



BiB Consumer Preferences and Issues in Sweden



Systembolaget

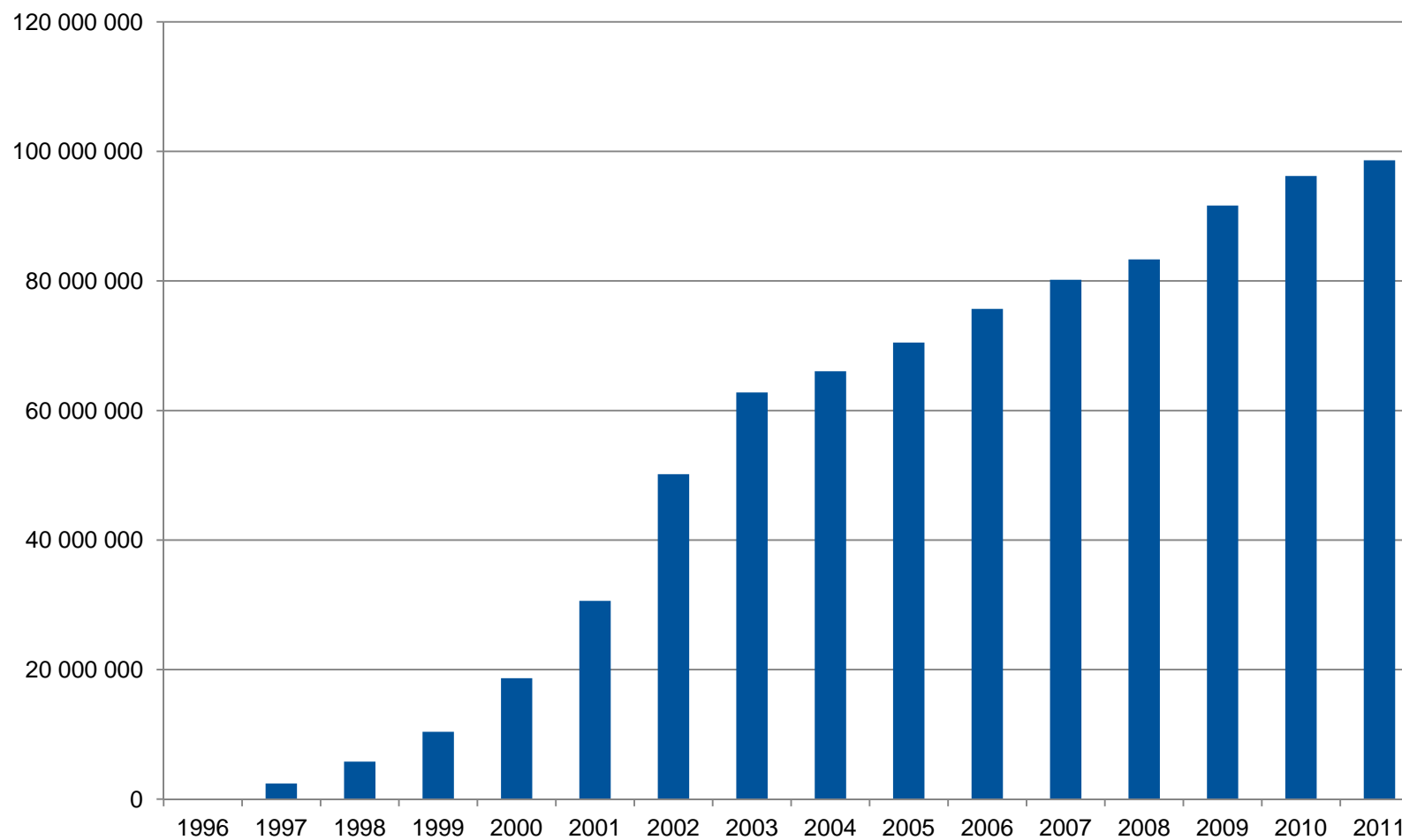
Background

- 1994: Sweden joined the EU.
Import and production monopoly of Vin&Sprit ends.
- 1995: 10 L boxes introduced in the on-trade
- 1996 25/11: Le Cep Merlot launched at Systembolaget
- 2002: In June, bottled wine for the first time below 50% MS
- 2012: In August, BiB sales at Systembolaget reached 100 ML MAT
 - BiB now represents 56% of still light wine in the Swedish off trade



