



CBI  
*Ministry of Foreign Affairs*

# **CBI Product Factsheet:**

## **Premium wine in the United Kingdom**

## Introduction

The UK wine market is mature, but the premium market is still expanding. Premium wine is gaining popularity as consumers develop a more sophisticated taste in wine. Independent specialist retailers are a particularly suitable market channel for suppliers in developing countries.

## Product Description

Premium wine is distinct from regular wine in both quality and price. The next section on Product specifications explains that high quality is subject to interpretation. Therefore, the price is a more suitable indicator to define whether a wine is considered to be a premium wine or not. In the UK, wine is regarded as premium when the retail price exceeds € 12.60 (£ 10.00) and 'everyday-premium' if the price lies between € 8.85 and € 12.60 (£ 7-£ 10).

Type of wine	HS Code
Sparkling wine	220410
Wine in containers < 2 litres	220429

## Product Specification

### Quality preferences

The quality of a wine depends much on inputs used and actions taken by the producer during viticulture and vinification.

#### Grape variety

UK consumers mostly prefer white wines from international grape varieties: Chardonnay, Sauvignon Blanc, and Pinot Grigio. Red wine consumers prefer Merlot, Cabernet-Sauvignon, and Shiraz. However, the British are also open to premium wines from indigenous grapes; varieties that are cultivated only in a particular area and have existed there for a long time.

#### Colour

White and red wines are almost equally popular among UK consumers. The majority of rosé is generally not perceived as a premium wine by UK consumers, but there are some exceptions, e.g. Provence Rosé.

#### Still or sparkling wine

Sparkling wine consumption is rising in the UK. Exact specifications of sparkling wine and quality sparkling wine are laid down in EU legislation. The differences are related to the fermentation process, Actual Alcoholic Strength, and pressure. In the UK, premium sparkling wine sales consist largely of Champagne.

Taste intensity can be influenced by many factors including: leaf/grape ratio on vines, irrigation, and yeast selection. UK consumers are increasingly seeking more intense, experimental, and multi-layered tastes.

#### Sugars/acids balance

A major aspect of the art of winemaking is to find a balance between sugars and acids. Across Europe, most connoisseurs looking for premium wine prefer dry wine with low sugar content. In the UK, however, there are also many consumers of premium wine who prefer a slightly sweeter wine with a residual sugar level of 2-5 g or sometimes even up to 10 g.

#### Alcohol content

Wines can have different alcohol content. In the UK, there has been a long-term trend towards wines with an alcohol content exceeding 13%. The high alcohol content was perceived to be characteristic of premium wines. Recently, there has also been market potential for premium wines with lower natural alcohol content (below 13%). This trend concerning alcohol content is strongly related to the health concerns of UK consumers and may influence the traditional view on the standards of premium wine.

## Tannins

Most consumers prefer soft tannins. The use of soft presses reduces seed damage and subsequent amounts of sharp tannins in the juice. The appropriate amount of tannins (natural minerals in the skin of black grapes) in wine depends on the style of the wine. Tannin content can be influenced during processing.

## Sulphite

Although consumers generally prefer low sulphite levels (e.g. < 150 mg /l for white wine), few of them pay attention to sulphite content when purchasing wine. Moreover, sulphite is a very useful ingredient as a preservative. Lower sulphite levels may lead to off-tastes and reduced shelf life.

## Off-tastes

Unripe and overripe grapes and contaminants can cause off-tastes in wine. Minimise off-tastes by: harvesting at the right time, sorting grapes during harvesting, proper handling of the grapes, and minimising time between harvesting and processing. If off-tastes cannot be prevented, clay or coal may be added to grape juice for removal of the off-tastes.

## Labelling

### Bottled wine

The EU has set compulsory labelling particulars for wine:

- The name of the Protected Denomination of Origin (PDO)/ Protected Geographical Indication (PGI) or Wine of 'producing country'/Produced in 'producing country'/Product of 'producing country'
- Actual Alcoholic Strength (AAS)
- Nominal volume
- Lot number
- Importer details
- Allergenic ingredients:
  - All wines containing over 10 milligrams of sulphite per litre must be labelled with the indication "Contains sulphites". This information is crucial for individuals who are sensitive to sulphites and experience problems such as shortness of breath, coughing, and wheezing. If your wine contains only a few mg or no sulphites, you can mention this on the label to serve these consumers.
  - Egg and milk derivatives must also be mentioned on the label.
- Sugar content (for sparkling wines)

Legislation does not require the exact composition of a blend on the label. However, rising interest of consumers in the composition of a wine increases the need to include such information on the label.

