

# Wine Club Trends

Hannah Wallace

Freelance Journalist for SevenFifty Daily, Food & Wine,  
Club Oenologique, Saveur, Vogue, etc.

# Basic Facts about Wine Clubs

- The vast majority of wineries in the U.S. have wine clubs.
- The average winery today receives about 28% of its DTC revenue from tasting room sales, 23% from the wine club and 10% from mailing lists or subscriptions.  
[**Source:** SVB, State of the Wine Industry Report, 2020]
- The average wine club tenure is around 28-31 months.  
[**Source:** SVB's 2018 tasting trends survey + Wine Direct's 2019 DTC survey]
- Many wine lovers belong to more than one wine club. I've heard some Oregon wine lovers belonging to 4-5 clubs.

# Takeaways from Wine Direct's 2019 DTC Report

The Wine Direct Report includes transactional data from 1,200 Wine Direct clients from the U.S., Canada, and Australia, 700 of which have wine clubs.

- Nearly 60% of clubs globally have fewer than 1,000 members. Even in California, the most mature wine club region, over half of clubs have fewer than 1,000 members. This suggests that clubs have significant room to grow.
- Since 2015, Average Order Value of wine club sales has increased by 54%. This may reflect a trend towards fewer, more expensive shipments. It may also reflect a rise in customizable club shipments, where members can add more bottles to their shipment.
- In Texas, wine clubs comprise a healthy 34% of DTC. Tasting room sales comprise the highest category of DTC: 58%. Web site sales are only 3%. Less mature regions are reliant on walk-in traffic. As regions develop, they begin to rely more heavily on repeat sales from club members.

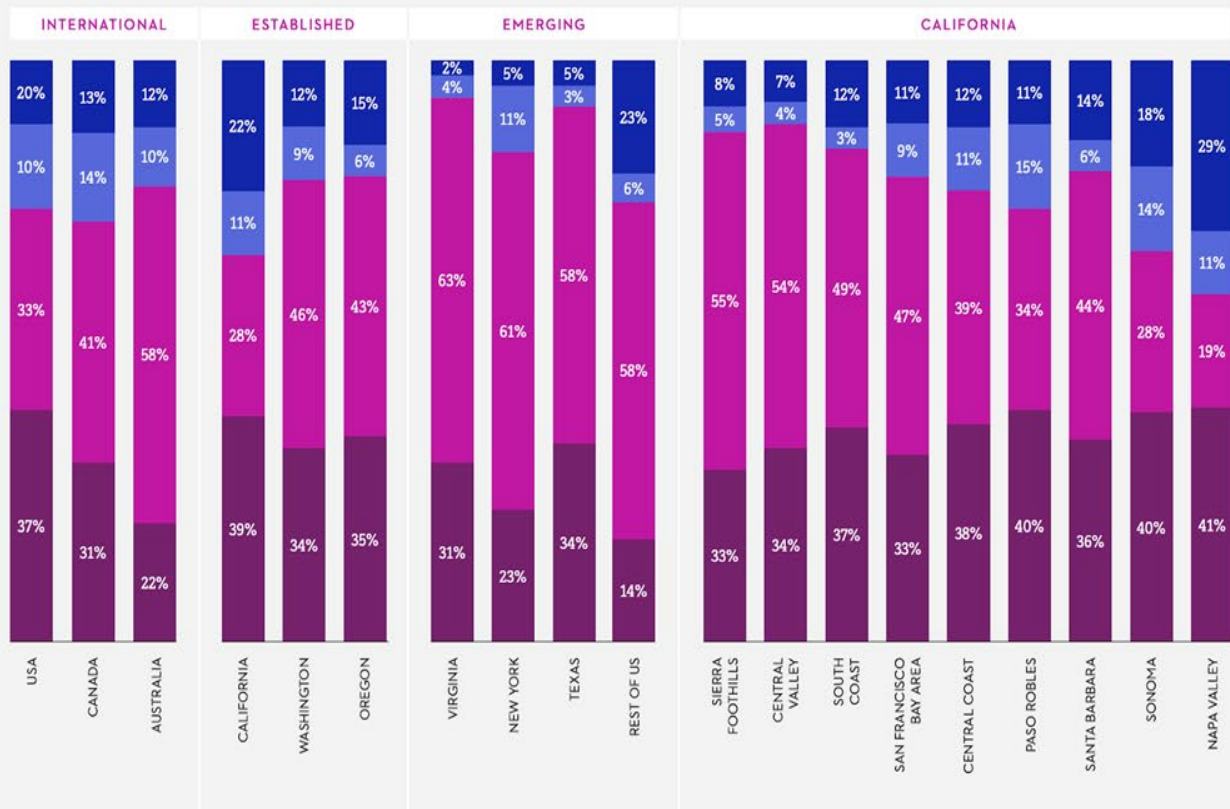
## DTC Sales by Channel By Region

■ WINE CLUB ■ POINT OF SALE ■ WEBSITE ■ OTHER

Point of Sale revenues dominate in Emerging regions, accounting for nearly 60% of sales. In these less mature markets, Wine Clubs may not be as mature as in other regions, and wineries may not have put an emphasis yet on growing their online or telesales presence.

