

WORDS MISHA WILKINSON

BE REILENTLES!

The most crucial element in building your business and your brand is marketing – it's the one constant which starts even before you take your first step in business and continues every day you're operating. Misha Wilkinson reports.

New Zealand is a nation of small businesses – in fact more than 97 percent of business enterprises have fewer than 20 employees (Statistics NZ, February 2012) which gives it the distinction of having the highest density of businesses per capita of all OECD countries, according to the latest World Bank's Entrepreneurship Survey.

Things are similar within New Zealand's wine industry with more than 97 percent of wineries being small or medium-sized – they're classified as Category 1 or 2 by New Zealand Winegrowers according to volume of wine produced. One of the

problems of small businesses, particularly those which are agricultural-based as so many New Zealand businesses are, is the company's main expertise is at the production end. This certainly applies to many wineries that excel as winemakers and or as viticulturists but who generally don't have that same level of excellence when it comes to marketing and brand-building.

Marketing is one of the most misunderstood disciplines within small businesses and people often use the term when they really mean selling – but they're very different. Here are some suggestions on marketing and building your brand which are drawn from my background in corporate

marketing, my formal marketing training, but most importantly from our journey in establishing a wine brand.

1. Set your sights – plan your success

Setting your sights on buying a vineyard and living the dream is great, but in order not to go broke in the process there needs to be a dose of realism injected. Before selecting the region and subsequently the site on which to peg your dreams, you need to first determine if you'll be export-driven or more focused on a domestic market, what grape varieties will be appropriate for your chosen markets and also how much land you'll need to produce enough grapes to make the business model work. Our business advisor provided financial models on various scenarios to show the timeframes to hit break-even – it's worth knowing how many years you're going to need to keep funding your dream.

Given the extremely competitive and price-sensitive nature

of the market, you'll also need to determine what your finished product price points are likely to be and therefore what your competitive landscape will look like so you can start to ensure you're building a differentiated product offering and one that can compete successfully. All of that is called marketing – it's not the activities you do once you have a product, it's the research and planning you do to ensure you're going to have the right market for your product before you start producing it. Too many small producers have planned a low volume, high priced, high margin business, only to find they end up with a low volume, low priced, no margin business – and that generally means they forgot the marketing.

Some sound advice we were given when we first thought about establishing a vineyard was that the wine business was a three-legged stool – winemaking, viticulture and marketing – which all need to work in sync and if they didn't, you fall over.

2. Get some perspective – not just yours

Getting feedback before you launch your business and your brand is crucial. In the corporate world, no company name or new product is ever launched without serious research – and that costs a lot of money. Our plan was to have a product that would be exported to many markets overseas so we needed a brand name and a design on our labels that would work in all of our planned markets so that there were no misunderstandings or pronunciation issues. It's also important to have a brand name and a 'look' that your target audience identifies with, and likes – so you need to be clear about who that target audience is. The other benefit of determining export markets prior to developing your brand, is you can check to ensure you can trademark that name in the appropriate countries.

One of New Zealand's oldest brands, Montana, marketed itself in the US as Brancott Estate since many Americans quite naturally associate the name Montana with the US state

new wine brand from New Zealand.

Doing brand research doesn't have to cost a lot of money – in fact it doesn't have to cost anything. I've seen companies get some good brand feedback using groups on social media channels such as LinkedIn and Facebook. Ours was effected using email and all it required was some careful planning, plenty of communication and a lot of listening.

3. Play to your strengths – it's OK to want to be the best

New Zealanders tend towards being unassuming and certainly don't tell people they're the best – unless of course they're talking to an Australian about rugby. Taking the high ground is not a Kiwi thing, but it is a business thing. If you want to be successful in business you need to be doing something better than anyone else and not be afraid to say so.

You need to understand what sets you apart and what makes your product unique compared to anything else – and

TOO MANY SMALL PRODUCERS HAVE PLANNED A LOW VOLUME, HIGH PRICED, HIGH MARGIN BUSINESS, ONLY TO FIND THEY END UP WITH A LOW VOLUME, LOW PRICED, NO MARGIN BUSINESS – AND THAT GENERALLY MEANS THEY FORGOT THE MARKETING.

of the same name, and given that any winery from that state could legitimately claim their wine was from Montana. Three years ago the parent company, Pernod Ricard, decided to change the brand in all other markets to Brancott Estate. The costs associated with juggling two brand names for 10 years and then the transition process and re-branding to the single brand would have been huge and certainly demonstrates how important it is to ensure that one's brand mark is strong, distinctive and can be trademarked in all potential export markets from the beginning.

Our way of checking brand names and designs was to assemble a global brand panel that included people from all the markets to which we planned to export – US, UK, Singapore, NZ, Australia, Hong Kong, Japan, etc. It included people predominantly from the wine sector – retailers, distributors, writers and also a couple of design people with keen interests in wine and some others who we felt were our target market. We recruited people we didn't know or had met once at an event – we didn't want friends on the panel as we wanted objective opinions. To this group, we offered nothing and offered everything – we offered them the opportunity to be part of a journey to help us define our brand and also the chance to share in the fun of creating a

if you thought word-of-mouth was a good way to build your business, then that's exactly what social media is – word-of-mouth on steroids. And more importantly, your customers expect to be able to contact you via social media channels now.

The centre of our social media strategy is our website. Why? It's the only channel that's all about us. We use Facebook, LinkedIn and Twitter to have conversations with people but when people really want to find out more about us, it's our website they need to visit, therefore most of our efforts go to driving people to our website.

Our blog is incorporated on our website and that works well, and so are our YouTube videos. We find the mix of channels we use works well as they work in sync with some channels being more important in some countries than others. Please don't embark on social media until:

- Your website is fabulous;
- You have a strategy for how you're going to approach things;
- You have some expert guidance and training; and
- You lean the etiquette of social media. Social platforms

have become very sophisticated very quickly and you could do damage to your brand if you don't do it well.

Finally, don't relegate the roll to the youngest and most inexperienced person in your company – unless you've just promoted them to be your company spokesperson. The good news is social media channels are free and there's also no disadvantage being an SME versus a big business with these channels – in fact you probably have more of an advantage as a smaller business as you're more in control of the conversations.

Also, I think women have a bigger advantage with social media too – we tend to be better communicators! ■

• *This article is based on a presentation that Misha Wilkinson delivered as part of 'The Biz' – a series of small business education and networking events around New Zealand earlier this year in conjunction with Yellow®*

MISHA WILKINSON owns Misha's Vineyard in New Zealand. Email misha@mishasvineyard.com.

Australian products for Australian wineries

FERMENTERS AND TANKS



SUPPLIERS TO THE WINE INDUSTRY FOR OVER 50 YEARS

MILLER

28 – 34 Neptune Terrace > Otway SA 5013 • T: (08) 8245 2100 • F: (08) 8447 1088 • E: fm@millers.com.au • www.millers.com.au