Brand Research for the Cold Hardy Grape and Wine Industries

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Background and Rationale: The emergence of cold hardy wine grape cultivars (primarily vitis riparia) in the 1990s created a new and rapidly expanding industry of small vineyard and winery enterprises in states across New England, northern New York, and the Upper Midwest. While the North American ancestry of these cultivars confers exceptional climatic adaptation and disease resistance, other challenges to production, processing, and marketing have slowed their successful commercialization in regional and national markets. Marketing tools are required to educate consumers unfamiliar with the grapes and the wine styles they produce. Consequently, the long-term viability of these new businesses requires coordinated research and extension to optimize viticulture, enological (winemaking), business management, and marketing practices including an assessment of the state of the industries. One area of concern that is critical to emerging industries is product branding. Since the northern states have not been known as wine producers research was undertaken to determine what effect geographical location and type of grape might have on customer’s perception. Branding is critical to success for any winery. Given the recent introduction of cold hardy grapes and the rapid emergence of a vibrant and expanding winery industry in the Northern Grape States it is essential to understand how branding can enhance marketing efforts. Results from this study will help guide the next round of brand research and extension activities for the project in 2015 and 2016.

Methods: In a partnership with the School of Hotel and Tourism Management at Hong Kong Poly University a brand evaluation study was conducted in February of 2014. A total of three red wines and three white wines were sampled by 600 people in the Hotel ICON in Hong Kong. There was one cold hardy red wine (Marquette) from a winery in Wisconsin and one white wine (Brianna) from a winery in Iowa included in the mix. The other wines came from traditional wine areas (e.g. South Africa, Argentina). There were three groups of 200 respondents who sampled the wines. The first group sampled them blind. This established the baseline score for each wine. The second group was told where the wines were from (geographical region) and the third group received information about the grapes used for wine production, terroir and the winery producing the wine. The results from that study are still being analyzed.

Results: Results indicate that the cold hardy wines were evaluated lower than in the blind taste test once the region of origin was known. Consumers were willing to pay less (statistically significant) once they knew where the wines came from than those who did not know anything about the wine. Additional information about the “new” types of grapes used in production did not have any noticeable effects. However there is additional information related to how consumers choose a wine for purchase compared to how the wines were evaluated that is still being analyzed. As data are analyzed reports are being written for conference presentation and journal publication. The information from this study will assist winery owners/managers make decisions about what grape attributes are viewed by consumers as worthy of emphasizing in a marketing strategy as well as the
influence of region on branding initiatives. There will also be follow up study conducted at the World of Wines Festival in Oregon in 2015 to collect data from consumers more like those currently purchasing cold hardy wines.

**What the results mean:** In the baseline monitoring survey produced for the Northern Grapes Project, winery owners/managers indicated that their most successful marketing efforts were to brand their wines. This study does not refute that management strategy but it does point out the need to brand the viticulture area and the grapes used in the production of that wine. A lower willingness to pay once region of production was known reveals a bias against cold hardy wines. As wineries expand what they can charge for a bottle of wine will be affected by the viticulture region of production