

Global Wine Trends

Executive summary

February 2024

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IWSR Viewpoint

The global wine industry faces structural decline and many challenges, but market shifts indicate new opportunities for revenue growth.

Wine consumption remains in decline: still wine volumes have fallen by a CAGR of 2.7% since 2017. A widening gap between supply and demand is being fuelled by escalating prices from rising costs.

The decline reflects a shift in consumption patterns in mature markets, as newer recruits tend to drink less, and less often, while spending more per bottle. However, the key export markets of the US, the UK, Japan and South Korea have registered growth in their wine-drinking populations.

Many markets are increasingly reliant on older drinkers, who still shape the way wine is bought. Despite having greater purchase power, Boomers tend to be the least engaged age group in the category.

Their wine buying is characterised by higher frequency of consumption and seeking out the lowest price within their taste preferences.

The persistent challenge remains: to renew wine's franchise within a drinks world which offers more choice than ever before. Those between the legal drinking age and 24 who buy wine, despite all that noise, are highly engaged in the market. The older Millennials group are the most engaged wine drinkers, willing to experiment with their choice of wine and prepared to spend more for quality.

Moderation remains a drag on demand, with one in two wine drinkers stating that they are actively reducing their alcohol consumption. Despite this being most prominent among Gen Z, all age groups appear to be aligning to this trend, choosing not to drink on certain occasions or buying no/low alternatives. The no/low wine category, especially sparkling, is registering growing interest.

Premiumisation, which was fastest during the pandemic, is continuing, creating a net split of growth direction between entry-level and super-premium-and-above -priced wines.

However, economic pressures and the market's natural inclination to correct itself has led to a more modest pace of premiumisation.

Consumer confidence is improving overall which could be beneficial but has not yet translated into growth for the wine category.

Wine is undergoing a transformation, from being less of a functional and everyday purchase and more of a specialty and occasion-driven drink. This shift reflects changes in consumer engagement and a preference for quality over quantity, challenging the industry to adapt to a new landscape.

Opportunities

Strengthened engagement, including among younger age groups
No/low alternatives, including wine
Premiumisation

Threats

Falling demand
Economic pressures
Ageing populations and reliance on older drinkers
Moderation: not just in Gen Z



**More wines at escalating
prices, but falling demand**

More wines at escalating prices, but falling demand

For decades, the wine industry has had a structural problem: the widening gap between supply and demand. Today, this dilemma is exacerbated by escalating prices.

Even though global wine production is at its lowest level in 60 years⁽¹⁾, some major regions had no choice in 2023 but to remove plots, pull up vineyards completely⁽²⁾ or dispose of millions of litres of grape juice⁽³⁾. Meanwhile some small and emerging regions have been producing more, such as the UK, which has recorded its largest crop to date⁽⁴⁾.

Simultaneously, businesses are facing many pressures that are causing an increase in retail prices. Inflation stands out as one of the main contributing factors to increased production costs of grapes, fertiliser, water, glass bottles and equipment⁽⁵⁾, as well as labour.

Additionally, there is the growing cost of addressing the challenges of climate change that jeopardise healthy grape growing and revenue for producers. The need to sell for higher prices has become inevitable, and IWSR observes a general increase in wine prices worldwide.



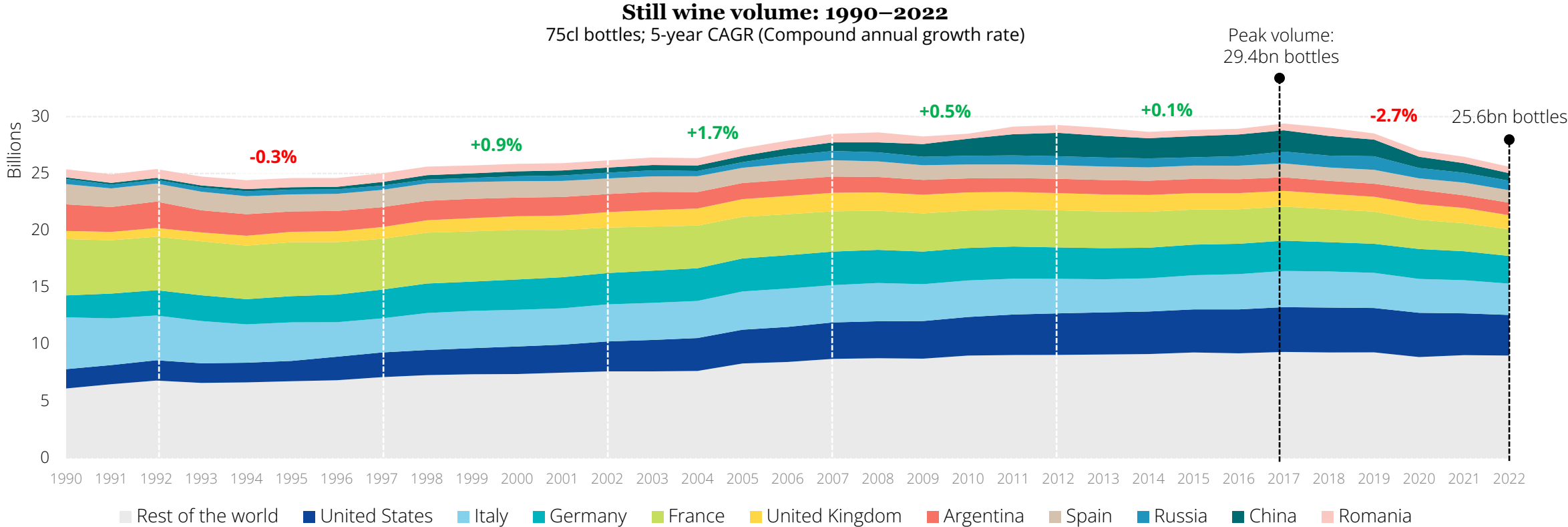
Global wine consumption is at an historic low after many years of falling demand. Between 2017 and 2022, the global still wine market declined by a CAGR of 2.7%. All the top 15 markets except Brazil registered a negative CAGR during that time.

However, these market dynamics don't necessarily coincide with a decline in the global wine drinking population. The number of wine drinkers has grown in major markets such as the US, the UK, Japan and South Korea. Falling demand is largely correlated with changes in consumption patterns, such as frequency and intensity of consumption.

⁽¹⁾ OIV, 'World Wine Production Outlook' OIV First Estimates, November 2023; ⁽²⁾ Wine Business, 'Allied Grape Growers President Urges California Industry to Remove 30,000 Acres of Vineyards', January 2024; ⁽³⁾ Financial Times, 'France to pay farmers €200m for destroying wine surplus', August 2023; ⁽⁴⁾ The Guardian, 'Vintage to remember: UK produces biggest ever grape harvest', December 2023; ⁽⁵⁾ The Drinks Business, 'Why did Champagne shipments fall by 27m bottles in 2023?', January 2024

Falling demand: long-term view

Wine consumption peaked in 2017. In the past five years, the market has shrunk by a CAGR of 2.7%; over the course of last year, the global market has lost 900m bottles



Source: IWSR, January 2024

Falling demand: long-term view

The biggest 15 still wine markets by volume have experienced declines in the past five years, except for South Africa and Brazil. South Africa is flat and Brazil recorded growth of close to 5% annually, though it fell back in the first half of 2023. France and Argentina have suffered continued falling demand since the 1990s. China has been the most variable market, showing significant growth until 2012, followed by substantial declines

Still wine volumes: 1990–2022
5-year CAGR (Compound annual growth rate)

#	Top markets by volume	1992 to 1997	1997 to 2002	2002 to 2007	2007 to 2012	2012 to 2017	2017 to 2022
1	United States	4.0%	3.9%	4.0%	2.7%	1.5%	-2.0%
2	Italy	-5.3%	1.7%	0.0%	-1.6%	1.0%	-2.8%
3	Germany	2.5%	1.7%	1.5%	-1.3%	-0.8%	-1.8%
4	France	-1.0%	-2.2%	-2.4%	-1.7%	-1.6%	-4.8%
5	United Kingdom	6.1%	5.5%	3.7%	-1.4%	-1.8%	-2.2%
6	Argentina	-5.5%	-1.9%	-2.2%	-2.5%	-1.0%	-1.6%
7	Spain	-1.0%	-2.0%	0.9%	-3.6%	0.4%	-2.1%
8	Russia	2.8%	6.4%	9.9%	-0.6%	5.8%	-4.2%
9	China	13.2%	7.1%	10.9%	21.9%	-1.8%	-18.9%
10	Romania	-0.1%	-3.8%	3.4%	-1.5%	-3.1%	-1.1%
11	Australia	2.3%	4.6%	2.7%	3.4%	0.1%	-3.0%
12	South Africa	3.6%	-1.0%	-1.3%	1.4%	4.9%	0.0%
13	Portugal	-3.6%	-2.4%	-0.9%	0.1%	1.9%	-0.9%
14	Canada	1.9%	5.8%	6.2%	3.5%	1.9%	-1.2%
15	Brazil*	-2.4%	4.4%	1.7%	0.3%	0.0%	4.8%

* Please note the latest data for Brazil (H1 2023) shows volumes falling
Source: IWSR, January 2024

Components of demand change

Wine volumes are declining, but this doesn't mean the global wine drinking population is shrinking. Other factors contribute to falling volumes, such as changes in the frequency and intensity of consumption

Components of demand change: +/- 5 years tracking
Tracked and assumed factors in falling demand

#	Top markets by volume**	Tracked wine drinking population size change	Tracked wine consumption frequency change	Notes	Tracked demand/ wine volumes
1	United States	↑	→	Wine intensity change could be a factor	↓
2	Italy	↓	→	-	↓
4	France	→	↓	-	↓
5	United Kingdom	↑	→	Wine intensity change could be a factor	↓
6	Argentina	→	↓	-	↓
11	Australia	↓	↑	-	↓
13	Portugal	↑	→	Wine intensity change could be a factor	↓
14	Canada	↓	↓	-	↓
15	Brazil*	↑	↑	-	↑
17	Netherlands	↓	↓	-	↓
18	Japan	↑	→	Wine intensity change could be a factor	↓
23	Sweden	→	↑	Wine intensity change could be a factor	↓
24	Belgium	↓	→	-	↓
32	New Zealand	→	→	Wine intensity change could be a factor	↓
35	Ireland	↓	→	Wine intensity change could be a factor	↑
36	Norway	↓	→	-	↓
42	South Korea	↑	↑	-	↑
44	Finland	↓	→	-	↓

* Please note the latest data for Brazil (H1 2023) shows volumes falling

** Markets for which tracking of the wine drinking population size (calibration) is unavailable are not shown in the table

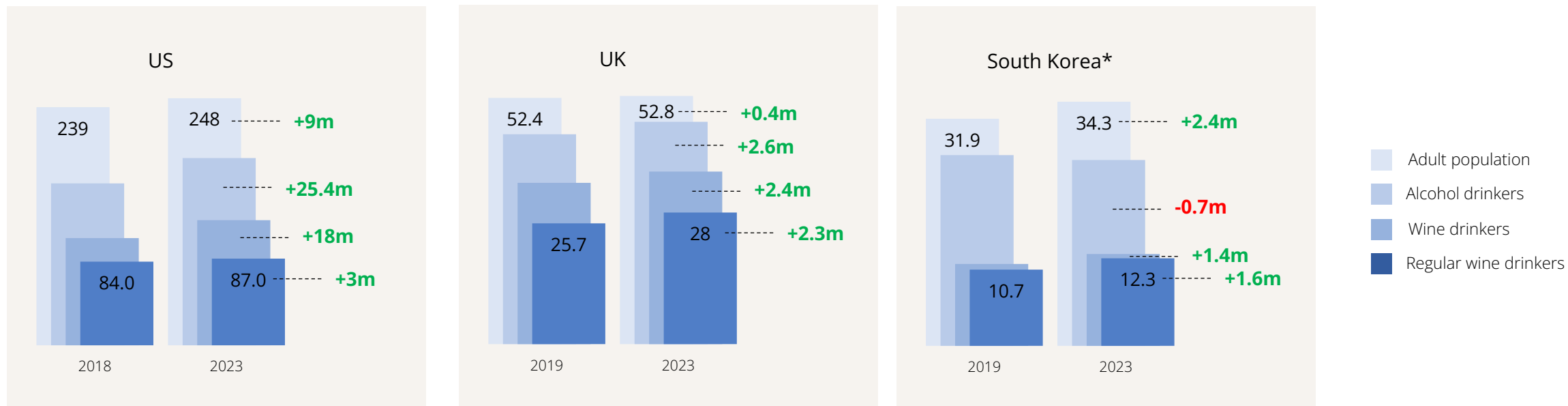
↑/↓: Increasing/decreasing; Ppulation and consumption: vs 2017-18 and 2019; Demand: 2018-22 CAGR >0.05%/<0.05%

