A survey of the UK wine trade to determine current attitudes towards Australian wine

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CONTENTS

1.0 ABSTRACT

The five main aims of this paper are:

1. To make an assessment of attitudes towards Australian wine from UK buyers and sales staff across a range of market sectors
2. To examine perceptions of the style of Australian wine in the context of current consumer trends
3. To examine the opportunities for selling premium Australian wine
4. To test if a positive correlation exists between visits to Australia and an improved understanding of regional wines
5. To better understand future buying behaviour and the factors that affect it

Three main data collection pathways were chosen. Firstly an initial consultation of the Australian Industry. Secondly, a review of existing literature and thirdly – the central piece of original primary research – an on-line questionnaire of the UK wine trade followed up by telephone interviews.
The questionnaire was designed to explore the issues raised by the literature review and also reflect the findings from the Industry consultation.

The literature review highlighted problems of perception and image for Australian wine, arising primarily from a culture of deep discounting in the UK off trade which has served to "over shadow" the premium proposition, the phenomena of the so-called "success shadow". (Directions to 2025:14)

The literature review benefited from the opportunity of being considered alongside the recently released "Directions to 2025" document produced by the Australian Wine and Brandy Corporation (AWBC) in May 2007 (Directions to 2025, AWBC 2007).

The paper has four main intended learning outcomes for the industry:

1. To further the understanding of the needs and requirements of UK buyers across different market sectors
2. To assess the relevance of, and opportunities for, Australian premium and regional wine within different UK market sectors
3. To identify areas of need and opportunity in future education and marketing activities for both buyers and sales staff across the on and off-trade
4. To identify the extent of agreement between Australian marketing strategy with UK trade requirements

2.0 INTRODUCTION

Australia is at a crossroads.

As the category has entered its third decade of growth as the market leader in the UK by both value and volume many in the industry are beginning to question the cost that has been paid for this success. Litre value has fallen for five years in succession accompanied by, according to some commentators, a decline in image and reputation.
Is it perhaps true that Australia's fine wine credentials have been sacrificed at the altar that is the gondola end? (Schmitt 2007)

According to the Director of Wine Australia's UK office, the UK consumer sees Australia as reliable, full flavoured wine that will deliver well up to £6 (Moore 2007). However despite its great popularity it is perceived by some as being industrial and impersonal (Lockspeiser 2007).

The evidence seems to point to a crisis of identity within Australian wine, particularly in relation to the UK market. There seems to be a need for research to explore in more depth the reality of this crisis, to examine the phenomena of the so called "success shadow" and to examine the extent to which it has influenced the perceptions of those working in the trade itself and what steps might be taken, if necessary, to halt or even reverse these negative perceptions.

It was felt that any research should reflect as closely as possible the interests and concerns of the Australian Industry itself. To that end a preliminary consultation was carried out by visiting Australia in December 2006 to conduct a series of interviews with a wide range of industry stakeholders.

A UK trade questionnaire was developed to reflect both the concerns expressed by the Industry stakeholders as well as the issues arising from a review of the existing literature.

3.0 LITERATURE REVIEW

3.1 PAST SUCCESS

Between1996 and 2006 the Australian wine industry grew total exports from 130 million litres to 735 million litres (+435% increase) representing value growth from $605 million to $2.8 billion (+363%). Over the same ten year period value per litre dropped from $4.66 to $3.80 (-18%). Since a high point in value per litre in 2001, there has been an accelerating decline on a year-by-year basis (Halliday 2006a). Unit values have dropped continuously by more than 20% over the past five years. Value per litre to the UK fell a further 3.4% to $3.49 as an MAT to November 2006 (AWBC WINEFACTS 2007).

The fall in the per litre value is attributed to the increase in the volume of bulk wine being shipped and the culture of deep discounting in the key export markets of the US and UK, which until recently was fuelled by the oversupply of grapes and wine. (Halliday 2006b).

A secondary, but significant, factor is the accompanying decline in sales of premium wine. AC Neilson figures for the UK off-trade show the MAT to November 2006 for the £10 and above category falling by 20% (Wine Business International 2006).

Is it the case, as Halliday puts it, that the twenty year honeymoon is finally over? (Halliday 2006a).

3.2 PRESENT PROBLEMS

Along with diminishing prices and margins many believe Australian wine is suffering from diminishing image.

Croser summarises the paradox neatly when he says “The most worrying aspect of Australia’s success as a commodity wine supplier to the world is the apparent discount to our image and performance as a fine wine producer” (Croser 2006a).

Robinson suggests that consumers pride themselves on having “grown out of” Australian wine, so long associated, rightly or wrongly, with oaky whites and alcoholic reds (Robinson 2006). According to Moore, consumers reach a certain price point and then look elsewhere (Moore 2007).

Consumer research carried out by market research company Wine Intelligence underlines the fact that Australia “peaks” early compared to its Old World rivals. Australian wine competitive strength is informal occasions, £4 to £6 in the off-trade and £10 to £15 in the on-trade.
(Wine Intelligence 2005).

In the UK on-trade market, Australia has conspicuously failed to replicate its off-trade success. Although the on-trade accounts for only 18% of the volume of wine sold in the UK, it commands 39% of the value, at an average of £17.30 / L versus £5.05/L in the off-trade (AWBC WINEFACTS 2007).

3.3 FUTURE CHALLENGES

Industry figures agree that the challenge for the future lies in achieving higher price points. In their eagerness to gain and protect UK off-trade market share, producers have been complicit in letting the pendulum swing too far in the direction of the supermarket buyers (Oliver 2007).
Moore (2007) believes that more efforts are required to emphasise Australia’s depth of offering as it emerged from a culture of servicing the UK market with bulk wine.
Exporters to the UK will be looking to increase export value as below cost clearance activity reduces (Cranswick-Smith 2007). Dyer concurs, saying “Australia’s challenge now is to drive value ahead of volume” (Dyer 2007:6).

According to Griffiths (2007) Australia needs to build an image of diversity using regional brands as the basis. But not everyone is convinced by the regional approach. Douglas (2007) believes that Australian regions are too large, unknown and too variable to be marketed successfully. For Croser Australia’s strength lies in its range of unique terroirs, mature vineyards planted to the classic varieties, a community of committed fine wine producers, world class technology and the capital availability and governance structures to make fine wine work. Now all it needs is the strategy. (Croser 2006b).

3.4 DIRECTIONS TO 2025

The AWBC has recently unveiled the follow up to 1996's "Strategy 2025".

The aims of "Directions to 2025" include:

1. What are Australia's potential market opportunities?
2. How are these opportunities segmented by countries, distribution channels and price points?
3. What are the likely changes in consumer trends towards wine and beverage consumption?
4. How best can the Australian wine sector capitalise on these potential market opportunities for both producers and wine industry planners?

(Wine Australia 2007)

"Directions to 2025" identifies a range of emergent issues which include:

- Retail consolidation driving downward pressure on pricing and margin
- The emerging consumer trend of greater health awareness
- The shift in consumer preferences to light, aromatic white wine and rosé styles
- A greater consumer interest in authenticity

The stated aim of Directions is to increase the value of the Australian wine business by AUS$4 billion from AUS$26 billion to AUS$30 billion over the next five years. This strategy is almost entirely based on increasing unit value, in other words, trading up
(Direction to 2025:8).

The document states that "Underpinning the sector's intentions to encourage consumers to "trade up" is the recognition that Australia's success as a maker of multi-regional brands of high quality and affordable price has over-shadowed Australia's place as a producer of top-end wines" , thus identifying the phenomena of the so-called "success shadow".

3.5 SUMMARY

It can be seen that the issues and concerns raised in both the review of literature and "Directions to 2025" are concurrent with this dissertation's aims, objectives, confirming not only the relevance but also the need and timely nature of this paper.

4.0 INDUSTRY CONSULTATION

4.1 INTRODUCTION

It was felt that this research project should reflect as closely as possible the interests and concerns of the Australian industry itself. To that end a preliminary stage of research was carried out by visiting Australia in December 2006 to carry out a consultation of the industry. This took the form of a series of semi-structured face-to-face interviews with a wide range of industry stakeholders including producers, academics, technical researchers, marketing bodies and journalists. The interviews were carried out over a period of three weeks in December 2006. The majority took place in Adelaide and Melbourne, with additional interviews in wineries in South Australia and Victoria as well as one interview in London.
See Appendix 9.3 for the list of industry interviewees.

4.2 INDUSTRY INTERVIEWS

The major findings of this industry consultation were consistent with the findings of the literature review, and can be grouped under the following three main themes:

1.Problem of Image

Australia has become a homogenized image in the minds of the consumer (Webber 2006 pers comm.). Lockshin agrees, saying Australia has become associated with the mass market, while Fuller supports this by saying that Australia has become a generic category. (Fuller; Lockshin pers comm. 2006).

2.The need to trade up

Bruwer (2006) says that Australia has become trapped in the £3.99 to £4.99 bracket. Lockshin identifies the key challenge on the export market is to climb out from under the sub $5 shadow. Hill Smith (2006) states that the challenge is to bring back the discovery factor, while Reedman suggests that the challenge is to add value and build an emotional attachment between the consumer and the brand. Webber sums up the situation by asking “How do you stop people falling asleep when drinking Australian wine?” (Bruwer; Lockshin; Hill Smith; Reedman; Webber pers comm. 2006).

Pannell (2006) believes that the only way to reverse this negative perception is through education, targeted most importantly at those selling the wine.
Pannell also echoes Webber when saying that to improve performance in the on-trade Australia needs to make wine with more savoury elements. Pannell notes the dilemma here, as these wines would be less immediate and less appealing to off-trade consumers (Pannell; Webber pers comm. 2006).

3. Generational succession

Fuller observes that Australia has yet to recognise the generational succession in its own industry. Wine quality, he says, must be a given these days, with Australia's New World competitors rapidly closing the gap. He believes that Australia's greatest advantage over its New and Old World competitors is its cultural affinity with the UK, best seen in the sporting world but relevant to all aspects of social life.

He makes the point that the members of the UK wine trade who came out on the first wine flights twenty years ago were not just discovering new wines but made new friendships as well. But those wine makers are now in their 50s and 60s, while the new generation of UK buyers are in their late 20's and 30's.

He concludes that as few in the industry possess the advertising muscle to influence the consumer directly, it is inter-personal relationships with buyers, journalist and the influencers of tomorrow that need to be nurtured, and for this job Australia needs to pass the baton onto its younger generation (Fuller pers comm. 2006).

4.3 SUMMARY

The ten sections of the UK Trade Questionnaire are designed to reflect the concerns voiced during the industry consultation process and seek to provide answers to the issues raised by the various industry stakeholders concerning question of image, style, perceptions, regionality and trading up as well as investigating the issues of inter-personal relationships between UK trade and winemakers as identified by Fuller.

5.0 METHODOLOGY

5.1 INTRODUCTION

To carry out a survey of the UK wine trade it was decided that a questionnaire was the most suitable data collection pathway. This form of research enables a high degree of quantitative analysis. In addition space was provided within the questionnaire for respondents to answer at length thus providing a degree of qualitative data. Follow up telephone interviews were carried out with selected respondents to gain further insight and qualitative depth. (See Bibliography 9.4 for list of follow up telephone interviewees).

5.2 DESIGN

The questionnaire was designed in partnership with market research company Wine Intelligence. A combination of questioning techniques were employed that included open, list, category, quantity and Likert scale (Questionnaire codebook, see Appendix 10.4).

The questionnaire was developed in an on-line format. Members of the sample group were sent an email that contained a link that took them to the questionnaire.

Respondents were asked to indicate the market sector that they worked in.
Thirteen choices of job description were given, including “other please specify”.
For the purposes of the statistical analysis these were grouped into five market sector categories. Figure 1 shows the allocation of job description to market sector grouping.

Market Sector Options	Market Sector Groups
Off-trade buying	A1
Off-trade sales	A2
On-trade buying	B1
On-trade sales	B2
Wholesale buying	B1
Wholesale sales	B2
Agency buying	A1
Agency sales	A2
Journalist	C
Wine Education	C
Wine Maker	C
Marketing	C
Other (please specify)	C

Figure 1. Market Sector Groupings

The main body of the questionnaire contained ten sections. Within the ten sections there were a total of 127 questions. Respondents were electronically filtered according to their market sector with questions phrased appropriately to reflect their particular sector. For example those working in the off-trade had bottle values presented as RRP while those in the off-trade were shown the equivalent value on a restaurant wine list. Price brackets were defined as follows (figure 2).

Sector A (off trade) Shelf price in store	**Sector B (on trade) Price on a restaurant list**	**Price Bracket**
up to £5	up to £10	Entry Level
£5 to £7	£10 to £14	Mid Market
£7 to £10	£14 to £20	Premium
£10 to £15	£20 to £30	Upper Premium
£15+	£30+	Fine Wine

Figure 2. Price bracket definitions

Respondents were also electronically filtered by their position as either buyer or sales staff. For example when buyers were filtered to a questions about their "buying intentions", sales staff were filtered to the same question phrased as "predictions for sales".

5.3 SAMPLE GROUP

A "convenient" sample group as oppose to "true random" was used (Bell 2005). Respondents were chosen to reflect a broad range of different market sectors. The use of a "convenient" sample group favoured a high rate of response.

512 emails were sent out. 131 fully completed questionnaire were received back, a response rate of just over 25%.

Respondents were asked how many years they had worked in the wine industry. The average mean over 131 respondents was 14 years.

5.4 PROCEDURE

The questionnaire was designed in association with Wine Intelligence from January to March 2006. The sample group was selected in March 2006 and questionnaire emails links sent out week comm. 16th April. Responses were received from week comm. 16th April to week comm. 11th June. Results were analysed and statistical significances calculated made from week comm. 11th June to week comm. 18th June.

5.5 ANALYSIS

Analysis was carried out using the following techniques.

