WINE INTELLIGENCE

GLOBAL WINE E-COMMERCE

AUSTRALIA, CANADA, CHINA, HONG KONG, IRELAND, MEXICO, SINGAPORE, US, UK

FEBRUARY 2021

REPORT BROCHURE

PRICING

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INTRODUCTION

The wine e-commerce channel has never had it so good. The combination of advancing handheld technology, more sophisticated and user-friendly delivery apps, and a growing habit for using the internet to buy everything from clothes to food, had already cemented e-commerce as the hot route to market by the beginning of 2020.

However, even ecommerce's advocates admitted then that getting people to buy wine online when they could just pick it up in a supermarket or liquor store was more of a niche business. They claimed it was only of interest to a more involved segment of the wine drinking population, for whom the selection on the supermarket shelf might not be sufficient.

Then came the pandemic. The past 12 months have seen a remarkable boost in e-commerce generally and particularly in alcohol. The closure of many on-premise establishments across the world, combined with restrictions on physical shopping as well as worries about catching the virus, have driven many consumers who would not consider using the online channel in normal times to try it for the first time. And with everyone stuck at home, the last mile problem of being home when your wine is delivered was suddenly solved.

The remarkable progress of e-commerce in wine over the past 12 months is clearly something that many producers, brand owners and retailers are incorporating into their business plans for 2021 and beyond. However there remains a big question about the future of wine e-commerce: when the pandemic restrictions fade, will consumers carry on using the channel to the extent they are currently, or will they relapse into previous habits?

This is one of the key issues addressed by this report, which, for the first time, brings together usage and attitude data about online shoppers from 11 wine consumption markets with detailed consumer profiles. These markets span the large and growing e-commerce markets of the US and China, and also the smaller, but fast-expanding, online wine markets in places such as Canada, Germany and Mexico.

Within the data, there are many reasons to be cheerful: online wine buyers tend to be younger, high spending, and – mainly – as interested in discovery as they are a good deal. There are also some warning lights for business planners. In most markets, those using wine e-commerce are doing so in addition to their use of physical stores. Their motivations for using online are largely convenience-led. Should post-Covid normality return, and with it the lack of a reason to be at home waiting for a delivery or the fact that the bars and restaurants are open, will the reasons to use e-commerce for wine fade?

For the moment, there are a large number of consumers who are using the internet to buy wine, and they appear to be happy doing so – a remarkable silver lining to the disruption of the Covid era. The global wine business has an unprecedented opportunity in 2021 to build a stronger relationship with its consumers on the back of this relative good fortune.

GLOBAL WINE E-COMMERCE: REPORT INFORMATION

Markets included in the Global Wine E-commerce Report

- Australia
- Canada
- China
- Germany
- Hong Kong
- Ireland
- Japan
- Mexico
- Singapore
- UK
- US

These markets were chosen to reflect major e-commerce markets for wine and to obtain a representative global view of wine e-commerce

Who was sampled?

The following populations were sampled in each market:

- **Australia:** n=1,000 Australian regular wine drinkers (those who drink wine at least once per month)
- **Canada:** n=1,000 Canadian regular wine drinkers (those who drink wine at least once per month)
- **China:** n=1,706 Chinese urban upper-middle class semi-annual imported wine drinkers (those who drink imported grape-based wine at least twice per year)
- **Germany:** n=1,000 German regular wine drinkers (those who drink wine at least once per month)
- **Hong Kong:** n=771 imported wine drinkers aged 18-60, with a monthly household pre-tax income HKD15k+ (those who drink imported wine at least once per month)
- **Ireland:** n=1,000 Irish regular wine drinkers (those who drink wine at least once per month)
- **Japan:** n=1,000 Japanese regular wine drinkers (those who drink wine at least once per month)
- **Mexico:** n=703 Mexican semi-annual imported wine drinkers aged 18-59 in selected cities (those who drink imported wine at least twice per year)
- **Singapore:** n=780 Singaporean bi-annual wine drinkers aged 18-64 with monthly household pre-tax income SGD 3k+ (those who drink wine at least twice per year)
- **UK:** n=1,000 UK regular wine drinkers (those who drink wine at least once per month)
- **US:** n=2,000 US regular wine drinkers (those who drink wine at least once per month

