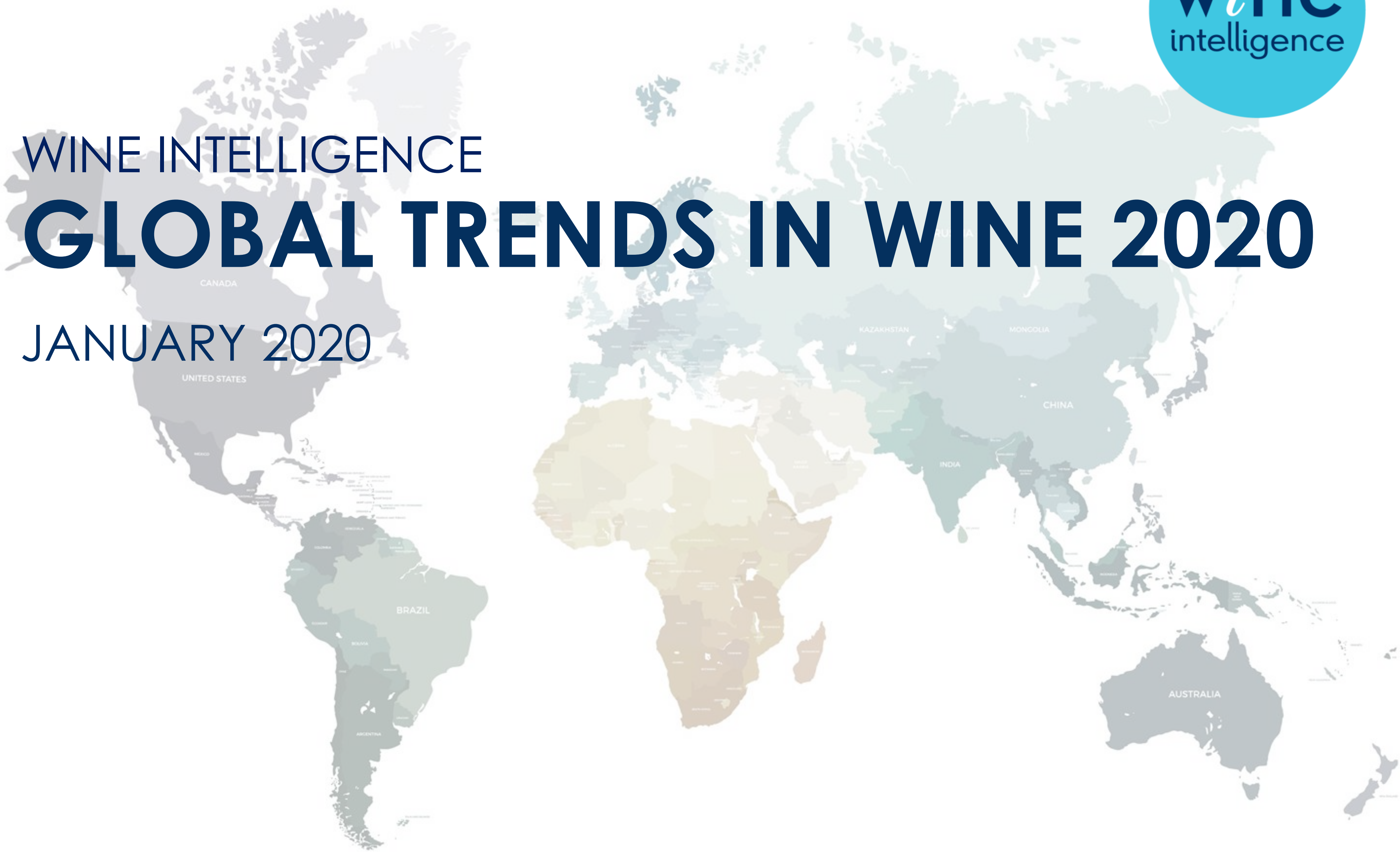
WINE INTELLIGENCE

GLOBAL TRENDS IN WINE 2020

JANUARY 2020



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INTRODUCTION

Beware January, with the airwaves and wifi thick with trends and predictions for the coming year. A close reading of many offerings, plus a bit of careful Googling, tend to show that many of these ‘new’ trends are nothing of the sort. The truth is that most, if not all, trends happen over a far longer period of time than 12 months. Think of the Organic movement, Veganism, alcohol moderation, carbon footprint reduction, or greater tolerance of human differences, each of which has been a ‘trend’ for at least the past 5 years, and in many cases far longer.

That said, such long-running trends do evolve over time, sprouting new facets (#metoo, Extinction Rebellion, ‘Greta’ etc.) and either advance further into the mainstream or settle back into a less visible niche, depending on the *zeitgeist*.

