Marketing analysis of a new wine-based beverage

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INDEX

Abstract

Since 2019 an impressive "boom" of a new type of alcoholic drink called Hard Seltzer has been observed in the United States. It owes its success to its particular characteristics that perfectly match with some of the new trends that are spreading especially among younger consumers.

In particular, health and wellness trends are increasingly influencing consumers' daily choices, including in alcoholic beverages consumption. That, combined with the growing appreciation of packaging that offers sustainability and convenience to be transported and consumed "on-the-go", has created the basis for the rise of Hard Seltzers. In fact, they are characterized by a low level of alcohol and a reduced-calorie content, easy-drinkable, and contained in a recyclable can format. Therefore, they became the ideal drink among millennials, suitable for many occasions.

In this context, taking advantage of the rising popularity of sparkling and fruit-infused sparkling wines in the US, the wine company Sogrape is developing a new drink with similar characteristics to a Hard Seltzer but based on wine. This "Wine Seltzer" aims to enter that new category of drinks that presents largely positive prospects, debuting in the US market, in order to expand and diversify its production, meeting a new market share by employing wine in a new consumption concept.

The study will start with an analysis of the wine trading, sparkling wine and hard Seltzer context and competition, in order to prepare launch guidelines containing the necessary characteristics to make the product realistic and competitive. These will be then used to create proposals containing the product's name, packaging and storytelling.

At the same time, a first analysis of the potential suitable markets, subsequently to the US, will provide a longer-term vision of the project's potential.

This thesis aims to support the company in achieving the above-mentioned information, which will then be submitted to a company board that will decide whether the project worth resource employment or not.

Keywords: Hard Seltzer; Wine Seltzer; Sparkling wine; Product launch; Potential markets

Resumo

Desde 2019, tem sido possível observar, nos Estados Unidos, o impressionante "boom" de um novo tipo de bebida chamada Hard Seltzer. Esta bebida deve o seu sucesso às suas características particulares que respondem perfeitamente a algumas das novas tendências que se estão a propagar, especialmente entre os consumidores mais jovens.

Em particular, a atenção à saúde e ao bem-estar estão a influenciar cada vez mais as escolhas diárias dos consumidores, também no consumo de bebidas alcoólicas. Isto, combinado com a crescente valorização das embalagens que oferecem maior conveniência e sustentabilidade, adequadas para o transporte fácil e para o consumo "on-the-go", criou a base para a ascensão dos Hard Seltzers. Caracterizam-se por um baixo nível de álcool e um conteúdo calórico reduzido e, além disso, sendo fáceis de beber e embaladas em latas recicláveis, tornaram-se a bebida ideal entre os millennials, adequada para muitas ocasiões.

Neste contexto, tirando partido da crescente popularidade dos espumantes e dos vinhos espumantes "fruit-infused" nos Estados Unidos, a Sogrape está a conceber uma nova bebida com características semelhantes a um Hard Seltzer, mas baseada no vinho. Este "Wine Seltzer" visa entrar nesta nova categoria de bebidas que apresenta perspectivas muito positivas, com lançamento previsto nos EUA. O objetivo da Sgrape é o de expandir e diversificar a sua produção, satisfazer uma nova quota de mercado e utilizar o vinho num novo conceito de consumo.

O estudo começa com uma análise do contexto e da concorrência de vinhos espumantes, Hard Seltzers e do comércio de vinho, e depois aborda e define as directrizes de lançamento contendo as características necessárias para tornar o produto realista e competitivo. Estes, por sua vez, são utilizados para criar propostas relativas ao nome do produto, embalagem e "storytelling".

Ao mesmo tempo, uma primeira análise dos mercados potenciais adequados para a propagação da bebida, depois dos EUA, proporcionará uma visão a longo prazo do potencial deste projecto da Sogrape.

O trabalho desenvolvido, e que dá corpo a esta Tese, visa apoiar a empresa na obtenção das informações acima mencionadas, as quais serão depois utilizadas como base para a decisão sobre o avanço do projeto.

Palavras-chave: Hard Seltzer; Wine Seltzer; Vinho espumante; Lançamento de produtos; Mercados potenciais

Resumo alargado

O mundo do consumo de vinho e álcool em geral está a evoluir como resultado dos efeitos da globalização e de uma maior consciencialização dos consumidores.

Ao concentrar a atenção no vinho, pode-se notar como o produto está a aumentar a sua popularidade a nível mundial, com o comportamento dos consumidores cada vez mais centrado na qualidade e não na quantidade. Novos países estão a entrar no mercado do vinho, enquanto outros, já muito interessantes neste comércio, estão a consolidar a sua posição de atractividade a nível internacional.

Os Millennials estão a estabelecer-se como uma parte importante dos consumidores, demonstrando uma abordagem diferente do mundo do vinho em relação aos seus antecessores. Mostram uma atitude mais aventureira e abertura para experimentar diferentes tipos de vinho, estando dispostos a pagar mais e prestando atenção ao nível de álcool e ao design da garrafa e do rótulo.

Finalmente, demonstraram uma maior afinidade com vinhos alternativos e diferentes formatos de embalagem, incluindo porções de dose única.

Nos Estados Unidos, os vinhos espumantes estão a aumentar a sua popularidade, graças a um maior envolvimento especialmente entre os jovens, apresentando perspectivas positivas para o futuro. Isto inclui também "vinhos espumantes de fruta" cujo consumo está a aumentar na faixa etária dos 25-44 anos, distinguindo-se como o vinho espumante mais consumido em porções individuais, apesar de ser considerado como um vinho de qualidade inferior.

Outras tendências estão também a espalhar-se, especialmente em países com uma economia mais desenvolvida. A atenção à saúde e bem-estar pessoais está a influenciar cada vez mais as escolhas dos consumidores, juntamente com uma crescente consciência do impacto ecológico que as suas compras podem causar. Surgem assim tendências para reduzir o consumo de álcool (através da abstenção do consumo de bebidas alcoólicas ou da mudança para opções com baixo teor alcoólico) e a compra de produtos com um baixo "Carbon footprint", levando ao "consumo ético" e à propagação de vinhos e formatos alternativos.

Tudo isto levou ao impressionante sucesso nos Estados Unidos de um novo tipo de bebida, que reúne muitas destas novas tendências num único produto: os Hard Seltzer.

Esta bebida, composta basicamente de água gaseificada aromatizada com fruta e álcool (que pode ser de diferentes derivações), tem sido um enorme sucesso nos Estados Unidos desde o Verão de 2019. Nesse mesmo ano foi calculado que a dimensão do mercado global da categoria era de 4,4 mil milhões de dólares, com uma CAGR projectada de 2020 a 2027 de 16,2%. Isto deve-se às suas características únicas, tais como baixo nível de álcool, baixo teor calórico, carácter fácil de beber e embalagem prática e reciclável, ou seja, a lata.

Muitas vezes qualidades como a ausência de glúten e a utilização de sabores naturais são também acrescentadas para dar ao produto uma conotação ainda mais saudável.

Estas características tornam-na uma bebida agradável e refrescante com um impacto limitado na saúde do consumidor e no ambiente, adequada para muitas situações graças ao seu carácter "em movimento".
Neste contexto, a conhecida empresa vitivinìcola Sogrape pretende criar um novo produto que combine as tendências do mundo do vinho espumante com as dos Hard Seltzers. Este é o "Wine Seltzer", uma bebida com características semelhantes a um Hard Seltzer, mas baseada em vinho.
A criação deste produto partirá portanto de uma análise aprofundada do contexto geral que levou ao sucesso desta categoria, completando-a com uma análise da concorrência e dos produtos mais populares.
Esta informação será útil para definir quais são os requisitos necessários para o produto ser competitivo e para elaborar orientações sobre a forma como o produto se deve apresentar. Estas serão então enviadas a agências criativas que criarão propostas contendo um possível nome, embalagem e narração do producto, das quais serão escolhidas duas propostas.
Ao mesmo tempo, uma primeira análise do mercado internacional pode fornecer uma ideia do potencial de expansão da bebida, oferecendo uma visão a longo prazo do projecto. A análise inclui países onde a bebida já está presente ou acaba de chegar (com excepção dos Estados Unidos, que serão certamente o primeiro mercado) e outros onde ainda não está presente, oferecendo a possibilidade de serem "pioneiros" na categoria.

Esta tese visa colaborar com a empresa na pesquisa das informações acima mencionadas, que serão depois utilizadas na decisão final sobre o avanço do projeto em causa.

List of the figures

List of the tables

List of abbreviations

ABV: Alcohol By Volume

CAGR: Compound Annual Growth Rate

cl: Centiliters

EU: European Union

Ho.Re.Ca: Hotellerie-Restaurant-Café

OIV: Organisation Internationale de la Vigne et du Vin

RTD: Ready to drink

SOLA: Sustainable, Organic, Lower alcohol

UK: United Kingdom

US/USA: United States of America

VOL: Volume

WI: Wine Intelligence

1 Introduction

In a world in which wine is increasingly having an important role in the consumer's life and in which trends are changing fast, it becomes important for the producers to have the capability to adapt to the new conditions and expand their vision of the market.

The millennial generation is becoming more and more involved in the category, and thanks to their peculiar curiosity and adventurous attitude new possibilities and products are appearing in the market, creating a more variegated and competitive environment (Wine Intelligence, 2019b)

Moreover, issues such as environmental sustainability, personal wellness, easy-portable and convenient packaging are becoming a fundamental incentive in everyday consumer's life and choices. That led to the spread of alternative wine options such as organic, environmentally friendly, lower alcohol, etc… and the diversification on the shop's shelves of new types of packaging that better match with different types of occasions (Wine Intelligence, 2019d-2018d-2019c).

As a consequence of that, the wine and alcoholic beverages companies are evolving to satisfy the new consumer's requirements creating beverages with low calories, sustainably produced, innovative, and so on.

Such a type of environment created in the USA the perfect conditions to allow the "explosion" of a new alcoholic beverage that meets many of those new needs. We are talking about the "Hard Seltzer", basically sparkling flavored water with low alcoholic volume, low calories and sold in can format.

This product gives a relatively cheap and wellness option, easy to drink "on-the-go", that comes in sustainable packaging and possible to find wherever it is possible to sell beer.

During my experience in "Sogrape", a huge and well-known wine company in Portugal, I will follow the firsts phases of the launch of a new wine-based beverage, produced by the Brand "Gazela" (one of the brands that belong to Sogrape) that have similar characteristics of a "Hard Seltzer" and aim to enter in that new category of beverages that shows an impressive potential. The purpose of this project is to reverse some trends that could be seen as a threat to the wine trade, such as alcohol moderation or the upcoming spread of new types of beverages in a strong point to enlarge the brand's production and find a new share of the market.

Gazela is a brand that produces Vinho Verde wine and that is creating some innovative ideas to renew his portfolio of products. One of them is this new wine-based flavored beverage, which is still in its creation phase and It will be made by Vinho Verde wine with an addiction of liquid aroma.

As a Hard Seltzer it will be a sparkling beverage, with a fruity flavor, sold in cans format, with a

low level of alcohol and calories. Those characteristics can match with many of the modern trends of consumers, such as wellness (low calories and alcohol moderation), on-the-go and sustainable packaging, and the broader beverage repertoire consumption (Wine intelligence, 2019d-2019c-2019b).
It will be an easy drinkable product that will target the dynamic category of younger drinkers, without gender differentiation and it will perfectly fit in the rising trends of sparkling wine involvement (Wine Intelligence, 2019k) and Hard Seltzer spread that are characterizing the millennial generation.

In this thesis I will analyze the potential of this new market category and I will collaborate in the definition of an international marketing strategy that aims to define the needed requirements for a successful launch of the product and to find some new possible markets, starting from the USA, to don't fall behind in an environment that gives great possibilities to the brand to grow and differentiate his production.

2 Literature review

2.1 The wine market

2.1.1 Global landscape

The global wine market is experiencing an evolution that involves many different aspects of the category.

Wine is rising in interest in the consumer's life and quality is more and more overcoming the “quantity” in the customer's choices.

The “Wine intelligence global compass 2019” report shows that the Global wine market value at the retail price has increased by 1.2% in the past year within the top 50 markets, while the total volume of wine decreased by 1.7%. That means that people are drinking slightly less but paying slightly more, leading to a higher average value per bottle sold in the market. That change is mostly due to a quality-driven behavior of the customers, but also other causes contribute to that issue such as health concerns, greater premium wine choice, alternatives forms of packaging, taxes rising, and so on.

Even if the “Global Compass 2019” model shows overall stability in the attractiveness of the world wine market regarding the period 2018-2019, the growing value per bottle of wine sold in some markets has lifted the average score across all market by 0.07 (in a 1 to 10 scale), that was positive enough to overcome severe falls in some others markets such as South Africa, Argentina, Angola, Colombia and Russia.

Anyway “the variables with the strongest influence in market attractiveness appear to be better overall economic performance in some markets and steeper declines in still wine volume in others” (Wine intelligence, 2019a; pag. 7).

The wine intelligence has also compiled a ranking of 50 different countries classifying them according to their Wine market attractiveness. This evaluation is based on a set of economic and wine market measures weighted depending on their impact on the final evaluation (Fig.1).

Figure 1- Wine markets evaluation; Source: Wine Intelligence, 2019a

Now is easier to understand how the growing consumption by value across many markets and the global economic performance that is currently quite strong (especially in terms of GDP growth and unemployment rates) led to a general increase in terms of score in the ranking. The ranking was also compared with the one of 2018 to survey the difference in the position that each country has with the previous year.

As a result of these measures the ranking is:

	Market (1 to 25)	Score (1 to 10)	Tracking 2018 - 2019 Rank difference	Tracking 2018 - 2019 Score difference		Market (26 to 50)	Score (1 to 10)	Tracking 2018 - 2019 Rank difference	Tracking 2018 - 2019 Score difference
1	United States	7.44	=	0.19	26	Mexico	5.76	↑ 2	0.27
2	Canada	6.78	↑ 1	-0.03	27	Czech Republic	5.74	↓ -2	0.14
3	France	6.59	↑ 2	0.08	28	Brazil	5.66	↓ -2	0.07
4	Germany	6.57	↓ -2	-0.26	29	Norway	5.52	↑ 1	0.08
5	Netherlands	6.56	↑ 4	0.31	30	Finland	5.42	↑ 4	0.12
6	China	6.47	↓ -2	-0.15	31	Hungary	5.41	↑ 1	0.01
7	United Kingdom	6.41	=	0.07	32	Chile	5.37	↓ -1	-0.04
8	Denmark	6.39	↑ 7	0.39	33	Russia	5.36	↓ -10	-0.30
9	Switzerland	6.36	↓ -3	-0.09	34	Slovakia	5.36	↑ 3	0.28
10	South Korea	6.35	↑ 7	0.47	35	Greece	5.10	↑ 4	0.10
11	Australia	6.33	↓ -3	0.02	36	United Arab Emirates	5.09	↓ -1	-0.19
12	Hong Kong	6.29	↑ 6	0.50	37	Slovenia	5.02	↑ 3	0.18
13	Ireland	6.27	↓ -1	0.19	38	India	4.98	↑ 7	0.38
14	Poland	6.18	=	0.16	39	Turkey	4.93	↑ 2	0.20
15	Belgium and Luxembourg	6.18	↑ 5	0.43	40	Indonesia	4.90	↑ 4	0.28
16	Romania	6.17	↑ 6	0.49	41	Argentina	4.81	↓ -8	-0.51
17	Italy	6.17	↓ -7	-0.08	42	Colombia	4.71	↓ -4	-0.31
18	Sweden	6.01	↓ -5	-0.01	43	South Africa	4.70	↓ -7	-0.50
19	Singapore	6.00	↑ 5	0.39	44	Philippines	4.67	↓ -2	-0.04
20	Japan	5.97	↓ -9	-0.13	45	Thailand	4.64	↑ 3	0.61
21	Taiwan	5.93	↑ 8	0.45	46	Malaysia	4.59	↓ -3	-0.12
22	Spain	5.85	↓ -1	0.11	47	Vietnam	4.47	=	0.13
23	Portugal	5.81	↓ -4	0.07	48	Peru	4.31	↓ -2	-0.23
24	New Zealand	5.79	↑ 3	0.24	49	Nigeria	3.41	↑ 1	0.35
25	Austria	5.77	↓ -9	-0.20	50	Angola	2.67	↓ -1	-0.86

Table 1- Wine markets attractiveness; Source: Wine Intelligence, 2019a

At the Top 10 of the most attractive markets we can find:

1. United States
2. Canada
3. France
4. Germany
5. Netherlands
6. China
7. United Kingdom
8. Denmark
9. Switzerland
10. South Korea

Within the Top 25, Austria and Japan because of a decrease in total wine volume, value and per capita consumption had the most severe drop in score. On the contrary Eastern European countries such as Poland and Romania had an increase in market attractiveness thanks to positive economic growth and an increase in total wine volume, value and per capita consumption. Other countries that rose their position are Denmark, South Korea, Hong Kong, Singapore and Taiwan.

In total 32 countries improved and 18 declined in the Ranking.
The Global Compass 2019 shows also a different type of classification that divides the countries depending on their characteristics in “Mature”, “Established”, “Growth”, “Emerging” and “New emerging” (Tab. 2).
The mature markets are larger wine markets in terms of volume, have more established and professional distribution structures, but they don’t exhibit growth (stable or decreasing volumes). Moving toward the new emerging market categories those characteristics decrease, but the growth rate increase proportionally, together with the risk of the market.

