

**Wine  
Australia  
providing  
insights  
on  
Australian  
Wine**

**Pinot Noir  
Symposium**

**July 2019**

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Insights

Wine Australia

# Presentation outline

Global context

Australian context

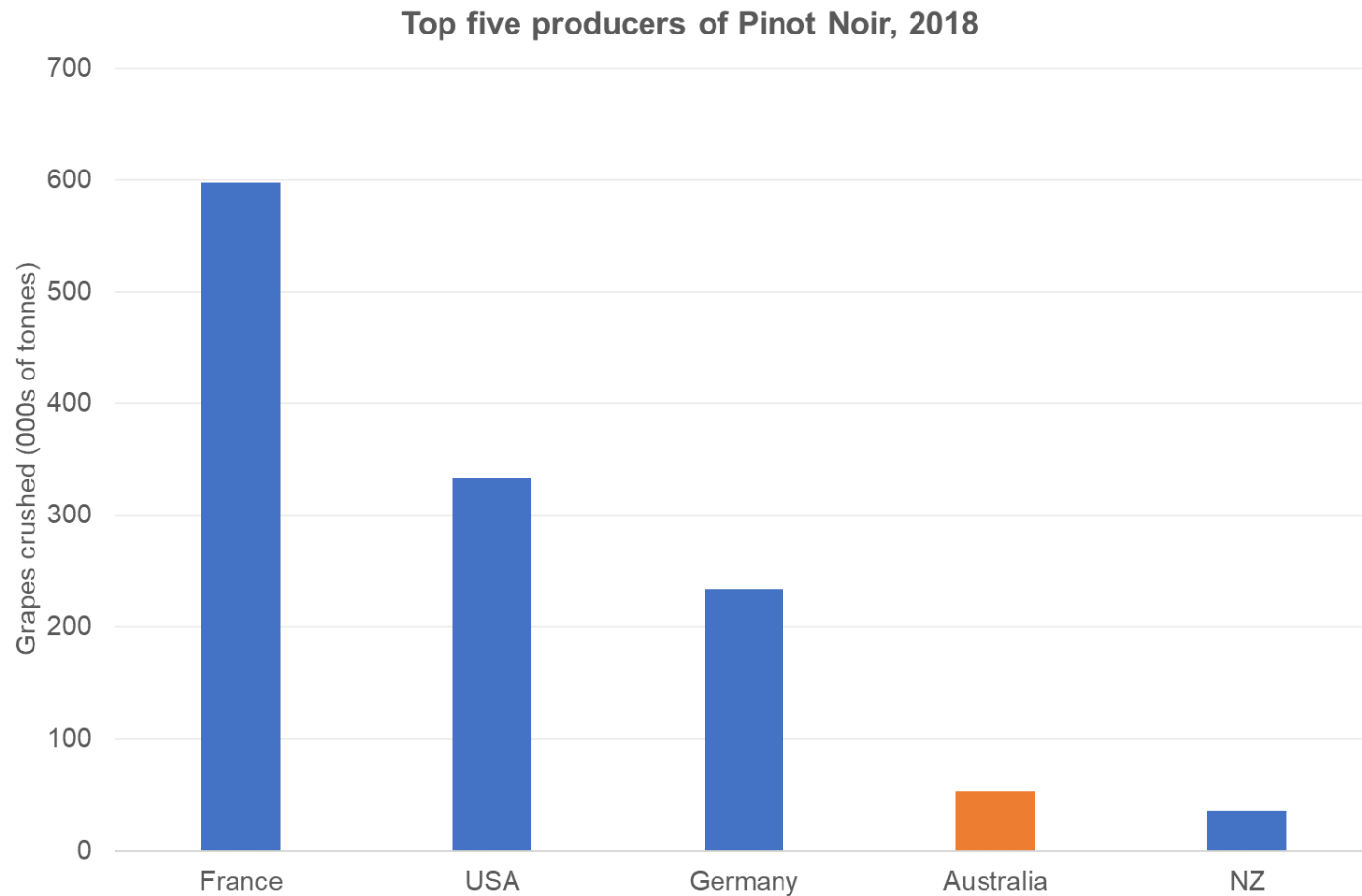
Domestic market trends

- Off-trade
- On-trade
- Broader consumer trends

Exports

Decanter World Wine Awards

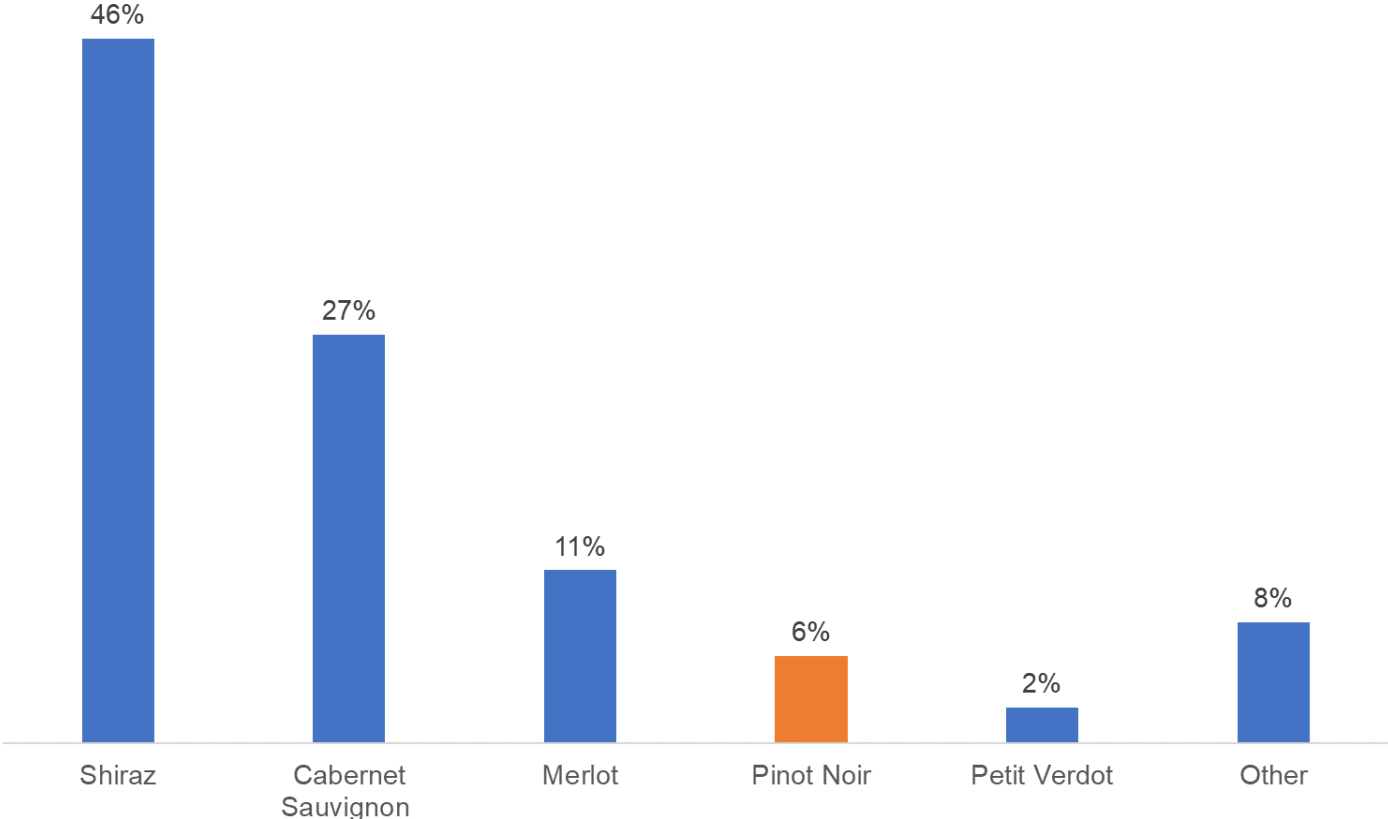
# Australia is the world's fourth biggest producer of Pinot Noir



