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St. Francis Winery & Vineyards: Reimagining the New Brand Vision and Positioning

As the summer was coming to a close in late August 2018 and the upcoming wine harvest was on the horizon, Rick Bonitati, President & CEO of St. Francis Winery & Vineyards (**Exhibit 5**), started to think about what his winery stood for, and how his team could better carve out a unique and compelling message to differentiate the winery and the brand positioning within the highly competitive wine market (**Exhibits 13 and 14**).

The St. Francis Winery & Vineyards brand and overall portfolio of wines (**Exhibits 1, 2, 3, and 4**) had reached a critical inflection point in 2018, in how to not only coexist with 563 fellow competitors in the Sonoma County region alone but surpass them. It was clear that the challenge became how the brand will better stand out and establish the brand positioning that would resonate with consumers, amongst a crowded field of rivals each clamoring for their own distinctive advantages, consumer share of wallet, and in this light, “share of glass.” In short, how to create a new marketplace positioning.

Going into the all-important Fall Harvest, Rick couldn’t help but think about how St. Francis Winery & Vineyards was not as widely distributed and accessible as other Sonoma and CA Wineries such as Rodney Strong, Kendall Jackson, Kenwood, and J Lohr to name a few. Through research, Rick and his management team had determined that consumers were not as keenly aware of St. Francis nor the special attributes of the brand. Consumers in the premium wine segment—perhaps more than any other category of consumer goods—were more willing to explore and experiment. With wine industry trends indicating that consumers are willing to trade up in quality—and therein, price—a new direction for his winery was under study.

As Rick sat back from behind his office desk, he contemplated how to evolve and heighten the value of the winery’s positioning. It was time to reimagine the positioning in a direction that was more relevant in today’s market and would better resonate with a broader demographic of consumers in all channels of sales, touching from direct to consumer, wholesale (i.e. Costco (**Exhibit 6**), Total Wine & More), and export. How would this message be unified across a myriad of channels and retailers?

The challenge, Rick thought, was how does the brand image and perception reinvent itself—within an all-encompassing, collective rallying point, both internally and externally—such that

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the customer feels just as part of the brand family on a \$22 purchase as they would on a \$72 purchase. He also thought how he can better market and position the St. Francis brand—that aims to serve a more luxury crowd and establish itself as an upstairs brand—even though it participates in multi-channel distribution. Furthermore, what story could his team craft and share about the brand that would remain true and relevant years down the road, while not falling victim to stagnancy or limited shelf life in its competitive advantages?

About St. Francis Winery & Vineyards¹

“For over 50-years, St. Francis Winery & Vineyards has defined Sonoma County excellence by producing award-winning wines of the highest caliber from mountain and valley vineyards throughout the region. As a 100% Certified Sustainable winery, they are committed to nurturing and preserving the splendor of our natural environment for future generations to enjoy. They invite you to share in their legacy.”²

—ST FRANCIS WINERY & VINEYARD WEB SITE INTRODUCTION

For over 50 years, the wines of St. Francis Winery & Vineyards have reflected the finest mountain and valley vineyards in Sonoma County. The founder, Joe Martin, fell in love with Sonoma Valley and established St. Francis Vineyard in 1971, planting 22 acres of Chardonnay and the first 60 acres of Merlot in Sonoma Valley. After achieving great success as a grower, Joe created and launched his own winery in 1979 with his business partner Lloyd Canton.

The first winemaker, Tom Mackey, joined St. Francis in 1983 and was renowned for elevating both the quality and style of Sonoma Merlot as an ultra-premium, stand-alone varietal. He also cultivated an in-depth understanding of every Sonoma appellation, enabling them to acquire and develop new vineyards and expand their wine portfolio.

In 1988 St. Francis entered into a distribution partnership with the national sales and marketing organization Kobrand Corp owned by the Kopf family, long admired for their historic family legacy in the wine and spirits industry and a commitment to quality. That legacy began in 1933 upon the repeal of prohibition when Rudy Kopf founded the wine and spirits department of Macy’s Department Store in New York, turning it into what was then one of the finest wine and spirits retailers in the country. He later established his own wine and spirits sales and marketing organization Kobrand Corporation, now owned by his three daughters and their families.

Today, a new generation of St. Francis winemakers, Katie Madigan and Chris Louton, continue the long tradition of luscious, elegant, fruit-driven wines from Sonoma County grapes (**Exhibits 8 and 9**). They farm more than 400 acres of Certified Sustainable estate vineyards in Sonoma Valley and Russian River Valley, each with varying compositions of loam, clay and volcanic soils. They also nurture long-term relationships with top Sonoma County grape growers, giving the Winery access to some of the region’s most coveted old vines Zinfandel and other varieties from acclaimed vineyards.

Today St. Francis is a Certified Sustainable, family-owned winery, where the dedicated staff has worked throughout its history to preserve Sonoma County’s natural resources. The state-of-the-art St. Francis winery, built in 1999, includes a 457-kilowatt solar energy system. The winery has been recognized for its work to conserve nearby creeks and waterways. Preserving Sonoma

County for future generations along with their social responsibility and community service is very much a part of who they are, what they do, and how they run their business.

