



MAR DE FRADES

ALBARIÑO ATLÁNTICO

Mar de Frades

Exporting to Texas



Chloe Callahan, Grace Casper, Peter
Curran, Grace Lanza, and Kaeleigh
O'Donnell

Table of Contents

1. Background
2. Market Analysis
3. Country Analysis
4. Product and Pricing
5. Distribution and Marketing



BACKGROUND

Company History: Location



From Left to Right: Map of Spain with the Galician Region highlighted in orange and the exact location of the Mar de Frades Winery location highlighted by the white dot. The zoomed-in view of Galicia displays the climate and environmental factors of the region including the surrounding rivers, mountains, and winds which make it the perfect location to grow grapes.

Product Analysis

Mar de Frades has five main products ranging in price and flavor but all stem from the albariño grape grown in Galicia, an autonomous community of Spain. All of the wines produced at the Mar de Frades vineyards are certified vegan and are committed to sustainability. The five variations of wine that currently are being sold are the Albariño Atlantico, Finca Valiñas, Brut Nature, Godello, and Finca Monteveiga. Although Mar de Frades also features a line of liquors and limited edition speciality wines, for the purpose of exporting into a new market, the main focus will be on the five variations of wine. The image below depicts the five variations along with the prices for a standard 0.75L bottle. Because these wines are from a coastal region of Spain, they commonly pair nicely with seafood.



From Left to Right:
Albariño Atlantico, Finca Valiñas,
Brut Nature, Godello, and Finca
Monteveiga

All prices are based on a 0.75L bottle

Ownership



Diego Zamora SA
Group



Ramón Bilbao Vinos y Viñedos SL
Subsidiary



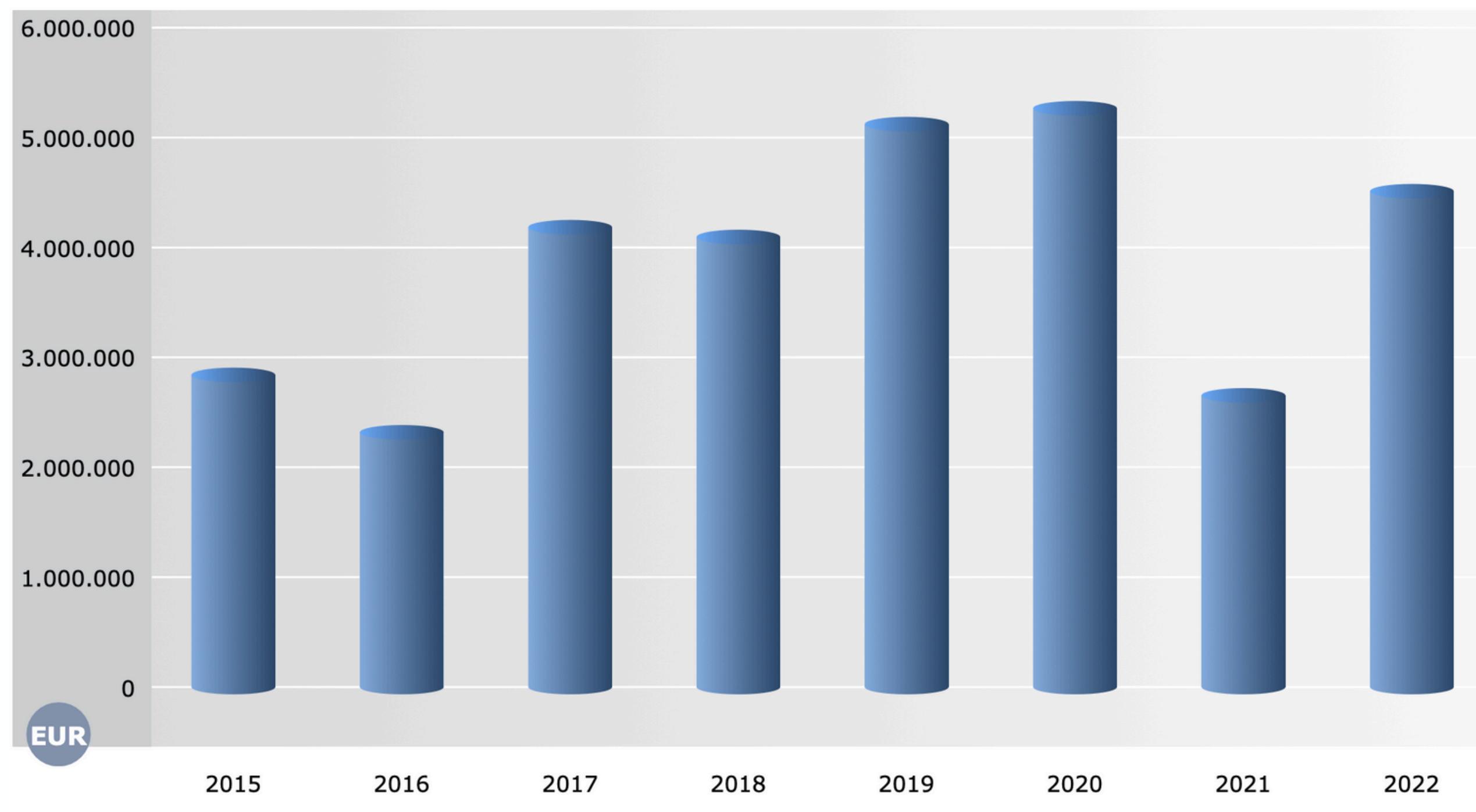
Mar de Frades
Brand

DIEGO ZAMORA S.A.



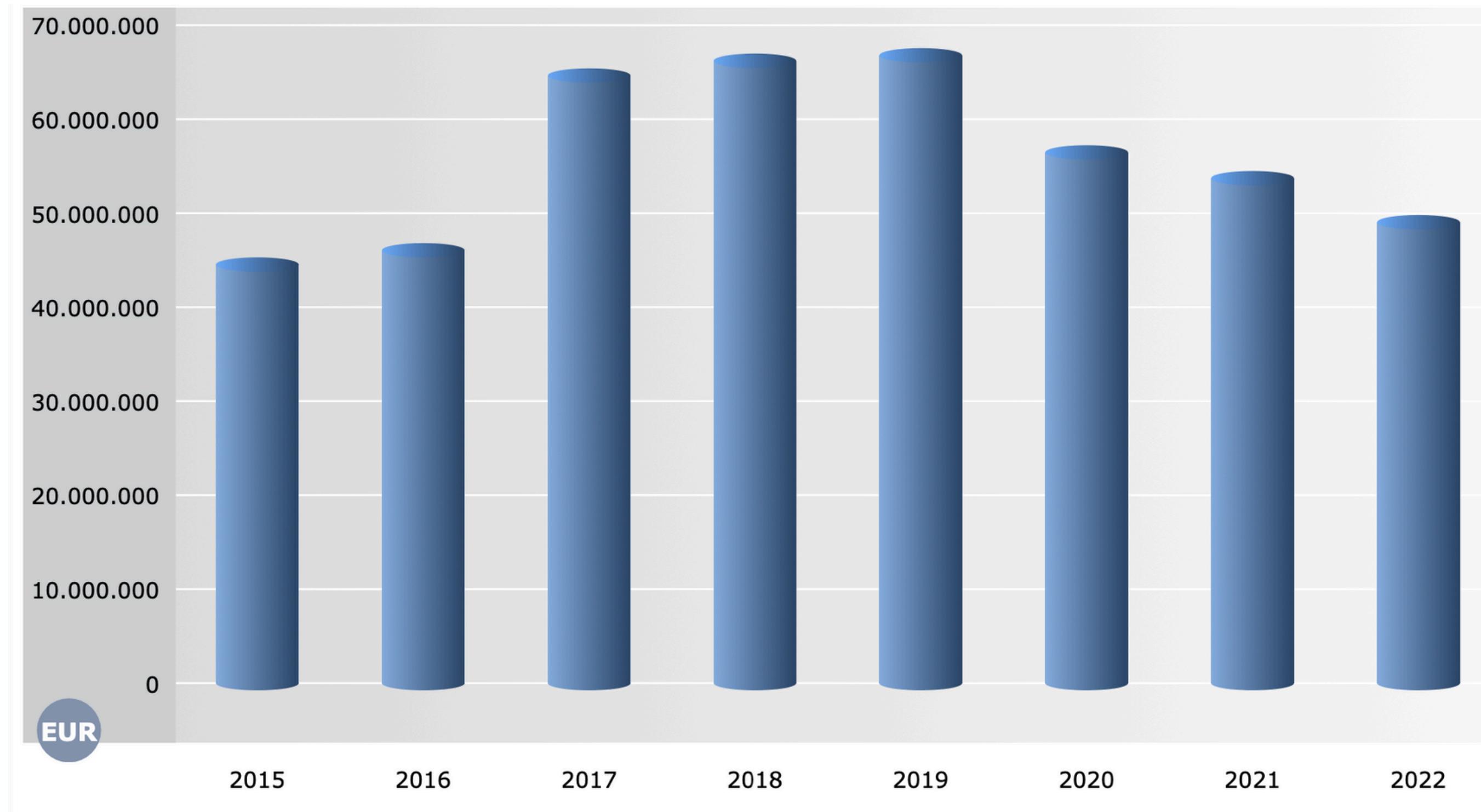
Ramón Bilbao: Operating Revenue / Inventory Turnover

- The company has shown strong resilience since the COVID-19 Pandemic.



