

Report Brochure



## COMPASS REPORT 2016-17

Global wine market attractiveness

REPORT PRICE: • GBP 1,000 • 2 Report Credits



# Report price

Report price:  
 GBP 1,000  
 USD 1,400  
 EUR 1,300  
 AUD 1,900

Report credits:  
 2

Price also includes supporting data tool in Excel

Accompanying strategy workshop available for an additional fee

50 page PowerPoint report



Excel data tool

# REPORT CONTENTS



- Overview
- Introduction
- Market attractiveness
- Market classification
- Customisation process
- Methodology

# Excerpts from the introduction

In an increasingly more integrated and globalised world, a country border now presents more of an opportunity than a barrier. But opportunities can be different for different producers and what might be true for one producer may not be true for another.

This year, once again, we have collected different data from the 50 global markets we believe are the most interesting for wine and quantified their comparative attractiveness. We have also improved our formula, updated all measures and optimised their weight in the final result.

It comes as no surprise that the US is still the number one market in the wine world. China has shown great recovery and is now in 4th place, with imported wine consumption jumping 37%. A jump driven by economic recovery, new trade agreements between the country and Chile, Australia and New Zealand, and supported by an increasing urban population becoming more and more interested in wine. In contrast, Japanese consumption growth rates are still positive but have slowed, taking the country out of the top three most attractive wine markets in the world.

Rankings help to prioritise and better understand markets, but opportunities can be found in each of the 50 countries evaluated. Angola for instance is presented as the least attractive wine market this year – but many people wouldn't know that this is the largest imported wine consumer in the whole of Africa.

To maximise on opportunities, priorities must be well defined for those with limited budgets. What is more important: to attend a trade fair in Warsaw or in Lagos? In Boston or in Rio de Janeiro? It all comes down to one's capabilities and Compass is the first step to understanding where one should focus marketing efforts.

With Compass, Wine Intelligence has helped producers, regions and countries around the world to optimise their marketing and sales budgets by focusing on crossing the right borders. This report, along with the Compass Tool, is the ideal starting point for doing so.



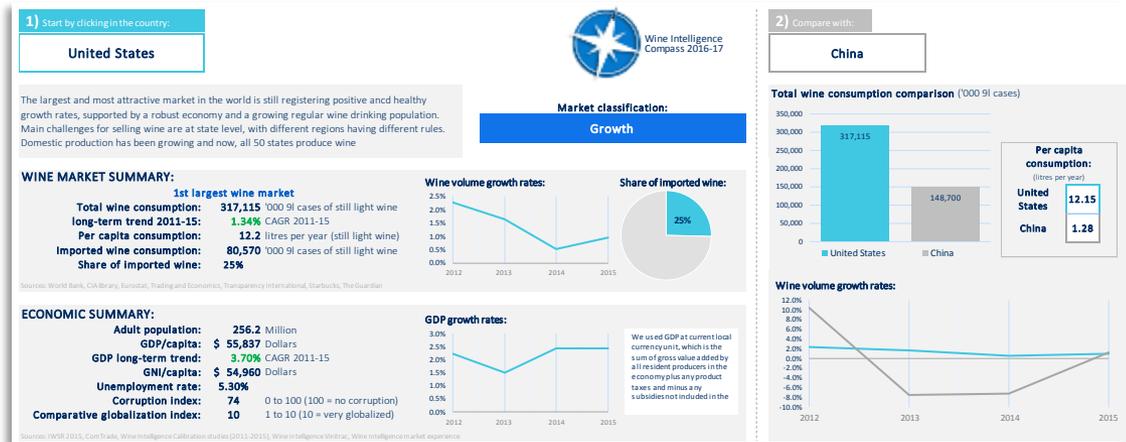
*Luis Osório*  
Project Manager  
Wine Intelligence

# Intro to Wine Intelligence Compass 2016-17

## Deliverables

### What is WI Compass 2016-17?

It consists of the report and Excel tool:



- Final results of the Wine Intelligence Compass 2016-17
  - Economic measures
  - Wine market measures
- Market classification
- Customization process
- Methodology

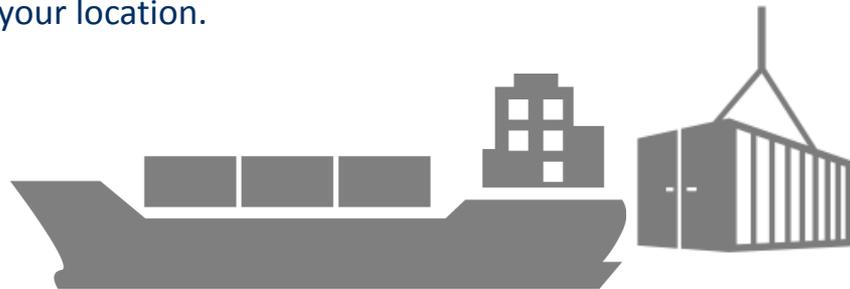
- Individual and user friendly analysis for each of the 50 markets analysed:
  - Economic summary
  - Wine market summary
- Comparison tool

