Branding Port: Crisis, Transformation and the Advent of Modern Brands in the Port Wine Trade (1945-1975)*

Branding Port: crisis, transformación y advenimiento de marcas modernas en el sector del vino de Oporto (1945-1975)

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Abstract

In this article we will explore how modern brands developed in the port wine trade, particularly in the three decades after the end of World War II. A commercial crisis followed the end of the conflict, with port sales only recovering from stagnation in the mid-1960s, in a time when multinational corporations dominated the alcoholic beverages sector and brands achieved global dimension. We will trace the origin of modern brands in the very conservative port trade since the 19th century, having Britain, its main market, as reference and analyzing the role of pioneers such as Sandeman. We will confront how different players understood the crisis in exports after the war and how the concentration and internationalization processes in the alcoholic beverages sector favored the development of modern brands in the port trade, having Cockburn as a case study for a new business paradigm.

Keywords: port wine, brands, marketing, Cockburn, Sandeman.

Resumen

En este artículo abordaremos cómo las marcas modernas se han desarrollado en el sector del vino de Oporto, en particular treinta años después del fin de la Segunda Guerra Mundial. Las ventas de vino solo se han recuperado de un profundo estancamiento a mediados de los años sesenta, en un tiempo en que las multinacionales dominaban el sector de las bebidas alcohólicas y en que las marcas alcanzaban dimensión global. Trazaremos el origen de las marcas modernas entre los muy conservadores comerciantes de vino de Oporto, teniendo como referencia su mayor mercado, Inglaterra, y analizando el particular rol de pioneros como Sandeman. Confrontaremos el modo en que distintos protagonistas han entendido las crisis de exportaciones después de 1945 y cómo los procesos de concentración e internacionalización en el sector de bebidas

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alcohólicas ha estimulado el desarrollo de marcas modernas de vino de Oporto, tomando la firma Cockburn como estudio de caso para comprender un nuevo paradigma comercial.

Palabras clave: vino de Oporto, marcas, marketing, Cockburn, Sandeman.

Introduction: the importance of a bowler hat

> In a delirium of excitement I asked to be given some ideas on how one actually sold Cockburn's Port. It was obviously the most appalling gaffe, everyone's face fell and a deadly silence ensued. Eventually someone said, "Have you got a bowler hat?" […]. Thus equipped, I sallied forth and with experience learnt, after spending too long talking hunting, shooting and fishing with some small country wine merchant, to bring the conversation to a close by asking "And may we ship you another pipe?" (Fletcher, 1997: 5).

In this article we aim at providing a general overview on the development of modern brands in the port wine trade, having Britain as the key market in our analysis. In 1969, a British author wrote that "the port wine trade has changed more radically in the previous twenty years than in the three centuries of its existence" (Bradford, 1969: 170). Excessive as it may seem, the fact is that since the end of World War II the very conservative port shippers had to quickly adjust to a new business paradigm that had been encompassing almost every industry in the world since the turn of the century. In the alcoholic beverages sector, beer, spirits, and even sherry had evolved from a way of running businesses very much alike the one described by Wyndham Fletcher, who worked for Cockburn between 1930 and 1975, to embrace a new model where brands, marketing management and advertising became central determinants of commercial success. The crisis in port exports that followed the end of World War II was not at all understood by the Portuguese authorities, who blamed protectionism and the reconstruction efforts in Europe as the key reasons for the stagnation in sales.

Meanwhile in Britain, traditionally the main market for port, wine sales were booming, as consumers developed new drinking habits. In the alcoholic beverages sector, continuous processes of vertical and horizontal integration created big multinational groups, since substantial investments in branding and marketing expenditures revealed to be essential to compete in an increasingly global industry.

In the mid-1960s, after twenty years of profound stagnation, port sales finally started growing, and shippers were ready to face a new competitive scenario. Port brands were bought and included in the portfolios of the international conglomerates and were given a truly global status, as was the case of Cockburn's Special Reserve, a brand whose evolution we will describe at the end of this article.

The post-1960s port trade will deeply contrast with the pre-brand era, when most wine was sold in bulk and the tasks of bottling, branding and advertising were left to the retailer. Sherry, port's main competitor in 19th century Britain, soon started using branding and advertising to gain control over the value-added chain. The case of Sandeman, a port and sherry shipper, is of particular interest as it pioneered much of the modern marketing practices that the port trade would only get accustomed to in the second half of the 20th century.

