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IMPROVING SALES AND PROFITABILITY FOR SMALL BUSINESSES: A STUDY OF “BOUTIQUE WINERIES”

Abstract:

Marketing and selling wine can be quite complex due to the variety of wine types, grape varieties, vintage years, and production methods. Large wineries produce wines at different price levels using diverse marketing and distribution methods. More affordable wines are typically sold in supermarkets or wine shops, while the higher-priced wines are mainly sold in specialized wine shops. However, the wines produced in small wineries, known as “boutique wineries,” stand out for their complexity and exclusivity. These wines, often considered 'high cost,' are primarily sold in wineries or specialized wine stores. Consumers, while price-sensitive, are also willing to pay more for quality. Evaluating the quality of wine without tasting it is challenging, so price is often used as an indicator of quality. Winery marketers should set selling prices acceptable to consumers while providing a reasonable profit to the wine store.

A study was conducted in wine stores to understand the crucial role of owners/managers in the marketing and selling of wines, particularly the 'high-cost' wines produced by small wineries. Their perceptions of the importance of wine marketing/selling issues such as the significance of wine tasting, awarded medals, labels, and brands, were explored. Results indicate that tasting wine and being awarded medals are important factors for both wine consumers and wine store managers. When tasting is impossible before purchasing a bottle of wine, consumers choose wine based on 'cognitive cues,' which include the brand name, awarded medals, and other information on the label.

This study presents potential marketing ideas based on the insights of wine store owners and managers to promote these unique 'high-cost' wines produced by small wineries. It is recommended that in-store wine festivals include wine tasting and a presentation by the winemaker, telling the story of the winery and the different wines being tasted during the event. Additionally, a promotional price for the tasted wines should be suggested, highlighting the crucial role of wine store owners/managers in the marketing process.

Keywords:

high-cost wine, marketing small wineries, boutique wineries

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