

Branding of Cold Hardy Wine/Grapes

Bill Gartner,

University of Minnesota



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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 (2014)/Oregon (2015) using cold hardy grape wines

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 (Marquette in Washington)
- 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

Research Findings to Date

- 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



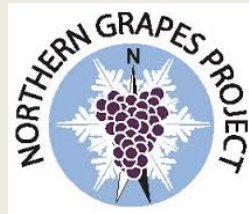
Marketing, Branding, and Tasting Room Studies with Cold Hardy Wines

Dr. Dan McCole
Dr. Don Holecek
Crystal Miller
Becky McRoberts

Michigan State University
Department of Community Sustainability

February 24, 2016

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BY PAUL SCHOEMAKER *Research Director, Wharton's Mack Institute*



**Over 3,400 Completed
Surveys from Tasting Room
Visitors in MI, WI & MN**





Who Visits Winery Tasting Rooms in the Midwest?



Demographics

~ 47 years old

~ 95% Caucasian

~ 62% Female

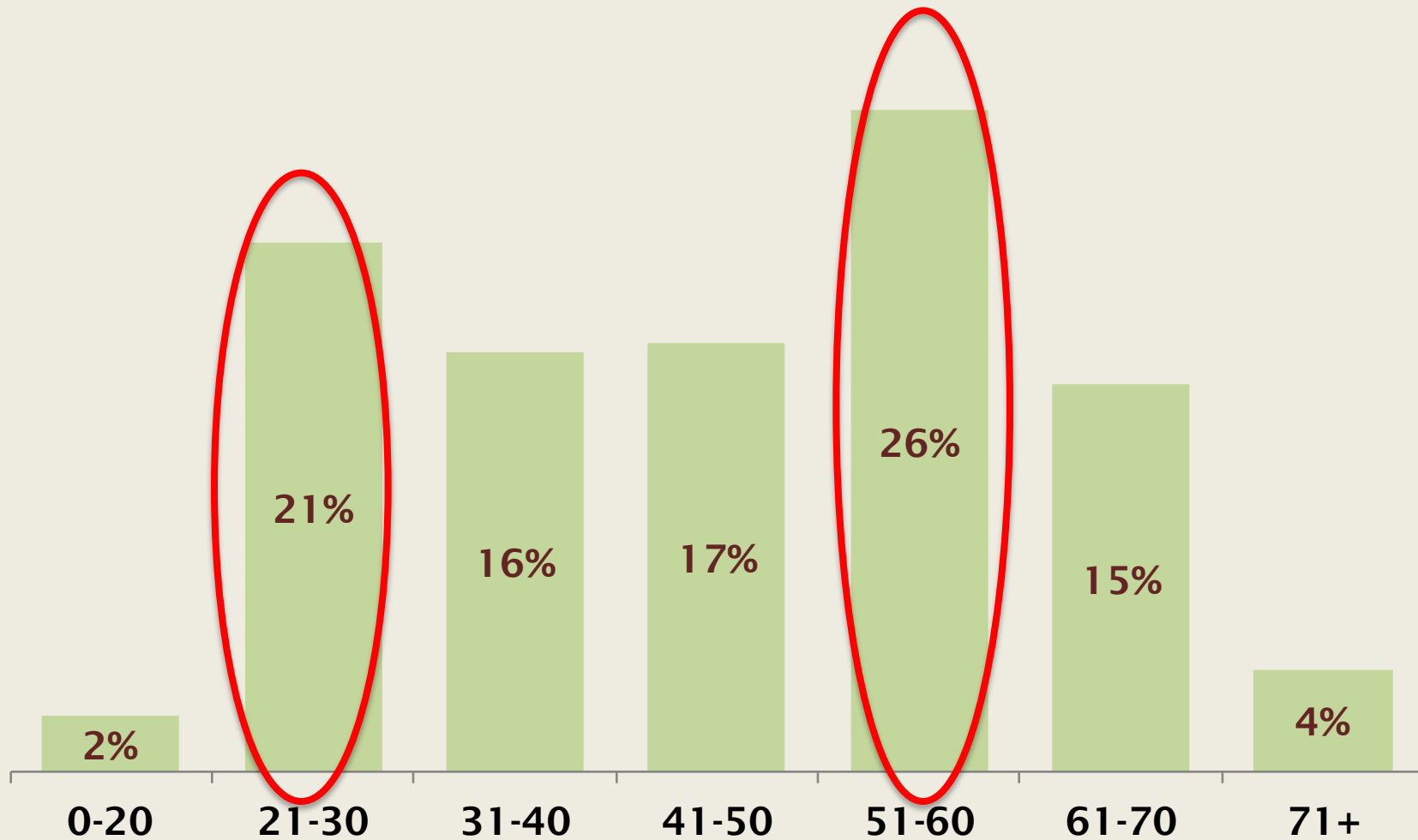
~ 70 % Married

~ 60% at least bachelor's degree
(~ 24% *post-graduate degree*)

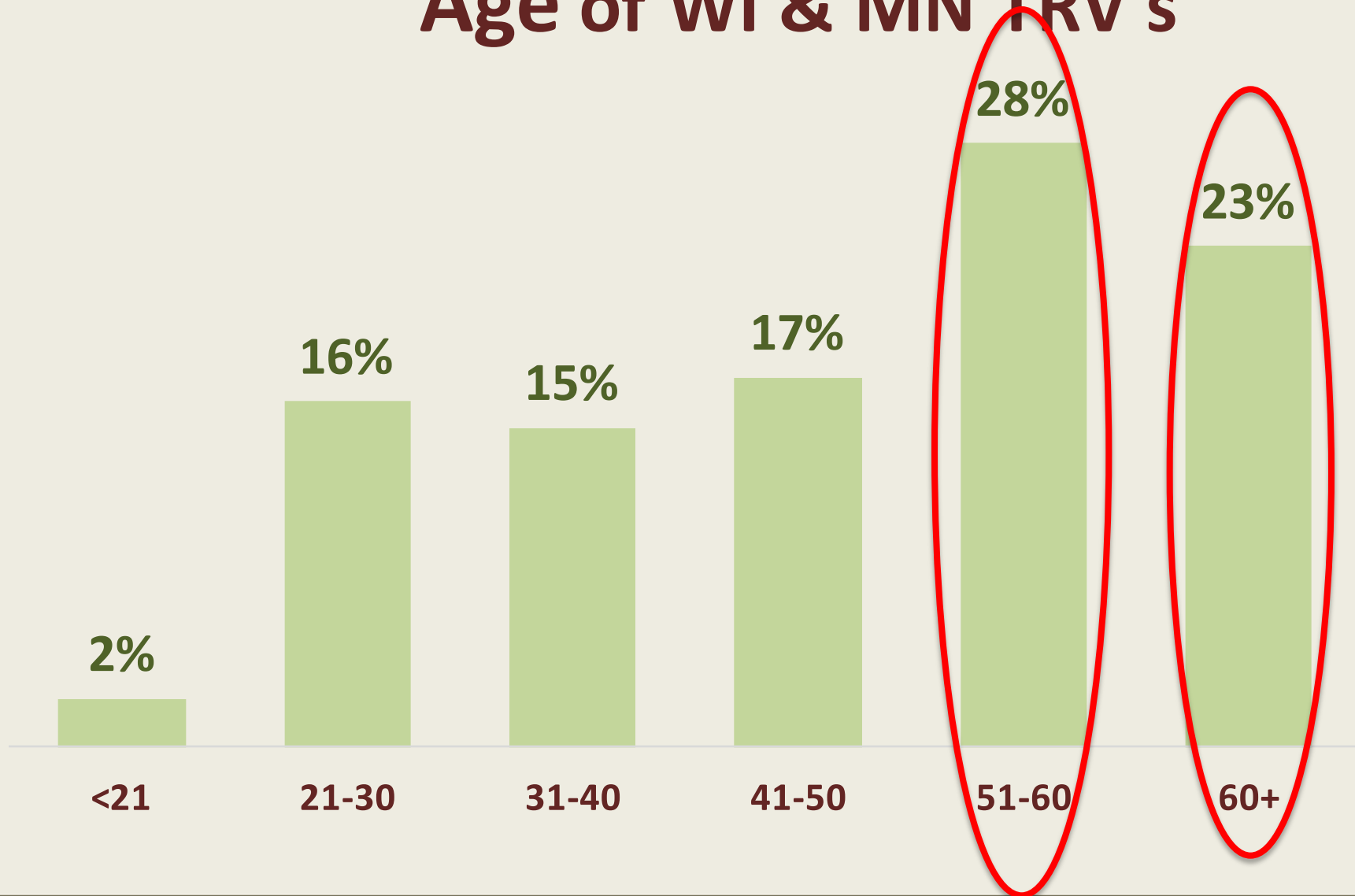
~ 50% have annual household income > \$70,000



Age of Michigan TRV's



Age of WI & MN TRV's



***Where wine is sold
impacts *how* it's
sold?***



What are the 3 most Common Distribution Points for Wine?



What are the 3 most Common Distribution Points for Wine?



What are the 3 most Common Distribution Points for Wine?



Where do you sell your wine?

90% sell more than $\frac{1}{2}$ at winery

$\frac{2}{3}$ sell at least 75% at winery



What do people buy at wineries?







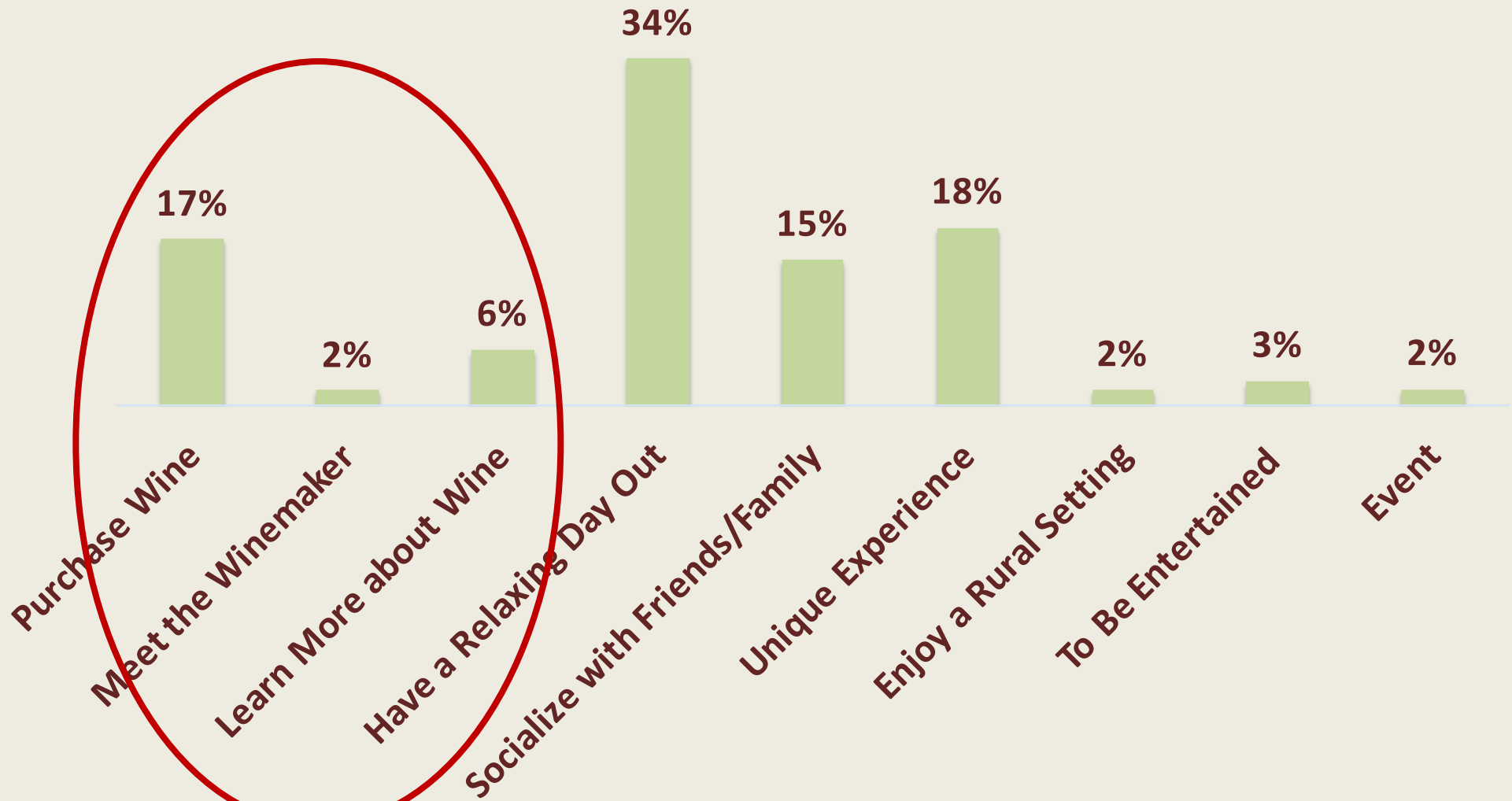
“We sell the ability for a 42 year-old accountant to ride through neighborhoods making people nervous. Something he don’t get in his everyday live.”



