Wine Opinions

Wine Australia
Consumer TenQ Report

May 20, 2016

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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 an online panel of highly involved wine consumers, 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. In addition, Wine Opinions uses a hybrid form of online discussion group called Vintrospectives to cull specific respondents of interest to clients from the Wine Opinions consumer and trade panels. This methodology allows participants to comment on discussion topics and interact both with one another and with the Wine Opinions discussion moderator.

The services of Wine Opinions were retained by Wine Australia to undertake a five-year comprehensive research program. As part of year 2 of this program, Wine Opinions conducted a 10 question quantitative survey of U.S. high frequency wine consumers to establish a baseline of awareness, perceptions and trial of Australian wines in the U.S. market. The results of this study are the subject of this report.

Like most online opt-in panels, the Wine Opinions panel of over 12,000 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.

Introduction *(continued)*

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 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 the target population of frequent, high involvement wine consumers or regular $20-plus wine buyers.

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.

OBJECTIVES & METHODOLOGY

The primary goal of this research was to investigate consumer trial, usage, and perceptions of Australian wine among U.S. consumers. The specific goals of the survey were to:

- ✓ Establish a baseline of consumer purchase frequency of Australian wines and wines from competing countries.
- ✓ Determine consumer experience and familiarity with Australian wine types and wine producing regions.
- ✓ Identify the demographics of Australian wine purchasers.
- ✓ Identify through what channels these consumers are purchasing Australian wine.
- ✓ Measure perceptions of the value of red and white Australian wine in the under and over $15 price categories.
- ✓ Measure Australian wine likes and dislikes.

Survey respondents were drawn from the Wine Opinions consumer panel. All respondents were sent an email invitation to the survey, with a link to the online survey embedded in the invitation (a copy of the survey questionnaire may be found at the end of this report). Completion of the survey entered all participants into a lottery for various cash rewards.

In total, 1,363 Wine Opinions consumer panelists participated in this survey.

All questions were cross-tabulated by the following segments:

- ✓ Gender
- ✓ Age: comparison across generations - Millennials (aged 21 – 39), Gen Xers (aged 40 – 51), Baby Boomers (aged 52 – 70), and those 71+. The base size for the 71+ segment was too small to include in sub-segment analysis.
- ✓ Past year Australian wine purchases: Frequent purchasers of Australian wine vs. those who have made several purchases vs. those who have made one or two purchases, or none at all.

Objectives and Methodology *(continued)*

- ✓ Regular $20-plus wine buyers: respondents who drink wine a few times a week or more often, and who buy wines costing $20 or more on either a weekly or monthly basis vs. all others.

- ✓ Fine wine store shoppers: Have purchased Australian wine from a fine wine store in the past 12 months vs. those who have not.

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.

KEY LEARNINGS

- ✓ Past year Australian wine purchase rates among consumer respondents was on par with purchase rates for Argentinean wine, and well below rates for Spain, Italy and France. Some 13% described themselves as "frequent" purchasers of Australian wine, half as many as purchase wine "frequently" from the top countries of origin – Italy and France. A much smaller proportion of frequent Australian consumers are Millennials compared to all other countries measured.

- ✓ Australian wines are most often purchased at wine and liquor stores or chains, followed by grocery or food stores. Compared to previous studies on wine in general, Australian wine is less likely to be purchased in a fine wine shop than other channels.

- ✓ One-quarter of respondents had not purchased Australian wines in the past 12 months, most often because they like other wines better or don't know much about Australian wine and don't know which ones they'd like.

- ✓ Regular $20-plus wine buyers who have not purchased Australian wine in the past 12 months were significantly more likely to have negative perceptions of Australian quality or flavor or have had negative experiences with them. More often than other respondents, they have not liked the Australian wines they had tried, liked Australian wine in the past but said their taste has changed, think of them as mass–produced, or believe Australian wine quality has gone down. Other (not $20-plus) wine buyers were more likely to have not purchased Australian wines due to lack of familiarity.

- ✓ On average, consumer survey participants who had purchased Australian wine in the past 12 months rated under $15 and over $15 Australian red and white wine above average on their price/quality ratios (value). The average ratings for both red and white wine in the under $15 price category were equal, while the value of over $15 Australian red wine was rated slightly higher on average than over $15 white wine. Trade respondents polled in 2015 had lower value perceptions of under $15 Australian wines – both red and white - than did this year's consumer survey participants. 2016 consumer respondents actually rated under $15 Australian whites slightly higher on value than over $15 Australian whites. 2015 trade survey respondent assessments of the value of Australian wines over $15 were comparable to 2016 consumer ratings. However, the 2015 trade rated reds in the highest price category ($20 and over) especially high, which was not possible to assess among 2016 consumers due to the specific survey questions asked.*

- ✓ In the under $15 category, less than one-fifth of respondents reported buying any particular Australian wine varietal or type "often," and less than one-third any particular wine type "sometimes."

