

MARKETING WINE DURING & AFTER COVID-19

LULIE HALSTEAD, APRIL 2020

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Focus on core brands

During times of stress, upheaval and economic crisis, consumers tend to revert to what's familiar as it makes us feel 'safer'. This is particularly true when shopping trips are more challenging and there is a need to switch to new purchase channels (e.g. online). Analysis of brand purchase during previous recessions has shown that 'high market share brands' tend to win at these times. It's time to park more niche brand development that might distract and focus on what we know works well

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Avoid promotional discounts

There will be lots of channel pricing discrepancies and short-term promotions, but fixing brands at lower price points will keep them there, causing long-term viability issues. While these will be difficult time for many, consumers will continue to rely on treats, 'mini rewards' and everyday luxuries in a time of recession, with wine remaining both a treat and a reward, whether priced at \$5 or \$50

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Continue marketing spend – it's more effective now (and particularly during recession) than before

As companies cut marketing spend, each \$ that is spent becomes more effective as it delivers a proportionally higher share of voice (SOV) amongst a total reduced spend across a category. This results in this spend being more 'effective' than ever with studies showing that "All things being equal, a brand whose share of voice is greater than its share of market (SOM) is more likely to gain market share" (Clarke, 2009) so increasing SOV leads to higher market share in the longer term, holding true also during times of recession

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Opportunity for agile innovation & NPD that focuses on relevant benefits

Alongside the focus on core brands (see point 2 opposite) there is opportunity for selected NPD and innovation. NPD that focuses on helping consumers through these times and solves direct problems can be effective, such as convenient & economical larger packaging formats and online engagement activities. Collaboration with competitors, in an environment where competition legislation is being adjusted, can also open up new opportunity

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Think local

In times of stress, our tendency as humans is to revert our focus to our local (& national) communities and this is even more true now in an era of lockdown and restrictions of movement. 'Local' consumers have the ability to buy direct more easily, visit more frequently as movement restrictions are lifted and feel engagement to support brands that are 'closer to home'