



DIGITAL DEALS DONE RIGHT

Online Offers Get an Overhaul

Once the bane of high-end retail and Fine Dining as the result of daily deal sites leaving many operators with a bad aftertaste, newer digital discount approaches have thankfully begun to shift the conversation. A new wave of apps coupled with added features on established apps are changing how your clients and guests experience – and view – promotional offers.

Apps like Ibotta and Shop Kick reframe the experience from coupons to rebates and rewards. This approach leaves behind perceptions of devaluing your brand that can come with discounted pricing. These apps currently drive consumers to discover a range of products, including wine and spirits. The offers range from individual bottles to qualifying purchases across a portfolio, many funded by wineries, distillers and brewers.

In the restaurant industry, brands like Open Table, Yelp and Blackboard Eats are evolving to incent visits and trial without breaking the economics of the businesses to which they drive traffic. The days when participating in a discount program generated unprofitable sales, if not already extinct, are headed the way of the dinosaur.

Even better, both types of app-driven promotions reduce, if not eliminate, the stigma of redeeming paper coupons.

Of course, not every one of these approaches has the

potential to attract a Fine Wine consumer. The underlying cultural shift behind these apps nonetheless indicates opportunities to capitalize on the trend for your business – while making your clients and guests happy at the same time.

SOUND SKETCHY?

If you've had a bad experience with paper coupons or a daily deal site offer tanking your margins in the past, the whole idea of getting into digital discounts for your most valuable consumers may sound sketchy to you. Success stems from choosing where you participate wisely. How you choose to market and message these special offers matters, too.

Promotional offers of any kind – not just price discounts – drive purchasing behavior across all price points. In a recent CO-PILOT report, Technomics found 45 percent of consumers consider purchasing wine with a meal when offered a promotion when dining out. More than half (54 percent) are also more likely to order wine if they see it paired with food.¹ This might take the form a photo of the dish on a menu with a wine recommendation next to it or even a recommended wine shown within a photo of a special.



People are drawn to wine more frequently when presented with a special offer or paired with food because it reduces the risk, both from a financial and confidence perspective. Additionally, promotions can be used to create experiences or exclusivity that make people feel special. This feeling of being special is a key driver for the Fine Wine consumer.² It can even be viewed [as a staff recommendation](#) when presented appropriately, e.g. Sommelier's Pick or Wine of the Month.

Worried the psychological safety factor at work may be limited to new wine drinkers or lower priced selections? The data allay this concern. In Fine Dining, 76 percent of purchases by those surveyed came to \$21-\$80 per bottle. Sixty-six percent of by-the-glass purchases rang in at \$11-\$20+.³

This is consistent with trends in promotional offers driving trial and selection for other, comparably priced consumer packaged goods (CPG) and fashion. Take, for example, the well-styled clutch that entices cosmetics shoppers as a gift-with purchase by brands such as Lancôme and Laura Mercier. Or the exclusive shopping event with bonus points for loyalty members popular with department stores like Nordstrom or Williams-Sonoma. Some even offer cash back on purchases, indicating a higher income and register ring is not mutually exclusive with the desire to get a good deal.⁴

This increased trial at restaurants benefits retailers as well. An astonishing 75 percent of those surveyed said they were more likely to purchase a wine at a retail store to enjoy at home if they've tried it dining out.⁵

CAPITALIZING ON DIGITAL DEALS

All this begs the question of how you can grab the traffic and dollars that go with these new-fangled digital deals. Here are four ways we suggest:

1. Embrace the Passive Digital Discount. The discounts, rebates and rewards that come with consumer apps like Ibotta and Shop Kick are often funded by the supplier. These drive traffic to your store without lifting a finger on your part. Not only do they avoid the hassle with paper coupon or mail-in rebate redemptions, you might not even realize you're benefiting from them. Users are probably even happier with the experience with your business just because they got rewarded for coming. The only action on your part is one of awareness. Be prepared to congratulate customers on their digital savvy in the rare case they happen to mention it.

2. Seek Out New Features. Apps like OpenTable and Yelp aren't blind to opportunities to better serve consumers and restaurants – or the challenges restaurants have had with them in the past. Yelp is getting into the reservation business, while OpenTable has added a loyalty program and announced plans to add the ability for restaurants to add Specials. More retail locations than ever appear on Yelp and Facebook, where some of the newer deal and event functions may work for you as well.

To tap into these new features and hop on new ones as they arrive, have the person in your account who is responsible for social media and managing customer reviews periodically browse the app websites and the apps themselves for:

- Feature announcements,
- What competitors are or aren't doing, and
- Opportunities to communicate out any promotions you may have.

Based on these findings, determine what you'd like to try and put it out into the world. Start low-risk by targeting a smaller audience or picking a short expiration date until you've gotten a handle on the features.

3. Spread the Word. A growing number of independent wine shops and liquor stores deliver for platforms like [Drizly](#) or [Saucey](#). The same goes for food delivery services in states and municipalities where alcohol is permitted to be part of the purchase, such as Door Dash and Grub Hub. For some, this avoids the need to have your own delivery service or to spend marketing dollars attracting delivery customers.

That last part is key. These delivery services are marketing to attract traffic to their sites as well as drive registrations and sales. So, the next time someone asks if you deliver, consider adding one more layer to the list of e-commerce sites you partner with to maximize your share of market. Be prepared with a tip on their latest sign up or first order bonus. These are usually easy to find on their home pages or via a quick search for the site name plus “promo code,” “coupon,” or “discount.”

4. Create Your Own. Take this trend and run with the opportunity to modernize or supplement your already successful promotional activities. If you have a loyalty program, consider creating a special offer beyond discounts and reward points. For example, create an exclusive experience. That might be offering a sought-after vintage by-the-glass for a very limited time – and only for restaurant VIP’s. At retail, create a customer appreciation night or a flash sale exclusively for those on your email subscription list or in your loyalty club.

Take these tactics digital by promoting the offer or event via email or by targeting your customer list with social media ads, [a feature available in Ads Manager](#) for ads you run on Facebook and/or Instagram. Offers are also redeemed digitally, such as when your customer shows the email on their mobile phone or registers for the exclusive event on a private [Facebook Event](#), using a [Facebook Lead Form](#) or on a site like [EventBrite.com](#), which issues print or digital tickets for both free and paid events.



YOU CAN DO THIS

Can you participate in the growing digital offer trend and still maintain the integrity of your brand? Should you? As demonstrated in this article, the answer is absolutely, without a doubt, yes. Start small with keeping up to date on what your clients and guests may be using to give them a little validation. Or go big by crafting digital deals of your own.

Whatever path you choose, now is the perfect time to dip your toes in the water. You and your staff will be experts by the time this trend rises to its full potential.

FOR ADDITIONAL INFORMATION OR QUESTIONS REGARDING E. & J. GALLO WINERY BRANDS, PLEASE CONTACT YOUR LOCAL SALES REPRESENTATIVE.

1. Technomic, CO-PILOT Program Report, “Selection Factors for Wine,” Q4 2017.
2. Technomic, CO-PILOT Program Report, “Wine Pricing,” Q4 2017.
3. Gallo Custom Research, 2017.
4. Business Insider, “[15 popular brands with rewards programs you should be taking advantage of](#),” September 2, 2017.
5. Technomic, CO-PILOT Program Report, “Consumer Attitudes on Wine Issues,” Q4 2017.