10 WAYS TO IMPROVE YOUR TASTING ROOM

WINEDIRECT

THE WINERY'S CHAMPION

Whether you already have a buzzing tasting room—or maybe a few—are looking for ways to drive traffic, or are considering opening one, there's a lot to think about. What kind of experiences should you offer? How much should you charge? How can you drive wine club conversions? Should you open a second location? In this eBook, we'll discuss ten key areas you should consider as you develop your tasting room strategy, and tips on how to improve.

1 / **Know Your Customer**

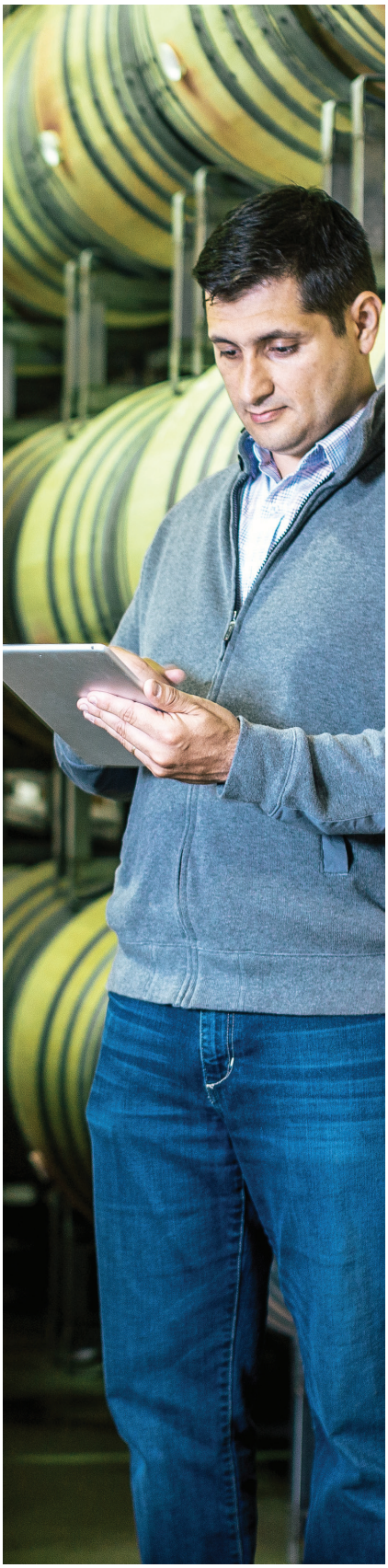
This may sound like a no-brainer, but it's critical to start with the basics. If you don't know who you're creating experiences for, how will you know what will be effective?

For example, maybe your winery caters to young professionals who live in urban areas far away from your winery and enjoy eating out and international travel. They enjoy buying wine to share with their friends and treat it more like a grocery than a collectable. Or perhaps your ideal customer is a Baby Boomer couple who are retired, like to entertain at home and collect fine art. Wine for them is a prestige item and they have a large cellar with wines from around the world.

TRY TO COME UP WITH A FEW DIFFERENT CUSTOMER "PERSONAS", fleshing out demographics and basic personal details. Consider why they buy from your winery and how your product fits into their lives. Use your customer relationship management (CRM) software to look at purchasing patterns, average order value, lifetime value, geographic location and age. If you have a sizeable following on Twitter or Facebook, you can use their built-in tools to identify your customers' interests.

The same exercise holds true if you don't have customers yet, or are trying to diversify your base.

©2018 Wine Direct. All rights reserved.



ANOTHER QUESTION TO CONSIDER HERE IS WHERE YOUR TASTING ROOM IS LOCATED, and how that impacts your guest profile. Tasting rooms located at your winery production facility or vineyard are very different from an urban satellite tasting room. On your own property, guests have likely traveled to wine country on a special trip, have done prior research on where they want to go – perhaps making a reservation – and may be planning to join a wine club or two, or at least buy a few cases of wine. They are there for the full experience and want to get to know your brand.

