WINE CONSUMER REPORT

GERMANY 2018/19

Representative survey on purchase- and consumer behaviour for wine

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Foreword

The Institute for Wine and Beverage Business Research at the Geisenheim University deals intensively with "German wine drinkers" and "the German wine market". In order to collect reliable data on these topics, face-to-face representative surveys with 2,000 consumers have been conducted at regular intervals for 12 years. The results of previous studies have been published in various forms: scientific and practice-oriented articles, lectures and books. Starting this year, a summary of the 2018 results in the form of a 68-page final report will be available free of charge on the website of the Professorship of Market Research.

With the Geisenheim Wine Consumer Report we have developed an instrument which is unique due to its topicality, comprehensiveness and presentation of the results. In addition to the preferences, purchasing and consumption behaviour of German wine drinkers, questions such as the use of sales channels and the economic importance of subgroups (women vs. men, younger vs. older generations, etc.) are also analysed. Furthermore, special topics such as reasons for the rejection of Riesling, the use of social media channels, the characterisation of wine drinkers and non-wine drinkers are investigated.

We hope you enjoy reading and discovering and look forward to sharing the results of the 2020 survey (we are planning the next survey in two years) with you in the same way.

Yours sincerely,

Gergely Szolnoki

Content

Chapter 1

METHODS

Representative survey

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Survey period

- The fieldwork was carried out between 8th May and 5th June 2018.

Target group

- The basic population of this study includes men and women aged 16 and older (16 is the legal drinking age in Germany) in the Federal Republic of Germany.
- The total of this population is about 68,832,000 people living in private households (German-speaking population).
- From this, a representative sample of 2,063 persons was drawn.

Methods

- The data collection was carried out by GfK (Nuremberg). Methodologically this study is based on a quota sample. The quotas were calculated on the basis of official statistics (Microcensus 2016) and own calculations.
- For the determination of the respondents, the external employees of GfK SE received the characteristics gender and age of the respondents as well as occupation of the head of household and household size directly, the characteristics town/city size and federal state were indirectly specified.
- The questioning of the respondents was based on a structured questionnaire. The external employees of GfK SE had to follow the question formulation and the order of the questions.
- A total of 470 interviewers were involved in this investigation. For the interviewer an automated software was used, which ensures that no interviewer receives more than the number of interviewees set in the ISO certification.

Socio-demographic characteristics

	Official statistics (in %)	Respresentative survey (in %)	Number of respondents
Gender			
Male	49	49	1011
Female	51	51	1052
Age			
16-19 years	5	5	103
20-29 years	14	14	289
30-39 years	14	14	289
40-49 years	18	18	371
50-59 years	17	17	371
60-69 years	12	13	268
70+ years	18	18	372
Size of houshold			
1 person	23	23	489
2 persons	39	39	799
3 persons	17	17	349
4+ persons	21	21	426
Size of the town/ city			
Up to 4999 residents	14	14	289
5000 to 19999 residents	27	27	557
20000 to 99999 residents	28	28	578
100000+ residents	31	31	639
Basis	100	100	2063

The sample composition of the representative survey corresponds to the German population according to official statistics.

Socio-demographic characteristics

	Official statistics (in %)	Respresentative survey (in %)	Number of respondents
Profession of the head of household			
Worker	16	16	330
Employee	37	37	763
Civil servant	4	4	83
Self-employed/Farmer	9	9	186
Unemployed (pensioners, housewife/-househusband, in education, pupil, unemployed)	34	34	701
Federal state			
Schleswig-Holstein	3	3	62
Hamburg	2	2	41
Niedersachsen/Bremen	10	10	206
Nordrhein-Westfalen	22	22	454
Hessen	8	8	165
Rheinland-Pfalz/Saarland	6	6	124
Baden-Wuerttemberg	13	13	268
Bayern	16	16	330
Mecklenburg-Vorpommern	2	2	41
Sachsen-Anhalt	3	3	62
Brandenburg	3	3	62
Thueringen	3	3	62
Sachsen	5	5	103
Berlin	4	4	83
BASIS	100	100	2063

The sample composition of the representative survey corresponds to the German population according to official statistics.

Procedure - Subgroups

Analysis of consumption habits and calculation of consumption volume and value

The results of the survey were initially analysed using methods of descriptive statistics (frequency and mean). In addition, segments (homogeneous subgroups) were created and the results of these groups were presented, too.

Previous scientific papers (see Szolnoki and Hoffmann, 2014) have shown that the following variables are best suited to capture differences in purchasing and consumer behavior:

1) Gender
2) Age
3) Social class
4) Consumption frequency

Therefore, in this study the four listed variables were segmented and the subgroups compared.

Additional information:

a) As **consumption frequency** correlates strongly with involvement (interest in wine and knowledge about wine), this variable is used as a total indicator for the following properties:
   - Consumption frequency,
   - Interest in wine,
   - Knowledge about wine.

b) **Social class** was calculated using the following variables:
   - Net household income,
   - Occupation of the head of household and
   - School education of the head of household.

Social class thus sums up the characteristics income, occupation and education.

Subgroups – Description frequency

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	All respondents (%) N=2063	Wine drinkers (%) N=1181
GENDER		
Male	49	45
Female	51	55
AGE		
16-29 years	19	13
30-49 years	31	30
50-65 years	26	29
Older than 65 years	24	28
SOCIAL CLASS		
Upper class	31	36
Middle class	48	47
Lower class	21	17
CONSUMPTION FREQUENCY*		
Frequent drinkers	-	25
Occasional drinkers	-	23
Infrequent drinkers	-	52
TOTAL	100	100

A total of **1,181 respondents** have consumed wine in the last 12 months. This is the total population of wine consumers.

The table shows the composition of wine consumers for the five segmentation variables that will be used for group comparison later in the study.

* Consumption frequency was calculated as follows:

1) Frequent drinkers – those who drink wine several times or once a week;
2) Occasional drinkers – those who drink wine 2-3 times or once a month;
3) Infrequent drinkers – those who drink wine less than once a month.

Statistical analyses

Applied statistical methods

The statistical analysis of the results was done using SPSS 24.0 (IBM) software.

The following analysis methods were used for the study:

- Frequency (non-metric scaled data, mostly in % of respondents);
- Mean (metric scaled data, in % or average for questions with scale);
- Median (metric scaled data, calculating the median value, e.g. number of online orders);
- Crosstab (non-metric scaled data, in % of rows or columns);
- Chi-square or Cramer-V test (non-metric scaled data, statistical test for crosstabs);
- One-factorial analysis of variance (metric scaled data, Tukey-B post-hoc test). The results of ANOVA were marked with letters (a, ab, b, bc, c, etc.). Different single letters indicate a significant difference (e.g. a differs significantly from b but not from ab).

Representativeness and extrapolation

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Representativeness and transfer of results to the total population

The representative survey allows us to transfer the results to the total population. This means that for questions for all respondents the results are transferred to a population of 68,832,000 persons (German population aged 16 and above – legal drinking age). For questions only for wine drinkers we calculate with a total population of 39,324,000 persons (57% of the population aged 16 and above who drink wine at least once a year).

Extrapolation of the results to the whole wine market

Although the market observation system works well in Germany, there are still statistics and values which cannot be determined directly on the basis of the data collected or which, for various reasons, should be calculated on a different basis. Two typical examples are the use of shopping locations and the associated importance of sales channels as well as the economic importance of different subgroups divided by gender, age, social class and consumption frequency.

In this report, an attempt was made to map the overall wine market on the basis of information provided by end customers. This approach models the market from the demand side. Since projections always include theoretical figures and quantities, it must be fairly admitted that they are estimates that may deviate from reality. However, it must be added that in cases where reality cannot be mapped at all, one can only work with extrapolations and models.

Chapter 2

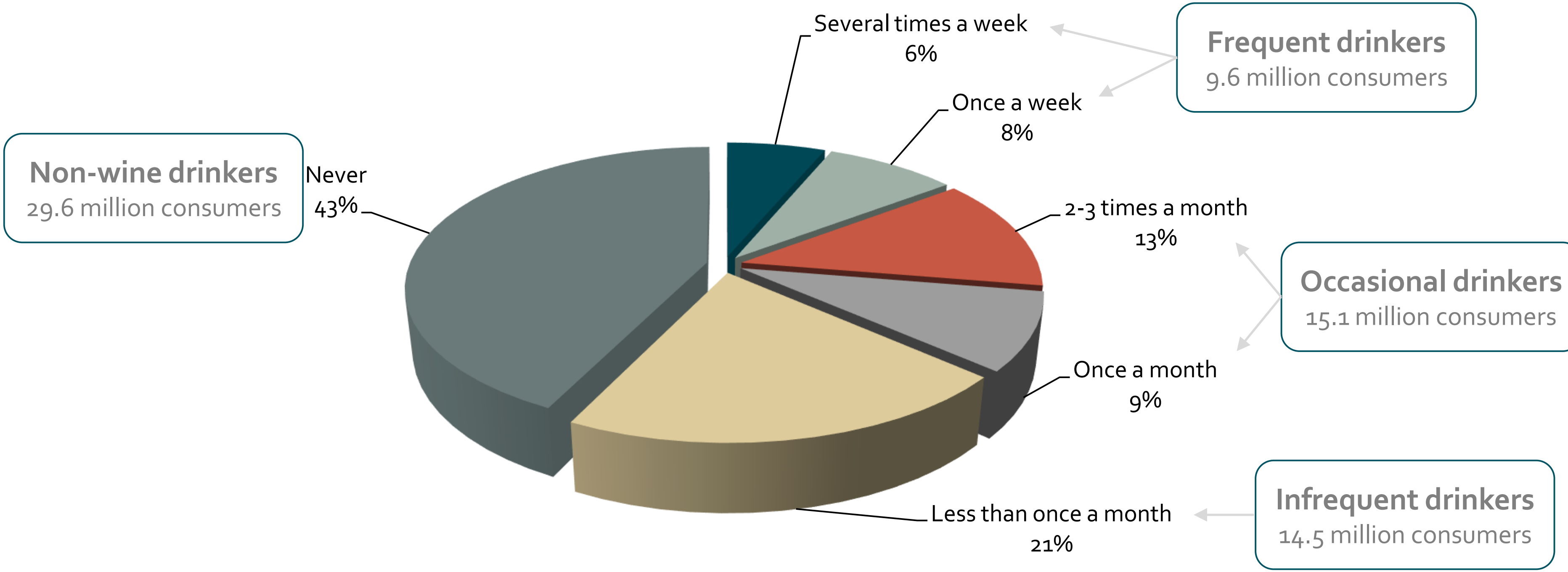
CONSUMPTION FREQUENCY

Consumption frequency – **Still wine**

Wine consumption

In % of the respondents

Basis: All respondents (n=2063)



- The proportion of non-wine drinkers has not changed in recent years - it is about 40%.
- The number of frequent, occasional and infrequent drinkers has also remained stable compared to the results of the 2014 and 2016 surveys.
- Assuming that the total population is 68,832,000 persons in private households, the exact group size of the segments can be calculated: frequent drinkers 9.6 million, occasional drinkers 15.1 million, infrequent drinkers 14.5 million and non-wine drinkers 29.6 million consumers.

Wine consumption weighted by volume

Wine consumption - Volume

In % of the respondents

Basis: All respondents (n=2063)

Consumption frequency	Frequency	Percent	Representative for…	Consumption liter/year*	Consumption of the segment liter/year	Share of the consumption
Several times a week	130	**6%**	4,337,450	120	520,494,038	**37%**
Once a week	173	**8%**	5,772,145	65	375,189,452	**27%**
2-3 times a month	266	13%	8,875,091	35	310,628,173	22%
Once a month	183	9%	6,105,795	16	97,692,727	7%
Less than once a month	429	21%	14,313,586	7	100,195,102	7%
Never	882	43%	29,427,932	0	0	0%
Total	2063	100%	68,832,000		1,404,199,492	100%

* Per-capita consumption was estimated based on the total consumption volume of 14.5 million hl.

