

Engaging the Wine Consumer: A New Paradigm

The Web is changing the way brands are built. Online user-generated content and social networking have given wine marketers and brand managers increased opportunities to reach out to the wine consumer.

Marc Engel

YOU'RE NOT PARANOID......people really are talking about you.

Do you care what they're saying? Are you participating in the conversation?

Are you willing to expand your view of marketing? Lose some control? Embrace imperfection? Welcome negativity? Exploit promiscuity? Engage "the other side?" Think small?

If you answered "yes" to these questions, then you're probably on board with the new paradigm. If you answered "no," then you should view these questions as a challenge to your business-as-usual mindset because the only thing usual is that business is unusual.

In the new paradigm, notions of time and space have changed. The producer has become the consumer; the consumer has become the producer. Communications are research opportunities; research is an opportunity for communications. Small wineries from my old stomping grounds in the Finger Lakes Region, like **Casa Larga**, **Six Mile Creek Vineyard** and **Glenora**, can connect with consumers as easily as internationally renowned brands like **Robert Mondavi**, **Beringer** and **Kendall-Jackson**.

POWER TO THE PEOPLE

I believe it was **Winston Churchill** (or was it **Harry Winston**?) who said that democracy is the worst form of government, except for all the others. Like it or not, we are in the throes of the democratization of the economy.

Online user-generated content and social networking—the heart of what's been dubbed Web 2.0—have given individuals newfound influence.

Google, **YouTube**, **Facebook**, **MySpace**, **Friendster**, **Flickr** and myriad other new tools have accelerated the ability of each of us to exchange ideas, images, sounds and video about anything, in real time, with anyone in the world with access to the Internet. Through blogging, vlogging, Digging, tagging, Wiki-ing and more, consumers can engage in a potentially limitless discussion that enables them to become part of a community connected by interest, not bound by geog-

raphy, time or financial means. It's affecting the way we gather information, view the world, interact with others, cheer, mourn, engage in politics, shop and more.

This democratization hit a tipping point last year when **Time** magazine named you—me, my octogenarian grandfather, the person on his cell phone shaving in the car behind you, the intern dubbed "Macaca" by Virginia

SO WHAT WINE GOES WELL WITH SLICED BREAD?

Others can argue about the normative aspects and societal impact of this monumental shift. Wine marketers and brand managers must understand the new paradigm and how to operate within it.

Brands are formed in the minds of consumers and, like it or not, your wines are brands to them. At their

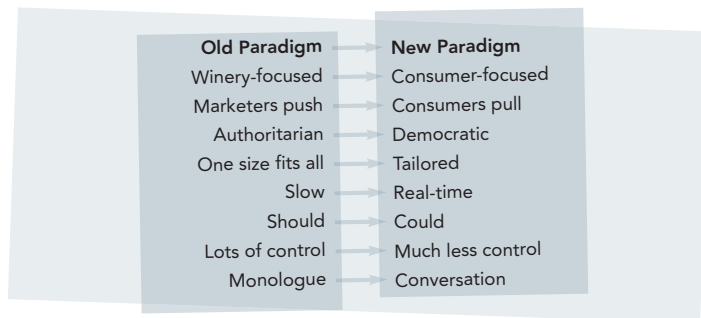
“No longer is the ability to build brands...limited only to those with large marketing budgets who hold the keys to large-scale distribution. It's not that the keys don't work anymore. It's that the locks have been cut off.”

Senatorial loser George Allen, the teenager who spent her life devising aliases so she could repeatedly vote for Sanjaya on American Idol, yes, each of us—its "Person of the Year."

No longer is the ability to build brands—or report news or distribute entertainment or run a profitable business—limited only to those with large marketing budgets who hold the keys to large-scale distribution. It's not that the keys don't work anymore. It's that the locks have been cut off.

souls, brands are about products. But they also represent guarantees of quality, signs of trustworthiness, projections of how we live and who we are.

Stories are powerful in shaping brand impressions. "They enable us to connect the product experience with our values, hopes and aspirations," said **Malcolm Baker**, founding partner of **B/R/S Group**. "This connection deepens the meaning of that product to us and transforms our experience with it."



Storytelling has always been an integral part of wine. But the nature of storytelling in wine—and other products—is changing because of the growing role of the consumer.

