WINE INTELLIGENCE

AUSTRALIA WINE LANDSCAPES

October 2020

REPORT BROCHURE

PRICING

Option 1: Report + data table

Price:

GBP 3,000
USD 4,000
AUD 5,700
EUR 3,500

6 report credits

Report length: 79 pages

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Price:

GBP 2,500
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EUR 2,900

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REPORT CONTENTS

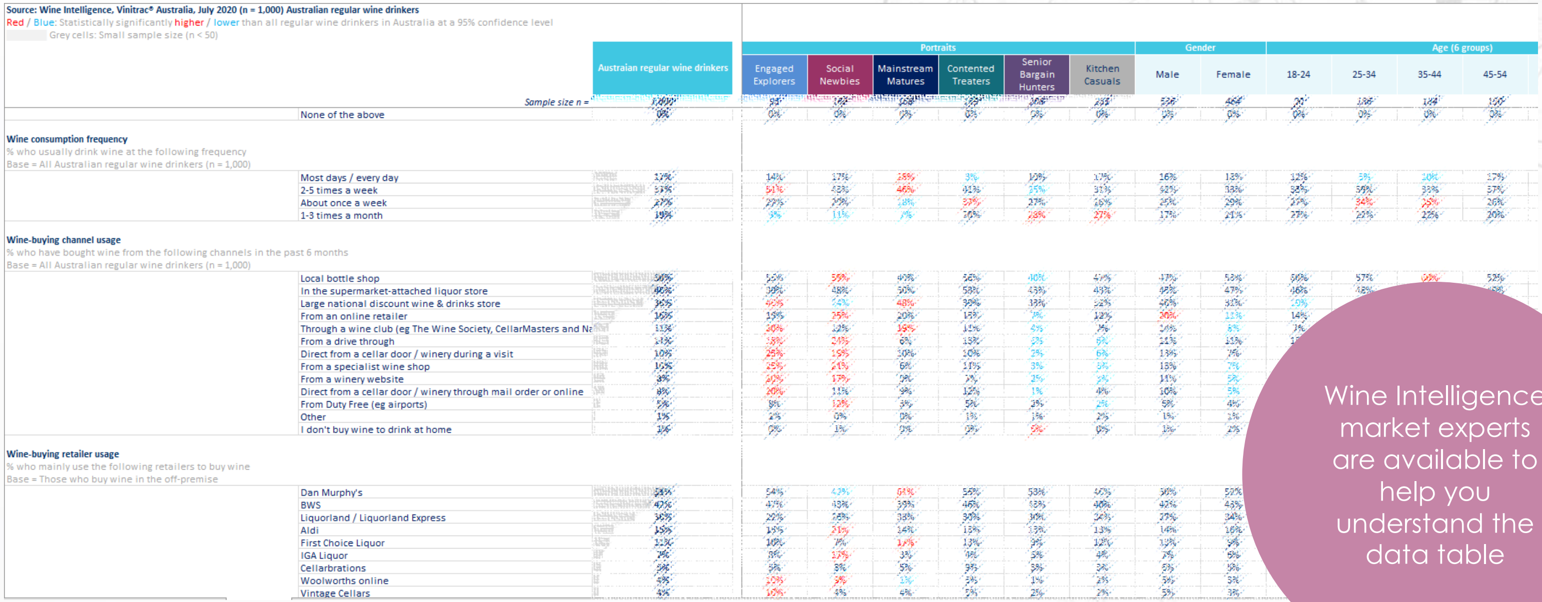
DATA TABLE DETAILS

Data table includes:

- **Profiling by cross-tabs** including Portraits segmentations, gender, age, income, location, wine involvement and off-premise spend
- **Tracking** against past waves where available
  - This data table includes March 2016, July 2018, March 2020 and July 2020
- **All significances highlighted**

Example screenshot of data table:

Data will not be blurred when you receive the report



Wine Intelligence market experts are available to help you understand the data table

INTRODUCTION

It has been a year to remember – and also forget – for Australia's wine industry. The unprecedented bushfires during the past 12 months have left physical scars on the landscape as well as mental scars on everyone who works in the wine sector. On top of this has come another unprecedented crisis in modern history. The Covid-19 pandemic has caused massive disruption to the Australian economy and in particular the hospitality sector on which the wine industry depends. And that's before one considers the potential upheaval of the UK's exit from the EU and growing trade tensions with China.

