



WINE INTELLIGENCE

IRELAND WINE LANDSCAPES

FEBRUARY 2020



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INTRODUCTION



Ireland Wine Landscapes 2020 reveals several wine consumer shifts in the Irish wine market, revealing an evolving wine consumer who is increasingly involved in and confident about the category, along with having more established wine preferences.

In a country of 3.7 million adults (aged 18+), more than half of Irish adults drink wine on a monthly basis. These consumers appear to be ageing, with a quarter now aged 65+ compared to 9% in 2012. At the same time, Irish regular wine drinkers are now earning significantly more, possibly due to the several years of positive economic growth in Ireland. Irish wine consumers are not only more wine-involved and confident in 2019, but are also spending more per bottle, seen by average per-bottle-spend on wine significantly increasing for all off-trade consumption occasions, reflecting changes in retail prices and a willingness to trade up amongst consumers.

Historically, white wine has been the main alcoholic beverage of choice amongst Irish wine consumers. However, for the first time in seven years, red wine matched white wine for usage incidence in Ireland, becoming the top alcoholic beverage for consumption amongst Irish regular wine drinkers. This growing popularity of red wine is most likely due to the steady increase in purchase incidence of wines from the Rioja region of Spain, confirmed by both our quantitative data and Irish trade members. Along with Spain, Italy and France are performing quite well with significantly higher proportions of people now consuming wines from Old World origins since 2012. On the other hand, New World wine-producing countries are suffering in Ireland, seen by the decreasing proportions of consumers drinking wine from a variety of New World origins including Chile, Australia and South Africa. Trade experts also suggest that rosé is no longer a seasonal beverage, now becoming a more permanent staple in consumers' wine repertoires due to shifting consumer perceptions.

Despite wine consumption frequency remaining relatively stable, Irish wine consumers may be displaying moderation trends. For example, almost half of the regular wine drinking population now consider alcohol content to be important or very important when choosing which wine to buy, a percentage that has significantly increased since 2012. Trade experts also confirm that they are seeing increased interest in the lower and no alcohol wine category, indicating opportunity for this niche sector.

When it comes to retail, Irish regular wine drinkers are no longer buying wine from top retailers such as Tesco or Dunnes and are alternatively choosing to buy wine from discount stores Aldi, Lidl and SuperValu. This movement towards discount retailers is likely due to high excise tax on wine as Ireland has the second highest overall alcohol excise tax and the highest wine excise tax in the EU (€3.18 per 75cl bottle, or 80 times that of France).

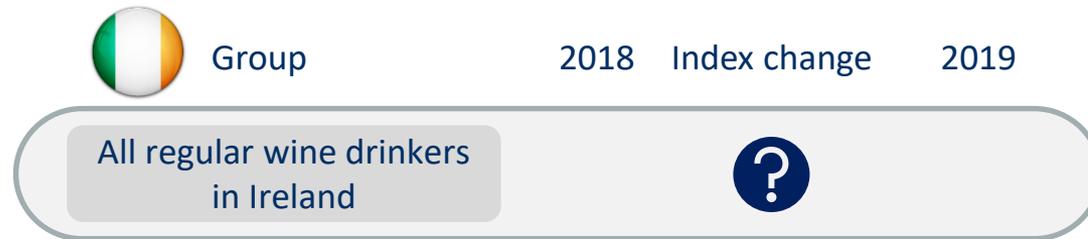
The big unknown for Ireland over the next 12 months is the shape of the post-Brexit trade deal, which will come into force when the transition period between the UK and the EU ends in January 2021. A good deal for both the UK and the EU will allow the Irish economy to carry on expanding at a clip (by 5% in the past 12 months alone); a 'hard' Brexit trading relationship will mean significant short-term disruption and a longer term drag on economic activity that currently enjoys frictionless trade across the Irish Sea and between the North and the Republic.

WINE CONFIDENCE AND KNOWLEDGE INDEX



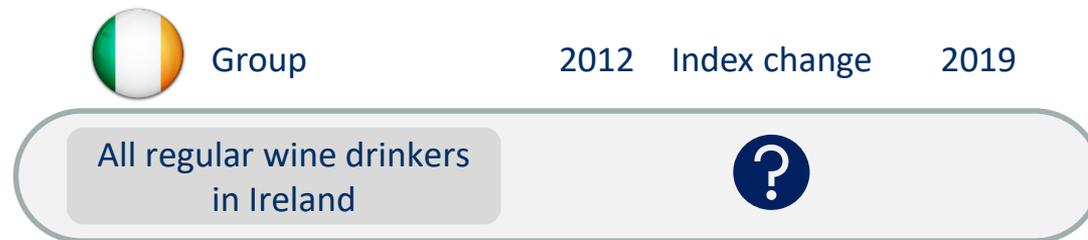
Wine **knowledge** index: Tracking

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



Wine **confidence** index: Tracking

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



Wine confidence index uses consumers' answers to three attitudinal statements:

1. I feel competent about my knowledge of wine
2. Compared to others, I know less about the subject of wine
3. I don't understand much about wine

RESEARCH METHODOLOGY: IRISH REGULAR WINE DRINKERS



Vinitrac®

- The data for this report was collected in Ireland in October 2012, July & 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-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 Irish regular wine drinkers in terms of gender and age
- The distribution of the sample is shown in the table:

		<i>Oct-12</i>	<i>Jul + Oct-18</i>	<i>Oct-19</i>	
		<i>n=</i>	<i>1010</i>	<i>2000</i>	<i>1000</i>
Gender	Male	50%	50%	48%	
	Female	50%	50%	52%	
	Total	100%	100%	100%	
Age	18-24	10%	5%	8%	
	25-34	22%	18%	18%	
	35-44	21%	21%	19%	
	45-54	17%	18%	16%	
	55-64	21%	16%	14%	
	65 and over	9%	21%	24%	
	Total	100%	100%	100%	

Source: Wine Intelligence, Vinitrac® Ireland, Oct-12 (n=1,010), Jul + Oct-18 (n=2,000) and Oct-19 (n=1,000) Irish 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



Trade interview methodology

- Trade Interviews were conducted with three experienced industry professionals in the Irish 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 three interviewees were members of the wine trade working in different roles:
 - 1 x Wine Director and Buyer
 - 1 x Wine Buyer
 - 1 x Wine Writer and Podcaster

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