

# OVERSEAS NEWS

*Yellow Tail shakes up the US – Yquem sale a nice little earner – Domaine Chandon a winner.*

## WALLABY WINE WOWS

### THE AMERICANS

According to figures recently published by Impact Databank Review and Forecast, US sales of Riverina-based Casella Wines' Yellow Tail brand rocketed to US\$621 million in 2005, outstripping all other domestic and imported wines. That accounts for about 3 per cent of the \$21 billion Americans spent on retail wine purchases.

Most wine industry watchers are familiar with the key events which led to Yellow Tail's staggering success. In 1969, dirt-poor Sicilian immigrant Filippo Casella starts making wine at his Yenda property for sale to other Australian wineries and also for his cane-cutting coworkers in Queensland. Thirty years later, his son, John, decides to try his luck at exporting wine to America.

First we see the US launch of Carramar Estate brand wines. The release bellyflops. In 2000, Casella invests in a graphic-design package and a new name – Yellow Tail – launched into the US in 2001. The quirky label is the first to feature a "critter", and displays a lower-case, parenthesized name, [yellow tail], projecting a cyber-speak image. The blend of the wine itself is modified to please the palates of a generation raised on sugary soft drinks. At \$5 to \$7 a bottle, it fills a price point largely ignored by competitors. Casella's second attempt is a rip-roaring success, with sales of 500,000 cases in the first year.

But the unsung hero of Yellow Tail's extraordinary achievement is WJ Deutsch, Casella's US distributor. The mantra for sales success in America's highly fragmented wine market is distribution, distribution, distribution. Deutsch was the perfect partner for Casella. When it signed up for Yellow Tail, it owned nationwide market penetration, thanks to its success with the Duboeuf wine portfolio. It had recently parted ways with Southcorp so had unused sales capacity. Most importantly, it had negotiated 50 per cent ownership of the Yellow Tail label with Casella, thus ensuring its motivation to succeed.

Some observers believe that Yellow Tail's success may finally have peaked. But with new varietals being added regularly to the portfolio and an endorsement from Robert Parker, the wallaby could make a few more giant leaps yet. **ANTHONY MANIFOLD**