



THE
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GROUP



WISE | “Brand SA” Strategy Development

Wine Category Strategy

WISE
WINE INDUSTRY STRATEGIC EXERCISE

21 January 2016



The “Brand SA” strategy project ran during 2015

Phase 1: As-Is analysis

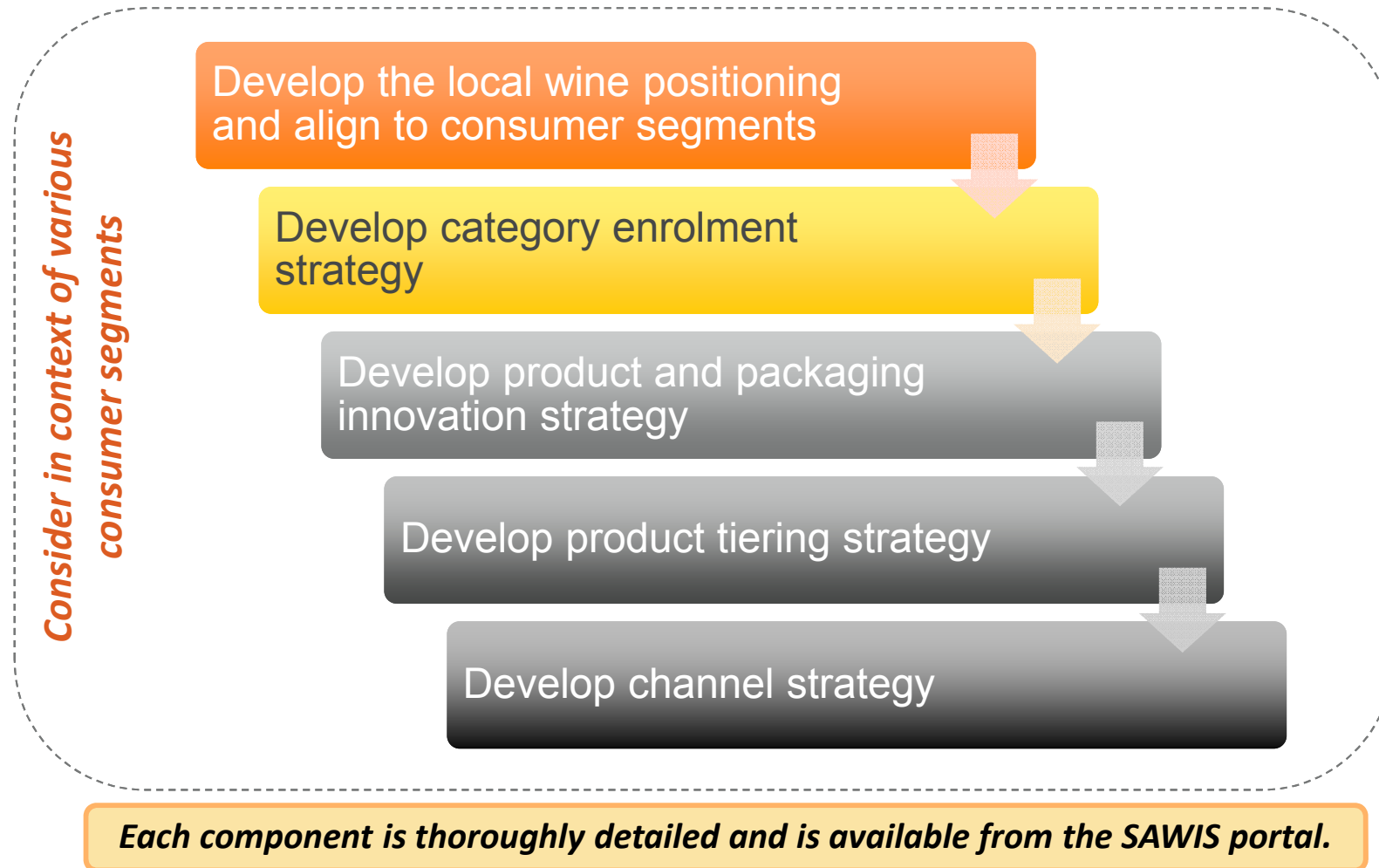


Phase 2: Category strategy development



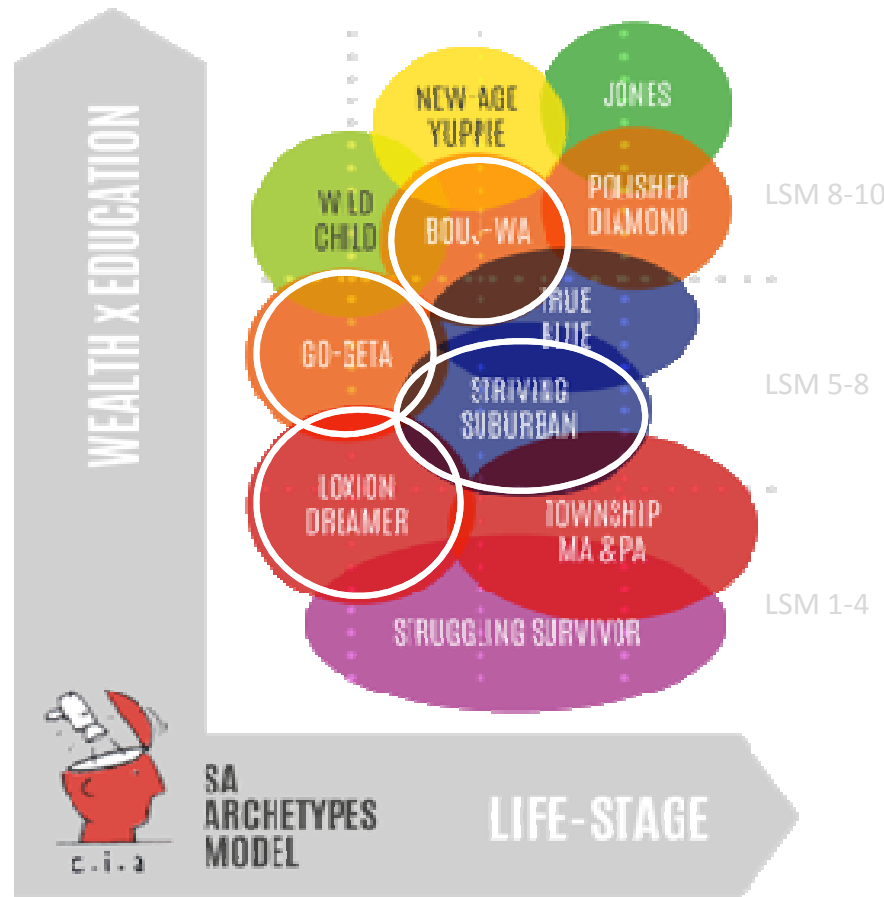


The strategy is based upon consumer insights and follows a step-by-step approach





Our CIA study looked at potential markets for growth



These segments offer massive opportunity in sheer numbers & alcohol spend.





