

## **Marketing Mendocino**

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Mendocino faces some distinct challenges in marketing its grapes and wine, but fortunately also has some inherent strengths.

A substantial portion of Mendocino grapes are used in non-Mendocino wines (e.g. North Coast or California blends, or topping off Sonoma wine). All other things being equal, this exerts downward pressure on grape prices, as Mendocino growers are competing with other regions for winery business. Improving trade and consumer recognition and perception of Mendocino will boost sales of Mendocino-based brands in the three-tier system. It will create incentives for wineries outside Mendocino county to bottle Mendocino or Mendocino sub-AVA wines, as opposed to blending the grapes into other lots. The long run impact of that will be to raise grape prices. This has already happened to a large extent for Anderson Valley Pinot Noir.

Mendocino comprises a diverse set of AVAs and terroirs, which enable it to grow a wide range of varieties at a high quality level. In this respect it resembles Sonoma County, Paso Robles/San Luis Obispo and perhaps Walla Walla or Southern Oregon, Therefore, it's worth looking at what has worked for these regions to improve the market for their wines, rather than regions dominated by a particular variety such as Napa Valley or Willamette Valley.

The issue of flagship varieties and diverse appellations within the region needs special consideration. The efficiency of specializing in one variety, and the differing mix of wineries and levels of fame between various sub-AVAs, has given many the impression that a sub-AVA needs to separate itself from the larger region to enhance its identity. This is less often true than not, and unlikely to apply to Mendocino. There is some compelling trade and consumer research indicating mixed regional-AVA labeling is most effective:

- Before enacting their conjunctive labeling law, Sonoma County engaged Wine Opinions, the leading consumer research company in the U.S. wine industry, to do a quantitative, projectable test of whether the same wine had more appeal when labeled with a sub-AVA, a region or both. The results were clear, consistent and statistically robust – over a mix of sub-AVAs and varieties, the wines labeled with both the region and the sub-AVA (e.g. Russian River Sonoma County) were equal or superior in appeal and perceived pricing to those labeled only with the county designation or only with the sub-AVA. This finding was true even for those who were particular fans of the sub-AVA.
- A survey of the trade on conjunctive labeling also came down in favor of the concept, as many in the trade felt that either more information was better, or that it educated the consumer, or enhanced trade-ups by giving a sense of familiarity for less-informed consumers.

If other Mendocino sub-AVAs develop their own specialties, it can balance the portfolio and provide more sources of pro-Mendocino stories. This model has certainly worked for Sonoma County.

What do we know about how Mendocino is perceived among consumers? Based on consumer surveys from several sources, Mendocino has high name recognition, yet a much lower rate of trial for its wines; even among high frequency, high involvement wine consumers, when compared to Paso, Sonoma, Napa, even slightly under Lodi and Monterey.

Since Mendocino per se already has good name recognition, although its individual wines are not well known, vintners should feel confident that marketing or labeling their sub-AVA wines under the Mendocino umbrella will at least cast a wider net of recognition. In this sense, wines like Anderson Valley Pinot Noir or Mendocino Ridge Zinfandel can function for Mendocino as flagship wines that gain press and trade attention, which reflects to the county. Conversely, the more familiar county designation may help introduce less sophisticated consumers to the smaller AVAs on trade-up occasions.