In the old paradigm, the story belonged to the winery, and it was delivered as a monologue: “Hey, consumer, here’s my story and why you should buy my wine.” That story would be about what was important to the winery: the latitude of the hills, the clone number of the grapes, the pH balance in the soils, the type of oak in the barrels, sur lie, the flavors consumers should be tasting, etc. The winery had lots of control over what was said, how it was communicated, to whom it wanted to target the message, when and where they wanted to deliver it. They pushed a one-size-fits-all approach in which they assumed there was a singular type of person who perceived and used their product as suggested. This approach was paternalistic, even authoritarian.

The new paradigm belongs to both the winery and the consumer. It’s a shared story, a collection of stories, a conversation. The consumer says, “Hey, winery, catch my interest and I’ll build my own story around you based on what’s important to me.” Their stories may have nothing to do with *terroir* or the oak or vineyard practices or malolactic fermentation because those things may not mean much to certain consumers, even if you, the winery, think they should mean something. The one-size-fits-all approach no longer fits, and the winery is no longer in complete control of the message.

I’m not saying that *terroir*, the care of the grapes or differences in production methods are not important. Of course they are. But not everybody who enjoys wine—and who might enjoy your wine—takes the time to learn why such things are important and remember the

rich details that distinguish wines. The stories surrounding them often sound the same to all but the most hardcore enophiles. Without a deeper, more personalized connection to your wine, how do average consumers differentiate among the thousands of options available to them? How do they remember one great Claret from another?

A TODDLER’S INSIGHT INTO BRANDING

Savoring a glass of Grüner Veltliner while watching my three-year-old son play with his Tinker Toys, Legos and Lincoln Logs, I noticed how he would assemble and disassemble things, never building the same structure twice. When he has playdates, he and his friends combine things differently, perhaps adding other toys, like cardboard bricks, Matchbox car racetracks or a Six Million Dollar Man action figure (okay, that one’s mine, but I let them play with it...if I’m not using it). My son would then run and tell his mother and teenage sister, who were in the other room imitating the Cheetah Girls, about what they made and what was happening in their “city.” I couldn’t help but think: Branding in the New Paradigm.

Consumers seek building blocks to create their own stories around brands. These blocks can be anything: some of which are typical, some of which are unusual; some you can control, some you can’t. And they can be combined in infinite ways to make something meaningful to the builders. The qualities of the product share the stage with individuals’ reactions to it.

Let’s start with taste. An important building block might be the perfect balance of fruit, acid and alcohol, the smooth tannins and rounded finish. But obviously not everyone experiences flavors the same way. The more wine-engaged consumers will detect com-

plexities and retain nuanced differences in the bouquet, the mouthfeel and other tasting variables, while the average wine drinker may wonder whether her tastebuds are like the highly regarded palates of a small cadre of industry-sanctioned experts who tell us how the wine is *supposed* to taste.

In the Old Paradigm, we may have felt obligated to drink what we were told was good because we couldn’t bear the eno-ostracism and social ridicule from admitting we enjoyed a Beaujolais that the *Wine Spectator* gave a 73. We might question our very right to own a corkscrew when the bottle tells us the wine oozes cassis with a hint of the Tronçais in which it was aged for 19 1/2 months, but we’re tasting pink Sweet-Tarts with undertones of balsawood and pleather. In the New Paradigm, the “rules” can be broken. It’s okay to share your experiences. Maybe others feel the same way, too. Some degree of anonymity may make some people more comfortable being candid.

In addition to taste, the building blocks could be about *terroir*—the alluvial soils, the damp vespertine breezes that delicately glaze the vines or the latitudes being exactly the same down to the second, as your favorite bodega in Jumilla, discovered when you went backpacking through Europe after college.

They could be about how well the wine pairs with the Caponata Frittata recipe you saw **Rachael Ray** make (in

under 30 minutes, of course). Or maybe it was the wine you drank the day you got promoted, or laid off, or met your wife, or first heard Madeleine Peyroux or were picking your fantasy baseball team for this season.

Maybe knowing that the winery operates sustainably with no carbon footprint or that the grapes are organically farmed is important. Or the fact that the winery donates a portion of its proceeds to the same charity you support or that a fund has been set up to help send the workers’ children to school. Maybe you learn that the wine that’s on sale for \$2.99 at the local market comes to life when poured through a coffee filter.

The point is you never know what blocks consumers will use to construct meaning from your brand. Nor do you know entirely where these blocks will come from.

Mohammed Iqbal, planner at the advertising agency **Ogilvy & Mather** in Bangalore, India, describes this multi-layered brand model as “The Elongating Tail” (http://blaiq.typepad.com/occam_s_razor), an adaptation to brand building of **Chris Anderson’s** “Long Tail” theory (see sidebar below). Single-minded branding propositions, appropriate in a world dominated by mass media, are limiting in the new paradigm. Secondary and tertiary propositions are relevant. Success depends on how willing brands are to engage their consumers and understand what the brands mean to *them*.