The winery's mission-style Visitor's Center (**Exhibits 10, 11 and 12**) is located in the heart of Sonoma Valley surrounded by estate vineyards. The commitment to showcase the best of Sonoma extends to this Visitor's Center, which pairs the winery's award-winning wines with the most breathtaking view in Sonoma Valley, and to the ZAGAT-recommended Wine & Food Pairing, which has earned worldwide praise from legions of fans and was voted "#1 in America" in 2013 and 2015 by Open Table diners. In 2012, St. Francis planted a 2-acre Estate Garden, giving their chef access to fresh fruit, vegetables and herbs grown steps away from their kitchen, and giving their guests an unforgettable, farm-to-table Wine & Food Pairing experience in the heart of Sonoma Valley.

State of the Industry

With 790 million gallons of wine consumed in the United States alone in 2016, the industry was experiencing a strong uptick in consumer demand, leading to this critical inflection point Rick faced in his business in 2018.

This set the focus not just at St. Francis Winery, but throughout the industry nationwide, in a state of clamor for consumer interest in trading up to afford the luxury wine sector. Like other luxury goods and services, ranging from automobiles to timepieces to even travel, the ability for wine to cement itself as a crucial component to the "luxury lifestyle" revolves heavily upon consumer perception, solidifying positioning direction as a paramount marketing spend. In alignment with that vision is the noticeable uptick in consumer willingness-to-pay within the wine sector.

Of particular interest to Rick and his team was a key quote that came from the "State of the Wine Industry Report", which was prepared by Silicon Valley Bank, that said:

*"Today, consumers are leaving the lower price segments in favor of better-quality offerings, but after more than 20 years of straight-line growth trends, total volume growth is leveling out. Premiumization is still the dominant trend, so volume drops in lower-priced generics are part of the explanation for flattening volume; but in a more recent development, even premium wine growth is slowing."*³

And of equal relevance, the same report also had an interesting comment saying:

*"Successful wineries 10 years from now will be those that adapted to a different consumer with different values."*⁴

This really got Rick thinking that he had a tremendous opportunity to look at the St. Francis Winery & Vineyards brand overall and navigate and drive it forward to expand its reach to a much broader demographic and customer profile overall.

Figure 1 perspective to the rivals that St. Francis Winery & Vineyards competes against, and underscores the importance of selling a diverse portfolio of wines in both style and price.

Figure 14: Top-growing brands sold in the US

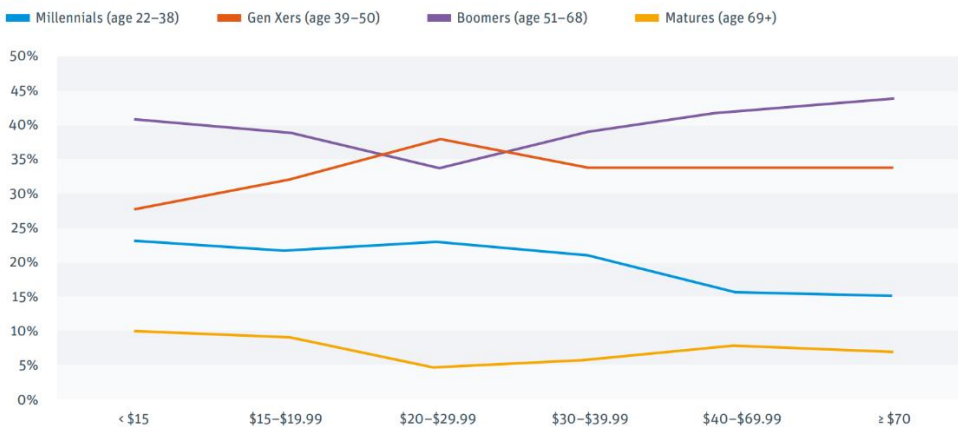
	Cabernet	Average price	Chardonnay	Average price	Red blends	Average price
All brands	Josh Cellars	\$12.57	Butter	\$14.75	Apothic Wines	\$9.42
	Robert Mondavi Winery	\$12.42	Josh Cellars	\$11.37	Roscato	\$10.88
	Black Box Wines	\$18.86	Black Box Wines	\$18.86	19 Crimes	\$9.68
	Caymus Vineyards	\$76.98	Ménage à Trois Wines	\$9.16	Stella Rosa Wines	\$11.84
	Sauvignon blanc		Pinot noir		Pinot grigio	
	Kim Crawford Wines	\$13.96	Meiomi Wines	\$19.11	Bota Box	\$18.31
	Whitehaven	\$15.59	Black Box Wines	\$19.13	Black Box Wines	\$19.06
	Prophecy Wines	\$10.43	Prophecy Wines	\$10.14	Prophecy Wines	\$10.58
Oyster Bay Wines	\$11.41	Line 39	\$9.14	Liberty Creek Vineyards	\$7.08	
Brands > \$20	Cabernet		Chardonnay		Red blends	
	Caymus Vineyards	\$76.98	Rombauer Vineyards	\$34.19	Cooper & Thief Cellarmasters	\$24.96
	Jordan Vineyard & Winery	\$52.79	Sonoma-Cutrer Vineyards	\$21.87	Conundrum Wines	\$21.85
	Justin Vineyards and Winery	\$23.33	Frank Family Vineyards	\$30.26	The Prisoner Wine Company	\$41.05
	Intrinsic Wine Co.	\$20.25	Mer Soleil Vineyards	\$27.54	Pessimist	\$20.15
	Sauvignon blanc		Pinot noir		Pinot grigio	
	Duckhorn Vineyards	\$26.35	Decoy Wines	\$20.19	Santa Margherita	\$20.63
	Cloudy Bay	\$28.51	J Vineyards & Winery	\$20.55	Livio Felluga	\$24.17
	Cakebread Cellars	\$31.86	Flowers Vineyards & Winery	\$46.15	Jermann	\$24.51
	Frog's Leap Winery	\$22.33	Belle Glos	\$50.12	Cantina Terlano-Kellerei	\$24.06

