

Public Relations as Personal Relationships: How Top Bordeaux Wines are Promoted in China

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Abstract

A decade ago, the Chinese barely purchased French wines. Today, China is the world's largest market for the wines of Bordeaux. This case study investigates the public relations strategies of the "first growths" of Bordeaux, France—the elite group of wineries officially classified as the region's best—that have fueled this remarkable growth. The study finds that the first growths have largely ignored mass communication tactics such as media outreach and advertising in China, and instead promote their wines through face-to-face exchanges with the Chinese elite. This demonstrates that it is still possible for a multibillion dollar industry to practice transnational public relations through in-person communication with key audiences. I argue that interpersonal communication may be the most effective public relations strategy for other luxury brands.

Keywords: international public relations; relationship management; two-way symmetrical communication; interpersonal communication; Bordeaux wine; luxury brands; China

Overview

The "first growths" of Bordeaux, France—the wines officially classified as the region's best—are regularly priced at thousands of dollars per bottle. There is clearly a limited group of consumers who have the disposable income to indulge in such luxuries. By 2000, it was evident that such individuals would increasingly be located in China. As the Chinese elite began to amass record wealth and consume more luxury goods, the country became an important potential market for the Bordelais. However, the Chinese lacked a tradition of drinking wine. In 2000, China imported a small volume of Bordeaux wines, and most Chinese people did

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not understand how such wines are typically consumed. To the horror of top executives of the first growths, Chinese drinkers often mixed their wines with soft drinks. If the Bordelais were to increase sales of their wines in China, they would need to craft and deploy a sophisticated, culturally appropriate public relations strategy that would introduce and educate high net worth individuals in China about the first growths. This case study tells the story of how the Bordelais implemented this strategy, primarily through engaging in interpersonal communication. Using rare interviews conducted in 2014 with top executives of the Bordeaux first growths, this study finds that the wineries have widely eschewed public relations practices involving mass communication in China. Instead, they have promoted their wines through a largely undocumented series of private dinners and other face-to-face events with China's business, political, and popular culture elite. The 26,900% increase in Chinese imports of Bordeaux wines registered over a single decade suggests that the public relations strategy implemented by the first growths has been remarkably successful (Bordeaux Wine Trade Council, 2014, p. 22). I argue that interpersonal public relations strategies are likely to be especially effective for other luxury brands.

Background Information

Bordeaux enjoys a reputation for producing some of the world's finest and most exclusive wines. The official classification system for French wines was developed at the behest of Napoleon III in order to select Bordeaux's best vintages for display at the international exposition held in Paris in 1855. Since 1973, when Chateau Mouton Rothschild was elevated from a second growth to a first growth, there have been five chateaus from the areas of Medoc and Graves in Bordeaux which produce red wines that are classified as *premier crus*, or first growths, under the Bordeaux Wine Official Classification of 1855: Chateaus Lafite Rothschild, Latour, Margaux, Haut-Brion, and Mouton Rothschild.

Bordeaux is also home to wineries which produce sweet white wines. These wines, from the areas of Sauternes and Barsac, are classified under a separate system. Chateau d'Yquem is the only winery classified as a *premier cru superieur*, or "first great growth," under this system; an additional 11 chateaus produce sweet white wines which are classified as first growths (Zraly, 2013).

Because the first growths typically sell for at least hundreds, and often thousands, of dollars per bottle, they are generally purchased by individuals of high net worth. By 2000, China represented a particularly attractive market for the Bordeaux wine industry because the disposable income of the Chinese elite was growing at an astonishing pace. Since 1978, China's economy had been growing faster than the fastest rate of growth ever achieved by any other East Asian nation. Goldman Sachs Economic Research Group (2007) noted that the country had "surpassed all records and created a new standard in the history of economic development" (p. 47). The wealth of Chinese adults went on to triple between 2000-2012 (Credit Suisse, 2012, p. 48). While the net worth of the Chinese elite remains shrouded in secrecy, it is clear that the wealth of China's richest citizens has skyrocketed. For example, *Forbes* noted that China had no billionaires ten years ago; in 2014, China was home to 152 billionaires—the world's second-highest number, after the United States (Flannery, 2014; Sharma, 2013). Today, China has the fourth highest number of high net worth individuals in the world (Capgemini & RBC Wealth Management, 2014, p. 7). Furthermore, the Chinese had begun to purchase more luxury goods, as a way of signaling that they had "made it." (Bain & Company, 2014; "China's Addiction," 2014).

