“ Wine Opinions ”

Wine Market Topics, Trends, and Thoughts

MAY, 2021

Past Year Changes in Wine Trade Drinking Habits

It has been well documented (by Wine Opinions and other researchers) that significant numbers of U.S. wine drinkers increased their wine consumption frequency in the past year. A recent survey of 735 members of the Wine Opinions trade panel shows a pattern similar to that seen among consumers, with past-year net wine consumption increases across all trade tiers.

Compared to April of 2020, 34% of trade members reported that their consumption of wine had increased, while 50% reported no change, and 16% reported decreases in their wine drinking frequency. The result is a net 18% increase in of respondents stating consumption frequency increases versus the past year. Spirits consumption rose as well, by a net 5%.

The gains in spirits and wine consumption among members of the trade came partly from the net 10% decline in frequency of beer consumption.

Trade survey respondents were also questioned about hard seltzers. Only 34% reported drinking hard seltzers at all, and just 3% drink them more often than once a week. However, as a group they were bullish on the growth of hard seltzers, with 45% predicting that hard seltzer volume share of the beverage alcohol market will be "somewhat greater" in the coming three years. Just 14% predicted a "somewhat smaller" share.

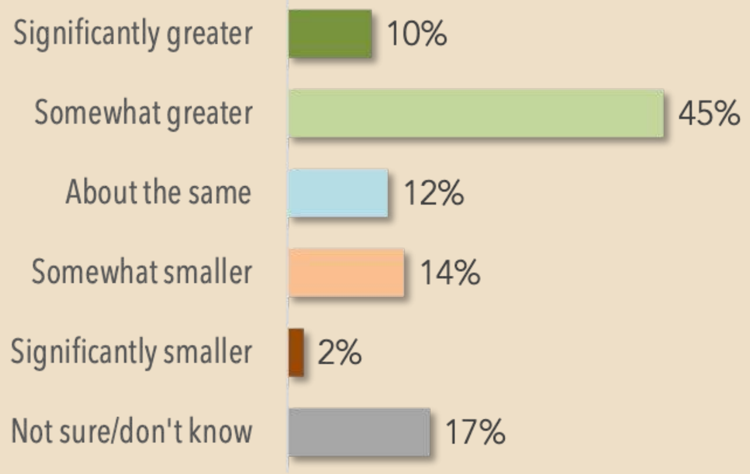
Change in Wine Trade Consumption Frequency

(Past 12 Months)

Beer	- 10%
Wine	+ 18%
Spirits	+ 5%

Hard Seltzer Market Share Projections

(Share of Bev Al Market in 3 years)



SipSource Insights on Table Wine Trends

Guest Column by Dale Stratton

March of 2021 marked the one-year point since life as we all knew it changed dramatically for everybody in the United States. The COVID-19 pandemic changed how we worked, socialized, and purchased products. This of course included how consumers interacted with the wine category and the products they purchased.

Using March-ending 12-month rolling SipSource data (an aggregation of distributor depletions) some interesting trends have surfaced in the Table wine category. It would appear traditional Cabernet and Chardonnay consumers continue to look for alternative varietals as they are down -2.2% and -5.4% in volume, respectively. These declines are offset by growth in Red Blends (+5.9%) and Sauvignon Blanc, which is up +6.5%.

The most interesting development was the growth of Pink Moscato, which is up +11.6%. This is likely due to consumers who enjoy the convergence of pink and sweeter taste profiles.

The Popular Price segment ($4.50-$7.99 at retail) accounts for 73.1% of all volume for Pink Moscato, and has been growing consistently since last summer.

The growth for Red Blends is driven by wines priced between $11.00-$14.99 which are up an astonishing +53.3% and account for 17.0% of all Red Blend cases. This is clearly the sweet spot for price as all other Red Blend price segments are showing flat or slightly negative trends.

Sauvignon Blanc continues to perform well across almost all dimensions. Imported Sauvignon Blanc is leading growth up +8.4% with Domestic up +4.2%. The $11.00-$14.99 price segment is the largest (accounting for 34.5% of volume) and is growing +6.7%. Wines over $15.00 are up +15.6% with imported Sauvignon Blanc driving this segment up +21.1%. It will be interesting to see if the reduced harvest in New Zealand has any impact on this growth.

The loss of on-premise sales had more of an impact on certain categories, and Pinot Noir is a good case in point. Pinot Noir over-indexes in the on-premise compared to other varietals, especially at higher price points. Luxury Pinot Noir is down -0.6% in March-ending data compared to an increase of +8.2% one year ago. The trend on Pinot Noir should improve as more restaurants continue to open and work to get back to full capacity in the coming months.

Past 12 Months Depletions

Cabernet Sauvignon	- 2.2%
Red Blend	+ 5.9%
Chardonnay	- 5.4%
Sauvignon Blanc	+ 6.5%

SipSource 12-month data through March, 2021

Dale Stratton is an industry veteran and does analytic work for SipSource. For more information about SipSource visit sipsource.com

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