

# Ep 185: La Place de Bordeaux with Pauline Vicard



**Janina Doyle 00:00:07** Welcome to Eat Sleep Wine Repeat, a podcast for all you wine lovers, who, if you're like me, just cannot get enough of the good stuff. I'm Janina Doyle, your host, Brand Ambassador, Wine Educator, and Sommelier. So, stick with me as we dive deeper into this ever evolving, wonderful world of wine. And wherever you are listening to this, cheers to you!

Hello, wine friends, and welcome back to another episode where today is going to act as an introduction into La Place de Bordeaux. So, we'll be talking about what actually is La Place. We'll explore its historic significance, the diverse wines, so it's not just about Bordeaux wines, they are now Beyond Bordeaux. So, we'll be talking about Opus One, Almaviva, Seña.

Now, this is a perfect episode to follow on from my Bordeaux episodes with Jane Anson. So, episodes 182 and 183, as we were talking about En Primeur, so the wine futures. And so again, we'll be discussing how does En Primeur fits into La Place de Bordeaux.

And so, I have an incredible guest today to enlighten us and educate us. I'm talking about Pauline Vicard, who is a beautiful wine friend of mine. We connected whilst doing our WSET diploma. She's now a stage two Master of Wine student, but as co-founder and executive director of Areni Global, which is a think tank. It's dedicated to the future of fine wine. And they have a podcast.

Now there is a seven episode series on – Surprise, surprise – Le Place de Bordeaux. This is hopefully going to whet your whistle. Well, maybe, sadly not. We're talking about more of a distribution system than the wines themselves, but they really break down this system in absolute depth. They're talking to knowledgeable people in the industry. They're talking with Ornellaia, Opus One. They're talking with Max Lalondrelle. He is the MD of Fine Wine at Berry Bros. and the biggest Bordeaux buyer of wine in the world. So, he definitely knows what he's talking about. They're talking with Mathieu Chardonner, the president of Bordeaux Négociants CVBG.

So, this is an incredible deep dive into the world of fine wine from a financial, from a global trade perspective, and definitely something you want to listen to. So, you'll find links to their website and their podcast in my show notes along with also the transcript. So, don't forget to check that out.

And before we start, a big shout out to my sponsor of this season, [Wickhams wine](#). Their link is also in the show notes. And don't forget, they are a best specialist retailer with Decanter, specifically for South and regional France. So, you will find some delicious wines there. And if it's your first time on the site, you just need to use the code "EATSLEEP10" for 10% off your order. Okay. Who is ready to understand the system La place de Bordeaux?

**Janina Doyle 00:03:21** I'm going to start with the question I always start with. How did he get into wine?

**Pauline Vicard 00:03:28** Well, one of my favourite questions. Well, in my case, I was born into wine.

**Janina Doyle 00:03:33** You didn't have a choice?

**Pauline Vicard 00:03:34** No, I didn't really choose wine. I was born into it. So, my parents were winemakers in Burgundy. So, I grew up in an estate. The first 20 years of my life was spent in the vineyard mostly because I wasn't allowed in the cellar and in the winemaking part.

**Janina Doyle 00:03:49** Outrageous.

**Pauline Vicard 00:03:50** For all of different reasons, not just because I'm a woman, it's also because the region there and the time in which my parents were winemakers, almost 40 years ago, was in the South part of Burgundy, which is not the part of Burgundy that puts little stars in people's eyes and like Romanee-Conti and all of that.

It was really a lesser known and it's still a lesser known region of Burgundy. With a different business model, my parents were selling 80% of what they were doing in bulk to the negoc. So, it wasn't also a very, very financially sustainable model.

And our cellar was not that modern if you compare it to what winemaking facilities are today. So, I guess, there was a lot of this that my dad didn't really want to have kids or teenagers around because it wasn't the safest place to be in.

**Janina Doyle 00:04:40** You don't really want to fall into a tank, especially a fermenting tank.

**Pauline Vicard 00:04:45** Exactly. So, that's one of the reasons. So, that's how I got into wine. And then I've worked in wine almost all my life. I wanted to get out of Burgundy because with all the love that I can have for this region and for these wines, I felt a bit limited there. And also because I've worked in the vineyard my whole teenage and growing up, I know that it's a hard job.

It can appear to be poetic, but it's a hard job that you really have to choose for yourself otherwise, it's too complicated. And I wanted to explore the world of wine. And you can't really do that from Burgundy. We tend to drink only the wines of the region we produce in France. So, I wanted to see how wine was done in other places. I wanted to meet the people that were selling the wines.