Z-Test – for comparison of column proportions

Pearson Correlation – for testing regional knowledge vs. visits

Correlation graph with fitted regression line and r square value

Average means

For the purposes of analysis the Likert Scale results have been translated into group headings to enable a better understanding of the numbers.

For example the numerical results would be translated into groups as follows:

Likert 1 to 3 – Disagree

Likert 4 – Neutral

Likert 5 to 7 – Agree

Likert 0 – No opinion

5.6 METHODOLOGICAL LIMITATIONS

The limits of a "convenient" sample group are acknowledged, whilst bearing in mind that this is an explorative, not definitive, piece of research, with constraints on time, resources and cost.

It is also acknowledged that the sample group does not accurately reflect the UK trade in that it is strongly biased towards a high knowledge group of respondents.

It must therefore be borne in mind that the responses from the sample group represented the "top end" of knowledge and opinion regarding the subject, and are perhaps more likely not only to have better knowledge, but to be more critical than less involved members of the trade, who in reality are the silent majority not represented here.

Whilst it is also acknowledged that 131 respondents is only a fraction of the total population of those working in the UK trade, it can be confirmed that the sample group members represent the set of people whose views the Australian wine indicated it would like to hear.

6.0 RESULTS & ANALYSIS

6.1 QUESTIONNAIRE RESULTS

What follows is an analysis of the data from the on-line survey on a question-by-question basis.

Bearing in mind the limitation of the size and nature (convenient) of the sample group, the statistics are treated with care. The results are analysed to discover what patterns emerge from the data rather than seeking to draw dogmatic conclusions from the numbers. The information provided by this quantitative data is then set in a wider context by being considered in the light of the qualitative information received from respondents who took part in the follow up telephone interviews.

6.2 SURVEY DEMOGRAPHIC

The distribution of respondents by market sector was satisfactory, representing a balanced spread across the range of target market channels (figures 3 and 4).

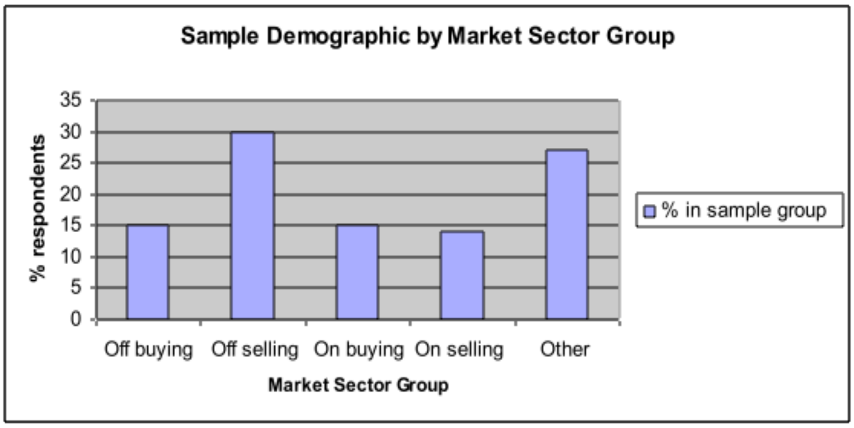

Figure 3. Survey demographic by market sector

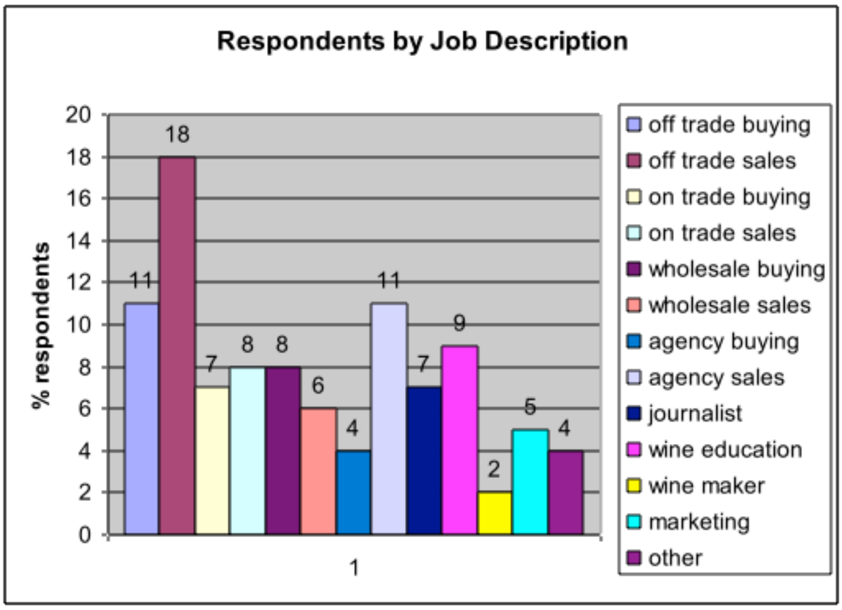

Figure 4. Survey demographic by job description

6.3 SECTION 1: AUSTRALIAN WINE IN YOUR BUSINESS

The first section of the survey sought to establish the importance of Australian wine to the respondents business.

PART 1.

This section asked respondents to indicate the general level of importance of Australian wine in their business (figure 5).

The off-trade showed a greater measurement of “high importance” (57% of respondents) compared to on-trade(50%), as well as a greater combined “high” and “medium” importance (94% vs. 92%) rating, which reflects the market reality, an early indicator that the survey’s sample group, though small, is representative.

Interestingly Sector C recorded a significantly greater “high importance” rating at 95%.

This may well reflect the facts that as journalists and educators Sector C respondents would be expected to have a good understanding of Australia’s position as market leader in the UK, whilst the phrasing of their question asked them to comment on the UK market as opposed to their business.

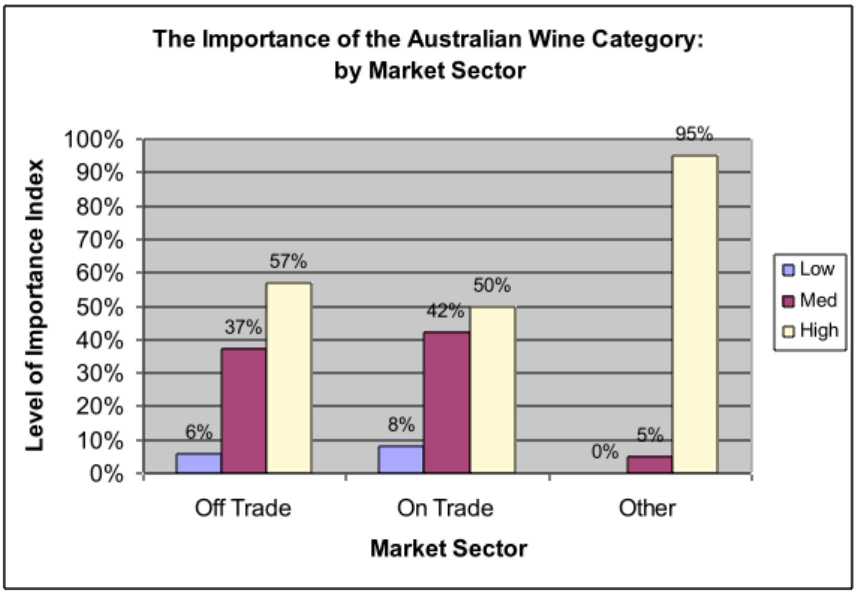

Figure 5. The importance of the Australian wine category by market sector

It is illuminating to see the figures sub-divided further into the communities of buyers and sales staff within each market sectors (figure 6, page 16). In both the off and on-trade it can be seen that the buyers rate the Australian category as more important than the sales staff do. This may suggest that the sales community have a lower level of involvement with the Australian category, a hypothesis that is tested later on in Section 5.

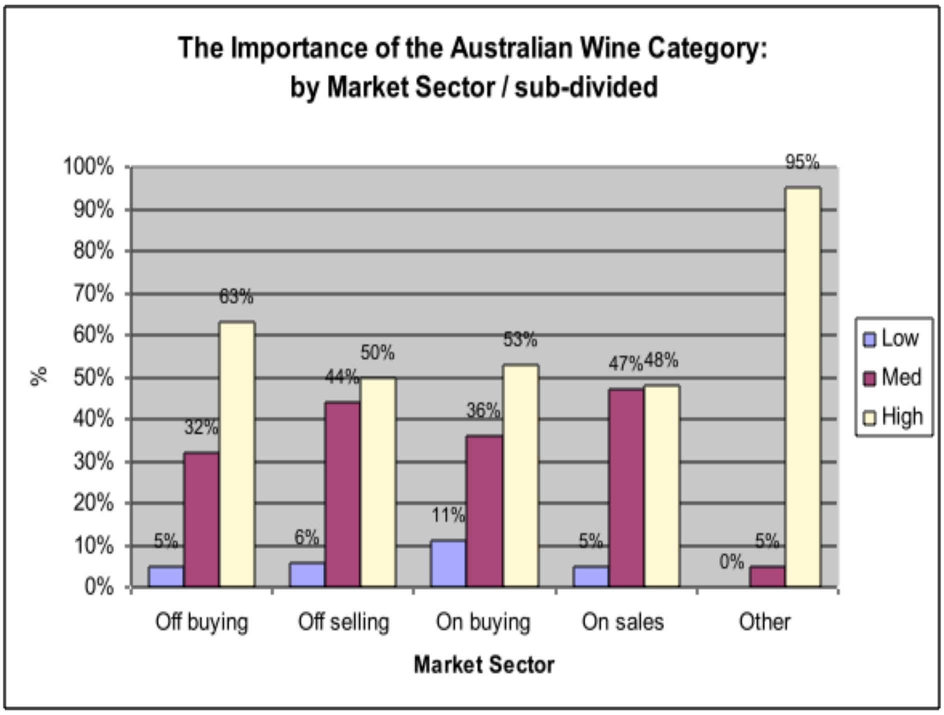

Figure 6. The importance of the Australian wine category by market sector sub-divided by position

PART 2.

Here respondents were asked to indicate the importance of Australian wine in various price bands. The results are shown in full in the table on page 18 (figure 8).

To summarise the results, the scores for “important” and “very important” were combined into a group called “high importance” and plotted onto a graph on figure 7, page 17.

It can be seen in figure 7 that Sector A (off trade) describes the classic bell curve, reflecting the strength of Australian wine in mid market retail (£5 to £7), with a direct correlation between increasing price and decreasing importance.

Sector B (on trade) on the other hand shows a greater importance at the entry level, in this case house wine, but then shows a sharp decline through the mid and premium ranges, reflecting perhaps the fact that Australian wine is failing to achieve the same impact higher up the list as at house level.

According to Horton (interview 2007), the on-trade is aware of premium Australian wine; it is the public that need to be educated. Perhaps he is speaking from his London perspective, because Tynan (interview 2007) argues that in the mass and mid market dining sectors the on-trade is actually behind their customers, and it’s the gatekeepers (buyers) who are the barrier.

Muir (interview 2007) supports this view, pointing out that UK restaurants are often four to five years behind the trends in wine drinking.

The upward curve for Fine Wine in Sector B may well represent the fact that at the top end Australia is better established than other New World rivals.

The Sector C curve (journalists, educators) is an exaggerated version of Sector A (off-trade), placing a greater importance on the entry and mid market points, with even less importance on the upper premium and fine wine. This suggests that that those who write and comment about the trade may be more aware of an emerging issue such as the phenomena of the “success shadow”, which will be tested in Sections 2 and 3.

This view is supported by Tynan (interview 2007) who believes that any image issues that currently exist for Australia are at a trade and educated consumer level, but that this may prove to be a pre-cursor to a wider problem of image degradation amongst less-involved wine consumers.

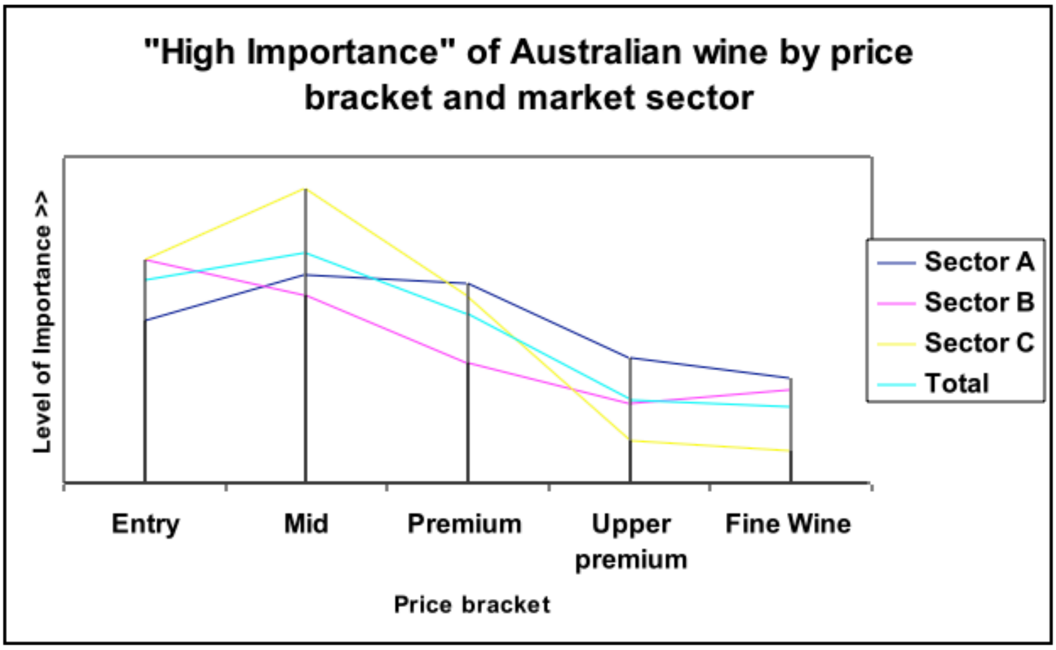

Figure 7. “High importance” of Australian wine by price bracket and market sector