We unlocked the key barriers to wine for key segments



- Wine is intimidatingly complex.
- The image is exclusionary rather than premium.
- Wine doesn't speak to me!

***That being said, many consumers are TRYING to buy into the category
... WE JUST AREN'T MAKING IT EASY!***



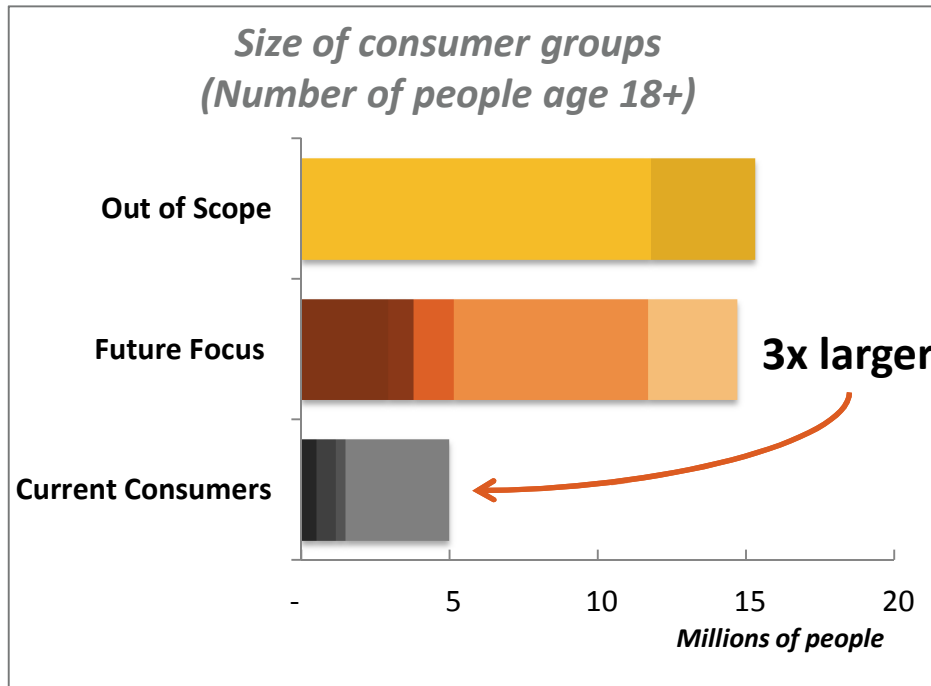
We unlocked the key barriers to wine for key segments



These insights ring true for even your core consumers!



There significant potential for growth by expanding wine's consumer base and driving wine loyalty



The 2025 WISE targets can be achieved by attracting 1.2m new consumers and increasing weekly wine consumption by 1 glass².

