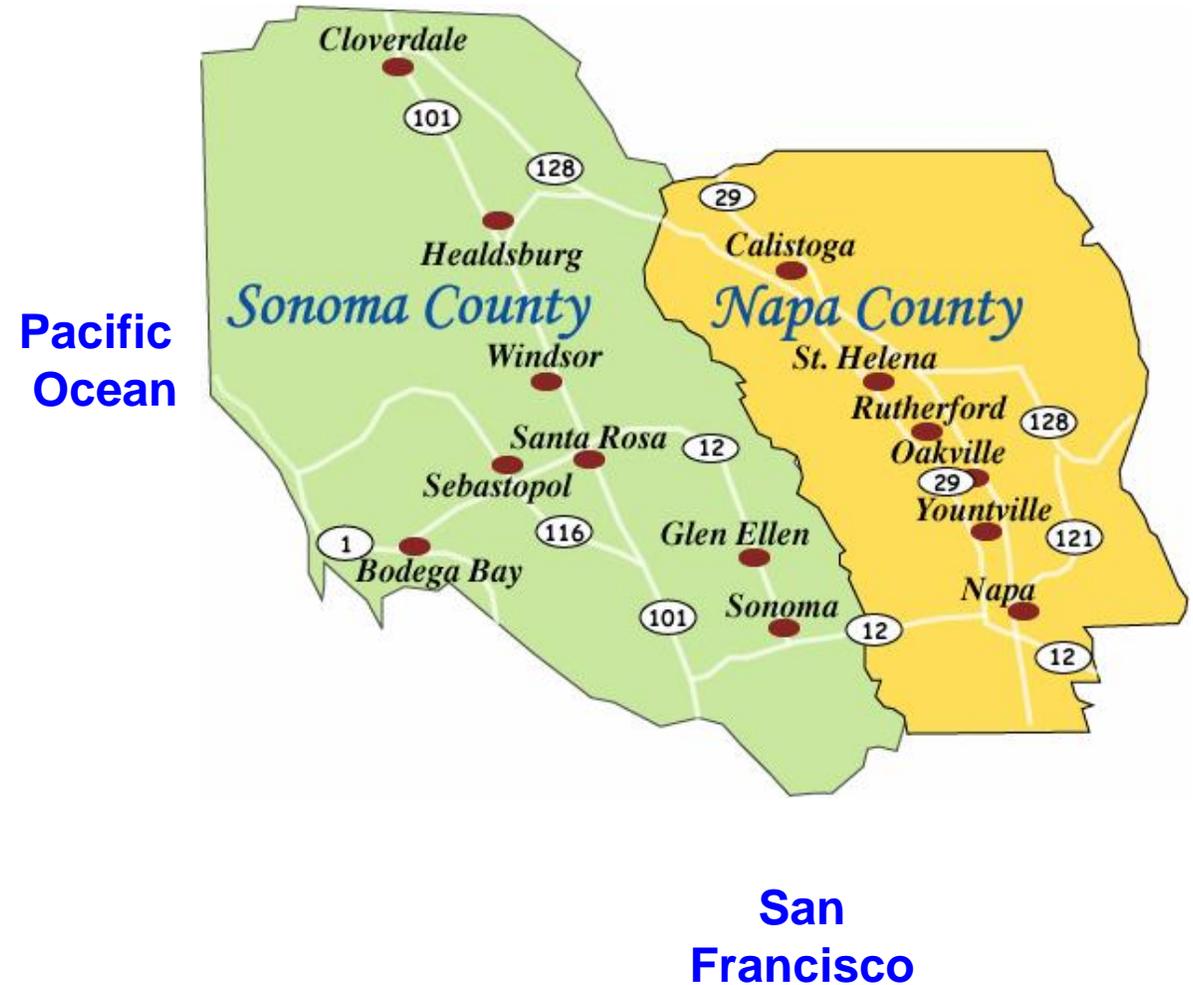# What's Next for Oregon Wine?

