



Case Study

2019 EFFIE AWARDS UNITED STATES SILVER WINNER

"LIVING WINE LABELS"

Already faced with tough competition and a declining category, Treasury Wine Estates needed to stand out in a crowded wine aisle brimming with Millennial-focused brands. And with widespread clean store policies, we couldn't rely on point-of-sale displays or traditional retail channels to reach our audience. The reality of retail was bleak. So we hit refresh – and created Living Wine Labels, an app that uses augmented reality to disrupt the wine aisle and speak directly to shoppers, by transforming our packaging into a platform for brand storytelling.

Competition:
Effie Awards United States

Ran in:
USA

Category:
Media Innovation- Existing
Channel

Brand/Client:
Living Wine Labels/
Treasury Wine Estates

Lead Agencies:
J. Walter Thompson
San Francisco
J. Walter Thompson Melbourne

Contributing Company:
Tactic

Product/Service:
Drink and Beverage

Classification:
National

Dates Effort Ran:
October 1, 2017 –
August 31, 2018

Category Situation:
In Decline

Credits:
Kieran Antill
Kendall Brown
Sean DallasKidd
Tom Hasenfratz
Scott Iverson
Dora Lee
Chelsea Nobbs
Liana Ogden
Joy Ohler
Peter Randeria



Executive Summary

The Challenge

Drive awareness and trial (especially of key growth brand 19 Crimes) in the competitive and declining Australian wine market.

The Insight

Content-hungry millennials (living in a world of new and next) choose a drink that helps them earn social currency.

The Idea

Target shoppers at the wine aisle at moment-of-truth with an immersive experience that shows the story behind the label.

Bringing the Idea to Life

Combining packaging interaction & Augmented Reality, the wine spoke for itself, providing an innovative reason to pick up the bottle.

The Results

1.7 MN app downloads, 6 MN brand experiences, .4 MN shares, 55% YOY increase brand awareness & 94.6% YOY sales.

Effie Awards Category Context

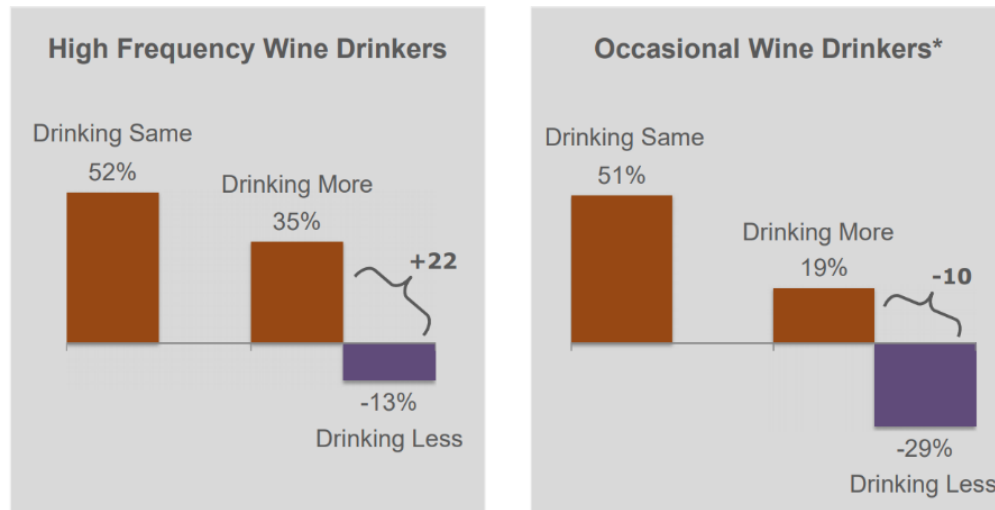
To differentiate ourselves in a competitive wine aisle, we targeted an adventurous young drinker (particularly Millennials, Xennials, Gen-Xers). We discovered their unfed appetite for content and pioneered a platform to deliver shareable immersive experiences. Piloting with key growth brand 19 Crimes at major retailers, we created first-of-its-kind mobile app Living Wine Labels, which uses Augmented Reality to transform wine bottles into storytelling devices.

Living Wine Labels delivered increase of 80% brand awareness, 94% sales and 6 MN brand experiences for 19 Crimes. This success compelled us to develop experiences for 9 other wine brands in Treasury Wine Estates portfolio.

State of the Marketplace & Brand's Business

US wine consumption witnessed a sustained (yet uninspired) YOY growth of 2% reaching 3.2 billion litres in 2016. While sparkling wine showed a significant increase of 10% in volume, masstige-tier red wine (Treasury Wine Estate's biggest varietal) grew by less than 1%.

The growing trend of premiumization, alternative packaging and shifting demographics in US (with Silent Generation fading out and Baby Boomers ageing), continues to change the wine market and has costed us some of our most loyal and lavish drinkers. With dwindling loyalty among Millennials and Gen-Xers, wine manufacturers have had to shift gears from product-first to consumer-first. For this younger audience, unlike their parents, wine is more about the story behind the label, than the particularities of vintage, varietal, or terroir.



