

CONSUMERS INCREASINGLY TURNING TO SAFER AND 'LOCAL' WINE BRANDS DURING THE PANDEMIC

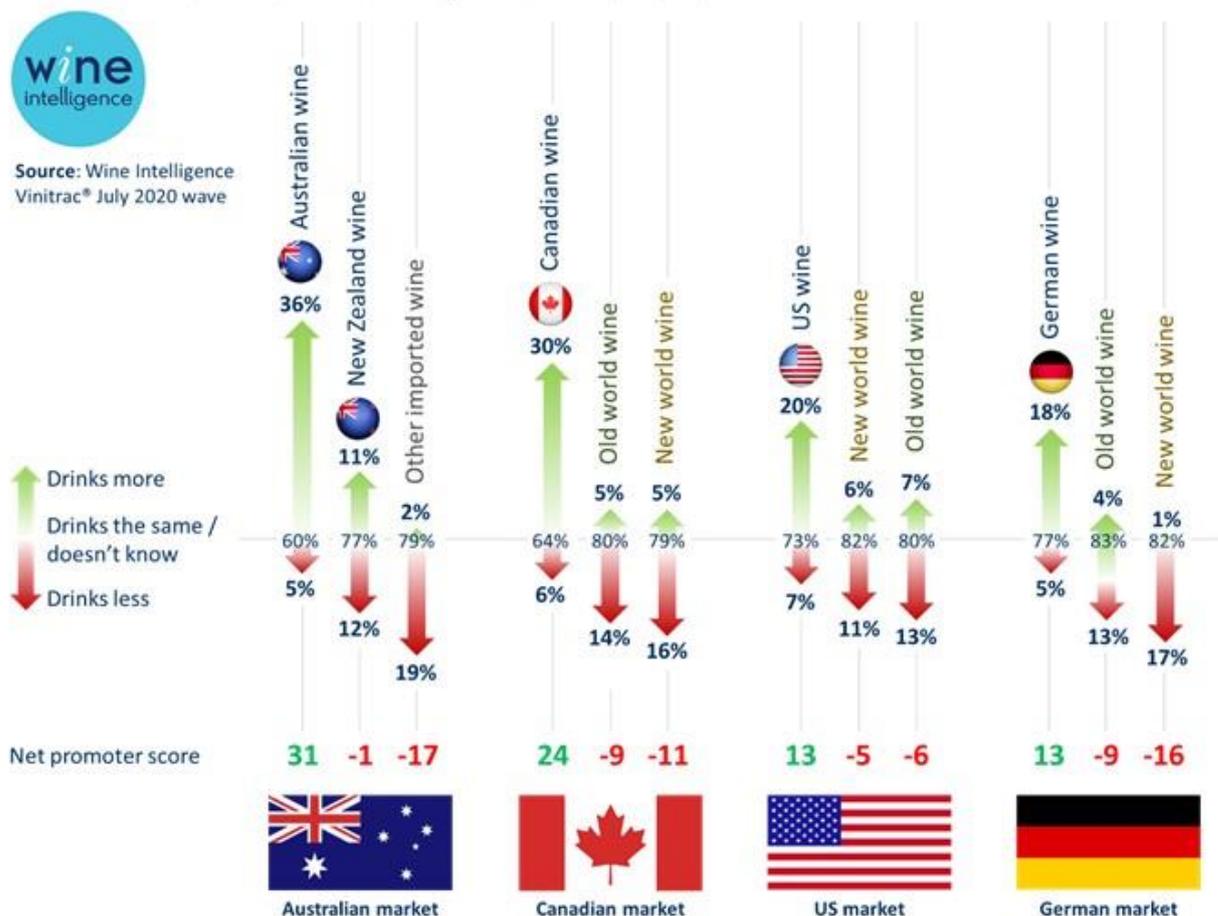
As the pandemic continues to influence current consumer behaviour, drinkers in key wine markets are actively turning to safe, reliable and known – often local – wine brands at the expense of smaller market share and imported brands

A consistent pattern emerges in the field of behavioural science – in times of crisis, as human beings, we turn to the familiar, safe and trustworthy. This is also evident in the world of wine. Since March 2020, wine drinkers around the world have been consistently turning more to wine brands they view as safe, trustworthy and reliable. In the case of markets where domestic wine is dominant, this also means consumers are choosing both local and domestic brands over imported options more often than before.

In the four markets of Australia, Canada, US and Germany, a representative sample of 1000 wine drinkers were asked in July / August 2020 if they were actively buying more or less wine from a range of origins compared with their pre-pandemic behaviour. In all four markets the evidence is clear and consistent – Australians, Canadians, Americans and Germans are now all drinking more wine produced locally than they had done previously whilst reducing their consumption of imported wine.

Country of origin change in purchase during lockdown July 2020 compared with pre-virus behaviour

% who have changed their quantity of consumption of wines of each origin
Base = All Australian, Canadian, US and German regular wine drinkers (n>=1,000)



And what are the factors that are driving this? Why are consumers now drinking more locally produced wine?

In the markets studied, the domestic wine brands are dominant and as such these brands are therefore seen by consumers as being safe, reliable and ultimately trustworthy.

Additionally, as shopping in store has for many been at times a different experience, our fast brains have kicked in. As explained by Daniel Kahneman in “Thinking Fast and Slow” our brains have two modes of thought. “System 1” is fast, instinctive and emotional whilst “System 2” is slower, more deliberative and more logical. Oftentimes over recent months, consumers have either wanted to or had to spend less time shopping than before and certainly less time browsing the aisles. Their shopping decisions therefore need to be faster and as such, less considered. In such a fragmented category as wine, the brands providing safe choices, that require less deliberation, less “System 2”, are natural winners. This therefore means a win for the bigger brands, which – depending on the market – are often the domestic and local wines too.

Larger brands are seen as delivering strong value for money as they tend to be priced between entry level and pre-premium, and may well also be sold in larger format sizes – a driver to success in a world where convenience is becoming increasingly important.

One last note about community. More indirectly, as human beings, turning to the familiar and the safe also means turning to our communities. During times of crisis, the feeling of community support typically rises and there is a stronger sentiment of support to buy local and support our local communities directly.



Authors: Luis Osorio and Lulie Halstead

Emails: Luis@wineintelligence.com; Lulie@wineintelligence.com

<https://www.wineintelligence.com/consumers-increasingly-turning-to-safer-and-local-wine-brands-during-the-pandemic/>