

# 2022 Wine Trends Report



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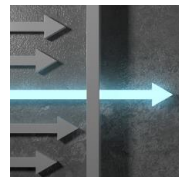
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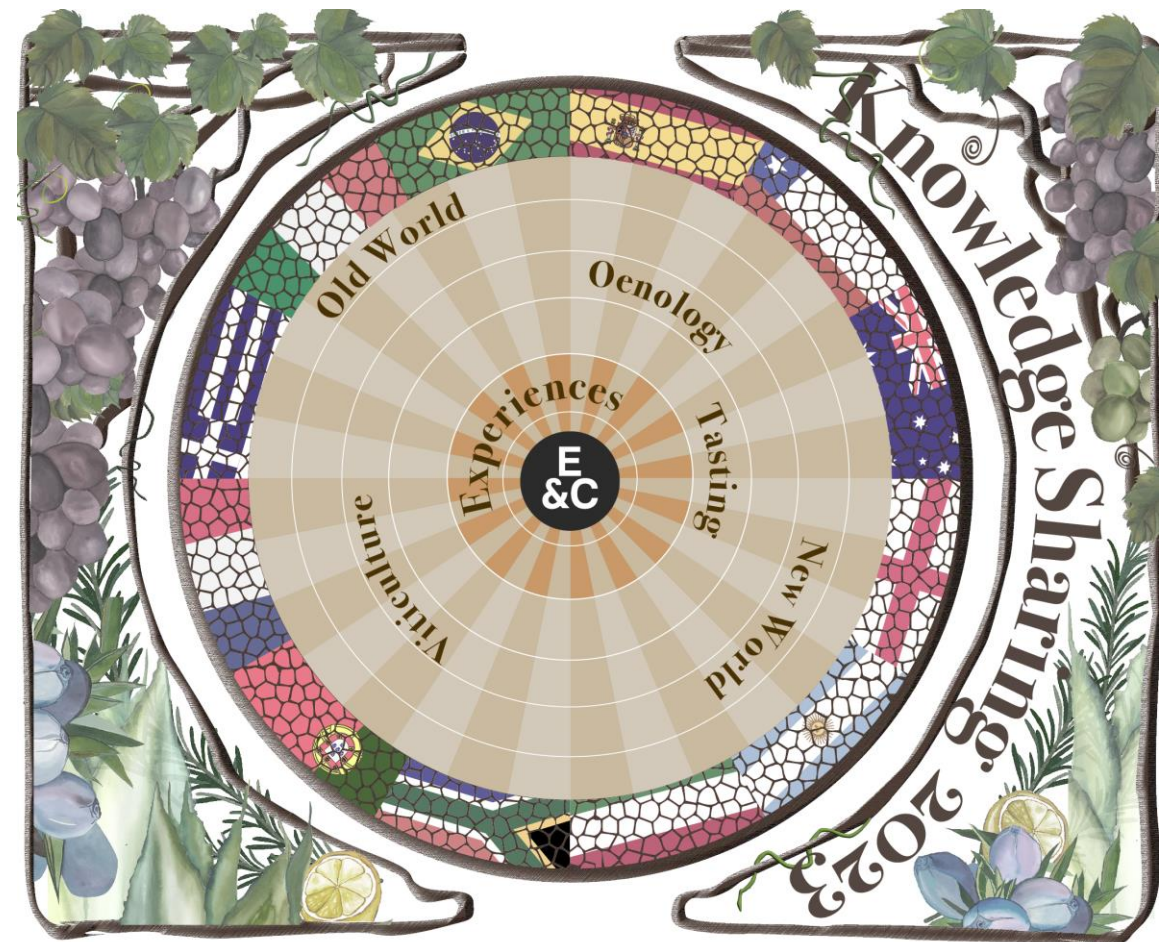
# 2023: the year of knowledge sharing

In 2022, Enotria&Coe outlined an ambitious Sustainability Charter, making our commitment to sustainability a strategic priority. One of our most valuable learnings from investing in our Sustainability Charter was that the most powerful ideas come from **knowledge sharing** across functions and between businesses.

In recognition of this, Enotria&Coe is dedicating 2023 to knowledge sharing across our suppliers, customers and teams. Sharing knowledge, learnings, best practice and ideas will enable all of us to progress towards our common goals. We are incredibly excited to see what emerges from this cross pollination of ideas.

This wine trends report aims to share our take on the UK wine market. We have considered country and region of origin, styles and grapes. Its purpose is to share empirical data to demonstrate the trends we observed over the course of 2022. These trends are driven by a plethora of factors, including the health of the hospitality sector, consumer preferences, inflationary pressures, supply chain disruption and resulting stock availability and emergence of new products, categories and producers.

We hope you glean useful information from this report, that will enable you to reflect on your own product selection for the year ahead. If you have further questions, please don't hesitate to contact your Enotria&Coe account manager.



## Setting the landscape

Looking back at the wine trends that defined 2022, it is impossible not to be mindful of the unique convergence of factors that defined the UK market. At E&C, we were fortunate in seeing a strong start to the year, with performance clearly ahead of 2019 from March through to September. We saw a particularly strong post-Covid rebound in the national hotels and travel channels. This all seemed to align with the broader market commentary about pent-up consumer demand and keenness to take advantage of newly regained freedom.

That said, there is no denying that 2022 presented us with challenges in spades. From ongoing supply chain disruption affecting stock availability through labour shortages and raw materials shortages driving inflation, there were several factors affecting what consumers could buy, when and at what price.

So far, the UK industry has remained relatively buoyant in the face of this looming cost-of-living crisis. Thankfully, Enotria is dominant in the more premium end of the on-trade, which has been largely resilient to these pressures, as it continues to offer consumers the “experiences” that make it worthwhile to leave the house and commit some of their

squeezed discretionary spending budget.

Looking ahead to 2023, and implicitly, thinking about how indicative these trends might be of future consumer behaviour, the government’s decision to postpone the freeze on alcohol duty to August 2023 is likely to result in a cumulative double-digit cost of goods increase over the course of the year. It is increasingly challenging to predict how this will affect consumer behaviour; demand for alcohol in the UK has traditionally defied economic pressures, as people continue to buy drinks during recessionary period, simply pivoting towards the off-trade rather than dining out. But next year’s economic downturn

may well be different, as a symptom of the post-Covid pent-up demand. The most likely scenario seems to be a growing split between the entry and premium ends of the market with the “squeezed middle” being the most likely to suffer (whether that be brands, products or outlets).

