

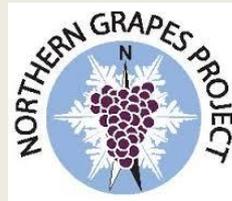
Increasing Tasting Room Sales

Dr. Dan McCole

*Michigan State University
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March 4, 2016

MICHIGAN STATE
UNIVERSITY



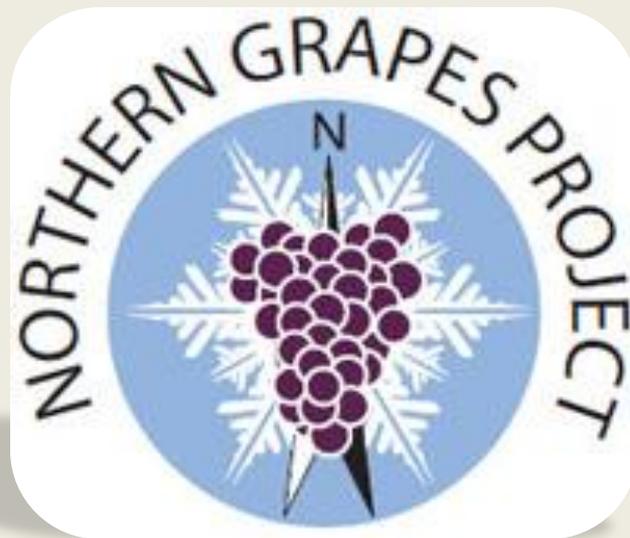
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EXTENSION



MSU Wine Tourism Research Group



The Northern Grapes Project (NGP) was funded in 2011 by the USDA to focus on the emergence of super cold hard-based wine grapes (*Vitis riparia*) cultivars.



In what ways do wineries collaborate with each other and with tourism organizations?

Which collaborative initiatives have the highest ROI for wineries?

How many stops do TRV's make when visiting wineries?

How much wine do TRV's drink in their daily lives?

How knowledgeable about wine are TRV's?

How familiar are TRV's with cold-hardy wines?

How much do TRV's spend during trips that include winery visits?

How does information about the wine impact the amount TRV's are willing to pay?

How important is visiting wineries to the decision to travel to an area?

What role does social media play in TRV's planning?

What else do TRV's do during their trips?

What devices do TRV's use when planning wine trips?

How do tasting fees impact wine purchases?

Will TRV's pay more for a wine with a varietal name or an artistic name?



**From these studies, we
have learned a lot about
what impacts tasting
room wine sales**



Takeaway #1

**Charging a tasting
fee doesn't impact
wine sales**



Takeaway #2

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



What are the 3 most Common Distribution Points for Wine?



What Impacts the Purchase Decision at Retail?



- Price
- Occasion
- Number of choices
- Wine Label:
- Staff



What Impacts the Purchase Decision at Restaurant?



- Price
- Occasion
- Number of choices
- Wine List:
- Server/Sommelier



What Impacts the Purchase Decision at Winery Tasting Room?



- Price
- Occasion
- Number of choices
- Atmosphere
- Sample
- Tasting notes
- Label
- Tasting room staff
- The overall experience



Where do you sell your wine?

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

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



Takeaway #3

**Provide a good tasting
room experience and
people will buy more
wine**



What do people buy at wineries?