If you target educated consumers, it is worth mentioning the grape variety and vintage. This can have a positive effect on consumer perception of your product's quality.

In the UK, many companies adhere to a voluntary scheme for [alcohol labelling](#).

For more detailed labelling requirements: <http://www.food.gov.uk/multimedia/pdfs/thirdcountrywine.pdf>.

## Packaging

### Bottled wine

- The selection of the type of stopper should depend on the requirements of the buyer. In the UK, the screw cap (e.g. Stelvin) accounts for 40-50% of the supermarkets' wine sales. While screw caps are also increasingly used by premium wine producers, traditional corks remain most common in the premium market.
- While the UK demand for single-serving packaging is growing, this is only applicable to the entry level segments and lower quality wines. In the premium market, this type of packaging is not used.
- Bag-In-Box (BiB) accounted for 5% by value of total wine sales in the UK in 2014 and is becoming more common in the premium segment in the UK. Smaller-sized BiBs, such as 1.5 litres, are particularly suitable for this segment.
- Bottles for sparkling wines need to be strong enough to withstand the pressure resulting from the high CO2 level.

A relatively small, though increasing amount of premium wine is being transported to the UK in bulk. Please refer to the [CBI Product Fact Sheet on bulk wine in Europe](#) for more information on this issue.

## What is the demand for premium wine in the United Kingdom?

The United Kingdom acts as both an importer and exporter on the international wine market. Its market is rather mature, even though the UK is generally not considered a traditional wine country. Since the market is quite saturated, it may even become a market in decline in terms of volume; value is expected to increase in the near future since demand for premium wines is growing.

### Production

Although wine production in the UK continues to grow, production levels remain insignificant compared to consumption. The vineyard area in the UK has more than doubled in the last seven years, the majority being planted for sparkling wine production. Production reached a record level, up 47,433 hectolitres, in 2014, a 42% volume increase compared to 2013 (Decanter, 2015).

During the period 2009-2013, production showed a fluctuating trend. In the UK, 800,000 litres of wine were produced in 2013 (Eurostat, 2014). This represents a considerable decrease in production volumes compared to the 2.3 million litres produced in the UK in 2012.

2014 wine production in the UK amounted to an equivalent of 6.3 million bottles, which is insignificant compared to consumption in the same year of 146 million bottles. The divergence in production and consumption levels explains the large import volumes for the UK. Domestically produced premium wine is particularly successful in a niche market where consumers demand locally produced products with a small carbon footprint.

#### Tip:

- There is no need to keep informed about premium wine production in the UK, as it does not pose a threat to wine imports from developing countries.

### Consumption

In 2014, per capita wine consumption in the UK amounted to 23.9 litres a year, a slight decrease from 24 litres in 2013 (Vinexpo 2015). Although UK wine consumption has decreased steadily since the start of the economic crisis in 2008, it is currently rebounding. Annual per capita consumption is forecast to increase by 3.3% to 24.6 litres. Moreover, decreasing consumption was compensated for by increased sales of premium wine, which has led to an increase in the retail value of wine sales.

In absolute amounts, total wine consumption in the UK exceeds that of Spain, but is not even half of France's total wine consumption. Per capita wine consumption in the UK is comparable to per capita consumption in the Netherlands.

#### Tip:

- Stay up-to-date on the latest trends and developments in this market to profit from the forecasted growth in premium wine consumption.

Premium wine consumers mostly belong to two distinct segments. They tend to be either middle-aged adventurous connoisseurs or young urban professionals in their early thirties. Both groups have a considerable amount of disposable income and believe a more expensive wine should bring a higher quality. While middle-aged consumers drink less, they generally spend more money on a single wine.