We hope this report gives you plenty of food for thought, and we wish you all the best for the year ahead,



**Ants Rixon**



*E&C Managing Director, Ants Rixon*

## Methodology

To come up with this insight, we analysed E&C wine sales volume from January to December 2022 (inclusive).

Change was measured as a percentage change in sales volume from the equivalent periods in 2019 and 2021, to understand most recent and pre-pandemic trends.

We have looked at E&C wine at a total level, and by on-trade and off-trade separately.



### On-trade channel

Analysis of our wine sales volume to the on-trade only (including regional and national customers in casual dining, fine dining, bars, hotels and event venues).



### Off-trade channel

Analysis of our wine sales volume to the off-trade only (including regional and national customers).

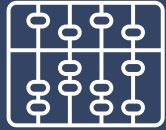


### Increased or decreased % vs previous time period

Analysis of our 2022 wine sales volume vs 2021 and 2019 sales volume



### Channel overview



75% of E&C's total wine sales volume is within the **on-trade**, matching 2019 levels

### Country of origin



While **Italian** wines still lead E&C's wine sales volume, trade-offs have occurred for **French**, **Spanish** and **New Zealand** wines

### Still wine style



4% growth in **rosé**, which is the only wine style to continue growing its market share since 2019

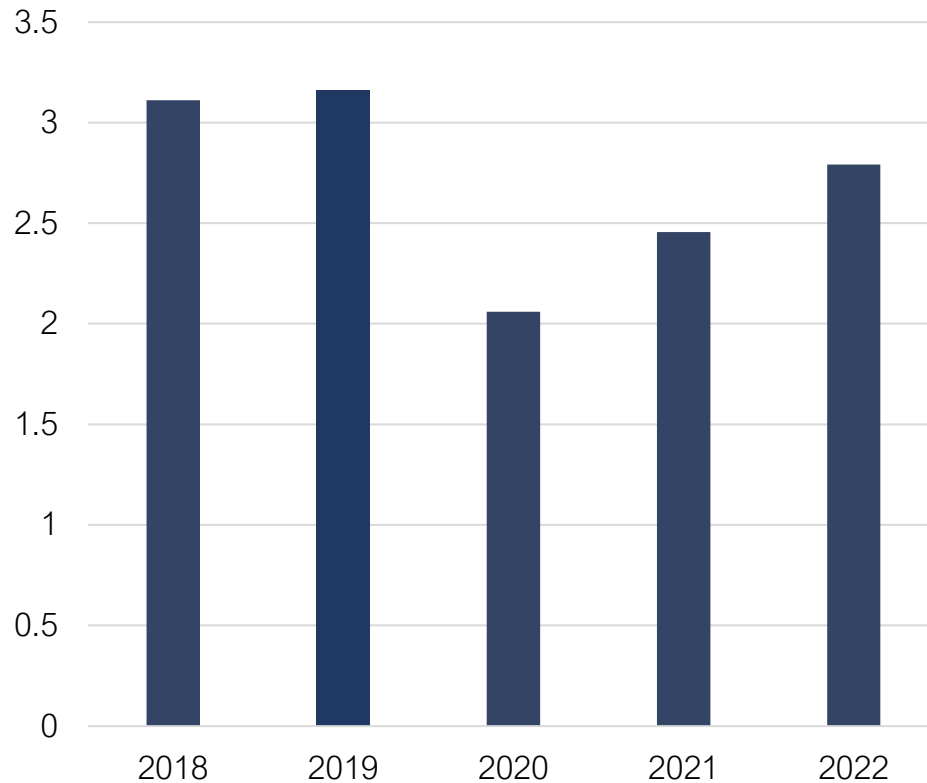
### Grape variety



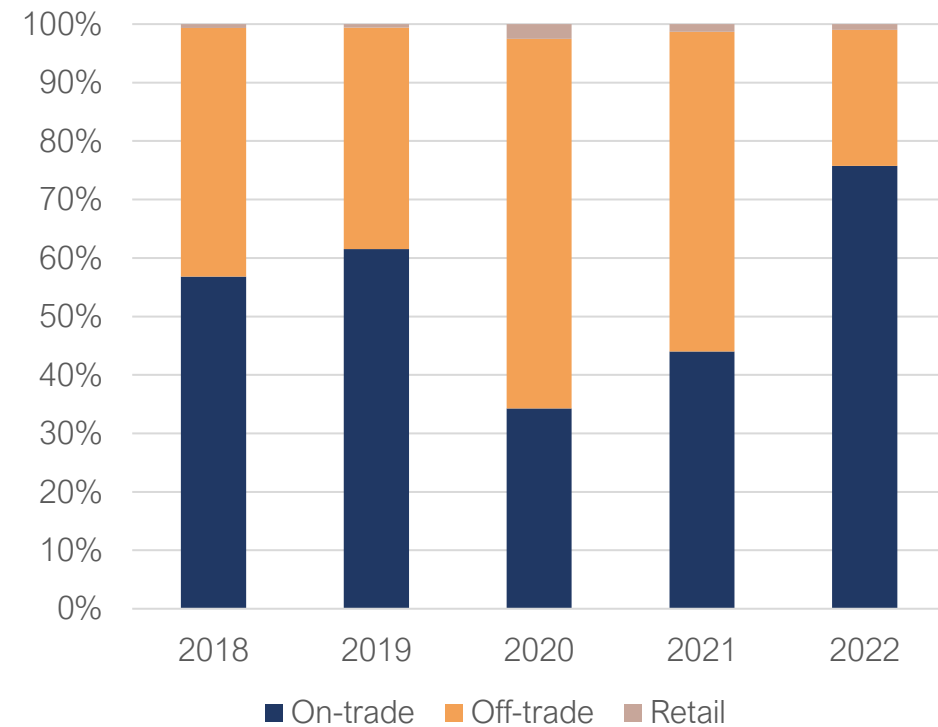
**Grenache** leads rosé sales volume after not featuring in the top two rosé grapes 3 years ago; **Pinot Grigio** and **Merlot** sales volumes are falling

