

Estudos para o desenvolvimento da marca Vinhos de Portugal

- 1- A imagem e posicionamento dos vinhos Portugueses nos mercados EUA e UK
- 2- Análise factorial de correspondências para o posicionamento dos vinhos de Portugal
- 3- Estudo do Logótipo da marca

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1

Estudo de imagem e de posicionamento dos Vinhos Portugueses

Como é que os consumidores dos EUA e UK percebem os
vinhos portugueses relativamente aos de outros países produtores

Estudo realizado pela Wine Intelligence - 2008

Examination of usage/attitudes for 11 major wine source countries that compete for consumer attention in the UK & US markets. The research will specifically address for each source country:

- Attitudes to and usage of the wines

- Attitudes to the country itself

The reporting will show for each country how is it doing relative to its competitors in the eyes of the wine consumers in UK & US, covering for each source country:

- Consumer usage measures:

- frequency of consumption by source country: UK & US consumers

Research methodology – Sample representative of UK & US regular wine drinkers

Data was gathered via Wine Intelligence's Vinitrac® online survey

Methodology: Panel-based online survey

Sampling strategy: quotas (age, gender, SEG for the UK & States for the US)/ stratified

Screening criteria: LDA, Drink wine at least once per month, Drink at least red or white wine, Buy wine in the off-trade and/or in on-trade

UK online survey:

Data collection: Jan' 08

Total sample size: n=1,009

US online survey:

Data collection: Dec' 07

Total sample size: n=2,015

Please see the following slides for sample details

GENDER			AGE			SOCIO ECONOMIC GROUP		
Male	484	48%	18-24	102	10%	A	184	18%
Female	525	52%	25-34	210	21%	B	184	18%
TOTAL	1,009	100%	35-44	233	23%	C1	322	32%
			45-54	191	19%	C2	169	17%
			55-64	132	13%	D	110	11%
			65 and over	142	14%	E	41	4%
			TOTAL	1,009	100%	TOTAL	1,009	100%

GENDER			AGE			DIVISION		
Male	862	43%	21-24	71	4%	New England	156	8%
Female	1,153	57%	25-34	302	15%	Middle Atlantic	311	15%
TOTAL	2,015	100%	35-44	439	22%	East North Central	267	13%
			45-54	494	25%	West North Central	96	5%
			55-64	354	18%	South Atlantic	385	19%
			65 and over	355	18%	East South Central	55	3%
			TOTAL	2,015	100%	West South Central	141	7%
						Mountain	149	7%
						Pacific	455	23%
						TOTAL	2,015	100%

Country of origin: US consumers have a significantly smaller country of origin repertoire

Question:

From which of the following wine-producing places have you drunk wine in the past six months?

Argentina
Australia
Chile
France
Germany
Italy
New Zealand
Portugal
South Africa
Spain
USA
Don't know

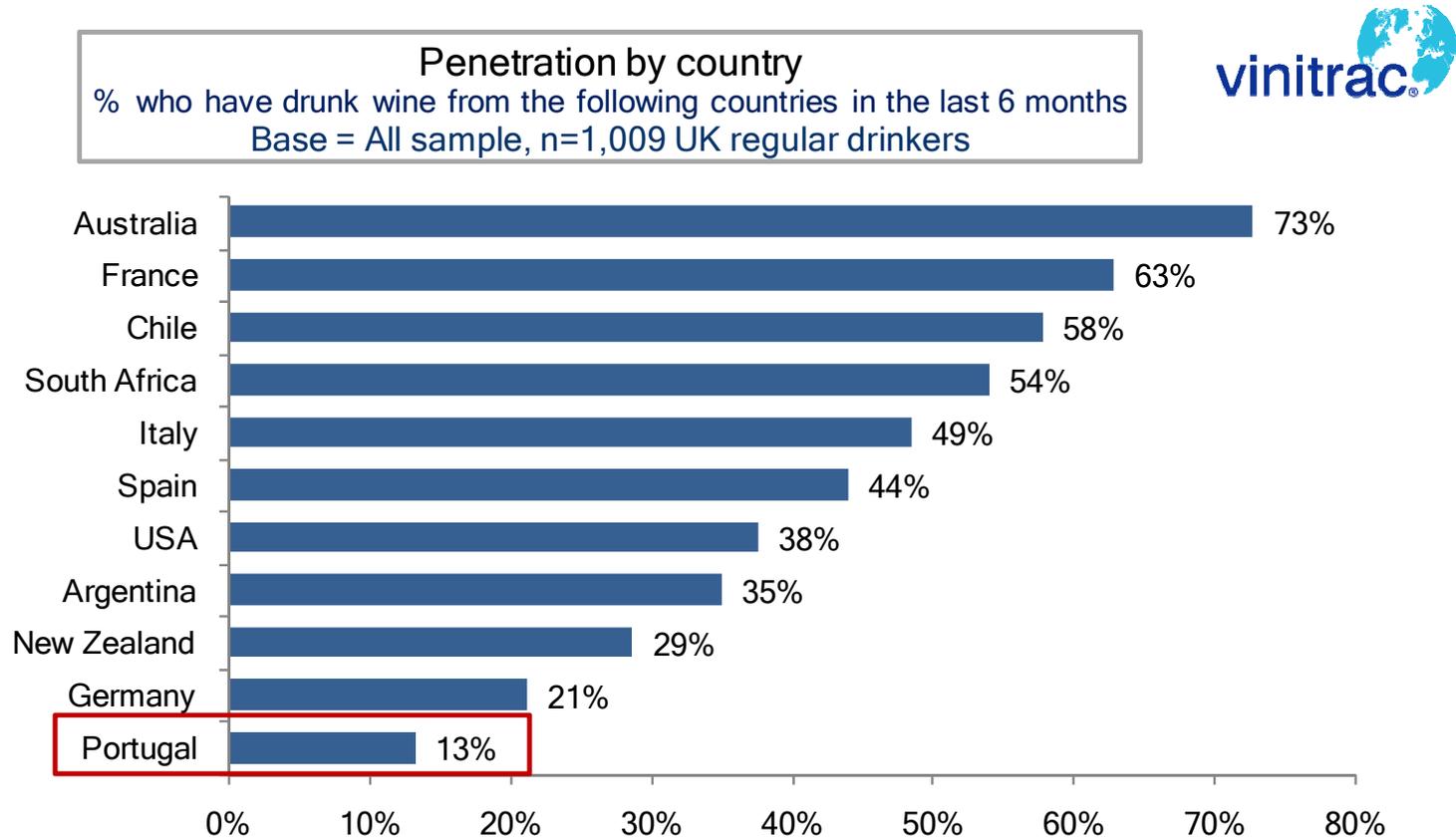
	United Kingdom	USA
Total sample	1,009	2,015
Don't know	52	164
Valid sample	957	1,851

	United Kingdom	USA
Average number of countries consumers have drunk	5.1	3.4

Section 2: UK Positioning

Penetration by source country - proportion of UK regular wine drinkers who have bought each source in last 6 months

- 1 in 7 UK regular wine drinkers recall having drunk Portuguese wine in last 6 months

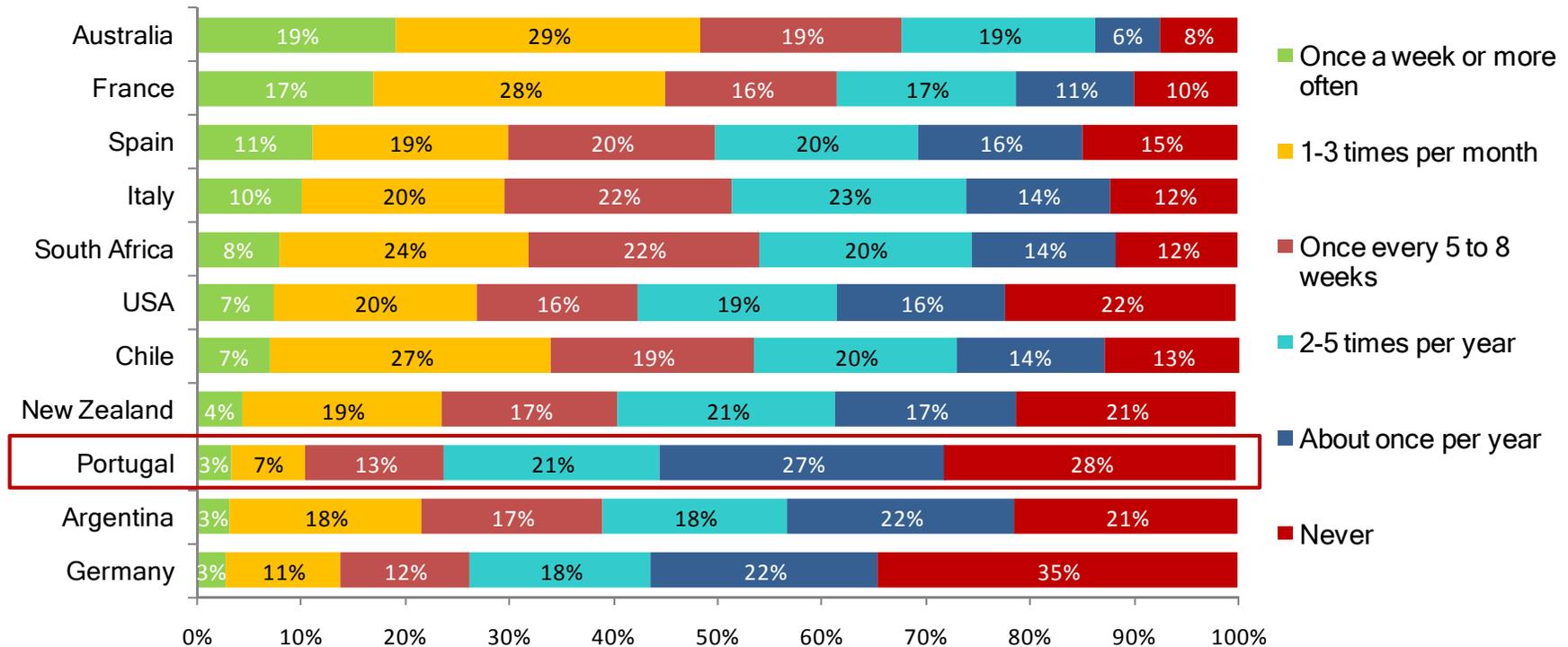


Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Frequency of consumption of each source country

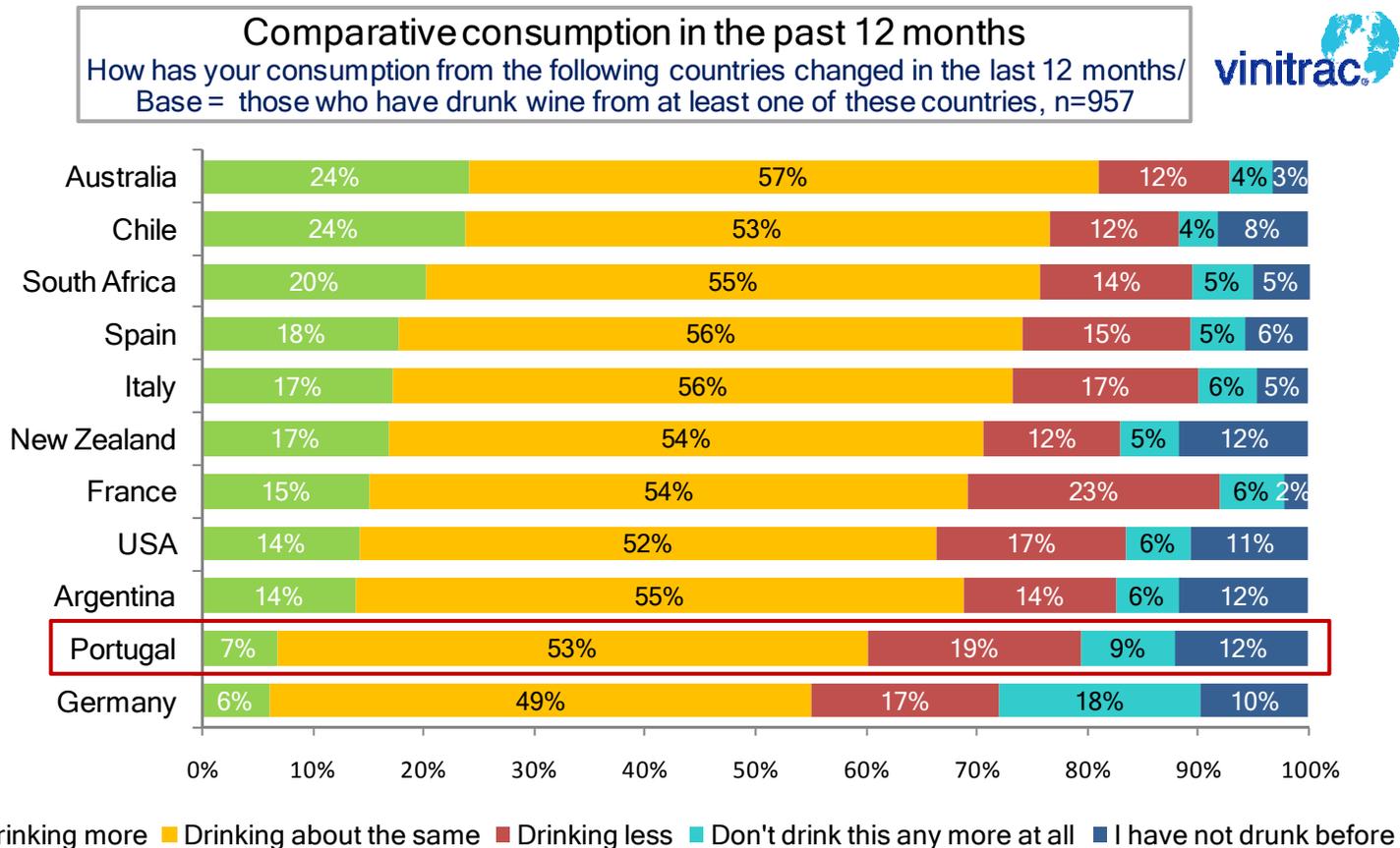
- Only 10% of UK regular wine drinkers consume Pt wine once /month or more
- Over 1 in 4 claim never to have drunk Portuguese wine, 2nd highest to Germany

Frequency of consumption
 How frequently do you drink wine from each of the following country?
 Base = those who have drunk wine from at least one of these countries, n=957



Comparative consumption over the past 12 months – increase or decrease for each source country

- This measure suggests a net outflow of drinkers of Portuguese wines in UK, with 19% of consumers claiming to be drinking less Pt wines, and only 7% drinking more



This section develops the linkage between affinity for the country itself, visiting the country and liking the country's wines

To develop this linkage, we asked the following questions on respondents' views about a country and its wines

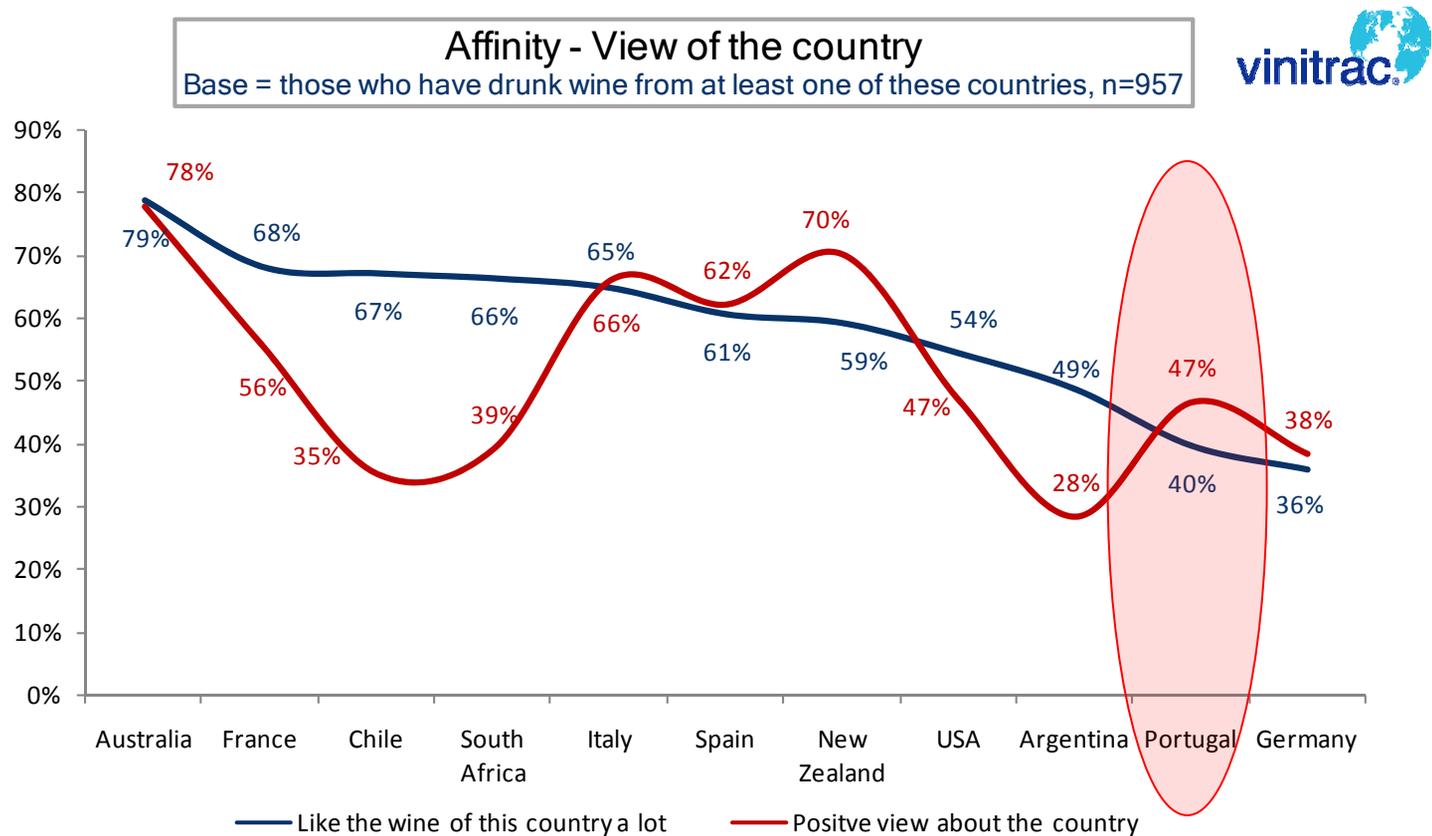
Thinking about your wine drinking habits in general, what is your view of wines from the following places?

Looking at each of the following countries, please choose one statement that best describes your relationship with this country in terms of visiting it and enjoying the country?

Think about the countries below in a wider sense – for more than just wines; think about their people, their culture, their history, the country's place in the world. When you think about each of the following countries in this way, do you view each country positively or negatively?

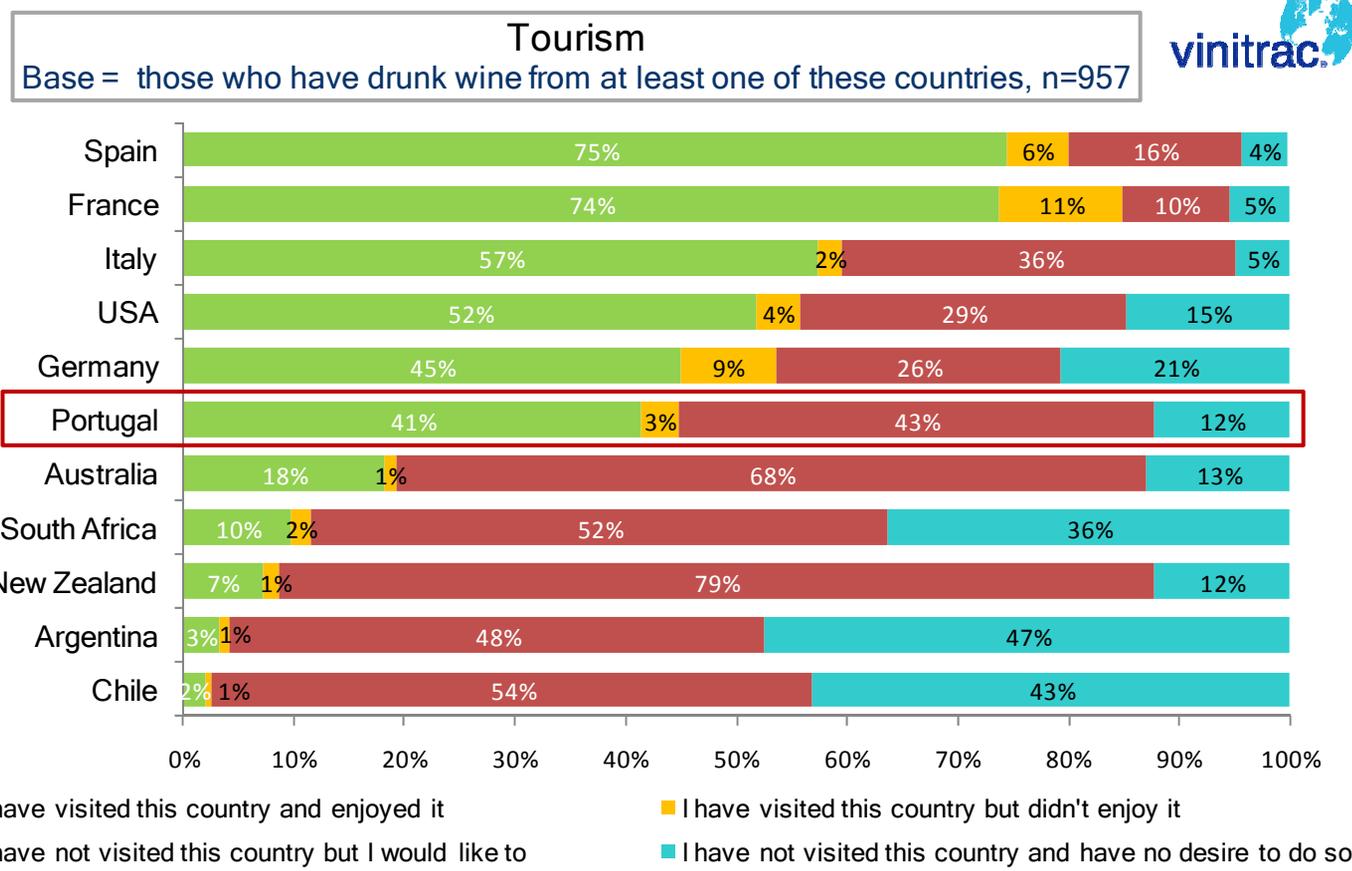
Affinity – Views about a country and liking for wines of that country

- On this measure, Portugal shows potential for growing its wine penetration in the UK, with 47% favourable towards the country and currently 40% expressing positive feelings about the country's wines



Tourism – visiting a country or wanting to visit a country is important – can contribute to positive views of the country and its wines