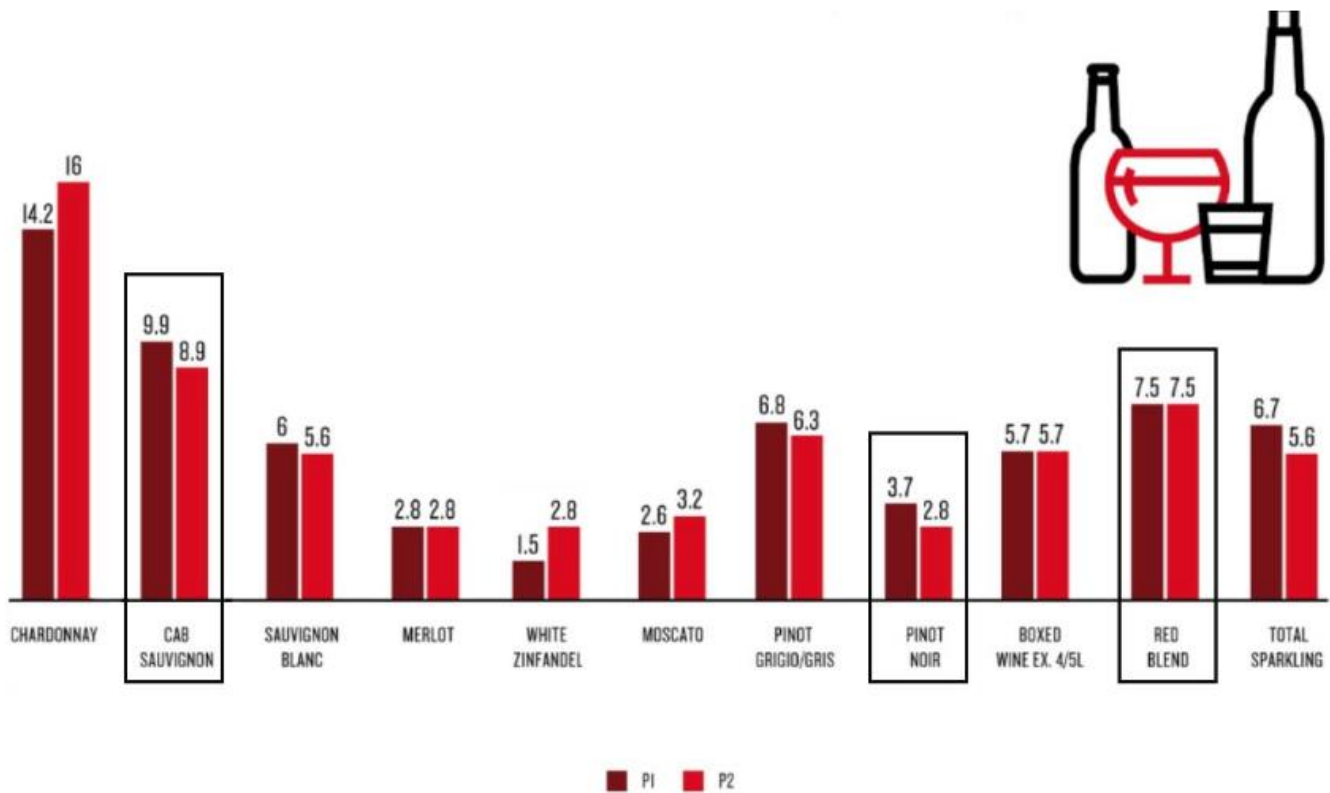
Change in Wine Consumption vs. a Couple of Years Ago

Further, Australian wines have been declining in the US due to tough competition from local vineyards of Sonoma and Napa, as well as imported wines of France, New Zealand, South Africa, Chile and Argentina.

Total Premium Varietal Table Wine	\$ Volume	Volume % Change vs. a Year Ago	Case Volume	Case Volume % Change
Domestic	10,092,730,550	5.4	121,966,923	2.7
Imported	3,726,592,876	3.2	41,317,891	0.2
Italian	1,232,164,747	6.2	11,186,488	4.6
Australian	720,386,902	-3.7	12,367,133	-3.4
Argentine	407,296,950	-4.4	4,763,651	-7.2
New Zealand	387,066,144	15.4	2,841,704	13.5
French	348,624,773	16.1	2,311,059	13.5
Chilean	280,447,184	-4.6	4,019,081	-4.6
Spanish	167,092,200	2.6	2,103,334	-0.4

Imported Wine in USA 2016-2017

Lastly, with consumption of Cabernet Sauvignons decreasing and Red Blends not growing, the category was more competitive than ever. Resultantly, many newly launched wines in the Treasury Wine Estates portfolio (esp. focus brands like 19 Crimes) anticipated 2017 to be a difficult year.

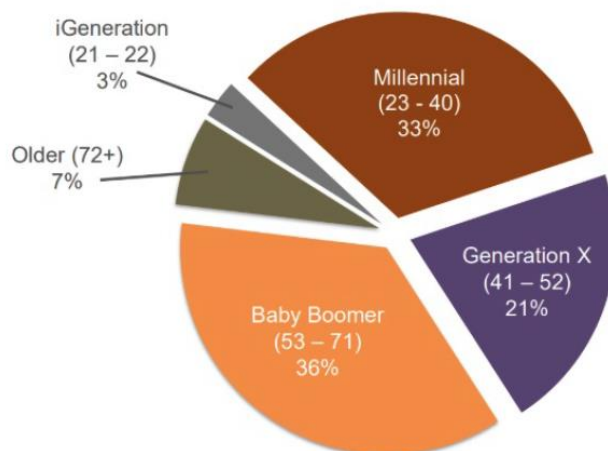


% Volume Market Share (Total Wine)

Audience

19 Crimes was developed with a consumer-first mindset: Launched in 2013 in USA, it was a key growth brand for TWEs market penetration. Differentiated packaging, affordable price point, unique brand story and an accessible attitude were product attributes designed to attract a new, unconventional wine drinker.

However, while competitor wines are laser-focused on growing penetration within Millennials, we recognized that Xennials and Gen-Xers accounted for 54% of US wine consumption. Frugal by nature and low in income, Millennials spend \$4163 on wine annually, whereas Gen-X spend \$5717.

