

2008 Consumer Direct Sales Survey Report

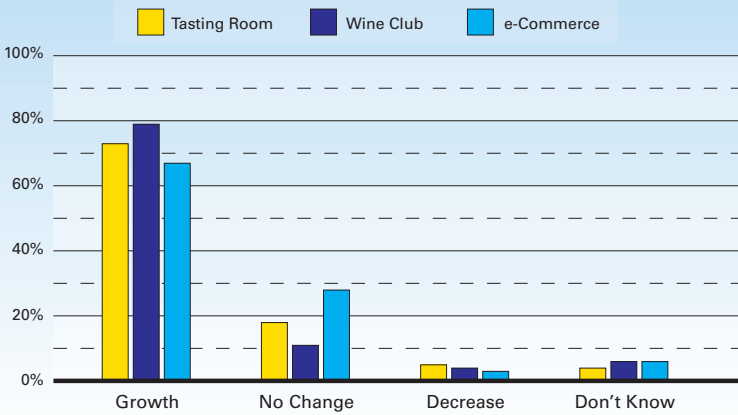
Best practices of successful direct-to-consumer sales programs.

Lesley Berglund and Mary-Colleen Tinney

RECENT REPORTS OF declining consumer direct sales are not true—at least not for wineries running some of the most respected direct-to-consumer (DTC) programs in the wine industry. 2007 saw significant increases over 2006 in all three major DTC channels (tasting room, wine club and e-commerce). This good news holds true across the board for small, medium and large wineries. (**CHART 1**)

CHART 1

Which of the following best describes your winery's actual, annual DTC sales growth for 2007 vs. 2006 by DTC channel?

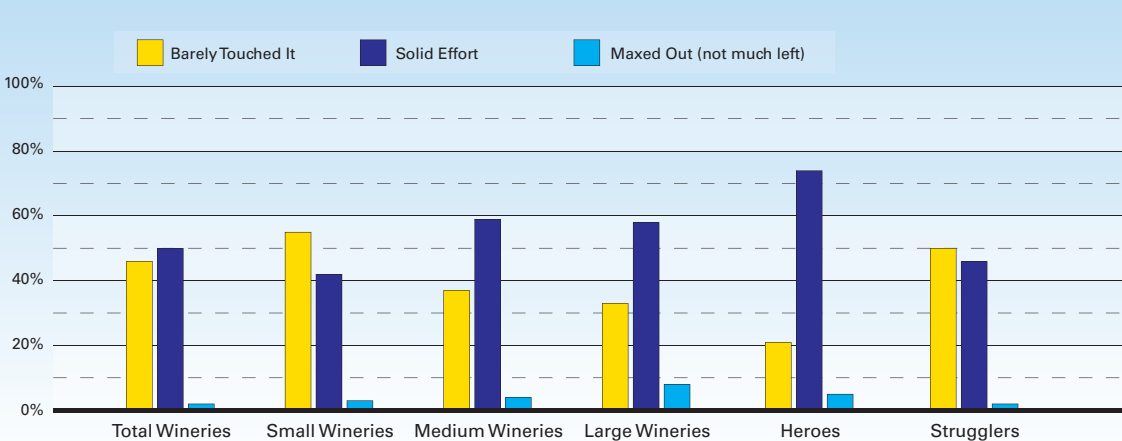


Wineries of all sizes are planning to increase the percentage of wine they sell through those major DTC channels, building on the success wineries are already having in the direct sales market. On average, wineries that were selling more than a third of their cases through DTC channels last year expect to increase this to almost half of all case sales within five years.

Thus, DTC is important today and becoming even more important in the future. In fact, 97 percent of all respondents feel they have a long way to go in terms of maximizing DTC sales. While 47 percent say they have “barely touched it” and 50 percent of

CHART 2

How close do you feel you are to maximizing the DTC potential?



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wineries say they are making a “solid effort,” only 3 percent of wineries feel they have “maxed out” their DTC potential. Since wineries of all sizes have identified DTC as important today, and even more so in the future, a strong majority are now asking themselves what they need to do better to maximize their DTC potential. (**CHART 2**)

The findings are part of a new survey conducted by *Wine Business Monthly* in partnership with the **WISE Academy**. WISE stands for Wine Industry Sales Education; and the academy will provide education, training and certification for winery consumer-direct professionals and executives when it launches later this year. The wineries that participated in this survey are among the most committed to consumer-direct in the industry. Collectively, they ship more than 10 million bottles direct-to-consumer each year. As such, their experiences provide important benchmarks for all wineries wanting to build their brands directly with consumers.

HEROES VS. STRUGGLERS

Most survey data are analyzed by winery size. However, when capturing DTC lessons, something more important than total winery size is the number of cases that wineries are shipping direct-to-consumer. Almost 30 percent of respondents are selling less than 1,000 cases via consumer-direct, just over 50 percent are selling between 1,000 and 10,000 cases and about 20 percent are selling over 10,000 cases. Within that 20 percent, 5 percent of wineries are shipping more than 25,000 cases.

