

## Position of AC rosé wines of Provence in UK wine market (...and how this could be improved)

### Introduction:

The success and growth of rosé wines in the UK market in recent years has been significant. Rosé wines are growing by 15 percent, versus total still wines at 6.5 percent, (and versus total drinks at 5.6 percent), meaning rosé now accounts for “a record 11 per cent share of all wine bought in supermarkets and off-licences” (Nielsen - <http://www.dailymail.co.uk/news/article-1219904/Love-affair-ros-puts-wine-sales-pink.html>).

As “three-quarters of the wine produced in Provence is rosé” and “the Provence vineyard thus accounts for 8% of world rosé wine production” (<http://www.vinsdeprovence.com/>), this a region whose wines one might expect to see dominating the ‘rosé shelves’ of supermarkets and wine merchants in the UK. However, when looking at the top 10 selling rosé wine brands in the UK (Nielsen Nov 2007 - <http://www.wineanorak.com/roserevival.htm>), this does not appear to be the case:

- “1/ SIERRA VALLEY (Gallo)
- 2/ BLOSSOM HILL
- 3/ ECHO FALLS
- 4/ MATEUS
- 5/ JACOBS CREEK
- 6/ J P CHENET
- 7/ RIVERCREST
- 8/ PIAT D'OR
- 9/ LA GIOIOSA
- 10/ PAUL MASSON “

The dominance of Californian rosé wines is evident, and whilst there are two French brands in the list, these are not regional AC wines. What could therefore be done to improve the position of AC rosé wines of Provence in UK wine market?

### Quantity versus quality:

It is of course too simplistic to consider sheer quantity (whether it be sales volume or sales value) as the only measure of success for wines from a certain region. Many wine ‘brands’, whether these be brands in the traditional sense of the word or ‘regional brands’ such as Chablis or Rioja, are aimed at being positioned above the ‘mass-market’ level. This may be related to ‘brand tax’ being applied by brand-owner: for example, the difference in the selling price of Sainsbury’s Californian Rosé at £3.69 and Gallo Family Vineyards White Grenache at £5.99 is £2.30 (<http://www.sainsburys.co.uk/groceries>), when the wine quality and cost of production is broadly of a similar level. Most commonly though, the (selling price) positioning of a wine is related to its inherent cost. As most Provence rosé wines sold in supermarkets and large wine retailers in UK are significantly above the market average price, one could determine from this that these are not ‘mass-market’ wines, but rather wines where quality credentials are upmost in consumers’ minds.

### **Case Studies:**

As part of this report, I will consider two specific local producers at different ends of the quality/quality spectrum (for whom rosé wines play an important role):

#### **Domaine de L'Hermitage (Bandol):**

One of the most impressive rosé wines I tasted during my study trip was Domaine de L'Hermitage Bandol rosé 2009 (eu14.00 per bottle ex-cellar). This wine showed excellent fruit definition (strawberry and forest fruit), perfumed, herby 'garrigues' aromas, good complexity and a long finish. The winery's price list indicates a 30% discount available for orders of 360 bottles or over, and one would assume further reductions are available for pallet-quantity orders, however, this clearly still remains a premium-priced wine.

The yields of Bandol AC wines (limited to less than 40 hectolitres per hectare), the size (34 hectares) and hillside location of the (gypseous marl-based soil) vineyard, as well as the evident care that goes in to both viticulture (all grapes hand-picked) and vinification further reinforce Domaine de L'Hermitage as a premium, quality producer.

Domaine de L'Hermitage boast exports of their wines to numerous countries amounting to over 25% of their output although the majority of their domestic sales are within the local region. Their wines are distributed in the UK by Boutinot Limited.

#### **Cellier Lou Bassaquet:**

Based in the town of Trets, in the Côtes de Provence Sainte Victoire AC region, this co-operative was founded in 1914 and now covers 520 hectares. This medium to large producer appears to fulfil an important function in this region, not only as a co-operative winery (and therefore vital destination point for the local vignerons' grapes), as a retailer (sales of 'Vins en Vrac' appeared to be brisk during my visit), as a landmark winery in the town providing significant employment, and as a successful commercial operation. Lou Bassaquet wines seem to be the most established amongst 'local' wines in supermarkets in the region.

Lou Bassaquet's Côtes de Provence rosé 'Cuvée Spéciale' 2009 bought in a local Carrefour supermarket for eu3.50 was satisfactory, showing soft (almost confected) red fruit characters on the palate, but lacking acidity to balance alcohol and a short finish. However, it is worth pointing out that sweet/confected red fruit characters and low acidity make for a very commercial and consumer-friendly style, even if it lacks character and complexity.

### **Position to aim for:**

The rosé wine category is successful, amongst other reasons, because of the consumer-friendly, uncomplicated style of these wines. This is a point recognised even by the Provence Wines Council: "...recognised throughout the world for its

innate conviviality and simplicity” (<http://www.vinsdeprovence.com/rose.php>). However, as we have seen above, in the UK, the successful Californian brands are leading the field when it comes to simple, well marketed rosé wines.

