Gaining Brand Recognition with the Millennial Generation:
How Wine Companies can Market to this Demographic

A Senior Project

Presented to

The Faculty of the Journalism Department
California Polytechnic State University, San Luis Obispo

In Partial Fulfillment
Of the Requirements for the Degree
Bachelor of Science in Journalism

By
Nicolette DeLuca

June 2016

Nicolette DeLuca 2016
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Chapter 1

Introduction

Statement of the Problem

This research focuses on understanding how large wine-distributing companies can gain brand recognition in new consumer bases by raising awareness and building trusting relationships. My research will focus on millennials, or Generation Y, and ways to market to this majority of our population. There are over 80 million millennials in the U.S., and only 23 million of them drink wine. My goal is to target the 57 million who do not drink wine and find out what branding techniques are known to attract millennials to gain their trust in wine companies.

Much of the branding efforts I will focus on will be good relationship-building techniques with publics and using technologically advanced efforts to gain awareness. Although millennials belong to a world run by the internet and online media and advertising, “they continue to highly value personal connections and emotions,” according to Vaux Halliday and Astafyeva (2014, p. 122).

Background of the Problem

In past generations, wine consumption has been a normal drink for young adults to purchase or drink at a restaurant. However, in current generations, millennial consumers prefer to drink beer, or nonalcoholic drinks all together. Because millennials are so susceptible to marketing campaigns and always want something new and exciting, brands are always looking for new techniques to gain a larger reach with this age demographic (McFerren). Wine companies have not had brand recognition with
millennials as strong as large beer companies or even soft drink companies like Coca Cola.

A large majority of the millennial generation does not drink wine. Throughout this study, I uncover their purchasing habits and brand preferences, and apply these concepts to wine brands in order to make recommendations for brands to successfully market to millennials.

**Purpose of the Study**

According to existing research on millennials’ purchasing habits, “Generation Y,” as they are also called, like to purchase from brands that have a strong sense of community and are environmentally aware. This new and influential generation of purchasers is very conscious of brand image and likes to purchase from brands that care about fitness and the environment.

Millennial purchasers also like brand authenticity. One reason why a lot of millennials choose to drink craft beer is that the craft beer companies are typically small, family owned businesses and millennials like to know where exactly their products are coming from.

The purpose of my study was to see why millennials choose the products and brands that they do, and what wine companies could do to market themselves better to this powerhouse generation of consumers.

**Setting for the Study**

This study was done as a method for data collection for a Senior Research Project at California Polytechnic State University located in San Luis Obispo, California.
Interviews were conducted with two experts: one in the wine industry, and one in the craft beer industry. The two experts were asked the same set of questions. The questionnaire was specifically designed to answer questions relating to brand recognition, marketing techniques used on millennials, and target market goals.

**Research Questions**

The following questions were designed to question the purchasing habits of those who do not drink wine and attempt to find a correlation between purchasing habits and brand recognition. The questions also seek to answer what millennials look for in a brand and what drives their purchasing habits.

1. Why do people choose to drink beer over wine?
2. What other purchasing habits do wine drinkers portray?
3. How can a company gain brand recognition and trust in a new public or unfamiliar market?
4. What makes brands stand out to consumers?
5. Why do millennial consumers choose to trust certain brands?

**Definition of Terms**

Brand Consciousness – awareness of a brand as a distinct product separate from others. It is about image and perception (Simha 2012, p. 2).

Brand Recognition – extent to which a consumer can correctly identify a particular product or service just by viewing the product or service’s logo, tag line, packaging or advertising campaign (Rouse 2013).
Consumer – a person who purchases goods and services for a personal use and not for manufacture or resale. A consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements (Investor Words).

Discrete Exchange – short, one-time purchases that do not involve the creation of a relationship (Kam City).

Millennials – also known as “Generation Y” or the Net Generation, millennials are the generation of people born between about 1976-1977 and 1995-1996 (Haughn 2015).

On-Premise Sales – alcoholic beverages that are sampled and sold in brewpubs, bars and restaurants (Kalinski 2015, p. 2)

Social Exchange Theory – posits that human relationships are often formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. The theory has roots in economics, psychology and sociology.

Sponsored Links – a paid advertisement in the form of a hypertext link that shows up on search results pages. The ads are typically for products and services that are generally or very specifically related to the keywords in the search query (Free Dictionary).

**Organization of Study**

Chapter 1 defines the problem, the purpose of the study, and defines terms used throughout the study. Chapter 2 identifies current methods for marketing to millennials based on consumer habits identified in existing literature on the topic. Chapter 3 presents the methodology of the study. Chapter 4 presents the findings and organizes results based
on the original research questions. Finally, Chapter 5 includes a summary of the research and recommendations for professionals in the wine industry to market effectively to millennials.
Chapter 2

Literature Review

The literature review focuses on existing literature about current trends and studies done on preferences between wine and beer drinkers, creating brand recognition, and studying consumers’ purchasing habits.

