

**Market analysis to facilitate expansion of wholesale wine sales and distribution of
G Winery**

by

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ABSTRACT

The wine industry in Ohio is thriving and has been a major financial contributor to the economy throughout the last decade. The objective of this research is to conduct a market analysis and develop a business expansion plan for G Winery to further its market share within the wine wholesale and self-distribution segment. The results will also inform decisions to create a new position for a Wholesale Account Specialist. The research insights will facilitate planning and decision making in G Winery to support its growing interest of expanding wholesale wine marketing and distribution within Ohio. This study analyzes G Winery's current business model and provide insights on strategic marketing opportunities, product values, and the internal processes of offering the strongest value proposition for wholesale.

The study will examine the current market share controlled by G Winery, as well as identifying direct competitors within the wholesale industry. The internal analysis will identify the most profitable products being offered through wholesale as well as determining a target market for wholesale throughout northwest Ohio. The methods include a combination of qualitative and quantitative analysis utilizing primary data from a survey of current wholesale accounts being served by G Winery, paired with extensive market research; the information is used to determine the most successful strategies for business expansion. Furthermore, the study will lay out a job description with key responsibilities for the new Wholesale Account Specialist to focus on securing the market share desired by G Winery.

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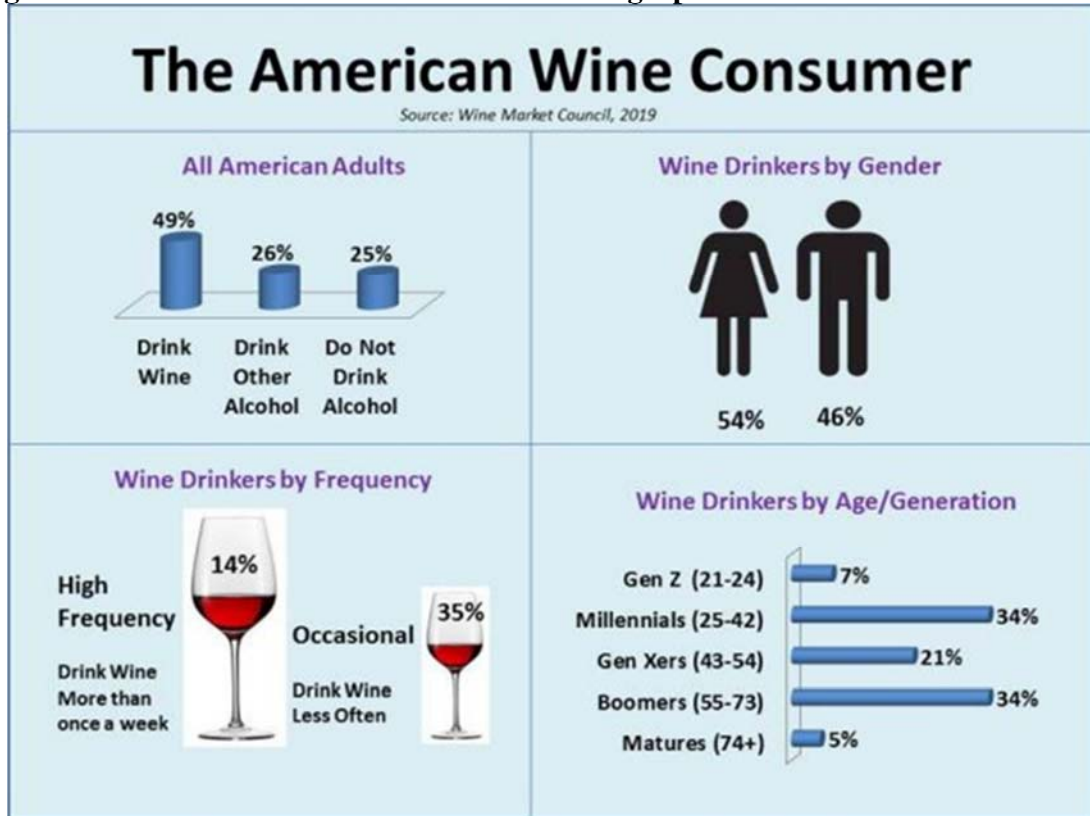
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CHAPTER I: INTRODUCTION

The wine market is a thriving industry because it offers unique opportunities for all customers, no matter the level of experience or knowledge of products. Currently, the United States has a total of 10,742 wineries with all fifty states producing and distributing wines, generating an economic impact of \$72.4 billion annually (Thach 2020). Nevertheless, there is still much room for growth. For example, currently only 49% of legal drinking age adults are consuming wine (Thach 2020) but the trend seems to be increasing at a steady rate. Figure 1.1 represents other trends within the wine industry and provides details of the current demographics of the population enjoying wine products. The information can also be used to determine the gaps within the industry and provide insight on the potential customers entering the market. With focus to meet new consumer demands and reach a variety of consumers, G Winery is working towards positioning themselves in an aggressive market to capitalize on the available market share. Due to high demand and market trends, G Winery is looking to expand product availability to a diverse range of locations, including restaurants and retail stores across northwest Ohio and beyond. Strategic steps must be implemented to successfully launch wholesale account specialization for G Winery's products.

Figure 1.1 The American Wine Consumer Demographics



Source: Wine Market Council, 2019

It is not a secret, agriculture, including the wine industry, has been affected by the COVID-19 pandemic which began in March of 2020. Despite the fact the world was ravaged by the Coronavirus, wine sales in the United States have exploded with an overall increase in carryout wine of upwards of 66% and a startling increase of online retail wines sales by 225% (Thach 2020). G Winery has not been an exception to this trend with an increase of sales topping a 30% increase over the previous year (G 2020). Although these numbers are outstanding, experts have predicted such trends will not remain and wine sales will not sustain these elevated transactions long term (Thach 2020). However, in efforts to sustain the 72% increase in wholesale revenue generated throughout the past year and improve sales post-pandemic, G Winery is looking to expand its business model through wholesale and self-distribution (G 2020). G Winery is looking for additional partnered

location in which they can sell their products to overcome the predicted downslide of sales. Through market research and partnerships G Winery has secured, the business is investigating expansion opportunities to access a new and diverse range of outlets to provide its products to a larger customer base through wine wholesale.

1.1 Background

G Winery is a family-owned, full production winery offering locally crafted wines from vineyards around the world. All wines produced at the winery have been crafted and bottled onsite in northwest Ohio and are unique products to G Winery alone. G Winery opened in 2016 as a full functioning winery, offering a bistro style menu, outdoor dining area, and is currently the only winery in and around Findlay, Ohio. Through an affiliation with Waters Edge Winery, G Winery can operate under a single brand franchise structure. This affiliation was crucial to the success of G Winery's start-up but has minimal effect on the current day-to-day business proceedings. Additionally, as a member of the Ohio Wine Producers Association, G Winery is also part of the V.I.N.O. (Vintners In Northwest Ohio) Trail, consisting of nine wineries in the area collaborating to provide northwest Ohio residents and travelers a unique wine experience. G Winery currently offers over twenty-five varietal and blended wines in the styles of red, white, fruit, and specialty wine. The owners of the winery, Nikki and Trevor G started this business only five years ago in efforts to bring a new and exciting opportunity to the area, both for employment and for the community to enjoy. G Winery currently employs twenty-six people, consisting of two assistant managers, a kitchen supervisor, a wine maker, three kitchen staff, nine servers, and ten floats/hosts. Many of these employees have been cross-trained to help with all the wine production areas, such as bottling and labeling, in addition to their primary roles at the

winery. G Winery strives to provide value innovation to increase demand for goods and services the winery has to offer its existing and new customers, at competitive prices. G Winery imports its principal raw material, juice, from the global market, allowing it effective cost control that facilitates competitive product prices. This current business model allows for no cost towards growing and cultivating grape plants in an unideal location such as northwest Ohio. Additionally, G Winery is a full production winery which allowed for minimal market competition, maximizing the mass of buyers, and optimizing prices of high quality, locally crafted wines.

The objective of G Winery's business is to continue growth within the marketplace and begin the process for expanding the current business model to include wholesale and self-distribution of its products. Expanding into wholesale will allow G Winery to increase revenue and profitability of the business. This expansion is possible because G Winery is in the heart of Hancock County, Ohio. Hancock County has been named #2 in the U.S. Food Chain Magazine for the last eight years as The Best Small Business Food Scene in the United States (Linkhorn 2018). Additionally, expansion of G Winery's business model will lead to a new position in sales and distribution of wines, crafted at G Winery, to the surrounding areas to include a diverse range of restaurants and retailers.

Mission Statement

G Winery's mission statement states, *"To guide consumers toward a deeper appreciation of wine and the wine making process in a non-intimidating and inviting environment through exceptional customer service and high quality goods"* (G 2020).

Company Goals

“G Winery’s goal is to become the best location for guests to come and “unwind” after a hard day at work or after a long day of shopping. G Winery will provide you, your friends, and your family with a warm and inviting atmosphere, complete with wine making, wine tasting, and wine drinking.” With the expansion of sales and distribution, G Winery sets forth the goal of being the primary wine distributor to many locally owned restaurants and retailers across northwest Ohio (G 2020).

Legal Form and Liquor License

G Winery is an S corporation. S corporations are designed to avoid double taxation and it allows for profits and some losses to be passed through directly to the owner’s personal income without being subject to corporate tax rates (Administration n.d.). Additionally, S corporation allowed for shareholders to leave the company, via selling shares, without disruption of business processes.

G Winery holds an A-2(A) permit. An A-2(A) permit may be issued to a manufacturer of wine from grapes, fruits, or other agricultural products grown in the state, if obtainable, otherwise to import such fruits after submitting an affidavit of nonavailability to the Division of Liquor Control; to import and purchase wine in bond for blending purposes, the total amount of wine so imported during the year covered by the permit may not exceed forty percent of all the wines manufactured and imported; to manufacture, purchase, and import brandy for fortifying purposes; and to sell those products either in glass or container for consumption on the premises where manufactured, in sealed containers for consumption off the premises where manufactured, and to wholesale permit holders under the rules adopted by the division of liquor control. In addition to the A-2(A) permit, G Winery also holds an A-1-A permit. An A-1-A is issued to the holder of an A-2

permit to sell beer and any intoxicating liquor at retail, only by the individual drink in glass or from a container. The holder of an A-1-A permit may sell beer and any intoxicating liquor during the same hours as the A-2 permit is located and unless the holder of the A-2 permits manufactures or has a storage capacity of at least twenty-five thousand gallons of wine per year (ORC 4303.03) (Agriculture 2020).

In addition to G Winery maintaining its own liquor license to manufacture and sell on-premises. As the manufacturer, G Winery is responsible for the understanding of all temporary permits (F permits) put forth by the Department of Commerce and the Division of Liquor Control in the state of Ohio when it comes to wine festivals, off-premises wine tasting, and marketing events to expand wholesaling accounts.

1.2 Research Objective

This thesis sought to improve G Winery's market share and sales by evaluating the opportunities for the business to expand into wholesale and self-distribution of globally sourced, locally crafted wines in the northwest Ohio area. The primary objectives focused on improving the understanding of G Winery's ability to meet the demand associated with a major business expansion. Expansion strategies will be determined by the products available for wholesale, production levels obtainable by the winery, previous sales and wholesale accounts, and creation of a new position for a Wholesale Account Specialist with G Winery.

The project combined market research, including analysis of historical sales, production level, wholesale account activity, and potential new wholesale clients to formulate an actionable strategic marketing plan to support the expansion into wholesale and self-distribution. Methods will include a combination of quantitative and qualitative

analyses including analysis of the G Winery supply chain, primary data from a wholesale account representative survey, diversion analysis, market analysis of competitors and market share availability, SWOT analysis of G Winery's current business model, customer-product profitability analysis, customer funnel analysis, break-even analysis to create an actionable strategic marketing plan. Additionally, this thesis formulated a job description for the new Wholesale Account Specialist, who will be in responsible for offering enhanced value proposition to current and new wholesale accounts within the target market. The viability of bringing in a new position to G Winery's business model will be determined through a profitability analysis and the potential increase in profits upon creation of the position and implementation of the actionable strategic plan. Additionally, bringing in a new position will allow the current staff at G Winery to continue its focus of high-quality wine production and tasting room service to all its guests.

