WINES OF WESTERN AUSTRALIA
Extraordinary Regions

WA 2019 Wine Tourism Excellence Program
FINAL REPORT

Produced for
Wines of Western Australia
December 2019

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Contents

1. Objectives

Improve the capacity and capability of WA wine industry cellar doors by introducing an annual performance improvement program focusing on the visitor experience.

The initial program had five core components:
1. Onsite assessment of selected cellar doors conducted by trained 'mystery shoppers'.
2. Individual reports containing scorecard and recommendations for participating cellar doors.
3. Individual consultations with participating wineries focusing on areas for improvement and future development.
4. Tailored workshops in key regions for participating wineries.
5. A report that recommends ongoing workshop requirements to build the capability of the industry by identifying were the key gaps exist as an outcome of the 'mystery shopping' project.

A Business Survey component was added to obtain information about business capability to inform the workshop content and individual consultation.

2. Summary of Process

Wineries in Swan Valley, Margaret River, Great Southern, Geographe and Perth Hills were invited by Wines of Western Australia (WoWA) to participate in the program. After registering interest, participants were asked to complete an online business self-assessment which was used to tailor the workshop content and provide background for the individual consultations. While the same base information was used throughout each of the three workshops, aspects regarding inbound tourism, in particular, were minimised for less mature regions, with more time spent on product development.

A recruitment and training process for mystery shoppers occurred during July and August 2019 with 20 teams assigned multiple visits to 40 participating wineries. Depending on availability and location, teams were assigned between 4 and 12 visits, with individual wineries receiving three visits each.

After completion of the mystery shopping component, individual consultations were scheduled for participants across a 3-week period, coinciding with the delivery of workshops in Geographe, Margaret River and Great Southern (Albany). Consultations included the delivery of Cellar Door Evaluation report findings and an opportunity for participants to discuss a specific area of the business or report with the consultants.

3. Program Delivery

Timeframe:

August to October 2019	Cellar Door Evaluations conducted by mystery shoppers
September 2019	Business Surveys emailed to participants
October 2019	Workshop Delivery and Individual Consultations

An overview of the program is shown below:

REGION	PROGRAM PARTICIPANTS	WORKSHOP DATE	# WORKSHOP ATTENDEES	# BUSINESS SURVEYS COMPLETED	# FOLLOW-UP CONSULTS Onsite	Online
Margaret River	26	21/10/19	28	12	24	2
Geographe	5	24/10/19	11	4	5	
Great Southern	5^	28/10/19	10	3	4	1
Swan / Perth Hills	4^	NA	NA	3	4	
TOTAL	**40**		**49**	**22**	**37**	**3**

^ 1 winery in Great Southern withdrew from the program; 3 additional wineries in the Swan region who were on the original participant list (but chose not to participate) were visited by mystery shoppers – their results have not been included in the benchmark figures.

4. Business Survey – Analysis

A Business Survey was emailed to all registered participants at the commencement of the program and 22 responses were received between 8 October and 12 November 2019, representing a 55% response rate.

The purpose of the survey was to provide the program developers with an understanding of WA wine business capability and the results were used to inform the content of each workshop and provide a focus for individual consultations.

The survey comprised 50 questions divided into four sections:

1. Business Overview
2. Direct to Consumer Operations
3. Cellar Door Operations
4. Marketing Overview.

Detailed analysis of the survey is provided below.

4.1 BUSINESS OVERVIEW

The following graphs show key data reported among respondents in relation to Business Objective, relative importance of Distribution Channels and Cellar Door, success measures and challenges faced.

While production data was not requested, an analysis of respondents indicate that they can all be regarded as Small Wine Producers with cellar doors.

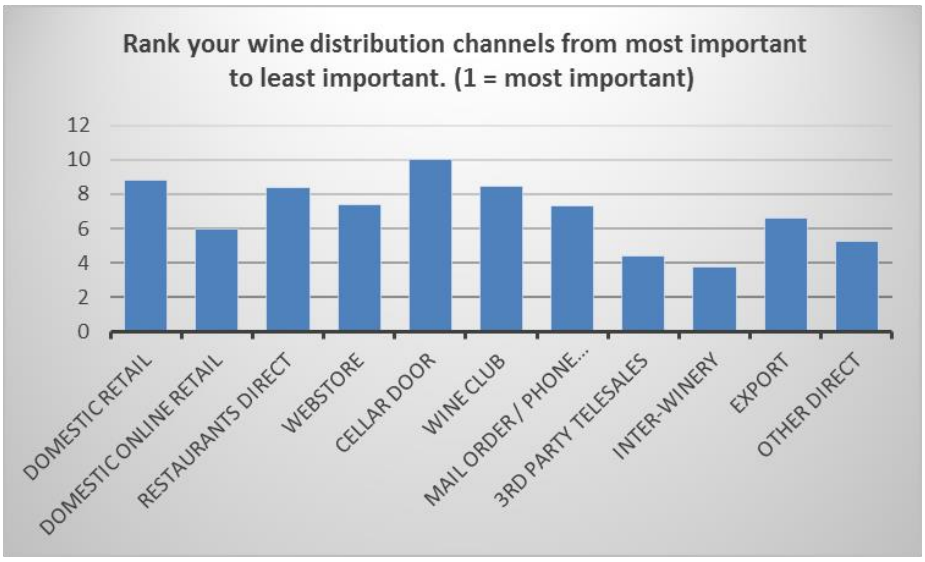
As respondents were assured of confidentiality, open-ended results have been summarised and any verbatim comments have not been attributed to particular respondents.

Overall Business Objective

Many of the responses to the question regarding overall Business Objective related to **sustainability** (38%), either in reference to remaining profitable or sound environmental stewardship (or both). A third of responses mentioned positioning their brand as a **premium** producer within their region, drawing upon quality vineyard practices and provenance to support their objective. Maximising and increasing **direct to consumer sales** was identified by 24% of respondents, while 33% consider the delivery of ‘memorable’, ‘authentic’, ‘enjoyable’ **visitor experiences** an important part of their overall business objective. (

Importance of Distribution Channels

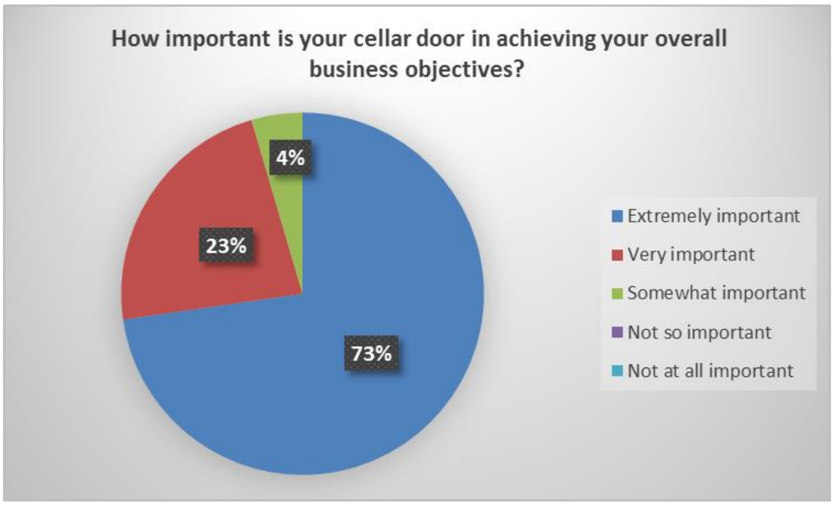
On a **scale of importance**, the four channels ranked as being the most important by respondents were Cellar Door (50%), Wine Club (21%), Domestic Retail (16%), Restaurants Direct (11%) and Export (11%). Cellar Door was also the second most important channel (27%) followed by Domestic Retail (26%), Restaurants Direct (26%) and Wine Club (11%).



Webstore sales were ranked as relatively unimportant with the majority of respondents ranking this channel as 4th or 5th (65%), while 42% of respondents ranked Mail Order/ Phone Sales as 2nd, 3rd, or 4th most important. These results suggest that wineries are currently focusing their efforts on direct sales that initiate at the cellar door and there is room for growth in other direct channels.

In regard to **changing the ranking of the channel mix** significantly in the next 12 months, 73% indicated they would not be making changes. Of those who intend to change the mix, reasons for change were primarily to focus on dramatically increasing direct sales via wine clubs and webstores and to decrease their reliance on export and/or domestic retail.

Cellar Door Importance, Challenges & Success Measures



Given that all respondents have a cellar door, it is unsurprising that 73% regard their cellar door as being extremely important in achieving their overall business objectives. A further 23% indicated it was very important with just 4% rating it somewhat important.

