

Gallo Team Presentation:

Win Chinese Market

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Wake Forest University MSM 2020 – Group 25

Hongling Yu, Xin Yin, Niko Wang, Jinru Yao, Yitong Gao

CONTENT

- WHY CHINESE MARKET
- INDUSTRY ANALYSIS
- COMPETITIVE ANALYSIS & BRAND AUDIT
- SURVEY RESULT: CONSUMER PORTRAIT
- FOCUS AREAS: PACKAGE & FLAVOR & MARKETING
- SUMMARY & RECOMMENDATIONS

WHERE IS THE IMMEDIATE OPPORTUNITY? – CHINESE MARKET!



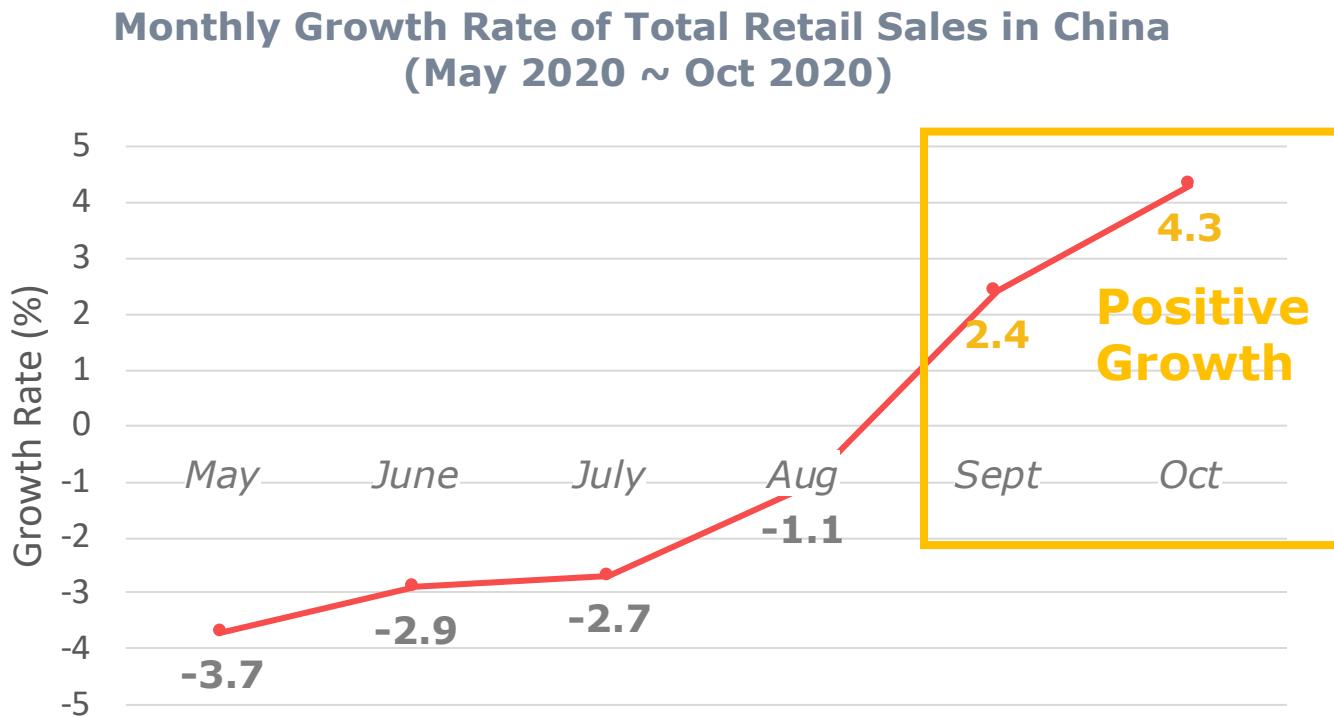
| E.&J. Gallo Winery



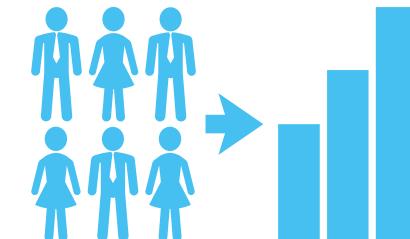
南酒司：GS2016016139
国家质检地理信息局 监制

WHY CHINESE MARKET? – *HUGE OPPORTUNITY!*

- **Fundamentals:** Economic recovery and growth of consumption



**China's Per Capita
Alcohol Consumption**



4.1, 7.1 and 7.2 liters
in 2005, 2010 and 2016



WHY CHINESE MARKET? – *HUGE OPPORTUNITY!*

- **Industry:** The market for low-alcohol beverages is expanding rapidly

US\$ **1 Billion**
+20% Each Year



**BAREFOOT CAN
CARVE OUT A NICHE**

Example: RIO



2020
January to June



107 million USD



27.68%



24 million USD



57.12%

WHO ARE THE GAME PLAYERS? – SEE HOW RIO & HOROYOI ARE DOING HERE!



VS



