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Digital Marketing Plan: Naked Wines Australia

This paper develops a digital marketing plan for Naked Wines Australia over a 12-month period based on situation analysis of the current marketing environment. Naked Wines' current digital marketing strategy relies strongly on their proficient search engine optimisation (SEO) capabilities, their engaged online community of existing customers and their unique online proposition that combines online wine retailing and crowd funding. The overall objectives that the paper identifies include:

- *Sell Objective: To increase total sales revenue from new customers by 20% within the next 12 months*
- *Sizzle Objective: To increase brand awareness of new customers by 15% within the next 12 months*

The paper outlines specific strategies and tactics that aim to satisfy the achievement of these objectives with a focus on reaching new customers. The key strategies to be implemented as part of this plan include an integrated social media, content marketing and offline communication strategies. The report identifies the associated tactics as viral campaign, YouTube content optimisation, as well as print ads and flyers.

The underlying focus of this paper is to extend the current reach of Naked Wines Australia within its competitive online market. Simply relying on their current market positioning and the customers they service within it limits Naked Wines Australia's opportunities for growth and development. The report sets the overall budget at $400,000 based on past performance, whereby the largest proportion of this budget has been allocated to the social media, content marketing and offline strategies. To evaluate the plan, the report highlights the main methods of control as Google Analytics, short surveys, and a balance scorecard.

Introduction

The effective implementation of a digital marketing strategy is highly significant as it enables firms to utilize the advantages offered by digitalmedia to create strong brands and gain a competitive advantage (Tiago & Veríssimo, 2014). The purpose of this report is to design a digital marketing plan for the next 12 months on behalf of the pure-play wine retailer, Naked Wines Australia (NWA).

To provide the foundation of the plan, an analysis of the current marketing situation will be undertaken, including a description of the market, and an examination of the internal and external marketing environment. Once this foundation has been established, the plan will outline the overall objectives and relevant e-marketing strategies. Details in relation to the e-marketing tactics will then be provided, indicating the manner in which the strategies will be implemented. A budget outlining the major expenses for the 12-month period will be specified, and evaluation measures that indicate how the plan will be monitored will also be provided.

Company Background

NWA is an extension of the Naked Wines brand that operates under a pure play business model that combines online wine retailing and crowd funding (NWA, 2014a). This involves giving customers the opportunity to buy exclusive wines, as well as becoming an 'Angel' by investing $40 a month to help support independent wine growers. Thus growers are able to focus solely on creating a high quality product whilst simultaneously providing wine to the customers at wholesale prices (NWA, 2014a). Customers are then encouraged to interact via NWA's social networking hub reviewing, interacting and sharing their opinions with others online. This platform cuts out the fractured distribution that faces marketers within the alcohol industry in Australia as it provides independent wine makers with an advertising and sales platform. NWA pride themselves on rejecting the dominant supermarket brands and supporting local, independent wine makers.

Current Marketing Situation

This section presents background information on the market, product, competition, distribution and the macro environment as part of a situation analysis (SWOT).

Market and Customer Description
This section provides background information in relation NWA in relation to the market their target market.

Market Definition
The relevant market is defined as those companies that sell packaged liquor, including beer, wine and spirits, directly to consumers via the Internet (Ledovskikh, 2016a). The most significant market segment is the business-to-consumer market, which is divided into those aged 26-40, 41-60 and 18- 25. The 26-40 age bracket is the largest segment representing 43% of the total market, which is characterised as having a high technology adoption rate, high income potential and represent highest share of alcohol drinkers (Ledovskikh, 2016a). The second largest segment (28%) is the 41-60 years age group who represent the highest income earners, are relatively more health conscious and less tech savvy (Ledovskikh, 2016a). While, the 18-25 segment only represents 18%, they are characterised as being extremely technologically adept and

low-income earners, which suggest that this segment has the most to gain from lower prices offered by liquor online retailers (Ledovskikh, 2016a).

Target Market of Naked Wines Australia

As the name suggests, NWA further segments the online liquor market by specializing in the wine product category. Based on their online value proposition (OVP), NWA attempts to appeal to 'ethnocentric' wine lovers, that is, those that prefer Australian made wines (Siamagka & Balabanis, 2015). For example, throughout the site NWA emphasises the support for independent, Australian winemakers (NWA, 2014b). The presence of an online crowd-funding approach by becoming an "Angel", suggests a focus on a more mature market potentially within the 26-40 age bracket. This suggests that they attempt to appeal on a cognitive and emotional level (Armstrong et al., 2012). The target market can also be inferred based on NWA' approach to the acquisition of new customers via a short survey on the website's home page. For example, it asks the user the type of drinker, preference towards the type of wine maker and price (NWA, 2014b). This indicates that NWA segment based on behavioural and psychological variables including personality and benefits sought (Armstrong et al., 2012). Consequently, NWA's target market can be defined as social, everyday wine drinkers aged 26-40 that are price sensitive and prefer to support independent, Australian winemakers.