Source: Nielsen Beverage Group

Source: Silicon Valley Bank “State of the Wine Industry 2018” Written by Rob McMillan, EVP and Founder, Silicon Valley Bank Wine Division <https://www.svb.com/globalassets/library/images/svb-2018-wine-report.pdf>

Figure 2 reflects the challenge that St. Francis Winery & Vineyards needed to confront, in how to create a new vision, direction, and position that appeals to multigenerational audiences. How will the winery appeal to both Millennials and "Matures" alike, especially given variance in propensity of premium purchases?

Figure 15: Generation share of wine consumption by bottle price 2017



Source: Estimated from 2016 SVB Annual Wine Conditions Survey data

Source: Silicon Valley Bank “State of the Wine Industry 2018” Written by Rob McMillan, EVP and Founder, Silicon Valley Bank Wine Division <https://www.svb.com/globalassets/library/images/svb-2018-wine-report.pdf>

Figure 3 reflects the significance in consumer perception of both the Sonoma County and Napa County regions when it comes to wine tasting. However, the research indicates that Napa commands a higher consumer interest when it comes to on-site experiences at the tasting room.

How would Rick and team epitomize and personify the Sonoma experience in every bottle, such that his audience of all backgrounds could equally enjoy the brand outside of Sonoma?

Figure 26: **Winery visitor sales and fees**

	Oregon	Washington	Napa County	Sonoma County
Average tasting-room purchase	\$77	\$69	\$304	\$140
Standard tasting fees	\$13	\$9	\$38	\$21
Reserve tasting fees	\$25	\$18	\$66	\$39
Net wine club growth rate	10.8%	14.0%	12.7%	13.9%
Annual visitation growth (2013–2016)	3.0%	-7.9%	-2.8%	-6.0%

Source: SVB 2017 Direct-to-Consumer Survey

Source: Silicon Valley Bank “State of the Wine Industry 2018” Written by Rob McMillan, EVP and Founder, Silicon Valley Bank Wine Division <https://www.svb.com/globalassets/library/images/svb-2018-wine-report.pdf>

About Kobrand And Its Distribution Role With St. Francis Winery & Vineyards⁵

Kobrand Corporation is the exclusive sales and marketing organization for the nationally distributed wines of St. Francis Winery & Vineyards. Like many business partnerships, the winery relies heavily upon the sales and marketing organization to expand its national footprint outside of the vineyard. In this light, St. Francis and Kobrand work hand-in-hand in how to best market the brand to a wide and diverse range of audiences, each with their own unique taste and preferences, as well as “depth of pocket.” This includes management of retail distribution partnerships as well as all trade marketing and sales efforts.

Kobrand Corporation was founded in 1944 by Rudolph C. Kopf, who during his half-century in the wine and spirits industry became one of its most experienced and respected members.

Kobrand proudly takes to market a distinguished portfolio of hand selected brands representing virtually every major wine region of the world and its finest specialty spirits. Family owned since its founding, Kobrand attributes its success to a single guiding principle that describes the people, products, and relationships behind it: quality.

This commitment to quality woven through Kobrand’s evolution also drives its strong commitment to innovating compelling and relevant new products.

Today, the wine portfolio is a collection of New and Old World gems including, Sequoia Grove, St. Francis, Maison Louis Jadot, Champagne Taittinger, Sassicaia, Cakebread Cellars, Craggy Range and the Ports of Taylor Fladgate, Fonseca and Croft. Newer additions to the portfolio include Résonance from Oregon, AIX from France, Medici Ermete and Villa Matilde from Italy, Bodega Norton from Argentina, Montes from Chile, and the Joto Sake Portfolio from Japan.

The spirits portfolio showcases innovative category pioneers, timeless benchmarks and a collection of superior specialty craft spirits. Brands like Alizé, Lucano, Delamain Cognac or Belle de Brillet Pear & Cognac Liqueur exemplify the portfolio’s breadth, with alluring cordials, back-bar essentials and exotic cocktail mixers as well as best-in-class indulgences.

A portfolio like this grows out of the decades-long experience of passionate professionals who seek out the star viticulturists, winemakers, distillers and brewmasters who are its key contributors. Robert T. DeRoose, Kobrand's current president and CEO, observed:

*"Today, the American wine lover is more knowledgeable than ever, making it even more important that Kobrand manage our portfolio by Kopf's founding principles, whereby all selections come into the portfolio only after passing the rigorous standards that were developed from our incomparable commitment to quality."*⁶

What Compelled St. Francis Winery & Vineyards to turn to Brand Positioning and Storytelling to Compete More Effectively

When Rick joined as CEO of St. Francis Winery & Vineyards, he inherited the-then positioning of the winery, which was "Real Farmers. Real Wine." He felt that there needed to be more... a much broader definable place for St. Francis Winery & Vineyards. So the challenge, the goal, was to evolve the existing tagline of "Real Farmers. Real Wine." to the next level by leveraging a newfound understanding of the brand's unique market position.

