Wine Market Topics, Trends, and Thoughts

“ Wine Opinions ”

December, 2019

Preferred Sparkling Wine Styles by Generation Segments

As peak sparkling wine sales season approaches, data from Wine Opinions research shows remarkably varied style preferences among generation and age segments of highly involved wine consumers.

In a recent survey of more than 1,500 members of the Wine Opinions national consumer panel, respondents were asked which style of sparkling wine they preferred - "fairly sweet," "a little sweet," "somewhat dry," or "very dry." A fifth choice was to indicate "I like several styles." Preference for sweeter sparkling wines is strongest for the youngest cohort (54% of those younger than Millennials) and is quite pronounced (46%) among Millennials under 30.

Style preference shifts dramatically for Millennials in their 30s, with 50% preferring drier wines. Those in their 30s are also much more likely than other age groups to state a liking for several styles of sparkling wine (36% vs. 13% - 19% for the other age segments).

Among members of Generation X, two-thirds (66%) prefer somewhat or very dry sparkling wines. And preference for drier styles is most strongly stated by Baby Boomers, with 76% favoring somewhat or very dry sparkling wines.

Sparkling Wine Style Preference by Age

	Fairly or a little sweet	Somewhat or very dry	Like several styles
iGen 21 - 24	54%	27%	19%
Millennial 25 - 29	46%	41%	13%
Millennial 30 - 39	14%	50%	36%
GenX 43 - 54	15%	66%	19%
Boomer 55 - 73	8%	76%	16%

Note: Millennials ages 40 - 42 were omitted from analysis

SipSource Reporting on Wine and Spirits Depletions

A new information provider - SipSource - is the first and only source of aggregated wine and spirits distributor depletions, and now offers monthly reporting of this data.

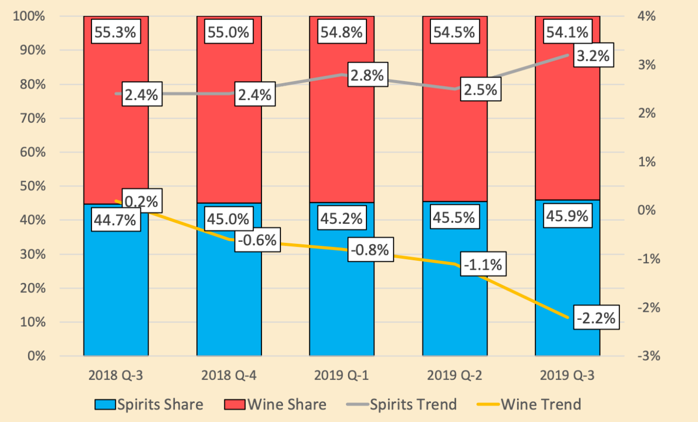
Depletions data is sourced from a collaboration of five wholesalers (Breakthru Beverage, Lipman Brothers, RNDC/Young’s, and Southern Glazer's Wine & Spirits). Additional distributors will be joining in 2020.

The data is managed by SipSource partner VIP and the project is led by the Wine and Spirits Wholesalers of America (WSWA).

SipSource data, 12 months rolling through September 2019, continues to show a growing divergence of trends between spirits and wine that is concerning. Spirits depletions remain very strong, growing +3.2% while wine is slipping further into negative territory, down -2.2%. The current gap of 5.4 percentage points between spirits and wine growth has shown a steady increase. One year ago, the gap was only 2.1 percentage points.

This trend is consistent across channels with on-premise showing a 4.6 percentage point gap between spirits and wine growth and off-premise reporting a 5.5 percentage point gap. It is important to note this trend is consistent across other SipSource data partners. Nielsen data for 52 weeks ending October 5, 2019 shows spirits volume up +3.0% and wine volume down -0.9%. NABCA data for the 12 months ending September 2019 shows spirits volume growing +4.0% and wine volume down -1.6%.

