

THE SOCIAL LIFE OF WINE

Websites are so last year, and chat rooms, so last week. These days, US wine professionals and consumers are finding each other through social media. Maggie Rosen reports on how companies are using new technology for marketing.

SUMMARY BOX

- Social networking is an ideal marketing tool for the wine industry. It allows consumers to get the information they want, while giving even the smallest wineries a global reach.
- Social networking tools can be used to create both brands and wine personalities.
- It can be a good way to sell tiny quantities or test a product or marketing idea.
- However, to exploit social media takes time and energy and once started, the process must not be allowed to stop. Gimmicky marketing also runs the risk of damaging the brand.

By now, you may have heard about Murphy-Goode, the California winery whose quest for a social media guru was publicized almost entirely on the Internet. The offer? In exchange for telling the world about the winery through social networking tools, the successful candidate would be paid \$10,000 for six months. Millions tuned in to watch the videos submitted by thousands of applicants for the plum job, yielding more than 300m media impressions (according to the winery).

Those who didn't hear about the Murphy-Goode job possibly don't yet understand how important social media is proving to be for wine - particularly in the US.

Mass gratification

According to Internet research firm Hitwise, social networking sites have been more popular than pornography for several years. Social media takes the existing Internet vehicles to the next level, reaching many more people, more quickly, than blogs, email or chat rooms could ever do alone. From mainstream and multipurpose tools like Twitter, Facebook and YouTube, to wine-specific ones like Snooth, Cellartracker, Vinquire and more, the channels are multiplying exponentially. For consumers, the goals are obvious. They seek information - tasting



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and Tastelive.com

notes and recommendations, food and wine pairing tips, a forum where they can exchange experiences and discuss their views in real time - sometimes directly with the winemakers. Many treat the sites like virtual tasting rooms where they can relax among friends - albeit hundreds of them who may be thousands of miles away. With this in mind, it's easy to see why winemakers are reportedly clamouring for a chance to feature their wares in such forums as TasteLive.com (formerly Twitter Taste Live), which hosts virtual, simultaneous group tastings where participants post comments in real-time. Such sites unite total strangers who might never otherwise meet.

"The same things that motivate people to discuss very personal things like childbirth or medical treatment online also apply to wine," says Judith Donath, associate professor at the Massachusetts Institute of Technology (MIT) Media Lab, where she focuses on the social side of computing. "It's the status of being seen as an expert in a group and having an audience. Online communities are perfect for this. Wine is about drinking and collecting; people spend a lot of time gaining esoteric knowledge and once they get into it, they want to learn more. Sharing that knowledge with others becomes a satisfactory goal in itself."

For the trade, the objectives are slightly less defined. But despite soft focus terminology, such as "extending the conversation", "engaging fans" and "reaching out to new customers", the ultimate objective surely must be to reach into consumers' pockets. Thus, smart producers and retailers are not only monitoring ongoing discussions to find out who's saying what about their wines or wine shops, but also participating in them. With the industry in crisis, the explosion of interest on both sides couldn't come sooner.

Socially conscious

With 6,000 US wineries in the US and over 20,000 around the world, many of them producing dozens of wines, an overabundance of options and lack of consumer loyalty are byproducts of the industry, according to Paul Mabray, chief strategy officer of Vin-Tank, a wine and technology consultancy which recently published the first comprehensive report on wine and social media. "People love to try new things, and there's plenty of wine out there. But out of about

500 wholesalers in the US, only a handful in each state have any substantial power," he says. "The bottleneck is excruciating." The recession has been a catalyst, he says, forcing those feeling the squeeze to seek alternative solutions to a dysfunctional system – and this applies to businesses of all sizes.

Large companies, for example, can use social media to create personalities for their products, aiding the perception that there is a person, rather than an indifferent behemoth, behind each brand. Owned by Jackson Family Vintners, Murphy-Goode is but one example of a sizable operation using social media to put a friendly face to their name. "The campaign was really a crucible for us," said spokesperson Mark Osmun.

Declining to share figures, he says the effort cost far less than the stated equivalent of \$7m in advertising it yielded – and that the intangible results were yet more valuable. Orders from distributors and retailers have risen too, but the company won't confirm how this translates into actual sales. "It drove a tremendous amount of traffic to our site, and was more successful than we could have hoped. Now we have someone to spearhead a strategy. And if it doesn't work, then that's good information as well."

Facebooking

For businesses seeking to reach existing consumers and expand their clientele, Facebook can be an easy and inexpensive way to test social media. "To create a fan page takes only minutes of someone's time," says Kristen Green, of Kristen Green Public Relations. "Populating it with fresh and interesting content, repeatedly – and getting people to participate is what requires an investment of time and money. Social media is only one aspect of a well-rounded, multi-channel marketing strategy where all elements are complementary."