#### Tip:

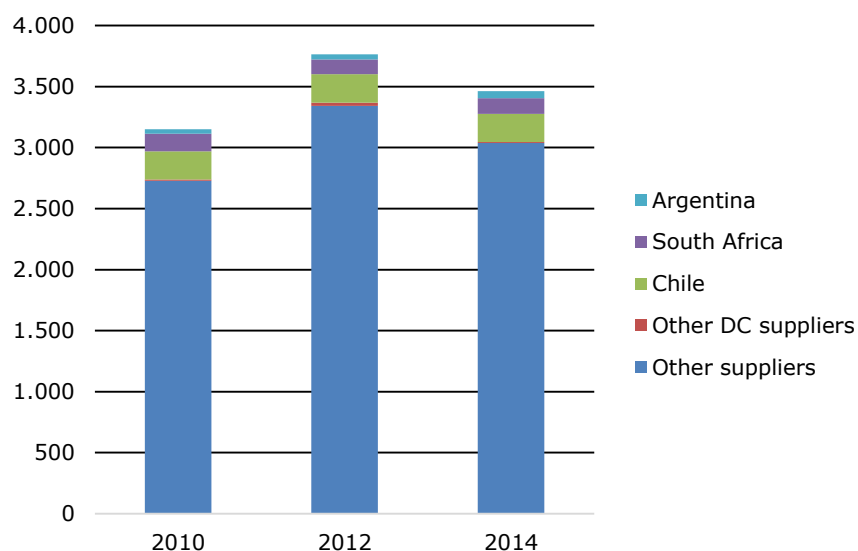
- It is extremely important to ensure a consistent quality of the wines you supply to the UK market. Premium wine consumers expect higher quality for the higher price they pay and a positive experience tends to lead to repeat purchasing.

Please refer to '[CBI Trade Statistics for Wine](#)' for statistics on the entire European wine market.

### Imports and Exports

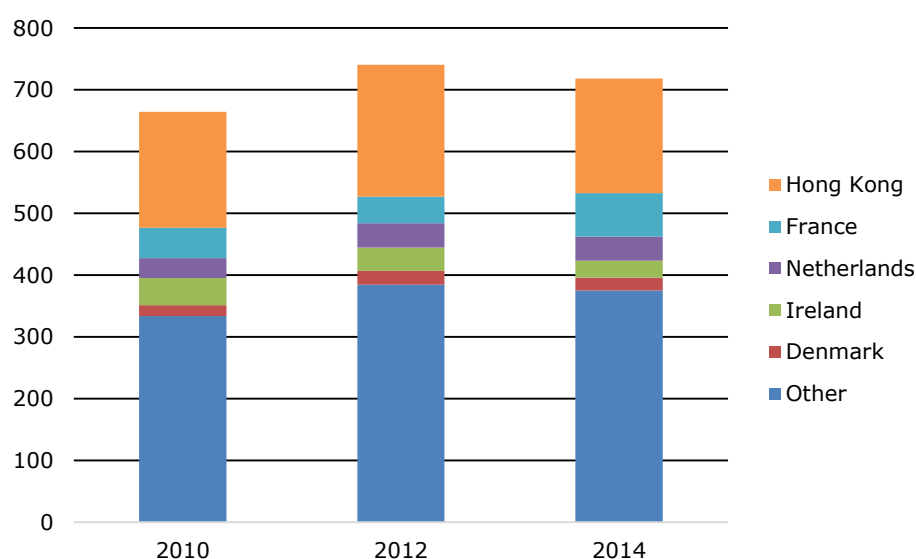
The UK offers a promising market for developing country producers, as it is the leading European importer of wine from developing countries. In 2014, wine from developing countries accounted for over 12% of the total value of wine imports to the UK. Wine imports from developing countries to the UK have steadily increased since 2010 by an average of 0.2% annually.

**Figure 1: Wine imports into the UK in millions of euros, 2010-2014**



Source: Eurostat, 2015

**Figure 2: Main destinations of wine (re-)exports from the UK in millions of euros, 2010-2014**



Source: Eurostat, 2015

The UK is a relatively open market, where premium New World wines are also welcome. South Africa, Chile, and Argentina are still the largest developing country suppliers of wine into the UK. Currently, with a share of 12% of total UK imports, wine imports from other developing countries are not significant in terms of value (see Figure 1).

**Tip:**

- If you are based in a country which has not yet established a reputation in the UK, target the everyday-premium wine segment (€ 8.85-€ 12.60). In the segment priced above € 12.60 (£ 10), it is more difficult to persuade consumers to buy a wine from an unknown origin. Consumers require a guarantee or assurance of the quality of the wine before they spend >€ 12.60. Suppliers in established New World wine countries like South Africa, Chile, and Argentina may also try to enter the above € 12.60-segment since they are already better known by UK consumers.

