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## Marketing Plan for Gazela



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## Executive Summary

Sogrape is a prestigious and well-established company in the wine business with a long history of successful brands. One of those successful brands is our green wine\* Gazela, which will be the focus of this plan at the national level. Casal Garcia is the brand leader in the green wine segment and is our direct competitor, as our objective is to reach category leadership in the medium-long term.

There has been an overall tendency in the wine market of growing quality wines that want to be seen as prestigious by consumers. Consumers also associate this market to more formal occasions and to only accompany meals. Gazela has been working against this tendency and throughout its history it has rejuvenated its positioning relative to other brands. It is an innovative brand and in 2004 it repositioned itself to be able to enter the market of out-of-meal wine consumption. This was the first step Gazela took in exploring the potential of this new market segment. In 2010, Gazela will take another step by innovating once more and re-launching its brand with the introduction of Mini Gazela, a 20cl PET bottle. It will be able to reach consumers where they weren't reached before and will start competing against beer brands as Mini Gazela was created so it could be consumed in occasions similar to those of beer. With this new product launch, Gazela will reinforce the path it has been taking of making itself relevant for out of meal occasions. This is a market that has high potential to attract new users and we will continue to explore other alternatives of reaching consumers in out of meal occasions in the future.

With this re-launch we hope to reach a share of at least 15% to guarantee the trail of becoming market leader. The original Gazela bottle will continue to be present in the modern distribution and HORECA with a strategy of continuous differentiation of our brand versus others in the category, therefore adopting a neutral pricing approach. As for Mini Gazela, for the time being, it will only be launched in the HORECA channels and festivals with a price point that will be able to compete with beer brands but at the same time showing that it is a quality wine and a relevant alternative to other beverages, since it will be priced a bit higher. Lastly, an integrated communication plan will be developed to promote the brand re-launch. Traditional media will be used as well as sampling activities to create awareness around the brand and pull consumers to try Mini Gazela. Additionally, with the new Gazela format targeting a young segment, we will use online tools to communicate so we can be closer to those consumers and create word of mouth.

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\* Green wine is literally translated for means of reading facilitation. "vinho verde" is the name of a wine producing region in Portugal.

## Introduction

Gazela was the first brand to be created in the green wine category by Sogrape. It was presented to consumers in 1985 as a prestigious wine from the Minho region, highlighting the careful care in production and emphasizing the freshness and lightness of the wine made possible by the region it was born in. In the 90's, the campaigns for the brand continued to point out the wine's unique taste, ideal to accompany meals. A few years later the brand's image (label) simplified to follow consumer trends and desires. Gazela showed its innovative spirit with TV campaigns out of the ordinary for the wine category and it's positioning started to shift to target a younger public.

In 2004 the brand was re-launched with a more contemporary and youthful image under the pretext of having room to grow and eventually become market leader, since 60% of consumers prefer Gazela's taste. We invested heavily on this launch opening a precedent to large investments in marketing campaigns within the wine category and consequently brought dynamism to the green wine category, increasing its growth rate. Never drifting from the core benefit of its fresh and light taste, Gazela created a new positioning, which not only speaks to a younger target but also appeals to the consumption of Gazela in new usage occasions. Now the brand will reinforce this positioning by launching Mini Gazela, a new packaging format, which has the potential to closely reach consumers in their daily lives, strengthening their emotional ties with the brand so they continue to realize how Gazela "sabe bem com a vida"<sup>1</sup>.

## Current Situation

### Internal Environment

Analyzing the internal environment is important in order to discover which are the main strengths and weaknesses of the company. This way it is easier to exploit the strengths to their advantage and be aware of what needs to be worked on in order to maintain an advantage.

First off we should look at Sogrape's mission: "to drive this family-owned *quality wine company* forward and to continue its international growth with a strong focus on the *development of premium Portuguese brands*"<sup>2</sup>. This is the base for everything we do. Furthermore, the company's values will also determine our way of doing business. These are stated below (**attachment 1**) and as we can observe the company has a strong commitment to all its stakeholders and is determined in delivering value for all of them.

Secondly, available resources have to be analyzed in order to discover other potential advantages and disadvantages. It is important for management to balance

resource allocation to ensure successful performance<sup>3</sup>. We are well organized in this aspect. We have a strong advantage due to our human resources since we started as a small family owned business. Now we are a large company where family culture is still maintained but with the knowledge that to stay competitive it is necessary to reinforce professionalism and qualification. As such we invest in our human assets by developing their knowledge about the business<sup>4</sup>. The work environment the employees experience in the company keeps the morale high, which leads to greater performance.

Furthermore, thanks to Sogrape's dimension, a large part of our financial resources can be allocated to the marketing department. This is also due to the knowledge we have of the crucial importance of not only knowing how to produce a wine but also of possessing the techniques to sell it. This marketing knowledge leads to one of our main competitive advantages, which is the availability of informational resources. A great part of our budget is spent on anticipating consumer trends and analyzing consumer preferences to be sure our wines are aligned with customer tastes. The last aspect of resource availability is related with supply. We have strong relationships with our suppliers provided by our program of partnership development with our strategic suppliers.

Next we should take into account the company's offerings. Sogrape has a wide portfolio of wines that meet the needs of every type of consumers. We have wines for different customer segments and for different usage occasions. This is, once again, due to our investment in marketing strategies and innovations, making us have superior marketing expertise when compared to our competitors in Portugal. By the future introduction of a new line extension to our brand Gazela, we will surprise consumers once more. The new packaging format will provide growth for the brand by enriching its basic promise through diversity and by a finer segmentation of the consumer need of convenience that will allow consumers to drink Gazela in different consumption situations<sup>5</sup>.

Previous results also give us a sense of the current situation and can help predict the future direction of the market. In Portugal, Sogrape is the leading producer when the international market, port and whiskey businesses are taken into account. At the internal level, (Portugal wine sales) Sogrape's rank has varied between 3<sup>rd</sup> and 5<sup>th</sup> in the last 3 years (**Attachment 2**). However there are efforts to change this fact as can be seen by the sales growth of most of its main brands in 2007. Gazela is a brand that has been growing steadily every year. It has experienced growth rates in the double digits range in

the last two years but has still not been able to reach the market share level of its direct competitor, Casal Garcia (**Attachment 3**).

Lastly the state of business relationships also shows a company's strengths and weaknesses. Sogrape fosters good relationships with both suppliers and distributors. Other than having a program of partnership development with suppliers we also have signed a protocol of cooperation with the School of Biotechnology from the Universidade Católica do Porto to pursue enological investigation. This allows us to be ahead in the discovery of techniques at the viticulture level and to offer the best quality products to our customers. On the distribution side we have our own structure called Sogrape Distribuição. This organization manages the distribution of our wines and a few other brands from foreign companies. This arrangement allows us to have power over decisions of the level of market coverage we desire for each brand in the retail channel and also enables us to build closer relationships with these. As for the HORECA channel, we have distributors or operators that handle the business in that area.

#### Keys to Success and Warning Signs

Sogrape's main competitive advantage is the knowledge and interpretation of the tendencies and preferences of consumers<sup>6</sup>. We put this knowledge to good use and every year marketers and enologists meet before the harvest to decide on guidelines for each brand in order to be constantly in line with consumer tastes. Ultimately, we have the enologists working for the marketing department. Another source of advantage is related to this marketing knowledge. As we keep ourselves alert to consumer tendencies, we create new products and update current product images to meet customer desires. Therefore Sogrape can also be defined by its innovation and by its history of innovative culture, as we have been successful in bringing new concepts to the Portuguese wine industry.

A crucial factor in this industry is distribution, especially in the HORECA channel. It's a competitive and saturated industry with many wine references. This fact means that operators have to distribute brands from various producers, which causes dispersion in the sales teams and loss of control by the producers. Furthermore, in HORECA establishments, they only choose a limited number of brands to include in their list for each wine category. For Gazela, which is a green white wine, it means restaurants choose between Casal Garcia and Gazela or another brand which can cause a few difficulties<sup>7</sup>.

## External Environment

Exploring the external environment will give us a better understanding of the dynamic forces and trends affecting the current marketing situation. This scanning will help uncover opportunities and threats that can be addressed in the marketing plan<sup>8</sup>.

As demographic and socio-cultural trends can go hand-in-hand I will analyze them together. Portugal has a population of roughly 10,600,000 individuals, which is characterized, like all other industrialized countries, as an ageing population. However, adults ranging from 20-40 represent approximately 40% of the population and even though the population is older, it doesn't mean there aren't opportunities to take advantage of in a younger age segment. Gazela has a rejuvenated image and can consist of a point of entry into the wine category for many young consumers, which in turn can guarantee future adherence of wine consumption and increase purchases by current and new users who relate more to the new communication of the brand. Additionally, the younger age segment is more prone to accepting product innovations and will more likely welcome the future introduction of an individual sized PET bottle of Gazela.

Wine consumption in Portugal has fallen from 63 to 47 litres per capita/year from 1990 until 2003<sup>9</sup>. This is a considerable decrease but it still doesn't stop the Portuguese from being one of the most wine-consuming populations in the world (**Attachment 4**). The decline can be explained by several factors. Firstly, since the PIB/capita in Portugal has increased over the years it has led to an improvement in the standard of living of the population where consumers are more demanding and prefer quality products instead of quantity. Due to this tendency, Portuguese wines have been positioning themselves with a premium image. Secondly, there has been a change in eating habits where consumers are more preoccupied with their health and wellbeing. This has led to the increase in non-alcoholic drink consumption (**Attachment 5**). Lastly, anti-alcohol campaigns and stricter road control make the population more concerned with the quantity they drink.

Even though the population has decreased their wine consumption, it is important to notice that buying wine nowadays, reminds consumers of a pleasure of a good meal, a special occasion that will be celebrated or even just of a good time chatting with friends. Essentially, consumers look for pleasure, health and convenience when it comes to wine consumption<sup>10</sup>.

Economic indicators portray a grey atmosphere for the near future. This means difficulties lie ahead for all business areas, some more than others. The alcoholic beverage industry, and specifically the wine segment, usually doesn't have a very volatile

demand although it probably will follow economic movements. As such, it is necessary for companies to offer products that are useful and valuable to consumers since their purchasing power will be decreasing and the level of unemployment will be on the rise. On the other hand, this can constitute an opportunity for the launch of mini Gazela since this packaging will be cheaper and will democratize the access to wine.

The wine market is highly regulated and trends in this area should be carefully monitored. The legislations cover everything, from the process of wine production until how it should be sold to consumers. An example is the restriction on TV advertisements, which are only permitted after 22:30 p.m. and can obviously reduce the impact of a marketing campaign. Other legislations that affect this sector are the ones regarding the battle against alcohol as has been mentioned. These laws have affected the wine industry more than the beer industry due to the higher degree of alcohol in the former beverage. But nowadays companies are taking a proactive role in the fight against alcohol, such as Sogrape, which has a relevant position in promoting the benefits of drinking wine with moderation.

Environmental factors will always constitute a threat in this industry. Costs can vary every year depending on climate conditions. This year's grape supply will be lower which will increase wine production costs. Also, the future introduction of a PET package can constitute a threat due to certain associations people have of plastic. However this can be managed by showing the advantages plastic has versus other forms of packaging and how it can reduce the carbon footprint.

In this industry, there are no real technological advancements although the PET package itself can constitute an innovation in this sector in Portugal. It is now possible to bottle wine in PET without changes in the wine's taste. However, it can't be used for wines that are to be aged and consumed in the long term, making it only suitable for fast consuming wines. Other trends exist that should also be seen such as the possibility to influence the style and flavor of a wine<sup>11</sup>. There are ways to guarantee the quality of a "mass-market" brand of wine. This is the only way companies can create and build "brands" for wine. These techniques assure the loyalty of consumers because taste is a decisive factor for wine choice and can lead customers never to buy a wine again if it is disappointing<sup>12</sup>. Finally, innovations at the packaging level can have a great impact on consumer sales. Gazela was the pioneer in the introduction of an original label, which has the particularity of being readable from every angle even when the bottle doesn't have its front directed to the consumer.

Lastly, we should look at the market and its players to see how competition affects Sogrape and particularly Gazela. The wine market is a highly fragmented one. Taking only into account the green wine category, more than 3000 references of wines exist. The 9 largest brands together accounted approximately for 51% of sales in 2008. Due to the existence of a large number of green wine brands, there is a band of low priced wines that compete with price and represent a significant volume of sales.

However Sogrape is above this low priced segment and invests on the differentiation of Gazela from its competitors in order to create higher brand awareness and communicate the ultimate value of the wine to the final consumer. Other competitors Gazela faces are other alcoholic drinks such as beer. The beer industry can be a threat, as the two main players in the market have large budgets for marketing and invest many resources in advertising. Also these companies have sub-segments of beers, such as “Bohémia” and “Abadia” that directly compete with the wine business as they were specifically made to enter the restaurant business and accompany meals.

### Market and Customer Analysis

The wine market can be broken down into different wine regions where the green wine market (Minho region) represents approximately 14% of the total market sales. Gazela holds 8% of this segment and has been gaining market share every year at a much higher rate than the category leader, Casal Garcia, which maintains a steady share of 20% (**Attachment 3**). The green wine category was experiencing sales decreases until 2004 when Sogrape re-launched Gazela with a renovated image. This had positive results on consumers’ image of Gazela, who thought the brand was innovative and distinctive, and it highly contributed to the revitalization of the segment, which is now growing roughly 5% (**attachment 3**) per year but is forecasted that in the following years this level of growth will diminish. Casal Garcia has maintained its leadership due to its long heritage in the green wine market as it was created in 1939. However, it still maintains a spirit of tradition, reflected by its label (**attachment 10**) decorated with traditional lace. Gazela will compete with a different positioning, one that doesn’t appeal to the solemnity of drinking wine, having therefore a chance to continue growing to reach its direct competitor.

Consumer insights are essential to look at because they can define the next steps a brand can take. By looking at primary and secondary research, we can see that Gazela has a few opportunities to explore. Firstly, we should see that Gazela has good indicators when it comes to the wine’s taste, which is a crucial choice driver. Gazela is in second

place in the preference rank after Casal Garcia (**attachment 6**). Therefore it still has room to grow within the green wine category. Additionally, according to the research on the Portuguese wine consumer, wine is mostly consumed during meals<sup>13</sup>. This means our brand has an opportunity to promote itself into usage occasions other than meals. Gazela can especially promote this consumption to young adults and women since they seem to be the most receptive to our brand.

