

**CUSTOMER SERVICE TRAINING
IN WINERY TASTING ROOMS:
PERCEPTIONS OF EFFECTIVENESS
BY TASTING ROOM PERSONNEL**

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Abstract

For many small wineries, direct sales of wine via tasting rooms is becoming more critical as a revenue generation source – especially with increased global competition and marketing. Professional customer service and sales in tasting rooms is instrumental in helping wineries achieve increased revenue via this channel. In the first empirical research study of its type in the US, this article describes the perceptions of 61 tasting room employees in California regarding the effectiveness of the training they have received. This includes type and frequency of training, desire for additional training, as well as satisfaction level with training, salary, benefits, and scheduling. Results indicate that there is room for improvement for customer service training in winery tasting rooms.

Introduction

As competition continues to intensify within the wine industry, wineries are searching for new sales channels to increase revenue. Though many wineries boast a tasting room, traditionally expectations for the tasting room to be a significant source of revenue have been low (Root 1996; Prial 2001). Generally they are established as a tourism and public relations tool, rather than a serious source of wine sales. However, with the consolidation of global distributors and plethora of labels on the market, it has become increasingly difficult for small and medium-sized wineries to gain the attention of distributors. Therefore, the tasting room is receiving more serious attention as a source of revenue generation (Quackenbush 2001).

With this new focus, sales and customer service within tasting rooms comes into the spotlight. The experience of the consumer in the tasting room is instrumental not only to sales in the tasting room, but when the customer returns home and looks for the wine label in their local store. However, there have been recent reports of some tasting rooms providing poor service (Gaiter and Brecher 2002), and the US wine industry has identified this area as one in

which more training is needed (Vineyard & Winery Management 2003; Root 1996; Cartiere 2001).

With this in mind, a research study was designed to identify if training is being ignored in winery tasting rooms in California – as perceived by 61 tasting room employees. This article describes the results of the study, as well as implications for future training and recommendations on additional research.

Review of the Literature

Impact of Training on Sales & Customer Service

There has long been controversy as to whether or not training provides a return on investment to businesses (Stone & Watson, 1999). However, more recent research has proven that the upfront costs of training employees can be recouped in improved efficiency -- faster results in the same time; and effectiveness -- higher quality results in the same time (ASTD 2002; Sunoo 2001; Keenan 2000; and Montesino 2002). This is particularly the case in business situations in which pre and post metrics can be tracked, such as sales figures; cycle time; scrap rate, production quotas, etc. However, it can be more challenging to calculate return on investment for the “softer” type of skills training, such as leadership development (Rosti 1998). Therefore, training that focuses on technical, sales, or service skills lends itself for easier validation of improvement.

Fortunately, in regard to wine tasting rooms, they fit into this latter category, as good customer service can be linked to sales. Indeed, there are several metrics which can be tracked in wine tasting rooms. These can include the number of bottles/cases sold, total revenues, margin, number of return customers, number of new customers, and wine club sign-ups (Barclay 2001; Penn 2002). Though these can't all be directly linked to the customer service and sales skills of the tasting room employee – as the customer may merely be

purchasing the wine because he/she has purchased wine from a particular winery for the past 10 years – many actions of the employee do impact these metrics. Therefore, effective training on customer service and sales in tasting rooms can improve profitability (Essex 2002).

Indeed, in one recent study on customer service training, Sunoo (2001) cites return on investment for customer service training at three different companies. In every case positive returns were illustrated in increased revenue and reduced costs and customer complaints. Managers of private clubs have stated that food and beverage training is essential and can make all the difference in meeting their financial goals (Barrows 2000). This bodes well for similar training in wine tasting rooms.

Tasting Room Statistics & Trends

In the United States, there are currently more than 2050 wineries, but fewer than 17% of these wineries are represented by distributors in all 50 states (Billingsley 2002). Therefore, small wineries are forced to find other ways to market their wine via direct-marketing techniques. One obvious choice is via a tasting room for visitors, if local state ordinances allow tasting room sales. Indeed, some small wineries sell 75 to 100% of their wine solely through their tasting room (Walker 2002). Other larger wineries utilize a tasting room primarily for public relations reasons (Tinney 2002). However, more savvy wineries of all sizes are recognizing that special, personalized service within the tasting room, and segmenting by customer type (first-time tourists vs. limousine party revelers vs. serious long-term customers), can provide vast improvements to overall profitability (Demskey 2001).

