TRENDS IN SALES OF WINE – A RETAIL PERSPECTIVE

Wine Market Observatory

June 2022

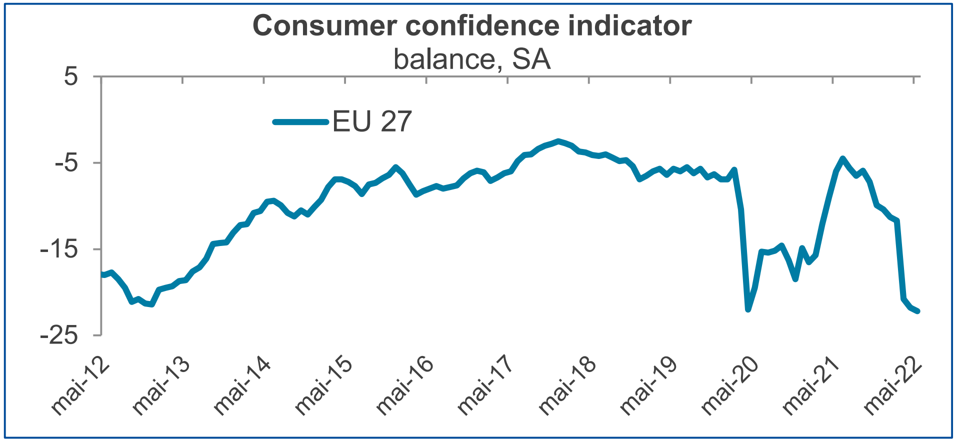
EuroCommerce for retail & wholesale

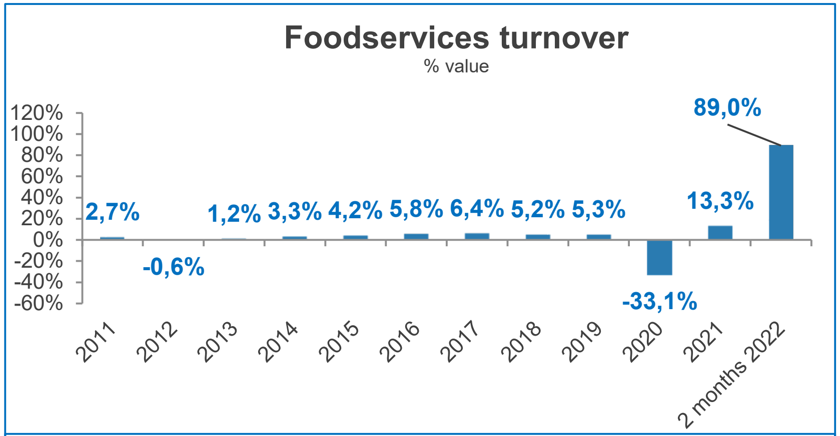
Europe

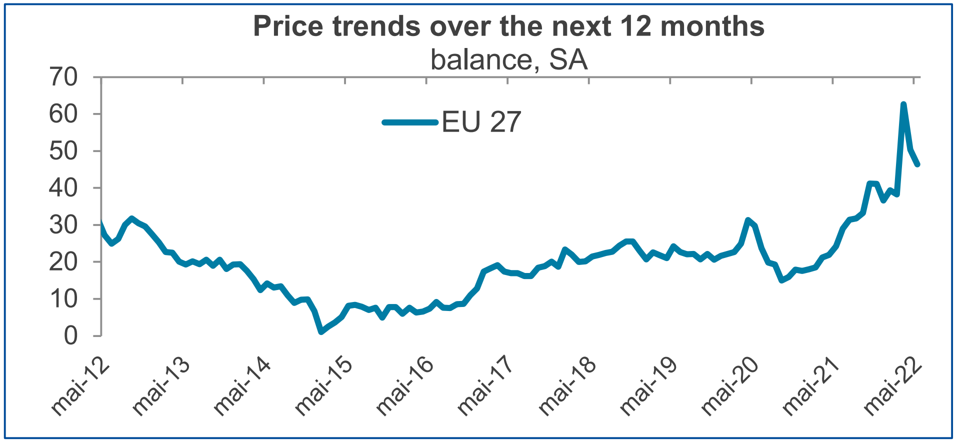
Economic context

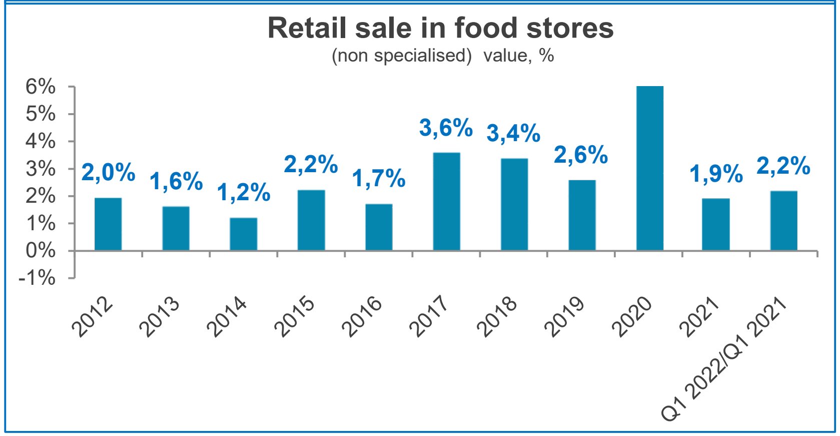
① Household confidence in Europe has been shrinking in recent months. Households continue to anticipate price increases in the coming months.

② In terms of retail channels, the sales of non-specialised food retailers continued to grow. At the same time, foodservice sales have returned to growth in 2021, but their level remains below that of 2019.







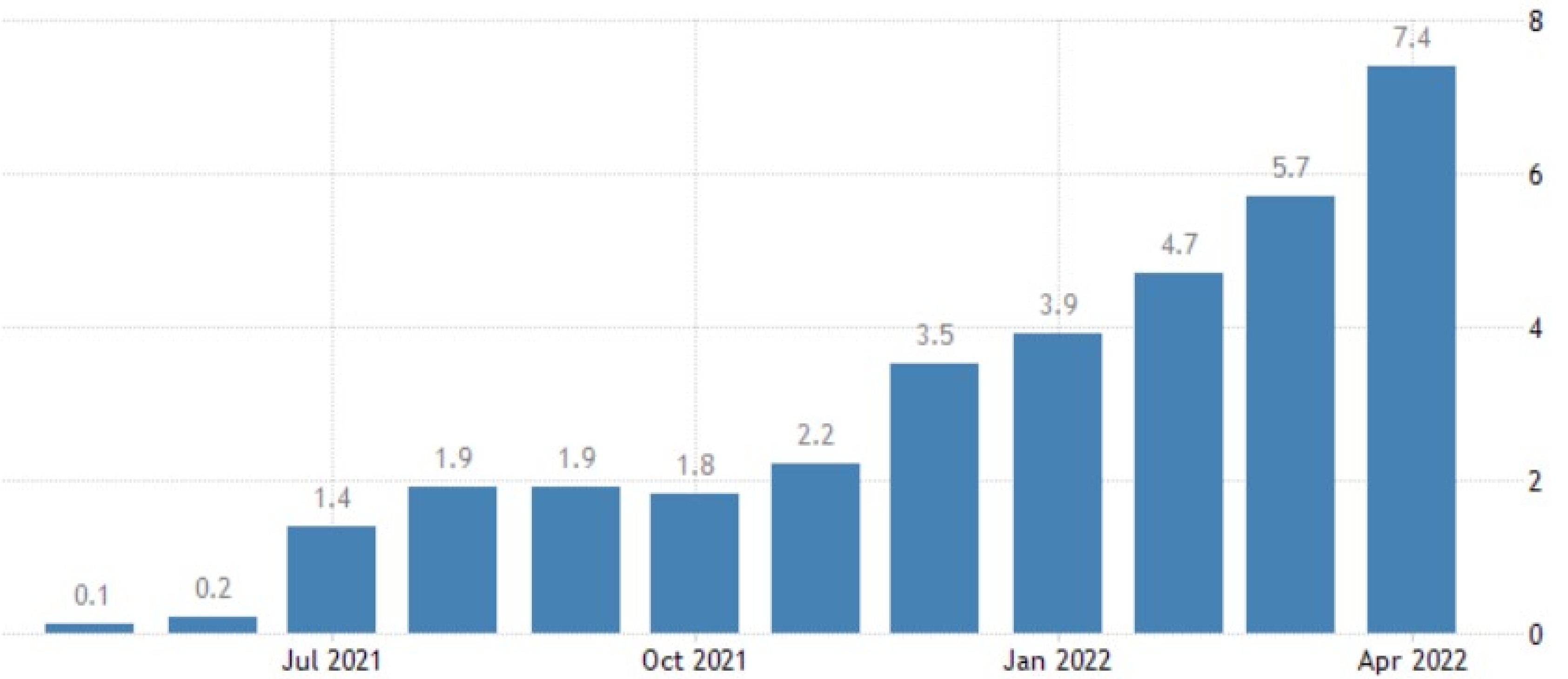


Source : Eurostat

Europe

Economic context

EU food inflation



Source: Eurostat

Europe

Consumer behaviour in times of crisis

	Europe average[4]
More consumers prioritize price	
Look for ways to save money when shopping	42% +9
Actively research for best promotions	28% +1
Switch to less expensive products to save money	18% +1
Buy private-label products instead of known brands	14% +4

Trends during 2022 inflation

Retailers do not expect demand changes in relation to bread, milk, extra-virgin olive oil, but expect decreases in demand for fresh seafood, cheese, **wine**.

