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Title/Titre: Wine package choice: what really matters to the final consumer?
Le choix de l'emballage: qu'est ce qui importe vraiment au consommateur final

Speaker/Intervenant: Howard W Winn

Howard Winn Drinks Solutions
Howard W Winn
Alcoholic Beverages Consultant
Drinks Technology - Wine, Beer & Spirits
Drinks Packaging & Labelling
Quality Systems
Trib: 01895 252 589
mob: 07709 922 944
howard@howardwinndrinksolutions.co.uk
My Background

• I worked for over 20 years at Sainsbury’s Supermarkets

• I was technically responsible for the quality of the wines, beers and spirits sold as Sainsbury’s brand and also had major involvement in all alcoholic beverages

• My role covered all aspects of the liquid, packaging & labelling plus the technical ability and quality systems of the bottlers and packers.

• Sainsbury’s is the second largest retailer of wine in the UK with about 18% market share

• I have packed BiB wines for over 20 years and participated in the original Euro BiB project.

• I was responsible for the first supermarket launch of a major new BiB tap in the UK as an alternative to the almost total domination of an existing tap.

• My main claim to fame is that I started the move to non cork wine bottle closures in the ‘90s and acquired the reputation as ‘Mr Plastic’
Wine package choice - What really matters to the consumer?

- In English we can refer to the consumer’s 5 ‘C’s
  - Cost
  - Choice
  - Convenience
  - Conscience
  - Country
Wine package choice - What really matters to the consumer?

• Cost
  • Current data for the average cost of a 75cl bottle of wine sold in the leading UK supermarkets
    • Sainsbury’s - £4.27
    • Tesco - £4.00
    • ASDA - £3.72
  • UK duty & VAT per 75cl bottle at £4
    • Duty: £1.46
    • VAT: £0.60
    • Total: £2.06
  • A recent published quote – off licence news 22 August 2008
    “Sainsbury’s to beef up its budget wines.”

Sainsbury’s BWS Category Manager Warren Anderson said
“Our research tells us that people are watching how much they are spending. Customers are looking at sub £4 where we are seeing a significant pick-up”

• OLN – 3rd October – Sainsbury’s exclusive -
  First Cape South African 50 cl wines to cost £2.99
• Tesco to launch 1 litre Tetrapak Spanish Red, white & Rose under its ‘Value’ brand
• ASDA to make permanent its 3 for £10 wine promotional activity
Wine package choice - What really matters to the consumer?

- Choice
  - Wine range size (estimated as different wine listings)
    - Sainsbury’s - 750
    - Tesco - 1050
    - ASDA - 650

*Sainsbury’s*

*TESCO*

*ASDA*
Wine package choice - What really matters to the consumer?

• Choice

• Pack sizes
  • Bottles: 18.75, 20, 25, 50, 75 cl, 1, 1.5 litres and larger
    • The largest sales being for 75cl
  • BiB: 2, 3, 5 & 10 litres
    • The UK market is dominated by 3 litre
Wine package choice - What really matters to the consumer?
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- Choice
  - Bottle closure type as there has been much anti non cork propaganda
    - Natural cork
    - Technical corks
      - 1&1
      - Diam
      - Agglomerate
    - Synthetic stoppers
      - Sainsbury's have taken to indicating the type of closure used on all wines
  - Screwcap
  - Crown cap
Wine package choice - What really matters to the consumer?

• Choice
  • Alternative packaging
    • PET bottles
    • Cans
    • Pouches
    • TetraPak
    • Novel formats such as individual serve glasses
Wine package choice - What really matters to the consumer?

PET bottles

Cans

Images not to scale
Wine package choice - What really matters to the consumer?
Wine package choice - What really matters to the consumer?

• Choice
  • Label appearance
    • Attractive and appropriate label and bottle designs
    • Unattractive or inappropriate labels
  • Overall bottle appearance
Wine package choice - What really matters to the consumer?

• Choice – What matters to UK customers when buying wine?
  
