

**Zusammenfassung**

**Lodi and its Position in the Commodity and  
Premium Wine Markets**

The Challenges of repositioning a Wine Region in a changing  
Local and Global Economic Climate

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## Motivation

In November of 2008 I received an invitation to a seminar from a newly-formed US based publication called *Sommelier Journal*. The title of this colloquium was 'The Terroir Experience 2009'. The content and information of this event pertained to the relatively unknown wine regions of Lodi, Amador and the Sierra Foothills.

Lodi wine represents large-scale branded wines to most American wine consumers including the author. My interest in the region and her wines was low. I have tasted wines from Lodi's few life-style wineries that exist in previously held tasting events and sampled some of the large brand offerings as well. Lodi's large brands include E&G Gallo, Mondavi-Woodbridge and Delicato. These examples often affirmed my prejudice about the region's either big alcoholic, off-dry blockbuster products, or thin, 'green' diluted commercial wines. The seminar confirmed some of my previous findings, yet revealed another side of the region's offerings. These included the abundance of old vines of Lodi's flagship variety, bush-trained ancient Zinfandel groves as well as century-old Carignan. The attendants learned about the Lodi Winegrape Commission's devotion to quality. We met with dedicated visionaries like Liz and Marcus Bokisch, Ron Silva and several others who all depicted another segment of Lodi's wine business spectrum far different from mass production.

## Goals, Interpretation and Content

Almost any wine region faces the same issues: How does one differentiate ones product from the competition? In Lodi's case, where does it stand in the local and global community?

My research revealed a multi-faceted picture of a century old California farming community. What can be found here is big corporate America next to life-style boutique wineries with modern facilities and long-term goals. Yet there are a handful of operations run by 'enthusiasts', rather than forward thinking marketing departments, producing sub-par quality.

It became evident that Lodi's potential development to a fine wine region is hindered by a lack of a core personality and authenticity of the region itself and the geographic surroundings. The style of some of the wines can be a turn-off to sophisticated wine drinkers.

Some points discovered and unveiled were:

- The wealth of the region and its farmers who have turned to wine making lessens the pressure to rapidly expand fine wine production.
- Zinfandel is the best advertisement for the region at present.
- The transition from commodity to upscale wine market is limited to a fringe industry.
- The US Zinfandel lovers are not fine wine drinker per se thus the grape's appeal is limited to a small market segment.
- Quality-oriented, small producers continue to cater to a local following. Small production figures are not suited to wide distribution.
- The local as well as the international wine press has begun to recognize a good price to quality ratio.
- A diversification, branching out into uncharted waters of unknown grape varieties, will be important.
- Cabernet Sauvignon and other international varieties are grown for the large -scale production market and have a rightful place there.
- The stronghold of Gallo and many other large brand-oriented companies will continue.
- America is still the land of opportunity: examples are Miramont and Michael-David Winery
- A significant part of Lodi's marketing plan is the Lodi Rules sustainable farming program. Sustainable can be understood as a catchphrase and has to be handled with care. Misrepresentation could have a negative rather than a positive impact. Sustainability in

the widest sense of the word to big cooperate America also means to be financially successful and some parts of the public become aware of this interpretation.

### Research

The method of research included interviews with representatives of the Lodi wine community. A conversation with Randy Caparoso, a famed local wine journalist, brought new angles from a seasoned and skilled wine writer's point of view. Discussions with numerous wine makers and marketing people rounded out first impressions. Trips to the historic vineyards of Lodi and tasting barrel samples while quizzing vintners like Layne Montgomery from m2 winery formed a more diverse picture of the area.

Discovering, and questioning the future of fine wine production for this district was a primary focus at the beginning. Questions arose regarding the people's hopes and disappointments while building start-up wineries, quite often with little knowledge of the industry's challenges. We discussed fears and doubts that come with the uncertainty of wine production, distribution issues, marketing and the continued difficult economic climate in the US. Furthermore I found wealthy, traditional grape growers with the hearts of farmers. They demonstrated a proud sense of stewardship over their family's land.

Much of the research took place with support of the internet. Websites across the spectrum of the world of wine, sometimes appearing unrelated to the subject of Lodi itself, substantiated the discoveries of my field trips and interviews.

### Conclusion

With a weak American dollar and demand for grapes on the US market on the rise, the current situation for Lodi's growers and brands is better now than it has been for many years. The international market, Canada and Europe, with China still trailing behind will buy lower-priced wine from the region's large brands, depicting more often 'California' as provenance on their labels rather than an unknown 'Lodi'. The advent of the internet makes it possible to reach more consumers and markets farther away without Lodi's negative image of a mass producing region playing a strong influence. The American wine market has shown growth for the last 24 years since 1991 and the market forecast predicts further increases for years to come.

Aggressive marketing of the region is the key to long-term success. Compared to Paso Robles with a similar recent history, Lodi's accomplishments regarding fine wine distribution and production are limited. Marketing ideas need to set regions apart. Lodi has to stand out with a sense of yet-to-be-found personality and authenticity.

There are 60,000 wines in any given wine market in the US<sup>1</sup>. New marketing ideas are in the process of creation, and with some stylish and trendy ideas Lodi's finer wines will be able to cross the line from bulk image to the wine lists of knowledgeable sommeliers.

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<sup>1</sup> Wagner, Paul. "Wine Marketing". *French Wine Society*. Webinar. Web. Apr. 2011.  
<<http://frenchwinesociety.org/>>