

Wine Australia
Consumer Study Report

October 19, 2017

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INTRODUCTION

Wine Opinions is a wine market research company focusing on the attitudes, behaviors, and taste preferences of the segment of U.S. wine drinkers who are the most frequent purchasers and consumers of wine. To this end, Wine Opinions maintains the largest online panel of highly involved wine consumers ever assembled, and a U.S. wine trade panel that includes wine producers, growers, importers, distributors, those who work on-premise and off-premise, members of the wine media, and others.* Wine Opinions also undertakes custom research projects such as one-on-one interviews, on- site interviews and evaluations, and other such qualitative and quantitative research as suits client project objectives.

Wine Australia engaged Wine Opinions to conduct quantitative research among U.S. wine consumers in Year 3 of its five-year research plan to establish significant awareness, usage, and quality perceptions of Australian wine at Wine America’s promotional campaign mid-point.

*Like most online opt-in panels, the Wine Opinions panel of over 17,000 U.S. wine consumers is considered a “non-probability” panel.

In addition, by the nature of its recruiting and participation, the Wine Opinions panel is by design intended to represent two overlapping sub-segments among U.S. wine drinkers: (1) Frequent wine drinkers (on average drinking wine several times a week or more often), most of whom are highly involved with or influential on wine-shopping decisions, and (2) Wine consumers who purchase 750ml bottles of wine at retail costing over $20 on a monthly or more frequent basis. The advantage of the Wine Opinions panel methodology is that it provides large sample sizes of these two key consumer groups, which have relatively low incidence in the U.S. adult population as a whole.

The targeted, non-probability nature of the panel means that survey results based on panel members should not be used to project or estimate the behaviors or sentiments of the entire population of U.S. wine drinkers or even some segments of that population, without additional analysis or modeling to adjust for the panel focus.

Wine Opinions is furnishing these survey results and other research findings (the “results”) "as is" and does not provide any warranty of such results whatsoever, whether express, implied, or statutory, including, but not limited to, any warranty of merchantability or fitness for a particular purpose or any warranty that the results will be error-free. In this regard, the results do not constitute advice and Wine Opinions shall have no liability for the client’s use thereof. In no respect shall Wine Opinions incur any liability for any damages including, but not limited to, direct, indirect, special, or consequential damages arising out of, resulting from, or any way connected to the use of the results, whether or not based upon warranty, contract, tort, or otherwise; whether or not injury was sustained by persons or property or otherwise; and whether or not loss was sustained from, or arose out of, the results of, the survey, or any services that may be provided by Wine Opinions.

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OBJECTIVES & METHODOLOGY

The main goal of this study was to establish awareness, usage, and quality perceptions of Australian wine at the mid-point of Wine Australia's five-year promotional campaign. Secondarily, this study served to determine consumer perceptions of Australia and its wines, analyze Shiraz trends, and determine opportunities and barriers to building higher price segments on the U.S. market. Specifically, the objectives were to:

- ✓ Compare perceptions of Australia in general with perceptions of its wine, in addition to comparing perceptions of competing regions and their wines.
- ✓ Measure quality perceptions of Australian wines and the wines of its competitors.
- ✓ Determine the appropriateness of Australian wines, and that of its competitors, for specific occasions and situations.
- ✓ Investigate why some wine consumers are buying less or do not purchase Australian wine.
- ✓ Establish changes in purchases and current perceptions of Australian wine varieties (especially Shiraz), trial of Australian appellation wines, and perceptions of Australian wine among Australian wine buyers.
- ✓ Measure changes in red wine purchases by wine type among Australian wine purchases.

In total, 1,388 Wine Opinions consumer panelists participated in this study. Respondents were split into four cells to investigate top-of-mind impressions of Australia and three competing regions and their wines. These cell sizes ranged from 309 to 337 respondents.

All questions were cross-tabulated by the following segments, and significant differences of note are highlighted in this report:

- ✓ Age: comparison of respondents in their 20s, 30s, 40s, 50s, and 60+.
- ✓ Frequent $20+ wine buyers: those who drink wine at least a few times a week AND buy $20+ wines at least monthly vs. all others.
- ✓ Australian wine purchase frequency: those who buy Australian wine once a month or more often vs. every 2 – 3 months or less often vs. never.
- ✓ Australian wine quality ratings: rated Australian wine the highest two ratings on a 5-point quality scale vs. all others.

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Objectives and Methodology *(continued)*

For some questions, data was analyzed by whether respondents reported an increase, decrease or no change in the number of bottles of Australian Shiraz they buy compared to two years ago.

Where statistically significant results are reported, these have been calculated at a confidence level of at least 90%.* For the overall sample the confidence intervals ranged from approximately ±1.3% - ± 2.2%.

In some cases, rows or columns of figures do not add to 100% due to rounding.

*Wine Opinions performs statistical significance tests on differences in respondent stated behavior or opinion, assuming a normal distribution around the response means. These tests are intended to highlight differences among the segments of the respondent sample and approximate a range of likely results among U.S. high frequency wine drinker respondents.

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CONCLUSIONS

- ✓ When asked which from a list of words they associate with Australia (in general), the majority of survey respondents chose the words “friendly,” “cheerful,” and “laid back.” When asked on an unaided basis what they think of first when they think of Australia, Kangaroos, geographical features and sites, and cultural icons and phrases came up more often than the “friendly” attitude of its people.
  - Choosing from the same word list, California was similarly considered friendly and laid back, and Italy as "friendly" and "cheerful." France had no associations in common with Australia. Instead, the majority associated it with "small farms," "great food," and "luxury products;" and with being "rustic," "expensive," "traditional," "serious," and "sophisticated."
  - Unaided, California conjured up images of sunshine and good weather, beautiful beaches and scenery. When respondents think of France they think most often of Paris, art, and culture. When respondents think of Italy they think of history, art and beautiful scenery and cities.
- ✓ While Australia was most strongly associated with “cheerful," "friendly," "laid back,” this does not appear to have a negative impact on quality perceptions or weak sales of higher-priced Australian wines. Those who were willing to pay higher prices for Australian wines, and associated Australia with high quality, were somewhat MORE likely to agree with the descriptors "cheerful," "friendly" and "laid back." In addition, California and Italy also had fairly high associations with at least two of these attributes, yet have strong sales in the higher priced segments.
- ✓ The two descriptors with which Australia had a dramatically lower association than France, Italy, and California were “great food” and “luxury products.” Great food had a strong positive correlation with the frequency of drinking Australian wine, perceived Australian wine quality, and willingness to purchase Australian wine in higher price categories. "Luxury products" had a moderately positive correlation with those measures.
- ✓ Respondents were also asked what came to mind first when thinking about the wines of Australia, France, California or Italy. For Australian wine, Shiraz was top-of-mind among respondents, followed by descriptors such as big/bold/full-bodied, fruity/jammy, and affordable/inexpensive/value.
  - Top-of-mind for California wine was Napa Valley, “big/bold” wines, Cabernet Sauvignon, as well as diversity of wine offerings.

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- When respondents think of French wine they first think of Bordeaux, expensive wines, and a history of winemaking.
- For Italian wine, first thoughts are of food-friendly wines, red wines, “big/bold” wines, and Chianti.

✓ Two-thirds of respondents indicated they had purchased or tried Australian wine in the past 12 months. However, respondents were more apt to have purchased wine from California, Italy, and France over the past year. Although quality perceptions of Australian wine were better than average (3.7 on a 5-point quality scale), French, Italian, and California wines were perceived as higher in quality (4.2 - 4.4).

- There was no difference in mean quality rating between those who would pay less than $20 for Australian wine on a special occasion and those who would pay $20 - $50. This implies that trading up in Australian wine is not solely a function of quality perception.
- High end wine buyers (purchase wines $20+ at least monthly) rate Australian wine quality lower than other consumers, one clue as to why it has been difficult to sell higher-priced Australian wines.

✓ Respondents are inclined to spend less on a special occasion wine from Australia, Argentina, and Chile, than from France, Italy, Spain or California. However, at least half of the respondents would spend at least $20 on a wine from Australia, Argentina, and Chile for a special occasion.

✓ As an under $20 wine for a meal at home that calls for a hearty, flavorful red wine, Australian Shiraz was the wine picked least often, behind California Cabernet Sauvignon and red blends, Argentine Malbec, and Rhone Valley red wine.

- Argentine Malbec and Rhone Valley red were also chosen because they are a good value in the under $20 price category. In addition, the top reason some respondents chose Australian Shiraz was because they believe it fit the bill for a bold and full-bodied wine.
- Most of the top reasons given for each wine choice overlapped – “value,” ”bold/hearty/full-flavored,” familiarity, and food pairings. Rather than having distinctly different types of appeal, the choice often appears to be made on which country/variety they think best fulfills these criteria.

