



# CONSUMER DIRECT

Automated Wine  
Marketing Report

January 2020

## EXECUTIVE SUMMARY

## IN THIS REPORT

# Benchmarks & Best Practices for Automated Wine Marketing

Learning from the experience of successful national brands, a growing number of direct-to-consumer (DTC) wineries have turned to automated marketing as a tactic to better engage their customers and sell more wine.

By surveying the early adopters of this technology in the wine industry and documenting their results, growth-oriented wineries can assess their potential to benefit from automated wine marketing.

That's why we created the **VinQuest 2020 Automated Wine Marketing Report**.

### About VinQuest 2020

In partnership with the Wine Industry Network, VinterActive LLC created the industry's first flash survey on automated wine marketing.

Based on survey results, this report measures the DTC sales impact of automated wine marketing, documents the primary benefits associated with this technology, and identifies the most productive automated wine marketing campaigns used by industry leaders.

### Wine Sales Impact

In 2019, wineries using automated marketing were motivated by lower-than-average sales growth during the prior year. Since adding automation to their marketing mix, these early adopters are forecasting above average DTC sales growth in 2020.

### Benefits of Automation

Wineries using automated marketing report improved customer service and better customer engagement were the most common benefits, followed by increased wine sales and improved personalization.

### Effective Automated Campaigns

New customer welcome sequences were the most effective and most commonly used automated wine marketing campaigns in 2019. Personalized product offers and abandoned cart reminders also performed well for early adopters of automation.

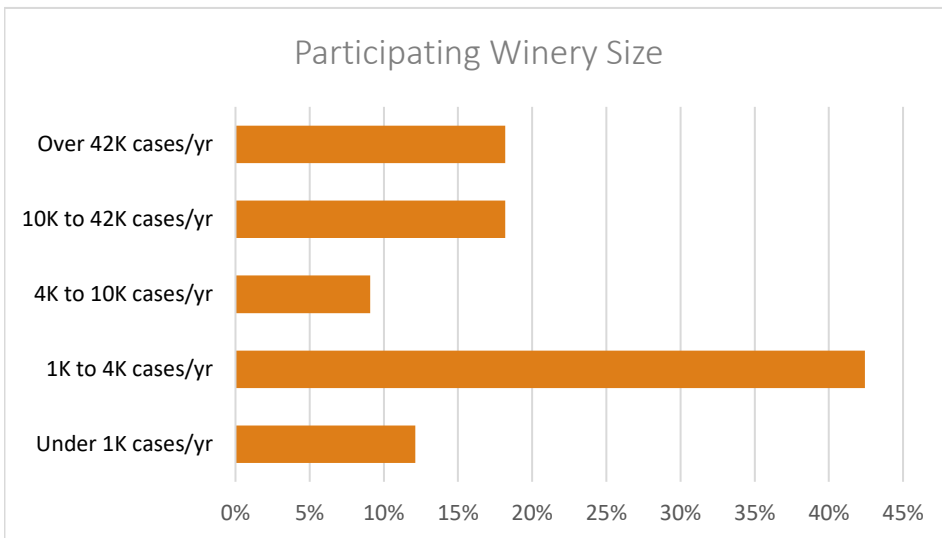
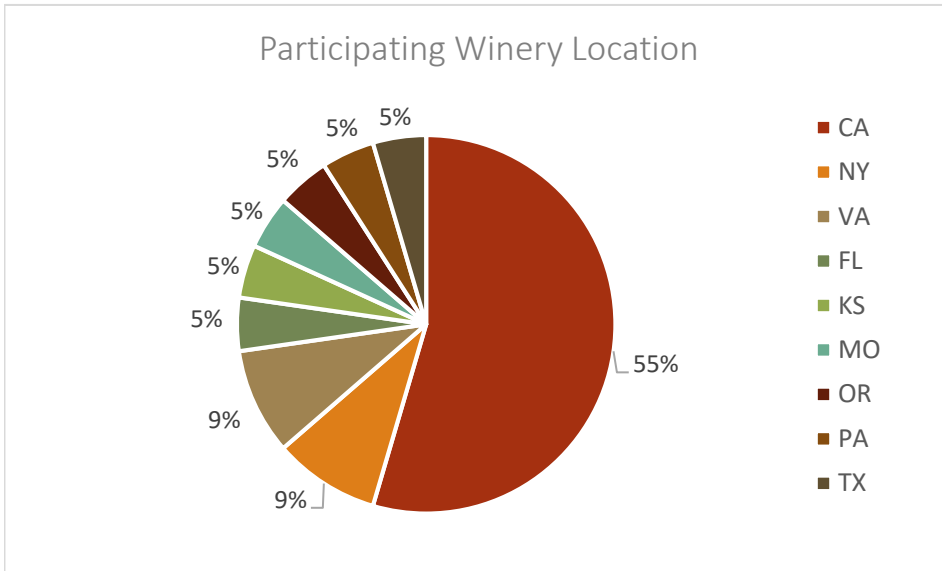
### Outlook for the Future