Consumer Purchasing Habits

According to a study done on alcoholic beverage preference and diet habits, (Barefoot, 2002) subjects who drank wine tended to have healthier diets and eat more servings of fruit and vegetables than those who preferred beer or spirits or had no beverage preference. Wine drinkers’ diets also included less saturated fat and lower cholesterol, as well as more fiber (p. 466). Wine drinkers were more likely to exercise and stay in shape, and less likely to smoke. This information can be used to target beer or liquor drinkers and how to entice them into making healthier lifestyle choices.

There are also certain personality traits and human characteristics more associated with those who drink wine. Wine drinkers are usually female, young or middle-aged, non-smokers, and better educated (Klatsky, 2006).

The “Wine Lifestyle”

Johan Bruwer (2007) created the idea of the Wine-Related Lifestyle (WRL) as a way to segment the Australian wine market for research purposes (p. 20). His information was based on a study done that identified five different segments of various types of wine drinkers. The Basic Wine Drinkers segment consisted of 23.5% of the people in the study, and consisted of predominantly male wine drinkers who drink wine because they
enjoy it (p. 30). The other segments are Young Professional Wine Drinkers (22.9%), Conservative, Knowledgeable Wine Drinkers (19.2%), Mature, Time-Rich Wine Drinkers (18.2%), and Enjoyment-Oriented, Social Wine Drinkers (16.2%).

**Millennial Consumers**

According to Vaux Halliday and Astafyeva (2014), millennials, or Generation Y, is a group that is driving major consumption patterns, but is not fully understood. Millennials were raised in a “media-saturated and brand-conscious world, so are reported to be very market savvy, especially when it comes to brands and value” (Halliday and Astafyeva, p 121). There are three key motives of millennials when making purchasing decisions. The first is intimacy and new relationships. According to Vaux Halliday and Astafyeva (2014), although millennials belong to a world run by the Internet, “they continue to highly value personal connections and emotions” (p. 122). The second motive is awareness of social issues, and a feeling that they can make a difference in the world. This can be helpful when looking at sustainable companies or brands with a mission to provide a good service. The last motive is a good work-life balance. Although millennials are a hard-working generation, they also “believe that life should be fun and entertaining” (Halliday and Astafyeva, p 122).

According to the Wine Market Council, about 101 million American adults drink wine, and of that 101 million, 23% are millennials (Cappella). That means about 23 million millennials are drinking wine, but there are over 80 million millennials living in the U.S. today. Millennials are the most rapid growing generation of wine drinkers, with a higher percentage of the generation drinking wine than any other generation recorded.
for its age (Cappella). Millennials also drank almost half of the wine purchased in the U.S. last year (42%).

**Packaging & Presentation**

Along with a new face of wine buyers comes with different ways of buying wine. More wine is being sold by the glass in restaurants and bars than ever before. Restaurants find themselves needing to come up with more economically creative ways to sell wine by the glass so that they don’t waste product. One way that wine is being sold in a more efficient way by the glass is through wine on tap (Cappella). Wine kegs are being used to make products last longer and are easier for serving a wider variety of wines by the glass. Wine kegs have also been making transportation of products easier, with larger loads being delivered at once, fewer materials used to package products, and less fragile products being handled. In retail settings, wine makers are realizing that they need to offer a wider variety of packaging options to appeal to the ever-changing demands of the millennial generation. Wine is not only sold in bottles, but now boxes, mini bottles, bags, and even cans (Cappella).

**Developing Brand Relationships**

The most popular and satisfying buyer-seller relationship is the relational exchange (Dwyer, 1987). A strong customer franchise is dependent on “the nature of the relational contract between buyer and seller” (p. 12). In other words, a sale is usually made depending on a buyer’s relationship with the seller and how well the seller is perceived. Participants in a relational exchange are more likely to make purchases based on personal, noneconomic satisfactions in a relationship (Dwyer). Relational exchange
might differ from discrete exchange because relational exchange often involves more than two parties in the process of the exchange. Products may pass through various channels before reaching the consumer, allowing stronger brand recognition to be developed from seller to seller (Dwyer). The development of brand relationship is often strengthened in a relational exchange because any anticipated conflicts or troubles are counterbalanced by a feeling of trust and unity in the relationship (p. 13). There is also a main focus on the process of the exchange, and concentrating on the future possibility of another exchange by ensuring a positive experience for all parties.