At the same time as the wealth of China's elite was rapidly growing and they had begun consuming more luxury goods, China reduced taxes on imported alcohol when it entered the World Trade Organization in 2001 (Pingali, 2011). The country was becoming an ideal market for the French wine industry. Yet, in 2000, China imported just 200,000 liters of Bordeaux wines (Bordeaux Wine Trade Council, 2014, p. 22). The Chinese market lacked knowledge of the first growths: many individuals interviewed for this study indicated that Chinese drinkers of fine Bordeaux wines often mixed their wine with soft drinks (C. Salin, personal communication, July 1, 2014; A. Mumma, personal communication, June 14, 2014). It was clear that, if the Bordeaux wine industry was to tap into the growing market of wealthy individuals in China, the Bordelais would need to implement a public relations campaign to introduce the Chinese market to their brand and to educate them about their wines.

Such a campaign would need to be adapted for China, where traditions differ significantly from those of the French. Chinese culture has been

heavily influenced by Confucianism, which places major importance on relationships (Huang, 2000, p. 221). Accordingly, Chinese public relations practice emphasizes *guanxi*, a term which means social or personal relations (Zhang, Shen, & Jiang, 2009, p. 227). In their interviews with top public relations practitioners in China, Zhang et al. (2009) found that

participants repeatedly brought up the concept of *guanxi* and argued that *guanxi*, as an important element of Chinese culture, has profoundly affected the way they practice public relations in China. A...manager said, '[I]f you don't know how to [practice *guanxi*], there is no hope for a successful business.' (p. 229)

This case study investigates the public relations strategy implemented by the first growths of Bordeaux to promote their wine in China, from 2000 to the present.

Research

To identify the public relations strategies utilized by the Bordelais to promote the first growths in China since 2000, a series of rare, detailed interviews were conducted in June-July 2014 with top executives of eight of the Bordeaux chateaus which produce wines that are officially classified as first growths. Representatives of three of the five chateaus that produce red wines that are classified as first growths—Chateaus Lafite Rothschild, Margaux, and Mouton Rothschild—were interviewed. (The two other chateaus which produce red wines that are classified as first growths declined to be interviewed. A representative for Chateau Haut-Brion indicated that time constraints precluded the chateau's participation, while a representative for Chateau Latour indicated that the chateau has a policy against discussing their public relations activities.)

Executives from five of the twelve Bordeaux chateaus that produce sweet white wines which were officially classified as first growths under the 1855 Classification of the wines of Sauternes and Barsac—Chateaus d'Yquem, Coutet, Climens, Guiraud, and Latour Blanche—were also interviewed.

Additionally, interviews were conducted with the Asia representative of the Bordeaux Wine Council, a trade industry association which promotes Bordeaux wines; the president of the 1855 Grands Crus Classés

Association, an organization dedicated to protecting the image of the classified wines; the president of the Hong Kong Wine Merchants Chamber of Commerce, a trade association for importers and other members of the Hong Kong wine industry; a wine educator in France; and a wine educator in Hong Kong.

All of the interviews were conducted in person in France, via telephone, or via Skype, with the exception of three interviews conducted via multiple email exchanges. The interviews were conducted in English. French and Cantonese translators were used in cases in which interview subjects were not fluent in English. The average length of initial interviews was approximately 55 minutes; extensive follow up was later conducted with every interview subject via email. The interview results were then analyzed to identify the public relations strategies utilized. The names and titles of all interview subjects are listed in the Appendix.

Strategy

The first growths pursued a strategy of interpersonal communication and relationship building with members of the Chinese elite. The chateaus largely eschewed mass communication strategies. Instead, they sought to communicate directly and in person with core current and prospective wealthy oenophiles in China. Their goal was to introduce high net worth individuals in China to their wine and to educate them about its exclusive provenance and how to appreciate and consume it. The Bordelais strategized that the Chinese elite would value the opportunity to meet socially with top executives of the chateaus and to drink the first growths together, because attending such events would make participants feel that they were part of an exclusive club that understood and indulged in such rarefied experiences. The executives of the first growths hoped to convert the individuals they met in China to wine lovers who would not only purchase the first growths, but also share their knowledge of and appreciation for the wines with other members of the Chinese elite. The ultimate objective of the Bordelais was to increase sales of their wines in China.

Execution

Private Dinners

All of the chateaus described private dinners with the Chinese elite as one of their primary public relations tactics in China.

Thibault Pontallier, of Chateau Margaux, whose father is the chateau's managing director, moved to Hong Kong in 2010 specifically to court the Asian market. Instead of traditional public relations tools, he explained, "it's only special dinners....It's a bit more subtle and relationship-based, doing these dinners" (personal communication, June 16, 2014). Pontallier has partnered with banks who he explained "entertain their top clients with a few special things that money can't buy" in order to participate in private dinners in China, introducing top clients of the banks to Chateau Margaux wine. Pontallier reported that the banks pay for the dinners; he estimated that one recent dinner with a French chef in Macau cost at least \$5,000 per head. Pontallier said that he has participated in dinners for clients of Credit Suisse Bank in Taiwan, UBS in mainland China, and a Swiss bank in Hong Kong, and is currently in talks with Goldman Sachs to participate in an annual dinner for their top 20 clients. He explained that such dinners typically involve 20-30 people and offer an important opportunity to promote his wine to potential customers. "I don't just want to convince wine lovers; my idea is to convince people outside these circles," he said. He indicated that he kept the identities of the people who attended such dinners private (T. Pontallier, personal communication, June 16, 2014).

