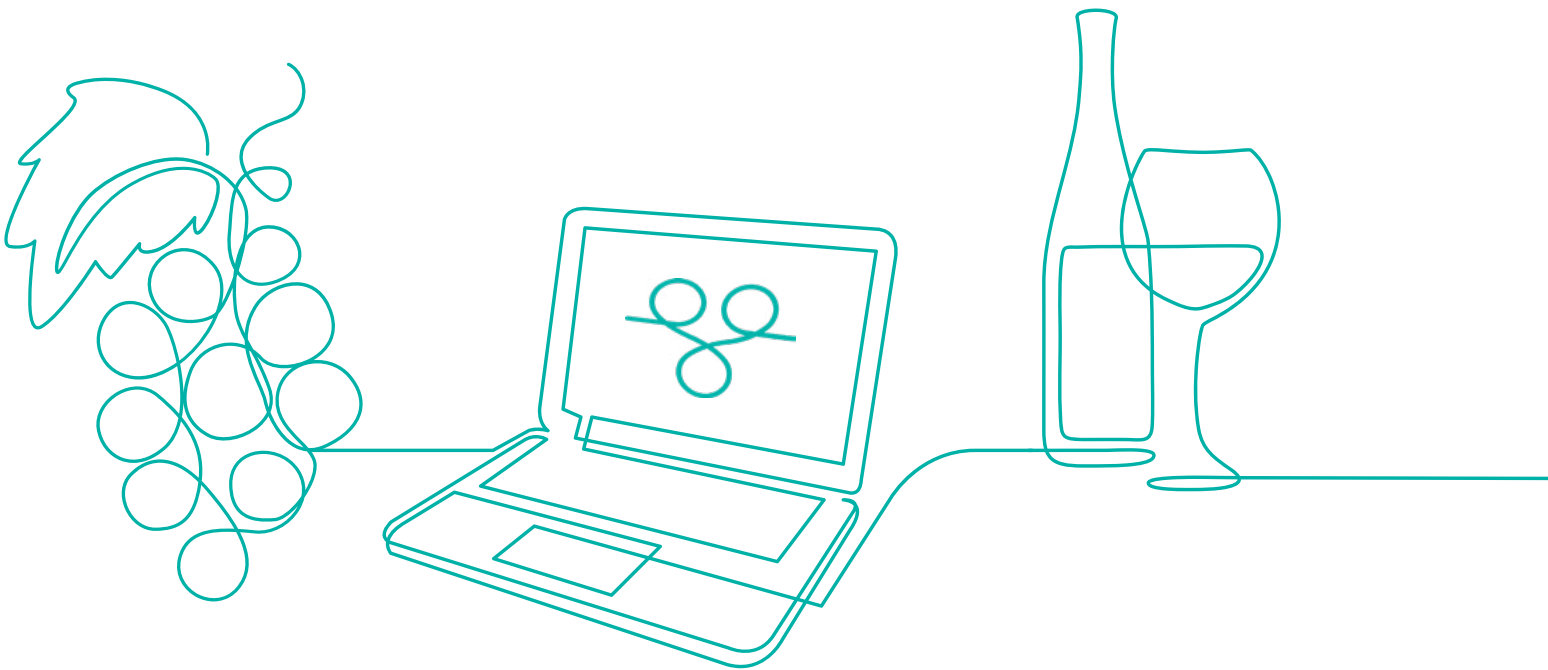# vintrace
wine cloud

Enterprise Winery Edition

The modern winery's guide to a future-proof business

What's in the guide?

- Bump Williams Consulting on the state of the wine industry
- Blending tradition and innovation
- How multi-segment beverage production creates demand
- Why data-powered marketing and enhanced efficiency should drive your winery's next moves
- 6 secrets beyond marketing to reach modern consumers

- Multi-segment production through M&A
- 4 ways to make your winery more attractive to potential buyers
- Shaping the future of wine in the age of the modern consumer
- Reducing labor costs and still accomplishing more
- The unsung hero of custom crush winemaking
- Harness data & technology to gain a competitive edge in distribution

Bump Williams Consulting on the state of the wine industry

Brian Krueger

VP Business Development & Portfolio Strategy

Bump Williams Consulting

The challenges for the modern wine industry facing its third consecutive year of negative growth are perhaps some of the steepest across the beverage alcohol universe. While wine still maintains its #4 $ Share (7.2%) in total beverages, like the #1 category of beer (23.9%), wine is losing share (-0.6% in 2023 and a total of -1.3% over the past 2 years) in the total beverage world to the modern consumer.

The current state of wine is one in transition from tradition and heritage towards the modern cross-category consumer steeped in variety and convenience of style, flavor, package size, marketing, and occasion. The rise of RTDs across all categories, including wine, is a prime example of flavour, package size, and channel success, but there is also an evolution within traditional wine in style share shifts.

Like the categories of beer and spirits, wine is experiencing an evolution and showing success outside traditional areas of stability and growth, most notably in the areas of wine-based cocktails/RTDs (+20.8%), dessert wine (+15.5%), and non-alcoholic (+23.5%). While overall table wine is showing softness (-2.0% in 2023), styles like pinot grigio/gris and sauvignon blanc/fume are both showing signs of $ (+1.3% and +5.3%) and share growth (+0.3% and +0.6%).

The wine industry faces steep challenges amid three years of negative growth. While wine maintains 7.2% ($23.9B) of total beverage share, it is losing share (-0.6% in 2023, -1.3% over 2 years) faster than the #1 category of beer (23.9% share).

Wine is transitioning from tradition to meet modern demands. RTD wine grew 20.8%,

Dollar Share of Total Beverages

Beer + Wine + Spirits

A	beer/FMB/cider/seltzer	**23.9%**
B	soft drinks	**20.1%**
C	energy drinks	**10.3%**
D	all other drinks	**9.4%**
E	total wine	**7.2%**
F	water	**7.0%**
G	total spirits	**6.1%**
H	sport drinks	**5.2%**
I	fruit drinks	**4.6%**
J	fruit juice	**3.6%**
K	liquid tea	**2.8%**

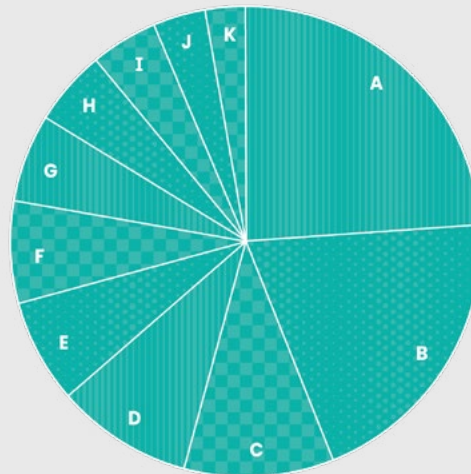Source: NielsenIQ Synd Beverages + Bev AL | Total US xAOC + Conv | 52 Wks end 12/30/23

dessert wine 15.5%, and non-alcoholic wine 23.5%. Table wine declined 2.0% but Pinot Grigio/Gris grew 1.3% in sales and 0.3% in share, Sauvignon Blanc/Fume 5.3% and 0.6%.

Wine must evolve beyond stability. Overall table wine is soft but some styles grow, like pinot grigio and sauvignon blanc. Like beer and spirits, wine must match beverage trends. RTD success shows potential for innovation in flavour, package, and channel.

