



CONCEALED WINES

UNIQUE WINES FROM GREAT PRODUCERS

Topic:
Systembolaget Stores and E-commerce

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2024-01-30

Agenda

- Introduction
- Store assortment and ranking
- Inside Store and Staff
- Customer Behaviour
- E-commerce
- Q & A



Objectives of this webinar

Learn and understand how Systembolaget distribution works and how your product is distributed in the market



A background image showing a large crowd of people, represented by stylized human figures. Most figures are dark, but one figure on the left side is highlighted in white, standing out from the rest of the crowd. The overall scene is dimly lit, with some warm, golden light filtering through the crowd.

Introduction

Introduction

- 100% government-owned, founded 1955
- Product type: Wine, Beer, Spirit, Cider, Mixed drinks, Alcohol-free drinks
- Beer up to 3,5% can be bought in supermarkets, over 3,5% ABV however all above is sold via Systembolaget
- No profit maximization
- Systembolaget counts for 91% of the total wine sales in volume in Sweden.*
- [Link Systembolaget in Figures](#)



Logotype of Systembolaget

What does a Systembolaget look like ?

- **Opening Hours:**
 - Weekdays: 10-19 (10-20 for some stores)
 - Saturday 10-15
 - Sunday/holiday: closed
- **Age limit 20 years**
 - limit to buy alcohol in restaurants/night clubs is 18 years
- **About 127 million store visits yearly**
- **About 450 stores + 482 pick-up agents**
- [See more figures link](#)



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Store assortment and ranking

Store assortment and services: are all stores the same?

Is the assortment same in all stores?

- **Different stores have different assortment** which depends on the **size of the store and the local needs.**

“The distribution of the Fixed Range (FS) in the stores must reflect the customers' needs and demand.”

- **Extreme differences example:**

- Ölstudion Nordstan (Göteborg) - Only **33** wine products but close to 1196 beer products. (close to zero spirits, 75 mixed drinks, 54 non-alc, 24 gifts)
- PK-HUSET (Stockholm) - **2413** wine products and 509 beer products. (582 spirits, 124 mixed drinks, 103 non-alc, 33 gifts)

Did you know that about **18 stores have educational tastings** in the stores that you can book. Cost about 500 SEK for a tasting.



Systembolaget store assortment

The stores are divided into **6 different groups** divided into **2 different assortment needs**, **Standard (cheaper products)** and **Premium (more expensive products)**.

Store group:

Standard: 1-3 Stores (more cheaper products)

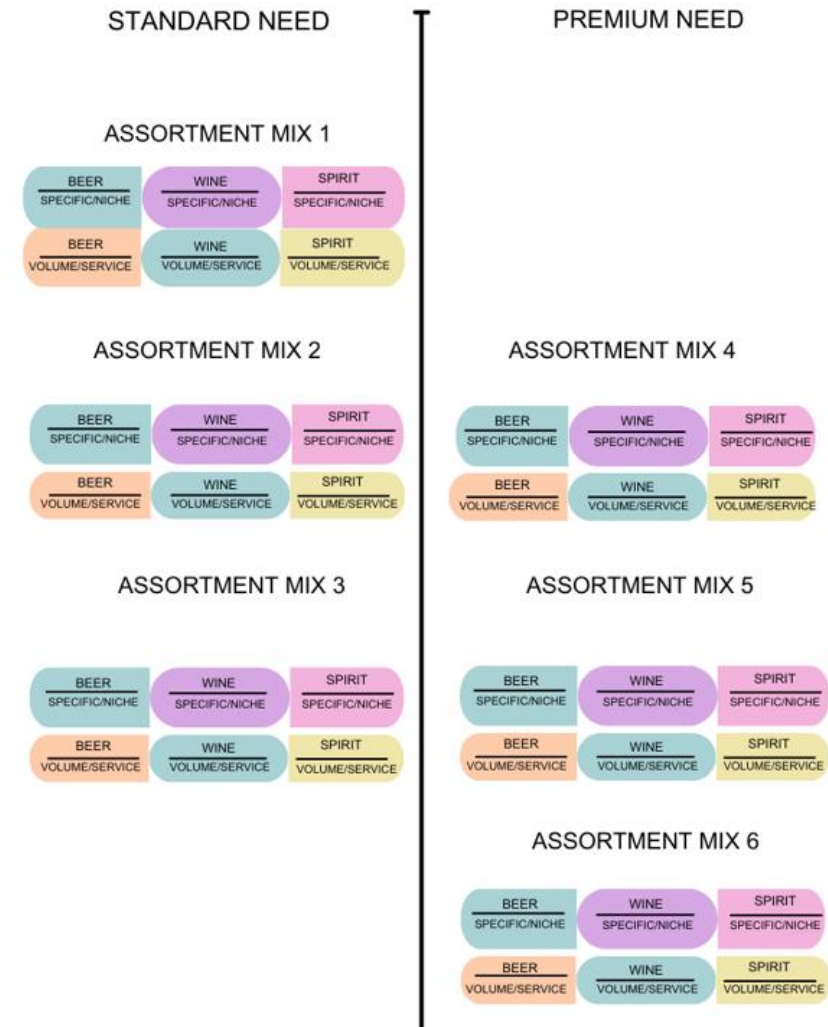
Premium: 4-6 Stores (more expensive products)