And so, I ended up doing a lot of jobs in the wine industry from running a shop and a restaurant to being an educator for one of France's biggest restaurants union and hospitality union. So, teaching restaurants to sell wine. I worked in the French Embassy abroad to help wineries export to the market we were based in and then I did a lot of market research in wines as well.

So, I've always worked in wine and my first career goal was to be able to sell wine abroad and to sell French wine abroad. I ended up doing something different, but that was the goal.

**Janina Doyle 00:06:08** Life takes you in all different types of directions. But right now, you are very much focused on fine wine and transmitting the message and keeping it alive, are you not? Tell everybody listening what you're doing now.

**Pauline Vicard 00:06:22** So, now I run again, something a bit different, but very much linked to some of my past. I run Areni global, which is a think tank dedicated to fine wines. Basically, our job is to look at how the world is changing and how those big changes in terms of geopolitics, tech, societal change, environmental change, of course, how they impact both the production and the distribution of fine wine and the consumption of fine wine as well.

It's taking all those expertise that I have experience of, that I've developed in some of my functions before. I've been a witness to a lot of change in the industry and to people not being able to adapt to change, the first one being my parents, because they're not winemakers anymore. They couldn't adapt to some of those changes.

And so, taking those experiences, those expertise, that capacity that I have that I think I like asking questions, just like you. You love asking questions.

**Janina Doyle 00:07:18** Oh, my God, yes.

**Pauline Vicard 00:07:20** It's kind of a perfect job for me because my job is actually come up with intelligent questions and then to bring together experts that sit both within the fine wine value chain, but also outside of the fine wine value chain, working with people in geopolitics, tech, investment, sociology, anthropology, and ask them questions that hopefully, when we analyse all those answers, give us a bit of guidance in terms of what wineries and the trade could be doing in order to adapt and thrive in the future.

**Janina Doyle 00:07:51** But it's brilliant. Like, we'll go out for dinner and I like to think of myself as a wine geek. But then I'll be like, Pauline, don't you think this wine is fruity? And you'll be like, yes. What kind of consumer would appreciate this wine? What segment of the industry? And then, I'm like, oh, I don't know.

**Pauline Vicard 00:08:13** That's the MW program. That's how the MW thinking makes us think about wine.

**Janina Doyle 00:08:22** What could I say, I only hope. See, now you're the one that's asking the intelligent questions most of the time. So, now there's the pressure on for me to ask you the intelligent questions.

**Pauline Vicard 00:08:32** And I will judge you based on the quality of it.

**Janina Doyle 00:08:34** No pressure. Okay, so you're talking about how fine wine can continue and how it can evolve. And so, actually, the whole point of this episode, we wanted to touch on La Place de Bordeaux, which is a system that dates back to the 17th century. It's still going. It's entirely misunderstood by so many in the industry and not in the industry. So, tell me why you said to me, let's choose this as a theme. What is so interesting for you about La Place de Bordeaux, first of all?

**Pauline Vicard 00:09:09** So, the first thing that is interesting for me in La Place de Bordeaux is that it's complex and it's influential and anything that is complex and yet has a lot of influence on a given sector, is worth exploring and is worth explaining.

And in the world of wine, you and I, we've talked about this before, but we do like talking and teaching and learning about wine itself, like, we like being better at wine tasting and recognizing regions and knowing about grape varieties.

But topics like logistics and supply chain and financial sustainability and all of this, they are less poetic. We tend to spend less time learning about how a bottle of wine goes from point A to point B. It's a little dry. Pun intended. But in our competitive markets and also highly regulated markets like trading wine internationally. It's a nightmare admin-wise.

All of those topics are crucial to understand. And of course, La Place de Bordeaux is by no means the only way that one can distribute fine wine today. But there's a lot of change and there's a lot of mutation happening within the system of La Place de Bordeaux, which is, even if they tend to say otherwise, but it's still, if not opaque, very poorly understood by the trade. I'm not even talking about the consumers, but just about us dealing with wine every day.

But the changes that are happening at the moment are really interesting to study because they give us a good indication of what's happening in fine wine in general. And also, there's more and more wineries wanting to play in the fine wine category. It's no surprise that's where the money is supposed to be and premiumization and people buying less but spending more, that kind of thing.

But you don't distribute fine wine the same way that they distribute other wines. And it's really important to understand how a system works and how the mechanism of La Place works.

**Janina Doyle 00:11:09** So, we should touch on that. For me, again, being in the wine industry for a decade and a half or whatever it is now, I very much understand La Place de Bordeaux. The typical thing is three tiers, château sells to courtiers, which are basically brokers. And then in effect, they help with the sale to the négociants, which are the wine merchants.

But that's where I think when people start listening, courtiers, négociants, and then they're buying wine from some online retailer and they're thinking, how does that work? So, can you explain in your wonderful way to describe it? No, but in a much more detailed way, what is La Place de Bordeaux? Because it isn't a place. And what's its functionality?