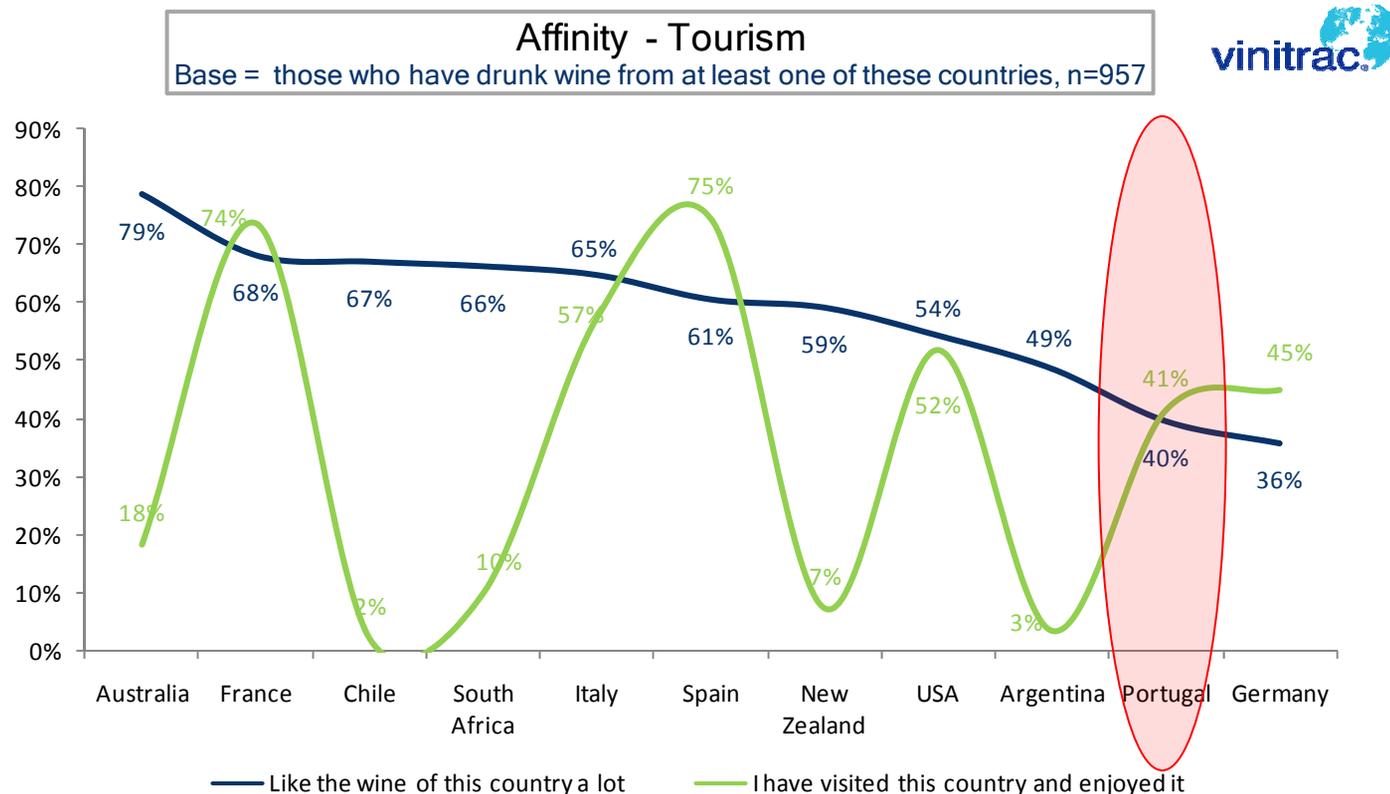
On this measure, Portugal scores strongly: 84% have visited or would like to do so



Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=957 all UK regular wine drinkers

Affinity – Tourism and liking for wines of that country

- Again, Portugal shows potential, with a slightly higher percentage recalling a favourable visit to the country than have so far expressed affinity for the wines



Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Imagery of Portuguese wines: summary

The 11 standard imagery & values attributes

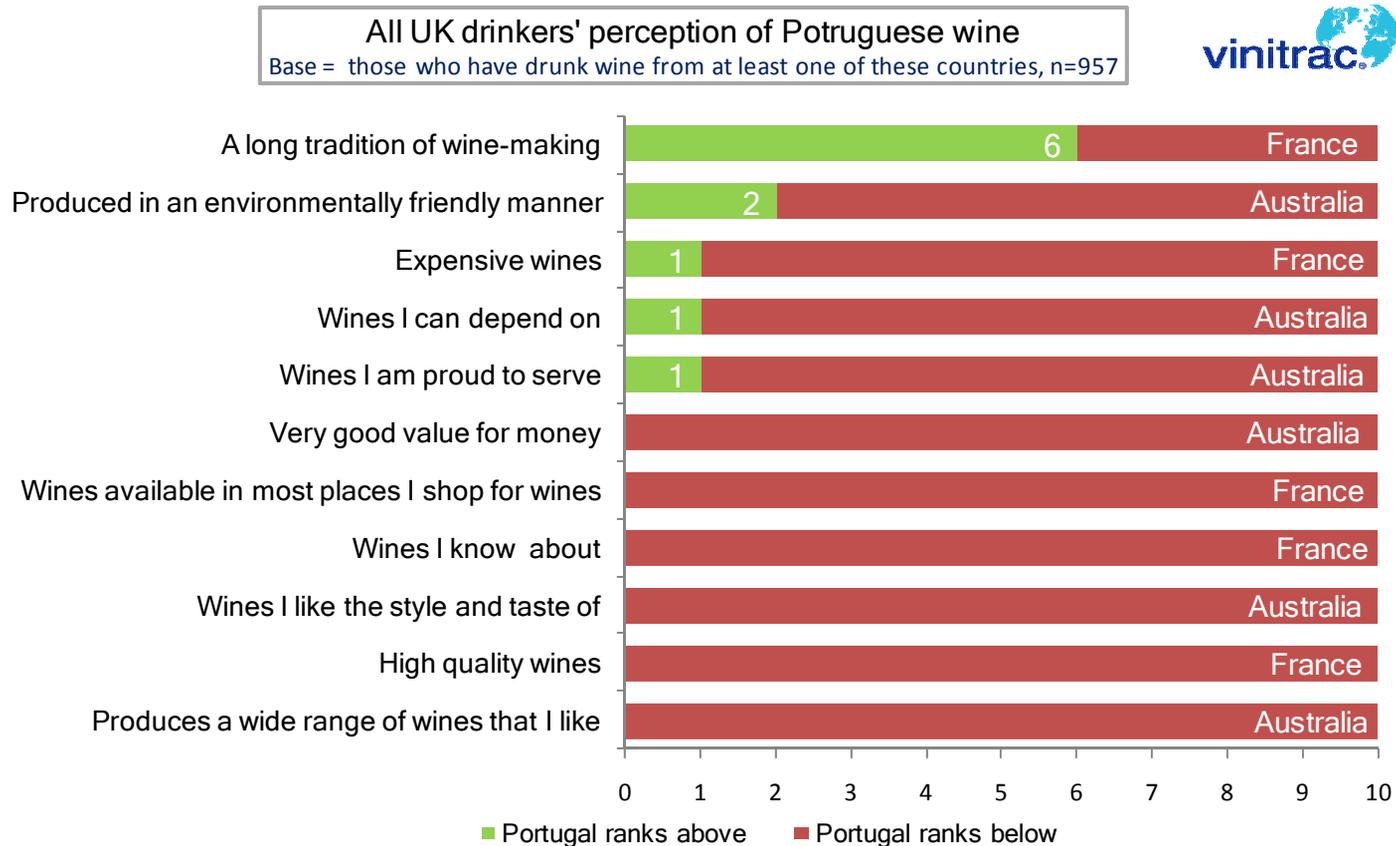
- This shows how Portugal performs among all UK regular wine drinkers and, in the right column, performance among those who already drink Portuguese wines
- The all-UK scores clearly show where Portugal needs to strengthen perceptions of the offer, with only 2 attributes being agreed to by one-third of consumers or more



Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

The 11 standard imagery/values attributes: How does Portugal perform against other source countries among all UK wine drinkers

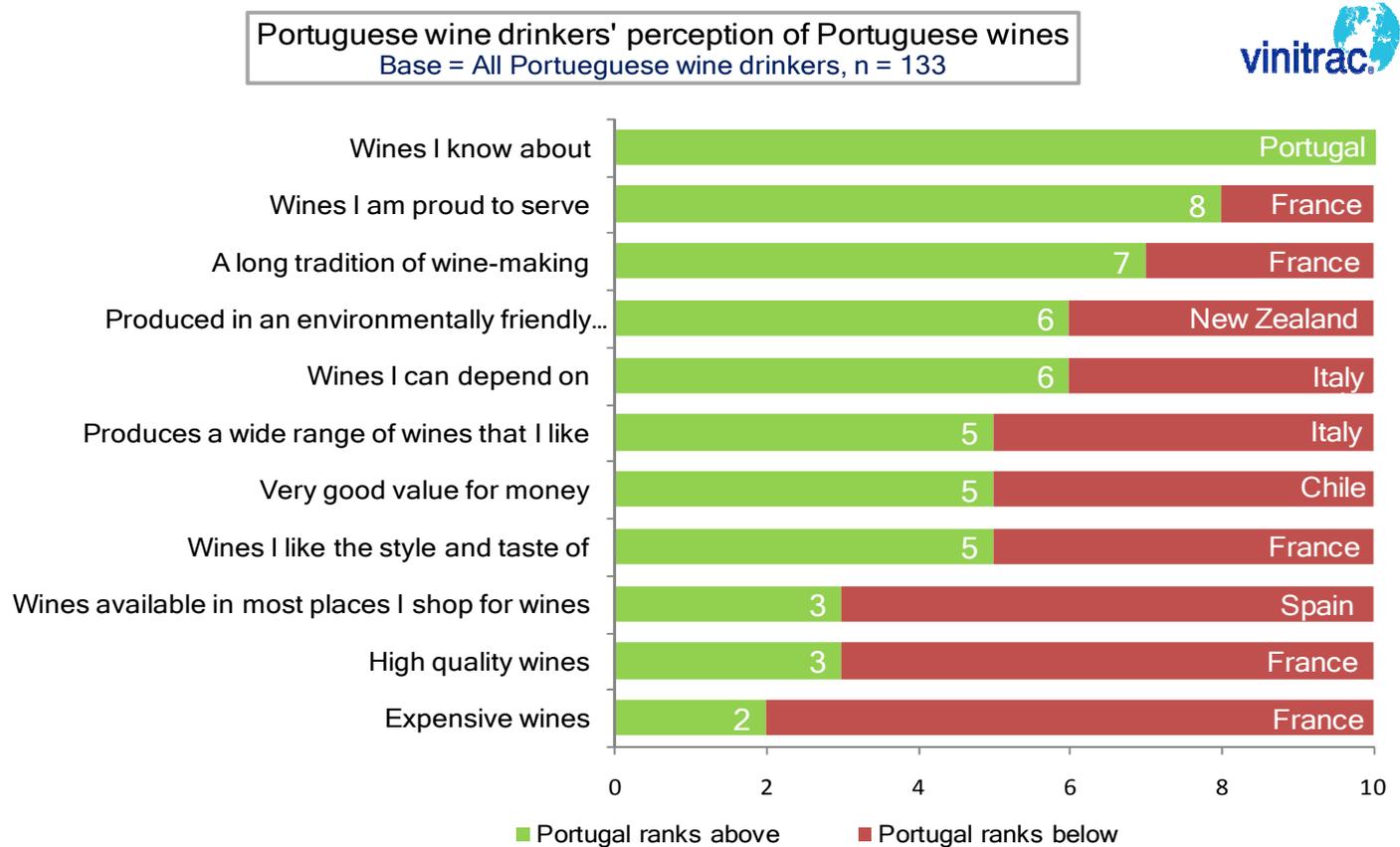
- On this measure, Portugal performs well - better than 6 other countries - on long tradition of winemaking. But ranks below most/all other countries on other attributes
- On all attributes France or Australia lead the rankings



The 11 standard imagery/values attributes:

How does Portugal perform against other source countries among drinkers of Pt wines

- ❑ This shows that if UK consumers do drink Portuguese wines, they express positive views on several attributes
- ❑ But still outperformed by 6 or more source countries on several key attributes



Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

How does Portugal perform on each attribute among all UK regular wine drinkers, and among UK drinkers of Portuguese wines?

The next 11 slides examine Portugal performance on each of the standard imagery/values attributes

The two columns show the ratings and rankings for:

- All UK regular wine drinkers

- UK drinkers of Portuguese wines

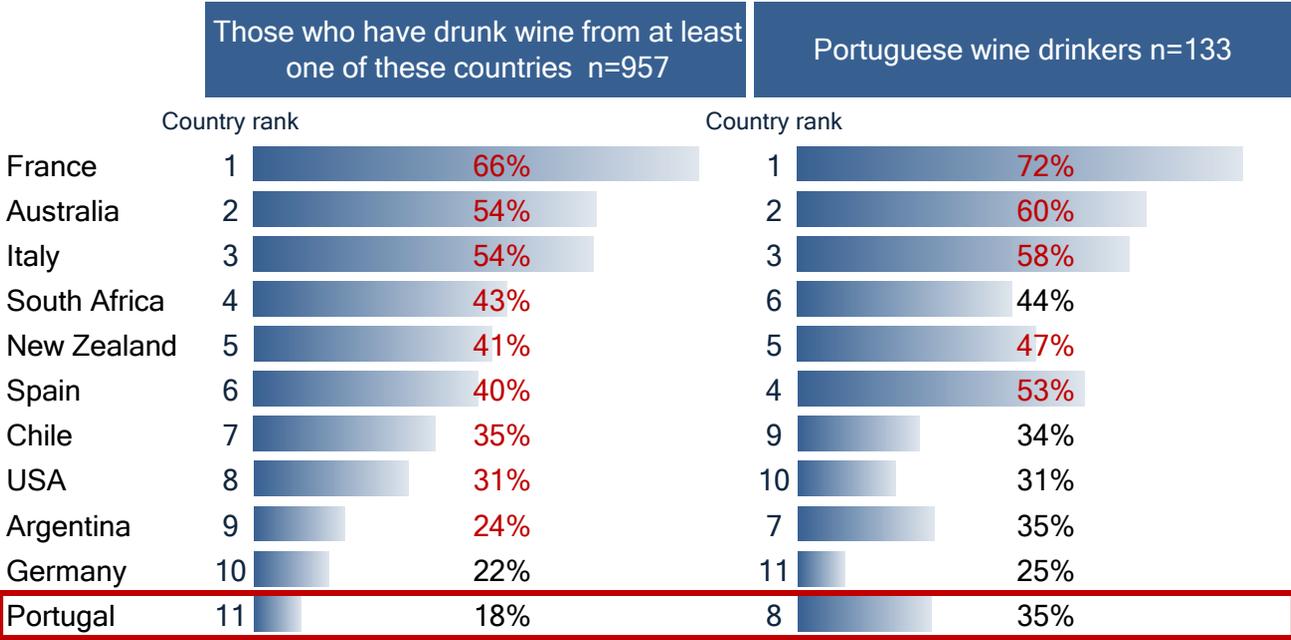
These charts help us understand two key aspects of Portugal performance on these 11 standard imagery/values attributes:

- Rating - % attributing an imagery or value statement to Portugal

- Ranking – where does Portugal stand against competitive source countries

High quality wines: 11th overall; only ranks with a lower group of source countries among drinkers of Portuguese wines

High quality wines 



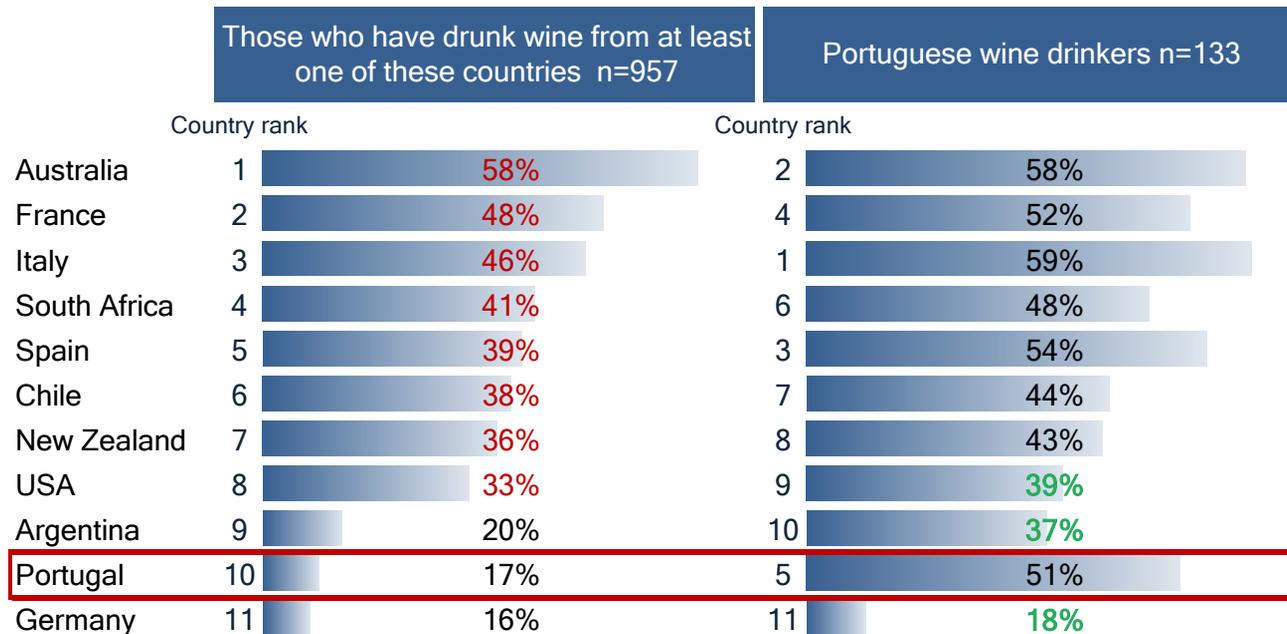
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Wines I can depend on: 10th overall; performs well among drinkers of Portuguese wines

Wines I can depend on



Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Wines I like the style and taste of: **11th overall; mid-table among drinkers of Portuguese wine**

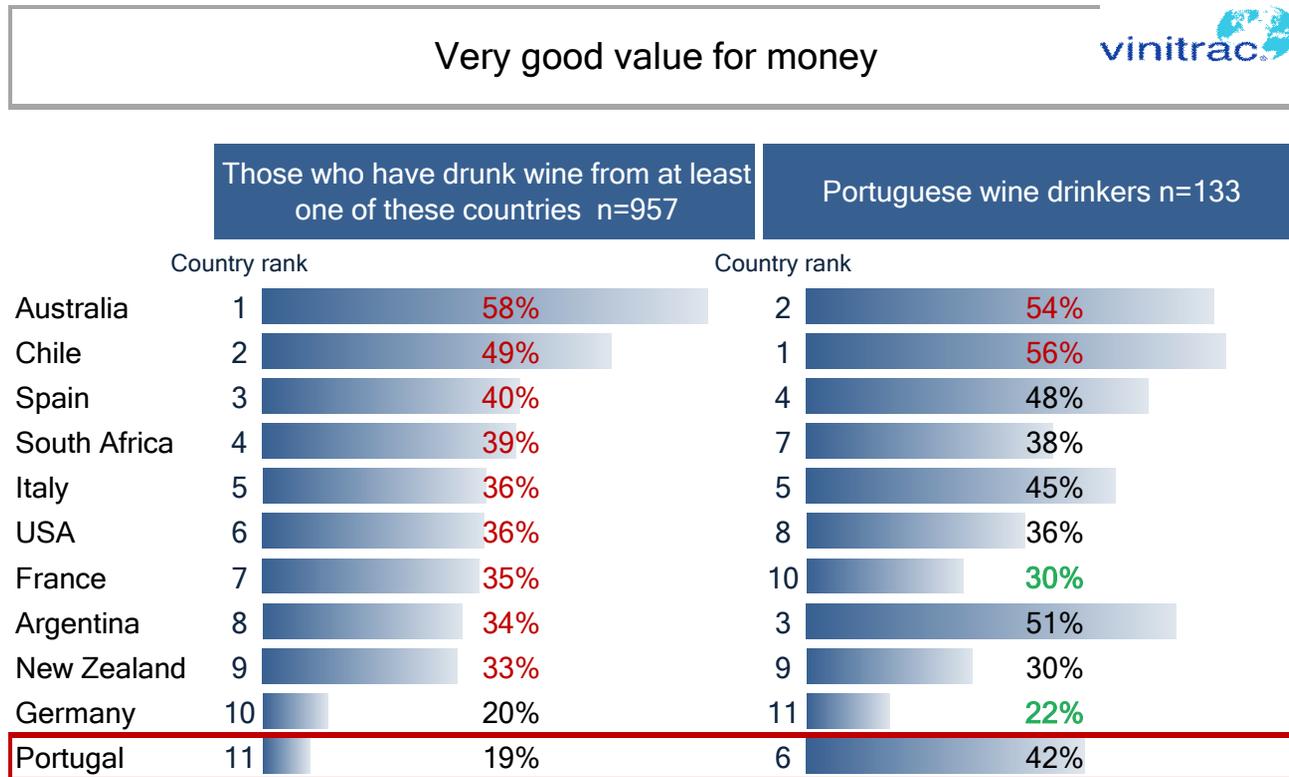


Red: Statistically significantly **higher** than Portugal score at 95% confidence level

Green: Statistically significantly **lower** than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Very good value for money: 11th overall; again mid-table among drinkers of Portuguese wine



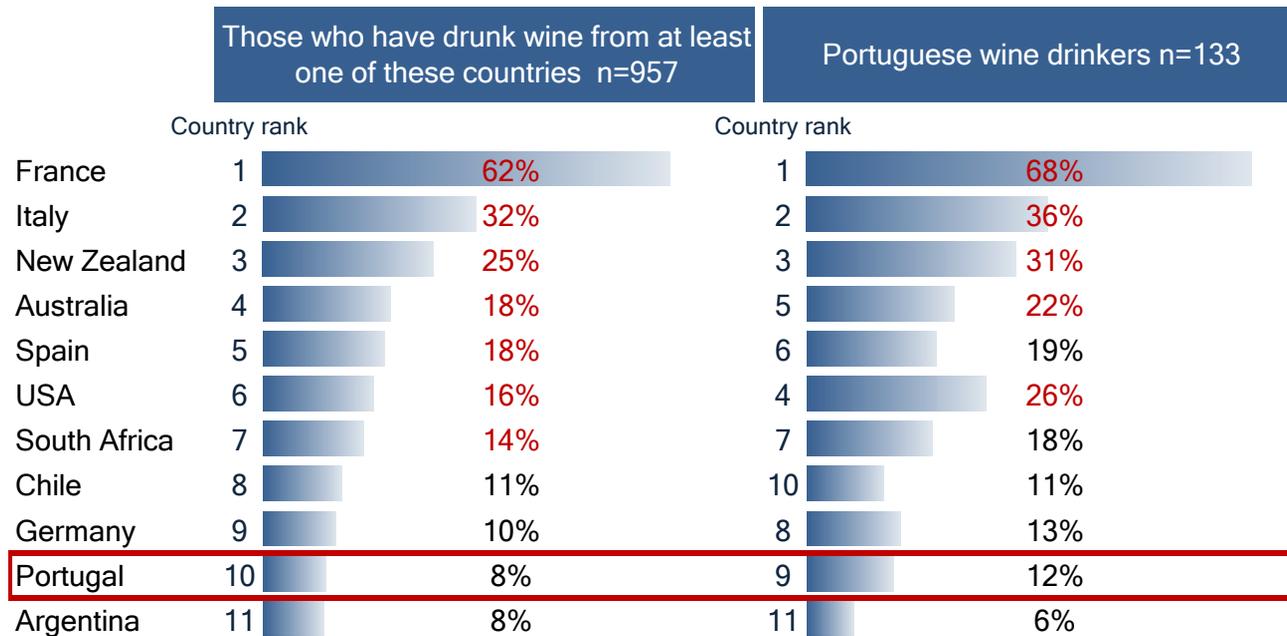
Red: Statistically significantly **higher** than Portugal score at 95% confidence level