Source: IWSR, January 2024 and Vinitrac © 2017-19 and 2022-23

Wine drinking populations study

Some key markets have increased their wine drinking populations. The UK has converted more adults into wine drinkers than before (53% in 2023 vs 49% in 2019) and the US has gained 3m regular wine drinkers over the same period. There is also significant growth in Asian markets, such as South Korea and Japan, which added 800,000 regular wine drinkers in two years

Conversion adult to drinkers: progressing wine markets
Million of adults

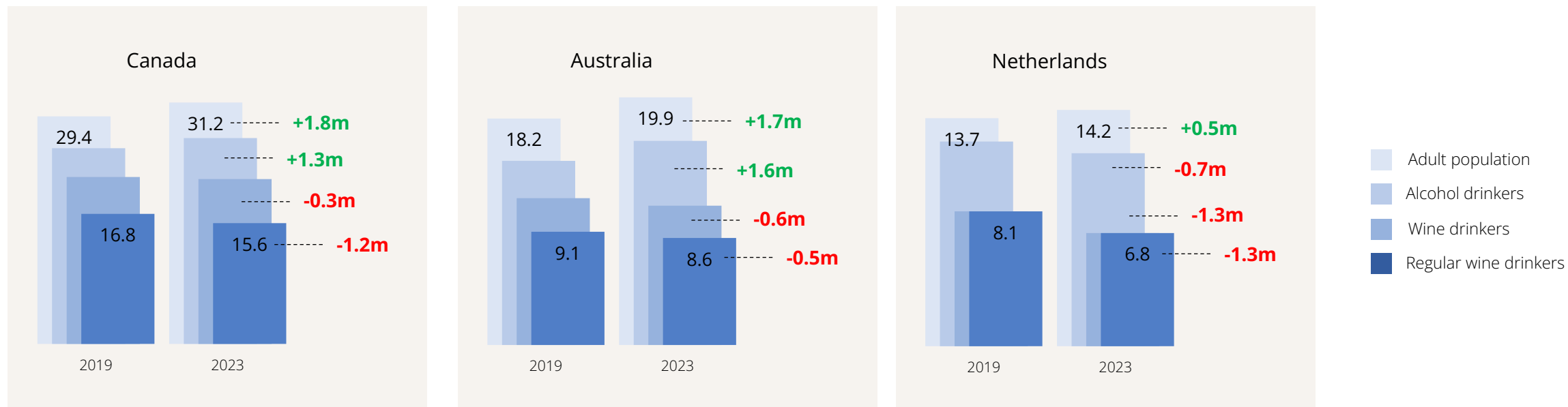


* Bi-annual wine drinkers
Source: IWSR Calibration Studies and Vinitrac ®

Wine drinking populations study

Some markets have experienced serious declines in their wine drinking populations, mostly from a failure to recruit younger drinkers into the category, most notably in Australia and Canada, where younger LDA consumers show a strong preference for other alcoholic beverages

Conversion adult to drinkers: regressing wine markets
Million of adults



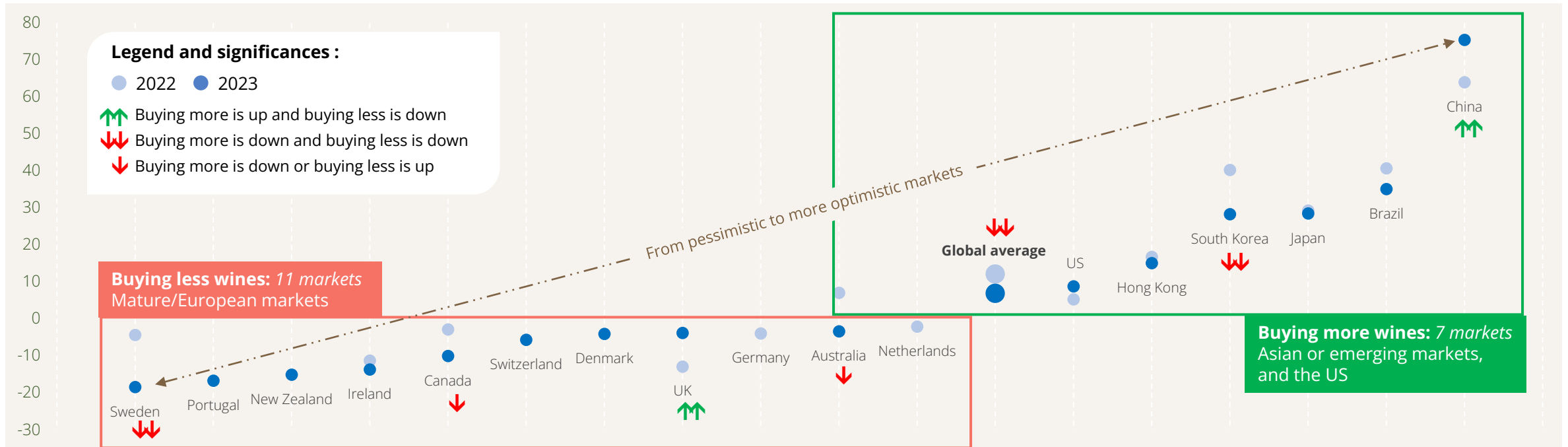
Source: IWSR Calibration Studies and Vinitrac ®

Falling demand in mature markets

Globally, the proportion buying more wine has fallen and the proportion buying less wine has increased significantly. Most markets say they are buying less wine. Swedes are typically most pessimistic and continue to be so. Major declines can be seen in Canada, Australia and South Korea

Wine-buying: One-year tracking

Q: Given recent global events, indicate how closely your views align with the following statements?
 Net scores: % of those who said they are buying more wine minus % of those who said they are buying less wine



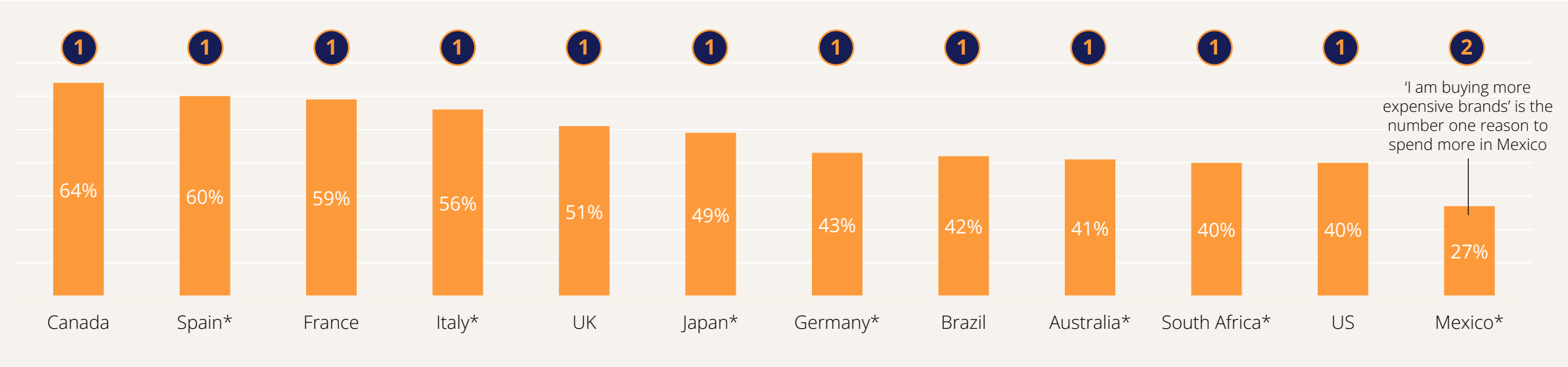
Base: All regular wine drinkers (n≥604) in selected markets
 Source: IWSR Vinitrac © 2022 and 2023

Premiumisation among consumers is largely due to rising prices

All over the world, consumers report price increases as the number one reason they are spending more on wines to drink at home

Increased wine spend justification

% who selected "retail price has increased" as the main reason for them spending more on wine over the past six months; ranking of stated reason amongst four in total



Base = Those who say they are spending more on wine over the past six months
* Small sample size: n<50
Source: IWSR Bevtrac © 2023, wave 2

**An increasingly engaged wine
population amid persistent
demographic challenges**



An increasingly engaged wine population amid persistent demographic challenges

As markets continue to rely on older drinkers, concerns about the industry's viability emerge. However, increasingly engaged wine drinkers present promising opportunities for market value growth.

Many wine markets are becoming more reliant on drinkers aged 55 and above. This trend is exaggerated in countries where populations are ageing rapidly, notably in Europe and northern Asia. In 2023, Boomers represented close to half of regular wine drinkers in France, Germany and the UK, and 55% in Japan.

This demographic shift raises questions about the future of the industry, especially considering that this age group tends to be less engaged in the wine category than other generations.

Younger LDA consumers are still being recruited into the wine category, but not at the rates seen decades ago. On the positive side, these consumers are more engaged in the category than even before, challenging stereotypes about the disinterest of younger generations in wine. Furthermore, there is an evident growing interest in wine as consumers age.



Overall, regular wine drinkers are significantly more engaged in the category today than they were five years ago. The proportion of those with high engagement in the category has improved by 10ppt in Japan, 9ppt in Australia, 8ppt in the US and 4ppt in the UK.

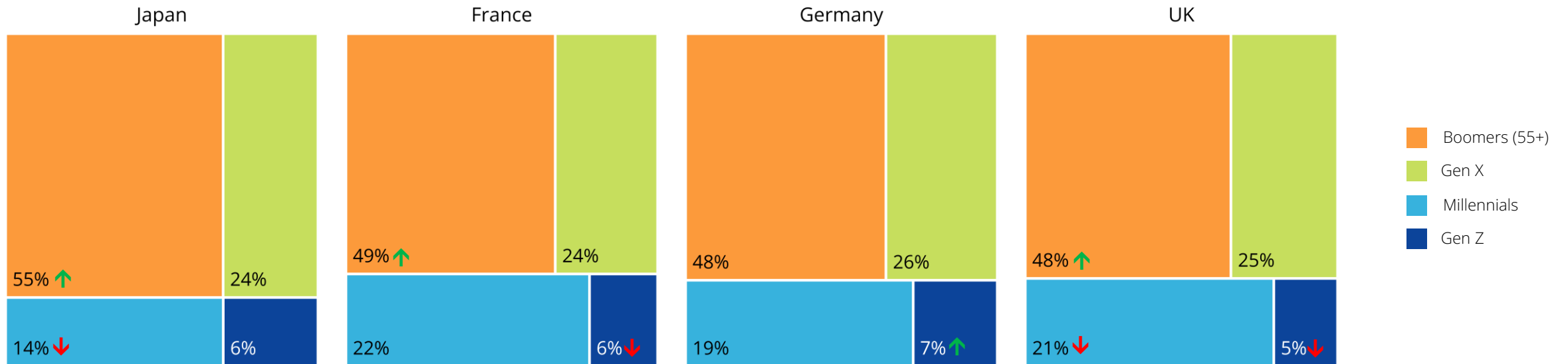
Millennials consistently demonstrate the highest wine involvement of any wine drinkers.

An ageing and increasingly engaged wine drinking population presents value opportunities for the industry. Older consumers have more purchasing power and have effectively driven a higher average spend. There is also a growing interest in premium or status wine, which is not necessarily linked to age, but mostly correlates with a more engaged wine drinking population.