Lessons from Sonoma County

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OREGON WINE
PORTLAND
SYMPOSIUM

SONOMA
STATE UNIVERSITY
Wine Business Institute
School of Business and Economics

Topics

1) Conjunctive Labeling Process

2) Joint Marketing with AVAs

3) Vineyard Designates

4) The Importance of Entry-Priced Regional Wine

Cloverdale

101

128

29

Healdsburg

Calistoga

Sonoma County

Napa County

St. Helena

Windsor

Rutherford

128

Santa Rosa

12

Oakville

29

Sebastopol

Yountville

121

Pacific Ocean

116

Glen Ellen

1

Bodega Bay

101

Sonoma

12

Napa

12

San Francisco

Socialites Vs. Rebels

Sonoma Valley Wine Patrol Hijacks Napa Valley Wine Train

TODAY

"Napa & Sonoma
- we are good for one another.
We need and support each other."

- Interview with NVV & SCV employees,

Situation in 2005/2006

13 AVAs – many with separate marketing associations

Didn't promote Sonoma County as a whole

Grapegrowers approached Vintners suggesting conjunctive labeling system
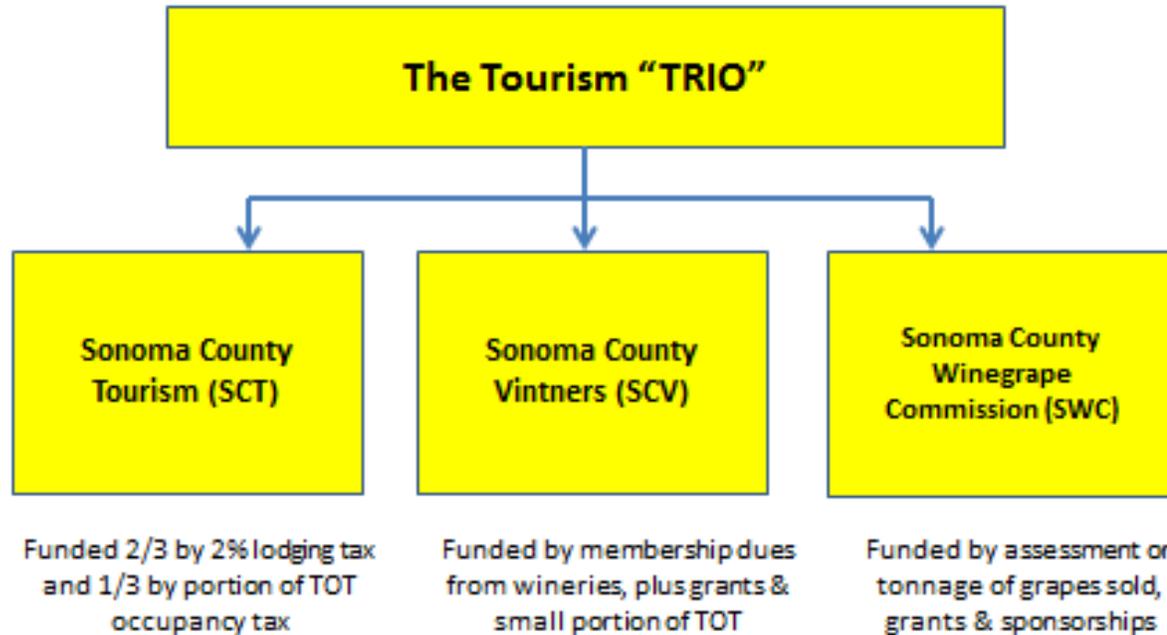
Conducted 2 Consumer Surveys

Discovered in both surveys that consumers were more familiar with the term "SONOMA" than the individual AVAs

Spent next 2 – 3 years meeting with the individual AVA associations to share the data

….and recommend conjunctive labeling process

At the same time, created the "TRIO"

The Tourism "TRIO"

Sonoma County Tourism (SCT)	Sonoma County Vintners (SCV)	Sonoma County Winegrape Commission (SWC)
Funded 2/3 by 2% lodging tax and 1/3 by portion of TOT occupancy tax	Funded by membership dues from wineries, plus grants & small portion of TOT	Funded by assessment on tonnage of grapes sold, grants & sponsorships

A new collaborative partnership

A new tourism tax structure

AVAs partially funded by Trio

# With New Funding & Collaboration…

Agreed on new Logo

With New Funding & Collaboration…

Created a joint Sonoma County marketing & promotion plan:

