

For Publication

denomination

Client: Fourth Wave Wine

2018 Entry

# Elephant in the Room: a jumbo success story.



Fourth Wave Wine, an independent wine producer, briefed us to develop name, branding and packaging for a new wine to be sold in independent retailers as well as Endeavour Drinks Group (EDG), a major supermarket chain. The aim was to gain distribution of more of Fourth Wave's brands through EDG as it is Australia's largest liquor group with a lion's share of the retail market. The new brand we developed for Fourth Wave - *Elephant in the Room* - was not only a success with EDG, but became the fastest selling Pinot Noir in Australia. Jumping to 40,000 cases in the first nine months, the brand then rocketed to 120,000 cases - a 200% increase in sales - in the following ten months<sup>1</sup>. The second most successful NPD launch in Australia in 2017<sup>2</sup>, *Elephant in the Room* convinced EDG to take a further seven brands from Fourth Wave and established the company as a "go to" for innovative, appealing brands. The brand's success was not limited to EDG outlets: it was a hit with independents and on-premise. From local distribution at launch, within 18 months the brand was being exported worldwide to ten countries.<sup>3</sup>

Since gaining the EDG business, Fourth Wave has seen a 198% increase in turnover, a threefold increase in sales, and a doubling of its gross profit<sup>4</sup>. These results catapulted Fourth Wave Wine from a small producer into the top twenty wine producers selling branded wines in Australia<sup>5</sup>.

Sources: 1. Fourth Wave Wines, 2. Aztec data 2017, 3-4. Fourth Wave Wines, 5. Aztec Data.

## The NPD brand

Launches in independents and EDG



No.1 Pinot Noir launched in 2017<sup>1</sup>



Fastest selling Pinot Noir in Australia per point of distribution<sup>2</sup>

# No.2

most successful NPD launch in 2017 in Australia<sup>3</sup>

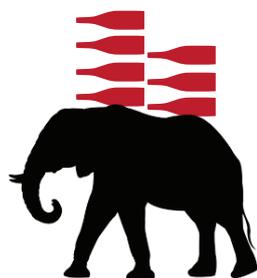
1-3 Source: Aztec Data 2017

## The parent company

Experiences major growth

**3x**  
increase in case sales in 24 months<sup>4</sup>

4.Source: Fourth Wave Wine Total Sales of 9LE cases

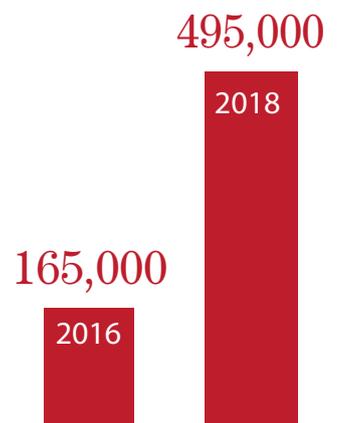


On the back of the success of *Elephant in the Room*, Fourth Wave was able to gain distribution of seven new brands with EDG.

**198%**  
increase in turnover for Fourth Wave since gaining the Endeavour Drinks Group business<sup>5</sup>

**200%**  
increase in gross profit<sup>6</sup>

5-6 Source: Fourth Wave Wine



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## Business Objectives

Create personality-led yet credible NPD for a wine brand that would:

- \* Capitalise on the gap in the market for full bodied/more oaked wine style, particularly in the Pinot Noir segment
- \* Create a personality yet credible NPD that would reflect the big, bold wine style proposition
- \* Appeal to smaller independent retailers
- \* Have global appeal beyond Australia to open up new markets
- \* Develop a brand that would drive and cement a mutually beneficial relationship with Endeavour Drinks Group, Australia’s largest retailer, in order to drive overall volume and profitability

### Description

In the words of owner and managing director Nicholas Crampton, Fourth Wave Wine aims to create “compelling brands that inspire and engage both a new and existing wine consumer”. A point of difference from competitors is Fourth Wave Wines are not beholden to what is growing on their vineyards. Unusually for a wine company in Australia, they have none. Crampton operates a ‘virtual vineyard’ wine business which allows him to move quickly when identifying market trends regarding wine styles. A former sommelier and highly knowledgeable about wine, Crampton sources and commissions wines that he believes will resonate with consumers.

### Key business challenge

In order to gain real market traction for their brands, the client needed to have an increased presence in larger retail outlets which are dominated by two giant supermarket chains.

