

BEVERAGE MANAGER

THE INTERNATIONAL

BUSINESS & TECHNOLOGY NEWSPAPER FOR THE BEVERAGE INDUSTRY



MARKETS

Entry barriers hurt Korean beer industry

"Foreign beers are continuing their growth in the local market share. For the past four years, the market for local brands grew by 3.8 percent while it was a 28 percent (rise) for imported beers." 14



INTERVIEW

Vezió Bernardi: "A lot of attention is paid to energy consumption"
Beverage Manager Global spoke with Vezió Bernardi, Beverage Sales Director of Sacmi International about the global beverage markets. 18

INTERVIEW

Just a small island in a competitive, worldwide market place?

"As a brewing industry we are world champions of a kind, but not when it comes to exports." Peter Hahn, Union of German Brewers. 09

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INDUSTRY INVESTMENTS



11
MILLION \$



8
MILLION \$



23
MILLION \$



18
MILLION \$

COMPANY — OB

Hite Brewery claws back to top in beer market

The Hite brand of beer regained the top position in the market after it lost to Oriental Brewery's Cass Fresh in January. It was the first time in 17 years that Hite had not been the most popular brand in Korea. According to a report by the Korea Alcohol and Liquor Industry Association last week, Hite Brewery's Hite brand had a 41.9 percent market share, overtaking Cass Fresh (38.5 percent) and more or less reversing the situation in January. Four minor Cass brands, such as Cass Light and Cass Red, accounted for a mere 2.3 percent in February. All Cass brands, including Cass Fresh, made up 40.8 percent, still falling behind Hite (41.9 percent). Hite's accumulated market share for January and February was 40.8 percent, as compared to Cass Fresh's 39.6 percent. ● (bmg)

PACKAGING

Coors Light launches new packaging with cold indicator for beers

US beer maker MillerCoor has launched a new packaging technology designed specifically to indicate the customers about the peak of refreshment of the beer, when kept in the freezer for cooling. The new cold-activated technology in New Coors Light Two-Stage Activation bottles and cans enable consumers to see when Coors Light goes from cold to super cold. According to the company, when the Coors Light temperature is at the peak of refreshment, a second Super Cold Indicator bar turns blue. ● (bmg)

SUCCESS STORY — SUPPLIER

Christian Machers — Indispensable

By Jürgen Nünning

How, Christian Machers, the head of a medium sized company named Gastro-Cool quickly made a worldwide name for himself and challenged the "big shot" competition in providing cooling solutions.

"We are serious in our work, appreciate quality greatly and offer conventional advertising refrigerators, too. But we want our products to be different. This can be seen with a look at our innovative developments." Christian Machers, Managing Director at Gastro-Cool, Germany

They are part of the interior design of bars, supermarkets and corner stores: brand name promoting cooling equipment that cool beverages like beer, lemonade, water, as well as milk and juices, to the right temperature and also present them in a very positive light. Cooling and advertising at the point of sale (PoS) are now playing an equally important role. There is a lot of creativity behind the development, design and placing of these models. Christian Machers, Managing Director at Gastro-Cool GmbH of Germany, has been concentrating on this area for the past eight years. He has asserted himself against major competitors with his creativity. His company is now delivering to beverage industry customers all over the world. A new branch in Romania has been serving as the toehold in the East European market since last year. ▶12

PACKAGING INDUSTRY

When the packaging becomes more important than the drink!

In the beverage industry, packaging is extremely important in two key respects; a less than optimal concept can easily prove be a product's ruin. There are logistical problems between producing the beverage, filling it in a container and its safe and cost-effective transport to the retailer and consumer.

