



A Midwestern Wine Hawk Soars

How Cooper's Hawk found success through DtC and on-premise sales

By Stacy Briscoe

With grapes sourced from around the world, modestly priced wines and more than 30 restaurants focused on the experience of pairing wine with food, Cooper's Hawk Winery & Restaurant has gathered a dedicated following of wine consumers — and piqued the interest of the American wine industry.

"Cooper's Hawk is truly a winery lifestyle brand that can retain members and brand loyalists for the long run. This is a DtC brand to watch," said Sandra Hess, founder of DTC Wine Workshops Consulting Agency.

Privately owned by founder and CEO Tim McEnery, Cooper's Hawk Winery & Restaurants has experienced rapid success since opening its first location in 2005 in McEnery's hometown of Orland Park, Ill. Now, 13 years later, the dual winery-restaurant boasts 32 locations spread across nine states and a wine club with 300,000 members that continues to grow at a rapid 25% every year.

In 2017, Cooper's Hawk reported \$220 million in revenue and, according to *Wine Business Monthly's* February 2018 report on the 50 largest wineries in the United States, Cooper's Hawk came in at 34 with a 570,000 annual case production. The winery produces 60 wines, 48 of which are separate varietals, with an average bottle price of \$17 — all of which are sold direct-to-consumer, either in person, online or through wine club memberships.

Building a brand

The business concept is what McEnery calls a "fusion of familiar elements": winery, restaur-

ant and a "Napa-style" tasting room. "You feel like you're in a real wine country setting," he said in an interview with *Wines & Vines*. "We're democratizing the good life, bringing the experiences we've been blessed to enjoy to the people who may not be able to."

It all started with an idea.

"I went to Lynfred Winery in Roselle, Ill., and had a great experience. Afterward, at dinner, I thought to myself, 'Too bad the winery didn't have food,'" McEnery said. At the time, in 2003, when he researched which wineries included a restaurant experience, he couldn't find any. And so the inspiration behind the business was born.

It took two years for McEnery to fully conceive the Cooper's Hawk business plan — one that included a fully functional winery, full-service restaurant and bar, and the all-important wine club. McEnery determined he needed \$1.3 million to launch the restaurant, and he raised it himself through friends, family and industry networking. "I met with each individual investor while simultaneously working full-time in a restaurant and developing the building site."

The first Cooper's Hawk location, a 13,200-square-foot venue about 20 miles south of Chicago in Orland Park, was a newly erected building that needed to be completely outfitted to fit McEnery's vision.

Worldwide winemaking

During construction, McEnery also educated himself in winemaking, taking correspondence classes from the University of California, Davis,

working odd-jobs at a local winery, and making wine at home. "When I had the idea (for Cooper's Hawk), I knew it'd be critical for me to learn the winemaking process in order to get those initial investors."

For the first three years, McEnery acted as head winemaker, producing 25 wines using grapes sourced from a California grower the winery still works with today, as well as vineyards in Michigan for grapes to produce desert-style ice wines.

Current head winemaker Rob Warren was hired in 2007 and is responsible for the winery's extensive production. He also selects the rotating wine menu for the tasting rooms, develops wine pairings for the restaurant and runs the Wine of the Month Club.

Today, Cooper's Hawk sources from a variety of vineyards, including those in California, Oregon and Washington, as well as international locations. "To have a high-volume restaurant and winery, you need to have all the varietals," McEnery said.

According to Ben Hummer, senior vice president of operations and winemaking, winemaking for Cooper's Hawk is more complicated than at many other wineries. "At Cooper's Hawk we really do believe that great wine starts in the vineyard, and a majority of our fruit grows elsewhere," said Hummer, adding that because the company is headquartered in the Midwest, the winemaking team is at a geographical disadvantage. "We have to work that much harder to be present with our partner growers and wineries," he said.

