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California Dreamin'

The Split Personality of Golden State Wines

by Fred Tibbitts Jr., Wine Consultant

“Two Buck Chuck” by Bronco has turned the California wine industry on its ear, a product of brilliant marketing and a lake of unsold wine from which to source. Even the California giant Ernest & Julio Gallo has not claimed the \$2 retail price point, but now that it’s a runaway phenomenon, they will have to launch their own “Two Buck Chuck” or “Chuck” will continue to eat their lunch.



Two-buck origins

I knew Chuck Shaw when he operated the Charles Shaw Winery in Napa, Calif. and I had the pleasure of dining with him at the winery more than once in the company of various vice presidents of food and beverage from numerous chains.

Chuck was an investment banker from Chicago turned wine entrepreneur — another wealthy, well-traveled individual who was determined to turn a large fortune into a small fortune by buying a winery and expecting to multiply his capital many times over. He had the passion, but not a winning strategy.

Kobrand represented him to the trade and they did a good job for him, but he was leading a one-man crusade to glorify Beaujolais and his California Beaujolais Nouveau. Beringer took a stab at emulating his style

The general over-supply of Chardonnay and other varietals is causing nearly every non-cult winery to feel the pressure to lower their prices, discount and do whatever is necessary to reduce inventories. To make matters worse, Australia has landed some amazingly good values, like Yellow Tail — which sells to the retailer for \$4 per 750ml. And don’t forget “Two Buck Chuck” at \$1.99 to the consumer in California and \$2.99 elsewhere.

The big public wineries are heavily promoting and dealing, in part because they must maintain their stock price and also the bigger the inventories, the more they must borrow from the banks to finance it. The smaller wineries, however, especially the family-owned wineries, are not worried about their stock price. Instead, they

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and with their resources they quickly stole the spotlight. Then Chuck became involved in a difficult divorce, and with wine sales not meeting expectations, he was forced to close the winery. So that is the origin of the name now owned by Bronco and commonly referred to as “Two Buck Chuck.”

Ultra-premiums

Today, California produces some of the finest premium and ultra premium wines for the money in the world. The state’s viticulture and viniculture industry has come of age, increasingly guided by a new set of wine heroes. Many of the California cult wines are in a league with the best in Europe, led increasingly by the meritage or ultra-premium blends, such as Symmetry by Rodney Strong. This is the other side of California’s split personality.

are just protecting their hard-fought brand positioning in the market place, holding pat or “posting-off” in the states that permit these temporary discounts. There is late report, though, that some of the cult wineries, whose sales were thought to have an inelastic price relationship, are quietly lowering their prices.

If you’re California dreamin’, it’s a great time to be drinking California. But the opposite may not be true about owning California, which is why it continues to be said that if one wishes to have a small fortune, one need only start with a large fortune and then purchase a winery. **RM**

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