## E&C trading is heavily skewed towards on-trade, which has recovered dramatically since the pandemic

E&C total sales volume, millions

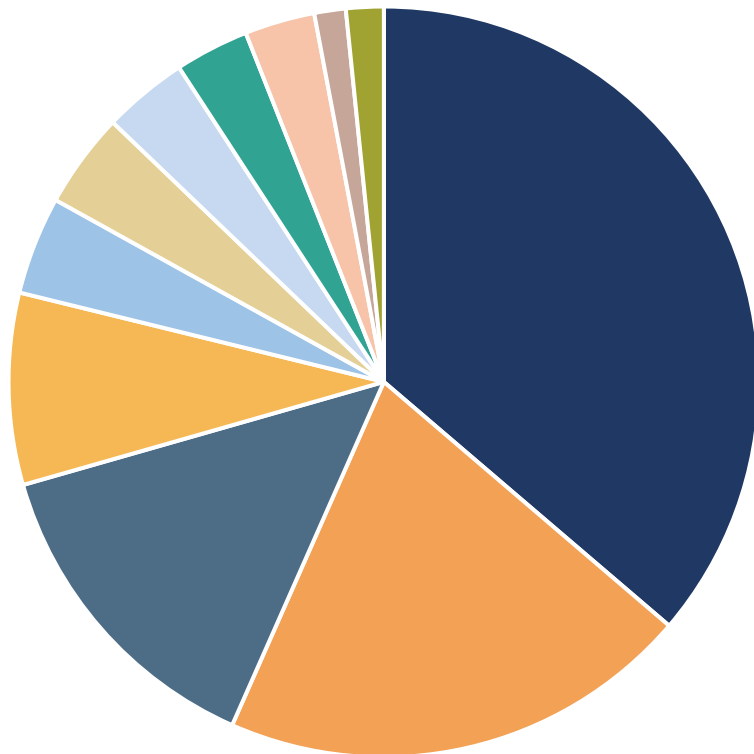


E&C % of total wine sales volume, by on-trade and off-trade



## While Italian wines still lead E&C's wine sales volume, trade-offs have occurred for French, Spanish and NZ wines

E&C % of total wine sales volume by country of origin



	vs 2021	vs 2019
Italy	↓ -13%	↓ -17%
France	↑ +6%	↑ +6%
New Zealand	→ 0%	↑ +5%
Spain	↑ +2%	↑ +4%
Chile	↑ +1%	→ 0%
Argentina	↑ +1%	↓ -2%
Australia	↑ +1%	↑ +1%
South Africa	↑ +1%	→ 0%
USA	→ 0%	↑ +1%
Portugal	→ 0%	→ 0%
Other		

Italian wines make up over a third of E&C's wine sales volume, however this is a proportional decline vs 2019 when around half of all wine sales volume was driven by Italian wines. Argentina is the only other country to see a proportional decline in wine sales volume since 2019.

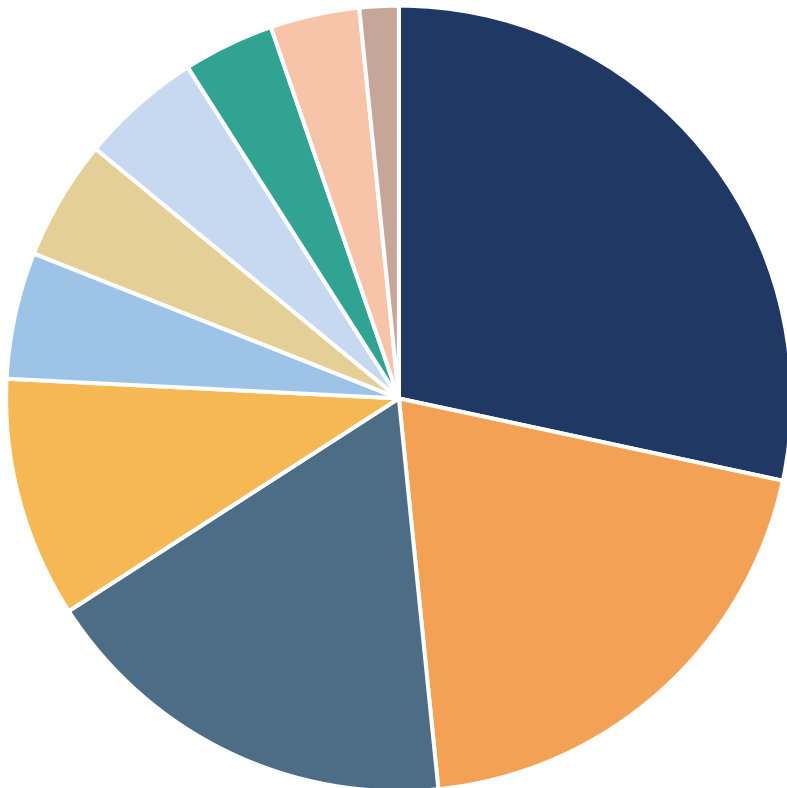
Instead, despite a decreased yield in France and New Zealand in 2021, E&C's sales volume of French wines have seen a proportional increase this year, with NZ wines sustaining the increase seen last year.

Spanish wines are also proportionally on the up.

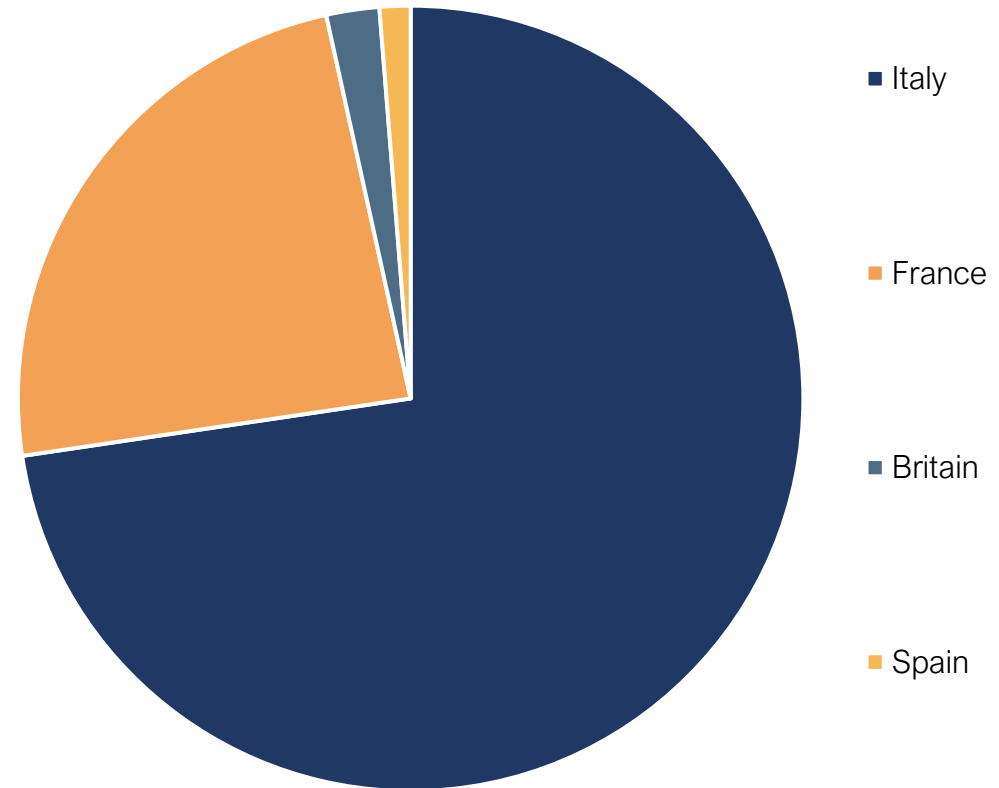


# Italian and French wines lead the sales volume for still and sparkling, but for the remaining volume, there are differences in wine origins

