



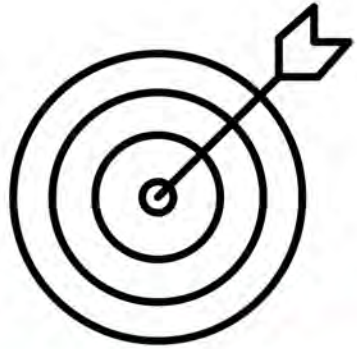
# WASHINGTON WINES

UNCORKING THE POTENTIAL OF THE CHINESE WINE MARKET

Andrew Chan • Preston Gullledge • Amanda Schmitz • Sophie Wong

# OBJECTIVES

HOW DO WASHINGTON STATE WINERIES REACH THE CHINESE CONSUMER?



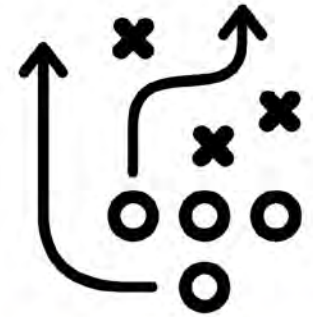
TARGET MARKET



WINE SELECTION



COMPETITION



MARKETING

# SOLUTION OVERVIEW

THREE PRONG APPROACH



## PREMIUM BOUTIQUE

# SOLUTION OVERVIEW

THREE PRONG APPROACH



PREMIUM BOUTIQUE

UPPER INCOME, STATUS  
CONSCIOUS TRAVELER



# SOLUTION OVERVIEW

THREE PRONG APPROACH



PREMIUM BOUTIQUE

UPPER INCOME, STATUS  
CONSCIOUS TRAVELER

3 PART MARKETING STRATEGY  
IN-FLIGHT PROMOS, WINE CLUB, + SOCIAL MEDIA

A large, thin, red circular stroke is drawn around the text. Several red ink splatters of various sizes are scattered around the circle, particularly on the left and top edges.

