Digital Marketing for Wine Companies: An Innovative Approach

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Abstract. *Digital marketing leads to the successful business. More people prefer to use digital devices instead of visiting physical shops. It is especially relevant for the small wineries or wine companies located in the rural areas, where it is difficult to attract customers to visit their stores. Instead, such wine companies can create a website or a web page on the social media to interact with their customers. Nowadays technologies lead the ball and it is important to go digital for the business. Companies work with digital marketing tools to reach their customers. Current paper focuses on the use of social media (Facebook, Instagram) and mobile apps (wine scanner, wine searcher) for the wine companies.*

Keywords: digital marketing; wine; social media; mobile app.

Introduction

In the past years digital marketing became an important instrument for the companies. It helps to reach consumers, receive feedbacks, boost purchases (especially online) and many other things relevant for the business. Wine industry also recognizes an increasing role of the digital marketing. It became visible through a range of different marketing campaigns, blogs, forums and apps. In the current paper, the author is going to discuss the role of mobile applications and social media marketing for the wine industry.

Social Media Marketing

Nowadays, "more than 3 billion people around the world use social media each month, with 9 in 10 of those users accessing their chosen platforms via mobile devices" (Kemp, 2018). Thus, it is difficult to avoid social media impact for the business. Moreover, there is some evidence regarding consumer communication with brands via social media channels regardless of whether those brands are present on the platforms, respond or not (Szolnoki, Dolan, Forbes, Thach, & Goodman, 2018). In fact, lack of response in public social media channels can harm brands (Karwal, 2015). Again, it underlines the importance of social media channels. In this scenario, "being fearless and adaptive, using new technologies to communicate your brand is the way for independent family winery to succeed in this highly competitive global market" (Viana, 2016).

Before to start the interaction with their customers, wine companies should choose their platforms for communication. In general, there are three main platforms that can help wine companies to develop digital marketing: online advertising, email marketing and social media campaigns.

Online advertising is an excellent tool for mature companies which are willing to promote their brands to a concrete target. It can be done via various tools: from search engines advertising to website advertising; from social media advertising to a partnership with specific sites for ad placement (Viana, 2016). It works better when the company has already developed other platforms and it uses online advertising as a further step. However, there is a disadvantage that is price, which is a sensitive parameter for the small wine company or little family winery. Indeed, for them it is difficult to afford online advertising.

In fact, email marketing is the most common practice among the wine companies which is easier to maintain also for the small-scale businesses. Furthermore, email marketing allows to increase loyalty to the brand starting with the audience that is already interested into the products of the company. Thus, the winery can easily reach its loyal customers and boost sales through emails that promote wine events, wine tasting, sommelier master classes, new products etc. to build long-lasting relationships.

Social media campaign is the most powerful but at same time difficult approach towards wine lovers and loyal customers. However, nowadays, it is also the most common platform for online interaction. Wine companies of all the scales can easily develop their social media accounts on Facebook, Instagram, Twitter, YouTube, Telegram, WeChat and other popular resources. The real difficulty is to create a social media marketing plan to develop the content and style. Accounts can be run by SMM/content managers or, in case of the small winery, directly by the owners or the stuff based on the concurrent service. However, this does not mean that small winery would be less visible on the social media platforms. In fact, some studies show that small wine companies interact with their customers easier and faster comparing to the big-scale companies (Szolnoki, 2018). In social media it is important to stay active and react fast to build a positive image of the brand and, thus, small wineries are in an advantageous position.

The content plays a significant role for social media interaction and it is up to the company to select the best practice. Content might be interesting for the wide audience or it can target wine experts. It might include articles, photos, videos, storytelling practices describing trend topics in the wine field. The covered topics are varied from the wine itself to the winemaking; from the history of the wine house to some short family stories. The content should follow some simple rules: it must be clear, precise and authentic. There are many examples of successful wine companies that attract many people to follow their accounts thanks to the precious content. For example, @winefolly (204k followers) posts enormous number of schemes, tables and interactive maps. @rare_wine (103k followers) shares information about rare wines and brands, as well as some funny videos, for example, about extreme bottle opening. One of the greatest examples is represented by the American winery Dirt and Rowdy Family Wines. The owner, Hardy Wallace, tried to personalize their brand through social media, which became the core business instrument of their brand. The owner uses Instagram to build the relationships not only with customers but also with the network of restaurants, shops and friends in order to increase brand awareness. Personal storyline that shares some content about family and friends, attentive responses to the comments, humor and authenticity made this brand not only visible on the market but also successful in terms of the purchases. In fact, online sales increased 133% since they started to use social media (Pittenger, 2018).

