDirect is recognized as the carrier via the tracking number. This means they can reschedule deliveries at no charge (normally \$5 for My Choice members.) They can also take advantage of all other My Choice benefits that are available for wine delivery. We strongly encourage you to reach out to your customers and guide them through the process of signing up for a standard UPS My Choice account.

Since releasing My Choice, UPS has reduced multiple delivery attempts by 39%.

Delivery alerts and rerouting are highly valued options



Source: *The Pulse of the Online Shopper*

Package reroutes

WineDirect's package reroute capabilities are another first for the wine industry. Through our partnership with UPS, we've made it much easier for you to respond to customer requests to reroute their packages. Those changes can easily be entered by you via our online fulfillment portal or better yet, by the customer via your Vin65 web store.

Delivery notifications and advanced tracking

For all customers, convenience and control are essential elements of the post purchase and delivery experience. According to the UPS/ComScore report, receiving email or text delivery alerts with approximate time of delivery tops the wish list for 55% of shoppers. With consumers continually on the go, these conveniences heavily influence satisfaction.

UPS Access Point

Customers need alternatives and research has shown that 35% want alternative delivery options when they are not available to receive a package. That's where UPS Access Point comes in. While currently available for non-wine products only, this broad network of delivery options will be available to the wine industry in the summer of 2015. With Access Point, customers will be able to select a convenient location at checkout or use our reroute tools to redirect a package to an Access Point. They can then pick up the package at their convenience. Stay tuned for further announcements from WineDirect regarding the availability of Access Point.

Watch your delivery exception reports and phone customers.

Finally, when all else fails, we suggest you monitor your delivery exception reports and phone customers prior to the third delivery attempt.



5

Fine tune your post-purchase communications strategy.

Remember that the buying cycle doesn't end once the sale is complete. Believe it or not, your customers love to hear from you and your post-purchase communications are the best way to build a lasting relationship with them.

Think of it this way. The average business closes between 5 and 20% of new opportunities.² However, the Bain & Company suggests that same business will lose 10% of its customers every year (or 50% in five years.)⁴ Not only that, but according to McKinsey, a returning customer will spend more than double that of a new customer (\$52.50 versus \$24.50.)⁵

It follows, then, that the most efficient way to grow your DTC sales is to sell more to your existing customers. After all, that is where your highest profit margins likely lie. With that in mind, your post-purchase communications strategy should include both email and the telephone.

Email Communications

All of the email communications you send after the purchase - from system-generated emails like your order confirmations and delivery notifications, to marketing emails - represent an opportunity to build customer loyalty.

Use them to cross-sell or upsell.

Just remember that your focus should be on adding value. Rather than simply adding upsell or cross-sell options just for the sake of it, think about how the customer benefits. For example, do you offer reduced shipping rates with the purchase of additional bottles?

Ask for a review.

Your follow up emails are a perfect time to send customers back to your website to review the wine they purchased.

Include clear and easy-to-find contact information.

Your customers will be looking for it in the event they need your assistance during delivery.

Don't forget that wine is a consumable product.

Your email segmentation tools provide a perfect vehicle for capturing attention just as the customer is running low, so use the last purchase date as a criterion for list segmentation.



The Telephone

Finally, don't forget good, old fashioned human interaction. As powerful as it is, email can't compare to a real-time conversation for building deeper relationships with your customers. People are passionate about wine, so they're usually very open to a conversation. With research comes knowledge and that knowledge will help you build effective campaigns which factor in data about your customers' tasting room, club, and online purchases, as well as their product preferences and visits to your winery.

In Summary

It's important to remember that the purchase experience doesn't stop on the thank you page. In a nutshell, your customers are looking to you for:

- Stellar service
- Easy online tracking ability
- Informative and proactive communication, especially with regard to delivery status
- Clearly visible contact information
- Flexible delivery options in the event they're not home to sign for a package
- Reasonable shipping rates
- Speedy delivery



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