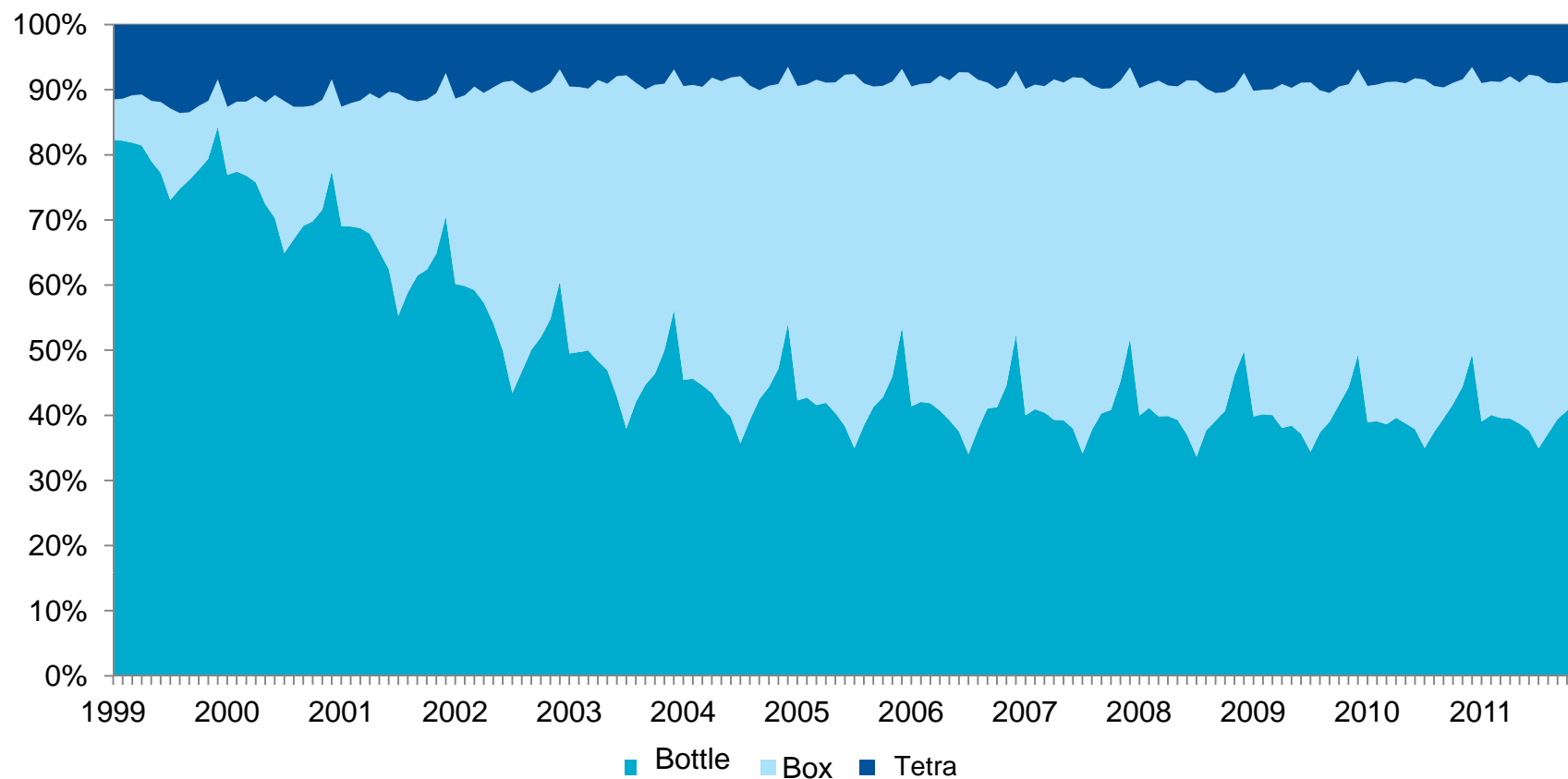


BiB sales volume in Sweden (litres)

