Journal of Wine Economics, Volume 12, Number 4, 2017, Pages 378–385
doi:10.1017/jwe.2017.31

"Advertisements of Every Kind to Bring Their Brand into Notoriety": Branding and "Brandolatry" in the Nineteenth-Century Champagne Trade in Britain*

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Abstract

This paper examines the branding and marketing techniques used to develop the British champagne market in the nineteenth century. It draws upon the archives of the major French champagne houses and the extensive collection of price lists and marketing material in the scattered archives of W. & A. Gilbey, the dominant wine distributor in nineteenth-century Britain, to focus on the period from 1850 to the early 1900s. This period saw the creation of a powerful marketing template centered on a group of premium brands that endured for well over a century and influenced champagne marketing worldwide. Contemporary commentators saw a "cult" of famous brands, which disadvantaged consumers and merchants. Looking back at this period through the lens of a century of marketing history, we can clearly see a different picture: one of astute marketing (although that term was not then in use) that exploited selective distribution and created the concept of vintage-dated wine (what we would today call "limited-edition" product lines), making the champagne houses and their agents early exponents of Jean-Noël Kapferer's twenty-first-century "anti-laws" of luxury marketing. (JEL Classification: M3)

Keywords: advertising, agents, branding, champagne, marketing, pricing, promotion.

I. Introduction

In the early 1880s, William Hudson, the British wine merchant, champagne expert, and self-proclaimed consumer champion, claimed that the relentless advertising of the top brands of champagne made it impossible for secondary brands of all kinds, including retailer-owned brands, to gain vital space on the "wine-cards" of restaurants or hotel chains (Hudson, 1882). He vehemently insisted that "brandolatry," his term for this "worship of brands," meant that consumers of champagne were paying an unnecessary premium for top-name champagnes that in blind tastings they could

* This is an updated version of a paper presented at the 11th Annual AAWE Conference, 28 June–2 July 2017, in Padua, Italy. I owe thanks to conference participants and an anonymous reviewer of this paper.
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not differentiate from lower-priced secondary or own brands, such as his own O.N.P. brand, which stood for "Opinion Not Prejudice" (St Stephen's Portraits, 23 April 1887, 15–16). This sorry situation, he said, had come about because wine merchants had failed to create or invest in their own labels, thus disadvantaging consumers and enabling the shippers of "famous names," such as Veuve Clicquot or Pol Roger, to dominate the value chain to the extent that selling brand-name champagne was a profitless trade for most merchants. "Reform in Champagne" was his battle cry, and letters and articles in the contemporary press supported his view (*Thanet Advertiser*, 12 August 1882, 2).

Contemporary commentators, including Hudson, saw a "cult" of famous brands, which disadvantaged consumers and merchants. Looking back at this period through the lens of a century of marketing history, we can clearly see a different picture: one of astute marketing (although that term was not then in use) built around a template that exploited exclusive distribution and created the concept of vintage-dated wine (what we today might call "limited-edition" product lines) backed up by public-relations campaigns to make champagne a powerful status marker. This marketing template developed in the late nineteenth century not only has endured in the champagne trade to the present day but prefigured much of today's luxury-brand marketing.

II. Building Premium Champagne Brands

In the mid-1870s, Britain was at the peak of a wine boom that had started after William Gladstone's budgets of 1860 and 1861 drastically cut the duty on light—i.e., non-fortified—wines (Briggs, 1985, 36). Total wine consumption rose from 6.7 million gallons in 1860 to 18.5 million gallons in 1876, while consumption of light French wine rose sixfold. The principal beneficiary of this rise was claret, the red wine of Bordeaux, but champagne sales more or less trebled between 1862 and 1876 (Wilson, 1940, 332, 336). The British wines and spirits market was dominated by the firm of W. & A. Gilbey, which sold its own "Castle-branded" range of products through around two thousand agents on British high streets, but the champagne trade was increasingly in thrall to a group of fifteen to twenty premium brands, such as Moët and Chandon, Veuve Clicquot, Pommery, and Roederer (Harding, 2016). These French brands were increasingly widely advertised in the press and through wine merchants' circulars.

