HOW-TO GUIDE

How to Transform Your Winery With Analytics

Discover the top dashboards and KPIs
you should be using to manage your winery operations

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TARGIT

A winery business can't be pegged into a single hole of industry. It's complicated, multi-faceted, and often fickle. A winery is the agriculture, supply chain, distribution, and retail industries all rolled into a few hundred acres.

In addition to the general challenges that any business faces, vineyards are subject to the natural cycles of agriculture. There are years of underplanting and years of overplanting of varieties. Seasons of draught can be good to an extent, but present other challenges such as lack of leeching of the soil. Lack of arable acreage, new mergers and acquisitions play into general considerations.

Then of course there's only the entire state of economy to consider. What's going to happen to the winery industry when the massive Baby Boomer market enters retirement and tightens their purse strings? How will the market change when cash strapped millennials emerge from their current fog of student debt, lack of opportunity, and lower wealth accumulation? What about years of heavy imports from foreign markets that flood the winery retail environment?

Designing a business strategy that points every part of the winery towards operational excellence can seem like an exercise in absurdity. But with a robust business intelligence and analytics platform designed to fit all the needs of the winery industry, it's more attainable than you might think.

The right tool will put every facet of the winery business into a single system and seamlessly deliver company data in reports and analyses to the hands of employees in every department. That means everyone can have easy access to insight around every business decision in just a few clicks from a single platform. From vine to tasting room to consumer shopping cart, it should be easy to get the numbers you need to make more strategic decisions and align every decision-maker with consistent data across the company without being a techie.

Understanding the ever-evolving winery environment is the key to unlocking company growth in a competitive industry. Insight into price segments, varietals, and customers is critical. Within all of these sources of data lie trends that give clues to how to better run your winery business.

Getting to the Bottom of DTC

DTC *(Direct to Consumer)* sales performance is critical for many wineries. According to Silicon Valley Bank's 2017 State of Wine report, *direct to consumer sales make up between 40-70% of revenue for wineries with less than 100,000 in case sales.* Better understanding of your prospects and customers—including who they are, where they're from, and what they're drinking—is necessary for any type of strategic planning for major wineries and family-run estates alike.

Your customers know about you; what do you know about them?

Consider the amount of information today's tech-savvy consumers have at their fingertips before even stepping foot onto your winery or into the store. The digital landscape delivers price information, professional product reviews, consumer reviews, access to wider selections, and easier ordering possibilities than ever before. Your customers know about you; what do you know about them?

The Most Important KPIs for Your Winery DTC Sales

The first step in establishing a scalable, comprehensive BI environment throughout your company is to determine the data needed to make better decisions. Designing a successful analytics strategy that drives data-driven optimization starts with determining your most important key performance indicators, or KPIs.

With that kind of limited data insight, wineries are leaving a lot of juice left to be squeezed.

Many wineries understand their basic sales information—revenue by channel, revenue by month, number of club members, and number of cases sold—but that's where it ends. With that kind of limited data insight, wineries are leaving a lot of juice left to be squeezed.

The following pages contain additional—sometimes overlooked, yet nevertheless critically important—KPIs that wineries should monitor to insure they are understanding their customers and making the best decisions for the business. These KPIs dig directly into basic sales information to deliver a new level of insight on customer behavior.



BEST KPIS FOR THE WINERY TASTING ROOM

VISITOR SOURCE BREAKDOWN

Many wineries track how many visitors come to their tasting room, but they should also be analyzing where they come from. Are these visitors existing club members, returning visitors, or did they just find you on Groupon? This will help you understand if your marketing programs are effectively bringing in new visitors. This type of insight will also make it clear what's working, what's not, and increase the clarity of where marketing dollars should be spent.

VISITOR CONVERSION RATE

Are your visitors becoming customers? Did they sign up for your mailing list, wine club, or did they make a purchase? It is important to break this data down by sales employee. Not only can you learn who your top sales people are, but you also might learn that some are more skilled at adding to the wine club, while others are better at selling one-time purchases. With this information, you can provide additional training and help winery and employees reach their goals.

AVERAGE SALES AMOUNT

This is the average sale per tasting room visitor. Are visitors buying more or less than before? Does it vary by time of year? Average sales amount sheds light on trends, helps define causation, and makes it clear when the winery should design campaigns specific to those.



BEST KPIS FOR THE WINE CLUB

ATTRITION RATE

It's a fact of business that, unfortunately, sometimes customers move on. But wineries need to know if there is a trend to who is leaving and when that trend originated. It's important to understand how much customers purchased before leaving the wine club to better understand customer behavior and evaluate causation. Monitoring this KPI will help reveal trends that could help you keep more customers in the club.

CLUB LOYALTY

What is the average tenure for members? What is the average purchase amount over the year for a member? Understanding your customers at a deeper level helps you design programs to better serve them.