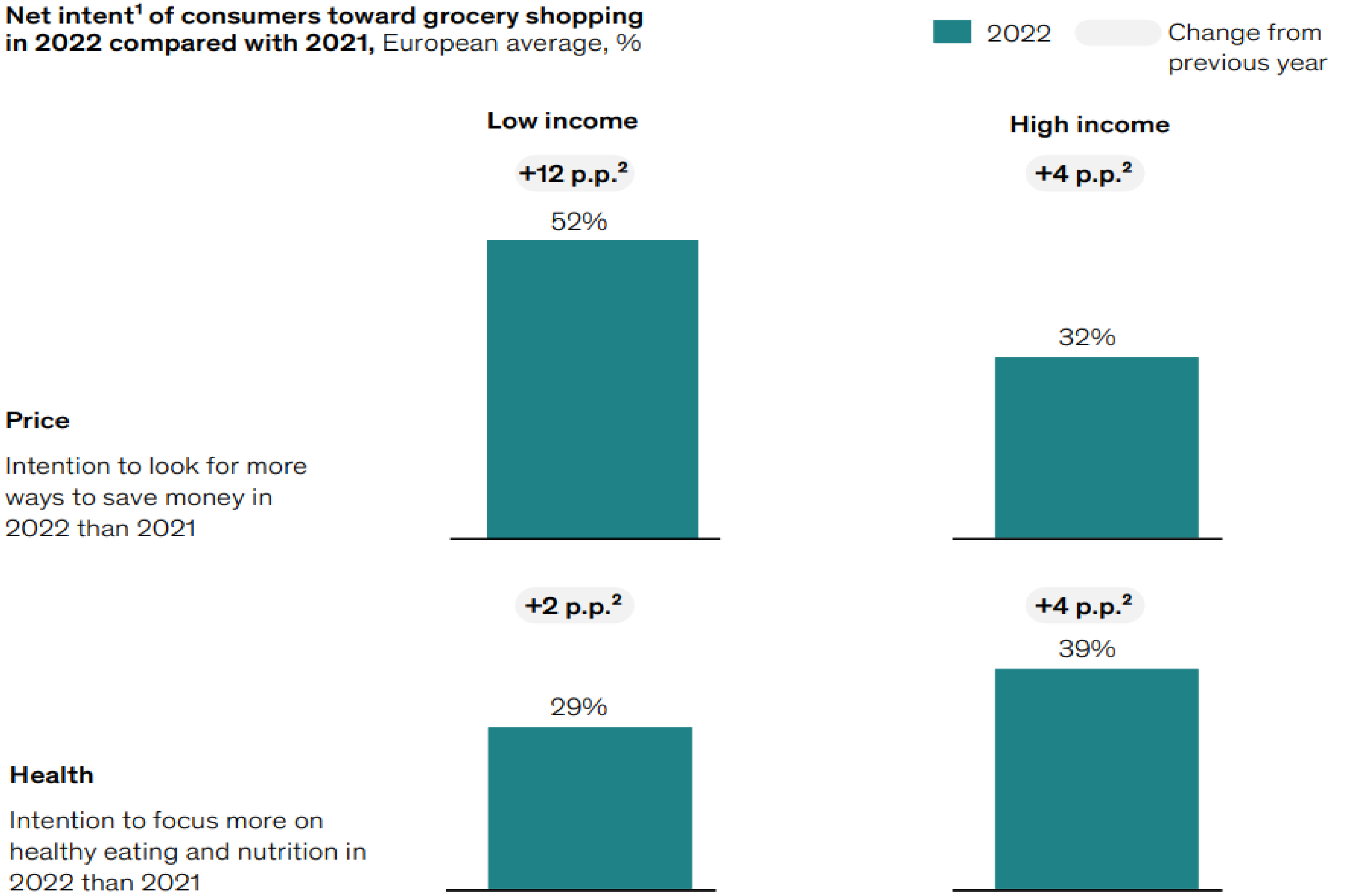
Source: McKinsey, ISMEA

EuroCommerce

Europe

Healthier eating and sustainability

Net intent[1] of consumers toward grocery shopping in 2022 compared with 2021, European average, %



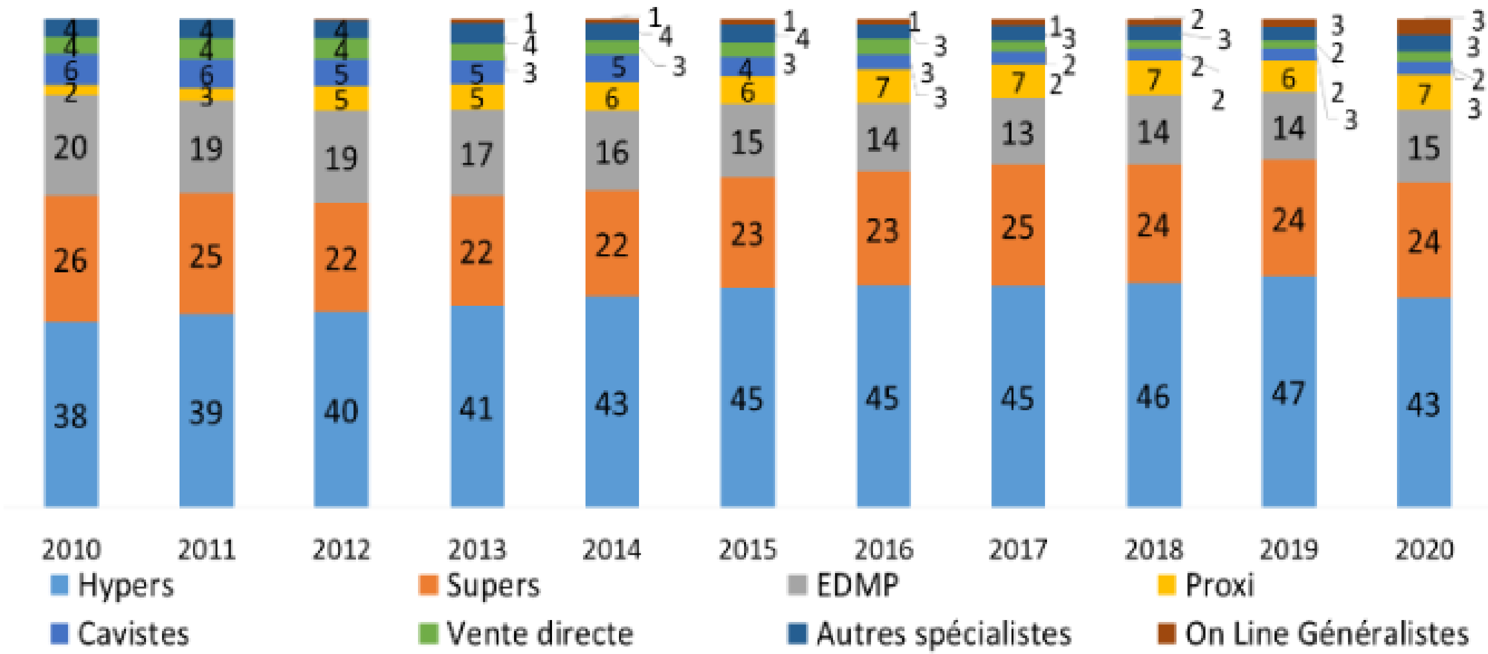
Source: McKinsey

France

Still Wine : retail

Hypermarkets and supermarkets account for the bulk of still wine purchases, regardless of category. Discounters and convenience stores are over-represented in foreign wine purchases, while direct sales, wine merchants and other specialists are over-represented in standard PDO and PGI.

Répartition en volume des achats de vins tranquilles par type de circuits de 2010 à 2020 (en %)



Source: IRI - FranceAgrimer

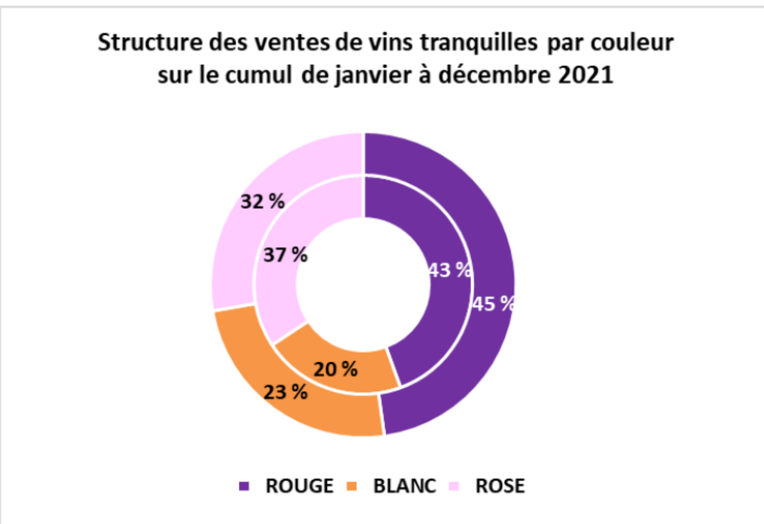
EuroCommerce

France

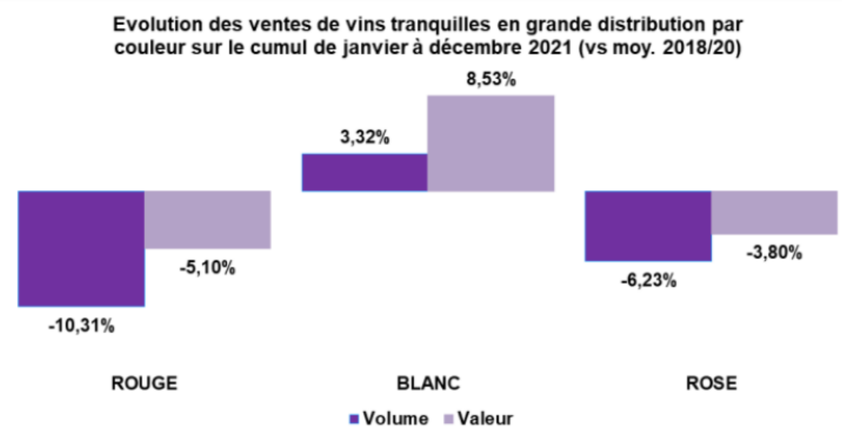
Still Wine : consumption (home consumption) – 2021 + Q1 2022

According to Kantar, household **consumption of wine decreased by -5,5% in volume in 2021** (vs -0,8% in volume in 2020) compared to 2020 and -6,3% compared to the average 2018-2020. **The consumption decreased by -1,5% in value compared to 2020**. Consumers tended to buy **more expensive wines,** in contrast to previous years. The average price was €4.91 per litre, up 4.2% on 2020 and +4,9% on the 2018-2020 average. In terms of colors, only **white wine** purchases increased in 2021 (+3,2% in volume and +8,5% in value).

Sales of still sales of still wines are down by 10% in volume in **Q1 2022** compared to Q1 2021 (-10% also compared to the compared to the 2019/21 average) and 10% in value (-6% compared to the compared to the 2018/20 average). In contrast, the price paid was €4.66/l, which is stable compared to 2021 (+4% compared to the 2019/21 average).