Winery size does not determine DTC success, as medium-sized wineries represent

two-thirds of the most successful consumer-direct segment: over 25,000 cases sold via the DTC channels. For example, two wineries (one large and one small) both selling 8,000 cases directly to consumers will have more in common (in terms of DTC successes and challenges) than two wineries of the same size, selling very different volumes via DTC. With DTC dedication and expertise even small wineries can effectively compete alongside their goliath counterparts. Unlike any other aspect, the consumer direct sales channel is the great equalizer in the industry.

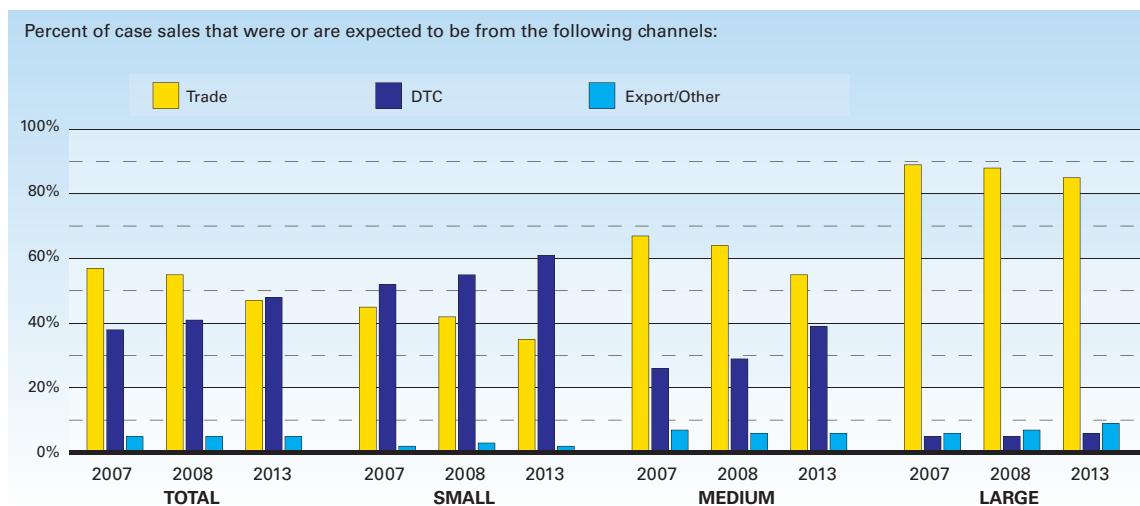
No matter big or small, wineries that are most successful at direct sales have

some key things in common. To get a better handle on this, WISE categorized respondents into two categories: direct-to-consumer “Heroes” and “Strugglers.” Heroes, which make up 15 percent of respondents, are selling a substantial number of cases consumer-direct as well as showing growth in two or more DTC channels. These wineries are generally working more successfully and efficiently in terms of how they plan, execute and track their consumer-direct sales programs. Wineries that failed to reach the Hero benchmarks are identified as the Strugglers. Struggling wineries are not necessarily unsuccessful at consumer-direct sales, but they clearly have room for improvement in a number of key areas.

SALES IMPORTANCE BY CHANNEL

As one would expect, small wineries (under 10,000 cases) rely much more heavily on DTC sales than their medium-sized (between 10,000 and 250,000 cases) and large counterparts (over 250,000 cases). According to this survey, in 2007, small wineries made 52 percent of their sales directly to consumers while mid-sized wineries sold 26 percent and large wineries sold just 5 percent through consumer-direct. (CHART 3)

CHART 3



By contrast, medium-sized and large wineries sell more wine as a percentage to the trade than small wineries. In 2007, mid-sized wineries made 67 percent and large wineries made 89 percent of sales to trade accounts, while small wineries sold 45 percent of their product to trade.

Percentage of export sales are relatively small across winery size groups, though large wineries do export more wine than they sell through consumer-direct. In 2007, large wineries exported 6 percent of their wine, medium-sized wineries exported 7 percent and small wineries exported 2 percent.

In total for 2007, 57 percent of all wine sold was to trade, 38 percent direct-to-consumer and 5 percent was exports. When asked to anticipate the percentage of sales in each channel five years from now, in 2013, it is clear that wineries in all size segments are planning to significantly grow their consumer-direct case sales. An average of 38 percent sold DTC last year and that is estimated to grow to 48 percent of all cases sold within five years.

Of the three main DTC channels, tasting rooms are responsible for the largest percentage of sales. In total, 41 percent of DTC sales occur in the tasting room. Large wineries depend on the channel more than their smaller counterparts as 56 percent of consumer-direct sales occur in the tasting room. Medium-sized wineries rely on tasting rooms for 41 percent of DTC sales, while small wineries sell 33 percent of their consumer-direct in tasting rooms.

For wineries of all sizes, wine clubs have similar channel importance. Medium-sized wineries sell 25 percent of direct cases through the channel. Large wineries sell 24 percent and small wineries sell 23 percent of their direct wine via the wine club.

