

A Work Project, as part of the requirements for the Award of the Masters
Degree in Marketing - Management
from NOVA – School of Business and Economics

**A consumer research project as the basis for the development of a
marketing plan for a new spirit brand producing gin in Germany.
-A project with Divinjo-**

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Index

ABSTRACT	3
RESEARCH METHODOLOGY	3
EXECUTIVE SUMMARY	4
1. AUDIT	5
1. EXTERNAL AUDIT	5
2. INTERNAL AUDIT	6
3. CONSUMERS	6
4. COMPETITORS	7
2. SWOT	8
3. RESEARCH	9
3.1. IN DEPTH INTERVIEWS	10
3.2. FOCUS GROUPS	11
3.3. SURVEY	12
4. ZEPPELIN DRY GIN	13
4.1. TARGET AUDIENCE	14
4.2. MARKETING OBJECTIVES	14
4.3. ACTION OBJECTIVES	15
4.4. COMMUNICATION OBJECTIVES	15
4.5. ROSSITER-PERCY GRID	15
4.6. POSITIONING	16
5. MARKETING PLAN	17
5.1. PRODUCT	17
5.1.1. PRODUCT STRATEGY	19
5.1.2. PRODUCT TACTICS	19
5.2. PROMOTION	19
5.2.1. PROMOTION STRATEGY	19
5.2.2. PROMOTION TACTICS	19
5.3. PLACE	22
5.3.1. PLACE STRATEGY	22
5.3.2. PLACE TACTICS	22
5.4. PRICE	23
5.4.1. PRICE STRATEGY	23
5.4.2. PRICE TACTICS	23
6. CONCLUSION	24
REFERENCES	25

Abstract

This work project is about developing a marketing plan for a new gin brand in Germany. It is based on consumer and market research, including Portugal as a trend market for the qualitative research.

For the undertaking it is seen as fundamental to understand the industry as well as the consumer needs, attitudes and preferences. Furthermore, it is important to consider the estimation of opinion leaders and trendsetters in the industry. In this context it turned out that barkeepers have a key-influencing role for the stimulation of demand.

Based on the insights from this research as well as on the gained market knowledge, the marketing plan was developed. The goal is to convince other brand users to switch brands.

Keywords: Marketing Plan, Consumer Research, Germany, Gin Industry

Research Methodology

The undertaken research is done in three consecutive steps, including qualitative and quantitative research methods.

To gain initial insights from barkeepers and gin drinkers, ten in depth interviews were conducted, which included both German and Portuguese barkeepers. Based on these findings, the brand idea and three different concepts were developed, with each of these concepts including three variations. These concepts were presented to two focus groups; each of them represented six gin drinkers. The valuable feedback from the group discussions was used to fine-tune two final editions. At this stage of research, an online survey of 214 German gin drinkers helped to pre-test the two editions and further refine consumer preferences.

The entire process was about constantly refining, adapting and improving the concepts based on the feedback received during the research period. This meant adjusting the idea and concepts step by step, beginning with the interviews, through to the focus groups and lastly with the online survey.

Executive summary

The purpose of this paper is to help Divinjo to successfully launch a new gin on the German market. Divinjo is a Start-Up from Lake Constance, founded in April 2014, selling premium wines, champagne and spirits online in Germany.

In 2013, the German gin market represented four million litres, 0.84% of the whole spirit market. The expected positive growth rate of gin in Germany is projected at 8.9% until 2018. While German consumers tend to switch away from standard products, to premium brands; they also shift away from traditional products like beer, to more trendy drinks like cocktails and gin & tonic.

Undertaking my own research enabled me to identify further consumer preferences to be explored. One of the more impressive findings was the difference between genders in relation to their gin preferences, with barkeepers and friends also being key influences. Moreover, gin is a drink usually served at special occasions and parties, at which taste and quality are most important to consumers. Furthermore, it was found that the bottle design and a matching marketing story were important for selling successfully.

Due to the above findings, three different gins were developed. Two were customized by gender (one for men and one for women) with the third being a limited edition flavour, frequently changing with different botanicals. The unique selling proposition is seen in the distinction of genders, the story, the design, the marketing and the special taste delivered by the change of the origin of botanicals. It is highly important to move fast with the implementation of the products as there is a threat coming from competitors, who might copy the developed point of difference.

In 2018 the expected market share of Divinjo within the German gin industry is expected to be 2.42%, which represents 100.000 litres sold and an estimated profit of around 1.5 million Euros.

1. Audit

1. External Audit

Divinjo is planning to operate in the premium gin industry in Germany, which is part of the white spirit market, including vodka, white rum, tequila and gin.

There are two main types of gin; the English and Dutch gins divide the 536 million litres industry roughly in half (**Appendix, other appendix 1**). The major markets of English gin are, Spain, the UK and the US, they led the consumption of gin in 2013. Those countries were responsible for 66% of the international sales category. The overall growth in the English gin markets is driven by premiumisation and the development of new markets.

German consumers tend to switch away from standard products, such as Larios or Gordon's to more exclusive brands like Hendrick's (**other appendix 2**). However, the attractiveness of superior gin is also rising in Portugal, this can be described predominantly by the geographical area next to Spain. Moreover there are arising underdeveloped markets, particularly in central and northern Europe.¹ Especially in Germany the shift from traditional products like korn or beer has profited international spirit brands.

