

# Innovation in wine packaging



**Introduction**

With the different readings made, the researcher will intend to list or summarise a working bibliography.

' The process of reviewing a literature involves making judgement about what to include and exclude from your literature review and then reading what other researchers have written about your subject and writing about it in a way that demonstrate you understanding.'

Writing the literature review for the dissertation will convey the researcher's knowledge and ideas that have been established on the topic, and will be discussed.

The literature review will be an essential tool, as this will indicate that the researcher has understandings of a field of study and their relevance for their inclusion. It connects the work to a greater field of knowledge and, in more immediate terms, it demonstrates the awareness bringing the work in a wider context.

The researcher will also find an added benefit since some information about the subject will be found before starting the research work. This will bring the reader up to date with current literature on the topic, and framing the future research.

The literature review will also influence the work as a foundation of research, identifying relevant and appropriate material. It should also inform and underpin the research, identifying the ' gap' that the researcher is attempting to address.

The literature review will also help to position the work in the context of previous research and creating a 'research space' for this piece of work.

(Hart: 1998: 14)

### **The Theoretical Framework**

In competitive markets, companies must always seek to gain market share.

The standardisation of brands and products often leads to higher productivity and lower production costs, and communication. With identical packages available on the shelves, the consumers can easily identify visual codes of brands, thus strengthening their identity and reputation worldwide. Moreover, standardisation of lifestyles, driven by consumer mobility and the development of information technologies and communication, encourages the internationalisation and standardisation of products.

Faced with globalisation and the saturation of some markets, the wineries are induced to expand internationally.

However, managing brands internationally, and more specifically internationalisation of the packaging is far from being easy.

Due to the saturated wine industry, it is more and more important to focus the wine industry on marketing strategy efforts toward the product and the consumer to maintain market share and sustain the wine customer attention.

### **The Packaging**

This is a very important marketing promotion tool to attract customer, and is now regarded as an essential 'P' of the marketing mix. According to Hall and

Mitchell (2007), the wine marketing mix decisions consist of the four P's with an additional quartet of Packaging, People, Planning, and Positioning.

Some studies have taken different approaches to the packaging as a marketing tool. Paine, Frank Albert has developed a definition of the packaging as:

' The art, science and technology of preparing goods for market and sale'(1992: 34)

To add, further in his book, the author defines another kind of definition as:

' Packaging is a means of ensuring safe delivery of a product to the ultimate user, in sound condition, at minimum overall cost'(1992: 52)

Packaging is well-known to be as a key element of the branding process as it communicates the brand equity of the company. According to Kotler (1999 : 28):

' The package is the buyer first encounter with the product and is capable of turning the buyer on and off'

It can make the perceptions of qualities, reliabilities, and value in a product, as well as loyalty, confidence, and self-expression to the consumer (Aaker, 1996).

We can make our conclusion about the packaging as a commercial activity. This is a crucial factor for companies in order to ensure the promotion of their product. The packaging will aim this communication of information.

Through the brand, the packaging has become way of communicate messages to the consumers.

' Packaging has actually gained in importance in the marketing mix as consumers closely scrutinize more products on the retail shelf before purchasing.'

(Brand Channel: 2009: August)

' Packaging is taking on increasing significance and extending beyond the obvious necessity of providing for protection, transportation and storage.'

(Giles: 1994: 73)

### **Trends And Future Of Wine Packaging**

It is interesting to note that the packaging of a product is the most ephemeral in the product life. Indeed, some companies must constantly adapt to trends and market developments.

A company will prefer a change in the packaging rather than the product on its own, and this change will allow sales to grow in profitability. Therefore, we say that the packaging is a way to change media.

Wineries are seeking to find a new way of attracting consumers, develop new relationships with the consumers and establish and sustain a strong brand equity that will stimulate the buying process.

With the ' general decline in consumption and a change in drinking habits; [...] from daily wine consumption towards more occasional drinking of higher-quality wine underpinned value growth' (Datamonitor 2008: October:

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18), it is hardly surprising that the relationship between wine and packaging has attracted considerable attention in recent years.