In a study done by Zhongming Ma (2013), he explores the theory that people have a bias against sponsored ads or websites when shopping online. The study found that people do indeed have a bias against sponsored companies, and do not trust them as much as organically found companies when online (p. 233). In a further test to see how many respondents would choose sponsored links, 55.6% of respondents unknowingly chose companies with lower ratings, simply based on if they were sponsored links or not. This number decreased dramatically to 23.4% when respondents in the study were shown the ratings of the companies they were choosing between (p. 234). This study has proven that customer satisfaction and a positive relationship with a brand are what consumers trust the most, even if they are choosing between a sponsored link or an organic one (Ma, 2013).
Chapter 3

Methodology

Chapter 3 presents the data collected for the study, methods of collecting data, presentation of data and delimitations.

Data Sources

For my study, I interviewed an expert in the wine and events industry, and one expert in the craft beer industry using the same questionnaire. The questionnaire was designed to collect data relating to brand awareness, target customers, marketing efforts made towards millennials, and customer loyalty.

Participants

The wine and event industry expert selected for the interview was Krista Smith, consumer engagement manager for Paso Robles Wine Country Alliance. The craft beer industry expert selected for the interview was Laina McFerren. Laina is the co-founder and director of operations for Wolf Creek Brewery, a craft brewery and restaurant operated out of Valencia, California that distributes to a majority of Southern California.

Interview Design

The following questions were asked of each of the experts and served as data for the study:

1. What is your target customer that you market to?

2. What marketing efforts have you made towards millennials?
   a. Why or why didn’t these efforts work?
3. Are your marketing efforts more focused on bringing in new customers or keeping existing customers coming back?

4. How did you gain brand recognition with your target markets?

**Data Collection**

The data collection method was individual interviews with each of the experts. The interviews were both conducted during May of 2016. The interview with Krista Smith was conducted via email. The interview with Laina McFerren was conducted in person and lasted about 25 minutes. During the interviews, participants were asked questions from the same questionnaire that seeks to gain insight into consumer purchasing habits in both the wine and craft beer industries.

**Data Presentation**

The data collected from Krista Smith’s interview was documented via written form in an email. The data collected from Laina McFerren’s interview was documented through and audio recording which was then transcribed verbatim into a word document. The transcriptions provided (Appendix A & B) ensure an accurate and objective look at the interviews.

**Delimitations**

There are limitations to this study due to the type of data collected from the small sample of interviewees. The study was done to gain insight into the experts’ fields and the various alcoholic beverage industries, as well as their individual opinions on brand recognition and millennial consumer habits. Therefore, limitations may exist within the
interview data due to personal biases and opinion-based answers that may not reflect the opinions of the general populations of experts in these fields.

Additionally, while the interview with Laina McFerren was conducted in person, the interview with Krista Smith was conducted via email due to time constraints and Krista’s busy schedule with event planning, which might limit this interview in thoroughness.
Chapter 4

Data Analysis

Chapter 4 provides descriptions of the experts who were interviewed in the study, as well as summaries of the respondents’ answers to the questionnaire.

Description of Participating Experts in Related Fields

Wine and Event Planning

Krista Smith was the wine industry expert interviewed for this study. Smith serves as the consumer engagement manager for the Paso Robles Wine Country Alliance. The Paso Robles Wine Country Alliance is a cooperative marketing alliance made up of Paso Robles Wine Country wineries, vineyards and related businesses. Smith works to coordinate community outreach, as well as oversees events such as Wine Fest.

Craft Beer

Laina McFerren was the craft beer industry expert interviewed for this study. McFerren is the co-founder and director of operations for Wolf Creek Brewery. Wolf Creek is a family-owned and operated craft brewery located in Valencia, California. Wolf Creek brews several award-winning beers, including their Howlin’ Hefeweizen Ale and Golden Eagle Ale. McFerren took over as operator of the tasting room in November of 2015. Since then, Wolf Creek’s tasting room revenue has increased by 40%.

Millennial Marketing Questionnaire

Each expert was asked to respond to the following questionnaire regarding marketing efforts to millennials and brand recognition:

1. What is your target customer that you market to?
Question #1 was asked to identify the average consumer that each industry tries to market towards. This data helped the study by providing a “typical” consumer for each industry and ways in which they respond to various marketing techniques.

- Krista Smith: "Ages 35 to 64, with an average income of over $100k . . . wine enthusiasts, those who like to travel and find something new and authentic” (Appendix A).
- Laina McFerren: “Target customer is pretty big for us; basically 21 to 60, male or female, and it doesn’t get narrowed down very much” (Appendix B).

2. What marketing efforts have you made towards millennials?

- Krista Smith: “CRAVE was developed in 2008 as an event that appeals to the twenty-one to twenty-nine year old age group to educate, inform and create a buzz about Paso Robles, California’s fastest growing wine region” (Appendix A).
- Laina McFerren: “I think we do in the social media platforms we are using . . . In terms of our product, we just did a whole rebranding on the labeling” (Appendix B).

a. Why or why didn’t these efforts work?