- ✓ Shiraz and Cabernet Sauvignon are the most often purchased Australian wines in both the under and over $15 price categories. This is in line with the 2015 trade survey results, in which Cabernet Sauvignon and Shiraz were among the top Australian varietals/wine types regarded as having the most growth potential. However, in 2015 the trade perceived red blends has having the most growth potential, which was fourth in popularity among 2016 consumers in both the under and over $15 price categories behind Shiraz (1), Cabernet Sauvignon (2), and Sauvignon Blanc (3).

- ✓ Between one-third and two-thirds had not tried any other varietal or wine type in the under $15 price range besides Shiraz or Cabernet Sauvignon, and between half and three-quarters had not tried any other varietal or wine type in the over $15 price range. It should be noted that among those who don't buy Australian wines at least occasionally but have tried them, more respondents have liked than disliked them. This liked/disliked ratio was even higher among over $15 varieties.

- ✓ Those who purchased Australian wines in fine wine shops were far more likely to purchase all Australian varieties at least occasionally.

* *Relevant 2016 trade data can be found in the report Appendix. Caution should be taken when considering 2016 consumer data vs. 2015 trade data comparisons, as results that differ over the span of one year should be taken as mere indications and not quantifiable findings or facts.*

- ✓ Roughly half of the respondents are aware of specific Australian wine producing regions. Barossa Valley and McLaren Vale are the regions with the highest trial rates, and were the only regions for which at least occasional purchase rates were not in the single digits. These were the regions 2015 trade respondents were also most familiar with, however consumers were significantly less aware of even these most familiar regions compared to the trade. Baby Boomer survey participants had the highest awareness rates for Australian wine regions. However, substantial numbers (one-third or more) of frequent Australian wine buyers were unaware of even leading regions such as Barossa Valley, McLaren Vale and Coonawarra.

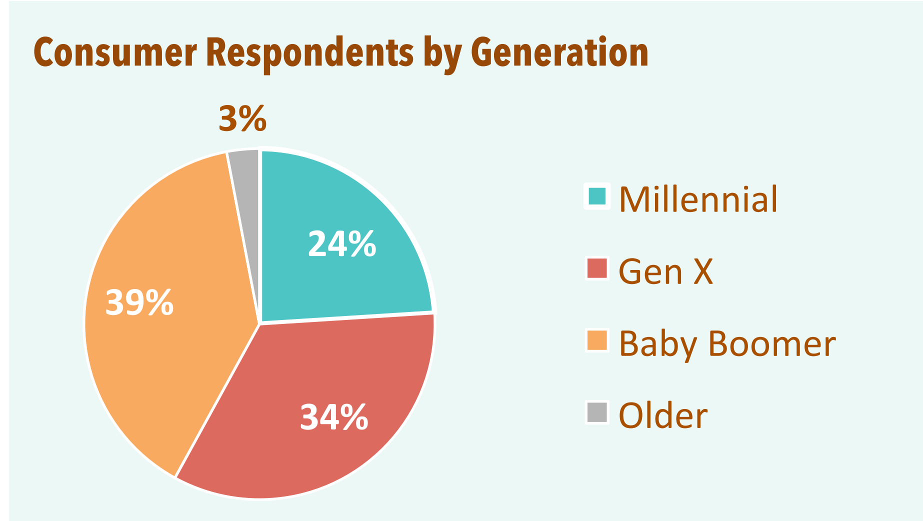
- ✓ Australian wines' affordability and value for the price are what respondents most like about Australian wine. Other top "likes" included the big, bold, full-body of the reds, and taste and flavor in general – this last the factor was considered the most important when selling imported wine by 2015 trade survey respondents. These flavor-related reasons were given most often by frequent Australian wine buyers, and those who purchased the wine in fine wine shops. Shiraz was the most frequently mentioned varietal in terms of "likes."

- ✓ Respondents' top "dislikes" were that Australian wines are too fruity or jammy, and that higher end Australian wines are hard to find. Non-Australian wine buyers were most likely to report it is the jammy, over-ripe, fruitiness of Australian wines they don't like. This is in contrast with perceptions among 2015 trade survey participants, who believed the greatest barriers to Australian wine growth to be low quality and a lack of consumer awareness of wines beyond the most basic Australian wines.