Green: Statistically significantly **lower** than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Expensive wines: not considered expensive, but also implies not considered a source of expensive wines for special occasions

Expensive wines



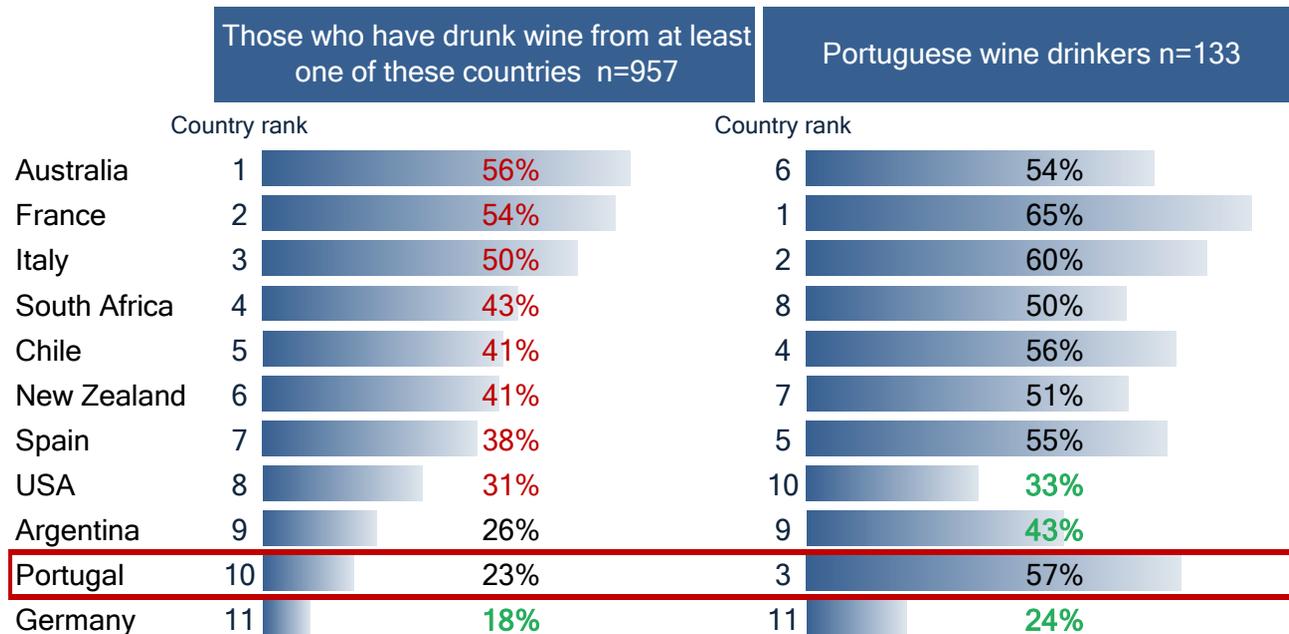
Red: Statistically significantly **higher** than Portugal score at 95% confidence level

Green: Statistically significantly **lower** than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Wines I am proud to serve: 10th overall; performs well among drinkers of Portuguese wines, just below France & Italy

Wines I am proud to serve



Red: Statistically significantly **higher** than Portugal score at 95% confidence level

Green: Statistically significantly **lower** than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

A long tradition of wine-making: performs well among both groups of consumers, but below most other Old World source countries

A long tradition of wine-making 



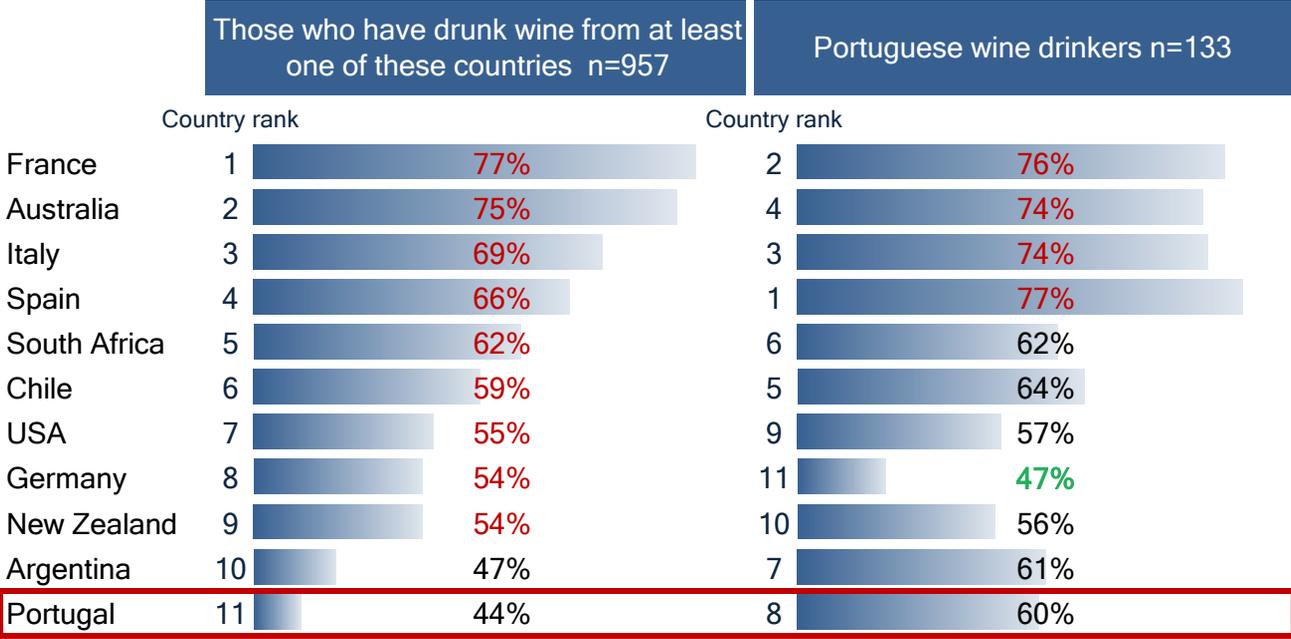
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Wines available in most places I shop for wines: clearly a weakness for Portugal in the UK market – low ratings from both groups

Wines available in most places I shop for wines 



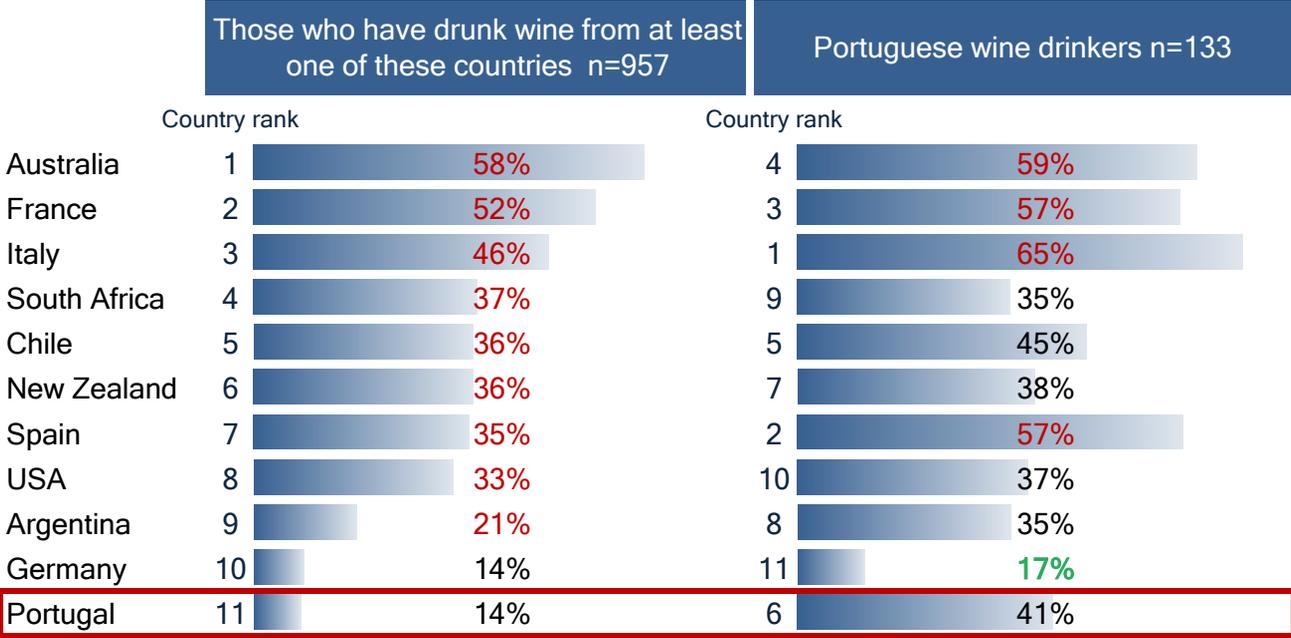
Red: Statistically significantly **higher** than Portugal score at 95% confidence level

Green: Statistically significantly **lower** than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Produces a wide range of wines that I like: 11th among drinkers; mid-table among drinkers of Portuguese wine

Produces a wide range of wines that I like 



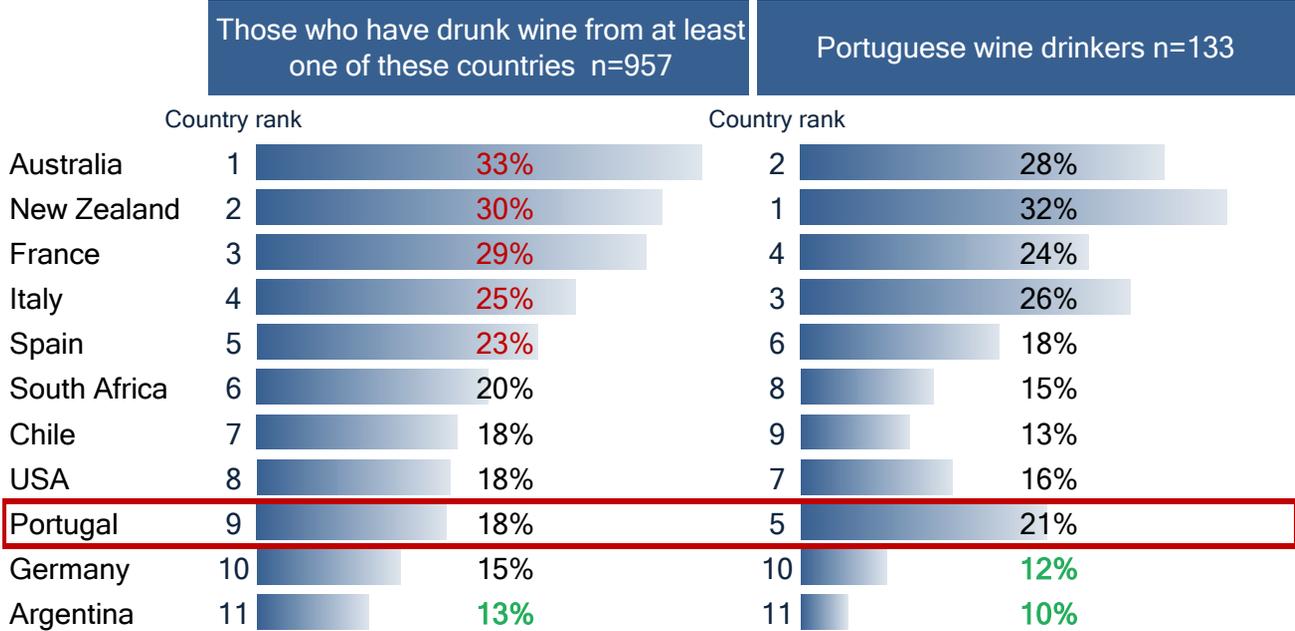
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Produced in an environmentally friendly manner : 9th among drinkers; mid-table among drinkers of Portuguese wine

Produced in an environmentally friendly manner 



Red: Statistically significantly higher than Portugal score at 95% confidence level

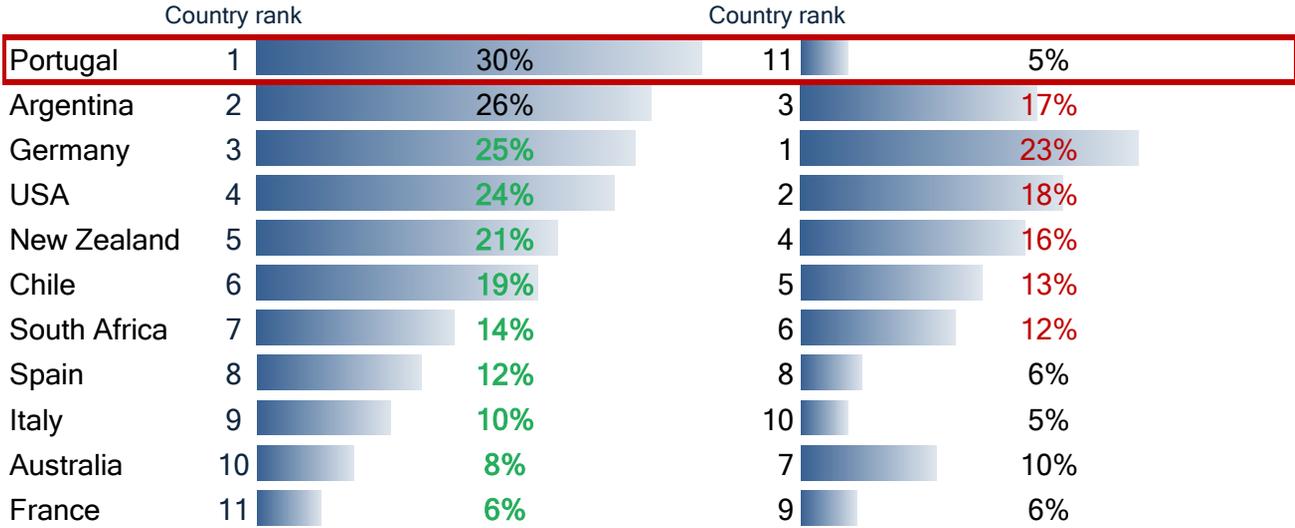
Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Wines I know nothing about: **this attribute may be key to Portugal's status in UK market – wines are least understood of all countries**

Wines I know nothing about 

Those who have drunk wine from at least one of these countries n=957 Portuguese wine drinkers n=133



Red: Statistically significantly **higher** than Portugal score at 95% confidence level

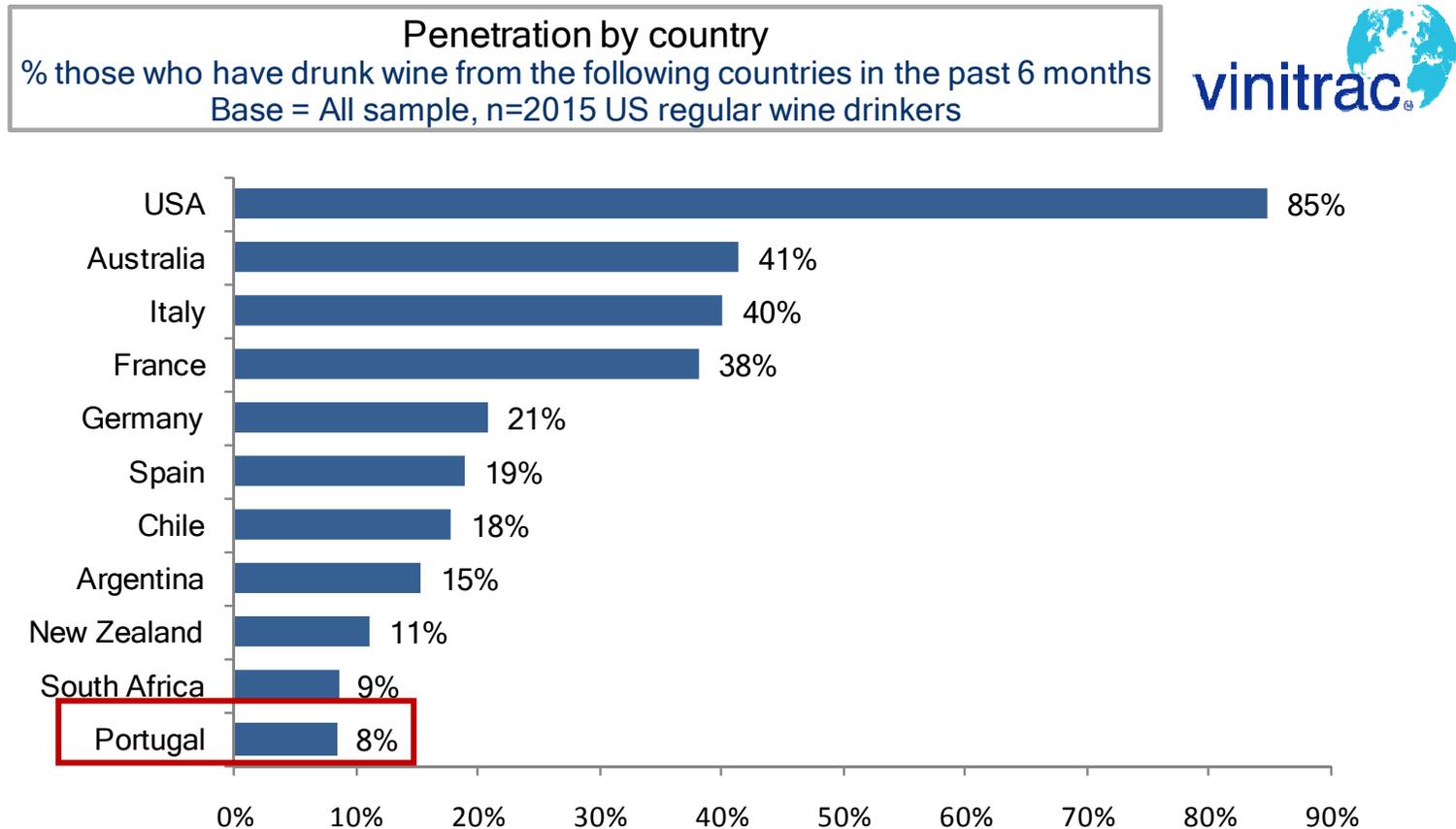
Green: Statistically significantly **lower** than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Section 3: USA Positioning

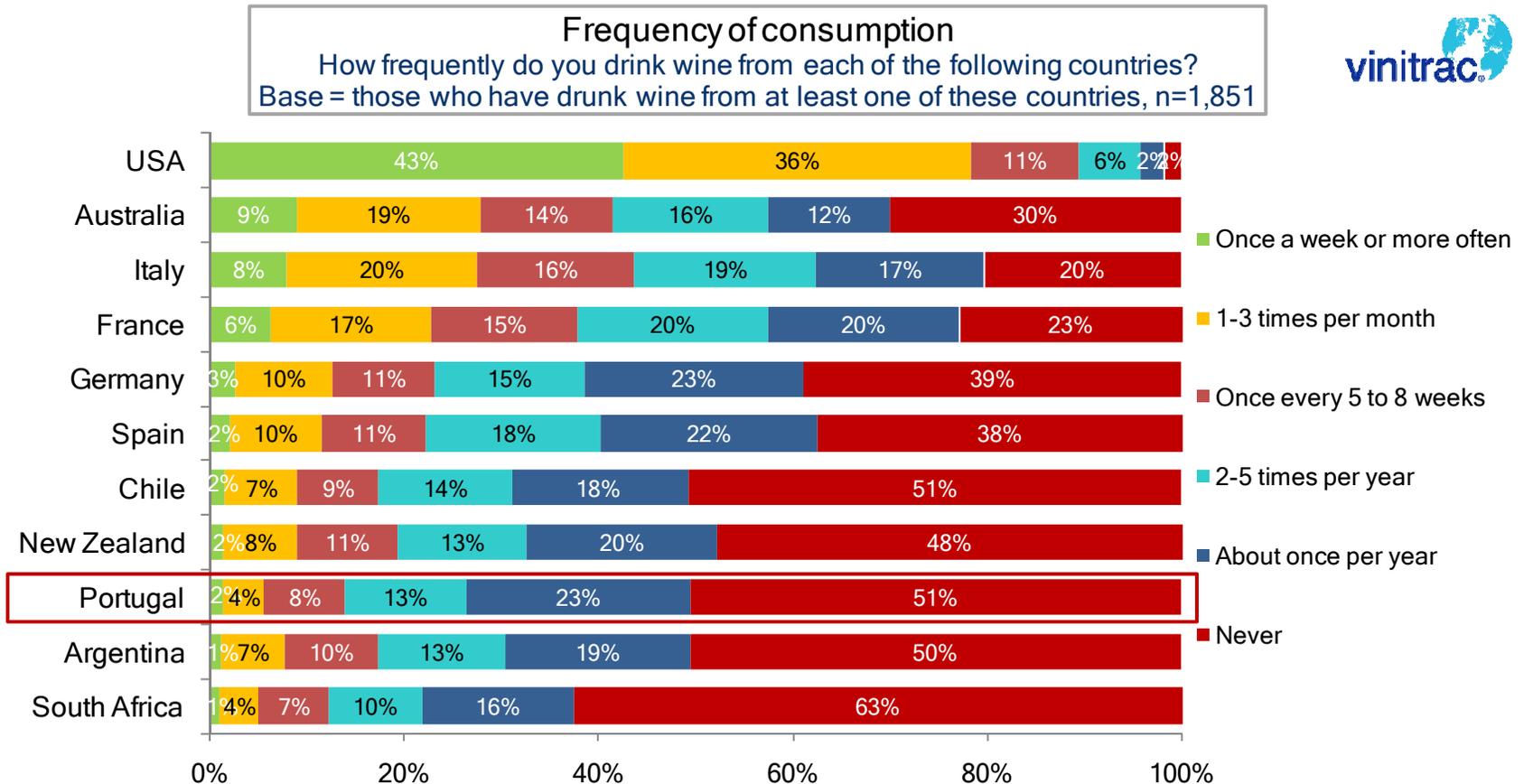
Penetration by source country - proportion of US regular wine drinkers who have bought each source country in last 6 months

- 1 in 12 US regular wine drinkers recall having drunk Pt wine in last 6 months
- Similar levels of penetration in the US market to South Africa and New Zealand



Frequency of consumption of each source country

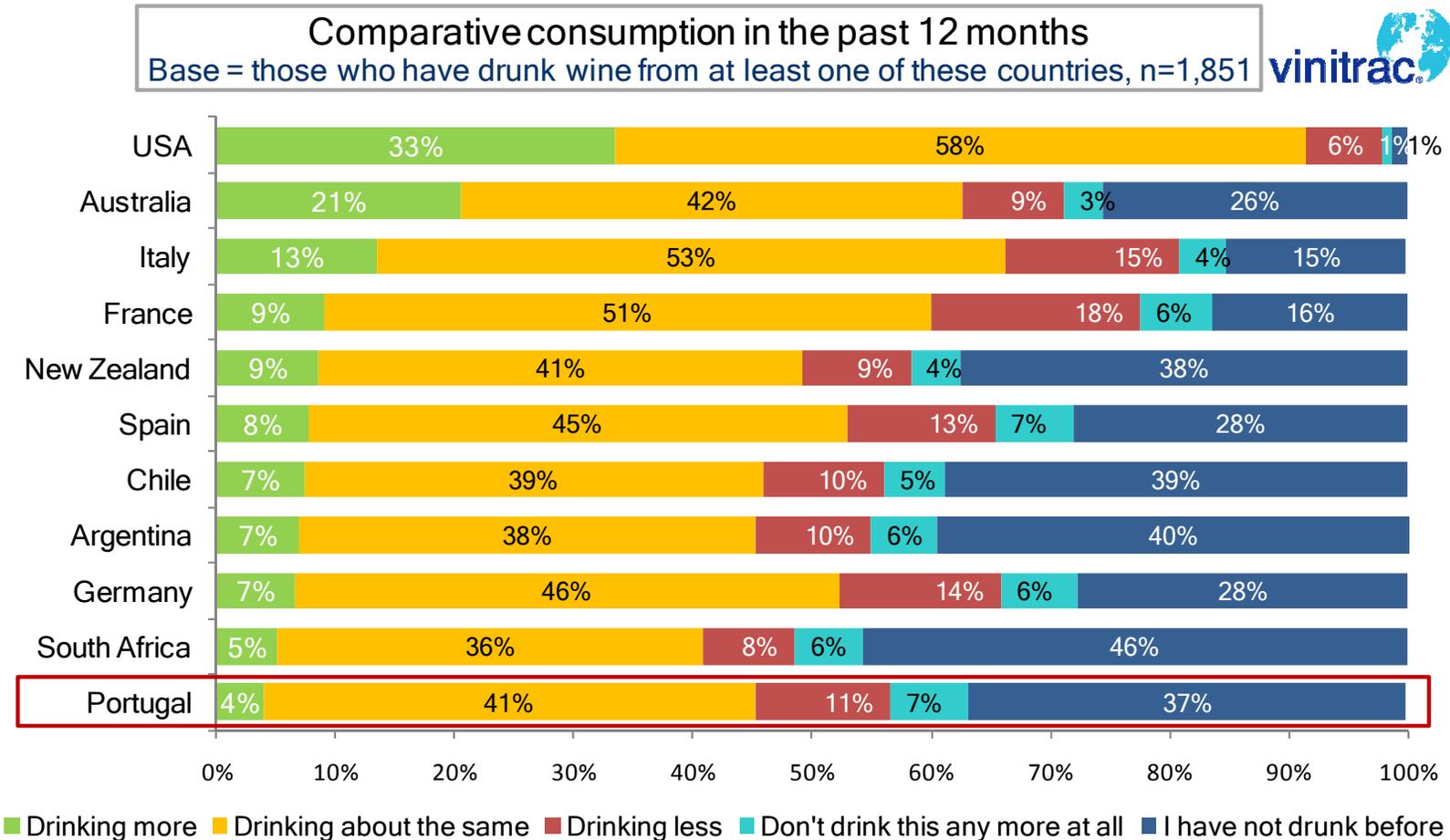
- Only 6% of US regular wine drinkers consume Pt wine once /month or more
- And 1 in 2 claim never to have drunk Portuguese wine, a similar position to most southern hemisphere source countries



Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Comparative consumption over the past 12 months – increase or decrease for each source country

- This measure suggests a net outflow of drinkers of Portuguese wines in UK, with 11% of consumers claiming to be drinking less Pt wines, and only 4% drinking more



Source: Wine Intelligence, Vinitrac® US, December 2007, n=1,851 all US regular wine drinkers

Affinity – Views about a country, tourism and liking for wines of that country

This section develops the linkage between affinity for the country itself, visiting the country and liking the country's wines

To develop this linkage, we asked the following questions on respondents' views about a country and its wines

Thinking about your wine drinking habits in general, what is your view of wines from the following places?

