



Campus Beats'18 FineWine | Go-to-market Strategy

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SALES+MARKETING

Impact where it matters.

Guidelines to complete the case

- Any content from this document should not be shared beyond the participants of the case competition
- Software requirements: you will need Microsoft PowerPoint and Microsoft Excel
- The final report should articulate approach and considerations used for each of the 4 questions presented, and final solution

FineWine, an Indian wine distiller company, is looking to expand its European operations

- FineWine has been in the wine business since early 1990s and is one of the largest wine distiller in India. They recently entered the Spanish market in 2014
- Driven by its success, which is primarily due to strong distillation capabilities, it is looking to embark on an ambitious expansion plan to other European countries
- The expansion plan includes the following objectives:
 - Set up a manufacturing plant in Spain. This will allow the wine maker to
 - Use local, high-quality raw material and specific climatic conditions to enhance the quality and expand the offerings to meet local preferences
 - Reduce the time spent and cost on transportation from India to European countries
 - Enter three additional countries in Europe: Portugal, France, Italy
 - The regional marketing and sales team are currently based in Seville (Spain) and sell to distributors and a few large retailers
 - The company will need additional sales representatives to sell in Portugal, France and Italy, but given how different these markets are as compared to Spain, the company is not sure about the number of reps it will need to hire

With strong investor backing and a mandate to grow over the next few years, FineWine has hired you to help plan this expansion better

FineWine has approached ZS to obtain help on the following questions as part of its go-to-market strategy

1. Based on assessment of the market potential, what is the expected demand for FineWine products in Portugal, France, and Italy?
2. For the three additional countries (Portugal, France, and Italy), what is the expected size of sales force that should be deployed?
3. For the sales reps, what kind of incentives should be paid?
4. What kind of reporting solution should be developed to track sales performance?

Based on assessment of the market potential, what is the expected demand for FineWine products in Portugal, France, and Italy?

- Wine market is highly fragmented and variable. It is influenced significantly by local preferences, traditions, availability raw materials, and climatic conditions
- FineWine is looking to produce and market wines in the following categories
 - Sherry (originated in Spain; made with white grapes, and fortified with brandy)
 - Champagne (type of sparkling wine; originated and produced in Champagne, France)
 - Marsala wine (originated in Sicily, Italy)
 - Moscatel de Setúbal (originated and produced in Portugal with a specific type of grape, called Muscat of Alexandria grape)
- Market sales of each of these categories will be influenced by local preferences and share of FineWine wines will be further influenced by their quality and characteristics

Please refer to appendix 1A to 1G to estimate unit sales (liters) for FineWine wines in each of categories above, and total at the country level, until 2020

The VP of Sales needs to know the size of the sales force that should be deployed for **France**

1. Estimate the number of sales representatives required for France
 - Sales reps from FineWine will be responsible for selling wines to customers by visiting each of these customer types, talking about the wine, giving samples, following up and several other activities
 - Generally, the amount of sales generated is dependent on number of times sales reps can visit the customer
 - Please refer to appendix 2A to answer the question
2. Sales reps will be going to three types of customers broadly:
 - Wholesalers and Distributors
 - Large retail chains
 - Small retailers

In your opinion, how will the activities of the reps differ across the three customer types, and therefore what should FineWine do about it?

For the sales reps, what kind of incentives should be paid?

1. The sales VP of France has decided that the sales representatives will be paid incentives based on the number of units they sell each quarter
 - a) Calculate the commission rate based on the data provided in spreadsheet embedded
Note: Commission Rate is defined as earnings per unit sold.
2. What might be some drawbacks of incentivizing the reps based on the number of units they sell? Are there any other payment plan that can be used to incentivize the sales representatives?
3. The sales VP is thinking of providing sales targets to the representatives, but he is not sure weather representatives should be given monthly or quarterly targets and has asked you to provide your recommendation
4. Sales VP wants to make sure that sales representatives are aware of their targets and their progress in achieving those targets
 - I. If the data is available in the format provided in appendix 3A to 3C, create a process flow and reporting layout that will provide sales representatives the information that sales VP has mentioned.
 - II. What are some of the quality checks you would put in place to ensure that the reports are accurate?