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- ✓ As an over $30 gift wine for a friend that likes "big" wines, Napa Valley Cabernet Sauvignon overwhelmingly was the first choice, followed by Bordeaux. Australian Shiraz and Rhone Valley red wine tied for last place.
  - Napa Valley Cabernet Sauvignon and Bordeaux were chosen because they are "big," bold," full-bodied, rich and complex, as well as for being favored and familiar. In addition to being big and bold, and favored by those who chose them, Australian Shiraz and Rhone Valley Red wines were chosen because they are considered good values.
  - As with the under $20 scenario, the top reasons given for the various choices were mostly similar (familiarity, bold/intense flavors, popularity). However Napa and Bordeaux also benefited from perceptions of their strong reputation, reliability and being a "safe" choice.
- ✓ Respondents who drink Australian wine frequently (once a month or more often) skewed male like high frequency wine drinkers in general, and did not differ significantly from other respondents in age, on average.
- ✓ The reason the largest contingent of respondents don't buy Australian wine more than once a year, less often, or never is because they prefer their favorite varietals from other regions, or they haven't tried many or know much about Australian wines.
- ✓ Among those who buy Australian wine at least a few times a year, Shiraz is the Australian wine that has been purchased in the past two years by the most respondents, and was rated higher on quality than other Australian wine varietals or wine types. Although not purchased by as many respondents, GSM blends, Sauvignon Blanc and Semillon received high quality ratings.
- ✓ Overall, self-reported data showed that Australian Pinot Noir and Pinot Grigio (albeit on a smaller base) have made gains in terms of bottles purchased over the past two years. Shiraz, Semillon (again, on a smaller base), and Merlot have seen losses.
- ✓ Overall, respondents who buy Australian wine at least a few times a year have increased their purchases of California red blends, and red wines from Spain and Italy. Purchases of all other red wine competitors – California Cabernet Sauvignon, Rhone Valley red wine, Argentine Malbec, and especially California Syrah and Bordeaux have decreased over the past two years among this group.

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- Respondents who are buying less Shiraz are buying more Spanish and Italian red wine, and more red blends.
- Respondents who are buying more Shiraz are buying less California Cabernet Sauvignon and Syrah, and less Malbec.

✓ The majority of respondents who purchase Australian wine at least a few times a year, agree that there are reliable, good quality Australian wine brands available, that awareness of small, artisanal wineries is low among consumers, that Australian wine is food-friendly, and that Australian wines offer a lot of flavor for the money.

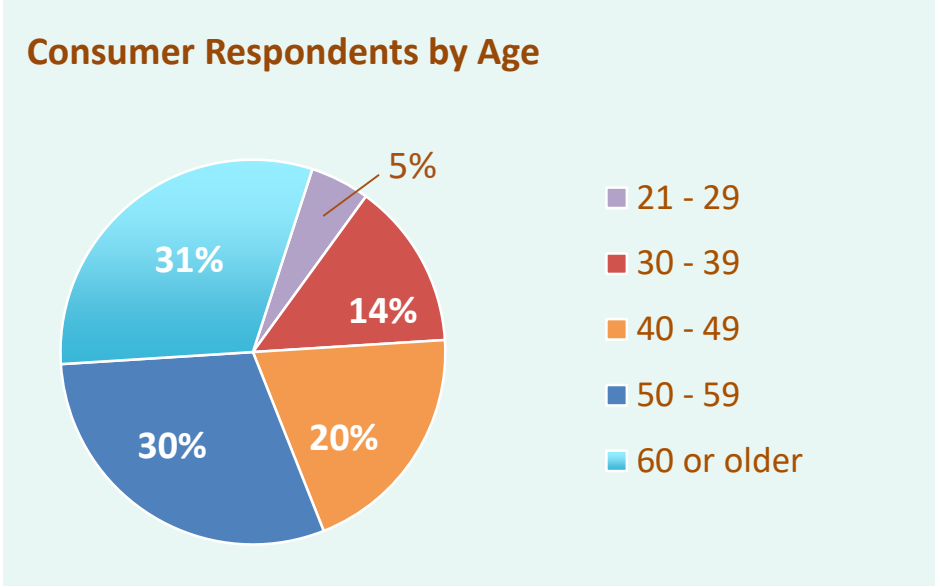
✓ Barossa is the Australian wine appellation Australian wine drinkers are familiar with and have tried in the past 12 months, in fact a majority of them have done so. Just under half have tried wines from McLaren Vale. No more than one-third of these Australian wine consumers had tasted wine from any of the other appellations.

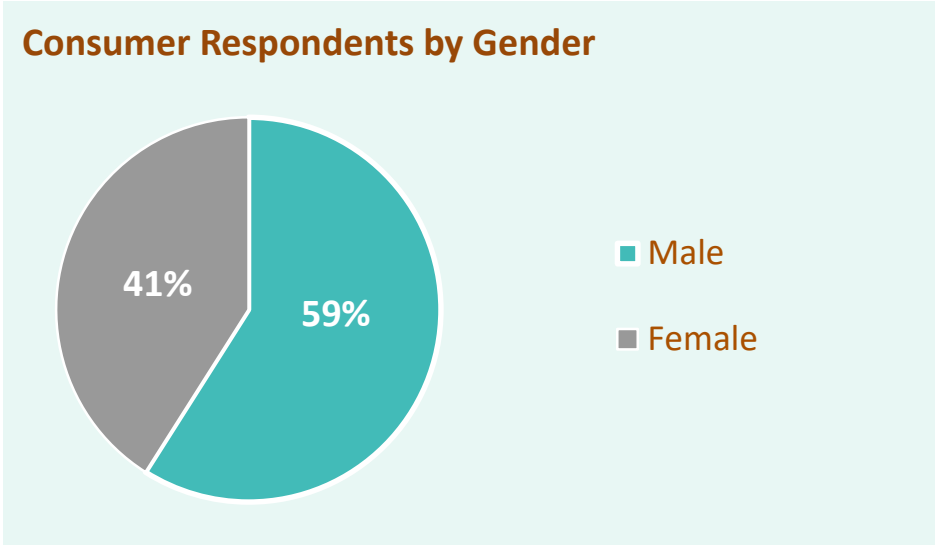
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CONSUMER RESPONDENT PROFILE

Age & Gender

- ✓ On average, survey participants were 52 years old, with the majority of respondents being over 50 (61%).
- ✓ More than half of this study's respondent pool was male (59%), and just under half were female (41%).
  - Survey participants in their 20s and 30s skewed slightly female (54% female/46% male).
  - Respondents in their 40s and 50s skewed male (53% male/47% female and 57% male/43% female respectively).
  - Those in their 60s skewed significantly male (67% male/33% female).

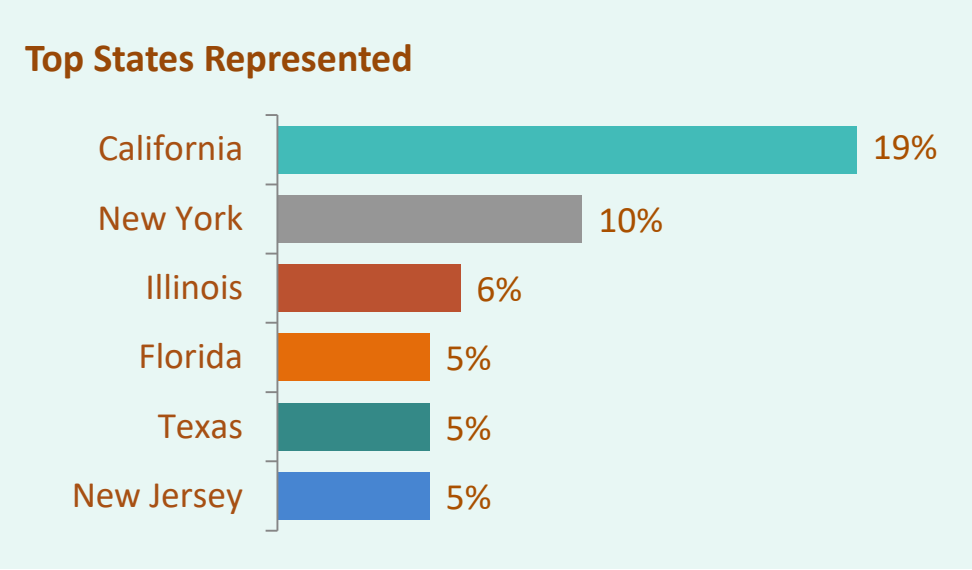




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Geography

- ✓ California was the most represented state (19%), followed by New York (10%), Illinois (6%), Florida, Texas, and New Jersey (5% each).

