

THE FUTURE OF WINE AND SPIRITS: 2020

Global Annual Review: what's now and what's next for the spirits, wine and alcoholic ready-to-drink (RTD) market.



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Report Content

- A look back, and a look ahead

THE BIG STORIES

- Mintel's Perspective

Natural touch-points say 'better for you'

- Spirits brands use natural as a short-hand for 'better-for-you'
- Natural touchpoints spread beyond gin and show up in US vodka
- Organic wines continue to grow but natural wines are still niche
 - Graph 1: proportion of total wine launches making an organic claim, by top 6 biggest wine markets, Dec 2018 - Nov 2019
- French sparkling wines have an untold naturalness story via fermentation methods
- Hard seltzers connect with US drinkers by dialing a 'free-from' benefits story

Craft spirits continue to evolve

- Drinkers are seeking quality over quantity
- Collaborate with US craft spirits brands to appeal to Millennials
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- US whiskey and tequila segments are less crowded with craft players
- Gin has led the craft spirits revolution in Europe and is emerging in APAC and beyond
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- Gin is leading the craft spirits revolution in APAC

Lower ABV as the new normal

- Modern drinkers seek a more balanced approach to drinking
- Europe is leading the opportunity in lower-ABV spirits
- Big wine producers are behind the curve on launching lower-ABV
 - Graph 2: lower-ABV wine launches (5-9.5% ABV), as proportion of total launches, Mar Q4 2018 - Q4 2019
- Oceana pioneers innovation in naturally lower-ABV wines with full taste

THE NEXT TWO YEARS

- Mintel's Perspective

Sustainability but with an early pay-off

- Local ingredients promise sustainability and ladder to tangible product quality

The Future of Wine and Spirits: 2020

- Tell the dual story of how sustainably farmed ingredients are healthier
 - Graph 3: reasons for buying sustainable food and drink, consumers aged 25-34, 2019
- Sustainable packaging is seen as a hygiene factor for brands
- 'Wine unpacked' is the new wine

No and low alcohol to reinvent relaxation

- Relaxation is a key need-state which alcohol brands can exploit
- Dial up the role of botanicals in promoting a mellow mood
- Target alcohol-free wine at markets which have embraced the 0% ABV beer
 - Graph 4: alcohol-free beer launches by market, moving annual, Oct 2016-Sep 2019
- The UK is pioneering 0% ABV spirits

'East meets West' shows in spirits

- A new generation of adventurous drinkers have got serious FOMO
- Asia will start to play a bigger role in shaping alcohol culture
- Alcohol brands are becoming bolder in adding hotter spices
- Western drinkers are likely to be enticed by approachable Asian drinks

THE NEXT FIVE YEARS

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- Alcohol moderation will spread to the US mainstream
 - Graph 5: alcohol consumption in-home and away-from-home, vs previous year, 2019
- Climate change requires innovative solutions for an eco-friendly supply chain
- A synthetic wine blind taste test versus regular wine
- Education and transparency can win over consumer fears of using tech in alcohol

KEY MARKET DATA

- Global spirits volume sales are dominated by B.R.I.C markets
- Global wine volume sales are led by the bigger national producers
- Per capita wine consumption is highest in developed Western markets
 - Graph 6: still wine & sparkling wines, retail volume consumption per capita (population), est 2019
- Developed Eastern markets top per capita spirits consumption
 - Graph 7: Spirits, retail volume consumption per capita (population), est 2019
- Mexico and Colombia show the fastest growth in spirits

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