The UK re-exports some of the wine it imports. Since 2010, the amount of wine being re-exported to Europe has increased steadily. Similar to 2014's destination countries, UK re-exports within Europe are mainly directed to France, the Netherlands, Ireland, and Denmark. On the contrary and similar to previous years, re-exports to countries outside of Europe have remained at marginal levels. However, one notable exception is Hong Kong, which is a destination for re-exports of high priced premium wines from the UK (see Figure 2). Although low in volume, the value of re-exports to Hong Kong (38%) is almost as high as all re-exports to European countries combined (44.5%). This is largely the result of efforts by Hong Kong to become a fine wine hub for East Asia.

**Tip:**

- The UK could be used as a hub to distribute wine across North-Western Europe, but most wine being imported into the UK is used for consumption in the UK.

## What trends offer opportunities on the United Kingdom market for premium wine?

### Fashionable wines

The UK wine market is more sensitive to fashion than other European markets. Fashion trends are particularly strong drivers of consumption by young women. This target group is also sensitive to branding. See [CBI Trends for wine in the UK](#) for more information. Although fashion trends are particularly strong in the lower price segments, they are expected to have significant spill-over effects on the premium market.

**Tips:**

- Monitor the trends in the lower segment of the UK wine market to anticipate trends in the premium market.
- Build your brand on the values of young women in the UK to benefit most from fashion trends, but beware of rapidly changing interests.

### Growing premium segment

Despite falling wine consumption during the economic crisis, increasing popularity of premium wine drove an overall increase in retail sales. The economic crisis caused a switch from on-trade to off-trade sales as consumers went to restaurants and bars less often. Instead, they chose to drink better quality wines at home in order to create the same feeling of luxury as in restaurants.

Despite improving economic conditions, the UK on-trade continues to suffer. The value of the on-trade wine market fell by 9.3% between 2014 and 2015. Nonetheless, the premium wine segment is still growing. On-trade sales of premium still wine grew by 2% in 2014, while high-end sparkling wines were up by 45% (The Drinks Business, 2015). Champagne performed best among premium sparkling wines, followed by Prosecco. This is in contrast to the low and middle segments, where Prosecco accounts for the majority of sparkling wine sales. Although the growth of premium sparkling wine is dominated by traditional producers, UK consumers are also open to trying wines from new origins.

**Tip:**

- Producers desiring to supply the off-trade channel need to supply a premium wine with a luxury image, because consumers wish to create a deluxe restaurant-like experience in the comfort of their own home. Specialist stores are a good opportunity to showcase the USPs of your wine.

### Stagnation of New World wine sales

Over the last couple of decades, the UK has witnessed steady growth in wine sales, and New World wine sales in particular. Currently, these account for around 32% of the total value of imports (Eurostat, 2015). For the last five years, the UK has once more been importing more wine from traditional origins. Although the value of imports from developing countries has increased slightly since 2010 (on average 0.2% annually), imports from within Europe are growing at a faster rate (3.0% annually). This is largely the result of international currency changes in favour of traditional suppliers, as well as the shift towards lowering CO2 output from long distance transport.

**Tip:**

- Cooperate with European importers to stimulate sales of your premium wine by educating and enthusing consumers. Importers supplying independent specialist retailers are best equipped to support premium New World wines, because the latter are in close contact with their customers.

**Bag-in-box enters the premium segment**

Several established brands produce bag-in-box (BiB) versions of their bottles and have established good quality credentials in the eyes of consumers. Improved style and better packaging have also helped to convince consumers that a BiB can contain the same quality wine as bottles.

**Tip:**

- If branded right, offering premium wine in an attractive Bag-in-Box offers an opportunity for established developing country exporters. Do not opt for BiB if you are a supplier in a country that is regarded as an unknown origin. Consumers will not take the risk of buying a big BiB if they do not know the wine or origin.

**Opportunities for rebranding**

In the UK, there is a re-emergence of wines with an Eastern European origin. While in the past, these wines were mostly regarded as being of inferior quality, now some wines from this region are offered at higher prices; indicating that higher quality wines are supplied.

