

Special Report supplement for ProWein Business Report 2022

Market opportunities for alternative wine packaging

Adoption of alternative wine packaging

Merchants see good chances for alternative packaging to be adopted by consumers – especially for wine in bag-in-box containers and aluminium cans.

In the innovative countries, almost every merchant intends to list wine in alternative packaging over the next two years.

Innovators are experienced in improving adoption rates by intense communication with users and by small mark-ups for alternative packaging.

Producers need merchants' long-term commitment to ensure necessary investment pays off.

Sustainability takes on a specific significance in the wine industry. In the ProWein Business Reports 2019 and 2020 more than 80% of the industry experts polled stated that the wine industry was increasingly focusing on the sustainability of production. In excess of 70% called for a reduced carbon footprint of wine. A large number of studies show that the packaging and transport of wine play a really crucial role in this. The energy consumed by manufacturing glass and transporting the bottled wine accounts for a lion's share of wine's carbon footprint, estimated by experts to be up to 40%. If wine production and trade is to become sustainable, the sector needs to put some thought into alternative packaging. By using suitable alternatives to glass, which have a low weight and that can ideally also be recycled, wine can be produced and transported more sustainably.



**10-12 March 2024
Düsseldorf, Germany**

THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com

M
Messe
Düsseldorf

Messe Düsseldorf GmbH
P.O. Box 10 1006
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany

Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:

 The global
Association of the
Exhibition Industry

 Association of the
German Trade Fair
Industry

 FKM – Society for
Voluntary Control of
Fair and Exhibition Statistics

Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

This is why the current ProWein Business Report 2022 has – for the first time – polled nearly 2,500 merchants and producers from 16 different countries on the adoption and planned launch of six different alternative packaging formats. The aim was also to better understand the drivers of, and obstacles to their further market penetration.

This makes the ProWein Business Report 2022 the internationally most comprehensive report on the foreseeable adoption of alternative packaging formats. Its results provide producers with valuable insights as to which packaging alternatives are demanded in which countries and where merchants show a particularly strong interest in listing glass alternatives. The results also show producers' and merchants' views on how existing challenges for the introduction of alternative packaging can be overcome.

Wine merchants expect good adoption among consumers

With a view to gauging consumer sales potential, wine merchants, importers, distributors, restaurateurs and hoteliers were asked in 2022 which alternative wine packaging would be easily accepted by consumers in their opinion. Polling market experts rather than consumers will result in a more realistic assessment because consumer statements are often overly positive.

More than one in two merchants expect consumers to adopt bag-in-box as wine packaging since this has been an established format in many countries for many years. This is followed a long way behind by aluminium cans, paper-based bottles (e.g. Frugal bottle), PET bottles and kegs at just under 20% of expected adoption. In most countries these packaging formats are hardly available for wine and, hence, rather unknown to consumers.

The middle column of Chart 1 shows merchants' intention to list products in alternative packaging over the coming two years. The first column features the producers' intention to "bottle" their products in alternative packaging over that period.



**10-12 March 2024
Düsseldorf, Germany**

THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com



Messe Düsseldorf GmbH
P.O. Box 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany

Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung



Chart 1 Producers' and traders' plans to introduce alternative packaging as well as trade's expected adoption among consumers

For producers and trade the relative sequence of packaging alternatives largely converges with the expected adoption among consumers. Bag-in-box and aluminium cans rank top of the list. This pattern is typical of product innovations: already known solutions find it easier to be adopted. PET bottles are known to some from airplanes and festivals while paper-based bottles are de facto not available on the market yet. The "others" mentioned by producers and merchants included light glass bottles and returnable systems with a deposit, which are suitable above all for regional sales.

However, in numeric terms the absolute willingness to adopt these options, on the part of the trade and producers, in particular, is clearly lower than the adoption rates expected among consumers. 60% of producers and 45% of merchants have no plans for offering alternative packaging over the coming two years. This means there is an adoption gap – the market potential is not fully exploited yet.