When Pontallier first arrived in Hong Kong, Chateau Margaux itself organized two major dinners, including a May 2010 black-tie gala on the Great Wall of China for about 70 of its top Chinese customers—an event that Pontallier characterized as large—that was co-hosted by a top wine auction house and raised money for the preservation of the Great Wall. Chateau Margaux also hosted a dinner in the Forbidden City with a private wine distributor for its top 20 clients.

However, such dinners are typically organized for the chateaus. Xavier Planty, joint owner and general manager of Chateau Guiraud, indicated that the private dinners in which he participates in China are usually

organized by wine merchants or other partners (personal communication, June 23, 2014). Pierre Lurton, managing director of Chateau d'Yquem, explained that such dinners typically consist of 15-20 people and are organized by partners such as major chefs and a Hong Kong yacht club (personal communication, June 17, 2014). Lurton described such meals as opportunities for cultivating relationships and emphasized that this was therefore his preferred public relations strategy for the Chinese market. He explained that he began each dinner with a short speech because "the Chinese people don't love long speeches with long tastings; they prefer an exchange." He indicated that, at first, "the people are just a little shy with Y'quem, but, dinner by dinner, Y'quem has more success in China." As a result of such meals, Lurton indicated, "I have a lot of good friends in China."

Virginie Achou-Lepage, head of business development and communication for Chateau Climens, described a similar process of relationship building through such dinners. She explained that "we speak together; that's how we try to build our network in China." She indicated,

people who are wine lovers, we organize a dinner at their home, we pour the wine, [and] they become influencers for us because they are going to do the same, to show the wine to their friends and do dinners together. It's very important for us to work with those people. (personal communication, June 16, 2014)

Achou-Lepage indicated that she had met many dinner hosts at public tastings and at dinners which they attended in other homes.

They say, 'next time it will be in my home.' It's small networking, but...we really think it's worth it because this is a wine for wine lovers and that is unique and needs to be appreciated as a masterpiece, so we really need to explain by showing the wine....Now people are becoming very good fans. (personal communication, June 16, 2014)

While Chateau Climens has been participating in distributor-organized dinners for the past ten years, it has only been networking directly with the Chinese people to arrange dinners for the past five years because "it took time to find the right people, who really believe in the wine and became friends."

Diplomacy: Cultural Exchange and Education

In addition to private dinners, the chateaus all also organize and participate in larger events to court the Chinese. Like the dinners, such events are typically not described by the Bordelais as efforts to promote their wines, but rather as opportunities for cultural exchange and education, using language and tactics more resonant of the diplomacy practiced by governments than of the public relations tactics of other luxury brands.

Chateau representatives often participate in “master classes” in China, in which they explain how their wine is made and how to pair it with food. For example, Planty noted that, in 2011, Chateau Guiraud partnered with a famous Asian wine connoisseur, Jeannie Cho Lee, to host a master class which taught the Chinese how to pair vintages with food by breaking up Chinese cuisine into eight groups (personal communication, June 16, 2014).

Damon Yuen, dean of the Hong Kong Sommelier and Bartender Training College, said he believed that the Bordelais were “better at education” in the Chinese market than other winemakers (personal communication, June 11, 2014). Christophe Salin, president and CEO of Domaines Barons de Rothschild, described the process of education as his duty, explaining,

in France, we are spoiled because we have been educated while being children to see wine on the table. There wouldn't be a lunch on Sunday or a dinner without wine, while, in China, they didn't have the chance, so we needed to bring some education. (personal communication, July 1, 2014)

Many of the chateaus indicated that they also participated in trips to China organized at least once per year by the Union des Grand Crus de Bordeaux, a trade organization dedicated to promoting their wine, in which they traveled to different cities across the country for major tastings and other events for both consumers and members of the trade. Henry Ho, president of the Hong Kong Wine Merchants Chamber of Commerce, said part of the advantage of the Bordelais is that they “still have the most resources so they go to almost all the important trade fairs and organize a lot more events than the other countries in promoting their wines”—a factor which

he believed contributed to their success (personal communication, June 16, 2014).

Didier Frechinet, sales manager for Chateau La Tour Blanche, said Chinese distributors often organize tastings and other events attended by chateau representatives (personal communication, June 11, 2014). He explained that Chinese importers were eager for their participation in events and their attendance was often an expected part of business deals. “It’s part of the business for them to show the representative of the chateau,” he said. “They ask if we’re ready to go to represent the brand, to show the wines, to participate in events there.” Frechinet said he was often surprised by the opulence of the events organized by the Chinese and the large number of attendees. He recalled that one particularly memorable event organized by the importer CND in Southeastern China in March 2012 featured a red carpet, awards ceremony, dance performance, and dinner. “We felt like rock stars coming there,” Frechinet said. “For them, it’s part of the image of Bordeaux wines; the big producers are like stars for them...[and] they spend a lot of money on the shows to show they’re a big importer in the country” (personal communication, June 11, 2014).