Looking at each of the following countries, please choose one statement that best describes your relationship with this country in terms of visiting it and enjoying the country?

Think about the countries below in a wider sense – for more than just wines; think about their people, their culture, their history, the country's place in the world. When you think about each of the following countries in this way, do you view each country positively or negatively?

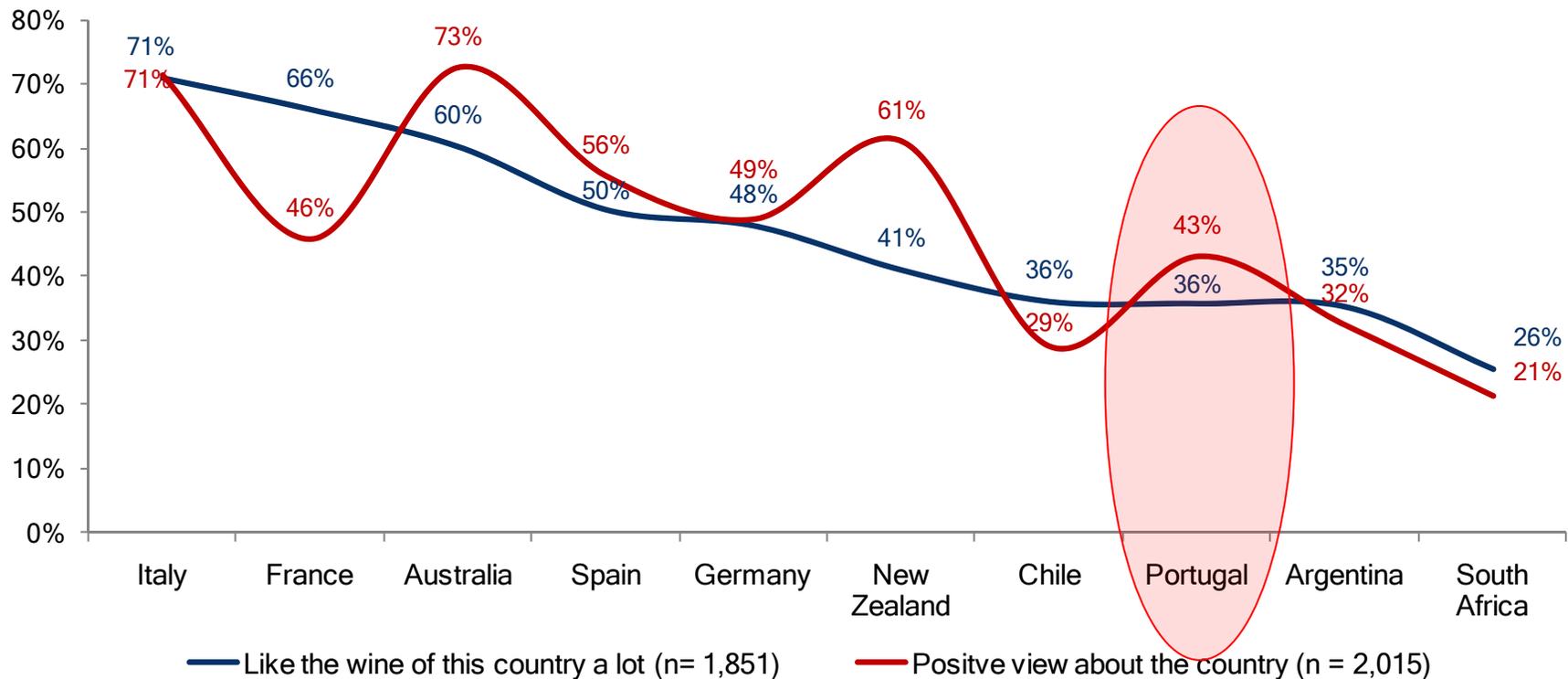
For the USA report, USA is not included as a source country, as questions about tourism and overall attitudes to the country are not relevant to this study

Affinity – Views about a country and liking for wines of that country

- On this measure, Portugal shows potential for growing its wine penetration in USA, with 43% favourable towards the country and currently 36% expressing positive feelings about the country's wines

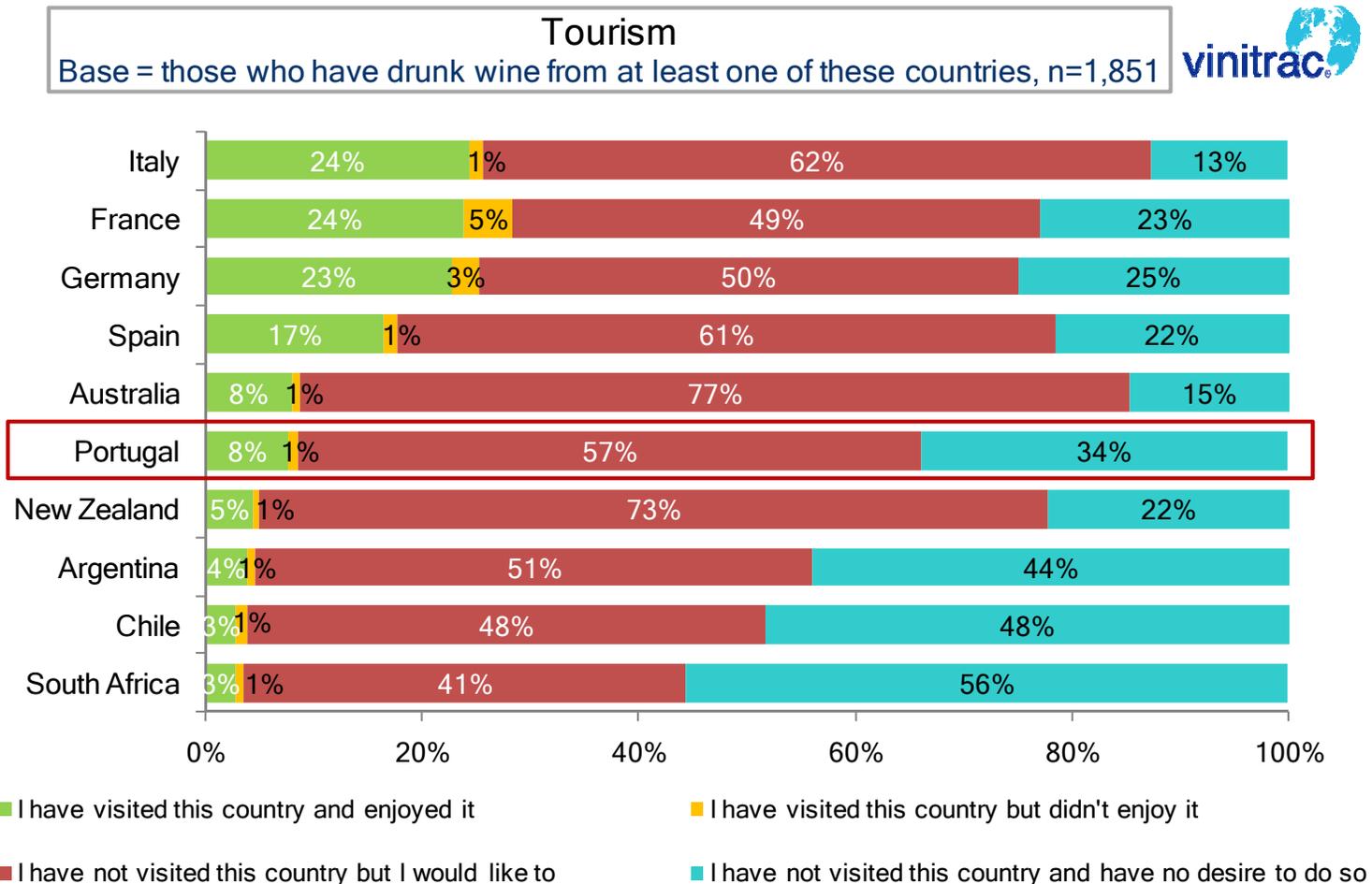
Affinity - View of the country

Base "Like the wine of this country a lot" = those who have drunk wine from at least one of these countries, n=1,851
 Base "Positive view about the country" - All US regular wine drinkers, n=2,015



Tourism – visiting a country or wanting to visit a country is important – can contribute to positive views of the country and its wines

- Visiting Portugal is about half to one-third the level of other European wine source countries, but “would like to visit” scores strongly

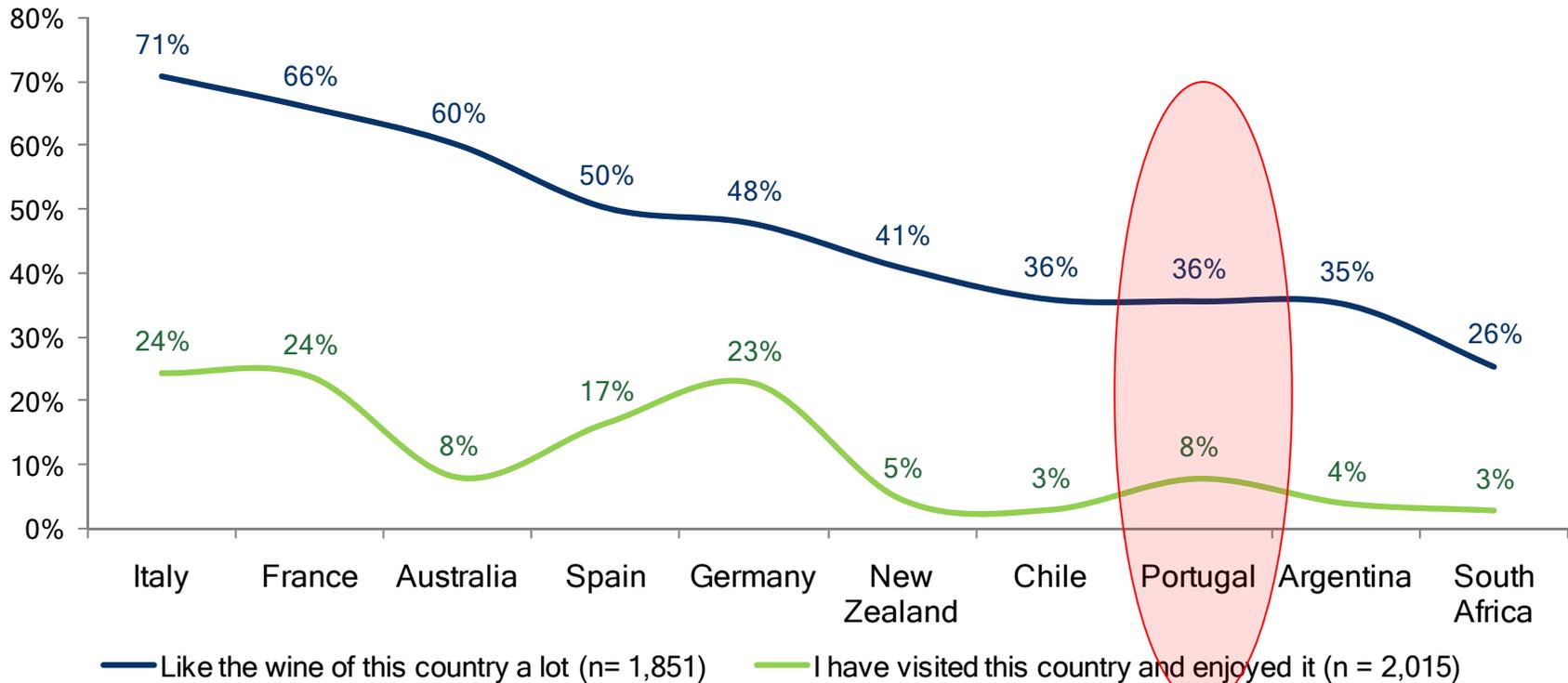


Affinity – Tourism and liking for wines of that country

- Portugal shows a higher multiple between liking the country's wines and having visited
- Suggesting the opportunity to grow affinity for the wines from any growth in tourism

Affinity - Tourism

Base "Like the wine of this country a lot"= those who have drunk wine from at least one of these countries, n=1,851
Base "Have visited this country and enjoyed it"- All US regular wine drinkers, n=2,015



Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Imagery of Portuguese wines: summary

The 11 standard imagery & values attributes

- This shows how Portugal performs among all US regular wine drinkers and, in the right column, performance among those who already drink Portuguese wines
- The all-US scores clearly show where Portugal needs to strengthen perceptions of the offer, with all positive attributes recording scores at 30% or lower

Imagery of Portuguese wines



Attributes	All US regular wine drinkers*	Portuguese wine drinkers
Wines I know nothing about	41%	15%
Wines available in most places I shop for wines	30%	53%
A long tradition of wine-making	28%	58%
High quality wines	26%	53%
Wines I am proud to serve	22%	53%
Very good value for money	18%	49%
Wines I like the style and taste of	18%	46%
Wines I can depend on	17%	43%
Produced in an environmentally friendly manner	16%	24%
Produces a wide range of wines that I like	14%	34%
Expensive wines	14%	17%

* all those who have drunk wine from at least one country

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

The 11 standard imagery/values attributes: How does Portugal perform against other source countries among all US wine drinkers

- ❑ On this measure, Portugal performs mid-table on 4 attributes
- ❑ But Portugal ranks in well below mid-point on 7 key attributes

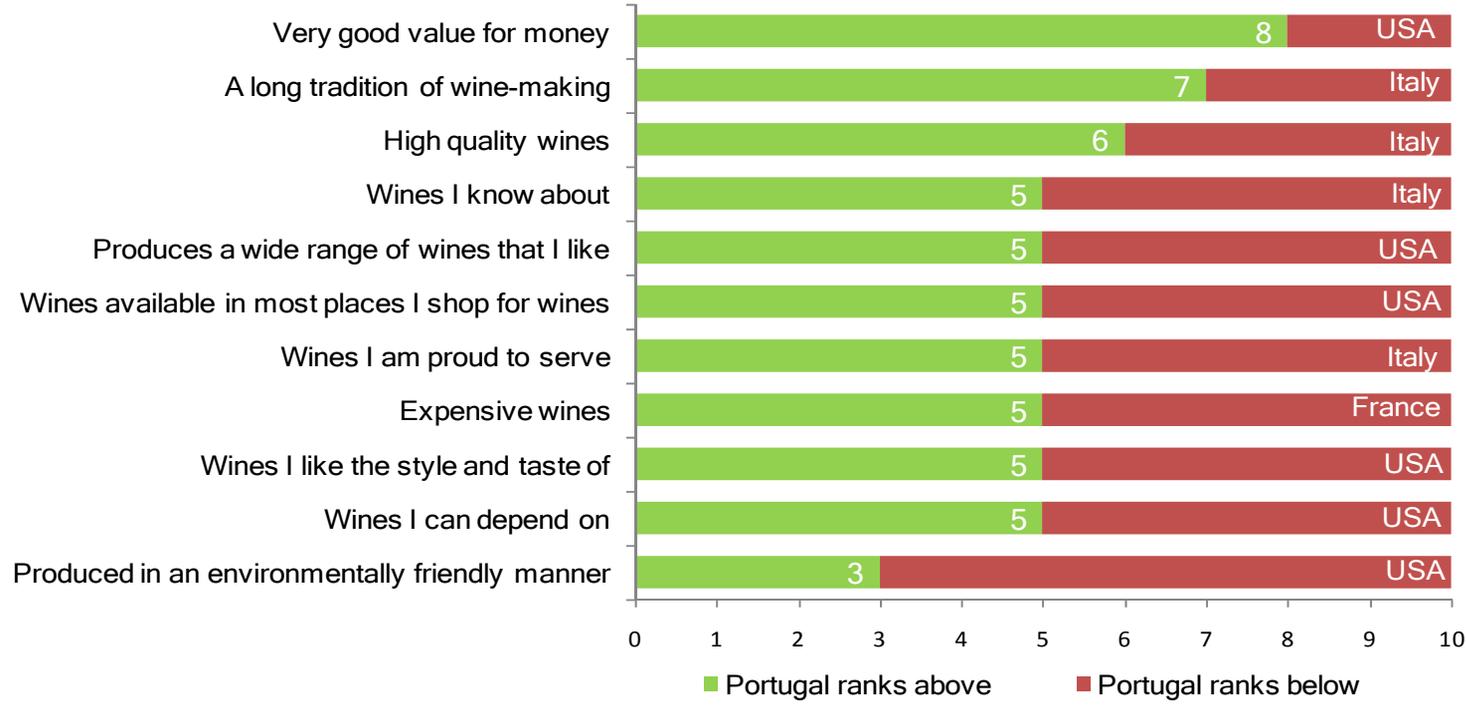
All US drinkers' perception of Portuguese wine
Base = all those who drink wine from at least one of the countries



The 11 standard imagery/values attributes: How does Portugal perform against other source countries among drinkers of Pt wines

- US consumers do drink Portuguese wines express positive views on three key attributes , relative to their views of other source countries
- On this measure, Italy rather than France is the best European source country performer

Portuguese wine drinkers' perception of Portuguese wines
Base = All Portuguese wine drinkers, n = 170



Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

How does Portugal perform on each attribute among all US regular wine drinkers, and among US drinkers of Portuguese wines?

