

# InterFest

INTERNACIONALNI FESTIVAL VINA  
NOVI SAD 2008



## **Report**

**Interfest Trade Fair - Novi Sad**

**26- 28.06.2008,**

Prepared by:  
Goran Damovski  
Marketing and SME Development manager

## 1. About Interfest

One of the most relevant events that bring together wineries, wine experts, allows great exposure and increases awareness of Serbian and consumers in the wider region is Interfest Wine Festival held in Novi Sad. According to wine presenters, visitors, journalists and wine experts, the 4th International Festival "INTERFEST '07" which concluded its festivities on June 10th, 2007 has proved without a doubt that it is the strongest wine exhibit in the region.



Different wines from more than 150 wineries from Croatia, Macedonia, Montenegro, Bosnia and Herzegovina, Slovenia and a large number of well known domestic Serbian wine growers have presented around 600 sorts of best wines for degustation.

Wines from the well-known wine regions in the Balkan countries and abroad were sampled by more than 50,000 visitors from the host city and guests from Belgrade, Slovenia, Croatia and Hungary who arrived in groups by bus, train and boat to see the festival and enjoy good wine, rich musical program and the general jovial spirit of the festival for three days. Well-imagined cultural and entertainment program included many artists, performances and other artistic ensembles from various countries.

Quote:

*Really well-organized festival, enriched with cultural and artistic program, larger number of exhibitors exhibiting some excellent wines, attract thousands of people wine lovers to joint every year to attend this festival. Interfest already went beyond "Festival"*

**Marin Turika, Marketing Manager – "Vrsacki Vinogradi" A.D.**

## 2. Background

Serbia is by far the main destination of Macedonian wine amounting 58% of the total export of bottled wine. Macedonian wines are recognized and well accepted. Some of the bigger Macedonian wineries like Tikvesh, Skovin, Ezimit, Bovin and some others are well established on Serbian market and have their subsidiary offices in Belgrade or just sales agents.

Although surrounded by quality wine producing countries, Serbia itself is becoming known for producing quality wines showing signs of significant growth. International varieties, notably Cabernet Sauvignon and Chardonnay, are increasingly being planted and quality wine producing is gaining momentum. Important producers are Župa, Rubin, Vršački Vinogradi but also in the last half a decade many small private vineries like Aleksandrovic, Kovacevic and Radenkovic focused on production of high quality wines are widely available in supermarkets in Serbia, with a range of white and red wines which are definitely worth trying. Also some of them are export oriented, entering some of the most prestige markets in Europe.

Therefore it was very important for those Macedonian wineries that have been exporting in Serbia to have constant presence in order to maintain market share and sustain on Serbian market. For those that haven't, Serbia is obviously a good opportunity to develop market entry program and try to establish strategic partnership with distributors.

After the great success on Vino-Skop 2007, under the patronage of the City of Skopje, organized by team of professionals, the excellent acceptance from the audience and the participants, the company Old Grips Dooel (Vino Skop) got a direct offer from the organizers of Interfest in Novi Sad, Serbia to create a pavilion and present Macedonian wineries, enriched with food and music on this international wine event. Based on this Old Grips Dooel (Vino Skop) InterFest requested support from AgBiz in developing a comprehensive event program and presented the interest of 6 wineries to participate on the festival.

Aware of previous reputation and importance of Interfest festival being a contact point for entering/building up the awareness on Serbian Market and shown commitment from wineries, AgBiz program accepted to develop project to support Kartal, Radevski, Vinar, Pivka, Grkov and Chateau Kamnik to exhibit on Interfest.

Pivka Winery already had a distributor that represents their wines on Serbian market. Vinar managed to enter some markets recently and Grkov is still struggling with initial sales to few restaurants in Belgrade and Novi Sad. Other wineries still have not penetrated on the market.

### **3. Objective**

The objective of the trip was to support Macedonian Wineries to enter and sustain their position in the Serbian High Quality Bottled Wine Market through organizing participation and facilitate the successful exhibition of six Macedonian wineries at the Interfest wine festival that will be held on 26<sup>th</sup>-28<sup>th</sup> June in Novi Sad, Serbia.