Now buyer behavior will be analyzed in order to employ the most effective tactics in the marketing mix. Looking at consumers, when trying to pick a brand of wine, they may follow various choice criteria. Starting with price, the maximum amount consumers are willing to pay for a wine depends on the occasion and place of purchase. Consumers with a lower income, which definitely includes the young segment, are most influenced by the price they pay. However, to avoid risks, in certain occasions, such as offering a wine, everyone is willing to pay a higher price hoping the quality will also be higher<sup>14</sup>. This reflects the approach/avoidance buying situation where the approach is the anticipated benefits and the avoidance is the sacrifice consisting of the price<sup>15</sup>. Therefore, wine can be a low-involvement buying situation for some consumers and occasions and high involving in other situations.

When picking wine, consumers can go through a complex decision making process where evaluation of brands is done before the purchase. This leads consumers to think before they act, as is common with more high involvement purchases<sup>16</sup>. This method of choosing is aligned with adaptive criteria, which reflects consumers' desire to reduce risk and uncertainty in buying. With such a wide range of wines available, it is understandable that consumers want to make a choice that is the most socially appropriate and that won't disappoint them. One approach to do this is buying the most popular brand since its like dealing with someone about whom you have heard a lot of good things<sup>17</sup>. This is why Gazela is building a brand, so it can avoid the uncertainty consumers confront themselves with when picking a wine. With a strong brand and one that consumers relate to, it will help them have confidence in their choice and avoid social and emotional risk.

Another way of picking a wine can simply be by intrinsic liking where the brand choice is based on nothing more than anticipated pleasure or enjoyment<sup>18</sup>. This is aligned with low-involvement purchases, which is the level of involvement that most consumers have with wine. Here the senses play an important role and in this market, the packaging can influence a consumer, so with Gazela's strong, appealing and aesthetic label, it encloses an advantage in this area. Obviously, after a choice is made, consumers evaluate

their level of satisfaction according to the taste of the wine and determine whether the price was fair according to their experience. This criterion, once again, favors the most familiar and available brands. Therefore, Gazela continuously tries to involve consumers with the brand through promotions illustrating emotional appeal and personal relevance. With constant advertising, Gazela will become more familiar in the minds of consumers leading it to be a preferred brand.

In sum, wine choice first depends on the consumer and occasion, which defines the price they are willing to pay and the degree of involvement in the decision-making process. After, consumers tend to pick a brand that is known to them so uncertainty in their decision is reduced. They can also take a risk and pick a brand that appeals to their senses leading them to evaluate their choice after consumption is made. It is essential for the experience to be positive so repeat purchase is assured.

As a new packaging format will be introduced next year I conducted qualitative research to assess consumer response. For this initial phase, I find exploratory research is the most adequate to use because the packaging is unknown to consumers, so it would be difficult for people to have immediate answers and thoughts to something they have never seen or used before. Consequently, I employed a direct qualitative approach by the means of a focus group, which is the most effective method for this particular problem because of the provision of an ambience where ideas and thoughts multiply themselves exponentially and ultimately lead to a wider range of information when compared to in depth interviews<sup>19</sup>. But as only one focus group was arranged, I complemented it with 8 in depth interviews.

From the qualitative research I found that, in the minds of young adults, differences exist in the various types of wine. It is clear that wine has a strong cultural association but it is most expressed and represented in the red variety. Explicitly, it appears that all varieties have this cultural burden but implicitly it is understood that the green, rose and white varieties have other functions, due to their organoleptic characteristics. Whilst red wine comes out as a formal and sophisticated drink, more appropriate for formal occasions, the other varieties are seen as fresh and easy drinks that can be consumed in informal occasions. So, the real perceived problem is that when young adults are asked to speak about wine they make an immediate association with red wine along with the cultural burden it encloses, even though the other wine varieties have other functions and potential.

Also observed in the research, specifically in the focus group, was that plastic packaging has a positive image in the eyes of young adults since it is seen as a young and

dynamic type of package. Given that young adults lead very active and social lives, spending most of their time out of their homes, plastic packaging is perfectly aligned with their way of living. A final opinion reached in the study was about the Gazela brand. The interviewees have a positive opinion of Gazela since it is young and appealing and is in line with the life experiences of people in their age category.

As a result, an opportunity exists to launch mini Gazela if it is commercialized escaping the logic of red wine. Since young adults have a favorable image of plastic packaging and the Gazela brand is attractive, it will be possible to launch mini Gazela by marketing the product as belonging to the alcoholic drinks category instead of the wine category, which has many cultural associations (**Attachment 7**). But more research will be conducted next year, after consumers have a real experience with the new packaging format.

### SWOT analysis

#### Strengths:

- Sogrape has a strong advantage in terms of marketing experience in the wine sector. The company has resources that its competitors don't and as such is able to invest more in marketing.
- Strong in innovation with constant product launches and image renovations. Gazela has a bold packaging that is distinctive and stands out on retailers' shelves and meets consumers' tastes.
- Gazela is strong for the product itself as proven in blind tests where consumers prefer its taste, which is a major driver of choice for customers and has the ability to generate more demand.
- Gazela is achieving higher growth rates than the category brand leader.
- Second brand with the highest penetration rate, 37%. (**attachment 6**)
- Healthy partnerships that allow Sogrape to have high distribution levels on the off-trade (100% hypermarkets, 98% supermarkets)

#### Weaknesses:

- Still hasn't been able to surpass a certain low quality perception consumers' hold in their minds<sup>20</sup>.
- Gazela holds low HORECA channel coverage. Covers only 1/3 of the number of clients Casal Garcia holds.
- Still has a lower level of brand awareness, especially in the Lisbon region.

### Opportunities:

- Space to grow in terms of distribution on the on-trade channel, entering new circuits such as festivals with Mini Gazela.
- Take advantage of the young segment that is more prone to accept product innovations.
- Opportunity to grow in a different direction with a new positioning when compared to the rest of the market that relies on traditionalism.
- Mini Gazela will have the ability to reach consumers where they weren't reached before, in different consumption occasions. It will renovate the presence of wine in the life of the Portuguese population, especially the young segment.
- Pet packaging can reduce Sogrape's carbon footprint due to its lighter weight when compared to glass and it takes less energy to recycle.
- Portugal has large tourist influxes in the summer and so there is an opportunity to reach those consumers with the uniqueness of green wine.

### Threats:

- Overall legislation, especially anti-alcohol and tobacco campaigns, which have influence in decreasing alcoholic beverage consumption.
- Consumption of beverages with lower alcohol percentage or alcohol free is increasing due to a bigger preoccupation with health.
- Negative associations people have with plastic.

## **Marketing Strategy**

### Mission

Sogrape is recognized for its excellence in the wine market and is committed to improving the quality of its diverse portfolio of wines. The values that guide us were designed so that all stakeholders are kept satisfied. From our stockholders, to clients and customers, and society in general, everyone matters and everyone has something to gain from us. These make our relationships healthy and durable because a sense of fairness is felt and makes everyone want to contribute to the success of our brands. In the particular case of Gazela, the quality of the wine will always be a priority, as well as its innovative character, so that clients are gained and maintained in order to reach category leadership in the medium-long term.

## Objectives

The purpose of this plan is to define the next steps Gazela has to take to continue to communicate its brand values and reach market leadership in the medium-long term. It is a three-year plan, where a new packaging format will be launched in June 2010, which has as main objective capturing a young segment to consume wine. With Mini Gazela, we hope to achieve approximately €4,000,000 in sales by 2012. Gazela is estimated to grow 30%, 25% and 20% in turnover in the next three years, reaching just over €19M in total revenue. With this growth, our brand will obtain 15% in market share, contributing to close the gap on our direct competitor, Casal Garcia. Another objective will be to enter the festival circuit with Mini Gazela and to close our distributive gap on the on-trade channel so we can achieve higher visibility and rotation for the brand.

## Segmentation and Targeting

Segmentation means to divide the population into homogenous subgroups according to several criteria that distinguishes them so the company can decide which groups are the most attractive to target according to their capabilities. One theory says that usage patterns should provide the starting point for market segmentation. Subsequently, other criteria can be used to make this usage approach more efficient<sup>21</sup>.

Applying the usage-based approach, Gazela will primarily target competitors' users. With the Mini Gazela launch we want to grasp a new source of business, which will mainly come from beer consumers or simply consumers who are unhappy with the alcoholic beverage choices. This is a segment that has the greatest potential to adhere to our new packaging format and Mini Gazela constitutes a good substitute, especially for women, due to the light and refreshing taste of our wine. With the green wine category growing roughly 4-5% per year with a forecast of a diminishing growth rate, the strategy of aiming for competitors' users is very attractive. Secondly, Gazela will target consumers who will be new to the category due to their stage in life. Consumers who initiate wine consumption usually begin with white wines due to their softer characteristics. Therefore, Gazela has to take advantage of this aspect and direct those consumers to try the brand. Lastly, Gazela will target current users. As they already are brand loyal it is more likely they activate favorable associations to the brand and hence be attractive candidates for trial and repurchase<sup>22</sup>. With this strategy, Gazela's penetration rate will increase and it will maintain users due to its superior benefits, such as taste.

Now it is helpful to identify criteria that correlate with usage. These factors help in the commercialization of the product by indicating which places are the most appropriate for distribution and advertising<sup>23</sup>. Starting with age, Gazela's target will be the Portuguese population between 18 and 30 years old. It is common for young adults to initiate in this category at 18 years of age and even more typical with white wines. These wines will always be pleasant and therefore they should accompany the life of the consumers as they become more experienced in the general wine category. Also, as this wine is light in taste, women should especially be targeted as they have a tendency to prefer white wines. They may not be the main brand choosers in supermarkets but they will be choice makers in the HORECA channel. As for social class, the main targets are A/B and C, as this is the population that is most receptive to Gazela's communication. Finally, the main geographic locations that will be targeted are the Lisbon, Porto and coastal regions since this is where a higher density of population exists. Lisbon still remains to be explored and is a market that has a big potential as the population that lives in that area seem to be more brand-oriented and loyal to brands (attachment 6).

### Positioning

Brand positioning means emphasizing the distinctive characteristics that make a brand different from its competitors and appealing to the public<sup>24</sup>. Positioning aims to explain the meaning and value of a brand to consumers. To establish a brand position we should start by identifying its category membership. Membership indicates the product's frame of reference and with whom it competes<sup>25</sup>. One way to do this is by transmitting an image of who uses the brand and on what occasions. However, we first have to understand how the category is divided and understood in consumers' minds. In this business, we can divide the category of alcoholic beverages into two sub-categories, beverages for meal occasions and beverages for out of meal occasions. (**Attachment 8**) Gazela's re-launch in 2004 enabled the brand to enter the out of meal sub category due to its renovated image that became modern, young and authentic and due to the promotion of green wine consumption during out-of-meal events. Consequently, Gazela now competes with other green wine brands and beer. The launch of mini Gazela next year will reinforce the position of Gazela for out-of-meal occasions as it is an adequate packaging format that matches the one of beer at purchasing points in HORECA channels.

The next step in the creation of an effective positioning is to develop compelling points of difference that will show the main benefit and how the product will be

preferred in relation to other members of the category<sup>26</sup>. Since image was used to create membership, a physical attribute can be used to create a point of difference<sup>27</sup>. The main benefit that makes Gazela appealing is the fact that it is a light, refreshing and flavorsome drink that presents itself as a prestigious alternative to other beverages. This benefit is unique, one that prompts category use and is guaranteed by Sogrape, which is the reason to believe. As for Mini Gazela, besides the guaranteed quality drink it will hold, the PET 20 cl size packaging will be perfect for young consumers, as it will meet their needs of convenience and wider choice.

Having defined the brand's stance, we can now connect all the key aspects of the marketing strategy into two positioning statements, which would look like the following for Gazela<sup>28</sup>: "To all young men and women, Gazela is a green wine that is ideal for every usage occasion due to its light, refreshing and flavorsome taste. With Gazela, you can be sure to experience a quality drink because it is brought to you with the seal of Sogrape". For Mini Gazela: "To all young men and women who lead active social lives, Mini Gazela is a green wine with a light, refreshing and flavorsome taste that offers you greater convenience when you want a soft alcoholic drink in an out of meal occasion. With Mini Gazela you can be sure to experience a quality drink during out of meal events because it comes in a 20 cl PET packaging and is brought to you with the seal of Sogrape". **Attachment 9** summarizes the positioning of Gazela.

### Strategy Summary

As has been seen, Gazela is an innovative brand in the green wine category and this is the strategy we want to follow to reach market leadership. Having analyzed and taken into account consumer trends, we will innovate once more by launching Mini Gazela. We find this product is aligned with young consumers lifestyle and we maintain our promise of delivering a quality drink that comes in a new shape. We want to reach market leadership in the medium long term and to this end higher visibility will be needed. To achieve higher awareness we will definitely have to improve our on-trade distribution, by also entering channels where we weren't present before, such as festivals.

## **Marketing Mix**

### Product

Product strategy entails choosing both tangible and intangible benefits the product will embody<sup>29</sup>. It's important to look at the various dimensions a product possesses. We will start looking at the features, benefits, design, packaging and finally

brand equity of Gazela. Those dimensions are what add value to the brand in the eyes of the consumer. With those plans, consumers will be able not only to recognize and distinguish the product from its competitors but also form a positive image of the brand over time, which is the basis for building brand equity. They have to identify the performance related benefits the product holds and also learn about the real identity and vision that lies behind the name of the product so a relationship based on trust can begin.

To plan the product strategy we will focus on the re-launch of the brand Gazela based on Mini Gazela. The strategy will have as objectives the boost in category growth, the increase in awareness of the Gazela brand and the reinforcement of its positioning of being an unpretentious wine that promotes conviviality and doesn't restrict drinking occasions.

Gazela is a green wine produced entirely in Portugal. The wine is made partly with Sogrape's own grapes and the other part bought from other producers. The winemaking process takes place in Sogrape's installations and is bottled in Avintes. It has a citrus color, a sweet flavor balanced with a fresh acidity and a floral aroma. The generic product is a bottle of wine whose core benefit is the delight of drinking a light alcoholic drink. Consumers usually expect a package that contains the wine in a way that will protect the liquid. Gazela now offers two sized bottles, the typical 75cl and 37,5cl and will offer Mini Gazela that will hold 20cl. The augmented product is the unmatched light, flavorsome drink, that is placed second in the consumers' preference rank, together with the image Gazela transmits of being young, innovative and close to the consumers.