For this location, you should consider offering different reservation options – a full vineyard tour, library tasting or wine and cheese pairing. There will likely be a bigger focus on education about your vineyards, winemaking and brand.

Conversely, urban tasting rooms often function more like wine bars with more casual foot traffic, curious tourists who might be intrigued by your sign but haven't set out that day to invest a lot of time and money in your product. Or, maybe your satellite location functions as a "club house" for members close to their home where they can come in to pick up their shipments or bring friends to hang out.

Here, you might not take reservations at all, or only for large groups. Perhaps you stock more merchandise such as branded wine glasses and t-shirts. If you want to encourage people to come and hang out, offer soft seating, food (if you can) or other activities like board games.

©2018 Wine Direct. All rights reserved.

2 / Expand Your Funnel

Historically, driving tasting room traffic has often been done in a very low-tech way: relationships with local drivers, tour companies, concierges and neighboring wineries. Perhaps you've invested in some PR and been written up in a major newspaper or travel guide. Or some catchy roadside signage to attract people driving or walking by.

These are all good tactics, but as the world moves increasingly online, it's important that you do too. People increasingly – or exclusively – research trips online so spend time thinking about how they will find you there.

SOCIAL MEDIA Perhaps some of your club members post about their recent visit on Facebook, tagging you in the post. Their friends planning a visit to wine country see it, and click through to your page to learn more. Make sure that when they arrive, they'll see an appealing picture, an easy "contact us" link and up to date address, phone number and opening hours. You can also buy ads on social media to target your existing customers, their friends and people with similar interests to them.

REVIEWS TripAdvisor and Yelp are both used heavily by travelers researching activities, wineries and restaurants. Many wineries report having good success with TripAdvisor referrals in particular. To boost your rating, consider a campaign to your most loyal customers and ask them to post about their experience. If appropriate, incorporate the ask into your tasting room collateral encouraging guests to leave a review.

PPC (PAY PER CLICK) PPC refers to buying ads on search engines like Google and Bing. It's another way to get your brand in front of prospective buyers. You'll also often see that major wine retailers are running PPC ads with your brand name in them. This an easy place to start buying ads and a good way to retain share of voice when it comes to your own wine sales.

SEO (SEARCH ENGINE OPTIMIZATION) SEO sounds kind of jargon-y but it simply means: how easy is it to find your website when someone uses a search engine? If someone Googles your winery name, is your website the first thing that comes up? (Hint: it should be!) If they search for "Best wineries in Walla Walla", will they find you? What about "Vineyard tours in the Finger Lakes" or "Wineries with restaurants in Sonoma"? There are lots of free tools that make it easy to identify good keywords that you can use to target people who are looking for what you offer.

HINT: *Knowing who your target customer is will help you identify which keywords you should focus on.*

©2018 Wine Direct. All rights reserved.

3 / Consider Your Experience

You know who your target customer is and you've got some good ideas about how to attract them to your tasting room. But what will you offer them when they arrive?

One of the most important things to consider here is whether you'll take walk-in guests and/or offer reservations, and how much you'll charge. For most wineries, you'll probably do some of both and offer a more entry level tasting as well as higher-end experiences. Apart from researching your target demographic, one of the best things you can do to make this decision is to shop your neighbors and see what they're doing. Most people visit multiple wineries – in Napa Valley this number is 3.1 wineries per day – so chances are they'll be comparing their experience at your tasting room to someone up the road. If your neighbors are charging $5 for a tasting and offer a standing bar only, you might have trouble charging $20 and going appointment only.

However, no matter where you are located and what other people are doing, consider this statistic *from the 2017 Wine Business Monthly / Silicon Valley Bank survey*: only 3.75% of visitors at a standing tasting bar sign up for the wine club. If you give them a seat at the bar, that number climbs to 6%. If you offer a "casual or group" seated tasting, it goes up to 8% and if you offer a "private or formal" seated tasting it jumps to 23%.

