

THE DUTY FREE SUCCESS

While duty free is a lucrative market with a captive audience, it's not easy to enter. One Italian company has found international success, says Felicity Carter, because they've paid attention to packaging and branding, as well as to wine quality.

The packaging is striking: a bottle that appears to be made of gleaming gold. Inside the bottle is a well-made sparkling wine which impressed the non-wine expert consumer who tried it one afternoon. But if that consumer wants to try it again, she's going to have to buy an airline ticket, because the Bottega Gold is found almost entirely in airport shops.

Packaging paydirt

When master distiller Aldo Bottega died in 1983, the distillery he'd founded with his wife Rosina passed to their children, Sandro, Barbara and Stefano. The company is headquartered in Castello Roganzuolo, about 30 miles from Venice, Italy, with a state-of-the-art distillery located in Pianzano. The company is headed by the energetic Sandro, who is variously described as a race car driver, singer, tennis player and art lover; under his guidance, the company has acquired an olive oil producer, a line of organic foods, and mineral water, and also expanded into liqueurs. It also has a share of a Venetian glass company, an acquisition that gives Distil-

leria Bottega the ability to keep total control over its packaging.

Today, the company's grappa accounts for around 70% of the global market and includes a well-known brand called Alexander. But in 1992, Distilleria Bottega entered the wine market with a Prosecco. "We are located in the Prosecco area and, at that time, Prosecco sparkling wine had begun to be popular," explains Giovanni

Savio, the company's press officer. In 2009, the company acquired a new winery, adjacent to the head office in Bibano di Godega, and extended its production to Valpolicella and Montalcino in Tuscany. But although the grapes for the sparkling wine come from the DOCG Conegliano Valdobbiadene Prosecco area, the company can no longer call it 'Prosecco'. The Bottega Gold's packaging violates the new Prosecco laws introduced in 2009, and so the wine is now

labeled 'Glera', after the new name of the grape. Fortunately, the name of the wine - of which 100,000 bottles are produced - is not as important as it would normally be, because the Bottega Gold is being sold in duty free.

By the time the company began to sell into duty free, their grappa already had a strong presence there. That experience had taught the company about the need for special types of packaging. The grappas are sold in hand-blown glass bottles, some of which are so beautiful they have been exhibited around the world by the Italian Cultural Institute; consumers often buy the grappa because they want to collect the bottle. "For this reason, we wanted to give the wine a luxury pres-



Bottega Gold, left, and the leather-clad Amarone Prêt-à-Porter, right.

entation, and gold was a good opportunity for us," says Savio.

The gilding technique used to create the gold bottles is a secret, but Savio will say there were two main reasons for developing it. The first is that the gold wrap protects the wine from light, which can be a real problem for a delicate product that must sit under the harsh lights of an airport duty free section. Not only that, but the gold is so distinctive, it can be seen at a distance and clearly signals that the wine is a luxury product.

"Duty free is both a difficult and profitable market," says Savio. "We cannot put into the market anything that is wrong for this kind of market. The bottle size is also important - the product has to be easy to handle and transport, with a great appearance that will attract people."

Sandro Bottega says that the packaging represents about 50% of their sales success. "In duty free, the consumers usually have no time to lose, and are especially attracted by innovation and elegance," he says. Once you can attract the consumer's attention, being in duty free has a great upside. "Duty free is a display to the world and one of the best ways to promote a brand." Not only that, but "the consumer tries to buy more in the duty free channel than in the domestic one."

Getting to market

As to how the wine gets to market, it's either delivered to operators who put the product in the duty free section, or delivered directly to the airport company that takes care of the specific duty free area. Supplying duty free can be very stressful, according to the company, because duty free and airline schedules are tight, and having transporters capable of tight turnarounds is crucial. The wine costs around €18.00 (\$23.00), depending on the airport, and the main duty free markets targeted are Asia. "We are present with this bottle in Singapore, in China and in Dubai. All of these markets are growing," says Savio.

Inside the US, the wine also goes into casinos, nightclubs, restaurants and hotels. Martin Peters, from Palm Bay International, the US distributors of Distilleria Bottega, says the packaging does 95% of the work in attracting interest. "It's such a point of difference," he says. "I've never been in a meeting where people haven't said 'what is that? I need to know!'"

He says the packaging gives the wine

He says the packaging gives the wine 'displayability', because it can be used to dress bars and restaurants, "especially gold themed places. The casino is all about luxury and people feeling like they have a lot of money, so any time you can mix gold with that arena, you have a good fit," he says, adding that casinos like giving bottles of the wine to their high rollers. "They will leave it in the rooms as a way of attracting customers. It looks like it should cost \$100.00."

Peters says Sandro Bottega's talent for packaging has paid off with all of his products, from his grappas to the sparkling Moscato, Petalo Il Vino Dell'Amore, which has a rose on the bottle. "It's very geared towards Valentine's Day and Mother's Day." He adds that the packaging works so well because the wine quality is very good, though he adds his company hasn't yet "taken a position" on the company's still wines. "Sandro's very artistic," he says. "I have to slow him down - he's one of the most passionate men I've ever met, who throws himself into everything, but who is also willing to listen and to try and understand the market."

Wine now represents 50% of Distilleria Bottega's production. They have also produced 2,000 bottles of Amarone Prêt-à-Porter, clad in a distinctive white leather label, created by American Denise Focil, known for her leather jackets. There are more wines coming: Petalo Pink, a "Moscato sparkling wine in a charming pink bottle produced with the same technique of Gold," according to Sandro Bottega. There will also be Black Diamond, a sparkling wine project that's still on the drawing board. But its packaging will be sensational, according to Bottega, consisting of a "precious dark grey bottle produced with the same technique of Gold, embellished with a series of small brilliants representing the name Bottega."