Growing market reliance on older drinkers

Mature markets are increasingly reliant on older drinkers, especially countries where populations are ageing rapidly, such as eastern Asia and Europe. In 2023, Boomers represented around half of the regular wine drinking population in Japan, France, Germany and the UK

Generational distribution of wine drinkers (1/2)
% who fall within the following age groups

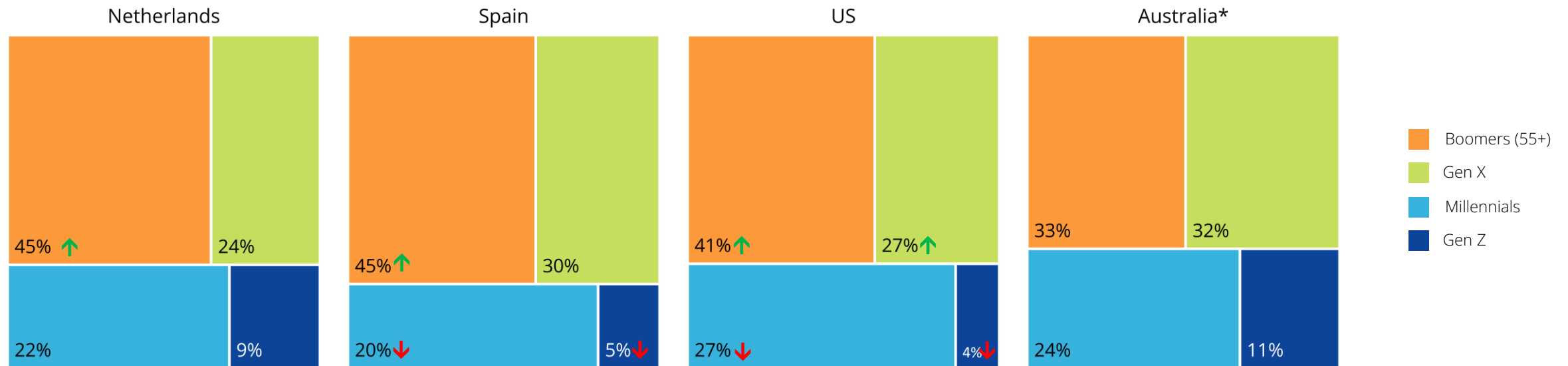


Base: All regular wine drinkers (n≥1,001) in selected markets
↑/↓: Statistically significantly higher/lower than the previous wave at a 95% confidence level
Source: IWSR Vinitrac © 2018/2019 and 2022/2023

Growing market reliance on older drinkers

Gen Z usually accounts for less than 10% of regular wine drinkers. Younger drinkers are typically lighter alcohol users, but also more likely to explore than older people to enjoy the greater diversity of drinks that are available, including craft beer, cocktails, RTDs and no/low

Generational distribution of wine drinkers (2/2)
% who fall within the following age groups

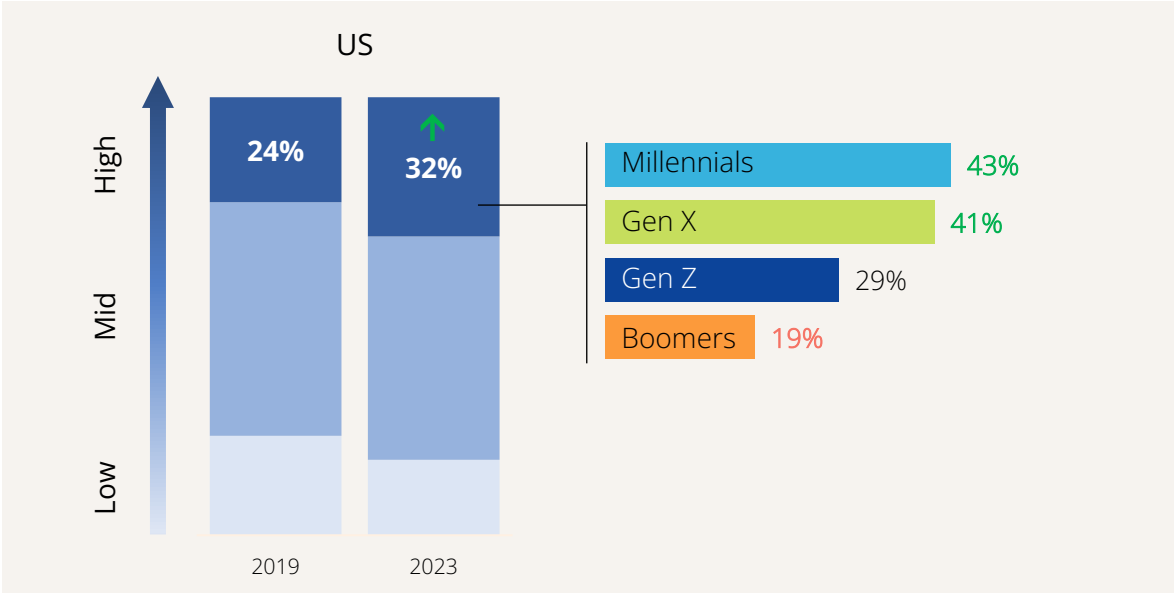
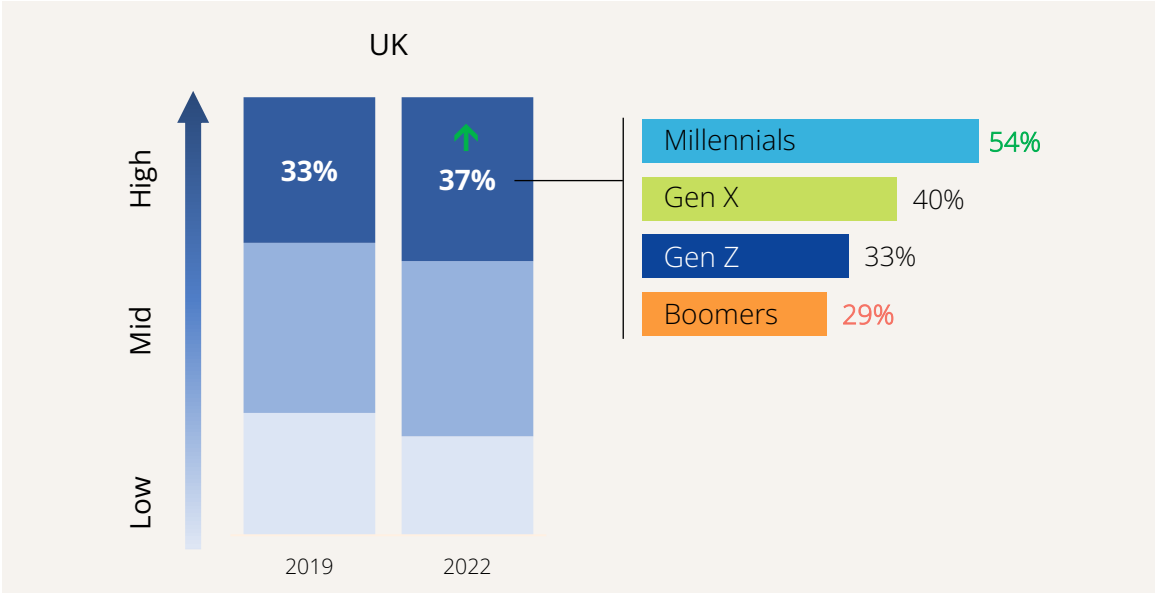


* Tracking not available due to methodology change
Base: All regular wine drinkers (n≥1,002) in selected markets
↑/↓: Statistically significantly higher / lower than the previous wave at a 95% confidence level
Source: IWSR Vinitrac © 2018/2019 and 2022/2023

Older drinkers tend to be the least engaged among a more involved wine population overall

Wine drinkers generally demonstrate higher engagement in the category than in 2019. This is the case in the major mature markets of the UK and US, particularly American regular wine drinkers. Millennials are consistently the most involved age group and Boomers the least engaged

Involvement of wine drinkers (1/2)
% who have the following involvement in wine

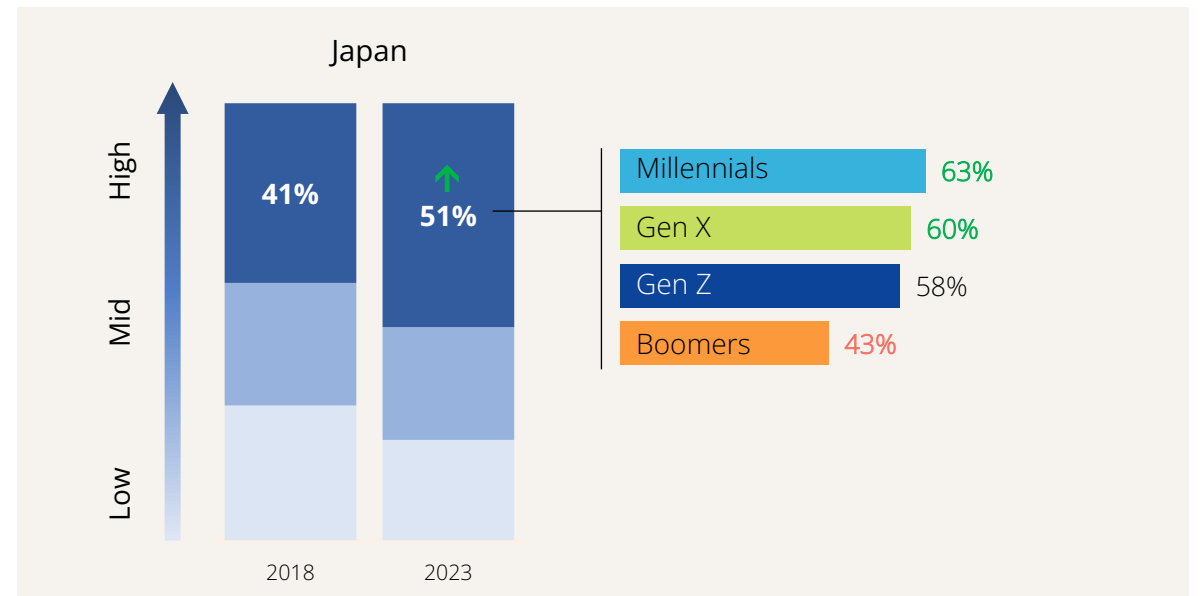
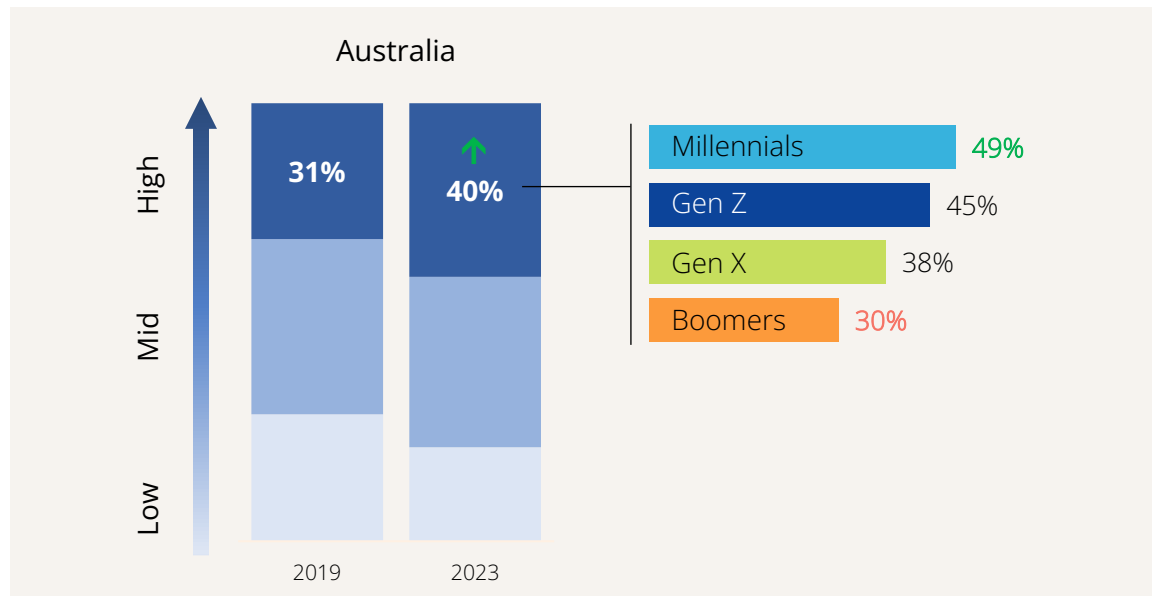


Base: All regular wine drinkers (n>3,021) in selected markets
 ↑/↓: Statistically significantly higher/lower than the previous wave at a 95% confidence level
 Source: IWSR Vinitrac © 2018/2019 and 2022/2023

Older drinkers tend to be the least engaged among a more involved wine population overall

The trend of increased overall involvement but low engagement is seen in the key export markets of Australia and Japan, and in the Netherlands where Millennials are driving change. Gen Z is the second most engaged age group in Australia