The biggest challenge in achieving cellar door success is attracting more visitors to the region. Some saw this as a regional responsibility to create overall destination appeal in the face of increasing competition from other regions and changing consumer preferences. Other challenges included converting cellar door and/or restaurant customers into buyers and club members and remaining relevant to locals.

By far the biggest challenge in achieving cellar door success is perceived as **attracting more visitors** followed by converting first time visitors to customers. Comments indicate that visitor attraction is partially a regional responsibility to ensure destination appeal is maintained in an environment of economic slowdown and competition from regions with other types of consumer attractions. Location and accessibility along with the ability to attract and retain high quality staff were also cited. Other constraints included limited knowledge of how to convert visitors to club members and the ability to dedicate time to create viable experiences and retention strategies.

Almost all respondents included a financial metric for **measuring success**, primarily through increases in sales volume/value and profitability. Other success factors mentioned included customer satisfaction, repeat customers, team morale, new customers and higher conversion of visitors to club members.

Competitive Advantage

When asked to list their **top three business competitors** and why, most respondents chose other wineries, despite a note mentioning that competitors need not necessarily be other wineries. Several respondents indicated other beverage producers as competitors, especially breweries for the family market. Dan Murphy was singled out as a specific competitor due to its ubiquity and the availability of cheap wines for consumers. Well-established wine brands with extensive facilities and ability to attract large numbers of visitors were considered competitors along with other regions, local liquor outlets and restaurants, and online clubs. One winery suggested they don't have competitors, as competition is considered be healthy.

Wineries were also asked to consider which **three cellar door or tourism venues were most like theirs** and why. Businesses identified did not necessarily need to be located in the same region, and several respondents listed venues in other regions or states that they believed shared similar values or experiences.

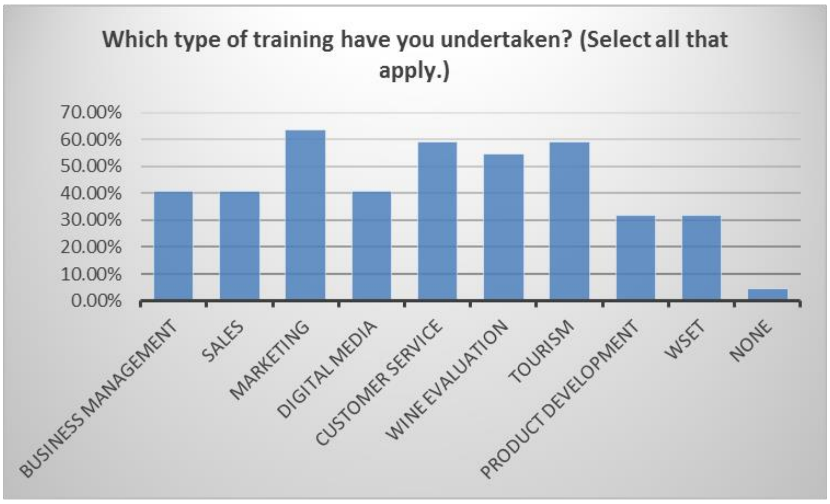
Some of the reasons for selecting particular businesses were due to perceptions of 'striving for excellence', 'always innovating', 'benchmark for quality' or because they offered directly competing experiences such as 'paddock to plate' dining.

Many wineries find it difficult to clearly articulate their point of difference, or **competitive advantage**. As expected, the most commonly cited advantage related to producing top quality wine (38%), followed by an extensive range of wine styles / varietals (24%). Many also mentioned they were 'family owned' (20%) or had a restaurant (19%). Other types of infrastructure mentioned included being a 'working winery', having great 'views / setting', a function area or a rustic building. Non-physical factors mentioned include loyal customer following, high service levels, diverse experiences, location and having a female management / winery-led team.

Management & Staff Training

When asked whether respondents or their staff undertake ***regular*** **formal training or courses**, the responses were split evenly with 50% reporting yes, and 50% reporting no.

The four most popular **subjects for training** undertaken were Marketing (63%), Customer Service (59%), Tourism (59%) and Wine Evaluation (54%). Business Management, Sales and Digital Media Training were next with 41% each.

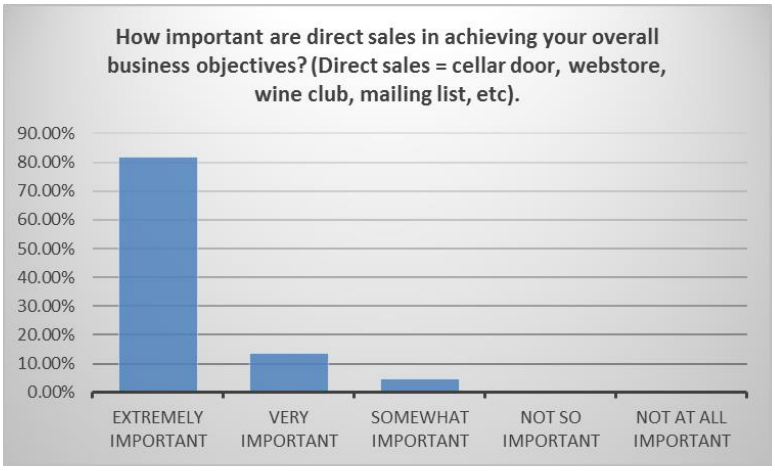


The most effective forms of training in order of importance were Workshops, where 70% of respondents rated it most important and 30% rated it second in importance. Onsite Training was considered the next most effective form of training with 33% ranking it most important and 27% ranking it second.

4.2 DIRECT TO CONSUMER OPERATIONS

Unsurprisingly, direct sales are considered extremely important in **achieving business objectives** by 82% of respondents and very important by a further 13%. Direct sales comprise areas such as cellar door, webstore, wine club and mailing list. 95% of respondents have webstores and use e-commerce systems such as WooCommerce (for Wordpress sites), Shopify, Eway and Stripe or dedicated wine club platforms with integrated e-commerce such as WineDirect and WithWine.

Respondents indicated a range of **challenges in growing their direct wine sales channel**, with the most common being resources (financial, human and technical), followed by lack of knowledge in how to best create a viable club strategy, attracting visitors capable of being converted to club, providing value and differentiating from other club offers and competition from online discount sites.



Communication

Communication with customers and members is a critical aspect of direct sales and all respondents reported having a Mailing List, with more than half using the popular Mailchimp EDM software. Others use email marketing within club platforms such as WineDirect or WithWine and two mentioned Campaign Monitor and Constant Contact.

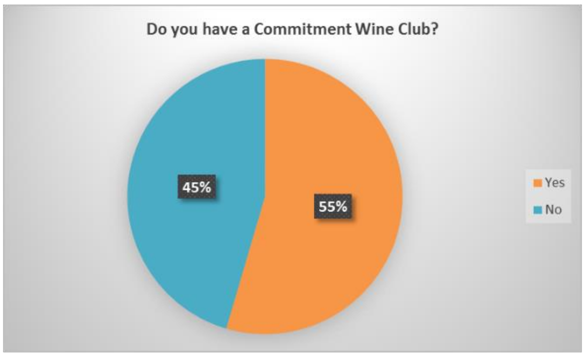
The size of mailing lists varied between 400 and 20,000 with an average of 4,480, which is a respectable number if the list is being managed effectively.

Most respondents (81%) do not use a standalone Customer Relationship Management (CRM) system and those that indicated they do are actually using dedicated wine club software.

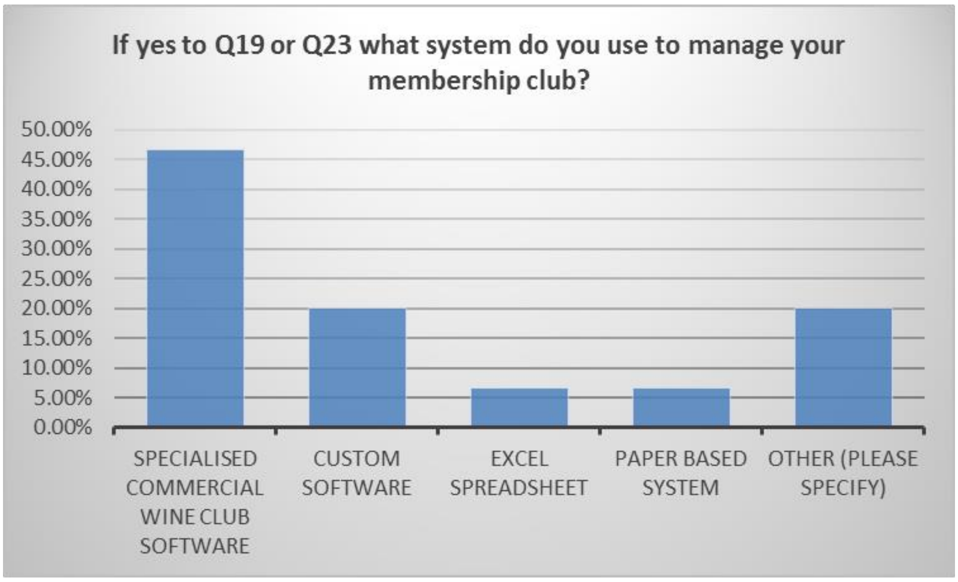
Wine Clubs

Commitment wine clubs, whereby customers sign up to purchase at regular intervals throughout the year, are growing rapidly in Australia, however among survey respondents 55% indicated they have this type of club and 45% do not. 25% of respondents indicated they had a Loyalty Club, either instead of or additional to a Commitment Wine Club.