Pontallier concurred that “the events that are most common are ones linked to the wine distributor or importer who invites his best clients to please them and show them he has the right connections with the chateau” (personal communication, June 16, 2014). However, several of the chateaus have also explored partnerships and sponsorships. In 2011, Chateau Margaux sponsored the Miss Universe China beauty pageant. Pontallier hosted a private dinner introducing contestants to his wine prior to the event. He explained that the event’s owner is “one of the most influential women in China” and because Chateau Margaux’s wine has a reputation for being feminine, “I thought it could be good idea to pair the best women in China with the best feminine wine in France....I think it’s a good image, all about beauty and elegance” (T. Pontallier, personal communication, June 16, 2014).

Planty noted that, in 2012, Chateau Guiraud partnered with Lee, the famous Asian wine connoisseur, who created a special moon cake—a Chinese treat typically made for the mid-autumn harvest festival—using its wine (Chateau Guiraud, 2012; personal communication, June 16, 2014).

In addition to events in China, the Bordelais also host Chinese guests at their chateaus. Each year for the past four years, Chateau Guiraud has organized a “Moon Festival,” ornamenting its Bordeaux winery with paper lanterns for a fete to celebrate the Chinese festival in which the moon is worshipped in hopes of a good harvest. Borrowing a term from the diplomatic community, the Chateau’s announcement of the 2014 festival proclaimed that the event was meant to symbolize “the rapprochement established several years ago between Chateau Guiraud and China” and that “the four owners of Chateau Guiraud, 1st growth classified in 1855, welcome their Chinese friends and the lovers of its culture, to come and share a moment of togetherness setting the seal of the Franco-Chinese relationship, which celebrates its fiftieth anniversary this year” (Chateau Guiraud, 2014b). Planty said the event was designed to encourage the Chinese to visit his chateau (personal communication, June 16, 2014).

In 2011, the closing celebration of the Vinexpo in France—a major industry event organized by the Bordeaux Chamber of Commerce and Industry—for the first time printed its menus in French, English and Mandarin, while Chinese statues decorated the tables. Pontallier (2011) wrote at the time,

I’m glad and proud to see these creative cultural initiatives from my hometown Bordeaux as the more I travel to China, the more I am convinced that our cultures have so many values in common and so many things to exchange, which go much further beyond wine bottles. (para. 3)

Indeed, the Bordelais regularly expressed the concept of exchange and their desire to not simply share their wine with the Chinese people, but also to understand Chinese culture and present their wine in the appropriate Chinese context. Frechinet explained that, in discussing La Tour Blanche wine, “we try to make a parallel between wine and tea....It’s easier to understand when we compare with tea. There are different varieties, they depend on region and soil, and tea ceremonies are important for the Chinese” (personal communication, June 11, 2014). Achou-Lepage explained that the Chinese use a lot of spices which pair well with Chateau Climens wine (personal communication, June 16, 2014). Lurton explained that Chateau d’Yquem’s name translates fortuitously in Chinese as “tears of gold” (personal communication, June 17, 2014). Pontallier explained that the reason he moved to Hong Kong

was to “understand the culture, who is who, how to adapt our messages to Asia, even if it’s not so much adapting, because the French and Chinese are very similar, because they only think about eating and drinking” (personal communication, June 16, 2014). Pontallier also said he was based in Hong Kong in part to learn more about Chinese distributors and carefully select the partners with whom Chateau Margaux works, since “we want our distributors to send the right message...they are completely the face of our wine in China” (personal communication, June 16, 2014).

While the Bordelais have made efforts to understand and place their wine in the Chinese culture, interviewees also stressed that their strongest selling points were their wine’s association with French culture and Bordeaux’s reputation for producing some of the world’s finest vintages. Frechinet explained that he discusses and shows photos of his chateau when talking with the Chinese because “Chinese people have a classical image of France in general; they like the French culture, and for them, wine is part of the French culture and Bordeaux is one of the most famous areas of wine in France” (personal communication, June 11, 2014). Pontallier said the Chinese also have respect for the long history of the chateaus, emphasizing that “we created these wines 400 years ago to go with our food” (personal communication, June 16, 2014).

Even the titles of the chateau representatives are borrowed from the world of diplomacy. Pontallier’s title is “Ambassador in Asia,” while Chateau Guiraud employs a staff member known not as a public relations manager but rather as “Brand Ambassador America (North and South) and Asia.”