To understand the evolution of brands in the port trade from a multi-perspective approach, our methodology will focus both on the analysis of official documents issued by the regulatory bodies of the port wine trade (namely the Instituto do Vinho do Porto) and on the private archives of leading companies such as Sandeman and Cockburn. For the latter, we will rely heavily on our research conducted in the Porto archives of the company (Leitão, 2013). The study of these pioneers will allow us to understand how innovation was managed and disseminated in the port trade. Articles in newspapers and magazines are also useful sources, as they show us how social habits, especially in Britain, triggered processes of change in the trade during the period we focus on.

By encompassing such a varied and complete set of sources, and placing ourselves on the standpoint of different players and on different contexts, we hope to shed some light on the turbulent years the port trade faced after 1945 and on the processes of change and adaptation that contributed to overcome a serious crisis in exports through the development of strong brands and marketing expertise.

The Instituto's approach to the crisis

In the midst of World War II, port shippers in Porto, Portugal, had little to do but to wait for the end of the conflict. Sales to the traditionally big clients of port, Britain and France, were down to residual values, and not a single shipment was sent to countries such as Norway, the Netherlands, Sweden and Germany during the war years. Despite the discouraging figures, most shippers shared the feeling that sales would recover once the war was over. In 1943, one of Porto's leading newspapers was proclaiming that "all the old lovers of port must be eager to enjoy this delicious drink in times of peace" [our translation from the Portuguese] (Martins, 1990: 125-126), and that a great boom in sales was to be expected, similar to the one that occurred after World War I.

The directives issued by most entities in the sector contributed to this feeling of generalized optimism. The Instituto do Vinho do Porto (henceforth the Instituto), the regulatory body of the port wine sector (Peixoto, 2011) declared in 1944 a total "benefício" (the yearly amount of wine each winegrower can legally classify as port) (Pereira, 1996: 193) of 60.000 barrels, although the sum of wine sold in the three previous years did not even reach that amount (57.500 barrels). The Casa do Douro, the winegrowers association, bought half the production of the wine region in 1943 and 1944 to stock up for future demand. The government created permits to plant new vineyards throughout the country, to face an expected growth in internal and external consumption (Martins, 1990: 125, 127, 223).

Five years after the end of the war, disappointment was now the prevalent feeling in the sector: "neither prosperity for the shippers nor for the winegrowers, and not even a return to the pre-war situation" [our translation from the Portuguese] (Pereira, 1952: 10), declared a report ordered by the Instituto on the commercial analysis of the major markets for port. Protectionist policies, in particular trade barriers (which the report qualifies as "egotists"), as well as reconstruction efforts employed by many European countries after the war are identified as the main causes for the stagnation of port sales abroad.

It is important to understand how this report saw the crisis in exports, as it sheds some light on the inability of shippers and government officials to understand the nature of the crisis. The author of the 1950 report, published two years later, preferred to follow a political rather than a technical approach to the slump of exports. For all the countries studied in its pages, it is clear the preference given to macroeconomic indicators and trends for aggregated demand, in detriment of a more thorough analysis concerning competition, consumer trends and market segmentation. Besides, the constant allusions to a symbolic dimension of the wine — expressed by the use of terms such as "richness" or "treasure" — make it difficult to accomplish a true technical examination of the problem (Pereira, 1952: 232, 245)

In 1962, as port sales were still notably low, the Instituto persisted in pointing to the reconstruction expenses of post-war Europe as one of the causes. But now the central reason seems to be the rearrangement of the social structure of most European countries, which resulted in a loss of purchasing power of those in the upper layers of society who were accustomed to drinking expensive wines such as port, "while other classes of weak economic power and civic education where unexpectedly propelled to a position that allowed them to consume larger amounts of the cheap beverages which their taste was more accustomed to" [our translation from the Portuguese] (Junta Nacional do Vinho, 1962: 63-64). The tone embedded in this quotation illustrates perfectly Bradford's point when she states that, throughout history, "more than any other wine port has been beset by myth and snobbism" (Bradford, 1969: 181).

The British market for wine in the post-war years

The economic conditions during the ten years after the war were adverse to the port trade in Britain, a situation that can be illustrated by such policies as the quotas and tariffs on imported luxury goods such as wine, which had a direct impact in the availability and price to the consumer. This state of continuous austerity, however, was not exclusive to imports, extending also to everyday products such as bread, which was subject to rationing until 1955.

Economic conditions quickly improved when custom quotas on wine were lifted in 1949 and a boost in wine imports immediately followed: imports doubled during the 1950s and increased almost fourfold between 1960 and 1975 (Briggs, 1985: 150). Many determinants contributed to this growth of wine drinking in Britain. Cultural factors such as the development of leisure habits for the masses (holidays abroad, the fashion of eating out, the development of home-based entertainment) as well as social and economic factors (the globalization of tastes, the emancipation of women as consumers with economic independence) contributed to a revolution in wine drinking habits (Lopes, 2007: 51; Unwin, 1991: 349). As neither beer nor spirits could match the growth rate of wine drinking in Britain, the great brewers and distillers, in hands with less vigorous markets, soon started to consider acquiring companies and brands in the processed wines sector (port, sherry, champagne, etc.) (Briggs, 1985: 151; Lopes, 2007: 135).