Of those that do have a wine club, the average number of members is 312 with the highest being 1300 and the lowest 35. The average number of years of club operation is 4.4 with the longest operating club being 17 years and the shortest 6 months. Interestingly, two thirds of respondents have more than one club tier.



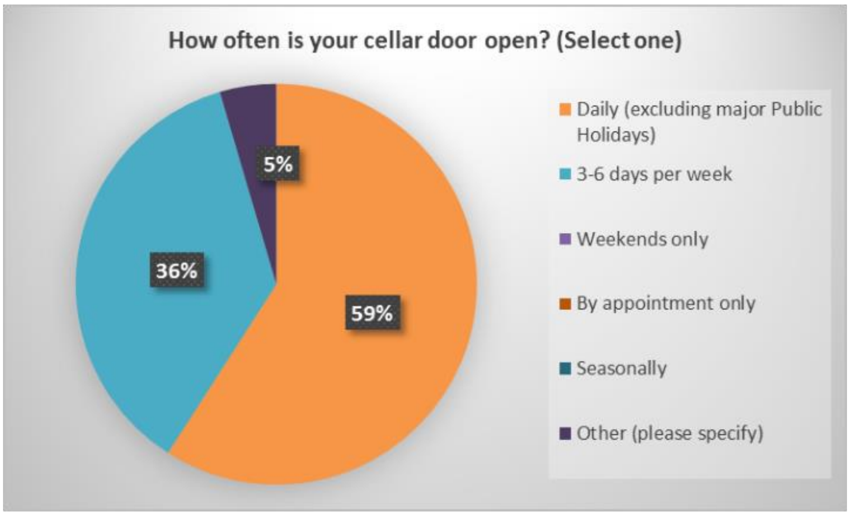
Almost half (47%) of respondents use specialised commercial wine club software to manage their club activities, and a further 20% use custom software. The 'Other' responses indicated they are using a combination of Excel spreadsheet and Mailchimp or another software program.



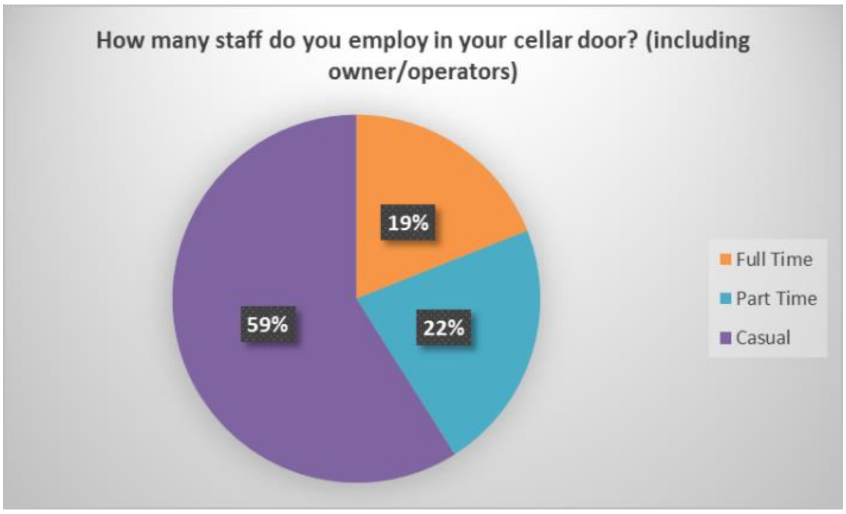
4.3 CELLAR DOOR OPERATIONS

Services & Facilities

Among the respondents, 63% are open daily (excluding major public holidays) and the remainder 3-6 days per week, which is a very positive result when considering the need for wineries to be 'tourism' destinations.



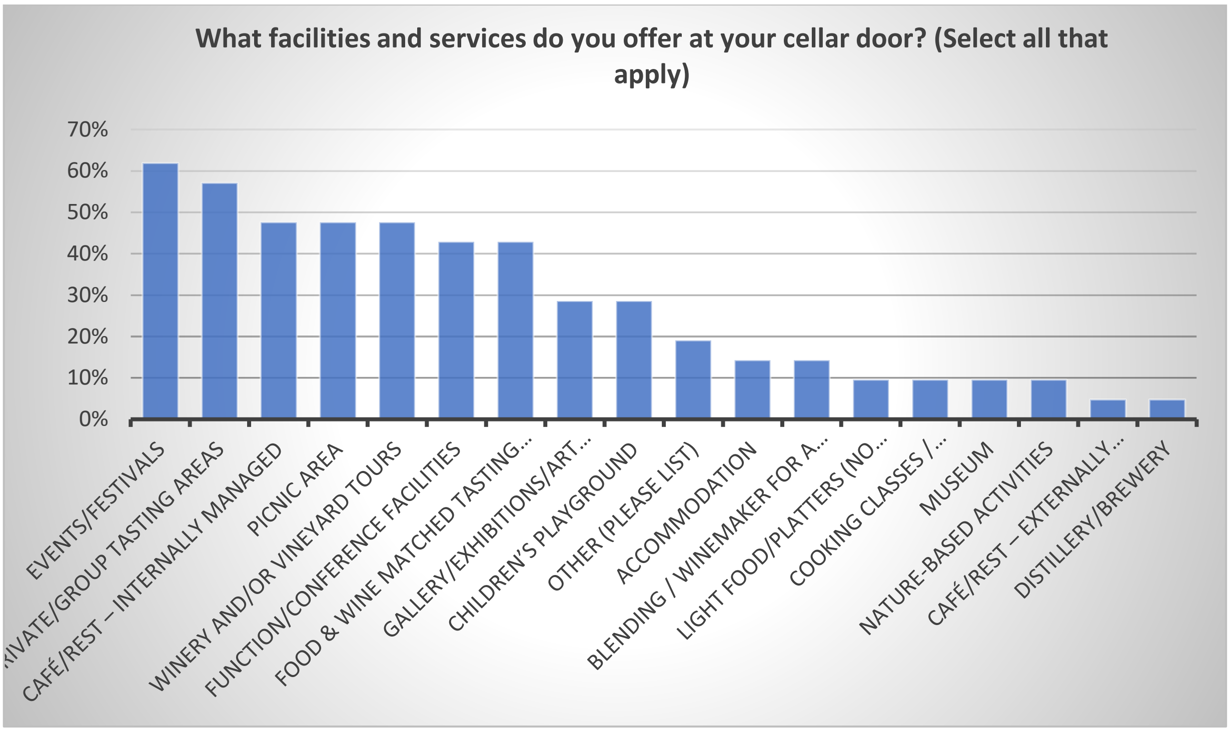
The **number of people employed by respondents** (including owner-operators) averages 5.9, representing 1.6 full time, 1.8 part time and 4.9 casuals per business.



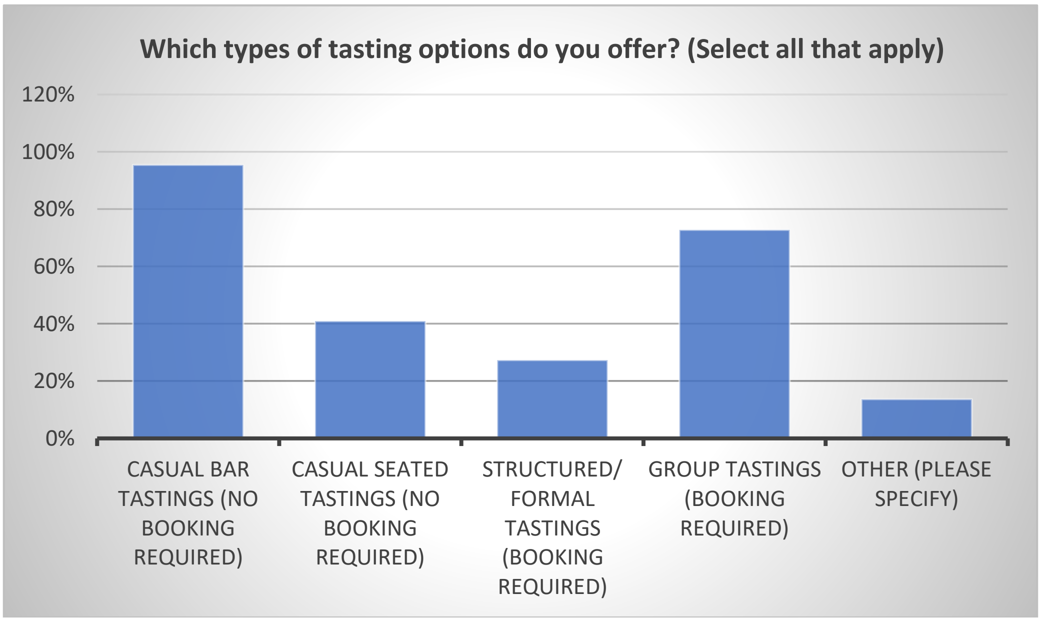
Cellar Door Facilities

Most respondents listed multiple facilities associated with their cellar door, with the most common being Events/Festivals (62%) followed by Private and/or Group Tasting Areas (57%). Food features prominently in the form of Café Restaurant (internally or externally managed), Picnic Area, Food & Wine Experiences, Light Food/Platters and Cooking Classes. Of the responses specified under 'Other', two belong in one of the defined categories, while the remainder include children's toy area, access to a local horse trail and a collection of Australian parrots.