CHAPTER II: LITERATURE REVIEW

The resources utilized for this literature review include previously published studies from various authors focused on successful marketing strategies directly influencing purchasing habits of consumers. To identify the most valuable marketing channels for the current trends, the review of sources will focus on the e-commerce marketing through social media, single and hybrid marketing approaches, and marketing through direct personal contact. This review will be used in support of the primary objective of this thesis and will aid in designing strategies for expanding G Winery into wholesale and self-distribution of locally crafted wines in northwest Ohio.

Szolnoki, et al .(2018) presented a study focused on the impact of social media usage and the effects it presented on customer interactions within the wine industry. The research focusing on the activities in which customer interaction is most influenced and the impact of businesses adopting a dominant social media presence has on sales. The research was based on a survey sent to representatives at various wineries to evaluate the preferences for social media platforms, usage and understanding of social media benefits, and evaluating the overall importance of social media to the wineries surveyed. The survey was sent to 11,475 wineries with various backgrounds and business models represented, with responses from 1,173 wineries. Per the respondents of the survey and findings of the study, 86.9% of the respondents, from the United States, stated they did use some form of social media to market new products and increase brand awareness for their business (Szolnokia, et al. 2018). Additionally, it was determined Facebook is the most prominent form of social media marketing and allows for the best benefits and user-friendly platform for businesses such as wineries. Szolnoki, et al. state, “there is a more than 1.65 billion

users actively using Facebook each month; this represents a massive number of current and potential wine customers and is likely the reason wineries are primarily utilizing this particular social media platform. Facebook is especially useful for millennials, with a previous study indicating that 30% of these wine customers are turning to Facebook as a source of wine information and reported that 90% of the wine drinkers are actively using Facebook for more than six-hours per week; having a presence on Facebook would thus appear to make sound business sense for wineries, and our findings provide evidence that wineries are indeed engaging via this platform” (Szolnokia, et al. 2018). The findings from this study proves there is evidence that social media usage contributes positively to brand performance and customer loyalty. Interestingly, the study concluded with “the respondents were not interested in increasing their engagement on social media in the future (111)” and says this may be due to wineries already spending several hours per week engaging on social media, without knowing the financial or brand return, or it could relate to the notion that some wineries do not know how to effectively use social media as a part of their marketing strategies and are thus unlikely to increase their use of these platforms, and may be missing what might be a significant marketing opportunity (Szolnokia, et al. 2018). This study was selected for this thesis as the findings from the 2018 research are still highly relevant and applicable to the objective of this thesis. Social media is a primary focus and relatively inexpensive marketing tool used for small businesses, especially businesses looking to expand – such as G Winery.

Gerbauer and Ginsberg (2003) studied how the use of e-commerce has been emphasized within North American wine marketing strategies. The article was selected to support the overall objective of this thesis because it provides value innovation to e-

commerce and provides several initiatives to sell wine online, direct to consumer. The purpose of this study was to identify fundamental principles which guide online business evolution and more profitable outcomes for the wine industry. For this study, the research was based around taking a closer look into the opportunities and challenges surrounding the e-commerce wine market within the United States. Data was collected through a series of interviews with wine retailers and customers to gain insights on maneuvering the online marketplace. The findings of this study were focused on customer reachability, product marketability, market characteristics, and the importance of understanding these key driving points to provide value innovation through e-commerce (Gebauer and Ginsburg 2003). According to the primary focus of the research by Gerbauer and Ginsberg, “in terms of customer reachability, online-only retailers are confined to the internet as a medium to reach potential customers” (2003). It is stated in the research that although the internet can provide a wide geographical target market, it is still restricted by the willingness of consumers to purchase products, specifically wine, online. Additionally, Gerbauer and Ginsberg (2003) address that product marketability is extremely difficult through e-commerce marketing alone. With customers either being either well-versed in the wine industry or unsure of where to start, the data shows they rarely purchase wine through e-commerce without prior experience with the brand. The article categorizes wine as a “look-and-feel” product, meaning it is “a good that requires some hands-on experience by the user to assess their desire for the product. These items are typically bought after having been tried or tested” (Gebauer and Ginsburg 2003). It is suggested by the study to provide strong value innovation through in-person marketing and brand quality to establish a successful and profitable e-commerce space. Providing customers with a comfortable

hybrid approach to purchasing wine is undoubtable the best branding model for businesses to capitalize on the purchasing power of a consumer towards “look-and-feel” products. This article was selected in support of this thesis because of its direct collation with the research objective and acquisition methods of new customers within the wine industry. This article provided insights on the opportunities and threats of e-commerce marketing and the importance of a hybrid approach within the industry.

Vrontis, Thrassou, and Czinkota (2010) studied small business markets to evaluate the perceptions of local customers of the wine industry. Research on these perceptions was conducted through a series of interviews and focus groups. The interviews were styled in the form of questionnaires and were conducted over the phone to 600 consumers whereas the focus groups we comprised of various individuals ranging from occasional wine drinkers to customers well-versed in the wine industry. The evaluated data was focused on the consumers’ attitude towards wine consumption and purchasing decision making. The interviews and focused groups concluded that, especially for wine, consumer choice increasingly rests with prior experience with the brand, support of the brand story, and social associations. Vrontis, Thrassou, and Czinkota (2010) state, “Perception is revealed as the ultimate factor for success and ‘perception management’ as the primary marketing function, through direct personal contact, affecting success in the wine business”. The use of perception management allows for consumes to remember their experience and will associate a product, such was wine, with their feeling during those moments. Utilizing direct personal contact to ensure a positive experience will encourage customers to purchase the product repeatedly and will encourage them to remember the brand for special occasions. Additionally, the article summarizes that direct personal contact allows for

customers to become part of the narrative and treated less like an audience member, as they would e-commerce or social media marketing, alone. Direct personal contact marketing allows for the business to understand the customer's needs and social associations influencing their purchasing power more clearly for a product. This article was selected in support of the primary research objective for this thesis because it closely resembles to current marketing strategy of the wholesale segment of G Winery, focused on small business partnership acquisition. The strategical marketing approach of direct personal contact allows for passion for the brand and excitement for business expansion to provide a powerful impact on the target market.

The resources for this literature review were reviewed out of numerous articles covering the topic because these studies provided a cross-section of various marketing approaches within the wine industry. The insights presented in selected literature aid in the efforts to identify the most valuable marketing channels for the current trends. The review of sources focused on the e-commerce marketing through social media, single and hybrid marketing approaches, and marketing through direct personal contact. Furthermore, the impact of the literature review for this thesis will have a strong influence on the marketing approach for the potential customers of G Winery's Wholesale Account Specialist. The section concludes that there are many influential strategic methods to marketing within the wine industry. With a combination of social media, e-commerce marketing, and direct personal contact, there is not a straightforward approach to targeted marketing which yields the highest success rate other than a uniquely designed hybrid strategy.

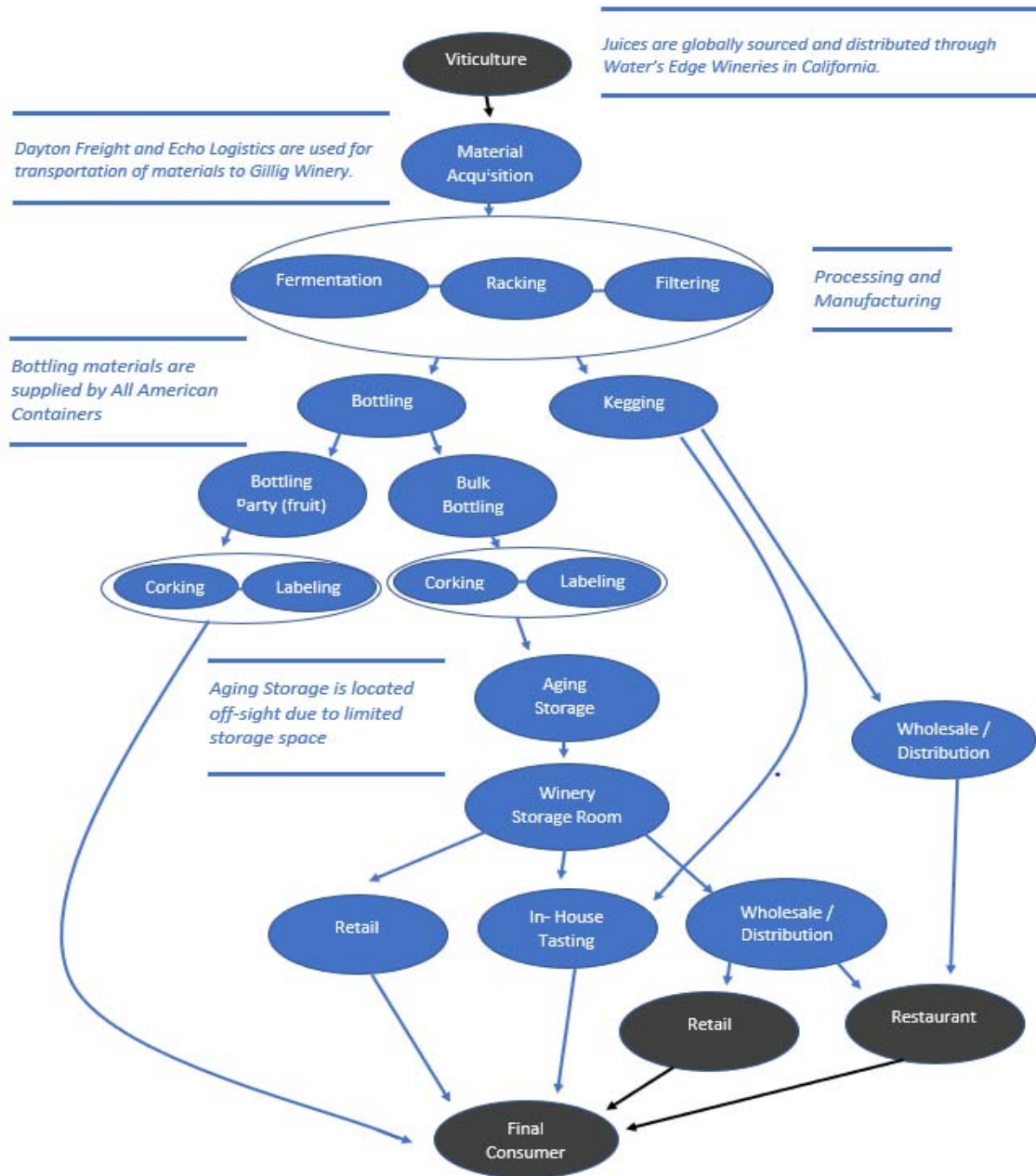
CHAPTER III: ANALYSIS

3.1 Company Analysis

3.1.1 *G Winery Supply Chain*

The supply chain for G Winery is dynamic and involves the constant flow of products and information, as shown in Figure 3.1. Developing a greater understanding of G Winery's supply chain will allow the Wholesale Account Specialist to gain insights into the major supply chain activities, partners and transactions happening both in general and throughout the wholesale segment. The supply chain contains all activities associated with the flow and transportation of goods from the raw material stage to end consumer, as well as the associated information flow. Materials and information both flow downstream and upstream within the demonstrated supply chain. G Winery begins to operate and control its supply chain as a manufacturer through the end consumer and/or through its wholesale accounts' acquisition of goods. The control G Winery possesses includes acquiring quality materials for wine production, manufacturing new and current products, wholesale and distribution, and partners and customers in which G Winery serves. The winery is partially integrated controlling all stages of wine supply chain except grape cultivation and grape juice production.

Figure 3.1: Representation of G Winery Supply Chain



These supply chain stages include:

(a) Suppliers/Acquisition of raw materials - G Winery acquires raw materials for wine production, including juice, ageing materials, bottling/kepping materials, and labels from a variety of suppliers. Juice is globally sourced and distributed to G Winery through

Water's Edge Wineries in California and shipped through Echo Logistics and Dayton Freight. These materials are ordered on a need-based assessment by the owner of G Winery and the annual wine production schedule. Juices are primarily ordered during the spring and fall months due to climate control requirements for raw materials. Materials are available to be ordered and delivered during the summer or winter months but require a climate regulated delivery truck, resulting in higher pricing for transportation costs. Other production materials such as yeast, sugar, bottling/kegging materials, corks, oak chips, etc. are supplied in bulk through American Containers. These materials are also ordered on a need-based assessment by the owner of G Winery and the annual wine production schedule. All marketing materials, including label designs, are created in-house, and sourced out to Mammoth Packaging for professional printing and accuracy. In general, all materials are delivered within three to fourteen days of the order date, except for a few specialty juices only being delivered once a year – based on availability from the supplier.