Source: Various

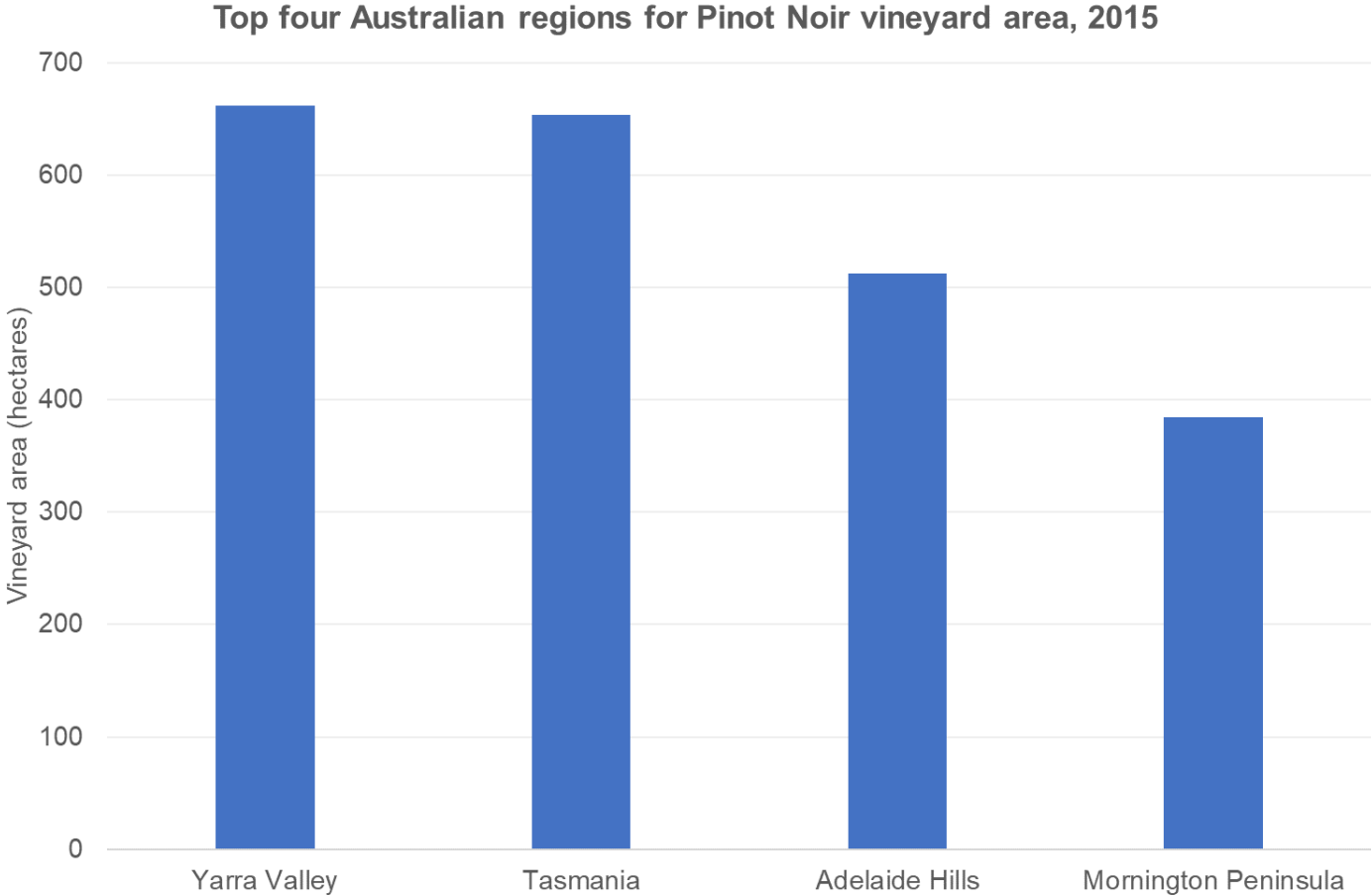
# Pinot Noir is Australia's fourth most crushed red variety