Key phrases referring to Sonoma such as "Authentic Sonoma," needed to be included to provide the sense of place, differentiated from the other wine regions, and to support the premium vision.

To move to a more premium wine offering, Rick felt that there was a need to expand "Farming" to something more "distinctive" and "compelling." While at the same time the winery must keep the concept of "Farming" and "Real," and at the same time make it more personal – something that would resonate better with consumers, further defining St. Francis Winery.

As Rick strolled through the vineyards (**Exhibit 9**) he realized that focusing on a "sense of place," was all too important. He walked along the winery's Herb Garden near the tasting room and gazed among the soon-to-be budding vines. He realized more than ever that the concept of "Farming" was very generic. Yet at the same time the concept of "Vineyard" gives the consumer the "sense of place" he was pondering. He walked back up to his office, strolled down the hallway, through the conference room and walked down the stairs toward the fermentation cellar where the wine is made. He knew that whatever he and his team would develop must still keep the overall meaning of what has been used for some time already "Real Farmers. Real Wine." But he knew that what was needed was to evolve the winery to a more premium position.

He walked back up to the conference room, gazed out the windows toward the big trees lining the vineyards and pondered that the evolution he was looking for was to evolve the word "Farming" to the word "Vineyard" and elevate the word "Real" to "Authentic."

But how could Rick crystalize this into a real direction to elevate the St. Francis Winery & Vineyards brand? How could he continue to connect with existing customers while reaching new consumers and bring them into the brand?

Rick knew in his heart that the new brand positioning and vision strategy must be complete, ownable and defining. And it needs to encapsulate the winery's position in the industry.

The Winery's Key Selling Points

One of the first things Rick looked at was the key selling points of his winery. He knew that no matter the direction the brand positioning would take, that he had to leverage the robust combination of being a certified sustainable family-owned winery and estate vineyard, with more than 50 years of farming and winemaking and strong equity within Sonoma. It was clear that St. Francis Winery & Vineyards was a pioneer of Merlot: one of the first vineyards in Sonoma Valley to plant Merlot, one of the first Sonoma wineries to bottle a varietal Merlot.

Rick also had to leverage his winery's commitment to and focus on Sonoma County farming more than 400 acres of estate-owned vineyards in Sonoma Valley and Russian River Valley. And Rick also had to make sure he highlighted the highly skilled winemaking processes, including using French Oak to age the wine.

But there was more. There were so many key selling points that Rick needed to make sure to convey, to not only the management team working on his brand's repositioning, but he also wanted to make sure other key points were emphasized. This included the meticulous vineyard management and practices in place to produce premium fruit, the long tradition of luscious, elegant, fruit-driven highly rated wines from Sonoma County grapes, and of course the hand-stirred Chardonnay. But what really stood out was the long-lasting heritage and reputation for consistent quality and taste.

Rick walked out beyond the winery (**Exhibit 7**), toward the beautiful St. Francis Winery & Vineyards tasting room. As he walked, he noticed the decades-old vines and marveled at the long-standing place the winery sits within Sonoma.

But was that it? Was that the nugget he was looking for? If so, would it be ownable and sustainable?

Reasons To Believe – The Emotional Connection

Rick sat down in the expansive garden lawn in between his Zagat 100 rated dining room and his beautiful tasting room. It was there he understood the emotional connection the winery has with its guests and customers. It was simple:

“St. Francis Winery & Vineyards delivers an enriching and engaging Sonoma Experience and Lifestyle.”

Its customers can explore a meaningful vineyard-to-table lifestyle throughout the St. Francis Winery & Vineyards portfolio of wines. But most important, St. Francis Winery & Vineyards unleashes the true authentic Sonoma in every bottle. At that point he knew for certain, that the winery is the Heart and Soul of Sonoma.

The Road To Understanding and Discovery

The winery then engaged its entire management team to gain their thoughts and feelings of where the St. Francis Winery & Vineyards brand stood. While there were many responses, it was clear that in the wine industry, and specifically within Sonoma, they believed the brand is an “Undiscovered Treasure,” and this was key to differentiating and elevating the brand against hundreds of other competing local wineries.

But this goes further than on-site at the beautiful winery...how can they encapsulate and hone and share the feeling, the aromas, and the memories of Sonoma into each bottle so that their consumers can experience this in the grocery aisle and at home?

The St. Francis Winery & Vineyards management team looked at many opportunities and settled on two areas to focus, including:

1. How can we better understand our customer so that we can achieve this differentiation?
2. What do we stand for today and where can we take the brand tomorrow?

They went on to ask, “How do we define ourselves?” “What makes us different?” “How do we stand out?”

What People Think of St. Francis Winery & Vineyards

In order to find the answers to his questions, Rick needed more input. He wanted to find out what others thought of St. Francis Winery & Vineyards. What they thought of the brand, how they related to the brand, and how they perceived the winery overall.

So, before bringing his management team together for a discovery and ideation workshop, he began a series of internal reviews and consumer intercepts with key audiences that could provide insight to their thoughts and opinions for the St. Francis Winery.

The Kobrand Interviews

St. Francis Winery & Vineyards team also spoke with a number of senior management executives within Kobrand including the CEO, marketing and sales team, as well as those in retail distribution. First, they were asked... “What does St. Francis Winery & Vineyards stand for?” Their responses included these words...

