Global Trends - Wine Industry Key Elements

What’s drawing South African consumers to premium products?

The latest Nielsen Global Premiumisation Survey indicates that 92% of South Africans are willing to pay an above-average price for products that deliver higher quality, offer superior functioning (91%) or stand behind environmentally responsible (86%) or socially responsible (77%) principles; this despite economic limitations where only 50% of the population believe that they are financially better off than five years ago.

For South Africans, sentiment is not necessarily income-dependent. With only 45% of respondents reporting they’re able to spend freely or comfortably purchase items that they want, 54% cite premium products worth the money and 50% because these products make them feel good.

Although, brand trust remains integral to a purchase, 59% believe that premium claims are a way for a brand to just charge more money.

The route for South African’s to engage and try new premium products stems from recommendations from friends and family and television advertising, both at 44%, along with their own research (45%) and from online advertising (35%).

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Major Wine Producing Countries

Brazilian Wine

Brazil is the largest country in South America and the fifth-largest in the world. With roughly 205,000 acres (83,000ha) of vineyard, it ranks just behind its near-neighbors Argentina and Chile in terms of acreage under vine. Only a small proportion (about 10%) of these acres are planted with vitis vinifera vines, however, so this large acreage does not translate large volumes of quality wine.

There are concerted efforts underway to improve this ratio, and although not yet recognized on an international scale, the quality of Brazilian wines is increasing year on year. Brazil's best-known wines are arguably its sparkling whites, many of which are made in a style similar to Italian spumante.
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