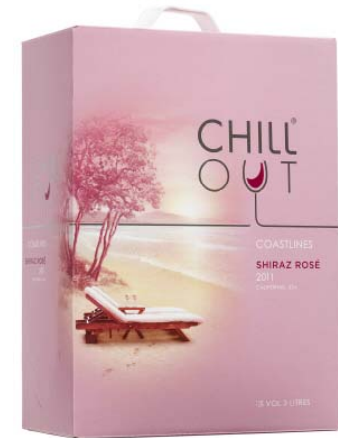
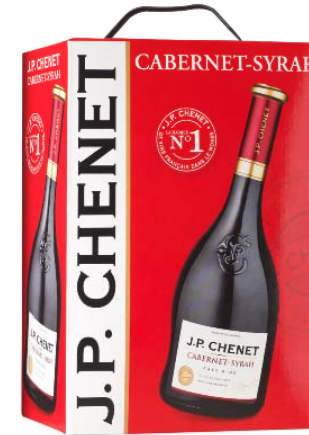
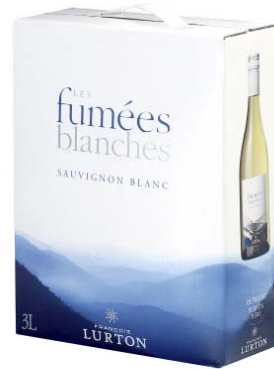




