

EST 2005

LODESTONE WINERY

ADELAIDE HILLS, SOUTH AUSTRALIA





LODESTONE WINERY

Current Products & Winery Information

Varietals & Production:

- Sparkling and Table Wines
- Over 30 varietals
- Produce 80,000 bottles of sparkling annually
- 70% white wine production focused

About Lodestone:

Lodestone is a custom crush facility located deep in the Adelaide hills region. It is quite a bit different than the other wineries we went to because it is not really a winery. They actually don't sell any wine or products. Instead they basically sell their services to other wineries. They provide the ability to make wine for other places that either are unable to because they don't have the facilities or to because they don't have enough room at their winery. This allows some wineries to solely focus on specific aspects of their business like just the grape growing or just the marketing side. The owner of this custom crush facility actually started it because he doesn't like the business portion of making wine and only enjoys the wine making part.



CURRENT SALES STRATEGY

Minimal...

- Catered to local wineries
- Wineries without a winemaking production facility
- Wineries with surplus grapes

Target Segments:

- Smaller wineries
- Long term clients: 30 total
- 18-20 stay with them throughout the year
(Turns down smaller clients that produce less than three tons because they are not large scale enough for Lodestone to produce)
- Specific segment of wineries that only want to focus on marketing and leave the production to a third party



ADELAIDE HILLS WINE

Weaknesses:

- No social media presence or internet reviews
- No website
- No 'welcome sign' upon entering the company's site
- Only available to local Adelaide Hills wineries
- Marketing only via 'word of mouth'
- Sales do not surpass the expenses of the machinery used
(Annual sales are minimal due to loans of capital-will need another 10 years on top of the past 12 years to begin to make a profit)
- No ambition for growth/ content with current business strategy

Opportunities:

- Improve social media/ create a website to compete with other custom crush companies in the Adelaide region.
- Sparkling wine driving industry growth. Can capitalize on this aspect
- Expand clientele beyond Adelaide Hills to produce grapes from other nearby wine regions. There is an higher percentage of smaller branded wines being created through custom crush facilities.

Strengths:

- Increased focus on quality assurance because their main focus is wine making
- Quality production facilities
- Discreet for customer satisfaction (*Lets the client dictate how their customers view their business*)
- Customer retention is very strong (*Most long term clients are the owner's life-long friends*)
- Can produce several different varietals because they have several smaller tanks

Threats:

- Clients could leave due to lower prices at other wine contracting sites
- Clients could leave because they gain machinery to make wine
- Loss of a few clients threatens their financial status since they barely break even in net sales
- If customer base increases dramatically, facilities may need to be expanded

Power Statement:

Lodestone winery's entire focus is centered around making quality wines for you and your company. Over the past 12 years, Lodestone has worked hard to provide companies with great wines at a reasonable cost. Customers trust our ability to make wines that exceed their standards and current ability while focusing on them throughout the whole process.

Wine labels use our services to maximize their ability to focus their interests on growing the perfect grapes for the best wines in South Australia. We specialize in 30 different grape varieties that can give your company a specialized range of wines from Shiraz to Chardonnay.

Our sparkling wine techniques stem from the original French style of Champagne that has been imitated by many and never seems to falter. Our team is well-equipped to successfully make wines that fit your company's needs while being willing to take input to create a more personal relationship with you and your wine.



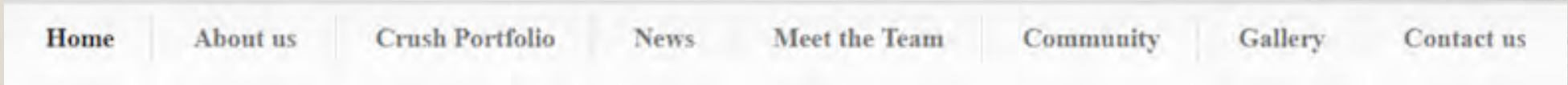
LODESTONE

- Our suggested sales plan
 - Increasing online presence via website, Facebook, and easily accessible with Google
 - Focus on promoting the quality of their sparkling wines
 - Maintain customer relationships by decreasing discrepancy between cost and quality

