

*Tread Softly:*  
a gentle juggernaut  
in the wine category.



## Top line about the project

“There is no doubt the scale of Tread Softly is extraordinary. A year after launch it had overtaken many brands with long histories or big marketing budgets.”

Nicholas Crampton, Managing Director & Founder, Fourth Wave Wine.

Fourth Wave Wines, a successful Australian wine producer, briefed us to create a NPD that would ensure their portfolio was “protected for the future”. It was essential the new brand gained listing with Dan Murphy’s and BWS, Australia’s largest retail chains whose bi-annual range reviews are notoriously competitive. The biggest challenge in the brief was how to appeal to the next generation of wine drinkers - the Millennial and Gen Z markets - as well as Fourth Wave’s current multi-generational consumer base. These current consumers look primarily for “good quality at a good price” but this market is diversifying either to more expensive quality wines, or alternatively wines that offer better quality in terms of how they are grown and produced.<sup>1</sup> Millennial and Gen Z consumers are more demanding from companies and brands they buy from: they want the brand to have a “higher purpose”. They are looking for brands that have an emotionally compelling connection: a brand that “stands for something”. These consumers are much more health, ethically and environmentally conscious than older consumer groups. Our challenge was to create a brand that would have tremendous appeal in a new and environmentally conscious manner.

The brand we created, *Tread Softly*, quickly exceeded all expectations for a new wine brand. In the first year, *Tread Softly* exceeded budget forecasts by 515%, selling 61,500 cases. In the following six months the brand doubled in size to 125,000 cases.<sup>2</sup> Not only did the large retailers embrace the brand, but also the independent retailer sector, giving the brand a distribution of more than 2,500 retail stores within 18 months from launch.<sup>3</sup> *Tread Softly* was the fastest growing Pinot Noir in the category, commanding a whopping 22.3% of the market growth in its relevant price segment.<sup>4</sup> For a brand still in its infancy, *Tread Softly* shot to No. 2 of the low alcohol wine category,<sup>5</sup> second only to Lindemans *Early Harvest*, launched in 2007 and supported by a large global brand advertising budget.

For Fourth Wave Wines, *Tread Softly* has increased total case sales of the company by 38% and revenue growth by 33%.<sup>6</sup> The growth leap-frogged Fourth Wave Wine from eighteen up to ten in the ranking of Australia’s top wine companies.<sup>7</sup> This success has meant *Tread Softly* is already ranked No. 2 in Fourth Wave Wine’s brand portfolio despite only being 18 months in market.<sup>8</sup>

Last, and by no means least, *Tread Softly* launched with a brand promise to plant a tree for every 9LE case sold (12 bottles). From May 2019 to September 2020, 125,000 trees have been planted<sup>9</sup> from the case sales of *Tread Softly* which, in their maturity, will remove 250,000 tonnes of CO<sub>2</sub>,† demonstrating that commercial success does not have to come at a cost to the environment.

*Tread Softly* resonated with consumers across the board, future-proofing the Fourth Wave Wine portfolio by being both environmentally responsible as well as innovative in its approach to branding, packaging and product. In addition it changed the business mindset of Fourth Wave Wines: sustainability or conservation are now key to any new brand development.

1 Source: Wine Intelligence: Global Workshop Series: Driving future value in wine 2018

2 Source: Fourth Wave Wine

3-5 Source: IRI Total Market 02.08.2020

6-7 Source: Fourth Wave Wine

8 Source: IRI Aztec Data Top 20 wine producers August 2020

9 Source: Fourth Wave Wine

† Source: [www.onetreeplanted.org](http://www.onetreeplanted.org)

## Outline of Project Brief

*Key Business Objectives***Create a new ‘next gen for the next gen’ wine brand that would:**

- **Future-proof Fourth Wave Wine’s portfolio through diversification**
- **Generate sales of 10,000 9LE\* after 12 months in market**
- **Speak to consumers’ rising ethical engagement and awareness**
- **Respond to the increased consumer interest in healthier wine choices**
- **Tap into consumers’ increasing demand for sustainably produced products**
- **Create intrinsic public as well as personal benefits to consumers**
- **Appeal to smaller independent retailers as well as larger chains**
- **Have global appeal beyond Australia to open up new markets**