With a portfolio of 32 brands, Fourth Wave Wine had been popular with independent and on-premise customers, and the business was growing steadily. However, in order to gain real market traction for their brands they needed to have an increased presence in larger outlets which are dominated by two giant supermarket chains. This was the key business challenge. The largest, Endeavour Drinks Group (EDG), had previously stocked two brands from Fourth Wave, but ranging further brands was proving a challenge for the business. In November 2016, an opportunity arose: EDG had shown an interest in ranging a new brand from Fourth Wave to see the consumer uptake. If it was positive, it would open the EDG account to more brands from the Fourth Wave stable.

Crampton recognised in order to cut through in EDG’s retail stores, not only the packaging but the wine style needed to be a hit with consumers. He identified there was a gap in the market for bigger full-flavoured, fruit-driven wines: a style that had once been popular but was increasingly more difficult to find as leaner-styled wines are in vogue. Many consumers still love big oakey wines because they are luscious and easy to drink. In his discussions with winemakers and the trade, Crampton found no-one was interested in making - or even discussing - these big wines, despite their popularity with consumers. However he decided to capitalise on this opportunity despite this lack of interest.

Fourth Wave briefed us to create a name, brand identity and packaging that reflected the big bold wine style proposition. It needed to reflect the quality \$15.99 price point and appeal the ‘developing drinkers’ consumer target. It was crucial the packaging had cut-through instore in the EDG environments as well as appeal to his independent and on-premise customers.

Supermarkets have 75% dominance in packaged liquor sales in Australia: Endeavour Drinks Group (EDG) commands

51%

market share

1,000

submissions to range with EDG biannually

### Overview of the Market

Data released in 2018 revealed Australia's supermarket retailers now have a combined market share of 75% of the \$15.5 billion packaged liquor market. The Endeavour Drinks Group (EDG) with its two stores Dan Murphy's and BWS, commands a massive 51% market share<sup>1</sup> of all packaged alcohol sold in Australia. Competition for listings amongst wine companies is fierce: more than 1,000 submissions are made to the BWS buyers at the bi-annual range reviews.<sup>2</sup>

New research has put the number of wine labels in Australia at 33,000<sup>3</sup>. Unlike other beverage alcohol categories, advertising for wine is low. In 2014, media spend for wine brands was only 7% of that for beer. As a result, wine relies heavily on the "advertising" that happens at shelf. With 64% of consumers trying a new product simply because the label catches their eye, the packaging design is crucial.<sup>4</sup> The key target market for *Elephant in the Room* were medium involved wine consumers - "developing drinkers" who make up 21% of the market and 26% of total spend.<sup>5</sup> Wine is part of their social image and they are seeking brand stories to share when buying wines.<sup>6</sup>

## Outline of design solution

### Scope of Work

Naming  
Identity  
Packaging  
Copywriting

The fact that our client had found no-one was interested in making - or even discussing - big wines, despite their popularity with consumers was our starting point. This lack of interest was the proverbial "elephant in the room" and this framed the basis of our creative strategy. We believed this would be a great name for a memorable brand story but also to express the "big" style of the wines.

We developed the packaging to feature an engraving of an elephant in a different room on each wine accompanied by wine descriptors ("mammoth," "jumbo" etc) that also happen to immediately convey the wine style. Every aspect of the packaging, from the stelvins to the shipping cartons, carried a level of fun and detail that the target consumers loved but also the touch of sophistication necessary for this level of consumer.

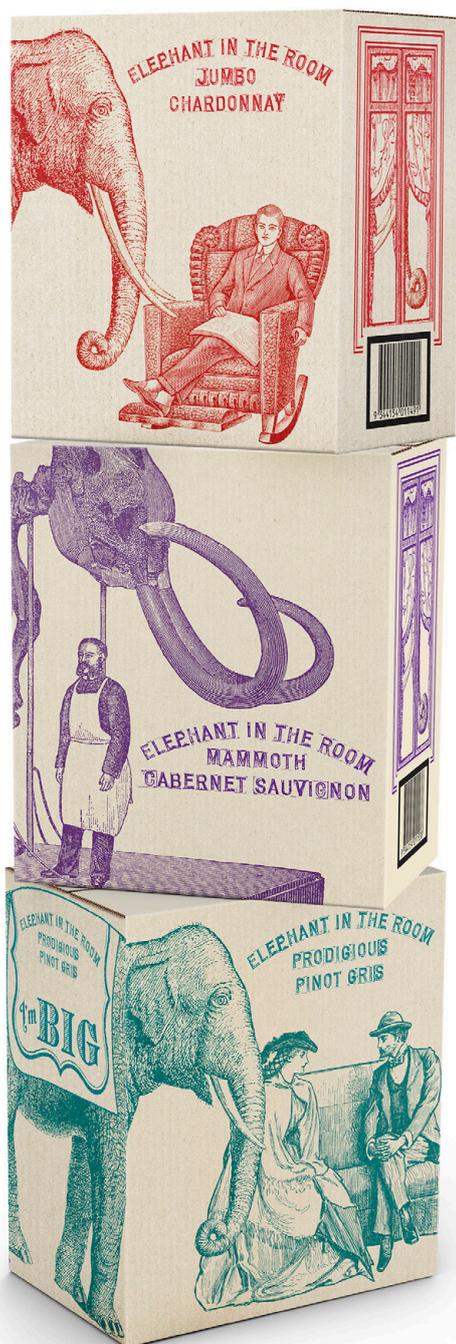
Graphics aside, we felt copy was incredibly important to this brand to explain the wine style. We carefully wrote the back label to tell the brand story. We also developed a sign-off line "Fashion 0. Flavour 10." to simply encapsulate the brand proposition.

