



**AUSTRALIAN WINES IN THE AMERICAN MARKET:
SOME PATHS FORWARD**

**Presented by Chuck Hayward
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I have been given the brief to offer up my thoughts on the current state of Australian wines in the American market. To be quite brief, don't worry. You'll be ok. This is not to say that everything is hunky dory or that I have my head in the sand. It's just that the wine industry has historically been full of boom and bust cycles.

So what make me think things will be right? That the worst is over? This is an audience of wine communicators and you should know that a negative story can be easier to write than one based on reality. So for years, journalists took the easy route and jumped on the bash Australia bandwagon. Well there can be no denial that the press is beginning to tell a new story. Actually, it's not a new story. This is not "Australia 2.0" or "Rebooting Australia" or "Australia Turns a Page". It's just that the press is now recognizing something that has been here all along. Nevertheless, over the past few years, the tide has turned and we now see nuanced articles showcasing your country's diversity.

It's important to remember that consumers still love Australia and your wines. They love your wines, the people who make them, they love your sense of style and comfort. They still reach out for your wines on shelves and wine lists but they are, to use a loaded term, the silent minority who are not caught up in the articles and blogs that have lashed the Australian wine industry.

Speaking before you, however, carries a few obligations and one of those is speaking honestly. For those in the room who don't know me, I have just completed my 26th year of selling Australian wine, first at a brick and mortar wine store in San Francisco called The Jug Shop and now at internet retailer JJ Buckley based across the bay in Oakland. I have been afforded the opportunity to visit your country for countless times and you have even let me speak now and then. And back then I would have tried to convey a positive message to an audience like this. But this is an occasion that requires I be truthful and direct.

Those who know me know that I am a not a boastful person but it can be reasonably said that many folks in the States consider me one of the America's top experts on Australian wine. What many of you may not know is that I am also a bit protective of that role. I have often asked visiting winemakers what

retailers and sommeliers are crafting a serious wine Australian wine program. And to be honest, it's to offer assistance to them by answering any questions they may have. I truly believe that it is best to assist those who are waving the flag for Australia wines knowing that a rising tide lifts all boats. But to be really honest, there's also a bit of that keep your friends close and competitors closer thing as well.

But the real sad fact is that after 25 years, the number of people who I consider to be serious competitors or experts in Australian wine is less than the fingers on my hand. And that is a bit of an embarrassment for all of us. Now I don't mind being that expert but the truth is that there should be more people like me in America.

So, what is needed to create more experts in Australian wine? I would like to take this opportunity to put forth a few observations and recommendations.

Let's be frank in that the battle to win the hearts and minds of the American wine industry requires a full commitment of resources. And trust me, it is a war out there. And all the resources that the Australian wine industry possesses will be required to win this battle.

Information is the key factor in any battle. Access to information, owning the message is the key to getting your message to market. So far, Australian wine in the American market has largely been defined by our own writers. It has largely been left to the Wine Spectator and Robert Parker to shape the image of Australian wine for a significant segment of the American market. If you want to change the message or craft a new understanding, use the resources you already have, your corps of wine writers.

Australia possesses one of the most thriving wine writing scenes on the planet. They write with a passion that comes from a deep understanding of your wines. They are cognizant of your rich history yet unafraid to promote new ideas. For me, your country's writers are an essential way for me to keep current with the latest developments in the industry. Most importantly, they have diverse tastes that highlight different styles and approaches to your wines.

So where can an up and coming Aussie wine enthusiast in America read about Real Aussie wine (sorry about that Mr. Suckling)? What is being done to showcase the information and sense of excitement they communicate? Let's get those names and articles out there. Let's get them on the road in America. Let's hear your voices tell the real story about your wines. Own the message. Don't let others define your wines.

How else do you tell your message effectively? How else do you change hearts and minds? I'll tell you how your competitors are doing it. They are flying the gatekeepers to their vineyards and wineries. They are communicating their stories directly and using all the power that exists in visits to wineries and restaurants. The latest countries to see Americans? Romania. Turkey. Georgia. These are the countries that are diverting energy and attention away from you.