The wine state is in flux. While table wine declines, some styles grow in sales and share. The rise of RTDs demonstrates the possibility for new areas of wine success through flavour, size, marketing, and occasion.
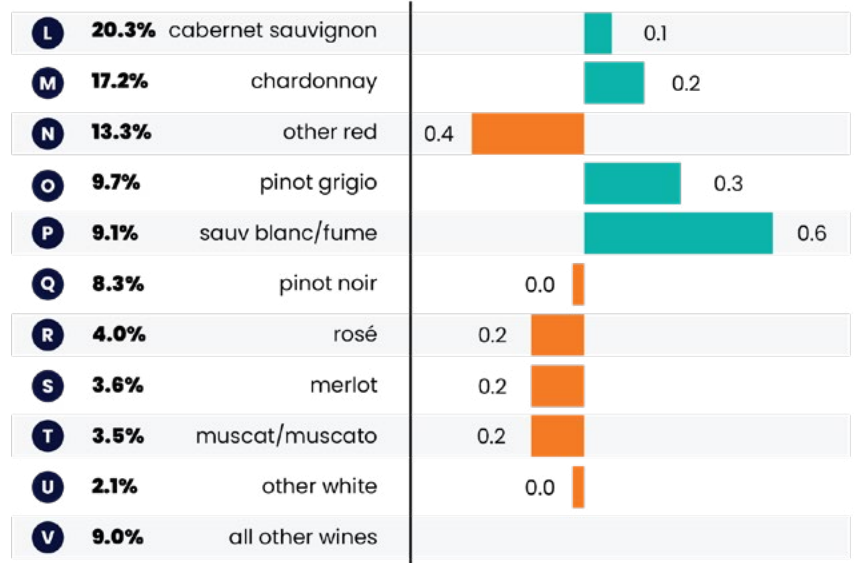
Table wine segments dollar share & trends

Total USxAOC + Liq Plus Conv (*Table Wine Dollar Sales % Chg YA = -2.0%*)

Dollar Share of Total Table Wine
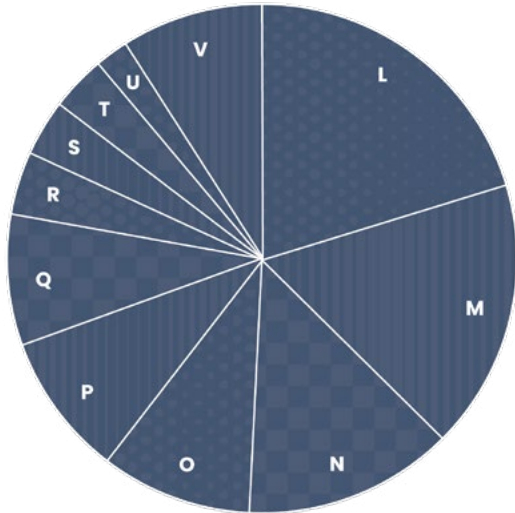
Dollar Share of Total Table Wine ChgnYA

	Share	Segment	ChgnYA
L	20.3%	cabernet sauvignon	0.1
M	17.2%	chardonnay	0.2
N	13.3%	other red	0.4
O	9.7%	pinot grigio	0.3
P	9.1%	sauv blanc/fume	0.6
Q	8.3%	pinot noir	0.0
R	4.0%	rosé	0.2
S	3.6%	merlot	0.2
T	3.5%	muscat/muscato	0.2
U	2.1%	other white	0.0
V	9.0%	all other wines	

Source: NielsenIQ Retail Measurement WINE | Total US xAOC + Liq Plus Conv | YTD 52 Wks - W/E 12/30/2023

The challenges are real for the wine category in maintaining share of mind with its current aging core consumer (age 40+). However, there is also a tremendous amount of excitement, current success, and opportunity in connecting with the next generation of alcohol consumers by bringing them into wine through non-traditional segments, categories, channels, flavours, and packages.

Those wineries and brands that are experiencing success share one or more of these key approaches to excel in the current and future beverage alcohol environment:

- Focus on a core territory and the opportunities within
- Attack an opportunity with the omnibibulous (Adj. able or likely to drink almost anything) consumer to bring them into wine through traditional and evolved beverages
- Embrace data and market insights to make decisions
- Strive for and achieve efficiency in their production and route to market
- Demonstrate an ability to be progressive and nimble in marketing and package offerings
- Align with distributor and retail partners' need for variety, profitability, and connection with the consumer

Blending tradition & innovation:

The wine industry's modern quandary

A winery without tradition is like a library without books. It gives winemakers a chance to revel in the achievements and knowledge of the past. It connects wine drinkers to the rich history of lands and peoples. It gives wine a unique edge in the beverage alcohol industry. The generational reservation of family secrets through oral tradition maintains elegance by paying homage to those who did it first and builds on the collective knowledge of winemakers across the globe the further back we go. Traditional winemaking is undoubtedly more compelling from a storytelling perspective, but to what end? Where is the line between tradition and innovation?

Annual Change in US Volume Wine Sales 2000-2023
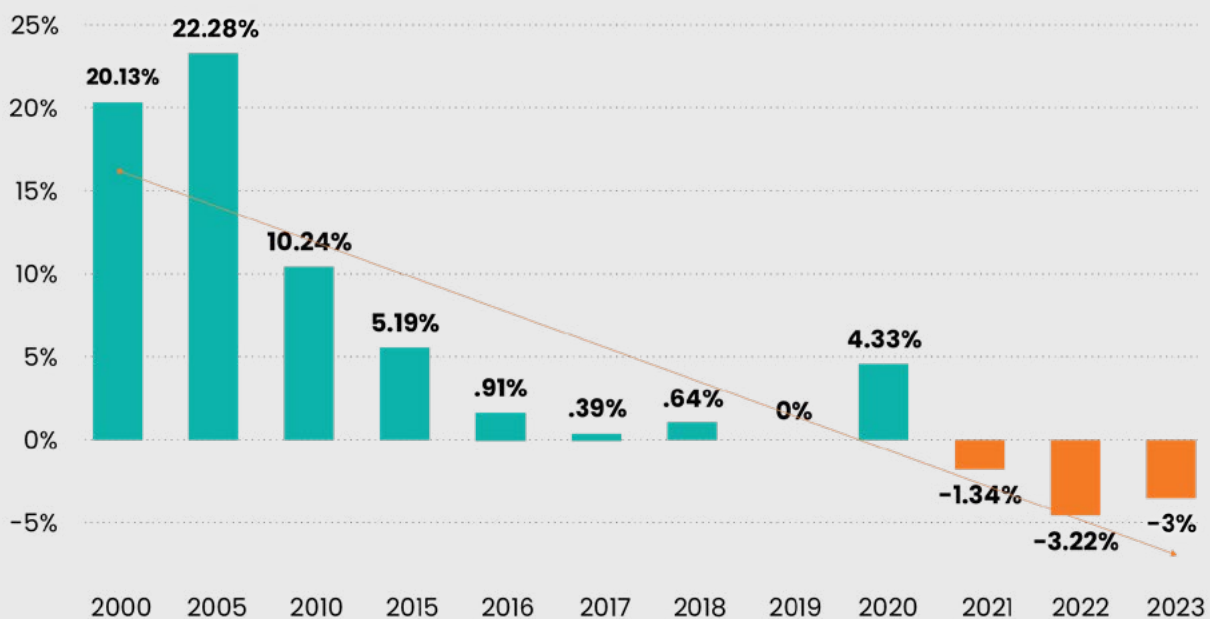
Source: Shanken's Impact Databank Review and Forecast 2023, SVB estimate | Silicon Valley Bank 2024 State of the Wine Industry

According to the **2024 Silicon Valley Bank State of the Wine Industry Report**, the wine industry is experiencing its third straight year of negative growth. Consumers younger than 60 are less interested in buying wine than ever before, creating additional complexities for wineries trying to cater to the next generation.

Modern winemakers are innovating to reach the next generation. They're turning to insights from other industries, exploring new product streams, and leveraging winery technology to handle various aspects of business so they can focus on growth - be it internal or external.

