Use of social media in the Australian and New Zealand wine industries

Wineries are keen to adopt social media, but they struggle to identify the return on investment and there appears to be a distinct level of strategy regarding adoption. Sharon L Forbes, from the Faculty of Agribusiness and Markets at Lincoln University, New Zealand; together with Steve Goodman and Rebecca Dolan, from the Marketing & Management department of The University of Adelaide’s Business School, have surveyed wineries about social media use and the perceived benefits.

SOCIAL MEDIA

The use of social media has exploded in a way that traditional mass media never did: it took 38 years for the radio to attract 50 million listeners, 13 years for television to gain 50 million viewers and just one-and-a-half years for Facebook to reach 50 million participants.

Facebook today has more than 1.2 billion monthly users and Twitter has exceeded 271 million monthly users.

These figures give some indication of the importance of social media to people. Customers are using social media to research products and services, as well as to engage with businesses and other customers who may offer them valuable opinions. Given wine is a lifestyle, hedonic product that is often talked about and information sought after, it is interesting to see where the wine industry sits within social media use.

SOCIAL MEDIA AND THE WINE INDUSTRY

Having a social media presence is as important as having a road sign that points to a winery’s cellar door argues Habel and Goodman (2010). Despite this, wineries have been reasonably slow to incorporate social media into their marketing strategies, and research reports that even wineries who have begun using social media don’t know where it fits within their strategy (Dolan, Goodman & Habel, 2013).

Research has revealed that most wineries were aware of the popularity of social media, but few knew how it could be helpful to them, consistent with findings in the Australian wine industry (Dolan, Goodman & Habel, 2013). Many have a Web 1.0 approach - they have built a website to passively provide information but have not adopted interactive social.
media tools to any great extent. While some wineries have embraced the new social media technologies, others have claimed that various issues prevent them from doing so. Research with 17 Yarra Valley wineries (Strickland, 2013) revealed that the majority had a low level of understanding and did not know how to use social media platforms.

Other respondents reported that they did not have the time to investigate how to use social media and 90 per cent expressed concern that there was no evidence that having a social media presence provided financial returns in the wine industry (Strickland, 2013). In contrast, Habel and Goodman (2010) argue that a winery can utilise Facebook for market research, relationship management and customer feedback, at a small cost of just a few hours each week. Similarly, they also claim that Twitter is a low cost method for engaging with customers and can take just a few minutes of effort each day (Goodman & Habel, 2010); this needs empirical investigation.

METHOD
This study utilised a questionnaire that had been previously developed and tested for research with German wineries (Szolnoki et al., 2013). In Australia, the data was collected in an online survey, hosted on Qualtrics. A message was sent to 2490 Australian wineries who have an email address in the 2014 Wine Industry Directory. A total of 379 usable responses were received in early 2014, giving a response rate of 15 per cent. In New Zealand, the questionnaire was posted out to 575 wineries and completed by 106, giving a response rate of 18 per cent.

The questionnaire was posted out because the author had experienced a very low response rate when using an online method to survey New Zealand wineries in a previous 2013 study.

The data from New Zealand wineries was collected in early 2014.

RESULTS AND DISCUSSION

In both Australia and New Zealand, 65 per cent of wineries utilise social media as a tool to communicate with their customers. This result suggests that social media use amongst wineries is more prevalent in New Zealand and Australia than it is in either Germany and other major European producing markets (Szolnoki et al., 2013). However, the usage of social media amongst Australasian wineries is considerably lower than the 94 per cent of US wineries who reported usage of Facebook (Bouquet, 2012).

This result may relate to the rates of internet and social media penetration in the US and Australasia; the internet penetration rate in North America is 81 per cent compared to 63 per cent across the Oceania region and the social media penetration rates are 56 per cent and 44 per cent respectively (wearesocial.net).

Facebook is by far the most popularly used social media platform in Australia, with 87 per cent of wineries having a Facebook profile, followed by Twitter with 55 per cent reporting use.

There is a similar story in New Zealand, with Twitter (65%) and Facebook the most commonly used social media platforms, but with a lower incidence of Facebook usage than Australia at 67 per cent.

Other platforms such as Uploading Videos, Reading Blogs, Pinterest, Google+ and Instagram are at similar use levels in both markets.

The questionnaire asked each winery what they wanted to achieve from using social media (Fig. 3); interestingly, seven per cent of New Zealand wineries and 16 per cent of Australian wineries cannot actually define what they are using social media for.
This result provides some support for earlier research suggesting that wineries either (a) lack a clearly defined social media strategy or (b) are not sure how social media will be useful to them.

We also sought to understand if issues also existed amongst those wineries who had adopted social media technologies. The difficulty with generating content is the number one problem in Australia (52%), something which could be assisted with using a communication orientation as proposed by Dolan, Goodman and Habel (2013).

The problem with time (42%) is understandable in an industry dominated by small businesses staffed, in many cases, by a proprietor who is also the grapegrower and winemaker.

The difficulty in getting news fans (29%) highlights a possible need to re-examine the goal of using social media; is it to get new fans (likes), to engage with the consumers that do ‘like’ your brand, to co-create (and increase) the value amongst current customers or simply to achieve reach (which can be done through paying for promotion)?

Conclusions

The research shows us that wineries are as keen as most other industries to adopt social media, but they struggle to identify the return on investment and there appears to be a distinct level of strategy regarding adoption.

There appears to be some level of ‘technical’ difficulty in using social media, something which is easily address through a specifically designed education and workshop program for the wine industry. Research is close to completion funded through AGWA that is developing a framework for marketing use of social media by wineries and wine brands. Details of which are available thought www.facebook.com/ AustralianWineandSocialMedia – which broadcasts webinars, share research practical findings and will have details on any workshops that become available.

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References
