

THE EUROPEAN GUY

Paul Molleman is European director of the California Wine Institute. Based in The Hague in the Netherlands, he opened the office 20 years ago this year. In conversation with Felicity Carter, he discusses how California's relationship with Europe has grown and changed.

I went to the US for personal reasons in the early 1990s: marriage, green card. I was working for DHL in international business and marketing and went to California in 1991 and found a job at the Wine Institute. My boss said: "What do you know about wine?" and I said: "Not much," and he said: "Great! You're hired". He said they had a lot of people who make great wine, but who sometimes lacked the business skills. But over the years I've developed a great love of wine.

In 1994 they were looking for a European guy, and I raised my hand. It's been 20 years since I established the European office. We represent garagistes who make 500 cases and Gallo who make millions. For the larger wineries, there is a business necessity to export, while the smaller wineries find it a prestige thing - they're not looking to sell thousands of cases, but to be on the wine list of the Steigenberger. Over the years, California has grown its worldwide business significantly, and in Europe as well. Our sales in Europe have steadily progressed. We haven't grown as much as some of the other New World countries because our price level is higher, but for some wineries, an extra 50 cases is enough. It's a good part of our business - about 20% of Californian wine is exported, so it's significant.

There is no 'European' perspective, as everything is very different by country. In a traditional market like Germany, if you see California on the list, you're happy. In Sweden the question isn't whether it's on the list, but how many. The reservations that some countries have towards the New World aren't there in others. It comes in waves. Ten years ago, we were 'it' in Switzerland. Sales of high-end California were growing fast and many wineries entered the market. Then the Swiss discovered their own domestic wines, as the Germans did with their Riesling Renaissance, so it changed again.



In Germany, five or six years ago, people were talking about wood chips when talking about New World wines, but that's changed again and we have received so many positive comments in the past two years. There is new interest in these markets.

We do have inexpensive, everyday wines, but our strength is not in the €3.00 to €4.00 (\$3.75 to \$4.95) category and we're fine with that. California's strengths begin at €6.00, €7.00, €8.00 and above.

The mentality around doing business in Europe has changed in California, and maybe we played a role in that in explaining that it's all about personal contact and getting to know people. You can't send out an e-mail blast and say "come and get it" - you have to think about the importer, and how you can fill the hole in the assortment, which is a different way of doing business for the US. You've got to visit the market to be successful. In the past, wineries would say, "I have an importer in Denmark, I'm set," and they wouldn't come back for three years. Now they know you have to do staff training in restaurants and come back once or twice a year.

Denmark is a great market for us; we sell almost 1m cases and have 450 wineries selling in Denmark, which is more than Germany. It's a market that's very open to our wines, very positive. Of the monopoly markets, Sweden is the most important market by far. We sell 1m to 2m cases there. They're very open-minded and willing to experiment. Norway and Finland are good markets, but smaller than Sweden.

We are a market leader in Poland, at least in value, above Bulgaria and France. I must explain that it's because of one of the Gallo brands, Carlo Rossi, but they're not the only ones growing. It's the whole category. We've seen an influx of Californian wines like Blossom Hill and Sutter, but higher quality brands are represented as well. It's probably about 600,000 to 800,000 cases in total; it's big business. Russia with all of its challenges is a very exciting market, though very difficult, especially this year with the potential of a ban. Several larger wineries entered the market in the past two to three years and our sales have increased rapidly. The higher-end brands are doing well and we are doing educational seminars and tastings, not just in Moscow but in Sochi and Krasnodar.

There's so much to get excited about. There's so much going on in California, especially with Pinot Noir at a very high level. A lot of the wines we'll never see in Europe, but some we will. There's a continuing trend towards elegance and balance that started ten years ago. Sustainability is exciting. Moving a whole industry along step by step, year after year, is a real accomplishment.

I only wish that people would stay away from generalised comments and I can't make that point enough. When people have negative images of California, it's never based on experience, but on something they've heard. You have to taste the wines and meet the people. ■