The next 11 slides examine Portugal performance on each of the standard imagery/values attributes

The two columns show the ratings and rankings for:

- All US regular wine drinkers

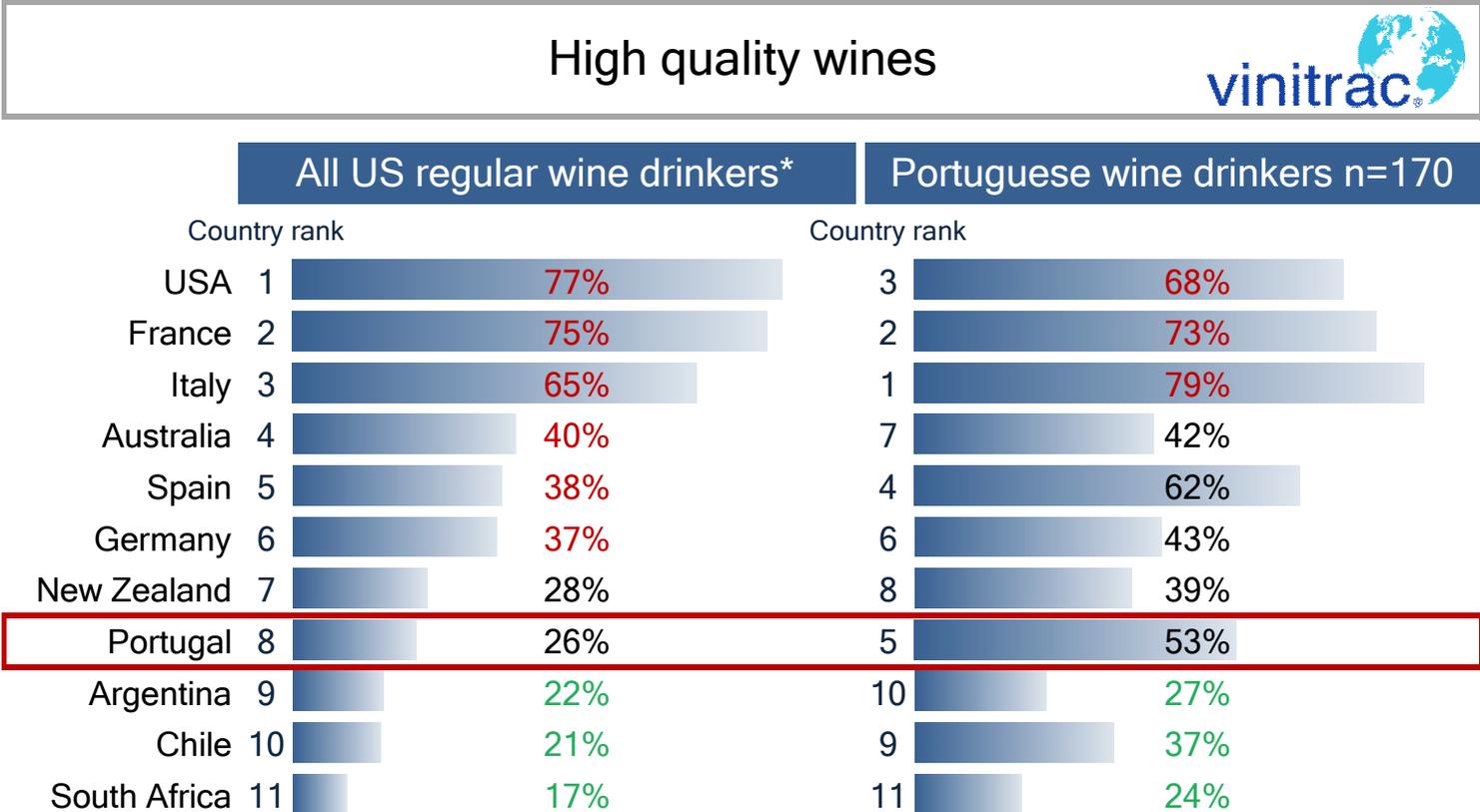
- US drinkers of Portuguese wines

These charts help us understand two key aspects of Portugal performance on these 11 standard imagery/values attributes:

- Rating - % attributing an imagery or value statement to Portugal

- Ranking – where does Portugal stand against competitive source countries

High quality wines: 8th overall; 5th among drinkers of Portuguese wines but still lower than most Old World countries



* all those who have drunk wine from at least one country

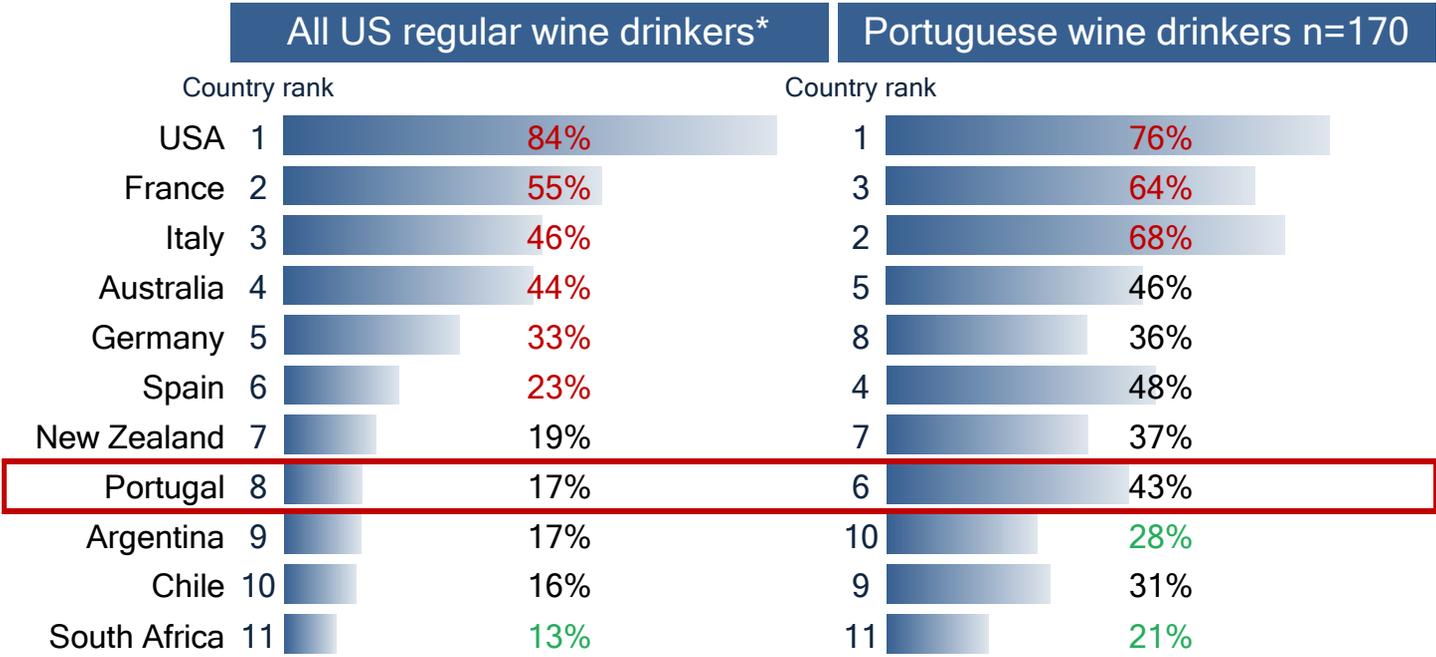
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Wines I can depend on: overall - in bottom group of otherwise New World countries; mid-table among drinkers of Portuguese wine

Wines I can depend on 



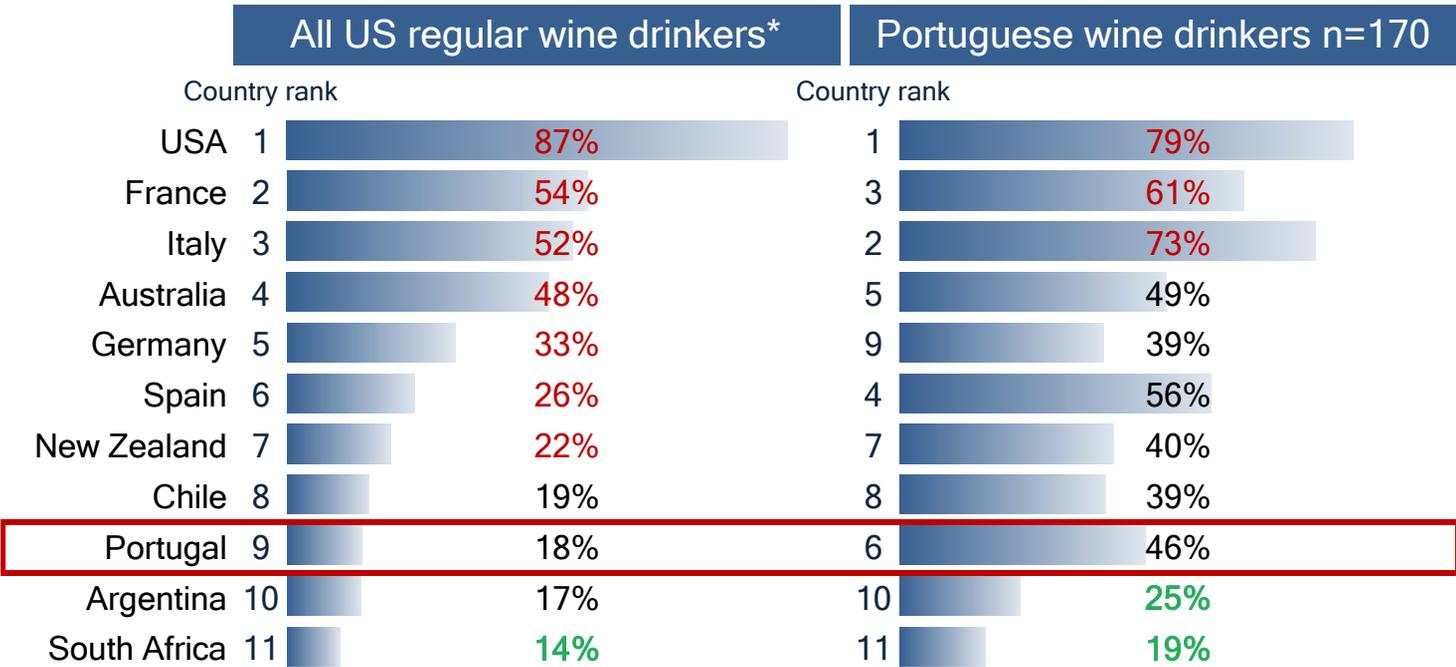
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Wines I like the style and taste of: **lower ranking similar to Chile and Argentina overall; again mid-table among Pt drinkers**

Wines I like the style and taste of 



Red: Statistically significantly higher than Portugal score at 95% confidence level

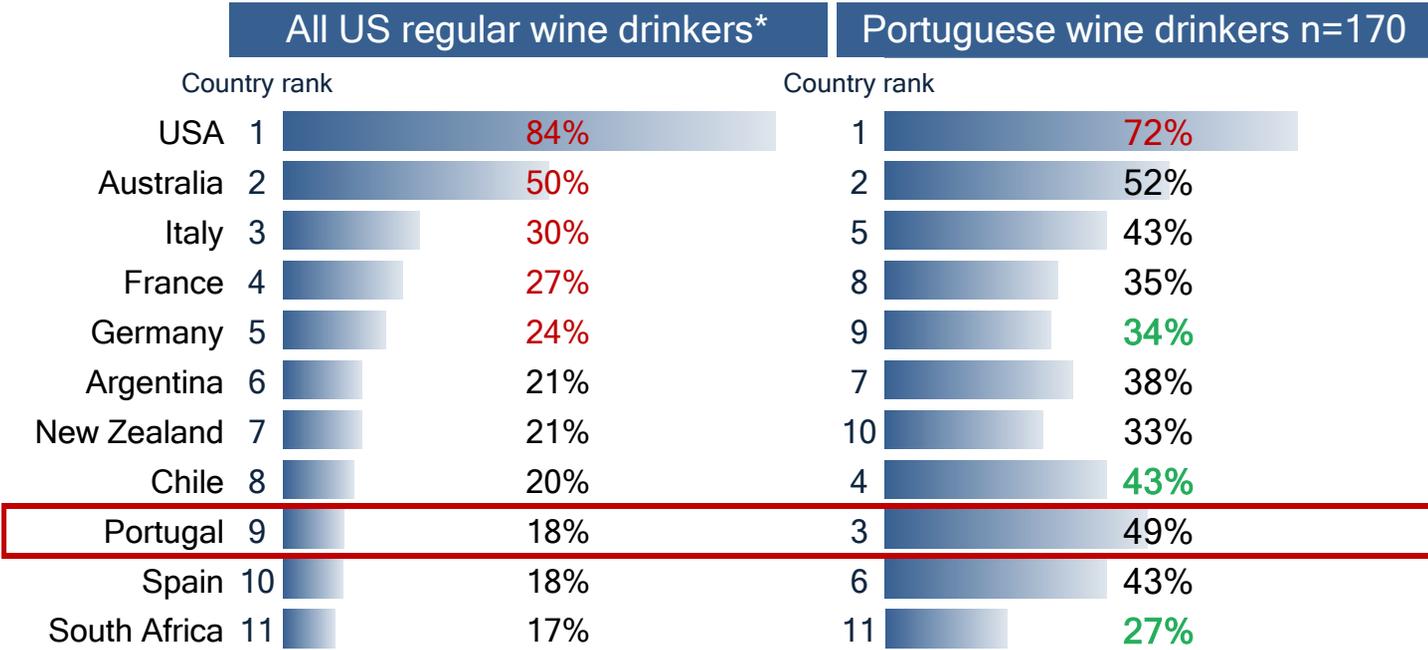
Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Very good value for money: bottom group with Spain & S Africa overall; best-performing Old World country among Pt drinkers

- This results suggests a strong rating possibility among wine consumers of Portuguese descent living in USA

Very good value for money



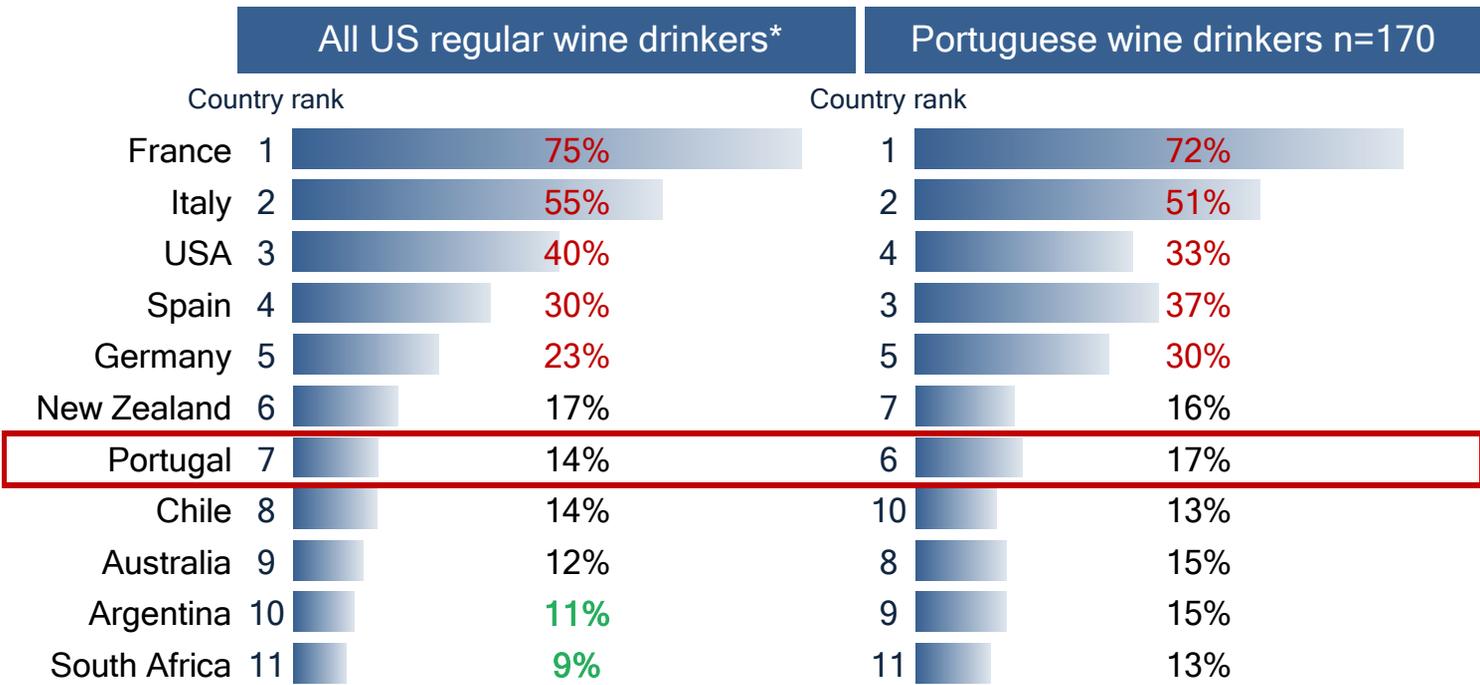
* all those who have drunk wine from at least one country

Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Expensive wines: **not considered expensive, relative to rest of European countries; but may not be seen as source for special occasion wines**

Expensive wines 



* all those who have drunk wine from at least one country

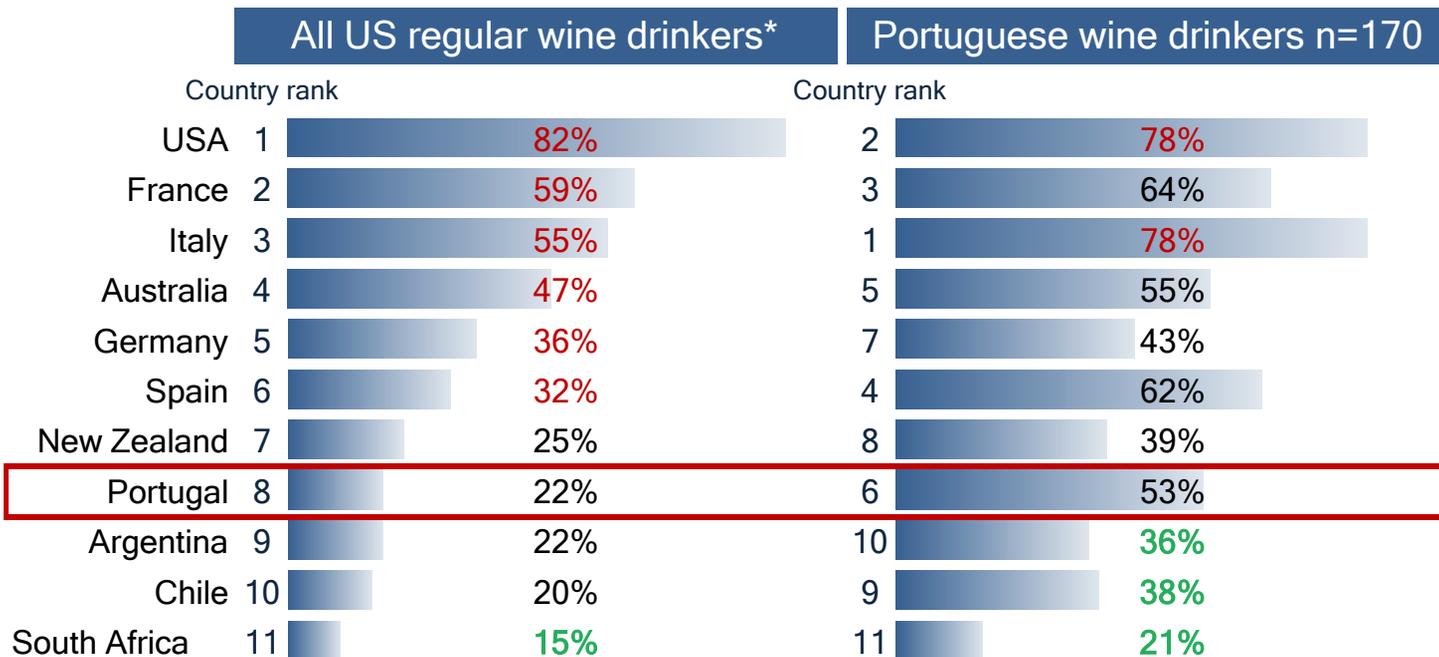
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Wines I am proud to serve: 8th overall; mid-table among drinkers of Portuguese wines

Wines I am proud to serve



* all those who have drunk wine from at least one country

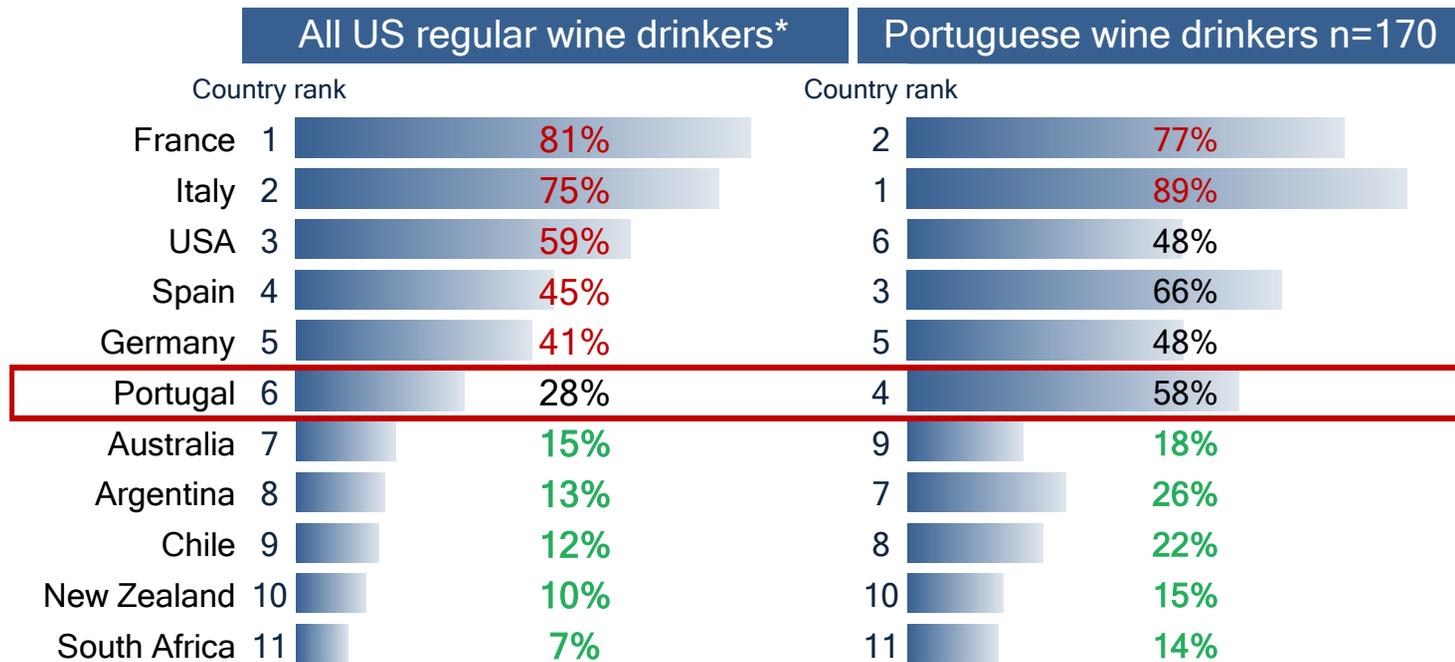
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

A long tradition of wine-making: mid-table overall; performs well among consumers of Portuguese wine

A long tradition of wine-making



* all those who have drunk wine from at least one country

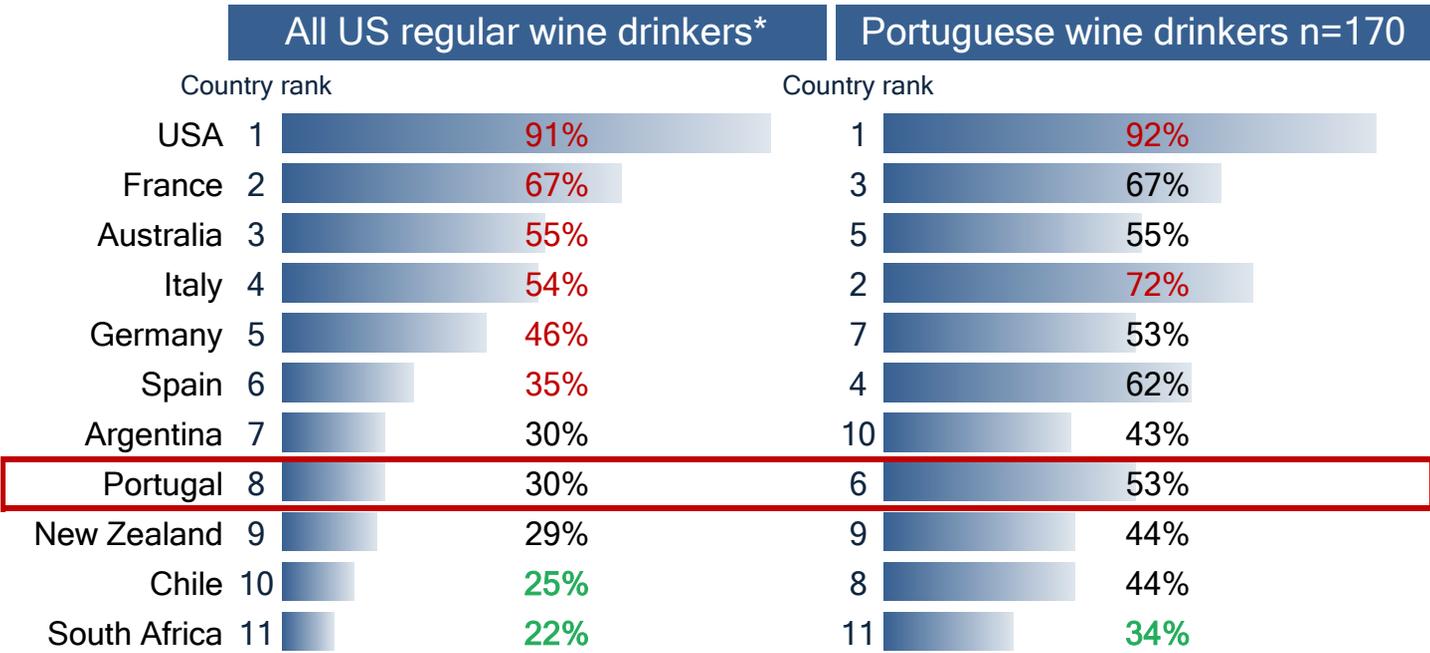
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Wines available in most places I shop for wine: **not a strength for Portugal in the US; low ratings overall; only mid-table among Pt drinkers**