(b) Manufacturing – G Winery is a full production winery, manufacturing all wines available to its customer in-house and on-site. At this stage of the supply chain G Winery has complete control of all products in quality, marketing, and pricing as they move down the chain in. In general, the manufacturing process is comprised of the following processes: wine production, bottling/kegging, and aging. Although, the manufacturing of each wine offered at G Winery is slightly different in their recipes, the step of fermentation is required for all wine production. Fermentation is when natural and/or added yeast metabolized the grapes' sugar into ethanol and carbon dioxide. Fermentation typically lasts one to five weeks and is done on-site in the winery's production room. Once the wines have been made to the specific recipes and timing of G Winery's wine making schedule and have

completed the fermentation process, the wines are bottled and moved to off-site, climate-controlled storage for aging. During the bottling process, sulfites are used to sterilize the bottles and ensure the wines will not continue to ferment in the bottle. Bottle shape, color, and size are selected based on the types of wine and the owner's preferences. Then, corks are used to seal the wine, with an added capsule making this seal more secure. The final process of the wine making process is aging. Due to limited storage space in the winery, wines are stored off-in a climate-controlled storage area. Aging the wine for the right amount of time will slowly oxidize the wine in a controlled manner, creating a higher quality product for the guests at G Winery.

(c) Wholesale and Distribution – In addition to being a manufacturer of wine, G Winery also acts as its own wholesaler and distributor of all products. This allows for the winery to maintain and control the supply chain more efficiently, promoting increased levels of customer service and quality control to its wholesale accounts. Since its opening five years ago, G Winery has operated as the sole retailer of its products. In-house retail sales include wine tastings at G Winery, as well as bottle sales to-go. Wines are available to guests, for in-house consumption, by the glass, bottles, or the option to try multiple wines on a flight. Upon hiring a Wholesale Account Specialist, G Winery will continue to expand its business model and supply chain into wholesaling its products to other retail location and local restaurants in the northwest Ohio area. Wholesaling products will allow for G Winery to offer its products to a wide range of consumers in diverse locations, as well as creating ideal partnership with other businesses. Successful wholesale activity ensures G Winery's products reach retailers within the proper timeframe to meet accounts' customer demand. Increased wholesale account activity also provides the opportunity for G Winery

to increase its manufacturing volumes and product range. With higher production volumes, it is necessary that products are stored well and are still in good condition when they reach your retailers and the end consumer. Therefore, the supply chain and position of the Wholesale Account Specialist also includes proper education and training for the staff at newly established retail locations, based on their methods of selling G Winery's wines. Currently, G Winery controls and operates its wholesale distribution on a need-based ordering system from its eleven accounts within a one-hour radius from the production facility in Findlay, Ohio. As wholesale volumes continue to increase, deliveries will be transitioned to a set schedule.

(d) Partners & Customers - Represented in black in Figure 3.1 above are the partners associated with G Winery's wholesale segment of the supply chain. By working closely with the partners and customers within the supply chain, G Winery can develop a highly competitive and successful supply chain to provide value innovations through the wholesale segment. Developing loyal and high-volume accounts through wholesale will yield major benefits including increased market share, inventory turnover, improved delivery service, improved quality, and diversity of products. Addressing new accounts' needs and consistently surveying the market can lead to rapid improvements in logistics facilitated by evaluating candid information exchange and better coordination through these partners are customers being served by G Winery as a whole. Failing to collaborate can result in the distortion of information as it moves through a supply chain, which, in turn, can lead to costly inefficiencies. The goal of the Wholesale Account Specialist will be to consistently monitor the supply chain to work with wholesale accounts to insure prompt

and accurate product availability throughout the supply chain and lifetime of these partnerships.

3.1.2 Survey of Wholesale Accounts

A survey of G Winery's current wholesale accounts was conducted to gather data to identify competitors in the wholesale segment of the wine industry of northwest Ohio. The survey was sent via email to the current eleven wholesale account being served by G Winery, three of the respondents replied to the initial email sent out at the beginning of June 2020. Additional responses were gathered during in-person deliveries throughout the month of June and were analyzed to determine the market's strongest competitors within the wholesale segment.

This section provides an overview and summary of the key results of the survey. It was found in the results of the survey, G Winery holds a unique position in the industry as being one of the only wineries in the area to offer need-based distribution of locally crafted wines directly from the manufacturer. During the survey process, high volume accounts were presented additional questions about the customer service experience with G Winery's current wholesale model. These prompts provided overall positive results with the customer service offered with a few requests and improvement offered. The analysis of the survey data identified key competitors in wholesale distributing, requests and needs of high-volume wholesale accounts, and actions items to be addressed to gain market share in the current wholesale accounts.

Table 3.1: Summary of Results from Current Wholesale Account Representative Survey

Wholesale Account	Market Segment	Key Competitor	Requests & Needs	Action Item
Carey Ace Hardware	Retail – Local Store	Heidelberg Distributing, Southern Glazers, Vintage Wine Distributing, Tuscany Distributing	Help increase product awareness to increase demand, decrease prices to match others on the shelf	Provide better products and enticements to compete with larger distributors, increase selection
Eagle Creek Drive Thru	Retail – Drive Thru	Heidelberg Distributing	Increase customer demand	Improve on-sight marketing materials and advertising
Carey Brewing Station	Restaurant – Brewing Station	Ohio Wineries, Heidelberg Distributing	Attend more marketing events and theme nights Increase product selection to include slushies	Increase staffing to attend advertising events, research and develop new products to test in the market
Findlay Brewing Company	Restaurant – Brewing Station	None	Keg is larger units	Research larger kegging opportunities
Carey Hometown Market	Retail – Local Store	Heidelberg Distributing	Help increase product awareness to increase demand	Increase awareness of product availability on website and in store
Perry Street Market	Retail – Local Store	n/a		Improve website and social media presence for available products
The Fern	Restaurant - Bar	Heidelberg Distributing	Increase demand for winery products in-house	Propose Wine & Food pairing event to increase customers awareness of G Winery’s Wine, offer different products – such as slushies
Ralph’s Joy of Living	Retail – Local Store	Ohio Wineries	Attend marketing/advertising events to build awareness	Attend private events to increase brand awareness
Sycamore Springs Golf Course	Restaurant – Golf Course	Large Ohio Distributors	Increase product availability to single serve, non-glass, containers for the course, attend Wine & 9 nights for market products	Research and develop wine pouches for single serve options, attend theme nights and marketing events

The results from the survey helped determine the needs and requests from all the eleven accounts currently being served by G Winery's wholesale account. Based on the needs and requests from these accounts, action items were noted to help better serve current accounts to increase volumes. Through the survey results, it showed that G Winery's current high-volume accounts have requested an increased in brand awareness through G Winery attending more in-house marketing events, hosting private events for customers, and offering private label items. Although only summarized in this table, results of the survey were unanimous across the current wholesale accounts that G Winery needs to increase its physical marketing presence on-site, in the wholesale locations. Actions required by G Winery to meet these needs of the high-volumes accounts, as well as accounts who have the potential to become high-volume accounts, will be the actively seek opportunities to attend these events. Hiring additional staff to cover the main winery location will allow for the Wholesale Account Specialist to work as an independent entity and take advantage of the opportunities to be present at wholesale account's theme night, marketing events, or any occasion that required in-person advertising.

In addition to increasing attendance of marketing events, current wholesale accounts request that G Winery offers a wider range of products to meet consumer needs. Most of the survey respondents requested that G Winery adds single serve options to their wholesale account pricing structure, in the forms of slushies, or single serve units. G Winery currently serves a variety of wholesale accounts with different business models, including businesses with outdoor dining areas or golf courses. These businesses have requested G Winery expands its product availability to include non-glass, single serve, and/or disposable containers for its customers. G Winery is currently researching and in-

development to meet these needs of the wholesale accounts. Adding these types of products will, ideally, serve to increase the order volumes of the account who have requested them as well as serve to increase the interest of other wholesale accounts who's current G Winery products are not moving quickly. Successfully adding new products in single serve units can also lead to acquiring new wholesale accounts seeking these types of products in the marketplace.

Because G Winery operates its own distributing schedule, wholesale accounts are encouraged to order on a need-based timeframe. Currently, with only eleven wholesale accounts to provide deliveries, G Winery's turnaround from order-to-delivery is swift. Any accounts outside the city limits of Findlay are encouraged to place their order on Mondays for delivery on Wednesday. Additionally, any account within the limits of Findlay, based on the urgency of the order, can be provided with same-day delivery, as needed. The survey results did not bring mention of any wholesale accounts encountering storage space limitations as a reason for not ordering in higher volumes.

As G Winery expands its wholesale presents in the market, the information from the survey can be used to adjust its approach to acquiring new wholesale accounts and addressing its competitive advantage against competitors in the market space. The survey results show large-scale distributors are G Winery's direct competitors in the wholesale segment. These large distributions offer a wide selection of products, at lower prices, to the wholesale accounts G Winery is currently serving. These distributors carry massive selections of wines, ranging from locally crafted wines to bulk production wines. Although G Winery maintains a competitive market share in the selection of wines offered to its wholesale accounts, it is evident from the survey results a single brand franchise cannot

compete at the same scale with large national distributor. Large brand distributors rank high in the competitive marketplace due to offering well-known name brand wines such as Oliver, Barefoot, and Dark Horse, at a significantly reduced price when compared to the same varietals manufactured by G Winery. Due to Ohio wine laws, G Winery cannot further discount products to meet the pricing requests of wholesale accounts expectations for unit pricing. Therefore, G Winery must take an alternate approach and provide increased value for locally crafted, higher quality products to increase accounts' motivation to purchase.

3.1.3 Customer-Product Profitability Analysis

A customer-product profitability analysis was conducted to gain insights on the most profitable current wholesale accounts and products available by G Winery. This information will be used to better serve current wholesale accounts and encourage increased sales, order size and frequency, as well as marketing new products to current and potential businesses. The customer-product profitability analysis was completed by collecting data focused on different types of current wholesale accounts and their order revenues, order sizes, and profits to determine a target market with similar business models of current high-volume accounts. Additionally, the data will be used to determine the most desirable products across the different wholesale categories. This information will help provide a structured approach in marketing toward current and potential wholesale accounts based on favorable products for the northwest Ohio area.

Table 3.2: Generated Revenue and Profit by Account Type

Account Type	Revenue	Number of Orders	Average Order Size	Profit	Profit Per Order
Restaurant - Brewing Station	\$ 3,929.85	19	\$ 206.83	\$ 2,638.32	\$ 138.86
Restaurant - Golf Course	\$ 1,010.80	2	\$ 505.40	\$ 678.60	\$ 339.30
Restaurant - Bar	\$ 440.00	2	\$ 220.00	\$ 295.40	\$ 147.70
Restaurant -	\$ 5,380.65	23	\$ 223.94	\$ 3,013.23	\$ 157.06
TOTAL					
Retail - Local Store	\$ 4,488.30	10	\$ 448.83	\$ 3,013.23	\$ 301.32
Retail - Drive Thru	\$ 2,145.40	7	\$ 306.49	\$ 1,440.32	\$ 205.75
Retail - TOTAL	\$ 6,633.70	17	\$ 390.33	\$ 4,453.56	\$ 261.97

Based on the data gathered and analyzed from the current wholesale market, retail locations - including categories of local grocery stores and drive thru are the most profitable customer G Winery is currently serving. Retail locations represent seven of the wholesale accounts G Winery serves. Local grocery stores in the small communities surrounding the areas are generating the highest overall revenue. Placing frequent orders, ten in the past six months, in large volume, averaging around \$450.00 per order, are generating the most profit for the wholesale segment. These businesses are ideal for G Winery's target market because they carry other Ohio produced wine, ranging in similar pricing to G Winery products as well as providing local business with desirable shelf space for small town-minded customers who appreciate small businesses and encourage success. The other retail location category G Winery is currently serving is locally owned drive thru and carry out establishments. These businesses are fundamental to alcohol sales in Ohio and are usually very profitable and successful businesses. These wholesale accounts

provide similar advantages to the local grocery stores in providing ideal shelf space and small business-minded customers. These drive thru business typically carrying a much broader range of products in a smaller area, a single drive thru aisle; this can pose a challenge for the marketing and advertising of G Winery products. If a customer is not coming to this type of business specifically for these products, they can be easily overlooked which can lead to lower sales. Creating eye-catching advertising is crucial to the success of these businesses, especially because the current wholesale accounts in the drive thru category being served by G Winery are all located in Findlay, Ohio so brand equity is already established within the area.

