

Abstract

This business plan explores the possibilities for a new website in the Netherlands. This new website is supposed to be a multi-vendor wine website where different wine vendors meet wine consumers who are looking for good price-quality wines.

This business plan looks into the next questions:

- a. Are wine consumers interested in a new wine website with different vendors?
- b. Are wine vendors and importers -often in the possession of having their own selling website- interested in an extra channel to sell their supply?
- c. Ergo: Does such a platform have added value to the wine selling landscape in the Netherlands?

Although a small country, The Netherlands has an interesting wine market. Approximately 80% of the wines is sold via the supermarkets. Reliable figures about the other 20% could not be found. The Netherlands is not a wine country. Most of the consumers have hardly any knowledge of wine. They get their knowledge of wine from ads and shelf cards in the supermarket. 8% has followed a wine course. Knowledge of the different appellations is little. The so called 'huiswijnen' (house wines) from the supermarkets are the biggest and most well-known brands for the consumer.

The Netherlands has a population of 17 million and a consumption of 20,3 litre wine per capita per year. Approximately 1.5 billion Euro per year is involved with wine sales. Even more interesting, especially with respect to this business plan, is the wine sales via the internet. This is approximately 75 to 180 million Euro per year.

The Netherlands has a relatively small population (17 million) but with a high penetration of wine drinkers (73%, approx. 13 million). Approximately 7.5 million of the Dutch inhabitants are regular wine drinkers, those who drink wine at least once per week. Approximately 80% of all bottles sold, are bought in the supermarket.

Approximately 5 to 12% of the wine sales happens via the internet. Comfort is the distinctive character of the internet. Middle aged people (45 - 64) buy via the internet and is likely to proceed with that while getting older.

The internet is a relatively small but growing wine channel in the Netherlands. Consumers who buy from the internet are loyal and return. Important is that people will find the website, if they like it they will return.

80% of the wine sales takes place in the supermarket. In this market Albert Heijn is the leading supermarket, followed by Jumbo, Aldi, Lidl and some more follow the list. Supermarkets buy their own wine abroad or from the major wine importers in the Netherlands.

20% of Dutch wines is sold via vintners, wine shops and internet.

Although figures are hard to find about the sales in these channels, we can assume that these channels have a turnover of app. 500 million. Knowing that the complete Dutch market according to the Product Board Wine is 1500 million and 80 % of that total is supermarkets. The value of money of wines sold via the supermarket is known and this is 1030 million Euro's due to the lower prices in supermarkets. Either way is the size for the market for vintners, wine shops and internet interesting.

A part of the wine market in the Netherlands is for wine lovers and connoisseurs. It is app 10% of the consumers and a higher percentage of the turnover. 5 to 12% of the sales of wine, port and sherry takes place via the internet. That is approximately 75 to 180 million Euro per year. Connoisseurs wine drinkers are approximately 10 % of the consumers and 10 % of the internet market, so the connoisseurs part is 7,5 to 18 million Euro.

Firstly it is the intention that the wine offered on the new multi-vendor wine selling website will be priced between 8 and 15 Euro. This is because wines in this price range have a good price-quality ratio and these wines usually have character. These are wines with an interesting story about origin, history and production. Most websites offer very cheap wines or the opposite, very expensive wines. The website this business plan is aiming at offers reasonably priced wines with a good level of quality.

The second choice regards the content of the wine selling website. It will contain the advertised wines with explanation from the vendors and hyperlinks to the websites of the vendors to facilitate the purchase process.

Additional editorial articles will be published. For example wine of the week, grape of the month and purchase of the month. The subject of the articles will be chosen by the owner/editor and will be chosen between the wines that are advertised.

The third choice concerns the purchase process. The website will not facilitate the purchase process. The name of the website must cover the quality of the wines, therefore the name 'aantrekkelijke wijnen' is chosen (English: attractive wines).

The expenses involved with the design and development of the site will be app. € 2.000, a deprivation of € 500 a year is calculated. The hosting cost will be € 150 per year. The cost of management and editorial work is app. € 1000 Euro per month although the workload varies and depends on the number of vendors and the advertised wines. € 2.000 is calculated for advertising. For a year the total will be app. € 15.000. With the low cost investment the breakeven point will be a fact with 8 vendors with each 5 wines for a year long.

www.aantrekkelijkewijnen.nl has great opportunities because it is a new concept and has an unique selling point. The weaknesses and threats have to be taken seriously, especially good relationships with the vendors will be of great importance.

Loss of reputation as a wine journalist will be a threat if the website does not attract buyers. Appointments with vendors will be made and deals with the vendors must happen. An inventory among several importers was made, the outcome was that the asked fee is reasonable and three of them were interested so far.

In the Netherlands wine buying via internet has an interesting market share of 5 to 12 % of a total of 1,5 billion Euro turnover per year. App. 10% of the consumers is a wine lover/connoisseur or loyal drinker, this is a group on which www.aantrekkelijkewijnen.nl aims. Therefore a huge market share lies ahead. The unique selling point is that the website is a multi-vendor selling site. If enough vendors are willing to cooperate, the planned product-market combination can have an added value to the wine selling landscape in the Netherlands and can be a profitable business.