Quality and design are two important dimensions in the eyes of consumers. The overall perceived quality that emanates from the design of the package and after from the trial of the wine should be higher than competitors. Quality is how well the product satisfies customers<sup>30</sup> and as already seen Gazela performs better in blind tests than the direct competitor. Second, the design of the product meets other needs of the customers. An aesthetically appealing design provides emotional quality for the consumer, which Gazela provides with the renovated image of the bottle and label that makes it stand out from the main competitors. Also, the Mini Gazela bottle will also take into account this need to transmit quality through its packaging.

Besides communicating the language of a brand, packaging and labels keep the content safe and provide useful information. In **attachment 10** we can see the attractive Gazela bottle and label. The objective of the label is to maximize the experience a consumer can have with the wine because it has instructions on how it should be

conserved and at what temperature it should be drunk. Packaging and labeling can also be a means of differentiation. We carefully planned how the packaging should look like so it would sell from the shelf<sup>31</sup>. In the modern distribution, Gazela is available in a 75cl sized bottle or a multi-pack with four 37,5cl bottles. This multi-pack has an easy to carry carton surrounding the bottles, which can also be seen in **attachment 10**. The objective of these two product lines is to create a strong billboard effect and to communicate the values of the brand more prominently at the point of sale. The offerings of the HORECA channels are 75cl and 37,5cl bottles and in 2010 they will also include the Mini Gazela package containing 20cl of wine.

Gazela has slowly been building a brand since its creation. We have been working on creating awareness and building strong, favorable and unique associations. This can be seen through the main brand elements of the wine: the elegant lettering, the symbols present on the label and the transparent bottle with a green appearance. All these brand elements together with the brands communication, point of sale materials in both channels and sponsor events, transmit the values and meaning of the brand. Consumers can perceive that the brand is modern, reliable, innovative and fresh with the whole brand strategy. Sogrape understands the importance of branding because ultimately a brand simplifies consumer decision-making, reduces risk and sets expectations<sup>32</sup>. As we have seen above with the adaptive choice criteria, a well-known brand will reduce buyers' uncertainty, relative to performance for example, especially in a category with a wide range of choices. In order to differentiate itself from competitors Gazela talks to the target consumers handing them not only a good price quality drink but also an image that relates to their lifestyle. This is why our company chooses to practice an endorsed brand strategy. We don't have center stage but we provide credibility and reassurance and we give Gazela the freedom to create its own associations, needed to speak directly to its target market<sup>33</sup>.

Customer based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable and unique brand associations in memory<sup>34</sup>. Therefore, consumer knowledge about a brand is what dictates and creates brand equity. Brand awareness and brand image is what constitutes brand knowledge. Gazela will focus in building awareness and creating strong, favorable and unique associations in consumer's minds so as to become their preferred brand. According to research (**attachment 6**) Gazela's brand recall is 45% and brand recognition is 96%. Wine choice can take place at the point of sale or prior to the point of sale (HORECA). At retailers, consumers will recognize the brand name, packaging

and symbols when standing in front of it, making brand recognition important to achieve. In HORECA channels, brand recall will be necessary for Gazela to be chosen in these circuits. One way Gazela will improve brand recall will be to increase the breadth of brand awareness since this is sometimes the best route to improve sales<sup>35</sup>. We will show our brands uniqueness by transmitting its innovative character and how it wants to be a trendsetter that meets consumer needs with the launch of Mini Gazela in a PET package (**attachment 11**). With this new packaging consumers' breadth of brand awareness will increase since our brand will come to consumer minds in a much wider variety of consumption situations. We will also improve awareness by investing in traditional media to increase brand exposure and by creating positive experiences at the point of sale. Also, the brand will induce trial so consumers experience the unique flavor of Gazela, which, as has been seen, is preferred to other brands of green wine.

Defining Gazela's brand identity will emphasize its uniqueness because it will complement the brand's positioning statement by reinforcing the meaning, aim and self-image of the brand<sup>36</sup>. In **attachment 12** you can visualize the identity prisms of Gazela and Mini Gazela. All brands can be characterized physically, these are the first aspects that come to mind about the brand. Gazela is distinguished by its unique packaging that transmits lightness and by the pétillance of the wine. By means of its communication Gazela personifies a young, original and authentic person. The set of values that feed the brand's inspiration are the green wine region, the fact that it is a typical Portuguese drink and the innovative spirit. Being unpretentious, close and informal is the way the brand relates with consumers. The brands reflection portrays the typical users who are sociable young men and women. Finally, the target sees itself as being relaxed, independent and having a positive spirit toward life when consuming the brand. In sum, Gazela is a brand that promotes moments of conviviality, pleasure and fun.

Mini Gazela will have a similar brand identity since it is beneath the umbrella brand Gazela. The essence of this sub brand will also be about conviviality, pleasure and fun. The only aspects that will change are its physique, which will be characterized by the PET package and obviously also by the pétillance of the drink. The other aspect that will change will be the brands reflection portrayed by its users. Mini Gazela will especially be for sociable young men and women who lead active lives, spending much of their time in out-of-home events.

### Price

Pricing is crucial for companies as it is the only element in the marketing mix that directly produces revenue and allows for the rest of the marketing mix to be financed. To

formulate a strategy for this component it is important to recognize that knowing how the consumer values the product must be taken into account when defining a price. This is called value-based pricing and is the policy Sogrape follows. First, the marketing department reaches out to the customers and finds out what they desire from Gazela and how they value the brand to, next, define the guidelines for the product. Subsequently, it is required that the marketing, sales and financial departments work together so a balance can be reached on the need for consumers to obtain good value for the price and the firm to be able to cover its costs and earn a suitable profit.

The definition of price is a proactive one. Sogrape takes into account external factors, such as competition and internal constraints so the objectives of increase in sales and market share can be reached. In the green wine category, the brands in the lowest price segment enter into price wars very easily, so Gazela removed itself from that category and in 2004 increased its price to a level that matched its main competitor, Casal Garcia, even though now the latter has increased its price. Gazela won't be reacting to the market without careful considerations and will follow a neutral pricing strategy, as price isn't what differentiates Gazela from competitors because Sogrape believes other tactics are more powerful to reach market leadership. As has been mentioned, in 2004, we increased our price target to 3€ due to our brands repositioning and higher value consumers would receive. Now, Gazela will continue to maintain the target price at 3€<sup>37</sup>. This price level is fair in the eyes of consumers and all participants in the value chain as it is high enough to yield a profit which allows Sogrape to reinvest in the brand and low enough to give buyers sufficient incentive to buy<sup>38</sup>. It is also a price that will help meet the objective of attracting new customers, because good value for the product will be perceived. As for Mini Gazela, we took into account prices being practiced in the HORECA channels for draught beer and wine glasses. This small analysis together with the focus groups results, lead us to define a price target of €3 (**Attachment 13**). This seems to be aligned with competitors' prices and consumer expectations.

After analysis of the external environment and having set price targets that are most adequate for our target and positioning strategy, we move on to look at the way we deal with each order received. Transaction management is the lowest level of pricing where an exact price has to be settled for each customer. It determines the actual revenues that are left in a company's pocket from a transaction to cover costs and contribute to profit<sup>39</sup>. Managing at this level gives us an advantage because we can control carefully the actual revenue we will receive in order to be profitable. In 2010 the list prices of Gazela 75cl will be €1,9. For the HORECA channel, the Mini Gazela will

have a list price of €1.2 and an on invoice competitive discount of 3% can be given in both formats. After, off invoice discounts can be negotiated with each client account, depending on their volume of business. These discounts can go up to 30% for modern distribution accounts and up to 27% for HORECA clients, when promotional periods are taken into account. They include slotting and stocking allowances, inventory-carrying costs, cooperative advertising, promotions, and special displays. The final recommended price for 75cl bottles for the modern distribution will be €2,99. As for the HORECA channels, we have no influence on the final price they decide to set and they can secure up to 80% margins. However, since Mini Gazela is a new product that aims to compete with beer, we will recommend a price that will range between €2,5-€3,5, depending on the client. **Attachment 14** shows the prices that will be practiced, our final pocket price and an estimate of modern distribution margins.

### Distribution

Distribution is vital to ensure that the end user receives the product at the right time and at the right place according to their desires. It is also important because it has to be aligned with other marketing strategies, which require distribution channels to work efficiently, and all members must be aware of these strategies and have incentive to make the product available for consumer consumption. The product follows a route to market due to the set of interdependent organizations involved in making it available for consumption. This route is like a production system where every member plays a part in adding value to the product by producing ancillary services that define how the product will be sold to the end-user<sup>40</sup>. The production of these value added services require a balance between costs and the level of service outputs the end user desires. However, before focusing on how the consumer wants to buy their wine, it is useful to look at the entire value chain of production of Gazela that can be found in **attachment 15**. Raw materials are gathered from Sogrape's own properties and private farmers. The wine making process starts in Barcelos and after the wine is taken in bulk to Avintes where the bottling process takes place and where the warehouse is found. Clients send their orders directly to Sogrape Distribuição and within 24-48 hours the orders are prepared and sent to the respective clients from Sogrape's warehouse.

As has been mentioned, designing a channel requires an understanding of the end consumer and the desired level of service outputs that will reduce their search, waiting time and other costs. These service outputs can be bulk-breaking, spatial convenience, waiting time, product variety, customer service and information provision.

After having identified what will satisfy the consumer, members will produce the value added services at a minimum cost.

Our target users are young adults who are very active and who want to buy a wine with minimum efforts. Wines such as Gazela are usually drunk within 24 hours, which makes consumers value bulk breaking highly so they don't have to hold unnecessary inventory. This means they don't mind paying a higher price to not having to hold on to an unopened bottle. Additionally, other members in the value chain also value bulk breaking such as restaurants who usually buy smaller lot sizes and in turn sell in units to the final consumer.

These young adults also prefer high spatial convenience. It reduces their transportation costs and allows them not to carry the heavy wine home. Research says that consumers aren't very loyal to brand wines as they will pick another brand if the one they intended to buy isn't available (**attachment 6**). Consequently, they won't go to the trouble of going to another store to find their favorite brand, which implies their preference for convenience. Evidently, little waiting time will also be demanded as consumers expect to receive the product at the moment of purchase. A future launch of Mini Gazela will obviously be useful to offer consumers a higher level of spatial convenience, as it will reach consumers where wine wasn't available in the past, such as festivals, providing a valued serviced output.

As for customer service and information provision, these are services consumers moderately demand for this type of product. In restaurants consumers are more open to suggestions given by the employees and is where a wine brand has a chance to be built and grow. Information provision is valued moderately and the most important information about how the wine should be stored and drunk is available on the counter-label. This way only the most interested consumers will read the information that is useful for them.

Having analyzed the demand side we now move on to supply side decisions that aim to produce the service outputs demanded by targeted end-users. To produce these ancillary services all members of the channel have to produce channel flows, which include physical possession, ownership, negotiation, promotion and financing. These flows are costly and should only be incurred to secure the level of outputs the consumer wants. Managing these flows is essential to Sogrape because knowing which member has incurred the cost of performing what flows helps in allocating the profits of the channel equitably<sup>41</sup> and makes sure member relationships won't be compromised. It is also

important so we know if inefficiencies in the channels exist, which will lead us to implement solutions to close those channel gaps.

Sogrape intends for Gazela to be intensively distributed, as it is a mass market, convenience good. Given an acceptable brand choice, buyers will tend to take what is offered, rather than search for their favorite brand<sup>42</sup>. Sogrape operates through its Sogrape Distribuição structure. It follows a one-level channel where they sell directly to modern distribution retailers where high coverage is secured. When dealing with the HORECA clients, Sogrape operates a 2 to 3 level channel. Some difficulty lies in this channel, as sometimes these clients are not interested in holding the Gazela brand. We will work on this aspect because Gazela covers about 1/3 of the HORECA clients its main competitor covers. Our main focus will lie in improving our performance in this channel, as there is still room to grow. To achieve this we will create a both a pull and push strategy.

To pull consumers, investments in advertising and promotion will be continued in order to build brand equity and create a desire by the part of the consumer to purchase Gazela. This way, consumers will ask for Gazela obliging HORECA channels to hold it. The other side of the strategy will also be very important to close our distribution gap. We will implement a plan to raise our distribution levels and push our products through the channels. During an initial phase, sales teams will go directly to strategic clients to sell Gazela, offering free cases of Mini Gazela and decorating materials. Also, slotting fees will be given to incentive trial and to motivate HORECA clients to hold our products. For repeat purchases we will have promotional periods offering price discounts and advertising materials.

Summing up, Gazela will mainly be commercialized in supermarkets, hypermarkets, cash and carry's, local stores and HORECA channels except for Mini Gazela, which will be available only in the HORECA circuit, mainly in cafés, bars, esplanades and festivals. We will have as main goals the acquisition of new clients in the HORECA channels, so the brand will become more visible, and the promotion of higher Gazela rotation in stores.

### Promotion

The last element of the marketing mix has great potential to build brand equity, as it is the element that speaks with consumers and most directly transmits the identity of the brand. It has the role of sending a message to the final consumer that will meet communication objectives. Integrated marketing communications will be sought so

content and delivery of all communications through the different vehicles will be coordinated to ensure consistency and to support the positioning and direction of the brand<sup>43</sup>.

A target audience has to be decided for the campaign. We should choose this audience according to the leverage of sales expected from them. The launch of Mini Gazela will take place in June 2010 so the primary target audience for the campaign will be new category users. There is a need to inform consumers about the new product format and the places where it should be consumed. However, awareness of the category won't be necessary as it already exists and the target already has a favorable attitude toward beverages. As Mini Gazela is in the beginning of its life cycle, NCU's offer good sales potential<sup>44</sup>. In sum, the target audience will be men and women aged 18-25 seeking to relax with a light green wine, who live in Lisbon, Porto and coastal areas of Portugal and the action objectives will be brand trial and retrieval.

To predispose consumers to purchase our product, they must achieve mental associations connected with our brand, called communication effects. These will define our communication objectives. Brand awareness and brand attitude will always be universal objectives but it is important to define what types we want to achieve. Firstly, looking at awareness, we would like to attain both brand recognition and recall. This is due to the particular business we are in where our product is sold through retailers and HORECA's, which makes our consumers have two purchase situations, one at the point of purchase and another prior to point of purchase. When a consumer goes to an esplanade, they will have the category need first and after it will be essential that Gazela is in their brand recall set so it can be considered in their drink choice.

