



CBI  
*Ministry of Foreign Affairs*

# **CBI Trends:**

## **Wine in Belgium**

## Introduction

The Belgian wine market is mature and consists of highly educated wine consumers. While Belgium is a traditional wine drinking country, the Northern part, Flanders, is particularly open to new tastes and wines from unknown origins. The market for sustainable, lighter, easily drinkable wines in particular offers opportunities for developing country suppliers.

## Belgians are open to New World wines

- **New World wines gaining market share:** An increasing number of wine importers have New World wines in their assortment. Approximately 20% of all wine sold in Belgium currently comes from the New World. Chile is the largest supplier to Belgium in this group, accounting for 8.3% of the market by volume (GfK).
- **French market share has diminished:** The French market share has diminished during the past decade, but France remains the main supplier of wine to Belgium with an average market share of 58%. In the French-speaking part of Belgium (Wallonia), French wine accounts for almost 67% of the market, while the Dutch-speaking part of Belgium (Flanders) only consumes 49% of French wine, making it more open to non-traditional wines.

### Tips:

- Focus on Flanders, since consumers from this region tend to be more willing to experiment with unknown wines. Also keep in mind the slight preference for white wine in Flanders compared to Wallonia.
- If your country is a new supplier to the Belgian market; make sure the first wine you bring to this market is a statement wine of high quality in order to establish a good name.
- Keep in mind that the average retail price for New World wines in Belgium lies beneath the average retail price of wine in general which is €3.57.

## Brands and varieties matter

- **Brand and grape variety are important:** Brand and grape variety are major purchasing criteria in Belgium. Belgian consumers attach more value to brands and grape varieties than consumers in several other European countries. Although price and country of origin also matter for Belgian wine consumers, those criteria have less influence on purchasing behaviour than in other European countries.
- **Well-educated consumers:** Belgium has a rather mature wine market consisting of well-educated consumers opting for wines which offer good quality. High-quality private labels of the leading supermarkets (such as Carrefour, Delhaize and Colruyt) perform particularly well.

### Tips:

- As a developing country supplier of wine willing to enter the Belgian market, you may develop a competitive advantage over other suppliers if you make use of popular well-known grape varieties to produce your wine. This is particularly profitable if you are able to deliver a popular variety at a competitive price.
- If you have difficulties establishing a name of your own, consider supplying supermarkets to sell your wine under their private label.

## Lighter wines

- **Light and fresh wines becoming popular:** Belgian consumers also increasingly opt for lighter and fresher wines, just like their fellow Europeans from traditional markets. These traditional markets are characterised by a strong demand for heavy, full-bodied wines with strong tannins (e.g. Bordeaux wines), which accompany heavy meals well.
- **Healthy lifestyles:** Concerns about healthy diets have led to a move away from these heavy meals. Consumers increasingly eat lighter meals, which match better with light wines with softer tannins.

**Tip:**

- If you are a developing country supplier of a wine with soft tannins and a smooth taste, consider marketing your wine as a perfect companion to several dishes. For example, include tips on the back label of your wine about the dishes which best match the wine. This can be done by the use of text or simply by logos to depict different food types such as meat, fish, cheese or desserts. The brand "Wine That Loves" has based its labels completely on food-pairing suggestions, as can be seen in the visual below.

## Belgians like bubbles

- **Sparkling wines are growing:** In 2013, sales of sparkling wine in Belgium grew 7.7%, while still wine sales grew by 1.3% (De Tijd, 2014). Sparkling wine comprises approximately 15% of total wine consumption in Belgium. Consumption of sparkling wine is particularly high in Flanders. This region also accounts for most of the growth in this segment.
- **Growth will remain strong:** European-wide growth of this category indicates that this category will remain strong in Belgium in the future, too. Consumers no longer buy sparkling wine only for special occasions. They increasingly buy it for regular consumption.
- **Opportunities for developing country exporters:** The growing sparkling wine segment also offers opportunities for developing country suppliers, which are still underrepresented on the Belgian sparkling wine market. They can benefit from lower preference for known origins (e.g. Spain) by consumers, compared to other market segments. Nonetheless, competition from the traditional wine suppliers remains fierce. Cavas from Spain currently account for 63% of the sparkling wine market in Flanders (Carrefour, 2012).

**Tips:**

- Depending on the quality of your wine, position it as a wine for special occasions (premium wine) or for everyday consumption (everyday premium). If you aim for the everyday premium market, keep your prices competitive with similar quality Proseccos and Cavas. Cap Classique from South Africa provides an example of a sparkling wine with good potential.
- If you can supply a sparkling wine at a competitive price/quality ratio, consider entering the Belgian market now.

## Belgians are discovering online sales

- **Online sales led by existing retailers:** In Belgium, online sales account for approximately 3% of the wine market. The rise of internet shops is largely the result of consumers' search for convenience. In general, retailers with physical stores lead the development of online sales. Consumers need to know the retailer before they will rely on the information provided in the webshop.
- **Online sales offer opportunities:** Although online wine sales in Belgium are estimated to be marginal, this channel is of particular interest to premium wine suppliers in developing countries. Online shops offer space to provide product information, such as a story about the history of the winery. This can help to convince buyers to buy a wine from a New World country, as buyers usually opt for wines from traditional wine countries when they do not have extra information on the wines.
- **Premium sells online:** Premium wines sell well online as consumers are willing to pay more for a less common wine which they cannot buy at the supermarket. Click [here](#) for a list of online wine shops in Belgium.

