

The logo consists of a dark green octagonal shape with a thick yellow border. Inside the octagon, the words "SYSTEM" and "BOLAGET" are written in a bold, yellow, serif font, stacked vertically.

**SYSTEM  
BOLAGET**

# The wine and bag-in-box retail market of Sweden

**Louise Key-Hedberg, Systembolaget, 16 October 2006**

---

Ämne och namn (visa; sidh...)

Datum (visa; sidh...)



# Outline

- About Systembolaget
- Quality Bag-in-box
- Consumer attitudes

# Systembolaget 2005

- Total sales in 2005 SEK:  
18,1 billion SEK (1,9 billion Euro) ↗
- Total sales in volume:
  - wine 143 million ltrs (+3,1%) ↗
  - spirit 19 million ltrs (-2,3%) ↗
  - strong beer 179 million ltrs (+3,5%) ↗
- 4,100 employees (80 SCM)



Ämne och namn (visa; sidh...)

Datum (visa; sidh...)



# Systembolaget 2005

- 413 stores (50 % are self service)
  - 3 flagship stores with wine cellar
  - 215 self-service (All rebuilt by 2010)
- 255 suppliers working with SB
- Range: 2,700 brands (+3,500 brands on the special order list)



Ämne och namn (visa; sidh...)

Datum (visa; sidh...)

