

U.S. Wineries Use Social Media to Engage Consumers, Improve Brand Image and Increase Revenue

Marianne McGarry Wolf

California Polytechnic State University, USA

mwolf@calpoly.edu

Mitch Wolf

California Polytechnic State University, USA

mjwolf@calpoly.edu

Purpose: The objectives of this research are to examine: the social media used by wineries, how wineries use social media, and how wineries perceive social media impacts their brand image and revenue. In addition, this research examines differences in social media behavior between larger and smaller wineries.

Methodology: This research uses a survey instrument to conduct a telephone interview of 140 coastal wineries in California. Most of the wineries were from San Luis Obispo and Santa Barbara counties. Questions concerning social media use are examined and comparisons are made using chi-square tests between the larger wineries that produce 20,000 or more cases and the smaller wineries that make less than 20,000 cases. The wineries that produce more than 20,000 cases are 24% of the sample.

Findings. This research shows that wineries believe there is value in using social media. Over three-fourths believe that social media is at least somewhat important to winery sales and attracting visitors to their tasting rooms. The top 10 social media/technology options used by the wineries are: Facebook, winery website, emails, sales on website, Twitter, Yelp, Instagram, a winery blog, YouTube and Pinterest. Larger wineries use more types of social media and technology and observe more benefits from using them. Facebook and websites are perceived to provide the most positive impact on brand image and winery revenue for all respondents. Two-thirds of larger wineries perceived a positive brand image impact from Twitter.

Practical implications: The implications of this research are that wineries will improve their brand image and revenue by developing a strong social media marketing campaign with a strong website. Additional research will be conducted among more wine regions.

Key Words: Winery Social Media, Facebook, Winery Website, Brand Image

Copyright 2014 Marianne McGarry Wolf and Mitch Wolf. All rights reserved. Readers may make verbatim copies of this document for non-commercial use by any means, provided that this copyright notice appears on all copies.

U.S. Wineries Use Social Media to Engage Consumers, Improve Brand Image and Increase Revenue

1. BACKGROUND

Wine is an experiential product. Further, it is a fragmented category with over 3,600 individual brands (Howard, 2012). For an individual brand to attract consumers and retain consumers it is important to engage them and add value. One way to engage consumers is to interact with them. The wine industry is an industry that is embracing social media (Vinography, 2012). Wineries are using social media to reach their consumers and reveal their brand quality and personality (The Tribune, 2011).

Social media use has surged in the past decade. According to PEW Research 57% of US adults use Facebook and 64% of them use it daily (Smith, 2014). Patrick Bouquet of Able Social Media Marketing conducted a survey of 165 US wineries in 2012 (Bouquet, 2012). The Abel research revealed that 94% of US were on Facebook.

The objectives of this research are to examine: the social media used by wineries in the coastal San Luis Obispo region, how they use social media, and how they perceive social media impacts their brand image and revenue. Further, differences are examined between larger and smaller wineries.

2. METHODOLOGY

This research uses a survey instrument to conduct a telephone interview of 153 coastal wineries in California during October and November of 2013. Most of the wineries were from San Luis Obispo and Santa Barbara counties. All wineries in the San Luis Obispo County were contacted and wineries in Santa Barbara County, the adjoining county, were contacted when San Luis Obispo County wineries did not respond to the phone interview request. Questions concerning social media use are examined and comparisons are made using chi-square tests between the larger wineries that produce 20,000 or more cases and the smaller wineries that make less than 20,000 cases. The wineries that produce more than 20,000 cases are 24% of the sample. There were 140 usable responses from wineries that responded to the number of cases produced.

3. RESULTS

3.1 Winery Demographics

Average case production for the sample is 21,943 and the respondents produce a total of 3.07MM cases. The average case production for the larger wineries is 74,242 and the average production for the smaller wineries is 5,813. The average number of brands for both the larger and smaller wineries is 3.11. The total number of brands represented by the wineries interviewed is 473. Approximately half of the wineries, 53%, report using sustainable production methods and 24% are certified sustainable. Organic and biodynamic production are used by 16% and 10% of respondents. Conventional production methods are used by 47% of respondents. Most of the wineries sell wines in the ultra premium price ranges. The larger wineries are more likely to sell lower priced wines in the ranges \$9.50 through \$23.49. However, most of the wineries interviewed sell wines priced above \$23.50.

3.2 Social Media Usage

All respondents engage in some type of advertising. Most respondents, 95%, use social media. The larger wineries were more likely to use newspapers, radio and TV advertising (Table 1).