Merchants from different countries vary widely in terms of their innovative drive

The 16 countries under review vary widely when it comes to their merchants' willingness to list new packaging alternatives. In the group of



10-12 March 2024
Düsseldorf, Germany
THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com



Messe Düsseldorf GmbH
P.O. Box 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany
Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

innovators including the Scandinavian countries, Great Britain and Canada, 75% to 100% of merchants are willing to do so. In the middle group encompassing France, Belgium, Spain, Portugal and the USA, willingness stands at between 55% and 75%. The third group of “laggards” predominantly includes the German-speaking countries Germany, Austria and Switzerland but also the Netherlands and Italy. Here, merchants’ willingness is below 55%. The three groups are shown in detail in the following chart.

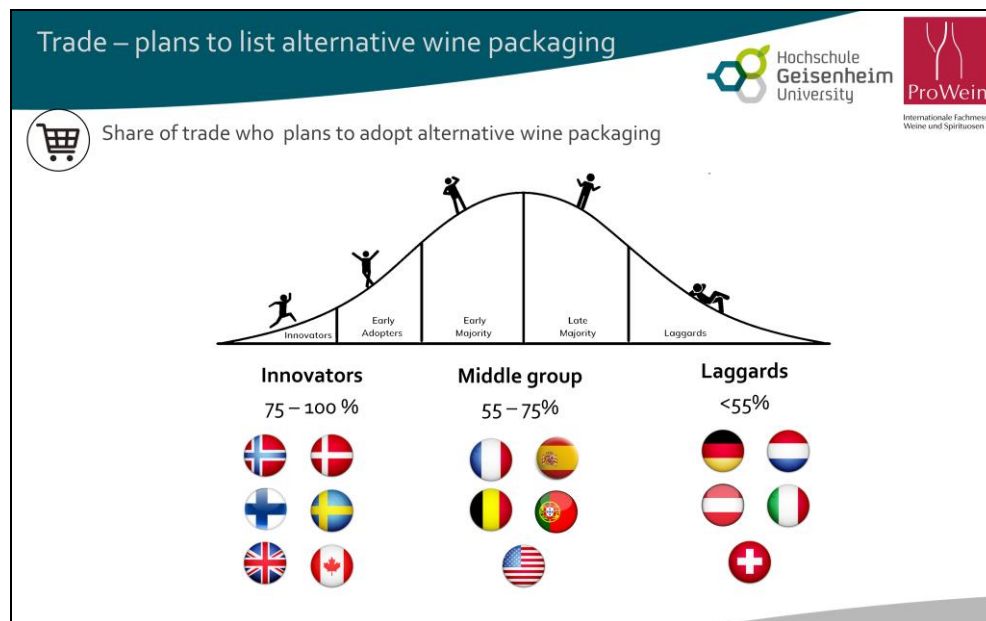


Chart 2 Listing of innovative wine packaging by trade – countries broken down by innovators, early and late adopters

The innovators – Scandinavia, Great Britain and Canada

The group of innovator countries have some important characteristics in common such as:

- they have already pursued national schemes for reducing packaging waste for many years (e.g. Great Britain),
- their population has an especially positive attitude towards sustainability (e.g. all Scandinavian countries) and
- wine can only be distributed to end users by monopolies that pursue special national targets such as consumer protection and sustainability (e.g. Finland, Canada, Norway and Sweden). The five Scandinavian monopolies, for example, (including Iceland and the Faroe Islands) have committed to a joint sustainability strategy with the aim of reducing CO2 emissions by 50% by 2023. The targeted listing of wine in packaging with



10-12 March 2024
Düsseldorf, Germany

THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com



Messe Düsseldorf GmbH
P.O. Box 10 1006
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany

Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

a small carbon footprint forms part of the strategy to achieve this ambitious target.

