



WINE INTELLIGENCE
US LANDSCAPES 2020

JANUARY 2020



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- Wine Intelligence Ltd: 109 Maltings Place, 169 Tower Bridge Road, London SE1 3LJ Tel: 020 73781277. E-mail: info@wineintelligence.com. Registered in England as a limited company number: 4375306

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As the largest wine market in the world by both volume and value, the United States is a crucial bellwether for the overall health of the global wine industry. For most of this century it has delivered healthy growth both in terms of wine drinking population, and in terms of wine volumes. However some key changes are afoot in the market which may spell the end of this era, and the start of a new trend.

Perhaps the most compelling finding in this year's report is the fall in the regular wine drinking population. The number of regular wine drinkers (those who consume wine at least once a month) decreased by 11 million drinkers since 2015 – down to an estimated 77 million from a high of 88 million in 2015. On a more positive note, over the same time period the estimated number of those consuming wine at least once per year has increased by 8 million people (to 118 million), while the total estimated population of alcohol drinkers in the US has remained stable. So far, this increase in overall participation, but decrease in regularity of drinking, appears to have had a net neutral effect on wine volumes, which remain broadly stable until the end of 2018, the most recent full year sales data published.

This fall in the regular wine drinking population is most likely the result of a combination of factors, chief among which are moderation trends and category switching. Just under half of regular wine drinkers in the US are now reducing their wine consumption by either drinking wine less often, not drinking it at some occasions, or opting for non-alcohol beverages. Over half of those who claim to be drinking less as they have switched to other alcoholic beverages, such as hard seltzers. Another category that is gaining position is cannabis. 7% of regular wine drinkers claim to drink less wine as they've switched to cannabis products and one in five US regular wine drinkers now think that cannabis products are a good alternative to wine.

The regular wine drinking population is aging, with over one third of the whole population now aged over 55. These older consumers, characterized by higher incomes and a long experience in the wine category, are also the most likely to drink on a daily basis. Although Millennials are not drinking as frequently, they are highly involved, adventurous consumers who are willing to trade up. They spend significantly more than older consumers across the majority of off and on-premise occasions and are also becoming more ethically aware.

If Millennials account for the future wine drinking population, the US wine market will definitely experience some evolutionary pain. The newer wine drinkers are highly involved, open-minded, seeking quality and willing to pay for it, while drinking less overall and spreading their spending across a more diverse range of categories. Their parents' generation are more likely to be habitual wine drinkers, value seekers, and volume purchasers. The industry's challenge for the new decade will be how to manage the slow but inexorable transition between these very different generations.

RESEARCH METHODOLOGY

Vinitrac®



- The data for this report was collected in the US in July 2015, July 2016, July 2017, July 2018, October 2018 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-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 gender, age, and region
- The distribution of the sample is shown in the table:

		<i>Jul-15</i>	<i>Jul-16</i>	<i>Jul-17</i>	<i>Jul-18</i>	<i>Oct-18</i>	<i>Oct-19</i>	
		<i>n=</i>	<i>2,000</i>	<i>2,003</i>	<i>4,000</i>	<i>4,000</i>	<i>6,000</i>	<i>7,000</i>
Gender	Male	51%	48%	48%	50%	50%	51%	
	Female	49%	52%	52%	50%	50%	49%	
	Total	100%	100%	100%	100%	100%	100%	
Age	21 - 24	9%	8%	8%	8%	8%	7%	
	25 - 34	24%	20%	21%	22%	22%	21%	
	35 - 44	18%	13%	13%	14%	14%	18%	
	45 - 54	19%	18%	18%	18%	18%	15%	
	55-64	14%	18%	17%	18%	18%	16%	
	65 and over	16%	22%	22%	21%	21%	22%	
Total	100%	100%	100%	100%	100%	100%		
Region	New England	5%	6%	6%	6%	6%	5%	
	Middle Atlantic	16%	16%	16%	14%	14%	15%	
	East North Central	13%	13%	13%	13%	13%	11%	
	West North Central	6%	6%	6%	4%	4%	6%	
	South Atlantic	19%	19%	19%	20%	20%	21%	
	East South Central	0%	4%	4%	5%	5%	4%	
	West South Central	14%	9%	9%	11%	11%	11%	
	Mountain	6%	7%	7%	6%	6%	7%	
	Pacific	19%	20%	20%	21%	21%	20%	
Total	100%	100%	100%	100%	100%	100%		

Source: Wine Intelligence, Vinitrac® USA, July 2015 (n = 2,000), July 2016 (n = 2,003), July 2017 (n = 4,000), July 2018 (n = 4,000), October 2018 (n = 6,000) and October 2019 (n = 7,000) US regular wine drinkers

Qualitative



Trade interview methodology

- Trade Interviews were conducted with 11 experienced industry professionals in the US 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 11 interviewees were members of the wine trade working in different roles:
 - 1 x Sommelier
 - 1 x Wine Producer
 - 1 x Marketing Manager and Director
 - 1 x Wine & Spirits Importer and Distributor
 - 1 x Wine & Spirits Importer
 - 1 x Wine Consultant
 - 1 x Wine Educator
 - 1 x Wine Educator and Influencer / Distributor
 - 1 x Wine Retailer and Wine Bar Owner
 - 1 x Brand Director
 - 1 x Wine Bar Owner

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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Wine Intelligence London (Head Office)

109 Maltings Place
169 Tower Bridge Road
London
SE1 3LJ

Telephone: +44 (0)20 7378 1277
Email: info@wineintelligence.com
Website: www.wineintelligence.com

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