G Winery also serves restaurant establishments within the wholesale segment, the categories of restaurants include craft beer brewing stations, bars, and golf courses within the communities in and surrounding Findlay, Ohio. Restaurants represent four of the eleven wholesale accounts G Winery is serving. Working with these businesses is much different than retail locations, requiring more hands-on training and wine education for the staff to suggest and serve the wine correctly to their customers. These businesses must take the time to be educated on the products available and how to maintain the product quality of wines with shorter shelf-life once opened. G Winery serves fewer restaurant establishments because the requirements to maintain the product and uphold the standards of its brand are much more rigorous than at retail locations, who just need to offer shelf space for bottle sales. Once a restaurant business has been properly trained and comfortable serving the products, it is proven to be a great asset to their business, and G Winery, with frequent orders; twenty-three in the past six months – roughly one order a week. Although the

restaurant category places order more frequently, they are smaller in volume than those in the retailer category.

Table 3.3: Generated Revenue and Profit by Product Type

Product Category	Revenue	Profit-to-Revenue Ratio	Profit	Units Sold	Revenue per Unit	Profit per Unit
Red	\$ 1,435.95	0.6846	\$ 983.05	86	\$ 16.67	\$ 11.43
White	\$ 1,494.00	0.6574	\$ 982.23	104	\$ 14.37	\$ 9.44
Fruit	\$ 4,789.88	0.6656	\$ 3,188.26	449	\$ 10.67	\$ 7.10
Specialty	\$ 754.52	0.6777	\$ 511.37	53	\$ 14.13	\$ 9.65
Keg	\$ 2,640.00	0.9899	\$ 2,613.53	12	\$ 220.00	\$ 217.80

The results of the analysis also provided insights about G Winery’s most profitable product within the first six months of wholesaling. G Winery currently offers five categories of products to its wholesale accounts, these include fruit wine by the bottle, red wine by the bottle, white wine by the bottle, and wine 1/6-barrel kegs.

Within the first six months of wholesale, fruit wines by the bottle generated the most revenue among the eleven wholesale accounts being served by G Winery, selling nearly two times more than next highest product. After determining the profit-to-revenue ratio for each category of products through wholesale, it was also determined fruit wine by the bottle generates the most profit for G Winery, more than three times the profit of any other category in bottle sales.

Secondly, due to high return-on-sale ratio, kegs also generate a significant amount of profit for the wholesale segment. Currently, G Winery only sells kegs in wholesale, specifically to restaurants or businesses with a tap-line. This offering generates a major portion of revenue in the wholesale market because offering by wine in kegs limits the amount of spoilage and is an easy to serve option for businesses with limited wine

knowledge. Kegs offer a high profit due to very low production costs. G Winery owns all the kegs, therefore does not have to continuously pay out material costs for bottling, labeling, and capping against its contribution margin. If wholesale accounts have the necessary tap-line equipment, kegs are the most efficient option.

Third, red wines by the bottle and white wines by the bottles are almost identical in the revenue and profits brought in within the first six months of wholesaling. These wines offer a wholesale accounts the opportunity to carry wines with well-known varietal names for easy selection by customers. Offering wines with well-known, non-fanciful, names have proven to be a productive selling point in the wine industry, allowing customers to select G Winery wines with no prior knowledge of the brand or quality. These two categories of products are within the highest level of competition in the marketplace, therefore, generating lower sales than the fruit wine by the bottle and kegs.

Finally, the product which currently contributes the least amount of revenue and profit through the wholesale segment of G Winery is the specialty wines by the bottle. These wines are the highest quality and most expensive of all the wines offered through wholesale. Only four of the eleven wholesale accounts have purchased wines in this category within the last six months. Typically, specialty wines sell very well once the product has established a customer base at each wholesale location. With a hefty price tag and smaller volume per unit, customers usually do not grab these wines to try without prior knowledge of the product. Regarding wholesale, this is not a category usually encouraged for new wholesale accounts initially.

The information from the customer-product profitability analysis will help improve the current wholesale approach to acquire new accounts by encompassing product value,

desired products, and appealing to new businesses. Understanding the type of businesses that successfully sell G Winery's wine at high volumes will help develop a target market to acquire leads and approach marketing effectively. Additionally, understand why products sell best and generate the most profits allow for the Wholesale Account Specialist to advertise these products effectively.

3.1.4 Break-Even Analysis

G Winery currently only generates 4% of its overall revenue from wholesaling wine, therefore target sales are initially projected to cover the expense of bringing in a new position of a Wholesale Account Specialist. Break-even analysis is used to gain insight on the current cost versus revenue associated with wine production and sales that positions G Winery in a profitable position after paying out the Wholesale Account Specialist commission, salary, and covering all manufacturing costs of the wine production process and labor. As the business grows into more experience with wholesaling wine and securing additional account, target sales and revenue projects will be reevaluated to reflect the goals of the business more accurately.

Retail rates of each style of G wine are determined by the labor and manufacturing materials costs, as well as maintaining competitive with other wines sales in the area. These rates along with the total production cost per case were used to determine the contribution margin, or generated profit, for each style of wine. This was also completed with the same figures for wholesale when the retail price was discounted by a factor of 1.5, for each style of wine. Per the state of Ohio liquor laws, wholesaling wine or any alcohol, the discount rate must be set at a consistent number and cannot vary based on bulk distribution or any

other factors. Currently, the state of Ohio has set the wholesale discount rate at a division of retail by a factor of 1.5 (G 2020). Wholesale accounts must sell all products from the manufacturer, G Winery, at a minimum of the suggested retail by the manufacturer but are able to sell products at a higher rate at their own discretion (Administration n.d.). To determine the retail rate of each product produced by G Winery labor, material, and overall cost of production has been evaluated to determine the best margins for mass appeal to consumers as well as maximizing profitability (G 2020).

In addition to production cost, the manufacturer- G Winery, will pay out at commission rate of 6% to the new Wholesale Account Specialist per unit, generating a Profit After Material Cost and Commission (Table 3.4) for each style of wine sold and distributed by the Wholesale Account Specialist.

Table 3.4: Profit Margin by Category

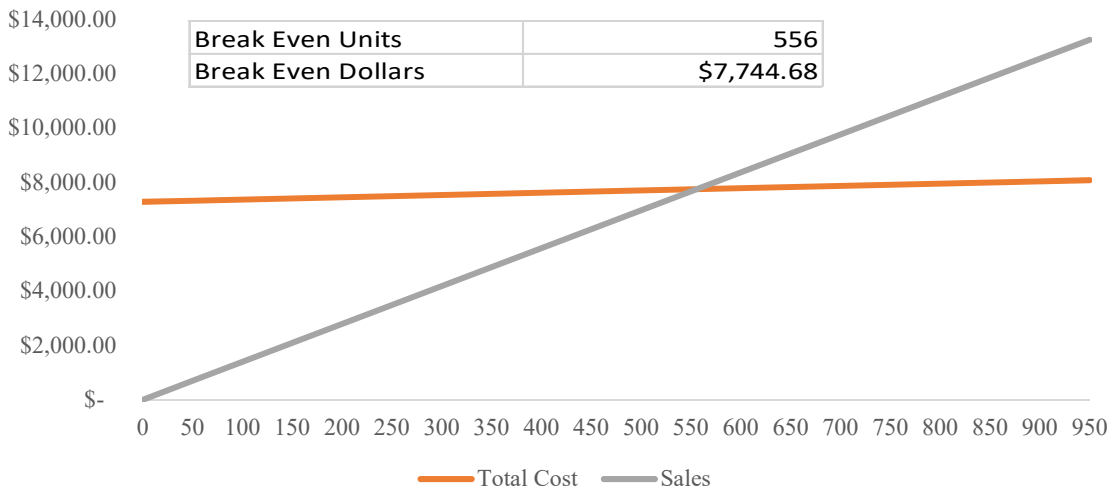
	Fruit per unit	White per unit	Red per unit	Specialty per unit	Kegs
Materials Cost	\$2.53	\$3.64	\$3.86	\$3.31	\$0.00
Winemaker Labor Cost	\$0.28	\$0.28	\$0.28	\$0.28	\$3.30
Bottling Labor Cost	\$0.12	\$0.12	\$0.12	\$0.12	\$
Total Cost	\$2.93	\$4.04	\$4.26	\$3.71	\$3.30
Sale at Wholesale (Average)	\$10.67	\$14.29	\$16.67	\$14.13	\$220.00
Profit After Material Cost	\$7.74	\$10.25	\$12.41	\$10.43	\$216.70
Commission	\$0.64	\$0.86	\$1.00	\$0.85	\$13.20
Profit After Material Cost and Commission	\$7.10	\$9.39	\$11.41	\$114.94	\$203.50

Table 3.5: Annual Pay for Wholesale Account Specialist

\$	14.00	Per Hour Rate
	0.06	Commission Rate
\$	7,280.00	For 10 hours/per week

Break-Even Analysis was completed to gain insights on the minimum volume needed to be sold by the Wholesale Account Specialist for the position to become a profitable expansion in G Winery’s business model. The variables used to determine the breakeven point of this new position are based on a fixed hourly wage of \$14.00 per hour, with an expected workload of ten-hours per week for 52 weeks out of the year. Additionally, the variable cost was calculated based on the commission rate of six percent per unit sold. It was determined for the Wholesale Account Specialist’s hourly rate, commission, and expected work week hours to break even, within the first year, profits generated must exceed \$7,745 or 556 units sold through wholesale.

Figure 3.2: Break-Even Graph



Currently, within the first six months of 2021, G Winery has generated sales of \$11,114.35 through wholesale having sold 704 units. If G Winery can maintain this same growth in wholesale accounts throughout the end of 2021 and beyond, the newly generated revenue can provide the business with an increased cash flow into the winery’s profits of

roughly 9.8 times the previous year's wholesale account activity. These projections are based on the consistent ordering patterns are accounts established within the first six months of 2021 and do not account for any additional acquired accounts through the rest of the 2021 calendar year. These sales targets and revenue projections are highly obtainable and likely to be surpass with even a conservative approach to wholesale marketing.

3.1.5 Customer Funnel Analysis

This section will be used to gain insights on the process of acquiring new wholesale accounts using a customer funnel analysis. It is important for G Winery to invest time and resources searching for new wholesale accounts and continuing to move these accounts through the customer funnel to expand profits. Each of the stages in the customer funnel is used to identify specific customer behaviors and touchpoints for the Wholesale Account Specialist at G Winery. Understanding each of these stages will allow for G Winery to better estimate the needs of potential wholesale accounts and provide a tactical approach to acquiring new leads through high-volumes accounts.

Currently G Winery is working with a variety of different businesses in various stages of the customer funnel. These businesses are summarized in Figure 3.2. Through this project leads will be generated through the target market analysis and will allow G Winery's Wholesale Account Specialist to determine the best marketing and advertising strategies to reach these potential customers and move them through each stage of the funnel, with the goal of becoming loyal or high-volume accounts.

