

## ACROSS THE DITCH

# NARROW GOAL POSTS

Misha Wilkinson

**A**cross Auckland, restaurateurs are laying off staff as the expected boom from the Rugby World Cup fails to materialise. Some restaurants claim patronage is down 50% and some are letting staff go. It seems locals are choosing to avoid the CBD and staying at home fearing traffic and congestion, while tourists are focused around the fan zone on Auckland's waterfront. And cellar doors across the country are either inundated or curiously quiet. So who scored during the Rugby World Cup (RWC)?

"It's been huge – we've had a fabulous month," says an enthusiastic Judy Finn, owner of Neudorf Vineyards with her husband Tim. So why was Neudorf, in the small town of Nelson at the top of the South Island, enjoying some RWC action when a wine retailer in Auckland could count the number of bottles he sold during the same period, on just one hand?

"People thought it was great coming to New Zealand but then they really enjoyed coming to a small town like Nelson which had a carnival atmosphere because the whole town got behind the World Cup," explains Finn. With a population of around 60,000, Nelson, with its 25 family-run wineries, sits quite apart from its larger neighbouring wine region Marlborough. The big win for Nelson was that it was home to the Italian team and although originally scheduled to host two RWC matches, it gained an additional fixture (Australia/Russia match) when matches planned for Christchurch were relocated giving Nelson more territory.

Some smart marketing was also at play with the Nelson's First XV wine competition where teams of aromatic wines from Italy, USA and Nelson were up against one another in a play-off. High profile international judges selected their 'dream team' with New Zealand winning by having seven out of the top 15 wines. A 200-person degustation dinner and a tutored tasting held after the competition were both sell-outs and from a PR perspective, it was a media triumph and a very innovative way to link wine and

rugby. However local wineries scored the real points by converting the increased cellar door traffic to sales and local restaurants also reported a kick in wine sales. "We easily had more than double our usual cellar door visitors and the customers were sending wine back to the UK and Australia," said Finn. "But I do think the South Island missed out on what it could have been in terms of visitor numbers." She has had an unexpected benefit over the last couple of weeks of the RWC, with groups of disconcerted South African supporters travelling around drowning their sorrows by visiting various cellar doors in the region.

Over in Marlborough, Anna Flowerday, winemaker and owner of Te Whare Re Wines with her husband Jason, was also in a buoyant mood. "We have had a crazy busy month in cellar door with 98% of visitors in New Zealand due to the RWC. Lots were buying to drink here and others were shipping it home for later," she said. Wine was shipped primarily to the UK and Australia but also a little to the US. "I would say that we are up on sales through the cellar door by 60-70% on the same time last year," she added. Saint Clair also reported brisk cellar door sales.

The local event that was staged to take advantage of the Cup fever was Marlborough Wine & Cuisine, which was held at Brancott Vineyard with 50 participating wineries. Emulated after an annual event which is held in February with an attendance of about 8,000 people, Wine & Cuisine only managed to attract 1,200-1,500 which was well short of the anticipated numbers, but generally wineries were still positive about the event. Marcus Pickens, general manager of Wine Marlborough said, "We were expecting more but realised that after the changes to South Island scheduling, especially around Christchurch losing the key quarter final matches, that the attendance could be lower than envisaged."

Although the attendance may have been shy of expectations, Marlborough overall certainly did better than most regions in terms of RWC visitors.

## THE BUILD-UP AND THE LETDOWN

– Excerpts from a weekly newsletter by wine retailer First Glass (based north of Auckland) by owner Kingsley Wood.

**August 26:** "How many days to go? It's like counting down the number of sleeps before a big holiday or Xmas etc. Looking at the percentages they are quoting in the paper, it appears that there will be more French visitors to the Cup than from any other nation and they are based in Auckland, but more specifically Takapuna. Next week we change the instore image of our shop into something a little more 'Francais' and our selection of French reds will be greatly increased. But that's next week, next month and the month after that. There are going to be a lot of people well and truly over rugby before it's all over ..."

**September 16:** "We have been excited about the prospect of Takapuna awash with French supporters but so far there are a few but not many around. We finally did get two genuine French tourists into the shop – they bought a bottle of Vidal Merlot Cabernet and a bottle of Pellegrino! Perhaps it all begins next week in the build-up to the France v All Blacks match – we hope so ..."

**September 23:** "Last week we reported on the visit of a French couple to First Glass. The great news is that we have now

doubled the international visitor attendance into the store. Yesterday we sold a bottle of Bushmills to a couple of Irish supporters – so our sales to overseas visitors is almost \$60. It's all happening – thank goodness for our loyal locals ..."

**September 30:** "There's no doubt a lot of disappointment in many sectors over the lack of spending from the thousands of tourists in the country. Downtown Auckland has grabbed most of the visitor spend – and when you consider that by Sunday around 400,000 people will have attended matches in Auckland, that's a lot of money taken away from restaurants, cafes and suburban bars. Anyway we are still hoping we can double the number of French customers visiting First Glass – the current total stands at two, so we are being quite conservative in aiming for one more couple to shop with us over the next three weeks."

**October 7:** "We have officially given up any hope of increased business from visiting rugby fans. And now that the All Blacks have moved in to the Spencer – well, that's it then. We can't see Graham Henry shopping around for a case of Cotes du Rhone."

**October 14:** "We are hearing some pretty distressing news from around the Auckland hospitality scene in respect of business spend during the Rugby World Cup. It has been widely reported on how empty restaurants and bars have been in the suburbs and there are very few reports of increased business. The 'cashflow' position for many will be very worrying and unfortunately it may be worse in November. There is simply so much money gone on rugby tickets and the casual spend to attend each game that a lot of budgets will be well and truly stretched, resulting in less money going on a dinner or drinks out and this may continue through until the new year.