Each store group receives an **assortment mix (SMIX)** based on the **customers' purchasing patterns**. The assortment mix is adapted based on:

- what **proportion of wine and beer** should be in the store
- what **proportion of more expensive and cheaper wines** should be in the store

The **proportion of spirits is relatively constant** in all assortment mixes.

Source: <https://leverantor.systembolaget.se/hjalpochguider/ranking/grunder-for-ranking>



Systembolaget store size

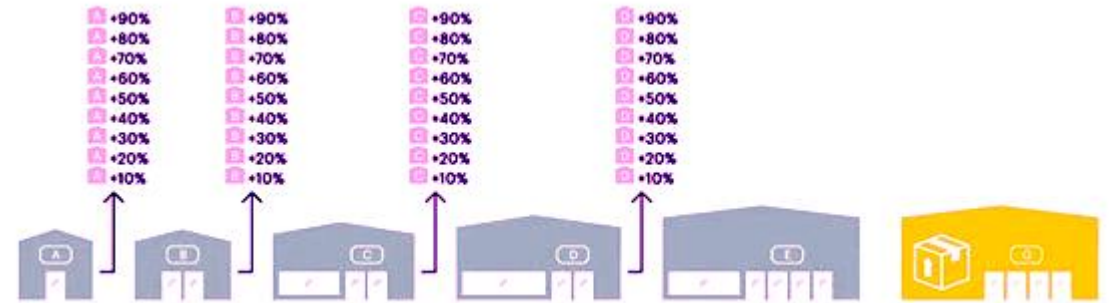
The size of the store and the turnover decide the size of the assortment the store gets.

Within each store group, there can be **5 different assortment sizes**, from A to E.

Between each of these there are ten steps, which means that a store can, for example, have assortment A plus 10% of B or assortment B plus 40% of C. The larger store, the more items are stocked from the assortment mix.

About **25-30 %** of volume sales take place in Premium and **70-75 %** take place in in standard stores.

About **105 premium** stores and **345 standard** stores.



Assortment Size	Premium	Standard	No. of Stores
A	3	72	75
B	23	133	156
C	44	98	142
D	31	42	73
E	4		4
No. of Stores	105	345	450

Source: <https://leverantor.systembolaget.se/hjalpochguider/ranking/grunder-for-ranking>

Ranking of sales of products premium/standard

Assortment needs: Standard and Premium

Sales in store groups **1, 2 and 3** are ranked in assortment needs **Standard**.

Sales in store groups **4, 5 and 6** are ranked in assortment needs **Premium**.

Example: The **same product** can be **very high** in the ranking in **assortment needs Standard** and **far down** in the ranking in **assortment needs Premium**.



Ranking details

6 month - current ranking periods:

- 1 March - 31 August
- 1 September - 28 February

(determines distribution for same period coming year)

FS and BS assortment is included in ranking

- FS=Permanent assortment and BS=Order assortment is included in ranking.

Systembolaget share data of different Assortment mix and Size of store

- Se example of data we can access as importer.



