

IRI SURVEY - SUMMARY

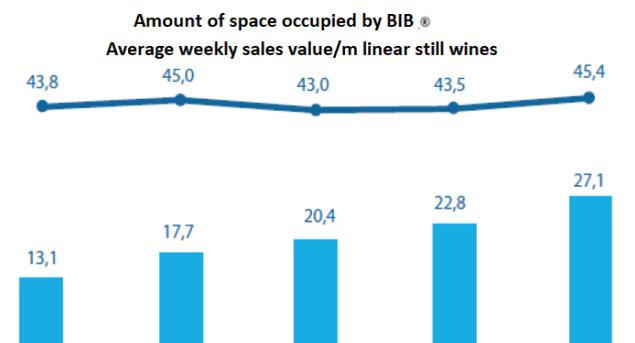
Glass bottles create value for the still wine market

In a context marked by the decline of the still wine market in retail outlets over the past few years, 2020 saw a slight recovery and increased competition between the main packaging formats. To help us understand market changes, and especially the impact of rising BiB sales in retail outlets on value creation in the wine sector, the French Glass Federation ordered an IRI* survey to gain insights into the market situation and to share those insights with all the stakeholders, producers and distributors. In particular, the survey revealed how glass bottles are promoting and boosting the appeal of wine on the shelf.

“Given the feared spread of a more down market wine offer in France, glass bottles are still the main driver for promoting and highlighting the wealth and diversity of our wines and regions. An innovative approach to glass bottles has enabled the sector to attract new consumers and to follow current consumption trends, in which design, elegance, convenience and recyclability have become key purchase drivers.” Jacques Bordat, Chairman of the French Federation of Glass Industries

HYPERMARKETS

The average share of shelf space for BiB® in hypermarkets is 19.7 points. It varies between 13.1 points and 27.1 points.



Volume

The growth of BiB® is not synonymous with gains

Regardless of the amount of space occupied by BiB® in the wine aisle (13.1% or 27.1% of shelf space), the average number of litres sold (44.1 L per metre of shelf space) is practically identical. This finding underscores the fact that increasing the BiB® share of shelf space in hypermarkets does not produce any gains for the still wines category in stores.

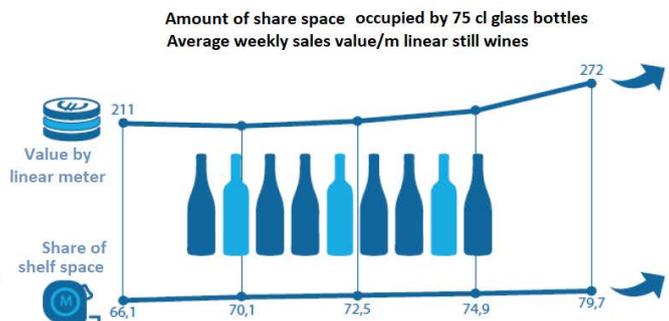
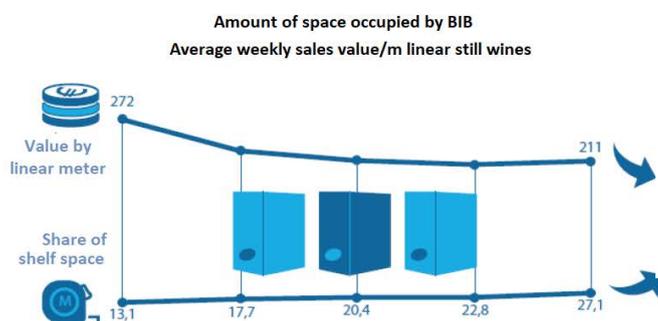
Value

The more space is given to glass bottles, the higher the performance

When BiB® visibility on the shelf exceeds 20%, the shelf's profitability starts to decline in hypermarkets. It decreases from €272/metre of shelf space when the share is low (13.1 points) to €211/metre of shelf space when the share is higher (21.1 points).

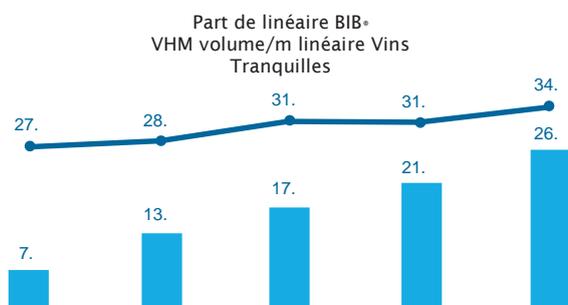
The reverse is true when 75-cl glass bottles occupy a large share of the wine aisle. Sales are at €272/metre of shelf space for large shares (79.7 points), but fall to €211/metre of shelf space when the share is reduced (66.1 points).

When stores allocate more than three quarters of their shelf space to 75-cl glass bottles, they increase both their revenue and their performance.



SUPERMARKETS

The average share of shelf space for BiB® in supermarkets is 18.2 points. It varies between 7.1 points and 26.9 points.



Volume

BiB® is growing, without generating any value

In supermarkets, increasing the volume of BiB® does not generate value for the still wines category. Glass bottles are the clear source of revenue from the shelf space and increase the value of the segment (see below).

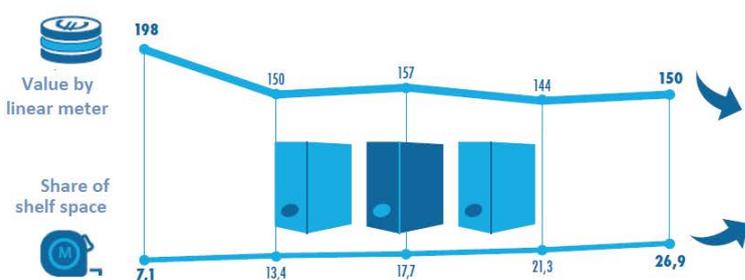
Value

The presence of glass bottles adds value to the wine aisle

As for hypermarkets, the larger the space allocated to BiB®, the lower the performance of the aisle. When the share of BiB® exceeds 20%, the aisle's revenue drops from €198/metre of shelf space with 7.1% visibility to just €150/metre of shelf space with a 25.9% share.

The opposite is true for 75-cl glass bottles. When glass bottles occupy a large share, they generate more revenue. The figure is estimated to stand somewhere between €157 and €198/metre of shelf space, once their share of shelf space exceeds 70%.

Amount of space occupied by BiB®
Average weekly sales value/m linear still wines



Amount of share space occupied by 75 cl glass bottles
Average weekly sales value/m linear still wines



* BiB®-Glass Survey by IRI/French Federation of Glass Industries – Study of the dispersion of the BiB® share of shelf space in the still wine aisle in hypermarkets (retail outlets of 2,500 m² and more) and supermarkets (retail outlets of more than 400 m² and less than 2,500 m²) – June to October 2020

ABOUT THE FRENCH FEDERATION OF GLASS INDUSTRIES

The French Federation of Glass Industries represents the glass industry in France in the packaging, flaconnage, flat glass, hollow glass, insulation, fibre and technical glass sectors. It brings together the French Federations of Industrial Glass works (CSVMF), Flat Glass Manufacturers (CSFVP) and Technical Glass works.

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