Consumer Countries/Markets

Nielsen Total Unfortified (Natural Wine) Wine Trends 2016

2016 was an exciting year for the South African domestic wine market with a volume growth of 3.2%. Attached hereto is an overview of the most important trends identified by AC Nielsen relating to the total wine market, colour varietals, packaging, regions and channels. Included in the overview is a link to the report and methodology.

Wine survey: 50% of Indian consumers order wines exclusively by glass

Often cited as an important emerging market for wine, India’s immense and evolving consumer population presents a number of opportunities. Although traditionally and even today, whisky and rum continue to dominate alcohol consumption in India, the increasing availability of locally produced and imported wine over the last decade, has spawned significant consumer interest in wine.

Rapid urbanization, changing lifestyles, rising disposable incomes and the world’s largest youth population has further contributed to wine’s popularity in India, particularly among the upper middle-class urban consumers.

- Consumers’ understanding of wine is limited; however, awareness and consumption are positively related. Other than colour, there is very little involvement with other wine styles; names of regions and grape varieties remain under-developed cues.
- Price remains the most important choice cue for consumers.
- Wine is increasingly a ‘mainstream drink’ and is being consumed across a wide range of occasions, both at home and at restaurants/bars.
- More than 50% of consumers order wines exclusively by the glass, alluding to the price-sensitivity of Indian consumers as well as the need to drink in moderation.
- Despite price-sensitivity, consumers spend more on wines to impress.
- Wine is uniquely positioned in the consumer’s mind as a healthy, sophisticated and a less intoxicating (therefore socially acceptable beverage).
- Consumers view international wines more favourably over domestic wines.
- Women represent an increasingly important market segment for the wine industry.

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Note: South Africa exported 153,834 litres in 750ml glass bottles to India in 2016. Regarding varietals, Sauvignon blanc, Shiraz and Pinotage lead the pack. Main wine importing countries are France, Australia and Italy.

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**Economic Environment**

**Should Growers Make Bulk Wine?**

Much attention has been paid recently to wine producers acquiring vineyards to secure affordable, quality supply as grape prices rise. Less discussion has focused on growers who see this rise in profits as a way to invest in themselves by diversifying into wine production.

This perennial question, “To crush or not to crush?” and its sister question, “Bulk or branded?” are often answered with an intuitive decision.

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