

# Wine Bottle Design Innovations

The season's most exciting innovations and ideas

Liza B. Zimmerman

**Liza Zimmerman** has been writing, educating and consulting about wine and food for more than two decades. She is the principal of the San Francisco-based Liza the Wine Chick consulting firm and regularly contributes to publications such as *Wine Searcher*, *DrinkUpNY* and *Beverage Media*. She has also worked almost every angle of the wine and food business: from server and consultant to positions in distribution, education, event planning and sales. She has visited all the world's major wine-growing regions and holds the Wine & Spirit Education Trust Diploma (D.W.S.), the three-year program that is the precursor to the Master of Wine.



**THE WINE INDUSTRY HAS** long moved at a slower marketing pace than many other luxury products. However, inspiration from other trades—such as fashion and cars—as well as the influx of ideas from innovative designers and new technology, it is finally starting to catch up.

Part of this could be because other luxury good categories tend to have completely different sales demographics. “Fashion and automotive are difficult to compare to the wine category. There are obvious differences in price, purchase frequency, usage period and how consumers interact with these categories generally, but there are also significant differences in how these industries promote themselves,” said **Jessica Gaedeke**, the San Luis Obispo-based group vice president of Beverage Alcohol Practice at Nielsen BASES, an innovation practice within **Nielsen**.

What is more, she added, “Fashion and automotive rely heavily on advertising to raise awareness and shape brand perceptions. By contrast, wine is a highly fragmented category; brands have considerably smaller advertising budgets and there are often thousands of wine brands competing in the same store.” As an example of how intensely competitive the U.S. wine market is, she noted that more than 4,200 new wine items were launched on the U.S. market in 2017.

“The wine business is becoming more and more aware of the huge benefits that packaging and bottle choices can provide in regard to sales,” shared **David Schuemann**, the owner and creative principal of the Napa-based **CF Napa Brand Design**. He cited wine bottles that resemble spirits bottles and wood veneer labels as two new trends, along with story-telling wines.

Some of the other most exciting recent design innovations have been in the canned and sparkling wine categories, as well as in the use of artificial intelligence as seen by **Treasury Estates**' 19 Crimes labels. Other innovations include the use of optimizer technologies to combine different labels, colors, iconography and typography, shared Gaedeke.

## Indecision Encourages Good Design

Unlike with fashion, cars and electronics—fields where greater purchasing research is done in advance—most wine purchases are impulse buys. According to a 2017 Nielsen study, 71 percent of consumers don't know what they want when they walk into a store looking to buy some wine, according to Nielsen's How Package Design Attracts Today's Wine Consumer study. The study was conducted in the year ending June 17, 2017 and based on new



Outcast Drifter detail

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items with sales greater than \$1,000 in the latest two years.

“As of June 2017, more than 3,500 new wine products had hit shelves in the last year, representing 14 percent of all items in the category and 4.5 percent of category sales volume,” according to Nielsen’s packaging study. This influx is overwhelming consumers and forces “retailers to make tough choices about how to use their finite shelf space.”

The design of a bottle is an essential marketing tool in a marketplace where more than 60 percent of purchase decisions are made at the time of purchase, according to Gaedeke. “Moreover, traditional media spend for wine is significantly lower than for other beverage-alcohol categories,” shared Gaedeke. She reports that \$115 million was spent last year for wine compared to \$1.61 billion for beer, flavored-malt beverages and cider.

## Increased Competition is Turning Up the Heat

Given the fact that the U.S. wine market is growing ever more competitive—**Rob McMillan**, the Napa-based executive vice president and founder of the **Silicon Valley Bank Wine Division**, said in a recent report in his that he pegs current growth at a limited 2 to 4 percent mark—producers and creative staff will have to be more innovative.

“Without good design of the package, you’re placing your product at an enormous competitive disadvantage,” comments the Santa Cruz-based **Randall Grahm—Bonny Doon’s** winemaker and founder—who has long been known for producing inventive bottles and labels.

In addition, the Nielsen study noted that bottle design is essential in attracting consumer interest. “In a recent label analysis of 20 wine brands



Jessica Gaedeke

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that utilized eye-tracking technology, 57 percent more consumers saw the most visible bottle than the least-visible bottle within the first few seconds of looking. Since consumers can't consider purchasing a wine that they don't see or notice, strong standout is a key requirement for effective design."