2023-11-13

Kombinamn	Sortimentsmix	Sortimentstorlek
0522 -ÖDESHÖG	1	A
0523 -ÖSTERBYMO	1	A
0524 -BOXHOLM	1	A
0612 -SÄVSJÖ	1	A
0613 -ANEBY	1	A
0615 -GNOSJÖ	1	A
0616 -MULLSJÖ	1	A
0618 -SKILLINGARYD	1	A
0708 -ÅSEDA	1	A
0709 -LESSEBO	1	A
0813 -EMMABODA	1	A
0814 -TORSÅS	1	A
0815 -HÖGSBY	1	A
1115 -BROBY	1	A
1115 -TRANEMO	1	A

Ranking explanation

Product is ranked in Premium and Standard compete with other products in same product segment.

- For each **product segment** (approx. 160 units example **Red wine 80-89 SEK**), two ranking lists are created, one for **sales in stores** with **standard** assortment requirements (i.e. store group **1, 2 and 3**) and one for sales in stores with **premium** assortment needs (i.e. store group **4, 5 and 6**)
- The point calculation is linked to the sales in the respective Assortment needs and is based on actual sales in the stores in the current Assortment requirement

Products position in Ranking determines distribution width for coming period.

- **A product's position in the ranking** list determines its distribution from the next assortment change, i.e. **the highest score means greatest distribution and lowest score means the least distribution** to the stores within the range requirement
- **Products with a rank that is lower** than the last available position for the current segment in the assortment mix plan implies that **these are not offered a place in the fixed assortment**



Inside the store



Products layout in the store

- Display is different depending on the stores (different shelves, different products, different quantities)
- By law, they cannot put alcohol near the door. Instead, they can put non-alcohol products or guidance material or other things at entrance.

Wines

- By categories (Red, White, Rosé, Sparkling, Alcohol-free...)
- Then, by country in alphabetical order
- Finally, By Price, from cheapest to most expensive
- **TSV and TSE products comes on separate shelf all together.**

Spirits

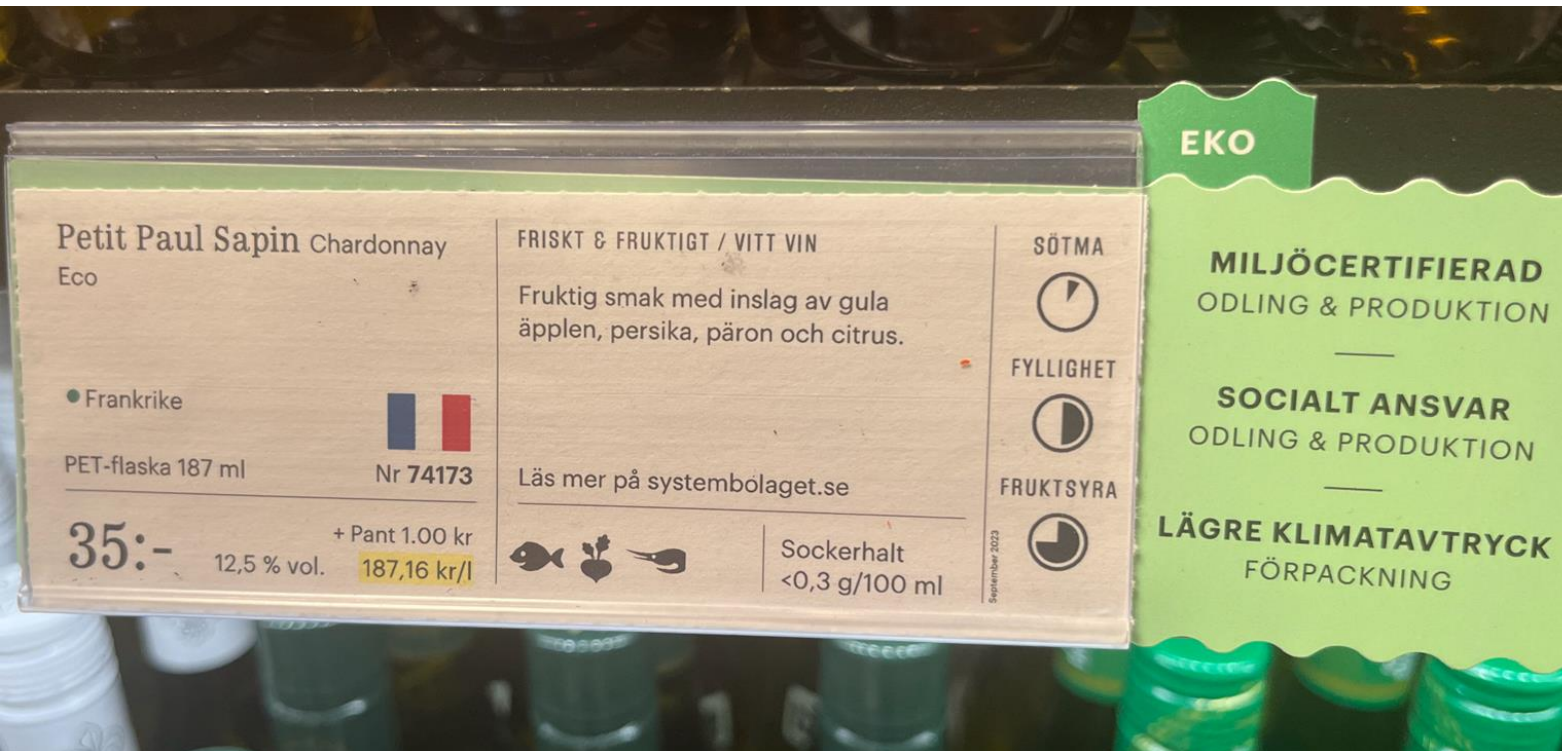
- By categories
- Then, by alphabetical order
- NB :
 - Spirits over 700 SEK are displayed in a locked shelf
 - Alphabetical order, so customers don't go directly to the cheapest product

