

When Too Many Names Give You a Hangover

Burt Alper

Perhaps wine marketers should pay a bit more credence to the hard lessons learned in the technology boom — more SKUs are not necessarily better. As the number of new wine labels continues to increase, the amount of “marketing magic” on many labels is also on the rise. The newest trend to emerge from this mania is naming specific wines within a brand portfolio. Over 1,000 trademark applications were filed in 2002 alone for new wine names, only a fraction of which represent new wineries. The vast majority of these new trademarks will be used as sub-brands under existing vintner labels.

The Three V's

In the not-so-distant past, the average consumer had three things to think about when selecting a wine: Vintner, varietal and vintage. Not so today. Wine marketers, in their effort to distinguish their label from the sea of wine on the retail shelf, have added a bevy of new twists to the consumer's purchase decision. In addition to the “three V's,” we now have to consider vineyard designates, special blends, and the ever-mysterious sub-brands. Talk about confusing.

I spend my days helping clients come up with new brand names (in all sorts of industries—not just wine). One would think, as a professional in the branding world, I would be a proponent of adding more brands to the market. The more brands there are, the more client opportunities exist for **Catchword Branding**, where I work. However, the tsunami of sub-brands on the shelf has created more

confusion than clients, and I felt it was time to get up on my soapbox to advise the wine industry on how to use sub-brands effectively.

Before we get too deep into the advice, I think it is helpful to set the stage by defining what a sub-brand is. **David Aaker**, former branding professor at **UC Berkeley's Haas School of Business**, defines a sub-brand as, “a brand that distinguishes a part of the product line within the brand system.” (*Building Strong Brands*). Common examples can be found across all industries, from cars (Mustang and Taurus are both sub-brands for **Ford**) to cereal (Cheerios and Wheaties are sub-brands for **General Mills**).

There are three common examples of sub-brands in the wine market: vineyard designate, meritage or proprietary blend, and “value label.” In each case, the creation of a new name can be justified rationally. However, marketers should be mindful of the number of new names they introduce and of the way they use them.

Traditional Marketing

Traditional marketing dictates offering products at multiple price points so you can grow your audience and dominate shelf space. The folks at **Procter & Gamble** have mastered this approach in categories from soap (“Tide,” “All Temperature Cheer,” etc.) to diapers (Pampers, Luvs, etc.). But unlike household products, wine buying can be intimidating.

For years, American wines have been less intimidating than their European cousins because their labels made sense. The buyer

could focus on varietal preference, while a French label forced the consumer to understand characteristics typical to the region where the grapes were grown (“terroir”). Today's over-emphasis on vineyard designates, particularly under labels such as **Rosenblum** and **Ravenswood**, has made the buyer's purchase decision more complicated. A recent visit to the Rosenblum tasting room revealed a litany of sub-brands, each adding the slightest bit of product differentiation while contributing gallons of confusing information for the consumer to digest.

Even if I only consider their Zinfandel wines (they make a dozen or so other varietals), their list of sub-brands is overwhelming. In addition to including a larger than normal set of vineyard designates such as Cullinane, Lyons, St. Peter's Church and Rockpile, the folks at Rosenblum go the extra mile to add what appear to be a line of family preferences such as Maggie's Reserve and Annette's Reserve. And to make matters worse, all of the labels look the same, with the sub-brand indicated in stylized text at the bottom. The combined affect is that the potential buyer is forced to be a student of the winery in order to buy the wine she likes.

If I'm used to paying \$10 a bottle at my local grocery store, then I see a different Rosenblum Zin on the shelf for \$20 and wonder why the price is so high. My natural inclination is to purchase another brand rather than risk paying extra on a mid-tier product. Even worse, if I'm used to the quality of their \$20 product and buy the \$10 product (think-

ing it is the same), I'm likely to be disappointed and, again, inclined to purchase another brand.

Now before the folks at Rosenblum start sending me nasty letters, let's be clear on my point here. I think Rosenblum makes fantastic wines, and I have several delicious samples in my cellar. I appreciate their dedication to making world-class wines from specific vineyards in the old-school ways. However, their heavy use of sub-brands worked better when they were a

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small producer seeking cult status. When selling to the wine intelligentsia, it was cool to have so many options under one label. As their production has increased, they have begun to reach a customer who doesn't understand all the intricacies of specific vineyards. Make the purchase decision easier on your less experienced consumers. Simplify the label and clearly differentiate your products.

Rules for Branding

Here are a few simple rules to guide your branding decisions.

- 1) Limit the number of sub-brands under any given parent brand. The more SKUs your sales force has to sell, the harder it is to push any one in particular.
- 2) Only use a new brand name when it conveys something meaningful. Arbitrary names designed to "spice up" a label only add confusion to an already crowded display.
- 3) Be careful how you use the term "reserve." Too many wineries have multiple "reserve" selections (**Kendall-Jackson** has Vintner's Reserve and Grand Reserve. Without the price tag, how would the customer know which was better?). Over-use dilutes the effectiveness of the term on truly special wines in the product line.
- 4) Use sub-brands to move up market or down market, not side to side. **Mondavi Woodbridge** is ok, **Joseph Phelps Insignia** is ok, but **Rancho Zabaco Dancing Bull** is not. Dancing Bull is sold at the same price point, and no information is given about how the product is different from the product without the sub-brand. Plus, the name means nothing to the consumer—it says nothing about quality or style.

I have spoken with a number of wine marketing experts and it appears that many are already taking my advice by removing SKUs from the shelf. The fact that salespeople have too many SKUs to manage, coupled with pressure from retailers to reduce redundancy within brands has led to a major SKU rationalization at wineries such as **Franciscan Estates**. We can only hope others pick up on this trend.

Despite select examples of consolidation, the wine shelf will continue to propagate new brands—all those bottles sitting so close together, it's no wonder they seem to reproduce like rabbits. Wine marketers have to help consumers find the right product by using a rationale naming strategy that simplifies the purchase process rather than complicating it. Names are powerful tools. Use them carefully. **wbm**

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