Involvement of wine drinkers (2/2)
% who have the following involvement in wine



Base: All regular wine drinkers (n≥1,008) in selected markets

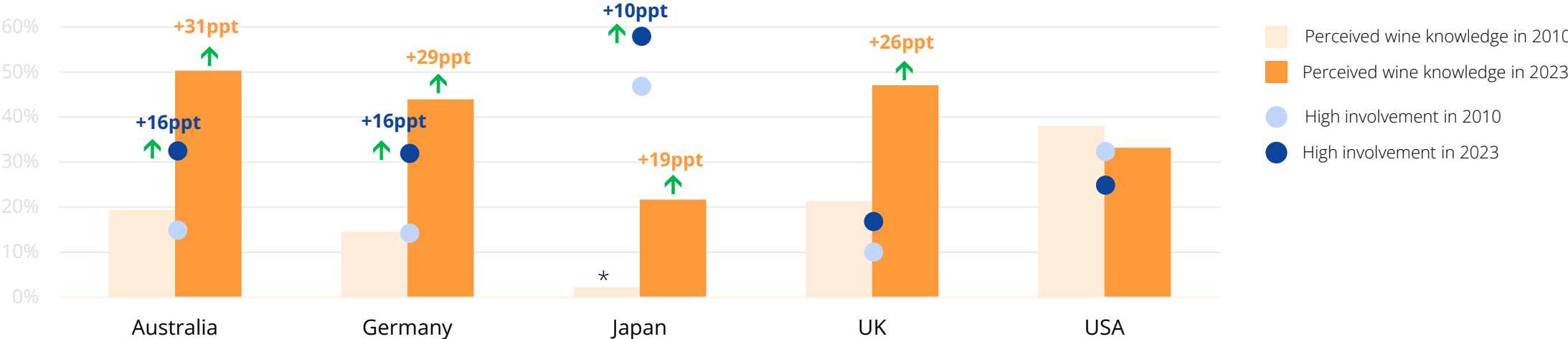
↑/↓: Statistically significantly higher/lower than the previous wave at a 95% confidence level

Source: IWSR Vinitrac © 2018/2019 and 2023

The youngest drinkers have never been so confident about or engaged in wine

Involvement is growing among younger LDA consumers. In the past 13 years, the proportion of those from LDA-24 saying they feel competent about their wine knowledge has more than doubled in key markets except the US, where it was already relatively high. This change appears to be filtering through to this group's engagement levels, which have also seen leaps over the same period

Increased confidence and involvement among LDA-24
 % who agree or strongly agree with the statement 'I feel competent about my knowledge of wine'
 % who have a high involvement in wine

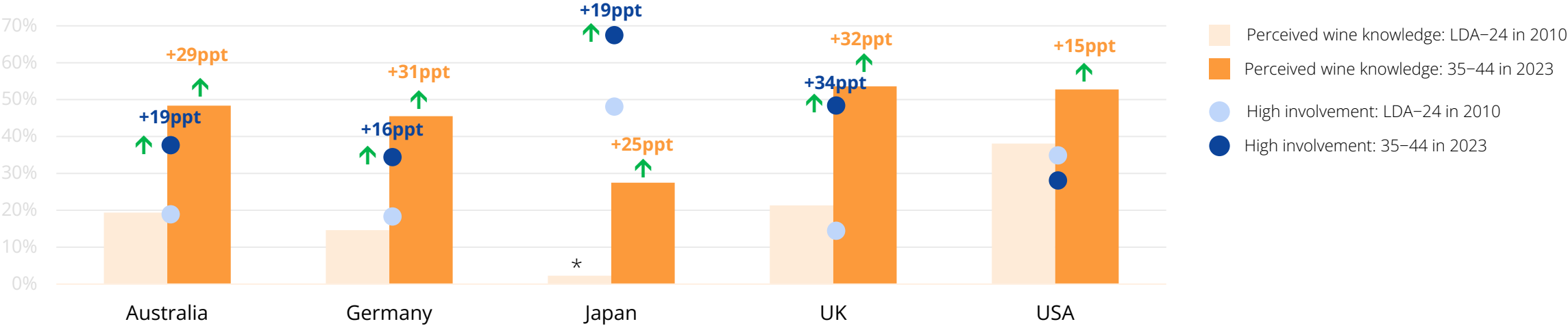


* Low sample size, n<50
 Base: LDA-24 (n≥44) in selected markets
 ↑/↓: Statistically significantly higher/lower than the previous wave at a 95% confidence level
 Source: IWSR Vinitrac @, 2010/2011 and 2023

Wine engagement evolves with age

Wine drinkers aged 35–44 in Australia, Germany, Japan and the UK are significantly more engaged in the category than the same group 13 years ago. In the US, the proportion of those who have high involvement is broadly unchanged, but overall engagement has improved. This demonstrates that involvement in wine correlates with age and tends to peak between the mid-30s and 40s

Increasing confidence and involvement with age
 % who agree or strongly agree with the statement 'I feel competent about my knowledge of wine'
 % who have a high involvement in wine



* Low sample size, n<50
 Base: LDA-24 (n≥44) and 35-44 (n≥131) in selected markets
 ↑/↓: Statistically significantly higher/lower than the previous wave at a 95% confidence level
 Source: IWSR Vinitrac @, 2010/2011 and 2023

**Moderation: one trend,
multiple behaviours**



Moderation: one trend, multiple behaviours

Undeniably, more consumers are cutting their alcohol intake and moderation has surfaced as one of the most important and threatening trends on the wine landscape.

Changes in litres of pure alcohol (LPA) consumed per capita show that drinkers have reduced their alcohol intake overall. Three-quarters of the top 30 markets by LPA saw a negative change between 2018 and 2022. Most of the markets unaffected are in Eastern Europe. China, Hong Kong and France have among the heaviest declines on this measure, respectively down 6.7%, 3.7% and 3.2% over this period.

In 2023, one in two wine drinkers said they were actively moderating their alcohol consumption, the same as in 2022. This rises among Brazilian, South African and German wine drinkers, to as high as 65%.

The moderation trend is cross-generational but Gen Z is the biggest driver: 67% of wine drinkers aged 18–27 say they have been moderating their alcohol consumption. This proportion gradually decreases with age, to 61% of Millennials, 49% of Gen X and 43% of Boomers.



Moderation manifests in different behaviours. A third of wine drinkers who are actively moderating their alcohol consumption do so by not drinking any alcohol at all on certain occasions. About 20% opt for no/low drinks alternatives and 4% use legal cannabis.

One in four purchasers of no/low products say they are buying more of them than they did last year.

Striving for a healthier lifestyle and effectively reducing alcohol intake are the two main motivations to consume no/low products.

Development of better tasting products, greater awareness of the category and increased availability are all major factors in consumers' growing interest in the category.

Measuring moderation

All the top markets by per capita alcohol consumption have experienced declines apart from those in eastern Europe and Iberia. Norway increased from 2018–22 but is negative in recent years and was down 12% from 2021–22. France, Belgium, Finland and Japan have the biggest falls. China and Hong Kong fall outside the top 30 but have also fallen, by 6.7% and 3.7% respectively

Reduced overall alcohol consumption

LPA: Litres of pure alcohol per capita (adults);
CAGR (compound annual growth rate) 2018–2022

#	Top markets by LPA	LPA	2018-2022
1	South Korea	15.23	-0.80%
2	Czech Republic	13.01	0.64%
3	Slovakia	12.45	0.93%
4	Austria	11.59	-0.28%
5	Ireland	11.29	-0.83%
6	Romania	11.11	-1.56%
7	Hungary	11.04	0.95%
8	Germany	10.91	-1.09%
9	Slovenia	10.80	-1.34%
10	Poland	10.80	-0.06%
11	Spain	10.71	0.38%
12	Portugal	10.46	0.48%
13	Denmark	10.33	-0.92%
14	United States	10.28	-0.33%
15	Australia	10.01	-0.67%

#	Top markets by LPA	LPA	2018-2022
16	United Kingdom	9.76	-1.53%
17	France	9.36	-3.17%
18	Russia	9.29	0.58%
19	New Zealand	9.18	-0.51%
20	Switzerland	9.08	-1.11%
21	Italy	8.80	-1.33%
22	Netherlands	8.62	-1.57%
23	Finland	8.33	-2.03%
24	Argentina	8.16	0.32%
25	South Africa	7.94	1.17%
26	Belgium and Luxembourg	7.86	-2.22%
27	Greece	7.77	-0.04%
28	Canada	7.70	-0.57%
29	Japan	7.41	-2.14%
30	Norway	7.14	2.32%

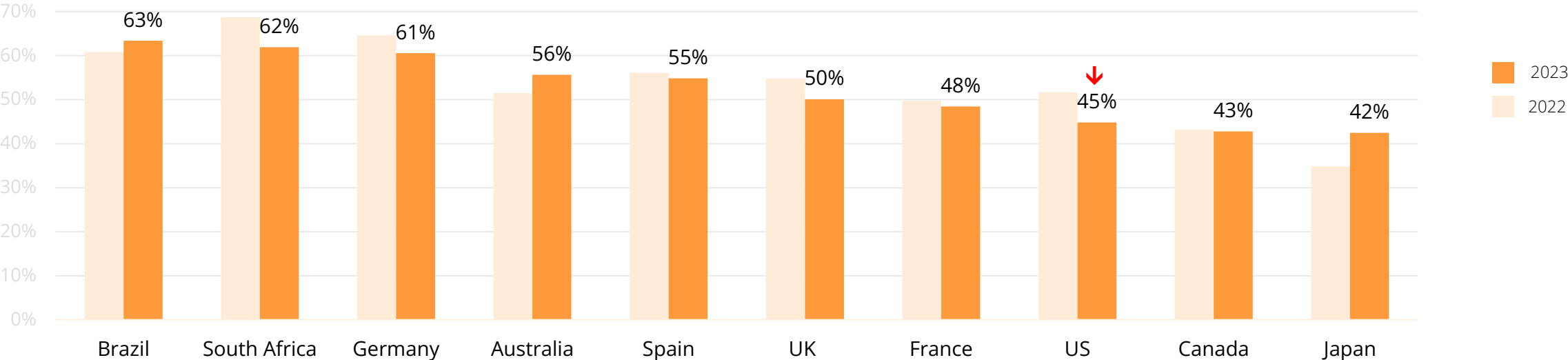
Source: IWSR, July 2023

Measuring moderation

One in two wine drinkers say they are actively moderating alcohol, a proportion which increases to three in five in Brazil, South Africa and Germany. The trend is stable over the past 12 months, except in the US, where a smaller proportion of wine drinkers than last year say they are reducing their alcohol intake

Alcohol moderation: tracking

% who are actively reducing the amount of alcohol they drink

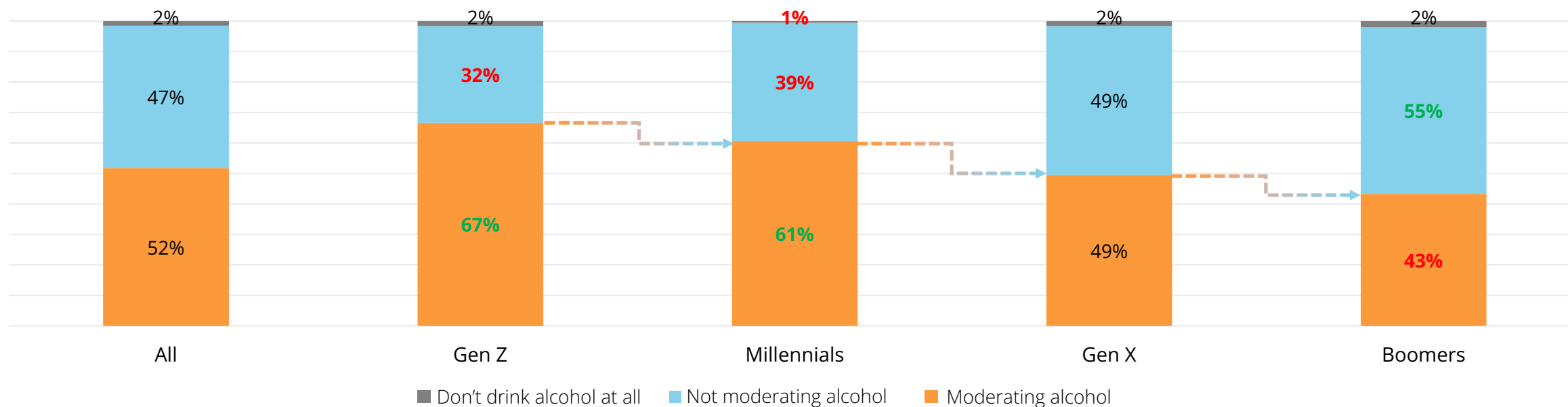


Base: Those who have bought still wine in the past six months (n≥136) in selected markets
↑/↓: Statistically significantly higher/lower than 2022 at a 95% confidence level
Source: IWSR © 2022-2023