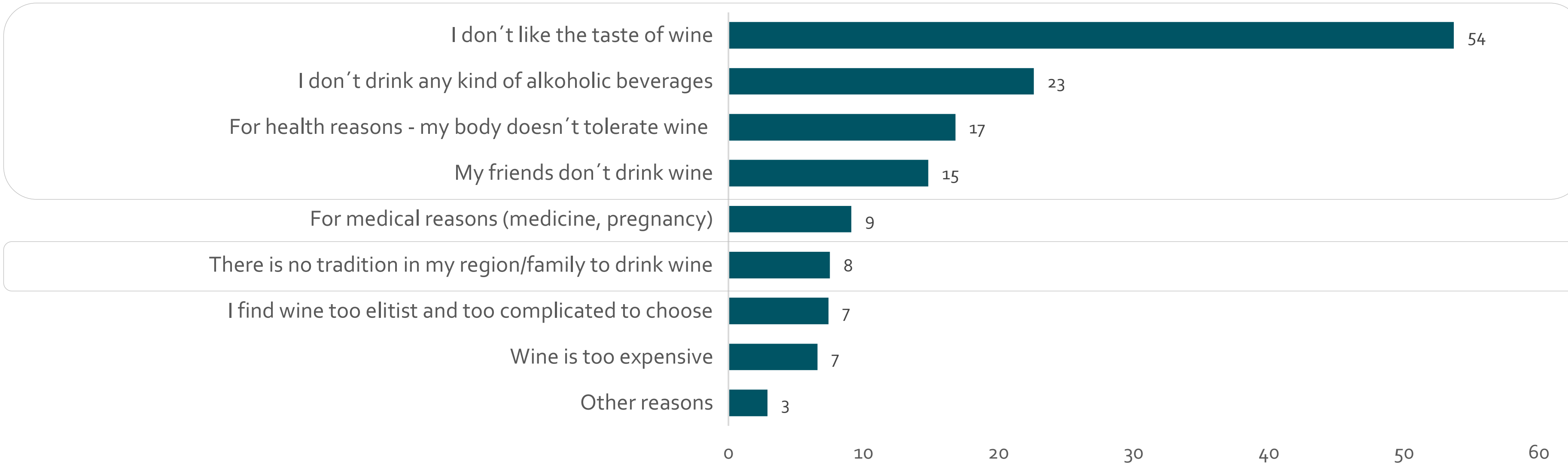
- Frequent drinkers (segment size = 14%) consume 64% of the total volume, while occasional drinkers (segment size = 22%) consume 29% and infrequent drinkers (segment size = 21%) only 7%.
- This strong concentration of the market is not uncommon and can also be observed in other European countries.

Reasons for non-wine drinking

Reason

In % of the respondents

Basis: Only non-wine drinkers (n=806; survey 2016)



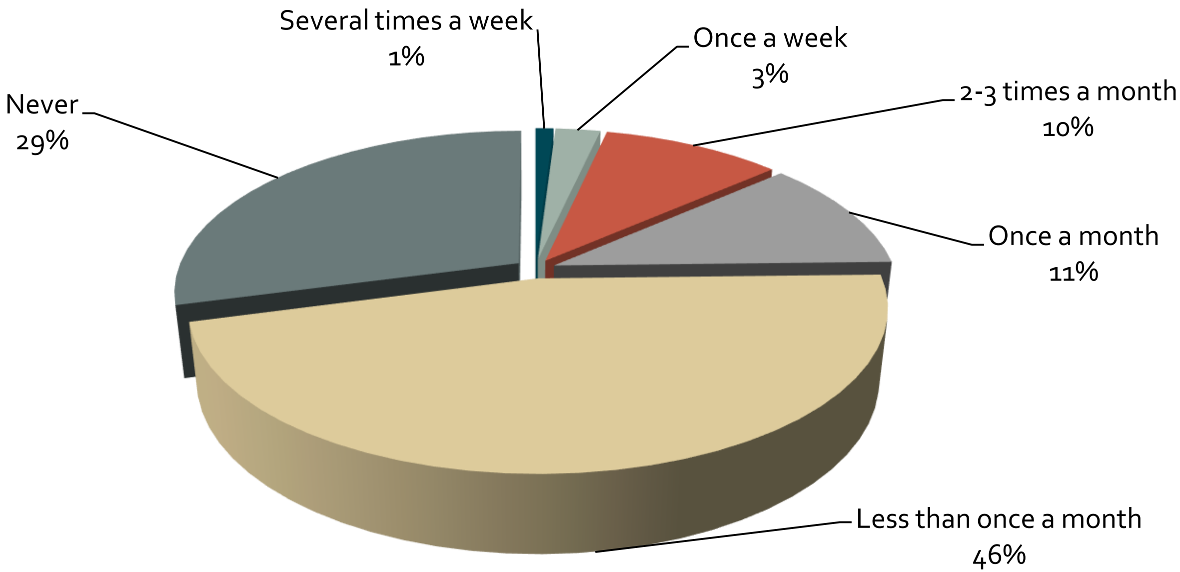
- Every second non-wine drinker named the taste of wine as reason for rejecting wine consumption.
- One in four non-wine drinkers generally does not drink alcoholic beverages at all.
- 17% of non-wine drinkers argued with intolerances such as acidity or alcohol in wine.
- Another 23% (15% + 8%) mentioned lack of tradition and consumption of wine in the circle of friends, in the region or family.

Consumption frequency – **Sparkling wine**

Sparkling wine consumption

In % of the respondents

Basis: All respondents (n=2063)



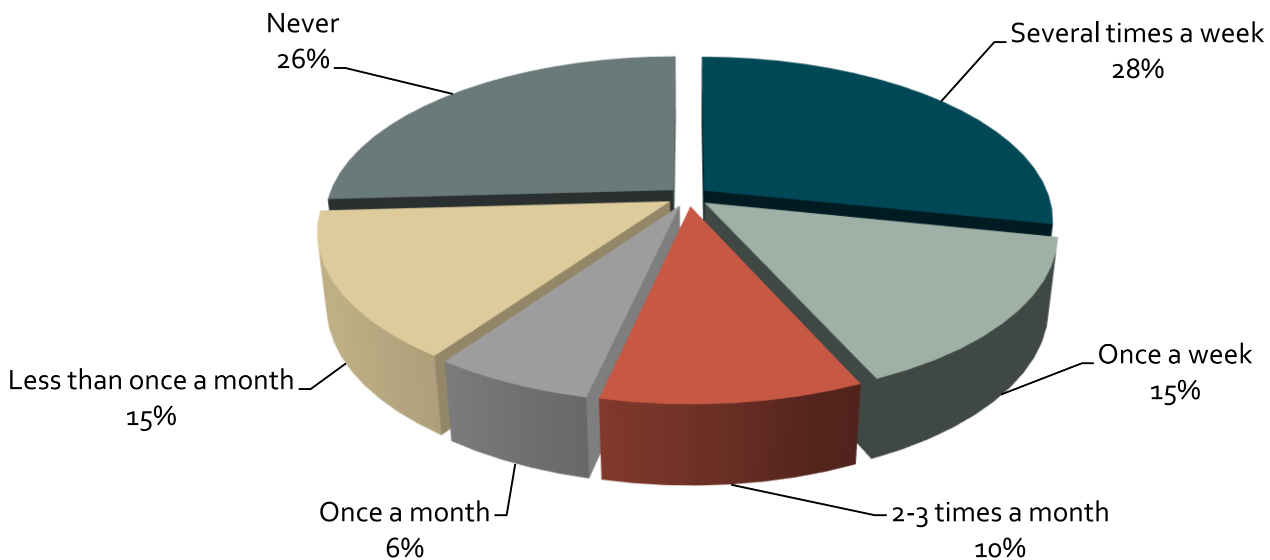
- The share of non-sparkling wine drinkers is 29%. In Germany, significantly more people consume sparkling wine (48 million) than still wine (39 million) at least occasionally. The proportion of infrequent drinkers (46%) is significantly higher than that of still wine. This makes sparkling wine a special occasion drink that is regularly consumed only by a small segment (1% + 3%).

Consumption frequency - **Beer**

Beer consumption

In % of the respondents

Basis: All respondents (n=2063)



- Nearly every second person in Germany (43%) drinks beer at least once a week. This corresponds to a consumer group of 29.6 million people aged 16 and above.
- The rejection of beer as an alcoholic beverage is 26%.

Chapter 3

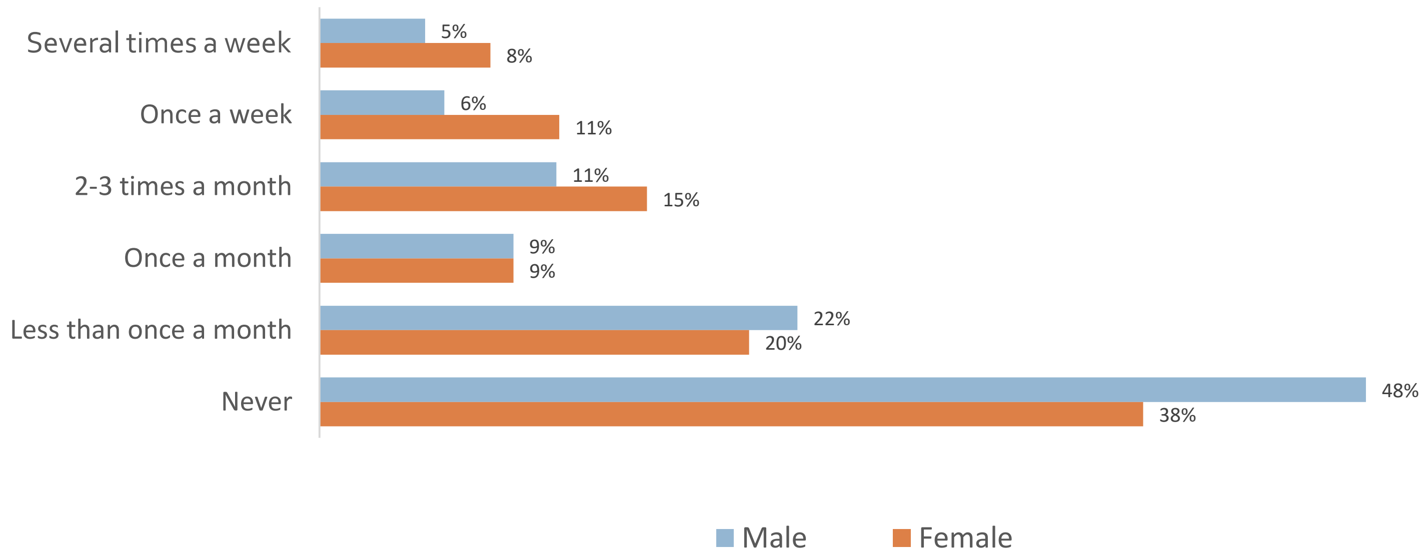
WINE DRINKERS VS. NON-WINE DRINKERS

Consumption frequency – **Still wine**

Gender

In % of the respondents

Basis: All respondents (n=2063)



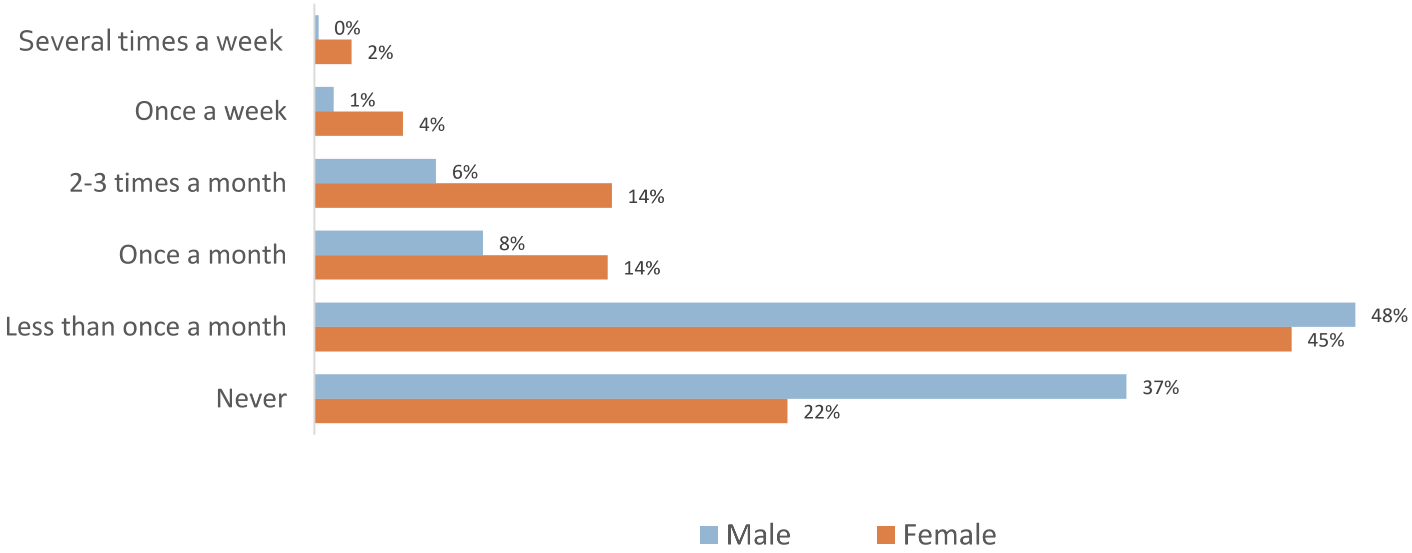
- In the first three frequency groups (several times a week, once a week, 2-3 times a month), the proportion of women is significantly higher.
- This means that women also consume more wine than men.
- Compared to the results of 2012, 2014 and 2016, there is an increase in regular female wine drinkers.

