WINE INTELLIGENCE

GLOBAL SOLA:

OPPORTUNITIES FOR SUSTAINABLE AND ORGANIC WINE

FEBRUARY 2021

REPORT BROCHURE

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INTRODUCTION

Sustainability has been an important trend throughout the past few years across all sectors and Covid-19 has only increased the discussion. While lockdowns across multiple countries have resulted in images of clearer skies and bluer bodies of water, there has also been a rise in discarded facemasks and increased packaging as more people shop online and get things delivered.

In this first update since 2019, this report looks at just how much Covid-19 has impacted wine consumers' views about sustainable and alternative wines. We measured wine consumer attitudes towards 13 types of alternative wines, including organic, sustainably produced and environmentally friendly wine, amongst others. To do this, we surveyed over 17,000 regular wine drinkers across 17 markets, with the sample representative of approximately 313 million wine drinkers. Using four measures (awareness, intent to purchase, purchase consideration and affinity), our SOLA Wine Opportunity Index shows which alternative wine types have the strongest market potential.

On the positive side, awareness of most alternative wine types has increased since 2019. In fact, all but Fairtrade wine and non-alcoholic wine has increased its awareness score by at least 1 point, with environmentally friendly wine seeing the biggest increase in awareness amongst the markets analysed in this report.

However this increase in awareness is counterbalanced by decreasing consideration and affinity amongst consumers – for the moment at least. The net effect is to decrease opportunity index scores for SOLA wines across the board. This suggests that although consumers are more aware of alternative wine types and sustainability in wine, they are not yet making the conscious decision to choose a sustainable wine over one without these credentials.

This trend may relate to a broader finding which we have been tracking across almost all wine consumption markets: consumers are sticking with what they know and are shying away from experimentation and adventure. Since March 2020, when we started tracking the impact of Covid-19 on wine consumer behaviour, wine drinkers around the world have been consistently turning to wines they view as familiar, safe, trustworthy and reliable. We hypothesise that this could be either due to having less time to shop, and therefore making quick decisions when in the store, or consumers having less spare cash or fewer occasions to trial a new type of wine. The loss of the on-premise channel in many markets, taking with it the opportunity for hand-selling a non-traditional product, may also be playing a role.

However, there is plenty of positive food for thought in this report. Displaying a sustainability claim increases a consumer's intent to purchase. When compared to a wine without any claim, displaying 'organic', 'environmentally friendly' or 'sustainably produced' on a wine label tends to have a positive impact on the intent to purchase. That said, it is interesting to note how these findings vary by market. 'Organic', for example, has a much stronger impact in Sweden and Canada than in Australia and the UK. Another example is Fairtrade wine, which has higher intent to purchase levels in Sweden and the UK, but less so in the US and Australia as these markets have smaller proportions of import wines that can be endorsed as Fairtrade. Note also that almost half of wine consumers say they only trust the sustainability of wines if they have an official certification.

Sustainable wine

Organic wine

Lower alcohol wine

Alternative wine

There is a separate report for Low / No Alcohol Wine Opportunities

METHODOLOGY: MARKETS ANALYSED FOR THIS REPORT

The 17 markets included have approx. 313 million regular wine drinkers

Total sample size: 17,000 regular wine drinkers

See appendix for quota sampling methodology and regular wine drinker definitions by market

CALCULATING THE SOLA WINE OPPORTUNITY INDEX

Using four measures (awareness, intent to purchase, purchase consideration and affinity) an index is created to show which alternative wine types have the strongest market opportunities

- The index is **weighted to reflect the size of the wine drinking population** in each market, enabling the SOLA wine opportunity index to be **reflective of the global market opportunity**

Increase in rank position since 2019

Decrease in rank position since 2019

No change in rank position since 2019

EXAMPLE SLIDE: ORGANIC WINE: SUMMARY

Organic wine holds its #1 rank in the global wine opportunity index amongst alternative wine types

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Organic wine has the strongest opportunity amongst alternative wine types

- This is driven by much higher awareness compared with other alternative wines types
- Although future purchase consideration and affinity scores are strong for organic wine, they lag behind those for sustainable, environmental and Fairtrade wine
- There is particularly strong opportunity in the European markets of Sweden, France, Germany and Switzerland
- The strongest purchase and affinity increases for organic wine are seen in Germany

- **Organic wine is universally associated with being environmentally friendly and more expensive,** although these are similar associations to those of sustainable and environmental wine in general
    - Additionally, organic wine is more associated in:
        - Europe with being more ethical
        - Japan, North America and Australia with being better for my health

- **Labelling wine as organic does not universally increase net purchase intent**
    - Wine labelled as organic / made with organic grapes drives purchase intent in Sweden, the US and Canada but reduces net purchase intent in Australia and the UK. Similarly, having the USDA organic certification in the US reduces purchase intent.