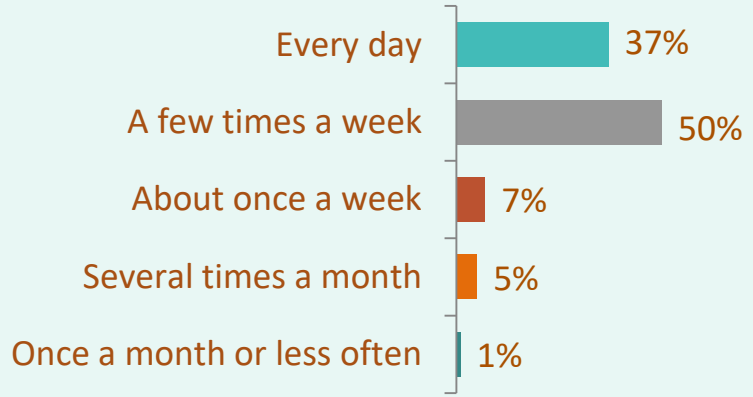


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WINE CONSUMPTION & PURCHASE BEHAVIOR

- ✓ A total of 87% of respondents are high frequency wine drinkers (drink wine more often than once a week). All others drink wine once a week or less often.
- ✓ Half buy under $10 wine either weekly or monthly (51%), and nearly three-quarters buy $10 - $19.99 wine at this rate (70%).
- ✓ The majority buy $20 - $29.99 wine either monthly or several times a year (69%), and wine that costs $30 or more several times a year or less often (63%).

Wine Consumption Frequency



Retail Wine Purchase Frequency by Price Category

	WEEKLY	MONTHLY	SEVERAL TIMES A YEAR	LESS OFTEN	NEVER
Under $10	27%	24%	16%	21%	13%
$10 - $19.99	30%	40%	21%	7%	2%
$19.99 - $29.99	10%	33%	36%	16%	5%
$30 or more	4%	19%	33%	29%	14%

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AUSTRALIA & COMPETING COUNTRIES: REGIONAL PERCEPTIONS VS. WINE PERCEPTIONS

Survey participants were randomly assigned to answer two open-ended questions about either Australia, California, France, or Italy. They were first asked what first comes to mind when they think of the region in general and what comes to mind first when they think about that region's wines. Between 280 and 337 respondents were assigned to answer questions about each region.

Australia

- ✓ Kangaroos most often came to mind when respondents thought of Australia, followed by the desert (20% each), and cultural icons such as Crocodile Dundee and phrases (11%). Geographic features and points of interest came up relatively often.
  - Friendly people were mentioned by 7%.
  - Yellowtail was the most frequently mentioned brand (7%).

Top-of-Mind: Australia in General (Top Mentions)	
Kangaroos	28%
Desert/Outback/Ayers Rock	20%
Cultural mentions/phrases/Crocodile Dundee/G'day/ mate/barbie/actors	11%
Sydney/Sydney Opera House	10%
Great Barrier Reef	10%
Down Under	9%
Beautiful/gorgeous scenery/coast/countryside	9%
Distant/far away	8%
Friendly/nice people	7%
Koala bears	7%
Adventure/wild	6%
Big/large country/state	5%
Beaches	5%

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Regions vs. Wine Perceptions *(continued)*

- ✓ Shiraz was mentioned most often when respondents were asked what came to mind when they think of Australian wine (29%).
  - Other top mentions included comments about wine style - big/bold/full body (14%) and fruity/jammy (12%) most often – and affordability/value (13%).
- ✓ Other associations (mentioned by less than 15 respondents) point to some of the conflicting views of Australian wine:
  - Excellent quality (4%) vs. average/everyday wine (3%).
  - Unique (4%) vs. mass produced (3%).
  - Diverse (3%) vs. one dimensional (3%).

Top-of-mind: Australian Wine	
Shiraz/Syrah	29%
Big/bold/full body	14%
Affordable/inexpensive/value	13%
Fruit/fruity/fruit forward/jammy	12%
Delicious/enjoyable/tasty	11%
Yellowtail	7%
Red wines	6%
Light	5%
White wines	5%
Good (general)	4%
Quality/excellent quality	4%
Sauvignon Blanc	4%
Unique/innovative/intriguing/distinct	4%
New World	4%
High alcohol/ABV	4%
Penfolds	3%
Cheap	3%
Diversity/variety	3%
Mass production	3%
Average/ok/everyday wine	3%
Boring/one dimensional/no interest	3%
Chardonnay	3%

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Regions vs. Wine Perceptions *(continued)*

California

- ✓ Most frequently associated with California were warm weather – sunny (25%) and climate (17%) – and geographic features (most often its beaches, 18%).
  - A few aspects of the state respondents consider negative also stood out – politics, crowding, traffic, and being expensive.
- ✓ Napa came up most often in terms of California wine (17%), followed by stylistic comments similar to those associated with Australia (big/bold by 15% and fruity/jammy by 11%).
  - 12% regard California wine as ”delicious” or ”enjoyable.”
  - Cabernet Sauvignon was the varietal brought up most often, but nearly as many commented on the diversity of California’s wine offerings.

Top-of-Mind: California in General (Top Mentions)

Sun/sunny	25%
Beaches	18%
Fantastic climate/weather	17%
Beautiful/gorgeous scenery/coast/countryside	13%
Politics/taxation/government/overall culture (negative)	10%
Ocean	8%
Crowded/traffic	7%
Expensive	7%
Liberal	6%
Hollywood	6%
Casual/relaxed/laid back	4%

Top-of-Mind: California Wine (Top Mentions)

Napa	17%
Big/bold/full body	15%
Delicious/enjoyable/tasty	12%
Cabernet	12%
Diversity/variety	11%
Fruit/fruity/fruit forward/jammy	11%
Sonoma	8%
Expensive	7%
Quality/excellent quality	6%
Chardonnay	6%
Affordable/inexpensive/value	5%
Good (general)	5%

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Regions vs. Wine Perceptions *(continued)*

France

- ✓ Paris was mentioned most frequently when respondents were asked what first comes to mind when they think of France (26%), followed by art and ”culture” (19%), history (16%), and the Eiffel Tower (13%) and other positive geographic aspects of the country (13%).
  - In addition to a perception of arrogance cited by 10% of respondents, France also conjures up a sense of romance (6%), elegance and sophistication (5%).
- ✓ Bordeaux came up most often in relation to French wine (19%), and nearly as many respondents commented on the expense of French wine (18%).
  - That France has a history of winemaking was also a top mention (12%).

Top-of-Mind: France in General (Top Mentions)

Paris/Seine	26%
Art/culture/museums	19%
History	16%
Eiffel Tower	13%
Beautiful/gorgeous scenery/coast/countryside	13%
Arrogant/snooty/pretentious/rude	10%
Romantic	6%
Fashion	5%
Great/love the country/state/great destination/want to visit	5%
Elegant/sophisticated	5%

Top-of-mind: French Wine (Top Mentions)

Bordeaux	19%
Expensive	18%
Historic/history of winemaking/traditional/ experienced	12%
Burgundy	9%
Delicious/enjoyable/tasty	8%
Elegant/sophisticated	8%
Champagne	7%
Old World	6%
Red wines	6%
Quality/excellent quality	6%
Complex	5%
Classic	5%

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Regions vs. Wine Perceptions *(continued)*

Italy

- ✓ History and the beauty of the country were brought up most often when respondents think of Italy (28% each).
  - Art and museums were mentioned by 14%, and culture in general by 9%.
  - Among the places respondents most strongly associated with Italy were Rome and Tuscany (8% each), Venice (6%), and the Mediterranean (5%).
- ✓ Food friendliness came up frequently in connection with Italian wine (14%).
  - That Italian wine is ”delicious” and “enjoyable” was also a top mention (13%).
  - Red was the type of wine that that came up most often (13%), and Chianti the most frequent appellation (13%).
  - In terms of style, ”big” and “bold” was top of mind for 12%, while 11% mentioned diverse offerings.

Top-of-Mind: Italy in General (Top Mentions)

History	28%
Beautiful/gorgeous scenery/coast/countryside	28%
Art/museums	14%
Culture	9%
Rome	8%
Tuscany	8%
Great/love the country/state/great destination/want to visit	7%
Venice/gondolas/canals	6%
Beautiful cities/towns/architecture	5%
Mediterranean	5%
Romantic	5%

Top-of-Mind: Italian Wine (Top Mentions)

Food friendly	14%
Delicious/enjoyable/tasty	13%
Red wines	13%
Chianti	13%
Big/bold/full body	12%
Diversity/variety	11%
Barolo	8%
Tuscany	7%
Historic/history of winemaking/traditional/ experienced	6%
Affordable/inexpensive/value	6%

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Regions vs. Wine Perceptions *(continued)*

After respondents were asked about their top-of-mind associations with either Australia, California, France or Italy using an open-ended question format (results of which were discussed earlier in this report section), all respondents were asked which from a list of words they associate (in general) with Australia, France, Italy, and California. The open-ended questions were asked first to avoid biasing respondents by suggestion.

- ✓ Substantial majorities of respondents associate Australia with being friendly, cheerful, and laid back. Australia was by far the least associated with luxury products and great food among the four countries.
- ✓ By contrast, France was associated by the majority with descriptors that only a minority associated with Australia, such as small farms and rustic, expensive and great foods, and traditional.
- ✓ The biggest gap in perceptions of Australia and France were the associations of these regions with luxury products, being serious and sophisticated, all which were more strongly associated with France.
- ✓ California is similar to Australia in that it is considered friendly and laid back by the majority, and similar to France in that it is associated with great food and being expensive. California was the region most strongly associated with innovation.