Consumption frequency – **Sparkling wine**

Gender

In % of the respondents

Basis: All respondents (n=2063)



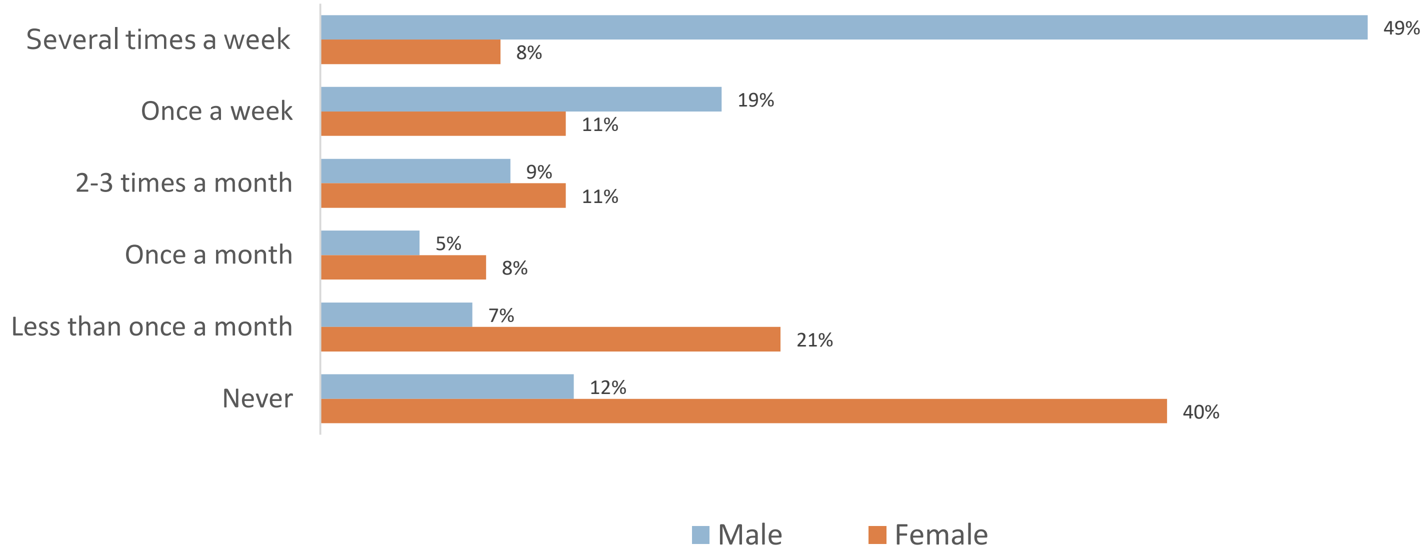
- We see a similar pattern in the consumption of sparkling wine: women drink sparkling wine more often than men.

Consumption frequency – **Beer**

Gender

In % of the respondents

Basis: All respondents (n=2063)



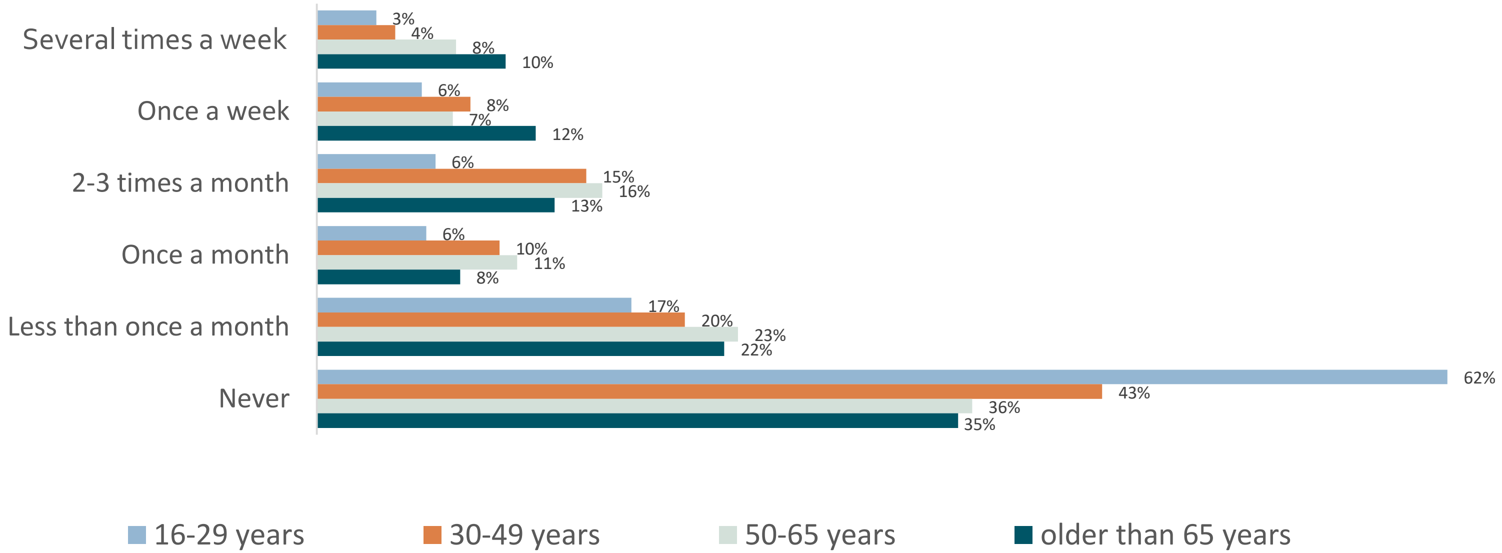
- When it comes to beer consumption, men are clearly ahead - both in the share of beer drinkers (see category "never") and in the quantity of beer consumed (see category "several times a week").

Consumption frequency – **Still wine**

Age

In % of the respondents

Basis: All respondents (n=2063)



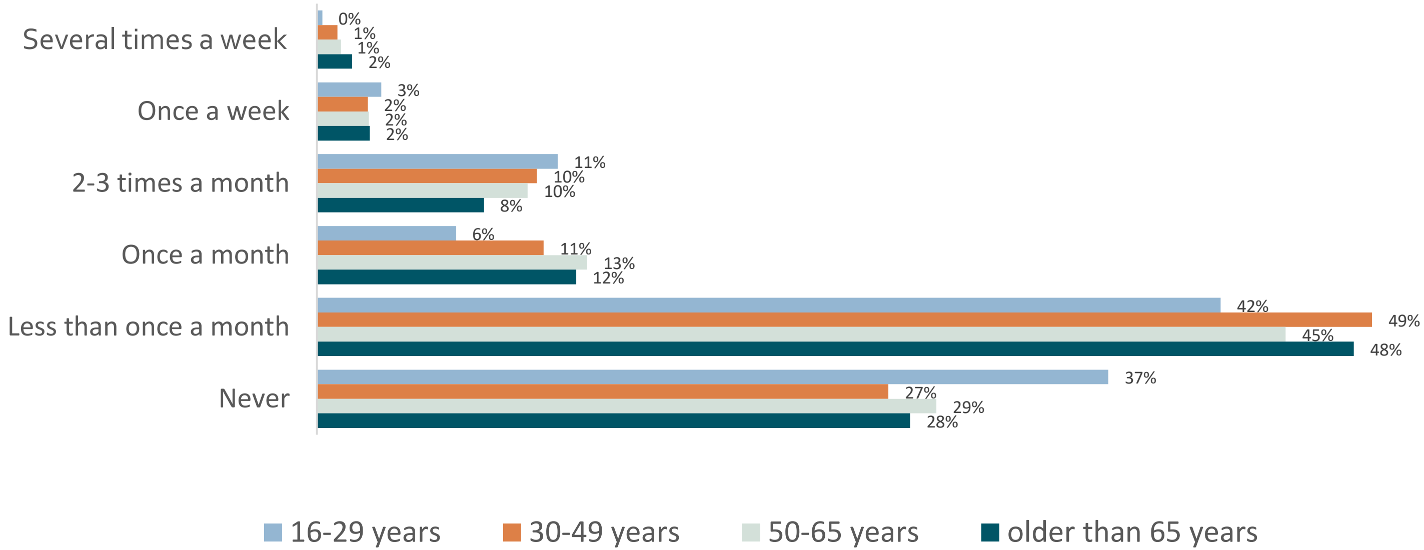
- Age still seems to be one of the most important factors that significantly influences the frequency and quantity of wine consumption.
- The correlation between age and intensity of wine consumption is positive - with increasing age wine consumption increases, too.
- Consumers from the two oldest segments (50-65 years, older than 65) consume more frequently and more wine than the younger generations. This again shows the influence of age on wine consumption.

Consumption frequency – **Sparkling wine**

Age

In % of the respondents

Basis: All respondents (n=2063)



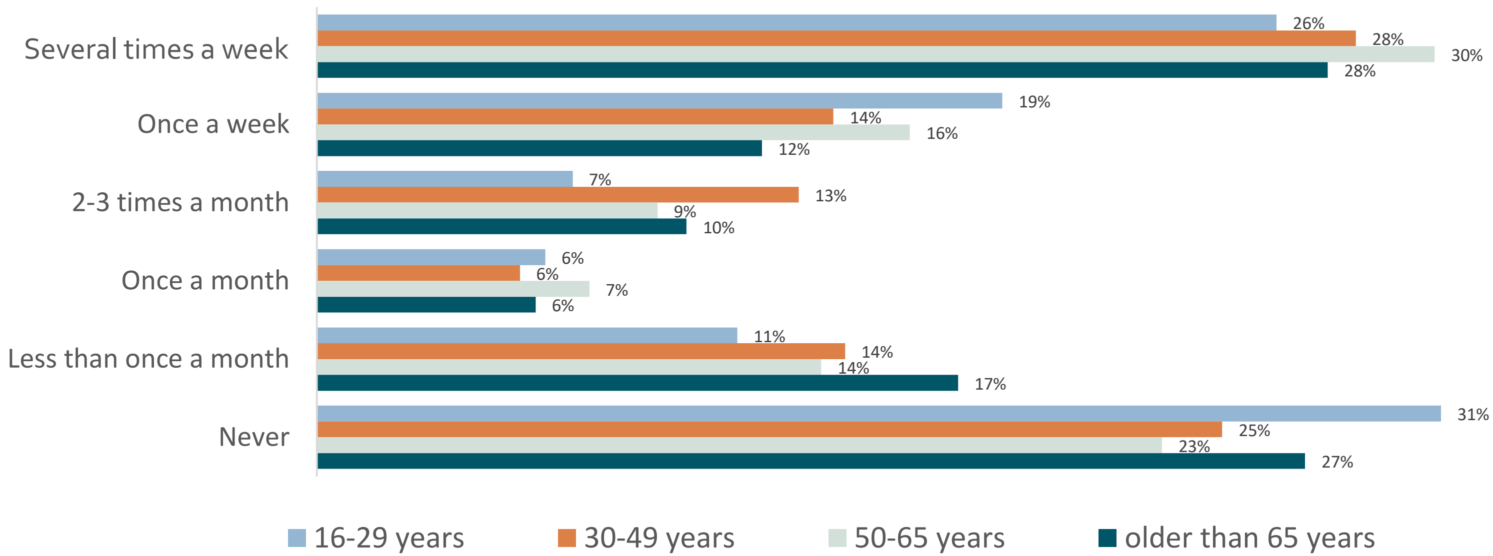
- When it comes to sparkling wine, the difference between the younger and older segments is not as big as in the case of still wine.
- The younger generations (16-29 years, 30-49 years) consume sparkling wine more often than still wine.