### E&C % of still wine sales volume by country of origin

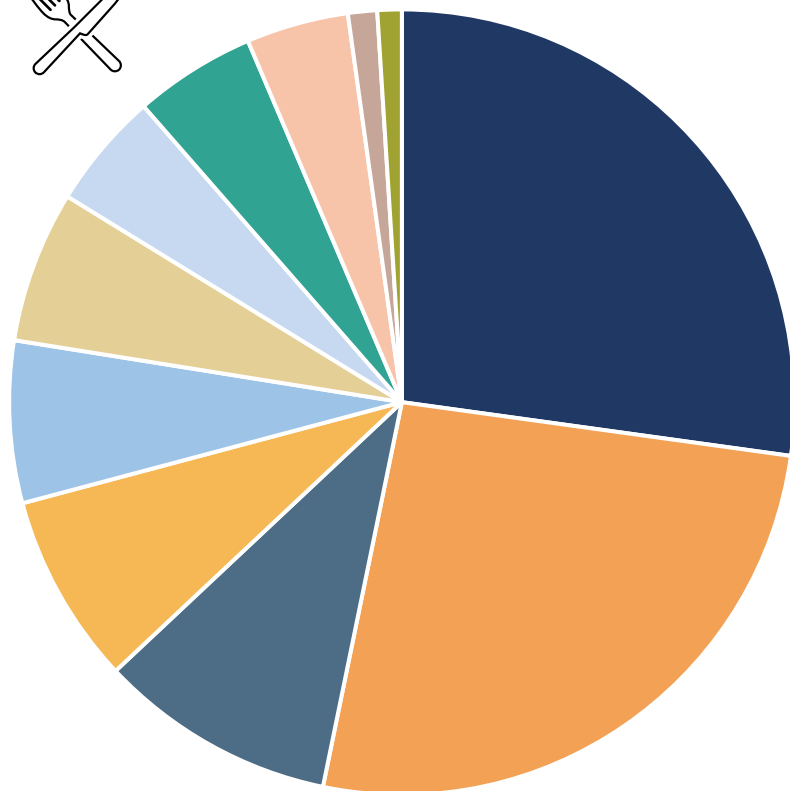


### E&C % of sparkling wine sales volume by country of origin

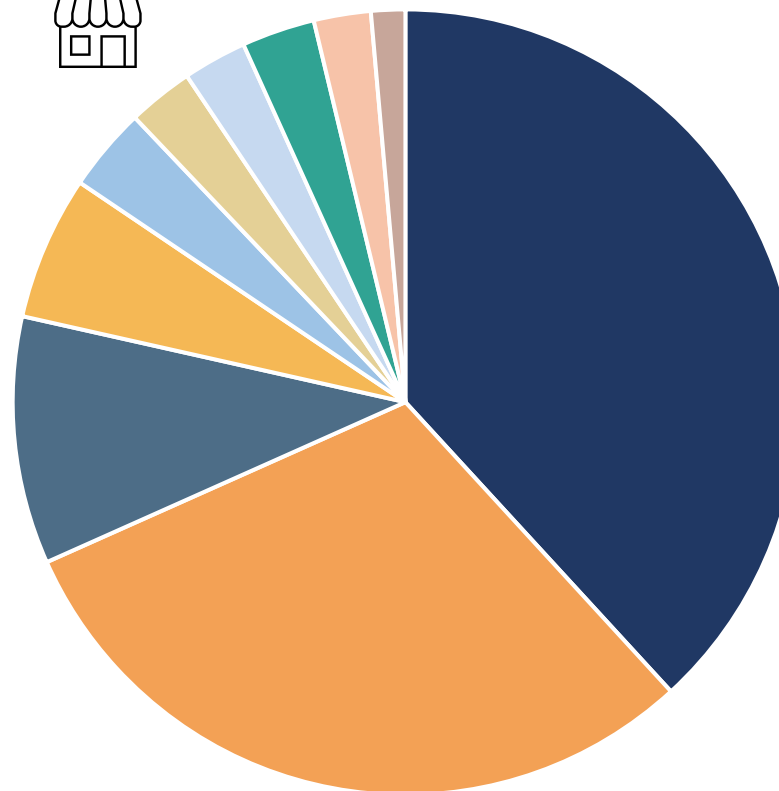


# NZ, Italian and Spanish wines make up around three-quarters of the volume sold to off-trade, while on-trade relies more heavily on French wines

E&C % of still wine sales volume by country of origin



- France
- Italy
- Spain
- Chile
- New Zealand
- Argentina
- Australia
- South Africa
- USA
- Portugal
- Other