A cross-generational trend driven by Gen Z

The evidence shows that the moderation trend is cross-generational. Gen Z are important drivers of the trend with 67% of wine drinkers aged LDA-27 moderating their alcohol consumption. The proportion doing so gradually decreases with age: 61% of Millennials, 49% of Gen X and 43% of Boomers

Attitude towards moderation by generation



%/%: Statistically significantly higher/lower than all drinkers at a 95% confidence level

Base: Those who have bought still wine in the past six months (n=3,498) in selected markets; Gen Z (LDA-27) n=367, Millennials (28-42) n=892, Gen X (43-57) n= 911, Boomers (58+) n=1,329

Source: IWSR © 2023

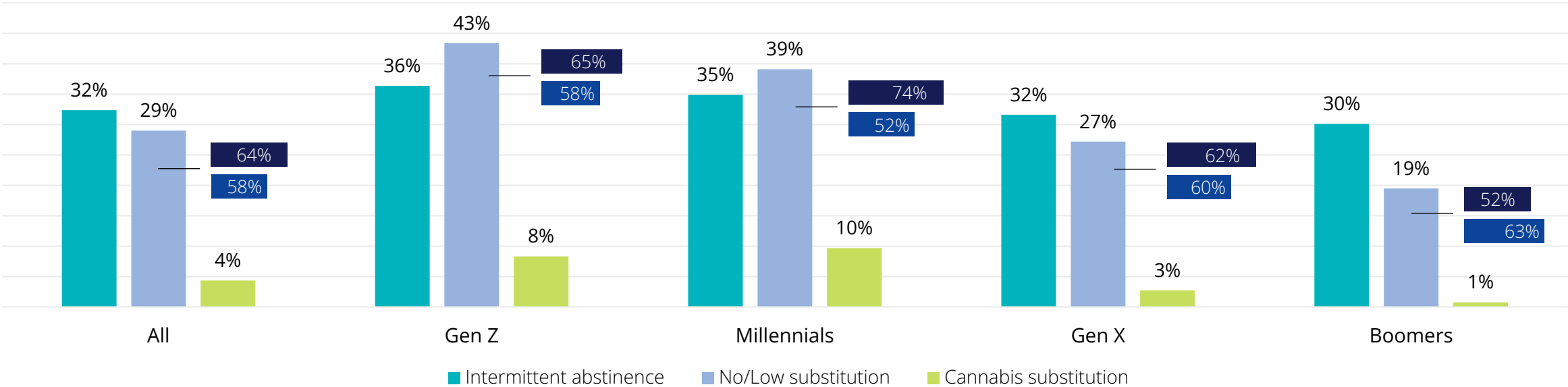
Moderation behaviours

Moderation is displayed in different ways. A third of wine drinkers who actively moderate their alcohol intake do so by not drinking any alcohol on certain occasions. About 29% opt for no/low alternatives. This goes up to 43% among Gen Z. There is an overall preference for low-alcohol over no-alcohol products, except for Boomers

Moderation behaviours by generation

Intermittent abstinence: Don't drink alcohol on some occasions
 No/Low substitution: Switch to lower/no alcohol options on some occasions
 Cannabis substitution: Switch to legal cannabis products

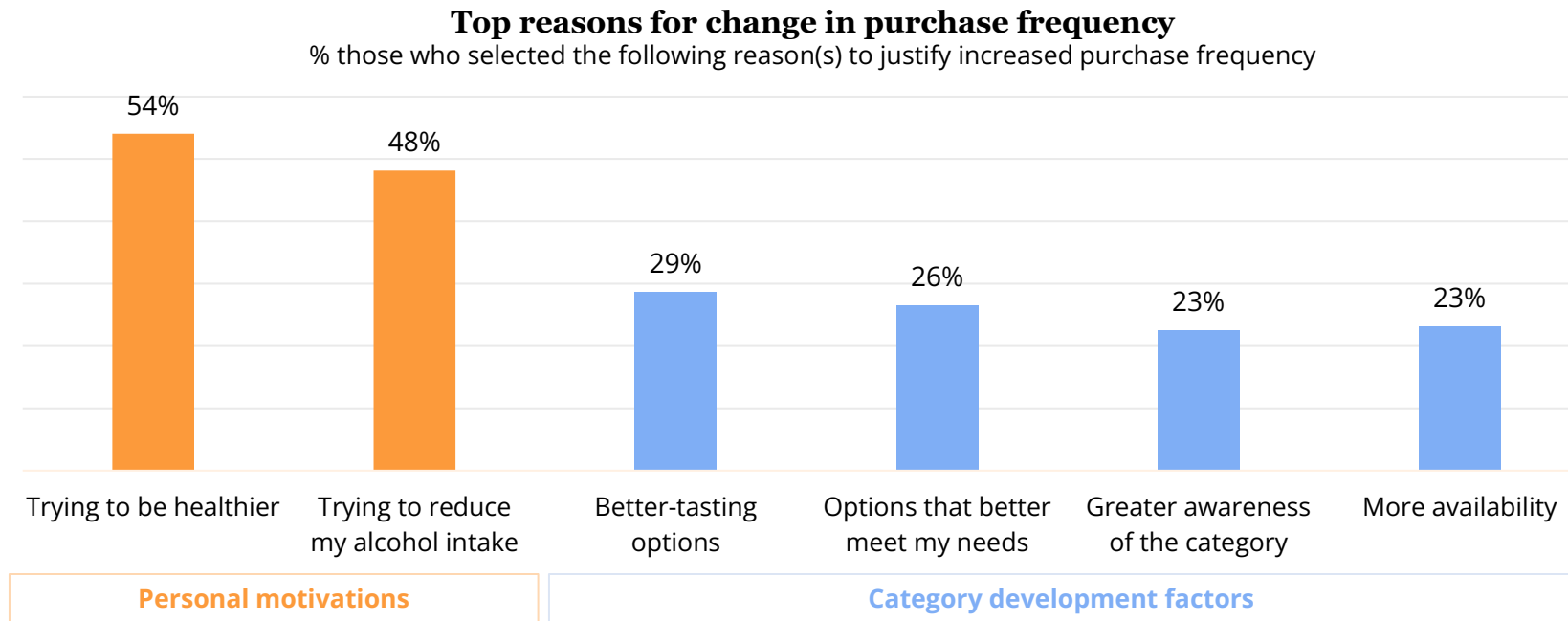
Low-alcohol product
 No-alcohol product



Base: Those who are actively reducing the amount of alcohol they drink among still wine buyers in P6M (n=1,811) in selected markets
 Source: IWSR © 2023

Increasing purchase frequency of no/low

One in four wine drinkers who buy no/low products say they are buying more of them than they did last year. Healthier lifestyles and reducing alcohol intake effectively are the two main motivations for consuming no/low products. Considerable developments to tackle quality, diversity and visibility in the category have also been major factors in stimulating demand

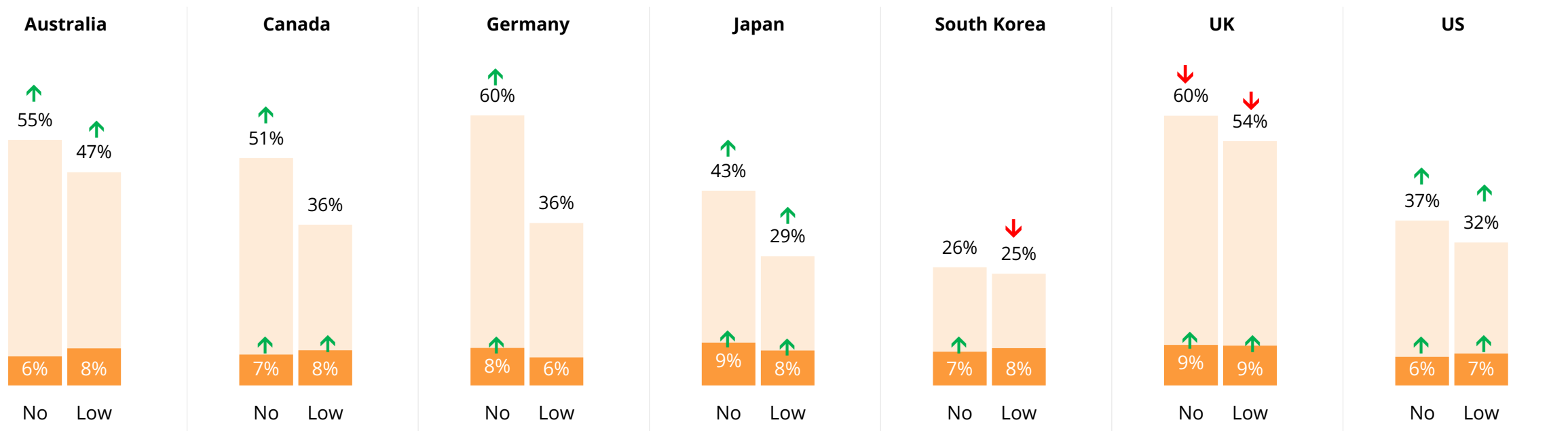


%/°: Statistically significantly higher/lower than the global average at a 95% confidence level
Those who have been buying no/low beverages more often than last year among still wine buyers in P6M (n≥286) in selected markets
Source: IWSR © 2023

No/low wine continues to grow but from a small base of consumers

There are broadly positive indicators for no/low wine, with increases in both awareness and purchase metrics

No/low wine awareness and penetration: tracking
 % who have heard of the following wine types
 % who have specifically sought out to buy the following wine types in the past six months

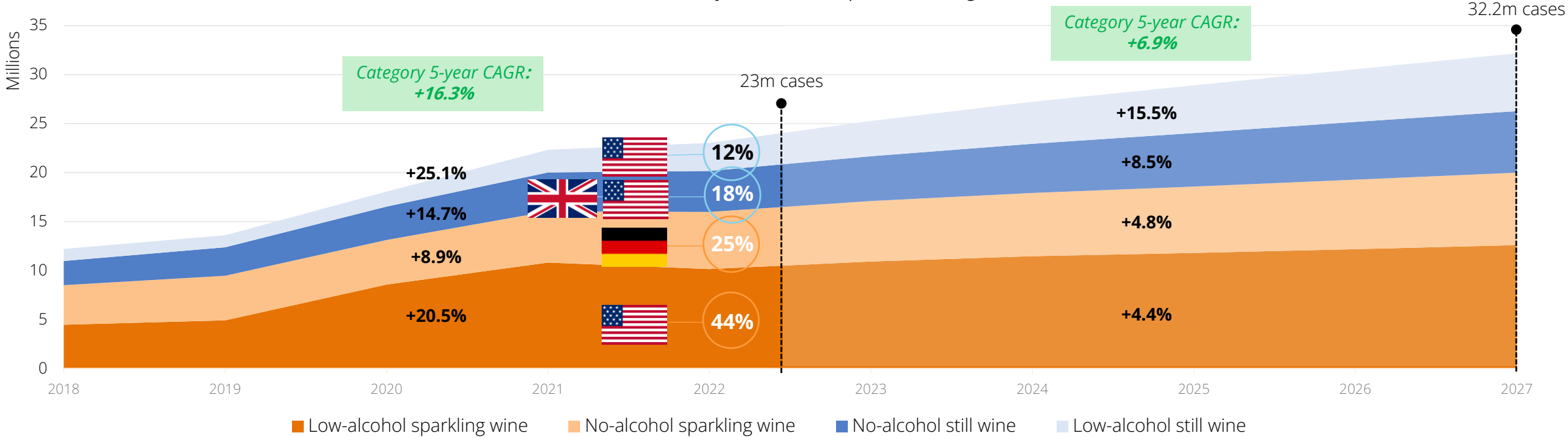


Base: All regular wine drinkers (n≥1,000) in selected markets
 ↑/↓: Statistically significantly higher/lower than 2021 at a 95% confidence level
 Source: IWSR Vinitrac © 2021–2023

No/low wine growth driven by sparkling

Most no/low wine volume comes from low-alcohol sparkling wine, which accounts for nearly half of the category globally. Low-ABV sparkling wines have registered a CAGR increase of 20.5% over the past five years. Close to 80% of low-alcohol sparkling wine is consumed in the US, which accounts for 47% of the total category. Other big volume markets include Germany (20%), the UK (7%), France (5.5%) and Australia (4%)

Low-no wine volumes: 2018–27F
9L cases; market shares; 5-year CAGR (Compound annual growth rate)



Source: IWSR, January 2024

Premiumisation normalises



Premiumisation normalises

Following three years of exceptional growth, the premiumisation trend in wine is normalising.