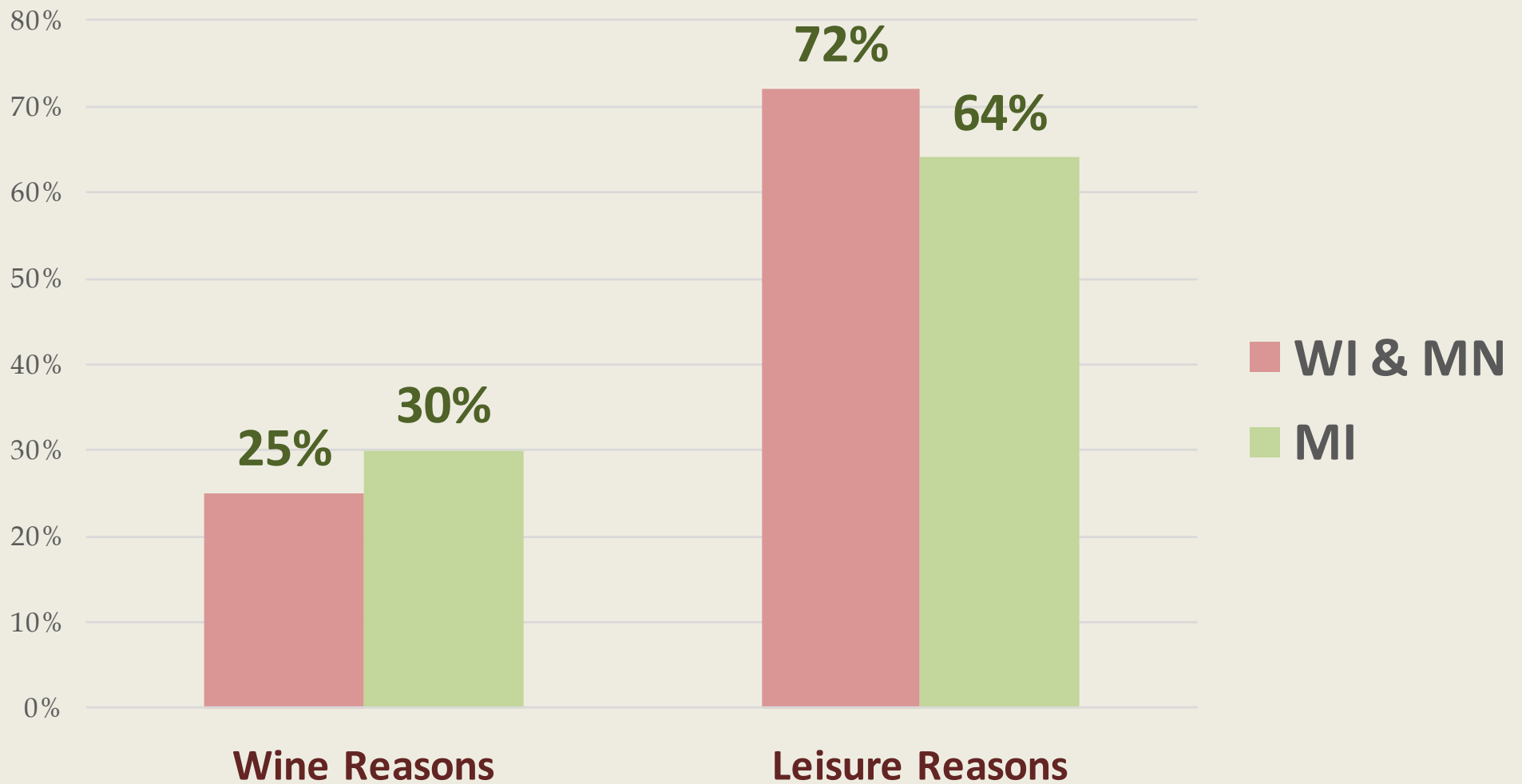
**What kind of
experience do
visitors want at the
winery?**



Primary Reason for Visiting Winery



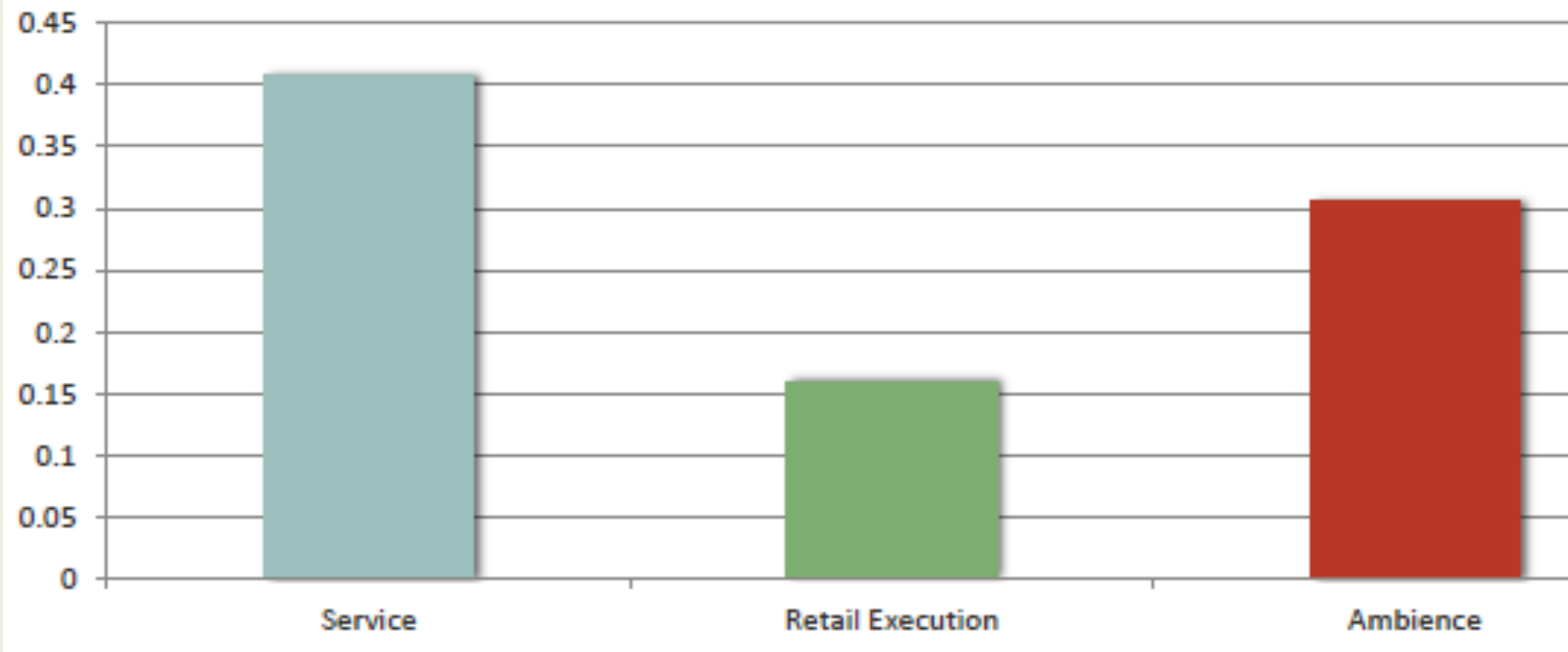
Primary Reason for Visiting Winery?



Tasting Room Visitor Satisfaction

Dr. Miguel Gomez & Erin Kelly (Cornell University)

Marginal Effect of Each Factor



- Friendliness
- Wait times
- Elbow room

- Wine quality
- Presentation of wines
- Wine prices

- Atmosphere
- Cleanliness
- Appearance of grounds
- Lighting & sounds



What factors lead to wine purchases at winery?



**Does charging a fee for
tasting Influence how much
wine people buy?**



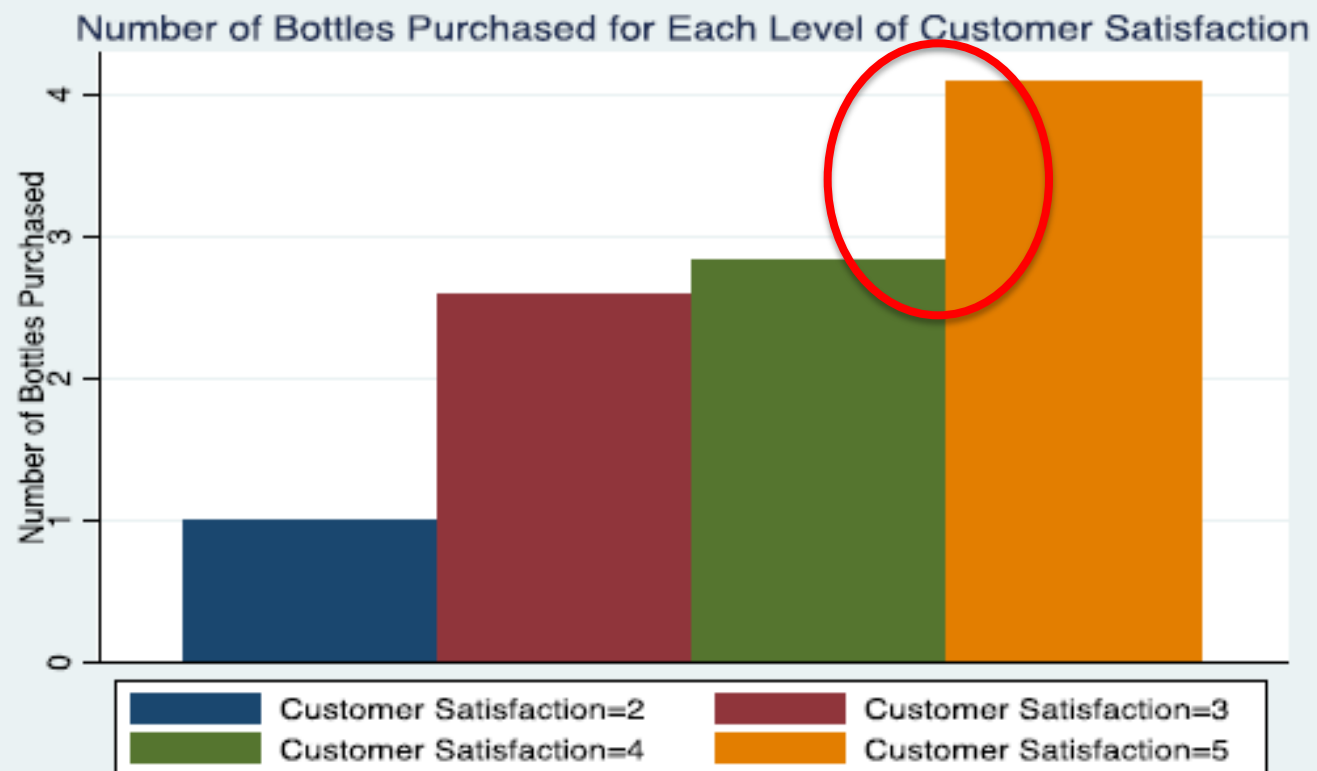
**Does the visitor's experience
at the tasting room impact
how much wine they buy?**