The German gin market itself signified a sales volume of around four million litres in 2013, representing 0.84% of the whole German spirit industry (**other appendix 3**). While the whole spirit industry in Germany declined between 2012 and 2013 by 0.7%, the German gin industry rose by 1.5% in sales (**other appendix 4**). Overall there is expected to be a positive value growth rate in Germany for gin of 8.9% until 2018, while the whole white spirit industry is just growing by 7.5%, with the spirit industry as a whole actually declining by 3.7%. (**other appendix 5**). Gin is also one minor spirit where there is a higher export than import, in 2012 around 10.3 million litres got exported and around 8.1 million imported (**other appendix 6**).^{2,3} For more extensive knowledge regarding the external audit please see **other appendix 7**.

¹ Cunnington, J. (2014), p. 1

² Cunnington, J. (2014), p. 2

2. Internal Audit

Divinjo is a Start-Up from Lake Constance, where one of the founders has ten years of experience in the wine and spirits industry, while the other founder is a Master student in Management at Zeppelin University at Lake Constance. The third part of the team is a professor of entrepreneurship and innovation, which completes the base of knowledge. Divinjo offers their customers a selection of premium wines, spirits and champagne from producers, which combines traditional "tried-and-true" production methods with innovative, modern production and marketing methods. There are both public customers who purchase online for their own consumption, but there are also important and more traditional customers like bars and restaurants. The online sales started in October 2014, by December Divinjo realized revenue of 5,000 EUR. The long-term vision is to become an online platform, where customers can rely on a selection of high quality modern products. Furthermore, it is planned to launch a premium gin in cooperation with a distillery. The point of difference for this gin will be in its targeting, taste, design and how it is marketed. Using the main figures and feedback of this gin label, there is a long-term plan to launch other additional spirits, like whisky and vodka.

3. Consumers

In Germany white spirit consumers clearly value quality over quantity.⁴ This leads to the described premiumisation to prevail in Germany.⁵ In 2014 consumers put department stores or specialist retailers in the leading position. The sales of premium products increased, mainly due to internet retailing, e-commerce and m-commerce have also reformed the approach of shopping.⁶ The bulk of demand, will continue to come from younger consumer groups, where mixed gin drinks such as gin & tonic are growing in popularity. In the context of an increasing pace of transformation, the tendency towards premium spirits has been growing **(other appendix 10)** and will continue till 2019 **(other appendix 11)**. These effects include

³ Cunnington, J. (2014) 1, pp. 1-37

⁴ Euromonitor International (2014) 1, p. 1

⁵ Cunnington, J. (2014), p. 1,2

⁶ Euromonitor International (2015), pp. 1, 2

the increased expectation of and interest in high-quality products, as well as demand for novelty and innovation. Consumers are also experiencing an increasingly hectic lifestyle, which has created rising demand for custom-tailored products regarding premium goods.

4. Competitors

The following competitors are seen as relevant and are selected in reference to the premium gin category, selling in Germany and follow a similar vision to Divinjo (internal audit).

Premium gin brands represent 8.6% of gin sales in Germany (**other appendix 8**).





	 Hendrick's Gin	 Monkey47	 The Duke	 Gin Mare
Country	Scotland	Germany, Black Forest	Germany, Munich	Spain, Catalan
Producer	William Grant & Sons	Monkey 47	The Duke	Gin Mare
Distillers	The Girvan Distillery	Christoph Keller	Daniel Schönecker & Maximilian Schauerte	Global Premium Brands S.A.
Alcohol	44% ABV	47% ABV	45% ABV	42,7% ABV
Flavour	Intense floral	Floral notes	Less floral, a mild taste of Bavarian hops and malt	Fresh flavour, soft and mild
Taste	Rose petals and cucumbers	Freshness of tangy citrus fruits, a clear juniper tone, a peppery, spicy mouth feel and a subtle hint of cranberries	Soft mild juniper taste, with a light acidity of ginger, angelica root, lavender, coriander, and lemon peel	Dominating flavour of herbs, an aromatic taste of juniper and rosemary
Ingredients	Juniper, Elderflower, Orange peel, Angelica root, caraway, coriander, cubeb berry, orris roots and lemon	Exactly 47 plant ingredients including black forest ingredients such as sprout shoots and lingo berries, all handmade	12 different organic certificated herbs	Mediterranean botanicals, Basil from Italy, Thyme from Greece, Rosemary from Turkey, Citrus fruits from Spain, Juniper
Drink-recommendation	Pure, with ice and garnished with a slice of cucumber as well as in cocktails or long drinks	Gin classics #6, #7; The Gimlet, The Gamble see	Mild tonic water	Martini cocktail or with tonic water like 1724
Bottle	Bottled in a dark brown apothecary-style bottle	Brown glass old chemist's bottle, protecting from UV light	Apothecary-style, transparent glass	Azure blue bottle reminds of the Mediterranean Sea,
The story	In 1886 Mr. WILLIAM GRANT, with his seven sons and two daughters build their family distillery in Scotland	1950 Commander Montgomery Collins comes Black Forest; he takes over the "Wild Monkey" guesthouse. Starting with the great Black Forest tradition of distilling fruit	Handcrafted in Bavaria, Bavarian flag as logo, there is always an alcohol related quote on each bottle	Novel pan-Mediterranean inspiration
Price 1l	48 Euro	65 Euro	39 Euro	51 Euro

Table 1: Competitors

To get deeper insight knowledge of these competitors, see **other appendix 9**.

