



*Disruptives strategies that create
global wine corporations :
a case study*

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Nakedwines.com

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Définition disruption

- "L'innovation disruptive est une innovation de rupture, par opposition à l'innovation incrémentale, qui se contente d'optimiser l'existant ", Jean-Marie Dru.
- "New : 15 approches disruptives de l'innovation" (Ed. Pearson), ouvrage signé par le père de ce concept, le "fils de pub " Jean-Marie Dru, aujourd'hui Président non exécutif du groupe de communication américain TBWA.



Naked Wines : disruptif ?

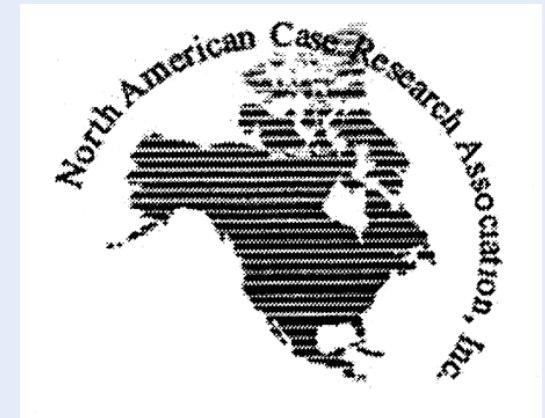
- Double usage des nouvelles technologies de l'information et de la communication :
 - 1 – Distribution – Marketing – B to C
 - 2 – Crowdfunding
 - Financement – Marketing – Distribution
 - Baisse des coûts
 - Partenariat versus contrats



Sources :

NakedWines.com—Disrupting the Wine Industry?
Sandra K. Newton, Sonoma State University
Armand Gilinsky, Jr., Sonoma State University

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NakedWines.com



Rowan Gormley, CEO

- We built a profitable wine business in just **four years** by doing just the **opposite** of the rest of the wine industry.
- We have used the **Internet to connect** wine drinkers directly to the people who make their wine.
- We have used **crowd funding to raise the money** to fund 105 winemakers in sixty-two locations around the world. And now mobile accounts for 24 percent of our traffic and we don't have a strategy."
- Rowan Gormley, CEO and co-founder of NakedWines.com



Marketing

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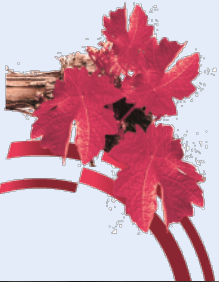
Welcome to your new favourite place to buy wine

Naked Wines is a customer funded wine business. Our customers fund independent winemakers in return for exclusive access to delicious wines at wholesale prices.

Take our quick survey and get a
FREE £30 wine voucher

[Get started](#)





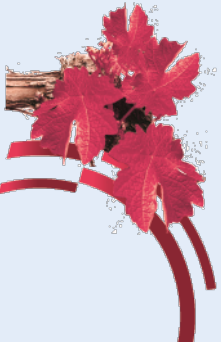
Naked Angels

**Save up to 50% every time
you order when you
become a Naked Angel**

Our Angels support independent winemakers by investing £20 a month into their Naked Wines account, to spend whenever they want - in return for discounts, freebies, exclusive wines and more.

Right now we're fully subscribed and there's a waiting list to become an Angel

Join the list



Naked Wines - Winemakers

MAKE WINE

GROW YOUR BUSINESS

PRESS

HELP & FAQs

CONTACT US

Make wine for us

Our aim is to make Naked Wines the most exciting place to make wine, not only because we love winemakers, but because it's good for business!

[Get in touch ▾](#)

🕒 Order in the next 15:53:50 hrs for delivery on Wednesday, FREE if you



1. Save up to 50% off every time you buy



2. Free bottle every month when you order a case



EE if you spend £100 or more*

Browse or

Search by grape, country, winemaker...

Go



3. Access to Angel
Exclusive wines



4. Invites to exclusive
tastings



History

- Rowan Gormley and twelve friends had worked together on previous ventures, including Virgin Wines.
- Virgin Wines ran out of money due to excessive spending on advertising and was sold to Laithwaite's in 2005
- By October 2008 : wanting to try another approach to selling wine



Three foundational principles

- We're not going to screw our suppliers (winemakers). We're going to **finance them**, so they can focus on doing what we want them to do, which is make brilliant wines.
- We're going to **invest inside the bottle**, on the stuff you can taste. And we're not going to waste our money on fancy packaging, "brands", distribution, etc., which you can't taste.
- We're not going to **pander** (soutenir) to wholesalers, distributors, wine critics, etc. We're just going **to get rid of** (débarasser) them altogether.