**Pauline Vicard 00:11:57** So La Place de Bordeaux is a distribution platform, if you want, in a simple term. It's a triple tier and you've quoted them all, which is the château, the courtiers and the négociants. And it's a distribution system that helps demand meet supply, basically. And that works in little hubs where you have loads and loads and loads of château, because it's important to understand straight away that La Place de Bordeaux doesn't just deal with fine wine.

I think the number is something like 75% of the wines produced in Bordeaux go through La Place. So, even your Entre-Deux-Mers, a lot of wines that you will find at €5 in a French supermarket will have gone through La Place de Bordeaux. And of course, there's slightly different actors that do play with fine wine and do play with other €3 kind of bottle of wine. But it works like hubs, right? You have a multitude of château and production players in Bordeaux, if you include the cooperatives that also sell through La Place.

And so, you've got all of that production that needs to be connected with all those points of consumption that are either in France or abroad, right? And so, it works in steps. So, the château,

the producers will go to a courtier that will be the first point of connection, the courtier being the first filter connecting them to the right négociants. And then, the négociants is the only one that actually looks outside of the place and then will connect the wines that he has acquired through the courtier through another network, which is the network of importers, distributors, retailers, supermarkets, depending on how the markets are structured in terms of distribution.

**Janina Doyle 00:13:37** Yeah. No, I think that's the question, I think, very often is the courtiers.

**Pauline Vicard 00:13:42** Yeah.

**Janina Doyle 00:13:43** Why do we need a broker? Why did they get paid? And my understanding is simply because actually there is what you've just described, so many château and cooperatives, and some might be going to a supermarket, eventually, and some might be going into somebody's cellar. So, the courtiers are the people that actually have that inside knowledge.

**Pauline Vicard 00:14:09** Everyone in La Place has a specific knowledge. And that's the thing because there's so many actors, usually, if you want to get all the pieces of the puzzle, you have to go through all the three steps to get all the pieces together.

But first of all, if I just make it I know we've got UK listeners, courtier is not exactly a broker – I mean it cannot be like broker in the UK language doesn't mean the same thing as courtier in the French language because the difference being that courtier is a highly regulated profession in France.

And so, not everyone can be a courtier. You've got to go through different exams that you've got to pass and then you also are a witness in front of the law. So, when you are courtier, so there are different kinds of courtier and I'm trying to summarise because we've done one of the episodes really in depth about this.

I'm trying to summarise in five minutes, something that will take me, usually, a bit more time. There's different kinds of courtiers. One of their roles is also to make sure that contracts are respected between the château and the négociants, which is not exactly the case of, for example, what a fine wine broker would do in the UK. They don't have that legal framework that goes around it but they still have the same job of helping supply meet demand.

And you're totally right. And why did we need courtier even 50 years ago when communication wasn't that easy, or even 100 years ago when you didn't have cars and Pauillac was so far away from Bordeaux in terms of transportation. The négociants were based in Bordeaux and the château were based in the Medoc. That's sometimes 80 kilometres. So, just imagine when you had to ride a horse to get there.

But they were, yes, centralising information. And that's really what courtiers do, is that they centralise information on château, they centralise information on négociants, and they try to be a bridge between those two worlds.

And today, I guess, sometimes some people will question those roles, because négociants and château end up talking to each other quite a lot directly, but usually they're still seen as valuable because they still hold pieces of the puzzle that no one else does because the négociants only knows his business, but the courtier knows the business of several négociants. The château knows only his

business, but the courtier knows the business of different château. So, when it comes to finding your place in a competitive space, the courtier has a lot of information about that.

**Janina Doyle 00:16:35** And will the courtier as well actually be able to help with the whole pricing?

**Pauline Vicard 00:16:39** Yes, of course. I mean, pricing is a full question and I'm sure you talked about it with Jane Anson. It is a full episode on the series that we do on La Place. But to price your wine right, and that's not just on La Place, it's the job of every fine winemaker today or to some extent, to everyone, to find to price your wine right, you have to have access to a lot of information today.

And so, by providing relevant information, the courtier helps the château pricing their wines. But the château is totally free to price their wines how they want. And they will do that based on the information that they've collected in different places.

**Janina Doyle 00:17:22** So, like you mentioned that I discussed a little bit about pricing, which I did with Jane, what we did focus on in that episode was En Primeur. So, the wine futures. How does that fit into La Place de Bordeaux?

**Pauline Vicard 00:17:36** So, it is one of the three things that La Place deals with. So, one of the current mistakes or misunderstandings that people have about La Place is it's exactly the same as En Primeur, which is not.

