Trial-purchase-repurchase of the brand: How does a cellar door visit impact future sales?

By Johan Bruwer1, Larry Lockshin1, Anthony Saliba2 and Martin Hirche1

1School of Marketing, Ehrenberg-Bass Institute for Marketing Science, University of South Australia
2School of Psychology and National Wine and Grape Industry Centre, Charles Sturt University

An AGWA-funded study has been conducted with the aim of better understanding the role of cellar doors in building ongoing brand awareness and repurchasing.

INTRODUCTION

The Australian Grape and Wine Authority (formerly GWRDC) funded research to understand the impact of a cellar door visit on future purchases of the brand’s and region’s wines. The research was executed through a collaboration between senior wine marketing researchers from two of Australia’s leading ‘wine universities’, namely the University of South Australia (UniSA) and Charles Sturt University, under the leadership of Associate Professor Johan Bruwer, of UniSA. The project represents one of the first opportunities to date to track cellar door visitors’ post-visit consumption changes and associated buying behaviour. More specifically, its objectives were to:

- track during a six-month period, the incidence and extent of purchase at cellar door and subsequent repurchase of the wineries’ wines at off-premise, on-premise and direct-to-consumer (DTC) channels among a cohort of cellar door visitors
- determine the effect of the cellar door visit on future wine consumption in terms of regionality, type/style, and price/quality
- establish the amount and type of consumer communication resulting from a cellar door visit.

For small and large wineries alike, the cellar door presents a unique opportunity to introduce consumers to the winery and its wines, which could then drive changes in their current and future purchasing of these brands in off- and on-premise outlets (Alant and Bruwer 2010, Bruwer 2002). Setting up, staffing and operating a cellar door is an expensive proposition. However, the actual value of the cellar door as a unique entity to change wine consumption behaviour and act as catalyst for future sales in the retail sector is unclear (Bruwer, Lockshin, Saliba and Hirche 2014). We contend that the potential of cellar door to act as change agent for future purchase behaviour is significant. Notably more than half of the revenue for wineries in the United States producing less than 50,000 cases now comes from direct sales. All of these main sources of DTC revenue (cellar door, wine club and online) are growing strongly (Silicon Bank 2014).

TRIAL-PURCHASE-REPURCHASE OF BRANDS

At the basic level the buying process broadly follows the awareness-trial-repurchase (ATR) model (Ehrenberg 2000). Consumers become aware of a wine through purchase or, in this context, through a visit and tasting at cellar door. The question is how powerful is the effect of awareness and tasting at a cellar door in influencing future purchase behaviour? We already know that regular wine consumption is strongly associated with wine tourism activity factors (Bruwer and Lesschaeve 2012, Bruwer, Lesschaeve and
Campbell 2012), which has profound implications in practice. This pinpoints that wine tourism’s potential should be better used by wineries as a DTC sales vehicle and a driver of ongoing sales through the off- and on-trade retail sectors, where the vast majority of all wine volume is sold in Australia.

METHOD

During the first stage of the project, 3368 visitors in 15 wine regions at 79 cellar doors representing large, medium and small wineries across Australia participated (also see: Bruwer, Lockshin, Saliba and Hiche 2014a, 2014b). The second stage followed a cohort of these cellar door visitors with two more surveys to determine the incidence and extent of changes in the consumption of wine in general and the repurchase of the identified brands in different retail channels during the subsequent six months. The monitoring period of six months was deemed an appropriate minimum level to establish brand purchase and repurchase patterns of consumers of a product category such as wine.

Visitors who completed the survey at a cellar door were contacted by email; the purpose of the follow-up surveys was explained to them, and a request made for them to participate in the surveys. Follow-up requests were sent on two occasions to encourage participation. Only Australian residents were included in the follow-up surveys, since it would have been difficult to track brand purchases in a longitudinal study in several countries. Respondents were required to complete the questionnaire by clicking on a direct link provided in an email to a web platform resulting in an online survey. Wave 1 of the follow-up surveys was administered to the cellar door visitors three months after their visit and Wave 2 was administered three months later. The response rates were higher than expected: 49% for Wave 1 and 45% for Wave 2 (91% of Wave 1), resulting in a final retention rate of 57% and yielding a sufficient number of responses (n = 1902) to achieve the study’s objectives.

RESULTS

We provide a summary of some of the findings of our study to illustrate the high importance of a cellar door visit on subsequent purchase behaviour.

The cellar door visit as a change agent

It has long been one of industry’s desires to find ways in which to influence and eventually change the consumption behaviour of Australian wine consumers. Our research measured this vitally important aspect and found that a visit to a wine region and a few cellar doors changes behaviour, as shown in Table 1.

Six months after visiting a cellar door, visitors reported a change in both their overall wine consumption (21%) and that of the region of origin where the cellar door is located (42%). The main factors of change in their overall consumption was an increase in the quality of wine consumed (36%), while from a regional viewpoint, 47% reported an increase in the quantity of wine consumed from that region. Other notable changes were in overall consumption of the varietal (26%) and a better quality of region of origin wines consumed (25%). If these changes are permanent, industry would benefit profoundly by selling more wine of higher quality at higher prices. Follow-up research in this regard is needed.

