It was a warm summer day in February 2012, and Vivian Kleynhans, the owner of African Roots Wine Brands, was taking one last look at her travel itinerary that would take her across the Atlantic Ocean to the USA and Canada to promote her company’s line of wines, appropriately named Seven Sisters. She smiled as she thought about her six sisters, each with their own unique style and personality, and how their family’s past struggles and perseverance brought them to enter South Africa’s highly competitive wine industry. As one of the very few black-owned family wine brands, Seven Sisters has faced an uphill battle struggle ever since it entered the wine industry.

South African wine has gained an international reputation for its good value and quality, but critics contend that the industry has been slow to promote racial diversity. The Seven Sisters story mirrors the country’s policy of Black Economic Empowerment (BEE) which has been a major force driving transformation in the industry. However, business has been tough for Vivian and her sisters. In the middle of an incredibly competitive South African wine industry, Seven Sisters has run into significant challenges with their production, marketing and human resource management. With only five years in the business, Seven Sisters struggled to grow its brand name both domestically and internationally. In the wine community, newcomers generally have a hard time making an impact, with the loyal customer bases preferring established brands. In this traditional market, where history and experience counts most among consumers, young wineries are at a big disadvantage.

Vivian took a deep breath as she thought about all the challenges she would have to face for Seven Sisters to be the household brand she envisioned. It had always been her drive, passion and steadfast dedication to her dream, which made Seven Sisters wines possible.

Vivian stood up from her cluttered desk and walked out into the warm South African summer evening. She walked past the half-constructed whitewash building, which she planned to develop into a new family-style restaurant, serving authentic Cape Malayan food to excited visitors wanting to have a fun, family-friendly experience. A myriad of thoughts raced through Vivian’s mind. How could Seven Sisters increase their sales in both domestic and international markets? How can she use the new restaurant to increase the value of the Seven Sisters’ brand? How can she better manage Seven Sisters’ human resources and involve her sisters in running and growing the company?

South Africa: the rainbow nation

To understand these questions and Seven Sisters’ situation, it is important to recognize the context in which the company was created and operates. South Africa has achieved macroeconomic stability since the end of apartheid. The economy has become increasingly integrated into global markets and has become a successful exporter of manufactured goods with foreign trade comprising 65 per cent of the gross domestic
product (GDP) (Economist Intelligence Unit, 2008). Although 9 per cent of the population is employed in agriculture, it contributes only 3.5 per cent to the national GDP. Tourism contributes significantly to the economy – particularly in the Western Cape where it is driven in part by wine tourism. South Africa’s principal trade partners include Japan, the USA, Germany, the UK and China (Economist Intelligence Unit, 2012). South Africa’s GDP growth, while averaging 4 per cent since 1999, fell as low as −2.7 per cent (year-on-year) in the second quarter of 2009 with the global recession, reflecting its integration into global markets. The unemployment rate was historically high, reaching 24.3 per cent nationally in the fourth quarter of 2009. In 2011, the Rand (the local currency) strengthened by 22 per cent against the US Dollar, which hurt South Africa’s competitiveness as the cost of its exports increased relative to the world market.

South Africa’s population of more than 49 million is composed of a wide variety of ethnic groups, speaking 11 official languages. Although apartheid legally ended in 1994, its legacy can still be felt in the vast racial and gender inequalities that exist in the distribution of and access to wealth, income, job skills and employment. The South African Government legislated the Broad-Based Black Economic Empowerment (BBBEE) initiative to address the systematic exclusion of the majority of South Africans from full participation in all the sectors of the economy. This program provides companies, institutions and “historically disadvantaged individuals” with financial benefits and other incentives to provide employment, establish and support black-owned businesses and support social development programs. In 2004, the Ministry of Agriculture and Land Affairs announced a goal to have 30 per cent of all agricultural land be owned by Blacks and coloreds by 2014 (Department of Trade and Industry, 2012). It was through these BBBEE initiatives that Seven Sisters was able to obtain the loan to purchase their farm.

Overview of the global wine industry

In 2009, global wine sales by volume were 264 million hectoliters with gross revenues totaling over $60 billion. The industry is projected to grow at an annual rate of 4.8 per cent to reach $76.5 billion by 2016 (Euromonitor, 2011a, 2011b, 2011c). Global wine exports doubled between 1990 and 2008, and are projected to do so again in the coming decade with an annual forecasted growth of 4.3 per cent per annum (Euromonitor, 2011a, 2011b, 2011c).