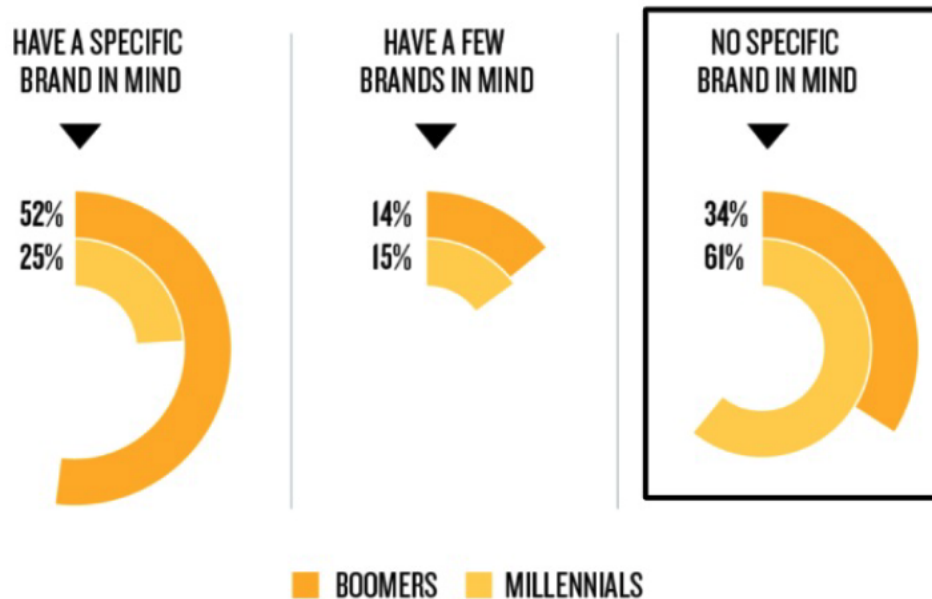


Wine Drinkers by Generation

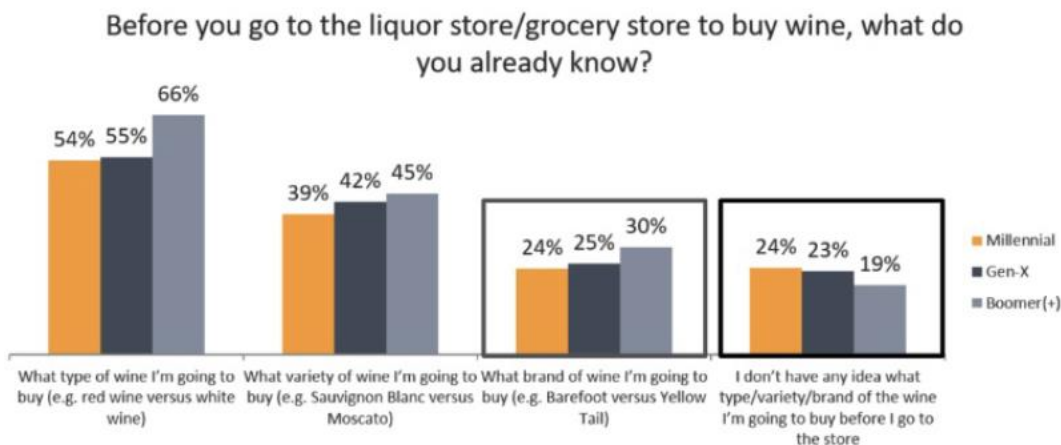
Knowing this, unlike our competitors, we focused on a Millennial psyche (rather than demographic), targeting

Millennial-minded drinkers across Millennials, Xennials, Gen-Xers alike.

Research further unveiled that for Gen-Xers and Millennials, wine is a planned category, yet the choice between wine brands is made from label, package design or quick mobile search at the store. Therefore, if we could encapsulate the imagination and excitement of an adventurous drinker, we could successfully compel him to not only pick up our bottle and try the wine, but also share it with his gang as a brand advocate.



Alcohol Purchase: Boomers Vs. Millennials



Impulse vs. Planned Wine Purchase

Objectives & KPI's

Our key objectives for 19 Crimes with the launch of Living Wine Labels in USA were:

Awareness (From 06/2017 to 06/18)

- 1) Achieve 7% brand awareness and recommendation/loyalty of 3%
- 2) Create trade and retailer excitement in-store (especially at Costco, Kroger and Walmart which account for 57% of wine retail)

Trial/Sales (From 06/2017 to 06/18)

- 3) Drive 20% trial-to-purchase during key sampling periods in-store (71% wine decisions are made in-store at the aisle)
- 4) Reach depletion of +3% at the \$8-14.99 price point
- 5) Gain higher YOY sales growth than key competitor (Apothic Wine)

Talkability and Recommendation (From 06/2017 to 06/18)

- 5) Deliver 10K downloads and 20K brand experiences
- 6) Earn \$1MN media/buzz via PR and social media

Ultimately, if 19 Crimes could prove a strong ROI and ROA with Living Wine Labels, the tactic could be explored for other Millennial-focused wine brands in the Treasury Wine Estates portfolio including The Walking Dead, Beringer Bros., emBRAZ EN and others.

Sourcing

1. Euromonitor International, *Wine in the US (June 2017) and Channel Distribution for Wine 2017*
2. Wine Market Council: *Wine Consumption Segmentation* (<http://winemarketcouncil.com/w...>)
3. Treasury Wine Estates Brand Health Tracker 2015, 2016, 2017
4. NY Times: *Millennials Are Really Into Drinking Wine* (<https://nypost.com/2016/02/16/...>)
5. J. Walter Thompson Intelligence: *The New Adulthood* (<https://www.jwtintelligence.co...>)
6. Collage Group: *Millennial Alcohol Consumption Study* (<https://www.collagegroup.com/2...>)
7. Forbes: *They're Less Adventurous, But Gen Xers Top Millennial and Boomer Wine Drinking* (<https://www.forbes.com/sites/t...>)
8. Nielsen: *How Package Design Attracts Today's Wine Consumers* (<https://www.nielsen.com/us/en/...>)
9. Wine Australia: *Australia Wine Export Infographic* (<https://www.abc.net.au/news/ru...>)
10. Silicon Valley Bank: *2017 Wine Report* (<https://www.svb.com/globalasse...>)
11. Wine Market Council: *Wine Consumer Segmentation Study* (<http://winemarketcouncil.com/w...>)
12. Wine Australia: *Trends for Australian Wine in USA* (<https://www.wineaustralia.com/...>)
13. Nielsen: *Understanding Millennial and Boomer Shopping Behavior* (<https://www.nielsen.com/us/en/...>)

Insight

APR research discusses the curious contradiction of Millennial individualism.. pointing out how the Millennial psyche has a peer-based value system that makes individuality the means to an important psychological end: social acceptance.