Entry Level	A1	A2	A total	B1	B2	B total	C	All totals
Level of Importance								
Of little importance	7%	13%	10%	30%	23%	27%	10%	16%
Of some importance	33%	20%	27%	0%	0%	0%	10%	12%
Quite important	7%	21%	14%	10%	0%	5%	14%	11%
Important	13%	21%	17%	30%	23%	27%	42%	29%
Very important	40%	25%	33%	30%	54%	42%	24%	33%
	100%	100%	100%	100%	100%	100%	100%	100%

Mid Market	A1	A2	A total	B1	B2	B total	C	All totals
Level of Importance								
Of little importance	5%	13%	9%	13%	7%	10%	0%	6%
Of some importance	11%	10%	11%	31%	14%	23%	0%	11%
Quite important	21%	13%	17%	13%	7%	10%	10%	12%
Important	31%	38%	35%	19%	43%	31%	38%	35%
Very important	32%	26%	29%	24%	29%	27%	52%	36%
	100%	100%	100%	100%	100%	100%	100%	100%

Premium	A1	A2	A total	B1	B2	B total	C	All totals
Level of Importance								
Of little importance	0%	13%	7%	18%	18%	18%	0%	8%
Of some importance	5%	24%	15%	24%	24%	24%	5%	15%
Quite important	16%	20%	18%	24%	18%	21%	38%	26%
Important	63%	30%	47%	34%	29%	32%	43%	40%
Very important	16%	13%	15%	0%	11%	6%	14%	11%
	100%	100%	100%	100%	100%	100%	100%	100%

Upper Premium	A1	A2	A total	B1	B2	B total	C	All totals
Level of Importance								
Of little importance	21%	11%	16%	24%	20%	22%	10%	16%
Of some importance	21%	29%	25%	35%	27%	31%	48%	35%
Quite important	21%	20%	21%	18%	27%	23%	29%	24%
Important	32%	22%	27%	23%	13%	18%	13%	19%
Very important	5%	18%	12%	0%	13%	7%	0%	6%
	100%	100%	100%	100%	100%	100%	100%	100%

Fine Wine	A1	A2	A total	B1	B2	B total	C	All totals
Level of Importance								
Of little importance	28%	19%	24%	43%	36%	40%	38%	34%
Of some importance	28%	29%	29%	21%	36%	29%	52%	36%
Quite important	22%	10%	16%	0%	7%	4%	0%	7%
Important	16%	24%	20%	29%	14%	22%	10%	17%
Very important	6%	18%	12%	7%	7%	7%	0%	6%
	100%	100%	100%	100%	100%	100%	100%	100%

Figure 8. Results to Section 1, Part 2.

PART 3.

Here respondents were asked to estimate the sales performance of Australian wine in their business over the previous twelve months.

The results on page 19 (figure 9) seem to mirror the current market trends, which is surprisingly accurate for a sample group of this size and hopefully further evidence of a robust methodology and reliable and representative sample group.

Sales increases are strongest in the mid market, followed by premium, entry level, upper premium and fine wine respectively. The fact that respondents perceive the mid market (£5 to £7 retail, £10 to £14 restaurants) as having seen the greatest increase in sales in the past twelve months may reflect the more upper end profile of the sample group. Notwithstanding this it is cause for optimism.

No sector is perceived to have decreased significantly, although it is interesting that almost a third of the on-trade respondents feel that the entry level has decreased, perhaps a reflection that Australian wine has fallen out of step with emerging house wine trends such as light rosé and Pinot Grigio. This will be investigated further in Section 4.

Entry Level	A1	A2	A total	B1	B2	B total	C	All totals
Past Sales								
Decreased significantly	13%	0%	**7%**	0%	0%	**0%**	**0%**	**2%**
Decreased	13%	26%	**20%**	33%	31%	**32%**	**11%**	**21%**
About the same	33%	29%	**31%**	56%	46%	**51%**	**63%**	**48%**
Increased	13%	35%	**24%**	0%	8%	**4%**	**21%**	**16%**
Increased significantly	28%	10%	**19%**	11%	15%	**13%**	**5%**	**12%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Mid Market	A1	A2	A total	B1	B2	B total	C	All totals
Past Sales								
Decreased significantly	0%	2%	**1%**	8%	0%	**4%**	**0%**	**2%**
Decreased	32%	15%	**24%**	31%	21%	**26%**	**11%**	**20%**
About the same	21%	34%	**28%**	23%	50%	**37%**	**32%**	**32%**
Increased	32%	37%	**35%**	38%	21%	**30%**	**57%**	**40%**
Increased significantly	15%	12%	**14%**	0%	8%	**4%**	**0%**	**6%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Premium	A1	A2	A total	B1	B2	B total	C	All totals
Past Sales								
Decreased significantly	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
Decreased	21%	9%	**15%**	12%	25%	**19%**	**5%**	**13%**
About the same	32%	55%	**44%**	53%	69%	**61%**	**50%**	**52%**
Increased	37%	34%	**36%**	35%	6%	**21%**	**45%**	**34%**
Increased significantly	10%	2%	**6%**	0%	0%	**0%**	**0%**	**2%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Upper Premium	A1	A2	A total	B1	B2	B total	C	All totals
Past Sales								
Decreased significantly	0%	0%	**0%**	0%	6%	**3%**	**0%**	**1%**
Decreased	21%	14%	**18%**	13%	13%	**13%**	**10%**	**14%**
About the same	37%	43%	**40%**	50%	63%	**57%**	**75%**	**57%**
Increased	37%	41%	**39%**	37%	18%	**28%**	**15%**	**27%**
Increased significantly	5%	2%	**4%**	0%	0%	**0%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Fine Wine	A1	A2	A total	B1	B2	B total	C	All totals
Past Sales								
Decreased significantly	0%	2%	**1%**	0%	0%	**0%**	**0%**	**0%**
Decreased	24%	17%	**21%**	14%	7%	**11%**	**20%**	**17%**
About the same	41%	44%	**43%**	64%	64%	**64%**	**65%**	**57%**
Increased	29%	29%	**29%**	22%	29%	**26%**	**15%**	**23%**
Increased significantly	6%	8%	**7%**	0%	0%	**0%**	**0%**	**2%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 9. Results to Section 1, Part 3

PART 4.

Here respondents were asked to indicate their buying intentions for the next twelve months (buyers) or their estimates of sales performance over the same period (sales staff and journalists). When comparing these “future intentions” to “past performance” in the previous section, “premium” replaces “mid market” in the top position for growth. This could be seen as an encouraging sign of an intention within the trade to move up the price points. Upper premium also moves up from fourth to third, another positive indication that the interest in the category is moving in the right direction.

Interestingly it is the entry level and fine wine bands where respondents show the least inclination to increase listings over the next twelve months, perhaps indicating that these categories are slowing down.

Looking more closely at the figures, in entry level it is the sales staff (as opposed to buyers) in both on and off-trade that predict the biggest decrease in sales. As the responses from sales staff could be expected to more closely reflect those of the consumers than the buying community might, this perhaps supports the view of Jefford when he says that for the average consumer the excitement has gone out of the category (interview 2007).

Interestingly, the fine wine figures show the opposite trend, that it is the buyers who are most pessimistic about new listings in the next twelve months. One explanation for this could be, according to Dickie (interview 2007), that it was the trade who led the move towards the super premium wines, perhaps before the consumer was ready, explaining that any current slow down at the top end may be more a re-adjustment rather than a true reversal.

For Schuster the Australian Fine Wine sector has never fully recovered from the sharp year-on-year price increases that took place in the mid nineties. He also makes the point that there is now greatly increased competition from countries such as Chile and South Africa for the upper end of the market, which will only ever have a relatively small customer base (Schuster, interview 2007).

Entry Level	A1	A2	A total	B1	B2	B total	C	All totals
Buying Intentions								
Decrease significantly	0%	9%	5%	0%	0%	0%	10%	5%
Decrease	7%	41%	24%	11%	31%	21%	25%	23%
About the same	67%	29%	48%	78%	38%	58%	50%	52%
Increase	13%	18%	16%	11%	23%	17%	15%	16%
Increase significantly	13%	3%	8%	0%	8%	4%	0%	4%
	100%	100%	100%	100%	100%	100%	100%	100%

Mid Market	A1	A2	A total	B1	B2	B total	C	All totals
Buying Intentions								
Decrease significantly	0%	2%	1%	0%	0%	0%	0%	0%
Decrease	11%	20%	16%	14%	8%	11%	20%	16%
About the same	36%	34%	35%	65%	38%	52%	50%	46%
Increase	37%	39%	38%	21%	46%	34%	25%	32%
Increase significantly	16%	5%	11%	0%	8%	4%	5%	7%
	100%	100%	100%	100%	100%	100%	100%	100%

Premium	A1	A2	A total	B1	B2	B total	C	All totals
Buying Intentions								
Decrease significantly	0%	0%	0%	0%	0%	0%	0%	0%
Decrease	5%	11%	8%	6%	0%	3%	10%	7%
About the same	21%	39%	30%	65%	67%	66%	47%	48%
Increase	53%	50%	52%	29%	33%	31%	43%	42%
Increase significantly	21%	0%	11%	0%	0%	0%	0%	4%
	100%	100%	100%	100%	100%	100%	100%	100%

Upper Premium	A1	A2	A total	B1	B2	B total	C	All totals
Buying Intentions								
Decrease significantly	0%	0%	0%	0%	0%	0%	0%	0%
Decrease	16%	7%	12%	31%	13%	22%	10%	15%
About the same	32%	49%	41%	31%	49%	40%	66%	49%
Increase	41%	44%	43%	38%	38%	38%	24%	35%
Increase significantly	11%	0%	6%	0%	0%	0%	0%	2%
	100%	100%	100%	100%	100%	100%	100%	100%

Fine Wine	A1	A2	A total	B1	B2	B total	C	All totals
Buying Intentions								
Decrease significantly	0%	2%	1%	7%	0%	4%	0%	2%
Decrease	12%	7%	10%	29%	0%	15%	19%	14%
About the same	52%	49%	51%	36%	71%	54%	57%	54%
Increase	24%	40%	32%	21%	29%	25%	24%	27%
Increase significantly	12%	2%	7%	7%	0%	4%	0%	4%
	100%	100%	100%	100%	100%	100%	100%	100%

Figure 10. Results to Section 1, Part 4

6.4 SECTION 2: THE IMAGE OF AUSTRALIAN WINE

PART 1.

In the first part respondents were presented with six statements and asked how strongly they agreed with them. The responses on page 24 (figure 11) seem to bear out the view that Australia is suffering from a stereotype image, of the big brands rather than of the interesting, regional and esoteric, a point backed up by many interviewees, such as Irwin (interview 2007).

1. In some respects Australian wine currently has an image problem in the UK market.

Buyers agreed with this statement more than sales staff (76% vs. 59%) once again suggesting either that buyers are more cynical, more in tune with market trends, or most probably, a bit of both.

2. The image of Australian wine in the UK has improved in the last three years.

50% disagreed, marking a worrying trend. However, in the on-trade almost as many agreed as disagreed with the statement (42% vs. 45%) indicating that the phenomena of the "success shadow" may be biting less deep in this sector.

3. The Australian wine category has become associated with the mass market.

81% agreed, confirming this widely held view as laid out in the literature review. Sales staff agreed more strongly than buyers, and within them, on-trade more than off, highlighting perhaps that this is indeed the more generally held view of the consumer.

4. Australia has built an enviable reputation for its premium and fine wine in the UK.

Only 30% agreed, with the on-trade agreeing at only 21%. Perhaps as Horton states, Wine Australia is not doing enough to promote the quality wines of Australia (interview 2007). Although as Tynan points out for balance (interview 2007) some responsibility must lie with the market.

5. Deep discounting has damaged Australia's image as a quality producer

Over three quarters of respondents agreed, confirming Lam (interview 2007) when he says that "swamping" at the supermarket level has masked the wines produced at the premium level. This high level of response confirms the hypothesis of the "success shadow" phenomena and the damage it causes. According to Jefford, the spectre of cheap brands looms over consumers, even subconsciously, putting a check on sales of premium wines (Jefford, interview 2007).

6. Australia needs to do more to communicate its fine wine credentials.

This statement elicited the highest agreement rate, at 92%.

As Hudson points out (interview 2007) Brand Australia has been a great success, but it needs updating. Jefford, and others, point out that the problem is a structural one, whereby 70% of production is in the hands of the top 4 or 5 companies, who in turn provide a commensurate level of funding for generic marketing activity. This issue is considered in more detail in the Discussion section 7.4 (Jefford, interview 2007).

1. In some respects Australian wine currently has an image problem in the UK market								
	A1	A2	A total	B1	B2	B total	C	All totals
Disagree	11%	25%	**18%**	21%	21%	**21%**	**24%**	**20%**
Neutral	11%	15%	**13%**	5%	21%	**13%**	**5%**	**11%**
Agree	78%	60%	**69%**	74%	58%	**66%**	**71%**	**68%**
No opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

2. The image of Australian wine in the UK has improved in the last three years								
	A1	A2	A total	B1	B2	B total	C	All totals
Disagree	53%	45%	**49%**	47%	42%	**45%**	**62%**	**50%**
Neutral	21%	28%	**25%**	16%	11%	**14%**	**24%**	**20%**
Agree	26%	26%	**26%**	37%	47%	**42%**	**14%**	**30%**
No opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

3. The Australian wine category has become associated with the mass market								
	A1	A2	A total	B1	B2	B total	C	All totals
Disagree	16%	13%	**15%**	26%	0%	**13%**	**14%**	**14%**
Neutral	11%	6%	**9%**	0%	10%	**5%**	**0%**	**5%**
Agree	73%	81%	**77%**	74%	90%	**82%**	**86%**	**81%**
No opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

4. Australia has built an enviable reputation for its premium and fine wine in the UK								
	A1	A2	A total	B1	B2	B total	C	All totals
Disagree	52%	55%	**54%**	42%	63%	**53%**	**48%**	**52%**
Neutral	16%	19%	**18%**	37%	16%	**27%**	**4%**	**18%**
Agree	32%	26%	**29%**	21%	21%	**21%**	**48%**	**30%**
No opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

5. Deep discounting has damaged Australia's image as a quality producer								
	A1	A2	A total	B1	B2	B total	C	All totals
Disagree	16%	8%	**12%**	11%	16%	**14%**	**14%**	**13%**
Neutral	11%	6%	**9%**	11%	16%	**14%**	**10%**	**11%**
Agree	73%	86%	**80%**	78%	68%	**73%**	**76%**	**76%**
No opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

6. Australia needs to do more to communicate its fine wine credentials								
	A1	A2	A total	B1	B2	B total	C	All totals
Disagree	5%	4%	**5%**	0%	0%	**0%**	**0%**	**2%**
Neutral	11%	2%	**7%**	5%	0%	**3%**	**5%**	**5%**
Agree	84%	91%	**88%**	95%	100%	**98%**	**95%**	**93%**
No opinion	0%	4%	**2%**	0%	0%	**0%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 11. Results to Section 2, Part 1. The Image of Australian Wine

PART 2

In the second part respondents were asked how strongly they associated Australia with six different definitions of wine production, which were divided into three pairs that roughly corresponded to opposites.