The wine industry is divided into “old” world producers including France, Italy, Spain and Portugal, and “new” world producers including Chile, Argentina, the USA, Australia, New Zealand and South Africa. The latter group has captured a growing share of the world export market from 14.8 per cent of trade in 2000 to 24.3 per cent in 2004, according to the most recent data (Euromonitor, 2011a, 2011b, 2011c). There is no evidence that this growth trend has reversed. World consumption patterns of wine have also shifted due to the rise in income and change in drinking habits of the growing middle class in countries such as India, Russia and China. At the same time, the consumption of wine, on a per capita basis, has declined in old world countries such as France, the UK and Spain. Table I shows the consumption trends of top wine drinking countries.

Old world wine producers, especially the traditional boutique terroir[1] wines, remain strong exporters, but their production of high end wines also relies on a tradition of domestic consumption (Kuiper, 2011). While quality is steadily increasing, new world producers have redefined wines by variety. This differentiates the wine from the old-school terroir style and increases its popularization, paving the way for mass production. However, the increase of mass-produced wines along with globalization of the industry has led to unprecedented downward pressure on prices, cutting into profitability at every level of production (Wittwer, 2007). Although representing only 4 per cent of global supply, large industrial-scale firms take advantage of economies of scale and value chain management to produce low-cost wines. Other wineries are forced to lower prices to compete and in a bid to stand out from rivals. In addition, an oversupply of grapes has depressed prices further, turning them into
a low-cost commodity. This price pressure, combined with the recession in the West, has led middle class consumers to become more value-conscious, often preferring lower-cost wines (Euromonitor, 2011a, 2011b, 2011c).

In addition to the production of industrial scale wines, retailers are also profiting from the increased mass production of wines. Globally, the industry is becoming increasingly consolidated around a few major players in each regional market. Consolidation gives these players significant power over the market through access to producers.

The typical buyer in the majority of markets is a relatively affluent woman between the ages of 30 to 54 years (Euromonitor, 2011a, 2011b, 2011c). Many of these buyers purchase wine at the supermarket while doing their food shopping. Brand recognition is important to this audience, as they are generally rushed and without an extensive knowledge of wines. This all presents serious hurdles for smaller non-industrial producers such as Seven Sisters as they struggle to gain access to retail shelves and to be chosen by customers.

The South African wine industry

The Seven Sisters vineyard is in Stellenbosch, South Africa, 55 km (34 miles) to the east of Cape Town, in the Western Cape Province. Due to the combination of its location at the foot of the Cape Fold mountain range and its Mediterranean-like climate, Stellenbosch is ideal for viticulture. The present day South African wine industry has made vast strides from its humble beginnings that can be traced back to 1655 (WOSA, 2012). Currently, South African wines range from fourth to ninth in terms of volume export to various markets. In certain markets, such as the UK, Sweden, the USA and Holland, they capture a large part of imported market share. However, the industry is under pressure to continue expansion, as many firms find it difficult to stay profitable given global competition. There is much discussion about how South Africa, which is limited in land-under-vines compared to other countries, should position itself to compete. Its limited land makes it impossible to compete on volume terms, as the USA and Australia are doing; therefore, many argue South Africa as an industry should position itself as a quality niche market. Many growers, conscious of the “Chile” effect, where a country becomes known for cheap and decent wines as opposed to ultra-premium wines, want South Africa to position itself in higher quality segments to protect future brands. At the same time, an increasing number of growers are profiting from selling bulk wines to foreign producers and cheap bottled wine in emerging markets, such as China. The basic structure of the South African Wine Industry and how it has changed since 1991 is shown in Table II.

The few Black-owned wineries in South Africa face additional challenges in the national and international market. Marketing based on “Black” or empowerment branding is not effective
locally and actually discounts wines internationally. Historic disadvantage also means these companies lack established brands and, more importantly, international and local sales relationships. A surface of solidarity also hides intense competitiveness and rivalry within this group.

**Inside Seven Sisters**

The seven Brutus sisters, Twena, Yolanda, Vivian, June, Odelia, Carol and Dawn, grew up in the picturesque South African town of Paternoster. After being evicted from their home, the sisters were separated, forcing them to live in different areas of the country. With their wide age gap, some sisters lived by themselves, were raised by relatives or got married and started their own families. Plate 1 is a recent photograph of the seven Brutus sisters with Vivian in the center. Vivian was the middle child, and revered amongst the other sisters for being a natural leader and entrepreneur. She recalls:

I always had this thing in my mind that I would like to run my own business. I had this entrepreneurial spirit from small age. While others were playing, I would sell lemonade to the rugby team.

