



Global snapshots

Mindspace deficit alert: 6
Global Wine Brand Power Index 2019

Riding the Brazilian wave 8

Sustainable growth: 10
Global SOLA: Opportunities in sustainable, organic and lower alcohol wines 2019

Building a brand: Interview with John Casella, 12
Managing Director of Casella Family Brands

Highlight on Australian wine consumers 15

Marijuice, anyone? 16

Chinese wine market shaken, but not stirred 18

Even Germany is trading up 20

Riding the Brazilian wave

Political instability and economic uncertainty have put Brazil in the headlines more than ever in recent years. The country has had three presidents in less than three years, the latest of whom, Jair Bolsonaro, has quickly cemented his reputation as a radical, unpredictable and divisive leader. Amidst an economy just starting to recover from a decade of underperformance, one might imagine these conditions would have had a negative effect on the wine category. However, whilst some of the numbers do not make for pretty reading, the evidence collected for our Brazil Landscapes 2019 report suggests signs of resilience and recovery within the wine sector.

Whilst wine volume sales have been volatile (they fell by 14% in 2016, only to recover in 2017), data published by Ideal Consultoria in 2018 shows imported wine consumption has noticeably grown since 2014 and now represents 1/3rd of the total wine market. In addition, Brazil is now the 26th most attractive wine market in the

world, according to the Wine Intelligence Global Compass Wine Market Attractiveness model. The country was also the ‘fastest riser’ in this report, moving up 12 places from 38th to 26th most attractive since 2017.

The regular wine drinking population in Brazil is now comprised of 32 million adults who drink wine once a month, with 70% of this group drinking wine at least once every week. This is compared to 29.7 million adults who drank wine once a month in 2016.

The report also notes that both consumers and the supply chain have adapted to harsher tax and economic conditions. Consumers are paying more for the same quality wine, seen by the average spend per bottle significantly increasing for many off- and on-trade occasions. More encouraging for investors in the wine category: the tracking data shows rising levels of consumer involvement in wine, shown by a growing proportion of respondents who say they ‘feel competent’ about wine, ‘like to take their time to purchase wine’ and consider wine to be ‘important’ to their lifestyles (31% in 2019 compared to 27% in 2017).

Consumer engagement, specifically with younger generations, will be

key to guaranteeing further growth. These younger consumers account for 20% of the adult population and 16% of the regular wine drinking population. They also show the lowest degree of involvement within the wine category, which aligns with younger wine drinkers globally. At the same time, however, younger drinkers are more likely to consume wine in the on-trade, as well as spend more money per bottle. The report notes the successful efforts made by the domestic sparkling wine producers, which are investing in ways to attract younger consumers.

This focus on consumer engagement, along with the fact that Brazil is the 8th largest economy worldwide and the 17th largest wine market in terms of still wine volume, indicates that there is plenty of room for growth and promising opportunities for those involved in, or seeking to enter, the Brazilian wine market.

Brazil Landscapes 2019 also analyses Brazilian wine consumers, their beverage repertoire, wine-buying behaviour, wine consumption in the on- and off-trade, as well as brand health. Hot topics of premium wine drinker profiling, online wine shoppers and Brazilian sparkling wine are also discussed.

Brazil Landscapes 2019

GBP £2,500 | AUD \$4,700 | USD \$3,300 | EUR € 2,900 | 5 credits

www.wineintelligence.com/downloads/brazil-landscapes-2019



Brazil Country Manager **Rodrigo Lanari** analyses how the Brazilian wine market is recovering after 2016 challenges as consumer involvement rises

“Despite the economic crisis from the last three years, wine consumption has not fallen; people are expending less on wine, but volume has been maintained.”

- Wine Importer

Insights from Rodrigo Lanari, Brazil Country Manager

WI: The Brazilian wine market is showing growth. Can you give us one prediction for the coming year?

RL: In the past few years, the Brazilian wine market has shown a great deal of resilience. Last year, the economic GDP for Brazil was +1.1%, whereas the wine market grew in volume +5.8%, showing that despite the political and economic turbulence in recent years, the wine market is expanding considerably.

I believe that in the coming years market conditions will remain challenging, but demand will continue to grow. This means that although margins will be tight, more efficiency from the entire supply chain may be required.

WI: What do you think is the best way to get consumers involved in the wine category?

RL: In the Brazil Landscapes 2019 report, we discuss how wine consumers are getting more involved in the category, but also how we are experiencing the

‘cognitive off-loading’ phenomenon. This means that people have less space in their minds to store information, including wine facts. Therefore, the key to combating this will be to find the right communication tone and to offer relevant information with an appealing visual, meaning the Brazilian wine market will have to improve its communication and design skills.

WI: What do you think is the most exciting element about the Brazilian wine category right now?

RL: What strikes me as most exciting is the openness of consumers to try new things – our Brazil Landscapes 2019 report finds that 72% of Brazilian regular wine drinkers enjoy trying new and different styles of wines. This is great for new companies trying to establish themselves in the wine category as there is opportunity for them to enter in the market.



Connecting wine businesses with knowledge and insight globally

We believe that the only way to really understand what drives us as consumers is to watch, listen and learn.

That's where you'll find us.

We'll be following home lives by rummaging through kitchen cupboards (with their owners' permission) in suburban Sydney, surveying 5,000 households in Germany, France and Denmark, or recording in-depth interviews with women in Chengdu, China.

Camera, recorder, questionnaire and discussion guide in hand, you'll find us just about anywhere.



wine
intelligence



wine
intelligence
events



wine
intelligence
consulting



wine
intelligence
reports
shop



vinitrac®



wine
intelligence
research



consumer
insight



trade
insight

Contact your regional Wine Intelligence office:

LONDON - HEAD OFFICE

E info@wineintelligence.com T +44 (0)20 7378 1277
www.wineintelligence.com

Wine Intelligence Australia

Please contact: ben@wineintelligence.com

Wine Intelligence Brasil

Por favor contate: rodrigo@wineintelligence.com

Wine Intelligence Deutschland

Kontaktieren Sie bitte: wilhelm@wineintelligence.com

Wine Intelligence España

Pónganse en contacto con: juan@wineintelligence.com

Wine Intelligence France

Veillez contacter: jean-philippe@wineintelligence.com

Wine Intelligence Italia

Potete contattare: pierpaolo@wineintelligence.com

Wine Intelligence Portugal

Por favor contacte: luis@wineintelligence.com

Wine Intelligence South Africa

Please contact: dcoutras@iafrica.com

Wine Intelligence US

Please contact: erica@wineintelligence.com