EXAMPLE SLIDE: SULPHITE FREE WINE: OPPORTUNITY INDEX BY MARKET

Sulphite free wine achieves the highest opportunity index in the French, Spanish and Japanese markets, and it also shows strong potential in the US market

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Global SOLA wine opportunity index 2021 ranking

- 1st - Organic wine
- 2nd - Sustainably produced wine
- 3rd - Environmentally friendly wine
- 4th - Fairtrade wine
- 5th - Preservative free wine
- **6th - Sulphite free wine**
- 7th - Carbon neutral winery
- 8th - Orange / skin contact wine
- 9th – Biodynamic wine
- 10th – Vegan wine
- 11th – Vegetarian wine

		Base = All sample	Base = Those who are aware of the following types of wine			
Rank	**Market**	**Awareness**	**Sought to purchase**	**Consideration**	**Affinity**	**Opportunity index score**
1st	France	46%	32%	59%	45%	**44.6**
2nd	Spain	33%	23%	54%	49%	**39.1**
3rd	Japan	30%	31%	49%	44%	**37.2**
4th	US	23%	20%	61%	52%	**36.7**
5th	Belgium	38%	22%	46%	40%	**36.4**
6th	Australia	25%	19%	58%	48%	**35.5**
7th	Ireland	29%	18%	53%	45%	**35.5**
8th	Portugal	28%	22%	51%	43%	**34.7**
9th	Canada	25%	16%	55%	47%	**34.4**
10th	UK	27%	13%	58%	45%	**34.2**
11th	Switzerland	33%	14%	47%	31%	**30.6**
12th	New Zealand	19%	11%	44%	45%	**29.1**
13th	Germany	21%	15%	44%	37%	**28.0**
14th	Sweden	22%	14%	41%	35%	**27.1**
15th	Brazil	8%	22%	49%	40%	**26.6**
16th	Netherlands	22%	13%	32%	29%	**23.6**
17th	South Korea	6%	31%	39%	28%	**22.5**

Source: Wine Intelligence, Vinitrac® October 2020 (n=17,852) wine drinkers in 17 global wine markets

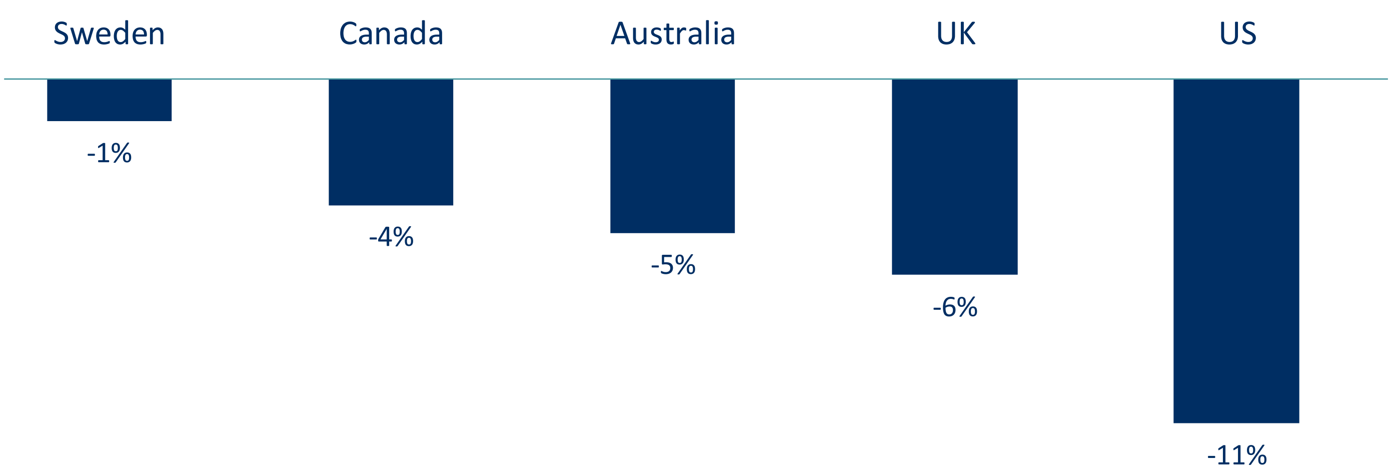
vinitrac®

EXAMPLE SLIDE: NET PURCHASE INTENT OF WINE FROM A CARBON NEUTRAL WINERY

Stating that a wine is from a carbon-neutral winery does not drive purchase intent

Net intent to purchase: Carbon neutral score compared with ‘no claim’

% who would be likely or very likely to buy wine from a carbon neutral winery minus those Likely or very likely to buy the No Claim wine
Base = All Australian, Canadian, Swedish, UK and US regular wine drinkers (n≥500)



Source: Wine Intelligence, Vinitrac®, October 2020 (n≥500), Australian, Canadian, Swedish, UK and US regular wine drinkers

SAMPLE US RESEARCH METHODOLOGY: QUANTITATIVE

EACH MARKET VARIES

- The data was collected in the US since March 2019
- The following wave October 2020 was tracked against March 2019
- Data was gathered via Wine Intelligence's Vinitrac® online survey
- Respondents were screened to ensure that they were at least 21 years old; drank red, white, rosé or blush 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 US regular wine drinkers in terms of gender, age and US Divisions
- The distribution of the sample is shown in the table:

		Mar-19	*Oct-20*
	n=	*2,000*	*2,000*
Gender	Male	50%	51%
	Female	50%	49%
	Total	***100%***	***100%***
Age	21-24	8%	7%
	25-34	22%	21%
	35-44	14%	20%
	45-54	18%	14%
	55-64	18%	15%
	65 and over	21%	22%
	Total	***100%***	***100%***
US Divisions	New England	6%	5%
	Middle Atlantic	14%	15%
	East North Central	13%	11%
	West North Central	4%	7%
	South Atlantic	20%	21%
	East South Central	5%	4%
	West South Central	11%	11%
	Mountain	6%	7%
	Pacific	21%	19%
	Total	***100%***	***100%***

Source: Wine Intelligence, Vinitrac® US, March 19 and October 2020 (n=2,000) US regular wine drinkers

Other sources in the report include Wine Intelligence market experience, secondary sources and trade interviews. Distribution of sample differs for the COVID and packaging questions

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