Global Wine **SOLA** Report:
Sustainable, organic & lower alcohol wine opportunities 2018

May **2018** Multimarket Report

The Global Wine SOLA Report 2018

Report overview

Report price:

GBP 3,000
USD 3,900
AUD 5,400
EUR 3,600

6 report credits

The Global Wine SOLA 2018 report includes:

- Report with the latest information on the alternative wines sector, supported by:
  - Wine Intelligence Vinitrac®
  - Wine Intelligence market experience
  - Secondary sources
  - Trade interviews
- This 144-page report offers detailed analysis of opportunities for alternative wines across 11 markets:
  - Australia
  - Canada
  - Finland
  - Germany
  - Japan
  - New Zealand
  - Portugal
  - Sweden
  - UK
  - US

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

Contents

Introduction

The wine category has always operated under the paradoxical benefit/liability of complexity and diversity. The benefit of variance in provenance, terroir and ingredients has made it perhaps the most interesting beverage category in the world; so much so that other categories such as craft beer and gin have adopted such variance to make their categories more interesting. The downside of this approach is that complexity breeds confusion, and many consumers in the wine category tend to resort to intellectual short-cuts to get to a purchase/consumption decision.

Into this mix comes a number of new (and not-so-new) viticultural and winemaking approaches which are often aggregated into the phrase ‘alternative wines’. Some, such as organic wine and lower-alcohol wine, have been with us for some time. Others, such as vegan or sulphite-free wine, are relative newcomers. All are characterised by a combination of positive desires: to make more environmentally-responsible and sustainable wine; to give consumers a choice beyond the mainstream; and to cater to committed (and often vocal) minorities such as vegans who are seeking out products which fit their lifestyle choices.

This is our first multi-market, multi-category view of the alternative wines sector, and to escape the rather clumsy phrase we have adopted an acronym – SOLA – to describe the scope of the report. We have also developed an opportunity index, crossing 11 markets and 12 sub-categories, to determine where SOLA wines have the greatest chance of success, and which of the individual product types within the group might work best.

The challenge for SOLA producers is the same as the wine category as a whole, only more so. On top of the standard complexity of their product, they need to convey understanding of the particular approach they have taken. However some may see this as a solution: lower-alcohol Sauvignon Blanc may be a simpler proposition to someone specifically looking for a lighter product to serve at lunchtime; a committed vegan will perhaps be grateful for a vegan wine when the alternative is going without.

The underlying strength of the organic movement is evident in this report, as organic wine tops the opportunity index. Some of the other strong contenders also align with environmental responsibility but are far more diffuse – ‘sustainably-produced’ wine can be classified in a fairly broad way, and its legitimacy very much depends on how convinced the consumer (and retailer) is that the producer is doing the right thing. Similarly ‘environmentally-friendly’. There are a number of schemes operated by localities, regions and national wine standard bodies to support such efforts, and it feels like those who are making strong efforts in this area should convey them to consumers with greater confidence, even if such activities don’t qualify for organic status.

Management summary

Key findings

1. Organic wine first in the SOLA wine opportunity index amongst consumers across 11 markets and is particularly strong in Finland, Sweden & Germany

2. Fundamental consumer misunderstanding of the term ‘natural wine’; low awareness and mixed views on orange wine are due to instability & quality issues

3. Strong and positive opportunity for sustainably-produced wines, despite complexity of sustainability certification and lack of single definition

4. Strong opportunity for wine positioned as environmentally-friendly that may not carry accredited endorsement, but must be credible

5. The ‘free-from’ wine category has not yet reached the prominence seen in other food and drink categories

6. Biodynamic wine currently seen as marginal in the category, with the validity of the biodynamic process eliciting strong and conflicting views among the trade

7. Lower-alcohol wine opportunity currently niche, with consumers turning to other low and non-alcoholic drink choices over wine

Vinitrac® methodology

Australia

- Data collection:
  - The data for this report was collected in 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

Vinitrac® methodology

Brazil

- Data collection:
  - The data for this report was collected in January 2018
  - Data was gathered via Wine Intelligence's Vinitrac® Brazil online survey and is representative of all Brazilian 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-trade and/or in the on-trade
- 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

Vinitrac® methodology

Canada

- Data collection:
    - The data for this report was collected in October 2017
    - Data was gathered via Wine Intelligence's Vinitrac® Canada online survey and is representative of all Canadian 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-trade and/or in the on-trade
- 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