Once again, the results point strongly to the existence of a negative Australian stereotype in the minds of the trade (figure 12, page 26).

In the first pair, 94% registered a strong association with **large scale, manufactured wine production,** set against the 44% who registered a strong association with **small scale, artisan wine production.** Could this be, as Hudson suggests, because Australia has built its image from the bottom up and not the top down? (Hudson, interview 2007).

In the light of the global health trends and the consumer's desire for authenticity identified in the Directions document (section 3.6) it is perhaps more worrying that Australia's association with **organic, biodynamic or natural wines** only rated 5% while association with artificial, manufactured wines rated 61%.

The third pair tested association with **wines for special occasions** verses **simple, everyday wines**. The results agreed with the findings by Wine Intelligence (2005) that Australia "doesn't do posh" and is less likely to be chosen for an upscale occasion with **simple, everyday wines** scoring a strong association with 84% of respondents. However this is in relation to France (and to an extent Italy) and not its New World competitors. It is worth bearing in mind that Australia still commands an enviable average bottle price of £4.28 in the UK, second only to New Zealand at an impressive £5.94 (AWBC WINEFACTS 2007).

How strongly do you associate Australia with the following:								
	A1	A2	A total	B1	B2	B total	C	All totals
1. Large scale, industrial wine production								
no association	0%	2%	**1%**	0%	10%	**5%**	**0%**	**2%**
Neutral	0%	4%	**2%**	5%	0%	**3%**	**10%**	**4%**
strong association	100%	94%	**97%**	95%	90%	**93%**	**90%**	**94%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
2. Small scale, artisan wine production								
no association	26%	38%	**32%**	36%	36%	**36%**	**14%**	**30%**
Neutral	16%	9%	**13%**	32%	32%	**32%**	**43%**	**26%**
strong association	58%	53%	**56%**	32%	32%	**32%**	**43%**	**44%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
3. Artificial, manufactured wines								
no association	32%	17%	**25%**	16%	42%	**29%**	**38%**	**29%**
Neutral	11%	25%	**18%**	5%	0%	**3%**	**5%**	**9%**
strong association	57%	58%	**58%**	79%	53%	**66%**	**57%**	**61%**
no opinion	0%	0%	**0%**	0%	5%	**3%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
4. Organic, biodynamic or natural wines								
no association	63%	79%	**71%**	74%	74%	**74%**	**90%**	**76%**
Neutral	32%	15%	**24%**	16%	21%	**19%**	**5%**	**18%**
strong association	5%	6%	**6%**	5%	5%	**5%**	**5%**	**5%**
no opinion	0%	0%	**0%**	5%	0%	**3%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
5. Wines for special occasions								
no association	47%	44%	**46%**	52%	68%	**60%**	**57%**	**54%**
Neutral	11%	28%	**20%**	32%	16%	**24%**	**14%**	**20%**
strong association	42%	28%	**35%**	11%	16%	**14%**	**29%**	**25%**
no opinion	0%	0%	**0%**	5%	0%	**3%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
6. Simple, everyday wines								
no association	11%	6%	**9%**	5%	5%	**5%**	**0%**	**5%**
Neutral	11%	8%	**10%**	5%	11%	**8%**	**5%**	**8%**
strong association	78%	86%	**82%**	90%	84%	**87%**	**95%**	**87%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 12. Results to Section 2, Part 2. The Image of Australian Wine

6.5 SECTION 3: WINE CONSUMER ATTITUDES

Respondents were asked to give their opinion as to what “the average” wine consumer might think about Australian wine. The purpose of this “indirect” questioning technique was not only to gain insight into the mind of a theoretical wine consumer, but to further illuminate the attitudes of the trade respondents. As a number of questions were similar to Section 2 it also acted as a useful triangulation test to verify the reliability of responses.

The results on pages 28 and 29 (figures 13 and 14) reinforce the point that for many in the trade Australia has become to be seen as a generic category. 81% of respondents believed that the average wine consumer **associates Australia with the mass market**, and 92% believed that the average wine consumer **associates Australia with alcoholic reds.**
In themselves these are not necessarily negative associations, but they do indicate the extent to which Australia has become identified with certain categories and stylistic stereotypes.

Interestingly, a number of the more negative statements that were being tested showed a level of disagreement. Less than half agreed that wine consumers have **“grown out of “Australian wine**, while just under half also disagreed that wine consumers were **bored with Australian wine,** which is contrary to some of the journalistic comment set out in the literature review and should be seen as a positive sign for the industry.

WINE CONSUMER ATTITUDES								
	A1	A2	A total	B1	B2	B total	C	All totals
1. For the average wine consumer Australian wine is associated with oaky whites								
Disagree	11%	15%	**13%**	11%	11%	**11%**	**10%**	**12%**
Neutral	16%	6%	**11%**	5%	5%	**5%**	**5%**	**7%**
Agree	73%	79%	**76%**	84%	84%	**84%**	**85%**	**81%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
2. For the average wine consumer Australian wine is associated with alcoholic reds								
Disagree	11%	8%	**10%**	5%	0%	**3%**	**0%**	**5%**
Neutral	11%	0%	**6%**	0%	5%	**3%**	**0%**	**3%**
Agree	78%	92%	**85%**	95%	95%	**95%**	**100%**	**92%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
3. The average wine consumer is only interested in Australia at the lower price points								
Disagree	11%	23%	**17%**	11%	16%	**14%**	**33%**	**19%**
Neutral	16%	21%	**19%**	11%	11%	**11%**	**0%**	**12%**
Agree	73%	56%	**65%**	78%	73%	**76%**	**67%**	**69%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
4. Wine consumers are willing to spend "that bit more" on Australia than other New World countries								
Disagree	26%	47%	**37%**	69%	74%	**72%**	**38%**	**51%**
Neutral	21%	11%	**16%**	5%	5%	**5%**	**14%**	**11%**
Agree	53%	42%	**48%**	26%	21%	**24%**	**43%**	**37%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**5%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
5. For the average wine consumer Australia's image is that of a mass market, commodity wine								
Disagree	16%	4%	**10%**	0%	21%	**11%**	**5%**	**9%**
Neutral	5%	21%	**13%**	11%	0%	**6%**	**5%**	**8%**
Agree	79%	75%	**77%**	84%	79%	**82%**	**90%**	**81%**
no opinion	0%	0%	**0%**	5%	0%	**3%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 13. Results to Section 3, Wine consumer attitudes

Results to Section 3,Wine consumer attitudes, continued

6. For the average wine consumer Australia has strong associations with high quality, fine wine production								
Disagree	58%	80%	**69%**	79%	84%	**82%**	**81%**	**76%**
Neutral	21%	9%	**15%**	16%	11%	**14%**	**14%**	**14%**
Agree	21%	11%	**16%**	5%	5%	**5%**	**5%**	**9%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
7. Wine consumers are bored with Australian wine								
Disagree	37%	30%	**34%**	37%	11%	**24%**	**19%**	**27%**
Neutral	11%	26%	**19%**	16%	32%	**24%**	**29%**	**23%**
Agree	52%	44%	**48%**	47%	57%	**52%**	**47%**	**49%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**5%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
8. Wine consumers are still very excited about Australian wine								
Disagree	42%	45%	**44%**	48%	51%	**47%**	**61%**	**50%**
Neutral	11%	36%	**24%**	26%	29%	**28%**	**10%**	**23%**
Agree	47%	17%	**32%**	26%	15%	**21%**	**24%**	**26%**
no opinion	0%	2%	**1%**	0%	5%	**4%**	**5%**	**2%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**101%**
9.Wine consumers pride themselves on having "grown out of" Australian wine								
Disagree	37%	30%	**34%**	16%	16%	**16%**	**19%**	**24%**
Neutral	32%	25%	**29%**	37%	16%	**27%**	**29%**	**28%**
Agree	26%	43%	**35%**	47%	68%	**58%**	**47%**	**46%**
no opinion	5%	2%	**4%**	0%	0%	**0%**	**5%**	**2%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
10.Wine consumers are happy to choose Australian wine for "up-market" occasions								
Disagree	37%	51%	**44%**	63%	63%	**63%**	**62%**	**55%**
Neutral	26%	28%	**27%**	26%	21%	**24%**	**19%**	**24%**
Agree	37%	21%	**29%**	11%	11%	**11%**	**19%**	**20%**
no opinion	0%	0%	**0%**	0%	5%	**3%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 14. Results to Section 3, Wine consumer attitudes

6.6 SECTION 4: WINE STYLES

The purpose of Part 1 was to examine perceptions of the style of Australian wine in the context of the current consumer trends, namely for light aromatic whites, less alcoholic reds and rosé wine in general. Part 2 then goes on to ask how the style of Australian wine may change to better suit evolving consumer tastes. The results on pages 31 and 32 (figures 15 and 16) confirm that Australia is currently not perceived to be strongly aligned with these consumer trends.

PART 1

A high degree of association is shown for Shiraz, Cabernet Sauvignon and Chardonnay (98%, 96% and 100% respectively) while for the popular emerging styles of Pinot Grigio, Sauvignon Blanc and Rosé wine scores were 12%, 17% and 20% respectively.

Many of those interviewed pointed out that Australia would be well advised not to rush out and graft all its Chardonnay to Pinot Grigio, but should look to the underlying trend,

ie. light, aromatic whites, and match it by adapting its own grapes to the style.

Sam Caporn, buyer for Direct Wine, points out that Australia is servicing this sector satisfactorily with styles such as un-wooded Chenin, Verdelho, Chardonnay, Semillon, Trebbiano and Riesling (Caporn interview 2007).

A moderate association with food friendly reds (54%) and whites (46%) is most probably linked to issues of alcohol, oak and overall style. As Briccarello points out (interview 2007) reds can have high alcohol, but to be balanced they need good acid and less oak. For Jefford alcohol is also not a problem, if the wines are well made they will be harmonious (interview 2007). Where he does take issue is with what he calls the “deforming nature” of crass added acidity, a point also made by Schuster (interview 2007).

Muir adds that there is quite a band of consumers that don’t look favourably on 15% wine for lunch, while Reedman comments that consumers subconsciously understand that “on a school night you don’t want to drink a whole bottle of Barossa Shiraz” (Reedman 2007).

The issue of high alcohol is related to social as well as stylistic issues, as Irwin points out, high alcohol is off-putting to the consumer who has an increased awareness of health issues.

WINE ASSOCIATION : STYLES								
	A1	A2	A total	B1	B2	B total	C	All totals
1. Refreshing, crisp white wines								
no association	53%	57%	**55%**	32%	74%	**53%**	**61%**	**55%**
Neutral	0%	9%	**5%**	26%	5%	**16%**	**10%**	**10%**
strong association	47%	34%	**41%**	42%	21%	**32%**	**29%**	**35%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
2. Rich, full flavoured white wines								
no association	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
Neutral	5%	6%	**6%**	0%	0%	**0%**	**0%**	**2%**
strong association	95%	94%	**95%**	100%	100%	**100%**	**100%**	**98%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
3. Light bodied, soft reds								
no association	69%	81%	**75%**	63%	95%	**79%**	**76%**	**77%**
Neutral	26%	13%	**20%**	26%	5%	**16%**	**19%**	**18%**
strong association	5%	6%	**6%**	11%	0%	**6%**	**5%**	**5%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
4. Full bodied, powerful reds								
no association	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
Neutral	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
strong association	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
5. Food friendly whites								
no association	26%	26%	**26%**	26%	32%	**29%**	**24%**	**27%**
Neutral	32%	25%	**29%**	21%	21%	**21%**	**38%**	**27%**
strong association	42%	49%	**46%**	53%	47%	**50%**	**38%**	**46%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
6. Food friendly reds								
no association	5%	30%	**18%**	26%	21%	**24%**	**38%**	**24%**
Neutral	26%	11%	**19%**	21%	16%	**19%**	**38%**	**22%**
strong association	69%	59%	**64%**	53%	63%	**58%**	**24%**	**54%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
7. Rosé wines								
no association	47%	68%	**58%**	58%	79%	**69%**	**72%**	**65%**
Neutral	16%	15%	**16%**	16%	16%	**16%**	**14%**	**15%**
strong association	37%	17%	**27%**	26%	5%	**16%**	**14%**	**20%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 15. Results to Section 4, Wine Styles

WINE ASSOCIATION : GRAPE VARIETIES								
	A1	A2	**A total**	B1	B2	**B total**	C	**All totals**
1. Sauvignon Blanc								
no association	69%	76%	**73%**	63%	58%	**61%**	**76%**	**68%**
Neutral	5%	13%	**9%**	11%	21%	**16%**	**19%**	**14%**
strong association	26%	11%	**19%**	26%	16%	**21%**	**5%**	**17%**
no opinion	0%	0%	**0%**	0%	5%	**3%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
2. Chardonnay								
no association	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
Neutral	0%	2%	**1%**	0%	0%	**0%**	**0%**	**0%**
strong association	100%	96%	**98%**	100%	100%	**100%**	**100%**	**99%**
no opinion	0%	2%	**1%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
3. Pinot Grigio								
no association	79%	92%	**86%**	79%	79%	**79%**	**81%**	**82%**
Neutral	0%	2%	**1%**	5%	5%	**5%**	**14%**	**5%**
strong association	21%	6%	**14%**	16%	11%	**14%**	**5%**	**12%**
no opinion	0%	0%	**0%**	0%	5%	**3%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
4. Pinot Noir								
no association	58%	53%	**56%**	42%	37%	**40%**	**61%**	**50%**
Neutral	16%	19%	**18%**	11%	26%	**19%**	**29%**	**20%**
strong association	26%	28%	**27%**	47%	32%	**40%**	**10%**	**29%**
no opinion	0%	0%	**0%**	0%	5%	**3%**	**0%**	**1%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
5. Cabernet Sauvignon								
no association	5%	4%	**5%**	0%	0%	**0%**	**0%**	**2%**
Neutral	0%	2%	**1%**	0%	5%	**3%**	**5%**	**2%**
strong association	95%	94%	**95%**	100%	95%	**98%**	**95%**	**96%**
no opinion	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
6. Shiraz								
no association	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
Neutral	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**
strong association	100%	98%	**99%**	100%	90%	**95%**	**100%**	**98%**
no opinion	0%	2%	**1%**	0%	10%	**5%**	**0%**	**2%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 16. Results to Section 4, Grape Varieties

PART 2

The question was asked, how to change the style of Australian wine to better suit evolving consumer tastes. It was divided into two sections; for entry level and premium.