Armed with the right winery software tools and useful data, winemakers and winery operators can:

- Know the exact cost of a bottle of their wine regardless of its complex journey to the bottle

- Understand that, today, it's easy to make great wine without the need for a big workforce to support it

- Learn that product proliferation doesn't have to be a bad thing and that quality and consistency are not mutually exclusive

- Challenge their peers to think differently and adapt to the current state of the beverage market to meet the next generation of consumers more effectively

If you push to the roots of tradition, you find innovation. The powers of data, technology, and people are coming together in the modern wine industry to create new ways to meet more consumers of all ages. Any lingering belief that tradition and innovation are still somehow separate is holding wineries back from achieving success in the modern beverage industry. Wineries must open themselves to innovate - and fast - if they want to carry their tradition forward while making better wine.

Pricing, packaging, premiumization, and people have been difficult to navigate in the past. The wine industry has questions that need answers.

Today, it is forward-thinking wineries that are overcoming industry challenges and setting themselves up for ongoing success who believe in the intermingling of tradition and innovation that will define the future of wine.

It is those leveraging real-time analytics and winemaking data who will produce wine that consumers will purchase and talk about many years into the future.

It is those who are thinking more about collaboration than individual success that will emerge as industry front-runners.

This guide unpacks the details that keep modern wineries like Silver Oak, Union Wine Co., Stag's Leap, Antinori Napa Valley, and nearly a thousand other wineries a step ahead of industry change. It illuminates how they're using data and technology to help solve the most important issues in the wine industry so they can preserve the traditions of the past by making their wine (among other products) continuously unique and desirable.

About half of the global wine industry has invested in winery management software to help them make better wine and meet the industry's most difficult challenges head-on.

The future is here. Are you ready to embrace it?

ANTINORI NAPA VALLEY

Accolade Wines

GIESEN

STE MICHELLE WINE ESTATES

HOWARD PARK

How multi-segment beverage production creates demand

The beverage consumer has more options than ever before. Wine, beer, and spirits are leaning more heavily into new and hugely impactful categories like seltzer, ready-to-drink cocktails (RTDs), flavored malt beverages (FMBs), cider, gluten-free beer, sulfite-free wine, spiked coffee, hard kombucha, and everything in between. Winemakers need to take cues from other corners of the industry and work to find new ways to go to market with alternative wine products.

The resulting SKU proliferation has long been discussed as a problem. Proliferation makes optimising shelf space more confusing for retailers. It makes portfolios harder to manage for distributors. It makes production forecasting near impossible for producers.

The beverage industry as a whole needs to stop looking at product proliferation as something to work against and start embracing how to work with it. Proliferation isn't going anywhere, and it's those who decide to adapt to the omnibibulous consumer who will thrive well into the future.

Looking more closely at beverage production in categories outside of wine illuminates the importance of multi-segment production. Here are a few trends in the industry you need to be considering:

- **Non-alcoholic products are on the rise:** Non-alcoholic wine took up 13.4% of non-alc sales, spanning beer, wine, and spirits products with a market worth $52.04 million, growing by 23.2% from a year ago according to NIQ data.

  - *82% of people who buy nonalcoholic beers, wines, and spirits also buy traditional alcoholic drinks. And as a group, they actually spend more on beverages overall.*

- **The RTD category is growing… and fast:** As of August 2023, the RTD category represents 12% of total alcohol sales according to NIQ data

  - *In 2023 alone, RTDs have grown 36.5%* [A]

- **Wine-based RTDs have a foothold on the industry:** BeatBox wine-based RTDs finished 2023 as the No. 3 overall RTD brand family

  - *Wine-based cocktails are the fastest growing category, up 20.8% from 2023 to 2024 and showing no signs of slowing* [A]

- **Flavor is the name of the game:** Only 4 of the top 25 brands across beer and spirits don't feature some sort of flavor-centric liquid

- **Packaging innovation:** A new segment doesn't have to mean new liquid. From 2016 to 2020, canned wine grew from about 40 brands to 230

- **Sparkling wine is on an upward trend:** Sparkling was +0.6% in 2023 versus the prior year [B]

A: according to Bump Williams Consulting | B: according to Circana data

Then

Now

How you can embrace SKU proliferation and multi-segment production to become future-proof:

Distilling as an entry point: Distill gin, whiskey, or even brandy (for fortifying wines!) and open yourself to the possibility of better margins in new categories.

Sparkling wine production: As sparkling wine grows, this is the perfect way to expand your portfolio and reach new consumers. Not ready to make the full investment? Outsourcing your sparkling production to companies like Australian Cuvee Centre can pay dividends in the long run.

Wine-based RTDs: According to Bump Williams Consulting, there is still a huge opportunity to increase prices on wine-based RTDs, which could bode well for the bank account.

Spirits-based RTDs: Get in on the fastest-growing category in the beverage industry. Simplicity, flavour, and accessibility can capture the attention of modern consumers with ease.

Canned wine: Cans can help you move more products faster and open you to a range of new marketing opportunities from the product launch to the label on the can itself.

Mergers and acquisitions: With the potential to be mutually beneficial, smaller wineries that sell their company wind up with the resources and funding to stay afloat amid tightening margins while buyers expand their geographical reach and broaden their portfolio to reach new audiences.

The negative trend in wine consumption may stem from a resistance to change from wineries that have clung to processes that worked in the past but now threaten their future.

By shifting your mentality and embracing change, you may find the answer to problems like excess wine, shrinking margins, and reaching younger consumers.

Now is the time to future-proof your business and become a multi-segment producer.

Companies are already using vintrace to produce new product categories. 2 Towns Ciderhouse, Virtue Cider, Montezuma Winery, Woodbridge Winery, Hazlitt 1852 Vineyards, and others use vintrace to assist in the creation of hard tea, mead, non-alcoholic wine, wine-based RTDs, and cider.

If you're interested in learning more about multi-segment production, **download the free guide for beverage producers.**

Download the guide

Why data-powered marketing and enhanced efficiency should drive your winery's next moves

Given the continued decline in wine, companies around the world are scratching their heads about how to shift attention toward marketing to the next generation of consumers aged 25–59 without losing the key revenue stream delivered by consumers aged 60 and older.

According to the 2024 SVB State of the Industry Report, **"There are only two operative solutions. One is to collaborate on marketing the category to expand the number of consumers and wine occasions. The other is to be more effective and efficient as individual wineries since we will all fish for the same consumers in the same pond."**

The future success of your winery hinges on these two recommendations. Fortunately, you can work to solve both industry-wide issues through marketing while simultaneously optimizing your winery to become more efficient.

While traditional advertising, social media, influencer marketing, email campaigns, and other baseline marketing strategies have ramped up for wineries in recent years, their impact in reaching younger demographics and diverse markets is still minimal. But why?

Wineries must reflect inward before moving forward with their marketing strategies. Wine has a long history of success in marketing the luxury lifestyle. However, the appeal of footloose and fancy-free living is beginning to dwindle as consumers turn to other options among seemingly hundreds of new product categories that are more effectively marketing lifestyle and specific occasions.

It's a great time in the industry to take cues from other beverage segments like beer and spirits to think about marketing strategies. There's a lot of variety and innovation in how other beverage brands are marketed… which begs the question:

Why are so many wine brands marketed the same?

Packaging alternatives open doors for new consumer occasions.

"Packaging innovations and expansions have created more usage occasion options for consumers with an emphasis on convenience and freshness longevity, such as cans and boxes, respectively. New item launches in cans and the subsequent sales have tapered off somewhat in the past year, but box sales have been strong, especially the 3 liter and 0.5 liter sales."

- Mike Wyatt
Consultant, Circana

Variety and Innovation effectively marketing lifestyle and specific occasions.

Red Bull has created an entertainment empire out of an energy drink. Red Bull doesn't only give you wings. It gives you endless entertainment in the realm of extreme sports. This is a brand that has barely deviated from its flagship product, focused time and money on its brand, and become media masterminds and branding geniuses as a result. The product wins in each generation because of the experiences Red Bull has created around it.