Vivian’s entrepreneurial spirit led her to establish African Roots Ltd., an empowerment company specializing in wine and hospitality and today African Roots Ltd. owns the Seven

<table>
<thead>
<tr>
<th>Table II</th>
<th>The structure of the South African wine industry: 1991-2010</th>
</tr>
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<tbody>
<tr>
<td>Year</td>
<td>1991</td>
</tr>
<tr>
<td>Number of primary wine producers</td>
<td>4,786</td>
</tr>
<tr>
<td>Number of wine cellars which crush grapes</td>
<td>212</td>
</tr>
<tr>
<td>Producer cellars</td>
<td>70</td>
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<tr>
<td>Producing wholesalers</td>
<td>6</td>
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Sisters brand. Years after establishing African Roots Ltd., Vivian learned that the Government of South Africa was purchasing land from white farmers and re-selling it to “historically disadvantaged individuals” at subsidized rates. An application to the program led to her purchasing nine hectares of wine land in the heart of Stellenbosch, South Africa’s wine capital. She put up her own home as collateral on a loan to build the tasting facilities and underwriting the first operations of the company.

After a few initial setbacks, Seven Sisters had their first major breakthrough with Swartland Winery, a local white-owned wine producer and winery. White-owned wineries were seeking partnerships with Black-owned companies to fulfill their transformation requirements for the South African Government. Swartland agreed to produce, bottle and ship to port the full range of Seven Sisters wines. The nine hectares would be planted with vines and used to produce an ultra-premium organic estate wine. The Seven Sisters wine would be sourced from Swartland and other area producers.

Shortly afterwards, the sisters approached the local South African market with plans to create a national base before exporting. In spite of the intense competition in the South African wine market, they had early success by gaining access to Pick ‘N’ Pay, Spar and Tops, three major national supermarket chains. They launched special promotional campaigns to sell the Seven Sisters story and the ethos behind the brand. Western Cape radio station KFM partnered with Seven Sisters by offering special prizes of a weekend stay at a B&B on the ocean near the sisters’ hometown. Sales at regional supermarkets spiked during such campaigns, but the sisters found it difficult to maintain the sales gains that came of such promotions. Vivian, like many BEE wineries in the beginning, based part of her differentiation on the fact that hers was a BBE winery, thinking that consumers would find this intriguing or purchase it to support such businesses. However, recent research shows evidence that consumers of all ethnic backgrounds are not compelled by BBE brands or ethnic affinity in their purchasing decisions (Louw et al., 2009). This is especially true of the growing Black upper class (The Black Diamonds), coveted by consumer product firms across South Africa as market research shows that these consumers are more motivated by perceived quality and prestige in their purchasing decisions.

While focusing on the local market, Seven Sisters became involved in many wine-industry bodies, and Vivian currently serves as the marketing director of the Black Vintners Alliance, an industry body devoted to the promotion of FDI wineries. While serving on the board of WOSA, Vivian has advocated for increased opportunities for Black wineries, in addition to advising on WOSA’s overall export promotion strategies. These bodies facilitated industry access to local and international promotion events. It was at such an event, the first Soweto wine festival, that Vivian met Selena Cuffe, an African–American woman with a Harvard MBA who was seeking opportunities to promote Black African businesses in the USA. Selena found the Black wine industry, including Seven Sisters and another company called M’hudi, had such a compelling story that she decided to found a company to export their products to the USA. From this, Heritage Link Brands was born through collaboration between Selena and her producer partners and, according to Vivian, “Selena became the eighth sister”. Heritage Link Brands is currently the largest company in North America dedicated to importing and distributing wine harvested by native vintners throughout the African continent. Its customers include household names such as Disney, Jewel-Osco, Sam’s Club, 1.800.Flowers.com and American Airlines.