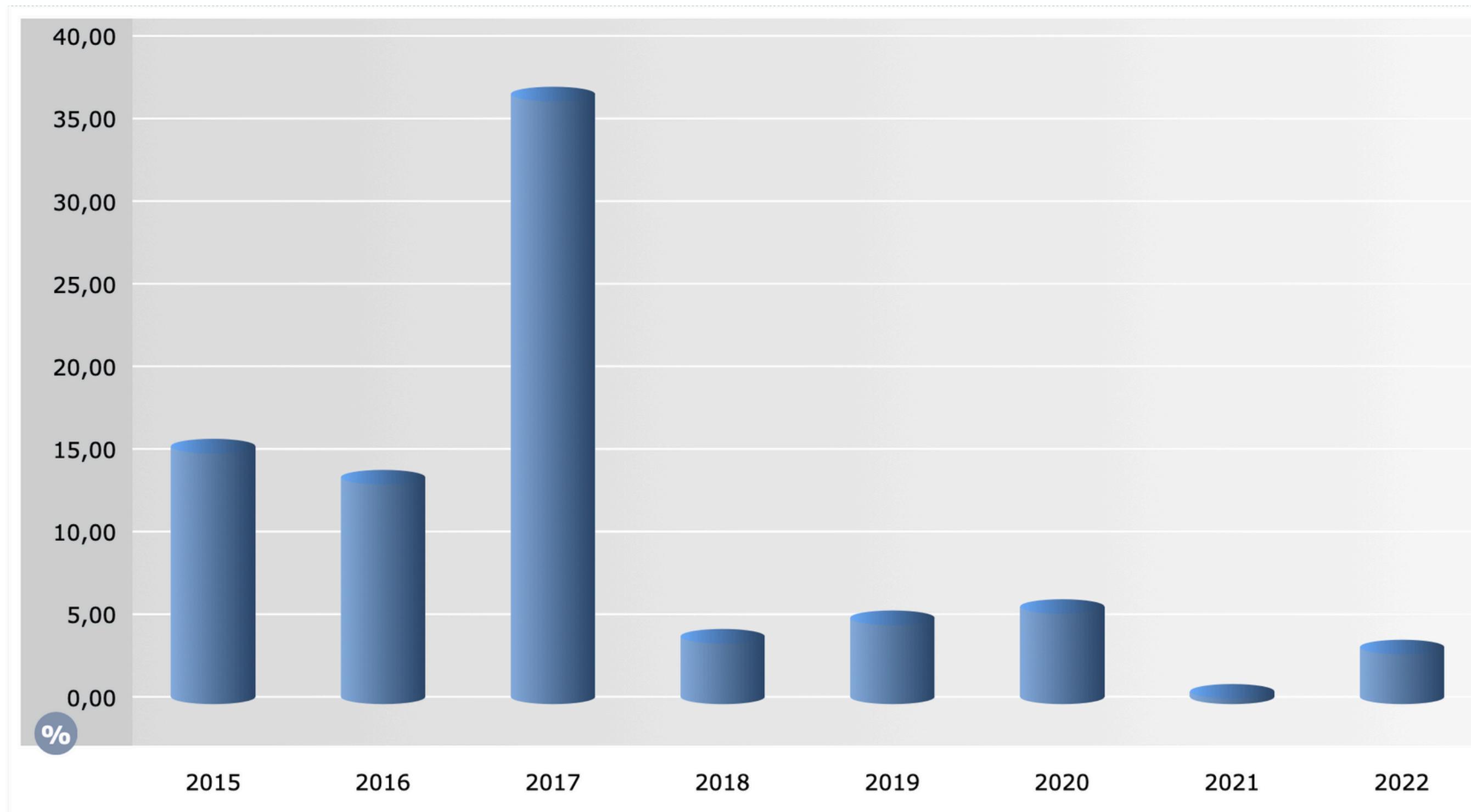
Ramón Bilbao: Total Assets

- **Displayed steady growth of its assets before 2020 and has since shown a decline.**



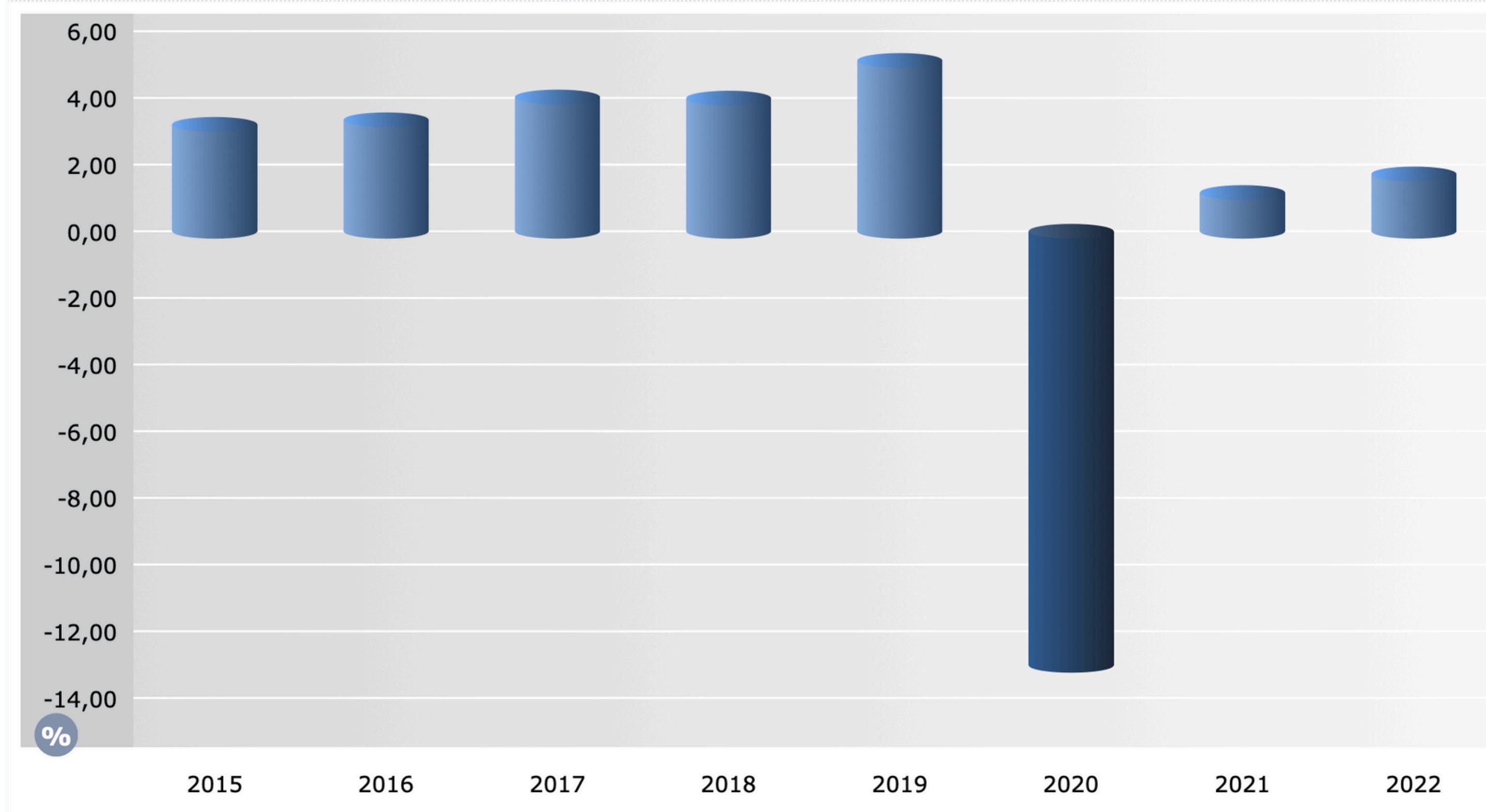
Ramón Bilbao: Current Ratio (%)

- Has a fluctuating relationship between its assets and liabilities



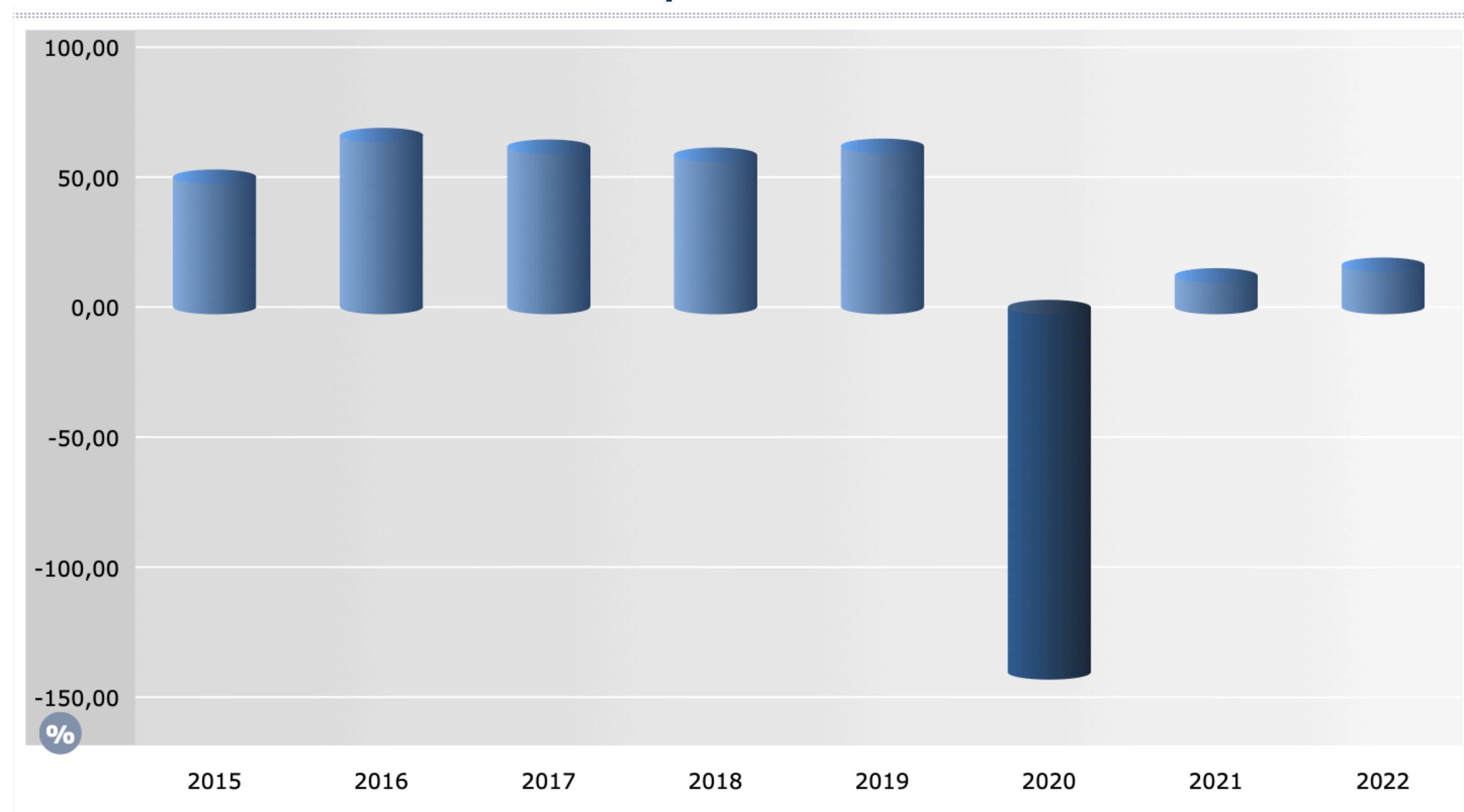
Ramón Bilbao: Return on Capital Employed (%)

- Demonstrating growth in more efficiently utilizing their capital



Ramón Bilbao: Profit Margin (%)

- The company's sales revenue returned to exceeding business costs post Covid-19 pandemic