WB WE 10TH World Bulk Wine Exhibition

GENUINE WINES, GLOBAL BUSINESS



**26-27 November
2018**

**Amsterdam RAI
Hall 2 & 3**

info@worldbulkwine.com

As head winemaker, Warren is involved in every step of the winemaking process from vineyard to bottle, according to Hummer. He also oversees a team of nine, which includes fellow winemaker Ramona McSpadden, a lab manager, a lab technician and six cellar workers, who work out of the Woodridge, Ill., headquarters.

Brit Zotovich, Cooper's Hawk's California-based grower relations manager, handles the majority of grower and winery relationships along the West Coast.

There are a lot of scenarios in which wine, in its various stages, makes its way to Cooper's Hawk headquarters in Woodridge, which is home to a fully functioning winery, facilitating every part of the winemaking process from crush to bottling. Hummer said that some of the grapes sourced from domestic vineyards, usually those along the West Coast, arrive at the winery as whole clusters just days after harvest via refrigerated trucks. Those traveling from farther away may arrive as pressed juice. Still others may show up as fully fermented but not yet blended wine. In these cases, the wine comes from a partnering winery where Cooper's Hawk's winemaking team has established the winemaking program with the host source.

Aside from wines that need to be made at the source's location, such as Cooper's Hawk

TIPS ON DTC SUCCESS

A few insights on the success of Cooper's Hawk business model, according to direct-to-consumer sales expert Sandra Hess

- Build a DtC sales strategy with consumer engagement activities as the first priority.
- Provide opportunities for brand loyalists to self-identify and be rewarded for time and money invested in your brand.
- Make it fun and easy for brand loyalists to convert to membership by offering a variety of wine events throughout the year. Include event tickets and registration options on the winery website three to six months in advance.
- Match the event to the type of consumer. Provide meaningful invitations to engage by analyzing consumer engagement trends by age demographics, geography, buying behaviors, product preferences and purchasing channels.

Prosecco from Italy, all final blending and bottling happens in the Woodridge headquarters, according to Hummer.

"Regardless of where the winemaking happens, we're all involved in overseeing the process every step of the way," Hummer said. "Tim has a sommelier certification and gives just as much attention to the wine program as he does to the restaurant business. ... He sets the vision and expectations for our wine program, and we do the best that we can to deliver."

When asked why the winery doesn't source more from Midwestern vineyards closer to Cooper's Hawk's home base, outside of a few ice and fruit wines, Hummer simply said that that decision is based on their customers' undeniable satisfaction. "Right now, our customers and wine club members are responding to the wine we're making from the AVAs we're sourcing from," Hummer said.

"One of the things I am proud of ... is not just the number of wines we oversee



Industry-funded research through the
AMERICAN VINEYARD FOUNDATION
leads to more economical grapegrowing,
and your support makes it happen.

Thanks to generous industry research support, **new generations of rootstocks** are being developed that address critical vineyard challenges. Research by Peter Cousins and Michael McKenry, along with *ongoing* work by Andy Walker, provides growers with rootstocks tolerant and resistant to:

- nematodes
- drought conditions
- salty soil environments.

The industry has partnered to revolutionize grapevine rootstock breeding. Research funding sources include:

The American Vineyard Foundation, the CA Rootstock Commission & CA Rootstock Foundation, The CA Table Grape Commission, E & J Gallo Winery, the CA Fruit Tree, Nut Tree & Grapevine IAB and others...

AVF-funded research drives our industry into the future while saving our farmers money now.

For a wealth of useful viticulture and enology research and information, visit AVF.org, ngr.ucdavis.edu, asev.org, or graperesearch.org

AMERICAN VINEYARD FOUNDATION • P.O. Box 5779, Napa, CA, 94581 • tel (707) 252-6911
Visit our Web site at www.avf.org for information on funding and current research projects

Dr. Andy Walker

— 48 wines on the menu and 12 wine club wines — but the broad spectrum of the kinds of wines we're making," he said. "Every single wine produced is made in a different way." This variety, he said, is in part what's responsible for Cooper's Hawk's constantly increasing popularity.