Small wineries have had to become more web savvy as they can't depend on high vol-

umes of tasting room traffic to drive DTC sales. Small wineries sell 19 percent of their DTC wine on the web, while mid-sized wineries sell 12 percent and large wineries sell 8 percent. Events are also important for small winery direct sales, with 9 percent of DTC sales occurring in that channel. For large wineries, 7 percent of DTC sales are driven by events, while for medium-sized wineries 4 percent of sales are from events.

Other DTC programs (direct mail, telesales, etc.) are also important for wineries. Small wineries rely on these other programs for 14 percent of consumer-direct sales, medium-sized wineries for 18 percent while large wineries sell 6 percent in these segments.

The DTC Heroes have built a strong DTC foundation based on tasting room sales. Tasting room sales account for 55 percent of their DTC case sales while wine clubs account for 29 percent, e-commerce for 10 percent and 3 percent each for events and all other DTC programs. By contrast, DTC Strugglers are less focused on a single channel while also being more reliant on e-commerce sales. For these wineries, tasting rooms account for 27 percent of DTC case sales, 24 percent from e-commerce, 22 percent from wine clubs, 9 percent from events and 11 percent from all other DTC programs.

GROWTH TRENDS BY CHANNEL

As mentioned above, wineries of all sizes have been growing their DTC sales. Excluding “don't know” answers, between 2006 and 2007, 74 percent of wineries reported growth in tasting room sales, 79 percent had growth in wine club sales and 67 percent saw growth in online sales. (CHART 1)

Far fewer wineries reported flat or no growth in the channels. Flat growth was reported 18 percent of the time for tasting room sales, 11 percent in wine club sales and 24 percent for Internet sales. No growth was reported just 5 percent of the time in tasting rooms, 3 percent in wine clubs and 2 percent in Internet sales.

Only a small amount of wineries reported sales decreases, and virtually none decreased more than 10 percent versus previous years. Tasting room sales were reported as down by 5 percent, wine clubs were down at 4 percent and online sales were down at 3 percent of wineries.

As expected, the DTC Heroes reported far greater growth than their Struggler counterparts across all three main DTC channels, but in tasting room sales they were most similar. Most wineries in both camps were up in tasting room sales, with 79 percent of Heroes and 72 percent of Strugglers reporting growth between 2006 and 2007. For tasting room sales, 21 percent of Heroes reported flat sales and no Heroes reported decreased sales or not knowing general growth rates. Similarly 17 percent of Strugglers reported flat sales between 2006 and 2007. Unlike the Heroes, though, 6 percent of Struggler wineries have declines in tasting room sales, and 4 percent don't know where they stand.

The difference between DTC Hero and Struggler wineries is larger when looking at the wine club and e-commerce sales. In both of these channels, 94 percent of Hero wineries reported growth, with 6 percent reporting no change. For Struggler wineries, 76 percent reported growth in wine club sales, 12 percent reported no change, 4 percent reported decreased growth and 8 percent don't know. Internet sales increased at 62 percent for Struggler wineries, 27 percent were flat, 4 percent were in decline and, again, 7 percent didn't know where they stand.

The “don't know” answers may seem innocuous, but they are the tip of the iceberg when it comes to a core Struggler issue. Wineries that struggle with DTC are notoriously bad about proactively tracking their DTC programs. Successful DTC programs are driven by metrics. And if wineries can't track it, no wonder they are struggling to manage it.

CREATING DIRECT-TO-CONSUMER SUCCESS

Tasting room traffic (or lack thereof) is often credited for driving (or hindering) DTC sales, but the survey shows that it is not the sole differentiator between the DTC Heroes and Strugglers. For half of the respondents, in terms of number of tasting room visitors, there isn't any difference between the Hero and Struggler wineries. Fifty percent of Heroes and Strugglers alike attract between 1,000 and 50,000 visitors per year. There is a demographic difference dividing the remaining 50 percent of visitors, however, as 40 percent of Strugglers attract less than 1,000 visitors per year (versus zero for Heroes), while 44 percent of the DTC Heroes attract more than 50,000 visitors (versus 4 percent for Strugglers). About 5 percent of both Heroes and Strugglers aren't tracking their visitor numbers. So while tasting room traffic certainly influences DTC performance, it is only part of the equation.

The biggest differences between Hero and Struggler wineries appear to be directly related to corporate organization. Wineries that have dedicated DTC managers, solid consumer-direct sales plans and effective tracking of DTC metrics have become the Heroes while DTC Strugglers are a bit more unfocused in their DTC efforts.

In total, 43 percent of wineries have a single individual who is specifically in charge of all DTC channels and activities, 44 percent run DTC as a group effort and 13 percent have only one otherwise distracted and busy person (like a winery GM or national sales manager) handling all DTC sales. There is a strong correlation of DTC success with wineries that have established a separate, dedicated, experienced management focus on DTC versus those who don't.

