WINE INTELLIGENCE

UK WINE LANDSCAPES 2021

DECEMBER 2020

REPORT BROCHURE

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REPORT CONTENTS

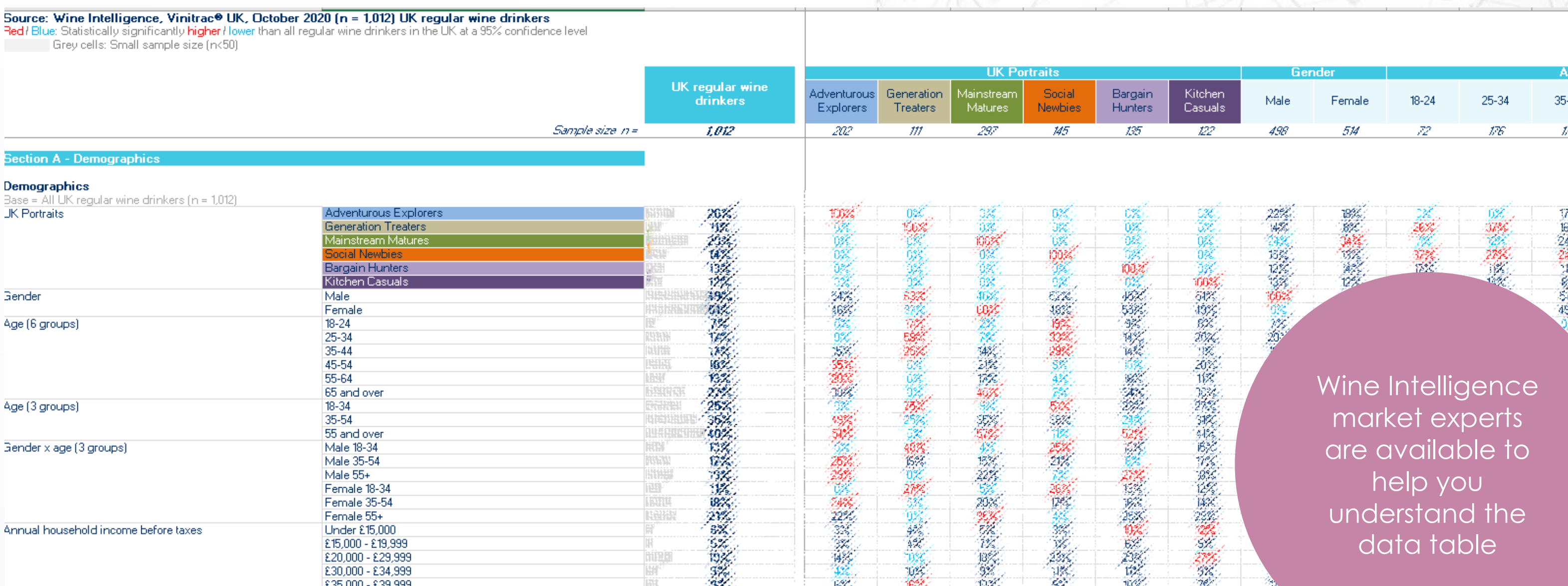
DATA TABLE DETAILS

Data table includes:

- **Profiling by cross-tabs** including Portraits segmentations, gender, age, income, location, online wine buyers and wine involvement
- **Tracking** against past waves where available
  - This data table includes July 2015, July 2017, March + July 2019, October 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

If the Covid era has proved anything, it is that wine still has a place in UK consumer hearts. Faced with an unprecedented disruption to daily life, wine consumption in the UK in 2020 remained strong, with volumes through off-trade making up for the loss of on-trade business and spend per bottle growing.

Before we declare a renaissance, it may be worth looking at the longer-term picture, which is not so encouraging. Five-year sales trends remain negative. The wine drinking population continues to decline – the UK has lost nearly 4 million monthly drinkers since 2015, even as the total adult population of the nation has grown. Younger people are exiting the wine category as competition from gin, craft beer and cocktails nibbles away at wine's franchise.