Figure 3.3: Customer Funnel

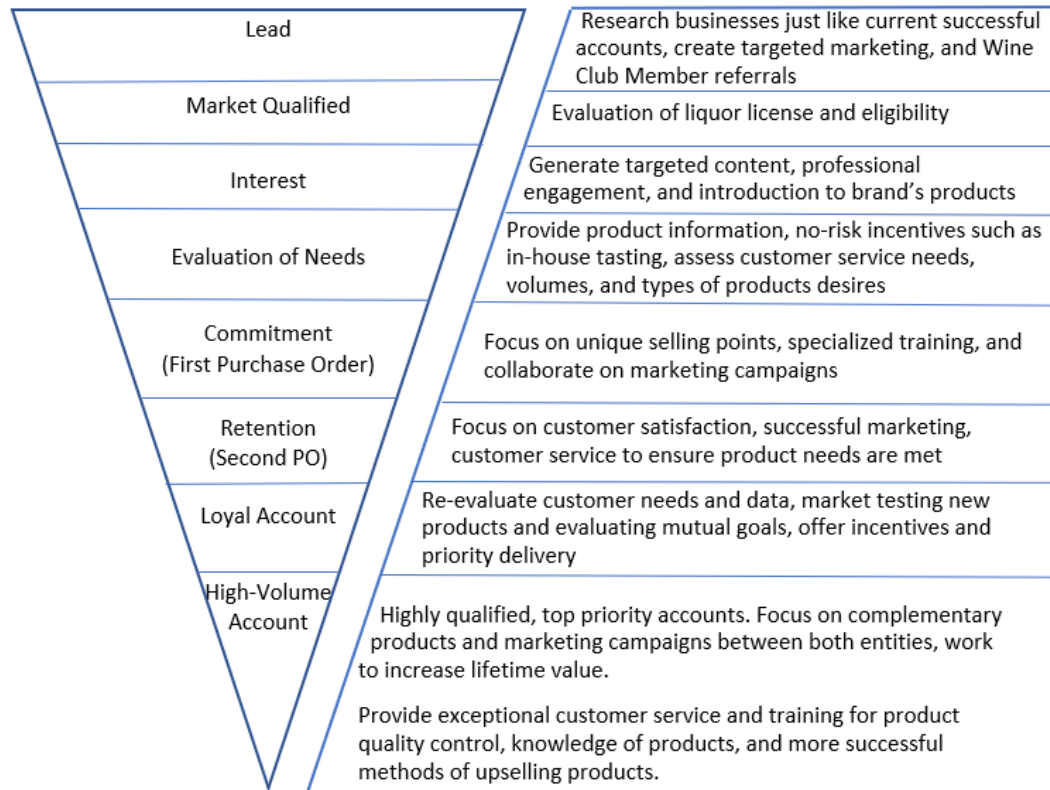


Table 3.6: Summary of Current Wholesale Partners in Customer Funnel

Stage of Funnel	List of Current Account
Lead	<ul style="list-style-type: none"> • Businesses from Target Market Analysis
Market Qualified	<ul style="list-style-type: none"> • We.Serve Coffee
Interest	<ul style="list-style-type: none"> • Nancy's Steakhouse • Fins Seafood & Grille • Findlay Country Club
Evaluation of Needs	<ul style="list-style-type: none"> • Vivir • Stix • Circle of Friends
Commitment First Purchase Order	<ul style="list-style-type: none"> • Preteroti's Spaghetti House • Great Scot • Ralph's Joy of Living • Sycamore Springs Golf Course
Retention (Second PO)	<ul style="list-style-type: none"> • Eagle Creek Drive Thru • Perry Street Market • The Fern
Loyal Account	<ul style="list-style-type: none"> • Carey Brewing Station
High-Volume Account	<ul style="list-style-type: none"> • Carey Hometown Market • Carey Ace Hardware • Findlay Brewing Company

Lead - Attracting new wholesale accounts begins with establishing leads through market research and generating a list of candidates with similar business models as current and successful wholesale accounts. These leads can also be acquired through conversations with regular guests at the winery. G Winery maintains a diverse group of loyal guests through a wine club membership opportunity. It is through this group of individuals leads can be generated for wholesale accounts. Wine Club Member typically live within the northwest Ohio area, which currently is the wholesale segments geographically target market. Simply asking members where they live and where they would be the most convenient place for them to purchase G Winery wines, offers a productive acquisition method for new wholesale accounts. In addition to market research leads can be generated through targeted marketing such as social media campaigns, direct marketing such as emails, phone calls, and in-person conversations.

Market Qualified - Once a solid lead has been identified, it must be evaluated and qualified to be a wholesale account with G Winery by having the proper liquor license, by the state of Ohio, to sell wine for in-house consumption or carry out. If the lead does not currently possess the correct liquor licensing, they must be eligible to apply, but cannot move through the customer funnel until it has been secured. A copy of the business's liquor license must be in-hand of G Winery's owner before any wholesale purchases can be made.

Interest – Marketing is key when it comes to acquiring interest and portraying the value of G Winery's products. The Wholesale Account Specialist will be focused professional engagement and generating targeted content to the potential account. This target content includes providing information about the products and why G Winery would

consider them a positive potential business partner. Typically interested in associated with current G Winery's guests asking for the products to be available in specific geographical locations that include the lead's business. At this stage, securing a sale is not the primary focus of the Wholesale Account Specialist's interactions, it is to develop a productive relationship, trust, and generate interest about the business to evaluate mutual success opportunities.

Evaluation of Need – At this stage G Winery evaluates potential wholesale account's needs by offering in-person meetings to discuss the best path for carrying G Winery wines in their business. The meeting consists of providing information for the potential account to decide what products what will work best within their business. This includes complementary product tasting and evaluation of the marketplace. The Wholesale Account Specialist will discuss what is selling well in similar markets, or businesses, as well as what sells best in-house of the winery. Additionally, if the potential account currently sells other wines at their business, it will be discussed what is selling well and what is not, as well as assess any gaps in their current selection. It is the goal of the Evaluation of Needs stage in the customer funnel to begin understanding the best approach to wholesale for each individual business. After the initial in-person meeting, evaluation can take time for the potential wholesale account to make the decision to make their first purchase. It is the responsibility of the Wholesale Account Specialist to follow-up virtually and continue to answer any questions presented from the business.

Commitment – Once the business has actively made the decision to purchase wine as a wholesale account with G Winery, it is the responsibility of the Wholesale Account Specialist to make the first order process as easy as possible, with providing exceptional

customer service. This customer service varies based on the nature of the wholesale account's business model – restaurant versus retail. Restaurants require specialized training for the account's staff to properly serve and preserve the wines to maintain high quality to represent G Winery's brand effectively. When new restaurant wholesale account submits their first purchase order, delivery includes preservation equipment and is scheduled around the availability of the account's entire staff to be present for training. This training usually takes thirty minutes to an hour to complete and will be vital to the success of serving wine properly with minimal spoilage. Both restaurant and retail accounts will be provided with initial marketing materials to introduce their customers to the G Winery brand, additional collaboration will be completed to improve marketing and advertising materials to reach the wholesale account's specific customers.

Retention (Second Purchase Order) – Retaining current wholesale accounts is just as important as acquiring new accounts. To increase wholesale account retention, customer satisfaction is crucial both in customer service and product quality expectations. On average, the first purchase order placed by a new wholesale account is conservative, however the second purchase order is more presentative of the business's needs. Staying in close, professional contact with an account can remind them about G Winery's business. It is important for the Wholesale Account Specialist to reach out to new accounts and consistently be re-evaluating the needs of the business.

Loyal Account – G Winery's goal is to form loyal connections with wholesale accounts that begin to develop a preference to the G Winery's products over other available products in the marketplace. This preference must also include customer service and marketing strategies. The Wholesale Account Specialist's position at this point is the

interact closely with the accounts to establish proof of a positive impact on the business by including G Winery's product to their inventory. Listening to customer's needs is crucial at this point, while adjusting marketing materials and advertising to each account's different customer base. Additionally, as a wholesale account becomes loyal customer incentives begin to develop, such as priority delivery and first knowledge of new product releases being tested in the market. These incentives are used in the hypercompetitive and dynamic industry to increase sales volumes and keep an account moving through the funnel.

High-Volume Account – The final and optimal stage to reach in the customer funnel is when a wholesale account reaches the High-Volume Account stage. High-volumes accounts happens when wholesale accounts are no longer being monitored on a regular basis and place roughly frequent, high volume orders. When wholesale accounts have reached this stage, they are the highest priority of the Wholesale Account Specialist for orders, deliveries, special events, customer service and to be the first for testing new products in the industry. High-Volume Accounts also tends to offer great advocacy of G Winery products and brand. These accounts are highly qualified and provide G Winery, as a whole entity, high customer profitability as well as increased customer lifetime value.

The customer funnel is a vital tool to help visualize the customer journey or the path that potential wholesale accounts take as they become more familiar with G Winery's company and products, from leads to high-volume accounts. It will allow the Wholesale Account Specialist to map out the tactical steps and marketing campaigns that need to be considered in a more structural approach. Furthermore, the customer funnel analysis will aid in win-backs of leads, or wholesale accounts, whom may have fallen out the funnel. Regardless of how well the Wholesale Account Specialist works through the customer

funnel, businesses are inevitably going to become inactive and fall out of the funnel.

Tactical approaches to win-back these accounts are an important role for the Wholesale Account Specialist and will vary based on which stage the account has left the funnel.

As G Winery continues to expand its presences within the wholesale segment of the wine industry, it is important for the Wholesale Account Specialist to track all business partners moving through the customer funnel. Developing and understanding the conversion rates between each stage of the funnel will allow for G Winery to better track the progress of each business proposal and wholesale account relationship. The conversion rate will be determined by taking the number of businesses who move from one stage of the funnel to the next compared to those who do not move, or fall out of the funnel, developing a conversion rate for each stage of the funnel. Additionally, this conversion rate will allow the Wholesale Account Specialist to identify any bottlenecks within the funnel and gain in-sight as to how they can be overcome these setbacks through marketing, new product innovation and customer service to the accounts. Therefore, it is important to the success of this segment of G Winery to establish a productive method of collecting account data from the initial stages of wholesale distributing to ensure efficient flow of customers through the funnel.

3.1.6 SWOT Analysis & Appraisal Matrix

G Winery has been part of one of the most innovative single brand franchises within the modern wine industry. Through the affiliation with Water's Edge Wineries, G has capitalized on the opportunities to establish a full functioning winery in northwest Ohio

over the past five years. However, with the urge to expand into wholesale and self-distribution, G Winery faces many unique challenges.

The SWOT analysis will evaluate the (S) strengths, (W) weaknesses, (O) opportunities, and (T) threats that either help or impede G Winery's ability to expand by offering a competitive value proposition to the target market of the wholesale segment. The first step of a SWOT analysis is to examine the environment G Winery has cultivated for current customer and potential wholesale accounts, as a base for expansion. Next, an overview will outline the internal resources including strengths and weaknesses of the value chain and the winery's core competencies. Finally, the conclusion of the SWOT analysis will explain the opportunities and threats present towards the winery's plan to expand into wholesale and self-distribution. The leading question will be: Is G Winery positioned in a way to utilize its allocated resources and expansion strategy to exceed the challenges of self-distribution?

Table 3.7: SWOT Analysis

<p><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • Brand Equity & Loyal Customers • Strong Brand Story • Diverse Range of Products • Adaptability to the Market • Good and Reliable Supply Chain • Extremely High-Quality Products • Diverse and Dependable Employees • Prime location • Strong Established Partnership 	<p><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> • Small Production Area • No Viticulture • Minimal Online Activity • Little-To-No Brand Recognition Outside Northwest Ohio • No Previous Experience in Wholesale
<p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Highly Involved Marketplace • No Other Wineries in Area • High-Wealth Population • New Technologies • Participation in Wine Trails • Federal and State grants Opportunities 	<p><u>THREATS</u></p> <ul style="list-style-type: none"> • Potential partnerships are suspended due to COVID19 Pandemic • Ohio Wine Manufacturing Laws • Shortage Employees • New wineries in the areas continue to gain market share

Strengths

Strengths of G Winery have aided in the successful brand equity of the business and enabled it to thrive in the marketplace. The strength not only help to protect the established market share but also help in penetrating new markets and business expansion.

- Good level of brand equity, especially among high involvement of loyal customers
- Strong brand story – globally sourced, locally crafted
- Diverse range of products. Good blend of well-known varietals and fanciful named wines
- Ability to adapt products quickly and efficiently

- Good and reliable supply chain for all materials associated with production
- Extremely high quality and consistent products
- Good local skilled and unskilled employees
- Prime location – located in a good part of town and close to highway to attract travelers
- Strong established partnership with local businesses

Weaknesses

Weaknesses are the areas in which G Winery continuously works to improve its brand equity and market share in the current wine industry. Strategies are used to expand the business's competitive advantage throughout consumer and wholesale markets.

- Small production area, requires off-site storage and aging
- No viticulture – G Winery is at the disposal of juice available by supply chain and logistics
- Online operations exist but not strong, or selling high volumes
- Little-to-no brand recognition outside northwest Ohio
- No previous experience in wholesale or self-distribution – all previous accounts have approached the winery

Opportunities

Opportunities are present, as favorable external factors, in the strategic plan to expand G Winery into wholesale distribution. G Winery works to take advantages of these opportunities to protect its competitive advantage as it continues to expand in the marketplace.