The power of the premium brands was increased yet further in the 1880s and 1890s by the increasing consumer trend toward and marketing focus on vintage-dated wines. In 1875, fewer than 5 percent of advertisements gave a vintage date; in 1880, more than two-thirds mentioned a vintage date.[1] This

[1] British Newspaper Archive analysis of a random sample of 100 press advertisements for champagne for years 1875 and 1880. Conducted 23 September 2017. By the 1890s, most advertisements listed only the brands available without giving either prices or vintage dates. This information was sent to customers on request, because most merchants bought in as required rather than hold stock.

focus on vintage date allowed producers to create what Bernard Catry (2003, 10–11) calls the "illusion of scarcity" that is central to modern luxury-brand management.

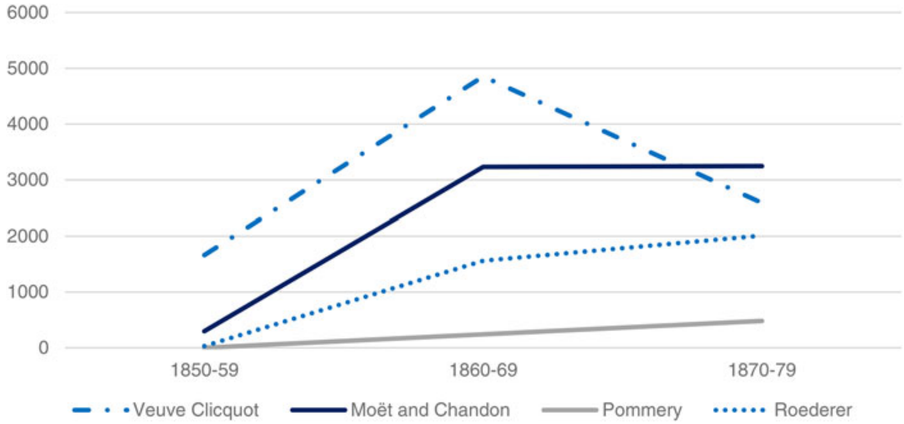
The impact of these powerful brands and their marketing activity was threefold. First, it strengthened the near hegemony of the established premium brands; second, it enhanced their ability to maximize price; and third, as Hudson feared, it led to the almost complete marginalization of retailer-owned brands.

The near hegemony of the premium brands can most easily be demonstrated today by the failure of two highly advertised challenger brands of the 1890s: Veuve Monnier and Laurent-Perrier's "Sans Sucre." The former combined intensive and innovative public-relations campaigns in the national and provincial press with expensive attempts to gain space on the wine lists of the elite clubs, restaurants, and hotels in London. For example, one PR stunt was an 1890 market-research "survey" of branded corks picked up at the Epsom racecourse after a meeting. Twenty-seven brands were represented in the survey, but, unsurprisingly, Veuve Monnier topped the list, with 17 out of 167 total corks. As the wine trade journal *Ridley's Wine and Spirit Trade Circular* drily noted, "[T]he possibility of rigging the market [was] too patent to need any comment" (*Ridley's*, 12 September 1890, 485). The company paid listing fees of up to £500 per year for inclusion on important wine lists—with no guarantee of sales—and advertised to consumers directly in London newspapers (*Ridley's*, 12 February 1896, 129). Laurent-Perrier's Sans Sucre focused almost entirely on consumer marketing. Press advertising between March 1894 and November 1897 stressed the low sugar content of the wine, its medical benefits for champagne drinkers hitherto forbidden wine by their doctors, and the patronage of the crowned heads of Europe (*Morning Post*, 7 March 1894, 4). Endorsements from medical authorities and testimonials from private individuals underpinned the advertising.

A second strand of activity involved high-profile consumer promotions guaranteeing valuable prizes to those who collected hundreds of corks. The prizes included such items as "gold muff-pins," and Laurent-Perrier's initiative was condemned by the traditional wine-trade press as "appealing to the Demi-Monde" for its focus on female consumers (*Ridley's*, 12 May 1898, 353). Neither brand enjoyed long-term success. Veuve Monnier's expenditure on listing fees and advertising failed to win sufficient repeat business, and its practice of booking anticipated sales as firm income led to insolvency in 1895. Sans Sucre disappeared from the British market after 1900, although it continued to be sold in France by Laurent-Perrier. Both brands—particularly Sans Sucre—were positioned as premium products; both aspired to challenge the established paradigm of established premium champagne brands by appealing to the public; and both attempted to attract customers by underpricing their premium competitors by 20 to 25 percent.

Figure 1

Number of Press Advertisements for Major Brands, 1850–1879



Source: Analysis of advertisements in British Newspaper Archive database, conducted 23 September 2017. Insertions totaled for each decade.