It doesn't say it explicitly, but "Find your beach" pops into your head when you see this ad. Corona's brand narrative is very deliberate, niche, and differentiated.
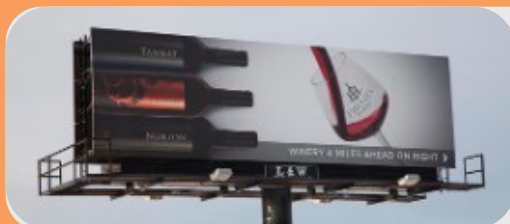
Maker's Mark operates within the realm of product quality and the time it takes to make something great. This has been a trope in liquor advertising for decades, but a new take on an old classic is never a bad thing.

If we could make it any faster, we wouldn't.

Maker's Mark

Hand-dipped, handmade premium bourbon.

Live in full flavor.™

PICK YOUR FAVORITE FOR EVERY OCCASION.

Sparkling Ice is (quite literally) creating occasions by casting a wide net across their entire product lineup. Bonus points to Sparkling Ice for their multi-segment production initiatives (sparkling water, spiked seltzer, caffeinated beverages, and many flavors).

When we look at wine, the narrative similarity makes it incredibly complex for brands to stand out, and in the public eye, wine brands blend together. Now is the time to deviate from status quo and paint some bold strokes to bring attention to your brand.

So many wine brands marketing the exact same traditional, luxury lifestyle.

Take a look at some of the marketing initiatives that have set out to redefine wine occasions

Barefoot Wine + Football
Barefoot is working to create new occasions (like NFL football) to drink their brands.

Snoop Dogg & 19 Crimes - Cali Blanc
A move implementing augmented reality and Snoop's star power to drive interest from younger consumers.

Josh Cellars Meme Craze
A stroke of luck, good timing, and interactive social media management is drawing the attention of Gen Z.

Accolade + James Harden
The basketball star works with Accolade to disrupt the wine industry and diffuse young consumers' assumptions about wine culture.

OR… Get your wine **label in close proximity with Taylor Swift** and your fortunes will change drastically overnight.

But wineries cannot simply rely on the story they tell. They must also think more precisely about where they tell it. That's where technology comes in.

Wineries must present their brands to modern consumers through modern means. Wine clubs and subscriptions, direct-to-consumer platforms, product information management tools, technology that fosters smarter connections with distributors, and more can all be hugely beneficial to marketing initiatives without wineries having to do more than set themselves up for success.

In the end, the most powerful tool for any marketer in any industry in the age of information remains constant: data.

When wineries have access to data that can help them pinpoint nuances in consumer behavior related to their brands, they gain control over their ability to increase revenue through data-driven decisions.

The use of technology paired with your desire to innovate and overcome portfolio management challenges is a step to future-proofing your winery and ensuring you add to the legacy of your brand and company.

Technology, data, and creativity are your keys to creating more consumer occasions.

The next wave of wine consumers is out there. It's time to connect with them.

Marketplace DTC platforms are a great place for ads.

"In the post-COVID environment, the behaviour of alcohol buyers is evolving in different directions. The overall proportion of consumers shopping online is down, but those who continue to do so are increasing their frequency. This indicates that the channel is shedding 'transient' users who only adopted it out of necessity during the pandemic, but also maintaining or even gaining appeal among eCommerce loyalists…the digital space is a crucial source of information, influence, and engagement for buyers across all channels."

- Guy Wolfe
Head of eCommerce Insights, IWSR

Six suggestions beyond marketing to reach modern wine consumers

Young consumers are intimidated by wine. Currently, wineries are being challenged to make their wines approachable for younger, flavour-focused drinkers. The difference between wine and other beverage innovations is that these other new products don't leave much to the imagination, but rather tell consumers exactly what they're going to get on the label. "Black Cherry Hard Seltzer" is a far more approachable label than "Petite Sirah" to the young consumer. Factor in a higher price point and the decision becomes that much easier.

Why would they concern themselves with making a complex decision about a beverage they don't fully understand when they could walk to the cooler and have the simplified options of beer, ready-to-drink cocktails, hard coffee, seltzer, hard kombucha, flavored malt beverages, and more?

Reaching modern consumers comes down to six intermingling elements:

1. **Embracing proliferation:** Packaging and product innovation is changing the wine industry as a whole. Bags, bottles, cans, mixed drinks… wineries need to embrace these trends. The result is creating a way for your brand to appear in more places, casting a wider net to the omnibibulous era of consumers, and giving you a better chance to reach more people through simple product innovations.

2. **Leaning further into new and existing strengths:**

- Getting more out of your DTC platforms to increase the traceability of your customer base and their preferences
- Using new grape varietals and additives to achieve consumer-demanded flavour profiles
- Packaging innovations like offering a canned line of your flagship products

"Cans were the big innovation that launched us into a huge growth phase."

- Meredith McGough, Director of Supply Chain and Vineyard Operations, Union Wine Co.

3. **Costing competency:** Do you know the exact cost of a bottle of your wine? Modern wineries have implemented tools to track costs from end to end through the entire winemaking process, regardless of their blending or aging complexity. This enables winemakers to gain insight into areas where they can cut costs, invest more, and define more creative price points.

Uncover the true power of data visibility

*The **power of data visibility** across all of your business touchpoints and data connecting the beverage supply chain provides the ability to make better decisions. The best software in your tech stack can provide immense value with an API endpoint that connects you to Power BI and other business intelligence tools, presenting a powerful snapshot of the business for each desired department.*

4. **Data and insights:** Leveraging data across all aspects of your winery enables winemakers to boost efficiency, connectivity, and collaboration across your team, smoothing the wrinkles of your day-to-day workflows. Additional insights stemming from the consumer level can help wineries track sales like never before and strongly influence the accuracy of demand forecasting.