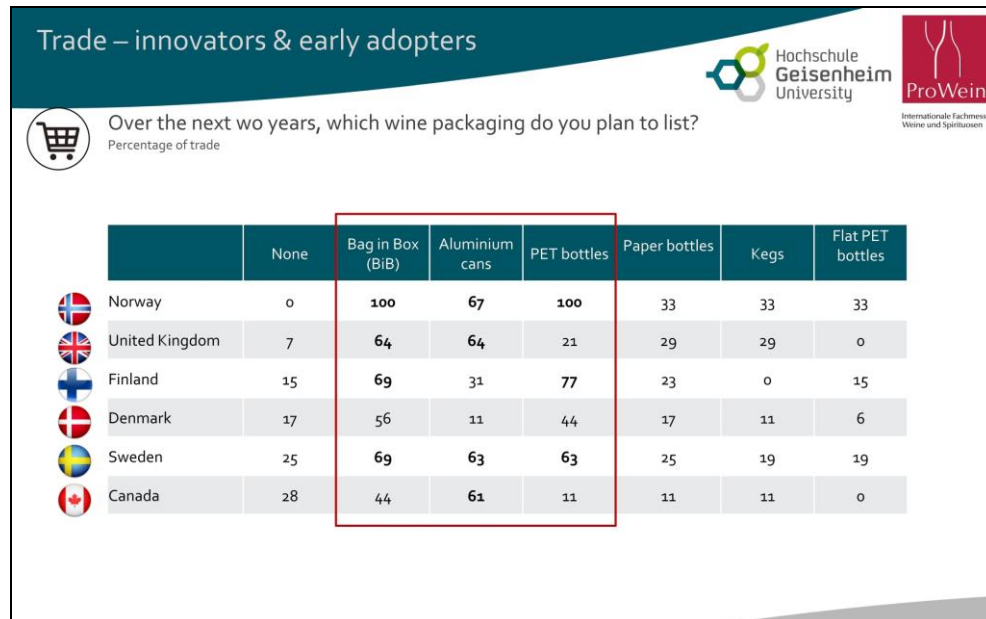


Chart 3 Merchants' intention to list alternative wine packaging in the leading group of innovators

This is why alternative packaging already forms an integral part of product ranges in these countries, especially in the ranges of monopolies. Furthermore, the overwhelming majority of merchants in innovator countries plans to list additional products in glass alternatives over the next two years. Illustration 3 shows that bag-in-box is leading with the exception of Canada, which strongly focuses on aluminium cans. The high percentage of PET bottles may first come as a surprise, since plastics are associated by many with single-use packaging and marine litter. Monopolies, however, use a deposit system today, allowing these PET bottles to be recycled almost completely. Wine in paper bottles (e.g. Frugal Bottle) and in flat PET bottles (e.g. Packamama) also stands very high chances in these countries.

For producers these results mean that those capable of offering their products in alternative packaging stand a better chance of being listed in these innovative countries. Innovative wine producers who support merchants' sustainability goals, therefore clearly enjoy a competitive edge.

10-12 March 2024
Düsseldorf, Germany

THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com



Messe Düsseldorf GmbH
P.O. Box 10 1006
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany

Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung



The early adopter group – southern Europe and the USA

The medium group includes the major wine producers France and Spain, the USA, Belgium and Portugal. More than 50% of merchants in these countries intend to list wine in alternative packaging over the next few years. Here, too, bag-in-box and cans rank first, followed by PET bottles (most prominent in Portugal) and kegs for food service (very prevalent in the USA). There is also demand for paper-based bottles (e.g. Frugal Bottle) in the middle group.

10-12 March 2024
Düsseldorf, Germany

THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com



Chart 4 Intention to list alternative wine packaging stated by the middle group of early adopters.

The group of late adopters – Central Europe

In the countries lagging behind the willingness to list alternative packaging is just under or slightly above 50%. Especially in the three German-speaking countries Germany, Austria and Switzerland, the majority of merchants have still stuck to glass bottles so far. The list of alternative packaging is led by bag-in-box here, too, with the exception of Italy and the Netherlands where cans are in high demand. Among merchants the still very reserved demand for new packaging makes it harder also for mostly smaller producers from German-speaking countries to achieve

Messe Düsseldorf

Messe Düsseldorf GmbH
P.O. Box 10 1006
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany

Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:

The global
Ufi Association of the
Member Exhibition Industry

Association of the
AUMA German Trade Fair
Industry

FKM – Society for
Voluntary Control of
Fair and Exhibition Statistics

Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

high enough production and sales volumes for glass alternatives that make economic sense on their home markets.

