Tasting Room Tech

How wineries use existing software and a look toward the future for solutions

By Stacy Briscoe

"WINEMAKING IS THE SAME no matter what winery you go to, regarding the nuts and bolts of it," said David Crum, senior director of direct-to-consumer membership and operations at Duckhorn Wine Co. in St. Helena, Calif., who spoke at the Direct to Consumer Wine Symposium in January. He was addressing why there are several companies offering programs that can assist vintners in streamlining their winemaking process and organizing their data — from vineyard management to bottling and labeling. →

But what happens after that — booking appointments, consumer marketing, campaigning and everything else that goes into *selling* the wine — isn't as seamless a process.

"It's tougher for software to be tailored for the DtC part of the business because it's so customized. Everyone has different needs," Crum said. The winery experience is different from venue to venue, and thus each tasting room is tasked with finding a software solution — or combination of solutions — that caters to its specific style of service and sales.

Patchwork programming

"To be honest, there isn't one piece of software that's superior to others," Crum said. "We've gone through three different DtC softwares in the 13 years since I've been here, and none are perfect." Today, Duckhorn's tasting room software system is what Crum refers to as a "Frankenstein," as he and his team have created a patchwork of several systems to make their day-to-day operations work.

For customer-facing software — processing in-person orders, e-commerce and managing the wine club — Duckhorn utilizes WineDirect (formerly vin65). "The most important thing that WineDirect provides is a way to create customer notes," said Crum, who emphasized the importance of documenting customer details, whether purchase history or a favorite seat in the tasting room, during his panel discussion at the DtC Symposium.

Keeping these records assists the Duckhorn team in creating personalized experiences for each guest. "It's also how we communicate," Crum said, explaining that the notes they take within the software "speak to" the winery's other brand locations: Paraduxx, Goldeneye and Calera. So guests who visit or buy wine from any one of those locations will receive the same kind of service.

When it comes to booking, however, Duckhorn uses OpenTable. "We're the first and last winery OpenTable has on their platform," Crum said. "We were one of the early adopters back in 2004 and, at the time, one of the only wineries that offered a seated tasting experience."

Because Duckhorn is an appointment-only venue, seating multiple private parties throughout the winery property, Crum said the hospitality team needs to run the tasting room more like a restaurant.

What OpenTable provides is a visual layout of the space, detailing where each booked guest is seated. What it doesn't provide are notes on said guests. "We have a person on the team who will spend about half a day going through the weekend's appointments, manually adding the notes from WineDirect into the reservation system," Crum said.

While it's a tedious and time-consuming task, Crum said, it helps the front room staff prepare appropriately.

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> —David Crum, Duckhorn Wine Co.

Another piece to the Frankenstein puzzle: point of sale (POS). WineDirect does include a POS feature. "Our iPad-based POS provides tasting room staff with all the relevant details for club members, return visitors and pre-booked guests, including essential details like club membership status, lifetime value and food or tasting preferences," said Jim Agger, vice president of marketing and business development for WineDirect, in an email to *Wines & Vines*.

Crum said that he wishes he could use the WineDirect POS system and that using iPads would greatly assist with both taking notes and immediate, tableside sales. However, Duckhorn created its own customized POS system using

Microsoft RMS, which, according to Crum, helps them keep better track of their multiple inventories across their multiple brand locations.

Despite having to look elsewhere to fulfill certain business-specific needs, Crum said, WineDirect's ability to share customers' stories across his hospitality team is the most essential.

He added he appreciates that he's allowed to provide direct feedback to WineDirect and participate in the company's roundtable discussions, alerting the company as to how it can help him better build and maintain his clientele.

Single-venue solution

Neil Bason, director of hospitality for Goosecross Cellars in Yountville, Calif., said that he, too, has been through a couple of software providers and that, across the board, the functionality is broadly similar. "There will be key areas where one solution stands up better than the other. You just have to pick the one that works for your company," he said.

