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April 8, 2019

Matthew Moate
Executive Officer
Wine Industry Suppliers Australia Inc. (WISA)
PO Box 1117

By email: eo@wisa.org.au

Dear Matthew,

Re: Results of wine Sponsorship survey

Please find below our analysis of WISA's wine sponsorship survey. Thank you for working with us to enable an improved experience for winery sponsorships and donations. We look forward to working together again in the future.

1 Conclusions

We understand that this survey was designed to gain insight into the attitudes of wineries sponsorship and donations. The results of the survey showed the following.

- Those with higher case productions were more likely to be approached for sponsorship and donation requests.
- Wineries are most likely to be approached for donations on a weekly basis.
- Donations were typically less of than \$50 value.
- Charities, not for profits and community groups were considered favourable sponsorship recipients.
- Participants generally preferred to be contacted between April and September.
- Participants wanted longer term commitments to organisations they felt were relevant to their brand.
- Participants didn't like sponsoring events that didn't reflect their corporate ethic, like sponsoring events where underage people can win their wine.
- The closer to their winery the more appealing the sponsorship.
- They are seeking to build wins for both their brand and the recipient.
- Participants want recognition, brand awareness, value, ROI, feedback and acknowledgment for their sponsorship.

The Hydra Consulting Company (HydraCo Australia Pty Ltd ABN 47 149 437 767)

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2 Background

Ten questions were asked in a survey distributed by the [Wine Industry Suppliers Association Inc.](#) to wineries across Australia to develop a basic level of understanding for wineries and sponsorship managers to improve the value proposition required for mutually beneficial partnerships. This analysis is based on the 34 responses from the wine industry.

3 Annual case sales

Of the 34 participants of the survey the largest group is producing cases production level as shown in Figure 1.

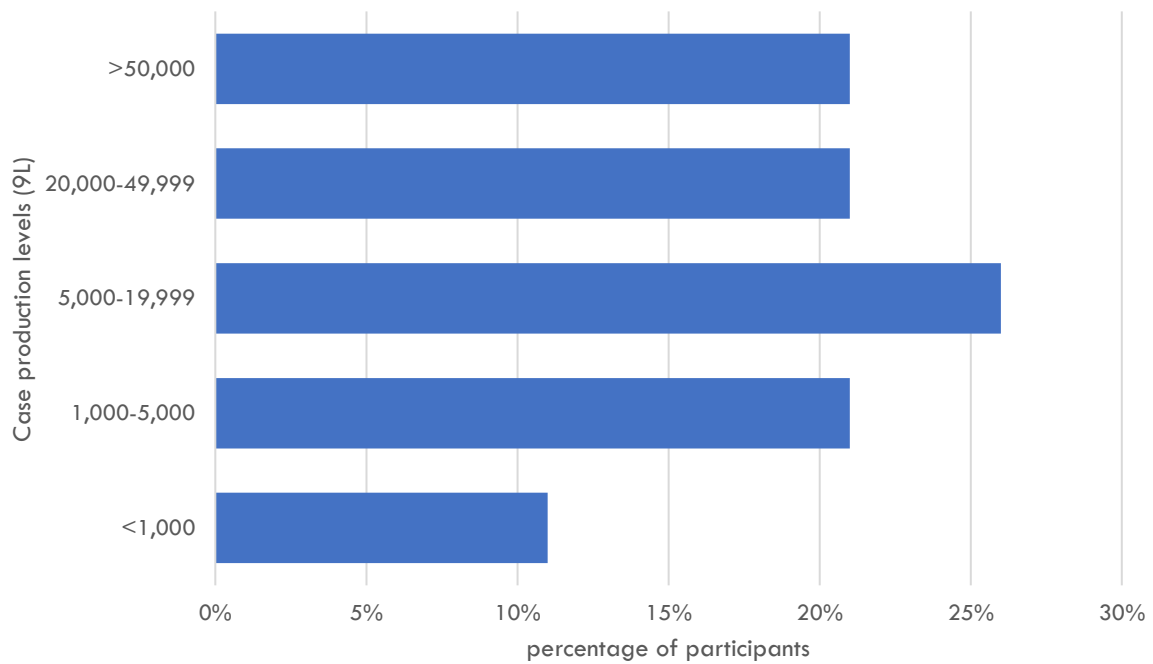


Figure 1 – Annual case sales



4 Consistency of sponsorship approaches

Participants were asked how often they were approached for donations/ sponsorships. Figure 2 shows the results against case production levels of participants. Those with higher case sales appear more likely to be approached more than daily, potentially due to their higher level of brand awareness and perceived value of donations. This also demonstrates the competitive nature of those seeking sponsorship support from wineries.