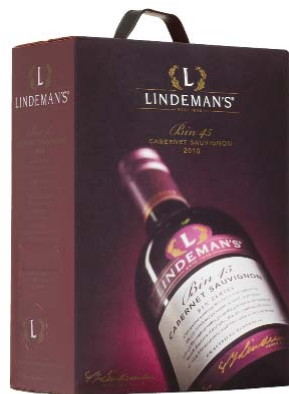
Wine sales per package type



Systembolaget 2012



The Assortment





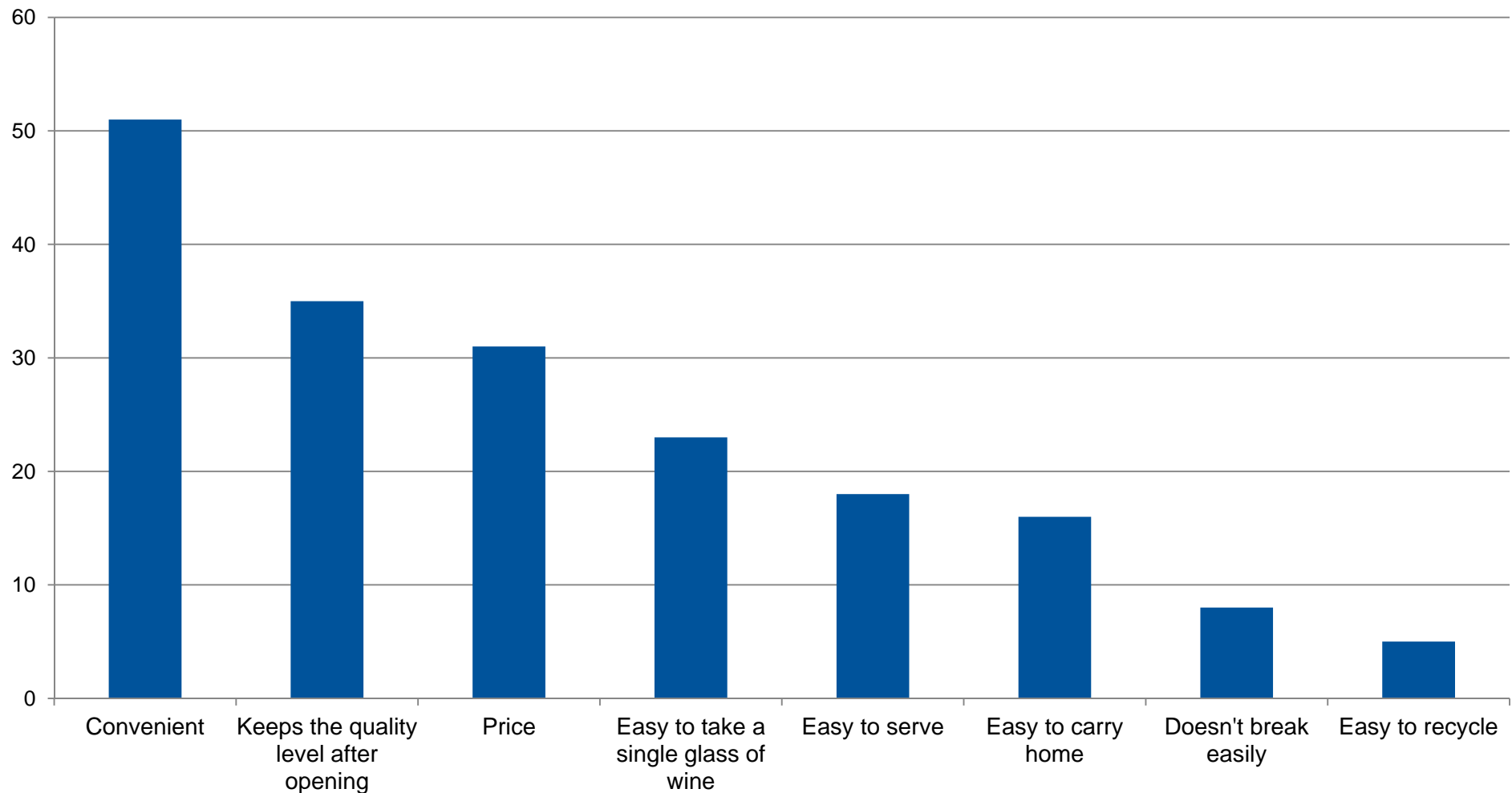
Total number of boxes on the shelves: 122

Total volume: 100 000 000 litres

Wine	Origin	Litres MAT Aug 12
Umbala	South Africa	5 051 145
Zumbali Chenin Blanc	South Africa	4 951 029
SomeZin Zinfandel	USA	3 717 039
Foot of Africa Chenin Blanc	South Africa	2 840 805
Tre apor	Germany	2 288 223
JP Chenet Cabernet-Syrah	France	2 104 347
il Conte Primitivo Negroamaro	Italy	2 093 967
Mauro Primitivo	Italy	1 810 668
Chapel Hill Rhine Riesling Sauvignon Blanc	Hungary	1 802 859
Les Fumées Blanches Sauvignon Blanc	France	1 732 857
Foot of Africa Shiraz Cabernet	South Africa	1 627 587
Barone Ricasoli Formulae	Italy	1 562 292
Gosa Monastrell	Spain	1 554 234
Leva Chardonnay Dimiat & Muscat	Bulgaria	1 427 700
Gato Negro Cabernet Sauvignon	Chile	1 426 659
Casas Patronales Chardonnay Sauvignon Blanc	Chile	1 397 583
Lindemans Shiraz Cabernet	Australia	1 390 404
il Nostro Catarratto Grecanico	Italy	1 361 517
Rocca di Montemassi Sangiovese	Italy	1 313 295
Lyngrove Pinotage	South Africa	1 282 242



Why do people buy BiB?