*The Business Challenge*

The wine industry, in relation to other alcoholic drinks categories, is relatively conservative both in behaviour and offering. Fourth Wave Wine, with its large portfolio, has a loyal consumer base in the under \$20 market who traditionally buy predominantly on price and wine style. However, the Australian wine market is a mature, low-growth market and there are signs of ‘trading up’ as consumers increasingly seek quality over quantity.<sup>1</sup> The trend towards positive lifestyle across many food and beverage categories is relevant to wine – 78 % of wine consumers watch what they drink and 44% of Australians have reduced their alcohol consumption in some way.<sup>2</sup> In addition, Millennial and Gen Z consumers are demanding much more from brands than their older counterparts: not only in terms of the product, but also in the way they expect brands to behave both ethically and environmentally. Fourth Wave Wine needed a new brand that would “future proof” the business as well as address the needs and desires of a new generation of wine consumer who now have the second highest spend in the category.<sup>3</sup>

*Scope of Work*

- Strategy
- Naming
- Copywriting
- Identity
- Packaging
- Production
- In-store activation

With the working name *Wine of the Future*, we worked closely with Fourth Wave Wine to develop the strategic vision and brand values so we could accurately pinpoint where we needed to land with naming and design. Using data from the Wine Intelligence report *Driving Future Value in Wine 2018* we were able to build a profile of the expectations of the new ‘mindful’ consumer. Mindfulness was not limited to the the younger consumer groups the client had identified - but was also evident in other age groups. Because of this, we recommended the brand have multi-generational appeal as we believed our consumer target should broaden to anyone with a “millennial mindset”. In addition, we felt it was vital the brand communicated not only its environmental and “better for you” credentials, but also had a caring and empathetic personality.

\* As wine is sold in both 12 or six bottle cases, wine sales are recorded on the volume of 9LE which is the equivalent of 12 bottles or 9 litres

1 Wine Intelligence: *The Australian Wine Market Landscape Report* August 2017

2 Drinks Trade *Sparkling Lighter Category Awareness* 2015

3 Wine Intelligence: *Global Trends in Wine* 2020

4 Wine Intelligence: *Global Workshop Series: Driving future value in wine* 2018

## Overview of the market

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### *The retail landscape in wine*

Australia's supermarket retailers now have a combined market share of 75% of the \$15.5 billion packaged liquor market.<sup>1</sup> The Endeavour Drinks Group (EDG) with its two chains Dan Murphy's and BWS, commands a massive 60% market share of all packaged alcohol sold in Australia.<sup>2</sup> New research has put the number of wine labels in Australia at 33,000<sup>3</sup> and so competition for listings amongst wine companies is fierce: more than 1,000 submissions are made to the BWS buyers at each of the bi-annual range reviews.<sup>4</sup>

As a mature and low-growth category, the Australian wine market is facing increasing competition with low-alc beers and hard seltzers attracting younger consumers. The buyers from Dan Murphy's and BWS are looking for brands that will drive a new generation of consumers into their stores. Wine companies are under increasing pressure from retailers to develop new, innovative wine offerings in order to get ranging in this highly competitive market.

In addition to the competitiveness of getting ranging, cost of wine production is high. Unlike other beverage alcohol categories, many wine companies cannot extend outlay to advertising. In 2014, media spend for wine brands was only 7% of that for beer.<sup>5</sup> As a result, wine brands can take years to gain traction and 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>6</sup> and is what drives brand awareness.

## Description

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### *Our client and background to the project*

Nicholas Crampton, owner and managing director of Fourth Wave Wine, aims to create "compelling brands that inspire and engage both a new and existing wine consumer". 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, highly knowledgeable about wine, Crampton sources and commissions wines that he believes will resonate with consumers.

With a portfolio of 68 brands, in 2018 Fourth Wave Wine had entered the top twenty ranking of Australian wine producers.<sup>7</sup> Crampton had perfected a successful formula developing brands of interesting, quality wines at an affordable price point. However, these wines predominantly targeted wine drinkers who were happy with the status quo, the "great drop for your dollar" drinker. The changing expectations of retailers and the rise in health-conscious drinking amongst younger consumers created a need in the business to develop a brand for future growth. Crampton wanted to create a "next generation wine for the next generation." His vision was for a wine brand that was sustainably produced with minimal preservatives. A wine brand that showcased softer, lighter varietals that could be made naturally to be lower in alcohol. A wine brand whose wines retained their flavour and character despite being only 10% alc/vol as opposed to the usual 12.5 -14.0 % found in many Australian wines. In Crampton's words, the brand was to be "wine made better". It was to be a better quality wine made naturally with minimal preservatives; sustainably grown so better for the environment; and lower in alcohol, so better for the consumer. Crampton also felt strongly about the brand contributing to "the greater good" which tapped into the younger consumer's desire for brands to deliver not only personal but also public benefit.<sup>8</sup> As part of the brand offering, Crampton aimed to plant a tree for every 9LE case sold and aimed to sell 10,000 cases in the first year. A rosé and a pinot noir retailing at AUD\$14.99 would launch the new brand.