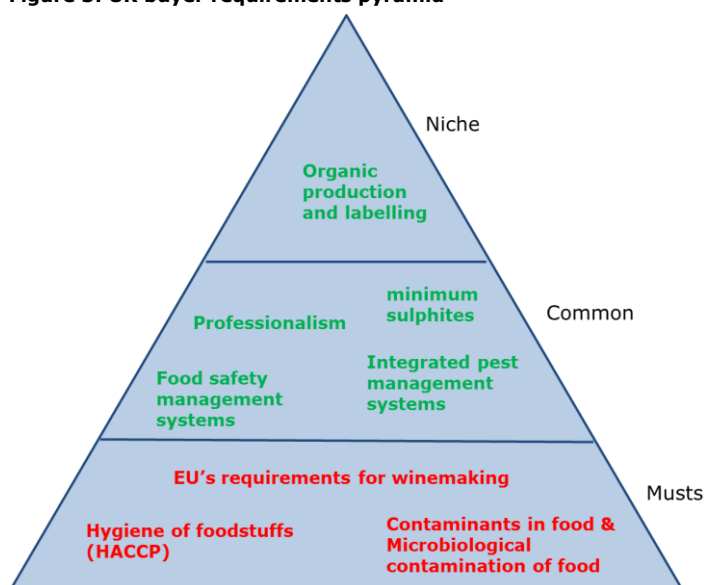
**Tip:**

- If you are based in a country with a reputation as a supplier of entry level wines, the UK offers more opportunities than most other more conservative European markets. It is extremely hard to change consumers' perception of a certain brand or origin. The UK is one of the few markets with a relatively open view towards premium wines from locations generally perceived to deliver only entry level wines. Once the UK accepts your premium wine, you may expand your market to other European countries.

Please refer to '[CBI Trends for Wine in the United Kingdom](#)' for more trends in the UK wine market.

**What requirements should premium wine comply with to be allowed on the European market?**

**Figure 3: UK buyer requirements pyramid**



Source: ProFound, 2015

## What legal and non-legal requirements must my product comply with?

### Oenological practices

The EU stipulates what oenological practices can be used for winemaking, including the making of sparkling wine, sweetening, and addition of sulphites.

Maximum sulphite addition:

- Red wine: 150 mg /l
- White wine: 200 mg /l
- Sweet red wine: 200 mg /l
- Sweet white/rosé wine: 250 mg /l

Sulphite levels may be higher for certain wines from a specific origin.

#### Tip:

- Check whether your current practices comply with the [EU's requirements for winemaking](#). Producers of wine destined for the European market must present a certificate (VI1) ([example](#)) and an analysis report for their wine to show that they comply with the oenological requirements.

### Hygiene of foodstuffs

Food business operators shall put in place, implement, and maintain a permanent procedure, or procedures, based on Hazard Analysis Critical Control Points (HACCP). This also applies to the import of food to the EU and export from the EU.

#### Tip:

- Ensure compliance with EU legislation on [Hygiene of foodstuffs \(HACCP\)](#).

### Contaminants in food

The EU has laid down maximum levels of contaminants, pesticides, and criteria for microbiological contamination of food.

#### Tip:

- Only use healthy grapes and ensure hygienic processing conditions to comply with EU legislation regarding [Contaminants in food](#).

## What additional requirements do buyers often have?

### Low sulphite levels

The requirements of many European buyers concerning sulphites are stricter than EU legislative requirements. For example, buyers often set a maximum of 150 mg/l for white wine, compared to the legislative requirement of 200 mg/l.

#### Tip:

- Reduce the need to add sulphites and only add the minimum quantity of sulphites required to preserve the quality of your wine

### Minimise use of chemicals

Use of fertilizers can improve soil quality. However, wineries should minimise the use of chemical fertilizers, as UK consumers are concerned about effects of agriculture on the environment and the use of chemicals in particular.

#### Tip:

- Promote the use of Integrated Pest Management or equivalent production systems aimed at minimising the use of chemicals by your producers.

### Food safety management

Buyers commonly require their suppliers to have a quality/food safety management system in place. These systems require companies to demonstrate their ability to control food safety hazards in order to ensure that food is safe at the time of human consumption.



**Tip:**

- Suppliers can apply a basic HACCP system. However, many buyers appreciate certified food safety management systems recognised by the Global Food Safety Initiative, such as ISO22000, BRC or IFS: [Food Safety Management Systems](#).

**Professionalism**

Particularly big buyers in Europe indicate that producers of wine can improve their chances of successful market entry by showing professionalism. Communication and sampling are areas in which producers in developing countries in particular can improve.

**Tips:**

- When you approach a potential buyer for the first time, provide a complete introduction of your company and products. Include a unique and passionate story about your company and your wines.
- Only send clean and representative samples with clear labels that include the price and volume available in addition to contact details.

