WINE INTELLIGENCE

AUSTRALIA WINE LANDSCAPES

NOVEMBER 2021

REPORT BROCHURE

PRICING

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GBP 2,500
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Report length: 99 pages

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CONTENTS

INTRODUCTION

Over the past 2 years, countries around the world have had a similar problem – the Covid-19 pandemic – but have dealt with it in a variety of ways. While some markets have adopted a much less stringent approach to controlling the virus, Australia responded to Covid by sealing off the country's borders and aggressively locking down its citizens.

Not surprisingly, some of this remarkable and unusual context has filtered into wine consumer behaviour, in terms of short-run trends away from buying wine in on-premise and towards using e-commerce. However some other trends look to be more fundamental, and the Covid experience has simply accelerated them.

While overall wine volumes remain on a steady downward trajectory, spend per bottle has been heading in the opposite direction, as Australian consumers moderate their consumption and choose better quality products to drink.

What's behind this change is a fundamental demographic shift in Australia's wine drinking population, perhaps the most fascinating long-run trend to be exposed by Covid. In major markets across the globe, the wine industry is becoming increasingly reliant on low-involved, value-oriented consumers over the age of 55 to drive their business, while younger consumers turn to other categories. Not so in Australia, where the biggest change in the population post-pandemic is the growth of Millennials as a major and meaningful driver of behaviour in wine.

This group differs from their elders in that they are looking more for variety and experiences, and are less moved by low prices, reliable and familiar brands. Brands still move, and promotions are still important, but at the margins, the idea of buying something more personal, authentic, and meaningful, is starting to take root.

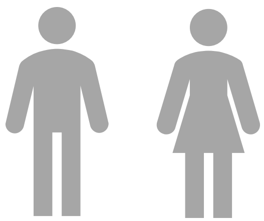
Our data suggests there is a link between this more exploratory behaviour and the enforced changes in purchase channel over the past year. The e-commerce environment – particularly direct-from-producer – lends itself better to uplifting narratives, quirky products and wines to talk about than a mainstream retail environment, and the major drivers of e-commerce wine growth are, not surprisingly, this same cohort of younger adult drinkers.

The big question remains how 'sticky' this behaviour will be when life returns to normal - as it is starting to do in Australia as vaccine rollout accelerates and borders reopen. Much will depend on how effective the new e-commerce channels are at retaining their new customers, and how much of a fightback will come from the established bricks & mortar (B&M) retailers and from major brands, whose grip of the market has lessened as a result of Covid.

EXAMPLE SLIDE: DEMOGRAPHICS OF AUSTRALIAN WINE REGULAR WINE DRINKERS

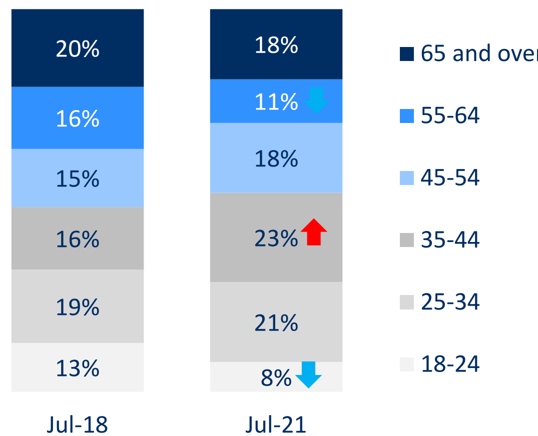
Australian wine drinkers are increasingly male, higher-earning, and mid-aged. Whilst the proportion of those aged 35-44 has significantly risen since 2018, the proportions of those aged 18-24 and 55-64 have declined

Gender



	Male	Female
Jul-21	58% ↑	42% ↓
Jul-18	50%	50%

Age



Portraits*

	Jul-19	Jul-21
Engaged Explorers	10%	17% ↑
Social Newbies	15%	16%
Mainstream Matures	16%	15%
Contented Treaters	15%	16%
Senior Bargain Hunters	28%	19% ↓
Kitchen Casuals	15%	17%

Regions

	Jul-18	Jul-21
Australian Capital Territory	1%	2%
New South Wales	33%	36%
Northern Territory	2%	1% ↓
Queensland	18%	19%
South Australia	7%	6%
Tasmania	1%	2%
Victoria	29%	25%
Western Australia	9%	9%

Annual household income (before tax)

	Jul-18	Jul-21
Under $20,000	4%	3%
$20,000 - $29,999	9%	7%
$30,000 - $39,999	8%	6%
$40,000 - $49,999	7%	7%
$50,000 - $59,999	8%	8%
$60,000 - $69,999	6%	6%
$70,000 - $79,999	8%	9%
$80,000 - $99,999	12%	12%
$100,000 - $149,999	19%	19%
$150,000 - $199,999	6%	9%
$200,000+	4%	8% ↑
Prefer not to answer	9%	6% ↓