The packaging also communicates and informs people, both by necessity and on its own accord: Partly because the government requires, for example, that the packaging indicate the name of the product, where it was produced and which ingredients it contains, and partly because the product should both convey messages from the manufacturer and advertise the product and, if possible,

even go so far as to visualize the two. Furthermore, the packaging must allow for the product to be well placed after transport (display packaging); outer packaging and protective packaging with environmental aspects and special disposal requirements are also taken into closer consideration. One could nearly go on forever naming such individual examples. ▶16

COMPANY — CCRB

Coca-Cola Hellenic swings to loss

Coca-Cola Hellenic, the world's second-largest bottling company, that operates in 28 countries including Bulgaria, reported a comparable loss of a million euro in the first quarter of 2011. Volume growth was led by a three per cent increase in emerging markets, while net sales revenue growth included a two per cent increase in developing and a seven per cent increase in emerging markets, the company said in a May 10 2011 media statement. The company said that in the first three months of 2011, it had expanded its sparkling beverage market share across most of its key markets including Russia, Greece, Nigeria, Romania, Italy, the Czech Republic and Ireland. "We are encouraged by improving economic trends in key countries such as Russia, Nigeria, the Czech Republic, Slovakia, and Switzerland," the company said.

"On the other hand, Greece, Ireland, Italy, Hungary, Bulgaria and Romania continue to exhibit high unemployment, weak consumer sentiment and GDP contractions." The emerging markets segment was the most impacted by rising commodity prices and reported a comparable operating loss of nine million euro for the first quarter of 2011. "The benefit of increased volume, better category mix and pricing was more than offset by increased raw material costs, operating expenses and unfavourable currency movements," the company said.

The company said that it had maintained or increased its share of the non-alcoholic ready to drink and sparkling beverages categories in most of its key markets during the first quarter of 2011, including Greece, Italy, Ireland, Switzerland, the Czech Republic, Nigeria, Russia and Romania.

Sparkling beverages volume increased by three per cent in the quarter, with a four per cent increase in the sales of trademark Coca-Cola products and a seven per cent increase in sales of trademark Sprite. "We were able to increase volume in the ready to drink tea category by five per cent driven by double-digit growth in emerging markets," CEO Doros Constantinou said. ● (bmg)

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▶ SUCCESS STORY — SUPPLIER

01▶ Christian Machers knows exactly what needs to be done to develop and manage a brand: He possesses comprehensive expertise in marketing and an extraordinary know-how of the branch. He served as brand manager for international players like Berentzen and Reemtsma before Gastro-Cool was founded. An in-depth market analysis prior to the company's founding lead him to draw the conclusion: "There was and still is a significant market potential for innovative cooling solutions in the international beverage market. Advertising refrigerators have long since developed into an important marketing instrument in B2C and B2B business."

The Company's Foundation

Creativity, environmental friendliness and cost-effectiveness – these are the three keys to success Christian Machers and his team relied on to make a name for themselves and start competing against the "big" players in a very short period of time. "Our approach was and still is to approach the market with new and creative cooling solutions and to offer more than just ready-made cooling solutions. We integrally designed our range of services accordingly. The entire value chain of consultation, development, production and distribution directs our work. Furthermore, we offer our customers the individual consultation needed to successfully market their product at the PoD."

Christian Machers has steered Gastro-Cool on a successful course with this approach since the company was founded. And their equipment is delivered to renowned companies: Granini, the leading fruit juice producer in Germany, actively engages Gastro-Cool all over Europe. Anheuser-Busch Inbev relies on the advertising and cooling solutions from the German city of Kaarst. Gastro-Cool also produced special brand-marked cooling equipment for the Carlsberg brewery on the occasion of the 2010 World Cup that was then widely used by Tesco, the largest supermarket chain in Britain. Yakult (India) and Danone (Egypt) are also among the company's customers.

"The Market Needs Fresh Ideas"

While many competitors on the market don't seem to have any opportunity to develop innovative cooling solutions as part of their daily business, which is, in part, due to their size and sales volume, Machers sees this as his company's core strength and as a key for the success of the company. "We rely on green, environmentally friendly cooling solutions in our development process. The use of fluorinated hydrocarbon-free and chlorofluorocarbon-free cooling agents for equipment in retail and restaurants/bars is

second nature to us. We also use modern communications technology, like Bluetooth, which is integrated in the cooling unit and allows the brand and consumer to interact with each other. We also develop individual cooling equipment that beverage makers provide for their retailers or to restaurants/bars free of charge in their B2B business."