- Enhanced digital marketing
- Events: e.g. Taste of Sonoma
- Barrel Auction
- Sonoma in the City
- International Tours
- Somm Summit
- Media tours/invites
- Funded Individual AVA initiatives

Certified Tourism Ambassador Program for all hospitality positions
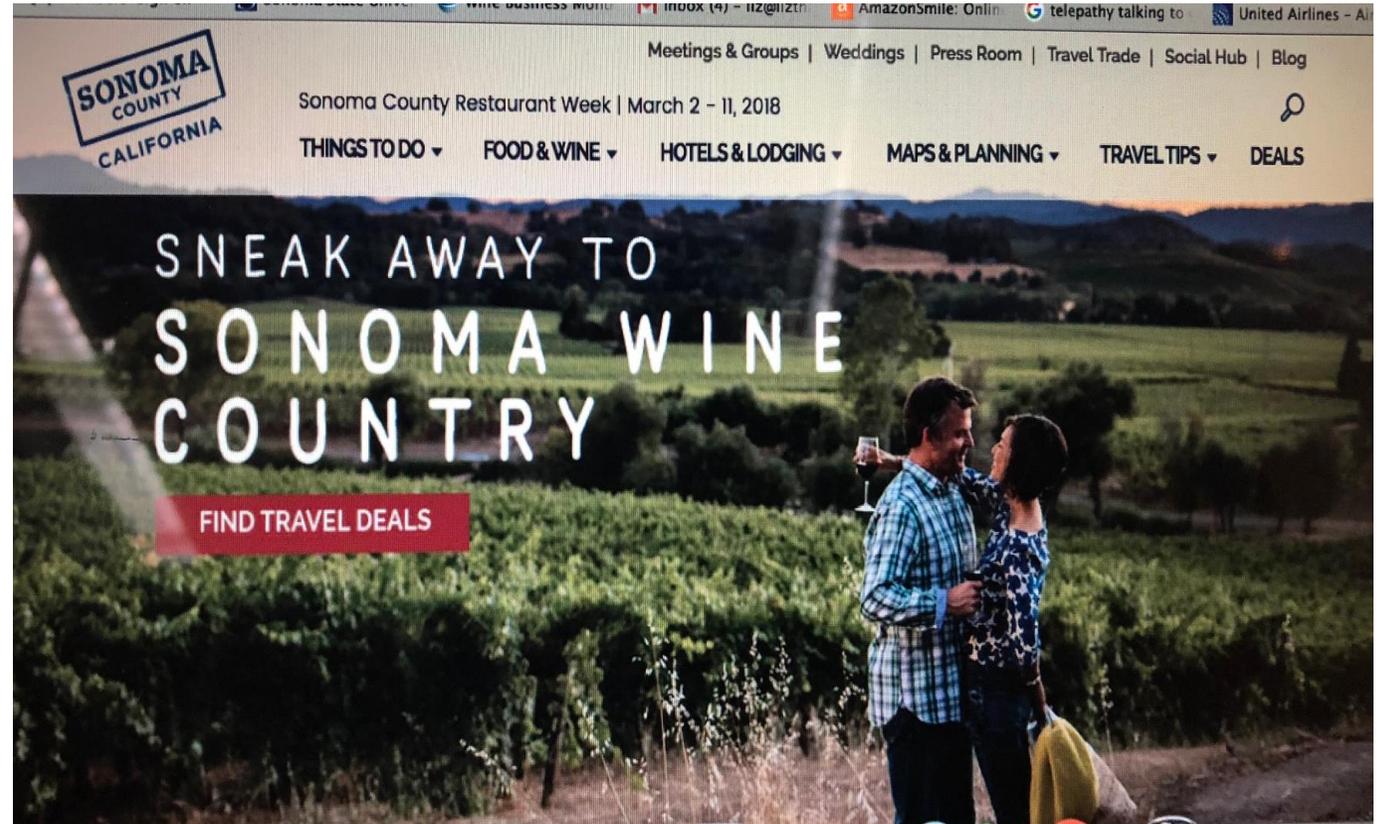
Initiated Conjunctive Labeling Process

Found legislative partner to carry the bill to State legislator

Supported by some large wineries with very capable legal teams

Still some grumbling from AVAs…and opposition….