Hero wineries are twice as likely as Strugglers to have a single, dedicated DTC manager. According to the survey, 74 percent of Hero wineries have a dedicated DTC manager, while only 38 percent of Strugglers do so. Even DTC winery Heroes fall into the trap of running DTC "by committee" 27 percent of the time, but Strugglers do so 47 percent of the time. Finally, 15 percent of wineries struggling have overburdened an otherwise occupied key executive with DTC responsibilities. DTC Heroes would never consider doing that. They know dedicated management focus on DTC is critical to building the business and can immediately pay for itself. More and more, the wine industry is seeing new executive positions at wineries where the head of DTC is on a peer level with the national sales manager or VP of sales. Hero wineries no longer bury the DTC lead somewhere inside of trade sales or marketing, nor split DTC up amongst non-integrated team members.

TRAINING BIGGEST DTC CHALLENGE

Having the right resources is important to achieving consumer-direct success. While most wineries feel that they are getting good support from management (only 32 percent of respondents identified "management support" as a problem), they also feel that

resources—people, time and money—are the biggest challenge to maximizing their DTC potential. In total, 77 percent of wineries identified "resources" as a challenge. Smaller wineries, 80 percent of which identified resources as a problem, feel this more than their larger counterparts; 77 percent of mid-sized wineries feel resources are a challenge, while 58 percent of large wineries feel the same. (CHART 4)

Wineries are dealing with several challenges, both internal and external. Internal issues can be entirely managed within the winery and do not involve outside parties.

External issues deal with anything that reaches outside the winery, such as compliance (identified by 65 percent of wineries as a challenge), customer acquisition (identified by 67 percent of wineries as a challenge) and club member retention (identified by 43 percent as a challenge). While the compliance issues are most likely here to stay, wineries can do a better job—through more expertise and effective training—at acquiring customers and retaining club members.

Training and expertise are at the heart of internal DTC challenges. In addition to resources, there are several other internally controlled areas where survey takers feel challenged. DTC team expertise was identified by 58 percent of respondents as a challenge; a lack of DTC marketing tools was identified by 59 percent of wineries and effectiveness of technology/systems was identified by 60 percent of wineries.

Within technology, some wineries complain that their consumer-direct efforts are hindered by a lack of a single, integrated database that contains all customers and their purchase histories. However, among the 66 percent of wineries that do have an integrated database, 37 percent feel they are getting "good benefits" out of it while 29 percent feel they aren't getting real benefits.

Hero wineries have similar results: 48 percent have and are getting good benefits from their integrated database while 32 percent are not seeing real benefits of having the integration. Similarly, 35 percent of Strugglers are getting good benefits from the integration while 28 percent are not. Wineries may think the integration will solve many problems as 32 percent of Strugglers and 21 percent of Heroes expressed a wish for the integrated database. The survey demonstrates, however, that good training, enough resources and skilled management lead to success, not necessarily the latest in high-tech tools. The best technology solutions are only as good as those who operate them.

NEED FOR MORE QUALIFIED PEOPLE

There is a pattern to the DTC concerns for both Heroes and Strugglers: DTC priorities have been made clear, management support for DTC is in place but the expertise is not. The disconnect lies in both training and more access to qualified people. The needs of the wine industry for DTC expertise at all levels (staff, managers and executives) have dramatically outstripped the talent pool in the industry. More skilled DTC teams will be better equipped to maximize the use of the tools and technology now available to them.

Wineries clearly feel they need better training in the key consumer-direct segments. A majority of wineries responded that they need better training in tasting rooms, wine clubs and e-commerce. A majority of winery respondents feel they "have good" training in only one area: customer service. Still, only 60 percent of respondents feel they have good customer service training, not exactly an overwhelming majority. (CHART 5)

Respondents identified e-commerce training as their most pressing need, with 66 percent of wineries indicating they need help in that area (46 percent "need better" e-commerce training while 20 percent have no training in this area at all). Better wine club training is