MATURE	ESTABLISHED	GROWTH	EMERGING	NEW EMERGING
Markets where wine appears to have reached its potential with stable or declining volumes	Markets with strong historical growth which is tailing off	Markets where wine is a mainstream product and / or experiencing growth	Markets where wine is experiencing growth and shows potential from a relatively low base	Markets where wine is still a relatively new and unknown beverage, but showing potential
France (3)	Hong Kong (12)	United States (1)	China (6)	India (38)
Germany (4)	Ireland (13)	Canada (2)	Taiwan (21)	Indonesia (40)
Netherlands (5)	Italy (17)	South Korea (10)	Russia (33)	Philippines (44)
United Kingdom (7)	Portugal (23)	Poland (14)	Turkey (39)	Thailand (45)
Denmark (8)	New Zealand (24)	Romania (16)	Colombia (42)	Malaysia (46)
Switzerland (9)	Czech Republic (27)	Singapore (19)	Peru (48)	Vietnam (47)
Australia (11)	Finland (30)	Mexico (26)	Angola (50)	Nigeria (49)
Belgium & Luxembourg (15)	Hungary (31)	Brazil (28)		
Sweden (18)	Greece (35)	United Arab Emirates (36)		
Japan (20)	Slovenia (37)			
Spain (22)	South Africa (43)			
Austria (25)				
Norway (29)				
Chile (32)				
Slovakia (34)				
Argentina (41)				

Table 2 – Wine markets classification; Source: Wine Intelligence, 2019a

The numbers in the parenthesis show the position of each country in the market attractiveness classification. It is possible to notice that the Top 10 markets (a part of China) are all positioned in the “Mature” and “Growth” categories.
At a global level the popularity and the internationalization of the wine is becoming more and more important, new commercial agreements were signed between countries (even if tariff wars between USA, China and EU and Political instability in some countries could create some issues) and slowly some retail monopolies (Ontario’s LCBO, Pennsylvania’s PLCB, Sweden’s Systembolaget) are shifting towards greater consumer accessibility.
New countries are entering the market, increasing their wine consumption and growing in interest for the business. In the “Wine Intelligence – “Global Wine Industry outlook: Confidence, opportunities & threats to 2025” (Wine Intelligence, August 2019), the trade experts and professionals from the wine industry around the world believe that big opportunities could come in particularly from markets such as China, India, Japan, Brazil, Russia and the Eastern Europe countries. While, as the most attractive markets they identify in order: China, USA, Japan.
The UK is considered a risky market since the possibility of a no-deal Brexit could create economic and trading instability.

While the less involved categories of consumers are leaving the wine in favor of other types of alcoholic beverages (Wine Intelligence, 2019a) the trade professionals are confident in the future of wine trading. According to the “Global Wine Industry outlook: Confidence, opportunities & threats to 2025” (Wine intelligence, August 2019) the opportunities in the trading will come from those factors:

- Wine tourism, peculiar and local productions, cellars door visits
- Emerging markets (as already said before)
- Online retails
- International trade agreements
- Consumer engagement
- Millennials open-minded
- New packagings such as alternatives packaging (lighter glasses, cans) or more portable and convenient solutions
- Alternatives wines (Sustainably produced, Organic, Environmentally friendly and so on)
- Sparkling and rosé wines

The last 4 will be some of the fundamental strong points of the new wine-based beverage.

2.1.2 Sparkling wine and fruit-infused sparkling wines in the US

During the year 2019, there was in the US an overall reduction in the frequency of sparkling wine monthly consumption, while the total number of consumers remained stable. That is attributable to a tendency to associate more and more sparkling wine consumption with special occasions and celebrations.

The per capita consumption is increasing but at a slower rate and ranks the US as 29th in the 2019 world annual per capita consumption classification, which is considerably low compared to other developed markets (Wine Intelligence, 2019k). Despite that US in 2018 ranked as the 4th biggest market in terms of volume sold thanks to its big population (Wine Intelligence, 2018b).

The imported sparkling wine continued to grow in 2019 and outsold the domestic one. In particular, Italian sparkling wines hold the biggest market share among imported sparkling wines with a 37% share and showing the highest long-term CAGR at 8%. (Wine Intelligence, 2019k).

According to IWSR drinks market analysis the Sparkling wine had a 3.8% volume growth in the US in 2019 and they claim that:

“The Sparkling wine represents about 8% of the total wine market in the US and has posted a compound annual growth rate of 5.2% from 2014 to 2019, and a 10-year CAGR of 5.6%.”

“The country’s sparkling wine category is expected to continue to grow by 3.5% compound

annual growth rate 2018-2023 as a result of US consumers showing preference towards Champagne, Prosecco, and Cava styles at increasing rates" (IWSR, 2020). With those data, IWSR forecast that in 2023 the most valuable sparkling wine markets will be in order: USA, France, UK, Italy, Germany.

In an environment in which Sparkling wines are undergoing an overall category disengagement, decreasing quality perception and value per money (mostly for domestic wines), less consumer's adventurous behavior and lower frequency consumption, mostly driven by older consumers (especially 55+), the younger consumers are instead showing an increasing involvement in the category.

The millennials are becoming the main consumers with 38% of sparkling wine drinkers aged under 35 in 2019 (versus 32% in 2014). In general, they are showing high levels of interest and involvement in the category, being more open and willing to explore new styles, despite the general tendencies.

In particular the most frequent drinkers of sparkling wines are the male young consumers, while female drinkers have a strong incidence on pink or rosé sparkling wine and fruit-infused sparkling wine consumption. (Wine Intelligence, 2019k).

The Wine Intelligence "Sparkling wine in the US market" (November 2018) claims that the Fruit-infused sparkling wines in US are the most frequently consumed beverage among the different types of sparkling wines. They are considered "refreshing social beverage" and mostly associated with good taste but also with the lowest quality perception.

The consumption of infused sparkling wine is increasing especially in the range of people aged 25-44 years old, while the ones aged over 45 are diminishing the consumption and feel less affinity with the product. (Wine Intelligence, 2018b).

Younger female drinkers are more likely to be aware of and purchase a variety of fusion products, particularly those with fruits and other flavors. That tendency involves also men under 35, but at a lower rate.

Actually, the biggest problem for fusion products seems to be a lack of product appeal, especially for the wine and cider mixed beverages that are considered the least appealing in taste. (Wine Intelligence, 2019k).

If compared with other types of sparkling wines, significantly more drinkers claim they have purchased fruit-infused sparkling wine in a single-serve format, that could be in a bottle or in a can (11% of the total in the off-premise). (Wine Intelligence, 2018b)

In general, the 62% of all US consumers would consider buying wines with added fruit flavors and the 43% the ones in a single-serve can. (Wine Intelligence, 2019k).

In the Wine Intelligence's "Sparkling Wine in the US Market" (August 2020) report are shown the latest trends of sparkling wine consumption in 2020.

First of all, it is clear a growing share of monthly sparkling wine drinkers (65% of total sparkling consumers), mostly thanks to younger consumers entering the category. More specifically we are talking about 25-45 years old, male-biased and middle-to-high income people, drinking sparkling wine quite frequently. That brought the under 45 aged population to be more than half of the total number of category's drinkers.

While 1 in 2 millennial men consume sparkling wine at least weekly, the older ones (55+) still tend to associate it with special occasions and therefore drink it more occasionally.

Imported sparkling wine volumes continue to grow, accounting now for 57% of the total. While France, Italy and Spain consolidate their hold, sparkling wine from other countries such as Australia, New Zealand, Portugal, England are showing a higher perceived value per money and consumption frequency.

Despite all of that, the per capita consumption is slightly decreasing, suggesting that the new consumers entering the category are drinking with more moderation, keeping the US as a nation which drinks considerably less sparkling wine if compared with other developed markets (Tab. 3).

	Market	2015	2016	2017	2018	2019	CAGR 15-19	CAGR 18-19
1	Italy	6.7	6.9	6.9	6.6	7.0	1.3%	6.7%
2	Germany	6.4	6.3	6.2	6.0	6.0	-1.4%	-0.1%
3	Latvia	3.8	4.0	4.3	4.7	4.9	6.6%	5.1%
4	France	5.0	5.0	4.9	4.7	4.8	-1.4%	0.7%
5	Belgium and Luxembourg	5.0	4.9	4.8	4.8	4.6	-2.2%	-4.7%
6	Lithuania	3.9	4.2	3.6	3.7	4.1	1.4%	12.0%
7	Estonia	3.9	3.6	3.6	3.4	3.8	-0.7%	10.5%
8	Austria	3.5	3.6	3.6	3.5	3.6	0.5%	1.8%
9	Switzerland	3.1	3.1	3.1	3.2	3.2	0.4%	0.3%
10	New Zealand	3.1	3.2	3.3	3.3	3.1	0.3%	-5.4%
11	United Kingdom	2.6	2.9	3.1	3.0	2.9	2.9%	-2.0%
12	Sweden	1.8	2.1	2.4	2.7	2.9	12.4%	6.1%
13	Slovenia	2.3	2.4	2.6	2.6	2.7	4.9%	4.6%
14	Australia	2.6	2.6	2.6	2.6	2.5	-0.3%	-1.4%
15	Czech Republic	1.7	1.8	2.0	2.1	2.4	9.1%	12.0%
29	United States	1.0	1.0	1.1	1.1	1.1	3.5%	-0.1%

Table 3 - Per capita consumption of sparkling wine (adult population) in liters per annum; Source: Wine Intelligence, 2020a

From the report emerges that sparkling wines are mostly bought in liquor stores and supermarkets and that the "under 35", in contrast with older consumers, are more likely to purchase a broader range of alternative formats. Also, it results that fruit-infused sparkling wines are increasingly seen by US consumers as high-quality products.

The report also presents a focus regarding the lockdown effects for the category. It is shown an increase in the consumption of all sparkling wine types in the post-lockdown, driven by under 35, after a lower consumption during the lockdown period.

Finally, a focus on alternative Prosecco styles demonstrates how many of the new sparkling and millennial trends are affecting also this product. Except for “Zero-alcohol”, all alternative Prosecco styles are generally welcomed, especially Rosé, Fruit-infused, and low calories ones. The “under 35” are also more likely to enjoy Prosecco contained in a single-serve can format or as a mixed drink.

% who have drunk the following beverages in the past 12 months
Base = All US drinkers of sparkling wine who drink sparkling wine at least once a year (n≥1,020)

Rank 2020	n=	2017 1,465	2018 2,200	2019 2,000	2020 1,020	Tracking vs. '17	Tracking vs. '18	Tracking vs. '19
1	Red wine	78%	66%	68%	68%	↓	→	→
2	White wine	82%	66%	63%	66%	↓	→	→
3	Beer	61%	57%	55%	53%	↓	↓	→
4	Rosé wine	48%	46%	46%	46%	→	→	→
5	Vodka	52%	47%	44%	43%	↓	↓	→
6	Whisky / Whiskey	46%	37%	37%	35%	↓	→	→
7	Craft beer	40%	35%	36%	33%	↓	→	→
8	Tequila	43%	32%	35%	32%	↓	→	→
9	Sangria	44%	38%	35%	31%	↓	↓	→
10	Rum	42%	35%	34%	31%	↓	↓	→
11	Cocktails	43%	33%	33%	26%	↓	↓	↓
12	Hard seltzer	n/a	n/a	n/a	24%	n/a	n/a	n/a
13	Cider	28%	24%	22%	23%	↓	→	→
14	Blush wine	32%	19%	19%	22%	↓	→	↑
15	Sweet / dessert wine	28%	25%	24%	22%	↓	↓	→
16	Pre-mixed / ready to drink alcoholic beverages	25%	22%	21%	20%	↓	→	→
17	Liqueurs	29%	20%	20%	20%	↓	→	→
18	Gin	31%	18%	20%	19%	↓	→	→
19	Brandy / Cognac	27%	15%	15%	17%	↓	→	→
20	Port	17%	10%	9%	13%	↓	↑	↑
21	Sherry	16%	9%	8%	11%	↓	↑	↑
	Other	1%	1%	1%	1%	→	→	→

↑ / ↓ : Statistically significantly higher / lower than the previous wave(s) at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, Mar'17, May'18, May'19 and Jun+Jul'20, (n≥1,020) US drinkers of sparkling wine who drink sparkling wine at least once a year

Table 4 - Alcoholic beverage repertoire among sparkling wine drinkers; Source: Wine Intelligence, 2020a

2.1.3 Portugal landscape

The Portuguese wine market, despite having one of the highest per capita consumption in the world, is growing sustainably. That is probably correlated to the overall economic recovery of the country and the tourist boom.

It is one of the most traditional markets, nevertheless, it is showing some changes. One of the issues of the lasts years in the market concern a tendency to cease to buy the “mainstream” wine brands in favor of many new brands that are appearing in the market, increasing the competition. Those new brands show frequently words such as “premium”, “signature” or “master selection” in the label that, joint to premium prices discounted up to 70%, call the customer’s attention.

The volume of still wine sold steadily increased in the country having a +2% in the 2013-17 period (especially domestic wine), while the imported wine decreased by 4% in the same period, being now just 6% (almost exclusively Spanish) of total Portuguese wine consumption. Moreover, data shows an increase in sales of fortified wines (+4% in 2013-17) and sparkling wines (+4% in 2013-17, domestic and imported).

Regarding the consumer’ behaviors it seems that the Top 5 alcoholic beverage consumed in Portugal are:

I. Red wine (70% of total wine consumption)
II. Beer
III. White wine
IV. Port wine
V. Rosé wine

About the awareness levels by region of origin, it is possible to see that it is reflected in the purchase performances of the wines, even if at a different rate depending on the region. The Top 5 are:

I. Alentejo (Best awareness/purchase rate)
II. Douro (in decreasing since most of the new “exclusive” brands come from Alentejo and other regions)
III. Dão (but less purchased than Península de Setúbal)
IV. Península de Setúbal
V. Vinho Verde

There is a general tendency for consumers to find information about the wines they drink. They are also more open to trying new types and styles of wines (such as flavored wines and Sangria) and new Brands.

The “regular wine drinkers” (that drink wine at least once every month) in Portugal correspond to 4,4 million people on 8,6 million of the adult population in the country (51% of the total).

The preferred retail channels are the supermarkets/hyper-markets (93% of total sales).

The most important choice cues while buying wine are in order: price, brand, the region of origin; but not all the age categories act in the same way.

In the off-trade it is increasing the tendency to drink wine at home to relax or for parties and celebrations. About the on-trade consumption, the scenario is almost dominated by restaurants (93%) mostly during the lunch break.

The new wine-based beverage target the younger category of consumers. In Portugal the range of 18-34 years old corresponds to 13% of the population and they are characterized by:

- 7% frequency in drink wine everyday/ most days
- Preferred in order: Beer, white wine, red wine. It is the only category in which red wine is not the favorite alcoholic beverage, while for rosé they are the greater consumers.
- Wine is considered an important product, well priced and the purchase of it is an important decision.
- In the choosing act the bottle and label design are important.
- Mostly convenience stores purchasing.
- Open to trying new types of wines.
- First place purchase: “Gazela”.

(Wine Intelligence, 2019j).

2.1.4 SOLA opportunities: sustainable, organic and lower alcohol wines

Trends such as global health and personal wellness are rising in awareness in the consumer's life. Ethical consumerism moved from niche to mainstream and affected also the wine world.

Alternative types of wines are more and more appearing in the markets, strengthened by increasing availability of official certifications that ensure for the customer that the product is likely to be produced in an economic, environmental, socially sustainable way, depending on the symbol shown in the label.

The Wine Intelligence's report "Global SOLA: Opportunities in sustainable, organic & lower alcohol wine" (May 2019) used some measures such as awareness, purchase intent (of the previous 6 months and future) and affinity levels of consumers for each category of products to create a ranking of "Global SOLA opportunity Index" (Tab. 5) that explain the market opportunities for different types of alternatives wines in the world. The rank was created by using the feedback from over 16,000 consumers collected via Vinitrac®, consequently analyzed and weighted to calculate the index for alternative wine opportunity across 15 different markets.

The ranking was also compared to the 2018's one and the resulting classification is:

	Type of wine	Global SOLA wine opportunity index			Global SOLA wine awareness index	
		2019 weighted opportunity index	2018 score difference	2018 rank difference	2019 weighted awareness index	2018 score difference
1st	Organic wine	48.0	0.8	=	51.9	3.3
2nd	Sustainably produced wine	44.2	1.6	=	27.7	3.7
3rd	Fairtrade wine	41.3	-0.3	=	28.9	1.3
4th	Environmentally friendly wine	40.9	0.8	=	24.0	5.4
5th	Preservative free wine	39.0	0.7	=	24.1	0.5
6th	Sulphite free wine	36.9	0.5	=	24.5	-0.1
7th	Carbon neutral winery	32.7	0.9	=	9.0	-0.5
8th	Lower alcohol wine	31.6	2.6	=	35.6	3.5
9th	Orange / skin contact wine	30.6	3.6	1↑	7.4	1.3
10th	Biodynamic wine	28.5	0.2	-1↓	7.1	0.0
11th	Non-alcoholic wine	26.6	3.7	1↑	40.8	1.6
12th	Vegan wine	25.5	0.9	-1↓	13.3	1.4
13th	Vegetarian wine	20.3	n/a	n/a	6.9	n/a

Table 5 – Global Sola wine opportunity index; Source: Wine intelligence, 2019d

As we can see there was an overall increase in the opportunity index since 2018, while the ranking positioning mostly remained the same. That is related to an increasing awareness about alternatives types of wines, thanks to increasing concern about global health and wellness trends, mostly among young consumers.

