



Viticulture, enology and marketing for cold-hardy grapes



Who are the Consumers of Cold Climate Wines?

The State of Michigan (15 Partner Wineries)

Six North-Central States (Households)

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Background and Rationale: Understanding consumers interests, preferences, and product awareness is critical to developing successful marketing strategies for any product or service, especially new products like Cold Climate Wines. Consumer surveys were conducted in years 1 and 2 revealing market relevant information. The project year 3 (no cost extension) focused on extending analyses of the two survey data sets and disseminating results to stakeholders.

Treatments: Two consumer surveys were designed and implemented to establish baseline market relevant information about consumers and potential consumers of Cold Climate Wines. One focused on randomly selected visitors to 15 Michigan wine tasting rooms. The other was a survey of the general populations in Michigan, Ohio, Indiana, Illinois, Wisconsin and Minnesota. Essentially the same set of questions was included in both surveys to permit comparisons across different populations.

Methods: Attempts were made to contact all Winery operators in Michigan as well as others knowledgeable about the wine industry to:

- 1) Recruit a geographically diverse set of winery tasting rooms as research partners
- 2) To solicit suggestions about wineries' marketing information needs. Winery partners generated lists of their visitors willing to participate in the survey. Over 1,500 usable completed surveys were received in project year 1. In year 2, a random sample of potential respondents was purchased from SSI. They were mailed a similar survey to that administered to tasting room visitors. This household survey was implemented late in project year 2.

Results: Findings from the survey of the visitors to the 15 Michigan tasting rooms and the 6 state random household member survey that are directly relevant to Cold Climate Wine marketing can be summarized as follows.

- 1) Awareness of wines made from cold-hardy grapes is low, about 30% among wine drinkers and only 10% across the general population. But, those who have tasted them tend to like them. Survey results demonstrate the strong interdependence of wineries and other tourism dependent enterprises. Sales to tourists are the dominant source of revenue to Michigan Wineries, especially the smaller wineries in part because they are able to earn retail rather than wholesale prices for

their wines. The data generated in the surveys provide a baseline for tracking change in consumer's behavior, perceptions, brand awareness, etc. Over time and provide extensive insight needed to develop effective marketing strategies.

- 2) A sample of specific results obtained in the tasting room visitor and general household survey are presented in the following four tables:

Table 1

Reported level of awareness	Tasting room visitors (MI)	Regional wine drinkers (6 states)
Not familiar	55.5%	70.8%
Somewhat familiar	26.3%	21.7%
Familiar	14.3%	5.7%
Very Familiar	3.9%	1.8%

Table 2

	Tasting room visitors (MI)	Regional wine drinkers (6 states)
Have tasted a cold hardy wine	65.3%	26.8%
Haven't tasted a cold hardy wine	11.2%	12.1%
Don't know	23.5%	61.1%

Table 3

Perception	Tasting room visitors (MI)	Regional wine drinkers (6 states)
Liked a lot	41.9%	39.3%
Liked a little	29.9%	31.1%
It was okay	23.9%	27.9%
Disliked	3.4%	1.6%

Table 4

Variety name	Tasting room visitors (MI)	Regional wine drinkers (6 states)
Snow Bird	5.0%	10%
Brianna	3.7%	18%
Edelweiss	21.3%	44%
Frontenac	20.2%	39%
Alpino Rouge	1.1%	2%
Crystal Lago	2.8%	0%
La Crescent	3.0%	13%
Marquette	7.9%	20%
St. Pepin	3.3%	13%
La Crosse	4.3%	26%
Haven't heard of any	53.2%	26%

Note: Only results from wine drinkers are included from the regional household survey.

- 3) The Michigan tasting room survey was designed in part to serve as a pilot study to develop a cost effective methodology for obtaining marketing relevant information from wine tasting room customers. Noteworthy methodologies lessons learned include:
- Winery tasting rooms can be willing and effective research partners
 - The majority of tasting room visitors prefer to complete surveys online
 - The response rate to our online survey was slightly better than it was to our mailed version
 - A core set of questions were developed based on input from winery operators and other winery efforts
 - Employing winery partners to obtain visitor contact information which was used to conduct the surveys was more cost effective than other strategies that might have been employed.
 - Finally, the output from the Michigan tasting room survey and the success of the methodology employed has generated interest in other states to engage in similar marketing research efforts.

What do results mean:

- The results contain a wealth of information about wine consumers that can be employed in developing effective marketing strategies.
- The current low brand awareness of wines made from cold climate grapes mean that raising brand awareness should be a priority across producers of these wines.
- Finally, the methodology and research procedures developed in this study merit application in other states and provide a base line for tracking change in the same state over time.