Integrated Marketing Communications - the case of Coonawarra

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Fundamentally, Integrated Marketing Communications (IMC) refers to the process of integrating and coordinating the various communication elements commonly known as the ‘promotional mix’. The promotional mix is usually considered to consist of advertising, sales promotion, personal selling and public relations, although some marketers may add other elements such as publicity, direct marketing or sponsorship as major components. IMC is therefore not just a concept relating to consistency or synergy—it is also a strategic process (Van Zanten & Bruwer 2002a). This is in particular the case of when and how IMC manifests itself at the wine region level, in which case the integration of all the marketing communication efforts of the wine region in order to achieve a strong brand identity is of the utmost importance.

The Coonawarra wine region (Geographical Indication) is located in the South East corner of South Australia and is famed for its unique terra rossa soil and bold-flavoured red wines, in particular Cabernet Sauvignon. About 5,000 hectares of vineyards comprise the Coonawarra grape-growing area. The region currently boasts 16 operating (production-type) wineries and 22 cellar door sales facilities. Around 700 people (full-time equivalent) are employed in the vineyards, wineries and cellar door facilities. The region produces on average about three and a half million cases of wine per annum. A significant portion of Coonawarra wine is exported while at the same time Coonawarra maintains its reputation as a leading wine region through its strong presence in the Australian domestic market.

Two recent previous articles in the Wine Industry Journal (Van Zanten & Bruwer 2002a, 2002b) examined the concept and process of IMC and discussed its implementation in the context of the individual winery and the wine region (see Figure 1 and Figure 2). To provide further focus on these aspects, this article further expands and illustrates the issues raised in the previous articles by now using the Coonawarra wine region as a framework or industry case study example of a ‘real-life operating wine region’. To achieve this, an intensive information-gathering process was adopted that first involved a preliminary secondary information-gathering phase during which the various elements/aspects involved in the IMC process were identified and their relevance linked to the wine region’s ‘real-life’ situation. Next followed a process of in-depth interviews with three leading Coonawarra wine producers, namely Ian Hollick (Hollick Wines), Doug Balnaves (Balnaves of Coonawarra) and Bruce Redman (Redman Wines) to secure the actual facts pertaining to the IMC process. To provide further perspectives, the region’s wine industry officer, Karen Ronning, was also interviewed. Finally, all inputs were integrated and synthesised to comprise what follows.

MARKETING

COMMUNICATING THE REGION’S BRAND IMAGE

As a first premise, organisations such as the Coonawarra Vignerons Association must communicate to survive. Without effective (internal) communication, coordinated action by the organisation would be impossible (Timm & Stead 1996). Basically the communication process takes place internally and/or externally. One of the most important marketing messages communicated outwards to the external audiences is the regional brand image.

Consumers use a cluster of brand elements such as grape variety, brand name, wine region, and so on, as cues in their wine choice decision making. Lockshin et al. (2000) have termed this cluster a ‘brand constellation’ and suggest that consumers use brand elements in a fluid, non-hierarchical way. For the individual winery, how important then is the regional brand element compared to the others, particularly with respect to the development of an IMC campaign? Ian Hollick believes that the answer depends upon the relative strength of the regional brand versus the producer’s own brand:

‘A new producer with no recognition in the market would be mad not to put Coonawarra up in big letters on his label, because it’s another strength in his bag of tricks. But for an established brand, I don’t think it’s all that important whether that brand is in Coonawarra or not, because they’ve chosen to put more emphasis on their individual brand than the regional brand.’

Doug Balnaves agrees:

‘Once you’ve established the reputation, it doesn’t really matter. For example, nobody really cares which appellation Henschke’s wines are in, they’re known to be a high quality producer. Whereas in our case, when we started twelve years ago, if we weren’t able to attach Coonawarra to our label it would have been much harder. So once your reputation gets up to that level it’s not so important in retail, but for anyone starting from scratch, it’s critical. But, if I was going to start anywhere, I’d start in Coonawarra!’

Few will deny that the name Coonawarra has developed a high level of brand equity in Australia, even worldwide. Bruce Redman believes that Coonawarra is one of the top three or four best-known wine districts in Australia, and similarly rated in the UK and US markets, in terms of Australian wine regions. Doug Balnaves suggests that this success has been achieved by concentrating on what Coonawarra does best. He added:

‘It will take a region some time to find out what they can do best, and that won’t happen overnight—it’s a long-term process to promote a region. Coonawarra has been doing it for 50 years, and we’re still working at it.’