The broad range of responses and multiple selections indicate that WA wineries are increasing the scope of 'experiences' offered at cellar doors to cater for different visitors.



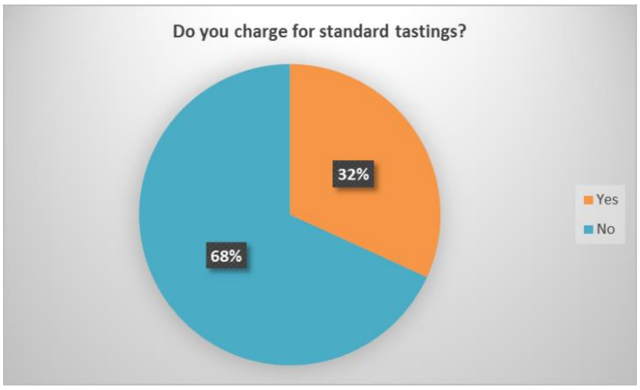
Wineries are also embracing a range of different **types of tasting experiences**, and while Casual Bar Tastings without a pre-booking are still the most popular form of tasting offered (95%), a number of wineries are also offering Casual Seated Tastings (42%), reflecting international trends towards a more relaxed and longer experience. Pre-booked group tastings (73%) are more popular than pre-booked Structured/Formal Tastings (27%), while 'Other' experiences include 'personalised tasting experiences in a separate area when busy', wine appreciation classes and a tasting/grazing/tour experience.

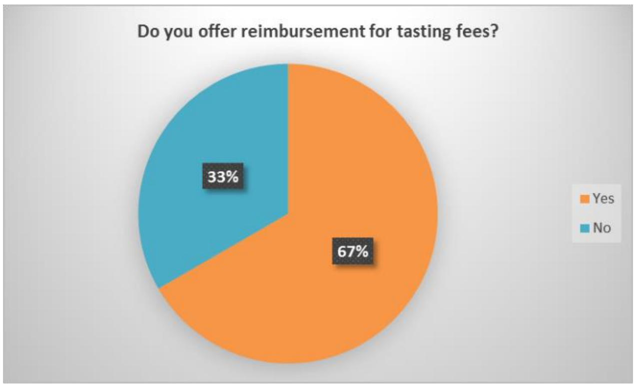


Charging for Tastings

In line with international trends, Australian wineries are increasingly willing to charge for tastings and other experiences, which is essential if they wish to participate in the tourism distribution system. The prevalence of charging among respondents is 32%, which is higher than a previous survey conducted in 2018 (25%) but lower than Wine Australia's 2019 figure of 52%.

The fees charged were either $2, $5 or $10 per person for an average of $5.50. This contrasts with an average of $7.20 reported in Wine Australia's 2019 national report.



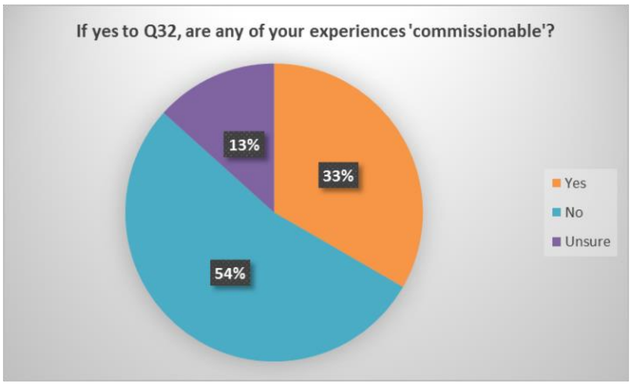


Two thirds of respondents reimburse tasting fees and conditions for reimbursement included purchase of wine (minimum not specified), and in some cases, joining the wine club. Most wineries do not actually take the fee if a purchase is made, so it is not technically reimbursed.

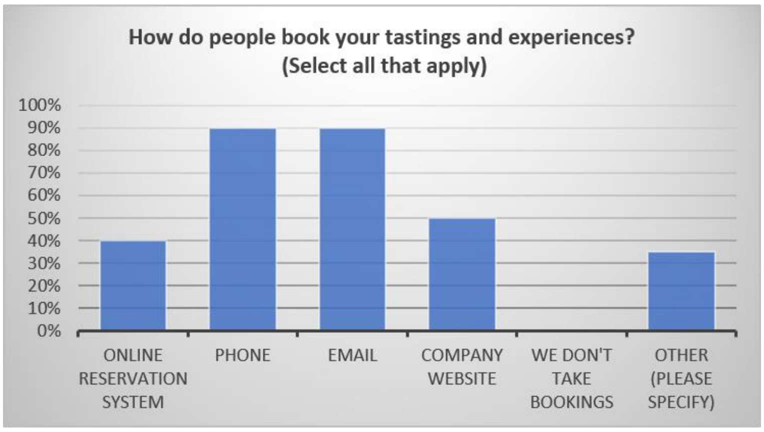
The national data indicates that 30% of wineries do not reimburse fees, which is similar to WA's result (33%).

Wine Tourism Experiences

Since Experience Development workshops have been offered to WA wineries (Tourism WA Capacity Building Program in 2018 and Growing Wine Tourism in 2019), the number of fee-attracting experiences offered has increased from 51% to 55%. The average number of paid experiences offered per winery is 2.4. About a third of these experiences are commissionable.



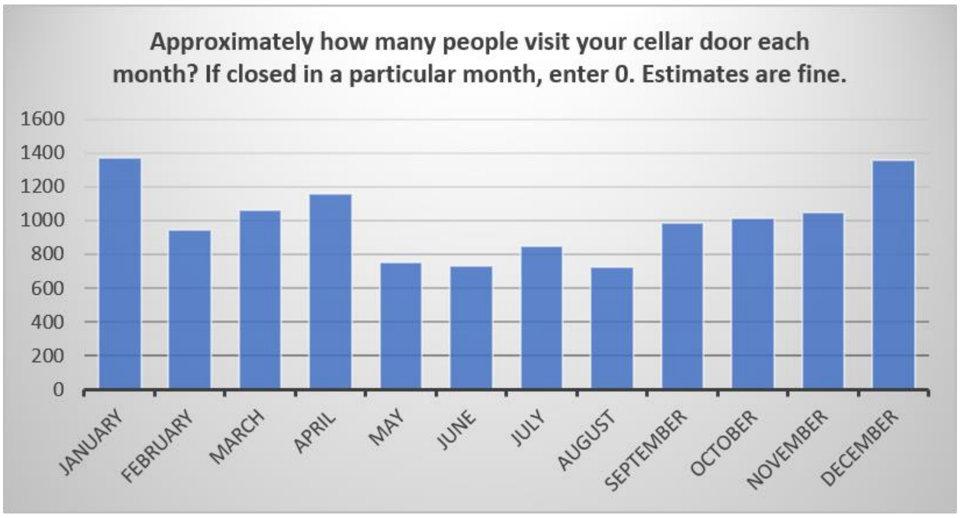
Most wineries offer a range of methods for visitors to **pre-book experiences**. Online reservation systems are becoming more popular and this is reflected in the responses, with 40% of respondents offering this option compared. 'Other' methods specified included messages via website, Trip Advisor, Red Balloon, Facebook, Margaret River Tourism (Bookeasy), in person at cellar door and via tour operators.



While 41% of respondents plan to develop or introduce new visitor experiences over the next 12 months, a similar number (37%) are unsure. Of those planning to introduce experiences, the target markets include local empty nesters, high end couples, young couples, high end domestic and international travelers, women 25-50 and personal groups.

