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# Balancing Your Sales Strategy

Focusing on the right customers?

# Intros



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# Intros



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# Using Metrics for CAC implementation

A stream of new customers keeps the lights on...

In this session we'll go over CAC (customer acquisition cost) & CLV (Customer Lifetime Value)

- What they mean
- How they're calculated
- What impacts each one

Means for deciding a focus on acquisition or retention in the world of DtC

# Balancing Your Strategy

The most important thing is to focus.  
You can't be everything to everyone.

Focus on:

- Who You Are
- What is Ownable to You
- Where You Want to Grow
- How You Engage Your Staff



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# **Managing Differentiated DTC Channels**

Aligning Sales Aims with Channel-Specific Realities

# Differentiating Sales Aims (1/3) – Acquisition-Focused

## Cold Call (Tasting Room & Telesales)

**Primary Aim:** Pure Acquisition

**Management Focus:** Call volume, new member conversion rates, list quality, cost acquiring customers (CAC).

**Customer State:** Unaware or low-intent.

**Goal:** Convert a new customer in a single, high-touch interaction.

# Differentiating Sales Aims (2/3) – Retention-Focused

## Wine Clubs (Subscription)

**Primary Aim:** Turning Retention to CLV

**Management Focus:** Churn rate, average member tenure, member satisfaction, purchasing behavior, upsell/cross-sell/downsell

**Customer State:** Converted and (ideally) loyal.

**Goal:** Maximize the long-term value of an existing, committed customer.

# Differentiating Sales Aims (3/3) - Complementary

## E-Sales (E-commerce)

**Primary Aim:** Transactional Efficiency

- **Management Focus:** Cart abandonment, conversion rate, Average Order Value (AOV), SEO/SEM traffic.
- **Customer State:** Self-directed, high-intent, in-market.
- **Goal:** Leverage brand desire and serve as a pathway into the wine club.

## Wine-Buying Groups (Flash Sales, Message Bombing)

**Primary Aim:** Move Volume & Inventory

- **Management Focus:** Units sold per offer, speed of sale, inventory clearance, acquisition of \*new-to-file\* buyers.
- **Customer State:** Price-sensitive, opportunistic.
- **Goal:** Move large volumes of specific products quickly.

# The Successful DtC Sales Funnel



**Acquisition (CAC):** Sourcing and converting new customers. This is the "leaky bucket" that must constantly be refilled.



**Retention (CLV):** The critical shift from transactional sales to maximizing Customer Lifetime Value (CLV). This is where profit is truly generated.



**Advocacy:** Leveraging brand loyalists to lower acquisition costs through word-of-mouth and user-generated content.



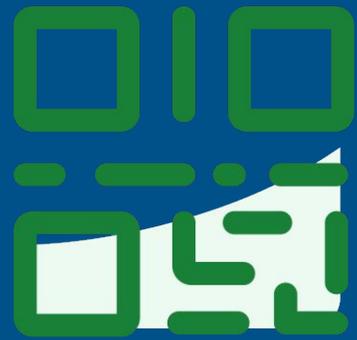
**Core Concept:** The primary goal is no longer the \*first sale\* but the \*second sale\* and the \*subscription\*, indicating a move from transaction to relationship.

**Let's turn this over to you to get involved....**

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Let's start with your understanding of these terms. Do you know your brand's CAC value?

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**What is your approximate CAC value?  
(If you haven't calculated it recently,  
please estimate what you think it costs  
your business to acquire a new  
customer).**

# Calculating Your Cost of Acquisition

What do new customers cost?

The simple calculation:

**Sales & Marketing Costs/# of new customers acquired**

Costs to Consider:

- Paid media & marketing collateral
- Digital & Email Costs
- Partnership or Event Participation fees
- Labor costs and Level of Effort