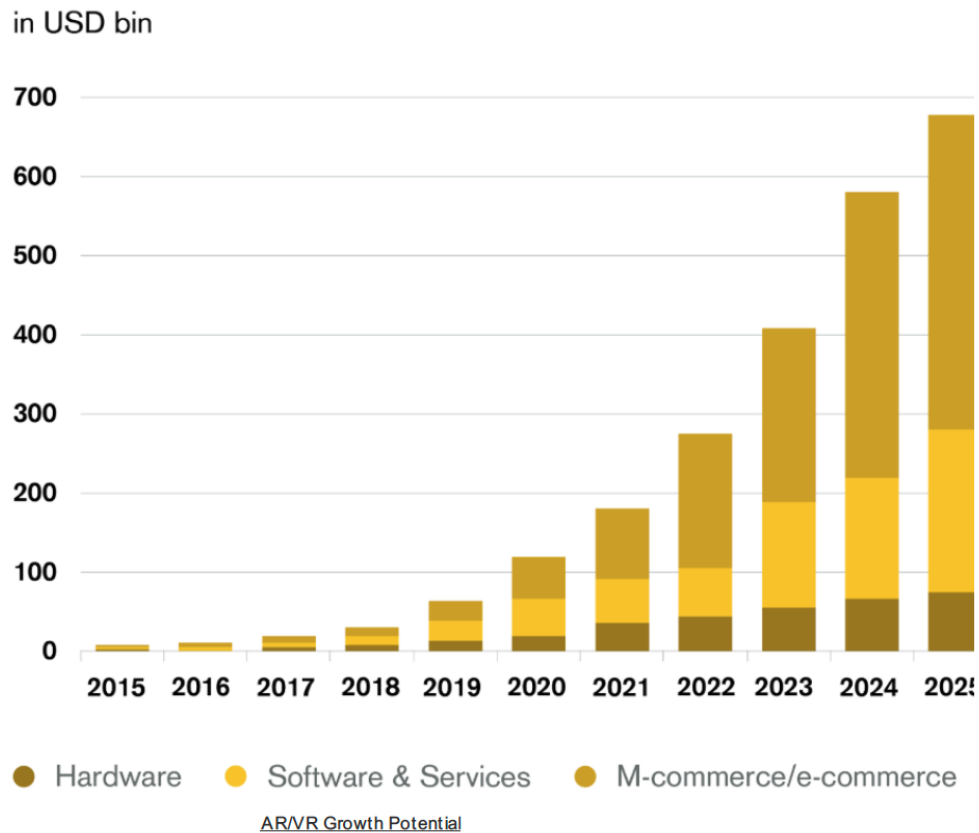
This translated 19 Crimes primary occasion of connecting and socializing' into the social bond and conversation it can catalyze when the gang's together.

Interestingly, the Millennial psyche stands out to fit in with friends (and the world at large), driving their sense of discovery and exploration.

Millennial psyche lives for the new and next; if a wine provides an interesting experience to share, earn social currency, or build their adventurous, disruptive perception at a social setting, they're compelled to choose it over beer or cocktails.

We knew our wine packaging was edgy and modern (in line with Millennial preference points), featuring rebellious convicts on the label. We had a story to tell but needed to turn that story into an experience that didn't just communicate but also connect to the Millennials psyche at the moment-of-truth.

We had to demonstrate how the old-fashioned wine aisle could reimagine the alchemy of experience.



Finally, AR/VR presented an opportunity to connect with Millennial-minded, mobile-first shoppers through immersive experiences.

Sourcing

1. Warc: Curious Case of Millennial Individualism (<https://www.warc.com/content/a...>)
2. Gartner: Virtual and Augmented Reality Have Great Potential (<https://www.credit-suisse.com/...>)
3. Adobe Digital Insights: Digital Advertising Report 2017 (<https://www.slideshare.net/ado...>)
4. Smart Insights: Is Marketing Ready for VR/AR in 2018? (<https://www.smartinsights.com/...>)
5. Nielsen: Understanding Boomer and Millennial Shopping Behavior (<https://www.nielsen.com/us/en/...>)
6. Wall Street Journal: How Millennials are Changing Wine (<https://www.wsj.com/articles/h...>)
7. Nielsen: Exploring The Alcoholic Beverage Consumer's Mindset (<https://www.nielsen.com/us/en/...>)
8. Nielsen: How Package Design Attracts Today's Wine Consumer (<https://www.nielsen.com/us/en/...>)