Table 1: Media Used	Larger (%) (N=34)	Smaller (%) (N=106)	Total (%) (N=140)	P-Value ¹
Social Media	100.00%	93.50%	95.00%	0.132
Website	100.00%	99.10%	99.30%	0.577
Newspaper	48.50%	22.40%	28.60%	.004**
Radio Advertising	48.50%	18.70%	25.70%	.001**
TV Advertising	21.20%	6.50%	10.00%	.014**
Other	69.70%	84.10%	80.70%	0.143

¹Chi-square test ** Significant at .05 level * Significant at the .1 level

The top 10 social media options used by the total sample are: Facebook, winery website, emails, sales on website, Twitter, Yelp, Instagram, a winery blog, YouTube and Pinterst (Table 2). Large wineries are more likely to use sales on the website, Twitter, Instagram, Yelp, YouTube, Pinterest, TripAdvisor, LinkedIn, FourSquare, sales through Amazon, a QR code, and an app.

Table 2: Social Media Used	Larger (%) (N=34)	Smaller (%) (N=106)	Total (%) (N=140)	P-Value
Facebook	100.0%	94.4%	95.7%	.164
A Winery Website	97.0%	86.9%	89.3%	.103
Sales on the website	90.9%	61.7%	68.6%	.002**
Twitter	81.8%	52.3%	59.3%	.003**
Emails to customers	78.8%	68.2%	70.7%	0.244
Instagram	72.7%	38.3%	46.4%	.001**
Yelp	69.7%	48.6%	53.6%	.034**
YouTube	57.6%	26.2%	33.6%	.001**
Pinterest	48.5%	20.6%	27.1%	.002**
Winery Blog	42.4%	35.5%	37.1%	0.473
Trip Advisor	36.4%	16.8%	21.4%	.017**
LinkedIn	24.2%	10.3%	13.6%	.041**
Foursquare	24.2%	10.3%	13.6%	.041**
Google+	21.2%	10.3%	12.9%	.101
Sales through Amazon	15.2%	5.6%	7.9%	.075*
A QR code	15.2%	4.7%	7.1%	.041**
An App	15.2%	5.6%	7.9%	.075*

Groupon	9.1%	2.8%	4.3%	.119
Tumblr	6.1%	3.7%	4.3%	.565
Text messages	3.0%	2.8%	2.9%	.946
Other	93.9%	96.3%	95.7%	.258

¹Chi-square test ** Significant at .05 level * Significant at the .1 level

Wineries post on social sites 4.18 times per week. Larger wineries engage with their consumers more often, 6.27 times each week. Smaller wineries post 3.47 times each week. Posting pictures, stories and videos are the top three uses of social media by wineries (Table 3). Larger wineries are more likely to post stories, post videos, respond to negative feedback, ask fans and followers questions about themselves, ask fans or followers to post ratings of their wines and create contests to increase interaction.

Table 3: How Use Social Media	Larger (N=34)	Smaller (N=106)	Total (N=140)	P-Value ¹
Post pictures	100.0%	92.5%	94.3%	0.106
Post stories	93.9%	76.6%	80.7%	.028**
Post videos	84.8%	55.1%	62.1%	.002**
Respond to positive feedback	63.6%	45.8%	50.0%	0.073*
Respond to negative feedback	60.6%	35.5%	41.4%	.011**
Ask fans/followers questions about themselves	57.6%	30.8%	37.1%	.005**
Ask fans/followers to post ratings of wines	48.5%	15.9%	23.6%	.000**
Follow back and interact	45.5%	32.7%	35.7%	0.182
Make special offers	45.5%	36.4%	38.6%	0.353
Give price discounts	36.4%	25.2%	27.9%	0.212
Encourage employees to take photos of guests with their own devices to encourage sharing	33.3%	28.0%	29.3%	0.559
Link one social site to another social site	33.3%	38.3%	37.1%	0.604
Create contests to increase interaction	30.3%	13.1%	17.1%	.022**
Use the winery's device to take photos of guests and upload on your social media site(s)	27.3%	26.2%	26.4%	0.9
Offer volume discounts	18.2%	14.0%	15.0%	0.558
Offer incentives for reviews	12.1%	6.5%	7.9%	0.298
We do not use social media	0.0%	3.7%	2.9%	0.26
Other	90.9%	92.5%	92.1%	0.349

¹Chi-square test ** Significant at .05 level * Significant at the .1 level

3.3 Social Media Impact

Most wineries believe their Facebook and winery website have a positive impact on their brand image (Table 4). More than a third of the wineries also perceive website sales, emails to customers, Yelp, and Twitter have a positive impact on brand image. Larger wineries use more social media and are more likely to indicate that their Facebook, Twitter, Instagram, Pinterest, LinkedIn, and sales through Amazon have a positive impact on their brand image than smaller wineries. Further, most wineries believe Facebook, winery website and website sales have a positive impact on revenues. More than a third of the wineries also perceive emails to customers and Yelp have a positive impact on revenue. Larger wineries are also more likely to indicate Twitter, Instagram, Pinterest, sales through Amazon, google+ and an app have a positive impact on their revenues than smaller wineries. The second most important social media for larger wineries' brand image is Twitter and half of the larger wineries perceive a positive impact on revenue from Twitter.

