



# Stepping Stones to Success

OFFERING A RANGE OF PRICE POINTS IS A WINNING STRATEGY FOR  
**COPPER CANE WINES & SPIRITS** by Stefanie Schwalb

**One major goal of many wine and spirits brands is fostering loyalty.** That isn't always easy considering how fickle consumers can be—and with good reason. Macroeconomic ups and downs as well as personal hardships and gains impact what, how much, and when people will buy. While there's no definitive formula for success, California-based Copper Cane Wines & Spirits has, under the leadership of owner and fifth-generation winemaker Joe Wagner, developed a strategy to cultivate a wide audience for its brands, one that involves a diverse portfolio featuring a range of price points.

## A Case Study in Cabernet

Take Quilt, a brand built around Wagner and his team's aspiration to make a Napa Valley Cabernet Sauvignon that would be consistent, approachable, and priced more competitively than other Napa Valley

Cabs of the same caliber. But "when we were looking at the portfolio, we had to be honest with ourselves and say, '\$50 at retail or \$20-\$25 by the glass is a big price point for the majority of Americans out there,'" Wagner explains, "and we didn't really have a stepping stone for the brand. We [just had] confidence that once people tried Quilt, they were going to like it."

So to drive consumers to the brand, Copper Cane recently added a red blend called Threadcount by Quilt and a Paso Robles Cabernet Sauvignon to its portfolio; a Sauvignon Blanc is soon to follow. "The goal was we would have something . . . that's the sub-label of Quilt so people could

experience it. Whether . . . in a restaurant or off the retail shelf, they'd try it and then discover they want to learn more," Wagner notes. In other words, once familiar with Threadcount by Quilt, consumers might see the name Quilt at a restaurant and be compelled to move from the commodity wine segment into the luxury tier. "I'd say once you get them to the \$20-and-up price points at retail—and they are confident there with what they're enjoying—they'll see there's a great quality-to-price ratio," he says. "Next they may move up to the Quilt Cabernet, and then the Quilt Grace of the Land Reserve Cab. . . . Like all human beings, we're all aspirational, so once you get that taste of luxury, you want more of it; once you move into a Cadillac, you don't want to go back to the used Chevy, you know? . . . It sounds like a simple strategy, but I think that's what a lot of [producers] *don't* do."



Barrels aging Threadcount by Quilt.

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**Copper Cane Wines & Spirits founder Joe Wagner at his tasting room, Quilt & Co, in Napa, CA.**



PHOTO: ALEXANDER RUBIN

Meanwhile, no matter where customers are on the price ladder, Wagner is hoping to keep them loyal to Copper Cane; to that end, maintaining consistency in pricing plays a critical role. “What happens if you go from \$50 to \$60 a bottle at retail? How much slowdown is there going to be?” he questions. “We hesitate to make those moves quickly because we’ve established such consistency in the style of wine, and with our price points, people look at us as a go-to that’s going to do well on a list.” Ultimately, he adds, “We want to be riding in this luxury space that’s also accessible, and our pricing has allowed for that. I think people . . . have appreciated the consistency in pricing, and [for operators] bringing a few of our wines onto their list, they have the ability to guide guests.”

### The Pinot Bandwagon

Wagner actually discovered the benefits of the multi-tiered approach back in the aughts after launching Belle Glos Pinot Noir in 2001, followed by Meimi Pinot Noir (formerly known as Meimi by Belle Glos) in 2007. “I guess you could say that Belle Glos did wonders for Meimi at the time, but I actually think that Meimi did wonders for Belle Glos,” Wagner reveals. “It was a different time, of course; we were going through a recession back in 2008–2009, and it just wasn’t cool to have luxury items.” The dynamic in the market was peculiar, he adds. “Belle Glos was our high-end Pinot, and Meimi became the trade-down. Then it became kind of like the everyday

Pinot Noir, people liked it, and word spread. [In fact] it was all word of mouth, and that’s the best way to find success—when people are bringing it to a party and saying, ‘This is my favorite Pinot, and it’s only \$20.’ Then more people jump on the bandwagon.” As the recession ended and those newcomers to Meimi were finally ready and able to try a higher-priced Pinot, Belle Glos was waiting.

Wagner sold Meimi to Constellation Brands in 2015, but it clearly proved to be a saving grace at a time of economic unpredictability when Copper Cane’s future was uncertain. “It was a moment of I’m either going to file for bankruptcy or we’re going to make it big; that period taught me about the importance of having this range,” he says. “It doesn’t need to be five different price points, but if you have two or three . . . you’re giving options to the consumers,” he says. “It’s not that they newcomers to the luxury category or regulars who nonetheless aren’t willing to spend \$50 several nights a week. “While that wine might be two or three points less from a critical standpoint, it’s delivering 90% of what the big brother of that brand is doing.”

### Knowledge Is Power

When it comes to brand exposure, Wagner acknowledges that “the hardest person to get knowledge to is the customer, so I would say that gives impact to the gatekeepers—wine buyers, sommeliers, retail buyers”—which in the case of Copper Cane’s portfolio is a good thing. “Our track record gives them confidence to bring

our new wines into the fold. That in itself . . . is one of the biggest barriers to get through. If you’re a start-up on a shoestring and you walk into any given restaurant and pour your wine for them, they might look at it and say, ‘It’s a great story, I like the product, and pricing is fine—but nobody knows about it.’” The burden is placed on them to do the legwork and pitch the unknown wine tableside—and post-pandemic, they’re already contending with other issues. “They have 300 wines on their list that they’re also trying to sell, so it’s a challenge,” he adds. “It’s all about getting those gatekeepers to have a level of confidence to bring wine in and try it out. Then the consumer is going to be the driving force behind whether it’s successful or not.” The good news is that “when you tie one brand to another that’s already in existence and known,” he adds, “it definitely correlates more with the consumer.”

Ultimately, the Copper Cane team’s goal is something many producers can relate to: determining whether they can craft the caliber of wine they envision at a specific price while remaining profitable. “Sometimes you’re not very profitable; sometimes it’s more about [adding something to] the portfolio for the sake of getting people into a broader array of the wines you provide,” Wagner concludes. “At some point you have to say the dollars work just fine. If a wine fills this gap in our portfolio, we believe it’s going to draw in more consumers to go up and down the price ladder.” **W**