Through their partnership with Heritage Link Brands, Seven Sisters is now sold in 42 states across the USA. However, sales have decreased with Heritage Links Brands due to increased competition in the US wine market and because of this, Seven Sisters has had to decrease the per bottle price from $16 to less than $9. Also, the addition of other similar wine companies, such as M’hudi, House of Mandela and One World, to Heritage Link Brands’ repertoire is making it even more difficult for Seven Sisters to stand out as a unique product.
While in South Africa, the average Black consumer preferences have little ethnic affinities, in the USA, African-Americans and progressive Whites have become the key target segments. Selena stated, “We’re looking for African Americans and students that are just becoming acquainted with wines and Volvo-driving university professors, all of whom are interested in promoting African businesses”. Seven Sisters’ wines are available through several major regional and national retailers, including Shaws, Sam’s Club and Wholefoods, as well as at wine bars, restaurants and specialty liquor stores. In line with their target market, Heritage has deeper market penetration in cities such as Atlanta, New York City and Chicago, which have higher concentrations of the target populations.

Seven Sisters’s move to the export market has not stopped with the USA. Vivian is constantly seeking opportunities to expand Seven Sisters’ international presence whether through government and association sponsored programs or her own connections and these efforts have led to American Airlines featuring Seven Sisters wines as part of their first class service as the first South African wine offered on a US carrier flight. Vivian’s personal connections have led to Seven Sisters being piloted by exporters in the Canadian, British and Nigerian markets, and her Nigerian export partner is particularly creative in his branding approach. He has designed a campaign focused on the feminine romantic qualities of wine, and posters show a man hiding a bottle of Rose behind his back as he greets a beautiful woman.

Marketing strategy: selling Seven Sisters

From the beginning, Vivian was involved with the marketing and branding of the Seven Sisters for an export market. She contributed 10 per cent of her export volume to sales promotion events and traveled to the USA as a brand ambassador, hosting wine–food pairing nights at restaurants and bars and selling her product at dozens of promotional events.

Seven Sisters success has largely been based on Vivian’s commitment to building a strong, coherent brand that had the flexibility to be modified for different target markets. Seven Sisters is based on celebrating sisterhood, whether in the familial sense, or, more generally, as the special bond of female relationships, unity and sharing. Vivian reflects, “One drinks Seven Sisters to laugh with family and friends and savor accomplishments large and small in the company of people who care”. While this core ethos extends to all markets, in the USA, the Seven Sisters brand represents the perseverance of Black Africans and women in business. The key aspect that makes the brand so durable is its authenticity. The actual seven sisters are a true celebration of sisterhood and an example of perseverance needed to thrive as a family and as a business in a slowly transforming post-apartheid society and intensely competitive business environment.

As original as the Seven Sisters brand is, with their unique narrative, there are some competing brands with similar stories of family and friendship in the marketplace. The Four Cousins brand is one example, a family-owned South African wine, where four actual cousins joined the family farm to expand their existing business. As with Seven Sisters, Four Cousins shares similar values of family and also follows a similar marketing strategy of associating a particular wine to the personality of one of the cousins. In this instance, however, Seven Sisters is able to broaden their appeal to women and minorities, given that the four actual cousins are of White South African descent.

The brand image of Seven Sisters includes visual components such as the distinct label and marketing materials. Its color and unique design differentiate it from its competitors, as seen in Plate 2. Furthermore, it evokes the sense of celebration and unity that the brand embodies, which is reinforced through the company logo, promotional brochures and on the website.

This authenticity also is represented by the product line itself. Each of the seven varietals is named after one of the sisters and is described through a clever vignette about her
personality. The extent of the range also promotes inclusiveness and unity, from “Rose for the ladies” to “Merlot for the red-meat munching men” and everything in between. There is something for everyone, so that everyone can celebrate together. The product range, with the corresponding sisters’ names, is listed below:

- Bukettraube – Odelia
- Merlot – June
- Pinotage Rose – Twena
- Chenin Blanc – Yolanda
- Cabernet Sauvignon Blanc – Carol
- Sauvignon Blanc – Vivian
- Pinotage/Shiraz – Dawn

This marketing strategy also reflects Seven Sisters understanding of how to appeal to their target market and distance them from the competition. Seven Sisters is positioned by quality and price as a premium wine at $13 a bottle for red, white and rose wines. The intense competition found at the lower levels of the price spectrum, where consumption is growing, makes effective price positioning key to market success and profitability, and image concerns prevents Seven Sisters from moving down the spectrum to popular premium or basic wines (priced below $10 and 5, respectively). There are possibilities to produce an estate wine in the super or ultra-premium markets (above $17 and 20, respectively), and the plans are for this new product to be phased into markets that are already familiar with the Seven Sisters brand. The Seven Sisters brand fits this premium segment as it is not an everyday middle-class table wine in the $10 and under segment, yet it is priced affordably for a friendly gathering or celebration. The price and visual appeal present an elegant yet approachable wine range for women seeking to treat themselves and their families.