MARKET BASKET ANALYSIS

One key to increasing sales the ability to make the proper recommendations to wine club members. Market basket analysis helps you understand what products customers buy together. If they buy your 2014 Cabernet Sauvignon, do they also buy your 2015 Sauvignon Blanc? This type of analysis is a common tool for many retail ecommerce sites, such as Amazon. Consider Amazon's "frequently purchased together" combinations below every product description. This can be incredibly useful for wineries as well. This feature could be a powerful tool for the ecommerce site, club, and tasting room sales.



BEST KPIS FOR WINERY SALES

RFM ANALYSIS

RFM analysis is a marketing technique used to determine which customers are most valuable based off how recently they purchased, how often they purchase, and how much they spend.

Unless your winery has an unlimited marketing budget, it is critical to understand where to best spend your money.

By using RFM analyses, you can identify the customers that are more likely to purchase again. By examining value, you may discover that you're marketing to that father who made a large purchase for a wedding reception, so he may never make that purchase again. By bringing in frequency and recency along with value, you can focus marketing on the customers that are more likely to purchase on a routine basis.

GEOGRAPHIC ANALYSIS

You should always know where your winery's sales and members are coming from. Knowing whether your customers are local or not will help you understand and expand your distribution accordingly.

Better Insight for a Better Winery

The above KPIs reveal a new level of insight into your DTC operations. These are a great place to start, and with TARGIT's business analytics for wineries, you get these and more ready to connect to your data. Once you get going, you can easily add additional KPIs to meet any of your specific needs.

TARGIT Decision Suite is tailored specifically to provide a continuous overview of company data, internal systems, and external channels. Get everything you need with complete, flexible, and integrated reporting, analyses, dashboards, mobile, and more.

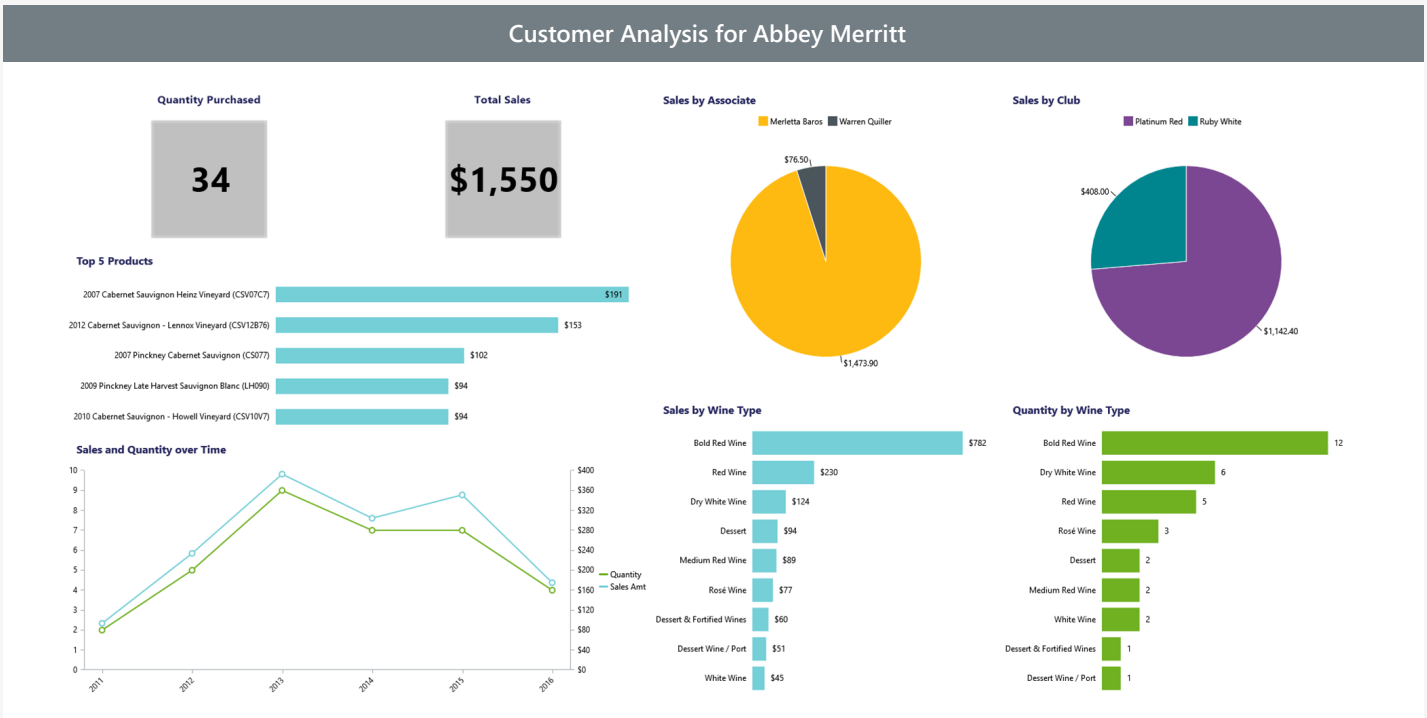
View all of your data in interactive dashboards delivered directly where you work most with TARGIT Anywhere. And rest easy knowing only the right people see the right data in data visualizations that are right for them thanks to TARGIT's robust data governance. Customize reports and dashboards tailored to specific roles with personalized icons relevant to wineries.