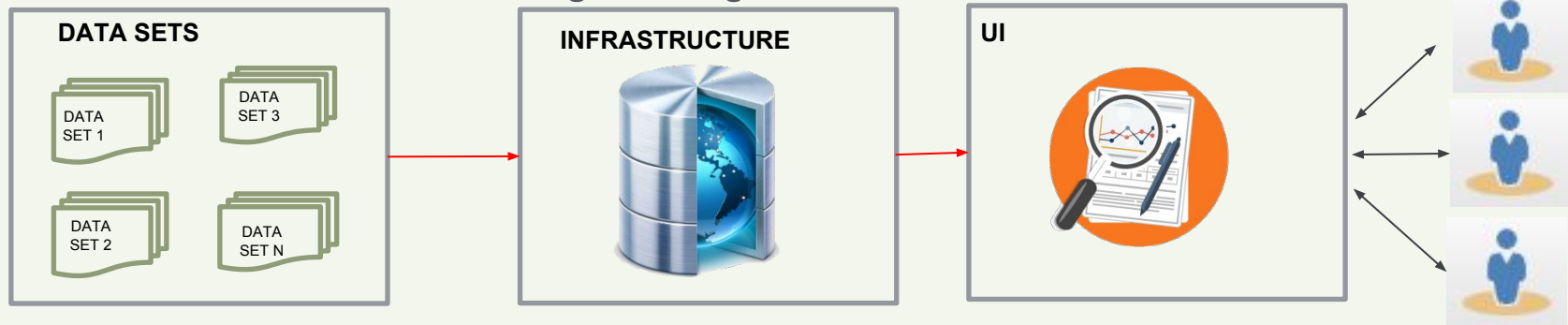


Microsoft Excel
Worksheet

Finewine leadership team has expressed its desire to develop a solution which is capable of tracking and measuring the demand estimation

- As Finewine will need to make considerable investments in setting up sales forces, estimate demand and promote their brand in a competitive wine market, the sales leadership would like ZS to develop intuitive dashboards and KPIs to provide appropriate insights to the team
- The leadership team wants to ensure that their managers and sales force teams are getting the appropriate level of information for tracking leads and sales performance

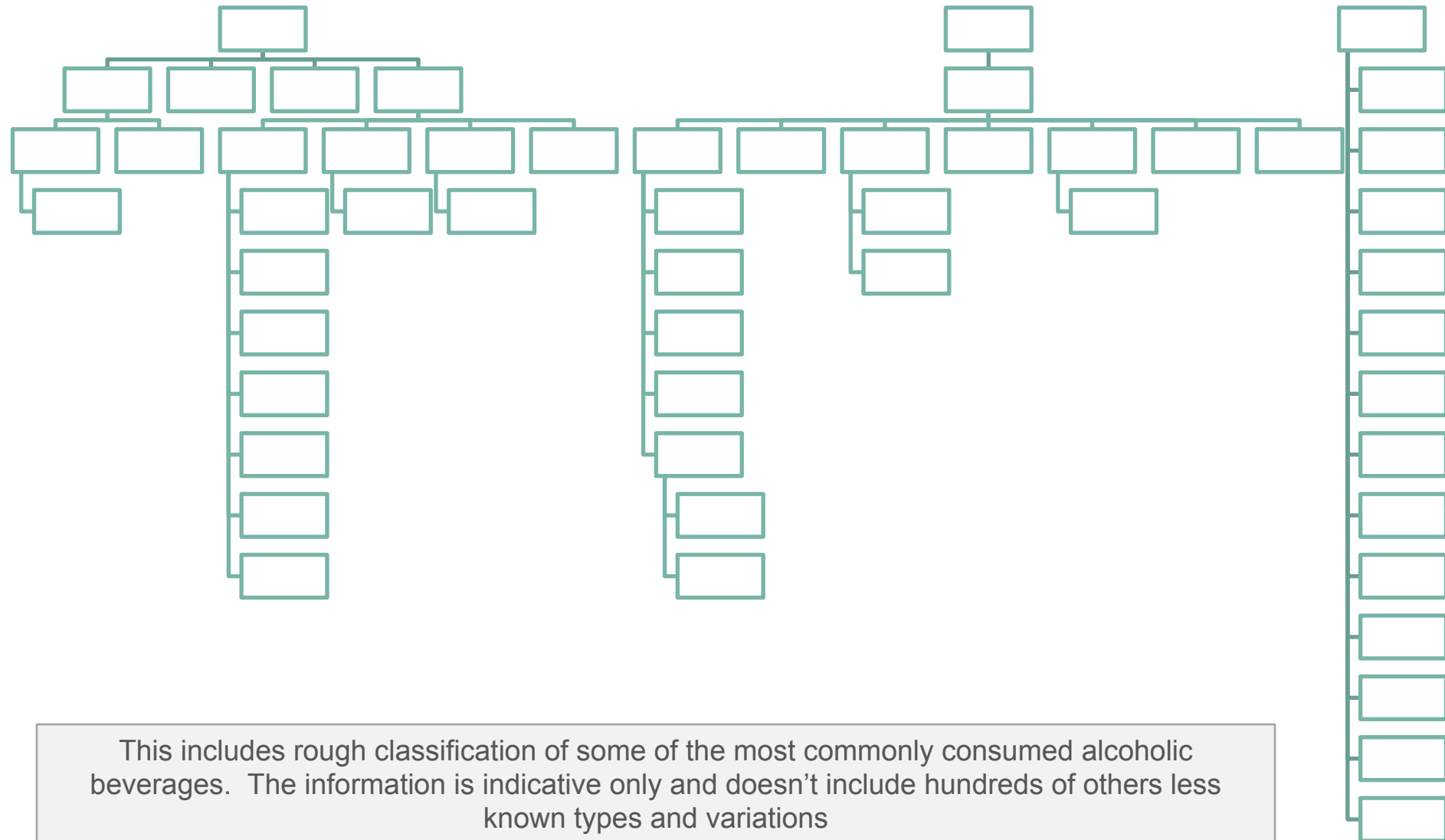
Flow of information from data to insights that go out to the field



