

An aerial night view of a city, likely Shanghai, with a dense grid of buildings and a river. Overlaid on the image are several glowing white arcs and dots, resembling a network or data visualization. The sky is dark blue with some clouds and a few bright stars or lights.

Traditional Products – Innovation Landscape Wine & Spirits



Methodology

ANALYSIS & PARAMETERS

- Analysis is performed based on new product launches tracked on the Innova Database.
- Geography: Europe.
- Time Frame: 2014 – 2018.
- Category: Alcoholic Beverages.
 - Subcategories: Brandy, Dark Rum, Flavored Alcoholic Beverages, Fortified & Other Wines, Gin, Liqueur, Other Spirits, Tequila, Vodka, Whiskey, White Rum, Wine.
- Positioning: free text search for products with "Protected designation of origin", "Appellation d'origine protegee", "Denominazione di origine protetta", "Denominacion de origen protegida", "Protected geographical indication", "Indicacion Geografica Protegida", "Indication géographique protegee", "Indicazione geografica protetta", "Traditional specialties guaranteed", "Denominacion de Origen Calificada", "Denominacion de Origen", "Vino de la Tierra", "Appellation D'Origine Controlee", "Vin de Pays", "Denominazione di origine Controllata e Garantita", "Indicazione Geografica Tipica", "Denominacao de Origen Controlada"

ABBREVIATIONS AND NOTES

- CAGR = Compound Annual Growth Rate
- F&B = Food & Beverage
- PDO = Protected designation of origin + translated versions Appellation d'origine protegee, Denominazione di origine protetta, Denominacion de origen protegida.
- PGI = Protected geographical indication + translated versions, Indicacion Geografica Protegida, Indication géographique protegee, Indicazione geografica protetta.
- Other seal = "Denominacion de Origen Calificada" "Denominacion de Origen" "Vino de la Tierra", "Appellation D'Origine Controlee" "Vin de Pays", "Denominazione di origine Controllata e Garantita", "Indicazione Geografica Tipica", "Denominacao de Origen Controlada".
- Traditional/origin seal = products with PGI, PDO and other seal.
- Traditional positioning = products with "traditional" positioning at Innova Database.

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Overview of Trends in Wine & Spirits - Europe



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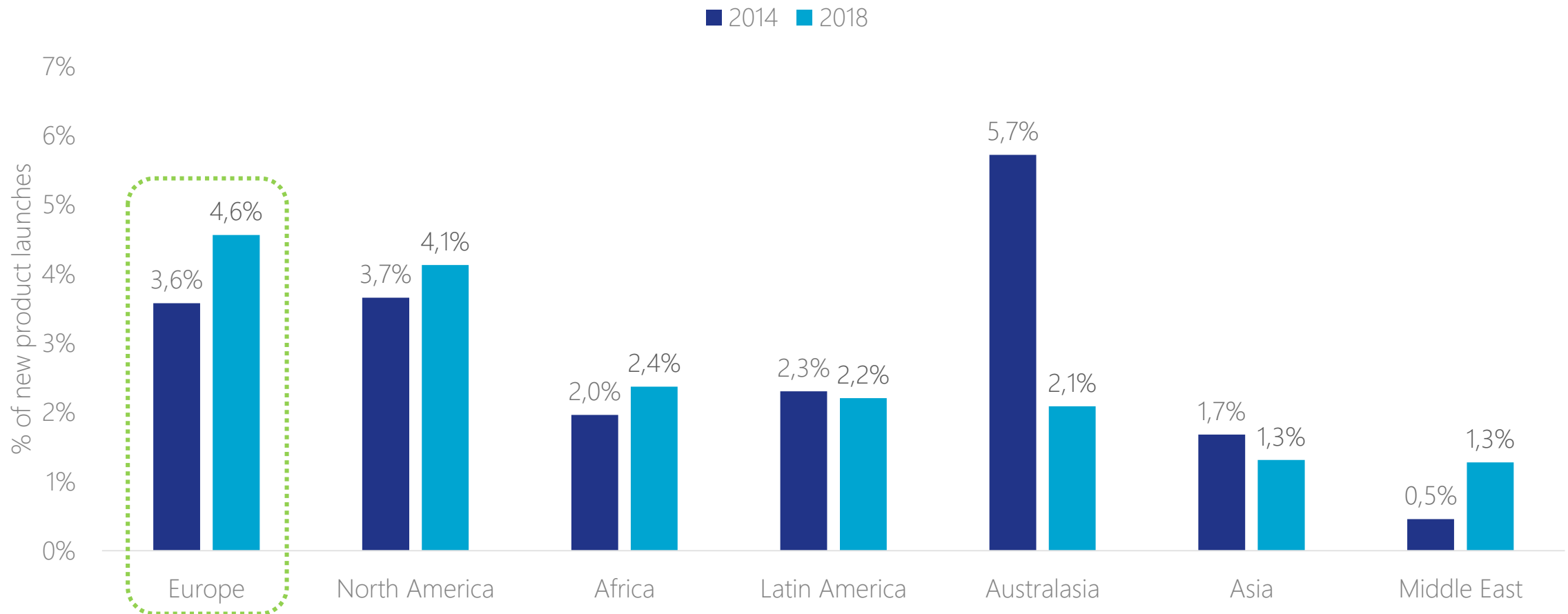


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Wine & spirits products penetration increased in Europe in the last five years

- Wine & spirits products penetration grew in Europe from 3.6% in 2014 to 4.6% of all F&B product launches tracked, followed by North America and Africa.

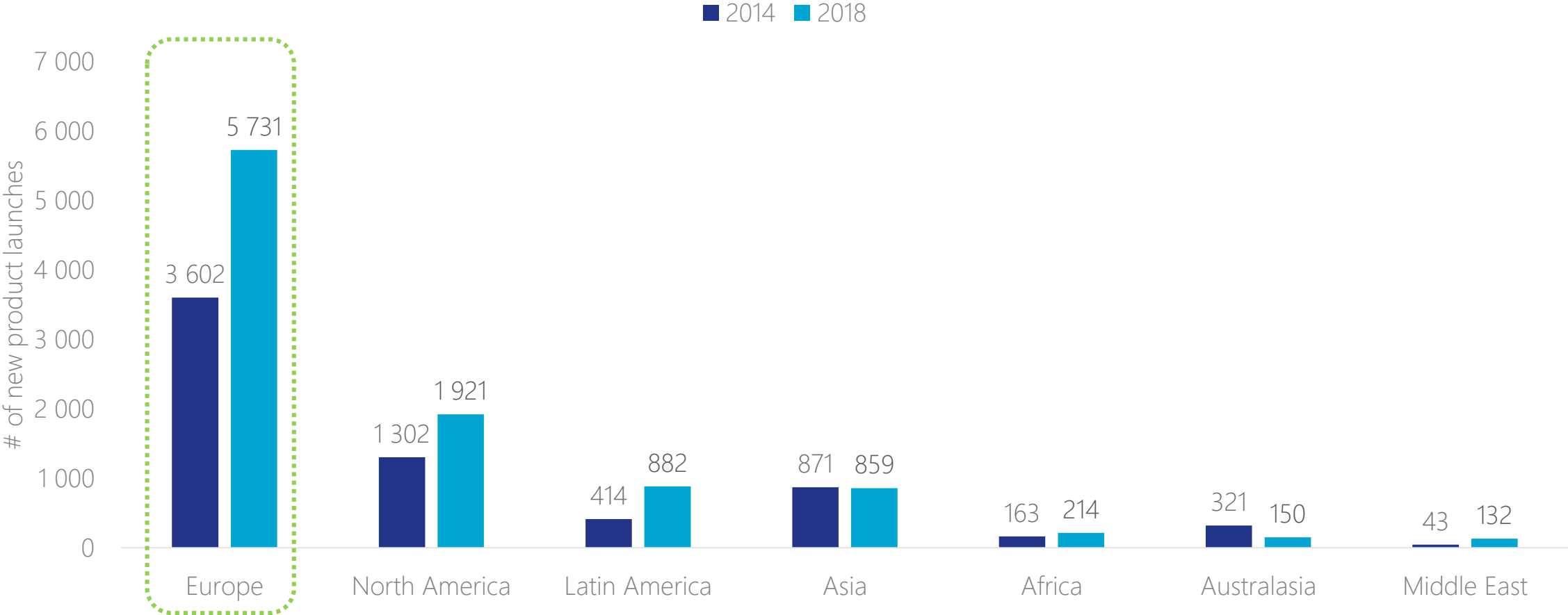
Wine & spirits products as percentage (%) of F&B new product launches tracked per region (2018 vs. 2014)



Europe leads wine & spirits new product launches

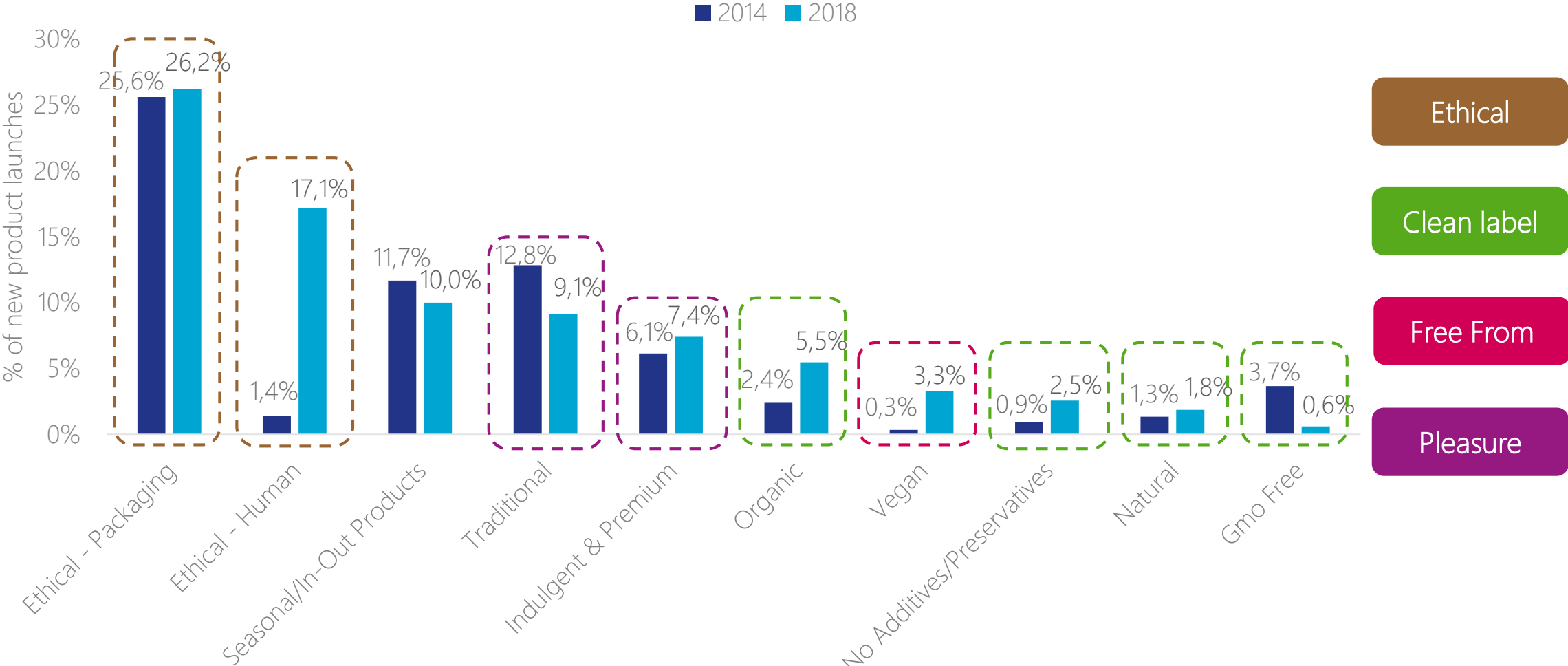
- Middle East and Latin America are the fastest growing markets, but Europe leads NPL of wine & spirits globally.