Media Outreach, Interviews, and Familiarization Visits

While the Bordelais actively participate in events in China, they rarely practice traditional media outreach. Amy Mumma, a wine educator who has consulted for other Bordeaux chateaus, said that it is common for other chateaus to invite Chinese journalists on all-expenses-paid trips to Bordeaux known as “familiarization visits” (personal communication, June 14, 2014). By contrast, every first growth indicated that they do not pay for such media trips.

In fact, most of the chateaus never pitch a story or issue a press release in China, practices which remain at the core of public relations practice in many other industries. Hervé Gouin, commercial director of Chateau Mouton Rothschild, explained that it

may [sound] a little self-centered but we have ‘enough’ requests all year long coming from all over the world. We’re not especially looking for more articles about us [and] most of [the] first growths are acting with the same discrete culture. (personal communication, July 2, 2014)

Achou-Lepage, of Chateau Climens, indicated, “we do not ask journalists to speak about Climens. They come by themselves, attracted by pleasure and love for the wine” (personal communication, July 1, 2014).

Salin, of Chateau Lafite Rothschild, said Lafite did not pitch stories—“thank God”—or issue press releases, citing a French saying, *pour vivre heureux vivons cachés*, which means “in order to live happily, live hidden.” He explained, “then they discover you and they’re happy. They’re coming to you instead of you going to them” (C. Salin, personal communication, July 1, 2014). Salin explained that “we don’t have a developed marketing strategy, like selling toothpaste or cars. It’s very different...we are wine farmers. What do we do? We try to make, every year, a good wine” (personal communication, July 1, 2014).

Gouin said the “one exception” to the chateau’s no-pitching approach is that they issue a single annual press release to Chinese and other global media outlets announcing the artist whose work will be featured on that year’s label. Additionally, Planty said that Chateau Guiraud issues about four press releases per year in China (personal communication, July 3, 2014). The noteworthy exception, however, is Chateau Margaux, which hired the public relations firm Rudder Finn to represent them in China in 2010. Pontallier said the chateau regularly conducts proactive outreach to the Chinese press with updates about the chateau and its events in China (personal communication, July 4, 2014).

Websites and Social Media

Salin boasted that Chateau Lafite Rothschild was the first to create a Chinese version of its website, indicating that he believed it critical “to

give information to people so they can come visit you” (personal communication, July 1, 2014). Planty indicated that Chateau Guiraud maintains Chinese versions of its website and blog (personal communication, June 16, 2014). Gouin (personal communication, July 2, 2014) and Pontallier (personal communication, July 4, 2014) said that Chateaus Margaux and Mouton Rothschild also have Chinese versions of their websites. Achou-Lepage said that Chateau Climens was in the process of creating a Chinese website (personal communication, June 16, 2014).

Chateaus Guiraud, Lafite Rothschild, and Margaux have accounts on Weibo, the popular Chinese micro-blogging site that is similar to Twitter and Facebook. Aline Baly, co-proprietor of Chateau Coutet, said Chateau Coutet maintains an account on WeChat, a Chinese text and voice messaging service (personal communication, June 23, 2014). Thomas Jullien, the Bordeaux Wine Council’s Asia representative, said the Council is also active on social media in China (personal communication, June 29, 2014).

Advertising

Seven of the eight chateaus indicated that they do not pay for advertising in China. Achou-Lepage, of Chateau Climens, for example, explained that advertising

costs a lot of money. It’s a good idea, but we choose the one that is for us the most important and works the best...we prefer spending money traveling, promoting, being there and finding new wine lovers, explaining. (personal communication, June 16, 2014)

She believes that this offers the best value for the chateau’s money, explaining that “we are in direct contact. We are working there every day, we know the vineyard, we can talk, and [the Chinese] are very happy to meet the person coming directly from the chateau.”

The exception to this rule is Chateau Mouton Rothschild. Gouin indicated that the chateau has paid for ads in *Cru* magazine, *Art Bank* and *Hong Kong Tatler* (personal communication, July 4, 2014).

Additionally, Jullien said the Bordeaux Wine Council conducts paid digital advertising campaigns in China promoting all Bordeaux wines, without singling out the first growths or any other classification (personal communication, June 29, 2014).

Wine Labels and Packaging

In 2010, Chateau Lafite Rothschild etched the Chinese symbol for the number eight, a hugely auspicious symbol in Chinese culture, on the bottles of its 2008 vintage to celebrate its new winemaking venture in China. The announcement sent prices skyrocketing by 20% overnight, causing merchants to sell out of the wine (Abbott, 2010). Yet Salin stressed that this was not a public relations tactic but rather an ascetic decision, selected “just because we love the symbol” (personal communication, July 1, 2014). He explained that the Chinese number eight looks like a hill, and the name Lafite means “the hill.” “Don’t think that we are more intelligent than we are,” he said. “I’m not a marketing genius, not at all” (C. Salin, personal communication, July 1, 2014).