Top five red varieties crushed in Australia by share, 2018



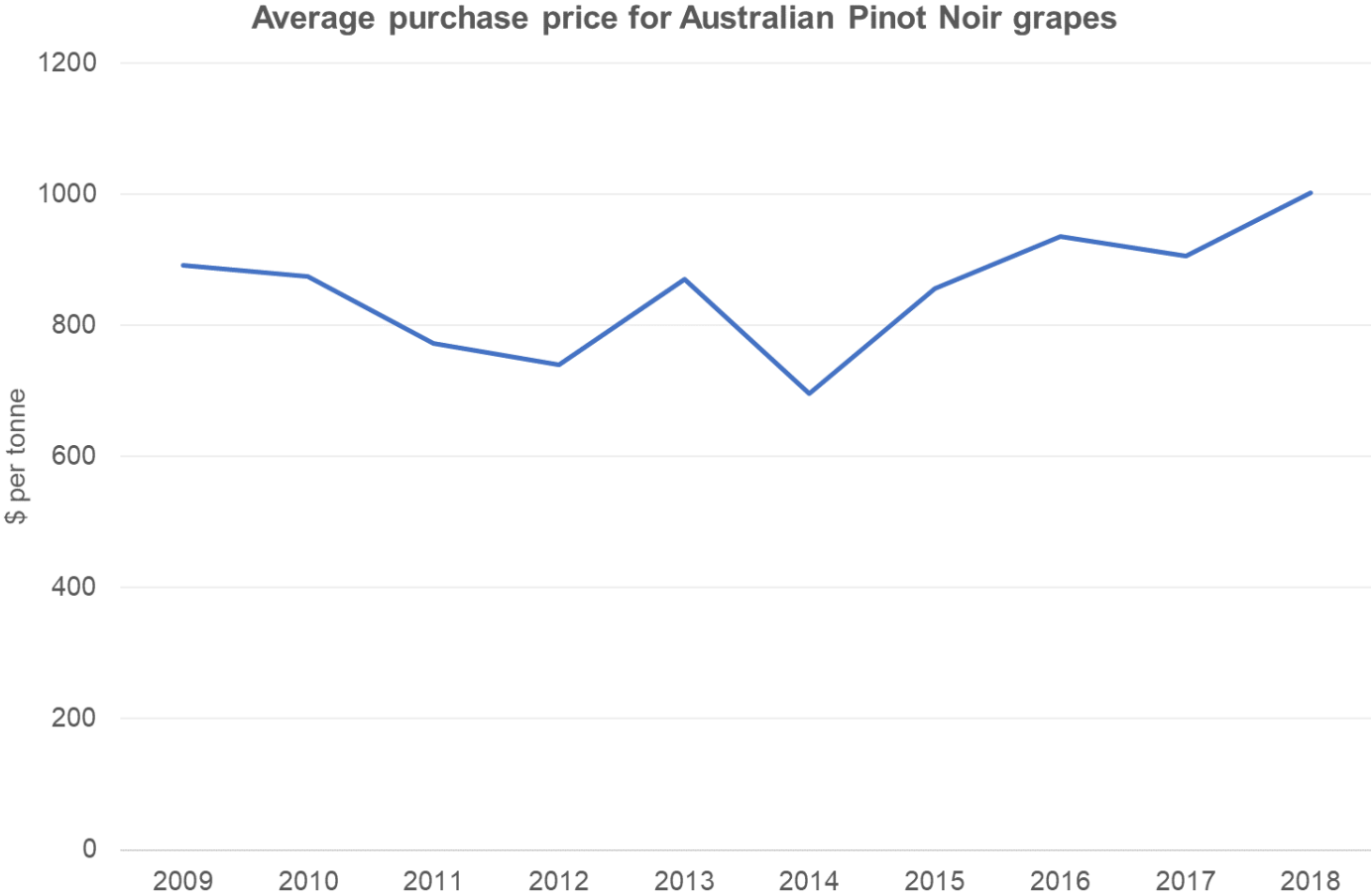
Source: Wine Australia

# Australian Pinot Noir dominated by four cool climate regions



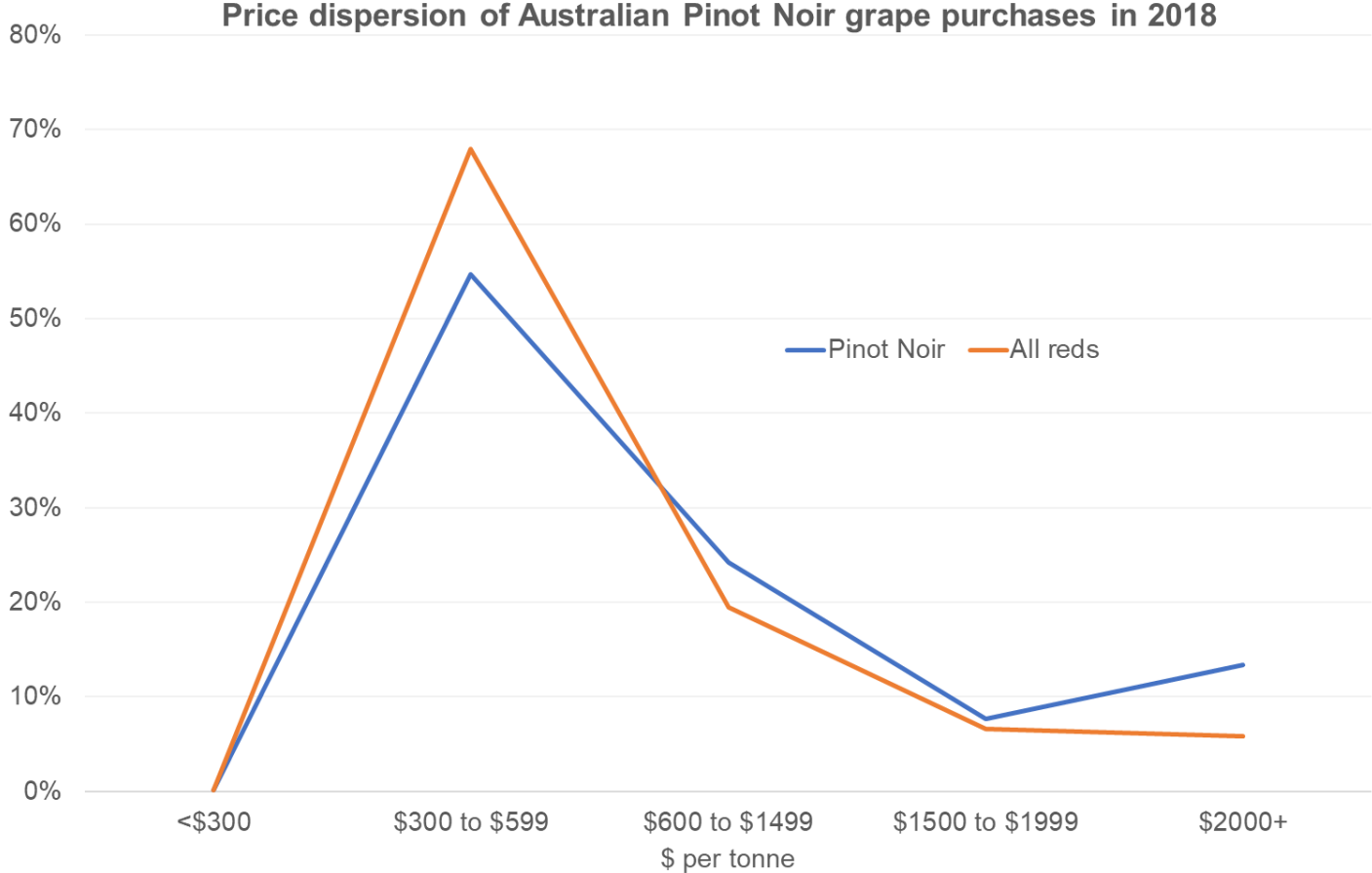
Source: Wine Australia