For more information on the methodology for this report, please see slide 75

Definitions of online 'users' and 'considerers'

The following online wine-buying channels were added to usage and consideration questions within each market in order to define online 'users' and 'considerers':

- From an online retailer
- From a delivery app
- From a supermarket / hypermarket website
- From a winery's website
- From a wine club / membership organisation

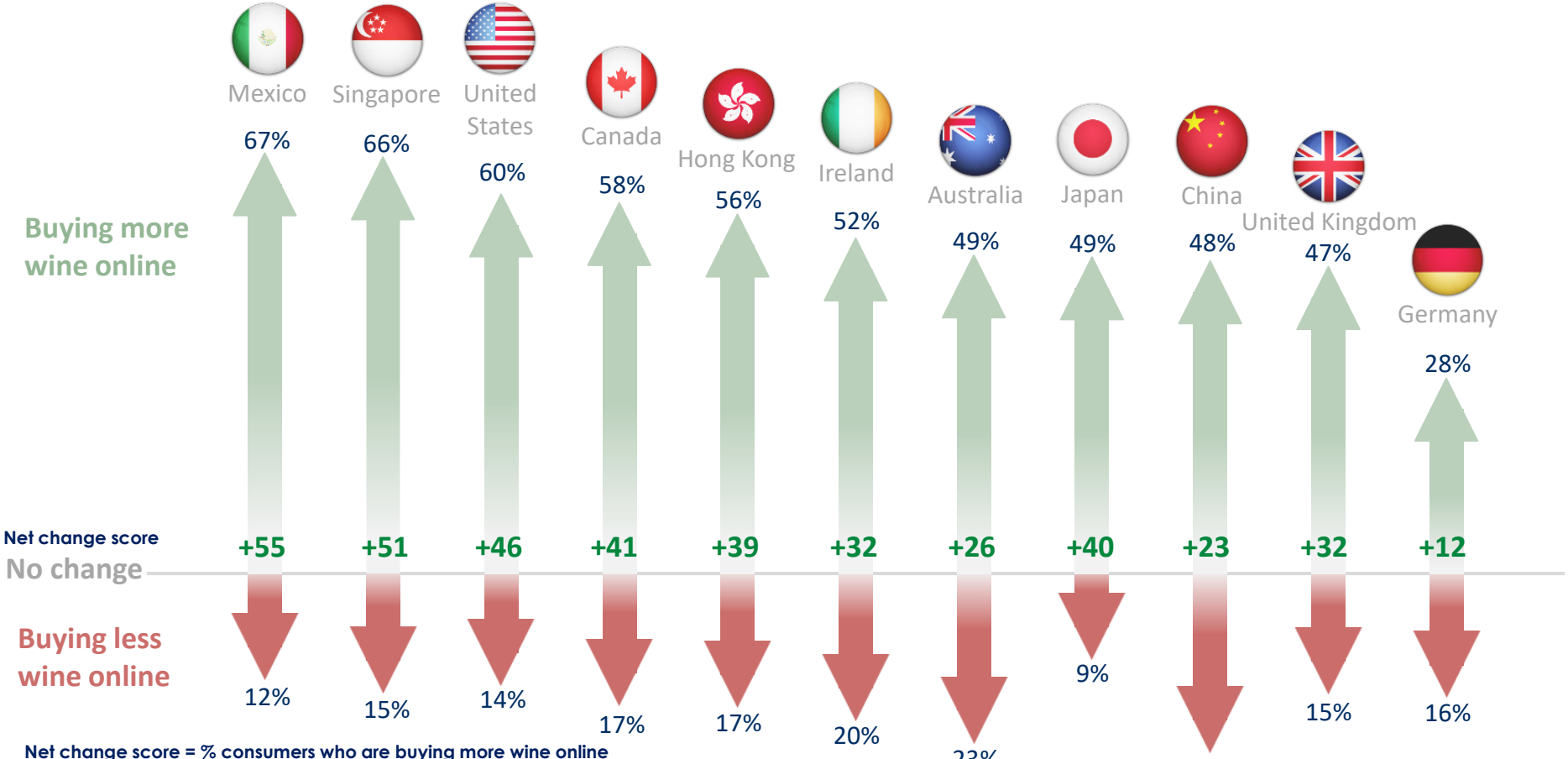
Notes:
- 'On the internet' was used to define online users and considerers in Ireland
- Online channels shown to respondents varied by market, depending on national legislation and presence / maturity of certain sub-channels