First, because again, some of the wines that are traded by La Place are not fine wine. And usually the En Primeur system today is mostly geared towards fine wine. There's only a limited amount of wine that goes through the En Primeur system and they are normally the top of the pyramid.

So, that's one of the first things. La Place is not the same thing as the En Primeur system, but the En Primeur system is a big part of the business which is done by La Place, if that makes sense. So, La Place is gonna put into market En Primeur wines, which are wine futures, as you said. So that's what we went through. That is still going on actually. The campaign is not finished exactly at the time which we are speaking, where the 2023 wines are being released.

So, tasted by the press, tasted by the trade, and then the château gives a price and then négociants buy or don't buy the wine and then sell or don't sell to importers and distributors based on the price and the quality of the vintage. But the wines will be received only in two years. And hopefully, in two years, the value of the wine will have increased and the people that bought it two years previous will be able to see a value increase in the wines in those two years.

And one of the issues of the En Primeur system at the moment is that that price increase is not guaranteed anymore. That's one of the problems. But then La Place also deals with older vintages, so nothing like what we call 'livrable' so wines that are already in bottles, so that don't go through the En Primeur system, that are released when the wines are in bottle and are ready to ship to the consumers with older vintages as well.

So, either that the château release 10 years later, or either because the négociants of La Place, trade wines with each other, they stockpile on a vintage and then they will sell to another négociants and then the négociants will find a market for those wines and things like that.

And the third part, which has nothing to do with En Primeur that La Place is doing more and more of is the Beyond Bordeaux wines. So, wines that are not from Bordeaux that are normally considered fine wine.

I say normally, because that's one of the changes that's happening in La Place at the moment. But normally considered the top of the pyramid in terms of quality that decide also to put their wines through that system because of the power of distribution and the capillarity that La Place allows you to have and the de-multiplication of your distribution that you can have. And suddenly you were selling in 30 countries and by going through La Place, you can sell to 120 or things like that and that has nothing to do with En Primeur as well. Does it answer your question?

**Janina Doyle 00:20:30** It totally answers the question. And in fact, I guess really my next question, which I think you've already answered is, why would people want to sell through La Place? And really for me, it is that global reach rather than maybe – lots of Napa Valley wines are now in La Place, but maybe like 80%, 90% of their wines they sell in America. Great.

But then the other 10%, it can only go a little bit here, a little bit there. Whereas you've basically instantly got a hundred sales force in a La Place de Bordeaux that can go to all over Asia and all over other countries around the world and distribute.

**Pauline Vicard 00:21:10** They does all the admin work for you.

**Janina Doyle 00:21:12** We like that!

**Pauline Vicard 00:21:13** They does all the compliance work for you, checking the label requirements in countries, doing all the tax and VAT and all of this that people tend to underestimate how heavy that can be sometimes, and also normally understand how a market works and the nitty gritty of how a market works and who you need to talk to and where you need to sell your wine.

So, it accelerates a lot of things. It doesn't create distribution for you, but it accelerates things when you are Beyond Bordeaux wines. You have to have your brand already recognised and established. They don't do that for you.

But once you are there, La Place can do in probably five years what it would have taken you, maybe 15 years to achieve. That's the biggest argument of La Place, it's that powerful and qualitative distribution because they have invested a lot in warehouses and all of that also that makes them have a quality distribution.

And the second thing, I think, people go through La Place or want to go through La Place not being from Bordeaux because it also gives them a sort of status and prestige, like, we are as well known as the wines of Bordeaux. We want to be drunk in the same place. We have similar consumers. So, we want to benefit from that status that part of La Place only distributes the finest wine in the world. And again, it's part of La Place because some négociants only do fine wine and some négociants do

the supermarket wines. Again, La Place de Bordeaux that we study in the podcast is just about the fine wine distribution.

**Janina Doyle 00:22:39** But it is so true, isn't it? Because I think I was reading an article on Klein Constantia, who are top winery in South Africa, and they're so famous for their very historic Vin de Constance, this gorgeous sweet wine.

And they've now thankfully got that delicious historic sweet wine on La Place. But they said, and I remember reading the article, it was brilliant. And they said, "We still have our wines, we have our more wines that might be in the supermarket but we want them on very different routes."

So, the premium historic wine goes to La Place, everything else we do separately. And the same way they said, this is a perfect description, they said that the same owner owns Ferrari, owns Fiat. I didn't know that. And at the end of the day, the way they will sell Fiat will be very different to how they sell Ferraris. Right.

**Pauline Vicard 00:23:38** Which can sometimes be a plus and a minus because you touch something important is that usually in the Beyond Bordeaux wines, it's quite common that not all the wines are distributed through La Place. It might just be the top wines that go through La Place.

