

# The CEO Refresher

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## Balducci's: Another Victim of the Dot.com Revolution?

by Julie Cucchi

Everyone in New York seems to have an opinion about why Balducci's closed its Greenwich Village doors last week. The white paper covering the landmark grocer's windows might have shrouded the corpse, but that didn't stop anyone from talking ill of the dead. "That's what happens when you sell out to a big, fat corporation," opined one local store owner. "It was all over the minute Mama Balducci stopped walking the aisles," said another. Greedy landlords, the Republican administration, labor unions and Walmart were variously invoked as perpetrators of the crime.

Yet not one of the locals or the local 'experts' seemed to suspect that Balducci's was actually a victim of the dot com revolution.

Two years ago, when the Industry Standard was flying off the newstands and online businesses were being founded before their business plans were twinkles in their founder's eye, Balducci's was purchased by Sutton Place Gourmet. Managed by a group of bankers, they also purchased Hay Day Farm Market and had eyes for the french gourmet brand, Fauchon, among others. They had a vision of a large gourmet conglomerate and had decided to use the brand name Balducci's under which all the others would be housed. But then to add just the right panache for the times, they had decided to name it 'Balducci's.com.'

It was an online play. People everywhere would log on to order gourmet food from around the world and suddenly the quaint, Italian gourmet grocer in the heart of Greenwich Village would be a global gourmet powerhouse.

This brand needed more than our help designing their Web site, which was at the top of their list of desires. What they really needed was to better understand who they were and why. They needed to understand how Balducci's, an Italian brand, could become a brand name housing French and American gourmet brands. We gave them all that, as well as a design template but most of all we begged and pleaded with them to drop the '.com' after Balducci's.

In the end, they listened and did decide to lose the .com. But they also lost their shirts (and their way) as the bottom fell out of the market.

There are certainly many reasons for the demise of Balducci's on 6th Avenue. But one of them is clearly that a bunch of guys who spent their days buying and selling didn't understand the brand they had bought. Anyone who could ever, even for a moment, entertain the notion of '.com' following 'Balducci's' would have no problem recommending the creation of an automatic transmission Ferrari. They just didn't get it.

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