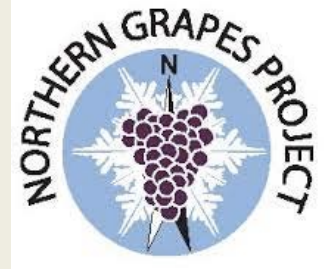


# Branding Studies for Cold Hardy Wines



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EXTENSION



What is the main product sold at a winery tasting room?



# What are the 3 most Common Distribution Points for Wine?



# What Impacts the Purchase Decision at Each Distribution Point?



- Price
- Wine Label:
  - Varietal, design, AVA/origin, producer, back label story, vintage, etc.
- Staff
- Occasion



# What Impacts the Purchase Decision at Each Distribution Point?



- Wine List:
  - Price, varietal, description, AVA/origin, producer, vintage, etc.
- Server/Sommelier
- Occasion



# What Impacts the Purchase Decision at Each Distribution Point?



- Sample
- Tasting notes
- Label
- Tasting room staff
- Experience
- Occasion



# Dimensions Branding

- Awareness
- Quality
- Value
- Image
- Loyalty



# Awareness

- Are people familiar with cold hardy wines?
  - 65% said they'd tasted wines from cold hardy grapes
  - 42% “Liked a Lot”

However...

- 42% hadn't heard of any we listed
- More had heard of “Snow Bird” than
  - Brianna
  - La Crescent
  - St. Pepin
  - La Crosse





# Study Summer 2015

- How much more/less will people pay for a wine with varietal name (*e.g., Marquette*) vs. an artistic name (*e.g., soaring red*)



# Quality

- Summer 2015 Studies
  - How much more will people pay for a wine that won an award?



# Value

- Value = Consumer satisfaction for the cost
- Wine quality/price
- What else can raise satisfaction?
  - Uniqueness
  - Local production
  - Connection to experience



# Image

- Summer 2015 Studies
  - How much more/less will people pay for a varietal if they have information about the grape.

*Marquette wine is made from the Marquette grape, a northern climate wine grape that ripens in the shorter growing seasons of northern states. Marquette grapes produce medium bodied red table wines with a mouth feel in between merlot and pinot noir. Marquette represents a new standard in winemaking.*





# Viticulture, enology and marketing for cold-hardy grapes



## Branding of Cold Hardy Wine

Bill Gartner,  
University of Minnesota

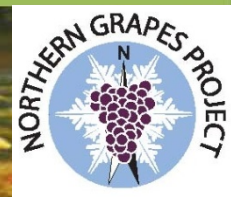


The Northern Grapes Project is funded by the  
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# Northern Grapes Initiative

- Wineries have told us branding their wines is #1 priority
- Very few mentioned branding of cold hardy grapes is important
- Branding Study in Hong Kong using cold hardy grape wines
- Another study set for World of Wines Festival in Oregon, August 2015



# Brand Dimensions

- Awareness – outside of the northern states cold hardy grapes are relatively unknown
- Image – cold, snow, ice, humidity are not often associated with grape growing
- Quality – must be earned. Competition helps establish quality
- Loyalty – the holy grail of a producer
- Value – not relevant to cold hardy wines.



# Branding at Winery Level

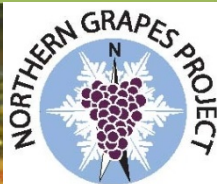
- Awareness – wine trails, industry connections, events, media
- Image – use of social media, focus on grape characteristics, climate and soil attributes, media
- Quality – awards, industry initiatives (e.g. VQA), media
- Loyalty – customer centered programs, new releases, best customers receive preferential treatment





# Branding at Viticulture Level

- Awareness – what is special about growing conditions in the north, regional marketing campaign, media
- Image – new grapes, new wine, something the market has not seen
- Quality – new wines, something worth looking for, supported by awards
- Loyalty – Create the buzz, share the product, new wines from new regions



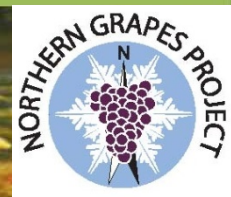
# Results from Branding Study

- Hotel ICON, Five Star Hotel in HK, Use of School of Hotel and Tourism Management
- Three treatments, 200 blind, 200 with grape characteristics shared, 200 with grape and region characteristics
- Three red and three white, Brianna from Iowa, Marquette from Wisconsin



# Findings

- Cold Hardy wines scored fairly high when tested blind
- Cold Hardy wines rated lower when grapes and when grapes and region known
- Willingness to pay was lower for unknown grape varieties
- Willingness to pay was lower when region was known
- More results being analyzed



# So What?

- Cold hardy wines will remain a local product unless awareness and image dimensions are enhanced
- Study results reinforce the need for cooperative marketing efforts for grapes and viticulture regions
- Strategic marketing initiatives need to be developed to enhance image
- Branding is more than a focus on an individual producer



# Thank You!

Bill Gartner  
Professor of Applied Economics  
University of Minnesota