The responses (table 17, page 34) are remarkably similar for both categories.

The first **six priorities** were the same for both categories, and only differ in respect to their order. **Lower alcohol** stands out as the overwhelming priority for both categories. For entry level the higher positions went to **"crisper whites"** and **"fresher reds"** clearly indicating a desire for greater drinkability. For premium wine the elements of **"restrained style"** and **"savoury"** characteristics came high, indicating strongly that wines at higher price points need to be more food friendly. **Less oak** was the last of the main priorities.

Interestingly "sweet fruit" and "overt styles" did not score highly for entry level wine, a fact seemingly at odds with the styles of many leading brands, particularly reds, in the current market. This probably reflects the strong upper-end bias to the sample group.

In the light of the evidence suggesting concern over elevated alcohol levels a note of caution must be sounded. There has been a considerable amount of comment and discussion regarding the issue of "alcohol creep" in the UK and international trade press in the last year. Putting health and social issues aside for one moment, and considering alcohol levels solely in relation to wine style, there is possibility that a degree of "projection" is taking place here, with the trade being more concerned about these issues than the consumer. Caporn makes the point that her customers like their Australian wines to be "big and bold" and believes that they equate high alcohol with richness and fruit flavour. However she goes on to add that their average customer is skewed towards an older, male demographic, so perhaps the perceived move for lighter alcohol wines reflects the growing younger, female based demographic.

This suggests that in relation to alcohol levels, the industry simply needs to be aware that it is an issue, and in the future may have to make a conscious effort to match the appropriate style of wine to the market channel and consumer demographic it is targeting.

#	How could Australian wine change to better suit evolving consumer tastes?								
		A1	A2	A tot.	B1	B2	B tot.	C	All tot.
#	**FOR ENTRY LEVEL**								
1	Lower alcohol	58%	68%	**63%**	90%	79%	**85%**	**76%**	**74%**
2	Crisper, lighter whites	68%	66%	**67%**	74%	74%	**74%**	**67%**	**70%**
3	Fresher, less heavy reds	42%	53%	**48%**	79%	63%	**71%**	**62%**	**60%**
4	Less oak	32%	59%	**46%**	68%	79%	**74%**	**48%**	**57%**
5	More subtle, restrained styles	47%	51%	**49%**	63%	58%	**61%**	**48%**	**53%**
6	More savoury, food friendly characteristics	21%	34%	**28%**	47%	47%	**47%**	**24%**	**35%**
7	More overt, fruit forward style	11%	8%	**10%**	11%	11%	**11%**	**5%**	**9%**
8	More sweet fruit and easy drinkability	5%	8%	**7%**	16%	5%	**11%**	**5%**	**8%**
9	Fuller, richer whites	0%	4%	**2%**	0%	5%	**3%**	**0%**	**2%**
10	Richer, more powerful reds	11%	2%	**7%**	0%	0%	**0%**	**0%**	**3%**
11	Higher alcohol	0%	6%	**3%**	0%	0%	**0%**	**0%**	**1%**
12	More oak	0%	2%	**1%**	0%	0%	**0%**	**0%**	**0%**
13	It doesn't need to change	0%	13%	**7%**	5%	0%	**3%**	**5%**	**5%**
14	Other (see appendix)	21%	8%	**15%**	11%	11%	**11%**	**33%**	**17%**
#	**FOR PREMIUM**								
1	More subtle, restrained styles	74%	62%	**68%**	63%	68%	**67%**	**76%**	**69%**
2	Lower alcohol	42%	57%	**50%**	90%	68%	**71%**		**51%**
3	More savoury, food friendly characteristics	42%	45%	**44%**	63%	53%	**67%**		**41%**
4	Fresher, less heavy reds	37%	30%	**34%**	53%	42%	**33%**		**32%**
5	Less oak	26%	28%	**27%**	47%	42%	**52%**		**29%**
6	Crisper, lighter whites	32%	34%	**33%**	53%	37%	**29%**		**31%**
7	Fuller, richer whites	11%	6%	**9%**	11%	5%	**0%**		**7%**
8	Richer, more powerful reds	5%	4%	**5%**	5%	5%	**0%**		**4%**
9	More sweet fruit and easy drinkability	0%	4%	**2%**	11%	0%	**0%**		**3%**
10	More overt, fruit forward style	5%	2%	**4%**	0%	0%	**0%**		**1%**
11	More oak	0%	4%	**2%**	0%	0%	**0%**		**1%**
12	Higher alcohol	0%	2%	**1%**	0%	0%	**0%**		**0%**
13	It doesn't need to change	21%	13%	**17%**	5%	5%	**33%**		**9%**
14	Other (see appendix)	16%	15%	**16%**	11%	16%	**5%**		**12%**

Figure 17. Results to Section 4, Part 2, Improving Wine Styles

6.7 SECTION 5: TRADING UP

PART 1.

In response to the question, what must retailers / restaurateurs do to increase sales of premium wine, the clear number one choice across both market sectors was **more wine education for staff**, with providing **the opportunity for the customer to taste the wine** coming a close second (figures 18 and 19, page 36).

Many respondents to the follow up interview pointed out that staff training in the on-trade is notoriously difficult due to the transient nature of the workforce (Muir 2007, interview). Hudson (2007 interview) makes the very relevant point that in the on-trade wine is often seen as secondary to the food, with many chefs and owners showing low involvement levels, and a culture whereby wine is often seen as a vehicle for making high margin. Dickie suggests that for the mass and mid markets a solution could be to include some form of wine training in the induction program, while placing an emphasis on the sales aspect of the job equally if not more so than imparting wine information (Dickie 2007 interview).

Both Irwin and Dickie (2007 interviews) point out that the most effective "sampling" mechanic in the mass and mid market on-trade is to offer wine by the glass.

Lam agrees (2007 interview) but adds out that wine by the glass must be about quality.

In the off-trade Tynan supports this view, stating that sampling is the most effective way to sell (premium) wine. He adds the cautionary note that the cost for the small to medium sized winery of a sampling promotion in the major multiple retailers would be prohibitive, and they should look to more suitable market channels such as independent retailers.

James Davies, Australian buyer for Tesco, comments that they have increased their SKU's of premium Australian to reflect what they see as a growing global trend towards up-market products across all categories in general. Davies is confident about Australia, saying that in the New World £10 plus bracket it still leads the charge (Davies, interview 2007).

Schuster believes that the Australian industry should target its educational efforts on the younger generation of wine writers, sommeliers and trade members. In this he echoes Fullers attitude to generational change within the industry. Schuster points out that the majority of journalists who enjoy a wide readership in the UK are still the older generation. For them Australia was news in the 90's, but their attention has turned to places such as South America and South Africa which are new and therefore exciting to them now.

#	What must retailers do to increase sales of premium Australian wine?	A1	A2	A tot.	C	All tot.
1	Provide the opportunity to taste the wine in-store	47%	55%	**51%**	**57%**	**53%**
2	Provide more wine education training for staff	26%	38%	**32%**	**62%**	**42%**
3	Offer more choice of premium wine	32%	36%	**34%**	**10%**	**26%**
4	Invite Australian winemakers to meet customers in the store	26%	21%	**24%**	**33%**	**27%**
5	Provide more staff in-store who can make recommendations	26%	21%	**24%**	**29%**	**25%**
6	Provide more information for the consumer at the point of sale	21%	26%	**24%**	**14%**	**20%**
7	Offer a greater range of wine styles	37%	19%	**28%**	**14%**	**23%**
8	Send staff on educational trips to Australia	11%	17%	**14%**	**19%**	**16%**
9	Arrange for Australian winemakers to give staff tastings in the UK	11%	19%	**15%**	**10%**	**13%**
10	Offer a greater diversity of grape varieties	11%	17%	**14%**	**10%**	**13%**
11	Receive more recommendations in the national press	21%	10%	**16%**	**10%**	**14%**
12	Offer more price promotions on premium wine	21%	7%	**14%**	**5%**	**11%**
13	Provide more sales skills training for staff	5%	5%	**5%**	**19%**	**10%**
14	Provide more sales incentive prizes for staff	5%	10%	**8%**	**10%**	**8%**

Figure 18. Results to Section 5, Part 1,Trading up - retail

#	What must restaurant owners do to increase sales of premium Australian wine?	B1	B2	Tot.
1	Provide more wine education training for staff	58%	58%	**58%**
2	Provide the opportunity to taste the wine before they buy	47%	32%	**40%**
3	Provide more staff who are able to make recommendations	37%	32%	**35%**
4	Provide more sales skills training for staff	26%	32%	**29%**
5	Arrange for Australian winemakers to give staff tastings in the UK	32%	21%	**27%**
6	Provide more information for the consumer on the wine list	16%	32%	**24%**
7	Invite Australian winemakers to meet customers in the restaurant	16%	26%	**21%**
8	Offer a greater range of wine styles	11%	26%	**19%**
9	Offer more choice of premium wine	11%	21%	**16%**
10	Receive more recommendations in the national press	16%	5%	**11%**
11	Offer a greater diversity of grape varieties	11%	11%	**11%**
12	Provide more sales incentive prizes for staff	11%	5%	**8%**
13	Send staff on educational trips to Australia	11%	0%	**6%**
14	Offer more price promotions on premium wine	0%	0%	**0%**

Figure 19. Results to Section 5, Part 1,Trading up - restaurants

PART 2.

Respondents were asked what information could be provided at the point of sale to encourage customers to spend more on premium Australian wine. They were given a choice of six alternatives and the option to choose “other”. The results are shown below (figure 20).

Information about the wine style, or how the wine tastes, came a clear first, suggesting that the “fear factor” of the unknown still plays a major part as a barrier to consumers trying something new.

More **information about the producer and the regions** scored second and third, showing that our respondents believe that consumers are interested in the personality and colour provided by “people and place”.

The surprise fourth choice was to provide information as to **how the style of the wine compares to an Old World Classic**, with a noticeably 90% joint high score for buyers in the on trade. This no doubt reflects the Old World dominance of the on trade, but provides some interesting food for thought as to how Australia may choose to speak to this notoriously traditional sector.

Medals and awards unsurprisingly scored highly for the off trade, where it is especially valued in the mail order sector, but low in the on trade, reflecting the retailers need for a premium product to stand out from the “wall of wine” as well as providing a third party endorsement.

That grape varieties came last sends a clear signal that varietal labelling is clearly associated with lower end wine and if not irrelevant, clearly less important when positioning a premium product. The most common suggestion for “other, please specify” was to indicate what food the wine could be matched with.

	Customers would be willing to spend more on premium Australian wine if they were given more information at the point of sale about:								
#		**A1**	**A2**	**A tot.**	**B1**	**B2**	**B tot.**	**C**	**All tot.**
1	The wine style	95%	94%	**95%**	90%	90%	**90%**	**95%**	**93%**
2	The producer	74%	83%	**79%**	68%	74%	**71%**	**86%**	**77%**
3	Regions	74%	89%	**82%**	74%	68%	**71%**	**76%**	**76%**
4	How the style of the wine compares to an Old World Classic	68%	60%	**64%**	90%	63%	**77%**	**67%**	**70%**
5	Medals and awards	84%	72%	**78%**	26%	58%	**42%**	**38%**	**56%**
6	Grape varieties	42%	57%	**50%**	47%	58%	**53%**	**38%**	**48%**

Figure 20. Results to Section 5, Part 2, Trading up – information at the point of sale

6.8 SECTION 6: REGIONALITY

PART 1.

The results for the first question are shown in the table below (figure 21).

The first two choices appear contradictory; 72% agreed that Australia needs to build an image using regional brands as the basis, while 67% also thought that the biggest impact on sales was down to the power of a brand, not regionality.

The apparent contradiction here is most likely explained by the relevance, or not, of regionality to different price categories. Briccarello points out that regionality is fundamental to a more sophisticated understanding of premium wines from all countries (2007 interview), while Irwin adds that regionality is only relevant for trading up at the top end (interview 2007). Reedman agrees that he has never seen any evidence to suggest that regionality connects at a mass market level (Reedman, P 2006, pers comm.).