### **4. Assistance provided by AgBiz**

AgBiz, developed a concept and having in mind that the interested wineries, representing a so called "*second tier*" wineries, had no extensive experience in exhibiting and other international and regional trade events, signed a contract with Old Grips Dooel (Vino Skop) to organize the group to exhibit on a joint stand with the following responsibilities:

- In conjunction with AgBiz develop a transparent process for identifying wineries that will be supported to participate as exhibitors at the Interfest wine festival;
- Coordinate with Interfest management, and make all arrangements for renting space, exhibition booths and other logistical support related to the selected wineries successfully exhibiting at Interfest;
- Coordinate the designing and production of adequate and appealing promotional accessories for branding the stand consistent with Macedonian wine making tradition, folklore and cultural heritage;
- Engage a relevant wine expert/sommelier to properly present wines from the exhibiting Macedonian wineries;

- Engage a journalist to develop a cover story to be disseminated to wine magazines and encourage PR and arrange an article to be published in the Interfest catalogue about all of the supported wineries;
- Coordinate with the wineries to organize delivery of exhibitors' wines to Interfest, make accommodation arrangements, payments by the wineries their cost share etc.;
- Engage a chef and a chef's assistant to organize and prepare authentic Macedonian meals that compliment the promoted wines;
- Organize performances of the Macedonian folklore dance and music group Monistra at Interfest; and
- Facilitate preparation of participants as well as provide on-site support for proper wine presentations that will maximize the image and sales of the Macedonian exhibitors.

AgBiz Program signed "letter of Intent" with each of the six wineries that stipulate the level of cooperation and describe the support provided by AgBiz including budget details related to the Interfest exhibition. According agreed cost share scheme AgBiz covered the cost for renting the stand, including equipment and décor, accommodation in Novi Sad of the second representative from the wineries, entry in the Interfest catalogue, VINO-Skopje's organizing costs and M&IE for participants to be paid upon their return to Macedonia and submission of a completed AgBiz Project Evaluation Questionnaire. In order to enhance awareness of the presence of Macedonian pavilion on Interfest and promotion of wines from supported wineries AgBiz will cover the costs for publishing joint articles in the most relevant wine magazines "Svet Pica" and "Vino". Also, AgBiz program provided facilitation at every stage of the activity and actively participated with one staff member to its successful completion.

##### 5. Participating companies at Interfest 2008 in Novi Sad, Serbia

Company name	Representatives
Chateau Kamnik Winery	Ilija Malinkovski, CEO Goce, Sales Manager
Radevski Winery (Demir Kapija)	Vlado Radevski, General Manager Marko Radevski, Marketing Manager Slobodan , Sales Manager
Grkov Winery (v. Krmjevo, Kavadarci)	Perica Jovevski, Marketing Manager Saso Anastasov, Marketing and Sales Manager
Kartal Winery (Skopje)	Jordan Kartalov, Marketing Manager Filip Kartalov, Sales Manager
Vinar Winery (Skopje)	Antonio Brzanov, Sales Manager Vojo
Pivka Winery (Negotino)	Andov Kire, General Manager Blaze , Chief Oenologist

## 6. Financial construction and cost sharing scheme

The co-financing of this event with detailed costing structure of stand related items and contributions by the stakeholders are provided below:

