

THE DATA IN MY GLASS:

WINE INDUSTRY'S NEW OPPORTUNITIES AND BIG DATA

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Wine Industry's New Opportunities and Big Data

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Word Count: 4908

Submission Date: 10/06/2019

## **ABSTRACT**

### **Motivation**

I like to describe myself as a multidisciplinary, versatile and curious person, who loves to learn and find out the truth by trying to understand the information available. I'm a chemist and DipWSET, holding a Masters in Marketing and a post-grad in Digital Marketing. Throughout my multidisciplinary education and having lived and worked in marketing and sales in four different countries, generating leads, I have been exposed to so much data. Additionally, I married a data scientist a year ago.

Especially when I was studying for Unit 3 exam of WSET Diploma, I started to think about the depth of the data in the wine business starting from the grape to the end-consumer. During my conversations with my husband, we had an idea of creating a collective platform where we can combine data science and wine business to give an advantage to the grower, the producer, the intermediate bodies and the end-consumer. This thesis is the beginning of our goal.

As senior brand manager for a premium wine producer, I am very much aware of all existing data which is archived but sometimes lost in transmission. We use data-driven conversations with clients and partners in order to build trust and accountability in our relationships. For example, we use lots of sales data to quantitatively demonstrate the value that our brand could bring to the table. While the existing strategies are proven to be successful, that doesn't mean there is no room for improvement. In my humble opinion, being more data-driven, starting from the grape, will bring the wine business to the next level. Amongst the important players of different sectors globally, data science is a very important topic but in the wine world. This gave me even more motivation to investigate big data and its implications in the wine sector and to see why the wine world is skeptical about it. All of these aspects will be investigated in this paper.

### **Objective**

There is so much unused data in the wine industry held by either the grower, winery or the merchant: chemical analysis, production data; varietals, yields, vintage, number of bottles, sales. There are also endless wine reviews and ratings available online, by experts or regular consumers. This data is available to every single consumer and producer. Nevertheless, unsurprisingly but unfortunately, there is very little data science happening in the wine world, besides some vintage charts for a specific wine region and ratings on the platforms targeted for end-consumers. Some creative and innovative minds are using the data sets for wine recommendation software, but again, given the size of the industry, it isn't enough. The objective of this paper is analyzing the opportunities in the wine industry by integrating data science: big data and the threats if any.

## **Methodology**

In order to achieve the objective of this paper, a broad analysis and investigation of big data was conducted, as well as its integration into other industries and wine industry, in terms of wineries, commercial implications, and the end-consumer. Variety of wine books and wine magazines were consulted, along with online sources as websites, tasting reviews and data sets.

There are many publications about big data; unsurprisingly there is very little information related to wine industry. Because this is a very current topic, some information is protected due to confidentiality issues. Therefore, I also conducted personal interviews, verbally and written with producers, from grower houses to established groups in the industry, as well as with wine experts and consumers, to examine the problems and opportunities within the industry.

## **Content**

This paper is built on 4 different sections. First, an introduction to big data and wine industry, followed by a deep dive into how wine industry can take advantage of big data, in terms of grape and the vine, soil and the climate, production, and trade marketing. A data mining exercise has been conducted as an example of how to incorporate data science to trade marketing. The third section is based on an analysis from the consumer point of view. Then finally based on all the analysis, conclusions, personal commentary and opportunities are proposed.

## **Conclusions**

Data is the new diamond, and soon it will be the most powerful currency. However, for big data to transform the wine world, attitudes will have to change. Instead of treating the subject as a threat, the business owners should start seeing it as an opportunity for product innovation, ease of the operations, better business strategy, uncorking more bottles, increasing the sales and shaping future of the wine marketing. As a result of this research and examples used, the integration of big data in the wine business represents an important milestone. At this point, early adopters are primed to deploy big data to obtain a market advantage. Nevertheless, given mostly the traditional and conservative nature of the wine industry, it seems like there is still some way to go.