Consumption frequency – **Beer**

Age

In % of the respondents

Basis: All respondents (n=2063)



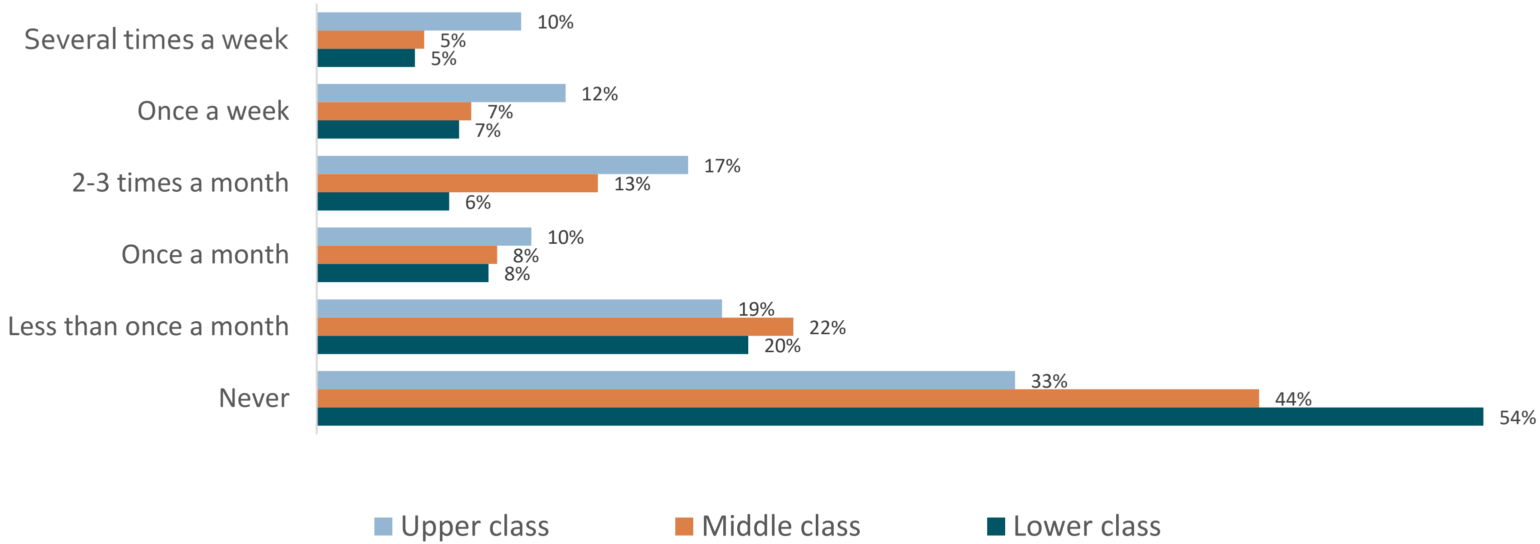
- With respect to beer consumption, it can also be stated that age groups do not show great differences in terms of consumption frequency.
- More than 2/3 of respondents of all age groups consume beer at least less than once a month.

Consumption frequency – **Still wine**

Social class

In % of the respondents

Basis: All respondents (n=2063)



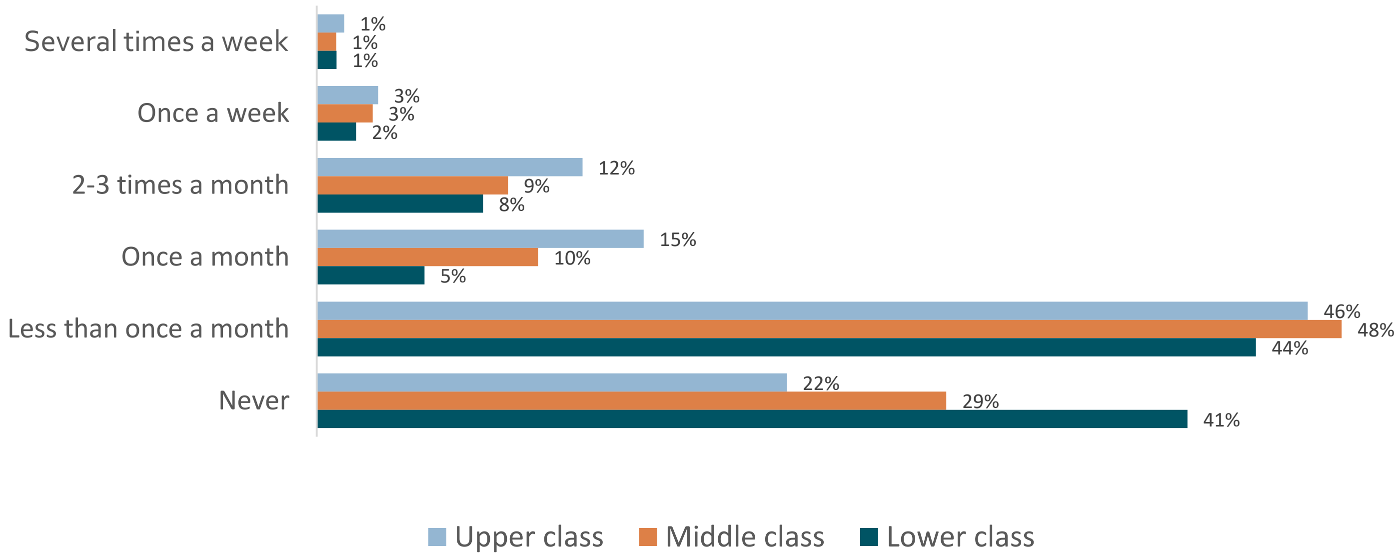
- The variables "education, current occupation and salary" also strongly influence the consumption of wine.
- The share of upper class wine drinkers is 67%, while in the middle class 56% and in the lower class only 46% consume wine.
- In the first three frequency categories, upper class consumers have a significantly higher share.
- The consumption frequency of the upper class also signals a significantly higher consumption volume compared to the other two segments.

Consumption frequency – **Sparkling wine**

Social class

In % of the respondents

Basis: All respondents (n=2063)



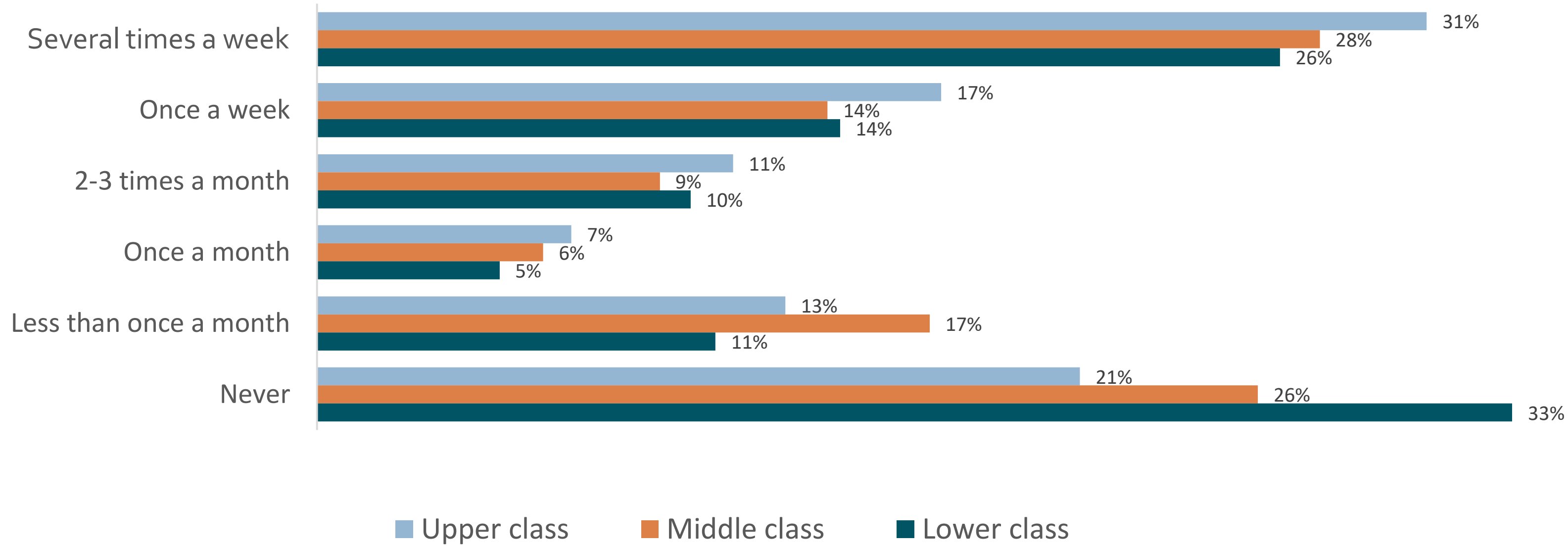
- The consumption of sparkling wine and still wine of the social classes are similarly structured - the proportion of the upper class in the first four frequency categories is much higher.
- Although more consumers from the middle and lower classes drink sparkling wine than still wine, the proportion of sparkling wine drinkers in the upper class is significantly higher.

Consumption frequency – **Beer**

Social class

In % of the respondents

Basis: All respondents (n=2063)



- Surprisingly, the upper class in the first four frequency categories is also ahead in terms of beer consumption, although the difference is not as big as in the case of still wine.
- It is noticeable that the proportion of non-beer drinkers is 1/3 in the lower class, 1/4 in the middle and only 1/5 in the upper class.

Chapter 4

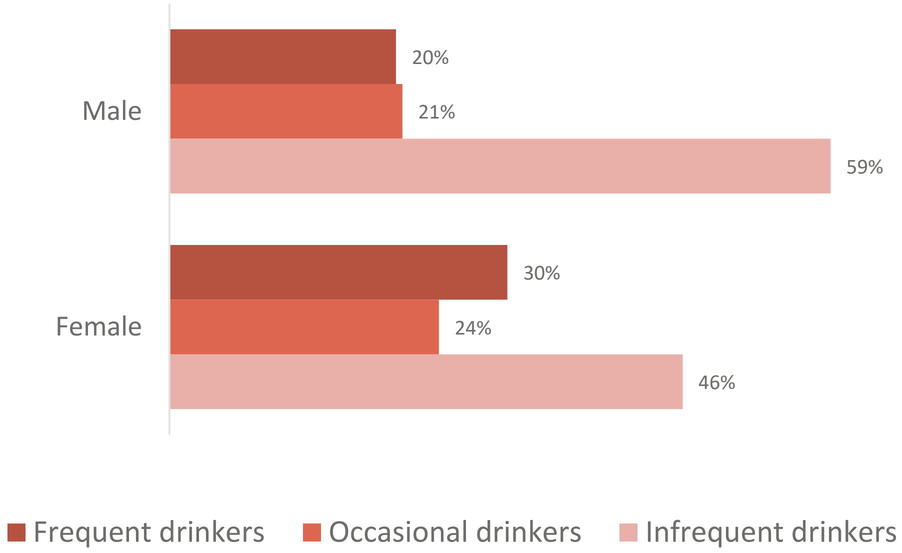
ANALYSING WINE DRINKERS

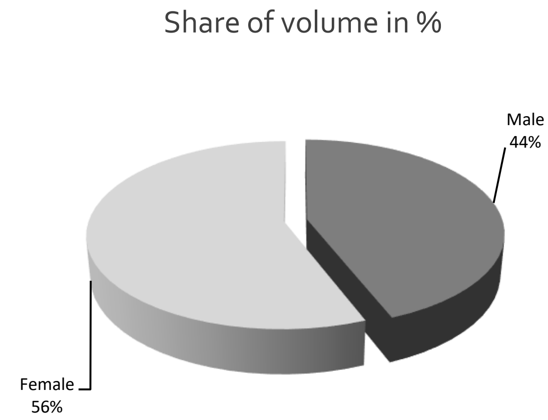
Analysing wine drinkers

Gender

In % of the respondents

Basis: Wine drinkers (n=1181)





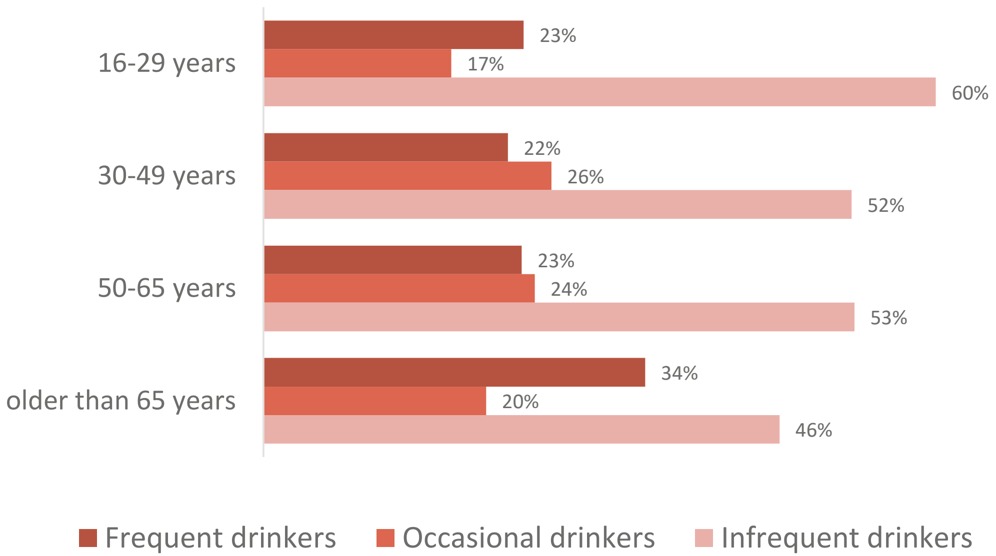
- As already shown, the proportion of female frequent and occasional drinkers is higher than that of males.
- Female wine drinkers consume 56% and male 44% of the total amount of wine.