Competitor and Partner Analysis

The section identifies and evaluates significant competitors and online partners relevant to NWA. NWA have several competitors in the industry ranging from chain retailers such as, Dan Murphy's, Liquorland, BWS, and wineries that produce a niche product targeting a specific audience. For the purpose of this report the main competitors have been identified as Dan Murphy's and VinoMofo, while the most significant online partners include online coupon sites (AFN, 2015; SimilarWeb, 216).

Dan Murphy's

Dan Murphy's, while not solely pure-play, is considered the market leader in the alcohol retailing industry making them one of NWA' biggest rivals. Boasting an impressive 23.9% market share (AFN, 2015). Woolworths Ltd, the overarching company of Dan Murphy's, identified the evolving business trends in the environment and implemented sound relationship marketing techniques across several umbrella companies.

Ultimately allowing consumers to have a higher bargaining power for price due to the discounts offered by competition in the industry (Gillison et al., 2014). Relationship marketing, including the building and maintenance of rapport with consumers, is forcing companies to evaluate their position and implement a Customer Relationship Management (CRM) system (Khlif & Jallouli, 2014).

CRM systems allow companies to evaluate their consumer base and alter their tactics to strengthen their position in the market (Khlif & Jallouli, 2014). Dan Murphy's have implemented a cost leadership strategy, which contributes to the

overall strategy of the company, differentiating themselves in the market as offering the lowest prices. Situated in large commercial spaces with high volumes of customers, Dan Murphy's strategy is proven to be effective evidence by their current market leading position (AFN, 2015). NWA often refers to Dan Murphy's as a direct competitor and has adopted bundling strategies in order to compete in the industry. A large contribution of capital is required for a company to establish and position themselves in the physical and online marketplace. This creates barriers in which smaller retailers are unable to compete against the high levels of brand equity of Woolworths (Carree & Thurick, 1996). However, the creation of digital innovations has helped reduce these barriers through the creation of pure-play business models, which often have lower operating costs (Aubrey & Judge, 2012).

VinoMofo

VinoMofo are a specialised online wine retailer targeting a niche market of wine lovers and are a direct competitor with NWA due to the nature of the distribution channel utilised. Established in the Australian Market since 2011, VinoMofo has developed a customer base in excess of 350,000 loyal consumers (VinoMofo website, 2016). Competing on price and quality, VinoMofo offers a 100% happiness guarantee allowing consumers to sample various wines and if they do not feel satisfied are given a full refund, replacement or credit (including shipping) (Gillison et al., 2014). This strategy is widely used across industry in today's society due to degree of competition, and as a result a decline in customer loyalty.

VinoMofo endeavour to provide the best quality and service for their consumers, managed by a sound CRM system (Khlif & Jallouli, 2014). VinoMofo requires you to sign up to their loyalty program in order to make purchases. The founders of VinoMofo were quickly known as the 'Digital Wine Guys', embracing the innovation in technology lowering barriers to entry and utilising digital platforms to distribute their product (Aubrey & Judge, 2012). The idea behind the company was to bring together likeminded people to share their mutual love for wine and rate according to taste and quality. This has been an effective strategy by the company evidenced by their online presence and following on social and digital media sites.

Online Voucher Sites

A significant way in which NWA reach, acquire and convert new customers is through forming partnerships with credible and popular online voucher sites. The most significant sites relevant to NWA include OzBargain, Finder & Oo.com.au (AFN, 2015; SimilarWeb, 2016). While these sites do not distribute the actual product, they do distribute monetary incentives in order to acquire customers and generate a conversion (Reichhart et al., 2013). Also, while these sites have very similar offering of online coupons they all take different approaches. For example, OzBargain creates an online community of users who share various deals they have found, whereas Finder and Oo.com provide an online marketplace to facilitate the direct sale of online coupons (Finder, 2016; OzSale, 2016; OzBargain, 2016). To attract consumers to their sites, key OVPs include security, value for money and customer service. For example, Finder and Oo.com.au reinforce their

high levels of security verification embedded into their site, whereas OzBargain emphasises user moderation to ensure high levels of trust and credibility (Finder, 2016; OzSale, 2016; OzBargain, 2016). It is clear that these online partners play a key role in appealing to price sensitive consumers in order acquire and convert new customers for NWA and for the voucher sites.

PEST Analysis

Table 1 below highlights political, economic, social and technological trends, and the extent to which they provide opportunities and threats for NWA (see Appendices A and B for assumptions and comprehensive PEST analysis).