Currently in California, there are just over 1000 wineries, with approximately 60% of those wineries offering some form of tasting room (AVA 2002). Most winery tasting rooms in the U.S. have a least one full-time employee (could be the owner), and at least one part-time worker -- since certain times of the year bring in more visitors than others (Folwell & Grassel 1995; Westone 2001). Some wineries taste and sell special wines from the tasting room that are not

available at other locations – thus increasing the “cache” of the tasting room (Walker 2002; Folwell & Grassel 1995).

The trend in US winery tasting rooms is to focus more on profitability and providing “personalized service” for the various segments of wine consumer (Penn 2002). For example, some US wineries are now offering special wine seminars in private tasting rooms for “serious customers;” whereas they offer regular tastings for a fee at the tasting bar for first-time visitors and less serious customers (Demsky 2001). Wine Clubs support this practice, as they help identify serious customers, who can be specially targeted for special events and invitations to the winery. Other wineries are limiting the number of visitors, and insisting on advance tasting reservations – similar to the practice adopted by some of the top wineries in Europe. The reported benefit is that they can provide a more “intimate” experience for the customer, and actually increase profitability with fewer customers (Demsky 2001; Montroy 2000). Another aspect of increasing profitability is to promote sales of other wine-related merchandise in the retail section of the tasting room (Madigan 2002).

Training Needs & Issues in Tasting Rooms

So what type of training is necessary to improve profitability in a tasting room? Several experts state that basic wine knowledge is critical (Hall 2000; Winter 2001; Salopeck 2000; Root 1996). This includes knowing the basics of viticulture and winemaking, as well as the major grape varieties, appellations, and tasting terminology. Obviously a key piece of this is knowing about all of the wines and major merchandise sold within the tasting room.

After wine and product knowledge, skills training in basic customer service and sales is necessary. Several US experts have noted that many wine tasting room employees are friendly and knowledgeable about the wine, but after conducting the tasting and chatting, they don’t ask for the sale (Root 1996, Cartiere 2001; Winter 2001). Instead they “hope” the customer will buy because they had a nice experience. More professional, yet not pushy, sales skills are needed to enhance profitability within tasting rooms. Related to this are skills in upselling for both wine

and merchandise, and promoting the Wine Club, upcoming events, the newsletter, and Internet site (if available). Finally there should be training on how to promote any specials or discounts that are available within the tasting room.

Training in personalized customer service and “reading the needs/level” of the customer is also important (Quackenbush 2001). Tasting room employees need to learn basic questions to ask to determine their level of knowledge and/or interest in wine tasting (Salopeck 2000). Some customers will want detailed information on winemaking techniques, whereas others will just want to taste and talk about food/wine matches. It is important for the tasting room employee not to “intimidate” the novice wine drinker with unnecessary information. They need to customize their service to the needs of the visitor. The goal should be to create such an enjoyable experience that the customer will want to return; will encourage all of their friends to return; and will become a life-long customer of the winery (Demskey 2001).

Other important training skills for tasting room employees include dealing with difficult or “drunk” customers (Root 1996); food/wine pairing; giving tours/seminars; promoting local restaurants and other tourism sites (including other wineries); how to serve and clean-up the wine; operating the cash register (if necessary); and providing information on where the customer can buy the wine at home.

Other training room issues include when to have training; via what type of format (self-study, classroom, mentor, etc.); and how often to hold training. Winter (2001) suggests that tasting room training should be held every 6 weeks to 2 months, and can include such novel formats as tastings with the winemaker, visits to other wineries, food/wine pairings etc. Root (1996) recommends providing both written and verbal instructions on key customer service issues, and suggests matching new tasting room personnel with a more seasoned employee who can act as a mentor.

Other tasting room issues that can impact on profitability include having enough employees available to handle both small and large customer crowds, and insuring that the

physical appearance and layout of the tasting room is conducive to sales (Winter 2001). This includes tasteful décor, support of winery brand image, and perhaps highlighting local artists' crafts. Finally, one of the traditional pieces of advice in the training industry is to hire the right type of employee in the first place to provide customer service (Sunoo 2001). This holds true in the wine industry as well – wineries should establish a selection program that screens for tasting room employees who enjoy talking to people about wine.