Wines available in most places I shop for wines 



* all those who have drunk wine from at least one country

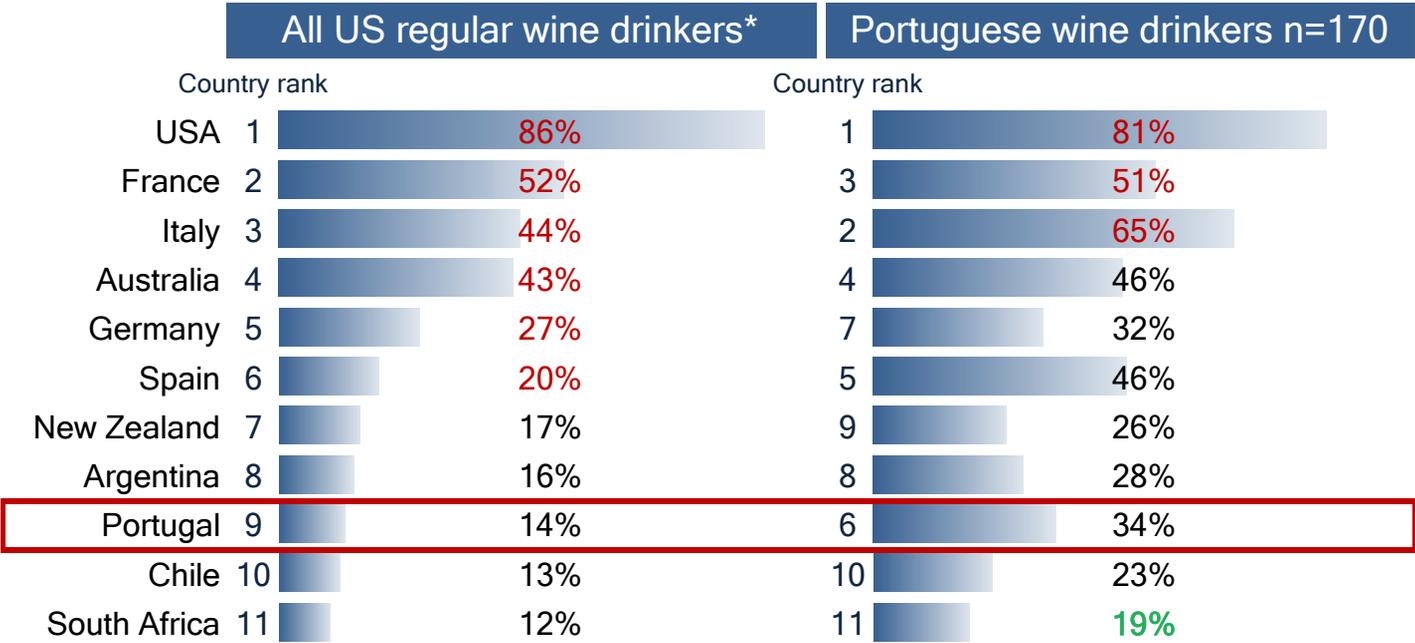
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Produces a wide range of wines that I like: among 3 lowest countries overall; only mid-table among drinkers of Portuguese wine

Produces a wide range of wines that I like 



* all those who have drunk wine from at least one country

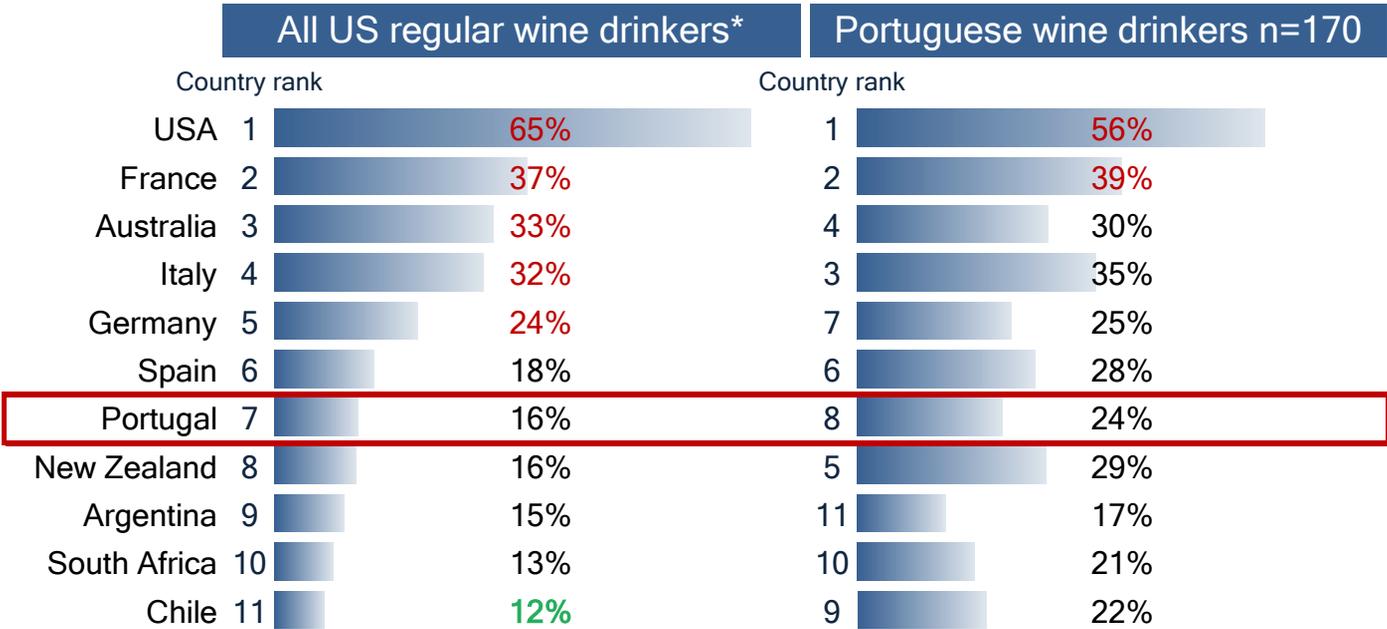
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Produced in an environmentally friendly manner : **among a below-average group overall; but lower ranking among Pt drinkers**

Produced in an environmentally friendly manner 



* all those who have drunk wine from at least one country

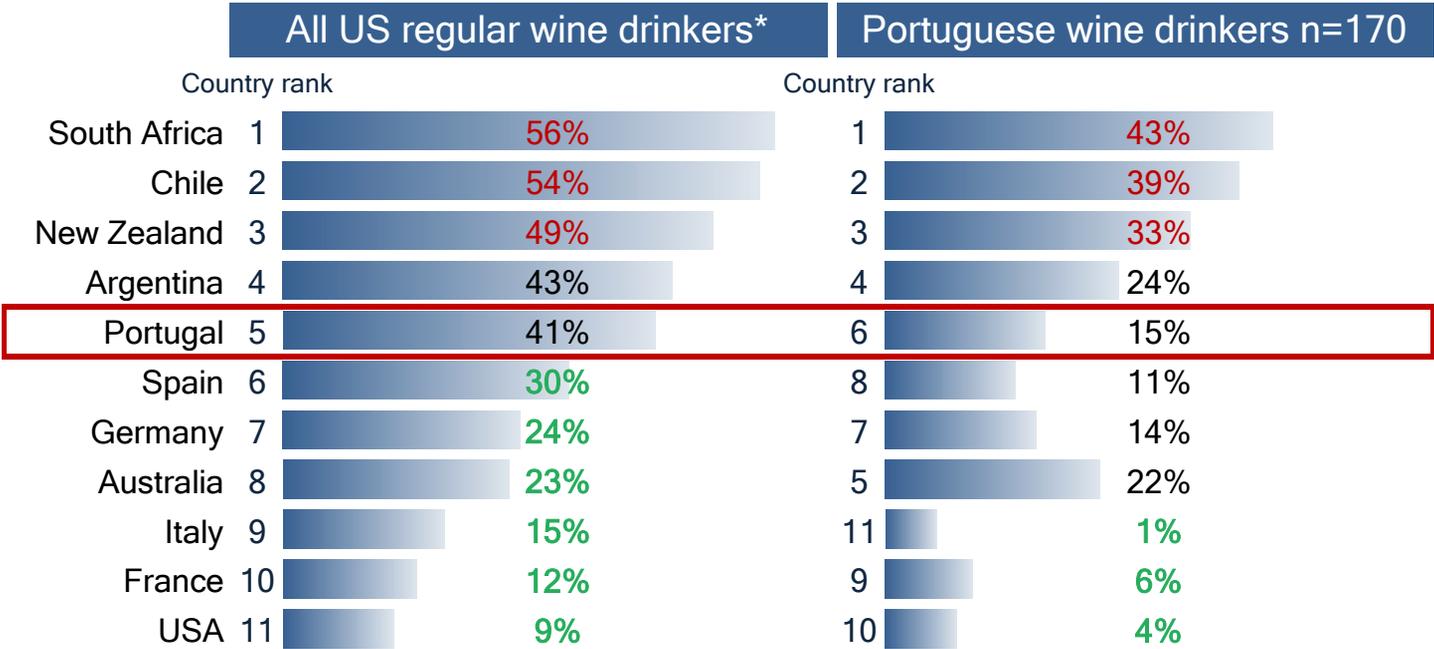
Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

Wines I know nothing about:
mid-table among both groups

Wines I know nothing about 



* all those who have drunk wine from at least one country

Red: Statistically significantly higher than Portugal score at 95% confidence level

Green: Statistically significantly lower than Portugal score at 95% confidence level

Source: Wine Intelligence, Vinitrac® US, December 2007, n=2,015 all US regular wine drinkers

2

Análise Factorial de Correspondências para o Posicionamento dos vinhos Portugueses

Como é que os consumidores de vinho dos EUA e UK
percepcionam os Vinhos Portugueses relativamente a outros
países concorrentes

Estudo realizado pela Wine Intelligence - Dezembro de 2008

- : Section 1: Objectives and Methodology
- : Section 2: Positioning and conclusions - UK
- : Section 3: Positioning and conclusions - USA

Section 1: Objectives and Methodology

Examination of associations between choosing attributes and wine source countries, to understand where the “power bases” are, and where Portugal stands relative to its competitors

“Power bases” from this series of factor analysis mappings are:

- Source countries closely associated with one or more positive attributes

- . . . and . . .

- Distinctive source countries – that is, not closely adjacent to other source countries

These mappings and their all-important interpretation will substantially assist the strategic development of global brand positioning for Portuguese wines, by:

- Identifying the attributes that Portugal is already strongly associated with

- Understanding how to build a distinctive brand positioning, based on being strongly associated in consumers minds with a series of positive attributes not shared with competitive countries

Research methodology – Sample representative of UK & US regular wine drinkers

Data was gathered via Wine Intelligence's Vinitrac® online survey

Methodology: Online survey; recruited from large panels of opt-in respondents

Sampling strategy: quotas (age, gender, SEG for the UK/residency by states for the US); stratified

Screening criteria: LDA, Drink wine at least once per month (= "regular wine drinkers"); drink at least red or white wine; buy wine in the off-trade and/or on-trade

UK online survey:

Data collection: Jan' 08

Total sample size: n=1,009

US online survey:

Data collection: Dec' 07

Total sample size: n=2,015

See the following slides for sample details

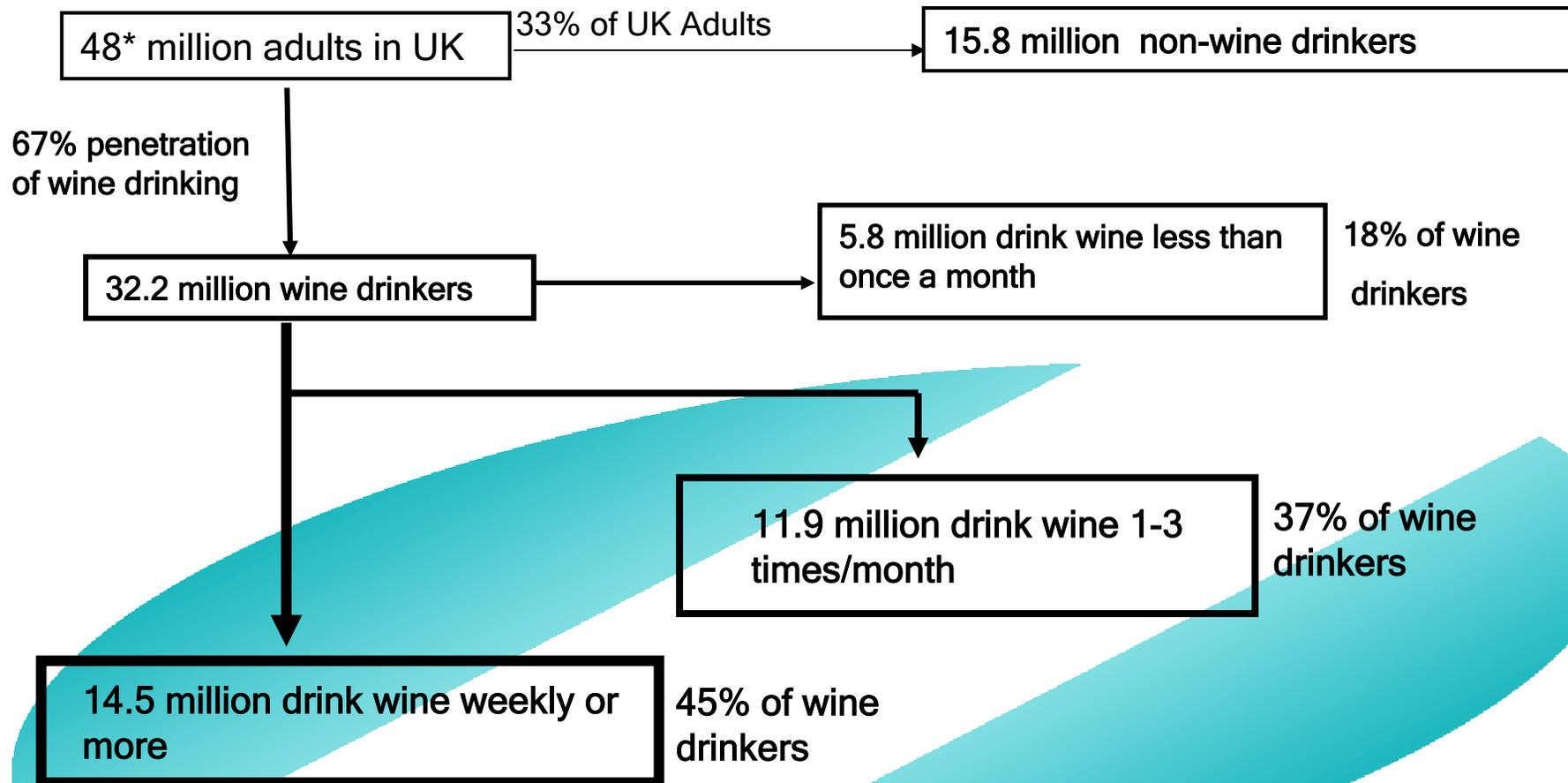


Methodology: the UK sampling

GENDER			AGE			SOCIO ECONOMIC GROUP		
Male	484	48%	18-24	102	10%	A	184	18%
Female	525	52%	25-34	210	21%	B	184	18%
TOTAL	1,009	100%	35-44	233	23%	C1	322	32%
			45-54	191	19%	C2	169	17%
			55-64	132	13%	D	110	11%
			65 and over	142	14%	E	41	4%
			TOTAL	1,009	100%	TOTAL	1,009	100%



UK wine consumers: 26.4 million regular wine consumers



From UK Portraits, the Wine Intelligence segmentation of UK resident adult regular wine drinkers

Sources: ONS*; Drinks Pocket Book 06; Wine Intelligence; checked consistency with Mintel



So, who are these UK regular wine consumers?

Among the 33 million UK resident adults who drink wine, 26.4 million drink wine at least once a month

They are represented across all age groups:

Age group	18-24	25-34	35-44	45-54	55-64	65+
Current % of the UK adult population*	12%	16%	19%	17%	15%	21%
% of the wine drinking population**	10%	21%	23%	19%	13%	14%

Source: *UK ONS; **Wine Intelligence / Drinks Pocket Book 2006

From UK Portraits, the Wine Intelligence segmentation of UK resident adult regular wine drinkers

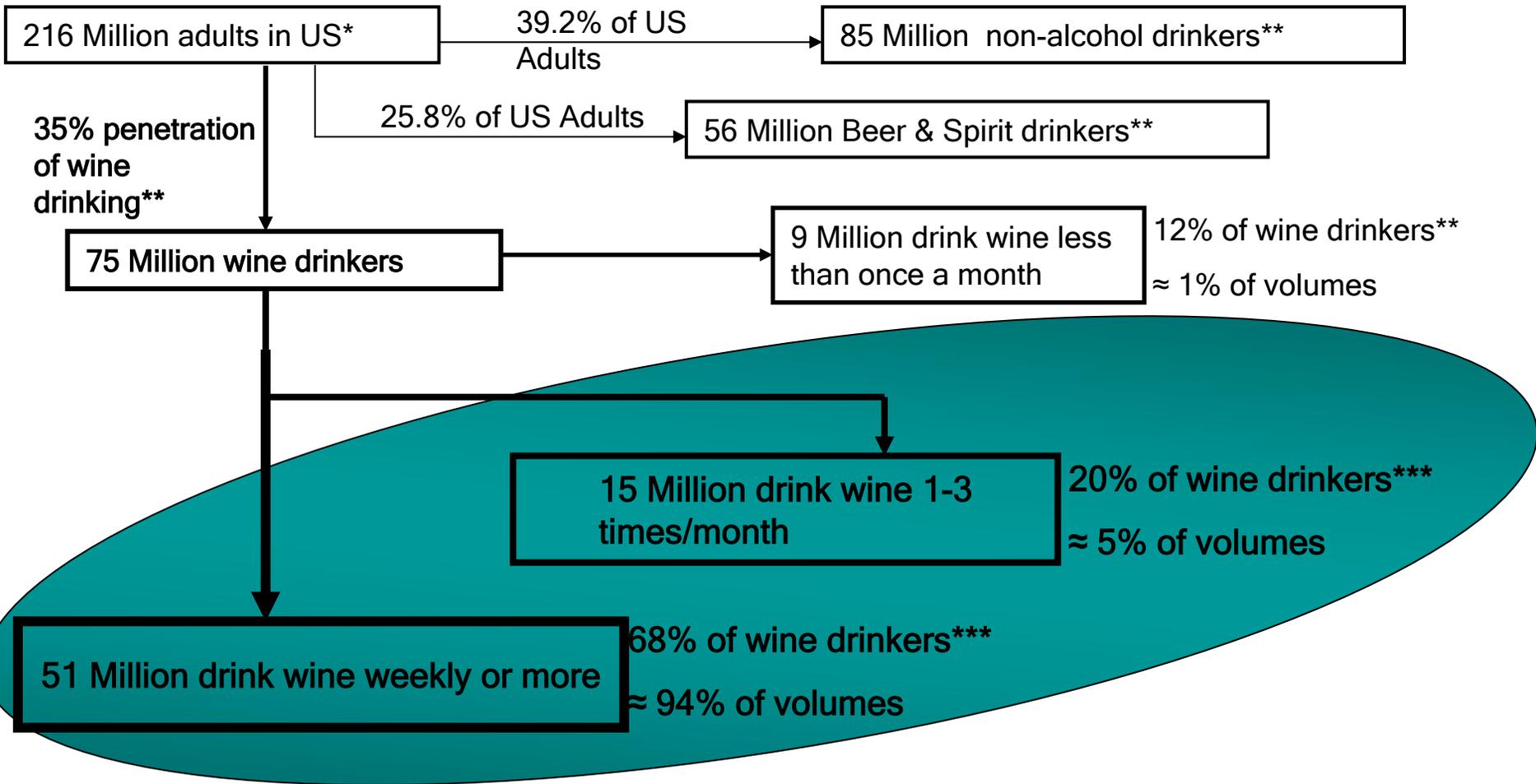


Methodology: the US sampling

GENDER			AGE			DIVISION		
Male	862	43%	21-24	71	4%	New England	156	8%
Female	1,153	57%	25-34	302	15%	Middle Atlantic	311	15%
TOTAL	2,015	100%	35-44	439	22%	East North Central	267	13%
			45-54	494	25%	West North Central	96	5%
			55-64	354	18%	South Atlantic	385	19%
			65 and over	355	18%	East South Central	55	3%
			TOTAL	2,015	100%	West South Central	141	7%
						Mountain	149	7%
						Pacific	455	23%
						TOTAL	2,015	100%



USA wine consumer landscape: 66 million regular wine consumers



Sources: *US census bureau 2007
 **Wine Market Council / Merrill Research survey , 2007
 ***Wine Intelligence, Vinitrac US survey, 2007 (n=4,015 US wine drinkers)



So, who are USA wine consumers?

About 75 million drink wine in the US, of whom about 66 million drink at least once a month and account for more than 88% of wine drunk in the USA
They are represented across all age groups, from the Millennial to the Swing/WWII generations:

Age group	21-24	25-34	35-44	45-54	55-64	65+
% of the US adult population*	10%	19%	20%	20%	14%	17%
% of the wine drinking population**	4%	16%	22%	24%	17%	17%
# of wine consumers (millions)	3	12	16.5	18	12.8	12.8

Source: *US Census Bureau; **Wine Market Council / Merrill Research survey , 2007

Country of origin: US consumers have a significantly smaller country of origin repertoire

Question:

From which of the following wine-producing places have you drunk wine in the past six months?