The premiumisation trend experienced a significant acceleration at the peak of the pandemic. 2020 and 2021 witnessed exceptional growth, as consumers chose to drink less but better, gravitating towards premium wines, as going out less meant they could pay for more quality at home.

Between 2020 and 2021, the global wine market value grew by 4.8% while volume was in decline. Value growth was even faster in sparkling wine, at 17.6% over the same period.

Further evidence of premiumisation is seen in the trends in different price segments.

Lower-end wines are registering volume losses, but those with a super-premium price tag are experiencing growth.

However, the fast pace of premiumisation appears to be moderating. Value growth continues to surpass volume growth – including in super-premium price bands and above – but has become more modest.



This is happening on the global scale, and not just in wine. It is also visible in spirits and the wider luxury goods market.

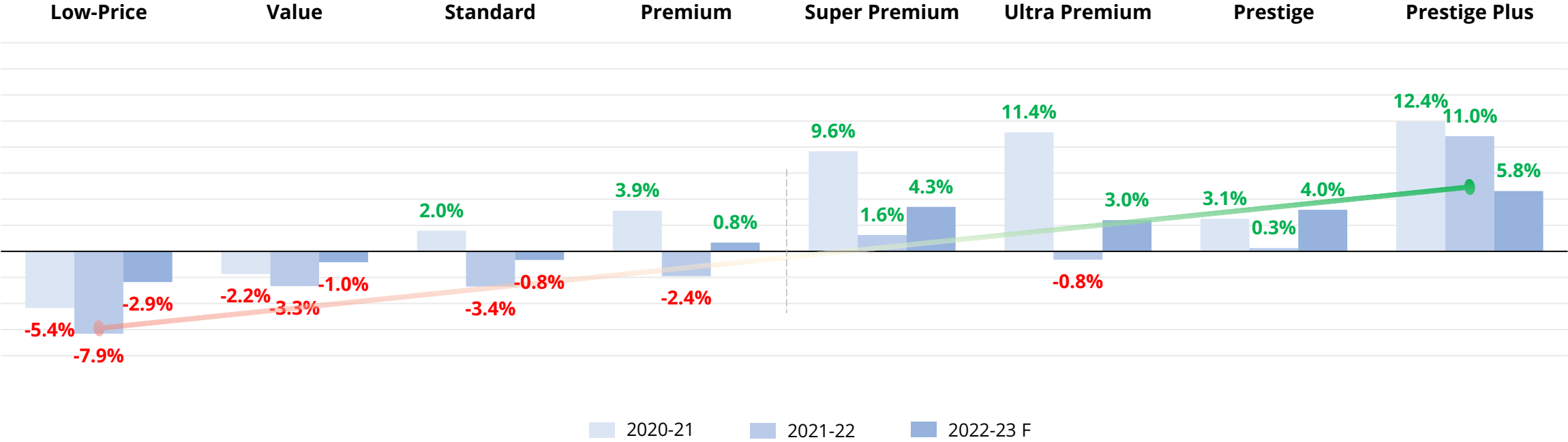
This is indicative of markets' natural tendencies to correct themselves, but the current economic context also plays a role.

Inflationary pressures and the cost-of-living crisis have impacted large parts of the population. Those with smaller disposable incomes have been the most affected and have had to revise their spending on less essential goods. Fear of recession and uncertainty have further pressured many households to adopt a more careful position.

Super-premium and higher segments are still generators of volume growth

There is an evident split between price segments: lower-end wines are losing volumes while wines priced from super-premium upwards demonstrate growth. However, their growth in 2021–22 was lower than 2020–21

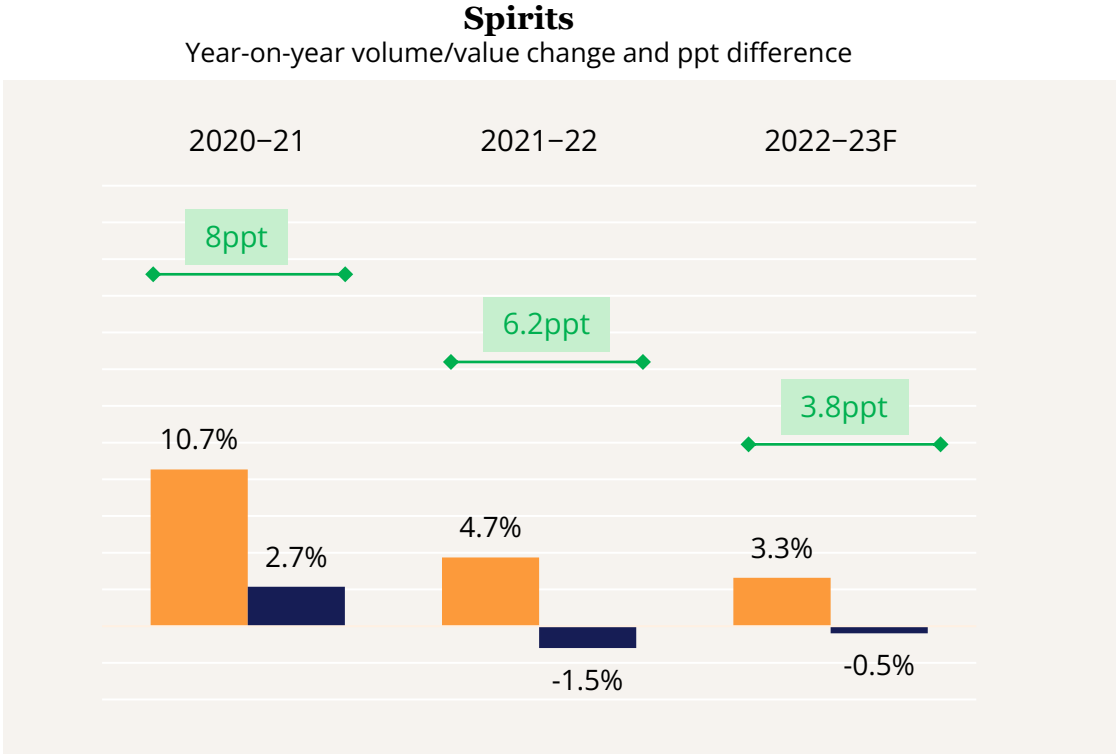
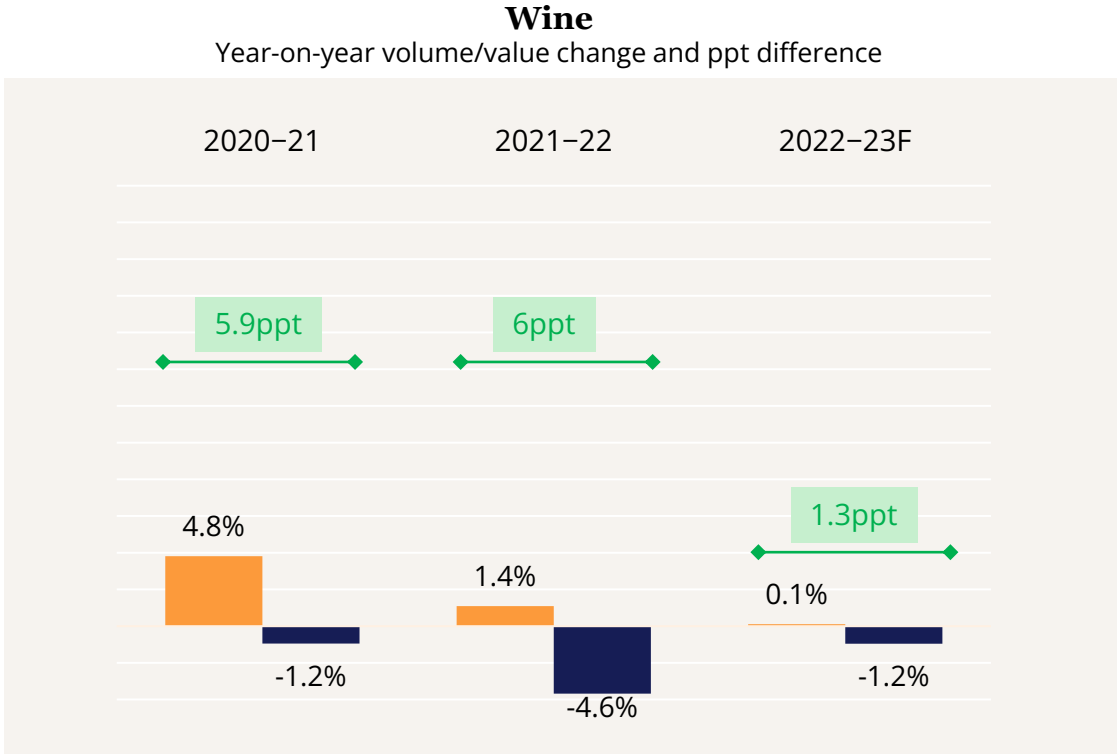
Wine category volume growth by price band
Year-on-year volume change



Source: IWSR, January 2024

Overall market value growth reflected in both wine and spirit categories

Wine volumes have fallen over the years, but value growth remains positive; a similar trend is seen in spirits

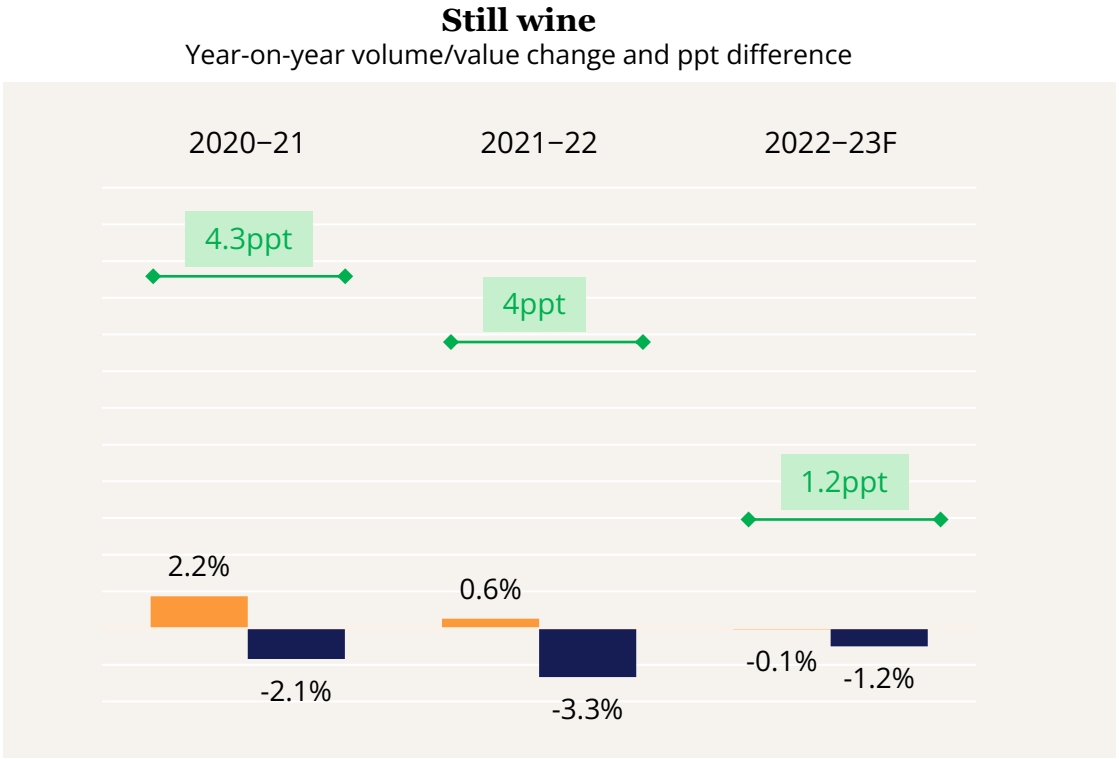
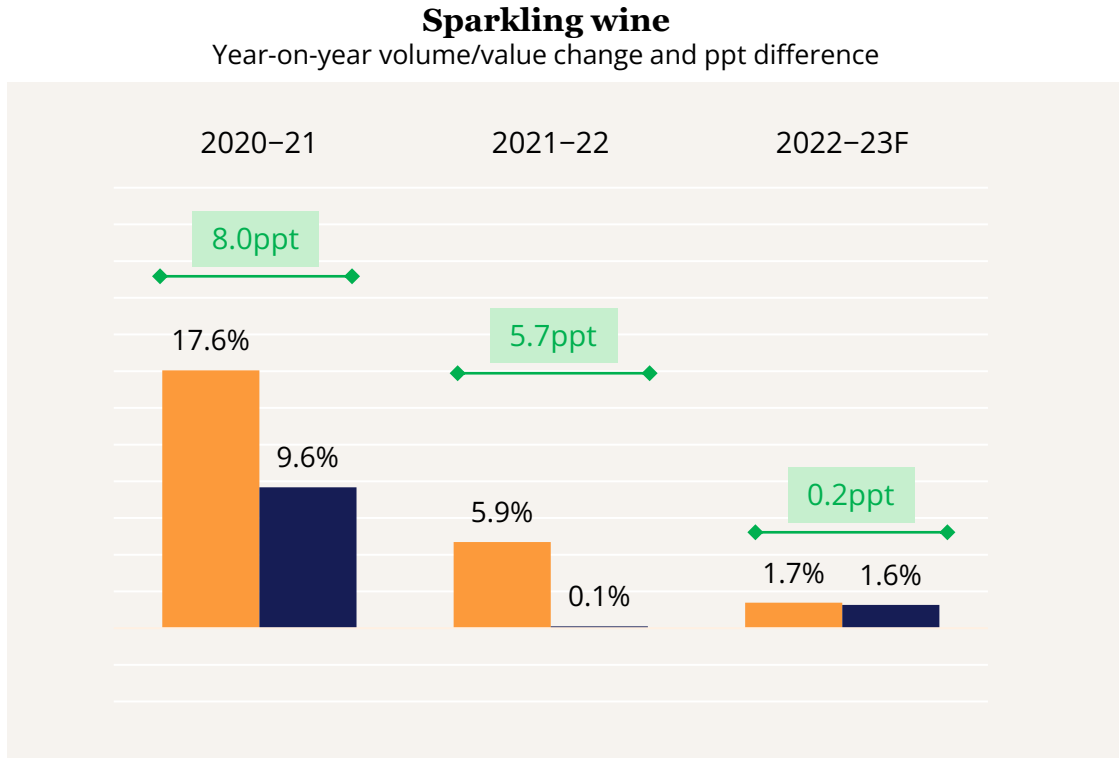