What does appear to be lacking in this category is an opportunity for consumers to trade-up, or in other words: ‘premiumisation’. If a consumer were to ask a wine retailer “what is the best red wine”, he might be directed to first growth clarets for example, similarly a consumer asking for “the best white wine” might be directed to fine Burgundies, but the same question for rosé does not yield any obvious answer. There are a few contenders: Tavel, Sancerre rosé, Marsannay rosé, amongst others, but none have clearly established themselves as “the best”.

The aim therefore, for the wines of Provence, would be to become known as “the best rosés in the world”!

### **Marketing to deliver desired position:**

#### **-Using regionality to build brand hierarchy:**

Brand marketing and advertising provides consumers with re-assurance when spending more than they may do normally on wine. A loyal Penfolds Koonunga Hill customer, for example, will feel much safer trading up to spend over £20 on a bottle of Bin 389 than they would buying an equivalent wine from a winery/brand unknown to them. It is interesting to note that some producers are very adept at adopting a trading-up “ladder” for consumers to readily take advantage of. Some of these can be generic to a type of wine (eg: Rioja Crianza, Reserva and Gran Reserva), can be built through brand packaging/marketing (eg: Wolf Blass’ quality tiers based on colours – Red, Yellow, Gold, Grey, Platinum and Black Label) or may even be engineered by the retailer (eg: Tesco branded, Tesco Reserve and Tesco \*Finest ranges).

With French wines generally often being seen as a confusing category to shop for many customers, it would be vital for a clear hierarchy or ‘ladder’ to be established for the rosés of Provence, to encourage trading up. It is unlikely this would be a brand new legislative hierarchy, but rather a perceived hierarchy that consumers can understand, for example:

Tier 1 - Côtes de Provence AC – “THE name for good rosé” (ie: what Champagne is to Sparkling Wine).

Tier 2 – the regional AC’s: Coteaux d’Aix en Provence, Coteaux Varois en Provence, Côtes de Provence Sainte-Victoire, Côtes de Provence Fréjus – “discovering regionality”

Tier 3 – the ‘prestige’ AC’s: Bandol, Palette and Cassis – “the most distinctive wines from the smallest AC’s”.

(Note – whilst a Crus Classés system of Provence estates does exist, this may not be relevant to use as a marketing tool for rosé wine specifically).

-Make effective use of ‘romance’ of Provence:

Peter Mayle’s 1989 bestselling novel *A Year in Provence*, and subsequent television series is often credited for bringing Provence to the attention of the British public. Partly thanks to this effect, with a huge amount of British visitors each year, Provence is perhaps better known in the UK as a tourist destination than as a wine producing area. This should be seen as an opportunity rather than an issue to correct. The key will be to bring together wine and tourism in consumer’s eyes. All promotional materials should therefore be suitably evocative of the beauty and romance of this region of France.

-The dry alternative to Californian rosé – going on the offensive:

As seen above, with Californian (and ‘Californian style’) rosés currently dominating the category, any marketing and promotional strategy should therefore aim to tackle the competition head on. The opportunity here seems to lie in the fundamentally different style of wines offered by California versus Provence. The success of Californian rosés has been built around a medium-sweet style of wine, although interestingly, these wines are never clearly identified by their producers as being medium-sweet.

In a similar way to Joel Peterson/Ravenswood’s ‘no wimpy wines’ strap-line, to take on the ‘Californian challenge’, a similar bold strap-line such as “Provence – the home of dryer rosés” could be utilised.

**Who will lead strategy?**

The fragmented and varied nature of the base of producers in Provence (such as the case studies above) make the planning and implementation of any promotional or marketing strategy difficult. Whilst a government-funded trade body such as Sopexa would be able to deliver parts of such a strategy, it would lack the direct commercial clout and decisiveness that a brand owner would have.

My proposal would therefore be to create a co-owned UK agent, with part owners being Provence producers wishing to become involved in scheme. This model would take many of the conflicts of interest that blight many ‘traditional format’ UK agents out of the equation. Based on the successful Mentzendorff/Hatch Mansfield-style model, co-ownership of the distribution arm would ensure fair and dedicated representation.

**Conclusion:**

The challenge of offering relevant ‘gatekeepers’ in the industry (ie: buyers, sommeliers, etc) a more consolidated, concise and targeted product/brand/range offering is not unique to the rosé wines of Provence, it is a challenge shared by regions and producers across France (and arguably Europe). However, both a premium producer such as *Domaine de L’Hermitage* or a larger, more mainstream producer such as *Cellier Lou Bassaquet* would benefit from strategy and distributor focused exclusively on driving forward the success of the wines that help make this beautiful region famous.

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