Cercle interne : volume
Cercle externe : valeur



Contour : HM+SM+EDMP FR+E-commerce GSA+Proxi
Source : IRI – élaboration FranceAgriMer

France

Still Wine : consumption (home consumption)

According to IRI, still wine sales fell by 5,5% in volume in 2021, and by 1,6% in value.

The growth dynamic was particularly strong for white wines (+4,4% in value).

In terms of packaging, only sales of non-returnable glass (75 cl bottle) have increased in value (+1,5%).

Note also the increase in sales of PDO wines (+0,7% in value) and wines without geographical indications France (+10,2%).

Total HM + SM + HDF + proxi + e-commerce	Ventes en volume en millions de litres	Évolution sur un an des ventes en volume	Ventes en valeur en millions d'euros	Évolution sur un an des ventes en valeur	Prix moyen en €/litre	Évolution sur un an du prix moyen
VINS TRANQUILLES	943,80	-5,5%	4628,04	-1,6%	4,90	+4,1%
MDD	360,08	-7,4%	1412,03	-5%	3,92	+2,5%
Rouges	419,45	-7,2%	2210,26	-2,3%	5,27	+5,3%
Blancs	200,56	+0,7%	1132,04	+4,4%	5,64	+3,7%
Rosés	323,78	-6,9%	1285,70	-5,3%	3,97	+1,7%
Verre perdu 75 cl	475,26	-2,3%	3263,58	+1,5%	6,87	+3,9%
PET	31,07	-4,5%	63,41	-4,7%	2,04	-0,2%
Brique	3,68	-8,5%	10,28	-10,1%	2,79	-1,7%
Cubitainer	8,71	-21,4%	13,41	-21,6%	1,54	-0,2%
Bag-in-Box©	397,82	-8,6%	1131,61	-9,1%	2,84	-0,5%
Doypack/Pouch©	4,26	-21,1%	20,31	-19,9%	4,77	+1,5%
AOP	423,21	-3,1%	3062,81	+0,7%	7,24	+4,0%
IGP cépages	186,77	-7,9%	640,97	-6,8%	3,43	+1,2%
IGP standards	120,85	-6,5%	436,96	-3,5%	3,62	+3,2%
Vins étrangers hors VISG	10,05	-6,3%	49,48	-4,0%	4,92	+2,4%
VSIG dont:	202,91	-7,5%	437,82	-7,2%	2,16	+0,3%
VSIG France	48,51	+8,2%	137,81	+10,2%	2,84	+1,9%
VSIG UE	80,12	-14,3%	147,57	-17,8%	1,84	-4,0%
VSIG États membres	74,28	-8,3%	152,44	-9,0%	2,05	-0,8%

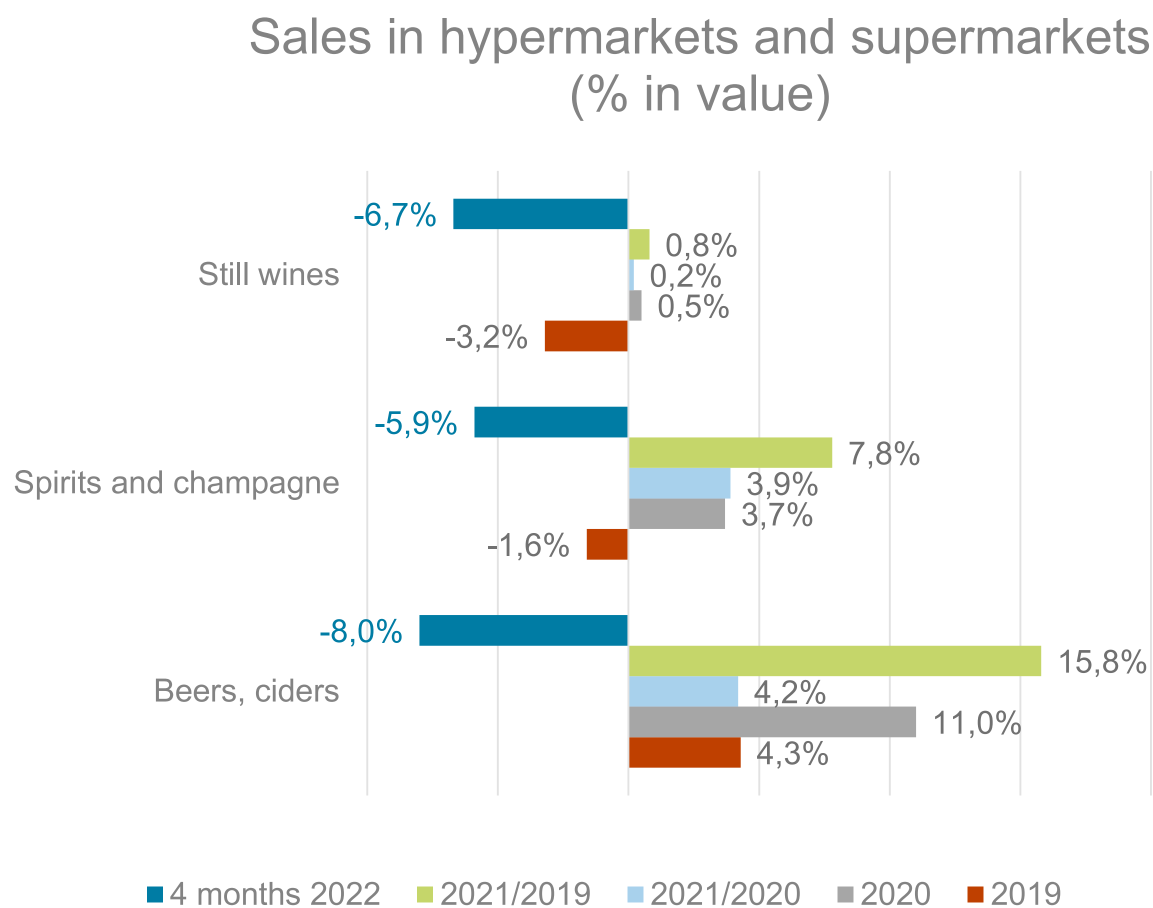
Source: IRI via LSA – 2021

France

Wine & alcohol: sales in HMSM

According to IRI, the sales of still wines increased very slightly in **2021** (+0,8%). Growth has been much more robust for spirits and champagne (+7,8%) and beers & ciders (+15,8%).

In the first **4 months of 2022**, the trend was downward for all 3 segments (-6,7% for still wines).

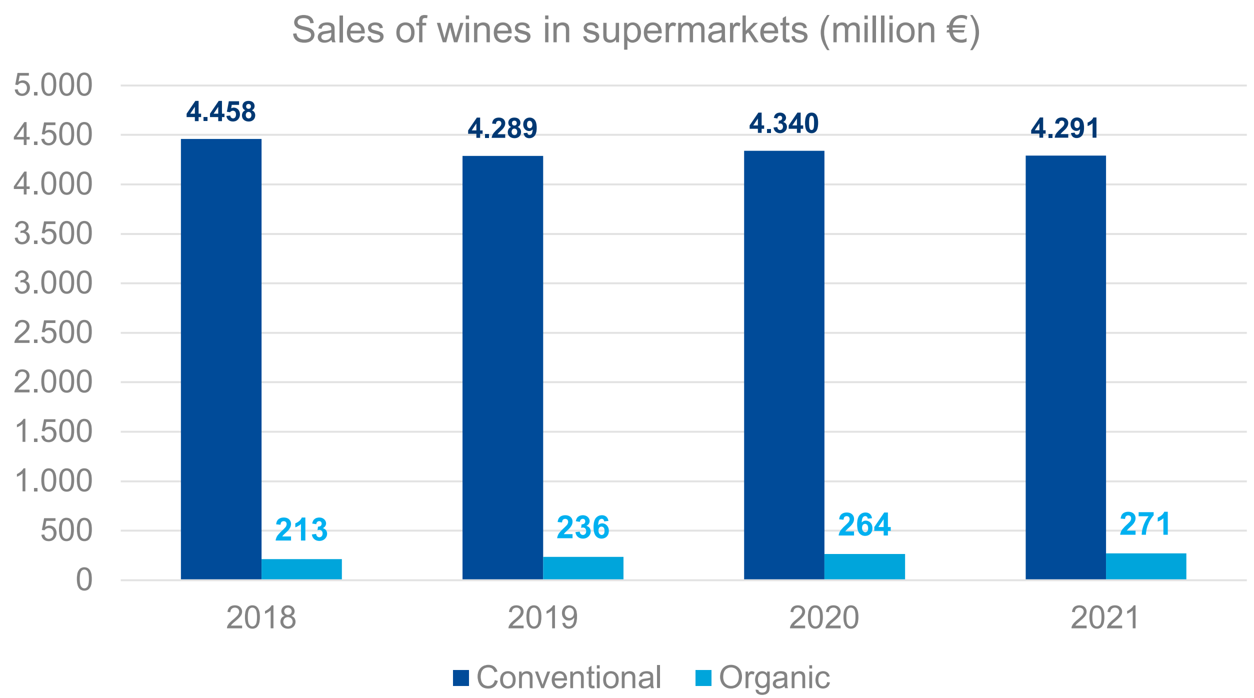


Source : IRI (HM+SM+Discount+Ecommerce)

France

Wine : organic market

In 2021, **organic wine sales in supermarkets** amounted to 36.2 million liters, for a turnover **of 271.2 million euros** according to IRI (**-0,4 % in volume and +2,8 % in value compared to 2020**). Noting that the organic wine category remains better oriented than conventional. In terms of valuation, the dynamic is also slowing down, but remains strong. Representing a little less than 4% of GD wine sales, organic wine accounts for almost 6% of sales in 2021.



Source : IRI via Vitisphere

France

Wine shops : rebound

According to INSEE data, the turnover of wine merchants jumped by 20% in value in 2021 compared to 2020. This rebound comes after an average annual decline of 2.5% in 2020, due to the closure of many stores in 2020.
In the first quarter of 2022, sales rose by a further 7.7%.