COMPLETE OVERVIEW OF WINERY DATA

TARGIT Decision Suite's business analytics for wineries combines data from every data source throughout the company for a single, consolidated view from vineyard vines to store shelves and every step in between. User-friendly reports and analyses deliver answers instantly to your desktop, tablet, or mobile device.

Effective Dashboards for Winery Data

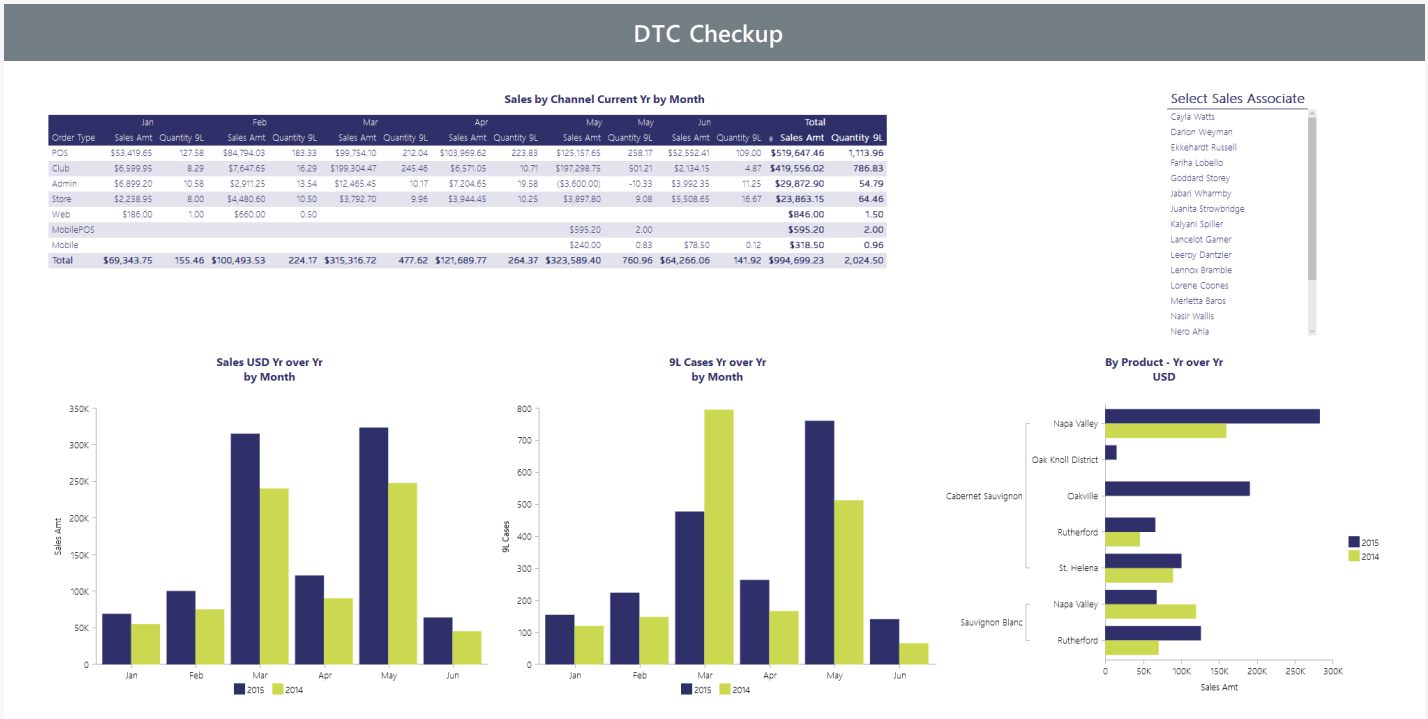
The winery data you need delivered in digestible dashboards.



