Branding Studies for Cold Hardy Wines

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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
• 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.
Branding of Cold Hardy Wine

Bill Gartner,
University of Minnesota
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
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