

## **EPISODE #14 THE IMPORTANCE OF MAINTAINING BRAND RELEVANCE**

### **Fred Reno**

Well, Hi folks. Welcome back to the Fine Wine Confidential Book Podcast with me, Fred Reno, as your host. In this new episode, #14, I describe the scene at a Sonoma-Cutrer board meeting when I proposed removing Chardonnay from the front of the label in favor of listing the estate vineyard name where the grapes were grown.

This was back in 1988, and I had only been on the management team for a little over two months. It was becoming clear to me that Chardonnay was quickly becoming a commodity rather than an exclusive category reserved for the finest wines made from that grape. The fact that Sonoma-Cutrer produced only Chardonnay was likely to become a weakness rather than a strength for the brand. This segment in my book is titled "Importance of Maintaining Brand Relevance" -a matter of life or death for any brand.

Sonoma-Cutrer had achieved a significant milestone by focusing on producing just one wine, in their case, from the Chardonnay grape. Today, that doesn't seem so unique, but in the 70s and 80s, most wineries in California produced numerous wines from multiple varietals. Due to the success of Sonoma-Cutrer Chardonnay, and I should also mention Jess Jackson's Vintner's Reserve Chardonnay, the market landscape underwent rapid changes. Chardonnay was becoming not only the preferred white wine of choice among consumers, but like all trends in the wine business, Chardonnay was at risk of becoming a commodity, one that could take grapes from anywhere in California, including the Central Valley, and produce simple, drinkable, and affordable wine for the masses.

I noticed this trend and became concerned that Sonoma-Cutrer would be lumped into this broader category and held back in the future, both in terms of price and its position relative to competitors. With my love and understanding of White Burgundy from France, I quickly recognized that we did not produce Chardonnay at Sonoma-Cutrer any more than they produce

Chardonnay in Puligny-Montrachet or Chablis. Therefore, I took the gamble of illustrating and making my point.

A board meeting was scheduled for the end of September. I thought, here is my moment. I contacted David Reid, the original designer of the package, and asked him to create a label identical to our current one, except that he removes the word Chardonnay from the front and, in large script lettering, replaces it with the words "Les Pierres". Les Pierres was our top wine at the time.

I believed we were no longer selling Chardonnay; we were selling Les Pierres, Cutrer Vineyard, and Russian River Ranches. I was going to declare them as their unique Cru and raise Sonoma-Cutrer above everyone else.

When the board meeting began, I just put the bottle in the middle of the table and waited for a reaction. Brice was stunned. He demanded to know who had done this. I calmly informed him and the rest of the board of my thoughts, stating that it was time to make this move, specifically removing Chardonnay from the front of the label. Brice went off ranting and raving. We can't do that. The market will not understand, and we have spent the last seven years building our reputation on producing only Chardonnay.

However, I noticed Terrence Clancy down at one end of the table, looking more intently at the bottle. Terrence was a longtime industry executive and consultant who wrote the original brand plan for Sonoma-Cutrer and served on the winery's board. I could tell the wheels were turning in his head. He interrupted Brice and said, "Brice, Fred might have something here. Well, this may seem radical after listening to his explanation and vision on the matter. I believe we should spend more time considering it rather than rejecting it outright.

I had planned to hit the road for several weeks the next week to visit some of our top markets, such as Florida, New York, and Chicago. Brice said, Okay, here's what I want you to do: take the bottle with you when you meet with Mel Dick in Florida and Leonardo LaCasio in New York, show them the label, and have them give you their opinion.

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I wasn't keen on that idea, as I've learned all too often that the one with the vision is usually correct. Asking our distributors for their opinion, who will naturally be selfish and concerned that it might undercut their ability to sell the wine, will prompt the reaction you might expect. However, I had no choice but to take the chance, because at least I had Brice's attention.

Upon returning from the sales trip, I reported that most of our distributors were not particularly concerned. Of course, I was stretching the truth about what I had experienced, but I wasn't going to let the distributors, with their lack of vision and only trying to protect themselves, stand in the way of a significant moment in the history of California wine.

I would later argue with Brice about instituting vintage pricing for our two top Cru wines, Les Pierres and Cutrer Vineyard, but his stock answer was usually something like. Well, when Robert Mondavi does it, then we will. I would look at him, shake my head, realize his leadership abilities were lacking, and, of course, that would be borne out time and time again as I dealt with one issue after another with him