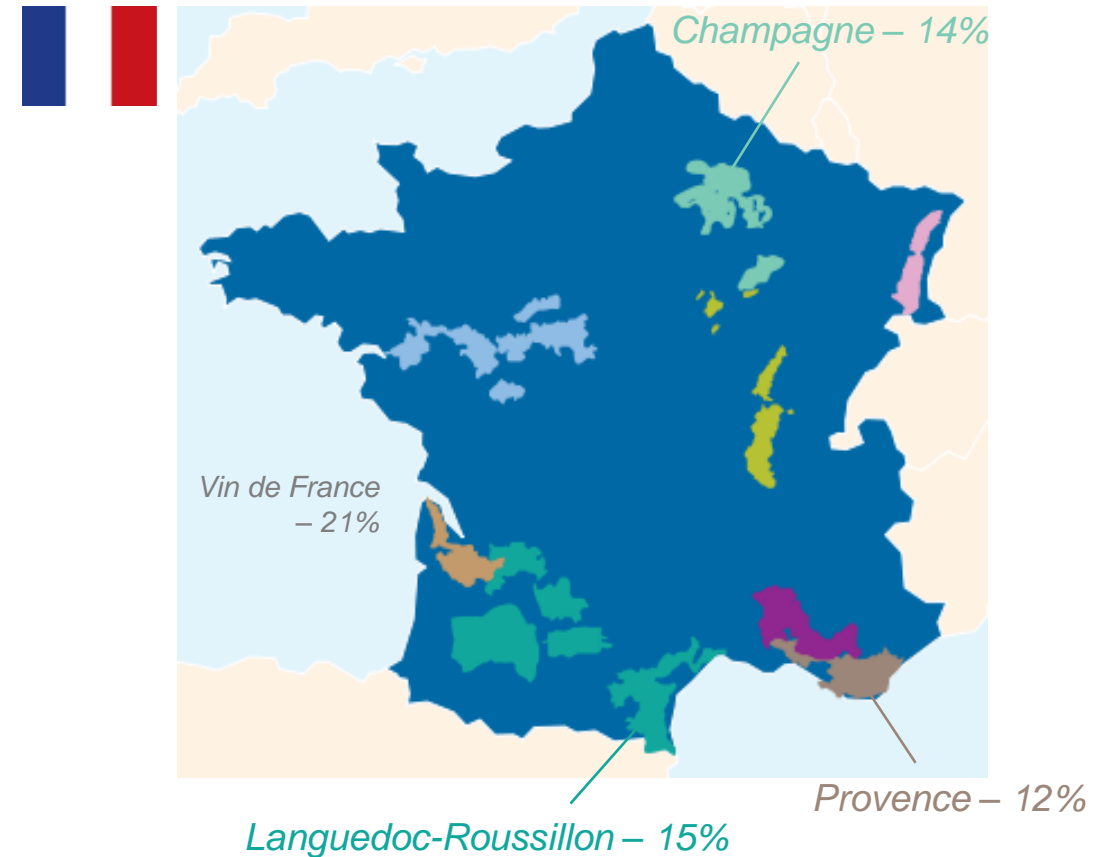
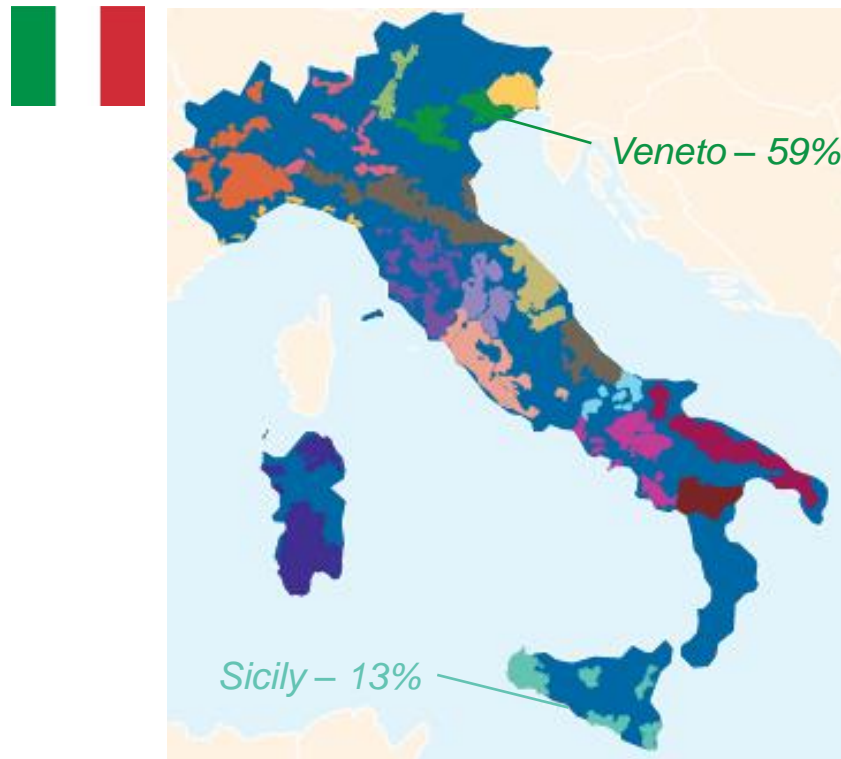


- New Zealand
- Italy
- Spain
- France
- Australia
- Argentina
- South Africa
- USA
- Portugal
- Germany