# The Pathway to Acquiring Customers – Start with Reach

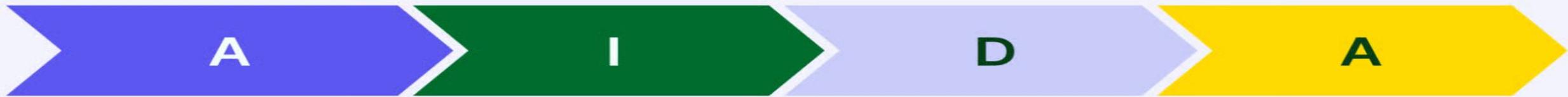


Impressions

Engagement

Inquire

Sales



Generate  
Awareness

Spark  
Interest

Elicit  
Desire

Include  
Call to Action



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# Applying the Calculations

# Applying the calculations

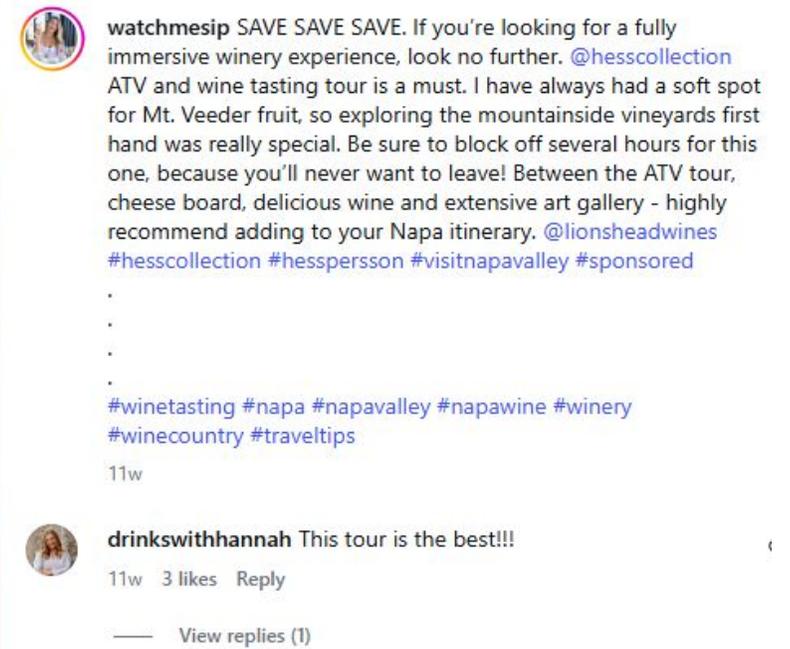
Consider what we've just outlined, how would each of these apply to your business?

Examples of Acquisition Opportunities:

- Partnering with an Influencer
- Signing up for an in-market event
- Partnering with a Travel/Corporate business or like-minded business



# Influencer Partnership



## Costs:

- \$10k - Influencer Fees (contract)
- \$650 - Experience - \$150
  - Labor costs - hourly rate for employees assisting with the experience as well as monitoring the social media accounts.

## Key Metrics:

- New followers - 100 CAC = \$106.50
- New Visitors - 10 CAC = \$1,065

## Considerations:

- Brand Alignment - Emphasis on View Points/Values
- Unique Offering
- Social Media team

# In-Market Events/ Wine Dinners



## Costs:

- Event Fees - \$5000
- Labor and T&E - \$5,000 (5 employees)
- Marketing Materials & Media - \$2,000

## Key Metrics:

- New Contacts 100 emails CAC \$120
- Post Email Engagement - AOV \$

## Considerations:

- Lack of ROI vs required presence



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**Does not having a defined ROI reduce your brand's interest in using wine events as a DtC platform?**

# Corporate/ Travel Partnership



## Costs:

- Partnership Fees (\$100k-\$150k)
- Technology & Infrastructure
- Marketing Materials & Digital Assets

## Key Metrics:

- New Contacts - 130 (CAC \$1,053)
- AOV - \$640 (min spend \$400)
- Post Email Engagement - 2nd order = breakeven

## Considerations:

- High participation cost; High customer spend
- Brand Alignment



Leading with quality

## Award Winning

In 18 years we've won over  
130 major awards for our  
artisan cheese.

