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Powering Luxury & Wealth Insights

ALTIANT LUXURY ALCOHOL SNAPSHOT

OCTOBER 2018

CONTEXT

- This snapshot report is part of Altiant's Category Surveys, short questionnaires submitted to our in-house panel of Affluent and High Net Worth Individuals, LuxuryOpinions®. This version explores **the Luxury Alcohol Market.** The aim was to assess our panel's sentiments and interactions with the luxury alcohol market and its associated brands.

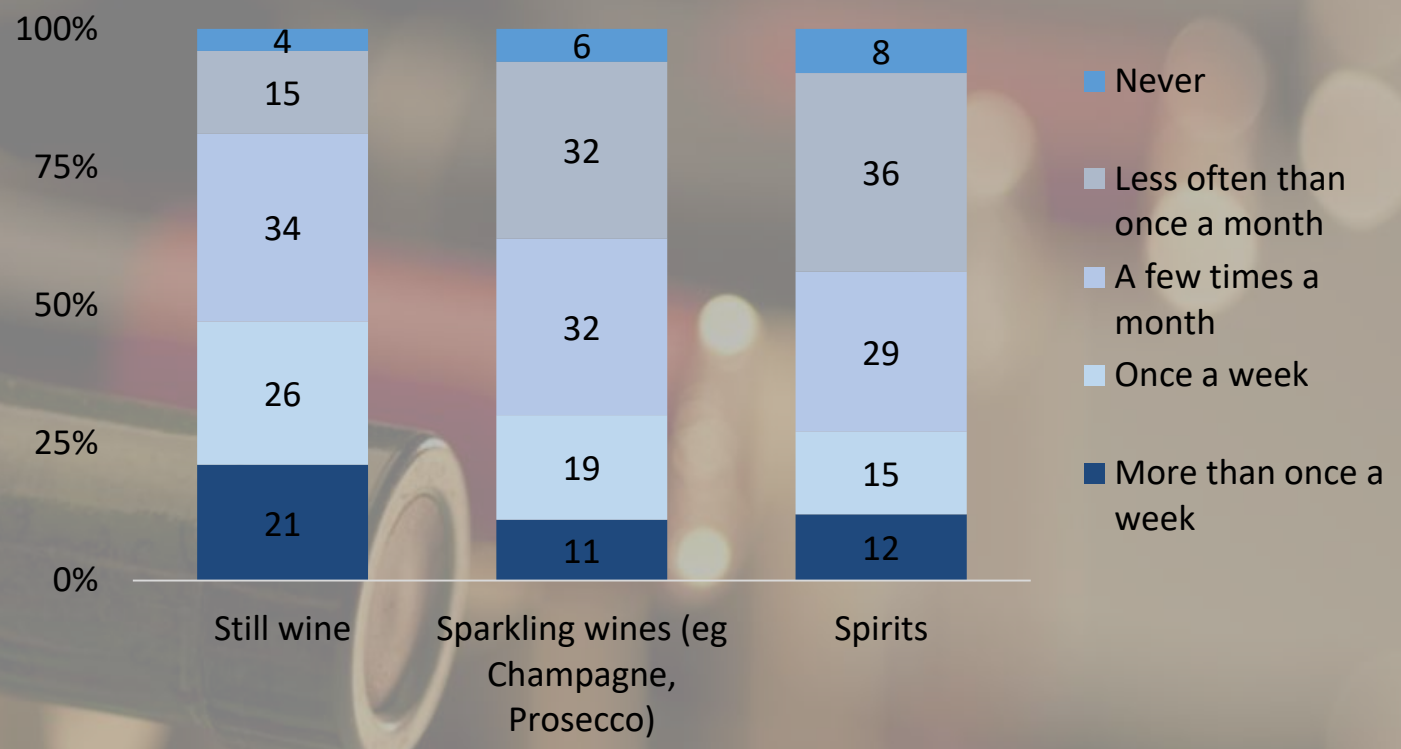
- The quantitative online survey for this report was carried out during **summer 2018,** and used **1,000** members from various countries across our online affluent community (409 Asia/391 Europe/189 North America/11 Other). **49%** of this sample was aged 18-39, while **51%** was aged 40+. The gender split was 42:58**%** male:female. In order to gain a proxy median household income of **€536,693** for this survey, we converted the respondents different currencies to Euros as of September 2018.

- Only **3%** of our panel reported to not drink any alcohol. A positive trend for the alcohol industry is noted among our affluent base, **32%** of our respondents plan to buy more alcohol within the next year compared to last year, with 18-39s significantly more likely than over-40s to do so (41% vs 24%). The majority (**61%**) of respondents plan to buy about the same amount; rising to 70% among over-40s; while only **7%** expect to buy fewer alcoholic drinks within the next year.

STILL WINE IS PURCHASED THE MOST REGULARLY

"How often do you buy the following types of alcoholic drinks? Please select the most appropriate frequency for each type."

- **Still wine** is the most popular type of alcohol drink among the three categories and across all three regions surveyed, with **47%** of our panellists buying it weekly. It is equally popular with both genders and age groups.
- Reflecting the affluence of our panel, **30%** buy **sparkling wines** such as Champagne at least once a week. 18-39s are significantly more likely than over-40s to be high frequency consumers, doing so more than once a week.
- **Spirit** purchases are less frequent, a probable reflection on a bottle being more likely to be drunk over weeks or months. Nevertheless, **27%** still claim to buy spirits on a weekly basis.



Base: 1,000 global affluent/HNWIs
Source: LuxuryOpinions/Altiant

ALL THREE REGIONS ARE HIGH SPENDERS IN ALCOHOLIC DRINKS

"Approximately how much do you typically spend on a standard sized bottle of still and sparkling wine/Champagne (750ml), and spirits (700ml) for personal use?"

- **European** respondents spend **€73.40** on average on a bottle of wine. While many spend considerably less than this on average, the mean figure is pulled up considerably by fine wine investments. Europeans are also high spenders on sparkling wines/Champagnes and spirits.

- **North American** respondents spend over $100 on average on all three types of alcoholic drinks. Still wines are again the lowest cost investment on average (**$119.05**), while spend on sparkling wines/Champagnes is only marginally higher than for spirits.