Key challenges
Finding the resources to grow in a tough economy

While Seven Sisters has the social capital to expand its market share, it lacks accessible sources of funding. Over the course of the company’s history, they have experimented with multiple types of financing, from equity stakes to commercial loans, profit reinvestment,
government grants and government loans. Experience has shown that the majority of commercial and government loans available are complicated to access and do not offer repayment terms suited for the patient capital required for the wine industry. Equity stakes, i.e. offering firm investment, has had varied results; in certain situations, the arrangements have provided much-needed capital to survive. However, in other situations, the terms have become increasingly complex and have had acrimonious results for both parties. Seven Sisters is also understandably wary of ceding too much operational control to an outside party. While all profit is reinvested in the business, the US recession and the retail price cuts means that current resources for growth are inadequate. While the breadth of funding options is large and includes local and export business development for foreign direct investments (FDIs) and women, there are a great deal of bureaucratic procedures to complete before accessing these highly competitive funds.

**Human resources**

Currently, Vivian is the most active employee with the African Roots brand. Youngest sister Odelia has been working as the administrative assistant and is also being trained in wine tasting and production so that she can take an active role in managing the local wine business. In addition, her brother-in-law Darrell is helping out with the web design. While the wine portion of African Roots Wine has been the main focus, it is the sisters’ dream to provide for their family through opening a restaurant and possibly a bed and breakfast. Vivian notes:

> We have so many people who want to know ‘Can you host 50, 80, people? Do you have wine tastings?’ Domestically, it will work for us because people like our story, but they want to see us and they can’t. However, once we are here and running the restaurant then we will be able to meet these demands.

To become successful in this venture, Seven Sisters must determine how to include more individuals from the family into the business.

The sisters would like this venture to benefit family members outside of the sisters, and the current problem lies with the lack of funds, “There are no funds to employ people”, says Vivian. “There is no working capital. If there are no sales this month and we are not making the money and we cannot pay our staff”. Ideally, they would like to provide 26 employment opportunities to immediate family members through the bed and breakfast and the restaurant. Members of the family would be engaged in various facets of the company, such as running the restaurant, maintaining the gardens and planning events. While the family members seem excited about the possibilities of working full-time for Seven Sisters, they are all currently located with their families throughout various areas of the Western Cape, and are reluctant to relocate until they have permanent job opportunities.

**Deeper penetration of the US market**

Another key challenge Seven Sisters faces is deepening their penetration of the US markets and identifying which new target market opportunities make the most sense, given its value proposition. Currently, the Seven Sisters’ strategy, similar to that of most small exporters, is to accept any export offers they receive and tailor their product to meet the needs of that relationship. This focus on individual rapport is what allowed them to enter the US market, but it is also an important reality to accept that, without such relationships, export is impossible. However, this does not mean that Seven Sisters should not use its resources in exploring potential target markets and becoming more involved in penetrating its existing one.
Domestic opportunities

Seven Sister restaurant

Vivian is collaborating with her sisters to build a restaurant and wine tasting house on the Seven Sisters vineyard. The facilities will augment the Seven Sisters brand by serving the large tourist population that flock to Stellenbosch to enjoy good food and wine. In addition to featuring the Seven Sisters range of wines, the restaurant will feature food–wine pairings of delicious traditional Cape Malay cuisine from the Brutus family’s cultural heritage. Each meal will be hosted by one of the sisters whose role will be to represent the family’s traditions, stories and vision to extend the authenticity of the brand. Through these activities, the family will get involved in the management, cooking, hosting and branding of the project. Not only will this engage the entire family in the success of the business, but it will relieve some of the managerial and financial stress on Vivian as the only person directly involved with the project. For the business’s future, this diversification will provide an additional revenue stream that can sustain and build future business activities, such as the addition of a guest house or a premium estate wine. Yet Vivian is acutely aware of the challenges of employing family members:

You cannot fire family members even if they underperform. Each family member brings with her ‘some drama’ from the past that you do not have to deal with in the case of regular employees.

