

Account Planning Strategy:



Analysis of the French Wine Market in Tallahassee-Metro

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Preface:

At the beginning of the semester Professor Bill Smith had a client selected for his account planning class. This client wanted to know if a French wine would be able to compete in America and was planning on utilizing the Tallahassee area as the testing grounds. In the end, this client was not able to meet with the account planners and it was decided he would not be useful as a client because he did not realize the value of account planning. David Malone did. This project and account plan evolved from a challenge by David Malone from ABC Wine & Sprints. I was charged with discovering what the market for French wines was within the Tallahassee-metro area and determining what needed to be done to expand Malone's current cliental.

Focus groups, surveys and in-depth interviews were conducted to find consumers views on wine and the local ABC stores. The following account plan provides, in detail, the findings conducted during the above processes.

Hand Out Surveys:

The intercept method was utilized to find persons willing to fill out a survey at various locations around Tallahassee. Participants were asked if they ever consumed alcohol, and if they answered positively were encouraged to fill out the questionnaire. Multiple locations were used to grasp a broader range of wine consumers varying in age, drinking locations and familiarity with wine consumption.

Consumers were asked to fill out the questionnaire with the aim to see if there is a French wine market in Tallahassee, Florida. The objective of this survey was to find out how often people consumed French wines as well as their attitude and purchasing habits toward the French product. ABC was mentioned by name during the survey to gauge people's reactions.

Thirty-seven respondents completed the survey, and a copy can be found in Appendix A.

Key Findings-

- There were no statistically significant differences in respondents' answers by gender.
- 62% relied on Friend and Family recommendations when choosing a wine.
- Taste was valued most when choosing wine with 70% valuing it over other categories.
- 68% were only willing to pay a maximum of \$20 for a bottle of wine, and approximately 15% would pay up to \$60.
- 50% purchased their wine from grocery stores, while only 27% chose to go to liquor stores.
- Those who have ever purchased a wine from ABC made up 65% of the participants.
- Everyone claimed willingness to try a brand of wine they were not accustomed to.
- 97% stated that politics did not play a factor when choosing French wine.

Online Questionnaire:

An online survey was constructed featuring ten questions, seven multiple choice and three fill-in-the-blank, which asked participants to describe their wine consuming habits, preferences during the selection process and their knowledge of French wine providers in the Tallahassee area. The online survey was constructed with the purpose of receiving information from a younger demographic (21 - 25) about their alcohol consuming habits. The account planning team distributed the survey online via personalized messages to friends through e-mail, facebook invitations and myspace bulletins. A copy of this survey can be located in Appendix B. The findings listed below are based off of the answers from 21 respondents:

Key Findings-

- 38.1% consume wine on an annual or seasonal basis, 28.6% on a weekly basis, and 23.8% on a monthly basis.
- 33.3% will try a new brand of wine monthly whereas 23.8% are never willing to try a brand they are not familiar with.
- 71.4% would be willing to try a new brand of wine based off friend recommendations
- 61.9% find taste to be the most important factor when selecting a bottle of wine. No one selected country of origin as their deciding factor.
- 47.6% typically spend \$11 - \$20 for a bottle of wine.
- 42.9% of consumers read the content labels on wine bottles.
- When listing locations to purchase win Publix was mentioned by 23.3% of respondents. ABC was only mentioned by 8.8% of respondents.

In-depth Interviews:

Eight in-depth interviews were conducted at the Winery, Chez Pierre and Cluster & Hops. Interviewees were bartenders, servers, restaurant managers, as well as their customers. Those interviewed were from varying backgrounds and ranged in age from 21-60 years old. The questions asked were all open-ended and dealt with three main areas: demographics, wines, and French wines; with French wines being the main focal point. The objective behind this method was to find out the potential for a larger French wine market within the Tallahassee area. A copy of the survey can be found in Appendix C.

Key Findings-

- There is no market in restaurants for French wine – mainly due to the French wineries limited supply compared to the mass growers in other countries.
- French wine is intimidating because people don't understand that labeling technique – very vague and only done by region.
- Typically consumers ask for recommendations if they have no background in wines, but French wines are not usually suggested because they are perceived as expensive or elitist.
- People that order French wine are either wine experts or ordering for a special occasion.
- Local restaurants that sell French wine lean toward promoting other wines because of customer price range.
- The majority of people that purchase French wine are 35 or older.

Focus Groups:

The account planning team engaged participants during an in-depth interview process, taking thirty to forty minutes. During this session questions began with general alcohol consumption habits, moved to wine drinking preferences, then, questions about their feelings towards French wines. Also, participants were asked about where they go to purchase alcohol, their reason for frequenting particular locations and their knowledge about locations to acquire French wine in the Tallahassee area. The overall objective of the focus groups was determine the reasons customers have for selecting their alcohol and the location at which they choose to purchase said product. There were 7 focus groups conducted. The members of these groups were from various social, educational and economic backgrounds, ages ranged from 21 - 58, and besides America there was representation from South America and India:

Key Findings-

- People tend to constantly purchase their one or two favorite alcoholic beverages.
- Alcohol consumption is a social medium and people are more inclined to drink the same thing as their peers.
- Want competitive prices for alcohol selection, but will subtle for a closer liquor store.
- People who consume wine on a regular basis are likely to read the labels, those who do not will use friend or employee recommendations.
- If someone had a negative experience at any ABC, they will assume all ABCs will provide a similar experience.
- Most consider French wine to be intimidating, expensive or do not care for the taste.
- Those who enjoy French wine drink it almost exclusively over other wines.
- For wine purchases, people often shop at Publix, Market Square Liquors, The Winery or ABC Fine Wine & Spirits.

