

# *a bicycle built for* 290 MILLION

Gallo peddles French wine to wary Americans  
with a friendly Frenchman on his Red Bicyclette

BY HOPE S. PHILBRICK

Superheroes swoop in to save the day when all seems lost. They typically have square jaws, don satiny capes and wield incredible powers. Given that, it's somewhat surprising that a cartoon character — let alone one who's plump and bears a blank expression — may be responsible for rescuing the French wine industry.

It all began when Joseph Gallo, co-president and CEO of E. & J. Gallo Winery, was struck by a contradiction between American opinions and their wine-buying habits. Most people ranked French wines as the world's best, yet they drank Australian wines. Gallo concluded that if French wines were managed differently, they would be more successful. He determined that his company — one of the world's largest winemakers — would do just that. His vehicle would be a little red bicycle ridden by a peasant man wearing a black beret. He and his little white dog carrying a baguette are the heroes of Red Bicyclette wines, a line of straightforward, varietally labeled wines from France's Languedoc region.

What's remarkable is that Gallo initiated the Red Bicyclette project at a time when French wine sales in the United States had been declining for eight years. Sales were even down in France. "In the past 20 years, French wine consumption dropped from 150 liters per capita to 50 liters per capita," says Laurent Mingaud, Red Bicyclette winemaker.

Despite the seemingly gloomy situation, Gallo saw an opening. "There was less participation in the [French wine] segment than we thought there could be," says David Lane, senior director of marketing for E. & J. Gallo. Confident that the tradition and heritage of French wines could overcome the trend of the moment, Gallo set out to transform the troubled industry. "We needed to turn people around, get them to think not only traditionally but also going forward that France makes the best wine," says Lane.

The obvious question was: Why weren't Americans drinking more French wine?

"First and foremost, people had the impression that to drink French wine, they had to have some deep-seated understanding and education," says Lane. "If they did drink French wine, people couldn't remember the brand or the winery they drank. French wine labels have a lot of words that Americans cannot typically recall." Another obstacle, he says, was that French wines were "not perceived as affordable or enough of a value that people would feel comfortable trying them for the first time."

The key to attracting consumers was to make French wines more approachable and easier to understand, while offering a quality product at a reasonable price.

## *A Regional Turnaround*

Gallo needed a region that could provide an ample supply of grapes but that also could deliver sufficient quality. They looked to Languedoc in southern France. Once regarded as France's wine cellar, Languedoc produced copious amount of wine to slake the seemingly bottomless French thirst for wine. The region has since fallen on hard times as French wine consumption has fallen off.

Languedoc was not only famous for making a lot of wine; it also was known for making wine with widely varying levels of quality. Gallo's choice of who would make the wine and grow the grapes would be the key to success. "We spent a lot of time talking to a lot of suppliers and tasting a lot of wine," says Lane. "We knew we had to get the quality right." Gallo selected wine co-op *Sieur d'Arques*, with Laurent Mingaud as winemaker.

Focusing on quality was a shift from the region's traditional winemaking philosophy. "In the past, Languedoc was big on quantity," says Mingaud during a visit to Atlanta. "Now it's changing. We can make not just a lot of wine, but good wine." As an example, cultivating the hillsides instead of the plains yields less fruit but improves flavor concentration.

Winemaking has also changed to meet consumer expectations. Wine is now perceived as something "for special events, for pleasure," says Mingaud, not just a beverage to quench thirst. Still, Mingaud insists his approach as a winemaker is not tailored to suit American palates; his objective is to make good wine. To him, quality knows no borders. "For everyday wine, the French consumer expects the same thing as the American consumer," Mingaud says.

Winemakers and management from both sides of the Atlantic weighed in throughout Red Bicyclette's development process, with ultimate decisions measured against expectations for future U.S. wine consumption trends. The plan was to commence sales in 2004 with bottlings of Cabernet Sauvignon, Merlot, Chardonnay and Syrah. "But the year we launched, we had to use 2003 Cabernet Sauvignon," says Lane. "We dropped it because it didn't meet our quality expectations." The 2005 Red Bicyclette line has remained without Cabernet Sauvignon, although a dry rosé was recently added to the portfolio. Mingaud expects they will eventually release a Cabernet Sauvignon, but not until he can make one that suits him.

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### *Spinning The Creative Wheels*

The next step was building a brand image. First, a team of Gallo marketers and consultants from Grey Advertising went to France specifically to search for images from French culture that consumers might associate with France. They returned to the United States with more than 10,000 photos to analyze. “One thing that kept popping up was a lot of bikes,” says Lane. Bikes were common fixtures in more rural areas of France, as distinguished from Paris. “We thought that [a red bike] captured what southern France had that Americans might be attracted to on an emotional level.”