5. **Smart labour:** Hiring a more diverse group of people to help push your winery into the future can ensure the choices being made from the top down will be impactful as you open yourself to new kinds of consumers, different markets, and innovation in the wine styles you produce and the packaging you use. Tomorrow's industry leaders need a voice today. Those who can communicate with younger and more diverse audiences can be a huge asset to your team and the long-term success of your winery. The right tools will help you get the most out of your workforce by enhancing communication, boosting efficiency, and eliminating manual processes. For example, vintrace will be available in Italian, French, and Spanish, enabling more employees around the globe to access the software and communicate more effectively across language barriers.
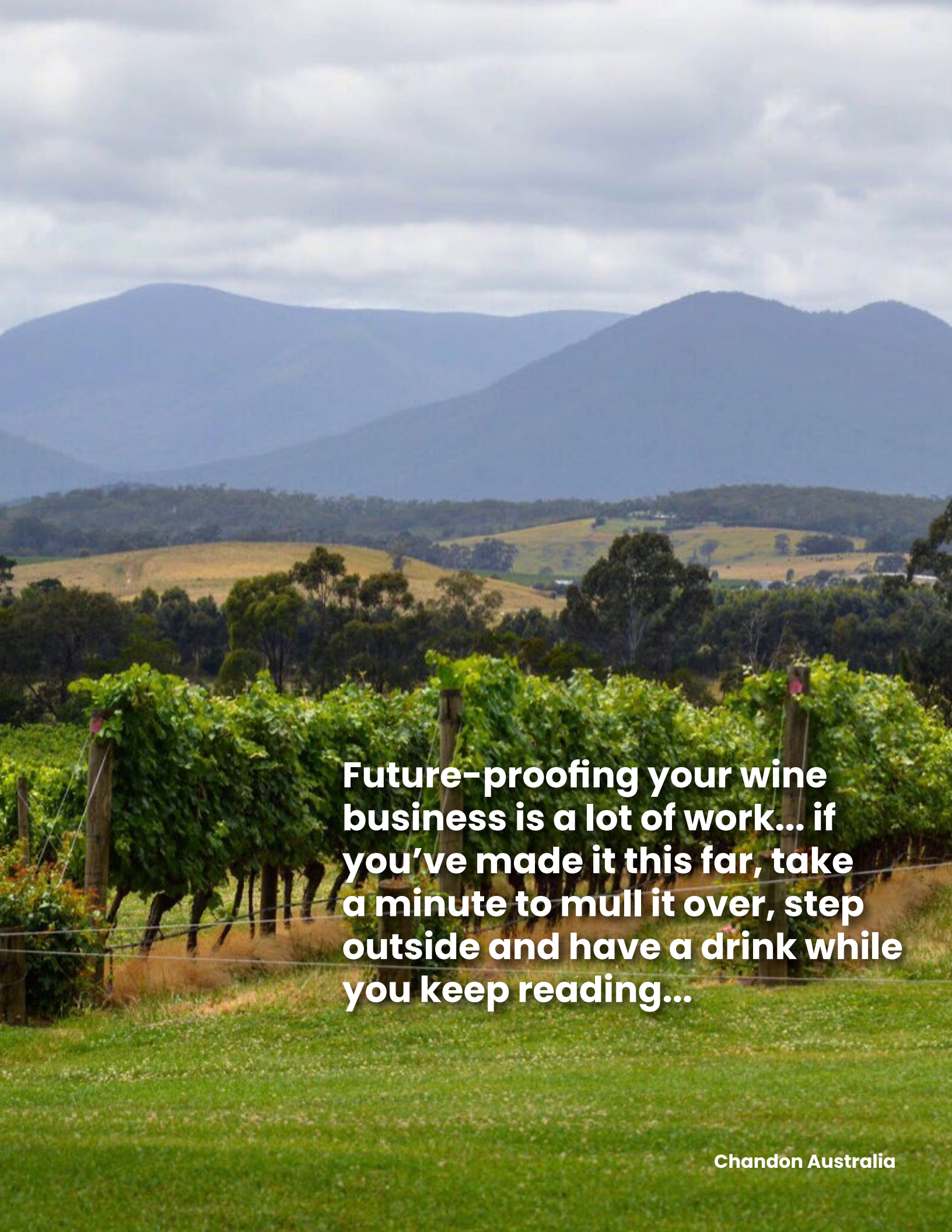
"The wine industry needs to innovate to address younger and more diverse markets. I'm looking forward to the industry being more open-minded about different styles of wine needed to address new markets. I'm excited to see marketing to a wider range of people in general. As we know, the population that currently drinks the most wine is aging. While nothing is going to be solved overnight, we can ensure that the teams we hire and train as tomorrow's leaders reflect the diverse, new populations that will be drinking our product in the future."

- Becca De Kleine
GM and Director of Operations, Four Feathers Wine Services

6. **Time:** Ultimately, using technology to regain time is the key to solving the biggest problems. As consumers continue to see an uptick in beverage choices, winemakers have the chance to rise to the challenge and meet consumers where they are. Technology-enabled wineries will conquer efficiency and create time to innovate and stay ahead of shifting consumer preferences.

Future-proofing your wine business is a lot of work... if you've made it this far, take a minute to mull it over, step outside and have a drink while you keep reading...

Chandon Australia

Conquering the conference table: multi-segment production through M&A

As the wine industry faces new challenges, the velocity of change has intensified. Wineries of all sizes are looking for a smart way to respond to the inconsistent desires of the modern consumer.

For enterprise wineries, this means portfolio expansion that could help them reach new consumers in different areas and add to their brand power. For small estate wineries, this could mean an opportunity to secure a future in the modern beverage industry. As a result, **consolidation of the wine industry continues** and many wineries are in a position where mergers and acquisitions are the smartest option to keep business on a positive trend.

"I think a softening demand for total wine overall means the pie is not growing as fast, and so consolidation will continue. In an environment where sustainable growth depends increasingly on securing market share, competition among those top producers will continue to be healthy."

- Dave Derby, SVP & CCO
Trinchero Family Estates

Mergers and acquisitions (M&A) of products or companies in new segments is a great option when you have the financial means to make it happen. When done right, M&A can be financially fruitful, so here are some important steps to take while seriously analyzing if an M&A strategy could be right for you:

1. **Develop your acquisition strategy:** Start by considering important factors like synergy, growth potential, competitive advantages, and cultural fit. Think about whether it makes more sense to acquire another company outright, or if a strategic partnership makes more sense. Reach out to industry connections who have gone through M&A before. They will be supportive and share their insights and 'watch-out-fors'.

2. **Assemble a professional team:** Lawyers, investment bankers, financial advisors, and industry consultants will be guides for your M&A strategy. They can help with deal structuring, due diligence, valuation, negotiations, and legal matters so you can put your best foot forward in making a strategic acquisition.

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3. **Conduct an in-depth analysis of potential M&A:** Evaluate financial performance, market position, operational capabilities, intellectual property, legal compliance, and potential risks. Your team of professionals will be very useful through this process and help you get ahead of any hidden liabilities or issues that could impact the success of your intended M&A.

4. **Evaluate and negotiate:** Determine the fair value of the company or companies you've evaluated based on financial analysis, future growth potential, and industry benchmarks. Then, negotiate the terms and conditions of the deal including the purchase price, payment structure, warranties, and indemnities.

5. **Lay out an integration plan:** If you can identify potential integration challenges, synergies, and potential cost savings before executing a deal, you'll execute a smooth transition.

6. **Align your marketing strategy:** Always account for the after-effects internally and in the market. Work diligently with stakeholders at the company or companies involved in your deal to align people, processes, branding, and external communications to ensure a smooth transition once your deal is done.

Surrounding yourself with thorough, diligent, and patient people will be key to successful M&A. The more you leverage your support network, resources, and team of experts, the smoother and more lucrative your M&A investment strategy will be.

Some wineries have found a way to get their second wind through acquisition. Being acquired, while it may shake up your day-to-day, has some really strong benefits like:

Access to more resources   **Ability to outsource production**   **Additional revenue streams**

Grow toward new consumers

Pernod Ricard sold a portion of it's wine portfolio to Accolade in order to focus on calculated efforts in the spirits industry.

According to Business News Australia, "The transaction is the result of Pernod Ricard's continuous assessment of its strategic opportunities, in line with its longstanding policy to deliver sustainable value for its shareholders, employees, clients and partners," says the company."

Four ways to make your winery more attractive to potential buyers

Wineries have long recognised the importance of diversifying their revenue streams to thrive in an ever-changing market. With the advent of cloud-based wine production software, wineries now have additional tools to explore new avenues for monetizing their assets.

Here are a few innovative options for modern wineries:

Custom crush services

Custom crush, which is processing wine for other brands using fruit provided by a grower, is a service that has continued to increase in popularity. The most successful wineries are leveraging their production facilities and expertise to produce wine for other brands or individuals.

Wine production software streamlines the entire custom crush process, making it easy for wineries to offer their facilities and winemaking expertise to clients. By monetizing underutilised production capacity, wineries can generate additional revenue and establish valuable industry relationships.

Wine tourism and experiences

Wine tourism is a burgeoning industry, and wineries can capitalise on this trend by creating packages that include weddings, vineyard tours, tastings, food pairings, and educational workshops. These immersive experiences and events can become a significant source of supplementary income.

A behind-the-scenes look at tracking things like brix and temperature in winery production software can showcase the vastness of your operations and support the consumer perception that winemaking is hard work. These days visitors are in awe as much at the digital processes as the tangible equipment.

Wine club and subscription services

You can expand your customer base and boost recurring revenue by offering wine club and subscription services if you're not already. Subscribers can receive regular wine shipments, exclusive access to limited-edition releases, discounts on wine purchases, and other creative perks. Building a community of wine enthusiasts around your brand provides an additional, steady income stream while fostering brand loyalty.