CUSTOMER ANALYSIS

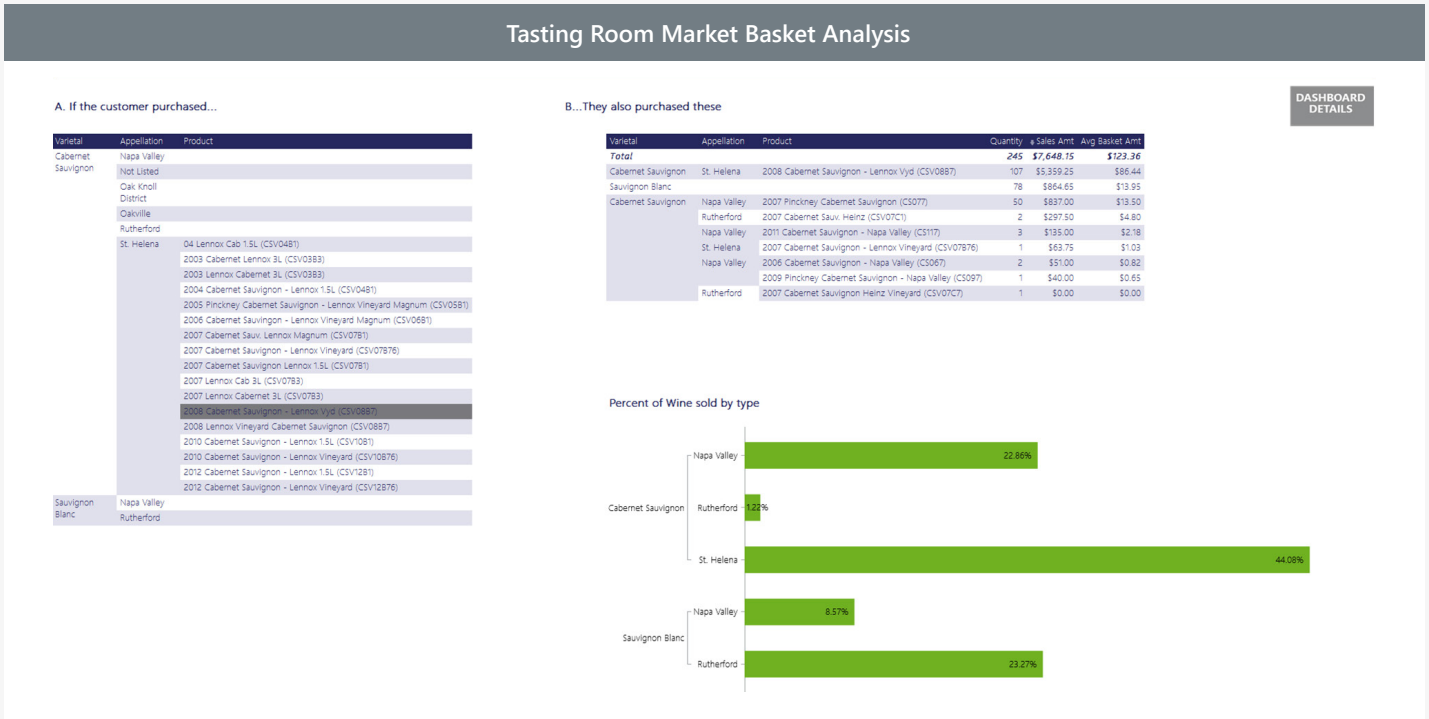
TARGIT Decision Suite for wineries delivers a lifetime view of customers across multiple wineries and locations. Segment customers and prospects by size and time, and buying history. Deeper knowledge and better insight enables better communication with targeted emails and nurturing campaigns thanks to seamless integration with CRM platforms.