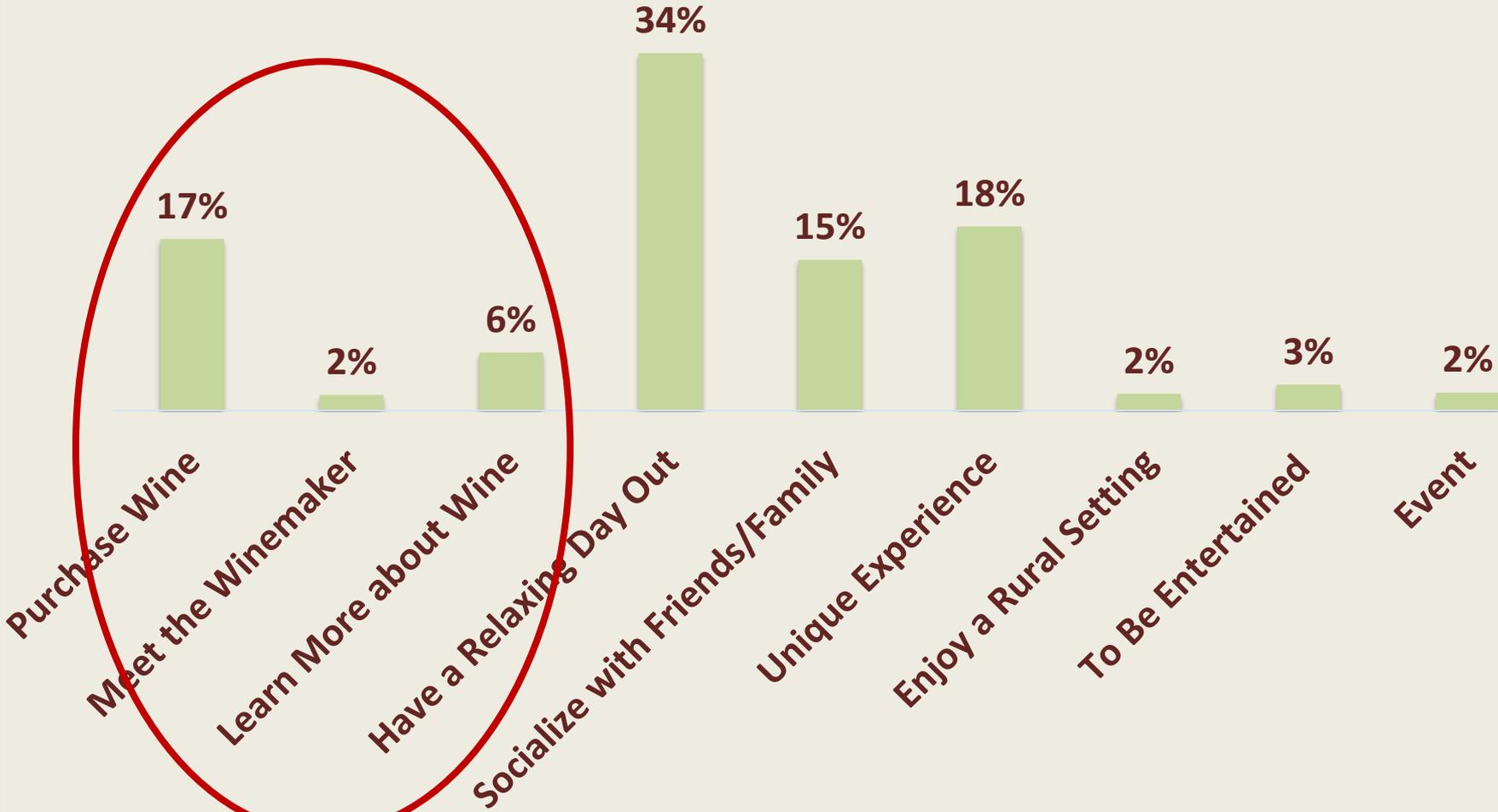
“We sell the ability for a 42 year-old accountant to ride through neighborhoods making people nervous. Something he don’t get in his everyday live.”



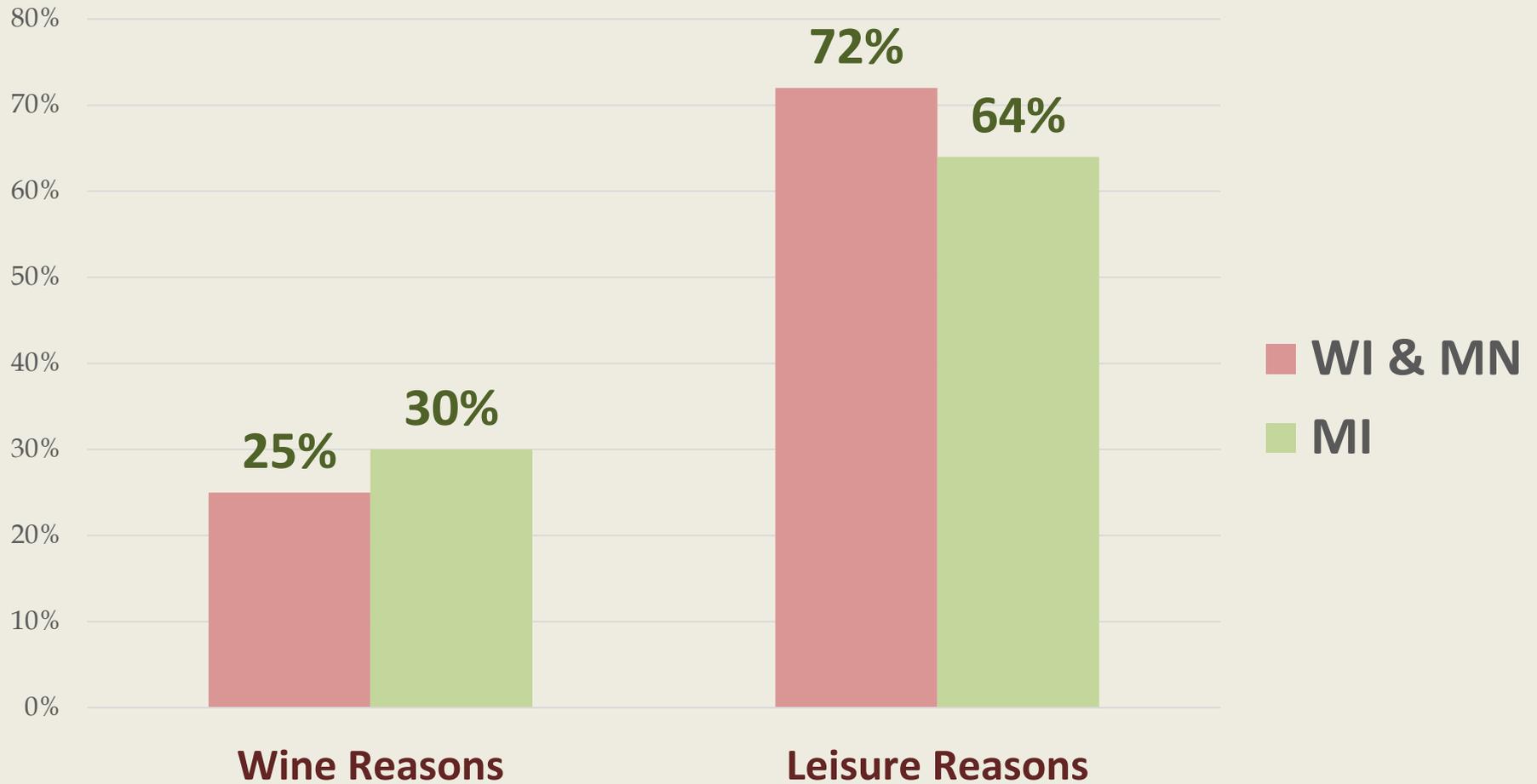
**What kind of
experience do
visitors want at the
winery?**