The takeaway here is that you should strongly consider offering some kind of seated option, even if it is just a bar stool or a picnic table.

HINT: *another factor that drives wine club conversion is whether you allow your members to customize their shipments. Learn more about that in our Wine Club eBook.*

Another aspect of your tasting room experience to consider is how you can give your club members some extra perks. At the Hospitality townhall at the recent *DTC Wine Symposium* in Concord, CA, many tasting room managers said they reserve a special section of their tasting room for club members only. At Cambria in Monterey, CA, members are served their wine in large Burgundy bowl glasses instead of the standard glass other guests receive. This makes your members feel special, and also acts as a silent sales tool to incentivize other guests to sign up for the club.

©2018 Wine Direct. All rights reserved.

4 / Take Online Reservations

Once you know what experiences to offer and what to charge, consider adding online reservations to make it easy for your guests to book - and for your team to manage.

Offering online reservations is a great way to help your winery do the following:

GATHER DATA Get to know your guests before they even arrive by prompting them to answer some questions ahead of their visit, like if they are celebrating a special occasion or have a favorite varietal. You can do the same after their visit too, to gather feedback on service and make sure you're meeting guests' expectations.

UPSELL Provide tiers, like standard, reserve, and premium tastings. We've seen impressive results of up to a 55% increase in tasting fee revenue when venues offer tiered options, with the majority of guests choosing to elect the middle tier.

CROSS-SELL When given the option, up to 40% of customers will add supplements to their reservation, like a charcuterie plate or a picnic lunch. These add-ons increase your average check value and enhance your guest's experience at your winery.

COLLECT PAYMENT Guests are willing to pay in advance for a special experience. And when they do, you can bet they're going to show up. Wineries have experienced a 50% reduction in no-shows when they made the switch to prepaid reservations.

HINT: *WineDirect's partnership with Tock provides a seamless reservation process, and comes with a robust set of features that allow you to focus on delivering top-notch hospitality.*

©2018 Wine Direct. All rights reserved.

5 / Make Your Tasting Room Mobile

Imagine if after your romantic anniversary or group birthday dinner, you had to get up and go wait in line to pay at the cash register. Sounds terrible, right? If they offered it to you, how likely would you be to buy a coffee or dessert at that point? Probably less likely than if they had offered it to you tableside!

But that's exactly what we do when we force tasting room guests to "check out" at a fixed location. How much revenue have you lost to people who leave altogether, or who downsize their order, because they are waiting in a queue?

By using a *mobile point of sale (POS) system*, you can recapture much of this lost revenue by creating a more seamless guest experience and turning your entire winery into a tasting room. Instead of asking the guests enjoying a glass of wine on the patio to interrupt their nice afternoon and come inside to complete their transaction, with mobile POS you can do everything tableside. Sign people up for a club membership in the barrel room, sell a case in the vineyard, or easily process farmers market and event transactions.

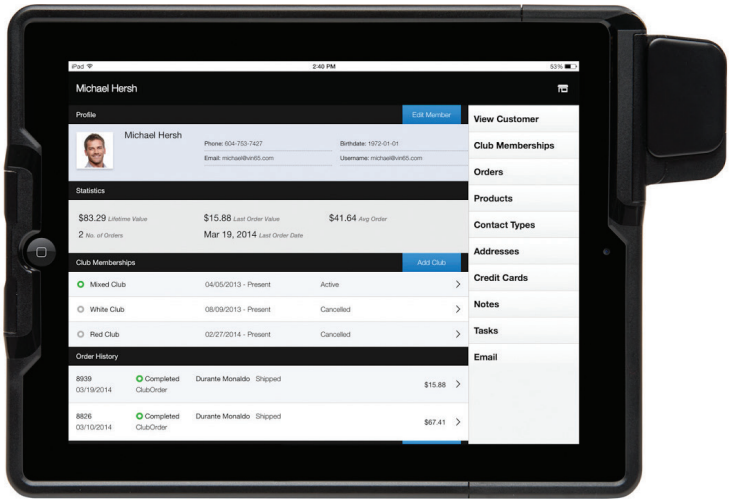
An added bonus is that mobile POS dramatically increases your email capture rate – which we'll talk about later.

