Wine Intelligence Reports Shop - Wine Packaging Formats and Closures in the Australian Market 2018

The Wine Packaging Formats and Closures in the Australian Market 2018 report provides an overview of the consumption behaviour and attitude towards both wine packaging formats and closures amongst Australian regular wine drinkers.

Key findings include:
1. Wine in can entering mainstream wine-buying channels, but currently has low consideration to purchase rates. Following the positive growth rates of wine in cans (albeit from small bases) in other international markets, Woolworth’s liquor division Endeavour Drinks Group led the first push into wine in a can in a mainstream channel. Currently, wine packaged in a can has the lowest purchase consideration rates of the alternative pack formats for wine.
2. Younger Australian regular wine drinkers are more likely to consider buying wine in a broader range of packaging compared to older wine drinkers. Younger Australian wine drinkers have more openness to and affinity for packaging formats for wine beyond the standard 750ml bottle, although they still report reservations for both cans and casks. Those aged between 25 and 34 are more likely to consider buying wine in both smaller format bottles and magnums compared to older regular wine drinkers.
3. Screw-cap established as preferred closure amongst regular wine drinkers in Australia, although more rejected amongst younger wine drinkers. The number of regular wine drinkers in Australia who reject screw-caps has declined since 2009 within a market where overall attitudes towards wine closures has remained stable. Younger Australian regular wine drinkers are significantly less positive towards screw-caps than older regular wine drinkers, with these younger wine drinkers favouring natural cork.

Drawing on data collected from our October 2017 wave of Vinitrac® (the world's largest ongoing omnibus survey on wine consumer attitudes and behaviours), trade and consumer interviews, secondary sources and market experience, this 41-page report offers a detailed analysis of how the market is performing and includes:
- Wine package formats in Australia
  -- Case study: Wine in a can, smaller formats and 1.5L bottles
  -- Awareness, purchase, conversion, consideration & affinity for alternative packaging formats
- Profiling of potential consumers of packaging formats
- Attitude towards closure types (with tracking)
Global and SA Trends

Drivers and Megatrends

For those who are interested in Drivers and Megatrends, Euromonitor International recently published a report on Megatrends through to 2030 - Putting the Consumer at the Heart of Business.

DRIVERS identified include:

Shifting Economic Power
With the rising importance of emerging markets, increasing interest in frontier markets and fears over advanced economy stagnation, the global economy has witnessed a paradigm shift. These changing dynamics are affecting all levels of society, from at-risk-of-default governments to job-insecure workers. The turning point was in 2008 when emerging markets overtook developed countries for the first time in their contribution to world GDP in PPP terms.

Population Change
As the global population approaches 8 billion, demographic shifts such as urbanisation, migration, higher life expectancy, falling birth rates and the increasing population of elderly people, are combining to reshape consumer lifestyles and purchasing decisions.

Technology
Technology plays a pivotal role in consumer decision-making and the ability of manufacturers and retailers to meet the needs of today’s consumer. It encompasses everything from the development of mobile internet through to 3D printing and artificial intelligence. The constant innovation within technology and ever-faster technological processes are driving consumer megatrends.

Environmental Shifts and Pressures
Competing demands and supply constraints combined with economic, environmental and geo-political risks create pressures on environmental resources. This results in an increasing focus of international agencies, governments, businesses and wider societies on climate change. Global demand for natural resources has grown along with world GDP, driven by population expansion and emerging market demand. This has resulted in corresponding growth in electricity demand and CO2 emissions. With new technology, the relationship between GDP and energy use decouples, but also brings fresh demands for diverse commodities.

Changing Values
In addition to the more material drivers we have explored, ideological drivers help feed and shape megatrends. From consumers to governments, beliefs about the world constantly evolve, shaping priorities, perceptions, attitudes and motivations. In concert with the other drivers, these changing values then shape decision-making, from policy to purchases. Generational shifts and cultural factors, as well as changing political scenarios such as the rise of populism, will continue shaping the way consumers think, perceive and behave in 2030.

MEGATRENDS include:

“Premiumisation”
Whilst “Premiumisation” is nothing new, what has changed is the motivation behind consumers’ purchasing decisions. At its core, premiumisation is about priorities. With more products available at more price points than ever before, consumers can spend more on the things that matter to them, while cutting back—often significantly—on those that do not.
“Shifting Market Frontiers”
As some areas of the globe become over-farmed, over-populated, or otherwise reach their maximum potential, others gain prominence for their unexploited potential. We call this megatrend “Shifting Market Frontiers”. To ensure future growth, businesses will have to adapt to the changing demographic, economic and technological reality bringing new markets from frontier into the spotlight.

“Experience More”
Another shift in behaviour is the increased emphasis on experiences over possessions. There is a sharp divergence in trends following the global financial crisis when real growth in spending on durable goods fell and spending on services continued to grow. Looking ahead, we expect spending on services to continue to accelerate at a faster pace than spending on durable goods. The “Experience More” megatrend goes further than this though. As well as prioritising experiences over possessions, consumers are also more demanding of experience in the path to purchase.

“Shopping Reinvented”
How we buy goods and services is constantly in flux as economic and technological realities change every day for businesses and consumers. Shifting values and access to the internet have created a great deal of new competition for customers. Consumers make purchases across many different platforms and merchants must be prepared to engage anytime and anywhere, especially as buying habits shift from goods to services. The ideal customer journey weaves a brand into the entire experience, providing value before, during, and after the purchase, converting a transaction into a relationship.

“Connected Consumers”
Connected consumers use computers, smart phones, tablets, navigation devices, media players, e-readers, imaging and gaming devices and other audio and visual devices that connect to the internet, in order to experience and interact with digital content with “experience” being one of the most important words relating to the needs of the connected consumer. This is done mainly for the purposes of shopping, education, entertainment, research, accessing services as well as socialising, and is disrupting and arguably improving upon many traditional structures for doing these things.

“Ethical Living”
Among consumers and business, increasing attention is paid to ethics and moral values. This translates into decisions framed by concerns about the environment, sustainability, animal welfare, production and labour practices, as well as desires to positively impact communities and people. The “Ethical Living” trend is driven by three factors: awareness, availability and affordability.

“Healthy Living”
Healthy lifestyle habits are becoming the normal way of life as concerns over obesity, food sensitivity and people affected from disease continues to rise. Consumers are demonstrating a more holistic approach to wellness encompassing spiritual and mental wellbeing, alongside physical health. This continued focus on health and wellbeing entails a wider lifestyle shift and evolving attitudes towards health care, nutrition, beauty, physical activity and overall self-improvement.

“Middle Class Retreat”
The “Middle Class Retreat” megatrend asserts that whilst the middle classes boom in Asia, the middle classes in developed markets struggle to maintain the economic position they enjoyed for the last half a century. This is exemplified by the growth of discounters in grocery retailing. Since 2010 and the aftermath of the global financial crisis, discounters have seen their sales growth outpace that of hypermarkets. Meanwhile, hypermarkets have underperformed the grocery market performance since 2013, as consumers switch to more frequent shopping trips and demand smaller stores in more convenient locations.
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*How Megatrends Shape a Business Strategy*