Political	Economic
• Sale and consumption of alcohol highly regulated, e.g. Permits required. This constrains the activities of NWA, potentially impacting the fulfilment of strategic objectives.	• High taxes, such as the Wine Equalisation Tax, which inflates the overall price consumers pay. • The volatile price of grapes, a critical input, potentially increases cost of production and price of wine.
Social	**Technology**
• Shift away from beer consumption, towards more wine consumption due to changing tastes. • Changing drinking patterns of the Australia market compounded from an increase in health awareness, which has lowered demand and consumption.	• New ways to engage and co-create with customers, such as a focus on storytelling the brand created content. This enables new promotional activities that help overcome restrictions placed on a highly regulated industry. • Convergence of social networks and e-commerce, which enables new ways of gaining a conversion from customers. For example, embedding e-commerce features within existing social networks as well as the creation of new ones that focus on e-commerce.

Table 1: Key findings from PEST analysis.

SWOT Analysis

The situation analysis highlighted that a key strength of NWA is the ability to acquire and convert customers through the use of online vouchers. Additionally, the company excels in engaging existing customers through the integration of social networking features within their website. However, this strength also represents a key weakness because it does not effectively reach *new* customers. Similarly, low interaction and unengaging content on external social networking sites such as Facebook and YouTube contributes to a weak ability to reach new customers via these sites. However, by leveraging their current strengths, they can focus on creating content that will effectively reach new customers thereby

offsetting their weakness, maximising opportunities and minimising threats. Consequently, the core focus of this digital marketing plan is to reach new customers by pursuing sell and sizzle objectives through social media channels (Chaffey, 2010). Table 2 below highlights, in order of significance, the key digital strengths, weakness, opportunities and threats of NWA, based on the entire discussion of the current marketing situation.

Strengths	Weaknesses
1) <u>Customer engagement:</u> with existing customers via blogs and focus product reviews through networking platform with other customers and winemakers. 2) <u>Customer acquisition & conversion</u>: through integrating a voucher as part of signup, and partnerships with online coupon sites. 3) <u>Sense of community</u>: customers become 'Angels', and provide own social networking features within site. 4) <u>Unique OVP</u>: combined crowd funding, winemaking and online retailing, that supports independent winemakers. 5) <u>Excellent Search Engine Optimisation (SEO):</u> 100% organic searches.	1) <u>Low interaction from SM sites</u> only 1.36% get to website (only ~40K likes) 2) <u>Unengaging brand created content</u> – e.g. YouTube videos get low views and shared limited times, harder to reach new customers. 3) <u>Internal social networking:</u> e.g. The ability to chat with other customers and winemakers undermine external SM activities. Harder to Reach/engage with new customers.
Opportunities	**Threats**
1) <u>Content marketing</u>: reach new customers brand created content and storytelling via external SM 2) <u>New ways to engage with customers:</u> wine club, influencer marketing, online coupons, integration of social networks and e-commerce. 3) <u>OVP</u>: addresses concerns over large brands charging high prices and exploiting smaller firms.	1) <u>Alcohol sales and consumption is highlight regulated</u>: which can restrain marketing activities. 2) <u>Health conscious society:</u> threatening wine demand. 3) <u>Dominance of large companies</u>: e.g. Dan Murphy's. 4) <u>Relatively low barriers for pure play</u> sites 5) <u>The dynamic price of grapes and large wine taxes</u>: inflating costs and final prices.

Table 2: SWOT analysis (adapted from AFN, 2015; NWA 2014a, 2014b; SimilarWeb, 2016).

Overall and Specific, Measurable, Agreed upon, Realistic and Time-based (S.M.A.R.T) Objectives

This section of the digital marketing plan identifies the S.M.A.R.T 'what does this stand for?' objectives formulated for the future growth of NWA based on the SWOT Analysis. The overall objectives for this digital marketing plan have

been identified as 'Sell' and 'Sizzle', with a focus on reaching new customers from within the existing target market. Table 3 below highlights the overall objectives and associated S.M.A.R.T objectives (see also Appendix A).

Overall Objective: SELL	S.M.A.R.T Objectives
Increase total sales revenue from new customers by 20% within the next 12 months.	To increase new customer website traffic by 20% via an integrated print campaign within 12 months.
	To increase the average value of online sales by new customers from $42 to $60 within the next 12 months via an integrated viral and print campaign.
	To increase new customer website visits to conversions by 20% in 12 months through an integrated social media campaign.
Overall Objective: SIZZLE	**S.M.A.R.T Objectives**
Increase brand awareness of new customers by 15% within the next 12 months.	Increase new customer YouTube subscriptions by 10% to NWA within the next 12 months through a well-targeted content marketing strategy.
	To increase the number of likes and followers by 15% on NWA Facebook and Twitter accounts through an integrated online viral campaign.
	To increase new customer click-through rates from offline print advertisements to the NWA website and social networking sites by 15% through an integrated offline campaign within the next 12 months.

Table 3: Overall and S.M.A.R.T objectives.