CONSUMER RESPONDENT PROFILE

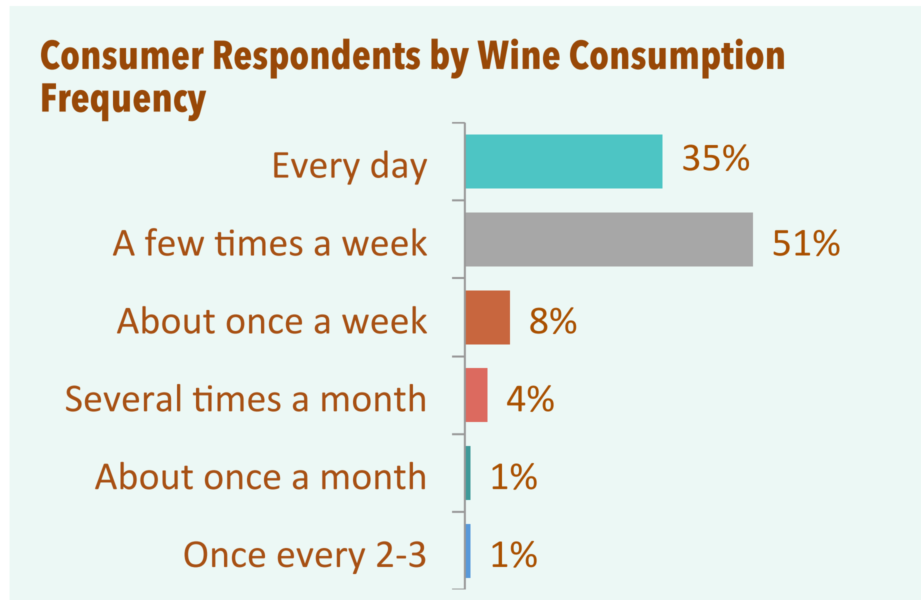
Generation

The largest generational segment of respondents was the Baby Boomer segment (39%), followed by Generation X (34%). Millennials made up one quarter of the respondent pool (24%). Some 3% represented consumers aged 71 and older. The average respondent age was 49.



Wine Consumption Frequency

Of all consumer respondents, 86% drink wine frequently, that is more often than once a week. This high-frequency wine drinker segment was made up of the 35% of survey respondent consumers who are daily wine drinkers and the 51% who drink wine several times a week. Some 8% drink wine on average once a week, and the remaining survey participants combined either drink wine several times a month or once a month or less often (6%).



Wine Purchase Frequency

Respondents were asked how often they buy wine at retail in a set of price ranges. Looking first at wine that costs under $10, half of survey participants buy wine in this price range at least monthly (49%), while seven in ten buy wine costing between $10 and $19.99 at this frequency (71%).

Significantly fewer buy wine in the $20 and over category. Some 40% spend $20 - $29.99 on a bottle of wine weekly or monthly (40%) and half that many buy wines in the $30 or more price category at least monthly (21%). The majority buy $20 – $29.99 wines monthly or several times a year (64%) and wines costing $30 or more several times a year or less often (64%).

Wine Purchase Frequency by Price

	WEEKLY	MONTHLY	SEVERAL TIMES A YEAR	LESS OFTEN	NEVER
Under $10	28%	21%	16%	22%	14%
$10 - $19.99	33%	38%	21%	7%	1%
$20 - $29.99	9%	31%	33%	22%	5%
$30 or more	4%	17%	32%	31%	17%

AUSTRALIAN WINE PURCHASES

Survey participants indicated how often they purchase Australian wine, as well as wine from competing countries. Respondents most often buy wine from Italy and France, three in ten reporting that they bought wine produced in these countries "frequently" in the past year (32% and 30% respectively). Spanish wine was purchased the next most frequently (20%).

Australia and Argentina made up the next tier in terms of purchase frequency - 41% had made at least several purchases of these wines in the past year - followed by Chile and New Zealand (36% and 35%). The largest proportion of respondents have only made one or two purchases of wine from Argentina, Australia, and Chile (33% - 38%). For New Zealand, one-third made one or two purchases of wine in the past year (32%), and one-third did not purchase any wines at all (32%).

Frequent Australian wine purchasers skew older than other respondents (51 on average vs. 49 among those who drink Australian wine less often than "frequently," and 48 among non-buyers). By generation, 11% of Millennials and 10% of Gen Xers have purchased Australian wine "frequently" in the past year, while 17% of respondents of Baby Boomer age consider themselves "frequent" Australian wine buyers. Australia had by far the lowest Millennial proportion of its frequent purchasers – just 18% of them were under age 40, vs. 25% - 30% for the other countries listed.

Past Year Wine Purchases by Country of Origin

	PURCHASE FREQUENTLY	MADE SEVERAL PURCHASES	MADE ONE OR TWO PURCHASES	NOT PURCHASED IN PAST YEAR
Italy	32%	32%	26%	11%
France	30%	26%	28%	17%
Spain	20%	28%	31%	20%
Argentina	14%	27%	34%	24%
Australia	13%	28%	33%	26%
New Zealand	12%	23%	32%	32%
Chile	11%	25%	38%	26%

Australian Wine Purchases *(continued)*

Asked about their past 12 month Australian wine purchases, the largest group of respondents had purchased Australian wine at a wine and liquor store or chain (42%). Approximately three in ten had made Australian wine purchases in a grocery or food store (32%), or ordered it on-premise (29%). Nearly one-quarter bought Australian wine from an independent fine wine store in the last 12 months (24%). Based on previous Wine Opinions panel surveys, this is a relatively low rate of purchase at independent fine wines stores, compared to liquor store and grocery store purchases.