Re-entering the local market

The addition of the restaurant and tasting house will also serve as a reintroduction of Seven Sisters’ wines into the home market. Cellar door sales and promotions can generate lucrative revenues, especially for small firms. Also, the existence of the estate will serve as a platform for local promotion and a symbol of the brands establishment, adding a level of credibility for retail partners. Furthermore, Seven Sisters can leverage the marketing and sales experience gained through years of domestic and international experience to determine profitable strategies for market re-entry. There is a wide range of potential opportunities available to the brand. These range from participating in local wine festivals and expositions to co-branding with retail chains or negotiating market entry through a diversified supplier base. The firm’s recent re-emphasis on quality and building the core values of the brand aligns with the evolving South African consumer tastes. The attractiveness of this strategy will depend on the relationships Seven Sisters is able to form with local suppliers, distributors and retailers and a careful judgment will need to be made about whether the resources are worth the costs.

New export markets

There are several export opportunities if Seven Sisters can position itself to take full advantage of them. It could be the game-changer that moves the firm from an innovative but small industry novice to an established player. While certain wine markets are saturated and consumption is declining, there are opportunities for well-positioned niche players in several markets. There is also the possibility of entry into more unchartered territory with growing wine consumption, and the countries at the top of this list are Nigeria and Sweden.

Nigeria

The Nigerian wine market is at a nascent, yet growing stage that requires capital investment and brand awareness to stimulate growth. Expectations of growth in sales are supported by the fact that wine sales grew by 5 per cent (in total volume terms) in 2010 to reach 26 million liters (Euromonitor, 2011a, 2011b, 2011c). Champagne was the fastest-growing category, up 20 per cent and the average unit price increased by 6 per cent. Overall, wine is expected to post a compound annual growth rate of 6 per cent (again in total volume terms) over the next few years (Euromonitor, 2011a, 2011b, 2011c). Increased marketing activities by manufacturers and importers of wine brands have continued to stimulate demand for wine in Nigeria. Events such as the Nigeria Wine and Spirits Festival are platforms for...
buyers and suppliers to meet and discover new brands from around the world and awareness of brands and the varieties available for purchase has increased among Nigerian’s elite (Euromonitor, 2011a, 2011b, 2011c). Therefore, wine sales and the expansion of Seven Sisters remains limited in Nigeria, as the product has not developed a significant presence in the country’s culture.

International brands dominate wine sales in Nigeria. The key countries for wine imports are France, South Africa, Italy, Germany, Belgium, Spain and the UK (Euromonitor, 2011a, 2011b, 2011c). Old world wines imported from France, Italy, Portugal and Spain are perceived as being the highest in quality and are preferred by wealthier, status-conscious consumers. However, new world wines have gained significant market share over the review period due to greater marketing investment and less intimidating labels. South African wines have become particularly popular, although old world wines continue to dominate.

Primary research and interviews with market actors indicate that there are two distinct groups of wine drinkers in Nigeria. The first comprises young urban professionals aged between 24 and 39 years. Men, who still constitute the majority of wine drinkers in Nigeria, prefer to drink red wines or champagne on special occasions. Women, a growing segment of wine drinkers, tend to drink rose or white wines. Rose sales jumped by 23 per cent in 2011, slightly higher than the national growth rate of 21 per cent (Euromonitor, 2011a, 2011b, 2011c). The growth of the rose category and the popularity of Rieslings and late-harvest wines suggest a strong preference for sweet flavors (Euromonitor, 2011a, 2011b, 2011c). Primary research from Facebook reviews and interviews indicates that wine consumption in this group is primarily a social activity.

Nigeria has a federally based alcohol import system (i.e. there are no state or region-based import taxes). Importers pay a 20 per cent import duty, and retail vendors will add an additional 5 per cent to offset the national value-added tax. Interviews indicate that corruption and kickbacks in the import industry are significantly decreasing and that small actors that are not in major industries usually face minimal hassle. Wine can be imported either by large companies with their own representative in-country, by large retail actors (supermarkets and hotels) or by licensed general wholesalers and wine agents. Intellectual property (and the stealing of labels/trademarks/brands) is a major concern in Nigeria, even for alcoholic beverages. There have been reports of wine bottles being collected and re-sold with inferior product. Seven Sisters should discuss this problem with the local importer, as he/she has a local knowledge and interest in its prevention and consider successful past campaigns that have included coded seals (with free SMS authentication) and paid returns for empty bottles.