They are also holding trade fairs and conferences where you can look at a host of wineries in one setting. Whether its ProWein or VinExpo, the pinot symposiums in Wellington or Oregon, these events get people to where it all happens and they come away impressed at the minimum, enthused for sure.

So what is Australia doing? How long has it been since those biannual Wine Australia tastings? It is imperative that the country start to identify people who are interested in your wines and get them down here. Trade shows, like the old Wine Australia events, are effective ways to drum up awareness of your country's wines and Australia, my friends, is sorely lacking in this department. It is imperative that politics and concerns about finances be pushed aside and that everyone in the wine industry summons up the will to organize a regularly scheduled trade event. It gets people to your shores and allows you to communicate your messages directly and effectively.

Making Australian wine a part of the hearts and minds of American gatekeepers is a battle that cannot be won without the support of government and the financial resources that it possesses.

Now I may not know all the exact details about how much money the Australian government contributes to the promotional efforts of your wines but I can say with authority that it is not enough. Australia is being outspent by many other wine producing countries and until that is corrected, your competitors will have an advantage.

I know the politics surrounding financial support for marketing Australian wine. Encouraging wine consumption while discouraging the abuse of alcohol is a fine line that is hard to straddle. But the wine industry contributes to your economy in ways beyond simple wine sales. Tourism, vineyard and winemaking technologies, are just a few areas where the wine industry creates ancillary benefits. Just taking money from the industry through GST and WET taxes without reinvestment of some of that revenue is short sighted. The wine business is one of Australia's primary industries and does considerable good enhancing not only the bottom line but the country's image as well. It's time to get with it.

It's also time to prepare for new thinking about wine marketing. Most countries have evolved their marketing efforts beyond a generic countrywide campaign. It is no longer about wines from Spain. Today Rioja or Navarra operate their own marketing programs. In France, Bordeaux and Burgundy maintain their own marketing. In North America, California as a brand is only used for emerging markets. It's now about Napa, Sonoma, Santa Barbara. Even subregions such as Rutherford, Oakville and Carneros maintain their own marketing associations and have done so for over 15 years.

Why is this happening? Because each region must control their own message. They are the most effective managers of the ideas and content they must communicate to consumers and industry. Wine Australia cannot effectively manage the different and often competing messages among the country's many growing regions that they are required to promote. The messages Tasmania must communicate to the market are quite different than what the Hunter needs to convey. Regional marketing efforts are essential to bring the most direct information to consumers and the industry and Australia would be well served to provide these associations with the financial and organizational support necessary to enhance their efforts. Whether it is now or later, marketing associations based on your states or GIs will become the way most of your wines are marketed, it is best to start preparing for that future today.

I have endeavored to put forth some structural recommendations that might help Australia to enhance their success but the most important change is one of spirit. What is that X factor that makes someone

attracted to Austria and not Australia? I can't say for sure but for those who know my partner Paige Granback, she has often spoken of the confidence and assuredness many wine regions have when visiting the states. We don't see Italians saying their wines are as good as Bordeaux. Their wines are good because they believe so. The same could be said of many other regions.

Australia, on the other hand, has often looked outside their borders and compared their wines to other countries while looking for validation from foreign critics. I have said this before, that the Australian wine industry needs the swagger and confidence you often show in sports. And there is no reason you should not have that swagger. You have talented winemakers, the oldest vines on the planet, a diversity of wine styles and regions that other countries would die for.

Today, I sense that Australia has a bit of that swagger. I see it here and there, a sense of confidence in direction, an acknowledgment of your history and viticulture heritage. But I also see a need to follow the latest trend whether it's the push to elegance in style or pursuing new varietals. I understand the need for exploration. But Australia has all the resources and talent it needs to make great wine. You are doing so today. But you are also getting some of that swagger, that confidence. A bit more of that pride will make your wines a formidable part of the world of wine. I can see you reaching for it. Now is the time to grab it.