	REGIONALITY								
#		**A1**	**A2**	**A tot.**	**B1**	**B2**	**B tot.**	**C**	**All tot.**
1	Australia needs to build an image of diversity using regional brands as the basis	79%	74%	**77%**	79%	68%	**74%**	**62%**	**72%**
2	The biggest impact on sales is down to the power of a brand, not regionality	79%	81%	**80%**	63%	47%	**55%**	**67%**	**67%**
3	Regionality will only ever be of Interest to fine wine drinkers	37%	51%	**44%**	74%	63%	**69%**	**52%**	**55%**
4	The average consumer has no interest in regionality	37%	36%	**37%**	42%	53%	**48%**	**43%**	**42%**
5	If a large number of Australian regions did start promoting themselves, confusion on behalf of the consumer is the most likely result	21%	30%	**26%**	26%	26%	**26%**	**24%**	**25%**

Figure 21. Results to Section 6, Regionality, Part 1

Part 2.

This section provided the opportunity to “test” the knowledge of respondents.

Firstly respondents were asked how they would describe their level or regional knowledge, from “not good” to “very good”.

They were then given a list of fifteen Australian wine regions (appendix 10.1) and asked which they were aware of. The test comprised of asking which region they most associated with certain grapes or wine styles (appendix 10.1).

A drop down menu of options for regions was provided, filtered to include only those regions they had previously indicated they were aware of.

Their responses were then “scored” on a scale of 0 to 5 depending on the appropriateness of their region to grape match

For example premium Semillon + Hunter Valley would score 5, while Liquor Muscat + Tasmania would score 0, with scores between 0 to 5 given, based on the probability of plantings and suitability to climate for the grape + region match.

The results for both these questions can be seen below (figure 22).
Almost twice as many off-trade respondents self rated their own knowledge as "very good" compared to on-trade respondents. The actual scores reflected the superior knowledge of those working in the off trade, but by a lesser margin of difference.
Buyers scored higher than sales staff in both categories, while journalists and educators scored highest of all, a pattern that is consistent with a positive correlation between level of involvement with the product and knowledge. Tynan however makes the point that while many in the UK trade consider their knowledge of Australian wine to be good, they have not revisited the sector since the nineties, and much has changed. (interview 2007).

How would you describe your own knowledge of Australia's wine regions?								
	A1	**A2**	**A tot.**	**B1**	**B2**	**B tot.**	**C**	**All tot.**
Not good	5%	4%	**5%**	5%	11%	**8%**	**10%**	**7%**
Quite good	16%	38%	**27%**	47%	68%	**58%**	**29%**	**40%**
Very good	79%	58%	**69%**	48%	21%	**35%**	**61%**	**53%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
Results of regional knowledge test								
	A1	**A2**	**A tot.**	**B1**	**B2**	**B tot.**	**C**	**All tot.**
Total points (out of 60)	52	46	**49**	44	35	**40**	**51**	**46**

Figure 22. Results to Section 6, Part 2, Regionality Test

6.9 SECTION 7: BUSINESS TRIPS TO AUSTRALIA

The purpose of this section relates to one of the aims and objectives in the synopsis, namely to test if a positive correlation exists between visits to Australia and an improved understanding of regional wines.
The results of the regional test (figure 22) were correlated against the responses to the question regarding frequency of business trips to Australia (figure 23) using a Pearson correlation, the results are shown on the graph on page 41 (figure 24).

A Pearson correlation of 0.351 indicates a positive correlation (medium strength) thus proving the original hypothesis.

Muir (2007 interview), declares that visiting a region changes the whole understanding of a wine country, while for Hudson visiting Australia made it alive and real (2007 interview).

How many times have you visited Australia for business in the last five years.								
	A1	A2	**A tot.**	B1	B2	**B tot.**	C	**All tot.**
Never	16%	52%	**34%**	63%	84%	**74%**	**56%**	**54%**
Once	21%	25%	**23%**	21%	5%	**13%**	**19%**	**18%**
Twice	11%	6%	**9%**	5%	11%	**8%**	**5%**	**8%**
Three times	11%	8%	**10%**	11%	0%	**6%**	**10%**	**8%**
Four or more	41%	9%	**25%**	0%	0%	**0%**	**10%**	**12%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**
Business trip to Australia: Yes / No								
	A1	**A2**	**A tot.**	**B1**	**B2**	**B tot.**	**C**	**All tot.**
No	16%	53%	**35%**	63%	84%	**74%**	**57%**	**55%**
Yes	84%	47%	**66%**	37%	16%	**27%**	**43%**	**45%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 23. Results to Section 7, Part 1, Business trips to Australia

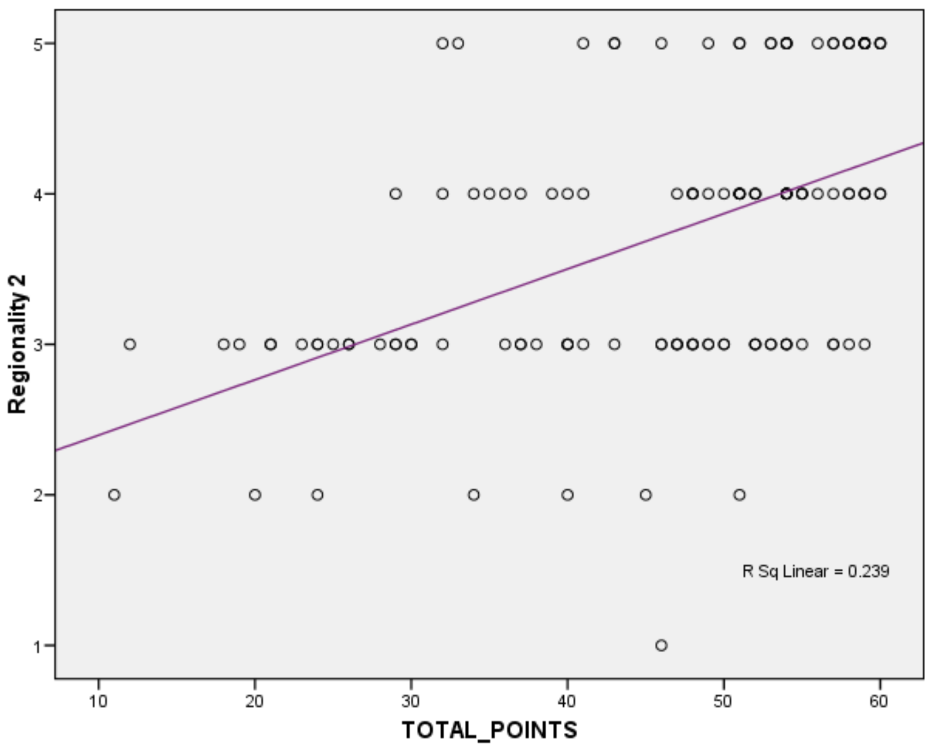

Figure 24. Results to Section 7, Showing Pearson Correlation of Visits to Regional knowledge

6.10 SECTION 8: WINEMAKER VISITS

In this section respondents were asked how often they met Australian winemakers in the UK, where they met them and how important they felt their visits were. The results are on page 41 and 42 (figures 25, 26 and 27).

Almost all respondents reported having met an Australian winemaker at some time, with the off-trade showing greater frequency and buyers in both categories reporting higher frequency than sales staff, double in the case of the on trade.

According to Irwin, winemaker visits and staff training sessions lead to a direct increase in sales, while for Hudson a visiting winemaker can convey a passion and enthusiasm about their "patch of dirt" that helps to dispel the notion that Australia is a great amorphous mass (Hudson 2007, interview).

How frequently do you meet Australian winemakers in the UK?								
	A1	**A2**	**A tot.**	**B1**	**B2**	**B tot.**	**C**	**All tot.**
Never	0%	2%	**1%**	0%	5%	**3%**	**0%**	**1%**
Sometimes	26%	49%	**38%**	58%	74%	**66%**	**67%**	**55%**
frequently	74%	49%	**62%**	42%	21%	**32%**	**33%**	**44%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 25.Frequency of winemaker meetings

When asked to indicate where they would normally meet a winemaker, 70% of respondents stated the **London International Fair**, followed in second place by the annual **Australia Day Tasting**, then meetings at their **place of work**.

On-trade buyers indicated that they use the Australia Day tasting much less than their off-trade counterparts (47% vs. 95%) while a surprisingly high number of on-trade sales staff (83%) meet winemakers at consumer shows.

These findings are corroborated by Briccarello (2007 interview) who says that the big tastings can be a waste of time for the on-trade as they are not focused enough and feature too many branded off-trade products. What may be just as relevant is that those working unsociable hours in the on-trade may find it harder to get out to tastings, making visits to their places of work the more effective method of meeting them.

Three quarters of respondents stated that they felt it was very important that Australian winemakers should visit the UK. This figure would have been higher except for the noticeably lower enthusiasm posted by journalists and educators. According to Lam, although Australian winemakers service the UK very well, it has been the same winemakers doing it for years, and he detects a slow down in activity. (Lam 2007, interview).

This adds to the weight of evidence supporting Fuller's view that a generation succession is needed to continue the good work and re-engage the next generation of UK journalists and buyers.

	Indicate where you would normally meet Australian winemakers in the UK								
#		**A1**	**A2**	**A tot.**	**B1**	**B2**	**B tot.**	**C**	**All tot.**
1	At the annual London International Wine Fair	79%	75%	**77%**	68%	61%	**65%**	**67%**	**70%**
2	At the annual Australia Day Tasting	95%	62%	**79%**	47%	56%	**52%**	**62%**	**64%**
3	In a business meeting or tasting in my business	100%	60%	**80%**	63%	72%	**68%**	**19%**	**63%**
4	At consumer tastings or shows	42%	60%	**51%**	47%	83%	**65%**	**67%**	**60%**
5	At agency or importer trade shows	42%	40%	**41%**	53%	28%	**41%**	**43%**	**41%**
6	Out socially	53%	33%	**43%**	21%	11%	**16%**	**29%**	**29%**
7	During staff training	11%	23%	**17%**	26%	44%	**35%**	**10%**	**23%**
8	Other (see appendix)	0%	6%	**3%**	11%	6%	**9%**	**10%**	**7%**

Figure 26.Location of winemaker meetings

How important do you feel it is that Australian winemakers should visit the UK market?								
	A1	**A2**	**A tot.**	**B1**	**B2**	**B tot.**	**C**	**All tot.**
not important	0%	2%	**1%**	0%	0%	**0%**	**0%**	**0%**
quite important	16%	19%	**18%**	21%	26%	**24%**	**43%**	**25%**
very important	84%	79%	**82%**	79%	74%	**77%**	**57%**	**75%**
	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**

Figure 27.Importance of winemaker visits

6.11 SECTION 9: SOURCES OF INFORMATION

The responses to the question regarding where respondents acquire their sources of information regarding Australian wine provides interesting insight (figure 28.1 and 28.2).

Tasting samples top the list, proving yet again, as we saw in Section 5, that sampling is the best way to sell wine not only to the consumer but also to the trade.

Importer and Agency tasting scored highly for the on-trade(63%), reinforcing their preference for more selective, focused tastings, while **meeting visiting winemakers** comes third, underlining the importance of producers being in the market and visiting the trade.

Buying trips to Australia follows in fourth place, scoring very highly (68%) with off-trade buyers, especially when compared to on-trade (11%).

As we established in Section 5, **medals and awards** are more highly regarded by the off trade, while **Parker Points** the lowest score from both market sectors.

Respondents cited direct contact with producers and Australian trade journals as "other" sources of information.

SOURCES OF INFORMATION : MEASUREMENT OF USAGE			
	A total	B total	All totals
1. Tasting samples			
Low	0%	0%	0%
Medium	5%	11%	8%
high	95%	89%	92%
	100%	100%	100%
2. Importer / agency tastings			
Low	32%	0%	16%
Medium	31%	37%	34%
high	37%	63%	50%
	100%	100%	100%
3. Meeting visiting winemakers			
Low	0%	11%	6%
Medium	42%	67%	55%
high	58%	22%	40%
	100%	100%	100%
4. Buying visits to Australia			
Low	16%	57%	37%
Medium	16%	32%	24%
high	68%	11%	40%
	100%	100%	100%
5. The annual Australia Day Tasting			
Low	16%	36%	26%
Medium	37%	37%	37%
high	47%	27%	37%
	100%	100%	100%

Figure 28.1 Sources of information

Sources of information, continued

6. The annual London International Wine Trade Fair			
Low	**27%**	**32%**	**30%**
Medium	**42%**	**52%**	**47%**
high	**31%**	**16%**	**24%**
	100%	**100%**	**100%**
7. Market Research			
Low	**42%**	**47%**	**45%**
Medium	**42%**	**37%**	**40%**
high	**16%**	**16%**	**16%**
	100%	**100%**	**100%**
8. Winery ratings in specialist books eg Halliday			
Low	**26%**	**48%**	**37%**
Medium	**58%**	**47%**	**53%**
high	**16%**	**5%**	**11%**
	100%	**100%**	**100%**
9. Wine competitions (results, medals, awards)			
Low	**21%**	**63%**	**42%**
Medium	**74%**	**37%**	**56%**
high	**5%**	**0%**	**3%**
	100%	**100%**	**100%**
10. Wine magazines eg Decanter			
Low	**48%**	**53%**	**51%**
Medium	**47%**	**47%**	**47%**
high	**5%**	**0%**	**3%**
	100%	**100%**	**100%**
11. Robert Parker points			
Low	**63%**	**79%**	**71%**
Medium	**37%**	**21%**	**29%**
high	**0%**	**0%**	**0%**
	100%	**100%**	**100%**

Figure 28.2 Sources of information

6.12 SECTION 10: ONE LAST QUESTION

Respondents were invited to write an answer to the following question(s).

