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Title

Telling Stories to Market Premium Wine in Hawke's Bay

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Conference Presentation

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Keywords

winespeak, premium wine, New World wine, wine marketing

Research Question

How can winemakers in an emerging wine region persuade consumers to purchase premium products at high price points?

Methods

Twenty-eight interviews conducted with twelve winemakers, nine cellar door staff members, four marketing and sales directors and three owners who are not winemakers in August and October 2018.

Results

By telling stories about the uniqueness of the product, winery or micro-region producers endeavor to overcome New Zealanders' suspicion of winespeak and lack of experience with premium wine.

Abstract

The purpose of this study of wineries in Hawke's Bay, New Zealand, was to gauge changes in the use of winespeak and attitudes to marketing in an emerging wine region. There are approximately seventy operational wineries in Hawke's Bay, New Zealand, and roughly half of them have cellar doors, or tasting facilities where visitors can sample wine and make purchases. This study consisted of twenty-eight interviews, each ranging from thirty to sixty minutes with twelve winemakers, nine cellar door staff members, four marketing and sales directors and three owners who are not winemakers. The interviews were conducted in person at the wineries in August and October 2018.

This study found a heightened sensitivity towards the use of winespeak, as Hawke's Bay producers are trying to move away from the production of entry level wines costing between ten and twenty dollars in order to focus more on premium wines that typically retail at over forty dollars. Two barriers to selling wine at higher price points were frequently cited: New Zealanders' disdain for pretentiousness and a general lack of consumer knowledge and drinking experience. While producers recognize the need to justify higher price points, they are also aware that potential customers may be turned off by the detailed, flowery descriptions offered by cellar door staff or contained in winemaker's tasting notes. In a New World wine region with less than thirty years of experience making quality wine on a wide scale, the common solution to the problem of how to market premium wine has become to tell an attractive story about the wine, producer or region. After examining the two aforementioned difficulties in selling premium wine, this paper will look at the common threads in the stories being told by the wineries and offer suggestions about which types of stories are particularly appealing or successful in Hawke's Bay.

All of the participants in this study – from veteran winemakers to young cellar door staff – cited the intimidating nature of winespeak as a problem when trying to interest potential customers in wine. The use of complicated technical terms was cited as a turnoff for most customers, with the exception of the occasional wine geek who enjoys discussions of pH, total acidity levels and Brix. The wine geek does not typically match the profile of the premium wine buyer, who has disposable income and may be a collector with a vast cellar or someone in the habit of buying expensive wines to celebrate milestones such as birthdays and anniversaries. When serving premium wines, a detailed tasting note with exotic winespeak and technical complexities is a must so that the purchaser can say something more about the wine to the assembled guests than that is delicious and costly. However, premium wine buyers are unlikely to be convinced to make a purchase solely because of a detailed, mouthwatering tasting note. If anything, New Zealanders tend to be more wary of winespeak than consumers in regions with longer wine histories. Several cellar door staff and marketing managers emphasized the importance of choosing the correct language in which to present wines to the public. Preferred terms include “approachable,” “soft,” “round” and “food-friendly” in convincing novice wine drinkers to make purchases. French terms such as “terroir,” “battonage,” or “sur lie” are best avoided in a culture where unpretentious, relaxed social exchanges are prized. One of the most common lines repeated by the subjects in this study was a variation on the idea that the customer is always right. The best wine, said winemakers and cellar door staff alike, is the one you like the most

The second commonly cited barrier to marketing and selling premium wine in Hawke’s Bay relates to the average consumer’s lack of in-depth wine knowledge or broad tasting experience. Although the majority of visitors to cellar doors are vacationers from other parts of New Zealand or abroad, the most important domestic customers for the smaller boutique wineries are the locals who purchase by the case. Wine drinkers in Hawke’s Bay are perhaps not so different from those in other parts of the world in their obsession with price points and fear of being fooled into overpaying. However the equation of Marlborough Sauvignon Blanc with New Zealand wine has discouraged many consumers from experimenting with unknown varieties and blends. The reasoning seems to be that because Sauvignon Blanc and, more recently, Pinot Noir from the South Island have received international approval they are the safest wines to purchase. Many customers still give the ABC response to an offer of Chardonnay, recalling a time in the 1980s when it tended to be made in a heavily oaked style. “Anything but Chardonnay” Kiwis have limited palates and strong preferences, and they are reluctant to try varieties such as Semillon and Syrah. Strong biases for and against certain wines along with an unwillingness to experiment pose a serious threat to a producer’s ability to sell premium wines at higher price points.

One of the most interesting discoveries made in this study was that producers have come up with a creative solution to the problem of how to market premium wine. They do this by telling stories associated to the wine, producer or region to argue for the uniqueness of the product. In spite of (or perhaps because of) New Zealand’s relatively short national history Hawke’s Bay wine producers appear obsessed with history-making. A simple survey of producer websites reveals numerous claims to be the first or only producer to have done something. Villa Maria was the first to seal all its bottles with screw caps; Mission Estate is the region’s oldest commercial winery; Te Mata has the oldest winery buildings; De La Terre is “Hawke’s Bay’s only earth brick winery.” Meanwhile there are producers like Moana Park, an all vegan outfit that offers a premium wine of which only two barrels are made, and the Urban Winery where you will not find anything but Chardonnay and the only egg-shaped fermenting vessel in Hawke’s Bay. Most of the wineries that participated in this study makes at least one claim to uniqueness as a way of justifying the higher price points for their premium wines.

Finally, this study argues that although many winemakers are eager to compare their quality and prices with Bordeaux in order to argue that Hawke’s Bay wine “over-delivers,” it is the idiosyncratic experiments occurring in Hawke’s Bay that truly distinguish the region. Bordeaux producers do not grow Tempranillo, Montepulciano, Barbera, Gewurtztraminer or Pinot Gris and Hawke’s Bay producers might not still be doing so in fifty years, once the varieties best suited to the area’s micro-climates have been thoroughly determined.

By way of conclusion, this paper will offer thoughts on the future of the premium wine market in Hawke’s Bay. There have been several buyouts and mergers in the area – most notably Te Awa and Vidal by Villa Maria, and Ngatawara by Mission Estate – and there is concern over possible streamlining and homogenization of production, which are certainly threats to uniqueness.

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