For an overall project fee of \$50,000 AUD, *Elephant in the Room* was, according to Crampton, "the game changer for our business."

Within two months of its launch in March 2017, retailers were asking for more, so two extra varietals were added. Within 18 months, *Elephant in the Room* had grown to six varietals and was Fourth Wave's No.1 selling brand, accounting for 21% of sales.<sup>7</sup> The range then extended into slimline cans, the first table wine brand in the Australian market to do so.

#### Sources:

1. Roy Morgan Research
2. BWS Buyer's Guidelines to Submissions
3. Horton Media
4. AC Nielsen Wine Buyers judge bottles by their Labels—how can brands stand out? 2015
- 5-6. Wine Intelligence Wine Market Insights 2015
7. Fourth Wave Wine
- 8-9 Aztec Data 2017
- 10 Fourth Wave Wines



Every aspect of the packaging, from the stelvins to the shipping cartons, carried a level of fun and detail that the target consumers loved.

We carefully wrote the back label to tell the brand story as well as a sign-off line to encapsulate the brand proposition.

**PINOT NOIR SOUTH AUSTRALIA**

Big wines with lots of flavour are increasingly hard to find. Odd fact is, winemakers hate talking about them and yet drinkers love them. There's a jolly good reason: they're lip-smackingly delicious. We think it's the elephant in the room - or more accurately cellar. This pinot embraces everything that was great about gargantuan wines before the style police took control. A monster of mouthfeel it's big on velvetytness and attitude. Fashion O. Flavour IO.

PRODUCED BY FOURTH WAVE WINE SUITE 22 LEVEL 1 OTP HOUSE  
10 BRADFORD CLOSE KOTARA NSW 2209 TEL: 1300 778 047  
IMPORTED BY FOURTH WAVE WINE, F21700-464 FRANCE  
WINE OF AUSTRALIA APPROX: 6.0 STANDARD DRINKS (AUST)

CONTAINS SULPHITES SUDETŲJĖ YRA SULFITAI SAHRŲI SULFITI ENTHÄLT SULFITE TIPIKEXI GEIŲAI  
INDOHLDER SULFITTER VSEBUJE SULFITI OBAHŮJJE SIRICITANY ZAWIERA SIARCZYNY TARTALMAZ SZULFITOK  
CONTIENE SULFITI BEVAT SULFETEN SISÄLTÄÄ SULFITTEJÄ SATUR SULFITI INNEHÄLLER SULFITER

[www.elephantintheroom-wine.com](http://www.elephantintheroom-wine.com)

