# MTGWA

## MARKETING STUDY

MONTANA GRAPE & WINE ASSOCIATION/MDA - GRANT PROPOSAL 2022

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# KEY TERMINOLOGY

**In the Montana Wine Industry**

*Disclaimer: The following working definitions are applied to this document to clarify the contents. Where possible, strict definitions as recorded in the Montana State Legal code are applied.*

**1. Wine:** "Wine" means an alcoholic beverage made from or containing the normal alcoholic fermentation of the juice of sound, ripe fruit, or other agricultural products without addition or abstraction…**MCA 15-1-106:**

**2. Winery:** A winery is a building or property that produces wine, or a business involved in the production of wine, such as a wine company. (Wikipedia, n.d.)

**3. Wine Making:** The winemaking process can be divided into four distinct steps: harvesting and crushing grapes; fermenting must; aging the wine; and packaging. (Wikipedia, n.d.)

**4. Wine Industry USA:** The combined levels of the federally regulated alcohol-producing industries: Producer-Wholesaler-Retailer; plus the support industries such as vineyards, technology, agriculture, and education. Governmental agencies may also be included (usawinerating.com, 2022).

**5. Vitus Vinifera grapes:** Traditionally named grapes originating in the Caucasus Mountains. This grape is responsible for 99% of world wine production.

**6. Hybrid grapes:** One or more grape species developed through controlled breeding of North American grapes that may include Vitus riparian, Vitus labrusca, Vitus rupestris, and others, crossed with Vitus vinifera. As of this printing, the most commonly grown hybrid grape varieties in Montana are Marquette (Red) and Itasca (White)." (Torquemada, 2021)

**7. Tasting Room:** A retail outlet for a winery's products that includes an option to taste various wines, order wines for purchase or shipment, and is an exclusive environment offering only the wines from that winery (Gorenthal, 2022).

## SCALE & SCOPE

The cornerstone of this study is the determination of where the Montana Wine Industry stood in 2021. Built into the four key Specialty Crop Block Grant Objectives and the six specific Contract Deliverables are the components of the study. These include the action items listed below: surveys, summaries, and initial marketing proposals. For clarity, these components are recorded below from the Grant Proposal.

### DELIVERABLES

1. Surveys of the following market sectors - grape production current and capacity; winery production current and projected; and consumer flavor/desire profile; identify gaps or challenges to the production and marketing of Montana products.
2. Summary of the current condition (products, production, and potential for increases in each sector).
3. Marketing proposals to address gaps in production, wine products offered, and the consumer.
4. Sharing results and information to MTGWA members and any other persons of influence to the Montana wine industry.
5. A Final Report of Summary: this document serves as that report.
6. Participate in the Made in Montana Trade Show.

### OBJECTIVES

The Montana Grape and Wine Association Marketing Study is a crucial component for addressing the following objectives of the Montana Specialty Crop Block Grant #19SCG04715-MGWA:

1. Improve strategic planning through sssessments.
2. Strengthen specialty crop distribution networks to increase reach and distribution.
3. Raise awareness of distributors and licensed on and off-premise accounts.
4. Provide networking opportunities for the development of expanded markets.



## EXECUTIVE SUMMARY

### INTRODUCTION

The Montana Grape and Wine Association, with the support of the Montana Department of Agriculture, commissioned this study to clarify what can and should be engaged to market the Montana wine industry. It is essential to recognize that selling commercial wines to a consumer is identical in approach and method to selling the wine industry to a commercial market.

In a recent article featured in the *Technology Hits* publication of Medium.com, Jano le Roux, a Silicon Valley Marketing Director, defines marketing as "Marketing a message to a market." Simple enough for sure, but simple is never easy.

**Montana Wine Industry Highlights***

- The average Montana vineyard consists of 1,340 grapevines
- One acre of vineyard consists of approximately 735 vines
- The average Montana vineyard covers less than one acre
- The average vine yields 7 lbs. of fruit
- Theoretically, Montana's total vineyard area covers approximately 65 (?)acres
- The single largest barrier to using Montana grapes is access to quality fruit
- Wine buyers want an 'authentic' Montana labeled wine
- The single largest barrier to a retailer or end consumer buying Montana wine is the lack of convenient access to Montana wines purchase
- 7 out of 10 Montana wineries interviewed want to use Montana fruit
- Wineries see access to local fruit and multiple tasting rooms as the path to growth and development
- There is no functional definition of 'winery' in the Montana state code
- Conflicting and inconsistent regulation by city, county, and state agencies is a restrictive burden to the growth of the industry

**All numerical values and counts are drawn from the Montana State University, Western Agricultural Research Center surveys. At this writing, these numbers may be corrected or updated to reflect additional data or survey returns to the WARC staff.*

Evaluation of winemaker/winery needs, and consumer preferences were determined through raw data gained from Professional Judging that determined the various awards and medals at the Montana Wine Festival, held August 14, 2021, in Columbia Falls, MT. In addition to the professional judgment, Festival attendees awarded a 'People's Choice' award from open and candid voting as they experienced the three-dimensional interaction with the wines, the wineries, and each other.

Additional Survey data has been gleaned through one-on-one interviews with participating and non-participating wineries of the Montana Wine Festival, on-site study interviews of Washington State wineries, in-person interviews with on and off-premise licensed retailers, Montana licensed wine distributors, and wine companies with market interests covering the whole of the United

States with multiple winery sales books.

**Montana Wine Research Overview of Scale and Industry Categories**

- 19 Commercial winery interviews
- 10 Licensed Montana winery interviews
- 10 Licensed restaurant interviews
- 6 Retail interviews, off-premise (chain & fine-wine) 1 Case Study
- 6 Montana wine distributors interviewed
- 3 Multi-winery production company interviews
- 1 Inaugural wine festival with awards
- 2 Restaurant wine list programs, 1 Case Study
- Estimated number of planted vineyards-45

## STRENGTHS

The demand for all consumer products produced in Montana is very high. The advent and growth of Montana craft spirits and craft beer have paved the way for alcohol products with authentic Montana roots to see a high consumer takeaway. The industry's infancy and current access to historical data and trends allow for best practices from worldwide wine regions to be leveraged and applied today. Essentially the industry can copy cutting-edge marketing techniques based on traditional methods and drive vineyard development to increase access to local wine grape production.

## CHALLENGES

The core obstacle to developing the Montana wine industry is proving that commercial quality and quantity of fermentable fruit can be sustainability produced every year (Ruhland, 2021). Appropriate vineyard site selections and appropriate grape type selections for those sites will be a decades long process (Komm, 2021) (Monson, 2021). Governmental regulations can conflict within themselves and are prone to a wide interpretation by city, county, and state agencies. The challenge of maintaining the current demand for Montana wine while developing a self-sustaining vineyard resource is unique to the industry.

## BRAND AWARENESS

The Montana brand image is vibrant and sought after. The branding of Montana wines has yet to be defined. Individual images, individual styles, and individual approaches illustrate the industry's fragmentation. Federal labeling regulations, sourcing standards, license equality, and the conflict between authentic and imported wine and fruit sourcing contribute to inconsistent branding and fragmented collective identity (Gorenthal, 2022).

## SUPPLY CHAIN AND INDUSTRY ASSETS

The traditional wine distribution industry in Montana is a robust functioning mechanism. The 'control state' status, which puts the Montana State Government regulating the commercial wine industry, provides over-regulation and inconsistent application as well as a barrier to the massive strength and influence of the increasingly powerful mega-wine companies (Vogel, 2022).