DTC Checkup



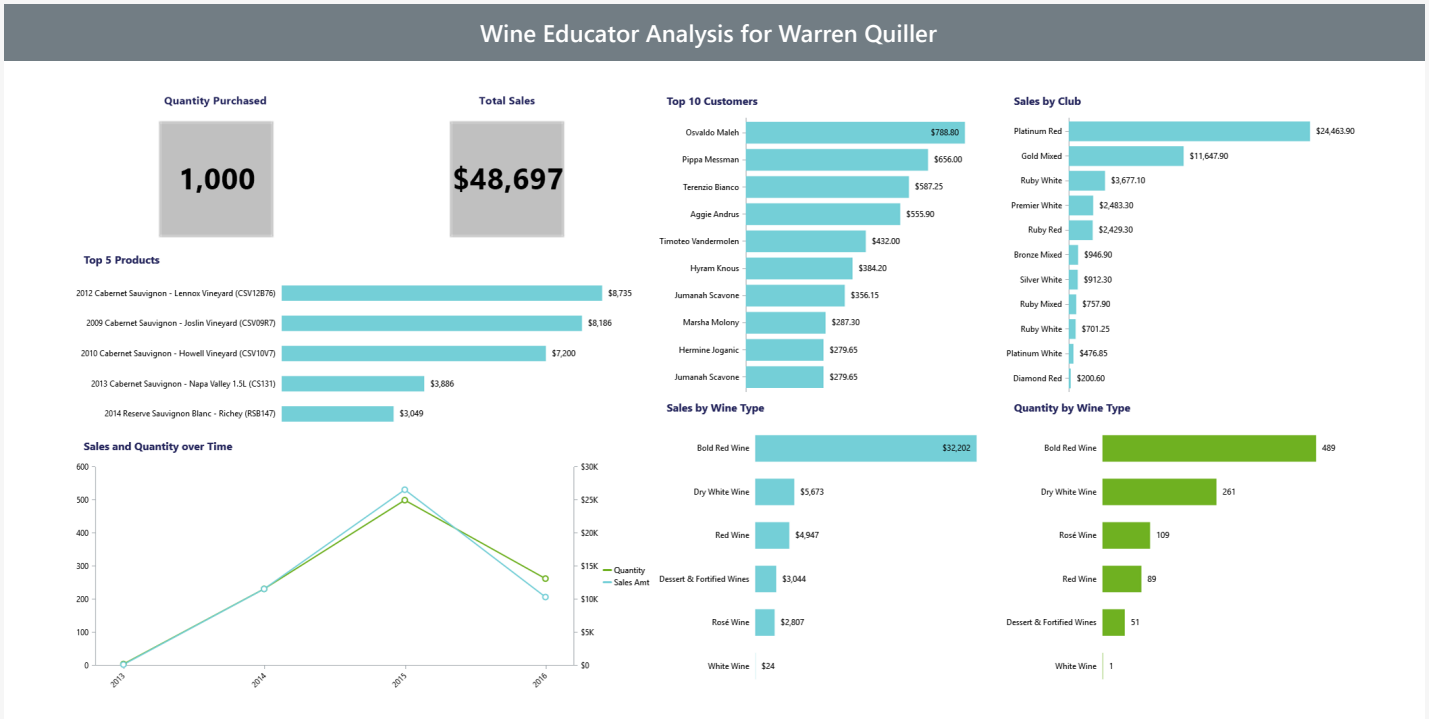
CHANNEL ANALYSIS

Instant insight into tasting room, online sales, wine club, and other relevant customer data. Improve cross-selling initiatives with strategies centered around customer buying habits.



MARKET BASKET ANALYSIS

Market directly to customers based off of their relationship between your products. Insight into items typically purchased together will help you design better product placement and improve cross selling.

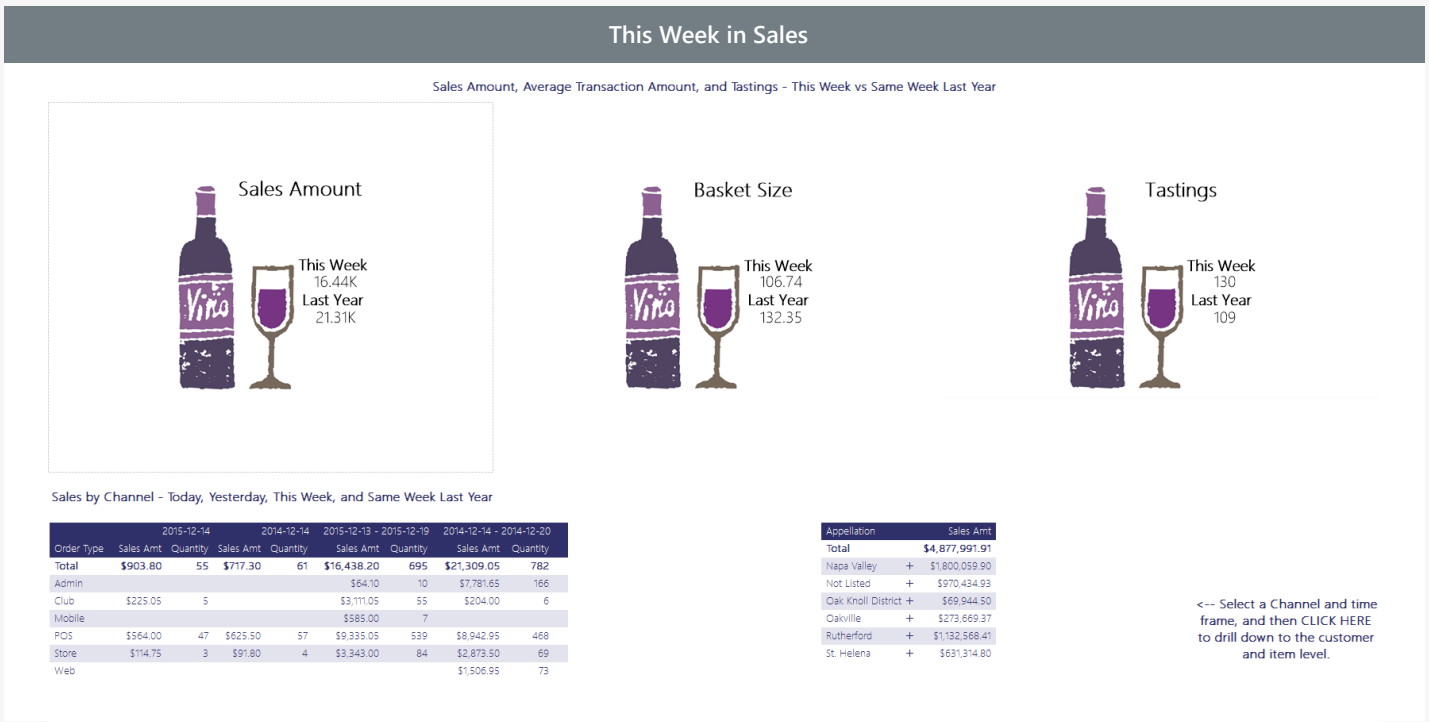


WINE EDUCATOR ANALYSIS

Volume per sale, transaction, monthly totals, discounts, gross margins, and more customer data are at your fingertips. Identify successful educators to create cross-training opportunities. Boost morale and better incentivize employees with automated reports on employee performance.

