

Investing in Good Labels

High-quality printing and application help wines stand out, vintners say

By Peter Mitham



Banknote Wine Co. proprietor Pete Nixon believes consumers are drawn to eye-catching elements like the black and gold foils used on labels for his brand of Napa Valley-grown Zinfandel.

Printers and labeling equipment makers are looking to brighter times in 2010, after a grim 2009. Sales already are topping last year's figures for some companies, while much of the growth in printing volumes are attributable to the emergence of new, lower priced wine brands as wineries recalibrate their product lineups.

But if consumers are shifting down, labels aren't. A good label retains its marketing value, and more so now that the sub-\$15 category is a battleground for more offerings. Standing out on shelves is as important at \$12 per bottle as at \$120.

"There's a lot of average looking labels out there, and the last thing I want to be is average," said Pete Nixon, proprietor of Banknote Wine Co. in Napa, Calif.

Producing upwards of 1,000 cases per year, most of his wines sell in wine shops in New York and New Jersey, with a small portion available in restaurants. The intricate labels for his wines—a different one for each bottle in a case of his Zinfandel-based blends—are not something he considers handling in-house.

"My labels are really difficult, where there's actually two different foils—a black foil and a gold foil. If I wanted to print that in house," he said, "it would not look half as professional."

Banknote's labels are printed digitally by Tapp Technologies Inc. in Napa, an invest-

ment Nixon considers worthwhile in an environment where some wineries are trying to trim costs through cheaper printing options, such as a flexographic process versus the sharper digital offset method. What's saved in cost is lost in quality, he believes.

"They probably get labels for half-price, but the colors aren't the same, the registration's off, the foil doesn't release well."

It's not a risk Nixon is willing to take. Rather, he's investing in labeling, investigating elements such as varnishes for a new label he's devising that will have a greater sensual appeal.

"It gives it a real velvety, tactile feel," he says. "That's another interesting way to stand out...People are going to want to pick it up and touch it because it's so different."

Tapp digital business manager Travis Pollard explained that digital printing makes sense for smaller wineries not only because of the short runs that are possible but because overall material costs are less. No plates are involved, and setting up a run of labels consumes less stock—usually less than 100 feet of stock, versus traditional methods that might run through up to a 1,000 feet of stock.

While the price of a premium wine may be able to absorb the cost of a small run of labels, Pollard said the shift away from the upper-tier wines during the recession has made wineries of every stripe more cost-conscious than they once were. Wineries today are paying extra attention to

printing costs and other expenses because every cent counts, both in terms of set-up and presentation.

"A winery that's exporting its wine out of California to, say, Chicago, and the labels are subpar—that's going to reflect on the consumer's decision to pick that bottle off the shelf," he said. A home field advantage doesn't exist where wines have to be hand-sold by floor staff.

Poor application can damage the look of even the best-printed label, however.

When the Carano family invested in labeling arrangements for Prevail Mountain *(Continued on page 42)*

Highlights

- In a slow sales environment, some wineries pay more attention to label printing and application to present high value.
- Wines shipped to distant markets can't be hand-sold, so the look and feel of the label is more important than in the tasting room.
- Better printing technology hones appearance, while application choices add polish and can cut costs.



Aaron Piotter of Prevail Mountain Estate says the winery's Impresstik came with a high price tag, but the machine's versatility is worth it.

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Estate Winery in Healdsburg, Calif., five years ago, glue wasn't something they wanted to deal with. Pressure-sensitive labels eliminated one source of messiness, but finding a labeler to accommodate various bottle sizes with minimum maintenance requirements was another puzzle.

The in-line applicators available from Australia's Impresstik Group fit the bill.

"It runs as good as it did the day we bought it," winemaker Aaron Piotter said of his model, an Impresstik 3000 FF VAC.

The machine wasn't cheap (prices start in the the low \$40,000s), but Piotter said it's more than paid for itself in time savings, fewer labels wasted and minimal down time for maintenance and repairs.

These were important considerations before the current period

of economic retrenchment, but the proven benefits make Piotter thankful the company chose the system, which handles more than 60,000 cases worth of bottles per year from the Prevail, Ferrari-Carano and Lazy Creek properties.

"Impresstik is not the cheapest labeler out there for sure, but I think for me to be able to run 375ml bottles in the morning and then switch over labels to a full tall 750ml bottle and be able to change labels and get 'em dialed in perfect in less than five minutes is just remarkable," Piotter said.

Digital controls allow operators to better gauge adjustments to get the labels sitting just right on the bottles, which goes over well.

"We know if we're off a certain amount; now we know it's just this many millimeters. It comes out great," he said. "It's just so easy."

He's also impressed that the labeler has been able to accommodate the growing trend to recycled and recyclable materials.

Prevail recently used a 1.2 mil (1.2 thousandths of an inch) PET label liner with labels from Collotype Labels in Napa, and the resilient backing—chosen first for its strength—slipped through the line easily. Despite the potential for some nightmare labeling scenarios when using a new labeling material, Piotter said Prevail "walked right into it" and had no issues. That sort of flexibility is something that adds value to the equipment in his eyes.

Ferrari-Carano typically requests three bids on most equipment purchases, but Piotter said the Impresstik system would probably win again if Prevail were looking today.

"The reasons that we bought it before, having not operated it, would probably still cause us to buy it. And now that we are operators, we're very happy that we did buy it," he said.

Impresstik labelers are keeping up with current demands for precision equipment, said Tapp sales rep Andy O'Brien. There's currently keen interest in systems that can improve presentation through slick positioning of labels.

"Orientation is probably one of the newer trends I'm seeing right now," he said. "Placing the label so it lines up with something already on the bottle...whether it be to cartouches or a silk-screened image."

Wineries are seeking compact systems (about a quarter of the Impresstik labelers in North America are installed on mobile bottling lines), which makes a new offering such as its Monoblock capsule dispenser/labeler appealing. Developed with Lyso Technologies of Switzerland and introduced last year, the single-frame system is something O'Brien believes will have appeal to both wineries and mobile bottlers.

The system can accommodate a variety of closures from tin to PVC, while the labeler can dispense from up to two rolls onto various kinds of bottles without requiring a change of parts.

While wineries are jostling for position and changing up labels, O'Brien said bottles still require labels regardless of which segment of the market is buying them.

And this year is looking up as the retrenchment of buying habits settles in.

"I'd say 2009 was probably the slowest year I've seen for people purchasing equipment, definitely the slowest in 15 years or so," he said. "The indications are that things are coming back."^{W&V}

Our Northwest correspondent Peter Mitham is a freelance agriculture writer based in Vancouver, B.C. Look for his weekly dispatches at winesandvines.com Headlines. Contact him through edit@winesandvines.com.



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