# SPARKLING WINE IN THE UK MARKET

September 2018 Report

# Sparkling Wine in the UK Market 2018

## Report overview


**Report price:**

GBP 1,500
USD 2,100
AUD 2,700
EUR 1,800

3 report credits

The Sparkling Wine in the UK Market 2018 report includes:

- Report with the latest information regarding the UK sparkling wine market, supported by:
  - Wine Intelligence Vinitrac
  - Wine Intelligence market experience
  - Secondary sources
  - Trade interviews

*All prices exclusive of VAT, GST, or relevant local sale taxes at the current rate

# Contents page

# Management Summary

## Key takeaways (1/2)

1. **GROWTH OF VOLUME CONTINUES ALBEIT AT A SLOWER RATE THAN 2016-2017. ITALIAN SPARKLING CONTINUES TO LEAD THE CATEGORY AND ENGLISH SPARKLING GROWTH STORY CONTINUES**
   - Growth of sparkling wine volumes are slowing, with 4% growth from 2016-17 (vs. 8% in 2015-16); UK remains 6th largest global market
   - Volume of Italian wine in the market continues to grow, again at a slower rate in 2017 vs previous year (11% vs 18%). It now accounts for 6 out of every 10 bottles of sparkling wine consumed in the UK
   - English sparkling remains in strong growth from a small base, up 7% by volume compared with 2016
   - Per capita consumption increased slightly from 2013-2017, from 1.9l to 2.6 per annum. UK currently ranks 12th globally on this measure.
2. **SPARKLING WINE IS STILL STRONGLY CONNECTED WITH FORMAL NON-FOOD OCCASIONS**
   - In general, sparkling wine is still largely seen as a beverage associated with social occasions, particularly special and formal occasions in both off- and on-trade
   - More consumers prefer to drink sparkling wine at home than at restaurants when it comes to special occasions or formal meals
3. **SPARKLING WINE DRINKERS ARE BECOMING MORE CONFIDENT IN THEIR KNOWLEDGE OF THE CATEGORY**
   - 34% of sparkling drinkers in the UK are adventurous and willing to explore more of this category. This group has a bias towards females drinkers, 18 to 34 years old
   - On the other hand, just over a third of sparkling drinkers know what they prefer and tend to stick with it
   - Compared to the previous year, significantly more drinkers feel competent about their knowledge of sparkling wine. This group is likely to be male drinkers between 18 to 34 years old
4. **CONSUMPTION INCIDENCE OF SPARKLING WINE IS NOW DOMINATED BY PROSECCO**
   - Just over 3/4 of UK drinkers of sparkling wine said they have drunk Prosecco at least once in the past year
   - Among regular wine drinkers (those who drink still red, white or rosé wine at least once a month) in the UK, 61% have drunk Prosecco in the past year as opposed to 6% in 2008



Source: IWSR 2018
Wine Intelligence, Vinitrac®UK 10-18, All regular wine drinkers who drink red, white or rosé wine at least once a month in the UK (n>1,000)
Wine Intelligence, Vinitrac®UK, 17-18, all drinkers of sparkling wine in the UK (n>=962)

# Management Summary

## Key takeaways (2/2)

5. **CHAMPAGNE RETAINS A UNIQUE PERCEPTION OF QUALITY COMPARED WITH ALL OTHER SPARKLING WINES, THOUGH NOW TRAILS IN TERMS OF VALUE FOR MONEY**
   - Champagne is positioned as a high quality sparkling wine, yet offers lower value for money
   - On the contrary, Prosecco is considered to offer medium quality but much better value for money than Champagne
   - English sparkling wine is perceived as a type of sparkling that offers a quality closer to Champagne with much better value
   - Cava is perceived as delivering significantly lower levels of quality
6. **BRAND BECOMES IMPORTANT DRIVER OF PURCHASE FOR MOST SPARKLING WINE TYPES**
   - Main drivers of purchase are brand awareness, promotional offers and recommendations by friends or family
   - In comparison to 2017, more consumers are driven by brand awareness rather than price when choosing a bottle of sparkling wine in stores. This is particularly true for sparkling wines such as Champagne, English sparkling wine, Asti and Lambrusco
   - With Prosecco, motivations to purchase are mainly brand awareness and promotional offer
7. **BLOSSOM HILL, JACOB'S CREEK AND PLAZA CENTRO ARE POWERFUL BRANDS IN THE UK MARKET**
   - Driven by better conversion rates, mainstream brands such as Blossom Hill and Jacob's Creek are powerful brands in the market
   - Moët is the most widely known brand, and has one of the lowest conversion rates to purchase
   - Plaza Centro, a Prosecco brand mainly sold in Tesco, and Martini are the best known Italian sparkling brands
   - Leading Cava brand Freixenet performs strongly in terms of converting its awares into users, but has the lowest awareness rate of the top brands



Source:
IWSR 2018
Wine Intelligence, Vinitrac®UK, 17-18, all drinkers of sparkling wine in the UK (n>=962)

# Research Methodology

## Qualitative research methodology

### Focus group methodology

- Focus groups were conducted with five groups of consumers in the UK from June to July 2018
- Each focus group discussion lasted 1 hour 30mins, covering general (still and sparkling) wine drinking and buying behaviour and preferences, motivations and attitudes towards wine and purchase choice cues
- Focus groups are made up of respondents of mixed gender and age groups

### Trade interviews methodology

- Trade interviews were conducted with five trade members in the UK wine market in August 2018
- Trade members recruited for interviews were from different sections of the wine trade:
  - 1 Retailer
  - 2 Market expert/influencer
- Interviews followed a pre-determined discussion guide, and covered overall market trends on sparkling wine in the UK market

# Research Methodology

## IWSR 2018

- Measures from the IWSR correspond to actual wine consumption figures. This means sales into the trade (on + off trade)
- The IWSR visits each market each year. Discussions are held with key local experts in the market including importers, producers, grey market operators, duty free operators, and supermarket/hypermarket buyers.
- All volume data is given in thousands of 9 Litre Cases
- In the breakdown by country of origin, IWSR includes (depending on the market and the size of the category) the following two categories: 'Other' and 'International'
  They are defined as followed:
  - 'Other': category including wine blends (normally in bulk or bottled without specified country of origin) and wines from other countries with volumes too small to break out separately
  - 'International': Category including wine brands that have wines from various countries
- The IWSR includes the following types of wine in its definition of 'wine':

**Definitions**

**WINE =**

Still light wine +
Sparkling (Champagne & other) +
Fortified +
Light aperitifs (vermouth…) +
Other (rice wines...)

Sub-categories

# Research methodology

## Vinitrac®

### 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

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