Quality; Value; History; Fun; Serious; Approachable; Accessible; Elegant; Fruit Forward; Sonoma; Sustainable; Great Wine; Estate-Driven; Premium; People; Californian; Friendly; Big Smiles; Hospitable; Good Food; Consistency; Family; Clean Farming; Innovation; Evolving; Green Farming; Comfortable; Large Production.

And then the winery asked them to provide their specific brand thoughts which included a diverse range of responses, each on their own perhaps driving a direction of the new positioning undertaking...

“The winery is approachable and accessible for everyone offering great value.”
“St. Francis Winery & Vineyards should be bigger and more well-known than it is.”
“Sustainability is big but many consumers don’t know this.”
“There is a lot more history to the winery that consumers should feel and grasp.”
“The label needs to show more elegance and quality.”
“Consumers don’t know much about the brand.”
“We don’t have a point of difference that we own today.”
“We need to appeal to consumers that live at this price point.”
“There’s a noticeable opportunity to build the brand stronger.”
“Not sure the brand stands for anything yet.”
“People want to pick a wine from the shelf and know what they are going to get.”
“We are starting to innovate a bit better.”
“We don’t give a compelling reason to buy unless they have had it before.”
“Culture is not very clear.”
“There is not a clearly defined message. It’s very fragmented.”

St. Francis Winery & Vineyards Wine Club⁷

Taken directly from their website, “The St. Francis Wine Club is an exciting, engaging and accommodating club that caters to your unique wine preferences. Membership grants you priority access to all of our small production Artisan & Icon Collection wines exclusively found here at the winery. Enjoy an intimate connection to our 50-year legacy of winemaking in Sonoma County.”

Additionally, “There are three different St. Francis Wine Clubs, each receive limited production, hand-picked Artisan Collection wines featuring many varietals that thrive in Sonoma County, including Chardonnay, Merlot, Cabernet Sauvignon, Zinfandel and less common varietals such as Malbec and Petite Sirah. The Collectors Club receive 12 bottles, 2 times per year in April and October. The Premier Club receives 6 bottles, 3 times per year in February, May and September. The Signature Club offers 4 bottles, 4 times per year in February, May, September and November.”

The Wine Club goes on to include “There is no cost to join and you may cancel, in writing, after two shipments. In addition to Wine Club shipments at a discount, members receive discounts on additional wine purchases, merchandise and receive special pricing for winery events. There are also several Wine Club Exclusive events throughout the year.”

Interviews with Members of the St. Francis Winery & Vineyards Wine Club

The team contacted and asked many of their wine club members what their perceptions are of St. Francis Winery & Vineyards, further validating why they are even wine club members in the first place. After all, the strong majority of St. Francis’ fellow Sonoma-based rivals boast wine club offerings of their own. The members responded with these initial perceptions...

Reasonably Priced; Artisan; Value; Quality; Good Choice; Enjoy; Happy; Inspiring;
Enriching; Homey; Treasure; Experience; Consistency; Spice; Smooth; Gathering;
Tradition; People; Treasure; Memories; Discover; Unique Find; Sonoma; Personal
Service; Giving; Relationships; Family; Magical.

St. Francis then asked their wine club members what they think and how they feel about St. Francis Winery & Vineyards. Here are some of their responses:

“When I open the wine, I know it’s going to be something that I will enjoy. “Usually, I share it with someone and I know what it is.”
“I know the wine is different and I know the wine itself might have more spice to it.”
“This is really good wine, and it tastes great.”
“There are good people working together to have great product.”
“There is a sense of family.”
“This is something I buy whenever its available and we keep it for special occasions.”
“It really truly is a treasure.”
“Given the quality selection and events and wine clubs, I get a lot of value.”
“This is going to be a good bottle of wine.”
“If you pair it with great food and family and friends it’s much more magical.”
“They have a wide range of very good Zinfandels.”
“There are two vines named after us.”
“Not over-commercialized...down to earth and a nice place to be.”
“A lot of good memories for us.”

At Retail with the Broader Audience

As part of its research and consumer engagement, the positioning team representing St. Francis Winery & Vineyards went out to several retail locations including the Newport Coast and West Hollywood stores of the broader Pavilions supermarket chain in Southern California. In speaking with consumers shopping in the wine aisle, many shared these insights...

Newport Coast Pavilions

“I have never heard of St. Francis Winery & Vineyards.”
“I like anything from Sonoma.”
“I always look at the label to tell me what I should buy.”
“Not enough people know about the St. Francis Winery and Vineyards brand.”
“I choose wine based on referrals from others.”
“I stopped buying wine on a whim.”
“I absolutely like looking for undiscovered.”
“I don’t usually pick wines at random anymore.”
“I would be open to trying St. Francis Winery, but it does not pop out at me.”
“I look for the cute names on the bottle. The St. Francis Winery & Vineyards label does not have much appeal.”

West Hollywood Pavilions

*“I like the taste of St. Francis Winery & Vineyards...I would take it to someone’s house.
“I pay attention to where the wine is made.”
“I like the taste of St. Francis Winery & Vineyards better and the label is classic.”
“I would choose the price range for a party...I would splurge more for a private dinner.”
“There is a more elegant presentation than St. Francis Winery used to be.”
“St. Francis Winery & Vineyards has a way better packaging than it used to be.”
“It’s a known brand but not one of the biggest...there is value in the sense of both price
and quality and consistency.”
“The brand is recognized and the bottle identifiable.”*

Engaging with the Experts

The winery positioning team then went out to have a one-on-one interview with a manager and Certified Sommelier at Total Wine & More in Woodland Hills, California. His understanding of the brand and its story included...

