



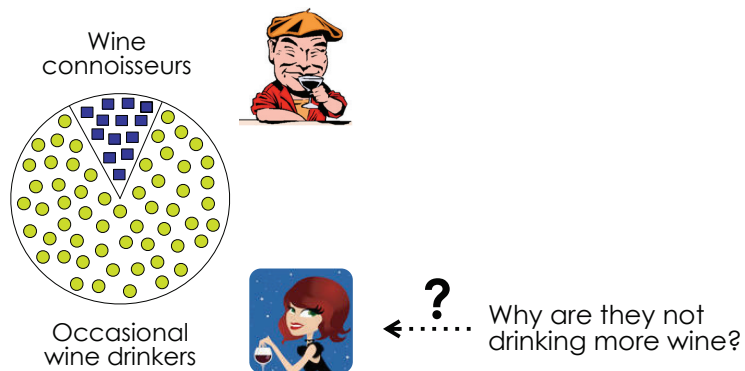
The Casella Story

- In 1957, Filippo and Maria Casella arrived in Australia from Sicily
- In 1969 they established the Casella winery in New South Wales
- In 1994, John Casella, one of Filippo's sons, became Managing Director of Casella
- Shortly after heading Casella, John started looking for ways to enter the U.S. wine market



The U.S. Wine Market

- Market analysis: Consumers vary in wine knowledge and preferences: there are experts and novices



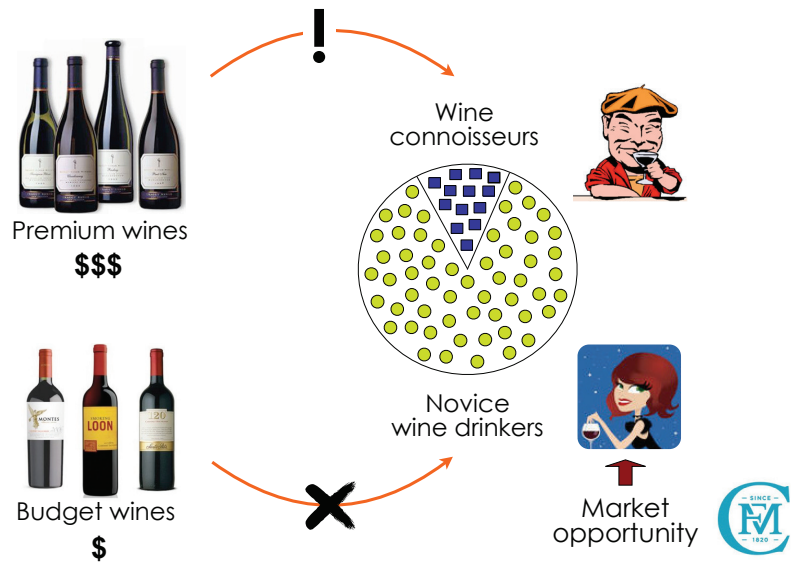
- What are the impediments to the occasional wine drinker consuming more wine?

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Impediments to Wine Consumption

- Wine choice is difficult due to the variety of options
- Wine brands are not memorable
- Wine labels are complex
- Region and importer information dilutes brand impact
- Wines vary in complexity: More complex wines are enjoyed by connoisseurs but challenging for novice wine drinkers
- There are many established substitutes for wine

The Market Opportunity



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Value Proposition for Novice Wine Drinkers



Benefits sought by consumers

- Low variety (easy choice)
- Easy-to-remember brands
- Streamlined labels
- Simplified vintage/region info
- Easy-to-drink wine
- Reason to drink wine

Budget
wines

Casella
wines



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Casella's Strategy and Tactics

- Create a memorable brand



[yellow tail]

Casella's Strategy and Tactics

- Streamline wine labels



Casella's Strategy and Tactics

- Underscore the brand by downplaying vintage/region information and ensuring consistency across vintages



Casella's Strategy and Tactics

- Simplify choice by offering only two varieties: red (shiraz) and white (chardonnay)



Casella's Strategy and Tactics

- Encourage trial by partnering with Costco and offering in-store promotions (roadshows)



Casella's Strategy and Tactics

- Make the wine easy to drink



Sweet & fruity taste



Easy to pair with food

Casella's Strategy and Tactics

- Position wine-drinking as fun and self-expressive activity



[yellow tail]®



Epilogue

- Yellow Tail became the fastest growing brand in the histories of both the Australian and U.S. wine industries
- Number 1 imported wine in 2003, surpassing all French wines combined
- Number 1 selling red wine, surpassing all California wines

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