BILL #1798 passed in 2011… but didn't go into effect until Jan. 1.2014

   - Allowing wineries plenty of time to change labels
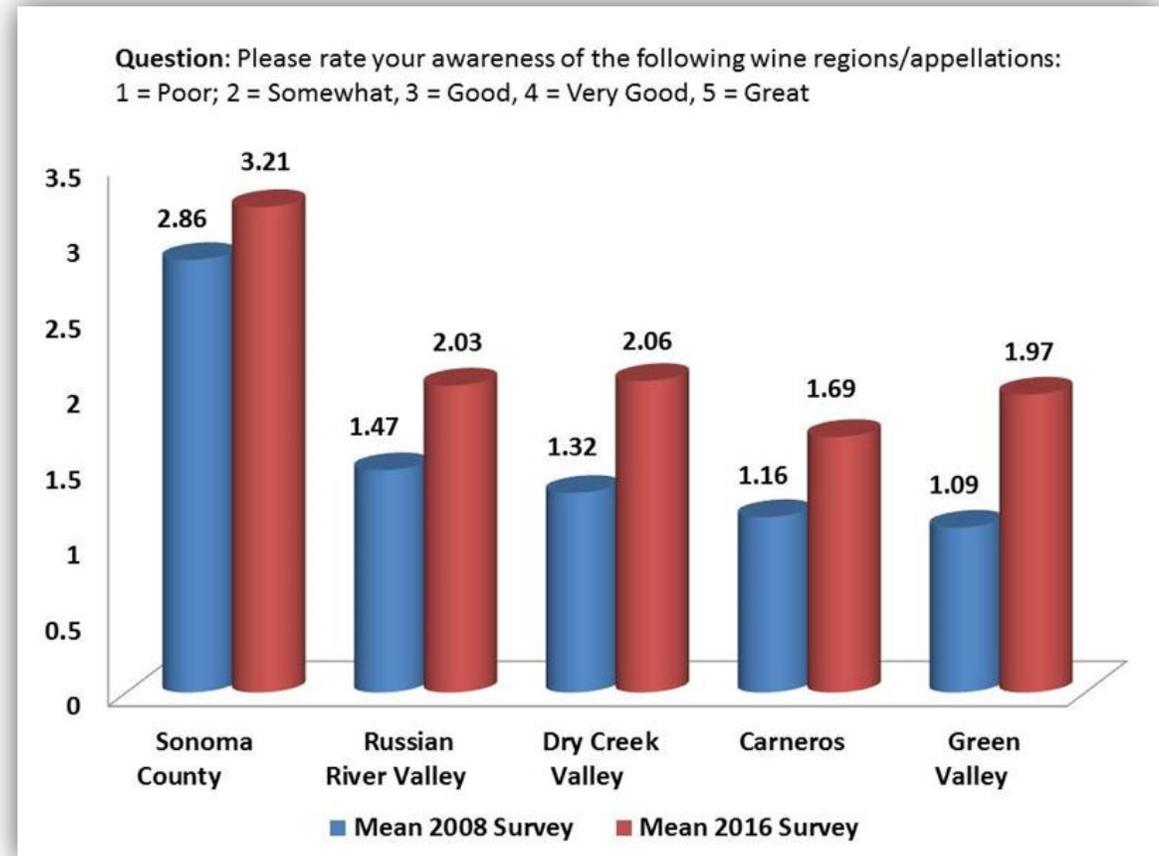- TTB approval and ABC enforcement

Sonoma County font needs to be 2mm or larger in size

http://sonomawine.com/learn/conjunctive-labeling/

Results – Pre and Post Consumer Surveys

SSU conducted 2 surveys:
- 1st 2008 = 409 consumers
- 2nd 2016 = 403 consumers

Found that recognition of BOTH Sonoma County and AVAs increased after conjunctive labeling went into effect.