Less popular channels for Australian wine were warehouse or club stores (17%) and online through either a wine and liquor store chain or online-only retailer (8% - 9%). Some 23% had not purchased Australian wine in 750ml bottles in the past 12 months.

Baby Boomers reported buying Australian wines at warehouse stores at higher rates than younger respondents (20% vs. 13% - 14%).

Australian Wine Purchases *(continued)*

Respondents who had not bought Australian wine in 750ml bottles in the past 12 months were asked to indicate the reason why.

The top reasons for not buying Australian wine were liking other wines better (34%) or not knowing much about Australian wine (34%). One-fifth don't see Australian wines very often where they buy wine (21%). Only 12% don't buy Australian wine because they did not like the Australian wines they had tried, and only 9% because they perceive them as being mass-produced and undistinguished.

Some 9% of respondents used to buy Australian wine and cited changing tastes and 7% used to buy Australian wine and cited loss of interest as reasons for not purchasing Australian wine in the past year. A perceived decline in or low level of quality was a reason for very few.

Among the "other" reasons given for not purchasing Australian wine included a stylistic dislike, a lack of availability of the better wines in their price range, and a preference for wines produced someplace other than Australia.

Reasons Have Not Purchased Australian Wine in the Past 12 Months (Base = have not purchased Australian wine in the past 12 months)

They are ok, but there are other wines I like much better	34%
I don't know much about them and am not sure which ones I'd like	34%
I don't see them very much in the places I buy wine	21%
I have tried them in the past and not liked them	12%
They are mass-produced and undistinguished	9%
I used to like them but my tastes have changed	9%
I used to buy them regularly but I have lost interest	7%
Prefer local/domestic wines	6%
Australian wine quality has declined	5%
I tend to buy wines over $15 and I don't see many Australian wines in that price range	3%
Other better quality choices available	1%
Other	9%

Australian Wine Purchases *(continued)*

There were not many definitive differences across generations in why respondents have not purchased Australian wines in the past 12 months. Baby Boomers were more likely than Millennials to say they liked other wines better (41% vs. 30%), and Millennials were more likely to have not noticed Australian wines where they shop than Baby Boomers (28% vs. 14%).

Regular $20-plus wine buyers who have not purchased Australian wine were somewhat more likely to have negative perceptions of Australian wine or have had negative experiences with them, compared to respondents who do not regularly buy wines costing $20 or more. While the overall percentages are low, they were twice as likely than other respondents to have not liked the Australian wines they had tried (19% vs. 9%), used to have liked Australian wine but say their taste has changed (14% vs. 6%), think of them as mass–produced (13% vs. 7%), or believe Australian wine quality has gone down (9% vs. 4%).

Australian Wine Purchases *(continued)*

Survey participants who had purchased Australian wine in the past 12 months rated Australian red and white wine in both the under $15 and over $15 price categories on their price/quality ratio (value). Overall, red and white wine in both of these price categories were rated above average on value. In fact, the average ratings for both red and white wine in the under $15 price category were equal (5.1). The value of over $15 Australian red wine was rated higher on average than over $15 white wine (5.2 vs. 4.9).

There were no differences of note in ratings across generations for Australian white wines under $15. However, Baby Boomers rated Australian red wines under $15 higher than their younger counterparts (5.2 vs. 5.0). In the over $15 categories, Baby Boomers rated both white and red wines highest, while Millennials rated them lowest. Regular $20-plus wine buyers and fine wine store shoppers rated over $15 Australian wines (both red and white) higher on value than other survey participants. Not surprisingly, frequent Australian wine buyers rated Australian wines dramatically higher than occasional or non-buyers, ranging from 5.4 for white wine under $15 to 5.9 for red wines over $15.

Australian Wine Price/Quality Ratio Ratings by Price and Color

	BEST (7)	(6)	(5)	(4)	(3)	(2)	LEAST (1)	MEAN
Under $15								
Australian white	14%	24%	31%	20%	8%	2%	1%	5.1
Australian red	12%	26%	32%	20%	7%	2%	1%	5.1
Over $15								
Australian white	10%	27%	28%	20%	9%	5%	1%	4.9
Australian red	15%	31%	29%	15%	6%	2%	1%	5.2

AUSTRALIAN WINE EXPERIENCE BY WINE TYPE

Respondents were asked about their purchase frequency and trial of Australian wine varietals and wine types in the under and over $15 price categories.

In the under $15 category, no more than 17% of respondents reported buying any particular Australian wine varietal or type "often," and less than one-third any particular wine type "sometimes." Shiraz is the most often purchased Australian wine, with nearly half buying the varietal at least sometimes (48%). The next most popular wine in this price category is Cabernet Sauvignon (39%).

Although between one-quarter and one-third at least sometimes buy Australian red blends (33%), Sauvignon Blanc (30%), GSM (29%), and Chardonnay (26%), the largest proportion of survey participants have not tried these Australian wines (34% - 44%). The majority had not tried under $15 Australian Viognier (56%) or Semillon (66%), and just under half had not tried Australian Riesling (48%).