- As a part of the solution design, ZS is required to recommend a method to incorporate the data shared by FineWine along with demographics and consumption data available across the three countries. Recommend a strategy to come up with the method of ingesting the data and creating master datasets
- Suggest UI interface to design dashboard to help business executives to measure the impact of sales
- The data coming from different countries, having varied data formats and many multilingual nuances to account for. Suggest a solution that allows users to view the information they need in the format they need, on demand

Appendix

Appendix 1A: Alcoholic beverages classification



Appendix 1B: Population by Country

Country	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
France	66,830,214	67,158,516	67,486,818	67,815,120	68,143,422	68,471,724	68,800,026	69,128,328	69,456,630	69,784,932	70,113,234
Italy	60,358,765	60,616,667	60,882,306	61,155,681	61,436,793	61,725,641	62,022,226	62,326,547	62,638,605	62,958,400	63,285,931
Portugal	10,269,207	10,161,080	10,033,568	9,885,550	9,715,906	9,523,517	9,307,260	9,066,018	8,798,668	8,504,090	8,181,165

Appendix 1C: Wine consumption

Country	Annual per capita wine consumption (litres)			% of world consumption	Consumption Type
	2013	2014	2015		
France	42.7	41.5	40.8	11.01%	A
Italy	36.2	33.6	33.8	8.30%	A
Spain	21.0	21.3	21.5	4.05%	B
Portugal	45.9	45.2	46.3	1.94%	C

Hint: Rolling 3-year average would be a good strategy for estimating future annual per capita wine consumption

Appendix 1D: Wine share across categories

Country	Wine Category	% share
Portugal	Champagne	1.9%
	Marsala wine	0.6%
	Moscatel de Setúbal	9.4%
	Sherry	2.3%
	Other wines	85.9%
France	Champagne	11.0%
	Marsala wine	0.8%
	Moscatel de Setúbal	3.9%
	Sherry	1.0%
	Other wines	83.3%
Italy	Champagne	2.9%
	Marsala wine	8.2%
	Moscatel de Setúbal	2.8%
	Sherry	2.8%
	Other wines	3.3%

Appendix 1E: Wine ratings by experts

Beverage	Criteria	Ratings by experts (scale of 0 to 5)	
		FineWine wines	Competitors
Champagne	Taste	3	5
Champagne	Touch	1	4
Champagne	Heat	3	4
Champagne	Astringency	2	3
Champagne	Texture	3	3
Champagne	Persistence	1	5
Champagne	Smell	2	4
Marsala wine	Taste	5	1
Marsala wine	Touch	4	2
Marsala wine	Heat	3	5
Marsala wine	Astringency	1	4
Marsala wine	Texture	55	4
Marsala wine	Persistence	5	5
Marsala wine	Smell	3	3
Moscatel de Setúbal	Taste	5	2
Moscatel de Setúbal	Touch	2	3
Moscatel de Setúbal	Heat	4	1
Moscatel de Setúbal	Astringency	2	2
Moscatel de Setúbal	Texture	4	5
Moscatel de Setúbal	Persistence	2	1
Moscatel de Setúbal	Smell	5	3
Sherry	Taste	1	2
Sherry	Touch	2	5
Sherry	Heat	1	1
Sherry	Astringency	5	4
Sherry	Texture	4	4
Sherry	Persistence	5	2
Sherry	Smell	1	2