"A lot of business houses will have spent the promotional budget – perhaps on tickets for clients, which will lessen the Xmas spend, and so many families are treating this 'one off' event as their big spend for the year. Wait until the credit card bill arrives next month with the charge for a couple of Semi Final tickets on it. The Cup has been fantastic but a lot of fingers have been burnt and there may be many restaurants or bars that do not make it through."

This was largely because it's the largest and most renowned of NZ's wine regions, it's only a short hop from Wellington which hosted eight games including two quarter-final matches as well as its close proximity to Nelson, which had three games. And of course everybody loves Marlborough Sauvignon Blanc (especially the Aussies) so it's important to visit the hallowed ground upon which those special vines are grown! "Overall wineries have reported good patronage, with a number saying they have been incredibly busy over the RWC period. This isn't widespread, however and it would appear as with all reports that the nation is hearing about, some have done far better than others," said Pickens.

Down in the 'deep south', the situation was quite different with the Waipara and Central Otago regions

feeling more pain than pleasure. Waipara winegrowers didn't plan any specific RWC event as Christchurch was off the fixture list and it's a region with enough on its hands after the Christchurch quakes. Further down in Central Otago, 24 wineries rallied together and planned the Pinot Central Experience to be staged at a time when they hoped they might catch international visitors travelling between matches in Invercargill and Dunedin. But the event was cancelled due to few bookings. "The visitors just weren't here. We were told there would be all these people travelling around but they weren't – Christchurch really had an effect," said Steve Farquharson, one of the owners of Wooing Tree Vineyard in Central Otago.

Farquharson did say there had been a few Irish and English tourists come by his cellar door, but

overall things were generally quiet. "I certainly wouldn't say it's been great but sales are perhaps a little bit better," he said. In terms of Wooing Tree's sales up in the restaurants in Auckland, he said, "If you're in the Viaduct (waterfront), things are fine but restaurants outside that region are taking a hit – the Cup really hasn't been that good for the restaurant trade unless you're in that Viaduct zone." Farquharson also questioned whether rugby was a better match with beer than it was with wine and fine dining.

"A number of times I have been asked – 'why are you interested in the World Cup? Rugby fans are not really wine drinkers.' Nothing could be further from the truth," stated Chris Yorke, global marketing director for New Zealand Winegrowers (NZW) in a speech earlier this year. Yorke has been defending the position that the Rugby World Cup was a unique opportunity for wine. His argument was, "The participating nations of UK, Australia, USA and Canada alone make up over 90% of our \$1.1 billion of exports. They are professionals and live in countries where rugby is played and followed by the top schools and universities." However it's worth noting that the two major NZ breweries say the tournament has been very good

for sales with some of their brands recording an 80% volume growth over the tournament, and even local boutique brewers reported sales spikes.

NZW had a strong belief that the Cup was an ideal opportunity to showcase NZ's premium wines and set up a food and wine concept within a large structure on the Auckland waterfront/viaduct area called The Cloud (a NZ\$9.8m temporary structure built especially for the RWC), to showcase 72 brands of wine from across all regions. They also worked with event organisers of the Sir Richard Branson dinner in Auckland to feature NZ wine brands at the prestigious NZ\$1,000 a ticket event for 1,300 guests. If your wine was selected to be featured at The Cloud, you were required to ship 72 free bottles to Auckland and the wine would be featured on a rotational basis. And if one wanted to be featured in more sessions there was an option to provide more free wine – plus of course you also had to pay NZ\$150 per wine selected. With the Branson dinner, if lucky enough to be one of the 20 wines selected, you had to ship 144 free bottles to Auckland as your 'sponsorship' of the event. This would entitle you to be one of four bottles placed on the table with one of the courses on the menu (and having your brand logo and a synopsis on the Branson event website which actually never

eventuated) plus the ability to purchase one ticket at NZ\$500 (a 50% discount). Of course you needed to get yourself to Auckland and try and find a hotel just prior to the RWC final to take advantage of the ticket. In addition, there was an opportunity to think creatively and come up with a "premium experience" (with guidance that it should be a value of over NZ\$20,000) that could be offered at the event auction.

If chosen for both events, the 'opportunity' to send well over 200 bottles of your best wine, for free, to be chugged by some rugby fans between matches, was not seen by many wineries that I spoke to (both large and small) as necessarily the best way of leveraging the Cup and getting one's brand remembered. Thank goodness, however, that some wineries chose to be magnanimous as it was no doubt a good branding exercise overall for the NZ wine category which after all is where the national body should be focused.

There was a spotlight on one brand throughout the tournament as the official wine sponsor was Pernod Ricard New Zealand with their key Brancott Estate brand (formerly known as Montana in every market except the US where they already trade as Brancott). Using the RWC as a platform for rebranding seemed to be a smart move given their

focus markets are aligned with the biggest rugby markets – UK, Australia and of course NZ. However their sponsorship certainly did put a stranglehold on anyone mentioning wine and RWC in the same sentence and was the reason that some of NZ's other large players chose not to take an active role. Even at Taste at the Cloud, Pernod Ricard had six of their wines represented ensuring a pervasive and dominant presence. But they paid handsomely for the privilege of sponsoring the world's third largest sporting event and proudly pointed out, "The New Zealand wine brand Brancott Estate will be the first New Zealand based Official Sponsor of the Rugby World Cup 2011" – nice positioning although I did think Pernod Ricard was a French company.

There were certainly some good tries during the RWC with some wineries and wine events making ground and winning points, but there were also those penalised by the lack of action on their home turf. As to how successful the main campaign was in converting tourists into New Zealand wine ambassadors, the answer will play out over time.

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