

Hello Vino, LLC announces mobile service at Boston Wine Expo

Company Information

URL of Release

<http://helloworld.posterous.com/an-exciting-time-for-hello-vin>

Category

Mobile Application

Tags

Food and Wine Pairing

Model

Sponsorship, Licensing

Company URL

www.hellovino.com

Contact info

Hello Vino, LLC
16 Cannongate Rd, Unit 16
Tyngsboro, MA 01879
(978) 808 6006
HelloVino.com

Total customers

Not Disclosed

Key Mgmt Team

Rick Breslin - President
Jim McNamee - VP Marketing
Chris Mitchell - Web and UI Developer

Funding

Not Disclosed

Founded

2008

Key Partners

- Smooth

Analysis Summary

Neutral to Positive

Hello Vino is a wine pairing and suggestion tool that is designed to give access to recommendations to beginning wine drinkers where ever they may be through a multi-platform delivery – iPhone, Web, and SMS. We are slightly positive on the announcement for its innovative, multi-platform approach and focus on beginning users but have reservations on content and lack of ability to leverage buying pattern influencers (key to viral expansion).

Market Impact: LOW

This is one of multiple applications available on the iPhone but differs in that it compliments iPhone access with web and SMS queries. The impact to wine producers, as with other iPhone applications, only comes when producers can publish content once and reach the most users. This application only slightly enhances a producer's reach until they extend their content matching engine for use by other partners and give producers tools to help them participate in the matching or through advertising. However, this type of mobile application will be instrumental in influencing purchases OFFLINE at the retail store level. This could be a strong tipping point if leveraged properly. Multiple paths to accessing the content (SMS, Web/WAP, iPhone) is a good start, but its too early to see what levels of adoption can be attained.

User Interface	Consumer Value	Winery Value	Innovation	Team	Company Viability*
					

*VinTank rates all start-up companies 1 out of 5 possible points for company viability.

VinTank Position

VinTank Position: Neutral to Positive

We are taking a slightly positive position on Hello Vino. We especially appreciated the simplicity and function of the application. We think that the mobile platform is a key to creating consumer pull for wine producers but that is very dependent on adoption and content – two very difficult problems to solve. Hello Vino is appealing to beginning wine drinkers by having them venture through wine by pairing it with food/occasion/region through natural language queries (“what wine goes with bass” for example). These queries are generated by a series of answers to various questions, which guide a user down a decision tree for selecting the right wine. Hello Vino is bringing a focus to the content and using a second layer of “access”, which can be SMS, iPhone, or Web (Web includes Mobile Web or WAP). This architecture for the service is desirable as it lends itself to adding multiple platforms very easily.

The usefulness of the tool at the point of purchase is key. Users in off-premise retail outlets will be able to leverage the influence of the recommendation engine. However beginning wine drinkers’ will probably see an even higher rate of conversion when a recommendation comes from a familiar authority. Hello Vino doesn’t leverage any sort of authority model for making recommendations. In an authority model, recommendations would come to the user through “trusted” sources, like knowledgeable influencers.

As with other newly launched mobile applications, adoption will accelerate as the content is tested and proven/disproven to be useful and/or robust. As we’ve previously mentioned with the related Drync Wine announcement, the success of these applications and their usefulness to the end user will be their content; both quantity and quality. More so than other mobile applications, since Hello Vino is targeting beginners, the ability to integrate authoritative recommendations will highly benefit Hello Vino’s platform. Today the stickiness of the platform is a result of its simplicity in allowing people a click path through a decision tree to help drive the selection of a wine pairing. Extensibility of allowing others to leverage this tool will greatly increase usage (e.g. an API for others to leverage this tool on their sites).

How this and other applications like it integrate content they don’t already have is second the key. Other mobile applications are taking the approach of trying to cover every possible wine query that may be made and answering them with a rating that is in a database. This is a huge task as data consistency across platforms negates 30%-70% of the “crawled” or “imported” data’s value.

Hello Vino approaches this by creating a pairing model that allows wines to be added to specific pairings. This means that Hello Vino does not need to or attempt to cover every possible query for a wine in the universe, greatly reducing the complexity of the task and increasing the opportunity for this, should it be widely adopted, to be a marketing channel that actually drives sales (as there is the potential to have sponsored pairings so that specific queries hit a specific producers’ wine – of course calling out that one of the selections is sponsored). This creates the possibility of a Google AdWord-like

bidding system of allowing specific searches and keywords/terms to be requested. All, of course, dependent on adoption, which is a big unknown this early in the company's history.

Today, Hello Vino has 300+ pairings in the database and is working on partnerships to create more pairings. For an initial launch this is a good start but the application needs to build out more pairings over time.

A main concern to the industry is having no unified way to get wine information onto the various platforms. Hello Vino simplifies this problem by creating pairing queries that drill down to specific wines simplifying the data access process.

Positives/Concerns

Positives:

- ✿ The simplicity of UI and click flow is excellent for wine consumers
- ✿ Accessing data through multiple platforms including Web, WAP, and SMS is key to adoption
- ✿ Feature set includes Food pairing and Q&A driven suggestions simplifying the data consistency problem
- ✿ Q&A format is less intimidating for new wine drinkers
- ✿ Model provides wine industry with multiple avenues for marketing aside from CPA
- ✿ Extensibility of content
- ✿ They have attempted to clean the duplicate data challenge of duplicate wines from the Smooth data set

Concerns:

- ✿ No additional buying pattern influencer model (i.e. friends or authority recommendations)
- ✿ No buying function for Direct-To-Consumer (DTC) Internet purchases
- ✿ Company just launched with no major partnerships or funding announced
- ✿ Pairing content needs to be scaled up to handle potential number of situations/pairings that may be encountered.
- ✿ Late to market – iPhone Competitors either have a time to market advantage on content and adoption (Wine Snob, Wine Enthusiast, Drync Wine, and almost a dozen others).

Winery Recommendations

No interaction necessary at this time **however** as the company evolves it provides multiple marketing channels beyond affiliate sales – sponsored selections, impulse buying opportunities, etc...

Hello Vino Recommendations

Buying pattern influencers are one of the top reasons new wine drinkers convert to regular wine drinkers. Being able to know what people they trust think or suggest makes a beginner move from considering to sale to actually buying much



pulse report

information on the latest & greatest

quicker. Integrating authoritative recommenders of a wine pairing would really tip the scales. Having more robust recipe matching would also be excellent to help consumers make dishes that match wines.