The brand image is brought to life in primary colors on the labels adorning bottles of Red Bicyclette brand wines. The visual story is simple: A middle-aged man dressed in blue rides a red bike across a yellow screen, trailed by his white dog. It’s made “French” in details like the rider’s beret and scarf, the bike’s basket and the dog’s mouth stuffed with baguettes. The bike rider isn’t a superhero per se, but he and his dog are still powerful.

Of course, Red Bicyclette isn’t the first wine to employ a cute label or even an appealing cartoon image. But compared to the text-heavy labels of most French wines, it’s an innovative approach — not to mention a heck of a lot easier for average American wine consumers to decipher. Even the French word “bicyclette” is easily comprehensible to anyone who knows the English counterpart. Such simplicity was an intentional component of the brand identity.

The mood continues on the back label with a snappy conversational tone: “*Bonjour! Welcome to Red Bicyclette....Wines that are meant to be shared, like magical moments pedaling together through the countryside....Beautifully balanced and easy to enjoy, as easy as riding a bike.*” The labels for this *produit de France* differ from traditional French wine labels in that they identify the wines’ varietal type, not the region. The idea is that many American wine drinkers tend to favor a particular varietal, such as Syrah or Pinot Noir. Gallo wants to give these consumers a reasonable expectation of what’s in the bottle.

“In France, we are more egocentric in presentation,” says Mingaud. “It’s always been ‘my name, my château on the bottle.’ But no one knows what’s *in* the bottle. We need to

change our mentality. We are good producers but not good marketers.” Working with Gallo, he says, has been a “very good” experience. He anticipates that the successful partnership between French and American companies is a business model others will imitate [Turn to page 26 for story on *Bistro Dog*].

Approachability is the overriding goal. To help make the wine even more inviting, it retails for about \$12.



Red Bicyclette winemaker Laurent Mingaud has convinced his growers of the benefits of producing higher quality grapes.



# This Dog's A Copy Cat

Georgia's own Bistro Dog wines are barking up the same fruitful tree as Gallo's Red Bicycleette

It has been said that imitation is the sincerest form of flattery. Thus, it might have been inevitable that Red Bicycleette's dramatic success would encourage competitors to appropriate some of its proven elements.

Paul Vance of Armada Imports in Tucker, Ga., readily admits that Red Bicycleette inspired the branding strategy used for Bistro Dog wines, which he codveloped with Wayne Winstead and introduced to the market in July 2005.

Like Red Bicycleette, Bistro Dog wines are produced in Languedoc, France; adorned with a cartoon label (though in this case the dog is the central character — "Jacques Canine" sports a scarf and beret and sits behind a baguette-topped bar); and value-priced at less than \$10 a bottle. Only time will tell if Bistro Dog will run as fast as the Red Bicycleette.

When developing Bistro Dog, "we looked at Red Bicycleette, Fat Bastard, Smoking Loon and others in the 'fun and critter' category," says Vance. "We did comparative tastings to develop the blend" that was selected, he says, adding that Bistro Dog wines have a "fruit-forward profile to appeal more to the American palate."

The Bistro Dog portfolio includes Chardonnay, Shiraz, Merlot and Cabernet Sauvignon. Production is expected to reach 5,000 cases this year, with distribution in Georgia, Florida, Kentucky, Tennessee, South Carolina and New Jersey. The 2003 vintage is currently available in stores and restaurants. For each case sold, \$2.40 is donated to local Humane Societies. For details, visit [www.bistrodog.com](http://www.bistrodog.com).

— Hope Philbrick

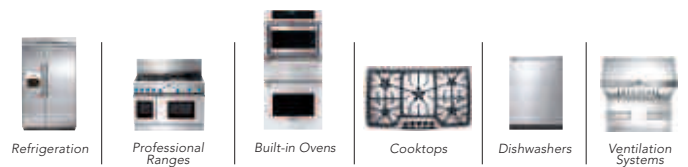
## It's In The Baguette

It takes more to market a wine than a well-designed label and a reasonable price. Gallo has used a multifaceted approach of combined marketing techniques to support Red Bicycleette. "We tried to get the icon out there with smart ad spin," says Lane. This has included bus shelters in New York City, billboards in Los Angeles, public relations aimed at consumers and wine press, and point-of-sale reinforcements like shelf talkers, bin and carton write-ups, accolades postcards and more.

The result? A total of 140,000 12-bottle cases were sold in the first six months, outpacing sales of other French wines. Not only that; Red Bicycleette Syrah leads its varietal category and has become the top-selling Syrah in the United States. "Year to date, our volume sales in terms of Syrah are 18,376 cases. The next closest is Black Opal, at 14,000," says Lane, adding that these figures don't capture all chains and independents. "But as an indicator, we are No. 1. We are proud and happy. Our growth in the French segment is greater than the top 10 brands in percentage terms."

If the demure cartoon hero on the label were real, he just might pop a wheelie for joy.

*Hope Philbrick is a freelance writer because she doesn't think work and fun should be mutually exclusive.*



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