2. SWOT

Strengths-Company: Divinjo's company structure of two founders allows the firm flexibility to react to market circumstances and to plan accordingly, as all the decision-making is arranged among the founders and enables them to put their efforts into selling and creating the products. However each of the founders is by necessity an expert on a wider array of subjects, including the professor. Respecting this, Divinjo has a high understanding of the business and a variety of contacts in regard to producers and distillers. Because of this, industry knowledge and research is a main strength of Divinjo. This also includes deep consumer insights from barkeepers as well as the market research necessary for this project. Additionally Divinjo benefits from a second mover advantage, which they can ascertain from best practice examples related to the development of the topics.

Weaknesses-Company: Of course, there are some weaknesses, which go hand in hand with the small size of the business. The brand is not recognized in the German market at this point of time. Furthermore, their financial capital is restricted. On top of this, the network and contacts within the bar community in Germany is still weak.

Opportunities-Industry: The growing trend of premiumisation in the German gin industry is in alignment with the company's planned premium strategy. Furthermore the increasing cocktail culture in bars e.g. in Berlin and Munich⁷ leaves room to grow for spirits (**other appendix 12**). Additionally the differentiation in flavours is a fundamental part of the white spirit industry and leaves room for growth as well. This especially applies to the gin industry, as the variation in botanicals creates different flavours. However there is a growing new source for gin creators to capture outside the core markets in more underdeveloped ones, like the German gin market. Moreover the economic circumstances in Germany remained very favourable for premium goods. During Q3 2014 Germany's real GDP grew by 0.1%, mainly driven by higher levels of consumption and government expenditure. The unemployment rate

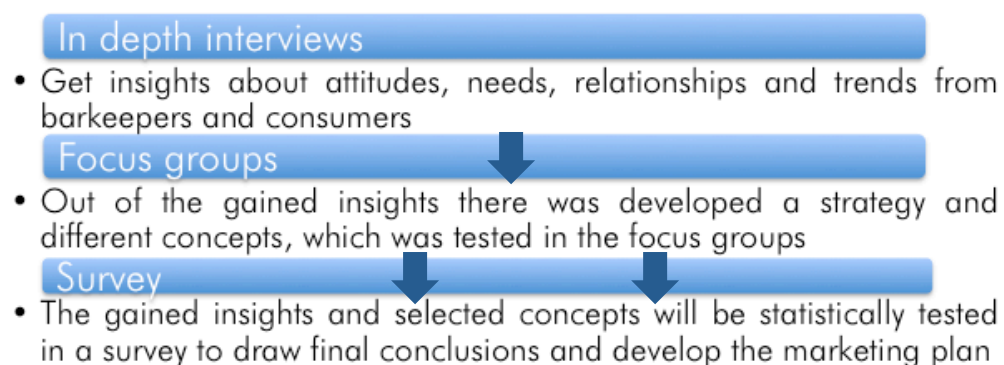
⁷ Cuningtion, J. (2014), p. 1,2

reached its lowest level over 24 years in October 2014 and went down to 4.9%. The overall growth in wealth improvement in the quality of life and also higher disposable incomes, contributed to a consciousness of security amongst the German population. This progress clearly offers opportunities in the premium goods industry.⁸ As well as the working attitude of the Divinjo's team, every member is putting all their effort in the company, also including this work project to overcome some barriers and gain valuable insights.

Threats- Industry: The main threat is that a competitor copies the idea of the standardized gin in two versions, one for women and one for men before the launch of Divinjo. This means the company has to move fast. Another threat can be seen in the arising wellness and healthy lifestyle, impacting purchase intentions. Contrasting other alcoholic drinks, like wine, which have unsubstantiated health benefits when drunk in small quantities, spirits are closely linked with confrontational health effects.⁹

3. Research

There emerge two groups of interest for the consumer research. The main group is the consumer itself. The other group are barkeepers, they are the main prescribers and consumers tend to drink at home what they have seen in bars. Barkeepers are also promoters and trendsetters for new spirits, meaning it is highly important to consider their experience and opinion in the in-depth interviews. The following introduced concepts will get fine-tuned and constantly improved in accordance with the results from each step of the research. The goal is to come up with a final concept at the end of the survey.



⁸ Euromonitor International (2015), p. 2

⁹ Euromonitor International (2014) 1, pp. 4,5

3.1. In depth interviews

In total there were ten in depth interviews, three of which were German and frequent drinkers of premium gin. Another two represented premium German barkeepers. Furthermore, in order to be aware of arising future trends, it was recommended that at least five Portuguese barkeepers were interviewed, since Portugal is ahead of Germany in the gin promotion, distribution and consumption. In each of the two groups (barkeeper and consumer), attitudes, behaviours and needs were investigated. A summary of the necessary insights is provided in the following table. The interview guide can be seen in the Appendix **Interview guide**. Furthermore, there is a document available for consultation; it includes detailed analysis with quotes of each interview, as well as final conclusions.

