



AVAILABLE TO WINE DISTRIBUTORS COURTESY OF THE
SEBASTIANI VINEYARDS SALES FORCE

The Grape Skinny

Focus On: Molly McCormack Sebastiani Vineyard's Space Management Analyst

Remember that knowledge is power the next time the checker at your neighborhood market runs your Cheerios over the little glass-covered scanner. We have all come to anticipate the red flashing light and the annoying little bleep as the scanner recognizes a price code for the item and we are charged accordingly for our purchase. But who we are, our age, how many children we have, even our marital status and the kind of music we listen to can be revealed by a penchant for Cheerios or an appreciation for fine wines. Using data compiled from thousands of grocery stores across the nation, market research firms translate the language of the bar code into viable information which in turn can be used by product manufacturers to tailor their products to the needs of consumers.

Using information gathered from IRI, a market research firm which tracks grocery store sales, Molly McCormack, Sebastiani Vineyard's Space Management Analyst, translates trends in the market place into retailese. For instance, how many actual bottles—or facings—should appear on the shelf is a question best answered by the sort of sales data supplied by a company like IRI. A retailer unlikely to sell cases of an expensive although exquisite wine from an obscure winery in Australia would place only one facing on the shelf. On the other hand, a hot seller like Vendange, whose sales have gone from 330,000 cases in 1991 to 2.7 million cases in 1995, has little trouble securing several key spots on the supermarket shelf. Put them out and they will sell, a fact that translates into increased profits for the retailer.

While facings are important, position on the shelf is critical to the success of any product and wine is no exception. After all, when was the last time you went looking along the bottom row of the supermarket shelf for the product of your

choice. We tend to fix our gaze and thus our search, at eye level, an area which actually covers the span between ones chest and the top of ones head. This is the coveted spot for any product—the fifty yard line at a 49ers game, a fact hardly wasted on manufacturers. According to a recent article in Progressive Grocer Magazine, a monthly supermarket trade journal, when a product is moved from the bottom shelf to waist level, there is a 43% increase in sales. Move a product from the bottom shelf to eye level and realize as much as an 80% increase in sales. To secure the optimum spot on the shelf, Molly pleads her case directly to the retailer. Armed with market research from IRI which combines volume sales, dollar sales and average price per unit to determine how quickly Sebastiani's wines sell as well as their profitability, Molly goes about the business of convincing the buyers for giant retailers like Safeway and Raleys of our right to the eye level spot. For top selling wines like Vendange, the argument is easily won. Add to the equation research which has shown that wine drinkers buy more groceries than non-wine drinkers, and the sum is an expansive wine section in which Sebastiani wines are prominently displayed.

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The technology of the information age has not only impacted the gathering of information but its manipulation as well. Using specially designed software called SpaceMax, Molly creates color pictures of what the wine section of a store could look like with Sebastiani wines in place. Called Plan-O-Grams, these color renderings are composed by placing still video pictures of competitive products onto the computer screen and arranging the bottles to reflect a well set-up store shelf. Plan-O-Grams are offered by the Sebastiani sales force to store managers as a guide to arranging their wine sections, and generally depict a store shelf arranged with more expensively priced wines of comparable quality flanking our products. This subliminal comparison gently nudges the consumer toward choosing Sebastiani wines which is, after all, the whole idea.