

MERCHANDISING CASE STUDIES

Theming It in Napa & Niagara

Halloween is big business in the United States and the Napa Valley is no exception when it comes to promotion of this national occasion. Tasting rooms in the region take to the occasion with gusto, using pumpkins and the colour orange everywhere, leaving the visitor in no doubt as to what time of year it is.



Napa tasting rooms are renowned for the range of merchandise they stock. On close inspection, most products are clearly related to lifestyle and their presentation invokes images of abundance. Huge tables stacked high with crockery, cutlery, home wares, cookbooks, glassware and more. Clothing for all the family, from headwear (not just caps), t-shirts, jumpers, shirts and even socks, and branded where possible. Most of it is categorised in themes: an area for the golfer, the gourmet cook or the artist. And of course, special promotional areas for things like Halloween: cookbooks featuring recipes using pumpkin, home wares featuring the colour orange, jack-o-lanterns and more – and real pumpkins.

In a visual sense, merchandise can overwhelm the wine. In some large wineries, there's twice as much room devoted to products as there is to the tasting bar. That doesn't mean the wine is less important – the Napa is very much about wine – but operators recognise that visitors are looking for much more, and souvenirs are an essential part of the experience. The presence of major homewares stores like Dean & DeLuca, situated on the main highway between wineries, demonstrates the demand for lifestyle related shopping experiences. On average, merchandise sales range around 20% for those that really focus on it. High by Australian standards, but clearly not core business for the wineries.

It works so well in the Napa because visitors have come to expect such things at wineries, along with guided tours and segmented tastings. And it's worth bearing in mind that Napa wineries are prohibited from incorporating food and accommodation facilities on their properties (and there are other restrictions too, depending on the terms of the wineries "use permit"), so it makes sense to leverage every possible avenue for revenue while giving the visitor exactly what they want.

Peller Estates Winery in Niagara offers a fine example of segmenting the cellar door space to accommodate a range of up-market merchandise that reflects their brand image and caters to their clientele. Test marketing is the only effective way of ensuring that the product range remains viable. Close observance to visitor behaviour and traffic flow also yields results. For example, visitors were continually by-passing displays in favour of products stocked on an end wall. The simple fact was that the products were being by-passed not because there was no interest in them, but because of their positioning (in view of the bar area) and their location didn't encourage people to stop. So their eye was always drawn to the end wall instead. Some simple repositioning of fixtures slowed down the through traffic and encouraged people to meander around and through the products. The extra time to browse, out of "direct" view of the bar, increased the visitors' comfort levels and ultimately led to increased product sales.

At **Hillebrand Estates**, Peller's sister winery in Niagara, a range of high-end wine related accessories was initially displayed as a subtle visual reminder that the winery was serious about wine. Surprisingly the operators also found that the products sold well. A less subtle, but highly convenient touch to the retail store at Hillebrand is the provision of mini supermarket trolleys – a great invitation for people to "stock up the trolley" as they roam through the store area.

Merchandise at Meadowbank

Meadowbank Estate in Tasmania's Coal River Valley near Hobart takes its merchandising very seriously. Proprietor Gerald Ellis recognised the need to value add to his cellar door and restaurant by introducing a range of products that he felt reflected the essence of Tasmania, while maintaining relevance to lifestyle elements through wine and food. Based on his research of US wineries, he decided that a significant revenue stream could be created if he did things correctly.



Meadowbank's product range is extensive and professionally presented. Regarded as a gift shop, it includes everything from picnic accessories, crockery and utensils, glassware, books, wine accessories, clothing, homewares, local produce and even beauty products. The key to success has been an understanding of consumer needs and a willingness to test new items. Gerald admits it can be a hit and miss game and is continually surprised by the things that sell. He places great faith in his staff's ability to stock the right products, because sometimes the things they choose are not what he'd be interested in at all. However, their annual treks to trade fairs in Melbourne and Sydney provide the ideal opportunity to source new and innovative products that reflect current consumer demand.

Just as wine sales are pre-empted by tasting the product first, the same thing can apply to merchandise and produce. Sampling is a core activity of any cellar door, and Gerald has found that offering free samples of selected products leads to increased sales.

Whilst overall revenue contribution represents less than 10% of sales at present, the impact on the visitor experience is huge. Mobile trolleys enable products to be placed strategically in the cellar door area so that non-wine drinkers can sample and make choices while their compatriots taste wine.

The positioning and visual display of the merchandise area is also a critical element. Located within the cellar door area, visitors must walk directly past or through the merchandise to get to the tasting bar and the restaurant beyond. The only exit is also back the same way, so guests visiting for lunch have a second opportunity to browse the merchandise area on the way out. The shelving has been thoughtfully designed to blend in with the natural timber of the building. The area is well lit and professionally signed in a way that blends with the overall theme. A display fridge in the centre of the wall houses food items and, combined with wine and a picnic pack, offers everything the picnicker could possibly need.