WINE INTELLIGENCE

UK LANDSCAPES 2019

NOVEMBER 2019

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CONTENTS

- Introduction p.4
- Management Summary p.6
- Overview of UK wine market p.21
- Overview of UK wine consumers p.27
- Beverage repertoire p.36
- Hot topic: The Gin boom p.39
- Varietal consumption p.42
- Country and region of origin health p.46
- Wine purchase behaviour p.53
- Hot topic: Moderation in the UK p.60
- Wine consumption behaviour p.65
- Hot topic: UK Premium wine consumers p.71
- Brand Health p.79
- Hot topic: Brexit p.95
- Appendix p.102
- Research methodology p.106

INTRODUCTION

Pessimists about the UK wine market have plenty of ammunition at the moment. The long-term decline in wine volumes continues, partly fuelled by consumers actively moderating their alcohol consumption and partly by the resurgent gin category successfully re-colonising the non-food relaxing informal occasion. More frightening still, both the moderation and gin-substitution trends are particularly apparent amongst younger consumers, and particularly younger women, which would suggest the volume decline is not going to stop anytime soon. Then there is the continuing spectre of Brexit, bringing with it supply chain disruption and the real possibility of recession and falling incomes.

There are some bright spots within the gloom. Value per bottle continues to rise, and wine consumers under 45 in particular are redefining the wine category as a more aspirational, culturally desirable (and therefore more expensive) drink. This can only be good news for hard-pressed producers who have had to endure years of low prices and margins. The wine drinking population has also held up, now drinking a bit less often, and a bit less volume per occasion, so there are still plenty of customers for a product that delivers on the needs of today's consumers.

It is becoming increasingly apparent that those needs are changing. Yes, provenance still matters, and so does the story, but a successful product must deliver a visual recognition and positive reassurance – especially if you are going to spend £7 or more on a bottle, which is where sales are growing and where younger consumers (looking for aspiration and meaning) want to shop. The more astute brand owners are finding success in this area, with some leading New World brands seeing significant and sustained growth in awareness and consideration levels. However, it is also clear that some sales are being missed as brands are struggling to maintain distribution within mainstream supermarkets which are more interested in promoting own-label or captive brand offerings.

Today's wine drinkers are also becoming more ethically aware, and there is a growing expectation that a brand will be able to deliver some kind of sustainability or ethical credential as well as making a decent-tasting product. The long-term trend suggests that wine drinkers as a whole are becoming more involved in the category (quite possibly because those that have left the category were less involved), and care more about wine as a part of their cultural lifestyle. As we reach the end of a tumultuous and difficult decade for the UK wine trade, it's possible that the next 10 years may be defined by a more kinder, thoughtful and ethically aligned consumer, who seeks quality and is willing to pay for it.

Irene Dell'Adami de Tarczal
Project Executive

RESEARCH METHODOLOGY: UK REGULAR WINE DRINKERS

Vinitrac©

- The data for this report was collected in the UK in July 2015, July 2017, October 2017, October 2018, March & July 2019 and October 2019
- Data was gathered via Wine Intelligence's Vinitrac® online survey
- 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 gender, age, annual pre-tax household income and region
- The distribution of the sample is shown in the table:

		Jul '15	Jul '17	Oct' 17	Oct '18	Mar&Jul' 19	Oct' 19
	n=	*1,000*	*1,000*	*1,000*	*1,004*	*3,000*	*1,000*
Gender	Male	45%	50%	50%	49%	48%	48%
	Female	55%	50%	50%	51%	52%	52%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***
Age	18-24	10%	7%	7%	9%	9%	9%
	25-34	15%	18%	17%	16%	16%	16%
	35-44	18%	18%	19%	17%	16%	16%
	45-54	18%	19%	19%	16%	16%	16%
	55-64	16%	16%	16%	15%	15%	15%
	65 and over	22%	22%	22%	27%	27%	27%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***
Region	North	26%	26%	24%	21%	21%	21%
	Midlands	17%	15%	15%	17%	17%	17%
	East Anglia + South East	21%	23%	13%	23%	23%	23%
	London	13%	14%	26%	13%	13%	13%
	South West	10%	9%	8%	9%	9%	9%
	Wales	5%	5%	5%	5%	5%	5%
	Scotland	8%	6%	8%	9%	9%	9%
	Northern Ireland	1%	1%	1%	3%	3%	3%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***
Income	Under £19,999	23%	11%	11%	12%	12%	12%
	£20,000 - £29,999	22%	17%	17%	17%	17%	17%
	£30,000 - £39,999	18%	19%	19%	19%	19%	19%
	£40,000 - £49,999	12%	18%	13%	12%	12%	12%
	Over £50,000	25%	25%	30%	29%	29%	30%
	Prefer not to answer	0%	10%	10%	10%	10%	10%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***

Source: Wine Intelligence, Vinitrac® UK, Jul-15 (n=1,000), Jul-17 (n=1,000), Oct-17 (n=1,000), Oct-18 (n=1,004), Mar & Jul-19 (n=3,000) and Oct-19 (n=1,000) UK regular wine drinkers

RESEARCH METHODOLOGY: UK SPIRITS DRINKERS

Vinitrac©

- The data for this report was collected in the UK in October 2019
- Data was gathered via Wine Intelligence's Vinitrac® online survey
- Respondents were screened to ensure that they have drunk gin, pink gin, vodka, rum. Scotch whisky, Irish whiskey, and / or American whiskey / bourbon in the past 12 months
- 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 alcohol drinkers in terms of gender, age, annual pre-tax household income and region
- The distribution of the sample is shown in the table:

		Oct-19
	n=	*884*
Gender	Male	50%
	Female	50%
	Total	***100%***
Age	18-24	12%
	25-34	16%
	35-44	16%
	45-54	18%
	55-64	15%
	65+	23%
	Total	***100%***
Annual pre-tax household income	Under £20,000	15%
	£20,000 - £29,999	17%
	£30,000 - £39,999	18%
	£40,000 - £59,999	18%
	£60,000+	18%
	Don't know / Refused	13%
	Total	***100%***
Region	North	23%
	Midlands	16%
	South East + East	23%
	London	13%
	South West	9%
	Wales	5%
	Scotland	9%
	Northern Ireland	3%
	Total	***100%***

Source: Wine Intelligence, Vinitrac® UK, Oct-19 (n=884) UK spirits drinkers

RESEARCH METHODOLOGY

Qualitative

Trade interview methodology

- Trade Interviews were conducted with eight experienced industry professionals in the UK wine trade in 2019

- Interviews followed a pre-determined discussion guide, and covered overall market trends, opportunities for different wine styles, retail channels and pricing

- The eight interviewees were members of the wine trade working in different roles:
  - 1 x Wine Buyers
  - 1 x Wine Brand Owner
  - 1 x Restaurant Owner
  - 1 x Wine Consultant
  - 1 x Wine Supplier
  - 1 x Brand Controller
  - 1 x Wine Producer
  - 1 x Wine Retailer

RESEARCH METHODOLOGY

Quantitative

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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