	<b>Investment</b>	<b>Quantity</b>	<b>Unit cost</b>	<b>Total</b>	<b>AgBiz</b>	<b>Customers (Wineries)</b>
1	<i>Development of Stand</i>		<i>Euro</i>	<i>Euro</i>	<i>Euro</i>	<i>Euro</i>
1.1	Joint space and boots rent (m2)	25	60	1,500	1,500	
1.2	Pivka's space and boot rent (m2)	12.5	64	800	800	
1.3	Equipment and stand décor	25	40	1,000	1,000	
	<b>Total stand renting</b>			<b>3,300</b>	<b>3,300</b>	<b>0</b>
2	<i>Wine for the exhibition</i>					
2.2	Bottles of Assorted Wines	540	2.0	1,080		1,080
2.3	Transport of samples and customs to Novi Sad	6	180	1,080		1,080
	<b>Total wine for the exhibition</b>			<b>2,160</b>		<b>2,160</b>
3	<i>Promotion and PR</i>					
3.1	Stand promotional materials/catalogue	5	250	1,250		1,250
3.2	Interfest catalogue entry	6	100	600	600	
3.3	Article in "Svet pica" Magazine	1	550	550	550	
3.4	Article in "Vino" Magazine	1	350	350	350	
3.5	Reportage in Bar Code (3 pages)	1	200	200		200
3.6	Sommelier presentation (fee)	1	300	300		300
	<b>Total promotional and PR</b>			<b>3,250</b>	<b>1,500</b>	<b>1,750</b>
4	<i>Other Promotional events</i>					
4.1	Ethno music band - Monistra	1	1,000	1,000		1,000
4.2	Renting cooking equipment	1	600	600		600
4.3	Food supplies and transport of food	1	2,000	2,000		2,000
4.4	Cook chef and assistant (fee)	1	470	470		470
4.5	Accommodation of Cook chef and assistant	6	50	300		300
	<b>Total</b>			<b>4,370</b>	<b>0</b>	<b>4,370</b>
5	<i>Participants Costs and Travel</i>					
5.1	Accommodation for participants (3 nights)	36	70	2,520	1,050	1,470
5.2	Travel	12	85	1,020		1,020
5.3	M&IE (4 days)	48	47	2,256	1,880	376
	<b>Total</b>			<b>5,796</b>	<b>2,930</b>	<b>2,866</b>
6	<i>AgBiz staff member participation</i>					
6.1	Accommodation (3 nights)	3	70	210	210	
6.2	Travel /Flights	1	170	170	170	
6.3	M&IE (4 days)	4	47	188	188	
	<b>Total</b>			<b>568</b>	<b>568</b>	
7	<i>Organizer Vino-Skop</i>					
7.1	Organization and facilitation of the event	1	1,400	1,400	1,400	
	<b>Total organization</b>			<b>1,400</b>	<b>1,400</b>	
	<b>GRAND TOTAL IN EURO</b>			<b>20,844</b>	<b>9,698</b>	<b>11,146</b>
	<b>GRAND TOTAL IN USD</b>			<b>33,559</b>	<b>15,614</b>	<b>17,945</b>

## 7. The exhibition and the most significant benefits to AgBiz Customers

Interfest exhibition proved that it is an excellent opportunity for Macedonian wineries to identify opportunities to protect and expand their presence in the very large and important to Macedonia Serbian wine market. Through establishing contacts and new potential partnership relations with buyers/distributors participating wineries tried to maintain current and create new sustainable sales in Serbia. The festival itself also provided direct sales opportunity to more than 50.000 visitors in three days; enhance visibility of Macedonian good quality wines, exchange knowledge and know-how with other exhibiting wineries and wine experts from the SEE region.

For the first time a group of Macedonian wineries were exhibiting on a joint stand creating a National Macedonian pavilion. This approach allowed greater visibility of Macedonian wineries. The stand was on a good location with high frequency of visitors and each of the wineries had its own open front. The décor of the stand was in line with Macedonian cultural heritage containing traditional carpets, old pots used in the past for storing and serving wine etc. This re-confirmed recognition of Macedonian wines by general public and attracted more people to come to the stand and taste Macedonian wines.



Reached cohesiveness of joint exhibition was supported by disseminating of a joint catalog that was designed and produced specifically for promotional purpose on Interfest festival. It had full profile of all five participating wineries representing long life informational tool for all interested parties. Companies were also presented in the official Interfest Catalogue that has great reach and usually goes in the hands of all relevant players including buyers, distributors in the wine industry in Serbia and the region as well as wine journalists, restaurants, sommeliers, hoteliers etc.