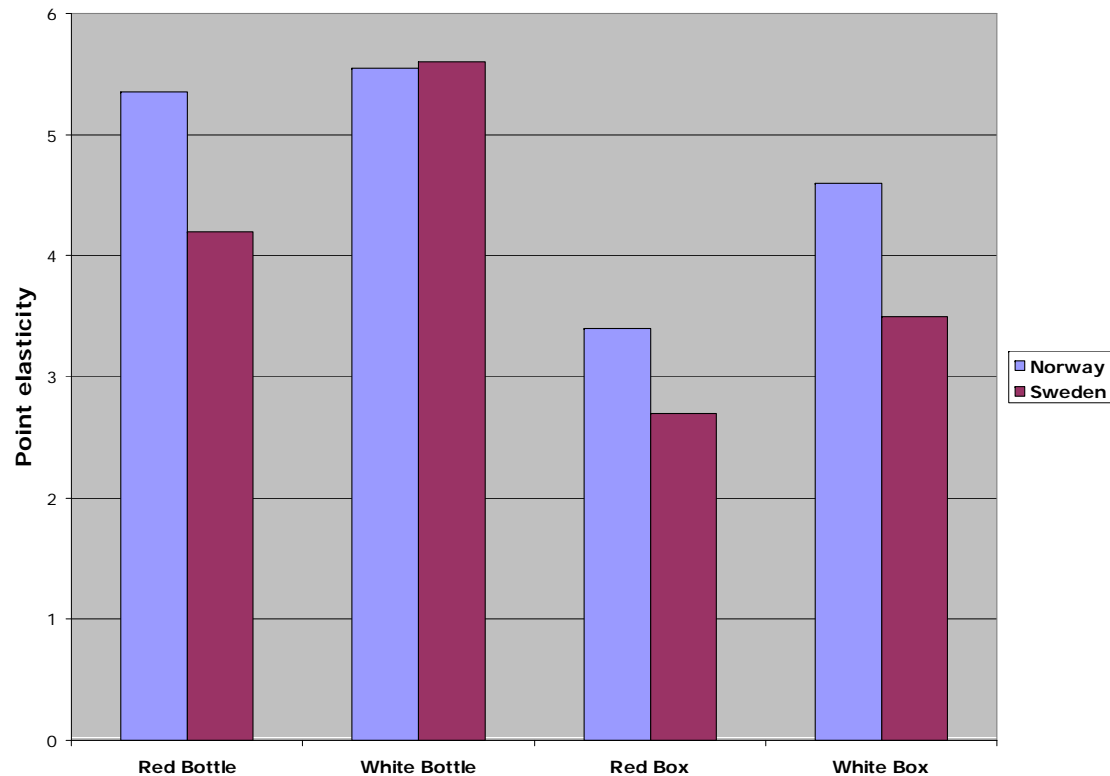


Other consumer insights

- Choice of packaging is very high on the decision tree, second only to type of wine (red, white, rosé)
- BiB consumers are very happy with the assortment available at Systembolaget (79% positive compared to 76% for wine in total)
- BiB consumers shop relatively often on Thursdays/Fridays, rarely on Saturdays, indicating stock up rather than immediate consumption