Conclusions:

- Drinking French wine is like a hobby, you either truly enjoy it and are passionate for it or do not understand what the attraction is.
- People are intimidated by French wine, due to a lack of knowledge.
- People shop at liquor stores for convenience. Whichever store is closest to their house is most likely to earn their business.
- When someone branches out from their normal drinking habits it is most often because they see one of their friends having a drink they want to try as well.
- When people require assistance, in a store, they expect every member of the staff to be friendly and courteous while assisting them with recommendations and accurate descriptions of all the products.
- Many see ABC Fine Wine & Spirits as another corner liquor store, and have no knowledge of their French wine selection. This is due to the name, the boxes of inventory on the floor and the “cold” metal racks.
- Discount card members appreciate the club and feel that the savings are a great idea

Next Steps:

Results show travel distance to a store, consumer lack of education on wine, and consumer loyalty to other stores create a significant competitive disadvantage for ABC compared to other wineries in the area. The challenges do not end there; store infrastructure, facility deficiencies, and inconsistency of the six ABC stores make altering the current perceptions of the establishment a difficult undertaking. Next, we will address the strategies necessary to maximize wine sales for ABC Fine Wine & Spirits.

Definition of the Brand’s Business Problem:

ABC Fine Wine and Spirits is in need of a strategy to increase sales in the Tallahassee metro area, particularly wine sales. Currently there are numerous other venues in the area that distribute wines as well, such as Wine Warehouse, Fresh Market, and Market Square. These venues emphasize wines while straying away from the vast selection of liquors, unlike ABC. Also, customers utilize the convenience of wine sections at local grocery stores, most notably Publix, while purchasing their regular groceries for the week.

Aside from the competition, ABC has had quite a challenge converting from ABC Liquors to ABC Fine Wine and Spirits; still being recognized by many as the average corner-liquor store. Even though wines are now heavily emphasized by the store, the website, and advertisements--sales in the wine section have not had a substantial increase and many consumers are not aware of the vast selection now available. With these issues in existence, there is an opportunity for changes within the company to position ABC Fine Wine & Spirits as the premier store for wine connoisseurs in the Tallahassee area.

Analysis of Consumer's Behavior with French Wine:

French wine consumers make up a small percentage of the wine drinking population in Tallahassee. After collecting data through surveys, in-depth interviews and focus groups, the following conclusions have been made:

- Consumers find French wine overwhelming and intimidating, due to a lack of labeling and information.
- Many consumers did not like French wine for its taste alone.
- There is a high class stigma attached to French wine.
- Those who drink French wine typically do so in a social environment.

Analysis of the Consumer's Behavior with ABC Fine Wine & Spirits:

Elegant Atmosphere-When it comes to buying wine, consumers hold a high standard to the ambiance of the purchasing location. Wine consumers are typically known for their sophisticated and mature tastes; thus, when a store lacks the warm, inviting, and elegant atmosphere, consumers tend to make purchases elsewhere. The excessive inventory on ABC's floors, and the cold metal wine racks weighed heavily on consumers purchasing decisions.

Convenience-In an economy that is struggling to keep itself out of recession, consumers are spending more money at the pumps per week and trying to reduce driving time by making purchases at a single location. In the lower to middle priced wine category, ABC will struggle to keep up with grocery store convenience until customers know that ABC provides a service not available at grocery stores.

Wine Competition-The wine market in Tallahassee, FL is currently saturated and diverse. From expensive wine cellars to two for one grocery store promotions, there are numerous outlets that cover the needs of consumers. The following list represents ABC Fine Wine and Spirits closest competition for low to medium priced French wine.

- Albertsons
- Fresh Market
- Liquor Loft
- Market Square Liquors
- Publix
- Southern Fine Wine and Spirits
- Walmart
- Wine Warehouse
- World Market

Definition of Overall Strategy:

As far as ABC Fine Wine and Spirits is concerned, we have concluded from research that expanding and increasing French wine sales astronomically will be near impossible; due to the nature of French wine consumption being a hobby.

However, many thoughts and observations have been made to increase ambiance and overall sales for the ABC Fine Wine and Spirits locations in Tallahassee, FL. By using conventional and unconventional IMC tactics, ABC needs to boost direct marketing and increase education for both employee and customers alike. Easily accessible, friendly, and educated wine gurus at each location along with a tremendous increased labeling effort will ease the intimidation factor rookie wine drinkers feel when purchase French wines. Customer perception research revealed that the recent name change effects were minimal, and that more must be done to attract consumers who are wary of the lack of expertise associated with the name ABC.

