

A clever little marketing strategy – [yellow tail] in a Blue Ocean

Last week I blogged about the strategy of [yellow tail]'s success across much of Asia (<http://us.asiancorrespondent.com/YellowTail/the-art-of-demystifying-wine>). There's actually a bit more to our success story. In making our own rules and making great everyday wine for everyone to enjoy, we did something clever.

So clever in fact, that some university professors decided to study what we did. It turned out that avoiding the stuffy wine rules and making a wine that people want to drink was actually quite radical. So radical, the university professors called it a 'Blue Ocean Strategy'. I'm going to discuss more about the research findings from the paper *Blue Ocean Strategy: From theory to practice*, Kim & Mauborgne, 2005.

The concept is to escape the overcrowded market space (a bloody red ocean) where all the sharks are ripping each other apart and swimming into a big empty blue ocean where no one else is competing.

Casella Wines assessed the alternatives and decided that the key to differentiation was to make a fun and nontraditional wine that's easy to drink for everyone. (Kim & Mauborgne, 2005, p.28)

By applying the four actions framework and answering the below questions, Casella Wines was able to identify a marketing niche for [yellow tail].

The Four Actions Framework (Kim & Mauborgne, 2005, p. 29).

Reduce

Which factors should be **reduced** well below the industry's standard?

- Wine complexity
- Wine range
- Vineyard prestige

Create

Which factors should be **created** that the industry has never offered?

- Easy drinking
- Ease of selection
- Fun and adventure

Raise

Which factors should be **raised** well above the industry's standard?

- Price versus budget wines
- Retail store involvement

Eliminate

Which of the factors that the industry takes for granted should be **eliminated**?

- Enological terminology and distinctions
- Aging qualities
- Above-the-line marketing

In contrast to large wine companies who developed strong brands over decades supported by large marketing investment, "[yellow tail] leap-frogged all competitors with no promotional campaign, mass media, or consumer advertising. It didn't simply steal sales from competitors; it grew the market" (Kim & Mauborgne, 2005, p.31).

For many of the Asian markets that now sell [yellow tail] wine, the blue ocean strategy and the way it has shaped the [yellow tail] brand globally could be very insightful over the next few years. The market for wine in Asia is only going to become more crowded and competitive. It's going to take innovative ideas and strategy like Blue Ocean to truly succeed. As you can see [yellow tail] has pioneered this approach and we will continue to experiment and try new things in these exciting emerging wine markets.

For more information and [yellow tail] and Blue Ocean strategy, click here:
<http://www.blueoceanstrategy.com/too/yellowtail.html>