

UK LANDSCAPES

December 2018 Report



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UK Landscapes 2018 report

Report Overview



wine
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5
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credits

Report price:
GBP 2,500
USD 3,500
AUD 4,500
EUR 3,000

The UK Landscapes 2018 report includes:

- Report with the latest information regarding the UK wine market, supported by:
 - Wine Intelligence Vinitrac® UK
 - Wine Intelligence market experience
 - Secondary sources
 - Trade interviews
- User-friendly data table with all the measures from Vinitrac® UK showing significances, cross tabbed with:
 - All UK regular wine drinkers in 2018
 - Gender groups
 - Age groups
 - Key cities for imported wine consumption
- Tracking data 2015-2017-2018

UK Landscapes 2018

As the 6th largest market for still light wines in terms of volume, the UK is at the heart of the international wine industry. Despite a decline in consumption and possible implications of Brexit, the UK wine market is the 7th most attractive market worldwide.

Total wine volumes continue to drop in the market and per capita consumption of still wine continues to steadily decrease. This declining trend may be related to several factors. Not only is the UK regular wine drinking population ageing, but quantitative and qualitative data also shows two behavioural shifts from consumers: increased moderation of alcohol consumption and a ‘quality over quantity’ mentality.

Nearly half of UK regular wine drinkers claim that they are actively moderating their alcohol consumption, with most wine drinkers moderating by omitting drinking, as opposed to switching to lower alcohol drinks. Those who have remained committed to the category indicate ‘drinking less but better’, shown by a decrease in weekly consumption, but an increase in per bottle spend in both on- and off-trade. Our report suggests that UK regular wine drinkers may be trading up, rather than buying more, due to their adventurous attitude and strong interest in wine. Specifically, a significantly larger proportion of UK regular wine drinkers display adventurous attitudes towards wine and are highly involved with the wine category compared to 2015. Such trends are primarily driven by younger UK wine consumers who are seeking differentiation and excitement rather than drinking the wines their parents consume. For example, a significantly higher proportion of those aged from 25-54 years, claim that they enjoy trying new styles of wine regularly.

It cannot go without being said that all eyes are on the UK as Brexit nears. Uncertainty is in the air and those involved in the wine industry are paying close attention to possible sudden changes in the tariff and regulatory regime while making contingency plans. On the other hand, consumers appear to be less concerned and do not think their wine-buying habits will alter post-Brexit, yet the proportion believing they will buy less wine from EU countries is showing a slight increase and may continue to increase in the near future.

So, what does the future hold for the UK wine market? One can expect a market declining in volume, but increasing in value as consumers trade up for higher quality and more interesting wine styles within the sector along with likely changes brought on by the effect of Brexit.



*Emily Carroll
Senior Project Executive*

Management summary

Key trends in the UK wine market

- 1. Still wine volumes continue to show consistent decline, sparkling wine remains strong**
- 2. Wine drinking population ageing and shifting to quality over quantity**
- 3. Increased involvement and adventurism amongst wine consumers**
- 4. Decreased wine consumption may be related to increased moderation trends amongst UK regular wine drinkers**
- 5. Wine trade anticipates likely changes in the UK wine market as Brexit nears; consumers less concerned**

Research Methodology

Vinitrac®



- The data for this survey was collected in UK in July 2015, July 2017 and March / July 2018
- Data was gathered via Wine Intelligence's Vinitrac® online survey:
- 1,000 UK regular wine drinkers (July 2015)
- 1,000 UK regular wine drinkers (July 2017)
- 4,001 UK regular wine drinkers (March & July 2018)
- 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, region and income
- The distribution of the sample is:

| | | UK | Jul-15 | Jul-17 | Mar & Jul-2018 |
|---------------------------------|----------------------|-------------|--------|--------|----------------|
| | | sample size | 1000 | 1000 | 4001 |
| Gender | Male | 45% | 50% | 49% | |
| | Female | 55% | 50% | 51% | |
| | Total | 100% | 100% | 100% | |
| Age | 18-24 | 10% | 7% | 9% | |
| | 25-34 | 15% | 18% | 16% | |
| | 35-44 | 18% | 18% | 17% | |
| | 45-54 | 18% | 19% | 17% | |
| | 55-64 | 16% | 16% | 15% | |
| | 65 and over | 22% | 22% | 27% | |
| | Total | 100% | 100% | 100% | |
| Region | North | 26% | 26% | 21% | |
| | Midlands | 17% | 15% | 17% | |
| | South East + East | 21% | 23% | 23% | |
| | London | 13% | 14% | 13% | |
| | South West | 10% | 9% | 9% | |
| | Wales | 5% | 5% | 5% | |
| | Scotland | 8% | 6% | 9% | |
| | Northern Ireland | 1% | 1% | 3% | |
| | Total | 100% | 100% | 100% | |
| Annual pre-tax household income | Under £19,999 | 23% | 11% | 12% | |
| | £20,000 - £29,999 | 22% | 17% | 17% | |
| | £30,000 - £39,999 | 18% | 19% | 19% | |
| | £40,000- £59,999 | 12% | 18% | 12% | |
| | Over £60,000 | 25% | 25% | 30% | |
| | Prefer not to answer | 0% | 10% | 11% | |
| | Total | 100% | 100% | 100% | |

Source: Wine Intelligence, Vinitrac® UK, Jul'15, n=1,000. Jul'17, n=1,000, and Mar / Jul'18, n=4,001 UK 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

Research methodology

Qualitative trade research



Trade interview methodology

- Trade Interviews were conducted with seven experienced industry professionals in the UK wine trade in November 2018
- Interviews followed a pre-determined discussion guide, and covered overall market trends, opportunities for different wine styles, retail channels and pricing
- The seven interviewees were members of the wine trade working in different roles:
 - 2 x Wine Buyers
 - 2 x Wine Distributors
 - 1 x Wine Brand Owner
 - 1 x Restaurant Owner
 - 1 x Wine Importer

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