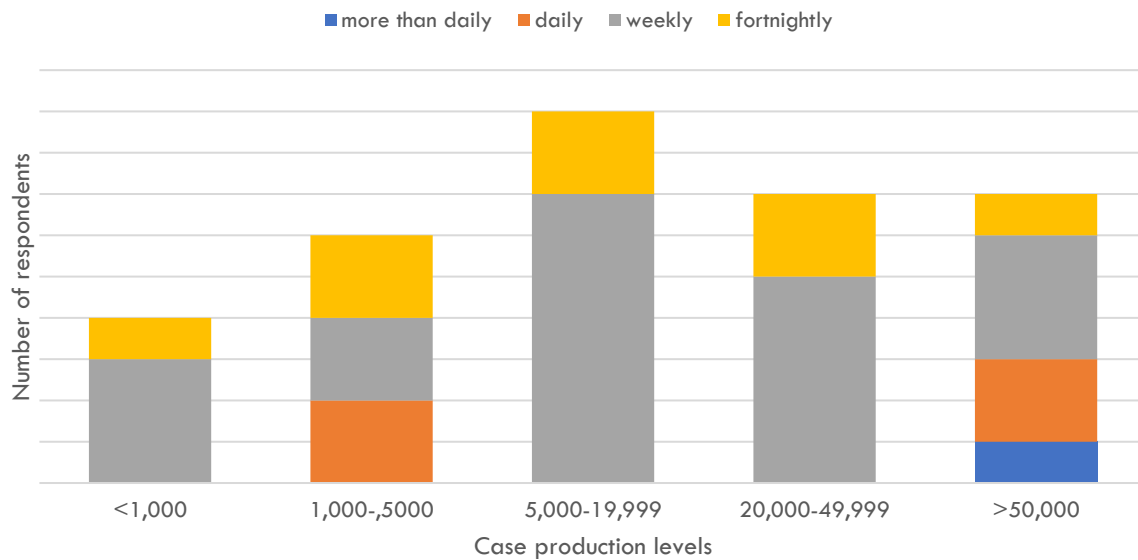


Figure 2 – Production levels vs frequency of sponsorship approach

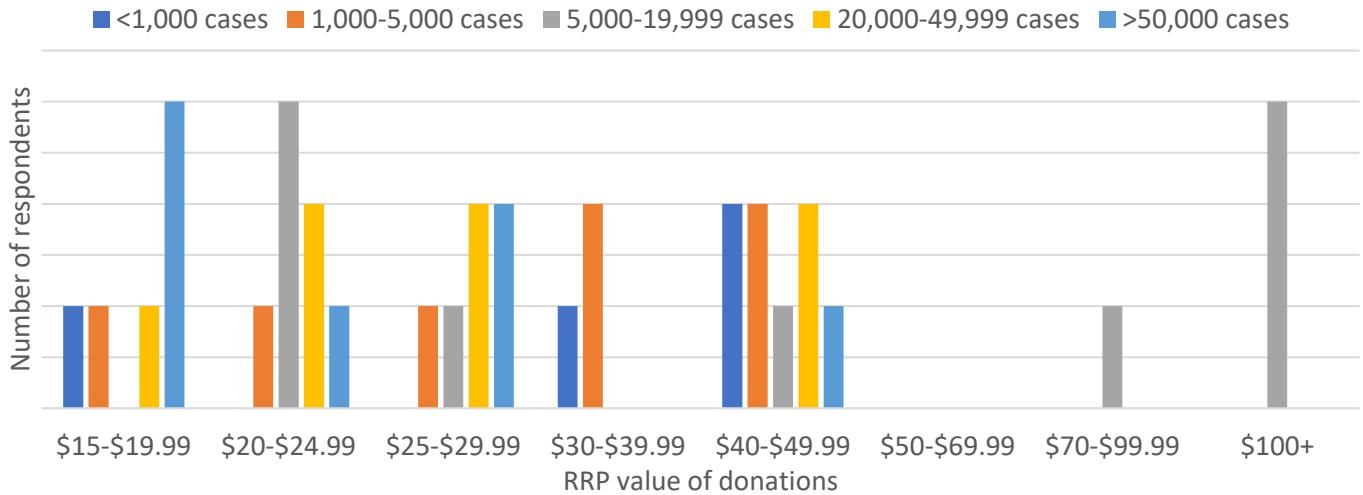
Those with case productions of 1,000-5,000 were equally likely to be approached on a daily, weekly and fortnightly basis. The majority of participants were most likely to be approached on a weekly basis.