Green worked with Toasted Head Winery (in the premium portfolio of Constellation), which launched a comprehensive marketing campaign in March that has far surpassed expectations. "We've always been a bit 'anti-PR'," said spokesperson Alicia Laury. "The brand has grown organically, and we knew there was a large and loyal customer base. We receive letters and emails, we have a wine club. But we wanted to communicate with them more personally."

In addition to setting up a fan page for the brand, which features a fire-breathing bear on its label, the company spent about \$60,000 over two months to raise awareness. It incorporated a calendar, a store locator, quizzes and other interactive devices, both useful and recreational. For example, the online community was encouraged to post questions, recipes and comments – which they have done, in quantity. The company hoped 1,000 fans would sign on: they ended up with well over 3,000, while page impressions have surpassed 50m.

Social media also allows wineries with little or no budget to have their chance at fame, though they must be more creative. Jeff Stai, the owner/winemaker behind eight-year-old boutique winery Twisted Oak has been blogging since 2006. He has since added Twitter, Facebook and wine forums to the mix. "I started writing my blog as a way to get the name out there," says Stai, an engineer who understood and tested the tools of social media as they emerged. "I can't put a number on it in terms of sales, but a lot of people out there

Do's and don'ts – what the experts advise

DO own the company's name/brands and all possible variations, on all platforms. "The last thing you want is someone impersonating you and misrepresenting your products," warns Paul Mabray of VinTank.

DON'T regard social media as a cheap email address acquisition tool. "Bombardment of information and email blasts from wineries on Facebook is causing significant backlash," according to VinTank.

DON'T dismiss criticism. Welcome and respond to it quickly and thoughtfully. Engaging customers in a discussion about why you've done what you've done is much more effective than acting defensive.

DON'T claim to be something you're not. Social media exposes liars and spreads the word. "If you say you're biodynamic and you're not, someone will find out pretty fast," says Mabray. "It will be very difficult for you to regain credibility."

DO engage with the middle man. "Make it easy for anyone who recommends your wine to present it properly," says Philip James of Snooth. "If your wine is being praised on a blog or recommendation site, provide label and bottle shots."

know about us who wouldn't necessarily have been able to attend a tasting or a winemaker dinner. When you mention Twisted Oak, however, the response is no longer 'who?'"

Stai is convinced that his profile would have been impossible without guerilla marketing tactics that emphasized the 'twisted' aspect, including a pirate theme and the rubber chicken that has become the winery's mascot. Stai instituted a very popular 'take your rubber chicken to work week', encouraging fans to send photographs of themselves with chickens – which he posted on Internet website – and vote for the best one. "I'm doing what I have to do to make the winery successful, and the chicken is just a bit of fun, one of the ways we engage customers," he says. "There's no way a tiny producer like myself – from an unknown part of California [Calaveras County] could have gotten so much attention without trying something to grab people's attention."

While this can be a winning strategy, winemaker Randall Gramh of California's Bonny Doon Vineyards warns of the dangers of becoming a hostage to marketing. Gramh, who launched Bonny Doon in 1983, was also a maverick marketer whose iconoclastic wine names (Cigare Volant, Cardinal Zin, Old Telegraph) and non-traditional labels designed by artists such as Ralph Steadman, garnered as much attention as his wines – perhaps too much, he says. "We did some great, brilliant marketing – I am mostly proud of it. But the other side is that he who lives by marketing, dies by marketing," says Gramh, who has since sold parts of the business and has shifted his focus to biodynamic production and estate-only wines. "Sometimes I feel we were too clever by half, which ultimately may have detracted from the perception of Bonny Doon as a quality winery. If I were to die soon, I wonder if people would say 'what a great marketer he was', and that's not how I want to be remembered. I want to be known for great wines."

The power of persuasion

Bricks and mortar merchants such as The Wine Library's Gary Vaynerchuk and Bin Ends Wine's Craig Drollett have likewise incorporated the social media into their strategies, as have some purely online businesses. The latter attract users with services such as cellar and tasting note management, recommendations and wine search/appraisal

facilities. Having such a community is also attractive to advertisers and other service providers, which offers the chance to attract revenue from other areas.

Snooth.com, which claims to be the world's largest wine website, with over 500,000 users monthly, has accumulated a massive database of wine, which links to winemaker notes, critics' reviews, pricing and other details, such as peer-to-peer recommendations. "We don't sell anything. We aggregate information for our community of users that lets them make their own decisions about what to buy - and where," says co-founder Philip James.

