

# THE FLAMBOYANT MR MAGREZ

INTERVIEW WITH BERNARD MARGREZ BY ROBERT JOSEPH

**B**ernard Magrez is an unusual figure in the world of alcoholic drinks. He has not only personally created leading brands in both wine and spirits, but has also recently launched a new form of wine globalisation, in the shape of a collection of more than three dozen super-premium, limited-production wines from numerous countries, all sold under the Magrez brand.

The son of a stonemason, Magrez was born in Bordeaux in 1936. After an unusually harsh upbringing, he joined a Greyhound tour of the United States at the age of 25, with a number of other ambitious young compatriots. He was struck by the supermarkets he saw there (his travelling companions included the future founder of Auchan) and by Anglo-Saxon skills in wine branding. Three years later, he bought a small importer of port based in Bordeaux and renamed it Pitters, a name he subsequently extended to William Pitters. While making little effort to expand beyond France and its European neighbours, Magrez quietly built a set of brand-leading spirits under labels such as William Peel and San Jose, as well as Malesan, the only branded Bordeaux ever to compete with Mouton Cadet (and to beat it soundly within France).

After profitably selling his spirits and Bordeaux brand, Magrez, who had already acquired Chateau Pape Clement, one of the jewels of Bordeaux, plus Chateau Fombrauge, the largest estate in Saint Emilion, began to focus exclusively on premium wine from estates like these - and from micro cuvées such as Magrez-Fombrauge within them. Earlier this year, he courted controversy by giving journalists Cartier watches as gifts to mark the 1,700 years of winemaking in his estates. His Bernard Magrez group now turns over €40m.

**Meininger's:** Your father was evidently a very formal, unusually strict man who threw you out of the house when you were 12. But he also hid Jews from the Nazis in his cellar when that kind of behaviour was rare in Bordeaux. How do you think these factors influenced the way you behave today with the people with whom you work?

**Magrez:** My father was a man of unusual rigour, at the limit of what might be considered acceptable. He had a personal idea of duty that included the efforts I had to make at school, where I was very poor, and the sanctuary he felt he should give to people who needed it. But sending me away to a woodworking

school in the Pyrenees at the age of 12, where I wore clogs and was surrounded by children who had virtually no education at all, gave me confidence - and a certificate for my proficiency in sawing wood. I also met a boy there who had been sent for the same reasons as I and who today owns one of the very top chateaux in Bordeaux. Maybe my father's demanding attitude is genetic. I have some of the same traits and that does not make it terribly easy for people to work with me.

**Meininger's:** What lessons did your experiences selling spirits at William Pitters teach you about selling wine?

**Magrez:** Most importantly, I developed a fundamental desire to understand the motivation behind consumers' behaviour. When you are competing to sell spirits against the likes of Diageo and Allied Domecq, you discover that research is indispensable. So, I learned that the average purchase takes 18 seconds, and that 28% of people turn the bottle to look at a back label. In France, especially in Bordeaux, back labels are not generally used. But all of mine, including Pape Clement have them, with my photograph. It's part of a policy of transparency about the wines - and it obviously helps to promote the other Magrez wines.

**Meininger's:** Why is it so difficult to build a Bordeaux brand?

**Magrez:** If Bordeaux enabled us to make a good enough margin to do proper marketing, it might be possible. Brands need public relations, advertising - and time. Up to ten years, though we created Malesan in four. If you are swallowed in a market of Bordeaux at €1.50, it's almost impossible to compete with the New World. Especially when wines like Yellow Tail are produced in a place where you can plant everywhere and produce wine of a regular quality. There's no secret why people put San Pellegrino in their shopping basket: they know that they aren't going to be disappointed.

**Meininger's:** You began your business selling into French supermarkets and your wines are still sold in those outlets.

**Magrez:** Supermarkets sell 80% of the wine in a large number of countries. One can't not be there. And they are increasingly having to meet the demands of the consumers who are looking for wines at over €15. If they don't satisfy those demands, they'll lose customers to the Internet.

**Meininger's:** Your business model is focused on 'micro cuvées'. What is the largest volume you can have? And don't these small batches lack the critical mass you need to build brands?



