

BLACK TOWER REDUX

It's Germany's largest selling wine brand and yet few Germans drink it. Wildly popular on the Danish borders, Black Tower moves twice as many bottles as its nearest rival, but has yet to repeat its own sales performance from the 1980s. In the face of so many paradoxes, what's next for this venerable brand?

Black Tower Rivaner			
www.blacktower.de			
Prices in the four major markets			
Market	Local price	in €	in US \$
Canada	\$11	6.90	10.75
UK	£3.99	5.00	7.90
Norway	79.90NOK	9.90	15.50
Sweden	57SEK	6.00	9.40
Production:	675,000 cases		
Export:	95%		
Major Export Markets:	Canada, UK Sweden, Norway		

Although the name does not sound particularly German, nor is the packaging very reminiscent of the romantic Rhine valley, where the company is based, Black Tower is the country's largest selling wine brand. Having surpassed the one million case mark based on moving annual turnover earlier this year, the brand currently moves almost twice as much product as its nearest rival, Blue Nun.

That said, Black Tower has yet to ascend to the record heights it enjoyed in the past. Turnover peaked somewhere near 14m bottles in the 1980s, before slipping to less than 5m in the wake of Germany's wine scandal and then being sold to Carl Reh from the Mosel, who purchased both the brand and Reh Kendermann from Allied Domecq in 1992.

Launched 40 years ago in 1967 in a stone crock, Black Tower - like Lancer's or JP Chenet - has always been easily identifiable on the shelf, but was drifting its way into oblivion in the early 1990s as Liebfraumilch, the 'soft' brand that long epitomised German wine for the world, fell out of favour.

The turnaround began with a relaunch in 1996. The crock bottle was converted to glass and the portfolio pared back to a single SKU, a Rivaner (Müller-Thurgau) from Rheinhessen that still accounts for two thirds of all sales. Priced at the sensitive cusp of £3.99, it began to attract a new generation of younger consumers who carried little of their parents' intellectual baggage concerning German wine. Even today, that is still the brand's preferred target group.

In 1998, a Riesling and a red blend of Dornfelder and Pinot Noir were then added. The latter accounts for only 3% of global sales, but is could rise as the world awakens to German red wines. A rosé from the indigenous Portugieser grape joined the fold in 2004 and more recently a Pinot Grigio and 'fizz', a sparkling wine in a 0.2L aluminium can, have rounded out the portfolio.

Interestingly, the Riesling, which is Germany's flagship grape, accounts for only 4% of global sales and is not even on offer in the United Kingdom, Black Tower's largest market. Instead, the company prefers to place its Riesling emphasis on its internal rival, the Kendermann brand. For that reason, current growth in the UK is spearheaded not only by rising demand for Rivaner, but also by the line extensions rosé and Pinot Grigio, which now account for 15% and 11% of total sales respectively, and sell for £4.99.

Nikolaus Schritz, managing director of Reh Kendermann, believes that one of the reasons Black Tower has overtaken Blue Nun as Germany's largest brand is that it has remained true to its German roots. "We thought about doing line extensions with big ticket items from the Languedoc, Australia or other parts of the world, but realised

that our credibility lies in our German tradition," he says.

Although the quality management programme that accompanied the relaunch was important in assuring a minimum standard in a country whose vineyards are so fragmented that it is very difficult to operate with efficiencies of scale, it is more likely that the monies spent as a partner with Rothmans Williams at Formula 1 or on various open air festivals were key to the current success.

A major break came when the British inhabitants of Big Brother made Black Tower their white wine of choice. After strong growth in Great Britain over the past two years, sales are up again by 22% in 2008.

Now sold in 54 countries, "Black Tower is not only the number one German wine brand in the United Kingdom, but also Canada and Sweden - and one of the leading German wine brands in Finland, Norway, Brazil and Korea," adds Schritz. "The reason for this success can be attributed to the fresh, easy drinking style."

Interestingly for a brand that moves over a million cases a year, Black Tower is seldom seen in Germany. "Less than 5% of our sales are domestic," says marketing manager Alexander Rittlinger, "and most of that is sold to Danes in duty free shops on our northern borders."



THE NUN'S STORY

The venerable old lady of wine has seen it all: heady success, world renown and then public scorn and bargain basement hell. But Langguth's overhaul of the the wine means it's growing strongly once again.

Blue Nun Qualitätswein			
www.blunenwines.com			
Prices in the three major markets			
Market	Local price	in €	in US \$
UK	£3.38	4.30	6.50
USA	\$8.79	5.80	8.79
Sweden	54SEK	5.75	8.67
Production:	approx. 3.9m bottles		
Export:	100%		
Major Export Markets:	USA, UK, Scandinavia, China		

The number of nuns on the label of Blue Nun has risen and fallen, in line with the fortunes of the wine itself. Until the 1980s there were six nuns. Then three and then there was only one, just as the wine itself went from being a must-have at 1970s dinner parties, to languishing on the shelf.

The wine itself - originally a Leibfraumilch - has a venerable history. First made in 1921 by the internationally-renowned Sichel family. Blue Nun was advertised extensively in the 1950s as a wine that could be drunk throughout a meal, which made it popular in post-War Britain and the US. But by the early 1990s, Blue Nun was a tired brand selling only around 80,000 cases in the UK, and unable to compete with New World wines.

Then in 1996, Sichel was bought by Mosel-based Langguth, who put serious time and

effort into upgrading the brand. The first thing to go was the Leibfraumilch. Blue Nun became a Qualitätswein from Rheinhessen. It was also made in a drier style, and packaged in a distinctive new blue bottle. From 2001, Langguth extended the brand to 12 wines, introducing a German Riesling, an 'ice wine', a Languedoc Merlot, an Australian Shiraz and even a Gold Edition sparkling, complete with flecks of 22-carat gold leaf. More than 40% of total sales now come from the line extension.

"There was a danger in it being only a German wine," says marketing manager Armin Wagner. "Because of it being too singular in this maze of wines out there."

Wagner says the new range has let Blue Nun penetrate the Asian markets better, particularly China, plus overcome its old image problems. It also helps that the red wines are made with five to eight grams of residual sugar. "We made the wines instantly consumable and the Asian people picked this up immediately, because they're still putting Sprite into dry Bordeaux," says Wagner. "But the wine is still a typical French Merlot."

He says the important thing to note about the residual sweetness is that it pairs better with Asian foods than do drier, more acidic wines, that can turn the local cuisine bitter.

Traditional markets like the UK and the US haven't been forgotten. Langguth now woo women in their 20s with the brand proposition 'Just you, me and a bottle of Blue Nun', which they support through holiday giveaways and fashion sponsorships. This has been a successful strategy: this year, the brand is on track to maintain or increase its 6.5m bottle sales, a far better result than the 3.5m bottles sold annually in the 1970s. There's life in the old nun yet, it seems.



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