Barkeepers	Consumer	<u>CONCLUSION BARKEEPERS</u>	<u>CONCLUSION CONSUMER</u>
Attitudes			
Quality	Quality	Quality is a fundamental decision maker	Quality is very important
Price	Price	Price is secondary if the quality is good	Something special has its price
Botanicals	Botanicals	Are important, whereas less good quality botanicals can be better than an overload	Botanicals are perceived as special and should be written on the bottle
Flavour	Flavour	Not to extreme, traditional	Important and should not be to extreme
Origin	Origin	Special places, telling a story	Promote the place of origin if it is special
Design	Design	Highly important as it is a selling argument	Highly important especially for new brands
Mixing	Mixing	Cocktails & perfect serves	Mixing with regular, easy botanicals
Editions	Editions	- A premium female edition - A home edition - A limited edition - A to go edition with smaller bottles	- A female edition -An exclusive student version - A home edition
Needs			
Trends	Trends	Classical Gin. Limited editions. Gin is lifestyle. Creation of cocktails	Vintage style, handmade tough, a good marketing story, cocktails
Marketing	Marketing	The story around the gin is very important	Friends, bars, events, communities and special magazines
Inspirations	Inspirations	From bar communes, special magazines, other barkeepers, blogs and youtube.	From the bottle design, barkeepers and bars
Positioning in the bar	Occasions to buy	Promote sales, mostly paid positioning	Always something special, also for gifts
Relationships			
To barkeepers	Price	They are working together	Willing to pay more for something special
To consumer	Loyalty	Key influencing position in selling in bars	Customers are quite willing to try new gins
To brands	People	A personal relationship promote products	Friends, barkeepers, experts have a high impact on the promotion of new gins
To products	Brand	Trainings of the brand and a personal contact helps to built on that	The creation of a personality of the gin is important

Table 2: Summary of results from the interviews

3.2. Focus groups

In total there were 12 gin drinkers, divided in to two focus groups. Based on the insights gained from the interviews an overall idea and strategy was created. Building on this further, there were three distinctive concepts created, each including three editions. In the appendix there is a guideline for the focus groups, **concepts for focus groups**. The goal was to understand consumers' opinions about each of the concepts within a natural conversation. They furthermore shared immediate ideas for the improvement of the concepts. Additionally, they helped to identify the product requirements for the consumer as well as other needs not addressed by the company and its competitors. A summary of the results can be seen below, more details for consultation are available in the other document as well.

Summary of Group 1 & 2	
Warm up	
Association with Zeppelin	Freedom, flying, advanced, discovery, travelling, Hindenburg, early 1900
Association with 1920s	Lady and Gentleman, fashion, freedom, parties, music, dancing, women, cigars
Drinking habits	Evening, for socializing with friends
Special about Gin	Something to enjoy and for special occasions, the taste; fresh & bitter, variety, piece of art, botanicals, fashion
In order to test the concepts, the basic strategy and the story of the Zeppelin Dry Gin LZ 127 got explained first	
Concept 1 about the ingredients	
S. Francisco	Good! Destinations have to be selected wisely, matching the 1920s, traditional story
Alps Forrest	
Tokyo Sakura	
Comments	After the launch of the traditional juniper gin, there can be released special botanical editions once in a while for a certain limited time. Telling a story about it
Ideas	Creating collections with different packages e.g. Tokyo style, Alps Style to collect. Smaller bottles for travel retail (related to the travelling of the Zeppelin). E.g. three little bottles in a Zeppelin also for gifts
Concept 2 about individuality	
Entrepreneur	Dismissed , doesn't fit the 1920s
Feminine	Good! Great potential as Ladies are a huge part of the 1920s. Be careful of not getting a "girli" stamp, powerful testimonial, maybe from the Zeppelin
Campus	Dismissed , no added value, premium does not fit campus
Concept 3 about being creative	
Couch	Dismissed , idea does not fit in the concept
Bar	Dismissed , it is confusing
Pioneer Limited	Dismissed , a limited edition is a good idea, it is a matter of timing and being creative, but it is not outvoting the other two editions
Design	
Bottle design	A dark brown or dark blue bottle matching the strategy. Cork is perceived as more premium. Reminding of a Zeppelin but still fitting the 1920s tradition.

Table 3: Summary of the results from the focus groups

Analysing the focus groups allowed for the elimination of some editions and the refinement of two (in turquoise) to test further in the survey, see appendix **Concepts for survey**.

3.3.Survey

The undertaking of the survey allowed for further adjustment of the concepts by combining what was learned in the interviews and focus groups and testing this statistically. The goal is to develop a final concept for the marketing plan. The cross-sectional online survey got selected, due to the high capability in representing a population of 214 respondents. The whole survey can be seen in the appendix, **Survey**. The following hypotheses were developed and tested with SPSS from the results of the interviews and focus groups (the development of the hypothesis can be seen in the appendix, **development of the hypothesis**.