- Within **Asia**, spirits are in fact the costliest drink on average among our panel (**RMB 1,215.96**). Surprisingly still are also costlier than sparkling wines on average, a probable result of the popularity of fine wines (see p10).

	EUROPE	AMS	APAC
	€73.40	$119.05 (€103.31)	RMB 1,036.33 (€130.95)
	€137.23	$170.69 (€148.13)	RMB 973.28 (€122.98)
	€95.17	$162.94 (€141.40)	RMB 1,215.96 (€153.64)

**Numbers in brackets are conversions/normalised to Euros as at 4th October 2018*

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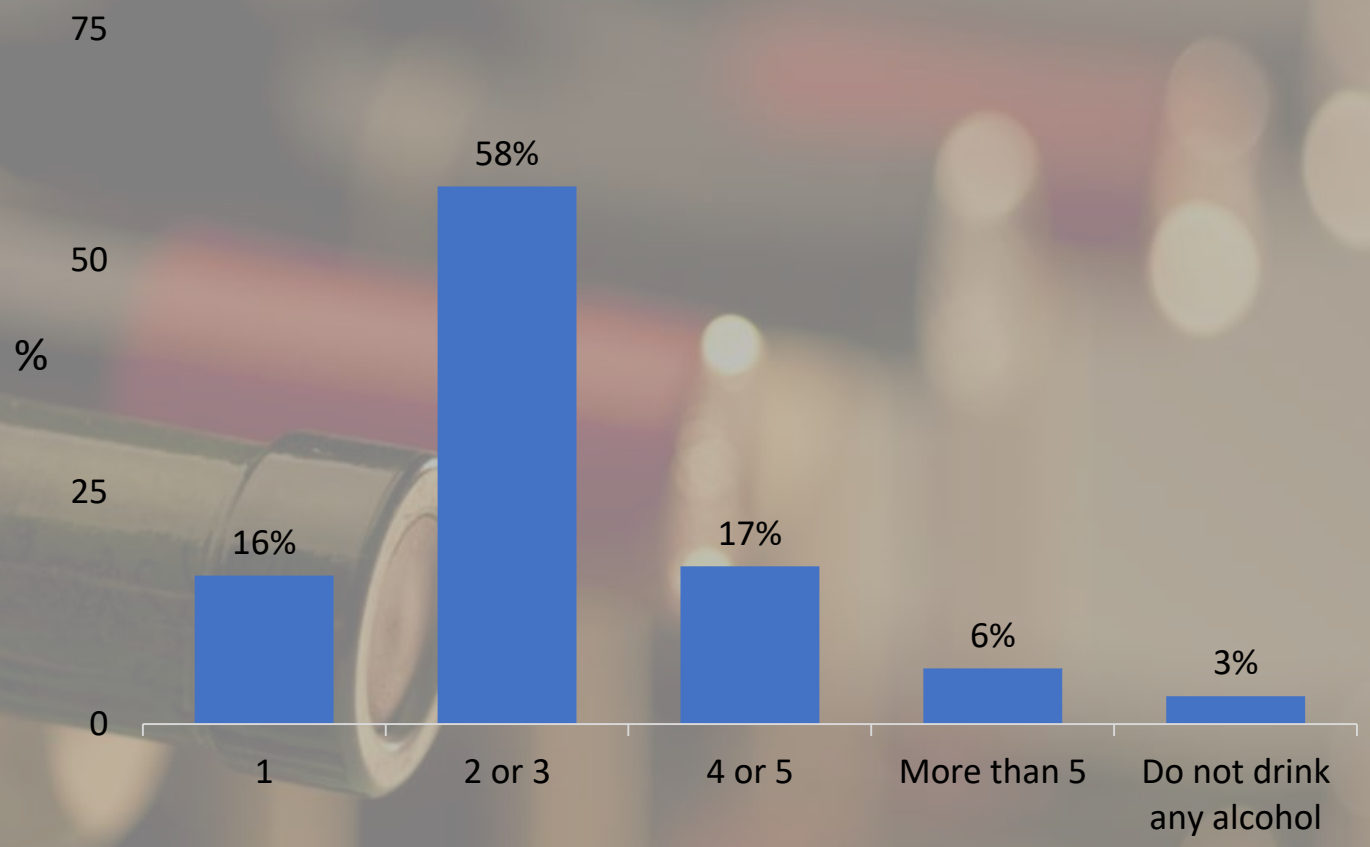
Base: 409 Asian/391 European/189 North American affluent/ HNWIs who buy alcoholic drinks
Source: LuxuryOpinions/Altiant

THREE QUARTERS ONLY REPORT TO DRINKING A COUPLE OF ALCOHOLIC DRINKS PER SITTING

"How many drinks do you typically have per sitting or occasion?"

- Only **3%** of our respondents are teetotal and abstain from drinking alcohol entirely. The majority (**74%**) state that they only drink **1-3 drinks** per sitting or occasion.
- Women are significantly more likely than men to stick to only one drink (20% vs 9% respectively). Over-40s are also much more likely to do so than under-40s (21% vs 10%).
- Only **6%** state that they usually drink more than five drinks per sitting or occasion. Men are more likely than women to do so (9% vs 3%), with – perhaps surprisingly – no variation by age among these drinkers.