The Big Idea

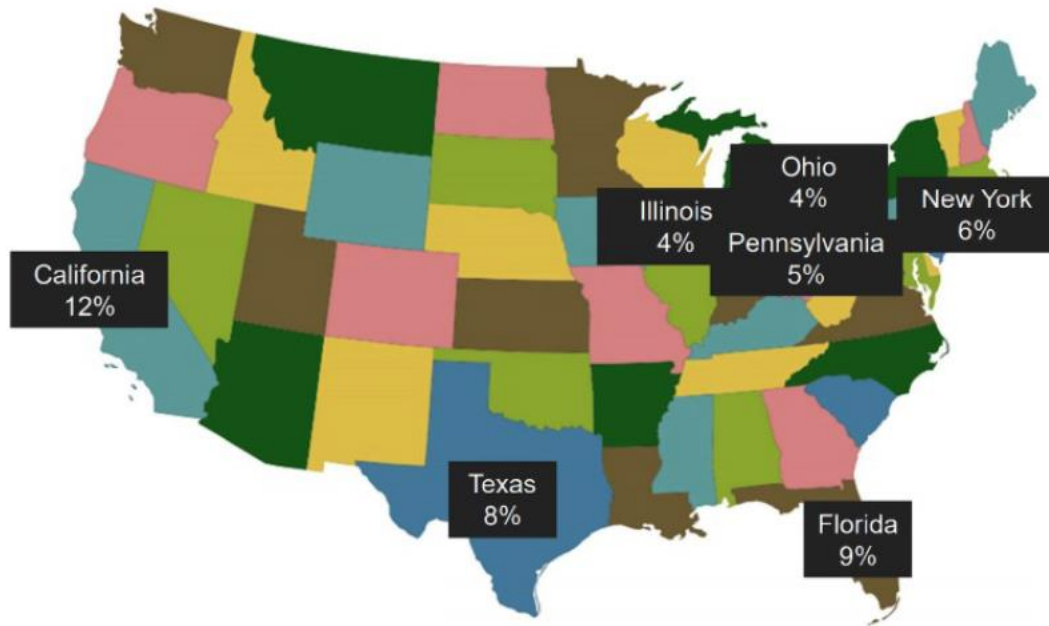
Target the content-hungry Millennial psyche at moment-of-truth in store with an immersive experience that transforms wine bottles into storytelling vehicles

Bringing the Idea to Life

Using augmented reality and smartphones, we brought our labels to life for shoppers

This experience was a first-ever for the wine category and transformed our labels into storytelling devices that revealed unique backstories for each bottle's convicts/crimes. Using our free, downloadable app, Living Wine Labels, shoppers were able to scan a bottle of 19 Crimes with their mobile, and watch the convicts on our labels come to life speaking directly to the app shopper.

This experience was a first-ever for the wine category and transformed our labels into storytelling devices that revealed the unique backstories behind each bottles label. Using our free, downloadable app, Living Wine Labels, shoppers were able to scan a bottle of 19 Crimes with their mobile, and watch the convicts on the labels come to life, speaking directly to the app user.



Total Wine Drinkers in USA Represented by State

We launched our pilot project in Texas at Kroger (accounts for 11% wine retail in USA), where brand ambassadors armed with smartphones spread the news of our magic talking bottles bringing SKUs and tastings to life. This encouraged collectability and repeat purchase among converts. Demo videos and teaser social media content optimized for Facebook and Instagram drove shares online and traffic in-store helping the app go viral within a few weeks on the market.

With this activation we created a seamless, shareable adventure across the physical and virtual world that the Millennial psyche desires.

Sourcing

1. Wine Market Council: Wine Consumer Segmentation (<http://winemarketcouncil.com/w...>)
2. Business intelligence Insider: Consumers are Feeling Good About Virtual Reality (<https://www.businessinsider.co...>)
3. CEB Global: How Augmented Reality is Engaging the Millennial Buyer (<https://www.augment.com/blog/a...>)

Paid Media Expenditures

Current Year: September 2017 - August 2018

🏆 Under \$500 thousand

Year Prior: September 2016 - August 2017

🏆 Under \$500 thousand

Budget

🏆 Less than competitors in this category.

🏆 Less than prior year's budget.

Production cost of branded content cost \$50K only and Living Wine Labels initial app development for 19 Crimes costed \$170K only. However, the brand experience was only supported by paid media budget of \$20K from September 2017 to April 2018 across social media.

Paid Media Results are as follows:

- Impressions: 4,340,922
- Video Views: 578,666
- Link Clicks: 28,181
- CT R: 0.65%

All other results were earned organically through online virality and word of mouth generated through on-ground sampling at national retailers.

Owned Media

1. 19 Crimes Website 2. Living Wine Labels App on App Store 3. Living Wine Labels App on Play Store 4. 19 Crimes Facebook Page 5. 19 Crimes Instagram Account

Sponsorship

N/A

Communication Touch Points

BRANDED CONTENT

MOBILE/TABLET

🏆 App



PACKAGING

SAMPLING

🏆 In-Store

SOCIAL MEDIA

USER GENERATED

🏆 Consumer Generated

🏆 Viral

🏆 Word of Mouth

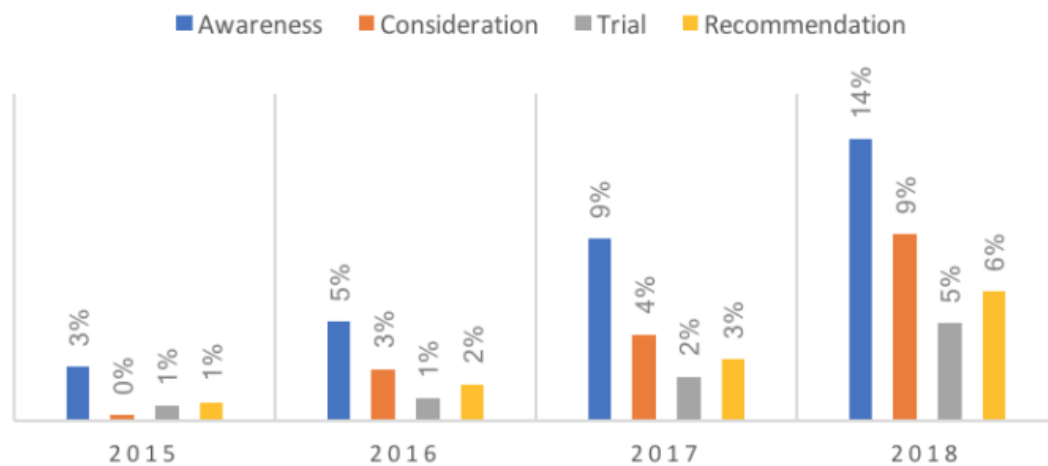
Results

Living Wine Labels for 19 Crimes was an overwhelming success; shattering targets with the following results across USA:

