Media Feedback

2016 Category Quantification Report

Wine in South Africa

Product Definitions

Product	Definition
Wine	**Natural Wine:** A non-fortified and non-sparkling wine, including perlé wine which is wine carbonated to the extent that the pressure in the container in which it is sold is between 75 and 300kPa. It also includes any grape juice or must and grape juice or must concentrate used in the sweetening of such natural wine **Fortified Wine:** Wine which has had alcohol added to it during its fermentation process to raise the overall alcohol level (usually 15% to 20%) of the final wine. This is done in the production of sherry and port **Sparkling Wine:** Wine carbonated (either by fermentation or impregnation with carbon dioxide) to the extent the pressure in the container in which it is sold is more than 300 kPa. It includes any grape juice or must and grape juice or must concentrate used in the sweetening of such sparkling wine

Channel	Definition
On-Consumption	• Includes restaurants, hospitality and pubs. These could be at work or recreational. Examples are quick service restaurants, full service restaurants, accommodation establishments and sports clubs
Off-Consumption	• Sale of beverage for consumption elsewhere, not at point of purchase • Usually associated with alcoholic beverages

Market Trends

The South African local wine sales saw growth year-on-year during 2015 in terms of volume and value. The country still produces more wine than can be consumed locally, with the sellers exporting more than half the volume produced within South Africa. The local market growth may be attributed to new consumers entering the market in sweet red and rose wine markets. It is believed that the increased marketing and promotional activities also contributed to the high volume growth. The 3 litre and 5 litre BIB packs are said to be driving the sweet wine industry as they are cheaper and considered value for money packs compared to the traditional 750ml glass bottle.

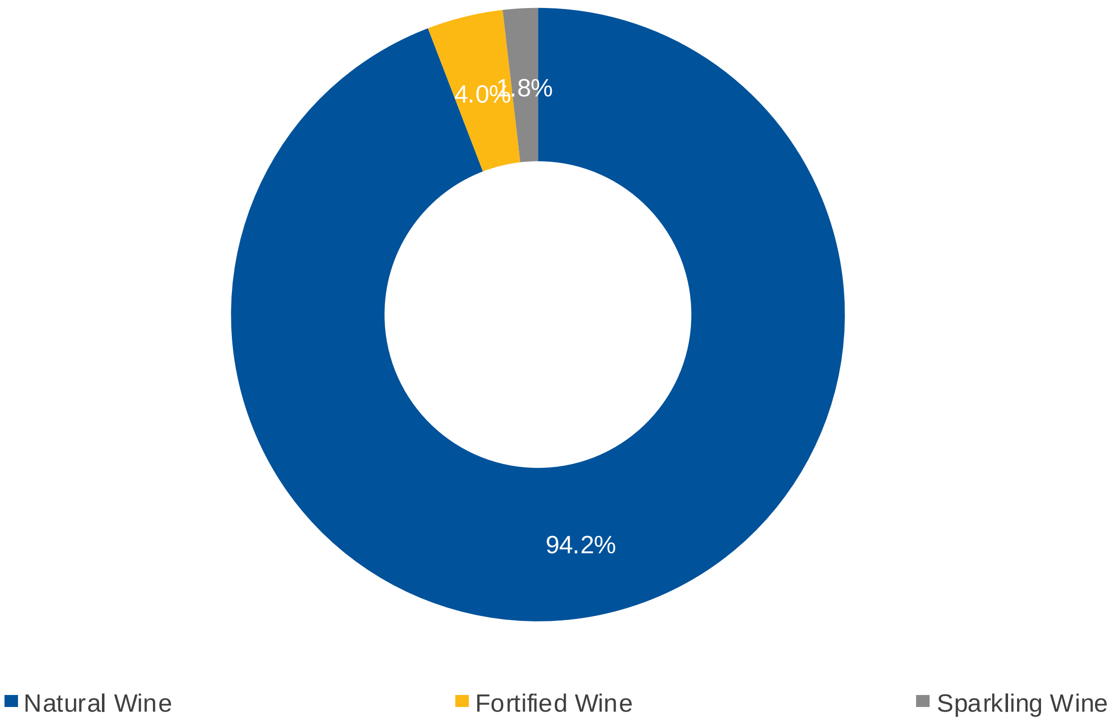
The wine exports declined as the local producers focused on the South African market. The volume of wine sold in bulk packaging continued to grow, putting pressure on the local packaging industry. The United Kingdom remained the main export destination followed by Germany. The volume exported to the UK is not expected to change much during the Brexit period. Other African countries like Angola, Kenya, Mozambique, Mauritius and Zimbabwe continue to source their wine in South Africa, amongst other countries. The volume imported by these countries increased from 2014 to 2015 whilst volume exported to Tanzania and Nigeria declined.