Number of wine & spirits products new product launches tracked per region (2018 vs. 2014)



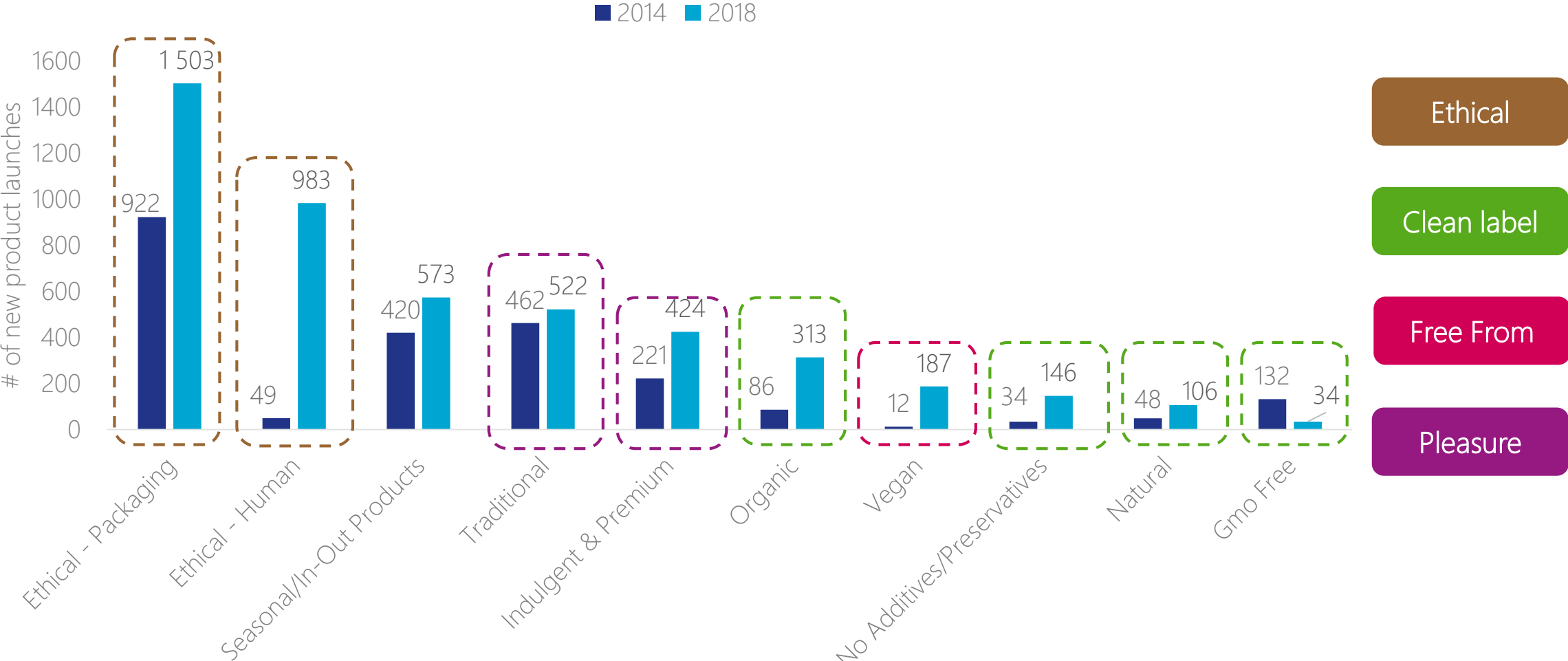
Ethics positionings lead in European wine & spirits products

Top positionings as percentage (%) of wine & spirits new product launches tracked (Europe, 2018 vs. 2014)



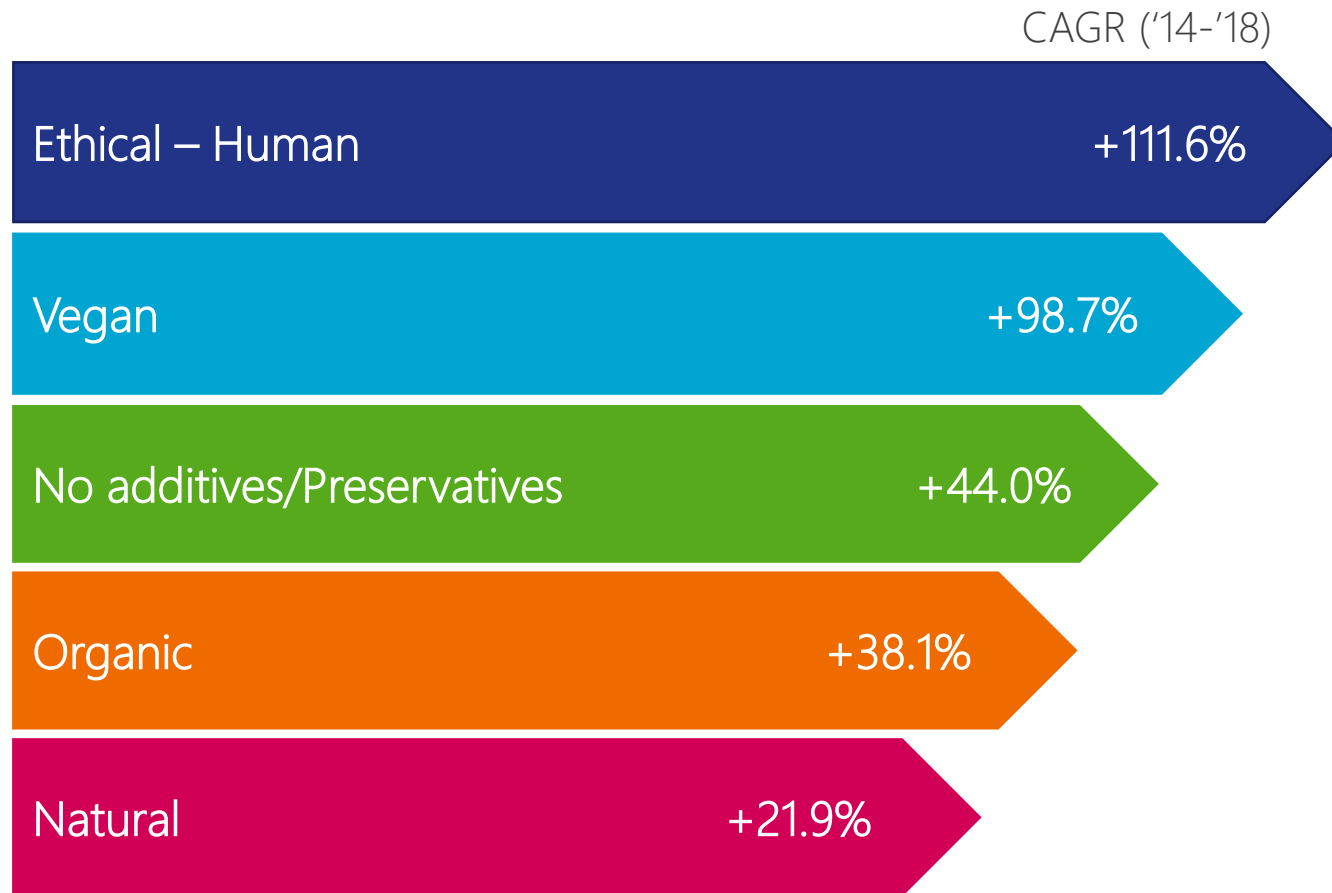
Ethics positionings lead in European wine & spirits products

Number of wine & spirits new product launches tracked per positioning (Europe, 2018 vs. 2014)



Ethical and free from claims are fastest growing in wine & spirits products

Fastest growing top positionings as an average annual growth rate (%) in new wine & spirits product launches tracked (Europe, CAGR 2014-2018)



Stellar Organics Running Duck 2015 Rose Wine

Netherlands, Apr 2019

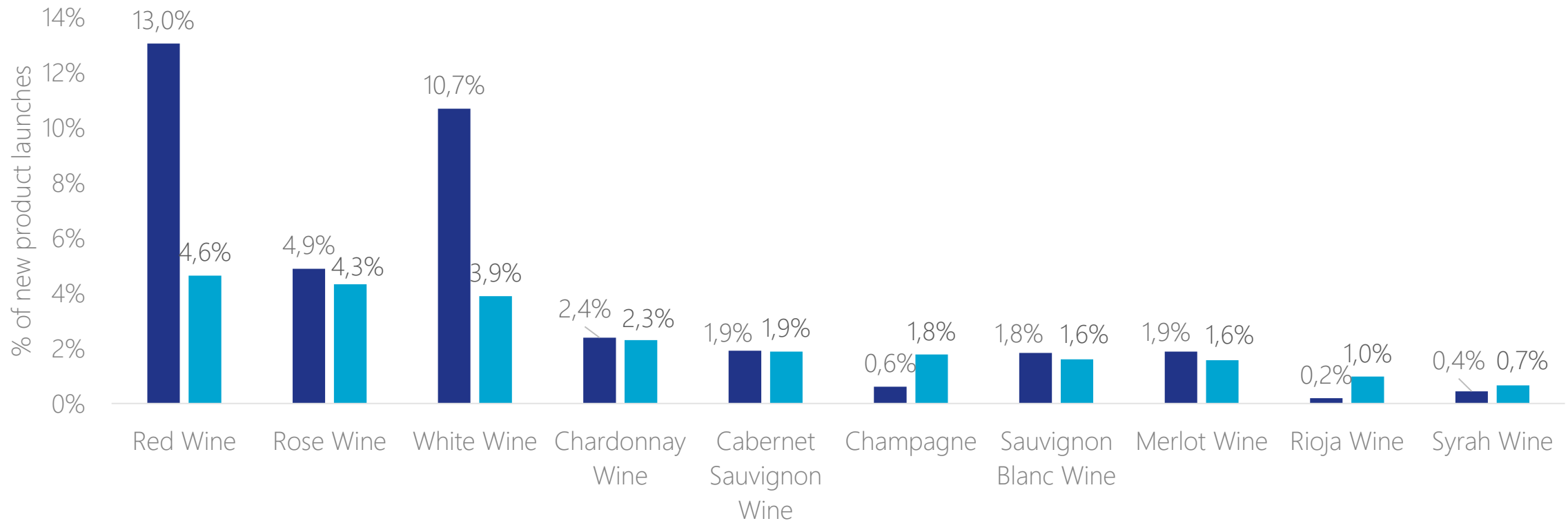
DESCRIPTION Organic rose wine with 12% alcohol by volume, in a 750ml glass bottle. This delicious organic and **fairtrade wine** is made from grapes grown under a beautiful African sky. Stellar's philosophy is based on the health and wellbeing of soil, vineyards and the people who tend them. Indian Runner ducks roam the organic vineyards as highly effective pest-controllers.

Champagne is the most increasing wine in Europe

- While red and white wine are decreasing, champagne is emerging, reaching 1.8% presence in wine & spirits in Europe.

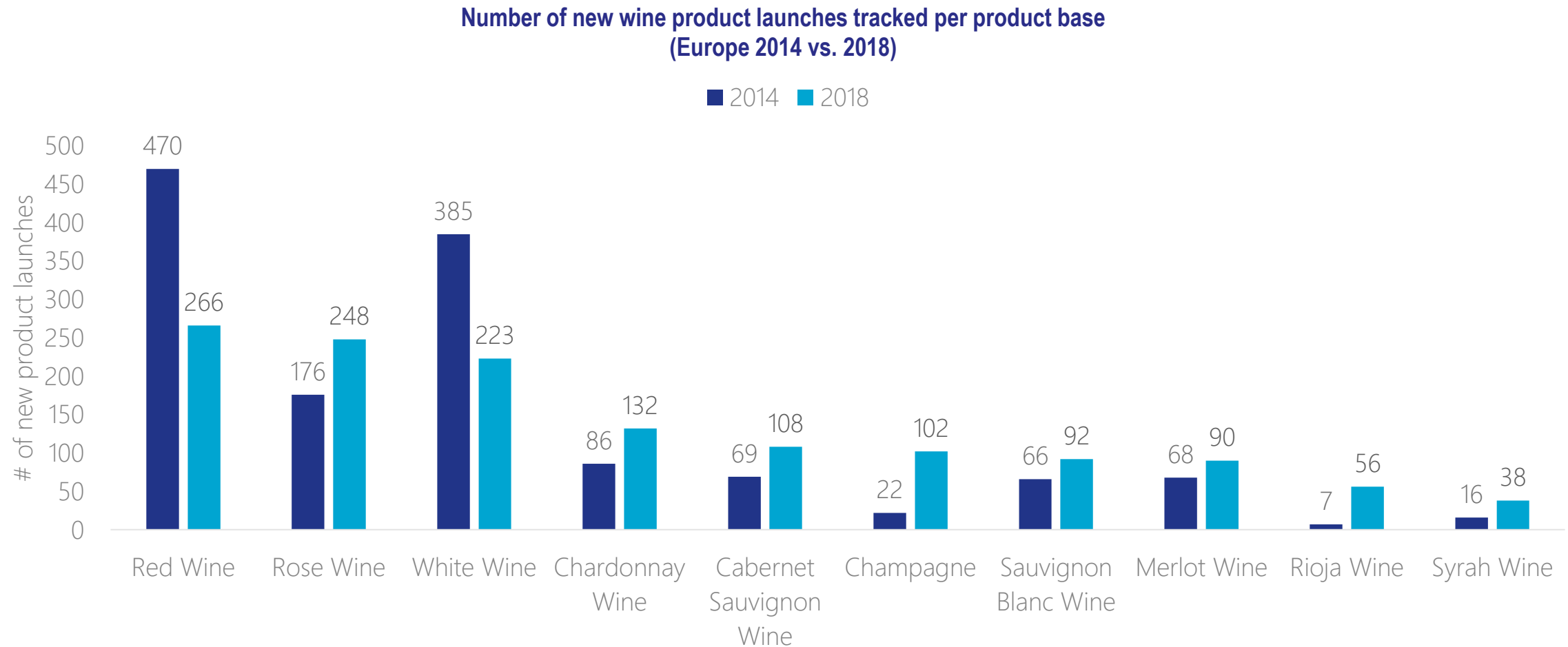
**Top product bases as percentage (%) of wine new product launches tracked
(Europe 2014 vs. 2018)**

