

Create a Blue Ocean Strategy in Four Steps

Australian Casella wines created a blue ocean strategy that, in just two years, caused its [yellow tail] wine to become the fastest growing brand in the histories of both the Australian and the U.S. wine industries and the number one imported wine into the United States, surpassing the wines of France and Italy. Below are the steps they took to create a blue ocean strategy—steps that any company can take to get out of the red ocean of competition:

- 1) **Eliminate** factors that the industry takes for granted but adds no perceived value to customers.

Casella Wines recognized that most wineries touted aging and tannin qualities, two factors that intimidated customers. Casella decided to focus their efforts on different qualities.

- 2) **Reduce** factors well below the industry's standard to avoid the mistake of over delivering in order to beat the competition.

To avoid customer confusion, Casella Wines limited their offerings to just one white wine and one red wine.

- 3) **Raise** factors well above the industry's standard so your customer won't have to make compromises.

Casella Wines raised the involvement of retailers with [yellow tail]'s success by giving retail employees Australian outback clothing that made [yellow tail] seem friendly instead of intimidating like other wines.

- 4) **Create** new sources of value that the industry has never offered.

Casella wines created new customer experiences for wine drinking: easy drinking, ease of selection, and a sense of fun and adventure.