# Our task – protect public health

- Social responsibility
- Cost-efficiency
- Good service



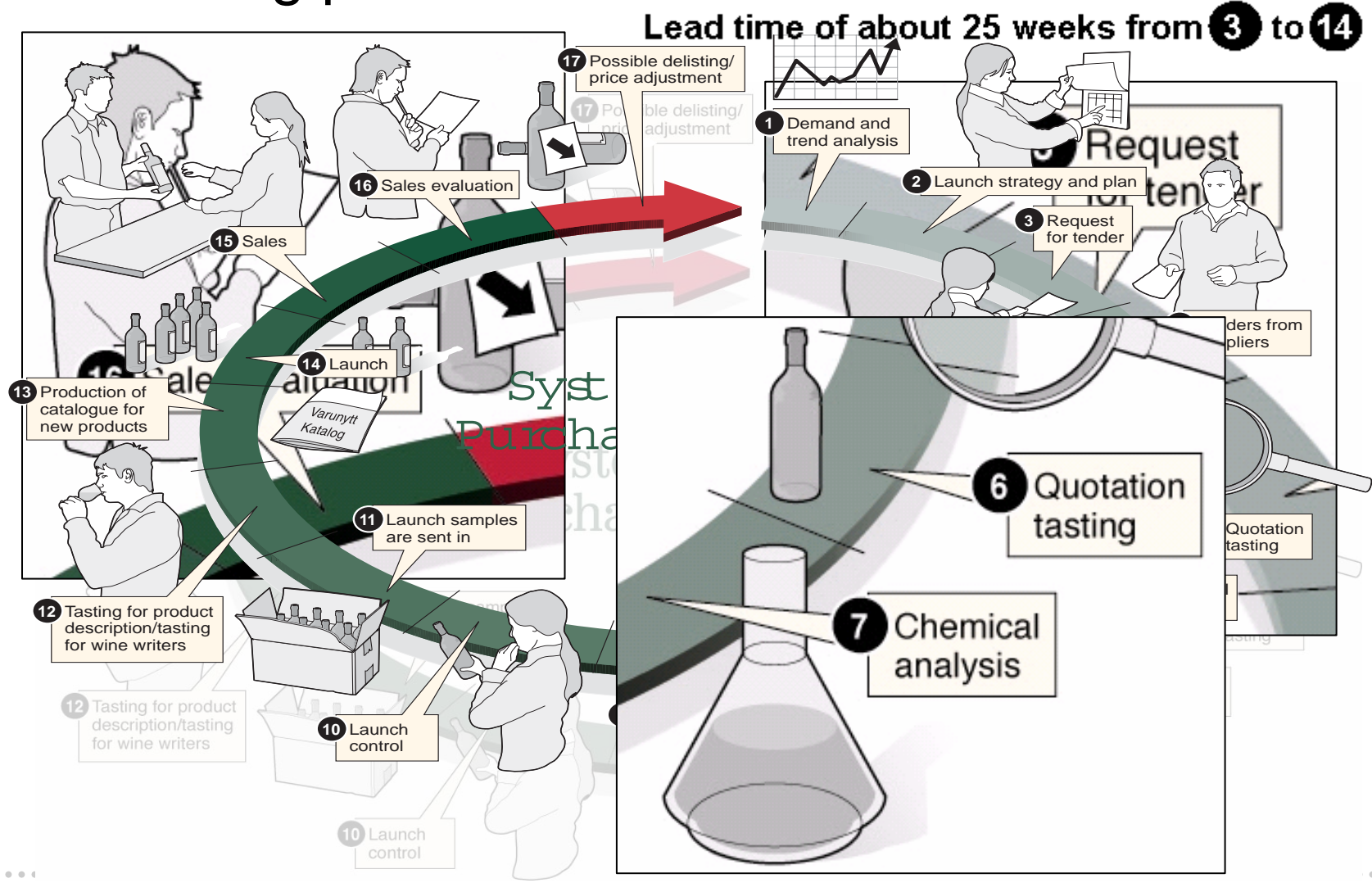
---

Ämne och namn (visa; sidh...)

Datum (visa; sidh...)



# Purchasing process



Ämne och namn (visa; sidh...)

Datum (visa; sidh...)

# Short background Bag-in-box

- 55% of total sales in volume
- Dominant market for quality wine in box
- Swedish consumers trust this package and finds it very attractive
- Quality problems



# The Systembolaget Quality Control Programme

## Quality Control Programme for BIB

- Batch number: For traceability purposes, the batch number and tapping date (year/month/day) should be clearly visible. **This date should be stamped on the top or on the frontside of the box so that consumers can find it.** Tapping date should also appear on the outer packaging/wrapping.
- Shelf life: No more than 8 -10 months storage time from date of tapping.
- In-store product management  
If a product is kept in-store for too long, the order volume will be reviewed and the item recorded as a shop write-off. Shelves are filled from behind.
- Stability: To increase the stability of the export pallet and to reduce the risk of boxes at the bottom being squashed, we now require dividing platforms between the different layers of goods.

# The most frequent quality deviations reported

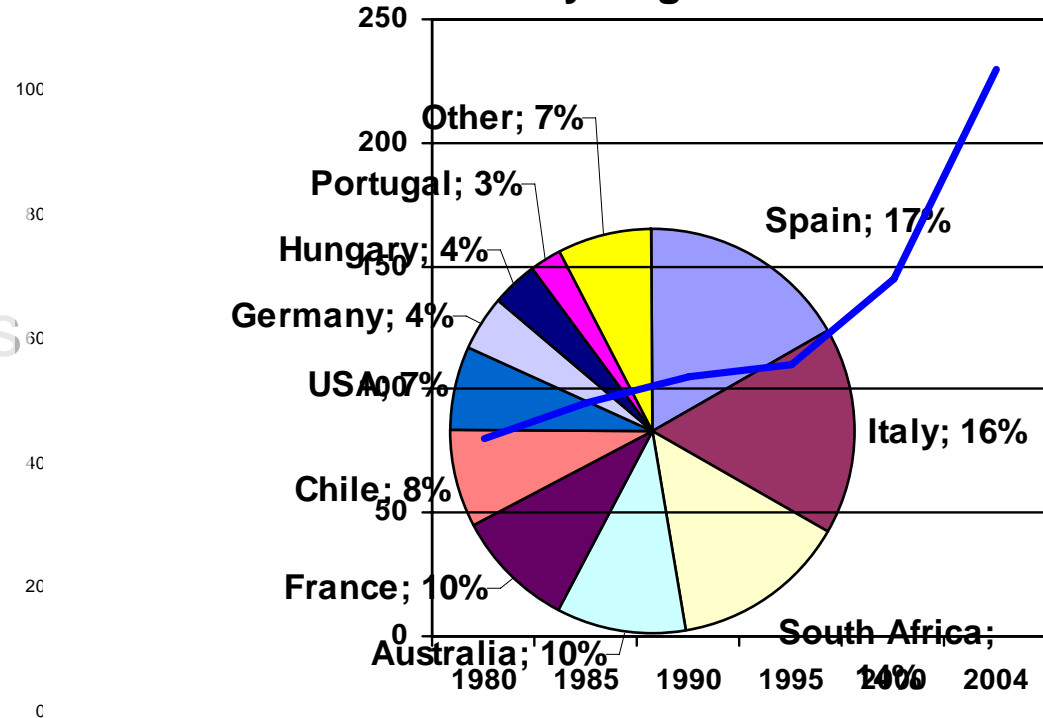
- Packaging, damaged at delivery to SB:s stores
- Taste deviations
  - **Oxidation**