**What are the requirements for the niche markets?****Organic wine**

Having your products labelled 'organic' is voluntary, but if you do so, your production methods must comply with EU Regulation (EC) 834/2007 and they have to be audited by an accredited auditor.

**Tip:**

- If you choose to obtain a certificate for organic production, find out more about [Organic production and labelling](#).

**Fairtrade wine**

Having your wine [Fairtrade](#) certified is the most comprehensive way to prove your business performance on social conditions in your supply chain. After certification by an independent third party, you may put the Fairtrade logo on your product. In general, a higher price is paid for fair trade products.

**Tip:**

- Consult the [Standards Map database](#) for the different labels and standards relevant for wine

**What competition do I face on the United Kingdom premium wine market?****Low barriers to market entry**

The UK market is an important stepping stone for entry to other European markets. British consumers are open to new tastes and influences. Moreover, retailers in the UK do not make it very difficult for new origins to become visible, as is the case in some other European countries.

**Tip:**

- The enabling factors in the UK facilitate entry to the market for newcomers. For developing country exporters, the UK poses relatively low barriers to entry. However, success on the market is still based on heavy promotion of the brand and there is a high degree of competition among suppliers, as many new suppliers take advantage of the low entry barriers.

## USPs only important after quality is assured

In the premium wine market, price is less important in the buyer's decision-making process than in the entry level market. Instead, quality and Unique Selling Points (USPs) are more important drivers in a customer's decision. An example of a USP that is appreciated in the UK market is a wine with an interesting story about its origin that sets the wine apart from other wines.

### Tip:

- Focus on the delivery of consistent quality before investing in development of USPs, because on the premium wine market in the UK, a wine's USP can only be used to differentiate a brand after the brand has proven consistency in its quality.

## Strong rivalry in premium segments

Rivalry amongst wine suppliers is high in the premium market segment as most of the European wine producers aim to be in these segments. In order to be competitive, suppliers need to show their USPs, such as origin or even Geographical Indication, stories about production (e.g. altitude), wine show medals, sustainability, packaging, etc. Due to the importance of fashion trends in the wine market, your USP can attract many new buyers at one moment and lose popularity at another.

### Tips:

- In order to protect the reputation of your country, Business Support Organisations (BSO) can lobby with the government to secure the quality of national exports through a control panel.
- Participate in wine tasting events to gain recognition for your wine.
- If you have an interesting story to tell about your wine production, use it for branding. This can be done in a variety of ways:
  - Tell your story on the wine label;
  - Add a QR code, so people can find out more if they are interested.
- Tell your story to specialty retailers, so they can use it when they recommend your wine.

## Strong bargaining power for supermarkets

UK supermarkets enjoy a high degree of power in the wine market. They place high pressure on premium wine suppliers to deliver a very high price/quality ratio. Expectations on consistency in quality and quantity supplied are also very high.

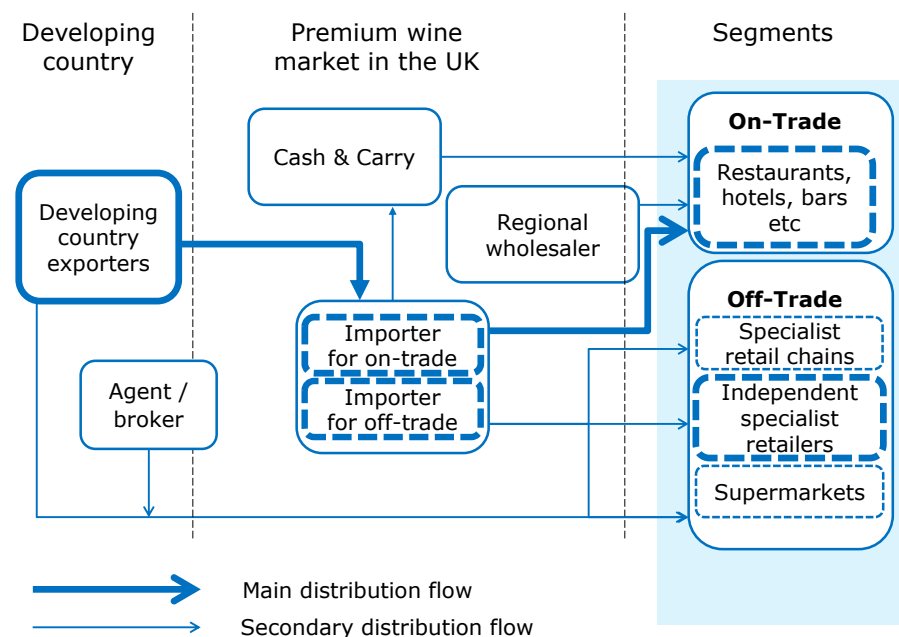
### Tip:

