EXECUTIVE SUMMARY

What we have attempted to do in this marketing research project is to identify what the small and medium sized Chilean wineries need to do to get into or increase their share of the U.S. wine market.

Over 563,000,000 gallons of wine where sold in the United States last year, representing over 13% of all wine produced world-wide. California, a major producer, accounted for 70% percent of all U.S. sales. That didn’t leave much room for foreign imports or other U.S. states that also produce wine. Only approximately 50% of the 62 wine producing countries in the world had access to the U.S. market and of those countries, Italy, France and Australia accounted for 78% of foreign sales.

Chile, however, has had success in penetrating the U.S. market. In fact they represent 10% of the U.S. import market. We found, however, that this represented the major wineries, not the smaller vineyards. We also found that Chile needs to increase their promotional activities in the United States.

With the high number of producers and with the market dominated by a few major wineries, competition in the U.S. wine market is extremely high. And making it even more difficult is the fact that major retailers continued to consolidate their stores and businesses. This has had a direct effect on the wholesale and distribution networks, which have also had to consolidate because of the narrowing focus of retail outlets. The end result is that the distribution networks are jam-packed and the ability of smaller wineries to find distributors is becoming increasingly difficult.

Wineries are becoming more creative and aggressive in their marketing and promotional activities. One promotional activity above all others continued to come up in our research and that was direct selling by representatives of the wineries to the Distributors. This was one of the factors that Distributors considered when choosing a wine to represent. We found in many cases, that Australia, one of the major competitors for Chile, had many reps calling on the distributor network. And their reps were described as professional but fun to deal with. Not one of the distributors mentioned having been called on by a Chilean representative.

Having representatives in the U.S. is an important technique that a smaller winery can employ, but it’s not the only one. Chile’s U.S. offices can also contribute to the success of their wineries by conducting on-going events for the distributors. But these promotional activities will only be successful if the quality of the wine is good and the right consumer markets have been chosen.

We found, that with hard work and a little creativity, the wineries in Chile can be successful in entering and growing their markets in the U.S.

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INTRODUCTION

Wine is big business. In 2001 over 62 countries produced 7,422,322,000 gallons of wine. The United States is a major player in the wine market, not only as a big producer, fourth over-all, but a large consumer as well. Over 563,000,000 gallons were sold in the United States representing over 13% of all wine produced world-wide. California wines accounted for 70 percent of these sales, with other U.S. states and foreign countries filling in the balance. While many of the 62 wine producing countries would like access to the U.S. Market, only 50% have been successful. And of the 50%, 78% of the wines are exported by Italy, France and Australia to the U.S. (See chart below.)

![U.S. Wine Imports by Country](chart)

Many of the non-U.S. exporting countries, as well as individual wineries in the countries currently exporting to the U.S. would like to increase their share and/or gain entry into this lucrative market. Doing so, however, is not easy. Larger wineries, with large promotional budgets and partnerships with major U.S. wineries have an easier time, but the small and medium size wineries going it alone face many uphill battles.

Our market research has focused on how these small and medium sized wineries, specifically from Chile, can gain entry into the market. We start with an overview of the U.S. Wine Market, followed by a profile of the Chilean Wines as well as a profile of one of their major competitor’s Australia and go on to explore who the actual buyers of the imported wines are, and provide recommendations on what segments these smaller Chilean Wineries should target in the U.S.

U.S. WINE MARKET

Getting a new wine to the shelf in the U.S., where the market is very competitive is difficult to accomplish. This is especially true for imported wines, as the U.S. produces top quality wines domestically. Only those wineries that are well known – have a “big reputation”, or have a lot of money to spend on the process are guaranteed success. For the rest of the wineries it is a lot of hard work requiring determination, marketing savvy and lots of luck.

According to wine industry analyst Jon Fredrikson, “The U.S. wine market in 2001 was more competitive than it’s been in a decade. Wine growth rates in the U.S. last year were about half the level of recent years. Wineries were vying more intensely for retail shelf space and restaurant wine listings, while abundant California winery inventories and an increasing global supply of wine led to aggressive sales and marketing activities”
Wine Varietals
There are many types of wines offered in the United States but one significantly sells above all the others combined. Table wine is the single largest type of wine that is consumed in the U.S. with a market share of 89.5%. The next popular wine, at a sprawling 6%, was dessert wine. Of the table wines the most popular were the white wines at 40%, red wines at 37% and the blush wines at 23%.