EXAMPLE SLIDE: ONLINE WINE-BUYING FREQUENCY CHANGE

There has been a substantial acceleration towards online wine buying during 2020, including in lower online-usage markets such as Canada and Germany

Change in wine-buying on the internet

% who selected each statement as the one that best describes how much wine they are buying online now compared to last year
Base = Those who have bought wine online in the past 6 months



Net change score = % consumers who are buying more wine online minus % consumers who buy less wine online compared with a year ago

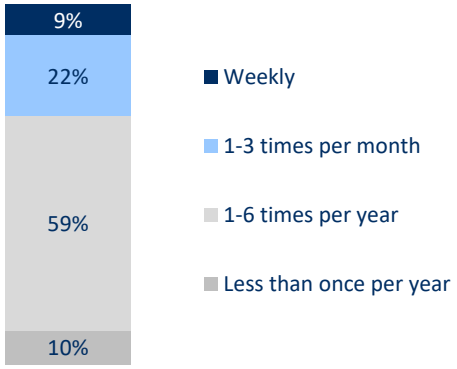
Wine Intelligence Vinitrac® Global, October 2020, n>=703 wine drinkers in each market

EXAMPLE SLIDE: AUSTRALIA: ONLINE BUYING BEHAVIOUR

Those that buy wine online spend more per bottle on average than regular wine drinkers in the off-premise, with promotional offers as the number one trigger to online purchasing

Frequency of online buying

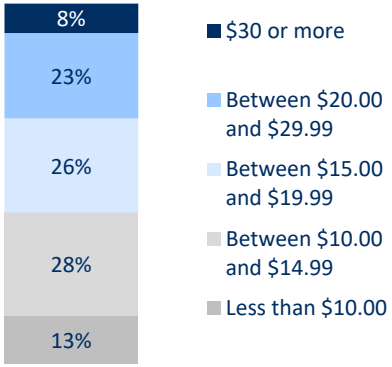
% who buy wine online at the following frequencies
Base = All Australian regular wine drinkers (n=1,000)



On average
12.3 times per year

Online spend

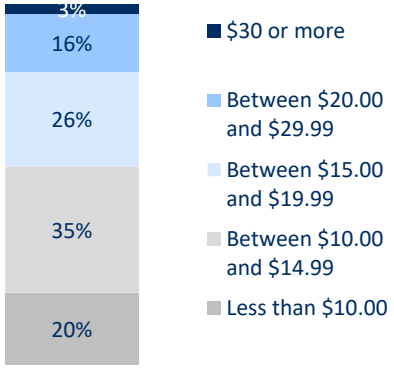
% who typically spend the following on a bottle of wine online
Base = Those who buy wine online at least once a year



On average
$17.85 per bottle

Total off-premise spend

% who typically spend the following on a bottle of wine in the off-premise
Base = All Australian regular wine drinkers (n=1,000)



On average
$15.16 per bottle

Triggers to online purchasing: Top 5

% who say each of the following are "important" or "very important" to them when buying wine online
Base = Those who buy or would consider buying online in the future