	Fruits & vegetables	Butchers	**Wine shops**	Fish shops
2015	11,0%	1,3%	8,7%	3,8%
2016	11,1%	3,1%	10,6%	3,0%
2017	11,2%	2,4%	7,7%	3,5%
2018	9,7%	4,4%	7,7%	2,0%
2019	9,0%	4,1%	5,8%	4,2%
2020	15,4%	12,1%	-2,5%	7,4%
2021	**6,2%**	**5,8%**	**20,0%**	**16,9%**
Q1 2022	**-5,,4**	**-3,1%**	**7,7%**	**-8,6**

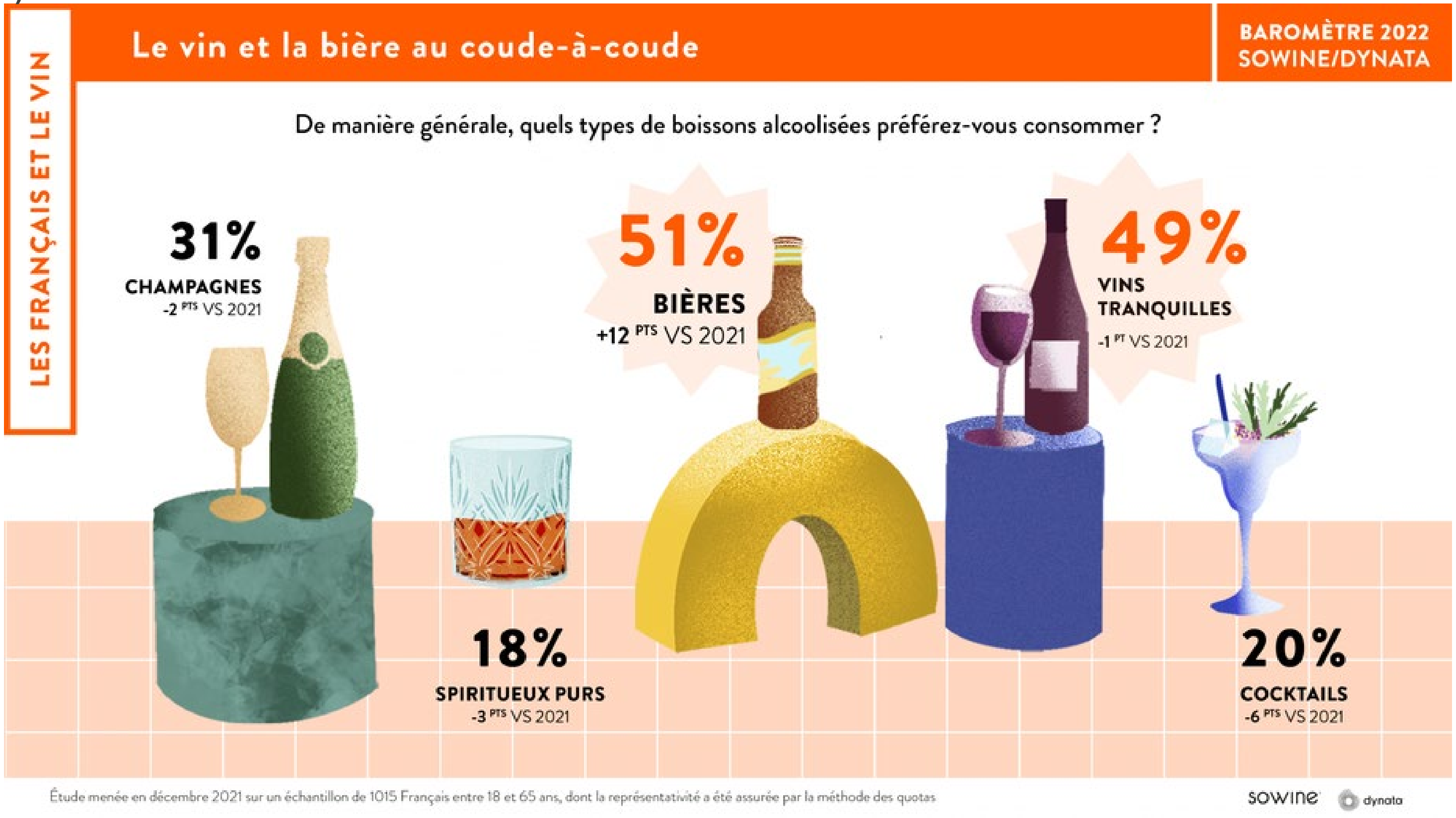
Source: INSEE

EuroCommerce

France

The French and wine consumption

The favorite alcoholic beverage of the French since 2015, still wines (49%, -1 point) are in 2022 in close proximity to beer, which has seen a clear increase since 2021 (51%, +12 points). Wine remains in first place among the preferred alcoholic beverages for women (45%) while men prefer beer (59%). Champagne remains in third place for both sexes (31%). Spirits in cocktails are cited by nearly one Frenchman in five. This barometer shows that still wines are more preferred by the **older generations**, with a gap of **28 points between the 18-25 years old (33%) and the 60-65 years old (61%).**

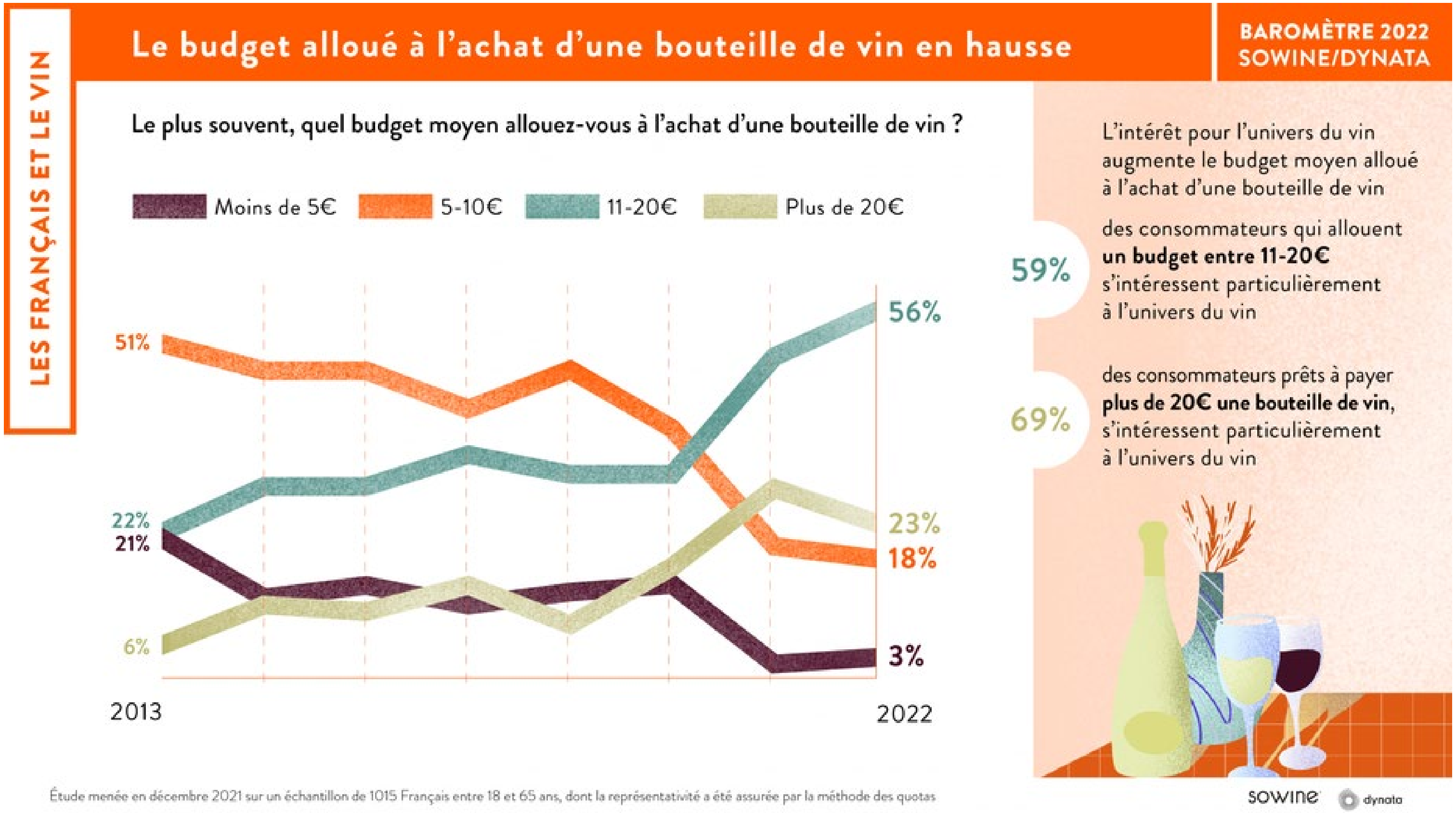


EuroCommerce

France

The French and wine consumption

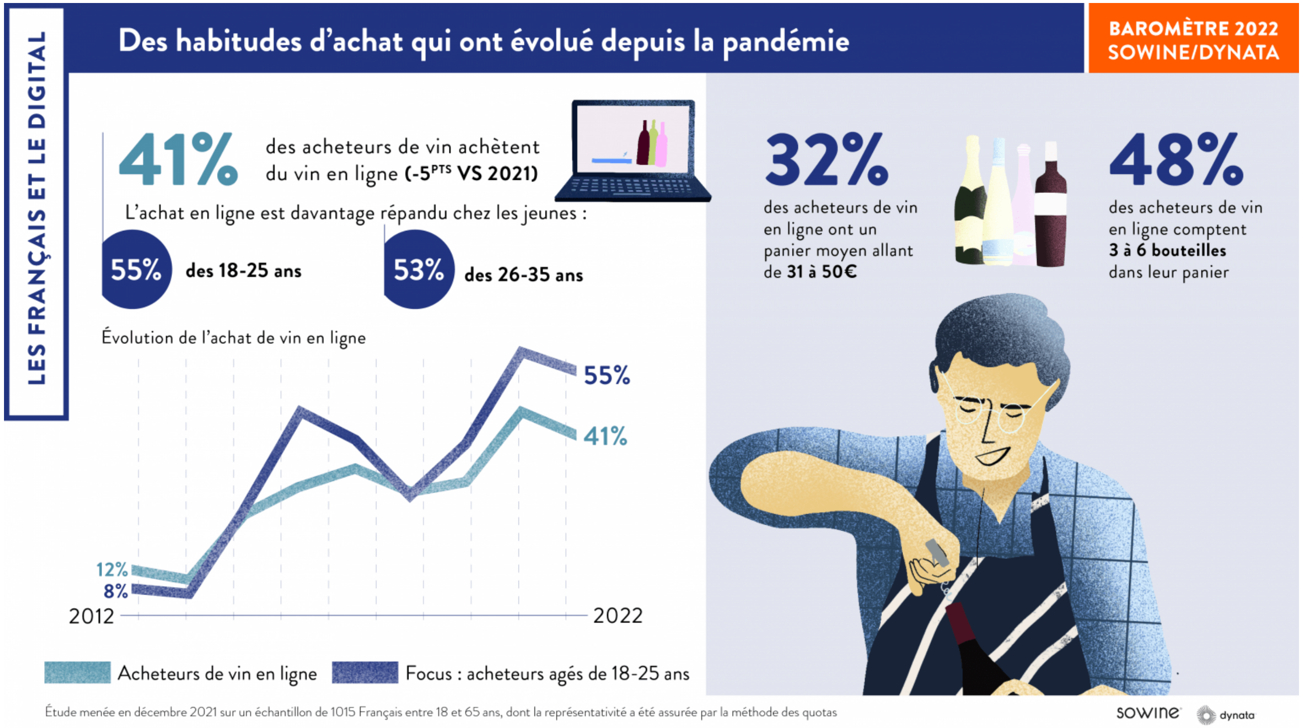
In 2022, the average budget for buying a bottle of wine continues to increase. **The 11-20€ category reaches 56%,** +34 points since 2013, and the more than 20€ category for the purchase of a bottle represents 23%, +17 points since 2013. Among consumers who allocate a budget between 11 - 20€, 59% are particularly interested in the world of wine.