Awareness (19 Crimes Data: 06/2017 - 06/18)

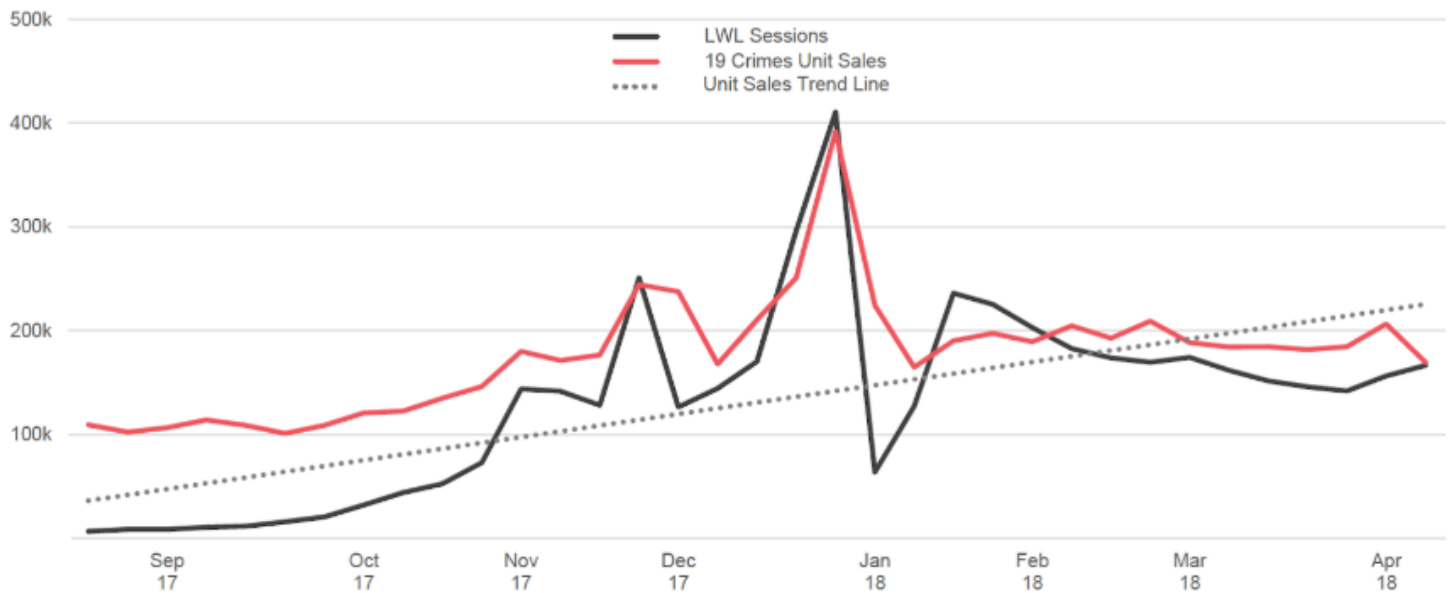
- Awareness rose to 14% with a YOY increase of 55%; consideration rose to 9% with a YOY increase of 125%; and loyalty rose to 6% with a YOY increase of 50% ¹
- Phenomenal 1.7 MN app downloads with an average session duration of 3:39 min ²
- Delivered 6 MN brand experiences ²
- Earned 385 MN media impressions via PR, mass media outlets ³
- Earned 19MN social views through retailer viral video ⁴

BRAND HEALTH FUNNEL 19 CRIMES 2015 - 2018



Trial/Sales (19 Crimes Data: 06/2017 - 06/18)

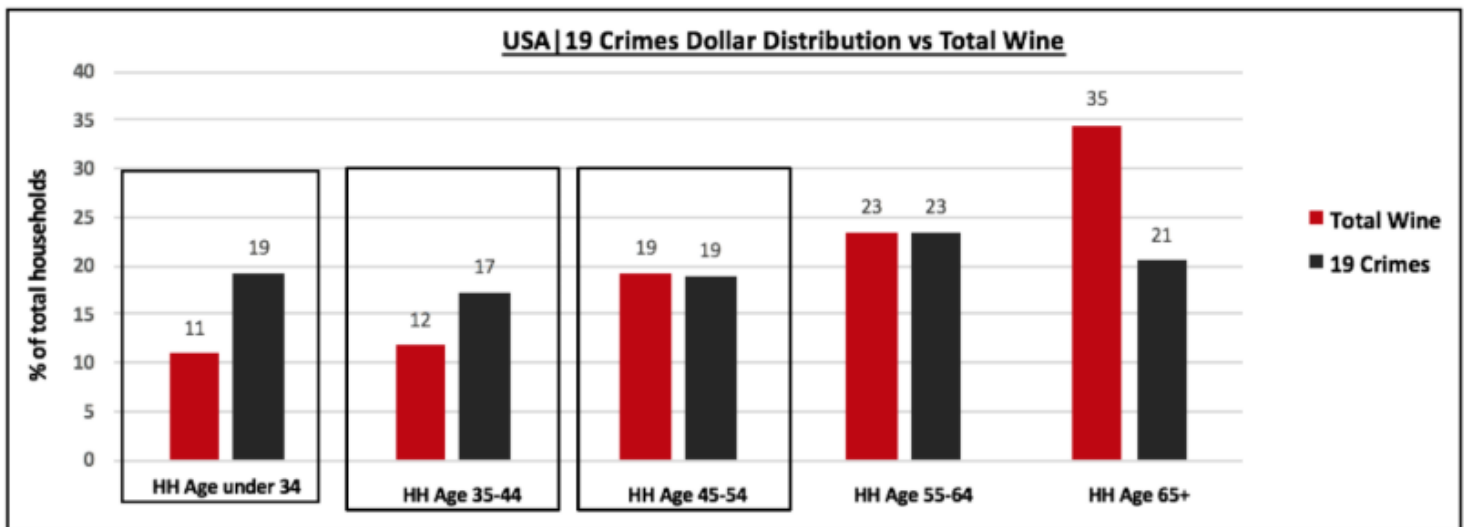
- YOY growth in dollar sales was 94.6%, compared to 9.5% for key competitor Apothic Wines ⁵
- Almost 1500 sampling and in-store brand experiences delivered to 45K shoppers with 58% conversion rate – almost 3X higher than industry average ⁶
- Strong correlation observed between Living Wine Labels app sessions and 19 Crimes unit sales from 08/2017 - 04/2018: ⁸