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**Magrez:** From the outset, my aim was to produce *crus d'exception*, wines that offered something astonishing or exceptional. Traditionally, people used to look for established, famous names, but now they increasingly want to be astonished, and to surprise their friends. Wine buying at the premium level has a great deal to do with the ego of the purchaser. But critical mass is a valid issue. Over the last four years, I've been moving towards cuvees of 4-5,000 cases, with the possibility of going up to 20,000. But there's a maximum volume for any wine: Chateau Latour could sell 120,000 cases, but not 500,000

**Meininger's:** How do you react to the charge that all your wines share a common style, irrespective of their origin?

**Magrez:** Michel Rolland and I are easy targets for criticism. And yes, there is a common denominator in all of my wines: they are all made from grapes that are picked as late as possible, when the pips are ripe. People like the combination of fruit and ripeness. And I'll admit that this may give them a family resemblance, but nothing can change the soil in which the grapes are grown.

**Meininger's:** At William Pitters you kept away from the UK and US. Why was that?

**Magrez:** To be in markets outside France, you need money. At the time when I had Malesan, producers in Australia and the other New World countries were already there with cash to spend on marketing. It would have taken me 20 years to win a battle with competitors like them.

**Meininger's:** You apparently want to add a first growth to your stable. Wouldn't the payback be ludicrously long?

**Magrez:** All the top estates that are traded on the *Place de Bordeaux* as well as others in five countries have received a letter from me declaring my interest. And, when you consider the price, you have to consider the property values. I paid 100m francs for la Tour Carnet. It was recently valued at the equivalent of 130m.

**Meininger's:** You once said "Bordeaux chateau owners should no longer rely on traditional Bordeaux merchants; to succeed today, you have to run your own dynamic sales policy". But you still rely on the *Place de Bordeaux* system of chateaux, *negociants* and brokers. Isn't that inconsistent?

**Magrez:** The *Place de Bordeaux* still has its role. There are

**BERNARD MAGREZ IN BORDEAUX:** *Pape Clément, Poumey and La Sérénité*, Pessac-Léognan; *La Tour Carnet and La Servitude Volontaire*, Haut-Médoc; *Château Fombrauge and Magrez Fombrauge*, Saint Emilion; *Les Grands Chênes, Tour Blanche and Magrez Tivoli*, Médoc; *Pérenne, La Croix de Pérenne and Egrégore*, Premières Côtes de Blaye; *Guerry*, Côtes de Bourg; *Plaisance Cuvée Alix*, Premières Côtes de Bordeaux; *La Croix de l'Espérance*, Lussac Saint-Emilion; *Le Sauternes de Ma Fille*, Sauternes; *Songes*, Bergerac.

**BERNARD MAGREZ IN THE REST OF FRANCE:** *Jamais Renoncer, Si Mon Père Savait, La Passion d'Une Vie and Mon Seul Rêve*, Côtes du Roussillon; *Excellence de mon Terroir*, Collioure; *Passion Blanche*, Côtes Catalanes; *Cuvée Léo Domaine d'Oustric*, Cité de Carcassonne; *Domaine de la Tranquillité*, Pays d'Oc; *En Silence*, Saint Chinian.

150-200 top estates and they can't all be everywhere. Bordeaux still has 400 *negociants*, or merchants, of which 200 or so work with the grands crus. Some chateaux work with 25 or so. We work with 150. While half of these might have one salesman, the other half has two. That means that we have over 225 people selling our top Bordeaux into places like little wine shops in Singapore.

**Meininger's:** You have just sold your three least prestigious Bordeaux properties. Does this mean that you've lost some of your belief in the lesser levels of Bordeaux?

**Magrez:** Like Angelo Gaja, I think 30% of Bordeaux wine has a future. A future that will be created by consumers. It's my view, and I'm not saying that I'm right, but I don't see a role for many of the smaller appellations of Bordeaux, however good the wine they produce. Areas like Bourg, Blaye and Fronsac have almost no resonance with consumers and in the future they'll have even less. The names people know are Bordeaux, Saint Emilion and Margaux. That's why I'm selling the Cotes de Bourg chateau I bought four years ago. Nowadays, I'm only interested in buying Medoc estates.

**Meininger's:** Why, though, sell estates after such a short time?

**Magrez:** I've done the same elsewhere. In Spain, I sold our Rioja estate to move into Toro and Priorat, regions that are definitely up-and-coming. I got Italy wrong, but I want to go back there, with four or five estates.

**Meininger's:** Outside France, you have 32 vineyards in Argentina, Chile, Uruguay, Spain, Morocco, Algeria, California and Portugal. And now there's a joint venture in Japan and even talk of England. Why not Australia?