alc 13.5% vol 750 mL

Brand results

**No.1**

Pinot Noir launched in 2017 in Australia

Source: Aztec Data 2017

**No.1**

Fastest selling Pinot Noir in Australia per point of distribution

Source: Aztec Data 2017

**No.1**

Pinot Noir in Endeavour Drinks Group BWS Stores

Source: Aztec Data 2017



**Company champion**

No.1 brand for Fourth Wave makes up

**21%**

of total sales of the business

Source: Fourth Wave Wine

**Distribution growth**

In 18 months since launch now sold in ten countries

March 2017



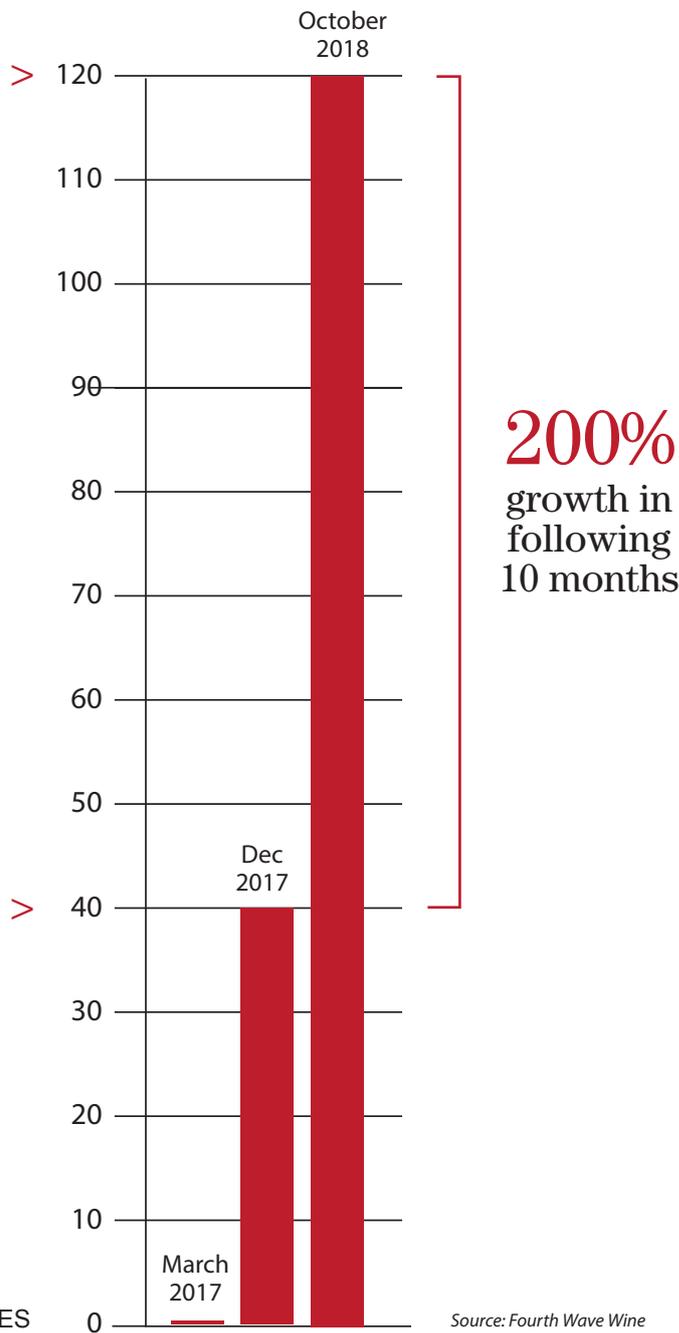
November 2018



**Brand sales growth**

**120,000** cases sold since launch

**40,000** cases sold in first 9 months



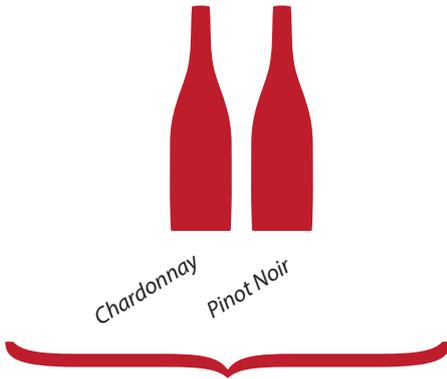
9LE CASES

Source: Fourth Wave Wine

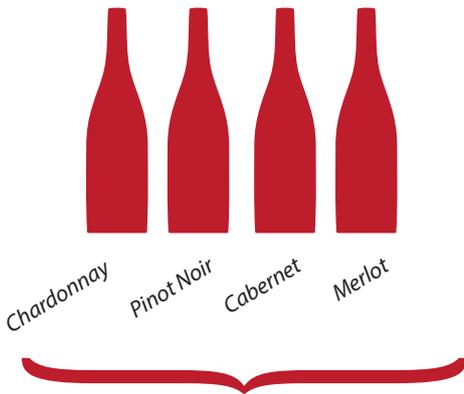
Brand results (continued)

**Growth in brand offering**  
2 months after launch  
range already doubled in size

Launch March 2017



April 2017



Sept 2018



Total 6 SKUs in 18 months

Source: Fourth Wave Wine

**No.2**

Most successful  
NPD launch in Australia  
for 2017

Source: Aztec Data 2017

**Extension to innovative formats**

Consumer demand led to  
Fourth Wave launching the  
brand in slimline cans: the  
first company in Australia  
to use this innovation.