The Wine Intelligence approach to trends reporting in recent years has been to build on long-run trends and ask: what does the most recent data and insight tell us? And how does this information change the game of making and selling wine over the next 12 months? This year, the Global Trends 2020 report dives deeper into the who, the what and the how of wine consumer trends that have been identified from tracking data collected via Vinitrac®, our wine consumer survey platform which has been gathering usage and attitude information from wine drinkers in major consumption markets for the past decade. Our mantra for this year is what we are dubbing ‘The Four Rs’: **Relationship**, **Retail**, **Repertoire** and **Responsibility**. For the executive in a hurry, here is a summary:

Relationship: One of the key trends for 2020 is the significant shift in the way wine consumers across a number of major consumers are relating to wine. Despite falling levels of wine knowledge, the proportion of wine consumers who have high involvement in the category is rising across a number of major consumption markets. So, why is wine knowledge decreasing, when wine involvement is increasing? Our evidence points to an increasing reliance on smartphones in order to reduce our cognitive demand – put simply, reducing how much works our brains have to do in terms of things like remembering facts or even brands. At the same time, consumers are becoming more wine involved, meaning that wine is playing an increasingly important role in their lives.

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Retail: Consumer needs are also evolving at the point of purchase. An increasingly older wine drinking population are demanding more convenience and autonomy, while offering fewer trade up opportunities. Meanwhile, younger drinkers who are participating in the wine category are individually more valuable to wine, particularly in on-premise settings, and are open to climbing the value hierarchy if they can afford it. The shift towards premiumisation continues, displayed by a decline in the frequency of wine consumption, whilst the typical spend per bottle is increasing.

Repertoire: Consumers are increasingly welcoming diversity in what they drink, seen by the increasing proportion of those switching from wine to other alcoholic beverages such as beer or hard seltzer. In the wine world, consumers are also drinking from a more diverse selection of varietals, whilst reducing their country origins. These changes, again, are mainly driven by Millennials. Though these shifts seem turbulent, one consistency that is evident is that rosé is no longer only a drink for younger females. Our data reveals that rosé consumption continues to grow, driven by a broad appeal across all consumer groups and supported by increasing premiumisation within this sub-category.

Responsibility: Any discussion about global wine trends is certainly not complete without bringing the growing list of responsibilities we now anoint ourselves with - physical, social and ethical. Across the world we are observing a more health-conscious and lifestyle-conscious consumer, with more choice than ever before in terms of both alcoholic and low-no alcohol beverages. The net result of this trend is a rising global population of consumers actively choosing to moderate their alcohol intake. Ethical consumerism has gained traction in recent years, with consumers increasingly paying attention to the impact of their behaviours on both the environment and their health. Wine drinkers are starting to look for alternatives, to extend their ethical impact. Positively for the wine category, consumers are becoming increasingly aware of alternative wines, with younger people being the key demographic that present the most opportunity to this category, due to their attitudes and willingness to invest time and money into their health.

Global Trends in Wine 2020

Relationship
- Rising involvement – reducing knowledge
- Increasing visual impact

Retail
- Maturing consumers
- Growing on-premise opportunity
- Premiumisation

Repertoire
- Switching out of wine
- Shifting wine choices
- Universal rosé

Responsibility
- Moderation
- Rising ethical engagement

RESEARCH METHODOLOGY: AUSTRALIA

Vinitrac®

- The data for this report was collected in March 2007, October 2009, October 2015, July 2018 and July 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-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 Australian regular wine drinkers in terms of gender, age and region
- The distribution of the sample is shown in the table

		Mar-07	*Oct-09*	*Oct-15*	*Jul-18*	*Jul-19*
	n=	*1,007*	*1,008*	*1,001*	*1,000*	*1,000*
Gender	Male	50%	50%	50%	50%	50%
	Female	50%	50%	50%	50%	50%
	Total	*100%*	*100%*	*100%*	*100%*	*100%*
Age	18-24	11%	12%	12%	13%	13%
	25-34	19%	19%	19%	19%	19%
	35-44	19%	19%	19%	16%	16%
	45-54	18%	18%	16%	15%	15%
	55-64	22%	22%	15%	16%	16%
	65 and over	12%	12%	18%	20%	20%
	Total	*100%*	*100%*	*100%*	*100%*	*100%*
Region	Australian Capital Territory	2%	2%	2%	1%	1%
	New South Wales	28%	31%	30%	33%	33%
	Northern Territory	1%	1%	0%	2%	2%
	Queensland	23%	19%	21%	18%	18%
	South Australia	9%	9%	11%	7%	7%
	Tasmania	2%	2%	2%	1%	1%
	Victoria	25%	26%	26%	29%	29%
	Western Australia	10%	10%	8%	9%	9%
	Total	*100%*	*100%*	*100%*	*100%*	*100%*

Source: Wine Intelligence, Vinitrac® Australia, Mar'07 (n=1,007), Oct'09 (n=1,008), Oct'15 (n=1,001), Jul'18 (n=1,000) and Jul'19 (n=1,000) Australian regular wine drinkers

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