Generally, two different winery models are in operation. First is the classic model of the local fruit-driven winery that harvests, crushes, vinifies, and finishes their wines on-premises. A second model allows fruit, juice, bulk wine, finished and bottled wine to be imported from out-of-state and out-of-country to be repackaged as a Montana product. Global downturns in vineyard production will significantly increase the price of these imported sources while reducing access to bulk juice. These pressures will also increase the value and viability of Montana-grown fruit (Gorenthal, 2022).

Montana is a blank slate for vineyard development. Combining traditionally dry farm regions, well to moderately drained low vigor soils, and few competing specialty crops with a violently cold and variable climate provides both challenge and asset. The danger of soil-based louse pests like Phylloxera is reduced. The threat of sudden and catastrophic freeze events is ever-present. While organic and sustainable agriculture is likely to be valuable and productive, the inherent danger of cold is genuine.

## GROWTH OPPORTUNITIES

The Montana wine industry can only grow. The pressure and demand for local wine allows for non-Montana fruit sources to fulfill the need for raw material. The balancing act is to maintain and carefully grow the market through scale and quality while as rapidly as possible developing the vineyard capacity to reach a par with Idaho or Minnesota production levels (Idaho Wine Commission, 2019) (Tuck, 2020).

Population growth in every major city in Montana will drive local year-round demand. At the same time, the draw of Yellowstone and Glacier National Parks, along with the freedoms of the Montana lifestyle, will assure eco-tourism, geo-tourism, and bucket-list tourism will continue to grow. Both Yellowstone and Glacier National Parks recorded record attendances despite the impact of COVID-19 restrictions. Median home prices and supply continue to rise and decrease, respectively. The local market conditions will allow for authentic local flavors to be in essentially insatiable demand for the foreseeable future.

**Final Study Recommendations to the Montana Grape and Wine Association**

*See full text of recommendations on p. 13****

The following recommendations were developed during this Marketing Study. The brief declarations found below define the individual recommendations, while proposed plans of action are supplied further into the body of the study. Essentially, they empower the overall development of the wine industry in the State of Montana. All recommendations stand on their own and fulfill specific actions needed to comply with the Marketing definition, "marketing a message to a market." These recommendations are increased in their effectiveness when enacted in concert with all divisions of the Montana wine industry.

1. **Found the Montana Wine Co-op as a 501c3 Montana state licensed wine distributor**
2. **Establish the Montana Specialty Crop Taskforce**
3. **Develop the Montana Wine Industry Partnership**
4. **Coordinate long-term media, marketing, and public relations campaigns**

The author of this study made every effort to allow the above-listed recommendations to germinate and develop organically toward the end of the study. The study was conducted without a predetermined outcome. All four recommendations were developed in response to direct input and suggestions from multiple industry stakeholders inside and outside the Montana State borders.

Ultimately these recommendations compress into a set of core values and objectives: The Montana Wine Industry can thrive if the agriculturally correct conditions of the site and varietal selections are accelerated by consistent and visionary governmental support and coordination. Production and labeling standards will drive long-term market sales volume to maintain a sales cycle that grows both quantity and quality of the wine products that are the core of the industry message. The economic popularity of authentically produced Montana wines will build an advanced, value-added agricultural industry that embodies the environmentally sound practices essential in the 2020s and beyond.





## METHODOLOGY AND SURVEY RESULTS

**Methodology**
Surveys and in-person interviews are the primary method of data collection for this study. These tools were applied traditionally by the academic personnel from Montana State University and through extensive personal interviews and evaluations by the author from on-site direct interactions and observations.

The Montana State University, Western Agricultural Research Center in Corvallis, Montana, designed, distributed, and collected Montana vineyard production data (Dr. Zach Miller, in prep. SCBG Contract #21SC07018-001).

The author of this study conducted direct personal interviews with personnel from the Montana Departments of Revenue and Agriculture, fine-wine retailers, distributors, restaurants, large-scale wine companies, and chain-retail accounts. Individual wineries were evaluated within Montana, Washington, and California for their value as a resource for the marketing focus of this document.

The marketing-focused case studies highlight Washington and California wineries because they illustrate successful and mature wine industry examples of wine marketing. Minnesota and Wisconsin have similar challenges as Montana regarding wine grape selection and agriculture and present common agricultural and marketing challenges.

Both retail wine-focused case studies selected Montana locations that illustrate the consumer appetites and the pragmatic insight through the point-of-view of commercial buyers.

## SURVEY #1- MONTANA WINE GRAPE PRODUCTION 2021

### MSU Western Agricultural Research Center - WARC

**Preliminary Survey Data Review**
Integration with Montana State University, Western Agricultural Research Center (WARC) is essential to accurately verify vineyard acreage, vineyard composition by varietal category, vine density, growing conditions, and vineyard yields within the State of Montana. The survey was designed and administered by WARC personnel. The tool was reviewed and approved by the Montana Grape and Wine Association members before its distribution to the varied vineyard operators. This list was compiled through prior surveys and informal conversations. This inventory attempts to include all known commercial and non-commercial (smaller scale) operations.

Data collection for the survey included
- the number of vines in production,
- the variety of vines planted,
- the age of the vines,
- the trellis system utilized,
- history of the recorded yields, and
- commentary on challenges and cold hardiness.

Material recorded in the survey was offered voluntarily without verification or documentation in federal or state reporting requirements. Many of the participating vineyards are smaller, non-commercial efforts. No attempt was made to determine whether respondents met the $1500.00 of revenue required for the Agricultural Tax credit.

Several significant known winery operations are absent from the WARC survey as of January 1, 2022, the largest being Ten Spoon Vineyard and Winery.

Estimated total statewide 'vineyard' plantings: 50-60
Responding Vineyards: 20
Largest Vineyard (reported in number of vines): 12,835 at Willow Mountain
Smallest Vineyard (reported in number of vines): 100 at Uppity Vines
Average Vineyard (reported in number of vines): 1,339.85
Estimated Total number of Vines in Montana: 26,797
Average Vineyard without Willow Mountain: 735 vines (approximately 1-acre equivalent)

**Estimation of Potential Vintage tonnage in 2021**
*Based on reported WARC vineyard planting, density, and yield data*

Average yield per vine as reported: 7 lbs (estimated)
Estimated total potential vintage in tons: 94 tons of fruit
Total theoretical finished cases, 12 bottle case, 750ml bottle: 5,264 cases
Total theoretical finished bottles, 750ml: 63,168 bottles
Total theoretical pallets, industry-standard 56 cases of 12/750: 94 Pallets



Total theoretical dollar value at $15.00 bottle: $947,520

## SURVEY #1 CONCLUSION

The verifiable 'size' of the Montana grape vineyards portion of the Wine Industry is negligible but estimated at approximately 50 acres. With a grass-rooted, fragmented, and inconsistent condition of vineyard plantings and winery operations, the architecture of the industry-to-be is critical to the projected capacity growth envisioned for the state. The MSU Western Research Center fulfills a key role in developing the mechanisms for assessing the industry and providing direct hands-on extension services for new and established vineyard operations. In comparing other developing states' extension services and academic programs, the services currently provided by WARC are poised to grow exponentially along with the overall wine industry. Essential to the effective growth of the industry is coordination between governmental, academic, and commercial interests.