CHART 4

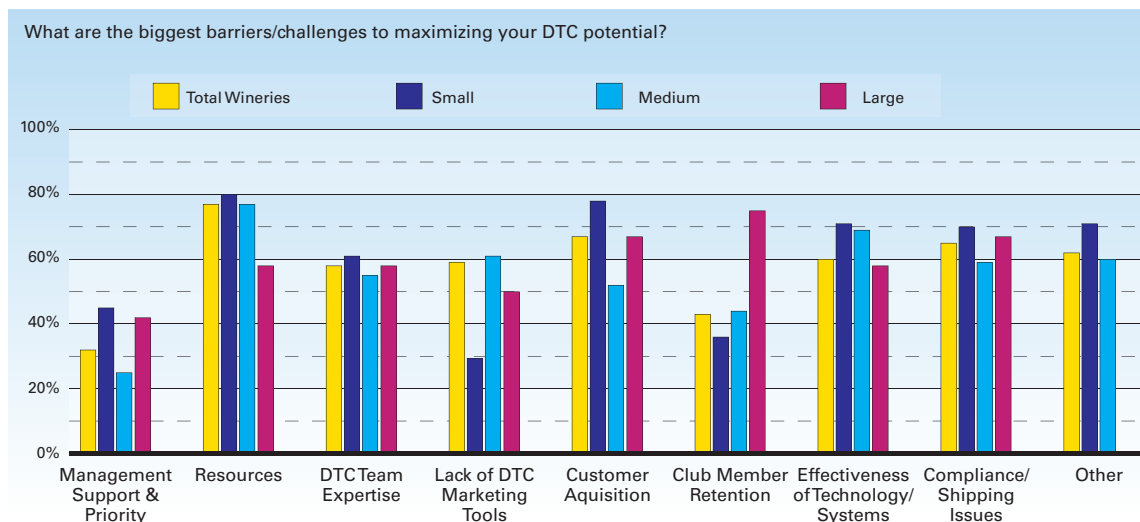
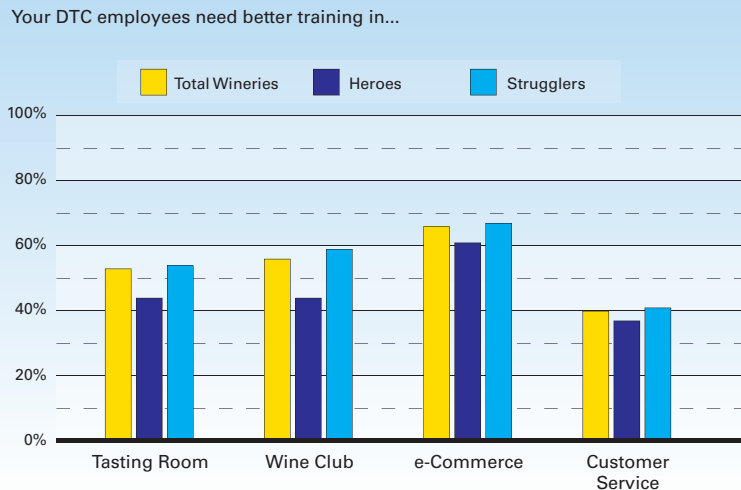


CHART 5



needed at 56 percent of wineries in the survey. Wineries are looking for better tasting room training at 53 percent of responding wineries.

Looking at both Hero and Struggler wineries shows how much room there is for training improvement, especially in the e-commerce segment, even at wineries that are the most successful at consumer-direct sales. Only 39 percent of Hero wineries and 33 percent of Struggler wineries feel they have good e-commerce training. A small majority of Hero wineries feel they have good training in tasting rooms and wine clubs, which earned approval from 56 percent of respondent wineries, leaving 44 percent of the most successful consumer-direct wineries looking for more help. Hero wineries are most confident in their customer service training, identified as being good at 63 percent of wineries.

As expected, Struggler wineries are in need of more training than their Hero counterparts. Struggler wineries indicated they need tasting room help at 54 percent of responding wineries while 59 percent of these wineries are also looking for better wine club guidance. Like Heroes, Strugglers are fairly confident in customer service training: only 41 percent identified this area as a training need.

As mentioned above, 97 percent of all wineries feel they have a long way to go in maximizing DTC sales, so this includes a lot of Heroes. Only 5 percent of Heroes think they have maxed out their DTC potential, 74 percent say they are trying hard and 21 percent say they have barely touched it. The challenge that's felt in the industry—this gap in the DTC labor expertise pool versus winery needs—may explain why the Heroes are humble when it comes to their DTC accomplishments.

MORE WINE CLUB OPTIONS & METRICS DRIVE TO BETTER SUCCESS

Overwhelmingly, wineries with the most successful wine clubs offer a variety of wine club options. The most popular wine club offering is the traditional club with multiple shipments each year; 53 percent of Heroes and 48 percent of Strugglers offer traditional clubs. However, Heroes don't stop there.

The differences are stark when looking at other categories. While 37 percent of the Heroes offer "multiple types of wine clubs," only 17 percent of Struggler wineries do so. No Hero wineries offer only a single, annual release program, but 11 percent of Struggler wineries only have this type of club.

Most striking, 25 percent of Struggler wineries have no wine club options for consumers and are completely missing a huge direct sales channel opportunity—and 15 percent of these wineries don't even plan to add one in the future. Heroes, however, take wine clubs very seriously and know it is all but impossible to build an integrated winery DTC program without leveraging the economics of this annuity model.

In terms of winery size, it's important to note that 75 percent of large wineries offer a traditional multi-shipment club (compared to 51 percent of mid-sized wineries and 41

percent of small wineries). Also noteworthy is that 34 percent of small wineries do not have a wine club option. Medium-sized wineries are the most likely to offer multiple types of wine clubs, with 30 percent offering that option (compared to 17 percent of large wineries and 12 percent of small wineries).

