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Wine Industry Business Journal

RISING STARS in the wine industry

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Clos Du Val Wine Company, Ltd.

YOUNTVILLE -- Clos Du Val's star started to rise 30 years ago, but the winery is shooting even higher with a major brand repositioning that includes bold price increases at a time of price discounting.

The company has made a "sea change" in the past few years away from a varietal and production mindset to one guided by market research, according to Brooke Correll, vice president of marketing. The result has been a reduction in annual production to around 50,000 cases; paring the number of labels from 13 to nine; aligning labels into three tiers targeted to mass-market, fine restaurants and wine shops, and tasting room sales channels; reverting to original labeling; and increasing retail bottle prices. Ms. Correll attributes part of the uptick in sales in June over the previous year to the changes.

When Ms. Correll joined Clos Du Val a year ago, she suspended advertising and redirected that budget to market research. "We needed to get our house in order before we invited people over," she says, adding that advertising will restart soon.

A pricing study by St. Helena-based Motto Kryla Fisher, LP found that the vintner's prices hadn't kept pace with demand and competitor pricing over the past 10 years. This year, the retail price of the Carneros Pinot Noir was increased from \$26 to \$36, and the price of the Palisade Vineyard Zinfandel from Stags Leap District rose from \$28 to \$55, and the Zinfandel was placed in the reserve tier. Both wines have been selling out in less than six months.

To clarify its image as a Napa Valley winery with French origins, Clos Du Val has shifted its California Zinfandel to international markets, which represent 10% of winery sales, and discontinued its Sangiovese wine.

On the labeling front, the winery next year will revert all labeling from various colors for different tiers and varietals to a slightly modernized version of the more recognizable terra cotta-colored label that graced its bottles until 1992.