Word Associations by Region

	AUSTRALIA	FRANCE	CALIFORNIA	ITALY
Friendly	83%	18%	55%	61%
Cheerful	76%	11%	45%	52%
Laid back	64%	14%	70%	36%
Innovative	40%	17%	87%	15%
Small farms	34%	65%	39%	76%
Rustic	32%	53%	12%	84%
Expensive	21%	81%	63%	36%
Great food	**15%**	76%	52%	90%
Traditional	10%	71%	10%	81%
Luxury products	**9%**	87%	48%	61%
Serious	7%	79%	14%	22%
Sophisticated	7%	94%	29%	49%

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Regions vs. Wine Perceptions *(continued)*

- ✓ The majority think of Italy, like France, as having small farms and great food, with luxury products and with being expensive and traditional. Italy is most like Australia in the association with friendliness and cheerfulness.
- ✓ As noted, the descriptors that Australia has least in common with the other countries is an association with good food and luxury goods.
  - A finding of special interest is that respondents who frequently purchase Australian wine, rate it high on quality, or would spend more than $20 on Australian wine for a special occasion were more likely to associate Australia with great food, but less likely to associate it with luxury products. Hence, being associated with great food may positively affect corresponding perceptions of wine quality.
- ✓ Also as noted, being friendly, cheerful and laid back were the three descriptors with the strongest associations with Australia.
  - There was little difference in the association of being friendly, cheerful and laid back with Australia between respondents who frequently purchase Australian wine or rate it high on quality. However, the association with these descriptors was higher among those who would spend more on Australian wine. Hence, being associated with these descriptors doesn't seem to hurt wine perceptions that impact purchase choice.

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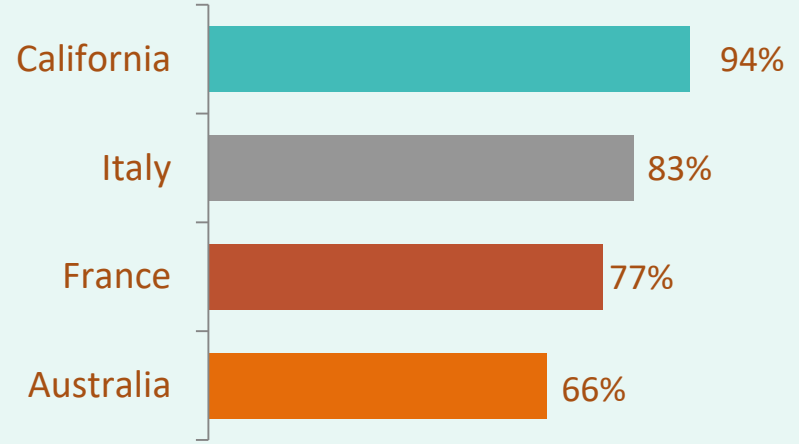
AUSTRALIA & COMPETING COUNTRIES: WINE QUALITY PERCEPTIONS

- ✓ Two-thirds of the respondents reported that they had either tried or purchased Australian wine in the past 12 months (66%).
- ✓ Comparatively, more than three-quarters had tried or bought French wine (77%), 83% had tried or purchased Italian wine, and nearly all had tried or bought California wine (94%).

Respondents who have tasted or purchased wine from these regions were asked to rate the typical quality of each country's wines on a 5 point scale where 1 = "poorest quality" and 5 = "very highest quality."

- ✓ On average, quality ratings for France, California, and Italy were tightly grouped, with France (4.4) having a slight advantage over both California (4.3) and Italy (4.2), and California having a slight advantage over Italy.
- ✓ The quality of Australian wine was rated, on average, significantly lower than these other regions (3.7).

Past 12 Month Wine Trial or Purchase by Region



Quality Perceptions by Region*
(mean ratings)

France	4.4
California	4.3
Italy	4.2
Australia	3.7

**Rated on a 5-pt scale from highest quality (5) to poorest quality (1).*

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Wine Quality Perceptions *(continued)*

- ✓ Looking more closely at the quality ratings, approximately half (49%) rated the typical quality of French wine a “5,” the “very highest quality,” and nearly all rated it either a “4” or “5,” the two highest ratings (92%).
- ✓ The great majority also rated the wines of Italy and California either a “4” or “5” (84% and 87% respectively), although ratings skewed slightly towards “4.”
- ✓ In the case of Australia, most rated the typical quality of its wine either a “3” or “4.” (80%), with ratings skewed toward “4.”
  - On average, respondents who buy Australian wines more than once a month rated Australian wine highest on quality (4.1 vs. 3.7 among less frequent Australian wine purchasers, and 3.1 among those who never buy it). Frequent Australian wine buyers still gave France and California a slight edge in quality, but the difference was much smaller (4.3 vs. 4.1)
  - Interestingly, there was no difference in mean quality rating between those who would pay less than $20 for Australian wine on a special occasion and those who would pay $20 - $50. Only those who paid $50+ on special occasions rated Australian wine significantly higher.
  - The oldest respondents rated the quality of Australian wine highest (3.8), compared to younger respondents (3.5 among those in their 20s, 3.6 among those in their 30s, and 3.7 among those in their 40s and 50s).
  - Frequent $20+ wine buyers rated Australian wine lower on quality than respondents who buy Australian wine infrequently or not at all (3.6 vs. 3.8)

Quality Perceptions by Region*

	5 VERY HIGHEST QUALITY	4	3	2	1 POOREST QUALITY
France	49%	43%	7%	1%	0%
Italy**	40%	44%	16%	<1%	<1%
California	42%	45%	12%	1%	<.5%
Australia	15%	47%	33%	5%	<.5%

**Rated on a 5-pt scale from highest quality (5) to poorest quality (1).*
***Adds to more than 100% due to rounding.*

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AUSTRALIA & COMPETING COUNTRIES: PURCHASE PRICE AND OCCASIONS

Survey respondents were asked the maximum price they would pay for a special occasion wine from the regions shown in the table at right.

- ✓ Respondents would spend the most on French and California wine for a special occasion. Nearly half (45%) would spend over $50.
- ✓ Italy was not far behind France and California. One-third would spend over $50 (36%), and about half would spend between $20 - $50 (51%).
- ✓ The largest proportion of respondents would spend either $20 - $30 (32%) or $30 - $50 (29%) on a special occasion wine from Spain.
- ✓ Respondents would spend significantly less on Australian, Argentine, and Chilean wine for a special occasion. They were also more apt to report they would not purchase special occasion wines from these countries (14% - 19%) compared to France, California, Italy, and Spain (3% - 8%).
  - $20 - $30 was the maximum price most frequently chosen for Australia (30%), Argentina (37%), and Chile (34%).
  - However, Australia had a bit of an edge, as 35% would spend over $30 on a special occasion Australian wine, compared to 24% for Argentina and 22% for Chile.

Maximum Price Would Pay for a Very Special Occasion Wine by Region

	LESS THAN $20	$20 - $30	$30 - $50	OVER $50	WOULD NOT PURCHASE
France	7%	19%	23%	45%	6%
California	11%	18%	23%	45%	3%
Italy	10%	23%	28%	36%	3%
Spain	16%	32%	29%	15%	8%
Australia	21%	30%	22%	13%	14%
Argentina	22%	37%	18%	6%	16%
Chile*	26%	34%	16%	6%	19%

**Adds to more than 100% due to rounding.*

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Purchase Price and Occasions *(continued)*

Respondents were given a list of wines that included Australian Shiraz and four competing wines, and asked if spending under $20, which they would choose for a weekend dinner at home with a meal that called for a hearty, flavorful red wine.