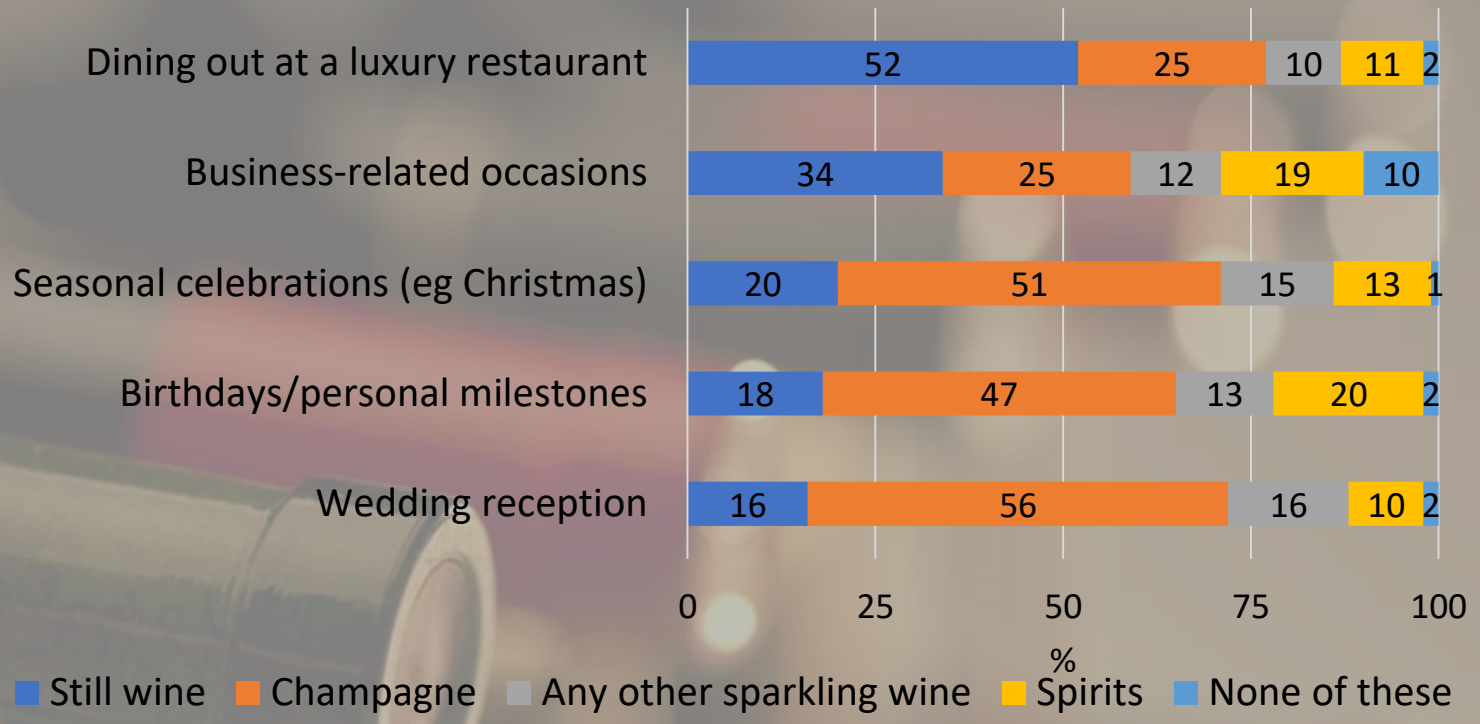


Base: 1,000 global affluent/HNWIs
Source: LuxuryOpinions/Altiant

CHAMPAGNE IS THE DRINK THAT THRIVES MOST IN SPECIAL OCCASIONS

"Which type of drink are you most likely to choose on the following occasions? Please select one option per occasion."

- **Champagne** appears to remain the drink of choice for special occasions and celebrations, with **around half** choosing it for weddings, birthdays/personal milestones and seasonal celebrations such as Christmas.
- **Other sparkling wines** such as Prosecco and Cava are the drink of choice for only around **10-15%** of respondents for each of the listed occasions.
- **Still wine** comes to the fore as the drink of choice when dining out at luxury restaurants (**52%**) and for business-related occasions (**34%**).
- **Spirits** are at their most popular for birthdays/personal milestones and business-related occasions at **20%** and **19%** respectively.