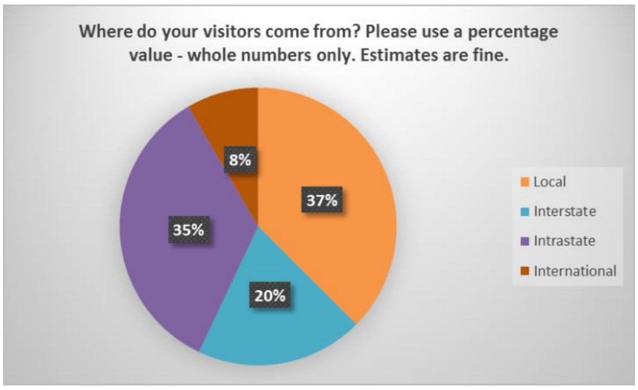
Visitor Numbers

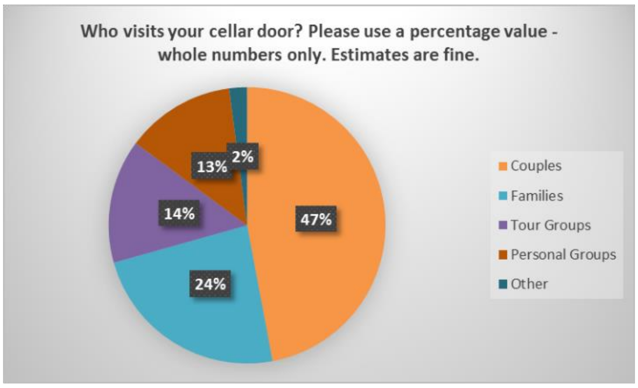
The number of visitors to individual cellar doors varies widely depending on location, opening hours, business size and time of year. The figures reported below are the average per winery per month and are useful for trend analysis. December/January attract the highest number of visitors, which is to be expected, and May, June and August the least. The average number of visitors per annum per respondent was 12,646 compared to the national figures reported by Wine Australia in 2018 (15,935) and 2019 (17,603).



Visitor Origin

The majority of visitors originate locally and intrastate (72%) compared to just under 20% interstate and 8.5% international. The most common group size visiting cellar door is couples (48%) followed by families (24%).





The **biggest perceived challenges in attracting visitors** centred primarily on marketing, with commentary such as 'using the right advertising channels', 'getting information to our target audience', 'targeting the right people and getting our message to them', 'organised, appropriate, cost-effective marketing' along with 'standing out in the crowd' and 'being recognised as an unmissable experience.' Seasonality, local competition, access, lack of regional appeal, economic factors and having appropriate infrastructure were also cited as challenges.

4.4 MARKETING

Primary & Secondary Markets

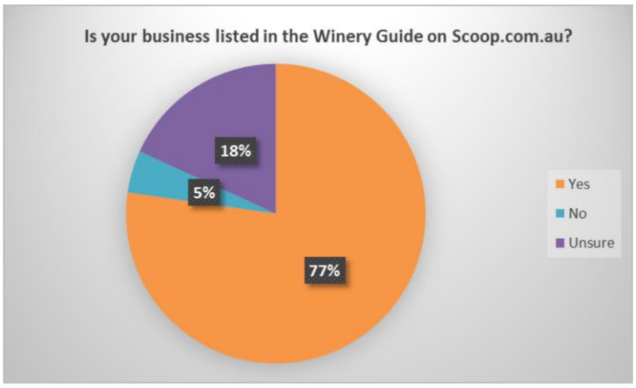
It was evident from the responses that most businesses focus on specific demographics when considering their target markets, rather than psychographics.

For **Primary Markets**, the focus was primarily on WA, and Perth in particular, as a source market, with targets varying from the generic 'Perth market', 'wine drinkers', 'wine and food lovers' to highly specific 'women aged 25-45 who are interested in wine with high disposable income living in WA.' One other respondent had developed an in-depth persona that related to a specific target located in Perth's northern suburbs. Several respondents mentioned the female and family market and where age ranges were mentioned, the most common ranges started at 25-30 with an upper limit of 45-60.

Targets for **Secondary Markets** tended to focus on similar profiles as for the Primary Market, but the location changed to interstate, although none mentioned specific locales within states or cities. Several nominated 'aspirational wine drinker'. Several respondents chose younger couples or mature wine drinkers, while others focused on experience seekers and group business. None mentioned the family market. Specific markets mentioned include the 'new wine drinker, especially young professional Asian tourists with limited wine experience seeking a non-threatening environment to learn about wine' and '25-34yo women interested in travel, sports and fitness.'

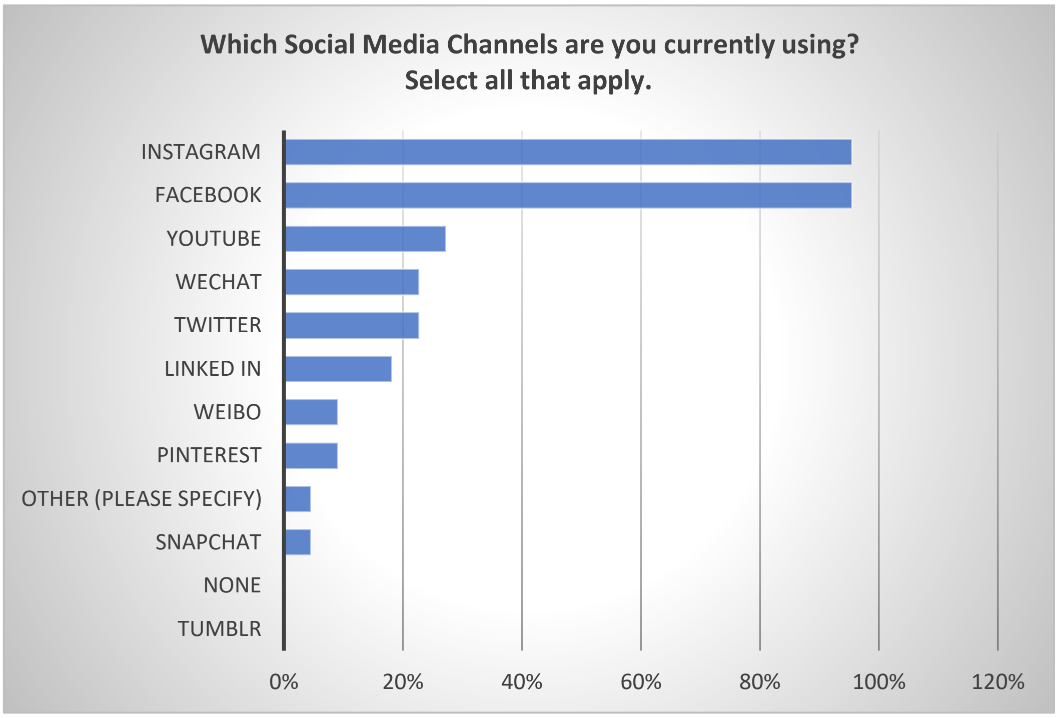
Industry Engagement

The number of respondents who are listed on ATDW is much higher in this survey (41%) than one conducted for TWA in 2018 (19%), however 41% were unsure. For wineries wishing to be promoted by Tourism WA and Tourism Australia, it is imperative they list on ATDW, especially if they offer experiences or host events and festivals. By comparison, 77% are listed in the Winery Guide on Scoop.com.au, although 18% are unsure.



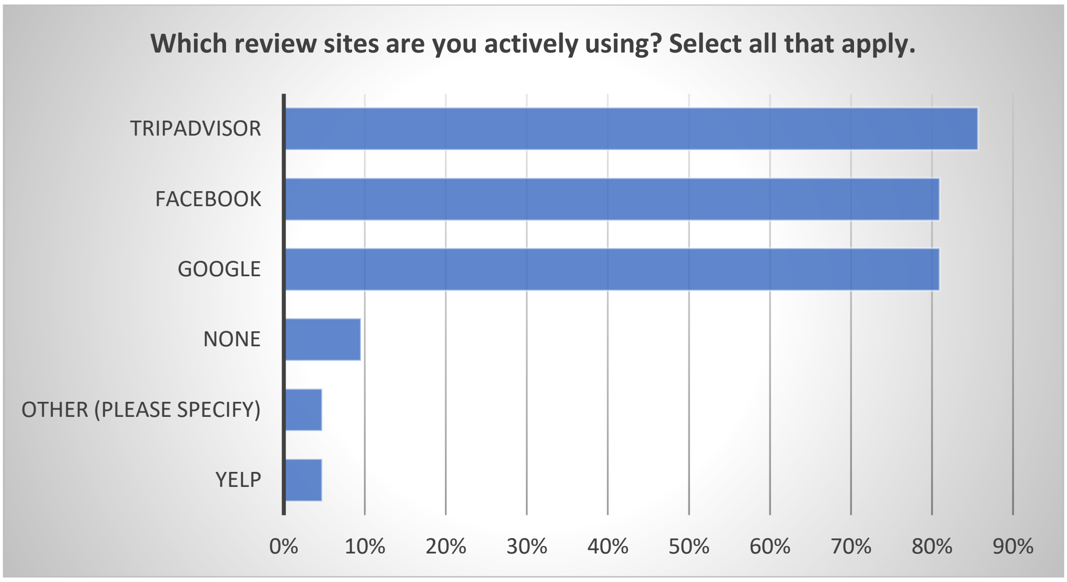
Digital Marketing

Unsurprisingly, Facebook and Instagram were the most popular social media channels being used at 95%. The single answer in the 'Other' category referred to WeChat used by a distributor.