Argentina
Australia
Chile
France
Germany
Italy
New Zealand
Portugal
South Africa
Spain
USA
Don't know

	United Kingdom	USA
Total sample	1,009	2,015
Don't know	52	164
Valid sample	957	1,851

	United Kingdom	USA
Average number of countries consumers have drunk	5.1	3.4

Interpreting these Attribute/Source country maps

- some notes for reviewers

These brand maps show the relative strengths and weaknesses of each wine source country in terms of how closely it is associated with each of a selected range of consumer-choosing attributes

There are 10 positive attributes plus “know nothing about”
And 11 source countries including Portugal

The keys characteristics to use when developing interpretation are:

Strength of association – how close an attribute is to a source country

Distinctiveness – how far a source country is from competitors

“Pull factors” – what is causing source countries to be grouped in clusters of similar attribute profiles

Each chart has a centre-point indicated by the blue cross; attributes or countries positioned nearest to this cross show least differentiation

They either have good or bad scores on everything, so they do not differentiate on anything in particular

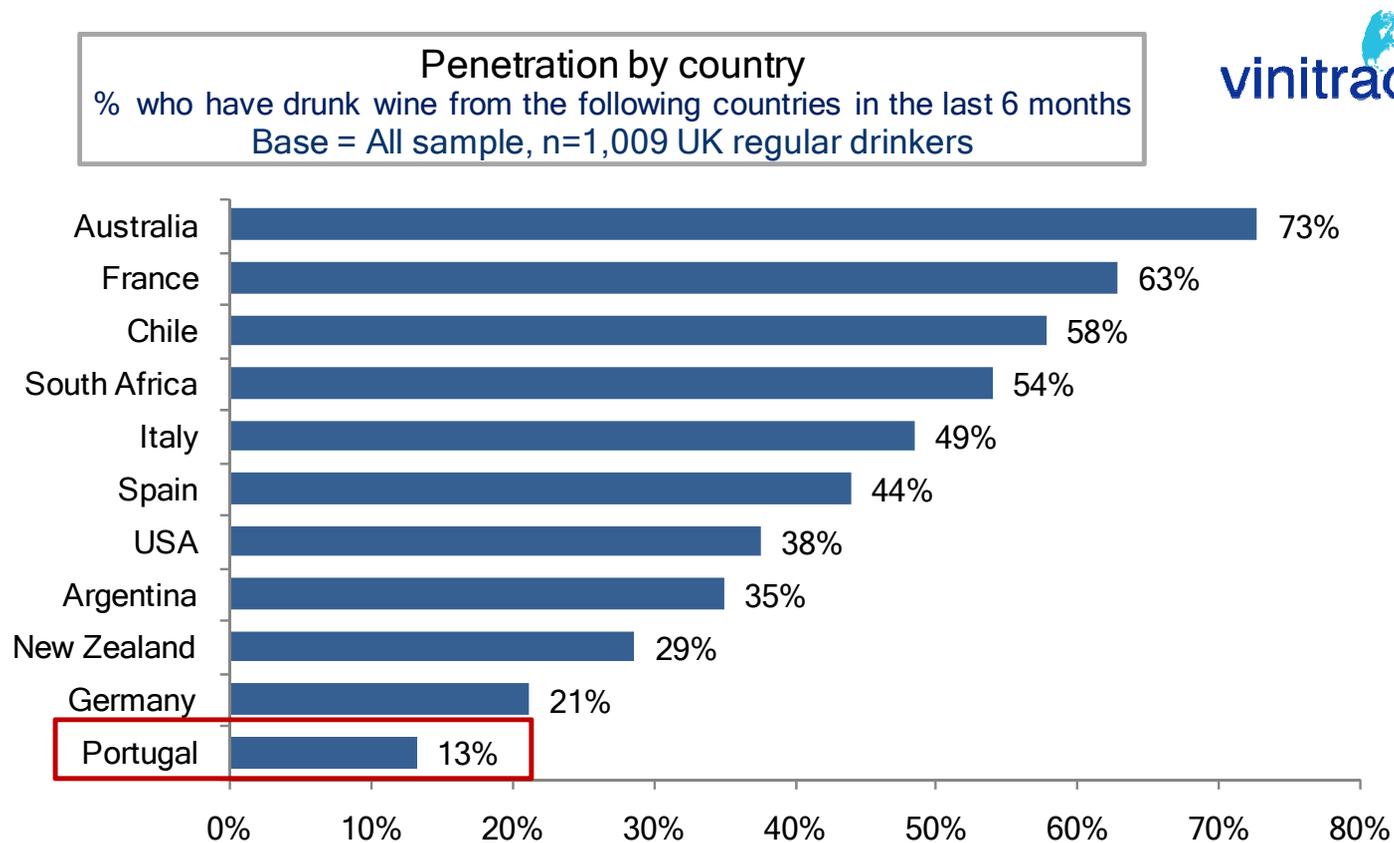
Furthest away from this centre-point equals strong differentiation on at least one attribute – which may be positive advantage for that country or not

The closer a country is to an item, the more they are associated with this item. The further apart from each other, the less they are associated with each other.

Section 2: UK Positioning

Penetration by source country - proportion of UK regular wine drinkers who have bought each source country in last 6 months

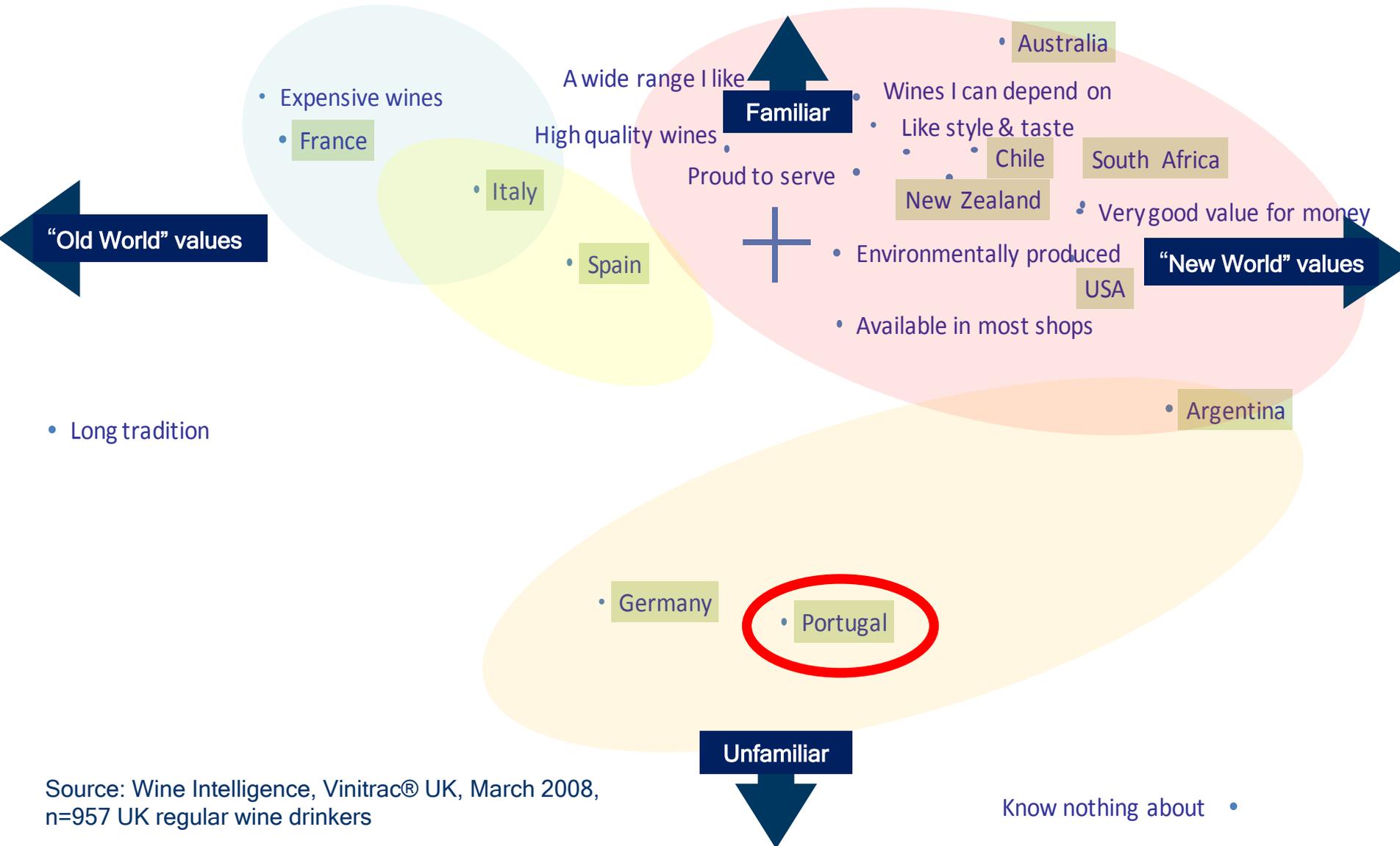
- 1 in 7 UK regular wine drinkers recall having drunk Portuguese wine in last 6 months



Source: Wine Intelligence, Vinitrac® UK, Jan 2008, n=1,009 all UK regular wine drinkers

Attributes and source countries

- Mapping for all UK regular wine drinkers



Interpretation - all UK regular wine drinkers:

- What are the learnings about attributes and source countries? 1 of 2

This mapping is characterised by two “pull factors” which link pull and countries together or push them apart:

Familiar/Unfamiliar
New World/Old World

Driven by these pull factors, there are 2 primary groupings or “clusters” of countries

The first of these groupings is an intense clustering of 5 new world countries around 5 attributes, seen by consumers as the strengths which they associate with these source countries:

Wines I can depend on
Like the taste and style
Very good value
. . . and also, to a lesser extent . . .
Proud to serve

Source countries in this cluster are . . .

Led by and epitomised by Australia

Also features S Africa and Chile . .

. . . and, to lesser extents, N Zealand and USA

And characterised by **Familiarity** which, for consumers, strongly equates to trust and convenience

Interpretation - all UK regular wine drinkers: - What are the learnings about attributes source countries? 2 of 2

and



The polarised opposite cluster is represented by **Long Tradition** and, to a lesser extent, **Expensive wines**

This cluster is epitomised by France and includes Italy
With Spain on the fringe

Three other key attributes straddle these two clusters:

High quality

A wide range I like

Proud to serve

And some attributes do not really impact this mapping significantly:

Environmentally produced

Available where I shop

While 3 countries are largely detached from these two clusters and the attributes that drive the clustering:

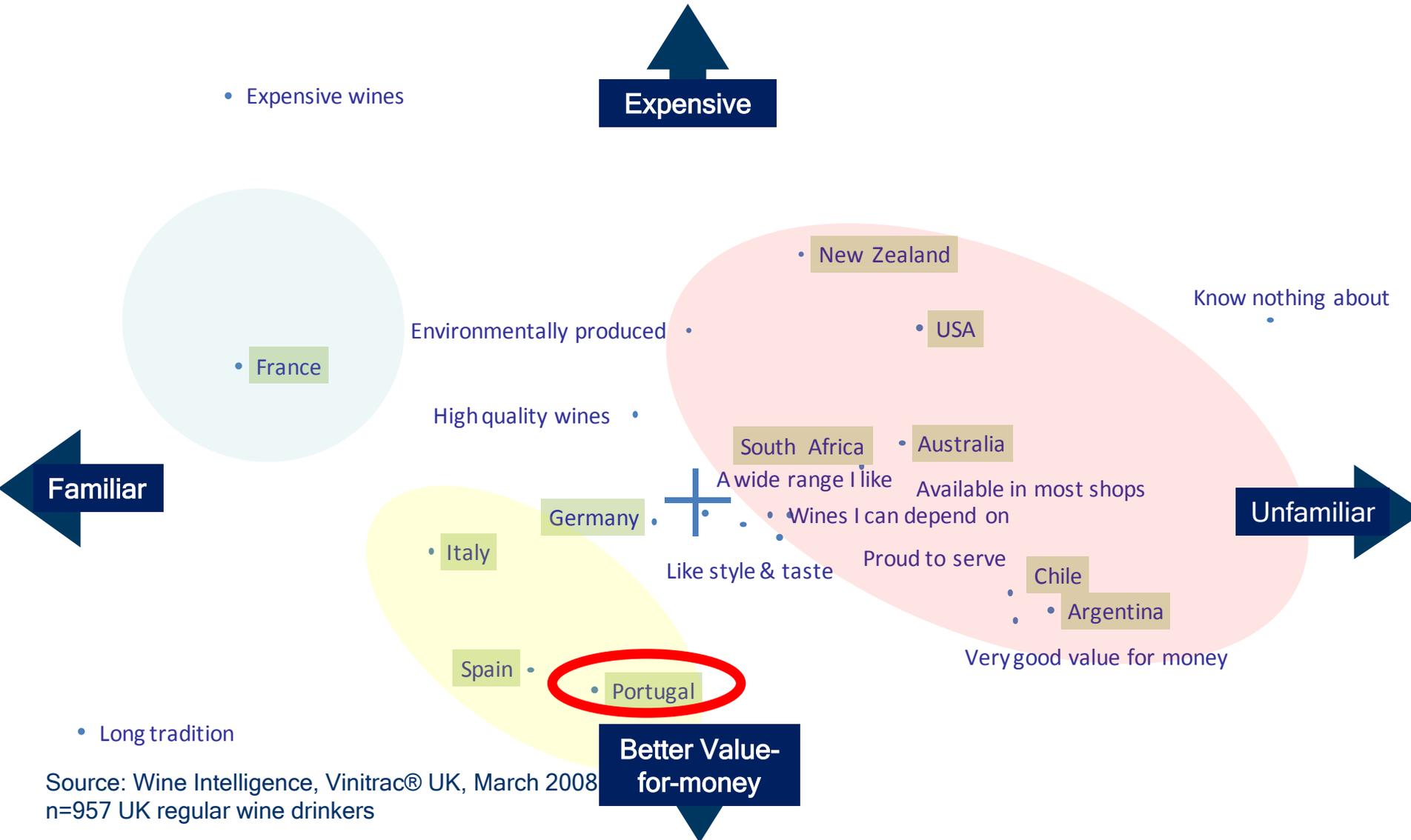
Argentina

Germany

Portugal

Attributes and source countries

- Mapping for UK drinkers of Pt wines



Source: Wine Intelligence, Vinitrac® UK, March 2008
n=957 UK regular wine drinkers

Interpretation – UK drinkers of Pt wines:

- What are the learnings about attributes and source countries? 1 of 2

This group of consumers produces a quite different mapping of attribute and source country relationships

The attribute/source country “pull factors” for UK consumers of Portuguese wines are primarily **Familiar/Unfamiliar** and **Value-for-money/Expensive**

Along this axis, this group of consumers feel more familiar with and identify their attribute preferences with the Old World countries:

Primarily France

Then also Italy and Spain

To a lesser extent Germany and Portugal,

Long Tradition and **Expensive** are the attributes most associated with this cluster

But 2 important attributes are not perceived by UK consumers of Portuguese wine to be associated with this cluster:

Available where I shop

Very good value for money

However, Portugal is positioned by these consumers as better **value for money** than Spain, Italy or France

Interpretation – UK drinkers of Pt wines: - What are the learnings about attributes source countries? 2 of 2

and



Again, there is a cluster of New World countries more closely associated with:

Wines I can depend on
Available where I shop
A wide range I like
Proud to serve

UK consumers of Pt wines tend to be **less familiar with** this cluster ,but do recognise the strong **value-for-money** attribute of Chile and Argentina

The source countries associated with this second cluster . . .

Pivots around Australia, closely followed by S Africa

Has Chile + Argentina now very closely associated with each other, and both identified most closely by UK consumers of Portuguese wines with **Very good value for money**

Within this source country cluster, USA and particularly N Zealand are more detached

No source country “owns” **High quality wines**, and only N Zealand is significantly perceived to be associated with **Environmentally produced**

Overall learnings for Portugal

Among the all-UK wine consumers, Portugal is very detached:

- From other source countries

- From the majority of wine-choosing attributes

Of the two detached source countries, Portugal is closer to **Know nothing about than** Germany, and further from **Long tradition**

Implications for Portugal among UK consumers who do not drink Pt wines are:

- Consumers will find difficulty relating the concept of wines from Portugal to countries they do drink

- For these consumers, Portugal does not immediately resonate with any of the key attributes they associate with the wines they do choose to drink

UK consumers of Pt wines do have a clearer identity of where Portugal stands and its strengths in choosing attributes, but:

- Portugal is less strongly positioned within this cluster than Italy, Spain or even Germany

- Portugal is not strongly associated with key choosing attributes, such as:

 - Wines I can depend on**

 - Available where I shop**

 - A wide range I like**

 - Proud to serve**

Leanings - how should Portuguese Wines consider positioning its global branding:

- some options to consider 1 of 2

1. The **Iberian** option

Project and promote similar attributes to those associated with Spain, to develop into “the alternative to Spain”

1st thoughts on this:

Not a battle that will be easily one – Pt will always be in the shadow of Spain

Not necessarily a strong long-term position to invest in trying to achieve

2. The “**Portugal equals the best of Old World winemaking**” option

Focus on the **Long tradition** and **High Quality** to compete with France

1st thoughts on this:

Potentially, a strong position to aspire to long term

Builds strong attribute-based separation from New World offerings

But a challenging and expensive branding route to invest

Leanings - how should Portuguese Wines consider positioning its global branding:

- some options to consider 2 of 2

3. The “**N Zealand of Europe**” option

Develop differentiation from rest of Europe based on a few strong associations, such as **High quality wines, Environmentally produced, or Proud to serve**

1st thoughts on this:

Again, a challenging and long-term destination to achieve

Might lead to an association with the attribute **Expensive wines** and thus special occasions only, which may not align with Portuguese Wines’ volume objectives

4. The “**Very good value for money**” option

Focus on value for money and everyday and informal-meal occasions

1st thoughts on this:

Already well-occupied by Chile especially and potentially by Spain

Other countries have found that this positioning prevents association with the **High Quality** attribute and thus access to upscale markets and occasion

High risk from a financial and profitability stand-point

Attribute and source country mapping:

- Some initial conclusions for Portuguese Wines

Whichever attribute high-ground Portuguese wines decide to adopt, there are two imperatives to focus on

- Build **familiarity** among UK consumers with what Portuguese wines stand for

- Build which set Portugal apart from adjacent source-country choices for consumers

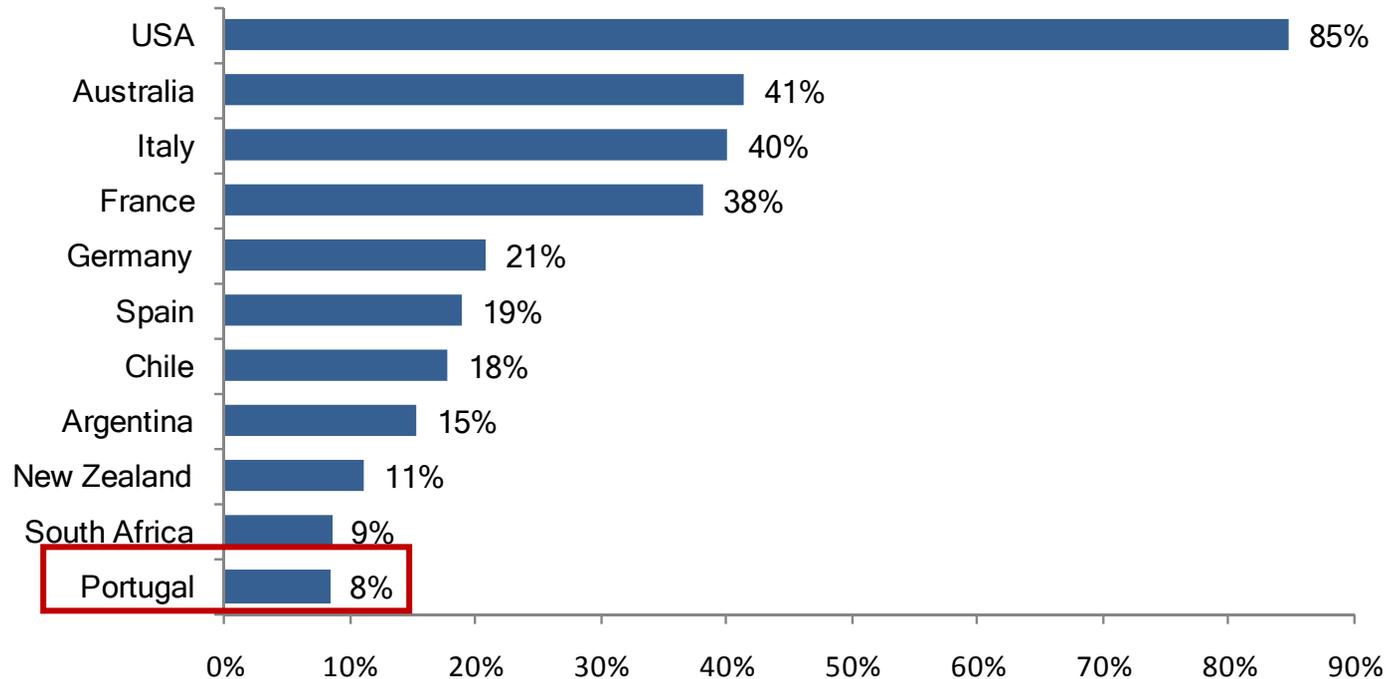
And, longer term, develop an attribute-led profile for Portuguese wines that transforms Portugal into a wine-choice destination for consumers, as countries such as N Zealand and France are for UK consumers today

Section 3: USA Positioning

Penetration by source country - proportion of US regular wine drinkers who have bought each source country in last 6 months

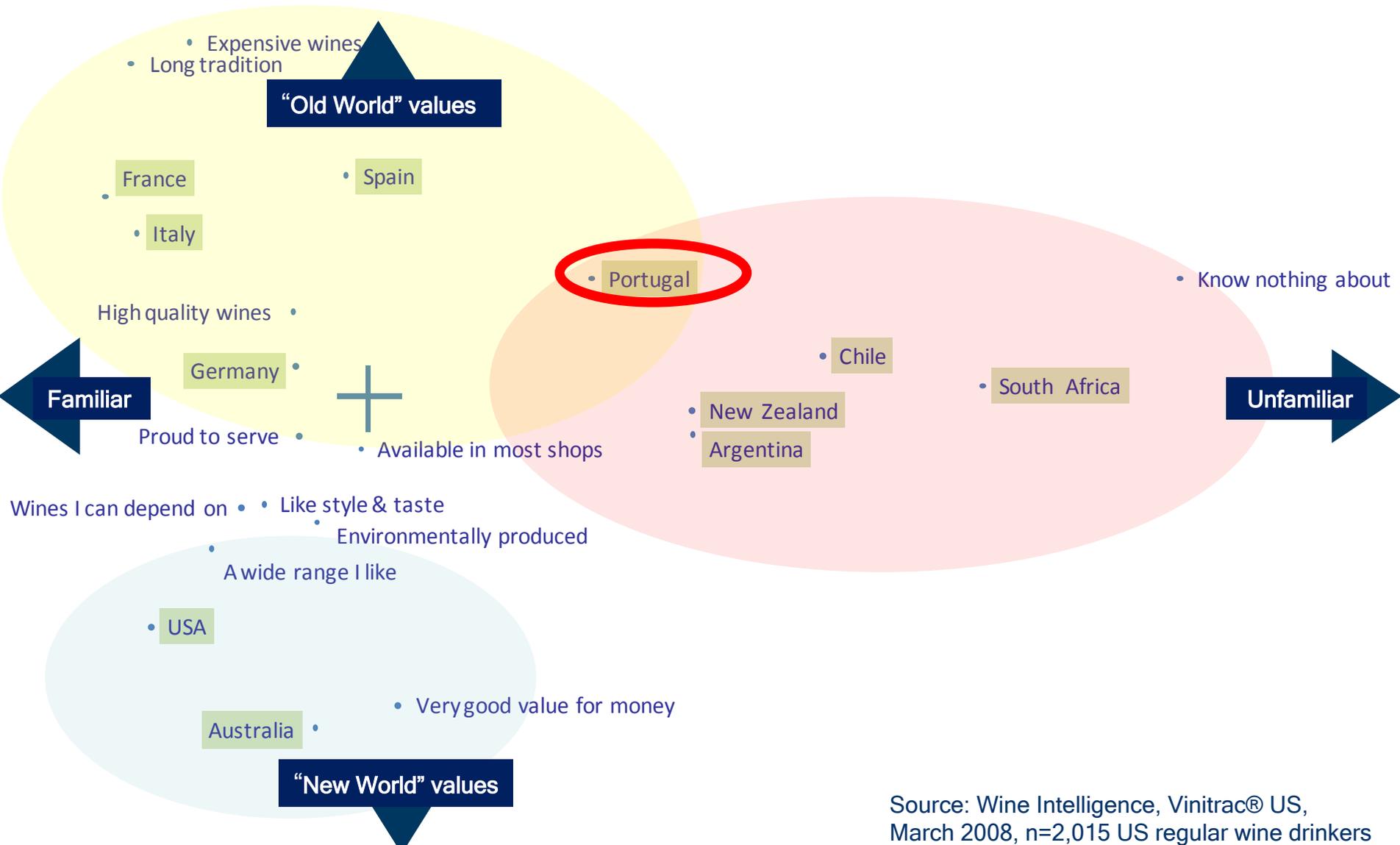
- ❑ 1 in 12 US regular wine drinkers recall having drunk Pt wine in last 6 months
- ❑ Similar levels of penetration in the US market to South Africa and New Zealand

Penetration by country
% those who have drunk wine from the following countries in the past 6 months
Base = All sample, n=2015 US regular wine drinkers