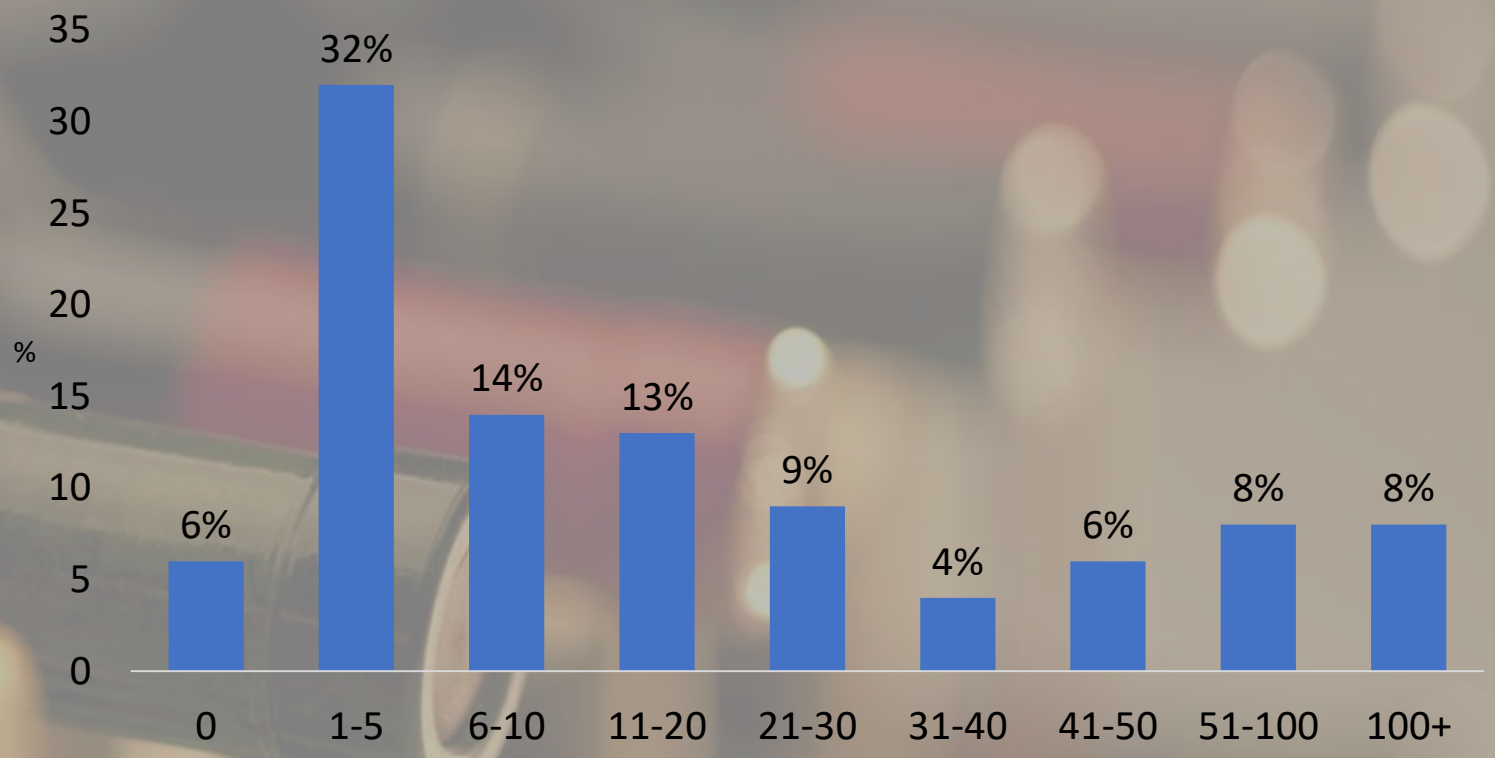


Base: 1,000 global affluent/HNWIs
Source: LuxuryOpinions/Altiant

35% OF WINE AND SPIRIT BUYERS HAVE MORE THAN 20 BOTTLES OF WINE IN THEIR PERSONAL COLLECTION

"Approximately how many bottles of still and sparkling wine do you currently own in total (eg at home/a cellar/off-site)?"

- Despite their affluence, a third (**32%**) of the respondents for this survey only have a **handful** of wines in their personal stock. Indeed, **6%** state that they have **none at all**.
- Just over a quarter (**27%**) keep **6-20 bottles** at their home, in a cellar or in off-site storage, while a further **19%** keep between **21 and 50 bottles**.
- Meanwhile, **16%** of our respondents appear to be serious wine aficionados or even collectors, with **more than 50 bottles** in their personal collection. Indeed, **8%** have more than 100 bottles, which would likely necessitate specialist storage such as a wine cellar.



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Base: 880 global affluent/HNWIs who buy wines/spirits
Source: LuxuryOpinions/Altiant

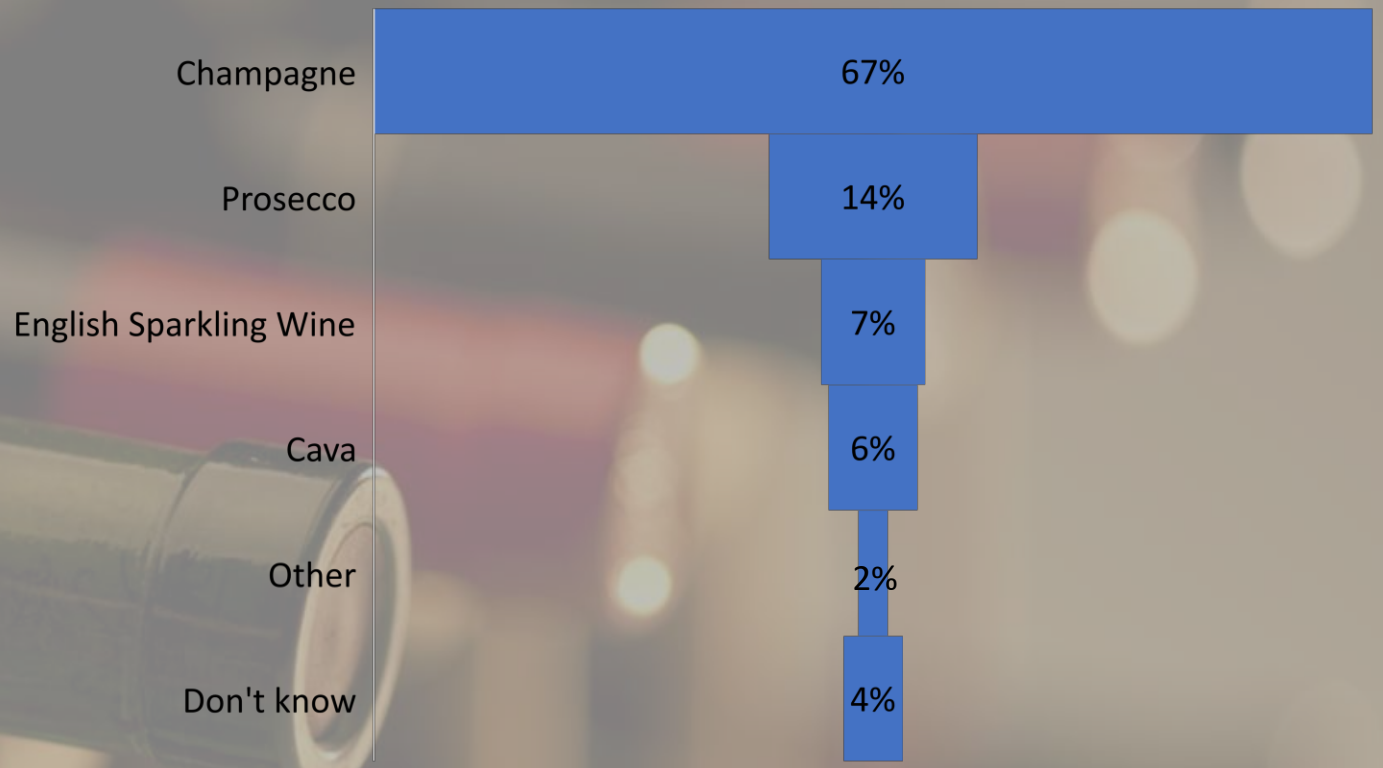
CHAMPAGNE RETAINS ITS PRESTIGIOUS IMAGE

"Which do you think is the most luxurious type of sparkling wine?"

- **Champagne** is considered as the most luxurious type of sparkling wine by almost two thirds of our panel (**67%**). Over-40s are particularly likely to agree when compared to the younger cohort (72% vs 63%).

- **Prosecco** is perceived as the second most luxurious type of sparkling wine, albeit at only **14%**. The Prosecco market has made particularly strong progress in the UK and US in recent years, in doing so directly impacting upon the fortunes of Champagne.