The packaging is particularly relevant in the decision-making process. In the field of the wine packaging, the shape of the packaging, the design, drawing and colour on the label is meant to attract the attention of the potential purchaser, differentiating the product from other competitors.

It influences the majority of purchases made in large and medium-sized store, with consumers increasingly fickle and demanding.

The International Journal of Wine Marketing's article refers to the importance of the packaging in the wine industry suggesting that:

' It reaches out beyond the point of purchase to make statements about its purchaser'.

(The International Journal of Wine Marketing: Thomas: 2000: 12)

Researchers Wine Intelligence's latest quarterly Consumer Intelligence report confirms evidence that the wine is not important ' choosing cues'.

The results of this survey indicates that proportions of consumers who consider the aspects of a wine as ' top of mind' cues when choosing which bottle of wine to buy would be the Grape variety (74%), Promotional offer (66%), Country of origin(63%), Glass colour (10%) and the bottle weight (7%).

When consumers are willing to purchase wine, the decision making will involve asking themselves several questions including what type of wine it is, how much the wine is, and if the brand is known.

These sources of information are important for consumers. The packaging is the media that the buyer will evaluate before purchasing the wine.

Companies tend to simplify the decision making process, removing the grapes varieties and the vintage, and positioning the product within the reach of most mainstream consumer.

Developing innovative wine packaging will be an investment making the brand distinctive, standing out on the shelves and simply trying to compete against existing products on the market.

Therefore a focus of the packaging elements is the new strategy for these wineries, in terms of marketing efforts. The packaging is one of the tools in marketing for wineries to get the right picture about the business, and help the perception and positioning in the market place.

### **A Bet On Innovation For Wine Industry**

The strategies of the company are not only to look to volume, but acting for the long term.

Innovation has become essential for wineries wishing to take their brands to above preserve their margins and differentiate from competitors.

A third of sales of consumer products are achieved with products that did not exist three years before. (J. J. Urvoy et S. Sanchez: 2007: 135)

The consumer demands are increasingly strong and we can notice the need for companies to generate new needs incentives to innovate through packaging.

The wine packaging is facing a new trend of packaging, based on innovations becoming increasingly complex.

Packaging innovation can drive wineries to access the premium product category.

Packaging innovation can move your business from a commodity driven product into a premium product category.

(JoAnn Hines: Australian institute of packaging)

' Innovative packaging has been a key feature of premium brands in the last decade'

(Datamonitor : 2009)

The convenient, practical, easy use and inexpensive packaging is obviously the most important factor with consumers when they purchase, however in the wine industry offer few possibilities. Therefore, even if innovation in packaging is one of the most important tasks in marketing, it is nevertheless one of the most difficult. Few innovations survive if they do meet a real consumer need.

Thus, the packaging does have a role to play in innovation. A packaging, suitable for the use of the consumer and its expectations in term of packaging, will probably become the best retention tool.

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**Adapting The New Way Of Consuming:**

In order to be differentiated, wines seek to appeal and attract consumers.

The key success to this packaging design revolution is to meet the consumer's needs looking for trend.

This is the case of the Maleta winery who decided to centre their marketing efforts on their packaging design. The winery has developed unique type of packaging for each wine, which aims to spoke directly to the target consumer according to a price range.

' After auditing their winery, existing brand, competitors, and global beverage packaging design trends we decided on a strategy that would brand the wine, not the winery.'

(Jump Branding & Design Inc: work: packaging: maletawinery)

This is very important in the wine industry, as consumers identify the wine brand's personality and create association with the wine quality.

The popular and premium wine company Almaden's brand manager said:

' The brand personality of Almaden is at once fresh, contemporary, innovative and experienced [...] We wanted our packaging to reflect these brand characteristics, while conveying Constellation Wines' universal appeal as an everyday entertaining wine.'