- Weighted average across all competitors, rounded to nearest integer
- Overall rating is a function of both customer preference(weighted average) as well as expert rating; Customer preferences have been known to change across geographies
- Index is calculated as $5 + A - B$ for the overall rating (scale of 0 to 10) of a beverage;

Appendix 1F: Customer Preferences

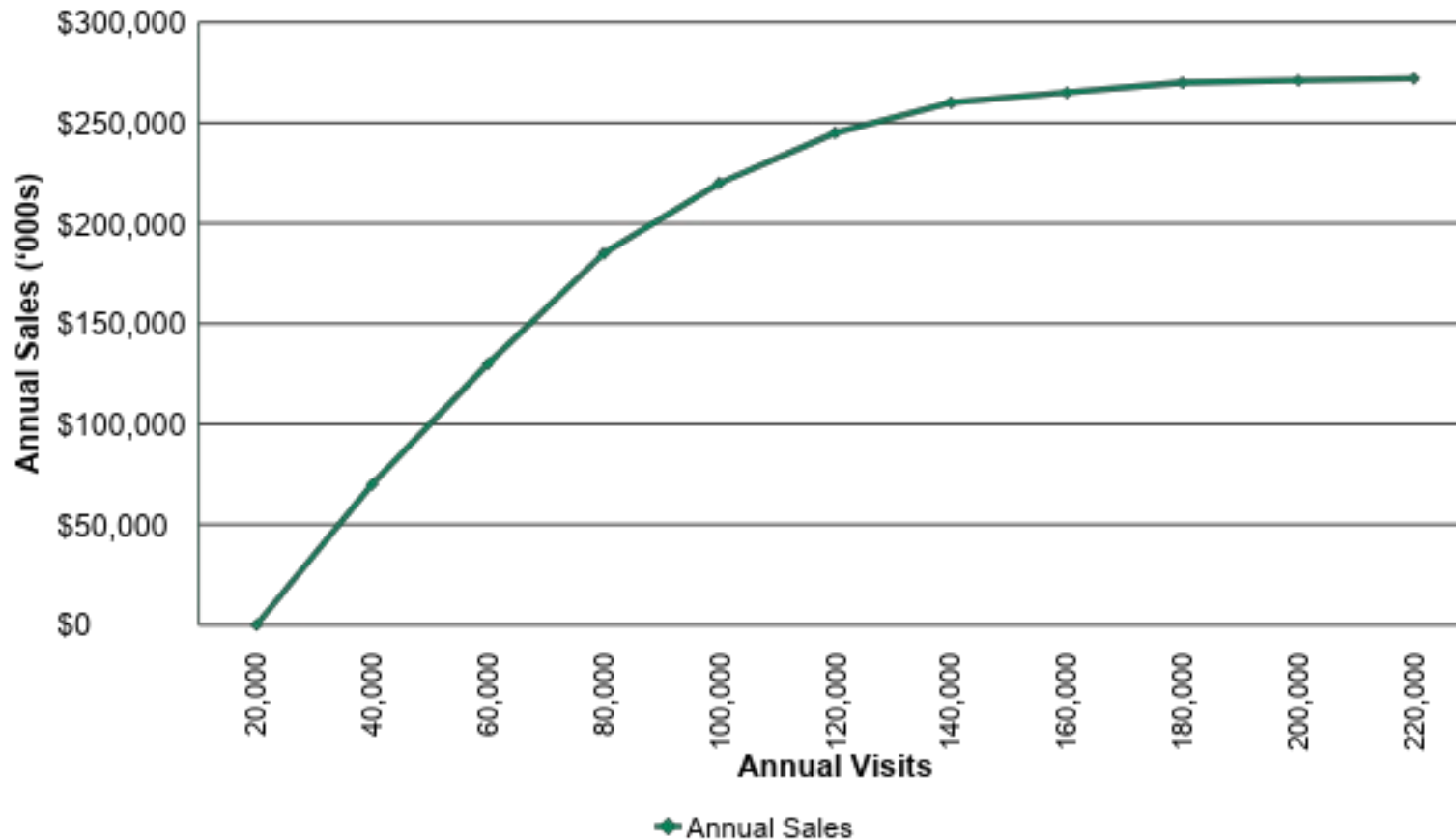
Criteria	Country	Relative importance to customer
Astringency	France	5%
Heat	France	25%
Persistence	France	20%
Smell	France	10%
Taste	France	10%
Texture	France	15%
Touch	France	15%
Astringency	Italy	8%
Heat	Italy	8%
Persistence	Italy	5%
Smell	Italy	15%
Taste	Italy	44%
Texture	Italy	12%
Touch	Italy	8%
Astringency	Portugal	12%
Heat	Portugal	15%
Persistence	Portugal	8%
Smell	Portugal	30%
Taste	Portugal	15%
Texture	Portugal	12%
Touch	Portugal	8%