*Portraits tracking first available for 2019

↑ / ↓ : Statistically significantly higher / lower than the 2018 / 2019 wave at a 95% confidence level

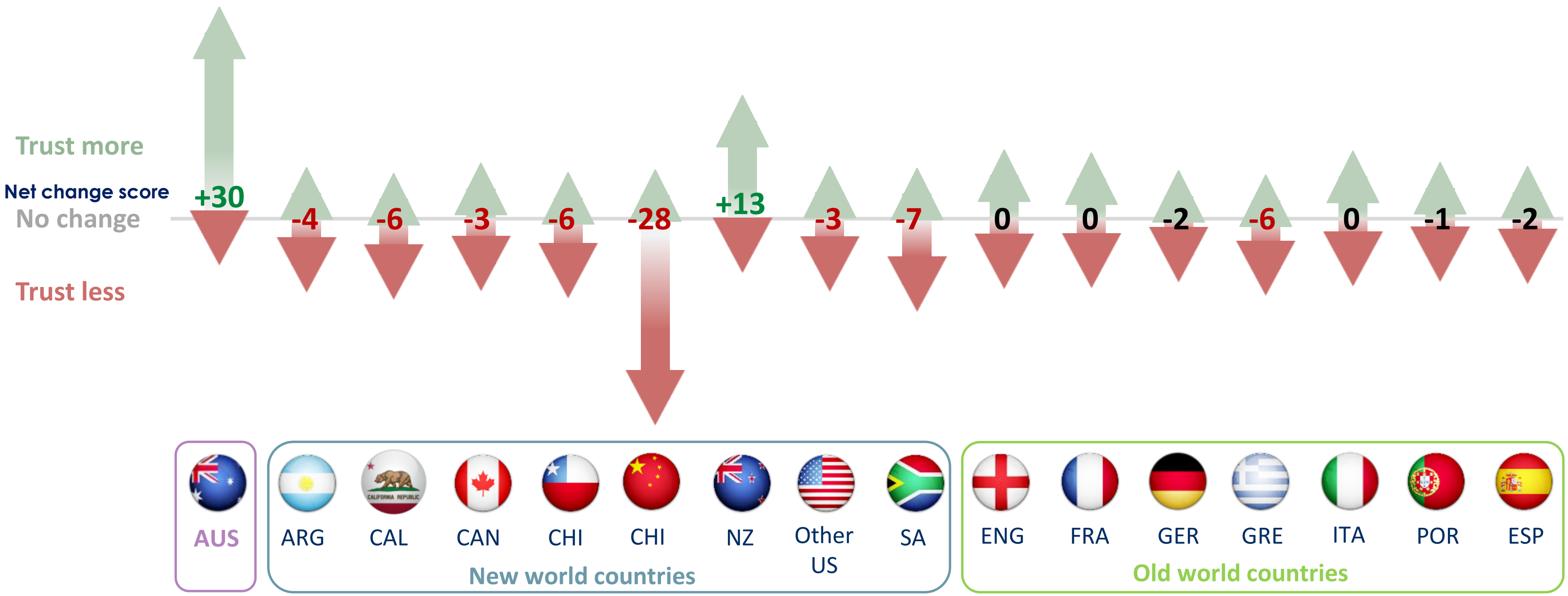
Source: Wine Intelligence, Vinitrac® Australia, July 2018, July 2019 and July 2021 (n=1,000) Australian regular wine drinkers

EXAMPLE SLIDE: COUNTRY OF ORIGIN: CHANGE IN TRUST

Australian regular wine drinkers' trust for local wines and wines from New Zealand has risen in the past year, whilst a variety of other countries have experienced the opposite effect

Change in trust of wine origins during July 2021 compared with pre-pandemic behaviour

Indexed changed their perception of each place due to the impacts of Coronavirus
Base = Those who have heard of each wine-producing place



Net change score = % consumers who trust wine from this country more than they used to minus % consumers who trust wine from this country less than they used to

Green / red: Net change score of above 3 / below 3

Source: Wine Intelligence Vinitrac® Australia, July 2021 (9th July 2021 – 30th July 2021), (n=1,000) Australian regular wine drinkers