BONUS: DTC (Direct-to-consumer) eCommerce is a must for modern wineries. Connecting the dots from vineyard to end consumer gains you a better understanding of online customers in addition to reaching new audiences and retaining better margins.

Bulk wine and grape sales

Wineries with surplus grapes or wine inventory can tap into the bulk wine and grape market. Cloud-based software can help you manage bulk wine transactions, contracts, and logistics efficiently. This strategy allows you to flow through the ups and downs of demand and build valuable industry connections.

Wineries need to monetize their assets beyond their primary wine brand to thrive in our competitive industry. Embrace innovation, future-proof your business, and watch your winery's revenue flourish.

Lean into support from your solutions providers

A reliable support system for the solutions you use is crucial for any business. Find a steadfast support team, dedicated to helping you navigate the ebb and flow of the modern wine world.

Here's how your tech support team can be your secret weapon for success:

1. **Speed of support leads to problem-solving without interruption**
The pace of your tech support team is important in the knowledge they have of the industry and their ability to actively problem-solve while you continue to operate your winery. Your support team can help you remain well-equipped to adapt and grow, helping you find the right solutions to specific issues without slowing down or interrupting your workflows. The result is less time spent on technical issues and more on achieving your business goals.

2. **Technology continues to advance and a support team that can help you stay in the lead**
Find a way to remain at the forefront of technological advancements, ensuring that your winery stays on the cutting edge. It's not just about answers. It's about actionable next steps you can take to streamline your production processes, enhance your data analytics, or improve your compliance measures.

3. **There's a big financial upside to employee retention**
Tech support teams shouldn't be a faceless entity; they should be a team of experts with real wine industry experience who genuinely care about your success and your success using their product. They need to take the time to understand your unique needs, challenges, and goals. You're not just another client; you're a valued partner, and modern tech providers should personalise support that extends beyond the software you use.

"We want all of our users and the industry to get the most out of the software we provide so they have more time to focus on making great wine and finding success in the market."

– Kaitlin O'Brien, Manager of Product Support at vintrace/WMDB

With the right production software, you'll have a dedicated team committed to your winery's success. Knowing you have the support you need to future-proof your business enables you to operate more effectively with a smaller workforce, embrace the unknown, and focus on what matters most.

How to shape the future of wine in the age of the modern consumer

There are more than 2,400 wineries in Australial alone and the competition wineries face extends well beyond those borders and into emerging beverage product segments like seltzer, RTDs, and so much more.

Are you effectively setting yourself apart from competitors? Do your sales prove you are?

Here's what your future can look like when you choose to future-proof your business with winery technology:

Precision winemaking
Wine production technology enables wineries to collect and analyse vast amounts of data in real time. This data-driven approach allows winemakers to fine-tune every aspect of their process from work order management to fermentation control. The immediate impact is winemaker pride in unparalleled quality, consistency, and flavour profiles.

"We're saving over 60% of our time creating work orders."

- James Schnieder
Winemaker, Opolo Vineyards

Market insights
The right software can provide wineries with real-time, comprehensive market insights and sales trends, enabling them to identify trends and consumer preferences. Modern wineries use supply chain connectivity and direct-to-consumer (DTC) platforms to gather and leverage this information to respond to changing demands, adapt their product portfolios, and make data-driven decisions to remain competitive.

"We're able to sit in meetings, pull up information on vintrace, and collaborate more because of the real-time information."

- Kira Malone
Winemaker, Phase 2 Cellars

Supply chain optimization
Wineries can optimise their supply chains by utilising production software to manage inventory, logistics, and distribution more efficiently. For example, you can get a much better read on the number of trucks showing up during harvest. Supply chain optimisations lead to reduced costs, minimised waste, and faster order fulfillment, ultimately enhancing customer satisfaction.

Customization
Modern wineries offer personalised experiences to consumers. This includes personalised wine recommendations, virtual tastings, and tailored subscription services. In the immediate future, wineries will deepen their customer relationships and drive brand loyalty through customisation and data analysis.

Sustainability

Sustainability is a never-ending focus in the wine industry. Technology empowers wineries to monitor resource consumption and carbon footprints meticulously. Wineries can implement sustainable practices, such as precise irrigation management, reducing water waste, **going paperless**, and optimising energy use. Going paperless has additional benefits outside of sustainability as well.

"The winemaking team agreed we were well overdue for a software upgrade but nervous about change after only having one system for so many years. However, the team at vintrace was responsive, friendly, and able to mobilise quickly to demonstrate, teach, and assist with implementing their cloud-based winery-designed software which offers so many modern advantages. We continue to enjoy the system and discover more and more uses."

- Andrew Koerner
Chief Winemaker, Delegat

In your modern era of wine production, where every drop matters and every decision counts, technology is the key to unlocking the full potential of winemaking. Those who choose to harness the power of data and technology are the vintners of a future-proof wine industry.

How modern wineries are reducing labor costs and still accomplishing more

In addition to other price increases across the wine supply chain, the cost of labor can be a significant challenge for your winery's cash flow.

It takes more people to manage data when your employees are juggling spreadsheets, copying and pasting important information, reconciling errors (likely from the copy and paste method), and spending unnecessary time doing double data entry.

Modern wineries like Mercer Wine Estates have recognised the impact winemaking software can have on their workforce investment.

MERCER
WINE ESTATES

"We have six people out here, so one per thousand tons we process. Another facility I know is running more like ten to twelve people per thousand tons, sometimes more. vintrace helps a lot with the efficiency of the team and it's easier to use when entering what needs to be done in the cellar and then seeing that information once I have work orders back."

- McKinley Dixon
Winemaker, Mercer Wine Estates

Software you can optimise to fit your workforce is a powerful tool to help you get to where you want to be. For instance, **vintrace now offers unlimited users and all of its features and functionality in Spanish**, opening channels for better communication across all touchpoints for multilingual workforces and introducing a better way to train and retain labor.

Using software to boost efficiency and save on labor costs gives wineries the financial bandwidth to invest in other places that are more important to moving business forward like investing in new packaging formats that more effectively reach younger consumers.

How to control the controllables to help battle climate change

There are a huge number of factors outside of a winery's control that can impact your consistent ability to create quality wine. Climate change is certainly the most impactful and is largely responsible for cost increases among wineries worldwide.

53% of wineries surveyed for the SVB State of the Wine Industry Report reported moderate or worse negative impacts from climate change in 2023 than in years past.

For instance, heavy rains in the Western U.S. are yielding much larger harvests. Naturally, this is at odds with the downturn in demand across the wine industry as a whole. Winemakers need to spend more to harvest more, make more wine, bottle more wine, and get it to market only to find their brands aren't exactly flying off the shelf.

Impact of climate change

53% report moderate or worse impact from climate change

While winemaking software can't solve climate change, winemakers have the smarts and wherewithal to combat climate change and innovate to adapt and overcome issues like heavy rainfall, unusually dry weather, or early frost. Wineries that aren't currently in control

of their end-to-end processes are more likely to experience unwanted results from climate events while those leveraging technology can more efficiently work through them.

The missing piece to truly empowering winemakers to compete with an evolving mother nature is a blend of time, data, and people.