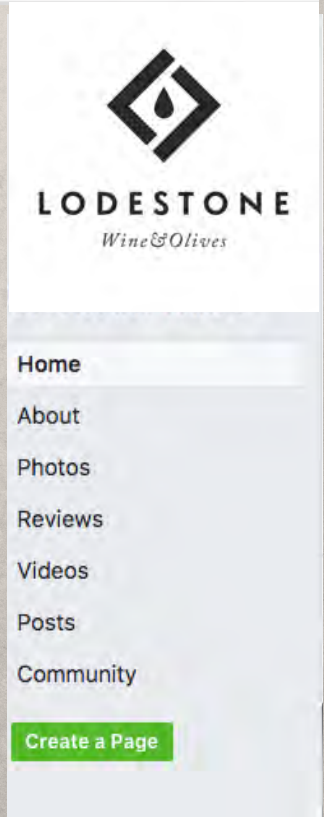
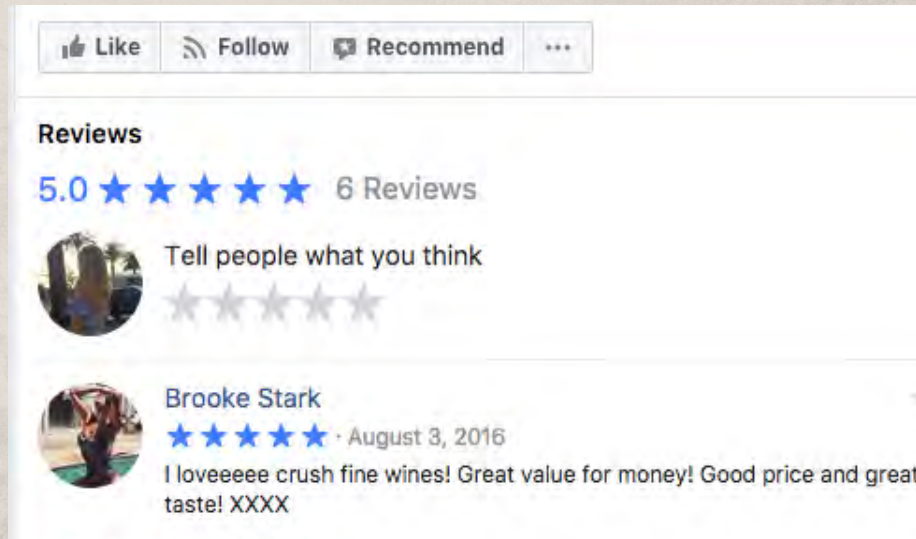


Lodestone Wine: Social Media

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- Using social media and website platforms to expand our customer base and to inform clientele of our products and services
- An example of a 'custom crush' website

