



# Achieving Brand Synergy

## Improving US Importer and European Supplier Brand Strategy

### Overview:

In this report, we look at the benefits of working with Will Fuhrman and hiring Yuzu Solution by analyzing the processes and results of his engagement with a National US Importer (aka Importer) to improve its strategy and outputs with a key European Wine Supplier (aka Supplier).

### Key Takeaways & Results:

- Business: Successful repositioning of Supplier wine range within Importer portfolio by terminating a loss volume Direct Import (DI) business, cleaning out older vintages from Importer and Distributor warehouses and focusing on high Gross Profit (GP) wines
- Packaging: Impactful redesigning of closure, labels and bottle of Supplier wine range to target specific US consumer category
- Opportunity Gap: Development of new white wine improving Supplier range offering and filling pricing and varietal gaps
- Pricing: Maximized pricing strategy for Importer and Supplier to reach full profitability +30% GP
- 3Tiers: Increased mindshare and market share with Importer/Distributor salesforce training

### Challenges:

The Importer was historically making very little profit with Supplier (GP < 15%) due to various reasons:

1. Packaging was outdated and too traditional for the US consumer forcing retailers, distributors, Importer and Supplier to frequently “closeout” (hard discount) vintages throughout the year and hurting their overall profitability and brand recognition in the market.
2. The Rosé, an important item in the range and very time-sensitive business, was consistently landing too late in the US market artificially shortening its selling season and reenforcing the need to “closeout” the wine.
3. Pricing and Portfolio Strategy was in flux and direction of business misaligned

## Solutions:

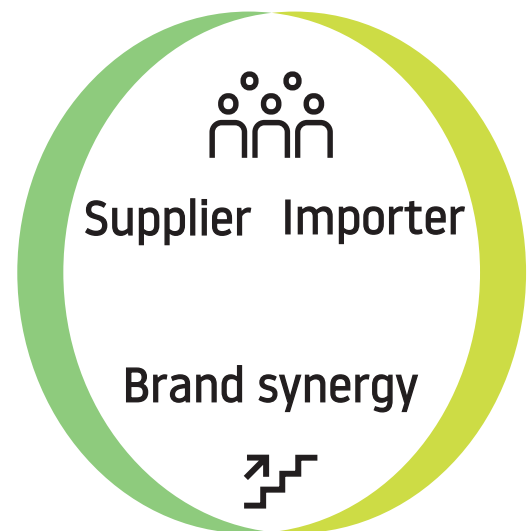
Will Fuhrman quickly identified the strengths/weaknesses of both Importer and Supplier to establish a plan to overcome the above-mentioned challenges.

1. Marketing Plan: New and impactful packaging/ closures/ labels introduced to “refresh” the brand and connect to most dynamic US wine drinkers: Millennials, Gen X, Gen Z. Importer/ Distributors salesforce was trained on product range.
2. Production Plan with Supplier: addressed specific market needs (+25% tariff on wines below 14% alc.) and advanced bottling date to meet shipment arrival time Q1 in the US
3. Financial Plan: Historical DI businesses were eliminated since lacking profitability to focus on new packaging and high margin products. Global supply chain increases were absorbed equally by Supplier and Importer to maintain consistent SRP in the US market. New white wine was developed as line extension of core range.

## Results:

The efforts and solutions translated directly in measurable results for both the Importer and Supplier.

1. New package launch with Importer and its distributors network resulted in net gain brand velocity +48% and net gain accounts +45%
2. Arrival of Rosé in January resulted in one of first French Rosé available in US market vs Spring in previous years giving distributors and retailers incentive to deplete earlier in the season. No “closeouts” needed and higher profitability for winery, importer, distributor and retailer > 30% GP. 100% of shipments to US sold at full price. Additional 25% tariff increases were equally shared between Importer and Supplier.
3. Historical \$9.99 SRP wines resulting in limited GP were eliminated. The focus was directed to \$15.99 to \$19.99 SRP range resulting in 30% GP for Importer/ Distributors/Retailers. Overall portfolio profitability grew for Importer from 15% GP to 30% GP.



## Moving forward with Yuzu Solution:

At Yuzu Solution, we pride ourselves on building long lasting partnerships with actors within the US alcohol market. We understand there is not a “one size fits all” approach to navigating the market but rather a custom-tailored approach to your challenges providing personalized solutions. Your goals and your budget are different from your competitors and we will work together to develop a strategy that works for your company, brands and team. We will guide you on how to optimize your investment in the US alcohol market and together grow your business.

*When life gives you lemon, make lemonade and let Yuzu Solution do the work!*