NWC's Business Model

- NWC's mission was to find the world's most talented, undiscovered **winemakers** and set them up in business,
- Marketing message: “For wine lovers—so that you can enjoy the wines, make friends with winemakers, and **save money**.”
- “**virtuous circle**” concept: “we would seek out talented winemakers who wanted to sell wine under their own labels, but who **lacked both seed funding and the commercial smarts**”



NWC's Business Model

- To attract initial subscribers in the UK, NWC procured **high-end wines** from notable wine regions in Europe, South America, and South Africa. In return, NWC's subscribers—dubbed “Angels”—received high-end wine at lower prices than they could get elsewhere.



NWC's Business Model

- NWC's philosophy and business model were sufficiently compelling to convince Andreas Pieroth (co-CEO of WIV-Ag, a family-owned German wine business) to provide about **\$5 million in seed capital** above the founders' initial estimated **\$1 million investment**. Another **\$1 million came from other investors**, including Jamie Oliver (a renowned chef and restaurateur), Amazon UK, and BBC *Good Food*.



Expansion

- By the end of its first three years of UK operations in 2011,
- NWC had invested in forty independent winemakers,
- shipped an average of 10,000 bottles of wine every day,
- enjoyed 100 percent growth year-on-year, and
- acquired nearly 100,000 “Angel” investors, who in turn paid over £2 million (about \$3.2 million) per month towards future wine orders



Monthly investment

- To support the NWC model, a **customer** became an **Angel** by making a monthly investment. **An Angel's monthly payment was considered an investment**—not a sale—as NWC used an undisclosed portion of that money to fund independent winemakers and their brands



Wine Angels

- If an Angel's account balance was insufficient, he or she could “top up” the funds to make a wine purchase.
- Those Web customers who did not want to become Angels could also purchase wines, but at higher prices (typically 40–60 percent higher).
- Angels represented **95 percent** of NWC's customers