Coonawarra is fortunate to possess a number of characteristics that have facilitated the development of its integrated marketing program, making it an ideal IMC case study. Characteristics such as the unique soil, relative isolation, compactness of the area, and the spirit of cooperation that exists among its people, have all helped to reduce the formidable barriers inherent with regional integration. As Bruce Redman says:

‘When you’re in a community that’s probably 300 or 400 kilometres from the nearest wine-growing region, you tend to have like-minded people living in the area. And while that’s been one of our weaknesses it’s also been one of our great strengths. All the vineyards are next door to each other so basically everyone knows what the other person is doing. That gives us a great commonality of purpose I think, because it unites the area and it’s difficult for people to go and find allies from neighbouring viticultural areas.’

Integrated marketing means unity of effort—unity of purpose, unity of process, unity of goal, and unity of action. However, integrated marketing is much more than merely coordinating a wine region’s promotional efforts. Integrated marketing (adapted from Duncan and Moriarty, 1997: 16–23) requires:

• The unswerving endorsement and commitment from the wine region’s peak planning authority;
• Planning that links expertise across a variety of regional interest groups;
• A genuine customer/stakeholder focus with the purpose of developing long-lasting ‘interactive’ relationships;
• The marketing of a regional mission so that it is integrated into everything the region does; and
• Maintaining a strategic consistency of brand messages
across all regional contact points and sources. Each of these five elements will now be examined in the context of the Coonawarra wine region.

THE PEAK PLANNING GROUP
According to Kotler (1993:19) the Planning Group’s task is threefold: first it must diagnose the region’s strengths and weaknesses. Second, it must develop a vision that is shared by all, and third, the Planning Group must develop a long-term plan of integrated marketing action.

There is little doubt that the Coonawarra Vignerons Association (CVA) is the region’s peak planning authority. The CVA was formed in 1979 with its major aim being that of promotion, focused in those early days primarily within Australia. The Vignerons Association began with about 12 members—this number has swelled to 30 members today with production having increased five or six-fold over that period. Doug Balnaves recalls that at the outset ‘everyone was in’, exactly as is the case today. As a starting point: did the association have a marketing or a production outlook in the beginning? Bruce Redman explains:

‘The beginnings of the Coonawarra Vignerons Association was probably based on a common interest at a production level rather than a marketing level; it’s only recently that marketing has become a science so to speak, whereas back in the late 1970s when the Coonawarra Vignerons was formed I would suggest that marketing was probably regarded as a bit of hocus-pocus by some of the producers in Coonawarra and some were a little nervous about marketing per se. It was probably at a production level where everyone felt comfortable. Now people are starting at a marketing level and working outwards, so it’s quite an interesting conundrum for a small producer who knows a lot about making wine but not as much about selling it; for example, how do you go about marketing an organisation or a district brand?’

Most of the 30 members of the Vignerons Association are also members of the Coonawarra Grapegrowers Association (CGA), the latter having a total membership of about 60. With this degree of overlap, it’s not surprising that there has been relatively little conflict between the two organisations. The CVA and the CGA both contribute towards the employment of a full-time wine industry officer (whose duties include promotion, event management, general marketing and administration) and a part-time administrative assistant. The industry officer functions as the main point of contact for those in the district and elsewhere seeking information and assistance. However, the CVA, with its clear marketing focus, takes up the bulk of the industry officer’s time.

The Coonawarra Vignerons Association has an advanced organisational structure. Reporting to the executive committee are five sub-committees, all marketing based. The sub-committees are: Coonawarra Cabernet Celebrations, Coonawarra Cellar Door Events, Coonawarra Cup, Marketing/Promotions, and International Promotions. The Cabernet Celebrations is the region’s major marketing and tourism event held each October. The Coonawarra Vignerons Association meets formally with the Coonawarra Grapegrowers Association quarterly, to share information and to discuss and address common issues. The one sub-committee of this joint group, the ‘Wattle Range Council Lobby Group’ liaises with the local council on issues such as roads, rates, water, signage and so on.

THE REGIONAL STRATEGIC PLAN
Although the Coonawarra Vignerons Association dates from 1979, formal planning has been a relatively recent activity. The CVA developed formal business and marketing plans for the first time about six years ago.

According to the wine industry officer, the CVA marketing plan has two major goals—to increase visitation and visitor yield and to increase sales. The bulk of the association’s investment and expenditure is in the area of hospitality and public relations with activities such as running the wine events and hosting of key wine press and industry representatives. The region makes little use of paid advertising. Such advertising that is commissioned centres largely around the various formal scheduled events. Ian Hollick explains:

‘A large part of the plan is to attract more visitors to the region and hence to promote cellar door sales, so there’s various functions we put on: our Coonawarra Races in January has been a very successful event and is one we plan to con-
sents difficulties, as the wine industry officer explains:

‘I think it is a challenge for the regional tourism organisation, like any regional tourism organisation, in being able to cater for the different stakeholders within the group. Our target market is different to that of the regional tourism organisation’s target market and as such the messages and the images are not always as compatible as we would like them to be. Of course we are just one of many people, so we’re hoping in undertaking research and by talking to people and demonstrating benefits that we can influence their presentation of the region to one that we feel a little bit more comfortable with.

