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## Satisfied Customers Spend More in Beer Tasting Rooms

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In 2020, the brewery industry provided almost 20,000 jobs to New Yorkers and \$3.2 billion to the economy (Brewers Association 2022) from approximately 495 operating breweries (New York Craft Beer 2021). This is significant growth compared to an industry with only 207 breweries in 2013 (Insel 2015).

Despite this success and industry growth, most breweries in New York are small and owner-operated and distribute locally if at all. Consequently, these smaller breweries rely heavily on their tasting rooms for revenues and profits. Tasting rooms may sell brews in flights (3–5 oz), pints (16 oz), growlers (64 oz), and six packs to go (72 oz).

Previous research conducted on winery tasting rooms, restaurants, and retail stores have consistently shown that those with higher customer satisfaction have higher sales (Gómez et al. 2004; Gupta et al. 2007; Simon et al. 2009). A later study of New York winery tasting rooms associated higher customer satisfaction to a greater likelihood of purchases, unit volumes, and dollar spending (Shapiro and Gómez 2014).

Can we assume the same holds true about brewery tasting rooms? Wineries and breweries that offer tastings might share some similarities, but they also exhibit important differences. Winery tasting rooms tend to offer more luxurious and fancier tasting experiences, attracting more tourists than craft beer tasting rooms, while brewery tasting rooms generally provide a more

casual drinking experience, attracting local visitors. Winery tasting room customers vary in genders and age, whereas craft breweries tend to attract more middle-aged males than females. Further, winery tasting rooms operate in their vineyards and are therefore more dependent on their location. In contrast, most breweries do not have this restriction. Considering these factors, it's important to note that findings regarding customer satisfaction in winery tasting rooms may not fully apply to brewery tasting rooms.

### **The study:**

Twenty-one craft brewery tasting rooms in New York participated in the project, and visitors who sampled or purchased a beer from the tasting rooms were asked to complete a survey. In the survey, customers answered questions about their:

- overall experience with the tasting room (poor, fair, average, good, excellent),
- experience with customer satisfaction factors, including:
  - 5 questions about the interior
  - 3 questions about the quality of the server
  - 8 questions about the beers and tasting presentations
  - 5 questions about retail sales, presentation, and variety
  - 2 questions about the brewery location
- that day's beer purchases
- general demographics

### **What were the results?**

In the study, higher customer satisfaction levels measured by the “overall experience” increased visitors' beer purchases, by volume (number of ounces) and value (dollar sales).

The study then looked at the links between the overall customer satisfaction and the factors influencing satisfaction. For ease of analysis, the 23 individual factors were grouped into the following 5 attributes: interior, server, beer tasting, retailing, location. Results show that all 5 attributes significantly and positively influence the overall customer satisfaction. However, the brewery's interior and quality of the server influence customer satisfaction the most. Beer tasting execution and the retail experience (which included prices and varieties of beer) were the next greatest influencers of satisfaction, and finally location.

### **What should a tasting room do with this information?**

To improve overall customer satisfaction and ultimately increase sales, managers should strategically allocate resources to the attributes/factors that matter the most to visitors. Making good quality beers are crucial; however, maintaining a clean bathroom, having nice lighting and pleasant ambience, and having a nice presentation of the beer flight paddle can contribute to improving customer satisfaction and sales. Regularly scheduled training for tasting room staff is also important to improve visitors' experience. Tasting room staff directly interact with visitors; their demeanor and knowledge level could have a substantial impact on customers who visit tasting rooms. A program that tightly controls customer satisfaction could be a worthwhile investment for brewery tasting room managers. Such a program might include eliciting customer feedback, active complaint management, and the ability to meet and exceed new needs and desires as they arise.

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