France

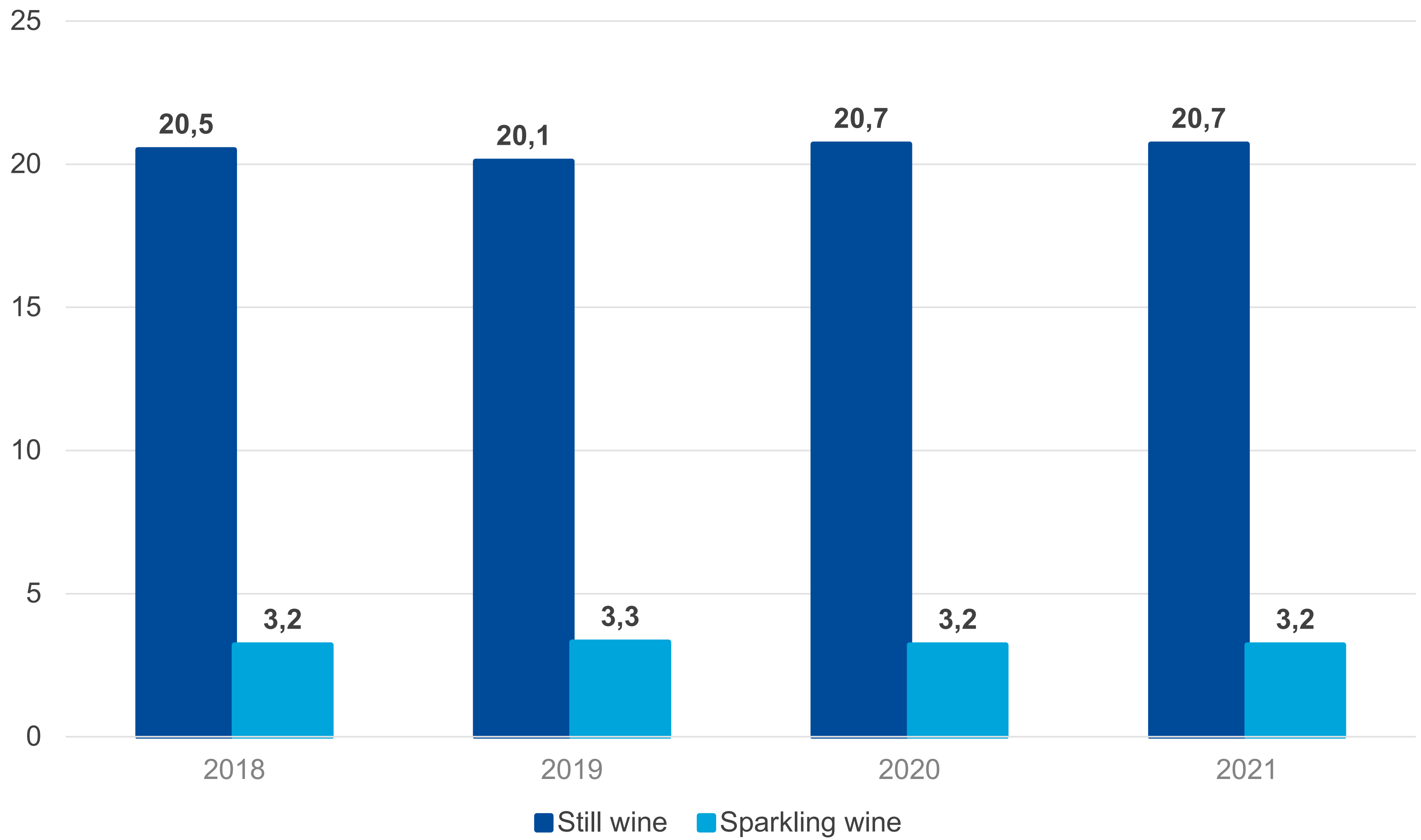
The French and wine consumption

In 2021, 46% of French people bought wine online. This figure will drop to 41% by 2022. However, despite the reopening of shops, the number of online buyers has not returned to its pre-pandemic level, a sign that habits have structurally evolved during this period. Online purchasing remains more common among 18-25 year olds (55%), 26-35 year olds (53%) and wine connoisseurs/experts: a quarter are major online wine buyers (+3 points). Grocery retailers websites are in first place with 33% of online buyers (+5 points), but producers' websites (30%) and wine shops (25%) challenge this position. A third of online wine buyers have an average basket ranging from 31 to 50€. Half of the buyers (48%) have 3 to 6 bottles in their basket and 23% of buyers have 7 to 12 bottles.



Germany

Wine consumption (litre per capita)