Appendix 1G: Brand Share and Growth Expectations

Beverage	Rating Index	Code A geographies		Code B geographies		Code C geographies	
		Expected year 1 brand share	Expected CAGR (brand volume)	Expected year 1 brand share	Expected CAGR (brand volume)	Expected year 1 brand share	Expected CAGR (brand volume)
Fortified Wine	0 to 1	5.2%	-0.35%	4.9%	-0.39%	4.9%	-0.40%
Fortified Wine	1 to 2	5.2%	-0.25%	4.9%	-0.27%	5.0%	-0.29%
Fortified Wine	2 to 3	5.2%	-0.12%	4.9%	-0.13%	5.0%	-0.14%
Fortified Wine	3 to 4	5.2%	-0.05%	5.0%	-0.06%	5.0%	-0.06%
Fortified Wine	4 to 5	5.3%	0.66%	5.1%	0.63%	5.1%	0.69%
Fortified Wine	5 to 6	5.4%	1.57%	5.1%	1.50%	5.1%	1.65%
Fortified Wine	6 to 7	5.4%	2.49%	5.2%	2.37%	5.2%	2.61%
Fortified Wine	7 to 8	5.4%	3.21%	5.3%	3.06%	5.2%	3.36%
Fortified Wine	8 to 9	5.5%	3.91%	5.4%	3.73%	5.2%	4.10%
Fortified Wine	9 to 10	5.5%	4.02%	5.5%	3.83%	5.3%	4.21%
Sparkling Wine	0 to 1	4.6%	-1.10%	4.6%	-1.21%	4.6%	-1.27%
Sparkling Wine	1 to 2	4.8%	-0.50%	4.7%	-0.55%	4.7%	-0.58%
Sparkling Wine	2 to 3	4.8%	-0.06%	4.7%	-0.06%	4.7%	-0.07%
Sparkling Wine	3 to 4	4.8%	-0.02%	4.7%	-0.02%	4.7%	-0.02%
Sparkling Wine	4 to 5	4.8%	0.55%	4.8%	0.52%	4.8%	0.58%
Sparkling Wine	5 to 6	4.8%	1.00%	4.8%	0.96%	4.9%	1.05%
Sparkling Wine	6 to 7	4.8%	2.12%	4.8%	2.02%	4.9%	2.22%
Sparkling Wine	7 to 8	4.9%	2.99%	4.8%	2.85%	4.9%	3.13%
Sparkling Wine	8 to 9	5.0%	3.72%	4.8%	3.54%	4.9%	3.90%
Sparkling Wine	9 to 10	5.1%	4.23%	4.9%	4.03%	4.9%	4.43%

Appendix 2A: Sales Responsiveness and Assumptions

Sales force impact



- Sales reps cost EUR 90,000 per year each
- Sales reps make 8 calls per day and work 180 days per year

Appendix 3A: Data for Target Report (1 of 3)

Customer ID	Customer Name	Sales (in EUR)
17766	Customer A	25,327
12888	Customer B	15,442
13987	Customer C	18,327
14778	Customer D	11,220
15890	Customer E	12,555
Additional Rows to follow		

Geo ID	Geo Name	Projected Annual Target (in EUR)
Geography_1	Geo 1	103,246
Geography_2	Geo 2	350,500
Geography_3	Geo 3	61,145
Geography_4	Geo 4	310,280
Geography_5	Geo 5	75,240
Additional Rows to follow		

Appendix 3B: Data for Target Report (2 of 3)

Geo ID	Geo Name	Customer ID
Geography_1	Geo 1	17766
Geography_2	Geo 2	12888
Geography_1	Geo 1	13987
Geography_5	Geo 5	14778
Geography_4	Geo 4	15890
Additional Rows to follow		

Appendix 3C: Data for Target Report (3 of 3)

Rep_ID	Rep_Name	Rep_Email ID	Geo_ID
776543	Rep 1	Rep1@finewine.com	Geography _2
86A235	Rep 2	Rep2@finewinea.com	Geography _1
96387	Rep 3	Rep3@finewine.com	Geography _3
862109	Rep 4	Rep4@finewine.com	Geography _4
Additional rows to follow			