And so, some distributors might see that as an issue because then it means that the money that you would have made on the top wines can also help you develop the rest of the range. And then, suddenly you don't have access to that money. And so, then as a distributor, you can't develop the rest of the range or things like this.

Beyond Bordeaux wines is a fascinating episode. It's episode number four and it's one of my favourite because also you get to speak with people from all around the world and get the perspective on something that wasn't until quite recently a very French organisation. And the culture has changed as well. So, that's fascinating.

**Janina Doyle 00:24:30** Everybody listening, I can highly advise you to listen to these episodes. I've listened to the episodes, not Beyond Bordeaux, because you literally just released it from when we were recording a week ago. And I'm like, oh, damn it. If only I'd listened to that, I could steal some of that.

But the point is everybody listening, that this is a very different podcast still. Consider this the introduction that hopefully gets you excited to go across. And I, in the show notes, will put the links so you can go and listen to these episodes. But for anybody searching, because we've mentioned your podcast, where you've got very specific episodes on La Place de Bordeaux, what should they search? They should search Areni Global and then it will come up?

**Pauline Vicard 00:25:07** Yeah, Inside La Place de Bordeaux. Well, all the podcasts are on the website. So, you can go on Areni.global. And then you can browse by format, because we do loads of different analyses. We do articles. We do publications. There's videos of some of the webinars we've done before.

And then there's the podcast. And we've got two types of podcasts, one which is 'In conversation' where we interview just one personality, and the ones that we go into kind of a indepth on the topic.



And that's the thing about Inside La Place de Bordeaux. It's a seven episode series and we've released four. We're releasing number five next Tuesday.

**Janina Doyle 00:25:46** Which, yes, so by the time people are listening to this, there'll be a few more to keep people busy. Now, I might be ruining things because you might be already mentioning it on the Beyond Bordeauxs, but I find this fascinating just because I think, for me, how I got into wine as an English person, I ended up working for a New York steakhouse.

Actually, I went very quickly from drinking Blossom Hill Rose up to Opus One, incidentally, which is, of course, one of the Californian wines that is on La Place de Bordeaux.

**Pauline Vicard 00:26:19** Probably one of the most successful wines on La Place as well.

**Janina Doyle 00:26:22** Well, I suppose, do you think that helps because it was one of the first that ever got on there?

**Pauline Vicard 00:26:27** The first one was Almaviva.

**Janina Doyle 00:26:29** I know! Viva Chile. Anyone who's not listening, yes, Chile.

**Pauline Vicard 00:26:33** And then, Opus won very quickly after that, but it's kind of logical for both because they were joint ventures with a Bordeaux winemaker. They had the culture of also selling through La Place and they had not just the courtier, but the network and the understanding of what it takes to be successful on La Place. So, it's really not a surprise. And those two wines have done really well.

And Masseto was, I think, the first one who had no ties with, no link with Bordeaux producers. And that really was the start of the Beyond Bordeaux wines that were made outside of Bordeaux by Bordeaux people, if I can say it like this.

But yeah, it's really interesting, that movement, because it's something that La Place has accelerated. I think it would have arrived anyway, but La Place accelerated the transition, like fine wine has become today a sort of transnational category, right? And people in the fine wine category have more in common in terms of how they perceive themselves, in terms of how they think about distribution, in terms of the consumers that they want to engage with, they have Seña and Almaviva have more in common with Mouton Rothschild or Latour or Lafite than they do have with other wines down their own lane.

So, it's an interesting movement of seeing those citizens without countries in some ways, citizens of nowhere. I think that's what Theresa May deemed some of the elites that we've got now that live in different countries and have a nationality at first, but don't really care about the nationality because they can live everywhere abroad. I think it's quite similar with fine wine. It's an interesting development of that category that has a lot of implications, but you have to listen to the podcast to learn about all of them.

**Janina Doyle 00:28:26** Exactly. Exactly. No, I totally agree. It's like you mentioned Seña and this is a Bordeaux blend and they've proven. I always love this because obviously Chilean wine makes me feel, for anybody who knows, I used to look after a Chilean winery. For me, it was always that fight that Chilean wine does not have to just be £5 a bottle, these are really super premium wines.

And I always used to tell the story about the Berlin tasting in 2004, where Eduardo Chadwick believed in these wines so strongly that he got Steven Spurrier involved, who had done the judgement of Paris many, many years ago to do this one. And yeah, and was it the, I think, Viñedo Chadwick beat Lafite, beat Mouton Rothschild and Solaia and a few others.

