Consumer Countries/Markets

UK’s overall consumption of alcohol halved during lockdown, data finds
The overall UK consumption of alcohol halved during lockdown, data from Nielsen has suggested, despite staggering sales rises through the supermarkets.

The total volume of alcohol sold during lockdown (the 17 weeks to 11 July 2020) fell to 1.3bn litres, down from 2bn the previous year, data from Nielsen Scantrack and the CGA found, despite value sales through the major retailers rising £1.9bn over the same period.

Sales of booze at the supermarket during the four month period hit £7.7bn, it said, however with the on-trade remaining shut, the overall volume of alcohol bought in the UK was far lower than last year, despite the increase in value.

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Global Trends - Wine Industry Key Elements

USA: The Coming Fight Over Ingredient Labeling On Wine
By Tom Wark, Fermentation

There appears to be a growing acceptance within the wine industry that not only ought wineries in the United States include ingredients on their labels, but that consumers are demanding it or will demand it. This idea is on the verge of becoming accepted wisdom.

But is it true? And is it necessary? A recent survey by the Wine Market Council found that consumers generally do not place much value on ingredient labeling or nutritional labeling on wine bottles when considering what to purchase.

The growing acceptance of the idea that consumers should have access to ingredients on wine bottles is surely an outgrowth of the influence of the “natural wine” movement, an extraordinarily small segment of the wine market that has been successful in driving conversations, if not sales.

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Alternative formats for wine gain traction in UK
By Richard Halstead, Wine Intelligence

Over the past three years the UK’s wine drinkers have grown more open-minded about alternative wine packaging formats that save weight, offer value and avoid waste; and the recent lockdown may have boosted this trend.

The UK wine market has always been one of the pioneers (along with Sweden) when it comes to alternative wine trends in Europe, especially when it comes to alternative packaging trends. Wine consumers in the UK show a growing openness to try wine packaging formats beyond the classic 75cl glass bottle, making the UK a highly promising market in terms of alternative packaging opportunities.

Consumers in the UK show a noticeable increase in awareness of alternative packaging types, especially compared with other European markets. Although the standard 75cl glass bottle remains the most well-known in the market, awareness levels for other formats are growing: with lesser known packaging types, such as pouches and cans, still known by almost half of the UK regular wine drinkers. These relatively high awareness levels, coupled with increasing consideration levels for most packaging types, are promising and portray a consumer who is open and willing to trial alternatives beyond the classic packaging formats.

Allied with this, UK regular wine drinkers are showing a growing openness towards bag-in-box with the purchase frequency of these by UK drinkers having increased during June and July 2020, suggesting that Covid-19 positively impacted bag-in-box sales, though standard glass bottles were still the biggest beneficiaries of the off-trade sales surge in the first half of 2020. Bag-in-box convenience and good value for money, coupled with consumer environmental consciousness, are driving this demand. However, there remains a key barrier to purchasing bag-in-box, as well as for pouches and cans: the belief that these packaging types typically contain lower quality wine. This highlights a key challenge for producers targeting the UK market to develop a premium bag-in-box sub-category.

As well as supporting sustainability, consumers are willing to swap to alternative wine packaging types because of value and convenience. Wine Intelligence data also shows a strong link between specific occasions and packaging types, suggesting consumers to be strongly occasion-driven when deciding which wine packaging to purchase – glass bottles for more formal and gift occasions and cans for more niche occasions of travelling and outdoor events. There is however an emerging opportunity for cans, as consumers associate this option with the opportunity to try new brands and styles of wine.

The main barrier to purchasing alternative packaging formats is the long-standing and habitual preference for standard glass bottles. Smaller format bottles are still seen as delivering comparatively poor value for money, whilst magnums are seen as expensive and too difficult to carry and store at home.

Nonetheless, the picture shown in the latest data collected by Wine Intelligence in July
and August 2020 portrays some new potential for alternative wine formats in the UK and we expect the positive attitude and curiosity, especially among younger consumers, to continue to drive alternative packaging formats for wine for years to come.