And so here is the puzzle: the UK remains a very interesting and diverse market, with niche and mainstream opportunities, but one where wine businesses often face their toughest tests. The UK wine drinking population may be shrinking, but it is getting more engaged in wine and more confident about experimenting. The retailers that service this market are tough on their suppliers because they must deliver amid a highly competitive environment, where good value wines are easy to come by.

As has been widely reported in the media, 2020 was a strong year for wine e-commerce, with a growing proportion of the population shopping for wine through supermarket websites and one in seven drinkers using a specialist online wine retail site.

It was also a year of reversion to that which is tried, trusted and local. Traditional choice cues of varietal and country of origin becoming dominant again, with recommendation becoming less of a driver. Our brand health data suggests that the biggest brands did well in the pandemic era, while less widely distributed brands struggled. And it was a strong year for domestic (English) wines, as UK consumers seek to buy local, in line with trends in other markets.

Two Covid trends that will also be apparent in the data are the growing interest in alternative packaging types, with smaller bag in box (2.25L), single serve and 500ml bottles all gaining awareness. And of course, the on-trade saw declining usage in 2020, thanks to being shuttered for several months.

However, there is some hope here for beleaguered bars and restaurants; despite the access difficulties, consumer recalled wine purchase in on-trade did not decline by that much, according to our data. It might have been the successful government 'Eat Out To Help Out' scheme launched in August, between Lockdowns 1 and 2. Or it may be that consumers still see themselves enjoying a glass or two in their favourite pub or restaurant – and are just waiting for the Covid storm to blow itself out.

EXAMPLE SLIDE:

MANAGEMENT SUMMARY

COVID-19 BOOSTED WINE CONSUMPTION FREQUENCY AND SPEND

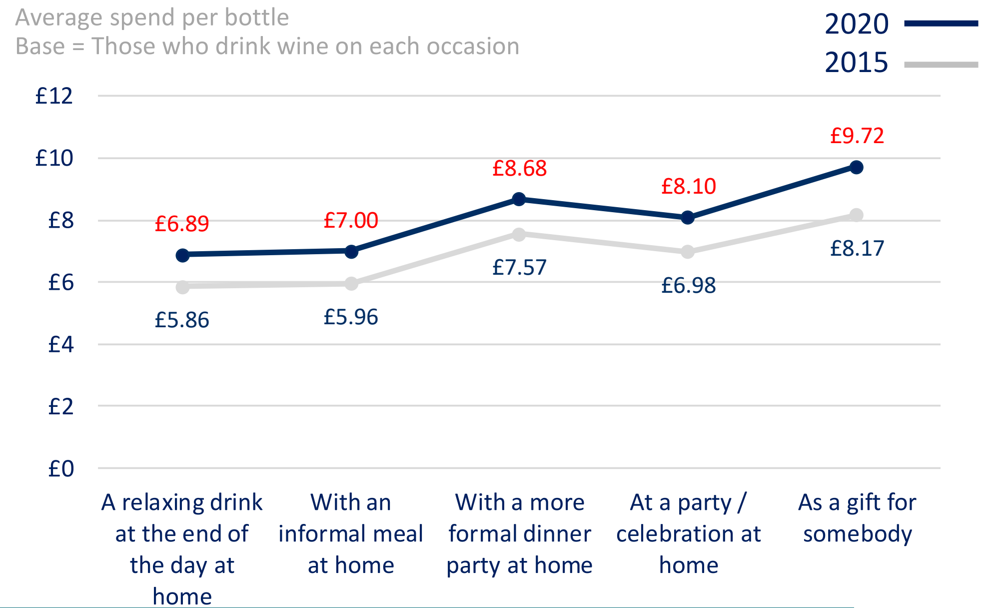
Although total wine volumes continue to drop in the UK market, COVID-19 seems to have boosted recalled wine consumption

Consumption frequency increased steadily from March through to August 2020, and appears to have returned closer to pre-pandemic levels in October

Spend levels appear to have risen in the second half of 2020 as the initial shock of the pandemic wore off and are now back on the long-term trend of average spend increase

Regardless of the pandemic, UK consumers are spending more across all occasions compared with 2015, including social in-home occasions that initially struggles due to restrictions

Off-trade: Spend on wine by occasion (averages)



WHAT DO MARKET EXPERTS SAY?