**Pauline Vicard 00:29:12** There wasn't that. What's interesting is that I've talked to Eduardo about that. I hope he's happy with me to share that. But there weren't that many négociants interested in his wine first when he wanted to go through La Place and now every négociants wants to have Beyond Bordeaux wines in their portfolio. And that's the second thing, which is interesting, because over the last two years, and it's quite recent, the number of Beyond Bordeaux wines have exploded.

And if you look at Jane Anson's report, and I know you had Jane on the podcast and she's fantastic and her report are fantastic, you can see that the recent change, the part of La Place that deals with fine wine, but that's the one we're talking about, they supposedly deals only with fine wine that are defined by being of top quality and already have a high level of desirability and reputation, which is what makes it interesting for négociants to sell them because the wines are easier to sell because they already have a desirability and reputation. And so, they can accelerate, but they don't have to create.

And it's funny because the new generation of Beyond Bordeaux wines, when you look at them, they're not well-known. If you look at the Burgundies that are on La Place, it's not the Rousseau or the DRC. It's just like producers I've never heard of and from appellations that are not really famous either.

So, it's not Nuit Saint-Georges, Gevrey-Chambertin and the Chorey-les-Beaune and the Santenay, for example, which are not the most wow appellations in Burgundy. With all the love that I've got for them, I was just not expecting to find them on La Place.

And then, you look at, there's also a wine from the Ile-de-France, which is around Paris, which is like, okay, weird. Didn't put that into my fine wine regions. There's a wine in Limoux, which is also not really well known.

And then when you look at Jane's scores, they're not that high. So, they're not terribly low, but they're not that high. And you're like, okay, so they don't have a reputation in terms of quality, that's potentially something that we can discuss. And I can only suppose that the level of desirability is not really high as well.

So, you can really, really wonder what some of those négociants are doing because it's counter definition. Like, if La Place is supposed to distribute only wine with high desirability and reputation then I wonder what those wines are doing in there. That's a big question at the moment from everyone who's working with La Place de Bordeaux.

**Janina Doyle 00:31:49** So, where do you think the future lies? Because obviously, just a little bit of that quality is slightly questionable. But then, I think, there was a time when people said, you know what, there's a lot of people going direct to consumer, we don't need the middleman anymore, like it's all super old fashioned, this system, but here it continues. But now more Beyond Bordeaux is in there, which seems to be more exciting than ever. Do you think that's maybe actually what's steaming ahead?

**Pauline Vicard 00:32:17** So I've always been a big fan of the middleman, anyone who has had to sell wines in different countries and see the weight of admin that it is and the complexity of those compliance rules and everything.

You can do it internally, of course, you can be a winery that sells everything directly and Petrus is doing it now. But you will need to have both, a very strong database of clients, because it means that you've got to find all of your clients yourself. And Napa and Sonoma have San Francisco 100 miles down the road. So, they have a huge pool of very wealthy clients to their doors, which is not something that you can say to any other wine regions in the world.

So, I guess sometimes people take the Californian model and don't understand why it doesn't work in other regions. Well, because you don't have the same consumer base at your doorstep. So, if you want to sell your wine internationally, the resources that it takes to do it on your own is really, really big.

And I'm not convinced that the wines will end up cheaper if the winery was doing that directly because of all the people they would have to pay and infrastructure they would have to build for that.

So, having middleman is really something that can bring a lot of value to your winery but it's how you work with your middleman and it used to be that that's a huge change that has happened on the La Place de Bordeaux but if you look at it on all fine wine distribution or successful fine wine distribution because château or estates used to consider that their job was done when they had sold to the négociant. That was a job done.

And in other systems, not just in La Place, it was the same. When you have sold the wines to the importer, job done, I don't really care what happens to my bottles next, not my job. And what has changed recently is that even if wineries do not want to sell directly, they still want to have that direct engagement with the consumer. So, they want to know who they are.

So, that's one of the biggest changes that has happened in La Place. And one might say that it's been influenced by American wineries working, because it was something that American wineries were doing as a work process, is to get a lot of data from the négociant.

So, now the négociant do give a lot of information to the château about where the wines are going, the importers that they're working with, and sometimes even up to maybe is it a Joe or Mary that buys your wine, but give you a bit of a more precise picture of where your wine is ending.

And same thing for everyone who's successful at fine wine distribution at the moment. Those who are doing really well are the ones that have worked the distribution in a way that not only they can get to the consumers that they need to get to, which means that they understand the type of levers to action in terms to get to those consumers.

So, how is it going to evolve? I don't think that the middleman is going away and I certainly don't think that La Place de Bordeaux is going away but certainly there will be some readjustment in the role of all those middlemen and they have to make sure that everyone brings value along the road also. Something which is interesting to see that I discovered through the podcast is how the margin

system works on La Place because when you work, usually if you sell your wine, let's say you sell your wine to the UK, you're a French producer and you sell your wine to an importer in the UK.