- Krista Smith: “Although the millennial marketing program was successful, millennials lack the loyalty and spending power of baby boomers” (Appendix A).
- Laina McFerren: “It’s still too early to tell, but preliminarily it seems like it’s working” (Appendix B).

3. Are your marketing efforts more focused on bringing in new customers or keeping existing customers coming back?
• Krista Smith: “We are primarily focused on brand awareness” (Appendix A).

• Laina McFerren:

4. How did you gain brand recognition with your target markets?

• Krista Smith: A visitor survey conducted in September 2014 showed 96.4% of respondents Extremely or Very Likely to return to Paso Robles Wine Country and 96.1% Extremely or Very Likely to recommend Paso Robles Wine Country to a friend” (Appendix A).

• Laina McFerren: “Part of it understands how Instagram and Twitter work, and when you use hashtags and tag other people, you get those followers and you create a bit of a buzz” (Appendix B).

Millennial Marketing Research Questions

The following five research questions were created for this study and designed to gain insight about consumer purchasing habits, effective ways for companies to gain brand recognition, and discover marketing techniques that appeal to the millennial generation.

Research Question 1: Why do people choose to drink beer over wine?

• “One way that wine is being sold in a more efficient way by the glass is through wine on tap” (Cappella).

Research Question 2: What other purchasing habits do wine drinkers portray?

• “The Basic Wine Drinkers segment consisted of 23.5% of the people in the study, and consisted of predominantly male wine drinkers who drink wine because they enjoy it” (Bruwer, 2007, p. 30).
• “Wine drinkers’ diets also included less saturated fat and lower cholesterol, as well as more fiber” (Barefoot, 2002, p. 466).

• “Wine drinkers were more likely to exercise and stay in shape, and less likely to smoke” (Barefoot, 2002, p. 466).

Research Question 3: How can a company gain brand recognition and trust in a new public or unfamiliar market?

• “A strong customer franchise is dependent on the nature of the relational contract between buyer and seller” (Dwyer, 1987, p. 12)

• “The development of brand relationship is often strengthened in a relational exchange because any anticipated conflicts or troubles are counterbalanced by a feeling of trust and unity in the relationship” (Dwyer, 1987, p. 13).

Research Question 4: What makes a brand stand out to consumers?

• “The second motive is awareness of social issues, and a feeling that they can make a difference in the world. This can be helpful when looking at sustainable companies or brands with a mission to provide a good service” (Halliday and Astafyeva, 2014, p. 122).

Research Question 5: Why do millennial consumers choose to trust certain brands?

• “There are three key motives of millennials when making purchasing decisions: intimacy and new relationships, awareness of social issues, and a good work-life balance” (Halliday and Astafyeva, 2014, p. 121).
Millennial Marketing Data

For this study, it was important to gather more information from industry professionals about the topic, due to the lack of information regarding millennial brand susceptibility in the wine industry. To acquire this data, I interviewed Krista Smith, a consumer engagement manager in the wine industry, and Laina McFerren, director of operations at a craft brewery. They were both asked the same set of questions, aimed specifically to answer the original research questions. The following tables display the respondents’ answers in the form of their opinions on the original research questions.

Research Question 1: Why do people choose to drink beer over wine?

This question was used to understand why certain markets would choose to drink beer over wine and the purchasing habits behind beer drinkers. In recent generations, beer and Coca Cola products have been major sellers because of the strong ties to brands like Coca Cola, Budweiser and Anheuser-Busch. People also drink beer over wine because industries like the craft beer industry appeal to an entirely new range of publics.

Table one organizes the answers to this question and displays a similar pattern in each of the answers. Both Smith and McFerren claim that millennial consumers and the major purchasing habits made by newer generations are not consistent with previous generations who drank wine or weren’t into craft beer.

Table 1

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Why</th>
<th>Ex.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Krista Smith</td>
<td>Wine doesn’t have the same appeal on the millennial generation as it did in the past.</td>
<td>Generation X</td>
</tr>
<tr>
<td>Laina McFerren</td>
<td>Millennials like the craft beer industry and knowing where their products came from.</td>
<td>Small breweries, Wolf Creek Brewery</td>
</tr>
</tbody>
</table>

Choose Beer Over Wine
**Research Question 2: What other purchasing habits do wine drinkers portray?**

Question 2 sought to gain insight on purchasing habits of wine drinkers, and how to align their purchasing habits with a marketing campaign geared towards how and why they buy products. Millennials do not have as strong of brand loyalty as generations before them, due to their nature of always wanting something new and exciting.

Table 2 identifies the individual responses of the various industry professionals and their own opinions as to why someone chooses a certain product and who might be buying wine or beer. As you can see, answers differ due to the target markets of each industry being different.