Question: Please rate your awareness of the following wine regions/appellations: 1 = Poor; 2 = Somewhat, 3 = Good, 4 = Very Good, 5 = Great

Region	Mean 2008 Survey	Mean 2016 Survey
Sonoma County	2.86	3.21
Russian River Valley	1.47	2.03
Dry Creek Valley	1.32	2.06
Carneros	1.16	1.69
Green Valley	1.09	1.97

Results: Tourism Revenues from 2006 to 2016

Lodging occupancy levels nearly doubled

Tourism tax revenues increased by 59%

Tourism revenues = $1.93 billion in 2016

Sonoma County received top wine tourism region award

Results: Quote

*"We've come to realize that the 'Trio' and working together
has been super powerful.
As wine perception goes up, grape production goes up.
When 'wine people' come here to appreciate our wines, they stay in
our hotels, so 'tourism' cares.
We are all in this together.
A lot of regions don't work that way. Political boundaries, egos,
whatever - they don't see the synergy of it,
so it puts us at an advantage."*

Director of Communication, SCV
From Best Practices in Global Wine Tourism, p. 172

Vineyard Designates

Famous Vineyards of Napa & Sonoma

NAPA	SONOMA
Beaulieu Vineyards	Bacigalupi
Bosche Vineyard	Durell Vineyard
Diamond Creek	Florence
Eisele Vineyard	Hanzell
FAY Vineyard	Hirsch
Martha's Vineyard	Maple
Screaming Eagle	**Monte Rosso**
Stag's Leap Vineyard	Pagani Vineyard
Stagecoach	Rhinefarm Vineyards
Three Palms	Robert Young
To Kalon	Rochioli
Winery Lake	Sangiacomo Vineyards

Very important to Brand & Promote the Vineyard

The Importance of Entry-Priced Regional Wine

BURGUNDY

DRC – Romanee Conti
= $17,502

Gran Cru = 2%

Premier Cru = 10%

Village = 37%

>$15 - $20 per bottle

Bourgogne Rouge
Bourgogne Blanc
Cremant   **51%**
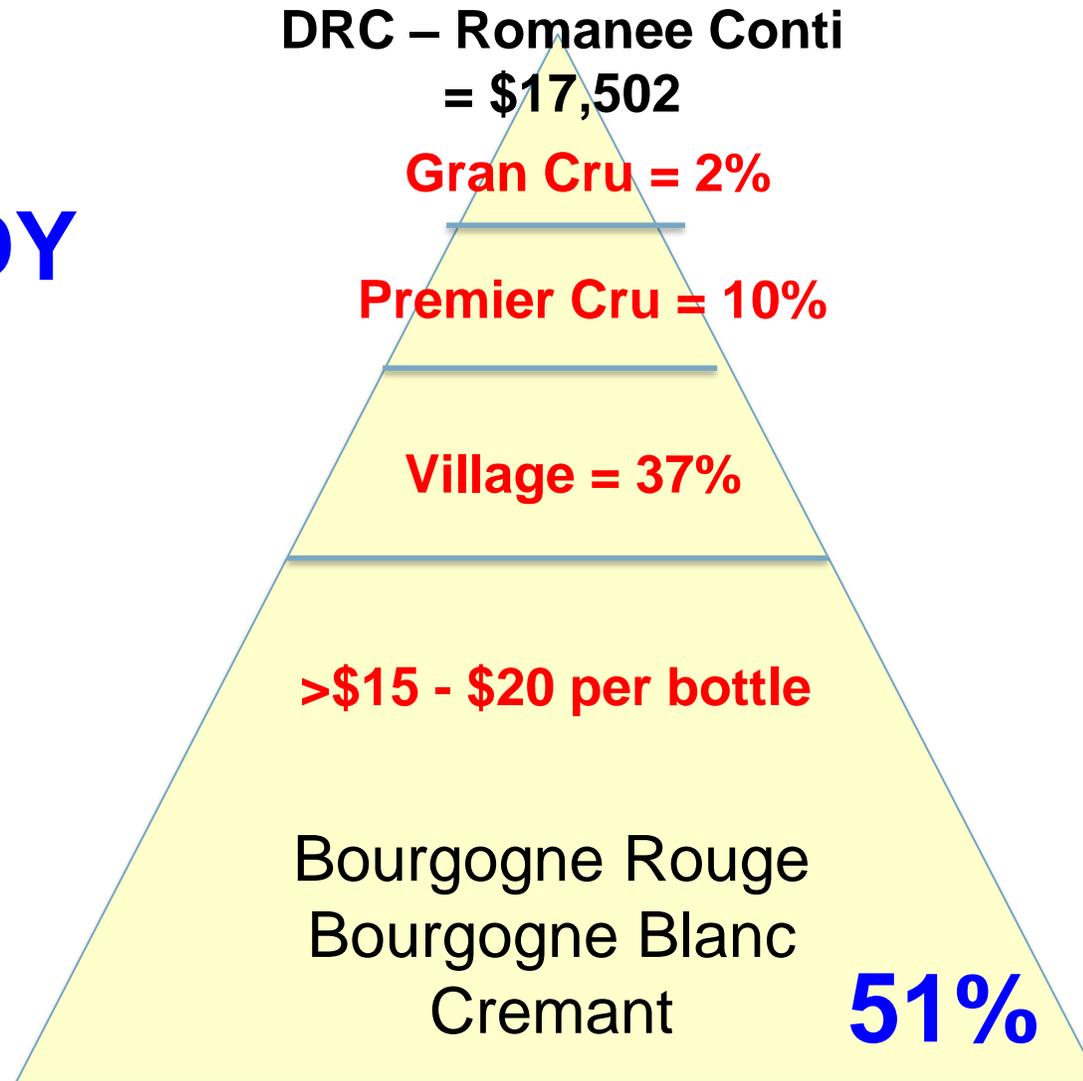
Sources:
BIVB
Winesearcher.com