Beers/Ciders

- By Style (Lager, Ale, Stout,...)
- NB :
 - Possible to grab a whole case when the product sells well



Product information and customer guidance



- Each product has a tag with:
- name of the producer
 - country of origin
 - grape variety
 - bottle volume
 - ABV
 - a short description of the wine
 - an indicator of sweetness, full bodiedness and fruitiness
 - food pairing indicator
 - a sustainability label comes on the side if product meets certain features.



- Information display in the store:
 - educational poster display (wine characteristics, food pairing,...)
 - informative booklets free to take

- Store employees: provide help to choose the right beverage and guidance in the store

Sustainability presentation in the store



- **Green Labeling and Promotion:**
Green labeling and promotional materials like posters to communicate sustainability efforts and eco-friendly options
Educating consumers about eco-friendly options and possibly influencing purchasing behavior towards more sustainable choices
- **Consumer Attitudes Towards Sustainability:**
The reaction to sustainability efforts : mixed - some are supportive and inclined towards buying sustainably, others are indifferent or opposed
- **Generational Trends:**
Younger generations : stronger preference for sustainable packaging and organic wines

According to a survey conducted by Sytembolaget, 8 out of 10 people want to buy sustainable choice / Sara Norell, Chief Assortment, Purchasing & Supplychain Officer at Systembolaget

Role and Guidelines of Systembolaget Staff

1. Basic knowledge on food pairing. In some stores, a sommelier is available.
2. **Salespersons's role at Systembolaget is to provide quality service to the customer.**
3. Employees cannot promote alcoholic products, whether in-store or on their social networks.
4. Each employee can recommend different wines based on their knowledge and preferences.
5. From 5 to 20 employees in a store, depending on the season and the number of customers e.g. Garnisonen has 7 employees (October 2023).



*Fältöversten (Salesperson: Julia Brinkhagen)

Role and Guidelines of Systembolaget Staff

“The Swedish method of selling alcohol reduces harm, with experts stating that Swedes drink about 30% less compared to if alcohol was sold in grocery stores.”*

*Fältöversten (Salesperson: Julia Brinkhagen)



Hiring and Training at Systembolaget

➤ **Hiring Process:**

- **20 years** old minimum.
- CV Preferences : candidate's personality, logistical skills, knowledge of wine, any certifications, **no specific educational prerequisites.**
- **No sales experience is needed**

➤ **Training:**

- Wine bases: **Training provided by Systembolaget's education center, covering basic to advanced courses**
- Customer service: Video training on Customer Services and Stores Organization
- In store training: Basic Wine knowledge sharing, monthly wine tasting to enhance knowledge
- Short Courses: Occasionally, 1 to 3-day courses
- Systembolaget have its own **training/conference center** at Skarpö an island in the archipelago of Stockholm

➤ **Job Requirements:**

- Customer Service: **High-quality customer service, no sales objectives**
- Physical Requirements: Ability to lift wine cases and maintain a good energy level with the team.

