

From time to time, *The Beverage Journal* solicits insider insight into what our reader's may be experiencing on the front lines, be it trends or issues. This month's **MarketPoint** column detailed one store owner's view of the upcoming holiday season.

Taking a brand's-eye view of off-premise trends for the holiday season, *The Beverage Journal* gets the inside track from Christopher J. Cribb, CSW, General Manager of Marquee Artisan Wines; Alan George, Vice President, Group Brand Director for Brown Forman; and Jennifer Long, Brand Director for Patrón.

BVJ: Do you see the economy impacting this year's support and sales?

Cribb: From a supplier perspective, the economy is having an effect on the sales for this year, but not necessarily on the support. As brand managers we have been moving the focus of where we spend our support dollars to areas of greater impact in the off-premise market and to lower pricing tiers. We do not plan on putting a heavy focus on gift boxes, gift with purchase, etc. for the holiday time because most of this support has been for the pricing categories over \$30.00 retail. The market is still moving from \$10.00 to \$25.00 retail and that's where we will focus our efforts this year. The changes being said, we still plan to support our activities and distributors with the same budget as last fiscal year.

George: Of course, as with any industry it will have some affect as retailers must be concerned with inventory investment and their brand support choices. It does put pressure on branded marketers and suppliers to be creative and efficient in providing the most effective and productive programs as possible throughout the year, particularly for the upcoming holidays.

Long: People are certainly opting to entertain more often at home now, given the challenging economy, and so we're clearly seeing an uptick in off-premise sales of Patrón and other spirits in our portfolio. Though we continue of course to support our on-premise business, we've also created several initiatives designed to promote the "mixability" and versatility of Patrón, to make consumers aware that Patrón's high-quality and smooth taste allows it to mix easily in most any cocktail that typically calls for vodka or other white spirits.

BVJ: Thoughts, feelings, musings on economic outlook for your brand as we enter the 4th quarter.

Cribb: One brand in particular that we are seeing large growth in and have just launched in the Connecticut market is the Caligore Organic Wine brand from Argentina. As a category, Argentina and Malbecs have been on fire for the last year. In addition to this trend, we have seen sales of organic, biodynamic, and sustainable agriculture products rising in the marketplace (and not only at specialty stores for organic products). We are very enthusiastic about being able to offer this new brand at prices of \$10.00 and \$15.00 retail with great national publicity scores as "best buys" and over 90 points right in the middle of the sweet spot that people are currently purchasing at. Sure, we would love for the economy to be better for everyone, but we are feeling good about our product placement even in shaky times with Caligore.

George: Canadian Mist, Early Times and Old Forester are enjoying a solid year in terms of retail sales, as well as overall consumer and trade support. We believe that this is due largely to the fact that each of these brands offer an excellent quality and value proposition to consumers, which research tells us is one of the key factors for consumer purchase decisions for spirits. These brands have long been recognized for their quality and value and are extremely well positioned in today's economy.



Long: We're very optimistic about the holiday selling season, a period that historically has shown strong sales for us – it's a time of the year that people are out celebrating at bars and restaurants, giving gifts, and entertaining at holiday parties. At the moment, every brand in our portfolio is showing growth and we have every reason to believe that will continue into the fourth quarter.

BVJ: What does the holiday look like compared to last year sales?

Cribb: We have been trending up about 20% this entire year so we feel like we can hold this line. I have heard people tell me crazy things such as "Flat is the new up..." and I shrug them off and feel happy about being up. We are expecting a slight tick downward for our Australian brand as this category has been fighting hard to keep the market share and profits that it gathered over the last few years.

George: Mist, Times and Old Forester are realizing strong trends heading into the holidays, and we are expecting a very successful holiday selling season this year.

BVJ: Are you doing more - or less - advertising, online, print, broadcast, outdoor, other this season to target off-premise sales?

Cribb: We are doing a bit less advertising that we were in years past and have been actively jumping into more social media marketing than ever before. Getting the word out virally is more important than ever these days as consumers are being hit on every side with advertising. We are seeing more of our non-traditional advertising streams as being more "sticky" to keep consumers brand loyal than ever before. P.S. – Thank goodness it's not an election year again; in 2008 we were driven out of several media buying areas because of the amount of political money being funneled into advertising.

George: Our overall marketing investment in consumer and trade programs has remained fairly stable versus last year; however, we have shifted between the vehicles you mentioned and are supporting more localized and interactive programs versus national or regional advertising.

Long: We're developing specific programs and communications targeted to off-premise sales, centered around gift-giving and holiday parties. By promoting the mixability of Patrón, we are offering consumers simple solutions to entertain at home. Throughout this year, while so many other companies have cut back on marketing, we've continued to spend at healthy levels to support our brands and our retailers, and when we come out of this recession, we believe our brands will be stronger for it.

BVJ: Anything else you want to add?

Cribb: People are definitely still buying wines; you just have to know where to find them. I hope the holiday season will not be too harmful on the on-premise industry, as so far 2008 has been pretty rough on many restaurants operations with strong wine and spirits programs. Support your independent restaurants, they are a true treasure to every community and once they disappear, the dining horizon starts to look a bit average.

George: We feel that the off-premise segment of our industry is stable and in an excellent position to fulfill consumers needs and wants for their at home, holiday entertaining plans. Again, research tells us that consumers are entertaining more at home and are seeking strong quality and value offerings to meet these needs as entertaining and serving suggestions that are fun entertaining and creative.