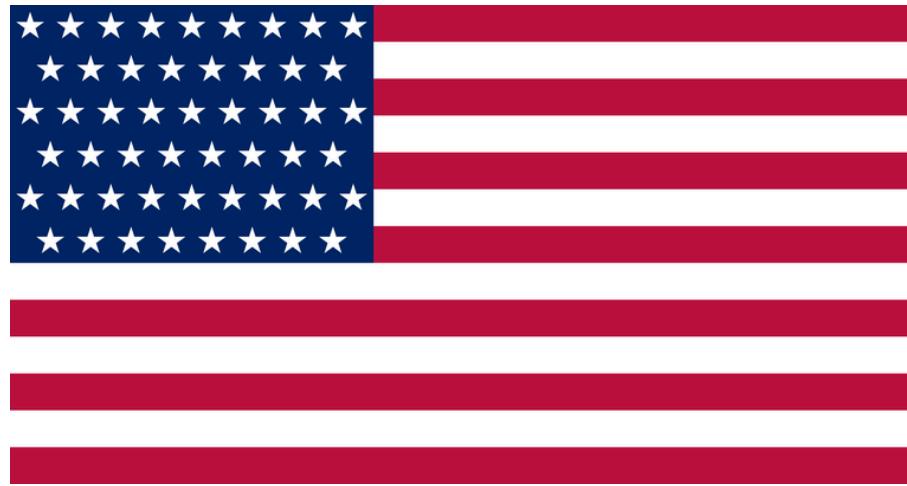
MARKET ANALYSIS



GLOBAL TRENDS

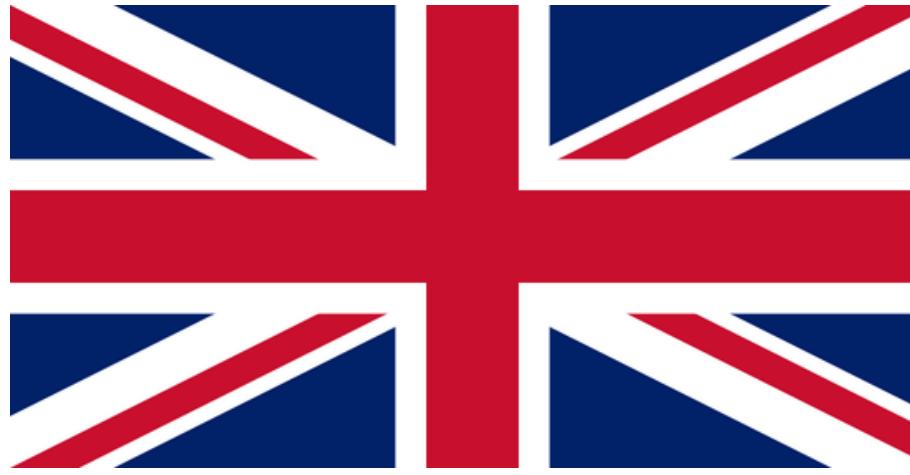
Main Import Countries

1



United States of
America

2



United Kingdom

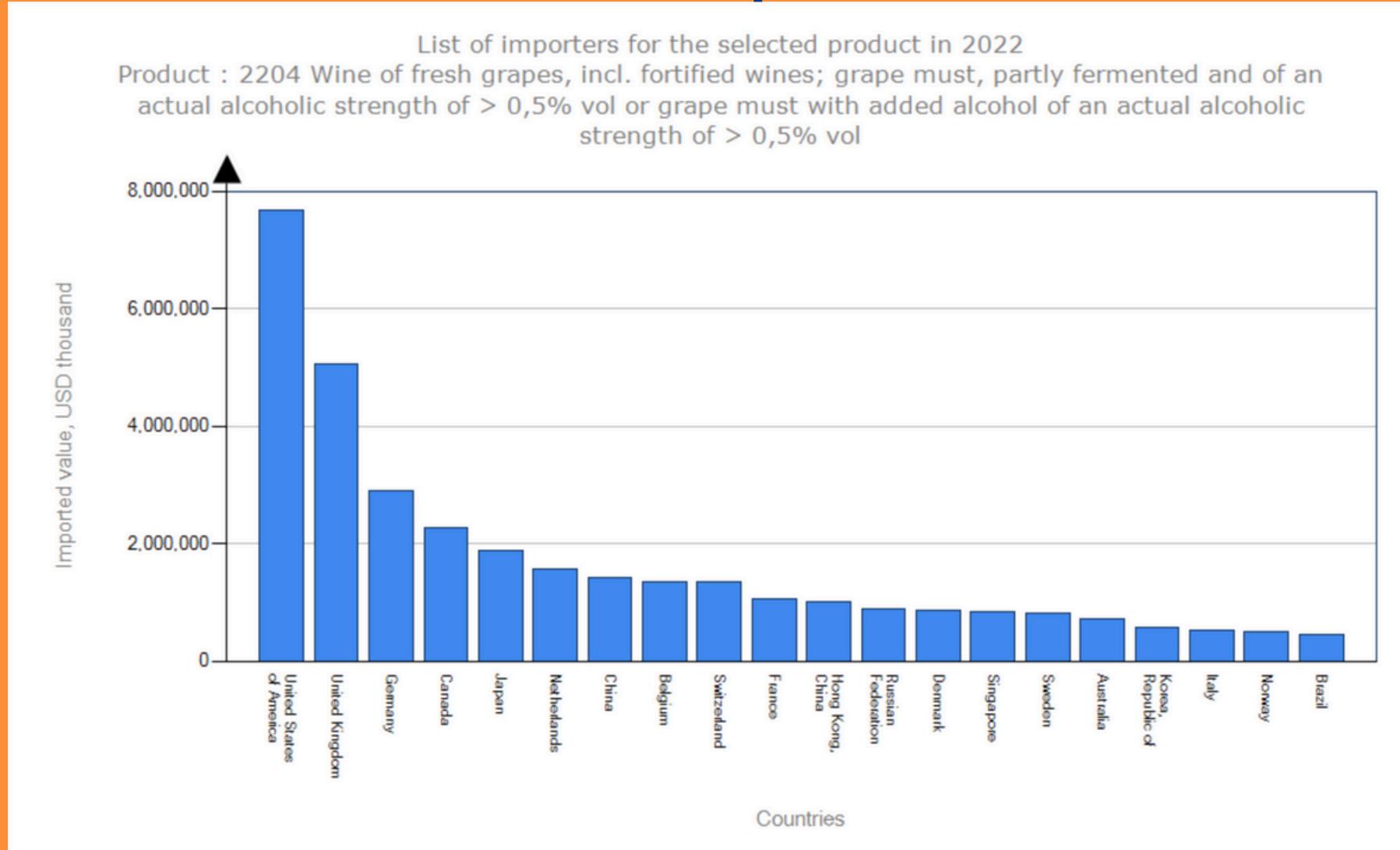
3



Germany

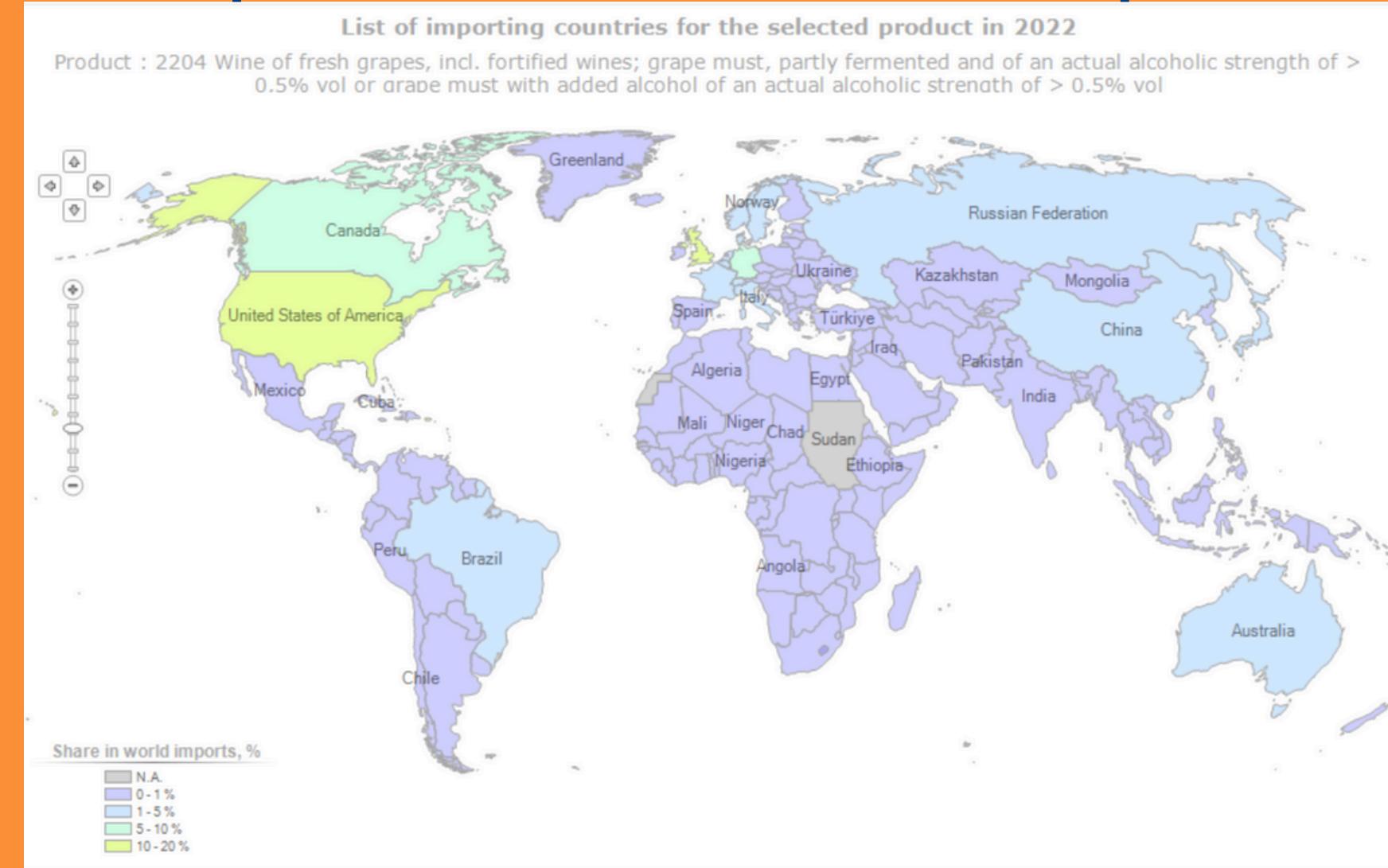
Imports

Bar Chart on Imported Value



The graph above pictures the value imported in 2022 (USD thousand). The USA has a value of 7,684,771. The UK has a value of 5,063,847. Germany has a value of 2,903,334. The USA as the highest import value for Product 2204: Wine of fresh grapes. This high level of imports reveals the robust domestic demand and the growing economy in the US.

Map of the Share in World Imports



The map above highlights individual country share in the world imports of Product 2204: Wine of fresh grapes. The darker (purple/blue) color indicates a lower percentage in the world share of imports. The lighter (green/yellow) color indicates a higher percentage of the world share of imports. The USA has a 19% share, UK has a 12% share, and Germany has a 7% share in the world imports.