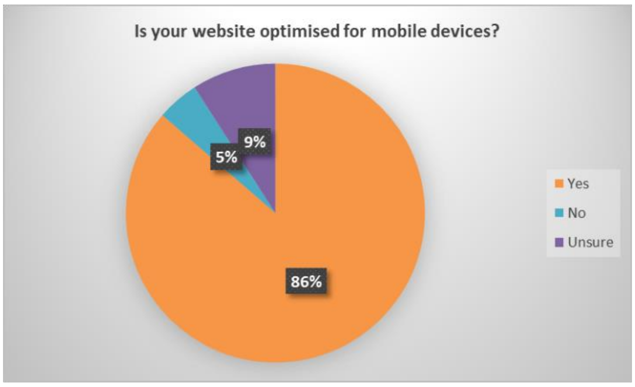
TripAdvisor is still the most utilised Review site (85%), however Google and Facebook, at 81%, are fast gaining ground.

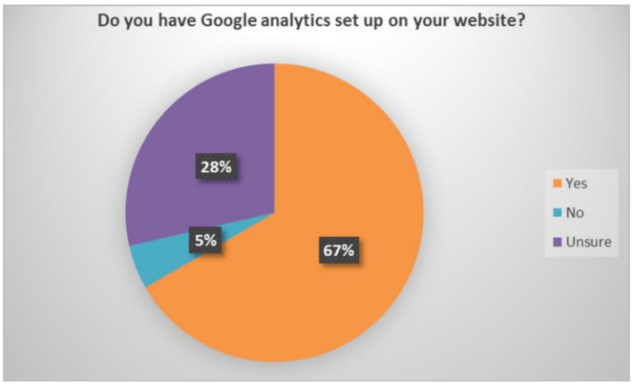
The single response for 'Other' referred to OpenTable. Almost 10% of respondents are not actively using any review site (although it is likely that their customers are posting commentary).



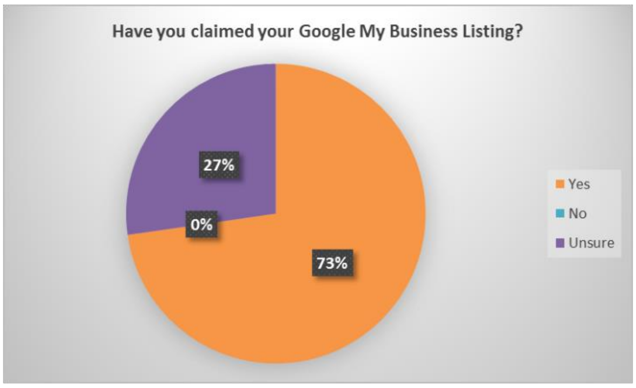
The majority of respondents (86%) have mobile-optimised websites, although 9% were unsure. This represents a substantial increase over previous data collected in the TWA program, where 74% had a mobile-optimised site, mirroring the recognition of the rapid uptake of mobile browsing among consumers.

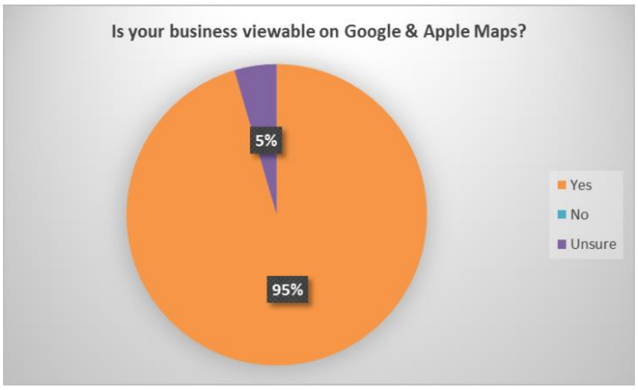
Two thirds of respondents indicated they have Google Analytics installed on their websites, with 28% unsure.





Just over 70% have claimed their Google My Business listing, while the remainder were unsure. Over 95% said their business was viewable on Google and Apple maps.





5. Cellar Door Evaluations

Each cellar door was assessed against a range of criteria relevant to the contemporary wine tourism visitor experience.

The key objectives were to:

- Provide objective and credible information about the visitor experience.
- Create benchmarks for future comparison.
- Identify opportunities to grow the business.
- Provide tailored advice and recommendations.
- Improve destination appeal.
- Attract more visitors and increase wine sales.

The evaluations comprised both a Digital Audit and Physical (Cellar Door) Audit.

Digital Audits were undertaken by Wine Tourism Australia (WTA) to assess key elements of the online visitor experience as it relates to the winery's website and online presence. Audits were conducted from the perspective of a visitor requiring information to visit a cellar door and participate in a tasting or dining experience. Therefore, it is important that essential information can be located quickly and efficiently with a minimum number of clicks.

Good design, logical navigation, contemporary imagery, online booking facilities and relevant, engaging content are all-important factors for an efficient and effective winery/tourism website. Increasingly, bookable product is becoming an essential part of a successful DTC strategy that enables wineries to develop ongoing relationships directly with customers and enable visitors to book experiences in a timely and efficient manner, hence these factors were also assessed, along with an accurate Google My Business listing.

Winery websites were evaluated against 20 best-practice indicators on a YES (present) or NO (not present) basis to calculate a total score out of 20. A point was allocated where the factor was present **and** met best practice criteria (refer to explanation in brackets in the table below). The results were discussed during individual consultations and in several cases the wineries had already begun to address issues during planned website upgrades.

The average score for participating wineries was 10 points. Assessment criteria is outlined below.

DIGITAL AUDIT CRITERIA
First Impression *(Contemporary, inspirational, image rich with relevant, engaging content)*
Brand Story *(About us, history, etc.)*
Cellar Door Opening Hours *(Obvious from landing page, appear on relevant pages)*
Phone Number Prominent *(On every page, directly clickable to call from mobile device)*
Contact Information *(Street address and direct email easily located)*
Digital Marketing Material *(Downloadable brochures, media kit, menus, etc.)*
Ease of Navigation *(Fast load time; logical menus from left to right; simple click-throughs on all pages; links correct)*
Image Gallery *(Present / Not Present)*
Social Media Platforms *(Icons obvious on every page; links work correctly)*
Interactive Location Map *('Find us' reference or located on cellar door / contact page; Google map interface)*

DIGITAL AUDIT CRITERIA CONTINUED
Native Video Content *(Present on relevant pages; engaging; original)*
Cellar Door Tasting Experiences *(Summary, range, fees, choices and how to book if applicable)*
Live Chat Option *(Present / Not Present)*
Online Bookings for Experiences *(If experiences are offered)*
Newsletter / Wine Club / Mailing List Subscription Options *(Present / Not Present)*
Mobile Responsive *(Tested on mobile phone and tablet)*
Separate Tabs for Restaurant/Café, Events, Accommodation & Experiences *(where applicable)*
Links to Regional Tourism Sites / Local Businesses *(where relevant, such as VIC's, Tour Operators, etc.)*
Presentation *(Easy to read consistent font and formatting, correct spelling and grammar, hyperlinks operational, etc.*
Google My Business *(Claimed and accurately reflects website information)*

Cellar Door Evaluations were undertaken by teams of trained 'mystery shoppers' who were engaged to assess the enterprise against a range of criteria considered relevant to providing a contemporary wine tourism experience. To maintain a consistent level of objectivity, each factor contained examples of what visitors could expect to encounter in relation to the benchmark. In addition to the physical assessment, mystery shoppers were advised that their overall experience should:

- Reflect the image and branding of the winery.
- Inform them about the products and services offered.
- Engage their interest throughout the experience.
- Entice them to purchase and perhaps become a brand advocate.
- Be enjoyable.

