

Co-creating Experiential Stories – Differentiating a Winery in the Global Wine Industry

Susan L. Golicic

Colorado State University, United States of America
susan.golicic@business.colostate.edu

Daniel J. Flint

University of Tennessee, United States of America
dflint@utk.edu

-
- *Purpose: Creating a point of difference is extremely important for marketing in a competitive industry such as the wine industry. The purpose of this research was to empirically explore how managers achieve such differentiation with a highly experiential product.*
 - *Design/methodology: A qualitative study of 122 wineries from nine regions around the world was conducted over the course of four years to determine consumer marketing strategies. Data consisted of depth interviews with 64 winery managers, organization documentation, website information, operation observations and photographs. The data were analyzed using accepted practices from grounded theory, ethnography and phenomenology to understand winery marketing approaches.*
 - *Findings: Our data found storytelling as a strong preference for building the winery/wine brand. Two different approaches to accomplish this emerged – a winery creating and “telling their story” versus “co-creating” unique personal experiences for customers, which subsequently turned into stories told by the customers themselves. Older, larger wineries tended to utilize the former approach while smaller wineries relied more on the latter. We offer several examples of these findings from various data sources.*
 - *Practical implications: Our findings suggest that either approach can be effective if authentically implemented; however we argue that a co-creative view of storytelling can be more effective for smaller, boutique/niche wineries because it can be implemented with fewer resources.*

Key words: Marketing, co-creation, storytelling

1. INTRODUCTION

The marketing of wine has never been more challenging than it is today. Although each winery claims to have something rather unique in its product offerings, the reality is that the marketplace is extremely competitive with a vast array of choices. Combining this with the inconsistent nature of consumers who are often loyal to some brands while simultaneously seeking new and interesting varietals, and marketing decisions become extremely critical. Marketing's importance is highlighted also by the fact that the product cannot be altered in the short-term to respond to changes in market demands. So what are wineries doing to create a difference upon which to compete? Our global research project finds that a widely adopted strategy is to enlist the help of the brand story. However, there are at least two distinct approaches to storytelling in the wine industry, and we argue that a particular approach is a better match for certain types of wineries.

1.1 Storytelling

Telling a brand story has been a part of the brand management and advertising lexicon for years. A special issue of *Psychology & Marketing* was devoted to brand storytelling (Woodside, 2010). It has been said that brand storytelling, as the articulated form of a brand's character and personality, is essential for creating powerful brand narratives and messaging (Herkovitz and Crystal, 2010). Some tap into powerful memories of brand usage (LaTour et al., 2010) while others create an identity that ideally resonates with consumers but does not necessarily drive memory of lived experiences with the actual brand; they create imagery *about* a brand.

It seems that storytelling as compared to other approaches operates differently in helping consumers tap into and reproduce brand attribute knowledge (Oliver et al., 2010). Stories are memorable and aid in recalling brands and brand associations. Marketing that relies on storytelling can be quite persuasive in that self-referencing may be involved. Self-referencing can be analytical or narrative (as in the form of a story), both of which can be activated by different forms of and communications styles within marketing (e.g., Escalas 2007). A critical aspect of storytelling for brands seems to be connecting the brand to the target audience such that the audience engages in self-referencing when they recall the brand in positive ways.

One way brands can tell a story is through brand identity. Here brand managers create a story around their brand – what it stands for, where it comes from, how it is made, what the brand means – and then communicate this story to consumers. In this approach, control of the story lies with the marketer. This is the dominant and traditional approach to brand management across industries. Brands are given personalities and then embedded within stories that bring the brands to life. However, there is an alternative twist in the storytelling approach that is more co-creative, which is currently taking hold in consumer goods marketing.