Main Export Countries

1



France

2



Italy

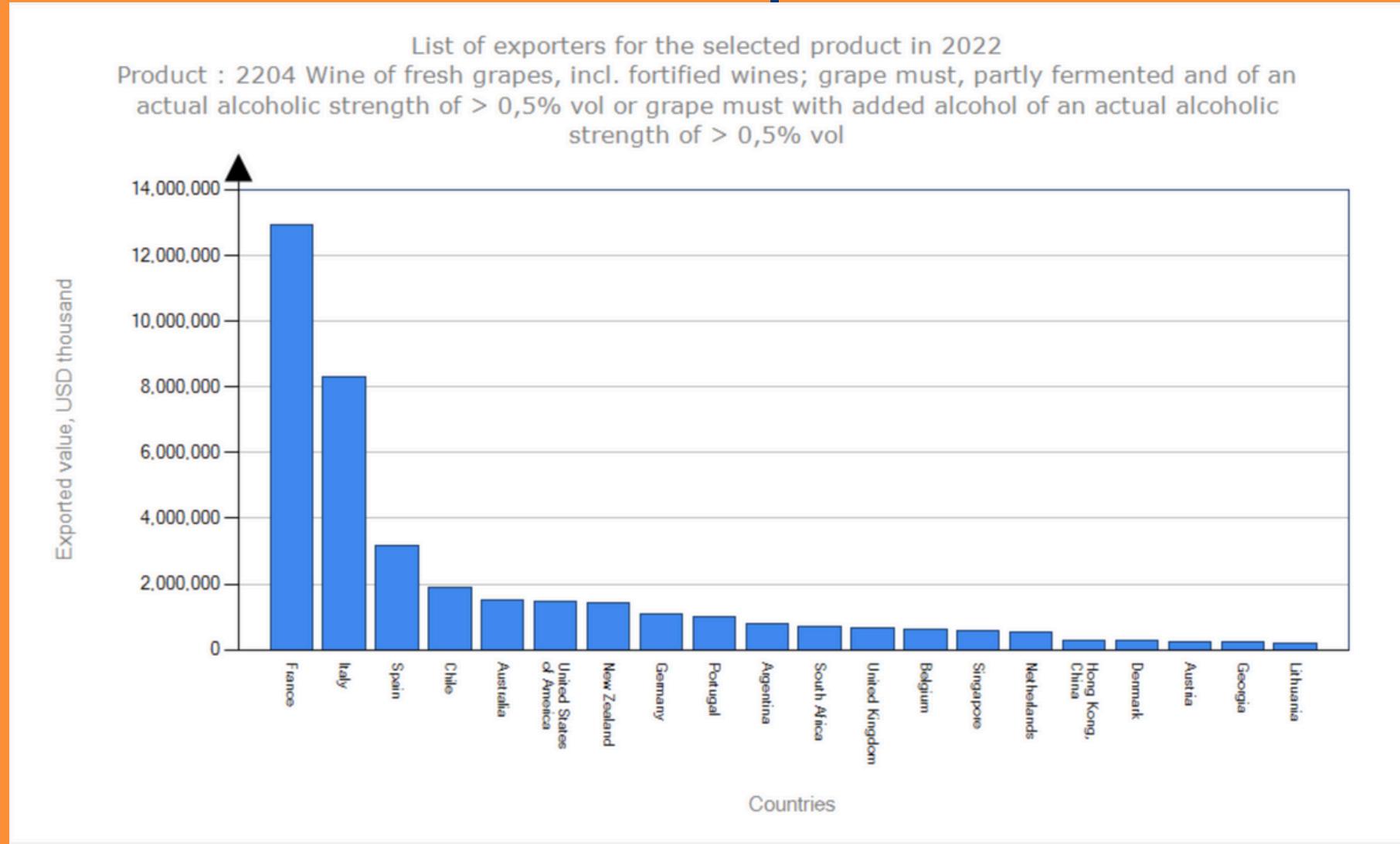
3



Spain

Exports

Bar Chart on Exported Value



The graph above pictures the value exported in 2022 (USD thousand). France has a value of 12.949.885. Italy has a value of 8.289.675. Spain has a value of 3.180.169. Spain at #3 as the highest export value for Product 2204: Wine of fresh grapes. This high level of exports for Spain further reveals the readiness and advantageous ability for our company to take within international markets.

https://www.trademap.org/Country_SelProduct_Graph.aspx

Map of the Share in World Exports



The map above highlights individual country share in the world exports of Product 2204: Wine of fresh grapes. The darker (purple/blue) color indicates a lower percentage in the world share of exports. The lighter (green/yellow) color indicates a higher percentage of the world share of exports. France, Italy, and Spain appear the lightest in color. France has a 33% share, Italy has a 21% share, and Spain has a 8% share in the world exports.



TRENDS IN SPAIN

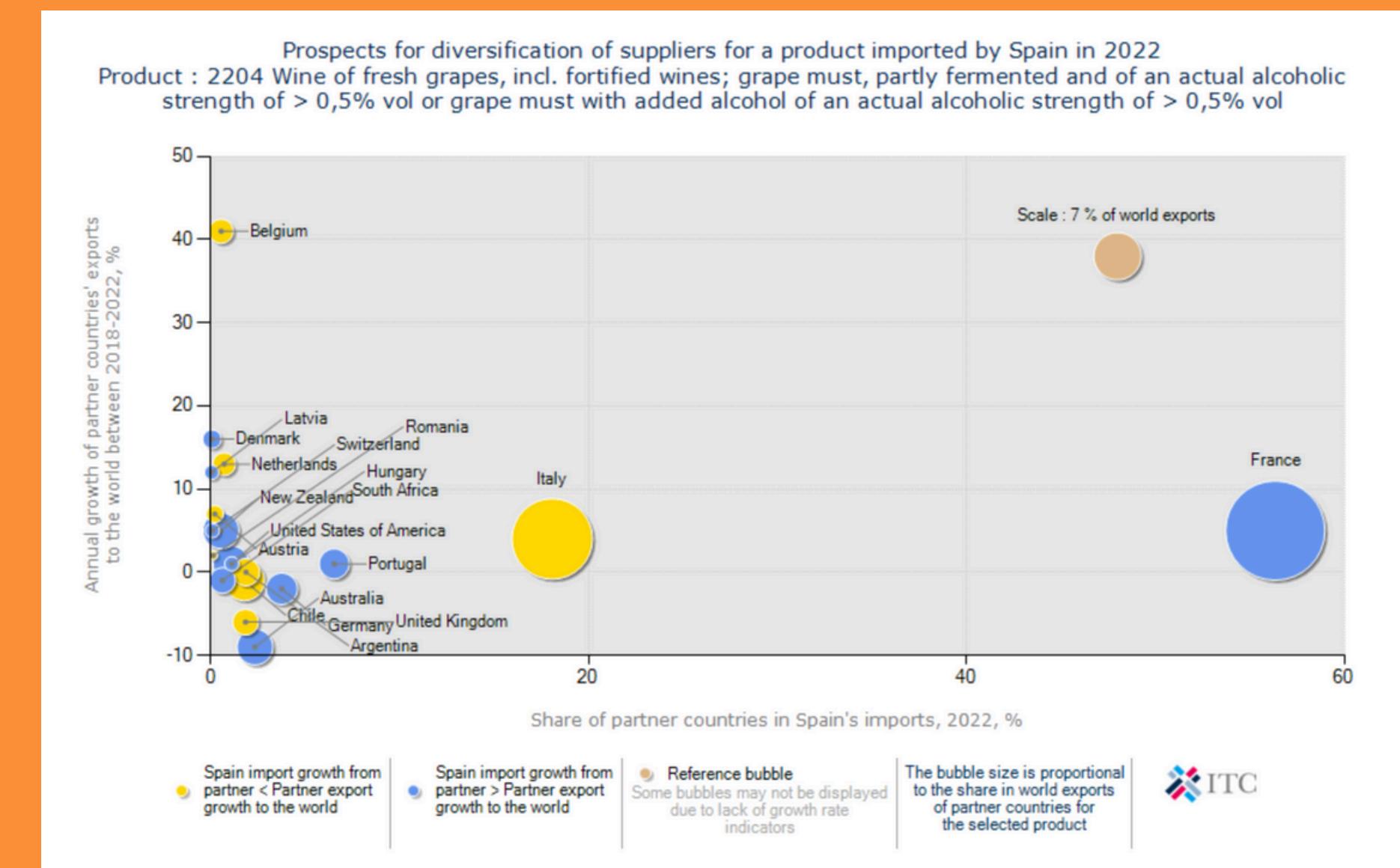


Spanish Import of Wine

~\$297 Million of Wine Imported in 2022

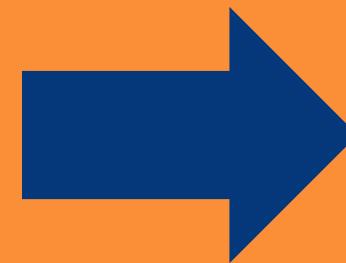
Top Exporters

1. France (56.3%)
2. Italy (18.1%)
3. Portugal (6.5%)
4. Germany (3.8%)
5. Australia (2.4%)
6. Argentina (1.9%)
7. United Kingdom (1.9%)
8. Chile (1.8%)