# Prices paid for Pinot Noir grapes on the rise



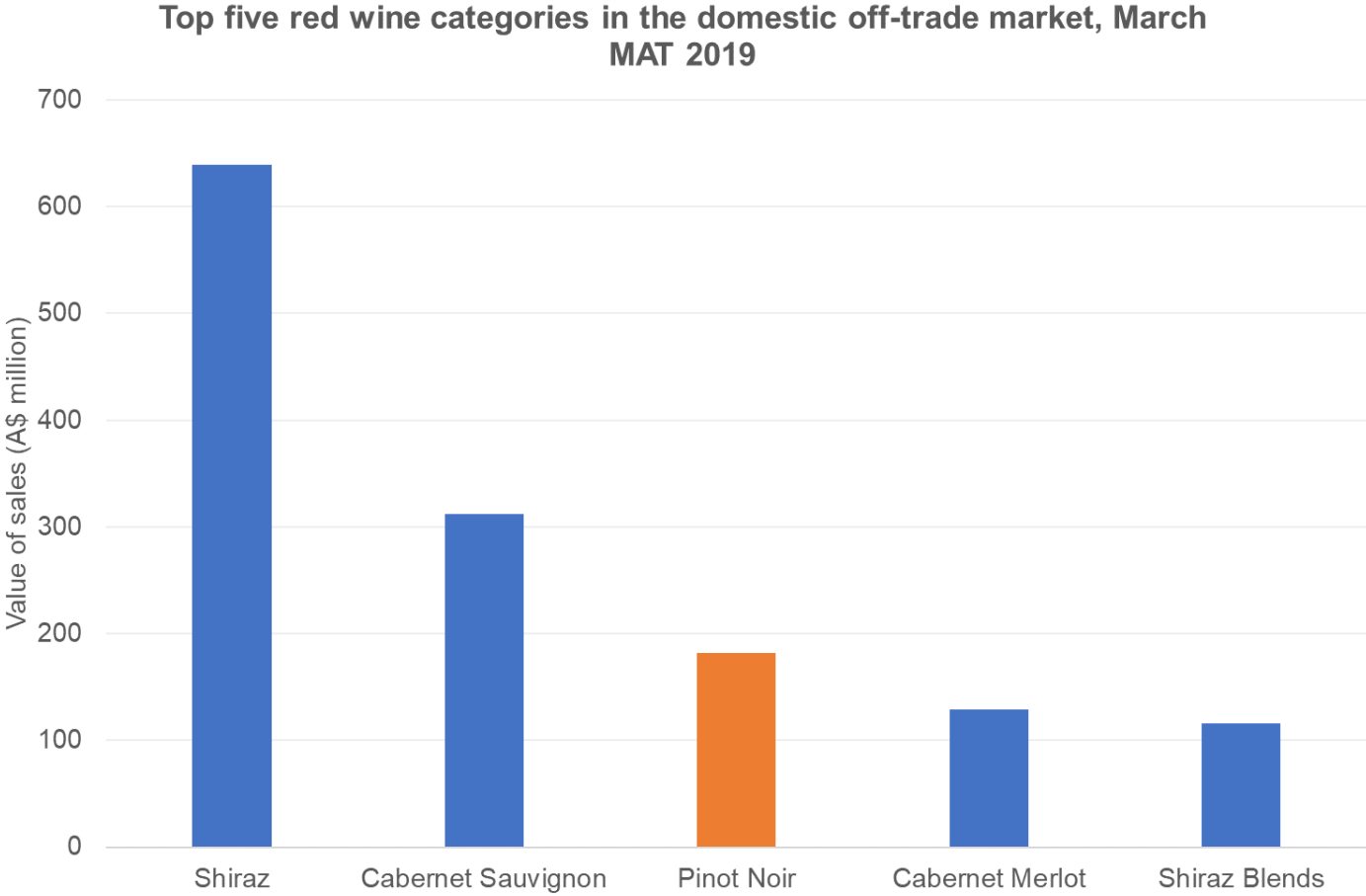
Source: Wine Australia

# Pinot Noir grapes more heavily weighted to premium end



Source: Wine Australia

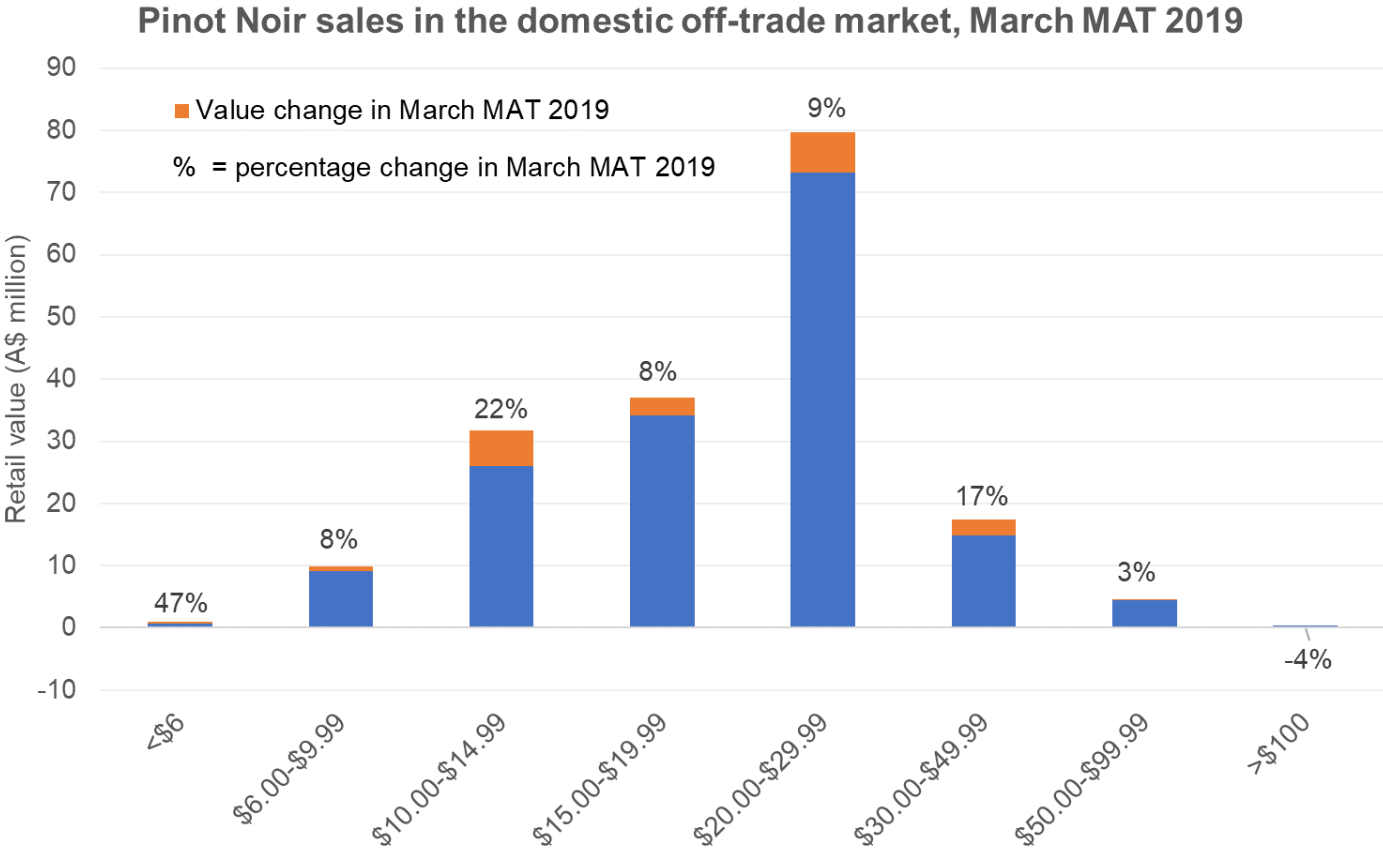
# Pinot Noir the third biggest selling red wine in the domestic off-trade market



