

## Creating Brand Loyalty in a Post-recession Economy

### Insights from wine industry strategist and analyst, Barbara Insel

In many ways, wines are recession-proof. People joke that there are even more reasons now to drink than ever before. For wineries who understand the US market, opportunities abound to gain brand loyalty even in this uncertain economy. To gather insight, Cornerstone Communications consulted industry strategist Barbara Insel, President and CEO of Stonebridge Research Group LLC. As a leading source of analysis and business advisory services for the wine industry, Ms. Insel has led market research for clients such as Wines of Chile, the French Trade Ministry, the Champagne Bureau, and the Wine Institute (California's wine trade association). An excerpt of the interview is below; for the full text go to [altoadigewinesusa.com](http://altoadigewinesusa.com).



**CCL:** Talk about on-premise trends in the US. What are restaurants doing to attract customers and sell more wine?

**BI:** While consumers today are generally more conservative and less experimental at retail, this is not always the case when dining out. Sommeliers and beverage directors take advantage of consumers' interest in value by offering wines from lesser-known regions and off-beat varietals. They welcome the opportunity to hand-sell wines. This is a prime opportunity for Alto Adige's indigenous varietals such as Lagrein. Consumers' wine ordering habits have also changed. They are drinking more wines by-the-glass, rather than bottles. However, more and more consumers are ordering a cocktail first, followed by one glass of wine with dinner, instead of a bottle. This has further reduced bottle sales and also cut into potential sales of white and sparkling wines as before-dinner beverages. On a more positive note, restaurants have expanded wine by-the-glass offerings which is a great way for consumers to try new wines, and also helps build brands. Interesting wine lists attract customers.



Barbara Insel,  
President and  
CEO of Stone-  
bridge Research  
Group LLC

**“Just  
remember that  
communications  
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one-way street.  
You must  
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audience.”**

### **CCL: Is the rating system Robert Parker created losing its importance?**

**BI:** A major retailer recently told me that “Everyone now has a 90-point rating from someone.” It is not unusual to see bottle-neckers at retail with a high rating, but without the name of the wine critic. There’s now an endless number of websites with ratings and consumer reviews to compete with the wine experts’ scores. Overall, ratings have much less impact today than in the past. Scores do matter to a very small segment of the market, but in reality, price and recommendations from friends have greater impact.

### **CCL: In today’s social media world, how can a wine brand gain visibility?**

**BI:** With so much information available on the Internet, wineries need to find a way to make their stories stand out. Americans respond well to narratives. They say “I want to know the guy who makes this wine! While I also like to know where the wine comes from, I don’t need to know its geology in order to appreciate the wine.” Websites are absolutely essential as this is how people learn about a brand. But it is not just pushing out information to consumers — social media is about interacting and engaging your customer in the product experience. That is what builds brand involvement and loyalty, whether it is on a website or a social networking site. Just remember that communications is not a one-way street. You must involve your audience.

### **CCL: Other thoughts for Italian wine producers on what to keep in mind when marketing wines in the US?**

**BI:** We cannot underestimate the importance of promoting wine through food. Americans have become “foodies”. Bring them to Alto Adige wines through food and focus on the true value of your wines, especially given their recognized quality and affordability. This market offers a great opportunity for the region. It is important to remember that it is part of American’s DNA to be aspirational. We seek out the best products we can afford to make us feel that we are living well. This phenomenon bodes well for wine, as clearly, to Americans wine is an aspirational product.



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But thankfully, in the sea of Pinot Grigio wines there are many that still stand for quality displaying typicity, balance and a sense of place. Personally, I find these qualities most prevalent in the Pinot Grigio wines from Alto Adige in Northern Italy, where the wines show great purity, and are delicately aromatic with great intensity and depth of flavor.

Mary Gorman  
*The Kitchn*  
September 9, 2010

The best Italian examples [of Pinot Grigio] come from small, deeply committed producers, especially in Alto Adige, and in the \$20 to \$30 dollar price range, they represent real value.

Jay McInerney  
*The Wall Street Journal*  
August 14, 2010

## Alto Adige Wines US Press Highlights

Today [Bolzano] is one of Italy's most favored cities, and its agricultural area, called Alto Adige, is rich with a natural climate and perfect soils. The grapevines and fruit trees in this area explode out of the ground with intense flavors, making their fruit prized throughout this part of Europe.

Wes Marshall  
*Austin Chronicle*  
July 30, 2010

With more than 3,000 years of winemaking experience, Alto Adige seamlessly blends the use of international and indigenous varieties, traditional and modern techniques, and Italian and German cultural influences.

Kelly Magyarics  
*Sommelier Journal*  
July/August 2010

Lagrein from the Alto-Adige region of northeastern Italy produces earthy, mineraly reds with the flavor of dark fruits that are enjoyably spicy and fresh.

Eric Asimov  
*The New York Times*  
July 14, 2010



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