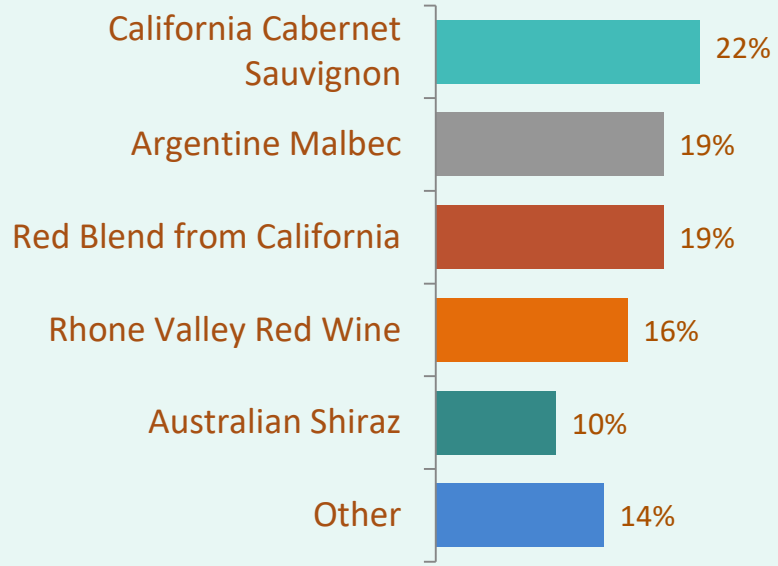
- ✓ Survey participant responses were tightly grouped, the top choice being California Cabernet Sauvignon (22%), but closely followed by Argentine Malbec (19%), and California red blends (19%).
- ✓ Rhone Valley red wine was not far behind at 16%.
- ✓ Australian Shiraz lagged the others (10%). Among the 14% of “other” wines entered in an open-ended text box was one mention of Australian Cabernet Sauvignon, and one mention of Australian GSM. Although it still trailed, Australian Shiraz did better among 20-somethings and those aged 60 or more.
- ✓ Additional “other” wines mentioned included:
  - Zinfandel – 34 mentions, roughly 2% of the total (in some cases California, Lodi, old vine, and Dry Creek Valley were specified).
  - Spanish wines – 44 mentions (just over 3% of total; most often Rioja and Tempranillo)
  - Other Italian wines – 28 mentions (most often Chianti, Barolo, and Barbera)
  - Other French wines – 10 mentions (mostly Bordeaux)
  - Washington Cabernet Sauvignon or red blends – 12 mentions.
  - Pinot Noir – 10 mentions (a few mentions of each California or Oregon specifically)
  - Syrah – 6 mentions (mostly California)

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Purchase Price and Occasions *(continued)*

- ✓ Not surprisingly, the respondents who were most likely to choose Australian Shiraz for this occasion were frequent Australian wine drinkers (20% vs. 8% of others) and respondents who rated Australian Shiraz highest on quality (19% vs. 9% of others).
- ✓ These frequent Australia buyers were only slightly more likely to choose California Cabernet Sauvignon or Argentine Malbec in this situation (23% each - a statistical tie with Shiraz). The respondents who rated Australian Shiraz high on quality also ranked the Shiraz choice in the top tier (19%), statistically tied with Argentine Malbec and California red blends; and they were only slightly more likely to choose California Cabernet Sauvignon (23%) compared to Australian Shiraz (19%).

Under $20, Hearty, Flavorful Red Wine Would Most Likely Choose for a Weekend Dinner



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Purchase Price and Occasions *(continued)*

Respondents were asked why they chose a particular wine as an under $20, hearty red wine for a weekend dinner.

- ✓ The top reason for choosing a California Cabernet Sauvignon was because it is a favorite wine (24%). Some 9% chose it because they like California wines in general.
  - Familiarity played a role for 16% of those who chose California Cabernet Sauvignon.
  - Some 13% thought it was the most bold and hearty wine of the choices, and 10% chose it because it pairs well with steak/grilled meat and hearty foods.
  - The variety of California Cabernet Sauvignon choices within the under $20 price category was a reason for 9%.
- ✓ The top reason for choosing a California red blend was because blends are their go-to choice (16%). Some 9% like California wines in general.
  - Some 12% find red blends flexible in terms of food pairing and wine drinking occasions.
  - Some 9% each reasoned that there are a variety of good red blend choices in the price category and many good values in that price range.

Reasons for Choosing California Cabernet Sauvignon and Red Blends (Based on those who chose wine type)

CALIFORNIA CABERNET SAUVIGNON (Base = 239)	
My favorite/my favorite red wine/love Cabernet	24%
Familiarity/past experience	16%
Bold/very bold/full bodied/hearty/most full bodied choice	13%
Pairs well with steak/grilled meats/hearty foods	10%
Variety/many choice/many choices in price ranges	9%
Like California wines (general)	9%
RED BLEND FROM CALIFORNIA (Base = 204)	
Like blends/my go-to choice	16%
Flexible/pairs well with many foods/wine drinking occasions	12%
Better choice/better wines in that price range/price range too low for quality wines in other options	10%
Taste/love taste/very flavorful	10%
Value/great value, best/great value in price range	9%
Variety/many choices/many choices in price range	9%
Like California wines (general)	9%

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Purchase Price and Occasions *(continued)*

- ✓ Among those who chose Argentine Malbec, the top reason for choosing it as an under $20, hearty red wine for a weekend dinner was a preference for the wine (24%).
  - Some 19% believe Malbecs in that price range offer a better value than the other wines, and 16% think Malbecs in the price range are better quality than the other wines.
  - A total of 12% regard Malbec as more affordable than the other wines.
  - Some 9% considered Malbec's flexibility when pairing with food and wine drinking occasions.
- ✓ Value was the top reason Rhone Valley red wine was chosen in this circumstance (22%), closely followed by 21% who consider it their go-to wine.
  - Flexibility in terms of food pairing was the reason 19% chose it.
  - Affordability was a consideration for 9%.
  - Better structure/balance/complexity than the other wines was a reason Rhone Valley red was the choice for 8%, and high quality in general was the reason given by 7%.

Reasons for Choosing Argentinean Malbec and Rhone Valley Red Wine (Based on those who chose wine type)

ARGENTINE MALBEC (Base = 210)	
Like/enjoy it/go-to-choice	24%
Value/great value/best/great value in that price range	19%
Better choice/better wines in that price range/price range too low for quality wines in other options	16%
Bold/very bold/full bodied/hearty/most full bodied choice	16%
More affordable/better prices	12%
Taste/love taste/very flavorful	10%
Flexible/pairs well with many foods/wine drinking occasions	9%
RHONE VALLEY RED WINE (Base = 184)	
Value/great value/best/great value in that price range	22%
Like/enjoy it/go-to choice	21%
Flexible/pairs well with many foods/wine drinking occasions	19%
More affordable/better prices	9%
Better structure/balance/more complex	8%
High quality	7%

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Purchase Price and Occasions *(continued)*

- ✓ The top reason Australian Shiraz was chosen as an under $20 hearty red wine for a weekend dinner at home, was because respondents regarded it as the most bold, hearty, full bodied choice (20%).
  - It was chosen by 18% because it is their go-to wine.
  - The value the wine offers was the reason 16% chose Australian Shiraz.
  - Some 14% chose it because it they considered it the wine that offers the best quality in the under $20 price category compared to the other wines.
  - One in ten chose Australian Shiraz because it pairs well with meat and other hearty foods (10%).

Reasons for Choosing Australian Shiraz - Under $20 Weekend Dinner Scenario
(Based on those who chose Australian Shiraz, Base = 100)

Bold/very bold/full bodied/hearty/most full bodied choice	20%
Like/enjoy it/go-to choice	18%
Value/great value/best/great value in that price range	16%
Better choices/better wines in that price range/price range too low for quality wines in other options	14%
Pairs well with steak/grilled meats/hearty foods	10%

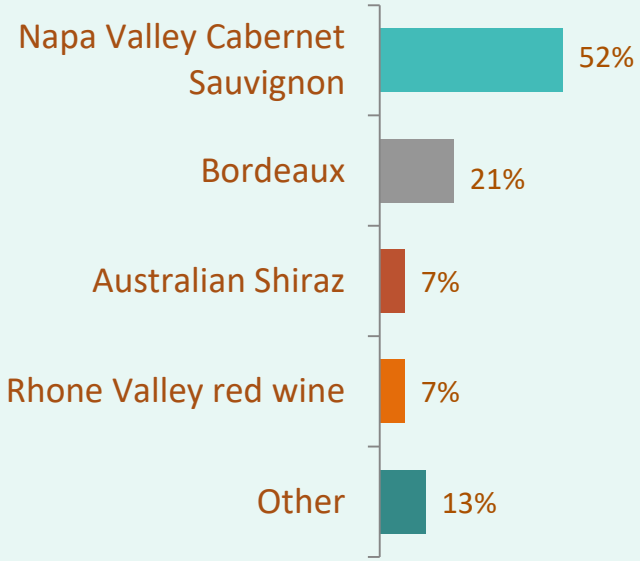
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Purchase Price and Occasions *(continued)*

Respondents were given a list of wines that included Australian Shiraz and three competing wines, and asked which they would choose if spending over $30 on a gift for a friend who enjoys "big" red wines.

- ✓ Over half would pick Napa Valley Cabernet Sauvignon (52%).
- ✓ Bordeaux would be the choice for 21%.
- ✓ Australian Shiraz and Rhone Valley red wine were the least apt to be chosen (7% each).
- ✓ Additional "Other" wines mentioned included:
  - Zinfandel – 34 mentions (California, Lodi, and Dry Creek Valley mentioned most often).
  - Other Italian wines – 49 mentions (Barolo, Brunello, Amarone and Super Tuscans mentioned most often).
  - Spanish wines – 12 mentions (including Rioja, Ribera del Duero, Priorat, and Toro).
  - Washington wines – 13 mentions (including Cabernet Sauvignon, red blends, and Syrah).
  - Syrah from various regions – 9 mentions (mostly California).
  - Cabernet Sauvignon from somewhere other than Napa Valley - 7 mentions.
  - Sonoma Zinfandel and Cabernet Sauvignon – 5 mentions.

