Raise a toast to more effective research to exploit UK’s love affair with wine, says Bonamy Finch

Contributed by Bonamy Finch
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New research suggesting that UK wine consumption is set to increase over the next three years should encourage suppliers to pay greater attention on understanding the size and financial value of their current and potential customer base. Doing so will help put themselves in a better position to exploit the growth as it occurs.

Thatâ€™s the view of consumer insights and analytics specialist Bonamy Finch, which has significant experience of providing research to leading brands in the drinks industry. The company says that brands that have pieced together their understanding of their market structure with fragments of data from multiple sources may have serious gaps in their knowledge. They may be unclear about who their primary targetÂ groups actually are, and importantly, the financial value of groups whose needs they are not currently addressing.

Leigh Morris, Founder and Managing Director of Bonamy Finch, says that adopting a Market Tier Definition approach identifies and places a value on discrete market tiers. These rangeÂ from the Core and Secondary (those at the heartland of the category), to the Periphery (with potential to bring more value to the category), to those who are ultimately (for now at least) Out of Market.

Understanding the structure of the market in this way provides a sound commercial foundation for marketing initiatives.

â€œThe key to gaining insights that are genuinely useful is to understand how the market consumes wine and to structure your commercial focus and research accordingly,â€• he explains. â€œSo, for example, within the population you will find several different groups of consumers. The first might drink wine several times a week and be attitudinally positive towards it. You might have a second group who consume it weekly and a further group who arenâ€™t regular wine drinkers due to specific psychological or functional barriers. If you are the brand owner wishing to understand the strengths of your brand, and where it might be differentiated, you may only recruit to your core or secondary groups to get really effective working insights. If there is strong untapped financial potential in the periphery group, you may focus on these people to understand the barriers that are blocking category growth. The Market Tier approach means you donâ€™t waste money and other resources talking to 100% of the â€œmarketâ€• regardless of the business issue. Instead you use your Market Tier structure to design more effective/efficient research.â€•

Morris was commenting following a Vinexpo/IWSR study, which reported that UK per capita wine consumption could increase by 3.3% by 2018 to reach 24.6 litres per head, having fallen from 25l to 23.9l between 2009 and 2013.

â€œThe report suggests that a significant contributor to the forecast growth in UK wine consumption could be sparkling wine, particularly Prosecco. Sparking wine is expected to grow by 12.2%, a step up from a 10% growth rate between 2009 and 2013. By adopting a market tier approach to research you can gain insight that not only address the prospects for wine but specifically for sparkling wine.â€•