### Export strategy workshop

For an additional fee, this report can be accompanied by a **workshop** conducted by Wine Intelligence and with the collaboration of key members of your organisation in order to:

- ✓ Present Wine Intelligence Compass 2016-17
- ✓ Shortlist the key export markets to focus on and discuss individual market dynamics
- ✓ Evaluate the current capabilities of your organisation in each one of the shortlisted markets
- **Outputs:**
  - Deliver clear, comparative information of relevant markets
  - Engage key members of your organisation around the same strategic thinking
  - Define the foundations of your organisation's export strategy

Please [contact us](#) for more information about the workshop. It can either be held at the WI head office in London, or alternatively, we can travel to your location.



# Intro to Wine Intelligence Compass 2016-17

## Why use the Wine Intelligence Compass 2016-17?



### How can a business best use the information from Compass 2016-17?

- ✓ It is designed as a **reference guidebook** to help wine businesses make informed decisions. The data tool shows key metrics for each market, and these are combined to show a ranking for **50 key wine markets** using a composite weighted attractiveness measure combining overall economic factors and wine market factors
- ✓ The market attractiveness ranking, along with the global market classification, shows a snapshot of the world wine market at this particular moment. Markets are constantly changing and the scores need to be considered as **relative measures** to compare markets rather than absolute measures of investment attractiveness
- ✓ Wine Intelligence's evaluation method is based on a hypothetically neutral investor with no legacy assets. In reality, we understand that markets are not of equal value to all businesses. The attraction of individual markets will increase with regional proximity, existing presence and established routes to market. Therefore this attractiveness model needs to be supplemented with the specific dynamics of an individual business, region or country to enable **assessment of one's greatest opportunities**
- ✓ This business-level assessment can be performed using the data from this report, either by you, the reader, or by involving Wine Intelligence. Over the past three years, we have completed a number of successful benchmarking exercises with clients to adapt the model to their specific market strengths and opportunities

- Wine Intelligence Compass model is based on a combination of:
  - **Quantitative data measuring market attractiveness** and
  - Wine intelligence **qualitative judgements** based on industry knowledge and experience
- Firstly we collected data on a number of variables combining **economic and wine market measures** to assess market attractiveness
- For each measure countries were given a score from 1-10 based on their performance
- Each measure was assigned a weighting based on its importance
- To test the reliability of the model a factor analysis was run on the measures using a **Cronbach's Alpha test** resulting in a score of 0.73 suggesting a "good" level of association
- This combined factor was used to **classify the markets into groups** (along with detailed market information) and rank the potential of the markets within each classification group

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- Quantitative data for market attractiveness was collected on several measures to classify the wine markets
- The data originated from 2 main groups:
  - **Economic measures:** Used to assess the stability and future potential of the market as a whole
  - **Wine market measures:** Used to identify the current and future potential for wine in the market
- Data was collected from both secondary and primary Wine Intelligence sources. Wherever possible a single source was used for each measure with a second source only used in the absence of data

- The following **economic measures** were used; sources noted in parentheses:
  - Adult population size (World Bank)
  - GDP per capita (World Bank)
  - GDP value at LCU (World Bank)
  - National income per capita - Atlas method (World Bank)
  - Corruption (Transparency International)
  - Unemployment (Eurostat and Trading and Economics)
  - Globalisation (Starbucks, McDonald's, Wikipedia and The Guardian) – no. of Starbucks + no. of McDonald's per capita
  
- The following **wine market measures** were used; sources noted in parentheses:
  - Market volume (IWSR)
  - Imported wine volume (IWSR)
  - Per capita consumption (IWSR)
  - Market value (IWSR)
  - Average unit price (IWSR sense checked against UN Comtrade)
  - Wine drinking population (Wine Intelligence calibration studies)
  - Market accessibility (Wine Intelligence qualitative judgements based on market experience)

- Additional Wine Intelligence data and knowledge accumulated over the years was used to support the classification of the markets into groups:
  - Calibration studies determining the percentage of total and regular wine drinkers within each market
  - Wine Intelligence Vinitrac® studies: Quantitative studies now running in over 29 countries across the globe, which have enabled us to collect the views of more than 90,000 respondents about wine over the past year
  - Focus groups, accompanied shopping and consumer interviews in various markets across most continents which bring an in-depth understanding of wine consumer attitudes and behaviours
  - Trade interviews offering insights directly from individual markets about the current status and future opportunities of the wine industry
  - Market visits including store visits both on and off premise
  - Secondary sources

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Format: 50 page PowerPoint (PDF) + supporting data tool (Excel)

Purchase online: <http://www.wineintelligence.com/product-category/report-type/topic-reports/>

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