

Your guide to **Wine Tourism**

Promotion and Distribution 1

Branding and publications

The Value of branding

Branding is not just logos, tag lines or an advertising campaign – these are just visible representations or symbols of the brand. A brand is really the consumer's perception or attributes they associate with a product.

The significance of branding from a marketing perspective is that it enables consumers to differentiate products, which may, in many ways be similar. A good brand will help convey benefits to the consumer and build brand loyalty. A Boston Consulting Group study found that in the US, 19 out of 22 product categories had the same market brand leader in 1995 as in 1925.

In the absence of a strong and credible brand, there are a number of likely outcomes:

- There can be little product differentiation;
- Potential customers will develop their own perceptions about the product strengths and characteristics;
- In the absence of any perceived value, the product will need to compete heavily on pricing; and
- Competitors with a stronger and more positive brand image will win.

Building a successful brand

A successful model for developing a brand or a destination is to establish the core value or personality that is relevant and motivating to key markets. There are two overriding points to be considered:

- Benefits of branding will not materialise overnight – building "brand equity" takes time, resources, consistency and commitment; and
- The best results occur when the brand is applied consistently and comprehensively by all stakeholders across all marketing materials.

How can you benefit from individual and regional branding?

If your budget is limited, it is not easy to establish a brand personality for a wine that separates it from its competitors. However, wine tourism can play an important part in building an individual wine brand.

Is it possible to establish your own wine brand identity outside of, and dominant to the brand of the region? If the answer is "Yes", then the marketing programs will need to be delivered directly to the consumer, building up the brand over time.

If the answer is "No", then working under the regional brand and adding value and equity to the region better enhances your winery marketing programs.

The value in working under a strong regional brand is simple. The more visitors that go to a specific region, the greater the opportunity for a winery to capture a proportion of the total visitors and create greater opportunities for cellar door retailing.

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Suggestions for adding value to a local established regional brand would include:

- Ensuring the region is featured on every label using a consistent logo;
- Presenting tasting at consumer shows under the local banner;
- Hosting journalists through the regional tourism association rather than individually;
- All direct mail and wine club material to feature the local brand logo; and
- Ensuring all directional signs on the property re- enforce the brand logo.

Brochures and publications

The printing of any brochure is only half of the equation – the effectiveness of distribution is just as critical to its success.

The decision-making process for visitors can be broken down into four distinct phases:

Phase 1 - Creation of desire, and motivation to travel to a destination.

Phase 2 - Investigation and planning, making choices, finding out, purchase decisions.

Phase 3 - Departing, travelling, doing, experiencing, visitor centres referrals, local maps, guides and itineraries

Phase 4 - Interpretation, on site guides, brochures, tasting notes, specials of the day.

In Phase 1, information needs are broad. Advertising, editorial and broad brochures about the destination play a major role.

In Phase 2, the interested potential visitor progresses through layers of information in increasing detail. This is the conversion process – sales resulting from a desire to travel often using the travel agency network to fulfil at least part of this service.

Phase 3 involves regional literature, itineraries and attractions. This phase can add value to the visit and extend the length of stay. Regional information centres play a vital role here, developing local product offerings that can attract visitors to stay a night or two longer in the district.

Phase 4 is the on site material when visitors arrive at your door. This involves site maps, interpretation of the facilities, upcoming special events, packages available, tasting notes and an explanation of the venue's history.

Before embarking on any printing of information or brochure production for the tourism market, ask yourself these key questions:

- Is it a destinational, awareness brochure that is designed to create appeal to the district or to the individual attraction? Is it a motivational tool?
- Is it a pre-visit brochure expected to do its job outside the region in interstate or overseas markets?
- Is it identifiable with the region, state or district?
- Is it a brochure that will be used by the travel trade? If so, will or should it have any prices or even contact numbers? What validity or seasons does it refer to, and what is the likely shelf life?
- Are there any other operators that could share the cost of this production and distribution?
- Would the individual products be enhanced by joining forces?
- What is the likely destination of the brochure and what are the distribution techniques?



Winemakers' Federation of Australia

For the Industry by the Industry

www.wfa.org.au

Your guide to **Wine Tourism**

Promotion and Distribution 2

Partnerships, packaging and the Internet

Strategic Partnerships

It is important to remember that cellar door operators and wineries do not operate in a vacuum from other tourist operators. The person running the bed & breakfast, the restaurateur, the hot air balloon operator, the golf course manager and the cellar door operator are all servicing the same person in the course of 24 hours. All are members of the same team - the team promoting its region and its own particular products.

For new and emerging wine regions, it is important to take an inventory of the elements of the local tourism industry. Find out which accommodation places, restaurants, attractions and other wineries are likely to meet the needs of your winery visitors. Who has the same quality and standards that you have? Link with those people to ensure that your visitors enjoy their entire stay.

Possible initiatives

- Develop partnerships with like-minded operators.
- Make sure you have visited other operators, such as bed & breakfasts, other wineries, galleries and museums. Take yourself on a tourism experience and judge for yourself if it makes the grade.
- Work closely with the local tourist information centre to promote both your region and your operation/product.
- Identify complementary operators whose products & services can enhance your visitor's experience.
- Consider developing wine and food trails in collaboration with the other businesses in your area.

The Internet and how it can work for you

The Internet is only a tool within the distribution and information system - it will however over time selectively replace some parts of the distribution system. Currently, it is used as an electronic flyer and brochure, and there is no doubt it will change the pattern of information delivery profoundly in the coming years.

Potential customers are using the Internet to research their itineraries and seek information on particular places and accommodation. In wine tourism terms, a national Internet site featuring wine tourism across Australia (e.g. www.wineaustralia.com or the Australian Tourist Commission's www.australia.com) has the greatest potential to deliver benefits to individual wineries. It is important for any winery to ensure their presence on such a site, as either a stand-alone product or as part of their region.