Methodology

The Cellar Door Evaluation Criteria comprised six core areas:

1. Backstage Factors
2. Staff Presentation & Engagement
3. Tasting Experience
4. Sales Conversion & Process
5. Dining Experience *
6. Departure Impressions & Recollection Factors

** Mystery shoppers were not required to dine at every cellar door that had food facilities; instead, they were asked to complete this section only if they chose to dine at a cellar door as part of their trip.*

Scoring and Benchmarking

Each factor was rated on a scale of 0-5 where 3 is considered the 'benchmark/best practice' that must be reached to achieve a good service standard. A score of less than 3 indicates that improvement is required (or the element is missing) and a score of 4 or above signifies expectations have been consistently exceeded. High ratings are awarded only when the benchmark expectations have been met and then exceeded in some way.

Rating scale:

0 = Element does not exist
1 = Poor / Well below expectations
2 = Fair / Below average
3 = Good / Meets expectations
4 = Very Good / Above average
5 = Excellent / Exceeds expectations by a large margin

As the Rutherglen Region undertook a similar program during 2019, it has been possible to provide comparable benchmark scores between Western Australia and Rutherglen.

Note: There were no statistically significant differences between WA wine regions hence the benchmarks in this report are relevant for all participating WA regions.

Summary of Visits

Visits were conducted between July and October 2019 and each cellar door was allocated three visits by different teams who represented a cross section of typical visitor demographics and varying levels of wine involvement. The results were interpreted to provide a state and individual average per assessment factor that can be used as both a benchmark and opportunity for improvement.

Assessor Feedback

Teams were asked to note whether particular facilities and services were available or apparent and whether tasting fees were charged (and if they were reimbursable). Many visitors seek WIFI while they are travelling, especially younger people so they can share their experiences on social media, so assessors were asked to check if WIFI was available and whether social media channels were promoted. Other elements checked were the presence of a private tasting area and promotion of a wine club or loyalty program. These factors were not formally scored. Teams were also asked to provide their first impressions – in their own words – upon arrival at the venue and upon entering cellar door. Verbatim comments were provided to participants, and these did not form part of the scoring.

Benchmarks for Factors

5.1. BACKSTAGE FACTORS

External elements are the tangible things that visitors see and experience before they enter the cellar door. Assessors were asked to consider how different weather conditions, vehicle types and busy periods could affect these elements, along with the street presence, clarity and content of signage, parking options, condition of building, brand reflection and accessibility for different visitor types.

Internal Elements refer to the experience once a visitor has entered the venue. Factors included ease of navigation, visual appeal and comfort, cleanliness, presentation of products and displays, location and standard of amenities and child friendly areas. Assessors were asked to consider each element in the context of large volumes of visitors versus quiet time, and how each element impacted on their overall experience.

Silent Selling Elements refer to cues that underpin or reinforce the experiences on offer and can be employed to invite interaction and promote subsequent sales. These may include paper forms, brochures, chalk boards, or digital screens. Assessors were asked to consider the presence, quality, accessibility, relevance and professionalism of presentation materials.

1. BACKSTAGE FACTORS (Score out of 5)	WA AVERAGE	RG AVERAGE
External Elements		
• Entry Signage	3.2	3.1
• Entry Driveway	3.2	3.1
• Parking	3.1	3.2
• Cellar Door Building	3.4	3.1
• Accessibility	3.1	3.2
Internal Elements		
• Interior Navigation	3.1	2.8
• Décor & Ambience	3.3	2.9
• Cleanliness	3.4	3.2
• Merchandising / Displays	3.2	2.9
• Child Friendly	2.6	2.5
• Restrooms / Amenities	2.9	2.6
• Music	2	1.3
• Tasting Area / Counter	3.3	2.9
Silent Selling Elements		
• Tasting Menu	3.1	3
• Price List	3.1	3.1
• Order Form	2.3	2
• Pen / Pencil	1.5	1.6
• Tasting Sheet	1.9	1.5
• Wine Club Brochure	2.2	2.3
• Event & Other Promotional Material	2.1	2.1

Most of the factors for this element achieved benchmark scores. Slightly lower performance occurred in some areas, such as music, which is often an indicator of inconsistency (i.e. music is played during one visit, but not during another).

While the Child Friendly factor fell below the benchmark, many wineries have made a deliberate decision not to cater specifically to families with children, hence they do not provide facilities such as play areas. In some cases, wineries only bring out child-focused activities (i.e. toy box, colouring books, etc.) when a family with young children arrives, hence some mystery shoppers may not have been aware of their availability.

Some aspects of Silent Selling Elements fell short, and recommendations to wineries included having a process to provide guests with relevant collateral at the outset of their tasting experience. Providing options for guests to take notes, mark their preferences and ask questions based on material viewed can generate greater sales and uptake in events and club membership, and serve as a guide for hosts to engage in more meaningful conversation.

5.2. STAFF INTERACTION

Teams were asked to provide verbatim feedback regarding their initial greeting, whether staff introduced themselves by name, and whether there were any moments of 'surprise and delight' during the interaction. Very few staff introduced themselves by name or wore name badges, and greetings were often informal and non-specific.

Customer service excellence is a key consideration and includes every aspect of the host-visitor interaction. Each staff member ultimately represents the 'brand', which should be reflected in their appearance, behaviour and communication. Assessors were asked to gauge the amount of time between entry and acknowledgement (within 1 minute of arrival is best practice), rapport building and active listening / questioning skills to effectively 'profile' each visitor and discover their referral source. They were also asked to assess storytelling ability, wine, product and regional tourism knowledge.

2. STAFF PRESENTATION & ENGAGEMENT (Score out of 5)	WA AVERAGE	RG AVERAGE
• Initial Welcome	3.2	3
• Personal Presentation	3.2	3.3
• Communication	3.3	3.3
• Passion	3.4	3.2
• Profiling Customer	2.6	2.6
• Introduction of Experiences	2.6	2
• Asked for Referral Source	2	2.1
• Storytelling	2.6	2.9
• Wine / Product Knowledge	3.3	3.4
• Regional Tourism Knowledge	2.5	3.1

Half of the benchmarks were achieved for this factor, indicating more training is required to help staff profile and engage effectively with visitors – an essential skill in developing a 'relationship' with a visitor that may lead to long-term loyalty. Many hosts also failed to ask sufficient questions of guests to ascertain their trip purpose, length of stay and travel mode, and to provide recommendations of additional activities to undertake in the region.

The ability to tell personal and collective 'stories' (as distinct from the brand story) is also an essential but often overlooked skill required of cellar door and hospitality staff.

Many hosts also made assumptions that guests were only interested in tasting wine rather than introducing the entire range of experiences that may be available at the venue. Irrespective of whether the guest undertakes an additional activity on the day of visit, the information is likely to be retained for future reference and referral to others.

It was particularly noted that busy venues tended to score much lower due to the inability of staff to spend time building rapport and remaining engaged with visitors throughout the tasting experience. In some instances, this problem was exacerbated by poorly designed tasting rooms that precluded visitors from approaching or remaining at the bar, or requiring staff to move constantly between areas to service guests.

5.3. TASTING EXPERIENCE

Teams were asked to undertake a 'standard' tasting experience, during which they would observe a range of elements, including whether there were sufficient staff available for the volume of visitors, whether they had one or multiple staff serving them, and how this affected their experience. Aside from the practical elements related to tasting wine (such as designated driver choices, palate cleansers, spittoons, glassware etc.), assessors were asked to consider how well the experience was delivered, whether the brand story was explained, the level of interest shown in them as people, and whether the duration was appropriate for the type of tasting.

3. TASTING EXPERIENCE (Score out of 5)	WA AVERAGE	RG AVERAGE
• Range of Options	3.2	3.4
• Designated Driver / Non-Drinker Choices	2.4	1.7
• Delivery of Experience	3	3.2
• Brand Story Articulated	2.4	2.5
• Wine Presentation & Temperature	3	3.3
• Sample Size	3.1	3.3
• Glassware	3.1	3.5
• Spittoons	2.8	3.1
• Water	2.6	2.7
• Palate Cleanser	0.6	0.5
• Product Information	2.6	2.5
• Experience Duration	3.1	3.1

Many staff (and even owner-operators) were unable to clearly articulate the story of the brand they represented, indicating that more work needs to be done in this area. Brand story also extends to the role the brand plays in the broader regional context.

Inconsistencies were noted in relation to the provision of spittoons and water as a standard part of the tasting experience, and very few wineries offered 'palate cleansers' (i.e. complimentary crackers, etc.).

Options for designated drivers and non-drinkers were not offered or promoted (if available) on a consistent basis. As drink-driving laws continue to tighten, more designated drivers will consider their decision to sample even small amounts of wine, however it is important they remain engaged in the experience, as they are likely to be part of the decision-making process in regard to purchasing wine. Therefore, consideration of their needs is essential.

