STARTUP / CASE STUDY AVANII KINGS **ΑVANΓΙ** PAR(9 AMMEZZATI XL Licorice Anisette AMMEZZATI 0 PA 100% KENTUCKY TOBACCO ITUCKY TOBACCO OON DARK FUIL CLINE 100% DARK FIR WARNING DO'S DARK FIRE-CURED WARNING: Cigar use **RNING: Cigar** IG: Cigar use are not WARNING while pregnant can king can cause WARNING: C alternat VARNING: This product regnant can not a safe not a safe all contains nicotine. cigare harm you and your ng cancer and ou and your to cig licotine is an addictive to cigare baby art disease. chemical. baby. disease. papy not a sur 101 9 0 harm you and your nd your incer and WARNU MUB while pregnant can WARN ant can can cause igar use WARNING: Cigar use NG: Cigar

OUTSIDE THE BOX

Do your brands and packaging need a reset? Find out the process Avanti Cigars went through to rebrand its well-known brands for a new generation of cigar smokers. BY ANTOINE REID

Before customers even try your product, they are confronted with your change the branding and packaging of its cigar products. packaging. Packaging doesn't always seem very exciting, but a lot of thought, development, resources and money are put into a product's packaging and its design. Steve Jobs once said, "Packaging can be a theater; it can create a story." For tobacco products like cigars, where the story and history of a brand are just as important in selling it as the actual product itself, packaging is a big deal.

Now imagine a product that has been on the market for some time and deciding to change a product that customers are familiar with. You're disrupting the buying process by forcing your customer to refamiliarize himself or herself with your brand and the message it's communicating with your new package design. You also have to consider the work that will go into bringing new packaging to market. Who will be involved in the design process, what data will be used to make informed decisions, which direction do you take the design so that you can communicate your brand identity before the consumer even lights up your product? These are all questions Avanti Cigar Company recently grappled with in deciding to

"The investment was extensive, both in terms of economics, people and time," explains Luciano Simeone, chief operating officer of Avanti Cigar Company. "Most of our efforts across the three years needed for the research and relaunch of the brands were focused on gathering information, people and agencies that were best for this important project."

This process was years in the making. It began in 2015, when the Italian manufacturer Manifatture Sigaro Toscano SpA (MST) acquired Parodi Holdings dba Avanti Cigar Company. The company worked with the research agency Kantar TNS, which engaged in semiotics, qualitative and quantitative research, and reviewed three pitches from different agencies for the final design brand rebranding. As part of the reappraisal that followed the acquisition, Avanti began gathering the available sales data on its products and came to the conclusion that the brands needed to be repositioned. This repositioning included rebranding the look and feel of the Avanti and Parodi cigars to make them appeal to a new generation of cigar consumers. \blacktriangleright

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[26] TOBACCO BUSINESS [JULY / AUGUST [18]

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Avanti Continued

Redefining the Brands

Changing the branding and packaging of the Avanti and Parodi products was not a decision made on a whim; it came after analyzing sales data and identifying weak points in the business. Following its acquisition, MST had a clear plan: to hit the ground running and take advantage of Avanti's history in the U.S. market. To get a sense of where the brands really stood, the company launched a consumer data-gathering campaign that ran until June 2016 and gathered feedback from 874 U.S. cigar smokers.

The research and re-evaluation included redefining the values of both brands, which led the company to realize that Avanti's middle- and upper-class consumers typically purchased their cigars because of their unique taste, the affordable price and the company's Italian heritage. These qualities brought customers to their brand and created a sense of brand loyalty. Newer customers purchased Avanti products hoping to be provided with what the company defines as the "ultimate smoking experience." Parodi brand customers, on the other hand, were in search of a more traditional and masculine experience. Across all the brands, the use of Kentucky fire-cured tobacco and the American craftsmanship that went into the products were common strengths that set the products apart from competitors' brands on the market.

The strategic changes to better position the brands will impact existing and future product releases as well as marketing strategies. Avanti's focus will be providing adult smokers with long-lasting flavor, while Parodi will experiment with different vitolas and tobaccos to offer

Packaging is powerful

because it tells consumers why your product and brand are different.



smokers a 100 percent natural and intense dark firecured smoking experience. The company also had a lot of qualitative data provided by Kantar TNS to consider in the repositioning of its brands. While the old packaging was found to strongly convey tradition, comfort and a classic style, it was also viewed as a bit cartoonish and old-fashioned. If the company wanted to attract new cigar smokers, it would need to innovate and refresh its brands' appearance.