Despite the general rise in wine drinking, port was left behind. Since the beginning of the war, port sales to Britain never got close to the yearly quantities of the first half of the century: in the 1930s, the average yearly exports to Britain was of around 37.700 barrels. Throughout the 1950s, that score was of only 14.200, and during the 1960s it was even lower, 13.000 barrels (Martins, 1990: 223-224).

In 1952, *The Economist* magazine was writing that in Britain the situation of full employment and the redistribution policies had allowed for a completely new share of consumers to take part in drinking wine on a regular basis. Port, however, had not been able to adapt to the drastic economic, social and cultural changes that had swept British society since 1945. Rather than trying to follow the new trends, the port trade seemed to voluntarily ignore their existence, particularly in regard to an enlarging middle class with increasing purchasing power (Leitão, 2013: 150). *The Economist* put it clearly: "port had been a drink for the rich at one end of the scale and the poor at the other, but there were now far more people in between who did not like it" (Briggs, 1985: 157).

In Britain this was seen as the actual reason for the crisis, and not the macroeconomic aspects inscribed in the Instituto's 1950 report. In fact, when mentioning the British market, the report seems at odds with the situation: "despite the unsuspicious claims about the favourable acceptance of port in Britain, being the wine that better harmonizes with the spirit and temperament of its people and also the most pleasant to their taste, the truth is that things are not going well" [our translation from the Portuguese] (Pereira, 1952: 245). Despite the author's incomprehension, the report also includes the results of a consumer survey developed by an advertising agency on behalf of the Port Wine Trade Association (an association of shippers based in London), which depicts the general opinions among British buyers:

> a) port, as wine in general, is seen as too expensive; b) spirits and possibly liqueurs are growing and trying their most to overthrow port; c) lifestyles have changed completely — the habit of drinking before meals has become common in part due to the qualitative decline of the average meal. Despite port's aptitude to be drunk as an aperitif, it is never regarded as such by consumers [our translation from the Portuguese] (Pereira, 1952: 246).

Another survey included in the Mass-Observation Bulletin of April 1949 corroborates such trends. According to this research, these were the beverages respondents claimed to keep at home: whisky (90% of respondents), sherry (88%), gin (82%), brandy (70%), port (57%), other types of wine (51%), rum (49%) and cider (40%) (Briggs, 1985: 155). Despite the customs barriers still enforced by this time, the difference between port and sherry, both subject to the same restrictions, is significant.

It was to the low cost beverages market that the port trade channelled most of its sales in the first half of the 20th century. This supply was mainly destined to the pubs, where the wine was served over the counter in the form of "port and lemon", a very popular cocktail in the pre-war years, especially among women: "the Ruby [port] gave it a good colour and as a long drink, kept the lady happy while father drank his succession of pints" (Fletcher, 1997: 13). Most of this market vanished during the war years, not only due to changes in consumer preferences but also because port was no longer a cheap wine. A barrel of wine in Porto had gone from an average of 66$00 (escudos at international prices) in the 1930s, to 147$ in the 1950s and 159$ in the 1960s (Martins, 1990: 244). Apart from this increase and the post-war customs barriers, other products such as was the case of the so called "British wines" — wine produced in British soil from imported grapes and must, this way avoiding tariffs which were based on the alcoholic content of imported beverages — contributed to push cheap ports out of the market (Bradford, 1969: 171).

Nevertheless, sherry, also the victim of high custom barriers and with import prices similar to port (Pereira, 1952: 147), had a more successful performance in the post-war years. Identified by the Instituto as port's main rival, the Spanish wine had slowly conquered a significant place among the British. In 1925, the amount of sherry imported was of 4.5 million litres, while that of port was around 40 million, with the main part of it being served as "port and lemon" in pubs (Halley, 1990: 128). Since then, however, sherry shippers started considering advertising as a valuable tool in sales promotion, making use of its techniques to compete with the American cocktail fashion which was sweeping the market. Soon, sherry parties imposed the dominant fashion and contributed to reverse the balance between the wines of Porto and Cádiz. In 1967, Britain was importing 6.5 million gallons of sherry and only 1.5 million of port (Leitão, 2013: 138).

The modernization of the sherry trade preceded by several decades the changes that the port trade had to endure with extreme intensity in the 1960s. In the booming years after the conflict, sherry was ready to reassume its position at the British market, though with less vitality but still easily adapting to new demand patterns, whereas port, on the opposite condition, faced unfamiliar and turbulent waters.

