

WITH CRISIS COMES OPPORTUNITY

Finger Lakes Wineries, and Consumers, Respond

BY LAURA WINTER FALK



In the midst of every crisis lies a great opportunity” is a well-known Albert Einstein quote that represents the resiliency of the human spirit. One does not need to be a genius, however, to recognize the resiliency displayed by the Finger Lakes wineries and over the past year.

The Finger Lakes wine region, with over 130 wineries, is the largest and highest wine-producing region in New York State, and among the top wine producing regions in the U.S. Most of the wineries in the Finger Lakes are small businesses. These often family-owned producers are selling millions of dollars of wine directly to millions of visitors in their tasting rooms. At most of these wineries, these direct sales make up over 60% of their total sales each year.

Then at 8pm on Sunday March 22, 2020, everything stopped. Right when the tourism season was beginning to open up, tasting rooms closed their doors to visitors. The economic engine for hundreds of wine producers was upended. With their main revenue stream gone, and without any indication of when tasting rooms would be allowed to reopen, winery owners questioned how they would survive.

The answer was held within another well-known expression, “when tough times come, you learn who your friends are,” and Finger Lakes wine producers soon learned that they had lots of them. Ironically, the same tasting-room, tourist-driven model that put the region’s wine industry in a financially precarious situation is also the same model that is saving them.

“What’s special about industry is that because our wineries are family-owned, our visitors are able to make a special connection with the people who make the product,” said Sam Filler, the executive director of the New York Wine and Grape Foundation.

It turns out that this special connection is very real, and Finger Lakes wine consumers were not going to let the closing of tasting rooms keep them from connecting with their favorite producers and drinking their wine.

Yes, people all throughout the country purchased a more significant amount of wine, spirits, cider and beer for home consumption over the past year. But for Finger Lakes wine and craft beverage consumers, this change seems to be much more than “self soothing” during this difficult time. It has been about supporting and connecting to the place, the people, and the community spirit behind the glass, the can and the bottle.

THE FIRST THREE MONTHS – NEW YORK ON PAUSE

Loyal Fans Show the Love with Online orders

During the early months of the COVID-19 pandemic, Finger Lakes producers knew that retail shop sales were not going to be enough to support them during tasting room closure, so connecting with their loyal fan base was their best chance at surviving the lockdown. Co-owner Glenn Allen of Damiani Wine Cellars described the impact their existing customers had on their business during those early months.

“Our fans were terrific during PauseNY. In addition to online ordering, they were ordering from the parking lot for curbside pickup and delivering locally. Our Wine Club Members are a big part of our fan base and have been our lifeline during the past year,” he said.

Largely due to these relationships that have been forged over years by return visits and special events, Finger Lakes wineries throughout the region reported exploding numbers of online sales, resulting in tasting rooms turning into assembly lines for packaging and shipping.

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Wineries go virtual

One of the most impactful ventures initiated by the Finger Lakes wineries during lockdown was the virtual tasting experience. Virtual experiences offered by many of the Finger Lakes producers resulted in thousands of people tuning in to see their favorite winemakers and taste along with them. Over 20 wineries offered virtual tastings and happy hours, where people order the wines that go with a particular theme and then join the owners, winemakers and staff in a virtual tasting broadcast.

But it is not just wine they are sharing. Winery owners pulled back the curtain and gave existing and future customers special experiences, like virtual vineyard tours, wine stories, special tastings with winemakers from other regions, trivia, and sharing of special recipes to pair with their wines. One of the first wineries to launch virtual tastings was Silver Thread Vineyards, who introduced their first virtual tasting series even before the first day of official lockdown. Shannon Brock, co-owner with husband Paul describes the impact that virtual tastings have had both on their bottom line and their spirits.

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And the results are significant. The virtual tastings fostered an 18-fold increase in online wine sales, hundreds of new e-newsletter subscribers and social followers and a 33% increase in their two wine club programs over last year.





TASTING ROOMS REOPEN TO A NEW NORMAL

How the tasting room experience changed

While the need to survive those first three months resulted in some outside-the-box thinking and creative initiatives, nothing would compare to the revolutionary impact that the pandemic would have on the Finger Lakes tasting room experience when the region reopened to visitors in June. New York State established very detailed guidelines for safely reopening to the public during COVID-19.

These guidelines mandated indoor capacity to be decreased to 50%. To manage this, many wineries moved to requiring reservations for indoor tastings. Tastings were also required to be seated, with a maximum of six guests from the same party to a table and had to be accompanied with food. Required cleaning in-between tastings also resulted in longer time allocated between reservations with the average tasting experience increasing to 45 minutes or more. Tasting fees at the wineries increased across the board to help mitigate the loss in revenue from fewer customers.

