

## Sales & Marketing

# Dusting Off Clos Du Val

Napa Valley Winery Takes Its Marketing “Back to the Future”

By Judy Kimsey

Mention **Clos du Val**, what comes to mind? A terracotta-colored label? Those little white squiggles on the label? A Napa Valley wine, complex and elegant, that you’d all but forgotten? If so, marketing research shows that you’re in good company, and certainly thinking in concert with **Brooke Correll**, the historic winery’s vice president of marketing.

When Correll joined Clos du Val slightly more than a year ago, the mandate from CEO **David Campbell** was “change.” Dust off the image, and propel this winery into the future. In anticipation of her new position, Correll headed to the local liquor store to find a wine that she remembered as being really good, but one that she hadn’t thought of, much less purchased, in years.

Scouring the shelves for the terracotta label in her distant memory, Correll finally found a bottle of Cabernet Sauvignon. The Chardonnay resided elsewhere, with a totally unfamiliar label, next to a bottle of another kind of “Clos” at half the price. She could barely read “Clos du Val.” Right then, Correll knew her work was cut out for her - it was just too hard to find and buy Clos du Val.

## The Situation

When Correll first came on board, she tallied the Clos du Val assets. The winery boasted a loyal, albeit aging, customer base. Aficionados who visited the winery tended to become converts to the elegant, complex wines delivered for more than 40 years by French winemaker **Bernard Portet**. As winemaker, Portet and his wines were, and still are, the winery’s premier assets.

While the winery’s assets were impressive, so were its shortcomings. For the wine-consuming public, Clos du Val had slipped from the “top of mind” category, often becoming confused with other “Clos” wines. An aging clientele also caused concern, and marketing efforts seemed not to reach younger buyers.

The winery had also lost its focus. As with many wineries, Clos du Val’s emphasis on wines it could make in quantity, with little input from sales and marketing regarding pricing and consumer taste, had resulted in a product jumble. The 13-wine portfolio featured several wines, such as a Sangiovese, that removed the winery from its historic French and Napa Valley roots.

The wines were generally under-priced when compared to those of neighboring wineries, especially considering the high quality of the wines. In a market where price often equates with quality in consumers’ minds, this posed a problem.

In a nutshell, Clos du Val’s image was as old and dusty as an aging bottle of Cabernet Sauvignon in the winery’s cellar.

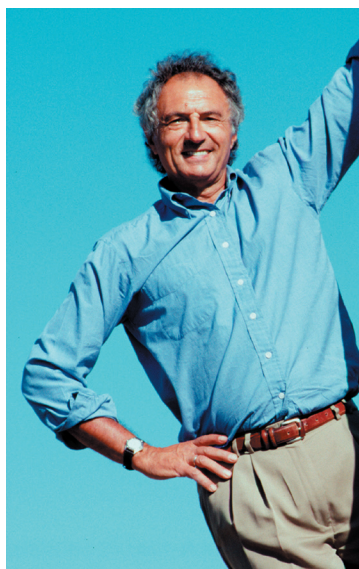
## Research Replaces Advertising

Clos du Val needed to regain focus, particularly in its product portfolio, according to Correll.

“The first thing I did was shift the advertising budget to market research,” she says. “We needed to know how consumers, press, distributors, retailers and even our sales teams perceived Clos du Val wines, and gain input toward repositioning



**Brooke Correll**, Clos du Val’s VP of marketing



**Bernard Portet**, Clos du Val’s Winemaker

and new branding for our wines.”

The first step in the multi-pronged research phase was hiring **Motto Kryla Fisher** (MKF), an industry consulting firm, to run a comparative price survey between Clos du Val and wineries of similar size and quality. In addition to specific comparisons, MKF also applied current market trends to basic data. As expected, Clos du Val wines were under-priced. However, MKF also uncovered an opportunity for the winery’s Pinot Noir, an increasingly popular wine where demand far out-strips supply.