Most of the cellar door visitors would have formed a perception and, thus, an attitude towards the wine region prior to visiting the cellar door. This would have occurred either through previous visits and/or awareness created by a host of other factors (i.e., word of mouth, information search, etc.). It makes sense to expect that a positive first-time or repeat visit experience could influence their attitude positively, provided that the cellar door experience was positive. Table 2 shows that by the time six months had elapsed since the visit, the attitudinal score of visitors has positively, provided that the cellar door experience was positive. Table 2 shows that by the time six months had elapsed since the visit, the attitudinal score of visitors has shifted upwards from 5.35 to 6.31 on a seven-point scale, representing an increase of 18%.

The visit creates brand ambassadors

Cellar door visitors are known to seek information about the region and its wineries before and during a visit (Alant and Bruwer 2010) for a variety of reasons. However, there has been little, if any, research to determine the nature, extent and direction of visitors’ communication following a visit. Our study sought information about these aspects (Tables 3 and 4, see page 58).

Table 3 reveals that 83% of cellar door visitors recommended a wine of the visited winery to someone else within the six-month post-visit period. Also, this occurred on 3.4 separate occasions to 2.4 different reference groups. Friends (43%) were the most frequent reference group, followed by family (29%) and work colleagues (23%). This underlines the fact that the cellar door visitors assumed a brand ambassadorial role, which holds great future

### Table 1. Change(s) in overall wine consumption and in consumption of the region’s wines of origin after visit to a winery’s cellar door.

<table>
<thead>
<tr>
<th>Change in wine consumption</th>
<th>Overall</th>
<th>Region of origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes - overall wine consumption changed</td>
<td>20.6%</td>
<td>41.5%</td>
</tr>
<tr>
<td>No - overall wine consumption did not change</td>
<td>79.4%</td>
<td>58.5%</td>
</tr>
</tbody>
</table>

### Table 2. Change in attitude towards visited wine region: before vs. after visit.

<table>
<thead>
<tr>
<th>Attitude towards the wine region</th>
<th>Before visit</th>
<th>After visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Very negative</td>
<td>-</td>
<td>0.1%</td>
</tr>
<tr>
<td>2</td>
<td>0.4%</td>
<td>0.1%</td>
</tr>
<tr>
<td>3</td>
<td>1.9%</td>
<td>1.7%</td>
</tr>
<tr>
<td>4 Neutral</td>
<td>28.9%</td>
<td>2.0%</td>
</tr>
<tr>
<td>5</td>
<td>21.8%</td>
<td>7.6%</td>
</tr>
<tr>
<td>6</td>
<td>24.9%</td>
<td>40.2%</td>
</tr>
<tr>
<td>7 Very positive</td>
<td>22.0%</td>
<td>48.3%</td>
</tr>
<tr>
<td>Mean</td>
<td>5.35</td>
<td>6.31</td>
</tr>
</tbody>
</table>
benefits for winery owners. By delving deeper into how this communication occurred, it was found that the old-fashioned face-to-face conversation medium represented an astounding 65% of all communications (Table 4). Electronic media (excluding telephone conversation) collectively accounted for only 19% of communications. Social media at 7% clearly has a long way to progress before creating the level of impact predicted for it.

Purchase-repurchase impact
The main underlying premise of our research study is that a cellar door visit can change a visitor’s wine consumption behaviour and translate into his or her buying of the brand post-visit. Table 5 exhibits the metrics specific to the ATR model.

Table 5 shows that 54% of cellar door visitors purchased and/or repurchased the wine brand during the six-month period post-visit and that this amounted to just over nine bottles (4.9 bottles if non-buying visitors are included). It

is also clear that a high level of awareness (79%) already existed prior to the visit. This raised the inevitable question whether these results were not simply reflective of people already buying the brand before visiting and continuing to do that post-visit? Figure 1 puts this into an entirely different perspective.

Although several permutations are possible, we contend that the most robust measure of the influence of a cellar door visit on sales of the brand is to focus only on people who had never bought the brand prior to the visit. Figure 1 shows that 39% of visitors had not bought the brand until the time of completing their cellar door visit. Six months on, 41% of these have bought the brand, which equates to a net gain of 16% of visitors who bought 2.4 bottles of wine on average. Using these metrics on a national, regional and individual winery basis demonstrates the actual value of a cellar door visit in monetary terms across both the visit and the six-month post-visit time period.

CONCLUSIONS
The winery cellar door is a powerful catalyst to invoke various change(s) in the wine consumption of visitors. The challenge lies in how to use the cellar door to the maximum of its potential as a ‘change agent’ to cause these changes to occur. However, the first priority should always be the building of a strong relationship between consumer (cellar door visitor) and the wine brand. People visiting a cellar door become more educated about the wine region, its wineries, wines and people and this increases the consumption of wines of that origin. This foundational study also highlighted the pressing need for further research in this field.

ACKNOWLEDGEMENT
The funding provided by AGWA for the execution of this research project is gratefully acknowledged.

REFERENCES


