

The cap fits, but not everyone wears it

Screwcaps may have revolutionised wine packaging, but they have not been all-conquering. Wine Intelligence consumer research reveals why corks and other closures still retain consumer confidence

First, a quick quiz. To which UK retailer should the following quote be attributed? “This is the beginning of the end for traditional corks – even for the best-quality wines. By the end of the decade, traditional cork closures will be seen as period pieces.”

One point if you guessed the declaration belongs to Tesco. An extra three bonus points if you knew that the words were uttered as long ago as spring 2003, as its then head of wine Ann Marie Bostock was digesting the implications of Tesco’s recent bold step into screwcap. It was the first UK retailer to seriously invest in the closure and the strategy started a wine trade revolution.

The consumer resistance many had feared never materialised: as in Australia, wine drinkers in the UK were not confused or outraged by the move. Many people found they liked screwcaps; others simply saw no reason to object. Yet, eight years on, corks are certainly not the museum exhibits that Tesco had predicted.

A cursory survey of most supermarket shelves, or even the fixtures of a specialist merchant, will reveal a combination of natural corks, synthetics and screwcaps. All three seem able to coexist peacefully, notwithstanding the occasional PR salvo from one camp at the expense of another.

Wine Intelligence has been monitoring consumer attitudes towards the three main types of closure since March 2007 (see table). Screwcaps were accepted by 75% of regular wine drinkers when the survey began, a figure which stands at 85% today: more or less where it’s been for the past three years.

Synthetic closures have taken a knock, but even these are accepted by 78% of wine drinkers. Natural cork, meanwhile, remains the most accepted of all closures, even if it has lost some ground over the past five years.

Was Tesco underestimating the conservatism of the UK wine drinker? Did the cork industry make a massive effort to eliminate TCA? Both of these statements may have some truth in them. But consumer research gives us more nuanced insights into why cork and plastic have not been overwhelmed by the relentless advance of screwcaps.

In a Vinitrac survey last November, 80% of respondents reported buying a screwcapped wine in the past four weeks, compared with 45% who had bought bottles sealed with natural cork and 36% synthetic closures. Market penetration is clearly not a problem for screwcaps.

What’s even more worth studying is the perception consumers have about which closures suit which wines. As the table shows, cork is deemed the most suitable for red wine,

while screwcaps are seen as best for whites and rosés.

The price of a wine also has a bearing on the type of closure that consumers expect. Just over a third say that screwcap is the best closure for wines priced £4.99 or less; between £5 and £7.99, opinion is a little more divided, though in both cases the most popular response is, once again, “we don’t mind”.

Premium discrepancies

Above £8, however, it all changes. Forty-seven per cent of consumers say natural cork is the best closure for wines at this level, compared with just 10% who favour screwcaps and 4% who argue the case for synthetics. For once, the “don’t cares” do not represent the biggest group.

“In some ways, the closure debate is over,” says Wine Intelligence chief operating officer Richard Halstead. “Natural cork manufacturers have driven down the incidence of fault in their closures and improvements in technology are likely to render this a non-issue shortly.

“Retailers and consumers in the world’s main consumption markets have voted with their feet and determined that the screwcap, which has served the soft drinks and spirits industries perfectly well for decades, also has a place in mainstream wines. The screwcap is here to stay and will continue to gain ground, most probably on cost grounds and at the expense of cheaper synthetic cork closures, within the lower-priced wine bracket in most markets.”

But cork’s critics missed an important point, he adds. “Consumers in all large wine markets still regard natural cork with a degree of affinity and reverence that a screwcap could never achieve. In price perception tests Wine Intelligence has done over the years, bottles sealed with natural cork are consistently perceived to be of higher value than those sealed with screwcaps.

“We appear to be entering a world in which closure types are chosen less on whether or not they work and more on aligning with the type of wine in the bottle, and the type of consumer being targeted – a bit like the way producers select the type of bottle and the label.

“In the consumer’s eyes, a big red from an Old World country at a higher price point needs to come with a proper cork, just as a zesty, light New World white needs to be in a screwcap. The absence of either is not going to cause consumers to take to the blogosphere in high dudgeon – it will simply elicit a shrug at the wine aisle, and if there is a more appropriate bottle nearby, that does tick all their boxes, they will pick that up instead and move on.” ■

“Consumers still regard natural cork with a degree of affinity and reverence that screwcap could never achieve