# INTERNAL+ EXTERNAL **ANALYSIS**

# CONTEXT

CURRENT SITUATION OF WASHINGTON WINES



REGIONAL  
IDENTITY

RESOURCES

OPERATING  
MODEL

- Diverse Producers
- Capacity Limitations



# CONTEXT

CURRENT SITUATION OF WASHINGTON WINES



REGIONAL  
IDENTITY

RESOURCES

OPERATING  
MODEL

- \$8 MM total budget
- 4% for Intl. Marketing



# CONTEXT

CURRENT SITUATION OF WASHINGTON WINES



REGIONAL  
IDENTITY

RESOURCES

OPERATING  
MODEL

- Build Brand, Build Demand



# CHINESE CONSUMER PREFERENCE

FRUIT DRIVEN

LOW TANNIN-STRUCTURE

SWEET

AROMATIC

# WASHINGTON VARIETALS

CABERNET  
SAUVIGNON

MERLOT

WHITE  
RIESLING



# WASHINGTON VARIETALS

CABERNET  
SAUVIGNON

**#1** by production  
volume

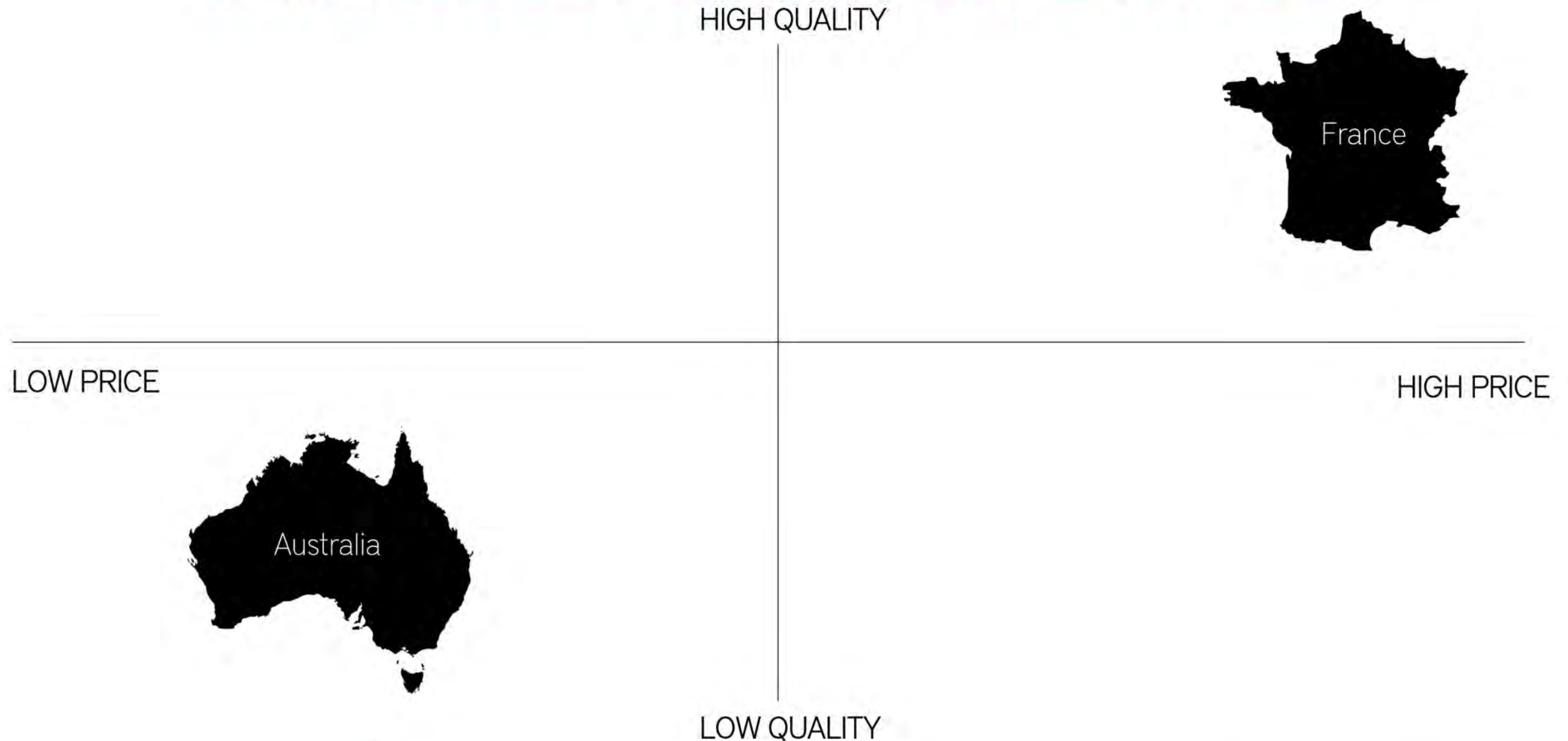
MERLOT

**#2** by production  
volume

WHITE  
RIESLING

**#4** by production  
volume

# WASHINGTON'S COMPETITION



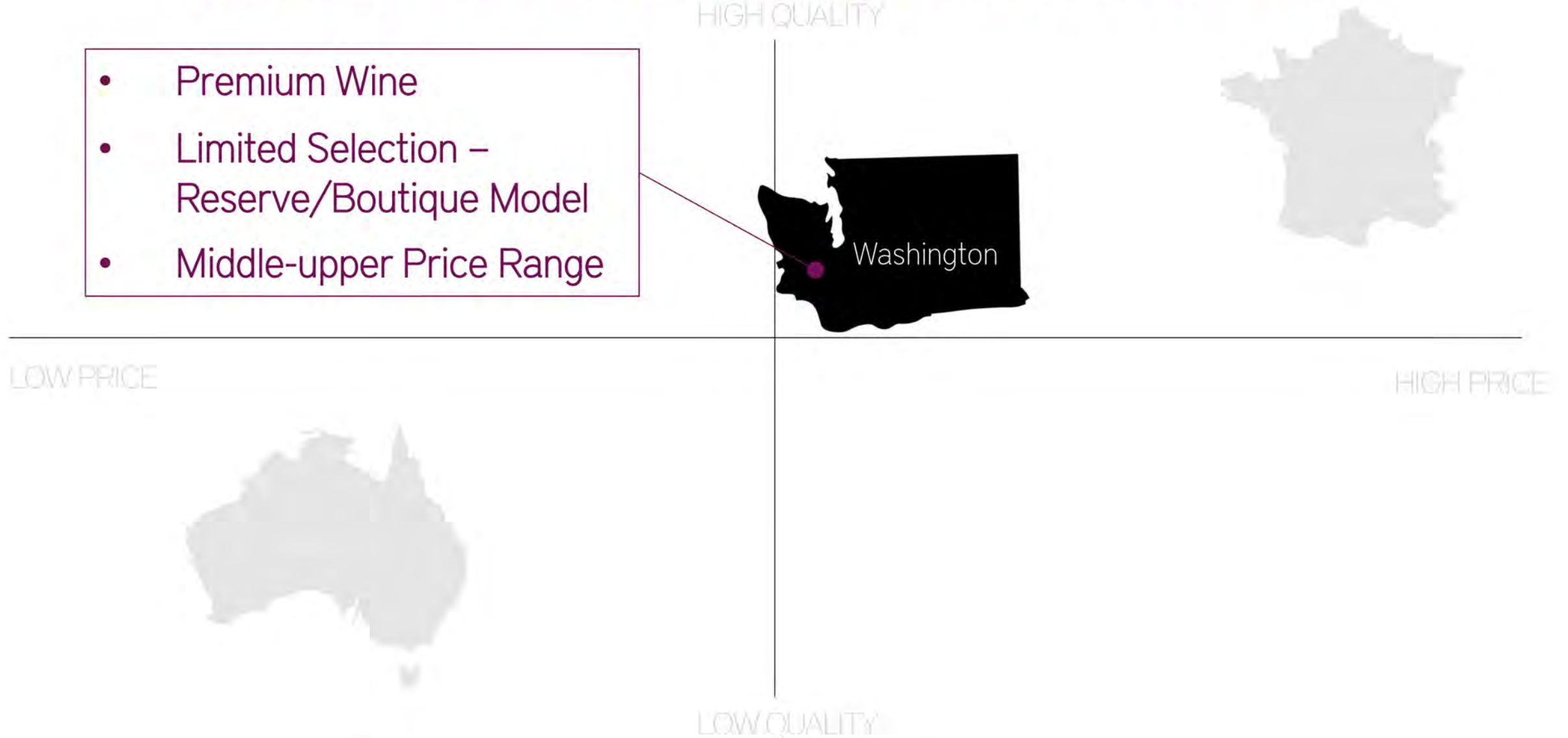
# WASHINGTON'S COMPETITION





# WASHINGTON'S COMPETITION

- Premium Wine
- Limited Selection – Reserve/Boutique Model
- Middle-upper Price Range