Table 2

<table>
<thead>
<tr>
<th><strong>Wine Purchasing Habits</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Respondent</strong></td>
</tr>
<tr>
<td>Krista Smith</td>
</tr>
<tr>
<td>Laina McFerren</td>
</tr>
</tbody>
</table>

**Research Question 3: How can a company gain brand recognition and trust in a new public or unfamiliar market?**

This question was used to understand how large brands or any brand has gained recognition with their target markets. Brand recognition and identification is the most powerful weapon in a marketing campaign. Understanding how to market your brand
correctly and to the right audience is the difference between a successful or unsuccessful campaign.

Table 3 shows the responses from the various industry professionals. Both industries agreed that social media posts and sharing play the most important roles in getting consumers to recognize your brand. Both brands have also attempted events as to drive in new customers and grow their consumer base.

Table 3

*Brand Recognition*

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Brand Recognition</th>
<th>Successes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Krista Smith</td>
<td>Social media campaigns, Grow Wild marketing campaign, monthly varietals</td>
<td>Higher click-through rates, customers more likely to recommend to a friend</td>
</tr>
<tr>
<td>Laina McFerren</td>
<td>Social media tactics, knowing when to post, partnering with local nonprofits and fitness organizations, rebranding of labels</td>
<td>40% increase in tasting room sales, high number of social media followers</td>
</tr>
</tbody>
</table>

**Research Question 4: What makes a brand stand out to consumers?**

Question 4 was designed to see how brands have made themselves authentic and understand which marketing techniques have or have not worked. Millennials are always looking for something new and exciting to buy, and are very susceptible to new marketing techniques.

Table 4 organizes the responses from the various industry professionals. Smith argues that millennials do not have the same brand loyalty as generations before them, backing the idea that millennials like to try new and exciting products. McFerren has experienced that millennials like the craft beer industry because there is always some new and exciting product or brand coming out, and breweries are always trying different
techniques of outdoing each other. This makes the industry very exciting and appealing to this younger generation.

Table 4

*Standout Brands*

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Purchasing Habits</th>
<th>Who Portrays Habits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Krista Smith</td>
<td>Millennials do not portray the same brand loyalty or willingness to spend money as previous generations.</td>
<td>Generation X, millennials</td>
</tr>
<tr>
<td>Laina McFerren</td>
<td>Craft beer isn’t just for its original fan base of beer enthusiasts, it has transformed into something of interest for all ages.</td>
<td>Young adults to older generation who as always been a fan of beer</td>
</tr>
</tbody>
</table>

**Research Question 5: Why do millennial consumers choose to trust certain brands?**

Question 5 was designed to find information as to why millennials choose to trust certain brands. Research and data collected from this question delves into the brands that millennials have been fond of and why they choose to purchase these brands. Millennials are very involved in social issues and like to associate with companies that care about their same concerns.

Table 5 organizes the answers from the various industry professionals’ interviews. As you can see, millennials like brands that are concerned with fitness and wellbeing, as well as nonprofit organizations and companies who want to play a larger role in helping society. Millennials like new and fun events or products and seek hot trends and companies who can deliver them.
Table 5

*Millennial Consumer Choices*

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Purchasing Habits</th>
<th>Brands they Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Krista Smith</td>
<td>It is harder to keep millennial consumers coming back to your brand without constantly introducing new and exciting products or looks.</td>
<td>Coca Cola, Nike</td>
</tr>
<tr>
<td>Laina McFerren</td>
<td>Millennials like buying from a company that aligns with their values, whether it be fitness, overall wellbeing, or nonprofit work.</td>
<td>Nonprofit organizations, fitness enthusiast orgs</td>
</tr>
</tbody>
</table>
Chapter 5

Discussion and Recommendations

Summary

This study was performed in response to recent wine industry interests and booming brands in the craft beer industry. I wanted to uncover why the craft beer industry took off so suddenly, and what the wine industry could do to keep up.

What I found was that the millennial generation had strong branding ties to Coca Cola products, as well as the products made by large beer companies. I uncovered why millennials make the purchasing choices they do, how they trust a brand and also what marketing techniques they respond to. To gain more information on the topic, I sought out to answer the following questions using existing research and also interviews with industry professionals to gather new data:

1. Why do people choose to drink beer over wine?
2. What other purchasing habits do wine drinkers portray?
3. How can a company gain brand recognition and trust in a new public or unfamiliar market?
4. What makes brands stand out to consumers?
5. Why do millennial consumers choose to trust certain brands?

Each question was slightly altered in order to create interview questions that would accurately depict the opinions of professionals in both the wine and beer industry.