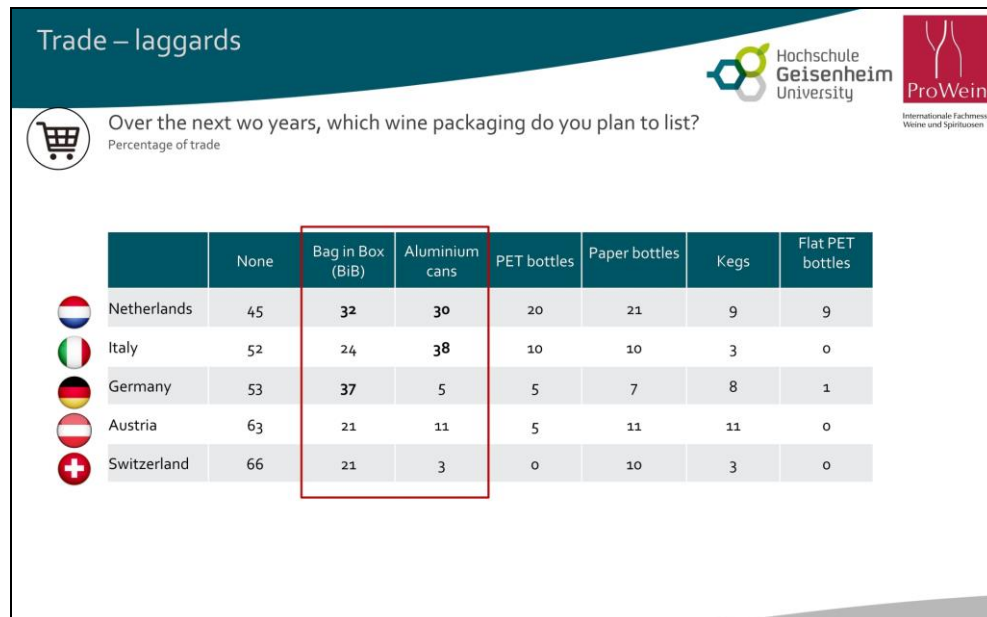


Chart 5 Merchants' intention to list alternative wine packaging in the late-adopter group

Innovators are more optimistic about glass alternatives

People often ask about the criteria used for labelling innovators or late adopters. The results in Chart 6 show that confidence and belief in the viability of innovative packaging make the key difference. Over one third of innovators believe that the majority of everyday wines will no longer be bottled in glass in the near future. More than half the late adopters lack precisely this optimism about the future of alternative packaging. So, the education provided, and the conviction shown by the trade are an important point of departure for sustainability in the sector.

This also goes to show just how important the Scandinavian monopolies' joint commitment to a concrete CO2 emission reduction target is. They commit themselves to strive towards a shared future goal thereby giving producers an important signal for offering these products.

10-12 March 2024
Düsseldorf, Germany
THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com



Messe Düsseldorf GmbH
P.O. Box 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany
Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