■ 2014 ■ 2018



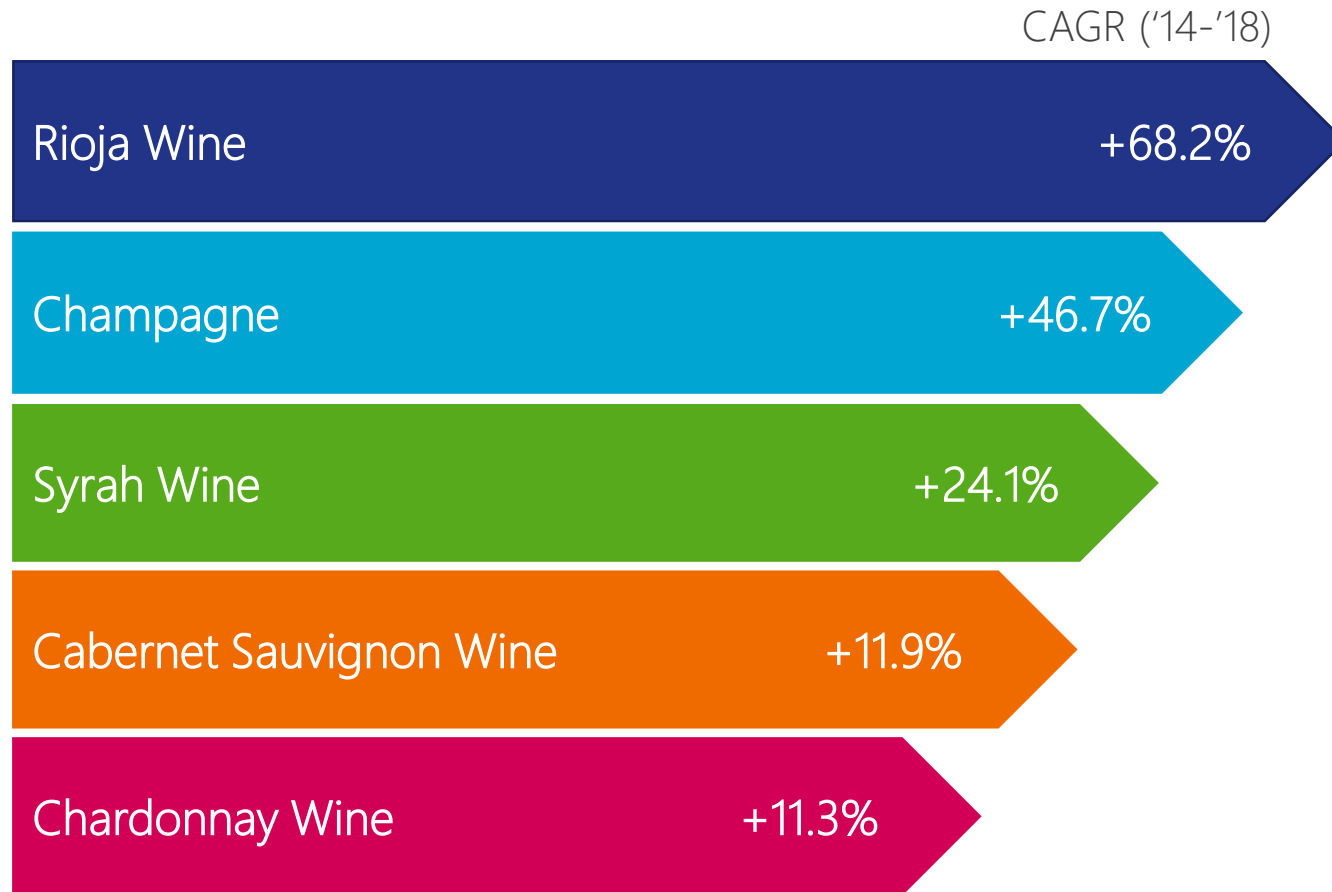
Champagne is the most increasing wine in Europe

- Rose wine also shows increased new product launch activity in the period, while red and white wine had lower NPD in 2018.



Rioja is the fastest growing wine base in Europe

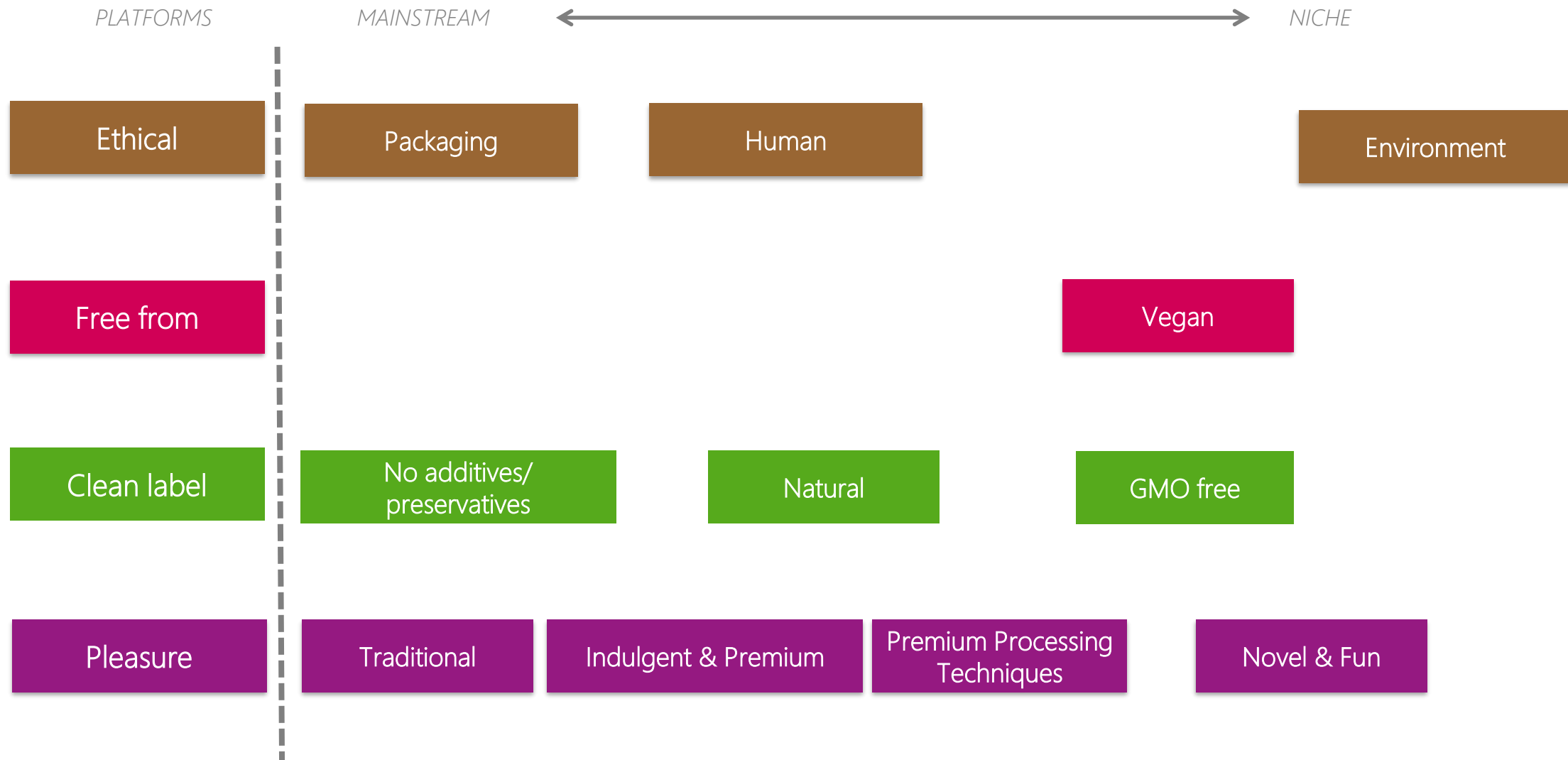
Fastest growing top product bases as an average annual growth rate (%) in new wine product launches tracked (Europe, CAGR 2014-2018)



Marques De Caceres Generacion Mc Aurora Gavino Simof Rioja Wine

Spain, Apr 2019

Key innovation platforms in wine & spirits products



Overview of Trends in Traditional Wine & Spirits Products with Traditional/Origin Seal - Europe



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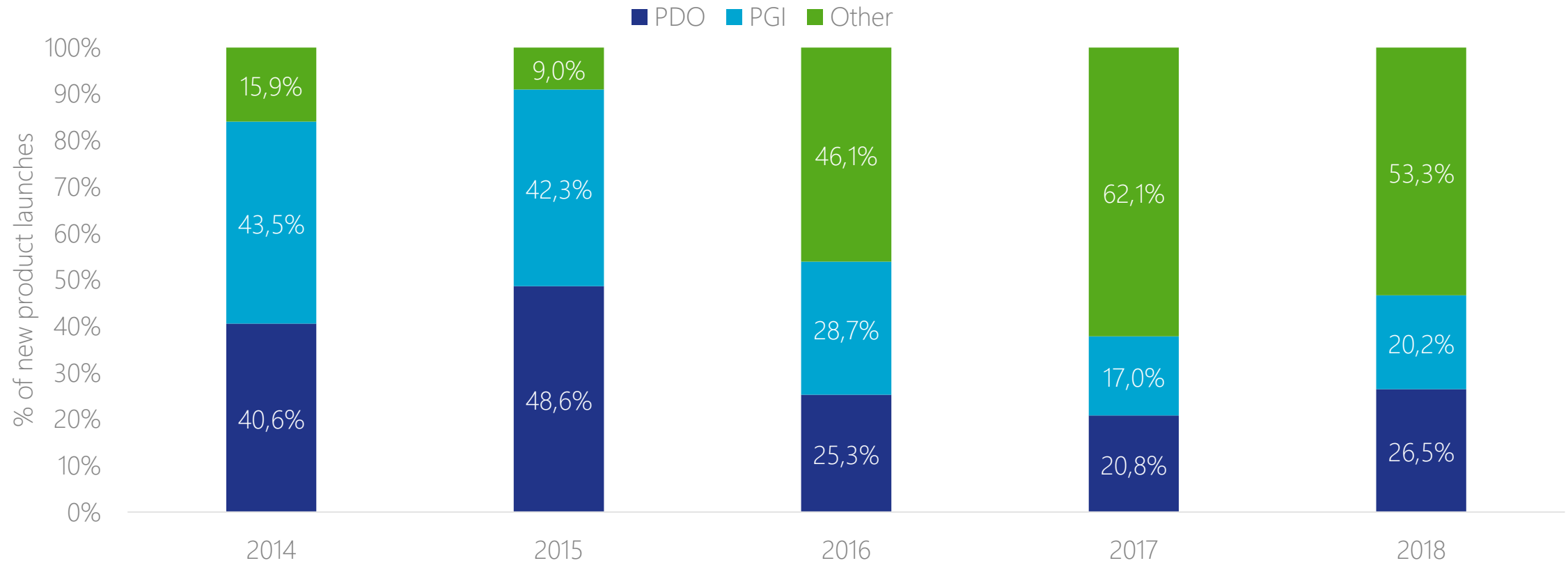


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Local traditional/origin seal is presence is increasing in European wine & spirits

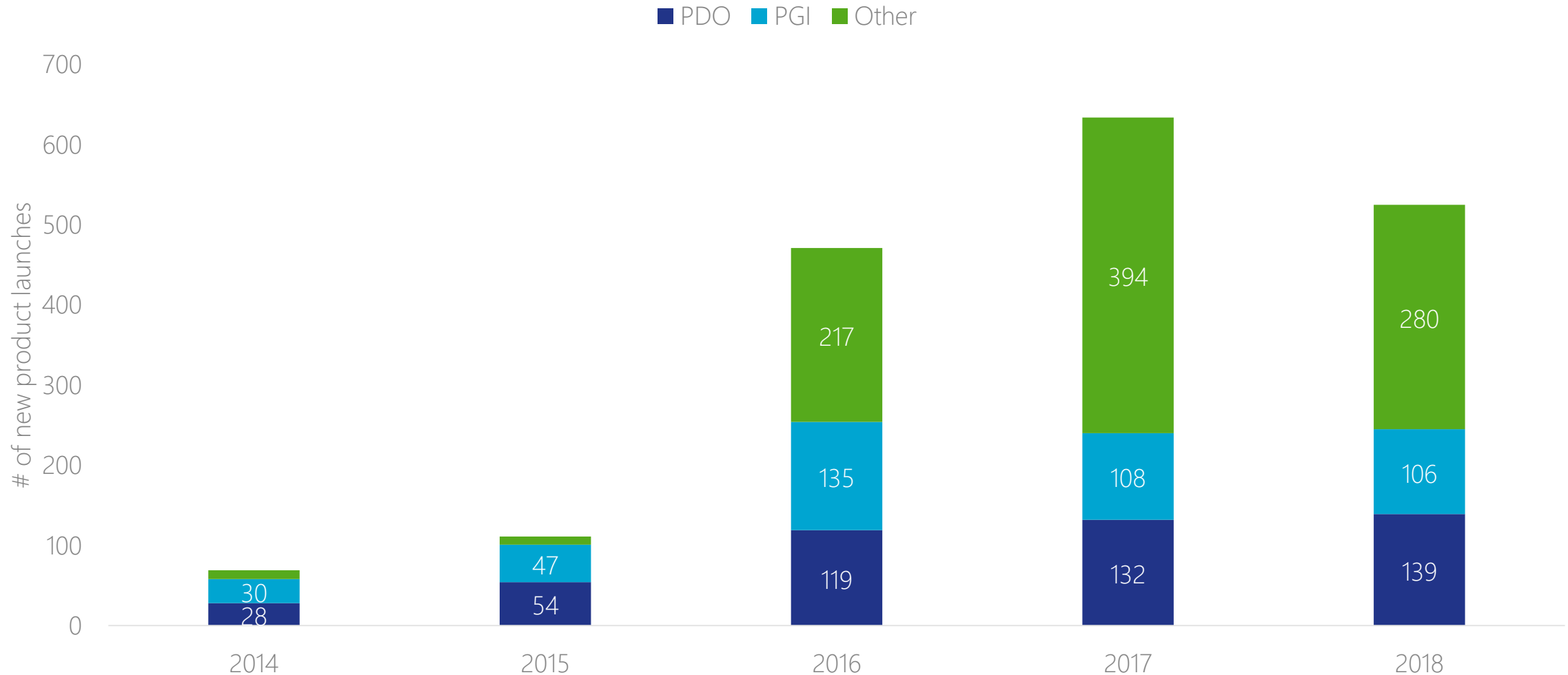
- Although PDO and PGI seals are European standard, in wine products local seals are of great importance and their presence is increasing.