The Importance of Entry-Priced Regional Wine

Marcassin Chardonnay SC = $396

Screaming Eagle = $3457

SONOMA

NAPA

Luxury = $100+

Luxury = $100+

Ultra-Premium $21 - $99

Ultra-Premium $21 - $99

>$15 - $20 per bottle

>$15 - $20 per bottle

Rodney Strong
Kendall Jackson
Kenwood
St. Francis

Robert Mondavi
BV
Martini
Hess
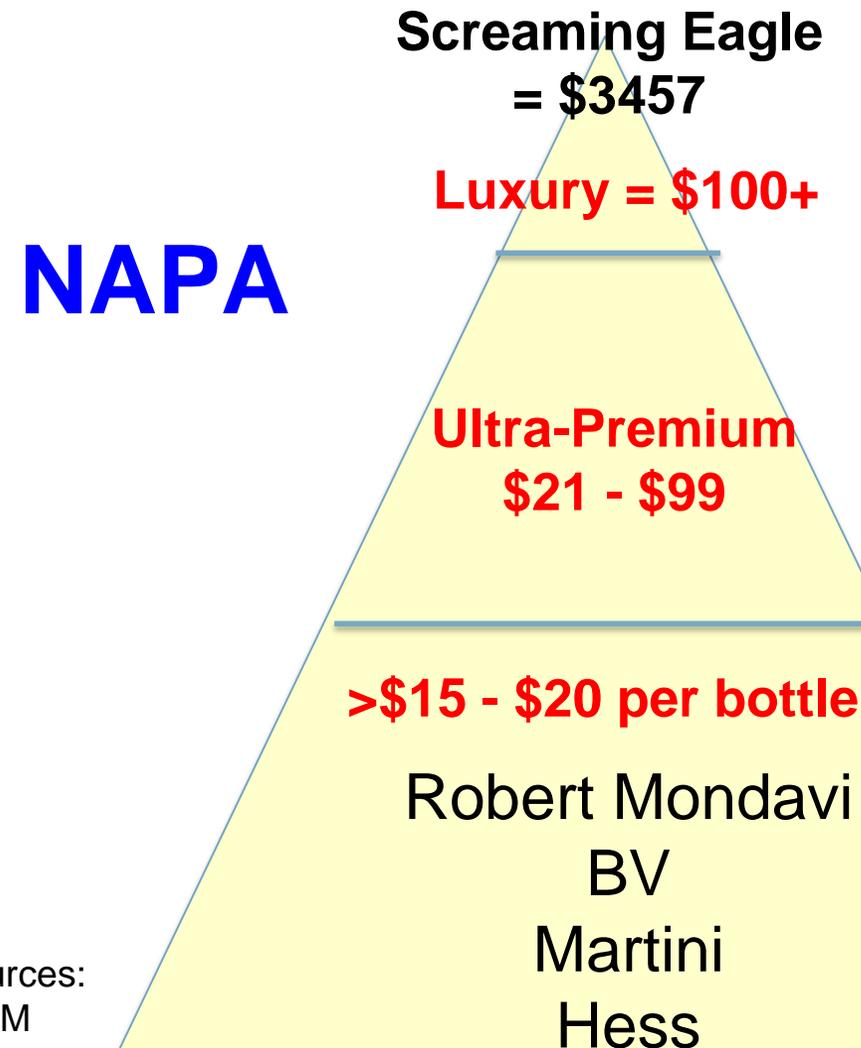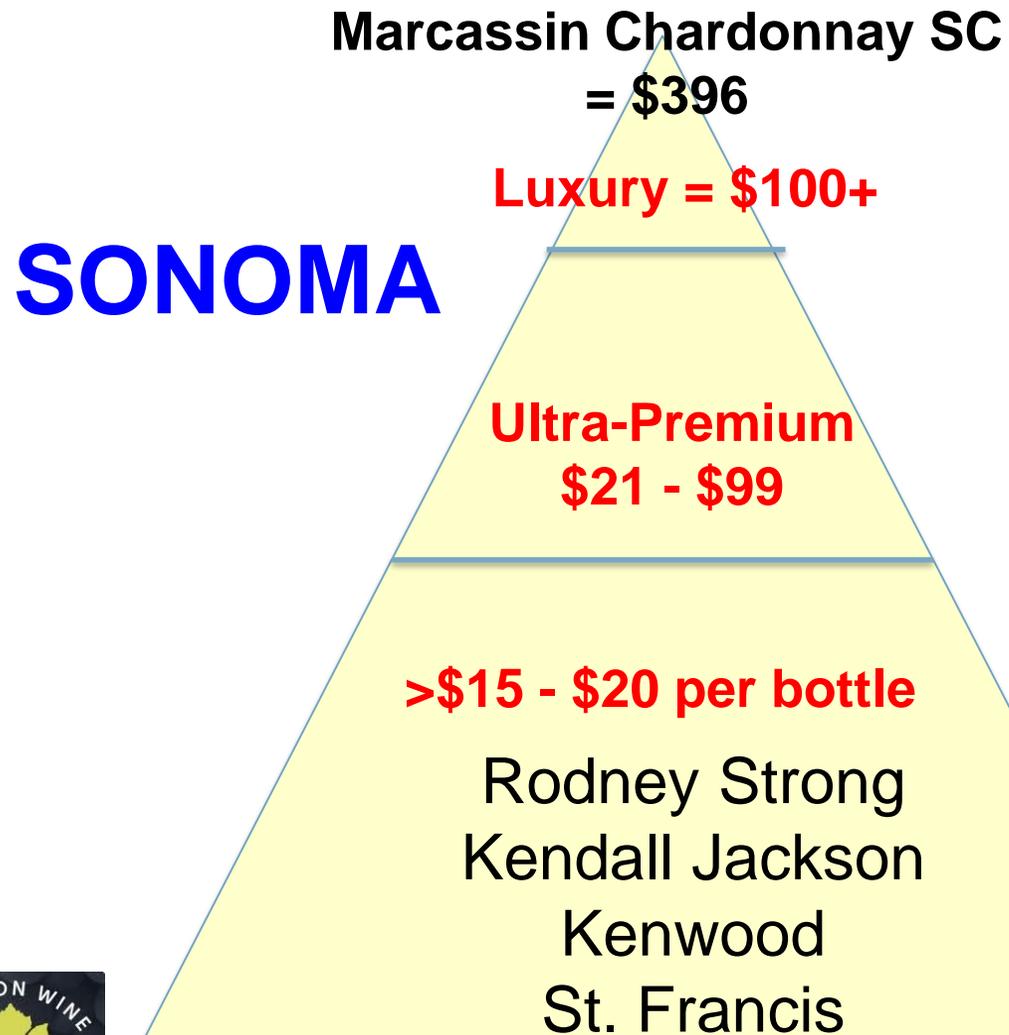
Sources:
WBM
Winesearcher.com