(Business Wire: 2003: May)

**Almaden Vineyards Innovates With New Bottle Packaging; Contemporary Look Maintains Brand's Tradition Of Quality.**

Dealing with products that answer more and more to the consumers' demand, the marketers are seeking sensory experiences. The act of buying now claims emotional, and beyond basic qualities of the product, the sight or grip of its packaging may influence the purchase decision. The packaging strategy will be to solicit the consumer's five senses to awaken their interest and ensure their loyalty. The packaging actually will then stimulate more touch: Paper grain, gummed, plastic.

Winemakers are now targeting to the new generation of consumer. Wine brings a new trend on socialisation. Young people are used to product innovation, it is the best target for the packaging innovation as they start to consider wine, yet the packaging was never fully orientated towards youth until recently. The new packaging is adding value to the wine, becoming a part of entertaining experience, bringing some new concepts to the everyday life. Many new offers start to appear, appealing new young consumer.

' Wine is gaining greater acceptance across more segments of the drinking population, particularly amongst younger generation consumers just beginning to formulate their alcoholic drinks preferences.'

(Datamonitor 2008: October: 19),

Some examples can illustrate the wine industry needs to meet the consumers through innovative wine packaging. The market is then driven by the growing consumer's demand for innovation. Now sober and minimalist

packaging can be simple with a strong visual quality that invites the consumer to try.

The shape, type, and drawing of the packaging attract the potential consumer's attention, who will be distinguishing a specific wine bottle from competitors. In the other hand, consumer are expecting from the packaging a communication about:

' The relevant and appropriate information about the quality of the wine, in some way replacing the salespersons action'

(International Journal Of Wine Marketing, 2005, Vol 18, 33-44)

A survey made in 2008 reveals that for example in the UK, 39% of consumers feel that the design in packaging had a significant level of influence over their choice of purchases.(Datamonitor: 2009: 12)

Customers rely heavily on the design and labelling information such as region of origin, grape variety, and awards received. At the most general level, wine label designs tend to be described as either “ traditional” or “ modern/contemporary”

(International Journal of Wine Business Research: 2007: vol 19: 170).

For that reason, Wine producers and designers wineries innovate in term of packaging, in the view of satisfying the consumers' wants and desires.

The practical is one of the prime factors of choice in some markets as such, the household products. The developments of ' nomadism' caused an increase in meals outside the home, standing and watching television. The <https://assignbuster.com/innovation-in-wine-packaging/>

breakdown of food and the search for gain time encourage consumers to buy packaging adapted to these new consumption habits.

In a general overview, the time spent in food cooking is evaluating towards fresh produce and packaged ready to eat. The consumption pattern was individualised and therefore increase the snacking habits. All these changes have led to a proliferation of " ready to eat," " individual" and " transportable". The new lifestyles have involved a real change in the design of products.

Therefore this has an impact on the image of packaging in general, since it multiplies the number of packages and thus increases the volume of waste.

Some new wine packaging is more convenience in term of space. These new type of packaging can be more convenient to transport and non breakable. In that case the portability developed a new market of single serve package products, targeting a new ' modern and fashion and socialization' appeal that consumer are keen on. This new ' single serve' approach takes the wine consumption in a new way of dining or serving, keeping the wine industry with the luxury experience as looking for being chic, appropriate, convenient, accessible. (International Journal of Wine Marketing, 2005, Vol 18, 33-44).

These innovations in smaller packaging ' single-serve' wine sizes permit to associate the wine consumption with new occasions.

' The package on store shelf and in the consumer's kitchen is a form of advertising which is attracting increasing design attention.'

(Giles: 1994: 138)

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Many products are not hesitant about the misuse of codes reserved normally to other universes of products. Forms and graphics are involved in this transgression. This innovation is playing on the originality and fun to entertain, to differentiate and maintain market share.

To illustrate this shift codes, winemakers like the Gallo Family Vineyards hasn't hesitate to bet on the uniqueness, that consumer is looking for. This is the case of their handbag style wine box for their White Grenache variety, the most famous rose wine in UK. This bag in box has been designed in order to target a female audience.

The packaging is the opportunity to develop one or more dimensions of the mark, being creative and offbeat.