1.2 Co-creation

Co-creation most often refers to active engagement between customers and companies in co-design or co-production of products (Ramaswamy and Gouillart, 2010). Clearly wine is used in numerous social settings to enhance the enjoyment of the experience. Wine is also enjoyed on

its own merits directly by wine enthusiasts. But if we dig deeper, what consumers are often creating are memories. Although we get to the findings later in the paper, a quote here from one winery manager who completely understood this offers a glimpse at what we discovered:

And we really felt that there was something missing in Washington State, and really throughout the Pacific Northwest. People weren't being invited to come to a winery and stay and to have an experience that went beyond just coming to a tasting room and tasting the wines. We wanted to create a destination experience where people would come; they would be able to sit down and have a glass of wine, enjoy live music or do any number of things, and go away with a memory.

These memories are activated later helping customers re-live fond experiences, and this is done frequently through storytelling. Here, storytelling is not about a winery sharing a brand personality or marketing script. It is about transporting oneself and others into an enjoyable place and time. What brand association research tells us is that strong positive associations with brands in context contribute to brand loyalty and positive word of mouth. Co-creation research and research within high involvement consumption experiences such as tourism, emphasize that successful storytelling depends on the consumer's own construction of narratives based on their personal experiences and as such their ability to be builders of their own story (Chronis, 2012). When consumers engage in rich experiences with a brand (in this case, a winery), they begin to understand the perspective of the winery and incorporate it into their own lives and world-views. Similarly, the winery has a chance to begin to understand the perspectives of its consumers.

1.3 The Challenge

What emerged from our research was a strong preference for storytelling to build the brand with distinct differences between those who felt that "their" story was a differentiator and those who felt that their differentiation point was in creating unique personal experiences for customers while visiting their wineries, which subsequently turned into marketable stories. The former tells a story to consumers about the organization while the latter motivates consumers to create memories so that they can tell their own story. The difficulty is not as much recognizing that a brand needs a story but rather what sort of approach is the most effective and efficient for a particular business.

2. METHOD

This empirical research is part of a large, multi-year, multi-region exploration into unique marketing practices and other business issues in the wine industry. We adopted aspects of ethnography, grounded theory and phenomenology in data collection and interpretation and followed accepted procedures. The ethnographic aspects included observation, interviews and artifact collection within clusters of wine regions around the globe seeking norms of behavior, assumptions, roles played by actors, and meaning making (Arnould and Wallendorf, 1994). The grounded theory aspects involved the same data collection aspects but added coding processes which helped to explain social processes in which participants were engaged as they tried to solve problems in their everyday lives (Glaser, 1992). The phenomenological aspects focused on the interviews specifically where we sought what it meant to be a wine maker, winery marketer and so forth (Thompson et al., 1989; Thompson, 1997). The findings described here

reflect some of the grounded theory interpretations, namely aspects of processes winery managers were using to solve marketing problems. Open coding led to collapsing many codes into the two categories of *telling the brand's story* and *co-creating the story*.

In total we visited 122 wineries of various age and size in nine regions¹, conducting interviews with 64 owners or managers, collecting marketing collateral, and photographing/observing operations over a four year period. All documents were scanned for interpretation, and all interviews were audio-recorded and transcribed verbatim. Two researchers well-trained in qualitative research shared interviewing responsibilities, and both interpreted the data, coming together regularly to reconcile interpretations. Executive summaries were sent to study participants along the way to gauge the relevance and accuracy of the interpretations.

3. FINDINGS

We identified over 140 different instances in our data where references to storytelling or co-creating the story were overtly made. Examples supporting the two approaches are presented.

3.1 Telling the Brand's Story

Traditionally, storytelling was more about the product and its attributes; however, some wineries recognized this will not be enough to resonate with customers.

To some producers wine marketing is about putting wines in the bottle, the best wine that they could possibly put in the bottle, and writing the technical benefits of the wine on the website or on the label and maybe getting a score. The focus for so long has been if we put good wines on the bottle and we write about this percentage of oak, and how many percents is this grape and that grape, that's all we need to do, and they really don't understand that actually there are a lot of brands that are extremely successful and the wine in the bottle is pretty terrible. It isn't about putting the best wine in the bottle alone, it's about the combination...