- **English Sparkling Wine** and **Cava** are cited by only **7%** and **6%** respectively. 18-39s are particularly likely to cite the latter as a luxurious sparkling wine, providing possible routes to growth in a segment which is in fact currently struggling in many countries.

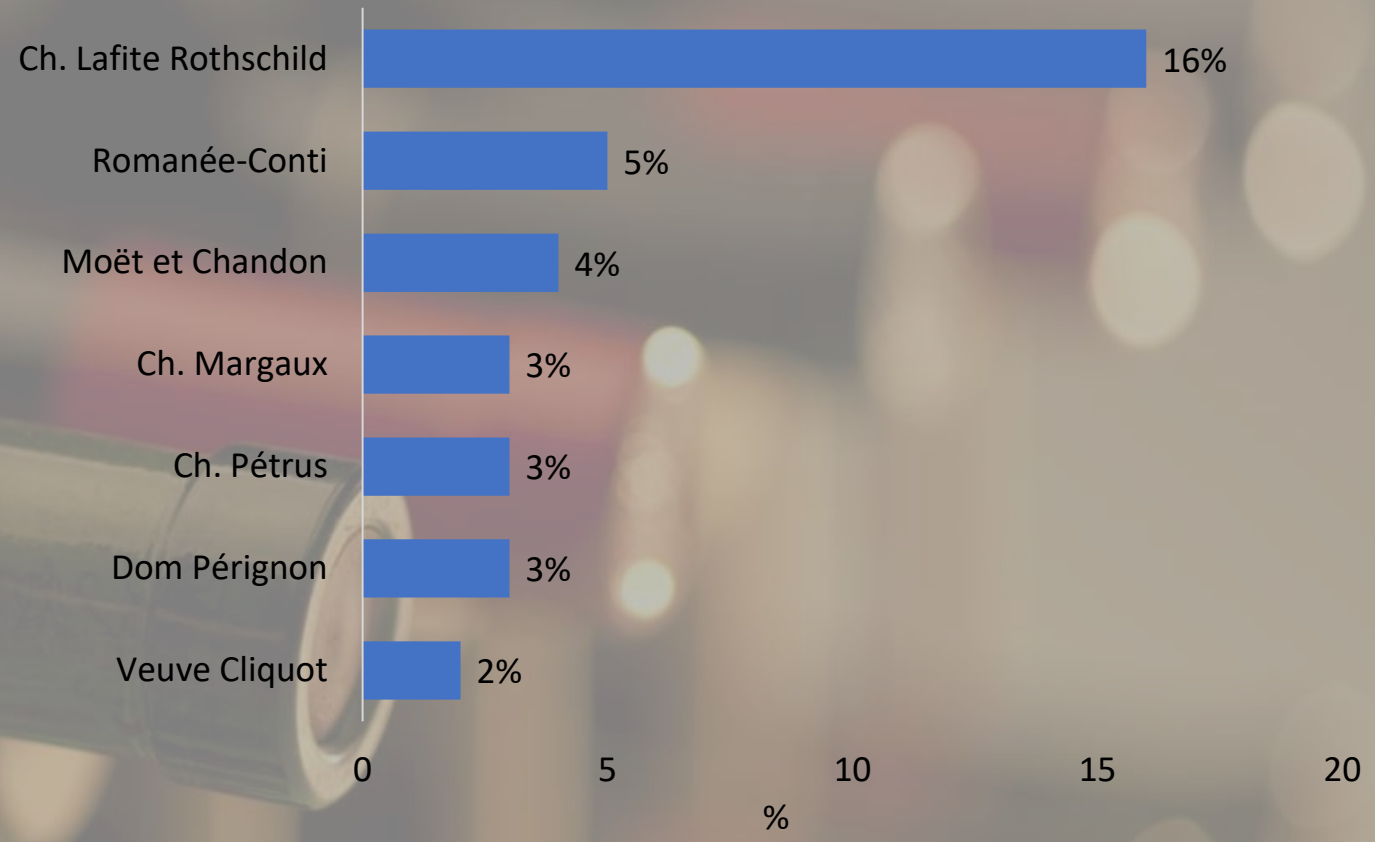


Base: 1,000 global affluent/HNWIs
Source: LuxuryOpinions/Altiant

LAFITE ROTHSCHILD LEADS THE WAY FOR PREMIUM WINE AWARENESS

"When thinking about premium wine (still or sparkling), which is the first brand that comes to mind?"

- Wine is a fragmented and relatively poorly branded market, with a high number of operators. This is one of the likely reasons for the low response results for individual brands for this question.
- **Chateau Lafite Rothschild** is the most cited luxury wine brand at **16%**, ahead of even top-end Champagne brands such as **Dom Pérignon**. The prominent French wine chateaux were regularly mentioned by our panellists, particularly among French respondents.
- Many respondents even mistook brands for wine-growing regions such as Bordeaux and Pomerol.