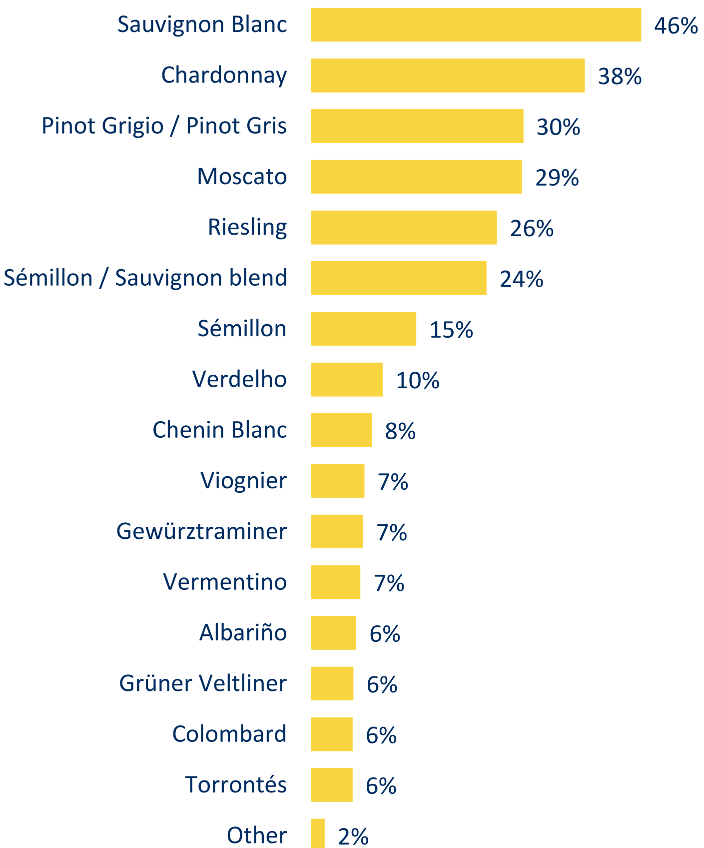
EXAMPLE SLIDE: VARIETAL CONSUMPTION

wine intelligence

Sauvignon Blanc and Shiraz / Syrah remain the most popular white and red grape varieties amongst Australian regular wine drinkers

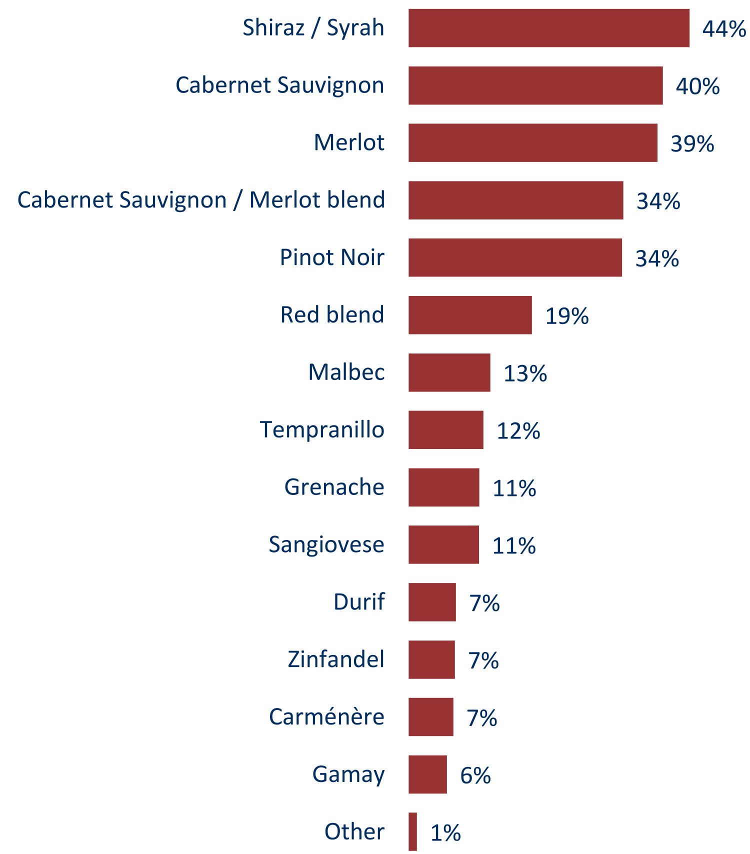
White varietal consumption

% who have drunk the following varietals or wine types in the past 6 months
Base = All Australian regular wine drinkers (n=1,000)



Red varietal consumption

% who have drunk the following varietals or wine types in the past 6 months
Base = All Australian regular wine drinkers (n=1,000)



Source: Wine Intelligence, Vinitrac® Australia, July 2021 (n=1,000) Australian regular wine drinkers

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Need to know more?

- Email enquiries@wineintelligence.com with your question(s)

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