The most profitable way to sell wine has always been to sell it directly to the consumer. When you add middlemen such as distributors and retailers, the margins shrink as each takes their share of the profit off the top. For most wineries, especially smaller ones, this means that their primary hub of profitability is the tasting room.

For visitors wandering through wine country, whether in California, Virginia, Oregon or some of the other emerging wine regions across the country, the tasting room is often their first exposure to your winery. They come in because they saw a sign from the road, an ad in a magazine or a referral from a friend. If they don’t already know your wines they will be open—open to learning something new and having fun, and open to perhaps discovering a new favorite wine, one that will keep them coming back for years. The question is, are you doing everything possible during your customer’s visit to maximize the current and future selling opportunities?

What can be done to increase direct-to-consumer sales, and the healthier profits they bring? According to Tammy Boatright, owner of VingDirect, the first thing to evaluate is whether or not the winery is achieving its financial goals. “If they are, that’s a good indication they’re meeting their own expectations,” she said. “At some point however, they’ll need to measure their performance against their peers. It’s very important to set a benchmark and compare themselves against wineries of like size and in the same general location.”

Often wineries, like other small businesses, can lose sight of the big picture while trying to deal with the day-to-day business of keeping the doors open. “We sometimes find a disconnect in wineries that want to grow their direct-to-consumer sales but continue doing what they’ve always done while expecting different results,” said Boatright. “But it takes planning to be successful.”

The urge to discount in troubled times is tempting and difficult to resist, but it can end up cutting deeply into profits and threatening future sales as well. Elizabeth Slater, owner of In Short Direct Marketing, said that “Often when things aren’t selling fast enough the first thing wineries will do is offer dis-
counts. But when they do this they are training consumers to only buy at discounted prices. Almost everyone offers case discounts; that’s fine. But when you start doing fifty-percent off sales you might as well have a tattoo on your forehead that says, we don’t think our wine is worth full retail.”

Instead of discounting individual bottle prices, said Slater, you can add value. She pointed out that wineries can give people things that will add value without reducing the wine price. For example, if you buy a case, you’ll get two free wine glasses or a corkscrew. Or if you join the wine club your tasting is free. It’s a way to add value, but not on the back of your wine prices.

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ELIZABETH SLATER, IN SHORT DIRECT MARKETING

without reducing the wine price. For example, if you buy a case, you’ll get invited to the next winery event, or you’ll get two free wine glasses or a corkscrew. Or if you join the wine club your tasting is free. It’s a way to add value, but not on the back of your wine prices.

“If you give them a glass or a corkscrew it goes into a different place in their brains,” said Slater. “You’re doing something nice for them it’s a gift and can inspire them to reciprocate.

The very best thing a winery can do to help increase direct-to-consumer sales is to capture their visitors’ contact information when they come to the tasting room, according to Sheri Hebbeln, director of marketing at WineDirect. “You’ll want to be sure that you can re-market to people who are visiting, so you need to get their contact information,” she said. “Once you have that you can reach out to them later with loyalty programs and special offers.”

Slater agreed. “If you get nothing else, get their email address and phone number so you can contact them. Just because they didn’t buy something when they were there it doesn’t mean they won’t buy something later. But they sure as heck won’t buy if you can’t find them.”

In order to increase their direct-to-consumer sales, many wineries are going outside of the industry for help with consulting, sales training, point-of-sale software programs and other professional help. Although most have been slow to get on board, many wineries are putting more emphasis on social media, such as Facebook and Twitter. It’s actually possible now to sell wine on Facebook.

“We are seeing wineries becoming more strategic and actually focusing more of their budget and other resources on direct-to-consumer sales,” said Boatright. “They are using social media to draw more traffic to the tasting room. When it’s done well it can be successful. In the past, wineries utilized events mainly as a way to reward wine club members or attract attention. They are focusing now on quality, trying to get the ‘right kind of taster’ in the tasting room. The tasting room is still the primary acquisition channel. It all begins there. After they come in you can capture their contact information and that is what drives direct-to-consumer markets.”

Also, clear, definable, goals are essential, as well as a way to be sure those goals are being met. As Slater pointed out, “If you’re selling lots and lots of cases, but you’re discounting them, you may be missing your financial goals.”

There are high-tech systems available through firms such as VingDirect or WineDirect that can help your winery track sales and buying trends, capture customer information, and more. VingDirect offers a dashboard that collects data and statistics from members so they can track current trends through a point of sale system. WineDirect has developed an ecommerce Facebook site and an Ipad app that helps to easily capture visitor information. (Of course, technology aside, nothing beats a great tasting room employee who offers a friendly smile and a warm greeting for visitors.)

When you are able to connect with a customer, capture a customer’s contact information and use that information to skillfully build loyalty, those customers will become your ambassadors. Not only will they continue to buy from you, but they will proudly share their find with friends and family.