**Programme:** Private Sector Development and TVET in South Caucasus (PSD TVET SC)

**PN:** 16.2179.6-002.00

**Activity**: Study of Wine Consumption in Armenia and Wine Sector Marketing Strategy

**Period:** September – December 2020

1. **Brief information about the programme**

The Private Sector Development and Technical Vocational Education and Training programme developed jointly with the public partners and private sector in the South Caucasus Countries, aims at promoting the private sector development with high attention to employment impacts and close integration of vocational education and training.

Due to the small domestic markets with limited purchasing power, the South Caucasus Countries have focused so far on expanding foreign trade to promote economic development.The export-dedicated strategy achieved only limited success in improving the employment situation and living conditions. Employment growth in sectors that afford the greatest potential for *pro-poor growth* and employment promotion in comparable economies and also in South Caucasus, such as tourism and agricultural, cannot be sustained, because businesses lack well-trained skilled labour.

The core challenge consists thus in the difficult framework conditions for sustainable economic development in the sectors relevant for employment. The capacities available are not yet enough to generate the envisaged employment and growth momentum.

Therefore, the programme **module objective** is: The conditions for sustainable economic development have improved in selected sectors relevant for employment.

The programme adopts the integrated approach of German development cooperation in employment promotion. It addresses both the supply and demand side of the labour market to lay a better foundation for employment.

The programme operates in three intervention fields:

**Intervention** **field 1** aims to strengthen capacities for improving competitiveness in the sectors relevant for employment.

In **intervention field 2**, it supports the cooperation of the private and public actors to improve the labour-market relevance of selected training courses.

**Intervention field 3** seeks to strengthen the regional and international exchange of experience in sustainable private sector development and dual-oriented vocational training.

The programme is scheduled for a term of 6 years (from April 2017 to April 2023).

1. **Context and current situation in the field of assignment**

Over the last century, brandy production and its whole value chain have seen large-scale development in Armenia. During the planned economy of the Soviet Union, the centuries-old traditions of winemaking were neglected, and the resources were directed to promotion of the Armenian brandy. As a result of this policy, nowadays the volumes of production and consumption of Armenian wines are less than those of the brandy. In 2019, 12,000,000 liters of wine were produced in Armenia against over 44,000,000 liters of brandy.

Armenia ranks lower in the list of wine consuming countries, while consistently having high indicators among the countries consuming alcohol. However, over the recent years, there have been changes in the general structure of alcohol consumption in Armenia; the share of wine is increasing. Wine consumption per capita has increased significantly during 2018-2019. Thanks to high quality wine producers, festivals, tastings, specialty shops, restaurants and bars, the culture of drinking wine is gaining in popularity in the country.

On the other hand, to further contribute to this process, the "Wines of Armenia" brand should be introduced and strengthened. It should comply with necessary quality control with developed standards.

The global wine market was expected to grow by more than 4% over the next five years. The fast-growing foodservice sector was supposed to stimulate demand for wine around the world. However, the spread of the COVID-19 epidemic slows down the growth of the wine market. According to forecasts, for example, wine consumption in EU member states will decrease by 8% in 2020. The same is true to Armenia, where, according to preliminary estimates, wine is more of a social drink than a part of everyday food consumption. Nevertheless, there are signs of increasing retail wine sales, which account for 70% of wine consumption in some countries.

Thus, there is a need to study the wine consumption culture and habits in Armenia to identify the motives for wine drinking in the Armenian market to further develop a marketing strategy and action plan for more effective promotion of internal promotion and consumption of the wines.

1. **Conditions of the assignment**

**3.1. Objective and tasks**

The objective of the assignment is to develop a marketing strategy and action plan based on the study of the quantitative and qualitative peculiarities of wine consumption in Armenia and promote the consumption of Armenian wines in the post-epidemic reality in structured and coordinated manner.

**3.2. Tasks and deliverables**

The tasks of the Contractor will include:

a) research of quantitative and qualitative peculiarities of wine consumption in Armenia, including detailed description of the habits, tendencies, attitudes towards wine in particular. The contractor should propose a research and evaluation design and discuss with GIZ before application.

b) development of a comprehensive marketing strategy and action plan for wine consumption promotion based on the results of the research.