Over $30 Wine Would Choose as a Gift for a Friend who Loves "Big" Red Wines



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Purchase Price and Occasions *(continued)*

- ✓ Respondents who were most likely to choose Australian Shiraz for this occasion were respondents in their 20s (15% vs. 6% of others), as well as frequent Australian wine drinkers (13% vs. 6% of others) and respondents who rated Australian Shiraz highest on quality (15% vs. 6% of others).
  - Nonetheless, these respondents would be significantly more likely to choose Napa Valley Cabernet Sauvignon or Bordeaux for this occasion over Australian Shiraz
  - Napa dominates preferences in this situation for those over 40, but barely edges out Bordeaux for those aged 21 - 29. In fact, all three alternatives to Napa were chosen at higher rates by younger respondents

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Purchase Price and Occasions *(continued)*

- ✓ The reasons respondents chose Napa Valley Cabernet Sauvignon as a gift for a friend who loves "big" reds was that they felt it best matched the "big" red description (16%).
  - Respondents were nearly as likely to have chosen Napa Valley Cabernet Sauvignon because they are familiar with it (15%) and it has a big/bold/rich/complex taste profile (14%).
  - Some 13% would choose it because they consider it a "crowd pleaser" or feel it is a reliable, safe choice (11%).
  - One it ten chose it because it is a personal favorite (10%).
  - Some 8% chose it based on Napa Valley's reputation and 7% chose it because they consider the wine of excellent/best quality.
- ✓ Bordeaux was picked most often because it's a personal favorite (17%), and has a big/bold/rich/complex taste profile (15%).
  - Some 9% each consider Bordeaux a crowd pleaser and producer of the best "big" wines.
  - Some 6% each regard it as a reliable, safe choice, and the most impressive choice.

Reasons for Choosing Napa Valley Cabernet Sauvignon and Bordeaux (Based on those who chose wine type)

NAPA VALLEY CABERNET SAUVIGNON (Base = 538)	
Matches "big" red description best	16%
Familiarity/experience	15%
Big/bold flavor/full/bodied/rich wines/complex	14%
Crowd pleaser/everyone likes/familiar with them	13%
Reliable/safe choice/always good	11%
Love these wines/personal favorite	10%
Napa Valley's reputation	8%
Excellent/best quality	7%
BORDEAUX (Base = 213)	
Love these wines/personal favorite	17%
Big/bold flavor/full/bodied/rich wines/complex	15%
Crowd pleaser/everyone likes/familiar with them	9%
Fantastic/excellent wines/best "big" wines	9%
Reliable/safe choice/always good	6%
Impressive choice/expensive/special/has cachet	6%

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Purchase Price and Occasions *(continued)*

- ✓ The top reasons some respondents chose Australian Shiraz for an over $30 gift is that it is big/bold/rich/complex (21%), and also considered the best value of the lot (20%).
  - Personal preference played into the choice for 13%, and for 10%, the perception that Australian Shiraz is a crowd pleaser.
  - Some 9% each chose it because it is a "fantastic" "big" wine, or that it matched the "big" red description.
  - Some 7% each picked it because it is a unique choice, or regarded it as having the best QPR of any of the wine choices.
  - Both high end consumers in general, and high end Australian wine buyers, were more likely to cite Big/Bold/full-bodied/rich wines as reasons for buying Australian wines, than those less involved with wine in general.
- ✓ Rhone Valley was the choice of respondents most often based on personal preference (27%), and best value (16%).
  - Some 9% chose the wine because it is a "fantastic" "big" wine. It was also the choice of 9% because it is recognizable. Some cited Chateauneuf du Pape in this context.
  - A total of 8% each chose the Rhone because it is a unique choice, or regarded it as having the best QPR of any of the wine choices.

Reasons for Choosing Australian Shiraz and Rhone Valley Red Wine (Based on those who chose wine

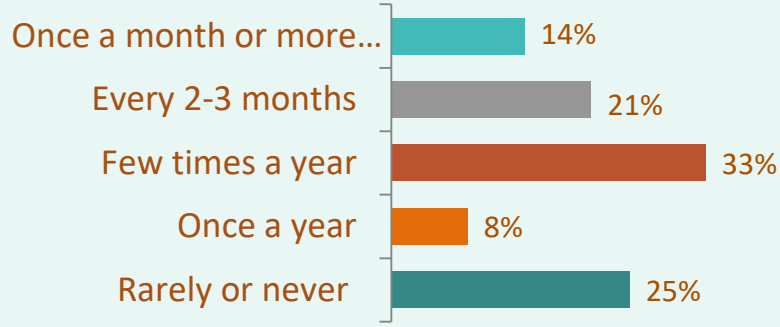
AUSTRALIAN SHIRAZ (Base = 70)	
Big/bold flavor/full/bodied/rich wines/complex	21%
Value/best value	20%
Love these wines/personal favorite	13%
Crowd pleaser/everyone likes/familiar with them	10%
Fantastic/excellent wines/best "big" wines	9%
Matches "big" red description best	9%
More unique gift choice/something different	7%
Best QPR of any choice	7%
RHONE VALLEY RED WINE (Base = 64)	
Love these wines/personal favorite	27%
Value/best value	16%
Big/bold flavor/full/bodied/rich wines/complex	11%
Fantastic/excellent wines/best "big" wines	9%
Famous/recognizable/Chateauneuf du Pape	9%
More unique gift choice/something different	8%
Best QPR of any choice	8%

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AUSTRALIA WINE CONSUMERS: PURCHASES & PERCEPTIONS

- ✓ Three-quarters of total respondents buy Australian wine at least once a year.
  - Although only 14% buy Australian wine once a month or more often, more than half buy it between a few times a year to every 2 – 3 months (54%).
- ✓ Frequent Australian wine buyers did not differ significantly in average age, gender or annual household income from those who buy Australian wine less often or not at all.

Australian Wine Purchase Frequency



Australian Wine Buyer Profile

	BUY AUSTRALIAN WINE...		
	ONCE A MONTH+ (FREQUENTLY)	EVERY 2-3 MONTHS BUT AT LEAST ONCE A YEAR (OCCASIONALLY)	RARELYO R NEVER
Age (mean)	53	52	52
Male	62%	60%	55%
Female	38%	40%	45%
Income:*			
Under $50K	14%	11%	-
$50K - $99K	22%	22%	-
$100K – $149K	24%	27%	-
$150K+	26%	29%	-

**Only asked of respondents who buy Australian wine at least once a year.*

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Wine Purchases and Perceptions *(continued)*

Those who purchase Australian wine only once a year or less often, or not at all, were asked why. They could choose as many as they liked from among ten different reasons, or enter a reason in an open-ended text box.

- ✓ The top reason given for rarely or never buying Australian wine was a preference for favorite varieties produced in other places (49%).
  - Some 15% used to drink Australian wine but now prefer wines from other regions. (Just under half of these respondents also indicated that they prefer other countries/regions for favorite varieties.)
- ✓ The next most often cited reason was a lack of trial or knowledge about Australian wines (32%). This was the leading answer (52%) for those aged 21 - 29, significantly higher than for other ages. Those in their thirties, in turn, checked this more often than those aged 40+, although there were insufficient numbers to be statistically significant.

Reasons for Buying Australian Wines Rarely or Never
(Base = buy Australian wines once a year, less often or never)

Prefer other countries/regions for favorite varieties	49%
Haven’t tried many/don’t know much about them	32%
Have disliked taste/style of those I’ve tried	20%
Seldom see Australian wines that interest me	20%
Most are similar tasting and less interesting	15%
Used to purchase them frequently but now prefer wines from other regions	15%
Most are cheap and mass produced	13%
The quality is insufficient	10%
The better Australian wines are over priced	10%
Haven’t been any new, exciting developments or trends in Australian wines	5%

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Wine Purchases and Perceptions *(continued)*

- ✓ One-fifth indicated that they rarely see Australian wines that interest them (20%).
  - There were 5% of respondents who haven't purchased Australian wines because they haven't perceived anything new or any interesting developments in Australian wine.
- ✓ One-fifth don't drink Australian wines because they've disliked the Australian wines they've tried (20%).
  - Some 15% described Australian wine as similar tasting and less interesting than other wines, 13% described it as cheap and mass produced, and 10% as of insufficient quality.
- ✓ One in ten think the "better" Australian wines are over priced.

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AUSTRALIA WINE VARIETIES

Only respondents who buy Australian wine at least a few times a year were asked further questions about Australian wine.

- ✓ Three-quarters of these respondents purchased Australian Shiraz in the past two years (77%).
- ✓ Nearly half purchased Cabernet Sauvignon from Australia in the past two years (46%).
- ✓ One-fifth or less purchased Australian Riesling (20%), Merlot (17%), or Semillon (13%).

Purchasers of each Australian wine type were asked to rate them on a 5-point quality scale on which 1 = "poorest quality" and 5 = "very highest quality."