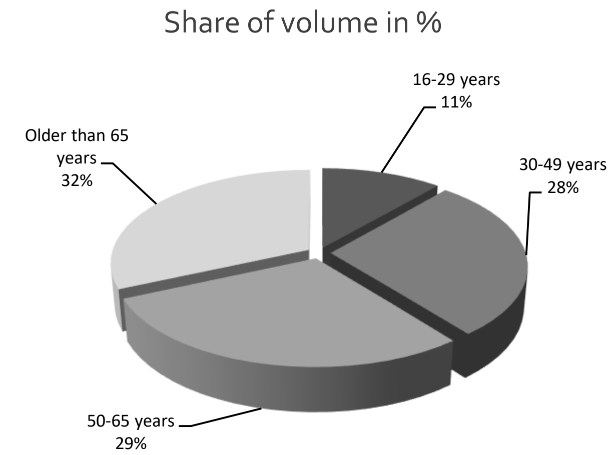
Analysing wine drinkers

Age

In % of the respondents

Basis: Wine drinkers (n=1181)





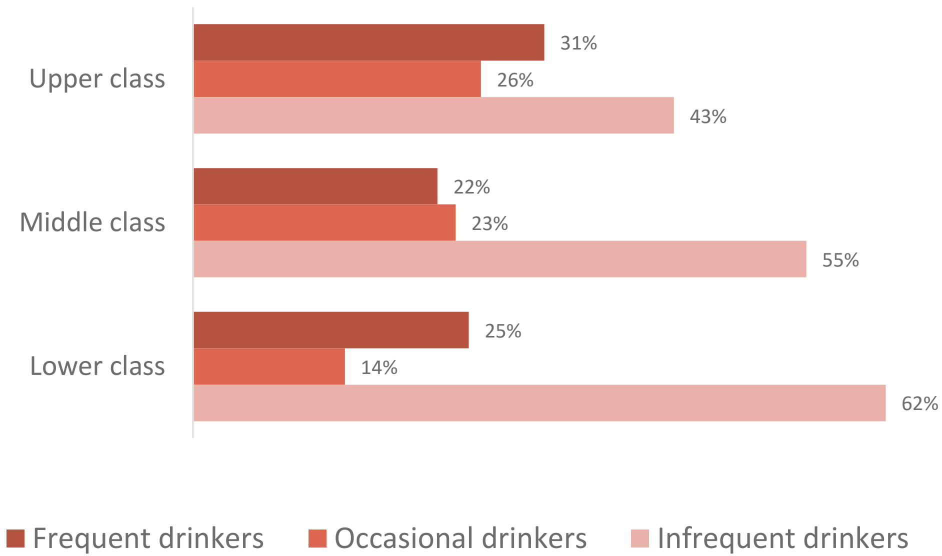
- Wine consumption is strongly related to age - older people drink significantly more frequently and more wine than younger people.
- In terms of quantity, consumers above the age of 30 are of great importance (30-49 years 28%, 50-65 years 29%, older than 65 years 32%).

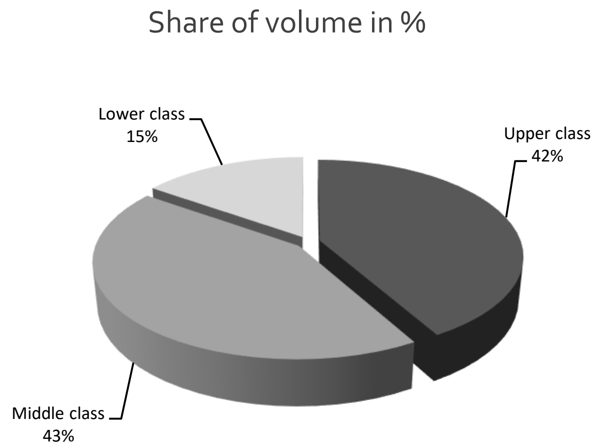
Analysing wine drinkers

Social class

In % of the respondents

Basis: Wine drinkers (n=1181)





- There was also a positive correlation between higher social status and wine consumption - consumers from the upper class drink significantly more frequently and more wine.
- Out of the total consumption volume, the lower class has a proportion of 15%, while the middle and upper classes range above 40%.

Chapter 5

PREFERENCE – ORIGIN

Origin

Gender and age

In % of the respondents

Basis: Wine drinkers (n=1181)

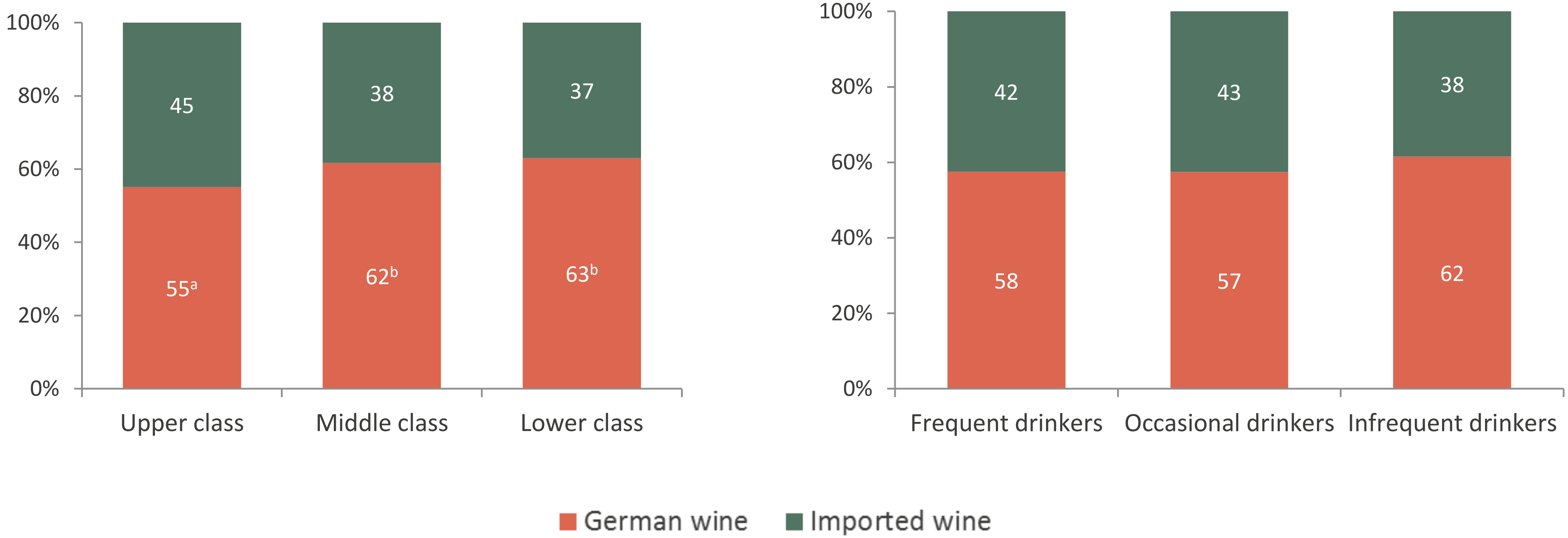
- Share of all respondents: German wine 59%, imported wine 41% (here, the proportion of German wines was obviously overestimated).
- There was no significant difference in origin preference between the sub groups by gender. Women consume as much German and imported wine as men.
- Age has a much stronger influence on the preference of origin: with increasing age significantly more wine is consumed from Germany, while the share of imported wines is significantly higher among the younger generations.

Origin

Social class and consumption frequency

In % of the respondents

Basis: Wine drinkers (n=1181)



- Wine drinkers with higher education and higher income have a higher share of imported wine.
- The consumption frequency does not significantly affect the origin preference; all three consumer groups have more or less the same share of German and imported wine.

Chapter 6

PREFERENCE – WINE TYPE

Wine type

Gender and age

In % of the respondents

Basis: Wine drinkers (n=1181)

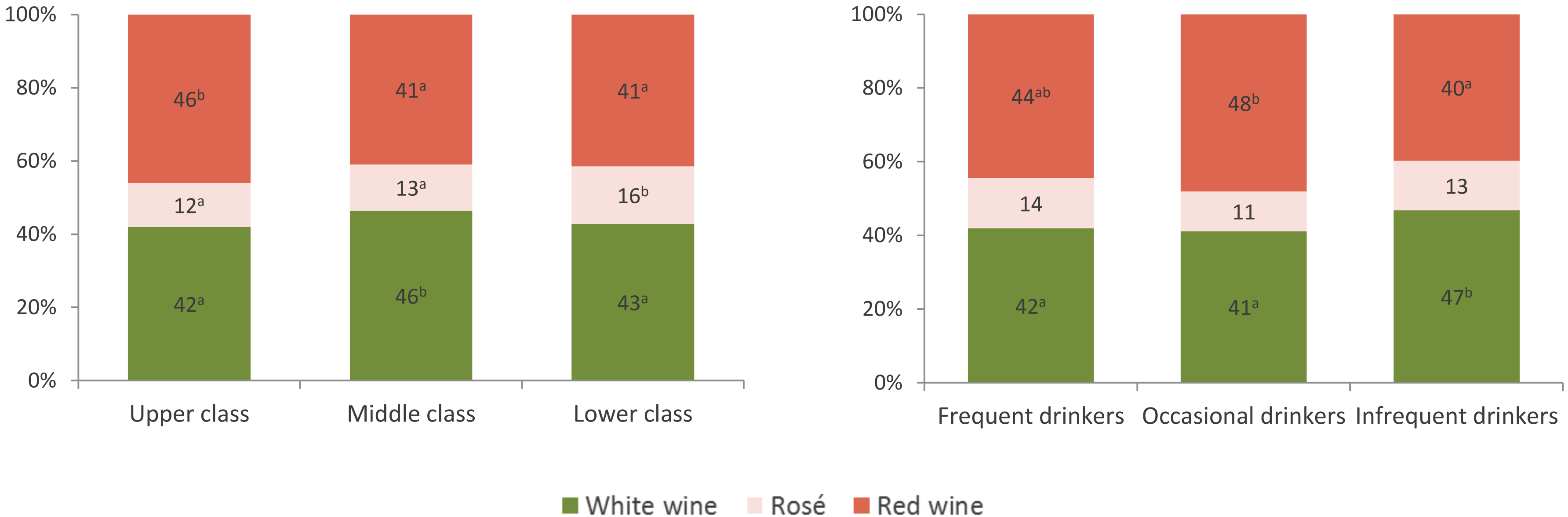
- Share of all respondents: white wine 44%, rosé 13%, red wine 43%.
- In terms of gender and age, there was little difference in the preference for wine types.
- Women and younger consumers drink slightly more white and rosé wine, so the proportion of red wine in these subgroups is lower compared to the other subgroups.

Wine type

Social class and consumption frequency

In % of the respondents

Basis: Wine drinkers (n=1181)



- Wine drinkers from the upper class consume significantly less white and rosé wine, but more red wine.
- The proportion of rosé wine reached a record high of 16% in the lower class.
- Moderate wine drinkers indicate more white wine and less red wine consumption.