Six exhibiting wineries Kartal, Grkov, Radevski, Vinar and Chateau Kamnik, exhibiting on joint National pavilion and Pivka on a separate stand, diverse in both, size and product range, opened prospects for responding to a more diversified market and give very good representation of Macedonian wines on Serbian market, thus enhancing image and creating excellent sales opportunities. Starting from wines situated in the medium price segment up to Chateau Kamnik that produces 50,000 liters of premium wine, these wineries were in a position to respond to differing market demands and represent the full range of wine types.

Of particular interest for those that knows little more about wines but also for the general public was a well organized sommelier presentation of selected Macedonian wines. The best sommelier in Serbia for year 2007, Ms. Dzurda Katic was hired to do a public presentation of one wine from each of participating wineries. The presentation was announced on the main stage so people can prepare and approach Macedonian stand. She lead the audience through a very smooth wine testing experience, explaining the wines one by one while the wineries were served to the gathered people. Emphasizing the distinguished quality of Macedonian wines coming from the exquisite combination of soil, sun and good oenology some of the key



asking to by and information whether this wines are available on Serbian market.

points of how to recognize and judge the colours, aromas for each particular wine were described. The presentation encouraged lots of superlatives from the people tasting the wines, particularly overwhelmed by Vranec but asking about other varieties like Pinot, Cabernet, and Chardonnay. Even Rieslings produced in Macedonia captured significant respect. Oak aged “Cuvee de Prestige” from Chateau Kamnik that was presented last, moved the boundaries way beyond the expectations even for the most knowledgeable and rigorous. People were

During the second day the group was hosted by the Institute and the Faculty of Wine and Viticulture of Serbia. Just nine km from Novi Sad people had a chance to observe the latest research methods and outcomes in vine grapes growing and oenology. Professors’ presented new varieties of grapes, more resistant to hard climatic conditions, with higher yield and better specification for producing high quality wine. Also Mr. Darko Jaksic, head of Wine and viticulture department within the Ministry of Agriculture of Serbia give a presentation of current situation with assortments and activities of the Ministry for improvements.

On the third day the exhibitors and other distinguished guests were invited to visit “Salas 173” where the winery “Coka” which is the biggest winery in Serbia, established in 1903 give a presentation of their new white Muscat and three red oak aged wines: Vranec, Cabernet and Merlot. The opportunity to analyze other exhibitors was not only useful to taste and make comparison of their wines but also to see their approach on the market, negotiation power with the wine buyers, their marketing strategy and positioning as well as the overall perception of consumers for their wines. Exchanging experience in wine making with more experienced companies from Serbia and Croatia was very valuable. During the festival traditional Macedonian food was served enhancing interest of people to come to the stand and upgraded the whole positive impression of consumers maximizing general Macedonian umbrella brand.



## 8. Conclusions and Follow up

The wine festival besides promotional had a sales character as well but only 30% of the wines from participating wineries was sold on the spot through a voucher scheme. Most important was that the participants had the opportunity to establish contacts with potential buyers and wholesalers that may result in creating strategic partnerships in the future.

Lack of understanding of the latest development, increasing competitiveness of Serbian wine market and indulgent attitude towards potential gains from joint market efforts so far are considered to be weak points, impede wineries to maximize benefits. Participation on

Interfest Wine Festival in Novi Sad encouraged better understanding of the need for Macedonian companies consistently to work on developing long term strategy. It is expected this successful participation on Interfest to reaffirm very good perception of Macedonian wines by Serbian consumers and will lead to a more sustainable sales in the future.

Follow-up will be required to secure the optimum benefits from InterFest participation. Joint meeting will be organized after the trade fair on which all gathered information from contacts established during the wine fest with potential buyers/traders and other exhibitor's will be analyzed. The wineries will need to utilize key opportunities and respond to specific requirements to enable strengthening the position of Macedonian wines and possible new entries on Serbian and other regional markets.

As concluded in other occasions the positive experience of joint approach will ultimately create a common interest among wineries to work together when developing sales strategies for large and competitive markets as a pre-requisite for enhancing the consumers' awareness for Macedonian wines, encouraging greater demand and more sustainable sales into the region as well as the EU market.