For the press, Correll and **Charlotte Milan**, director of public relations and corporate communications, hosted qualitative tastings. Key industry reviewers tasted the wines and delivered honest opinions regarding how they would rate them, and what sort of pricing might be appropriate. The results were hearteningly similar. The reviewers all felt that quality was in the bottle--elegant, balanced, soft and complex wines capable of garnering high ratings. They also felt that the wines would go well with food and age nicely.

Meanwhile, the consumer focus groups revealed interesting, if disconcerting, facts regarding perceptions of Clos du Val. When questioned about their knowledge of Clos du Val wines, the most common remembered feature was the terracotta color of the label - that very same label and color that Correll searched for. Next, came the squiggles, or curlicues, or grapevines- they were called just about everything imaginable, says Correll-that grace the label. In the number three position came the Napa Valley heritage of Clos du Val wines and, finally the name itself - Clos du Val. The three graces logo, rounded out the top five features in customer perception of the Clos du Val brand. The bad news: no winery wants its name listed fourth in the top five identifiers. The good news: the original Clos du Val label and color are highly identifiable.

In the sales, distribution and retailing arenas, confusion reigned. The winery typically announced new releases when the old one ran out, making it difficult, if not impossible for distributors to engage in a marketing campaign. The number of wines, and proper distribution channels, also proved problematic.

“Our sales reps would go to a distributor or retailer with 13 wines and say ‘what do you want?’” says Correll. “There was no rhyme or reason to how wines were distributed.”

With research complete, Correll collected the Clos du Val team to redefine the winery’s mission and begin what would be a year-long repositioning and branding operation.

The ensuing mission statement’s focus is on the winery’s Napa Valley heritage and its French roots. Clos du Val makes estate wines, and is primarily a Cabernet Sauvignon house. And, with that house now in order, Correll proceeded to make the changes that would, within a year’s time, reposition the winery and focus its branding efforts.

## **Simplifying the Wine Portfolio**

Over the years, Clos du Val evolved four somewhat confusing categories of products. The Reserve category included a Chardonnay and a Cabernet Sauvignon, with grapes grown primarily in the Stags Leap district. The Terroir wines included two Cabernet Sauvignons that essentially cannibalized one another due to similar pricing, a Stags Leap Zinfandel, a Sangiovese, a Vin Gris, and the Bordeaux-style Ariadne Semillon white wine. The Carneros appellation wines included a Chardonnay and Pinot Noir. The Classics included a Cabernet, Merlot and California Zinfandel.

The first order of the day was to eliminate wines that no longer supported the mission statement. The Sangiovese was the first to be eliminated.

“What’s a French winery doing making an Italian wine?” Correll queries. “The Vin Gris was only available in the tasting room, a sort of hobby wine, and it was second to go. We don’t have time for hobbies - the market is too competitive and we have to focus.”

The winery next knocked off one of the cannibalizing Cabs, not made with estate grapes. The Zinfandels were more problematic. Finally, the winery determined to keep its high-end Zinfandel. The lower-end California Zinfandel is now an export-only wine.

Next, the wines were grouped. As a “Cabernet house,” the goal was to have a Cabernet Sauvignon flanked by a white wine and another red.

The Classic line, for release every April, includes high-production wines that go to high-volume distributors and retailers. Included in the Classics line are the Napa Valley Cabernet Sauvignon, Napa Valley Merlot, and the Carneros Chardonnay.

The Estate wines, now released every June, are pricier, lower production wines reserved for higher-end retailers and restaurants. This line includes the Stags Leap Cabernet, Carneros Pinot Noir, and the Ariadne Semillon.

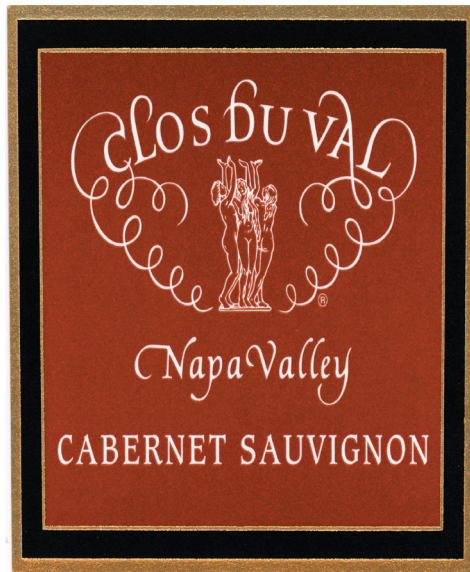
The Reserve grouping, available with rare exception only through the tasting room and Wine Club comprise the high-end offering. This grouping encompasses the Reserve Cabernet Sauvignon, Reserve Zinfandel, and Reserve Chardonnay, for release every September.

