Wine Market Topics, Trends, and Thoughts

“ Wine Opinions ”

February, 2020 *(Issue 1 of 2)*

I'm Giving Up January for Wine

Editorial Comment

Of late, there have been numerous news accounts of a growing "sober curious" trend, and the merits of "Dry January." Count me out on both.

Decades ago, when I was a young 2nd Lieutenant in the Air Force, a wine shop owner in Charleston, SC convinced me to spend about $35 on a bottle of Lynch-Bages. That night I became (and remain) indefatigably "wine curious." Try as I might, there is more to know and love about wine than any one of us can experience, and not world enough and time to do so.

I am not alone. Last month, Emmanuel Macron took a stand not just for France, but wine-curious fellow travelers everywhere. He quashed the plans of France's health agency - *Santé Public France* - to organize the first 'Dry January' campaign, which was to be modeled on a similar program that exists in the United Kingdom. President Macron was quoted as saying "...let it be known there will be no *Janvier Sec*."

And so I have given up January for wine, and this newsletter is the first of two that will be issued in the sixty-day month of February. The next will be published in four weeks.

Through the coming year, I wish you all good health, happiness, and wines that both pique and satisfy your own curiosity.

John Gillespie
Founder and CEO, Wine Opinions

Wine Market Growth in the Decade Ahead

As the third decade of the 21st Century begins, a look at the past twenty years shows first a decade of an expanding base of weekly or more often wine drinkers and then a decade of modest gains, driven mainly by a wine drinking base expanding only at the rate of growth of the adult population.

Total table wine sales from 2000 to 2010 grew by 46%. In the next decade (2010 - 2019) that growth rate declined by more than half, to 21%. While it may be expected that growth rates slow as the size of the market base expands, the past decade's growth slowed dramatically. And today, the percentage of U.S. adults who drink wine weekly or more often is virtually unchanged from the level of 2010.

The question we must now ask is whether we can expect anything more than slow and steady growth in coming years. The answer will be found in the market behavior of Millennials through the coming decade.

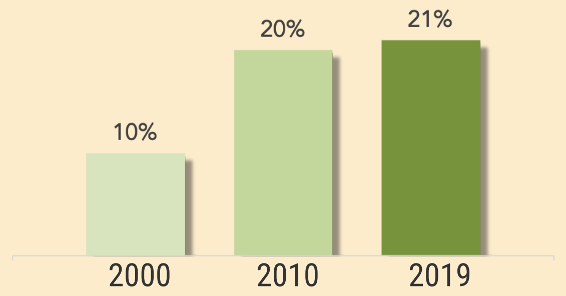
Millennials now have the direction of the U.S. wine market in their hands, because the keys to market growth are the tastes and behaviors of wine drinkers who buy $20 - plus wines monthly or more often.

The $20-plus buyers are important because 58% of them also buy wines costing $10 - $15 monthly or more often, and 80% of them buy wines costing $15 - $20 at that rate. In short, they drive every "sweet spot" of the market. And recent Wine Opinions research shows that the incidence of these prized "$20 - plus" consumers among Millennial high frequency wine drinkers is 41%, compared to 36% of GenX and 31% of Baby Boomers.

While the percentage of weekly-plus wine drinkers may continue its slow growth, the coming decade will see Millennials driving the growth of their favored wines and price segments well beyond the gains of the market as a whole.

*Weekly-Plus Wine Drinkers by Decade**

(Percentage of U.S. Adults)



*Wine Market Council survey data

Factors Influencing Wine Purchase Decisions

A Wine Opinions survey last year evaluated a variety of factors that might influence consumer choice of a wine they have not previously tried. There were 1,599 Wine Opinions panel members taking the survey (84% high frequency wine drinkers and 35% who buy wines costing over $20 monthly or more often).

The chart at right shows the percentage of "very" or "somewhat" influential ratings of each of the nine factors tested. Knowing the region of production and in-store tastings are the most valued factors across age segments and genders.

Advice from family members or friends was valued more by the younger respondents, while 90+ scores were more often seen as influential by older survey takers.

The degree of influence of 90+ scores skewed to male respondents, while recommendations from family, friends, or the store staff were rated as more influential by female respondents. As well, females gave higher degree of influence ratings than males to store displays and discounts of 10% or more.

"Very" or "Somewhat" Influential Decision Factors

The wine is made in a country or region whose wines I usually like	91%
A tasting in the store where I'm shopping	89%
Advice from a wine-knowledgeable family member or friend	86%
Recommendation from staff in store where I usually shop	82%
Positive review in print or online	79%
A score of over 90 from a respected wine reviewer	75%
The wine is on sale for 10% off or more	57%
Recommendation on a wine app on my smartphone	39%
A special display of the wine that gets my attention	39%

Consumer Panel: Frequency of Wine Purchase by Price Segment

The Wine Opinions national consumer panel is comprised primarily of "high frequency" wine drinkers (those who drink wine several times a week or more often), with robust segments of those who make weekly or monthly purchases of wine in every price segment.

A recent survey of 2,160 Wine Opinions panel members shows the frequency of purchase of 750ml bottles of wine by price segment at retail. Significant percentages of respondents report wine purchases in every price segment - from under $10 to $30 or more.

Monthly or more often purchases of wines costing under $10 are made by 47% of panel members, while 59% purchase wines between $10 and $14.99, and 53% purchase wines between $15 and $19.99 at that frequency.

Some 35% of Wine Opinions panel members buy wines in the $20 to $29.99 price range monthly or more often, as do 19% buying wines over $30.

Of equal importance is that significant numbers of respondents purchase wines of nearly every varietal type from every major wine producing region around the globe. And we have the ability to provide significant samples of survey respondents with awareness, trial, and purchase of brands at all levels of distribution.

Wine Purchase Frequency by Price Segment

	Weekly	*Monthly*	*Several times year*	*Less often*	*Never*
Under $10	24%	23%	13%	20%	19%
$10 - $14.99	25%	34%	22%	14%	6%
$15 - $19.99	16%	37%	29%	15%	4%
$20 - $29.99	7%	28%	33%	22%	10%
$30 or more	4%	15%	31%	30%	20%

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