5 Average RRP of donations

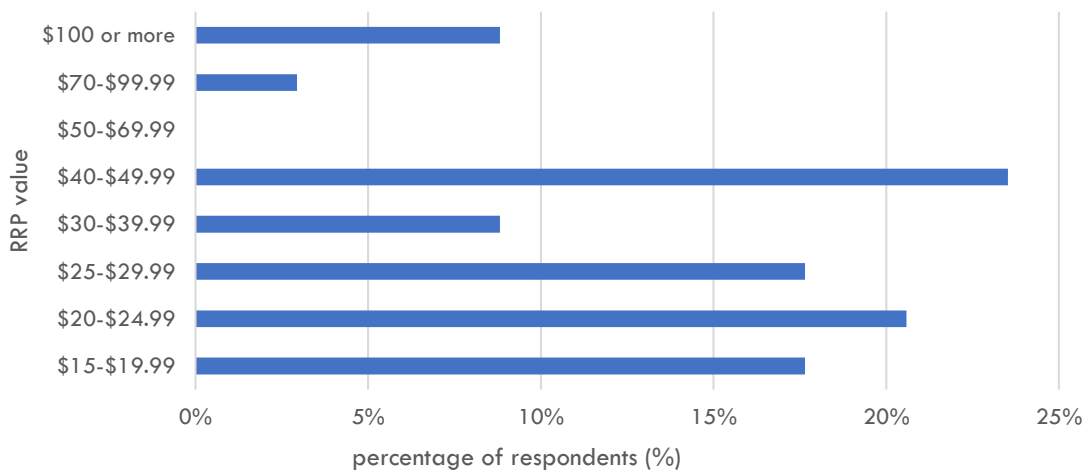
This question asked participants the average RRP value of wines they allocate when making a donation. The results in Figure 3 show that those with case production levels of 5,000-19,999 were likely to donate a higher value wine.

Figure 3 – RRP value of donations vs case production levels



Overall, donated wines were typically valued between \$20 and \$29.99, with 39% fitting into this price range as seen in Figure 4. 23% of donations fell into the \$40-\$49.99 price range and 9% of participants said the RRP of their donated wine range was over \$100.

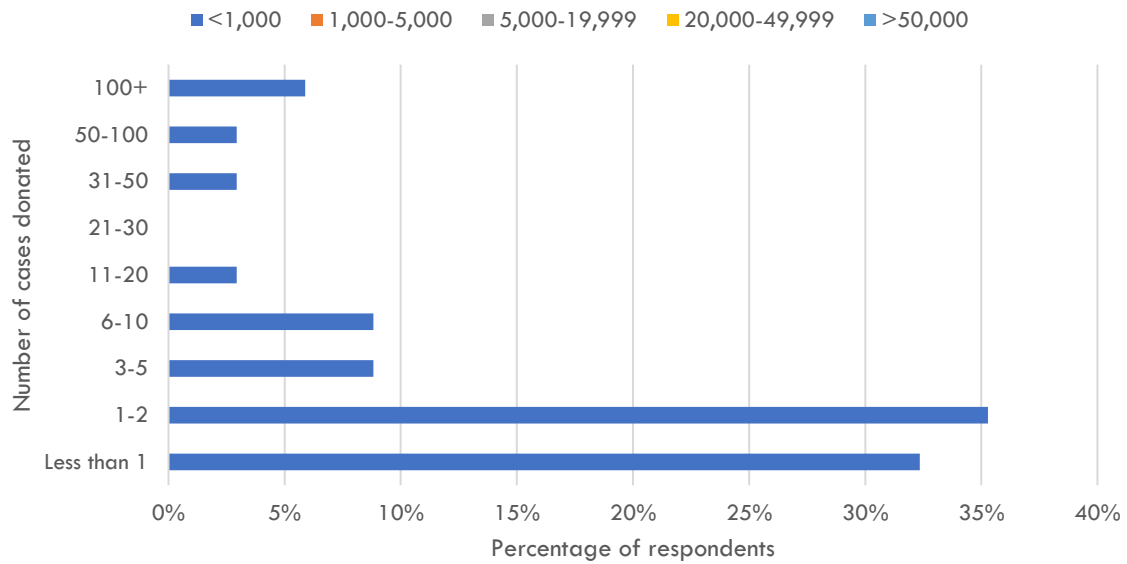
Figure 4 – RRP value of donations



6 Average number of cases per donation/sponsorship

This question asked participants the average number of cases (9L) per donation/sponsorship for their winery. Figure 5 below shows the number of cases donated in comparison to the number produced.

Figure 5 – Cases donated vs cases produced



68% of donations were less than 2 cases, as shown in figure 6.

