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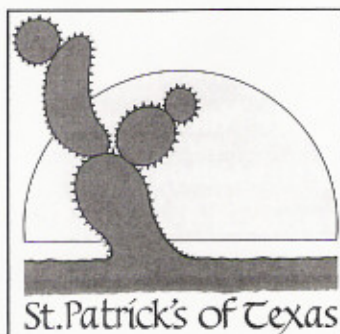


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Burgundy's Blues

As New World wines put the pressure on Burgundy, a declining market share forces this region to take notice.

Christy A. Canterbury

BURGUNDY IS IN TROUBLE. Her market has changed. Obstinate believers of Burgundy's infallibility failed to notice myriad indicators for years. Today's primary concern is the astonishing proliferation and success of New World-styled Chardonnay and Pinot Noir selling at rock-bottom prices. Producers, importers and trade organizations propose solutions and alternatives, but the marketplace is not reacting to the region's overtures.

Complicating progress and innovation is the nature of a region slow to adopt change and comfortable in its ways. Martin Prieur of *Domaine Jacques Prieur* noted that excepting the introduction of biodynamics and the decreasing need for chaptalization,

fered the scorching summer of 2003 when crop loss was widespread. *Domaine de la Croix Senaillet* in the Mâconnais lost 30 percent of its harvest due to hail in early April and lack of rain at the season's end.

THE INTERNATIONAL COMPETITION

Worse than simply a dip in a cycle, the Burgundian product has become an issue as palates change over time, and new producers enter the market. While variable quality and style have long dissuaded consumers' purchases, Burgundy is now hemorrhaging market share to bold, fruit-forward styles consumed for immediate gratification, especially at the value end of the

While variable quality and style have long dissuaded consumers' purchases, Burgundy is now hemorrhaging market share to bold, fruit-forward styles consumed for immediate gratification.

Burgundy has witnessed little change in the last 12-15 years. Attesting to the region's unhurried nature, Pierre de Benoist of *Domaine de Villaine* pointed out that Bouzeron did not seek a full-fledged appellation for her distinct Aligoté grape until 1997 even though neighboring villages received their AOC stripes by 1938.

Wine markets, like stock markets, cycle through ups and downs. Prices of Burgundy plummeted 50 percent during the financial crisis of 1989-1992. After a short-lived recovery, Burgundy fought the boycott of 1995-1996, thanks to France's nuclear testing in the Pacific. Most recently, the war in Iraq slowed sales. Growers then suf-

fered the scorching summer of 2003 when crop loss was widespread. The country suffers "ensemble." According to ACNielsen, during the 52 weeks from August 30, 2003 to 2004, France dropped its hold on the U.S. import market by 9.1 percent. Chile (10.9 percent) replaced France (9.8 percent) as the third-highest importer after Australia (35.8 percent) and Italy (34.4 percent).

New World wineries not only produce more consistently ripe wines, they also use colorful, jazzy labels to evoke a sense of excitement, serve as a conversation piece and appeal to new, often young, explorers in wine. Burgundy, in contrast, almost uniformly sticks to script on white or cream. Though each

has its own place, the more fun, more price-accessible package is understandably garnering the following of the next generation of buyers. American ex-pat and Burgundy exporter **Becky Wasserman** suggested, "perhaps Burgundy needs to be taken out of the 'collector' category and popularized in a more appealing way." Emmanuel Giboulot is doing just that with the label on his Côte de Beaune La Combe d'Eve which bears an abstract drawing highlighted in sage, and during significant observation of the U.S. market while serving as winemaker at *Domaine Drouhin Oregon*, *Véronique Drouhin of Maison Joseph Drouhin* recently created the varietally labeled "Véro" wines for the U.S. The contrast between the new and traditional Drouhin labels speaks volumes.

LOSING THE HOME COURT ADVANTAGE

As if her international struggles weren't enough, Burgundy also faces a changing wine consumption culture on her home turf. Younger generations prefer *le cocktail* and *la bière*, and the entire French population is consuming far less alcohol due to strict breathalyzer tests limiting drivers' blood alcohol to 0.5 grams per liter. Winemakers from the Côte d'Or to the Côte-Rôtie finish their last glass well before the end of the evening, stopping drinking two hours before they get in their cars.

In the face of these circumstances, grape growers, winemakers and trade figures endeavor to provide ingenious solutions to resuscitate the region's trade winds. Consumers bombarded with information and advertising instantly spot originality. Aside from wine style, that's precisely how the New World distinguished itself. As Wasserman pointed out, savings on labor costs in the New World can be plowed into marketing costs. Burgundy, as Wasserman says, "culti-

vates rather than farms" the land in small plots and does not have those residual funds.