As of the date of this study, there has been no statewide study or determination of vineyard site suitability. In general, vineyards are located in the Northwestern, Southwestern, and Southeastern regions of the state.


MONTANA WINE FESTIVAL

## SURVEY #2 THE FIRST MONTANA WINE FESTIVAL

### Montana Wine Festival Summary

**Consumer vs. Professional Flavor Profiles**
The first Montana Wine Festival essentially launched the fieldwork for the MTGWA Marketing Study.
It placed 300 public tasters in a central location evaluating the eight wineries present. This study group elected a Best of Show and Runner-up Best of Show based on common reactions to the winery displays and the individual wines offered. Before the event, a Professional Judging was conducted by 3 Certified Sommeliers and the author (non-voting) according to the Court of Master Sommeliers Tasting Grid. All four judges are experienced wine industry professionals with measurable judging credentials. For the Professional Judging, Vinifera labeled wines were separated from Hybrid labeled wines. Gold, Silver, and Bronze medals were awarded for red and white wines within their categories.

**Consumer People's Choice Awards: 300 estimated attendees**
Three wines garnered 76% of the total vote with the winning wine earning 36% of the vote and the two runners-up tying with 12% each.
Sixteen wines of the sixty total wines poured at the festival received no votes.
Twenty wines received five or more votes.
Eight wines earned nine or more votes.

**Montana Wine Festival Professional Judging: 20 commercial wines entered.**
Valo from Bozeman, MT., earned all seven medals for Vinifera wines.
The Best of Show medal was awarded unanimously by all professional judges.
Each wine was judged exclusively within their category in a 'double-blind' method.
No sharing of scores or comments occurred between judges.

## SURVEY #2 CONCLUSION

The festival provided an invaluable insight to the public appetite for Montana-made wines. When the professional viewpoint is combined with the choice of the generic buying public a tangible, encouraging, demanding, and challenging profile of flavor and texture emerges.

The market for Montana wines is fueled by the current status quo characteristics of the commercial United States wine industry. 'They' are looking for fruit forward, medium acid, and balanced (but not dull) flavor experiences. They want a story to their label that attracts attention and begs for explanation. They want it to mirror the sense of place and values that make Montana, "The Last Best Place" type of origin. They embrace the fun of an unlikely cultural product coming from a region known for independence and pioneering spirit. They want it to 'taste like Montana'.

The buying public also wants to feel a sense of confidence. Confidence that comes from familiarity. Although this seems an opposing set of conditions the creative opening illustrated here allows for the acceptance of new and awkward grape names as long as the wine experience flows along familiar lines of flavor and texture. The 1st Montana Wine Festival results and experience provides these guideposts with clarity and actionable definition.

## SURVEY #3 MONTANA WINERY SURVEY - PRODUCTION CHALLENGES
### Production Challenges Summary

**Winery's Surveyed: 10**
Surveys were conducted from July through September 2021. Qualifying surveys were considered valid when the conversations and interviews were person to person.

These wineries included: Tenspoon, Willow Mountain, Flathead Winery, Unleashed, Water's Edge, MonteVino, Valo Cellars, Yellowstone, White Raven, and Tongue River Winery.

The current Montana wine industry production is dwarfed by the potential demand from the Montana market. As verified by the Case Studies enclosed in this study, demand for Montana labeled wines by all categories is more significant than all Montana wine produced. So insignificant is the commercial production that very little numerical data is available from the Montana Department of Revenue. In 2021, as world and United States grape harvests decline from record crops over the last ten years, global supply chain restrictions and climate change pressures have reduced access to commercial bulk wine. (Komm, 2021) This market condition impacts the small producers and restricts the mass-market offerings from the largest California and Washington wineries. (Gorenthal, 2022)

Montana is a highly sought-after image and vibe. Particularly in consumer alcohol products such as spirits, craft beer, and wine, the images of Montana, Yellowstone, and the Northern Rockies drive labeling graphics and content for nation-wide campaigns. One of the vital features of Montana-produced alcohol products is the expected sharing or inclusion of other people.

**Do you grow your grapes?**
*5 out of 10*
Commentary: This question does not address the issues of 'some or most.' Virtually no winery currently operating in Montana uses Montana-grown grapes exclusively.

**Would you use Montana grapes if available?**
*7 out of 10*
Commentary: a statement delivered at the First Montana Wine Festival by a participating winery to the author, illustrates the three negative responses to the question. When queried about using Montana grapes, these wineries all had concluded that the unpredictability of fruit quality, quantity, and access were not worth the financial risk. (Vogel, 2022)

**What does your buying guest want from a Montana Winery?**
*Authentic and pleasant (Dickenson, 2022) (Fischer, 2022)*
Commentary: These responses were collected from consumers at the Made in Montana Show and the First Montana Wine Festival.

The surveyed wineries in the study mirrored the responses. The consuming buyer is looking for a wine product labeled a Montanan, is consistently pleasant to drink, and is not just another common grape. They want it to be different, unique and a 'discovery' in wine flavor. (Dickenson, 2022)



**How do you envision growing your business in the future?**
*More Local Fruit (Murphy, 2021) & Additional Tasting Rooms (McGuire, 2021)*
Commentary: These are individual responses that were generally either-or responses, either local fruit or additional tasting rooms.

**What is the single most pressing threat to your winery?**
***Global Grape Production Reductions** (Gorenthal, 2022) **& Inconsistent Regulation** (Murphy, 2021)*
**Commentary:** The 'wine bar' style wineries are pressed to consistently access the bulk wine products that enabled them to open for business. Traditional winery designs that focus on the agriculture of Montana cite contradictory or inconsistent governmental regulations as the biggest threat. The impact of these two threats is the limitation on access to markets and customers. Either you are barred from operational activities by regulation, or you cannot make enough wine to fill a pipeline to your customer base.

**What do you consider the strongest aspect of your winery?**
***Our People***
**Commentary:** All Montana wineries evaluated in this survey have staff members that are local, enthusiastic Montana residents. Universally, these operations cited their 'people' as the strongest aspect of their winery. (Erickson, 2022)

## SURVEY #3 CONCLUSION
A Montana winery is a pioneering effort. Critical questions of what to make, for whom to make it, what to make it from, and how to satisfy regulatory agencies are daily challenges to producing authentic wine in Montana. However, what does ‹authentic› mean? These interviews and conversations revealed a wide range of qualifying conditions to be «Montanan». While the American marketplace determines many acceptable factors, this definition is well within the burden of state legislative decisions.

The data and information collected in this study form the basis for the four recommendations detailed in further chapters. Essentially these recommended efforts address industry-governmental coordination, accelerating Montana fruit production specifically for wine products, and communicating the messaging to the buying public.

## SURVEY #4 MADE IN MONTANA SHOW, HELENA, MT

### Made in Montana Show Summary

**Marketing of Montana Wines**

Attendance and participation at the Made in Montana show were requirements of the Marketing Study. This event was held in Helena and covered two full days of sales and marketing contact with the Montana buying public. The apparent value surrounds the study and recording of the Montana response to the industry and the existence of Montana Made wine in any form. The unexpected values stem from the interaction of other Montana Made food vendors, the direct response by wholesale buyers willing to buy wine on the spot and watching how the interested buying public responded to an actual winery booth. This booth turned out to be Willow Mountain Winery from Corvallis, Montana. Willow Mountain was the sole winery or alcohol-based product at the Made in Montana Show.