# The Swedish wine consumer

## Lifestyle

- Package
- Origin
- Flavour characteristics

M litres wine (incl import by travellers)  
Market Shares by Origin 2005 litres - Wine

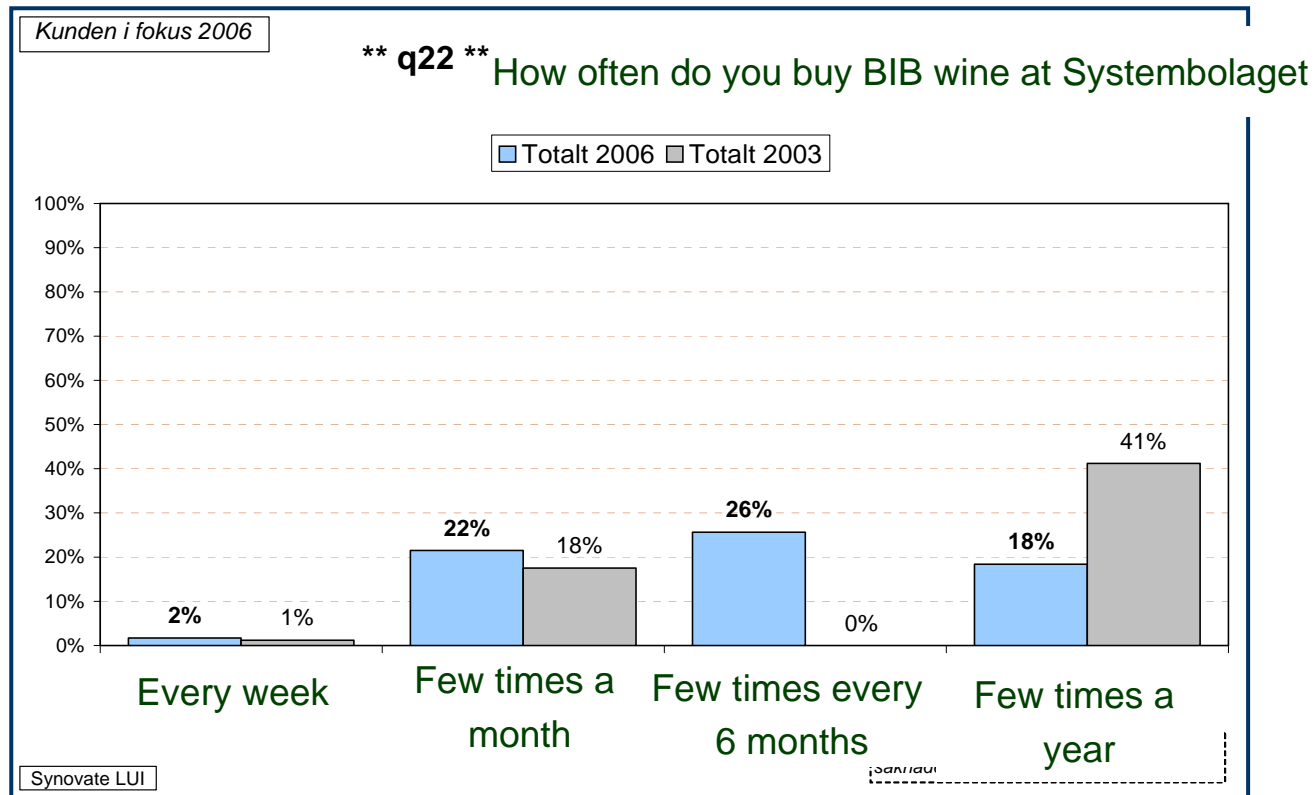


Source: LUI Marknadsinformation AB

.....  
Ämne och namn (visa; sidh...)