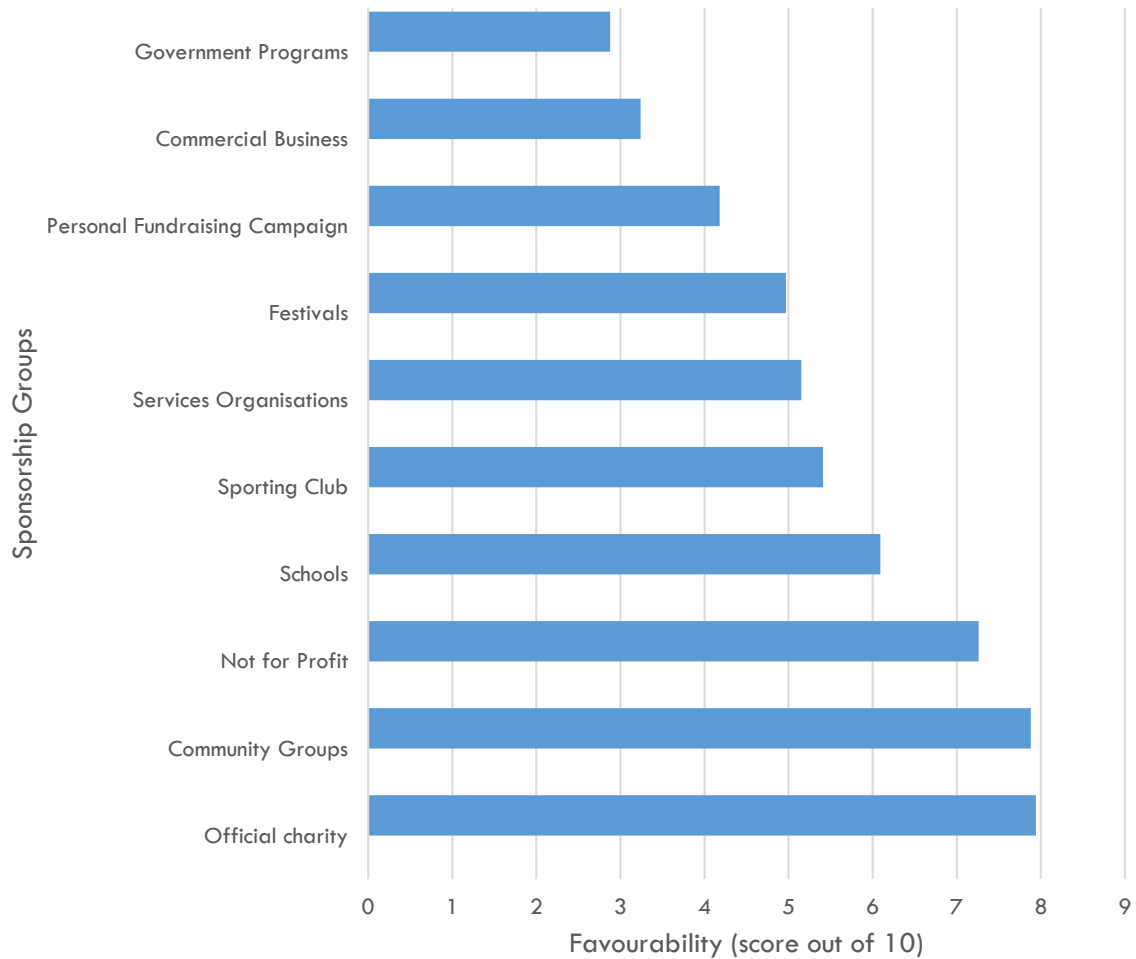
Figure 6 – Volume of cases donated



7 Groups most likely to sponsor

This question was intended to determine which group the participants were the most favourable to sponsor, as shown in Figure 7. Official charities, community groups and not for profit organisations were the most favourable sponsorship opportunities, whilst government programs and commercial businesses were least favourable.

Figure 7 – Preferred sponsorship recipients



8 Best time of year to approach for donations/sponsorship

This question asked participants when the best time of year was to approach them for donations or sponsorship.