Reallocate time to problem-solving by maximising efficiency

Winemakers need to adopt technology across all touchpoints from vineyard to winery. Efficiency across your business means more time to focus on preparing for the climate events you can't control, enabling you to more effectively adapt to today's and tomorrow's volatile environments.
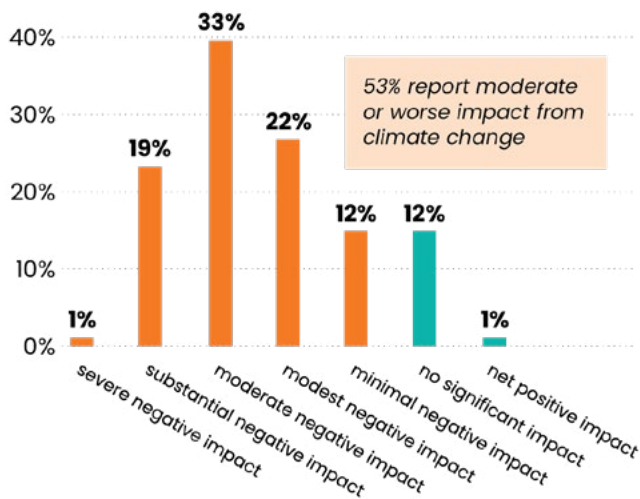
Data is the key to empowering smarter decision-making in the face of uncertainty

Information collected and easily translated across all touchpoints of your business through wine production software and the various integrations that support the winery's connection to the vineyard will eliminate enormous headaches and time-consuming activities that come with old-school data management tactics like spreadsheets, pen and paper, or legacy software.

With the right resources (time and data) your people can rise to any challenge

Empowering employees with time and data enables them to more effectively do their jobs. When your employees have control over their time and data to inform their decisions, they can focus on making great wine, staying agile in a shifting market, and maintaining preparedness for climate events.

The unsung hero of custom crush winemaking

Custom crush winemakers emerged through innovation and now, as the industry continues to shift, custom crush winemaking has solidified itself as a mainstay for many wineries.

The trouble is so many wineries have yet to adopt technology that fully supports their custom crush ventures from end to end.

Winemakers need to simplify the work required across their clients so they can spend more time growing their customer base than maintaining it. The future success of custom crush is software that enables you to be proactive rather than reactive as you scale.

*"The majority of our production is making wine for Stag's Leap because our brand is so small but we have the capacity to make a lot more wine. **vintrace makes it so much easier** because we used to have to scan their work orders and email them the work orders, and they would then enter the work order into their system. We had to do double data entry but, now, it's just one entry. Stag's Leap can see it as soon as the work order is entered, so it's so much more efficient that way."*

– Marla Carroll
Winemaker, Antinori Napa Valley

Wine production software for custom crush

In recent years, software has taken custom crush wineries to the next level. Wineries of all sizes are migrating their production processes to cloud-based software solutions. Here's why:

- **Modernised operations for custom crush workflows:** Wine production software allows custom crush wineries to manage every aspect of their production process from a single platform. Across grower contracts, this includes managing cellar notes, monitoring fermentation, managing inventory, and even handling compliance and reporting. Modernising these processes saves time and reduces the risk of errors.

"When our lab techs are doing their daily brix and temps, they have an iPad that they take out with them. And they're adding their results in real-time, so as soon as they get the result off that tank, the client can see it within seconds."

– Fin Du Fresne
General Manager, Phase 2 Cellars

- **Future-proof production processes:** With the ability to collect and analyse vast amounts of data, wineries can make informed decisions about everything from managing grower contracts to pricing strategies. Cloud-based software provides real-time insights and analytics, empowering wineries to produce higher-quality wines and optimise their forecasts with more intentionality than ever.

- **Staying agile and growing business:** As wineries grow or face seasonal variations, production software can easily scale to accommodate changing production needs. This scalability allows you to adapt to market fluctuations and seize new opportunities without major disruptions to your processes.

Interested in growing fruit for custom crush?
Check out this Wine Industry Advisor article on selecting the right facility for your custom crush needs.

Custom Crush: The Old Way

Collaboration, contract management, reporting, and costing have historically been burdensome on custom crush winemakers. Custom crush winemakers who are yet to enter the modern beverage industry are still bogged down by issues like:

Miscommunication

Traditionally, custom crush winemaking involved excess back-and-forth communication between winemakers, owners, and vineyard managers. This could be inefficient and prone to miscommunication, risking misunderstanding and delays in custom crush projects.

"Sometimes, the fruit starts coming in and all of a sudden there's no tank space left. Make sure that's something sorted out; otherwise in the middle of harvest you'll be arguing with a facility that you thought you'd be in the tank for three weeks and they're trying to get you out in 10 days."

*- Blair Guthrie, Winemaker, Stewart Cellars*

Dreadsheets

Creating and managing unique wine blends for clients is a key aspect of custom crush winemaking. Before cloud-based solutions, systems management often relied on spreadsheets or manual record-keeping which is prone to errors that can negatively impact consistency and quality across multiple batches, which is crucial for meeting client expectations.

Audits of Doom

Regulatory compliance is a significant challenge in the wine industry, with various rules and regulations that must be adhered to, especially in custom crush. Manually tracking and reporting compliance can be labor-intensive and prone to errors, risking costly compliance-related issues.

A Hole in The Wallet

The wine industry can be resource-intensive, and custom crush winemaking can be costly for both partners and producers. Inefficiencies can be passed on to custom crush partners. For boutique wineries and startups with limited resources, cost efficiency makes custom winemaking a less attractive option, potentially barricading them from new opportunities in the market.
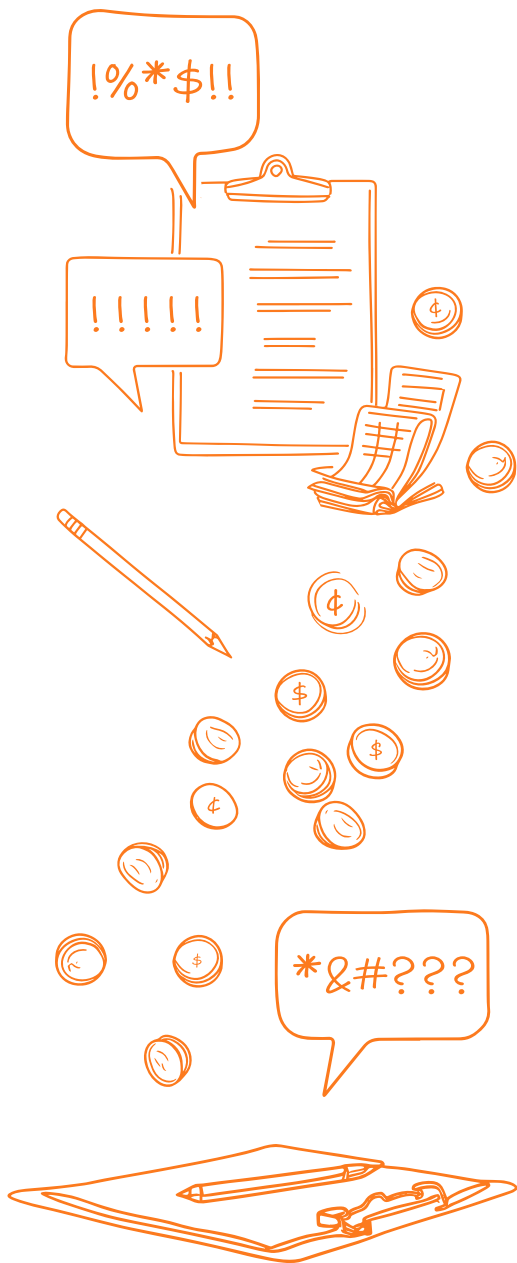
Custom Crush: The New Way

Here's how the future-proof world of custom crush winemaking looks with the right software tools at your fingertips:

Enhanced Collaboration

Cloud-based software facilitates collaboration between wineries, vineyards, and custom crush partners. Winemakers can seamlessly share information and monitor progress, ensuring that each custom crush project meets the highest quality standards.

Blend Management

Custom crush winemaking often involves crafting unique wine blends for clients. Cloud-based software makes it easy to create and manage these blends, ensuring consistency and quality across multiple batches.

Traceability and Compliance

Regulatory compliance is critical in the wine industry. Cloud-based software automates compliance tracking and reporting, reducing the risk of costly errors and ensuring that all custom crush projects meet legal requirements.

Cost Efficiency

By optimising operations and reducing manual processes, wineries can lower production costs. This cost efficiency can be passed on to custom crush clients, making custom winemaking an attractive option for boutique wineries and startups.