Price elasticity for BiB and bottle in Sweden and Norway



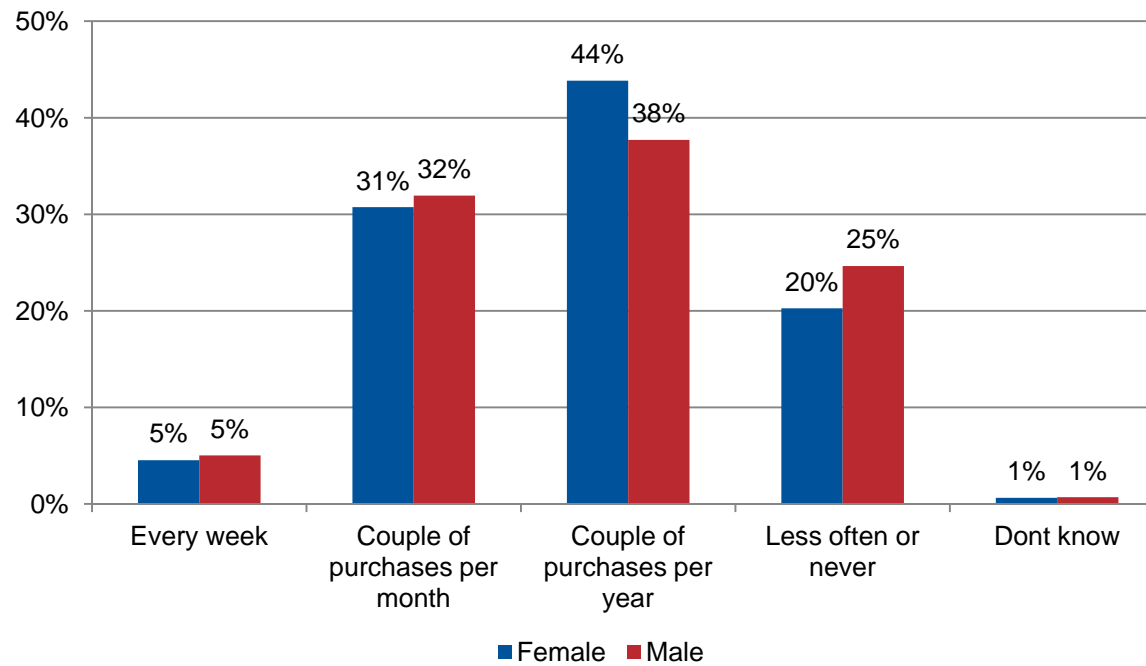
- Sensitivity to price changes is lower for BiB than for bottle
- Brands seem to be stronger in the BiB segment



Who is the BiB consumer?

