

OREGON WINE



P O R T L A N D

SYMPOSIUM

Marketing Seminar II Oregon Wine Symposium

Work With: Managing and Supporting Your Distributors for Long-Term Success

Or, so you have a distributor, now what?

Guest Speakers

Shirley Brooks – Elk Cove

Glen Grisham – Locus Wine Consulting

Jess Pierce – Pierce Wines, Walter Scott & WT Vintners

YOU MUST PARTICIPATE IN YOUR OWN SUCCESS OR FAILURE

The job is not over once you have landed a distributor.
You must now work with that team to make your brand a profitable brand.

YOU HAVE TO WORK THE
MARKET, ESPECIALLY IN
YOUR BACK YARD.

If your brand takes up real estate
on a wine list or shelf, it needs to
generate profit for the account.

In our business, the goal of the
supplier (you), the distributor and
the account is always the same.

SELL MORE OF YOUR
PRODUCT

Your home base should be your
STRONGEST market.

Things you can do in Oregon:

1. DEMOS
2. STAFF TRAININGS
3. LUNCHEONS
4. VINEYARD VISITS
5. EVENTS

Outside of your market:

1. MARKET VISIT PREP
2. DEMOS
3. POINT-OF-SALE MATERIALS
4. RECAPS

ANALYZE YOUR BRAND

1. Identify your specific brand message & target demographic BEFORE the markets you consider selling in.
2. What wines & varieties are you producing?
3. What price point are you selling for? Is that the best price for the wine?
4. What is unique to your brand that you can exploit?
Ethnicity, skill, hobby or community that you can embark on for ideas.
5. Where do you have allies? Where do you like to travel?
6. Are you forgetting about the people in your back yard?
7. What percentage of your business is DTC? How can you increase it?
8. The least profitable vein of the wine business is distribution.

PEARLS OF WISDOM TO WINERIES STARTING OUT - FROM DAVID ADELSHEIM

1. “The most important advice is that if you are a winery making 3,000 – 5,000 cases, **you do not want a distributor.** Don't be seduced into thinking someone else should be selling your wines. If you are in the wine business, you are in the wine selling business. If you don't like selling wine, you should not be in the wine business. It is very difficult to be incapable of selling what you've made. You can't make a successful winery by dropping your price by 60% and sending over to a distributor. Don't get into the distribution business if you don't make enough wine.”

2. “If you do make enough wine, then if you are a small winery, you should work with a small distributor, large winery with a large distributor and medium-sized winery with a medium-sized distributor. Do not break that rule. It 's not that people are bad, but that the needs of a big distributor don't line up with the needs of a small winery. We have continually made that mistake. As much as we love the people we work with, it doesn't work.”

ANALYZE THE BUSINESS

1. Identify the markets you should be in & how many visits per year.
2. The average market visit costs \$2000 - \$2500.
 1. Flight
 2. Hotel
 3. Transportation
 4. Dining
3. How many cases must you sell to pay for that visit?
4. Is it worth it?
5. How many cases will they sell if I don't go?
6. Can you make a 25 case state a 50+ case state?
7. Once you have the matrix on the spend, look at each market and see where the opportunities lie.

BE AN **ASSET** TO YOUR DISTRIBUTOR

One of the best practices you can do RIGHT NOW is update your website. You don't have to go anywhere. Be sure that your distributor has access to your POS materials in PDF versions: sell sheets, shelf talkers, tasting notes, technical sheets

1. Your distributor is your partner in wine. Get to know them. Communication is key. Make sure they know who you are and be there to support them. *Make a sales plan.*
2. Know their inventory, vintage and sales velocity. Make suggestions to increase the inventory if you know the sales velocity is going to increase.
3. Have Point-of-Sale material ready for the sales teams.
4. Be diligent with your market recaps and do the follow-up in a timely fashion.

3 WAYS TO SELL WINE

1. On price point. This is the fastest way to sell if the price is cheap enough. We are a luxury brand. We will never be the cheapest price point. Oregon does not make inexpensive wine. Forget this one!
2. On scores. Scores help in certain arenas, but you can never count on them. We have consistently good scores, but some buyers are dissuaded by scores. We like them, but can't rely on them.
3. On relationships. These take the longest to build, but are the most long-lasting and rewarding. This is where we want to focus our efforts.

HOW TO BE A **GREAT** ACCOUNT MANAGER

Ask your buyer the questions no else asks

1. How can I be the best long-term partner to you?
2. How do you (the buyer) prefer to communicate; email, phone calls, text, in person?
3. How frequently do you want to see me? What is the best day & time to reach you?
4. Do you prefer to make appointments or do you have open call times?
5. I want this placement to be successful, what can I provide you to make that happen: staff training, demo, marketing materials, shelf talkers, or a sample bottle?
6. Be present. Sometimes just being present will solidify sales. Buy a bottle. Support the account. Deplete!!