"vintrace helps us provide exceptional customer service. Our clients appreciate seeing their wine data in real-time rather than waiting for someone to prepare a report in the middle of crush."

–Josh Baker
Chief Production Officer, Phase 2 Cellars

How to harness distribution data and technology at your winery to gain a competitive edge

In the fiercely competitive world of wine distribution, staying ahead of the curve is not easy. For leading wineries, leveraging data and technology isn't just an option; it's a necessity.

✓ Are you making decisions based on data?

Data analytics shed light on valuable information about consumer preferences, market trends, and distribution channels. Wineries can use supply chain data to identify which wines are in demand, where they are popular, and when to release new vintages.

Predictive analytics help forecast demand accurately, allowing wineries to optimise production schedules and maintain just-in-time inventory levels. This minimises waste and ensures products are readily available when distributors need them, enabling them to tailor their sales strategies to meet consumer demand.

"What we have to learn is how to use analytics and data. Not just with the sales department and how that leads to revenue. That data has to go quickly back through the distributor employee who's ordering the products. The warehouse people have to know what's coming in and when so they can make space for it. Suppliers benefit from it when they find out very quickly which one of their products is going to be a success and which ones they should dial back on so they can start to manufacture, very quickly, what the consumer preference is."

- Ray Guerin
Former Chairman/CEO of Reyes Beverage Group and Current Encompass Board of Directors Member

## ✓ Are you getting the most out of your eCommerce and online sales?

Leveraging eCommerce platforms and integrating them with inventory management systems enables wineries to streamline online sales and provide consumers with a seamless purchasing experience.

By tracking customer interactions, purchase histories, and preferences, wineries can build stronger, more personalised relationships with distributors. This builds stronger customer loyalty and helps wineries anticipate and meet the needs of their partners, ensuring a steady flow of orders and growth in distribution.

✓ What effort have you put toward supply chain optimisation?

Wineries with access to advanced logistics and tracking systems can monitor the movement of their products from growers to production to distribution hubs and finally to retailers.

Optimising route logistics can help lower fuel costs, inform smarter routing decisions, ensure driver accountability, and enhance data accuracy during harvest… And that's only one of the tools that exists to improve your collaborative relationships from growers all the way to your distributors.
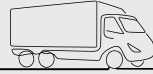
The Encompass Digital Platform connects thousands of global producers, warehouses, and retailers, improving collaboration, providing intelligent insights, and enhancing decision-making within the beverage industry. 700+ distributors (and counting!) trust Encompass.

✓ Are you still spending unnecessary time and resources on compliance and regulatory support?

Many modern wineries are benefiting from winery technology **solutions that streamline compliance processes** and ensure products meet all legal standards. It's important to uphold accurate and timely compliance reporting to bolster your reputation and open your business to new partnerships and points of distribution. Wineries leveraging the right software save hours of time on compliance reporting.

Wineries that aspire to lead in distribution sales must embrace data and technology as integral components of any successful strategy. By evolving with future-proof technology and market trends, you can secure a dominant position in the national wine distribution landscape and remain a leader for years to come.

Looking ahead

Wineries leveraging modern solutions are thriving in an evolving industry, offering high-quality custom wines and exceptional value to their clients. Modern, innovative tools are helping wineries see improved efficiency, increased profitability, and a competitive edge in the market. Your path to success in today's wine industry is clear: **modernise, adapt, and win.**

Leading winemakers are leveraging vintrace to help embrace the new way:

vintrace

wine cloud

Wineries around the world
are leveraging vintrace to
fearlessly enter the modern
beverage industry.

Are you ready to join them?
Connect with a vintrace
team member today.

sales@vintrace.com
+1 888-240-4860

Request a demo

Maker-to-market software for the modern wine industry

Whether you're innovating and promoting brands, improving business efficiencies, ensuring consistent product quality, planning to meet fast-changing consumer demand, managing margins, or optimising your workforce, cloud connections allow you to take your business to the next level.

Ready to join the ranks of winemakers who are shaping the future of the industry? Future-proof wine production software is the first step to ensure you don't get left behind.
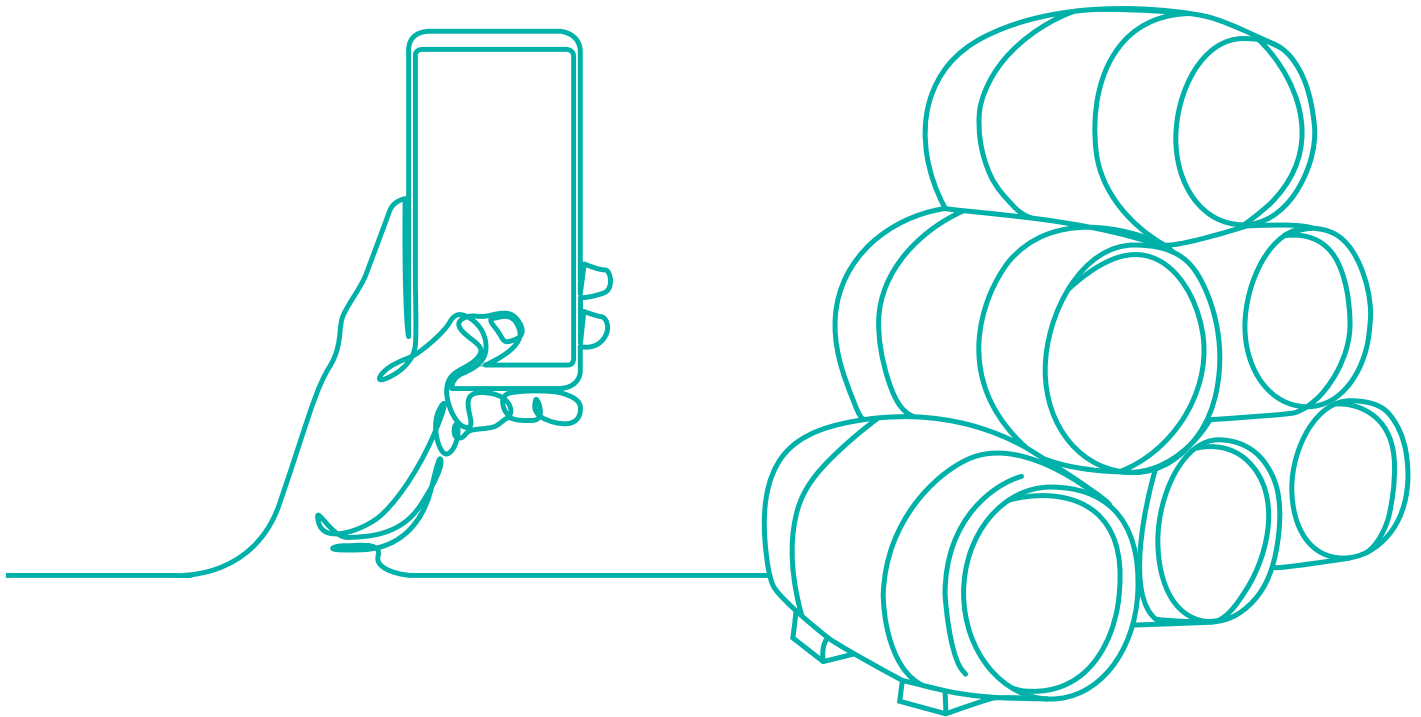
About vintrace

From maker to market, Encompass + vintrace is revolutionising how technology supports the modern beverage industry. The Encompass Digital Platform connects thousands of global producers, warehouses, and retailers, improving collaboration, providing intelligent insights, and enhancing decision-making within the beverage industry.

With more than 20 years of experience providing beverage software solutions, Encompass Technologies has built a reputation for moving the industry forward and fundamentally changing how beverages are brought to market.

Visit www.vintrace.com for more information.

Learn more