



WINE INTELLIGENCE

CANADA WINE LANDSCAPES 2020

FEBRUARY 2020



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INTRODUCTION



According to Wine Intelligence's Market Attractiveness Model, Canada is the second most attractive wine market worldwide after the US, and it is classified as a growing market. With the number of monthly drinkers settling down, wine volumes stabilizing, expanding knowledge and growing appreciation of higher priced artisanal products, Canada seems to be evolving into a more established and balanced wine market.

Despite the overall adult population rising since 2017, the number of regular wine drinkers in Canada has decreased by 3 million people, likely driven by the overall decrease in the yearly wine drinking population over the years, which lost approximately 3 million people since 2017. Considering global moderation trends, coupled with consumers' growing health-conscious attitudes, it can be speculated that those 3 million people simply decided to cut alcoholic beverages out of their lives. This would not be surprising, in fact, Canadians' attitudes towards low- and no-alcohol wine are changing, with the proportion of those who consider the alcohol content to be an important or very important factor when buying wine significantly increasing since 2014. This shift has also been noticed by trade experts, who have seen an increasing demand for no-alcohol wine.

The decreased wine drinking population could also be attributed to yet another global trend: a growing interest in other alcoholic categories. The significant increase in beer, whisky, craft beer, pre-mixed alcoholic beverages and gin consumption highlights said change. Canadians seem to be highly fond of beer, making it the third most consumed alcoholic beverage after red and white wine. Craft beer is being highly appreciated by Canadians as well, with a 10% increase in the proportion of them consuming it since 2014. Not only does this show an increasing interest towards other categories, but also it highlights a growing appreciation of artisanal and local products.

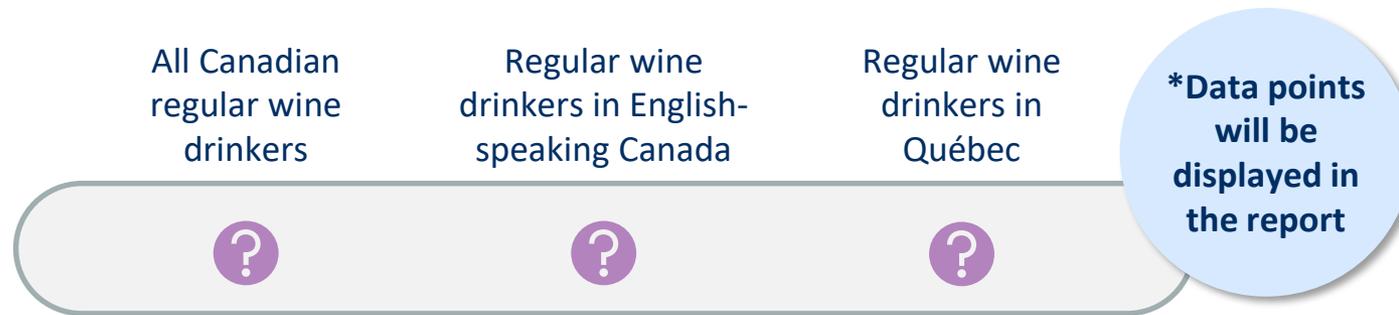
The appreciation of local production is also highlighted when it comes to wine. Canada is the first country in terms of consumption among Canadian regular wine drinkers, with almost two thirds of the overall wine drinking population having drunk domestic wine in the past 6 months. While this is especially true for English-speaking Canadians, who are historically more likely to consume local wine, the past few years showed a shift in country of origin consumption with a significantly higher proportion of English-speaking Canadian regular wine drinkers aware of European wine-producing countries compared with 2014. Likewise, the proportion of Québécois regular wine drinkers aware of Canada as a wine-producing country significantly increased since 2016. The vibrant and expanding domestic production will surely have a positive impact on the Canadian wine market and possibly already has. Canadian regular wine drinkers are already showing significantly higher levels of wine knowledge compared with 2014.

In sum, the Canadian wine market is growing into a more stabilized market. Following global trends of moderation and category switching, Canadian regular wine drinkers are highly attracted to local and artisanal products. In the next 12 months, Canadian local production will keep expanding and becoming more and more interesting and vibrant, positively impacting its consumers.

EXAMPLE*

Wine **knowledge** index: English-speaking Canadian vs Québécois

Wine knowledge index (0-100) is calculated based on consumer-reported awareness of wine-producing countries, wine-growing regions and wine brands
Base = All Canadian regular wine drinkers (n=1,000)



Wine **confidence** index : English-speaking Canadian vs Québécois

Wine confidence index (0-100) is calculated based on the extent to which consumers feel competent about their wine knowledge
Base = All Canadian regular wine drinkers (n=1,000)



RESEARCH METHODOLOGY

Vinitrac®



- The data for this survey was collected in Canada in October 2014, October 2016, 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 Canadian regular wine drinkers in terms of gender, age and Canada Provinces
- The distribution of the sample is:

		<i>Oct-14</i>	<i>Oct-16</i>	<i>Oct-18</i>	<i>Oct-19</i>
		<i>n=</i>	<i>1,002</i>	<i>1,000</i>	<i>1,000</i>
Gender	Male	50%	52%	50%	51%
	Female	50%	48%	50%	49%
	Total	100%	100%	100%	100%
Age	19-24	9%	11%	9%	7%
	25-34	19%	17%	20%	22%
	35-44	16%	17%	22%	18%
	45-54	19%	18%	13%	17%
	55-64	18%	18%	18%	17%
	65 and over	19%	18%	18%	20%
	Total	100%	100%	100%	100%
Province	Quebec	26%	28%	25%	25%
	Ontario	40%	39%	39%	38%
	West	28%	28%	30%	31%
	Other Provinces	6%	5%	5%	5%
	Total	100%	100%	100%	100%

Source: Wine Intelligence, Vinitrac® Canada, October 2014 (n = 1,002), October 2016 (n = 1,000), October 2018 (n = 1,000) and October 2019 (n = 1,000) Canadian 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

Qualitative



Trade interview methodology

- Trade Interviews were conducted with three experienced industry professionals in the Canadian wine trade in December 2019 and January 2020
- Interviews followed a pre-determined discussion guide, and covered overall market trends, opportunities for different wine styles, retail channels and pricing
- The three interviewees were members of the wine trade working in different roles:
 - *1 x Wine Buyer*
 - *1 x Director of a Wine and Spirits Agency*
 - *1 x Export Manager*

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