Tasting Room Visitor Satisfaction

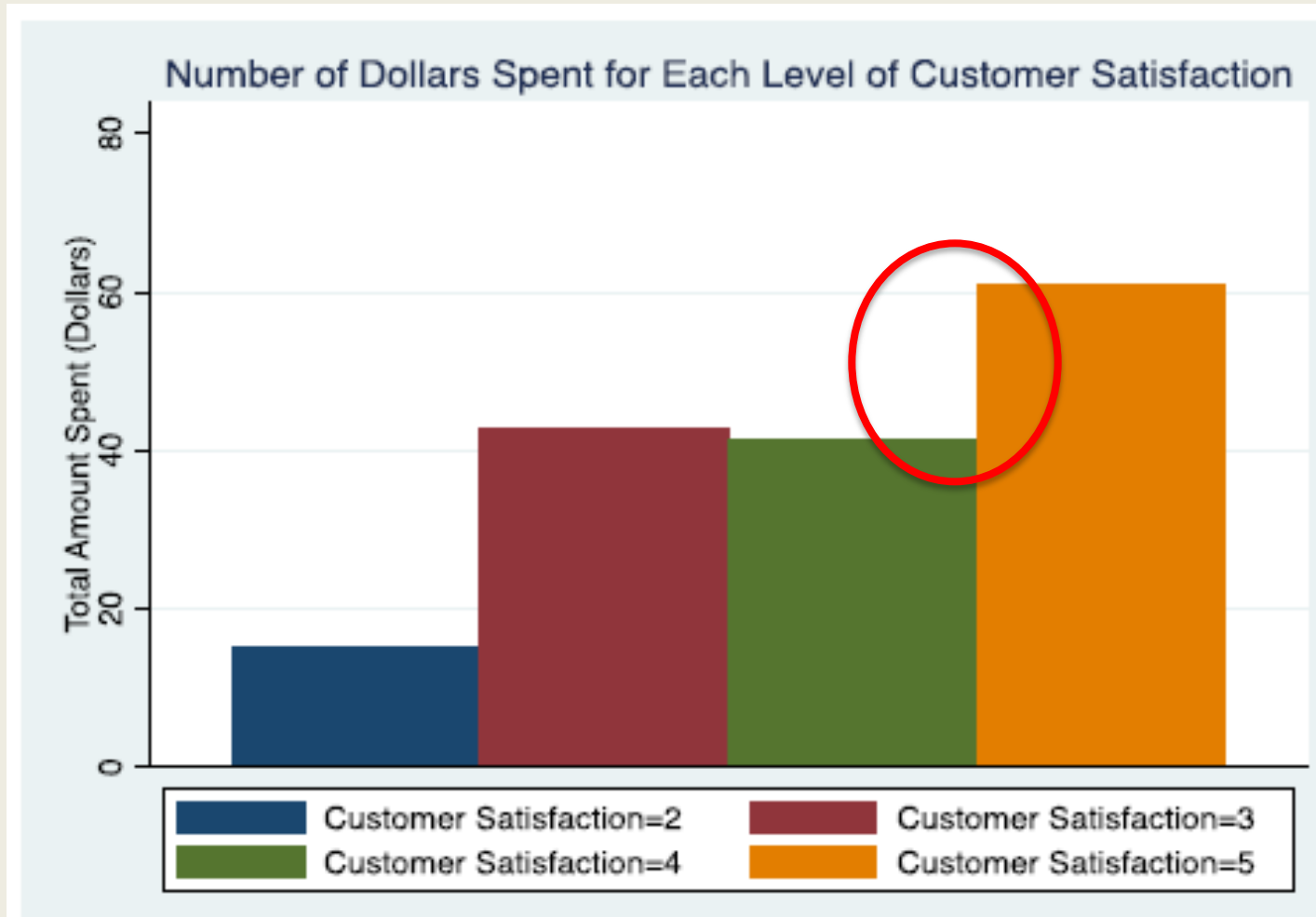
Dr. Miguel Gomez & Erin Kelly (Cornell University)

Average Number of Bottles Purchased for Each Level of Customer Satisfaction



Tasting Room Visitor Satisfaction

Dr. Miguel Gomez & Erin Kelly (Cornell University)



**Does information about the
wine increase how much a
consumer values it?**



Local Message

Information

All four of these wines are made with Marquette grapes. Compared to many other red wine grapes, Marquette grapes tend to better endure extreme winters and they ripen in a shorter growing season. These grapes flourish in the soils and microclimates of the upper Midwest and are helping wineries across the northern United States to produce local wines with local grapes. The wine tourism that is generated by these wineries is benefitting the rural communities around them.



Wine Description

Information

All four of these wines are made with Marquette grapes. The Marquette grape is a “grandson” of Pinot Noir. The wine made from these grapes has desirable notes of cherry, berry, black pepper, and spice on both nose and palate. These grapes produce a medium-bodied wine with an attractive ruby color.



Awards

Information

All four of these wines are made with Marquette grapes. The Marquette grape is a “grandson” of Pinot Noir. The wine made from these grapes has desirable notes of cherry, berry, black pepper, and spice on both nose and palate. These grapes produce a medium-bodied wine with an attractive ruby color. A relatively new wine varietal, Marquette wines have won many awards at national and international wine competitions over the past five years.



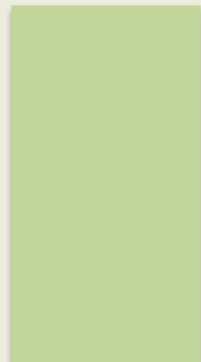
Overall Willingness to Pay:

\$15.75



Effect of Different Types of Information on Consumer Value

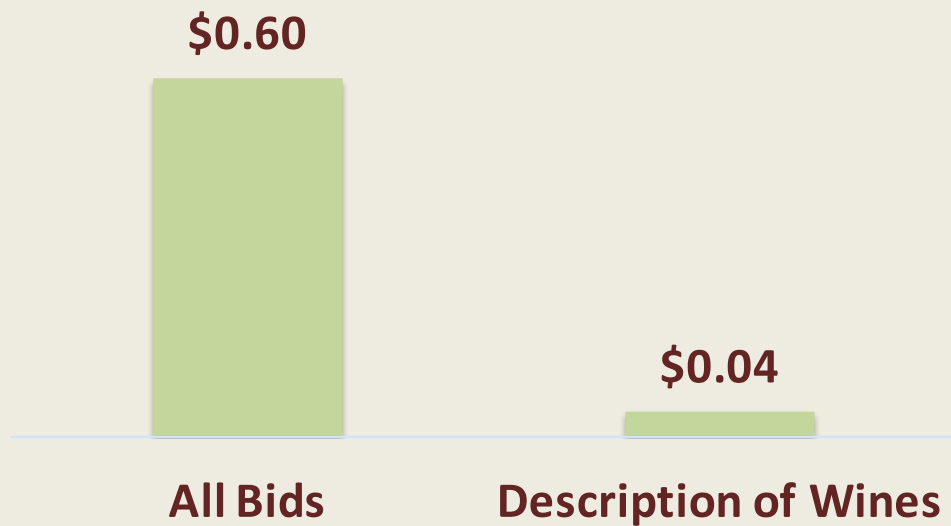
\$0.60



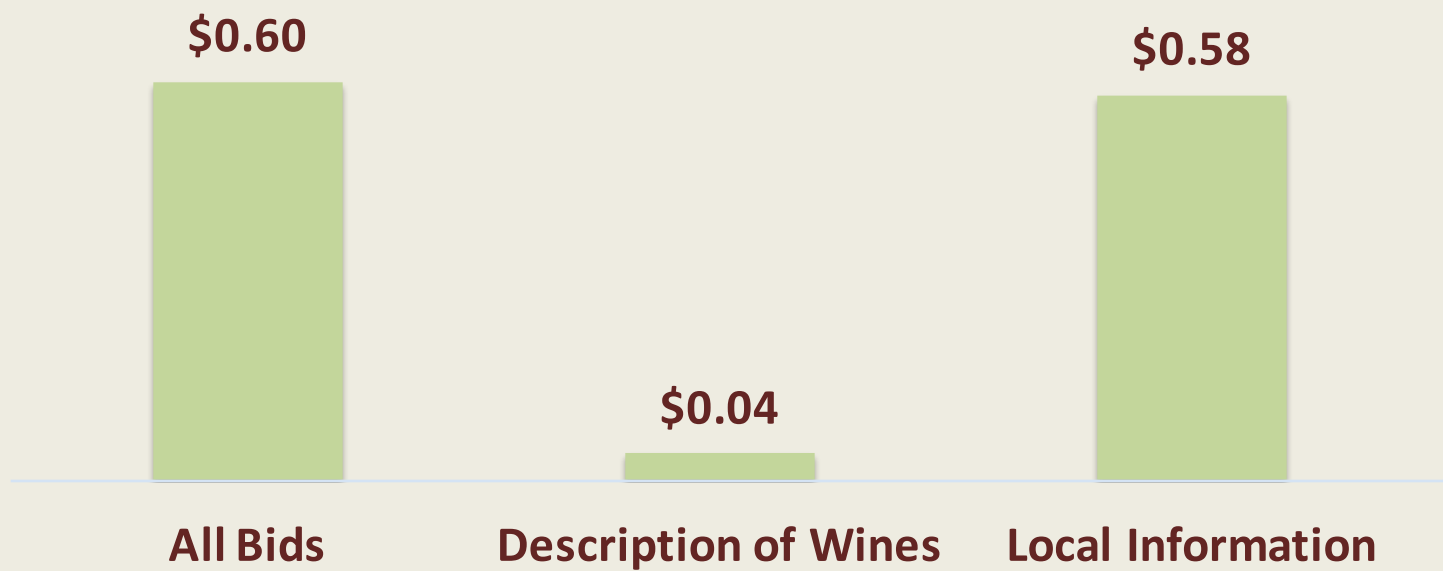
All Bids



Effect of Different Types of Information on Consumer Value



Effect of Information on Consumer Value



Effect of Different Types of Information on Consumer Value



Effect of Wine Name on Consumer Value

\$15.62

\$15.87

Marquette

Artistic Name



How much wine do visitors buy from wineries on their trip?