The recovery in exports

The crisis in exports came to an end in 1965, when a new period of expansion and prosperity was inaugurated in the port trade. In the 1970s, sales for the external markets reached a yearly average of 81.686 barrels, almost doubling the 1950s average (41.677 barrels). Britain no longer represented the main market for port in quantity, being overtaken by France and soon by Belgium and by Portugal itself in the early 1980s. Nevertheless, in the 1970s we will see a resurgence of the market for vintages and other top quality wines in Britain, which for their financial appeal were included in the capital portfolios of respected institutions such as "the Oxbridge colleges, the London clubs, august bodies like the City Livery companies and the Royal College of Surgeons" (Bradford, 1969: 179). In fact, whereas in 1985 the average price of exports to France was of around 280$00 escudos per liter, to Britain it was considerably higher: 440$00 (Martins, 1990: 129-134; 223-224).

Considering only macroeconomic factors, the boom was greatly favored by the international trade agreements established between Portugal and other European countries, such as the admission to the European Free Trade Agreement (EFTA) in 1960 and the preferential agreement with the countries of the European Economic Community (EEC) in 1973. The treaty established with the EEC was particularly important in giving a boost to port exports. In 1965, its countries represented 61% of the international sales of port. Ten years later, after the inclusion of Britain in the Community, and especially after the great boom of sales to Continental Europe, the "single market" was absorbing over 90% of port sales (Martins, 1990: 132-133).

The recovery in exports from the 1960s onwards, a period which later would be considered the biggest expansionist cycle in the history of port, was due not only to a rise in demand for luxury goods in Europe but also to a process of internal transformation carried out by the trade with the aim of modernizing and adapting to the new commercial trends that were shaping the international alcoholic beverages sector. Without taking into consideration these developments on a broader, global scale, it is impossible to understand the changes that affected the port trade during this period.

Up to the 20th century in most of the world's wine regions there was a strict organizational division that clearly defined the role of each agent in the wine's value-added chain. Producers, shippers, merchants and retailers established solid business and contractual relations among themselves that varied according to the wine region and the countries of origin and destination. That was the common way of doing business and cases of concentration were rare. What produced this state of affairs was mainly the division and specialization of labor, as well as the different capital requirements in each stage of the process (Unwin, 1991: 325). Since the middle of the 19th century, however, this reality started to change with new cases of vertical concentration in the wine trade, as had earlier occurred with beer and with spirits (Gourvish and Wilson, 1994: 448). In fact, it was through companies in these two sectors that the first takeovers into the wine business were carried, with the purpose of diversifying their business activities (Lopes, 2007: 124-125).

In the case of port, the sectorial concentration that took place among shippers after 1945 was aimed at gaining strength and competitiveness in the international beverages market. Through processes of concentration, port companies achieved greater efficiency and adaptability to market changes, and a tighter control over the several stages of the value-added chain. Concentration was also a way of fulfilling the capital needs that companies had in order to compete at an international level, namely in meeting the high levels of wine stocks necessary and in affording expensive marketing and advertising campaigns. Larger companies also benefited from economies of scale in production and marketing operations, which resulted in competitiveness gains (Lopes, 1998: 39; Lopes, 2001: 99, 113-114). By being integrated in economic groups of international dimension, the port shippers where reacting to similar changes that where taking place in the international beverages market and trying to maintain their negotiation capacity *vis-à-vis* the global conglomerates that, from the 1960s onwards, became the most important distribution channel for their products.

In the period of crisis in exports after the war, port firms abandoned many conventional arrangements that had been the standard of their business for decades. Investment in production facilities and vineyards in the Douro wine region was intensified, mergers and acquisitions of other port firms advanced more hastily, brands and marketing were given central importance, and agreements with suppliers of international scope were strengthened (many of which resulted in integration) (Unwin, 1991: 310-311). At the end of the 1960s, Bradford was writing that "selling port today is no longer a business of gentlemanly agreements between old friends over lunch" (Bradford, 1969: 172). The precious bowler hat evoked by Fletcher had become a museum piece.

Brands take the lead

In 1945, the port trade still preserved most of the characteristics that shaped its way of doing business in the previous hundred years. Most shippers did not use brands, as the role of bottling and branding the wine was ascribed to the retailer (Lopes, 2007: 104). Instead, wine was shipped in casks where a fire mark was engraved. Each mark represented a type of blend so that customers could choose a wine profile from the company's commercial catalogue. Some marks were classified as "private", which meant they were exclusive to a certain client. Firms like Cockburn kept large stocks of their "standard" marks in London, in order to supply requests instantly (Fletcher, 1997: 8).

