

Recent Vintage • "I'm trying to make the very painful transition between public approval and internal approval," says Randall Grahm.

Randall Grahm produced good wines and great, funny marketing campaigns. But along the way to success, he realized someone wasn't taking him seriously. That would be himself.

Time to get back
to the dream

By Arthur Lubow

Photographs by Robyn Twomey

The Do over



GRAPES ARE RIPENING IN CALIFORNIA IN LATE OCTOBER. At least, they should be ripening. On a sunny afternoon, about a week before Halloween, Randall Grahm, the owner of Bonny Doon Vineyard, walks up and down the rows of a 12-acre planting in the Santa Clara Valley, popping grapes off the vines and into his mouth to assess their progress. "The flavor's good, but it's not that intense, and the acid's dropping out and the sugar's not there," he says gloomily. Grahm has been buying these Grenache grapes from the Besson Vineyard in Gilroy ever since he launched the maiden 1984 vintage of his signature red wine, Le Cigare Volant. He has driven to the vineyard, a little under an hour from his winery in Santa Cruz, to determine if the grapes should be granted a week's reprieve, on the chance they might ripen enough for the Cigare Volant, or if instead they should be harvested immediately to go into a lesser wine. There is always the risk that if the grapes are left too long, an unexpected rain shower will dilute the fruit, or even worse, that the grapes will shrivel into raisins.

Scrutinizing a vineyard to schedule the harvest is just the kind of thing you would expect a winery proprietor to do. Until recently, however, Grahm rarely had the time to visit vines. To

his surprise, Bonny Doon had mushroomed from a small winery with a countercultural edge to a midsize brand that required his full-time marketing attention. He was a success, but not by his own criteria. "I woke up one morning and said, 'This is not what I want to be doing; it's not what I set out to do; it's not making the world any better; it's not satisfying,'" he says. "I turned 50. I had my midlife crisis. I had a daughter. I had a serious medical condition, which gave me a whiff of mortality. I said, 'Randall, what do you need to get more meaning in your life?' If I died anytime soon, they would say, 'What a great marketer he was.' Which is not satisfactory."

A 50-year-old's epiphany that his dreams have been mortgaged to middle-aged realities is nothing unusual, but doing something about it—especially when by all conventional criteria he is a great success—that's something else. "I'm trying to make the very painful transition between public approval and internal approval," Graham says. "Much of my career has been intended to produce acclaim. Maybe that's why Bonny Doon was composed on such a huge canvas. It just seems more appropriate at this point to work on a smaller scale. Scarier, too, because you're under more scrutiny to get it right." Having triumphed with unconventional varietals and an irreverent attitude that thumbed its nose at stuffy wine-world snobbery, Graham in 2006 staged by far his brashest deviation from the norm and jettisoned his three biggest brands—selling two and spinning off the third. Suddenly, Bonny Doon was selling 35,000 cases a year, not 450,000, and gross revenue plummeted from a high of \$29 million in 2005 to \$7 million in 2007. Half the staff members were dismissed, their exits cushioned by severance payments derived from the brand sales.

Bonny Doon also seemed to be shedding much of its flamboyant plumage. Along with disposing of its most commercial brands, the winery has scaled back its program of releasing specialty wines. The wines are often made of obscure varietals, such as Pigato and Charbono, and they sport wacky, colorful labels, informed by the same anti-Establishment, inside-jokester sensibility that graced Grateful Dead album covers. These days, Bonny Doon's leader is trying to play less and focus more. "We've had a lot of fun, but ultimately it's just marketing and theater," Graham says. "It's time to put aside childish things and move on a bit." He is eyeing his customers anxiously. He doesn't yet know if they are ready to age with him.

SPORTING A BUSHY GRAY PONYTAIL and a puckish smile, Graham, who is 55, doesn't give the impression of someone who has overripened into raisinhood. Indeed, one of the paradoxes of his newfound maturity is that it represents a return to the ideals that attracted him to winemaking in his youth. A self-described child of privilege, Graham, who went to high school in Beverly Hills, studied philosophy and literature at the University of California, Santa Cruz, which in the early '70s enjoyed a national reputation for its do-your-own-thing vibe. "There's a lot of adolescence in Santa Cruz," Graham says. "We have a lot of problems with authority. There are bumper stickers, 'Keep Santa Cruz weird.' I don't know whether I chose Santa Cruz because I was already that way or whether Santa Cruz has made me that way or reinforced it." Although drinking wine might have been on the Santa Cruz program, winemaking wasn't. To explain how he was drawn into it, Graham points to two early experiences: spending time with a woman in rural Denmark who concocted elderflower wine in her bathroom ("there was something alchemical about it," he says) and working in a Beverly Hills wine shop, where the

Message on a Bottle

A short history of marketing at Bonny Doon



▲ Something in the Air

Le Cigare Volant was Randall Graham's first wine. It established Bonny Doon's posture: savvy about wine and its traditions but not particularly respectful.