Goosecross recently transitioned its tasting room software from bLoyal to eCellars, and Bason said the key to making that decision was customer support. "The solutions we used in the past were created by folks outside of Napa, sometimes even outside of California," he said. "We wanted someone with a brick-and-mortar office so we can knock on the door and ask for help if we need to."

Like Duckhorn, Goosecross runs its tasting experience much like a restaurant, booking groups by appointment and catering to any specific needs. "The eCellars reservation component is very useful," said Bason, explaining that the booking feature not only pulls up customer information, but also allows the staff to send reminder and thank-you emails before and after the appointments. "It provides a
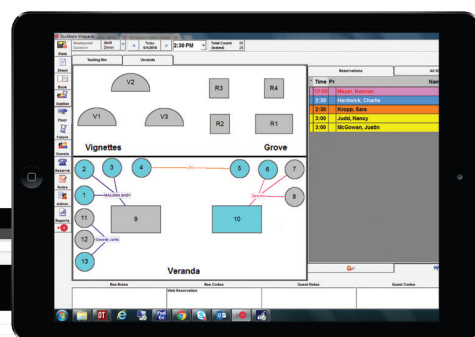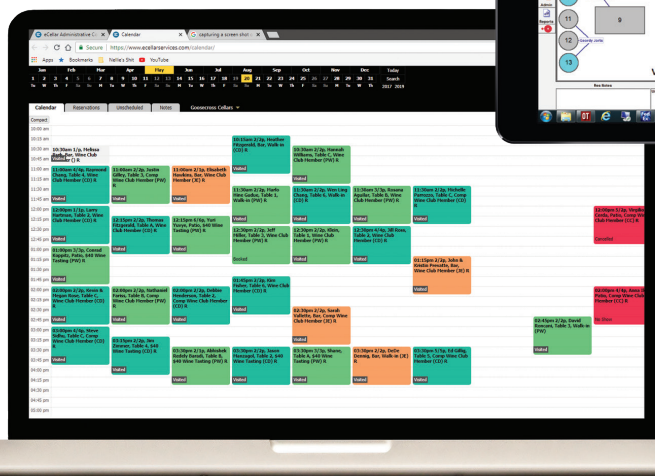
Duckhorn Cellars (above) is the only winery using Open Table reservations. Goosecross Cellars (left) uses eCellars to organize reservations, wine club information, email campaigns, sales and shipments.

heightened sense of service."

According to eCellars Founder and CEO, Paul Thienes, a major tasting room trend is appointment-only style tastings, or a mixture of appointments and walk-ins. "We are the only vendor in the entire wine industry that has a completely integrated reservations system that complements our Point of Sale, ecommerce and wine club modules," said Thienes in an email to *Wines & Vines*.

Thus, the system provides a seamless POS integration for Goosecross. Unlike Duckhorn, inventory data is needed for just the one location. Again, purchase history, frequency, and preferences are all documented within the same system.

The only "missing link" Bason mentioned is the online booking component. Previous to eCellars, Goosecross used CellarPass, arguably one of the most popular booking agents in the wine industry, according to Bason. "CellarPass provides a certain amount of co-marketing," he said.

He said he was worried at first that taking Goosecross off the third-party website would decrease traffic. "That doesn't seem to be the case," he said. "We get more traffic through Google search, TripAdvisor and Yelp than we ever did from CellarPass."
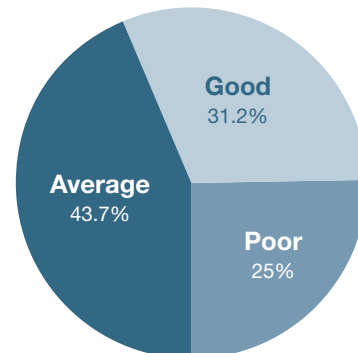
Digging up data

Flora Springs Winery & Vineyards' tasting room in St. Helena, Calif., falls somewhere in the middle. The venue does book by-appointment tastings, but it also sees a steady stream of walk-ins throughout the day. Like Crum and Bason, Elisa Sherburne, director of direct-to-consumer for Flora Springs, has been through a couple of software programs during her time at the winery.