1: The word Zeppelin is mainly related to flying. True. 2: The 1920s are mainly related to “Lady & Gentleman”. True. 3: There is no difference in the drinking habits of Beer, Wine and Gin. There is a difference; gin is mainly consumed at parties, special evenings and at bars. Wine is consumed at dinnertime, with friends, family and also at special evenings. Beer is consumed at bars, at dinnertime, while watching TV and with friends. 4: Taste is the most important variable when buying a premium gin. Both, quality and taste are main decision makers. 5: The most wanted gins are those, who have a variety in the mixing of the botanicals. The main significant tastes are the variety of botanicals, the fruity flavour, the flavour of herbs and the juniper flavour. 6: Friends are the main influencers for trying a new gin. Friends are not the only main influencers; Barkeepers have a key influencing role as well. 7: Concept 1 will trump concept 2. There is a significant difference in gender. Women prefer the idea of concept 2, men of concept 1. 8: Concept 1 is mainly related to traveling, concept 2 mainly to glamour. Concept 1 is mainly related to traveling. Concept 2 mainly to glamour, celebrating and 1920s. 9: A Zeppelin gin box is a good gift for friends. True. 10: The blue bottle will trump the brown bottle. True. All hypotheses are tested in the differences between the filter questions; significant differences are in the table below, all these and other statistical

tests can be found in the appendix, **Results survey** (Hypothesis. 1, 2, 3, 9 & 10 do not have any differences, as well as the filter occupation).

Ho	Gender	Age	Like/love Gin
4	x	Origin is more important for younger people.	For gin likers price is more important than for gin lovers.
5	Men like the taste of more botanicals and the spicy taste more than women do.	x	In cluster 3 & 4 are more gin lovers.
6	Men get more influenced from friends than women.	x	Barkeepers and magazines influence lovers more than likers.
7	Women overall prefer the idea, the story, and the product of concept 2, men of concept 1.	x	Gin lovers are willing to pay more for the gins.
8	Men relate freedom more with concept 1 than women. Women have a stronger association to celebrating in concept 2 than men.	x	x

Table 4: Hypothesis tested in differences of the filter questions

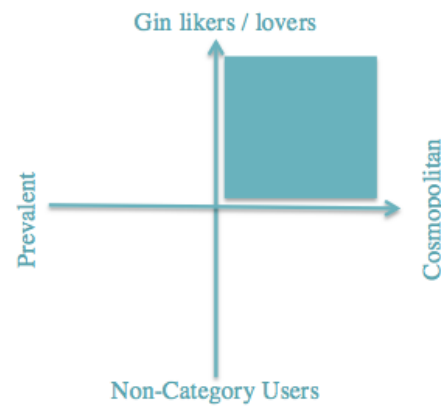
4. Zeppelin Dry Gin

By analysing and perfecting the concepts step by step using all the research, it is clear that there is a distinct difference in preferences between genders. Furthermore to determine the strategy, it was important to consider the analysed internal and external audit, interviews and focus groups, which affect the undertaking. With that understanding, the final strategy, story and design were developed; please see appendix, **Zeppelin Dry Gin**.

The premium gin brand named “Zeppelin Dry Gin” will be launched as a standardized gin for Ladies and Gentlemen, represented by Lady Grace (reporter on the Zeppelin around the world) and Hugo Ecker (the captain of this Zeppelin). There will be a “Zeppelin Dry Gin, Lady Grace” and a “Zeppelin Dry Gin, Captain Ecker” targeted to women and men respectively. They represent the glamour of the famous journey around the world of the Zeppelin LZ 127, with a powerful yet delicate vintage story. The limited addition concept will be launched nine months after the first two versions. The idea is; that consumers can be part of the journey of the Zeppelin with Lady Grace and Captain Ecker. For that reason this edition is about a collection of special botanicals from the various stops the Zeppelin made on its journey around the world. For each stop there will be a separate edition lasting for four months, including typical botanicals from each specific destination.

4.1. Target audience

Approach: The market segmentation helps Zeppelin Dry Gin to tailor the products they offer to the consumers who are most likely to purchase them.¹⁰ After analysing German consumers, competitors and research, a target could be identified. It focuses on young consumers, as they drive the bulk of demand for gin in the future and also value the origin of the botanicals more than older people, which is highly important to this concept.



Target Audience: The intended target are young German people (men & women) aged between 18 - 35 years who like/enjoy drinking gin and value premium quality, tailored goods which are both innovative and a novelty of sorts. They represent other brand loyals, favourable brand switchers and other brand switchers (new users are not included).

4.2. Marketing objectives

Zeppelin Dry Gin	Sep-15	Jul-16	Sept-16	Sept-17	Sept-18
Month	3	9	12*	24	36
Market share in volume	0.04%	0.18%	0.97%	1.81%	2.42%
Sales in 1000 litre <u>LG&CE</u>	1.5	7.5	20	37.5	37.5
Sales in 1000 litre <u>LZ 127</u>			20	37.5	62.5
Growth rate		500%	533%	188%	133%
Profit <u>LG & E</u>	5,938.86	100,924.62	370,056.92	523,204.90	523,204.90
Profit <u>Zeppelin LZ 127</u>			310,606.73	578,965.75	1,001,442.91
Total profit	5,938.86	100,924.62	680,663.66	1,102,170.64	1,524,647.81

Table 5: Marketing objectives Zeppelin Dry Gin. (LG=Lady Grace; CE=Captain Eckener)

To make assumptions, that are as precise as possible, I have used information based on industry data as well as litres sold, market shares and growth rates of one premium competitor and one mass-market gin producer. To see all data and calculations made, see appendix **Marketing objectives.**