# VALUE PROPOSITION

OF WASHINGTON WINES



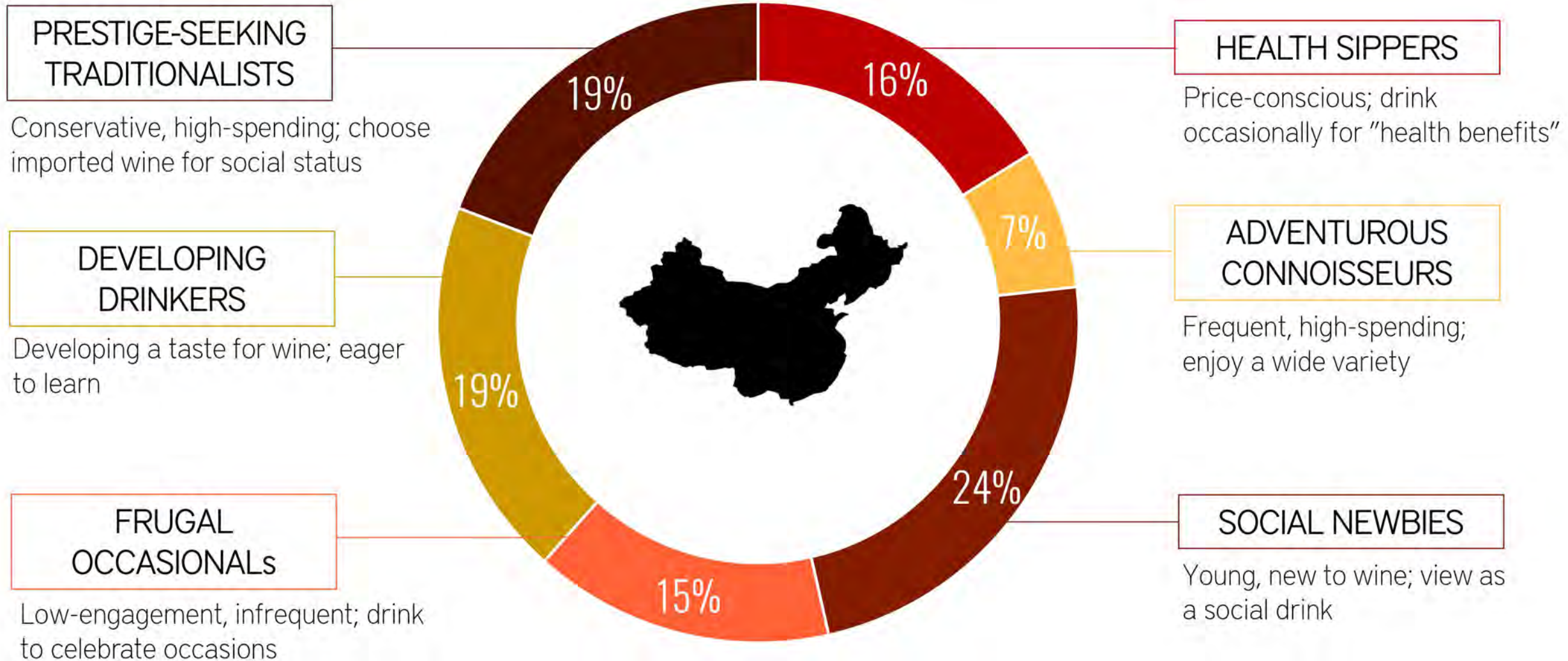
• BOUTIQUE

• EXCLUSIVE

• PREMIUM

# PERSONA BREAKDOWN

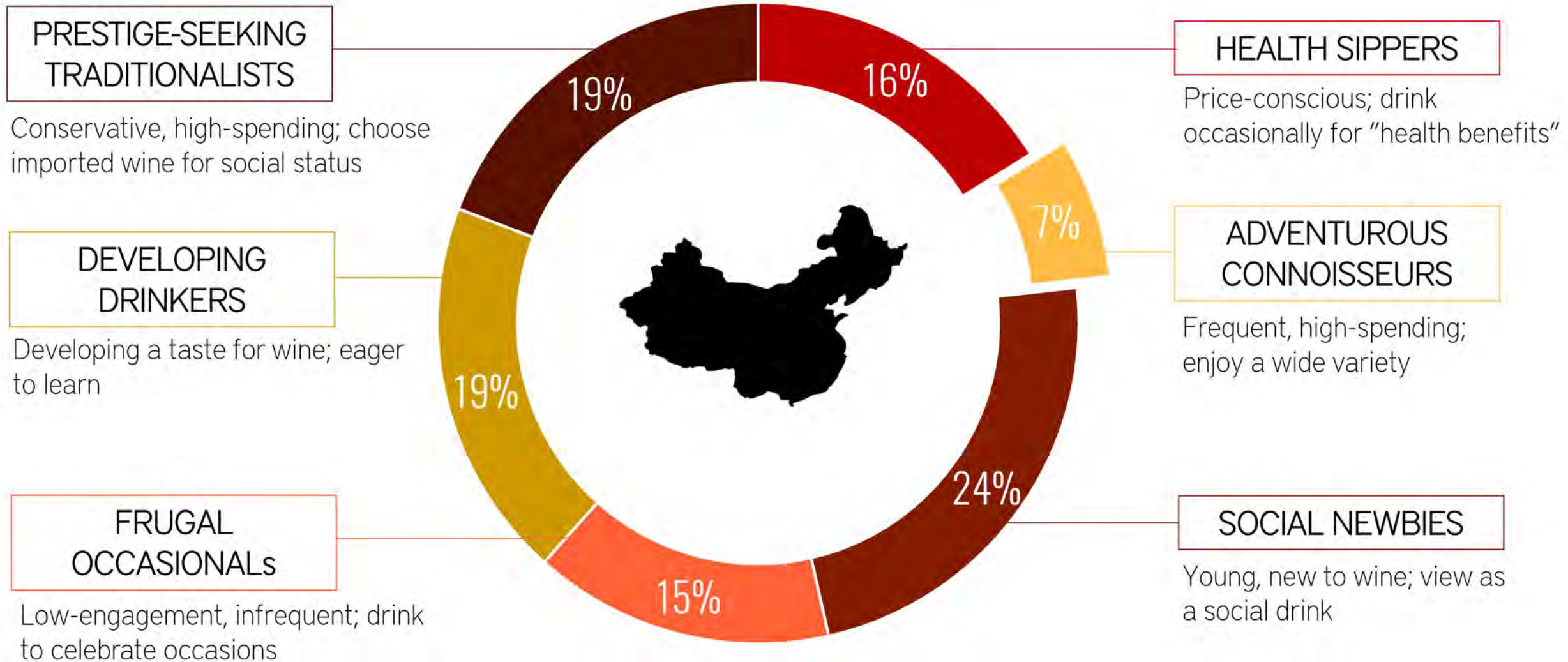
CHINESE WINE DRINKERS + WHO THEY ARE





# PERSONA BREAKDOWN

CHINESE WINE DRINKERS + WHO THEY ARE



# THE CHINESE CUSTOMER



## BUYING PURPOSE

PERSONAL

TOURISM

GIFTING

(# people/segment in millions)

## MARKET SIZE

2.94 M

.93 M

.69 M

The background features several pink watercolor splashes and dots. A large, thick, curved splash starts from the top left, goes down, and then curves back up towards the right side, framing the text. There are also several smaller, more circular dots scattered around the main splash, particularly on the left and bottom edges.

# MARKETING

STRATEGY



# CHANNEL DECISION

## MARKETING MODES CONSIDERED

		B2B MARKETING	TRADITIONAL MARKETING	ONLINE MARKETING	SOCIAL MEDIA	LOYALTY MARKETING	SAMPLE MARKETING
CRITERIA	CPM	GOOD	BAD	GOOD	GOOD	GOOD	BAD
	CONVERSION RATE	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
	RETENTION	GOOD	GOOD	BAD	BAD	GOOD	GOOD
	SATURATION	BAD	BAD	BAD	GOOD	GOOD	GOOD
	REACH	GOOD	GOOD	GOOD	GOOD	BAD	BAD
	IMPACT TO COST RATIO	GOOD	BAD	GOOD	GOOD	GOOD	GOOD

LEGEND: GOOD (Green), MEDIUM (Yellow), BAD (Red)

