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Tagus Creek

Portugal



# Portugal: looking for an identity

It might not be top of the charts when it comes to sales, but there are few wine countries with as much untapped potential as Portugal. **Richard Woodard** reports



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**B**ad news first. Nielsen figures make grim reading for supporters of Portuguese wine in the UK: down 2.4% by volume and nearly 16% by value (MAT to 4 January). So the average bottle price is on the way up, but that's about as positive as it gets.

On-trade data provider CGA Strategy doesn't even supply figures for Portugal – the sample size is too small, it says. Meanwhile, leading bar and restaurant business Mitchells & Butlers declined to comment for this feature on the understandable basis that it doesn't stock any Portuguese wine in its 1,600-plus outlets (although that's likely to change in 2014).

What's going on? Some see it as a squeeze: as retail and restaurant wine lists become slimmer, Portugal is losing out to Italy and Spain because of their stronger consumer recognition.

Nonsense, says Tesco product development manager, Lucy Clements. "Portugal has only been 'squeezed' because we have historically given it less shelf space, not because of Italy and Spain."

For others, the theory simply doesn't reflect the facts. "The recent success of Italy and Spain has not really had an impact on sales, nor have we seen the slots of SKUs dedicated to Portugal squeezed," explains Roque Cunha Ferreira, export manager at Tagus Creek producer **JP Ramos** Group. "If anything, it has helped broaden the consumer's mind to explore the quality and diversity of the wines that are being produced across Europe and the Old World."

Similarly, the Wine Society has, if anything, seen Portugal ride on the coat-tails of strong performances from Italy and Spain – for instance, by sharing platform offers on European whites. "We have found that putting more effort into Portugal has paid dividends, albeit from a much smaller base, and we will be giving it still more space and attention this year," says Wine Society Portugal buyer Jo Locke MW.

Others, however, are less positive. Alliance Wine Portugal buyer Christine Allen reckons Portugal has "definitely" lost ground to Spain among the major retailers. And she has an explanation. "When faced with a choice between Portuguese or Spanish wine, consumers are more likely to go to Spain because they recognise the region or grape, which generates consumer confidence," she argues.

"As people get more interested in matching wine with food, Italy holds its ground over Portugal as the food-and-wine pairings are obvious, whereas that is far less evident with Portugal."

#### The culture club

This is an issue which goes beyond mere wine cues, acknowledges Danny Cameron, director of Raymond Reynolds and chairman of the Association of Portuguese Wine Importers: "There's another type of branding which is in the mix: cultural," he says. "Our mental image of France, Italy or Australia is not limited to golf courses or beaches, but includes architecture, gastronomy and so on."

A few crowd-pleasing brand names might help here – whether commercial products, grape varieties or regional names. "Sales for Italy and Spain are driven by mass-market regions and varieties, Pinot Grigio and Rioja in particular," says Tony Brown MW, Boutinot's Portugal buyer. "Portugal lacks anything similar to drive growth. Any increase in interest for lesser-known wines

#### WINES OF PORTUGAL UK MARKETING PLANS, 2014

The marketing mix for Wines of Portugal in the UK during 2014 is characterised by a switch to the on-trade – particularly casual dining and white-tablecloth restaurants. Meanwhile, education and training will improve knowledge of Portugal's complex wine sector ...

● **Wines of Portugal Wine Academy:** Starting late spring, members of the on-trade will learn about Portuguese wines from Charles Metcalfe, Sarah Ahmed and João Pires MS. All attendees receive a certificate on completion of the course.

● **Wines of Portugal Wine Quest:** Sommeliers will compete to complete a Wine Academy session and join one of three trips to Portugal, accompanied by Metcalfe, Ahmed or Pires. They will "champion" a chosen wine in a presentation back in the UK and are tested on their knowledge. Cash prize of £5,000.

● **Discover a World of Difference:** A team of ambassadors will host tastings in London restaurants and independent wine merchants.

● **Wines of Portugal Annual Tasting:** Over 130 producers, a number seeking UK representation, plus A Taste of Portugal consumer session in the evening. Up to 20 travel bursaries, allocated on a first come, first served basis, are available to independent retailers: email [wptannualtasting@cubecom.co.uk](mailto:wptannualtasting@cubecom.co.uk).

● Cash bursaries of £1,000 are available for the five independent wine merchants who come up with the most imaginative and effective way to promote Portuguese wines.

● A new initiative will see flagship producers link up with leading UK restaurants to create launch events and special tasting menus.

from these countries should also benefit Portugal, but it's not clear that this is the case."

Talk of Portugal lacking brands prompts a discreet cough from Anthony Habert, marketing manager of Stevens Garnier. Sogrape's Mateus, he points out, is the UK's fourth best-selling rosé (Nielsen, MAT to Sept 13) and, according to Kantar 2013 figures, has 1.4 million consumers across the nation.

Now Mateus is planning to use that brand muscle to broaden its UK offer with the introduction of Mateus Expressions: a range of five bi-varietal white and rosé wines with an rrp of £7.99. Like Tagus Creek before it, this involves the strategic partnership of indigenous and international grapes – Maria Gomes with Chardonnay or Muscat, Baga with Shiraz or Muscat, Aragonez with Zinfandel.

It's a formula that wins a thumbs-up from Wines of Portugal marketing director, Nuno Vale. "If the way to attract a new consumer to Portuguese wine happens to be through blending an indigenous grape with Cabernet Sauvignon, then great," he says. "They can then explore our native grapes as they learn more about Portugal and its wines."