[See all our awards](#)

# Co-Marketing Partnership

### Costs:

- Digital Assets - \$150
- 

### Key Metrics:

- New Contacts - 15 new customers CAC - \$10
- Post Email Engagement

### Considerations:

- Brand Alignment - Values



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# Local Outreach

- ❖ Wineries
- ❖ Hotels
- ❖ Drivers



## Costs:

- Wine & Gifts  
\$50 per partner (\$600 total)
- Labor - \$120 (4 hours of outreach)

## Key Metrics:

- New visitors/reservations - 10 CAC - \$72

## Considerations:

- Brand Alignment
- Clientele/Customer base

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# Comparing Acquisition v Retention

Because they need to start in order to become loyal

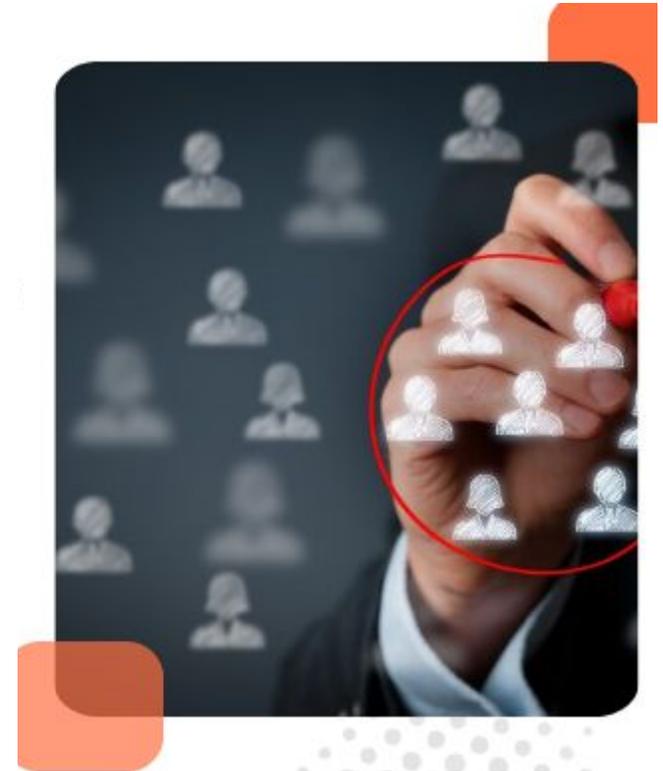
# Balance your Metrics

## Know your acquisition strategy

- Where, how and why new customers visit your tasting room
- Compare your purchase v. conversion rate
  - Purchase rates typically range between 20 and 50% of all visitors
  - Wine Club Conversion rates from 5 to 20%
  - Both rates depend on tasting format and pricing models
- As purchase rate approaches 20%, and conversion rates are lower than higher, acquisition is much more profitable than retention.

# You got them, now what?

- Tailor your marketing efforts for your new customers
- Focus on what value you provide/what need you fulfill
- Emphasis on driving repeat purchase to convert to subscription/club membership



# Loyalty Strategies



# Retention Strategies (1/3)



## Who Are You?

- Family owned
- Off the beaten path
- Modern/Edgy

# Retention Strategies (2/3)

## What Are You Offering:

- Access (wine, special tastings, unique benefits)
- Convenience (selection, timing, shipping)
- Experience (in market events, gift in shipments)



# Retention Strategies (3/3)

## How We Engage Our Staff:

- Are they included in ideation/feedback?
- Do they believe in the offering/wine/story?
- Do you have a clear commission/bonus program?
- Do you share what success looks like?



# In Conclusion

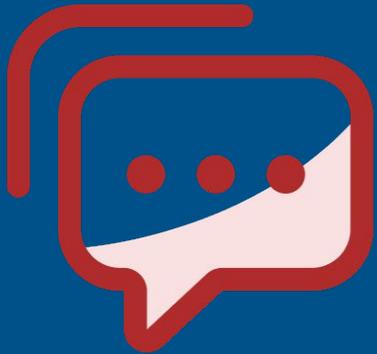
- Calculating CAC provides a key metric for making marketing decisions on DtC strategies for your wine brand
  - Your brand needs a strategy for acquiring customers, AND
  - A strategy for retention
- Acquiring new customers involves labor costs as part of COGS
- Increased retention rates are not necessarily good news
  - If not enough customers make up for your churn rate, and...
  - because price increases make it harder to bring in new customers in the long-term
- New customers and new retention plans can collaborate for improved cost efficiencies
- Contact Miryam and Damien for insights and further details.



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# Audience Q&A



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# Thank You

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