Chapter 7

PREFERENCE – LEVEL OF SWEETNESS

Level of sweetness

Gender and age

In % of the respondents

Basis: Wine drinkers (n=1181)

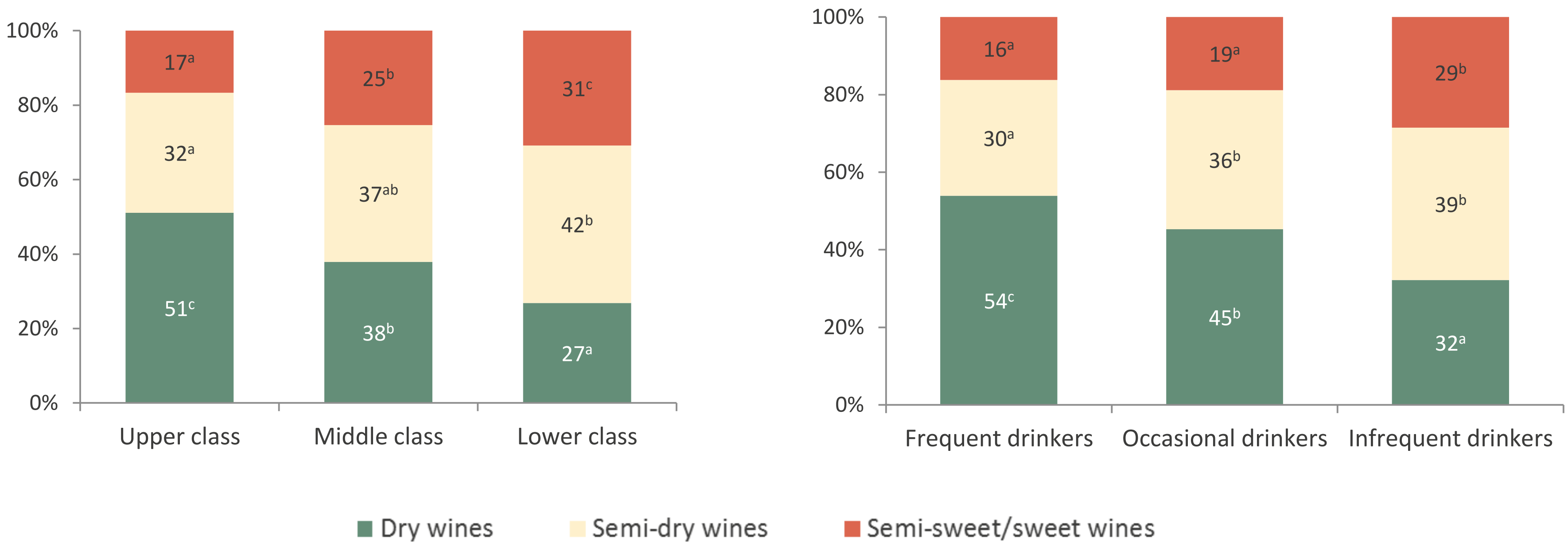
- Share of all respondents: dry wine 41%, semi-dry wine 36%, semi-sweet / sweet wine 23%.
- Women and younger consumers drink significantly more semi-sweet / sweet wines, so men and older consumers have a higher proportion of dry wines.

Level of sweetness

Social class and consumption frequency

In % of the respondents

Basis: Wine drinkers (n=1181)



- The taste preference pattern looks similar in the subgroups social class and consumption frequency, which is due to the fact that social class correlates positively with consumption frequency (high share of upper class in the subgroup frequent drinkers).
- More than 50% of the wines consumed in the upper class or by frequent wine drinkers are dry and only 16-17% are semi-sweet or sweet. With decreasing education, income and consumption frequency the proportion of dry wine decreases, too.

Chapter 8

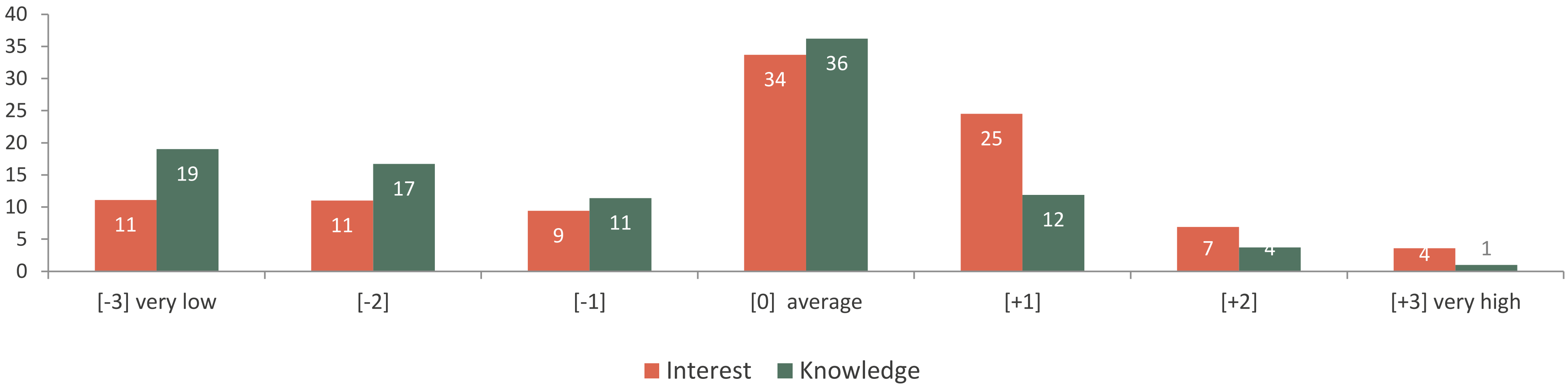
INVOLVEMENT

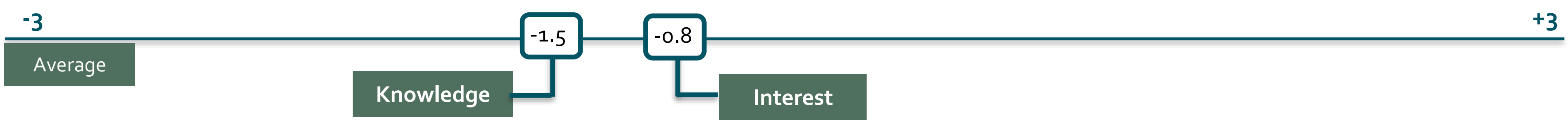
Involvement

Interest and knowledge

In % of the respondents (on a scale from -3 to +3)

Basis: Wine drinkers (n=1181)





- On average, the subjective interest of the consumers was rated higher than the knowledge - the difference is 0.7 units on a scale from 3 to +3. Nearly half of all wine drinkers rated their wine knowledge as low and 19% of them as very low.
- 36% of wine drinkers rated their interest in wine between +1 and +3.

Involvement

Comparison of the subgroups

In % of the respondents (on a scale from -3 to +3)

Basis: Wine drinkers (n=1181)

	Interest	Knowledge
Gender		
Male	-0.2	-0.8
Female	-0.1	-0.8
Age		
16-29 years	-0.5 a	-1.2 a
30-49 years	-0.2 b	-0.9 ab
50-65 years	-0.1 b	-0.7 b
Older than 65 years	0.0 b	-0.6 b
Social class		
Upper class	0.1 b	-0.5 b
Middle class	-0.3 a	-0.9 ab
Lower class	-0.3 a	-0.9 ab
Consumption frequency		
Frequent drinkers	0.7 c	-0.1 c
Occasional drinkers	0.2 b	-0.5 b
Infrequent drinkers	-0.7 a	-1.3 a

- Male and female consumers do not differ in interest and knowledge.
- With increasing age, consumer interest in and knowledge of wine increase, too.
- The social class positively influences the involvement - the higher the social class, the higher the interest and knowledge.
- There is a strong correlation between consumption frequency and involvement. The more wine is consumed, the more involved wine drinkers are.

Kapitel 9

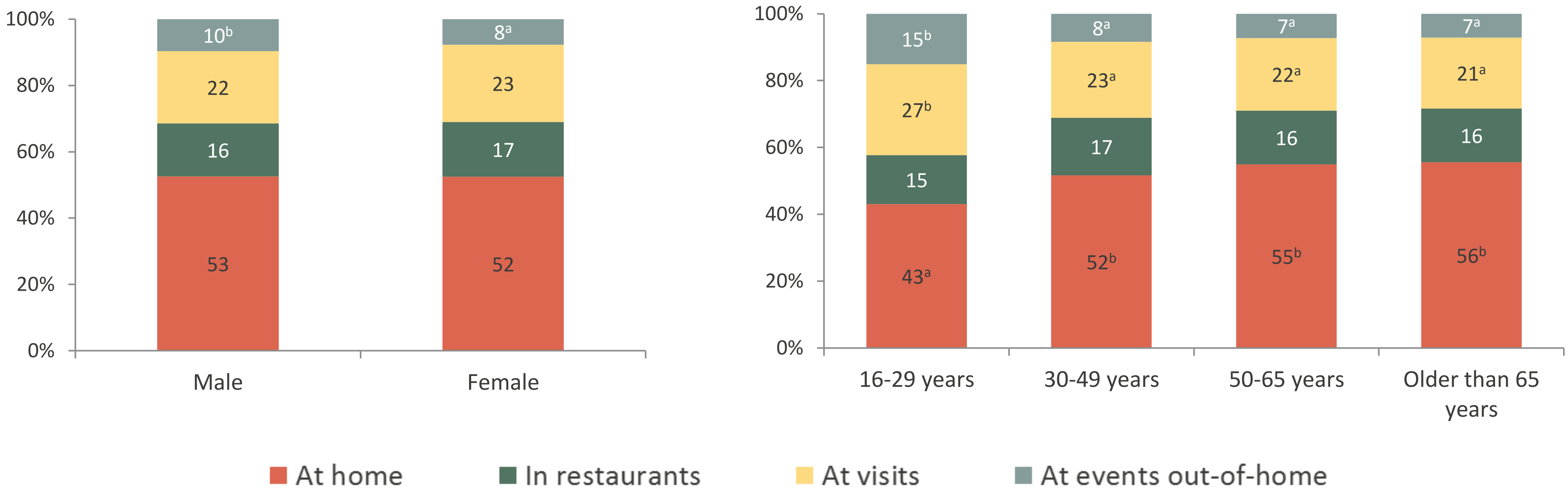
PLACE OF CONSUMPTION

Place of consumption

Gender and age

In % of the respondents

Basis: Wine drinkers (n=1181)



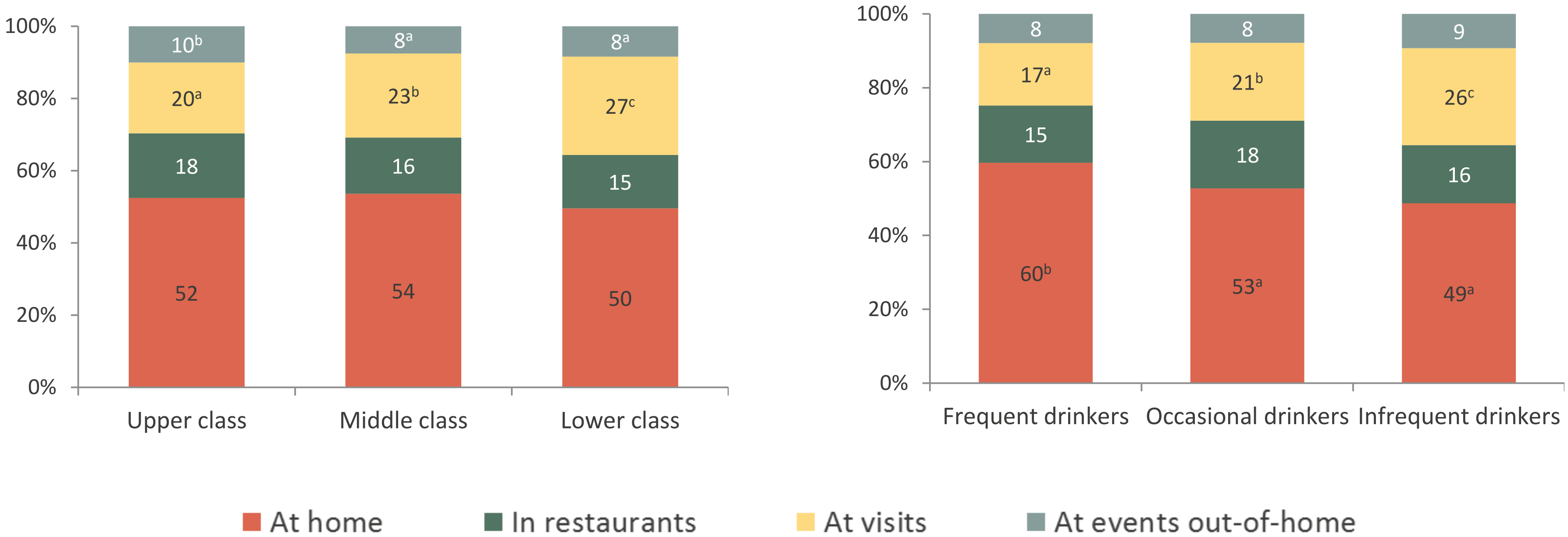
- Share of all respondents: 53% at home, 16% in a restaurant, 23% at visits, 8% at events out-of-home.
- The differences in place of consumption between men and women are negligible.
- Home consumption changes significantly with age - older consumers drink proportionately more wine at home than younger people. Exactly the opposite is to be found with consumption places like visiting friends/relatives or at events out-of-home. Here, the youngest generation leads by far.