Media Considerations & Tactics:

The following media considerations & tactics consist of a variety of media elements which will most effectively deliver the message, that ABC Fine Wine & Spirits is the premier wine location in Tallahassee, to the target audience.

Education-ABC needs to ensure that all of the employees are educated about all of the products available within the store for when customers have inquires. Also, employees should hold sessions (separate from the wine tastings) where they explain the basics of wine to potential customers.

Website-ABC's current website is largely focused on wine. The website has an expert wine taster, on line promotions, directs the customer to information on wine, displays ABC extensive wine collection, and a backgrounder on the company. Attention needs to be drawn to the website during print advertisements, direct marketing and viral campaigns.

Direct Marketing-For current and prospective customers provide wine samples or offer non-wine gifts to loyal ABC wine customers. Direct mail brochures or news letters featuring wine industry news, local store news, and discount packages can be mailed to current customers and be promoted online to prospective clients.

Promotional Materials-Discount cards were one of the main thing people who took the survey agreed with. ABC currently has a discount card special implemented. ABC should highlight the savings customers receive when using their discount card. In addition, ABC could send a discount application and free wine coupon to FSU & FAMU students on their twenty-first birthdays.

Creative Platform:

The purpose of this restructuring phase of ABC Fine Wine & Spirits is to establish ABC as the premier location for French wine consumers to purchase their alcoholic beverages of choice, in a hospitable and welcoming environment, by providing superior customer service and wine education for their potential patrons while also serving as a reputable source for accurate recommendations based of customer's individual desires and be known as an outlet for participants in the French wine cultural experience.

Appendix A: Hand-out Survey

GENERAL DEMOGRAPHICS

1. Age
 - 21-30
 - 31-40
 - 41-50
 - 51+
2. Sex
 - Male
 - Female
3. Income
 - Under \$25k
 - 25k-50k
 - 51k-100k
 - Over 100k
4. Highest Level of Education
 - Did not complete High School
 - 2-year college degree
 - 4-year college degree
 - Masters
 - Doctoral
5. Marital Status
 - Single
 - Married

WINE DEMOGRAPHICS

1. How often do you drink wine?
 - Daily
 - Weekly
 - Bi-weekly
 - Monthly
 - Annually (Seasonally)
2. How often do you try new brands?
 - Every time
 - Weekly
 - Bi-weekly
 - Monthly
 - Annually (Seasonally)
3. For how many years have you been consuming wine?
 - Less than a year
 - 1 – 5 years
 - 6 – 10 years
 - 15 – 20 years
 - 21 years or more
4. Under what circumstance would you be most willing to purchase a new brand of wine?

- Friend Recommendation
- Waiter/Bartender Recommendation
- Discounted bottle
- Magazine article
- Offered a sample of the wine during a taste test

5. What do you value most when choosing a wine?

- Taste
- Ability to complement a meal
- Origin
- Price
- Packaging
- Rating
- Reputation

6. Which places of origin do you prefer your wine from? Why?

7. What price range do you typically pay for a bottle of wine?

8. What is your primary source for information regarding wines?

10. Do you read the content labels? Why or why not?

11. Where do you purchase wines? Why?

12. Do you ever purchase wines from an ABC venue? Why or why not?

FRENCH WINE DEMOGRAPHICS

13. Are you a consumer of French wines?

- Yes
- No

14. When purchasing a wine, how often is it a French wine?

- Every Time
- More often than not
- 50% of the time
- Only occasionally
- Very Rarely

15. Do politics play a factor for you when deciding to purchase French wines?

- Yes
- No

16. Do you prefer to consume French wines over American? Why or why not?

17. Which French wines, in particular, do you consume? Why?

18. Are you willing to try other brands than the ones you are currently accustomed to? If not, why?

19. Please list all places that you know of where one can purchase French wines in the Tallahassee area?

Appendix B: Online Questionnaire

Tallahassee Wine Survey

1. How often do you consume wine?

Daily

Bi-Weekly

Weekly

Monthly

Annually (Seasonally)

2. When you go out drinking, how often do you try a brand of wine for the first time?

Every time

Weekly

Bi-weekly

Monthly

Annually (Seasonally)

Never

3. Under what circumstance would you be willing to purchase a new brand of wine?

Offered a sample of the wine during a taste test

Waiter/Bartender Recommendation

Friend Recommendation

Discounted bottle

Magazine article

4. What do you value most when choosing a wine?

Packaging

Reputation

Ability to complement a meal

Price

Taste

Rating

5. What price range do you typically pay for a bottle of wine?

\$10 or less

\$11 - \$20

\$21 - \$35

\$36 or more

6. Do you read the content label on bottles of wine?

Yes
No

7. When purchasing a wine, how often is it a French wine?

Every Time
More often than not
50% of the time
Only occasionally
Very Rarely

8. Which French wines, in particular, do you consume?

9. Where do you purchase wines?

10. Please list all places known where you can purchase fine wines in the Tallahassee area (excluding restaurants and bars).