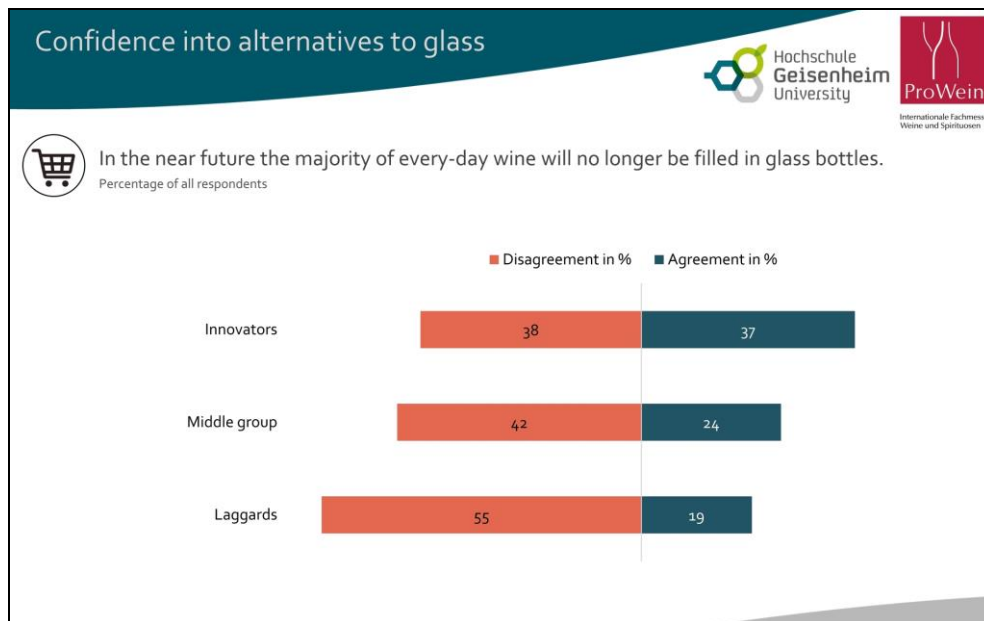


Chart 6 Differences between the groups of countries when it comes to alternative packaging formats

Success driver for alternative wine packaging

Similarly big differences between innovators and early and late adopters can also be found in terms of their experience with the factors driving adoption rates for alternative packaging. 84% of innovators know from their own experience that communicating with consumers about novelties and their benefits is the essential key to success. 57% see the need to further reduce the price disadvantages of alternative packaging to have consumers adopt them. To 81% of innovators, the rising energy prices for glass production are a crucial driver to reduce this cost gap.

Like with the conviction about the success of glass alternatives (Chart 6), the approval rates here are also substantially lower in the other two groups. This is partly also due to the inability of a large proportion of the merchants in these countries to experience the successful marketing of alternative wine packaging, meaning they are therefore (still) unaware of its drivers and barriers. These countries can therefore learn from innovators' experiences to be successful.



10-12 March 2024
Düsseldorf, Germany

THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com



Messe Düsseldorf GmbH
P.O. Box 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany

Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

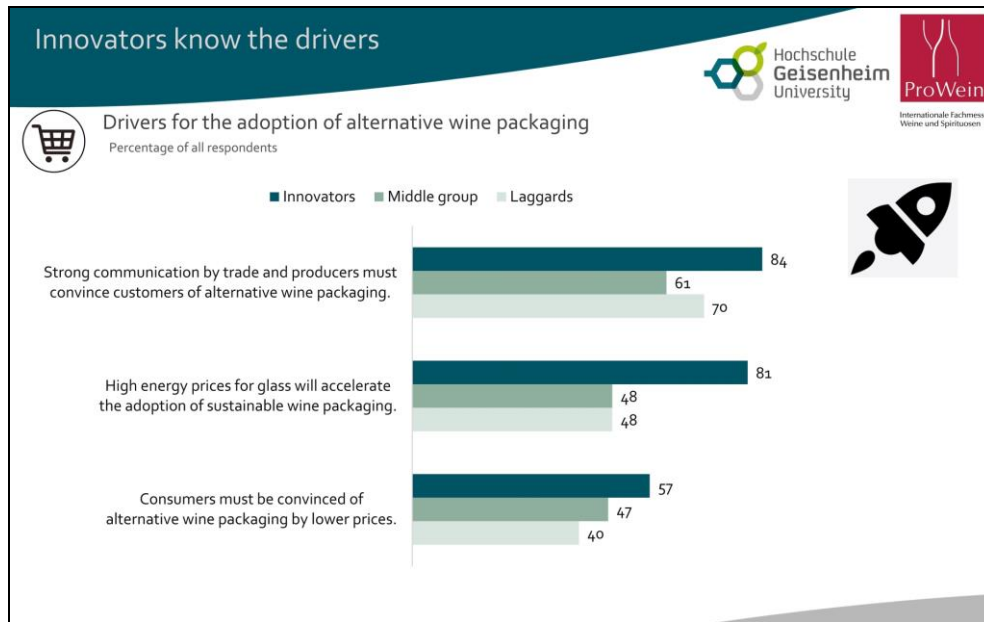


Chart 7 Innovators are better informed about the barriers and success drivers for alternative wine packaging