For more information or to purchase the full SipSource report visit https://www.sipsource.com/



Segments Driving Rosé and Red Blend Sales

In recent years, sales of red blend and rosé wines have far outperformed other types of non-sparkling 750ml wines. While each has found broad acceptance, regular purchase of each differs significantly by consumer age segment.

In a recent survey of the Wine Opinions national consumer panel, we profiled regular purchasers of these wines by gender and age segment. The 2,046 respondents were representative of high frequency wine drinkers (80% report drinking wine "few times a week" or more often). Majorities of respondents also purchase wines costing $13 - $16 and $16 - $20 monthly or more often (59% and 50% respectively).

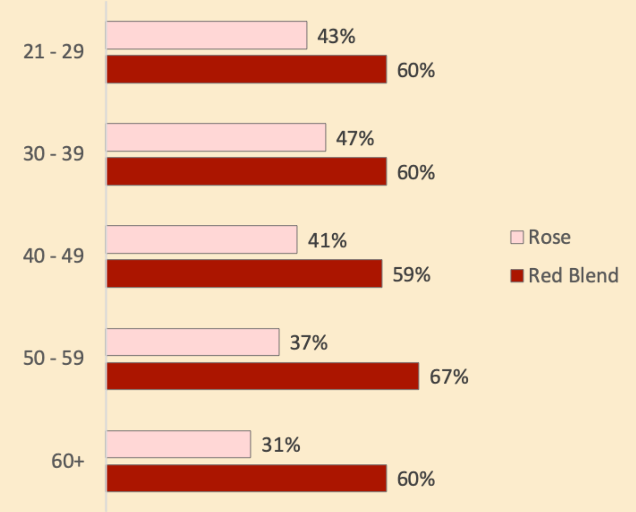
Red blend wines skewed slightly to male purchasers (68% purchasing weekly or monthly, vs. 56% of females). Weekly/monthly rosé purchasers were evenly divided (39% of males and 40% of females).

Where red blend and rosé wine purchasers differ most is among the age segments. Frequent rosé purchasers are significantly more likely to be under 50 (43% of those in their 20s, 47% in their 30s, and 41% in their 40s, compared to 37% in their 50s and 31% age 60 or over).

Red blend buyers are more evenly spread across age segments (60% of those in their 20s, 60% in their 30s, 59% in their 40s, 67% in their 50s and 60% age 60 or over).

While some "red blend" buyers may think of Bordeaux or other regional wines as part of their "red blend" purchases, sales of red blend wines are nevertheless well distributed across all age segments.

Percent Monthly or Weekly Buyers by Age



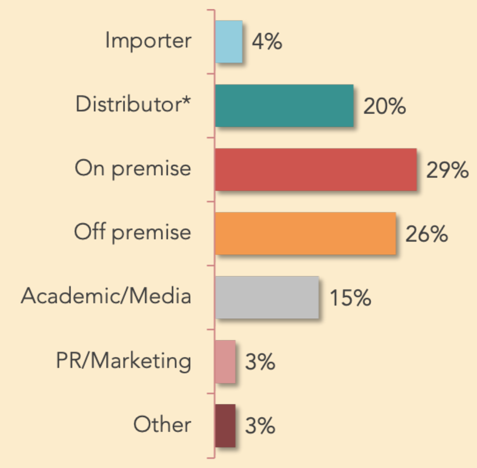
Wine Opinions Trade Panel by Industry Tier

Our national panel of members of the U.S. wine trade continues to grow, and now numbers more than 5,000 wine professionals across all tiers of the industry.

Panel membership is somewhat concentrated in the distributor, on premise, and off premise tiers, and is spread across all U.S. states, with concentrations of trade members in the major metropolitan markets.

Trade panel members participate in online surveys and (through a qualification and selection process) online discussion groups. Trade members may also participate in one-on-one interviews we conduct for clients.

Analysis and reporting of trade surveys most often includes comparisons of responses by tier of trade, and other qualifications such as brand or wine category sales or representation, trends in sales, and other criteria of importance to our clients.



*Distributors that are also importers are included in this segment

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