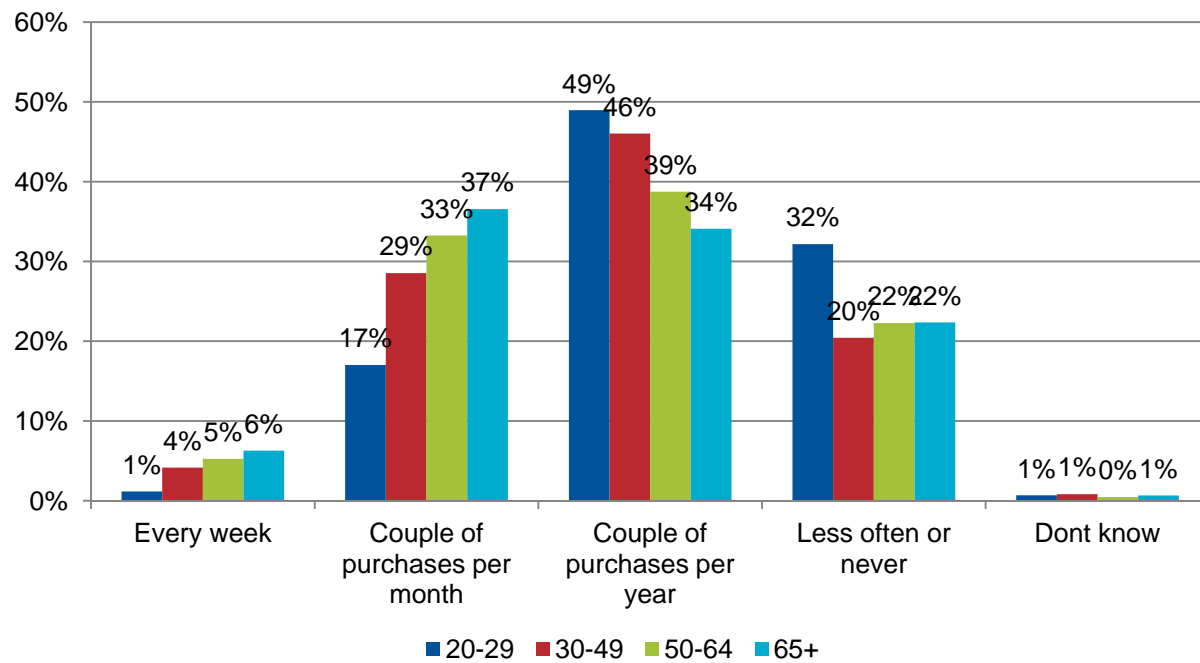


Purchase frequency men and women





Purchase frequency age



Customer segmentation



Blokes who yearn to learn



Cautious traditionalists



Sophisticated connoisseurs



Unpretentious bon vivants



Social experience seekers



Healthy security seekers



Folksy bargain hunters



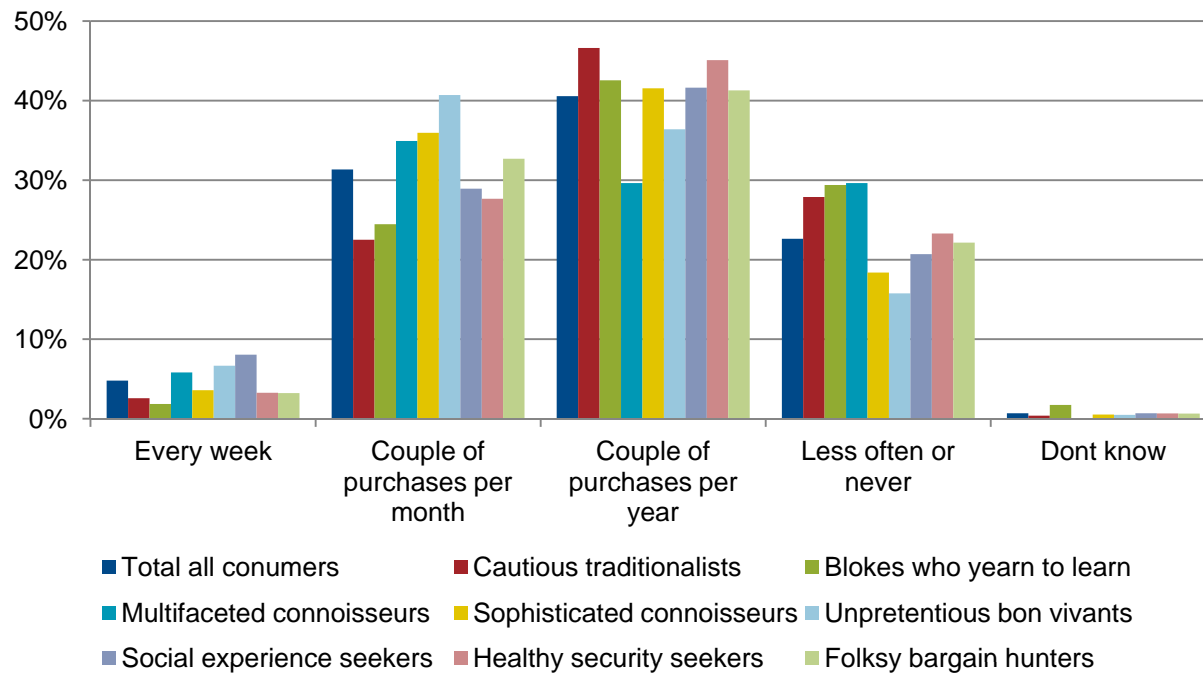
Multifaceted connoisseurs



Those who don't drink



Purchase frequency consumer segment





Shopping basket analysis

- The most common product purchased with BiB is...nothing!
- Red volume box is purchased with
 - 34% nothing, 17% Swedish lager can, 9% white volume box
- Red premium box
 - 27% nothing, 15% red premium bottle, 14% Swedish lager can
- White volume box
 - 34% nothing, 17% Swedish lager can, 16% red volume box
- White premium box
 - 25% red premium box, 22% nothing, 14% red volume box
- Cognac and Sparkling wine are often found in the same shopping basket as BiB
- The price of the sparkling wine purchased is linearly related to the price of the BiB.



Issues for the future

- Shelf life
 - In focus for wine writers
- Environment
 - LCA positive, but this is also the case for tetra
- CSR
 - Can bulk shipment be a threat to workers in SAF/CHI/ARG?
- Binge drinking
 - Is the large format a problem? Strong opinions but very little research so far.