The Made in Montana Show attached approximately 800 wholesale buyers Day 1 and 4,000 public consumers Day 2.

Willow Mountain Winery ultimately sold $1,600.00 in wine during the show. These sales were fulfilled via digital and phone contact and delivered through commercial shipping mechanisms. (McGuire, 2021)

As we studied the Montana buyer at the made in Montana Show, several specific points of attraction were seen. (Vogel, 2022)

1. The products offered needed to be authentically made in Montana.
2. The most popular products captured Montana's 'taste feel, or smell.'
3. The most commonly asked question was, "where are you located?"
4. Booths that offered non-Montana-made products were commonly dismissed as not being 'one of us.'
5. There is no forgiveness for products or companies that falsify or hide their true origins.

### SURVEY #4 CONCLUSION

Essentially, the Made in Montana Show underscored Montana wine's powerful draw. Willow Mountain Winery earned consistent public praise with a well-equipped and professional exhibit. Willow Mountain provided the essential elements of success that any Montana winery can mirror. The five points listed above comprise the core values that made marketing in Montana of Montana products a financial success.





## SURVEY #5 SURVEY OF MONTANA THREE-TIER SYSTEM

### Montana Three-Tier System Summary

**Definition:** The **three-tier system** of alcohol distribution is the system for distributing alcoholic beverages set up in the United States after the repeal of Prohibition. The three tiers are importers or producers, distributors, and retailers. (Wikiapedia, n.d.)

One of the critical decision points for a Licensed Montana Winery is whether or not to integrate with the Three-Tier System. Established by the United States Department of the Treasury at the repeal of Prohibition, this system of federal regulation is charged with keeping crime-based organizations out of the United States alcohol industry (Wikiapedia, n.d.). The three-tier system has accomplished this objective. It also inherently complicates and restricts the natural free-market growth of the companies and individuals engaged in the industry. The system's mission is to eliminate control of all alcohol industry categories by any organization other than state and federal governments. It is not designed to stimulate growth, diversity, or encourage the economic development of an agricultural product category. (Vogel, 2022) (usawineratings.com, 2022)

From the point of view of 2022, the unintended consequence of this system has been to allow the development of the world's largest wine market, whose global impact has been to alter traditional wine styles dominate worldwide wine commerce. The Three-Tier System has also proven to be the most efficient driver of increased wine selections across the United States. Today the average American chain store wine section offers the largest predictable number of wine-based SKUs (Stock Keeping Units) globally (usawineratings.com, 2022).

As an infant industry in Montana, the production, distribution, and sale of wine are inherently difficult and expensive. Each Tier adds a layer of costs that either drive prohibitive prices for the consumer or deprive the enterprise of the profit margins that allow growth in both quality and scale of the industry. In doing so, it appears to favor large-scale organizations in the wine distribution category.

The Three-Tier system in 2022 Montana is stable. What wine sales tactics have been applied in locally produced and consumed wine products do not integrate well into the current system. Centralization and semi-monopolies characterize the consolidated wine distributor system in most American states (Vogel, 2022). Montana stands out as one of the few states that are not dominated by companies like Southern Wine and Spirits (The largest alcohol distributor in the world), Young's Market, and Johnson Brothers. The very laws that are characterized as archaic to our growing industry also fence out the biggest wine mega-distributors of the industry. The Three-Tier system is well established, provides excellent transportation and delivery abilities, and a professional sales force connected to every licensed retail account, on and off-premise, in the state. It also comes with detailed governmental regulation, expensive licensing, and often-arbitrary decision processes.

This survey asked a set of simple but profound questions of each of the three tiers:

**Are you interested in selling Montana wines?** (Vogel, 2022)

***Retail off-premise-*** *YES, with high interest. Suppose we could get more MT wines?*
*See Case Study: Super 1 Foods*

***Retail off-premise Fine Wine-*** *"Yes, As long it doesn't seem to be the same ordinary grapes. I want it to be Montana Grown."* (Dickenson, 2022).

***Retail on-premise-*** *YES, as long as it stands up to quality standards (Vogel, 2022)*
*See Case Study: Xanterra GNP*

***Wine Distributor-*** *NO, They are not looking to add any more individual or independent wineries. (Grantz, 2022).*

**What are the barriers to offering more Montana wines?** (Vogel, 2022)

***Retail Chain, off-premise-*** *Corporate schematics favor the large multi-winery companies in major grocery stores. In Fine Wine Retail, Montana wines are a problematic sell other than a novel or risky purchase.* (Gorenthal, 2022)

***Retail Fine-Wine, off-premise-*** *Access to quality wine restricts current shelf placements. Wine shop buyers are discerning and focused. They are not looking for copy-cat wines of familiar grapes. If it's from Montana they want it to be grown here and offer a unique and discovery-rich experience.* (Dickenson, 2022)

***Retail on-premise-*** *Large differences in quality and consistency undermine support. Wine sales forces from established distributors dominate the time and attention of the restaurant buyer.* (Vogel, 2022)

***Wine Distributor-*** *Very small wineries are challenging to manage and suffer from inconsistencies that erode licensed account support. i.e., not worth the effort.* (Grantz, 2022)

## SURVEY #5 CONCLUSION

The key findings from the survey of the three-tier system reveal the challenges faced by small artisan wineries and small experimental vineyards. Reverting to the core definition of marketing as 'marketing a message to a market,' the solo or independent winery must decide between a roadside stand authenticity or a commercial entry into a highly competitive and noisy sales system.



## XANTERRA MONTANA WINE INCLUSION CASE STUDY (VOGEL, 2022)
### Glacier National Park, Xanterra Travel Collection

**Wine List Expansion Project 2022 - Lake McDonald Lodge & Many Glacier Hotel**

Lake McDonald Lodge and Many Glacier Hotel are the two primary hotel properties inside Glacier National Park, Montana. These hotels feature large dining rooms of 250 to 500 seats that collectively accommodate about half a million guests over a 110-day summer season. The guest population represents many foreign countries and all fifty United States.

Food & beverage service staff are drawn from all fifty United States and 14 foreign countries under the J-1 Student Visa program overseen by the United States Department of State. Training is conducted over a compressed five-day period that takes amateur service staff to professional skill levels. Of particular focus is the wine program with the knowledge, skill performance, and practical application of wine sales a key component.

Traditionally, each server has recorded an average of 8% of their total sales as wine delivered to guests. In 2019 the average total season sales for each server was about $100,000, with $8-$10,000 of that total recorded as wine sales.

In 2021 the Executive Leadership Team made the strategic decision to pursue a *Wine Spectator Award of Excellence* certification for each of the primary lodges. (The Wine Spectator Magazine, 2022) This effort required the addition of at least 40 new wines to qualify for the award. In addition to the numerical increases, Xanterra and National Park Service menu standards required a careful progression of flavor and texture characteristics. Under National Park Service rules, a high percentage of concessionaire food & beverage product offerings must be agriculturally sustainable, locally produced, and displayed on the menus identified as having these qualities. Xanterra Travel Collection embraces these values in its corporate policies (Xanterra Travel Collection, 2022).

In the fall of 2021, reviewing and selecting the new wines began. This case history illustrates the professionally accepted process of wine list building while focusing on the role of Montana labeled wine products.