CLOSURE TRENDS AROUND THE WORLD

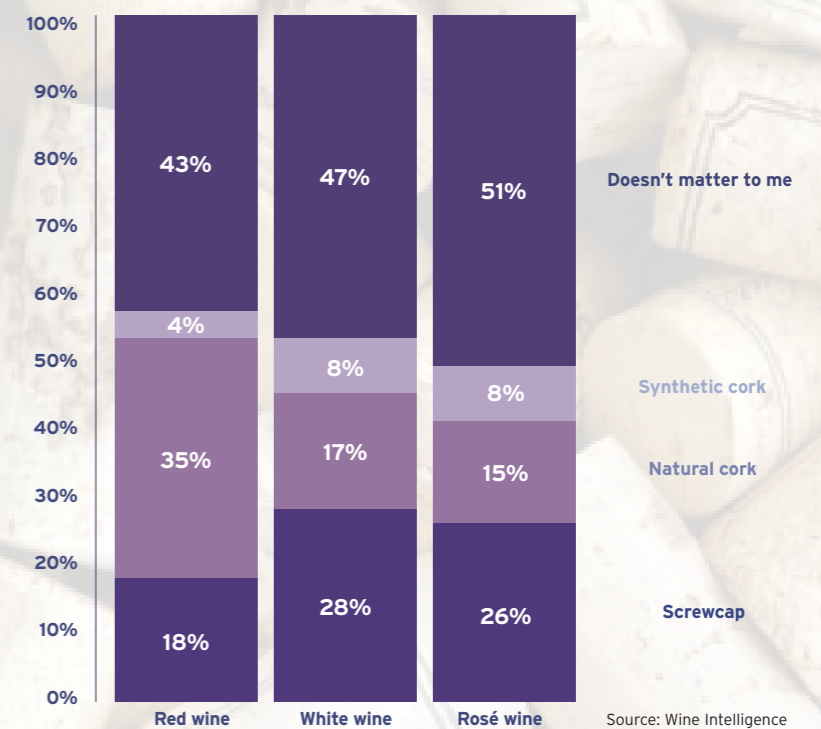
The UK’s relaxed attitude to screwcaps has been cited in many a case study, but Australia is even more open-minded about the closure, with acceptance rates now hitting 91%.

The Americans, by contrast, have taken a little longer to adjust to the closure. Richard Halstead at Wine Intelligence says there are a few reasons the “tipping point” has yet to be reached. One is that wine drinking is still relatively undeveloped in the US, meaning consumers don’t influence one another’s behaviour to the same extent as they do in the UK.

He also points out that wine drinking is more “ritualised” in the US – and that the domestic wine industry has not made Australian-style efforts to persuade bottling plants to install screwcap-friendly machinery.

The Wine Intelligence Closure Trends Report will be released next month – contact natasha@wineintelligence.com for more details.

IN YOUR VIEW, WHICH CLOSURES ARE MOST SUITABLE TO BE USED IN THE FOLLOWING TYPES OF WINE?

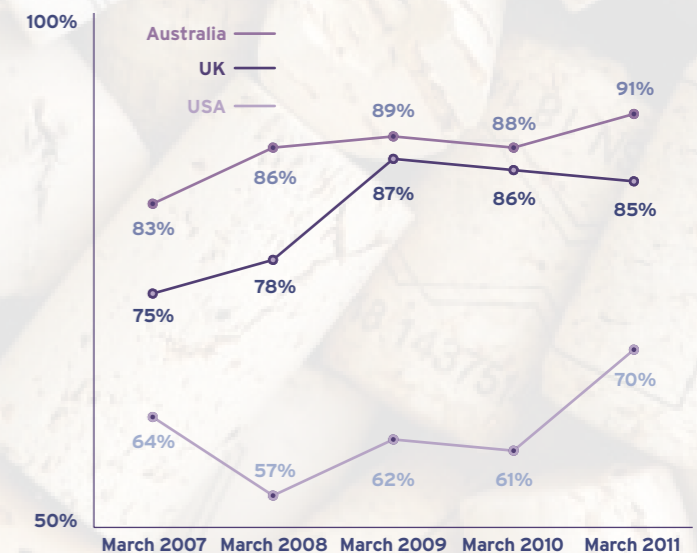


UK CONSUMER ACCEPTANCE OF DIFFERENT WINE CLOSURES

		March 2007	March 2008	March 2009	March 2010	March 2011
Screwcap	Rejection	25%	22%	13%	14%	15%
	Acceptance	75%	78%	87%	86%	85%
Synthetic cork	Rejection	16%	19%	15%	17%	22%
	Acceptance	84%	81%	85%	83%	78%
Natural cork	Rejection	4%	5%	5%	6%	7%
	Acceptance	96%	95%	95%	94%	93%

Source: Wine Intelligence Vinitrac® surveys of regular UK wine drinkers

UK CONSUMER ACCEPTANCE OF DIFFERENT WINE CLOSURES



CLOSURES ROUND-UP

Nomacorc

It's not been a bad year for alternative wine closure manufacturer Nomacorc, after it achieved record sales volumes during the first half of 2011. A more than 10% year-on-year global growth during Q1 and Q2 2011, on the back of a successful 2010, plus double-digit growth in 10 of the past 11 years.

