

Research area: MARKETING

Regional cluster: WESTERN AUSTRALIA

Beyond the traditional cellar door: Do tiered cellar door service offerings maximise value for differing wine tourist segments?

Background

In a highly competitive domestic wine market, direct-to-consumer sales through cellar doors are a critical channel for Western Australian wine producers to engage with and sell to wine consumers. Intra-regional competition is also high, with cellar doors competing against one another as well as with the high-growth brewery market. For instance, Margaret River is home to 95+ cellar doors and 10 breweries.

Within Western Australia's regions (e.g. Margaret River), a growing number of wine producers are innovating upon the traditional free-of-charge wine tasting. These offerings include: 1) charged tasting flights; 2) charged self-guided tasting flights; 3) charged self-guided tasting flight with food option; 4) bottle purchase for on-site consumption with food offering; 5) sit down lunch (if restaurant is on-site); 6) winery/vineyard tours; 7) blending workshops; 8) local produce; and 9) galleries/museums.

The aim with these offerings is to value-add the cellar door experience, attract a wider audience and increase return on cellar door investment. However, empirical evidence highlighting the effectiveness and attractiveness of each option, as well as the impact of charging for tastings, is lacking and requires investigation.

Why is it important?

The cellar door is crucial to the ongoing profitability of the wine sector as well as being a key cog to exports in the form of international visitation. Investment into cellar door operations is capital-intensive and having insights into the effectiveness of specific service offerings will mitigate risk.

The Wine Australia *2018 Cellar Door & Direct-To-Consumer Research Report* has provided descriptive insights into the structure of the cellar door landscape within Australia. The report highlights contributions of direct-to-consumer sales to overall sales as well as identifying the prevalence of different tasting activities undertaken by wine producers across differing production capacities.

This project will provide valuable expansion of Wine Australia's Cellar Door report to better guide cellar door investment in and the experiences offered. Empirical evidence of the attractiveness and effectiveness of differing cellar door service offerings to multiple wine tourist segments will be collected using a survey-based approach. These insights will improve our understanding of who the wine consumer is, what they value in cellar door experiences and the effectiveness of multiple service offerings in WA.

What would success look like?

Successful outcomes for this project will be quantifiable data that identifies multiple wine consumer segments and highlights which cellar door service offerings they are more likely to engage with. The project will also capture data on consumer spending and satisfaction with their cellar door experience. Together, the data will provide insights on how to innovatively structure cellar door experiences to cater for multiple segments and maximise return on cellar door investment.

For further information and to develop an application please contact:

Richard Fennessy: richard.fennessy@dpird.wa.gov.au