Consumer Countries/Markets

**US wine market is both growing and slowing**
The total growth for the US wine market rose by just over one percent in 2019, slowing from a historic yearly growth of between three and four percent, reports California’s Gomberg, Fredrikson & Associates (GF&A) in their annual wine market report.

Imported sparkling wine, bottled sangria and coolers were the primary growth drivers that pushed the market to hit 409 million cases. The slowdown means California wine producers currently hold approximately one month’s worth of oversupply and, due to the slower market, the oversupply will take longer to work through the system. This could potentially cause problems for grape growers operating without contracts, as well as bring more competition to the marketplace as merchants buy the excess and use it to create opportunistic new brands.

The GF&A report also notes that the total beverage alcohol consumption rate has historically been growing in tandem with the number of consumers reaching the legal drinking age. Over the next ten years the growth of legal drinking age consumers will drop from the current rate of 1.2% to 0.9%, and the GF&A report forecasts the total beverage alcohol consumption rate will fall as well.

**Economic Environment**

**US-France: Tariff Threats Pull Back from the Brink**
A truce has been declared in the US-France trade war, removing – for now – the specter of 100-percent wine tariffs. A Champagne toast is appropriate – proposed 100-percent tariffs on Champagne are apparently off the table, at least until the end of 2020.

**Global Trends - Wine Industry Key Elements**

**Key findings from the SA Annual Online Review Survey 2020**
Some of the top-level findings from the Social Places SA Annual Online Review Survey 2020 are:

• Local is relevant – 75% of people prefer to interact online with local businesses rather than brand head offices. Big brands have discovered that local messaging is key to engaging with consumers whose needs and expectations can vary between branches even in the same suburb;
• 87% of people trust online reviews as much as personal or word-of-mouth recommendations.
• Online reviews carry clout - 82% of respondents said positive reviews make them more likely to engage with a local business while 30% indicated that negative reviews would steer them away from using that company;
• The more stars and reviews, the better – More than 90% of people simply won’t consider engaging with a business if the star rating is under 3 stars, while 49% of consumers won’t consider a business with less than 4 stars. 40% of people said they require at least ten reviews before they trust a star rating;
• Reviews mean business - about 46% of people will leave a review if asked to by a business. 74% of negative reviewers expect a response within 24 hours – and 21% of those within four hours, so companies have to be aware of and prepared for this – people want to know they’ve been heard. Responses don’t have to be as prompt if the review is positive, but 64% still said they would expect a response to their positive review within a 24 hour period;
• Online trumps telephonic reservations and bookings – 78% of respondents indicated that they prefer to make online reservations.

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