US LANDSCAPES

January 2019 Report

US Landscapes 2019 report

Report Overview

Report price:

GBP 2,500
USD 3,300
AUD 4,700
EUR 2,900

5 report credits

The US Landscapes 2019 report includes:

- Report with the latest information regarding the US wine market, supported by:
  - Wine Intelligence Vinitrac® US
  - Wine Intelligence market experience
  - Secondary sources
  - Trade interviews
- User-friendly data table with all the measures from Vinitrac® US showing significances, cross tabbed with:
  - All US regular wine drinkers in 2018
  - Gender groups
  - Age groups and Portraits groups
  - US divisions and key states
  - Income and typical off-premise spend
- Tracking data 2015-2016-2017-2018

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

US Landscapes 2019

When discussing key global wine markets, the topic of the United States always arises. As the largest market for still light wines and the largest market for sparkling wine outside of the European markets of Germany, Italy and France, the United States is a highly appealing market to industry professionals worldwide. As such, changes and trends in this market are vital to examine and the Wine Intelligence US Landscapes 2018 report does just that, identifying several new key trends most definitely worth discussing.

Although the US maintained a steady annual volume growth throughout the years, volume growth and overall spend is beginning to stabilize and per capita consumption of still light wine remains lower than other key markets (approximately 12 liters per annum between 2013 and 2017). Despite the adult population growth, a declining proportion of alcohol drinkers coupled with a decline in wine consumption frequency has caused the monthly wine drinking population to drop from 88 million in 2015 to 84 million in 2018. Moreover, our findings show that the proportion of frequent wine drinkers (drinking at least twice a week) among regular wine drinkers has also decreased significantly since 2015.

On the surface, one may speculate that this downward trend is due to older consumers drinking less alcohol, and therefore wine, less frequently. However, our data revealed young drinkers aged under 35 have experienced the most significant decrease in wine consumption frequency since 2015, while frequency among older drinkers (aged 55+) has remained stable.

In addition to this decline in the proportion of wine consumers and wine consumption frequency, there are significant shifts in consumer behaviors and attitudes towards wine in the US. Such shifts include overall downward trends in wine involvement and knowledge, an overall decrease in varietal and country / region of origin repertoire (with the exception of Californian wines), and a decline in the proportion of adventure-seeking wine drinkers, all primarily driven by Millennial consumers. While these trends may seem especially concerning, our data identifies several factors deriving from Millennial wine consumer behavior that presents promising and exciting opportunities for the wine industry.

First, despite younger consumers driving the overall descending trend in consumer engagement with wine, it is important to note that Millennials account for the highest share of spend on wine in the US, particularly in the on-premise. Second, our quantitative and qualitative data indicates younger consumers are seeking differentiation, are more willing to experiment and gravitate towards innovative products. Not only is their alcoholic beverage repertoire broader than that of older consumers, but they are also open to purchasing a greater range of alternative wine types, such as organic wine or lower-alcohol wine, and are also more likely to consider alternative packaging formats, such as wine in a can.

For the US wine industry, the open-minded attitudes of younger wine drinkers is a reason to raise a glass, especially for producers originating from California, who hold the highest proportion of consumers across all age groups. Above all, as the US population continues to age, an increased understanding of what makes wine consumers tick as well as increased innovation is imperative to both retain and draw more consumers into the world's most attractive wine market.

Emily Carroll
Senior Project Executive

Management summary

Key trends in the US wine market 2018

1. While the US remains the dominant wine market for still and sparkling wine, volume growth is leveling off
2. Declining number of US wine consumers and decreased frequency of wine consumption driven by younger wine drinkers
3. US Millennials driving downward shift in consumer involvement with wine
4. US consumers becoming less adventurous in their wine choices, particularly among millennial drinkers
5. US Millennials driving downward shift in varietal repertoire
6. Consumption of wine from various countries and regions in decline; Californian wines remain dominant
7. While wine confidence remains stable, wine knowledge is reducing, also driven by Millennials
8. Despite younger consumers becoming less engaged with wine, they remain the most open-minded wine consumers
9. Prominent interest in alternative packaging for wine
10. Spend in both the on- and off-premise remains stable after period of premiumization

- The data for this report was collected in the US in Jul-15, Jul-16, Jul-17, Jul-18 and Oct-18
- Data was gathered via Wine Intelligence's Vinitrac® online survey:
  - 2,000 US regular wine drinkers (July 2015)
  - 2,003 US regular wine drinkers (July 2016)
  - 4,000 US regular wine drinkers (July 2017)
  - 4,000 US regular wine drinkers (July 2018)
  - 6,000 US regular wine drinkers (October 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-premise or in the on-premise
- Invalid respondents (those who sped through the survey or gave inconsistent answers to selected questions) were removed before analysis
- The data is representative of US regular wine drinkers in terms of age, gender and US divisions
- The distribution of the sample is shown in the table

		Vinitrac® US				
		Jul-15	Jul-16	Jul-17	Jul-18	Oct-18
	sample size	*2,000*	*2,003*	*4,000*	*4,000*	*6,000*
Gender	Male	51%	48%	48%	50%	50%
	Female	49%	52%	52%	50%	50%
	Total	**100%**	**100%**	**100%**	**100%**	**100%**
Age	21-24	9%	8%	8%	8%	8%
	25-34	24%	20%	21%	22%	22%
	35-44	18%	13%	13%	14%	14%
	45-54	19%	18%	18%	18%	18%
	55-64	14%	18%	17%	18%	18%
	65 and over	16%	22%	22%	21%	21%
	Total	**100%**	**100%**	**100%**	**100%**	**100%**
US Divisions	New England	5%	6%	6%	6%	6%
	Middle Atlantic	16%	16%	16%	14%	14%
	East North Central	13%	13%	13%	13%	13%
	West North Central	6%	6%	6%	4%	4%
	South Atlantic	19%	19%	19%	20%	20%
	East South Central	0.5%	4%	4%	5%	5%
	West South Central	14%	9%	9%	11%	11%
	Mountain	6%	7%	7%	6%	6%
	Pacific	19%	20%	20%	21%	21%
	Total	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Wine Intelligence, Vinitrac® US, Jul-15, Jul-16, Jul-17, Jul-18 and Oct-18, n>=2,000 US regular wine drinkers

Qualitative research

Trade interview methodology

- Trade interviews were conducted with 6 experienced industry professionals in US wine trade in October 2018
- Interviews followed a pre-determined discussion guide, and covered overall market trends, opportunities for different wine styles, retail channels and pricing
- The 6 interviewees were members of the wine trade working in different roles within the industry:
  - *x 2 Masters of Wine*
  - *x 1 Wine Retailer*
  - *x 1 Wine Brand Owner*
  - *x 1 Wine Bar Owner*
  - *x 1 Wine Producer*

Focus group methodology

- 20 consumer interviews were conducted via phone or in person
- 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
- The 20 interviewees were US consumers grouped into distinct segments based on their answers to questions about their wine-drinking behavior and their attitude towards wine:
  - *5 x Engaged Explorers*
  - *5 x Premium Brand Suburbans*
  - *5 x Contented Treaters*
  - *5 x Social Newbies*

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 programed 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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