HINT: *WineDirect's POS is fully mobile, with apps available for iPhone and iPad and a web version that works with any device. It's also fully integrated with our robust CRM, wine club and ecommerce.*

©2018 Wine Direct. All rights reserved.

6 / Use Customer Relationship Management (CRM) Tools

Today's consumer expects personalized service, so make sure you give it to them. Expecting your staff to remember people's names, preferences and whether they are a club member is unreliable at best, so make sure you have CRM software in place that makes it easy to keep track of and offer superlative service to your guests.



To effectively serve them, you need a full 360° view of their relationship with you.

With good CRM software, you can make notes about your customers' wine preferences - maybe they really like older wines and would be interested in your library stock – or give your team a heads up about possible pitfalls - like a guest who likes to pour for themselves and shouldn't be left alone with a bottle. Armed with this extra knowledge, your staff can deliver more personalized service. If you make your customers feel like your friends, they will respond in kind: a friend supports their friends - by buying their wine - and won't let a friend down - by quitting their wine club.

Another must have for a good CRM platform is consolidated data: your customers interact with you in many different ways, in the tasting room, as club members, on your website and on social media. To effectively serve them, you need a full 360 degree view of their relationship with you. Was their credit card declined on the last club run? Did they pick up their most recent shipment? Did they leave you a nice – or a negative – review on social media? Making sure your entire staff has this information at their fingertips greatly increases your ability to build customer loyalty.

HINT: *WineDirect's CRM tools are fully integrated with our Point of Sale, Ecommerce and Wine Club software, making it easy for you to maintain a comprehensive view of your customers.*

©2018 Wine Direct. All rights reserved.

7 / Staff Training & Incentives

It's important that your staff offer a consistent experience. This doesn't mean they should all sound like robots reciting the same script. It does mean that they should speak in a similar tone of voice, touch on a set of defined themes and, in the case of a winery tour, follow the same itinerary. A good way to ensure consistency in your guest experience is by developing an employee handbook with clear guidelines, expectations, information about your winery, tasting notes and anything else that might be helpful for a new team member to know. An added bonus of detailed documentation is that in case of staff turnover, you can more easily transfer knowledge to new employees.

You should also have an incentive plan in place for your staff. This plan can be based on sales volume, sales value, wine club sign ups, contact info capture, team vs. individual goals, and more. Like anything else, it's important that you regularly revisit your compensation and incentive structures to evaluate performance and adjust as needed.

It helps to give your staff a strategy for achieving their goals. WineDirect partner Tammy Boatwright of VingDirect has a concept for this she calls the "hierarchy of asks". In short, she recommends starting with the big ask – the wine club sign up – and going down from there. If you start by asking for a bottle purchase, it will be much harder to upsell them to the club. It's easier to start with the club, and work your way down to a case sale, a six pack, three pack, etc. And if all else fails, make sure you get their email address!

©2018 Wine Direct. All rights reserved.

8 / **Communicate!**

Make sure you communicate effectively to your guests. Using a CRM tool will help you do this. Let people know up front if you charge a tasting fee, how much it is, and under what circumstances it will be waived. If you can't accommodate large groups, make it clear on your website. If you encourage people to bring picnics, say so. Ensure that all descriptions of your experiences online or in printed collateral match the actual experience. If a guest signs up for your Winery Tour because they read on your website that it includes a barrel tasting, but when they arrive they discover that you've discontinued that part of the tour, it's going to be hard to make it up to them.