- Hancock County is a “foodie town” with many locally businesses with a highly involved partnership market
- Some competition but no other serious players in geographical area
- Findlay has a high-wealth population
- Uptick of consumer spending and social behavior
- New technologies to aid in the online consumer market
- New wineries in the area have established a convenient wine trail experience for residents and traveler to the area
- Federal and state grants have been awarded to further establish wine education through the state of Ohio

Threats

Threats towards G Winery include any external factors that may cause damage to the business. Identifying threats within the business allows G Winery the possibility reduce their impact or avoid them entirely.

- Potential partnerships are suspended due to COVID-19 Pandemic – businesses are not making risky decisions
- Shortage of skilled workforce in market
- New wineries in the areas continue to gain market share – diluting G Winery’s position
- New Ohio wine laws no longer allow for free or discounted wine tastings



The overall position revealed by the SWOT analysis is clear. Provided the business can continue to allocate resources, time and strategic marketing towards the marketplace, G

Winery is in a strong position to exceed the anticipated, and unforeseen, challenges associated with business expansion.

The Appraisal Matrix

The appraisal matrix is an extension of the SWOT analysis, and its objectives is to provide a consistent method to aid in identifying the highest priority strengths and weaknesses of the business in strategic relevance to G Winery’s wholesale account segment. This analysis will also provide opportunities to gauge which areas have competitive potential and allow for the Wholesale Account Specialist to start taking measures to develop them into a sustainable competitive advantage and finally appropriate the returns from the sustained competitive advantage.

Table 3.8: G Winery Appraisal Matrix for Wholesale Segment

 Relative Strength	<u>SUPERFLUOUS STRENGTH</u> <ul style="list-style-type: none"> • Strong Brand Story • Good & Reliable Supply Chain • Good Skilled and Unskilled Employees • Ability to Adapt Products Quickly 	<u>KEY STRENGTH</u> <ul style="list-style-type: none"> • High Involvement of Customers • Diverse Range of Products • Extremely High Quality & Consistent Products • Prime Location for Distribution • Strong Established Partnerships
	<u>ZONE OF IRRELEVANCE</u> <ul style="list-style-type: none"> • No local viticulture • Minimal Online operations 	<u>KEY WEAKNESS</u> <ul style="list-style-type: none"> • Small Production Area • Little-to-No Brand Recognition Outside Northwest Ohio • No Previous Experience with Wholesale
Strategic Importance 		

Thorough review and appraisal of the relevant strengths and strategic importance will allow G Winery will continue to extend the competitive advantage within the wholesale segment of the industry. G Winery's key strengths begins with highly involved and loyal customers; this provides the opportunity for the Wholesale Account Specialist to lean on these customers for lead referrals and new product innovations to improve the marketplace. G Winery also already offers a diverse range of products, at extremely high quality, available consistently throughout the wholesale segment. Providing ready-to-serve products through the wholesale accounts segment will allow for potential new wholesale accounts to develop trust, reliability and begin to establish their own loyal customers through purchasing G Winery products. Additionally, G Winery holds a favorable location for wholesale distribution, sitting in the middle of northwest Ohio, with no other wine manufacturers in the area.

Key Strength

Key strengths within the appraisal matrix include knowledge-based skills, transferable skills and business characteristics which will allow G Winery to capitalize and use to gain market share within the industry. The key strengths summarized in Table 3.4 are most represented within the wholesale segment to empower the Wholesale Account Specialist to market and provide increased value proposition to potential accounts.

Superfluous Strength

The superfluous strengths are the characteristics in which G Winery is superior within the marketplace but appear to be less of strategic importance to the wholesale segment of G Winery's business model.

Key Weakness

Key weaknesses in the business model of G Winery are defined as the character traits or skills that are considered negative or not as well developed. These weaknesses can be blind spots or poorly/ underdeveloped skills within the marketplace but are still considered to be strategically important to the wholesale segment of G Winery. Within this zone of the appraisal matrix is where G Winery's Wholesale Account Specialist needs assess these characteristics and develop actionable strategies to improve these characteristics.

Zone of Irrelevance

The section of the appraisal matrix, considered to be the Zone of Irrelevance characterized the weakness with G Winery's business model that have little strategic importance to the wholesale segment of the business. These traits can have an overall impact on the business itself but have minimal, direct, effect on the wholesaling industry and the opportunity for the Wholesale Account Specialist to secure new account and move current account further through the customer funnel.

3.2 Market Analysis

This section will be used to determine the target market for G Winery's upcoming wholesale account activity through a market analysis. The market analysis will be used to

gain insight of the attractiveness and the dynamics of new wholesale accounts within the wine industry of northwest Ohio. This analysis will include both quantitative and qualitative assessment of the market to generate potential leads for wholesale distribution. Analyzing the market will allow the Wholesale Account Specialist to define a target market for acquiring new wholesale accounts in the coming years. The target market is determined by business characteristics including geographical location, size of the business, and trends of the market space. Additionally, G Winery's target market is separated in to two different categories –restaurants and retailers.

3.2.1 Industry Analysis

The wine industry is a thriving segment of Ohio's economy, providing unique opportunities for the state and its financial stability. To assess and ensure the continued support of Ohio's economy throughout the wine industry, an annual Economic Impact Report is conducted through industry research and survey analysis (Rimerman 2016). Rimerman states in the Economic Impact of Ohio Wine and Grape report "Wine, its products, and allied industries diversify local economies and create employment and new market opportunities. This industry contributes greatly to the economic strength of the state with an economic value of \$1.31 billion" (2016). This statement commissioned by the Ohio Grape Industry Committee provides a basis of the overall demand for market expansion of the wine industry of Ohio. Additionally, data from the report was combined with data from an article published by Harvard Business School's titled "The Changing Structure of the Wine Industry", which focuses on the distinctive economic structures that exist in the wine industry and identified the critical forces driving the changes within the industry. These two articles were selected for this thesis as the data and viewpoints align with the primary

objective for this project. To ensure the articles used are applicable, the targeted areas of this thesis focus on Ohio wineries' economic impact including job availability and incomes produced, generated values through tourism, and the trends of the Ohio wine industry in the coming years.

Job Generated and Incomes Produced - According to the Economic Impact of Ohio Wine and Grapes Report (Rimerman 2016), the Ohio wine industry is the sixth largest wine producer in the United States and produces nearly 1.25 million gallons of wine annually, accounting for 0.74% of the total wine produced within the United States. Interestingly, unlike other states, Ohio can grow grapes for wine production in all 88 counties within the state. With high levels of production throughout the state, Ohio allows for increased job openings and generated incomes through viticulture and retail positions. The increasing number of wineries is creating more jobs and causing new businesses to open within the state. The Business Journal states "The wineries are driving hotels to be built, new restaurants, boutiques being opened, gas stations and a lot of other things come out around the wine industry, and it does not have to have a city center. We are watching good things happen in areas that were once struggling with unemployment issues because of the thriving Ohio wine industry" (Kelley 2018). As of 2016, the wine industry in Ohio has provided new employment for 1,045 full-time positions, generating increased payroll total of \$17.2 million across the state (Rimerman 2016). "Wineries employ full and part-time workers for bottling, storage, maintenance and winemaking needs in addition to the traditional hospitality (tasting room), finance sales, marketing, and distribution functions" (Rimerman 2016). As of July 2021, Ohio has 86 open listings for fulltime employment within the wine industry according to a Google job search (n/a 2021). It is clear the

economic impact of Ohio wineries provides a vast strength. Furthermore, including the intangible benefits makes the industry a much greater asset to the state. In addition to the monetary value of the industry, intangible value such as enhancing the overall quality of life of employees, tourists, and diversified communities provides an immeasurable impact as well.

Table 3.9: Current Economic Value of the Ohio Wine Industry

Full-time Jobs	8,067 filled / 86 unfilled
Wages Paid	\$264 million
Retail Value of Wine, Sold in 2016	\$61 million
Number of Wineries	280
Wine-Retailed Tourism / Value	1,377,000 / \$321 million
State and Local Tax Revenue	\$146 million

Revenue Value and Tourism - The Ohio wine industry also generates significant monetary benefits the state, federal, and local economies of the state. Ohio’s wines and allied industries contribute to over \$146 million in Ohio tax revenues (Rimerman 2016). Also contributing to this economic success are wine-related events and tourism which generate over \$15.9 million in revenue. The Ohio wine industry hosts hundreds of wine-related events every month throughout the state and have continued to grow over the last four years. Since 2016, winery tourism within Ohio has grown at a consistent 10% each year, with the average tourist spending \$111 for a day trip and \$365 for overnight experiences, such as at wine festivals (Kelley 2018). According to the Economic Impact of Ohio Wines and Wine Grapes report, the most beneficial festivals, regarding return-on-investment for producers, to attend in Ohio are:

- North Market Food & Wine Festival
- Glass City Wine Festival
- Vintage Ohio
- Giant Eagle Grape & Ale
- Waterfront Wine Festival
- Grove City Wine & Art Festival

Attending these festivals has become increasingly important to the success and brand equity of wineries across the state (Rimerman 2016). Recently the intensions of tourist visiting wines festivals have evolved into more than just enjoyment for the products. These events have become a territory for networking with new businesses and professionals in the industry.

Trends of the Ohio Wine Industry – “Over the past 10 years, the Ohio wine industry has grown from 124 to over 350 licensed wine manufacturers in 2021” (Smith 2020). As the number of wineries and wine manufacturers continue to grow, the importance of understanding the trends in distribution and availability will continue to grow with it. Currently, only a handful of wineries sell wine through self-distribution, or directly to restaurants and retailers. Making this type of endeavor a highly profitable segment of the market, if done successfully. The Ohio Wine Producers Association has taken on the challenge to help wine manufacturers within the state improve their brand equity by increasing the presences of Ohio-produced wines through distribution to retailers and restaurants. Rimerman stated in the report, “In order for the wine industry to continue growing, it is crucial wineries and all associated organizations to receive significant support through the state and local governments, particularly with funding dollars that will enable

better marketing of the industry as a whole” (Rimerman 2016). The market power of the distribution channels is beginning to rise dramatically and is creating an increase in the economy value for local wine producers and self-distributors (Roberto n.d.).

“Consolidating the market, through self-distribution, is re-energizing the marketplace and forming new unique business opportunities and approaches to partnerships” (Roberto n.d.).

Table 3.10: Number of Wineries Currently in Ohio by Year

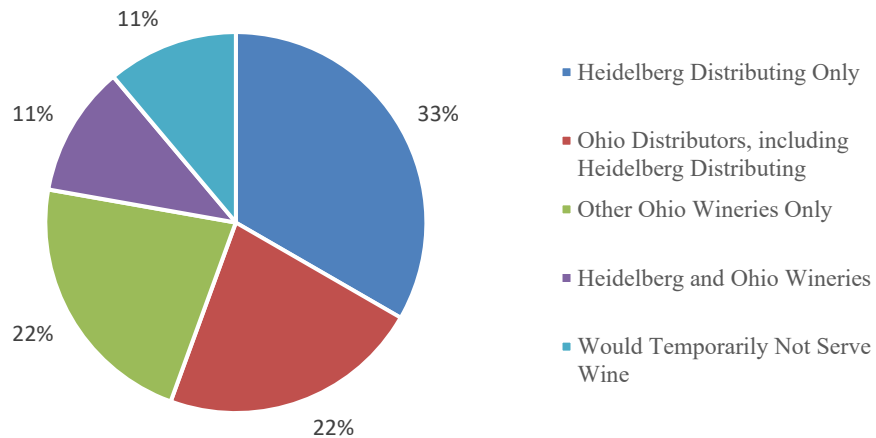
2020	280
2016	265
2012	175
2008	124
2004	109

3.2.2 Diversion Analysis

Diversion ratios can be used to answer different questions, such as which products should be included in the relevant market, or which competitors are acquiring significant market share to be considered major threats to G Winery’s goal to expand. In general, higher diversion ratios between two or more competitors imply more intense, or ‘closer’, competition between the entities, whether it is product availability, customer service, or pricing. The diversion ratio evidence can be instrumental, through diversion analysis, in overcoming competition by evaluating demand and providing the most desirable products at ideal prices to current wholesale accounts, as well using the insight to gain new accounts. Diversion analysis measures the proportion of sales captured by different products, or competitors, when the product is widely available in the marketplace. Diversion analysis is critical to understanding the marketplace and maintaining a sufficient market share within the wholesale account sector of G Winery’s goal to expand through understanding wholesale accounts’ preferences and switching patterns.