# CHANNEL DECISION

## MARKETING MODES CONSIDERED

### CRITERIA

	B2B MARKETING	TRADITIONAL MARKETING	ONLINE MARKETING	SOCIAL MEDIA	LOYALTY MARKETING	SAMPLE MARKETING
CPM	GOOD	MEDIUM	GOOD	GOOD	MEDIUM	BAD
CONVERSION RATE	GOOD	GOOD	GOOD	MEDIUM	MEDIUM	GOOD
RETENTION	GOOD	GOOD	MEDIUM	BAD	GOOD	GOOD
SATURATION	MEDIUM	MEDIUM	MEDIUM	GOOD	GOOD	GOOD
REACH	GOOD	GOOD	GOOD	GOOD	BAD	BAD
IMPACT TO COST RATIO	GOOD	MEDIUM	GOOD	GOOD	GOOD	GOOD

LEGEND:

GOOD

MEDIUM

BAD



# MARKETING STRATEGY

THREE PRONG APPROACH



IN-FLIGHT  
MARKETING



WINE CLUB



SOCIAL  
INFLUENCERS

CHARGE

ANALYSIS

 **RECOMMENDATION**

RISKS

CONCLUSION

Q&A



# MARKETING STRATEGY

THREE PRONG APPROACH



IN-FLIGHT  
MARKETING

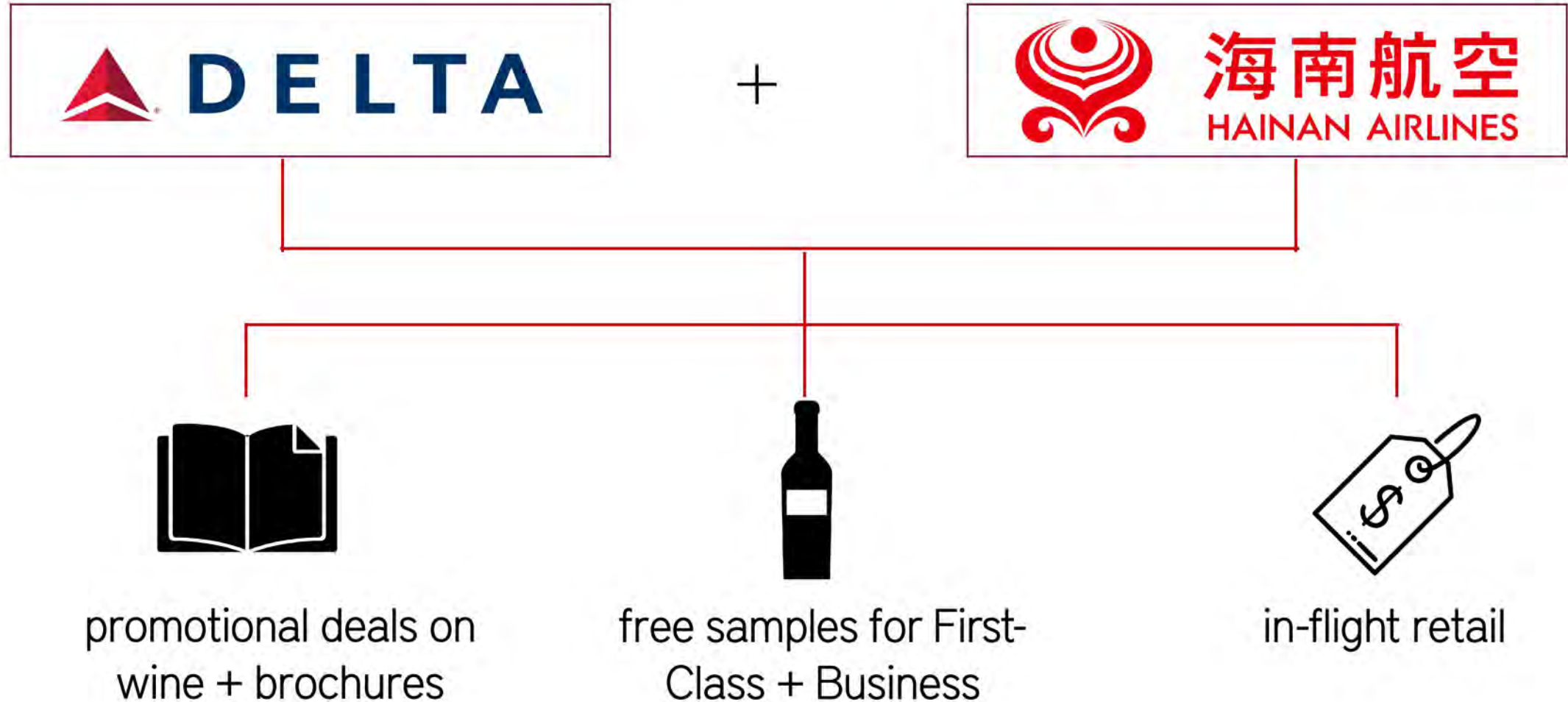


WINE CLUB



SOCIAL  
INFLUENCERS

# IN-FLIGHT MARKETING





# MARKETING STRATEGY

THREE PRONG APPROACH



IN-FLIGHT  
MARKETING



WINE CLUB



SOCIAL  
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# WINE CLUB



## SILVER

Online membership  
Newsletter  
Discounts & promo