Summary Staff in Store



- **Promotion Guidelines:**
 - Staff cannot promote alcohol
 - Educate customers on how to drink responsibly

- **Do staff in store have much to say about what products comes on the shelf?**
 - NO, almost all decisions are managed by HQ unit

- **Do the Employees and the store have sales objectives?**
 - No sales objectives. No KPI:s.

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Customer Behaviour

Customer Behaviour

- **Customer Assistance:**
Around **50%** of customers know what they want to purchase (having checked Systembolaget's app, website, or newspapers beforehand)

Other half may seek advice on food pairings or other recommendations
(Nicolas, Manager of Garnisonen Systembolaget)
- **When is it most busy at Systembolaget?**
 - **Friday is most popular day, and Monday most calm day.**
 - **Between 16 and 17 it is rush hour,** however onl slightly high than average for the day.



Customer behaviour fun facts

- Wine in **BIB and Tetra-package** is the type of wine that is mostly **purchased alone**, without buying other products. After this, High end wine comes.
- **Most** that **buy red wine on bottle in lower price** levels, **likely buy several different kinds** at once. For **White wine** pattern is to **also select several**, but also to **buy red wines same price** level at once.
- The product segment that is most common to go in and only purchase and go out, is **Scottish Maltwhisky aged 18** years or older. After this it is **Champagne above 1000 SEK**.
- Looking at "number of purchases" then it is light lager cans 500 ml.
- **Consumer Profiles:** Wide range of consumer profiles – It is a monopoly
- **Systembolaget Sales Website:** If you want to understand what is purchased in the end, [Systembolaget Sales website](#) is great tool

Source: Kategorirapport 2017, Systembolaget

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E-commerce



Sök dryck, maträtt...

Sök

Logga in

Öppettider

Kontakta oss

Varukorg

Nytt

Vin

Öl

Sprit

Cider & Blanddryck

Alkoholfritt

Hållbara drycker

Dryck & Mat

Omtanke & Ansvar

Product type

Välkommen till Systembolaget

Drink & Food

See all



Se hela sortimentet →



Hitta varor i butik →



Handla online →



Dryckesplaneraren →

Find product in store

Drink planner

Help live chat

Har du frågor om mat & dryck?

Vi hjälper dig!

Kontakta oss i chatten



Order online (Click & Collect, home delivery,..)



