Title
How can boutique wineries increase their sales with the alliance of wine stores

I want to submit an abstract for:
Conference Presentation

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Keywords
Wine stores, boutique wineries, small wineries, premium wine

Research Question
The purpose of this paper is to examine possible strategies for boutique (small) wineries in wine stores, from the wine stores managers' point of view

Methods
Wine store owners/managers were interviewed face to face, using a designed questionnaire, about the importance of marketing structures to improve selling wine produced by small wineries.

Results
Tasting wine and medals achieved by the wine are perceived as important factors for both wine consumers and wine store managers. In-store wine festivals with the cooperation of boutique wineries.

Abstract
The Israeli wine industry has grown in the last 20 years and has been transformed producing to quality and premium wines, mainly due to the modern technologies and agriculture adopted since 1980. Wine consumers in Israel are looking for wines for pleasure, with their food, or just to enjoy drinking as they are exposed to foreign wines and are willing to try good wines. There are more than 300 wineries in Israel, and about 90% of them are defined as “boutique wineries” that produce less than 10,000 bottles per year. Most of the wines in Israel are priced
between €5 and 10 and are sold in supermarkets and wine stores. The wines made in boutique wineries are “high cost” wines (so-called “premium wines”) with a price tag of €25 and more and are sold mainly at the winery cellar door or in specialized wine stores. Consumers are sensitive to price but willing to pay more for quality. However, price is used as a trade-off against other attributes and the customers’ willingness to pay for the wine is correlated with the perceived quality of the wine. The consumers should feel getting value for money for the wine, hence, winery marketers should optimize the sale price to be acceptable to the wine consumers and to provide a reasonable profit to the wine store. When buying wines from a boutique winery, the retailer takes a risk in his decision, because of the high sale price and cost of keeping such wines in stock. The retailer expects the winery to generate requests and demand from private consumers by winning medals and prizes, use of public relations, articles of wine critics in the media, and media activity on social networks. Alliances between wineries and wine stores should be the basis of promoting and selling high-cost wines.

In this study, we interviewed wine store owners/managers who are responsible for wine purchasing, in different regions of the country. The interviews were face-to-face using a designed questionnaire. The questionnaire included questions about the importance of wine marketing issues (such as the importance of wine tasting, medal granted to the wine, label, and brand), which might increase the selling of “high cost” wines produced by small wineries. Participants were asked to rate each attribute’s importance in terms of their perceptions (on a Likert-type 1-5 scale). The questionnaire included questions about the wine store, the type of beverages in the store, the number of wineries represented in the store, and whether boutique wineries sell their wines in the wine store. The data was collected in Israel in wine stores located in different regions of the country.

Results show that the average levels of importance of cues reported by the wine-store managers/owners were “in-store wine tasting”, “in-store wine festivals”, “wine tasting during holidays” and “wine tasting before purchase”. The findings of this study are important in constructing a marketing strategy for small or boutique wineries and for wine stores to expose their high-cost/premium wines in wine stores. The findings were divided into 3 main sectors: (1) marketing activities within the store, (2) wine tasting as an exposure tool and sales promotion, and (3) wine labels and the information embedded in them. Hence, in-store wine festivals with the cooperation of boutique wineries are suggested. It is recommended that the winemaker of the winery will present the wines during the event, telling the story of the winery and the different wines that are tasted during the event. A promotional price for the wines that were tasted should be suggested. A case study of increasing sales of one boutique winery, as a result of the recommended activity, will be presented.

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