#### Sources:

- 1,2 IRI/Aztec Data 2020.
3. Horton Media 2018

4. BWS Buyer's Guidelines to Submissions 2018
5. Nielsen Design Audit Report: Wine, Media Spending Trends

6. AC Nielsen Wine Buyers judge bottles by their Labels—how can brands stand out? 2015
  7. Aztec Data Top 20 wine producers selling branded wines in Australia by value. 2017
  8. Wine Intelligence Global Workshop Series: Driving future value in wine 2018
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Description

<i>Our design solution</i>	<p>To reflect the brand’s awareness of its environmental footprint and to communicate the lighter, more delicate style of the wines, we called the brand <i>Tread Softly</i>. In order to create a new generation of wine brand, we turned branding rules on their heads. On the front label the branding is deliberately tiny: not only does this entice consumers to stop and read, it also reflects the message of the brand name and creates a quietly powerful shelf presence. The simplicity of the front label is countered by a sumptuous back label, once again breaking established packaging norms. The ladybird brand icon, illustrated by woodcut artist Mark Wilkinson, was chosen because ladybirds and bees are the sign of a healthy, natural vineyard. The ladybird is also delicate and elegant which we felt reflected the wine style. The ladybird icon comes to life in colour on the glorious capsule and back label. The imagery of insects, flowers and birds reinforces the sustainable ethos of the brand as well as reflects the aromatic and preservative-free nature of the wines.</p> <p>Key to the brand was the promise of planting a tree for every case sold. We brought this promise to life with in-store displays with diecut recycled cardboard trees: once again using beauty and restraint to tell a powerful message. For shelf decals we wrote the tagline “Raise a forest with your glass.” All production elements were considered with sustainability in mind, from the lightweight glass bottles and raw cardboard cartons, to sustainably-forested label stocks.</p> <p>Launching in May 2019 with the pinot noir and rosé, consumers immediately responded to the delicate sophistication of the brand. Retailers immediately asked for more products so the brand quickly extended to a prosecco in both bottle and can format. A pinot grigio and sauvignon blanc were added to the range within six months of launch. A reserve tier joined the brand in September 2020. In 18 months since launch, the sales of <i>Tread Softly</i> have made it Fourth Wave Wine’s Number 2 selling brand and has resulted in the planting of more than 125,000 trees.<sup>1</sup></p>
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Key facts

<i>Launch Date</i>	May 2019
<i>Design fees</i>	\$50,000.00 AUD

1 Source: Fourth Wave Wine



*Design deliverables*

- Naming
- Identity design
- Packaging design
- In-store display
- Copywriting



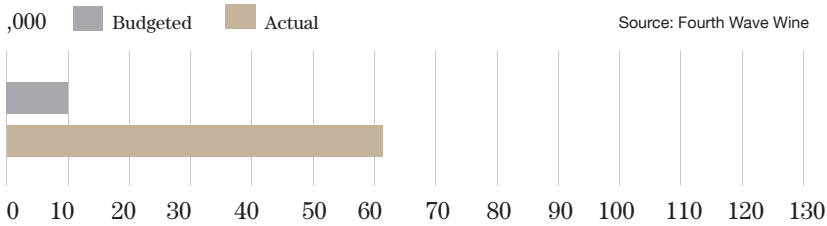








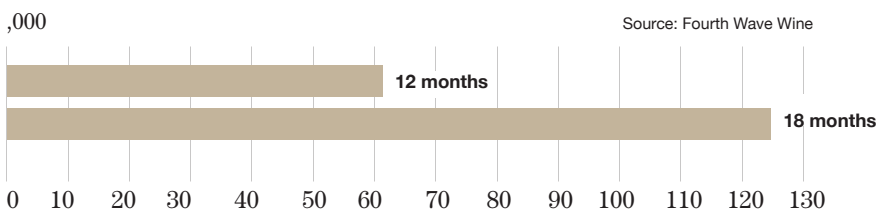
## Actual Sales of 9LE cases v. Budgeted (May 2019-April 2020)