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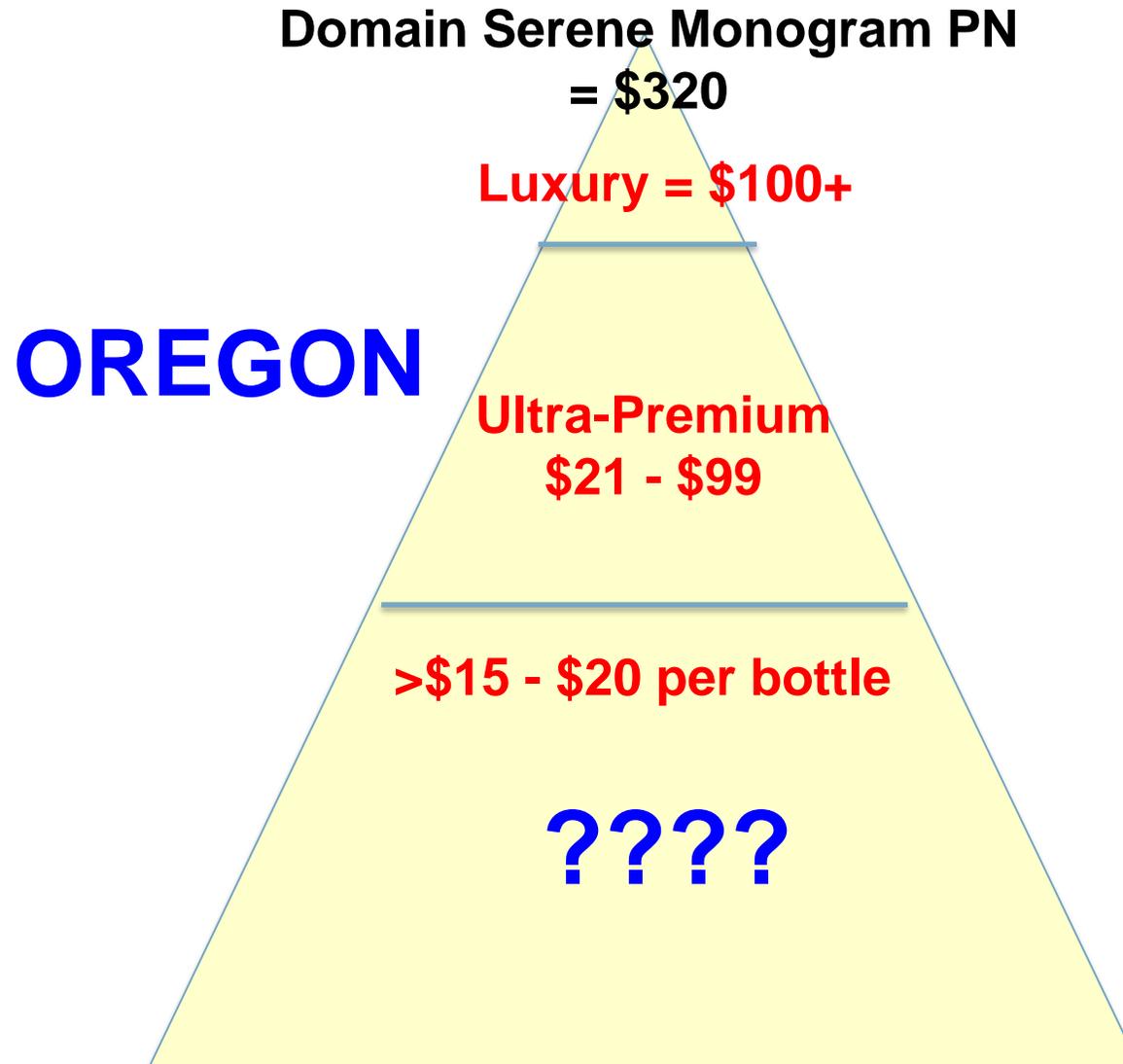
Thank You!

Questions or Comments?