Regarding brand attitude, it is a communication effect that will always be necessary for purchase. It is the evaluation of the brand with respect to its perceived ability to meet a current relevant motivation<sup>45</sup>. To identify our brand attitude strategy we have to define the degree of involvement consumers have toward this category and understand the fundamental motive for purchase. The decision-maker perceives this category and specifically Gazela as low involving due to the low risk perceived. Firstly, because our brand is becoming well known in the green wine category, which lowers the uncertainty involved in the quality of the wine, secondly, due to the low price involved and lastly due to the informal occasion where it will be purchased. Our strategy will lie in the low involvement transformational category as the motive that leads consumers to buy is positively originated and plays the role of "rewarding" the target audience with sensory gratification.

For the campaign our main objectives will be firstly to rejuvenate the wine consumers. We will convince them of the positive transformational state they will be in with our refreshing and tasteful drink. Secondly, we will build awareness by increasing both consumers' recognition and recall of the Gazela brand. We will also arouse a favorable brand attitude that will lead consumers to think favorably of drinking Gazela in distinct consumption situations, breaking with the traditional views of wine consumption. Lastly, we will also have to overcome the PET barrier with our communication. Therefore, our creative strategy will lie in overcoming the wine and PET barriers and portraying the emotional appeal of consuming Gazela, which has to take precedent over benefit claim so a favorable attitude shift is caused in the target audience buyers' minds<sup>46</sup>. We can assume that purchase intention will follow at the point of purchase if we achieve a favorable brand attitude, as this is a low involvement category<sup>47</sup>.

To achieve our communication objectives, we will use various tools. As our product will be consumed mostly during the summer, the focus of the campaign will be from March until September. March and April will consist of the sell-in period where the focus will be on manufacturers promotions so the product is widely distributed when the campaign begins. We will hold a meeting with sales teams and main client accounts to present and inform them of our plan for Mini Gazela and to let them try our product. To overcome our distribution gap we will offer a slotting allowance to the distributors (3%) to hold our new product and we will offer free cases of Mini Gazela, depending on the quantity they buy, stimulating trial from the on-trade during the launch period<sup>48</sup>. A sales contest will also take place to ensure Mini Gazela sales move forward.

During an initial period, we will plan "commando" actions to gain distribution. Sales teams will meet with individual HORECA clients, in strategic places throughout Portugal (near beaches) to directly sell Mini Gazela cases and provide them with decorating materials. After a distributor contact will be left so they can order more. Subsequently, to motivate repeat trial we will have price-offs during promotional periods (5%) besides the fixed allowance of 10-15% we pay them to ensure display of our product and share stock carrying costs and advertising. To enter festivals, an entrance fee will be paid and we will have our own booth inside the enclosed space.

The sell out period will start in June and a TV spot will be aired in that month in 2010, 2011 and 2012. The ad has to be branded, which means the packaging has to be shown for sufficient time, so brand recognition awareness is attained. It is essential for the ad to make the connection between the brand name and the category need for brand recall to be enhanced. Trying to transmit personal relevance for the consumer will also

help the target audience recall the brand. In 2010 the ad will be for the Mini Gazela launch, which will highlight the benefits associated with the new bottle format. In the following years the ads should show both products being consumed in different situations, in order to show the whole Gazela product line. Together with the TV ads, Gazela should be placed in end-of-aisle locations in retail outlets so consumers are fully exposed to the campaign and are lead to purchase our product. Sogrape will provide the retailers the proper promotional cartons to reinforce its image and recognition at the point of sale. Outdoors will be placed in strategic spots, in Lisbon and Porto and near beaches and festivals. Our target audience are young people who travel from place to place in their active daily lives, so it is likely they will be frequently exposed to this medium.

For consumer trial promotions, a sampling event will be organized throughout Portugal in 2010 to promote Mini Gazela. Sampling is a strong trial generating technique because the prospective buyer will most likely commit himself to a further purchase if it is a good product<sup>49</sup>. During two weeks (July/August) we will cover Portugal's beaches for Mini Gazela to be distributed at the end of the day.

Finally, we will bet on viral marketing due to the population we are targeting and due to the great potential it holds of creating word of mouth. There will be an interactive website and blog for Mini Gazela. These will be relevant to our target and will hold several contests to promote repeat purchase. We will encourage the target to send videos of their first experience with Mini Gazela and the most creative video will win a trip to a "refreshing" destination. During the festivals, for every Mini Gazela a consumer buys he will receive a code that could entitle him to tickets in the next festival we will be present, all they will have to do is check online if they won. We will create a group on Facebook and also give an award to the person who invites most people to the group. A database of consumers will be created and when they reach the age of 28, they will receive a bottle of wine from one of our prestigious brands to initiate them in the quality world of wines, as Gazela is only the point of entry into this world.

## **Financials**

In **attachment 16**, we find the financial analysis for this marketing plan that covers 2010, 2011 and 2012. Here we can check the viability of the plan and it will help us check if we accomplish our goals over the period. We expect to grow 30%, 25% and 20% over the next three years reaching just over €19M in total turnover. An annual category growth of 2% per year will allow us to obtain 15% market share. Mini Gazela will account for 20% of total sales and costs of goods sold represent 35% for the original

75cl bottle and 20% for Mini Gazela. Taking into account the other marketing costs, the net present value of this project, assuming a 10% discount rate, is €12,481,767.

We will invest the advertising and promotion budget on TV and outdoors, as these are medium that continue to be effective in creating immediate awareness among the target. We will also invest on viral marketing due to the affinity the target has with the web and due to the potential of creating word-of-mouth. The rest of the budget will be allocated mostly to trade promotions to ensure Gazela is widely available, especially on the on-trade channels.

## **Implementation and Control**

The last element of the plan is scheduling and control. This is a crucial step, so the organization can monitor itself, evaluate its ongoing performance and take corrective measures, if needed, to be able to reach proposed objectives. It is helpful to have a schedule, which you can see in **attachment 16**, to help everyone working on this plan check if every activity is being implemented on time.

Sogrape will use metrics to track performance. According to the objectives previously mentioned, it will be important to measure product sales to assess market share achievements; profit margins, so production and trade costs won't go overboard; on-trade growth to assure Gazela is widely available; and advertisement performance, to see if a positive brand attitude is being created among the target and if new costumers are being attracted. With careful monitoring, corrective actions can be planned, if needed, to take care of the deviations from the proposed goals.

Contingency plans also have to be thought through so we can be ready for any unpredictable outcome. Firstly, a more thorough market study will be carried out in January and February to make sure consumers are willing to accept wine in a PET bottle. If the results are unfavorable, the plan should adjust to market only the original Gazela and other alternatives to reach consumers in out-of-meal occasions, such as having draught Gazela in festivals should be studied. If Mini Gazela is marketed and consumers have an adverse reaction to plastic due to the environment, positive aspects of having plastic, such as reducing the carbon footprint due to its lighter weight, will be communicated, especially online. Lastly, should sales fall short of the predicted, the A&P budget can be increased by 20% to be invested above the line or below the line, depending on the problem. If secure levels of distribution aren't being achieved, more sales teams can be sent to the field to sell directly to HORECA clients. Also, the sell-out period can be postponed 15 days to assure the minimum level of distribution is secured.

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<sup>46</sup> Source: Rossiter, John R. and Larry Percy, 1997. *Advertising Communications and Promotion Strategy*, p.227-229 McGraw Hill, New York.

<sup>47</sup> Source: Rossiter, John R. and Larry Percy, 1997. *Advertising Communications and Promotion Strategy*, p.126 McGraw Hill, New York.

<sup>48</sup> Source: Rossiter, John R. and Larry Percy, 1997. *Advertising Communications and Promotion Strategy*, p.354 McGraw Hill, New York.

<sup>49</sup> Source: Rossiter, John R. and Larry Percy, 1997. *Advertising Communications and Promotion Strategy*, p.357 McGraw Hill, New York.

## Attachments

### Attachment 1

#### Sogrape's Values:

##### Shareholders

- Sustained growth and share value
- Sense of responsibility
- The culture of excellence

##### Customers

- Knowledge and understanding of their requirements
- Successful partnership associations
- First-class service

##### Consumers

- Knowledge of their requirements, tastes and preferences
- Development of new products
- Product quality and safety guarantee

##### Employees

- Development of highly qualified, motivated and committed team
- Respect for individuality and encouragement of team spirit
- Promotion of personal and professional achievements
- Assurance of healthy, hygienic and safe working conditions

##### Suppliers

- Successful partnership developments
- To build dynamic, steady and long-lasting relationships
- To maintain strict measures for quality improvement

##### Environment

- Pollution prevention and balanced management of natural resources
- Identifying and minimizing the environmental impact derived from our activities

- Clarifying individual and collective responsibilities towards the environment and offering guidance accordingly.
- Developing products and of production processes with less environmental impact
- To favour commercial partners who support good environmental procedures

### Community

- Support to the communities in which we develop our activities
- Respect our cultural heritage
- Safeguard legal issues and entrepreneur ethics
- Promote the moderate and responsible consumption of alcoholic drinks

### Attachment 2

Market Shares: 10 Largest Producers

	2006	2007	2008
CARMIM	6,93%	8,27%	7,21%
ENOPORT	4,24%	3,76%	3,52%
ADEGA COOP. DO REDONDO	5,98%	4,95%	4,14%
ADEGA COOP. DE SANTA MARTA DO PENAGUIÃO	1,49%	1,57%	1,57%
ADEGA COOPERATIVA DE BORBA	4,07%	4,54%	4,35%
C.A.S.I.P.	2,66%	3%	3,02%
SOGRAPE	4,22%	4,41%	4,67%
FINAGRA	4,35%	4,71%	5%
SOCIEDADE QUINTA DA AVELEDA	3,28%	3,62%	3,3%
J.P.VINHOS	1,23%	1,13%	1,26%

Source: ACNielsen(Portugal INA+INCIM)

### Attachment 3

Market Shares (%): 10 largest Green White Wine Brands

	2006	2007	2008
CASAL GARCIA	19,7	21,3	20,2
COOPERATIVA AGRÍCOLA DE FELGUEIRAS	6,7	5,0	3,8
CRUZEIRO LIMA	4,6	3,4	4,0
ADEGA COOPERATIVA PONTE DA BARCA	2,7	3,0	4,4
GAZELA	6,5	7,6	8,4
MURALHAS	9,6	9,4	12,1
ADEGA COOPERATIVA BRAGA	1,6	2,1	2,5
S.GONCALO	2,2	2,5	1,4
CAMPELO	2,1	1,5	1,5

Source: ACNielsen(Portugal INA+INCIM)

### Sales Growth (%): 10 largest Green White Wine Brands

	2007	2008
CASAL GARCIA	15,6	-0,04
COOPERATIVA AGRÍCOLA DE FELGUEIRAS	-19,6	-20,9
CRUZEIRO LIMA	-20,0	21,6
ADEGA COOPERATIVA PONTE DA BARCA	19,9	55,1
GAZELA	25,0	15,7
MURALHAS	4,4	35,9
ADEGA COOPERATIVA BRAGA	37,0	27,1
S.GONCALO	21,7	-40,1
CAMPELO	22,9	02,8

### Total Sales Green Wine Category

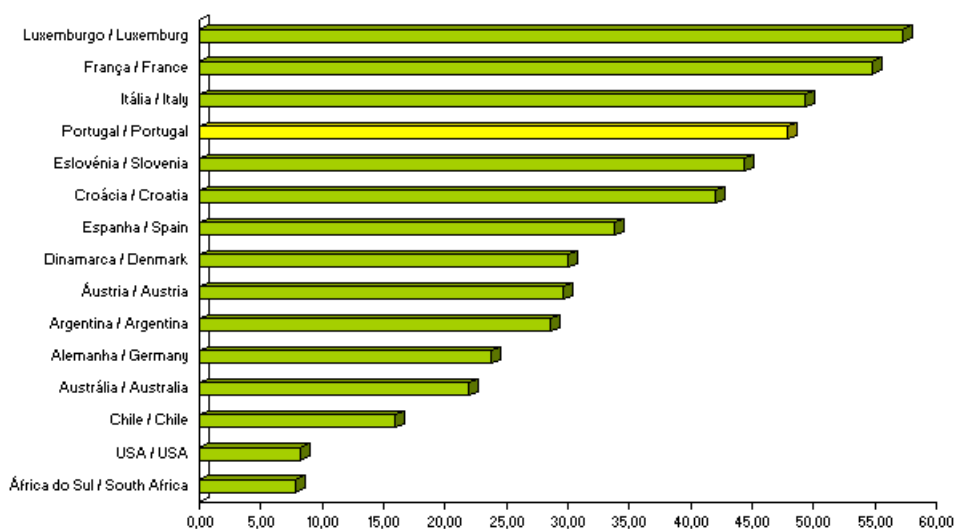
	Value in Euros	Var (%)
2006	62,769,179	
2007	66,006,002	5.2%
2008	69,873,408	5.9%

Source: ACNielsen(Portugal INA+INCIM)

Note: Nielsen data (off-trade and on-trade) covers only 60% of the total market sales.

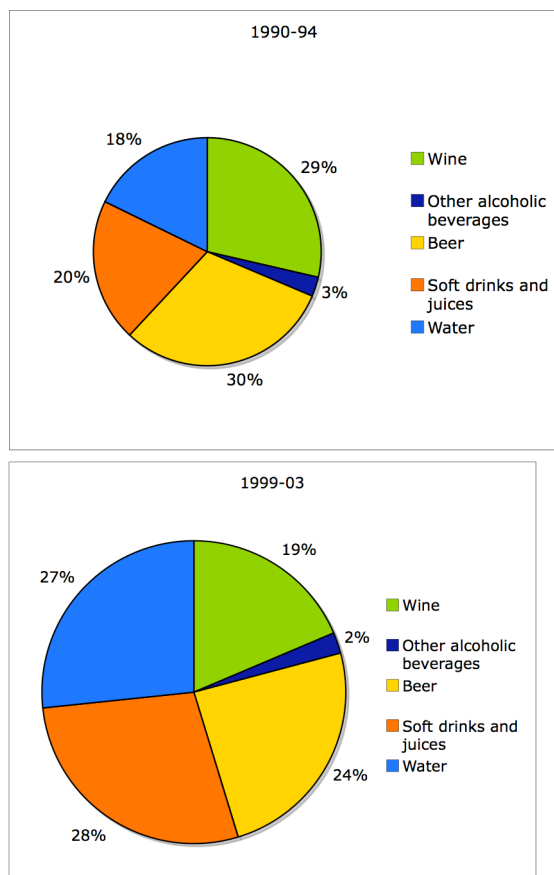
### Attachment 4

#### Capitação do Consumo de Vinho no Mundo (Litros per Capita) Campanha 2004/2005



Fonte / Source: Office International de la Vigne et du Vin (OIV)

## Attachment 5 – Representation of the average beverage consumption per habitant



Source: INE

## Attachment 6

### Market Research Results from Sogrape

#### HÁBITOS DE COMPRA

- Em conjunto, o mercado do Vinho Verde é mais sensível ao Preço do noutras categorias de vinhos.
- Os consumidores do Sul são claramente mais marquistas (ou menos “price sensitive”, depende de como se quiser medir) do que os do Norte.
- Os Hipermercados e Supermercados são os locais habituais de compra.
- Os compradores de Vinho Verde dizem comprar em média 2,3 marcas.
- CASAL GARCIA é a marca mais comprada, seguida por GAZELA, PONTE DE LIMA e MURALHAS.
- No norte do país é onde se compra um maior número de marcas para casa.