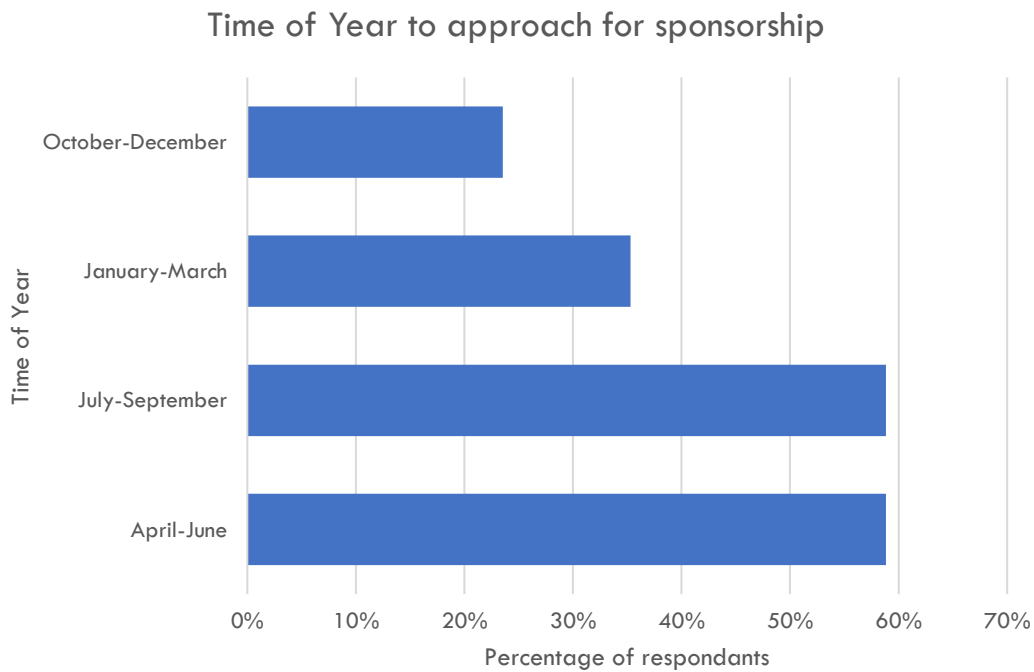


Figure 8 – Preferred time of year to approach for sponsorship

Results can be seen in Figure 8 below show pre-Christmas and vintage to be less favourable from the produce perspective.



9 Types of sponsorship commitments most interest in

This question asked the participants what type of sponsorship or donation they were most interested in providing. Figure 9 shows that participants want to involve themselves in long-term or reoccurring partnerships that benefit their business. Once off events/initiatives were still popular with 30% stating this was desirable.

Level of interest in sponsorship/donation opportunities	Responses	Responses (%)
Annual Organisation/Winery Partnerships	18	53%
A series of events/initiatives	17	50%
Once off events/initiatives	10	29%
3 Year Organisation/Winery Partnership	10	29%
Other (please specify)	4	12%
I am not interested in sponsorship/donations	2	6%

Figure 9 – Types of commitment that most interest wineries.

Participants who responded to the 'other' option cited the following:

- *“Our preference is for sponsorship where the wine is sold for profit rather than used for prizes.”*
- *“Wine tasting events where we give some of the profit back as donations. There is a direct result that can be measured.”*
- *“We will not sponsor guns sports, motor/boat sports, raffles where U18 could win prize. We focus mainly on regional arts and music. We don't do sponsorship where the wine is just poured and handed around on a tray (no brand recognition) or just dumped on a table for "help yourself".”*

Participants noted that they often got approached to sponsor events or donate to events where wine was not desirable to be given attention i.e. where under aged entrances could win or where there are high speed vehicles involved.