Objective Justification

The focus on a sell objective is necessary because it will help generate sales revenue that can be reinvested back into the business to support future activities, such as enhancing the online experience (Constantinides, 2004). Similarly, through a sizzle objective the brand's online presence and community can be extended to support further co-creation with new customers through greater awareness and interaction on social networking sites (Jaakkola & Alexander, 2014). Enhancing brand awareness can contribute to the overall sell objective, as enhanced awareness can alter purchasing intentions and generate a conversion (Chen & He, 2003; Malik et al., 2013). To improve brand awareness, the S.M.A.R.T objectives focus on targeting improvements in the social networks that currently facilitate limited levels of engagement, such as YouTube, Facebook and Twitter, through content that focuses on storytelling to become shareable. In contrast, the S.M.A.R.T objectives that correlate to the overall sell objective focus on reaching new customers from SM channels. The following sections will outline how this will be achieved.

E-Marketing Strategies

The section details the broad marketing approach that will create customer value and achieve the overall objectives, detailed above. The overall plan will be consistent with a reach strategy which focuses on drawing attention and improving the visibility of the brand, it's website and social media pages (Chaffey, 2015). A reach strategy is adopted because it represents the most significant aspect of the RACE model that requires improvement based on SWOT analysis. The reach approach will include the integrated use of a social media, content marketing and offline communication strategies (Smart Insights, 2016).

Segmenting, Targeting & Positioning

The purpose of this plan is to segment the market based on existing demographic, psychographic and behavioural variables. For the purpose of this plan, lifecycle segmentation will be used to target potential customers who are still at early stages of the buying process, such as the awareness and knowledge stages of the Hierarchy of Effects Model (Clow & Baack, 2014; Wijaya, 2015). The target audience for this plan is social everyday wine drinkers aged 26-40 who are price sensitive and prefer to support local, Australian winemakers but currently have poor awareness and knowledge of NWA. The OVP that will be emphasized is the low prices and the support given to independent, Australian winemakers.

Social Marketing Strategy

Social media marketing (SMM) refers to the integrated use of various online platforms to achieve interaction and visibility in a relatively inexpensive manner (Akar & Topçu, 2011). A SMM strategy is relevant because the situation analysis highlighted that NWA currently has a low level of interaction on their current social networking sites. This suggests that the extent to which these sites can effectively reach new customers is limited and reinforces the need for an updated SMM strategy (Batra & Keller, 2016). Also, the significant amount of time spent on social networking sites by consumers emphasises the important role an integrated SMM strategy has in reaching customers (Hanna et al., 2011). The adoption of a SMM strategy can enhance brand visibility and awareness, while enabling a two-way exchange of information (Berthon et al., 2012; Kim & Ko, 2012). For example, positive word of mouth from existing customers about a brand can raise the awareness of others within the user's online network, including friends and followers (Sweeney et al., 2014). Similarly, social networks plays an important role in providing information for consumers at early stages in the decision making process (Power & Phillips-Wren, 2011). For example, Facebook pages can give users a brief overview of the brand and redirect consumers to the website and encourage an acquisition and conversion. This suggests that social network pages of NWA plays an important channel of enhancing awareness and attracting consumers to the website (Hutter et al., 2013). It is clear that a SMM strategy will play an important role in achieving the overall objectives by representing an important channel for raising awareness, providing a source of information and redirecting potentials to the webpage.

Content Marketing Strategy

A content marketing strategy will be employed to assist in achieving the overall objectives and reach new customers (Smart Insights, 2016). This includes the creation of interesting and relevant content on a regular basis as a means for reaching new customers (Pulizzi, 2012). A content marketing strategy is relevant because the political and legal environment heavily restricts traditional communications involving alcohol. However, the rise of social media presents the opportunity enabling the creation of shareable content subject to fewer restrictions relative to traditional channels (Nicholls, 2012). This means that creating content, such as videos, blog posts or podcasts, that the target market are interested in will enable buzz to be generated and translate into enhanced awareness of the brand (Pulizzi, 2012; Rowley, 2008). While NWA publish their own content, the situational analysis highlighted that the published content is limited. For example, their YouTube account consists of few videos mainly relating to winemakers introducing themselves and others that are several years old (Youtube, 2016). While these videos may educate existing customers, the low number of views, subscribers and comments suggests that the current content is limited in reaching new customers due to a lack of storytelling (Pulizzi, 2012). Consequently, to help achieve the objectives an updated content making strategy that focuses on storytelling will be used to more effectively reach the desired audience and trigger a response (Holliman & Rowley, 2014; Pulizzi, 2012). This may include a similar approach taken by the "Andy meets Dan & Murphy" content series from 2013 (Youtube). The optimisation of NWA's content marketing strategy to include the creation of more interesting content will help achieve the desired objectives by becoming highly shareable, thereby, reaching more potential customers.