However there are still plenty of silver linings in evidence, some of which are apparent in the usage and attitude data about Australian wine consumers which forms the spine of this Landscape report. The bushfire and Covid crises have provoked a strong and sustained outpouring of support for Australian wines from Australian wine drinkers, who have increased their purchase levels of domestic wines at the expense of imports.

At the same time, the longer-term trends of spending a bit more on a bottle of wine remain in evidence, across all occasions and in all settings (though mostly, of late, restricted to off-premise).

There are longer-term concerns for the category , which this report also highlights. Fewer Australians are drinking wine than at any point in the past 5 years, with over 2 million adults exiting the category since 2015. At the root of this lies a combination of factors, of which the allure of other, more dynamic alcoholic beverages, and the general reduction in alcohol consumption appear to be major drivers.

On the plus side, these category leavers tended to be low frequency drinkers to begin with, and the core weekly drinking population looks stable. On the downside, the wine drinker population pyramid is starting to look unnervingly top-heavy, with the average age of Australian wine drinkers rising as the category struggles to entice the 18-24s to become wine drinkers.

Warning signs are also apparent in the alcohol portfolios of the nine million regular wine drinkers. Gin and craft beer are growing their audience, and most likely siphoning off some of the traditional wine 'moments' such as the social outdoor or pre-dinner occasion. Most concerningly, these two alcohol categories are strongest amongst younger drinkers, suggesting that wine is going to have a bare-knuckle fight over the next decade to hang onto these consumers as they enter their 40s and 50s.

EXAMPLE SLIDE:

MANAGEMENT SUMMARY

INCREASED SPEND ON WINE IN THE OFF-PREMISE

Long-term increases in average spend points towards premiumisation within the wine category

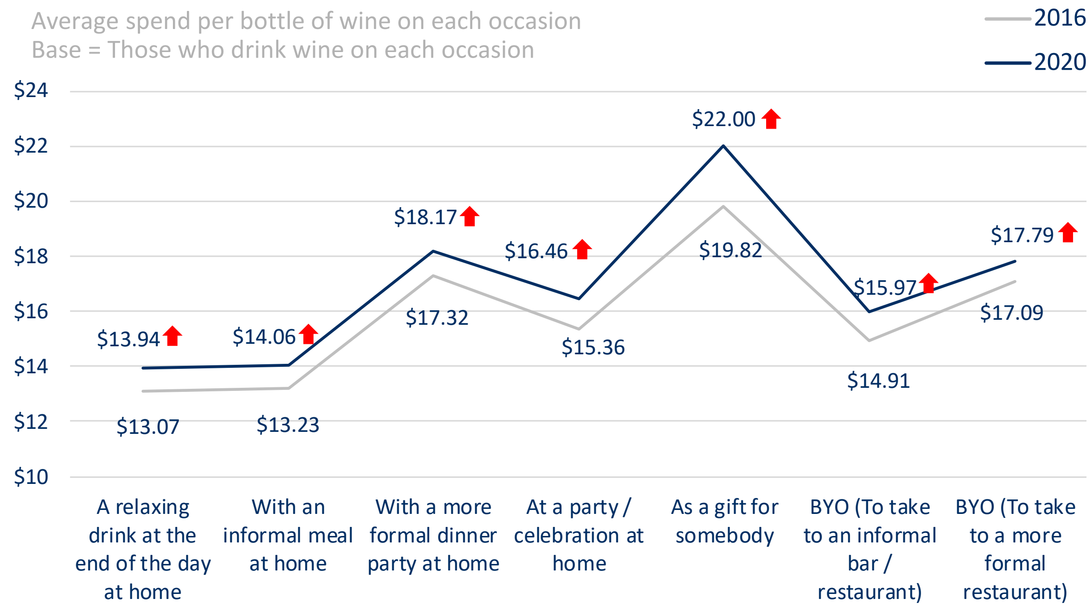
Over the past four years, there has been a small but sustained increase in recalled average spend per bottle for off-premise occasions amongst Australian regular wine drinkers

More recently, with the restrictions as a result of the global pandemic, consumers appear willing to spend more money on quality bottles of wine

This is particularly the case for at home occasions due to the restrictions in the on-premise

Average spend per occasion: **Off-premise** tracking

Average spend per bottle of wine on each occasion
Base = Those who drink wine on each occasion



WHAT DO MARKET EXPERTS SAY?