WHO ARE THE GAME PLAYERS? – SEE HOW RIO & HOROYOI ARE DOING HERE!



≈ \$2.5

- Target precise market segments
- Very high-quality reputation
- Short-term product development
- Excellent appearance design



≈ \$1.5

- Full coverage of market segments
- Rich product lines
- Different packaging styles
- Active online customer service

VS

- Price not friendly enough
- Pigments and additives

- More ordinary taste
- Pigments and additives

HOROYOI

RIO

WHAT WILL BE OUR ADVANTAGES? – *CHECK OUT BAREFOOT'S BRAND RECOURSES!*



≈ \$1.7

It can be further reduced after local production

- Reasonable price range
- No additives
- High quality raw ingredients
- Lower calories
- The uniqueness of base wines

- Not enough Brand Awareness
- Ordinary Flavors

WHAT SHOULD WE FOCUS ON TO WIN? – *SOME POSSIBLE HYPOTHESES!*



Product Features

- Flavor Development
- Packaging Design
- Limited Edition



Marketing Strategy

- Promotion Strategy
- Distribution Channels

HOW CAN WE FURTHER SUPPORT OUR CONCLUSION? - *CONDUCT REAL SURVEYS!*

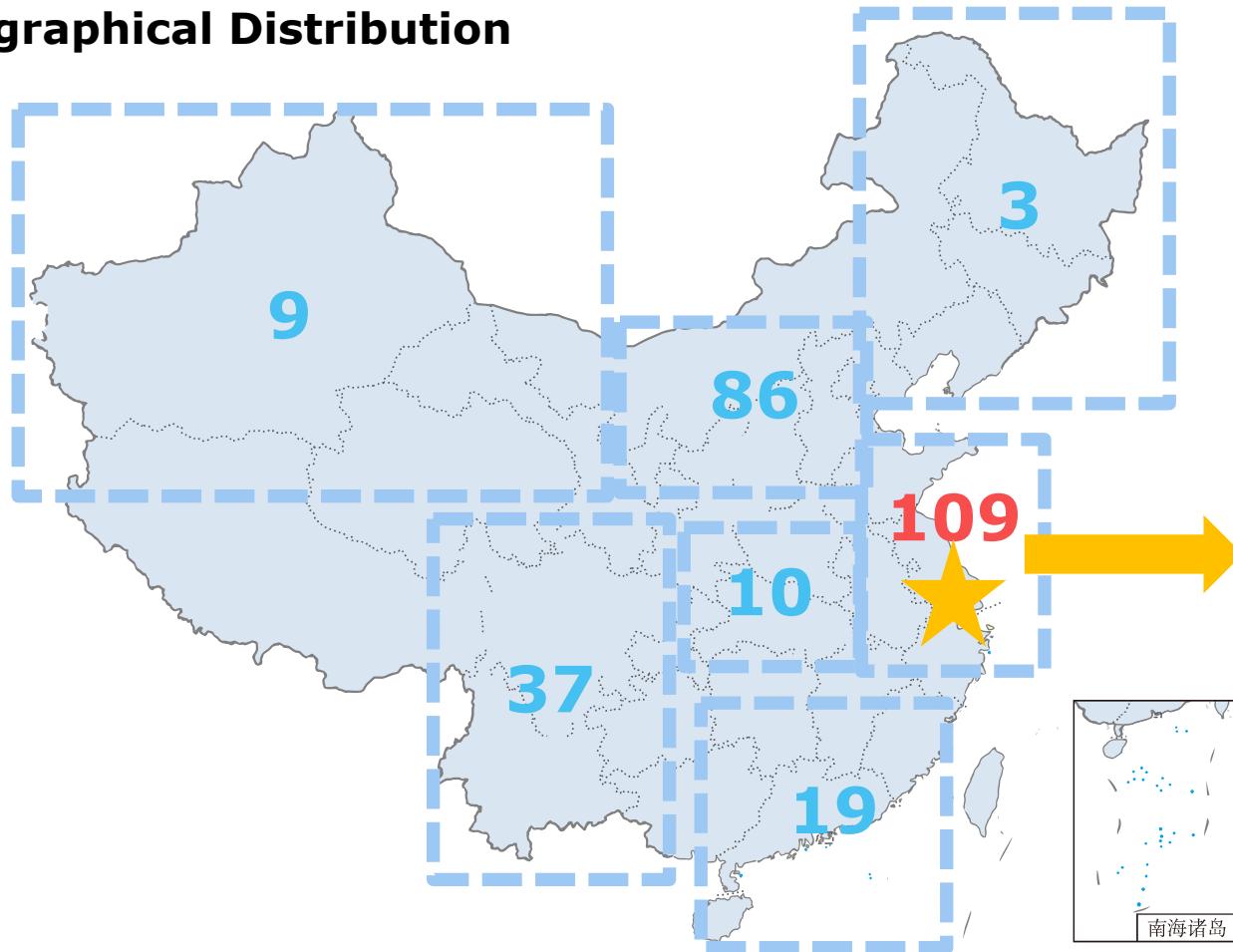
Our survey is distributed through the Internet
the sample source is random