Both trade components and customers agree that organic and sustainable produced wines offer the best opportunities. After that, trade components believe that good opportunities could come from "lower alcohol" and biodynamic wines; instead, consumers believe that fairtrade wines will improve their position.

While for organic wines there are more than 300 certifying bodies, sustainably produced wines suffer a complexity and lack of clear certification, but anyway they show strong and positive opportunities thanks to their ecological – economical – socially responsible perception.

Fairtrade wines have official certification and it concerns the protection of worker's rights and environmental care.

Despite "environmentally friendly" wines don't benefit from an official certification they are 4^{th} in the rank and possess high awareness.

It seems that many of the ethical or environmental categories are misunderstood or bring confusion among consumers but, despite that, the opportunity index of those categories continues to grow.

Lower alcohol wines are just 8^{th} in the ranking and they are still a niche in the market, but is expected an increase in potential (with long-term growth) thanks to the spreading of moderation and healthy trends among consumers. The best opportunities in this category are related to sparkling and rosé wines.

Moreover, in some monopoly markets such as Sweden, Finland and Canada the changing legislation is presenting the opportunity to sell lower alcohol wines in a broader range of retail locations, while in these types of markets the most favored are the non-alcoholic wines (especially for Sweden and Finland).

Anyway there are some issues to take into consideration for lower alcohol wines. The EU regulation doesn't allow the "wine" denomination for products with alcohol contentment lower than 8,5% (except for some specific regions of production). Moreover, it is not possible to put in the label the indication "lower alcohol" for products that contain more than 1,2% of alcohol volume. Products with an alcohol content lower than 0.5% are considered non-alcoholic wines.

In general rules and laws about the international market of lower alcohol products are particularly complex, since they have to respect the regulations of the producing country, the selling country, the EU, OIV, and so on.

Other problems also affect lower alcohol wines. First of all they suffer the heavy competition of other lower-no - alcohol beverages, such as beer, the new non-alcoholic spirits and many other beverages that seems to have better taste and quality perception as well as to be more dynamic and exciting. In particular, the low-quality perception of lower alcohol wines, together with a premium price (because of the production process) leads the customers to choose other types of low alcohol beverages.

According to the Wine Intelligence (May 2019) the opportunity index scores for lower alcohol wine ranked by market leads the 15 countries of the survey to the following classification of marketing potential:

1st New Zeland (1st in his national SOLA wine opportunity index)
2nd Singapore (2nd in his national SOLA wine opportunity index)
3rd Australia (4th in his national SOLA wine opportunity index)
4th Hong Kong (4th in his national SOLA wine opportunity index)
5th UK (4th in his national SOLA wine opportunity index)
6th Portugal (6th in his national SOLA wine opportunity index)
7th Spain (8th in his national SOLA wine opportunity index)
8th Finland (11th in his national SOLA wine opportunity index)
9th US (12th in his national SOLA wine opportunity index)
10th Germany (5th in his national SOLA wine opportunity index)
11th Canada (8th in his national SOLA wine opportunity index)
12th Japan (8th in his national SOLA wine opportunity index)
13th Netherlands (5th in his national SOLA wine opportunity index)
14th Sweden (9th in his national SOLA wine opportunity index)
15th Belgium (10th in his national SOLA wine opportunity index)
(Wine Intelligence, 2019d**)**

Focusing more on some specific market it is possible to notice how the trends and the regulations change country by country:

- Australia: the country saw an overall rising in the alternative wines market.
  Talking about the lower alcohol wines they fell 2 positions in the ranking from 2018 because of a decrease of intent to purchase in the future and affinity, while there was an increase of awareness e sought to purchase.
  In this country there are no limits to the percentage of alcohol content to call the beverage as "wine", while to put in the label the denomination "Lower alcohol" the product has to stay between 0.5% and 1.15% vol. of alcohol content.
  The most involved category of consumers are the Millennials (aged 18 – 34) despite the 28% of them claim to feel embarrassed to be seen drinking lower alcohol wines.
  A case study regarding moderation trends in Australia claims that 48% of Australian wine drinkers are actively reducing the amount of alcohol they consume and of those, the 38% choose lower alcohol options to reduce it (mostly men). The range between 18 and 34 years old is the one that more is actively reducing the alcohol they drink with a percentage of 55% of which the 44% choose lower alcohol options instead of don't drink at all.
  (Wine Intelligence, 2019e)

- Canada: The Canadian SOLA opportunity index had a general decrease since 2018 and the lower alcohol wines followed the same trend (decrease in future purchase and affinity level). The younger consumers seem to be the best customers for alternative wines.

  In this country the beverages with an alcoholic content lower than 1.1% vol. are considered alcohol free, while the ones over 1.1% have to specify the % of alcohol content.

  Lower alcohol wines are increasing in awareness but decreasing in purchase levels and are becoming increasingly harder to find in the stores.

  Among the 36% of the drinker population that is actively reducing alcohol consumption, just the 35% move toward lower alcohol options to achieve it. The consumers aged between 19 and 34 years old are the most active in reducing alcohol consumption (43%) and the ones who more make use of lower-alcohol options (42%) although also they are moving toward the total abstinence of alcohol on some occasions.

  (Wine Intelligence, 2019f)

  In Canada some regions are recently allowing grocery stores and some supermarkets to sell alcoholic beverages.

  (Wine Intelligence, 2019b).

- Sweden: General decrease in the SOLA opportunity index.

  It is a monopoly market (Systembolaget) controlled by the state and that affects a lot the sales performance of different categories of wines. Systembolaget aims to promote ethically-sourced alcohol, especially organic wines (achieving 22% of total wine sales). In the off-trade the alcoholic drinks above 3.5% of alcohol content can be sold only in the Systembolaget shops. That definitely favor other types of alcoholic beverages that can easily stay under that threshold and be sold out of the monopoly.

  The monopoly wants to promote ethically and sustainably produced wines and combat the national alcohol consumption, offering in the market many of those products and lower/no- alcohol options.

  In this landscape the lower alcohol wines raised in awareness but decreased in future purchase intent, while the best favored are the no alcohol wines since they can be sold outside of the monopoly. That brings them a much higher awareness and potential in the market.

  The most involved categories in lower alcohol wines are the younger consumers, followed by women of any age.

  The Swedish market has one of the higher prices in Europe for alcoholic products.

  (Wine Intelligence, 2019g)

- United Kingdom: from 2018 the lower alcohol wines have improved their position in the SOLA opportunity index by 2 places, becoming 4th. That's thanks to a higher sought to purchase in the future, purchase consideration and affinity. The country follows the EU rules for lower alcohol products, so it is not possible to put in the label the definition "Lower alcohol" for products above 1.2% of alcohol.
  The biggest problem for lower alcohol wines seems to be the lack of quality and consumers' appeal.
  The 44% of UK wine drinkers are actively reducing their alcohol intake. Of those, mostly male consumers choose lower alcohol options (35%) to achieve it. Millennials are the greater category reducing the alcohol intake (56%) of which the 43% choose lower alcohol options.
  Older consumers are more aware of lower alcohol wines but the youngest are the best customers with a better conversion to purchase and intent to purchase in the future.
  (Wine Intelligence, 2019h)

- United States: the lower alcohol wines show low levels of purchase consideration and affinity levels.
  The US legislation considers "table wine" the ones with alcohol content included between 7% and 14% vol.; the "dessert wines" instead can range from 14.1% to 24% vol. The products above 0.5% and below 8.5% can be labeled as low alcohol wines, while the products below 0.5% are considered alcohol-free and don't have alcohol taxes.
  It seems that the US drinkers don't like to buy lower alcohol wines because of the different taste and lower quality perception. Despite that, there is an increasing interest in no and low alcohol beverages, driven by moderation trends. The result is an increasing purchase of lower alcohol beverages different than wine.
  The 37% of US drinkers claim that they are actively reducing their alcohol consumption, of them, the 42% chose lower alcohol options instead of don't drink at all.
  The most involved category in alcohol moderation are the consumers aged 21-34 years old (57%) of which the 53% choose lower alcohol options. Both percentages are increasing since 2018.
  Younger consumers are the most willing to buy alternative categories of wines and are the greater consumers of lower alcohol wines.
  Males are the ones that more are willing to buy lower alcohol wines, to actively reduce alcohol consumption and to chose lower alcohol options instead of don't drink at all.
  Vinho Verde is well considered by consumers thanks to his lower alcohol content.
  (Wine Intelligence, 2019i)

2.2 Wine trading overview

2.2.1 Demography

How it is possible to see in the Wine Intelligence's report "Global trends in wine 2019" (February 2019) the world is facing a general population aging, which is reflected in the percentage of the consumer's ages present in the market (especially the over 65 are increasing).

Older and younger consumers have different needs and habits when they purchase wine.

Older drinkers are more sticky to what they already know, buy fewer types of alcoholic drinks, are more driven by grape variety and origin, drink more frequently and more off-premise, and have greater knowledge and experience.

Younger consumers are characterized by:

- More adventurous approach
- More likely to purchase alternative wines
- More likely to drink on-premise
- They spend more on a bottle/glass of wine in both on/off-premise
- More driven by recommendations, alcohol content, bottle/label design
- They have less knowledge and are less confident in their knowledge.

The wine seems to be a gender-neutral product since it doesn't show significant differences in consumption between men and women.

Men drinks slightly more red wine, more quantity and more frequently than women.

It seems that a higher number of women drink rosé, white and sparkling wine than men.

The sparkling wine is not considered anymore a girl's beverage since the men that drink it do it more frequently and in higher quantity than women, while the last ones drink more types of sparkling wine. (Wine Intelligence, 2018c)

Both categories have similar levels of wine knowledge, but men are more confident in it and less influenced by external factors when choosing wine. (Wine Intelligence, 2019b)

Finally, more men claim that they are actively reducing alcohol consumption and are more likely to switch to lower-alcohol options to achieve it if compared with women. (Wine Intelligence, 2018c)

2.2.2 Attitudes

In the last 10 years consumers became more involved and willing to experiment with wine. That was in part correlated with the rising importance of the food culture and the care about food-wine matching.

In particular in UK especially the younger consumers are more involved and adventurous, while in Russia they show also an interest in improving their wine knowledge (currently significantly

low).
The widespread use of the internet to search for information instead of memory reduced the recalled wine knowledge among younger consumers, such as for regions and countries of origin (especially in US and UK).
About the purchase channels, in the off-premise is increasing the online shopping and the purchase in the discount/convenience stores.
In the on-premise wine consumption the trend is decreasing (UK, Canada, Australia, Danmark) and mostly for casual occasions instead of traditional or formal occasions.
The most important purchase drivers seem to be the best quality/price rate (wine is considered an expensive beverage) that leads to higher online and in discount purchasing and, at the same time, a shifting toward more premium products. An important role have also the label and bottle design.
The most important cues are the variety used in the wine and the origin of the wine.
As already said the moderation trend is increasing among drinkers of several markets in the world. The percentage of very frequent drinkers is decreasing and the alcohol content is becoming an important cue when purchasing wine.
Most of the drinkers that are reducing alcohol consumption use to reduce the drinking occasions, while Brasil and China seem to prefer the use of lower-alcohol options.
In US and Uk the active moderation trends are led by younger drinkers.
Ethical engagement is rising, especially for physical wellness and environmental care.
(Wine Intelligence, 2019b)

2.2.3 Packaging

Referring to the UK market, most of the wine is currently sold in the classic bottle of 75 cl format, but other options are appearing on the store's shelves to meet the different needs of the customers.
Consumers under 44 are less aware of different types of packaging for wine, but are the most likely to purchase a broader range of packaging formats in the future.
Among younger consumers, the format of can and pouch have the highest conversion rate (awareness-purchase) with 15% for the can format and 23% for the pouch. In general, the single-serve formats have significantly higher affinity rates among consumers aged 18-24 years old.
Regarding the total UK regular wine drinker population, who would consider buying wine in a can (250ml) are 7% of the total, of which 65% are women and 35% men.
Wine in a can could show in the future some opportunities among younger consumers, but is actually the format with the lowest affinity rate and have a limited distribution level in the market. Normally cans are associated with other types of beverages and if they are used for wine it is

perceived as a low-quality product.

(Wine Intelligence, 2018d)

According to the Wine Intelligence's report "Global wine industry outlook: confidence, opportunities & threats to 2025" (August 2019; Base = 296 trade experts representing 52 markets), the trade experts believe that in next years the most important opportunity in wine innovation could come from alternative packagings. In particular, the best opportunities will come from the ones that allow portability and convenience, which are important needs for millennials consumers, such as lighter glass bottles or canned wine. Those types of packaging are well seen also for their lower transport carbon footprint.

Half of the trade respondents of the survey found that the canned wine will present high growth opportunities thanks to his "on-the-go" features and his greater popularity in the US, that normally spread his trends, affecting also other markets.

The "Wine Packaging Formats" report (Wine intelligence, 2020b) shows the last trends in wine packaging formats in different countries. In general, due to the COVID lockdown, there has been a boost in the purchase of regular wine bottles and bag-in-box (bulky buying), but let's see more specifically the situation in 5 different countries uploaded at September 2020.

- Sweden: this country shows an open mind attitude toward alternative wine packagings, driven mostly by environmental consciousness, practical benefits and Systembolaget strategies.

  There has been significant growth in the proportion of drinkers purchasing "PET" (also thanks to Systembolaget selling tactics) and cans (from a smaller base). About the wine in a can, there has been also a rise of over 1/3 of purchasing consideration and it has strong opportunities when it comes to the trial of new wines.

  The main barrier to the purchase of alternative wine formats is the habitual preference of 75cl glass bottles and, regarding the smaller formats, the fact that they are seen as delivering comparatively poorer value for money.

  Each packaging type has a dominant consumption occasion, in the case of canned wine those are on-the-go occasions.
- United Kingdom: one of the pioneers in Europe for alternative wine trends also regarding packaging formats, making it a promising market especially among younger consumers.

  The alternative formats awareness it is up on the whole. There has been an increase in awareness, purchase, affinity and consideration level for both smaller and larger formats.

  In this market, the consumers are willing to switch to alternative packaging for sustainability, value and convenience.

  Despite wine in a can awareness peaking amongst 40-54 year olds, Gen Z (18-24) is most likely to purchase it once they are aware of it.

  Strong connection between wine in a can format and low-risk trial of products outside consumer's current repertoire.

The key barrier to purchase bag-in-box, pouches and cans is the belief that they typically contain low-quality wine, a part of the habitual preference for standard glass bottles.

Clear distinction between wine packaging formats for different wine occasions.

- United States: even if it seems that the Covid didn't affect too strongly the wine category, big changes appear to be coming, also regarding the packaging formats.

  In this market, small bottles and cans have low usage, but it is growing rapidly thanks to millennials and Gen Z. In particular, the awareness of wine in a can have shot up since 2017 and, at the same time, the rate of change of can purchase doubled and consideration and affinity also growth. Despite all of that, only 8% of all US wine consumers claim that they bought canned wine over the past 6 months.

  Convenience is a key driver for can purchase, but it is also seen as a low-risk, low-cost way to trial new products or wine styles. In general convenience, portability and the opportunity to trial new products are the leading drivers for small formats.

  In the US younger drinkers seem to seek control, portability and moderation.

- Canada: awareness of single-serve formats (bottles and cans) has increased over the past year, mostly in English-speaking provinces. The usage remains low, but it is growing among younger consumers (21-39). Convenience and portability are the leading use cases for those formats, alongside the opportunity to trial new products or wine styles with low risk and cost (especially for cans).

  Despite all of that, only 6% of Canadian wine consumers have bought canned wine in the previous 6 months.

  Also in this market it seems that younger drinkers are seeking control, portability and moderation

- Australia: despite a noticeable increase in awareness of alternative packaging styles, it is not yet translating into increased purchase rates for smaller formats over the past 3 years. While older consumers are significantly more aware of alternative packaging formats (for cans is much higher among 40-55 aged), the youngers are more likely to buy them once they are aware of them.

  The main barrier for the alternative packaging purchase is the underlying preference for standard glass bottles. Regarding the smaller formats, the problem is that they are seen as delivering poorer value for money.

  Anyway, trade experts predict that alcohol moderation trends and demand for greater choice formats will give opportunities to smaller formats.

2.2.4 Threats

In the “Global wine industry outlook: confidence, opportunities & threats to 2025” report (Wine Intelligence; August 2019) is also reported which threats the trade exponents believe are currently a risk for the wine trade development. Those are:

- Reducing alcohol consumption (by governments awareness campaigns, health trends)
- Increasing taxation on alcohol by several countries
- Other categories of alcoholic beverages
- Increasing regulations on alcohol sales
- Increasing production costs
- Droughts
- Growing political instability, UK Brexit, trade wars among US-EU-China
- Population aging
- Retailers reducing margins because of many trade passages of wine
- Increasing production and volumes of wine leading to excessive competition for small producers

2.3 The case study

2.3.1 Sogrape

Purpose: "To be admired as the most successful family wine company in the world"

Figure 2 - Sogrape owned Brands: Principal (57% sales value), Portuguese origin, International origin; Source: Sogrape Vinhos, 2020a

"In 1942, Fernando van Zeller Guedes and a group of friends founded the company Sogrape in the North of Portugal".