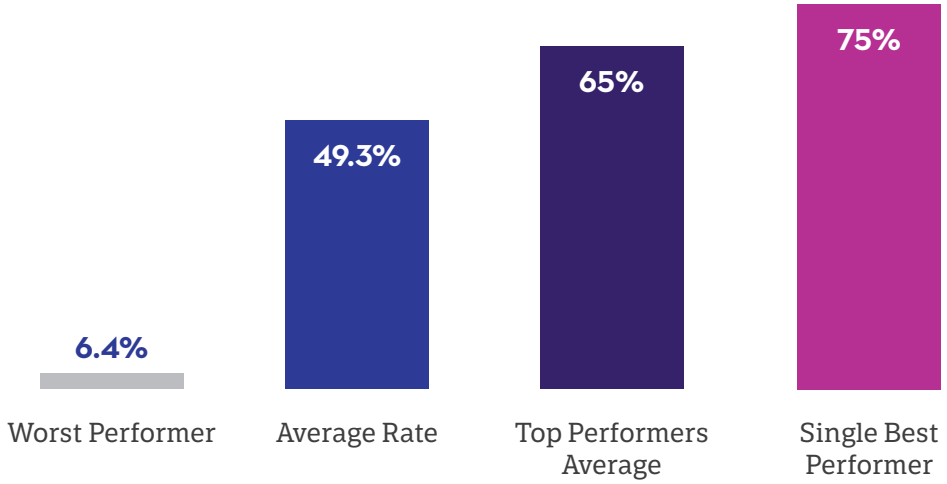
Communication is also important internally. Make sure your all your various team members talk to each other and know what is going on in other departments. If you set up a telephone campaign to sell through some library wines, make sure the tasting room staff knows so they can plan accordingly. If your wine club attrition is increasing, get together to identify what might be happening and how to fix it. Consider setting up weekly or monthly meetings where representatives from various teams can come together to discuss key wins, challenges and trends. Maintaining transparency across your organization – whether large or small – raises morale and ensures that people aren't inadvertently working at cross purposes.

©2018 Wine Direct. All rights reserved.

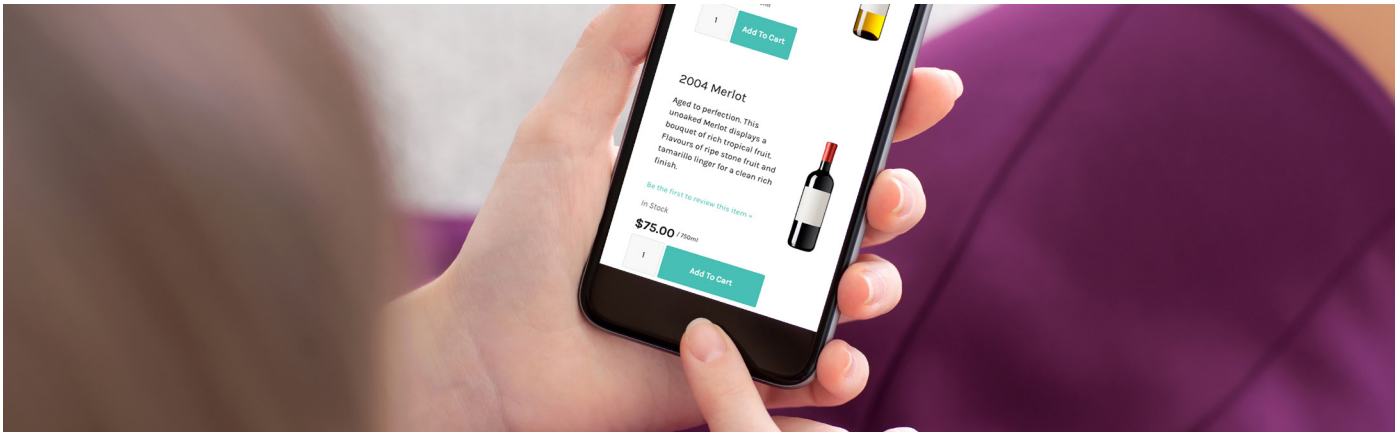
9 / Use the Tasting Room to Drive Online Sales

You might think that your tasting room exists to sell wine. It doesn't. It exists to acquire repeat customers – whether through the wine club or online purchases. If someone leaves your tasting room without giving you their contact details, you can't follow up with them and they may be lost to you forever.

