



INNOVATIVE SPIRITS

Vintners, brewers and distillers are on the leading edge of packaging creativity

BY DOUG BURN

When it comes to producing creative new packaging design and uses the alcohol industry often leads the way. Wine, beer and spirits producers are well aware of the marketing potential unique packaging and design offers them, enabling them to stand out amongst the dozens of rival brands on beer and liquor store shelves. Premium wines in Tetra cartons, premium beer in 200-mL bottles, and mixed cocktails in decorated glass cocktail shakers are just a few of the exciting innovations the beverage alcohol sector has recently introduced.

Wine Uncorked

The traditional wine bottle with cork stopper still dominates the premium wine sales segment in North America, but alternatives are rapidly growing their small share of the market. An increasing number of vintners are now adopting screw caps for their premium wines to reduce their losses from tainted corks that, by some estimates, contaminate one bottle in 20. According to the Liquor Control Board of Ontario (LCBO), its stores now stock 170 wines in screw caps. And while most are used for 1.5-L and 750-mL bottles of value-priced wines, 25 are for premium wines and another 25 for Vintages wines. That number is expected to grow in the near future, as many California and Oregon vintners are converting some or all of their premium wines from corks to screw caps. And if consumers already trust the brand, they're often willing to accept the same wine in a different package.

The LCBO is counting on that reasoning to support its recent commitment to listing products that feature more environmentally friendly packaging. Earlier this year Canada's biggest wine and liquor retailer invited its suppliers to adopt containers that reduce packaging waste, allowing it to raise the proportion of LCBO packaging recovered through the province's Blue Box recycling program to 80 per cent from the current 64-per-cent level.

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France's third largest winery, the Boisset Winery, accepted the challenge and introduced a one-litre Tetra Prisma aseptic carton for its popular French Rabbit wines (including cabernet sauvignon, merlot and chardonnay). The products were shelved in LCBO stores in early July and sales doubled over the four weeks to 10,000 cases worth \$1.5 million. This actually preceded the official Aug. 6 launch and promotion by the winery and the LCBO. Because the Tetra Prisma packaging uses 90 per cent less packaging than a comparable glass bottle, the retailer was able to offer consumers one litre of their favourite wine for \$12.95, the same price they were paying for the 750-mL bottle. LCBO chairman and CEO Andrew Brandt, speaking at the time of the launch, noted that “French Rabbit is the first of several premium wines in Tetra containers the LCBO will be offering this year.” Soon after, Constellation Wines, the world's largest vintner, launched its California-made Vendange shiraz and chardonnay wines in 500-mL Tetra Prisma packages.

More to Choose in Brews

The aluminum beer can acquired some useful new features this year. In May, Labatt introduced the Labatt Blue Cold One, the world's first insulated beer can featuring DuPont's Cool2Go wrap, a thin thermal barrier that protects beer from condensation and keeps it cold longer. And in June, Broomfield, Colo.-based Ball Corporation, North America's

largest manufacturer of specialty beverage cans, introduced laser-incised pull-tabs for beverage cans. The solid, coloured tab provides space for a small “billboard” for brand identity, advertising or promotional messaging.

Last year aluminum had already raised the stakes in its competition with glass for beer bottling supremacy with CCL Container's launch of the aluminum beer bottle. Pittsburgh Brewing adopted the 12-oz. (341-mL) aluminum bottle for its Iron City beer, and was named one of *Business Week's* Best New Products of 2004. This spring Molson launched MolsonKick, a new beer with guarana in a 341-mL CCL bottle similar to the one produced for Pittsburgh Brewing. “MolsonKick was an important stepping stone, but with the launch this summer of our Body Shapes technology we are no longer limited to shaping the top third of the bottle,” says Ed Martin, vice-president of Sales and Marketing for CCL Container. “Body Shapes allows us to shape the entire bottle with dramatic curves and contours in the same way glass and plastic bottle makers can but without the high cost of custom moulds.”

Smaller bottles and cans are also gaining popularity among brewers. Last year Molson introduced Cold Shots (for brands Molson Canadian, Molson Dry and Molson Ultra) in



MolsonKick is sold in a 341-mL aluminum bottle from CCL Containers, produced using the manufacturer's new Body Shapes technology.

slim 250-mL aluminum cans from Ball Corp. Until now, the can has been almost exclusively used for energy drinks, following on the success of Red Bull. And while 200-mL (seven-ounce) glass “splits” have been sold in bars for over a decade, they have only recently carved out a niche on retail shelves. Brampton, Ont.-based Cool Beer Brewing launched its 200-mL Cool Minis in 2002 and Corona Extra followed suit a year later. John Bordignon, director of Marketing and Promotions for Cool Beer, credits founder and CEO Bobby Crecozous with developing the Mini, which appeals to consumers looking for something less filling than a standard 12-oz. beer.

