Global Trends - Beverages

Wine Intelligence gets out its crystal ball to predict key trends for 2020

Wine consumption globally will continue to decline, wines from lesser known regions will come to the fore, CBD wines will become more prominent, sustainability will become ever more of an important issue and there will be greater investment in alternative packaging formats in 2020.

This is according to Wine Intelligence’s COO Richard Halstead who has been gazing into his crystal ball to predicts the major trends that will emerge in the New Year.

“We see the continuing arc of some existing behaviours, and the appearance (or re-appearance) of a few others),” he said.

One of these trends which has been apparent for some time is that wine volume consumption will continue to slide, though overall the value of wine consumed won’t be heavily impacted.

“Those drinking less wine have compensated by spending more on the wine they do buy, with the characteristic result that prices per bottle have been rising considerably for several years now in major consumption markets,” said Halstead. This could mean trouble for the producers and brands with business models dependent on selling more for smaller margins, however consumers are also looking for brands that are thoughtful, have provenance or are culturally interesting. In this way, premiumisation is about not only the price and quality of the liquid, but also of the brand’s story and actions.

Another developing trend is increasing consumer awareness regarding sustainability, where claims will be increasingly scrutinised. Halstead said that there were a smaller but “growing minority” of purchasers who are more fundamentally committed, typically for a combination of environmental, ethical, social or lifestyle reasons.

“Next year I expect this latter group to be more zealous in their scrutiny of winemaking or viticultural claims, and more willing to call out what they see as transgressions or unacceptable standards.”
As legislation surrounding cannabis becomes ever more relaxed, Wine Intelligence expects to see CBD drinks becoming more prominent. “As with many things in our industry, cannabis drinks products remain at the mercy of regulators in most jurisdictions, not to mention some serious product development and taste optimisation challenges,” said Halstead.

While Wine Intelligence is not anticipating mainstream acceptance or popularity of cannabis wine drinks in 2020, they do predict more companies will start to explore it.

Meanwhile, wine producing countries such as Germany, South Africa, Portugal and Greece, will see great growth in the popularity of their wine products. “We believe 2020 will be a year where some old styles become new again to the next generation of consumers,” said Halstead.

He points to specific examples including German Riesling, refreshing whites and red blends from South Africa and Portugal, and lighter white styles coming from Greece. Halstead described the common thread of these products and said: “All will be meeting the growing consumer needs for more aromatic, fresh, lower alcohol whites, and lower tannin but interesting reds.”

We are also likely to see more investment in alternative methods of packaging, according to Wine Intelligence. “Our prediction is that we will see far more innovation in packaging coming to market next year than we have in the past few years, driven by the needs of business to reduce carbon footprint, to offer more recyclable containers, and to offer serve sizes that fit an age devoted to lowering volumes but increasing values,” Halstead said.

Source: Market IQ/VINEX

Eight ways wine will change in 2020

Elin McCoy, Bloomberg

What a decade this has been for wine—both good and bad.

The 2010s saw the rise of serious global concern (at last!) about the effect of climate change on wine. That will continue big time, especially with 2019’s scorching heat waves in France and catastrophic fires in Sonoma, Calif., and South Australia.

- Global warming will ramp up wine experiments everywhere
- Unfussy piquette will become a thing
- You’ll learn about wine in space
- The no- and low-alcohol movement will gain a foothold
- You’ll buy luxury wines from vending machines
- Enotourism will get bigger
- Wine packaging will surprise you
- Wine shops will become less conventional

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Global Trends - Wine Industry Key Elements

Organic and vegan wines present untapped opportunity for Kiwi producers as traditional wine market plateaus

As demand for traditional New Zealand wine plateaus, winemakers should do more to cater to health conscious millenials who are driving the rapid growth in organic, sustainable and vegan suitable wines, according to industry insiders.

Data from liquor retail chain The Trusts West Auckland reveals a 45% sales increase in naturally produced or organic wines over the past year alone, compared to largely flat sales in the rest of the market with only 3% growth recorded last year. Estimates suggest that the global organic winemarket could see consumption hit one billion bottles a year by 2022.

The Trusts hospitality development manager Jenny Mukerji told the New Zealand Herald that one in every 20 bottles sold in their stores was now organic, sustainable or vegan and while growing across all demographics they were particularly popular with millennials looking for wines which were aligned with their health and environmental philosophies. Mukerji said the growth in the category represents a “significant” export opportunity for Kiwi winemakers as the traditional wine market begins to slow.

"Local vineyards are producing some excellent innovative products and it is becoming increasingly important for them to understand the millennial segment who have reduced their consumption in other parts of the market.

"We are encouraging them to continue to invest in these categories to support both the domestic and the international markets”.

And Mukerji said more needed to be done to clarify the terminology and certifications used in describing these emerging niches - helping to ensure consumers had a credible and consistent point of reference for product choices.

Meanwhile, Mike Farrugia managing director of RM Wine Partners said their sales of imported organic, vegan-friendly and preservative-free wine categories mirror that of the Trusts and said it was a result of an increase in consumer awareness of how a wine's origins impact its taste.

"There have been very good studies showing that overall, organic grapes tend to have lower yields, which gives you a better grape with more concentrated flavour and, thus, a better wine" he said.
Source: Market IQ/VINEX

Major Wine Producing Countries

How big are Australia’s wildfires?
The Size of Recent Major Wildfires
in million acres burned; Source: Statista

- 2019 Australian Fires: 12.0
- 2019 Siberian Fires: 6.7
- 2019 Amazon Fires: 2.2
- 2018 California Fires: 2.0

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