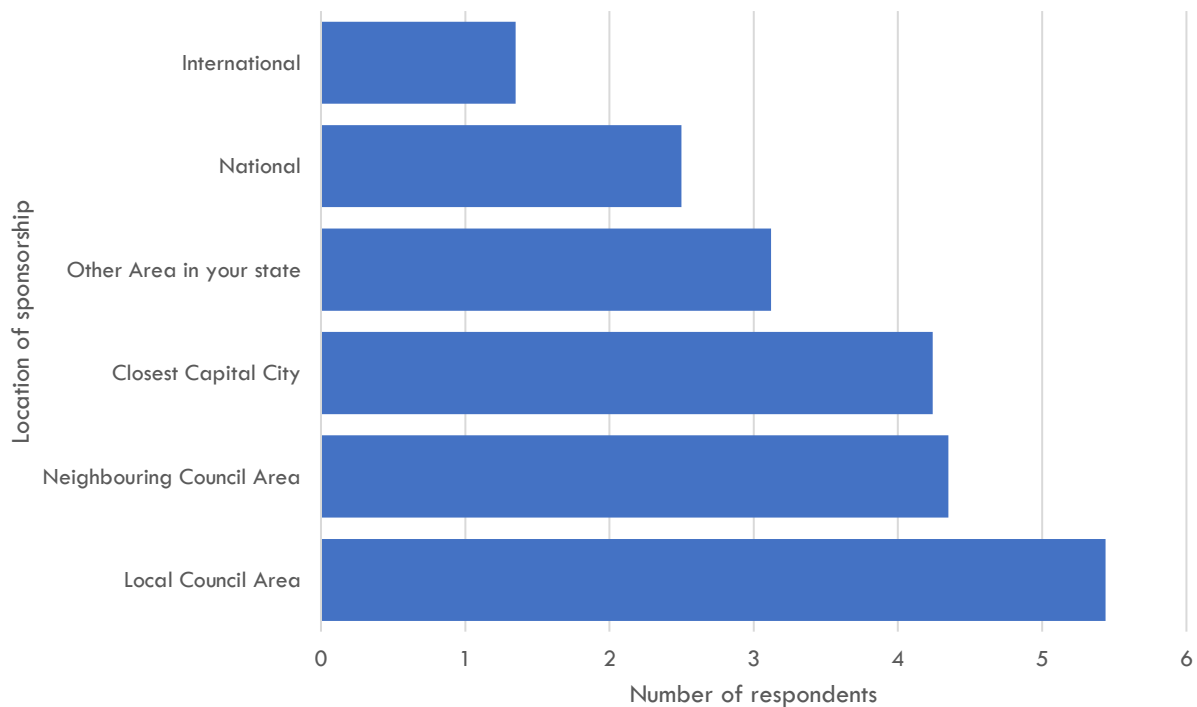
Participants wanted events where they can be seen as part of the community or can get a reasonable return on investment.



10 Favourable destinations of donations/sponsorship

Participants were asked to rank where they would prefer their donations and sponsorships to go. Results showed overwhelmingly that the closer to their winery that the sponsorship was located, the more likely they were to consider it. International sponsorships were the least favoured.

Figure 10 – Location of sponsorship



73% of survey respondents identified local council area as their first preference for sponsorship location, with 23% stating closest capital city. 82% of respondents ranked the international as the least favourable location.

The most common answer (in order) was:

1. Local Council Area
2. Neighbouring Council Area
3. Closest Capital City
4. Other Area in your state
5. Interstate and
6. Internationally.



11 Sponsorship benefits

This question asked participants what type of benefits they wanted to receive from sponsorship and to rank them on a scale of not at all important to extremely important.

