

Still, Sparkling and Fortified Wine: Inc Impact of COVID-19 - UK - October 2020

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This report looks at the following areas:

- The impact of COVID-19 on the still, sparkling and fortified wine market and the outlook.
- Launch activity in 2020 and future product development opportunities.
- The competitive landscape in 2019/20.
- Changes in purchase patterns and channels.
- Consumer behaviours and attitudes related to the category.

Ethical claims hold strong potential to drive engagement in wine; 54% of drinkers/buyers would choose a wine that spelt out on-pack how it supports the environment over one which did not. Similarly, a wine with sustainable packaging would encourage 59% of drinkers/buyers to choose it. However, ethical aspects lag behind as influences on wine buying, signalling a need for companies to demonstrate the tangible benefits of choosing ethical products in order to drive sales.

The COVID-19 outbreak gave a boost to retail sales of wine while wiping out a significant chunk of on-trade sales. However, volume sales in both channels are liable to lose out in 2021 amid pressure on household incomes. Consumers' heightened health consciousness prompted by the pandemic will also serve to accelerate the alcohol moderation trend.

Price rises are expected in 2021 as a result of the UK's split from the EU being finalised, though details of the future trade agreement remain unclear at the time of writing. Price rises would serve to discourage volume sales owing to the price-driven nature of the category.

Small wine bottles have the potential to appeal amid the trend towards alcohol reduction through offering permissibility, with these seen as a good way to control the amount you drink by 39% of wine drinkers/buyers. However, small bottles' weak value associations, seen as good value by 23% of wine drinkers/buyers, signals a need for companies to demonstrate to consumers



“While the COVID-19 outbreak gave a boost to retail wine sales, these are in the firing line for cutbacks in 2021 amid pressure on household incomes. Meanwhile consumers' heightened health awareness will accelerate the alcohol reduction trend. Opportunities remain, however, for small bottles to appeal as offering portion control and a more accessible means to try premium products.”

Alice Baker, Research Analyst
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how these formats offer value for money by minimising wastage and allowing a more accessible means to experiment, particularly with premium products.

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