- Consider whether supplying supermarkets is a suitable option for your company, as supermarkets can place high burdens on premium wine suppliers without offering much in return, marginalising profits in the premium segment. There is a need for a financial assessment to find out the profitability of supplying supermarkets.

Please refer to '[CBI Competition for Wine in the United Kingdom](#)' for more information.

## What do the trade channels and interesting segments look like in the United Kingdom for premium wine?

### Market Channels



Source: ProFound, 2015

### More opportunities for premium in both off-trade and on-trade

The economic crisis led to a significant decline in on-trade wine consumption in the UK and a switch to the off-trade segment. This pattern has continued even after the UK economy has improved. Consuming wine at home saves costs. However, premium wine is a growing segment, even in the on-trade.

#### Tip:

- Exporters in developing countries may focus their distribution strategy on the off-trade channel. Currently, it is difficult to find interested importers who supply the on-trade in the UK, since overall demand in this channel is down. However, entering the on-trade channel is possible by working with an importer of premium wines.

### Move towards independent specialist retailers

Supermarkets and retail chains such as [Majestic](#) are particularly strong in the everyday-premium segment (€ 8.85-€ 12.60). The UK is the only European market where several supermarkets (e.g. Tesco, M&S, and Sainsbury's) sell premium private label wines (€ 12.60-€ 25.25). Fine wine (above € 25.25) sales even showed a growth of 20%.

However, specialist retailers are the main channel for premium wine (above € 12.60) sales in the UK. Moreover, the continuing trend of dining at home puts specialist retailers in a particularly good position to sell premium wine. Independent specialist sellers in particular are gaining market share, while specialty retail chains have difficulties staying in business.

**Tips:**

- Independent specialist retailers are a particularly interesting distribution channel for premium wine suppliers in developing countries, as they are in a better position to inform consumers about New World wines than other types of retailers.
- Story-telling is crucial for success on the premium market. Developing country producers are strongly advised to create a unique selling point and promote their product passionately. They need to educate buyers and tell rich emotional stories instead of providing fact sheets.

**Independents do well**

Excluding large retail chains, there are approximately 750 independent wine retailers in the UK. This number has grown by 50% since 2007 (Decanter 2014). Independent shops deliver a more innovative marketing and client approach that addresses the consumers' growing interest in wine, find new customer bases, and build a more attractive assortment than supermarkets and specialist retail chains. The majority of these shops purchase from importers, but there are a few shops which are starting to import themselves, often mixed pallets.

**Tip:**

- Find out which importers supply to independent retailers and focus your promotion on those importers. One option is to contact the [Wine and spirit trade association](#).

**Need for brand promotion**

Many supermarkets in the UK offer a wide range of premium wines at affordable prices; at least one in five bottles offered is premium. Supermarkets mostly sell well-established brands instead of relatively unknown wines, because they do not have the ability to directly persuade and educate customers in their choice of wine.

**Tips:**

- Only target supermarkets if you are an established supplier of everyday-premium wine. If you can convince supermarkets of the quality of your wine, they can provide support for your promotion of the wine in their stores.
- If you target the premium segment starting at € 12.60, supermarkets may not be the best of choices to supply.
- If you aim to sell directly to supermarkets, ensure supplies from bonded warehouses to prevent running out of stock (during promotions).

**Premium wines sell well online**

Online sales are increasing and already account for an estimated 5-10% of total wines sales in the UK. This channel is particularly interesting for premium wines from unknown origins. There is less need for retailers to select the fastest selling products, as they are not constrained by restricted shelf space. Moreover, web shops provide a platform to convey more information to consumers, such as the story of a particular wine. For more information on online sales, refer to the [CBI Product Fact Sheet on Online Wine Sales in Europe](#).

**Tip:**

- Online shops provide a space to tell a story that can set your product apart from the competition. Provide a passionate and unique story to convince consumers to purchase your wine. You can find such an example on the website of [Tilia Wines](#).