### PENETRAÇÃO/LEALDADE À MARCA

- Entre 2003 e 2005 GAZELA aumenta a sua penetração entre os compradores de Vinho Verde mais jovens, classes médias e residentes no Grande Porto.
- 7 em cada 10 consumidores e compradores de Vinho Verde de Marca dizem que se a sua marca preferida não estivesse disponível comprariam outra marca de Vinho Verde.
- Apenas 16% são “leais” à sua marca preferida sendo que entre os Consumidores Preferenciais de CASAL GARCIA e de GAZELA, os de GAZELA têm maior proporção de “leais”.
- A penetração do GAZELA é claramente melhor entre os mais jovens, as mulheres, a Zona do Grande Porto (onde é líder) e as classes médias.
- 7 em cada 10 Consumidores de GAZELA declaram também beber normalmente CASAL GARCIA.
- Os Consumidores de GAZELA consomem mais marcas de Vinho Verde do que o conjunto do mercado.

### CONSUMO POR MARCAS

- Os Consumidores de GAZELA declaram que, em média, do total de Vinho Verde de Marca que bebem, 39% é GAZELA.
- Este nível de relação com a sua marca é o segundo do mercado, depois dos Consumidores de CASAL GARCIA.
- GAZELA é a segunda marca no ranking de preferência, 11 pontos abaixo de CASAL GARCIA e apenas 2 pontos à frente de MURALHAS.
- A preferência por GAZELA aumenta de forma notável entre os Consumidores jovens, as classes altas e médias e os residentes no Grande Porto e Litoral Sul.

### GAZELA vs CASAL GARCIA (EVOLUÇÃO ENTRE 2003 E 2005)

- CASAL GARCIA é líder indiscutível do mercado apesar de que as evoluções verificadas entre 2003 e 2005 apontem para uma trajectória descendente.
- O GAZELA encontra-se no grupo perseguidor do CASAL GARCIA, formado por 5 marcas entre as que se encontram PONTE DE LIMA, GATÃO, MURALHAS e QUINTA DA AVELEDA / AVELEDA.
- No ranking geral de marcas a nível de total consumidores de Vinho Verde, o GAZELA oscila entre o segundo e o terceiro lugar consoante o indicador em análise:
  - Em termos de conhecimento espontâneo ocupa a terceira posição após CASAL GARCIA e PONTE DE LIMA com um nível de Top of Mind de 12% e de Conhecimento Espontâneo de 45%.
  - Em termos de Conhecimento Sugerido ocupa a terceira posição com 96%.
  - No que se refere a Marcas Experimentadas, o GAZELA é a terceira marca mais experimentada com um índice de 73%.
  - Em Penetração (Marcas Consumidas) é a segunda marca com maior percentagem de consumidores, 37%.
  - Como Marca Preferida ocupa o segundo posto no ranking com um índice de 14%.
- Todos estes indicadores sobem de forma notável entre os consumidores Jovens (20-34 anos), o que implica que de alguma maneira as campanhas realizadas surtiram efeito neste segmento de idade, e também sobem estes indicadores de forma notável na zona do Grande Porto, superando alguns deles os de CASAL GARCIA, até ao ponto de se posicionar como líder dessa zona.
- Por outro lado, surpreende a fraca posição que o GAZELA tem na Grande Lisboa em termos de marquismo, justamente onde existe um maior potencial para a categoria do Vinho Verde “per se” e concretamente para o GAZELA, já que o ponto do qual a marca parte é extremamente baixo em comparação com outra zona urbana como o Grande Porto.
- O principal “driver” de escolha duma marca como “Marca Preferida” é o Sabor (acima do preço, qualidade, ...) e especialmente dentro do segmento de consumidores mais jovens. O GAZELA tem bons indicadores neste campo em comparação com os seus concorrentes.

# Attachment 7 - Qualitative Results

## In-Depth Interview Results

### Metodologia e Universo Entrevistado

- 8 entrevistas aprofundadas semi-estruturadas

- Perfil dos entrevistados:

4 Homens, 4 mulheres

Idades entre 20-30

Consumiram pelo menos 1 vez vinho verde nos últimos 6 meses

Todos já compraram vinho num supermercado



1

### Tópico 1: Ocasões de consumo

Tópico Consensual

Quando:

•Eventos sociais, geralmente ao fim de semana

Com quem:

•Com família ou com amigos/namorados/as  
•Não bebem sozinhos

"vinho acompanha as refeições com a família ou com amigos" (E1,M)

"normalmente quando eu bebo vinho verde é mais com mulheres" (E2,F)

"acaba por tar associado mais a ocasiões festivas, ocasiões de tar com os amigos, ou seja fins de semana"(E4, M)

"Bebo com os meus pais...mas normalmente ao fim de semana" (E3, M)

"eu acho que nunca bebo vinho sozinha"(E4, F)



2

### Tópico 2: Função do vinho

Tópico Consensual

Acompanhar refeições,

"tipo jantares e não sei que...antigamente bebia mais cerveja nesses jantares, hoje em dia prefiro vinho...sabe melhor."(E3, M)

Momentos de descontração e

"acho que é uma descontração, porque beber um copo ao fim do dia, é uma descontração enorme..."(E2, F)

Momentos de conversa

"bebo com calma a apreciar um copo de vinho, tar ali na conversa..."(E7, M)



3

### Tópico 2: Função do vinho

Vinho branco é mais bebido quando se quer animação

"o branco ou o verde. Tem uma vantagem gigante em relação ao tinto, é que: provoca muito menos sono..."(E6, F)

O vinho tinto é para ambientes mais calmos

"se tou mais numa de me divertir e beber copos e ficar bêbado e não sei que...Eu quando quero mais essas diversão se calhar vou mais pro vinho branco(E7, M)

"beber vinho tinto, então no inverno é fatal! é ficar em casa a dormir"(E2, F)



4

### Tópico 3: Associações ligadas ao vinho

Vinhos Brancos:  
Verão

"A cor branca transmite aquela imagem de frescura e bom tempo assim uma espécie de verão e enquanto que o tinto parece mais chulé na neve"(E6,F)

Vinhos tintos:  
Inverno  
Mais formal

"quanto ao vinho tinto é mais.. mais de inverno... não sei mas uma coisa assim mais, assim mais chique se calhar." (E7, M)

"o vinho tinto é uma coisa mais, mais pessoal, mais pa tar uhhh mais formal, acho uma bebida mais, mais formal, e acho mais pesada" (E2, F)



5

### Tópico 4: Momentos Diferentes/Vinhos diferentes

Vinhos Brancos:

Geralmente antes da refeição, especialmente o verde

Pode-se beber sozinho

"Normalmente bebo verde antes ou fora...da refeição"(E4, F)

"vinho verde acho que é um vinho que pa mim podes beber sem nada, tipo à tarde, memo que não comas nada podes beber"(E3, M)

Vinho tinto:

Acompanha a refeição, mais presente nos rapazes

"depois quando se passa po prato muita gente troca po tinto"(E6, F)

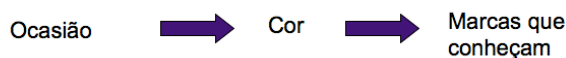
"depois...vem o jantar propriamente dito e bebemos vinho tinto..."(E7, M)



6

## Tópico 5: Comportamento de compra

Processo de Escolha:



Geralmente, a 1ra decisão de escolha de um vinho está dependente da ocasião. Esta por sua vez define a cor do vinho e a quantia que os entrevistados estão dispostos a pagar.

"Eu escolho vinho assim, uh depende da altura, da ocasião claro..."(E2, F)

"Como é que eu escolho...Depende lá está pa que é que eu quero o vinho"(E6, F)

7

## Tópico 5: Comportamento de compra

Factores de influência:

Factor que parece ter mais influencia na escolha de um vinho: Marca

"...eu recorro aos vinhos que eu conheço..." (E6, F)

"...procuro primeiro uma marca que conheça e que goste" (E4, M)

"Eu acho que vou mais por marcas..."(E3, M)

"normalmente é marcas que já conhecemos, que já experimentámos e que sabemos que gostamos"(E5, F)

➡ Parece existir bastante lealdade a marcas

8

## Tópico 5: Comportamento de compra

Factores de influência: Preço

Procuram sempre a melhor relação qualidade preço

"a maior parte das vezes, tento procurar o vinho que eu tenha ouvido falar que é bom vinho e que é barato (E7, M)

Para oferecer/jantar mais restrito com amigos apreciadores:

"reparo no preço e...é mais o preço/qualidade.."(E2, F)

Estão dispostos a gastar mais

"Se for jantar a casa, imagina, do pai do meu namorado...aí já levo provavelmente um tinto bom"(E6, F)

Jantares de amigos normais:

Preferem gastar menos

"pa um jantar...se calhar eventualmente um jantar mais chique...se calhar tou mais disponível a gastar mais dinheiro nesse vinho"(E7, M)

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## Tópico 5: Comportamento de compra

Factores de influência: Imagem

A seguir à marca e preço, os factores que influenciam são:

- Rótulo
- Formato garrafa
- Prémios
- Publicidade

"Vejo por exemplo o género da garrafa, por exemplo aquelas garrafas assim compridas..." (E2, F)

"sim também, o rótulo ou os prémios eventualmente" (E1, M)

"Tem que ter um ar credível, um ar respeitável" (E4, M)

"Eu acho que a publicidade também influencia estupidamente" (E6, F)

10

## Tópico 6: Teste da Embalagem Unidose PET

### 6.1. Nível de agrado/Primeiras reacções

Esteticamente, todos gostaram da embalagem e referiram que o facto de ter o formato de uma garrafa de vidro era favorável

Reacções positivas ➡ 2 entrevistados

Reacções positivas mas com receio da população não aceitar ➡ 3 entrevistados

Reacção de estranheza mas experimentalia ➡ 1 entrevistado

Reacções negativas mas experimentaliam ➡ 2 entrevistados

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## Tópico 6: Teste da Embalagem Unidose PET

### 6.1. Nível de agrado/Primeiras reacções

	Primeiras Reacções
E1	Não tinha problema em beber daquela embalagem
E2	Mostrou entusiasmo para restaurantes, bebia se lhe dissessem que o aroma não mudava
E3	Tinha que sentir a embalagem. Reacção negativa. Nunca lhe seria indiferente.
E4	Achava que as pessoas davam muita importância ao vinho em vidro e não sabia se afectava o aroma. Para consumo em restaurantes para almoçar, faria sentido.

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Tópico 6: Teste da Embalagem Unidose PET

6.1. Nível de agrado/Primeiras reacções

	Primeiras Reacções
E5	Reacção positiva, forte agrado da embalagem. Teria imenso sucesso em restaurantes.
E6	Reacção positiva. Não deixava de ser apetecível, não têm uma má imagem.
E7	Disse que não eram feias mas mostrou-se muito reticente, reacção negativa. Experimentaria e se não gostasse não comprava mais.
E8	Compraria da embalagem transparente e experimentaria para ver se o sabor era o mesmo.

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Tópico 6: Teste da Embalagem Unidose PET

6.1. Vantagens e Desvantagens

Vantagens:

Todos viram vantagens nestas embalagens excepto os dois em que a primeira reacção foi negativa

"ela podia dar um safanão e aquilo cair e não partir" (E1, M)

"era brilhante, porque é isso, as pessoas poderiam consumir só elas" (E2, F)

"São mais fáceis de reciclar...mais facilmente tu abres porque menos se desperdiça... ocupa menos espaço no frigorífico" (E6,F)

"as garrafas são mais portáteis, mais leves" (E6,F)

"...suponho que seja mais protector do ambiente também." (E8, F)

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Tópico 6: Teste da Embalagem Unidose PET

6.1. Vantagens e Desvantagens

Desvantagens:

Não habituação do plástico como embalagem para o vinho

Ou

Desconhecimento dos efeitos do plástico no vinho

"é um produto com uma certa identidade cultural...(E1, M)

"em Portugal, há um problema também que as pessoas são muito conservadoras em relação ao vinho...(E2, F)

"A mim não me inspira tanta confiança"(E4,M)

"não me sinto muito à vontade porque nunca vi à venda e não sei se, até que ponto é que isso funciona"(E7,M)

"Acho que, a única coisa que ia influenciar era realmente se o sabor, a qualidade, o aroma, tudo, permanecia no mesmo"(E8, F)

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Tópico 6: Teste da Embalagem Unidose PET

6.1. Vinhos Aceitáveis para PET

Imaginas um Casal Garcia/Gazela nesta embalagem?

Concordância geral que vinhos mais "correntes" encaixam nesta embalagem.

Vinhos percebidos como tendo uma maior qualidade já não.

"sim...mas se vir daqueles vinhos que sei que o preço é bem mais caro e que são reservas e que são de grande qualidade não imagino de todo numa garrafa de plástico. Imagino vinhos que sejam mais baratos por assim dizer..."(E8, F)

"Acho que sim. São vinhos correntes...portanto acho que faria sentido... Mas acho que vinhos muito bons não devem adoptar este forma de, de ter o vinho"(E3, M)

"Eu acho que aí já não havia problema, já conhecias o vinho e até achavas as garrafas muito mais portáteis."(E6, F)

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Tópico 6: Teste da Embalagem Unidose PET

-Técnicas Projectivas

Se visses alguém a comprar estas embalagens, como a descreverias?