‘Our wine region is geographically not a neat fit with our tourism region as perhaps it is in some other areas such as the Barossa. Within our tourism region there are at least five other wine regions, each as keen as we are to see their particular region and their regional brand recognised, differentiated, supported and promoted. As such we are constantly working at having not only the theme of food and wine supported within our region, but also our regional brand (Coonawarra) recognised and supported by both our regional tourism organisation and the South Australian Tourism Commission. This work needs to be ongoing and at the end of the day we have to be strategic in setting priorities, fostering relationships, supporting and initiating activities that meet the vision and the goals of our organisation.’

THE REGIONAL MISSION AND VISION
Doug Balnaves, the inaugural president of the CVA when it formed in 1979, was asked if the association had a vision statement at that time:

‘Yes we did. We were formed to promote Coonawarra both nationally and internationally, and I think it was written in the constitution in very simple terms along those lines. Of course it’s evolved to a more definite mission statement and vision now. But that was our original purpose—to come together to promote Coonawarra. When we started we had of course a lot less members—we’ve had more members come in, we’ve had more ideas come in, and I think our vision has expanded. When we started off, I don’t think we had many ideas about promoting Coonawarra internationally, well we certainly do have that now.’

The CVGA’s vision statement today is:
‘For Coonawarra to be recognised as the best red wine district in the world.’

and the organisation’s mission statement is:
‘To promote Coonawarra as the premium red wine district in the world, locally, nationally and internationally, through a united accessible forum that is constant and consistent.’

With 30 members in the CVA and 60 in the CGA, the potential for conflict in terms of strategic direction would seem quite high. Bruce Redman explains that on the contrary, conflict with respect to the implementation of the vision and mission has been relatively minor:

‘Being a relatively small area, and actually having 100% membership, we’ve tried to resolve conflict by negotiation.'
We haven't had much conflict, thank goodness; most times it has been able to be resolved. Sometimes, when members have got different commercial objectives, some may have had to make a small compromise in the way things are done. So while we have arguments over methodology, the actual core vision and mission is still close to everyone's heart, because everyone's intent on promoting Coonawarra and building the Coonawarra brand. By and large, most people are comfortable with what the Coonawarra Vignerons is trying to achieve, and our conflict resolution has been basically through negotiation.'

STRATEGIC CONSISTENCY OF REGIONAL BRAND MESSAGES

In a previous article (Van Zanten & Bruwer 2002b:98) the concept of ‘internal marketing’ was applied to the wine region. At the regional level, internal marketing is directed towards the wineries and their staff plus all the major ‘actor’ stakeholders within the region, such as the tourist association, travel agencies, the hospitality and retail industries. Kotler et al. (1996) suggest that internal marketing (to local stakeholders) should precede external marketing (to consumers and visitors). The group driving the internal marketing program is the Peak Planning Group, in this case the CVA.

According to the wine industry officer, most brand messages related to Coonawarra originate from the CVA, although other organisations also produce promotional material, such as the Penola and District Business and Tourism Association (PADBATA). Although the CVA has input into most of the material produced outside the association, material is occasionally produced of which the vignerons are unaware. The wine industry officer was consequently asked the question as to what the CVA is doing to foster communication amongst those engaged in image-building activities in Coonawarra:

‘Communication with regional stakeholders is greatly assisted by our representation on key industry and regional bodies such as PADBATA and Limestone Coast Tourism. For communication with other tourism operators and our surrounding Visitor Information Centres we produce and distribute a quarterly news bulletin. The bulletin is a one-page sheet with information about coming events, achievements or any new cellar-doors, new restaurants- things that have a tourism-related news value.

‘We also have our website that we promote fairly heavily within the region and also in our external promotional collateral and marketing activities. We have seen the use of the website increase dramatically and now regard this as one of our key communication channels. It is a very effective and efficient communication tool and relatively easy for a small office to manage. On a more local level the website is printed on Coonawarra bottle bags which are produced by the Association and distributed through cellar doors as well as the inclusion of the web address on items such as signage at the Mt Gambier Airport and Coonawarra Cup merchandise etc.

‘We also have bi-monthly cellar door staff get-togethers which have an educational component to them, and we’ve started inviting local hoteliers, restaurateurs and tourism operators to come along to build relationships with the vignerons and their staff and to learn a bit more about wine. In undertaking a number of wine tourism research initiatives we have been able to provide not only our members but also our tourism partners and the general community with an invaluable insight into our visitation and its drivers.