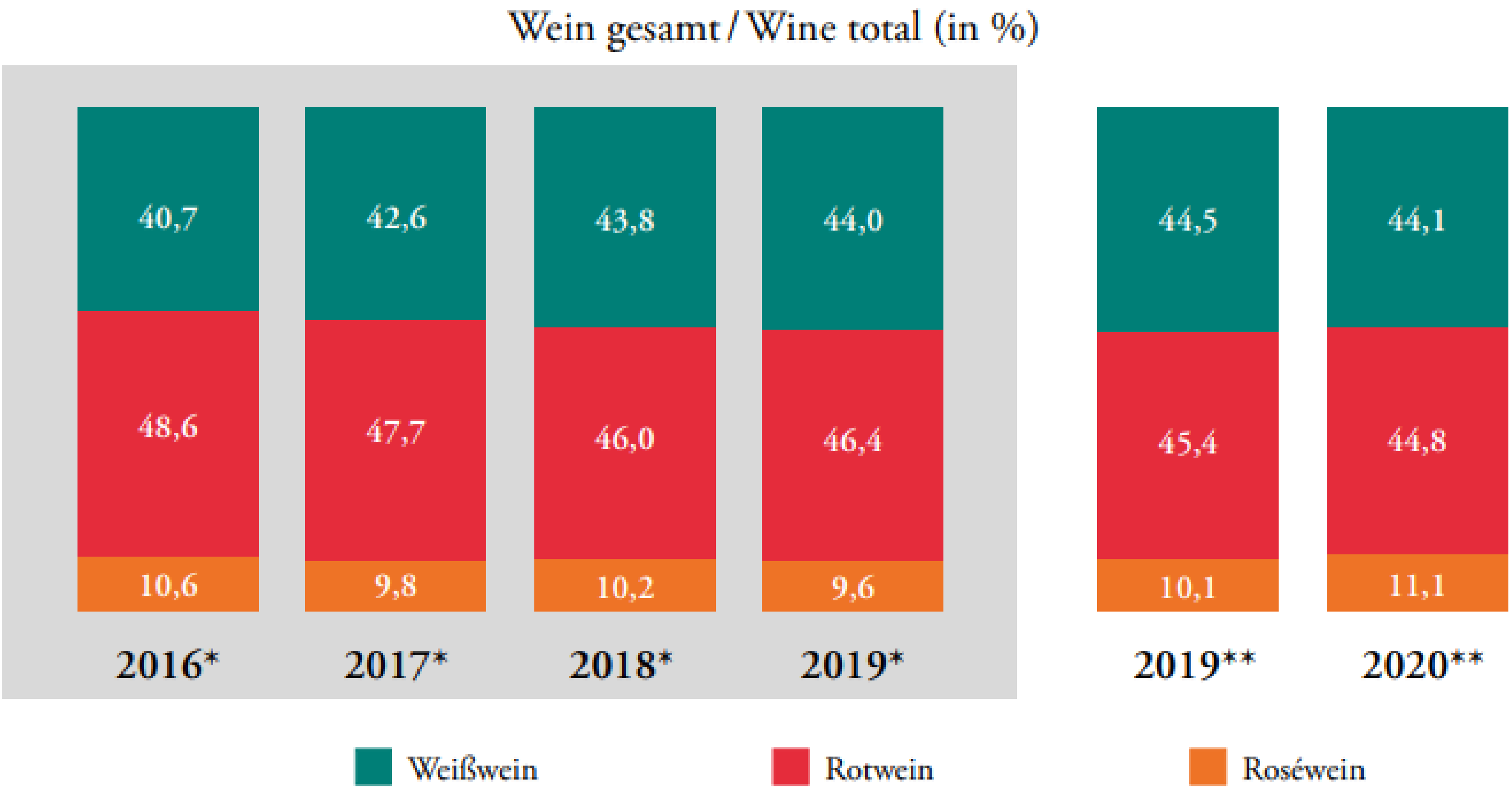


Source: Wines of Germany

EuroCommerce

Germany

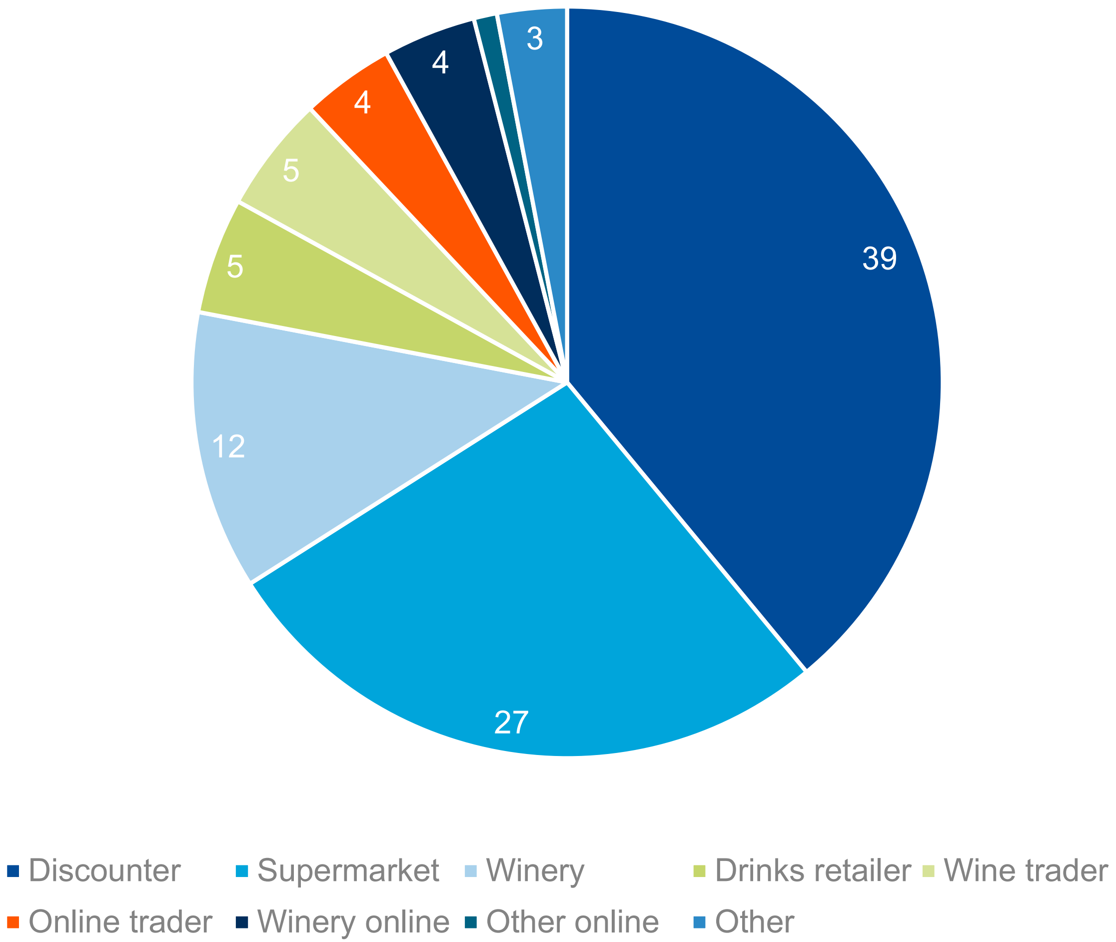
Wine consumption (per type of wine)



EuroCommerce

Germany

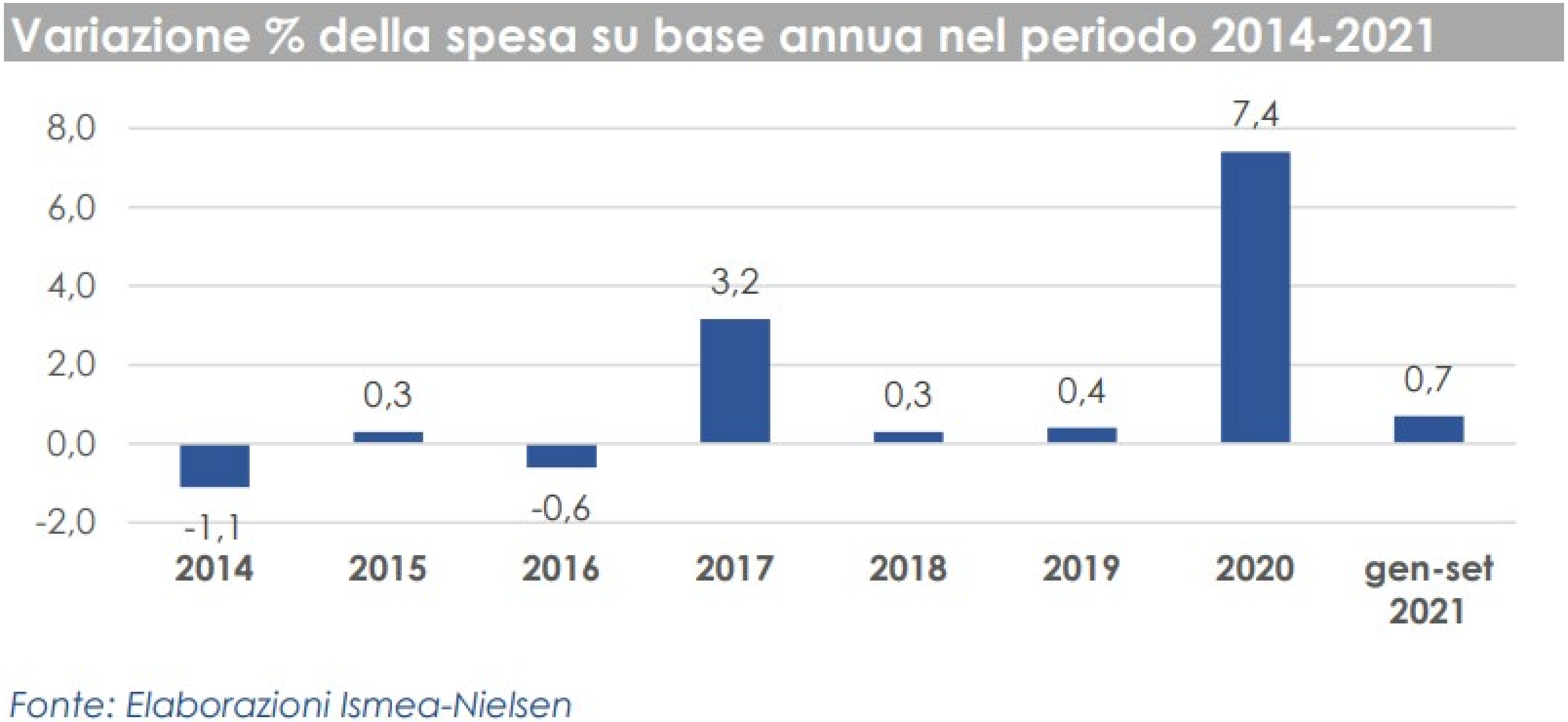
Consumer buying trends by channel (2020)



Italy

Household food consumption

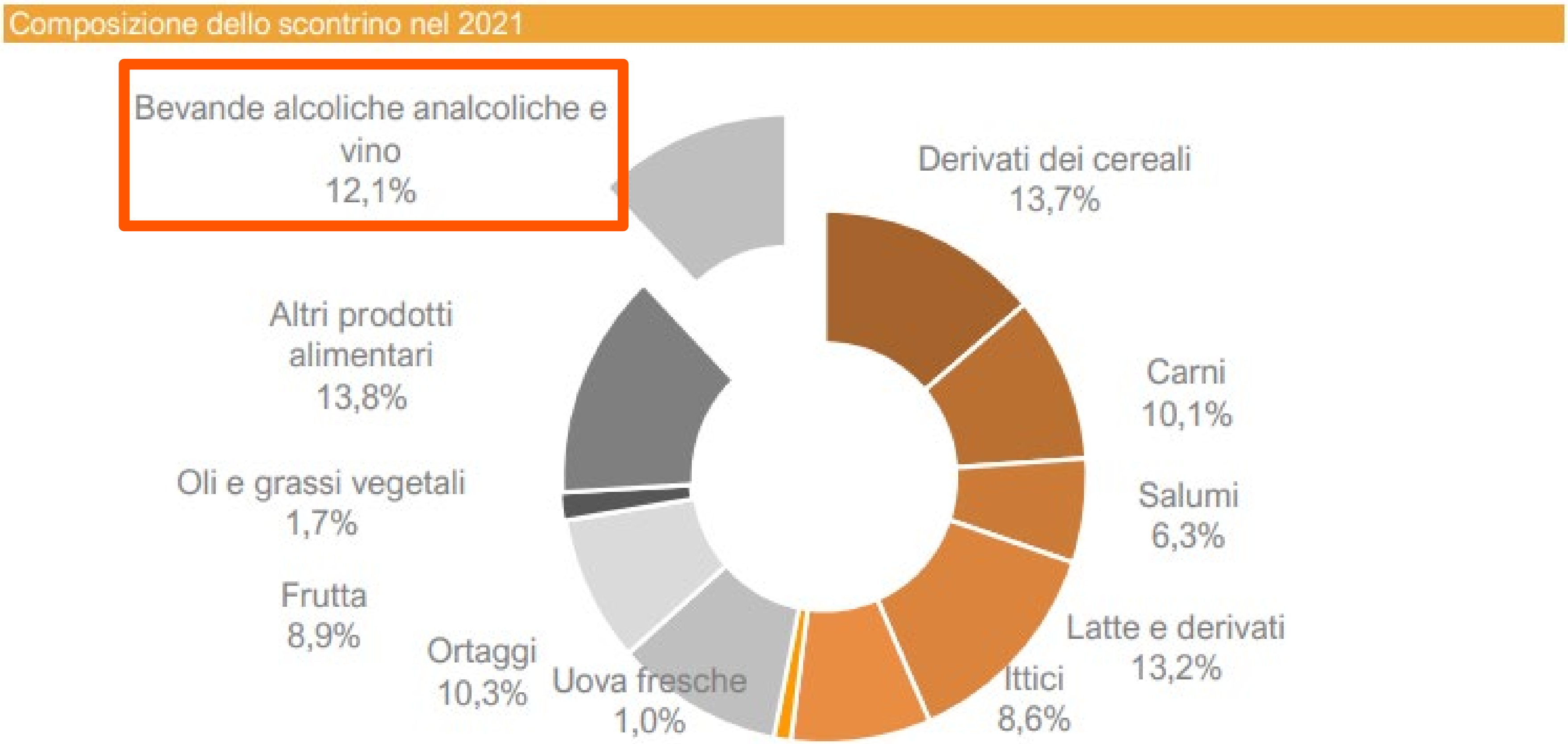
After the boom of 2020, growth in household **food consumption** has slowed significantly in 2021.