Offline Communication Strategy

An important issue that the above strategies face is the manner in which the audience will get to these sites indicating that digital channels play a hybrid role in the traditional promotional mix (Mangold & Faulds, 2009). That is, the existence and implementation of a SMM and content marketing strategy does not guarantee that consumers will visit these sites (Batra & Keller, 2016). This means that the integration of online and offline communications is needed to get the desired response from the target audience (Baltas, 2003). While offline communications are often more expensive and only enable one-way information flow, they play an important role in redirecting customers to the relevant online communications (Varadarajan, 2010). For example, the use of traditional media channels, such as print ads, are often used as a way to initially expose customers to the brand and generate visits to the social networking platforms and website (Naik & Peters, 2009; Sheehan & Doherty, 2001). It is clear that the integration of online and offline communications will play an important role in determining the effectiveness of the SMM and content marketing strategies in reaching the target audience.

E-Marketing Tactics

The section outlines that manner in which the chosen strategies will be conducted to achieve objectives by detailing the chosen tactics.

Tactic 1: Viral Marketing Campaign

To be consistent with an SMM strategy a viral marketing campaign will be developed, which will include the use of a BuzzFeed article to generate brand awareness for new customers (Table 4). A viral marketing campaign refers to the dissemination of content about products or services by consumers through their social networks *(De Bryn & Lilien, 2008).* To appear more engaging and interactive, this BuzzFeed article will incorporate questions to determine which wine matches their personality. Based on the user's response to the questions, an outcome that matches their responses to a type of will be offered, such as a chardonnay or merlot, research by Demand Metric (DMRC, 2016) shows that inbound marketing tactics contribute to 82% of a company's marketing activities. In order to generate audience participation, an automated email will generate after each purchase with a link to complete the BuzzFeed article. An option will be included to share this to various social networking platforms in order to generate new leads and ultimately attract them toward the website. The social presence of NWA, measured by likes on Facebook page, is relatively low in comparison to main competitors (Facebook, 2016). Ultimately, this campaign aims to reach new customers through re-engaging with existing customers in the form of a highly shareable and interactive article. An in-depth timeline is shown in Figure 1.

| Strategy	Action	What?	When?	Who?
Social Media Strategy	1	What wine are you?	January 1st – 31st	Marketing/IT
	2	What kind of wine should you drink tonight?	February 1st – 29th	Marketing/IT
	3	What your wine preference says about your personality?	March 1st – 31st	Marketing/IT
	4	What grape best describes you?	April 1st – 30th	Marketing/IT
	5	Time your wine	May 1st – 31st	Marketing/IT
	6	Have you got the wine chills?	June 1st – 30th	Marketing/IT
	7	When is your perfect time to drink wine	July 1st – 31st	Marketing/IT
	8	How high is your wine IQ?	August 1st – 30th	Marketing/IT
	9	Match your meal with your grapes	September 1st – 30th	Marketing/IT
	10	What region is best suited to your wine preference?	October 1st – 31st	Marketing/IT
	11	We can guess your age, based on your wine taste?	November 1st – 30th	Marketing/IT
	12	How to find the perfect wine?	December 1st – 31st	Marketing/IT

Table 4: Social media strategy details.
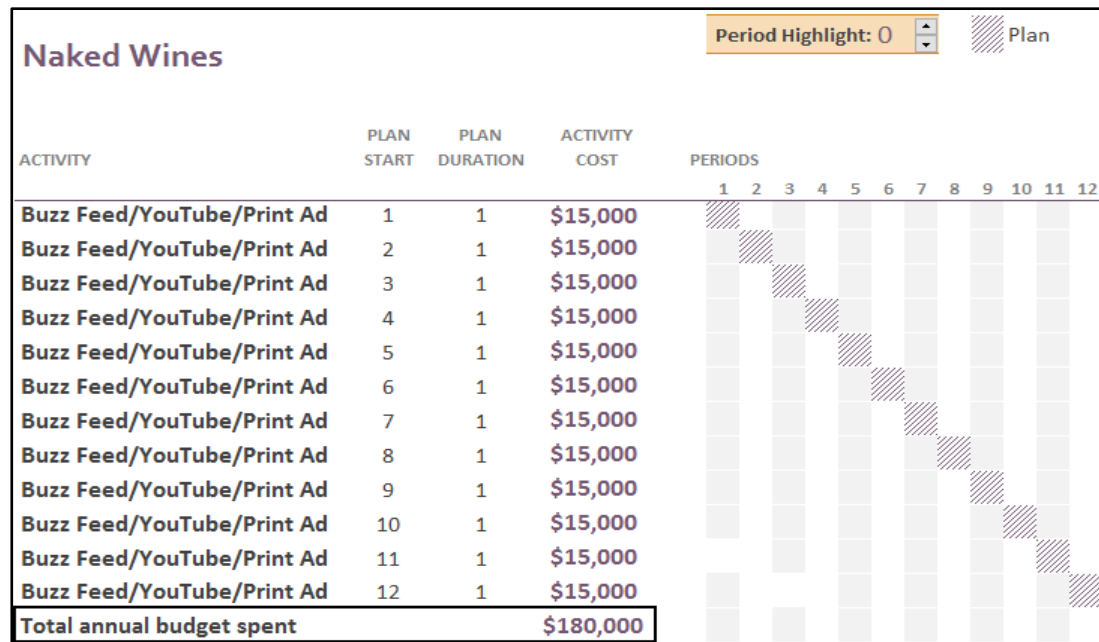
Figure 1: Gantt chart.