Consumers
Knowing the consumer is important. It is true that various types of middlemen may purchase the majority of wine straight from the winery; however, they will not purchase the wine if the consumer isn't interested in purchasing it in the first place.

The wine market is comprised of three main consumer groups; they are core consumers, marginal consumers, and adopters.

The core consumers represent roughly 80% of the wine market and purchase mainly premier collectible wines as well as table wines. They are 40 years or older and usually purchase higher end products within the price range of $12.00 to well over $100.00 a bottle. 18% is made up of marginal drinkers who purchase primarily table wines, at a frequency of less than once a week, and within a price range averaging $6.00 to $25.00 a bottle. The remaining 2% are comprised of adopters who are people in their wine experience “infancy”. They are in the process of deciding where, how, and what role wine will play in their lives and are in the process of building their perceptual files. They tend to be younger less affluent people but are evolving into what the wine industry considers the next generation of consumers.

These consumer groups can be further broken down as follows:

Gen X – are those who were born between 1961 through 1981 so they range in age from mid twenties to early forties and are estimated at 80 million strong. 70% of them are White, 13% Black, 12% Hispanic, 4% Asian, and 1% Native American. Current statistics show generation x consuming roughly 4% to 6% of the wine market. They are typically drawn to the micro-brewery beers and fast food consumption. They are not drawn to upscale status forms of marketing and can actually be turned off by such strategies. This group tends to drink wine in casual social settings and consume less per week than the current older market of the Baby Boomers. While interested in wine, they know less about it than the older generation. Therefore you now see a lot of advertising and websites with educational, fun type of information. This is one of the keys to marketing to this group.

Baby Boomers – Baby boomers are defined as those born between the years 1946 to 1964. They are the 76 million people in the U.S. who are now in their mid forties to late fifties. They are the generation that created the “Yuppie” stereotype and are fairly affluent growing up in an age of relative prosperity within the U.S. They are comprised of 51% male and 49% female. Baby Boomers have traditionally been wine consumers since their early 20’s and are now moving to upscale wine consumption.

Women – According to marketing consultant, John Stallcup, “The industry doesn’t ignore women; it just doesn’t invest the time and effort to understand them”. This market represents a huge opportunity for the wineries looking for a specific niche. The percentage of women wine consumers continues to increase. And they don’t look for the same things in a wine that a man does. They are not swayed by the wine ratings nor do they covet the status associated with “wine knowledge”. In choosing a wine they look at the whole package including the labels, bottle shapes and punts.

Health Conscious - In recent years there have been many articles published on the health benefits of moderate wine consumption including the benefits of the antioxidants found in wine. There is a large segment of the population that is now consuming mainly red wines for these benefits.

Hispanic Market - Another interesting trend is the increasing demand for wine from various minority groups, Hispanics in particular. They make up about 12.5% of the U.S population or 35.5 million people. The bulk of the Hispanic populations live in or near the major wine consumption markets and approximately 25% of those Hispanics over 21 consume wine. This market presents a golden opportunity for a winery that is willing to commit resources to research, build and execute an effective Hispanic marketing program. Surprisingly few wine companies to-date have targeted this market.

U.S. Wine Consumption by State
There are three core states that make up the vast majority of U.S. wine consumption; they are California, Florida, and New York, in order from greatest consumption to least in that order. In 2001, California more than doubled the consumption of New York and Florida with more than 90 million gallons consumed, New York with 43 million gallons, and Florida with a close 37 million gallons. It is also forecasted in that particular wine fair article that Florida was expected to pull ahead of New York in total consumption by the end of 2002.

U.S. Laws and Regulations
The wine and liquor markets are subject to various U.S. laws and regulations. Prime among these is the “At-Rest-State Law” that requires the wine to actually be delivered to the wholesalers warehouse prior to delivery to the retailers. This, by law, creates a 3-tiered distribution system; the foreign wineries sell to a wholesaler, the wholesaler in turn sells it to the
Marketing and Promotions in the U.S.

There is a plethora of promotional and marketing venues for wine in the United States.

The wine industry promotes a “Code of Advertising Standards” They are informal principles of good advertising practice for the industry established in 1949. While not legally mandated, anyone wishing to enter the U.S. market would be well-advised to read this code. It can be found on www.wineinstitute.org website.