That importer is usually going to function with a 40% to 50% margin, right? So, he's making 40% to 50% margins on your wine. And with that money, he's going to use that money sometimes up to 10% to 15% with the revenue that he's making on your wine to develop that brand with you. So, to do actions with you in the UK market, to organise dinners with consumers, to put you in some places, like to do education around your brand and something.

When the wine goes through La Place, that margin is split into two. So, the global margin at the end is not more, but the négociant is going to take 15% and then the importer is going to take 15% or 20%. And what it means is that the importers or people in the market now have less money. The consumer doesn't pay more, but the importer has less money to develop the brand.

And the négociant's job is not to develop the brand, it's to build distribution, it's to give you access to the market, not to build your image in front of your consumer, not to increase your reputation. And it increases your desirability because you sell less wine to more people.

So, then there's an impression of scarcity and you manage scarcity. But at the end of the day, your importer, your distributor has less money to develop your brands, which means that it's you, the winery, that has to do that job.

And that's a huge change because some of the château do that really, really well. And those are the ones that are actually currently doing well in the, for example, in this En Primeur campaign, because even in a difficult time, they have created desirability and reputation for their wines. So, even in difficult situations, they will manage to sell their wines and some do that less well.

**Janina Doyle 00:37:41** Yeah. And I think that's a bit of a big requirement, like they say, for the Beyond Bordeaux. You need to market it.

**Pauline Vicard 00:37:45** Well, you need to brand it and develop your brands. Yeah. But if you take someone like Opus One, they will go through La Place, but they will have teams, their own Opus One team in every major market.

And those teams will have two missions. One will be to continue to collect data so that it can actually complement what La Place is giving them in terms of data because La Place is going to tell them, well, we work with this importer that worked well, that didn't really work well.

And then, from the people in the markets, they will have, this wine bar is working well, we should be going there. Information is coming from two different sources. So, that's the first thing that they do. And the second thing is they do ambassadorial work for the brand. So, they make sure that the brand is seen, that it's tasted by the right people, that everything's in place.

So, going through La Place doesn't mean that you've got to do less work, it's that you can do more work more quickly, but it doesn't mean that you can suddenly cut on resources to develop your brand, certainly not.

**Janina Doyle 00:38:49** No time to take a holiday and just Sunday to relax. Probably just to sum up this episode, I think one of the things that probably I also, I guess, have noticed, if I'm correct, is one

of the other advantages of La Place de Bordeaux is actually kind of traceability. We talk about wine fraud and that is a whole other episode in itself. Actually, if something's going through La Place and it's going through all of these different tiers before it gets to the final customer, actually it's got a lot more provenance. You know where it came from, right?

**Pauline Vicard 00:39:24** Well, it's funny that you see it that way because usually people see the more middleman or the more intermediaries, the less it is easy to see provenance because the thing about a Bordeaux wine is that it can be traded multiple times, even by people within La Place before it gets to the final consumers.

**Janina Doyle 00:39:44** So, tracking is not...

**Pauline Vicard 00:39:46** Well, it's not fully transparent for sure. But when you talk about old vintages, for example, it's hard to know all the time where the wine has been stored and by whom. But I guess you're right in the fact that good négociants and not all the négociants, they don't have the same level of expertise or quality, I suppose, just like everyone, but good négociants will make sure that the wines that they sell are the right provenance and the right quality as well because the fine wine world is based on reputation, mostly reputation and trust is really important.

So, you need to make sure that you deliver the best service. But yeah, good négociants have a lot in place and they develop that in partnership with the château about all the things that they could put on the bottle to make sure the wine is traceable, that it's not a copy or things like that.

**Janina Doyle 00:40:38** Honestly, it is actually genuinely a fascinating subject.

**Pauline Vicard 00:40:41** It's amazing because I mean, I'm a bit biased, but it is such a small microcosm, La Place de Bordeaux, but when you look at it, it's actually touch base on everything which is going on at the moment to some extent on other parts of the wine world. And it's touch about culture and how people do business and the difference between how the French and the Americans do business, for example, or do you understand the notion of brands?

It's a fascinating episode, episode five about how we don't understand brands the same way in France or in the US or in different markets. How do you build distribution? We kind of say that we might not have a lot of powerful brands in the wine world, but what does it take to build a powerful brand? What does it take to make money on wine?

Like, we never talk about money and margins, but you have to understand how it works because of course, when someone operates with 15% less budget than they used to, how are you going to make sure that they maintain the visibility of your product? What do you do with your money to develop? It's fascinating.