In the context of expanding international markets which occurred after the 1960s, modern brands became the main source of competitive advantage in the alcoholic beverages sector (Aguiar and Lopes, 2000: 125; Lopes, 2007: 146). Lopes proposes that in industries that rely on branded products, the main determinants of success and survival of firms are not technology or innovation capabilities that companies own, but rather brands, marketing knowledge and distribution channels (2007: 10-14). Control and ownership over these important resources were the driving forces behind the changes that took place in alcoholic beverages worldwide since the second half of the 20th century.

In particular, brands with the potential to assume a global dimension became especially valuable for international groups, as part of their diversification strategy. The first firms to diversify into port were the big British brewers, like Allied Brewers and International Distillers and Vintners (IDV) (Lopes, 2007: 125, 134). These economic groups initially diversified into spirits and processed wines in order to create broad commercial portfolios that could appeal to similar market segments in different countries. They soon acquired companies in industries that were only marginally related to alcoholic drinks, such as hotels, tobacco and fashion, assuming the structural form of conglomerates (Lopes, 2007: 105, 118). IDV, a group which resulted from the merger between Gilbey's (a beverages distributor and owner of a vast network of retail stores in Britain) and United Wine Traders, offers a good example regarding the diverse composition of these conglomerates. In 1963, it included the following brands: Gilbey's Gin, Crofts Port, Spey Royal Whisky, Château Loudenne Claret and White Bordeaux, Triple Crown Port, Golden Velvet (Canadian) Whisky, and J&B Rare Scotch Whisky. The group also held the representation rights for the British market of brands such as Henessy Cognac, Heidsieck Dry Monopole Champagne and Smirnoff Vodka. The business scope of IDV also included the retail networks of Gilbey, Peter Dominic Ltd, Hunter and Oliver Ltd, J.H. & J. Brooke Ltd, P.W. Feather Ltd and J.A. Feather Ltd, amounting to 300 stores across Britain. In 1972, IDV was bought by Grand Metropolitan Hotels Ltd, thus creating a vast business conglomerate with a multisector scope that, in the 1980s, spread worldwide and encompassed six big areas of activity: Hotels and Catering; Milk and Food; Brewing and Retailing; Wines and Spirits; Leisure, and Liggett (tobacco) (Unwin, 1991: 338).

The formation of big conglomerates in the international alcoholic beverages sector since 1945 followed five main trends. First, sectorial integration, as we have seen in the case of port shippers, whether aimed at reinforcing control over the production and distribution links of the value-added chain (vertical integration), or to achieve a stronger market position by acquiring or merging with other shippers (horizontal integration). Second, diversification, a process which began in the brewing sector after World War II, whose players started to acquire brands and companies in spirits and processed wines, thus evolving to multi-beverages groups and then to multi-activity conglomerates. Third, marketing, advertising and brand management, as a consequence of the need to design promotional and sales strategies on a global scope; advertising demanded huge investments from firms which were only optimally managed if directed to very vast audiences, global audiences, otherwise making it difficult to turn a profit on such great amounts of capital invested. Fourth, segmentation of markets, which made it possible to reproduce marketing strategies and operations in different countries based on the same portfolio of products and brands. Finally, joint ventures in international trade, as a way to answer to rapidly changing market conditions (Unwin, 1991: 341-343).

With this general panorama of turmoil as background, throughout the 1960s the Portuguese authorities changed their posture regarding the crisis of port exports and decided to promote a deep transformation in the sector. The government and the Instituto took marketing and internationalization as their top priorities and encouraged shippers to invest in strong brands. The creation of the Fundo de Fomento de Exportação in 1960 (henceforth FFE) was the most notable policy event with direct impact in port sales abroad. The aim of the FFE was to promote the international image of port and, after 1968, to sponsor brand advertising and market research (Duarte, 1999: 74-75). Such expenditures were financed by a tax imposed both on wine sold in bulk as well as on sales to the domestic market, thus favoring the option for bottled wine and internationalization. This scheme of incentives gave the port trade a clear sign of orientation to the global market, especially from the moment shippers were able to apply for subsidies to advertise their own brands.

The financial aid granted by the FFE was essential in funding television campaigns for port brands, especially in Britain where broadcasters charged prohibitive fees. This new advertising media became the main driver behind the fast growth of mass market brands such as Cockburn's Special Reserve (Leitão, 2013: 93-103).