**Tip:**

- If you are a small volume supplier of premium wine, find an importer with a webshop who offers wines from less common origins. Webshops are particularly interesting retail channels for premium wines from developing countries.

## Acceptance of non-traditional closure types

- **Natural corks and screw caps:** Belgian wine consumers have a particular preference for natural corks and screw caps; synthetic corks are not used as frequently. The use of a natural cork is more common for premium wines of a higher quality; for more affordable everyday drinking wines the screw cap is the preferred option, particularly in Flanders. This situation is not likely to change in the foreseeable future.

**Tip:**

- Keep your target market in mind when deciding on the appropriate closing for your wine bottles. Offering high end wines in a bottle with a screw cap or synthetic cork may still signal lower quality to certain consumer groups in Belgium, e.g. less educated or more traditional consumers.

## Improving economic conditions

- **Economic crisis boosted the off-trade:** The recent economic crisis also affected the habits of the Belgians. While Belgians are well-educated wine consumers, they have been less willing to pay high prices for wine in the on-trade sector due to the economic recession. As in other European countries, this largely resulted in more people dining at home instead of going to a restaurant.
- **Return to on-trade:** However, the trend of eating-in more is losing pace as there are signs of economic recovery. This change is resulting in more demand for wine from the on-trade channel. Therefore, opportunities in this market channel are increasing once again.

**Tip:**

- In times of economic adversity, consider marketing your wine as a companion to great food (see text above).

## New packaging types

- **Boxed wine:** In Belgium the Bag-in-Box (BiB) is a highly accepted phenomenon. As early as 2007, 20% of all wine was already packaged as BiB. Consumer concerns about the environment have further stimulated the use of the BiB concept, as BiBs are easily recyclable. Currently, no less than a third of all wine sold in Belgium is packaged as BiB (GfK).
- **New trends and fashions:** Belgian producers and/or bottlers of wine increasingly opt for new, trendy and fashionable packaging. Next to BiB, there are also companies offering wine in single-serve packages like cans or PET bottles. This trend is the result of two developments. First, there is a need for new and exciting packaging to attract consumer attention. Second, the search for lighter weight packaging reduces transport costs and CO<sub>2</sub> emissions.

**Tips:**

- If you supply ready to drink low cost wines, consider offering your wine in a BiB, since this is a highly accepted packaging type in Belgium for cheap wines with a short shelf life.
- Decrease transport costs by using BiB. A container can contain more wine if the wine is packed in boxes instead of bottles. This lowers transport costs per litre.

## Sustainable wines

- **Growing interest in sustainable wine:** Belgians are increasingly becoming interested in sustainable wines, which have been produced with respect for both people and the environment. The growth of retail chain Bio-planet shows how much potential the organic market has. Bio-planet only offers organic products, including many wines. Between 2008 and 2013, Bio-planet grew from a chain of 5 stores to a chain of 11 stores.
- **New origins for organic wine:** Most organic wine in Belgium is of French origin, but organic wines from other origins are also welcome. An example of a developing country supplier is the South African estate Stellar Organics, which sells several still and sparkling organic wines on the Belgian market at affordable prices.
- **Environmental sustainability:** Sustainable wine production is not limited to organic and biodynamic production. Sustainability can also refer to energy and water conservation, use of renewable resources and reduction of CO<sub>2</sub> emissions during transport.

**Tips:**

- If you are able to adjust your production process at little extra cost, consider organic production and obtain certification to improve your chances in this growing Belgian segment.
- Ensure that the conversion to organic production does not lead to quality deterioration. Consumers do not accept organic wines of a lower quality than conventional wines at the same price point.
- You can make sustainable wine by reducing energy use, water use and waste or by enabling recycling of waste materials.

## Excise duty increase

- **Excise duty on wine:** The Belgian government increased the excise duty for wine twice in 2013. In January, it was increased by 12% and in August another increase of 8% was added. The current excise duties of €57.24/hectolitre on still wine and €195.88/hectolitre on sparkling wine are relatively low compared to other European countries. Additional increases (exact levels not yet known) will come into effect in 2016.
- **Limited effects on wine sales:** There is a general consensus that most of the excise duty increase will be passed on to the consumers by raising retail prices. Nonetheless, this development is not expected to result in consumers switching to other alcoholic drinks. Belgium is a traditional wine drinking country, meaning consumers will keep on drinking wine when prices increase. However, the search for more affordable wines with a decent quality is expected to intensify.

**Tip:**

- If you offer a decent wine at a competitive price, focus your marketing strategy on the price/quality ratio of your wine in order to persuade consumers to buy your product. For example, if you supply a wine made of a grape variety that is often more expensive, make sure to highlight the fact that your wine is made from this particular grape variety.



## **CBI Market Intelligence**

P.O. Box 93144  
2509 AC The Hague  
The Netherlands

[www.cbi.eu/market-information](http://www.cbi.eu/market-information)

[marketintel@cbi.eu](mailto:marketintel@cbi.eu)

This survey was compiled for CBI by ProFound – Advisers In Development  
in collaboration with CBI sector expert Theo Jansen and Cees van Casteren MW

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