Recommendations for Practice

After completion of the study, I have collected data through research and interviews on the topic of brand recognition with the millennial generation. After looking
at all of the information gathered, it was important to introduce recommendations to companies in the wine industry to fresh ideas that stretch beyond their normal marketing efforts and target markets. My recommendations for practice include presenting your brand as authentic in your branding and marketing efforts, pair with local organizations that care about fitness and sustainability, and rebrand with more visually appealing labels and merchandise.

**Be Authentic in Branding and Marketing Efforts**

When it comes to brands that millennials know and trust, they like brand authenticity. Millennials like knowing exactly where their product came from, especially the story behind a brand or company or some uniqueness to how a product was made. This is why millennials like the craft beer industry and small microbreweries where the owner is probably working at the taproom and talking to you about his unique beer. So for wine companies, it is important to showcase what is different or unique about your brand. Capitalize on something authentic in your brand’s history or story and make that the mission statement of your brand. Tie it in with a slogan or value that coincides with your unique branding statement.

As Vaux Halliday and Astafyeva discussed, there are different motivators that drive millennials to make purchasing decisions. One of them is intimacy and new relationships. Although millennials belong to a world run by the Internet, “they continue to highly value personal connections and emotions” (Halliday & Astafyeva, 2014, p. 122). As I discussed with Laina McFerren, she pointed out that millennials are very susceptible to social media posts, and that is why they hired someone from the millennial generation to work their social media posts to bring in authenticity that millennials will respond to (Appendix B).
Pair with Local Organizations that Care about Fitness and Sustainability

Millennials like buying products from a brand who they feel is benefitting society as a whole. More and more events pairing craft breweries or wine labels with local non-profits or fitness organizations are becoming increasingly popular for the newest generation of alcoholic beverage consumers. Millennials care about social issues, and they like a brand that does also. Millennials are also the generation who is most concerned with fitness and wellbeing. They are extremely health conscious in comparison to other generations at their age. They like to buy from and work with brands who are conscious of personal health and also sustainability of environmental resources.

According to a study done by barefoot that looked at the lifestyle habits of those who drink wine vs. those who drink beer, “wine drinkers were more likely to exercise and stay in shape, and less likely to smoke” (Barefoot, 2002, p 466). In my interview with Laina McFerren, she claimed that their most successful events have been ones in which they pair with one of the local biomedical companies that they share an industrial park with, or when they do work with a nonprofit athletic event (Appendix B).

I think one way for a wine brand to successfully align with millennials’ values is to partner with a local yoga studio or spin bike studio and host an event there where patrons can get in a fun workout and then sample some wines afterward, while learning about the unique history of the wine brand.

Visually Appealing Labels

Millennials are all about social media; sharing with their friends and family on Facebook, documenting their favorite foods and drinks on Instagram, and complaining about anything they didn’t enjoy on Twitter. Social media and striving to make posts look good has made the millennial generation value visually appealing products. Whether it be
the product shape, logo or label, young consumers are more likely to buy a product with a visually appealing aspect that resonates with them.

As discussed in the study done by Cappella, in retail settings, “wine makers are realizing that they need to offer a wider variety of packaging options to appeal to the ever-changing demands of the millennial generation” (Cappella). When discussing with Laina McFerren where Wolf Creek Brewery had successfully marketed to millennials, she said that the rebranding of their label had bottles “flying off the shelves” (Appendix B).

In order to catch the eye of someone walking down the beer and wine isle at the grocery store, wine brands need to make their labels more visually unique and authentic – something that will catch the eye of the modern craft beer drinker. Simplicity and some eye-catching element work well with millennials and their style.

**Study Conclusion**

In conclusion, given the data collected and analyzed from the study, there should be new research based on millennial consumer habits produced more regularly. Yearly data collection on millennial advertising and marketing campaign success should be presented. Overall, the study presented the individual opinions of several wine industry and beer industry professionals and a review of existing literature on the topic. However, not all brands share the same core values. Therefore, the study and overall recommendations on how to gain brand recognition with millennials cannot be applied to all brands and industries. The study does however help a niche of the wine industry market itself better to millennials using contemporary marketing strategies. It also serves as insight into the purchasing habits behind wine and beer drinkers. Anyone interested in
ways of branding a beverage company (alcoholic or nonalcoholic) to the millennial generation may find this study useful.
References


among undergraduate students of Christ University. P. 2.

Appendix A

Interview Transcripts: Krista Smith

The following interview was conducted via email in order to get marketing insight from a Central Coast wine company that has made marketing attempts toward millennials in the past.

Interviewer: Nicolette DeLuca
Respondent: Consumer Engagement Management for Paso Robles Wine Country Alliance (Krista Smith)
Date of Interview: May 11, 2016

Interview Transcription:
Nicolette DeLuca: “What is your target customer that you market to?”