Small wineries average about 870 members between all club and release programs combined, but club sizes range from 16 members up to 8,500. For the small winery's largest individual club, the number of members averages to about 600, but the range falls between 22 and 2,500 members.

Medium sized wineries average about 2,700 members with all club and release programs combined with a range of 125 members up to 12,400. At their largest clubs, medium-sized wineries average about 2,400 members, but these clubs range from 125 to 10,000 members.

At large wineries, all clubs and release programs combined result in an average of 4,800 members, with a range of 425 up to 18,000 members. Their largest clubs average about 2,600 customers (not much more than their mid-sized counterparts), with a range of 1,500 to 15,600 members.

Wineries are earning good price points for their most popular wine club shipments. A broad spectrum of prices allows wineries to market to a diverse customer base with differing flinch points when it comes to price. One consumer might find \$100 to be too expensive while another might consider that a base shipment price. A winery offering multiple club options can meet the needs of these dissimilar consumers.

A majority of shipments are priced between \$50 and \$100; 46 percent of all respondents' wine club shipments fall between this range. However, there is still plenty of room for sales in the highest price tiers—15 percent of all sales are over \$200 per shipment. Only 12 percent of all sales are priced below \$50 per shipment, and 18 percent fall between \$100 and \$200. About 8 percent of survey respondents are not tracking shipment prices.

Breaking down by winery size, small wineries are making over \$200 shipments 24 percent of the time. Small wineries in this survey are frequently working at higher price points: 36 percent of shipments fall within the \$50 to \$100 range, 16 percent are between \$100 and \$200 and only 9 percent of shipments total less than \$50. However, 15 percent of small wineries do not track their wine club shipment prices.

Medium-sized wineries are making shipments across many price categories, reflecting a broad spectrum of opportunities for consumers. The largest category is \$50 to \$100, price-points that account for 56 percent of the mid-sized wineries' club shipments. Twenty-three percent are shipped at a cost between \$100 and \$200 while 8 percent surpass the \$200 threshold. About 10 percent of all shipments are below \$50. Only 2 percent of mid-sized wineries fail to track the price earned on wine club shipments.

Large wineries, however, are not serving many different price-points. About 46 percent of shipments are within the popular \$50 to \$100 range while 9 percent are above \$100. Remarkably, 46 percent of the large winery's club shipments are under \$50—far more than any other winery size.

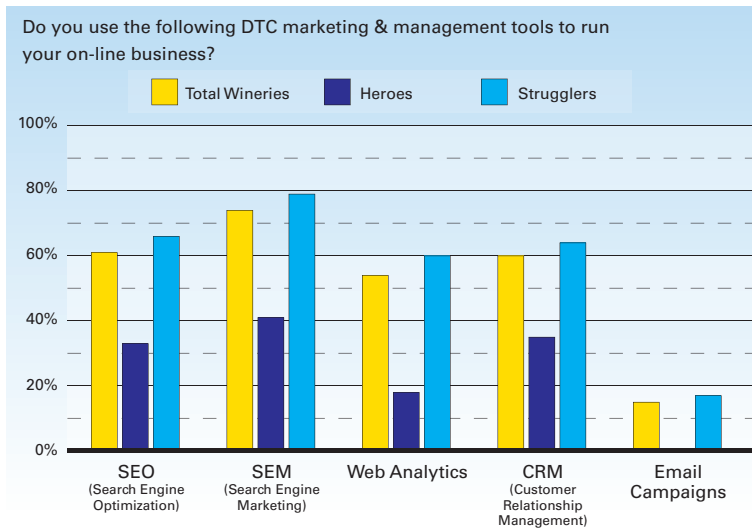
E-COMMERCE FRUSTRATIONS CONTINUE

Wineries understand that consumers expect to be able to make their purchases online. Despite the difficulties associated with compliance, wineries know that Internet sales are only going to gain in importance as a direct-to-consumer sales channel.

It is no surprise, then, that according to this survey, 85 percent of wineries have set up an e-commerce program. It is encouraging that 53 percent of these wineries are actively selling wine in this channel, which has trended up significantly over the past five years. However, 33 percent of wineries have developed an e-commerce site, but still aren't selling much wine online.

In this segment, too, Hero winery practices are a good indicator of what drives successful e-commerce programs. These wineries are overwhelmingly successful at e-commerce as 78 percent of respondents indicated that they have an active online sales program, while 17 percent have set up the online shopping cart but still aren't selling much through the channel. Comparatively, 49 percent of Struggler wineries are actively selling online while 35 percent have the site but only limited sales. A fairly large group of

CHART 6



Struggler wineries, 16 percent, are not currently selling wine online. By contrast, only 6 percent of Hero wineries have failed to capitalize on the e-commerce channel.