Wine Angels

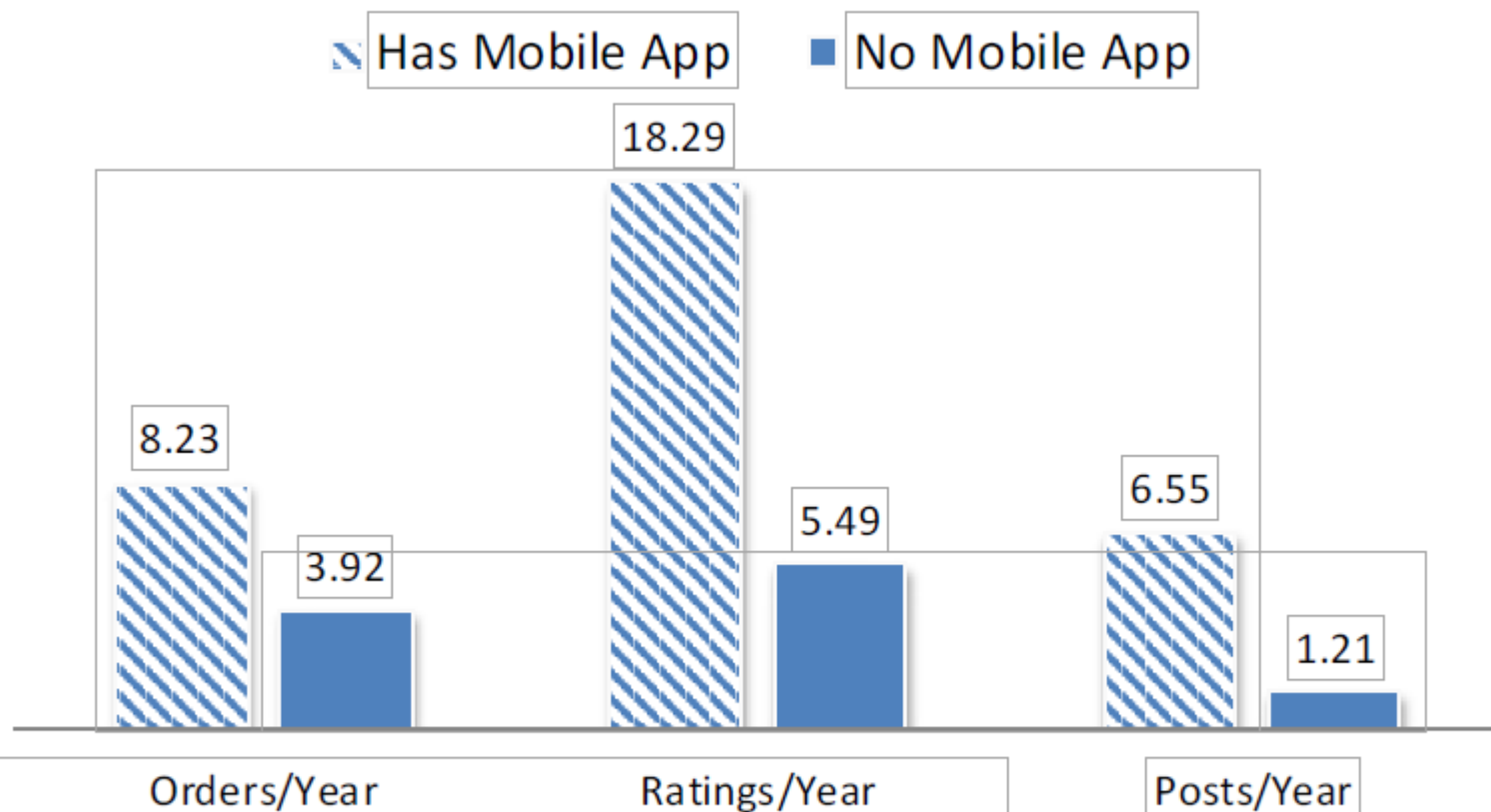
- We raise money from consumers, our Angels, and instead of paying dividends to these “investors,” we give them preferential prices for wine



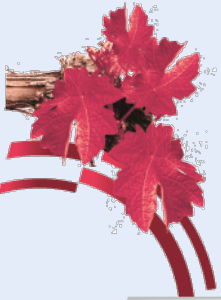
Traditional Napa Cabernet Sauvignon		NWC’s Napa Cabernet Sauvignon	
		Wholesale	Retail
Sales Price Basis	\$23.00	\$26.99	
Cost of Goods Sold			
Grapes	6.15	6.15	
Winemaking	2.20	2.20	
Oak Barrels	1.70	1.70	
Cost of Goods Sold—Total	10.05	10.05	
Gross Profit	19.95	16.94	
Sales and Marketing Expenses	16.20	8.33	
Producer Profit per Bottle	3.75	8.61	
Via Three-Tier		DTC	
Sales and Marketing Expenses Paid By:			
Distributor		13.13	
Retailer		19.69	
Non-producer Sales and Marketing Expenses—Total	32.82	0.00	
Total Cost per Bottle at Retail Sale	59.07	18.38	
Retail Price per Bottle to Consumer	60.00	26.99	
Total Profit, per Bottle	0.93	8.61	



Mobile App

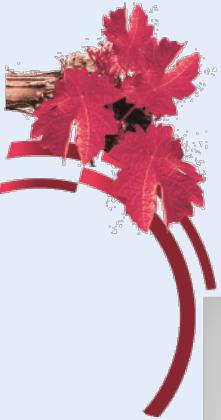


Source: Derek Hardy, Naked Wines, June 2013.