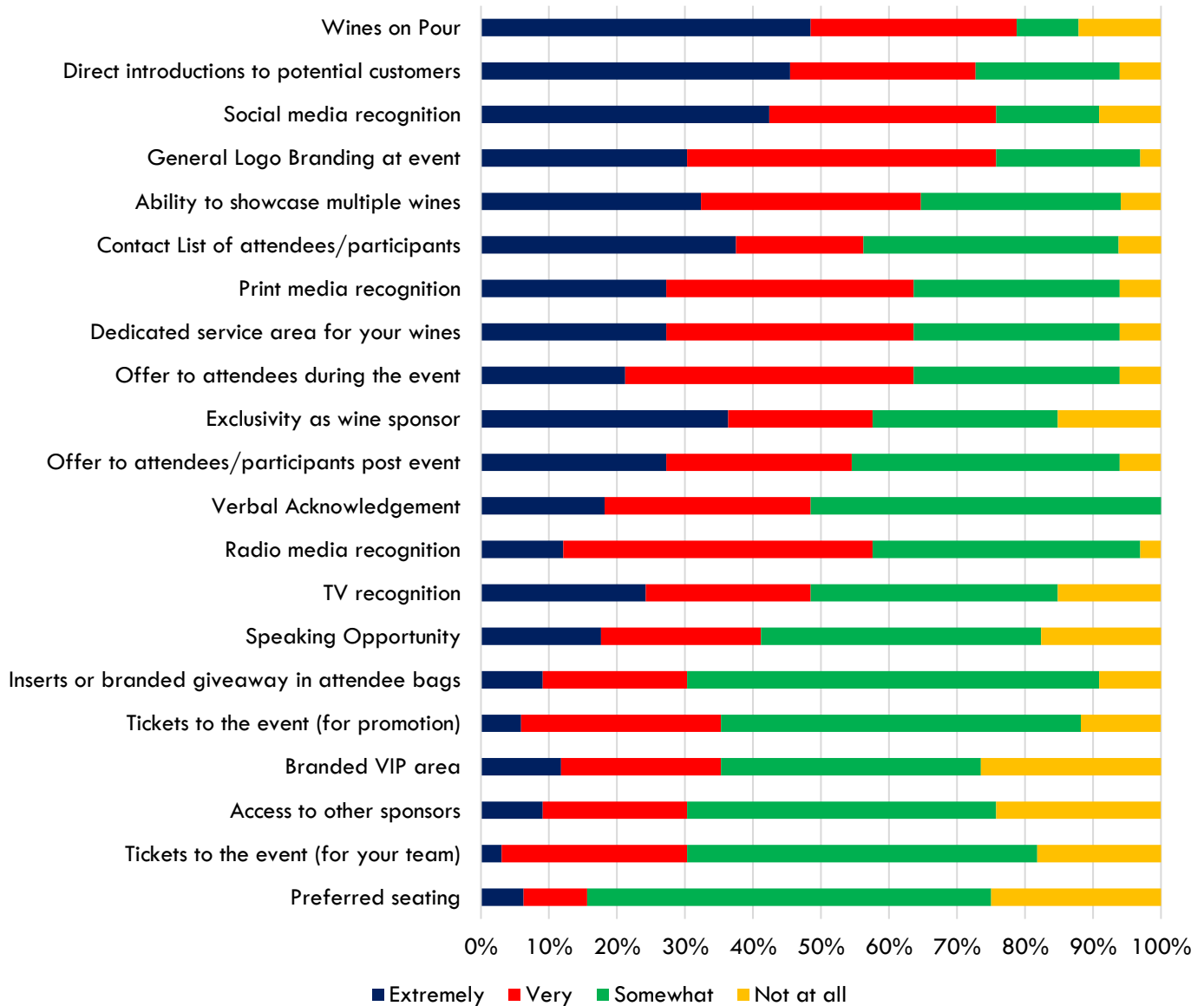


Figure 11 – desired sponsorship benefits

Figure 11 shows us the most desirable benefits for sponsorship in ascending order. Wines on pour, direct introduction to potential customers, social media recognition and general logo branding at the event were cited as the most important sponsorship benefits to respondents.

Least favourable sponsorship benefits were preferred seating, tickets to the event, access to other sponsors and branded VIP area.

See Appendix 2 for full details of results.



12 Securing sponsorship

This was an open-ended question that allowed participants to comment about what individuals or organisations could do better to secure their support for future donations/sponsorship from their winery.



Figure 12 - word cloud of the results

See appendix 2 for comments.

We look forward to working with you once again on projects like this.

Kind Regards,

Sean Jolley - Marketing Consultant



13 Appendix 1 – Open ended answers – Question 10

“Recognise our economies of scale and make requests realistic to our business size. Most importantly, actually offer us something of value in return rather than just having our logo on a projector screen such as purchasing our wine (at wholesale) for the event.”

“Don't ask for prizes, tell me they will sell to raise funds.”

“Don't really know except set things up so that there is an immediate result not a promise of nebulous results post event.”

“Don't send in last minute requests - we ask for at least four weeks notice Be truly grateful for the donation Don't keep going back to the same winery for the same cause - we want to spread the love and help as many different causes as possible”

“Provide value and help with potential future sales”

“Send a thank you letter after the event”

“Ensure they offer a format that enables our company to generate sales (post, during & prior to the event)”

“take long term strategic view of partnership which is mutually beneficial for both donor and recipient”

“Remember to change the font when inserting our winery name into the generic emails!”

“More information on the events/ requirement for the wine”

“The best sponsorships are enduring and are a win:win relationship - many organisations approach us asking for very large commitments on our part in return for the 'opportunity' to hand out leaflets and be verbally recognised. Organisations would do better to outline the benefits to the winery when making their pitch.”

“Personal approaches, rather than spam emails”

“Be clear about who benefits and what exposure we will receive”

“more branding”

“Build wins for both parties (a logo on a flyer isn't enough for some sponsorships)”

“Provide feedback post-event. Support us by buying wine or providing some other tangible benefit. My major issue with sponsorship is that the person / organisation requesting sponsorship needs to understand that there are costs to our business associated with providing wine as a sponsorship and there needs to be a mutual benefit.”

“Acknowledgement and brand awareness where to find”

“Better details on previous results from similar businesses”

“Sell to me the value of my sponsorship dollar - how is the consumer going to connect our brand with their values and their positive experience? We get approached frequently for sponsorship opportunities that are not well thought out eg sponsoring gun clubs (duh! alcohol & firearms?), drag racing, an individual U18's motorbike racing gear, high school raffles, high society fundraisers (can you donate 60 dozen wine for free?), VIP dinners (it's going around on a tray with a waiter!). Some of these have the potential to damage our brand, most have no value to our brand. We asked the Cancer Council not to call again, because they just released a press statement saying alcohol causes cancer - so I told them this was hypocritical.”



“More exposure for the brand. More recognition and offer a more involved role for sponsors to be able to get the most out of the promotional opportunity.”