Spanish Export of Wine

~\$3.18 Billion of Wine Exported in 2022

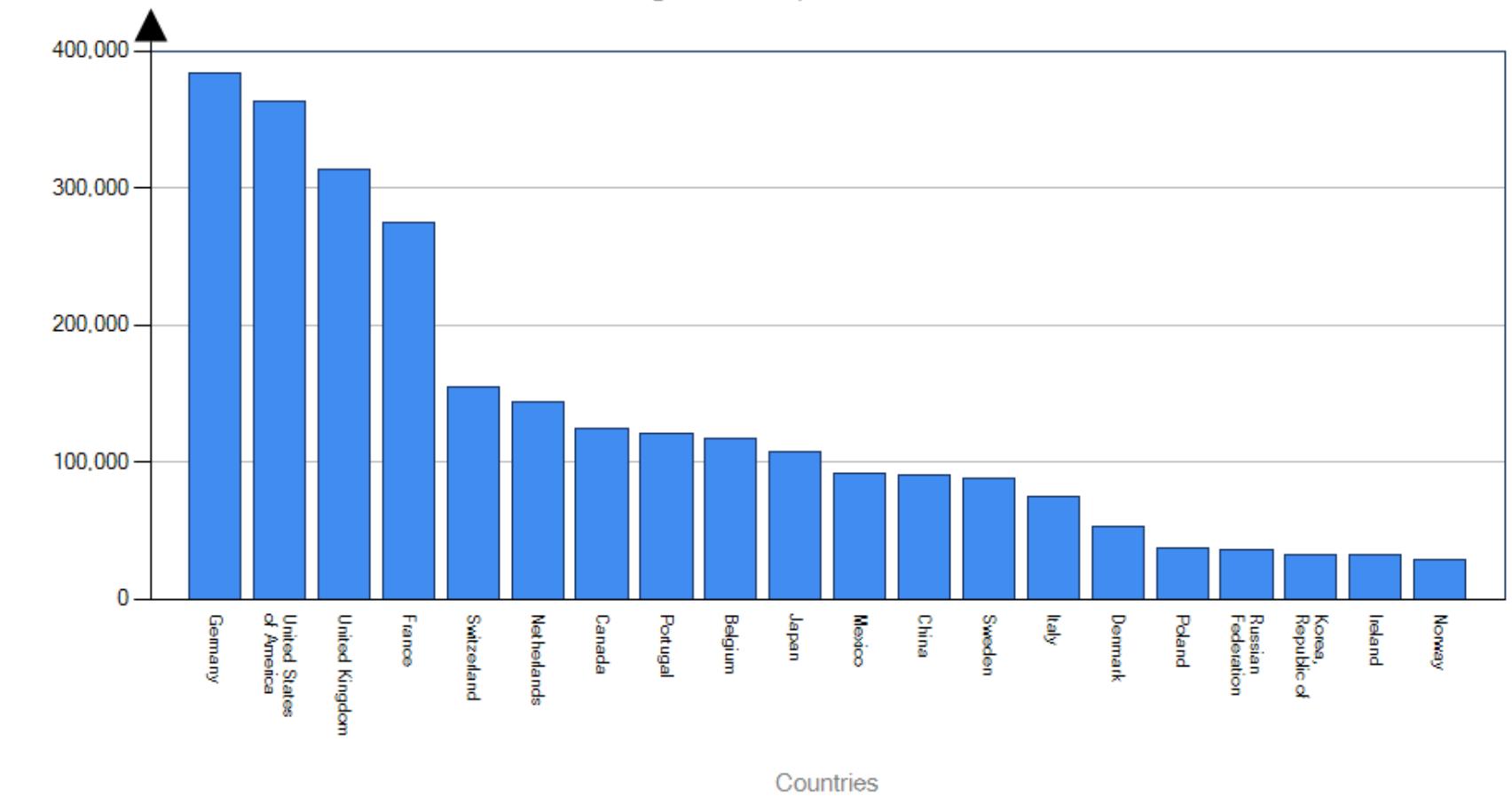


8% of world exports

Top Importers

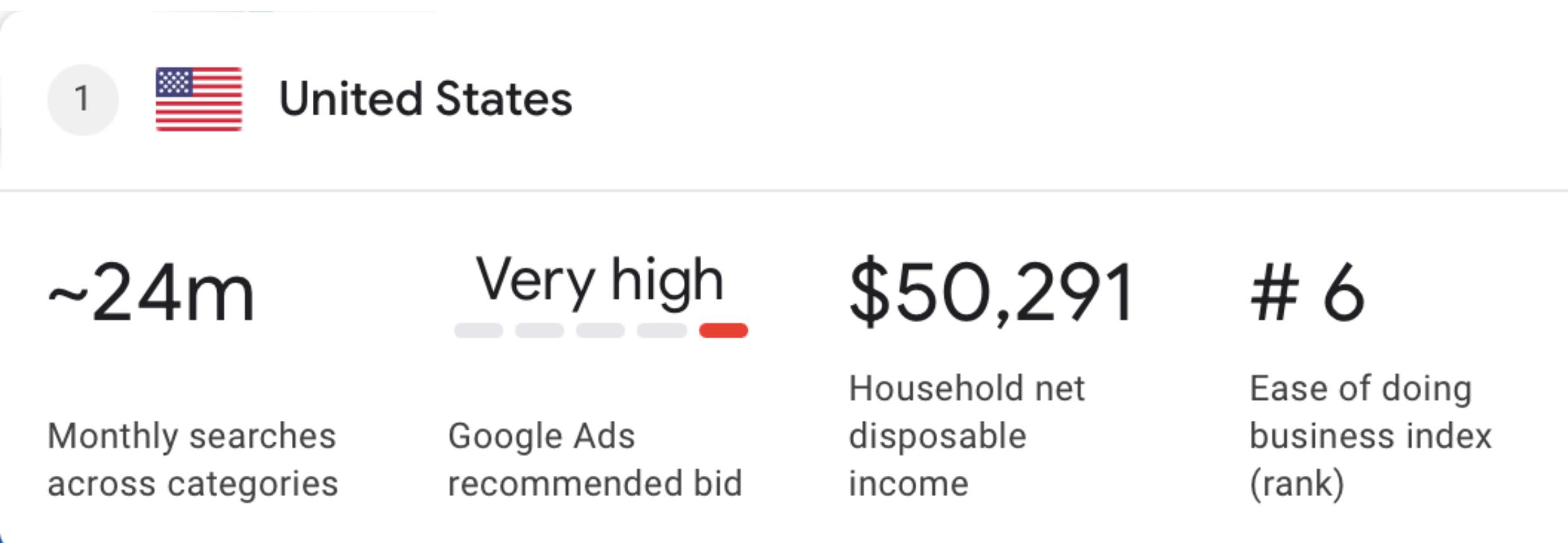
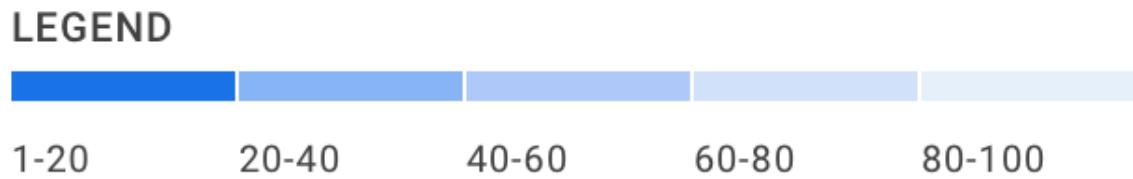
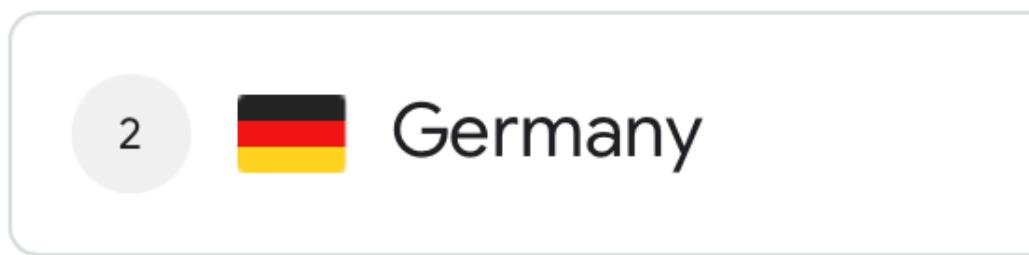
1. Germany (12.1%)
2. United States of America (11.41% of exports, 5% growth from 2018-2022)
3. United Kingdom (9.86%)
4. France (8.6%)
5. Switzerland (4.9%)
6. Netherlands (4.5%)
7. Canada (3.9%)
8. Portugal (3.8%)
9. Belgium (3.7%)

List of importing markets for a product exported by Spain in 2022
Product: 2204 Wine of fresh grapes, incl. fortified wines; grape must, partly fermented and of an actual alcoholic strength of > 0,5% vol or grape must with added alcohol of an actual alcoholic strength of > 0,5% vol



Your top recommended markets

We've used key metrics from your chosen categories to calculate which markets offer you the best opportunities for growth, discover your first recommendations below.



Google Market
Finder:
Mar de Frades

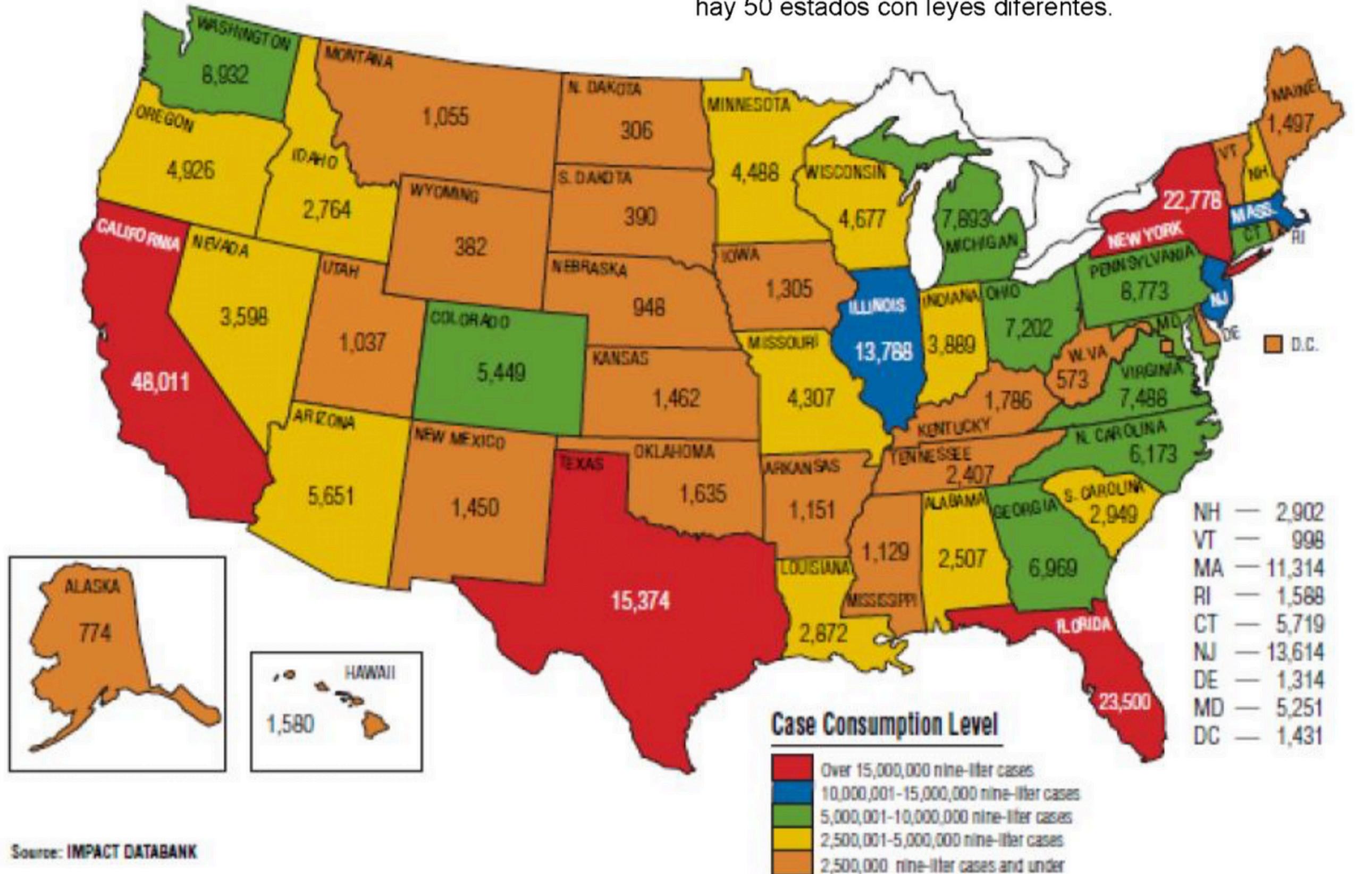


TRENDS IN UNITED STATES

Graph 4-11
2006 Total Apparent Wine Consumption
(thousands of nine-liter cases)

Un Mercado Complejo

En un territorio que mide 2 veces Europa Unida, hay 50 estados con leyes diferentes.



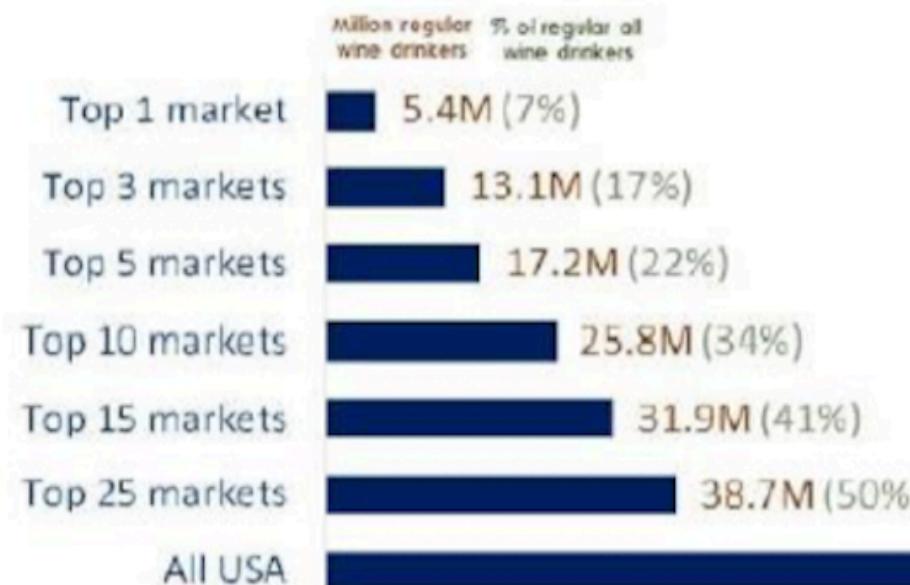
2006 Total Apparent Wine Consumption

The graph highlights the complete wine market in the US. The United States is twice as large of the European Union. Within the 50 states that comprise the U.S., each state has different laws. The different colors represent the case consumption level (of nine-liter case) by state. The top four states with the highest case consumption levels include California (48,011), Florida (23,500), New York (22,778), and Texas (15,374). The northeast part of the country is the most saturated with high wine consumption levels. The midwest is the least saturated with low wine consumption levels.