**Roles and Responsibilities in Wine List Construction**

**Food & Beverage Leadership Team**
- Set expectations and standards for wine list candidates
- Apply professional techniques of sensory tasting to evaluate wines
- Accurately record impressions and evaluations
- Stand in the shoes of corporate and National Park Service expectations
- Stand in the shoes of the potential guest and apply their expectations

**Wine Distributor Sales and Sales Management Personnel**

- Assure that they are knowledgeable of buyer's goals
- Access the appropriate wine products marketed by the distributor
- Provide a broad selection of appropriate candidate wines
- Represent the values and attributes of the various wineries
- Transport and deliver all ordered wines accurately

**Winery and Supplier Personnel**

- Produce a wine product that meets the needs of the buyer
- Assure that the distributor has access to the needed product to stock in the warehouse
- Willing to adjust pricing according to state law that allows for Wine by the Glass and volume discounts
- Create a three-way partnership that serves the buying guest by collaboration between winery-distributor-retail outlets.

**Goals & Objectives of the Wine Spectator Award of Excellence**

This particular award showcases wine lists worldwide, which exemplify the art and production of dynamic, guest-friendly, and inspiring wine programs. Lists that show appropriate pricing values, exciting selection, server knowledge, product storage, and consistently easy-to-shop menu layout are competitive. Essentially, the award discriminates between a list casually drawn from a distributor's catalog and offered at exploitive prices and an artfully curated list based on guest sensitivity, menu offerings, and the general guest environment. The Wine Spectator Magazine assigns the award after individual assessment against rigid standards. The award is made public in May of each year, with the rights to digital and print media coverage and inclusion made at that time. The display certificate ships in August to each location. Inclusion in a special issue of the magazine coincides with the delivery of the display certificate. (The Wine Spectator Magazine, 2022)

Thus, the award provides digital and print media material for traditional and social media marketing, network building within an essential financial category of the industry, is an independent accolade of quality and value, and sets the restaurant apart from competitive hospitality units without the award. Approximately 3,400 awards are assigned worldwide each year. (Shanken Communications, n.d.)

Essentially an Award of Excellence supports and verifies the excellence objective of the company. The Glacier Park division of Xanterra sought to embody the core values of the objective award to distance itself from other Xanterra properties across the United States. With this award in 2022, Glacier Park/Xanterra would be the only National Park hospitality unit with an Award of Excellence. The successful application for two awards within the park would further distinguish Xanterra with the rare occurrence of two awards to the same company in the same region during a single calendar year. Additionally, the inclusion of the largest number of Montana labeled wines in the United States and a green wineglass logo designating an excellent value wine list would offer further proof of the excellence of the list construction.



Digital booking sites would include the award logo and declaration; printed menus would include the award logo. The National Park Service would recognize the award as unique in the United States and hold other properties against the new standard. Guest expectations would elevate driving staff performance above any competitive facilities. (Vogel, 2022)

Financial impacts both for server staff and the company would be substantial. The average gratuity rises to over 20% when associated with excellent wine service. Guest patience increases as professional skills are observed at other tables, and the guest feels the service is genuine, professional, and authentic. Wine sales are anticipated to grow to 12% of total sales for each server. In terms of Xanterra's benefits- the guest check average would rise by $3.00 per person, online reviews will reflect greater guest satisfaction, and the company revenues will increase without additional guest count, staff work hours, or inventory costs.

**Scale and Intensity of Wine List Development**

**As of January 1st, 2022, the following selection process has been engaged:**

- Three wine distribution companies have presented 435 wines
- Over 105 work-hours have been used to taste, review and catalog the 435 wines presented
- Partnership development meetings have occurred with four major wine companies resulting in reduced prices in response to broad ranges of new wine placements from these multi-winery suppliers
- Resources including professional staff training, incentive programs for sales achievements, and access to daily staff rewards have been committed
- Development staff have traveled to three different states and interviewed 19 commercial wineries to support the selection effort
- End-of-Season educational winery trips, provided by partner wine companies for high achieving staff, have been scheduled

**Focus on Montana Wine Selection**
The core-wine list design proposed the number of Montana-labeled wines for this list as 22 wines. As 7 of these wines were listed before 2022, the 15 new Montana wines account for 37% of the wine list growth. As the list project developed a key distributor was terminated by Xanterra as a supplier. As the distributor was the source of at least five Montana wine labels, these wines fell out of the program. In comparison, the network of professional fine wine retail buyers began to learn of the Xanterra list project and were interested in selecting wine for their stores that occupied space in the Xanterra program. (Fischer, 2022) (Dickenson, 2022) During the final development phase of the list one distributor added more wines from one of the wineries they had previously phased out (Ruhland, 2021), and two distributors became interested in the concept of a Montana section in their sales books (Grantz, 2022). Ultimately, the noise generated by the public selection process that played out at trade-only winery/distributor sales events opened the door of interest across the entire wine buyer network of western Montana for Montana wines.

**Challenges associated with selecting and buying Montana wines**
As of the January 1st, 2022, only three of the represented wineries are available through Montana State distributors who service this region. The Xanterra selection team must travel to each

winery individually to select these wines. No wholesale pricing is generally offered, so the cost to Xanterra is 25 to 45% higher than equal quality wines from established suppliers or wineries. This cost formula pushes the retail wine list prices into the Ultra-Premium range and generally outside the quality category of traditionally distributed wines. Sample bottles from these wineries are tightly allocated, reducing staff training quality.

Due to the lack of distributor representation in the area by wholesalers, the candidate wines from Montana, except the three wineries mentioned earlier, must be shipped individually and are sampled outside of the efficient group tastings conducted by the distributors.

The most significant challenge is getting the wines to the two hotels featured in the award program. According to Montana legal codes, a Xanterra employee must drive to each winery and pick up the product in a company vehicle, or a winery staffer must deliver the product to each location. The exponential cost of time, mileage, and effort negate any economic value of having the wines on the lists. The standard inventory, order, delivery schedule has wine delivered by the distributors weekly. Keeping in mind that some of these wineries are 200 miles to 800 miles away, weekly order and delivery are not practical.

## CONCLUSION

The desire and need to have these local Montana wines represented on the Xanterra Glacier National Park wine list is solid and reasonable. Their inclusion dramatically enhances the impact on the authentic quality of the wine lists. Their availability to the guest and the visible contributions to the legitimacy of the Wine Spectator Award of Excellence are valuable additions to the status and allure of the culinary program.

The decisions have been made to include these wines in the 2022 wine lists. They have been included in the competitive lists submitted to the Wine Spectator. The review of the sales data and the collection of staff and guest commentaries during the 2022 season will determine if they remain on the program in Glacier National Park in 2023.





## RETAIL CHAIN CATEGORY CASE STUDY (VOGEL, 2022)

### Super 1 Foods, Whitefish, MT

**August 2021**

Retail Chain stores like Safeway, Albertsons, and Super 1 Foods account for between 80 to 90% of all wine sold in the United States. This number can be dramatically different depending on the winery, wine company, or importer. It cannot change the fact that any successful wine marketing, whether in a neighborhood, a region, state, or nationally, needs to consider the large packet store market (Gorenthal, 2022) (Browne, 2019-2022).

As an illustration of the unique and specific components of the Chain Store sales cycle, the example of three days of interaction was recorded for the study.

