

MARKETING AND STRATEGY

New Chardonnay Gets Play on CD As Winery Aims to Jazz Up Label

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Flowers, candles and wine grace the cover of many smooth-jazz albums, and "The Groove Boutique: Volume One" is no exception. But on "The Groove Boutique," just out from Tommy Boy Music, it's not just any wine -- it's a bottle of Little Penguin chardonnay, label clearly visible, complete with the eponymous bird waddling along.

Marketers have in the past worked -- and sometimes paid -- to sneak mentions of products such as Nike sneakers, Ice-Tek watches and Hummer SUVs into song lyrics and videos. But Little Penguin's leap onto an album cover marks new territory. The move underscores the growing importance of music in corporate branding, and how products are coming up with ever more creative ways to associate themselves with musicians that reflect their goods' images.

"In a world that's very alienating, very confusing, music remains very authentic," says Lucian James, founder and president of Agenda Inc., a San Francisco-based, brand-consulting firm that isn't involved in the Little Penguin project. "Particularly for a younger audience."

That authenticity has brands from the Gap to Pottery Barn to Cracker Barrel Old Country Store creating CDs with music the retailers think matches their brands. The more ways they can get a customer to connect with their products, retailers figure, the more loyal that customer will be.

For Little Penguin, owned by Australian wine giant Southcorp Ltd., connecting with fans of "The Groove Boutique" was a no-brainer. Southcorp, which also owns popular wine labels like Penfolds, is pushing Little Penguin, which sells for \$7.99 a bottle, as a party drink for 20- and 30-somethings. "The Groove Boutique," named after deejay Rafe Gomez's hot jazz mix radio show based at New York's WQCD, attracts a similar group.

Mr. Gomez has a won a strong following among "a demographic that really wants jazz, but wants a more modern feel about it," says Liz O'Connell, a Southcorp executive who worked on the campaign. "It works well for our party theme with the Little Penguin."

Ms. O'Connell's inspiration came from Victoria's Secret, which has struck a number of creative co-branding deals with musicians. One that caught her eye:

booking Italian tenor Andrea Bocelli to warble as models strutted down the runway at the lingerie retailer's 2001 fashion show, and releasing an exclusive CD alongside the event. "Victoria's Secret Presents Mistero dell'Amore," featuring seven tracks from the singer, sold for \$5 to Victoria's Secret shoppers.

Earlier this year, the retailer also struck a deal with Bob Dylan, shocking many fans. While he crooned "Love Sick" for its television commercials, Victoria's Secret hawked an exclusive nine-track Bob Dylan CD in its stores -- this time, for \$10.

"Having a co-branded effort at a point of purchase, where consumers were not necessarily expecting it, was what impressed me," says Ms. O'Connell. As Southcorp geared up for a July U.S. launch of the Little Penguin label, she kept the Bocelli example in mind, but hadn't come up with a good music tie-in for the wine.

Then Tom Silverman, chairman of privately held Tommy Boy, called. He and Ms. O'Connell knew each other through previous promotions and Mr. Silverman's personal interest in wine and knowledge of other Southcorp products. He told her about the new album, suggesting its demographics might match those of the wine.

"There was an obvious synergy," says Rosie Lopez, head of marketing and international at Tommy Boy. "We felt the music was perfect for a couple of things, especially entertaining." That placed it smack in Little Penguin's niche.

The album cover had already been shot, but through photo-editing software, the designers could graft on the bottle of chardonnay. Mr. Gomez, the deejay who mixed the music, was delighted. "It added some very classy cachet to my album," he says. "I look at my CD as a lifestyle-enhancement product," and the wine tie-in helps complete the image."

Ms. Lopez is looking into further cross-branding opportunities for Tommy Boy, but only where the music lends itself. "If it's an obvious partnership, we'll do it," she says. "We're not going to try to peddle wine to teenagers, push it outside an appropriate group."

Southcorp paid one fee, an undisclosed amount that covered the product placement, co-branded radio advertising and "exclusive pouring rights" for the album's launch parties in cities like New York and San Francisco. It also gets a prominent link from the "Groove Boutique" Web site to Little Penguin's, where potential customers can learn four reasons why the little penguin is the "definitive party animal." (Reason four: Being completely indistinguishable from every other penguin has certain advantages.)

All "Groove Boutique" CDs come with a mail-in coupon giving buyers \$2 off

any bottle of Little Penguin. In case anyone misses the bottle on the front, the waddling penguin logo is on the back, too. And Little Penguin bottles come with a flier around the neck promoting the CD.

Ordinarily, Mr. James of Agenda says he might worry such an intense co-branding effort would turn off consumers with its lack of subtlety. But not in this case. "It doesn't sound like a wine that takes itself very seriously," he says, "so it's not going to cause a long-term credibility problem."