

# Time for the wine industry to marshal its mavericks to target consumers

By Richard Halstead

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**The UK wine industry is in crisis. Successive duty increases, increased supermarket buying power and adverse currency movements have conspired to eliminate meaningful returns from the market. UK importers and distributors now fight for relevance in a world increasingly dominated by direct purchasing, specialist retailers struggle to define an offer that can effectively compete with supermarkets, and supermarket wine buyers need to justify wine's merchandising space and profitability against competing claims. Wine Intelligence recently conducted a symposium at the London International Wine Fair in May titled 'Meet the Mavericks' which challenged the wine industry to think outside traditional market norms to target consumers.**

The wine trade loves tradition. Change makes us more nervous. That's not to say that we never take risks, and never try out new ideas. But generally speaking, we revere the old, the established, the proven, and raise a suspicious eyebrow at things that seem to challenge the status quo.

It does create the feeling that wine is a rather conservative business. Take the Bordeaux classification of 1855: there can't be many industries that still cling to a grading system that dates back to Napoleon III.

Look at the production rules that govern much of Europe and an increasing swathe of the New World: they're specifically designed to prevent any deviation from old ideas, and cheerfully stifle much innovation.

And look at the way we still design our wine labels. Yes, you'll find the wacky critter brands wherever you look for them, but they're massively outnumbered by the labels bearing images of chateaux (real or imagined), coats of arms, embossed gold lettering or aristocratic script.

Mavericks are thin on the ground in the wine trade, or so it would seem. It's not the same story in the beer world, as anyone who has encountered BrewDog will attest. Here is a company that the *Daily Mail* newspaper in the UK told its readers was going to be "responsible for the downfall of Western civilisation". It's quite a claim, and one the brewery took as a compliment.

Some of what BrewDog has done may look plain silly. It's been involved in an arms race with rival brewers to produce the world's strongest beer, occasionally taking the lead with brands like Tactical Nuclear Penguin (32%), Sink The Bismarck (41%) and The End of History (55%) – the latter being packaged inside the dead bodies of squirrels and stoats.



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The Scottish brewer has picked fights with the British government and fellow beer producers (it gleefully destroys the 'bland' products of its mainstream rivals in promotional videos), has clashed with the Portman Group, the UK drinks industry regulator, and the media (including beer writers). It refuses to advertise, to compromise or to discount, even when taking orders from the UK's all-important supermarket groups. Unsurprisingly, BrewDog is regarded as a maverick.

At the Meet the Mavericks symposium organised by Wine Intelligence at this year's London International Wine Fair, BrewDog's Sarah Warman explained the company's rationale to an audience of wine trade delegates. At one point, guests were invited to think of any similarly deviant or iconoclastic producers from the wine world. There was an awkward silence. Some Young Punks? Well, possibly. Any others? Awkward silence again.

BrewDog's brashness and belligerence doesn't appeal to everyone, but it's no mere marketing stunt, and neither is it intended to be entirely self-serving. Its campaigning forced a change in the law on beer glass sizes (the two-thirds-of-a-pint schooner suits its high-strength products beautifully). The company circumvented conventional finance channels with an equity issue for its own customers, which has allowed it to build a smart new brewery.

"Mainstream beer is exactly what we stand against: industrially-produced stuff is what everyone should be moving away from," Warman says. "We're trying to bring more people into the craft beer revolution. But we're not trying to keep it to a small amount of people. We're trying to make it accessible to more and more people."

BrewDog now runs a small chain of bars. "It's essential for us to maintain a hold on what we're about," Warman says. "The bars really help with that. We don't just sell our beers in our bars – we sell craft beers from around the world and we're getting people to come to our beer schools and really learn what craft beer's about."

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But, in a marketing context, maverick thinkers are sensing an opportunity that continues to elude old-school devotees. Tyler Balliet is one of them. He is a former wine store salesman who became exasperated with the failure of the wine industry to connect and engage with the millennial generation to which he belongs.

Who exactly are the millennials? They're generally regarded as those who were born between 1980 and 2000, though Balliet has a slightly different definition. They are, he

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says, the people who cannot imagine what the world looked like before the arrival of the internet or smartphones.