Chenelle / Eric Lee



	Michigan	WI & MN
% Purchased Wine	91.2%	92.5%



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Avg. # Bottles	7.4	6.9



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Avg. Price	\$16.56	\$14.14



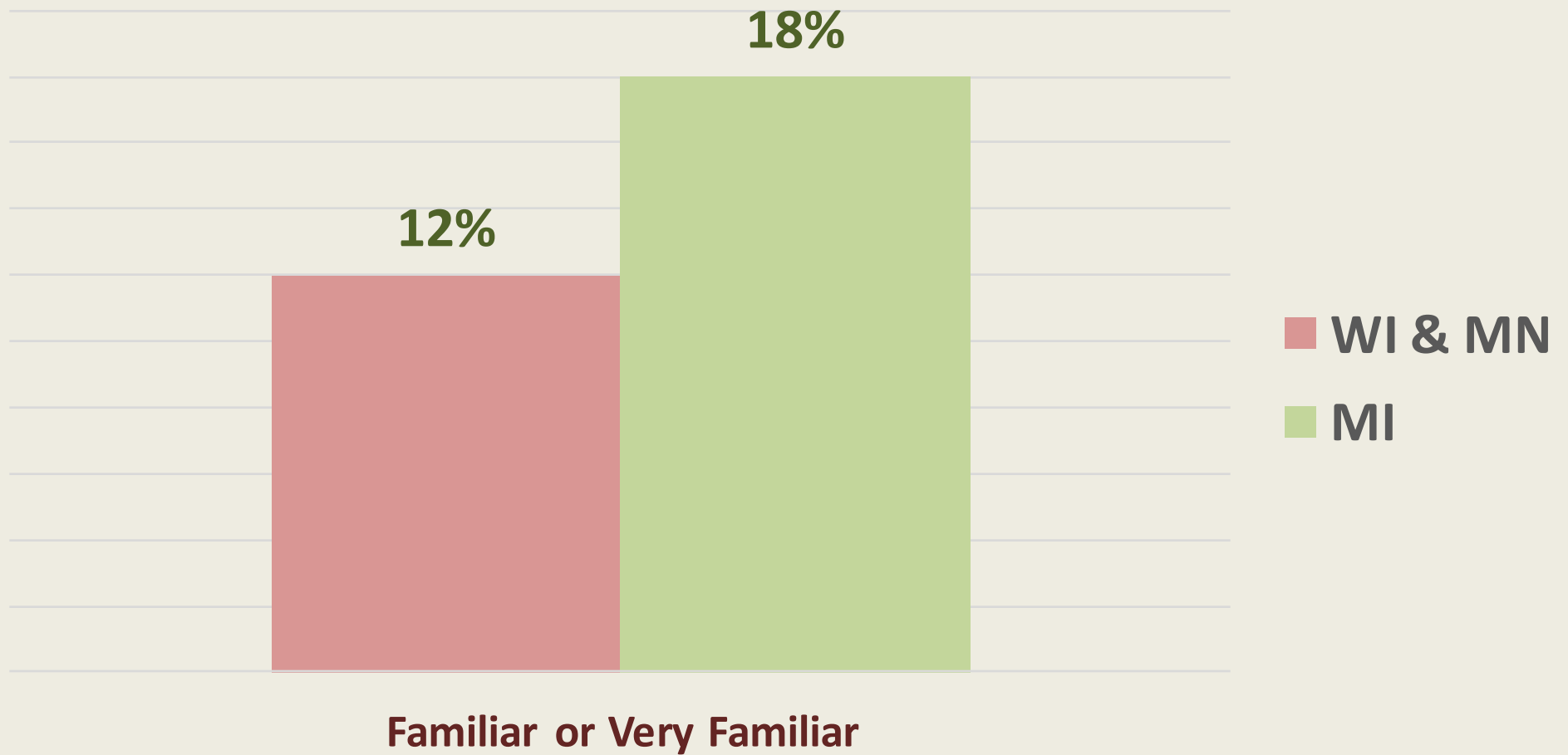
	Michigan	WI & MN
% Purchased Wine	91.2%	92.5%
Avg. # Bottles	7.4	6.9
Avg. Price	\$16.56	\$14.14
Total Spent	\$123.21	\$97.57