THE LONG TAIL

Chris Anderson, editor of *Wired*, said that increasingly, products and services that may not be part of the mainstream may serve myriad, economically viable niche markets. (www.longtail.com).

The primary challenge underlying all this is the limitations on distribution. The Long Tail theory—and its offshoots—works best in a market where there are few impediments to distribution, storage costs are low and consumers have direct access to product. Think about finding virtually any book on **Amazon**, any song on **iTunes** and any movie from **Netflix**. The long tail theory doesn’t fit snugly over the wine market...yet. (As of the time of printing, it was not yet possible to download wine directly from the Internet.)

The growing trends opening up direct-to-consumer channels, however, hold tremendous promise for wine in the new, consumer-driven paradigm. As wine lovers learn more and more about non-mainstream wines, they will seek out ways to get them, which ultimately will force open greater distribution. Lest I further open Pandora’s Box—excuse me, premium cask—that’s all I’ll mention here about the importance and, dare I say inevitability, of more open distribution. **wbm**

THE EXPANSION OF CHATTER

Conversations are happening everywhere, and the NSA are not the only ones listening. The coveted Millennial generation—and increasingly others as well—look to their online social networks and to content generated by other consumers for guidance on everything that interests them, including wine. Skeptical of what marketers tell them, they'll piece together information to help them make sense of whether a particular wine might be right for them.

What the winery—or other traditional sources of information, like the wine shop owner, sommelier, **Robert Parker**, **James Laube** or the person in the adjacent cubicle—say are still important sources of input, but they are no longer the *only* sources. In the New Paradigm, consumers can also build meaning from a blogger 3,000 miles away, a podcast from a wine educator they've never met, or a video on YouTube from someone who looks knowledgeable and sincere.

The thrill of discovery, one of the quintessential emotions surrounding wine, is magnified in the new paradigm, for both the discoverer and the source. People can exchange their perspectives immediately with whoever might be interested, whether they be close friends or wine drinkers from distant parts of the country or the world. These perspectives could be recommendations or reprobations. Individuals feel a palpable sense of empowerment and control, which is especially important at a time when the future often feels uncertain.

There's a sociological dimension to the New Paradigm as well. Not only are consumers learning about unfamiliar varietals and countries of origin, but also killer values, underrated brands, truly special occasion wines, and alternatives to traditional packaging and closures. The exchange that transpires strengthens social bonds and helps fill our need to be part of a community. Again, think about this moment in history. It's understandable that a community based not on geography, demographics or other entrenched characteristics, but rather more deeply, on shared interests and passions would resonate so strongly with us.

EXAMPLES FROM WINE 2.0

There are hundreds of blogs dedicated to wine. Several of them also have podcasts or vlogs (video blogs) that you can listen to on your iPod (poster child of the New Paradigm) while on the elliptical machine or in your car. Real, unfiltered information is available from passionate amateur wine lovers to industry professionals, including retailers, sommeliers and wine journalists from traditional media. They encourage readers to explore more by linking to each other's pages because in the New Paradigm, no one has a monopoly on truth. The more opinions, the merrier, and the more comprehensive the picture can be formed.

Gary Vaynerchuk, who runs **Wine Library**, the largest independent wine retailer in New Jersey, fully grasps the New Paradigm and indeed is a key player in it. He knows his wines and is relevant to Millennials. He speaks their language because he is one!

He immediately posts each episode online for free (www.winelibrarytv.com) and receives hundreds of personal emails and comments in response to his shows. He hosts a discussion forum, and one of his ardent fans even maintains a spreadsheet of all 200+ episodes by topic, top wine rated that episode and tasting notes, which is posted on the website.

He has become a vital resource for many wine drinkers, who prove the power of having multiple resources to which to turn:

"I love WLTV, but I also read Wine Spectator, and Wine Advocate, and Eric Asimov's NYTimes blog, and WineLoversPage, and Wine News. Everybody has their own style, and I learn what I can from each, and sometimes I agree, and sometimes I don't, and I try the wine for myself and make my own decision. Keep it fun. There are plenty of resources out there for people who prefer a different approach."

ments from the blogs into their sell sheets for wine buyers, retailers and wholesalers in addition to reviews in more established sources. "Blogsphere approves..." This was persuasive to retailers and wholesalers.

