

2017 WBM Technology Survey Report

How Wineries Spend Their IT Dollars, Set Priorities and Staffing

What Are the Top IT Issues Wineries Are Trying to Solve

Highlights

The 2017 Software Survey drew responses from 186 wineries.

- 55 Percent of Small Wineries said improving the mobile shopping experience on their website is one of their top goals
- 2 out of 3 Medium- sized and Large Wineries have providing better data to their trade sales team as an important goal
- 90 Percent of Small Wineries Allocate Less than \$50,000 to IT
- 54 Percent of Large Wineries have an IT Budget of \$1 million or more
- The most commonly used software by wineries is point-of-sales software. 91% of wineries use POS software in their tasting room, 32% of wineries use depletions analysis tools

HOW MUCH ARE YOU spending on Information Technology? How are you staffing IT and what are you trying to do with your IT dollars? What problems are you trying to solve? These were among the questions *Wine Business Monthly* asked in the 2017 Technology Survey. Wineries take a wide range of approaches to integrating technology into their business and their priorities, not surprisingly, tend to vary by the size of the winery.

Smaller wineries are most focused on direct-to-consumer sales. Their top priority this year, according to the survey, is managing the mobile shopping experience. Providing better data to the sales team is the by far the top

priority at medium sized wineries—this is an area where they are focused on catching up to larger wineries, who have a competitive advantage both on- and off-premise. Providing better data to the sales team is top of mind for large wineries too, but large wineries tend to have a better handle on sales data and often have a solution in place. They're equally focused on improving data security. As large wineries begin to turn their attention toward DTC, getting DTC data into one place is becoming a significant priority for large wineries as well (**CHART 1**).

CHART 1

All wineries tend to use a combination of in-house and outside services for their IT needs.

How do you staff your IT needs?	SMALL	MEDIUM	LARGE
We have at least one full-time employee dedicated to IT issues	3%	19%	40%
We have an employee who handles IT issues in addition to other company responsibilities	27%	12%	0%
We outsource our IT needs to another company	30%	35%	7%
We use a combination of in-house staff and outside services/consultants	41%	46%	53%
Other	7%	4%	7%

How Wineries Spend IT Dollars

As one might expect, smaller wineries spend less on IT than large wineries. Among small wineries, 90 percent have IT budgets of less than \$50,000. On the other hand, more than half of all large wineries have an IT budget of \$1 million or more (CHART 2).

Small wineries typically outsource their IT needs or use a combination of in-house staff and outside staff or consultants. Just 3 percent of small wineries employ a full time IT professional. Nearly 20 percent of medium sized wineries have at least one full-time staff member dedicated to IT, however, and 40 percent of large wineries have at least one full time employee dedicated specifically to IT issues (CHART 3).

CHART 2

Small and Medium wineries spend under \$50K

What is your annual IT budget? (include cost of in-house personnel)	SMALL	MEDIUM	LARGE
Under \$50,000	90%	43%	8%
\$50,000-\$99,000	8%	9%	8%
\$100,000-\$249,999	2%	22%	8%
\$250,000-\$499,999	0%	13%	0%
\$500,000-\$999,999	1%	0%	23%
\$1,000,000 or more	0%	13%	54%

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CHART 3

Providing better data to the sales team is most important for medium and large wineries.

What are the top 3 IT issues your company is looking to solve?	SMALL	MEDIUM	LARGE
Providing better data to our trade sales team	25%	78%	57%
Getting all of our DTC customer data in to one place	43%	52%	50%
Improving data security	30%	30%	57%
Improving the mobile shopping experience on our website	55%	30%	21%
Integrating production information to get better cost data	35%	52%	29%
Other	25%	26%	36%