## GOLD

Monthly delivery  
Magazine



## PLATINUM

Bi-monthly delivery  
Exclusive selection  
Wine tasting classes

# MARKETING STRATEGY

THREE PRONG APPROACH



IN-FLIGHT  
MARKETING



WINE CLUB



SOCIAL  
INFLUENCERS

CHARGE

ANALYSIS

 **RECOMMENDATION**

RISKS

CONCLUSION

Q&A



# SOCIAL INFLUENCERS



(\$\$\$)

PRIME SOCIAL  
INFLUENCERS



(\$)

BLOGGERS +  
CRITICS

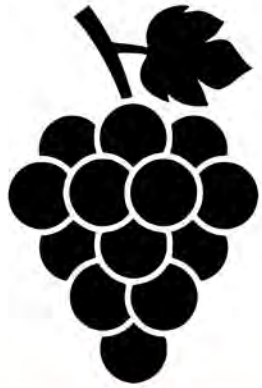


(FREE)

FRIENDS +  
FAMILY



# SALES FORECAST



TOURISM

\$629,139



GIFT  
BUYING/SHOPPING

\$2,611,812



PERSONAL BUYING

\$602,533

# EXPECTED RETURN



BUDGET

\$163K

\$850 K



ANNUAL NOI

\$53,944.40

\$4,496,457.42

ROI

33%

529%



CLV

\$277.69

\$606.53

# RISKS

+ MITIGATION





# RISK ANALYSIS

## RISKS

PRICE WAR

NEW ENTRANTS

LOW CAPTURE RATE

## MITIGATION

Retain position as a high quality producer, do not compete based on cost

Continued investment in loyalty based marketing and wine club

Diversify marketing techniques: further promotions, travel channel, features, etc.

