LOTUS GROWTH

RESEARCH REPORT
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The Influence of Mobile Apps on Wine Purchases

Quantitative research on the immediate and incremental sales impact of consumer engagement with wine brands and products promoted within smartphone apps.

introduction
Marketing wine in the digital age.

The traditional strategies and tactics through which marketers reached target consumers, typically by broadcasting brand messages to the largest audience possible, are being replaced by interest-focused digital strategies due to the advent of contextual targeting and the mediums through which those messages can be delivered. As a result, marketing campaigns have become more efficient and cost effective, while also garnering the benefit of measurement along each point in the conversion funnel. Calculating ROI and cost per acquisition has not only become possible, but is now expected.

Pioneered by Google's Adwords search keyword targeting and Facebook's Interest Graph, category-focused mobile apps such as Hello Vino have created similar platforms in order to facilitate relevant engagement between brands and consumers. However, *mobile* is the key differentiator driving positive results when employing digital marketing tactics that were once only relevant for an e-commerce scenario, with the ability to now reach consumers making purchase decisions in the on- and off-premise environments – at precisely the right time, in the right context. This report outlines those results.
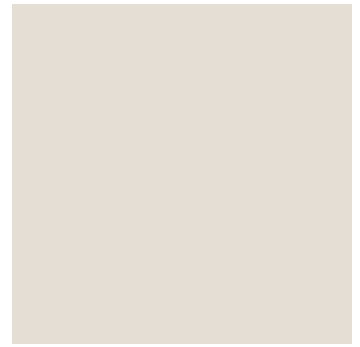
background

Mobile is the bridge between the digital and physical worlds.

Wine consumers are more engaged on mobile platforms than previous years, using mobile apps to not only educate them about wine but also guide them in purchasing decisions. A recent study published by Sonoma State University Wine Business Institute reported 23% of wine consumers "use wine apps to decide which wine to buy."

The Hello Vino mobile app bridges the gap between consumer engagement with brands through digital media and the wine buying experience in a real-world environment, converting online marketing efforts into "offline" retail impact.
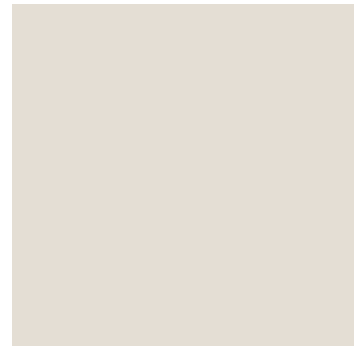
Hello Vino is the leader in the mobile wine recommendation space. With more than two million app downloads, its influence extends beyond brand awareness to driving purchases in the on- and off-premise beverage sales environments. This report outlines direct feedback by consumers and their purchases of wines promoted through the app.

Drawing a parallel to how Wine Spectator and Wine Advocate influenced previous generations with wine ratings and articles, Hello Vino assists the next generation of wine consumers who use smartphones and the Internet to research purchase decisions.

84%
of smartphone shoppers use their phone for help in stores

Source: Google Shopper Marketing Council

survey
Measuring the sales impact of mobile wine apps.

Hello Vino conducted a survey among a sample of its app users who engaged with specific wines promoted within the app, measuring the influence of those recommendations on consumer wine purchases. Key findings include:

AWARENESS: Whether or not wine consumers were aware of the winery/brand prior to engaging with the promoted wine in the Hello Vino app.

CONSIDERATION: The purchase intent of consumers who saved the promoted wine to a shopping list or requested nearby retail locations.

TRIAL: Confirmed purchases of the promoted wine and the quantity of bottles purchased, with an understanding of whether or not the consumer was previously aware of the winery/brand.

LOYALTY: Whether or not consumers who purchased the promoted wine will buy the same winery/brand again over the next six months.

ADVOCACY: The number of consumers who purchased the promoted wine and would recommend the winery/brand to a number of friends.

From awareness & consideration to trial & repeat.

Hello Vino is in the unique position of influencing purchase behavior while measuring consumer engagement during each stage of the buyer lifecycle – from brand discovery to the end purchase, loyalty and advocacy.