Along with direct sales, traditional advertising and special events, the use of the Internet is a major part of the marketing mix. Websites present a great opportunity for a two-way flow of information with the consumer and wine clubs are growing in popularity. “Traditionally, our industry has had a problem getting useful information about wine to the consumer. If you go to a normal retail environment, it's difficult to find anyone who can help you. You immediately have a lack of information," says Bill Newlands, president and CEO of Wine.com in Napa.

We have attempted to list below some of the websites, magazines and promotional events that are considered leaders in the wine marketing industry. There are many more and we would recommend that any winery interested in the U.S. market research this further before committing to any one avenue.

**Events**

- **San Francisco International Wine Competition** - held in June of each year. Includes over 3000 wines from 26 states and over 20 countries. [www.sfwinecomp.com](http://www.sfwinecomp.com)

- **World Wine Market** - [www.world-wine-market.com](http://www.world-wine-market.com) - World Wine Market brings buyers and sellers together for three days to sample and compare the best new wines and explore new business opportunities. The next WWM will be held May 1, 2003 in San Francisco.

- **Wine Dinners** are a popular event in the United States. This generally entails pairing with a local restaurant, who showcases a particular wine for an evening and meals center around the wine tasting.

**Websites and Magazines**

- [www.winexwired.com](http://www.winexwired.com) - Wine X Magazine targets wine consumers between the ages of 21- to 35-year-olds. This magazine is highly recommended for reaching the Gen X consumers. As CNBC Television noted "Wine X is THE source for a new generation of wine consumers."

- [www.winespectator.com](http://www.winespectator.com) - A website and magazine highly respected in the industry.

- [www.internetwineguide.com](http://www.internetwineguide.com) - A website listing wine sellers in the U.S.

- [www.winebusiness.com](http://www.winebusiness.com)

- [www.winedining.com](http://www.winedining.com)

- [Saveur Magazine](http://www.saveur.com)

- [www.wineinstitute.org](http://www.wineinstitute.org) - An excellent organization that is very well known in the industry. It covers everything from promotions to laws.

- [www.winebrats.org](http://www.winebrats.org) - An association catering to the Gen Xer's.

- [www.winesense.com](http://www.winesense.com) - A worldwide grassroots organization for women interested in wine.

**CHILE’S WINE INDUSTRY**

Of all the South American countries, Chile is the leader in economic progress. Internationally recognized as a country of economic and political stability, Chile has become very attractive for foreign investments including those in grape and wine growing. Wine is one of the major agricultural products of Chile and the wine industry is a very important source of export revenue. From January to July 2002, exports to the United States totaled 31,538,497 liters valued at $75,021,038, representing a 10% increase over the same period in 2001. Chile sells approximately 16 percent of its wine exports to the United States. According to a study conducted by the Chilean Ministry of Economy, the next decade will show strong growth for the wine industry and will become one of the most important sources for income for Chile by 2010.7

Chile’s wine industry is one of the oldest in the “New World”. The cultivation of wine started in the 16th century when the Spanish conquistadors brought the first vines from Europe. It has gone through many changes, most notably in the mid-19th century when the French winemakers brought cuttings from Bordeaux which marked what is known as the “contemporary wine boom”. The French were attracted to the country because of its ideal conditions for growing grapes. During this period most of the other wine growing countries were hard hit by the phylloxera blight that destroyed the roots of some the oldest vine lineages. Remarkably, Chile’s wines were not affected and to this day are still the only country that is phylloxera free. Because of this they produce wine from the original vines which ensures the fruits quality never varies – a rare advantage in the wine world.

It has only been recently (late 1980’s) that the wine industry in Chile has modernized and emphasis placed on exports. The initial exports to the U.S. were not of the best quality but they were cheap. But today, Chile has some excellent wines that are being exported. They are now becoming known for producing high-quality, low-priced wines and this is paying off for them. Chile is now ranked fourth in exports to the U.S. and with current efforts, directed towards producing higher quality wines for the premium markets, exports should continue to grow. And recent studies have shown that Chilean wines have the world’s highest levels of flavanol, a natural antioxidant. Many health-conscious consumers drink wine for this particular benefit."
Recently the Chilean Government, along with the United States, Australia, New Zealand, and Canada signed a Mutual Acceptance Agreement of Oenological Practices, allowing the importation of wine from each other as long as the wine is produced in accordance with the exporting country's domestic laws, requirements and regulations on Oenological practices. This agreement should help facilitate international trade by offering more choice for consumers in each of the countries. Additionally Chile and the United States are poised to sign a Free Trade Agreement that will bring the countries even closer together.