Oxygen management is the objective for Nomacorc. Last year, it introduced the Select 300, the newest product innovation in its high-performance Select Series closure line, which is designed specifically for wines that develop best with low oxygen exposure after bottling. The entire Select Series is designed to assist winemakers by providing solutions for the complex oxygen management requirements of different types of red wines that will remain in the bottle several years before consumption, as well as delicate white wines sensitive to oxygen exposure.

Nomacorc is developing the Select 100 – designed for wines that develop best with low oxygen exposure after bottling.

The closures have a bark-like roughness and chamfered edge achieved using advanced cutting technology. They can also be end-printed. Soon to make its debut will be the NomaSelector, a scientific software tool that analyses and selects the ideal closure for a wine based on factors such as grape variety, desired shelf life, region and winemaking style. Visit nomacorc.com.

Guala Closures Group

In a bid to help put an end to wine counterfeiting is the Guala Closures Group, with its "tamper-evident" wine screwcap. It claims to be the first to market with an ROPP (roll-on pifler proof) screwcap sporting a tamper-evident band. This closure took more than a year to research.

"Even if the concept is quite simple, the technology certainly isn't," says marketing manager Anne Sez nec. She explains it may look the same as its standard closure but offers a coloured plastic ring between the glass bottle neck and aluminium closure once the screwcap has been opened.

A bespoke design service is also available for this and the other closure. "As we all know, wine counterfeiting is a growing concern," explains Sez nec. "Some experts estimate up to 5% of fine wine sold today is fake."

Guala produces more than 8 billion closures a year, with 21 facilities in four continents. The group branched into screwcaps in 2003.

Amorim

Currently flying happy is the cork closures company Amorim, as it celebrates the fact that the first half of 2011 saw cork exports increase by 10% year on year. For the first time in years, Amorim says cork has gained market share from both plastics and screwcaps. "Innovation, combined with performance and sustainability, continues to be the cornerstone of the sales growth cork is currently enjoying", says Carlos de Jesus, director of communication.

Amorim says its aim is to keep well ahead on product development. It boasts being the first packaging company to achieve Forestry Stewardship Council accreditation. "We now make this environmentally sound material available across a wide range of our products, including the price-competitive brands such as our revolutionary Aquamark natural whole cork, with its water-based filler coating, to Twin Top, the world's leading technical stopper. Now we have just introduced the first-ever FSC Champagne stopper," says de Jesus.

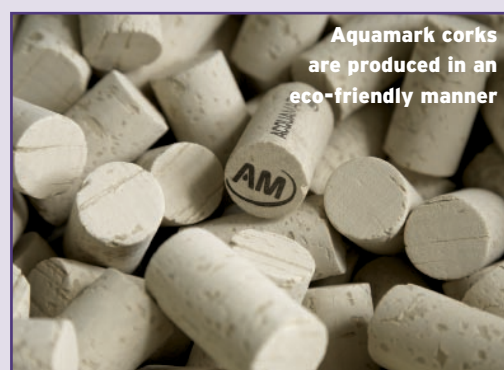
"Cork continues to be the closure of choice for more than 70% of all winemakers worldwide. So we work with them continuously to develop a new generation of natural cork stoppers that meets their individual production needs, enhances the premium image of their wines on shelf, and gives consumers the eco-friendly closure they care about." De Jesus says "ground-breaking" new products are currently in the pipeline – one of which will be launched this winter.

Diam

As the wine industry expands, so does the closure industry, and with Diam having increased its existing factory's capacity from 800 million closures to over a billion, it is now talking about a possible new facility, to cater for growing demand. Although no official decision has been made yet, it says the statistics support the fact that Diam is increasingly becoming a closure of choice for many producers around the world.



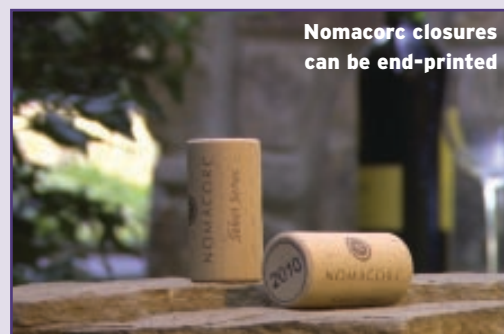
Nomacorc is focusing on oxygen management



Aquamark corks are produced in an eco-friendly manner



Guala Closures Group has come up with a tamper-evident screwcap



Nomacorc closures can be end-printed