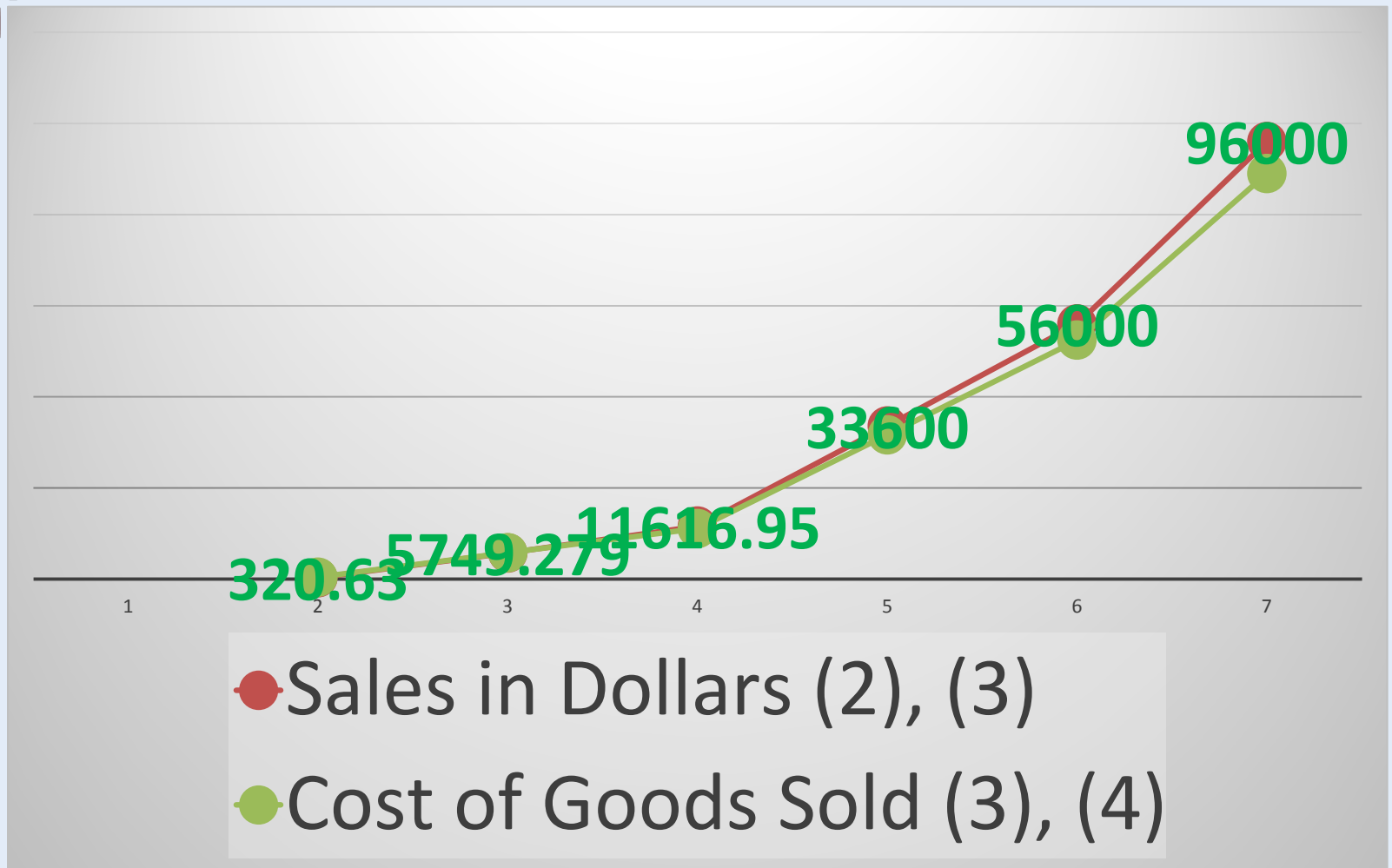


NWC's Financial Results





NWC's Financial Results 10³





Crowdfunding

Lending
Dragons
DirectLending
Finance
P2PLending
Peer2Peer
Capital
PrivateEquity
Equity
Syndicates
InvestmentCrowdfunding
MiniBonds
Securities
Debt
Angels
Marketplace
VentureCapital
CrowdfundInsider
FundingPortals
Crowdfinance
Bonds
Investors
Crowdinvesting



Gormley Future Ambitions

- German family company, is in this for the long term
- We knew when we started that they had been looking for a new business model in the wine industry for a very long time.
- We are *not* building a business to flip to another buyer.
- Every single one of us [NWC's entire staff] has equity.
- I'm fifty years old. I love living here [in California].
- It's a nice business. How many businesses do you know about where the CEO gets to sit in a chair outside in the sunshine doing business with nice people?
- This is as close as one can get to having fun—while making money.



Merci de votre attention