That same year, Chateau Mouton-Rothschild, which annually features the work of a different artist on its label, selected the work of Chinese artist Xu Lei. The chateau said Lei’s design, featuring the Chateau’s iconic ram between two moons, conveyed “the role of a great wine as a link between people and cultures, from one hemisphere to the other.” Nearly a year before the announcement, mere rumors that a Chinese artist would be selected for the label sent prices rising by hundreds of dollars per case (Foster, 2010). The announcement itself caused prices of the wine to double within two months (“Mouton 08 Trades,” 2012). However, Gouin emphasized that

there was no public relations strategy regarding Xu Lei’s choice in 2008: Baroness Philippine de Rothschild, [the owner of the chateau,] chose the artist herself. It is above all a personal choice more than a commercial choice but it’s true that China has become a large consumer of great wine, and it seemed natural to choose a Chinese artist. (personal communication, July 2, 2014)

Planty emphasized that “the label of Chateau Guiraud [is] the same everywhere in the world” (personal communication, June 16, 2014); however, in April 2014, the Chateau announced a limited edition “wine

masterpiece case” featuring reproductions of paintings of horses by renowned Chinese artist Xu Beihong, to coincide with the Chinese year of the horse (Chateau Guiraud, 2014a). The chateau also created special cases to commemorate its moon festivals.

Among the Bordeaux first growths, altering labels is a highly controversial strategy. Pontallier explained that

that’s a short term strategy. People who adapt their design or logo, to create a special limited edition for China, it may work one year, but the Chinese are not stupid. They want the same things as we have in France. They want the real stuff. (personal communication, June 16, 2014)

He emphasized that Chateau Margaux’s “bottles are exactly the same everywhere in the world” and explained that he did not

think there are other brands in the world as old and respected as top wines. It’s too fragile to mess up with such a brand; our bottle hasn’t changed for 400 years, we are very careful with the idea of marketing...the message we give is, ‘there is no marketing.’

Achou-Lepage likewise explained that Chateau Climens did not alter its labels for China because “this is the identity of the wine. It’s a Bordeaux wine, a first growth. It has its own identity and we try to explain to people what the wine is without converting it to anything” (personal communication, June 16, 2014).

Lurton also reported, “I have only one label for d’Yquem.” He explained that it is “always the same, very pure, very elegant. It’s difficult to change the label” (personal communication, June 17, 2014).

Evaluation

This case study considers the success of the public relations strategy employed by the first growths in China using sales as an indicator. The success of their strategy is suggested by the extraordinary growth in Chinese demand for Bordeaux wines. Between 2000 and 2012, exports of Bordeaux wine to China increased by a staggering 26,900%. Exports skyrocketed from 200,000 liters in 2000 to a record 53.8 million liters in

2012, before dipping to 45.2 million liters in 2013 amidst weather conditions which resulted in a smaller harvest in Bordeaux and a Chinese government crackdown on corruption which reduced spending by the elite (Bordeaux Wine Trade Council, 2014, p. 22; Anson, 2014). By 2011, the Chinese, who had barely purchased Bordeaux wines just a few years previously, had become their largest importer (Bordeaux Wine Trade Council, 2014, p. 22). Chinese demand fueled remarkable growth in the prices of the first growths. Since 2003, the London International Vintners Exchange (Liv-ex) Fine Wine 50 index, which tracks the prices of the first growths, has increased by 166% (“Liv-ex Fine Wine Indices,” 2014).

While the correlation between the implementation of this public relations strategy and the unprecedented growth in sales of Bordeaux wines in China during the time period of the strategy suggests causation, other factors likely also contributed to the increased sales. The Bordeaux first growths occupy a privileged position because they have been world renowned as among the world’s finest vintners for hundreds of years. It is therefore likely that, as the Chinese amassed greater wealth and began to consume other luxury goods, they would have also increased their purchases of Bordeaux wines even without such public relations efforts. However, the growth in Chinese imports of Bordeaux wines has been significantly greater than the growth in Chinese purchases of other luxury products. A study by Bain & Company (2014) found that the market for personal luxury goods in China—a category which excludes wines and spirits, cars, and design—grew from €0.2 billion in 2000 to €15 billion in 2014, an increase of “merely” 7,500%. Thus, purchases of Bordeaux wines in China grew at nearly four times the rate of Chinese purchases of other luxury goods. This strongly suggests that the public relations strategy of the Bordelais played a role in stoking Chinese demand for their vintages.

Analysis and Discussion

The findings of this case study make clear that, while the Bordelais have eschewed outward signs of promotion, they have in fact employed a sophisticated public relations strategy in order to build relationships that have contributed to their success in China. Two features of their approach are especially remarkable.

First, the chateaus have largely focused on building relationships *face to face* through private dinners and other events with China's elite. The relationship management approach to public relations sees the proper function of public relations as being not simply communication, but rather managing an organization's relationships more broadly. Broom and Sha (2013) define public relations as "the management function that establishes and maintains mutually beneficial relationships between an organization and the publics on whom its success or failure depends" (p. 5). Center, Jackson, Smith, and Stansberry (2014) argue that "the proper term for the desired outcomes of public relations practice is public *relationships*" (p. 2).