What ONE THING could be done to persuade YOU to buy more premium Australian wine for your business?
(for Sectors A1 and B1)

What ONE THING could be done to help YOU sell more premium Australian wine?
(for Sectors A2 and B2)

What ONE THING could be done to persuade YOU to personally buy more premium Australian wine?
(for Sector C)

Of the 129 responses received to this direct question (listed in full: Appendix Section 10.2) the following major themes appeared across all market sectors:

- An end to BOGOF pricing and aggressive discounting in supermarkets
- More marketing support and staff training
- More consumer demand
- Bring back interest and excitement to the category
- Greater availability of boutique producers
- Less powerful styles, more elegance
- Trips to Australia for customers and staff
- A big push to "re-launch" Australian wine as fresher, lighter and more food friendly
- Raised awareness of premium and regional wines

This picks up many of the themes already highlighted in the questionnaire, such as the need to adapt styles to modern consumer trends and the importance of staff training.

Commercial considerations are also cited, the most apparent being a wide spread antipathy towards the activity of deep discounting in the multiple grocer sector, indicating that this acts as a brake on the independent trade's willingness to buy and sell premium Australian wine.

7.0 DISCUSSION

7.1 AN ASSESSMENT OF ATTITUDES

The findings of this paper does indicate that Australia is suffering from an image problem in the minds of the UK trade, and although the phenomena of the "success shadow" is no doubt strongly contributory, there appear to be other, more subtle forces at work, relating to an certain apathy towards Australia that is broadly defined across generational lines.

Reedman is one who strongly disagrees with the theory of a success shadow, believing that it cannot be used as an excuse for the fact that Australia has not marketed its top tier of wines well enough (pers comm. 2006). Corrigan adds that whilst there is an apparent hostility between the aims of small/medium Aussie winemakers and the supermarkets/multiples, in fact the latter will readily stock and display more expensive Aussie wines if there is a business proposition for them to do so (Corrigan 2007 pers comm. 2006).

The research reveals that whereas the phenomena of the success shadow affects attitudes more in the off-trade more than the on-trade, the industry influencers and commentators (journalists and educators) are aware of the issue, but are not overly affected by it.
Encouragingly it does not appear to play a significant role in the barriers to growth in the on-trade, which revolve more around the issues of wine style suitability and lack of staff and consumer knowledge.

A leading Australian journalist warned that Australian wine is in danger of becoming the Liebfraumilch of the 21st century (Allen 2005). As one survey respondent put it:

Australia is suffering the Liebfaumilch syndrome, the cheaper end of the market has blighted the consumers view on Australia, until it changes its focus as Germany has now done, it will be perceived the supplier of cheap branded plonk.

The research provides no evidence to support this bleak view. However the resounding message to come out of all parts of this research is that Australia as a country needs to place its marketing focus squarely on its premium offering.

7.2 PERCEPTIONS OF STYLE

The results suggest that Australia is associated with styles of wine that appear slightly out of step with current consumer trends. However, as Muir reminds us, consumer trends are "little bubbles" and that the current trend, exemplified by Pinot Grigio, is in part a reaction to the oaked Chardonnay fad of the 90's (interview 2007).

The research found that there was a willingness to engage with new styles of Australian wine, and a confidence in moving the category forward, especially at the premium and upper premium levels that should provide encouragement to the industry.

The concerns over alcohol levels must be tempered by the knowledge that there still exists a large market for traditional big Aussie reds, albeit in specific market channels. There certainly appears to be the opportunity for those producers prepared to respond to the concerns voiced here and address the issue of high alcohols levels, particularly if they are targeting the on-trade.

A large number of respondents to the trade survey expressed a desire for renewal, a wish to see Australia re-launch itself on the UK market, an approach best summed up by the following contributor to Section 10 of the questionnaire:

A big PR push is needed to suggest that there is a 'new wave' of Australian wines - put the past associations of bulk, oaky, heavy, alcoholic wines into the past and re-launch as fresher, lighter, more elegant, food friendly styles

The recently re-branding of Wine Australia and the launch of its four new sub-brands or personalities (Brand Champions, Regional Heroes, Generation Next and Landmark Australia. AWBC Directions 2007) provides a suitable platform to address this issue. However the real work needs to be done by the wineries and agents themselves, by coming into the market, listening to their customers and understanding the needs of the market.

7.4 OPPORTUNITES FOR PREMIUM WINE

Many believe that the structure of the Australian Wine Industry itself is at odds with any attempt to take the category upmarket. As Lewis and Zalan point out (2006), the current difficulties are a function of, amongst others, the major companies attempting to "straddle" the two wine types, branded commodity and fine wine. This has lead to the "race to the bottom" (devaluing of the category) reaction to the power of the retailers fuelled by the grape and wine over supply.

According to Oliver (2007 pers comm.) the well documented surplus has largely disappeared, thanks to a combination of drought, frosts and forest fires, as well as bulk exports to the Chinese market (Henry 2006 pers comm).

However, in an increasingly competitive global market, there remains a downward pressure on pricing and margins, against which the Australian industry has set out its intention in "Directions to 2025" to bring value back into the sector and substantially raise unit value.

The findings of this research suggest that there is room for optimism with regard to trading up within the category in the UK market.

The results of the survey demonstrated that there is a foundation of confidence and goodwill towards Australia in the UK trade, both in the on and off-trade, but the sector is held back by a lack of knowledge and information, particularly in the on-trade sector. The suggested ways forward were increased efforts with staff education as well as a focus on sampling activities, with wine by the glass being identified as a particularly effective mechanic in the on-trade.

The need to get a new generation exited and interested was emphasised, with a concurrent generational handover within the Australian industry itself.

7.5 AN UNDERSTANDING OF REGIONALITY

The research findings point to the importance of regionality in understanding the premium wine sector in general, especially in the on-trade, but make it clear that it in marketing terms it should play a secondary role to communicating how the wine tastes, and information regarding the winemaker behind the wine.

As Tynan suggests, regionality may be the way forward, but from a production, not marketing, point of view (interview 2007).

The research proved that there exists a positive correlation between visits to Australia and an improved knowledge of regional wine. As knowledge was identified as the single most important factor in encouraging the selling of premium wine in both the on and off-trade it can be concluded that sending staff and customers to Australia would be the single most effective sales tool available to the industry. The cost of trips being considerable those responsible for sales and marketing may wish to consider how new technology could help them bring the producer in closer contact with the destination market, with technologies such as web cams for "virtual" meetings with winemakers or pod casts (both video and audio) for vintage reports. The recently launched "World Class" programme on the Wine Australia website points the way forward (AWBC website 2007).

7.6 FUTURE BUYING BEHAVIOUR

The findings of this research point to a slowing down of the entry level and fine wine sectors. The latter it is suggested, is a correction to the unprecedented success of the late 90's, while the former looks likely to continue as the industry seeks way to extricate itself from the bargain basement without a dramatic loss of market share.

Results show a confidence from buyers in future predictions for the premium and upper premium sectors (£7 to £10 and £10 to £15 retail respectively) in both the on and off-trade.

The message to the industry is that styles need to be carefully re-assessed in light of evolving consumer trends and the requirements of the on-trade sector. Although managing alcohol levels was singled out as the greatest concern with red wines it is worth remembering that a number of senior commentators felt happy with current alcohol levels, and placed the emphasis more on overall balance and drinkability.

It is also clear from responses to Section 10 of the questionnaire that a tempering of the aggressive discounting strategy in the multiple grocer sector would be welcome and would encourage many in the independent retail and restaurant trade to look more favourably on buying and selling premium Australian wine.

8.0 CONCLUSION

This paper has attempted to answer the aims set out in the synopsis:

- To make an assessment of attitudes towards Australian wine from UK buyers and sales staff across a range of market sectors
- To examine perceptions of the style of Australian wine in the context of current consumer trends
- To examine the opportunities for selling premium Australian wine
- To test if a positive correlation exists between visits to Australia and an improved understanding of regional wines
- To better understand future buying behaviour and the factors that affect it

The evidence in this paper confirms that the phenomenon of the "success shadow" does exist, that the growth of Australia's heavily discounted branded proposition has had a diminishing effect on its image as a premium producer. To coin a metaphor, in the eyes of many in the UK, both trade and consumers, Australia has become the McDonalds of the wine aisle. Its challenge now is to prove that it can do fine dining.

Encouragingly, the evidence in this paper indicates that the damage to Australia's image is not as serious as some have suggested, especially in the on-trade where the barrier to growth appears to be more a lack of knowledge coupled to issues relating to style and food compatibility.

The success of adapting white wine styles to current consumer trends for lighter, aromatic styles should be encouraged, and although commercial opportunities undoubtedly exist for Pinot Grigio, Australia should continue to develop its own range of grape varieties in appropriately modern styles.

The industry should be aware that there are strong feelings within the UK trade concerning elevated alcohol levels, especially in reds, that relate not only to wine style but also health, lifestyle and social responsibility issues. The message is that there are opportunities for both high and moderated alcohol styles, but the industry must be clear about adapting the style to suit its market channel.

It is suggested that for some sectors of the population, perhaps off-trade buyers and journalists in particular, Australia's image problem may be caused in part by a "familiarity factor". For those people who discovered Australia in the nineties it can no longer be as exciting as the regions they are discovering now, such as South America, South Africa and the resurgent New/Old World areas such as Spain and South France.

Australia must therefore look to re-sell itself to a new generation, to replicate the successes of the previous decade when the UK trade not only discovered new wines but forged new working relationships with a peer group of winemakers. This can only be achieved by Australia recognising the generational succession within its own industry. Perhaps it is time, as some have suggested, to bring back the wine flights, for as this paper has also proved, there is a positive correlation between trips to Australia and an improved knowledge and understanding of regional wine.

Based on the attitudes presented in this paper, the signs for future purchasing behaviour amongst UK buyers are positive and the opportunity for growth of the premium category encouraging. Wine Australia has provided a strong platform for growth, with initiatives such as the World Class education tool, the market focused category segmentation of its four brand personalities and a clear vision with Directions to 2025.

However, creating an improved image and success for the premium category will not be achieved by simply bringing to an end the BOGOFF activity in supermarkets as suggested by some. The answer lies in a root and branch approach to its inter-personal relationships with the trade. Not only must it work much harder at establishing its fine wine credentials, it should concentrate on re-selling itself to a new generation of buyers, journalists and sales staff who can discover Australia for the first time. Discovering not only new wines but forging new working friendships at the same time, so that the image put across is one an Australian industry in tune with its destination market.

Only then will the industry secure its destiny into its own hands, by taking control of the image it wishes to project, not being subject to having one projected upon it.

The reward would be to transform the UK from the mature, slightly jaded market that this paper recognised, into a new, emerging market full of the promise and potential that was also identified.

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9.2 PERSONAL COMMUNICATIONS

Park, J (2007) – Research Analyst, Wine Intelligence, UK

Paul, M (2006) – Consultant

Corrigan, A. MW (2007) – E-wine consult

Industry Interviews: Australia (Appendix 9.3

Follow up Interviews: UK Trade (Appendix 9.4)

9.3 INDUSTRY INTERVIEWS: AUSTRALIA

Allen. M (19.12.06) – Journalist and author

Boothman, P (18.12.06) – Editor, The Australian and New Zealand Grape grower and Winemaker

Bruwer, J. Dr. (12.12.06) – Convenor: Wine Business Group, The University of Adelaide

Ellis, J (18.12.06) – Owner and Winemaker, Hanging Rock, Victoria, Australia

Fuller, P (14.12.06) – Editor, Wine Business Monthly

Henry, P (12.12.06) – General Manager Market Development, The Australian Wine and Brandy Corporation (AWBC)

Hill Smith, M (18.12.06) – Director, Shaw & Smith Winery, South Australia

Lockshin, L. Prof. (11.12.06) – Professor of Wine Marketing, University of South Australia

Melton, C (20.12.06) – Owner and Winemaker, Charles Melton Wines, South Australia

Oliver, J (20.12.06) – Journalist and author

Pannell, S (15.12.06) – Winemaker, Consultant Winemaker

Pretorius, S. Prof. (11.12.06) – Managing Director, Australian Wine Research Institute

Reedman, P (14.12.06) – Buyer, Tesco

Rosé. L (18.12.06) – Winemaker, Yalumba, South Australia

Webber, S (05.10.06) – Manager and Winemaker, De Bortoli Estate, Victoria, Australia

9.4 FOLLOW UP INTERVIEWS: UK TRADE

Briccarello, A (22.06.07) – Head Sommelier / Wine Buyer, Bentleys Oyster Bar / Lyndsey House. London

Caporn, S (25.12.07) – Wine Buyer, Direct Wines, UK

Davis, J (25.12.07) – Buying Manager, Tesco, UK

Dickie, E (22.06.07) – Category Manager, Waverly TBS, UK

Horton, P (22.06.07) – General Manager, London Capital Club

Hudson, M (22.06.07) – Senior Sales Executive, Berry Bros & Rudd, UK

Irwin, X, MW (22.06.07) – Wine Buyer, St Austell Brewery, Cornwall

Jefford, A (22.06.07) – Author, broadcaster and journalist, UK

Lam, M (22.06.07) – Chef-proprietor, Ransomes Dock Restaurant, London

Muir, A (22.06.07) – Director, Cellarworld International Ltd

Schuster, M (25.12.07)– Owner, Winewise, London

Tynan, F. MW (22.06.07) – Buyer, Capricorn Wines, Boutinot.

10.0 APPENDICES

10.1 QUESTIONNAIRE: REGIONALITY TEST LISTS

List of regions.

Adelaide Hills
Barossa Valley
Clare Valley
Coonawarra
Heathcote
Hunter Valley
Macedon Ranges
Margaret River
Mclaren Vale
Mornington Peninsula
Padthway
Riverland
Rutherglen
Tasmania
Yarra Valley
All of the above
None of the above

List of grapes / styles.

Entry level wine
Premium Chardonnay
Premium Riesling
Premium Sauvignon Blanc
Premium Semillon
Premium Sparkling Wine
Premium Cabernet Sauvignon
Premium Pinot Noir
Premium Cool Climate Shiraz
Premium Warm/Hot Region Shiraz
Premium Grenache
Premium Liquor Muscat

10.2 QUESTIONNAIRE: SECTION 10 RESPONSES

SECTOR A1

We have just undertaken an extensive sourcing program for premium Australian wines.
This was driven by recognition of the demand for and growth in premium Australian wines, along with a new ability in terms of merchandising to implement up-market overhead displays

To see Wine Australia trying to prevent the continually discounting and promotion of Australia wines by the larger producers to help drive volume sales but tarnish the image of Australian wines in the UK market place.