Many major California wineries have formed joint ventures with the major wineries in Chile to ensure a continued supply of grapes. And Chile’s export market has grown each year over the past ten years. But even with the joint ventures and growing exports, Chile still has a ways to come in terms of marketing and branding of the product and overcoming the first impression of the first Chilean wines to hit the U.S. market.

Chile’s Promotional Activities:
A study conducted by Interbrand Communications found that “perception of Chilean winemaking in foreign markets simply “doesn’t exist”. The Study found that foreign wine consumers knew very little about Chile’s wines relative to other countries. Commenting on the study, Chilean Wine Association President Patricio Middleton stated “the Chilean wine industry must work on improving its export image”. He further added, “The only way to improve the image of Chilean wine is through extensive foreign advertising. Funding for such a campaign should come from the government’s budget. The Chilean Wine Association will invest between US$2 million and US$2.5 million for an export promotion campaign.”

We reviewed many websites and magazines that cater to the wine industry and while we found some wonderful Chilean wine advertisements and articles, several top sites did not mentioned Chilean wines and Chilean ads were not present. In almost every case, however, Australian wines were profiled or advertised. (See competition below)

Additionally the associations that represent Chilean wineries were either not updated or lacked a promotional quality to them. As an example; we went to the website of Vinas de Chile (http://www.vinasdechile.cl) - This Association represents 39 wineries representing 90% of bottled wine exports and around 90% of the domestic market. Very few promotional activities were found on this site, even though they represent the majority of the Chilean industry. In fact there was only one event that they had listed for the U.S. in the whole of 2002.

Chile’s Competition:
Competition in the U.S. Market is very strong, and it could be argued that all importing countries are competitors of Chile's. However, for this report, we narrowed the competitive comparison to Australia, where the wine industries in the two countries are comparable.

Australia's exports to the U.S. however surpass Chile's and the gap continues to widen. According to the USDA, Australia's import to the U.S. increased by 30% in 2001 while Chile's actually decreased by 2%. Large companies dominate the Australian wine export market where ten leading exporters control 85% of the exports. Additionally Australian companies are buying wineries abroad, including the recent purchase by Foster's Brewing Company of Bering Estates of California.

Australia has been very aggressive in their marketing activities. The websites representing Australian wines do an excellent job in promoting their wine industry. Additionally, Australia has set up promotional offices in the U.S. and Australian wineries have placed sales representatives in prime U.S. markets to call on the wholesale as well as the retail markets.

While the retailer's can't buy directly from them, they can go to the wholesaler and ask for the wine.

Additionally the Australian Wine Industry has come together to collectively advertise the "Australian Wine" label as well as supporting collaborative promotional programs in their target export markets. These programs have raised the awareness and image of Australian wine through various opportunities such as participation in trade fairs, consumer and trade tasting, and sponsored visits of key journalists and trade personnel to Australia.

The real key to success of the Australian promotions has been a united front and a consistency in the message and branding delivered to the market. The overall impression of Australian promotions is one of being fun and upbeat. Even their sales representatives in the U.S. deliver this impression and are very successful in establishing relationships with the major distributors.

Examples of some of Australia's promotional activities and websites are:
- **Australian Wine Bureau** (www.wineaustralia-usa.com)
  The Australian Wine Bureau USA was established in 1996 to promote and position Australia as the world’s most innovative wine growing continent and the most consistent source of quality wine of excellent value at all price levels. Based in New York, the AWB/USA is the promotion and information center for Australia's wine and wine growing regions in the U.S. It is funded entirely by the Australian wine industry and select corporate sponsorship under the Australian Wine Export Partnership Program. Currently there are 60 importer members and over 300 member brands of Australian wines that are available in the United States.
- **Australian Wine Export Partnership Program** (www.awbc.com.au)
  The partnership program was instigated in 2000 as a result of the increased amount of vine plantings and projected wine production. The majority of the increased wine will be marketed internationally. The wine industry and the Australian Wine Export Council (AWEC) have in place a promotional strategy to support existing markets and develop new markets with the 'Brand Australia' message but need additional funds to support this plan.
- **Traveling Wine Tasting Programs**
  The Australia Day Harvest Festival takes to the road in 2003 – visiting New York, San Francisco and Chicago. Showcasing the biggest selection of Australian wines to date – over 300 brands at each city.
- **www.winewise.com.au/winewise** - The consumer's wine guide. An independent wine magazine providing a comprehensive coverage of Australian and imported wines. What is unique about this magazine is that they do not accept advertising and they publish reviews of all wines tasted.
- **National Wine Centre of Australia** (www.wineaustralia.com) – Gateway to the Australian Wine Industry.
DISTRIBUTORS/WHOLESALERS – THE TARGET MARKET