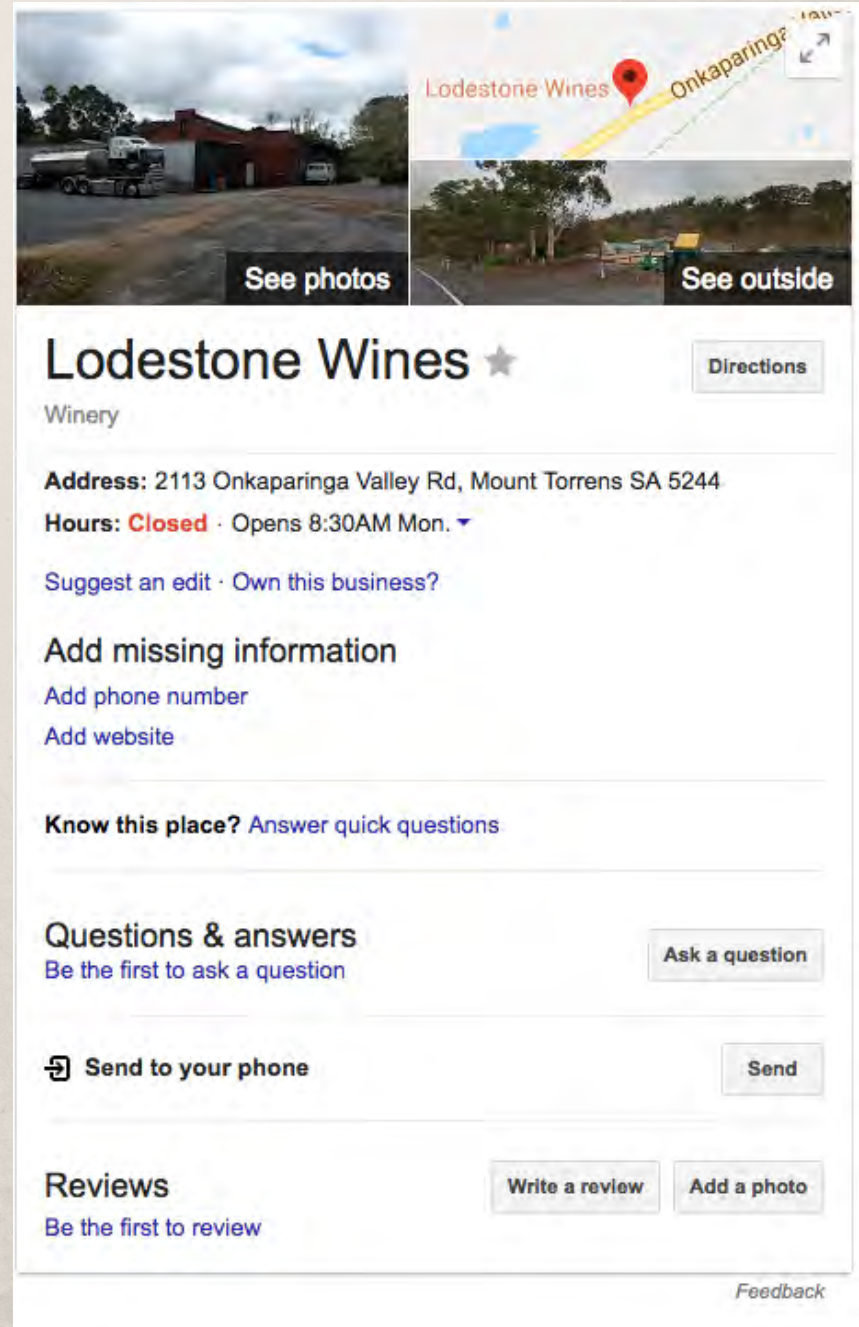


Social Media Discussion

- After promoting our product via social media, our hope is that we will see an increase in clients because they recognize the brand

Google Searches & Testimonials

- Post a better cover photo
- Have client reviews
- Add 'missing information' (*website & phone number*)
- With google, we hope Lodestone will be able to expand their customer base by allowing clients to find them easier, expanding our target market.
- Although Lodestone is currently comfortable with their business clientele, they have the luxury of being able to expand their current client base
- New clients will have more information on Lodestone as a 'custom crush' winery



The image shows a Google My Business profile for 'Lodestone Wines'. At the top, there are two photos: one of a building with a truck and another of a vineyard. A map shows the location at 'Lodestone Wines' on 'Onkaparinga' road. Below the photos are buttons for 'See photos' and 'See outside'. The main profile section includes the name 'Lodestone Wines' with a star, a 'Directions' button, and the category 'Winery'. The address is '2113 Onkaparinga Valley Rd, Mount Torrens SA 5244'. The hours are listed as 'Closed' and 'Opens 8:30AM Mon.'. There are links for 'Suggest an edit' and 'Own this business?'. Below this is a section for 'Add missing information' with links for 'Add phone number' and 'Add website'. There is also a section for 'Know this place? Answer quick questions' and a 'Questions & answers' section with an 'Ask a question' button. At the bottom, there is a 'Send to your phone' button and a 'Reviews' section with 'Write a review' and 'Add a photo' buttons. A 'Feedback' link is at the very bottom right.