The local regional distribution remained almost the same with Gauteng, KwaZulu-Natal and the Western Cape showing good growth during the base year. The disposable income in these metropolitan regions is believed to be above average with consumers able to purchase higher priced products, such as wine.

The channel distribution also remained similar to that of the previous year. The off-consumption channel is growing in volume with more retail stores increasing their marketing campaigns in order to gain more customers. Wine products are easily available online where they can be delivered rapidly to their destination.

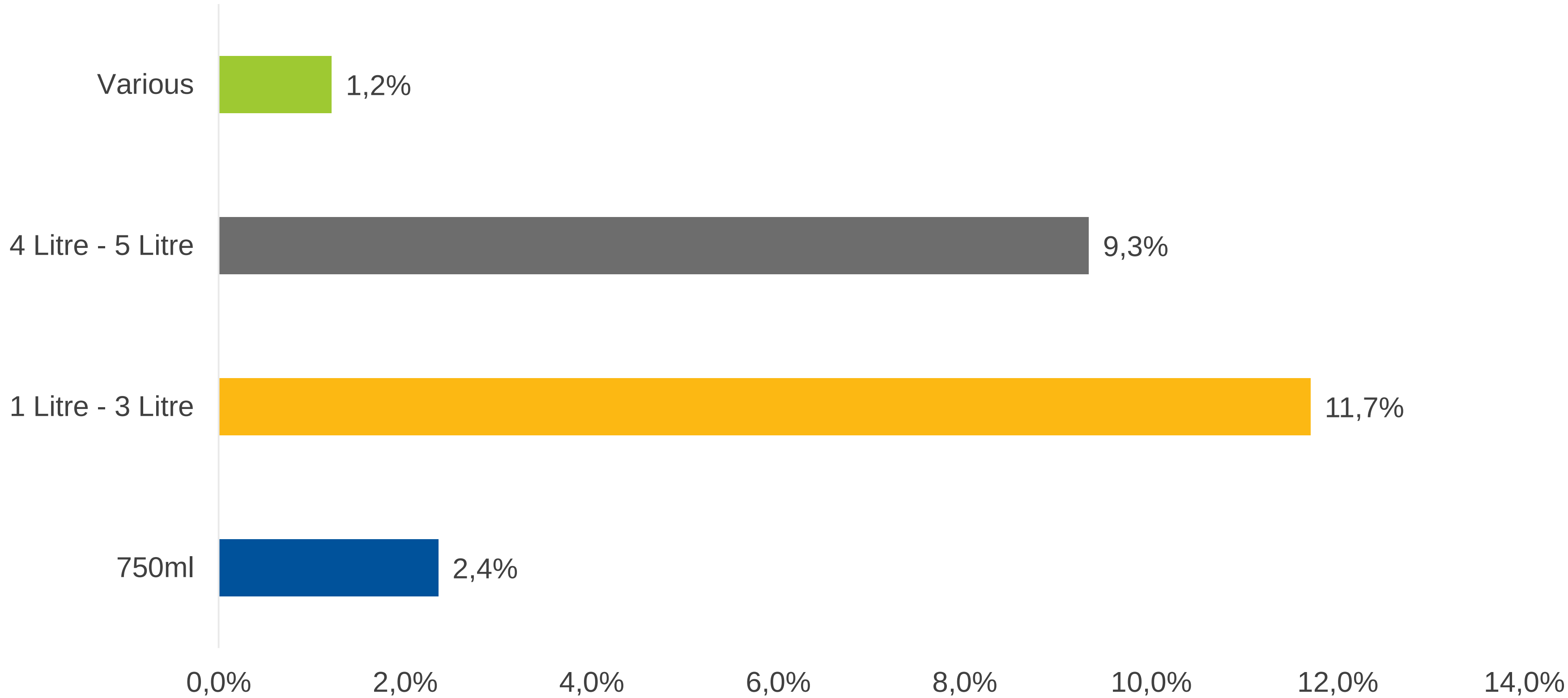
The wine market is expected to grow in 2016 but at a lower rate as the drought season affected the crops planted and the yield expected to be harvested. The industry is expected to recover in the medium term from the low yield and slow economic growth.