5.4. SALES CONVERSION & PROCESS

Sales skills are of critical importance when it comes to achieving DTC cellar door success. Assessors were asked to observe the manner in which they were encouraged to purchase a product (the pitch), whether staff picked up verbal and non-verbal buying signals, and whether active attempts were made to close and value-add the sale.

Irrespective of whether hosts actively closed the sale, mystery shoppers were instructed to make at least one purchase (many purchased multiple items) in order to assess the mechanisms of the sales process. This factor also included noting whether options were provided to repurchase in the future, benefits of joining the wine club were explained or attempts were made to capture customer data (i.e. by inviting visitors to join the mailing list).

Many cellar door staff seem to feel uncomfortable actively asking for a sale, offering delivery options and actively inviting (qualified) people to join the wine club. Teams were asked to note whether these actions occurred and record what was said where applicable. Very few instances of active invitations were recorded.

4. SALES CONVERSION & PROCESS (Score out of 5)	STATE AVERAGE	YOUR SCORE
Sales Skills		
• Pitch	2.2	2
• Closing Skills	2.2	2
• Value Adding & Up-Selling	1.7	2
• Recognition of Buying Signals	2	1.9
Sales Process		
• Transaction Processing	3	3.1
• Packaging Options	3	3.1
• Post Visit Purchasing Options	1.6	1.4
• Incentives Offered	1.5	1
• Data Capture	1.4	0.7
• Club Membership Benefits Explained	1.5	1.4

Despite the growing focus and importance among wine producers on increasing direct sales, skill levels among front line staff remain very low, and this is an area that requires urgent attention. While many wineries consider their sales conversion rates to be adequate, it is clear, based on these evaluations, that sales – both in the moment and future sales – are being lost.

A trend was noted on individual reports whereby poor efforts at the early rapport building stage led to lower scores for the remainder of the experience. Low scores for Sales Conversion & Process were almost always preceded by low scores for staff engagement, and low scores for Loyalty at the conclusion of the experience.

Many of the mystery shoppers felt that the 'experience' ended once a transaction had been processed, hence the poor scores for the post-visit options, which are crucial for developing a profitable direct sales channel.

5.5. DINING EXPERIENCE

Food service at cellar doors is increasingly becoming an important part of the visitor experience, and although this wasn't a key focus for this program, cellar doors with food facilities were assessed by some mystery shoppers on an optional basis as part of their overall trip so the results do not represent all possible venues.

5. DINING EXPERIENCE (Score out of 5)	WA AVERAGE	RG AVERAGE
• First Impressions	3.6	NA
• Food Service	3.6	NA
• Food Options / Presentation	3.6	NA
• Brand Congruence	3.4	NA
• Value & Quality	3.6	NA
• Destination Dining Experience	3.6	NA

5.6. DEPARTURE IMPRESSIONS & RECOLLECTION FACTORS

Great customer service continues until the moment visitors leave the premises and a heartfelt, genuine farewell is likely to leave a lasting impression and elicit a desire to return. Conversely, a casual or non-existent farewell can leave visitors feeling let down and impact negatively on the entire experience, affecting their likelihood to recommend and return in the future. This moment also offers hosts an opportunity to make further recommendations to enhance the customer's regional experience and extend an invitation to return.

6. DEPARTURE FACTORS (Score out of 5)	WA AVERAGE	RG AVERAGE
• Farewell	3.1	3.3
• Recommendations Offered	2.3	2.4
• Invitation to Return	2	1.4

While the actual farewell was generally conducted well, the opportunity to make further recommendations (based on conversations between host and guests during the experience) and the extension of an invitation to return in the future were often missed. In some cases, this related to venues being extremely busy at the time of guest departure, or due to a transfer of hosts at the end of an interaction. Guests tend to remember the first and last interaction of a visit, so it is important that wineries train their staff to conclude the visit on a positive note.

6. LOYALTY FACTORS (Score out of 10)	WA AVERAGE	RG AVERAGE
• Likelihood to Recommend	6.8	5.4
• Likelihood to Return	6.6	4.8

The two elements – 'Likelihood to Recommend' and 'Likelihood to Return' are subjective assessment factors rated using a standard scale between 0 (Unlikely) and 10 (Absolutely) that reflects the overall visitor experience. Overall, the Loyalty Factors rated in the mid-range and reflect a reasonably positive experience but relative ambivalence about referral or returning in the future.

Assessor Recollection

Teams were asked a range of specific questions regarding their overall experience and recollection of their interaction with hosts. This included identifying any outstanding 'wow' factors that made the experience memorable, whether the brand story was conveyed in a way it could be recalled afterwards, any moments or features that made their visit particularly enjoyable, feedback on any aspects they felt could be added or changed to improve the visitor experience and acknowledgement of particular staff members who provided exceptional service.

This information was recorded verbatim and shared directly with participants.

6. Single Day Workshops

Workshops were held in Margaret River, Geographe and Great Southern during October 2019. Content covered the following key areas and was presented by Robin Shaw (Wine Tourism Australia) and Charlotte Prouse (Destination Marketing Store) using a combination of PowerPoint presentation, interactive learning and workbook questions. A copy of the workbook is provided at Appendix 2.

- **Create a world-class destination for domestic and international visitors**
  - Understand what trends are driving consumer travel decisions
  - Identify gaps and explore opportunities for developing new experiences
  - Develop and leverage strategic alliances through innovative marketing
- **Position YOUR cellar door as a must-visit destination in its own right**
  - Identify what makes your brand truly different from your neighbours
  - Discover your competitive advantage and create a distinctive value proposition for your target audience
  - Understand how paid tastings attract rather than repel visitors
  - Identify consumer touchpoints and peak moments to elevate the visitor experience
  - Develop a Cellar Door Implementation Plan to attract your target audience year round

- **Plan for business success in a rapidly changing consumer environment**
  - Discover why consumer expectations are continually rising and 'quality' and 'service' are no longer enough to maintain or grow your business
  - Pinpoint your biggest barriers to success and develop relevant solutions
  - Maximise your direct-to-consumer channels to sell more wine at higher margins
  - Implement fast fixes to elevate your brand among wine consumers and travellers

Content was adjusted slightly for each workshop based on feedback from participants and their business needs. Engagement levels were high during each workshop and participants were able to generate tangible outcomes in the form of developing customer personas, identifying gaps and designing guest experiences.

7. Individual Consultations

Consultations were scheduled between 17 October and 1 November in Swan Valley, Perth Hills, Geographe, Margaret River and Great Southern, during which participants were presented with the results of their Cellar Door Evaluations. All except three participants were visited personally, with follow up undertaken online instead.

Recommendations for addressing issues were discussed, along with opportunities identified in the Business Survey. The hour-long consultation, conducted between Robin Shaw, Charlotte Prouse and members of management, were very well received. Follow up resources and advice has since been provided where requested.

8. Recommendations

The Business Survey revealed a number of key challenges facing WA wine businesses, especially in regard to visitor attraction strategies and general marketing. Irrespective of location, the level of competition from other food, beverage and experiential businesses is a concern for many, and there is a need to increase local area marketing in conjunction with strategies to attract more visitors from Melbourne (in particular, due to the commencement of direct flights to Busselton) and short haul Asian destinations.

Feedback from the Survey and Cellar Door Evaluation also highlights the need for wineries to better articulate their competitive advantage in regard to their brand story, along with offering services and experiences that have high visitor appeal while also being 'on brand.'

Human, technical and financial resources are a limiting factor for many small wineries as they attempt to scale up their cellar doors to accommodate visitors seeking genuine experiences and enhance their direct sales via club and online channels. One solution will be greater investment in technical solutions (i.e. marketing automation, club software, integrated POS, etc.) which assist in freeing up human resources to better service customers and visitors, while focusing on key conversion metrics will lead to incremental increases in direct sales revenue.

Opportunities for further development and training include:

- Customer service and sales training for management and front-line staff with an emphasis on rapport building, storytelling and relationship selling techniques.
- DTC sales and marketing training with an emphasis on converting visitors to customers and developing ecommerce and club capability.
- Marketing and visitor attraction strategies to identify and target specific audiences.
- Developing signature and hero cellar door experiences in each region.
- Further investment in developing commissionable experiences for those interested in the international market.
- Developing regional packages for interstate and international markets that increase appeal and dispersal across the state and within regions.
- Developing a competitive advantage (brand level and regional level).
- Digital marketing to reach domestic and international target audiences.

There is also scope to offer more workshops to increase the capability of those who have participated in this and previous programs, while offering additional rounds of workshops to encourage greater participation that will lead to exponential regional growth.

Finally, it is recommended that a further round of Cellar Door Evaluations is conducted after training is provided to winery teams to address current issues surrounding service and sales skills.

9. Appendices (attached PDF documents)

Appendix 1	Business Survey
Appendix 2	Workshop Workbook
Appendix 3	Wine Australia 2019 Value of DTC Report

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