Effect on parent company

**Elephant in the Room  
a runaway success for Fourth Wave**

No.1 Pinot Noir and No. 4 Red Wine  
overall within 12 months in  
Endeavour Drinks Group's BWS<sup>1</sup>

*1. Source: Aztec Data 2018*



**Increased listings**

Fourth Wave was able to gain  
distribution for seven of their  
other new brands  
with Endeavour Drinks Group



**Effect on bottom line**

**198%**

increase in turnover  
for Fourth Wave since  
gaining the Endeavour  
Drinks Group business<sup>2</sup>

*2. Source: Fourth Wave Wine*



**Elevated ranking**

Fourth Wave  
enters the top 20  
wine producers  
selling branded  
wines in Australia<sup>3</sup>

*3. Source: Aztec Data December 2017:  
Top 20 wine producers selling branded  
wines in Australia by value.*

**200%**

increase in gross profits  
in 24 months<sup>4</sup>

495,000

2018

**3x**

increase in case sales  
in 24 months<sup>5</sup>

165,000

2016

*4-5 Source: Fourth Wave Wine*

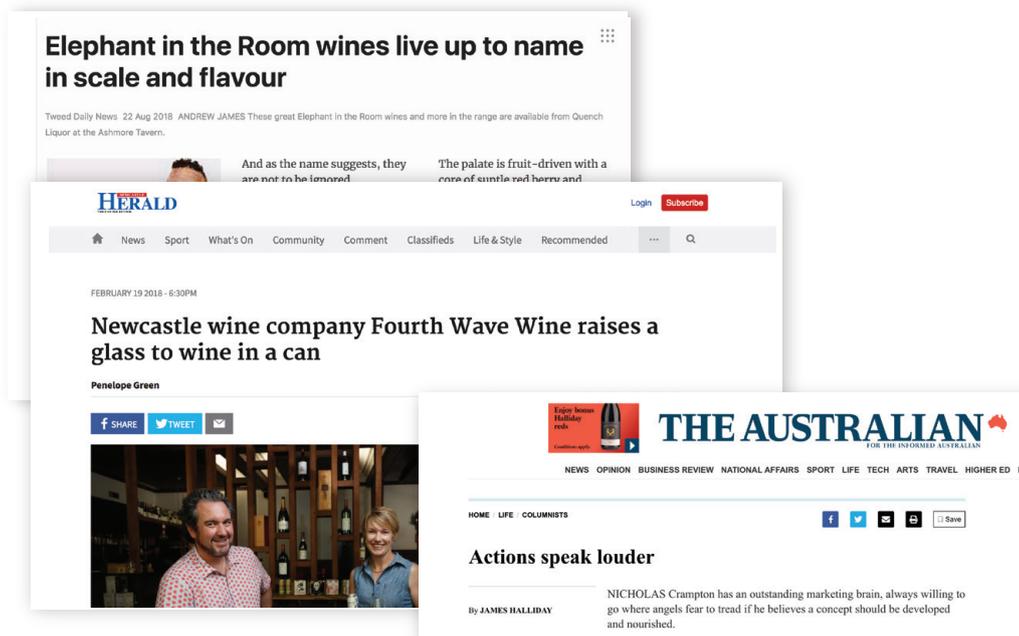
Total Sales of 9LE cases

Effect on parent company (continued)

Elevated company profile

“The impact has been significant in terms of revenue, but also on how we are perceived in the industry. We are no longer the new kids on the block but a company that’s going places.”

*Nicholas Crampton, Managing Director, Fourth Wave Wine.*



Press exposure

Fourth Wave Wine’s success with Elephant in the Room, as well as the launch of their wines in cans, was picked up by both local and national press.

New marketing strategy

“Elephant in the Room appeals to boomers *and* millenials. It has created a brave new world in the way we approach things. Strict segmentation in wine marketing for us now is a thing of the past because Elephant has showed us that great labels can have multi-generational appeal.” *Nicholas Crampton, Managing Director.*

Other influencing factors

The results in this report were achieved on the strength of the branding and packaging. Aside from the usual wine retailer in-store displays, there were no other marketing activities or advertising campaigns. There was no price reductions or discounting. ( Despite the wine industry being heavily discounted at retail level, this did not apply to *Elephant in the Room* which held its RRP of \$15.99 which was 41% above market average.<sup>1</sup>)

<sup>1</sup>. Source: Aztec Data 2017

Sources

- Fourth Wave Wine
- Aztec Data
- Roy Morgan Research
- BWS
- Horton Media
- AC Nielsen
- Wine Intelligence