

Report Brochure



RUSSIA WINE MARKET LANDSCAPE



MAY 2014



REPORT PRICE: • GBP 2,500 or 5 Report Credits

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Plus supporting data in Excel:

- All Vinitrac® questions with cross-tabulations by age groups, gender, Russian city, consumption frequency and type of sparkling drinker (imported vs Russian only)

Report price:

GBP 2,500
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 5

Management summary

Russian wine market context

- Russia is defined as an 'High growth emerging market'
 - For still light wine Russia currently is the 9th biggest market by volume world, second only to China amongst emerging markets
 - Domestically-produced wine is in long-term decline, while import grown by approx. 2m 9L cases over the past 5 years
 - The sparkling wine category is slowly but steadily increasing, at 1.1 year, and the imported sparkling market has doubled in the past 5 years
 - Per capita consumption is higher than many other emerging markets (Poland, Brazil, Mexico) and remains stable at 5.2l per person
- Approximately 65 million 9l cases of still light wine were sold in 2012
 - 43% of still light wine is imported, a figure which has remained stable over the past 5 years
 - The big 3 European producers France (9%), Spain (6%), and Italy (11%) are the highest volume of imported still light wine in the market.
 - Imports are growing from Spain, Italy and Chile, and declining from Moldova and Germany
 - Ukraine has seen sales of still wine rise by nearly 100% over the past 5 years but the recent political instability has thrown the future of this trade uncertain

Management summary

Profile of imported sparkling wine drinkers amongst imported wine drinkers

- 57% of imported wine drinkers are also imported sparkling wine drinkers
- They have a clear gender bias = 2/3 female
- They have higher consumption of wines from Italy, in line with the dominance of Italy in the imported sparkling category
- Tend to be younger than the average imported wine consumer with nearly half under 35 Years old

Gender

Male 34%* (41%)
 Female 66%* (59%)

Age

Country of origin consumption

*% = all Russian imported wine drinkers
 * Statistically significantly higher than all Russian imported wine drinkers at a 95% confidence level
 ** Statistically significantly lower than all Russian imported wine drinkers at a 95% confidence level
 Source: Wine Intelligence, Vinitrac® Russia, April 2014, n=713 Russian imported wine drinkers

Price also includes supporting data in Excel

(All Vinitrac® questions with cross-tabulations by age groups, gender, Russian city, consumption frequency and type of sparkling wine drinker (imported vs Russian only))

74 page PowerPoint report

Excerpts from the introduction



“Russia is rarely far away from the political headlines but in the wine world it’s a country we often tend to overlook. Yet it’s the ninth largest market for wine on the planet, and in its two largest cities alone there are almost 6 million people who consume wine on at least a semi-regular basis.”

“The number of Russians who drink foreign wine two to five times a week has seen a big jump between 2012 and 2014. Wine drinkers are cutting back on the traditional Russian favourites of vodka and beer. It sounds like fertile ground for wine exports, and it is – with certain caveats.”

“Wine Intelligence analysis shows that Russians are also being more adventurous in their wine choices. Most don’t find imported wine to be a particularly expensive beverage and they are eager to make new discoveries. The proportion of consumers that feel confident in their wine knowledge is racing upwards; meanwhile, the percentage of those who feel they lack wine know-how is edging downwards.”

“Wine Intelligence classes Russia as a “high growth emerging market” and the findings from the latest round of consumer research explain why. It’s a big market, a complicated market, and one that occasionally looks less economically and politically stable than might be desired. But Russians have got the taste for imported wine. Only the most reckless gambler would suggest they’re about to give it up.”



Graham Holter
Associate Director –
Publishing
Wine Intelligence

May 2014

- Measures from the IWSR correspond to actual wine consumption figures. This means sales into the trade (on + off premise)
- The IWSR visits each market each year. Discussions are held with key local experts in the market including importers, producers, grey market operators, duty free operators, and supermarket/hypermarket buyers.
- All volume data is given in thousand 9 Litre Cases
- In the breakdown by country of origin, IWSR includes (depending on the market and the size of the category) the following two categories: 'Other' and 'International'
They are defined as followed:
 - 'Other': category including wine blends (normally in bulk or bottled without specified country of origin) and wines from other countries with volumes too small to break out separately
 - 'International': Category including wine brands that have wines from various countries
- The IWSR includes the following types of wine in its definition of 'wine':

Definitions

WINE =

Still light wine +

Sparkling (Champagne & other) +

Fortified

} Sub-categories

SAMPLE SIZES

At least 700 respondents per survey

Imported wine drinkers (where 'regular' = drinks wine at least twice per year)

Each Vinitrac® survey starts with questions to screen respondents:

- Adult drinking age within each country
- Permanent resident of the country being surveyed
- Drinks imported wine at least twice a year
- Drinks at least red, white or rosé wine
- Buys wine in the off-trade and/or in the on-trade channels
- From upper-middle class based on monthly income

... and rejects all respondents who do not fulfil these Vinitrac® criteria



Each sample is representative of the wine drinking population in that market and is therefore valid; a sample size of at least 500 consumers ensures results are reliable. It's like a 'smaller' version of the wine drinking population at large

WHY IS VINITRAC® NOT A PANEL?

- Panels are good for monitoring detailed purchase activity but require regular input from exactly the same complete group of respondents
- This requires more time from respondents, for which they are paid, and panels are therefore more heavily skewed towards home-based consumers, e.g. students and home-makers
- This group of a country's wine-drinking population does not fully represent the accurate weighted sample of adult regular wine drinkers on which Vinitrac® insights are based

HOW DOES VINITRAC® WORK?

- Invitations to participate in Vinitrac® are distributed to adult consumers in each market
- Consumers interested in a wine survey are directed to an URL address, which welcomes them to the online survey
- Wine Intelligence monitors incoming completed responses to build a sample representative of the wine drinking population of the target market
- When a representative sample of at least 1,000 (US: 2,000) is logged, the survey is closed

- Data was gathered via Wine Intelligence's Vinitrac® online survey:
 - 712 Russian imported wine drinkers in 2012
 - 713 Russian imported wine drinkers in 2014

- The sample was defined as follows:
 - Resident in Moscow or St. Petersburg
 - Aged 18-64
 - Have an income of at least 10,000 RUR per month
 - Drink imported red, white or rosé wine at least twice a year

- Invalid respondents (those who sped through the survey or gave inconsistent answers to selected questions) were removed before analysis

- The 2012 and 2014 data are representative of Russian imported wine drinkers in terms of age, gender, city and income

Data on region awareness and purchase was compared against a 2011 sample of 1,032 Russian imported wine drinkers, details on which can be found in the report's methodology section

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