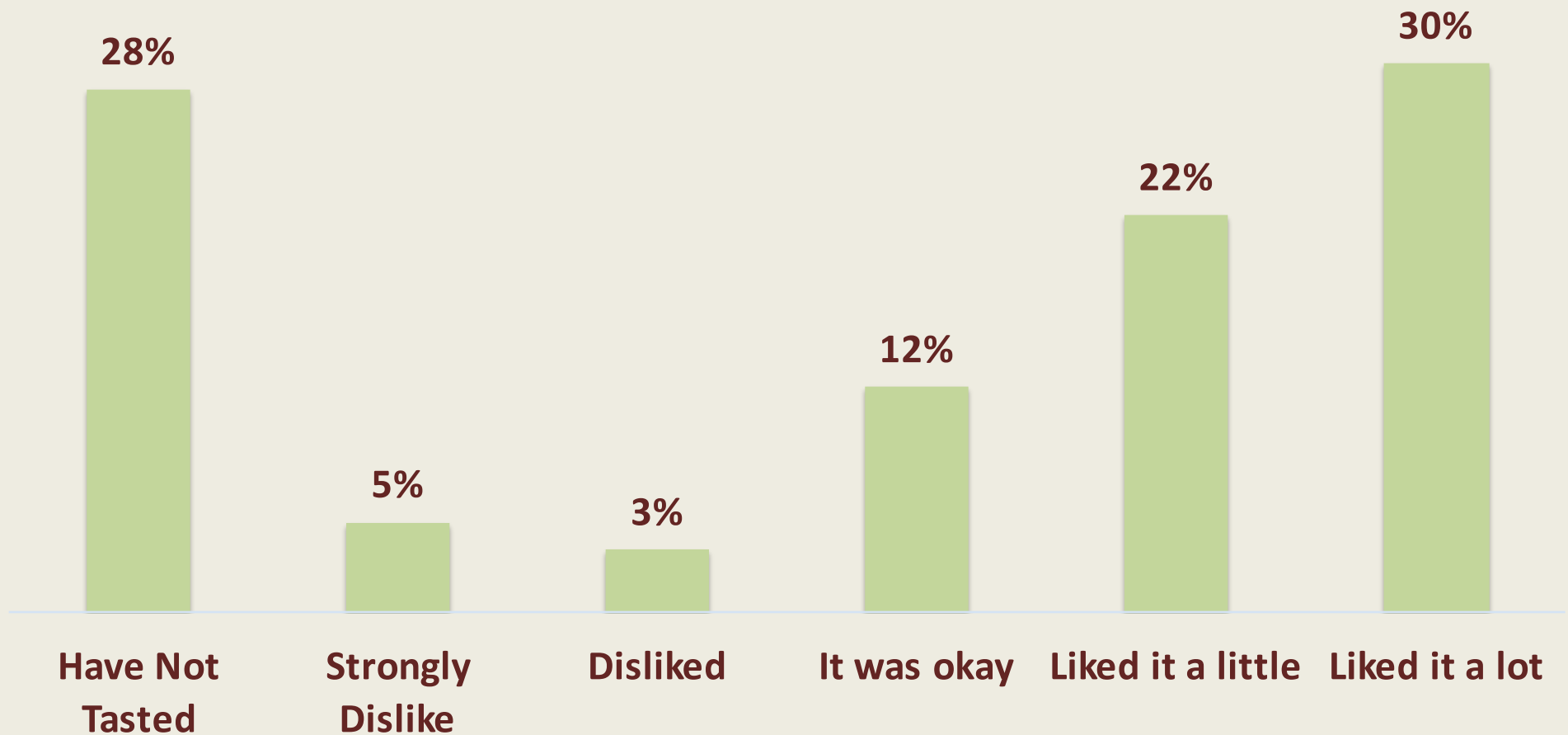
Knowledge of Cold-Hardy Wines



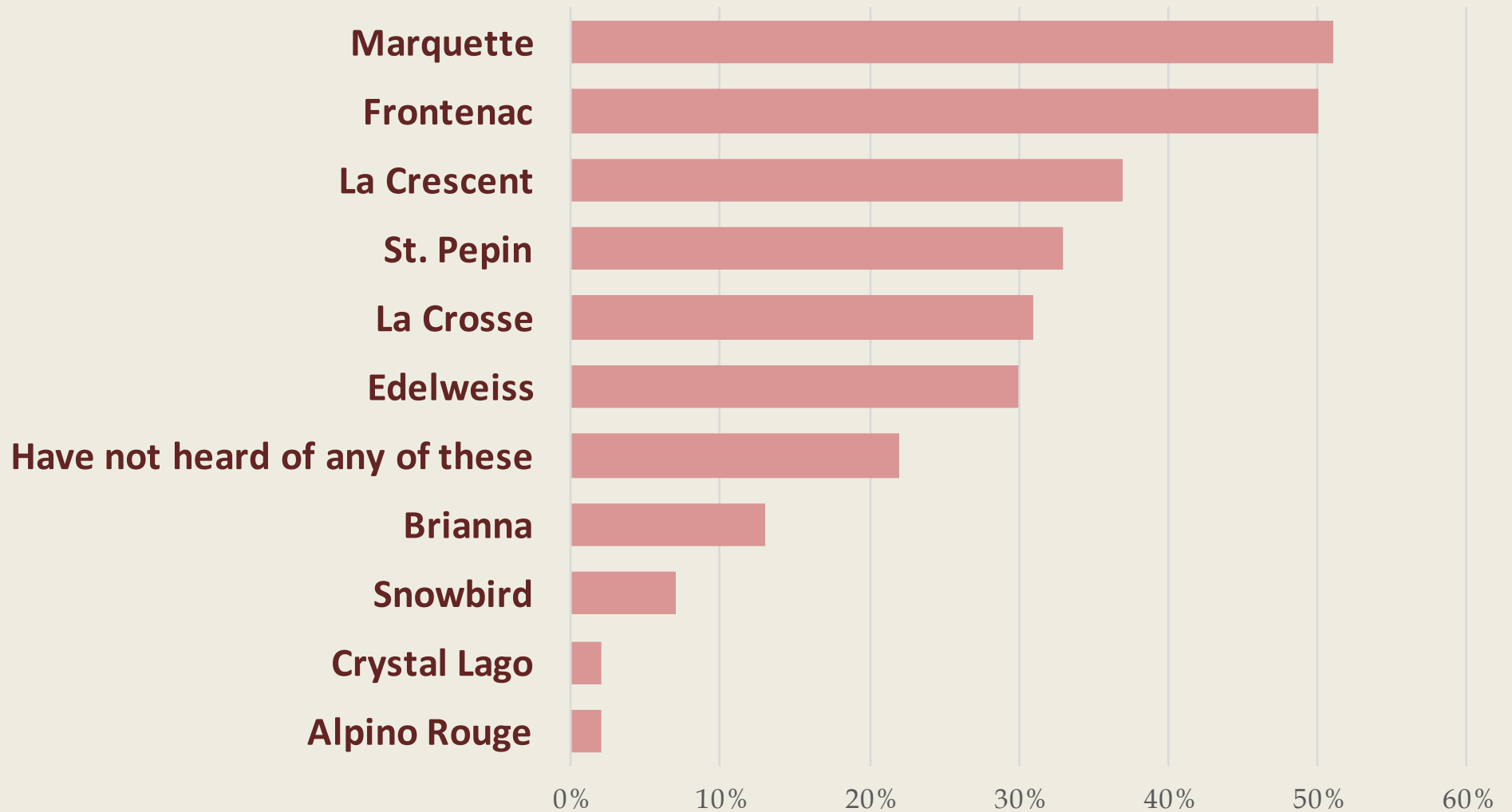
Familiarity with Cold-Hardy Wines



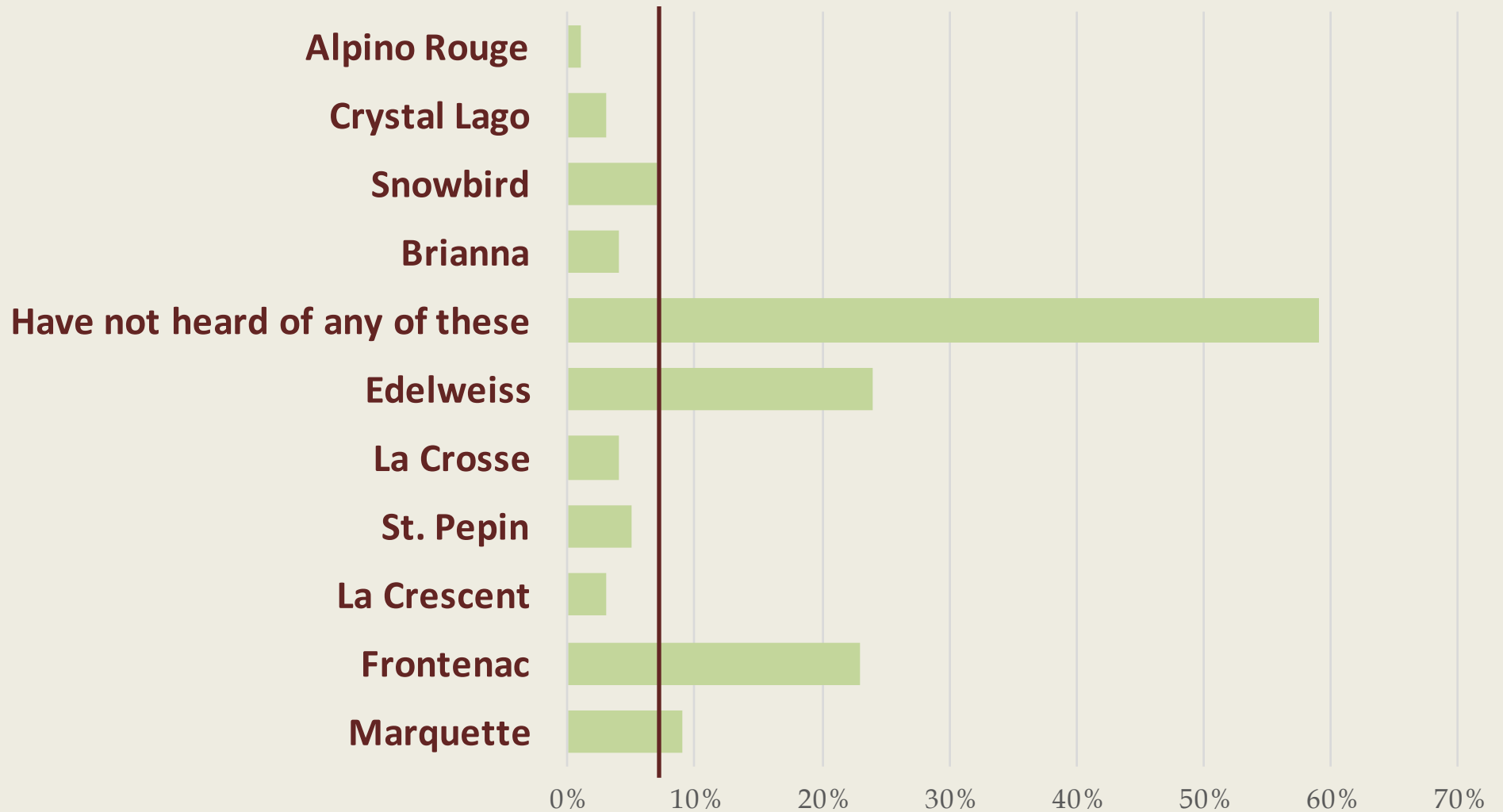
If you have had the opportunity, which best describes the degree to which you liked the cold hardy wines?



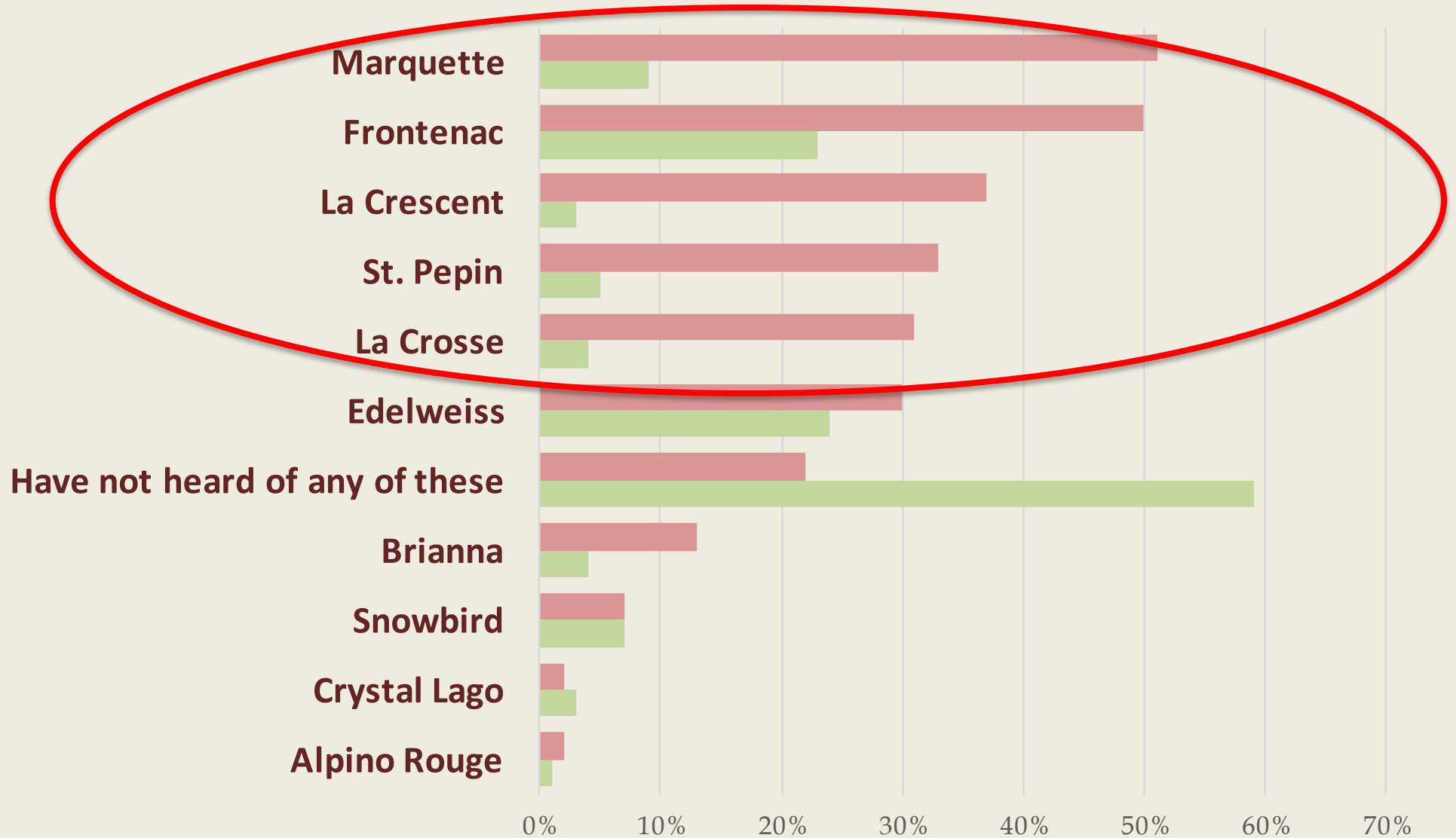
Which of these have you heard of?



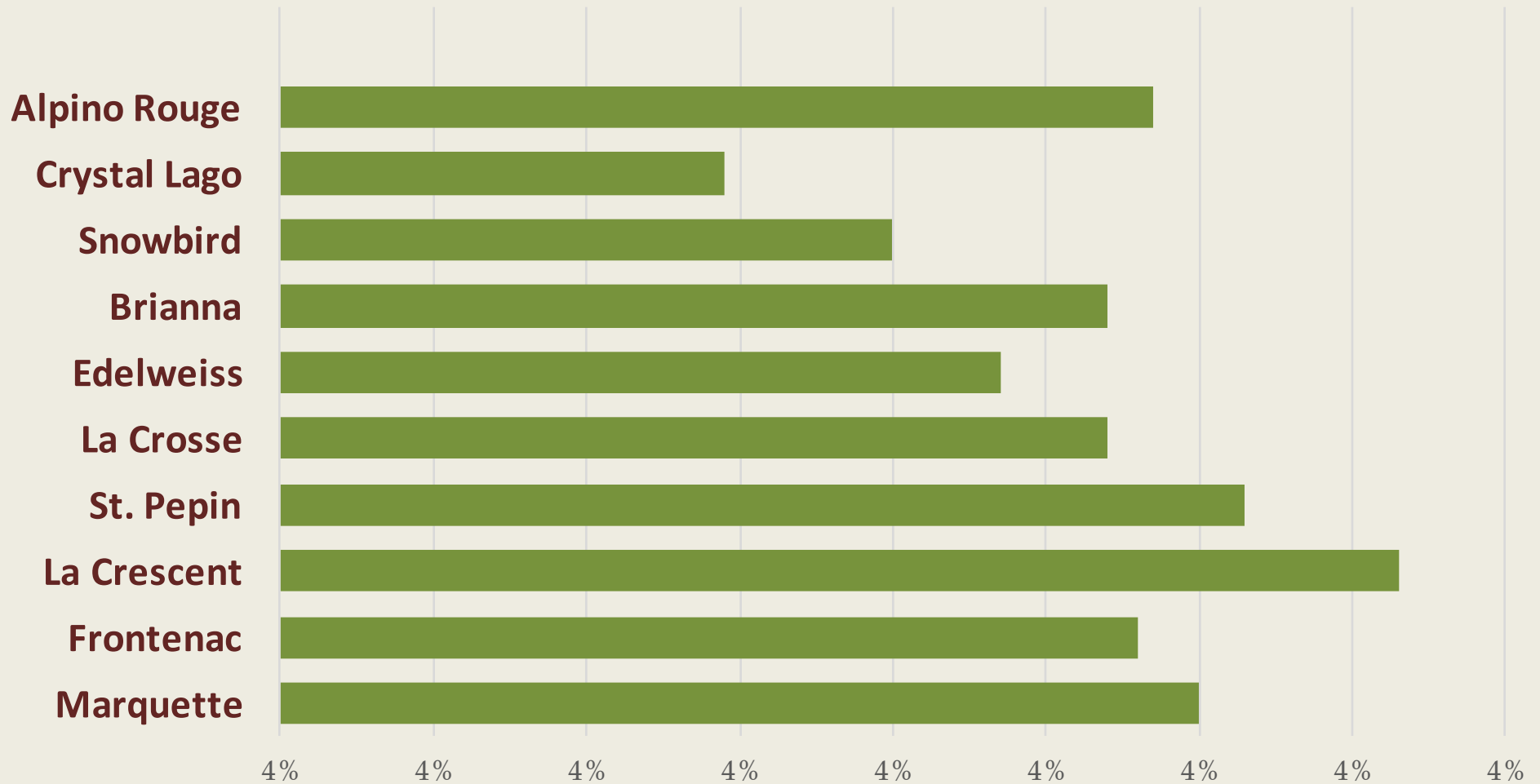
Which of these have you heard of?



Which of these have you heard of?



How much did you enjoy these wines?



Wineries are good for rural areas



Survey of tourism organizations in wine regions?

“I think the recent growth in the number of wineries in the US is a good thing.”



“I think the recent growth in the number of wineries in the US is a good thing.”

DMOs	B & Bs	Tour Operators	Rec. Providers	Restaurants	Hotels & Motels
9.7	9.4	9.1	8.3	10	7.3



To what extent do these tourism organizations think wineries improve this tourism destination?

- “The presence of wineries in this region is good for this organization.”
- “The presence of wineries makes this region a better tourism destination.”
- “The wineries in this region can improve the tourism experience for visitors.”