Despite some barriers to implementation, current users plan to increase spending on automated marketing next year, while 30% of non-users plan to start automating their wine marketing in 2020.

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# About VinQuest 2020



## Research Methodology

Recent breakthroughs in wine marketing technology have opened the door for wineries of all sizes to benefit from automated marketing.

To further understand the emerging role of automation in consumer direct wine sales, VinterActive LLC and the Wine Industry Network worked together to produce the **VinQuest 2020 Automated Wine Marketing Report**.

Research for this report was conducted using an online 10-question survey that was offered to U.S. wineries willing to exchange confidential consumer sales data for research results.

Invitations were sent to winery personnel who participated in prior *VinQuest* wine industry research, and the survey was featured prominently by the *Wine Industry Network* during October/November 2019.

## Survey Participants

Despite significant disruptions caused by wildfire, mass evacuations, and power outages that effected many participating wineries during our research period, this flash survey was completed by 35 wineries from nine U.S. states.

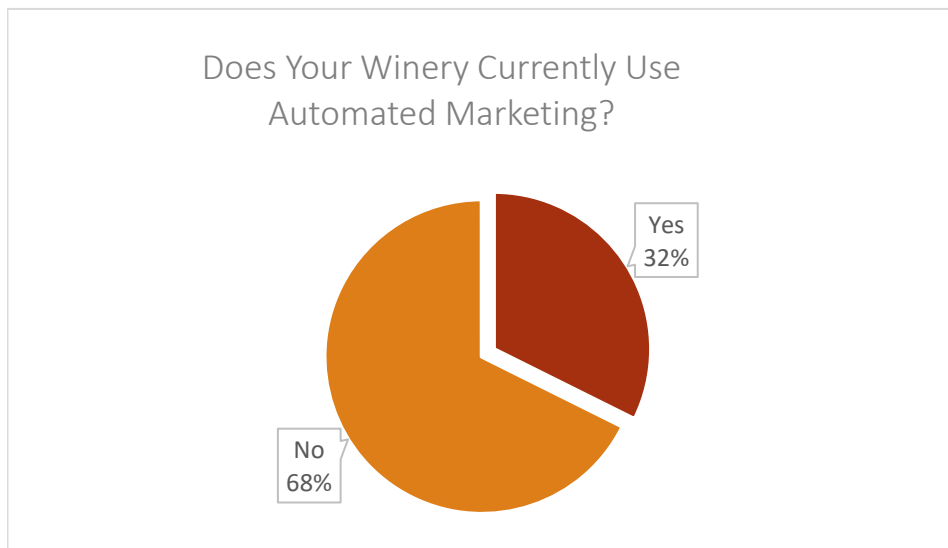
Winery participants reflected the geographic focus of recruiting, resulting in a concentration of Sonoma County and Napa Valley wineries. California vintners were well represented, comprising 55% of all survey responses.

Case production varied from 200 cases to over 370,000 cases per year with most participating wineries producing less than 10,000 cases per year.

The median case production of participating wineries was 4000 cases per year, similar to the U.S. median. But the average size of participating wineries and their reliance on DTC sales were likely skewed due to participation by several mid-sized and larger vintners.

While further research is warranted, the results reported by these wineries offer a tantalizing glimpse of the benefits and best practices of automated wine marketing.