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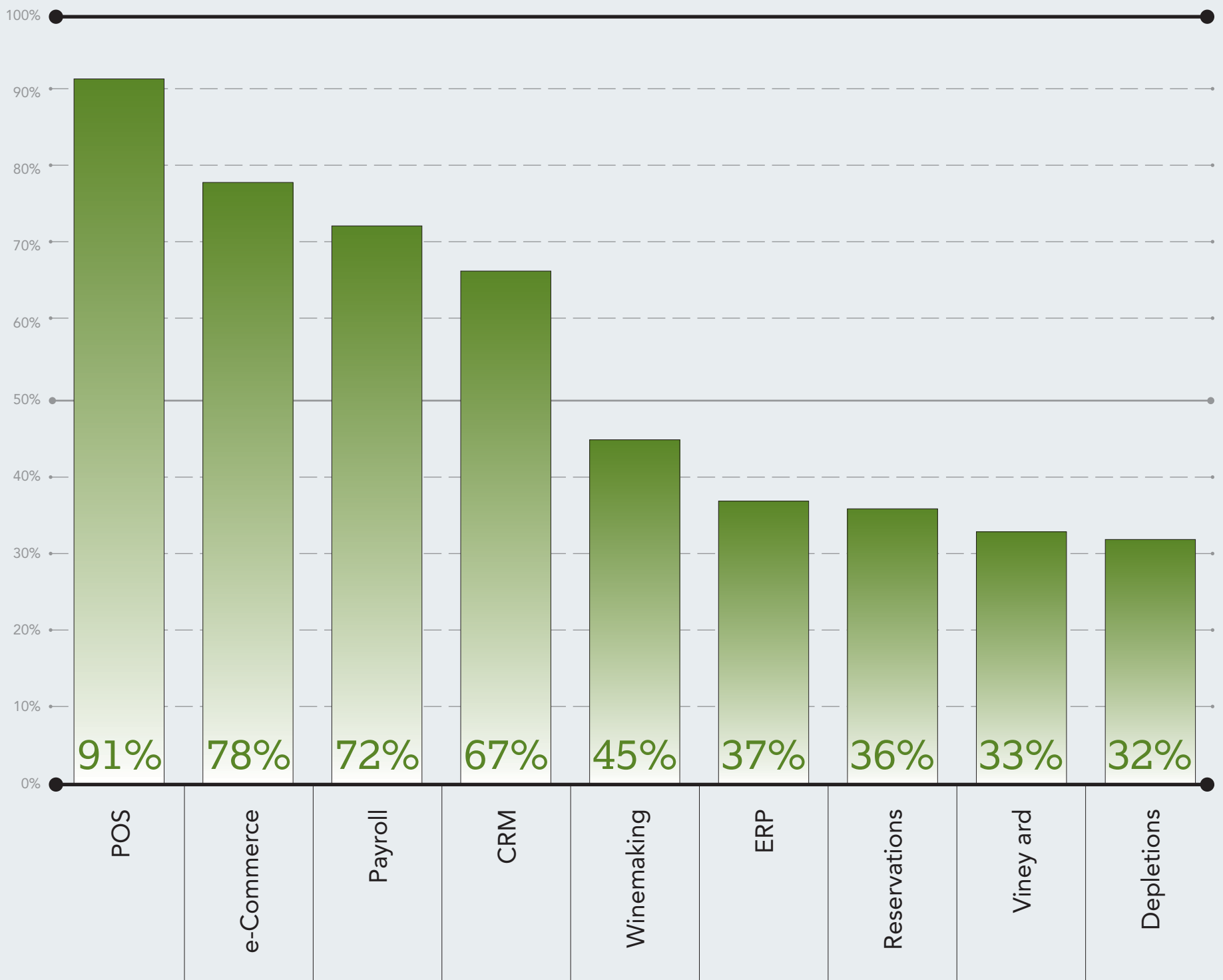
SMALL 0-49,999 MEDIUM 50-499,999 LARGE 500,000 and over

Types of Software Wineries Use

The survey, which drew 186 responses, looked at the types of software wineries use. The result is the first comprehensive view published to-date showing what the universe is when it comes to wineries in North America and the many categories of software they use. Chart 4 shows software solutions chosen by wineries, broken into nine categories.

While 90 percent of wineries have some sort of point-of-sale solution, just 32 percent of use some sort of depletions software solution. In some software categories, certain solutions dominate. Mostly, however, the landscape remains fragmented with a variety of solutions being deployed by wineries.

Types of software wineries use most.