“Have a clear outline of what they are asking for, the retail value of the wine and what they will offer in exchange. Sales opportunities, branding opportunities, target market and if social media- reach and engagement.”

“they need to ask us to come to introduce the wines at the events/participate in the event”

“Greater information and exposure”

“Understand whether our businesses are actually suited to working together. I no longer supply sponsorships to cancer research or where there is thought to be a causal link between the foundation seeking wine and our organisation i.e depression, domestic abuse, variety of medical endeavours. I don't wish to put my business nor their fundraising in a position where it may be interpreted that the sponsorship is unethical or hypocritical”

“Have an understanding that donations are not free for a winery. We have to pay WET on all donations of wine so therefore unlike other manufacturers or food/beverage providers our expenses include the production as well as the same tax as if we sold the wine. Like many other businesses we are happy to donate if we can get a return on investment. We also get frustrated at the lack of understanding of the value of wine eg a popular option is for groups to create a 'wine wall' where you pay a certain amount for a ticket (such as \$10) and you get a bottle of wine with guaranteed value of \$20 or more. Not only is the group devaluing the wine they are raising the money they could from the donation. the other thing that is frustrating is that when you hear from people that the donations were not used so they are just handed out to people.”

“Understanding that despite an event being for a charity or not for profit, it must be mutually beneficial. It would be helpful for organisations to clearly outline all benefits, not suggest 'potential' benefits such as HNW attendees etc.”

“Don't expect free donations. Pay a mix of wholesale and FOC”

“We only support local sporting clubs or local charities.”

“Be a customer of our winery and have a link to our winery/region/cause.”

“Come to us with what they need (not just ask us to determine the donation amount) & also what they can offer. It makes the partnership transparent from the get-go and less awkward. It is extremely important that organisation encourage participants to support sponsors. We have long standing relationships with those who support us year-round rather than those who just ask and get.”

“Look to develop long term partnerships rather than one off, less meaningful relationships.”

“Understand that it does cost our business money to participate. The cost of product is not really the issue, but the freight costs can be the biggest cost to take into consideration.”



14 Appendix 2 – Sponsorship benefits rundown

	NOT AT ALL	SOMEWHAT	VERY	EXTREMELY	TOTAL	WEIGHTED AVERAGE
Wines on Pour	12.12% 4	9.09% 3	30.30% 10	48.48% 16	33	2.15
Direct introductions to potential customers	6.06% 2	21.21% 7	27.27% 9	45.45% 15	33	2.12
Social media recognition	9.09% 3	15.15% 5	33.33% 11	42.42% 14	33	2.09
General Logo Branding at event	3.03% 1	21.21% 7	45.45% 15	30.30% 10	33	2.03
Ability to showcase multiple wines	5.88% 2	29.41% 10	32.35% 11	32.35% 11	34	1.91
Contact List of attendees/participants	6.25% 2	37.50% 12	18.75% 6	37.50% 12	32	1.88
Dedicated service area for your wines	6.06% 2	30.30% 10	36.36% 12	27.27% 9	33	1.85
Print media recognition	6.06% 2	30.30% 10	36.36% 12	27.27% 9	33	1.85
Exclusivity as wine sponsor	15.15% 5	27.27% 9	21.21% 7	36.36% 12	33	1.79
Offer to attendees/participants during the event	6.06% 2	30.30% 10	42.42% 14	21.21% 7	33	1.79
Offer to attendees/participants post event	6.06% 2	39.39% 13	27.27% 9	27.27% 9	33	1.76
Radio media recognition	3.03% 1	39.39% 13	45.45% 15	12.12% 4	33	1.67
Verbal Acknowledgement	0.00% 0	51.52% 17	30.30% 10	18.18% 6	33	1.67
TV recognition	15.15% 5	36.36% 12	24.24% 8	24.24% 8	33	1.58
Speaking Opportunity	17.65% 6	41.18% 14	23.53% 8	17.65% 6	34	1.41
Inserts or branded giveaway in attendee/participant bags	9.09% 3	60.61% 20	21.21% 7	9.09% 3	33	1.30
Tickets to the event (for promotion)	11.76% 4	52.94% 18	29.41% 10	5.88% 2	34	1.29
Branded VIP area	26.47% 9	38.24% 13	23.53% 8	11.76% 4	34	1.21
Tickets to the event (for your team)	18.18% 6	51.52% 17	27.27% 9	3.03% 1	33	1.15
Access to other sponsors	24.24% 8	45.45% 15	21.21% 7	9.09% 3	33	1.15
Preferred seating	25.00% 8	59.38% 19	9.38% 3	6.25% 2	32	0.97