We encountered hundreds of passages concerned with how wineries embrace their own “unique” story and used that to breathe life, personality and character into their brands and wineries. When a winery is committed to the idea of telling a more authentic brand story it may look something like this passage from the leader of a large, successful Italian winery with a long heritage:

In the mid-20th century, with the purchase of the magnificent Villa Novare in the Valpolicella, together with its 220-hectare estate, [Winery] finally brought to fruition a 50-year research project aimed at producing “The Wine”, a wine born to live forever. It is here that the story of Amarone starts...the symbol of the land from which it is born.

Or the story may begin like this passage from a winery's website:

Can wine and art come together to create an experience as lofty as Olympus and as lusty as the rascal Bacchus? We think so. Here's our story...

¹ Waipara and Marlborough, New Zealand; Margaret River and Barossa Valley, Australia; Napa and Sonoma, California; Walla Walla, Washington; Willamette Valley, Oregon; Veneto, Italy

Stories ranged from why a family decided to become wine makers, to being owned by an indigenous New Zealand Maori tribe member, to a history of the land such as this passage from a marketing brochure:

[Winery] rests on the slopes of an ancient volcano. Over thousands of years, erosion helped create the terrain, soils and characteristics that make our wines unique. Our vineyards sit on land once farmed by Oregon pioneers who took to the unique location despite its challenges and lack of water. We are proud to be part of its story.

Finally this passage from an interview emphasizes the importance of consistent reinforcement and expansion of the brand story:

And first and foremost it's about wine but inherently food and wine go together and locally sourced food like the vineyard in which all the fertility is kept within that one closed circle, it all kind of plays into the same idea and the same concept of what we're trying to do and so you just kind of keep on painting the same picture but truer and broader sense of branding and story.

3.2 Co-creating the Story

We also discovered numerous wineries committed to an alternative approach, one of creating a unique memorable experience for consumers and leveraging consumers' own memories as the story they could tell. Here wineries were actively enticing consumers to immerse themselves in an experience. Following is an example from a winery marketing brochure:

Our new tasting room was unveiled to the public in April 2009. For the first time in our company's history, we are now able to match the facility to the high level of hospitality, customer service and wine quality that we provide to our visitors. This well thought-out and designed space offers beautiful views of our vineyard. With an emphasis on upper-tier pinot noirs and a tour program created to provide our guests an elegant experience, the tasting room is a "must visit" destination during your next stay in wine country.

Some wineries will play to a casual, friendly experience such as:

Almost all of [Winery's] limited production is sold to a loyal community of customers directly from the winery and through their wine club. ...If you've not been to [Winery], you owe it to yourself to visit and experience the unique wines and special atmosphere. They are "dog friendly" and picnickers are also welcome...

Others have gone further to actively co-create a wine-drinking experience at the point of sale using social media as described by one participant:

I created columns in Tweet Deck for a number of national restaurant chains that we have a national placement with, meaning every location of Bone Fish Grill or Seasons 52 across America, or McCormick & Schmick's, is going to sell [winery] Pinot Gris by-the-glass... whenever someone tweeted "just sat down and McCormick & Schmick's" they might get a response from [winery] saying: "Hey if you feel up to something new, try our Pinot Gris. It's available by the glass." And that's been recognized as a really innovative and unique approach, and what I love about it is the fact that never before has a winery had access to a consumer at the point of purchase in the on-premise environment. And not only that, but people on Twitter who are putting out a message

that they've just sat down at a restaurant are so open to the power of suggestion and interaction. The reason they are saying "I'm sitting down at McCormick & Schmick's" is they want someone to respond... In one instance a woman in Florida tweeted that she was in one of those restaurants. I replied. She said she tried the wine and loved it. She was on her second or third glass now. It turned out she was an LPGA pro with a pretty big twitter following of her own. So one assumes a lot of her followers might have been encouraged to try this wine too, and for weeks later she was still tweeting about the wine.

There are many kinds of experiences wineries were creating for and with consumers as well as business customers. The following passage from an interview reflects a solid understanding of the power of creating experiences with distributors who then carry the story forward to retail customers.