**Sweden**

Through a close business associate, Vivian has been exploring Sweden as a high potential market in Europe. Swedish wine consumers fall into two main categories, the first is the “wine aficionado”. This group is passionate about wine, not so much as a luxury status symbol, but because they have a sophisticated palate and enjoy refining it. The quality and uniqueness of the wine is extremely important, and they are willing to seek out and pay for new wine experiences and are likely to participate in wine clubs (the largest wine club globally is in Sweden) and to discuss their experience with a wine (i.e. blogging, social media). In general, they are interested in trying good quality premium wines from the new, as well as old world, and they are likely to be drawn to smaller wineries with a unique taste profile or production methodology; they are also less likely to be drawn to a wine and story unless backed by a strong, unique taste.

The second group is the generalist drinker. This group, which comprises most of Sweden’s wine consumption population, enjoys drinking wine while eating, celebrating or relaxing, and, while they can appreciate ultra-premium wines, they do not have particularly discerning or sophisticated tastes. Wine is becoming an increasingly popular beverage as
an alternative to beer or spirits to accompany a meal or celebration. This group also has strong fair trade and organic preferences, as evidenced through interviews and categorical data.

A key differentiator with the Nigerian market is that socially conscious messaging is more valuable in the Swedish market. Sweden and all the Nordic countries are known for their socially conscious purchasing choices. This phenomenon favors Seven Sisters with their heartwarming story of perseverance. However, increased “sin” taxes on alcoholic beverages remain a significant barrier in Sweden and other Nordic countries.

**The future**

Just 14 hours after perusing her itinerary and walking around her property, Vivian was on a transatlantic flight to New York to begin the Seven Sisters American Wine Tour. She understands the obstacles that lay ahead and knows she has to make several key decisions, along with her sisters’ support for Seven Sisters Wines to remain competitive and to continue to grow. Do they branch out to new markets? Do they focus on developing their brand in the local market? Or do they focus all their resources on better targeting in their largest market in America? Vivian knows that the next strategic steps by Seven Sisters could determine the long-term success or failure of everything she and her family worked so hard to achieve.

**Epilogue**

Since the above Seven Sisters case study was concluded in 2012, the company has seen some significant changes. In 2013, Wal-Mart signed an agreement with the Seven Sisters Company to sell their wine in up to 300 US stores (Bonorchis, 2013). This furthers Wal-Mart’s goal to source products from women and minority-owned businesses internationally. The cash from the sales will help the sisters to expand their business, including the construction of a tasting room and cellar. It also provides potential for all the sisters to work in the family business. Vivian was quoted in Bloomberg news saying:

> Working with Wal-Mart will change our lives. . . It means so much to us. It will take some time before we build up good revenue to be free from our financial burdens, but we are pleased with the potential we have in working with Wal-Mart (Bonorchis, 2013).

**Note**

1. Terroir is the set of special characteristics that the geography, geology and climate of a certain place, interacting with plant genetics, express in agricultural products such as wine, coffee, chocolate, hops, tomatoes, heritage wheat and tea (Wikipedia, 2013).

**References**


Further reading


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Abstract
Title – Seven Sisters: wine and womanhood.
Subject area – The main topics covered by this case are marketing strategies in a saturated market, human resource management, small enterprise challenges and constraints and corporate strategy.
Study level/applicability – The intended audiences for this case are upper-level undergraduate and graduate students. Students getting their degrees in business, international labor relations, marketing or public policy/administration are the main targets for this case. Students also interested in agriculture, international development and race relations will benefit from studying this case.
Case overview – The international wine market is highly competitive. Innovative strategies are needed for new wineries to stand out in this saturated market. Both the product quality and its life story are important to consumers. Seven Sisters is exploring two new markets – Nigeria and Sweden – to expand their international presence. Also explored are marketing strategies for deeper penetration of the domestic market in South Africa. The case study illustrates the challenges and opportunities facing a small, women-owned enterprise from an emerging economy that is exploring international markets.
Expected learning outcomes – The specific teaching objective of this case is to teach students the importance of marketing and corporate strategy in a highly saturated market, such as South Africa. Analyzing this case, students will be exposed to value chains, formulating corporate strategy and devising marketing strategy.
Supplementary materials – Teaching Notes are available for educators only. Please contact your library to gain login details or email support@emeraldinsight.com to request teaching notes.
Subject code – CCS 8: Marketing