For all Australian wine varieties and types costing under $15, those who only had tried them once or twice were significantly more apt to like them than dislike them, although the ratio was much lower for Riesling.

Experience with Under $15 Australian Wine by Type

	BUY OFTEN	BUY SOMETIMES	TRIED ONCE OR TWICE/ LIKED	TRIED ONCE OR TWICE/DID NOT LIKE	HAVE NOT TRIED
Shiraz	17%	31%	23%	9%	19%
Cabernet Sauvignon	14%	25%	25%	8%	27%
Sauvignon Blanc	11%	19%	26%	10%	34%
Other red blend	10%	23%	25%	6%	36%
Chardonnay	8%	18%	24%	15%	34%
Grenache-Syrah-Mourvedre (GSM)	8%	21%	22%	5%	44%
Riesling	5%	13%	20%	14%	48%
Viognier	3%	14%	20%	7%	56%
Semillon	2%	7%	18%	7%	66%

Australian Wine Experience by Wine Type *(continued)*

Baby Boomers are more apt to have tried under $15 GSM than younger respondents (59% vs. 53% - 54%), and Baby Boomers and Gen Xers more likely to buy Australian Shiraz at least sometimes (52% and 50% vs. 41% of Millennials).

Australian Viognier and Semillon are purchased more often by regular $20-plus wine buyers than others (22% vs. 15% for Viognier and 11% vs. 7% for Semillon).

Those who purchased Australian wine in fine wine shops were roughly twice as likely to purchase every Australian variety at least sometimes. Among them, the ratio rose to 3-1 for frequent purchases of under $15 Riesling, Viognier and GSM, and over $15 Viognier, Semillon and GSM, albeit at fairly low rates.

Australian Wine Experience by Wine Type *(continued)*

In the over $15 category, the largest contingent of survey participants had not tried any Australian wine type. No more than 13% of respondents buy any particular over $15 Australian wine varietal or type "often," and one-quarter or less buy them sometimes. Nonetheless, Shiraz in this price category is the most often purchased wine type, with 39% buying it at least sometimes, and the next most popular wine in this price category is Cabernet Sauvignon (34%). Nearly half had not tried over $15 red blends (45%), Chardonnay (47%), or Sauvignon Blanc (48%), and the majority of respondents had not tried over $15 Australian Semillon (71%), Viognier (64%), or Riesling (57%). Half had not tried GSM (50%).

Despite low trial rates, those who had tried any of these types of Australian wine in the $15 and over price category only once or twice were significantly more apt to like them than dislike them. Above $15, the ratio of like to dislike was higher than below $15, and Riesling was no longer the exception.

Experience with Over $15 Australian Wine by Type

	BUY OFTEN	BUY SOMETIMES	TRIED ONCE OR TWICE/ LIKED	TRIED ONCE OR TWICE/DID NOT LIKE	HAVE NOT TRIED
Shiraz	13%	26%	26%	5%	30%
Cabernet Sauvignon	10%	24%	26%	5%	35%
Sauvignon Blanc	7%	15%	22%	8%	48%
Grenache-Syrah-Mourvedre (GSM)	7%	18%	21%	4%	50%
Other red blend	7%	21%	23%	3%	45%
Chardonnay	6%	14%	24%	10%	47%
Riesling	4%	11%	20%	9%	57%
Viognier	2%	10%	20%	5%	64%
Semillon	2%	6%	16%	5%	71%

AUSTRALIAN WINE EXPERIENCE BY REGION

Awareness of Australian wine regions and experience with Australian regional wines were measured. More than half of the survey participants were aware of Barossa Valley and Southeast Australia (57%); Eden Valley (55%); Southwest Australia (52%); and Adelaide Hills, McLaren Vale, and Tasmania (51%). Less familiar, but on the radar of a significant minority were Coonawarra (49%), Yarra Valley (48%), Clare Valley (45%), Hunter Valley (43%), and Margaret River (41%).

However, it is notable that substantial proportions of even frequent Australian wine buyers have not heard of even the more famous regions: 35% unaware of Barossa, 39% of McLaren Vale, 37% for Coonawarra.

Purchase rates were highest for Barossa Valley (19% buy occasionally) and McLaren Valle (16%). For all other regions, at least occasional purchase rates were in the single digits. Total trial for Barossa Valley was nearly half (46%) and was 40% for McLaren Vale. Trial for all other regions was between one-fifth and one-third.

Only 2% - 5% of respondents had tried wines from these regions and not liked them.