Instant Insight into Every Sales Step

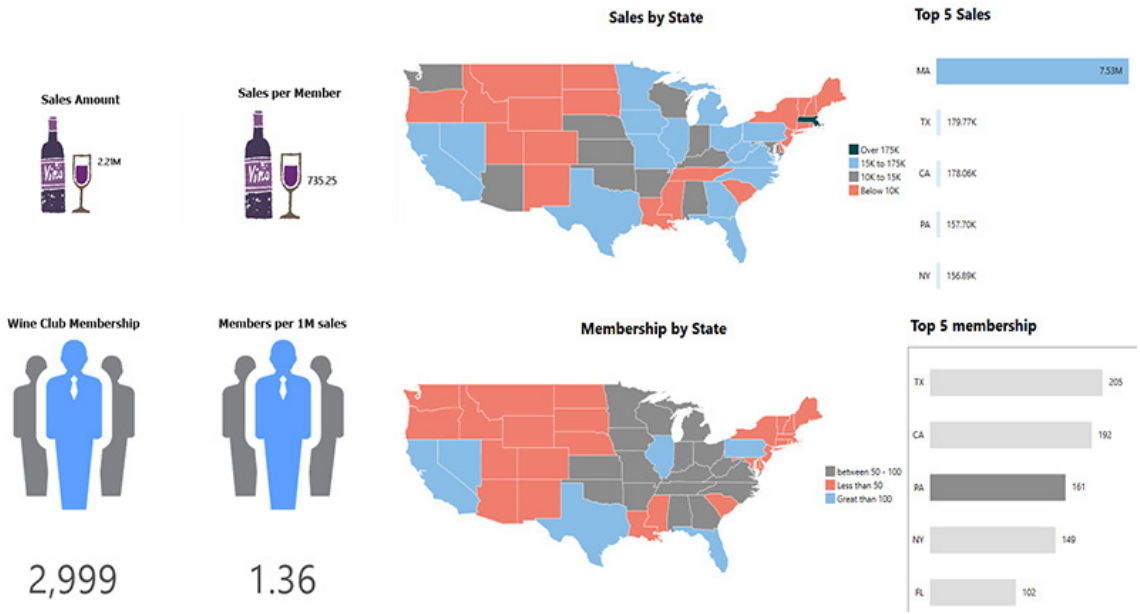
Make better decisions based on unprecedented insight with TARGIT's winery business analytics.



RECENT SALES

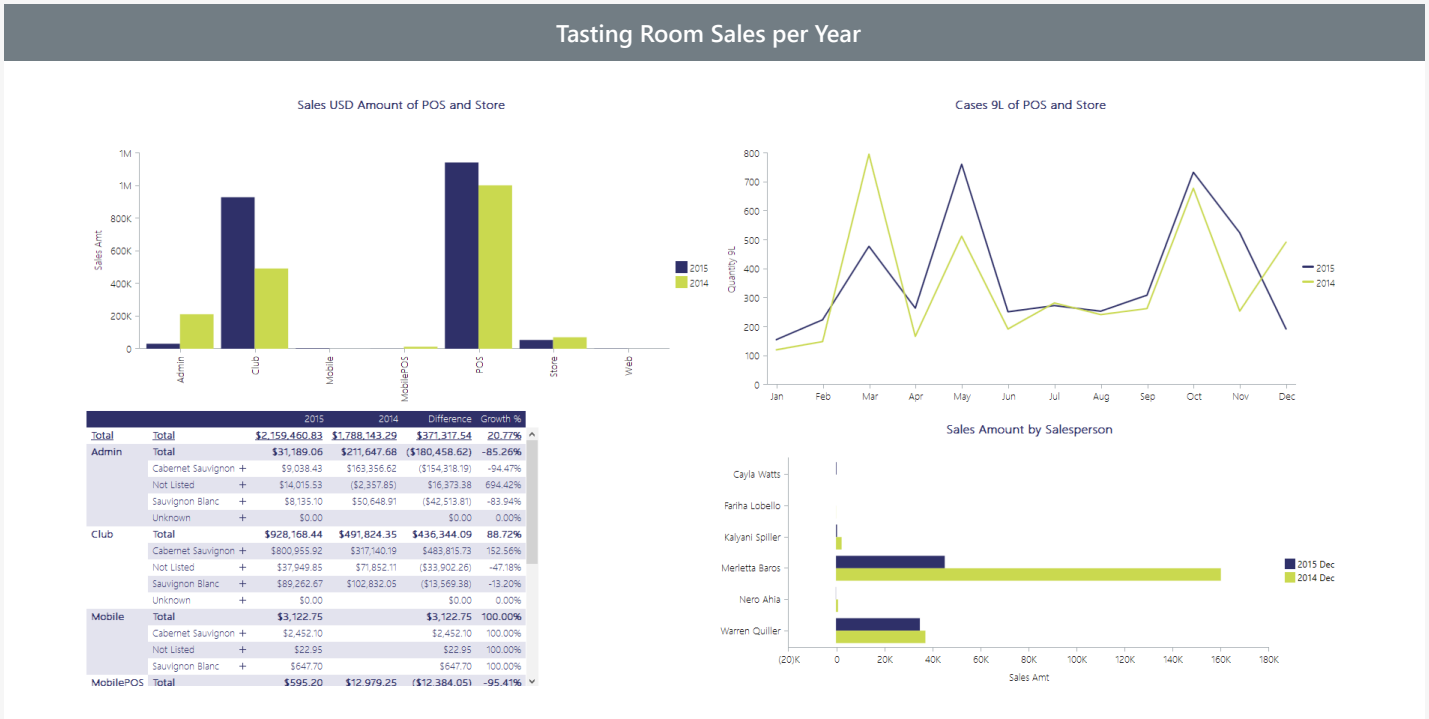
Is it a good week? Use this dashboard to compare this week's activity to the same week last year. Not only the sales amount, but also how many tastings and the average sales size. You can easily analysis this information by channel and drill all the way down to the customer and item level.

