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Global eyes of 2011 are on Australia; from the Ashes, to the Open, economic strength to natural disasters. And for Wine Intelligence, Australia has been a particularly important focus over the past few weeks: former Wine Australia GM of Market Development Paul Henry has been welcomed to our team, whilst our company directors have been running action-packed wine insight workshops and consumer research in Sydney, Melbourne and Adelaide. We are now on the brink of publishing the latest extensive wine consumer and market insights via Australia Portraits and Landscapes 2011, available from next week.

This business bulletin brings you up to speed on some of the key findings on domestic retailing and export potential for Australian wine in China and the UK.

## Welcome Paul Henry

2011 dawned brightly with the addition of a Rising Star (as voted for by AWBM) to the Wine Intelligence firmament: Paul Henry is now an Associate Director. Joining with a wealth of unrivalled experience in Australian and global wine marketing, we are delighted to welcome Paul on board to drive market growth in the Asia Pacific region, and develop effective global brand strategies within the wine category.

"I am delighted to join the team in a strategic role that I think will benefit both the company and the brand owners and markets that it serves.

"Of all the changes and challenges that confront brand owners today, one thing remains constant - consumers facing an apparently endless range of choice within their buying repertoire. The battle for consumer preference will be won by brands that best understand how consumers make decisions, where they purchase wine, and from whom they acquire their knowledge and cues. Wine Intelligence's programs and strategies compel brands to compete beyond price alone, and to grow real consumer franchise based on brand preference and equity. There is no greater challenge in the world of wine production today than better understanding the consumer and consistently being able to command a premium for your brand."

To read the press release on Paul Henry's new role, please visit [www.wineintelligence.com](http://www.wineintelligence.com)



### Vinifact...

**2 out of 3** drinkers of Aussie wine in the UK are over 45

Source: Wine Intelligence Vinitrac® UK 2010, n=1,025

## Welcome to Uncle Dan's

Australians we have interviewed over the past 6 weeks as part of our update to Portraits Australia, the Wine Intelligence consumer segmentation project that will be published next week, have been characterised by an upbeat assessment of their retailers.



Australian consumers feel an enormous amount of love for their wine shop and talk about it as an enjoyable part of their leisure experience. So loved is the Dan Murphy's brand that respondents in a research group conducted in Melbourne December 2010 called it "Uncle Dan's". Now which UK wine retailer would regularly be referred to with that much fondness?

Online shopping for wine is still seems in its infancy and is mostly driven by the auction houses. Consumers are, however, using the net as a research tool to find and compare the best prices for wine amongst the retailers.

Stephanie Duboudin, Wine Intelligence Country Manager, Australia, comments on the unabated dominance of the two key players Woolworths and Wesfarmers (formerly known as Coles): “the consumer continues to benefit from the fierce competition between the two via a continual cycle of discounts, promotions and price matching”.

As a result, consumers, particularly the most price sensitive, are becoming trained to purchase only on discount and relish their weekly routine of scouring the key players catalogues for the best deals. And why not? The consumer has been spoilt for choice as the price of wine seems to have barely risen over the last five years.

Meanwhile, the “buyers’ own brand” category is continuing to grow in size, as the wine flies out the door and brings more profit to the retailer; wine producers are becoming increasingly uneasy about this unwelcome entrant to the market.

*Read full insights from the Wine Intelligence Australia team, published in Harpers this week, available for download at [www.wineintelligence.com/news](http://www.wineintelligence.com/news)*

**Related Reports:**

- Australia Portraits 2011 edition, the Wine Intelligence consumer segmentation
- Australia Landscapes 2011 edition, comprehensive consumer insights for the Australian wine market

*Both reports due to be published February 2011*

## China developing a palate for Australian wine

**In the first six months of 2010, 1.2 million Chinese wine consumers tried Australian wine for the first time\*, and I am looking forward to tracking continued increases this year.**

*Jenny Li reports:*

From my recent visits to China and the continued consumer research I conduct here at Wine Intelligence, Chinese consumers who have tried Australian wine seem to be enjoying the taste and embracing the approachable image of the country’s brand associations. The Chinese continue to look to Bordeaux as a great gift for a business occasion, but Australian wine is increasingly seen as a price-savvy option for drinking at home and sharing with family and friends.

The awareness of Australian wine in China stands high; 60% of the wine drinking population is aware of it (just behind Italy, but ahead of California, Chile and Spain).\* The great potential here is perhaps linked to positive cultural associations, with 70% reporting “positive” or “very positive” sentiments towards Australia.\*

I believe the key lies in localised and customised marketing to really engage with the open-minded and potentially lucrative market segment of middle and upper class wine drinkers. Drinking imported wine alone shows consumers are open to Western culture. The challenge lies in encouraging more people to take the first steps away from the security offered by the prestigious Old World labels and discover the rewarding fruits of diversity.

