

Label Redesign Creates a Powerful Brand Presence that Cannot be Ignored

Shanghai Shenma Winery Co. Ltd.



Pressure-sensitive labels help Shanghai Shenma Winery Co. Ltd. re-establish Imperial Court brand

Nearly 19 million in population, Shanghai, the largest city in China and the largest city proper in the world, has become an unprecedentedly prosperous market for wine. According to the *Shanghai Business Review, The International Wine and Spirit Record* study reported that China is ranked ninth among the largest wine-consuming nations, and is expected to move into seventh place by 2012 with a total consumption of 103.5 million nine-litre cases per year.

The dynamic and cosmopolitan city of Shanghai has become more international in focus as more and more consumers embrace Western culture luxuries like wine.

After price and quality wars with domestic and foreign competitors, the China wine market has entered a new stage. China is recognized as one of the fastest-growing wine markets in the world, and Shanghai is leading the way. As consumption continues to grow, so does the competitive marketplace. Today, as domestic brands continue to enter the market, foreign wine continues to increase its share. It's crucial that domestic wineries demonstrate strong brand awareness in order to enable their brands to stand out among the rest.

To ensure prominence in a market of more than 200 brands of wine, Shanghai Shenma Winery Co. Ltd, maker of the Imperial Court brand, felt it was vital to enhance the shelf-impact and position of its product line of red, white and sparkling wines. Although ranked among the best-selling domestic wines in Shanghai, the brand needed a label redesign that would bring its Imperial Court brand to life and make an emotional connection with consumers, while rebuilding brand image and expanding market share.

Looking for a way to depart from traditional glue-applied labeling technology and increase operational efficiency, Shanghai Shenma Winery turned to Avery Dennison Corporation and its innovative Fasson® pressure-sensitive labeling technology.

“Seconds are all the time consumers will spend at the shelf deciding what product to buy,” said Vincent Chen, Avery Dennison marketing manager. “Increasingly, brand recognition



generated by innovative labeling and packaging are influencing consumers' in-store purchasing decisions the most.

“We felt pressure-sensitive labels offered Shanghai Shenma Winery an overall simplified solution. They boast an array of benefits such as versatility, improved shelf-appeal, application functionality, better end-use performance, and capital and operational efficiency. That is why pressure-sensitive labels were the best way to create the new Imperial Court brand image.”

With wine clubs, wineries, tasting seminars and industry-specific publications such as Decanter magazine on the rise, more Chinese consumers are coming to know the basics of the wine-making process, along with the quality and varietal characteristics of wine. As the number of wine-savvy consumers continues to grow, it's imperative for wine suppliers to design labels that not only visually stimulate and capture consumers' attention, but match consumer lifestyle aspirations.

Wine, often viewed as a status of luxury and wealth, is becoming increasingly popular among Shanghai fine-dining and Western-influenced restaurants, along with shopping malls and supermarkets. In addition, more and more Shanghai families are celebrating holidays such as the Chinese Lunar New Year and the Spring Festival with wine.

“In order for Imperial Court to have a stronger presence in the market, the brand needed to clearly establish its own personality, one that stood for quality,” said Yin Dao Min, Shanghai Shenma Winery general manager. “Pressure-sensitive labeling has acted as an innovative marketing method that has not only allowed the Imperial Court brand to stand out from competitors, but also connect with consumers by fulfilling their demand for high-quality brands that match their lifestyle goals – a mixture of fashion, sophistication and international culture. As the number of young wine consumers grows, elegant label designs are increasingly coming to the fore.”

In addition to the infinite creative possibilities of pressure-sensitive technology, Shanghai Shenma Winery turned to Avery Dennison because of its highly respected reputation within the market.





“To ensure a smooth redesign of the Imperial Court brand, we needed a label partner who stood for quality, offered cost-effective products, had a wide service network, and who had professional and patient marketing and technical service teams that could offer a complete label solution,” Dao Min said. “We felt it was a win-win situation partnering with Avery Dennison.”

The design attributes of pressure-sensitive labels are due in large measure to the virtually unlimited choice of available substrates, including films, papers, metalized papers, foils and holographic films. Also of significant importance is the ability to deploy a full range of printing techniques like metallic inks, bronzing, embossing, combined with hot and cold foiling, and sub-surface printing. These capabilities are important attributes of pressure-sensitive and allow consumer product goods companies, like Shanghai Shenma Winery, to differentiate their products on the shelf.

To get noticed at shelf, Shanghai Shenma Winery chose four grades of customized Fasson pressure-sensitive paper: semi-gloss, high-gloss, silver metallic and golden metallic. The new Imperial Court labels are flexo printed using five to eight colors depending on the varietal of wine.

Avery Dennison worked closely with an experienced label converter to ensure a smooth and successful application process of the newly branded Imperial Court labels. Because wine label printing is a fairly new industry in China, Avery Dennison helped the converter, along with the label design house, expand their knowledge of wine label printing, wine packaging and pressure-sensitive technology by hosting two training sessions.

“By working together as a tight-knit team, we were not only able to help the converter and design house gain a complete understanding of pressure-sensitive material printability, but to create a 100 percent localized solution for Shanghai Shenma Winery,” Chen said. “At Avery Dennison we fully understand that developing local products with stable quality is the best way to help our customers get profitable results.”

Since the launch of the re-branded Imperial Court in 2002, the wine has become one of the most popular and best-selling wines in East China. Pressure-sensitive labeling has allowed Shanghai Shenma Winery to build brand loyalty with quality products that reside within the hearts and minds of consumers.

As a result of the transition from glue-applied to pressure-sensitive labels, Shanghai Shenma Winery has encountered a host of benefits:

- Improved brand image
- Increased productivity: Capable of bottling 6 million bottles every year, Shanghai Shenma Winery now applies pressure-sensitive labels at 3,500 bottles an hour.
- Increased sales profits: With 90 percent of all its labels switched to pressure-sensitive, incremental sales of Imperial Court increased by 20 percent as well as increasing sales profits by 24 percent in 2009.
- Simplified operations: Glue-applied labeling involves cumbersome and time-consuming materials and equipment maintenance. With pressure-sensitive, Shanghai Shenma Winery did not have to worry about the daily cleanup of messy glue adhesive.
- Enhanced shelf-appeal: Pressure-sensitive differentiated

Imperial Court at shelf and motivated consumers to buy. With 90 percent of all its labels switched over to pressure-sensitive, Shanghai Shenma Winery strongly feels pressure-sensitive labeling technology offers endless creative possibilities and critical shelf-appeal. This is allowing the winery to remain a step ahead of its competitors during a time when Shanghai consumers are developing stronger levels of brand consciousness and better overall wine knowledge.

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