Base: 1,000 global affluent/HNWIs
Source: LuxuryOpinions/Altiant

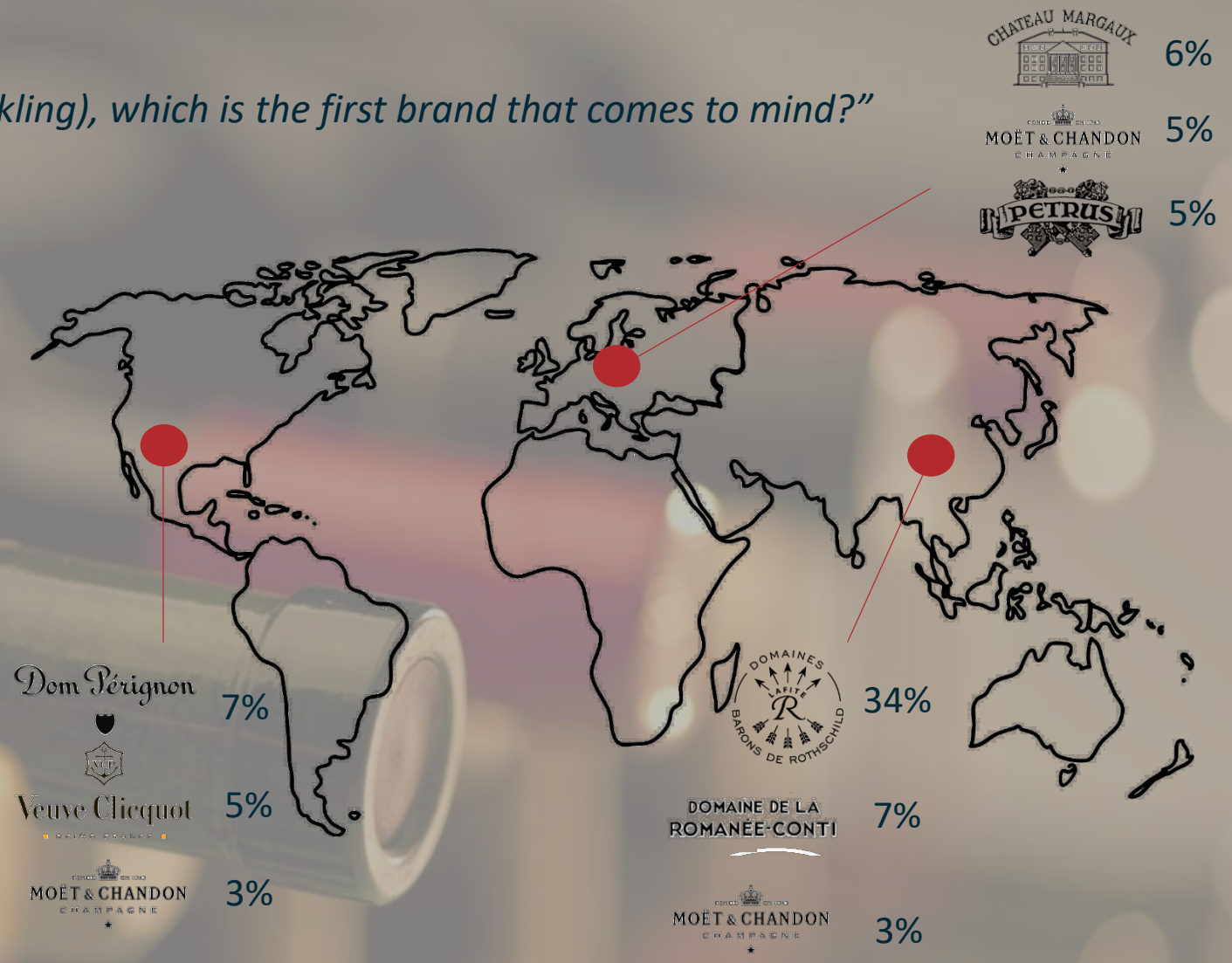
LAFITE'S BRAND AWARENESS BUILT IN ASIA

"When thinking about premium wine (still or sparkling), which is the first brand that comes to mind?"

- **Chateau Lafite Rothschild** enjoys a particularly strong overall image as a luxury brand due to its performance in Asia. The brand evidently carries a high degree of gravitas among our Asian panel – cited by a **third (34%)** as the first brand which comes to mind – as a connoisseurial investment.

- **Moët et Chandon** is cited among the top 3 brands in all regions, albeit with only **5%** or less identifying it in each case. North Americans are also more likely to cite other top-end Champagne brands such as **Dom Pérignon** rather than fine wine brands.

- Europeans are likely to cite a wide range of wine brands, with fine wines and exclusive chateaux among the most popular.



Base: 409 Asian/391 European/189 North American affluent/ HNWIs who buy alcoholic drinks
Source: LuxuryOpinions/Altiant

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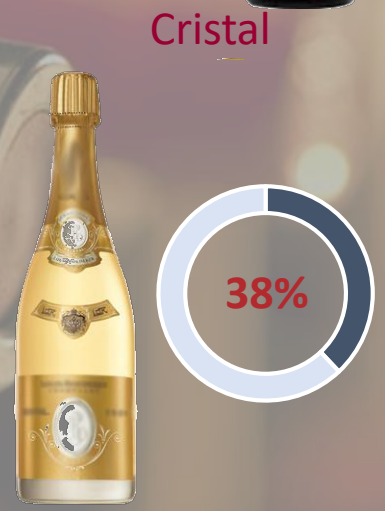
DOM PÉRIGNON IS THE MOST RECOGNISED AMONG SELECTED CHAMPAGNE BRANDS

"Now we would like to know how familiar you are with premium Champagne brands. Please indicate which brand you think the following bottles show." [% correctly identified]

- Some **86%** of our panel state that brand name is **important** to them when buying alcoholic drinks (43% say it is very important and the same share state it is somewhat important). Brand name is **unimportant** to only **6%** of our panellists.

- With all naming stripped off the bottles, **Dom Pérignon** was the best performer among the five Champagne brands selected. **50%** of our sample identified the brand without its branding due to its iconic bottle shape.

- The 'debranded' bottles for **Veuve Clicquot** and **Moët & Chandon** were each identified by **just over 40%** of our respondents, while **Cristal's** bright bottle was known by slightly fewer (**38%**). Despite it's distinctive sash label, **Mumm** was only identified by **30%** of our respondents.



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Base: 1,000 global affluent/HNWIs
Source: LuxuryOpinions/Altiant

BRANDIES ENJOY A FAVOURABLE PERCEPTION

"And which do you think is the most luxurious type of spirit?"

- **Brandy/Cognac/Armagnac** is perceived as the most luxurious spirit by **43%** of our respondents, rising to 48% among over-40s. The market benefits from some well-known and regarded brands such as Hennessy and Rémy Martin (see next slide).

- Meanwhile, **whisky/whiskey** is perceived as the most luxurious spirit by **32%** of our respondents, with no variation in perception by age or gender. Like brandy, whisky benefits from the presence of a number of globally-renowned premium brands such as Johnnie Walker and Chivas Regal (see next slide).