This type of packaging also now displays an originality and creativity overflowing marking the minds and pushed the traditional codes of bottling. Clever, transgression draws the eye and curiosity of the consumer. The aim of this new concept of packaging is to look outside the marketplace with new ideas that company could use for its own packaging. The uncommon packaging can also be a tool to provide added value to its packaging and affect the practicality of the product.

The brand has to find his style and surprise the consumer, by promoting emotion without harming the product, so that it remains registered in his mind, the " top of mind".

### **The Eco-Friendly Wine Packaging**

Under the pressure of the increasingly environmentally conscious consumer, packaging must now be designed in logic of eco-environmental, performance, seducing consumers and reducing waste.

We can also notice a new advertising argument, as being the wellness, pleasure, and authenticity with tradition. The media conveys massively the idea of a food and environmental crisis, which creates worries for the consumers.

In supermarkets, we can see new innovative packaging. For example, the plastic cork or the screw caps.

A new application is used for the wine packaging. Nowadays, the aim of the packaging isn't only to protect and sell. A new dimension of eco-packaging is rising.

' Eco-packaging must do all that but also have minimal eco-impact, well be targeted, be a team player, plan for en of life, and plan for the next life.'

Jedlicka (2009: 8)

Sustainable packaging is a strategic marketing move and Market forces are shaping the way of consuming. Products use to be made, consumed and then thrown away. Nowadays, products and their packages are remade for another kind of use, through a linear consumption, in a frame of new awareness of the purpose of what and how we chose to consumer.

Not only the innovation of packaging will illustrate the product, but they it will also be communicate and talk about the packaging reduction efforts.

' Now, along with information practices, not only can he consumer make an educated decision about the food they eat, but about the impact of that choice'

Jedlicka (2009: 24).

At first, we will define the term sustainability. Several definition and ideas have been used, however this is not a fully definition.

The most adequate definition of sustainability is the definition bythe World Commission on Environment and Development. The commission suggests that sustainability should be defined as:

' Forms of progress that meets the needs of the present without compromising the ability of future generations to meet their needs.'

**(Brundtland Commission).**

For example the cork has been replaced by the screw and synthetic corks, and the bottle is slowly being replaced by new type of containers by winemakers. For instance, wineries created innovative packages for the introduction of the PET bottles, the bag-in-boxes varieties, the different versions of the TetraPaks, aluminium containers and even stand-up pouches.

Those innovations on packaging are revolutionising the market of the wine industry. With a new vision as recyclable, unbreakable, lighter and visually attractive, the wine industry associate new bottles, with new packaging

materials, new aspects, and new labels in order to attract new type of customer and even to target new type of niche markets.

The wine industry found new eco-friendly environmental packaging option. Marketers offer to winemakers a new fresher brand with new positioning, using new packaging as a solution for a repositioning of their range of wine. An example is the new packaging from Astrapak; their benefits would be the convenient way of use and transporting, it is lightweight and sustainable.

The demographics changes and consumption habits lead to use more packaging. Once products are consumed, they become waste.

Faced with this increase of packaging waste, environmental issue are rise. Consumers are now concerned with the management of waste, including those due to packaging.

Companies and marketers are aware of the challenges proposed by eco-design to the public. According Bethiness Laurence, director of trends and innovations of brands, it is also becoming ' the new must-have' packaging. (La revue des marques, 2008, 61, 48)

A report also statute that the respondents has to give alternatives to glass bottles

' 37% indicates that they would be prepared to consider them. Plastic PET bottles and bag-in-box packaging had most consumer support. While the overwhelming majority, 63%, think all wine, however humble, should be packaged in glass bottles, when they were shown other forms of packaging,



five out of six were neutral towards - or indicated they were likely to buy - at least one type of alternative packaging.'

(The Wine And Spirit Trade Association: 2007)

Therefore, companies are getting increasingly involved in the packaging industry, promoting not only the consumer economy, but also the biodegradation and recycling of materials.

Eco-design is defined as ' the improvement the ecological quality of a product' according to Ademe (Bethiness, La revue des marques, 2008, 61, 49).