# Automated Marketing Benchmarks

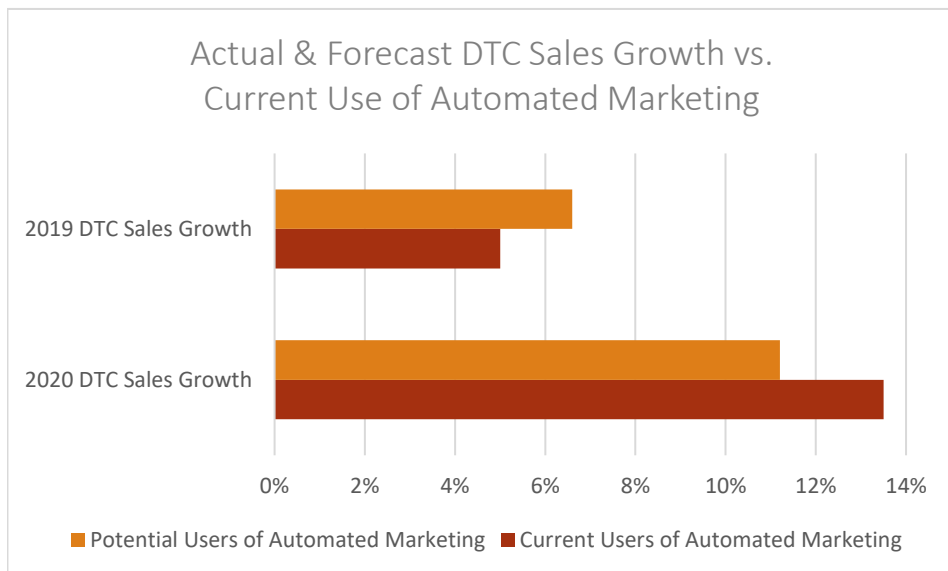


## Use of Automated Marketing

Publicized as a survey about the role of automated wine marketing, 32% of participating wineries reported that they currently use automated marketing technology.

Although the prevalence of automated wine marketing was likely magnified by our recruiting efforts, wineries currently using automated marketing were similar to their peers in terms of size, price, and reliance on direct sales.

But when compared by DTC sales growth, significant differences were seen between current users and potential users of automated wine marketing.

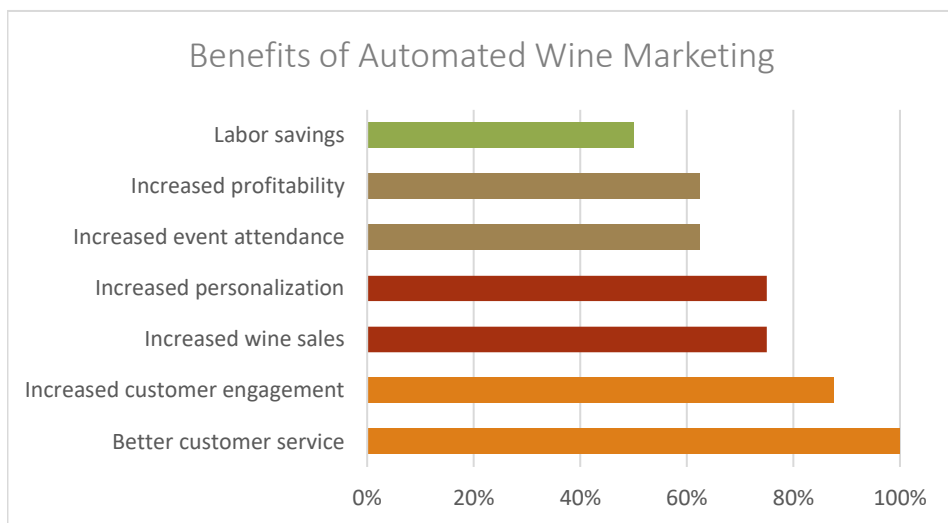


## Impact on DTC Sales Growth

In the 12 months before this survey, wineries currently using automated marketing experienced slower DTC sales growth compared to industry averages.

But when asked to forecast DTC sales growth over the next 12 months, current users of automated marketing expect faster sales growth compared to non-users.