Datum (visa; sidh...)

## 2 out of 3 buys wine in Bag-in-box at least once a year

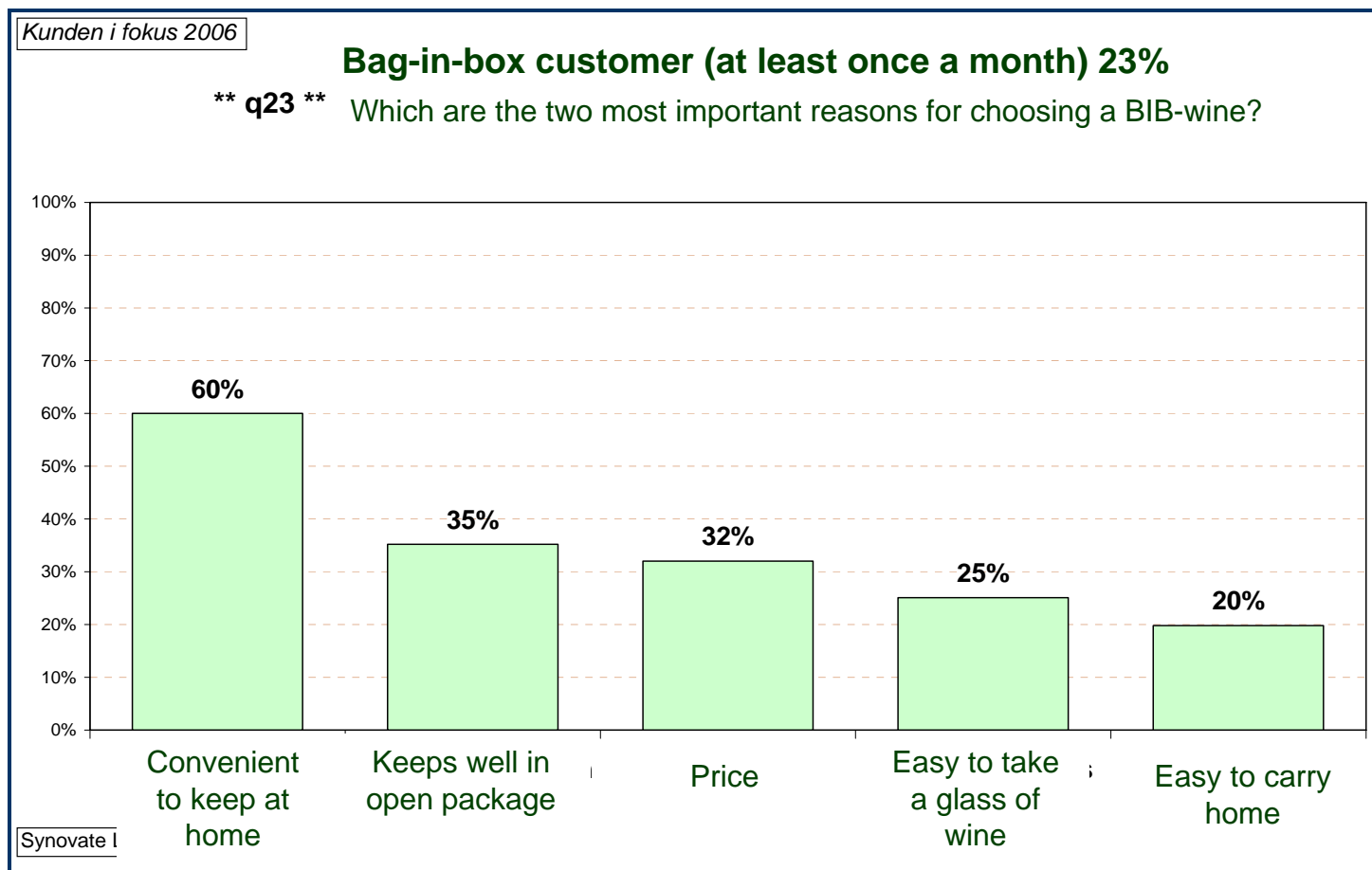


- 23% buys wine in box every month: over repr by 45+ yrs; higher consumption of wine and spirits in general than average consumer, higher income; great interest in food
- 2/3 red; 1/3 white

Ämne och namn (visa; sidh...)