Share of traditional/origin seal as percentage (%) of new wine & spirits product launches tracked with traditional/origin seal (Europe, 2014-2018)



2017 is the year with highest new product launches with traditional/origin seal

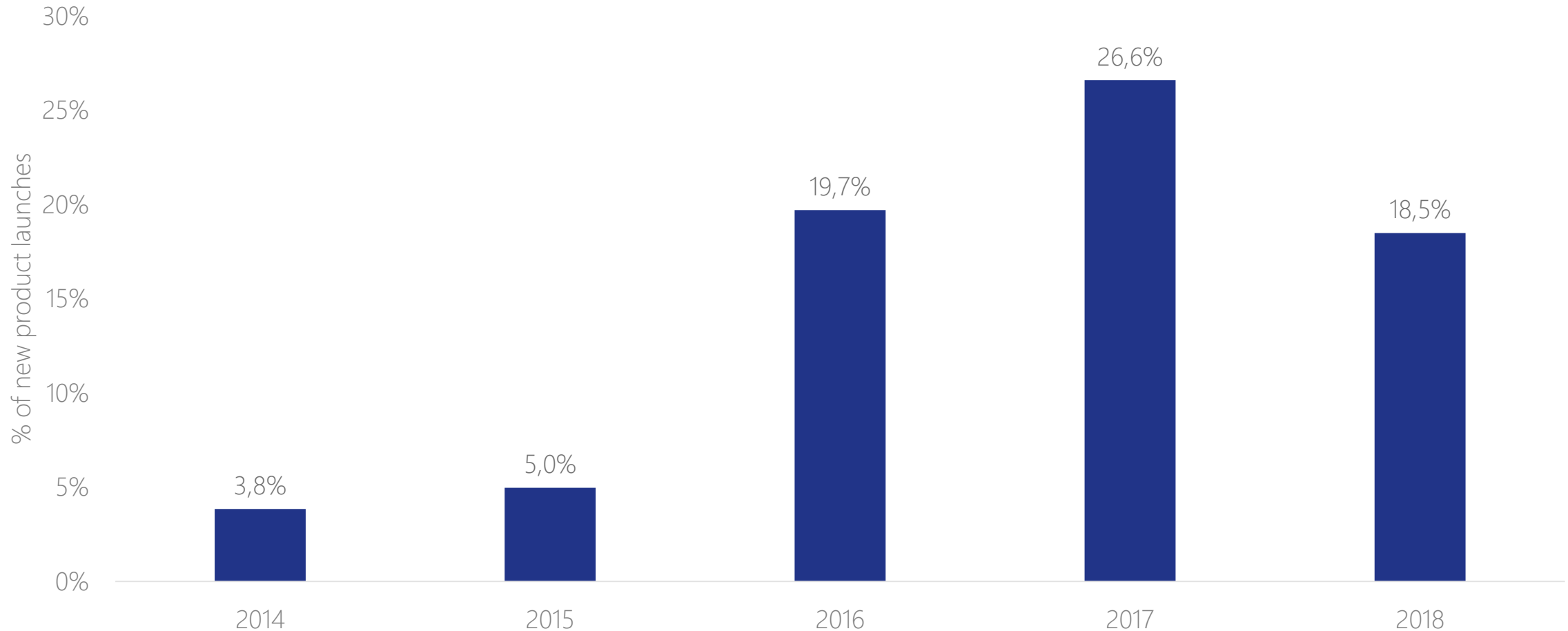
Number of new wine & spirits products launches tracked with traditional/origin seal (Europe, 2014-2018)



Traditional/origin seal presence reached a peak in wine launches in 2017

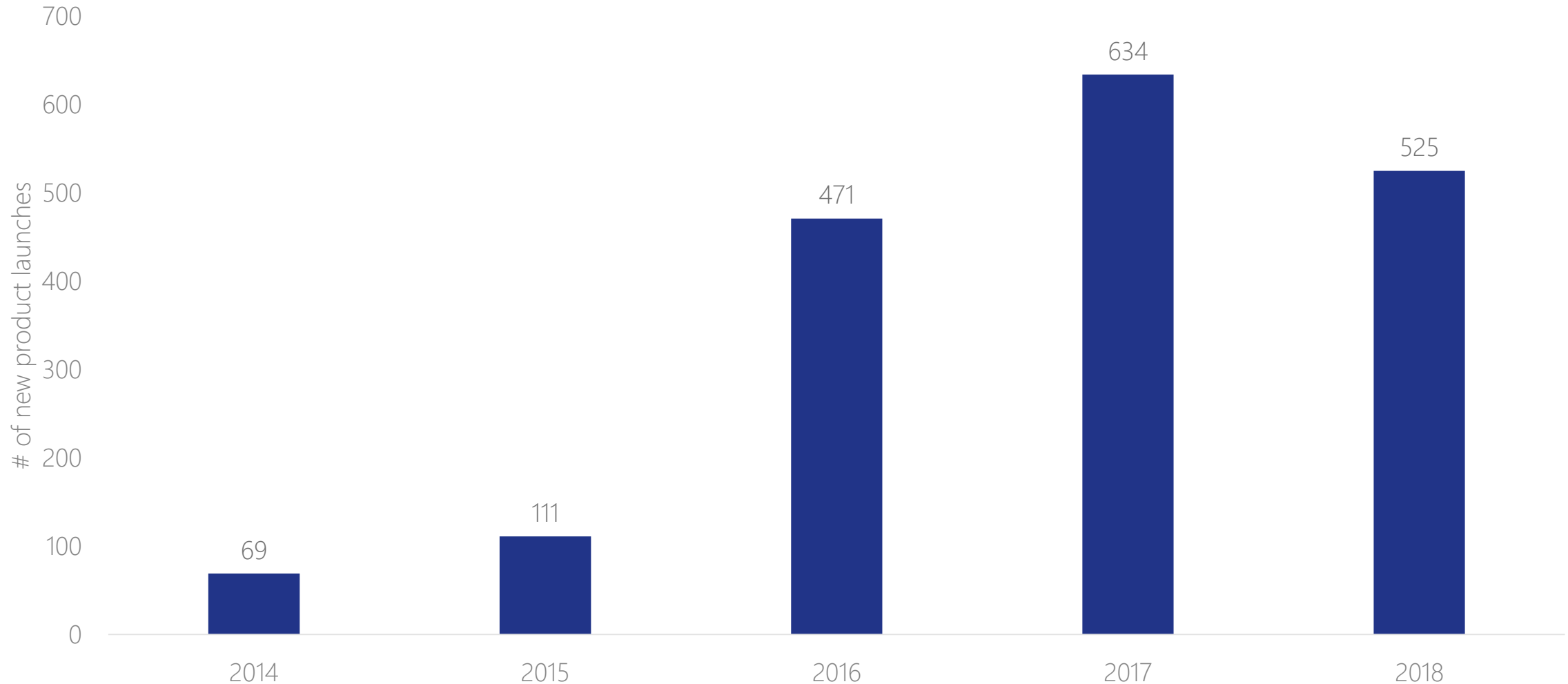
- Traditional/origin seal shows a steady growth in wine product launches until 2017 and decreased in 2018.

Share of traditional/origin seal as percentage (%) of new wine product launches tracked (Europe, 2014-2018)



Traditional/origin seal presence reached a peak in wine launches in 2017

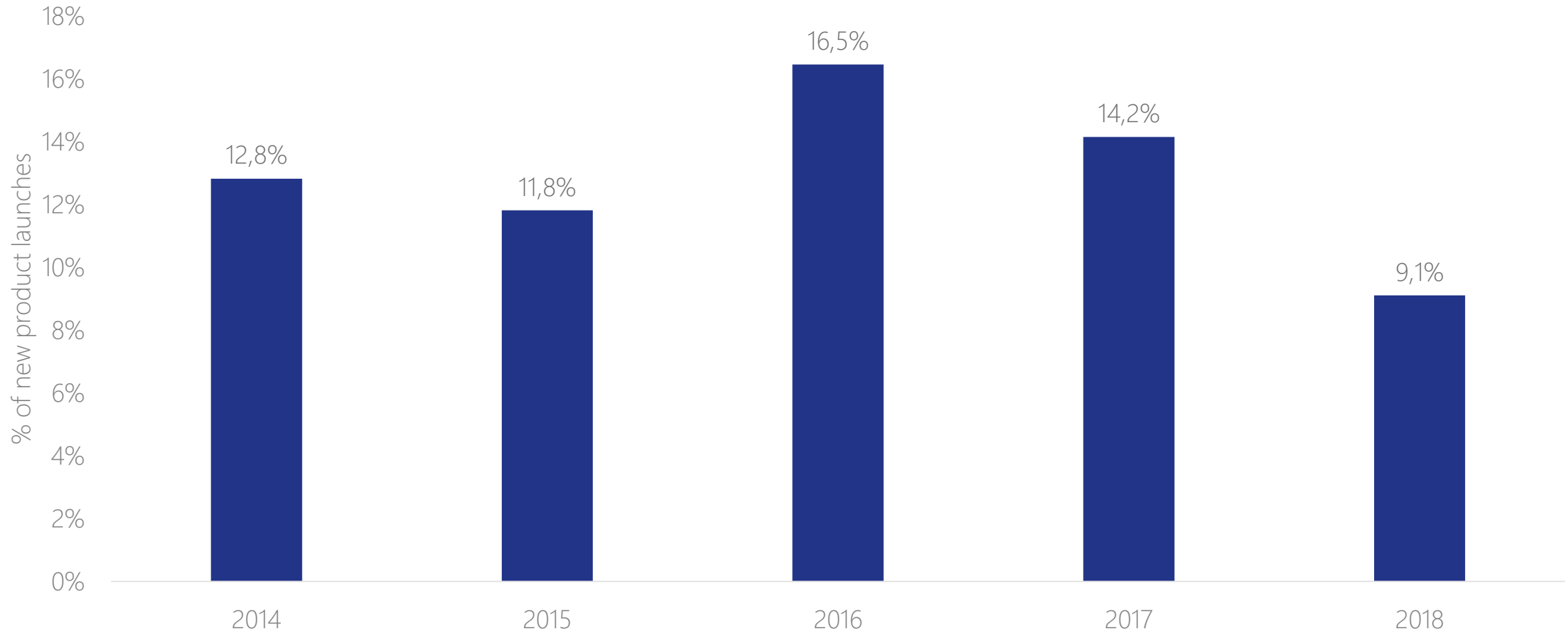
Number of new wine products with traditional/origin seal launches tracked (Europe, 2014-2018)



Traditional positioning is decreasing in European wine & spirits products

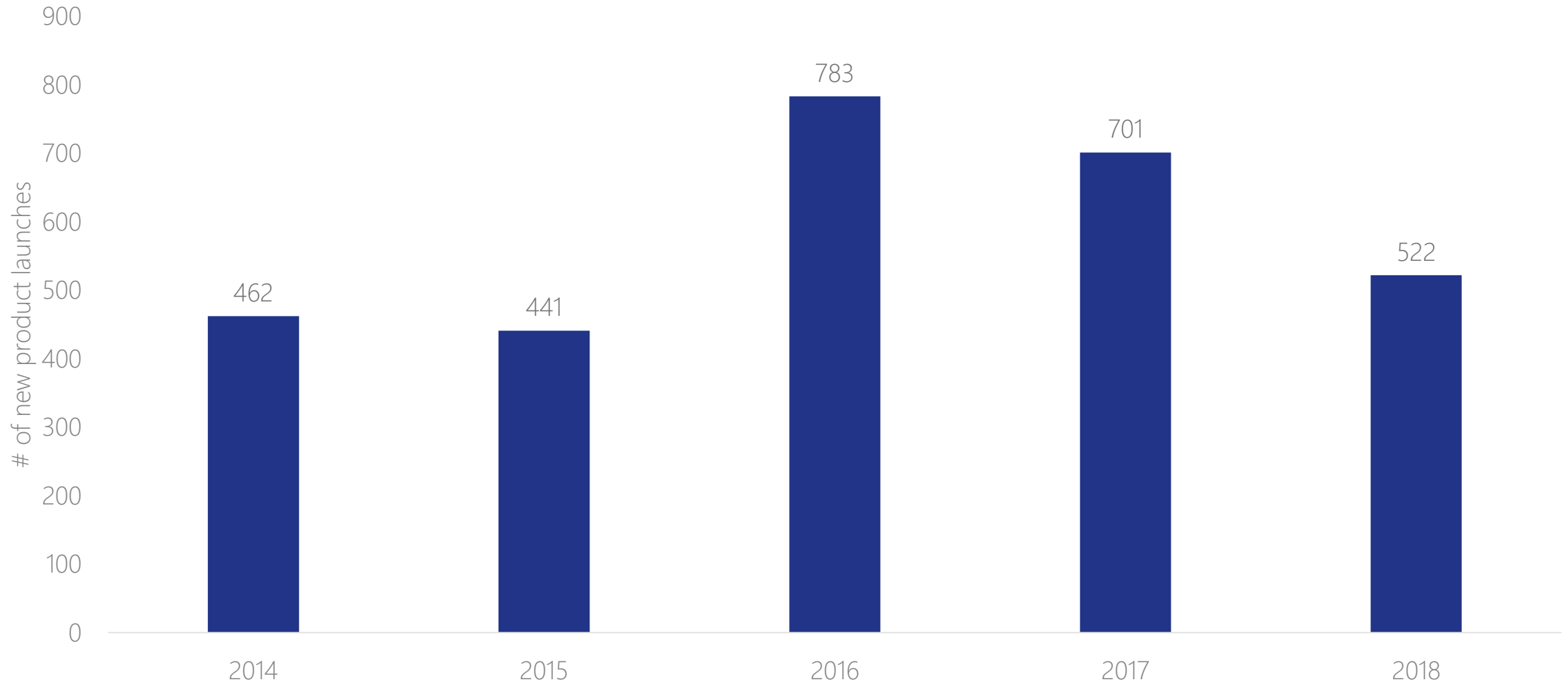
- Traditional positioning is decreasing since 2016 in Europe reaching its lowest share in 2018 with 9.1% presence in wine & spirits.