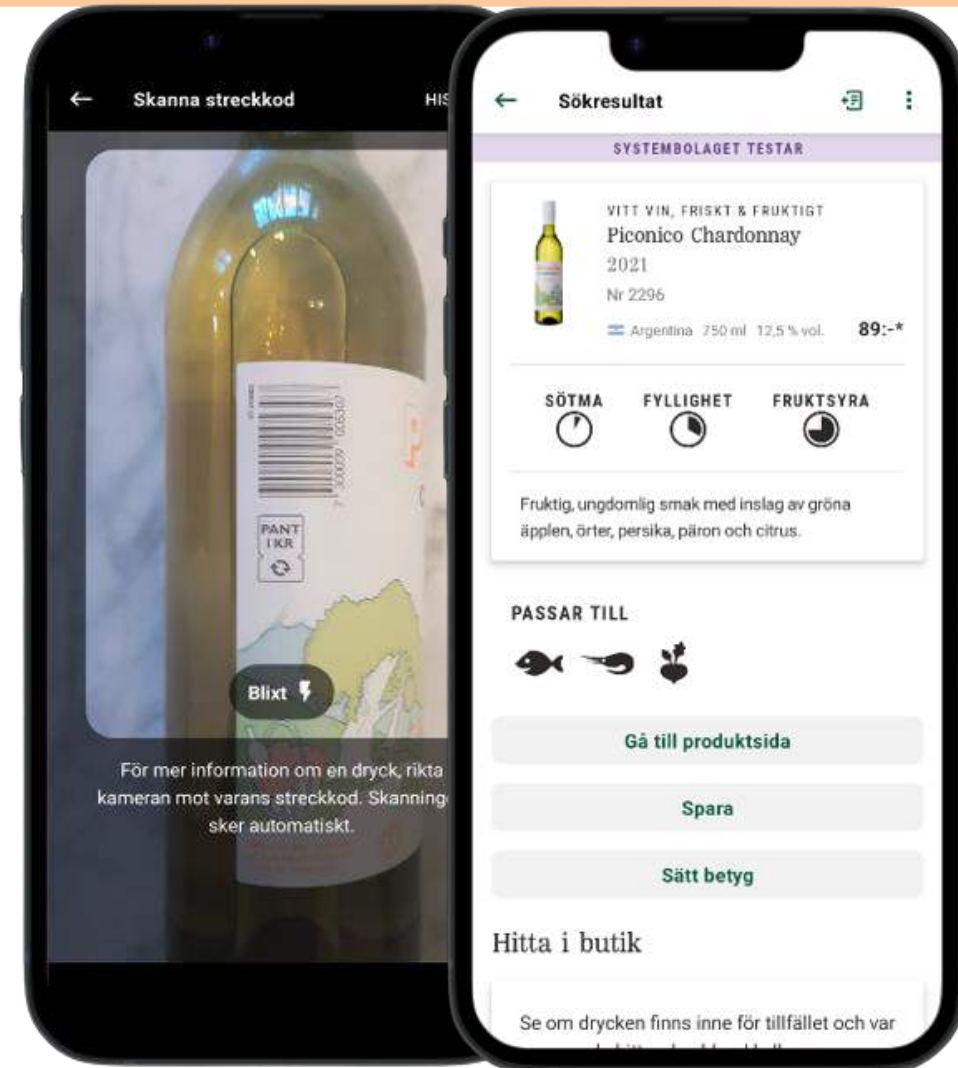
SÖK BLAND 700 MATRÄTTER
Vad passar till maten?

Food Pairing advice

Approximately 66 million visits yearly on Systembolaget.se and the App called Sök och Hitta

E-commerce and App

- **Presentation on www.systembolaget.se**
 - **Stick to standard** but is **different depending of assortment** and if product has been tasted or not by Systembolaget. If **tasted, then tasting clocks and food combination** suggestions
- **App: Barcode Scanning**
 - Scanning the barcode of each product allow to find out more about it. Useful for users who wish to learn more about a product once they are home.
 - Before purchase, help users make decisions
 - After purchase, provide the details of the product they bought, if they forget them for example.
- **Systembolaget webtraffic**
 - [66 million visits](#) online yearly on systembolaget.se and app called [Sök & Hitta](#)



Order online

- **5% of total sales amount come from online orders, which include orders placed online, in store or via agent***
- **3 delivery methods**
 1. Pickup in store
 2. Delivery at agent
 3. Home delivery (a cost for service)
- **Order method - either from store, retailer agent or from home.**



*The information is from Stefan Bäckman – Systembolaget E-commerce Sales Manager

Home Delivery

- Delivery time: 4 days for stored products and 8 days for products that needs to be ordered.
 - Cost: 80 SEK per cases of 6 or cases of 12 at 120 SEK. Cases of 12 cost after first one 80 SEK each.
 - 6 bottles of 750 equal 3 BIB or 12 beer cans
- Popularity: The least popular option of the three deliver options offered.
- Opening hours: You can order 24/7 on Systembolaget.se

Pick up point at "agent" (Ombud)

- Delivery time: 8 days for stored products and 8+ days for products that needs to be ordered.
 - Cost: Free delivery
- Popularity: The second most popular option
- Opening hours: Same opening hours as Systembolaget.
- Number of agents: about 482 pick-up agent spots
 - The agents are often regular stores and are found in smaller towns where the customer base to establish a Systembolaget store is too small. The agents account for approximately 1 percent of Systembolaget's turnover.