Datum (visa; sidh...)

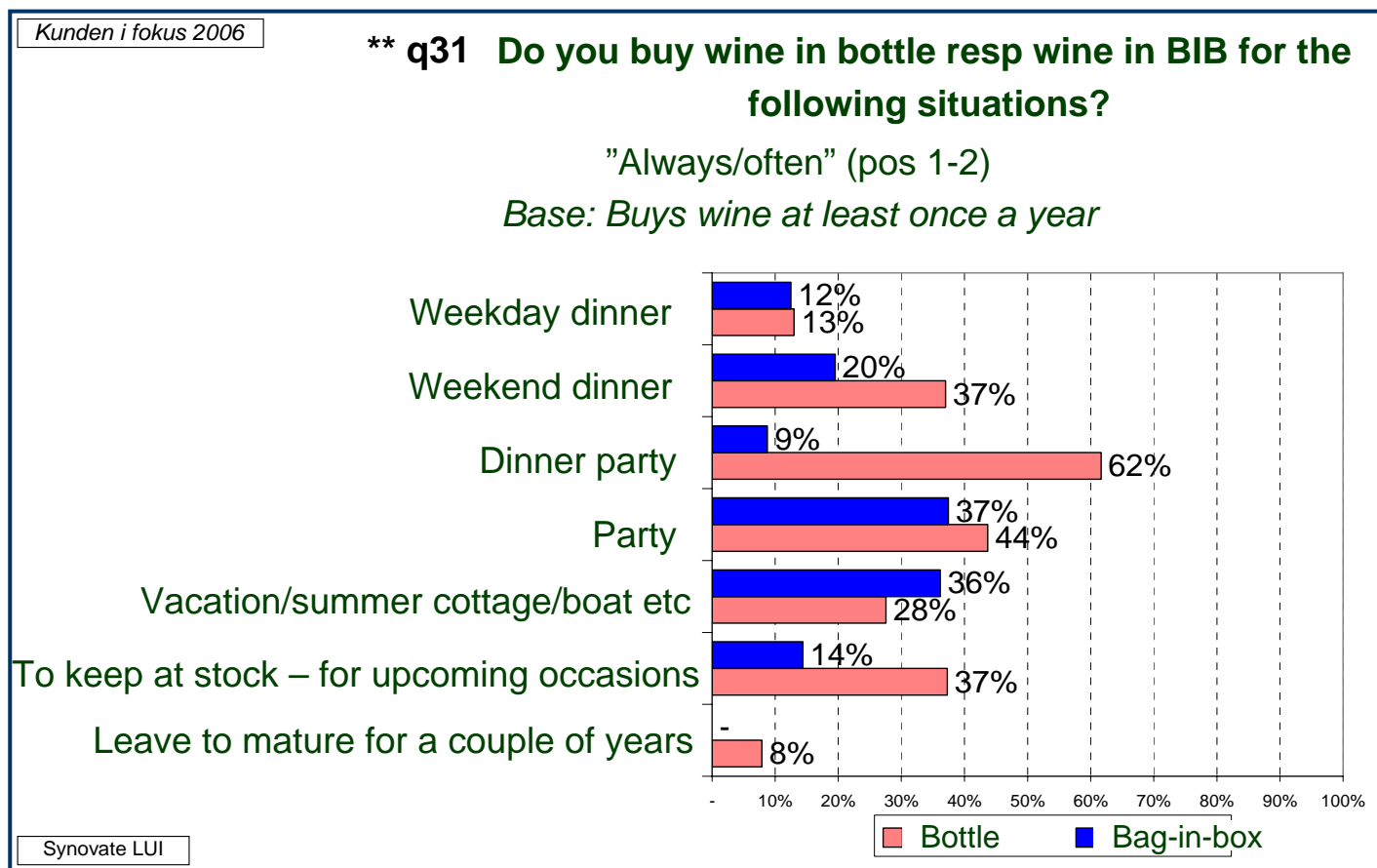
# Motives for buying Bag-in-box



Ämne och namn (visa; sidh...)