“St. Francis Winery & Vineyards represents a safe choice in wine and has all that someone would expect to see in a label. It’s as safe a label that as one can go with and it’s telling that to the consumer that they are getting exactly what they would expect...”

“When people drink wine, they expect to enjoy something artistic along with it and with a traditional label like St. Francis Winery & Vineyards, it puts them in the niche of tradition and not necessarily artistic...”

“Need a new label? It depends on the brand. If they’re going for a traditional wine then no, let the label speak to the product. The label should be an expression of the interior...”

The Brand Vision Discovery and Ideation For St. Francis Winery & Vineyards

In late 2018 the winery’s leadership team came together for a management ideation workshop, where Rick confirmed that the brand needed to continue to evolve St. Francis Winery & Vineyards from being thought of as a “value-driven” and “affordable” brand toward more of a “premium brand.”

Rick explained that the team needed to arrive at a new position where St. Francis Winery & Vineyards competed as a “lifestyle brand,” delivering an elevated experience which then becomes a “Sonoma Experience.” While their task was daunting, it was clear that consumers in any category identify the word and/or place “Sonoma” as an elevated and upscale experience.

The final step in moving forward with the development of the new brand positioning for St. Francis Winery & Vineyards was to align management’s vision of these four points to center around. They include:

1. To Evoke Emotion. Take Me There.
2. Transport Me There. Take Me To Sonoma.
3. Opening a taste and feeling of...
4. Sonoma in every bottle.

One of the most important things Rick knew he needed was insight from his management team and all of the leaders within the St. Francis Winery & Vineyards brand family. Accordingly, on the morning of Thursday, December 13, 2018, the winery held a Brand Vision Discovery Ideation that would allow Rick to better understand how his team thought about the St. Francis Winery brand and the industry overall. What he was looking for was not only insight but also the wide variety of comments that he could include on his quest to best position the St. Francis Winery brand moving forward.

To kick off the ideation meeting, Rick asked his team and those attending questions such as “what does our brand stand for today, and where can we take it tomorrow?” He also wanted to know key details that made up the DNA of the St. Francis Winery brand. He was enlightened and energized with what he heard from his team, and in their unity.

When asked what St. Francis stood for, Rick heard all sorts of things, including:

People; Hospitality; Wine sales; Wine industry overall; Lifestyle industry; Experiential; Enjoyment; Enjoying the product and the quality of life that is created, enjoying the experiences that are created and cultivated both on-site and post-purchase; Try to open the customers’ eyes to the environment around them; Luxury entertainment and experience; Bringing people together; social; Improve the quality of life; An opportunity to get away; to escape into the product and the brand; Culture; Education; history; Nature; Connecting with nature and agriculture; Memories; Trips, Family; Flavors that the wine imparts brings out the memories they may have.

When asked, his team felt that the customer profile of the wine industry, obviously 21+ years of age, he heard:

Discretionary/disposable income; the prices come at a luxury; Sophistication is a characteristic for the wine due to background and history; and that; People are curious about how the product is made, where it comes from.

But what came next was equally surprising. It turns out that the winery was also in the business of being a lifestyle brand. The team believed that the wine industry overall was about:

Engagement; Connection; Leaves an impression; fosters relationships; Builds and yields customer loyalty; Gives a sense of place and belonging and home; Builds a picture of “where I want to be in life”; and Builds reinforcement that what they are doing in life is sophisticated.

His team was then asked the all-important question - if there is in fact a perceived difference between Napa and Sonoma. And how interesting it was to hear that when asked what the difference between Napa and Sonoma is, they said:

Diversity; Community; Napa has more history; The attitude in Sonoma is more humble and approachable; Sonoma wineries are less expensive when compared to Napa; Sonoma has more space for agriculture aside from just grapes; Sonoma is more insulated and exclusive; Napa has more outside traffic; Napa only known for wine; Sonoma has more activity; and interestingly enough, People coming to Sonoma have the intention of coming to Sonoma.

And among many other things discussed and asked, the group at the ideation workshop finally chimed in on how they perceived their own winery. And they said that the following traits defined who St. Francis was including:

Quality; Community; Family; Values; Authenticity; Local; People; Farmers; Sustainable; Collaboration; Neighbors.

Rick looked at all of this information posted around the room on the large poster-sized white pieces of paper. He marveled at what he was seeing and uncovering. And then he had just one last question for his team. What is the heartbeat of St. Francis Winery & Vineyards? And his team responded with:

Adventure; Curiosity; Experience the unknown; Open minded; Excite; Desire; Dreamy; Education; Timelessness; Escape; History; Enrichment; Broaden horizons; Memories; Connecting; Engage; Beacon; Mystique; Journey; Inspired, Illuminate, Pure; Special, Discovery; Pride; and Oasis.