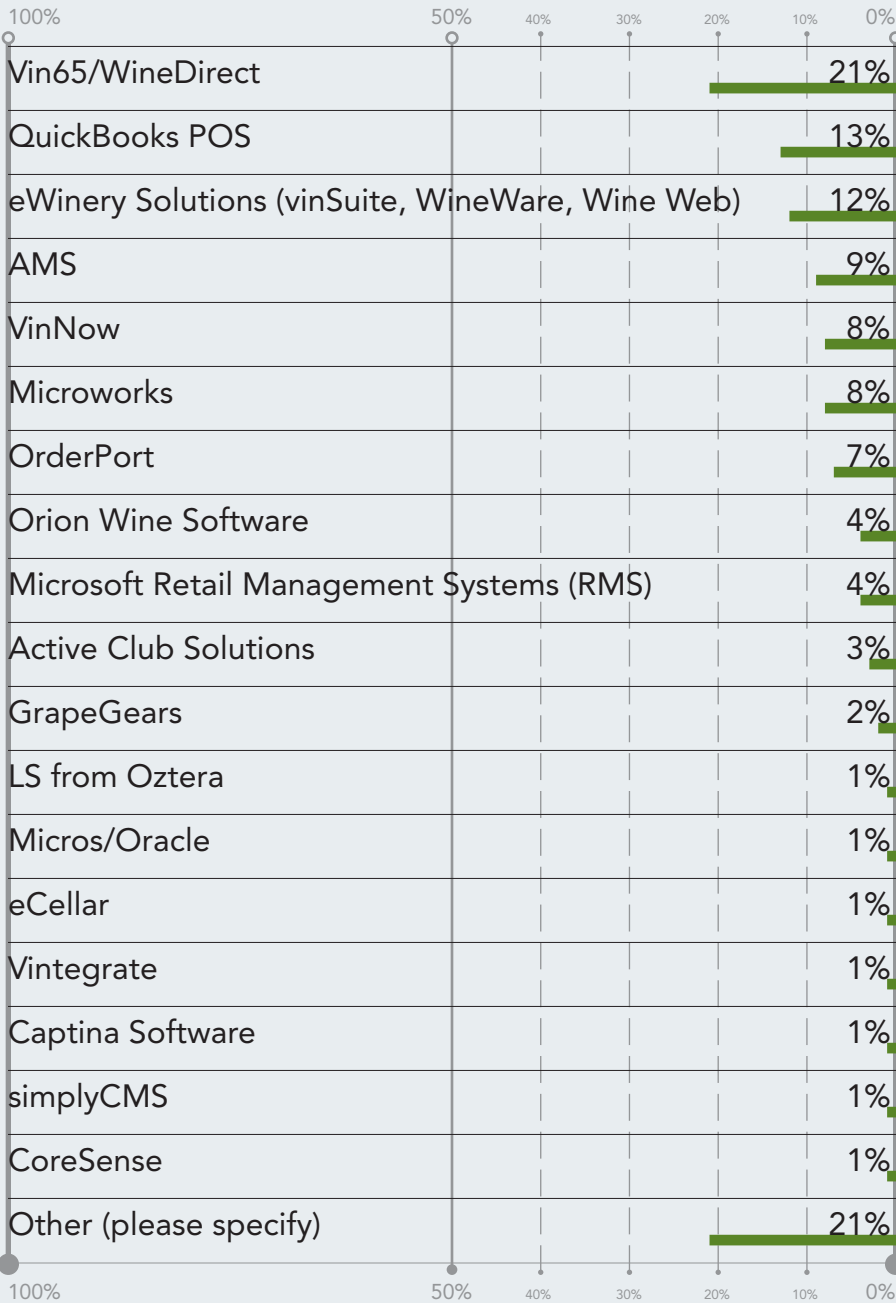


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Types of Software Wineries Use

91% use POS Provider

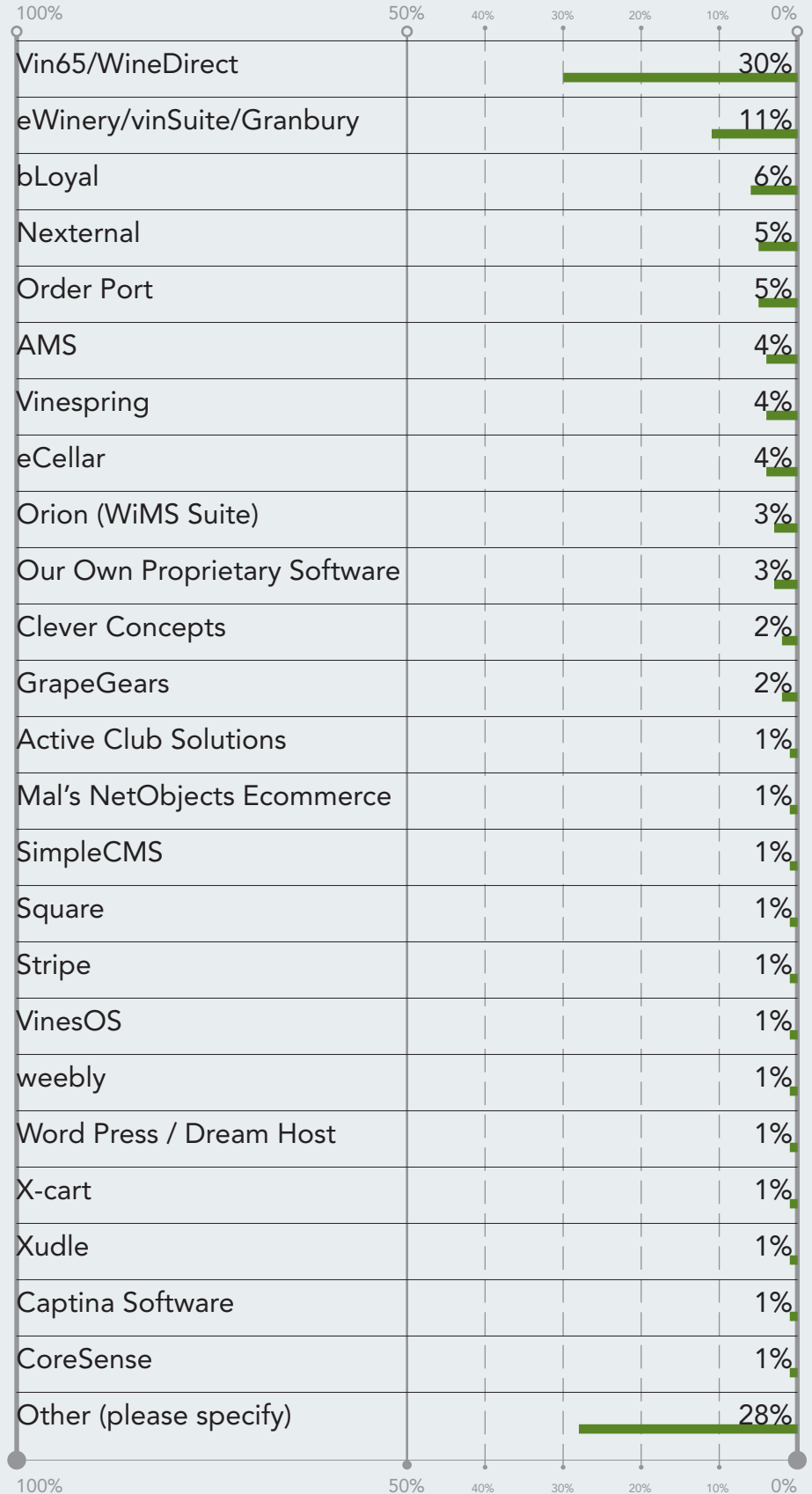
Of those 91%, which **Point-of-Sale** (POS) provider/vendor do you use? (choose as many as appropriate)