This is a business. We must be the ambassadors of our brand and look out for everyone's best interest. At the end of the day, the winery, the distributor and the account have the same goals: **to sell as much of our product and make the most profit we can.** This is known as depletion. It does no one any good if they buy and the wine doesn't move. Set yourself apart by being a partner and get creative so that your placement is the most productive and profitable it can be for everyone.

Utilize these key concepts

If we are going to take up real estate on your shelf or wine list, we want it to be profitable. How can I best help you achieve that?

Most on premise accounts will mark up the wine 2.5 or 3 times what the wholesale price is. Know the numbers in each market! It is perfectly acceptable to ask what their mark up is. By knowing the numbers, you can often nail a placement. Check if the wine fits within a pricing or AVA niche they don't have. By knowing the numbers and the product, you can easily tell if it won't fit; i.e. too expensive!

HOW TO PREP FOR A MARKET VISIT

Preparation

1. Contact sales manager and calendar a market visit.
2. Find out which vintage the state has and the inventory. Assess which vintage to pack.
3. Get the pricing ahead of time. Some markets will have different tiers of pricing. Find out what the front line price is per bottle; per 3 cases; per 5 cases.
4. Try to get an itinerary or contact list of the reps ahead of time.
5. Find out a good hotel location to coordinate with the reps you will be working with.
6. Book your travel to fly in the day prior to get settled. Tuesday – Thursday you should be in the field with reps. Friday: book a sales meeting.
- 7.

Bring with you

1. Bring your "A" game! The most important thing you can pack is a good attitude.
2. Pack an ample stack of business cards.
3. Marketing materials: shelf talkers, tasting notes, sales books and wine keys.
4. Samples of the product or arrange to have the distributor pull them for you.

During your visit

1. Check the bottles ahead of time, before you go into an account. If it's corked or flawed, it's really unprofessional.
2. A good market visit will consist of at least 5 good accounts that are potential buyers throughout the each day. It should usually be a mix of on and off premise; appropriate to carry Oregon pinot noir. 5 good accounts are better than 10 bad ones.
3. No matter how the day goes, you are there to bond with the sales team. Sometimes an off day will happen. Give them the benefit of the doubt and treat everyone with gratitude. They are making room in their schedules to accommodate us.
4. Plan to take the reps to lunch. You typically pay. You may have to host drinks & dinners also.

ASK FOR THE SALE

You can do this by using terms, "Will this wine be a good fit your account?" If they buy, "When would like us to send it?" And, "Would you like any printed materials?" For on premise, offer a sample bottle for staff training. Offer to conduct it if you are close by. We are a new brand. We want to be in every employee's mind when they are recommending wine to guests. Remember, a wine buyer can't sell to every table. You want the servers to love your wine. Give them the opportunity.

After your visit

1. Prepare immediately your Market Recap Report. Send this to the distributor / managers identifying which accounts purchased and which need follow up.
2. Analyze the sales reports when they come in and adjust your market report to reflect what actually sold and how much.

HOW TO PREP FOR A DEMO

Preparation

1. Contact the wine buyer and calendar a demo. Duration is usually 3 hours.
2. Find out which vintage the store has and the inventory.
3. Contact the rep ahead of time and make sure that the account orders extra wine before the demo.

Bring with you

1. Bring your "A" game! The most important thing you can pack is a good attitude.
2. Pack an ample stack of business cards. These are good to hand out to customers who want to "remember the wine" for a later purchase or invite them to the tasting room.
3. Marketing materials: shelf talker, laminated tasting notes and wine key. Find out if you need to bring cups.
4. Bring two samples bottles of the product.

During your visit

1. Check the bottles ahead of time. If it's corked or flawed, it's really unprofessional.
2. Your buyer will usually have a table and glasses ready for you. There should be product on the table and pricing so that you can hand customers the wine directly to put in their cart.
3. Invite customers to taste. Shoppers often need you to open the door to the experience. Be gracious and don't push. "Can I invite you to taste?"
4. Know the product, the vintage, the winemaker, the vineyard & the food the wine pairs with. Be prepared to showcase what makes this bottle special!

ASK FOR THEIR FEEDBACK. You can do this by asking, "What do you think?" or "What impressions do you get?" Remember that this is a sensory experience.

Thank them for their time whether they buy or not. If they buy, be sure to thank them. When you are finished, help clean up. Put the wine back on the shelf. This opens the opportunity to replenish with another order. Ask the buyer if they want you to order more. Thank them for the opportunity to be working with them.

After your visit

Follow up with the rep if an order needs to be placed. Let them know how you did!