"The acronym SOGRAPE derives from the public deed - Sociedade Comercial dos Grandes Vinhos de Mesa de Portugal".

"75 years later, led by the 3rd generation of the Guedes family, Sogrape is the most important wine company in Portugal".

"Created shortly after its foundation in 1942, Mateus is still the leading product for the company. His innovative concept - a pink, fresh and slightly pétillant wine, in a bottle inspired by the canteens of the soldiers of the First World War had a great success quickly, becoming the most exported Portuguese wine ever".

"Mateus continues to be one of Sogrape's priority brands, with sales of 20 million bottles per year, and a presence in 120 markets".

(Sogrape Vinhos, 2020a; Pag 5-6-7).

Thanks to the currently better quality perception of rosé wine, the less seasonal performance and the refreshed packaging and portfolio available in the market the sales of Mateus are still rising with a +9% of sales in the last years and a purpose to achieve the +30% in the future.

Actually, in the Mateus portfolio there are:

- Mateus Original
- Mateus Aragones
- Mateus Branco
- Mateus Dry Rosé (only for USA)
- Mateus Sparkling Baga, Shiraz Demi-Sec
- Mateus Sparkling Baga, Shiraz Brut
- Mateus Sparkling Maria Gomes, Muscat Dry

Figure 3 – Mateus wine

Source: Sogrape Vinhos, 2020a

The success of Mateus Rosé has marked the future of the company, allowing it to invest in multiple regions in Portugal and the world (Fig. 6).

Today Sogrape have vineyards and produce wine in Portugal (Douro, Bairrada, Alentejo, Lisboa, Vinhos Verdes, Dão), Spain (Rioja, Rías Baixas, Rueda), Argentina (Mendoza), Chile (Requínoa), New Zeland (Marlborough).

Thanks to the distribution organization (Sogrape Distribuição) the company is present in many markets that altogether contribute to the total income (Fig.4).

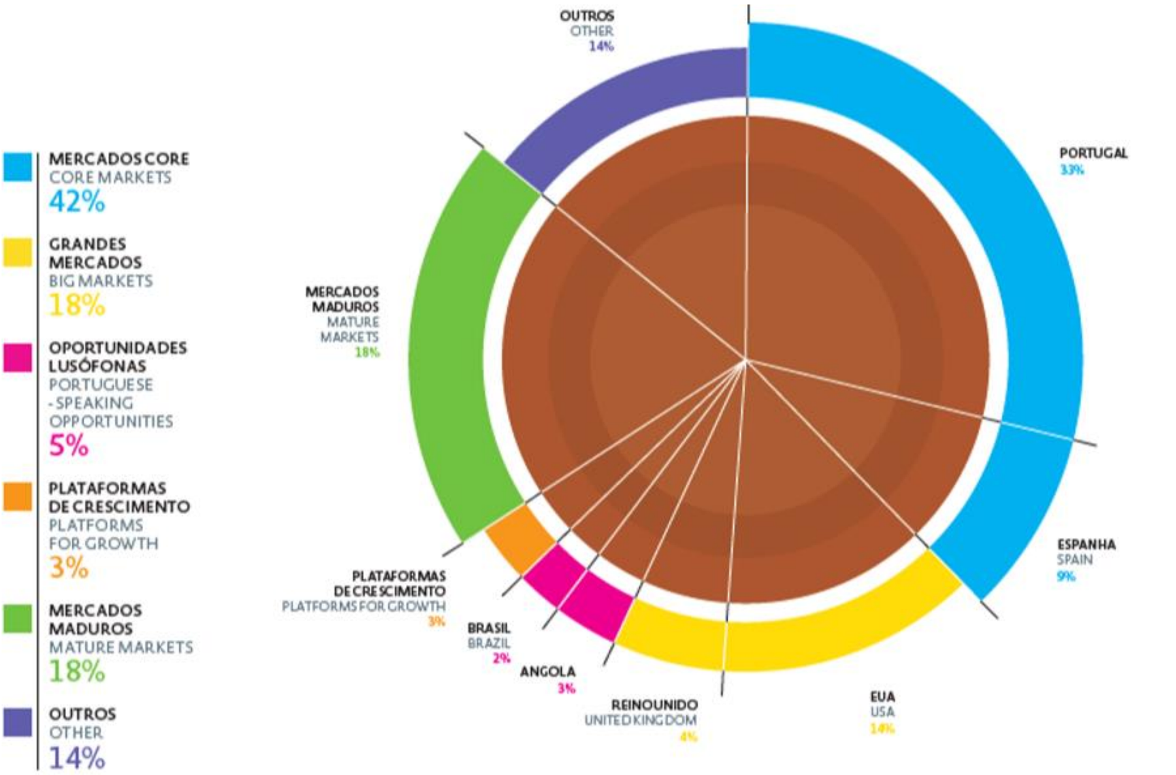

Figure 4 – Sogrape markets. (Mature markets: Germany, Benelux, Canada, France and Switzerland; Platforms for growth: China, Japan, Poland and Russia); Source: Sogrape Vinhos, 2020a

2.3.2 Gazela

Figure 5 - Gazela bottle

Source: gazelawine.us, 2020

Gazela is one of the strategic brands of Sogrape counting for 6% of sales in value among all the brands of Sogrape. *(Sogrape Vinhos, 2020a)*

The brand, born in 1984, was the first Vinho Verde produced and marketed by the company and since then continued to grow gradually and sustainably. (Sogrape Vinhos, 2020b)

Now, according to the Wine Intelligence "Portugal Landscapes" report (February 2019), Gazela is the 3rd ranked in the wine brand power index classification among Portuguese brands.

Gazela is characterized by innovation and dynamism that joint with a proactive communication program distinguishes the brand and allows the development of new projects and portfolio refreshments (such as the new wine-based beverage).

As a Vinho Verde DOC, Gazela is characterized by freshness gave from the typical acidity and smoothy fruity and floral aromas that, joint with a light sparkling character and low alcohol content give to the consumer a pleasuring refreshing perception.

Gazela, with his recognizable packaging style, is present in over 50 countries in all five continents and offers the white and rosé options, both Vinho Verde.

Relying on his great advertisement work and the continuous innovation of the brand, Gazela aims to find larger consumers share, focusing mostly on younger consumers that better fit with their dynamic character.

The greater competitors in the Vinho Verde category are "Muralhas" and "Casal Garcia".

Figure 6 – Sogrape presence in the world; Source: Sogrape Vinhos, 2020a

2.3.3 The project

The new sparkling wine-based beverage is still in its creation phase and basically, it will be the result of wine with an addition of liquid aroma. The target will be the younger consumers and the first market to focus on will be the USA. The launch of the product is planned for the first part of 2021.

Its fundamental characteristics will be:

- Fruity taste based
- Around 5% of alcohol content
- Low calories content
- In can format

Each one of those characteristics has an important role in the possible success of the product because they follow and gather in a unique beverage the modern trends of the millennial generation, which is having an increasing impact in the alcoholic beverages world.

Some of the threats that I already mentioned before, in this case, become an opportunity and could involve categories of consumers that are not so involved with the traditional wine sector. Trends such as alcohol moderation and low calories beverages pursuit, led by wellness trends, become an important choice cue in the act of buying this product instead of other alcoholic beverages. Moreover the demand for different types of packaging that can ensure portability, convenience and lower carbon footprint make this product more "ethical" distinguished and suitable for any type of occasion. Finally, the low alcohol content allows the sale of this product in a broader range of retail locations even in some monopoly markets.

Those features joined to the new trends of increasing sparkling wine consumption, on-the-go products demand and increasing millennial's involvement and open mind approach for different styles of wine, make this easy-drinkable beverage the right product to "ride the wave" of modern alcoholic consumption.

2.3.4 Category characteristics and forecasts

This new wine-based beverage will belong to the category of "Hard Seltzer", or, more specifically, the "Wine Seltzers".

The Hard Seltzers are a category of beverages that had a huge success in the USA since summer 2019, thanks to their features that conquered the American consumers.

This type of beverage is based on sparkling water, alcohol and added aroma that could be fruity or other flavors.

Its success is due to some factors such as:

- Easy drinkable, fresh, slightly bitter character
- Low calories and low sugar content (around 100 calories)
- Low alcohol content (around 5%)
- Gluten-free and vegan (depending on the alcohol base used)
- The open mind millennial generation (not anymore considered a beverage for girls) and sparkling involving
- Cheaper if compared with wine
- On-the-go, "insta-friendly" and elegant packaging giving a good "sophisticate/price" rate
- Recyclable packaging
- Available wherever is possible to buy beer

What distinguished the Hard Seltzer from similar beverages in the past is that it is perceived as a more sophisticated product, thanks to its more elegant and sober packaging design and its slightly bitterish taste that give to the consumer a healthier sensation. Moreover the low calories and alcohol content gives to the consumers the possibility to feel less "guilty" about their wellness.

The Hard Seltzers following markets are UK, Canada and Australia.

In Canada is already diffused a similar beverage, made by vodka mixed with aromatic soda. Anyway, it is possible an upcoming success of Hard Seltzers which are already present in the Canadian market. (Belmonte, 2020; Arthur, 2019; Woods, 2019)

In the US, the Hard Seltzer in 2019 reached a total sales amount of 2.7$ billion, of which 1.5$ billion in the off-trade and 1.2$ billion in the on-trade, and a total volume of about 82.5 million nine-liter cases consumed. (Eads, 2020)

The number of category players passed from 10 to 26 from 2018 to 2019, and from 26 to 65 from 2019 to 2020 (+ 39).

Talking about the alcohol content, in 2019 the ones with an alcohol content between 5% and 6,9% contributed with a share of more than 45% of the global revenue. But the ones with an alcohol content between 1.0% and 4.9% are expected to perform the fastest growth rate, with a CAGR of 16.6% from the year 2020 to 2027. (Grand View Research, 2020)

The global market size of Hard Seltzer in 2019 amounted to 4.4$ billion, of which 55.8% in off-trade and 44.2% in on-trade, but the forecasts for this category are largely positive for the future, with a CAGR of 16.2% for the period 2020-2027. (Grand View Research, 2020)

“The rise of hard seltzers shows there was a segment of consumers underserved by the current beverage alcohol market who were looking for alternatives that were refreshing and flavorful, but also low-calorie and low-sugar(…)”.

(Brandy Rand, COO of the Americas at IWSR Drinks Market Analysis)

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3 Materials and methods

3.1 Research proposal

The driving reason that “moved” this project is the belief that, in a sugar-based majority, a wine-based Hard seltzer produced by a wine producer could add value to the category and give an opportunity to the company. Moreover, even if the category has special relevance in the US market, other ones are growing in interest, such as the UK and the Asia Pacific, from whom they want to take advantage.

The practical aim of this work, after accurate research of the actual state of the art and the potentialities of the category, will be the definition of all the features and product context of this new wine-based beverage. It will be presented also a first analysis of some potential markets selected following appropriate selection criteria.

The results of this work will be analyzed in order to make the final decision regarding the employment or not of resources by the company. If the answer will be positive, further research finalized to understand what would be consumers’ reaction to the product, in the US, will be performed. If all the phases go on correctly, the product is planned to enter the market in the first quarter of 2021.

To define the context and the specific features of the product, that will have the function to hit the consumer, it was prepared from the company a “briefing document” containing the indications and needings for the launch of it. Those indications were sent to 3 different creative agencies, who therefore will prepare different proposals, of which it will be chosen one.

The potential market analysis will be useful to have a first idea on how many and which ones could be the countries that possess the right habits and environment to allow the spread of the wine-based beverage.

Below both marketing research will be explained in detail.

3.2 Main competitors analysis

To face this market, which is already highly competitive and more and more it will be, it could be useful the analysis of the competition and its way to act.

First, we have to differentiate between two different types of beverage competition: The sugar-based Hard Seltzers (the vast majority) and the wine-based Hard Seltzer.

Starting with the sugar-based ones it is clear the domination of the market led by “White Claw”, that is also planning to expand its presence in other markets such as the UK and Australia (Arthur, 2020), while it has already arrived in Canada (Belmonte, 2020).

The top 5 brands in terms of market share in the USA are:

Figure 7 - Top 5 Hard Seltzer brands and related market share in USA, June 2020; Source: Sogrape Vinhos, 2020c

More specific is the competition with the sub-category of "Wine Seltzers", but at the same time, it is also much more reduced because just a few brands are producing this variant of the drink. Here we can find the relevant wine-based Hard Seltzers, of which just the last one is a Portuguese brand:

Figure 8 – Wine-based Hard seltzers; Source: Sogrape Vinhos. 2020d

All the brands present a variety of different flavors and the characteristics of the beverages vary just on a small scale in calories, alcohol content and packaging logistic.

Normally they can be bought in packs of 6/12/24 cans with the possibility to opt for a unique flavor pack (usually the 6 unit ones) or the ones that contain a variety of them.

The labels are designed to be highly instagrammable, a characteristic on which the main players rely to obtain popularity among consumers.

Another determinant strategy to support the spread of this type of beverage, used by the main players of the category, is to associate the product with the funny and relaxing moment of the consumer's life. The Hard Seltzer is often connected with a refreshing beverage to drink at parties by the pool or in the night in a club as well as the perfect drink to enjoy the sun and the beach on a relaxing day spent with friends.

The advertisements are mostly based on this philosophy and the goal is to have a rebound in the Instagram sharings of the consumers.

The fact that the category already exists for more than one year allows the company to analyze and collect some data regarding the most sold flavors of the competition (Fig. 9) and have a base to decide the potential flavors for the new Sogrape's Hard Seltzer.

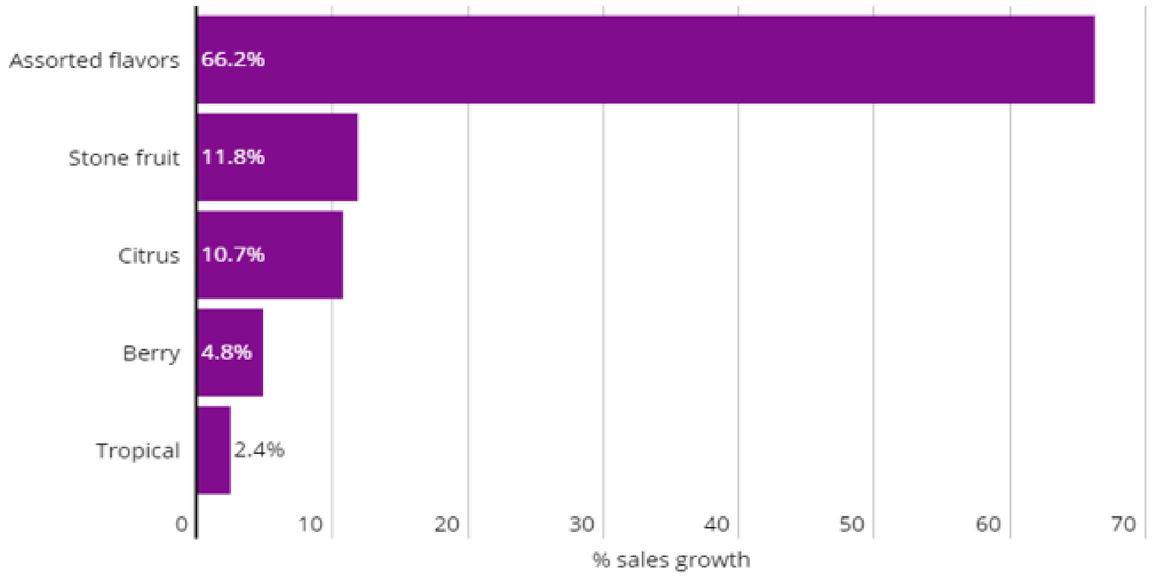

Figure 9 - Most sold Hard Seltzer flavors (Sogrape Vinhos, 2020c)

3.3 Launch guidelines

The category researches, alongside the experience of the marketing department of the company, were useful to understand which are the needings to ensure a successful launch of the products and that the philosophy of the product engages the consumer.

For this purpose, it is fundamental to define some guidelines that have to be taken into consideration to prepare the proposals for the product launch.

First of all, it is important to understand the objective of the project. The goal is to launch 2 products: a white and a rosé wine-based beverage. Actually, there are 2 final flavors for each type of beverage that are "Kiwi & Lime" or "Mango & Passion Fruit" for the white option and "Watermelon & Lemon" or "Pomegranate & Strawberry" for the rosé one. Further research will be conducted to decide which flavors would have higher acceptance and better performance.