Qualitative feedback from the trade confirms that Australian consumers are trading up, exacerbated by the recent pandemic

"We've seen many years of strong growth, not so much by volume, but in terms of value as Australian drinkers are trading up to more premium wines"

Wine Journalist, Australia

"People are splashing out because they can't spend their money on holidays or going out to a nice restaurant. So, they're spoiling themselves with a sort of special bottle of wine that they might not normally have got"

Wine Producer, Australia

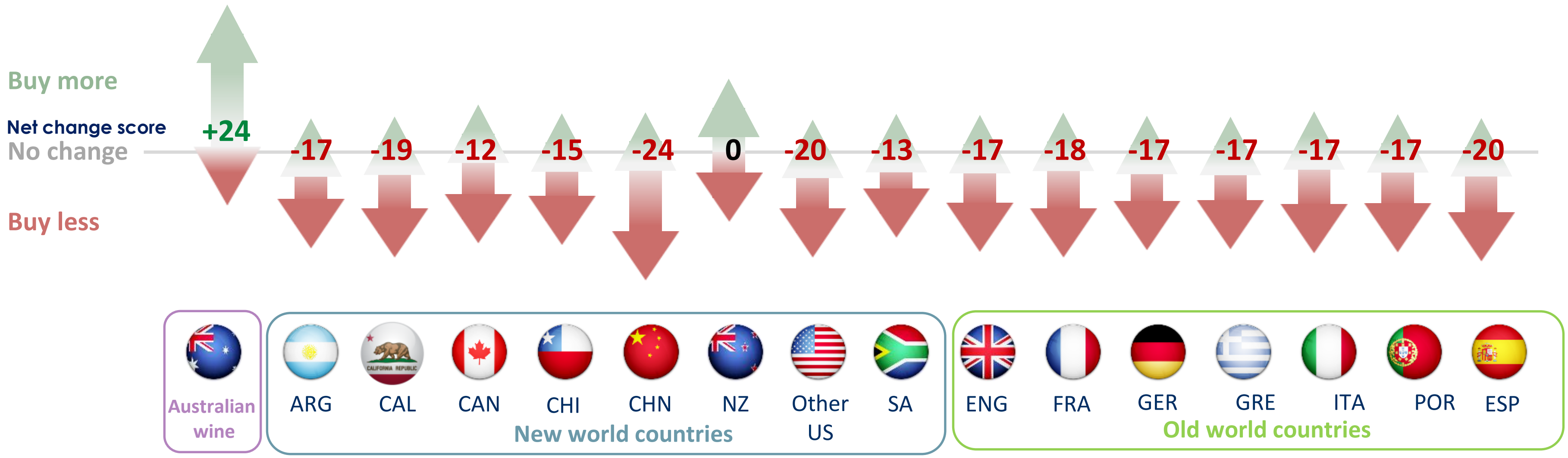
Wine Intelligence trade interview programme September 2020
⬆ / ⬇ : Statistically significantly higher / lower than the previous wave(s) at a 95% confidence level
Source: Wine Intelligence, Vinitrac® Australia, Mar'16 and Jul'20, (n=1,000) Australian regular wine drinkers

EXAMPLE SLIDE: COUNTRY OF ORIGIN: CHANGE IN PURCHASE

Beyond wines from New Zealand, Australian consumers were purchasing more local wine in July 2020 than they had done pre-pandemic

Country of origin change in purchase during July 2020 compared with pre-pandemic behaviour

% who have changed their purchase behaviour of each place due to the impacts of Coronavirus
Base = Those who are aware of each place



WHAT DO MARKET EXPERTS SAY?