\*Source Vinitrac® China, December 2010

*Read Jenny’s comments in full in the WBM article published this month, available for download at [www.wineintelligence.com/news](http://www.wineintelligence.com/news)*

**Related Reports:**

- China Landscapes 2010, comprehensive consumer insights for the Chinese wine market



## Why don't British girls love Australian?

### Who is drinking Australian wine in the UK?

Australian wine is engaging older wine drinkers in the UK, but is failing to excite younger UK wine drinkers to the same extent, and this is particularly true among female drinkers. UK Vinitrac® findings from October 2010 show that of the 57% of the UK regular wine drinkers who opted for Aussie wines in the previous 6 months, two thirds were aged over 45 years old, with 1 in 4 of them being aged over 65 years old. Those not currently purchasing Australian wine in the UK tend to be of the 'millennial generation' (i.e. the under 35 year olds).

Millennial wine drinkers are an important group in the UK, accounting for just less than one quarter of the UK's regular wine drinking population, which is around 3.5 million consumers (Source: Wine Intelligence UK Calibration study 2010). Millennials are very price conscious, but this doesn't equate to low spend per bottle. Previous Wine Intelligence research has shown that they typically have a higher spend on wine per bottle than their older friends and family, as price is often used as a proxy for quality — i.e. the higher the price, the better the quality.

On the positive side for Australian producers, this means that current UK drinkers of Australian wine are a group of frequent-consuming, savvy wine drinkers who enjoy being adventurous with their wine choices. This has the knock-on effect that they are not exclusive Aussie wine lovers, but do have a New World wine bias: South Africa, Chile and California are particularly preferred source countries, with South Africa exceeding the popularity of French wines for this group.

Australian wine also causes a gender divide, proving more popular amongst men than women. 60% of regular female wine drinkers in the UK are not currently drinking (at least, they are not knowingly drinking) Australian wine, compared with 45% of men who currently do not reach for Australian wine amongst their source countries. Younger female wine drinkers say they steer clear of Australian wines, with some considering it to be 'boring'. However, it should be noted that these younger female consumers are less influenced by where a wine comes from, and are more heavily influenced by known brands and varieties, a seemingly high opportunity therefore for Australian producers.

And why does Australian wine appeal to its UK drinkers? Amongst its drinkers, Australian wine is favoured for its great taste and perceived prestige: 77% of drinkers really enjoy the taste of wines from Australia, 65% state they are proud to serve Australian wines to their friends and 3 in 5 say Australia makes some of the best wines in the world.

## Latest research: Internet and Social Media



Outside Australia, Wine Intelligence has been busy in other markets investigating how the Internet and social media are being used as sources for wine information by consumers. Reports will be published for the UK, USA and France next week.

More information to follow in the next business bulletin. Contact us for more information on the reports in the meantime.



## Français

## Coup de projecteur sur l'Australie:

1. Paul Henry, ancien Directeur Général de Wine Australia pour le développement des marchés, rejoint Wine Intelligence comme Directeur associé
2. Vente de vin en Australie : les consommateurs disent apprécier leurs achats de vin: ils aiment les dégustations en magasins et les offres promotionnelles
3. Le vin australien semble gagner en popularité auprès des consommateurs chinois
4. Le vin australien au Royaume-Uni ne parvient pas à séduire les plus jeunes consommateurs, surtout les femmes

Pour tout complément d'information sur un des ces sujets veuillez contacter Natasha par email [natasha@wineintelligence.com](mailto:natasha@wineintelligence.com)



## Español

## Destacados de este boletín:

1. Paul Henry, recientemente Manager General del organismo responsable de la promoción de los vinos australianos "Wine Australia", se incorpora al equipo de Wine Intelligence como Director Asociado
2. Los consumidores de vino Australianos consideran muy positiva su experiencia de compra de vino en el canal alimentación, se involucran en catas de vino si estas están bien organizadas y aprovechan las promociones y ofertas
3. El vino australiano continua aumentando su popularidad en el mercado Chino
4. En el Reino Unido, en cambio, el vino australiano está pasando apuros para atraer a los consumidores más jóvenes, sobre todo a las mujeres jóvenes

Por favor contacte con Natasha para más información: [natasha@wineintelligence.com](mailto:natasha@wineintelligence.com)



## 中文

## 中文摘要：澳大利亚焦点

1. Paul Henry, 前Wine Australia市场发展总经理, 入职酒智担任Associate Director
2. 澳大利亚葡萄酒零售: 消费者对他们的购买经历持积极态度, 他们喜欢店内的品酒活动以及不断增加的各类促销
3. 澳大利亚葡萄酒在中国消费者中日益受到欢迎
4. 澳大利亚葡萄酒在英国未能吸引住年轻消费者, 特别是女性消费者

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