Tactic 2: YouTube Content Creation

This tactic aims to improve content through existing YouTube channels (Table 5, Figure 1). Innovation in technology has offered companies an opportunity to create actionable metrics that can inform and convert potential consumers (Smallwood, 2016). Content marketing is an effective way to expand reach, to gain traffic and convert buyers through the creation of engaging content (Rowley, 2008). Similarly, content marketing generates on average three times as many leads as traditional outbound marketing, with a 62% reduction in cost (DMRC, 2016). In order to reach new customers, NWA will promote a content marketing strategy through an existing YouTube channel. Customers can subscribe, like or view these videos at their leisure, and given an option to share on other social networking platforms. NWA will encourage feedback from customers in way of a review or comment on a post, to trigger an interaction will engage a wider audience and potentially result in new customers (Kaplan & Haenlein, 2010). In consideration of the target market, NWA will promote this YouTube channel through other existing social networking platforms. Ideally, this will encourage current customers to share these video streams and their experiences a wider audience, utilizing the innovation in technology. An in-depth timeline is outlined in Figure 1.

Strategy	Action	What?	When?	Who?
Content Strategy	**1**	Smart wine opening hacks	January 1st – 31st	Marketing
	2	How to pour the perfect champagne	February 1st – 29th	Marketing
	3	DIY wine rack	March 1st – 31st	Marketing
	4	How to perfectly decant your wine	April 1st – 30th	Marketing
	5	Match your cheese with your wine	May 1st – 31st	Marketing
	6	How to perfect the perfect drop	June 1st – 30th	Marketing
	7	The journey of Naked Wines Australia	July 1st – 31st	Marketing
	8	How to create the perfect cellar	August 1st – 30th	Marketing
	9	Best dessert wines and what to accompany them with	September 1st –30th	Marketing
	10	First wine experience	October 1st – 31st	Marketing
	11	How to make wine cubes?	November 1st – 30th	Marketing
	12	Angels VS "Dan" and "Murphy"	December 1st – 31st	Marketing

Table 5: Content strategy details.

Tactic 3: Print Advertisements

This tactic aims to draw prospective consumers to NWA various social networking platforms through an offline marketing campaign (Table 6). Targeted print advertisements and flyers will be used to prompt consumers to research NWA further. These advertisements will incorporate different themes each month to engage consumers and increase their awareness of NWA. An in-depth timeline is outlined in Figure 1.

Considering the redundancy of many traditional forms of advertising, a targeted print advertisement has been identified as the best option because it can lead to a higher return on investment compared to other offline channels (Grimm, 2014). A full page print advertisement targeting prospective customers and drawing them to NWA social media accounts will feature in various food and wine related magazines. The print advertisements will attract consumers who are potentially already active in this market segment. These print advertisements will appear periodically every month for a twelve-month period. Additionally, direct mail will also be used because they can be highly informative, easy to for consumers to understand and remember (Australia Post, 2014). Flyers will be sent to a selection households that align with the target market to persuade prospective consumers to visit NWA website and various social networking sites.

These offline tactics play an important role in enhancing the raise awareness of new customers and redirecting them to NWA's social networking sties and website (Rosenkrans & Myers, 2013).

Strategy	Action	What?	When?	Who?
Offline Strategy	**1**	How to become an angel?	January 1st – 31st	Marketing
	2	Your positive impact from shopping with Naked Wines Australia	February 1st – 29th	Marketing
	3	Wines and regions – where to go to satisfy your palette	March 1st – 31st	Marketing
	4	The history of Naked Wines Australia	April 1st – 30th	Marketing
	5	Journey ahead for us	May 1st – 31st	Marketing
	6	Glass shapes for your wine	June 1st – 30th	Marketing
	7	How much decanting is too much decanting	July 1st – 31st	Marketing
	8	Wines you've never heard of	August 1st – 30th	Marketing
	9	The life of a wine connoisseur	September 1st – 30th	Marketing
	10	Underground wine – how your grapes thrive	October 1st – 31st	Marketing
	11	Holiday with your favourite wine	November 1st – 30th	Marketing
	12	The perfect wine tour	December 1st – 31st	Marketing

Table 6: Offline strategy details.

Budget

Table 7 below outlines the major expense categories that directly and indirectly relate to the proposed digital marketing plan.

Category Item	Budgeted Amount	Budget (%)
Website maintenance (annual)	$32,000	8%
Email marketing	$40,000	10%
App maintenance (iPhone, Android and tablet versions - 15% original cost)	$28,000	7%
Social Media campaign (Content uploading, page management)	$100,000	25%
Offline campaign (Print ads and flyers)	$40,000	10%
YouTube content development	$80,000	20%
Google Adwords (Click throughs on social network at 88c/click)	$60,000	15%
Contingency	$20,000	5%
Total	**$400,000**	**100%**

Table 7: Budget.