Because the wholesalers and distributors are the first point of entry for the small and medium sized Chilean wineries who want to do business in the U.S., we focused a great deal of our time on this area. Not only did we find valuable secondary data but also we conducted primary research by sending out a survey to Fifty-three distributors and wholesalers in the Northern California area. (A list of these companies, as well as the survey, can be found in the appendix) The survey was sent by e-mail and mail and was followed up, for those that did not respond, by a personal phone call. We received a total of six responses, an 11% response rate. The results of our research are as follows:

Secondary Data Search Results:

Because of the U.S. laws, Importers must sell their wines to a wholesaler and this is a tough market to get the attention of. Retailers continue to consolidate and consequently so do the wholesalers and distributors. Coupled with a glut in production of U.S. wines, and increasing pressure from lower cost, high quality imports, consolidation in the wholesale market has left the wholesale channels choked. Wholesalers are only looking for the wines that will move off the shelves. Unfortunately this has left the smaller producers scrambling to get their wines on the store shelves. Carolyn Martini, whose family winery, Louis M. Martini, was acquired by E & J Gallo said “the decision to sell came because of the consolidation in the industry” and further stated “If you are not either very small and hand-sell everything, or very large, it’s darn near impossible to get distribution”. While this may be true for the majority, our research shows that those wineries that are consistently aggressive in the their marketing efforts can find representation, but persistent, great branding and personal sales calls are needed. Additionally we found that there are new, smaller, alternative distributors coming on the scene specifically to cater to this niche market. While the larger traditional distribution companies will buy the product from the importer, these new companies will contract with the producer to warehouse and deliver their product to stores, restaurants and bars as well as pitch the product to the retailers on behalf of the producers. For those wineries not able to get in to the regular distribution channels, this new service can offer a valid alternative.

Future of Wine Distribution - the E-Commerce Battle

If you have attempted to buy wine on line you may have found that, depending where you live, the dotcom couldn't ship wine to your state.

State law governs the shipment of alcohol across state lines, and only 12 states allow shipment of alcohol to each other (the so-called reciprocity states). For every other state, there are regulations, ranging from an outright ban on alcohol shipment to the need to be licensed like any other retailer to sell alcohol in that state.

A three-party battle is now raging among dotcoms that want to ship alcohol without complying with 3-tiered state laws, dotcoms that are tying to comply with those laws and distributors and retailers (which are fighting to prevent e-commerce from occurring at all).

Primary Research - Survey Results:

Our Primary Research, as mentioned above, was targeted to the Distributor/Wholesale market. A survey was sent out and, while the return rate was only 11%, we feel that some valuable information was gathered. The results are as follows:

What Distributors Look For in Choosing a Wine

When asked what they looked for when choosing a wine to represent, by far the most important was quality. The least important was requests from the retail sector. Price, availability of the product, origin and packaging were rated very closely, although origin was slightly more important than the other three.

How Distributors Choose Wineries to Represent

We asked our survey participants how they choose the wineries they were currently representing. The majority stated that they made their decision based on direct contact from the winery or by a U.S. representative of the winery. None reported having made a decision based on advertising. And several made their decision based on personal experience with the wine, usually be conducting their own taste tests.

What Publications and Websites Distributors Read/Visit

Among the most popular are:

**Magazines**
- Decanter
- Wine Advocate
- Sauvignon
- Wine Spectator

**Websites**
- winebusiness.com
- wineinstitute.com
- wswa.org
- winespectator.com

It will be awhile before the results are known, but most industry experts predict that there will be distribution allowed via the Internet in the future. Producers should be keeping a close eye on these developments and ensure that they are ready to take advantage of this potential new opportunity to sell their wines directly to the consumers.
How Distributors Market Their Products
While some advertising is used, for the most part Distributors do not rely on advertising to sell their products. Cited most was the use of direct selling and secondly the use of direct mail, e-mail and websites to send information and educate buyers about their products.