► Gilded Cage

Presumably the only American wine with a prison on the label, Big House Red was Bonny Doon's biggest success. It became the tail that wagged the dog.



owner let his staff sample such legendary elixirs as the 1964 Cheval Blanc and the 1959 Lafite-Rothschild.

After a stint at Santa Cruz, Graham studied at the University of California, Davis, which is the leading American education center for viticulturists and winemakers. To the Davis orthodoxy, which exalted Chardonnay and Cabernet Sauvignon as the optimal varietals for California, Graham applied a Santa Cruz skepticism. His irreverence was strengthened by knowledge he gleaned from conversations with Kermit Lynch, a wine importer who, in a small shop near Berkeley, was selling French wines not easily found in this country. Lynch recalls that Graham "stood out even then—the big hair—and he was passionate and curious about everything." From Lynch, Graham acquired a love of the Rhone varietals that eventually became Bonny Doon's calling card.

With his family's assistance, Graham bought a vineyard in the hills of Bonny Doon, just outside Santa Cruz, and planted it—not with Cabernet or Chardonnay (he wasn't about to cave to convention) but with a French grape that was much harder to nurture: Pinot Noir, the varietal of red Burgundy wines. "I was fairly young, and I had no idea of how difficult it is to do that," Graham says. "Sure enough, the Pinot Noir I produced was prosaic. The Pinot Noir I was buying"—from independent farmers, through contracts—"was a little more interesting than what I was producing, for a lower cost." Inspired by Lynch's example and his own reading, Graham went on to plant numerous Rhone varietals up and down the Bonny Doon vineyard, experimenting to discover what would do best. Because the area had little history with these varietals, he had to proceed by trial and error. He was finally beginning to get the hang of it when, in a catastrophe right out of the Book of Exodus, the vineyard was devastated by insect-borne Pierce's disease, one of the many plagues that wine grapes are heir to. He sold the ravaged acreage. What he took away from the disaster was the importance of his contracts with growers, which

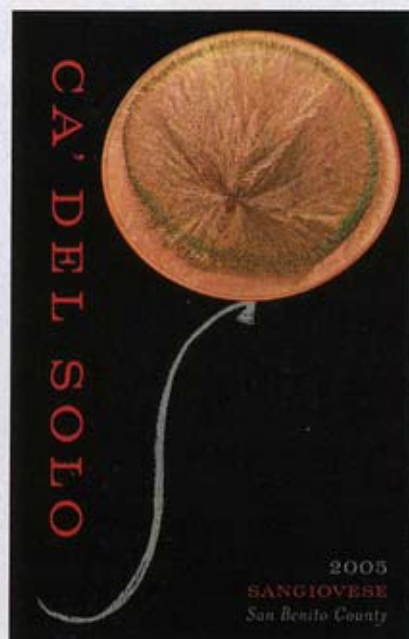


◀ **Not for Everyone**
Bonny Doon maintains its connection to more sophisticated customers by producing limited-release alternative blends of its flagship wine. This is Cigare Alternative C.



◀ **Ecce Attitude**
Can a surprising little rosé be gonzo?

▶ **The Zin of Pride**
Label illustration by Ralph Steadman. "The wine wasn't all that brilliant, but the label was," says Graham.



▶ **New Wine in New Bottles**
The brand today: After years of selling insouciance and cool, Bonny Doon is now marketing the wine. Literally. The image is of the crystal pattern that forms when a drop of this Sangiovese is evaporated.

laid the foundation for his future wines at Bonny Doon.

After locating vineyards to supply him with Rhone varietals, Graham set about making a blend of Grenache, Syrah, and Mourvèdre, sometimes with an additional soupçon of more arcane grapes. He thought he would name his Rhone-style wine Old Telegram (a wine-geek play on the venerable Châteauneuf-du-Pape called Le Vieux Télégraphe) and use the blocky, all-caps typography of a telegram on the label. He changed his mind after reading in a history book a compellingly goofy story: In 1954, troubled by reports of flying saucers, the wine producers of Châteauneuf-du-Pape passed