III. Champagne Pricing Strategies

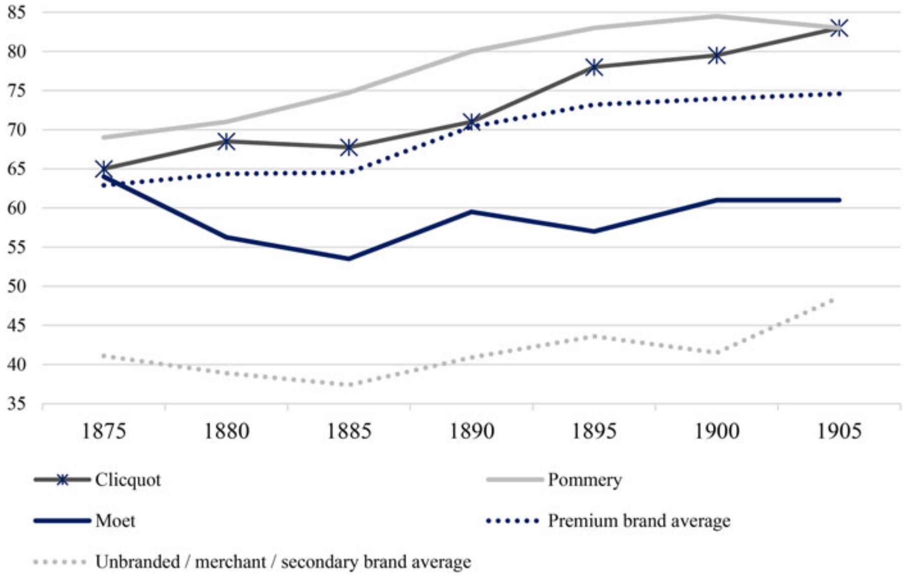
The evidence from the wider market suggests that claiming to underprice was the wrong strategy for a would-be premium brand. A strategy of price maximization was central to the success of the trade as a whole and the premium brands in particular. As Figure 2 shows, the premium brands had, on average, a nearly 50-percent price premium on the general market, and price maximization was an avowed strategy of the most successful brands.

As Figure 2 shows, there were several different pricing strategies. The lowest-priced brands were a mixture of generic products (e.g., “Sparkling Champagne”), named merchant-owned brands (with a mix of English and French names), and a smaller group of French- and English-owned houses that advertised directly (e.g., “Louis Renouf” or the “Duc de Marne”), with an emphasis on value-led usage at balls, picnics, and race meetings. Only in the early twentieth century did the price of these wines start to rise significantly.

By contrast, the premium-positioned brands pushed prices up consistently. The most determined exponent of this strategy was the house of Pommery. A *Ridley's* analysis of champagne price increases between 1872 and 1883 shows that the Pommery price rose by 20 shillings per dozen; at no other house did the total increase exceed 15 shillings. This scale of price hikes consistently worried the journal, but in a 1911 retrospective on the trade, the editor conceded that it had been wrong to warn of impending “ruin.” Noting that the price increases had started in 1870, the editor concluded wryly that “it is very curious that each increase of price was followed by a corresponding increase in the consumption” (*Ridley's*, 8 April 1911, 280–282).

Figure 2

Champagne Pricing, 1875–1905 (in Shillings per Dozen)



Source: Premium brands (Simon, 1905, 184); unbranded/merchant/secondary brands average (British Newspaper Archive, www.britishnewspaperarchive.co.uk).

Adolphe Hubinet, the London agent for Pommery, the most successful of the premium brands, would not have been so surprised. In letters to his principals in France and colleagues in America, he explicitly stated that Pommery should aim to be most expensive on the market (Flocquet, [1950s], 28 January 1881; 15 March 1889). High price, for Hubinet, was an important marker of Pommery's positioning as the wine for the fashionable elite, and in 1890, he gleefully wrote to Reims with the news that the 1886 and 1887 vintages of Pommery were on wine lists at 2 shillings more per bottle than competitors: "That's what I've always tried to achieve," he said, "it's so important" (Flocquet, [1950s], 24 September 1890). A subsequent American consumer advertisement boasted that Pommery was $2 to $6 more expensive per case than any other champagne (*Vogue*, 1899, xxiii). Like the agents of the other premium brands, but unlike his American counterpart, Hubinet did not advertise directly in the British press on his own account but made extensive use of PR to boost the Pommery brand, such as this *Punch* cartoon of 1878. The trade magazine *Ridley's* grudgingly accepted this illustration as an "advertisement of no mean merit" (*Ridley's*, 12 June 1878, 181).