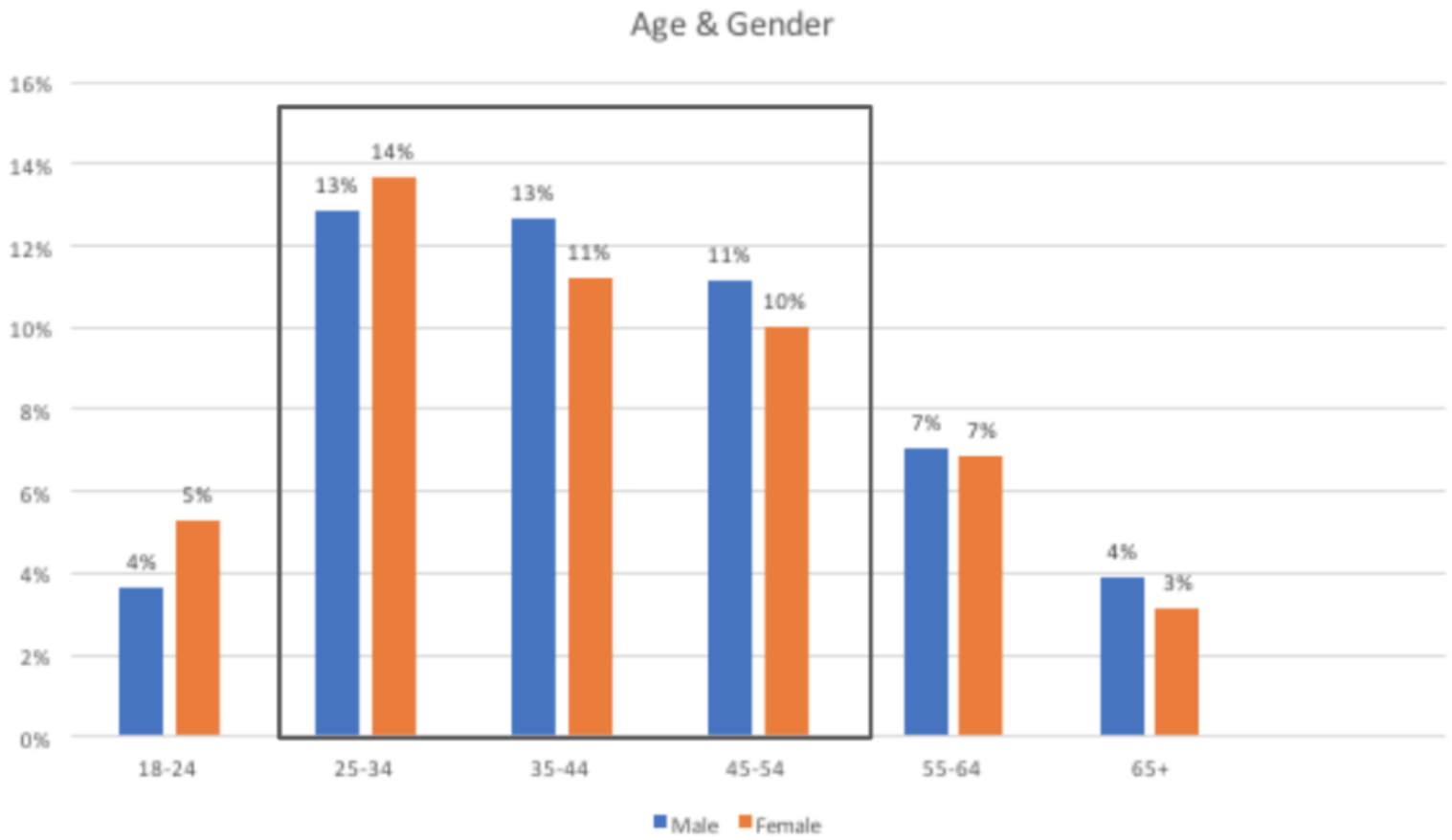


Trend Analysis to Identify Correlation

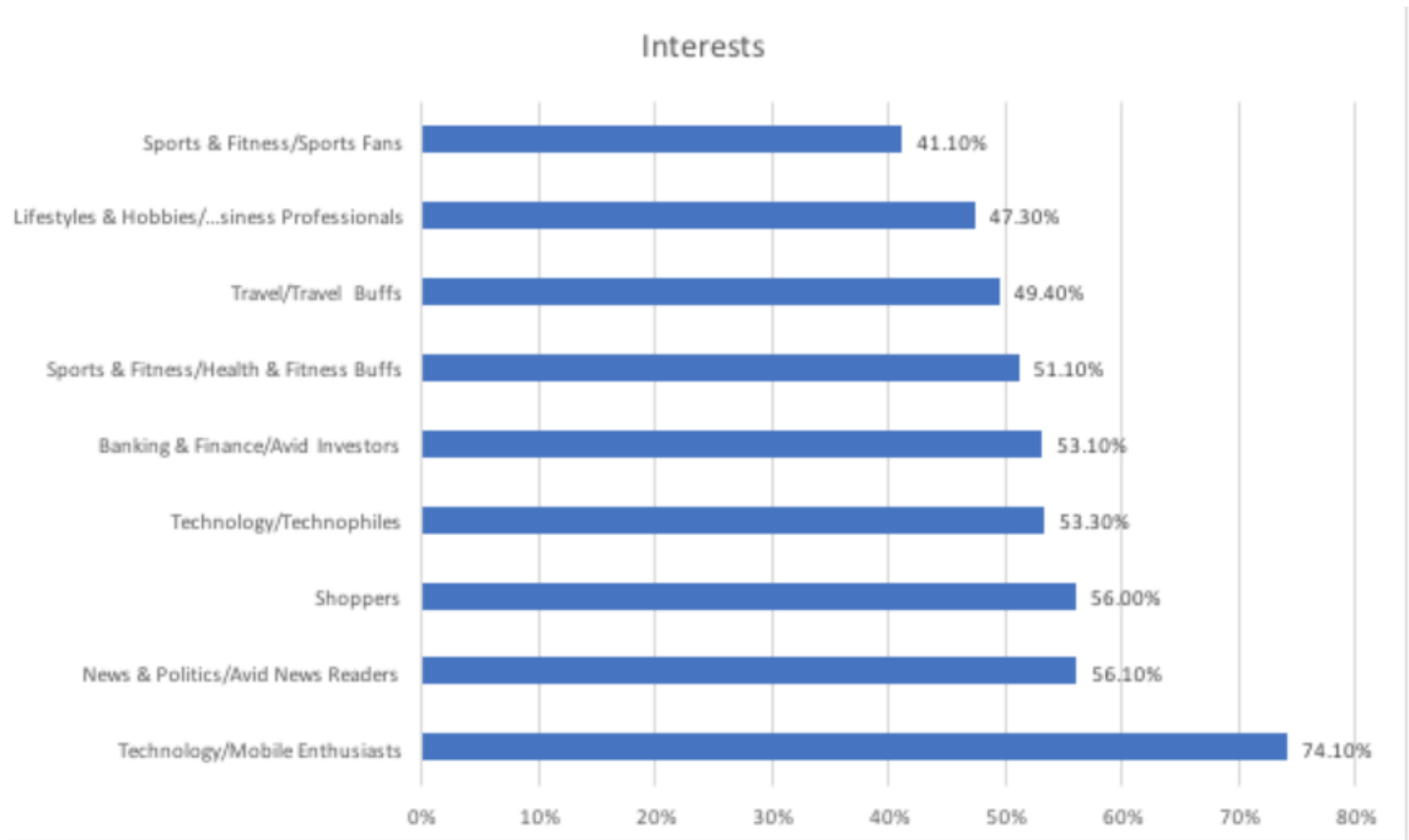
Talkability/Recommendation (19 Crimes Data: 06/2017 - 06/18)

- Sales increase resulted from the adventurous and younger psychographic targeting we set out with ⁷:





Age of App Users²



Interests of App Users²

- Generated .25 MN social shares of app organically¹¹
- App ranked top 50 non-paid apps in the App Store's Food and Beverage category⁹
- 4+ star rating on Apple and Google store with over 1600 earned user reviews¹⁰
- 412% increase in engagement on owned social channels¹¹
- Over 2k user-generated videos of the app uploaded to YouTube¹¹
- Community size across social grew organically by 87.6%¹¹

Application to Other Brands in TWE Portfolio (Date: 06/2017 - 06/18)

- Living Wine Labels has been successfully extended to deliver brand experiences for 9 other TWE brands⁸

Other Contributing Factors

- 🏠 CRM/Loyalty Programs
- 🏠 Giveaways/Sampling
- 🏠 Seasonality and Holidays

1. Due to Living Wine Labels's virality, 19 Crimes was able to bargain better placement and display in the wine aisle

at various major retailers ⁶

2. 19 Crimes distribution matched up with the increased demand, prioritizing the stores where Living Wine Labels was piloted ⁶
3. User data collected through Living Wine Labels was used to develop a loyalty program for latest in-store samplings, limited time promos and in-store/online coupons with an average CTR of 7.25% – compared to industry average of 2.6% ¹³