EuroCommerce

Italy

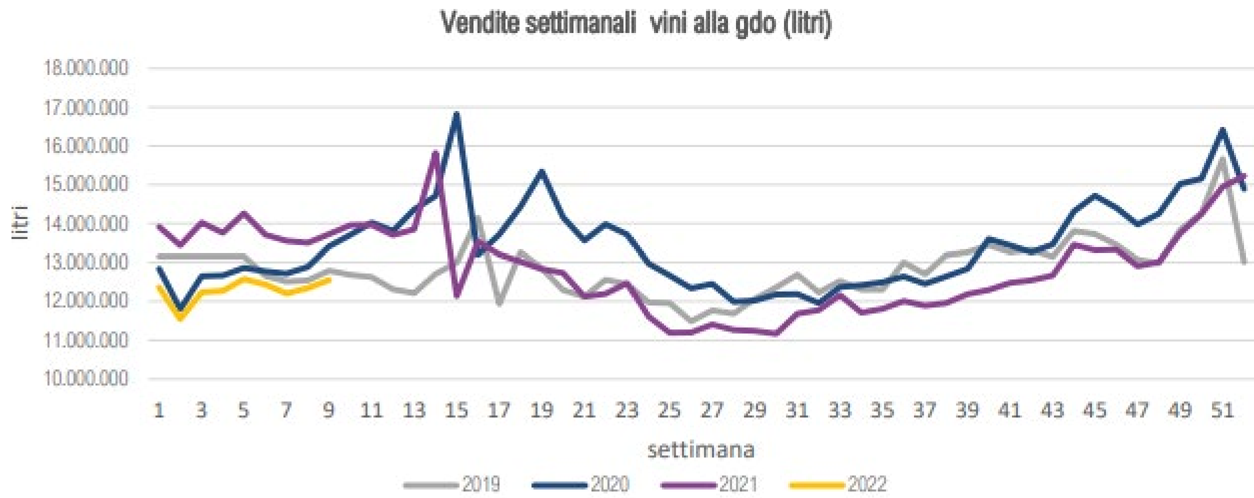
The shopping trolley in 2021

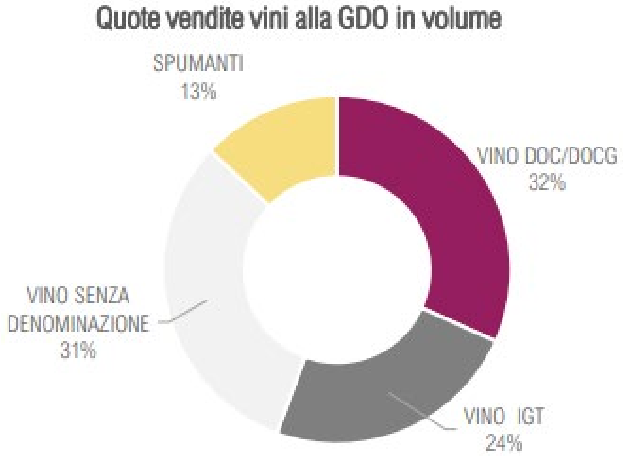


Fonte: elaborazioni Ismea su dati Nielsen

Italy

Wine in modern distribution channels in 2022



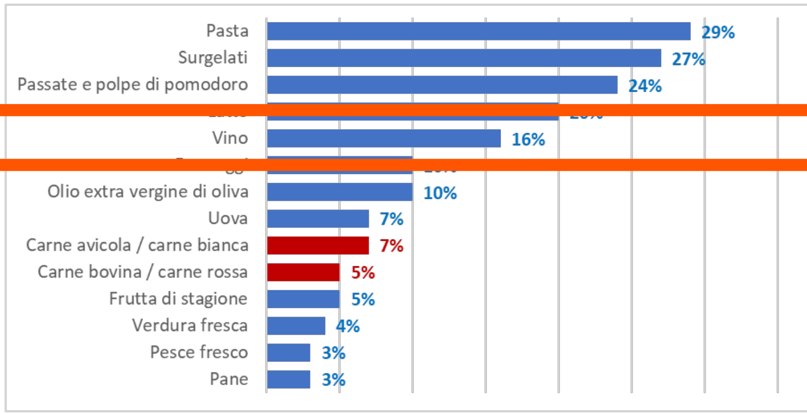


Source: ISMEA

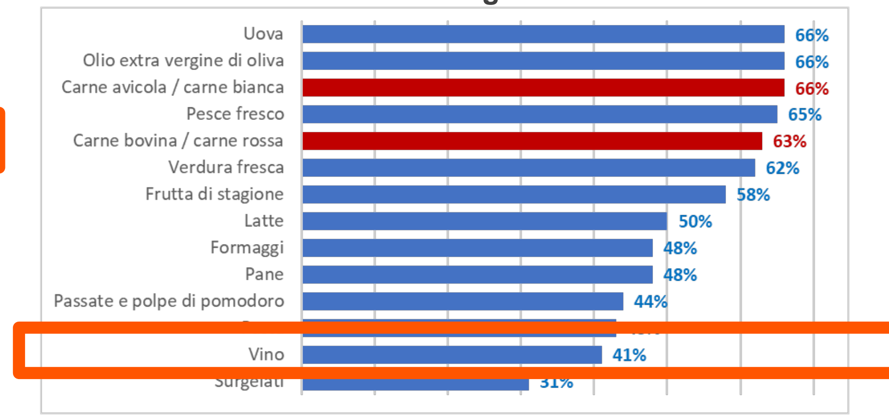
Italy

Purchasing drivers for wine

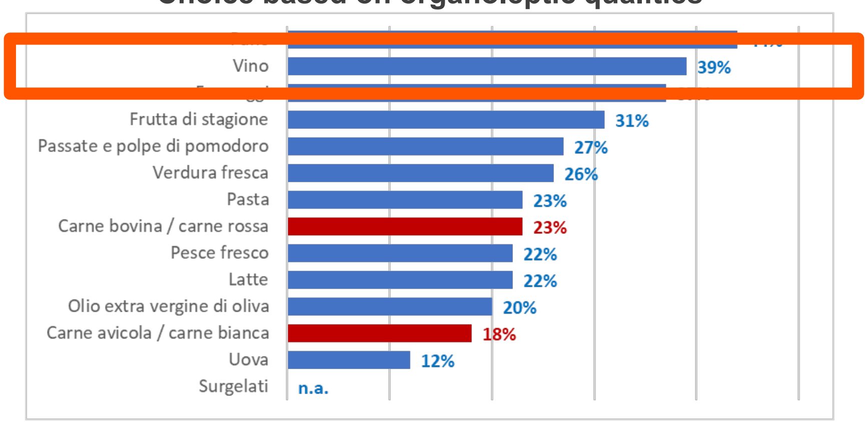
Choice based on brand



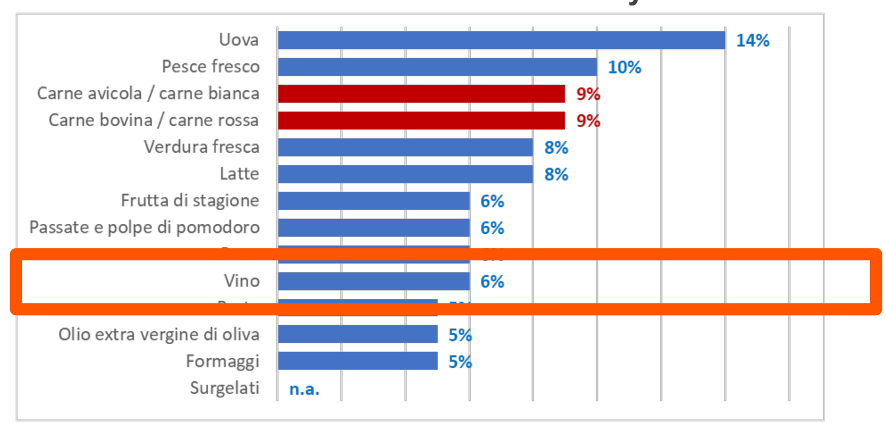
Choice based on the origin of raw materials



Choice based on organoleptic qualities



Choice based on sustainability

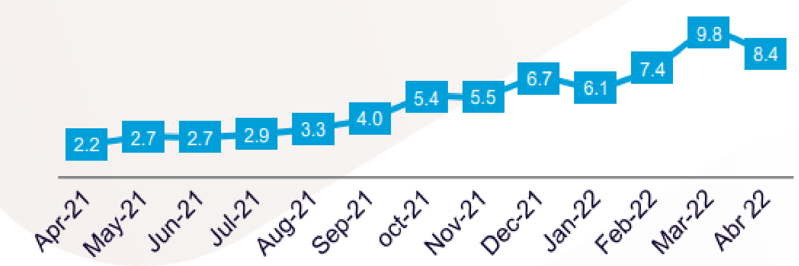


Source: Osservatorio consumi Ismea-Nielsen – Survey based on a sample amounted to about 3.000 families

Spain

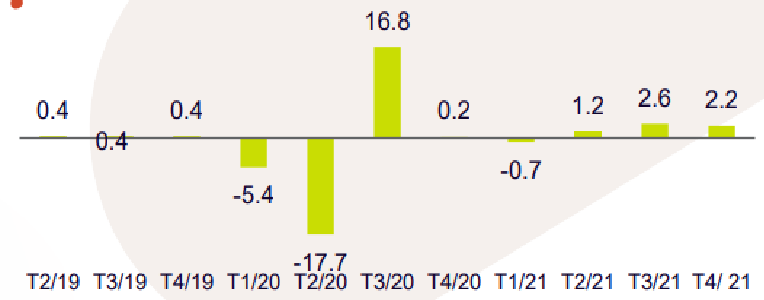
Economic situation

EVOLUCIÓN ÍNDICE DE PRECIOS AL CONSUMO



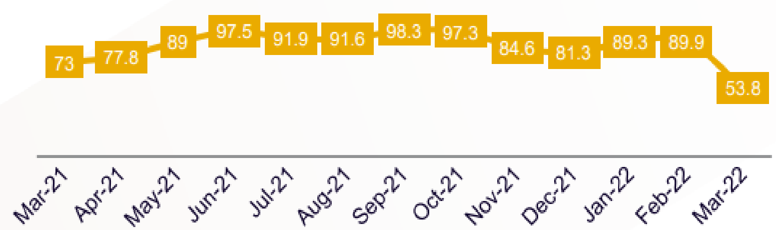
Fuente INE

EVOLUCIÓN PRODUCTO INTERIOR BRUTO

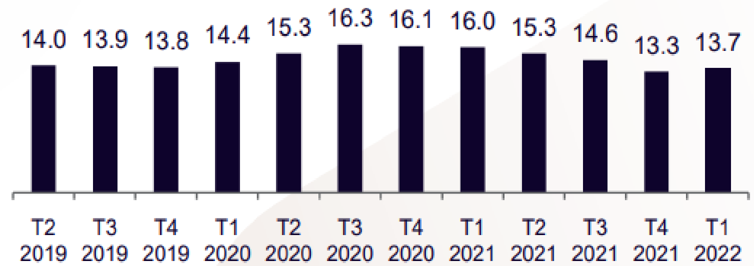


Fuente INE (Tasa trimestral)