Working for a national organisation, Vale's job is to promote Portuguese wines in the round, but he's also aware that there is more to branding than commercial products. "Of course, we need to use every glimmer of recognition that consumers display towards regions, grape varieties and brands to develop an opportunity to tell them more," he



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says. "Undoubtedly, Douro and Touriga Nacional are among the leading Portuguese identifiers, but there are more rising to meet them, such as Alentejo and Baga."

#### Regions to be cheerful

The regional theme is taken up by Cameron. "Portugal does need to strengthen its brands," he says. "Regionally, I see that happening. The awareness of Douro is far, far higher than it was 10, or even five, years ago."

"Bairrada will get an overdue shot in the arm with the activity of Baga Friends [an informal group of seven Bairrada-based wine producers] this year, and Vinho Verde and Dão should be capitalising more on heritage branding, but with new stories to tell. And the Alentejo has a huge opportunity to explain itself to UK consumers – it just needs to remember that at present it's an unknown in this market."

Mind you, not quite everyone is taking the educational route. "Most consumers drink wine for pleasure, not to have a geographical or intellectual challenge," says Fiona Juby, marketing manager of Esporão importer Barwell & Jones. As well as events with Esporão winemaker David Baverstock, B&J is also planning projects that broaden the experience beyond wine: what music to listen to or what film to watch while drinking Esporão; promotions and activity around the Commonwealth Games and the World Cup. Making the wine fun, in other words.

With a limited budget, Wines of Portugal is this year focusing heavily on the on-trade and independent retail – an approach generally applauded by suppliers.

"We find it most effective to channel a significant

**"We are only rarely exposed to new suppliers from Portugal because so few of our agents pitch anything at us"**

Lucy Clements

#### Annual Tasting: March 5

This year's Wines of Portugal Annual Tasting hopes to attract over 130 of Portugal's key producers to Lindley Hall, Royal Horticultural Halls, close to Victoria station in London. You can follow the latest news of the tasting via the Wines of Portugal Facebook page, We love Portuguese Wines, and on Twitter at @VPWine. You can register at: [winesofportugal.com/en/wptregistration](http://winesofportugal.com/en/wptregistration).

budget into the independent merchants who are specialised in educating and recommending quality and diverse wines to their customers," says Ferreira. "Once we start seeing results from these customers – and from 'early adopters' – we will start to see some movement with the bigger retail agents, as well as the on-trade suppliers and chains."

At Alliance Wine, Allen too backs this strategy, advocating an emphasis on food matching in the on-trade alongside the hand-selling expertise of the indies. "Once Portuguese wines have a strong presence in both of these channels, it then seems sensible to target multiple retailers," she argues.

There's clearly still plenty of work to do. Peach Pubs co-founder Jo Eames is a big fan of the Douro and says the company sold more than 3,500 bottles of Tanners Douro Red across its 16-pub estate in 2013 – on a par with its Boutinot-sourced Côtes du Rhône, but less than half the sales of its pouring Malbec.

#### Let's be having you ...

Meanwhile, at Tesco, Lucy Clements is equally enthusiastic about the Portuguese regions, hoping to repeat the good work already done with the likes of Chablis and Côtes du Rhône, for instance. But she closes with a plea to the trade: "Producers are one thing, but agents are another, and we are only rarely exposed to new suppliers from Portugal, because so few of our agents pitch anything at us!"

"We have a couple of wonderful specialist agents who we work very closely with ... but for Portugal to gain extra space and grow, we need more fabulous suppliers coming through our agents.

"We love Portugal at Tesco and plan to grow, so the door is open."



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## HOLDING OUT FOR A HERO

Portugal has, at a conservative estimate, over 200 grape varieties to get to know, so for bemused consumers trying to tell their Viosinho from their DonzELHO there's a bit of homework to be done. A flag-waving grape that says "Portugal" might help here, similar to Malbec for Argentina or Sauvignon Blanc for New Zealand. So we asked the question: does Portugal have a "hero" grape variety?

"I think possibly yes, in Touriga Nacional. However, if anything is to be learnt from Argentina, it is that we should promote our strengths while avoiding being pigeon-holed. In many respects, Malbec for Argentina and Sauvignon Blanc for New Zealand have grown to become sets of vinous handcuffs – as delightful as they are."  
◀ Anthony Habert, marketing manager, Stevens Garnier



"The most famous grape varieties in Vinho Verde are Alvarinho, Avesso, Loureiro and Trajadura for the whites, and Vinhão for the reds. And of these, probably only Alvarinho has so far reached "hero" status ... With further education, it is just a matter of time before some of the other varieties also become household names."  
◀ Manuel Pinheiro, executive producer, CVRVV (Vinho Verde)



"We wouldn't say that Portugal is known for any 'hero' grape varieties, such as Malbec in Argentina. However, I do believe that Touriga Nacional is slowly starting to lead the way to champion our many varieties."  
◀ Roque Cunha Ferreira, export manager, JP Ramos Group

"For Portugal, Touriga Nacional is hugely important on the red front, particularly given the head start it has been given due to Port. In terms of white varieties, Vinho Verde is perfect for lighter alcohol, lighter styles of wine which are hugely in demand at the moment, and so it has the potential to really shine."  
◀ Christine Allen, Portugal buyer, Alliance Wine



"For Tesco right now, the heroes in Portugal are the regions, not the grape varieties. Vinho Verde and Douro are our heroes, definitely. Their recognition in the on-trade is helping their promotion, and having these SKUs under the 'Finest' range certainly adds trust and helps our customers try these lesser-known regions."  
◀ Lucy Clements, product development manager, Tesco