### Practice Makes Perfect

Often the best research studies require both a time and financial investment that many wine industry players feel like they can't afford. According to Nielsen data, most wineries that reevaluate their packaging design only tend to do so with a handful of brands. According to the study, assessing more than

90 client package redesign initiatives, "as the number of designs evaluated increases, so too does the performance on key packaging metrics, including consumer preference and the ability to stand-out. The unfortunate reality, however, is that most brands evaluate three or fewer design directions, while only 15 percent explore more than four options."

In the end, successful brand innovations need to get the thumbs up from consumers. "The best way to make confident design decisions and understand revenue potential prior to going to market is to vet potential design decisions with a large group of consumers," Gaedeke added.

One of the limitations that the wine industry has long worked with in terms of bottle design is the fact that you are not starting with a virgin canvas, noted Gram. Bottle and label innovations need to accommodate and work around all the legal information that has to be on a wine bottle. Gram noted that once, with the Big House label, his winery managed to turn "the compulsory bar code information into prison bars."

### What Producers are Doing

Some of the most impressive recent designs are the more complex and compelling labels, or those inspired by the creativity shown on spirits bottles. The Outcast label, which was designed by Schuemann, has a clear cut-out on the lower label of a person's head. It is surrounded by a cloud of squiggles that can seem like confetti rising up from the head.

That "Thought Cloud," according to Alex Merrill, the winery's co-owner and managing partner, was a reference to thinking in creative and different ways [and] following the road less traveled. He said part of the inspiration for the name and design was the fact that, "Great minds think differently and are outcast from the normal social circles."

Merrill noted that the winery has seen "significant increases (in sales??) as the new labels and complete story resonate with consumers of all demographics and age ranges. That was part of the challenge: to make a label that appealed to both Millennials and older, more experienced wine buyers alike."

The Pirate label, produced by the Calistoga-based La Sirena Wines, is bottled in a spirits-inspired packaged. "It is a non-traditional blend of seven different red varieties ... so once we got the Pirate name, we decided to really go for it with the fun packaging and the rum-inspired bottle seemed like a perfect fit for this unique wine," said Remi Barrett, a sales and marketing executive at La Sirena.

"The bottle has helped sales because it stands out from the majority of other bottles and gets people interested in the wine. It's eye-catching and unusual and the first step to success is getting the bottle into people's hands," she said. "Many people are so intrigued by the package that they really want to try the wine inside."

Another bottle that takes spirits-inspired design to heart is the Exitus brand, from O'Neil's Vintners in Parlier, California. The brand's "heavy clear Bourbon bottle with a thick solid punt communicates authenticity, quality and the connection to Bourbon," said Patty Vukanovich, the company's brand manager. The wine is aged in Bourbon barrels.

Sales have been solid. "Exitus is the fastest brand to reach \$100,000 in sales of a Bourbon barrel-aged wine priced above \$15. Most importantly Exitus achieved that goal while only being initially distributed at Kroger [which has 940 stores]," she said.

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## Spanish Strength and Quality Products

Much of the latest design innovation is coming out of other countries. Spain has long been a design hub for many fields. According to Graham, “The Spanish have been particularly brilliant in executing startling new labels. According to Spanish bottle designer **Oriol Piferrer Saló** of the Girona, Spain-based La Fonda Grafica, the design market in the northern Spanish area of Catalonia started heating up 15 years ago.

In the region of Catalonia, “some of the most exciting wine label designs come from local producers and little studios. Large producers have also been quick to improve their image too but the personal and unique factor gives little producers an added value in and outside the bottles...and an important factor: variety!” shared Saló.

While good labeling may encourage a first purchase, the product inside the bottle also has to be consistent, he added. Maybe a solid look can “help sell a first batch, but if the image is not coherent with the product, in the long run it will not have future,” he added.

Having consistent quality is essential for brands with good and intriguing designs, concurred Gaedeke. “Whether or not a consumer decides to purchase the wine again depends on the quality of the wine. Does the liquid itself live up to the promise set by the brand and the design? Good design certainly amplifies the purchase potential for lower-quality wines, and poor design can deter consumers from trying a phenomenal wine. But the wine must deliver to sustain in market.”