4. User data (especially social media data collected by Living Wine Labels) allowed 19 Crimes to develop a core audience that was targeted and nurtured through future social campaigns, further increasing advocacy and community engagement ⁶
5. Special promos launched in those key retail outlets where app downloads and sessions were the highest. Living Wine Labels helped provide useful on-ground shopper data that provided insight into priority geographic distribution ⁶

Sourcing:

1. Treasury Wine Estates Brand Health Tracker 2015 - 2018
2. Living Wine Labels Google Analytics
3. Forbes (<https://www.forbes.com/sites/z...>) Techcrunch (<https://techcrunch.com/2017/12...>) Fox4Now (<https://www.fox4now.com/news/t...>)
4. Retailer Video by Curtis Park Market (<https://www.facebook.com/Curti...>)
5. Treasury Wine Estates IRI Monthly Data including Market Share of Competitors (Sept, 2018)
6. Treasury Wine Estates
7. Treasury Wine Estates Internal Finance
8. Treasury Wine Estates and Living Wine Labels Google Analytics
9. Business Wire: TWE Drives Consumer Engagement To Wine Brands Through Innovative Use Of Augmented Reality Technology (<https://www.businesswire.com/n...>)
10. Living Wine Labels App Store (<https://itunes.apple.com/us/ap...>) and Living Wine Labels Play Store (<https://play.google.com/store/...>)
11. Facebook Account (<https://www.facebook.com/19Cri...>) Instagram Account (<https://www.instagram.com/19cr...>)
12. YouTube (<https://www.youtube.com/result...>)
13. Mailchimp: Average Email Campaign Stats of Mailchimp Customers by Industry (<https://mailchimp.com/resource...>)



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