

## **Yalumba Scholarship 2009 with Institute of Masters of Wine**

### **Winning Essay by Mark Janes.**

#### **Essay Question : -**

**Evaluate the effectiveness of the AWBC's 'Regional Heroes' concept, which emphasizes origin and promotes its most interesting wines as coming from somewhere, not anywhere. Your answer should consider its relevance to the consumer and to the trade and potential barriers to implementation.**

Hundreds of years ago, it was discovered that neighbours could have the same vines, do the same things in the vineyard and winery, and produce wines that were dramatically different. Years later, a not so flattering term from the 1800's would be used to describe this phenomenon, terroir. In the second half of the 20<sup>th</sup> century the introduction of gasoline and electric powered machinery, widespread pesticide and herbicide use, and a broadened viticultural knowledge base, all allowed vintners to increase both the production and quality of their fruit. What resulted was a surge in affordable, technically well made wines that were popular and created enormous export success for New World wine producing nations such as Australia. Has the pendulum swung too far? Shrinking margins, grape gluts, and wine as a fast moving consumer good are now a reality. Perhaps it is time to take a step back and return to what wine was so many years ago, a beverage inescapably linked to the soil, climate, slope, and aspect of the land. The AWBC's 'Regional Heroes' concept represents a key step in this direction, a step that while being difficult to implement, will redefine Australia's place in the world of wine.

Today's wine consumer is ready for wines of the terroir. With more disposable income, more knowledge, and more sophistication, consumers today want more challenging wines that provide a sense of exclusivity. They are seeking something more authentic and more ethical/socially accountable. They are ready to try new varietals and wine styles from new regions. The timing couldn't be better for Australia to shift gears and focus on distinctive wines produced from distinctive terroirs. Australia's first barrier to executing the 'Regional Heroes' concept begins with the consumer. Today's wine consumer believes Australia to be sunny and hot. To them, Australia seems simple and laid back, as does the cuisine. The success Australia has experienced in promoting brand Australia, technically well made wines that are inexpensive and pleasurable to drink, had a lot to do with this image of Australia. Unfortunately this image will serve as a significant barrier to implementing the 'Regional Heroes' concept. The Yarra Valley is cooler than Bordeaux or Burgundy, dramatically different Semillons are made in the Barossa and Hunter Valley's the terra rossa soil is essential for the uniqueness of Coonawarra Cabernet, and Sydney and Adelaide have dynamic culinary scenes. For the 'Regional Heroes' concept to be successful, Australia must redefine itself in the eyes of the wine consumer.

While significant, this barrier is being addressed with education and creative marketing. The AWBC has recognized this and is targeting educators, writers, buyers, and selected wine personalities with programs like International Visits Program and Australia : World Class. Imagine getting past the Crocodile Dundee image of Australia with a hit independent film about female chefs Melanie Gowers in Adelaide and Tracey Holderness in

Sydney. Picture Ms Gowers at a yabby farm with a glass of Barossa Shiraz gushing over the rich berry fruit and dark colour while Ms Holderness waxes and wanes about bananas and pineapples from the semitropical rainforest regions in the northern part of New South Wales while sipping a Hunter Valley Semillon. Such a movie would appeal to women, spotlight Australia's dynamic dining scene, and give the public a hip view of the regional differences to Australia.

Another challenge for the 'Regional Heroes' concept is the need for a change in the route to market. Distinctive, terroir driven wines cannot be marketed, distributed, and sold in the same manner as the fast moving consumer good £3.99 wines that have garnered Australia mass popularity. Producers of distinctive Australian wines need to find smaller importers and smaller distributors who will place these wines in small and distinctive retail and restaurant locations. Australia's wines of terroir will be best represented and positioned for growth in hip, progressive, hands-on sales locations. Associating regionally distinctive wines in the ultra premium price range with luxury goods could also prove to be successful as demonstrated by LVMH and Comite' Colbert.

While many of these terroir driven wines will end up being priced in the super premium market, it is a mistake to view trading up as an essential part of the 'Regional Heroes' concept. Trading up is not vital to convey the message that Australia is a source of regionally distinctive wines. With the global economy back-peddalling from the recent credit bubble burst in the United States, it would be wise for Australia to make every effort to not ignore wines of distinction in the premium market. Some challenges are the increasing cost of labour and water as well as infrastructure inefficiencies that are plaguing the wine industry in Australia. An intense effort to partner with governmental agencies in addressing these problems will help relieve these pressures.

Finally, in an environment of global warming, a renewed focus on R&D will be essential for Australia to achieve its 'Regional Heroes' goals. Australia has historically done very well raising monies for R&D in general, but weaknesses still remain in critical outreach and extension programs. Rebuilding these programs is critical for wineries both big and small to benefit from viticultural and enological advances. Little is known today about what happens in the vineyard or the winery that results in a distinctive, terroir-driven wine. Whatever the critical processes are, they are certain to not be static in a world that is changing ever day because of global warming.

Australia has reaped enormous benefits from the success of Strategy 2025. These achievements have built a foundation on which the 'Regional Heroes' concept can be hugely successful. Australia has the diversity of terroirs that can produce wines that today's consumers will adore. By redefining Australia's image, fine tuning the routes to market, addressing labor, water and infrastructure issues, not putting too much emphasis on the ultra premium market, and strengthening outreach and extension programs, the 'Regional Heroes' concept will provide Australia tremendous success into the 21<sup>st</sup> Century.

**Mark Janes**

**October 2008**