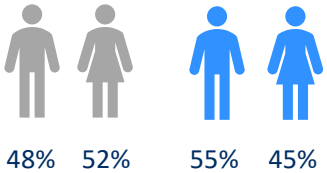
1. A promotional offer (69%)
2. Exclusive / limited offer (56%)
3. Being able to add wines to my normal grocery shopping (55%)
4. A voucher to spend online (54%)
5. Specific / pre-arranged delivery date and time slot (52%)

Wine Intelligence Vinitrac® Australia, October 2020, (n=1,000) Australian regular wine drinkers

EXAMPLE SLIDE: IRELAND: DEMOGRAPHICS

Ireland's online wine buyers tend to be aged 35-44, wealthier and highly involved with wine compared with the average Irish wine drinker

Gender

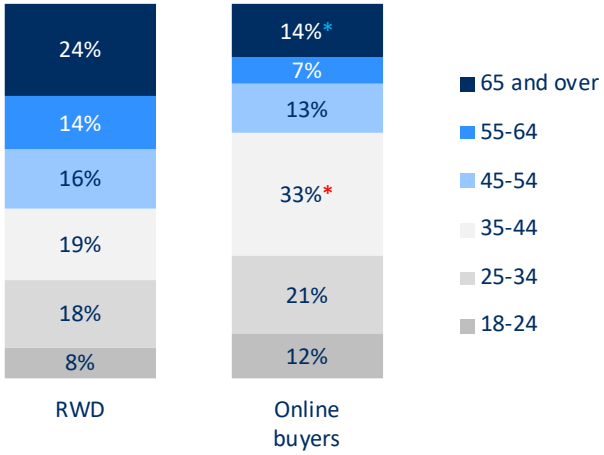


48% 52% 55% 45%

n=1,000 *n=82*

8% of regular wine drinkers in Ireland are online buyers

Age



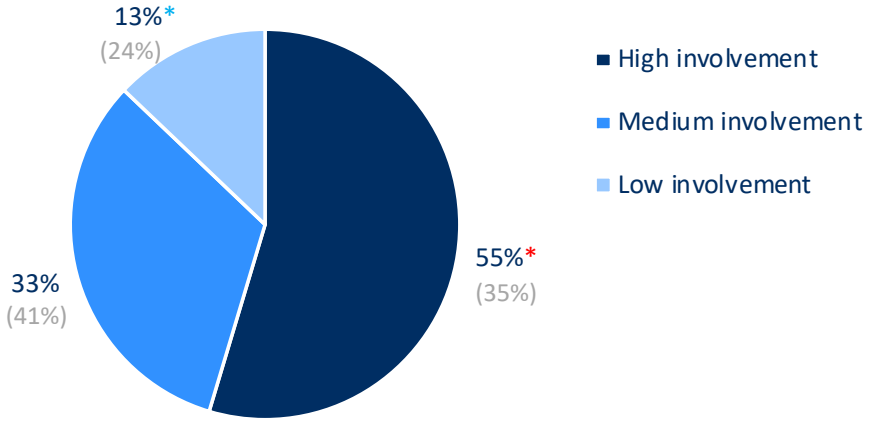
Annual household income (before tax)

	RWD	Online buyers
Under €30,000	22%	13% *
€30,000-€49,999	30%	22%
€50,000-€74,999	19%	15%
€75,000+	19%	47% *
Prefer not to answer	8%	4%

Regions

	RWD	Online buyers
Border	6%	7%
Dublin Region	41%	51%
Mid-East	7%	6%
Midlands	8%	11%
Mid-West	6%	10%
South-East	10%	2%*
South-West	12%	8%
West	10%	4%

Wine involvement



* / *: statistically significantly higher / lower than all Irish regular wine drinkers at a 95% confidence level
Wine Intelligence Vinitrac® Ireland, October 2020, (n=1,000) Irish regular wine drinkers

EXAMPLE METHODOLOGY (VARIES PER MARKET)

Vinitrac® US

- The data for this report was collected in the US in October 2020
- 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:

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

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

Other sources in the report include Wine Intelligence market experience and secondary sources.

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