In addition, both the Vignerons Association and individual members are also strong supporters of local community groups and charities, by actively participating in community organisations, by donating significant funds that are raised by our events, and by also donating a considerable quantity of wine each year.

Finally, a key communication channel is our local media, print, radio and television and we work very closely with these agencies in communicating our association’s activities, issues and the achievements of our members within the region.’

OPPORTUNITIES AND CHALLENGES

One of the challenges facing an organisation with limited resources is how to effectively fund its various strategic efforts. The development of the Limestone Coast Zone (of which Coonawarra forms a part) has presented Coonawarra with both strategic opportunities and challenges. The wine industry officer was asked to comment on the Limestone Coast Wine Industry Council and how this organisation figures in the plans of the Coonawarra Vignerons Association:

‘The Limestone Coast takes in the wine regions of Wrattonbully, Padthaway, Mt Benson, Mt Gambier, Robe and Coonawarra, and everything in between. It is an area that equates to about 10% of the production of the Australian wine industry, so it’s a very large area in production terms. The Limestone Coast Wine Industry Council is a zonal body, and I’m not aware of any other zonal body that’s active within Australia—so in one way it is bringing people together as a collective of regions, but in another way it adds another organisational layer. How it is going to be resourced and marketed in the future is still undecided. Members of the CVA are also members (if they choose to be) of the Limestone Coast Wine Industry Council, but at the moment we and the other wine regions are very much focussed on marketing our regions rather than on the zone.’

Another challenge relates to the development and nurturing of a strong ‘region-oriented’ culture. For the integrated marketing effort to be truly effective, all those working within the region should come to the realisation that the welfare of the region as a whole is just as important as the promotion of their individual interests. With a strong regional culture, the region’s wineries and other stakeholders have the advantage of communicating with the wine consumer and the visitor with one voice. Ian Hollick was asked how he thought this might be achieved:

‘I’m personally starting to think that we have to develop packages for people to encourage them to come here. The visitation of Coonawarra over the past 20 years has basically
rested upon the reputation of the wine, and I’m starting to think that no longer is it just the wine. What’s happened is that everybody drinks wine today, so our market is not just serious wine drinkers, it’s the total market and these people like food, they like scenery, they’ve got children so they need things for their children to do. I think we’ve got to make it easier for them to get here, and work on packages.’

Doug Balnaves agreed: ‘Yes, in a district such as ours, while our Vignerons Association is working very well, and also works pretty closely with our Grapegrowers’ Association, we need to be cooperating a lot better with our accommodation people and the restaurant businesses and the whole district to have a package to bring people here. They’ve got to come four-and-a-half hours from Melbourne and three-and-a-half from Adelaide—there’s got to be a reason for them to come here other than wine. The days of sitting around expecting people to turn up just because you’re in Coonawarra are gone—we’ve got to make it a more interesting trip.’

The wine industry officer summed up the opportunities and challenges facing the Coonawarra wine region this way: ‘Product development and strategic marketing are the keys to our region’s future success. We are very aware that we need to develop appropriate tourism products and services for our visitors and have tried to encourage this by running a field trip to another wine region and by having various guest speakers and workshops. In recent times we have identified the need for more information on our visitors and on our regional brand with a comprehensive cellar door study now complete and a study into our regional brand underway. The cellar door study has provided us with invaluable information as to who is visiting and why. We cannot ignore this information and both individual businesses as well as collectively need to use this information strategically to develop and promote our point of difference. Wine tourism is a tough market, there are not only new wine labels being launched every day but also new cellar doors opening, new wine regions evolving, an ever increasing array of holiday and short break options and increasing competition for the disposable dollar.’

CONCLUSION
This article highlighted some of the practical implications of IMC implementation in the context of a specific wine region, Coonawarra. It was demonstrated that the essential requirements of an integrated marketing effort such as the consistency of brand messages, a genuine stakeholder focus and the marketing of a regional vision, are not necessarily easy to achieve in practice. Despite the complexities and challenges of developing a strong regional brand image, however, efforts made in this direction can be handsomely rewarded as are evidenced by the Coonawarra wine region’s strong brand image. From the perspective of other wine regions striving to emulate Coonawarra in this regard, it should be noted that building brand equity will ultimately translate into greater brand loyalty, increased visitor numbers, and higher sales.

ACKNOWLEDGMENT
The authors wish to thank the interviewees for their time and generosity: Doug Balnaves (Balnaves of Coonawarra), Ian Hollick (Hollick Wines) and Bruce Redman (Redman Wines).

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