Following in importance comes the target, the beverage is designed for:

- Young people (from drinking legal age 21 to 40 years old in US)
- Gender-neutral

- Urban (from big cities)
- Healthy Conscience Lifestyle
- Looking for Convenience **(**Ready to drink beverages, On-the-go drinks)
- Opened to new experiences (The target is willing to try different products, “Different is good!”)
- Simple and modern (Looking for authentic brands that talk their language)
- Highly Social & Hugely optimistic (Happy, fun, light, fresh, young, promoting socialization and shareability)

Taking that information in mind, what is necessary for the launch of the product is an **inspiring storytelling,** with a **trendy name** and an **attractive packaging.** That task is assigned to the creative agencies that anyway have to follow some indication given by Sogrape.
The storytelling is determinant to engage psychologically the consumer, convincing him that the product is the right choice for him. In this case, the product should be perceived as an “**inspiring lifestyle brand**” (the product should be promoted as the lifestyle drink of choice), **everyday drink** (it should be perceived as easy-to-drink and suitable for everyday consumption), **easy-going** (this category appeals to a total informal lifestyle, a key point to the younger target engagement with the product), **young and modern** (It should be attractive for a younger target but modern and contemporary enough to appeal to a broad consumer age target), **affordable** (it should not be perceived as expensive as wine: the category’s prices are lower than wine prices, potential RSP in the USA is between $3.00-$4.00 and in Portugal would be around 2€/can). It is better to avoid mentioning the place of origin (Portugal) to let more freedom of choice in case there will be a change of the wine used for the beverage.
About the name of the product, there is an issue that has to be taken into consideration. As already said the brand is planned to be “Gazela”, one of the brands owned by Sogrape, and in that case, a “sub-brand” name is required to identify the new product. Anyway, there is a possibility that this type of product could lead to an unfavorable perception of the brand, that in the lasts years it is hardly working to increase its prices and consumers’ perception. For that reason, the trade acceptance of the use of the Gazela brand will be assessed and in case there will be identified any type of resistance a new brand name will be needed.
Therefore two options are required from the creative agencies: A possible “Gazela sub-brand” or a new brand name that will be totally separated from Gazela.
Apart from that, some other indications are given: “**clear and simple” – “familiar and memorable” – “multilingual” – “registrable”**.

Each of those characteristics has an important role in the spread and consumer perception of the product. It has to reflect the product's "DNA" evoking feelings such as freshness and lightness, being at the same time easy to remember. It should be descriptive of the category characteristics, but different, young and bold enough to be memorable. Also, it has to be easy to pronounce in several languages, such as Portuguese, English and Spanish to facilitate its spread in different parts of the world. Obviously, it has to be easy to register and different from any other brand name already existent.

Finally, talking about the packaging, other indications have again the function to create an attractive product that has the capability to communicate to the consumer, at the first glance, the healthy and elegant character of the product and make it stand out among similar beverages.

First of all, a clear background is needed, it communicates that the beverage is sophisticate and healthy. White and light grey are the dominant colors for this category, but Gazela has already a can format with grey and green colors, that have to be taken into consideration to differentiate the new product.

Then, a clear reference to the fruit flavors, wine color/type and drink category ("Wine Seltzer") must be highlighted in the label.

The logo should be as big as possible to maximize its visibility on the shelves. In the case of the Gazela sub-brand, the "Gazela" logo has to be put vertically.

Regarding the product's attributes, they have to be put in the front of the pack. It will be taken into consideration ALC./VOL. = 5% & 100 Cal. per serving.

To highlight the extra positive characteristics of this beverage the descriptor "All natural flavors" will be included in the front label.

Obviously, the format type will be a can. More in detail it will be in 250 ml cans, in packs of 4 cans and trays of 24 cans. For the moment the creation focus will be on the individual can.

3.4 Potential markets analysis

While in the US (that will be our first market) there are already many players present in the Hard Seltzer category, there are various other markets that are growing in interest for this business, and be one of the firsts brands to enter those new markets could be an opportunity not insignificant.

Couse of "natural" connections such as geography, language, trade agreements, or historical relations between the USA and some other countries, there will be some predictable markets that soon will be involved whit this trend or they already are. Those certainly are Canada, UK and Australia, but they are not the only ones that could show potentialities for the category.

The global market size that in 2019 amounted to 4.4$ billion, is expected to have a CAGR of 16.2% from the year 2020 to 2027. In particular, while the Americas have already the biggest share of the market, the Asia-Pacific area is expected to have the fastest-growing market with a CAGR from 2020 to 2027 of 17.0%, thanks to developed economies such as Australia, China and South Korea. That is due to the rising demand from those developed countries for gluten-free drinks and with a low ABV content. (Grand View Research, 2020)

Bearing in mind this information I performed a marketing analysis focused on which potential markets could be interesting for Sogrape's Wine Seltzer after the US, which will be certainly the first one. That analysis has the goal to collect data regarding some countries selected according to 4 selection criteria and consequently evaluate their suitability.

Every market was analyzed according to appropriate parameters that will show the opportunities and threats of each market and wants to provide a first idea of the worldwide potentialities of the beverage. Obviously, a deeper and more complete examination is needed, but that part will be carried out during a subsequent phase of the project.

The selection criteria identified for the analysis will be explained below.

1. **Drinking habits and most consumed alcoholic beverages**: useful to understand the traditions and the habits of alcoholic beverage consumption and therefore have an idea of the grade of acceptance of this new beverage.
2. **Wine market opportunities and classification indexes**, with rank difference tracking from 2018: based on the "Wine intelligence" analysis and wine market evaluations.
   It has the aims to identify the markets that possess the appropriate economical requirements, taking into account the wine market opportunity index and the performance changes from 2018 to 2019 of each market. (Source: Wine Intelligence, 2019a)
3. **How much it is affected by US trends and wellness trends**. Normally the USA are used to spread their trends to a good proportion of the rest of the world, but some countries are much more affected than others. Since the Hard Seltzers are coming from the United States, that will have a role in the upcoming spread of the Hard Seltzers.
   Moreover, we have to take into consideration how much health consciousness affects the consumer's choices of the concerned market. The low calories, low alcohol content, gluten-free features, typically sought by developed economies, are the supporting pillar of our beverage.
4. **Population characteristics**. The medium age and the size of the population can contribute to the success of the beverage: a young and large population will be more interesting than an old and small one. (Source: Worldometer)

Moreover, additional information such as monopoly alcohol management, Hard Seltzer presence, or other relevant characteristics are reported when needed.

The markets analyzed in that research were:

- Canada
- Australia

- United Kingdom
- Denmark
- Sweden
- Finland
- Norway
- Germany
- France
- Netherlands
- Luxemburg
- China
- South Korea
- Brazil
- Mexico
- Russia

After a market characterization, an analysis was performed for each subject to highlight the opportunities and the threats related to the Wine Seltzer beverage.
The outcome of the analysis is shown below.

CANADA

- Growth market (WI, 2019a)
- 2° in wine market attractiveness (+1) (WI, 2019a)
- Already present white claw and other Hard Seltzers such as Vodka + liquid aroma https://drizly.com/beer/specialty-beer-alternatives/hard-seltzer/canadian-hard-seltzer/co185-c196899
- Monopoly market
- Consumption toward premium options (WI, 2018f)
- 36% of the drinker population is actively reducing alcohol consumption, of which 35% opt for lower-alcohol options (WI, 2019f)
- Among consumers aged 19-24 years old, 43% is actively reducing the alcohol consumption, of which 42% opt for lower-alcohol options (WI, 2019f)
- 11° on 15 in the lower-alcohol wine opportunity Index ranking by market (8th on 13 in his national SOLA wine opportunity index) (WI, 2019d)
- Median age 41.1 years (Worldometer, 2020)
- Market share of alcoholic beverages (Statista, 2020):
    1. Beer
    2. Wine (increasing)
    3. Spirits

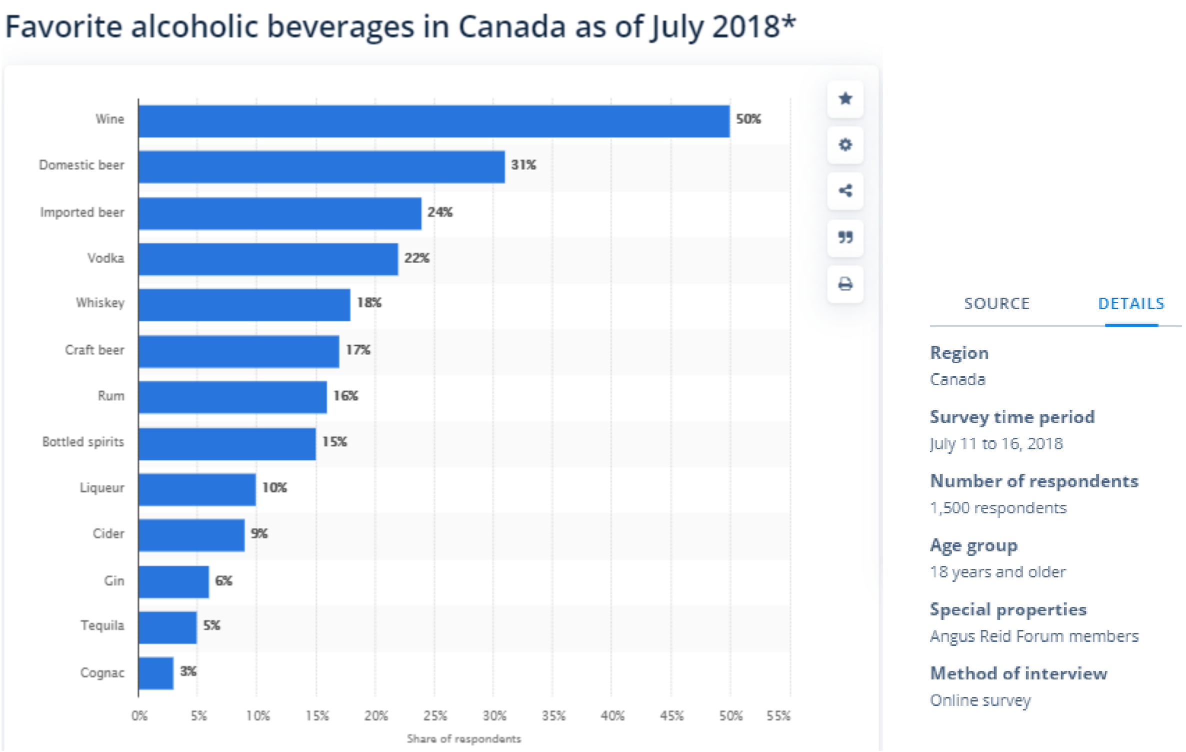

Figure 10 - Canadian alcohol preferences 2018. Source: Statista, Aug 2020

Opportunities	***Threats***
• Wellness trends spreading in the consumption of alcoholic beverages, especially among millennials (WI, 2019f) • Some regions (as LCBO in Ontario) are shifting towards greater consumer accessibility allowing grocery stores and some supermarket to sell alcoholic beverages (WI, 2019a) • High wine market attractiveness (WI, 2019a) • Possibility to «study» the first impact of Hard Seltzer before entering the market	• Competition from other Hard Seltzer brands

Table 6 – Potentiality Canada

AUSTRALIA

- Mature market (WI, 2019a)
- 11° in wine market attractiveness (-3) (WI, 2019a)
- 48% of the drinker population is actively reducing alcohol consumption, of which 38% opt for lower-alcohol options (WI, 2019e)
- Among consumers aged 18-34 years old, 55% is actively reducing the alcohol consumption, of which 44% opt for lower-alcohol options (WI, 2019e)
- 3° on 15 in the Lower alcohol wine opportunity Index ranking by market (4° on 13 in his national SOLA wine opportunity index) (WI, 2019d)
- Some Hard seltzer and «Vodka Seltzer» are already present since May/June 2020
- General decrease in alcohol consumption and wine popularity (Pearly, 2019)
- Median age 37.9 years (Worldometer, 2020)
- Share of consumers by type of beverages in 2019 (Pearly, 2019):
    1. 42,8% wine
    2. 38,2% beer
    3. 26,3% spirits
    4. 11,4% cider
    5. 10,8% RTD
    6. 6,5% liquors
    7. 4,9% fortified wines
- Most consumed beverages in term of volume in 2019 (Pearly, 2019):
    1. Beer (45%)
    2. Wine (29,1%)
    3. Spirits (13,2%)

Opportunities	***Threats***
• Wellness trends spreading in alcoholic beverages consumption, especially among millennials (WI, 2019e) • Possibility to «study» the first impact of Hard Seltzer before entering the market	• Competition from other Hard Seltzer brands • White Claw enter the market in October 2020. They claim that it was requested by Australian drinkers through social media (Masige, 2020)

Table 7 – Potentiality Australia

UNITED KINGDOM

- Mature market (WI, 2019a)
- 7° in wine market attractiveness (=) (WI, 2019a)
- 44% of UK drinkers are actively reducing alcohol intake, 35% of them opt for lower-alcohol options (WI, 2019h)
- 56% of millennials are actively reducing the alcohol intake, 43% of them opt for lower-alcohol options (WI, 2019h)
- 5° on 15 in the Lower alcohol wine opportunity Index ranking by market (4th on 13 (+2) in his national SOLA wine opportunity index) (WI, 2019d)
- Medium European alcohol consumption, but high rate of binge drinking (Alcohol Change UK, 2018)
- Median age 40.5 years (Worldometer, 2020)
- Hard Seltzer already present in the UK since June 2020 https://www.thedrinksbusiness.com/2020/07/hard-seltzers-you-can-buy-in-the-uk/
- Most consumed beverages in 2017 (drinkaware, 2019):
  1. Beer (35,3%)
  2. Wine (32,3%) (increasing)
  3. Spirits (23,1%)
  4. Cider (7%)
  5. Alcopops/RTD (2,4%) (doubled since 2009)

- In 2019 the wine consumption overtake beer consumption in consumer share (Wine News, 2019)

Opportunities	***Threats***
• Wellness trends spreading in alcoholic beverages consumption, especially among millennials (WI, 2019h) • Lower/no-alcohol beer more socially accepted in the last few years (Carlsberg UK, 2018) • Possibility to «study» the first impact of Hard Seltzer before entering the market	• Competition from other Hard Seltzer brands such as «White Claw» and «Barefoot» • New brands planning to enter this market (for example Carlsberg) (Inside beer, 2020)

Table 8 – Potentiality UK

NORDIC COUNTRIES:

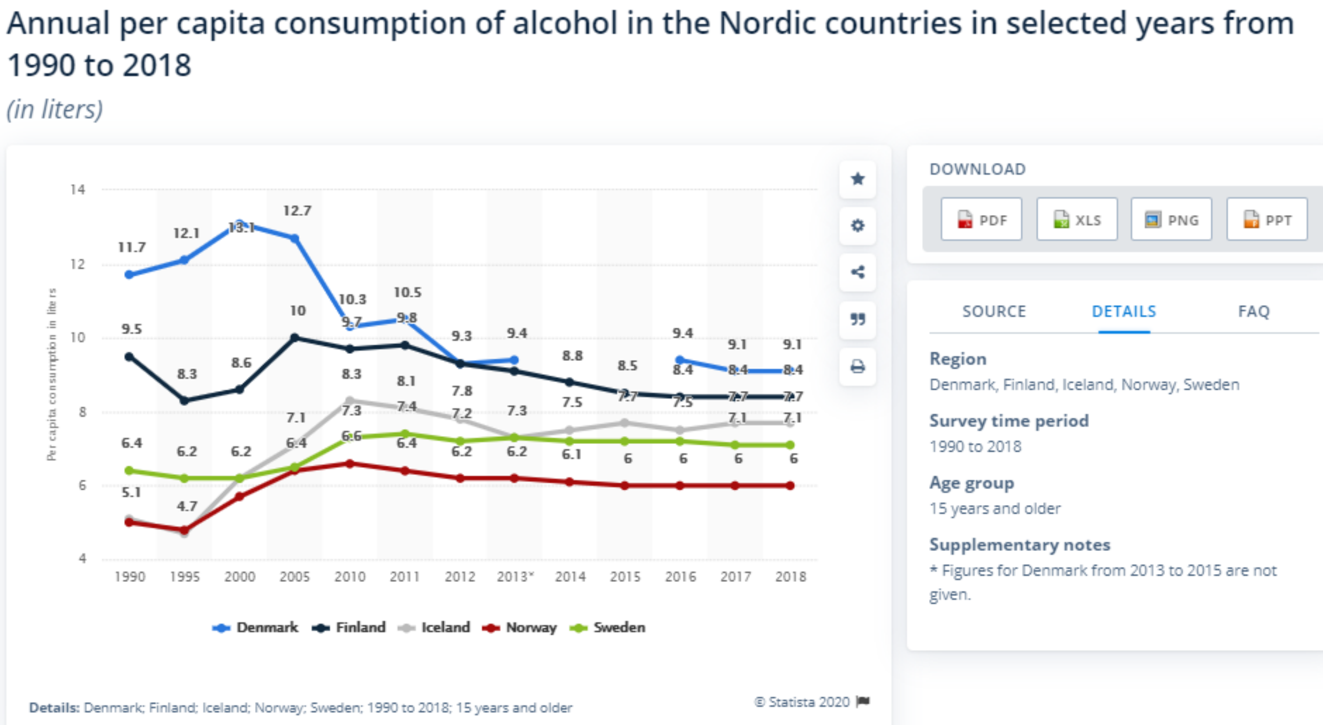

Figure 11 - Per capita consumption of alcohol in the Nordic countries 1990-2018; Source: Statista Jun, 2020

Scope of the Nordic alcohol monopoly companies

Situation as at 1st January 2018

The extent of the monopoly rights

Alko (Finland)	All alcoholic beverages with 3 exceptions: Beverages with max 5.5 vol. %, which can be sold in grocery stores, independent brewery products and and most Finnish farm winery products cointaining 13 vol. % or less. [1)]
Systembolaget (Sweden)	All alcoholic beverages stronger than 2.25 vol. %, with one exception: Beers with max 3.5 vol. % ("Folköl") which can be sold in grocery stores.
Vinmonopolet (Norway)	All alcoholic beverages stronger than 4.7 vol. %
ATVR (Iceland)	All alcoholic beverages stronger than 2.25 vol. %
Rúsdrekkasølu (Faroe Islands)	All alcoholic beverages stronger than 2.8 vol. %, with one exception: Beers and ciders can be sold in beer producer's shops. Products stronger than 60 vol. % cannot be sold in the Faroe Islands.