In early November 2021, the author entered the Super 1 Foods grocery store in Whitefish, MT. As this is his neighborhood store, he was well acquainted with the layout and selections in the store. That day he saw that the video store had been vacated, and the entire space, the size of a standard pharmacy unit, was being reset with a complete Made in Montana section of products. These changes included a three-shelf wine set positioned precisely in the most sought-after line-of-sight location. Montana labeled wines that already had shelf space designated on those three shelves on the wine schematic. Even with double facings, these wines occupied only one of the three shelves.

Standing before the shelving were the three store managers tasked with creating this new section in the most valuable square feet of the store. The three managers included the new store Director, the Grocery Manager, and the Assistant Manager in charge of the wine, beer, and non-alcoholic beverage products. They would be the three decision-makers needed to make out-of-schematic decisions.

Approaching the group, the author introduced himself as part of the Montana wine industry and inquired about the new section design. After a few minutes of discussion, several requests were made to the Association:

1. To verify that each winery has a legal right to sell to the store.
2. To schedule a presentation to the regional buyer located in Coeur d'Alene, Idaho.
3. To make weekly maintenance and sales call to manage stock, pricing, shelf tags, and cleaning the assigned wine shelves.

If the Association or the individual wineries could adhere to these requirements, the managerial team would be happy to have a full selection of wines to occupy the other two complete retail shelves. Additionally, the wines would be cut into the existing shelf schematic and mandated into any following shelf schematic of the store and a legitimate inclusion in every Super1 Foods wine set in the Western Montana region.

This region will have 12 stores in operation in 2022.
The author returned to the store the following day to inform the Director that he had verified that

the licenses of the wineries did allow for sales to the store. The company policy is to have a copy of any vendor license on file; Thus, a separate communication from each winery was required.

**Compliance with the other requests was not possible for the following reasons:**

1. Minimum requirements for a presentation included a personal sales call, UPCs, wholesale and post-off pricing schedule, and a vendor status established with the corporate office. No shelf placements may be made at the store level without the formal presentation.
2. Legally, a 'supplier' may not touch, move, or manipulate another supplier's products. Thus each winery would be required to maintain its shelf placements.
3. Corporate discount tags would never be generated without a post-off (sale) price schedule.

Day three of the study saw the withdrawal of the association wineries from consideration for the new Made in Montana Wine shelf set in the Super 1 Foods store (s). The three shelves still exist and are stocked with multiple facings of the same few wines displayed in August of 2021.

## CONCLUSION

The mechanism and demand for Montana Made (and labeled) products remain high. This demand provided the rare opportunity to insert possibly dozens of new shelf placements into the most potent buying environment accessible by the industry. Without a coordinated and committed supplier/winery representation within the established three-tier system, this opportunity was lost and will remain unfulfilled (Vogel, 2022).

The position of not selling association wines through this market category may be a strategic decision that maintains winery margins and focuses the demand on winery tasting rooms and on-premise placements. For exponential growth of the industry to be generated, entry into this retail category must be considered, designed, and facilitated according to the three-tier system retail-chain sales cycle.





## MTGWA MARKETING STUDY RECOMMENDATIONS

The four free-standing proposals described below benefit from a focused and coordinated application of time, resources, and mission.

**The founding of the Montana Wine Co-op, a Montana Grape and Wine Association member-only Montana Licensed Wine Distributorship*.**
This 501c3 would be designed and governed as a sole focus agent for all members of WAM and MTGWA wineries and commercial vineyards.

Distribution contracts for Licensed Account services to include direct sales, transportation, delivery, and warehousing would be assigned to a single statewide distributor. The Co-op would act as broker and distributor for the wines approved as eligible for inclusion in the product catalog of the agency.

This distributorship would have legal rights to sell Montana wines to any Montana licensed distributor, any retail account including State Liquor Stores, and become the cooperative sales management for each member winery.

**Positive Contributions:** Collective sales and marketing control reduces industry fragmentation and creates a Unified Voice for minimum standards and graphic image management. A streamlined point of contact between regional sales efforts and Co-op members maintains flexibility of direct sales to licensed accounts and retail sales from legally defined tasting rooms. The Co-op may be designed to facilitate vineyard fruit sales to member wineries.

**Challenges:** There are many different regulations and enforcement standards that need to be vetted by at least three State of Montana Departments. While patterned loosely on the French Negotiant function, it seems to be a unique proposal.

*The State of Montana recognizes Distributor, Wholesaler, and Supplier as equivalent terms.

Recommended launch: 2022, completion expected in 2023 after the end of the Legislative Session.

**The Establishment of the Montana Specialty Crop Taskforce**
The Task Force is a collaborative private/public organization created by Executive Order by the Governor of Montana or Legislative action. Embracing the directive to expand the Specialty Crop influence of the Department of Agriculture, this task force will provide overall coordination and authority to remove or modify conflicting regulations and efforts that harm the growth of specialty crops in Montana. Initially focused on the support and development of vineyard crops, the task force will be engineered to refocus on other emerging crops as they become viable.

The Task Force will be comprised of members from the Departments of Agriculture, Commerce, and Revenue, representation from the Governor's Office, and any other state agency that sees fit to request inclusion. It will be open to commercial agencies and associations.

The Specialty Crop Task Force will be designed to sunset in 2026 or divide into the independent Montana Wine Commission and a newly refocused Task Force.

Recommended launch: 2022, completion expected in 2023 after the end of the Legislative Session.

**Positive Contributions:** The Specialty Crop Task Force streamlines and coordinates the statewide governmental efforts that have, or may have, conflict with each other. The order to reduce conflicting activities clears direct pathways for the commerce of the wine industry to grow in the State of Montana. This Task Force becomes a Montana-style community tool to achieve agricultural prosperity across numerous crops and stimulates permanent infrastructure development.

**Challenges:** Requires strong support from the Governor's Office and local legislative representatives. Committing these resources away from other agricultural concerns may cause partisan conflicts within each department. Without vigorous and robust participation by the associations, the effort could quickly lose momentum.

**Montana Wine Industry Partnership**

Under the leadership of the Montana Grape and Wine Association and the Winery Association of Montana, and in conjunction with the Montana Specialty Crop Task Force, a search for three United States wine industry partners will commence. These established multi-winery companies that have an interest in future American vineyard sources would provide technical, professional, and material resources for the development of three experimental 20 to 40-acre vineyards. These experimental commercial vineyards would be tasked with producing the quality and quantity of fruit that provides a classic "sense of place" that is the hallmark of notable wine regions worldwide. A requirement would be for the wines to be labeled accurately as having been sourced and vinted in Montana. Working closely with the MSU Western Agricultural Research Center (WARC) in Corvallis, Montana, these enterprises would accelerate the scale and quality of vineyard production in Montana. Based on a 'matching funds' model, the State of Montana and this set of partners would bring the three vineyards into total production as soon as practical, supplying adequate fruit sources to new and existing Montana Licensed wineries. After a particular span of production vintages, the partner wine companies would have the option to purchase the States of Montana's interest in the properties or sell their interest to commercial Montana wineries.

**Positive Contributions:** A worldwide decrease in vineyard production has driven large wine companies to source wine grapes outside traditional regions. Without correcting amateur mistakes in site selection and varietal choices, these companies have a vested interest in developing new vineyard sources that are generally cooler, have a stable water source available, and are planted on less expensive agricultural acreage. The expertise provided will short-cut the trial and error that characterizes the development history of wine regions. The rapid development of a commercial vineyard crop will also accelerate the stable growth of current Montana wineries.

