THE UK WINE MARKET
LANDSCAPE REPORT
NOVEMBER 2017

UK Landscapes 2017

Report overview

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Report price:

GBP 2,500
USD 3,250
AUD 4,500
EUR 3,000

The **UK Landscapes 2017** report includes:

- A 105-page PowerPoint report with the latest information regarding the UK wine market, supported by:
  - Wine Intelligence Vinitrac®
  - Wine Intelligence market experience
  - Secondary sources
- User-friendly data table with all the measures from Vinitrac showing significances, cross tabbed with:
  - All UK regular wine drinkers in 2017
  - Gender groups
  - Age groups
  - UK regions
  - Tracking data vs. 2016 and 2015

*All prices exclusive of VAT, GST, or relevant local sale taxes at the current rate

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Management summary

Key trends in the UK market

1. ONGOING TOUGH AND UNCERTAIN TRADING ENVIRONMENT FOR WINE

- Ongoing pressure on retailers and on-trade operators to focus on increasing revenue to negate rising costs
- Consolidation of operators in the supply chain leading to increasing pressure on businesses, but potentially creates opportunity for them to strengthen
- Brexit contributing to economic and financial uncertainty, and instability

2. WINE PRICES ARE RISING

- Ongoing price increases for wine, driven by weak exchange rates, short harvests in key growing regions, and economic uncertainty in the UK
- Move towards wine by the glass in the on-trade, with strong interest in more premium and higher priced options

3. LESS BUT BETTER

- Move to trade-up in terms of quality by consumers, with indications that drinkers are also looking to reduce the volume of alcohol they are consuming
- The number of UK regular wine drinkers who state they always look for the best quality that they can get for their money has increased since 2016
- Fewer very frequent wine drinkers, with a higher proportion becoming less frequent drinkers (1-3 times per month)

Management summary

Key trends in the UK market

4. DRINKERS BECOMING LESS ENGAGED IN WINE

- Wine losing ‘share of mind’ as craft spirits, beer and cocktails continue to engage both trade and consumers more effectively, with fewer consumers having a high involvement in wine

5. WINE IS NOT [YET] FULLY PART OF THE ONLINE SHOPPING REVOLUTION

- Supermarkets, discounters and wine shops have all seen rises in the number of shoppers who buy wine from them, indicating that shoppers are less loyal to individual stores and shopping for smaller ‘baskets’ more frequently
- The number of shoppers buying wine online has remained stable with no significant increases since 2016

6. PROSECCO CONTINUES TO GROW AND DOMINATES THE SPARKLING MARKET

- Sparkling wine has transitioned into an everyday category, with further growth anticipated
- Prosecco is the only drink in the alcoholic beverage repertoire to show a significant increase in the number of people consuming it in the past 12 months

7. “INNOVATION” WILL REMAIN A EVOLUTIONARY PROCESS IN A CONSERVATIVE CATEGORY

- UK wine category lacking in NPD and innovation, with opportunities identified, especially in terms of format and size, within what remains a ‘conservative’ category
- Some growth in interest in Magnum and larger formats (particularly rose) and half bottle formats

Management summary

Key trends in the UK market

8. OPPORTUNITY FOR SUSTAINABLE WINES PRIMARILY TRADE-LED

- While affinity and recommendation levels are quite high for organic, Fairtrade and sustainable wines amongst consumers, this is not reflected in the number of people who are currently buying them
- Low intervention and alternative types of wine remain niche, but trade reporting small and growing consumer interest building on trend for authenticity and well-being

9. LIMITED POTENTIAL FOR LOWER ALCOHOL WINE

- Despite more health-conscious UK consumers, the potential opportunity for low alcohol wines remains marginal, although more potential for lower alcohol (8 – 11 ABV) identified by trade
- The low and lower alcohol category has been driven by trade rather than consumers, mainly because of the available tax break

10. OPENNESS TO NICHE ORIGINS AND VARIETALS WITHIN A CONSERVATIVE CATEGORY

- More engaged consumers are willing to trial wine from a broader range of origins – potentially not being aware of the actual origin, but being driven by varietal or style
- Mainstream varietals and origins continue to dominate – especially Sauvignon Blanc, Malbec and rosé

11. BREXIT SEEMINGLY WILL BE A MARGINAL INFLUENCE SOURCE COUNTRY PREFERENCE

- Most consumers report that their preference for certain source countries haven't changed since the Brexit result and that they don't expect them to change once the UK is no longer part of the EU
- 15% say they will be buying less wine from EU countries

Research Methodology

Vinitrac® and trade interview methodology

Vinitrac®:

- The data for this survey was collected in UK in August 2013, July 2016, July 2017 and October 2017
- Data was gathered via Wine Intelligence's Vinitrac® online survey:
- 1,015 UK regular wine drinkers (August 2013)
- 1,005 UK regular wine drinkers (July 2016)
- 1,000 UK regular wine drinkers (July 2017)
- 1,000 UK regular wine drinkers (October 2017)
- Respondents were screened to ensure that they drink wine at least once a month; drink red, white or rosé wine; and buy wine in the off-trade or in the on-trade
- Invalid respondents (those who sped through the survey or gave inconsistent answers to selected questions) were removed before analysis
- The data is representative of UK regular wine drinkers in terms of age, gender and income

Trade interview methodology:

- Trade Interviews were conducted with six experienced industry professionals in the UK wine trade in November 2017
- Interviews followed a pre-determined discussion guide, and covered overall market trends, opportunities for different wine styles, retail channels and pricing
- The six interviewees were members of the wine trade working in different roles:
- 1 x producer
- 1 x producer, importer and distributor
- 1 x restaurant group head of wine
- 2 x buyer
- 1 x brand manager

How does Vinitrac® work?

1) Defining the right samples:

- Wine Intelligence, with the support of global research companies (e.g. TNS, YouGov), regularly runs calibration studies in each market in order to define demographic specifications of the wine consumers and the size of the market (i.e. penetration of wine consumption)

2) Running the online survey:

- Invitations to participate in an online survey programmed by Wine Intelligence are then distributed to residents in each market
- Respondents are directed to a URL address, which provides access to the online survey
- Based on given criteria (e.g. age, beverage, frequency of wine consumption) respondents will either proceed or screen out of the survey
- Wine Intelligence monitors completed responses to build samples representative of the target markets' wine drinking population based on the most recent calibration study

3) Cleaning the data:

- When a representative sample is logged, the survey is closed
- Wine Intelligence will then clean out all invalid data points (e.g. those who sped through the survey or gave inconsistent answers to selected questions) and weight the data in order to ensure representability

REPORT PRICE: • GBP 2,500 • EUR 3,000 • USD 3,250 • AUD 4,500 • 5 Report Credits

Format: 105-page PowerPoint (PDF)

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