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78% use Online / e-Commerce

Of those 78%, which **Online/e-Commerce** software provider/vendor do you use? (choose as many as appropriate)

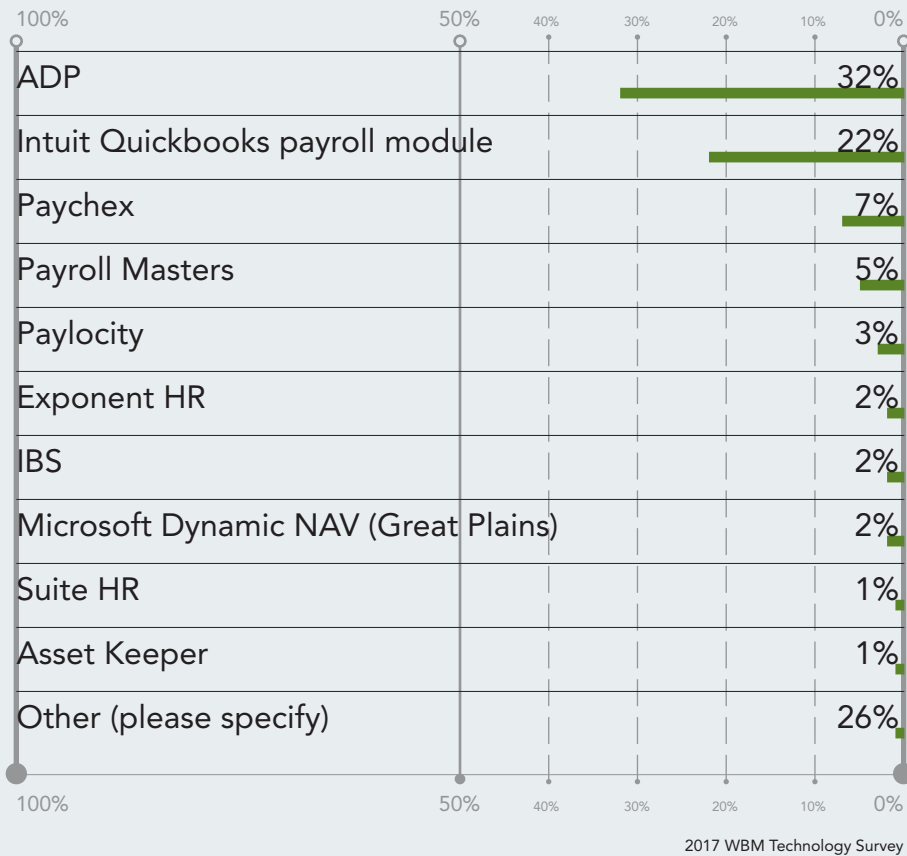


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Types of Software Wineries Use