1

pre-purchase recommendations

At its core, the Hello Vino app recommends specific wines by meal selection, personal taste preferences and wine-buying occasions such as holidays, delivering highly-relevant content to consumers while making their purchase decisions – the apex of contextual marketing (relevancy + location + timing).

2

engagement & purchase intent

When the Hello Vino app suggests specific wines to a consumer seeking a recommendation, several engagement options are presented including "Save to Shopping List" and "Find Nearby Stores" – with additional options for the user to submit an order request directly to the Hello Vino procurement team.

3

post-purchase feedback

Consumer engagement with the recommended brands continues after the purchase with the ability to keep personal notes and ratings within the app. Sales conversions are confirmed through in-app surveys measuring quantity purchased, and if the consumer was already familiar with the brand.

4

brand loyalty & advocacy

The post-purchase survey feedback also indicates whether the consumer intends to purchase the same wine again within the next six months, and whether they will recommend the wine to friends (another influence for purchase decisions). These metrics allow for the projection of incremental retail impact.

results
The influence of apps on wine purchases.

29.4 %
purchased

Consumers who confirmed purchase of the promoted wine, buying 2.4 bottles on average.

61.5 %
purchase intent

Consumers intending to purchase: 46.2% intend to purchase later, and 15.6% unable to find wine locally.

63.4 %
not aware

Consumers not aware of the promoted winery/brand prior to engagement in the Hello Vino app.

88.3 %
will repeat

Consumers who will purchase the same winery/brand again within the next 6 months.

86.7 %
will recommend

Consumers who will recommend the promoted winery/brand to others; each to 3.9 people on average.

44.7 %
new customers

Consumers previously not aware of the promoted winery/brand, but did confirm purchase of the wine.

summary
It really is all about context.

Mobile marketing within niche apps provides brands with the advantage of reaching pre-qualified consumers at the precise time and location a purchase decision will be made. Further, the collection and analysis of data within mobile apps can be used to better target consumers through segmentation, which is especially important in the wine industry. The Hello Vino app collects and analyzes millions of consumer data points including personal taste preferences, search queries, purchase history, frequency, price points and reasons for purchasing wine (holidays, gifts, etc.) in order to create a deeply contextual connection between brands and consumers, resulting in engagement and conversion (sales) rates that outperform other digital marketing benchmarks such as click-through rates on paid search engine placement and customer acquisition through social network display ads (i.e. "buying likes" on Facebook).

While most mobile marketing efforts begin and end with awareness, the Hello Vino survey results reveal the most successful mobile campaigns are those placing relevant brands/products into real-world buying situations by partnering with category-focused apps rich with consumer behavioral data and the ability to leverage location-specific calls to action.

methodology
Data collection and analysis.

In order to determine the Hello Vino app's influence on consumer purchases, a post-campaign survey was presented to app users who engaged one of three promoted wines, all priced between $10.00 and $17.00 (SRP), and each produced by three different wineries/brands. Engagement is defined by the consumer saving the promoted wine to their shopping list in the app or requesting nearby retail locations at which to purchase the wine, displayed on an interactive map. The in-app survey was then presented to the consumer no earlier than two weeks and no later than six weeks after engagement with the promoted wine. 1,450 consumers completed the post-campaign survey.

segmentation
Wine purchase behavior of Hello Vino app users.

To understand which segment of wine consumers uses Hello Vino to assist with wine purchase decisions, the following behavioral analysis of a random sample of 300,000 Hello Vino app users provides insight into these consumers' consumption frequency and spending level.

60.2% consume wine on a weekly basis

23.1% consume wine "3 or more times per week"

69.8% identify as "Beginner" or "Novice" wine drinkers

75.1% purchase wines priced under $20 per bottle

57.7% spend "between $10 and $20 per bottle"

$1,186 in annual wine purchases (average per user)

contacts

Meagan K. French
Lotus Growth
lotusgrowth.co
meagankfrench@gmail.com

Rick Breslin
Hello Vino, Inc.
hellovino.com
rick@hellovino.com

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