¹⁰ Yankelovich, Meer (2006), p. 122

4.3. Action objectives

The behaviour sequence model is a planning tool that looks at the decision making process of consumers and considers the roles of other influencing people (friends and barkeepers) in the decision process. First, this model identifies the stages consumers go through in making decisions, while further analysing the questions who, where, when and how of each stage¹¹. The BSM (Behaviour sequence model) helps to set overall communication objectives and furthermore helps to understand the complexity of the decision process for buying a gin.¹²

Table 6: Behaviour sequence model for purchasing a gin

What	Need arousal	Information search	Choice	Usage	Evaluation of service
Who	-Self (initiator) -Peers (influencer; friends, barkeepers)	-Self (influencer) -Peers (influencers; friends, barkeepers)	-Self (decider)	-Self (user) -For others (as a gift)	-Self (user)
Where	-In a bar -In a restaurant -In a liquor/retail store	-Internal (from previous media exposure) -External (peers brand choices)	-In a bar -In a restaurant -In a liquor/retail store	-In a bar -In a restaurant -At a party -At home	-At the point of usage
When	Weekends mainly: -Special evening -Going to a bar -Going to a party	-At the point of decision or shortly before	-Instant	-Instant or over ensuing week	-Instant
How	-Need arises for a special spirit, recompense	-What do I like? -What do influencers drink or like?	-“Wise choice” or socially approved	-Ego reinforcement or social reinforcement	-Word of mouth, influencers, social media, magazines

4.4. Communication objectives

As consumers are currently unaware of Zeppelin Dry Gin, brand awareness needs to be established among consumers. Zeppelin Dry Gin is a new product, in this manner an association (brand recall) of the gin with the product category, prior to purchase, has to be created as well as product recognition for consumers of the actual bottle at the point of purchase.

4.5. Rossiter-Percy Grid

Before starting to advertise it is necessary to classify Zeppelin Dry Gin as a low-involvement and a low risk product. This means perceptions, feelings and emotions are important for the marketing. Applied to Zeppelin Dry Gin, please see on the next page.

¹¹ Percy, L. (2015), online

¹² Rossiter, J. Steven Bellman, S. (2005), p. 129

Involvement / Motivation	<u>Informational</u> Problem removal/avoidance, product improvement, approach-avoidance, replenishment	<u>Transformational</u> Sensorial gratification, intellectual, stimulus, social approval
<u>Low</u> Trail is enough		<u>Zeppelin Dry Gin</u> The focus is on image -Emotional authenticity is important to fit to lifestyle image -Consumers have to like the marketing -Ask only what is reasonable (slight over claim, do not under claim) -Some information has to come across
<u>High</u> Search and conviction before purchase		

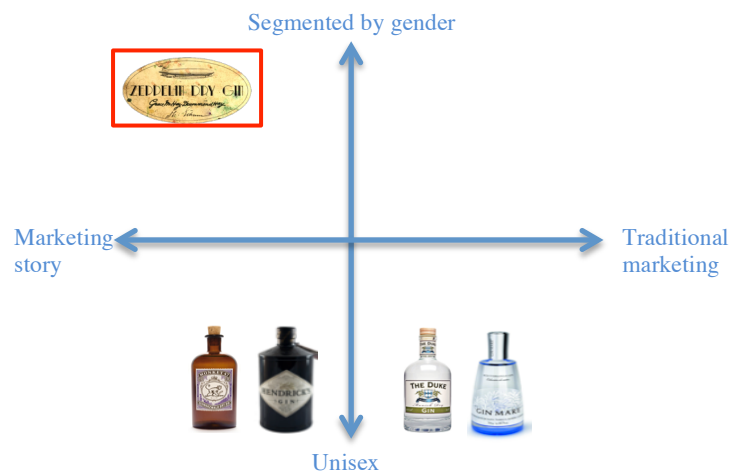
Table 7: Rossiter- Percy Grid, applied to Zeppelin Dry Gin

4.6. Positioning

The positioning statements provide synergy between the four P’s of the marketing plan. ¹³ It is built in such a way, to distinguish from existing competitors.

Zeppelin Gin, overall brand positioning¹⁴

Among 18-35 year old gin drinkers, Zeppelin Dry Gin is a premium gin from around the world sold in Germany, with a unique vintage story targeted and customized to men and women separately, as well as the frequent change in the origin of the botanicals, which deliver the best taste and create excitement, because we love this gin as much as you do.



Zeppelin Dry Gin Lady Grace

Among 18-35 year old female gin drinkers, Zeppelin Dry Gin is a premium gin sold in Germany, with a unique proposition by customizing this gin for women, because we know what you and your friends care about.

¹³ Havard Business School (2006), p. 1-5

¹⁴ Universtiy of Virginia (2009), p. 1-10

Zeppelin Dry Gin Captain Eckener

Among 18-35 year old male gin drinkers, Zeppelin Dry Gin is a premium gin sold in Germany, with a unique proposition by customizing this gin for men, because we offer the quality you deserve for your special occasions.

Zeppelin LZ 127

Among 18-35 year old gin drinkers, Zeppelin Dry Gin is a premium gin from around the world sold in Germany, with a unique vintage story of the Zeppelin flight around the world, only offering the best botanicals of the journey in our different editions, we value a premium taste as much as you do.

5. Marketing Plan

5.1. Product

Zeppelin Dry Gin Lady Grace

This premium gin will be constantly sold on the market, with a female design and a fruity flavour of raspberries, especially tailored to women.