We spent 6 days distributing the questionnaire and received **273** valid answers.

HOW CAN WE FURTHER SUPPORT OUR CONCLUSION? – SAMPLE DATA OVERVIEW

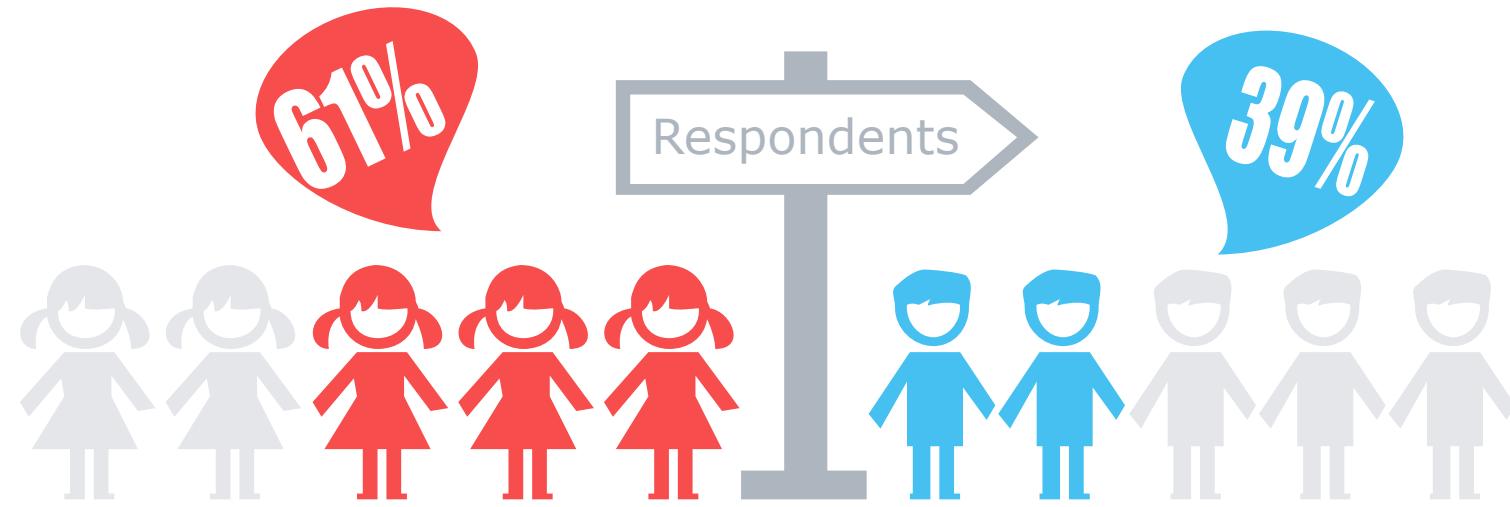
Geographical Distribution



**One of the most developed
regions: The Yangtze River