Upon review of the survey responses from the current G Winery wholesale accounts, diversion analysis will be used to gain insight about major competitors in the wholesale segment in which G Winery is currently competing, as well as planning to compete upon expansion. Although the qualitative evidence from the survey does not provide the exact magnitude of the diversion ratio, the ranking of competitors offers useful rough estimation of that ratio. The qualitative data gathered for the nine responses was used to determine if G Winery products were not available in the marketplace where would current wholesale accounts rely on alternative distributing companies.

Figure 3.4: G Winery’s Current Wholesale Accounts’ Other Distributors and Market Share Representation



The diversion ratio between G Winery and Heidelberg Distributing is 66%, while the diversion ratios between other large distributors and Ohio wineries only, is 22%, and only 11% of the current wholesale accounts representing a complete loyalty to G Winery. The diversion ratio indicated the current wholesale accounts believe Heidelberg Distributing is a closer competitor for G Winery wines than any of the other represented businesses. Understanding these major competitors in the marketplace will allow for the

Wholesale Accounts Specialist better present a value proposition to potential wholesale accounts as to what G Winery has to offer that other competitor cannot.

Table 3.11: Market Segmentation of Major Competitors In Wholesale Distributing – Representing The Number Of G Winery Wholesale Accounts Also Being Served By Other Competitors

Heidelberg Distributing Only	3	Restaurant – Bar, Retail – Local Store, & Retail – Drive Thru
Ohio Distributors, including Heidelberg Distributing	2	Retail – Local Store & Restaurant – Golf Course
Other Ohio Wineries Only	2	Retail – Local Store (2)
Heidelberg and Ohio Wineries	1	Restaurant – Brewing Station
Temporarily Not Serve Wine	1	Restaurant- Brewing Station

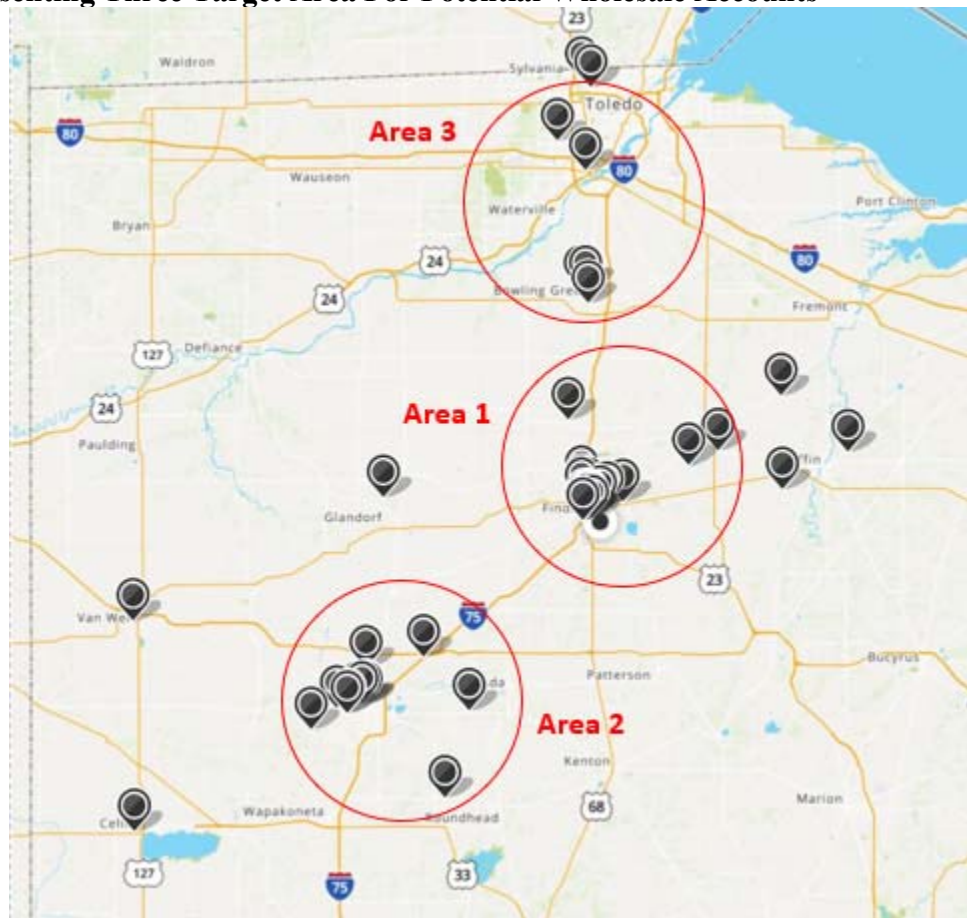
The Diversion Analysis was further broken down through market segmentation (Figure 3.11) of the current wholesale accounts to determine which category the highly competitive distributing businesses are holding the most market share. Analyzing this data will allow for G Winery’s Wholesale Account Specialist to determine a superior strategic approach to exceed the value proposition offered by G Winery’s competitors for each segment of the market.

3.2.3 Target Market

The target market will first be assessed by geographical location in proximity to the winery. This is important because G Winery is currently self-distributing wholesale accounts’ orders, therefore drive-time must be a factor of consideration when developing a target market. Once a geographical range has been evaluated, businesses within the area are analyzed for specific business model characteristics to develop an inclusive and thorough target market for G Winery’s wholesale segment. The characteristics desired for potential wholesale accounts are ones resembling the business models of current loyal and high-volume accounts currently being served. The characteristics desired for a target market

which were determined to be of the highest value include a conservative wine selection – focusing on Ohio wines, desire for mutual advancement in the marketplace, casual dining experiences with menu items ranging from \$5 to \$12 per item, and a vested interest in collaborating with G Winery to introduce new and innovative ideas for products and marketing.

Figure 3.5: G Winery’s Geographical Target Market Within Northwest Ohio, Representing Three Target Area For Potential Wholesale Accounts



Area 1 – Area One in the target market provides overarching advantages to G Winery’s wholesale target market because it represents the closest proximity to the winery production location and offers the highest chance of capturing the market due to already established brand recognition and loyal customer base. Providing a strong value

proposition to new businesses within the targeted area to carry G Winery products, will allow for businesses to understand the value G Winery products can bring to their businesses.

Area 2 – Area Two also offers unique target marketing because it offers the highest volume of area golf courses and the overall population of businesses represented within the area most closely resembling the current accounts in the loyal and high-volume stages of the customer funnel. Additionally, these businesses are still within an ideal geographical range of the production facility of G Winery products allowing for brand recognition to be potential value proposition to the businesses.

Area 3 – Area Three provides an ideal target market because of the high volume area of businesses, especially those resembling the current account being served through G Winery’s wholesale segment.

Furthermore, the target market was broken down into further market segmentation (Table 3.11) and was used to divide the broad range of potential wholesale accounts into general groups and locations to better determine the acquisition opportunities for the market. Market segmentation will allow for the Wholesale Account Specialist to better understand what types of businesses represented in the target area with similar business models to the current wholesale accounts being served by G Winery.

Table 3.12: Market Segmentation of Potential Wholesale Accounts in Northwest Ohio

Restaurant - Golf Course	16
Restaurant - Small Business / Casual Dining	12
Restaurant - Bar	12
Retail - Local Store	10
Retail - Drive Thru	3
Restaurant – Brewing Station	1
Grand Total	53

CHAPTER IV: ACTIONABLE STRATEGIC MARKETING PLAN

G Winery has developed a unique and successful approach to acquiring new wholesale accounts amidst the current state of the economy for small business throughout the United States. 2020 proved to be a year in which many businesses needed to pivot their marketing approach to stay afloat during the COVID19 Pandemic; G Winery was no exception to this shift. In years past, the most successful approach to securing new business partners was through social networking, events such as festivals, professional meetings, and conferences/conventions. Since many of these events had been cancelled in 2020 and are continuing to not be schedule throughout the beginning of 2021, G Winery found creative solutions to secure wholesale accounts.

G Winery has begun to work with many local restaurants to do wine and food pairings at new locations. This approach allows for business to invite their own customer to eat food offered by the business in addition to sampling G Winery wines that pair well with the food they already enjoy at the restaurants. This also allows for the wholesale account to understand the process of serving wines to customers as well as identifying which types of wines their customers will enjoy the most. This approach has worked well for G Winery and the current wholesale account that have been established throughout the COVID19 Pandemic because it is centered around mutual success for both the business as well as G Winery (G 2020).

One hurdle G Winery has yet to creatively maneuver through is the Ohio Wine Law 4301.24 - no manufacturer shall aid or assist the retailer and no manufacturer or wholesale distributor shall aid or assist the holder of any permit for sale at retail, however it is acceptable that the manufacturer or wholesale distributor may furnish to a retail permittee

the inside signs or advertising and the tap signs or devices authorized by retailer (Commission 2021). The law states that the manufacturer, G Winery, cannot aid in the marketing or advertising of their products on behalf of the retailer that is the wholesale account. Upon further investigation of this law, this means G Winery cannot provide any advertising throughout the manufacturing facility, the winery, or online to where customers can purchase wines at additional locations, unless customer inquire about additional locations first. The only creative solution in practice thus far for G Winery is a one-click, external page download, of the list of retailers associated with G Winery products. G Winery cannot have a list of wholesale account, retail or restaurants, located on the main page of our website, therefore a clickable link is considered to be a sufficient inquiry by the customer (G 2020). The ability to drive customers to these wholesale account locations will help aid in the revenue of wholesale account activity, therefore it is beneficial to provide this information to customers looking to purchase wine outside of the winery, within the limits of the Ohio Wine Law 4301.24.

4.1 Year One

During Year One, the target will be to continue working with the current eleven wholesale accounts to increase order frequency and volume purchased per order. Addressing these needs and requests from the current accounts, according to the previously mentioned survey, G Winery will be able to improve its presence in the marketplace through attending marketing events – such as wine festivals and private events hosting by the wholesale accounts targeting their customer base. In addition, within the first year G Winery will work to increase product diversity to wholesale accounts. Outside of the current wholesale accounts being served, G Winery will continue to follow leads and move new businesses through its customer funnel. The target market for acquiring new leads will be those

businesses who resemble current loyal and high-volume accounts. These include small businesses in the surrounding communities that are locally owned and operated. Ideally, retailers with diverse but conservative wine selection, supporting Ohio wine producers, as well as businesses which offer convenient carryout options – such as drive thrus.

Additionally, the Wholesale Account Specialist will target restaurants that appear to be like current wholesale account restaurants. The characteristics desired include businesses with casual dining and menu prices ranging from five dollars to twelve dollars per menu item and meal options that pair well with wine. Finally, because G Winery is self-distributing wines, the geographical target market will be businesses within a one-hour radius of G Winery's tasting room and production location.

4.2 Year Two

During Year Two, G Winery will continue to research and develop marketing products for locations requiring non-glass containers for their customers. Being able to diversify product availability will allow the Wholesale Account Specialist to gain market share with golf courses, pools, amusement parks and many other locations current underrepresented in the wine wholesale industry. G Winery will continue to produce all highly profitable products to serve loyal and high-volume accounts, with the continued goal of moving newly acquired leads through the funnel. Additionally, within the second year of wholesale G Winery will attend priority marketing events and wine festivals within the geographic target market, in preference of a two-hour radius from G Winery's tasting room and production location. Ideally, year two will offer less restrictions for events and festivals caused by the COVID19 Pandemic and will allow G Winery to network with new businesses and customer bases.

4.3 Year Three

In Year Three, G Winery will continue to produce and distribute all highly profitable products through wholesale. The target market for G Winery will continue to expand and focus on acquiring new wholesale accounts with business models focused on fine dining and higher price per menu items. Serving this market will allow for G Winery to expand its brand recognition to a new population of consumers as well as increasing the profitability of specialty wines being manufactured by G Winery. Additionally, the geographical target market will continue to expand as well with a goal of attracting new leads within three-hours radius of the tasting room and production facility. This target marketing will begin to include neighboring states. Therefore, the Wholesale Account Specialist will work to educate themselves on Indiana's and Michigan's liquor laws and wine distribution requirements.

4.4 Wholesale Account Specialist Job Description

G Winery's Wholesale Account Specialist will perform sales and marketing tasks with the overall objective of improving wine sales via wholesale accounts. This position will work in conjunction with other sales and marketing staff to increase the market share of winery's products, increasing overall profit within the target market.