Evaluation and Control

Developing evaluation measures is important to ensure that information can extracted to assess the effectiveness of objectives and ensure accountability of marketing expenditure (Hanssens & Pauwels, 2016). Upon establishing a budget, the operating expenditure has been set at $400,000 (Appendix B). Advertising strategies will be monitored with adjustments made to ensure that the predetermined benchmarks are being attained at an acceptable rate.

One of the suggested strategies for NWA is to increase their social network presence, the goal for this is to simultaneously increase new customer likes and follows by 15% on NWA Facebook and Twitter accounts as well as to increase new customer website visits to conversions by 20% in 12 months. This initial goal can be measured through analytical programs, such as 'Buffer' which allows the user to follow where customers are being referred from and the reach a campaign is gaining through tools, such as hashtag tracking (Kranz, 2015). Monitoring the conversion goal can be done through Google Analytics, this will allow NWA to track the response to different social campaigns and determine those which are more successful at moving users to and throughout your site, as well as tracking specific conversion goals (Gotter, 2016).

While measuring the return on investment from print campaigns can be complicated, this will be achieved through using a vanity URL (Clow & Baack, 2014; Weber, 2015). This involves creating a custom URL for NWA offline adds,

which uses embedded Google Analytics to ensure that offline captured content can be followed (Kenyon, 2013; Rosenkrans & Myers, 2013). This will help enable NWA to get a gauge on how many people are actively searching for their sight from offline materials. Having a key performance indicator such as, number of weekly hits desired will allow benchmarking and the effectiveness of the offline campaign to be assessed as traction is followed through the vanity URL and then through analytics on the home screen as customers click through (Ewing et al., 2014). Another tool to measure effectiveness would be to implement a short survey and gain approximate readership figures (Gallagher et al., 2001). For example, when accessing the web link on the offline material a survey may pop up asking from the reader which channel they sought access through.

Effectively building online content to allow an increase in YouTube subscriptions by 10% will help to build NWA overall brand awareness and new customer engagement. Measuring the effectiveness of content sharing within the budget can be done through YouTube Analytics. By initially defining the target market and demographics on YouTube users desired to engage with, NWA is able to assess how many successful views they have achieved and whether the content they are uploading is actually reaching their desired audience (Nottingham, 2016). Doing this will help further define content and increase the effectiveness of each video they upload, as well as enabling them to measure performance against desired, predetermined outcomes.

Google AdWords provides many avenues for NWA to achieve their objectives, it can accompany the social media campaign, YouTube content development as well as increasing overall brand awareness (Irvine, 2016; Neale et al., 2009). In order to successfully direct potential consumers to NWA's online presence increased content then bidding on certain words such as; 'wine online, wine for sale, which wine to drink', will enable marketers to achieve a higher reach through their content strategies. To measure how they are performing utilizing the analytics that accompanies them is vital. To begin with, NWA should ensure that each word has a desired click through rate (CTR) for the first two months, close to the average rate for the e-commerce industry, which is 1.66% (Irvine, 2016). If the words are performing below this rate, then further refining can be performed to in-crease their effectiveness.

While analytics provide a very effective performance based monitoring and evaluating system, having an overall balanced scorecard system to ensure that the budget's objectives as well as the firm's strategic direction align (Kaplan & Norton, 1996). When implementing the balanced scorecard system incremental key performance indicators should be set out bi-monthly to ensure that the goals are being met. For example, an overall goal is to increase likes and shares on social networks by 15% over 12 months. This could be broken down with progress being reported every second month with the aim of achieving an increase of 2.5% every two months. This data can then be entered into balanced scorecard automation software, which will reflect on the effectiveness of progress so far (Balanced Scorecard Institute, 2016).

In summary, ensuring that each element of NWA budget has a pre-determined quantitative benchmark for data, such as click through rates, demographic reach, referrals and conversion rates will allow them to monitor their progress with each strategy implemented. This data can be retrieved through online analytical tools such as Google Analytics and comparisons can be made with personal KPI's and industry averages.

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Facebook: Dan Murphy's https://www.facebook.com/danmurphys

Facebook: Vino Mofo https://www.facebook.com/vinomofo

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YouTube (2016): Naked Wines Australia https://www.youtube.com/user/nakedwinesaustralia

