

Key Learnings on DTC Wine Sales from the 2018 IMPACT Conference

by Tania | Tourism Marketing, Wine Marketing



On 18 October 2018 the inaugural **wine industry impact conference** was held in Adelaide, South Australia. The theme *'making a direct impact'* was extremely timely as DTC (direct to consumer) wine sales is a channel many wineries no longer find easy to understand, let alone grow.

DTC in the wine industry is by no means a new concept as the model of building a direct, close relationship between winery and consumer is the basis of growing tasting room sales.

Even with rapidly evolving technology and changing consumer wants and needs, the cellar door remains the pivotal component within the three main DTC sales methods of cellar door, wine club, and eCommerce (online shop).

The conference hosted by Wine Industry Suppliers Australia (WISA), brought together 18 specialists in the fields of wine marketing and sales, consumer demand, direct sales strategies, wine club development, visitor attraction, data analysis, technology innovation, customer journey mapping and more.

Plenary sessions with keynote speakers were held at the commencement and end of the conference, with attendees having a choice of one of the three workshops in the morning and one of three in the afternoon.

A few takeaways from the conference include:

The results are in = keep measuring

Peter Bailey from Wine Australia presented the results of Australia's first comprehensive survey of the growing winery DTC and Cellar Door sales channels and **outlined how wineries can use this "hot off the press" information to develop their wine tourism and DTC activities.**

The survey found that overall, **DTC wine sales accounted for only 10% of all domestic sales.** However, wineries that produced less than 1000 cases relied on direct avenues for 68% of sales and wineries in the 1000-5000 case bracket achieved 40% of sales through DTC channels.

Wine brands with production greater than 50,000 cases recorded 4%.

From the 180 respondents, 86% offered food such as a restaurant or platters, yet only 28% offered **food and wine matching experiences.**

This report highlights opportunities available for growth of the wine tourism sector.

Data is King

Stephanie Duboudin of Food and Wine Insights made the valid point that good data tells a story, yet too many wine marketers still struggle to measure the ROI of their DTC wine marketing activities.

One of the easiest and FREE tools that can be utilised is Google Analytics as it can help harness the footprints of customers across all digital marketing activities, not just your website.

"True value of analytics isn't just to prove your worth to your boss, it's to improve your marketing performance and bottom line."

Stephanie Duboudin

Managing Director, Food & Wine Insights

Pre, At & Post – Design your unique DTC journey

US DTC wine specialist – Sandra Hess from DTC Wine Workshops raised the idea that you should not just be selling your products via your cellar door or online store, but **creating memorial, authentic experiences at every touchpoint** of your customers journey.

Knowing your customer and engaging them at the Pre, At, Post (Before, During and After) cellar door visit not only builds a lasting and memorable experience in the mind of the consumer, but offers multiple opportunities to the path to purchase.



Wow Your International Visitors

Jing Cao of CLCA – Chinese Language & Cultural Advice delivered the most informative and practical 15 point survival checklist for cellar doors hosting international visitors – specifically the Chinese. Here are three of the 15 key areas any Australian cellar door should understand....

1. Experience on demand

Life is increasingly digital in many Asian countries. By the end of 2017, **China's online population reached a staggering 772 million**. High speed internet is not a luxury, but bare minimum in many Asian countries.

'Experience on demand' is the norm.

Asian visitors often rate their visitor experience simply by the speed of service.

The Aussie 'laid back attitude' does not align with the 'experience on demand' mindset in this case.

So, when you are managing a cellar door on a busy weekend, and all of a sudden you have 10 Asian visitors arrive at your door step, do you tell them, 'please wait for 10 min', or can you keep them busy and satisfied during the waiting period?

2. Align your product offering with your export plan

Many Asian visitors do their research when planning their itinerary. **A winery with substantial brand awareness in the digital universe is more likely to draw attention.**

Your cellar door team needs to hear from your export team about what particular products are currently being exported to the overseas market, so when visitors from these markets visit your cellar door, your tasting room team know what products are familiar to them.

In many cases, your domestic 'brand hero' (the product that generates cash and also is core to your brand equity growth) is not necessarily the same as your overseas 'brand hero'.

So, it is important to **design your overseas customer experience journey that aligns with your export plan.**

3. Don't patronise your overseas visitors

Overseas visitors may not speak English well, and they may not know much about your wine region, but most of them are not people like Karl Pilkington (from the UK travel comedy show 'An Idiot Abroad').

They do not come all the way to your cellar door to experience Chinatown, and they will not appreciate a pretentious, contrived travel experience.

So do not make your cellar door look like a tea house in order to attract Asian visitors. Jing Cao generally advises cellar doors do not to display any Chinese artwork to appear 'China ready', unless it's a special occasion such as hosting a Chinese New Year function.

Wineries often feel that they need to translate everything into another language in order for the overseas visitor to understand the whole experience. But doing so may increase the risk of 'diluting' the whole customer experience.

It's a matter of finding the right balance.

Millennial is not a dirty word!

It was fitting that the first plenary presenter of the day Dr Violet Lazarevic of Endeavour Drinks Group and the final presenter of the day – Dan Sims of Revel covered in their own unique way – Millennials, as did Charlotte Prouse of Destination Marketing Store. Each presenter offered new insights on this hot topic and how to engage them in your wine tourism or online offerings.

Millennials (Gen Y) are the generation born between 1981 and 1996. They are now aged between 20 – 35 and are the first digital natives (people born in the digital age). This cohort is not only digital savvy, but interested in wine and unique experiences, offerings and sustainability. Let's break it down – Millennials are...

- Educated and have spending power
- Want unique personalized experiences both in the cellar door and online
- Care – about the planet and their lifestyle
- Love wine!

This is an over simplification of the data provided, but this group of wine consumers is here, willing to buy, happy to support if you are aligned with their ideals and will share. Ignore the Millennial wine lover at your own peril!

Get f@#!ing excited

Dan Sims' loud, sprinkled with expletives and insightful presentation was the fitting end of speakers at the inaugural **wine industry impact conference**. He summed up the event beautifully – **get excited about the opportunities you have to sell your wine DTC**. We are living in an amazing time with opportunities, unseen before and more are on quickly becoming available. This is an exciting industry – get excited!

In Summary

The 2018 conference was definitely a game changer in the Australian wine industry. Hope to meet you at the 2019 Wine Industry IMPACT Conference.