Delta region**

HOW CAN WE FURTHER SUPPORT OUR CONCLUSION? – SAMPLE DATA OVERVIEW

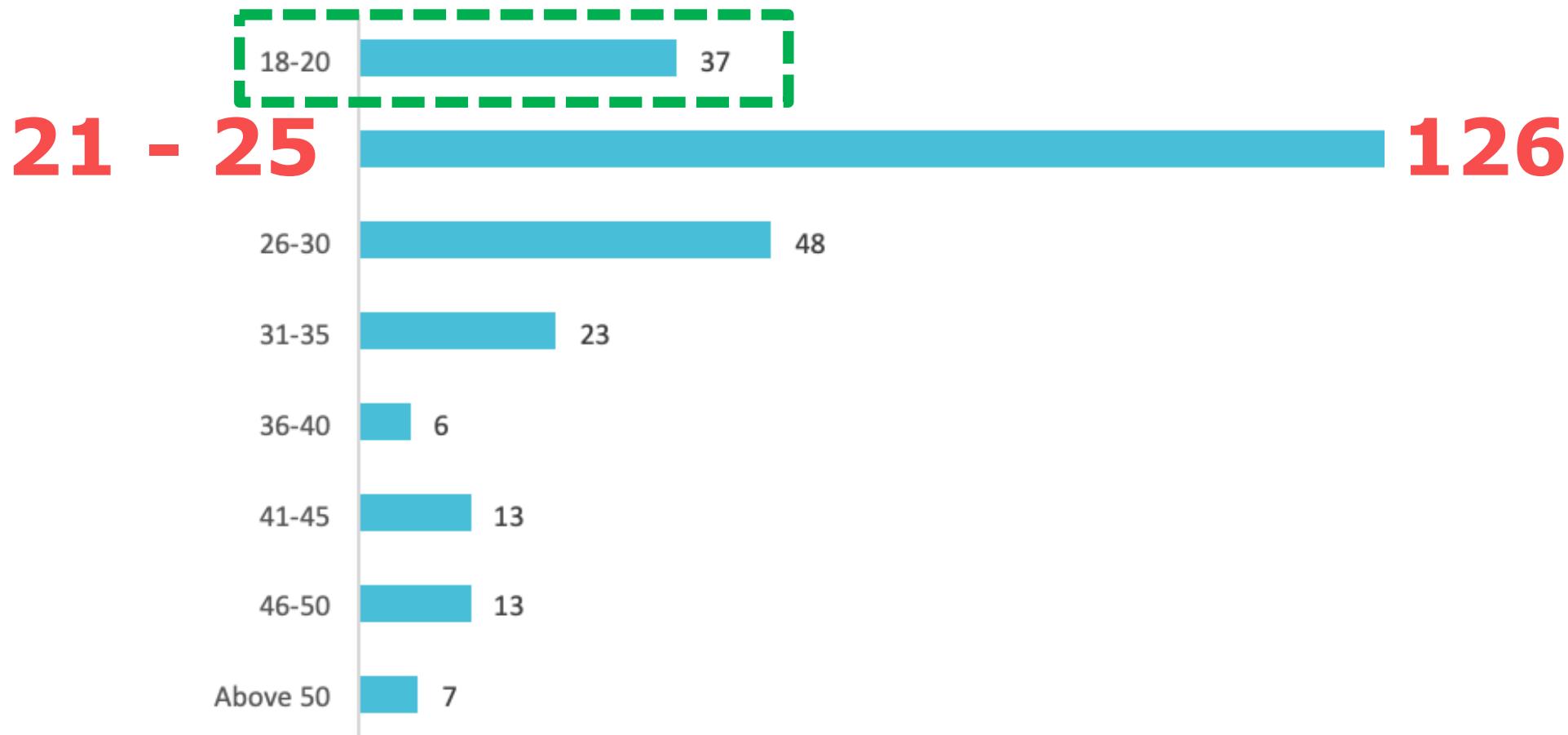
Gender Distribution



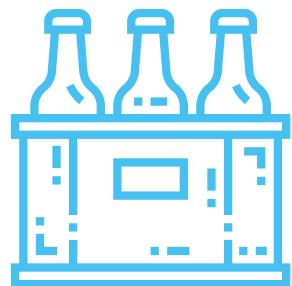
Of the 273 valid samples, 167 were female