	Pessoa
E1	"qualquer pessoa podia comprar" "pessoa mais informal"
E2	"Jovem" "ia assim pa uma ocasião mais relaxada"
E3	"acho que via uma pessoa com pouco tempo, com pressa, e gosta de beber vinho" "uma pessoa que gosta de beber vinho sozinha, se tivesse a comprar pa casa"
E4	"Pragmático, menos preocupado com os aspectos acessórios...determinado de certa maneira" "Uma pessoa um bocado mais nova..."

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Tópico 6: Teste da Embalagem Unidose PET

-Técnicas Projectivas

Se visses alguém a comprar estas embalagens, como a descreverias?

	Pessoa
E5	"pessoas que vivem na sua grande parte sozinhas, ou casais"
E6	"essa pessoa é jovem...dinâmica e decidida"
E7	"uma pessoa que tá a comprar pa ir beber copos a qualquer lado, pa fazer um picnic, pa sair à noite, pa se divertir" "jovem"
E8	"ta a fazer isso porque...há-de ser uma opção mais barata e por isso vai dar jeito..." ou "porque tem razões e é informada sobre o assunto"

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## Tópico 6: Teste da Embalagem Unidose PET

### -Técnicas Projectivas - imagens



Para refeições mais rápidas

"Num restaurante... (Com)... imensas pessoas a entrar e sair... faz todo o sentido, até porque para os restaurantes deve ser melhor, as pessoas... se calhar ficam lá menos tempo, por isso é bom"(E3, M)

"num restaurante festivo onde tu vais com amigos, acho que faz menos sentido. Num restaurante onde as pessoas vão para comer acho que faz mais sentido."(E4, M)

"restaurantes já acho mais difícil, lá está, de ver a garrafa de vinho de plástico em cima da mesa mas não digo que não... Acho que em coisas mais abertas e pontuais e refeições curtas é mais adequado"(E8, F)

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## Tópico 6: Teste da Embalagem Unidose PET

### -Técnicas Projectivas - imagens

Maioria: Não



CONTRA:

"dois namorados na praia, acho que... se calhar nessas ocasiões uma garrafa de vidro é mais apropriado"(E7, M)

"uma ocasião romântica comigo e com a minha namorada ao por do sol... não"(E4, M)

"Não é romântico, a embalagem não é romântico"(E2, F)

"aqui eu não beberia vinho. Eu bebo vinho quando estou com outras pessoas"(E6, F)

PRO:

"para um encontro romântico na praia. Sim lá está, as garrafas de plástico são muito mais portáteis e por isso faz sentido" (E6, F)

"...apetece-lhe só beber dois copos de vinho e olhar po nada, sem pensar em nada, acho que faz todo o sentido comprar isso"(E3, M)

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## Tópico 6: Teste da Embalagem Unidose PET

### -Técnicas Projectivas - imagens

Maioria: Sim



"no café da praia, sim"(E2, F)

"terraço, pôr do sol e apetece-te um copo de vinho e a garrafa pequenina faz todo o sentido"(E6, F)



"um picnic dava imenso jeito ter uma garrafa de plástico, imenso. Uhm, porque é mais pratico pa usar"(E7, M)

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## Tópico 6: Teste da Embalagem Unidose PET

### -Técnicas Projectivas-imagens

Maioria: Sim

6 entrevistados ficaram entusiasmados com este produto para a noite

"Sudoeste é muito bem pensado uhh no bairro alto é bem pensado também para combater a cerveja também." (E4, M)

"acho que faz todo sentido nas discotecas"(E3, M)

"tanto festivais como saídas à noite, acho ótimo"(E7, M)

"na saída à noite acho que também faz sentido ser a garrafa de plástico. Acho que faz sentido... pa substituir também muito o copo"(E8, F)



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## Tópico 6: Teste da Embalagem Unidose PET

### -Técnicas Projectivas-imagens

Excepto 2 entrevistadas: Não se veem com garrafa na mão

"não sei até que ponto a garrafa pequenina conseguiria... entrar no mercado de carregar na mão, tas a ver?... Se calhar toda a gente adoraria... dependente do preço isto... teria imenso sucesso, sim... Mas eu não... andaria com uma garrafa de vinho na mão"(E6, F)

"vinho não encaixa nada bem em festivais. É mais cerveja"(E5, F)

"... não me tou nada a ver a andar com uma garrafa de plástico de vinho verde na mão, muito menos no bairro alto"(E5, F)



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## Conclusões

### Consumo de vinho:

-Jovens consomem vinho em ocasiões festivas, jantares ou de convívio.

-Acaba por ser um consumo frequente, geralmente ao fim-de-semana

### Comportamento de compra:

-Os jovens compram marcas de vinho que já conheçam.

-Preço tem sempre uma grande influência na escolha de um vinho

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## Conclusões



### Embalagem de Plástico:

-De início, há uma certa rejeição à embalagem de plástico por parte da maioria dos entrevistados

MAS

-À medida que têm mais informação e vêem onde a embalagem pode ser útil, ficam muito mais adeptos do novo formato acabando por se lembrarem de vantagens que a embalagem tem para certas situações

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## Conclusões



### Embalagem de Plástico:

-As imagens que representam a "noite" foram as que tiveram mais aderência. Alguma rejeição por parte de 2 entrevistadas por não se verem com uma garrafa de vinho na mão

-De uma forma geral, a embalagem é bem aceite em situações mais informais

-Existe uma associação desta embalagem a pessoas mais jovens



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## Focus Group Results

This focus group was kindly offered by APEME, a market study company. With the transcript of the Focus group, I developed the analysis and these were the results. I sent this study to Sogrape, hence the layout with the Sogrape logo.

Gazela - Novo conceito

Resultados do Focus Group

**Metodologia**

**Abordagem Qualitativa**

- Recurso a 1 Focus Group

**Universo**

Variáveis Socio-demográficas:

- 5 Homens, 2 Mulheres
- Idades compreendidas entre os 18 e 24 anos
- Residentes na Grande Lisboa
- Classes B/C1

Perfil de Comportamento:

- Compradores de marcas de vinho e outras bebidas alcoólicas
- Consumidores de vinho dentro e fora de casa

**Metodologia**

O Guião que serviu de linha orientadora para a discussão, obedeceu à seguinte ordem:

<b>1. Hábitos de consumo geral de bebidas</b>	<b>2. Como bebem</b>	<b>3. Vinhos</b>	<b>4. Vinhos Verdes</b>
•O que bebem, quando, onde, com quem	•Explorar e avaliar o agrado dos diferentes tipos de embalagem	•Zoom sobre o consumo de vinho. •Avaliar os diferentes tipos de embalagens existentes para vinho. O que faz	•Imaginar uma embalagem de v.v. Para jovens adultos •Imaginar uma nova embalagem para Gazela

**5. O novo conceito**

•Recolha de opiniões. Vantagens/desvantagens do plástico. Visualização de protótipos/revistas

•Avaliar quais os possíveis locais de consumo, preço, potenciais consumidores e as bebidas que nova embalagem substituiria

**Principais Resultados**

**Consumo Geral de Bebidas**

Existe clara diferença nas alturas de consumo de bebidas

De manhã	Água		
Durante o dia	Sumos	Cerveja	
À noite		Vinho	Espirituais

» Bebidas alcoólicas são consideradas bebidas sociais

"as bebidas alcoólicas raramente bebo sozinho..." (M)

**Principais Resultados**

**Consumo Geral de Bebidas**

**O vinho**

<p style="text-align: center; color: #00aaff;"><u>Quando</u></p> <p style="text-align: center;">Às refeições</p> <p style="text-align: center;">Na noite</p> <p style="text-align: center;">Momentos sociais</p> <p>"quando bebo é à refeição" (M)</p> <p>"Pessoalmente...gosto mais de beber à noite" (M)</p>	<p style="text-align: center; color: #00aaff;"><u>Onde</u></p> <p style="text-align: center;">Casa</p> <p style="text-align: center;">Restaurantes</p> <p style="text-align: center;">Bares/Esplanadas</p> <p>"às vezes vou ao Bairro Alto, bebo um copo de vinho" (F)</p>
--	--

» O vinho começa a ser consumido em todas as alturas da vida social dos jovens mas é ainda visto como uma bebida mais requintada e cara

"...à medida que a pessoa vai envelhecendo tem mais vontade de beber vinho, porque é uma bebida mais requintada..." (M)

**Principais Resultados**

**Avaliação dos Diferentes Tipos de Embalagens**

Vidro	Embalagem de eleição: Mais sofisticado, não altera a bebida, mantém bebida fresca mais tempo
Plástico	<p>Embalagens mais práticas</p> <p>-Preferência pelo plástico</p>
Lata	
Cartão	

» O que acaba por ter mais influência é a imagem da bebida e embalagem

"a imagem conta muito...eu ..não vou comprar uma embalagem de vinho em cartão"(F)

"(mas)...se fosse um vinho muito bom se calhar já não pensavas nisso...pensavas que era um vinho bom e compravas...(M)

**Principais Resultados**  
Tipos de Vinho e associações

Tinto	Inverno, quente, romântico, sofisticado "é calor no sentido de ser quente. Gosto mais de beber vinho tinto no inverno" (M)
Branco	Verão, peixe, esplanadas, mais leves, mais fáceis "Verão...numa esplanada" (M)
Verde	
Rosé	

**Principais Resultados**  
Tipos de Vinho e associações

Ocasões de consumo

- Ambientes mais calmos
- Jantares de amigos em casa ou fora
- Acompanhante de conversa

"o tinto também é com um grupo de amigos em casa" (M)

→ O Vinho parece ter uma conotação de maior sofisticação o que pode restringir os locais possíveis de ser consumido

MAS

→ Quando os jovens pensam em vinho pensam em vinho tinto. O tinto é percebido como sendo mais formal

→ As restantes cores podem ter outras funções, mais informais, por terem características organolépticas mais suaves

"...nunca iria para uma discoteca pedir um copo de vinho" (F)

**Principais Resultados**  
Se embalagens fossem pessoas...

Plástico	Jovem e dinâmico	"a lata e o plástico são pessoas mais jovens e mais activas porque são mais práticas a levar" (F)
Lata	Mais jovem do que o plástico, activa	
Vidro	Pessoa de 40 anos, urbano	
Cartão	Idoso	

**Principais Resultados**  
Embalagens para vinho verde

Se tivessem que desenhar uma embalagem de vinho verde...que vos fizesse falta...como seria?

1ra ideia:

"para o vinho verde se calhar...a ideia de garrafas em tamanhos minis...conserva mais o gás..." (M)

Restantes:

"para mim é garrafas normais..." (M)

↓

Este exercício fez surgir algumas questões ligadas ao vinho:

- É uma bebida para ser consumida em grupo. Uma garrafa para vários copos
- Habituação das garrafas de vidro para o vinho

**Principais Resultados**  
Embalagens para vinho verde

Gazela para jovens adultos?

Apreciação muito positiva da garrafa actual



"(está moderna), ainda mais que o Casal Garcia" (M)

"As garrafas de vinho são mais (sóbrias), e este não. Este tem cor." (F)


Está em linha com a imagem da marca e capta a ideia dos jovens adultos

↓

Não mudariam nada na embalagem

**Principais Resultados**  
Teste do Novo Conceito




O novo Gazela "on-the-go" permite-te desfrutar um vinho leve, suave e fresco a qualquer altura, em qualquer lugar.

Como?


Com uma nova embalagem PET(plástico) com capacidade para 20-25cl de vinho. Esta embalagem é caracterizada por ser extremamente portátil e leve, por ser facilmente reciclável e por ter um tamanho possível de ser consumido por uma só pessoa.

Assim, Gazela continua a afirmar-se como sendo uma marca versátil, atractiva e jovem. Com esta nova embalagem podes tirar proveito de mais momentos de descontração e de divertimento com a companhia de um vinho refrescante que combina bem com a vida.

Principais Resultados Teste do Novo Conceito	Principais Resultados Teste do Novo Conceito
<p><b>Primeiras Reações</b></p> <ul style="list-style-type: none"> <li><b>Plástico</b> "Gostei de tudo em geral menos da parte do plástico, preferia que fosse de vidro" (M) "eu também bebo na rua...e não é por ser de vidro que atrapalha..." (M)</li> <li><b>Uma só pessoa</b> "para mim uma dose individual de vinho verde não faz sentido nenhum...esse vinho é uma coisa para partilhar" (F) "sim...acho que tem um tamanho (bom)" (M)</li> <li><b>Banalização do vinho</b> "eu acho que com isso querem tornar o vinho banal como a cerveja" (F)</li> </ul>	<p><b>Aspectos Negativos</b></p> <p>As maiores preocupações prendem-se com aspectos culturais ligados ao vinho:</p> <ul style="list-style-type: none"> <li>- habituação da embalagem de vidro para o vinho</li> <li>- A partilha do vinho com outras pessoas - servir vários copos da mesma garrafa</li> <li>- Perda da sofisticação - dificilmente se vêem a beber da garrafa</li> </ul> <p>Aspectos técnicos:</p> <ul style="list-style-type: none"> <li>- Como o vinho se bebe mais devagar, pensam que bebida aqueceria rapidamente</li> </ul> <p>"para mim vinho é uma coisa para partilhar...imaginar qualquer outro produto numa garrafa de minis, faz-me confusão." (F)</p> <p>"acho que ninguém anda com uma garrafa de vinho na mão." (F)</p> <p>"tu não vais beber um vinho verde como bebes uma cerveja. Passado um bocado já está quente." (F)</p>

Principais Resultados Teste do Novo Conceito	Principais Resultados Teste do Novo Conceito
<p><b>Aspectos Positivos</b></p> <p>Apesar das críticas alguns vêem utilidade</p> <p><b>No uso</b></p> <p>"o tamanho de 25cl...acho que é um tamanho (adequado e mantém o gás)" (M)</p> <p><b>Como alternativa a outras bebidas</b></p> <p>"se forem a um festival, mas como não gostam de cerveja...podiam beber Gazela" (M)</p>	<p><b>Escolha do design da embalagem</b></p> <p>Após terem visto imagem das embalagens de plástico...</p> <ul style="list-style-type: none"> <li>- "acho que o aspecto delas...até são jovens" (M)</li> <li>- "é apelativo" (F)</li> </ul> <p>→ <b>Maior aceitação...</b></p> <ul style="list-style-type: none"> <li>- "...situação de sair à noite e estar na rua, se calhar convence." (M)</li> <li>- "Sim, isso num festival até pode resultar" (M)</li> </ul> <p>→ Manteriam o mesmo formato da fotografia mas com a imagem do vinho Gazela</p> 