Balliet recalls attending tasting events which were intended to inspire and educate consumers who had paid good money to attend. But he watched groups of younger drinkers shuffling nervously around the hall, never quite having the conversations or the revelations they had presumably come for. In the end, they simply decided to get drunk.

To Balliet, this was a massive missed opportunity, and a minor tragedy. "How did these people take a huge room of alcohol and make it not fun?" he asked delegates at the Meet the Mavericks symposium.

Balliet's solution to the problem was Wine Riot, an event which has so far reached six major US cities, attracting up to 3000 people each time. These are wine tastings, but not as we've come to know them. There is, perhaps inevitably, a DJ performing, creating a party ambience that is not loud enough to deter conversation.

Conventionalists will shudder, but the lights are dimmed (yes, that may mean you can't tell whether your wine is brick red or deep crimson, but Balliet insists it's a compromise that's worth making).

There are also, quite unashamedly, seminars – despite the accepted wisdom that young drinkers will run a mile from anything that looks like 'education'. Recognising that attendees may be shy to ask questions that betray their ignorance,

Balliet has been known to plant questions such as "is wine made from grapes?" just to put everyone at ease.

There are photo booths, and temporary wine-themed tattoos that are applied by guests and pourers alike. Again, it adds to the relaxed mood. Guests feel less intimidated by a wine professional with mermaid tattoos on their neck and are, in Balliet's experience, more likely to ask questions as a result.

"We felt by changing the environment we could make people react differently to this product," he says. Yet Wine Riot is not merely about frivolity. "We said [at the outset] we're going to pack this thing with so much education. People love learning a lot more about wine."

Mavericks are important to any industry, but working with them isn't always easy. David Scotland, a former board director of a string of blue-chip drinks businesses, and now chairman of Wine Intelligence, warns that their interjections can be annoying and disruptive. "They throw hand grenades into meetings," he told the symposium.

But, he argued, "maybe only disruptive behaviour actually changes things. Bernard Shaw says the reasonable man adapts himself to the world. The unreasonable man persists in trying to adapt the world to himself: therefore all progress relies on the unreasonable man."

He added: "We are hard-wired to be neophobic from childhood, and worry about things that are new. We rely on people who love facts and details. The downside is that they like things that worked for them in the past. That's sensible. But it can block new possibilities."

It's the "difficult conversations" started by mavericks that led to trade developments like bag-in-box wine and screwcaps. "All of those things seemed like revolutions at the time," Scotland said. "Ideas that resonate and move people are not simply logical; ideas that feel right for people."

Another speaker, Professor Michael

Beverland, said that mavericks typically spend a long time studying a problem, not rushing to a quick-fix solution. "Mavericks try shape the world they're in. They reframe the problem," he told delegates.

Beverland cited the example of a coffee shop in Bath, England, which has become something of an international mecca for aficionados. The owner, Maxwell Colonna-Dashwood, has rejected most of the ideas that inspire the big coffee chains – and even the 'hipster cool' independents that purport to offer an alternative.

"Max looked at wine and grapes. He wants to try and change people's view of coffee. He's reframed the problem," said Beverland. "There's no such thing as 'a great espresso' or 'a great cappuccino'. Max realised the notion of the coffee shop was a barrier to treating coffee as a gourmet product."

Coffee drinkers have been trained to think that decent coffee is strong, hot and requires milk and sugar for flavouring. Colonna-Dashwood recognises the sometimes vast differences between different types of coffee beans, the terroir that creates them, and the various roasting techniques that can make a difference. This is all summarised on a blackboard which is changed on a daily basis.

It's a maverick approach to coffee retailing, which can't appeal to everybody. Beverland argues that the wine industry needs to be equally bold, even elitist, in the way it targets consumers. "You've got to be prepared to let people walk out the door because you don't have anything to provide them with, instead of trying to provide something for everyone," he told the symposium.

It's not a blueprint for every wine sales strategy, any more than Wine Riot sets a template for every consumer wine tasting, or BrewDog is the example that all producers should follow. Neither is it essential that marketing departments should be packed with mavericks: life would be impossible if this were the case.

But the symposium demonstrated that there are benefits to disruptive thinking, to awkward questions, to hand grenades in meeting rooms. And perhaps the wine industry has been nervous about such things for too long.

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