Krista Smith: “Ages thirty-five to sixty-four, with a household income of over $100 thousand dollars. We like to attract wine enthusiasts, those that like to travel and find something new and authentic, as opposed to something established and trendy. We focus on attracting a good high-end, wine buyer. We target customers in San Diego, Orange County, Los Angeles, Ventura, Santa Barbara, Riverside, Palm Springs, Fresno, Bakersfield, Monterey, San Jose and the Silicon Valley.”

ND: “What Marketing efforts did you make towards millennials?”

KS: “CRAVE was developed in 2008 as an event that appeals to the twenty-one to twenty-nine year old age group to educate, inform and create a buzz about Paso Robles, California’s fastest growing wine region. With the growth of the Paso Robles region and wine consumption on the rise across America, the new event targeted generation of wine consumers and gauged their interest in the Paso Robles Region. CRAVE’s goals were to understand buying trends and how purchases are made by this demographic, capture 300 to 400 twenty-one to twenty-nine year old consumers at this event, generate $8,000 to $10,000 in sponsorships, involve fifty to 100 Paso Robles wineries, and involve the community of San Luis Obispo with Paso Robles wine country through sponsorship and awareness.

ND: Why or why didn’t these marketing techniques work?

KS: The success of the CRAVE and millennial marketing program was measured through a variety of methods, primarily event sales and digital metrics. Google Analytics were monitored to optimize performance throughout the event promotion, including: impressions, reach, likes, followers, influencers, etc. CisionPoint was used to track coverage of Paso Robles Wine in media and press, including circulation, impression and influence score statistics. For three years (2008 to 2011), the PRWCA consistently met CRAVE goals and sold-out in advance each year. However, being a non-profit trade and marketing association, the PRWCA frequently polls members about interest in various programs and events. After the 2012 Crave poll results, it was decided to cancel the CRAVE event program based on limited interest. Although the millennial marketing program was successful, millennials lack the loyalty and spending power of baby
boom. Instead of focusing significant time and budget specifically toward millennials, revised strategy leverages existing events that reach the core Paso Wine demographic, with millennials as a secondary benefit.

ND: Are your marketing efforts more focused on bringing in new customers or keeping existing customers coming back?

KS: We are primarily focused on brand awareness: introducing new, quality wine consumers to Paso Robles Wine Country to encourage visitation to the region and selection of a Paso Robles brand at restaurants, wine bars and retail shops.

ND: How did you gain brand recognition with your target markets?

KS: Along with successful Paso Wine Man videos and Varietal of the Month and Paso Uncorked content marketing series, the “Grow Wild” marketing campaign was launched in 2013. In 2013, the Grow Wild campaign served thirty-nine million Paso wine branded impressions, generating 112 thousand clicks. The overall campaign Click-Through Rate (CTR) was 0.29%, which is more than three times better than the industry benchmark of 0.08%. This demonstrates that users found the creative to be relevant and engaging which signals we were reaching the right users through our partners and our targeting tactics. Additionally, the campaign had a significant impact on the Paso Robles Wine Facebook presence; generating almost ten thousand Facebook fans and driving over 22 thousand site activities at a Cost Per Action of only $0.22. The Facebook page following grew from 25,912 likes on October 1st, 2014 when the first posts went live, to over 36,222 likes at campaign completion on October 31st, 2014. A visitor survey conducted in September 2014 showed 96.4% of respondents Extremely or Very Likely to return to Paso Robles Wine Country and 96.1% Extremely or Very Likely to recommend Paso Robles Wine Country to a friend. In addition to positive consumer perception survey results, the City of Paso Robles Tourism occupancy stats showed from year-to-date increases of 9.6% in 2013 and 12.3% in 2014.
Interview Transcripts: Laina McFerren

The following interview was conducted in person, recorded and transcribed in order to get marketing insight from a Southern California craft beer company that has made marketing attempts toward millennials in the past.

Interviewer: Nicolette DeLuca
Respondent: Co-Founder and Director of Operations for Wolf Creek Brewery (Laina McFerren)
Date of Interview: May 17, 2016

Interview Transcription:
Nicolette DeLuca: Who is your target customer that you market to?

Laina McFerren: It’s interesting because I think it’s shifted over the years. Our target customer at the restaurant is different than our target customer at the brewery. Target customer is pretty big for us; basically 21 to 60, male or female, and it doesn’t get narrowed down very much. What has been interesting though, is the differences in social media. At the restaurant, our Facebook is the strongest, most effective way that we market on social media. We have over 5,000 followers on Facebook, we post our specials every day, and people come in telling us they saw the special for the day on Facebook.

For the brewery, it’s Instagram and Twitter all the way. We have 100 Facebook followers and we get very little reach with our Facebook posts, which shows that the demographic for the brewery is clearly the people who are looking at social media from ages 21 to 40.