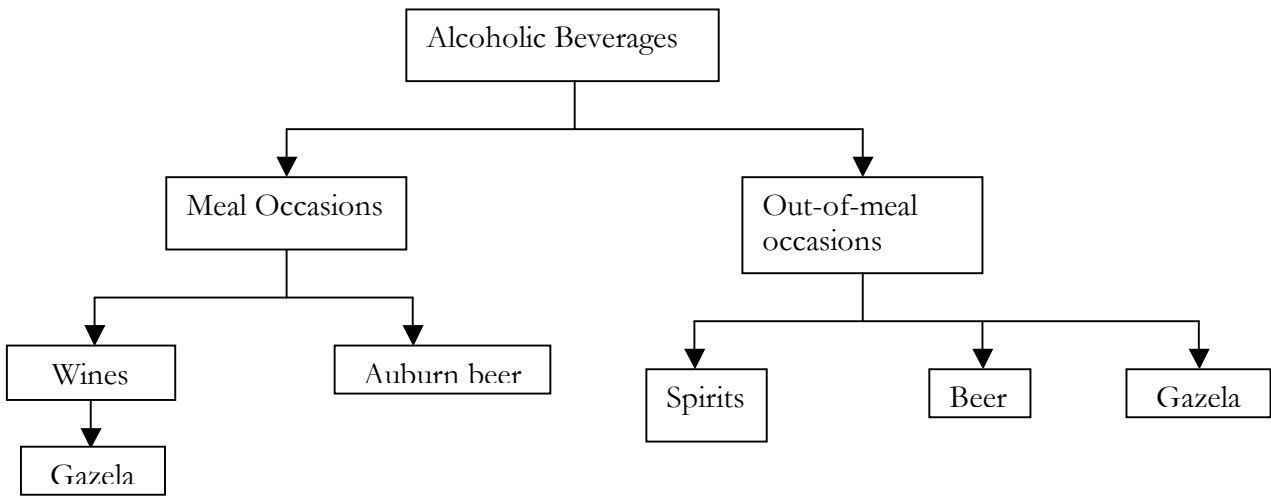
Principais Resultados Teste do Novo Conceito	Principais Resultados Teste do Novo Conceito						
<p>Após a visualização dos protótipos...</p> <p>→ Percebe-se, mais uma vez, que há uma diferença entre vinho tinto e vinho verde:</p> <ul style="list-style-type: none"> <li>→ O Vinho tinto tem ligado a si toda a carga cultural que o vinho engloba</li> <li>→ Vinho verde "escapa" e pode ser consumido em situações mais informais</li> </ul> <p>- "(se fosse vinho tinto) era ainda pior" (M)</p> <p>- "(o verde escapa) porque é leve, é fresco e tem gás" (M)</p>	<p><b>Locais de compra e preços esperados</b></p> <table border="1"> <tr> <td>Restaurantes</td> <td>2,5€-3,5€</td> </tr> <tr> <td>Bar/Esplanadas</td> <td>1,5€-2,5€</td> </tr> <tr> <td>Supermercados</td> <td>1,5€</td> </tr> </table> <p>→ Como percebem o mini Gazela competidora da cerveja, os preços têm que ser competitivos para induzi-los à experimentação</p> <p>- "Para concorrer com a cerveja tem que ser barato" (H)</p>	Restaurantes	2,5€-3,5€	Bar/Esplanadas	1,5€-2,5€	Supermercados	1,5€
Restaurantes	2,5€-3,5€						
Bar/Esplanadas	1,5€-2,5€						
Supermercados	1,5€						

Principais Resultados Teste do Novo Conceito	Principais Resultados Teste do Novo Conceito
<p><b>Possíveis locais de compra</b></p> <p>→ Em locais menos formais:</p> <ul style="list-style-type: none"> <li>-Esplanadas</li> <li>-Bairro Alto</li> <li>-Festivais</li> </ul> <p style="text-align: center;"></p> <p style="text-align: center;"><b>Maior aceitação</b></p> <p>- "a í (Bairro Alto) é que eu acho que faz mais sentido.." (H)</p> <p>- "Sim, vejo talvez nas esplanadas..." (H)</p> <p>- "não estou a imaginar ninguém num restaurante...eu quero aquele Gazela de (25cl)" (H)</p>	<p><b>Imagem do Gazela</b></p> <p>Apesar da aceitação reticente do novo conceito, a percepção da marca Gazela não se modificaria se esta lançasse a nova embalagem</p> <p>"eu posso considerar isso como um à parte da marca deles. A imagem da marca não vai mudar" (H)</p> <p>"se calhar não ia estragar..." (H)</p> <p>"não choca ninguém..." (H)</p>

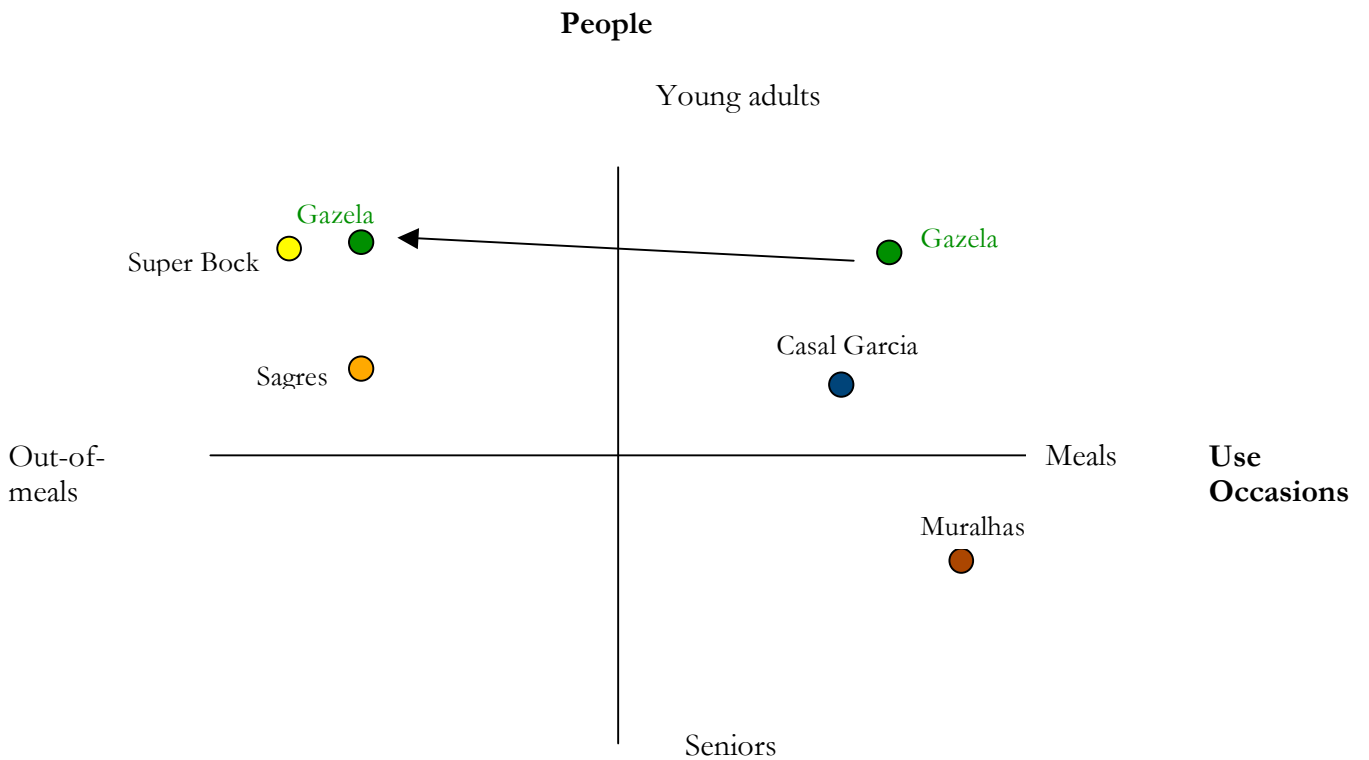
Principais Resultados Teste do Novo Conceito	Principais Conclusões
<p><b>Apreciação final</b></p> <p>-Percepciona-se que habituar-se iam à nova ideia</p> <p>"até achava piada...um dia ou outro para variar" (H)</p> <p>-Se tivessem um verdadeiro "feel" da embalagem e conceito, opiniões poderiam ser diferentes</p> <p>"...não vou levar uma garrafa dessas...mas também penso assim porque não há... (nunca vi)" (H)</p>	<p>-O vinho acompanha cada vez mais os momentos da vida social dos jovens, mas com a vertente de ser uma bebida mais requintada e cara</p> <p>-Existe uma preferência geral pelas embalagens de vidro por esta ser vista como não alterar as características das bebidas</p> <p>-Com uma técnica projectiva ficou claro que os entrevistados não têm uma má imagem do plástico como embalagem no geral</p> <p>-Ao longo do <b>focus group</b> percebe-se que os jovens vêem diferenças nos diferentes tipos de vinho. Mas, quando pensam em vinho pensam em tinto e toda a carga cultural que o vinho tem está expressa nessa variedade. O vinho verde e rosé têm outras potencialidades.</p>

Principais Conclusões
<p>-Os entrevistados gostaram da imagem do Gazela. Afirmaram que é uma marca jovem e que está em linha com as vivências da faixa etária em que se inserem</p> <p>-O novo conceito teve fraca aderência no início por causa dos preconceitos existentes à volta do vinho mas no final não foi uma ideia totalmente rejeitada, especialmente para ocasiões de consumo mais informais</p> <p>-Como os jovens não têm aversão ao plástico como embalagem e gostam da marca Gazela por se reverem na sua comunicação, há uma oportunidade de avançar com o novo conceito se se comercializar o mini Gazela fugindo à lógica solene que o vinho tinto encerra</p>

**Attachment 8**



**Attachment 9**



## Attachment 10

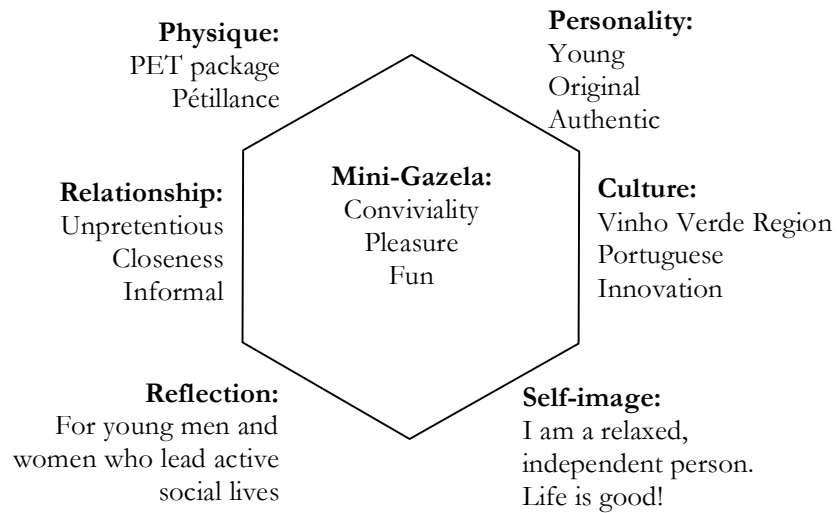
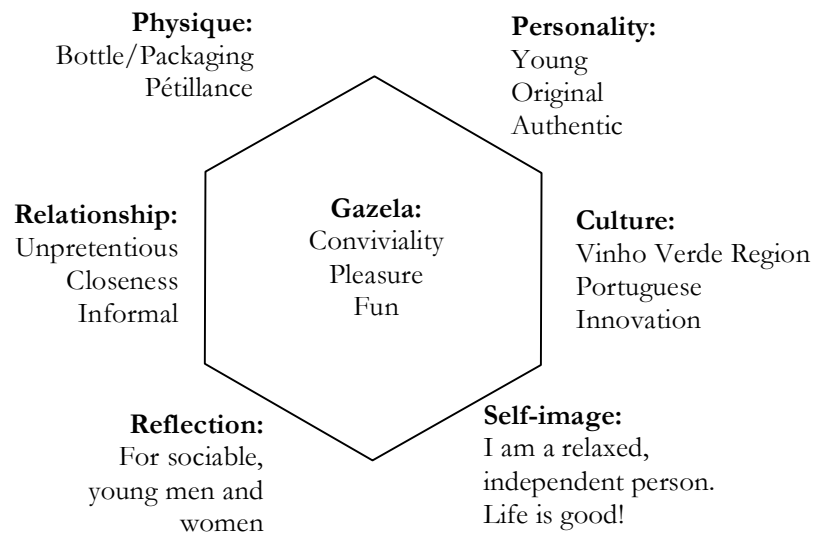


## Attachment 11 – An example of the PET packaging



## Attachment 12

### Brand Identity Prisms



## Attachment 13

### Price Analysis

	<b>Draught Beer</b>	<b>Wine Glass</b>
<b>Restaurants/bars/esplanades</b>	€1,00-€3,00	€3-€5
<b>Festivals</b>	€1,5-€3,5	