However, advocates of a relational approach continue to see communication as central to public relations practice. Brunig and Ledingham (2000) describe relationship management as a "two-step process in which 1) the organization focuses on its relationship with key publics and 2) communicates involvement with key publics" (p. 92). Center et al. (2014) argue that one of the six elements that make up the function of public relations is "communication/action," during which "messages or appeals are sent to the various publics involved" (p. 3). Grunig and Grunig (1992) note that face-to-face communication is less widely practiced "in public relations, where communication through the mass media or small-scale media such as brochures or newsletters prevails" (p. 319). By contrast, in this case, the first growths have achieved remarkable success not by sending mass messages or utilizing communication technology, but rather by meeting in person for two-way exchange and relationship building with key Chinese customers and influencers. It is clear that the predominant activity undertaken at these private dinners and industry events is communication. However, it is *interpersonal* communication among individuals, and not mass communication.

The approach resembles a public relations model noted by Grunig et al. (1995) in their study of public relations practitioners in India, Greece, and Taiwan. Grunig et al. (1995) termed the approach they identified as "the personal influence model. Within this model, practitioners try to establish personal relationships—friendships, if possible—with key individuals in the media, government, or political and activist groups" (p. 180). This case

study suggests that their model should be expanded to include direct relationship-building with customers.

In many ways, this approach is resonant of the public relations techniques employed prior to the development of mass media, when organizations built their relationships with their clients in person. What distinguishes these modern private dinners from marketing is the fact that the chateau representatives do not sell their wine at the events in which they participate in China. All sales are conducted through their importers. According to Broom and Sha (2013), marketing is “the management function that...causes transactions that deliver products and services to users in exchange for something of value to the provider” (p. 5).

To be sure, this face-to-face approach to public relations is only possible because there is a relatively small group of people who are wealthy enough to purchase the first growths. However, there is also a small global elite who can afford to purchase other luxury products, from high-end cars to jewelry to fashion brands. Yet this approach of top executives of large enterprises building such direct relationships with their extant and potential customers has not been elsewhere documented. Of course, part of the reason why this strategy had not been previously appreciated in the case of the Bordelais is because such events are by design small and private, leaving open the possibility that the approach is also practiced by other brands.

This case study is especially significant because it proves that mass communication need not necessarily be part of a successful transnational public relations strategy by a major industry. The core public relations practices of the first growths—private dinners and larger trade and consumer events—are conducted in person in China. Most of the chateaus never issue a press release or pitch stories to Chinese reporters, though they do respond to queries from Chinese reporters, and several have Chinese websites and social media accounts, which are vehicles of mass communication. While other European luxury brands, from Louis Vuitton to Prada, likewise enjoy well-established reputations dating back at least a century and are priced for a global elite, it is difficult to open a women’s fashion magazine without seeing their advertisements. By contrast, with the exception of a single chateau that has advertised in three Chinese media outlets, the first growths eschew advertising in China.

The success of the Bordelais approach suggests that, in an environment increasingly focused on the latest communication technologies, public relations practitioners should also consider face-to-face strategies. While this approach will likely not be cost effective or feasible for brands whose consumer bases are larger, I argue that such an approach might be most effective for other luxury brands whose potential customer bases are limited and would appreciate the cache of the opportunity to interact with the progenitors of their status symbols. Other Western brands would also benefit from emulating the Bordelais approach to educating extant and potential customers about their products, as a growing group of wealthy elite across Asia, sub-Saharan Africa and Latin America are expected to drive much of the future growth in the luxury market (Euromonitor International, 2013). While nearly all luxury brands could use interpersonal communication to share the stories of how their products are produced, such strategies are likely to be particularly necessary and efficacious for products whose use is most complicated. For example, while it is relatively simple to learn how to use a Rolex watch, the customs associated with drinking fine wines are much more complicated.

Another factor that has made the public relations practices of the first growths so successful in China has been their correspondence with local customs. The Chinese place profound importance on the cultivation of relationships, or *guanxi*, through face to face interactions. However, it appears likely that this consonance was more of a beneficial coincidence than a purposeful strategy on the part of the Bordelais. Although the question of how the first growths promote their wines elsewhere in the world falls outside of the scope of this case study, interview subjects including Salin (personal communication, July 1, 2014), of Chateau Lafite Rothschild, and Philippe Castéja (personal communication, June 16, 2014), president of the 1855 Grands Crus Classés Association, insisted that their approach in China was no different from that of other markets. French law heavily restricts alcohol advertising; the reason why the first growths do not advertise in China is likely because they do not have a history of doing so at home (European Centre for Monitoring Alcohol Marketing, 2014). Likewise, even as the first growths have become multi-billion dollar enterprises rivaling the value of many of the largest corporations in the world (“Valuing the Great Estates,” 2011; “The World’s Biggest,” 2014), the wineries continue to welcome tourists from around the globe to visit

their chateaus to learn in person about their wine, describing themselves as farmers with near-religious relationships to their land and their businesses as family affairs.