Appendix A: Comprehensive PEST Analysis

Political

The sale and consumption of alcohol is highly regulated in Australia due to the association with aggression and crime (Australian Institute of Criminology, 2011). This has the potential to act as a significant threat to NWA because it means they have to operate in a highly restricted environment. Each State have their own regulatory body that sets polices relevant to online alcohol sale and consumption, such as Liquor & Gaming NSW and Victorian Commission for Gambling and Liquor Regulation (VCGLR). However, each Sate has basic similarities, for example, the national drinking age is 18 which means that a the website must display a notice which states that it is against the law to sell or supply alcohol to persons aged under 18 years (Department of Health, 2016; Liquor & Gaming NSW, 2016). Additionally, each State requires a permit to be displayed on the website and included in any relevant advertising, in order to gain the right to sell alcohol via the Internet (Liquor & Gaming NSW, 2016; VCGLR, 2016). This threatens the operations of NWA, by creating another cost which could be passed onto consumers and negatively affect sales. However, the pure-play nature of NWA helps to reduce costs in other areas. NWA must confirm that the buyer is over the age of 18 by collecting their date of birth. It is clear that the strict regulation surround this industry places a high level of constraints on operations, which place potential threats on the achievement of strategic objectives.

Economic

There are strict factors within the economic environment through the provision of many taxes placed on alcohol. One of the most significant taxes includes a very high Wine Equalisation Tax (WET), relative to other nations (Evans, 2015). This is a tax paid on the last wholesale of wine and is 29% of the wholesale value but a rebate of up to $500,000 is available to wholesalers (Australian Taxation Office, 2015). However, in July 2017 the tax rebate was cut to $350,000 and is projected to decrease to $290,000 next year (Chung, 2016). This indicates that the taxes have the potential to significantly impact NWA by increasing the cost and prices of their product which may adversely impact sales. However, the pure play nature and online partnerships with coupons sites, helps NWA minimise this threat by proving monetary incentives to help attract sales and appeal to the price sensitive consumer. Additionally, due to the complex social issue surrounding alcohol consumption in Australia it is suggested that wine should be volume rather than price (Supporting Australian Wines, 2016). This would adversely affect NWA by further increasing the price and sales of alcohol (Martin, 2016). Another significant economic trend that has the potentially to impact the sale of wine is the price of grapes (Ledovskikh, 2016b). This means that if the price of grapes increase, the cost of production also increases. Consequently, this threatens NWA ability to provide low prices and can adversely impact sales. It is clear that the industry taxes and the price of grapes represent significant economic factors that can adversely impact the final price and sale of wine.

Social

Alcohol consumption in Australia is extremely prevalent, with over 80% of Australians consuming alcohol, and a significant amount is wine consumption (Australian Bureau of Statistics (ABS), 2015; Roche et al., 2009). An important

social trend relates to the changing drinking patterns of Australians. For example, there has been a decrease in beer consumption and increase in the in wine consumption (Millar, 2015). This increase demand for wine represents a significant opportunity for NWA to gain more sales and further emphasise their OVP. However, the increase in health awareness of Australians has led to an overall decline in the consumption of alcohol in Australia (Ledovskikh, 2016b). This increase knowledge provides a key threat to NWA by directly impacting the demand for wine.

Technological

The evolving technological world continuously creates much advancement that creates new and more interactive ways of reach and engaging with customers (Verhoef & Lemon, 2013). These technological changes are very important for NWA due to their pure-play nature. While, a significant threat to NWA' operations is compounded from high regulation, trends within the technological environment help minimise this threat by providing new opportunities to co-create with customers (See-To & Ho, 2014). For example, through social networks such as YouTube, NWA has the opportunity to create engaging content that is less restricted than traditional media (Brodmerkel & Carah, 2013). Similarly, using social networking technology they have been able to increasing communication within their site by integrating social networking features that enables customer to chat with other customers, the brand and winemakers. Another key trend is the convergence of social networks and e-commerce whereby social networks are increasingly used as a point of sale (Han & Kim, 2016; Huang & Benyoucef, 2013). For example, specialised buying social networks such "Soldsie" and "Like2Buy" are being established as well as the integration of buying options within existing social networks such as Instagram, Twitter and Pinterest (Vend, 2016). This trend presents a significant opportunity to NWA by leveraging these new channels and features to allow consumers to more easily gain a sales acquisition. It is clear that highlights the publishing of curated content and the congruence of social networks and e-commence provide significant opportunities to overcome barriers presented by a strict political environment.

Appendix B: Report Assumptions

- NWA already have excellent SEO, with 100% organic searches, which is the reason that a search engine marketing strategy has not been included as a part of this digital marketing plan. Conversely, the core focus of this plan is to improve reach of new customers via SM and content marketing strategies since this represents a current weakness.
- The chosen competitors were based on those that currently outrank NWA, on the website analytics provided by SimilarWeb. Dan Murphy's was chosen as a key competitor due to their market leader position, and high ranking of their website. Similarly, VinoMofo has a very similar target market and business model.
- The figures within the objectives and budget are based on an industry report in relation to online beer, wine and liquor sales in Australia (Ledovskikh, 2016a).

- As NWA have not publicised profit figures it is estimated based on their $20 million turnover in 2015 that from this an approximate $5 million profit would be reached (Mcrae, 2015). When determining the budget 10% of operating profit less $100,000 to err on the side of caution thus resulting in the $400,000.