The grouping of the wines along distribution channels and standardized release dates significantly simplifies sales and public relations efforts. Distributors and retailers can now plan in advance and ramp up marketing efforts prior to the arrival of the wines.

Perhaps more important, Milan's expanded sampling program has moved into high gear, propelling the Clos du Val image into public awareness.

"From a PR standpoint, putting out 13 wines a year was ridiculous," says Milan. "We need to send wines out three to five months ahead of the release date for samplings, and have to work about three months out on legal compliance. We were in constant churn mode to get wines out."

Today, the sampling program has increased from 40 to



Clos du Val's new Reserve tier

200 reviewers with increased focus on local newspapers and lifestyle and business publications. Wine reviewers and editors receive three shipments of three bottles each, spaced out over six months, making it much easier to sample, compare and review Clos du Val wines. Clos du Val wines now appear in the food section of local newspapers, the pages of womens' magazines and the business press. Milan says the program simply could not have been expanded under the old release date system.

## Pricing: Playing Catch-Up With the Market

With a simplified portfolio and standardized release dates in place, Correll and her team turned their attention to pricing issues, realizing that Clos du Val wines were undervalued. The biggest problem lay in the Classics grouping, where the Merlot not only cost more than the Cabernet Sauvignon, but was also priced in "Never-Never Land," according to Correll-too high to be considered a good value wine, but not costly enough for the high end category. Clos du Val retained the Cab and Chardonnay pricing-\$28 and \$21, respectively- but dropped the Merlot price from \$29 to \$25.

The Estate grouping, previously featuring two Cabernet Sauvignons in the \$55 range, now features the Stags Leap Cabernet Sauvignon at \$62 and the Ariadne Semillon at \$32. The biggest price jump came in the Carneros Pinot Noir, which moved from \$26 to \$38.

"The Pinot Noir increase is in keeping with the results of the MKF pricing survey and our other research," says Correll.

The high-end Reserve grouping now features the \$95 Reserve Cabernet Sauvignon, the \$55 Reserve Zinfandel and the \$46 Reserve Chardonnay.

## Back to Basics: That Terracotta Label

In keeping with what consumers most identify with Clos du Val, Correll took the labels "back to the future." Each of the three lines, Classic, Estate and Reserve, features the familiar terracotta label, with slight variations. The wine shopper now has an identifiable target in mind as he or she peruses the shelves.

Finally, Clos du Val has refocused the brand. "Elegant" is still the preferred descriptor. But, rather than "understated" and "safe," the new image embraces "confident" and "adventurous." The old-fashioned wine once considered a "good value" evolves into a "classic" well worth the price.

## Coming Soon, to a Theatre Near You

“You have to get dressed up before you can go out;” says Correll. “Clos du Val is now dressed up.”

With the winery repositioned and solid branding in place, Clos du Val is, indeed, dressed up and ready to go out and meet public scrutiny. Specifically, it’s ready to go to the movies and television.

The winery contracted with **Set Resources**, a firm specializing in strategic product placement in popular culture media, thereby creating the coveted “buzz.” To date, Clos du Val wines have played a role in television’s *Six Feet Under*, *Arli\$\$*, and *Judging Amy*.

The wines are slated for several episodes in the upcoming season of *The Sopranos*, as well one of NBC’s new offerings.

The Big Screen will also benefit from the Clos du Val presence, as it appears in *The Duplex*, starring **Ben Stiller** and **Drew Barrymore**, and a new **Quentin Tarrantino** film featuring **Uma Thurmon**.

With solid marketing, public relations and image-building efforts well under way, the stage is set for a comeback for Clos du Val and its wines.

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