Vinitrac® methodology

China

- Vinitrac® data for this study were collected in January 2018
- Data were gathered via Wine Intelligence's Vinitrac® online survey
- The respondents in both waves meet the following requirements:
    - Urban upper-middle class: personal monthly income before tax at least 6,000 RMB in Beijing, Guangzhou, Shanghai, Hangzhou and Shenzhen; or 5,000 RMB in Wuhan, Chengdu, Shenyang, Chongqing, Changsha, Zhengzhou and Guiyang
    - 18-54 years old
    - Residents of Beijing, Guangzhou, Shanghai, Wuhan, Chengdu, Shenyang, Hangzhou, Shenzhen, Chongqing, Changsha, Zhengzhou and Guiyang
    - Drink imported grape-based 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 survey was quota-based and post-weighted to be representative of Chinese urban upper-middle class imported wine drinkers in terms of age, gender and geography

Vinitrac® methodology

Finland

- Data collection:
  - The data for this report was collected in October 2017
  - Data was gathered via Wine Intelligence's Vinitrac® Finland online survey and is representative of all Finnish 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-trade and/or in the on-trade
- 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 and gender

Vinitrac® methodology

Germany

- Data collection:
  - The data for this report was collected in January 2018
  - Data was gathered via Wine Intelligence's Vinitrac® Germany online survey and is representative of all German 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-trade and/or in the on-trade

- 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

Vinitrac® methodology

Ireland

- Data collection:
  - The data for this report was collected in October 2017
  - Data was gathered via Wine Intelligence's Vinitrac® Ireland online survey and is representative of all Irish 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-trade and/or in the on-trade
- 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 and gender

Vinitrac® methodology

Japan

- Data collection:
  - The data for this report was collected in October 2017
  - Data was gathered via Wine Intelligence's Vinitrac® Japan online survey and is representative of all Japanese 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-trade and/or in the on-trade

- 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 and gender

- Sample distribution:

Vinitrac® methodology

New Zealand

- Data collection:
  - The data for this report was collected in October 2017
  - Data was gathered via Wine Intelligence's Vinitrac® New Zealand online survey and is representative of all New Zealand 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-trade and/or in the on-trade
- 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

Vinitrac® methodology

Portugal

- Data collection:
  - The data for this report was collected in January 2018
  - Data was gathered via Wine Intelligence's Vinitrac® Portugal online survey and is representative of all Portuguese 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-trade and/or in the on-trade
- 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 and gender

Vinitrac® methodology

Sweden

- Data collection:
  - The data for this report was collected in October 2017
  - Data was gathered via Wine Intelligence's Vinitrac® Sweden online survey and is representative of all Swedish 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-trade and/or in the on-trade
- 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 and gender

Vinitrac® methodology

UK

- Data collection:
  - The data for this report was collected in October 2017
  - Data was gathered via Wine Intelligence's Vinitrac® UK online survey and is representative of all UK 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-trade and/or in the on-trade
- 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, region and annual pre-tax household income

Vinitrac® methodology

US

- Data collection:
  - The data for this report was collected in January 2018
  - Data was gathered via Wine Intelligence's Vinitrac® US online survey and is representative of all US 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-trade and/or in the on-trade

- 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

Research Methodology

Qualitative trade research

Trade interview methodology

- Trade interviews were conducted with experienced industry professionals in the following wine trade markets in 2017 & 2018
- The interviewees were members of the wine trade working in different roles:
  - 1 x National Retailer (Australia)
  - 1 x On-trade Operator (Australia)
  - 1 x Independent Retailer (Australia)
  - 1 x Distributor / Importer (Canada)
  - 1 x Brand Owner (Canada)
  - 1 x Marketing & Communications Specialist (Canada)
  - 1 x Importer (Finland)
  - 1 x Retailer (Finland)
  - 1 x Importer (Germany)
  - 1 x Online Retailer (Germany)
  - 1 x Retailer (Ireland)
  - 1 x Retailer (Japan)
  - 1 x Journalist (Japan)
  - 1 x Sommelier (Japan)
  - 1 x Journalist (New Zealand)
  - 1 x Winemaker (New Zealand)
  - 1 x Retailer (New Zealand)
  - 1 x National Retailer (UK)
  - 1 x Australian Producer (UK)

Research Methodology

Vinitrac©

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: • AUD 5,400 • GBP 3,000 • USD 3,900 • EUR 3,600 • 6 Report Credits

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