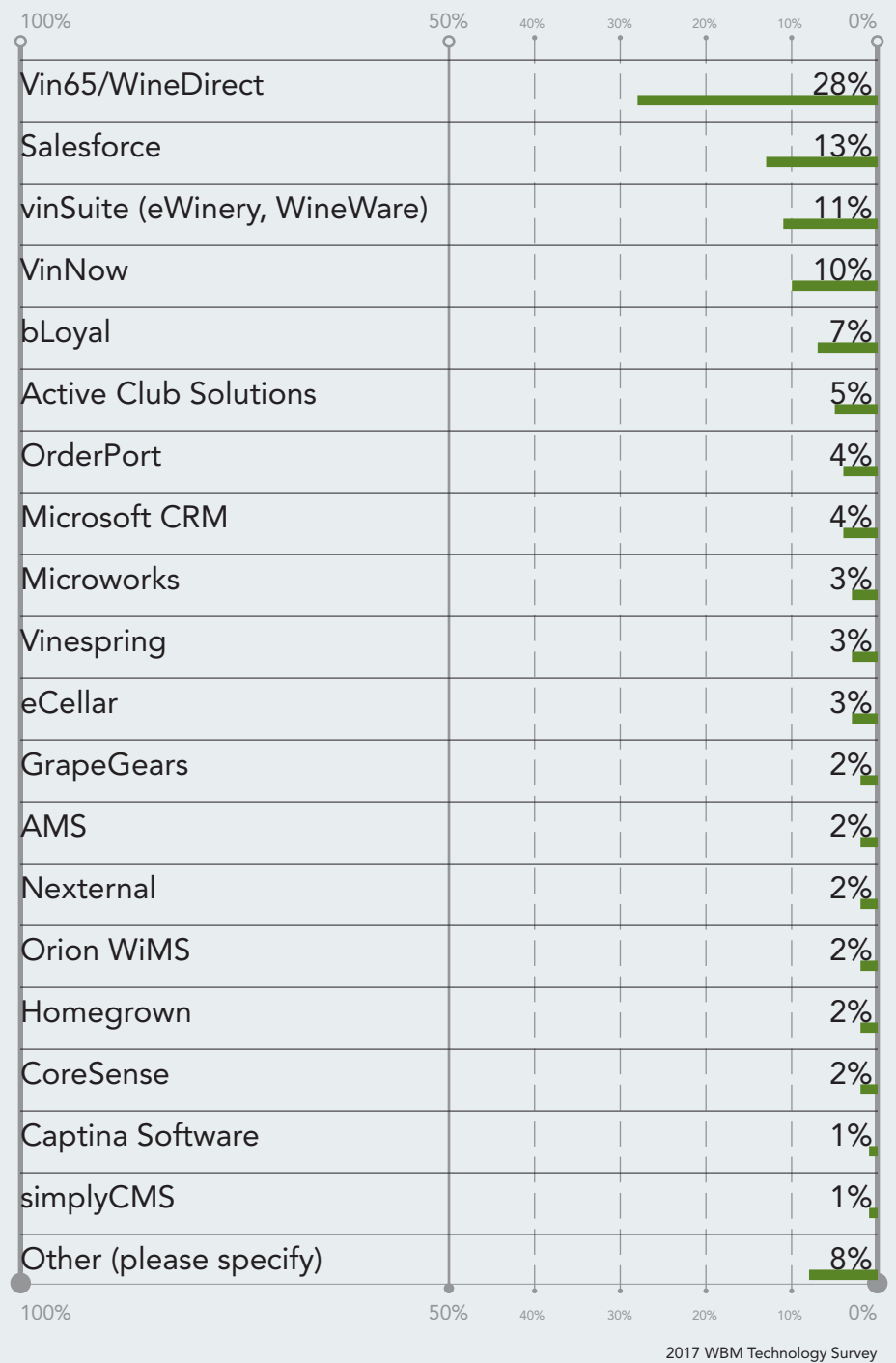
72% use Payroll Providers

Of those 72%, which **Payroll** provider/vendor do you use?
(choose as many as appropriate)