OVER 1/5TH (22%) OF US REGULAR WINE DRINKERS RESIDE IN 5 METROPOLITAN AREAS IN THE USA



Distribution of US regular wine drinkers in top 25 metropolitan areas



1. New York – Newark
2. Los Angeles – Long Beach
3. Dallas – Fort Worth
4. Chicago – Naperville
5. San Jose – San Francisco – Oakland
6. Miami – Fort Lauderdale – Port St. Lucie
7. Houston – The Woodlands
8. Philadelphia – Reading – Camden
9. Boston – Worcester – Providence
10. Washington – Baltimore – Arlington
11. Orlando – Deltona – Daytona Beach
12. St. Louis – St. Charles – Farmington
13. Seattle – Tacoma
14. Atlanta – Athens – Clarke Cty. – Sandy Springs
15. Charlotte – Concord
16. Minneapolis – St. Paul
17. Portland – Vancouver – Salem
18. Detroit – Warren – Ann Arbor

19. Cleveland – Akron – Canton
20. Kansas City – Overland Park
21. Denver – Aurora
22. Las Vegas – Henderson
23. Sacramento – Roseville
24. Raleigh – Durham – Chapel Hill
25. Milwaukee – Racine – Waukesha

Source: Wine Intelligence US Vinitrac®, October 2020 n=2000 regular wine drinkers (Drink wine at least once per month)



Distribution of US regular wine drinkers in top 25 metropolitan areas

This graph breaks down the groups of wine drinkers into metropolitan areas of the United States. There are five top metropolitan areas where 1/5th (22%) of regular wine drinkers live. On the graph, the larger blue bubble coincide with a higher percentage of wine drinkers in that respective metropolitan area. The top five metropolitan areas include Newark-New York, Los Angeles-Long Beach, Dallas-Forth Worth, Chicago-Naperville, and San Jose-San Francisco-Oakland. The graph overall highlights the top 25 metropolitan areas.

<https://www.wineintelligence.com/over-1-5-22-of-us-regular-wine-drinkers-reside-in-5-metropolitan-areas-in-the-usa/>

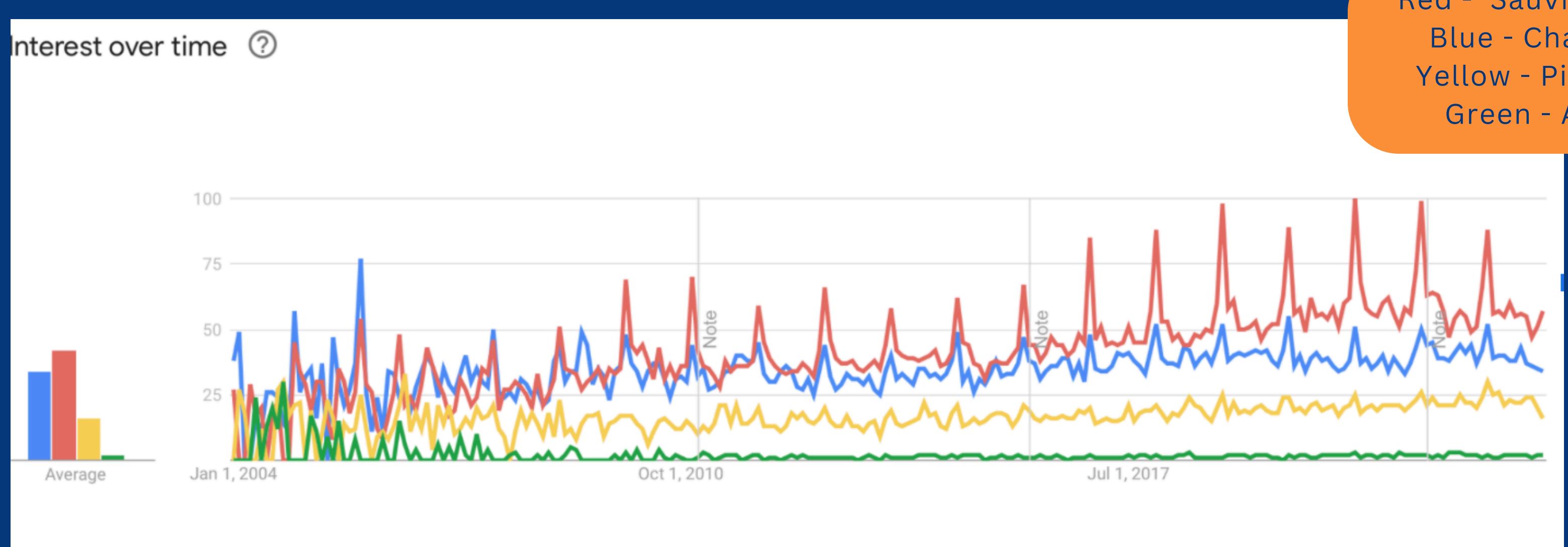
Fuente: Wine Intelligence US Wine Consumer Observatory 2021,

Interest in “Spanish Wine” in the U.S. (2004 - PRESENT)



COMPETITORS

Competitors



This graph shows the trends of search terms for different white wine varieties in Texas over the years since 2004. Clearly interests in wine had increased steadily in Texas over the years. The most popular varieties are Sauvignon Blanc and Chardonnay.

Competitors



Kim Crawford
Sauvignon Blanc \$17



Santa Margherita
Pinot Grigio \$28



Kendall-Jackson
Chardonnay \$17

These are some of the most popular wines sold in Texas. They are all priced similarly to Mar de Frades Albariño. Although Sauvignon Blanc tends to be most popular in Texas, Pinot Grigio is the most similar to Albariño flavor.

Spanish Albariño Competitors



Terras Gauda O'Rosal
2022 \$28.50



Pozo la Moreira
Albariño \$18



Envidiacochina
(Tete de Cuvée) \$25

These are some of the most popular albariños sold in the United States. They are all from the Rías Baixas region of Spain where the Mar de Frades vineyards are. Each wine is similarly priced to what the Mar de Frades Albariño would be sold for in Texas. The wine market in the US, especially Texas, is very saturated and diverse, so pin pointing direct competitors is difficult.

American Albariño Competitors

American Albariño Wines

Albariño grapes are mostly grown in Northwest regions of Portugal and Spain (Galicia), these grapes are now produced in several regions of California such as Napa, Edna Valley, Santa Ynez Valley, Los Carneros, and Clarksburg. Along the West Coast these grapes are also produced in the states of Oregon and Washington. However, the climate is significantly different from that of the Galician region. In California particularly, there is low rainfall, less humidity, and larger diurnal shifts, which in turn increases the difference between the wines from this region compared to that of the Galician region.



**Back Garden Albariño
2021, \$19.99**
This wine is from the Clarksburg region of California where the Spanish native Albariño grape thrives.



**Pescadero Rock Albariño
2021, \$27.99**
This wine is from the Pescadero Rock region of Santa Barbara County in California. Here the albariño grapes flourish in the West Coast sun.



**La Guera Albariño 2021,
\$44.99**
This wine is from the Paso Robles region of California. This Mexican-American company proudly produces crisp and vibrant wine from the albariño grapes.

SWOT ANALYSIS

STRENGTHS

- Mar de Frades is a subsidiary of the Zamora Parent Company who has entered the market previously.
- Attractive Packaging.
- Competitive Pricing.

WEAKNESSES

- First time entering physical stores within the US market.
- Lack of established reputation
- Still recovering financially after COVID-19 Pandemic.

OPORTUNITIES

- Wine consumption and interest is on the rise in Texas
- Mar de Frades wine has won competitions in the past, we have a chance to win more competitions and gain exposure.
- Staistfy new customer's interest in Spanish Wine.

THREATS

- Wine market in Texas is oversaturated with many varieties of wine.
- Shipping glass bottles with a new shipping company, there is a risk of bottles breaking and losing product.
- Changing in Tax rates and legal regulations could affect profit margins

COUNTRY ANALYSIS



The United States

Economic Analysis

GDP

The US has the second largest GDP of \$21.132 trillion. Therefore there is strong purchasing power.

Imports

The US ranks first in global imports, totaling \$3.402 trillion in 2021.

Wine Consumption

The US ranks 35th in alcohol consumption per capita. Americans consume 1.67 L of wine per capita.

Population

Population density highest in urban cities. Houston and Dallas-Fort Worth rank 4 and 5 in population per capita.

Demographics

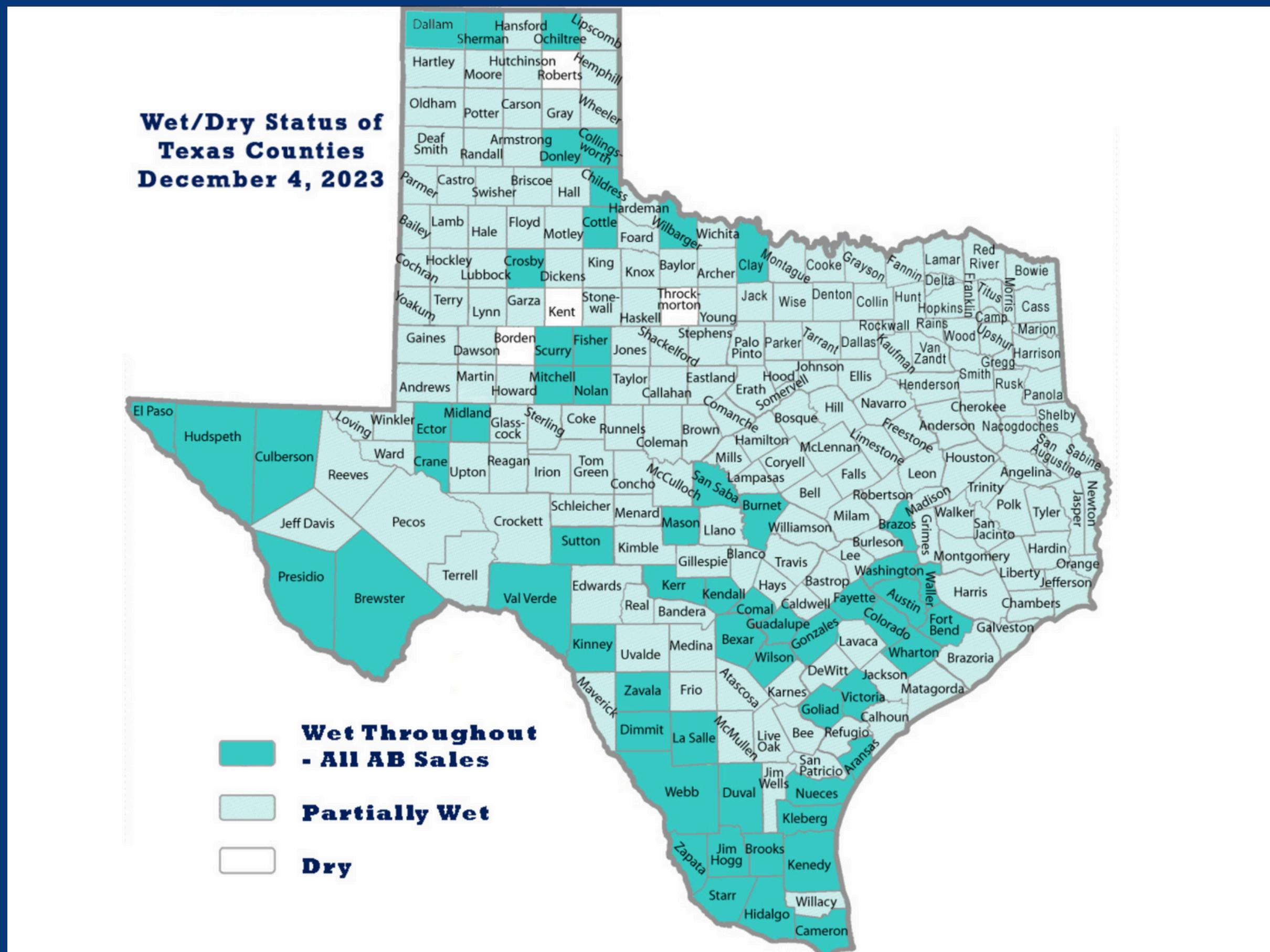
The US has the 3rd largest population with lots of diversity in ethnic groups, language, and religion.