HOW CAN WE FURTHER SUPPORT OUR CONCLUSION? – SAMPLE DATA OVERVIEW

Age Distribution



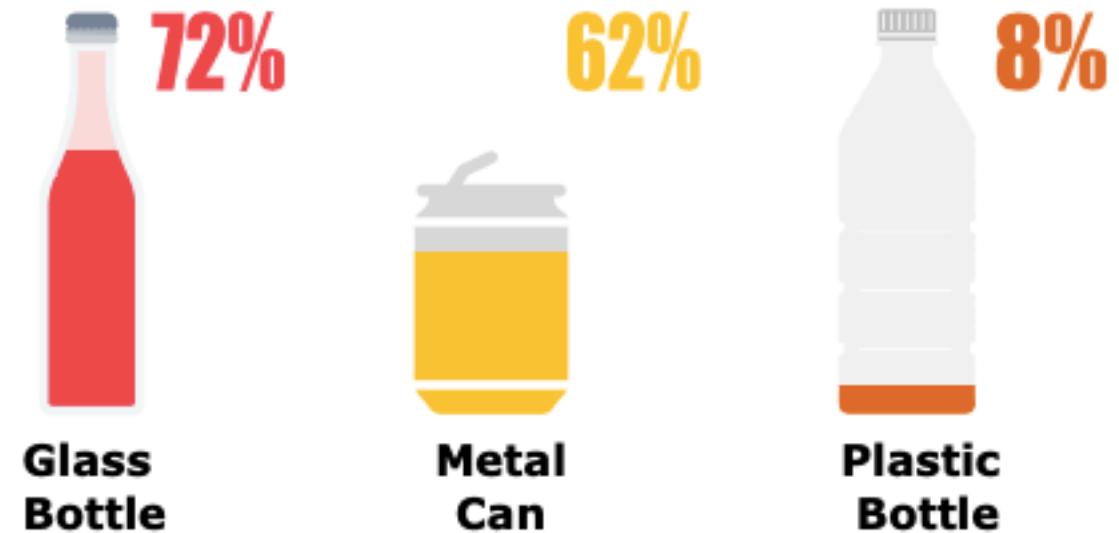
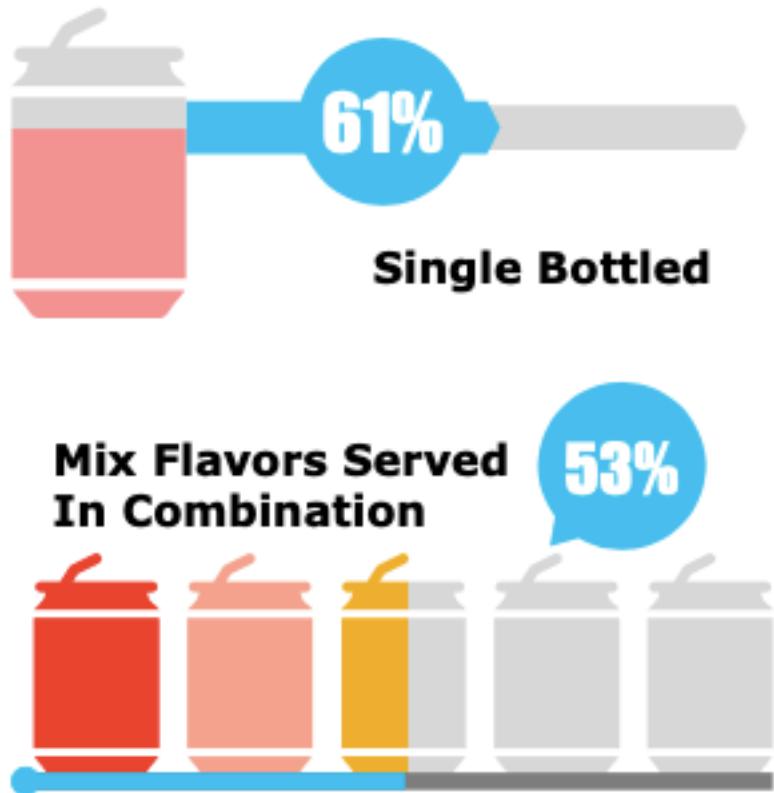
WHO IS MORE WILLING TO BUY? - *LET'S MEET CUSTOMER 'LIN'!*



Lin is likely to be:

- Female (more easily attracted by our low alcohol products!)
- Lives in Eastern China
- In the age between 21 to 25
- Purchases hard seltzers once a month on average
- Regards alcoholic beverages as unhealthy
- Likes novel flavors and limited packaging

WHAT KIND OF PACKAGING WOULD LIN LIKE? – *MIX FLAVORS AND GLASS BOTTLE!*



WHAT KIND OF PACKAGING WOULD LIN LIKE? - BETTER DESIGN STYLE!