Her hospitality team currently uses eCellars, which they use to make reservations, process wine club information, email campaigns and track e-commerce sales and shipments. She said that while she's able to keep general DtC information within the system, if she ever wants to look up something specific — like which wines sold most frequently during a certain time during the day — she has to "dump it into an Excel file" to better sift through the data. This goes for campaign management as well, such as email open rates, clicks and navigation toward the winery website. "I really just want more customization at the user level, so I can customize the reports I want to look at," she said.

AS PART OF THIS REPORT on winery software, *Wines & Vines* surveyed winemaking and sales staff at small wineries (making 5,000 to 50,000 cases per year) with an average bottle price between $30 and $60 about the software they use. Of those who responded, 86% use software specifically for the wine industry and 70% use separate systems for winemaking and other operations such as sales and marketing. Of all winery operations, 71% said software for managing wine clubs and direct-to-consumer sales is of paramount importance but 25% said existing options are "poor" and only 33% use a system to schedule and manage tasting room visits.

1. How would you describe existing software options for winery sales and marketing?

Good 31.2%

Poor 25%

Average 43.7%

When asked about how she uses the information she *can* gather to better the DtC sales for Flora Springs, Sherburne said it works well for those who have some longevity with the winery, either through club memberships or frequent in-person visit. And she's able to better prepare for those who book their time at the tasting room instead of walking in. "Acquisition is tricky," she said. "It has to happen over time, through hosting relationships."

The future of DtC wine sales and marketing

A new program called Customer Vineyard, founded by Mary Jo Dale, marketing director of Vinventions, is aiming to provide a more organized and intuitive way to access consumer information. Dale said Customer Vineyard is not a quick fix to the lack of seamless software for the tasting room, but it can boost the amount of detailed customer information available to wineries and tasting rooms and, thus, boost DtC sales.

According to Dale, Customer Vineyard leverages the power of big data, allowing wineries to market and sell wine more profitably. "What we mean by big data is this — we look at certain existing information about customers, such as purchasing, behavior, key interests and financial metrics," Dale said in an email

to *Wines & Vines*. "We then deliver the insights back to the winery down to the customer level."

The program pulls data from across wineries' existing DtC and POS systems, working with outside professional data houses to pull relevant information. "It further interprets the information with a series of proprietary algorithms," Dale said.

The data is then returned to the winery and "certain attributes" can be added to existing customers' profiles — whether they're one-time visitors, make only online purchases or are regular members of the wine club.

The "attributes" attached to the customer profiles can get quite detailed, right down to interests outside of food and wine.

Based on these details, wineries and tasting rooms can then market wines of various price points to the proper audience, customize wine club programs and events targeted to a specific demographic, and just generally boost the winery and tasting room experience for their guests in a more personalized manor.

"Customer Vineyard isn't meant to replace any current DtC system, but it certainly can support them," Dale said. 🕤

2. Do you use a separate system to enable customers to schedule tasting room visits?

Yes
33.3%

No
66.6%
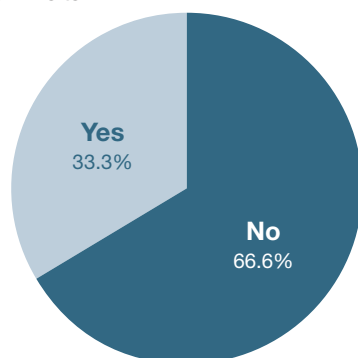
3. If you use a separate sales, CRM and wine club system, where could it be improved?

41.1%	Sales reports
17.6%	Depletions and wholesale sales management
17.6%	Wine club management
11.7%	Marketing analytics
5.8%	Better integration with winemaking
5.8%	Tasting room bookings and scheduling