Source: IRI MarketEdge






# Pinot Noir sales centred at \$20-30 in domestic off-trade market



Source: IRI MarketEdge

# Pinot Noir over-indexes in the domestic on-trade market

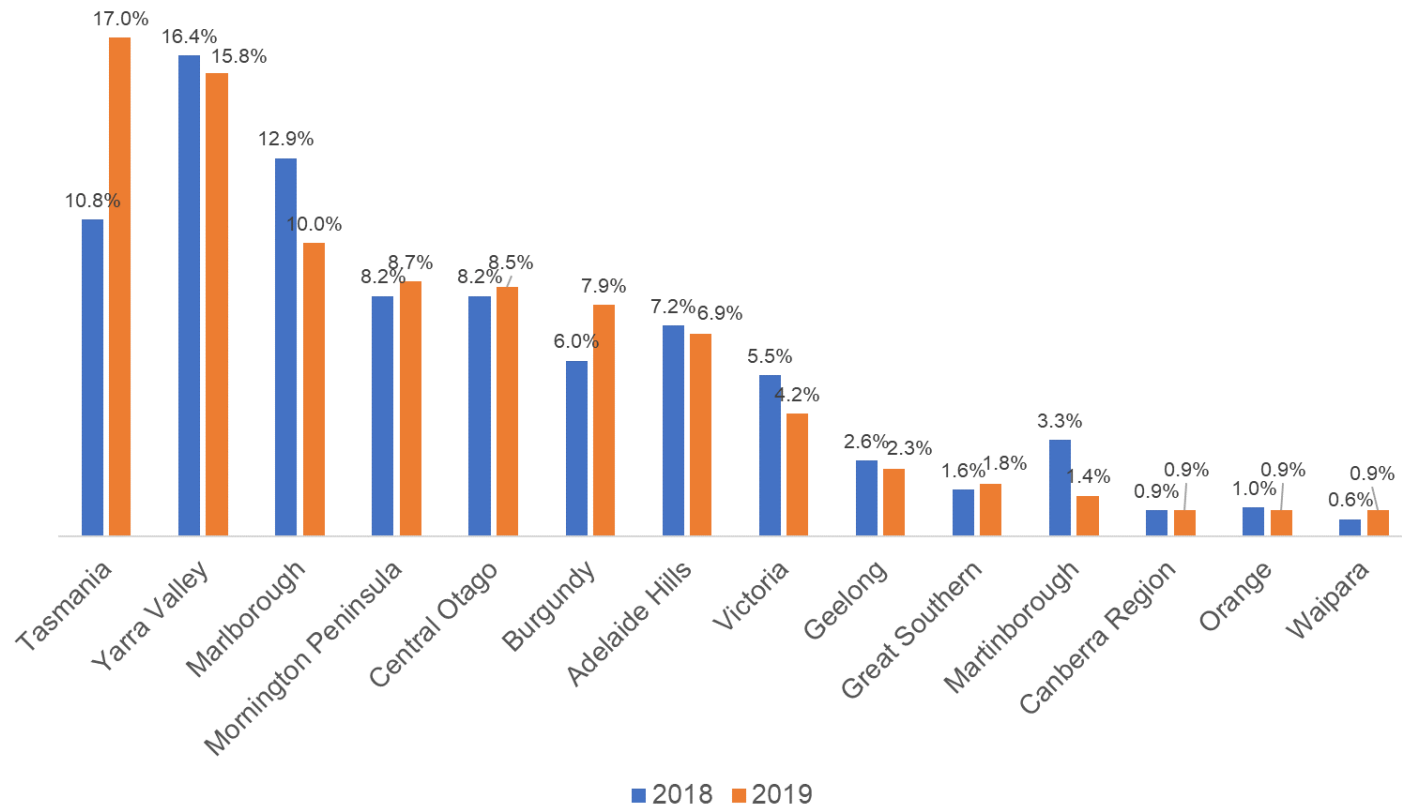
THREE MOST POPULAR VARIETALS  
IN VENUES

	BARS	RESTAURANT	PUB
1 	Chardonnay Pinot Meunier Pinot Noir	Pinot Noir	Sauvignon Blanc
2 	Pinot Noir	Sauvignon Blanc	Shiraz
3 	Sauvignon Blanc	Shiraz	Pinot Noir