Zeppelin Dry Gin Captain Eckener

This premium gin will be constantly sold on the market, with a more male design and a flavour of herbs, which is slightly spicy and especially tailored to men.



Zeppelin Dry Gin LZ 127

This premium gin will be launched nine months after the other two varieties, with a unisex design and a change in limited editions, which vary in flavour and origin of botanicals along the flight route of the Zeppelin LZ 127 around the world. Each will stay on the market for four months. There will be a break of one month before the launch of the next edition. The etiquette will change accordingly to the place of the botanicals. Here Lakehurst, USA, as highlighted.



5.1.1. Product strategy

This product development creates a unique proposition with the gin especially targeted to men and women on the one side. Followed by a further differentiation in the change of the origin of the botanicals, which deliver the best taste, sold in a 0.5 litre bottle.

5.1.2. Product tactics

-The launch of the Lady Grace Dry Gin and the Captain Eckener Dry Gin, for women and men individually designed, packed and created, will build a unique selling proposition.

- As well as the special origin of the botanicals of the even more exclusive LZ 127 Dry Gin. In each edition the botanicals are from the specific area and carefully selected, in return they create the unique taste, which is besides quality the most important factor for the consumers.

-Furthermore the story around the gins is matching the whole concept of the 1920s from the start of the Zeppelin with Lady Grace and Captain Eckener over the additional change in editions along their journey.

5.2. Promotion

5.2.1. Promotion strategy

For Zeppelin Dry Gin it is about communicating clearly to the target market by involving media and opinion leaders. To align the premium strategy in respect of the budget available, there will be a focus on earned media rather than mass-market communications. The marketing story of the Zeppelin, the characters and the journey will be part of the marketing.

5.2.2. Promotion tactics

Storytelling: Providing a story is more personable, also more inspiring, emotional, motivational, and memorable. Especially in the gin industry the interviews and the competitor analysis showed; that a story around the gin is highly important to successful sale the product. As the company is based in Friedrichshafen, the Zeppelin is a remarkable intervention form there and one founder is a student at Zeppelin University, this was seen as very likely to provide a good story for a gin. After analysing the attitude towards the Zeppelin and the 1920s it was clear, that there is a strong association towards flying and Ladies and Gentlemen. Combining this in a product concept and creating a story around it, resulted in the Lady and

Gentleman Gin and the LZ 127 Dry Gin, which is about flying and the journey. Furthermore the market segmentation among the genders is a unique story to tell. For the detailed story please see, appendix **Zeppelin Dry Gin**.

Earned media:

Opinion leader: To convince barkeepers as opinion leaders and promoters of Zeppelin Dry Gin, they have to like the product and should be involved. Zeppelin Dry Gin will launch an opening party at the end of August in a nice distillery in Friedrichshafen, see photo **other appendix 14**. Only around 30 selected barkeepers from Germany will be invited, the intent is to inform them about Zeppelin Dry Gin, to have tastings and involve the bartenders in the creation of a cocktail, the best of which will then be promoted in their bars. This is all about involving opinion leaders to promote Zeppelin Dry Gin on the one side and on the other it is about coming up with a cocktail, as the interviews showed, cocktails are important to get attention from magazines to write about the gin.

Word of mouth: As it turned out in the interviews and the survey, friends also have an influencing role when it comes to purchasing a new gin. The marketing story will help to talk about it with friends and spread the word.

Public relations: Developing positive relationships with public media is part of Zeppelin Dry Gins marketing tactic. However, the producer of this gin is among Germany's most premium distillers and is expecting a local TV station to produce a short story about them (<http://www.gierer.li/bodenseeregion.html>). Moreover, Zeppelin Dry Gin will be part of this; with the purpose being to spread positive stories and PR to the target market, by talking about the taste, the story and the premium production process. After this there will be effort put into getting articles in newspapers and magazines to create even more awareness.

Magazines: Barkeepers have said that magazines like the Mixology influence consumers, as they are well-known and credible publications that are regarded highly by bartenders and other industry professionals as well as consumers. The plan is to get an article about best

serves of Zeppelin Dry Gin in the Mixology Magazine, after having gained some attention on the market and having created the two best cocktails with Zeppelin Dry Gin.

Flyer: Sold bottles will include a flyer within their packaging, which will tell the brand story and have the added function of recommending the gin to their favourite bars and restaurants, as consumers also have an influence in what is sold in bars.

Owed media:

Social media: As social media, nowadays, is part of everybody's life, especially of the target audience of 18-35 years old, Zeppelin Dry Gin will be present on Instagram and Facebook. The audience will be included in a real time updates about things happening at Zeppelin Dry Gin and will be provided with new ideas and recipes for cocktails, which further in-beds the product in the their minds. Furthermore feedback can be provided and used for improvements and strengthens the image.

Website: Of course, there will be marketing on the product website, it will help new customers to find Zeppelin Dry Gin, moreover exciting consumers will stay informed and online sales will be created. While doing this, it is important to keep adapting the communication to the target group of 18-35 years to get maximum exposure. This can be achieved through online promotions and advertising as well as SEO (search engine optimization) to help push traffic to the website. On the one side the consumers should visit repeatedly, while giving them regular updates, on the other side consumers have to be encouraged to visit the first time, by sending emails or newsletters. Google analytics will help to improve the overall performance of the website by testing different content. Steady monitoring is seen as critical to constantly progress the sales getting from the website.