Wine producers are faced with challenges during adaptation

Merchants particularly face the challenge of communicating with consumers. However, they are very flexible and can offer packaging alternatives in line with demand on their shelves. By comparison, producers are far more limited in their abilities to offer wine in alternative packaging. Most existing bottling lines are strictly limited to one type of packaging, so far almost exclusively to glass bottles. For 69% of producers, it is therefore significantly easier to offer packaging alternatives that are compatible with existing filling lines.

In the current economic crisis, a major share of wine producers cannot pass on cost increases to retailers or consumer and therefore suffers dwindling or even negative margins. Due to this difficult climate many producers are clearly coming up against limits to invest in new equipment (Chart 8).



10-12 March 2024
Düsseldorf, Germany
THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com

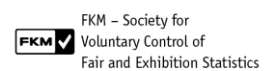


Messe Düsseldorf GmbH
P.O. Box 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany
Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

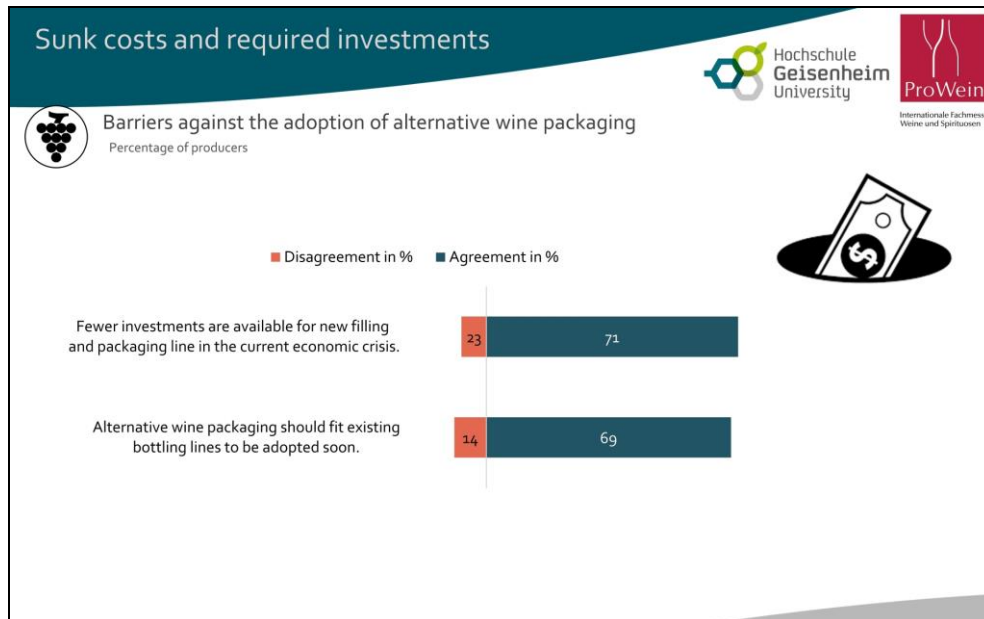


Chart 8 Compatibility with existing filling lines and limitation of investment

The availability of alternative packaging posed a challenge to roughly half the producers. At the time of the survey in November 2022, inliner bags for bag-in-box were partly out of stock, for example. As global supply chains recover further, a relaxation can be expected here in future.