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an ordinance that forbade extraterrestrials from landing in their vineyards. It was a better, more accessible joke, so he went with it. He developed a composite of old-fashioned Bordeaux labels, with castle and trees, to which he added an unearthly beam descending from the sky; on the back of the bottle, he recounted the stranger-than-fiction story of the decree. "It's a little gimmicky, but what I like is, I was trying to get the right tone between the Old World and the New World," he explains. "I wanted there to be a connection, but not just a copycat of the New World trying to pass itself off as French,

which would come off as pretentious or me-too. It's an homage, but it's also poking fun at them in a way." He named his Rhone blend Le Cigare Volant, or "flying cigar," an offbeat phrase for a UFO. Under the sobriquet of the Rhone Ranger, he appeared within a few years on the cover of *Wine Spectator* in a too-small cowboy suit, the foremost of an expanding group of California winemakers turning to the varietals of the Rhone valley.

The wines in the Cigare family (there are now four: a white, a rosé, a dessert wine, and the original red) can unite the rarely intersecting circles of devotees of Old and New World wines. "These are definitely New World wines—the fruitiness, the softness—but there is an Old World edge to them at the same time," Graham says. "The acidity tends to be a little higher, there is a little more tannic bite, and there is a definite mineral quality, an earthiness, a stony, slaty aspect to them. They are also lower in alcohol." For Graham, though, an unavoidable deficiency in Le Cigare Volant has always been its lack of what the French refer to as *terroir*—the taste, often associated with minerality, that is expressed in the wine from a specific place. Because he was always supplementing the grapes from his own vineyard with fruit he bought from many far-flung growers, the taste of one *terroir* wasn't something he could achieve. Instead of a sense of place, he was retailing the Santa Cruz state of mind. "For a while, we had various M.B.A. class studies of Bonny Doon," he says. "One class report said, 'You guys don't realize it, but the image you project resonates 100 percent with young, Internet-savvy experimenters who don't trust authority, are irreverent of everything, don't want to be marketed to.' We accidentally ran into 25 million people."

In 1992, when the Bonny Doon vineyard started to succumb to Pierce's disease, Graham bought 150 acres in Soledad, a town best



A Sense of Place • Grenache vines at Bonny Doon's Ca' del Solo Estate vineyard in Soledad, California

known as the site of a large state prison. On the 125 acres that he eventually planted, he intended to grow some of the varietals that he knew from traveling through Italy. In practice, he repeated the same pattern he had followed with *Le Cigare Volant*. "I ended up buying grapes that were better than the ones I was growing, and which cost less, too," he says. The wine took off, with much of the customer approval probably attributable to what Graham terms the "funny label." Even though the grapes came from many places, he assigned the wine a virtual *terroir*. And what a *terroir*. Wryly saluting Soledad's most famous feature, he branded it Big House and commissioned a label picturing a penitentiary. "My broker in Northern California said, 'Who is going to buy wine with the name of a prison on it and a picture of a prison on the label?'" he recalls. "She had also said, 'Who is going to buy a bottle of wine with a flying saucer on it?' I think if you are chasing your audience, you're chasing yourself around in circles. You're much better off with an aesthetic and vision—following it and explaining to people what it

is you're doing." In 2005, the year before Graham sold the brand, Bonny Doon sold 175,000 cases of Big House blends.

Creative labeling also boosted the appeal of another Bonny Doon winner, which Graham called Cardinal Zin. He enlisted artist Ralph Steadman, celebrated for his spidery illustrations accompanying the self-styled gonzo journalism of Hunter S. Thompson, to design the label, which shows a deranged-looking cardinal. On the back of the bottle Graham added some parodically over-the-top ad copy, freckled with groan-inducing literary puns. ("It is a Cardinal Zin to be inordinately proud of this wildly spicy, full bodied paean to little red fruit, the envy of those who try, and fail.") In his writing, especially in the newsletters he sends out, Graham favors a style that is curlicued and highly wrought. When it comes to wine, though, he prefers something leaner and more straightforward. The lush, jammy, highly alcoholic Zinfandel is a New World varietal that he has never appreciated. He started making the wine only because growers who were selling him Mourvèdre insisted that he buy their

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Zinfandel grapes, too. "Then, to my amazement, we were able to sell the Zinfandel at a fairly high price to make a load of money off it," he says. "The wine wasn't all that brilliant, but the label was brilliant." At the end, he was selling 25,000 cases a year. Even more successful was Pacific Rim Riesling, begun in 1992. Unlike Zinfandel, Riesling is a varietal that Graham enjoys personally. "I strongly believe that Riesling is the grape of the 21st century," he says. Sales of 75,000 cases in 2005 bolster that statement, as does the fact that he held on to Pacific Rim when he sold his other two stars.