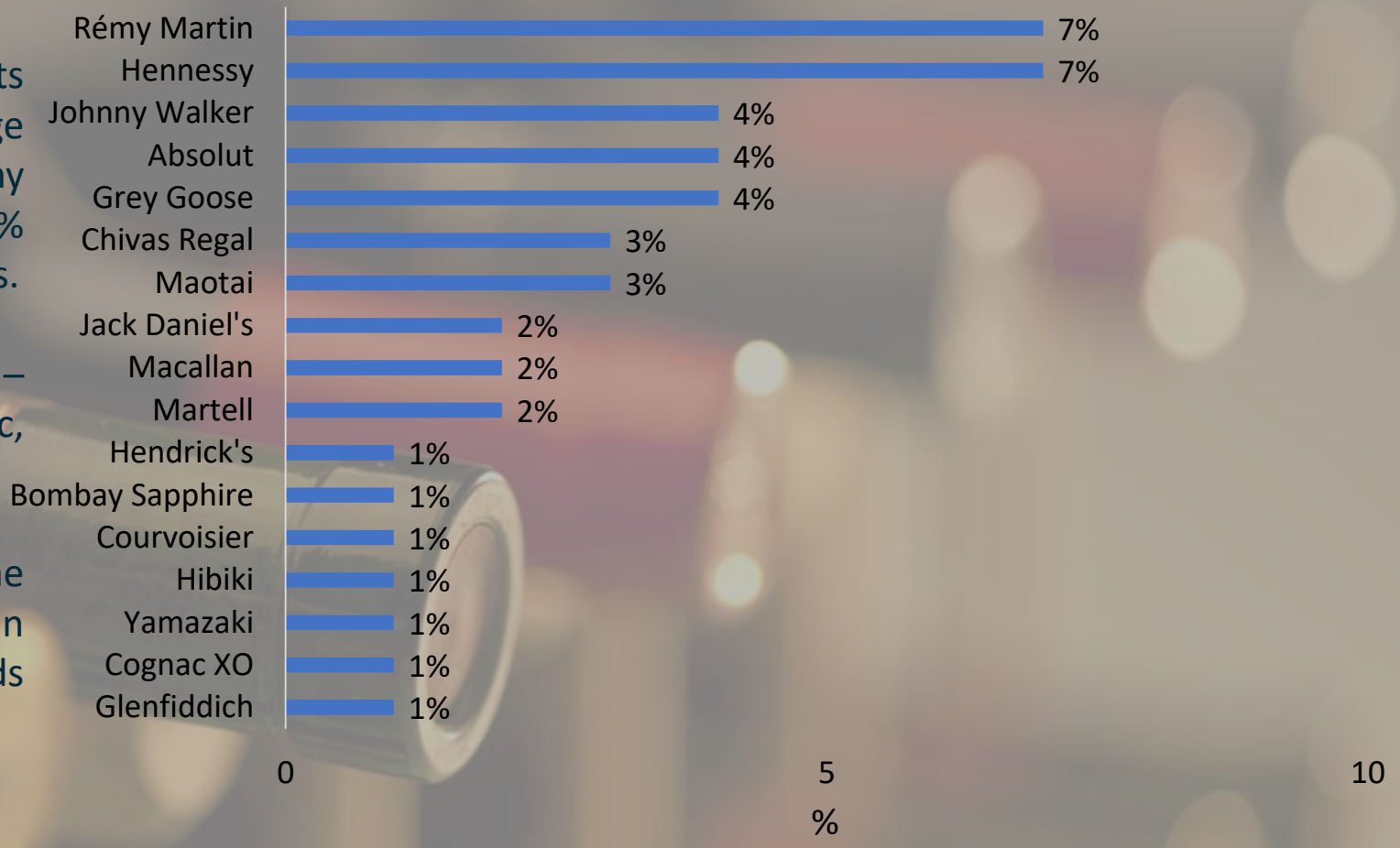
- Other spirit types such as **gin, rum** and **baijiu** each garner less than **5%** for perceptions as the most luxurious spirit, the latter performing strongly as expected in Asian markets.

Base: 1,000 global affluent/HNWIs
Source: LuxuryOpinions/Altiant

RÉMY MARTIN AND HENNESSY LEAD THE WAY FOR LUXURY SPIRIT BRAND AWARENESS

"And when thinking about premium spirits, which is the first brand that comes to mind?"

- Much like the wine market, the global spirits market is highly fragmented with a large number of operators. This is a likely reason why no single brand garners more than a 7% response rate for top-of-mind brand awareness.
- Two Cognacs – **Rémy Martin** and **Hennessy** – are the two top-scoring brands for this metric, albeit at only **7%** each.
- **Vodkas** and **whiskies** are prominent among the other leading brands globally, while Asian respondents are the most likely to cite brands such as Maotai, Hibiki and Yamazaki.