Share of traditional positioning as percentage (%) of new wine & spirits product launches tracked (Europe, 2014-2018)



Traditional positioning is decreasing in European wine & spirits products

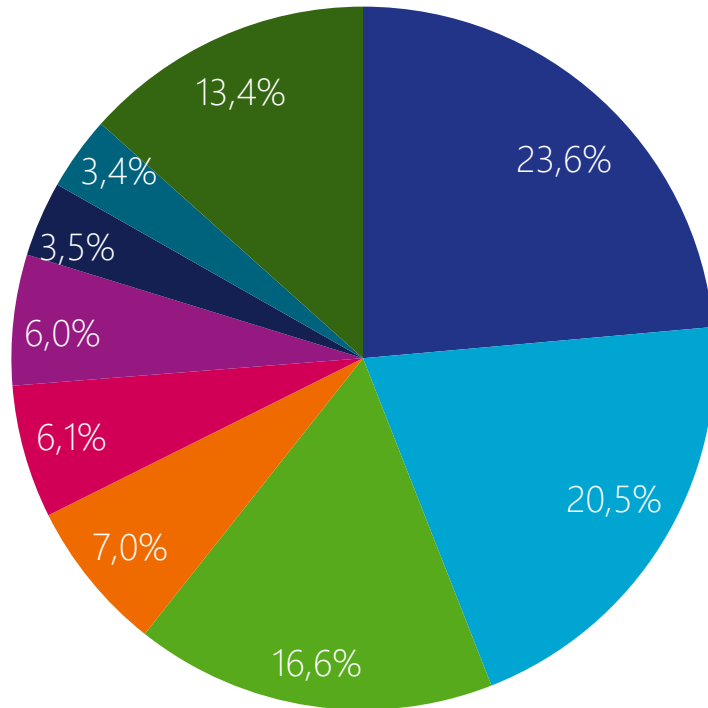
Number of new wine & spirits products with traditional positioning launches tracked (Europe, 2014-2018)



Nearly 1 in 4 new launches with origin seal in Europe wine & spirits is Italian

Top countries as percentage (%) of new wine & spirits products launches tracked with traditional/origin seal (Europe, 2014-2018)

- Italy
- United Kingdom
- Poland
- France
- Netherlands
- Russia
- Spain
- Germany
- Rest of Europe



Feudi Sannio Solopaca Rosso: Red Wine

Italy, Apr 2019

CLAIMS Contains 12% alcohol by volume. **Protected Designation of Origin.**



Cotes De Rousillon 2017 Wine

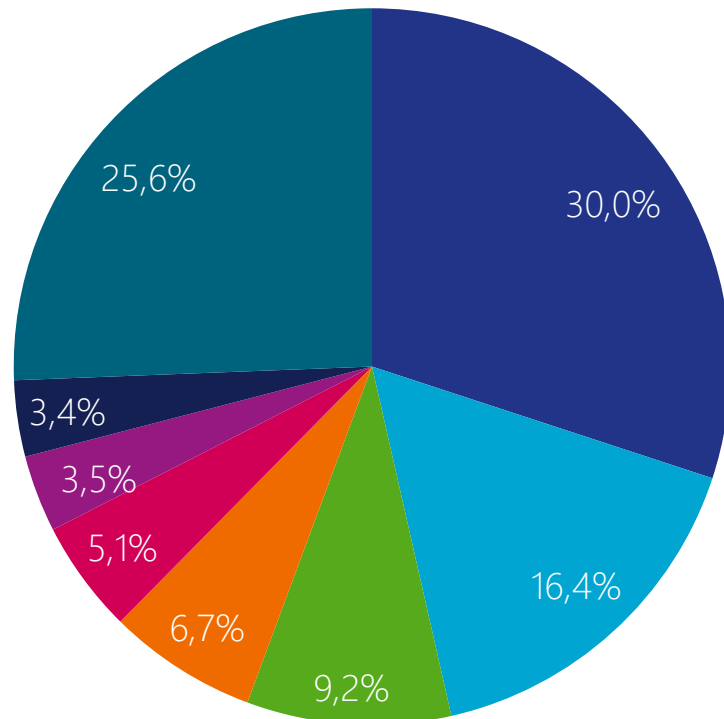
France, Apr 2019

CLAIMS Contains 13.5% alcohol by volume. **Protected designation of origin.** Green Dot Certified. Recyclable packaging.

United Kingdom leads launches with traditional positioning in wine & spirits

Top countries as percentage (%) of new wine & spirits products launches tracked with traditional positioning (Europe, 2014-2018)

- United Kingdom
- Germany
- France
- Italy
- Spain
- Netherlands
- Poland
- Rest of Europe



Chapel Down Union Red Vintage 2017 Wine

United Kingdom, Apr 2019

DESCRIPTION Union **red vintage** 2017 wine with 12% alcohol content, in a 750ml glass bottle. Aromas of blackberry compote and very subtle vanilla oak...



Kinahans LI Aged 10 Years Single Malt Irish Whiskey

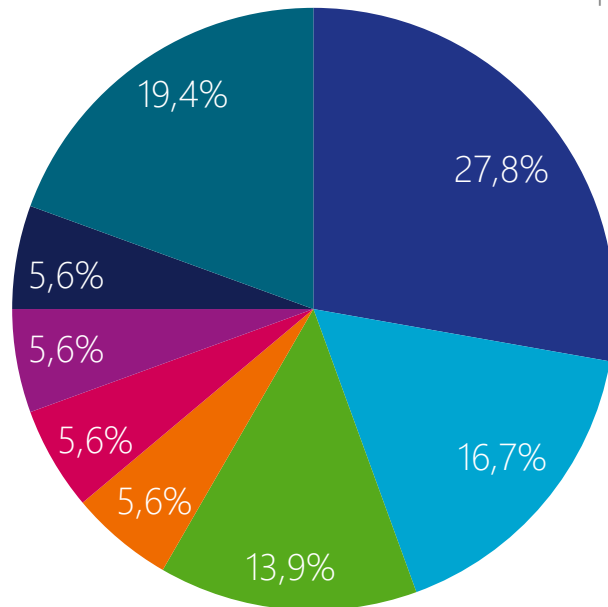
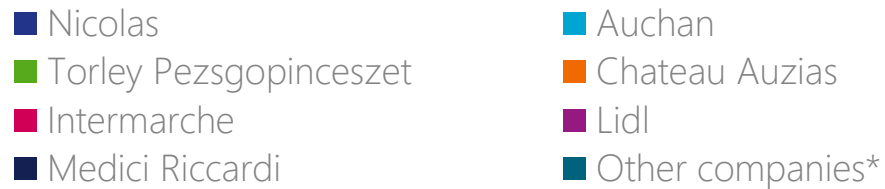
Germany, Apr 2019

DESCRIPTION ...The inspiration for this small batch stems from the desire to marry a special selection of **vintages** in selected ex-bourbon casks to create a balanced dazzled whiskey that **represents the rich Kinahan's heritage...**

Lidl is the top company in launches with traditional/origin seal in 2018

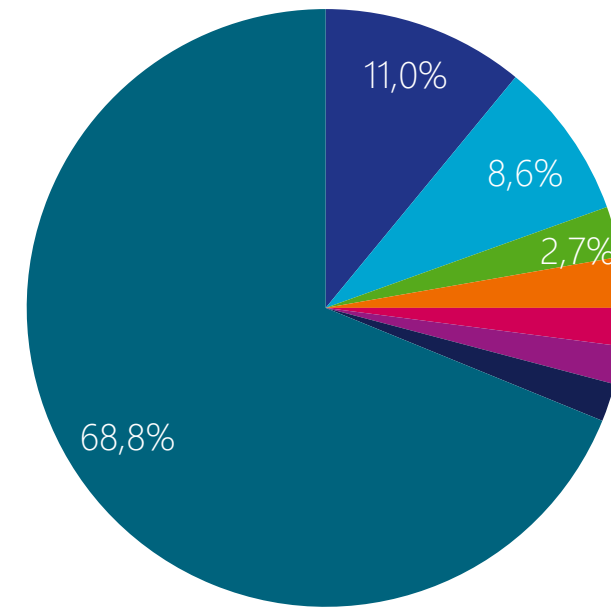
- European market for traditional products received several small players in the last five years, becoming a highly competitive market.

Top companies as percentage (%) of new wine & spirits product launches tracked with traditional/origin seal (Europe, 2014)



* Other companies = 7 companies

Top companies as percentage (%) of new wine & spirits product launches tracked with traditional/origin seal (Europe, 2018)

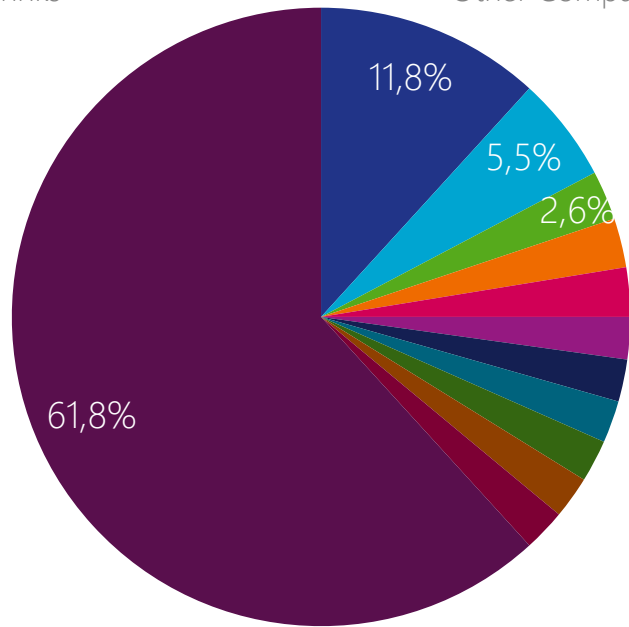


** Other companies = 115 companies

Diageo and Absolut Company lead wine & spirits traditional launches

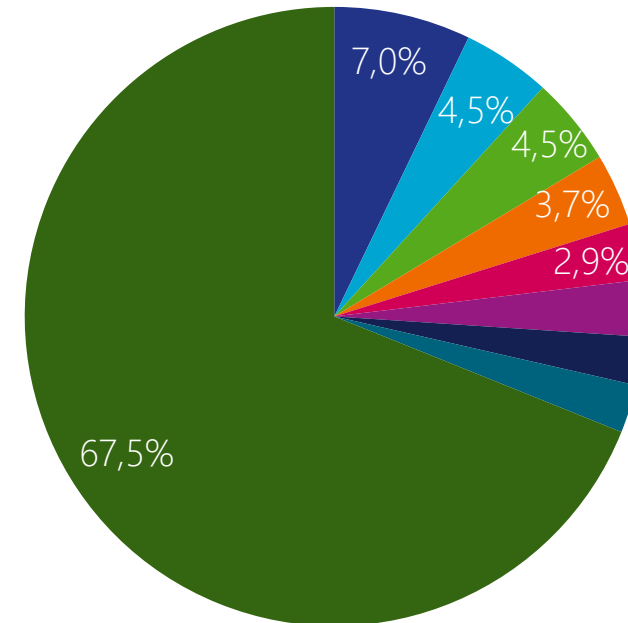
Top companies as percentage (%) of new wine & spirits product launches tracked with traditional positioning (Europe, 2014)

- Diageo
- Chivas Brothers
- Bacardi
- Freixenet
- Henkell And Co Sektkellerei
- Berentzen
- Jack Daniel Distillery
- Marks And Spencer
- R And A Bailey
- Shs Group
- United Drinks
- Other Companies*



Top companies as percentage (%) of new wine & spirits product launches tracked with traditional positioning (Europe, 2018)

- The Absolut Company
- Glen Scotia Distillery
- Halewood International
- Ethical Wine And Spirits
- Bzk Alco
- Sprizzero By De Martin
- Aldi
- Captain Morgan Rum Co
- Other Companies**