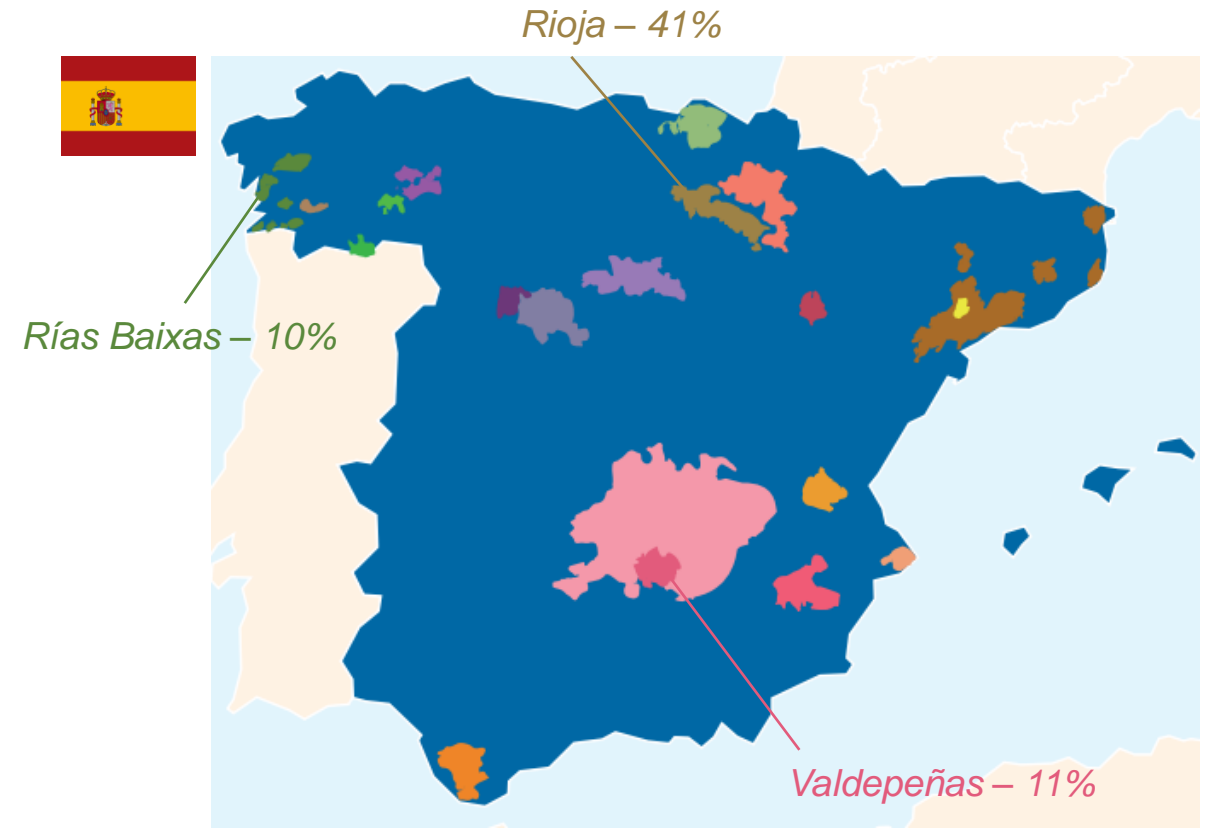
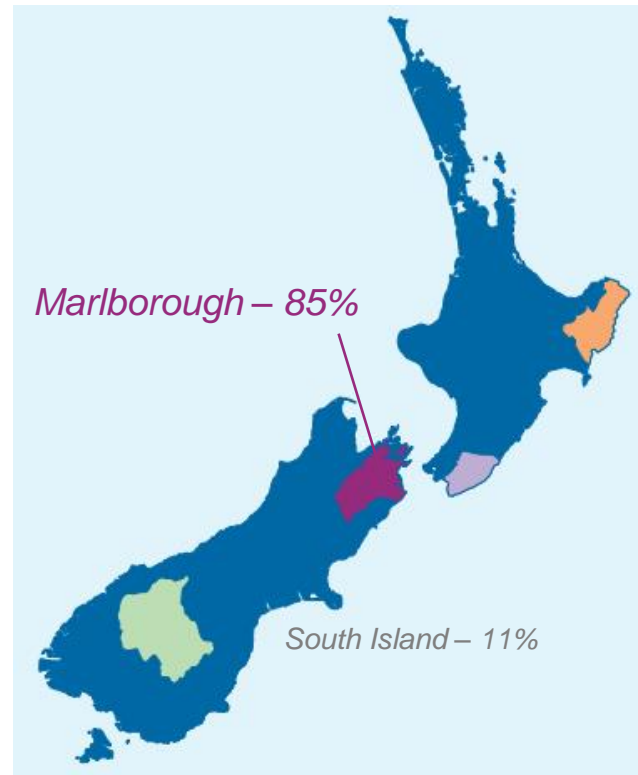
## Driven by Prosecco, Veneto is the top-selling Italian wine region, while French wine sales are more evenly distributed across regions

E&C % of total wine sales volume within country



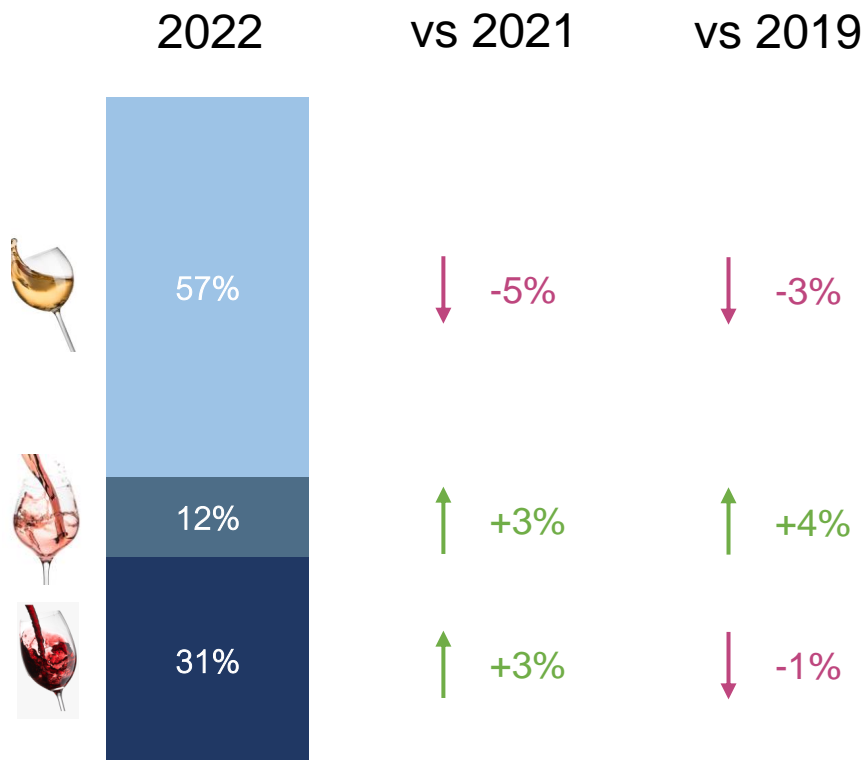
## Marlborough is the dominant region in New Zealand for wine sales volume; while less dominant, Rioja accounts for almost half of Spanish wine sales

E&C % of total wine sales volume within country



## Rosé is the only wine style to continue growing its market share since 2019, highlighting the boom in year-round rosé drinking occasions

E&C % of still wine sales volume by colour



As a category, rosé has seen the most sustained growth since 2019. As a proportion of E&C's wine sales volume, that growth is largely driven by rosé from France and Spain:

- **France** saw an uplift in 2021 which has been sustained, resulting in France leading the rosé category in 2022
- **Spanish** rosés have doubled since 2019
- On the other hand, **Italian** rosés have dropped by 16% since 2019