As markets mature, Point of Sale orders decrease in importance, while Wine Club, Website and Other orders increase. This is especially true for Napa, Sonoma and the Central Coast and suggests that as regions develop, they begin to rely more heavily on repeat sales from club members and mailing list subscribers. It likely also reflects the fact that these regions have a larger number of appointment-only tasting rooms, where orders tend to fall into the Other category.

At only 10% of sales, Website orders represent the channel with the most potential future upside.



# More takeaways from Wine Direct DTC report...

- Mobile commerce has been steadily growing. Between 2017 and 2018, mobile orders among Wine Direct clients grew more than 30%. Mobile website *visits* also increased (from 44%-49% of total traffic) while desktop visits **decreased** (from 56% to 51%.) This underscores the need for mobile-friendly websites that allow members to manage their club shipments, book tasting room visits, and complete their purchases.
- A lot of wineries are starting to offer customized wine clubs, based on the needs of their members. This could be simply allowing your members to choose which bottles they get, or it could be offering themed clubs. For foodies, you might include some high-end olive oil or cured meats in a shipment.

# What Wine Clubs are Doing to Retain Members

## Extra layers of service:

- Flexible ordering on selections.
- Resolving shipping issues quickly.
- Giving perks or small gifts on special occasions like birthdays or club anniversaries.
- Close monitoring of accounts that show sudden drops in re-orders, members who are approaching the average dropout date, or have other warning flags.

[source: Christian Miller at Full Glass Research]



## **It's not enough to give discounts on wine.**

Your experience at the tasting room needs to be special. At **Analemma**, a small family-run winery in the Columbia Gorge, the owners saw that they were short-staffed in the tasting room, especially during harvest. In order to give their club members and customers the best possible experience, they closed the tasting room to the public during October (offering complimentary tasting room passes for the inconvenience) and allowed only club members as walk-ins. “It worked for the members, who felt engaged and paid attention to,” says winemaker Steven Thompson. This spring they’ll experiment with expanding this: The tasting room will be open to walk-in guests for a few hours each day but from 3-6 p.m., for example, it’ll be for club members only (or by appointment for non-members).





**Pinot in the City in Houston earlier this month**

## **Add perks for out-of-state wine club members.**

There is a deep divide between the needs of local wine club members (i.e. within a few hours' drive of the winery) and out-of-state members. (The latter is often neglected.) Wineries are starting to take note of this.

If you'll be traveling for work anyway, do something special for club members in that state. For example, Julia Bandy, director of consumer sales and marketing at **Soter Vineyards** recently told a story of how, when Soter staffers were in Houston for "Pinot in the City" earlier this month, they found a restaurant partner and threw a party for their Texas wine club members. Not only was it lots of fun, they sold \$5,000 worth of wine at the party! "Pick a region where you have a connection, or a reason to be there," says Bandy.

## **Survey your wine club members to find out what they love and what they don't love about the club.**

Survey Monkey is free and easy to use! Survey customers to find out their preferred activity, favorite varietals, spending patterns, etc. Once you get their answers, tailor your wine club to be more to their liking. Announce the results to your club members and thank them for their feedback and ongoing loyalty. Communicate the details of your next club event when the changes will be rolled out.

## **Tips from Rob McMillan (from SVB report 2020) on how to engage with customers who don't live near the winery.**

- Start by picking a region in which to build your brand. Personally invest your time in that market, perhaps holding a charity wine auction to raise money for a cause important to that area. Consider entertainment and educational events that build your database of people who've tasted your wine.
- Consider how a live online video stream at the winery might bring interest and wine country beauty to a remote consumer, even allowing them to attend a winery event from their home.
- Engage the distant consumer with links to a Spotify playlist being played at the winery.
- Stream virtual winemaker tastings. (Has anyone done this??)

# Don't neglect non-club members on your mailing list!

- Most of these people have visited the winery and like the wines, but have distinct reasons for not joining your club. Find out why. They should also be sent offers to promote ad hoc purchasing.

[**Source:** Christian Miller at Full Glass Research]

# Panelists' Contact Information

Hannah Wallace, Freelance Journalist [hannahmwallace@gmail.com](mailto:hannahmwallace@gmail.com)

Tiffany Farrell, Haak Vineyards and Winery [Tiffany@haakwine.com](mailto:Tiffany@haakwine.com)

Julie Kuhlken, Pedernales Cellars, [jkuhlken@pedernalescellars](mailto:jkuhlken@pedernalescellars)

Julie Whitehead, Blue Ostrich Winery & Vineyard, [julie@blueostrich.net](mailto:julie@blueostrich.net)