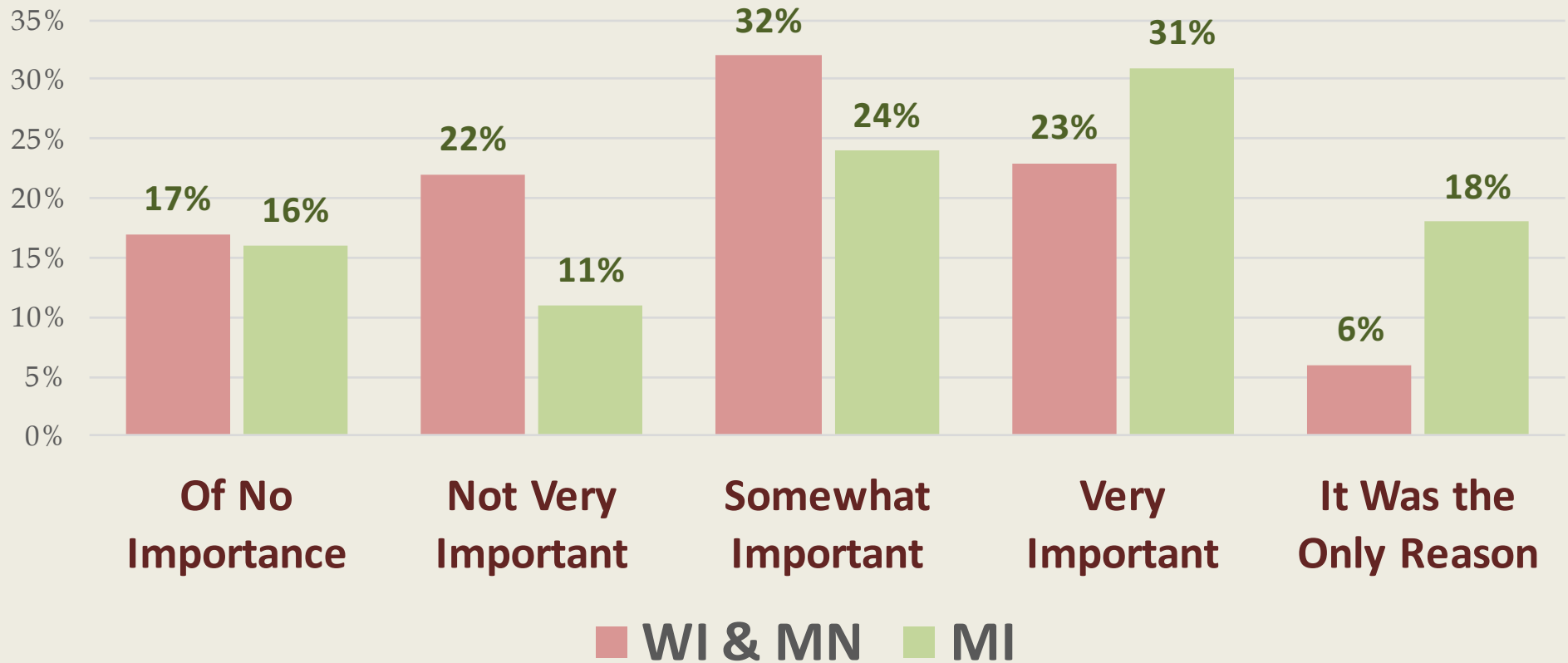
To what extent do these tourism organizations think wineries improve the tourism destination?

DMOs	B & Bs	Tour Operators	Rec. Providers	Hotels & Motels	Restaurants
30	28.5	26.1	25.9	22.0	21.5

Total Scores Range:1-30



How important was visiting a winery/ wineries to your decision to travel to the area?



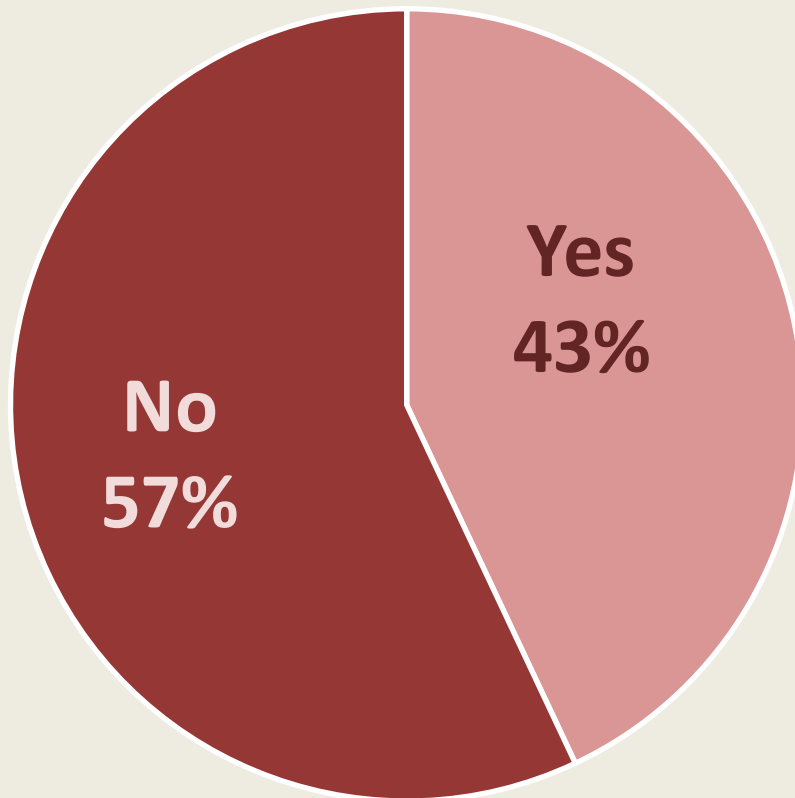
Overall Trip to Area

	Michigan	WI & MN
Planned trip < 1 week before	53%	58%
Traveled > 100 miles	58%	37%
Traveled <25 miles	17%	26%
Avg. # of wineries visited (Entire Trip)	7.1	2.3



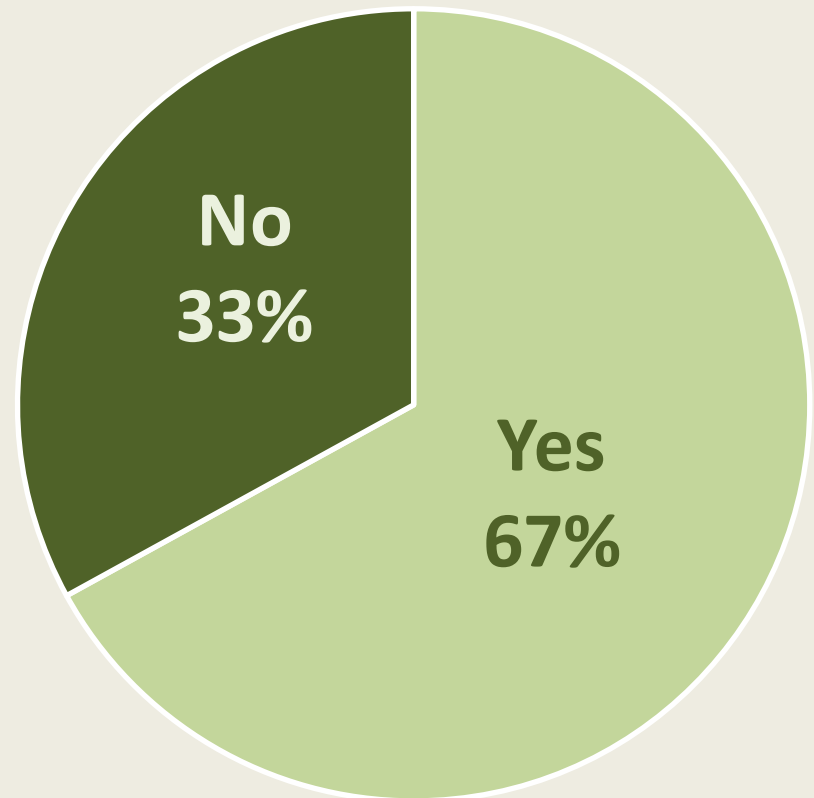
Overnight Trip?

WI & MN



Avg. 3.7 Nights

Michigan



Avg. 3.5 Nights



How much do your visitors spend?



Trip Spending (*per Spending Unit*)

Category	WI & MN	MI
Lodging	\$ 119.53	\$271.32
Transportation	\$ 71.14	\$
Restaurants/Bars	\$ 72.39	\$172.19
Wine	\$ 101.31	156.87
All other Food & Beverage	\$ 38.17	\$55.10
Other Shopping	\$ 38.44	\$80.56
Entertainment	\$ 15.20	\$25.22
Recreation	\$ 23.32	18.96
Total	\$479.50	\$780.22