Place of consumption

Social class and consumption frequency

In % of the respondents

Basis: Wine drinkers (n=1181)



- Belonging to a social class significantly influences wine consumption during visits; accordingly, wine consumers from the lower class drink more wine with friends, acquaintances and relatives than those from the other classes.
- The share of home consumption increases with the consumption frequency, while drinking wine at visits is popular especially among infrequent drinkers.

Chapter 10

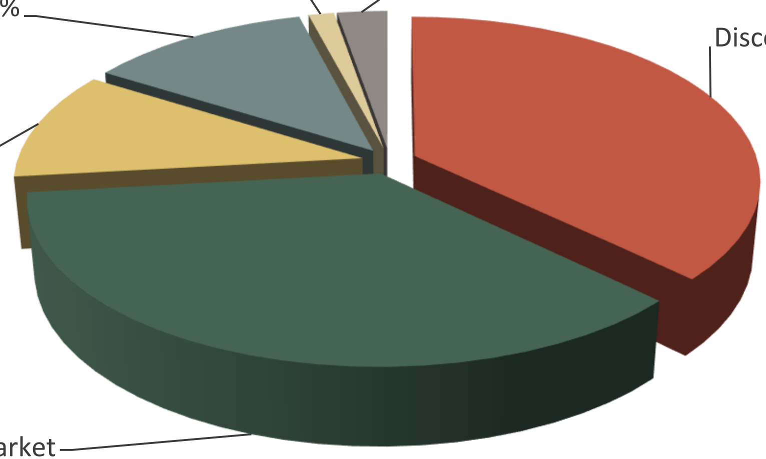
SALES CHANNELS

Usage of sales channels

All respondents – unweighted

In % of respondents

Basis: Wine drinkers (n=1181)



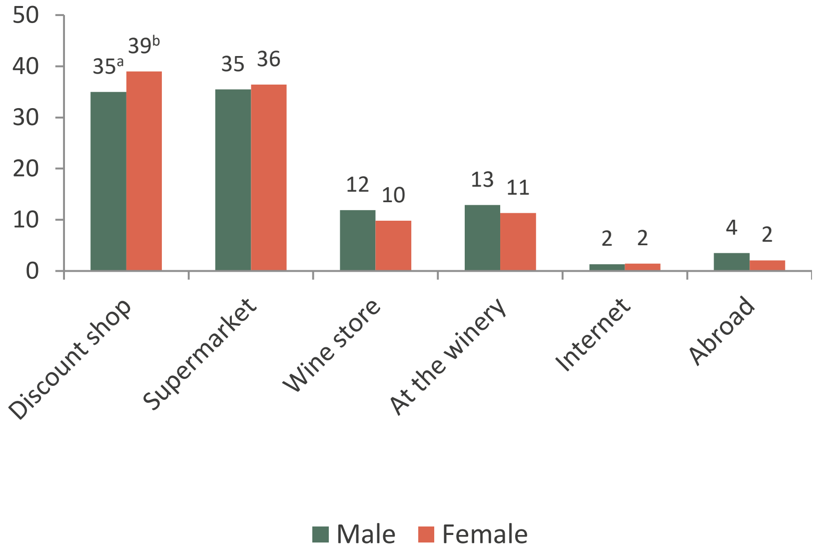
- Respondents reported that they purchase 37% of their wines in discount shops and 36% in other food retailers like supermarkets. Looking back on the past few years, there has been an increase in the wine sales of supermarkets.
- The share of purchases in wine stores is 11%, and directly at wineries 12%. Compared to the surveys in 2014 and 2016, these two sales channels have shrunk slightly.
- Internet has gained in importance compared to the results of 2016.

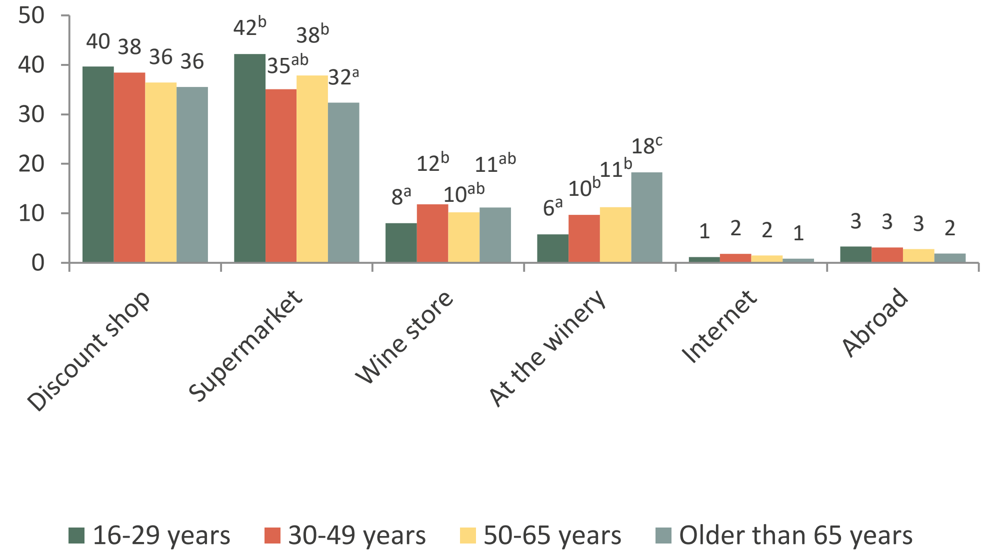
Usage of sales channels

Gender and age

In % of the respondents

Basis: Wine drinkers (n=1181)





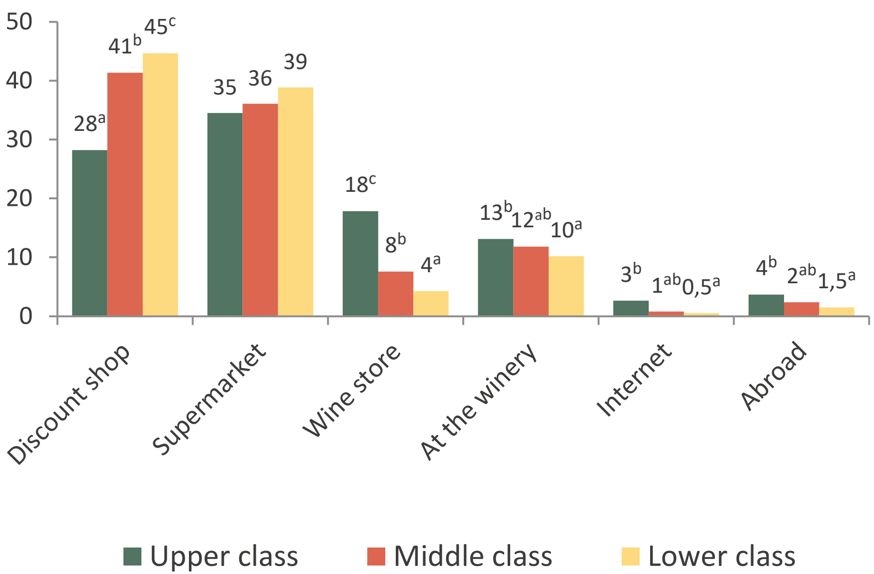
- Women buy wine a little more often in discount shops, while men achieve a higher share in wine stores and cellar door.
- The greatest difference between the age groups is in direct sales. Accordingly, the proportion of buying wine directly from a winery increases with age.

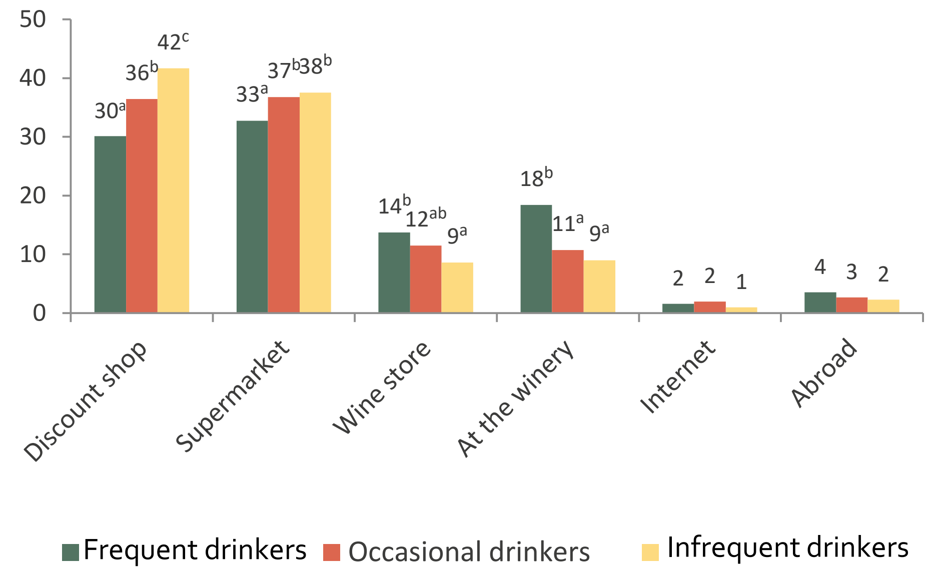
Usage of sales channels

Social class and consumption frequency

In % of the respondents

Basis: Wine drinkers (n=1181)





- Upper class consumers purchase less than one-third of their wine in discount shops. However, their share of wine purchased in wine stores and directly from the winery is significantly higher (18%, 13%).
- Lower class wine drinkers buy on average 84% of their wine in discount shops and supermarkets.
- Frequent drinkers have the highest share of direct purchases at the winery (18%) and they buy significantly more in wine stores, too. The lower the frequency of consumption, the more wine consumers buy in discount shops and supermarkets.

Importance of sales channels

Importance of sales channels by person, volume and value

Due to the fact that in Germany different market research companies publish completely different average prices for wine, the volume and the value of still wines in the different sales channels in Germany can not be easily quantified.

Using a recalculation based on the values published by Gfk and IRI, new average prices are created for discount shops and supermarkets. These newly calculated average prices are basically a kind of middle-way attempt.

<table>
<tr><th></th><th>GfK[1]
(€/l)</th><th>IRI[2]
(€/l)</th><th>HGU/GW[3]
(€/l)</th><th>Theoretical Average price[4]
(€/l)</th></tr>
<tr><td>Discount shop</td><td rowspan="2">2.92</td><td>3.40</td><td>n/a</td><td>3.00</td></tr>
<tr><td>Supermarket</td><td>4.80</td><td>n/a</td><td>4.10</td></tr>
<tr><td>Wine store</td><td rowspan="3">6.72
only for German wines</td><td>n/a</td><td>n/a</td><td>10.00</td></tr>
<tr><td>At the winery</td><td>n/a</td><td>8.60</td><td>8.60</td></tr>
<tr><td>Internet</td><td>n/a</td><td>n/a</td><td>10.00</td></tr>
</table>

[1] The GfK values are based on a consumer panel of GfK SE (ConsumerScan of 30,000 households).

[2] The IRI values come from a scanner data analysis of supermarkets and from purchased panel data for hard-discount shops.

[3] The average value of direct sales (cellar door) was taken over from the Geisenheim wine market analysis (Geisenheim University, Department for Wine and Beverage Business Research).

[4] 4 The prices of wine shops and online retailers are based on expert opinions.

Importance of sales channels

Importance of sales channels by person, volume and value

In % of the respondents, total volume, total value as well as in €/l, million hl and billion

Basis: Wine drinkers (n=1181)

	Pentration[1] (%)	Average price[2] (€/l)	Average price[2] (€/0,75l)	Share – volume[3] (%)	Total sales volume[4] (million hl)	Total revenue[5] (billion €)	Share – value[6] (%)
Discount shop	71	3.00	2.25	38	5.32	1.60	23
Supermarket	78	4.10	3.10	37	5.18	2.12	30
Wine store	38	10.00	7.50	11	1.54	1.54	22
At the winery	31	8.60	6.50	12	1.68	1.44	21
Internet	8	10.00	7.50	2	0.28	0.28	4

Ø price 4.99 €/l

Total revenue 7.0 billion €

1. Penetration shows the number of wine drinkers (in %) who have purchased at least 1% of their total amount of wine in the respective sales channel.
2. Theoretical average prices based on the prices of GfK and IRI.
3. Respondents' direct answer to the question "How much wine (in %) have you purchased in the last 12 months in the different sales channels?".
4. Calculated on the basis of the total sales of 14 million hl of wine (only still wine and only off-trade).
5. Calculated on the basis of the sales volume and the average price of the respective sales channel.
6. Calculated on the basis of total revenue.