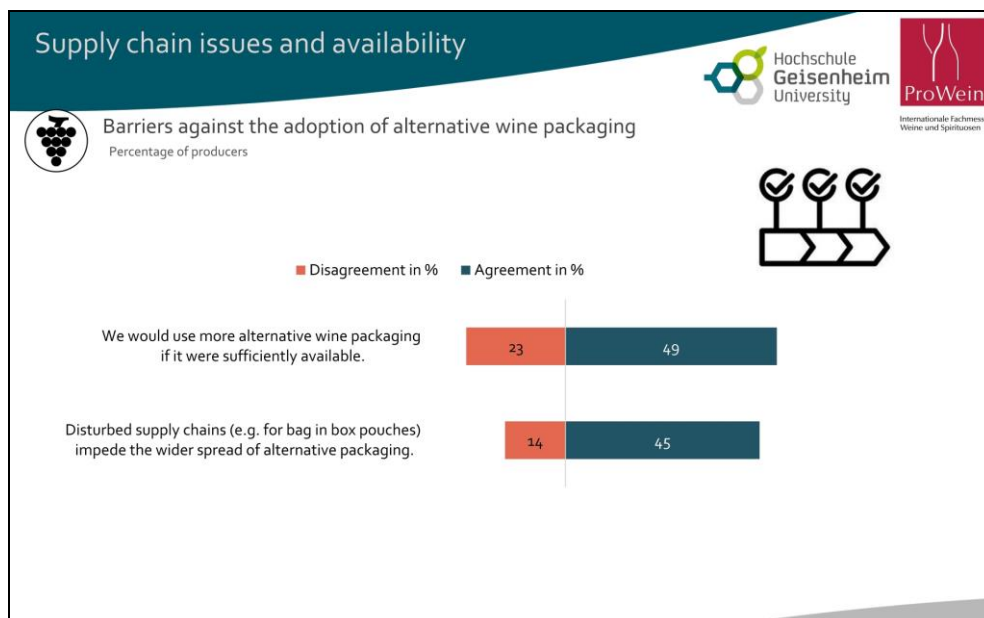


Chart 9 Availability and supply chain issues

Almost two thirds of producers consider the considerably increased glass prices an opportunity for the faster market penetration of alternative packaging. Since producers are immediately affected by the price increases in glass and energy, their approval is noticeably higher than in

10-12 March 2024
Düsseldorf, Germany
THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com

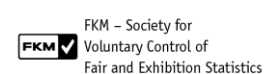


Messe Düsseldorf GmbH
P.O. Box 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany
Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

the trade where only one in two merchants sees a correlation with energy costs (Chart 7).

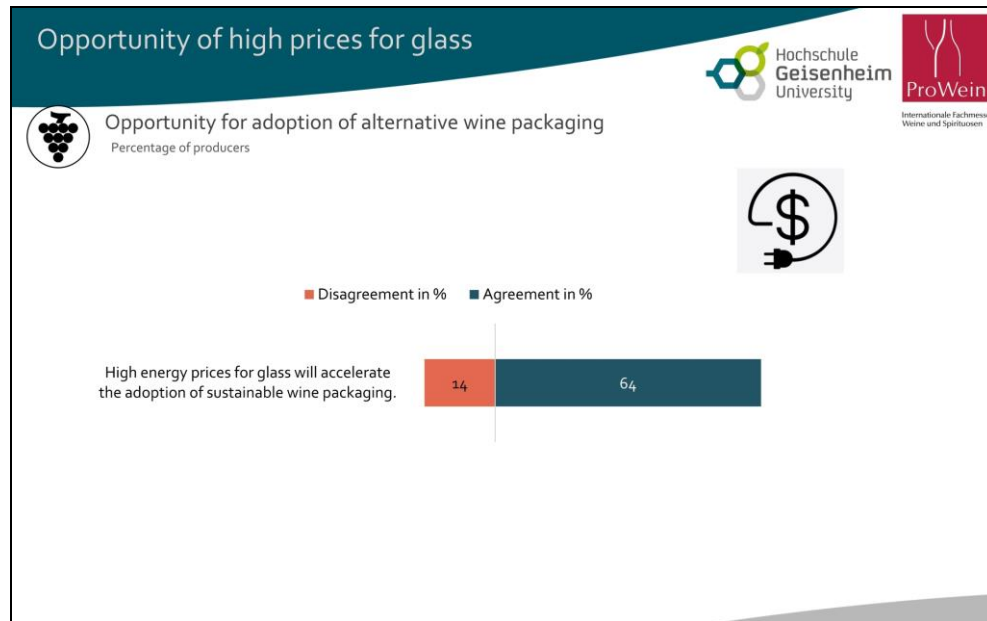


Chart 10 Rising energy prices will accelerate adoption

Key take-aways for the industry

Three principal conclusions for the industry can be drawn from the survey results of the ProWein Business Report 2022.