1) The new Alcohol Act entered into force on 1st of March 2018 as a whole, but some of the amendments entered into force already on the 1st of January 2018. Among the most important ones are that retail stores can sell all kinds of alcoholic beverages that contain up to 5.5% alcohol by volume and that independent breweries and microbreweries can apply for a licence to sell craft beer from the regional state administrative agency. This is a fundamental change from grocery stores being allowed to sell only fermented beverages with max 4.7 vol. % up until 1.1.2018.

Figure 12 - Information on the Nordic alcohol market 2018; Source: Alko Inc. 2018

DENMARK

- Mature market (WI, 2019a)
- 8° in wine market attractiveness (+7) (WI, 2019a)
- Medium age 42,3 years (Worldometer, 2020)
- High alcohol consumption (9,1 L of pure alcohol per capita in 2018) in decreasing trend (Statista, 2020)
- High alcohol prices (Il Mercato del vino, 2020)
- Consumption in volume per capita (Statista, 2020):
    1. Beer
    2. Wine
    3. Spirits

Opportunities	***Threats***
• No monopoly market (only Scandinavian country) • Very high per capita income (Il mercato del vino, 2020) • Lower taxation compared with other Nordic countries (Il Mercato del vino, 2020) • Increasing wine consumption (Il Mercato del vino, 2020) • Already popular some «imported» mixed beverages (Aperol spritz, Lillet)	• High taxation on alcohol if compared with the average of EU (Il Mercato del vino, 2020)

Table 9 – Potentiality Denmark

SWEDEN

- Mature market (WI, 2019a)
- 18° in wine market attractiveness (-5) (WI, 2019a)
- Medium age: 41,1 years (Worldometer, 2020)
- Monopoly market (Drinks above 3,5% only in Systembolaget) (WI, 2019g)
- 14°on 15 in the Lower alcohol wine opportunity Index ranking by market (9°on 13 in his national SOLA wine opportunity index) (WI, 2019d)
- Quality-driven behavior (Euromonitor, 2008)

- The most consumed beer is the 2.8% ABV, which is decreasing in favor of the 3.5% one. (Euromonitor, 2008)
- Rising alcohol consumption (Statista, 2020)
- High priced alcoholic products (WI, 2019g)
- Most consumed beverages (Statista, 2020):
    1. Beer (but is decreasing in favor of cider and RTD beverages)
    2. Wine
    3. Spirits and cider

	alcohol content (ABV)	available in restaurants	available in supermarkets	taxed
Class I (Lättöl)	0.0% - 2.25%	yes	yes	no
Class II (Lätt Folköl)	2.8%	yes	yes	no
Class II (Folköl)	3.5%	yes	yes	yes
Class III (Mellanöl)	3.6% - 4.5%	yes	no	yes
Class III (Starköl)	4.6% +	yes	no	yes

Figure 13 - Swedish alcoholic beverages classification based on alcohol content. Source: Wikipedia 2020

Opportunities	***Threats***
• Strong economy (WI, 2019a) • Ethical products and moderation trends promoted by Systembolaget (WI, 2019g) • Increasing import of foreign brands (Euromonitor, 2008) • Greater consumer accessibility of the monopoly (WI, 2019d) • Younger consumers and women increasingly care about wellness and moderation trends and they are the greater consumers of RTD beverages and lower alcohol wines (Euromonitor, 2008)	• High taxation on alcoholic products related to the alcohol content (Euromonitor, 2008) • Monopoly market • Already present low calories and low alcohol beers (Competition) (Euromonitor, 2008) • To sell alcoholic products out of the monopoly's shops is allowed for beverages with a significantly lower alcohol content than the average for Hard seltzers (Special WBB version for Sweden?)

Table 10 – Potentiality Sweden

FINLAND

- Established market (WI, 2019a)
- 30° in wine market attractiveness (+4) (WI, 2019a)
- Medium age 43,1 years (Worldometer, 2020)
- Rising alcohol consumption in the last years (more women drink) (addictionlink.fi, 2009)
- They drink mostly at social events or on the weekends to have fun and not during the

meals (addictionlink.fi, 2009)

- Monopoly market (Alko) for beverages with a higher alcohol content than 5.5% (Alko inc., 2018)
- 8° on 15 in the Lower alcohol wine opportunity Index ranking by market (11° on 13 in his national SOLA wine opportunity index) (WI, 2019d)

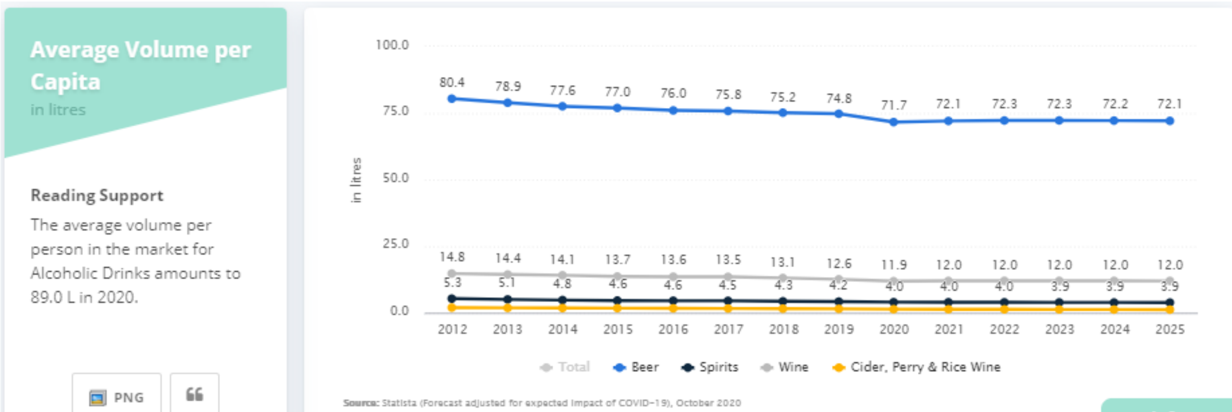

Figure 14 - Average volume per capita of alcoholic drink consumption in Finland; Source: Statista; October 2020

Opportunities	***Threats***
• The share of female alcohol consumption has increased (addictionlink.fi, 2009) • Younger consumers are reducing alcohol consumption (Yle, 2020) • Beverages until 5,5% of alcohol content allowed to be sold out of the monopoly (greater availability and less competition) (Alko inc., 2018)	• High taxation on alcoholic products (Alco inc., 2018) • Monopoly market

Table 11 – Potentiality Finland

NORWAY

- Mature market (WI, 2019a)
- 29° in wine market attractiveness (+1) (WI, 2019a)
- Vinmonopolet (state monopoly) for drinks with a higher alcohol content of 4,75% (ICE agency/Italian embassy in Oslo, 2018)
- Medium age 39,8 years (Worldometer, 2020)
- The launch of a new product is done 6 times per year and it has to perform a test period

of 12 months to decide if let or remove it from the market (ICE agency/Italian embassy in Oslo, 2018)

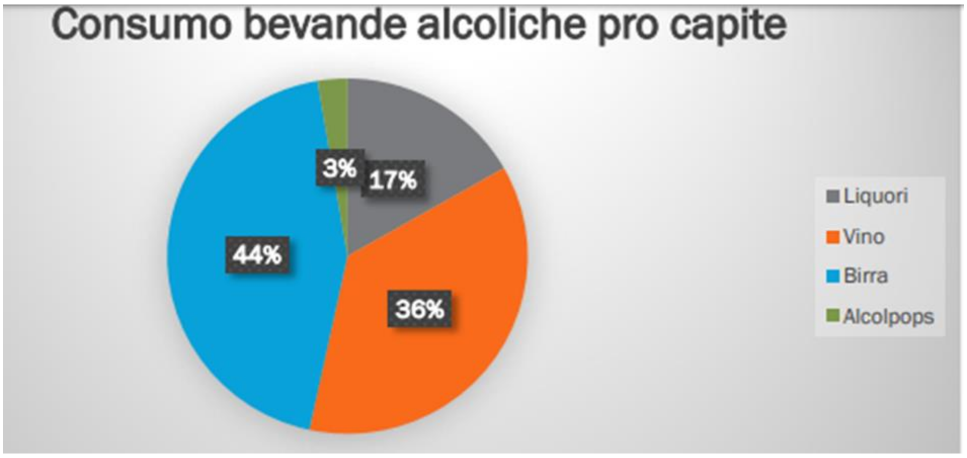

Figure 15 - Per capita consumption of alcoholic drinks: liquors (17%), wine (36%), beer (44%), alcopops (3%). Year 2018 Source: Italian embassy in Oslo/ ICE agency

Opportunities	***Threats***
• Increasing consumption of wine and alcopops in the last years (ICE agency/Italian embassy in Oslo, 2018) • Grater distribution availability if the alcoholic content is lower than 4,75% and less competition from higher alcoholic content products (out of monopoly sale)	• Heavy taxation on alcoholic products (around 54% of the total value) (ICE agency/Italian embassy in Oslo, 2018) • Monopoly market

Table 12 – Potentiality Norway

GERMANY

- Mature market (WI, 2019a)
- 4° in wine market attractiveness (-2) (WI, 2019a)
- 10° on 15 in the Lower alcohol wine opportunity Index ranking by market (5° on 13 in his national SOLA wine opportunity index) (WI, 2019d)
- Around 11,3 L/year of pure alcohol consumed per capita (alcohol.org, 2020)
- High alcohol consumption, but it’s taking place an overall decreasing of it, especially in the beer category (I numeri del vino, 2018)

- Median age 45.7 years (Worldometer, 2020)

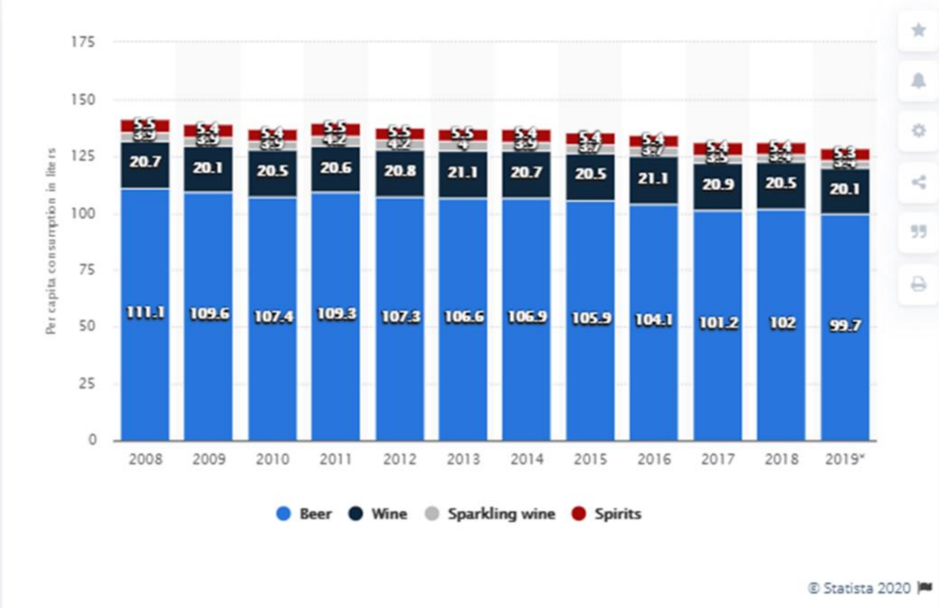

Figure 16 - Per capita consumption of beer, wine and spirits in Germany 2008-2019 (in liters).
Source: Statista, Aug 2020

Opportunities	Threats
• In 2004 the government increased the tax for alcopops based on spirits, but not for the ones based on wine and beer (Wikipedia, 2020) • Developed economy • High wine market attractiveness (WI, 2019a) • Increasing alcohol consumption awareness (WI, 2019b) • Enter the market before the competition • The alcoholic drinks market is expected to grow annually by 8.4% (CAGR 2020-2023) (Statista, 2020)	• Traditional drinking culture

Table 13 – Potentiality Germany

FRANCE

- Mature market (WI, 2019a)
- 3° in wine market attractiveness (+2) (WI, 2019a)
- Median age 42.3 years (Worldometer, 2020)
- High alcohol consumption: around 11,8 L/year of pure alcohol consumed per capita (Alcohol.org, 2020)

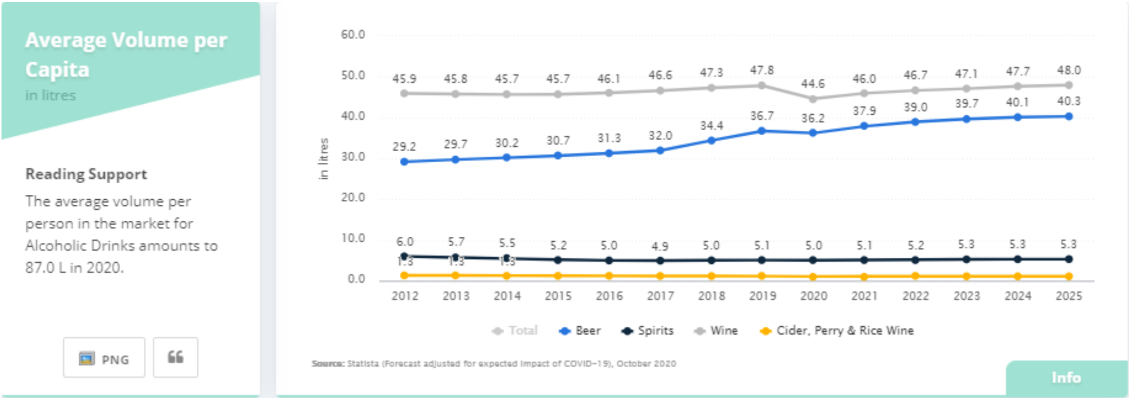

Figure 17 - Average volume per capita of alcoholic drink consumption in France; Source: Statista; October 2020

Opportunities	***Threats***
• Developed economy • High wine market attractiveness (WI, 2019a) • The alcoholic drinks market is expected to grow annually by 8.1% (CAGR 2020-2023) (Statista, 2020) • Enter the market before the competition	• Big share of traditional wine drinkers and traditional drinking culture

Table 14 – Potentiality France

NETHERLANDS

- Mature market (WI, 2019a)
- 5° in wine market attractiveness (+4) (WI, 2019a)
- Median age 43.3 years (Worldometer, 2020)
- In 2018, the per capita consumption of alcohol was just over 8.3 liters of pure alcohol (decreasing trend) (Statista, 2020)
- The third richest country in the Union in terms of per capita income, after Luxembourg and Austria (Il mercato del vino, 2020)
- Wine volumes are starting to decline, while craft beer, gin and cocktails are growing in popularity (WI, 2018e)
- Cider remains a seasonal drink (Euromonitor International, 2019)
- The prospects for strong volume growth are limited, but consumers are trading up (Euromonitor International, 2019)

- Domestic players lose share (Euromonitor International, 2019)
- 13th on 15 in the Lower alcohol wine opportunity Index ranking by market (5th on 13 in his national SOLA wine opportunity index) (WI, 2019d)

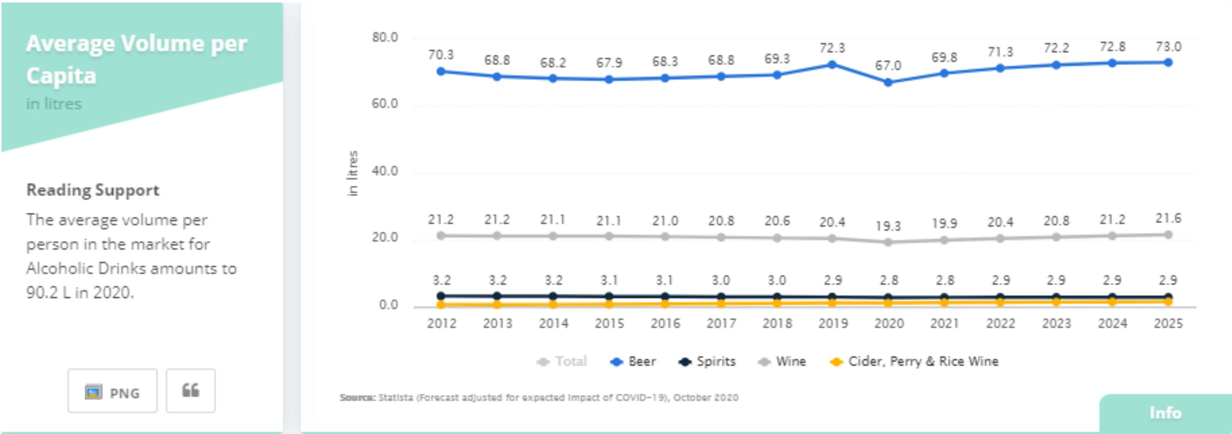

Figure 18 - Average volume per capita of alcoholic drink consumption in Netherlands; Source: Statista, October 2020

Opportunities	***Threats***
• Internet retailing records high growth (Euromonitor International, 2019) • Alcohol moderation trends for health reason (younger and older consumers) (Euromonitor International, 2019) • Strong economy • Increasing popularity of refreshing and lower alcohol wines (Euromonitor International, 2019) • Wine-based RTDs shows the most potential for growth (Euromonitor International, 2019) • Increasing popularity of mixed beverages (Euromonitor International, 2019)	• Heineken and other beer producers already switching to low- and non-alcoholic beer (competition) (Euromonitor International, 2019) • Producers of spirit-based RTDs are already trying to capitalize on the rising cocktail culture (Euromonitor International, 2019)