**Janina Doyle 00:41:45** Well, I think that hopefully we have peaked the interest of many.

**Pauline Vicard 00:41:49** Yeah.

**Janina Doyle 00:41:40** I know from listening to the first three of your episodes and I will continue to do so that this really, I mean, it opens up its own can of worms where you start going, what, I had no idea.

**Pauline Vicard 00:42:02** One of those things also, and again, going back full circle to the beginning that we've said, you know, we love to learn about wines, like how they taste, where they come from, how they're made, which grape variety. And if you're crazy like me, you go also, what filtration system and all those kinds of things.

But actually, we don't really spend a lot of time studying about distribution. Or sometimes we only know the distribution and system in the market that we are on. But learning about distribution and margin is as fascinating as learning about grape variety and extraction methods because that's how the bottle that you spend so much time doing is actually ended up in your market and is priced in a way that so-and-so can access it and actually can try it and can put money back in the system so that those wines can continue to be produced. It's kind of a detective work of like, how is it working? What do I do next? Distribution is as fascinating as winemaking.

**Janina Doyle 00:43:02** Well, I hope some people listening also agree. So, thank you. No, Pauline, honestly, you always get me now going asking questions and like, hmm, and digging a little bit deeper.

So, there's so much to learn just in this little area. Everyone, as a reminder, in the show notes are all the links. Go and check out this podcast because the episodes are going to keep you fascinated for quite a while.

**Pauline Vicard 00:43:26** And if I can say. Please, feel free to subscribe to the newsletter on the website as well, because we send two newsletters a month and you can get access to the episode through that as well, but through all the other things that we do.

**Janina Doyle 00:43:38** Thank you so much.

**Pauline Vicard 00:43:40** Thank you so much for having me.

**Janina Doyle 00:43:44** No, I look forward to our next dinner where you challenge me more when I have my fruity wine and you ask me more questions about it. So, until next time Pauline.

**Pauline Vicard 00:43:54** Bye, Janina!

**Janina Doyle 00:43:55** See you later! Take care!

**Janina Doyle 00:43:59** Now, if you're wondering about some of the other Beyond Bordeaux wines available, I always leave my heart with South America. You already know about Seña and Almaviva of Chile, but let me take this moment to let you know of the others.

Now, I'm a massive fan of Bodega Catena Zapata in Argentina. In fact, Laura Catena has been on the podcast. If you go to episode 111, we're talking about Malbec, and then specifically in episode 112, we're talking about the Adrianna Vineyard, which is seen as a Grand Cru site in Argentina. One of the wines on La Place de Bordeaux is the Adrianna Vineyard Mundus Bacillus Terrae.

I probably pronounced that terribly, but it's named after, it's so site specific, this bacteria that they discovered in this vineyard that hasn't been discovered anywhere else. Now, that's going to set you back about £230. They do have another wine in La Place called Nicolas Catena. This is a Bordeaux

blend about £80 named after Nicolas Catena himself, who was the man known for resurrecting Malbec and discovering how incredible it can be in extreme high altitude terroirs.

The last South American wine that is on La Place de Bordeaux is from Uruguay and it's the winery Garzon. I mean, this is an insane winery. Anybody who's in the Maldonado region, you need to check this out. It's very close to Punta del Este, which is this incredible seaside resort.

Anyway, apparently, I've heard, as the sun goes down, everyone stands with a glass of Albariño, which is their famous white there because of the granitic soils and Atlantic breezes. And as the sunsets, everyone claps.

I love the romance of this. But getting back to Garzon, the specific wine is called Balasto and that wine is going to cost you about £80. It is Tannat, which is the red grape variety of Uruguay, but there's also other Bordeaux varieties in there. And some Marselan, which is a crossing between Cabernet Sauvignon and Grenache. We talked about that in the other Bordeaux episode. That is starting to get some interest.

If you are ever in Uruguay, go check out this winery. They've been voted New World Winery of the Year by Wine Enthusiast. Three times they've been in the world's best vineyards lineup. Delicious wines and my gosh, the place looks insanely luxurious and is on my list to visit.

I will leave you with a wine quote. Seeing as Seña was a wine created by Eduardo Chadwick from Errázuriz and Robert Mondavi, who's the Napa Valley winemaker. I have a quote from Robert himself and he said:

“Wine to me is passion. It's family and friends. It's the warmth of heart and generosity of spirit.”

So, be passionate, be warm, be generous, enjoy your wines. If you're enjoying this podcast, don't forget to like it, share with your wine loving friends or leave a review which makes the podcast more discoverable.

Now next week we're talking natural wine and orange wines with the man that brought them here into the UK for the last 30 years. I'm talking about Doug Wregg of Les Caves de Pyrene. So, I'll see you back here next Monday. Until then wine friends, cheers to you!