Source: eBev

# Big jump in listings of Tasmanian Pinot in the on-trade

The most listed Pinot Noir producing regions in the the Australian on-premise



Source: Wine Business Solutions

# Broader consumer trends in the Australian market

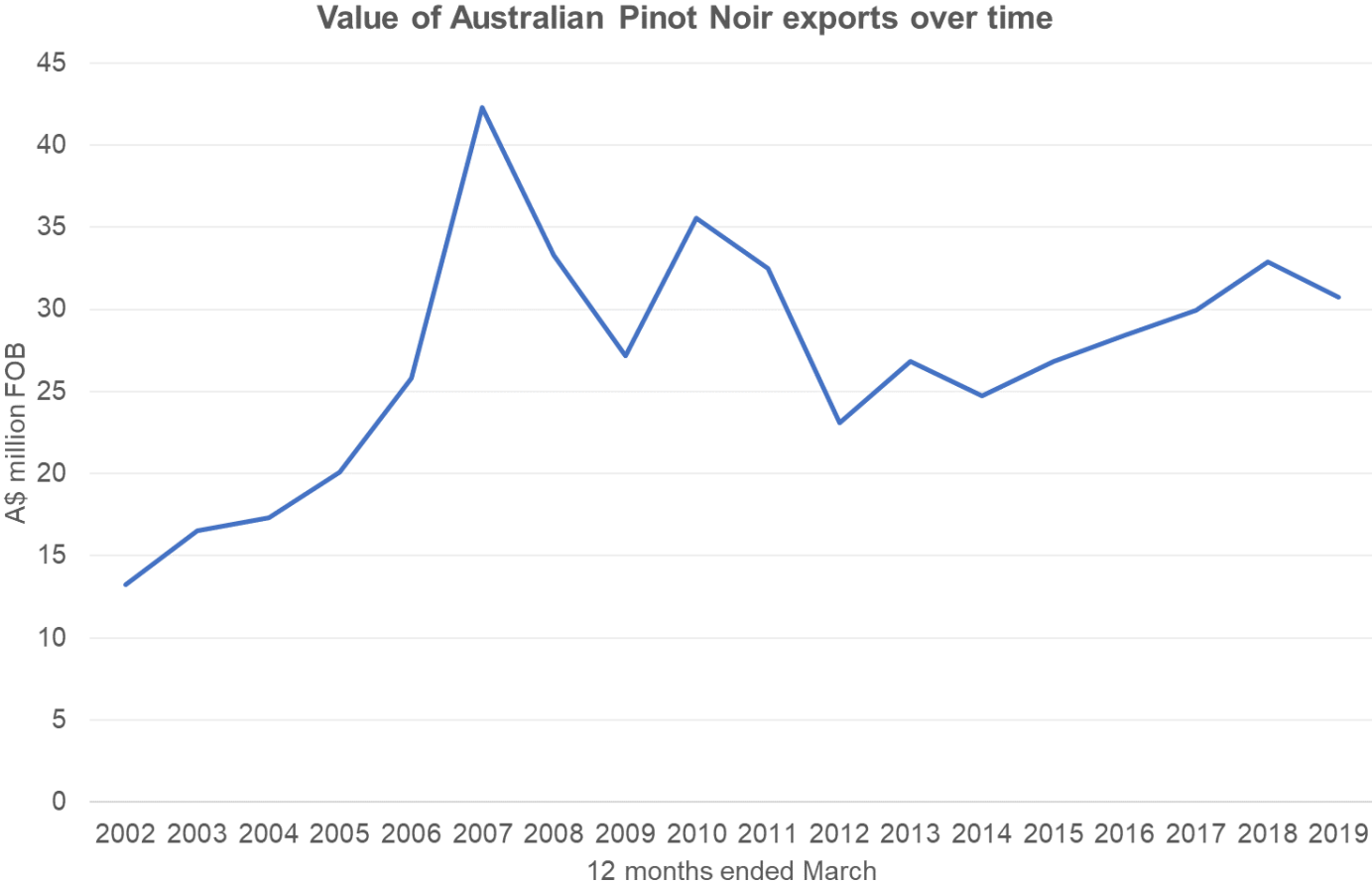
## Choice cues: Tracking

% who quoted the following as 'important' or 'very important' when selecting wine  
Base = All Australian regular wine drinkers (n>1,006)

Rank in 2018	Choice Cue	n=	2012	2017	2018	Long-term trend '12-'18	Short-term trend '17-'18
1	Grape variety		73%	78%	75%	→	↓
2	A brand I am aware of		70%	72%	68%	→	↓
3	The country of origin		56%	65%	62%	↑	→
4	Recommendation by friend or family		63%	64%	60%	→	↓
5	Wine that matches or compliments food		n/a	52%	60%	n/a	↑
6	Taste or wine style descriptions displayed on the shelves or on wine labels		n/a	60%	59%	n/a	→
7	The region of origin		54%	60%	58%	↑	→
8	Promotional offer		57%	61%	58%	→	→
9	Recommendations from shop staff or shop leaflets		35%	40%	40%	↑	→
10	Alcohol content		31%	37%	38%	↑	→
11	Appeal of the bottle and/or label design		29%	41%	36%	↑	↓
12	Recommendation by wine critic or writer		29%	33%	30%	→	↓
13	Whether or not the wine has won a medal or award		29%	33%	29%	→	↓
14	Recommendation by wine guide books		27%	29%	26%	→	↓

Source: Wine Intelligence

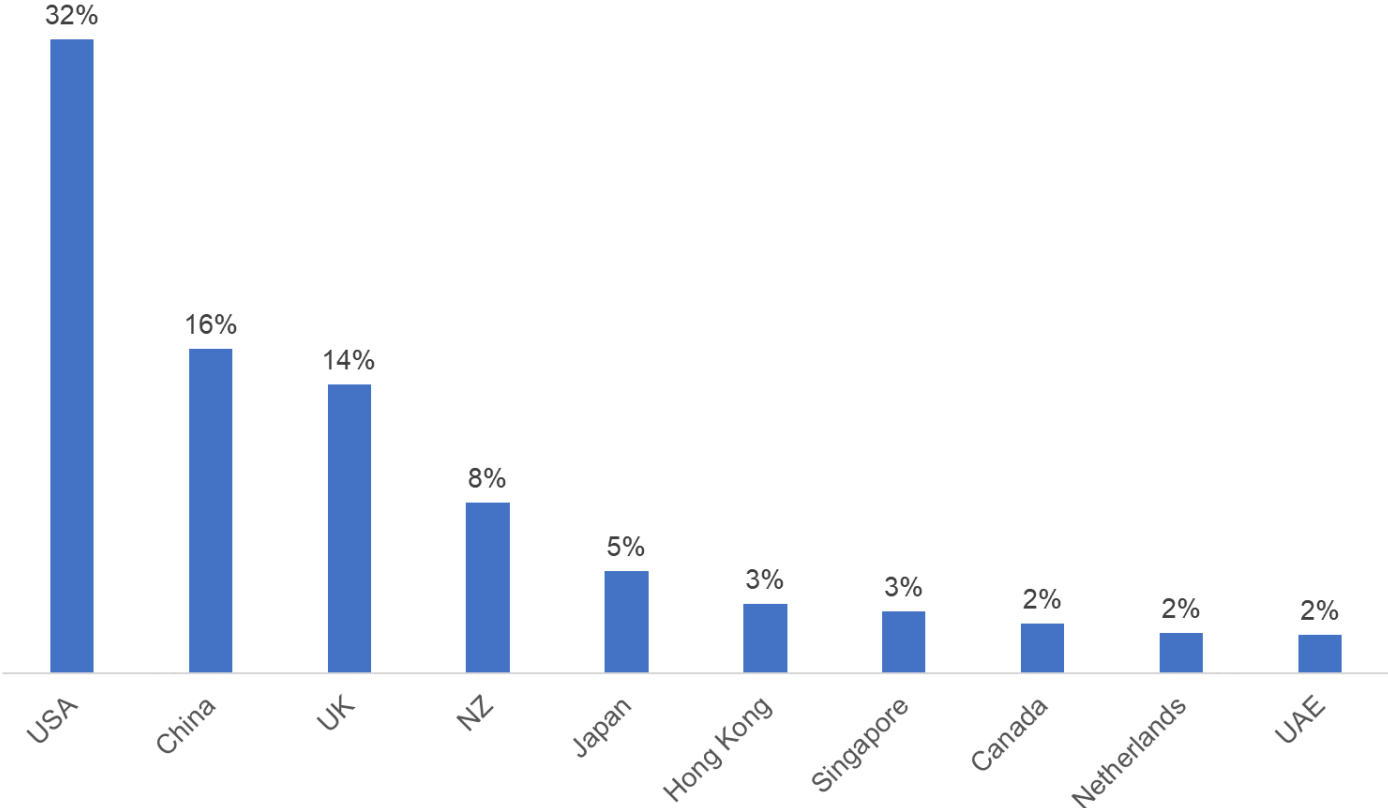
# Exports of Australian Pinot showing signs of recovery