"The latest information I have is that we have sold more this year as an industry compared with 2019 – reversing a 10 year decline"

Importer, UK

"High end wine customers are less likely to be affected by economic downturn. They might not buy the new hot tub, but still find money to buy good wine"

Wine Producer, UK

"People stopped going to restaurants, so had more money to spend on nice wines to have at home"

Influencer, UK

Wine Intelligence trade interview programme 2020
Red / Blue: statistically significantly higher / lower than 2015 at a 95% confidence level
Source: Wine Intelligence, Vinitrac® UK, Jul'15 & Oct'20, (n≥1,000) UK regular wine drinkers

EXAMPLE SLIDE: WINE CONSUMPTION FREQUENCY

Among the population remaining in the monthly wine drinker category, there is broadly stable consumption rates overall, though there is a notable contrast between the frequent drinking habits of over 55s compared with the more occasional wine consumption exhibited by under 35s

Wine consumption frequency: Tracking

% who usually drink wine at the following frequency
Base = All UK regular wine drinkers (n≥1,000)

	2015	2017	2019	2020	Tracking		
n=	*1,000*	*1,000*	*3,000*	*1,012*	vs. '15	vs. '17	vs. '19
Most days / every day	13%	10%	11%	13%	➡	➡	➡
2-5 times a week	38%	40%	36%	38%	➡	➡	➡
About once a week	28%	30%	30%	28%	➡	➡	➡
1-3 times a month	20%	20%	23%	21%	➡	➡	➡

Wine consumption frequency by age

% who usually drink wine at the following frequency
Base = All UK regular wine drinkers (n=1,012)

		Age groups		
	All UK regular wine drinkers	18-34	35-54	55+
n=	*1,012*	*248*	*356*	*408*
Most days / every day	13%	8%	11%	17%
2-5 times a week	38%	32%	40%	41%
About once a week	28%	33%	31%	23%
1-3 times a month	21%	28%	18%	20%

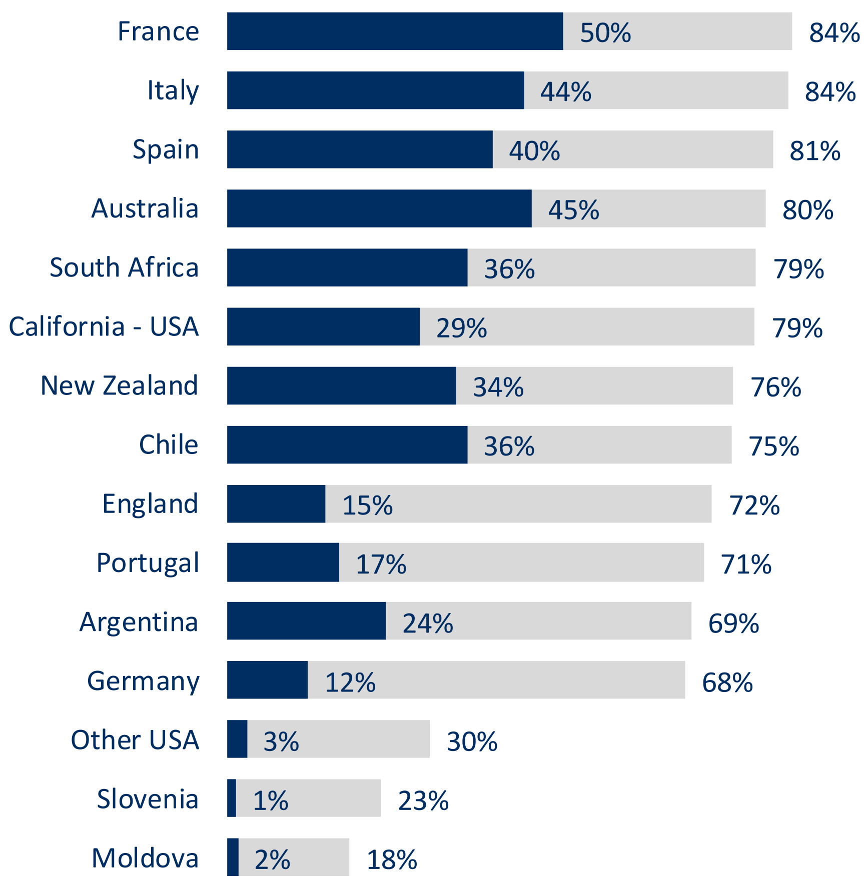
Red / Blue: Statistically significantly higher / lower than all regular wine drinkers at a 95% confidence level
⬆ / ⬇ : Statistically significantly higher / lower than the previous wave(s) at a 95% confidence level
Source: Wine Intelligence, Vinitrac® UK, Jul'15, Jul'17, Mar+Jul'19 & Oct'20, (n≥1,000) UK regular wine drinkers