ÍNDICE DE CONFIANZA DEL CONSUMIDOR



TASA DE DESEMPLEO



Spain

Evolution in value 2022 vs 2-year average

Evolución por sección: alimentación, frescos y bebidas

Evolución en valor vs. YA y vs. 2YA

ALIMENTACIÓN	2022 vs. 2021	2022 vs. 2020
Total	-0,6%	+7,8%
ALIMENTACION SECA	0,4%	9,6%
CONSERVAS	-6,4%	2,6%
CONGELADOS	-3,2%	10,7%
DERIVADOS LACTEOS	-3,0%	2,1%
PRODUCTOS 4-5 GAMA	12,6%	9,8%
HUEVOS	-1,5%	6,8%

FRESCOS	2022 vs. 2021	2022 vs. 2020
Total	-2,5%	+6,4%
CARNE	-3,8%	7,4%
CHARCUTERIA	-0,5%	4,2%
FRUTAS	-0,3%	10,7%
VERDURAS Y HORTALIZAS	-6,9%	4,3%
QUESOS	-1,0%	8,0%
PESCADO	-1,7%	5,3%
MARISCO	-6,1%	0,4%

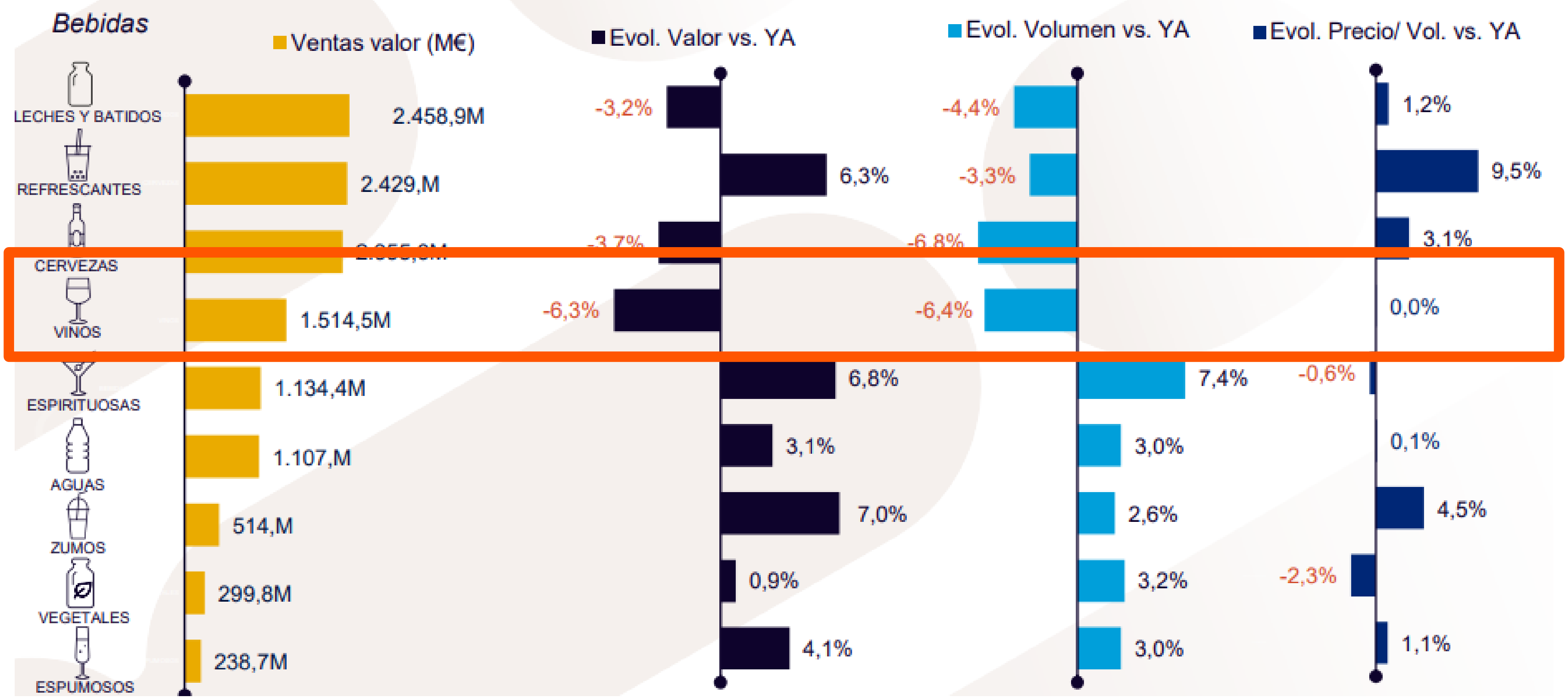
BEBIDAS	2022 vs. 2021	2022 vs. 2020
Total	+0,2%	+8,1%
LECHES Y BATIDOS	-3,2%	1,7%
CERVEZAS	-3,7%	17,0%
BEBIDAS REFRESCANTES	6,3%	10,6%
VINOS	-6,3%	7,3%
BEBIDAS ESPIRITUOSAS	6,8%	14,2%
AGUAS	3,1%	2,5%
ZUMOS	7,0%	-4,7%
BEBIDAS VEGETALES	0,9%	13,6%
ESPUMOSOS	4,1%	3,0%

Source: IRI

Spain

KPI evolution

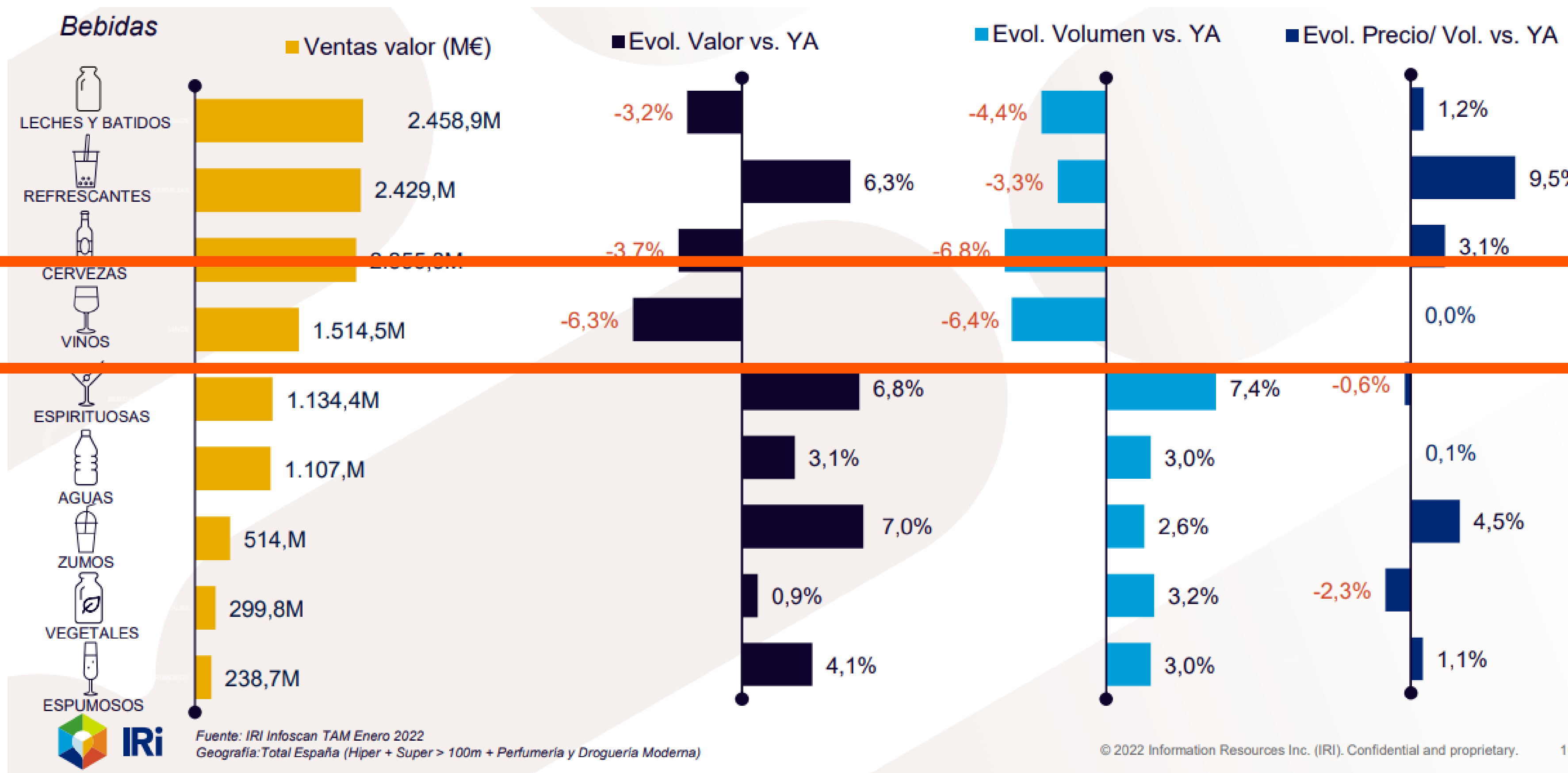
Visión general del Gran Consumo: Evolución de los principales KPI´s por departamento



Source: IRI

Spain

KPI evolution



EuroCommerce