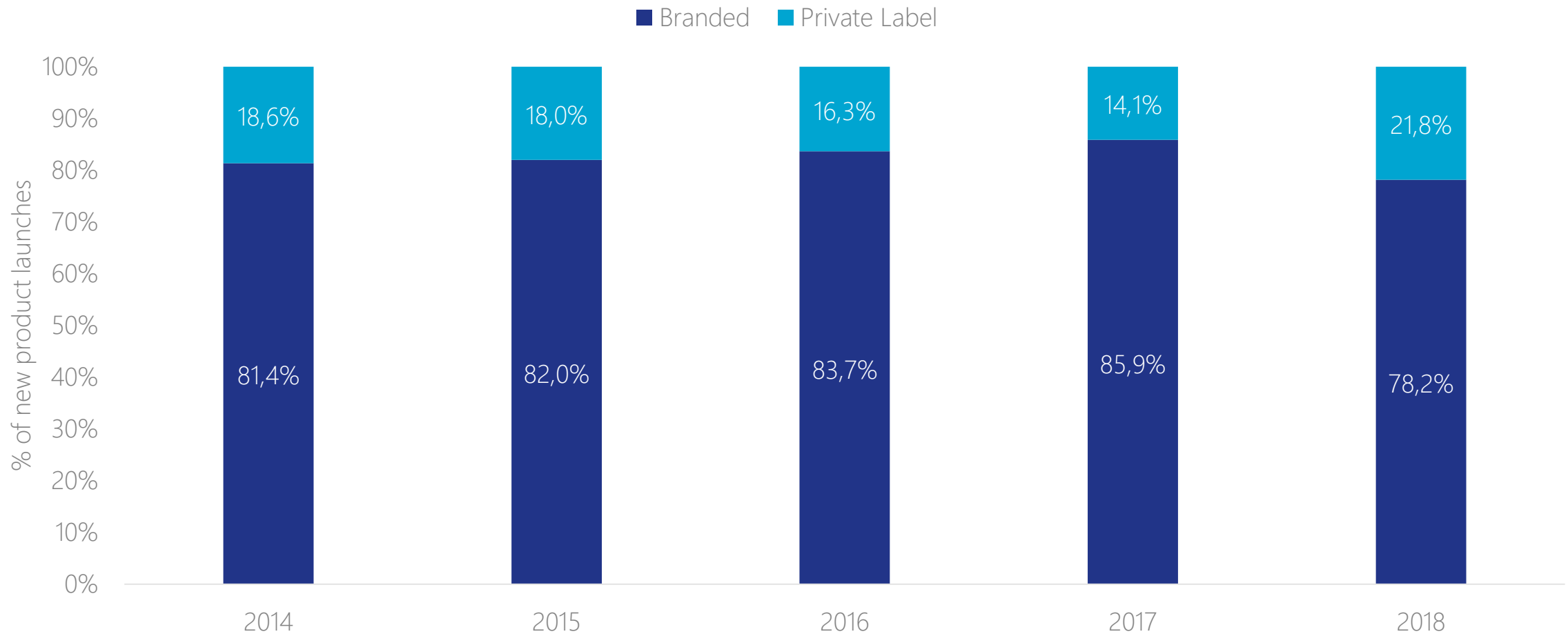


* Other companies = 76 companies

** Other companies = 84 companies

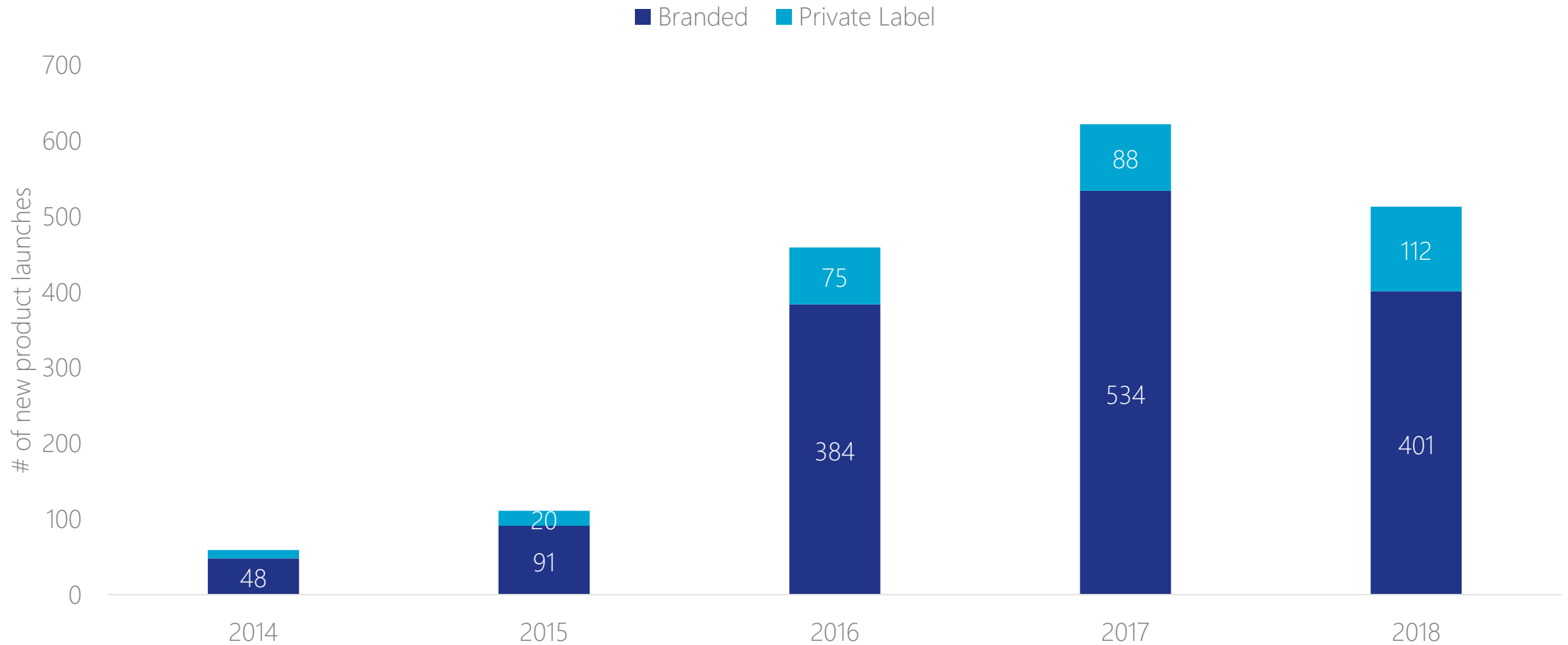
Private label is increasing in wine & spirits with traditional/origin seal

Share of branded and private label as percentage (%) of new wine & spirits product launches tracked with traditional/origin seal (Europe, 2014-2018)



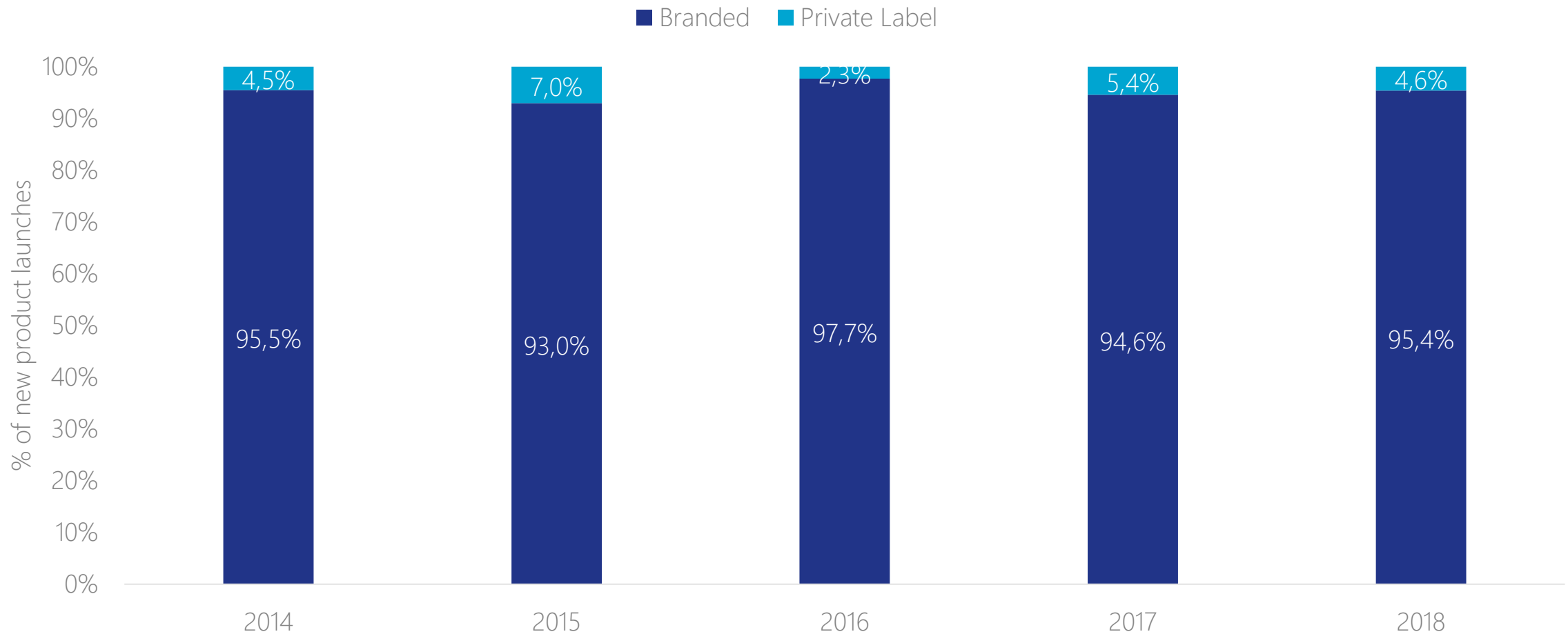
2017 is the year with highest branded NPD in wine & spirits

Number of new wine & spirits products with traditional/origin seal branded and private label (Europe, 2014-2018)



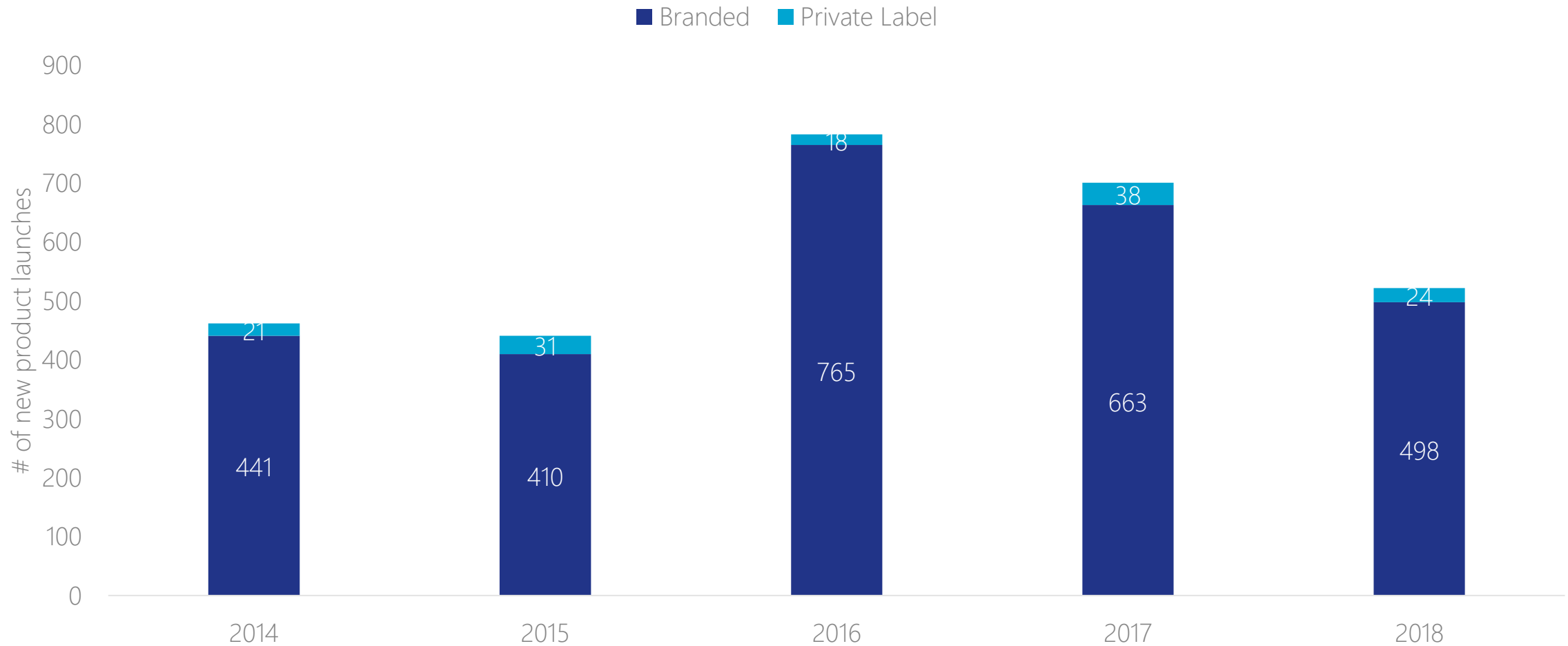
More branded products with traditional positioning and absence of seal

Share of branded and private label as percentage (%) of new wine & spirits product launches tracked with traditional positioning (Europe, 2014-2018)