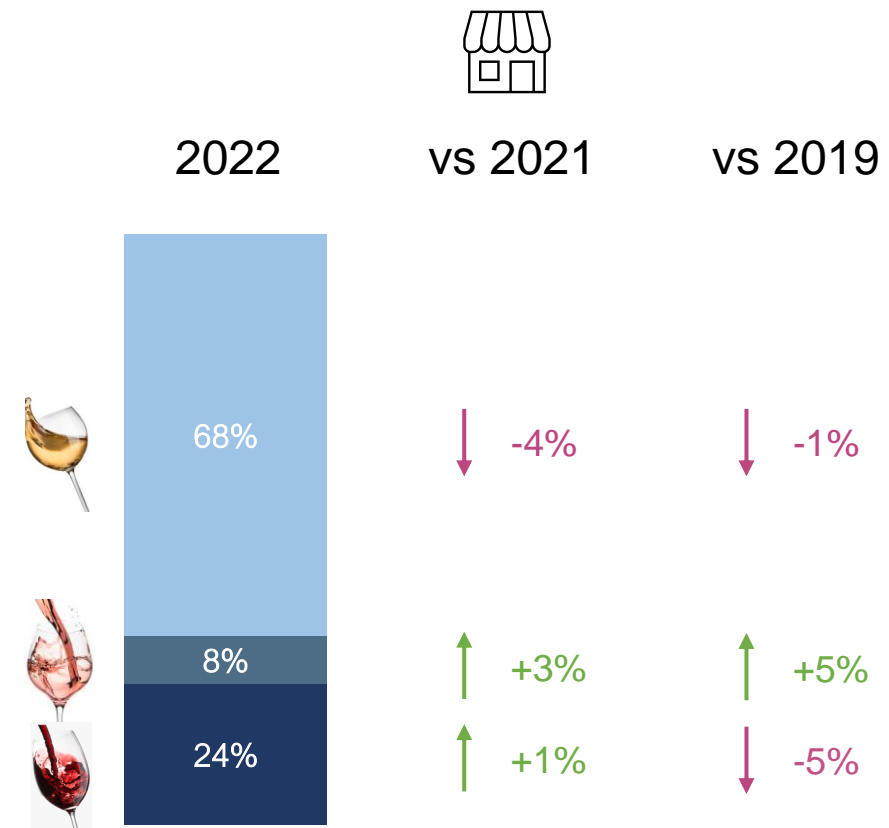
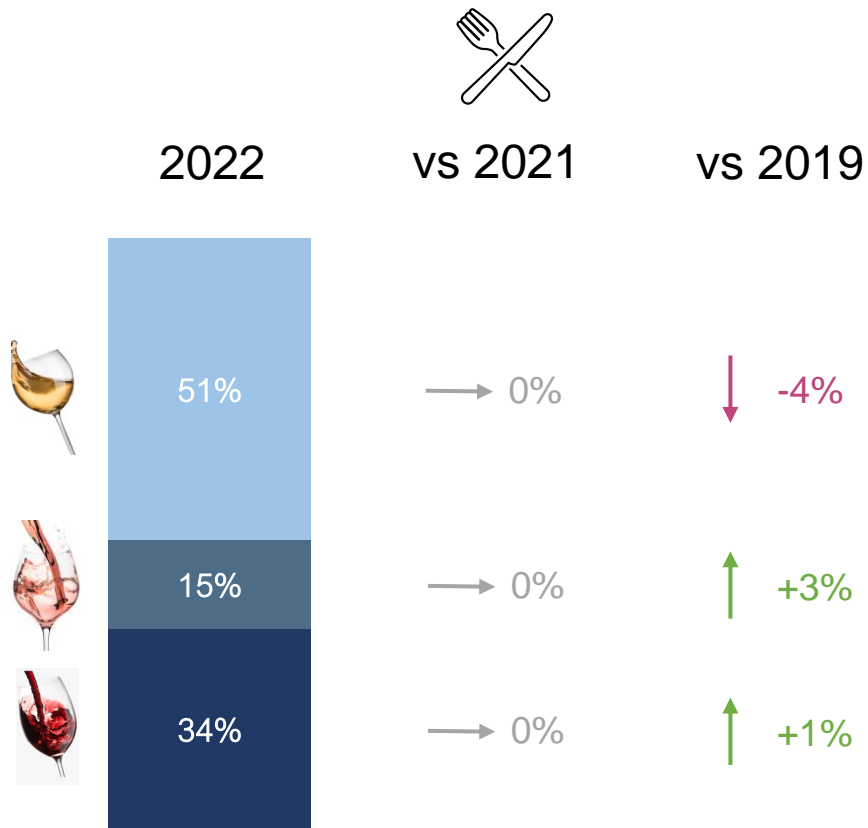
E&C listed **Léoube** (Provence, France) in January 2020. This range has been a key driver of French rosé volume growth.



**Ramón Bilbao** volumes have been increasing since 2019. Early inclusion of this in our portfolio enabled us to be ahead when rosé occasions grew.

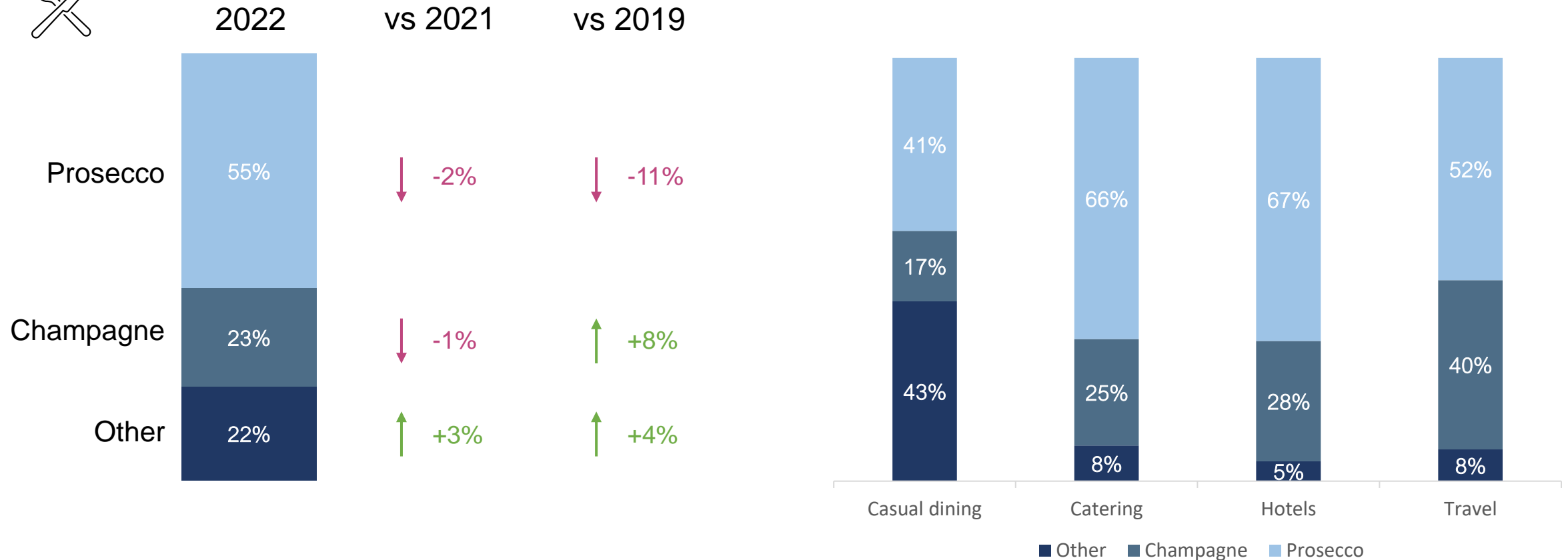
# The growth of rosé and decline of white wine sales volume is led by the off-trade, while the split of on-trade still wine is stable compared to 2021