Expenditures

1.7% of household expenditures in the US are attributed to alcohol and tobacco, and 6.4% on food.

INDUSTRY DATA

Texas Alcohol Laws



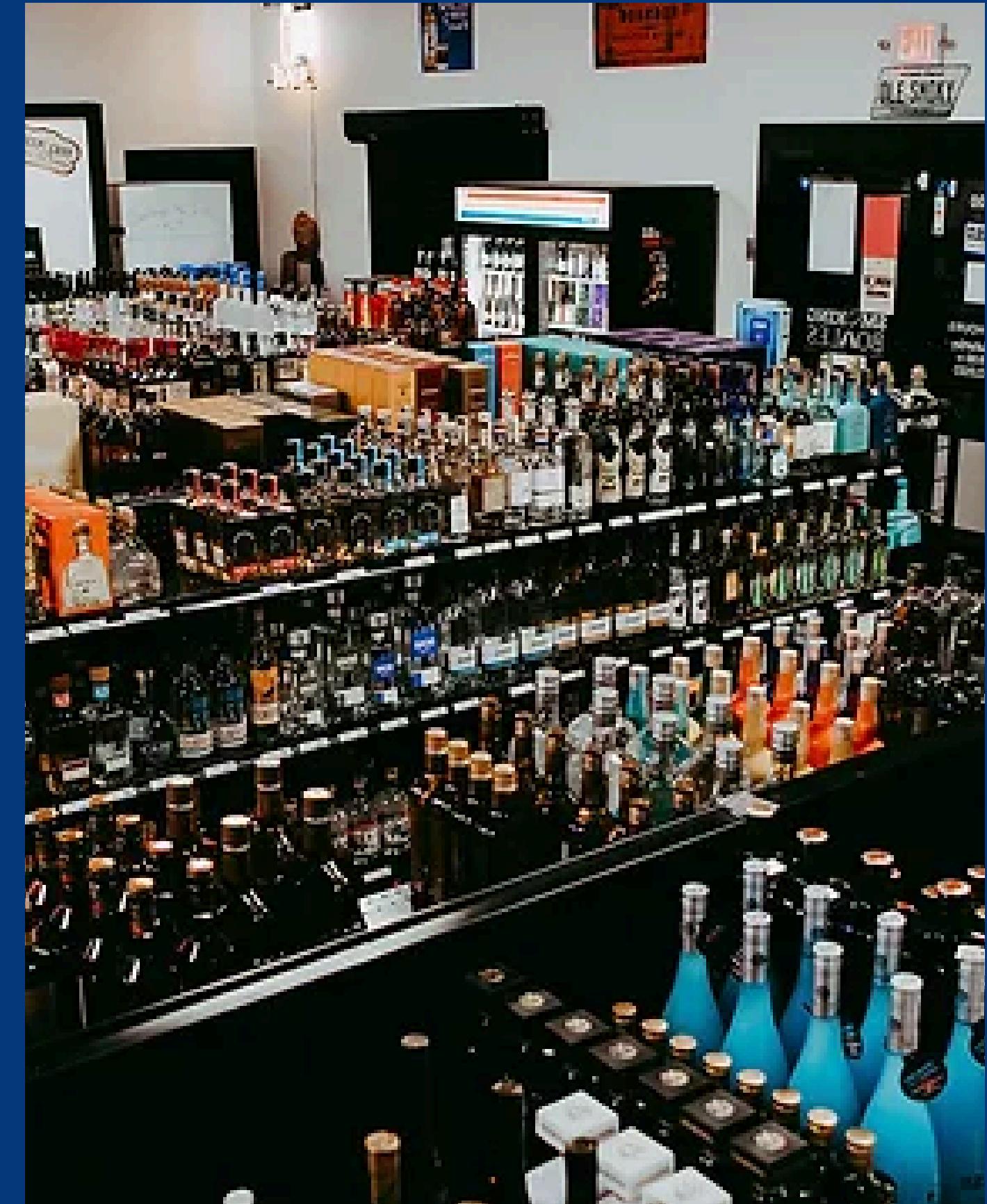
There is a set of statewide alcohol laws, but local elections determine the types of alcoholic beverages that can be sold in their counties.

Statewide laws are the times at which alcohol can be sold (see next slide) and that all those who purchase alcohol must be 21 or older.

“Most counties and cities allow some types of alcohol sales. As of December 2023, there are 60 completely wet counties in Texas and four completely dry counties”.

Wine Purchasing in Texas

- Wine and beer sold at grocery and convenience stores during these times:
 - 7:00am to 12:00am Monday - Friday
 - 7:00am Saturday to 1:00am Sunday
- Liquor stores are open Monday-Saturday from 10am-9pm
- All liquor stores are closed on Sunday and alcohol sales are prohibited by regular stores
- Alcohol sales prohibited on Sunday, Thanksgiving Day, Christmas Day, and New Years Day





Beverage Restrictions



TABC

Texas Alcohol Beverage Commission sees no restriction in the law that would prevent those acting as a distributor or wholesaler from allowing their retailer customers to pick up their products from the distribution or wholesale premises.

Product Registration

1. Businesses must register each alcoholic beverage product with TABC before it can be shipped into Texas required by law.

2. Nonresident Seller's Permit (S) can be applied for online with a \$25 fee. This permit covers all sizes of bottles. Products must be from 50mL to 58mL.

3. Nonresident sellers must ship their products by a common carrier that holds a Carrier's Permit (C). They can only sell to the following permit holders in Texas:

- a. Winery (G)**
- b. Wholesaler (W)**
- c. General Class B Wholesaler (X)**

Wine Label Requirements

Required Information on the Brand Label:

- Appellation of Origin (mandatory in certain circumstances)
- Brand Name
- Class or Type Designation (the kind of wine based on the standards of identity)
- Percentage of Foreign Wine (if applicable)

Required Information on Any Label:

- Alcohol Content
- Color Ingredient Disclosures (if applicable)
- Health Warning Statement
- Name and Address
- Net Contents
- Sulfite Declaration

In order for wine to be allowed to be taken out of customs, you must get a Certificate of Label Approval (COLA) by the Tax and Trade Bureau (TTB), which makes sure everything is in compliance.

PRODUCT AND PRICING.

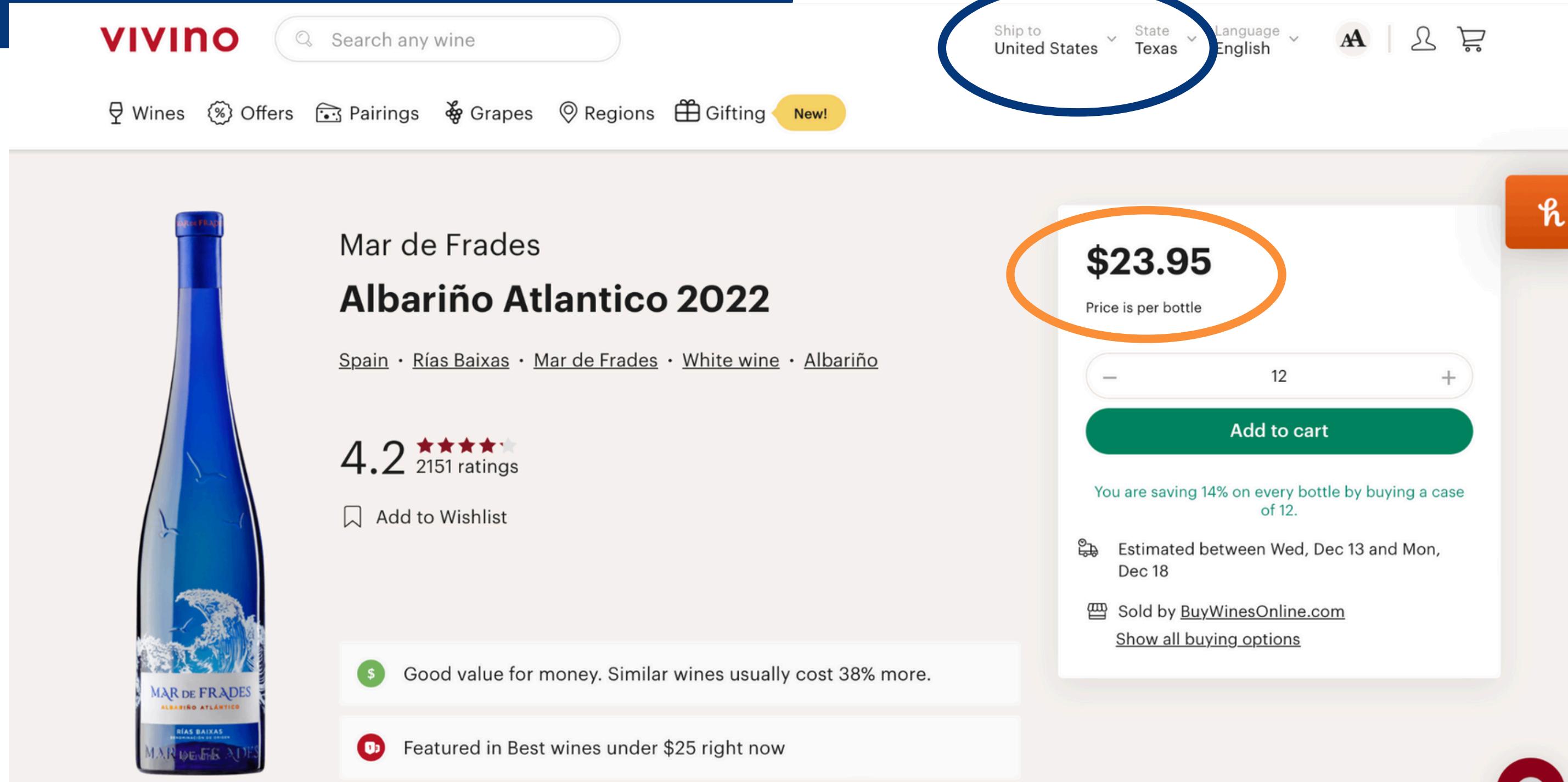
Product Selection and Pricing

Albariño Atlantico

The wine we have chosen is Albariño Atlantico. This wine is Mar de Frades most affordable bottle of wine and its most popular. Since we are entering the market for the first time, having a more affordable bottle will increase the likelihood that more consumers will be willing to try the bottle of wine. Seeing that Mar de Frades tends to sell this bottle around 18€, and after pricing analysis we will be selling the wine for \$23.25 in the Texas market.