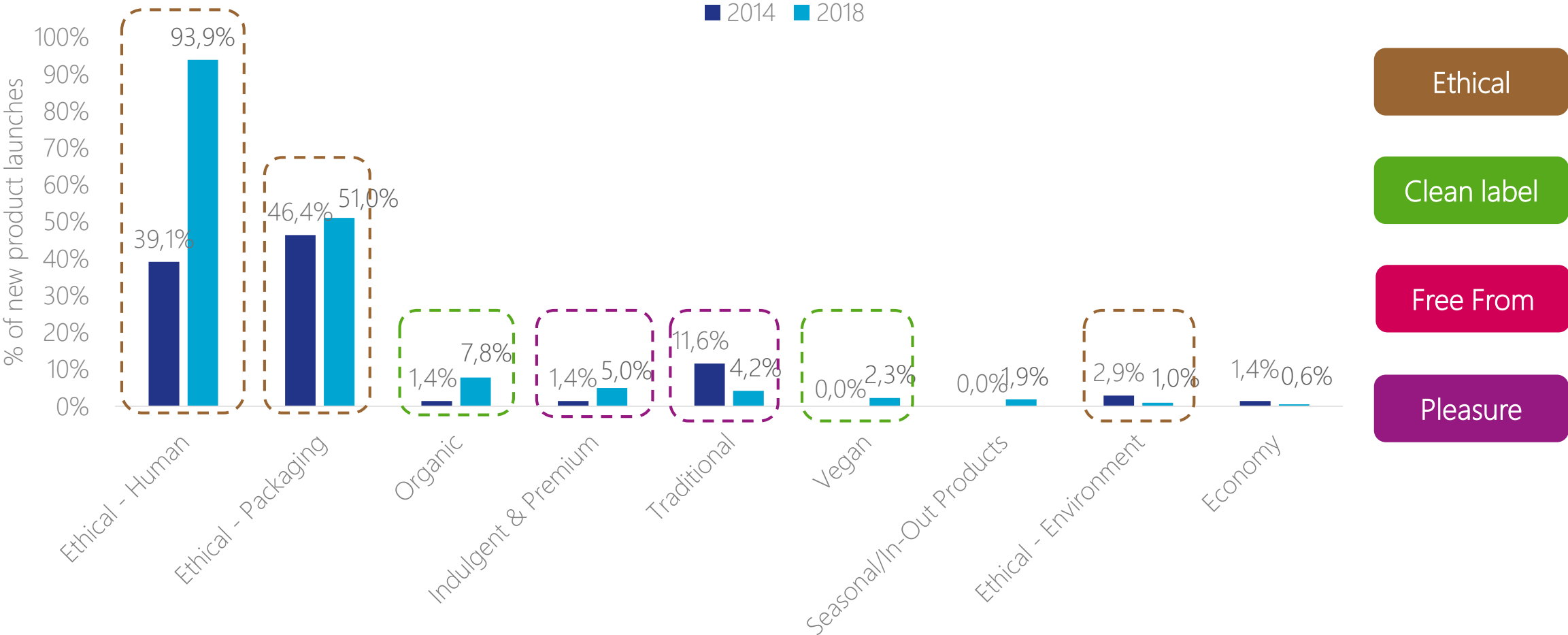
More branded products with traditional positioning and absence of seal

Number of new wine & spirits products with traditional positioning branded and private label (Europe, 2014-2018)



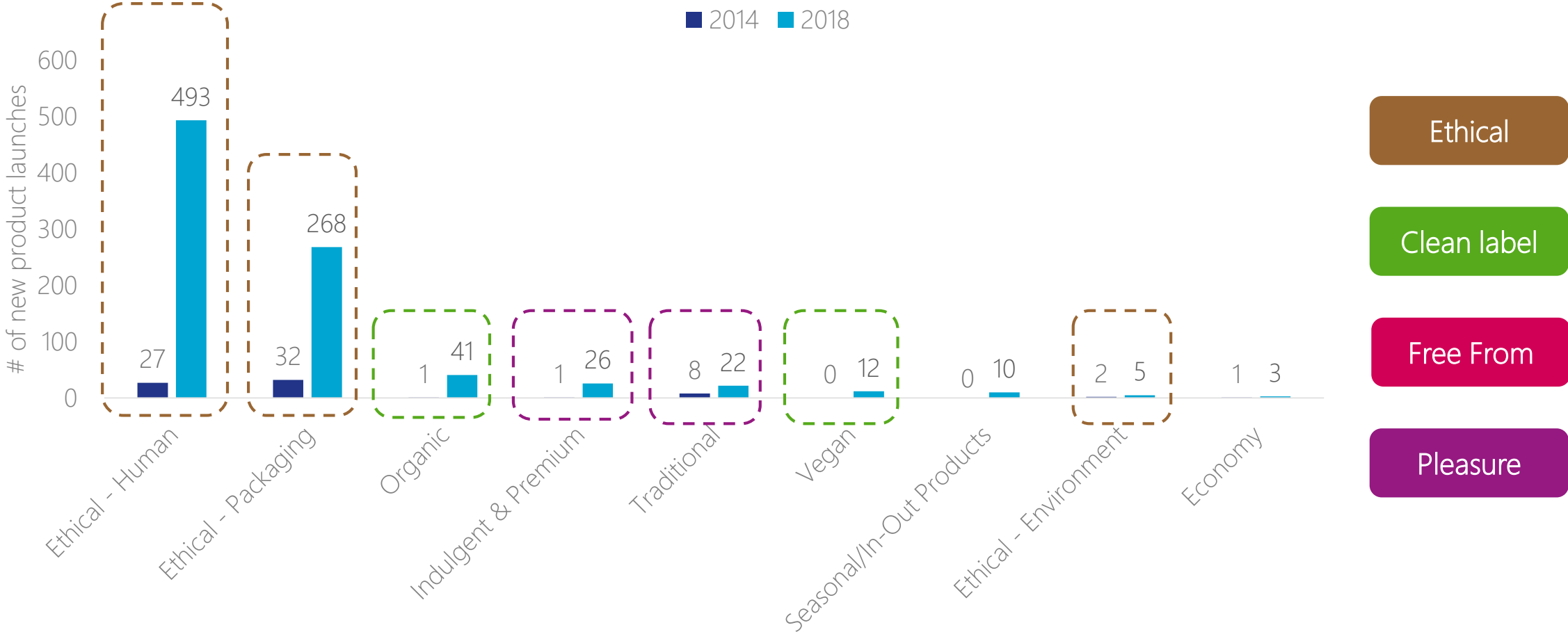
Ethical claims on top of wine & spirits products with traditional/origin seal

Top positionings as percentage (%) of wine & spirits new product launches tracked with traditional/origin seal (Europe, 2018 vs. 2014)



Ethical claims on top of wine & spirits products with traditional/origin seal

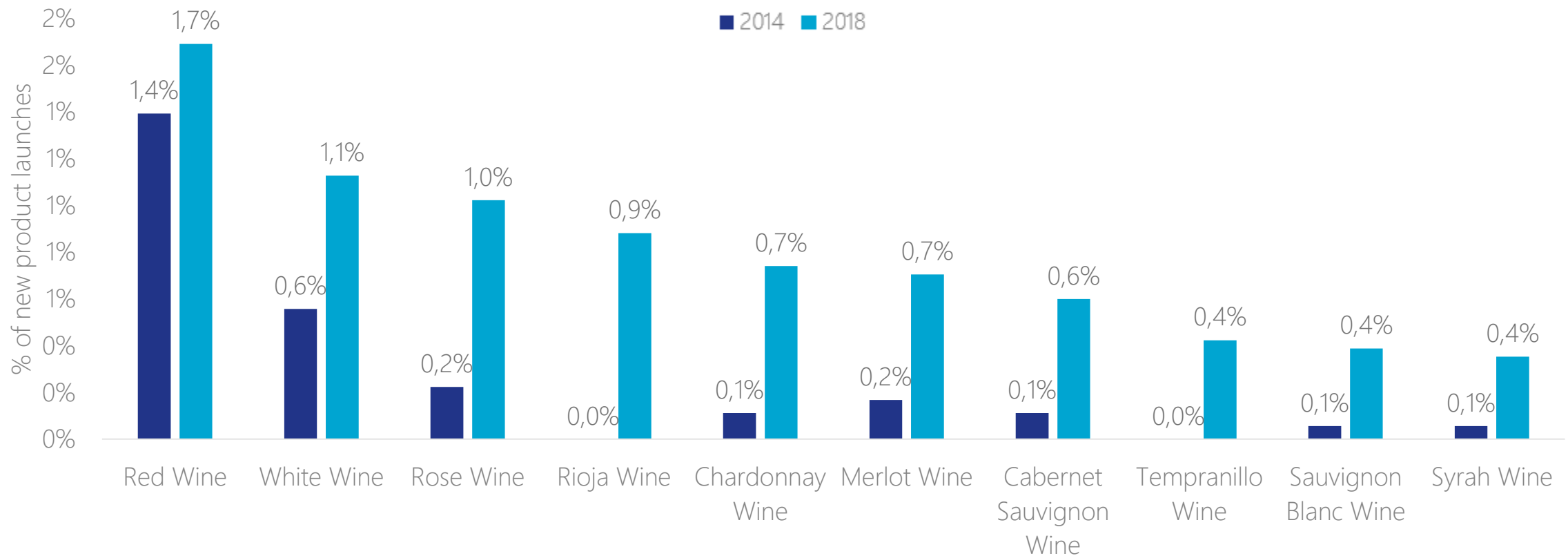
Number of new wine & spirits products with traditional/origin seal launches tracked per positioning (Europe 2014 vs. 2018)



Merlot and sauvignon blanc wine with highest growth in the last five years

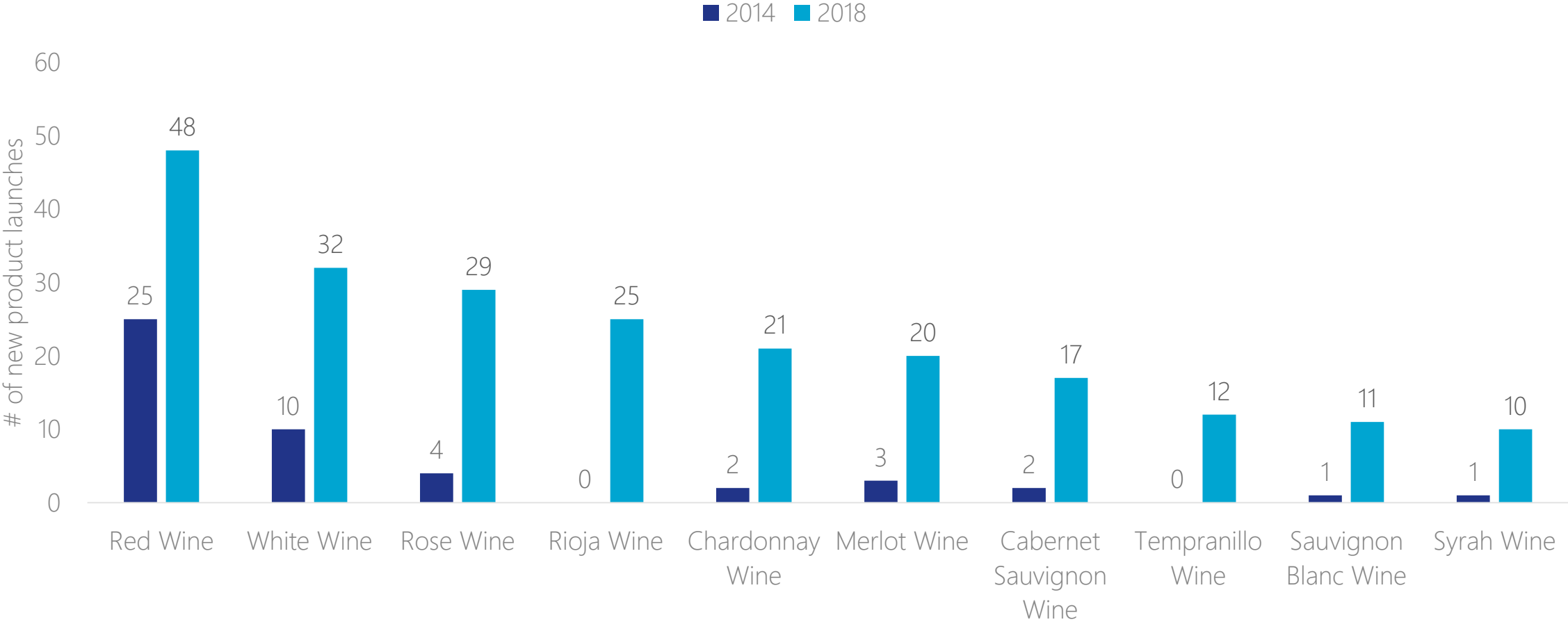
- Generic product bases such as white wine or red wine are still on the rise, however, products with grape variety specified like rioja, chardonnay and merlot are increasing faster.