■ YoY value
 ■ YoY volume
 ■ Value outperforms volume

Source: IWSR, January 2024

Premiumisation slowdown observed in still and sparkling wine

Globally, value growth continues to outperform volume but the difference between the two has narrowed compared to the peak of the pandemic. It is expected that the gap will close further



■ YoY value
 ■ YoY volume
 ■ Value outperforms volume

Source: IWSR, January 2024

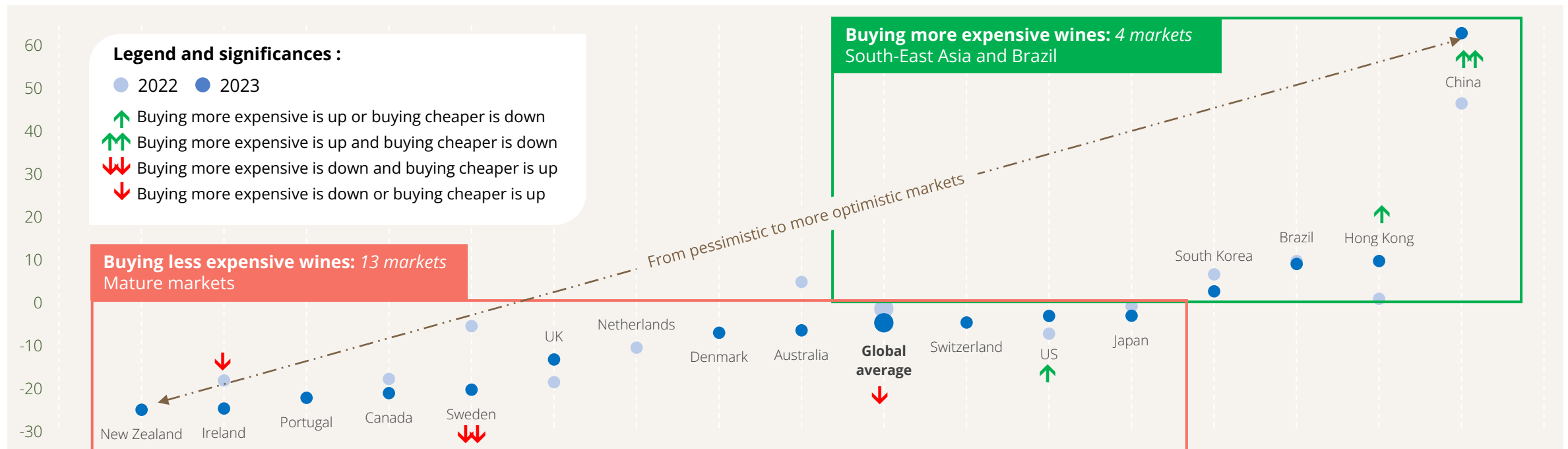
An intention to buy less expensive wine prevails globally and in mature markets

Wine drinkers in most markets say they are buying cheaper wines, and the trend is negative overall. A bigger proportion of drinkers in the US, China and Hong Kong say they are spending more

Spend on wine: One-year tracking

Q: Given recent global events, indicate how closely your views align with the following statements

Net scores: % of those who said to be buying more expensive wines minus % of those who said to be buying cheaper wines



Base: All regular wine drinkers (n≥604) in selected markets
Source: IWSR Vinitrac © 2022 and 2023

**Resurgent but cautious
consumer confidence**



Resurgent but cautious consumer confidence

Latest consumer confidence data shows signs of overall improvement, but this is failing to translate into the wine category on a large scale.

The confidence of wine drinkers improved between 2022 and 2023. Consumers are generally happy, assured about their personal finances and looking forward to the future.

Chinese consumers are consistently the most optimistic and demonstrated the strongest rebound in confidence over the period, undoubtedly related to the lift of the severe three-year long restrictions in place since the start of the pandemic.

The UK is often among the most pessimistic markets, along with other European countries, but it is showing the most resilience, with nearly all of its confidence indicators rebounding, despite high inflation over the past two years.

Globally, 66% of consumers say they are confident about their finances, up 3ppt on the previous year. This sentiment is particularly strong in Brazil, China and the US, and has improved considerably in Canada, the UK, Ireland, Japan and South Korea.



Consumers' views on going out and their spending when doing so is more nuanced. Sentiment in these areas remains broadly negative, but to a lesser extent than the previous year. Intentions to go out and spend when away from the home have notably improved in the US, the UK, China and Hong Kong.

However, signs of improved overall consumer sentiment have not yet translated into better signs for wine. Attitudes towards wine purchases are moving backwards globally. There is more positive movement in emerging markets such as Brazil and Asia than in the rest of the world.

Globally, the average drinker continues to down-trade in wine, reflected in consumer attitudes towards average bottle spends. The net score for the statement 'I am buying cheaper wines' remains negative and is worsening, at -5, down 4ppt on 2022). However, wine drinkers in China, Hong Kong and Brazil say they are buying more expensive wines than before.

Similarly, wine consumers in Brazil (52%) and Asia (77% in China, 38% in Japan and 37% in Hong Kong) say they are buying more wine than they used, whereas most drinkers in Europe and other mature markets are buying less.

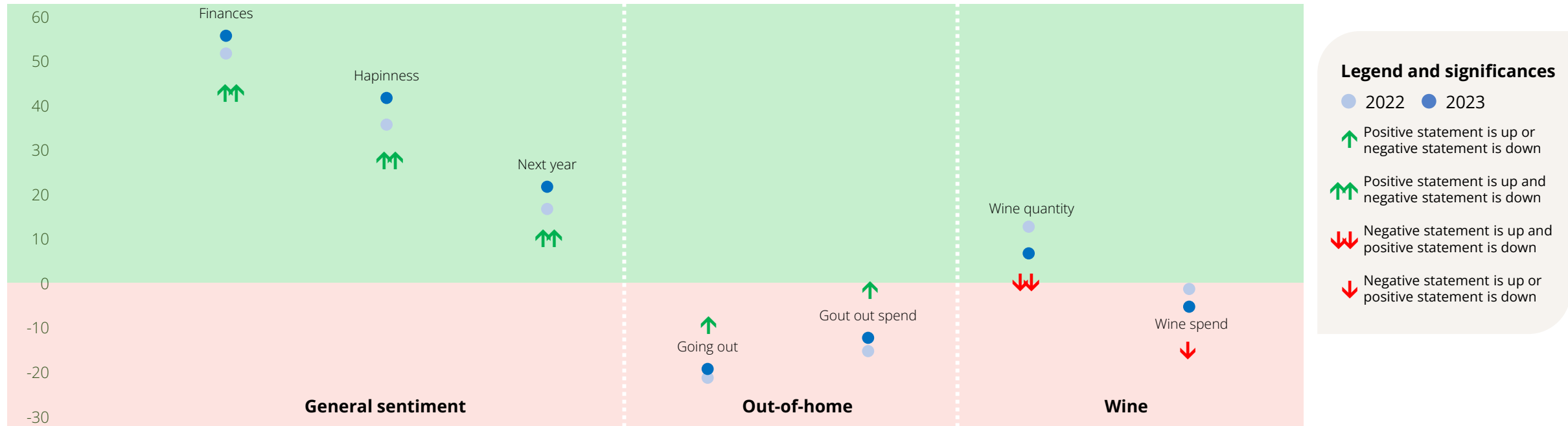
Resurgent but cautious consumer confidence

Global consumer sentiment is positive, and things are moving in the right direction. Happiness, confidence about personal finances and looking forward to next year are all on the rise. There is some positive movement on travelling, going out and spending money outside the house, but consumers are still down-trading in wine

Consumer sentiment: One-year tracking (global averages)

Q: Given recent global events, indicate how closely your views align with the following statements

Net scores: % of those who agreed with the most positive statement minus % of those who agreed with the most negative statement



Base: All regular wine drinkers (n≥604) in selected markets
Source: IWSR Vinitrac © 2022 and 2023

More optimism about the future

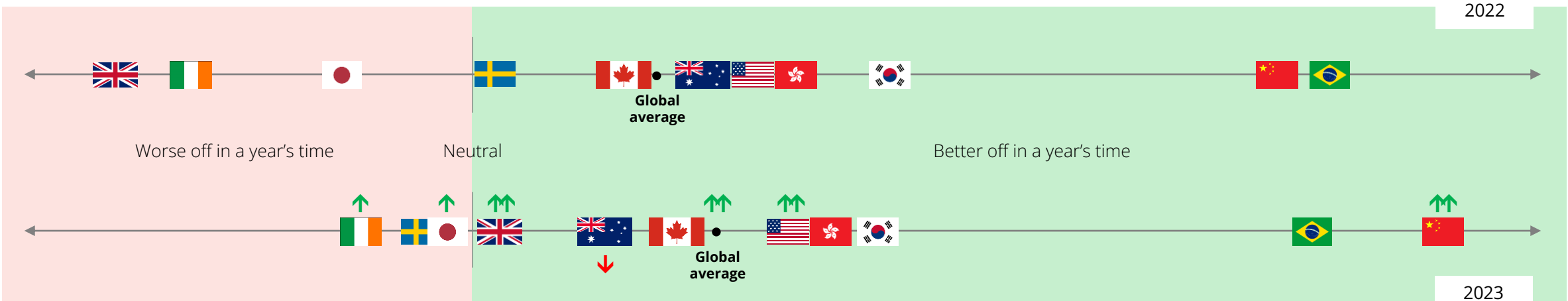
There are mixed views about the future, but most markets have a positive sentiment or are leaning towards more optimism. Sweden is an exception

Next year: One-year tracking

Q: Given recent global events, indicate how closely your views align with the following statements

Net scores: % of those who said their household will be better off minus % of those who said it will be worse off in a year's time