The impact of these changes on the tasting room experience was huge. Fifty percent fewer customers and more overall space were first and foremost critical in having customers feel safe in visiting the wineries. But the reservation-based, seated tastings accompanied by food slowed down the pace and allowed for more attention from winery staff.

The overall result was that the tasting experience at the wineries changed to having more of a wine bar ambiance and feel, and customers loved it. Gone were the overcrowded tasting rooms with customers standing at the bar shoulder-to-shoulder, sometimes two to three rows deep, with strangers. No longer were the tastings a hasty experience where staff jumped from party to party to serve other customers in between pours.

A Cornell University research study performed last summer of customers who visited the region showed that customers loved the new tasting environment. The results indicated specifically that the ambiance of smaller crowds, and a more in-depth tasting experience with increased staff interaction, resulted in a significant increase in overall satisfaction. These customers not only showed their satisfaction emotionally, by staying connected with the winery after their visit, and doing word-of-mouth marketing to their friends and family, but also showed it with their wallets by spending 51% more at the winery than customers without reservations.

But it wasn't just the customers who were more satisfied with this new operation model. Winery owners described that employee job satisfaction in the tasting room also increased. Most importantly, just like with the customers, the new guidelines allowed employees to feel safe in their jobs. Chuck Tauck and Christine Maguire, owner and tasting room manager of Sheldrake Point Winery, described how the new format not only resulted in the staff feeling safer, but that the reserved-seating tasting format created such an improved experience for both the customer and the staff.

"There was much less stress for the staff because it had to be so well organized," he says. "It was such an incredibly improved experience for them compared to dealing with the throngs of people typically seen during the peaks of the season."

Wineries take full advantage of our beautiful region and stellar weather

2020 offered an incredible season of weather for the Finger Lakes region. Living in a place where weather is, to say the least, unpredictable, last summer and autumn in the Finger Lakes was nothing less than a stunning nature-sent gift. It offered an abundance of warm sunny weather that not only nourished the thriving grapes, but also

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the souls of the people who live and work here, and the visitors seeking emotional healing and safe escape from their enclosed worlds.

With less seating available inside, and an abundance of fresh, clean air outside, wineries invested in tables and chairs and tents and extended service throughout their properties. This offered more opportunity than ever before to enjoy their wines, while immersed within an incredible context of rolling hills, thriving vineyards, and endless lake views.

Many wineries chose to use their outside property to offer a more casual wine garden tasting experience with pre-set flights and by-the-glass offerings. Reservations were often not required, and this space was often made available to larger groups who wanted relaxing time together offered in a safe outdoor setting. In fact, the wineries discovered that this format allowed for the indoor tasting room space to be reserved for customers seeking a more curated, in-depth,



and immersive tasting experience. It was a win-win for everyone by providing completely different atmospheres for distinctively different types of tastings. It also significantly helped the wineries, as this additional service footprint brought in the much-needed sales revenue to offset the reduced capacity inside.

A new year and a fresh perspective

With the winter to reflect, many wineries have completely changed their tasting room models as a result of epiphanies discovered through last year's need to adapt. There are wineries that are rebranding. There are ones building permanent outdoor spaces and converting indoor spaces by removing long tasting bars and replacing them with more tables and chairs to accommodate capacity restrictions slowly being eased. They are embracing enhanced tasting models and adding more premium experiences on top of them. They are creating better jobs with more levels for employees to grow and flourish within their businesses. Christopher Missick, owner of Villa Bellangelo, who has recently rebranded under the new name Missick Cellars, offered the following perspective.

"By being forced to stop and pause and think about what matters to us, many of us contemplated on what it meant to live a good life. That entailed wanting more than just the bottom line. It impacted how we live our lives every day, how our employees do their job, and how our customers experience our life's work. Being confronted

with such massive social upheaval, helped us to recognize our family wine business was about more than us, and more than today. It's about the legacy of what you are leaving your children and grandchildren and building a sustainable wine business that will impact our community for decades to come," he says.

So, crises really can lead to new opportunities. One ironic outcome of this global health crisis is that there are wineries whose businesses are healthier, with new revenue streams from virtual tastings and increased on-line sales that help with the seasonality of the tasting rooms, expanded services outside and enhanced customer experiences.

Thousands of new Finger Lakes wine fans now exist throughout the country; connections with existing customers have deepened. People all over the U.S. now know the people behind the Finger Lakes wines that helped them through the difficult times. And for the winery staff, resiliency and authentic passion for their work got them through the challenge and they continue to make the Finger Lakes a simply magical place for all of us. 🍷

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