Top product bases as percentage (%) of wine new product launches tracked with traditional/origin seal (Europe 2014 vs. 2018)



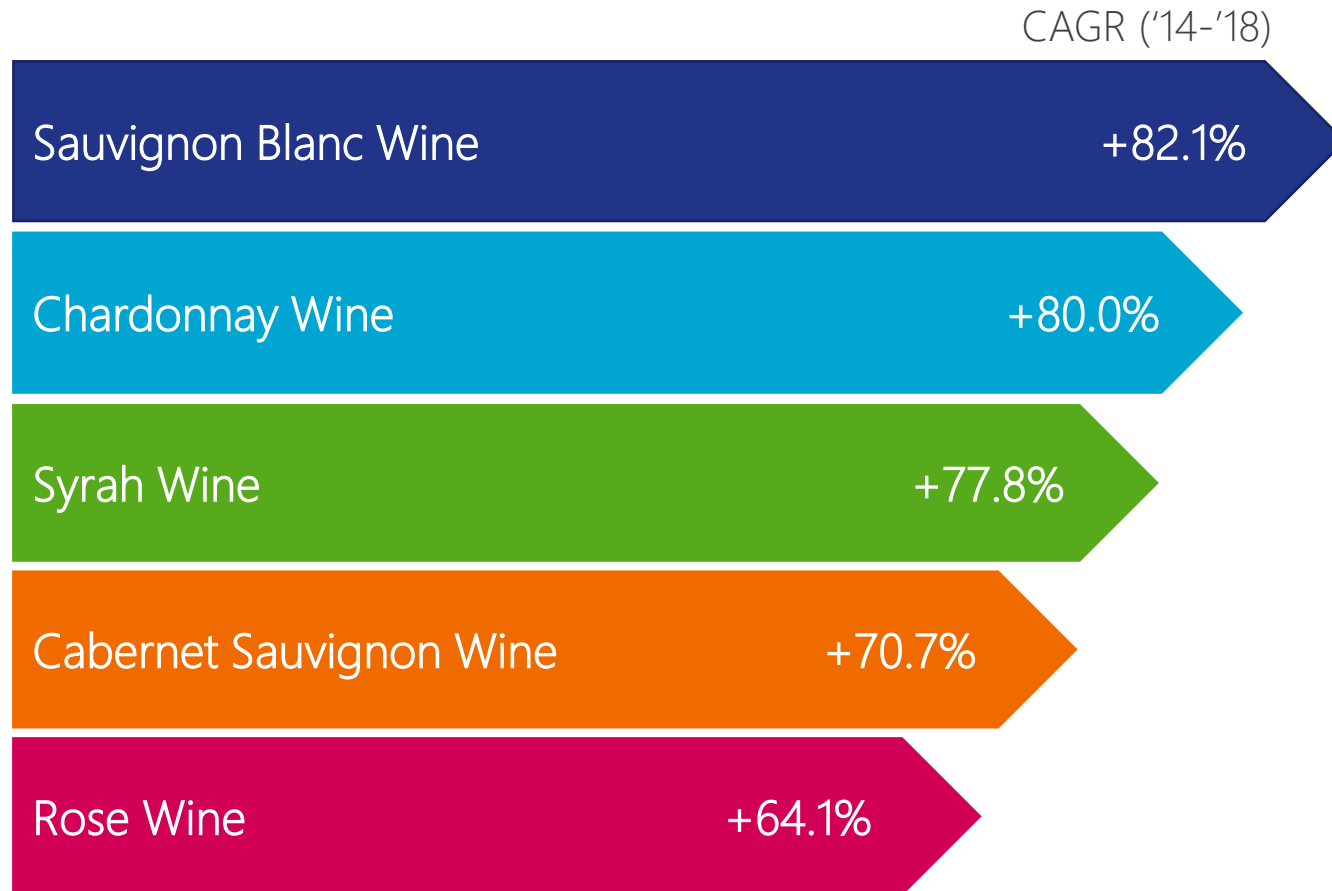
Red wine is the top product base in wine with traditional/origin seal

Number of new wine products with traditional/origin seal launches tracked per product base (Europe 2014 vs. 2018)



Sauvignon blanc is the fastest growing product base in wine with origin seal

Fastest growing top product bases as an average annual growth rate (%) in new wine product launches tracked with traditional/origin seal (Europe, CAGR 2014-2018)



Marks And Spencer Sauvignon Blanc

United Kingdom, Aug 2018

CLAIMS Contains 12% alcohol by volume. This wine was made from **100% Sauvignon Blanc** grown in France's Loire Valley, which is famous for its elegant, fresh whites. The grapes came mainly from the Haut-Poitou region, which has cool autumn nights and chalky soils well suited to this grape variety. The winemakers were Denis Rulandeu and Serge de Bucy. This wine is unoaked so its pure fruity flavors really shine through. **Protected geographical indication.**

Innovation Opportunities in Wine & Spirits Products with Traditional/Origin Seal - Europe



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Spotlight on ethical claims: packaging, environment and human

PACKAGING



Purato Cataratto Pinot Grigio Organic Wine

United Kingdom, Apr 2019

CLAIMS Certified organic. Vegan friendly. **Certified carbon neutral. Eco-friendly packaging. Recyclable packaging.** Indication Geographique Protegee.

ENVIRONMENT



Sea Change Negroamaro Wine

United Kingdom, Apr 2019

CLAIMS **Sea change wines support ocean conservation through direct partnerships with key ocean and marine focussed charities. Grape Touch' labels have been used, which consist of 15% recycled grape waste with the remaining raw materials coming from FSC certified forests.** ... Indication Geographique Protegee.

HUMAN



Its A Fairtrade Cabernet Sauvignon 2016

Netherlands, Jan 2019

CLAIMS Contains 13% alcohol by volume. **Fairtrade wine. Integrity and sustainability certified.** Grapes 100% picked by hand. Green Dot Certified.

Well-established traditional claims in products without traditional/origin seal



Cruz Malaga Vino Viejo: Old Malaga Wine

France, Apr 2019

CLAIMS Contains 15% alcohol by volume. Malaga Cruz is **made in the respect of traditional process**. Green Dot Certified.



Pircher Green Apple Liqueur

Italy, Apr 2019

DESCRIPTION This apple liquor from Pircher is a particular pleasure, made from pure fruit juice and **select ingredients according to proven, traditional recipes**, to create a delicately aromatic, classic liquor from apple juice.



Tower Gin With Shamrock Irish Gin

Ireland, Apr 2019

DESCRIPTION Tower Gin's Shamrock Infused Gin is **distilled in the traditional London Dry style**, with all ingredients, including the fresh shamrock coming from the highways and byways of Co. Louth...

Front-of-pack prominence for organic claims



Be Bio Chardonnay Wine

France, Apr 2019

CLAIMS Contains 12.5% alcohol by volume. Protected geographical indication. **Certified organic.** FSC certified.



Hoogvliet Huiswijn Rose Biologisch: Organic House Rose Wine

Netherlands, Apr 2019

CLAIMS Contains 13% alcohol by volume. Certified organic (NL-BIO-01).



Kew Organic London Gin

United Kingdom, Mar 2019

CLAIMS Contains 46% alcohol by volume. Crafted using uniquely harvested seasonal flora from the botanic gardens, Kew and the finest **selection of organic botanicals** from around the world.

Unique processing techniques makes for premium beverages



Mi And Ti Lu Barrel Aged Italian Gin

Italy, Mar 2019

CLAIMS Contains 55% alcohol by volume. **Produced in very small batches, with a double distillation process, under vacuum at low temperatures. Cask-ageing is made with a passage in three different woods**– Oak, Gelso, Ginepro– with aging times, size of the barrels and to preparation of the barrels, different for each phase and wood...



Taylors 1863 Single Harvest Port

Portugal, Feb 2019

DESCRIPTION Taylor's Single Harvest 1863, drawn from the firm's collection of very rare and valuable cask aged Ports, represents a unique piece of wine history... Port vintage before Phylloxera spread throughout the Douro Valley. **Matured for over a century and a half in oak casks**, the Taylor's Single Harvest 1863 **has achieved an exceptional level of density and complexity** ...



A 1710 Diamond Rock Rhum Extraordinaire: Extraordinary Rum

France, Apr 2019

DESCRIPTION Diamond Rock, a white farm rum distilled from fresh canes, pressed once. **The long cane, cut by hand, is conveyed to the mill with three Rolls of the A1710 distillery, located at Habitation du Simon in Martinique. It is crushed once to extract its nectar... Distilled in a copper still with its 7-tray column.**

A touch of indulgence with dessert flavors

BLACK FOREST GATEAU



Mrs Cuthbert's Black Forest Gateau British Gin Liqueur

United Kingdom, Feb 2019

STRAWBERRY AND CREAM



Baileys Strawberries And Cream Limited Edition Liqueur

Ireland, Apr 2019

BANOFFEE



Wharf Distillery Banoffeee Banana And Vodka Spirit Drink

United Kingdom, Nov 2018

Exotic fruits combinations stand out of the shelves

YUZU + GINGER



Kokoro Yuzu And Ginger Flavored Liqueur

United Kingdom, Apr 2019

RUM + MANGO + KIWI + PINEAPPLE



Arhumatic Rhum Arrange Kiwi Ananas Mangue: Mango Kiwi Pineapple Rum

France, Feb 2019

MANGO + VANILLA

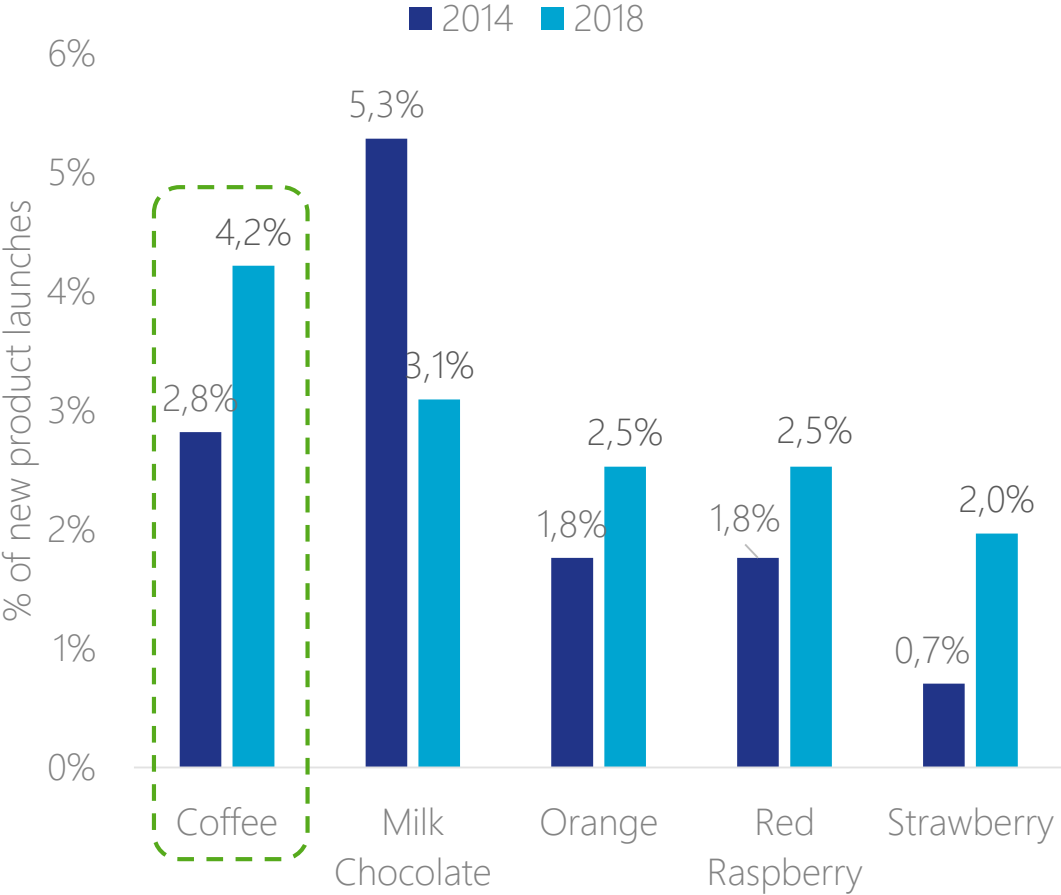


Berentzen Mango Vanille: Mango Vanilla Liqueur

Germany, Feb 2019

Liqueur: satisfying the demand for coffee

Top flavors as percentage (%) of liqueur new product launches tracked (Europe 2014 vs. 2018)



Aging distilled drinks in other's beverage casks for a new flavor twist

WHISKEY IN RUM CASK



**Tullamore Dew Caribbean Rum Cask Finish
Irish Whiskey**

France, Jan 2019

RUM IN WHISKEY CASK



Ion Whiskey Cask Spiced Rum

United Kingdom, Apr 2019

WHISKEY IN PORT WINE CASK



**Kavalan Concertmaster Port Cask Finish
Single Malt Whisky**

France, Jan 2019

Canned spirits for Millennials and Gen Z

- Challenging traditional beverages with is key to catching Millennials' and Generation Z's eyes. Spirits are getting reinvented with canned versions, providing extra convenience to consumers.



Marks And Spencer Woo Woo Vodka With Cranberry Juice And Peach Flavouring

United Kingdom, Jan 2019



Glassbox Spirits Pink Gin And Tonic Small Batch Cocktails

Ireland, Apr 2019



Funkin Passion Fruit Martini Nitro Cocktail

United Kingdom, Apr 2019

New packaging options aplenty



The Kraken Limited Edition Black Spiced Rum

United Kingdom, Mar 2019

EXTRA NOTES Kraken salvage edition rum features a **ceramic design that includes raised and embossed details, combining the brand's trademark tentacles with a sandblasted matte finish.**



Blue Tree Novelty Cocktail Baubles A Collection Of Cocktails

Ireland, Jan 2019



Absolut A Drop Of Love Limited Edition Original Vodka

Switzerland, Feb 2019

CLAIMS ...**The ink color on this bottle comes from hate signs from the most different regions of the world, but speaks in their second appearance a completely different feeling: Love. Made of 70% recycled glass.**



Bohemian Brands Millwall Crystal Edition Vodka

United Kingdom, Jan 2019

Key learnings & What's next ?



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Key learnings & What's next ?

Local seals are on the rise

Although PDO and PGI seals are European standard, in wine products local seals are of great importance and their presence is increasing. Seals such as Vin de Pays (French) or Denominacion de Origen Calificada (Spain), for example, are prior to PDO and PGI seals and still adopted in these countries, sometimes having more than one seal simultaneously.

Traditional positionings with ongoing interest in provenance

Traditional is the fourth top positioning in wine & spirits in Europe. The traditional claims tend to focus around production methods, but there is also interest in describing provenance and origin of the grapes in addition to solely displaying an origin seal.

Targeting younger generations

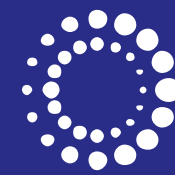
Traditional products can also have an appeal among younger drinkers, but attractive packaging, convenience and new flavors are strategies to catch these consumer's eyes.. Millennials and Gen Z consumers are moving out of their comfort zones to explore bolder flavors and have new wine & spirits experiences.

Packaging innovation

The growing concerns towards environment will continue to innovate the packaging industry. Recycled glass, natural ink label and initiatives to lower environment impact have growing importance. Small details such as a special bottle design, new shapes and colors will continue to develop to enhance consumers' experiences.



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