67% use CRM Provider

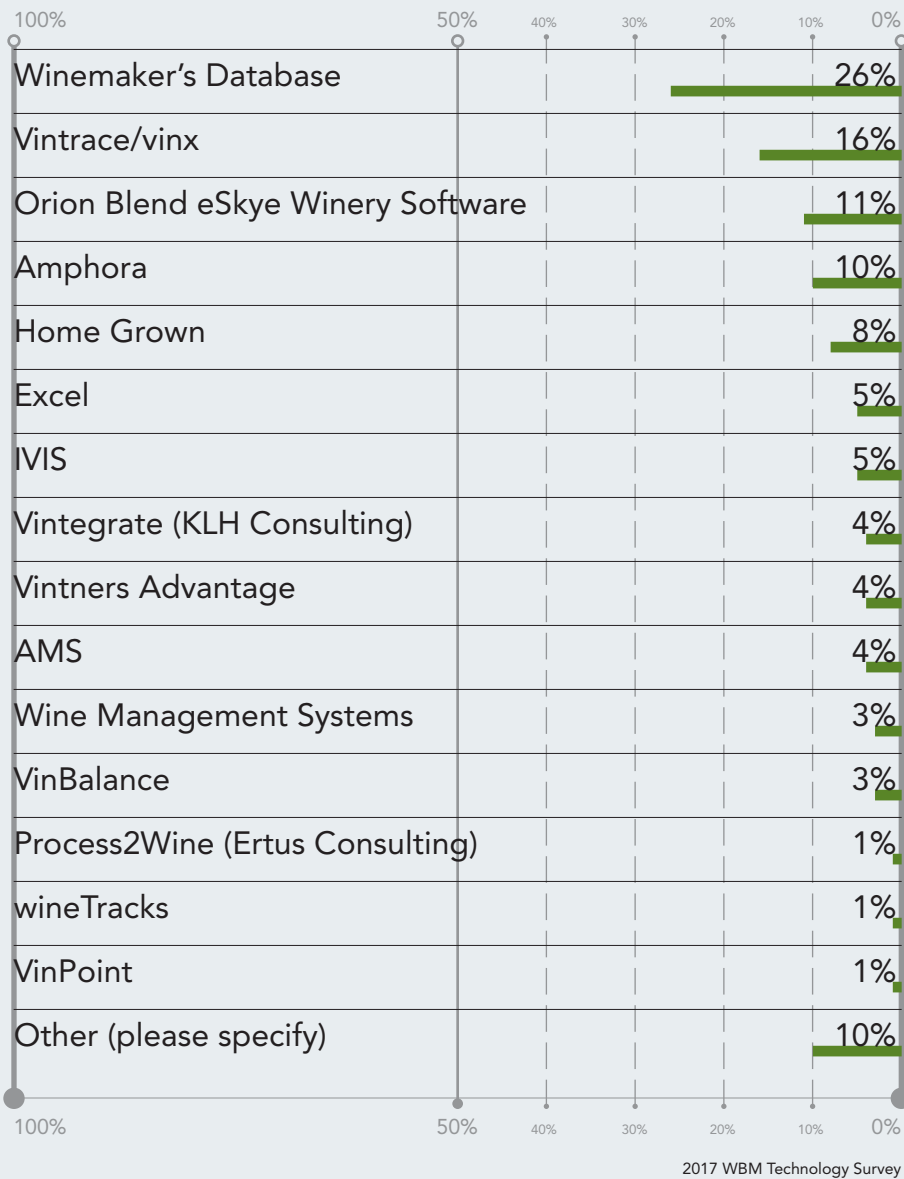
Of those 67%, which **Customer Relationship Management (CRM)** provider/vendor do you use?
(choose as many as appropriate)



Types of Software Wineries Use

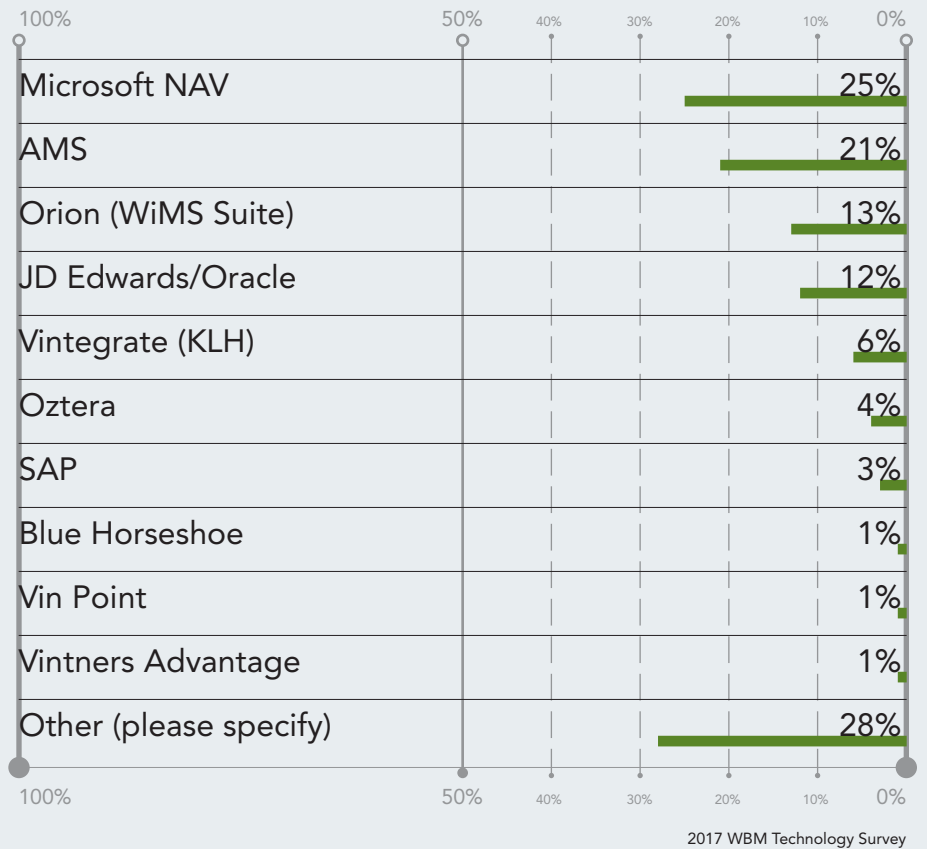
45% use Winemaking Operations

Of those 45%, which **Winemaking Operations** provider/vendor do you use? (choose as many as appropriate)