Sales and Memberships per State



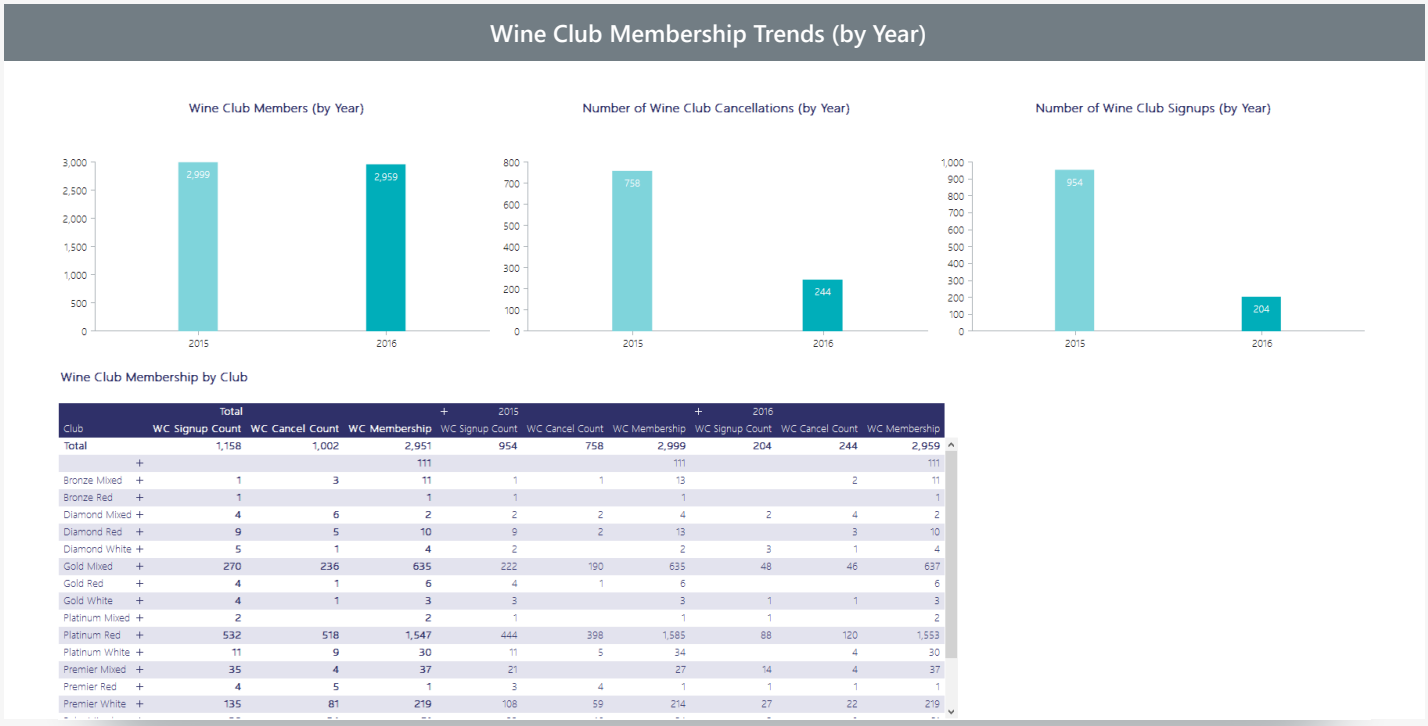
SALES AND MEMBERSHIPS

Where do your customers come from? With the Sales & Membership dashboard, you can take a geographic look at your sales and membership. What are your top states for sales and membership? How much does the average member purchase?



