Exploring Branding Strategy for Small Winery Operators

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The wine industry has become fiercely competitive. The number of wineries in the US has increased sharply. In 1995, there were a total of 1,800 wineries in the US (Swindell, 2015). In 2008, the number of wineries in the US had increased to 5,000 (Swindell, 2015). As a result, there are over 10,000 wine brands in the US alone. Out of the 10,000 wine brands only a few have high brand awareness among wine consumers and have been able to distribute their wines through nationwide distribution channels, such as Southern Wines and Spirits and Young’s. Surprisingly, only 2 percent of the 6,500 new wine brands introduced in grocery stores since 2005 have been successful (Schuler, 2014).

Meanwhile, regular wine consumers are aware of only a few wine brands (Lockshin et al., 2000). The regular wine consumer who does not possess extensive wine knowledge and is not very involved with wine highly is intimidated by the number of wines sold at a supermarket or wine shop. Thus, wine consumers often rely on brand reputation when they purchase wine (Beverland, 2004). Specifically, wine is a type of product that consumers cannot try before they purchase it (Rasmussen & Lockshin, 1999). Therefore, brand management plays a more crucial role in the success of a wine brand.

While there are a few wine brands that have developed branding strategy successfully most wine brands from emerging wine countries have not established strong brand equities due to limited financial and human resources. Unlike major wineries producing a high volume of wine small wineries produce very limited amounts of wine which make them difficult to distribute their wine through nationwide major distribution channels (Thach & Olsen, 2006). Thus, small wineries in the U.S. have relied on direct to consumer sales through wine club members and winery visitors at winery tasting room.

In spite of the importance of brand management there have been very few academic research published with respect to brand management in wine industry. This study explores the perceptions of brand management among the U.S. small winery operators. In addition, the study investigates the challenging issues the U.S. small winery operators have faced in developing a competitive brand management strategy.

Method
The researcher will conduct semi-structured face-to-face interviews with small winery operators in California, U.S. The research question topics are chosen carefully based on earlier studies (Beverland, 2004; Lockshin et al., 2000) relevant to brand management in wine industry. The research will tape-record and transcribe all the interviews. The author of this study will consolidate the results of each individual’s interviews and discover emerging themes on the basis of analysis of the interview transcript.

References