Table 4: Positive Impact on..	Brand Image Larger (%) (N=34)	Brand Image Total (%) (N=140)	Revenue Larger (%) (N=34)	Revenue Total (%) (N=140)
Facebook	97%*	88.6%	78.8%	72.9%
A Winery Website	63.6%	68.6%	63.6%	62.9%
Sales on the website	39.4%	42.9%	57.6%	50.7%
Emails to customers	42.4%	40.7%	42.4%	42.9%
Yelp	39.4%	43.6%	45.5%	40.0%
Twitter	66.7%**	44.3%	51.5%**	32.9%
Instagram	48.5%**	30.0%	36.4%**	19.3%
Winery Blog	21.2%	27.1%	18.2%	16.4%
Trip Advisor	15.2%	14.3%	18.2%	11.4%
YouTube	27.3%	18.6%	18.2%	10.7%
Pinterest	30.3%**	15.0%	18.2%**	7.1%
Foursquare	6.1%	6.4%	6.1%	5.0%
Sales through Amazon	9.1%*	3.6%	12.1%**	5.0%
Google+	9.1%	6.4%	9.1%*	3.6%
LinkedIn	12.1%	5.7%	9.1%	3.6%
Groupon	3.0%	1.4%	3.0%	1.4%
Text messages to customers	3.0%	1.4%	3.0%	1.4%
An App	6.1%	2.9%	3%*	0.7%
Tumblr	0.0%	0.7%	0.0%	0.7%
A QR code	6.1%	2.9%	0.0%	0.0%
None of the above	0.0%	1.4%	0.0%	2.9%

Chi-square test ** Significant at .05 level * Significant at the .1 level

Most wineries indicate that social media is at least somewhat important for their sales and to attract visitors to tasting rooms (Table 5). Overall, 40% of wineries indicate that social media is extremely or very important for their sales. Further, 44% of wineries with tasting rooms believe that social media is extremely or very important in attracting visitors to their tasting rooms.

Table 5: Social Media Importance	Winery Sales	Attract Tasting Room Visitors
	Total (%) (N=140)	Total (%) (N=133)
Extremely important	10.7%	14%
Very important	29.3%	30%
Somewhat important	38.6%	43%
Not very important	19.3%	11%
Not important at all	2.1%	1%

4.0 MANAGEMENT IMPLICATIONS

This research shows that wineries believe there is value in using social media. Over three-fourths believe that social media is at least somewhat important to winery sales. Further, 82% of wineries with tasting rooms believe social media is at least somewhat important in attracting visitors to their tasting rooms. The top 10 social media/technology options used by the wineries are: Facebook, winery website, emails, sales on website, Twitter, Yelp, Instagram, a winery blog, YouTube and Pinterest.

Larger wineries post more often and use more types of social media and technology. Larger wineries observe more benefits from using social media. Over half of the larger wineries perceive a positive impact on brand image and revenues from Facebook, a winery website, and Twitter. Website sales are perceived to have a positive impact by more than half of the larger and smaller wineries. Smaller wineries should adopt the social media practices of larger wineries to reap the benefits. The implications of this research are that wineries will improve their brand image and revenue by developing a strong social media marketing campaign with a strong website.

Since this research was conducted among wineries in the coastal California region among ultra-premium wineries, additional research among wineries in other regions will be conducted to examine if wineries from other regions have observed similar benefits from using social media.

Reference

Bouquet, Patrick, "Social Media Marketing in the American and French Wine Industry in 2012," Able Social Media Marketing, May 2012,
<http://www.slideshare.net/pierrickbouquet/social-media-marketing-in-the-american-and-french-wine-industry-in-2012>

Howard, Phil, Terra Bogart, Alix Grabowski, Rebecca Mino, Nick Molen and Steve Schultze, "Concentration in the U.S. Wine Industry," Michigan State University, December 2012

Smith, Aaron, "6 new facts about Facebook," Pew Research Center, February 3, 2014,
<http://www.pewresearch.org/fact-tank/2014/02/03/6-new-facts-about-facebook/>

The Tribune, "Wineries tap social media in marketing Sites such as Facebook and Twitter can be potent sales tools but require a deft touch," Retrieved on Friday, Sep. 02, 2011 at
<http://www.sanluisobispo.com/2011/09/01/1739602/wineries-tap-social-media-in-marketing.html>

Vinography: a wine Blog, "SocialMedia and the Wine Industry: A New Era," February 2, 2012,
http://www.vinography.com/archives/2012/02/social_media_and_the_wine_indu.html