Toronto-based Mill Street Brewery also chose a small, 195-mL bottle when developing its premium organic beer, reasoning that a light (4.2-per-cent alcohol by volume) beer in a smaller bottle would appeal to consumers looking for an organic product that also emphasized moderation. Since the launch of the brewery and its Mill Street Original Organic Lager in December 2002, the company has introduced other beers, first in stubbies and now in standard 341-mL long-neck bottles. President and brewmaster Michael Duggan resists pressure from consumers and bars to bottle the Organic Lager in standard-size bottles for practical and aes-

thetic reasons. For instance, he says, the high costs of imported organic ingredients, including hops from New Zealand, would require a price point that would discourage sales. If and when ingredient prices decline he would nonetheless be wary of going to a standard bottle. "I feel strongly that the organic nature of the product is

compromised when you introduce a larger format," says Duggan. "Where's the health and moderation in that?"

Polyethylene terephthalate (PET) plastic bottles may be making a comeback among craft brewers after being largely abandoned by the major breweries following bottle throwing incidents at NFL games in Cleveland and

New Orleans in December 2001 that led most stadiums to ban them. Waterloo, Ont.-based craft brewer Brick Brewing was the first Canadian brewery to offer some brands in PET in 2001. While founder and executive chairman Jim Brickman says the PET bottled beers had some trouble gaining consumer acceptance due to their novelty, he dropped the line only because the company needed to rationalize its brands and packaging. Brickman is nonetheless confident that public acceptance will grow. "I think PET has a lot of merit, and we will get back to PET in the future," he says.

In February last year, apple juice processor Frank D'Angelo gambled that the time was right for PET when he opened his Steelback Brewery in Tiverton, Ont. The brewery's first three beers and the six that followed are available only in PET bottles, and feature body sleeve labels that resemble hand-painted bottles. Although the brewery is currently shipping 10,000 24-bottle cases a week to Ontario beer stores, D'Angelo has the plant capacity to produce 15 million cases per year and plans to expand distribution across Canada this fall. According to Marketing director Mike Cecere, PET bottles are more hygienic than glass as they are made from virgin resin, and are safer for bottling line workers and consumers as they are unbreakable. The only downside, says Cecere, is the higher cost of PET bottles compared to glass, and because Steelback must compete on retail shelves with glass bottles "we have to eat the margins."

Distilleries Get Creative

Liquor sales, after almost a decade of slow growth, have begun to soar as a younger generation continues to discover cocktails. In 2002, the strongest growth in alcohol sales was in spirits-based coolers. Since then demand has broadened to include pre-mixed cocktails, as well as the spirits and liqueurs to create cocktails from scratch in bars and at home. Sales growth has been concentrated among premium and super-premium brands, both domestic

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and imported. In fact, vodka – the most popular spirit for mixed drinks – now matches Canadian whisky in sales, despite the fact that it accounted for just half of rye’s volume in 1990.

The trend to cocktails and premium liquor brands began in the U.S. two years ago, says Michael Riley, the LCBO’s business unit director for spirits, adding that the trend is now gaining momentum in Canada. “One of the key drivers is the distillers’ revamping their packaging in the last two years,” he says. “All the deluxe and premium brands have moved out of standard bottles and into signature bottles, the goal being to create iconic bottles, such as the Absolut vodka bottle, that really stand out in bars and on retail shelves.”

Distillers are focusing their packaging redesigns and marketing on the 25-to-35-year-old market because generally this consumer group has not yet formed strong brand loyalties and are now establishing careers that allow for more nights out with colleagues and entertaining at home. “The bottles are designed for the back bar, which is typically backed by mirrors but dimly lit,” says Riley. “The bottle should reflect well against the mirrors and have a distinctive shape. Great shoulders really stand out.”

Two distinctive bottles introduced this summer as part of Smirnoff’s Signature series of cocktails and Wyborowa’s super-premium Single Estate Vodka illustrate just how effectively a bottle can communicate style and function. The 750-mL and 1.75-L glass bottles for the Signature vodka-based cocktails are moulded into the shape of cocktail shakers by Toledo, Ohio-based Owens Illinois and shipped to Serigraphie Richford in Pointe Claire, Que. There they are sprayed with a silver-colour powder coating and oven-cured to look like metal cocktail shakers. The bottles are then returned to the U.S. for filling and labelling. “In the last two years we’ve really witnessed a huge growth in decoration for liquor bottles,” says Rishee Behl, vice-president of Serigraphie Richford. “We’re swamped with project inquiries.”

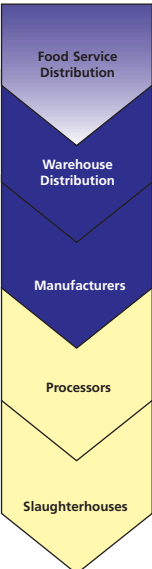

To ensure its product stands out amongst the competition, Wyborowa went as far as enlisting renowned architect Frank Gehry to design the bottle for its Single Estate Vodka bottle. Because the intent was to promote the brand as vodka so pure you can drink it straight, Gehry designed a shot glass in the shape of an ice cube to fit over the cap. The result is an eye-catching bottle featuring an amalgam of dramatic, strong lines and sleek curves.

So why wait for the next trade show to discover new packaging ideas for your salad oils, fruit juices, jams and condiments? Just drop by your local liquor or beer store. Expense the trip to research and development.



Wyborowa’s Single Estate Vodka bottle was designed by architect Frank Gehry.

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