
SPARKLING WINE IN THE US MARKET

November **2018** Report



Sparkling Wine in the US Market 2018 Report

Report overview



The Sparkling Wine in the US Market 2018 report includes:

- Report with the latest information regarding the sparkling wine market in the US, supported by:
 - Wine Intelligence Vinitrac® US
 - Wine Intelligence market experience
 - Secondary sources
 - Consumer focus groups

Report price:

GBP 1,500
USD 2,100
AUD 2,700
EUR 1,800

3
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1. THE VOLUME OF SPARKLING WINE SOLD IN THE US CONTINUES TO GROW SUPPORTED BY PER CAPITA GROWTH

- Imported sparkling wines account for just over half of the sparkling wine volumes sold in the US, with Italy holding the largest market share amongst imported sparkling wines at 36% and displaying the highest long-term CAGR at 9%
- The US market, ranked 29th in the world in terms of per capita consumption, continues to grow from this relatively small level

2. SPARKLING WINE REMAINS AN OCCASIONAL BEVERAGE, REMAINING PRIMARILY ASSOCIATED WITH CELEBRATORY OCCASIONS

- In general, sparkling wine is still largely seen as better suited for special events both in the off- and on-premise
- ¼ of sparkling wine drinkers in the US consume the beverage once a week or more

3. NEARLY HALF OF US SPARKLING WINE DRINKERS ENJOY BEING ADVENTUROUS WITH THEIR CHOICE OF SPARKLING WINE, LEAVING JUST OVER HALF BEING PRICE CONSCIOUS AND LESS EXPERIMENTAL

- Even though sparkling wine is considered an occasional beverage primarily associated with special social events, near 50% of drinkers of sparkling wine in the US display adventurous attitudes, stating that they enjoy trying new and different sparkling wine styles regularly
- Though less than half of all sparkling wine drinkers in the US feel competent about their knowledge of sparkling wine, more than half of consumers enjoy consuming sparkling wine and find purchasing sparkling wine to be an important process

4. UNIQUE PERCEPTION DIFFERENCES BETWEEN EACH TYPE OF SPARKLING WINE

- Sparkling wine / Champagne from the US and Asti are more associated with good taste and better value for money while Prosecco and fruit-infused sparkling wine are more associated with being refreshing social beverages
- All sparkling wines have similar value for money perceptions amongst drinkers of sparkling wine in the US – despite huge pricing disparities
- Champagne and other sparkling wines from France receive the highest quality ratings from consumers, whereas sparkling wine from the US and fruit-infused sparkling receive the lowest quality perceptions

5. THE MOST POWERFUL SPARKLING WINES IN THE US, YELLOW TAIL AND BAREFOOT, ARE BRANDS WITH STRONG STILL WINE BRAND POWER, WITH CONSUMERS PERCEIVING THE BRANDS TO HAVE STRONG SPARKLING OFFERS

- Dom Pérignon leads in terms of brand awareness, but Yellow Tail and Barefoot Bubbly have the highest purchase levels
- According to the Brand Power Index, the #1 most powerful sparkling wine brand in the US is Yellow Tail, followed closely behind by Barefoot Bubbly
- Barefoot Bubbly achieves the highest purchase and connection (affinity and recommendation) index scores from consumers. Other powerful domestic brands include Korbel (driven by high awareness) and Cupcake (driven by high connection index)



Trade interviews methodology

- Trade interviews were conducted with four trade members in the US wine market in October 2018
- Trade members recruited for interviews were from different sections of the wine trade:
 - 1 Master of Wine
 - 1 Brand Owner
 - 1 Wine Producer
 - 1 Wine Bar Owner
- Interviews followed a pre-determined discussion guide, and covered overall market trends on sparkling wine in the US market



Consumer interview methodology

- 20 consumer interviews were conducted via phone or in person
 - 5 x Engaged Explorers
 - 5 x Premium Brand Suburbans
 - 5 x Contented Treaters
 - 5 x Social Newbies
- The interviews lasted between 30 and 45 minutes and were done via phone or in person in September 2018, covering general wine drinking and buying behavior and preferences, motivations and attitudes towards wine and purchase choice cues



- Measures from the IWSR correspond to actual wine consumption figures. This means sales into the trade (on + off trade)
- The IWSR visits each market each year. Discussions are held with key local experts in the market including importers, producers, grey market operators, duty free operators, and supermarket/hypermarket buyers.
- All volume data is given in thousands of 9 Litre Cases
- In the breakdown by country of origin, IWSR includes (depending on the market and the size of the category) the following two categories: 'Other' and 'International'
They are defined as followed:
 - 'Other': category including wine blends (normally in bulk or bottled without specified country of origin) and wines from other countries with volumes too small to break out separately
 - 'International': Category including wine brands that have wines from various countries
- The IWSR includes the following types of wine in its definition of 'wine':

Definitions

WINE =

Still light wine +
Sparkling (Champagne & other) +
Fortified +
Light aperitifs (vermouth...) +
Other (rice wines...)

Sub-categories

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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