Familiarity with Australian Wines by Region

	LIKE/BUY AT LEAST OCCASIONALLY	HAVE TRIED/ LIKED	HAVE TRIED/ DIDN'T LIKE	HEARD OF BUT NOT TRIED	HAVE NOT HEARD OF
Barossa Valley	19%	24%	3%	11%	43%
McLaren Vale	16%	22%	2%	11%	49%
Coonawarra	9%	23%	3%	14%	51%
Clare Valley	8%	19%	3%	16%	55%
Eden Valley	8%	25%	3%	20%	45%
Adelaide Hills	8%	22%	3%	19%	49%
Southeast Australia	8%	25%	5%	19%	43%
Yarra Valley	7%	23%	3%	16%	52%
Margaret River	7%	17%	2%	15%	59%
Hunter Valley	6%	19%	3%	15%	57%
Southwest Australia	5%	21%	5%	21%	48%
Tasmania	3%	14%	3%	32%	49%

Australian Wine Experience by Region *(continued)*

Baby Boomer survey participants had the highest awareness rates for Australian wine regions. More specifically, Baby Boomers were more likely than their younger counterparts to report having tried wines from Barossa Valley, Adelaide Hills and McLaren Vale.

Also notable among the differences in Australian wine region familiarity across generations was that Baby Boomers indicated they "liked and buy at least occasionally" wines from McLaren Vale at higher rates than respondents of other generations; and that Gen Xers reported more often than respondents of other generations that they had "tried and did not like" wines from Yarra Valley, Adelaide Hills, McLaren Vale, and Hunter Valley.

Those who had purchased Australian wines in fine wine shops were dramatically more likely to have heard of every region listed (60% - 79% depending on the region, vs. 35% - 50% for other respondents). Trial was similarly higher, at roughly twice the rate for those who had not purchased Australian wine in fine wine shops.

AUSTRALIAN WINE LIKES AND DISLIKES

At the end of the survey, respondents were asked what they liked and disliked about Australian wine. Survey participants typed their answers in two separate text boxes. A total of 811 typed in an Australian wine "like" and 613 a "dislike."

Australian wines' value for the price was what respondents most like about Australian wine (mentioned by 20% of respondents who answered). Other top "likes" included the big, bold, full-body of the reds (17%), taste and flavor in general (14%), and affordability (9%). These reasons were given significantly more often by frequent Australian wine buyers. Bold flavor was the top reason for frequent Australian buyers and those who bought in fine wine shops (23% and 24% respectively). Shiraz was the most frequently mentioned varietal in terms of "likes" (10%).

Baby Boomers and Gen Xers were most apt to say they like Australian wine because it offers good value (23% and 20% vs. 13% of Millennials), and Baby Boomers cited Australian Shiraz most often (12% vs. 8%). Gen Xers like Australian wines because of their bold red wines at higher rates than others (22% vs. 15% - 16%).

Regular $20-plus wine buyers mentioned Australian wines' bold reds and fruit forward style as "likes" more often than their counterparts, and also appreciate the value Australian wine offers.

Like Best About Australian Wines

Good value/QPR	20%
Big/bold flavored red wines/depth of flavor/full bodied	17%
Taste/flavor (general)/drinkability/great taste	14%
Shiraz/Syrah/good Shiraz	10%
Affordable/good price/reasonable price/well priced	9%
Quality/good quality/good wines	8%
Price/price point (general)	8%
Fruit forward style	6%
Crisp/clean/fresh whites	6%
Unique/different/unique flavors	6%
Sauvignon Blanc	3%
Other variety (Riesling/Pinot Noir/Cabernet Sauvignon/Grenache/Viognier)	3%
Consistency/consistent quality	2%
Blends/good blends	2%
Smooth wines	2%
Red wines/good red wines (general)	2%
Variety/diversity of styles/varieties grown	2%

Australian Wine Likes and Dislikes *(continued)*

Respondents' top "dislikes" were that Australian wines are too fruity or jammy (16%), and that higher end Australian wines are hard to find (12%). Cost/price in general was mentioned by 7%. Some describe Australian wine as tasting all the same or boring (6%). Cheap/budget wine and mass-produced/bulk wine type comments combined for 8%.

Non-Australian wine buyers were most likely to report it is the jammy, over-ripe, fruitiness of Australian wines they don't like (19% vs. 10% - 13% of others), as were those who had purchased Australian wine in fine wine shops (22% vs. 13%).

Occasional and frequent buyers of Australian wine were twice as likely to complain it was hard to find their preferred Australian wines (17% and 19% vs. 9%)

Like Least About Australian Wines

Too fruity/fruit bombs/jammy/over-ripe flavors	16%
Availability/hard to find/limited selection of better wines	12%
Cost/price (general)	7%
Taste/flat/boring/all taste the same	6%
Focus on cheap/budget wines/many average/cheap wines on the market	5%
White wines/white wines are not very good	5%
Too much alcohol	5%
Lacking in structure/complexity	5%
Lack of information/hard to learn/get information about the wines/need better marketing	4%
Quality/generally lacking in quality	4%
Inconsistent quality	4%
Mass produced/bulk wines (general)	3%
Bitter/tart	3%
Overly sweet	3%
Low end wines taste cheap/awful/poor value	3%
Shiraz focus	2%
Dry/overly dry	2%
Prefer domestic wines	2%
Labels/cutesy/silly labels	2%
Red wines (general)	2%

APPENDIX – SELECTED 2015 TRADE SURVEY RESULTS

The follow is data from a 2015 survey of the Wine Opinions trade panel on the topic of Australian wine that was referred to in the Key Learnings section of this report.

