

FULL FLAVOURED
SLOW RIPENED

NZ LIGHTER

LIGHTER IN ALCOHOL
NEW ZEALAND WINE

QUARTERLY PROGRESS SUMMARY: April – June 2019

Producing premium naturally produced lower alcohol, lower calorie New Zealand Wines – “Lighter Wines”

Summary of progress during this quarter

- The interest in lower alcohol wines in key export markets is starting to build rapidly. New Zealand Lighter
- Wines are well positioned to capitalise on this strong trend.
- The first phase is securing listings and this is largely driven by the Programme's negotiations with key wine trade, followed by tastings of NZ Lighter Wines available for each market. The number of listings for Grantors' Lighter Wines in key export markets over the last 12 months has more than doubled.
 - The Grantors have relied heavily on the consumer research performed by the Programme and the category story to provide compelling reasons for listings.
 - The quality of NZ Lighter Wines is also key, and buyers have been quick to gain confidence that the wines will be well received by consumers seeking wines with lower alcohol.
 - The wine trade is now tuned in to the trend towards alcohol moderation and many articles in the popular press are featuring this trend, and retailers are moving to match the trend with appropriate wine.
 - Wines with naturally lower alcohol levels are preferred over wines that have had alcohol removed by mechanical methods. This strengthens the appeal of Lighter Wines from NZ because they are either naturally produced or have had only minimal alcohol adjustment by mechanical methods.
- Sales growth is starting to build on the back of the new listings. This momentum is critical to retain the listings and build opportunities for further listings. The Programme has been integral to building sales via consumer tastings conducted in partnership with Grantors. The first phase of consumer tastings in store or at wine events in both Australia and Canada is nearing completion.
 - The conversion of taste to purchase is about two times that typically experienced with other wine products. This is a very encouraging index and supports the power of consumer tastings as an approach to grow sales of Lighter Wines.
- Production volumes of Lighter Wines will be matched to the listings and contribute to further growth in exported volumes and export earnings.
- Benefits continue to flow from hosting eight senior representatives of the key trade from the UK, Canada, Australia and Sweden at an NZ Lighter event immediately prior to the International Sauvignon blanc Celebration 2019 in Marlborough, January 2019. Listings and publicity have been directly linked to the exposure to the Lighter Wines, details of the investment in the initiative, the natural strengths of New Zealand with the production of these challenging wines, the Grantors and the experience of the visit.
- NZLighter branding is being used in all key markets and gaining a profile for the initiative as an umbrella brand.
 - International trademark protection has been initiated.
- [nzlighter.wine](#) website is fully operational, and provides geo-location to locate the nearest store stocking Lighter Wines produced by Grantors.
- Activity in social media channels is being supported by the Programme and rapidly gaining reach and impressions.
- Many positive articles have been published about NZ Lighter Wines, particularly noting export success in the UK and, more recently, in Canada.

- Project highlights:
 - Project 1 (Market Access). This project has clear focus and many work strands to gain further export market activation.
 - Project 2 (Sensory Perception) is tapering down, with one remaining report expected in Q1 2020.
 - Project 3. All field trials have been completed and reports planned in Q1 2020. One red variety is showing promise for the production of lower-in-alcohol red wine
 - Project 4 (Winery Manipulations). Trials related to Vintage 2019 have been completed this quarter. Good progress continues to be made with novel filtration aids to lower the sugar levels in grape juice.
 - Project 5 (Communications and Tech Transfer) continues supporting the Programme with newsletters and publicity material. Planning has been initiated for the sixth Annual Workshop for Grantors to be held in October 2019 to provide an effective forum for discussion of research results and shared learning amongst the producers of NZ Lighter Wines.
- Showcased a range of Lighter Wines during the hospitality events associated with the BOMA Conference that included the PGP AGM.
- Contract negotiations with research and service providers have been protracted this year and are now completed. This has not affected the planned research, with the only impact being a significant delay in the Programme being invoiced for work.

Key highlights and achievements

- nzlighter.wine website and social media channels went live and proving effective.
- Further success with ranging of wines in the UK, Canada, Sweden and Australia.
- Grantors actively seeking and resourcing their export market listings at a level not witnessed before.

Upcoming

Market Access

- Export market activation through a range of initiatives with initial focus on UK, Canada and Australia
- Increased PR activity in the Australia market leading up to their summer and post “Dry July”.
- Content creation and activity through all social media assets to raise the global awareness of Lighter Wines with a particular focus on the 24 to 36 age group.

Sensory Perception

- Final report from this project.

Vineyard Manipulations

- Data analysis of the research trials 2019 season.

Winery Manipulations

- Data analysis and reporting on the research wines 2019 season.
- Continue the evaluation of novel filters to reduce sugar levels in grape juice.
- Report on the evaluation of fermentation conditions and the effects on the alcohol levels in wine.

Communications & Tech Transfer

- Continue regular eNewsletter.
- Support the Lighter Wines portal on nzwine.com.
- Support content on nzlighter.wine and associated social media channels.
- Assist in development and planning for events and creation of content.
- Support PR activities.

Investment

Investment period	Industry contribution	MPI Contribution	Total Investment
During this Quarter	\$1,214,020	\$975,224	\$2,209,243
Programme To Date	\$9,138,608	\$7,207,720	\$16,406,327