Conclusion: Approaching Critical Juncture Ahead of the 50th Anniversary of St. Francis Winery & Vineyards

All of the interviews with key players were finished in early 2019. Consumer intercepts were done, wine club members had a chance to voice their thoughts and feelings, and even consumers shopping in the wine aisle had a chance to chime in as well. As Rick attended the “World of Pinot Noir” at the Ritz Carlton Bacara Resort, just south of Santa Barbara, California in Goleta, he looked out toward the crashing waves of the California coastline and pondered once again at the opportunities that stood before him.

With the calendar soon closing in on his brand’s highly anticipated celebration of their 50th Anniversary in Sonoma, the key question remained: How to best reimagine St. Francis' positioning in a direction that was more relevant in today’s market and would better resonate with a broader demographic of consumers in all channels of sales?

Case Discussion Questions

- 1) How should St. Francis Winery & Vineyards position itself to emerge as the market leader amongst 563 rivals in the Sonoma County region alone?
- 2) What should the St. Francis brand market to its audience outside of just the physical product? What intangible elements will reel in a potential customer to join the brand family?
- 3) How will the new direction of the St. Francis brand remain sustainable against threats of rivals or new entrants within the next 5-10 years?
- 4) Should St. Francis consider new partnerships and alliances within other industries that grow its brand identity within channels they don't currently compete?
- 5) How could St. Francis better lure away both wine enthusiasts and novices from visiting Napa Valley, Paso Robles, Willamette Valley, etc.?

Exhibit 1 St. Francis Winery & Vineyards: All Four Tiers



Source: St. Francis Winery & Vineyards

Exhibit 2 St. Francis Winery & Vineyards: Visitor Center, Tasting Room, and Wild Oak Vineyard



Source: St. Francis Winery & Vineyards

Exhibit 3 St. Francis Winery & Vineyards: Classic Collection Packaging (national distribution)



Source: St. Francis Winery & Vineyards <https://www.stfranciswinery.com/trade/brand-logo-package/>

Exhibit 4 St. Francis Winery & Vineyards: Artisan Collection (direct to consumer sales channels)



Source: St. Francis Winery & Vineyards

Exhibit 5 St. Francis Winery & Vineyards: President and CEO, Rick Bonitati



Source: St. Francis Winery & Vineyards Kobrand Website

Exhibit 6 St. Francis Wines at Costco



Photo Credit: Jacob S. Pollack

Exhibit 7 St. Francis Winery & Vineyards: Fermentation Cellar

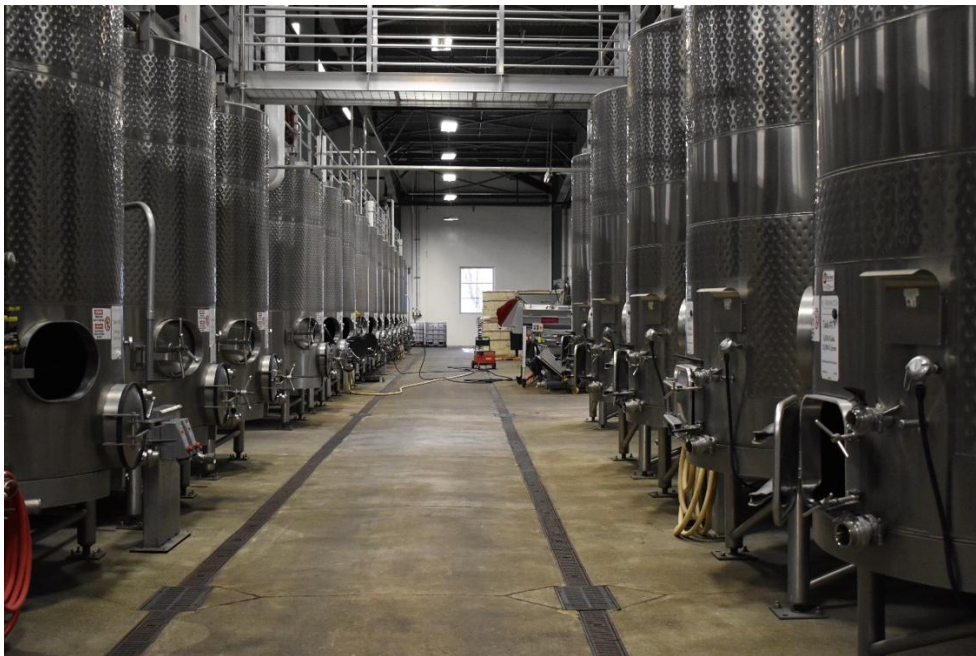


Photo Credit: Jacob S. Pollack

Exhibit 8 St. Francis Winery & Vineyards: Chardonnay Vines



Photo Credit: Jacob S. Pollack

Exhibit 9 St. Francis Winery & Vineyards: Chardonnay Vines



Photo Credit: Jacob S. Pollack

Exhibit 10 St. Francis Winery & Vineyards: Tasting Room



Photo Credit: Jacob S. Pollack

Exhibit 11 St. Francis Winery & Vineyards: Tasting Room



Photo Credit: Jacob S. Pollack

Exhibit 12 St. Francis Winery & Vineyards: Visitor Center (Tasting Room, Dining Room, Guest Experiences)