Product Breakdown 2015



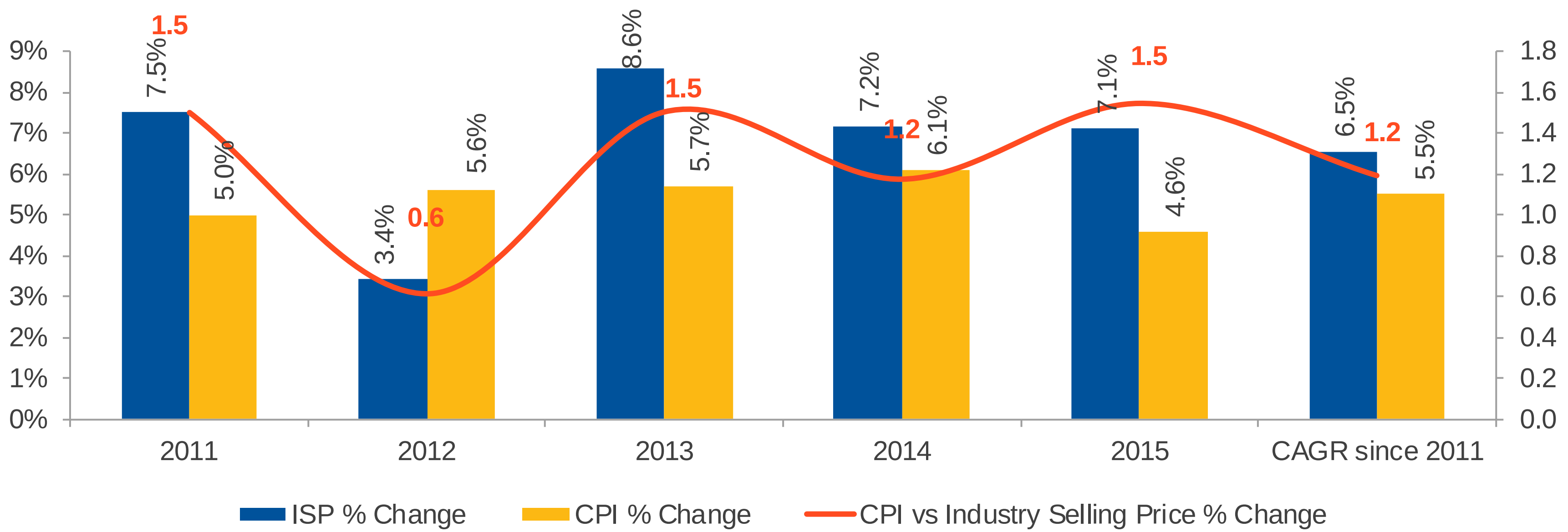
Natural wine volumes saw growth during the base year, possible as more variants and brands were introduced to the market.