Methodology

A survey research methodology was employed for this study. A questionnaire was developed asking about different aspects of tasting room work, the importance and frequency of training, job satisfaction and demographics. To acquire a sample of tasting room employees, first a random sample of California wineries with public tasting rooms was obtained from the listings of *California Visitor Review*. A total of 80 tasting rooms were selected for the study, 40 of which were located in Sonoma or Napa counties, and the remaining 40 located in other regions of California. A cover letter was sent to the tasting room manager requesting their participation in the study survey and asking them to randomly distribute the 3-5 questionnaires among their tasting room staff. A total of 69 surveys were returned of which 61 were usable. There were 39 surveys from employees of tasting rooms in Sonoma or Napa and 22 surveys from employees of other areas of the state.

Of the participants in the study, 16 were male and 45 were female. The ages of respondents ranged from 21 to 68, with a median age of 43. Sixteen respondents had already retired from a previous career. The sample education level was fairly high, with 27 having some college experience, 20 being college graduates and 9 having graduate degrees.

The length of time the respondents had worked at the current winery ranged from 1 month up to 16 years, with a median time of a little over two years. However almost half of the

sample (29 respondents) had worked previously at another winery. In all, the respondents had spent an average of 6.23 years working in the wine industry in some capacity.

A little over half of the sample, 60.7%, worked fewer than 40 hours a week at the tasting room. The median number of hours worked was 30 hours a week. Seventeen respondents currently work at another job as well as at the winery tasting room. The average salary earned by the employees was \$11.06, ranging from a low of \$7.00 to a high of \$18.00. Surprisingly, there was no correlation between how long the employee had worked for the winery or in the wine industry and salary. There was a positive correlation ($r = .466$, $p = .00$) between salary and how many hours an employee works a week, indicating that full time employees are paid significantly more than part time workers.

Results

The first set of questions asked the respondents about how often they received training for different important aspects of their jobs. The results of the survey are reported in Table 1.

Table 1.
Frequency of Training

Type of Training	Never	Only on Starting Employment	About Once a Year	About Once a Month
Customer Service	5	14	17	25
Handling Difficult Customers	12	10	19	20
Wine Tasting	3	10	7	41
Selling Wine	13	10	11	27
About Different Types of Wine	9	7	12	33
Winemaking Methods	16	4	24	17

Grape Growing	16	3	23	17
Wine and Food Pairings	17	4	16	24
Special Promotions	12	4	15	30
Referrals to Local Restaurants and Hotels	21	6	14	20

The results of the survey show employees receive training most often about how to conduct wine tastings and the different types of wines that are available. Training on special promotions and customer service follow in frequency. The areas of winemaking methods and grape growing techniques were covered less frequently in training. A large number of employees received no training at all about where to refer visitors who ask for hotel or restaurant recommendations.

The second set of questions referred to the same aspects of tasting room jobs but now asked about the employees desire for more or less training on each one. The results are reported in Table 2.

**Table 2.
Desire for More or Less Training**

Type of Training	Need Less Training	Training About Right	Need More Training	Not Sure
Customer Service	3	47	8	2
Handling Difficult Customers	1	38	19	2
Wine Tasting	2	35	23	0
Selling Wine	3	37	18	2
About Different Types of Wine	0	23	36	1
Winemaking Methods	0	11	47	2
Grape Growing	0	13	44	3

Wine and Food Pairings	0	26	25	5
Special Promotions	1	30	24	5
Referrals to Local Restaurants and Hotels	1	34	19	5

The results of the survey show that very few employees feel that less training is needed for any aspect of their jobs. Most employees felt that the training given to customer service was about right although more employees expressed a desire for additional training in handling difficult customers, and explaining the different types of wine. More training was also desired by many respondents in marketing aspects of the job, specifically explaining special promotions and selling wine. The two areas that most employees felt that additional training is needed is in the areas of winemaking methods and grape growing techniques.

Finally the third question asked employees how satisfied they were with the winery's training program overall. Four respondents indicated they were very unsatisfied, 7 were unsatisfied, 19 were neutral, 24 were satisfied, and 7 were very satisfied. On a scale of 1 to 5, the mean score for satisfaction was 3.37. Satisfaction with salary, benefits package and scheduling was also requested, with means of 2.91, 3.21 and 3.90 respectively. There was a positive correlation between satisfaction with training and satisfaction with the salary, benefits and scheduling ($r = .27, .35, .29, p = <.05$).