The Wholesale Account Specialist will promote the winery's brand within the marketplace to improve brand recognition and brand equity. They will work at all levels of the distribution chain, including retail, distribution, and consumer level.

The Wholesale Account Specialist will be involved in the planning of sales and marketing strategies. In some opportunities, they will train wholesale account staff and provide ongoing sales training and wine storage procedures.

This position is a good fit for someone who is passionate about wine and has strong sales skills. To do well in this career, the Wholesale Account Specialist will also need solid organizational skills, experience in the industry and advanced knowledge of the food and wine industry. The role usually involves a great deal of travel, selling the winery's products to accounts at a variety of locations.

Table 4.1 G Winery Wholesale Account Specialist’s Job Responsibilities, Core Functions and Duties

<p>Responsibilities: While the key focus of the Wholesale Account Specialist is to sell and distribute wine through wholesale, their responsibilities can be wide ranging. The position will include skill to:</p>		
% Of Time	E – Essential M - Marginal	Core Functions & Duties
50%	E	<p>Maintain Current and Develop New Wholesale Accounts</p> <ul style="list-style-type: none"> • Identify new accounts through target market analysis • Analyze market trends and identify new opportunities • Conduct product and profitability analysis for new accounts and products development • Understand and abide by all liquor laws and wine distribution requirements •
40%	E	<p>Customer Service</p> <ul style="list-style-type: none"> • Assess accounts’ needs and requirements for all winery products • Organize and implement delivery schedule •
10%	M	<p>Coordinate and Attend Wine Festivals and Private Marketing Events</p> <ul style="list-style-type: none"> • Identify priority marketing events to attend through target market analysis
100%	M	<p>Remain Up to Date on Wine Industry and Trends</p> <ul style="list-style-type: none"> • Complete a qualification for wine tasting, production, or sales — typically a WSET, VESTA or sommelier qualification.
100%	E	<p>Develop and Utilize Interpersonal Skills</p> <ul style="list-style-type: none"> • Strong organizational and planning skills • Sales skills and the ability to influence people • A people person who can build strong relationships with professionals in the industry • Very strong communication skills, both written and verbal • Good computer skills • Analytical skills and ability to translate complex sales reports into meaningful business knowledge

CHAPTER V: CONCLUSION

This study began by examining the driving forces and key success factors related to G Winery's objective to expand into wholesales and self-distribution of their locally crafted wines in northwest Ohio. The business was profiled using existing data about their current market share within the industry and their capabilities to expand were analyzed through evaluation of current business practices and ability to meet the market demand. G Winery is a relatively small operation with great potential to secure a competitive advantage in the Ohio wine wholesale marketplace. The business is positioned well to produce and distribute wine to restaurants and retailers within northwest Ohio and the surrounding areas. The product value offers an advantage to G Winery because it is a full functioning operation offering locally crafted wines to the area with a strongly established brand story and loyal customer base. Capitalizing on the opportunities to import juices for wine production allows for G Winery to supply its consumer base with wine varietals from all over the world allowing for low production cost to maximize profits. G Winery has already proven the successful expansion opportunity for creating a position of wholesale account specialization within the first six months of the position being operational in 2021. Within the first six months of 2021, the winery has seen increased sales more than \$11,000 over the entire years of 2019 and 2020 through wholesale.

Although the COVID-19 Pandemic has done undeniable damage to the economy of Ohio, the wine industry has never been better. Since the beginning of 2020, wine purchases have increased by nearly 225% (Thach 2020). G Winery has been working tirelessly to meet the demands of the consumers and establish beneficial partnerships to aid in the mutual success of the local business owners within the area of northwest Ohio. Although it is a tough time for small businesses to be making high risk decisions to bring in new

products to their businesses, G Winery has provided unique opportunities and a strong value proposition for business owners, to exceed those of its competitors. G Winery continues to be optimistic about the future of wholesale and self-distribution as the Ohio economy begins to recover and businesses are looking for new and exciting ways to bring customers back into their business.

The research explored and assessed the company's current wholesale accounts to reveal sources of opportunity for exploitation. The results, conducted across products and market segment, revealed being able to provide value innovation to current wholesale accounts will allow for G Winery is provide optimal customer service and quality products to ensure these established partnerships will provide mutual success for both businesses. After conducting comprehensive research, this study determined G Winery is an ideal position to further expand the business into wholesale and self-distribution. Utilizing the market research and primary data collected from current accounts being served by G Winery's Wholesale Account Specialist, it is determined G Winery should continue to market their products and focus on the sales of fruit wine and kegs, with these products being the most profitable and highly desired through wholesale. This research also provided G Winery's Wholesale Account Specialist opportunities for product diversification to better meet the needs of its current accounts to increase sales volumes, with the additional goal of marketing these new products to acquire new accounts.

Furthermore, in Chapter 3, the study determined the best means of customer acquisition and retention as well as unique brand marking strategies for G Winery's products through wholesale. This information was used to evaluate the market and influence the target market for the future of G Winery's wholesale segment. After

extensive research, this study prioritized the target market through industry analysis and market segmentation. Industry analysis was used to better understand the needs of the wine industry and predict the buying power of the target market as well as G Winery's top competitors in wholesale and the market share they control. Additionally, market segmentation was determined by evaluating the current wholesale accounts utilizing G Winery's products at high-volumes and consistent ordering schedules. To help aid in the successful business expansion into wholesale, a literature review was completed to evaluating the most successful means of marketing within the wine industry. Based on the previous studies reviewed for this thesis, generating targeted marketing through a hybrid approach is the ideal method of reaching most of the wine market consumers.

Further research needs to be conducted ensure the business can expand successfully and meet the demands of the marketplace without disruption of G Winery's business model. First, the Wholesale Account Specialist must look to address the needs of businesses not currently being served by G Winery's wholesale segment. Formulating a survey to identify the needs in an underserved market that allows potential accounts to voice their needs within a larger target market will potentially yield actionable results for the Wholesale Account Specialist to use as they aim to expand G Winery's market share. This would create a solid basis for actionable insights that could aid in the marketing strategies and acquisition methods of new wholesale accounts. Another avenue for formal research to identify a promising target market would be to conduct a survey directed towards current loyal customers, such as wine club members, focused solely on their requests for locations in which G Winery should pursue wholesale account partnerships. Second, as G Winery continues to grow at a rapid rate within the wholesale industry, it is

important to conduct analysis and identify the lowest point on the cost curve at which the company can produce its product at a competitive price, as known as the Minimum Efficiency Scale. This information is important to the success of the business expansion for G Winery to be proactive and avoid any factors which may derail the business due to manufacturing limitations and product availability. As stated previously, G Winery has a very limited product space. Therefore, it is crucial to the success of the wholesale account segment of the business to understand the production limitations and be able to scale the wholesale segment at a comparable rate to the production abilities without over-promising product availability to accounts, while still conducting a high-revenue-generating segment of G Winery. Third, due to the previously mentioned method of acquiring materials for manufacturing, G Winery must also be able to identify potential factors, known as Black Swan Events. A Black Swan Event is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. These types of unforeseen events can be devastating, or productive, to the business. Therefore, it is of utmost importance for the Wholesale Account Specialist to be educated within the industry and every aspect of the business and take a proactive approach to quickly recover from these types of occurrences. Currently, the most universal Black Swan Event is the COVID-19 Pandemic and the effects it has produced within the economy. Additional research will allow for G Winery to address any gaps within the business model and allow for created brand recognition across all aspects of the business. With great market potential and actionable strategies presented in this study, the future of G Winery will be greatly impacted by the expansion into wholesale and self-distribution through bringing in a new Wholesale Account Specialist position.

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APPENDIX A

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APPENDIX B

Name	Address	County
Aficionado's	8909 S Old State Rd, Lewis Center, OH 43035	Delaware
Bassett's Market	3994 East Harbor Road Suite B Port Clinton, OH 43452	Ottawa
Four Fires Meadery	1683 Lance Point Rd, Unit 106, Maumee OH 43537	Lucas
Larry's Drive Through	3305 Center Rd. Poland, Ohio 44514	Mahoning
Ruler 2154 Elida Road Suite 4	2154 Elida Road Suite 4, Lima, OH 45805	Allen
The Gathering Fine food and Spirits	235 South Main St. Findlay, OH 45840	Hancock
The Greater Gouda	12 N. Sandusky Street, Delaware, Ohio 43015	Delaware
Wine and Brew Emporium	6154 S SUNBURY RD, WESTERVILLE, OHIO 43081	Delaware
A & C Southway Beverage	45 South Ave 1St Fl Youngstown, OH 44503	Mahoning
Arrow Wine & Spirits	2950 Far Hills Avenue, Dayton, OH 45419	Montgomery
A Taste of Wine	90 South Main Street, Miamisburg, OH 45342	Montgomery
Barley Hopsters	1 N Sandusky Street, Delaware, OH 43015	Delaware
Bella Vino Wine Merchant & Bar	6064 N. Main Street, Springboro, OH 45066	Warren
Belmont Party Supply Inc	2621 South Smithville Road, Dayton, OH 45420	Montgomery
Centerville Carryout - Centerville Ohio	34 West Franklin Street, Centerville, OH 45459	Montgomery
Centerville Liquor And Wine	894 South Main Street Suite D Centerville, OH 45458	Montgomery
Chalet Premier	10000 Market Street, North Lima, OH 44452	Allen
Chef Jeff's Culinary Company	Suite 132, 101 E Alex-Bell Road, Centerville, OH 45459	Montgomery
Colonial Wine & Beverage	8389 Mayfield Road, Chesterland, OH 44026	Geauga County
DiSalvo's Deli & Store	1383 East Stroop Road, Kettering, OH 45440	Montgomery
Dorothy Lane Market	740 N. Main Street, Springboro, OH 45066	Warren
Ehrhart's Drive Thru	108 N Lane St Bucyrus, OH 44820	Crawford
Emporium Wines	233 Xenia Ave Yellow Springs, OH 45387	Greene
Findlay Wine Merchant	540 S. Main Street, Findlay, OH 45840	Hancock
Huron Market	525 Cleveland Road West Huron, OH 44857	Erie
Kettering Wine and Spirits	1218 E Stroop Road Kettering, OH 45429	Montgomery
Lakeview Liquors	103 E Logan St, Celina, OH 45822	Mercer
Liquor and Wine Warehouse - OH	3440 York Commons Blvd Dayton, OH 45414	Montgomery
Lizardville	1615 Main St, Peninsula, Jamestown, OH 44264	Greene
Lou's Wine Cellar	2975 South Canfield Niles Road, Youngstown, OH 44515	Mahoning
Lynd's Gourmet	State Route 161, Pataskala, OH 43062	Licking
Meza Wine Shop	48 N State Street, Westerville, OH 43081	Delaware
Michael Charles Premier Wines	3225 Elm Road, Warren, OH 44483	Warren
Montavino Wine Market	2017 Portage Road, Wooster, OH 44691	Wayne
Mutach's Market	505 W Main Street, Lakeside, Marblehead, OH 43440	Ottawa
Oak & Brazen	38 East Winter Street, Delaware, OH 43015	Delaware
Piccolo's Wine Shop	1212 Hull Road, Sandusky, OH 44870	Erie
Rumbleseat Wine	5853 Far Hills, Dayton, OH 45429	Montgomery
Simplified Wines	8730 Moreland St, Powell, OH 43065	Delaware
Southside Drive Thru	337 W Central Avenue, West Carrollton, OH 45449	Montgomery
The Andersons	530 Illinois Avenue, Maumee, OH 43537	Lucas
The Andersons Market	7638 Sylvania Avenue, Sylvania, OH 43560	Lucas
The Wine Cache	925 River Road, Granville, OH 43023	Licking

Tutto Vino	7154 Muirfield Dr, Dublin, Delaware, OH 43017	Delaware
Vino 100 Maumee	Suite D, 3355 Briarfield Boulevard, Maumee, OH 43537	Lucas
Vintage Estate Wine and Beer	7317 South Avenue, Boardman, OH 44512	Mahoning
Winds Cafe	209 Xenia Ave Yellow Springs, OH 45387	Greene
Wine Advisers	3225 Elm Road, Warren, OH 44483	Warren
WineStyles Howland	8208 East Market Street, Warren, OH 44484	Warren