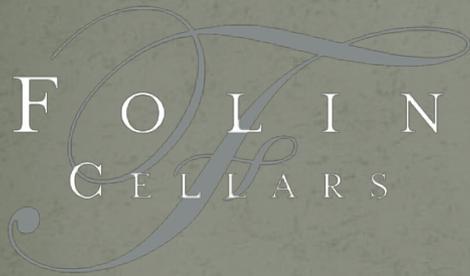


Maximizing Your Wine Club



Carole Stevens

Carole Stevens Consulting
Folin Cellars



Presentation Overview

- Why do customers join wine clubs?
- What does your club look like?
- Evaluating Your Wine Club
- Club Overviews
- Is it worth it?

Why do people join wine clubs?



BENEFITS!!!!

Sooo....what do I get?

- Discounts
- Special Limited Production Bottlings
- Special Events
- Exclusivity
- Complimentary
 - **ANYTHING!**

What does or will my wine club look like?

- What kind of Club are you trying to build?
 - What are you offering?
 - What wines do you make?
 - How many bottles per shipment?
 - Do you want to have multiple clubs? (i.e.: reds only, 2 bottle vs 4 bottle)



Staffing



- Who is running your club?
- Do I have a dedicated capable person?
- How is fulfillment handled?
- How will I manage the club?
 - Wine Club Software?
- Who is ensuring shipping compliance?
- Consistent and effective communication with club members.
- Utilize systems to manage and support the club properly so employees enjoy their work and buy into promoting and helping grow the club.

How can I make my club Promote your successful? club

- Continuously seek new members.
 - On Site and Off Site events.
- 90 percent of new wine club members are signed up right in the tasting room.
 - Pamper your visitors
- Provide clear signage and accessible handouts throughout your tasting room and at special events that describe the club so that when it's busy it will sell itself.
- Provide staff incentives for club sign ups.



How can I make my club successful?

Personalize each experience

- Create relationships with members.
- Provide face to face contact.
- Make members feel like VIP's
 - Designated Members Only area.
- Be diligent about tracking personal information about Members.
 - Anything special that you can focus on. Anniversaries, birthdays, special wine tasting experiences.
 - Club members remain loyal to clubs where they feel remembered.



How can I make my club successful?

- Acknowledge your members regularly.
 - Newsletters, emails, post-cards, birthday cards and special offers
- Solicit their feedback for possible new member benefits and activities that interest them.
- Post or publish complimentary testimonials and photos whenever possible, especially after member appreciation events.
- Build camaraderie and loyalty.
- Send personal notes or cards to new members thanking them for signing up and welcoming them to the club.

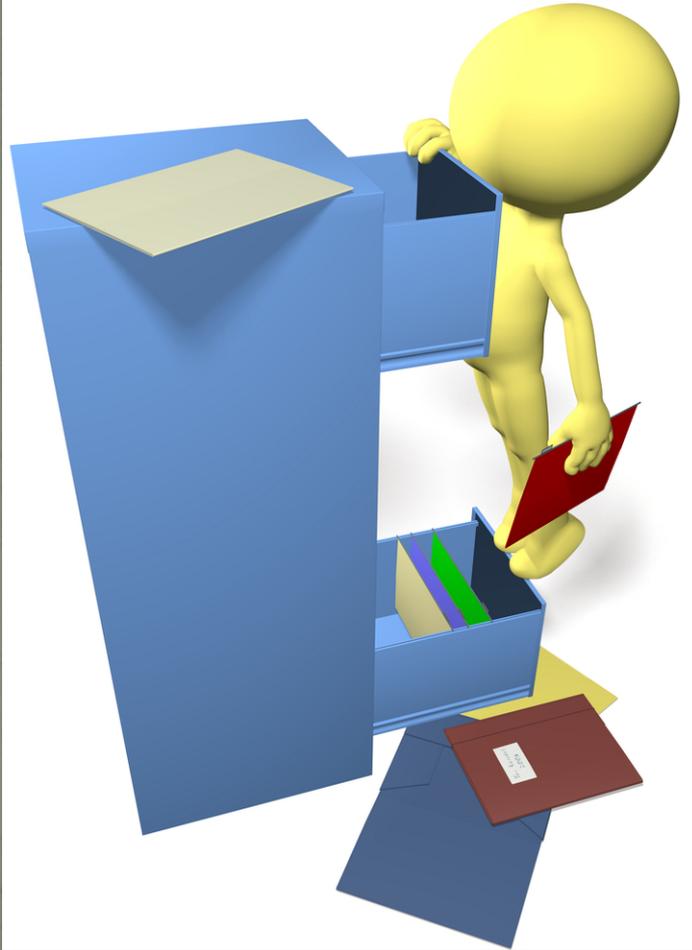


How can I make my club successful?

- Reward your members with appreciation events that are memorable.
 - Annual wine club dinners, picnics, BBQs and parties.
 - Encourage Members to bring guests, family and friends to expose the benefits of membership.
 - Don't be afraid to charge for these events.
- Offer simple and inexpensive experiences to club members.
 - Utilize what you have- view, vineyards, etc.
 - Little things go a long way.



How can I make my club successful?



- Utilize your current database.
 - Track *and use* demographics and buyer preference.
 - Create new membership campaigns and develop direct marketing pieces targeted at specific groups over a specific time frame.
 - Analyze and examine your sales records to identify case buyers, customers who buy only red wines or those with large spending patterns.
 - Invite them to join your club every time you

How can I make my club successful?