Datum (visa; sidh...)

# Usage profile - Wine in bottle/wine in bag-in-box



# Usage profile for wine in box – average customer/heavy-user bag-in-box

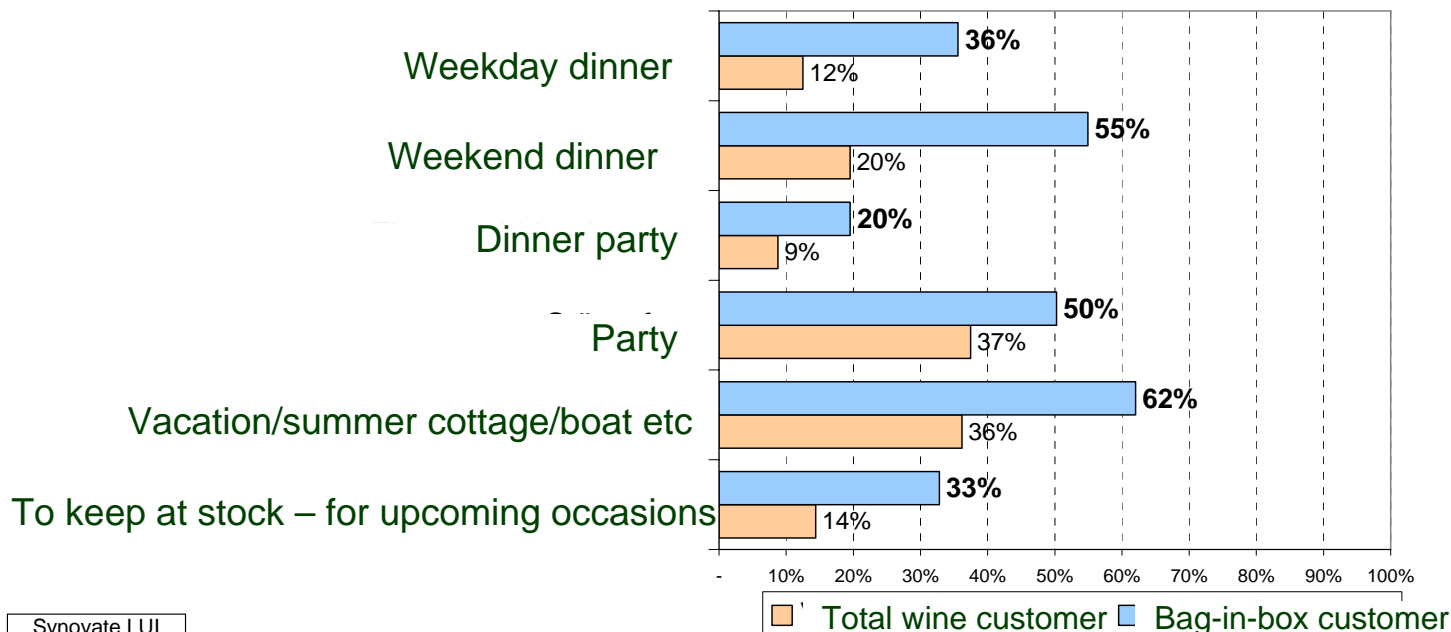
Kunden i fokus 2006

## Bag-in-box customer (at least once a month) 23%

\*\* q31 \*\*

Do you buy wine in BIB for the following situations?

"Always/often" (pos 1-2)



Synovate LUI

Ämne och namn (visa; sidh...)

Datum (visa; sidh...)



# Conclusions

- The monopoly market means quality and public health comes before profit
- Quality for bag-in-box wine is especially important since the market is so big and still growing
- Consumer attitudes towards boxed wine is very positive and that is a driving force to continue with quality enhancements.



Quality wine in bag-in-box is a socially accepted and most wanted product in Sweden.

Keep on improving!