As a means of doing business, Internet tourism transactions are growing exceptionally fast, but international bookings are nearly always transacted with an accredited agent. The simple travel requirements of business and holiday visitors are being catered for in the impressive growth of Internet travel providers such as travel.com.

While contemplating developing an Internet site - it is important to remember that it will need to be marketed, designed, enhanced and managed - just in the same way as traditional methods of doing business and delivering information.

Your guide to **Wine Tourism**

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Linking and packaging options

Wineries as a stand alone product are unlikely to be distributed through the tourism distribution chain, as wine tastings are generally free and therefore are not a commissionable product. But packaging with other tourist products provides an opportunity to develop a commissionable product and thus utilise the travel industry distribution network.

Packaging can be interpreted as bundling a number of products together and selling them under a common price. An example is a large resort within a wine region that will have a winery visit as part of an accommodation package.

There is potential for wineries to be creative in their product offering. Instead of the usual wine tastings where there is no charge, a small wine and cheese event could be staged to showcase local produce with a charge per person levied that includes the serving of some cheese and a tasting of 5 wines.

The group tour market (both large and small) operates significant numbers of day and extended touring options to wine regions around Australia and while some focus on free tastings, many are now looking for more innovative products and are prepared to pay for them. Many coach tour groups are also looking for places to stop for meals and this can present an additional opportunity.

This strategy of developing wine tours with food (rather than a free visit) can also be employed with other market segments – namely the Business Tourism sector formerly referred to as Meetings, Incentives Conventions and Exhibitions sector where intermediaries such as Professional Conference Organisers will also be searching for exciting, unique, commissionable product. The Business Tourism segment is not as price sensitive as many others and needs the utmost attention – but is highly lucrative.

Your guide to **Wine Tourism**

Promotion and Distribution 3

Building customer relationships

Building long term customer relationships

The opportunity now exists for wineries to have contact with their customers in many new and relatively inexpensive ways using information technology. Collecting names and addresses in a database is now within almost everyone's reach.¹

New ways of contacting clients and customers worldwide via the Internet are constantly being developed and the costs of this activity are falling.

Traditional retailing is experiencing great upheavals with mail order, catalogue and Internet sales all growing rapidly. The wine industry is no exception, with wine mail order business growing significantly, loyalty programs reaping great rewards and wine tourism being developed by direct mail campaigns.

Before embarking on any mail order or loyalty program, you need to be clear on where you and your products fit within the market and assess the potential return versus the costs involved. Are your products appealing to someone in respect to repeat business or should you consider working with a small cooperative of winemakers to offer a wider selection?

Mail order, wine clubs and loyalty programs

The introduction of mail order and catalogue selling has seen the traditional methods of selling goods on premises come under great pressure. The Internet and its ease of access to view and purchase products and services are also revolutionising the way products are purchased.

Wine as a commodity is no different than any other consumer goods, and many of the wine clubs and national wine distributors that use mail order and catalogue-based sales are successfully competing with the traditional methods of selling wine.

The smart use of mail order is rapidly becoming one of the key elements in being a very successful wine retailer. The alert cellar door operator captures the names and addresses of their visitors and creates a mailing database. This is the start of what can transpire into an essential retailing tool and grow to become a vital segment of total sales.

One simple message to increase profits from the cellar door is to successfully convert the occasional visitor to a long-term customer. If a customer has had a positive cellar door experience, then if contacted professionally at a later stage, there is every possibility that they will purchase again and again.

Capturing the information for a database could be as simple as using a visitors book, or as sophisticated as a "guest questionnaire" – detailing age, interests, income brackets, wine consumption as well as address and postcode. This information is critical to the building of customer profiles, which establish their needs and requirements.

But developing and maintaining a database is only half the equation.

1. You will need to comply with the regulations of the Privacy Act when collecting visitor data.

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Promotion and Distribution 3

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The right offer and how to deliver it

What distinguishes the successful mail order operators from the "also rans"? It depends on what is offered and how the offer is presented. The professional approach, with strong branding and a well designed newsletter with excellent perceived benefits to the consumer will pay dividends. Investing in professional assistance is essential to a vibrant mail order wine business.

There are now very secure methods of electronic commerce that provide the levels of confidence required by discerning customers so that they can enter a web site after receiving a notice (electronically or manually) and order wine for delivery – no personal contact is necessary at all. Such email transactions also can elicit information on the client profile and add value to the database, as well as providing a link so that customers can request additional information.

Benefits build business

By offering exclusive benefits to certain types of clients – for example through the membership of a wine club for which they may or may not have to make annual subscriptions, significant customer loyalty can be developed.

Such exclusive benefits might include:

- Reserved vintages (specially labelled) for club members only;
- Special events at the winery - dinners, festivals, lunches, vintage releases, art exhibitions, musical interludes and accommodation packages developed with local operators;
- Latest release samples;
- Gourmet food weekends with guest chefs;
- Merchandise – monogrammed clothing;
- Price reductions on a range of wines;
- Vertical tasting packs over 5 vintages;
- Ability to hold their corporate or private functions at the winery;

From the wineries' perspective, such loyalty programs provide a host of ambassadors for the winery – a platform from which to launch any public relations messages about new releases, new labels and new facilities – via newsletters and periodicals.

The membership (if the database is maintained properly) can be the springboard to gain new members by offering incentives for introductions.

The management and use of a database can actually increase wine tourism to regions. Several wineries around Australia have developed a loyal customer base that will travel to the winery when "specials" are notified to their members. Large databases need a lot of professional maintenance, but they are also a considerable resource.

A comprehensive, regularly updated database matched to a loyalty program can bring large business benefits.