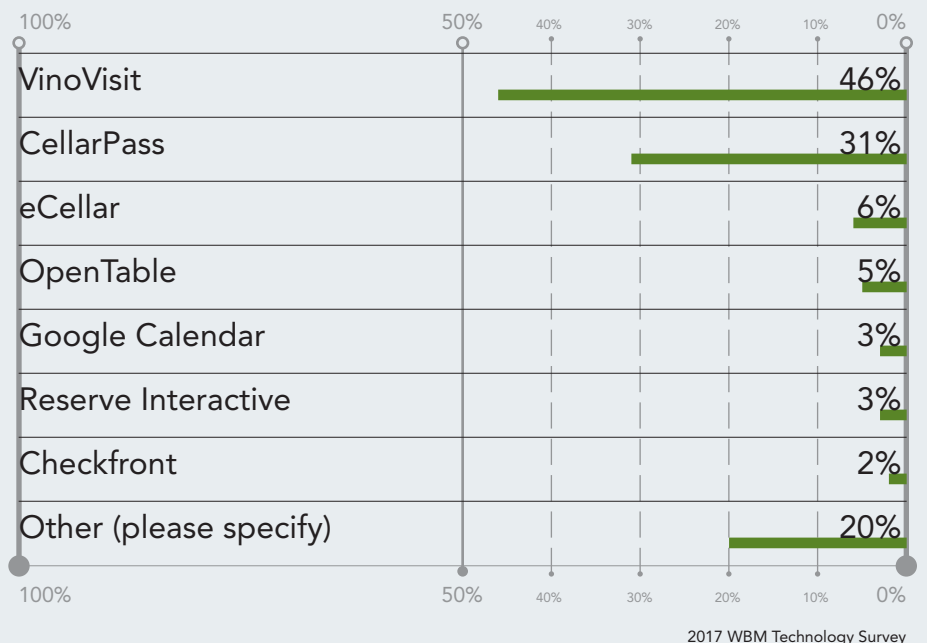
37% use ERP software

Of those 37%, which provider/vendor do you use for **Enterprise Resource Planning**? (choose as many as appropriate)



36% use Reservations Software

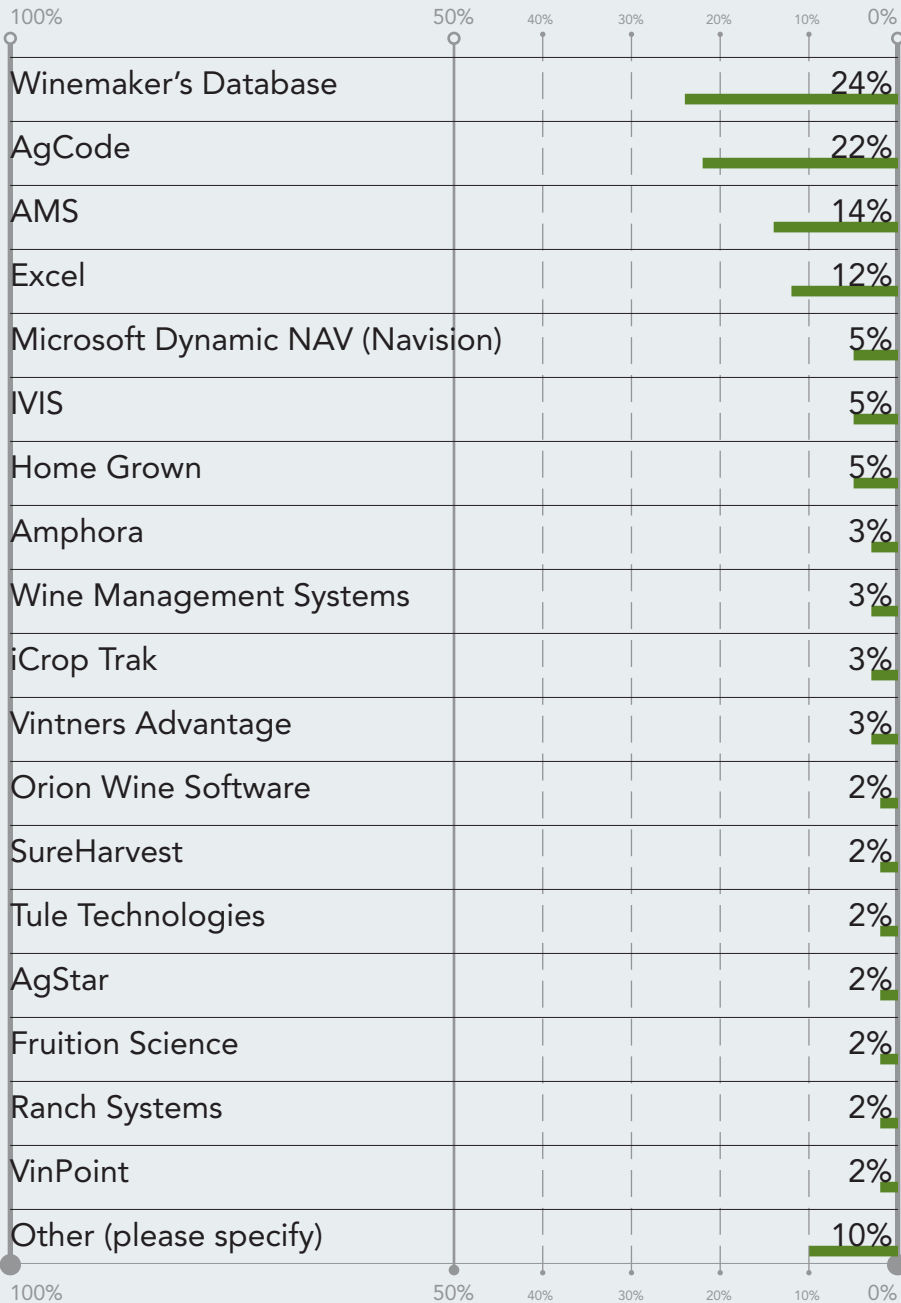
Of those 36%, which **Reservations** software provider/vendor do you use? (choose as many as appropriate)