Focusing on Green

Machers is successively encouraging a focus on being green within his company. Saving natural resources and money are two goals he tries to combine with his new innovations. The so-called bag-in-box (BiB) refrigerator that works like a standard tap is an example of this. The principle behind it: Instead of being poured out of bottles, high quality wines are tapped from 10 L hoses. The ecological balance sheet is much better than when using bottles. "Since the wine is filled in hoses, the foil hose is the only packaging waste that must be disposed of, which results in up to 85% less waste than with bottles. The low weight of the hoses gives us a reduction of approximately 40% compared to an equal volume filled in bottles; transport costs and expenditures also fall," explains the head man at Gastro-Cool. "And since you don't have to open and close the refrigerator every time you prepare a serving of wine, you don't let the cold air out every time you pour a

glass of wine, which also saves energy." The bag-in-box concept is finding more and more acceptance in the European market and also making a good impression on restaurant/bar operators. But Mr. Machers believes it is still far from reaching its full potential. Observations made in British cafe bars recently lead to a new model series, for example. "Even perishable drinks like milk can be packed in BiB with excellent results these days. BiB dispensers can be found in almost every cafe bar in Britain. Within a short period of time we were able to develop an innovative piece of equipment to meet this specific need and that can be offered all over the world."

New Containers Require New Solutions

Being a pioneer and being able to set new tones as a small company is the goal of the ambitious maverick Christian Machers. His latest victory came in the form of the DosenDispenser (can dispenser) refrigerator that conveys the image of lifestyle beverages with its futuristic design and an interior transport mechanism that makes it easier for the service personnel in restaurants and bars to operate. "The interest in this patent protected device is enormous. After initially offering it exclusively to one of the leading energy drink producers, we are now making it available to a broader market," says Mr. Machers happily in speaking



Gastro-Cool is setting new trends in the branch with new products like the bag-in-box refrigerator for milk and juices seen here. Bringing innovative and environmentally friendly products to the market is something they expect of themselves.

"WE ARE SERIOUS IN OUR WORK, APPRECIATE QUALITY GREATLY AND OFFER CONVENTIONAL ADVERTISING REFRIGERATORS, TOO. BUT WE WANT OUR PRODUCTS TO BE DIFFERENT. THIS CAN BE SEEN WITH A LOOK AT OUR INNOVATIVE DEVELOPMENTS."

Christian Machers, Managing Director at Gastro-Cool, Germany

about the success of this innovation. The long and extensive development work paid off in the long term. "These successful ventures are also our source of motivation to branch out in new directions in our developmental work."

Using Technology

Anyone who wants to be successful has to be willing to take risks. This is the reason why Machers favors unorthodox projects. "We are serious in our work, appreciate quality greatly and offer conventional advertising refrigerators, too. But we want our products to be different. This can be seen with a look at our innovative developments." This is one reason why he is particularly proud of the combination of modern communications technology with marketing strategies that increase sales at the PoS. An example of this is seen in the development of the first refrigerator with integrated Bluetooth technology. The refrigerator can communicate with the end customer via free mobile wireless technology.

"This lets beverage producers have interactive contact with the end customer at the PoS." SMS, MMS and even small games can be sent to the consumer's cellular telephone free of charge. "This form of communication can be ideally used and integrated in marketing campaigns," says Machers.

New Containers for New Beverages

New technologies, new forms of marketing and new products. The beverage market is changing all over the world. A change in drinking habits among consumers in the direction of health-conscious nutrition can also be seen. These dynamics require the greatest possible level of flexibility and diverse thinking by service providers. Christian Machers is sure of one thing: "Gastro-Cool's challenge is providing new, ecological solutions for the international market in a timely manner. But that is also what we demand from ourselves. We happily accept this challenge." ● (bmg)



The patented Gastro-Cool DosenDispenser refrigerator simultaneously conveys the brand image of lifestyle beverages with its modern design.