Chart 11 Three crucial conclusions for the introduction of alternative wine packaging

10-12 March 2024
Düsseldorf, Germany
THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com



Messe Düsseldorf GmbH
P.O. Box 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany
Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

The sector should close the adoption gap better. Merchants believe there is a higher acceptance among consumers for many packaging alternatives than is currently being leveraged.

The innovators have learnt by experience that the crucial success driver is in-depth communication with consumers. To be able to communicate convincingly, however, merchants themselves first have to be convinced of the necessity of alternative packaging and its prospects for success. With its focus on sustainable packaging and the large number of exhibitors with packaging alternatives, ProWein 2023 has already been able to help inspire producers and retailers as well as raise awareness about this important topic.

Producers will invest in new filling lines if there is strong demand from the trade and if they receive long-term buying commitments. Producers' low flexibility and the capital tied up in existing filling lines account for their reticence to offer alternative packaging. Innovative markets allow forward-looking producers to become established with their new products.

In the coming surveys for the ProWein Business Report we will further follow up on the demand for, and adoption of alternative wine packaging.

This study was commissioned by ProWein and carried out by the Department of Wine and Beverage Business at Geisenheim University under the direction of Prof. Dr. Simone Loose. Geisenheim University is known worldwide for its research and teaching in the field of wine science.

ProWein and Geisenheim University look forward to continuing the ProWein Business Report successfully in the coming years. ProWein thus provides the wine industry with a globally unique, regular longer-term "market barometer" answering key sectoral questions in annual special topics. We would like to thank the participants of the survey and hope that wine producers and marketers continue their active participation.

Upon request, each participant will receive the detailed ProWein Business Report free of charge.



**10 - 12 March 2024
Düsseldorf, Germany**

**THE WORLD'S NO. 1
International Trade Fair
for Wines and Spirits.**
www.prowein.com



Messe Düsseldorf GmbH
P.O. Box 10 10 06
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany

Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:



Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung

Note for editors:

High-resolution visuals for ProWein can be found in our photo database under "Presse Service" auf www.prowein.de.

Press contact ProWein at Messe Düsseldorf:

Christiane Schorn
Tel.: +49(0)211/4560 –991
SchornC@messe-duesseldorf.de

Monika Kissing
Tel.: +49(0)211/4560 –543
KissingM@messe-duesseldorf.de

Brigitte Küppers
Tel.: +49(0)211/4560 –929
KueppersB@messe-duesseldorf.de

For more information go to:
www.prowein.de and/or in the social networks
Facebook: www.facebook.com/ProWein.tradefair
Twitter: <https://twitter.com/ProWein>



10–12 March 2024
Düsseldorf, Germany

THE WORLD'S NO.1
International Trade Fair
for Wines and Spirits.
www.prowein.com

M
Messe
Düsseldorf

Messe Düsseldorf GmbH
P.O. Box 10 1006
40001 Düsseldorf
Messeplatz
40474 Düsseldorf
Germany

Phone +49 211 4560 01
Fax +49 211 4560 668
Internet www.messe-duesseldorf.de
E-mail info@messe-duesseldorf.de

Board of Managing Directors:
Wolfram N. Diener (CEO)
Bernhard J. Stempfle
Erhard Wienkamp
Chairman of Supervisory Board:
Dr. Stephan Keller

County Court Düsseldorf HRB 63
VAT ID number DE 119 360 948
Tax ID number 105/5830/0663

Messe Düsseldorf
memberships:

 The global
Association of the
Exhibition Industry

 Association of the
German Trade Fair
Industry

 FKM – Society for
Voluntary Control of
Fair and Exhibition Statistics

Public transport:
U78, U79: Messe Ost/Stockumer Kirchstr.
Bus 722: Messe-Center Verwaltung