### Focus Group Results – Consumer Expectations

	<b>Mini Gazela</b>
<b>Restaurants</b>	€2,5-€3,5
<b>Bars/Esplanades</b>	€1,5-€2,5

<b>Recommended Price</b>	€2-€3,5
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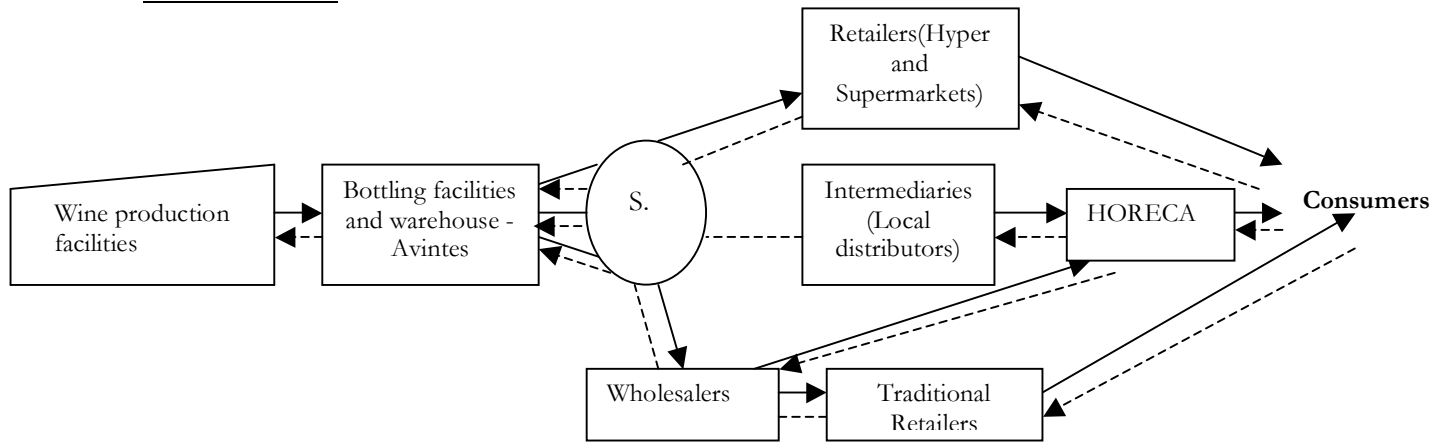
## Attachment 14

### Estimate of Practiced Prices and Trade Margins

	<b>Modern Distribution</b>	
	<b>Gazela</b>	<b>Gazela(Promotion)</b>
List Price	€ 1.90	€ 1.90
3% Discount	€ 0.06	€ 0.06
Invoice Price	€ 1.84	€ 1.84
Off-invoice discounts(15%)	€ 0.28	€ 0.28
Off-invoice discounts - Promotional periods (15%)	€ 0.00	€ 0.23
Pocket Price	€ 1.56	€ 1.33
PVP	€ 2.99	€ 2.99
PVP(VAT excluded)	€ 2.40	€ 2.40
Front margin	23%	23%
Total trade margin	35%	44%

	<b>HORECA</b>		
	<b>Gazela</b>	<b>Gazela(Promotion)</b>	<b>Mini Gazela</b>
List Price	€ 1.90	€ 1.90	€ 1.20
3% Discount	€ 0.06	€ 0.06	€ 0.06
Invoice Price	€ 1.84	€ 1.84	€ 1.14
Off-invoice discounts(10%)	€ 0.18	€ 0.18	€ 0.00
Off-invoice discounts - Promotional periods (10-17%)	€ 0.00	€ 0.22	€ 0.00
Off-invoice discounts Mini Gazela (15%)			€ 0.17
Pocket Price	€ 1.66	€ 1.44	€ 0.97

**Attachment 15**



- > Physical flows
  - ←- - - - Information flows (Financing, promotion, risking, negotiation)
  - ←- - - - Money flows (Payment, ordering)
- S. - Sogrape

## Attachment 16

### Financial Analysis – Assumptions

1. Since sales from Nielsen only cover 60% of the market, I took the sales from 2008 (€5,162,627), applied a growth rate of 15%(average growth in the last years) and transformed the number to cover 100% of the market to reach the sales of 2009.  $(5,162,627 * 1,15 * 100 / 60)$
2. Nielsen data also doesn't provide sales for the 37,5 cl bottles so they weren't taken into account in the analysis. Nevertheless, they have little weight in total revenue.
3. When Gazela was re-launched in 2004, turnover grew over 40%. As in 2010, I will spend less in A&P costs than Sogrape did in 2004, I estimated growth rates of 30% for 2010, 25% for 2011 and 20% for 2012.
4. Costs Of Goods Sold(COGS) are 35% for the original Gazela and 20% for Mini Gazela.
5. For the per product profit estimation, I assume that Mini Gazela generates 20% of total sales. The original Gazela will account for the rest.
6. For the estimation of per channel sales, I assume that the on-trade and off-trade channel both generate 50% of sales each. Hence, costs are also divided 50-50 by channel.
7. Off-invoice discounts are the average between what is given to the modern distribution and HORECA. (10%-15%)
8. Direct marketing costs are estimated as 15% of sales.
9. For market share estimation, I assumed a total category growth of 2% per year.
10. For estimating festival costs: Assuming we enter 4 festivals (Marés Vivas, Sudoeste, Rock in Rio and Sumol Summer fest), the total number of people expected to attend is 580,000. In 2010 I assumed a trial rate of 35% and they repeat their purchase one more time. In 2011, Rock in Rio will be replaced by another festival and total number of people expected is 310,000. I assumed a trial of 40% and they repeat their purchase one more time. In 2012, Rock in Rio will return, so the total number of people expected will be 660,000.

## P&L

	2009	2010	2011	2012
Sales Volume	9,895,035 €	12,863,546 €	16,079,432 €	19,295,318 €
Canibalization(5%)	0 €	643,177 €	803,972 €	964,766 €
COGS(20-35%)	3,463,262 €	4,116,335 €	5,145,418 €	6,174,502 €
<b>Gross Margin</b>	<b>6,431,773 €</b>	<b>8,104,034 €</b>	<b>10,130,042 €</b>	<b>12,156,050 €</b>
Direct Marketing Cost(15%)	964,766 €	1,215,605 €	1,519,506 €	1,823,408 €
Off invoice costs(12,5%)	1,236,879 €	1,607,943 €	2,009,929 €	2,411,915 €
A&P costs	989,504 €	1,725,606 €	1,328,206 €	1,408,541 €
<b>Contribution Margin</b>	<b>3,240,624 €</b>	<b>3,554,879 €</b>	<b>5,272,401 €</b>	<b>6,512,187 €</b>

$$NPV = 3,554,879 / (1+0.1) + 5,272,401 / (1+0.1)^2 + 6,512,187 / (1+0.1)^3 = € 12,481,767$$

## P&L per Product

	2010		
	Gazela	Mini Gazela	Total
<b>Sales Volume</b>	10,290,836	2,572,709	12,863,546
Cannibalization	643,177	0	643,177
COGS (20-35%)	3,601,793	514,542	4,116,335
<b>Gross Margin</b>	<b>6,045,866</b>	<b>2,058,167</b>	<b>8,104,034</b>
Direct Marketing Cost(15%)	906,880	308,725	1,215,605
Off invoice costs(12,5%)	1,286,355	321,589	1,607,943
A&P costs	358,295	1,367,311 €	1,725,606 €
<b>Contribution Margin</b>	<b>3,494,337</b>	<b>60,543</b>	<b>3,554,879</b>

	2011		
	Gazela	Mini Gazela	Total
<b>Sales Volume</b>	12,863,546	3,215,886	16,079,432
Cannibalization	803,972	0	803,972
COGS (20-35%)	4,502,241	643,177	5,145,418
<b>Gross Margin</b>	<b>7,557,333</b>	<b>2,572,709</b>	<b>10,130,042</b>
Direct Marketing Cost(15%)	1,133,600	385,906	1,519,506
Off invoice costs(12,5%)	1,607,943	401,986	2,009,929
A&P costs	525,794	802,412	1,328,206 €
<b>Contribution Margin</b>	<b>4,289,996</b>	<b>982,405</b>	<b>5,272,401</b>

	2012		
	Gazela	Mini Gazela	Total
<b>Sales Volume</b>	15,436,255 €	3,859,064 €	19,295,318 €
Cannibalization	964,766 €	0 €	964,766 €
COGS (20-35%)	5,402,689 €	771,813 €	6,174,502 €
<b>Gross Margin</b>	<b>9,068,800</b>	<b>3,087,251</b>	<b>12,156,050</b>
Direct Marketing Cost(15%)	1,360,320 €	463,088 €	1,823,408 €
Off invoice costs(12,5%)	1,929,532 €	482,383 €	2,411,915 €
A&P costs	557,953 €	850,588 €	1,408,541 €
<b>Contribution Margin</b>	<b>5,220,995 €</b>	<b>1,291,192 €</b>	<b>6,512,187 €</b>

## P&L per distribution Channel

	2010			
	Off-trade	On-trade		Total
		HORECA	Festivals	
<b>Sales Volume</b>	6,431,773	5,213,773	1,218,000	12,863,546
<b>Cannibalization</b>	0	643,177	0	643,177
COGS	2,251,120	1,621,614	243,600	4,116,335
<b>Gross Margin</b>	<b>4,180,652</b>	<b>2,948,981</b>	<b>974,400</b>	<b>8,104,034</b>
Direct Marketing Cost(15%)	607,803	607,803		1,215,605
Off invoice costs	803,972	803,972		1,607,943
A&P costs	862,803	640,953	221,850	1,725,606
<b>Contribution Margin</b>	<b>1,906,075</b>	<b>896,254</b>	<b>752,550</b>	<b>3,554,879</b>

	2011			
	Off-trade	On-trade		Total
		HORECA	Festivals	
<b>Sales Volume</b>	8,039,716	6,671,716	1,368,000	16,079,432
Cannibalization	0	803,972	0	803,972
COGS	2,813,901	2,057,918	273,600	5,145,418
<b>Gross Margin</b>	<b>5,225,815</b>	<b>3,809,827</b>	<b>1,094,400</b>	<b>10,130,042</b>
Direct Marketing Cost(15%)	759,753	759,753		1,519,506
Off invoice costs(12,5%)	1,004,964	1,004,964		2,009,929
A&P costs	664,103	427,928	236,175	1,328,206
<b>Contribution Margin</b>	<b>2,394,212</b>	<b>1,725,987</b>	<b>668,225</b>	<b>5,272,401</b>

	2012			
	Off-trade	On-trade		Total
		HORECA	Festivals	
<b>Sales Volume</b>	9,647,659	8,063,659	1,584,000	19,295,318 €
Cannibalization	0	964,766 €	0	964,766
COGS	3,376,681	2,481,021	316,800	6,174,502
<b>Gross Margin</b>	<b>6,270,978</b>	<b>4,617,872</b>	<b>1,267,200</b>	<b>12,156,050</b>
Direct Marketing Cost (15%)	911,704	911,704		1,823,408
Off invoice costs (12,5%)	1,205,957	1,205,957		2,411,915
A&P costs	704,271	379,721	324,550	1,408,541
<b>Contribution Margin</b>	<b>3,449,047</b>	<b>2,120,490</b>	<b>942,650</b>	<b>6,512,187</b>

## Market Share Estimation

	Sales	Growth	Category Sales	Growth	Market Share
<b>2009</b>	9,895,035 €		118,660,000€		8%
<b>2010</b>	12,863,546 €	30%	121,033,200€	2%	11%
<b>2011</b>	16,079,432 €	25%	123,453,864€	2%	13%
<b>2012</b>	19,295,318 €	20%	125,922,941€	2%	15%

## Advertising & Promotion Budget

		2010	2011	2012
<b>Advertising</b>	<b>TV</b>	450,000 €	400,000 €	400,000
	<b>Outdoors</b>	300,000 €	300,000 €	300,000
	<b>Web</b>	150,000 €	50,000 €	50,000
<b>Trade Promotions</b>	<b>Free cases</b>	77,181 €	48,238 €	0
	<b>Slotting Allowances</b>	96,480 €	0 €	0
	<b>POP Materials</b>	15,000 €	0 €	0
	<b>Price-offs</b>	160,795 €	200,993 €	241,191
	<b>Sales contest</b>	80,000 €	80,000 €	80,000
	<b>Festival costs</b>	221,850 €	236,175 €	324,550
<b>Consumer promotions</b>	<b>Sampling</b>	61,500 €	0 €	0
	<b>Contests</b>	12,800 €	12,800 €	12,800
<b>Market Study</b>		100,000 €	0 €	0
<b>Total Expense</b>		1,725,606 €	1,328,206 €	1,408,541

Free cases: 2010:  $3,000,000 \times 0.03 = \text{€}90,000$   
 2011:  $4,000,000 \times 0.015 = \text{€}61,610$

Slotting Allowances:  $0.03 \times (12,863,546 / 12) \times 3 = \text{€}96,480$

Price-offs: 2010:  $0.05 \times (12,863,546 / 12) \times 5 = \text{€}160,795$   
 2011:  $0.05 \times (15,436,255 / 12) \times 3 = \text{€}200,993$   
 2012:  $0.05 \times (19,295,318 / 12) \times 3 = \text{€}241,191$

Sampling:  $\text{€}0,6 \text{ unit cost} \times 5,000 \text{ Mini Gazela} \times 15 \text{ days} + \text{€}50 \times 2 \text{ promoters} \times 15 \text{ days} + \text{€}10,000 \text{ van} + 5,000 \text{ POS materials} = \text{€}61,500$

Contests:  $\text{€}6000 \text{ Trip to a refreshing destination for 4 people} + \text{€}40 \text{ ticket cost} \times 40 \text{ tickets} \times 4 \text{ festivals} + \text{€}40 \text{ ticket cost} \times 2 \text{ tickets} \times 4 \text{ festivals} = \text{€}12,800$

Festival Costs: 2010: Sales:  $580,000 \times 0.35 (\text{trial rate}) \times 2 (\text{repeat}) \times \text{€}3 = \text{€}1,218,000$

COGS:  $0.2 \times 1218000 = \text{€}243,600$

Margin:  $\text{€}974,400$

A&P costs: Entrance fee:  $0,25 \times 974,400 = 243600 + \text{Promoter: €}75 \times 14 (\text{total number of festival days}) = 1050 + \text{Merchandising: €}6000 = \text{€}221,850$

2011: Sales:  $310,000 \times 0.4 (\text{trial}) \times 2 (\text{repeat}) \times \text{€}3 = \text{€}1,368,000$

COGS:  $0.2 \times 1368000 = \text{€}273,600$

Margin:  $\text{€}1,094,400$

A&P costs: Entrance fee:  $0,25 \times 1,094,400 = \text{€}273,600 + \text{Promoter: €}75 \times 13 \text{ days} = \text{€}975 + \text{Merchandising: €}6000 = \text{€}236,175$

2012: Sales:  $660,000 \times 0.4 (\text{trial}) \times 2 (\text{repeat}) \times \text{€}3 = \text{€}1,584,000$

COGS:  $0.2 \times 1368000 = \text{€}316,800$

Margin:  $\text{€}1,267,200$

A&P costs: Entrance fee:  $0,25 \times 1,267,200 = \text{€}316,800 + \text{Promoter: €}75 \times 18 \text{ days} = \text{€}1,350 + \text{Merchandising: €}6000 = \text{€}324,550$

# Attachment 17