Photo Credit: Jacob S. Pollack

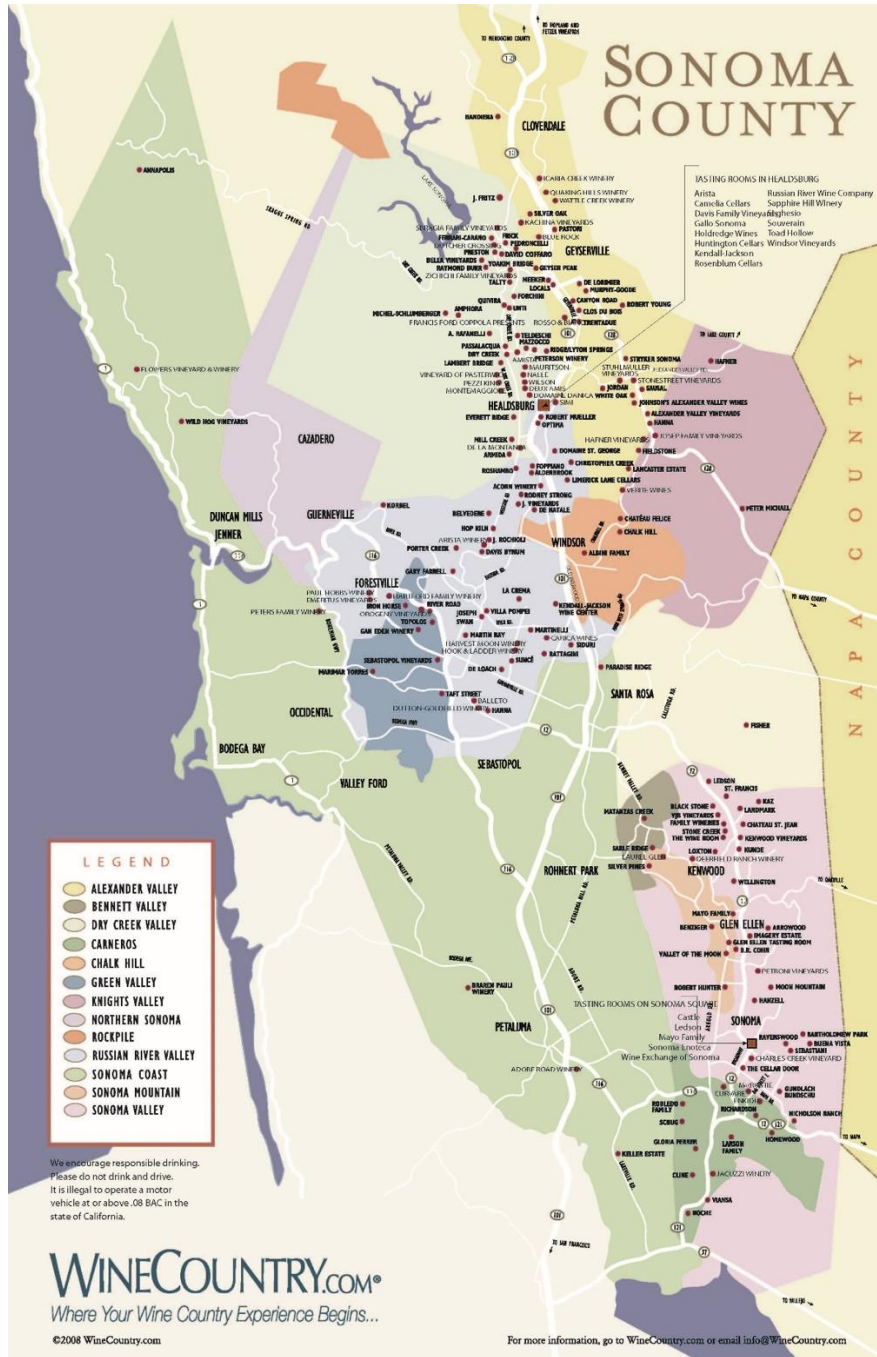
Exhibit 13 Sonoma County, California Grape Growing Appellations or AVA's
(American Viticultural Areas)



Source: <https://www.sonoma.com/blog/guide-to-sonoma-county-avas/>

Sonoma AVA Map, Courtesy of Sonoma County Vintners
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Exhibit 14 Sonoma Wineries



Source: From mappery.com, Sonoma Valley Winery Map - Sonoma Valley California
Sonoma wine country

Exhibit 15 St. Francis Winery & Vineyards: Merlot Grape Vines



Source: St. Francis Winery & Vineyards

Exhibit 16 St. Francis Winery & Vineyards: Outdoor Seating



Source: St. Francis Winery & Vineyards

Endnotes

¹ Adapted from St. Francis Winery & Vineyards Website; <https://www.stfranciswinery.com/story/>

² St. Francis Winery & Vineyards Website; <https://www.stfranciswinery.com/story/>

³ Silicon Valley Bank “State of the Wine Industry 2018” Written by Rob McMillan, EVP and Founder, Silicon Valley Bank Wine Division <https://www.svb.com/globalassets/library/images/svb-2018-wine-report.pdf>

⁴ Silicon Valley Bank “State of the Wine Industry 2018” Written by Rob McMillan, EVP and Founder, Silicon Valley Bank Wine Division <https://www.svb.com/globalassets/library/images/svb-2018-wine-report.pdf>

⁵ Adapted from Kobrand Website <https://www.kobrandwineandspirits.com/about-us/our-mission/>

⁶ Kobrand Website <https://www.kobrandwineandspirits.com/about-us/our-mission/>

⁷ Adapted from St. Francis Winery & Vineyards Website <https://www.stfranciswinery.com/wine-club/>