

# TAMPA TRIBUNE

March 1, 2006

## **Wineries discover that what's outside the bottles, namely their labels, increases sales of what's inside.**

By KURT LOFT

TAMPA Walk into any well-stocked wine store and your eyes glaze over.

Unless you know your grapes, all those bottles appear to be floating in a sea of confusing names, emblems, languages and styles. Do you really know how good or bad the juice inside really is?

Novice wine buyers may not, and they can't just pop open that pinot noir to find out. So with smell and taste out of the equation, they rely on what grabs them: the label.

In the world of marketing, wine is no different from snack foods. Selling a product requires creative packaging, experts say, and wineries are pouring plenty of innovative ideas into what's outside the bottle.

The wine industry has discovered that labels can represent a huge competitive advantage, especially in today's crowded marketplace, says Helen Gregory, a wine marketing consultant in Brooklyn, N.Y. "Some of the hottest wines) of recent years are focused entirely on brand imagery."

Wine consumption is rising in the United States, with the fastest growth among aging baby boomers and the millennial generation. Wine recently eclipsed beer in sales for the first time.

More than 4,700 wineries operate in the United States, with more than half in California, according to Wine Business Monthly. Among the top four also are Washington state, Oregon and New York, respectively.

But people in their 20s and 30s aren't just buying cheap jug wine; they want quality - and without the hassles of becoming an oenophile. They also look for a wine that reflects their lifestyle.

As a result, more people are attracted to wines that take a fun and irreverent approach to label design, Gregory says, "eschewing classic design in favor of bold visual cues that make an immediate statement and tell a story about the wine."

Traditional family names and regions, for instance, are giving way to pure image: dancing lizards, bright red trucks, feminine calligraphy and splashy primary colors.

"You want to evoke a response with a label," says Diana Pawlik, marketing director for the Canandaigua Wine Co. in San Francisco. "Wine buyers are looking for validation, and one way to do that is to have an iconic symbol on the bottle."

Many experts say the industry takes two broad approaches to label design. One is fanciful, fun and colorful and aimed at younger consumers who soon will learn more about wine. The other is traditional and conservative, with labels reflecting the vineyard, wine grower and their history.

"And there are very few that can hit a bull's eye with both those two things: the traditional and the contemporary," Pawlik says.

### **Upgrades Can Improve Sales**

Sometimes a winery upgrades its label to counter sluggish sales. This happened with the Talus Collection wines, which Pawlik was responsible for giving a new look.

"Sales had deteriorated so we did a 180-degree turn to make it very credible," she says. "The 'T' represents a trellis and the grapes, and that gives the perception of quality and a rich heritage behind the wine. It says something about authenticity and credibility. We've turned the brand around, and it's doing really well now."

Wines from Australia and New Zealand are setting the pace for innovative label design, experts say, especially with low-priced varietals aimed at people on a budget.

These so-called "adventure" or "lifestyle" brands - such as Yellow Tail or Smoking Loon - have more than doubled in sales in the past two years and are growing at four times the rate of more expensive super-premium wines, according to industry statistics. These companies also use the back label to present educational information, tasting notes and suggestions for food pairings. The buzz phrase here is reader-friendly labeling.

Gregory says the more traditional wine companies are taking notice: "We expect to see many more labels undergo makeovers in the coming years, even among the so-called classics."

**Some companies go with "gender" labels. Today, about 65 percent of all wine buyers in the United States are women, whereas a decade ago, the opposite was true, says Pia Loavenbruck, a representative with Lulu B Wines, which markets its product for women. Almost all the people who work at the winery are women.**

**"So we wanted something that would speak to who we are," Loavenbruck says. And women are the majority of wine consumers, so the label is extremely important in communicating the wine."**

Red Truck Wines of California, on the other hand, gears its label toward men.

Cline Cellars, founded in 1982 by Fred Cline, saw sales grow considerably in 2004 because of its Red Truck, a blended table wine launched in 2003 that Wine Business Monthly estimates sold more than 150,000 cases in 2004.

The company says Red Truck was born when Cline was looking at repackaging its Cotes D'Oakley wines. Cline and his wife, Nancy, purchased a painting of an antique red truck that wound up being featured on the new label. The family name was added to the license plate of the truck in the painting to personalize the illustration.

"It's bright and it has great shelf presence," says Carol Reber, a Red Truck spokesperson. "It takes people back to a carefree time in their lives, of a simple summer day."

The company recently sponsored a contest to design the label for White Truck, a blend of four light grape varieties. A California artist won with her rendition of an old pickup truck next to a red barn.

Col Solare Wines takes a different approach. Designed to appeal to the experienced wine buyer, it sports a sleek, elegant, refined look that invites "exploration inside the bottle," says Kari Leitch, Col Solare's communications director.

### **Potent Images**

All the fuss over wine labels comes down to what designers call "psycho-graphics" - images that work on a subliminal level. These images must be potent because they can mean the difference between a product's success or failure, says Scott Altshule, president of Character, a creative marketing firm in Portland, Ore., a company with no connection to the wine industry.

"Wine labels are more than strips of advertising - they sell stories," he says. "And wine in particular is a type of packaged good that's deeply rich in story."

A wine label doesn't just announce a name, Altshule says; it reflects a *mélange* of ideas: grapes, climates, soils, methods and cultures. At the same time, it must say something about the person who buys the bottle.

"Wine is a product that has an almost mystical life, and that story must resonate for the consumer," he says. "So the label is about psychology."

But in the end, what really matters is what's inside that bottle. An intriguing design, says Pawlik, doesn't mean it's a great wine.

"There's a lot of wine that isn't credible that has a great label, so it also can be deceiving," she says. "Some labels actually undermine the expertise behind the wine. Then, they're just clutter and noise."