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California Wine Industry Suffers Lack of Interest Globally

New research shows that California wines fail to register with consumers and the wine trade industry worldwide

Berkeley, California — June 2, 2005 — In a recent international study commissioned by the California Department of Food and Agriculture and Robert Mondavi Winery, Greenberg Brand Strategy found that few countries recognize California as an established wine-producing region, and that non-American consumers and the international wine industry don't consider California wines as a buying option.

In several critical export markets, California wines have faced stagnating and even declining sales. The study states that California has little brand awareness.

"This research is significant in that it shows that California has not done a great job marketing its wines internationally," said Andrew Greenberg, founder and CEO of Greenberg Brand Strategy. "It also shows that given the variety of wines available globally, California wines need to provide a compelling reason for consumers and the trade to choose them. California has some stiff competition."

Greenberg Brand Strategy conducted more than 2,200 interviews with consumers and international wine experts in Germany, Switzerland, Japan, Canada, and the United Kingdom. The goal of the study was to uncover perceptions of California wines when compared to those of other wine producing regions, such as France, Italy, Australia, Chile and South Africa. A three-phase methodology was used. Phase one involved an online qualitative study. Phase two involved focus groups and in-depth, in-home interviews with consumers. Phase three involved in-depth interviews with members of the international wine trade.

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Consumer Findings

Greenberg Brand Strategy found that California, as a brand, suffers from negative imagery as it is most frequently associated with Southern California (Hollywood/Disney) or “America.” Positive imagery stems from the California lifestyle, which is unrelated to wine. As a wine-producing region, California is not perceived to have any differentiating strengths. France, for example, has an unrivaled image that extends from everyday to special occasions. Finally, the value-for-money proposition of California wines is perceived as low.

Trade Perceptions

Greenberg Brand Strategy found that the international wine trade has some awareness of California wine brands and its heritage in wine-making. However, other countries (primarily Australia and Chile) are perceived to offer a better value at key price points. Top-end California wines are perceived to be over-priced, and the quality is perceived to be questionable at lower price points. Lack of availability across a wide price range and taste profile was seen as a deterrent to buying.

Recommendations

After completing its extensive research, Greenberg Brand Strategy has recommended that the California wine industry, as a whole, should create a compelling and unique image that represents the experience and depth of California wines. It should strive to bridge the gap between low-priced grocery store wines and those of the more famous, higher-priced Napa Valley wineries. It should also position the California Wine Institute as the global authority on California wines. To learn more about the study, please contact Anita Kanal, Director Brand Strategy, at Greenberg Brand Strategy, (510) 845-1380 or anita@greenberginc.com.



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About Greenberg Brand Strategy

Greenberg Brand Strategy is a research and strategy consultancy. By combining traditional and proprietary research techniques with market intelligence, competitive analysis, and years of brand planning experience, Greenberg Brand Strategy delivers actionable recommendations tailored to meet specific marketing needs and guide implementation. Greenberg Brand Strategy offers its own proprietary methodologies, which include StudioGo™ and The Jam™. In 1997, CEO Andrew Greenberg founded Greenberg Studios, a contemporary facility used to host focus groups and support the brand strategy company. He also created a unique recruitment tool called myfocusgroup.com. For more information, visit www.greenberginc.com or call (510) 845-1380.

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