

WINE PACKAGING FORMATS AND CLOSURES IN THE AUSTRALIAN MARKET

April 2018 Report

The logo for Wine Intelligence, featuring the word "wine" in a bold, lowercase sans-serif font with a white dot over the 'i', and the word "intelligence" in a smaller, lowercase sans-serif font below it. The logo is set against a bright blue circular background.

wine
intelligence

Wine Packaging Formats and Closures in the Australian Market 2018

Report overview



Report price:

GBP 500
USD 650
AUD 900
EUR 600

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The Wine Packaging Formats and Closures 2018 report includes:

- Report with the latest information regarding packaging formats and closures in the Australian wine market, supported by:
 - Wine Intelligence Vinitrac®
 - Wine Intelligence market experience
 - Secondary sources
 - Trade and consumer interviews

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Introduction to Wine packaging formats and closures in the Australian market

While awareness is high for various wine packaging alternative formats within the Australian market, the 750ml glass bottles remains the pack format of choice amongst the regular wine drinker, with over 80% having purchased their wine in this format in the last 3 months. This is of no real surprise given both the significant decline in cask wine sales over the last 15 years, as well as the limited availability of other pack formats on the shelf.

Wine drinkers aged 35 and younger are the group most open to embracing alternative formats, with a significantly higher proportion purchasing wine in both larger format bottles and half bottles. Perhaps counterintuitively, these younger consumers are more favourable towards wine under cork than their older counterparts, reflecting their relatively 'conservative' approach to wine, seeing it as a sophisticated drink option and therefore being positioned for them typically as a treat.

Earlier this year Woolworth's liquor division, Endeavour Drinks Group (EDG), launched wine available in a 250ml aluminium can. While this is not the first time these products have been available on-shelf in Australia, it is the first time that a major retailer has backed the launch of such a prolific range of varieties and styles. The launch date of these products followed the collection of data for this report, but we have prepared a case study on these products that we have included within this report and we will continue to keenly measure and monitor its progress over the coming months.

The trepidation that surrounded the move to screw-cap last decade is a distant memory, and consumers in Australia readily see this as their preferred closure, with only 8% saying they dislike buying wine in screw-cap, with this acceptance having significantly improved since 2009.

There are continued packaging innovation opportunities available within the Australian market place, especially as we continue to feel the impact of some of the more significant changing consumer dynamics, such as the moderation trend. As with all change, consumers may show some initial resistance to the offer, but if our screw-cap experience has taught us anything, it is that these perceptions can be changed and both we, and more importantly, our consumers will benefit.



Rodney Sammut,
Country Manager – Australia and New Zealand



1. WINE IN CAN ENTERING MAINSTREAM WINE-BUYING CHANNELS, BUT CURRENTLY HAS LOW CONSIDERATION TO PURCHASE RATES

- Following the positive growth rates of wine in cans (albeit from small bases) in other international markets, Woolworth's liquor division Endeavour Drinks Group led the first push into wine in a can in a mainstream channel
- Currently, wine packaged in a can has the lowest purchase consideration rates of the alternative pack formats for wine

2. YOUNGER AUSTRALIAN REGULAR WINE DRINKERS ARE MORE LIKELY TO CONSIDER BUYING WINE IN A BROADER RANGE OF PACKAGING COMPARED TO OLDER WINE DRINKERS

- Younger Australian wine drinkers have more openness to and affinity for packaging formats for wine beyond the standard 750ml bottle, although they still report reservations for both cans and casks
- Those aged between 25 and 34 are more likely to consider buying wine in both smaller format bottles and magnums compared to older regular wine drinkers

3. SCREW-CAP ESTABLISHED AS PREFERRED CLOSURE AMONGST REGULAR WINE DRINKERS IN AUSTRALIA, ALTHOUGH MORE REJECTED AMONGST YOUNGER WINE DRINKERS

- The number of regular wine drinkers in Australia who reject screw-caps has declined since 2009 within a market where overall attitudes towards wine closures has remained stable
- Younger Australian regular wine drinkers are significantly less positive towards screw-caps than older regular wine drinkers, with these younger wine drinkers favouring natural cork



- Data collection:
 - The data for this report was collected in October 2009, October 2016 and October 2017
 - Data was gathered via Wine Intelligence's Vinitrac® Australia online survey and is representative of all Australian regular wine drinkers
- Screening criteria:
 - Respondents were required to drink wine at least once per month, to drink at least red, white or rosé wine and to buy wine in the off-premise and/or in the on-premise
- Data processing:
 - Invalid responses (those who completed the survey too quickly, or who "straight-lined" through selected questions) were removed from the sample
 - The survey was post-weighted in terms of age, gender and region
- Sample distribution:
 - The distribution of the sample is shown in the table:

| Australia | | | | |
|----------------|------------------------------|--------|--------|--------|
| | | Oct-09 | Oct-16 | Oct-17 |
| Sample size n= | | 1008 | 1023 | 1000 |
| Gender | Male | 50% | 55% | 50% |
| | Female | 50% | 45% | 50% |
| | Total | 100% | 100% | 100% |
| Age | 18-24 | 12% | 13% | 13% |
| | 25-34 | 19% | 21% | 19% |
| | 35-44 | 19% | 21% | 16% |
| | 45-54 | 18% | 15% | 15% |
| | 55-64 | 22% | 14% | 16% |
| | 65 and over | 12% | 16% | 20% |
| | Total | 100% | 100% | 100% |
| Region | Australian Capital Territory | 2% | 2% | 1% |
| | New South Wales | 31% | 31% | 33% |
| | Northern Territory | 1% | 0.1% | 2% |
| | Queensland | 19% | 19% | 18% |
| | South Australia | 9% | 10% | 7% |
| | Tasmania | 2% | 3% | 1% |
| | Victoria | 26% | 27% | 29% |
| | Western Australia | 10% | 8% | 9% |
| | Total | 100% | 100% | 100% |

Source: Wine Intelligence, Vinitrac® Australia, Oct' 2009 (n=1,008), Oct' 2016 (n=1,023) and Oct' 2017 (n=1,000), Australian regular wine drinkers



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



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

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