Branding port before 1960: the case of Sandeman

The necessity of guaranteeing the correct use of the procures and shippers' commercial names became especially acute after the approval of the "single bottle act" in 1861, by the British Parliament under William Gladstone, a bill that allowed small retailers and grocers to sell and bottle alcoholic beverages in their premises (Simpson, 2004: 82). Chains of wine stores with national coverage, such as Gilbey's and Victoria Wines, emerged and were able to segment the market by promoting, on the one hand, their own brands of sherry and port — the retailer's brands — and, on the other, by selling wine from producers and shippers with established names (Duguid, 2003: 428-430). With the boom in wine consumption and the multiplication of wine stores which the bill favoured, fraud soon became a very serious problem (Simpson, 2005: 369-371). A reputable name, whether of a producer, shipper or retailer, would be in the consumers' eyes an effective warranty against adulterations.

Fraud and abuse, which became pervasive in the British market for wine in the second half of the 19th century, are considered to be the main determinants for the development of brands in this country. They were used by wine producers and shippers as a means of exercising control over the highly fragmented distribution chain and as a way of preventing the misappropriation of their names (Duguid, 2003: 411-414). As soon as 1810, there were lawsuits running their courses in the British courts against the improper use of commercial brands or against fraudulent activities that harmed a brand's reputation in the market. These actions were not directed against rivals or competitors but rather against distributors and retailers, which did not take a direct benefit from promoting and defending the producers or shippers' brands and could more immediately make a quick profit by selling low quality wines under a reputable brand. In 1880, the alcoholic beverages sector had the second highest number of lawsuits in the British courts pleading for the protection of commercial names and the punishment of their misuse. Only pharmaceuticals surpassed it in litigation (Duguid, 2003: 416, 433; Duguid, 2009: 11, 26).

The sherry trade also faced the menace of fraud. Against a background of bad vintages in the south of Spain over the 1850s, and of constantly rising demand for wine and therefore of market prices, the incentives for fraud were enormous. Soon, sherries from other Spanish regions, from Australia, South Africa, and even Germany, flooded the British market, which in the early 1860s represented about 87% of sherry exports (Simpson, 2002: 208-212, 220). Confronted with the growing suspicion of British consumers regarding sherry, the shippers in Jerez decided to segment the market, supplying distributors and retailers with wine of inferior quality and only using their names or brands to bottle high quality wines. In this way, branding was used to certify authenticity and quality.

The mid-19th century was a time of great experimentation concerning branding and marketing in the alcoholic beverages trade. Strategies adopted differed from product to product, in what was mainly a trial-and-error process. In the case of beer and spirits, the names of producers, middlemen, retailers and regions of production were used for branding purposes. Sherry was the exception in regularly employing adverts to promote producers, shippers and retailers' brands. As for port, advertising was only used to promote wine auctions. Curiously, one of the first port brands to be advertised in Britain, "Schweppes port", was owned by a bottled water company (Duguid, 2003: 426-427).

The case of Sandeman is particularly interesting as this shipper dealt in both port and sherry, two different trades that regarded brands with opposing perspectives. Established in Porto in 1814, the company soon started to ship wine under the Sandeman brand, which was reserved for its quality wine. In 1860, Sandeman bought considerable amounts from Baron Seixo, a well reputed producer frequently advertised by retailers, which it might had then sold in the market for a premium price. However, the company chose to bottle this wine under the Sandeman name (Duguid, 2003: 431). We might assume the company did so, abdicating from an extraordinary profit, to boost perceptions of quality for its own brand.

While following this strategy, Sandeman did not, however, cease to supply important retailers with wines of inferior quality. In a time when it was already using the company's name for branding purposes, Sandeman was supplying "Gilbey Oporto" without announcing publicly that it was doing so. The firm opted not to exclude any path of selling to consumers, whether the top quality, branded segments, or the low-end, high quantity market. This way of dealing with clients and implementing new business practices was bitterly resented by other shippers and Sandeman's wine was immediately labelled as "grocer's port" (Duguid, 2003: 433; Bradford, 1969: 173). Nevertheless, the company's ability to gain control over the value-added chain, especially in retail, allowed it to adopt certain measures which were beyond the power of most shippers in the trade. For instance, Sandeman was the first port shipper to introduce a brand at a fixed retail price in Britain, a decision which stirred controversy among the traditional wine merchants. The first entirely bottled vintage was the George V Jubilee 1935 wine, sold at 56s the dozen bottles to the consumer, and advertised under the slogan: "perfect uniformity of bottling is secured, which is of such importance to the consumer" (Halley, 1990: 133). At the turn of the century, the firm had bottling facilities operating in both Porto and Jerez, exporting directly to markets such as France, where its brands were advertised and sold by local retailers (Halley, 1990: 124).

