

UNIFIED WINE & GRAPE SYMPOSIUM ISSUE

WINES & VINES

THE VOICE OF THE WINE INDUSTRY

WWW.WINESANDVINES.COM

JANUARY 2010

MARKETING

*SEE US AT UNIFIED, BOOTHS #1511 & #1513→

Save Costs and Shelf Appeal

Small changes to packaging can yield significant returns

By Jane Firstenfeld

Sweating the small stuff can make a big difference for wineries looking to save money while still looking sharp on retail shelves.

Prudent businesspeople always seek to control costs—never more so than right now. Smart winemakers, though, know better than to cut corners on their product. A pretty package may prompt a consumer to pick your wine once from among a sea of selections, but if what's inside doesn't deliver, she won't buy your brand again.

So in the second vintage of the current recession, we asked wineries what packaging changes they'd made to retain vital shelf appeal while improving the bottom line. We learned that building and maintaining vendor relationships and making intelligent adjustments are key to reducing packaging costs. Improved technologies are bringing both environmental and economic benefits to savvy wineries that closely evaluate even the most mundane details of their packaging practices.

Change comes with risk, and sometimes with start-up costs. But have you really examined all your options?



Some winemakers said Oeneo's DIAM technical cork preserves quality and saves them money.

- John Tudal is sealing his \$14/bottle, 600-case Cerruti Honker Blanc and \$14, 2,000-case Tractor Shed Red with DIAM TCA-free composite corks from Oeneo Closure. "That saves us 7.5 cents per unit: 90 cents per case," Tudal notes. "We think they have become a good substitute for traditional corks for wines that are not intended for long-term aging."
- The Mariposa Wine Collection in Madiera, Calif., recently increased production to about 8,500 cases annually for its three brands: Crü, Carmichael and Yosemite View. General manager Debra Morris reports that for the top-tier Crü (\$24-\$40 per bottle), Mariposa recently switched to the DIAM closure. Although the change was primarily because of quality control issues, it brought significant savings as well. "We wanted to make sure the product that gets to the consumer is as we intended. And we saved one-half to two-thirds compared to previous corks: 16 to 17 cents per DIAM versus 35 to 50 cents per traditional cork." The DIAMs are imprinted: "We have chosen this closure to ensure the integrity of our wine." For the popular-priced Yosemite View, Mariposa is returning to Stelvin screwcaps, Morris says.



During summer 2009, Fog Mountain Merlot became the first California wine packaged in 1-liter PET bottles.

ainless