Email Capture Rate:



In a recent case study at WineDirect, we looked at the email capture rate for 20 small to medium wineries with over 1,000 tasting room transactions per month. The average rate was 49.3%. The top performers averaged around 65% and the single best performer achieved 75% email capture rate – and that was a public tasting room. The worst performer was only 6.4%. Don't be like them!



©2018 Wine Direct. All rights reserved.

Here's an example of the impact capturing email addresses can have for your winery. At WineDirect, you can set up a "Thank You" email to automatically send after someone visits your tasting room. This email has a 7.5% conversion rate, meaning for every 1,000 people, 75 of them will buy wine as a result of this email. That is triple the average email conversion rate on our platform.

LET'S LOOK AT SOME MATH AROUND THAT:

	AVERAGE	BETTER	BEST
AVG TR TRANSACTIONS PER DAY	55	55	55
EMAIL CAPTURE RATE	50%	65%	75%
THANK YOU EMAILS SENT	27.5	35.75	41.25
AVERAGE ORDER VALUE	$170	$170	$170
DAILY SALES AT 7.5% CONVERSION RATE	$351	$456	$526
INCREMENTAL ANNUAL SALES	**$105,188**	**$136,744**	**$157,781**

How much more could you make in a day?

_____	X	_____	X	7.5%	X	_____	=	_____
# Of Tasting Room Visitors Per Day		Average Email Capture Rate		Average Email Conversion Rate on DirectWine		Average Order Value		Net New Ecommerce Sales Per Day

©2018 Wine Direct. All rights reserved.

10 / **Don't Forget to Measure Your Results**

If you don't set goals and agree on how to measure success, you'll never be able to tell what's working or figure out what you should change. Agree with your team what metrics you'll use – and how you'll capture them – at the outset and set regular benchmark meetings to review the results. For example, if your goal is to drive wine club sign ups in the tasting room be sure you have a system in place to measure this for each team member. If you change your incentive structure, check how it impacts your club conversion. Here are some easy metrics to start with:

- **WINE CLUB CONVERSION**
- **TASTING ROOM PURCHASE CONVERSION**
- **AVERAGE ORDER VALUE**
- **CONVERSION RATE TO ONLINE PURCHASES**

Another way to measure success is through customer surveys. In your tasting room thank you email, you can ask guests to rate their experience, either privately or on a public review site like Yelp or TripAdvisor. If you're looking to re-engage with club members, consider asking them what aspects of your tasting room they value most, or what new experiences they would like to see.

Whatever metrics or methods you choose, be open to making changes based on the data! And keep testing and re-testing to see where you can improve.

©2018 Wine Direct. All rights reserved.

Conclusion

Running a successful tasting room is complex and takes continued attention to detail. Start with your customer, knowing who they are and what they want, and build out your experience from there. Make sure you have the right point of sale and CRM software in place to deliver great customer service, and you'll be well placed to drive traffic, convert repeat sales and club sign ups, and of course create happy customers for life.

©2018 Wine Direct. All rights reserved.

Improve your tasting room today.

At WineDirect, our fully mobile point of sale solution empowers you to convert more customers and build lasting relationships. Take advantage of our integrated platform that combines wine club and ecommerce, reporting, CRM, email marketing and more into a powerful, user-friendly toolkit. Give your guests superlative service, improve team efficiencies and make more sales by signing up today.

CLICK HERE TO SPEAK TO OUR TEAM OF DTC EXPERTS

or call 800-819-0325 to learn more.

WINEDIRECT

THE WINERY'S CHAMPION