It's no surprise that **Francis Ford Coppola** understands the power of personalized storytelling in the New Paradigm. The Rosso & Bianco Theater Movie Contest encouraged wine lovers to make one-minute short films about "Wine for Everyday Life." Over the course of six weeks, dozens of wine drinkers uploaded their movies to a website where others can view it. Coppola and other judges determined the winner. Ten finalists will have still photos from their movie appear on labels for Rosso and Bianco wines.

The brand "Irony" may have benefited from a recommendation made online in a way that might not have envisioned specifically. A reader of the

"Online user-generated content and social networking—the heart of what's been dubbed Web 2.0—have given individuals newfound influence."

At least once a week—or whenever he feels like it—Gary films "Wine Library TV," a roughly 15-minute edgy review of whatever wines he wants to discuss. Often influenced by suggestions from his loyal viewers, he's covered the world, from Long Island to Lebanon. He's talked about storage tips, biodynamic wines, wine labels, wines under \$10, wines over \$100, everyday wines. He tests wines Parker thinks are the best, and provides his own perspective on differences between **Wine Enthusiast** and **Wine Spectator** ratings. He talks about all kinds of food pairings, even what to drink with Thanksgiving turkey (2002 Monchhof Urzinger Wurzgarten Auslese Riesling or 2004 Gravity Hills Tumbling Tractor Zinfandel) and a hot dog from 7-11 drenched in sauerkraut and mustard (a \$30, 2003 Chateau Montviel Pomerol that Robert Parker gave a 91).

He engages his nearly 15,000 viewers.

—Comment 52: By gordoyflaca on December 1st, 2006 at 10:07 pm.

Vaynerchuk's proclamatory signoff, "You, with a little bit of me, are changing the wine world," could be a tagline for the New Paradigm.

Tom Wark, who runs the Fermentation blog, was kind enough to share another example of the New Paradigm in action. When **Hook & Ladder** winery was ready to launch "The Tillerman," they reached into the wine blogosphere. They sent emails to leading wine bloggers inviting them to receive a sample bottle. They told them nothing about the blend, and there were no strings attached. Some bloggers told them, "Don't expect me to praise it if I don't like it." The winery was willing to take that chance. It turns out the reviews were positive, so all the readers were apprised of a new wine of potential interest. Hook & Ladder was then able to integrate the positive com-

VinDivine blog, which had recommended the wine, now has a strong affinity for the brand, given the impact it recently made on someone who appreciated his taste in wine:

Thanks for the VinDivine tip on Irony! I brought a couple of bottles over to a dinner party last night, never having had a sip of it, relying instead on the combined tastebuds of Team VdV. It was a hit, and I looked like I knew something about wine, too, which impressed a gorgeous smart woman sitting next to me, who proceeded to give me her card and ask that I call her sometime, which I shall. Posted by: Enzo on March 03, 2007 at 05:21 PM

It's possible that other regulars of the blog may tune in to find out whether the romance did indeed blossom. If it does, it becomes part of the collective story about the brand, one more reason consumers might remember it.

PROFESSIONAL ATHLETES ARE NOT THE ONLY ONES WHO ARE STRONGER THAN EVER

You have always been dependent on the good word of others, but there used to be fewer influencers to consider. In the New Paradigm, word of mouth is on speed and steroids. Now, when you release your wine, anyone with access to it can talk about it however, wherever and whenever they want...and others can hear them.

The line between consumer and producer has blurred. The consumer of the product has become the producer—and distributor—of content about that product which potentially millions of others can access. The producer of the product, which has traditionally also been the primary producer of content about that product, has become the consumer of the content of others. Who knew that the New Paradigm would sound like a conversation between Groucho and Chico Marx?

Your brand is about more than what you think it is. It is increasingly about what consumers say it is. Their experience with your wine may be different from that of your marketing team or other experts. Maybe you're selling your wine short, not being aware of the meaning it has for consumers.

Iqbal recommends that the way to communicate brand complexity is to "let consumers assemble it for themselves at their end." It's the responsibility of the brand caretakers to make sure consumers "have all the essential ingredients—a Long Tail of simple and easy to communicate brand messages—and they will eventually put together a complex, layered and nuanced understanding of your brand."

You can help consumers construct meaning about your brand by making it relevant to them. Make it worth their while to take a chance on you by making the best wine you can make, and by opening a conversation with consumers where you share what you see as important but also invite discussions about what they feel is important. As leading marketing thinker **Seth Godin** (<http://sethgodin.typepad.com/>) stresses, "make something remarkable," literally, "something worth making a remark about." (Cue the Bonnie Raitt music.)