Learning from DtC success

McEnery can't pinpoint the exact moment he knew it was time to start considering expansion, but it took only two years for him to open a second location. Since 2016, Cooper's Hawk has been expanding at a rate of five new restaurants each year.

McEnery says he's able to do this using a "cluster strategy" to limit market risk. "We open five new restaurants, we only want one of those restaurants in a 'new' market," he said, explaining that the other four venues are chosen based on specific regions where the business has already seen success. This is why, for now, Cooper's Hawk locations are found predominantly in the Midwest and Florida, with a few scattered along the East Coast.

The 32 venues are leased, not owned. McEnery said he'd rather put capital into a successful restaurant than real estate. But a winery or restaurant is only as successful as its

consumer base. In the case of Cooper's Hawk, the wine club plays a big part in that success.

"The wine club was always part of the original concept," McEnery said. "But it wasn't so brilliant other than we wanted to include one."

With 32 locations, one would expect the Cooper's Hawk's wine club to be large, and the company claims 300,000 members and a

"When wine brands offer white-glove treatment, members stick around longer and spend more."

—Sandra Hess, DTC Wine Workshops Consulting Agency

growth rate of 25% each year. What's more, 99% percent of wine club members pick up their monthly wines in person.

DtC expert Hess called the Cooper's Hawk DtC sales model a well-rounded one, as it includes customer touch-points both in person and online throughout the year and extends beyond typical discounts on wine

and merchandise and into more personalized acknowledgements such as monetary birthday gifts and frequent visit-based reward — all of which can be used at any of the 32 locations.

According to Hess, the average wine club member typically stays active for about 1.5 to 2.5 years and will spend 10%-25% more than the annual contracted agreement when "high-touch member management activities" are offered, including access to private events and limited release or library wines. "We see these stats play out consistently in our clients' data sets across the nation, irrespective of wine region and price points," Hess said. "We know that when wine brands offer white-glove treatment, members stick around longer and spend more."

Indeed, the incentive to join and maintain a Cooper's Hawk club membership is elevated with a loyalty program, in which members receive points for maximizing memberships with visits to the winery, money spent on food and wine, and participating in events. In 2009, the winery launched its travel program for higher-tier members to experience different wine regions throughout the world. "We've learned overtime how to make (the wine club) special and continue to make it special," McEnery said. 🍷

THE CLEAR ADVANTAGE

MicroVantage Ultra Premium Filter Series

MicroVantage Filters and Housings are the solution for your ULTRA FILTRATION needs.

Contact us at 1.800.543.5843 or info@shelco.com to learn why Shelco is the only place for all your filtration needs!



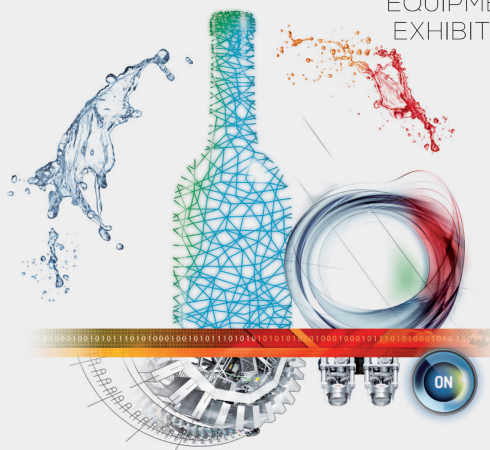
www.shelco.com | Made In The USA

100 BRADLEY STREET • MIDDLETOWN, CT 06457 • 800-543-5843

SUPPORTED BY



INTERNATIONAL
ENOLOGICAL
AND BOTTLING
EQUIPMENT
EXHIBITION



LEADER IN WINE & BEVERAGE TECHNOLOGY

ORGANIZED BY



28th EDITION

**19th-22nd November 2019
Fiera Milano (Rho) - Italy**

info@simeit.it / simeit.it