When a business grows as rapidly as Bonny Doon had, its proprietor can find himself frantically spurring the horse to keep the cart from toppling. That was Graham's predicament. As Bonny Doon's big brands flourished, the company had to meet its distributors' expanding demands by borrowing money to buy ever more grapes, then sell more wine to pay back the loans. To broaden the customer base, Graham devoted his time to marketing and publicity. The business model was evolving into one better suited for a large company with ample financial resources and a mass-

distribution network. That was a long way from the company Graham had set out to create. "In the trade, unfortunately, Bonny Doon became known as Big House," says Greg Brady, Bonny Doon's general manager. "Everyone, Randall included, was focused on it." Graham says, "Once the Big House thing got rolling, it absorbed all the resources. There was no time, no bandwidth." Big House was becoming a gilded prison.

So Graham resolved to break free. He says the desire to change was inspired by life transitions, some pleasant, others not. He turned 50. Overcoming his self-described psychological blocks against emotional commitment, he fathered a child with his partner, Chinshu Huang. (Their daughter, Amélie, is 5.) He came down with a life-threatening case of osteomyelitis, a bacterial infection of the bone; after surgery and reconstruction of his neck vertebrae, he was required to wear a halo brace for three months. All of these upheavals led him to reassess his life. "It changes one's perspective," he says. "I had a 1-year-old daughter, and I couldn't hold her. I couldn't wear

regular clothes. My mother-in-law fashioned me a blue serape. I looked like a deranged New Testament prophet meandering through Santa Cruz. I couldn't wash my hair for three months. That was part of my inspiration to go beyond clever wine labels and cute newsletters and selling loads of wine. At the end of my life, whether that's sooner or later, I want to feel that I've given it my best shot to do something extraordinary. And, without being maudlin about it, something inspirational."

INSIDE FOUR OF THE CYLINDRICAL tanks in the Bonny Doon fermenting room, a layer of ground-up quartz, decorated with a looping pattern made from intact crystals, had been applied; the quartz was then completely covered

with smooth concrete before the macerating grapes were added. At the cost of \$2,000 a tank, the invisible quartz linings constitute one of Graham's less expensive experiments to gauge the value of biodynamic winemaking. In some ways, biodynamic practices—which originated in the teachings of Rudolf Steiner, an Austrian social thinker from the early part of the last century—resemble organic farming; but at times, biodynamic principles veer into areas that a more conventional mind might find loopy. (For example, compost is made and applied according to solar and lunar cycles.) Still, the proof is in the tasting, and a number of esteemed European wines are produced biodynamically. Graham wants to make all Bonny Doon wines from biodynamically grown fruit; he estimates that he is 50 percent of the way there. Last fall, Philippe Coderey, the viticulture director at Bonny Doon, was urging that the backward Besson vineyard be dusted with a light coating of ground quartz silica—what in biodynamic parlance is known as a "501"—to enhance photosynthesis. Although dubious that a 501 would be enough to revitalize those laggard grapes, Graham enthusiastically endorses the efficacy of biodynamic techniques. He was spending his free moments contemplating how he might plant a new vineyard on a heptagonal scheme, because proponents of biodynamics hold that a seven-sided figure contains great stores of energy.

One reason Graham divested himself of Big House and Cardinal Zin was that there was no way wines made in such high volume and at such low price points could be biodynamic. He would have sold Pacific Rim, too, but no one was willing to pay what he deemed a fair price for it; instead, he split it off as a separate company, based in Washington State. "It's also a little bit of a hedge against things going south," he admits. "It's prudent having two models. I'm totally confident that Bonny Doon is going to work, but it's nice to have something you can fall back on." Graham estimates that biodynamic farming is 15 percent to 20 percent more expensive than conventional farming, and that is only one of the extra costs he is assuming. "If you're really serious about making great wine, it is not remotely a commercial proposition," he says. "It has to be sponsored; it can't be a for-profit venture. You have to have a kind of Maginot Line in your mind where you say, 'This is what I do commercially' and 'This is what I do for passion and won't compromise,' and not conflate the two. I had to make a lot of Big House to make this new project a possibility." Without a big inheritance, a winery proprietor needs to have made a pile of money in some other business (such as a commercial winery) to bankroll a high-end, biodynamic operation, on the against-the-odds chance that someday it



will turn a profit. But Graham is a believer. He discontinued some profitable Bonny Doon wines because the grapes came from growers who balked at converting to biodynamic procedures. Now he is shopping for some 125 acres on which to plant a biodynamic vineyard (perhaps heptagonally, if he can figure out what that would mean in practical terms). Once that vineyard is operating, Brady, the general manager, estimates that to be profitable, a biodynamically produced single-vineyard bottle from Bonny Doon will have to retail for about double the \$30 that Le Cigare Volant currently commands. Whether the customers who are now buying 4,000 to 4,500 cases of Le Cigare Volant a year will be willing to pay that price for a biodynamic (and, Graham hopes, better) wine is an interesting question.

