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ALTERNATIVE PACKAGING

Niche or Not?

New types of packaging for wine are generating a lot of buzz—but are they selling?

BY ANDREW KAPLAN

The staid old wine bottle has certainly been fiddled a lot with over the past several years. From a simple glass bottle with a cork, today's wine can be found packaged in everything from PET to a carton or a can and adorned with a screw top made of plastic or glass.

But while these new packaging alternatives are certainly interesting to look at and hold in your hand, are they making lasting inroads with consumers? Will they ever account for more than a small niche for the wine industry?

It might help first to understand why some marketers are turning to the new packaging. "Tetra Pak cartons were an obvious choice for us to look at," says Patrick Egan, French rabbit and innovation brand manager, Boisset Family Estates, commenting on the launch of French rabbit in the 1-liter Tetra Prisma Aseptic cartons in 2006 in the US. "Really no one had yet done it in the wine world in a profound way that made a statement or an impact."

He continues, "It offered exactly the solution we were looking for in terms of an evolution in packaging—lightweight, efficient packaging with a dramatically reduced carbon footprint that simultaneously offers benefits for the wine drinker."

But have alternative packages actually been helping to sell the wine? It depends on what type of package you look at. For example, Constellation Wines U.S. reports that sales of its premium wine, Black Box, have been increasing as the

recession has dragged on. In April, it reported dollar sales of its

Black Box brand had grown by 35 percent year-to-date, this rose to 45.1 percent in the last three months of that period, and then to a whopping 51.5 percent in the last four weeks.

"Wine in boxes and Tetra Pak do offer cost benefits, which has become an increasingly important consideration in today's economy," says Dale Stratton, the company's vice president strategic insights. "As more people dine at home and make their wine purchases off-premise, we believe that Black Box will see more consumers potentially shopping the box section." Stratton points out that the brand costs US\$24.99 and offers consumers the equivalent of four bottles of quality wine that will stay fresh for four weeks.



« CONSTELLATION WINES U.S. » Alice White brand has been around since 1996, but only this spring began being offered in Tetra Pak across the US market.



• THIS SUMMER, Sutter Home Winery announced it is now using PET bottles from Ball Corp. for all 187ml wine bottles. The bottles feature Plasmax, a transparent, internal silicon oxide barrier or coating technology to protect the wine inside the bottle.

Brian Lechner, director of client service with The Nielsen Co., says the latest

statistics show that 14 percent of those who buy premium boxed wine do so a little more than once a month and that represents about 67 percent of premium 3-liter volume. "So you've got a small group of consumers who are

seemingly very enamored with the package," he says. "There is a core group of consumers who absolutely believe that there is a value proposition to be had by these premium 3-liter packages. So this trend is around to stay."

Wine in PET, on the other hand, stubbornly remains nothing more than a niche product, at least in the US market, according Lechner. "In the US in the 187ml category, where most of the PET action is, it's about 6 percent of all volume and 187ml is not a very large part of the category," he says. "And in looking at 750ml sales it's actually a hundredth of 1 percent of today's volume is in PET. Effectively, I think that means there's one brand that is selling PET in the 750ml size today."

More broadly speaking, noted wine expert Marnie Old says alternative wine packaging acceptance varies by demographics. "I see a clear split in the marketplace in terms of the feelings about alternative packaging and I feel fairly strongly that it's rooted in a generational difference," she says. "The Baby Boom generation tends to be of a mindset that values familiarity, whereas those who are younger tend to look at wine with

more of an adventurous mindset."

Old points to the screw cap closure right now as having made the most impact of all the alternative packaging choices on the market today, but she also thinks moving forward the premium boxed 3 liter wines will continue to convert consumers because of their value proposition. **EW**

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