Table 15 – Potentiality Netherlands

LUXEMBOURG

- Mature market (WI, 2019a)
- 15° in wine market attractiveness (+5) (WI, 2019a)
- Median age 39.7 years (Worldometer, 2020)
- Around 11,4 l/year of pure alcohol consumption per capita (high value) (Alcohol.org)
- Distribution of the per capita alcohol consumption in 2016 (Statista, 2020):
  1. Wine (45%)
  2. Beer (35%)
  3. Spirits (20%)

Opportunities	***Threats***
• Strong economy • High proportion of household spending on alcoholic beverages (Luxembourg Times, 2019) • The alcoholic drinks market is expected to grow annually by 9.6% (CAGR 2020-2023) (Statista, 2020)	• Small country

Table 16 – Potentiality Luxembourg

CHINA

- Emerging market (WI, 2019a)
- 6° in wine market attractiveness (-2) (WI, 2019a)
- Medium age 38,4 years (Worldometer, 2020)
- In 2018 was the 1° greater country in the world for alcohol consumption (Statista, 2020)
- In 2017 was the 5°greater country in wine volume consumption and 3° in terms of market value, which is still increasing (IWRS, 2019).
- Rising alcohol consumption (Asiatimes, 2019)
- In 2017 the average pure alcohol consumption was 7 L per capita (almost +70% compared with 1990) (Asiatimes, 2019)
- More sophisticated and aware drinking behavior (Asiatimes, 2019)

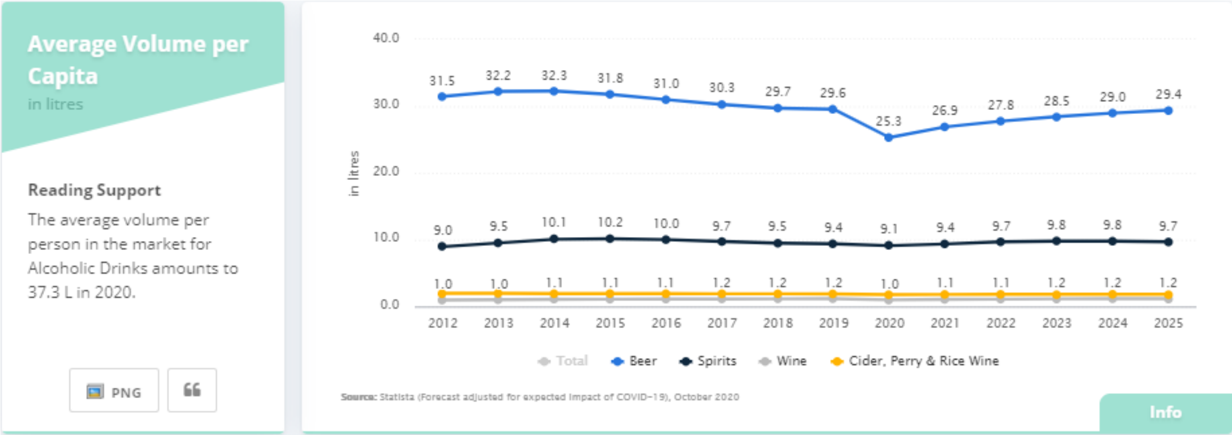

Figure 19 - Average volume per capita of alcoholic drink consumption in China; Source: Statista, October 2020

Opportunities	***Threats***
• 1° biggest population in the world (Worldometer, 2020) • A big share of alcoholic drinks are imported (daxueconsulting, 2018) • Over 55% of Chinese alcohol consumers order online (Mersol & Luo, 2020) • Increasing share of the middle class and purchase power of young consumers (Mersol & Luo, 2020) • People that are actively reducing alcohol consumption mostly switch to lower-alcohol options (WI, 2019b) • Increasing sales of premium low-/no-alcohol and calories beverages (Mersol & Luo, 2019) • Frenetic life-style, on-the-go packaging increasingly appreciated (Mersol & Luo, 2019)	• Wine culture increasing but still not so spread (Statista, 2020) • Traditional drinking habits for older consumers (Mersol & Luo, 2020)

Table 17 – Potentiality China

Chinese millennials focus (daxueconsulting, 2018):

- 30% of the population
- Opened to try new types and styles of alcoholic drinks and change the traditional drinking habits
- More likely to follow the occidental life-style
- More likely to buy premium and international drinks
- Wellness care (alcohol and calories content) mostly for young women
- Preferred in order: Beer (91%); Wine (57%); Baijiu (31%); Whisky
- Extremely image-based, attracted by design and packaging (Instagrammable) and on-the-go features such as cans. (Mersol & Luo, 2019)

SOUTH KOREA

- Growth market (WI, 2019a)
- 10° in wine market attractiveness (+7) (WI, 2019a)
- Medium age 43,7 years (Worldometer, 2020)
- Traditional high alcohol consumption (9,7 L per capita of pure alcohol in 2018) and high % of heavy drinkers (Statista, 2020)
- Positive economic performance and outlook as well as increases in long- and short-term wine market volumes (WI, 2019a)

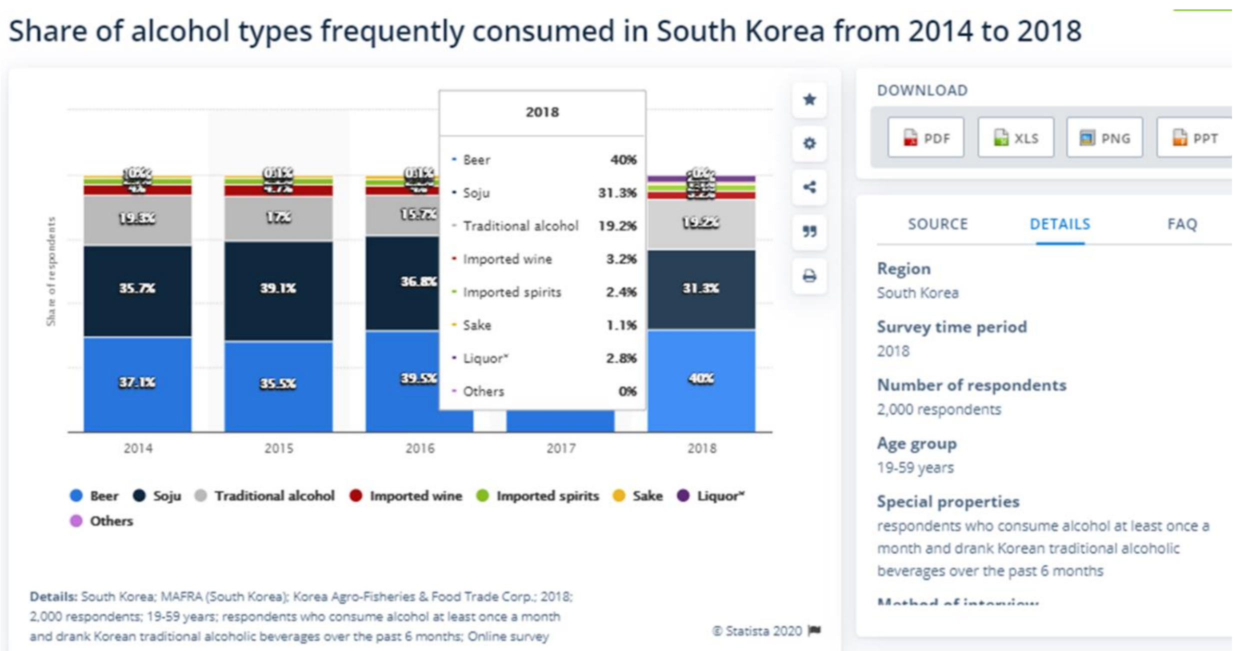

Figure 20 - Types of alcohol frequently consumed in South Korea 2014-2018. Source: Statista, August 2020

Opportunities	*Threats*
• Developed market (WI, 2019a) • 81,8% of the population is urban (Worldometer, 2020) • One of the biggest market for alcoholic beverages in the world (Statista, 2020) • Rising Demand for gluten-free and low ABV drinks (Grand view research, 2020) • Increasing wine consumption (CAGR 2014-18 +4,3%) (WI, 2019a) • Alcoholic drink market expected to grow annually by 4,9% (CAGR 2020-25) (Statista, 2020)	• Wine consumption still not popular (around 1,17L per capita in 2019) (Statista, 2020)

Table 18 – Potentiality South Korea

BRAZIL

- Growth market (WI, 2019a)
- 28° wine market attractiveness (-2) (WI, 2019a)
- Medium age 33,5 years old (Worldometer, 2020)
- In 2018 was the 3° greater country in the world for alcohol consumption (after China and US) (Statista, 2020)
- Approximately 7,2 liters of pure alcohol consumed per person (Alcohol.org, 2020)

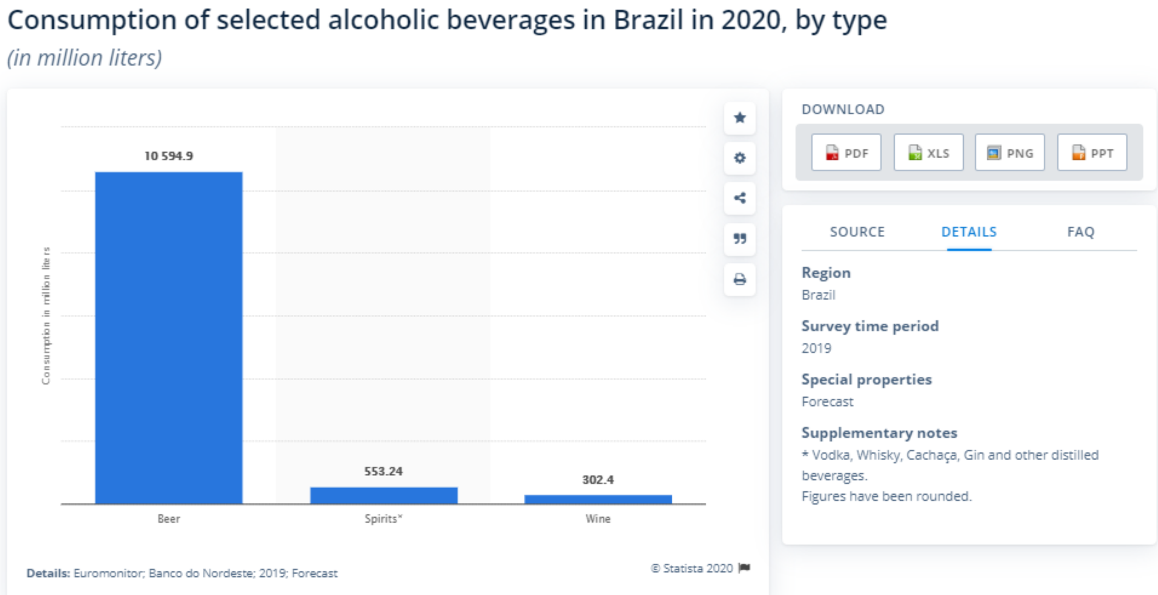

Figure 21 - Brazil: alcoholic beverages consumption 2020, by type. Source: Statista, August 2020.

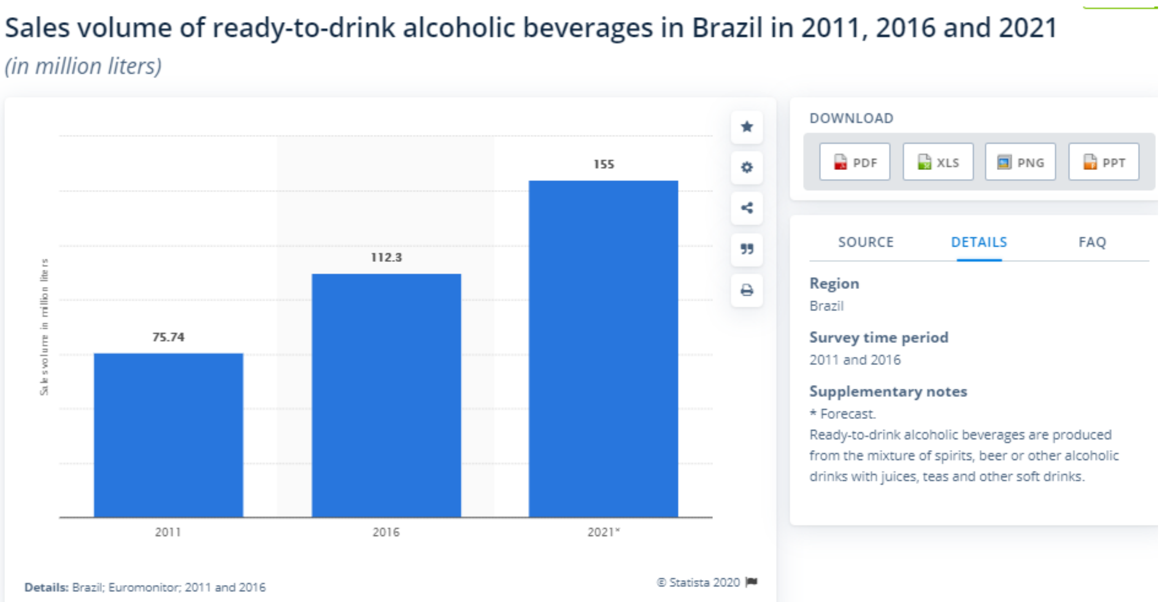

Figure 22 - Brazil: sales volume of ready-to-drink alcoholic beverages 2011-2021. Source: Statista, Jan 2020.

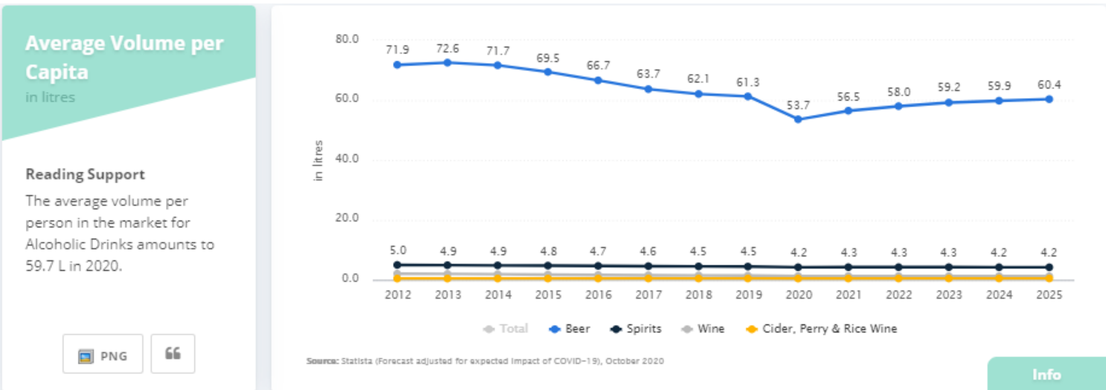

Figure 23 - Average volume per capita of alcoholic drink consumption in Brazil; Source: Statista, October 2020

Opportunities	*Threats*
• 6° biggest world population (Worldometer, 2020) • Relatively young population (Worldometer, 2020) • People that are actively reducing alcohol consumption mostly switch to lower-alcohol options (WI, 2019b) • Influenced by US trends • One of the biggest market in the world for alcoholic beverages (Statista, 2020)	• Wine and sparkling wine culture not so spread but it is increasing (Statista, 2020) • Political and economic instability

Table 19 – Potentiality Brazil

MEXICO

- Growth market (WI, 2019a)
- 26° wine market attractiveness (+2) (WI, 2019a)
- Medium age 29,2 years (Worldometer)
- No presence of «Hard Seltzer»

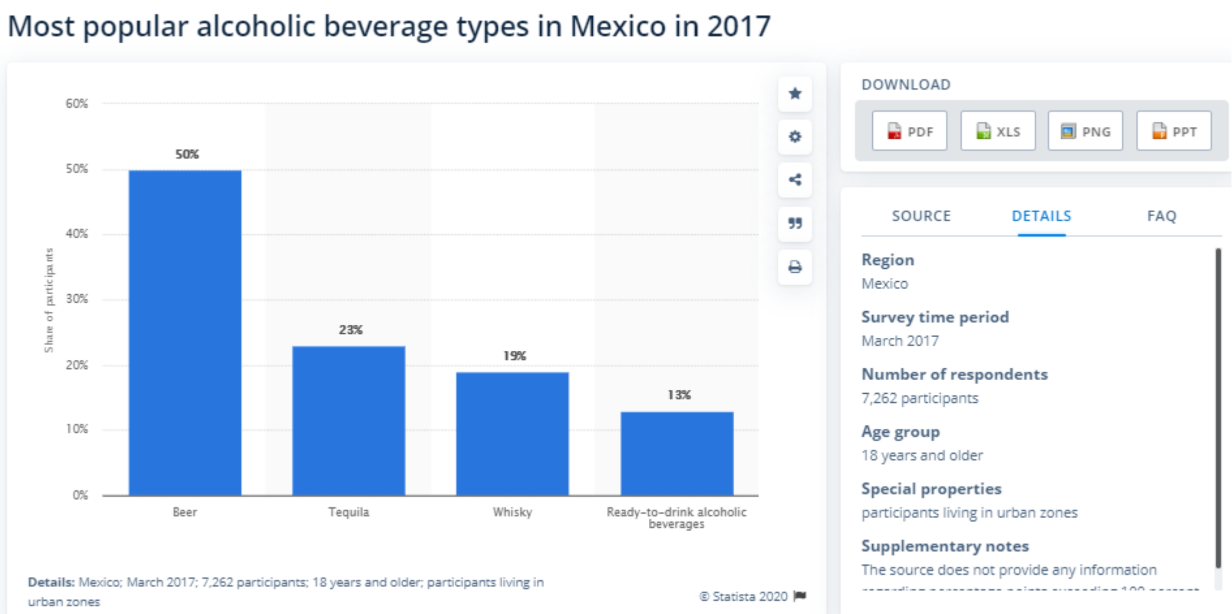

Figure 24 - Most popular alcoholic beverage types in Mexico 2017. Source: Statista, Jul 2019