EXAMPLE SLIDE: COUNTRY OF ORIGIN AWARENESS AND CONSUMPTION

France, Italy, Spain and Australia remain the dominant countries of origin, though awareness levels are high for most mainstream production countries

Country of origin **awareness** and respective **consumption** level

Base = All UK regular wine drinkers (n=1,012)



% who know the following places produce wine

% who have drunk wine from the following places in the past 6 months

WHAT DO MARKET EXPERTS SAY?

"New Zealand and Argentina will continue to be strong because they have such a clear positioning [with varietals]"

Importer, UK

Wine Intelligence trade interview programme 2020
Source: Wine Intelligence, Vinitrac® UK, Oct'20, (n=1,012) UK regular wine drinkers

RESEARCH METHODOLOGY: QUANTITATIVE

- The data for this report was collected in the UK in July 2015, July 2017, March & July 2019 and October 2020
- 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 UK regular wine drinkers in terms of gender, age, annual pre-tax household income and region
- The distribution of the sample is shown in the table:

		Jul-15	Jul-17	Mar+Jul-19	*Oct-20*
	n=	1,000	1,000	3,000	*1,012*
Gender	Male	45%	50%	48%	49%
	Female	55%	50%	52%	51%
	Total	***100%***	***100%***	***100%***	***100%***
Age	18-24	10%	7%	9%	7%
	25-34	15%	18%	16%	17%
	35-44	18%	18%	16%	17%
	45-54	18%	19%	16%	18%
	55-64	16%	16%	15%	13%
	65+	20%	22%	27%	27%
	Total	***100%***	***100%***	***100%***	***100%***
Annual household income before taxes	Under £20,000	23%	11%	12%	11%
	£20,000 - £29,999	22%	17%	17%	19%
	£30,000 - £39,999	18%	19%	19%	18%
	£40,000 - £59,999	12%	18%	12%	11%
	£60,000+	25%	25%	29%	29%
	Don't know / Refused	0%	10%	10%	13%
	Total	***100%***	***100%***	***100%***	***100%***
Region	North	26%	26%	21%	22%
	Midlands	17%	15%	17%	14%
	South East + East	21%	23%	23%	23%
	London	13%	14%	13%	14%
	South West	10%	9%	9%	11%
	Wales	5%	5%	5%	5%
	Scotland	8%	6%	9%	8%
	Northern Ireland	1%	1%	3%	3%
	Total	***100%***	***100%***	***100%***	***100%***

Source: Wine Intelligence, Vinitrac® July 2015, July 2017, March + July 2019 and October 2020 (n ≥ 1,000) UK regular wine drinkers

Other sources in the report include Wine Intelligence market experience, secondary sources and trade interviews. The makeup of the Covid-19 impact and packaging module are also different

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