Primary Reason for Visiting Winery



Primary Reason for Visiting Winery?



Michigan

WI & MN

% Purchased Wine

91.2%

92.5%



Michigan

WI & MN

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Avg. # Bottles

7.4

6.9



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Avg. Price

\$16.56

\$14.14



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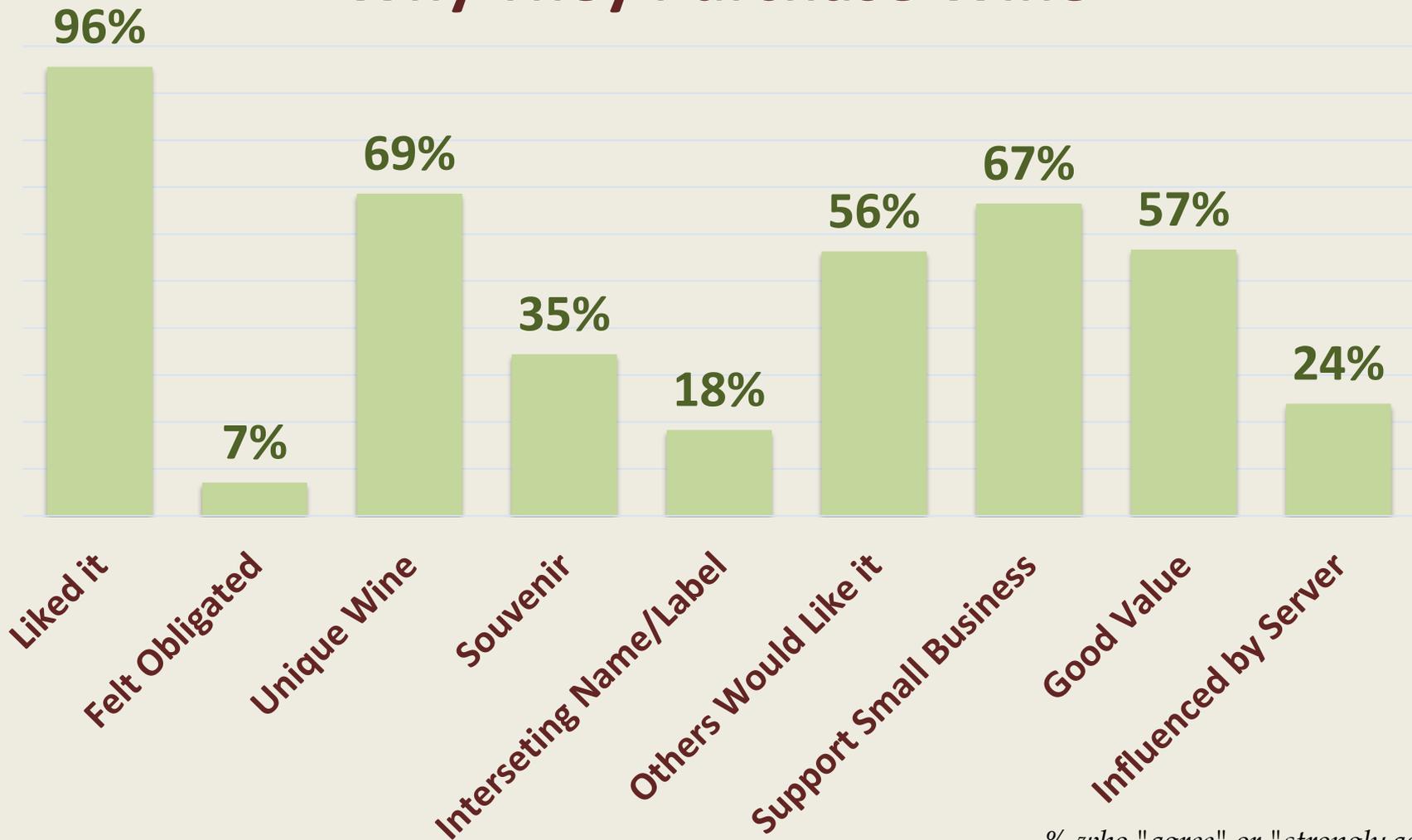
Total Spent