Source: Wine Australia

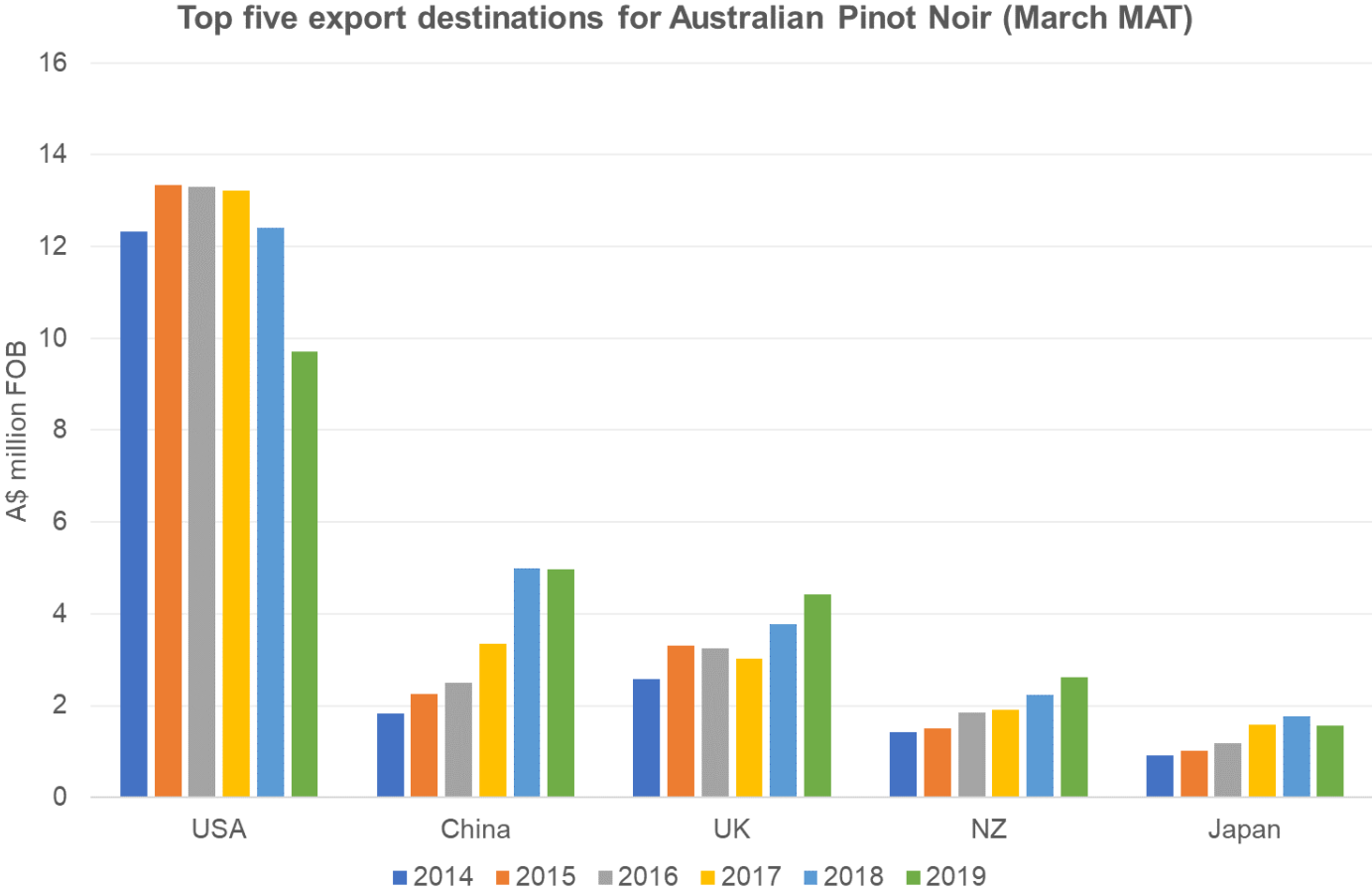
# USA is the biggest export market for Australian Pinot Noir

Top 10 export destinations for Australian Pinot Noir (March 19 MAT)



