Consumer Countries/Markets

Bubbles on the rise in Canada

Sparkling wine in the Canadian market seems to be on the rise as imported wines from Italy, Australia and New Zealand top the list and domestic sparkling enjoys a renaissance.

Are the Canadians developing an appetite for fizz? The short answer is yes.

The latest data on the Canadian sparkling wine market indicates that, although it is still a small category, sparkling wine is growing in Canada. In fact, over the past five years, volumes of sparkling wine grew by 4% and appears to be accelerating with a CAGR of 7% in 2016-17. The market now ranks 18th globally in volume, with the average Canadian drinking 0.6l of sparkling wine per year (up from 0.5l in 2016).

More than 80% of the sparkling wine in Canada comes from abroad, especially from Italy as Italian sparkling wine takes up 32% of the market shares (vs 16% for France). The Italian category is driven by Prosecco, with 32% of Canadian sparkling wine drinkers reporting they have drunk Prosecco in the past year. One reason for this could be that Prosecco is seen as a more versatile sparkling wine as opposed to the more prestigious Champagne. While the majority of sparkling wines are reserved for special occasions, Prosecco is considered a good companion when having a relaxing ‘me time’ at home or as something to drink at brunches.

Another growing category in Canada is sparkling wine from Australia and New Zealand. Volumes of Australian wine grew by CAGR 20% and New Zealand wine by CAGR 13% over the past year, albeit from a small base. Although the consumption rate is relatively small compared to Prosecco, most consumers find Australian and New Zealand sparkling offer the best value and a quality only second to French Champagne. This sparkling wine category is also typically associated with a refreshing drink for more casual occasions with friends. In addition, the growing presence of these sparkling wines could be attributed to the activeness of Australian brands in the market. Yellow Tail is currently the most powerful brand in the Canadian sparkling category, which is perhaps driven by its strong performance in the still wine category.

Besides imported wine, there are a few signs that domestic sparkling wine is also being enjoyed by Canadians. In fact, among all sparkling categories, Canadian sparkling (which is still sometimes referred to by consumers as ‘Canadian Champagne’) has the broadest consumption reach, with over
50% of sparkling drinkers saying they had tried Canadian sparkling or Canadian Champagne in the past year. In unprompted and prompted brand awareness, Baby Duck, a long-standing Canadian sparkling brand, remains one of the top brands.

Overall, this report shows that sparkling wine is expected to continue growing in the Canadian market. This growth is likely to come from a younger group of consumers, in particular, younger female millennials who find sparkling wine pleasing to drink and find it important in their lifestyle. Going forward, it will be interesting to watch closely to see what domestic sparkling and Australian/New Zealand sparkling could achieve in this market.

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Global Trends - Wine Industry Key Elements

Moderate alcohol consumption can significantly reduce the risk of dementia

The joint UCL and French Inserm study, Alcohol Consumption and the Risk of Dementia, is based on a follow up study to the 23 year old Whitehall Cohort 2 paper, and compares the effects of abstinence, moderate drinking (up to 14 units a week), and heavy drinking in people aged between 35 and 55 years old. The study of 9,000 civil servants found that those that were teetotal had a 45% higher chance of developing the disease when compared with those that drank between one and 14 units of alcohol a week. The effects were also noted well above the recommended government guideline of 14 units a week – at up to the equivalent of four bottles and a half of wine a week. Above this, though, researchers noted that those that drink heavily risked a 17% rise in risk of developing dementia for every additional 7 units consumed.

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Blue wine trend hits France

French entrepreneur René Le Bail is on a mission to turn his fellow countrymen into a nation of red, white and blue wine drinkers with the launch of 'Vindigo'.

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