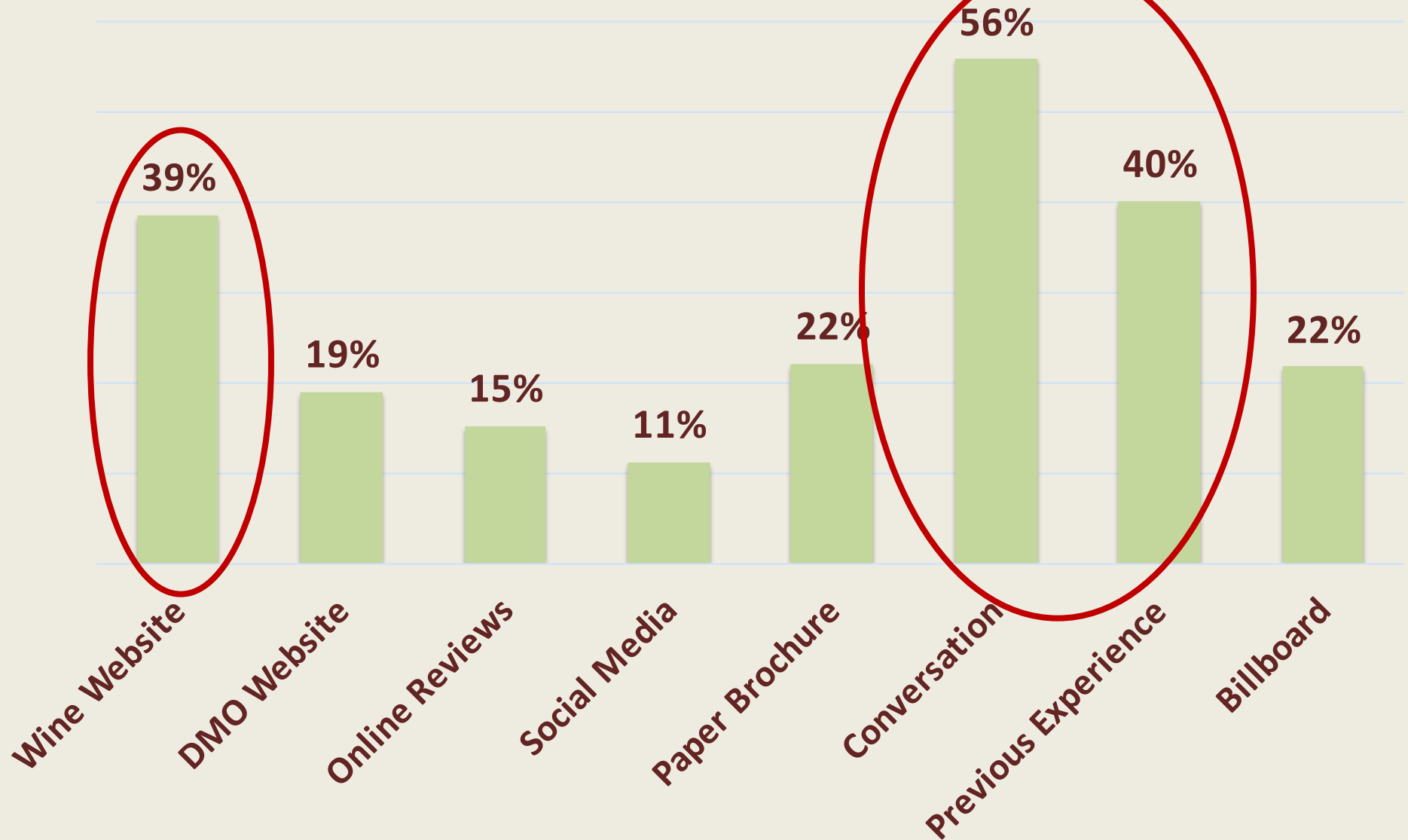




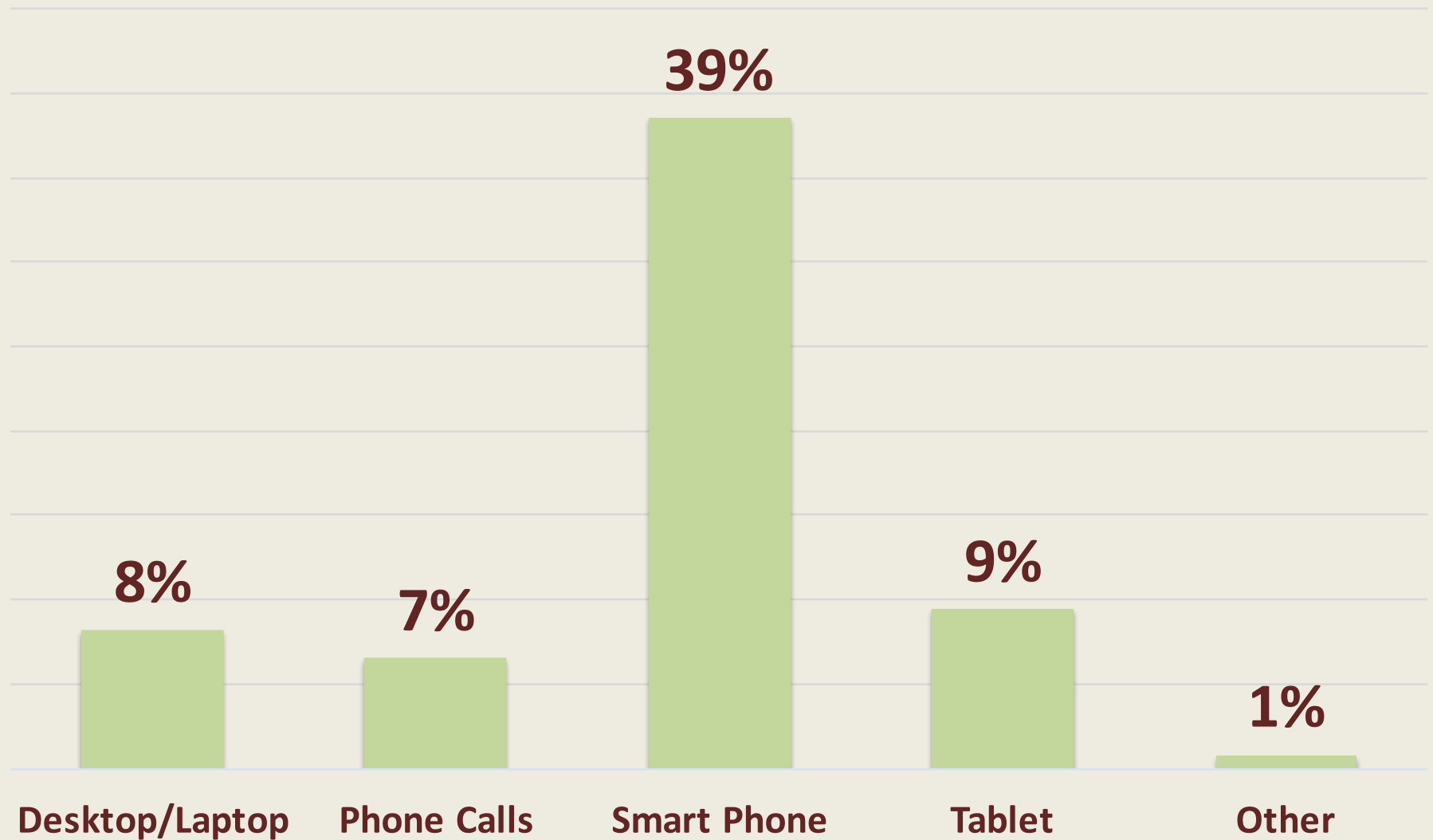
**What devices do your visitors
use for their trips?**



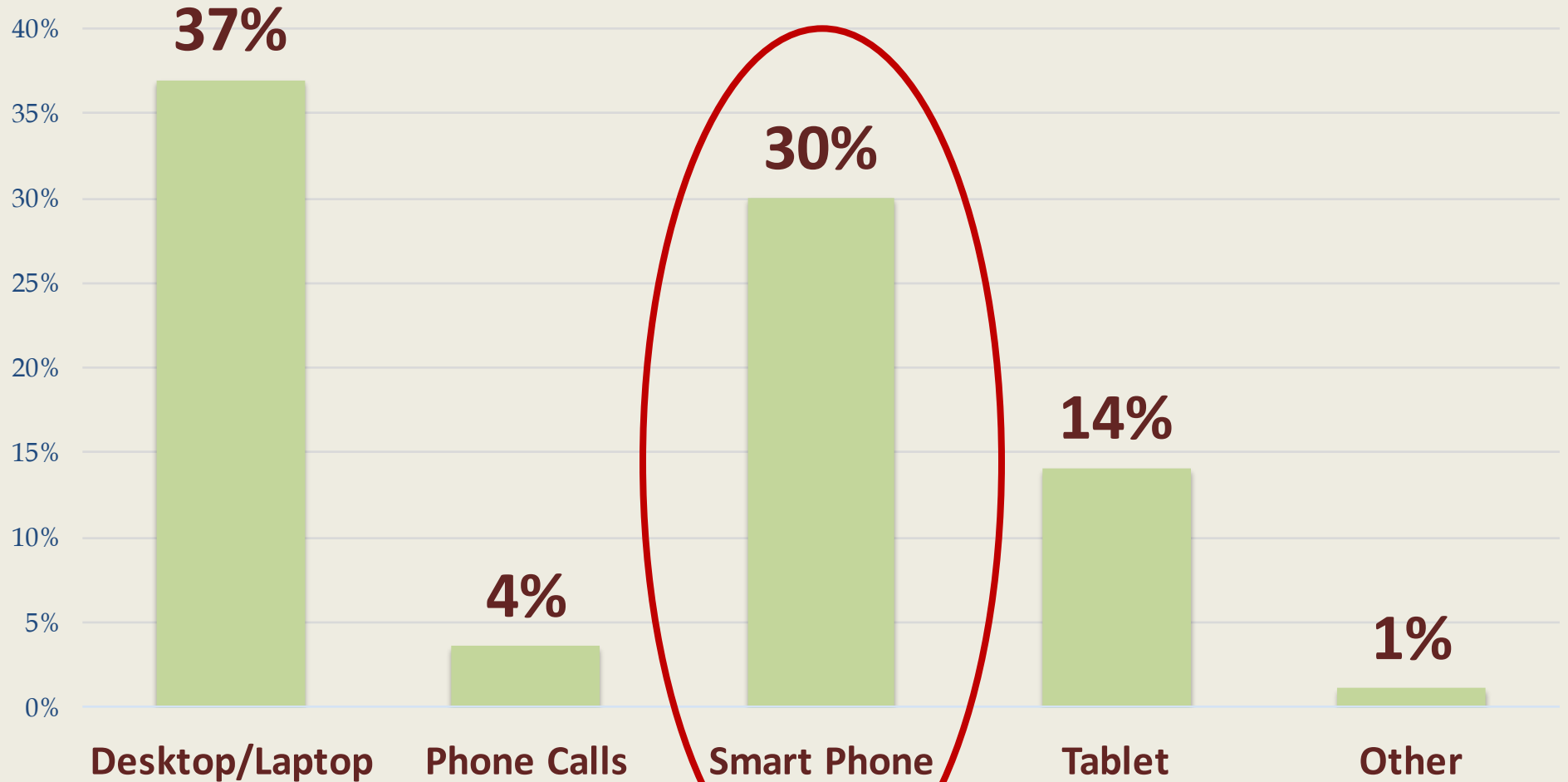
Which Influenced Decision to Visit Winery



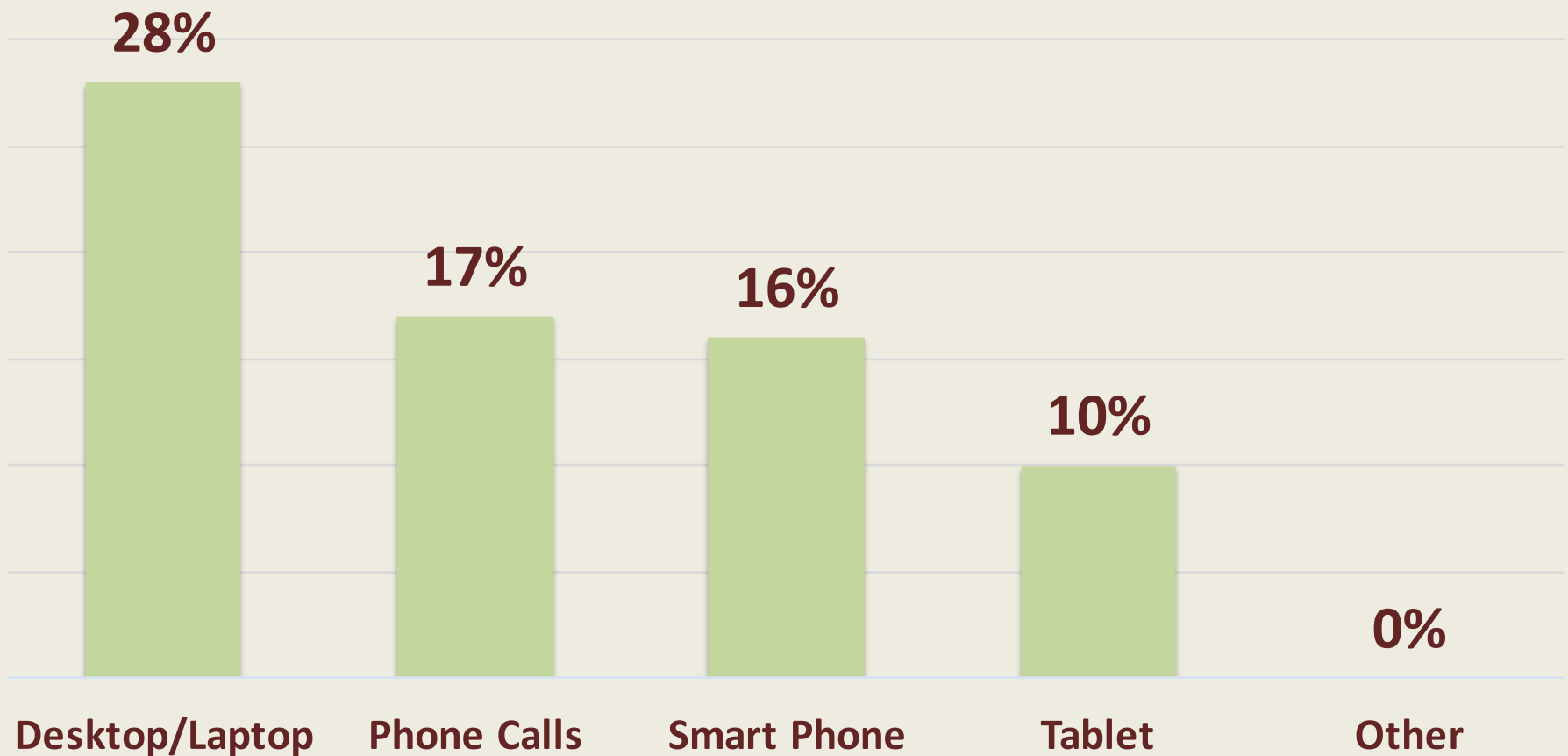
Devices Used *During Trip*



Pre-Trip Planning Devices



Devices Used to *Book/Reserve Travel*

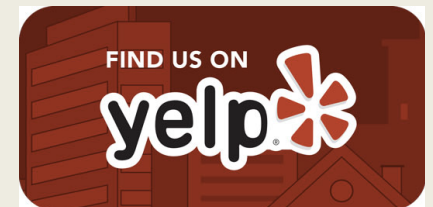


What does your website look like on a smartphone?





How do your visitors use social media?