This improvement requires action on several approaches:

- \* The choice of materials when designing or improving packaging;
- \* The type of energy required during the production phase, the distribution, transportation and management of end of life (recycling, re-use, composting);
- \* The communication made about packaging itself, which does not happen often because companies are afraid of lose their credibility by highlighting their good will.

Besides the commitment of industry, consumers must also be involved.

Therefore, it would be beneficial for companies to communicate their actions and their results.

' In food packaging, there is an unbalance between nutritional speech, too dominant, and the ecological speech, too discreet.'

(L. Wallentin, La revue des marques, 2008, 61, . 38)

The consumer would be led to understand that packaging should not be regarded as a simple waste but as a real material to recycle. Consumer becoming more difficult, eating motif becoming knowledgeable in terms of their packaging choices and seem to be pushed towards alternative packaging.

Creative solutions must be devised to provide pedagogically on packages to induce body movements such as the intelligent sorting.

With this new type of packaging, companies have the benefit of new communication opportunities.

' These innovations are helping us attract a new demographic and get people interested in wine with something other than the traditional presentation'

(Jean Charles Boisset : Beverage World: 2008: 56)

' The innovative - greener - packaging is central to the positioning of new wines targeting a new type of drinker. The pack enhances both visibility and the financials.'

(Nigel Fordham: The new marketing packaging: Wildduck : 2008)

The aluminium bottle is an innovation from wineries which produces the bottle using technology with pilfer-proof cap on the bottle to keep the quality of the wine without altering the taste or standard of the wine.

The differentiation with the colour of the aluminium packaging makes the wine stand out on the shelf, increasing brand recognition among consumers, and in the same time, the safety and freshness. These criteria of selection are important to the consumers who see this type of wine ideal for outdoor use and to keep it longer by reducing oxidation from light penetration.

With this type packaging, companies hope to attract a broad range of consumers due to his function, and also the visual appealing to the consumer.

‘ Mommensin Beaujolais' in an aluminium bottle. This packaging is continually recyclable, screw cap, to make it re-sealable.

The example of the Boisset Family estate is another illustration of breaking the rules in the wine industry. This burgundy estate is known for its vision of sustainability developing alternative packaging, generating a new mode of consumption. The use of PET bottles have 50 % lower carbon footprint than traditional glass wine bottles. It can be recycled continuously.

For some cases, the innovation in packaging were entirely a new concept, giving a new life to the existing brand

‘ All of these innovations have helped us to transcend our traditional thinking of wine - how to market wine, how to talk about wine - and have really helped us to bring another dimension as far as how we look at wine itself and how we convey how to drink wine at the consumer level'

(Jean-Charles Boisset: Beverage Industry: 2008 : 99: 12)

Both brands are examples of how establishing a point of difference with consumers through unique, stylish packaging can lead to success.

One of the most seen new packaging on shelves of supermarket is the Tetra Prism.

For example Boisset Family Estates, a family-owned producer and importer of fine wines based in Burgundy, France have launched ' French Rabbit', a wine packed in octagonal.

The owner of the winery says that new containers ' are state-of-the-art packaging that will revolutionize the wine industry'.

The company also reinforces their communication about this innovative product with their message as ' for every 4 French Rabbit wines sold, one tree is planted.'

French rabbit was the first premium wine in a tetrapak launched in 2005.

This new version of the Tetrapak is based on cartons, composed with 70% paper, which make this product more recyclable than glass, considering the significant decrease on weight. Another factor earth-friendly is the reducing of carbon from the transportation.

' 100% recyclable, Tetra-Prism containers reduce packaging by 90% in comparison to typical glass wine bottles.'

(French Rabbit wines: About the rabbit: Tetra Prism)

This Chardonnay from the South of France is made in a Burgundian style; this Chardonnay is described as flavours of citrus and stone fruits, and presents a slogan 'Savour the wine. Save the planet.'

([www.frenchrabbit.com](http://www.frenchrabbit.com))

The use of paper cartons is not only the new type of innovation in term of packaging.

Another container is coming on the market, the can, which gain more and more attraction. This use of packaging is not new in the market, however, new research have been made for wine, preserving qualities and freshness.