Moët and Chandon, missing from this advertisement but the biggest volume seller in the British market, pursued a different strategy. Its pricing, as shown in Figure 2, steadily diverged from that of the true premium brands. Its strategy was to use an extensive network of tied local agents to distribute its wine at a centrally fixed price. To support its

Figure 3

Pommery at the Derby

Source: Punch, 8 June 1878, 263.

agents, the house advertised its wine very widely in the British press under their names. For those who refused to join the Moët and Chandon network, these tactics were very problematic, because they cut out independent merchants who had to rely on buying product on the "grey market" in France or England to maintain supply.

IV. The Challenge to Merchant-Owned Brands

The underlying tensions surfaced in 1897, when the long-established London merchant Corney & Barrow attempted, in its words, to "break" Moët and Chandon's fixed-price system, which did not allow merchants to undersell the published prices (*Ridley's*, 12 October 1897, 669; 12 November 1897, 735). In a letter to the shipper, Corney & Barrow argued that the system was an "interference" with its rights that "seriously hurts our self-respect … and reduces [the merchant] almost to the level of the Penny-in-the-Slot Machine which performs its functions without intelligence or volition. If the principle involved gains ground, the Merchant will become a mere Dispenser of Branded Articles at prices fixed by the Proprietors, and will eventually be dispensed with himself" (*Ridley's*, 12 November 1897, 799–800). Moët and Chandon's agent accepted that merchants had done much to build up the champagne houses' brands but argued that regardless of whether the trade liked it, "branded Champagnes … have become purely [a "patent article"] so much so as any other commodity packed and prepared for Market by the Producer. … The onus of responsibility in Champagne falls upon the Shipper whose name it bears." Rubbing salt in the wound, it agreed with Corney & Barrow. The "Distributor of Champagnes" was indeed little more than a penny in the slot machine, but under the Moët system, it not only "obtained [its] penny but [made] a handsome profit in addition" (*Ridley's*, 12 January 1898, 67–68).

The combined impact of controlled distribution supported by advertising and successful premium brands was to drive out merchant-owned brands. First, merchants could not afford to advertise their own brands on the scale of Louis Renouf (more than 350 advertisements between 1875 and 1885) or Moët and Chandon (more than 2,000 between 1875 and 1910). Second, they could not match the power of the champagne brands. Unlike other wines, champagne was very rarely decanted before serving, so the label was immediately visible on the bottle on the table. Widespread press comment strongly suggested that consumers were clearly aware of the hierarchy of brand price. In 1893, *Ridley's* wrote that "vintage wine [is] more than ever a branded article whose market value is known" (*Ridley's*, 12 April 1893, 217). In 1898, the journal repeated its claim that "a vintage champagne has … almost as definite a market value as have Railway or industrial shares, which the general run of the public have no difficulty whatever in ascertaining" (*Ridley's*, 12 July 1898, 499).

The failure of own brand champagne was best summed up by the decisions of Gilbey's, the dominant British distributor with some three thousand captive outlets on British high streets and the single-most-powerful brand in British wine history, first to remove its "Castle-brand" labels from its champagne and second, in 1882, to stop promoting the Castle-brand champagne entirely and start promoting what it called the "Celebrated Brands" of foreign shippers (Harding, 2016, 62–63). Gilbey's abandonment of the "Castle brand" for champagne marked a turning point in the British champagne market. From that point, the hegemony of the premium brands was established, and the marketing model they employed formed the basis for much of the twentieth century's champagne marketing.

V. Conclusion: Branding, Not Brandolatry

Branding expert Jean-Noël Kapferer encapsulates modern luxury marketing in a series of "anti-laws" set out in his 2012 article "Abundant Rarity: The Key to Luxury Growth" (Kapferer, 2012, 456). Central to his recommendations for contemporary luxury-brand marketers are Catry's "illusion of scarcity," the focus on price as a marketing tool, the importance of elite distribution, the avoidance of product advertising, and the promotion of the house brand as a marker of elite quality. Precisely these strategies were the marketing tools of the champagne houses and their London agents starting in the 1860s. The strategies of the premium brands show not the "Brandolatry" that Hudson attacked but some very sharp marketing that prefigured the luxury-brand marketing of the twenty-first century.

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