Types of Software Wineries Use

33% use Vineyard Operations

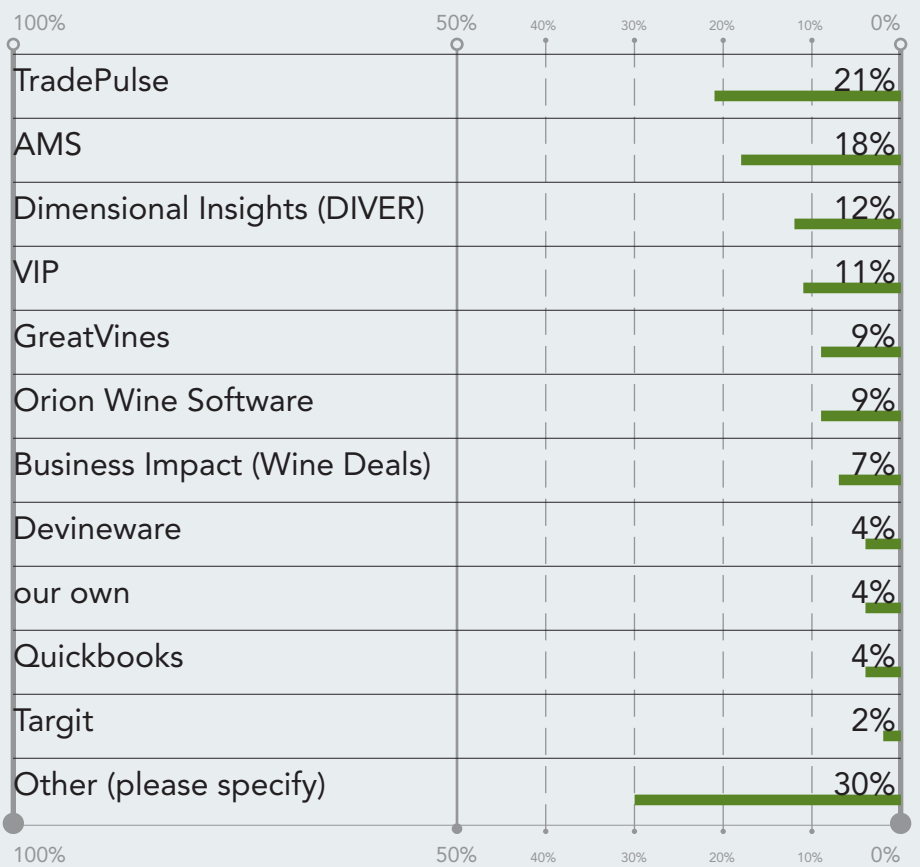
Of those 33%, which provider/vendor do you use for **Vineyard Operations** tracking? (choose as many as appropriate)



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32% use Depletions Software

Of those 32%, which **Depletions/Depletions Allowances** software provider/vendor do you use? (choose as many as appropriate)



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