ND: Have you made specific marketing tactics toward millennials?

LM: I think we do in the social media platforms we are using. The reality is we’re not millennials, and part of craft beer is being really authentic, and if we tried to do some fake millennial thing to target, I think it would be really transparent. That being said, part of the reason that we put Mandee (social media strategist) who is clearly a millennial, in charge of social media is because she is authentic. She is part of Wolf Creek, she is who we are, but she is of that target demographic and understands it, so her posts can reach that audience. In terms of our product, we just did a whole rebranding on the labeling, and while it wasn’t specifically targeting millennials, it definitely was created to have a better impact and better reach.

ND: Since changing the labels, have you noticed a big change?

LM: It’s been very recent. We bottled our first two brands two weeks ago in it and yesterday we did the other two, so most of it hasn’t even hit the shelves yet, but with the branding that we did with the matching t-shirts and everything else with the new labels, we’ve gotten a really positive response, we’ve sold a lot more t-shirts too. [May 16th] was our first in-store tasting with the new labels, and the brand rep sold out of the Desperado IPA. It’s still too early to tell, but preliminarily it seems like it’s working.

ND: How did you gain brand recognition with your target market for the brewery?
LM: A lot of our social media tactics are understanding when and how to post, when people are paying attention, and posting things that are kind of funny. People like humor, silly hashtags. Part of it is understanding how Instagram and Twitter work, and when you use hashtags and tag other people, you get those followers and you create a bit of a buzz. I think we were fortunate that we had the restaurant for so long before the brewery, so I think that people were already interested in what was happening with Wolf Creek. But I think that for the last four months, our sales at the tasting room are up 40% over last year. I came in in November and took over the tasting room, and it wasn’t so much targeting to millennials, as much as making people aware of what we were doing out there. So yes, Instagram and social media are part of it, but teaming up with local non-profits, which I’ve noticed, interestingly enough, is that a lot of the people who work with nonprofits are my age or older, and ten years ago, none of them were interested in craft beer. They didn’t serve it at their mover-and-shaker functions, and then they started to realize, “Oh my son really loves blah-blah-brand of beer.” So while they weren’t necessarily drinkers themselves, their family members were interested and they would bring their families who are younger but still 21 and over. And now you’re seeing that the nonprofits are interested in it. So it’s been really interesting because I think their children got them interested in craft beer and we’re seeing the reach improve. I just say we’ve been doing this for about 20 years and the target market for craft beer has gotten much younger and much more attractive. It used to be old men, mainly, and we’re seeing a lot more women, and a lot younger demographic. There is still that crowd of the people who have been into it, and now they’re 20 years older and still really into craft beer. And now you also see the young hipster and it’s hilarious to see the difference when we do t-shirt orders. I have two very different markets that I have to appeal to: the double extra large who are going to spend their whole life on a barstool, and then the younger people who are interested in biking and running, and teaming up with that demographic. There’s not a ton of 65-year-olds that are doing marathons. So we get a lot of that 21 to 40 age group that make up the exercise crowd that we have been trying to market to. We’re partnering with two different organizations: Renovation Wellness and Bella Barre are both local fitness groups that do events where they work out and then have a beer afterwards. We’re also sponsoring the Pedal Fest, which is a bike racing team, and we’re doing that to spread our reach beyond just the local scene. To be honest, I don’t think that we did a great job with marketing the first couple of years we started to really launch the brewery as a separate entity, but now we are better funded and have a better understanding of how to target that market.

ND: Do you think those partnerships have enhanced your brand recognition reach?

LM: Yes. Craft beer particularly has always been community-driven, and the people who like craft beer are kind of against the man. They have a sense of community, they like if a brand is doing something charitable or working with a nonprofit. That speaks, and I think the millennial generation is very sensitive to that and likes that. So part of the appeal of craft beer is that you can see, touch and feel that people are actually making that product. So people like us getting out and partnering with these organizations, and me being in the tasting room as an owner. Not just millennials, but everyone likes knowing, “Oh hey,
that’s the owner!” People like the fact that they are supporting a small business, not a big machine.

ND: Are your marketing efforts more focused on bringing in new customers or keeping existing customers coming back?

LM: So in the tasting room, we have been focusing on trying to find different ways to partner within the community that get people who have never been to the tasting room to go there. And when we get people to do that, they say “Wow I love this place, I had no idea it was here!” and then keeping them happy and coming in is not hard if we do our job right. Good service, take care of people, familiar faces; those things we have always been really good at, so that’s just kind of the norm to get people coming back. We do partner inside the biomedical center where our tasting room is also, and we give a discount to all of those businesses to keep them regularly coming back. Our mug club at the restaurant also gets a discount at the brewery, so we try and make sure that the people who have been supporting us for a long time feel like they are special too, but still reaching out to get new people in.