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**BERNARD MAGREZ AROUND THE WORLD:** *Esperança*, Douro (Portugal); *Paciencia* and *Temperancia*, Toro (Spain); *Herencia del Padri*, Priorat (Spain); *Kahina*, Guerrouane (Morocco); *Bernard Magrez*, Napa Valley USA); *Hacienda de la Serenidad*, Maipo Alto (Chile); *La Bienvenida*, Mendoza (Argentina); *Casa Magrez*, Uruguay; *Magrez Aruga*, Japan.

**BERNARD MAGREZ WITH GÉRARD DEPARDIEU:** *La Croix de Peyrolie*, Lussac Saint-Emilion; *Ma Vérité*, Haut-Médoc; *Confiance*, Premières Côtes de Blaye; *Référence*, Vin de Pays d’Oc; *Gérard Depardieu*, Côtes du Roussillon; *Le Bien Décidé*, Coteaux du Languedoc; *Spiritus Sancti*, Toro (Spain); *Sine Nomine*, Priorat (Spain); *Lumière*, Guerrouane (Morocco); *Mi Diferencia*, Mendoza (Argentina).

**Magrez:** In every country, I want to be among the five best producers, or certainly near the best in quality. If that’s not possible, I won’t do it. Australia has big companies like Foster’s who make excellent wines and have the means to let people know about them. Besides, it is also a very long way away. I have far more interest in Chile.

**Meininger’s:** To say that an average piece of terroir can produce beautiful wines is heresy in the French wine world. Does this make you feel lonely?

**Magrez:** It was Henri Duboscq of Chateau Haut-Marbuzet who said that terroir is what gives wine its genius, but that a good all-round vigneron can give it charm. Sometimes charm is more attractive than genius.

**Meininger’s:** Which markets do you see as being the most promising in the near future?

**Magrez:** We have a commercial team of 10 people, twice the size of the larger Bordeaux negociants. And then we use good local agents such as Pieroth in Japan. Our sales people spend 30% of their time promoting the wines that are sold on the *Place de Bordeaux*, with the rest of their effort expanding the number of outlets and consumers for the entire range.

**Meininger’s:** Isn’t the launch of a Japanese and an American wine all about image building in those countries? Calling your California wine Magrez Napa is not exactly modest.

**Magrez:** If my name was Rothschild, I wouldn’t have needed to do that. People in the US don’t know Magrez; producing a top wine like this makes me part of the Californian wine scene and shows that I believe in it... And the same philosophy applies to my project in Japan.

**Meininger’s:** But your friend Alain Dominique Perrin, head of Cartier and owner of Chateau Lagrezette in Cahors, recently said that Bordeaux pricing was immoral. How do you justify a \$160 price tag on your new Napa wine? And is this the moment to launch it?

**Magrez:** Prices that seem immoral or excessive to some people don’t strike others in that way. If you go to the Cote d’Azur, you’ll see that the people there aren’t troubled by the price – or the current economic crisis. At Pape Clement (the only top class chateau to be open seven days a week, by the way), we organise tastings where we are regularly asked for wines such as Petrus by individuals with no limit to their budget.

**Meininger’s:** You are famously associated with the French film stars Gerard Depardieu and Carole Bouquet. What is your business relationship with them?

**Magrez:** We have a small 50:50 joint venture, called la Clef du Terroir, which has five little estates, each with two to three hectares. Apart from that, their own wines go through the Magrez international distribution network.

**Meininger’s:** Let’s talk briefly about the saga of the journalists and the Cartier watches. Were you surprised by the reaction?

**Magrez:** If I’d wanted to buy the press, that wouldn’t have been the way to do it. I wanted to hold an event to mark the number of vintages that had been harvested at my estates, and since this was all about time, I thought that watches engraved to commemorate what we had done, like the one I’m wearing now, would be appropriate gifts. Most of the criticism came from people who weren’t there and, while I won’t reveal names or numbers, I will say that the people who refused the gift were in the minority.

**Meininger’s:** You are over 70. Isn’t it time to hand over to your son, Philippe?

**Magrez:** My son has an estate. I gave him Chateau Plaisance in the Premières Côtes de Bordeaux. He’s responsible for sales of our wines in Belgium and Switzerland and he does the public relations for the firm in the US, China and Japan.

**Meininger’s:** So, will he take over the business?

**Magrez:** *S’il a des tripes* – If he has the guts.

**Meininger’s:** Is that your father speaking? Or you?

**Magrez:** Ah... now, that’s a good question. ■