Price from an Online Wine Distributor



VIVINO Search any wine

Ship to United States State Texas Language English

Wines Offers Pairings Grapes Regions Gifting New!

Mar de Frades

Albariño Atlantico 2022

Spain · Rías Baixas · Mar de Frades · White wine · Albariño

4.2 2151 ratings

Add to Wishlist

\$23.95 Price is per bottle

Add to cart

You are saving 14% on every bottle by buying a case of 12.

Estimated between Wed, Dec 13 and Mon, Dec 18

Sold by [BuyWinesOnline.com](#) Show all buying options

Good value for money. Similar wines usually cost 38% more.

Featured in Best wines under \$25 right now

Vivino is the world's largest online wine marketplace. The image below shows the cost to ship a bottle to Texas from Mar de Frades. The price is nearly identical to the estimate we provided.

Product Selection and Pricing

	International Price
Exworks Price	\$82,656.00
Transport and Handling	\$2,800.00
	<i>Subtotal</i>
	<u>\$85,456.00</u>
Insurance (1.5%)	\$1,281.84
	<i>Subtotal</i>
	<u>\$86,737.84</u>
Customs Tax (\$1.07/gallon)	\$2,035.14
	<i>Subtotal</i>
	<u>\$88,772.98</u>
Price to Distributor	\$88,772.98
Distributor's Margin (30%)	\$26,631.89
	<i>Subtotal</i>
	<u>\$115,404.87</u>
Wholesaler Margin (30%)	\$34,621.46
	<i>Subtotal</i>
	<u>\$150,026.34</u>
Retail Margin (40%)	\$60,010.53
	<i>Subtotal</i>
	<u>\$210,036.87</u>
Sales Tax (6.25%)	\$13,127.30
Final Price to the Customer for Shipment	\$223,164.18
Final Price Per Bottle (Total/9600 bottles)	<u>\$23.25</u>

Final Shipping Price Escalation

Shipping Method:
Cost Insurance and
Freight (CIF)

Shipping Aspects	Cost
Freight Price (Mar de Frades to Vigo Port)	\$200
Shipping Price (Vigo to Sines to Houston)	\$2,100
Labor Costs	\$500
Total	\$2,800.00

DISTRIBUTION AND MARKETING

DISTRIBUTION

Distributors in Texas



Mid-State Wine and Liquors is a distributor and importer of wine for the entire state of Texas. They have relationships with restaurants, package stores, banquet halls, hotels, wine bars and national grocery stores.



Southern Glazer's Wine & Spirits is the largest wine distributor in the state of Texas. They have more branches for distribution than all other competition.



Republic National Distributing Company is the second largest alcohol distributor in the US. They own a branch that fully operates out of Texas, and have a long history working with family owned companies.

Because of the size of the state of Texas and the vastness of the wine market, there are many distributors to choose from. The three distributors on the left were the best three we took under consideration. After much deliberation, we think **Mid-State Wine & Liquors** would be the best to work with because of their relationship with many different types of retailers in Texas. With their connections, Mar de Frades will be exposed to more consumers.

MARKETING

Trade Shows and Conventions

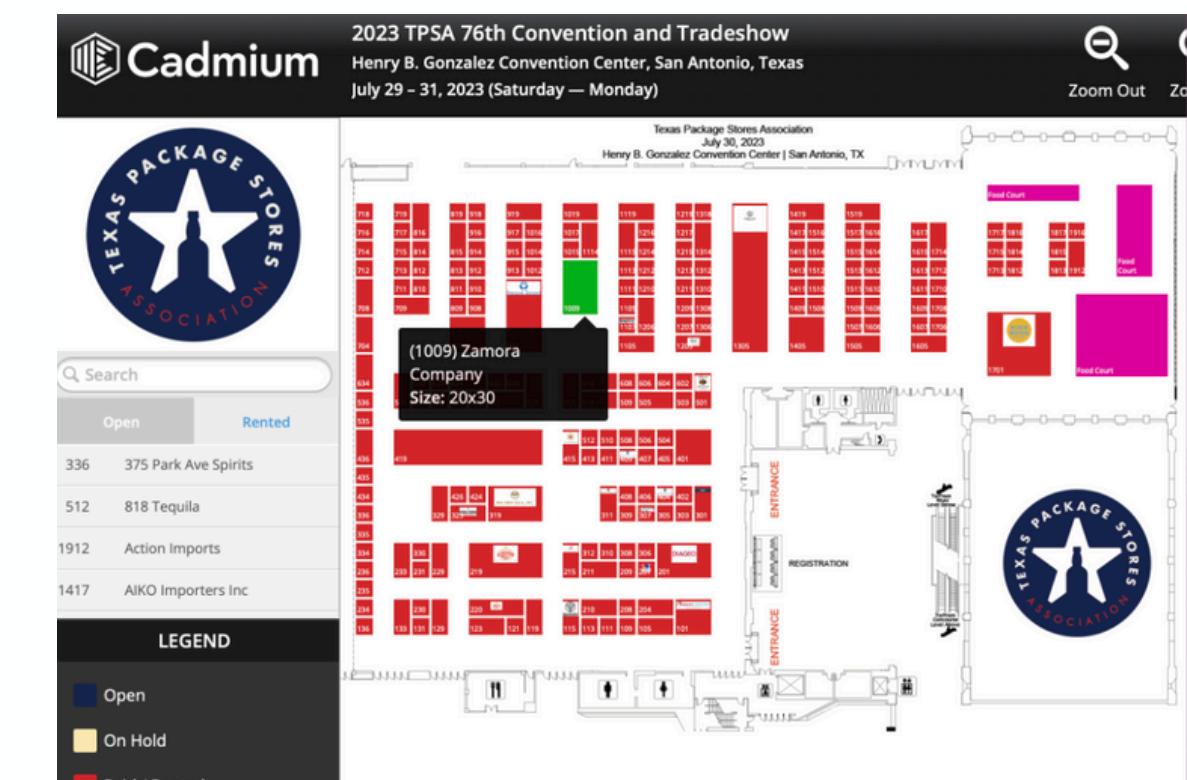
The Texas Package Stores Association Annual Convention & Trade Show is the largest alcohol beverage industry related event in Texas. This event allows professionals in the industry to network, exchange knowledge, and allows new companies to feature their wine and enter the market. Buying a booth also comes with a feature in Buyer's Guide of the Convention Program which all the attendees receive. The photo on the right shows that Zamora company participated in this event in 2023 highlighted in green. Mar de Frades will join them in 2024.

Location: Henry B. Gonzalez Convention Center, Grand Hyatt San Antonio, San Antonio, TX.

Dates: July 27-29th, 2024

Exhibit Space Includes

- One (1) complimentary exhibitor badge allowing full access to the TPSA Convention & Trade Show (excluding sponsored meals and retailer only sessions)
- Three (3) additional complimentary exhibitor badges per 10'x 10' booth
- You may purchase additional badges through the Exhibitor Portal
- 8' back drape and 3' side divider drape in show colors
- 7" x 44" Company ID Sign
- One (1) 6' draped table
- Two (2) side chairs
- One (1) trash can



Trade Show Budget

Trade Show Budget	Cost
Zamora Company's Booth 20' x 30'	14,400
Hotel Stay at Gran Hyatt San Antonio (2 rooms)	735.36
Flights (2 people)	2590
Round Trip Train from Galacia to Madrid (2 people)	286
Ride Share Expense	400
Food Expense	1,000
Display Wine (4 cases)	400
Display Signs for Booth	500
Total	20311.36

Conferences and Competitions

Lone Star International Wine Competition

Location: Grapevine, Texas

History of the Competition

The Lone Star International Wine Competition (LSIWC) is the oldest in Texas run by the Texas Wine and Grape Growers Association (TWGGA). As one of the fastest growing wine regions in the US, this showcase allows for the recognition of diverse and excellent wines. Four competition opportunities are offered: Texas competition, International competition, Limited Production, and Wine Label competition.

Membership

Mar de Frades must join through a Commercial Member of the Texas Wine & Grape Growers Association. Mar de Frades, with over 60 hectares (>148 acres) would be considered a large commercial vineyard, costing \$1400 annually.

Membership Benefits

Advance: Engage in the protection, enhancement, and advancement of the Texas wine industry through representation in legislature

Grow: The TWGGA will provide access to enhanced marketing for the product to cultivate an improved business. As a member, Mar de Frades would gain access to cost-saving, innovation-forward tools including marketing campaigns, listings on the website, and coverage on social media platforms

Build: The TWGGA can help to establish greater connections through networking with other winemakers and growers. It will provide access to conferences to enhance industry relationships.



1. ***Advancing Your Industry***
2. ***Growing Your Business***
3. ***Building Your Network***

Membership Pricing

Member Type	Price
Consumer	\$150
Emerging Commercial Vineyard	\$300
Emerging Commercial Winery	\$300
Small Commercial Vineyard (1-19 acres)	\$500
Small Commercial Winery (Under 3,000 gallons/year)	\$500
Medium Commercial Vineyard (20-59 acres)	\$1,000
Medium Commercial Winery (3,000-19,000 gallons/year)	\$1,000
Large Commercial Vineyard (60+ acres)	\$1,400
Large Commercial Winery (20,000+ gallons/year)	\$1,400
Out-of-State Vineyard	\$300
Out-of-State Winery	\$300
Media	\$200
Student	\$35
Vendor	\$500
University Employee	\$200

Sources

- <https://www.mardefrades.es/historia-made-of-atlantic/>
- <https://www.the-buyer.net/tasting/wine/paula-fandino-mar-de-frades/>
- <https://www.semrush.com/analytics/traffic/overview/?q=mardefrades.es&device=desktop&highlightedQuery=mardefrades.es&searchType=domain&protocol=https>
- https://www.trademap.org/Country_SelProduct.aspx?nvpn=1%7c%7c%7c%7c2204%7c%7c4%7c1%7c1%7c1%7c1%7c2%7c1%7c1%7c1
- https://www.trademap.org/Country_SelProduct.aspx?nvpn=1%7c%7c%7c%7c2204%7c%7c4%7c1%7c1%7c2%7c1%7c2%7c1%7c1%7c1
- https://sabi.informa.es/version-20230626-4-5/Report.serv?_CID=1682&product=sabiinforma&SeqNr=1
- <https://trends.google.com/trends/explore?date=all&geo=US&q=Mar%20de%20Frades&hl=en>
- <https://marketfinder.thinkwithgoogle.com/intl/en/onboarding>
- <https://www.icex.es/content/icex-foodswines/en/wine/articles/2021/november/why-america-is-intrigued-by-spanish-wines.html>
- <https://trends.google.com/trends/explore?date=all&geo=US-TX&q=%2Fm%2F09cgp,%2Fm%2F016tzn,%2Fm%2F01ykk7,%2Fm%2F047mf4&hl=en>
- <https://uproxx.com/life/drizly-best-selling-white-wine/>
- <https://www.tabc.texas.gov/texas-alcohol-laws-regulations/>
- <https://www.method.me/pricing-guides/trucking-rates-per-mile/#toc-header-23>
- <https://my.icontainers.com/quotes/fe03d4dc-ef43-487e-9039-012d9a991c68>
- <http://www.wssa.com/membership/faqs>