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## Acting Like a Pull Brand The First Step in Building One

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“Pretend you do it all the time.” This was the sage advice I received from an eighth grader, a teammate on my Junior High School soccer team. At the time I was a seventh grade left winger who, after having just scored my first goal, was jumping up and down and celebrating like I had just won the World Cup finals. What did I take away from that moment? That acting like a winner was the first step in being one. I think about this lesson frequently when developing brand strategy.

The defining characteristic in determining when a “product” has made the transition to a “brand” is whether or not it “pulls” itself through the channels of distribution. The source of that pull is a happy end user group who has come to know, love and buy a product. When this happens, a Brand is born.

Giving birth to a true Brand is not easy. It takes lots of patience and consistent execution and should begin with a well articulated brand strategy. Ask industry veterans that make or sell strong brands and they can readily describe how they are positioned and what sort of strategies they pursue. However, in today’s increasingly crowded market place, it is easy to lose sight of the strategic discipline required to build pull brands. So when creating a new brand or re-positioning an old one, I first apply my junior high learning; that is, acting like a pull brand is the first step in being one.

### The Five Question, Five Minute Brand Test

How does an ultra-premium brand (above \$20 SRP) act? Where does your brand fit in and how can you get your sales representatives to think about strategy, not just tactics? These have been important questions to answer during my career in various sales and marketing roles. To come up with your own answers, here is a quick and simple exercise you can use with everyone that sells your wine: tasting room staff, regional and national sales, distributors and even winemakers.

**Instructions.** Identify someone to keep time. Ask the entire group the following five questions and record their responses. Spend one minute on each question, recording as many responses to each question as you can in the time allotted.

1. **Name the Ultra-Premium Brands You Most Admire** (1 minute)
2. What **product** strategies do these Most Admired Ultra-Premium Brands pursue? (1 minute)
3. What **pricing** and price promotion strategies do they use? (1 minute)
4. What **distribution** strategies do they employ? (1 minute)
5. What **promotional** (PR, advertising, trade) strategies do they implement? (1 minute)

## So How Do Ultra-Premium Pull Brands Act?

Given the amount of change in our industry (consolidation, brand proliferation and channel liberalization) and regional perspectives driven by market structures and distributor dynamics, one might expect a wide variation in results from the test described above. However, after years of conducting this exercise, all over the country, my experience has shown surprisingly uniform responses. Here are some typical results:

**1. The following brands will almost always be cited as **Most Admired** (in alphabetical order):**

- Cakebread Cellars
- Caymus Vineyards
- Duckhorn Wine Co.
- Far Niente
- Ferrari-Carano
- Jordan Winery
- Opus One
- Joseph Phelps Vineyards
- Santa Margherita
- Silver Oak Cellars

**2. Product Strategies**

- Known for one or two varietals.
- “Estate” like in focus; few tiers, if any.
- Have a sense of place, typically an appellation distinction.
- Perceived as small production, sometimes allocated (although they may or may not be).
- Perceived as high scoring (although they may or may not be).

**3. Pricing Strategies**

- Relatively expensive compared to competitive set. Has maintained that price position through time.
- Price integrity. They are not regularly discounted and not sold on price.
- “Value” is seldom used to describe, rather they are “worth the money”.

**4. Channels of Distribution**

- Very strong on-premise distribution, especially fine dining.
- Strong distribution in fine wine shops and other retail specialists (see sidebar, “The Importance of Fine Wine Shops”).
- High distribution penetration (sell to a lot of accounts, not reliant on a few big accounts).
- Pulled into grocery and club store distribution by consumer demand. These brands do not pursue distribution in these channels.

### The Importance of Fine Wine Shops

According to Christian Miller of [Full Glass Research](#), “Core involved” wine consumers, (roughly 18.5 million shoppers), prefer shopping in this channel. 40% of them stated it as their preferred store type vs. 26% buying direct from the winery. 55% say they buy most or all of their wine above \$20 at wine specialists. For an unknown wine brand over \$20, 91% say they would purchase it at a wine specialty shop vs. 20% for the next closest channel (warehouse club).

Source: [Wine Opinions](#)



## 5. Promotion Strategies

- Frequent programming to build distribution.
- Leverages sense of place to create strong visitor experience (trade and consumer).
- PR driven (frequent mentions in wine and food publications and other national and regional media).
- Special outreach and marketing programs for on-premise gatekeepers (sommeliers, etc.).
- Typically, a strong leader or personality (either a winemaker or owner) that is associated with the success of the Brand.

This exercise is valuable in setting a truly strategic context for discussing brand strategy and elevates the conversation beyond day to day sales and marketing tactics. For instance, one might have expected that high scores would be cited as a ‘must have’, yet most agreed that these brands have reached a point where scores are somewhat irrelevant.<sup>1</sup> You might have expected to hear a need for advertising dollars and chain distribution support, yet most agreed that this is unwarranted and perhaps equity eroding for ultra-premium brands. Finally, you might have expected a distinction between practices for new brands and old ones attempting repositioning, yet astute professionals recognize the need to execute similar strategies. Put another way, **you must act like a pull brand before you can legitimately call yourselves one.**

### Stick to Your Guns

*"I don't know the key to success, but the key to failure is to try to please everyone."*

- Bill Cosby (actor and multimillionaire)

For every good brand strategy, there are 100 “good opportunities” that will lead you astray. Be prepared to stick to your guns; you will need to say ‘no’ a lot! This is perhaps the key to acting like a pull brand: be disciplined in your execution. Then, and only then, will you begin to reap the rewards of a single-minded, focused message.

Defining your marketing mix, like any exercise in strategy, is about you are choosing what you will and, equally important, will not do. Adopting the strategies of relevant, successful and admired brands is a great place to start. Winery leadership may also find it beneficial to bring in outside advisors with a broad wine industry perspective. They can ask the tough questions to ensure your go-to-market strategy is grounded in reality and supports your brand and profitability goals. That’s how Scion can help. At Scion we work alongside wine business leaders with an approach that guides you through your planning process to produce more effective “Go-to Market” strategies that make the most sense for your family business.

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<sup>1</sup> Wineries should bear in mind that studies from Wine Market Council, Wine Opinions and Full Glass Research have showed that only a small minority of consumers look to scores as their primary source of wine recommendations.