**Challenges:** Engaging the right partner company is key to the success of this initiative. Selecting the right partners will be time-consuming and likely to produce uneven performances from





the companies and the selected vineyard sites. Integration with the WARC may tax the MSU resources committed to the vineyard section of the extension services. Lack of skilled labor resources is also likely to be a factor. Legal details will need to be carefully assessed and anticipated.the companies and the selected vineyard sites. Integration with the WARC may tax the MSU resources committed to the vineyard section of the extension services. Lack of skilled labor resources is also likely to be a factor. Legal details will need to be carefully assessed and anticipated.

Recommended launch: 2024, dependent on formal State of Montana authorization

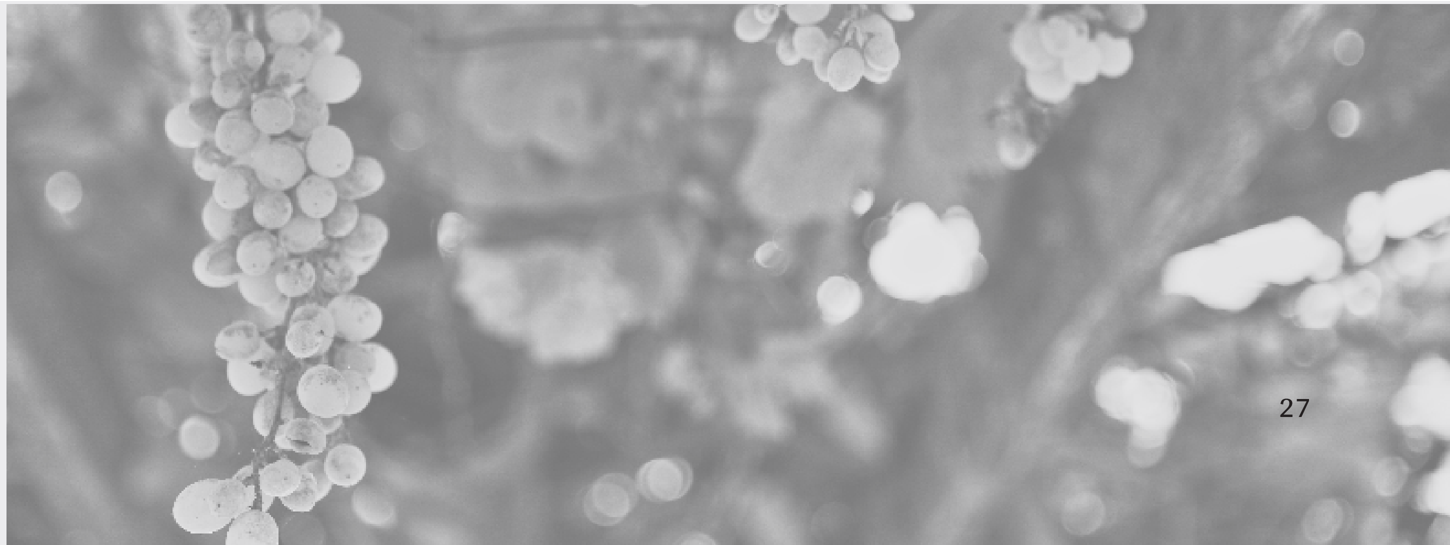
**Launch a Long-term Media and Public Relations Campaign**

Written into the MTGWA Specialty Crop Block Grant is the objective to create media and industry awareness of the evolving development of Montana viticulture. The storytelling content and value of inventing a wine region from scratch is an attractive print and visual media material. Regional lifestyle magazines and weekly community publications will receive regular press releases and free-standing articles showcasing the launch and development of the efforts to establish this new industry. Local cable news and Montana Public Radio coverage will also be engaged and managed. A series of articles and programs beginning in 2022 and following a branded pattern of images and information will keep the Montana population's awareness and support levels high.

A monthly media calendar divided into quarters will be developed to anticipate and exploit seasonal culinary and special occasion gifts. Profile pieces highlighting the pioneering characters of the local wine industry, State and local governmental collaborative stories of obstacles overcome,

and announcements of events such as the Montana Wine Festival will fuel the content of the print media pieces. Wine trade publications will receive query letters and technical articles that follow the development of the Montana Industry. Speaking opportunities before community Chambers of Commerce and agricultural trade shows are accepted and mirror the print media articles' tone, branding, and messaging. The Montana Wine Industry messaging design cornerstone is the presentations at the annual MTGWA Conference. A detailed presentation of this marketing study's methods, findings, and recommendations will occupy a section of the agenda. A more detailed media program is shown in the Marketing Plan in the following sections of this report.

Recommended launch: Immediate actions in 2022 to gain awareness and public support of program.



**Positive Contributions:** Without the constant and well-designed communication of the actions and vision of developing the Montana wine industry, all the political and economic pressure to drive the industry forward is lost. Ultimately, the story of this century's pioneering daring-do by the original vine-growers and wineries propels this initiative. A coordinated, well-defined media campaign will fuel the identity and momentum to achieve the industry goals by leveraging the high interest in Montana culture, agriculture, and culinary values.

**Challenges:** Compared to the previous three recommendations, there are few barriers to achieving this specific goal. A purposeful marketing plan can be engaged and produced immediately. The biggest challenge is the fragmentation of the current array of individuals and organizations. With an ongoing commitment to defining and tuning the core message of the Montana wine industry, every aspect of the marketing plan messaging can be achieved during the 2022 and 2023 calendar years.


## MTGWA MARKETING CONSIDERATIONS 2022 THROUGH 2027

A general roadmap of projects, media outlets, and defined markets deliver the anticipated outcomes of greater access to current Montana wines, greater awareness and support from all aspects of the current wine industry, direct contact and messaging to the three primary markets, and a powerful force to define and maintain the branding of this emerging industry.

**Wine Industry Baseline 2021**
The Montana wine industry has established some of the essential elements of branding. The Montana Grape and Wine Association (MTGWA) and the Winery Association of Montana (WAM) have approved logos with consistent brand colors. The two Associations provide rudimentary industry leadership and are moving toward standardization of labeling and marketing. Two substantial barriers serve to restrict the natural growth of this industry. First is sustainable access to commercial fruit to all licensed Montana wineries. The second is access by licensed retail and wholesale buyers to the currently produced wine products (Ruhland, 2021) (Fischer, 2022).

The following evaluation considers some of the traditional aspects of marketing:
**Marketing Assets**
**Buyer Personas**
**Messaging**
**Financial contributions and commitments to marketing components**

**Future Marketing Objectives**
In the baseline year of 2021, industry fragmentation is balanced by the measurable demand for wines labeled and identified as Montana products. Therefore, the key objectives are threefold:

1. Create a steady stream of print media articles and radio media coverage of the individual personal stories that characterize the emerging wine industry.
2. Harness and exploit the rising public demands for these wines to power state and local government support and collaboration.
3. Broadcast to the United States wine industry the vision, mission, growth, and expectations of this new wine region.

### MARKETING ASSETS

Both of the related associations have basic and functional websites. The color-board is established although small in scale. Content is easy to alter and enhance but is updated at random intervals.

Social Media is primarily personality-driven, with members inclined to dominate the posts and content. These efforts can be very well designed, but their influence and scope are usually local. No concerted or scheduled posting of messages is currently in place.

Lifestyle magazines in print and digital forms are well developed and aggressive in their Montana content and focus. Each metro area of the state has such a publication, and queries to the publishers are convenient.