Your customers can therefore become your advocates, de facto members of your marketing team, by talking about your product. Their endorsement holds weight among fellow consumers as long as it's genuine. Transparency is the currency of credibility in the New Paradigm. (Isn't that a refreshing jolt to today's prevailing winds offline?)

Every touch point you have with consumers is not only a branding opportunity but also a learning opportunity. You are constantly in research mode. The bonus is that the very act of reaching out to customers and soliciting their opinions reinforces their connection with the brand because it shows that you care what they think. A participant in a recent wine project BRS did with a leading winery's club members noted that the discussion reinforced his connection not only with the brand but also with the community of fellow brand aficionados:

"This was a real pleasure because I was participating with other knowledgeable, clever and passionate people. I'll look forward to what the winery does over the next year or so and feel perhaps a small sense of ownership of the continuing evolution of one of my favorite wineries."

TIPS IN THE NEW PARADIGM

Accept that you do not have full control of the messages that are out there about your wine and your brand.

- As **Yogi Berra** commented, "You can observe a lot just by watching." If nothing else, it is incumbent upon someone in your organization to monitor what's being said about you and your wines. Read the key wine blogs. Who's saying what? Who are the most influential people you need to pay attention to? Understand their tastes and motivations.
- **Participate in the discussion.** Comment in blogs—those in which your wine is mentioned and other wine-related discussions. What's important to wine drinkers who are drinking your competitors' wines? Understand what they like and dislike, what's important to them.
- You must be transparent about who you are when you're online. The New

Paradigm relies on authenticity. It's the antidote to spin. If you are not transparent about who you are when you participate in a blog—or if you hire someone to pose as an uninterested party but who's really shilling for you, or if you create marketing materials and try to pass it off as user-generated content—they will sniff you out and call you "corked." You will lose credibility, and that will taint your brand (see http://unicashare.typepad.com/share/2007/02/how_blogging_ca.htm).

- See negative feedback as an opportunity. **Woody Allen** would sometimes end his stand-up routines by saying, "I'd love to leave you with an affirmative message...but I don't have one...so would you settle for two negative messages?" Criticism allows you to learn from people what the potential liabilities or weaknesses are with your product or brand. You can be proactive in countering the negativity, but in a respectful, gracious way rather than a defensive one. Perhaps they're pointing out a liability you never realized you had; perhaps they stored the wine incorrectly and are really seeking guidance. Again, it's about engagement. If you don't understand and potentially counter negative comments, then people will form their opinions assuming you don't care.
- **Engage your customers.** Consider starting your own blog (it's very labor-intensive). Post videos of what's happening in the winery. Invite your customers to share their own stories, photos and videos. They are your biggest untapped resources. Listen to what they have to say. The power of links to and from other blogs will help drive traffic from wine drinkers who are not yet your customers.
- **Exploit promiscuity.** You could even link to other wines they might like...yes, even if they're from your competitors. You know that most involved wine drinkers are adventuresome, even promiscuous and disloyal. You know they'll probably never be faithful, but wow, do you

have some fantastic times together. It's like having an affair but without the prospect of alimony payments. Acknowledge that your wine drinkers have varied tastes and enjoy the wide world of wonderful wines, and they'll respect you for being forthright.

Web 2.0 can become the great leveler—at least as far as communication is concerned. A small winery is just as capable as a large one of learning from, and participating in, the discussion. The issue of direct access lingers, but I said I wasn't going to talk about that again.

This New Paradigm is still emerging. Clearly, most wine drinkers are not writing wine blogs or creating videos about their favorite wines, or even reading or watching all that's available about wine...yet. Traditional media still matter.

The possibilities for engaging wine consumers in the New Paradigm are endless, limited only by your creativity.

wbm

Marc Engel is an Associate Partner and Director of Wines Research with B/R/S Group, a marketing research agency based in San Rafael, CA. This piece is an adaptation of a talk he presented at Wine Evolution in Paris on January 29, 2007.

The author gratefully acknowledges the assistance of Tsan Abrahamson, Esq., Managing Partner of Cobalt LLP; Tom Wark of Wark Communications and Fermentation: The Daily Wine Blog; Paul Mabray and Andrea Johnston, CEO and VP of Business Development, respectively, of Inertia Beverage Group; and his fellow BRS partners Malcolm Baker, Lorne McMillan and Ross Goldstein, in preparing for this article. Marc can be reached at mengel@brsgroup.com.

This article first appeared in the June 2007 issue of Wine Business Monthly. Reprinted with permission. ©Wine Business Monthly