How Distributors View Chilean Wine
Only one of our survey participants carried Chilean Wine. While he rated the wines satisfactory overall he made the following comments that we thought were important enough to quote as is: “Many Chilean wines have been sold by price, not great quality. We have a modest selection and, tasting much of what is imported; can say there is a lot of “industrial” quality. Standard, but not exceptional. We need good quality and fairly priced wines. Wines made for wine drinkers, not non-wine-drinkers. Wines from better-farmed vineyards (wine is made in the vineyard)”

Distributors Advice to Wineries Entering the Market:
We asked several open ended questions on our survey and were surprised at the depth of information we received. While we could reword and analyze these replies, we felt it was important to pass them in their original “voices”:

- Do your homework. Select a good importer, or, better yet, have a winery rep scope out each market. Hire some good local distributors to gain better, more enthusiastic distribution. Big firms DON’T care about marketing.
- Come to trade tastings and try to approach importers and distributors directly at their offices.
- Distribution is the main key. Good PR is very important.
- Have a rather classical or formal packaging that evokes a serious approach to the wine. And include varietal and winery information that describes not only the blend and making of the wine, but also historical and personal information about the wine maker, estate, etc.
- Have reasonable stock available to the tune of several hundred cases minimum of a particular vintage so whatever retailers/restaurants can have a good run with out menu changes.
- Find small distributors to market the wine directly, instead of larger companies, but mainly the chief factor these days is price per value ratio. A good wine at a great price. If the customer can pay $7.99 to $9.99 per bottle they are always happy. Over that sales are going to be slower but there are markets for fine wines also.
- Labeling and packaging. I haven’t seen a Chilean label that I like. If you compare them to Australia, Spain, the U.S. you will see what I mean. Wine labels sell the wine and should be informative and interesting, and easy to read.
- I buy a lot of wines from Australia because of the sales reps. They come in town and entertain us and sell us their product. We equate the Australian wines with fun and after all, wine is in the entertainment business. I have never seen a representative from Chile.

RECOMMENDATIONS FOR MARKET ENTRY
First and foremost, the wine needs to be a quality wine. Do not try to export a wine that would not be sold in Chile. For most target markets the price/quality ratio is very important.

Secondly, the ability of the small and medium size Chilean wineries to find a niche and exploit it is very important. Based on our research we make the following recommendations:

Getting the Attention of the Distributor
Hire a sales representative in the United States to call on the distributors and the retailers. This is by far the most important promotional activity that a winery can do. Relationships are very important in this business and distributors tend to buy from those wineries they know.

Have regular Chilean wine tasting dinners or events in the major cities exclusively for the Distributors/Wholesalers.

If a winery is not able to get into the normal distribution chain with the current wholesaler/distributors we recommend that they work with one of the alternative distributors. For more information how what these alternative distributors can offer, we suggest you contact Michael Denny at American Wine Distributors, Inc. @ mike@drinksusa.com.

Differentiation and Positioning
While our survey showed that the Distributors did not choose wines from Advertising we think it is still very important to position your wine prior to targeting the Distributor/Wholesalers markets. That way your overall marketing message will be clear and your selling points much stronger. Possible differentiators for smaller Chilean Wineries include:

- Target the upscale market, capitalize on the phylloxera free vineyards and the quality of the wine that is produced from the original vines
- Target the health market by capitalizing on the "world's highest levels of flavanol"
- Target the Hispanic Market. This is a natural for Chile, who knows the language and the culture. To-date no winery has done this, so this is a great opportunity to break into this major market.
- Target the Gen X Market. Use a casual style and provide information on how to enjoy the wines, what food to cook with them, and other fun facts. All you have to do is look at the Gen X magazines and websites to understand this concept. This type of positioning is taking off in today’s wine market.
It is not recommended that one winery target all of these segments. We suggest that a winery concentrate on one segment and do it well. If a winery targets more than one consumer market the message tends to get lost.

Packaging
Packaging is very important. Legible labeling with distinctive styling is the key. And if the labels are created with the target market in mind, then so much the better.

Promotion
As mentioned above, hiring a representative to call on the distribution chain is our number one recommendation.

Once this has been done, we recommend taking advantage of the websites and publications. Writing articles about wine or about the company can be a cost effective way of getting PR for a winery.

Chile’s foreign offices can be effective in promoting their countries wines to the distributors and wholesalers. Hosting tasting events exclusively for the distributor/wholesale market will get their attention. Additionally getting to know the distributors personally and setting up meetings between the Chilean wineries and the U.S. distribution chain would also be very useful.

Whatever promotional avenue is chosen, remember that doing it once will never work. Promotional activities need to be conducted on an on-going basis. Consistency, creativity, targeting the right markets and hard work should ensure the success of a winery entering the U.S. market.

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