The promise of sales/marketing/tastings support from the producer to raise the profile of his/her brand in my market.

The continuation of increase in sales in this sector. This growth has encouraged us to increase our range and as our offering becomes more interesting our customers become more adventurous

Personally a buying trip over there - which would come if I get Australia as part of my remit, at the moment I do not buy Australia.

More targeted support for smaller producers particularly is helping them develop the on trade

More specialist boutique producers introduced to UK importers

More lower priced, non-branded wines available

More demand from the consumer!

More cash!

Make more wines available that are more exclusive and sought after for the independent retail trade that are not going to be seen several weeks later on the 'Fine Wine' shelf of Tesco in some up-market neighbourhood.

Increase the gatekeepers knowledge ie the supermarket buyers - they buy too much at the lower end.

If sales justified it.

Having more customers who want to buy it and more funds to offer more premium Australian promotions - we currently do one big pre-release offer a year but with support could arguably do more

GET RID OF BOGOFS IN THE SUPERMARKETS TO RAISE HE IMAGE OF OZ WINE

Further development of styles that are modern, elegant and food friendly while still being uniquely Australian - whether this means introducing more grape varieties or regions, or refining what is already produced.

Ensuring I could sell them profitably

Better quality wines with added complexity rather than added intensity!

Access to older vintages

SECTOR A2

Wider tasting experience of top wines

Visit the wineries and see the facilities / people to enable me to communicate the unique aspects of the wine / winery / winemaker to the consumers

They still need to find their USP, not just monkey the established regionality in France

There isn’t enough premium Australian wine available to sell to my customer! Grow more.

The consumer understanding and embracing the regional differences in Australian wine

THE ABILITY TO SUPPLY SMALL QUANTITIES WITHOUT EXCESSIVE DELIVERY CHARGES.

Taking our key customers on a trip to Australia - experiencing the diversity of Australia's wine and wine regions first hand is invaluable
Taking more customers out to visit Australia

Support for marketing budgets

Stop mass discounting in the multiple sectors

Stop lying to the consumer regarding fake BOGOF's and half price deals. They aren't as stupid as the Multi's think!

Stop discounting the arse out of the lions share of branded Australia, consumers no longer believe the pricing

Staff training at all levels - to help 'hand sell' the wines to consumers at both on and off-trade outlets.

Samples - in smaller bottle sizes to put in front of customers

Retailer wine strategy that drives value into the category

Reduce the stranglehold of Fosters, Constellation, McGuigan Simeon etc.

Raising of the overall awareness in the UK market with regard to premium Australian wine

Raise the public profile of the smaller scale, hands-on winemakers, who often have access to vines that really are vielle vignes!!

Probably less distribution in Multiple Grocers.

Prices of premium wines are out of proportion with the quality of the wine. My customers can buy classified growth Bordeaux or a very good Chianti for much less than similar quality Aus wines now.

Multiple retailers accepting that not every wine needs to be promoted and be available in large quantities

More Winemaker events. If the grower is impressive then it inspires customers and staff alike

More variety at entry level

More people through the door!

More info to the consumer

More evidence and linkage of terroir character to regions.

Marketing. Need to change the consumer perception of Australian wine and make them realise that Australia produces premium as well as every day wine. Need to give the consumer an easy way of distinguishing between the two styles.

Make it food friendly, especially reds

Less grocery promotions

It's not my job....however, it is down to the excellence of the education of young winemakers in Australia and New Zealand and the calibre of candidate that this attracts that we employ them to help us during European vintages. Really good Australian
Introduction to a winery with a real quality point of difference who is not already represented in the UK!

In store POS materials giving information on the wines and sample bottles for staff and customer tasting.

Information that can be placed at the feet of the customers as well as tastings

Give me an Aussie brand to manage! Retails to soften between Â£6 and Â£10

Get the Supermarket buyers to move away from Big Brands and look at something that's a bit different!!

Focus on Australia's regional strengths

Fewer identikit wines, more diversity

Eradicate 'Bogoff' deception in Multiples

Education, education, education!

Education of customers that Australia produces premium wines

Customers desire for Australian wines

Consumers need more education-from journalists, trade bodies, importers, anyone-to clarify in consumers' minds the fact that Australia does produce premium wines to challenge the best from Europe, from a vast range of climates and is not restricted to m

Consumer understanding of Australia's wine regions and the styles they offer

Consideration by retailers away from 'giant' producers

Communication to retailers and consumers about premium wine. Making retailers more aware of current market performance and encouraging them to stock higher priced wines to allow consumers to trade up.

Close all supermarkets

Change of job! Sorry but I mainly sell Spanish and Italian wine. They should have jumped on the Pinot Grigio band wagon sooner!

By Australia investing in tastings for both public and trade that focused on premium wines, and that compared them with their French, Italian and Spanish counterparts. When a consumer is parting with Â£10 and above, they need to know that what they are buying

Australia is suffering the Liebfaumilch syndrome, the cheaper end of the market has blighted the consumers view on Australia, until it changes its focus as Germany has now done, it will be perceived the supplier of cheap branded plonk.

As most wine growing countries produce premium wines and I would not look to give priority to any one in particular, I would only achieve this by growing the premium wine category in its totality.

Access to more premium wine with a concerted and coherent marketing campaign highlighting regionality. Greater consumer understanding of regionality will help them understand that the area is capable of more than just discounted wine sub Â £7. Deep disc

A really generous sample allowance for effective hand-selling

SECTOR B1

We have a significant range of premium Australian wines at the moment, probably more than our market can justify. More educated consumers would help increase my market.

The feeling that the wine will deliver good value for money

Show me that consumers are becoming aware of regionality

REALISTIC PRICING AND SHIPPING OPTIONS.

Provide more master class and general Australian tasting.
With knowledge comes confidence = more sales!!

Only a general change in perception, view is of over priced, wine glut now a wine shortage and a difficult country to choose from. So probably more knowledge on all our sides.

More subtlety and regional variance. Less WAM BAM WALLOP wines

More natural, terroir, artisan wines less brand

More commitment shown to supporting the on-trade - particularly through on-trade exclusive deals and distribution.

More choice of food friendly whites and reds

If they were easier to sell through to the end consumer...

If it gained a reputation among consumers that the wine is worth paying more for

I think I buy quite enough already! [Martin Lam]

I think I buy enough

I don’t need persuading, if the quality is in the bottle then it probably get listed

I buy plenty already; I just wish I sold more.

Get rid of branded route, more niche/grower style wines at affordable prices

Find some customers who would justify listing

A greater understanding of the Australian producers for the competitive nature of the UK market and how price sensitive it is here, even at the premium end.

SECTOR B2

Training

The major brands should stand up to the supermarkets and set realistic prices for entry level wines which could then start to filter upwards

Reduced alcohol, increased acidity and freshness of fruit

Provide wines that can match Europe on quality, character and value for money

Provide more in-depth information that can then be communicated/passed on to the customer, or the wine producers to take time to understand the UK Market and accept that more realistic pricing is required for premium wines within the UK. The price leap from entry to premium is too big and makes up selling very difficult

More samples for customer tastings aligned with the information to inform potential customers why the wine is different.

More Generic Press promotion

More customer tastings led my wine makers, principals

More Australian Wine Tastings

Increase in delicacy

Increase consumer and staff knowledge.

Have a more interesting and diverse range

Clearer differences between premium and more everyday brands.

Big PR push to suggest that there is a 'new wave' of Australian wines - put the past associations of bulk, oaky, heavy, alcoholic wines into the past and re-launch as fresher, lighter, more elegant, food friendly styles

Better pricing

Better information on regional trends/winemaking issues and styles.

An end to the combination of varietal labeling combined with discounting in the off-trade

SECTOR C

The large companies which dominate Australian wine production need to start again and make their finest wines in a completely different way to the methods they use for their cheaper wines.
Providing better value for money

Pay rise!

Outstanding quality for the price

Opportunity to taste it first

More tastings of premium wines

More elegant food friendly wines.

Moderating the alcohol content while still maintaining a balanced wine

Lower alcohol levels

Lower Alcohol

Less acidification!

Knowing that the wine was something out of the ordinary; limited production or unusual grape variety.

If I tasted a very fine Australian wine that I thought would work well for a dinner / tasting, I'd buy it. I'd be looking for a wine to stand up to France's best, yet offering something unique / individual in style, distinct from France.

If they were as good or better than other wines and also distinct in style, ie A Margaret River CS, as well made as a Medoc but slightly different.

I am not sure that anything in particular would persuade me to buy more.

I already buy some. My purchases are quite diverse, so the one thing that would make me more dependent on Australian wine would be the loss of access to other wines that I love.

In the past, the Len Evans Tutorial, (and wineries I visited on that trip)

Fresher styles, better access to, and distribution of, smaller producers with distinctive wines.

Food friendly/less intense style

Certainty of small family involvement

Better wines

Australia needs more wine styles and interesting varietals/blends to encourage constant exploration and discovery

.3 APPROVED SYNOPSIS

Institute of Masters of Wine: Dissertation Proposal Synopsis
Candidate Number: 77/06

Title:
A survey of the UK wine trade to determine current attitudes towards Australian wine

Aims and objectives (This should include a brief account of the aims and the objectives that will be accomplished for this to be achieved. (approximately 150 words.)

AIMS:

- To make an assessment of attitudes towards Australian wine from UK buyers and sales staff across a range of market sectors
- To examine perceptions of the style of Australian wine in the context of current consumer trends
- To examine the opportunities for selling premium Australian wine
- To test if a positive correlation exists between visits to Australia and an improved understanding of regional wines
- To better understand future buying behaviour and the factors that affect it

OBJECTIVES:

- To conduct a broad based consultation exercise with key stakeholders in the Australian industry
- To survey by on-line questionnaire a selected sample group of UK buyers and sales staff across a range of market sectors
- To conduct follow up interviews with a selected number of survey respondents

Research Context (This should refer to both the academic issues and the research literature that will be considered. (approximately 200 words.)

ACADEMIC ISSUES

- UK Market Issues

  Off-trade issues – the rise to dominance of the branded Australian category – the culture of deep discounting – the phenomena of the brand "success shadow" – consumers reluctance to trade up with Australia – consolidation of the UK retail base

  On-trade issues – barriers to growth – consideration of wine style – buyers sensitivity to retail brands – sommelier/ buyer knowledge
- Australian Production Issues – the recent surplus situation – over planting and over production of certain varieties– consolidation of the industry – the debate surrounding high alcohol wine styles – the emergence of cool climate styles
- UK consumer trends – the trend towards lighter styles (eg. Pinot Grigio) – the rise of the rosé category – concerns regarding elevated alcohol levels.

RESEARCH LITERATURE

Primary research to include:

- Discussions with key industry figures in the UK and Australia
- Fact finding trip to Australia
- Face to face interviews with industry figures in Australia
- Data collected from Australian visit
- Survey questionnaire of UK buyers and sales staff
- Post-survey Interviews with selected survey respondents

Secondary research to include:

- AC Neilson export, production and sales figures
- Interviews and articles in UK and Australian trade press
- Presentations from trade seminars and market research

Relevance to the wine industry (This should indicate the relevance of the research to the wine industry and, where appropriate, relevance to the candidate's current employer. (approximately 150 words.)

- To further the understanding of the needs and requirements of UK buyers across different market sectors
- To assess the relevance of, and opportunities for, Australian premium and regional wine within different UK market sectors
- To identify areas of need and opportunity in future education and marketing activities for both buyers and sales staff across the on and off-trade
- To identify the extent of agreement between Australian marketing strategy with UK buyer requirements

Research methodology (This section should provide details of the location of any field research, the techniques to be used, and any sampling strategies to be adopted. (approximately 300 words.)

Where possible reserch will be carried out with respect to the MRS code of conduct (Market Research Society)

STAGE 1

A consultation of key industry stakeholders in the Australian Industry carried out by semi-structured face to face interviews.

This will be conducted with the use of an interview discussion form with discussion headings to guide the conversations.

STAGE 2

Part 1. Define a suitable sample group of UK buyers and sales staff covering a range of market sectors. This will be a composed of a "convenient" sample group (as oppose to "true random") within different market sectors (off-traderegional independent, off-tradenational, on-trade London mid market, on-trade London Fine Dining, on-trade regional)

The use of a "convenient" sample group ensures a high rate of response

As this is an explorative (not definative) piece of research the limits of a "convenient" sample group are acknowledged.

Part 2. On-line Survey Questionnaire sent to sample group - quantitative research

This will employ the use of the following question types

Open; List; Category; Quantity; Grid and Scale (Likert 7 point)

This will be adjusted to suit the relevent market category (off-trade/ on trade) whilst retaining a core of key questons to enable valid empirical assessment

STAGE 3

Semi-structured interviews with selected UK survey respondents - qualitative research

This will be done by a combination of phone and face to face interviews

STAGE 4

Writing up - collate results, analyse, draw conclusions

Proposed time schedule/programme (This section should provide a summary of the time schedule for the research and writing of the dissertation and should indicate approximate dates for key events. (approximately 100 words.)

December 2006

Interviewing industry stakeholders and academics in Australia

January 2007

Interviewing Industry Stakeholders and Academics in the UK

February

Define sample group of UK buyers and sales staff and journalists

March

Prepare on-line survey questionnaire

April

Send out questionnaire

Receive and process questionnaire

Interview selected survey respondents

May and June

Write up and submit

10.4 UK TRADE QUESTIONNAIRE (CODEBOOK)

The UK trade questionnaire took the form of an on-line survey which was designed on excel spreadsheets and programmed using specialised software.
Because of this it is not possible to reproduce a copy that would fit onto an A4 word document page.
The only version that could be reproduced is a copy of the programmer's code book, which is included below.