Packaging 2015



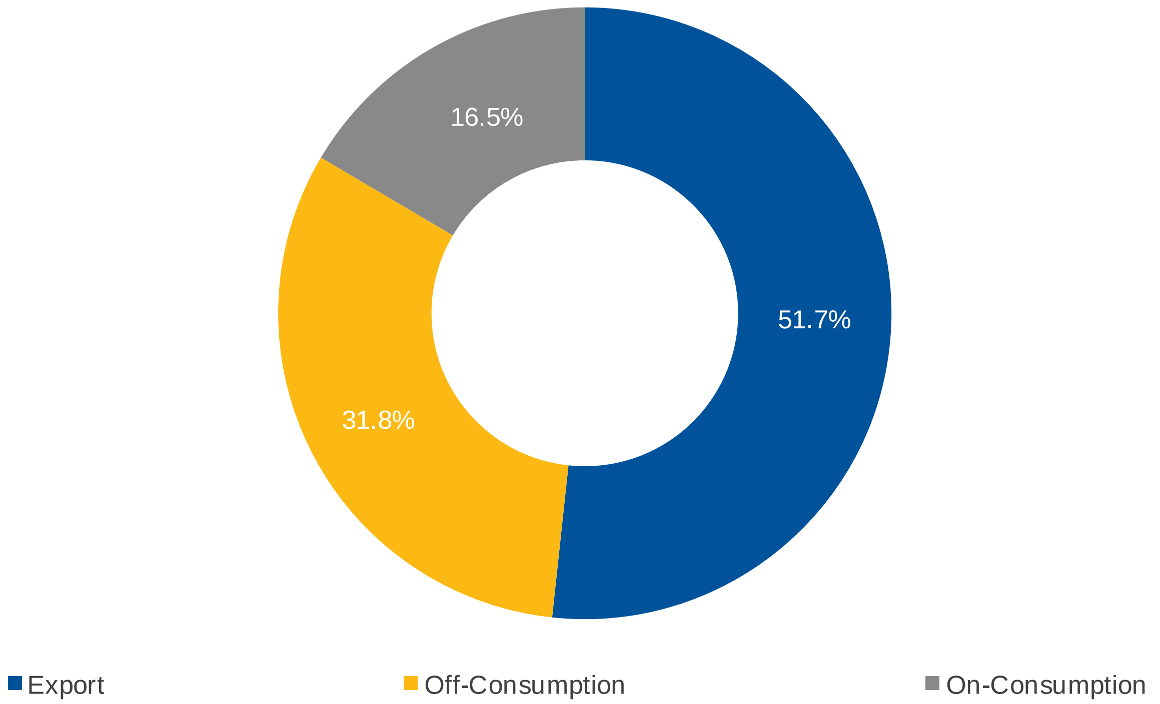
The larger pack sizes showed higher growth from 2014-2015 driven by the bag-in-box (BIB) pack types in sweet wine category.