MARKETING ISSUES

What producers do have for marketing, they largely devote to the **Bureau Interprofessionnel des Vins de Bourgogne**, or BIVB, which heads the region's outreach and has put forth several interesting campaigns. On the outer banks of creativity lie the *Balades Olfactives*, or Aroma Strolls. In this push, the BIVB offers an unusual encounter with smells via the Internet, allowing participants to enjoy "a scented stroll through the vineyards." Stunning visually, users must purchase an aroma diffuser to experience the archetypal olfactory sensations of this classic region. Click on "Vineyards in the winter" and saturate your desktop with the fragrance of damp earth. The effectiveness of this experience, especially given the need to purchase a diffuser, clearly rests on one's infatuation with Burgundy and, therefore, is not an efficient outreach piece to new consumers.

Equally creative and with far wider reach was a marketing campaign blocked by French courts in early 2004 for not conforming to the 1991 Evin law, which stipulates that advertisements be strictly informative and without any overt or suggestive sexual liaisons to wine. The BIVB's campaign showed a series of attractive women, one decked out in a dress of red wine flowing into a glass, deemed too suggestive and "not simply informative as the law demands." An eye-catcher both visually and creatively, the campaign sadly never made it to the general public.

Taking matters into their own hands, the *"Artisans Vignerons de Bourgogne du Sud,"* composed of 14 quality-oriented producers from the region's southern stretches, have amicably distanced themselves from the BIVB. The group promotes itself in a manner that a large trade organization cannot. The nimble band can hone in on their limited-production, high quality message while enjoying adequate funding to mount campaigns beyond their reaches individually.

These days every producer seeks to distinguish his/her work. In that regard, "Typicity" is our trap," said Jean-Marc Joblot, a top producer in

Givry. He contends that everyone's best is different because from terroir to style, the possibilities are endless. Joblot experimented for years before settling on his own technique. He uses considerable oak, adding a roundness and expressiveness to his wines befitting his warm personality. Joblot's wines offer a welcome change of pace from Burgundy's characteristically more reserved style. Of his originality, Joblot could only say, "I'm not a prisoner to any dogma."

APELLATION AS MARKETING TOOL

Tracing the ongoing struggle of Burgundian identification and quality, Joblot said, "In the 1970s, (much of) Burgundy sold a brand, a label, rather than the work behind it." Producers rode high on the positive image previously earned by its best wineries. That privileged situation "didn't give us rights but rather obligations to do the best we possibly could," said Joblot. But change was slow, and in the interim, Burgundy's slip on the quality scale translated into mass-market jugs of "Chablis" and "Hearty Burgundy" selling like wildfire in other markets. Gradually, many producers realized their name recognition was deteriorating and switched to a mission of quality with appellation playing an important part.

Identity via appellation, however, continues to challenge producers. "Classic" appellations sell as brands. Strikingly, Pouilly-Fuisée is better known in the U.S. than in France. In the fuss over Fuisée, few Americans have noticed the producers—quick, try to name three. The success of the Pouilly and Mâcon branches of Burgundy led to a proliferation of hyphenated appellations trying to link into the legacy of those regions while simultaneously distinguishing themselves. Pouilly-Viré, Pouilly-Vinzelles, Pouilly-Loché, Mâcon-Lugny, Mâcon-Cruzille and Mâcon-Pierreclos among them, hark back to the attachments of famous vineyard names to towns further north. For the time being, use of such obscure appellations escapes even highly educated and enthusiastic Burgundy aficionados. Two sophisticated New York wine educators, independently interviewed, both proffered commentary on the villages of Pouilly and Mâcon, but even they were at a loss to add anything further.

MARKETING THROUGH VINEYARD PRACTICES

Some producers distinguish themselves through vineyard practices, pursuing quality to fanatical lengths in some cases. The words "biodynamic" and "organic" buzz through Burgundy's vines. **Domaine Leroy**, **Domaine Leflaive** and **Comtes Lafon** are famous for their painstaking care in implementing biodynamic practices. **Nathalie Bergès-Boisset** of **Domaine de la Vougeraie**, also a proponent of biodynamics, said, "We once thought we were stronger than nature. Now we are working with the forces of nature." No one really understands how biodynamic principles work, and most wine professionals believe effectiveness is simply attributable to the amount of time its implementers spend observing their vines. Nonetheless, the results-to-date are producing an indisputable link between biodynamics and top quality in the minds of consumers.