Table 3
Satisfaction Level of Tasting Room Employees

Satisfaction	Very Unsatisfied	Unsatisfied	Neutral	Satisfied	Very Satisfied
Training	4	7	19	24	7

Salary	4	24	7	25	1
Benefits	4	12	15	22	5
Scheduling	4	4	5	29	19

Implications

There are several implications to this research study. The first revolves around the training needed by tasting room employees to enhance productivity. Results indicate that most of the employees surveyed did not believe that they had received enough training in winemaking methods and grape growing techniques. The employees may want to feel more confident when speaking with the sophisticated wine consumers who visit. Employees may also feel this additional knowledge is needed to move up and work in the reserve tasting rooms where more time is spent with visitors on an individual basis. Being able to provide the information that the sophisticated wine consumers solicits hopefully will lead to more sales of premium wines and a better overall image of the winery.

There is also a felt need for more training about the different types of wine. In order to differentiate themselves from the crowd, many wineries are producing unusual varietals or styles of wines. Many of these wines may be produced in small lots and only available from the tasting room. The better informed the tasting room staff is about these different wines, the better they will be able to sell the wines to visitors.

Wine and food pairings were another topic where more training could be done in many wineries. Although not every visitor is interested in wine and food pairings, asking about a visitor's food preferences could help tasting room staff make suggestions on which of the many wines might be a good choice for the customer. This could lead to opportunities to sell wines that otherwise might be overlooked by the visitor.

Many of the wineries do not provide any training on how or where to make restaurant and hotel referrals. While the employees may have their own personal preferences of where to eat and stay, the staff should be made aware of local restaurants that have the wine on their

wine list so they can direct guests there. Likewise, wineries may find that certain hotels often recommend to their guests that they visit the winery, and the staff could reciprocate the referral to encourage the support.

Selling wine has become increasingly important for wineries, yet training in professional selling could still be improved upon. While many of the wineries are providing sales training and many of the employees appear satisfied with the sales training they receive, this aspect is one that is so important to the survival of wineries that it is surprising that a large number of employees received no sales training at all, or only when beginning employment.

Finally, customer service does appear to be emphasized in training programs and most employees are satisfied with the amount of training they receive in customer service. However, reports of bad service suggest an ongoing need for training (Cartiere 2001). Just a few rude or unfriendly employees are all it takes to ruin the reputation of a winery tasting room and to convince visitors to never return. More damaging, the disgusted visitor is likely to talk to friends and share the bad experience.

Overall, most employees in the sample are either neutral or satisfied with the winery's training program, but only 7 people were very satisfied. This suggests that while training programs may not be a negative job factor for most tasting room staff, they are not outstanding in most cases either. There is a lot that could be done to improve winery tasting room training to meet the needs of employees and improve overall job satisfaction.

Another important issue not directly covered in the survey is the specific format of the training program. Though some tasting room managers may believe that on-the-job training in which they offer suggestions is "training," employees may not label this training. The tasting room manager may view this type of training as ongoing, but the employee may perceive training as happening only when starting employment. Indeed, the recommended training frequency of once every 6 to 8 weeks (Winter 2001) was only achieved 67% of the time in this survey. This suggests that more frequent training formal training programs should be offered.

Future Research

Related to the above implications are several potential areas of future research. To date, no training ROI (return on investment) studies have been conducted in US tasting rooms to verify the positive impact of the types of training identified. Likewise, more empirical information on the frequency and format of training would be beneficial.

Another issue has to do with training for various customer segments, which in tasting rooms may be different than traditional segmentation in the wine market overall (Hall and Winchester 1999, 2000a, 2000b; Spawton 1991; Wine Market Council 2000). For example, in the US, tasting rooms are beginning to segment customers into three levels based on visiting objectives: first-time tourists vs. limousine party revelers vs. serious long-term customers (Demskey 2001 and Penn 2002). Should specific tasting room employees be identified to handle a specific level of customer? Could this be linked to tenure, skill level, and pay?

Another avenue of research has to do with customer needs. This study focuses on perceptions of tasting room employees. Additional studies are needed from the customer perspective to determine what they want in tasting room service. Do they appreciate the different levels of service being offered – or are they even aware of it? Related to this are the needs of customers visiting US tasting rooms from other countries. How do they view US tasting rooms? Do they have similar needs and expectations to US wine consumers? Finally, there is the need to examine tasting rooms in other countries. How much do they differ in focus and format to US tasting rooms? Are they viewed as a profit center?

In conclusion, it can be said that there are ample opportunities to conduct additional and exciting research in the areas of tasting rooms, regarding customer service, training, and profitability. The results of this study illustrate that wineries have recognized a need for training but that specific topics still need additional emphasis. While employees appear to recognize

the benefits they receive from the winery training programs, there is an opportunity to enhance training to a higher and more satisfying level.

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