TASTING ROOM DATA

Understand what is selling in your tasting room. How are your salespeople performing? Compare this year to last year. What is selling in each club or channel, all the way down to the vintage.

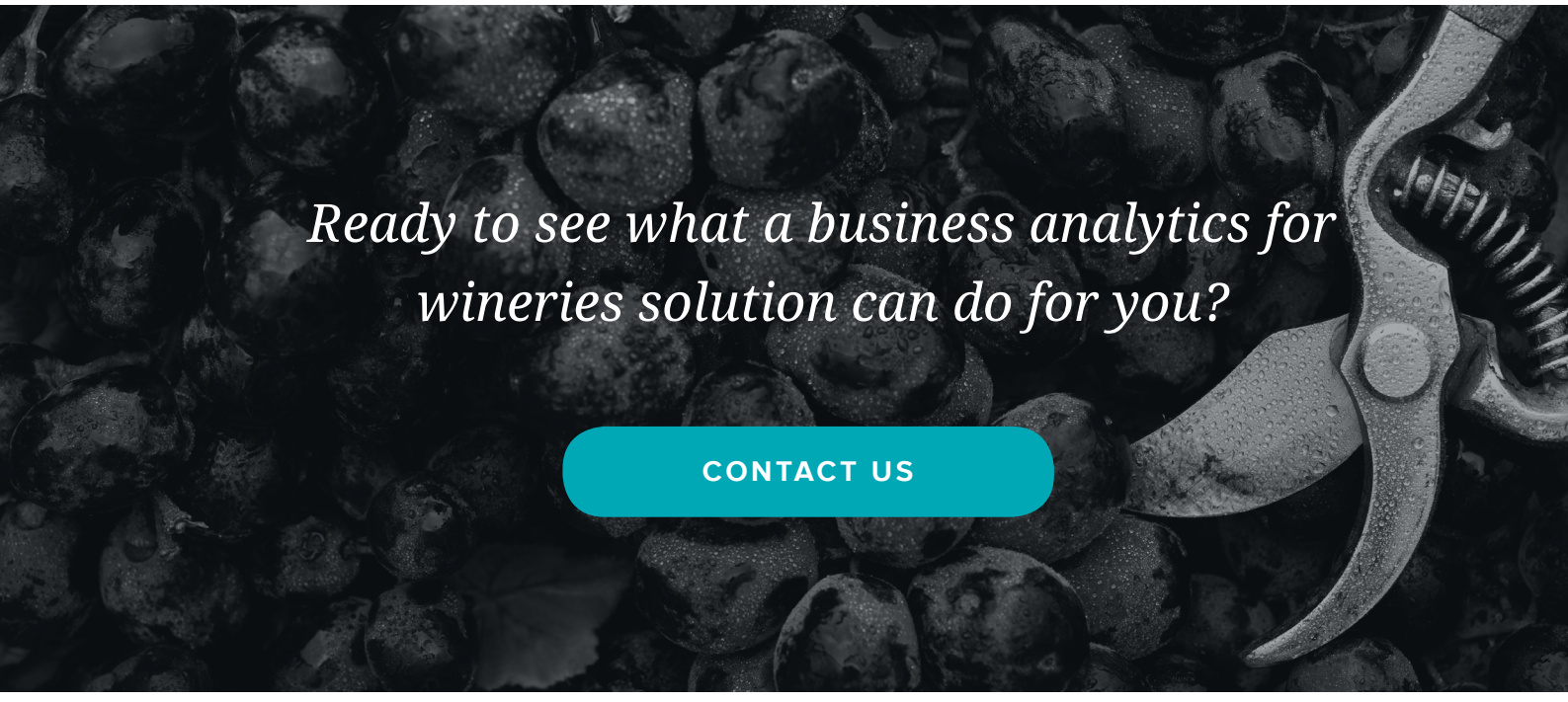


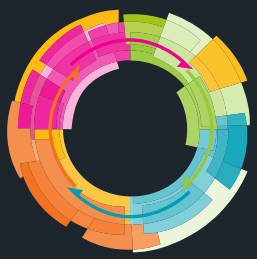
WINE CLUB DATA

How is your wine club performing? Get insight to signups and cancellations. You can compare your different clubs to understand what membership types are truly successful and driving additional sales.

There is a tremendous amount of tradition enmeshed in the winery business. But in today's rapidly evolving market, it's easy to let tradition stand in the way of progress. The digital landscape is forcing businesses to take a more strategic approach at gathering and analyzing data that gives them greater insight into the industry, customers, and performance.

Don't fall behind out of fear of new technologies or processes. Find the solution that delivers an easy, seamless stream of insight without handholding from an IT department. Better insight into your winery, your customers, and your potential is more accessible than you think.





Courage to Act