



A Look at the True Meaning and Value of Marketing

In the wine industry, we tend refer to “sales” and “marketing” in the same vein, often using the terms interchangeably. We create “sales and marketing plans”, appoint Directors of “Sales and Marketing” and generally know that we need both functions to operate successfully. However, there exists a good deal of confusion regarding the purpose and specific activities accorded to each activity. While the two should work in tandem, it is important to understand that sales and marketing are not one and the same. Marketing is a distinct value creating function.

Two years ago I created a workshop entitled “Driving Sales with Marketing Driven Strategies” that I’ve since had the pleasure of presenting to a few wine industry organizations. During the introduction, I point out that the title of the presentation was chosen mindfully -- it presupposes that sales and marketing are two distinct functions. I then show two simple images: a leather shoe and a crowded room. The leather shoe represents sales, which closes the deal, literally moving inventory out of the winery and through the channels of distribution and creating revenue. The crowded room symbolizes marketing -- a function that creates value by driving demand for wines and makes it easier to move those boxes.

Let us examine a different example, a tasting room: sales closes the deal -- it is a “here and now” activity; but first, marketing attracts the customers to the winery and requires a longer term outlook. Without marketing, the role of a sales person is rendered much more difficult. There are more outbound than inbound calls, a steeper slope and a heavier bag.

And without sales, the marketing role is much less effective since wines rarely sell themselves. The challenge is that many wineries do not have the budget to hire two full-time people, one overseeing sales, another heading up marketing. So it is even more important that the roles of each function are well understood and that appropriate time is allocated to both.

One of the primary responsibilities of a marketing manager is to identify the winery’s compelling story. This story, commonly referred to as a “brand”, should identify the winery’s four “D”s – what is desirable, distinctive, deliverable and durable. These characteristics define uniqueness, which is critical for achieving a defensible and strong positioning in a very crowded marketplace. The next responsibility should be to create or polish the winery’s vision, mission, key talking points (and proof for each) and identify the segments it’s targeting in the sales channel. Part of doing so well involves a competitive analysis of wineries that occupy the chosen position and defining particular internal strengths and weaknesses, and external opportunities and threats (the SWOT analysis).

At this point a nascent winery will start thinking about assets including all visual and written communication including packaging, website, press kit, e-blasts, brochures, etc. For an existing winery, this is the time to review those assets to make sure that they do the following:

- 1) tell the story consistently and in a compelling manner
- 2) appeal to the identified target segment(s).

The next step in a marketing driven sales strategy is to create

a plan to tell the winery's compelling story. The traditional four P's of the marketing mix provide the beginning of a framework -- product, price, place and promotion. The first two traditional P's must be defined as part of the winery offering. The third, Place, is the one most related to sales. It should answer the questions of what channels and markets, as well as specific breakdown between wholesale, direct-to-consumer and direct-to-trade in each. "Place" is essentially where a winery will tell its story. The fourth P, Promotion, is often the "fun" part. It defines the combination of tactics including events, ads, online activity, media relations, trade relations, programming, promotional materials, etc.

There are some newer P's including People, Process and Physical evidence that work very well in the wine industry, which necessarily has a hospitality and customer service focus. A good winery marketing plan will include specific strategies for engaging and training the right people, creating systems and processes for customer service, etc. and producing a location, whether online or virtual, that includes physical elements that speaking to the winery's particular story.

The next part of a marketing driven sales strategy involves People, those charged with telling that story. Key story tellers in the organization including owner, winemaker, sales and hospitality staff etc.; so all speakers should be well versed. It also defines the particular audiences -- consumers, trade, media, employees, and the modified version of the winery story each should receive.

The final and ongoing stage of marketing driven sales strategy is to aim for continuous improvement. The Processes created by marketing should determine exactly who is doing what, define how compliments and complaints are handled, and provide for a set of key winery metrics. Internal performance reviews and annual surveys of key audiences are methods used to assess good standing and provide feedback for improving operations.

Marketing can only succeed in its true creating role when it is performed at the strategic level. Confusing marketing with sales diminishes a winery's optimum operations and misses opportunity for both short-term deal making and long-term value creation.

Dixie Huey, Proprietor of Trellis Wine Consulting, LLC, provides branding, strategy and communications solutions for wine businesses, and is instructor of wine marketing at the Northwest Viticultural Center. She may be reached at 360-210-5551 or dixie@trelliswineconsulting.com.

For more information, visit...

<http://www.trelliswineconsulting.com>

Trellis Wine Consulting, LLC | P.O. Box 871298
Vancouver, WA 98687-1298

360.210.5551 (tel.) • 320-210-5558 (fax)
dixie@trelliswineconsulting.com



Dixie Huey
Trellis Wine Consulting, LLC

Exceptional Branding, Strategy and Communications Solutions to enhance wine business growth and profitability



STRATEGIC GUIDANCE FROM THE GROUND UP

Dixie Huey • 360.210.5551
info@trelliswineconsulting.com • www.trelliswineconsulting.com