Opportunities	***Threats***
• Wine consumption doubled in the last 10 years (almost 1 L per capita in 2017) thanks to greater popularity and better economic performances (Statista, 2020) • RTD beverages popular and affordable • 10° biggest population in the world (Worldometer, 2020) • Relatively young population (Worldometer, 2020) • Increasing alcoholic beverages Import (+8% from 2014 to 2015) (WI, 2016) • Strongly affected by US trends	• Wine and sparkling wine culture not so spread but it is increasing starting from a low base (WI, 2016) • Political and economic instability

Table 20 – Potentiality Mexico

RUSSIA

- Emerging market (WI, 2019a)
- 33° in wine market attractiveness (-10) (WI, 2019a)
- Median age 39.6 years (Worldometer, 2020)
- Premium and quality purchase intent of alcoholic products (RosInvest.Com, 2014)
- Wine and spirits have the greater import value (world-food moscow, 2019)
- In terms of import volumes in 2019 wine ranked first, beer second and third vodka (Statista, 2020)
- Efforts by the government to reduce alcohol consumption (RosInvest .Com, 2014)
- 11.5 L per capita of pure alcohol consumption in 2018 (decreasing trend) (Alcoho.org, 2020), but the contraband market is growing (RosInvest .Com, 2014)

Figure 25 – Alcoholic beverages sales volume in Russia 2018-2019, by type. Source: Statista, Aug 2020

Opportunities	***Threats***
• Import mostly from Europe (world-food moscow, 2019) • 9° biggest population in the world (Worldometer, 2020) • General rising in wine popularity in lasts years (RosInvest.Com, 2014) (WI, 2019b) • Opening attitude to the European market (world-food moscow, 2019)	• Increasing taxation on alcohol (RosInvest .Com, 2014) • Significantly drop in 2019 in wine market attractiveness as its wine volume and value have been suffering in both the short- and long-term due to broader political and economic factors (WI, 2019a) • Increasing contraband market (RosInvest .Com, 2014)

Table 21 – Potentiality Russia

4 Results and discussion

4.1 Creative agencies proposals

As a result of the competitor analysis and category research, some fundamental launch guidelines were prepared to allow 3 creative agencies to prepare an appropriate product presentation, as we already told above.

Since in the lasts years Gazela is making big efforts to improve the Brand image and enhance the quality consideration of his wines, two different proposals were requested: the first one with a Gazela sub-brand and a second one with a totally new brand, for the eventuality in which this different type of product is thought to damage the Gazela consideration as a wine brand.

Once the proposals arrived, they were carefully analyzed with the final aim to choose two “finalists” proposals that better match the launch needs. Of those two, a winner will be chosen on a further committee.

As already said for the proposals was required a “trendy name”, an attractive packaging and an inspiring storytelling. Each packaging proposed was virtually placed on a shelf with other Hard Seltzer brands, to evaluate the visual impact if compared with the other similar products.

The creative agency's proposals will be shown below:

Gazela brand proposals:

Option A: Gazela Wine Seltzer

Rational: “Watercolor appears as a symbol of lightness, simplicity, freshness and expression. The new graphic line of Gazela aims to create a differentiating impact and image of everything that exists in the segment! The non-use of the white background is to create a distinct language and a unique space for our brand on the shelf”

Figure 26- Option A representation

That on a shelf would look like:

Figure 27 – Graphical representation of option "A" on the shelves

Option B: Gazela Summer Brisa

Rational: "Summer Brisa evokes visions of sun-drenched days spent with good friends. The term Breeze (Brisa in Portuguese) is used as a reference to going with the flow and more broadly the feeling of an easy-going lifestyle. The color pallet is drawn from characteristically summer hues that add a further nod to the freshness and fun that the brand is aiming to capture."

Option B1

Figure 28 – Option B1 representation

That on a shelf would look like:

Figure 29 – Graphical representation of option "B1" on the shelves

Option B2

Figure 30 – Option "B2" representation

That on a shelf would look like:

Figure 31 – Graphical representation of option “B2” on the shelves

Option B3

Figure 32 – Option “B3” representation

That on a shelf would look like:

Figure 33 – Graphical representation of option “B3” on the shelves

Option C: Gazela Wine Seltzer

Rational: "Sometimes, amazing just means simple.

Those moments you find yourself fulfilled with a sense of completeness and there's nothing able to take you out of it. In these moments you realize that, actually, little things are the ones that matter the most and you simply don't need anything else.

Because life is too short to be taken seriously!!!"

Figure 34 – Option "C" representation

That on a shelf would look like:

Figure 35 – Graphical representation of option "C" on the shelves

Option D: Gazela Hey

Rational: “We are here to propose a different way of drinking!

If you like to try new things that simply make you feel good, we’ve united the best wine, sparkling water and the lightest fruity flavors into a new experience. Portuguese origins transformed into a tasty, 0 sugar, refreshing seltzer!

Open yourself, because there’s no turning back.”

Figure 36 – Option “D” representation

That on a shelf would look like:

Figure 37 – Graphical representation of option “D” on the shelves

Option D1: Gazela Breeze

Rational: “You know that feeling of lightness and refreshment when the wind blows at the beach? The sense of freedom you see seagulls simply gliding along the air currents?

The wellness you get when the sun gently touches your face?

Now you can taste it anywhere, anytime you want!”

Figure 38 – Option "D1" representation

That on a shelf would look like:

Figure 39 – Graphical representation of option "D1" on the shelves

Option D2: Gazela Breeze

Figure 40 – Option "D2" representation

That on a shelf would look like:

Figure 41 – Graphical representation of option “D2” on the shelves

Option E: Gazela FRESH

Rational: “We came to free you from the same flavors and the same bubbly products, bringing a new perspective to old habits.

So, we created a wine seltzer that aims to unite tradition and disruption as it’s very own essence.

We know that’s kind of surreal… but you’ll understand exactly what we mean by tasting it.

So why don’t you get rid of your old habits?”

Figure 42 – Option “E” representation

That on a shelf would look like:

Figure 43 – Graphical representation of option "E" on the shelves

New brand proposals:

Option F: St Peepz

Rational: "Our brand is an invented destination, a singular space where all celebrations, all unique and memorable moments, all our people ("peeps") fit.

St Peepz is a mix of Rio de Janeiro, Hawaii, Cancún or that small oasis 2 km from our house - is the place where we want to go and where we like to be.

The signature - We're going - indicates that St Peepz lives in each of us, but also lives in the online universe."

Figure 44 – Option "F" representation

That on a shelf would look like:

Figure 45 – Graphical representation of option “F” on the shelves

Option G: Instasocial

Rational: “Instasocial draws its inspiration by combining the immediately recognizable term “insta” with the more general call for a social experience.

The name embodies a lifestyle that is shared widely with friends both online and offline, while the use of the hashtag acts as a further call to action - to share the experience.

The “Ci” is drawn out of the brand name to act like an icon and a cheeky wink!”

Option G1

Figure 46 – Option “G1” representation

That on a shelf would look like:

Figure 47 – Graphical representation of option "G1" on the shelves

Option G2

Figure 48 – Option "G2" representation

That on a shelf would look like:

Figure 49 – Graphical representation of option "G2" on the shelves

Option G3

Figure 50 – Option "G3" representation

That on a shelf would look like:

Figure 51 – Graphical representation of option "G3" on the shelves

Option H: Zelfi

Rational: "Who doesn't love a good Zelfi?

Using the worldwide concept of selfie - the name doesn't require translation and may reduce the division between languages.

The name is short, simple and effortlessly memorable.

The name has the advantage of being based on the design of a unique service format - making it the perfect drink to enjoy everything for you - while socializing with friends!"

Figure 52 – Option "H" representation

That on a shelf would look like:

Figure 53 – Graphical representation of option "H" on the shelves

After a careful analysis of which proposal better match the launch needs, two options were chosen: "C" (Gazela Wine Seltzer) and "E" (Gazela FRESH) (Fig. 54).

Figure 54 – Proposals comparison with the indication of the winning proposals

If we compare the two "winner" options with the rest of the packagings it is easy to recognize the features required by the Company.
Starting by the name, we can see that in both cases it was chosen to keep the Gazela brand. Instead, regarding the sub-brand, in the first case (C) we can see that the agency used directly the name of the category "Wine Seltzer", to make the style immediately recognizable, while the option "E" created a new name that has all the requested characteristics. In fact, the name "Fresh" it's for sure "clear and simple", "familiar and easily remembered", multilingual and registrable.
Regarding the packaging at first sight it is possible to notice the clear background and it's immediately recognizable the category name, the wine type, and the ingredients of the beverage that are even represented on the label. The colors allow a differentiation with the already existing wine in a can from the Gazela brand (which has a large portion of green) and thanks to the clear background it gives to the consumer a hint of a healthy and elegant product. The brand's logo is present on the front label with its distinctive style alongside the attributes of the product, such as the low content of alcohol and calories. In particular, the option "C" highlighted also the "only natural flavor" feature that is an important purchase cue. The format considered it's the 250 ml can.
Talking about the storytelling, it should transmit to the consumer an idea of "inspiring lifestyle brand", everyday and easy-going drink (appealing to an informal lifestyle), young and modern, affordable.
Option C points to transmit a sense of an easy and simple life, inviting the consumer to enjoy the simple things that are also the most satisfactory. That wants to reflect the simple character of the beverage, which is made with a few and natural flavors, that make it easy and pleasant to drink and "you simply don't need anything else". Finally, it alludes to the funny aspect of the beverage, that it's one of the bases of the category success, with the closing statement "Because life is too short to be taken seriously!!!"
Option E, instead, points to the innovative character of the beverage, breaking the rules of sparkling beverages by combining the tradition (wine) and the innovation (Seltzer). It invites the consumer to abandon the old habits and undertake a new concept of drinking, that can be understood only once you taste the product.
Of those two options, just one will be chosen as the winner option and it will be decided on a further Company board that will take place in December.

4.2 Potential markets selection

From the first market analysis, we can have a general idea of the potential worldwide extent of the product spreading. Certainly, before taking any kind of decision, it needs further and deeper research that takes into consideration other factors as the company's resource employment in the project and the performance of some markets in the next few months, such as the ones where the Hard Seltzer already arrived (Canada, Australia, UK).

Moreover, new factors have to be considered, like the Covid19 impact that had a huge effect on the economic performances of many countries to a global extent.

Such analysis will be performed by the company only afterward the conclusion of all the preliminary decisions about the project launch and the first market (USA) needs.

Despite all of that, it's already possible to estimate which ones, among the markets mentioned in the "Materials and methods" chapter, could be considered the firsts attractive countries right after the USA.

Basing on the Market analysis performed in the "Materials and methods" chapter, I selected the countries that better meet the chosen selection criteria, making them, the most attractive among the whole. Finally, I divided them according to their attractiveness within each geographical area.

The Americas:

1. Canada:

   This country has a developed economy with one of the highest wine market attractiveness and is classified as a growing market. The monopoly market in some regions is shifting toward greater consumer accessibility of alcoholic beverages.

   The alcohol moderation and wellness trends are spreading, especially among younger consumers (19-24) which are also the ones most likely to opt for lower-alcohol options to achieve it.

   Hard Seltzers are already available and popular, thanks also to the geographical and cultural closeness with the USA.

2. Brazil:

   Even it doesn't have a high wine market attractiveness, it is classified as a growing market. The still and sparkling wine culture is starting to spread in the country.

   It has the sixth biggest world population that is also relatively young.

   In 2018 was the third greater country in the world for alcohol consumption and anyway it is one of the biggest markets in the world for alcoholic beverages.

   Here the RTD beverages are already popular and their consumption is forecasted to grow

in the next years.
In this country, the people that are actively reducing alcohol consumption use mainly to switch to lower-alcohol options rather than don't drink at all.
The trends here are significantly affected by US influence.

3. Mexico:
Even it doesn't have a high wine market attractiveness, it is classified as a growing market. It has the tenth biggest population that is also relatively young.
The wine consumption is definitely increasing, starting from a low base, thanks also to the better economic performances of the country.
RTD beverages are already really popular and affordable. Hard Seltzers are not present, but there is already a Mexican brand selling Hard Seltzer in the USA.
The import of alcoholic beverages is increasing. The trends of this country are highly affected by the US' influence.

Asia-Pacific:

1. Australia:
This country has a developed economy with high market attractiveness even if there was a slight decrease in wine popularity. Wellness trends are spreading and a high percentage of drinkers are reducing alcohol consumption, especially among millennials, that are also the most likely to opt for lower-alcohol options to achieve it.
RTD beverages are already popular and also Hard Seltzers are already available and popular. There is a cultural closeness with the US and UK.

2. China:
High wine market attractiveness country. It has the first biggest population in the world.
Alcohol consumption is increasing, but with a more sophisticated and aware behavior.
In 2018 was the greater country in the world for alcohol consumption, while in 2017 was the fifth in wine volume consumption and third in its market value that is still increasing, also due to the increasing share of the middle class and younger purchase power.
People are actively reducing alcohol consumption mostly switching to lower alcohol options, leading to increased sales of premium low/no-alcohol and calories beverages.
Due to the frenetic lifestyle, on-the-go packaging is increasingly appreciated.
The Chinese millennials, that are 30% of the population, are characterized by openness to occidental lifestyle, more adventurous to try new alcoholic products and more willing to invest in premium and international drinks. Finally, they pay more attention to wellness care and are extremely image-based, appreciating instagrammable and on-the-go packagings.

3. South Korea:

   High wine market attractiveness, with a big improvement from 2018 to 2019 and classified as growing market. The wine market volumes are increasing and, in general, It has positive economic performances and outlook.

   It is one of the biggest markets in the world for alcoholic beverages, which is expected to grow. There is a rising demand for gluten-free and low ABV drinks.

Europe:

1. UK:

   This country has a developed economy with high wine market attractiveness.

   Wellness trends are spreading and a high percentage of drinkers are reducing alcohol consumption, especially among millennials, that are also the most likely to opt for lower-alcohol options to achieve it. Lower/no alcohol beverages are more socially accepted in the lasts few years. Hard Seltzers here are already present and the producers have an optimistic view of the future.

   The economy of this country has an important closeness with the US.

2. Netherlands:

   High market attractiveness with a good improvement from 2018 to 2019.

   This is the third richest country in the EU in terms of per capita income.

   Even if there is a slight decrease in wine volumes, mixed beverages popularity is growing and, in particular, the wine-based RTDs are showing the most growth potential.

   Alcohol moderation trends are spreading for health reasons, which already led the competition to produce lower- and no-alcohol beverages.

   The popularity of refreshing and lower alcohol wines is increasing.

3. Denmark:

   This market shows a high wine market attractiveness, with a big improvement from 2018 to 2019. It has a very high per capita income and a developed economy.

   Differently from the other Scandinavian countries, it doesn’t have a monopoly market for alcoholic beverages and it has lower alcohol taxation if compared with them.

   Here some types of imported mixed beverages are already popular and alcoholic products have a higher price if compared with Europe, but anyway, alcohol consumption is high.

Based on the performed market analysis I consider that, in a unique ranking list, I would classify those markets as follows:

1° Canada, Australia, UK

2° China, Netherlands

3° Brazil, South Korea

4° Denmark, Mexico

5 Conclusion

As we could notice throughout all the research process, even if the main ingredient is the wine, we are dealing with a completely separate segment of which the company still doesn't have experience, moved by different rules, circumstances and tastes.

Nevertheless, this product could be the right intuition to enlarge the brand portfolio, finding a different and new share of the market, while using the wine in a totally new conception. Moreover, being a different product, it will not compete with the already existing products of the company.

In its firsts phases, the project worked as a "chain": it started from the study of the general framework of wine trading and sparkling wines, alongside with competition analysis, then it passed by the launch guidelines definition and it finally led to the selection of two different proposals prepared by specialized creative agencies.

All this process was useful to obtain a better vision of the Hard Seltzer context, clarifying its requirements and possibilities, and therefore allowing the creation of a realistic and competitive product, essential to examine its short-term possible prospects.

At the same time, the analysis of the potential markets after the US can provide a long-term view of the future expansion potentialities of the product.

The "Hard Seltzer wave" is already starting to spread in new markets, of which it is possible to monitor the firsts sales performance and, if suitable, take advantage of, without falling behind.

Moreover, after a deeper analysis, it could be possible to define new markets in which become the "pioneer" of the category, with all the related benefits, instead to be just a "follower" in a market in which the product already exists.

This marketing analysis, in its entirety, provides the base elements to examine the pros and cons of the project. Then, considering all its aspects, an apposite board of the company will establish if the project worths to go on and, in case of positive feedback, the final proposal will be chosen.

If they will go forward with that, a new research will be carried out to understand what would be the consumers' reaction to the product in the US.

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