Lodestone Wines ★ [Directions](#)

Winery

Address: 2113 Onkaparinga Valley Rd, Mount Torrens SA 5244

Hours: **Closed** · Opens 8:30AM Mon. ▾

[Suggest an edit](#) · [Own this business?](#)

Add missing information

[Add phone number](#)

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Know this place? [Answer quick questions](#)

Questions & answers [Ask a question](#)

[Be the first to ask a question](#)

[Send to your phone](#) [Send](#)

Reviews [Write a review](#) [Add a photo](#)

[Be the first to review](#)

[Feedback](#)

Lodestone Wine: Promotion of Sparkling

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Exclusive: Sparkling Wine Driving Industry Growth
In 2017

October 18, 2017

- With the implementation of our new social media platform, we can focus on promoting our specialty products to distinguish ourselves
- We already have a known reputation for our sparkling wines, since it is 80% of our production
- We can gain specific clientele that have a need for customers to make sparkling wine
- Entering a new segment of the market can drive up business sales



Eight years ago, the Lodestone Winery near the small town of Mt Torrens began offering a mechanised service to produce sparkling wine using the otherwise labour-intensive *méthode traditionnelle*. The *méthode* process includes instigation (adding yeast and sugar to facilitate an in-bottle secondary fermentation), riddling (periodically turning bottles to accumulate the yeast deposit into the neck) and disgorging and corking (the process that removes the yeast from the bottle).