Minimum score: -30%, Maximum score: +85%



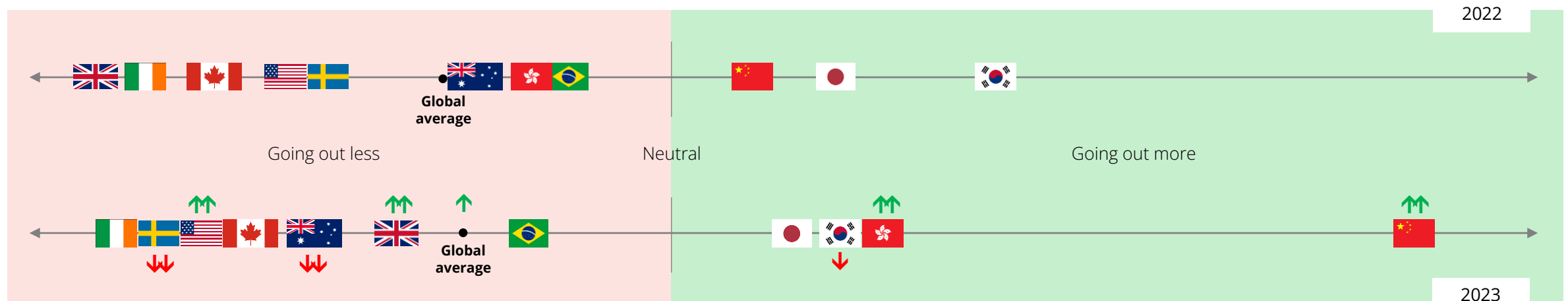
↑↑: Optimism towards the future is up and pessimism is down / ↑: Optimism towards the future is up or pessimism is down
 ↓↓: Optimism towards the future is down and pessimism is up / ↓: Optimism towards the future is down or pessimism is up
 Base: All regular wine drinkers (n≥604) in selected markets
 Source: IWSR Vinitrac © 2022 and 2023

Drinkers are going out as much as they used to, and this is shifting to become more positive

Wine drinkers are leaning towards going out less than the previous year in most markets, especially in Europe and other mature markets. This trend has changed slightly towards more positive attitudes in the UK, the US, China and Hong Kong, and this is reflected in the global average

Going out: One-year tracking

Q: Given recent global events, indicate how closely your views align with the following statements
 Net scores: % of those who said they are going out more minus % of those who said they are going out less
 Minimum score: -52% - Maximum score: +67%



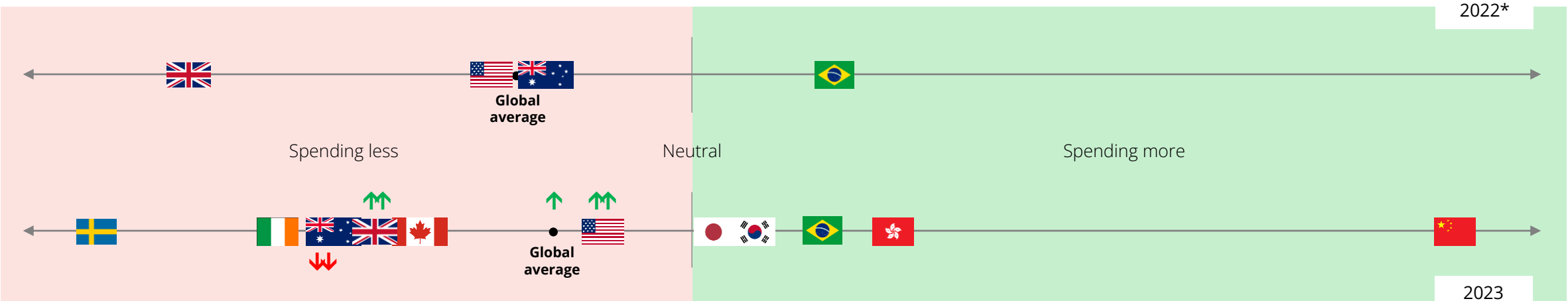
↑↑: Going out more is up and going out less is down / ↑: Going out more is up or going out less is down
 ↓↓: Going out more is down and going out less is up / ↓: Going out more is down or going out less is up
 Base: All regular wine drinkers (n≥604) in selected markets
 Source: IWSR Vinitrac © 2022 and 2023

Spend when going out remains lower than usual

Wine drinkers say they are spending less when going out than a year ago, except in Asia and Brazil. This trend is fading in the UK and the US

Spend on going out: One-year tracking

Q: Given recent global events, indicate how closely your views align with the following statements
 Net scores: % of those who said to be spending more minus % of those who said to be spending less on going out
 Minimum score: -52%, Maximum score: +66%



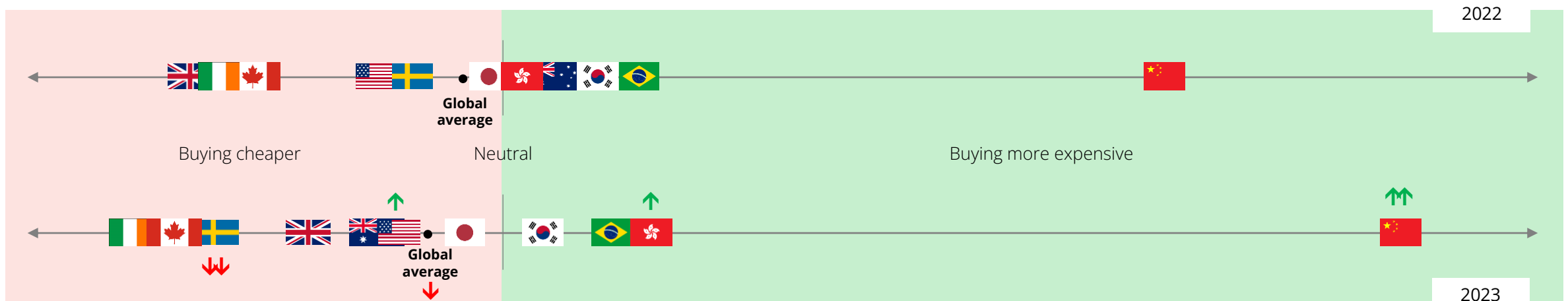
*Attitudes towards product substitution not tested in 2022 for Canada, China, Hong Kong, Ireland, Japan, South Korea and Sweden
 ↑↑: Spending more on going out is up and spending less is down / ↑: Spending more on going out is up or spending less is down
 ↓↓: Spending more on going out is down and spending less is up / ↓: Spending more on going out is down or spending less is up
 Base: All regular wine drinkers (n≥604) in selected markets
 Source: IWSR Vinitrac © 2022 and 2023

Preference for cheaper wines remain

Wine drinkers in most markets say they are buying cheaper wines, and the trend is negative overall. A higher proportion of drinkers in the US, China and Hong Kong say they are spending more

Spend on wine: One-year tracking

Q: Given recent global events, indicate how closely your views align with the following statements
 Net scores: % of those who said they are buying more expensive wines minus % of those who said they are buying cheaper wines
 Minimum score: -25%, Maximum score: +63%



↑↑: Buying more expensive is up and buying cheaper is down / ↑: Buying more expensive is up or buying cheaper is down
 ↓↓: Buying more expensive is down and buying cheaper is up / ↓: Buying more expensive is down or buying cheaper is up
 Base: All regular wine drinkers (n≥604) in selected markets
 Source: IWSR Vinitrac © 2022 and 2023

Research methodology

Research methodology

Landscape studies used in Global Wine Trends

Market	Wave		Population sampled
Argentina	February 2023	958	Argentinian regular wine drinkers LDA+
Australia	July 2023	1,008	Australian regular wine drinkers LDA+
Brazil	October 2023	705	Brazilian regular wine drinkers LDA-64
Canada	April 2023	1,025	Canadian regular wine drinkers LDA+
China	April 2023	1,001	Chinese urban upper-middle class semi-annual imported wine drinkers LDA-54
Denmark	November 2023	801	Danish regular wine drinkers LDA+
Finland	February 2023	1,014	Finnish regular wine drinkers LDA+
France	April 2023	1,001	French regular wine drinkers LDA+
Germany	November 2023	2,014	German regular wine drinkers LDA+
Hong Kong	April 2023	606	Hong Kongese regular wine drinkers LDA-60
Ireland	April 2023	1,005	Irish regular wine drinkers LDA+
Japan	April 2023	1,021	Japanese regular wine drinkers LDA+
Mexico	October 2023	709	Mexican regular wine drinkers LDA+59
Netherlands	July 2023	1,011	Dutch regular wine drinkers LDA+
New Zealand	November 2023	1,017	New Zealand regular wine drinkers LDA+
Portugal	November 2023	1,005	Portuguese regular wine drinkers LDA+
South Korea	April 2023	1,004	South Korean semi-annual imported grape-based wine drinkers LDA-64
Sweden	April 2023	722	Swedish regular wine drinkers LDA+
Switzerland	July 2023	703	Swiss regular wine drinkers LDA+
United Kingdom	October 2023	1,001	UK regular wine drinkers LDA+
United States	October 2023	2,016	US regular wine drinkers LDA+

Research methodology

SOLA (Opportunities in Sustainable, Organic, Low-no and Alternative Wine) studies used in Global Wine Trends

Market	Wave		Population sampled
Australia	November 2023	1,007	Australian regular wine drinkers LDA+
Canada	November 2023	1,020	Canadian regular wine drinkers LDA+
Germany	November 2023	1,004	German regular wine drinkers LDA+
Japan	October 2023	1,008	Japanese regular wine drinkers LDA+
South Korea	November 2023	1,007	South Korean semi-annual imported grape-based wine drinkers LDA-64
United Kingdom	October 2023	1,006	UK regular wine drinkers LDA+
United States	November 2023	2,018	US regular wine drinkers LDA+

No/Low studies used in Global Wine Trends

Market	Wave		Population sampled
Australia	September 2023	336	Australians who have bought still wine in the past six months LDA+
Brazil	September 2023	286	Brazilians who have bought still wine in the past six months LDA+
Canada	September 2023	400	Canadians who have bought still wine in the past six months LDA+
France	September 2023	458	French who have bought still wine in the past six months LDA+
Germany	September 2023	299	Germans who have bought still wine in the past six months LDA+
Japan	September 2023	139	Japanese who have bought still wine in the past six months LDA+
South Africa	September 2023	286	South Africans who have bought still wine in the past six months LDA+
Spain	September 2023	324	Spanish who have bought still wine in the past six months LDA+
United Kingdom	September 2023	382	British who have bought still wine in the past six months LDA+
United States	September 2023	592	Americans who have bought still wine in the past six months LDA+

Research methodology

Bevtrac studies used in Global Wine Trends

Market	Wave		Population sampled
Australia	August 23	1,027	Australian drinkers of alcohol or no-alcohol LDA+
Brazil	August 23	1,043	Brazilian drinkers of alcohol or no-alcohol LDA+
Canada	August 23	1,065	Canadian drinkers of alcohol or no-alcohol LDA+
France	August 23	2,037	French drinkers of alcohol or no-alcohol LDA+
Germany	August 23	1,038	German drinkers of alcohol or no-alcohol LDA+
Italy	August 23	1,009	Italian drinkers of alcohol or no-alcohol LDA+
Japan	August 23	1,005	Japanese drinkers of alcohol or no-alcohol LDA+
Mexico	August 23	1,009	Mexican drinkers of alcohol or no-alcohol LDA+
South Africa	August 23	1,013	South African drinkers of alcohol or no-alcohol LDA+
Spain	August 23	1,016	Spanish drinkers of alcohol or no-alcohol LDA+
United Kingdom	August 23	2,016	UK drinkers of alcohol or no-alcohol LDA+
United States	August 23	2,019	US drinkers of alcohol or no-alcohol LDA+

Other studies used in Global Wine Trends

Global Compass – 2023 covering 50 markets

About IWSR Drinks Market Analysis



IWSR is the leading source of data and intelligence on the beverage alcohol market. The IWSR database, essential to the industry, quantifies the global market of wine, spirits, beer, cider and RTDs (ready-to-drink) by volume and value in 160 countries, and provides insight into short- and long-term trends, including five-year volume and value forecasts, as well as consumer behaviour. IWSR tracks overall consumption and trends at brand, price segment and category level. Our data is used by the major international wine, spirits and beer companies, as well as financial and beverage-alcohol market suppliers.

IWSR's unique methodology allows us to get closer to what is actually consumed and better understand how markets work. IWSR boasts a team of global analysts, each of whom is equipped with local market expertise and an expansive network of on-the-ground industry contacts. Our analysts meet and speak with their industry contacts throughout the year to capture local insight, key market trends, and the 'why' behind the numbers.



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