- ✓ On average, Shiraz was rated highest (4.3), followed by GSM blends (4.1), Sauvignon Blanc (4.1), and Semillon (4.0).
- ✓ A second quality tier included Cabernet Sauvignon and Riesling (each rated 3.9 on average), and all other varietals were rated 3.8.
  - Purchase rates for Riesling were highest among those under 40 years old (31% vs. 18% of those 40+).

Australian Wine Types: Past 2 Year Purchases and Quality Perceptions*
(Base: purchase Australian wine few times a year or more often)

	PURCHASED IN PAST 2 YEARS	MEAN QUALITY RATING*
Shiraz	77%	4.3
Cabernet Sauvignon	46%	3.9
Grenache-Syrah-Mourvedre blends (GSM)	39%	4.1
Sauvignon Blanc	38%	4.1
Chardonnay	31%	3.8
Pinot Noir	24%	3.8
Riesling	20%	3.9
Merlot	17%	3.8
Semillon	13%	4.0
Pinot Grigio	13%	3.8

**Rated only by those who purchased wine type in past 2 years using a 5-point scale from highest quality (5) to poorest quality (1).*

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Australian Wine Varieties *(continued)*

Again, respondents who had purchased each type of Australian wine were asked if they are buying more, less, or about the same number of bottles of those wines compared to two years ago.

- ✓ For most of these wines, roughly half of the respondents reported no change in the number of bottles purchased. This is quite typical for this type of question. Shiraz was the varietal for which respondent purchases were most stable (62%).
- ✓ Looking at the net change in reported purchases for each wine, that is the percent buying more minus the percent buying less:
  - Making the largest gains are Pinot Noir (+12) and Pinot Grigio (+9, albeit on a somewhat lower base), followed by Sauvignon Blanc (+5).
  - GSM and Riesling have seen slight upticks in purchases (+2 and +1 respectively)
  - Cabernet Sauvignon purchases have been stable.
  - Chardonnay (-5), followed by Shiraz, Merlot, and Semillon (-8 each) are the varietals that show a net loss in purchases.

Change in Number of Bottles of Australian Wine Purchased vs. 2 Years Ago by Wine Type**
(Base = purchase Australian wine few times a year or more often and purchased wine type in past 2 years)

	BUYING MORE	BUYING LESS	BUYING THE SAME AMOUNT	NET % PT CHANGE*
Pinot Noir	31%	19%	50%	+12
Sauvignon Blanc	29%	24%	47%	+5
Riesling	27%	26%	47%	+1
Pinot Grigio	27%	18%	54%	+9
Grenache-Syrah-Mourvedre blends (GSM)	23%	21%	56%	+2
Chardonnay	23%	28%	49%	-5
Cabernet Sauvignon	22%	22%	56%	0
Merlot	21%	29%	49%	-8
Semillon	21%	29%	50%	-8
Shiraz	15%	23%	62%	-8

**% buying more bottles minus % buying less.*

***Due to survey design and this study's focus on regular Australian wine consumers, respondents who buy Australian wine once a year, less often, or not at all were not asked about their change in Australian wine varietal purchases (approximately one-third of the sample). This may have resulted in the those who decreased consumption being underestimated by as much as 9% – 16%, and those who reported stable consumption by as much as 10%.*

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Australian Wine Varieties *(continued)*

- ✓ Looking at the change in Shiraz purchases by age shows that the only age group buying more Shiraz overall are those in their 20s (although on a small base, and this group tends to "buy more" in general due to their life stage). Among the other age groups, the biggest loses are among Australian wine buyers in their 50s.
- ✓ Unsurprisingly, quality perceptions of Shiraz were also higher among those buying more Shiraz than they were two years ago (mean rating of 4.5 vs. 4.1 among those buying less Shiraz and 4.2 among those buying the same amount).
- ✓ Those buying more Shiraz also rated Australian GSM wines higher on quality (4.3 vs. 4.0 among those buying less Shiraz and 4.1 among those buying the same amount).

Change in Number of Bottles of Australian Shiraz Purchased vs. 2 Years Ago
(Base = purchase Australian wine few times a year or more often and purchased Shiraz in the past 2 years)

AGE	BUYING MORE	BUYING LESS	BUYING THE SAME AMOUNT	NET % PT CHANGE*
20s**	37%	13%	50%	+24
30s	19%	25%	56%	-6
40s†	18%	21%	62%	-3
50s†	14%	30%	57%	-16
60+	13%	19%	68%	-6

**% buying more bottles minus % buying less.*
***Caution, small base size.*
†Adds to more than 100% due to rounding

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Australian Wine Varieties *(continued)*

Respondents who purchase Australian wine at least a few times a year were asked if they agree with a series of statements about Australian wine.

- ✓ The majority agreed that:
  - There are reliable, good quality Australian wine brands available (65%).
  - Awareness of Australia's small, artisanal wineries among consumers is low (60%).
  - Australian wines are food friendly (56%).
  - Australian wines offer a lot of flavor for the money (55%).
- ✓ Respondents were split fairly evenly between thinking of Australia only as source of reliable wines, primarily Shiraz, and being intrigued by Australia's diverse offerings and wines over $15.
  - Some 44% are intrigued by Australia's various regions and appellations, and 34% mainly buy fine over $15 Australian wines.
  - On the other hand, 41% look to Australia for reliable wines rather than top quality or special occasions brands, and 35% look to Australia mainly for Shiraz.

Australian Wine Agreement Statements
(Base = purchase Australian wine few times a year or more often)

Australia has some reliable, good quality brands that are widely available	65%
Most people don't know about the small, artisanal wineries of Australia	60%
Australian wines go well with a wide range of foods	56%
Australian wines offer a lot of flavor for the money	55%
I am intrigued by the different regions and appellations of Australia	44%
I look to Australia more for reliable wines than top quality or special occasions brands	41%
I look mainly to Australia for Shiraz, for other varieties I tend to buy from other countries	35%
I buy mainly fine Australian wines above $15, not the big volume, lower priced wines	34%

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Australian Wine Varieties *(continued)*

- ✓ By age, respondents 50 and older were more aware that Australian wine has reliable, good quality brands that are widely available (69% vs. 59%), and that Australian wines are food friendly (60% vs. 48%). Those under 40 were more intrigued by the diversity of Australia's appellations than their older counterparts (54% vs. 40% - 43%).

- ✓ Not surprisingly, frequent $20+ wine buyers were more intrigued by the diversity of Australia's appellations than those who buy $20+ wines less frequently (49% vs. 39%), and were more apt to acknowledge that awareness of Australia's small artisanal wineries is low (66% vs. 55%).

- ✓ Respondents who are wiling to spend over $50 on Australian wine for a special occasion were more likely to agree that Australian wines offer a lot of flavor for the money (67% vs. 39% - 55% of others), and were more intrigued by the diversity of Australia's appellations compared to their counterparts (61% vs. 27% - 47%).

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Australian Wine Varieties *(continued)*

At-least-a-few-times-a-year Australian wine buyers were also asked how their consumption of competing red wines have changed over the past two years.

- ✓ For the largest contingent of respondents (40% - 48%), purchases have remained stable for all of the red wines.
- ✓ Overall purchase gains were most prevalent for California red blends (+14), red wines from Spain (+12), and red wines from Italy (+11).
- ✓ The largest overall decreases were reported for Bordeaux (-20), California Syrah (-18), and Argentine Malbec (-10).
- ✓ Single digit net decreases were reported for Rhone Valley and California Cabernet Sauvignon (-1 and -6 respectively).

Change in Number of Bottles of Red Wine Purchased vs. 2 Years Ago by Wine Type
(Base = purchase Australian wine few times a year or more often)

	BUYING MORE	BUYING LESS	BUYING THE SAME AMOUNT	NET % PT CHANGE*
“Red blend” wines from California	37%	23%	40%	+14
Red wines from Spain	35%	23%	42%	+12
Red wines from Italy	32%	21%	47%	+11
Rhone Valley red wine	26%	27%	46%	-1
Cabernet Sauvignon from California	23%	29%	48%	-6
Argentine Malbec	22%	32%	46%	-10
Syrah wines from California	17%	35%	48%	-18
Bordeaux	16%	36%	47%	-20

**% buying more - % buying less*

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Australian Wine Varieties *(continued)*

- ✓ Looking specifically at Australian wine purchasers who reported they are buying more or less Shiraz over the past two years suggests that:
  - Respondents who are buying less Shiraz are buying more Italian and Spanish red wines, and red blends, and to a lesser degree, Malbec and Rhone wines.
  - Respondents who are buying more Shiraz are buying less California Syrah, California Cabernet Sauvignon, and Malbec.
  - Respondents buying more Shiraz are also buying more Spanish reds and red blends.