- Tracking and Evaluation
 - A few months before the typical member drop-off point, send members a letter reminding them of the rewards of continued membership.
 - Maintain a current database so that shipments are delivered on time and correctly.
 - Track and utilize information related to new club sign-ups, cancelled memberships and declined shipments.
 - Before a shipment, send out an "information update" email to members so that new addresses or special requests can be incorporated.
 - Invest in software and equipment that will grow with your club.



How can I make my club successful?

- Manage and monitor attrition.
 - Attrition rates can vary from 2 to 20 percent annually.
 - Average wine club member lifespan runs between 18-24 months.
 - Provide incentives for members to stay in your club.
 - Retention bonus, in the form of a gift or give members a larger discount, the longer they have been with the club.
- Why do members drop out of clubs
 - They have too much wine.
 - Move/lose contact and are not followed up with.
 - Benefits are not being offered.
 - Join other wine clubs
 - Average customer is a member of 2+ wine clubs.

Wine Club Examples

- 3 wine Clubs
- Large (+/-20,000 cases), Medium (+/- 12,000 cases), Small (<5,000 cases)
- Various regions (Willamette Valley, Paso Robles, Walla Walla)
- Variety of wines

WillaKenzie Estate

- Facts:
 - Yamhill, Oregon
 - Pinot Noir, Pinot Gris, Pinot Blanc, Gamay Noir, Pinot Meunier
 - 20,000 cases annually
 - Bottle price \$21 to \$60



Cellar Club

- Three bottles of red wines four times each year.
- No Fee to join
- Average shipment cost: \$100.00
- 15% off all wine purchases.
- Special bottlings of Pinot Noir, such as individual Dijon Clones, are offered exclusively to Cellar Club Members and selectively in the tasting room.
- A variety of Cellar Club events are held throughout the year in honor of Cellar Club Members.
 - **Note: these events are NOT free**
- Cellar Club Members have the opportunity to schedule a private tour of the winery.
- You can purchase a 2 Shipment or 4 Shipment membership as a gift as well.
- No Membership Fee to join: Your credit or debit card on file will be charged just before each quarterly 3 bottle selection is shipped. Membership may be terminated at any time with a phone call or email.

Tablas Creek

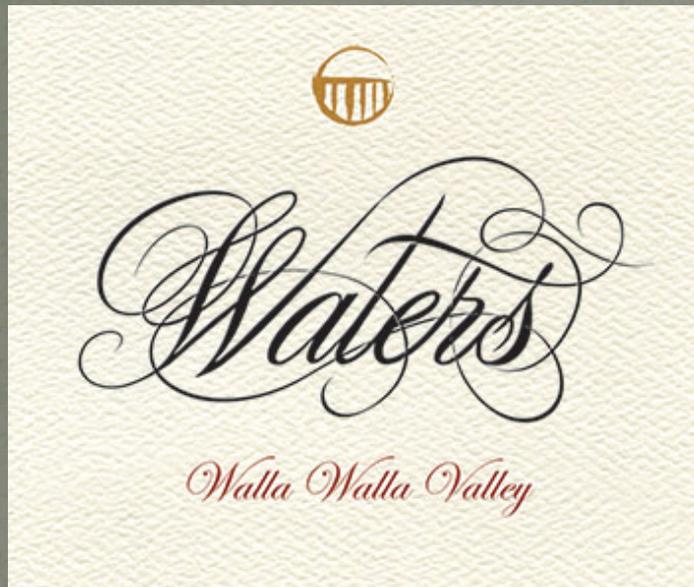


- Facts
 - Paso Robles, CA
 - Rhone Varietals, signature blends
 - +/- 12,000 annually
 - Bottle price \$20 to \$75

VINsider! Wine Club

- Six-bottle selection of wine each fall and spring.
- Shipments can range from \$200 to \$300.
- Shipments include pre-release items, special cuvées, and members-only releases.
- 20% discount off the list price of each bottle.
- Membership is free and may be cancelled at any time 30 days prior to the shipment date.
- An annual invitation to futures tasting.
- Priority invitation to limited-seating winemaker dinners, seminars, and tastings.
- Free tasting for members and guests.
- A \$20.00 gift certificate for for you for each new VINsider you refer (and who signs up).
- Tablas Creek newsletter.

Waters



- Facts
 - Walla Walla, WA
 - Syrah, Cabernet, Cab Franc, Merlot, Signature Blends
 - +/- 2,000 annually
 - Bottle price \$30 to \$150

House of Waters

- No fee to join
- 6 or 12 bottle club
- Shipments are 6 or 12 bottles 2 times a year
- Price per shipment \$180 to \$220 (6 bottle shipment)
- Discounts on additional case purchases
 - 6 bottle club 20%/12 bottle club 30%
- Limited to the first 200 members
- Requires a three shipment commitment
- Exclusive House of Waters wines
- Annual wine pick-up party in Seattle
- Complimentary tastings for club members and guests
- Private barrel tastings and facility tours.
- Complimentary itinerary planning for wine tours of the Walla Walla Valley
- Winery amenities (tasting room, production area and lawn) are available for members to host private dinners and events
- Yearly club gift

Is it worth it?



Absolutely!

- Nothing helps a winery's bottom line so much as the wine club.
- You can count on that income and you're able to project the future sales for the company.
- Without the wine club continuity or subscription model, the vast majority of all of your direct consumer purchases, like tasting room, will be one-time transactions.
- Establishes a solid foundation for your brand.
- Creates consumer loyalty.
- If a winery is to survive, then it had better learn how to maximize its profitability and sales potential using proven direct marketing sales techniques.

Questions? Comments?

Carole Stevens

503-349-9616

carole@cstevensconsulting.com