These publications offer the most powerful and consistent messaging system for this industry in this state. Other publications under this heading are weekly community and daily newspapers.

Trade publications in print and digital form dedicated to the wine industry are open to queries and articles from this region. While less accessible than lifestyle magazines, they are reachable through high-profile event coverage and curiosity-driven personal profile pieces.

**Radio and Digital Broadcasting**
Local news radio stations and Montana Public Radio have expressed interest in airing programming tailored to the wine industry's statewide appeal.

**Events**
2021 saw the First Montana Wine Festival executed in Columbia Falls, Montana. This event verified multiple values and standards used to judge public appetites and preferences. Offering a successful template for future productions, the Festival was well attended, utilized industry-standard event design, and provided professional and public judging opportunities. The Festival awarded nine medals to participating wineries, which become content and accolade for inclusion in their media and marketing efforts.

**Billboards**
With wide-open spaces and limited highway choices, Montana offers an ideal utilization of Billboard media. Those wineries located on highway frontage have seen measurable draw from their usage.


**Data**
The industry is very small in scale. Nonetheless, data-driven insights are essential for developing marketing plans and the industry. Self-collected data from individual companies and vineyards combine with active although minimalist Montana State University, Western Agriculture Research Center (WARC) activities and academic study.





## BUYER PERSONAS

**Consumer Wine Buyer:**
The consuming wine buyer comes in two types: The person seeking wine to drink themselves and those intending to give wine as a gift. Hundreds if not thousands of wine choices bombard this buyer. The wine industry has studied the aspects of attracting these buyers extensively. The Montana wine buyer is looking for authenticity, attractive labeling, and a medium-level quality expectation. They are intolerant of traveling to select a wine and limit their decision to what is right in front of them.

The person seeking wine as a gift has a different set of expectations. Their appetite for specific qualities and characteristics is reduced, and the focus on novel label graphics is enhanced. The longing for authenticity remains the same and is a high priority.
This buyer is highly influenced by graphics, accolades, descriptions, and second opinions he sees as qualified.

**Fine Wine Retail Buyer:**
This buyer is the pickiest of all decision-makers and is the most loyal when satisfied. Traditional wine distributor salespeople are classically trained in wine marketing and service this buyer. These buyers may be exposed to hundreds of wines each week and select a wine only if it meets exacting specifications or is a particular order from a customer.
This buyer is looking for the unique and unusual while acknowledging the flavor and texture characteristics sought after by his customer.
This buyer is influenced by his personal opinions, the secondary opinions in print and trade media, and the commentary of his key patrons.

**Restaurant Wine Buyer:**
The restaurant wine buyer in Montana is usually torn in all directions making active management of a wine program a fragmented effort. They will often profess to exacting standards but depend on one or two wine distributor salespeople as their coach and confidant. Traditional centuries-old wisdom is that "brands are built on-premise." This condition is still valid. Patrons are willing to explore and experiment in these environments. A case history of the Xanterra Travel Collection, Glacier National Park wine program project is included in this marketing plan.

**Montana Winery Owners & Winemakers:**
One of the markets addressed in this plan is the market from the vineyard to the winery. 7 out of 10 Montana wineries surveyed in 2021 declare that they would use Montana fruit if available. Theoretically, Montana vineyards in 2021 should have the potential of producing more than 90 tons of fruit. With a geometric increase in quality fruit produced, the internal marketing of fruit, must, bulk, and finished wine produced in Montana will drive industry development.

## MESSAGING

As a critical component of the marketing definition of "Marketing a Message to a Market," the message to be broadcast by the Montana Wine Industry is 'one of potential, one of the future, an exhibit of Montana values, and one based on quality.'
This message means different things to the different Personas as defined above. This document

has identified ‘fragmentation’ as one of the critical barriers to growth in quantity and quality for the Montana Wine Industry. This fragmentation is clearly on display with the varied approaches of message and image at the First Montana Wine Festival. This document seeks to catalyze the industry and develop consistency of messaging and a collective set of objectives found in the four Recommendations illustrated in previous chapters.

The industry Message has yet to be solidified. It falls to MTGWA and WAM to enlist all possible members into their respective organizations. While there will always be outliers, the Montana Wine Industry needs to stand together in the message to be marketed.

**Proposed Model of Quarterly Marketing Efforts:**

**Q1 - Yearly MTGWA Conference planning and execution**

- Delivery of MTGWA Marketing Study Report
- Consensus to recruit 90% of all licensed wineries into the organization
- Committee to craft ‘22-’23 VMCP (vision, mission, culture, policy)
- Set day and location for The Montana Wine Festival
- Print Media query letters, press releases, and initial magazine articles
- Edible Bozeman article
- Query letters to Montana Public Radio, Flathead Living/Flathead Beacon, 406 Women, Go Local, The Missoulian, Missoula Living, Billings Gazette, and others.
- Exploit any media opportunity

**Q2**

- Execute MTGWA Annual Conference agenda
- Establish a Media and PR committee at the conference
- Engage with all Montana State Government agencies
- Complete Distributor License application

**Q3**

- Execute 2nd Montana Wine Festival
- Initial discussions with the state government for Task Force
- Produce any profile articles showcasing wine news
- Track and analyze the Glacier Park Wine List performance
- Perform 1st Montana Public Radio broadcasts

**Q4**

- Engage Political contact and interface with newly elected officials
- Produce any profile articles showcasing wine news
- Ongoing design of Task Force
- Plan 2023 MTGWA Annual Conference
- Launch of Montana Wine Co-op



**Q1**

- Launch of Montana Wine Task Force
- Planning and agenda for MTGWA Annual Conference
- Initial work and integration to launch Montana Wine Partnership
- Launch sales and marketing calendar with Co-op
- Full set of showcase print articles and radio programming

**Q2**

- Full effort and activity to stimulate Task Force
- Full effort and activity to execute summer sales with Co-op
- Execute MTGWA Annual Conference
- Overall review and analysis of Marketing Study Performance

**Marketing Plan Funding**

The Montana Wine and Grape Association has very few dollars in its budget to execute this plan. Print articles and occasional radio segments are free of charge and generate no income. Fees associated with Distributor Licensing requirements are considered outside of this document. Website and Social Media activities are to be executed within the volunteer ranks of the WAM and MTGWA Associations. The annual conference, Made-in-Montana Show, and Montana Wine Festival are all low-cost items historically funded through selected Grants from the Montana Department of Agriculture.

**Specific plan requirements that may demand funding include:**

- The sponsorship of a dedicated Montana Public Radio Wine and Specialty Crop radio program
- Travel expenses to meet with Montana State Government officials
- Support of the Annual Conference
- Increased organizational infrastructure as the two associations gain members and increase their dynamic functions
- Start-up costs and application fees to provide for the creation of the Montana Wine Co-op, 501c3

## CONCLUSION

The interrelated components of this plan will achieve the stated objectives of increased media communication to all four identified wine market buyer types. It will increase access to Montana-grown fruit by licensed wineries. It will increase access to purchase Montana wines by wholesale, retail, and consumer populations. Through the coordinated and collaborative efforts of the Montana wine industry and the Montana State Government, overall awareness and local support for the industry as a whole will rise. This plan will “Market a Message to a Market” with a well-crafted messaging formula.

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# MTGWA 2021

## MARKETING STUDY & GRANT