1. The differences in weekly consumption between consumer segments are minimal (max 1 drink per week), therefore average values are shown
2. Through taking share from other liquor categories.



We have developed some key marketing inputs for each of the focus consumer segments

Know your segment

- Segment overview
- Key consumer insight
- Drinking behaviour:
 - When - occasions
 - Why - motivations
 - Where – channels
- Current relationship with wine

How to capture share

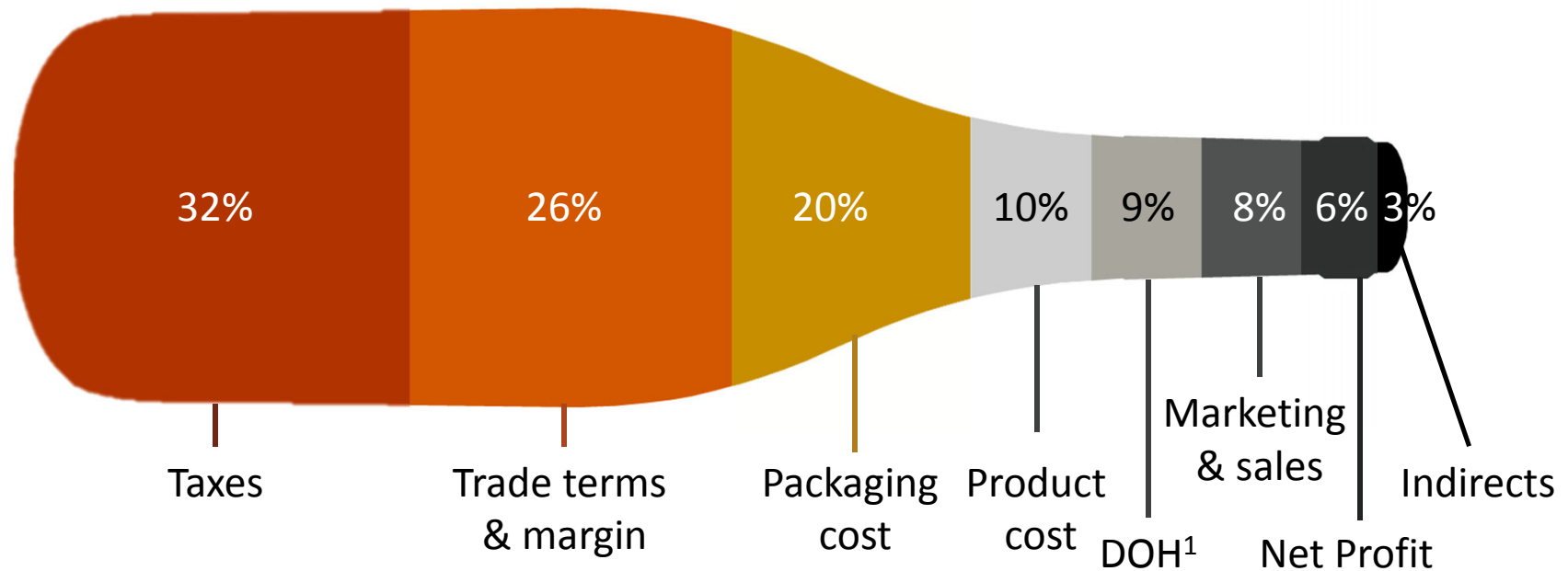
- Engaging methods:
 - What?
 - How?
- Product ideas / innovation
- Pack considerations
- Channel and merchandising:
 - Considerations
 - Approach

These are useful bridging elements between the consumer segmentation and the Brand SA strategy work.



A key focus of the Brand SA strategy was to find ways to improve producer returns

*P&L breakdown for the average wine bottle
(e.g. for a R50 bottle of wine, producer keeps R3)*



Extracting greater value from the trade and innovation are crucial to the industry's future sustainability.

Source: Wine industry focus interviews. 1. DOH – Distribution and overheads.



The Brand SA strategy can be summarised onto 1 page

Vision

To be the alcoholic beverage of choice in SA

Outcomes

Enrol new entrants

Grow share of throat

Premiumise the category

Focus areas

1

Segment, innovate and build brands

2

Enrol consumers

3

Implement a revised channel strategy

4

Industry collaboration and Brand SA

Enablers

- Willingness to invest
- Openness to innovation
- Willingness to collaborate
- Marketing capability
- Willingness to change the rules
- Leverage WOSA for SA

The category strategy will be implemented in phases with pilot projects demonstrating the business case.



In summary...

- The **WISE** local wine **targets are attainable**
- **All components** of the Category **Strategy** need to be **implemented** to achieve the desired results
- Whilst an **industry body** is required to execute the strategy at **category level**, **brand owners** will need to take responsibility for doing so for their **own brands**



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