Historical Average Industry Selling Price



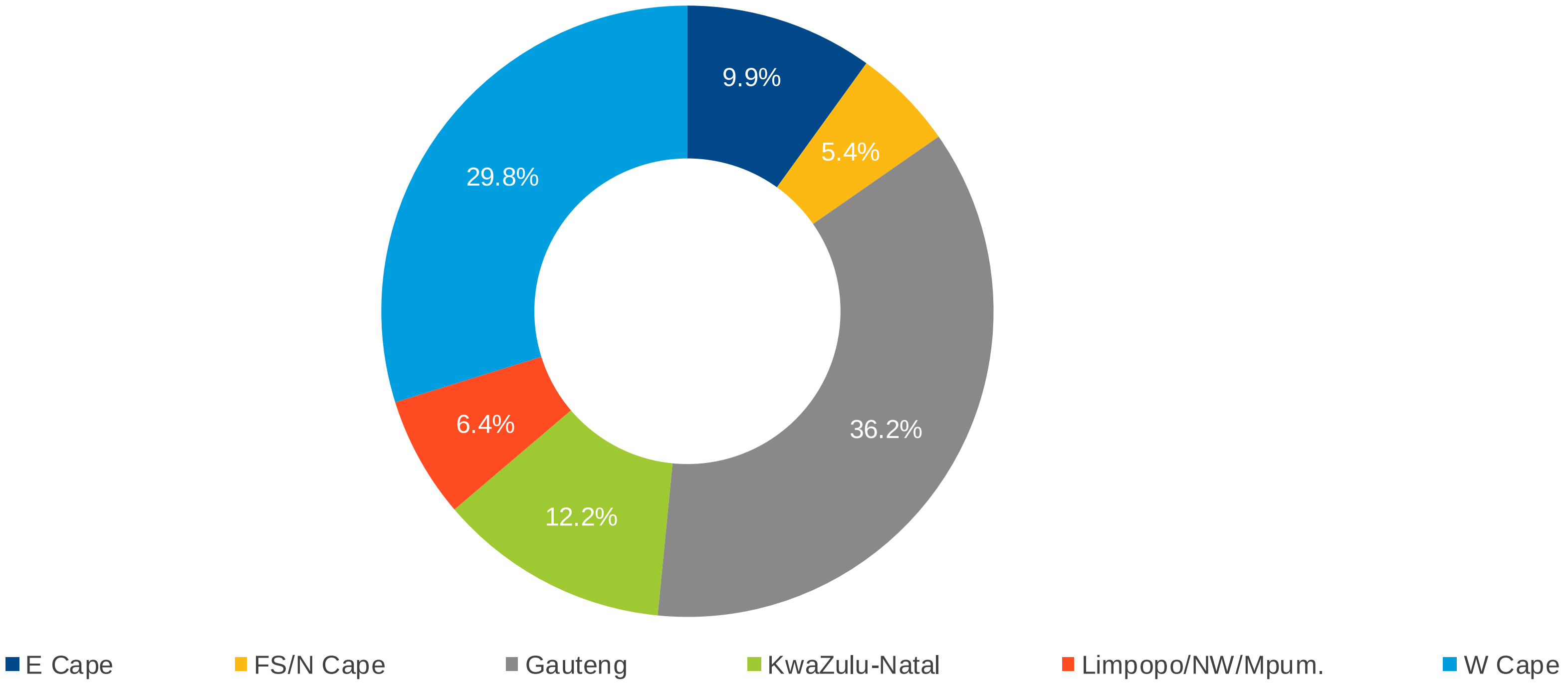
The average industry selling price of wine increased by 7.1% compared to CPI of 4.6% during the same period. The increase in higher selling price wine may have attributed to the high price increase.

Channel Distribution 2015



The wine industry exported more than half of the wine produced locally. The main export destination was the United Kingdom and other European countries.

Local Regional Distribution 2015



The three major metropolitan regions continue to dominate the wine industry in the local market. It is said that the above average disposable income levels and new citizens moving to these regions contributed to the increase in demand for the product. The regions also have an above average number of young adults who are willing to try new products on the market. The non-metropolitan regions show limited change in volume distributed.

Excludes Exports

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BMi Tracking Report Schedule 2016

Packaging

All reports

- Packaging overview
- Paper & Board
- QPM
- Quarterly Import

Annual Beverage Publications

Full Report (All reports below)

Alcoholic Beverages

- Flavoured Alcoholic Beverages
- Malt Beer
- Sorghum Beer
- Spirits
- Wine

Non Alcoholic Beverages

- Bottled Water
- Carbonated Soft Drinks
- Cordials and Squash
- Energy Drinks
- Fruit Juice
- Iced Tea
- Mageu
- Sports Drinks

Dairy Beverages

- Dairy Juice Blends
- Drinking Yoghurt
- Flavoured Milk
- Maas
- Milk

Annual Food Publications

- Canned Protein
- Dairy
- Desserts
- F&C Beverages
- Pasta
- Rice
- Wheat and Grain

Confectionery & Snacks

- Ice Cream
- Packaging of Snack Foods
- South African Confectionery Market
- The Impulse Market in South Africa

On Request

- Biscuits and Rusks
- Breakfast Foods
- Baked Products
- Baking Aids
- Eggs
- Fats and Oils
- Frozen and Par-Baked Products
- Premixes
- Pre-prepared Meals
- Processed Meat Products
- Protein
- Sauces
- Soup and Condiments
- Sweet and Savoury Spreads
- Value Added Meals

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Shelf & Promotional Price Surveys
Category Quantification
Beverages
Food
Packaging
Competitive Advertising Tracking
Advertising & Campaign Testing
Omni Channel
Advertising
Advanced Analytics
Predictive Analytics
Competitive Pricing Simulation
Price Sensitivity
60%
Statistical Optimisation Model
Promotional Effectiveness

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Note:

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Thank you

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