**Market Segments****Polarising market**

The middle segment loses ground. The average quality of wine on the UK market has increased. Like other European markets, UK consumers either move towards budget wine options or towards the premium segment.

**Shift towards quality wines**

Although consumers drink less wine, they prefer higher quality wines. The ageing population strengthens the move towards premium wines, as middle-aged and elderly wine consumers, who generally have a higher disposable income compared to younger wine drinkers, are mostly interested in high-quality wines.

**Tip:**

- Tailor your promotion on the UK market to the needs of elderly and middle-aged consumers. Avoid trendy packaging, and opt for a classy, more traditional look.

**Demand for lower alcohol wines**

In both the on-trade and off-trade, there is a trend towards wines with a slightly lower alcohol percentage between 12-12.5%, moving away from wines with a high alcohol content (13-15%).

**Tip:**

- Consider the possibilities of supplying premium wines with an alcohol content of max. 12%, as it will have a higher appeal to current consumers.

**Sparkling wine for every day**

The share of sparkling wines, including premium wines such as champagne, is increasing steadily in the total UK wine market. In 2014, sparkling wine sales in the UK grew by 12%. Prosecco in particular has become a big success. Prosecco sales increased by 61% in 2014, compared to Champagne (1%) and Cava, which fell by 9.3% (The Drinks Business, 2015). Most sparkling wines are bought for in-home consumption, while premium sparkling wine such as champagne is mostly consumed in restaurants and bars.

**Tips:**

- If you are a developing country supplier of sparkling wine, the mid-premium segment offers many opportunities. Promote your wine as a high-end but affordable wine suitable for multiple occasions in order to increase your chances to enter this market segment.
- As a premium sparkling wine supplier, focus on the on-trade market. As a non-premium wine supplier, focus on the off-trade market, since this channel has more opportunities for entry-level sparkling wines.

**Few premium rosé wines**

Great quality white and red wines sell all year round, while rosé sales often drop after the summer. In 2014, rosé sales decreased by 2%. Rosé is often still perceived as being inferior to white and red wine. Particularly New World premium rosé wines are rare on the wine market in the UK. Only the iconic Provence rosé established a good name and is regarded as a genuine premium wine.

**Tip:**

- Developing country exporters of premium rosé will need to promote their product even more than suppliers of white and red wine. Large investments may be required to penetrate this market.

Please refer to [‘CBI Market channels and segments for wine in the United Kingdom’](#) for more information.

**What are the end market prices for premium wine?****Premium segments grow fastest**

Everyday premium wines priced over € 8.85 were up in volume sales by 16% in 2012 and premium wines priced over € 12.60 increased their share by 18% in the same year.

**Discouragement of alcohol consumption**

The UK is one of the few European countries that discourage alcohol consumption through progressive taxation of consumption. However, consumers of premium wine, who prioritise quality, are less influenced by this measure than consumers of bulk wine, who prioritise price. Please refer to [CBI Trends for wine in the United Kingdom](#) for more information.

**Tip:**

- Consider offering a special edition of your wine, since 33% of premium wine drinkers indicate that they are likely to spend more if a wine is marketed as a limited or special edition (Bibendum, 2013). Once a brand is established, offering special editions can be used to sell wines of an even higher quality.

## Quality counts

Supermarkets frequently use promotional offers (i.e. discounts) to attract consumers in both the entry-level and premium segments. However, in the premium segment, there is a stronger need to convince consumers of the premium quality of their wine. The importance of price as a purchasing criterion is much lower for premium wine.

**Tip:**

- If you target supermarkets, you need to support them with their promotion. Prepare a promotion strategy:
  - Reserve budget for promotional offers;
  - Establish how much of your wine can be sold on promotion;
  - Ensure that you can deliver the volumes and deliver in time.

## Useful sources

- The [RAW fair](#) in London offers an interesting opportunity to promote your wine in the UK if you supply: “Wines that have a humanlike, or living, presence. They are also wines that are an authentic expression of a place. They are the polar opposite of industrialised, big-brand, manufactured, nothing-but-alcoholic-grape-juice wines, that use imagery and suggestion to sell a product.”
- [Meininger’s Wine Business International](#) – International magazine on international wine trade.
- [Wine and Spirit Trade Association \(WSTA\)](#) – The WSTA provides news and statistics on the UK wine market.



## **CBI Market Intelligence**

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This survey was compiled for CBI by ProFound – Advisers In Development  
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