Attributes and source countries

- Mapping for all US regular wine drinkers



Source: Wine Intelligence, Vinitrac® US, March 2008, n=2,015 US regular wine drinkers

Interpretation - all US regular wine drinkers:

- What are the learnings about attributes and source countries? 1 of 2

- ❑ This mapping is characterised by the same two “pull factors” as in UK:
 - Familiar/Unfamiliar
 - New World/Old World

- ❑ But the attribute/source country clustering is very different to UK, primarily because of the dominance of the domestic product - USA wines

- ❑ Two clusters are pulled by the axis **Familiar**:
 - Those sharing New World attributes of **Wide range I like** and **Very good value**
 - Centred on USA wines, but also strongly features Australia
 - Those sharing Old World attributes of **Long tradition**, **Expensive** and especially **High Quality**
 - Centred on France and Italy, but also featuring Spain and Germany

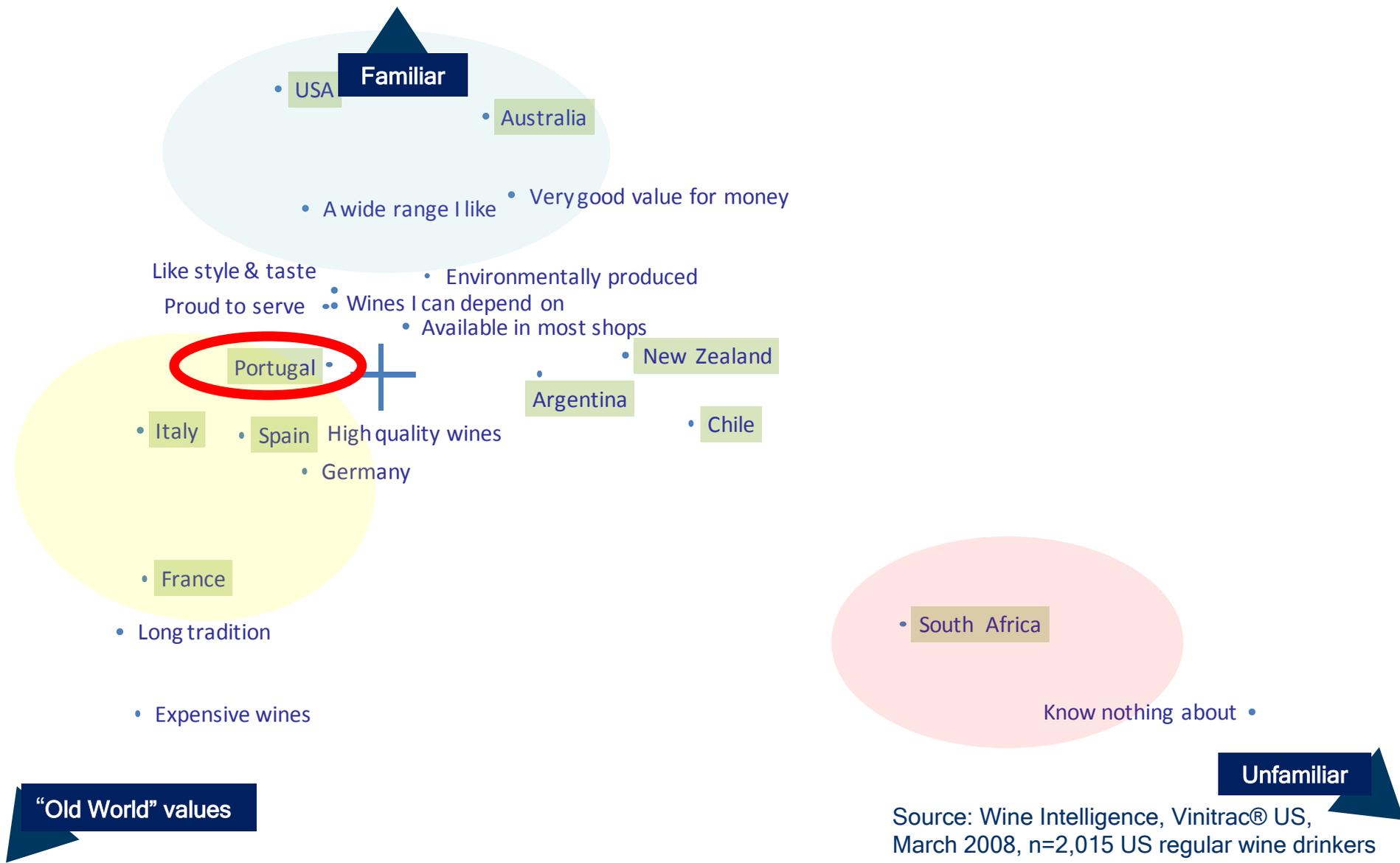
- ❑ Several attributes straddle these two clusters:

<ul style="list-style-type: none"> ▪ Proud to serve ▪ <u>Available where I shop</u> ▪ Wines I can depend on ▪ Like the taste and style ▪ Environmentally produced 	<p>Not strongly associated with either cluster</p> <p>Slightly more associated with USA/Aus cluster</p> <p style="text-align: center;">↓</p> <p>Significantly more associated with US/Aus cluster</p>
--	---

- ❑ Among all-US wine consumers, there is a 3rd cluster, pulled by the attribute **Know nothing about**, led by S Africa and also containing Chile, N Zealand and Argentina
 - With the latter two source countries more closely associated with the group of attributes that straddle the 1st two clusters (**Proud to serve . . . Environmentally produced**)
- ❑ Portugal appears to straddle this cluster and the Old World cluster and, of most concern for Portuguese wines, is not closely associated with any positive attribute
- ❑ This mapping does very usefully highlight the “Portuguese challenge”. With one or two minor exceptions, Portugal:
 - Is not the single source-country most closely associated with any one of the important attributes tested in this study
 - . . . and . . .
 - Is less associated with most positive attributes than are several competing source countries

Attributes and source countries

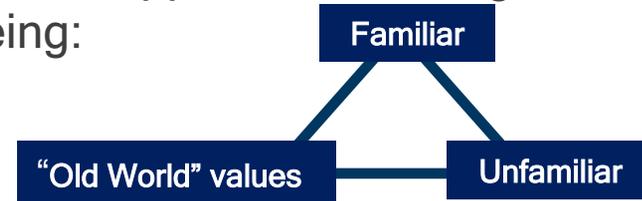
- Mapping for US drinkers of Pt wines



Interpretation – US drinkers of Pt wines:

- What are the learnings about attributes and source countries? 1 of 2

- ❑ The pull-factor axes for this group of consumers appear to be triangular rather than horizontal/vertical, with the 3 extremities being:



- ❑ These consumers generally seem to be more wine-involved - they are more able to associate attributes with source countries from their wine-consuming experiences
- ❑ The cluster with which this group is most **Familiar** is the USA/Aus cluster which, once again is most associated with attributes: **Wide range I like & Very good value**
- ❑ But the high ground of their wine experience is a source country cluster of Spain, Portugal, Germany and Italy, and centred most distinctively on **High Quality Wines**, but also exhibiting associations with the attributes:
 - Proud to serve
 - Available where I shop
 - Wines I can depend on
 - Like the taste and style
 - Environmentally produced

Interpretation – US drinkers of Pt wines:

- What are the learnings about attributes and source countries? 1 of 2

- ❑ There is also another New World cluster seen to share some affinity with these same attributes, represented by Argentina and N Zealand and, with weaker associations, Chile
- ❑ Finally, there are two extreme of attribute/source country associations among this group of consumers:
 - France - strongly associated with Long tradition and Expensive, but little-else
 - South Africa - just not well understood at all

- ❑ Unlike UK, there is some encouraging evidence in this study from which a potential positioning strategy could be developed
- ❑ This is based on the close and important association of Portugal with **High quality wines** among US drinkers of Portuguese wines
- ❑ However, this valuable association of attribute-to-source country is not unique to Portugal, with Spain, Germany and Italy near-equally associated with this attribute
- ❑ Therefore, Portuguese wines should consider what other attributes could be credibly associated with the Portuguese offer and communicated effectively through all channels - trade, influencers and consumers, based on this mapping
- ❑ Attributes to consider building “ownership” of for the brand-positioning strategy are:
 - **Wide range I like**
 - **Long tradition**
 - **Very good value**
- ❑ If this were achieved successfully, then a future brand mapping would show Portugal closely associated with these 4 (or other) attributes, and positioned separately from any cluster of competitive countries,

3

Estudo de Logótipo para a marca Vinhos de Portugal

Avaliação de duas propostas de logótipo e imagem veiculada para
o consumidor regular de vinhos no mercado dos EUA

Estudo realizado pela Wine Intelligence - Novembro de 2009

- ▶ Research structure and methodology
- ▶ Top line results
- ▶ Appendix 1: US Portraits

- ❑ Following the initial test in August, modifications were made to the logos and strap lines, and these are being tested a second time to determine consumer preferences
- ❑ All respondents saw the combined logos + strap lines and evaluated them for overall appeal, and possible associations with Portuguese wines
 - The sample then split in half at random, with one half of the sample evaluating the strap lines in isolation and the other half evaluating the logos
- ❑ This presentation focuses on findings for Generation Treeters and Premium Brand Suburbans only (the two most valuable Portraits groups in the USA)

Research methodology – Sample representative of US regular wine drinkers

- ❑ Data was gathered via Wine Intelligence's Vinitrac® online survey
 - Methodology: online surveys
 - Sampling strategy: quotas (age, gender, US States) / stratified
 - Data collection: between 5th and 19th of November '09
 - Screening criteria: Legal drinking age, drink wine at least once per month, drink at least red or white wine, buy wine in the off-premise and/or in on-premise

- ❑ The distribution of the sample was:

		USA
Gender	Sample size	2169
	Male	44%
	Female	56%
Total		100%
Age group	21 - 24	4%
	25 - 34	16%
	35 - 44	22%
	45 - 54	24%
	55 - 64	17%
	65 and over	18%
	Total	100%
USA Divisions	New England	9%
	Middle Atlantic	16%
	East North Central	13%
	West North Central	5%
	South Atlantic	19%
	East South Central	3%
	West South Central	7%
	Mountain	7%
	Pacific	23%
Total	100%	

The two sets of designs

DESIGN - A



DESIGN - B

Não reproduzido

How to read the scorecards

Designs we are testing.
They were always shown
in strict randomized order

Measures we want
to test

	All consumers	
Design	A	B
Measure 1	XX%	XX%
Measure 2	XX%	XX%



Red: statistically significantly higher than the other creative with a 95% confidence level

▶ US top line results

WHAT WE ASKED?

Logo / advert / strap line appeal

[ALL SAMPLE]

Looking at the two *logos/adverts/strap lines* below, which design/concept do you find the most appealing?

Please click on the logo you find most appealing



→ Participants click on their preferred design



Random rotation

THE SCORECARD

Logo and strap line appeal

Design	US target wine consumers (n=953)		Generation Treaters (n=307)		Premium Brand Suburbans (n=646)	
	A	B	A	B	A	B
Appeal of the logo + line	57%	43%	56%	44%	58%	42%
Appeal of the logo only	59%	41%	56%	44%	60%	40%

Source: Wine Intelligence, Vinitrac® US, November '09, n=953 US target wine drinkers



US target wine consumers =
“Generation Treaters” +
“Premium Brand Suburbans”

THE SCORECARD

Logo and strap line appeal



	21 - 34		35 - 44		45 - 54		55 and over	
Design	A	B	A	B	A	B	A	B
Appeal of the logo + line	48%	52%	56%	44%	58%	42%	66%	34%
Appeal of the logo only	50%	50%	59%	41%	58%	42%	70%	30%

Source: Wine Intelligence, Vinitrac® US, November '09, n=953 US target wine drinkers



US target wine consumers =
“Generation Treaters” +
“Premium Brand Suburbans”

WHAT WE ASKED?

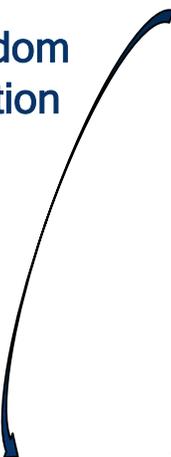
Associations

[ALL SAMPLE]

Please tell us which of the design more effectively expresses each of the statements

Please click one box only for each statement

Random rotation



	<i>This advert more clearly expresses statement A</i>	<i>This advert more clearly expresses statement B</i>	<i>Neither advert expresses this statement</i>
Would encourage me to buy Portuguese wines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wines I would like the style of	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wines of high quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wines I can depend on	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wines I would be proud to serve	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wines which offer value for money	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wines I would like to talk about	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wines I would recommend to friends and family	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

THE SCORECARD – Logo only



Design	US target wine consumers (1/2 sample) (n=493)			Generation Treeters (n=162)			Premium Brand Suburbans (n=331)		
	A	B	N	A	B	N	A	B	N
Wines I can depend on	40%	27%	33%	40%	27%	33%	40%	27%	34%
Wines which offer value for money	28%	41%	31%	28%	38%	33%	27%	42%	30%
Would recommend the wine from this region to friends and family	42%	30%	28%	37%	33%	30%	44%	29%	27%
Wines of high quality	54%	24%	22%	49%	25%	25%	56%	24%	21%
Wines I would be proud to serve	50%	29%	22%	43%	31%	27%	53%	28%	19%
Wines I would like to talk about	43%	37%	20%	46%	35%	19%	41%	38%	21%
Would encourage me to buy Portuguese wines	49%	37%	14%	45%	36%	19%	51%	37%	12%
Wines I would like the style of	50%	39%	11%	45%	40%	15%	52%	39%	9%

Source: Wine Intelligence, Vinitrac® US, November '09, n=953 US target wine drinkers

THE LOGO ONLY

- Once again Logo A is preferred to Logo B, with a slightly greater margin of preference relative to the logo + strap line test
- Logo A again scores most highly for “wines of high quality”, “wines I would be proud to serve”, “would encourage me to buy Portuguese wines” and “wines I would like the style of”
- Once again, the age differences are notable. There was no majority for Logo A or B among 21-34s, while 70% of 55+s preferred Logo A

▶ Razões de preferência: Análise qualitativa

Muito mais do que apenas 'Prestígio' e 'elevada qualidade'

Menos design apenas e mais Significado e contexto:

Qualidade e prestígio

Beautiful / inviting look / font is beautiful, colours are gorgeous.../ Colours and font look elegant
A professional look / Looks dignified / More sophisticated / Different and distinctive
Looks modern and rich

Festive and sophisticated /More vivid/The label is calm, warm and inviting.

Valoriza o background /retira-lhe agressividade/projecta a mensagem

The background /The font and slogan, background makes everything stand out /The contrast make the label stand out
The darker colour makes it look more distinctive/the black background making everything else stand out perfectly
Colours jump out and the logo is **very different from all other wines out there. I would remember it.**

Uma identidade Portuguesa e de Old World

The design and colours used remind me of Portugal. Very creative!
Very clear where it is from/The artwork represents Portugal
Looks more cultural / Reflects traditions/ Has tradition/ Implies tradition and culture
it's classy and classic looking / Mantains an old elegant look to match wines of France and Italy
Appropriate for a culture rich in art and architecture. Fine wine is an art.
Looks like a old world brand with a modern twist / Looks european and old world/ Old world design

Uma evocação de produto com maior riqueza e profundidade

Has a good **character** / shows more **character**
It is **tasteful** / Classy and tasteful
Represents a wine
Colours that corollate a **rich** and **robust** wine / Deep and rich colour evocative of **large qualities** I get the feeling of richness
The 'p' means '**craftsmanship**' which is what the wine is all about/I associate with old world craftsmanship
A product you would **enjoy**

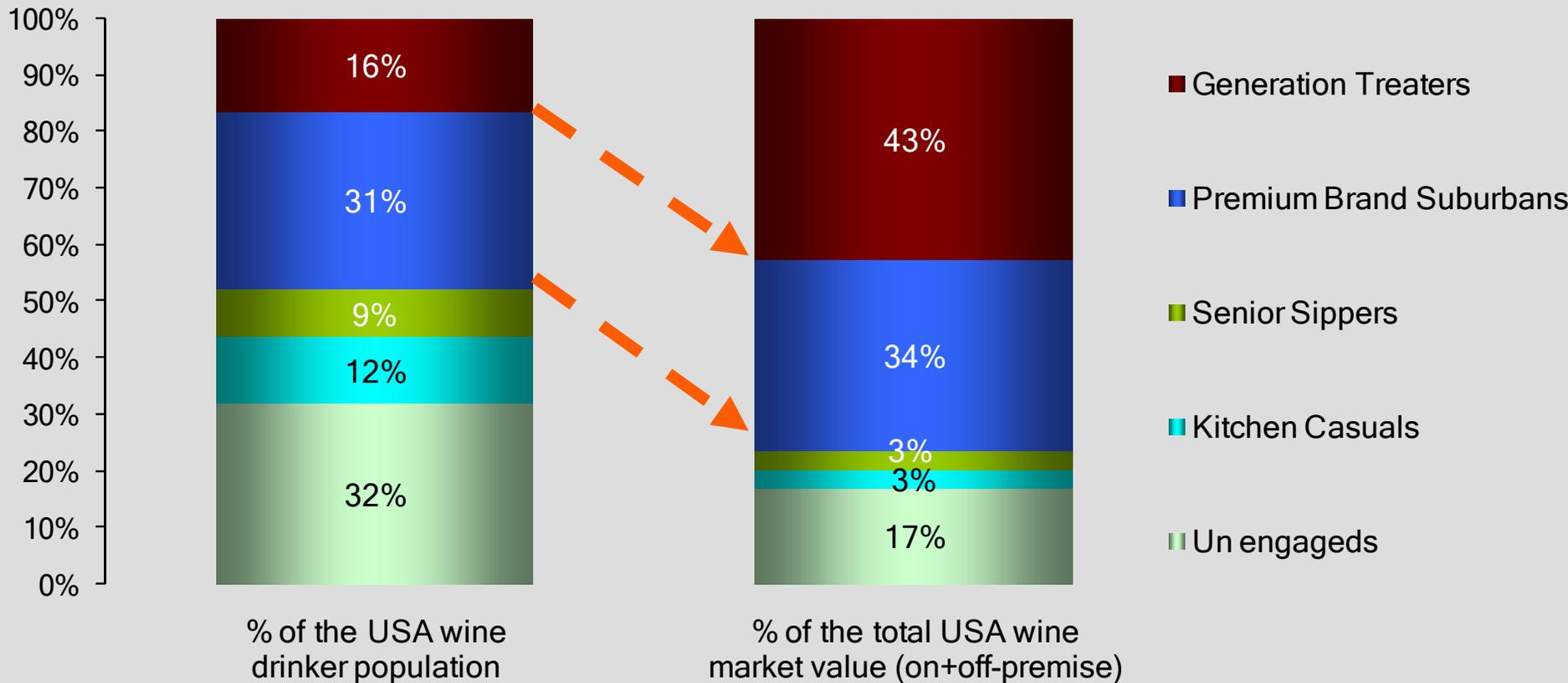
Cria maiores expectativas

Makes me want to find out more about the wine / Makes me curious enough to look further /It intrigues me
Looks imposing and impressive. Not at all cheap /Stand out on a shelf

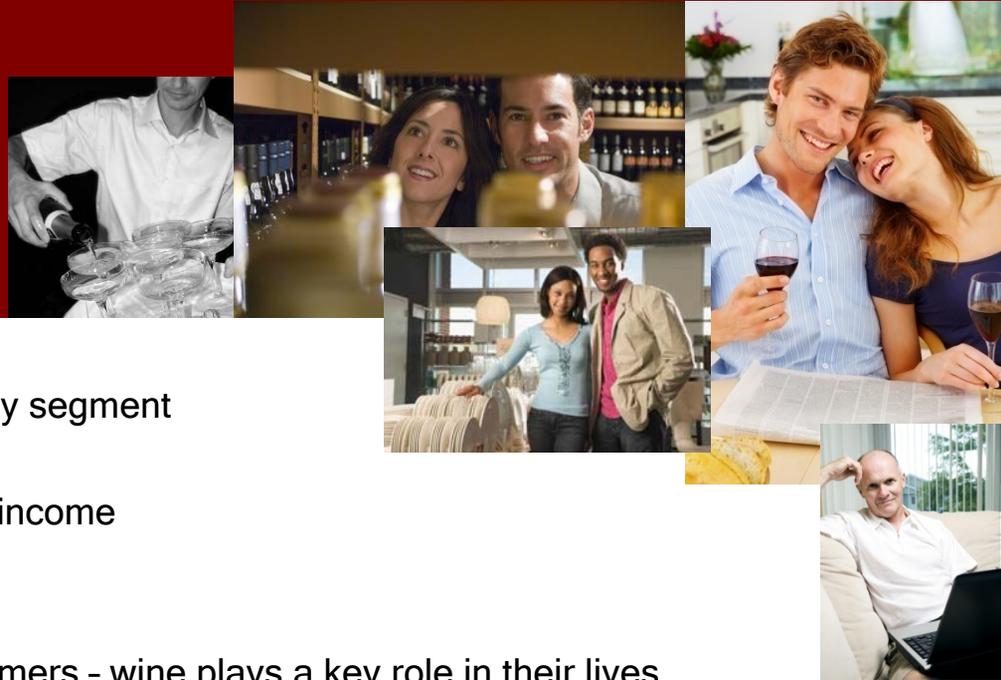
▶ Appendix: 1 US Portraits

48% of USA wine drinkers account For 76% of total market value

Relative importance of USA Portraits
Base=All USA regular wine drinkers; n=4,067



Generation Treaters



Who are they?

- ❑ Highest proportion of males (at 58%) of any segment
- ❑ Highest income segment of all -
 - ❑ with 1 in 3 claiming \$100,000+ annual income
- ❑ Concentrated around the 25-44 age group

When & where do they drink?

- ❑ Highly involved and interested wine consumers - wine plays a key role in their lives.
- ❑ Very frequent drinkers from both the off and on-premise - nearly 90% of Generation Treaters drink wine once a week or more
- ❑ High on-premise consumers, all of them use restaurants and 3 in 4 visit bars - wine forms an integral part of their social lives, for both formal and informal occasions

What do they spend on wine?

- ❑ **The high spenders;** 1 in 3 state an average off-premise spend of \$20+/bottle, compared to just 8% for all USA wine consumers. This is mirrored by high on-premise spend
- ❑ Social status and “luxury” over-rides price and promotion when it comes to choosing wine, although they still search for value at their price point

When I buy, I get at least 3 cases at a time - the special stuff gets laid down for guests and the 'everyday wine' goes in the wine refrigerator upstairs

Premium Brand Suburbans



Who are they?

- At a 43% / 57% male / female, this group has a very similar split to the all-USA average of 42% / 58%
- This group tends to occupy the middle age groups, 50% are aged 35-54
- Income distribution broadly reflects all USA regular wine consumers, with a slight bias towards household incomes of between \$70,000 and \$100,000

When & where do they drink?

- Along with Generation Treaters, Premium Brand Suburbans are the highest frequency wine drinkers. 65% drink wine more than once a week, well above the USA average of 49%
- Wine drinking is both at home and in on-premise - for a mix of casual, formal and food and non-food occasions with the focus on the informal

What do they spend on wine?

- Premium Brand Suburbans are middle ground spenders, with 51% claiming \$10-\$14.99 as their average off-premise spend
- Value seeking is of the utmost importance - they seek value for money at all price points.
- Average spend in the on-premise - but not 'trading' up for the special occasions as much as Generation Treaters

I have chosen a lot from Australia lately because it is very economical and very good
- Chile too

I have a competition with my brother to see who can get wine for less