Change in Number of Bottles of Red Wine Purchased Among those Buying More and Less Shiraz
(Base = purchase Australian wine few times a year or more often)

	…ARE BUYING LESS	…ARE BUYING MORE	…ARE BUYING MORE OR ABOUT THE SAME	…ARE EVENLY SPLIT AMONG MORE/LESS
Those buying MORE Shiraz	CA Syrah CA Cabernet Malbec	Spanish reds Red blends	Bordeaux	Rhone Italian Reds
Those Buying LESS Shiraz	Bordeaux	Italian reds Spanish reds Red blends	Malbec Rhone	CA Syrah CA Cabernet

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AUSTRALIAN APPELLATIONS

Respondents who buy Australian wine at least a few times a year were asked if they had tried Australian wine from a list of Australian appellations in the past 12 months.

- ✓ The majority had tried wines from the Barossa Valley (56%), and nearly half had tried wines from McLaren Vale (47%).
- ✓ After these top two appellations, there was a significant drop in trial.
  - Approximately one-third had tried wines from Coonawarra (34%), Adelaide Hills (32%), and Yarra Valley (31%).
  - Approximately one-fourth had tried wines from Margaret River (25%), Hunter Valley (25%), and Clare Valley (24%).
  - Less than one-fifth had tried Tasmanian wine (14%), wine from Langhorn Creek (11%), Limestone Coast (10%), or from Mornington (4%).

Past 12 Month Australian Wine Trial by Region
(Base = purchase Australian wine few times a year or more often)

Barossa Valley	56%
McLaren Vale	47%
Coonawarra	34%
Adelaide Hills	32%
Yarra Valley	31%
Margaret River	25%
Hunter Valley	25%
Clare Valley	24%
Tasmania	14%
Langhorn Creek	11%
Limestone Coast	10%
Mornington	4%

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Australian Appellations *(continued)*

- ✓ High end consumers and those who were willing to purchase Australian wines over $20 a bottle were significantly more likely to have tried nearly all of the appellations. However, frequent Australian wine purchasers were only somewhat more likely to purchase many of the appellations, and not significantly more likely to have purchased Barossa or McLaren Vale. Those who perceived Australian wine as high quality were not significantly more likely to have purchased most appellations. This suggests that the core of Australian wine fans may not be familiar with, or driven by, the appellations.

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WINE AUSTRALIA CONSUMER QUESTIONNAIRE

1. What is your age? *(Drop-down list of exact ages starting with “Under 21” – which disqualifies – and ending with “72 or older.”)*

2. What is your gender?
Male
Female

3. In what state do you live? *(Drop-down)*

4. On average, how often do you drink wine?

Every day
A few times a week
About once a week
Several times a month
About once a month
Once every 2-3 months
Less often than once every 2-3 months *(to end of survey question)*

5. Please indicate how often, on average, you buy wine at a retail store (not restaurant) in these price ranges (per 750ml bottle)?

Weekly	Monthly	Several times a year	Less Often	Never
Under $10				
$10 to $19.99				
$20 to $29.99				
$30 or more				

6. When you think about (country**) in general, NOT its wine or food, what are the first words that come to mind? *(Two open-ended boxes: “Word or Phrase 1” and “Word or Phrase 2”)*

** *Respondents are randomly assigned one of four countries for the question: Australia, France, California, or Italy.*

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7. Look at the following lists of words or phrases, and considering the countries in columns, please check each country which you associate (in general) with that attribute.

Australia	France	California	Italy

Cheerful
Laid back
Serious
Sophisticated
Great food
Expensive
Traditional
Small farms
Friendly
Innovative
Rustic
Luxury products

8. When you think about the WINES of (country**), what are the first words that come to mind? You may enter one or two words – one in each of the text boxes below.

(2 Open-end text boxes: ‘Word 1” and “Word 2”)

*** Respondents are randomly assigned one of four countries for this question: Australia, France, California, or Italy*

9. From the list below, please check any country or region whose wine you have purchased or tasted in the past 12 months. If you have NOT tasted or purchased a wine from any of the regions below in the past 12 months, please check “none of the above.”

Australia
France
California
Italy
None of the above *(Skip to Q 11)*

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10. On a scale from 1 (poorest) to 5 (very highest), please rate the following countries or regions on the TYPICAL quality of their wines. If you are not sure about a given country or region please choose “Undecided” for that country or region.

1 – Poorest Quality	2	3	4	5 – Very highest quality	Undecided or can't recall

Country/region rows are piped in from Q 9

11. Thinking about wines you would buy for a very special occasion, what is the maximum price you would pay for a wine from the countries or regions below? If you would not buy a wine for a special occasion from a given country or region please choose the “Would not purchase” answer for that country or region.

Less than $20	$20 - $30	$30 - $50	Over $50	Would not purchase

France
Spain
Italy
Chile
Australia
California
Argentina
(Rows rotate)

12. If you were going to buy a wine costing UNDER $20 to go with a weekend dinner at home to pair with a meal calling for a hearty, flavorful red wine, which of the following would you most likely choose? If your choice is “other,” please enter the type of wine that you have in mind.

California Cabernet Sauvignon
Red blend wine from California
Australian Shiraz
Rhone Valley red wine
Argentinean Malbec
Other (please describe)

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13. Please offer a brief comment on the choice you made in the previous question. *(Open-ended text box)*

14. If you were going to buy a wine costing OVER $30 to give as a gift to a friend who loves “big” red wines, which of the following would you most likely choose? If your choice is “other,” please enter the type of wine that you have in mind.

Napa Valley Cabernet Sauvignon

Bordeaux

Australian Shiraz

Rhone Valley red wine

Other (please describe)

15. Please offer a brief comment on the choice you made in the previous question. *(Open-ended text box)*

16. Thinking of wines from Australia, please indicate how often, if ever, you buy these wines. Please choose the answer that most closely describes your frequency of purchase of Australian wines.

Once a month or more often *(Skip to Q18)*

Every two to three months, on average *(Skip to Q18)*

A few times a year *(Skip to Q18)*

Once a year *(Proceed to Q17)*

I rarely or never purchase these wines *(Proceed to Q17)*

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17. You indicated you never or very seldom purchase Australian wines. Why is that? Please check any of the following reasons that apply to you. You may also enter a reason in the box under “other reason.”

The quality is insufficient

Most Australian wines are cheap and mass-produced

I haven’t tried many and don’t know much about them

I prefer other countries or regions for my favorite varieties

There haven’t been any new, exciting developments or trends in Australian wines

I have not liked the taste or style of the Australian wines I tried

Most of the wines are similar tasting and less interesting

I used to purchase them frequently, but now prefer wines from other regions

The better Australian wines are over-priced

I seldom see the types of Australian wines that would interest me

Other reason (please enter below)

(Answers rotate randomly)

Respondents skip to end of survey

18. Please check any of the following types of Australian wine that you have purchased in the past 2 years and skip those you have not purchased in the past 2 years.

Shiraz

Cabernet Sauvignon

Grenache-Syrah-Mourvedre (GSM) blends

Merlot

Pinot Noir

Chardonnay

Sauvignon Blanc

Riesling

Semillon

Pinot Grigio

(Wine types rotate)

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19. Please rate the following varieties of Australian wine on their quality, in your opinion. On a scale of 1 – 5, “1” means the poorest quality and “5” means the very highest quality. If you are not sure or have no opinion of quality, please choose the “not sure” reply for that type of wine.

1 – Poorest Quality	2	3	4	5 – Very highest quality	Undecided or can’t recall

(Wine types are piped from Q 18)

20. Please indicate if you are buying more, less, or the same number of bottles of wines of the types below compared to the amount you were buying 2 years ago.

Buying more	Buying less	Buying the same

(Wine types are piped from Q18)

21. Please indicate IF YOU AGREE with any of the following statements by checking that statement. Please skip any statement that you do not agree with.

I look to Australia more for reliable value wines than top quality or special occasion wines

I buy mainly fine Australian wines above $15; not the big volume, lower priced brands

Most people don’t know about the small, artisanal wineries of Australia

Australia has some reliable, good quality brands that are widely available

I look to Australia mainly for Shiraz; for other varieties, I tend to buy from other countries

I am intrigued by the different regions and appellations of Australia

Australian wines offer a lot of flavor for the money

I have recently discovered how good the Australian wines can be

Australian wines go well with a wide range of foods

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Q22. Please indicate if you have tried an Australian wine from the following regions in the past 12 months. Please check all that apply.

Hunter Valley
Barossa Valley
McLaren Vale
Clare Valley
Yarra Valley
Margaret River
Adelaide Hills
Coonawarra
Tasmania
Langhorn Creek
Limestone Coast
Mornington
(Regions rotate)

22. Over the past two years, would you say you are buying more, less, or the same number of bottles of the following types of red wine?

	Buying more	Buying less	Buying the same
Cabernet Sauvignon wines from California			
Syrah wines from California			
“Red blend” wines from California			
Red wines from Spain			
Red wines from Italy			
Bordeaux			
Rhone Valley (including Chateauneuf du Pape and other appellations within the Rhone Valley)			
Argentinean Malbec			

23. Which of the ranges below would describe your household income before taxes in the past year?

Under $35,000
$35,000 - $49,999
$50,000 - $69,999
$70,000 - $99,999
$100,000 - $149,999
$150,000 - $199,999
$200,000 or more
Prefer not to say

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