

## **Does Social Network Media Marketing Directly Transition to Wine Sales?**

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Social media marketing, specifically social networking has changed the way consumers are targeted. It has dramatically increased the ability of firms, especially small firms to reach new target audiences. Nielson reported that in 2008 approximately two-thirds of the world's internet population spent at least 10% of their time visiting a social network or blogging site. Of the 75 most popular worldwide social networking sites, Facebook had the highest average time per visitor (2009). While the popularity of social networks originated with a younger college-aged audience, the number of older members has increased greatly over the last year, with a 13 % increase in the number of users aged 35 and older.

Sales in the wine industry have traditionally occurred through a three-tier distribution system, although an on-site tasting room has provided a profitable cornerstone for many wineries. Tasting rooms have allowed the customer direct involvement with the winery and typically offer the winery the highest, most profitable sales channel. With the addition of direct shipping and ecommerce, many wineries are finding themselves open to entirely new markets and consumer groups. Business to consumer social networking sites provide an inexpensive way to for many businesses to not only connect with consumers, and to communicate a story, but to easily collect information on consumer preferences. Consumer wine sales are often based upon recommendation from others, and social networking provides an open forum for consumers to exchange ideas and reveal their recommendations to both businesses and other consumers. While social media is still very much about marketing, analysts are expecting it to evolve into a social commerce system, especially in the wine industry (VinTank, 2009).

The purpose of this research is to examine if direct advertising through social networks like Facebook are increasing firm's wine sales. Wineries in the state of Texas were surveyed to determine the extent of the winery's traditional and social media channels and practices, and the percentage of sales that occurred as a result of each. We also examine the advertising practices of a number of wineries utilizing Facebook and Twitter to verify the presence of social networking, and examine the most common of advertised sales versus advertised events. Wineries in Texas were chosen as a natural forum as Texas has 132 bonded wineries, up from 80 in 2001. In the past two decades Texas wine production has surged. Today, Texas ranks fourth in the nation in wine consumption and fifth in wine production.

Our results suggest that while a number of wineries do take advantage of social networking sites to advertise upcoming events, social networking does not translate significantly to direct wine sales. The results also suggest that smaller wineries appear to depend more on social media and the word of mouth advertising it provides, than do larger wineries. These results would appear consistent with the idea that larger wineries, with more access to capital, tend to utilize traditional media advertising outlets.

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