 The action plan should include but not be limited to:

- Formulation of the main concepts of marketing and communication,

- Channels and tools of outreach and promotion

- Key messages, including slogans (verbal and written) customised for each target audience

- Communication and media plans with concrete measures

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| **Tasks** | **Deliverables** | **Expert Days** | **Timeline** |
| 1. Alcohol consumption and particularly wine consumption - related data collection (the characteristics of wine consumption in Armenia, known grape varieties, trends, price scales etc. Round table discussions with different stakeholders (wine sector companies, specialized wine bars and shops, wine distribution companies and experts)
 |  Methodological report of the research, including:* sample and distribution by quotas,
* process of the fieldwork,
* description of data collection tools,
* means of testing (step-by-step presentation of quality check and provision of evidence),
* provision of raw quantitative qualitative data
 | **32** | **September October 2020** |
| 1.1. Kick-off meeting-discussion with discussion with GIZ and VWFA; identification and approval of main research and evaluation tools | clarified tasks and deliverables of the assignment (recorded in a protocol) based on ToR, proposals; approved research and evaluation tools | ***1***  |  |
| 1.2. Data collection based on the selected tools and methods |  | ***20*** |  |
| 1.3. Roundtable discussions with stakeholders (wine producers, specialized wine bars and shops, wine distribution companies) in order to identify main problems and gaps related to the wine sales during pandemic  | Results of discussions recorded in a protocol | ***6*** |  |
| 1.5. Submission of the preliminary results to GIZ and VWFA | Draft report  | ***5*** |  |
| 1. Analysis of collected geographical and demographic data on wine market customer groups preferences and other behavioural characteristics of each segment
 | Comprehensive analysis of quantitative and qualitative research on wine market in Armenia based on research results and round table discussions | ***25*** | **October -November 2020** |
| 2.1. Qualitative and quantitative analysis of the collected data. (Use of software-based data analysis tools) | Draft analysis sent to GIZ and VWFA | ***15*** |  |
| 2.2. Qualitative analysis of collected information from round table discussions | Draft analysis sent to GIZ and VWFA | ***5*** |  |
| 2.3. Finalisation of the analysis based on GIZ and VWFA for consideration and discussion |  Finalised analysis based on GIZ and VWFA comments | ***5*** |  |
| 1. Submission of the progress report on the current status of the assignment
 | Progress report submitted to GIZ and VWFA | ***3*** |  |
| 1. Development of marketing strategy and action plan
 |  | *30* | **November 2020** |
| 4.1. Development of the draft marketing strategy (3 years) for promotion of internal Armenian wine consumption based on the qualitative- quantitative analysis and conclusions of the study. Cooperation between private and public actor should be also targeted in the strategy.  | Draft marketing strategy submitted to GIZ and VWFA (description – above) including but not limited to PESTEL and SWOT analysis, targeting and marketing mix | **15** |  |
| 4.2. Finalisation of the marketing strategy based on GIZ and VWFA comments/suggestions | Final version of the marketing strategy approved by GIZ and VWFA | ***5*** |  |
| 4.3. Development of the action plan for public awareness raising based on the marketing strategy. | Draft action plan (including concepts, channel and tools of communication, key messages) submitted to GIZ and VWFA | ***7*** |  |
| 4.5. Finalisation of the action plan based on GIZ and VWFA comments/suggestions | Final version of the action plan submitted to GIZ and VWFA | ***3*** |  |
| 1. Final report
 |  Final report submitted to GIZ | ***3*** |  December 2020 |

**3.3. Coordination and communication**

* The hired company shall report to PSD TVET Programme Team Leader Armenia and closely cooperate with PR and Communications Expert .
* All the tasks will also be coordinated with and approved by Vine and Wine Foundation of Armenia.
* The hired company shall comply with GIZ regulations for procurement and/or service provision.
* All reports should be provided to GIZ in English via email and/or in an external hardware, if required; the whole content of the study and marketing strategy should be delivered in both languages.

**3.4. Submission Requirements**

The hired company should meet the following requirements:

* Over 5 years of experience in marketing and strategy advisory;
* Experience in conducting studies for the wine sector will be regarded as an asset;
* Primary and secondary data collection experience
* Marketing data processing and analysis experience
* Experience in developing research reports with practical recommendations
* Survey organisation and data management experience
* Experience in development of marketing strategies for the private sector
* Excellent understanding of and ability to meet the demands and standards of an institution of international development cooperation. Prior experience working with international organisations and state agencies is a must
* Fluency in English and Armenian; all deliverables in both British English and Armenian
* Excellent communication and interpersonal skills
* Flexibility and ability to meet tight deadlines

The company should submit the following documentation in the technical offer:

* Portfolio and CVs of key experts for the assignment, brief portfolio (s) of the company or companies (in case you apply as part of a consortium)
* Description of the research tool and methods
* At least 2 recommendations from international organisations
* Other documents that might be relevant to the assignment

**3.5. Other provisions**

* Please note that the selection of all the subcontractors if any should be agreed with GIZ. GIZ and VWFA should also be involved in key working meetings with subcontractors including brainstorming, strategy development etc.

All the personal data (names, surnames, contact details, emails, phone numbers etc.) processed before, during and after the assignment and related to it should be treated as confidential, transferred to GIZ and by no means disclosed to other parties.