Pick up in Store

- Delivery time: 4 days for stored products and 8 days for products that needs to be ordered.
 - Cost: Free delivery
- Popularity: The most popular option
- Opening hours: Opening hours for given Systembolaget store
- Number of stores: 448 stores

Answers from E-commerce Manager Systembolaget

- Between online sales and physical store sales, are there any differences in purchasing behavior, how much, what type of products and price levels for products in e-commerce compared to store purchases?
 - In general, there is **different behavior depending on the delivery channel**. When it comes to **orders to the store, the customer generally orders something that is not on the shelf in the store**, it is a special product the customer is looking for. When it **comes to orders to agents** (pick-up spot), it is often **about products that a store would have on the shelf**.
- Is there a pattern when consumers place orders on e-commerce? For example, more in the evenings or hours when Systembolaget's stores are closed?
 - We can see that many people are placing orders to receive **delivery by the coming weekend**, especially when it comes to agents and home delivery.

Answers from E-commerce Manager Systembolaget

- Is there a specific customer target group that seems to buy more via systembolaget.se? For example, a certain age group or those who live in the countryside or in cities?
 - **Home delivery is most popular in big cities** and during the pandemic we could see that the elderly started using this service to a greater extent than before.
- Is e-commerce higher in areas where there are fewer systembolaget stores?
 - No.
- What percentage of your total sales is online sales?
 - Approximately **five percent** of sales are made up of orders to stores, agents and homes, and this also includes orders created for customers in stores or at agents.

Q&A

State your questions in the comments and we will collect them and answer them and share it to you on email.

Answers Calle, Concealed Wines

- How do you go about 'creating' a speciality tender?
 - I am not 100% what a specialty tender means, however if you want to work pro-active and propose the Systembolaget buyer team what to ask for, this is for sure possible. Important however to have a very good understanding about the market and the trends in order to propose things that somehow is of interest for the Swedish market in particular. Time frame to work and propose things in advance until a tender is published is normally 12-24 months. If you mean TSV/Exclusive Assortment=Specialty Tender, yes then it is just to pitch the product to the importer and product can propose it directly to the buyer. Still however it has to be a product type that somehow is demanded in the Swedish market.
- How are the employees in each store trained. Do they have a good understanding of global wines?
 - The level of competence required to start working in Systembolaget store is low. Systembolaget do however have an extended program for internal training, see presentation with more details.
- What is the main list of approved suppliers of Systembolaget? How do you select them?
 - I am not sure what you mean. Concealed Wines (importer) is a licensed supplier to Systembolaget. Systembolaget purchase all products via the supplier level. Suppliers are in most cases same as importer layer at least for wine. It is about 900 licensed suppliers to Systembolaget
- What is actually your criteria for creating a trend or popular demand in the Systembolaget shops and how do you communicate this through the tenders?
 - Our criteria when we propose products to Systembolaget is to propose things in line with what Systembolaget propose, both in terms of the technical criteria but also the taste/style profile of a product. When it comes to pro-active work, we prefer to present products to Systembolaget that correspond or is in line with market trends, either ongoing trends in the Swedish market or trends that just started in markets that is ahead of trends. Example it can be a big trend in UK or USA that we predict will come to Sweden within 1-3 years time. All pro-active work and proposals to Systembolaget has long time frame.

Answers Peter, Wine Business Solution

- I would like to know more about the international partners of South Africa and how they manage to ship internationally at such a low price?
 - Cape Ardour, which sells to direct customers in 44 States of the US via its [CellarX](#) platform. eric@cape-ardor.com They also have clients in Australia and NZ and can work with wineries based anywhere. They ship in full container lots out of Cape Town which is the objective in order to minimise freight costs. [Capreo](#) provides a similar service in European markets.

Sources

- Meeting with two Systembolaget stores :
 - Fältöversten (Julia Brinkhagen, Salesperson)
 - Garnisonen (Nicholas Allen, Store Manager)
- Systembolaget website and supplier portal
 - <https://www.systembolaget.se/>
 - <https://leverantor.systembolaget.se/>
 - <https://www.omssystembolaget.se/>
- E-commerce section
 - Q&A with Stefan Bäckman, E-commerce Sales Manager

Useful Links

- [About Us – Systembolaget](#)
- [Sales figures Systembolaget](#)
- [Previous Webinars about Monopoly distribution systems](#)

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Thank you!

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