In addition to what described so far, it is necessary to be aware of the work on feedback and negative comments. Indeed, it is important to monitor the comments because users like to read the real feedbacks on the product and service. Thus, it is useful to create a bundle of rules regarding haters or fake comments, as well as the reaction on negative comments of real consumers. However, it is also relevant to consider every social media separately. For example, the feed of Facebook goes up every time when someone is commenting on it. Thus, if the company finds a negative comment under its post, it is better to avoid commenting directly in the post but to the person in the private chat to try to solve the problem and reach a consensus. The same risk might happen with Twitter and its algorithm on threads.

Another wonderful example of successful wine campaign on social media is the contest of sketches Spirito di Vino that is organized by the Italian Movimento Turismo del Vino Friuli Venezia Giulia. This contest became international thanks to Facebook and Instagram: people started to share their works to receive the prize (bottles of regional wine). However, the main output was to raise a global awareness of the local wines from this Italian district. This example is relevant also because it underlines the importance of cooperation and social cohesion among wine companies. The major part of Italian winemaking companies is represented by small and medium sized enterprises and, thus, for the most part of them, additional investment in marketing is a serious and sensitive issue. Indeed, they can be more specific and promote local brand as regional wine (not "made in Italy" but "made in Friuli Venezia Giulia") to raise their global competitiveness.

One more interesting case of wine accounts is represented by wine critics. For example, an Instagram account of James Suckling (142k followers) that makes wine ratings and often shares information on wine events, wine tasting and best wines of the season. This is an example of a powerful influencer that shares his opinion on social media by tagging different wine companies and showing their wines, vineyards and cellars. It is particularly important since word of mouth in wines is the most effective instrument in the marketing. People like to follow experts and to compare opinions; thus, they can increase their knowledge and share the same cultural values.

Social media channels play a significant role within the wine industry, however, this role is different across the countries. Thus, for example, old world wine countries tend to maintain a product orientation, that is to say they focus on production, whereas new world wine countries tend to maintain a market orientation.

Old world wine countries are less effective in terms of social media interaction comparing to the countries as Australia, New Zealand or the United States; they prefer to use traditional channels, such as face to face and via phone or post (Szolnoki et al., 2018). This might create some problems, since the brand awareness is an important tool to attract new customers and increase the purchases. Furthermore, wine companies that tend to use only traditional communication channels, might lose their possible young customers – generations Y and Z. New generations are keen on technologies; they constantly use them in everyday life. Furthermore, they have a different rhythm of their daily routine especially if they live in urban areas. These people are used to comfort, and they want to get their desired product instantly. This stipulates their readiness for purchasing the time. Furthermore, the recommendation plays a great role for their purchases. Often, young people look for an advice on forums, apps and websites before to acquire the good. Hence, word of mouth is an important driver of wine sales (Leigon, 2011). Wine is not only a drink but a culture that you might share with other people to encourage them to try what you are tasting. It is a powerful instrument for the wine business. It allows to create various marketing campaigns and make people to be social and feel as part of a group who shares the same taste. The socializing effect of social media is often underrated; however, companies must take it into consideration.

Millennials is the main target for the wine companies on the social media. Thus, it is important to describe some typical features of social groups. Millennials want diversity and value. Indeed, new generations are not devoted to a concrete brand, but they easily change from one to another; they are open to taste something new which is a great characteristic to take into consideration. Furthermore, millennials like brands that share same values as they do regarding sustainability and environmental responsibility (Viana, 2016). They rather buy organic or biodynamic wine that the ordinary one. In fact, they would prefer a low-quality wine in a recyclable packaging with fair trade policy than a bottle of fine wine that neglects these trends. Moreover, the major part of them are foodies. In other words, millennials are interested in food and wine, and its best combinations. Thus, wine companies might attract new audience by posting suggestions on wine pairings. For example, one of the most popular Russian accounts on wine is @wine_and_cheese (27k followers) that writes its posts on the wine suggestions and combinations with food.