Base: 1,000 global affluent/HNWIs
Source: LuxuryOpinions/Altiant

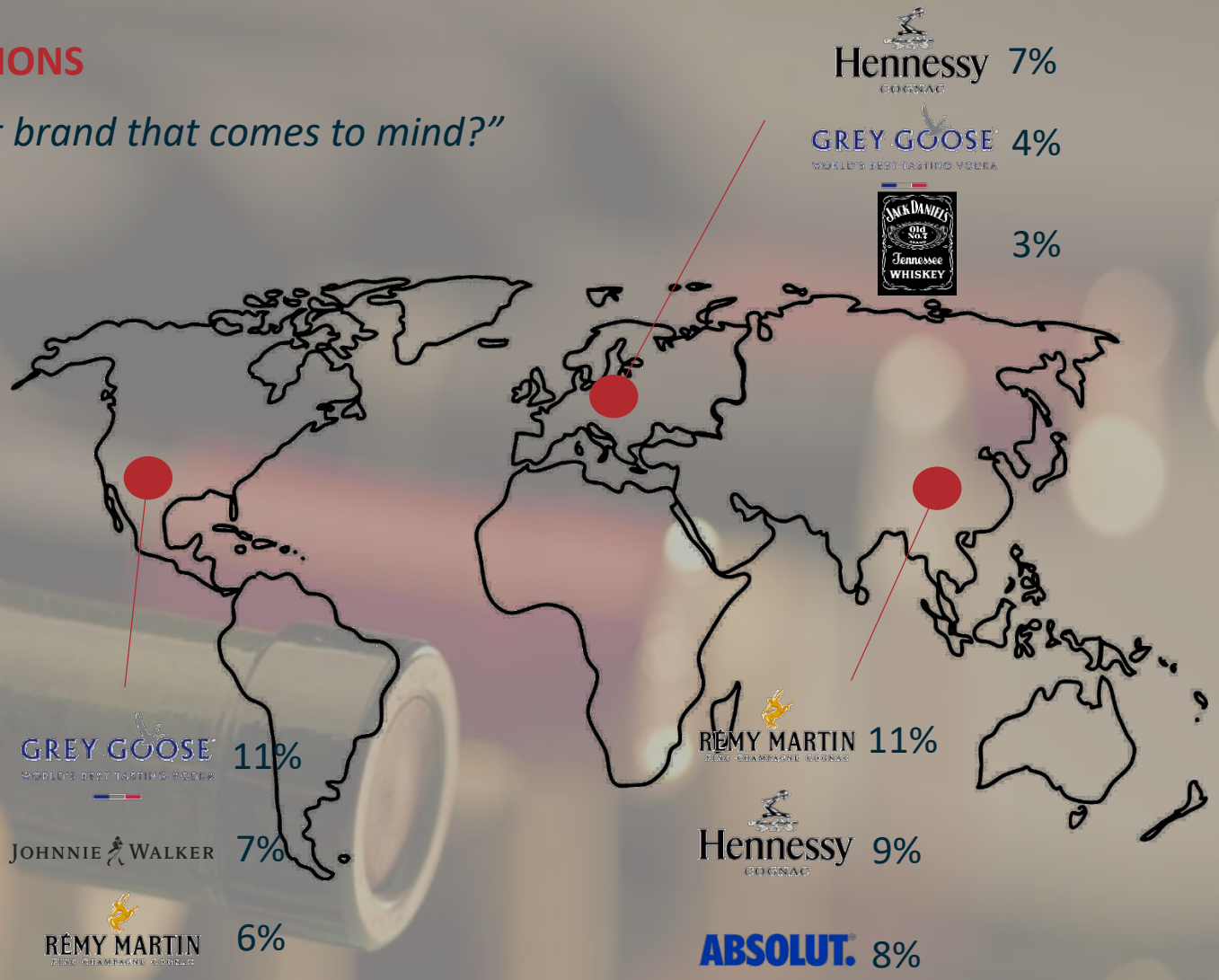
GREY GOOSE PERFORMS WELL IN ALL THREE REGIONS

"When thinking about fine spirits, which is the first brand that comes to mind?"

- **Grey Goose** is cited among the leading spirit brands in all three regions, and the most cited in North America (**11%**). **Absolut** is the only other vodka brand which can compete on this metric, with **8%** of our Asian panellists listing it as the first brand which comes to mind.

- Cognac brands such as **Hennessy** and **Rémy Martin** also perform strongly across all three regions and are widely seen as premium brands, particularly among our Asian respondents.

- Whisky brands also feature prominently among those most listed for top-of-mind awareness, with **Johnnie Walker** resonating most among North Americans (**7%**). Perhaps as expected, brands such as Yamazaki and Hibiki perform strongly among our Asian sample.



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DATA SOURCE

LuxuryOpinions® is a global community of Affluent and High Net Worth Individuals (HNWIs) designed to facilitate research in the luxury goods and wealth management industries. LuxuryOpinions is a division of Altiant, a European Insight company.

Our members are recruited by invitation only and primarily join to voice their opinions about topics that matter to them and to help luxury companies build better, more suitable products and services. By joining, members can also network with one another in a safe, private environment while earning amazing rewards.

Our LuxuryOpinions members are carefully selected before being invited to join the community. For every respondent, we conduct a manual validation to verify beyond reasonable doubt their identity and earning/wealth potential.

ABOUT ALTIANT

Altiant is a specialised fieldwork company which enables large scale, global research among **affluent consumers/High Net Worth Individuals (HNWIs)** in 15+ countries worldwide.

By servicing dozens of the world's top luxury and wealth brands, Altiant helps renowned brands and their research agencies to answer critical questions among this very hard-to-reach demographic. We ensure that all of our survey respondents are genuinely affluent by having their identities **verified** and wealth levels **validated**.

Altiant is a corporate member of **ESOMAR**, the World's leading association for standards & Ethics within market research. Altiant adheres to, and abids by their strict guidelines governing the best practice in the industry.

PROJECT PORTFOLIO EXAMPLES

Some of our recent projects combining work with both prestigious brands and well recognised agencies.

Multi Country Ad Tracking

- Client: Major Global Wealth Company
- Markets: CN, DE, HK, IT, JP, SG, CH, TW, UK
- Sample size: >1,000 split across all markets
- Respondents: Investible assets >$1m/$5M/$10M

Multi Country Consumer Research

- Client: Major Global Luxury Group
- Markets: US, FR, CH, JP
- Sample size: 400 interviews per country
- Respondents: Brand buyers of specific
- Luxury category items
  - 15%: Spend €2-5k
  - 35%: Spend €2-10k
  - 40%: Spend €10-25k
  - 10%: Spend > €25k
- Interview length: 20 minutes

Brand Tracker

- Client: Major Global Wealth Company
- Sample size: 400 interviews in UK
- Respondents: Investible assets of
  - 50%: Investible assets $500k-$1m
  - 50%: Investible assets +$1m
- Interview length: 15 minutes

Continuous Global Brand Tracking

- Client: Major Global Wealth Company
- Markets: UK, US, HK, SG & DE
- Sample size: >1,000 split across all markets
- Respondents: Investible assets >$1m
- Interview length: 12 minutes

Market Segmentation

- Client: Major Global Luxury Group
- Markets: UK, US, Japan
- Sample size: 1,000 interviews per market
- 5%, 3%, 1% plus category consumer quotas
- Interview length: 16 minutes

Multi Country Ad hoc

- Client: Luxury Automotive Brand
- Sample size: 900 interviews across 6 countries including UK
- Respondents: Owners of 12 specific luxury brands
- Interview length: 8 minutes

CONTACTS

ALTIANT

Powering Luxury & Wealth Insights

CHRIS WISSON

KNOWLEDGE DIRECTOR

chris.wisson@altiant.com

MARCUS YOUNG

GLOBAL ACCOUNT DIRECTOR

marcus.young@altiant.com