I've had reps come over for two or three weeks at vintage just to get a bit of a grounding and that does make an ambassador for life pretty much. If they do that and enjoy the experience they'll go back and they'll tell everybody that they were at the vintage, I assume they'll sell a lot of that particular vintage and it still will be an investment for you afterwards as well.

We came across some wineries leveraging both kinds of stories at once – ones of their own while also creating and marketing memorable experiences. However, most wineries typically would be committed to one form or the other. So what does this mean? When do or should one be used over the other? Our data suggest that managers at wineries with long heritages and particularly those within Old World wine regions tend to adopt the more resource intensive “telling our story” approach. Managers at smaller or boutique wineries seemed to adopt the “co-creative from experience” strategy because it can be a more efficient use of limited marketing resources.

4. CONCLUSIONS AND IMPLICATIONS

The importance of storytelling in marketing is not new. However, understanding the various ways brand stories can be effectively used is and thus makes a contribution to marketing in the wine industry. Our interpretations suggest that either approach to storytelling can work, but its effectiveness depends on the resources of the winery. If “telling a story” is the strategy chosen, the story must be consistent, genuine, compelling and unique. This approach requires more integrated marketing messaging across media forms, which is generally a better match for larger wineries.

If “co-creating” is the strategy chosen, investments must be made into creating a special and unique experience that will create such a powerful memory that customers will become ambassadors for the brand. Ultimately, a co-creative approach draws customers in and enables them to fuse their world-view with the winery, thus internalizing the experience and brand. It enables wineries to use limited resources more efficiently because the consumers themselves become marketers. For example, personal experiences can be conveyed through social media, reaching many others very quickly. This approach, therefore, appears to be more appropriate for smaller, boutique wineries.

5. REFERENCES

- Arnould, E. J. and Wallendorf, M. (1994), "Market-oriented ethnography: interpretation building and marketing strategy formulation", *Journal of Marketing Research*, Vol. 31, No. 4, pp. 484-504.
- Chronis, A. (2012), "Tourists as story builders: narrative construction at a heritage museum", *Journal of Travel & Tourism Marketing*, Vol. 19, No. 6, pp. 444-459.
- Escalas, J. E. (2007), "Self-referencing and persuasion: narrative transportation versus analytical elaboration", *Journal of Consumer Research*, Vol. 33, No. 3, pp. 421-429.
- Glaser, B.G. (1992), *Basics of grounded theory analysis*, Sociology Press, Mill Valley, CA.
- Herskovitz, S. and Crystal, M. (2010), "The essential brand persona: storytelling and branding", *Journal of Business Strategy*, Vol. 31, No. 3, pp. 21-28.
- LaTour, K., LaTour, M. S., and Zinkhan, G. M. (2010), "Coke is it: how stories in childhood memories illuminate an icon", *Journal of Business Research*, Vol. 63, No. 3, pp. 328-336.
- Oliver, K., von Wallpach, S. and Kreuzer, M. (2010), "Multi-method research on consumer-brand associations: comparing free associations, storytelling and collages", *Psychology & Marketing*, Vol. 27, No. 6, pp. 584-602.
- Ramaswamy, V. and Gouillart, F. (2010), *The Power of Co-creation*, Free Press, New York, NY.
- Thompson, C. J., Locander, W.B. and Pollio, H.R. (1989), "Putting consumer experience vback into consumer research: the philosophy and method of existential-phenomenology", *Journal of Consumer Research*, Vol. 16, No. 3, pp. 133-146.
- Thompson, C.J. (1997), "Interpreting consumers: a hermeneutical framework for deriving marketing insights from the text of consumers' consumption stories", *Journal of Marketing Research*, Vol. 34, No. 4, pp. 438-456.
- Woodside, A. (2010), "Brand-consumer storytelling theory and research: introduction to a Psychology & Marketing special issue", *Psychology & Marketing*, Vol. 27, No. 6, pp. 531-540.