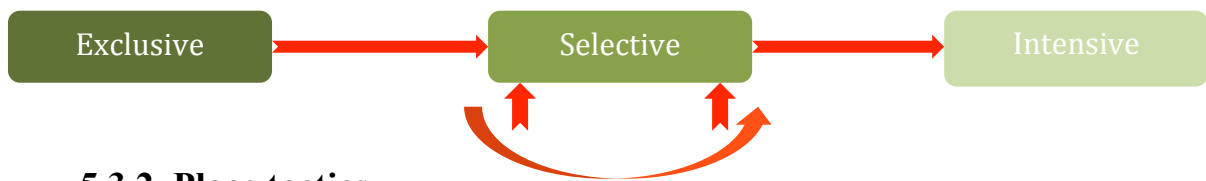
Instagram: Zeppelin Dry Gin sees Instagram as a way to engage with potential and current consumers. Thereby the brand will focus on a balance of fun images with photos from the business and employees, by also implementing trends of the industry. Furthermore there will be a teaser campaign about the barkeepers event with #zeppelindrygin. However a frequent

post on Thursday evenings will remind consumers to get a good gin for the weekend; #celebratingspecial. Not to forget the use of industry related hashtags, like #cocktails #gintonic to create awareness.

5.3. Place

5.3.1. Place strategy

As Zeppelin Dry Gin follows an overall premium strategy, the company will place its products accordingly in an attempt to reach the set marketing objectives. The company starts with a more selective and ends with a less selective distribution strategy.



5.3.2. Place tactics

For the first nine months (September 15- June 16), there will be just selective distribution agreements with special bars, restaurants and online distribution on the companies own website. In June 2016 the new editions of Zeppelin LZ 127 will be launched, from that moment onwards all the Zeppelin Dry Gins will be also available in selected retail stores.



Zeppelin Dry Gin will only sell in selected bars and restaurants in Germany, whereas a good working relationship has to be established. The barkeepers will get trainings about the gin, how to do best serves and cocktails with it. As they are kind of promoters they have to like the product. Keeping the distribution that selective helps to keep more control over the premium product branding and prestige image. In the beginning, if consumers want to drink a Zeppelin Dry Gin they have to pre order online for their special occasion or buy a drink in a bar or

restaurant. Once the first branding and experiences of the consumers are successful, the availability for the consumer to get a Zeppelin Dry Gin will be easier after nine months, meaning it can be bought in selected retail stores as well.

5.4. Price

5.4.1. Price strategy

The premium pricing strategy is selected due to market data, as the sales % of the total volume of premium gins increased from 2.4% in 2008 to 8.6% in 2013, while other price strategies were overall decreasing in volume, see **other appendix 13**. Premium products are also very appreciated by barkeepers and consumers. The price elasticity is high for a gin with a good taste and a high quality, they are the main drivers for buying a gin. Furthermore the defined competitors are also following a premium pricing strategy.

5.4.2. Price tactics

For setting and measuring a premium price a benchmarked brand needs to be considered. In this case it is Gordon's Gin, so Euromontior. The price of a premium product will be 30-49.99% higher than the price of the benchmark brand.¹⁵ Gordon's is priced at 9.06 EUR for 0.5 litre, which makes 18.20 EUR for one litre. Nevertheless the direct competitors also have to be considered. They have a price range from 24 EUR – 32.5 EUR for 0.5 litre. Considering this, Zeppelin Dry Gin will be priced at 29 EUR retail price for the Lady Grace and Captain Eckener edition and at 32 EUR for the Zeppelin LZ 127 editions, as they underlie a change in recipes, causing higher costs. The total calculations see appendix, **marketing objectives**.

	Pricing [EUR] Lady Grace & Captain Eckener				Pricing [EUR] Zeppelin LZ 127		
	2015	2016	2017	2018	Jun-16	2017	2018
Units [#]	3,000	55,000	75,000	75,000	40,000	75,000	125,000
Retail	29.00	29.00	29.00	29.00	32.00	32.00	32.00
= Gross sales	21.19	21.19	21.19	21.19	23.38	23.38	23.38
= Net sales	19.07	19.07	19.07	19.07	21.04	21.04	21.04
= Gross margin	10.49	10.49	10.49	10.49	11.57	11.57	11.57
= Contribution margin	4.93	9.58	9.82	9.82	10.76	10.71	11.05
= EBT	2.71	9.22	9.56	9.56	10.64	10.57	10.97
= Net profit	1.98	6.73	6.98	6.98	7.77	7.72	8.01

Table 8: Price & profit calculation, Zeppelin Dry Gin 2015-2018

¹⁵ Euromonitor International (2014) 1, p. 5, 6

6. Conclusion

After having studied competitors, consumers, barkeepers, and the gin industry in Germany and considering market trends, the introduced marketing plan was developed in respect of every single detail gained from the research and market knowledge. For that reason the first launch in September 2015 should meet consumer demands, preferences and attitudes, to successfully sell the Lady and Gentleman editions followed by the changing limited editions to fully meet the set marketing objectives. By the time the first three editions of Zeppelin LZ 127 have been introduced in to the market, Zeppelin Dry Gin should offer a box with three 0.2 litre gins of the different editions for the purpose of gifting or the buyers own use.

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