"We're certainly seeing a good uptake in local wines as well in our regional areas. With just generally people being a little bit more parochial. People will be a lot more conscious about where their wine potentially is coming from or who the producer is"

Wine Retailer, Australia

Net change score = % consumers who buy / trust more wine from this country minus % consumers who buy / trust less wine from this country

Wine Intelligence trade interview programme September 2020
Source: Wine Intelligence, Vinitrac® Australia, Jul'20, (n=1,000) Australian regular wine drinkers

EXAMPLE SLIDE: ALCOHOLIC BEVERAGE REPERTOIRE

Younger drinkers are more adventurous with their alcoholic beverage consumption, with those aged under 35 over indexing across numerous alcoholic categories

wine intelligence

Alcoholic beverage repertoire: Top 20 by age

% who have drunk the following beverages in the past 12 months
Base = All Australian regular wine drinkers (n=1,000)

Rank Jul-20		All Australian regular wine drinkers	Age groups 18-24	25-34	35-44	45-54	55-64	65 and over
	n=	1,000	90	186	184	190	160	190
1	Red wine	81%	80%	81%	83%	82%	82%	78%
2	White wine	80%	73%	69%	80%	86%	84%	81%
3	Beer	64%	66%	65%	72%	73%	57%	52%
4	Whisky / Whiskey	41%	37%	50%	43%	47%	37%	28%
5	Sparkling wine from Australia	41%	30%	40%	45%	45%	41%	37%
6	Vodka	37%	59%	52%	45%	39%	26%	11%
7	Rosé wine	35%	39%	48%	35%	30%	36%	26%
8	Cider	34%	34%	46%	44%	36%	25%	16%
9	Craft beer	32%	25%	39%	37%	39%	29%	19%
10	Gin	30%	29%	38%	33%	38%	25%	15%
11	Champagne (French Champagne)	28%	34%	34%	31%	29%	27%	18%
12	Rum	25%	32%	34%	24%	28%	20%	17%
13	Cocktails	25%	43%	44%	29%	21%	17%	6%
14	Liqueurs	24%	26%	31%	21%	22%	24%	18%
15	Pre-mixed / ready to drink alcoholic beverages	23%	35%	34%	24%	29%	18%	6%
16	Prosecco	23%	21%	24%	26%	24%	25%	15%
17	Port	17%	7%	16%	13%	20%	20%	20%
18	Sweet / dessert wine	15%	24%	22%	19%	10%	11%	7%
19	Other sparkling wine	13%	11%	18%	17%	11%	9%	9%
20	Brandy / Cognac	12%	8%	23%	15%	9%	11%	7%

Red / Blue: Statistically significantly higher / lower than all regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® Australia, Jul'20, (n=1,000) Australian regular wine drinkers

vinitrac

RESEARCH METHODOLOGY: QUANTITATIVE

The data was collected in Australia in March 2016, July 2018, March 2020 and July 2020

Data was gathered via Wine Intelligence's Vinitrac® online survey

Respondents were screened to ensure that they were at least 18 years old; drank red, white or rosé wine at least once a month; and bought 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-16	Jul-18	Mar-20	Jul-20
	n=	*1,000*	*1,000*	*1,000*	*1,000*
Gender	Male	50%	50%	54%	54%
	Female	50%	50%	46%	46%
	Total	***100%***	***100%***	***100%***	***100%***
Age	18-24	12%	13%	9%	9%
	25-34	19%	19%	19%	19%
	35-44	19%	16%	18%	18%
	45-54	16%	15%	19%	19%
	55-64	15%	16%	16%	16%
	65 and over	18%	20%	19%	19%
	Total	***100%***	***100%***	***100%***	***100%***
Region	Australian Capital Territory	2%	1%	1%	1%
	New South Wales	31%	33%	33%	33%
	Northern Territory	0%	2%	1%	1%
	Queensland	19%	18%	20%	20%
	South Australia	10%	7%	7%	7%
	Tasmania	2%	1%	3%	3%
	Victoria	29%	29%	25%	25%
	Western Australia	8%	9%	9%	9%
	Total	***100%***	***100%***	***100%***	***100%***

Source: Wine Intelligence, Vinitrac® Australia, March 2016 (n = 1,000), July 2018 (n = 1,000), March 2020 (n = 1,000) and July 2020 (n = 1,000) Australian regular wine drinkers

Other sources in the report include Wine Intelligence market experience, secondary sources and trade interviews

Connecting wine businesses with knowledge and insights globally

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