In first 12 months since launch  
*Tread Softly* sold  
**61,500**  
9LE cases

***Tread Softly* exceeded Fourth Wave's budget forecasts by 515%**

## 9LE cases sold in 18 months since launch (May 2019-Sept 2020)



In the next six months the brand doubled in size to  
**125,000** 9LE cases

**No.1** *Tread Softly* is Australia's fastest growing lighter alcohol brand.

Source: IRI Total Market 02.08.2020

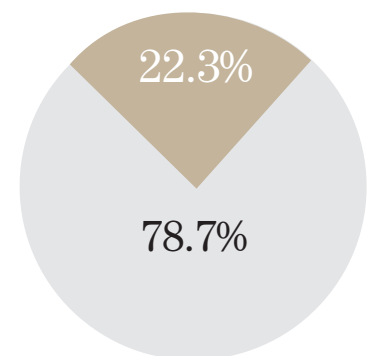
## Pinot Noir Growth from Launch May 2019 to August 2020

**No.1** *Tread Softly* is the fastest growing Pinot Noir in Australia with 692% growth.

Source: IRI Total Market 02.08.2020

Value to Market  
\$10-15 price category

**No.1** At 22.3% of market growth, *Tread Softly* added more value to market in the lucrative \$10-15 category than any other pinot noir.



Total growth *Tread Softly* Pinot Noir \$4,076,000 AUD  
Total growth in Pinot Noir \$18,226,000 AUD

■ *Tread Softly* Pinot Noir ■ All other Pinot Noir brands  
Source: IRI Total Market 02.08.2020

**No.2** Australia's No.2 brand within 18 months in the lighter alcohol wine segment

**No.2** Australia's No. 2 Pinot Noir in \$10-15 segment

**Extensions to the range: May 2019-September 2020**

*Tread Softly* launched in May 2019 with two varietals. By September 2020 the range had grown to six varietals and a reserve tier to capture the higher spending / more wine knowledgeable consumer base.

After the initial launch of pinot and rosé at \$14.99, within six months the brand had tripled in offering with prosecco in bottle and can format as well as two additional white varietals.

In 2020 a reserve tier was added extending the brand reach to the higher \$20 segment.



Launch May 2019

September 2019

November 2019

September 2020

**Community and environmental benefits**

True to the brand's promise to plant a tree for every 9LE case sold, to date *Tread Softly* is indeed, raising a forest.

Since launch in May 2019, trees have been planted in 18 months.

125,000

Source: Fourth Wave Wine

A tree removes approximately two tons of CO<sub>2</sub> in its lifetime.

Once mature, Tread Softly trees will remove

250,000

tons of carbon from the atmosphere.

Source: [www.onetreep planted.org](http://www.onetreep planted.org)







### Effect on Parent Company

Within 18 months from launch, *Tread Softly* has become Fourth Wave Wine's second-highest performing brand in terms of value and volume out of a portfolio of 68 brands.

**No. 2 performing brand in portfolio within 18 months.**

Source: Fourth Wave Wine

### Increase in revenue

*Tread Softly* contributed 33% revenue growth to parent company Fourth Wave Wine in just 18 months.

Source: Fourth Wave Wine

**+33%**

### Increase in industry ranking

*Tread Softly* lifts Fourth Wave Wine into the top ten Australian wine producers.

Since launch of *Tread Softly*, Fourth Wave Wine has jumped eight places from eighteenth to tenth in company rankings of the top Australian wine producers.

2018

#18

2020

#10

Source: IRI Aztec Data Top 20 wine producers

### High customer interest

High customer buy-in both from chains and independents increased Fourth Wave Wine's exposure to key distribution markets.

*Tread Softly* distribution reach is 2,500+ retail stores in just 18 months

Source: Fourth Wave Wine

*Tread Softly* is imported to New Zealand Canada Europe

Source: Fourth Wave Wine

### A new approach to business for Fourth Wave

“Without doubt, the tree-planting initiative has added a great sense of purpose: not just to the brand but to our organisation. Seeing the great support from both retailers & consumers who love what the brand stands for has changed the way we look at doing business. *Tread Softly* showed us a new way of doing things. Brand innovation for us now is so much more than just product: it's about what can we do for the earth, for the environment, for each other. These are things we never would have factored in before as an intrinsic part of our brand planning.”

Nicholas Crampton, Managing Director & Founder, Fourth Wave Wine.

### 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.