Launched in 2007 with private funds, Snooth earns revenue comes from advertising and lead generation: James says the site refers over \$1m in sales - of which Snooth gets a 10% cut - each month. Various aspects of Snooth's technology also underlie (or will soon do so) the intelligent price- and retailer-checking and recommendation services offered by Amazon, Nielsen and Samsung, and the food-and-wine matching engines of Time Inc and Condé Nast's Epicurious. Members of the community say the neutrality of the site's operators, and its welcoming attitude, is critical. "I tried several wine discussion groups, but I didn't feel a sense of community or that I could learn much from there," says John Andrews, a software product developer and a self-described wine geek who is among Snooth's most active participants. "What keeps me going back is the sheer number of reviewers assessing wines to which many people in the 'real world' have access - and how the reviewers themselves are rated."

The peoples' choice

This 'power to the people' aspect of social media, where actual consumers review whatever they drank last night, from the most easy drinking wines to the greatest wines of the world, is where social media has altered the wine scene most irrevocably. "For a very long time, the only reviews and opinions consumers had access to were Robert Parker, *Wine Spectator*, *Decanter* and a handful of other sources," says Craig Drollett of Bin Ends Wine, which opened in Massachusetts in 2008. Drollett also launched Tastelive.com. "Just because a wine earned 90+ from Parker doesn't mean the average wine drinker, especially someone who's new and experimenting, will like it," he says. "If someone is



Virtual tastings can bring far-flung customers together.

standing in front of a shelf of Chardonnay, how much more useful it is to be able to type Chardonnay X into a search engine and come up with 25 reviews on Twitter."

Drollett uses Facebook and Twitter not only to keep in touch with customers, but also to complement binendswine.com, the Internet sales arm of his shop. "If I get a very small allocation that doesn't warrant being put on the site, I'll put it on Twitter," he says. "I can measure interest by number of cases sold, but social media tools are even better for building my brand. Fourteen months ago, there was no Bin Ends Wine. And now I have reporters calling me from Europe. It's very difficult for any retailer with one shop to develop a following outside their local area - yet we're doing it, thanks to social media."

In an era of information overload and ever-decreasing attention spans, social media

Further clicking

An inexhaustive list of general interest and wine-oriented social media and other resources, for both consumers and professionals:

- <http://facebook.com> (general)
- <http://www.cellartracker.com> (wine)
- <http://linkedin.com> (general)
- <http://myspace.com> (general)
- <http://www.openwineconsortium.org> (wine)
- <http://www.snooth.com> (wine)
- <http://www.tastelive.com> (wine)
- <http://www.tumblr.com> (despite its name, general; similar to Twitter)
- <http://www.twitter.com> (general)
- <http://vincellar.vinfo.com/> (wine)
- <http://www.vinquire.com> (wine)
- <http://www.vintank.com> (wine)
- <http://www.winetwo.com> (wine)

applications like Twitter, with its 140-character message limit, are perhaps the quintessential tools for capturing attention. Whether for tasting notes, recommendations, invitations to join a group or a sales pitch of any kind, if the medium is the message, then the message had better be short and tweet. But it needs to be scrupulously honest, as well, because when social media goes wrong, the consequences can be huge.

Social media gone wrong

The same things that make social media promising, from ease of use and immediacy to the chance to reach an ever-expanding audience, can also be pitfalls. Earlier this year, a high-level public relations executive visiting the Memphis, Tennessee headquarters of his client Federal Express broadcast the message that he "would die if he had to live here". The post was quickly spotted by a Federal Express employee and escalated to the highest echelons of both the company and its agency. The matter was dropped by the client and its agency, but not before the news had spread around the world. Many clients would not have been as gracious.

Beware, too, the wronged consumer who takes a customer service issue into cyberspace. Canadian musician Dave Carroll was alerted by fellow passengers that his band's guitars were being tossed around by United Airlines baggage handlers, and found upon arrival that his guitar had sustained \$1,200 worth of damage. Rather than apologise and pay for the repair, however, the airline refused to admit culpability and entered into a year-long correspondence, the short message of which was 'caveat emptor'. Frustrated, Carroll wrote a song about his experience and posted it on YouTube, and you can probably guess the rest.

And as for that famous Murphy-Goode winery marketing, the publicity wasn't all good. The winery had invited those following the recruitment campaign to vote for their favorite applicant, giving the impression that their vote would count toward their choice. When it emerged that their poll was an interactive exercise, and the peoples' choice would have no bearing on the hire, the matter was taken up by bloggers everywhere - including one of the applicants - and backlash ensued. The moral of all three stories: think before you act, just as you would off-line, only faster. ■

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