The Big Reveal

The biggest challenge in coming up with a new look for its brands was finding the right balance between the need to change and the greater need to not disappoint or completely disrupt the connection its loyal customers had to these well-known brands and products.

"This was our biggest fear until we tested the options, both on brand users and then on those users not yet buying our brands," Simeone explains. "Despite our first gut reaction that the change would not be welcomed by all current users, we knew that the risk of losing our current buyers would be limited, provided that we did a good job in informing them about the change and letting them know that the new look would not impact the products and their prices."

The winning package designs better communicate the values of the Avanti and Parodi brands and create a new synergy with the quality of the company's premium cigar products. For the Avanti brand, it was important to convey to consumers that its cigars were available in a variety of flavors and manufactured by a cigar \blacktriangleright

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Avanti Continued

business founded by Italian immigrants. Avanti wanted to communicate the unique and strong flavors of its cigars and that its products are made with some of the finest hand-picked Kentucky fire-cured tobacco available. Parodi's new branding, on the other hand, had to communicate many of these same things as well as the fact that its cigars come in a variety of different and unique shapes.

The new packaging aims to connect with customers on a nostalgic level. While continuing to communicate in a direct and impactful way, the design strives to illustrate a better connection between brand, SKU and increased value.

"Packaging is powerful because it tells consumers why your product and brand are different," Simeone explains. "The re-styling we did strives to reassure the current consumers that the quality is always going to be the same. We have kept the key elements of the historical brands, but at the same time we wanted to communicate the premium characteristics of our cigars. The packages feature only one color and make it easier for the consumers to navigate through our different cigars. The elegance of the new packs is a seal of guarantee of the best quality."

New Look, Same Quality

With the new packaging hitting the market this summer, Avanti is excited to reintroduce its cigars after spending more than two years repositioning

Avanti spent three years working, researching and redefining their brand values before settling on new packaging and branding to appeal to a new generation of adult smokers.

and rebranding their historic brands. The new look for the brands will bring more clarity to the company's marketing and sales efforts, focusing on the premium and superior quality of the Avanti and Parodi brands while making them more visually compelling. Changing the branding required a lot of investment, both in manpower and time, but the company expects to see a big return as the brands connect with their customers, new and old. While its branding has undergone what some will see as a big change, the company wants its customers to know that the quality of its cigars and the price point will remain unchanged.

"We have refreshed the imagery on the packs, but we haven't changed the way we have been protecting the quality of our cigars," Simeone says. "The quality remains one of our main focuses."

A variety of initiatives are planned for this summer and fall, including participation and appearances at trade shows like the International Premium Cigar & Pipe Retailers Association (IPCPR) show this July. There will also be consumer events held on the East Coast, where current and prospective retailers will have the chance to experience and learn more about the Avanti and Parodi cigar brands and product offerings. With redefined brand values and new packaging, the Avanti and Parodi brands are both recharged and ready to catch the eyes of new and old cigar aficionados across the U.S. TB

AVANTI'S NEW U.S. DISTRIBUTION PARTNER

Avanti Cigar Company has entered into a new U.S. distribution partnership with Royal Agio Cigars USA. Royal Agio Cigars USA will market, sell and distribute Avanti Cigar Company's brands in the U.S., including Parodi, Avanti Denobili, Petri, Ramrod and Kentucky Cheroots.

Luciano Simeone, chief operating officer for Avanti Cigar Company, commented: "We are honored to be partnering with Royal Agio Cigars, a top global cigar company with a successful and long-standing history of producing, selling and marketing category-leading premium-blend cigar brands. Although our brands have been available in the U.S. for up to over a century now, we feel strongly that there is a continued opportunity to introduce and broader the appeal of our brands to cigar smokers and that this strategic part nership will help provide our portfolio of brands with the additional resources necessary to broaden distribution and strengthen our overall presence in the marketplace.

George Margioukla, president of Royal Agio Cigars USA, added: "We have a tremendous amount of respect for the Avanti team and their stable brands, and we couldn't be more excited to partner with another cigar company that also has over a century of cigar-making heritage and longstanding tradition. The Avanti product lineup will complement our existing portfolio, and it helps further round out our premium-blend cigar portfolio that includes both premium cigarillos and handmade premium cigars. The addition of these uniquely positioned cigar brands, based on premium Kentucky fire-cured tobacco blends, will help us more effectively meet the arowing consumer and retailer demand for high-quality, differentiated cigar products and experiences."

With this partnership, Avanti has a broader reach and distribution for its tobacco products. The new partnership also expands Royal Agio Cigars USA's machine-made cigar offerings beyond its Panter and Mehari's premium cigarillo brands.