- Discount shops and supermarkets are used by 70-80% of all wine drinkers for purchasing wine. In these sales channels the volume share is also highest at 37-38%.
- The share of purchases in wine shops is 11% and 12% at the winery. Compared to the surveys conducted in 2014 and 2016, the share of these two stores has declined somewhat.
- Wine stores and direct sales are very similar in all categories, with one exception - consumers who buy directly from wineries have a higher per capita consumption, thus this type of store has a higher volume share.
- In terms of value, the sales channels discount store, wine shop and direct sales with a share of 20-24% are fairly balanced. Supermarkets reached the highest share with 30%.
- Based on the volume and average prices determined here, an average price for the total wine market in Germany of 4.99 € / l can be calculated.
- Based on the above described volumes and values, the total turnover of still wine in German off-trade is estimated at € 7.0 billion.

Hochschule Geisenheim University

Chapter 11

ECONOMIC IMPORTANCE OF THE SUBGROUPS

Importance of the subgroups

Importance of subgoups by person, volume and value as well as consumption and expenses

In % of the respondents, total volume, total value as well as in €/l, l/ year, €/year

Basis: Wine drinkers (n=1181)

	Share – wine drinkers[1] (%)	**Share – volume**[2] (%)	**Share – value**[3] (%)	**Average price**[4] (€/l)	**Average price**[4] (€/0.75 l)	**Wine consumption**[5] (l/year)	**Expenses for wine**[6] (€/year)
Gender							
Male	52	44	45	5.14	3.90	34	175
Female	62	56	55	4.88	3.70	38	185
Age							
16-29 years	38	11	10	4.48	3.40	32	143
30-49 years	57	28	27	4.98	3.70	33	164
50-65 years	64	29	29	4.94	3.70	36	178
Older than 65 years	65	32	34	5.29	4.00	43	227

1. Proportion of wine drinkers within the subgroup (Male=100%; Female =100%).
2. Weighted by per capita consumption (Male+Female = 100%).
3. Based on the volume and average price (Male+Female = 100%).
4. Based on the proportion of wine purchased in different sales channels.
5. Estimated per capita consumption.
6. Based on the average price and per capita consumption.

- Women and men differ only marginally in terms of average price, wine consumption and expenses for wine. However, as already discussed, more women drink wine than men. Accordingly, the proportion of persons, quantities and values are higher among female wine consumers.
- With increasing age, the proportion of wine drinkers increases, which also affects the volume share. With increasing age, the average spending on wine also increases. Therefore the value share of the respective subgroup also rises. In the category “expenses for wine", the importance of the age subgroups is clearly evident.

Importance of the subgroups

Hochschule Geisenheim University

Importance of subgoups by person, volume and value as well as consumption and expenses

In % of the respondents, total volume, total value as well as in €/l, l/ year, €/year

Basis: Wine drinkers (n=1181)

	Share – wine drinkers[1] (%)	Share – volume[2] (%)	Share – value[3] (%)	Average price[4] (€/l)	Average price[4] (€/0.75 l)	Wine consumption[5] (l/year)	Expenses for wine[6] (€/year)
Social class							
Upper class	77	41	45	5.67	4.30	42	238
Middle class	66	43	41	4.72	3.50	33	156
Lower class	46	16	14	4.36	3.30	33	144
Consumption frequency							
Frequent drinkers	26	65	68	5.58	4.20	88	491
Occasional drinkers	23	22	21	5.03	3.80	35	176
Infrequent drinkers	52	13	12	4.64	3.50	9	42

- With increasing education level and income the share of wine drinkers, volume and value increases, too.
- Due to the absolute size of the middle class, this subgroup comes very close to the upper class with respect to share of volume and value, but the average price, wine consumption, and expenses for wine show a significant difference between all three subgroups.
- Frequent drinkers reach the highest average level of wine consumption (88 l / year) and expenses for wine (491 € / year). This small group of wine consumers (26%) accounts for 65% of the total volume and 68% of the total value.

Chapter 14

ONLINE PURCHASE

Online purchase – all product categories

Hochschule Geisenheim University

Number of online purchases

In % of the respondents

Basis: All respondents (n=2063), wine drinkers (n=1181); non-wine drinkers (n=882)

Number of online purchases / year	none	1-4	5-6	7-12	13-24	more than 24
Frequency	no online purchase	up to once every quarter	up to once every two months	up to once very month	once or twice a month	more than twice a month
Overall						
All respondents	40	11	11	15	11	13
Wine drinkers	39	11	10	16	10	14
Non-wine drinkers	42	11	11	15	11	11
Gender						
Male	38	11	10	18	10	14
Female	43	11	11	12	12	11
Age						
16-29 years	19	12	15	16	16	20
30-49 years	21	11	11	21	17	20
50-65 years	44	13	12	15	8	8
Older than 65 years	79	7	4	7	1	2
Social class						
Upper class	28	9	12	19	14	19
Middle class	42	11	10	15	11	11
Lower class	55	12	11	10	7	6
Consumption frequency						
Frequent drinkers	44	10	9	12	11	15
Occasional drinkers	38	6	12	20	9	15
Infrequent drinkers	37	13	10	16	11	13

- The biggest difference in online shopping is by age - younger consumers buy significantly more online than older ones. But the social class also influences the online purchase significantly: The upper class buys online more often than the middle or lower classes.

Online wine purchase

Wine orders, number of bottles and value

In % of the respondents

Basis: Wine drinkers (n=1181) and Online wine buyers (n=86)

Number of ***orders*** *(last 12 months)*	Percent of respondents *(n=1181)*
0	92
1	3
2	2
3-6	2
More than 6	1

Number of ***purchased bottles*** *(last 12 months)*	Percent of respondents *(n=86)*
1-5	23
6	27
7-11	8
12	23
More than 12	19

Total ***Value*** *(the last order)*	Percent of respondents *(n=86)*
< 40 €	20
40 - 50 €	29
51 - 75 €	18
76 - 100 €	12
101 - 150 €	11
> 150 €	10

- Approximately 8% of wine consumers have bought wine online in the last 12 months.
- About a quarter of online shoppers bought less than 6 bottles. 50% said they had ordered either 6 or 12 bottles, while another 19% had bought more than 12 bottles. This shows that consumers who order wine online tend to buy larger quantities (1,2 or 4 cases of six bottles). The average value is 10 bottles.
- The higher average price of wines purchased online and the larger volume automatically lead to an increased average order price - the average value here is 55 €.

Chapter 15

SOCIAL MEDIA USAGE

Social Media usage

Usage frequency of different social media channels

In % of the respondents

Basis: Wine drinkers (n=1181); non-wine drinkers (n=882)

	Facebook		Instagram		Pinterest		Snap Chat		Twitter		YouTube	
	Wine drinkers	Non-wine drinkers	Wine drinkers	Non-wine drinkers	Wine drinkers	Non-wine drinkers	Wine drinkers	Non-wine drinkers	Wine drinkers	Non-wine drinkers	Wine drinkers	Non-wine drinkers
Every day	19	26	5	9	1	0	2	3	2	2	7	10
Several times a week	21	23	8	9	2	1	3	5	7	6	20	24
Two-three times a month	6	5	5	5	2	2	2	3	6	6	15	11
Once a month	1	2	2	2	2	1	2	1	3	2	4	5
Less than once a month	3	3	5	5	3	5	3	3	5	5	8	8
Never	48	42	75	71	90	91	88	86	78	79	46	42

- YouTube and Facebook are the most popular social media channels - both for wine drinkers and non-wine drinkers.
- Instagram has overtaken Twitter and is ranked third with about 27% , followed by Twitter, Snap Chat and Pinterest.
- In general, the use of social media channels by non-wine drinkers is slightly higher than that of wine drinkers. This is because there are significantly more older consumers among the wine drinkers who are known not to be as social media affine as the younger generations.

Social Media usage

Number of Social Media channels used

In % of the respondents

Basis: All respondents (n=2063), wine drinkers (n=1181); non-weine drinkers (n=882)

	no SM channel used	1 SM channel	2-3 SM channels	4-6 SM channels
Overall				
All respondents	33	17	32	19
Wine drinkers	35	17	30	18
Non-wine drinkers	31	16	33	20
Gender				
Male	28	19	34	19
Female	38	15	29	19
Age				
16-29 years	2	8	42	48
30-49 years	13	20	45	22
50-65 years	39	23	31	7
Older than 65 years	77	14	7	3
Social class				
Upper class	24	16	37	23
Middle class	35	18	29	17
Lower class	41	14	29	16
Consumption frequency				
Heavy drinkers	40	14	30	17
Occasional drinkers	32	14	30	24
Moderate drinkers	33	20	30	16

- Non-wine drinkers distinguish themselves from wine drinkers by an increased use of social media channels.
- The most striking difference emerges between the subcategories by age. Accordingly, the use of social media drastically decreases with increasing age.
- It can be surmised that in a few years, as the younger generations begin to consume more wine, social media usage among wine drinkers will be significantly higher. A similar phenomenon is to be expected in the area "online wine purchase", too.

Chapter 16

SUMMARY

Summary

Consumption frequency

- Approximately 30 million (43%) people of the total population in Germany aged 16 and above do not drink wine at all.
- Frequent drinkers (segment size = 14%) consume 64% of the total volume.
- Every second non-wine drinker named the taste of wine as the reason for rejecting wine consumption.

Wine drinkers vs. non-Wine drinkers

- 62% of the women in Germany drink wine, while this proportion is only 52% for men.
- Age still seems to be one of the most important factors that significantly influences the frequency and quantity of wine consumption.
- The variables "education, current occupation and salary" also strongly influence the consumption of wine.
- The share of upper-class wine drinkers is 67%, while in the middle class 56% and in the lower class only 46% consume wine.

Preference of origin and wine type

- Age significantly influences the preference of origin: with increasing age, significantly more wine from Germany is consumed, while the share of imported wines is significantly higher in the younger generations.
- Wine drinkers from the upper class consume significantly less white and rosé wine, but more red wine.

Summary

Preference of level of sweetness

- Women and younger consumers drink significantly more semi-sweet / sweet wines, so men and older consumers have a higher proportion of dry wines.
- More than 50% of wine consumed in the upper class or by frequent wine drinkers are dry and only 16-17% semi-sweet or sweet. With declining education, income and consumption frequency the proportion of dry wine decreases, too.

Involvement

- With increasing age, the interest and knowledge of consumers also increases.
- Social class positively influences the involvement - the higher it is, the higher the interest and knowledge.
- With increasing consumption, involvement increases, too.

Place of consumption

- Share across all respondents: 53% at home, 16% in a restaurant, 23% at visits, 8% at events out-of-home.
- Home consumption changes significantly with age - older consumers drink proportionately more wine at home than younger ones.

Summary

Sales channels

- Respondents reported that they purchase 38% of their wines in discount shops and 37% in other food retailers like supermarkets. Looking back on the past few years, there has been an increase in the wine sales of supermarkets.
- The share of purchases in wine stores is 11%, and directly at wineries 12%. Compared to the surveys in 2014 and 2016, these two sales channels have shrunk slightly.
- Based on the calculation of this study, the average price for the total wine market in Germany is 4.99 €/liter.

Economic importance of subgroups

- Women and men differ only marginally in terms of average price, wine consumption and expenses for wine. However, as already discussed, more women drink wine than men. Accordingly, the proportion of persons, quantities and values are higher among female wine consumers.
- With increasing age, the proportion of wine drinkers increases, which also affects the quantities. Due to the rising average prices by age, the value share of the respective subgroup increases, too. In the category "Expenses for wine" the importance of age is clearly evident.
- With increasing education level and income the share of wine drinkers, volume and value also increase.
- Due to the absolute size of the middle class, this subgroup comes very close to the shares of the upper class in terms of volume and value, but there is a significant difference in average price, wine consumption, and expenses for wine between all three subgroups.
- Frequent drinkers reach the highest level of wine consumption (88 l / year) and expenses for wine (491 € / year). This small group of wine consumers (26%) accounts for 65% of the total volume and 68% of the total value.

Summary

Online wine purchase and Social Media

- The biggest difference in online shopping is caused by age - younger consumers buy much more online than older ones.
- Approximately 8% of wine consumers have bought wine online in the last 12 months. About a quarter of online shoppers bought less than 6 bottles. 50% said they had ordered either 6 or 12 bottles, while another 19% had bought more than 12 bottles. The average value is 10 bottles. The average value of orders is € 55.
- Regarding the use of social media, the most striking difference emerges in the subcategory by age. Accordingly, the use of social media decreases drastically with increasing age.
- It can be surmised that in a few years, when the younger generations begin to consume more wine, social media usage among wine drinkers will increase significantly. A similar phenomenon can also be expected in the area of "online wine purchase".

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