- Users of automated marketing reported 5% DTC sales growth in 2019.
- While wineries with no automated marketing grew DTC sales 7% in 2019.
- Users of automated marketing forecast 14% DTC sales growth in 2020.
- Wineries with no automated marketing forecast 11% DTC sales growth in 2020.

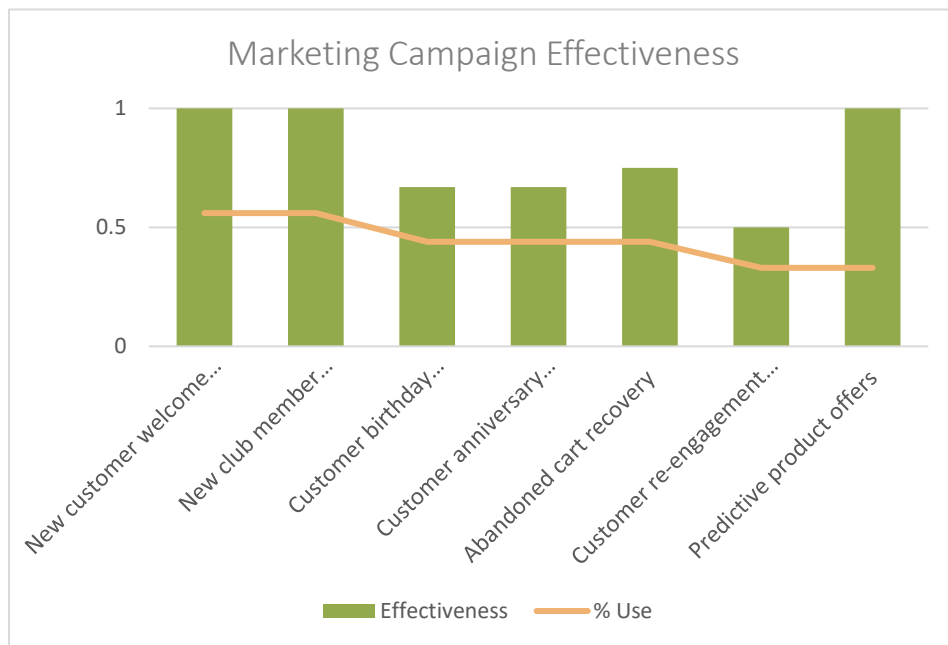


## Key Benefits of Automation

The rosy sales forecasts reported by wineries currently using automated marketing were likely related to the benefits they experienced, including:

- Better customer service
- Increased customer engagement
- Increased wine sales
- Better personalization
- Increased event attendance
- Increased profitability
- Labor savings

# Best Practices & Barriers to Success

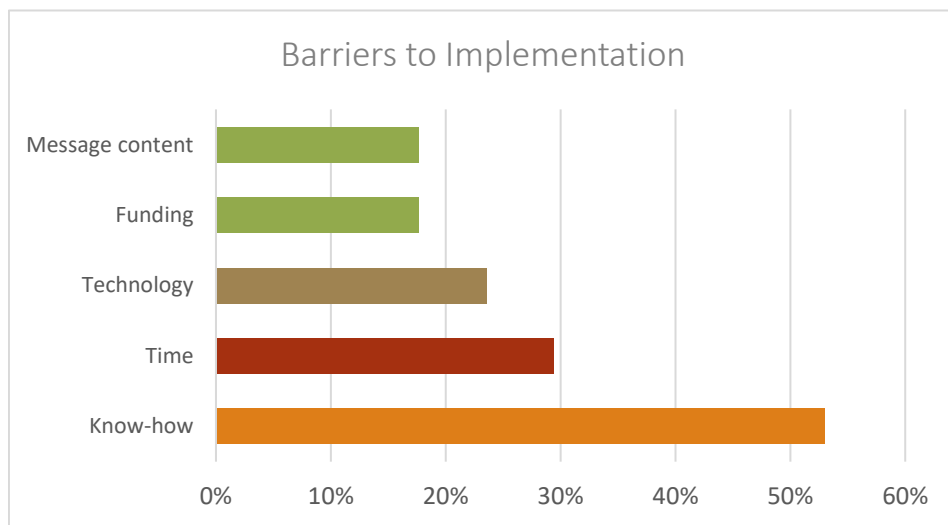


## Top Automated Campaigns

The most popular automated wine marketing campaigns reported by survey participants were also two of the most effective, according to current users of automated marketing.