Caution should be taken when considering the 2016 consumer data vs. the 2015 trade data comparisons made in the Key Learnings section of this report, as results that differ over the span of one year should be taken as mere indications and not quantifiable findings or facts.

2015 Trade Survey: Australian Wine Value Perceptions by Price and Color
(Base = sell Australian Wine)

	Mean	Top 2 Box*	Bottom 2 Box**
Red Wine			
Under $10	4.2	16%	11%
$11 - $14.99	4.8	27%	4%
$15 - $19.99	5.2	43%	2%
$20 and over	5.4	53%	2%
White Wine			
Under $10	4.0	13%	13%
$11 - $14.99	4.6	23%	7%
$15 - $19.99	4.8	31%	4%
$20 and over	4.9	35%	5%

*Rated "6" or "7" **Rated "1" or "2"

2015 Trade Survey: Australian Wine Growth Potential on U.S. Market (Base = sells Australian wines)

	Great growth potential	Good growth potential	Not much growth potential	No growth potential	Don't know or no opinion
Red blends	34%	53%	9%	2%	2%
Cabernet Sauvignon	22%	51%	22%	1%	3%
Shiraz	21%	48%	25%	3%	3%
Grenache	18%	48%	26%	3%	5%
Riesling	15%	39%	32%	8%	5%
Sauvignon Blanc	12%	37%	39%	8%	4%
Chardonnay	11%	43%	36%	5%	4%
Viognier	9%	35%	37%	12%	7%
Moscato	9%	31%	34%	18%	9%
Pinot Grigio/ Pinot Gris	8%	27%	40%	17%	8%
Merlot	4%	23%	54%	12%	6%

2015 Trade Survey: Australian Wine Region Familiarity (Base = sells Australian wines)

	Very familiar/ do sell	Somewhat familiar/ do sell	Somewhat familiar/ don't sell	Not familiar
Barossa Valley	57%	29%	8%	6%
McLaren Vale	49%	30%	13%	7%
Margaret River	32%	28%	27%	14%
Coonawarra	29%	33%	26%	12%
Clare Valley	25%	25%	34%	16%
Adelaide Hills	24%	29%	35%	13%
Hunter Valley	18%	27%	38%	17%
Yarra Valley	18%	31%	38%	14%
Limestone Coast	8%	14%	44%	34%
Tasmania	7%	12%	58%	23%
Langhorn Creek	5%	18%	38%	39%
Mornington	5%	7%	37%	51%

2015 Trade Survey: Importance of Imported Wine Sales Factors

	Very Important	Somewhat Important	Not Very Important	Not At All Important	Don't know or no opinion
Style or flavor profile of the wine	62%	32%	5%	0%	1%
Consumer trends	49%	41%	8%	1%	1%
Quality and expertise of wholesaler/importer representative	47%	38%	11%	2%	1%
Programming to boost margins or affect pricing	40%	40%	13%	3%	4%
Incentives to sell/feature the wine	32%	42%	17%	6%	3%
Level of inventories at wholesale or retail	31%	50%	12%	3%	3%
Trade perception of demand	29%	48%	18%	4%	2%
Activities by organizations to promote country/region	24%	47%	23%	5%	1%
Influence or reputation of the leading brand in segment	21%	47%	26%	5%	1%
Exchange rates vs. the dollar	20%	36%	21%	15%	8%
Consumers' use of apps	5%	27%	39%	23%	6%

2015 Trade Survey: Greatest Barriers to Increasing Australian Wine Market Share in the U.S.
(Base = sell Australian wine and answered question)

Perception as low quality/low end/mass produced wine	29%
Yellowtail effect/critter wines	23%
Competition (general/domestic/other regions)	21%
Lack of consumer knowledge/familiarity (general/beyond basic)	21%
Quality (general)/poor quality/cheap wine	16%
Style of wine/too jammy/overripe/fruit bomb style/over extracted/overproduced	10%
Lack of consumer interest/demand	7%
Price (general)	6%
Market saturation	5%
Value/value to price/quality ratio	4%
Lack of marketing/promotion	4%
Lack of availability/selection/limited selection/domination of big name brands	4%
Homogenized style/too little variety/complexity	4%

2015 Trade Survey: Greatest Opportunities for Increasing Australian Wine Market Share in the U.S.
(Base = sell Australian wine and answered question)

Quality/good quality/quality improvements	22%
Good quality-to-price ratio/good value	22%
Marketing/advertising/press	12%
Consumer education/education about different areas of Australia	12%
Emphasize site specificity/terroir/region	9%
New varietals/expand offerings/styles/non-mass market wines	9%
Change style of wines/fewer overly sweet fruit bomb styles/more balanced style	6%
Blends/red blends	5%
Consumer tastings	5%
Price/lower price	5%
Other wine varieties/types (Sparkling/Rose/Grenache)	5%
Trade education/market visits	4%
Shiraz/customers who like big wine styles like Shiraz/Shiraz brand/styles match consumer tastes	4%
Tastings (general)	4%
Higher end wines/move beyond value wines	4%

WINE AUSTRALIA CONSUMER 10Q QUESTIONNAIRE

1. What is your age? *Drop-down list of exact ages starting with "Under 21" and ending with "71 and over." (Under 21 disqualifies)*

Note: Gender and state of residence questions have been eliminated to allow for more specific Australian wine awareness, usage, and perception questions.