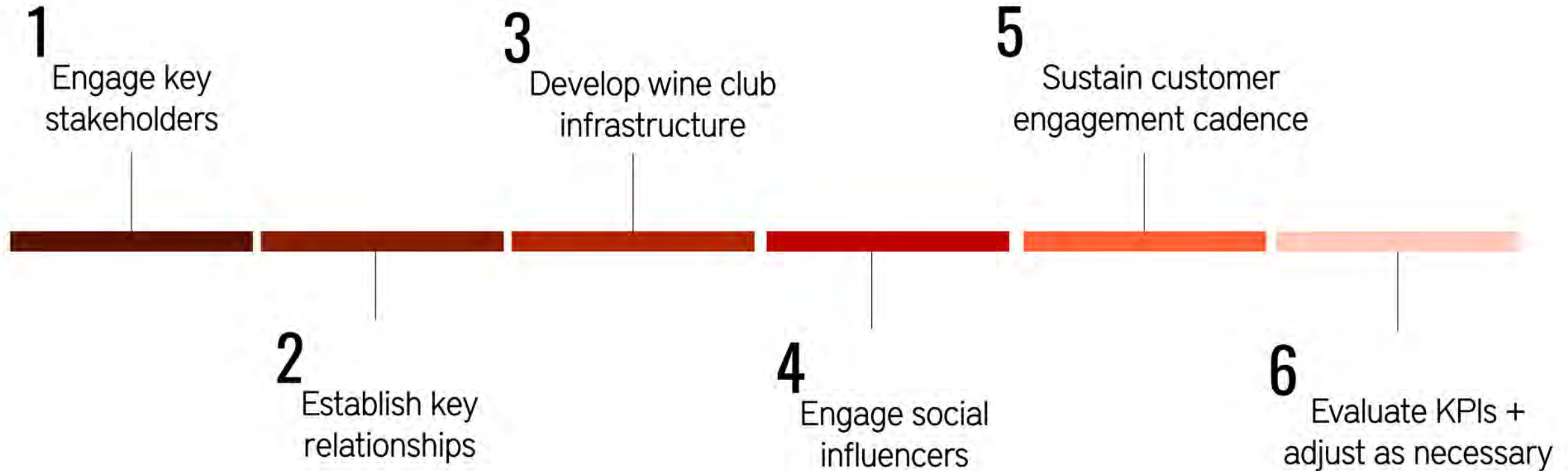


# CONCLUSION

A BRIEF RECAP

# TIMELINE

KEY IMPLEMENTATION STEPS





# RECAP



*LEVERAGE*  
**REGIONAL  
STRENGTHS**



*SECURE*  
**BOUTIQUE  
POSITIONING**



*IMPLEMENT*  
**EXPERIENCE-  
DRIVEN MARKETING**

THANK  
YOU





# APPENDIX

ANALYSIS	RESEARCH	MARKETING	FINANCIALS	FINANCIALS
PERSONA	FLAVOR PROFILES	KEY TRENDS	SEGMENTS	CHINA FLIGHT DATA
WINE TASTE	GLOBALPROFILES	DISTRIBUTION	SALES FORECAST	MARKET SIZE
KEY TRENDS IN CHINA	WA STATE WINES	EXPORT PROJECTION	CALIFORNIA STATS	COST BREAKDOWN
WINE TASTES	CUSTOMER LIFETIME	PESTAL	SAMPLE WA I/S	MKTG PROGRAM COST
EXTERNAL ANALYSIS	DISTRIBUTION (49)	PESTAL (II)	WA WINE COMMISSION	CPI
4C'S	DECISION MATRIX (50)	WAREHOUSE MODEL	MKTG. BUDGET	CPI ESTIMATION
4P'S	PROBABILITY/IMPACT (51)	REGULATION	BUDGET COMPARISON	CLV
SWOT	INTERNAL ANALYSIS (52)		INCOME STATEMENT	EXPORT PROJECTION



# APPENDIX

## ANALYSIS

COMPETITOR ANALYSIS

INTERNAL ANALYSIS

CURRENCY ANALYSIS

## RESEARCH

WINE CLUB SUCCESS  
RATES (I)

WINE CLUB SUCCESS  
RATES (II)

LEGAL INFORMATION

## MARKETING

ORDERING FROM  
CHINA

WINE CRITIC

WINE CLUB SUCCESS  
RATES

WINE CLUB SUCCESS  
RATES (II)

## FINANCIALS

WA WINE COMMISSION

SOCIAL MARKETING  
PROJECTIONS

## FINANCIALS

MARGIN PER  
SEGMENT