This is the case of Barokes Australian Premium Wine, an Australian-based vineyard, which introduced in the market a process known as 'Vinsafe'. This innovation guarantees the longevity of the wine in the can.

([www.wineinacan.com](http://www.wineinacan.com))

The American Neibaum-Coppola Winery is using the same concept with Sophia Minis, which brings to the wine more sophisticated style.

This Sofia Blanc de Blancs Sparkling Wine Minis is targeting for example the new young consumer, trendy and looking for fashion.

([www.franciscoppolawinery.com](http://www.franciscoppolawinery.com))

The bag in box (BIB). Even if this type of packaging is seen as cheap wine, and do not contain premium brands, the consumer can still get quality wine.

' The quality of bag in box wine has improved tremendously in recent years. But the perception of the consumer is very different' said professional wine taster Susan Hulme, from the Association of Wine Educators.

(Reuters: 2007)

The example is Blackstone Black Box Merlot which quickly moved from the low category of wine to the premium box revolution.

The benefit of this packaging is the freshness that can stay up to 3 weeks after opening.

Wine in flexible pouches is known to have 80% less of a carbon emission than wine bottles. The Company of Versus wine is pushing its product to the European.

The consumer can see benefit though these pouches as the convenience of transport and storage. The wine is said to remain fresh up to 1 month.

Nowadays the marketers in the wine industry are pushing further the new way of packaging strategies both cheaper and greener.

The aim of the companies creating this type of packaging in to reduce, recycle and renew. Some research have been made on the field of packaging, including wine packaging, creating use packaging always more efficient.

The scientific and technological advances in the field of wine packaging pursue objectives: the satisfaction with the taste and quality of product,

convenience, health, and safety, increasing sophistication and intelligent packaging cue.

However the only gap that we can find in literature between this mainstream success for these new packaging is perception from the consumers. We found some lack of information on the wine buyer' s perception on the value of sustainable packaging.

## **The Research Process**

### **The Questionnaire Design**

The purpose of this study is to elicit the methodology adopted achieved using an exploratory study on consumers' perception of sustainable wine packaging.

The primary purpose of the researcher is to use exploratory research to provide insights and understanding into the study in a preliminary way. As the observation and the limited number of respondents will influence the direction of the study, this research will not attend to provide a precise answer but estimate one. Therefore the research will find a greater interest in using this type of research and does not have specific assumptions concerning the survey problem.

A questionnaire had to be completed by wine consumers, wine makers, wine shop owners, and retailers of France, Italy and England.

The research was designed to present the relevant dimensions that consumers take into account with regards to wine packaging, what they perceive and describe comparing different type of wine packaging.

The type of survey method chosen has been structured questions, where the researcher will have to explore the participants' response to the topic. The study has targeted consumers between 20 and 60 years old from European countries.

The questionnaire method chosen as its application, coding, analyzing and interpretation of the data are rather simple. Respondents have been limited to choose from a set of alternatives, the results are reliable. However following the attitude measuring questions, respondents could give unconscious answers. (Malhotra 2004)

In order to allow respondents to easily express their perceptions, therefore avoiding suggested answers a repertory grid (RGT) approach was followed.

The RGT technique of interview is used to illustrate people's description. The RGT allows respondents to freely express their opinions and the researcher to avoid bias. In fact, the researcher will simply submit the possible choice that could help the respondent to express themselves in depth. Finally an RGT technique is relevant according to their approach in consumer behaviour studies as it elicits the different perceptions by the respondent who is asked to identify one of the alternative wine packaging.

In order to complete this survey, the questionnaire was composed of four main groups of questions. First of all the researcher categorized the questions on the consumers' knowledge of wine packaging, their attitudes and behaviour toward this type of drink, whether they bought wine or not, and the perceived influences they could expect of their buying behaviour



from their relatives, followed by other questions such as their shopping behaviour and frequency of purchase.

The questionnaire contained questions on age, gender, education, and being a wine consumer. There were also questions about the importance of the environment.

To test their knowledge of sustainable wine packaging, the respondents have been asked to tell if they knew what s