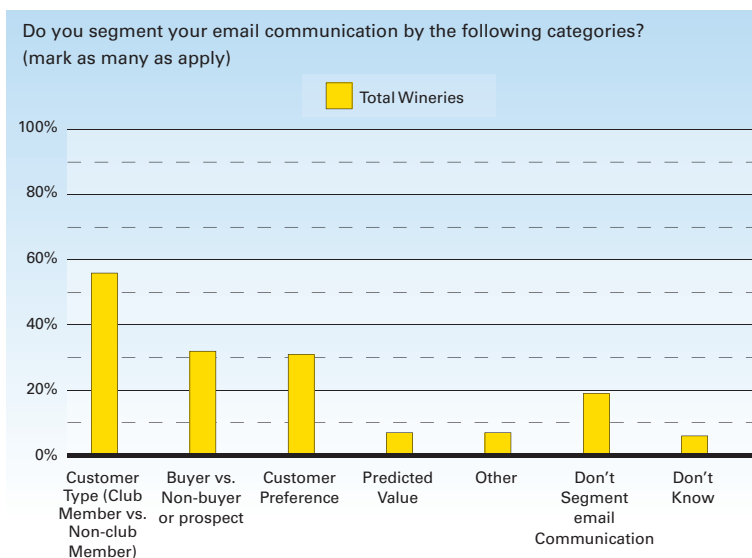
The most successful wineries are also using on-line marketing tools to run their online business. Overwhelmingly, Hero wineries are using the following to improve their online sales: SEM or Search Engine Marketing (59 percent), SEO or Search Engine Optimization (67 percent), CRM or Customer Relationship Management (65 percent), Web Analytics (82 percent) and email campaigns (100 percent). (CHART 6)

Struggling wineries understand that they need to do email marketing campaigns (and 83 percent of these wineries do), but they are failing to use the other online tools available to them. In clearly different online practices than our DTC Heroes, only 40 percent of Strugglers use Web Analytics, only 36 percent use CRM, only 34 percent use SEO and 21 percent use SEM. These are tools that may have been considered advanced a few years ago but are considered basics in online marketing today.

There are far too many wineries not using these basic tools to improve direct-to-consumer sales. Basic rules of marketing—such as speaking to club members differently than other buyers and to buyers differently than prospective buyers—are sometimes ignored in the wine industry.

A majority of wineries, 56 percent, segment email communication by club and non-club members. However, only 32 percent segment by buyer versus prospect, 30 percent by customer preferences, 8 percent by the predicted value of that customer and 25 percent either don't segment their emails or don't track this information. (CHART 7)

CHART 7

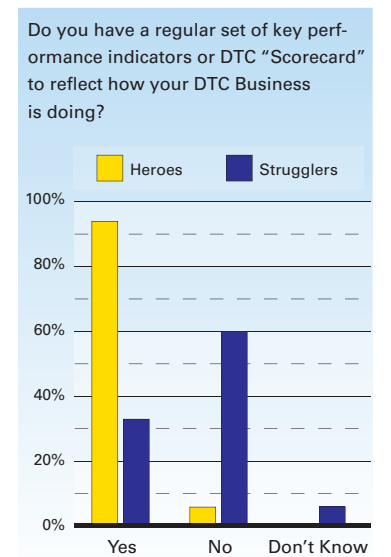


Of wineries that are doing email campaign response ratings, 41 percent track the average open rate of all emails, but just 13 percent track click-through data and 3 percent know the average order rate for emails. On emails sent to club members, 52 percent of wineries are tracking open rates, 27 percent monitor click-through rates and 7 percent know the average order rate for that marketing effort. Without a clear handle on the metrics of email campaign performance it is almost impossible to know what is working so you can repeat it and get rid of what is not working. Strugglers will keep on struggling until these basic tracking practices are in place.

BENCHMARKING SUCCESS IS A MUST

No winery can accurately determine how successful they are at direct-to-consumer sales if they aren't tracking their efforts. Just 41 percent of survey respondents have a regular set of key performance indicators or a direct-to-consumer "scorecard" to reflect how the winery's DTC business is doing. The most significant difference between our DTC Heroes and Strugglers can be highlighted with this issue. Only 33 percent of Struggler wineries have some sort of scorecard, compared to 94 percent of Hero wineries. In other words, a set of basic performance measurements are lacking at 67 percent of Struggling wineries, but just 6 percent of Hero wineries. Clearly, having robust information better equips wineries to be successful in the consumer-direct sales channel. (CHART 8)

CHART 8



For wine club metrics, all wineries track their number of wine club members but 20 percent of wineries do not track any other wine club performance data. For example, almost all Hero wineries (over 80 percent) know what their attrition rates are, reasons for attrition and how long their average club member lifecycle is, but only 40 percent of Strugglers have a handle on this.