E&C % of still wine sales volume by colour



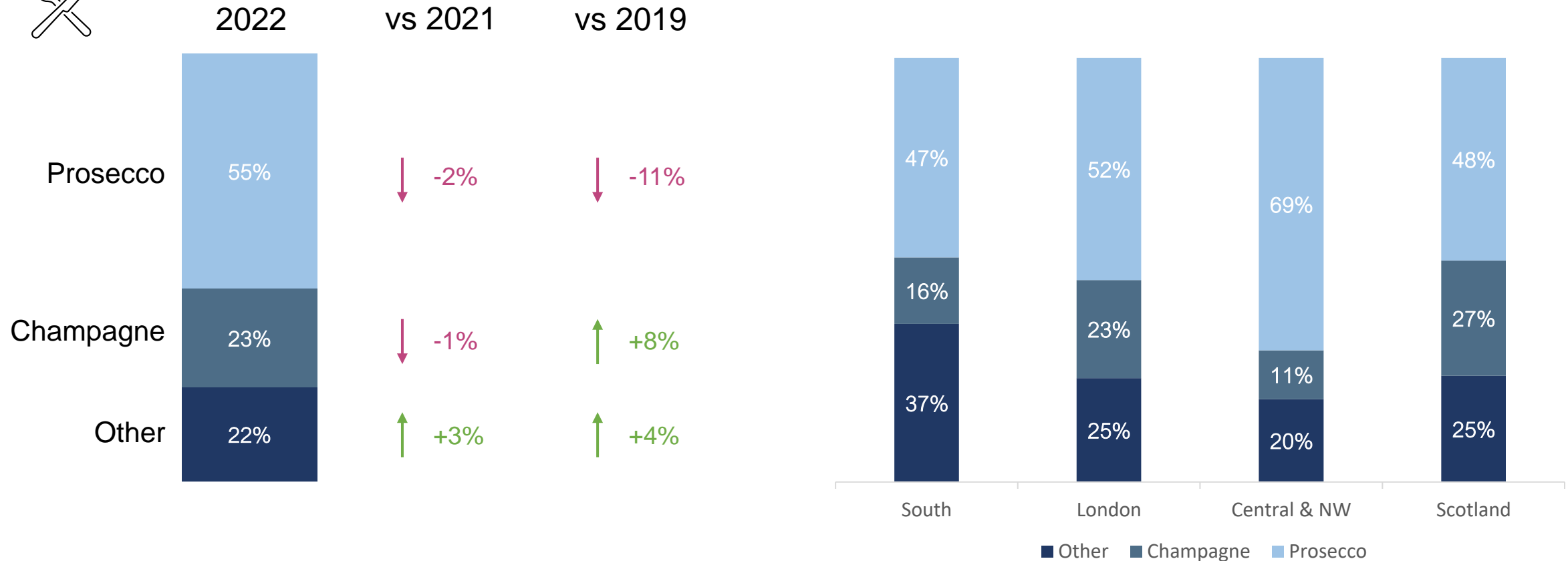
## Travel over-indexes on Champagne's share of sparkling sales volume compared with total on-trade; Casual Dining under-indexes on Prosecco

E&C % of on-trade sparkling wine sales volume by type



## Scotland over-indexes on Champagne's share of sparkling sales volume compared with total on-trade; the South over-indexes on 'Other' sparkling




E&C % of on-trade sparkling wine sales volume by type





# Grenache leads rosé sales volume after not featuring in the top two rosé grapes 3 years ago; Pinot Grigio and Merlot sales volumes are falling

E&C % of still wine sales volume – top two grapes

	2022	2021	2019
	Sauvignon Blanc 40% Pinot Grigio 18%	Pinot Grigio 42% Sauvignon Blanc 31%	Pinot Grigio 30% Sauvignon Blanc 26%
	Grenache 27% Pinot Grigio blush 25%	Pinot Grigio blush 29% Grenache 26%	Pinot Grigio blush 38% Zinfandel 16%
	Merlot 16% Malbec 15%	Merlot 21% Tempranillo 13%	Merlot 25% Malbec 13%

# Within on-trade, Pinot Grigio blush faces increasing competition from Grenache; Merlot no longer leads the off-trade sales volume as of this year

E&C % of still wine sales volume – top two grapes



2022

2021

2019



Sauvignon Blanc 33%  
Pinot Grigio 19%

Sauvignon Blanc 31%  
Pinot Grigio 26%

Pinot Grigio 33%  
Sauvignon Blanc 30%



Pinot Grigio blush 33%  
Grenache 27%

Pinot Grigio blush 40%  
Grenache 19%

Pinot Grigio blush 43%  
Zinfandel 18%



Merlot 20%  
Malbec 17%

Merlot 22%  
Malbec 14%

Merlot 24%  
Malbec 13%



2022

2021

2019

Sauvignon Blanc 50%  
Pinot Grigio 16%

Pinot Grigio 52%  
Sauvignon Blanc 31%

Pinot Grigio 25%  
Sauvignon Blanc 22%

Garnacha (ES) 55%  
Grenache (FR) 28%

Grenache (FR) 46%  
Garnacha (ES) 30%

Sauvignon Blanc 40%  
Garnacha (ES) 33%

Sangiovese 21%  
Tempranillo 13%

Merlot 20%  
Tempranillo 17%

Merlot 28%  
Nero d'Avola 19%



## 2022 wine sales volume, quarterly benchmark vs total

	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Country of origin	Italian wine	NZ wine		Spanish wine
	French wine Spanish wine			
Region of origin	Italian wine from Sicily		NZ wine from Marlborough	Spanish wine from Valdepeñas
	Spanish wine from Rías Baixas		NZ wine from South Island Spanish wine from Valdepeñas	Italian wine from Sicily Spanish wine from Rioja
Still wine style	White		Rosé	Red
	Rosé		White	
Sparkling wine style	Champagne			
Grape variety	Pinot Grigio Merlot	Sauvignon Blanc		Pinot Grigio blush
	Sauvignon Blanc	Pinot Grigio blush	Merlot	Pinot Grigio

# 2022 Wine Trends Report