43%

- Simplicity
- Virtualized taste
- Low saturation
- Soft lines

WHAT KIND OF PACKAGING WOULD LIN LIKE? - *MAKE IT SPECIAL!*



Limited flavors



Limited flavor packaging



Different festivals



Limited festival packaging

WHAT KIND OF FLAVORS WOULD LIN LIKE? – *LET'S TAKE A LOOK AT STARBUCKS*

It will gain success like



have done !



***Mid Autumn
Toasty Nut
Latte***

WHAT KIND OF FLAVORS WOULD LIN LIKE? – SEASONAL LIMITED EDITION

Summer:

Jasmine / Lychee / Sour Plum



Winter:

Walnut / Milk Tea / Dried Tangerine

WHAT KIND OF FLAVORS WOULD LIN LIKE? – FESTIVAL LIMITED EDITION

Mid-Autumn Festival (August 15th in Lunar calendar):

- Osmanthus Fermented Rice



Dragon Boat Festival (May 15th in Lunar calendar):

- Ruo-leaf



HOW TO MAKE LIN BUY MORE? - APPROPRIATE PROMOTION!

Top Three Considerations:

NOW WHAT?

77%

1st Friend Recommendation



26%

2nd Favorite Celebrity Endorsement



24%

3rd Shopping Sites Recommendation List