  • WSTA/Wine Intelligence survey Summer 2007 (1000 person sample)
    • Grape variety or wine type 74%
    • Promotional offer 66%
    • Friends recommendation 64%
    • Packaging
      • Colour of glass 10%
      • Weight of glass bottle 7%
    • Alternative packaging format acceptance 33%

Alternatives actually purchased during the period of the survey

  • BiB 40% } Established formats
  • PET bottle 15%
  • Pouch 5%
  • Can 4%
  • TetraPak 1% } Limited availability on the UK Market
Wine package choice - What really matters to the consumer?

- Convenience
- Ease of use
  - Screw cap closures, liked by women for ease of opening and resealing part finished bottles (70% wine purchases in Sainsbury’s made by women)
  - Light weight option afforded by PET bottles compared to glass
- Unbreakable nature of PET bottles
Wine package choice - What really matters to the consumer?

• Convenience

• Information on labels
  • Suitable for ‘Vegetarians’ or ‘Vegans’
  • UK Units of alcohol information

• Multi-serve option provided by BiB formats
• Convenience of cans for non domestic usage and ease of chilling
Wine package choice - What really matters to the consumer?

• Convenience
  • Lack of inconvenience
    • Elimination of problems or complaints
      • Cork tainted wine

The following graph demonstrates the dramatic decline in customer complaints for a Chardonnay Vin de Pays d’Oc following the change from a good quality natural cork to a synthetic stopper.
Wine complaints comparing cork & synthetic stoppers

Natural cork - cpmu 883
Synthetic stopper - cpmu 104

88% reduction in complaints

Per 4 week periods

Number of Complaints

Complaints

Natural cork - cpmu 883
Synthetic stopper - cpmu 104

88% reduction in complaints

Per 4 week periods
Wine package choice - What really matters to the consumer?

• Convenience
  • Lack of inconvenience - Elimination of problems or complaints
    • Cork tainted wine
    • Plastic stoppers are not free of problems
      • Early examples were difficult/impossible to remove
      • Record was 970 Newtons (97kg) extraction force!!

• BiB taps that have seeped before purchase giving mouldy patches inside packaging
  (Adding foil layers to the BiB tap mouth improves the oxygen barrier and eliminates minor seepage)
Wine package choice - What really matters to the consumer?

- Conscience & green issues
  - Carbon footprint
    - Minimising transport contribution to CO₂ emissions
    - Use of bulk wine transport and UK/EU packaging
    - Use of lighter weight packaging
      - Lighter weight glass bottles
      - PET bottles
  - Concern for the environment –
    - Organic production, La lutte raisonnée & Integrated Vineyard/winery management systems
    - Excess green glass in the UK from imported wine bottles
    - Impact on Portuguese ecology of the cork forests due to the reduced usage of cork stoppers
  - Concern for operatives in less developed countries - Fairtrade
Wine package choice - What really matters to the consumer?

- Country – where products produced
  - Not all aspects of technology are available in all producing countries
    - Early screw cap closed wines in South Africa had to use imported glass as none available locally
    - Not all countries have lighter weight glass bottle options and what one country regards as lighter is still much heavier than the best in class available in Europe
Wine package choice - What really matters to the consumer?

• Country – where products sold
  • Packaging choice does not apply equally to all countries – what is normal in a wine producing country might differ from that where the wine is ultimately to be sold
• Aspects include
  • Customer acceptance
  • Different approaches to recycling
  • State liquor boards controlling packaging aspects
  • Supermarkets driving their chosen packaging options
    • UK one of the first to adopt plastic bottle stoppers
    • UK in the forefront for the use of screw caps for wine
  • BiB size in the UK is fairly standardised on 3litres.
    • Australia has 2 and 4 litre ‘casks’
    • 5 Litre format is too expensive due to the UK wine duty
• Changes in packaging occur eventually in most countries but not necessarily at the same rate
This was a slide I presented at the Australian Wine Technical Conference – Melbourne 2004

The final point is as relevant today as it was then!!

• Australia is the UK’s biggest source of wine
• Future developments could include regionality of wines
• Closure options are paramount to deliver the best possible wine
• Different closures have greater acceptability in various countries
• Quality systems needed to support wine production

We must never forget the final customer has the ultimate choice!
Wine package choice - What really matters to the consumer?

Any Questions?