Mobile apps

However, apart from the social media and its various interaction with the customer, there are other useful tools that serve to the wine companies. Wine is an experimental good and it cannot be fully experienced until it is consumed, thus, in the absence of tasting, the purchasing decision is challenging for many wine consumers (Cooper-Martin, 1991). In fact, it is thanks to technologies that the way consumers make purchase decisions on wine is changed. Nowadays, consumers have smartphones in their hands that allow them to search for information without any problems. It is easy to install apps that serve both wine lovers and companies. These apps help consumers to estimate wine taste, keep the tracks of the previous purchases, as well as play games and quizzes that let them practice their knowledge about wine and also win some discounts in the local wineries or stores. As for business, companies can use apps to make smart offers based on customer's taste and wallet, promote food and wine combinations, rather than share some local sales.

Despite these advantages, some experts claim that apps have a temporary effect and soon people would stop use many of them (Higgins, McGarry Wolf, & Wolf, 2014). In fact, it might be annoying to download a new app every time you need to purchase something online or receive a relevant information. Thus, wine companies have two options: they should provide with a mobile version of the website that can be adopted to different smartphones (iOS, Android), or cooperate with apps-aggregators that permit to have a broader look on wines, notwithstanding the brands (for example, wine scanner, wine searcher, aroma assistant).

One big step forward has been the QR (quick response) code. QR code is a type of matrix barcode that contains information about the item to which is attached. QR code system allows to mark wine bottles to facilitate the customer purchase process (also online purchase), as well as it helps to receive more information regarding the wine itself. However, this technology, though useful and easy, is gradually dying and since substituted by new modern technologies. For example, app Vivino scans wine labels and wines written in the menu to provide the customer with a relevant information on the rating and price. It is also possible to buy the wine using Vivino app or to store the most favorite wines in the lists. There are many different analogues of Vivino on the market. For example, Smartvino app, that was created in Italy to educate people about Tuscany wines, which are considered to be among the best in the world. With

Smartvino app it is possible to scan the wine label (which was previously marked) to see where it comes from, its history, which are the best pairings and all necessary information on the wine and cantina. The specific focus is made on geo-spatial localization since it has a particular meaning for Tuscany wines in terms of appellations.

Another largest player on the market of wine apps is the app Wine Searcher. It has a huge database of wines, beers and spirits and the most reliable search engine. The app also provides with detailed information (users' judgements, experts' score, images of the label, vine variety, wineries); thanks to a GPS connection, the app also allows users to easily find the nearest store where to buy the selected beverage; one-click call key is also available to directly ring up the store (Mastio, 2016).

Vinadvisor represents a different type of app that has a strong link to the social aspect. It benefits from the community to share suggestions, comments, write-ups; it boasts a great number of known wines and wineries; a free personal area is available to store tasted wines and to share comments (Mastio, 2016).

All these apps use similar approach towards their customers: they are neutral, user-friendly, easy to use and provide the information on different languages and different places based on the GPS location. They allow people to grab all necessary information on wine on the fast and safe basis. In the meantime, they provide wine companies with the feedbacks about their products based on the comments of their consumers. Certainly, the company or the region (as in case of Smartvino) may create its own app, however, that means it also must invest some money to promote this app among the customers which might limit their number. Indeed, it is better to cooperate with already existing and well-recognized apps.

Conclusions

The world of digital marketing is constantly developing. There are many different technologies which are ready to conquer the business with their innovative approach. There are examples of VR (virtual reality), AI (artificial intelligence), big data, IoT (internet of things) that are already inserted into business processes in the wine industry. However, the major part of companies, especially small sized wine companies from the old-world countries rarely use modern technological tools in their winemaking or promoting practices. Winemakers are often afraid of any digital improvements of their business because it tends to be costly, even though technologies are becoming more and more affordable and cheap. Thus, it is important to spread the word about the availability of these technologies to the wine companies.

Moreover, it is important to talk about the need of digital marketing in terms of social media for the wine companies. Nowadays, social media became a powerful mechanism not only for the business but also for the customer. Indeed, it allows them to reach the company and communicate with it. Therefore, customers provide the company with a real feedback on its work: what is well done and what can be improved and, at the same time, everything helps to build loyal relationships with customers that would spread the word about the wine and cantina, freely advertising it only because he likes the product.

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