Word of mouth

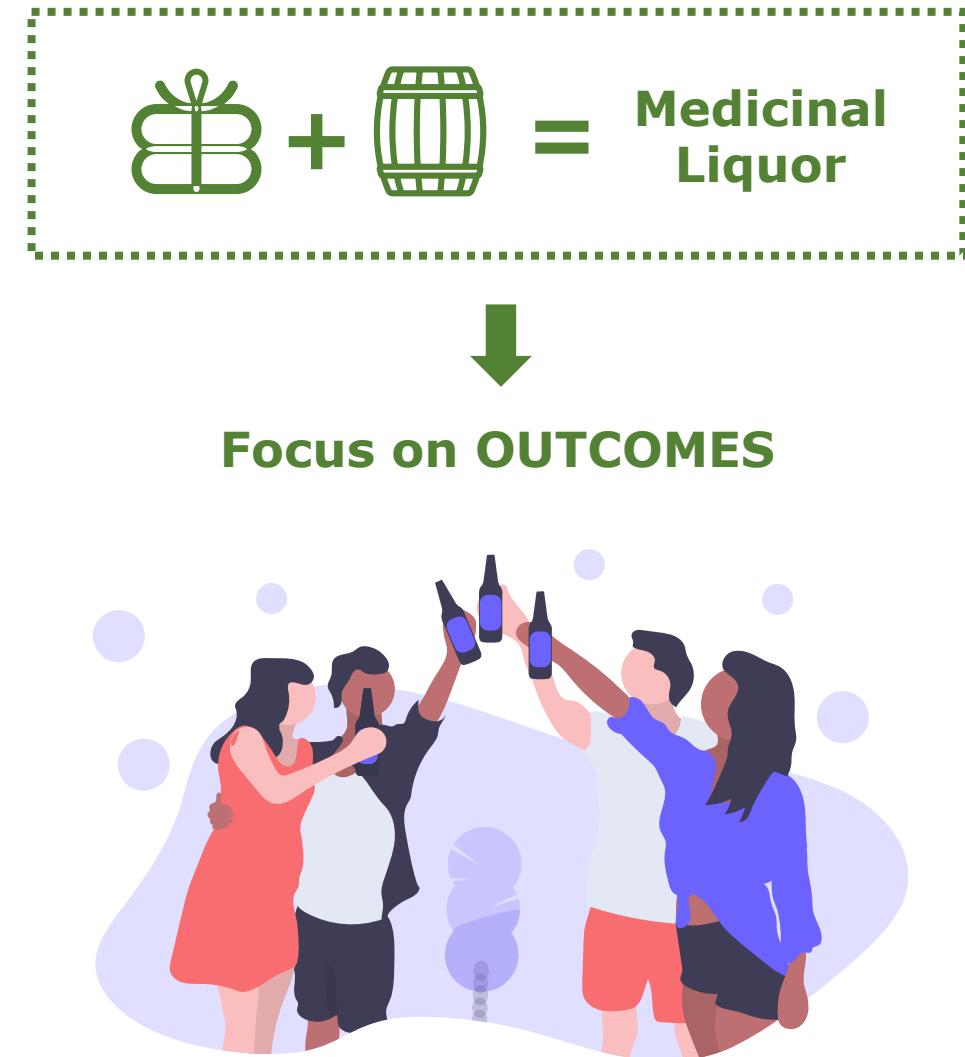
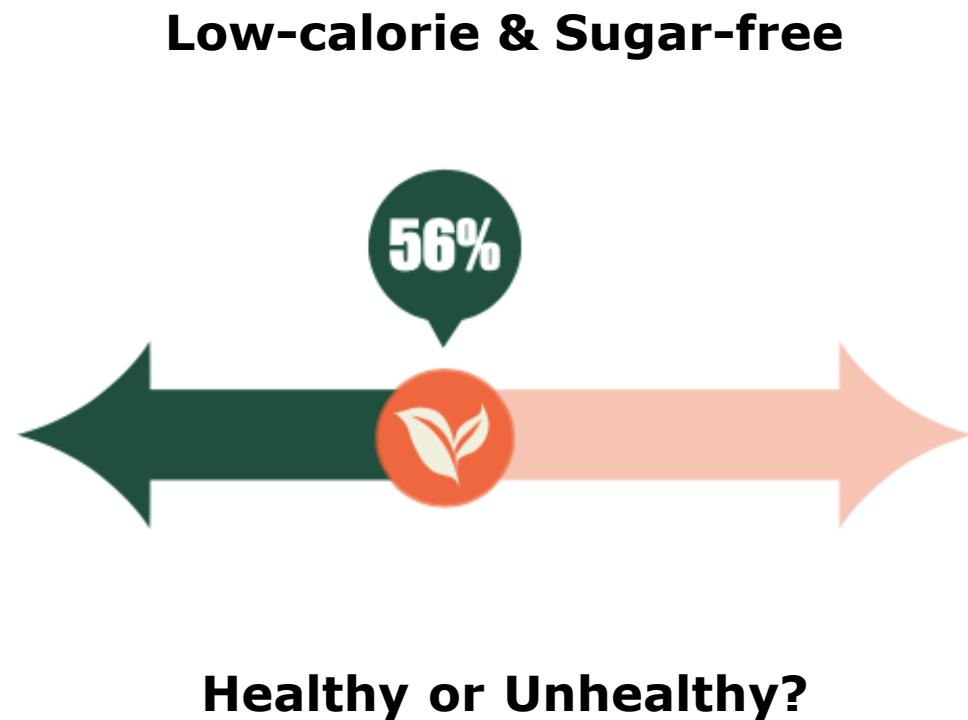


Fan Effect



Ranking Bid & Precision Marketing

HOW TO MAKE LIN BUY MORE? – A NEW STRATEGY!



HOW TO ADVERTISE? - *SHOW THESE TO LIN DIRECTLY!*

Advantage: Low Calories



Demonstrate competitive advantages over other products:



8.4 fl.oz. ≈ 110 Cal



v.s.



8.4 fl.oz. ≈ 70 Cal



Food Safety



Emphasis on NO Additives



HOW TO DISTRIBUTE? - *LIN IS GOING TO BUY IN THESE CHANNELS!*



Convenience Stores



Supermarkets



E - commerce

Horoyoi's Path



SEIZE THE OPPORTUNITY! – RECOMMENDATIONS ON ENTERNING CHINESE MARKET

\$ 1 Billion
Market Size

20%
Annual Growth

***INTRODUCE
A LIFESTYLE***





Q & A

LET BAREFOOT WIN IN THE CHINESE MARKET

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Yitong Gao, Jinru Yao, Xin Yin, Hongling Yu, Niko Wang

E-mail of GM: yuh20@wfu.edu



Thanks

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