Much of the success of their public relations strategy in China has therefore undoubtedly resulted from the inherent similarities in the Bordelais and Chinese approaches to relationship-building. Nevertheless, the first growths deserve credit for fostering genuine, mutual exchange in their encounters with the Chinese. The diplomatic approach of the first growths to building relationships based upon mutual cultural exchange is a model example of the two-way symmetrical approach to communication advocated by Grunig and Hunt (1984), which “consists more of a dialogue than a monologue” (p. 23). This approach has clearly helped them understand how to best pursue specific initiatives to advance their wines in the Chinese market, from mooncakes to master classes with local cuisine. Thus, this case study also clearly documents the benefits of the generic-specific approach to public relations advocated by Grunig et al., which calls for global strategies to be adapted to local contexts (Wakefield, 2008)—even though the public relations strategies of the Bordelais were already strikingly similar to those of the Chinese, making the adoption of local practices easier for the first growths than other brands entering new markets might typically expect.

Finally, the public relations approach of the first growths is remarkable for the insistence of the chateau representatives that they do not practice public relations. The estimated value of Chateau Lafite Rothschild is more than \$5 billion (“Valuing the Great Estates,” 2011), more than that of Air France-KLM and roughly equivalent to the values of Konica Minolta and Sears Holdings (“The World’s Biggest,” 2014). It would be difficult to imagine a CEO of Konica or Sears insisting that she or he knows nothing about promotion and wishes to “stay hidden,” as Salin professed (personal communication, July 1, 2014). It is noteworthy that the Bordelais were particularly insistent that some of their most successful tactics, such as the famous Lafite bottle and Mouton-Rothschild label, were artistic decisions and not overtures to their most important export market.

As Hall and Mitchell have argued (2008),

One of the great myths of the wine industry is that ‘a great wine will sell itself’. Unfortunately, while this is a wonderful sound bite

that is often heard...it is just not true. In order to be sold...the consumer has to know about the wine and then decide to purchase it, often in the face of competition from many other options, many of which will not even be wine. (p. 296)

It is undoubtedly the case that it is somewhat less necessary for chateaus whose vintages are already world renowned to promote their brands. At the same time, the first growths are clearly eager not to appear to be practicing public relations, implicitly conveying that their brands are too rarefied to find it necessary to engage in such activity.

Pontallier's statement that "the message we give is, 'there is no marketing,'" makes clear that fostering this impression is part of a "message," indicating that it is purposeful and strategic (personal communication, June 16, 2014). While Salin (personal communication, July 1, 2014) and Pontallier (personal communication, June 16, 2014) explained that part of what makes their products unique and promotion less necessary is also scarcity—their vineyards can only produce a finite amount of wine each year—in reality, greater demand would only serve to drive prices higher. In fact, the Bordelais are evidently purposefully seeking to cultivate the impression that the reputation, history, and quality of their wines speak for themselves. However, as public relations comes to be increasingly understood as the practice of relationship management rather than mass communication, perhaps in the future the Bordelais will come to embrace the term to describe one of the practices they do best.

Discussion Questions

1. What lessons does this case study offer for communicators seeking to introduce a product into a foreign market characterized by significant cultural differences?
2. What lessons does this case study offer for public relations practitioners who promote other luxury brands?
3. What other types of organizations might benefit from implementing a relational approach to public relations?

4. Under what types of circumstances would it be beneficial for a public relations campaign to eschew tools of mass communication? Is this practice likely to be utilized more widely in the future?
5. Why were the Bordelais so insistent that they do not promote their wines? Is cultivating this impression itself an effective public relations strategy?

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Appendix. List of interview subjects for this study.

- Virginie Achou-Lepage, Head of Business Development and Communication, Chateau Climens
- Aline Baly, Co-Proprietor, Chateau Coutet
- Philippe Castéja, President, 1855 Grands Crus Classés Association
- Didier Frechinet, Sales Manager, Chateau La Tour Blanche
- Hervé Gouin, Commercial Director, Chateau Mouton Rothschild
- Henry Ho, President, Hong Kong Wine Merchants Chamber of Commerce
- Thomas Jullien, Asia Representative, Bordeaux Wine Council
- Pierre Lurton, Managing Director, Chateau d'Yquem
- Amy Mumma, Wine consultant and educator in France
- Xavier Planty, Joint Owner and General Manager, Chateau Guiraud
- Thibault Pontallier, Ambassador in Asia, Chateau Margaux
- Christophe Salin, President and CEO, Domaines Barons de Rothschild (Lafite)
- Damon Yuen, Dean, Hong Kong Sommelier & Bartender Training College