In 1876, just one year after marks started being registered, Sandeman submitted its The George Sandeman and Sons Trademark (GSC) (Halley, 1990: 49; Duguid, 2009: 27). Soon, the company was regarded as a fierce defender of brands, even if not their own, as was shown in the 1883 dispute between a wine merchant who had acquired a great amount of Kopke wines and the firm to whom Kopke's brands had been sold. Sandeman stood vehemently on the side of the legal owners of the brand's rights (Duguid, 2003: 407-409).

The first electric sign in London, in Piccadilly Circus, was plugged in 1921 and the iconic character of the Don — Sandeman's mysterious Iberian knight — made its initial appearance in advertising posters in 1930 (Halley, 1990: 124, 128, 132). By this time, the company's innovations were so numerous and prolific that *The Wine & Spirit Trade Record*, a trade magazine, announced that Sandeman was leading the way for the future of the business: "they have been bold in their policy, and although it may not meet with the approbation of many of the other Port shippers it is definitely a step in the direction which the Wine Trade seems to have mapped out for it" (Halley, 1990: 133).

While the company was shipping its wine under the Sandeman brand, a bookkeeper working for the firm in Porto by the name of Adriano Ramos Pinto was getting acquainted with all the innovations. He would later found the Ramos Pinto firm in 1880, a port shipper which became known for its prolific portfolio of brands and famous for their flamboyant labels and advertising posters. Adriano was a resolute defender of bottled wine as opposed to shipping in bulk, taking an even more radical position than that of Sandeman. His marketing sensitivity covered every matter that might influence buyers' decisions, giving particular importance to the visual details — label, capsule, fire mark in the cork, etc. — which he considered to be evidences of authenticity (Ferreira, 2000: 57-58). Adriano was one of the first Portuguese shippers to recognize the importance of branding and promotion, and we can but suppose that his early link to Sandeman must have been decisive to inspire such sophisticated marketing practices.

The early development of private brands by Sandeman is probably the reason why as soon as 1870 it achieved the leadership of the port trade (Duguid, 2010: 219). In fact, almost a century later, while the sector was sunk in an export crisis, Sandeman was shipping from Porto more than double the sales of its closest competitor, Cockburn. Its shipments represented almost 14% of the total port exports in 1965 (Leitão, 2013: 41-42), the same year the famous Don character made its debut on British television (Halley, 1990: 137). Sandeman would maintain its leadership in Britain until the late 1970s, when it was surpassed by Cockburn.

Branding port after 1960: the case of Cockburn

In 1962, just three years before its 150th birthday, Cockburn suffered a takeover by Harveys of Bristol, an old client of the firm and the leader of the British sherry market. In 1966, Harveys was acquired by Showerings, a cider company, which two years later was in turn included in the Allied Breweries group (Lopes, 2007: 135). Cockburn, a very traditional port shipper, founded in Porto just after the Peninsular Wars, had been involved in a managerial turmoil that included three successive takeovers in just six years (Symington Family Estates, 2015: 36; Leitão, 2013: 40).

With the integration of Cockburn in the Harveys of Bristol group, the company was able to benefit from sophisticated marketing and brand management skills that the sherry shipper had developed over the previous decades. As we have mentioned, the sherry trade was considerably more advanced in what modern marketing was concerned, especially in comparison to the very conventional selling methods of the port firms.

In fact, just a year before the acquisition, Harveys informed Cockburn that it would reinforce advertising expenditures in its own port brands (supplied by Cockburn), in such a way that it "will have a tremendous impact and bring the same success as our sherry advertising has done in the past" (Leitão, 2013: 56). The first advertising campaigns for Cockburn in Britain explored the "please call me Co'burn" gag, a theme that would persist until the 1980s. Campaigns in the 1960s included color ads in the evening press, outdoor posters, and audio jingles in the London Underground.

The need to create a premium port brand for the mass market was also addressed in the early years after the takeover. Nevertheless, due to the slow recovery of port sales in Britain, Harveys preferred to capitalize in supplying retailers' brands while waiting for better days in the branded port business. Convinced by now that modernization and branding were the future of the trade, the directors of Cockburn in Porto vigorously opposed this strategy, defending the investment in brands and in production facilities in the Douro and Porto to improve wine quality.

Suddenly, demand for Cockburn wines increased dramatically. By the summer of 1968, sales had increased by 40% over the same period of the previous year. Part of this recovery in sales must be attributed to Harveys sales force, which took over the selling efforts of Cockburn's brands in 1967. The Harveys marketing team quickly began planning a strategy to ride this market opportunity, while both in Porto and in the Douro wine region works in new production facilities were hurried so they could start operating as soon as possible. By this time, the company knew that swiftness in adapting to changes was crucial. In October 1969, a new premium brand for the mass market was released: Cockburn's Special Reserve.