“Welcome” sequences for new retail customers and wine club members were used successfully by 56% of respondents who rated their marketing effectiveness as “average,” while equally effective predictive product offers were used by 33% of participating wineries.

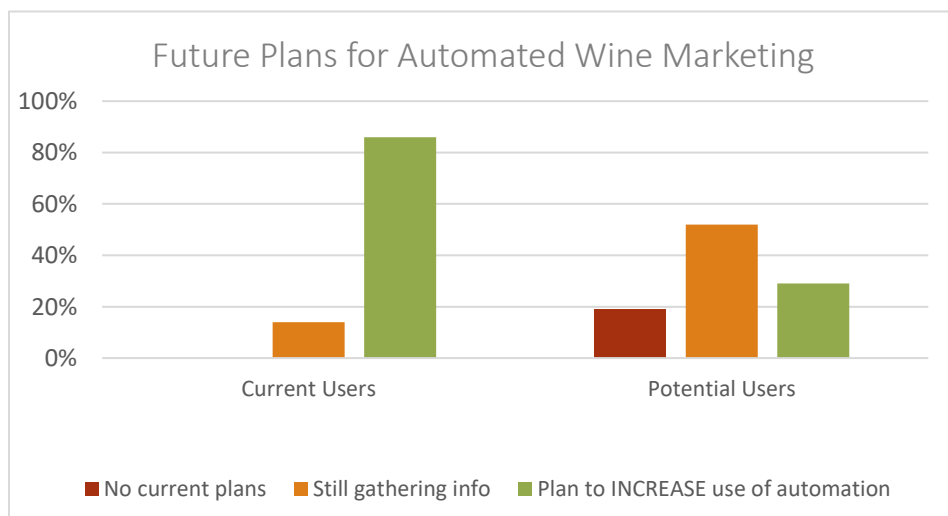
More wineries successfully used campaigns such as abandoned cart reminders, birthday, anniversary, and customer re-engagement campaigns, but their marketing effectiveness was rated “below average.”



## Barriers to Success

Among the majority of wineries who are not using automated marketing, a lack of know-how was cited by over 50% of respondents, followed by a lack of time and money to investigate and implement an automated wine marketing solution.

Barriers to success reported by current users of marketing automation focused on technology issues and the challenges of managing the content needed to support ongoing automated campaigns.



## Future Plans for Automation

Based on their early success with automated wine marketing, 86% of current users are planning to increase their investment in automated marketing next year.

None of the current users of automated marketing surveyed planned to reduce their investment in 2020.

For wineries not currently using automated marketing, 19% have no plans to do so in 2020, while 52% of wineries plan to gather more information.

Nearly 30% of the wineries not currently using automated marketing plan to adopt this technology in the coming year.



## Conclusions

Results from the wine industry's first survey on automated wine marketing reveal a growing interest in a proven technology that, until recently, has been out of reach for most wineries.

Early adopters of automated wine marketing report better customer service, increased customer engagement, and growing DTC wine sales as a result of their investment in automated technology.

With wineries across the nation feeling the heat of growing competition from other wine country attractions, the success reported by early adopters provides ample reason to be optimistic.

Based on their success in 2019, early adopters are planning to double-down on automated wine marketing in 2020.

For wineries that have yet to embrace the automated technologies used by national brands, interest remains high, with 50% of the wineries participating in this year's survey actively weighing their options, while another 30% are already planning to add these capabilities in 2020.

As automated marketing becomes more widely available in the wine industry, further research is warranted on the best practices of this emerging technology.

### About VinterActive

Established in 2002, VinterActive LLC is a wine industry leader in the research and practice of consumer direct sales and marketing.

### Wine Industry Research

VinterActive's VinQuest™ research is widely used by U.S. wineries, industry associations, and policy-makers seeking useful insight into consumer behavior, industry trends, and best practices.

### Automated Wine Marketing

VinterActive's PreferencePro™ automated wine marketing system has sold millions of dollars of wine for both large and small wineries across the U.S.

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