Biodynamic winemakers preach minimal interference so their wines can be purely redolent of *terroir*. Graham wants to communicate this transparency to the consumer. Against the wishes of most winemakers, he has introduced ingredient labels on some bottles. That in turn has opened a metaphysical debate at Bonny Doon about what constitutes an ingredient. Some executives at the winery think that if a substance is added during the process but has disappeared by the end, it needn't be listed. Graham leans the other way, toward comprehensive itemization. But even from that vantage point, the specific choices can be perplexing. "Is an oak barrel



Time to Choose • Graham sorts grapes. His wines may be headed for \$60-a-bottle territory.

positive nor negative," general manager Brady says. "They haven't said, 'That's a fantastic label.' What it does do is give you a conversation point, because almost everyone asks, 'What is it?' And when they find out, they say, 'Oh, that's Randall being Randall.'"

For both the company and Graham, the matter of whether Randall being Randall should continue to define Bonny Doon is complicated. In the past, Graham has relied on charismatic leadership to herd his customers along. For instance, when he decided that he wanted to convert from cork to screw-top closures, his executives urged him to proceed slowly and test the reaction to screw tops in a couple of markets. "I said, 'We can, but don't you think the Mondavis have already tested it?'" he recounted to me. "We have to change

the perception. The first company to do it nationally will be noticed and get a lot of attention." So Graham switched over his entire line, and to commemorate the change, held a mock funeral in 2002 at New York City's Grand Central Terminal for a "Monsieur Thierry Bouchon" (*tire-bouchon* is French for *corkscrew*), with a cork corpse in a coffin and the English wine expert Jancis Robinson delivering a eulogy. "The amount of ink we received on this was incredible," Graham says. "We changed perceptions of screw tops completely."

But now Graham, like Prospero in *The Tempest*, says he wants to renounce his magical powers. "In the Old World, it's all about the *terroir*; here it's all about the brand," he tells me. "I'm trying to transform us from essentially a brand to something substantive—of substance, immanence." He recognizes the challenge. "I have to rebrand Bonny Doon to be not about me but about the wines, and for most Americans, it's a lot easier for the

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an ingredient?" he asks rhetorically. "Is an oak chip an ingredient? Why is an oak chip an ingredient if an oak barrel isn't? Is a stainless steel tank an ingredient? Is yeast an ingredient? Theoretically, the yeast does its thing and dies. In some sense, we're letting it all hang out. I don't think people will freak out that there's tartaric acid in the wine. We are moving toward minimal intervention, and we're proud of it and want to flaunt it."

From the outset, Bonny Doon has been renowned for its quirky labels. Bonny Doon's new packaging, though still odd, is less droll. Seeking a way to demonstrate the winery's commitment to *terroir*, Graham dreamed up a label for his single-estate wines that uses a biodynamic technique called sensitive crystallization. A splash of wine is combined with copper chloride and evaporated in a petri dish, leaving behind a crystal pattern that is said to be unique to the vineyard. The circular image of the test result, with a drawing of a string trailing from it so that the crystal pattern appears to be a balloon, appears on the label of several of Bonny Doon's recent offerings. Alex Krause, the sales director, explains the labels to customers as "a fingerprint for each wine." Their response? "The feedback from the market has been neither

wines to be about a person or a story than about the wines themselves. We're an immature wine culture. It will be a trick to do it." He says the new packaging is meant to convey that "this time it's about the wine; it's about transparency." The peculiarity of the new labels is therefore a form of communication, not an eye-catching attention grabber. "I am trying to signal that it's not so much about the marketing, and it's not easy, because I feel like the boy who cried everything," he says. "It would be great to have a wine called No, This Time I'm Serious."

When a veteran marketer says his new marketing is intended to proclaim that the marketing is now secondary, is he no longer marketing? "A cynic would say, once a marketer, always a marketer," Graham acknowledges. "But if you're in the land of mirrors of marketing, how do you get out of it?" That may sound like a Zen koan. However, in Graham's idiosyncratic career, it is simply the latest—and, he hopes, the ultimate—business model that will lead him to personal fulfillment. **Q**

Arthur Lubow is a writer based in New York. He wrote for the October 2006 issue about a specialty vegetable farm in Ohio.