\$123.21

\$97.57



Why They Purchase Wine



% who "agree" or "strongly agree"



**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)



What factors lead to wine purchases at 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*



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



Takeaway #4

**What wineries
communicate about the
wine can impact how
much consumers value it**



Sample Tasting Note

2011 PINOT GRIS-----NEW RELEASE!!!-----16.00

Deep lakes and sloping shorelines create the perfect climate for growing Pinot Gris, producing rich and fruitful flavors. Dry and full-bodied with decadent flavors of pink grapefruit, honeysuckle and lemon meringue. Enjoy this wine with grilled salmon and fresh herbs or cream-based soups like chowders and vichyssoise.



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**Which do you think produced
more wine sales?**



Tasting Note *without* the Sensory Descriptors

- 14.33 more bottles sold per day
- \$215.53 more in sales per day



Round 1
Look & Smell



Rating
(0-10)
Bid Price

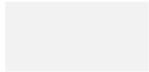
Soaring Red	
1	7
\$	14

Creekside Red	
2	8
\$	16

Rustic Red	
3	8
\$	16

Firelight Red	
4	10
\$	22





Round 1
Look & Smell



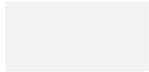
	Soaring Red	Creekside Red	Rustic Red	Firelight Red
Rating (0-10)	1 7	2 8	3 8	4 10
Bid Price	\$ 14	\$ 16	\$ 16	\$ 22

Round 2
Taste



Rating (0-10)	5	6	7	8
Bid Price	\$	\$	\$	\$





Round 1
Look & Smell



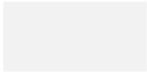
	Soaring Red	Creekside Red	Rustic Red	Firelight Red
Rating (0-10)	1 7	2 8	3 8	4 10
Bid Price	\$ 14	\$ 16	\$ 16	\$ 22

Round 2
Taste



Rating (0-10)	5 8	6 2	7 5	8 9
Bid Price	\$ 16	\$ 0	\$ 12	\$ 20





Round 1
Look & Smell

	Soaring Red	Creekside Red	Rustic Red	Firelight Red
Rating (0-10)	1 7	2 8	3 8	4 10
Bid Price	\$ 14	\$ 16	\$ 16	\$ 22

Round 2
Taste

Rating (0-10)	5 8	6 2	7 5	8 9
Bid Price	\$ 16	\$ 0	\$ 12	\$ 20

Round 3
Info

Rating (0-10)	9	10	11	12
Bid Price	\$	\$	\$	\$



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

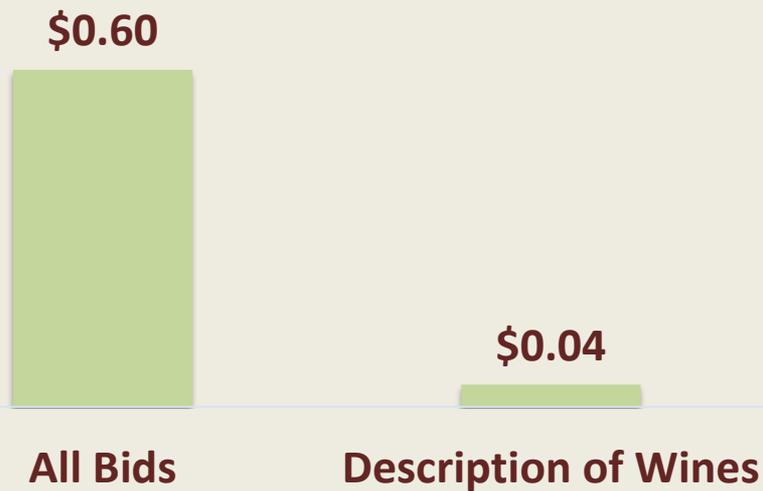
\$0.60



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



Dan McCole

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