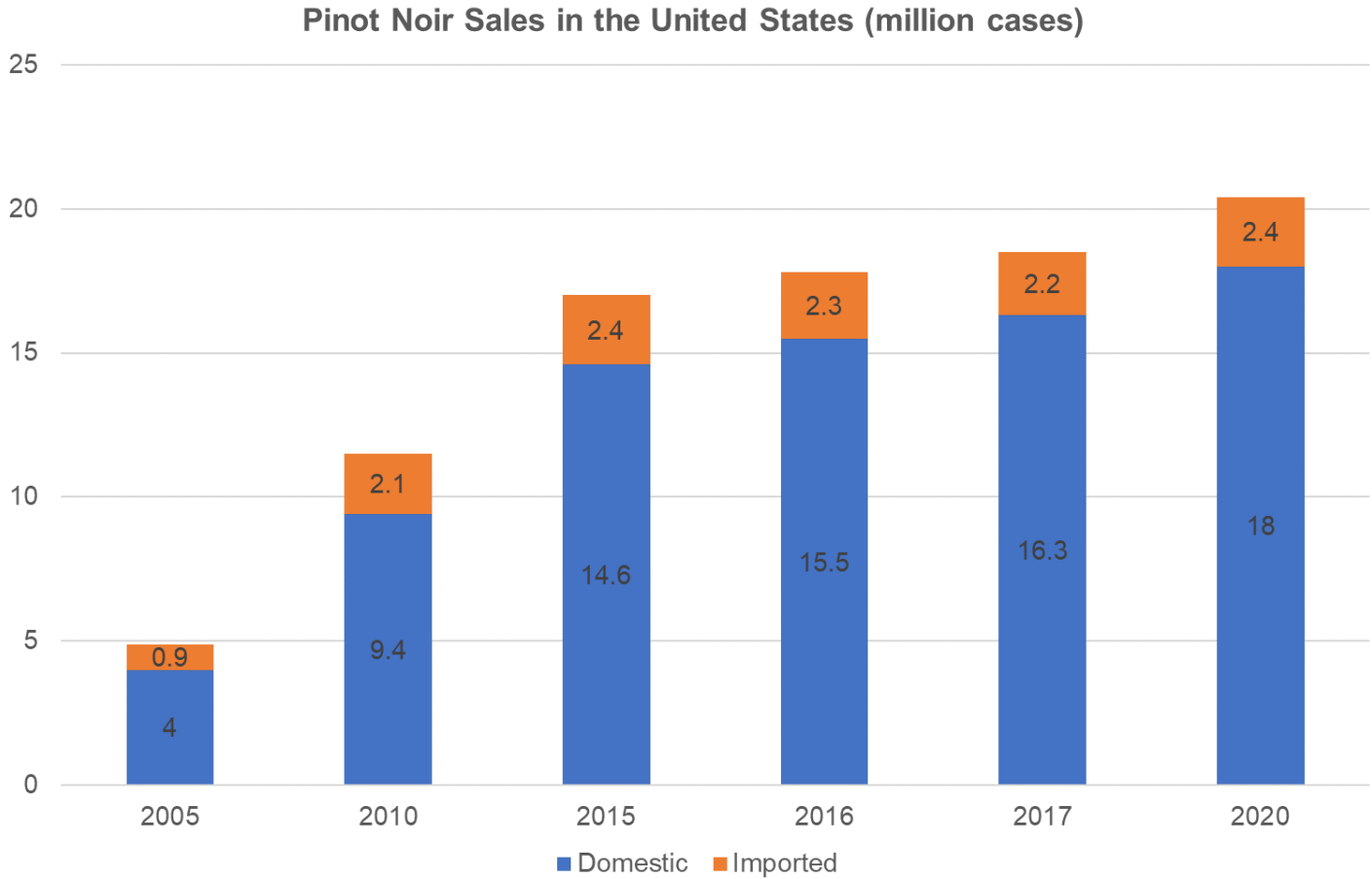
Source: Wine Australia

# USA exports in decline; growth to China, UK, NZ



Source: Wine Australia

# Pinot Noir is a growth driver in the US market

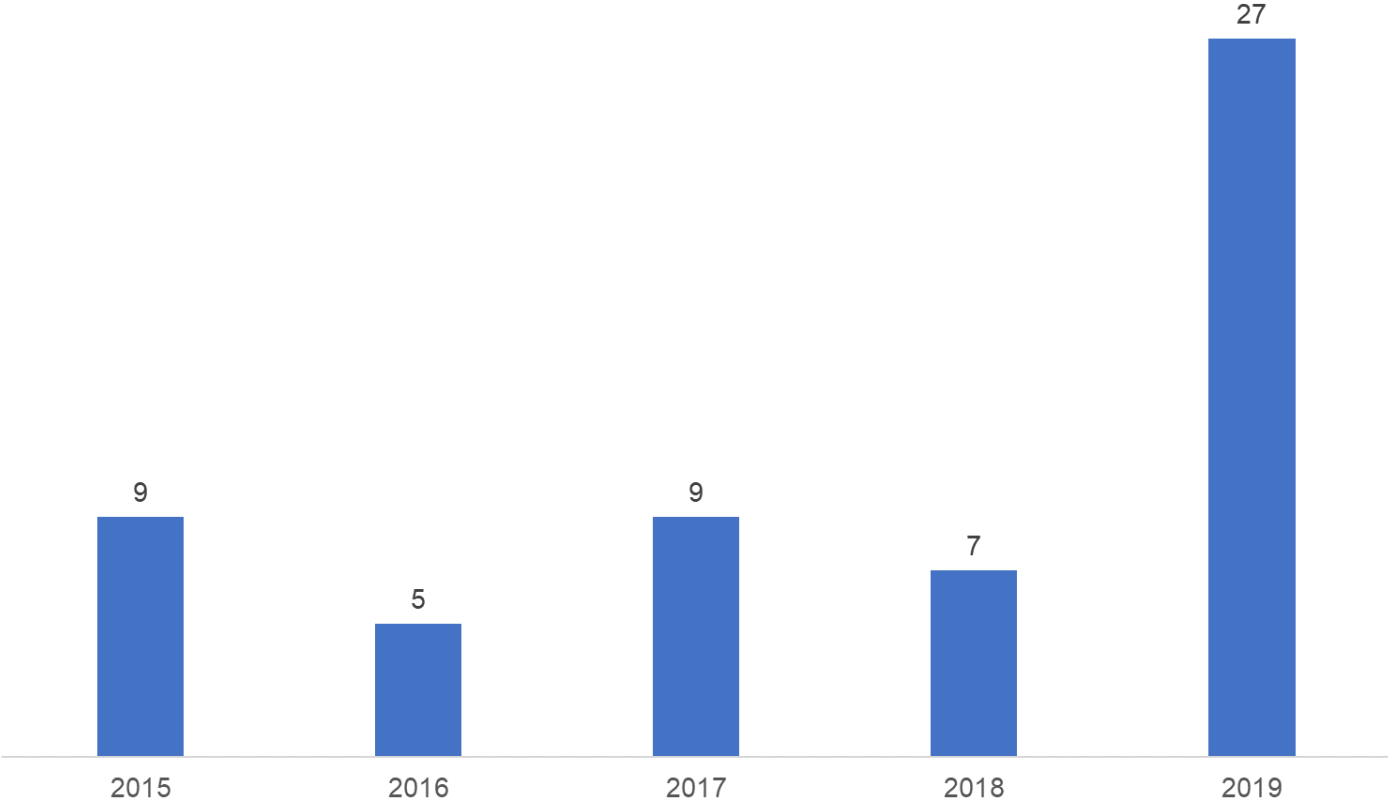


Source: 2018 Shanken's Impact Databank Review and Forecast



# Profile of Australian Pinot Noir improving internationally

Decanter World Wide Awards - Australian Pinot Noir scoring 90+ points



Source: Decanter World Wine Awards

# Summary

Australia is the world's fourth biggest producer of Pinot Noir

Australian Pinot Noir is dominated by cool climate regions

Pinot Noir grape prices are on the rise

The sweet spot in the domestic off-trade is at \$20-\$50

Increasing role of food in Australian culture is assisting growth in Pinot Noir sales, particularly in the on-trade

Exports of Pinot Noir are showing signs of recovery

There are opportunities in the most key markets, particularly in the US

The profile of Australian Pinot Noir is improving internationally