Under the organic umbrella, a growing number of producers, including Emmanuel Giboulot in Beaune, operate under **ECOCERT**, a certification society approved by government authorities that guarantees

adherence to specific standards of organic agriculture. Giboulot believes there is a burgeoning market developing for those desiring to care for themselves and the environment. Twenty percent of his wines sell in boutiques geared exclusively to organic goods.

While the region fervently believes in these enlightened viticultural practices, not all producers market them. Some fear being tagged as fad-followers. Others prefer to appreciate the improved wine quality these disciplines bring while maintaining the ability to treat crops if necessary. Prieur is one. Half of his land grows under organic principles (not certified organic), but he does not promote this angle. A seasoned grower, Prieur knows that an occasional spraying on any number of plots will save those vines in certain years. After all, wine is a business, and one must be responsible to employees and families.


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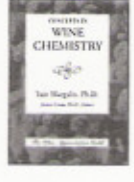
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pendants) certification is gaining in popularity. The Qualenvi system guarantees traceability of product from the grape to the consumer, protection of consumer health through established HACCP (Hazard Analysis and Critical Control Point) procedures, implementation of strict hygiene routines in the winery and reduction of environmental impacts through control plans for waste. There is a sprinkling of ISO 9000 certifications as well. Such certifications are important to volume such as France's **Carrefour** and Britain's **Tesco** supermarkets, who place corporations' reputations on the line in the event of product recalls.

RADICAL CONCEPTS

All of these efforts at differentiation aside, what could elicit a revolution is the ability to produce *Vins de Pays* with grape variety labeling beginning in 2006. Consumption is largely based on varietal labels in Burgundy's key export markets. Equally radical is the consideration of winemaking techniques currently banned in France, such as the use of oak chips and irrigation. Such concessions would help Burgundy mimic the popular fruity, oaky styles more

cost-effectively.

Luc Bouchard of the renowned négociant **Bouchard Père et Fils**, however, is not convinced. He worries that most consumers choosing between two bottles of varietally labeled Chardonnay—one Burgundian and one Australian, for example—will be inclined to buy the one that is half the price if they have no background references. "I can't blame them," said Bouchard. "Someone has to show them the difference." This resonates with Wasserman's stance that nothing can best "guarantee sales for retailers" like consumer tastings. When asked if any of her producers will use varietal labeling, Wasserman stated she will defer to importers as to whether it is the right move for each of her labels. **Jock Busser**, on-premise manager of **Kobrand Corporation** for Metro New York, has a very firm opinion on varietal labels. When considering Villages level and below, varietal indication makes the difference between selling "thousands and tens of thousands of cases." Busser's experience also shows that hands-on tastings with clients—sometimes with the same wine—produce the best, most immediate results.

THE NEW GENERATION

Luckily, Burgundy's new generation brings an abundance of ambition and experience to the table. Many have worked around the world. The brothers of **la Souffrandière** spent considerable time working for marquee California names **Lytton Springs** and **Far Niente**. Their experience abroad helps these youngsters better understand marketing and strategic product placement. They created the "Bret Brothers" label with an eye to export. It's a catchy name that rolls off the tongue far easier than does the estate, **Domaine de la Souffrandière**. This two-brother team exports 70 percent of their production and carefully divvies up the remaining 30 percent between domestic specialty wine stores and restaurants. Realizing the crucial role of an importer's name in the U.S., they hooked into the prestigious **Becky Wasserman** portfolio. Another two-brother team, this one at **Domaine de la Croix Senaillet**, has directed their estate's development and growth for 14 years. The previous owners never exported, but **Richard** and **Stéphane Martin** now use six exporters to send 50 percent of their wines to Belgium, Mexico, the U.S. and the UK.

Youthful determination combined with exposure to world markets is a positive first step toward saving Burgundy. Improving vineyard quality—a message echoed by Bouchard and Wasserman—is the second, required step. Changing labeling to attract consumers and help them understand what's inside the bottle is the third for value-oriented wines.

Prieur suggests a fourth, pointing out that Burgundy has not done a good job communicating the age-ability of its highest quality wines. Age-worthiness is a proven, valued characteristic that few New World competitors possess and few consumers in export markets understand. As the palates of New World wine drinkers become refined and their incomes expand, will they turn from the fruit-forward exuberance of the New World to the nuance of the tried, true and collectible?

Possibly...but Burgundy should be prepared in case they do not. **wbm**

Christy Canterbury is a wine consultant, wine writer and educator. She is a Candidate at the Institute of Masters of Wine and holds the Diploma of the Wine and Spirits Education Trust.

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