46%

**Posted on social media
about some aspect of
their trip**

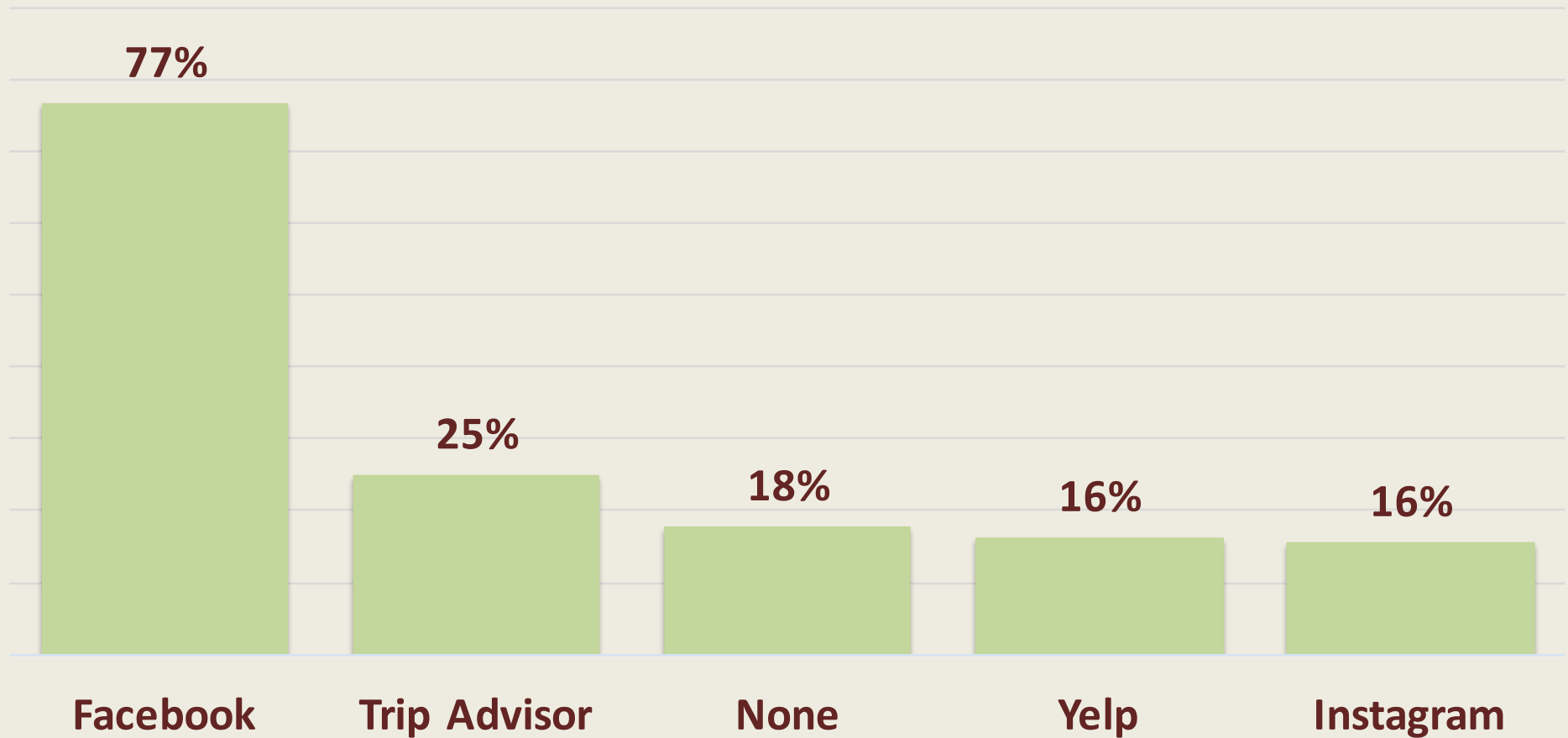


40%

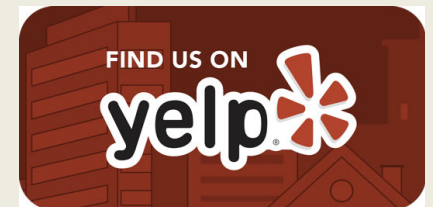
**Posted about winery on
social media**



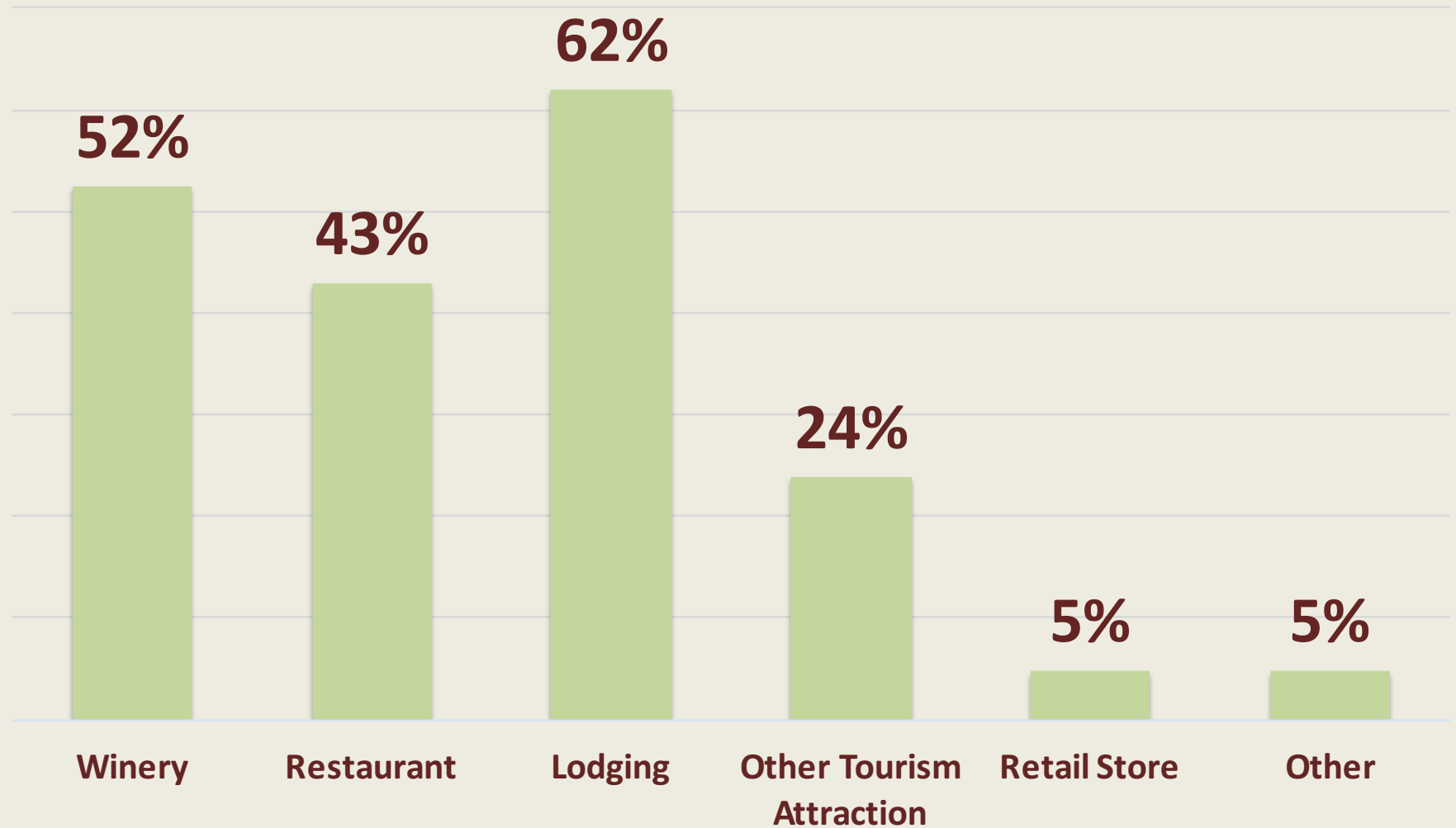
Which Social Media Used on Regular Basis



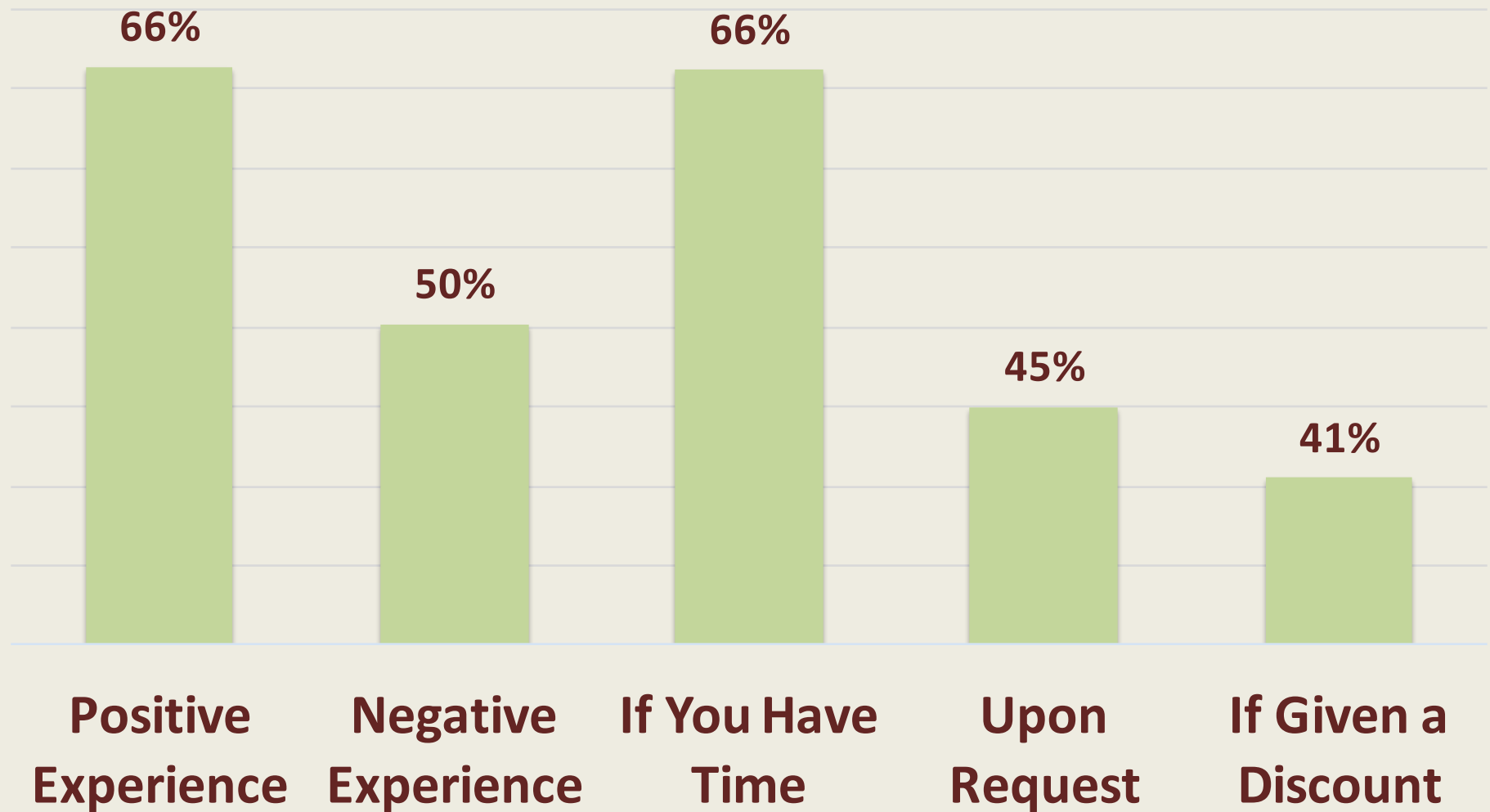
8.2% (*12% of overnights*)
Posted online reviews



Posted Online Review About...



Reasons for Posting Online Reviews



Dan McCole

mccoleda@msu.edu