The new brand was presented to the British market after a thorough study of prevailing consumer tastes and careful positioning in terms of image, price and wine quality. It was the only Cockburn brand to be granted funds for promotion. Harveys marketing team tried to create a replica in the port market of its most famous sherry brand, Harveys Bristol Cream, which they considered a "precedent" for the Special Reserve. They also recognized that baby boomers were developing a fondness for the Victorian lifestyle. Cocktail parties gave way to dinner parties, which favored dessert wines over aperitifs. Even popular sherries such as Harveys Bristol Cream were now being advertised as after-dinner wines, through such slogans as "never serve the coffee without the Cream" (Leitão, 2013: 83).

In the Christmas of 1968, the company launched its first television spot in Britain, which was only possible with the FFE's financial aid. By 1971, all of Cockburn's television adverts were directed to the Special Reserve brand and the company was now spending over £100.000 in advertising, when before its launch that amount was not higher than £3.000. In 1974, the brand made its debut on the American television.

In just five years, Cockburn's Special Reserve went from scratch to represent 18% of Cockburn total sales, which grew at a yearly average pace of 30%. By 1975, the company's sales were close to folding by three the figure of 1963. The great contributor had arguably been the Special Reserve brand. By 1980, it had become the best-seller port brand in Britain, with a market share of 14%, while Cockburn's wines represented almost a third of all the port sold in the country.

The FFE allowed Cockburn to finance its television advertising campaigns and to significantly boost the Special Reserve brand growth rate. The Instituto, which in 1945 predicted that a boom in sales was the only natural thing to happen, endured twenty years of profound stagnation in exports before adopting a resolute position on behalf of branded wine and the internationalization of sales. Though considerably late, particularly in regard to the sherry trade, the Portuguese authorities had an important part to play in the late 1960s. When in 1975, in the wake of the Portuguese democratic revolution, the FFE was suspended, the port trade was unrecognizable from the pre-war years and the shippers were now, and definitively, promoting their brands in the global market.

Conclusion: a tale of rivalry or cooperation?

Looking into the period from 1945 till the mid-1970s, we can clearly distinguish a time of crisis in exports from the war years until around 1965, and a phase of expansion afterwards. The first twenty years are characterized by incomprehension and apathy from the official authorities, who do not seem to understand the commercial nature of the crisis in port exports. In post-war Britain, wine consumption was expanding intensely but port was left behind. The contrast to the more vigorous and marketing-oriented sherry trade was startling, despite the similarities in profile between the two Iberian wines.

The dynamics of integration reshaped the structure of the port trade and forced upon the shippers a new and more aggressive orientation towards the international market. The rearrangement of the trade brought branding into the spotlight, as the international conglomerates were looking to include in their portfolios port brands with the potential to grow globally.

In the second half of the period we will see the results of the process of change underwent by the trade during these two decades. From 1965 onwards, both the quantity and price of wine exported from Porto will expand quickly. We do not neglect the macroeconomic scenario that favored the recovery, but we propose that such an outstanding growth in sales would not have been possible without the drastic managerial and business changes undertaken by the conservative port shippers in the first half of this period.

In the case studies we analyzed — Sandeman and Cockburn — we can depict a curious and revealing relationship between competing products. Sandeman was shipping port and sherry to Britain decades before the concentration trend that swept the trade after 1945. The company took brands seriously from an early phase and was not afraid to employ advertising tools to gain a commercial advantage, both in sherry as in port. Such kind of marketing orientation was common to the sherry trade in Britain in the first half of the 20th century, but was barely practiced by the more traditional port shippers.

In the case of Cockburn, the creation of the Special Reserve brand was handled by the marketing team of Harveys of Bristol, the sherry group that acquired the company in 1962. To emulate the success of Bristol Cream Sherry, Harveys's most famous brand, in port was a declared ambition, using a similar approach to the mass market and by relying heavily on advertising and other promotional expenditures.

In both cases it seems clear that a close connection to the sherry trade, though different in form and intensity, seems to have triggered a process of alignment to a marketing-based approach to the market, focused both on the development of strong brands and on the use of advertising for promotional purposes. Port companies learnt to develop branding skills from the best practices of its main rival, sherry. Ironically, it was this appropriation of commercial benchmarks from its Spanish competitor that allowed some port shippers to overcome the serious crisis in which the trade was engulfed in the post-war years.

Further research is needed before we can make extrapolations. The private archives of port companies are still greatly unexplored, especially regarding its branding and marketing activities. The connection between port and sherry requires additional investigation, which might highlight other forms of business cooperation. Furthermore, research in the companies' archives might reveal other seminal attempts into branding and advertising, thus enriching the knowledge we have of such practices in the port trade.

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