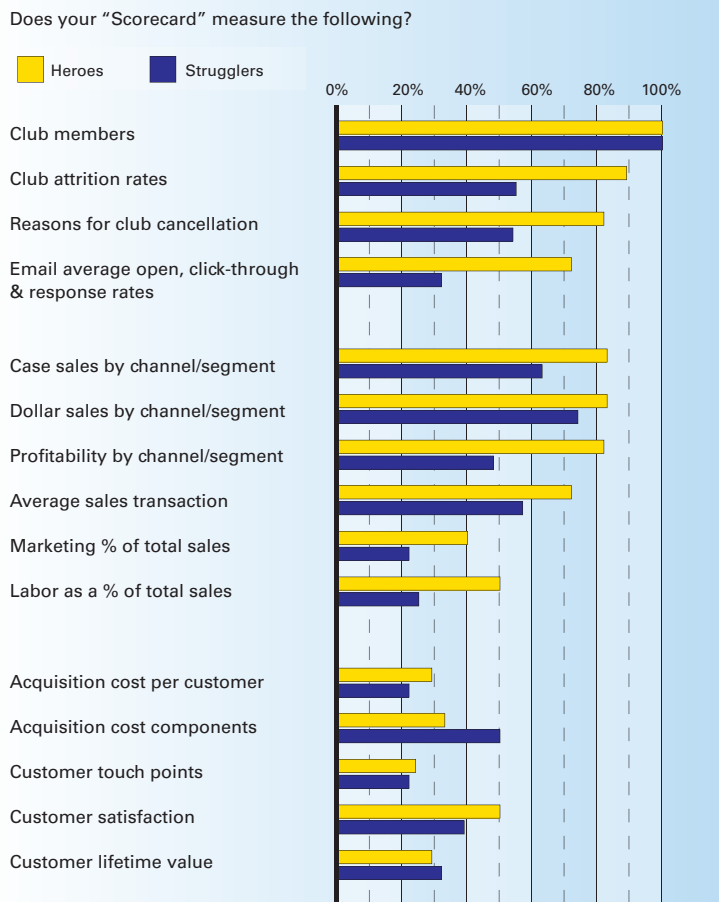
Another important metric is member lifecycle. Once again, 95 percent of Hero wineries are monitoring membership lifecycle while just 25 percent of Strugglers are tracking this data. Among Hero wineries, the average lifecycle is 13 to 36 months, with 35 percent of members staying 13 to 18 months, 25 percent remaining for 19 to 24 months and 30 percent staying 25 to 36 months.

One of the biggest direct-to-consumer mistakes is not realizing what wine club members are spending in addition to club shipments. Club members, by virtue of maintaining their membership, are dedicated and committed to that winery. As such, these consumers frequently buy more than just their allotted club allowance.

However, 24 percent of survey respondents—including 35 percent of Heroes and 22 percent of Strugglers—do not track this data. For wineries that do, 39 percent report that club members spend between \$101 and \$500 additional dollars per year at their winery. Another 23 percent report spending of \$100 or less, and 15 percent find club members spend more than \$500.

Wineries that know the average lifetime value of a member and the average lifecycle of a club member can determine the winery's acceptable cost-per-acquisition parameters. For example, if a winery has an average lifecycle of 24 months for a club costing members \$400 per year, and those members have an average yearly value of \$500 per year in addition to their club commitment, that's a lifetime value of \$1,800. Within that context, a cost-per-acquisition that at first glance looks overly expensive might actually be well worth the price. When wineries fail to track these metrics, however, they aren't able to make fully informed DTC business decisions.

CHART 9



It would be unheard of in any other industry for a direct marketing company to operate without an extensive scorecard of key performance metrics. The wine industry in general has been able to get by for a long time without it because of its unique access to customers via tasting rooms. In any other industry, direct marketers would have to invest a lot of money to build this customer base, so tracking the performance of each direct marketing program would be a basic skill set that many wineries never developed. Although Hero wineries are better at tracking key performance metrics than Strugglers, even their efforts could be greatly improved. (CHART 9).

ABOUT THE RESPONDENTS

The survey received a total of 134 responses, including 107 from California, 24 from U.S. wineries outside of California and three from international wineries. Outside of California, eight were from Oregon, four were from Washington, three each were from Texas and Virginia, two each were from Iowa and New York, and North Carolina and Wisconsin both had one respondent. Internationally, two respondents were from Canada, and a third was from New Zealand.

In terms of winery size, 50 percent of responding wineries produce fewer than 10,000 cases annually, 40 percent produce 10,000 to 249,999 cases and 9 percent produce 250,000 or more cases.

Thirty percent of survey respondents reported their job function as president/owner/GM, 23 percent are direct-to-consumer managers and 17 percent are in sales and marketing. The remaining job functions, none of which garnered more than 9 percent of respondents, were, in descending order: purchasing/finance, wine-making, vineyard management/viticulture, cellar/production and other. Respondents were not allowed to choose more than one job function.

The purpose of the survey was to determine trends in direct-to-consumer practices and procedures. Please note that the findings of this survey are meant to offer a general picture of direct-to-consumer trends and practices. It is not a scientific study, and should be used only as a tool and a point of reference for further inquiry. Data from the 134 respondents is definitely directionally relevant. Because of their commitment to DTC, these respondents provide the first great benchmarks on consumer direct in the industry.

Thank you to all respondents who participated in this year's survey. **wbm**