2. 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 *(Disqualifies)*

3. 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 - $19.99
$20 - $29.99
$30 or more

4. In the past year, which of the following best describes your purchases of wines from the countries listed below? If you have not purchased wine from a given country, please choose that answer.

I purchase these wines frequently	Have made several purchases	Have made one or two purchases	Have not purchased in the past year

France
Spain
Italy
New Zealand
Argentina
Australia
Chile
(Countries rotate)

5. Please indicate where, if at all, you purchased Australian wine in the PAST 12 MONTHS. If you have not purchased any wine from Australia during this period, please just check the last statement, "Have not purchased Australian wine in the past 12 months."

Purchased Australian wine in a grocery or food store
Purchased Australian wine in an independent fine wine specialist store
Purchased Australian wine in a wine and liquor store or chain
Purchased Australian wine online from a wine and liquor store or chain
Purchased Australian wine from an online-only retailer (such as Wine.com, or WineAccess.com)
Purchased Australian wine in a warehouse club or mass market store
Purchased Australian wine at a restaurant, bar, club or café
Have not purchased Australian wine in 750ml bottles in the past 12 months. *(Skip to Q6B)*
(Statements rotate except for "have not purchased")

6A. Thinking of any wines from AUSTRALIA you have purchased at retail in the past 12 months, please indicate your opinion of the PRICE/QUALITY ratio (value) of then. On the scale of 1 to 7, "7" means the very best quality for the price (value) and "1" means the very worst quality for the price (value). If you don't know or have no opinion, please select that choice.

7 (Very best value)	6	5	4	3	2	1 (Very least value)	Don't know or no opinion

Australian WHITE wine UNDER $15
Australian RED wine UNDER $15
Australian WHITE wine OVER $15
Australian RED wine OVER $15
(Skip over 6B to Q7)

6B. You indicated that you have not purchased any Australian wine in the past 12 months. Please indicate the reason(s) why, either choosing from the list of reasons below or entering your own in the text box. You may choose as many reasons as apply.

I don't know much about them and am not sure which ones I'd like
I don't see them very much in the places where I buy wine
I have tried them in the past and not liked them
I used to like them, but my tastes have changed
I used to buy them regularly, but I have lost interest
They are OK, but there are other wines I like much better
Australian wine quality has declined
I tend to buy wines over $15 and I don't see many Australian wines in that price range
They are mass-produced and undistinguished
Other (please enter reason below)
(Reasons rotate except for "Other")

7. For the types of AUSTRALIAN WINE priced UNDER $15 listed below, please check the statement that best describes your experience with each.

Have not tried	Tried once or twice and did NOT like	Tried once or twice and LIKED	Buy this wine sometimes	Buy this wine often

Chardonnay
Riesling
Viognier
Semillon
Sauvignon Blanc
Cabernet Sauvignon
Shiraz
Grenache-Syrah-Mourvedre or “GSM” wine
Other Red blend
(Varieties rotate)

8. For the types of AUSTRALIAN WINE priced OVER $15 listed below, please check the statement that best describes your experience with each.

Have not tried	Tried once or twice and did NOT like	Tried once or twice and LIKED	Buy this wine sometimes	Buy this wine often

Chardonnay
Riesling
Viognier
Semillon
Sauvignon Blanc
Cabernet Sauvignon
Shiraz
Grenache-Syrah-Mourvedre or “GSM” wine
Other Red blend
(Varieties rotate)

9. Please indicate your familiarity with wines from the following regions in Australia. Please choose the answer closest to your experience.

Have not heard of	Have heard of, but not tried any of the wines	Have tried the wines, did not like them	Have tried the wines, liked them	Like these wines and buy them at least occasionally

Barossa Valley
Clare Valley
Eden Valley
Yarra Valley
Adelaide Hills
McLaren Vale
Hunter Valley
Margaret River
Coonawarra
Tasmania
Southeast Australia
Southwest Australia
(Regions rotate) wine

10. What is it that you like BEST about wines from Australia, and what is it that you like LEAST about them? Please offer a brief comment in one or both of the boxes below. If you have not tried or have no opinion about Australian wines, please just skip this question.

Like BEST about Australian wine
Like LEAST about Australian wine

Wine Opinions

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