## What Took So Long

There are a number of reasons that the wine business has taken so long to be innovative about bottle design. Two major factors that have historically limited its growth are its lower point-of-entry prices, than many other luxury goods; and the industry’s limited ad budget.

“Given the lower volume of publicity, the ‘advertising’ that happens at the shelf is critical; consumers form their perceptions rapidly, and package design serves as the main communication vehicle,” said Gaedeke.

Given the wine business’ more limited budget many producers and designers haven’t given much thought to updating bottles’ labels and forms beyond just their basic visual design and delving into packaging and portability, she noted. “More wine brands are beginning to appreciate just how instrumental these types of innovations are for addressing a wide range of usage occasions.”

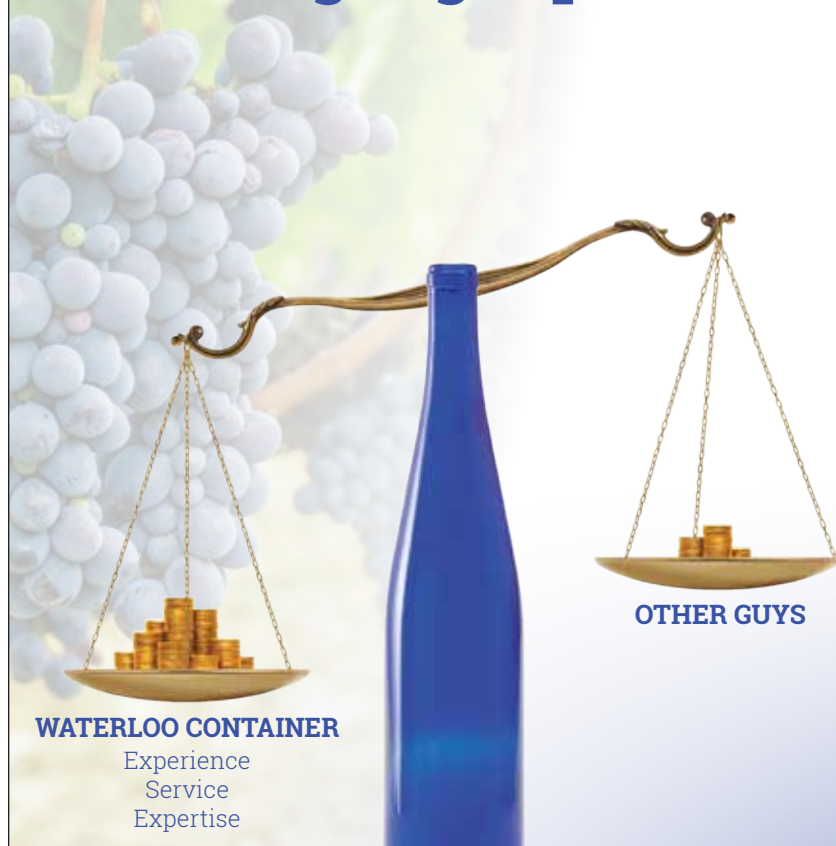
In addition, such innovations can cost significantly more. “While the use of special materials and techniques—die cuts, foil, embossing, paper textures, custom bottle shapes and capsule adornments—can have significant margin implications, they can also yield revenue gains by driving more trials or justifying a higher price point,” she clarified.

She cited canned wine’s recent market success as testimony to how important flexibility of design in packaging is for wine buyers. “Canned wine has grown more than 50 percent in the past year because this package format is much more portable, convenient and better-suited to outdoor activities such as camping and visiting the beach. We’re also seeing an increase in boxes and tetra packs.”

Thinking beyond just the label and the font of the letters often pays off. “The ability to use packaging to address unmet consumer needs and create new consumption occasions is one area where innovation thrives. It’s exciting to see how good designers are beginning to push the boundaries, especially as they consider new opportunities to meet the needs of younger consumers,” she concluded.

Much of the industry, and its consumer base, can’t wait to see what comes next. **WBM**

# Weighing Your Packaging Options?



## Don't be Penny Wise and Pound Foolish

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