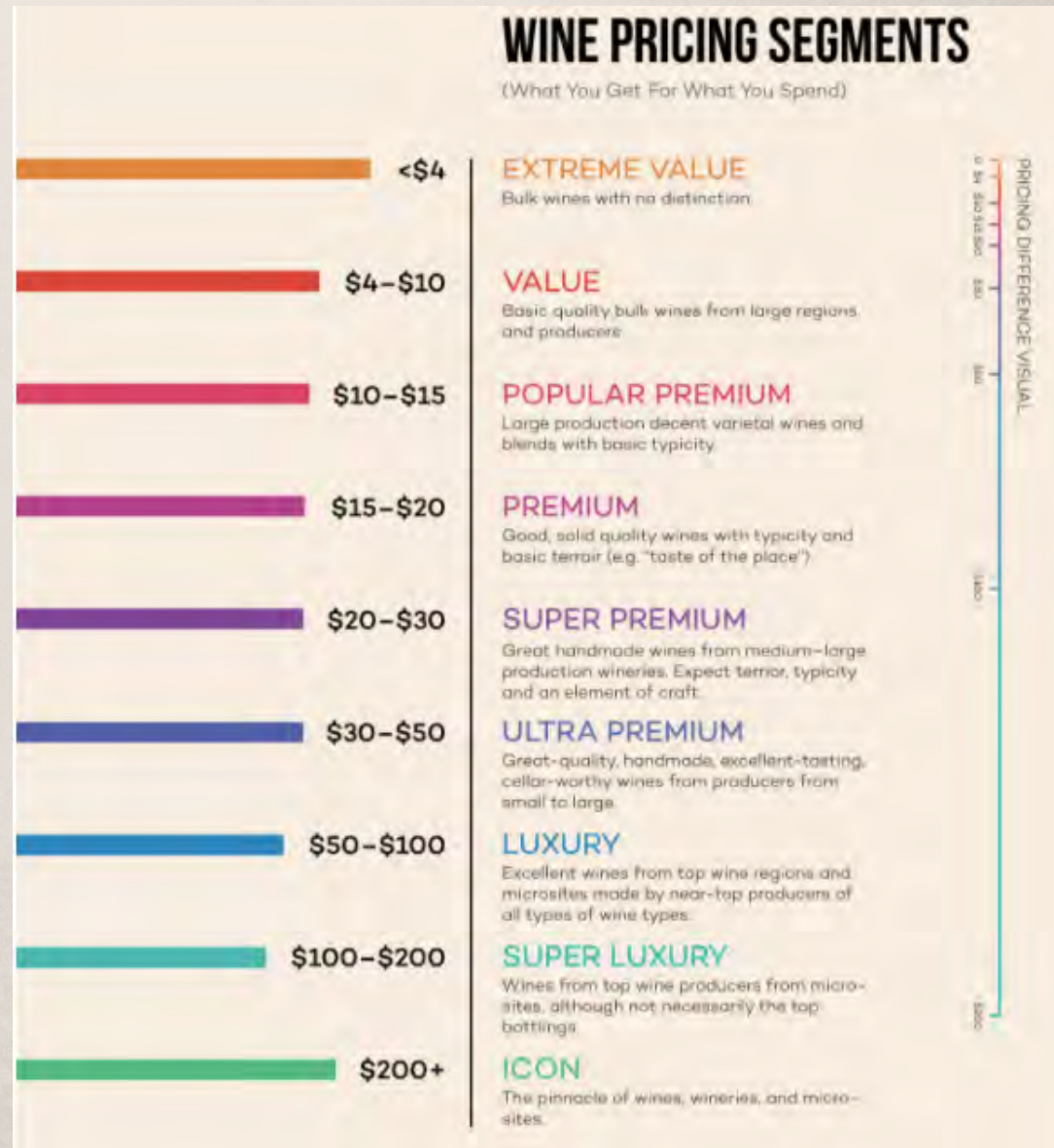
Lodestone Wine: Price Clarity

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- AUD \$1.50/ Liter on Average
- AUD \$1.8/ Liter for Red
- AUD \$1.3/ Liter for Whites (more for sparkling)
- Bottles sell for \$25-\$65 per bottle
- Expensive to produce at lodestone, which needs to be marketed to clients to advertise the prestige of the wine

Testimonial (next slide)

- This remark to Michael/ Lodestone markets the prestige of his wine-making and clientele
- This should be marketed to possible clients to emphasize the quality to price aspect of Lodestone



Testimonial to Lodestone

- Lodestone Winery is located in Charleston, in the Adelaide Hills wine region of South Australia's Mt Lofty Ranges. The exciting young owner/wine maker, Michael Sykes, **won the Brokenwood Dux of Second Year prize during his wine making course at the University of Adelaide**. He worked with Cape d'Estaing winemaker Robyn Moody before starting his own winery at Lodestone and the ongoing relationship of these two exemplary wine makers shows in the maintenance of wine quality during the changeover to the new brand, Snow Dragon Wines. With a modern approach to viticulture and Michael's character-influenced wine making skills, Snow Dragon Wines bring a new and refined wine to the table with the same rich intense color, flavor and complexity of the world-renowned Cape d'Estaing label.
- Other labels producing wine made by Michael include; **Howard Vineyard, Golding wines, Lobethal Road Wines, Verdun Park Wines and Kangaroo Island's Two Wheeler Creek**.
- Michael's **attention to detail, high regard** amongst South Australia best winemakers and prior association with Cape d'Estaing wines stood out when choosing a next generation winemaker for Snow Dragon Wines. Realizing we also had **family friendships** spawned in the **Adelaide Hills sealed the deal**, with a common life ethos and level of trust paramount to all of us in the Snow Dragon team.
- Michael has been a great source of encouragement and information in the art of wine making and we are focused on providing him the best of grapes from our jewel of a vineyard.
- The partnership is creating exquisite reds, further demonstrating the superior quality of wine attainable from the KI wine region. As with previous Cape d'Estaing wines, Snow Dragon reds can be enjoyed today but will benefit from lengthy cellaring.
- SNOW DRAGON SOUTH AUSTRALIA WINE MAKER

Expected Changes:

Target segments

- We are not expecting a lot to change, other than targeting more 'high-class' wineries that are located not only in Adelaide Hills, but throughout South Australia.

Marketing Mix

- Promotion: The winery may have to **expand** due to a higher production rate, with a possible increase in clientele.
- Place: Our facilities might have to be **expanded** with an influx of production requests, or it will create a higher demand for our services.
- Product: Our products are going to stay the same, the only difference is our emphasis on **sparkling wines**.
- Price: **Possible decrease** because of a higher production base, and this will help our customers purchase more since the price has decreased.

Overview of Goals & Expected Outcomes:

- Expanding online presence via Facebook, Google searches, and a website
 - ~ **Expected Outcome:** Our winery will increase its brand recognition and information for possible clients.
 - ~ **How we can tell:** number of website views/ visitors/ followers on social media
- Emphasizing the quality and talent of our sparkling wines
 - ~ **Expected Outcome:** Marketing a unique aspect of our facility to attract a consumer with a similar vision.
 - ~ **How we can tell:** increase/decrease in need for production of sparkling wines
- Marketing to more prestigious wineries and a higher-class clientele
 - ~ **Expected Outcome:** Maintain our current level of service while expanding our clientele.
 - ~ **How we can tell:** the number of new clients/ referrals

Works Cited:

- <http://snowdragonwines.com.au/discover-the-dragon/vineyard-to-bottle/snowdragon-vineyard/making-the-wine/>
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