



## MARKET REPORT

# Sparkle and Shine: Navigating Pricing Trends in the UK Sparkling Wine Market



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## INTRODUCTION

# The online UK beverage market

During the last few years, the online UK beverage sector witnessed significant growth as the COVID-19 pandemic caused a massive acceleration in online shopping. Overall, the food and drink market's ecommerce user penetration rate hit 50% in June 2023 (up from 37% in 2019). The main drivers for consumers to move to online shopping were product availability, competitive online pricing and the overall convenience of shopping from anywhere at any time. In addition, logistics and supply chain management innovations, improved delivery times and customer service, made the shopping experience more attractive.

Driven by all of these factors, analysts expect ecommerce to account for around 37% of the UK's retail market in 2024.

*Source: Ecommerce user penetration for food and drink in the UK 2019-2023, Statista, 2023*

As you plan for the future, you will need to focus on assortment and price to increase margin and market share. High inflation has driven consumers to seek out the best value when shopping for beverages by opting to purchase cheaper products from the same retailer to save money. In response, retailers are using new tools like supermarket loyalty schemes to match discounted prices and retain customers. 2 examples are Tesco's Clubcard Prices and Sainsbury's Nectar Prices.

Retailers like you can differentiate themselves through unique product offerings, competitive pricing models and superior online experiences. But to do so, you need to understand how competitors are positioning themselves and how they are competing in the marketplace.

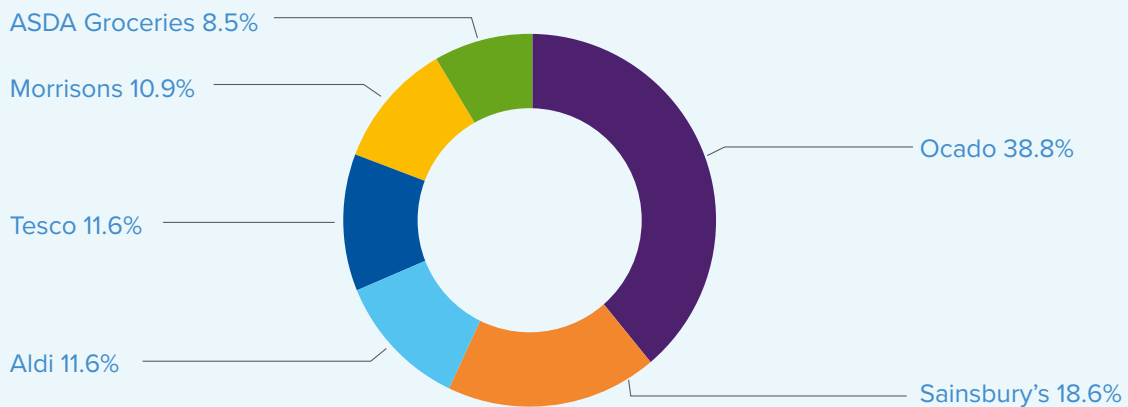
Let's take a look at the online private-label sparkling wine assortment of the top 6 UK retailers. This assortment supports retailers and CPG companies who want to beat the competition by better understanding how competitors are performing. A deep dive analysis into the sparkling wine market will allow companies to compete on the right price and product mix and, as such, increase revenue, enabling players to win new markets.

# Private-label brand trends

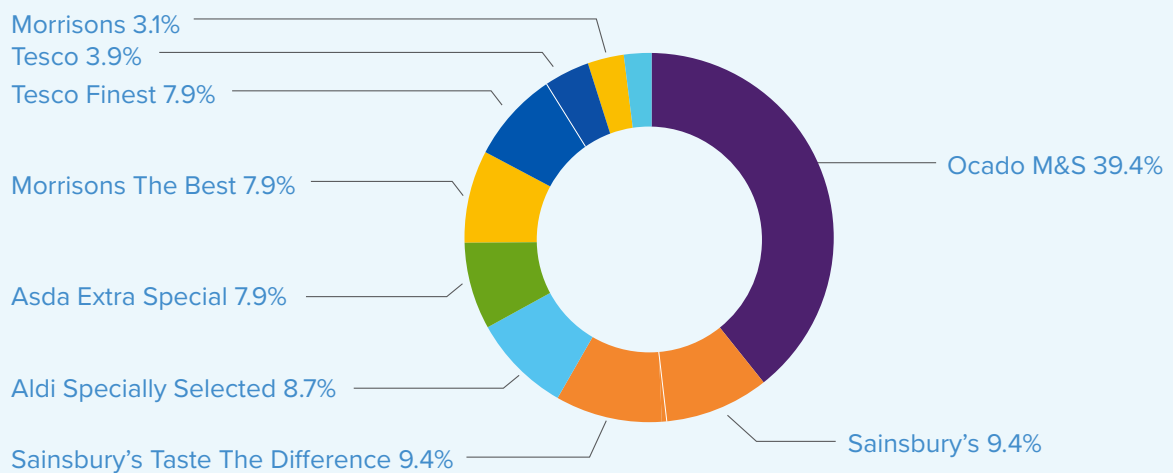
## Retailers offer more than one private-label brand

A high-level overview of the sparkling wine online market in the UK reveals that there are 129 individual white-label products offered online across the 6 main retailers. One retailer dominates the private-label market, owning around 40% of all sparkling wine products available. These 6 retailers constitute 12 of the white-label brands offered online, with the majority selling 2 white-label brands to differentiate between an entry-level and premium brand and one retailer selling 3 sparkling wine private labels via its online store.

PRODUCTS PER BRAND – PRIVATE LABEL ASSORTMENT



PRODUCTS PER BRAND – TOTAL ASSORTMENT



# Assortment strategy gaps

## Unveiling gaps in the product portfolio



Whitespace analysis provides insight into how many private-label products retailers offer in the specific sparkling wine segments. The chart provides a high-level overview of the number of products in a sub-segment the player offers. This kind of analysis enables retailers to identify gaps in the product portfolio and benchmark against competitors, as well as review strategic pricing and marketing decisions to find untapped market opportunities.

Our real-time analysis found that one retailer has the broadest assortment of sparkling wines across all categories, particularly Prosecco/Spumante. On the other hand, one retailer does not offer Cava or Cremant, which could indicate potential areas of assortment expansion for that retailer.

By understanding the competitive landscape, a retailer can adjust pricing and marketing activities

related to the product offering by proactively adjusting the portfolio to capture demand in underrepresented categories or to differentiate the offering where market saturation is observed. In addition, a retailer can analyze the price points of segments where the competition is strong to ensure the price remains viable.

### ASSORTMENT WHITESPACES

Product type	Aldi	ASDA Groceries	Morrisons	Ocado	Sainsbury's	Tesco
Cava	1	2	1	7	4	
Champagne	3	1	5	9	4	4
Cremant	3	2	2	3	3	
Other Sparkling Wine	4	1	2	11	5	2
Prosecco/Spumante	4	5	4	20	8	9

# Assortment vs. price

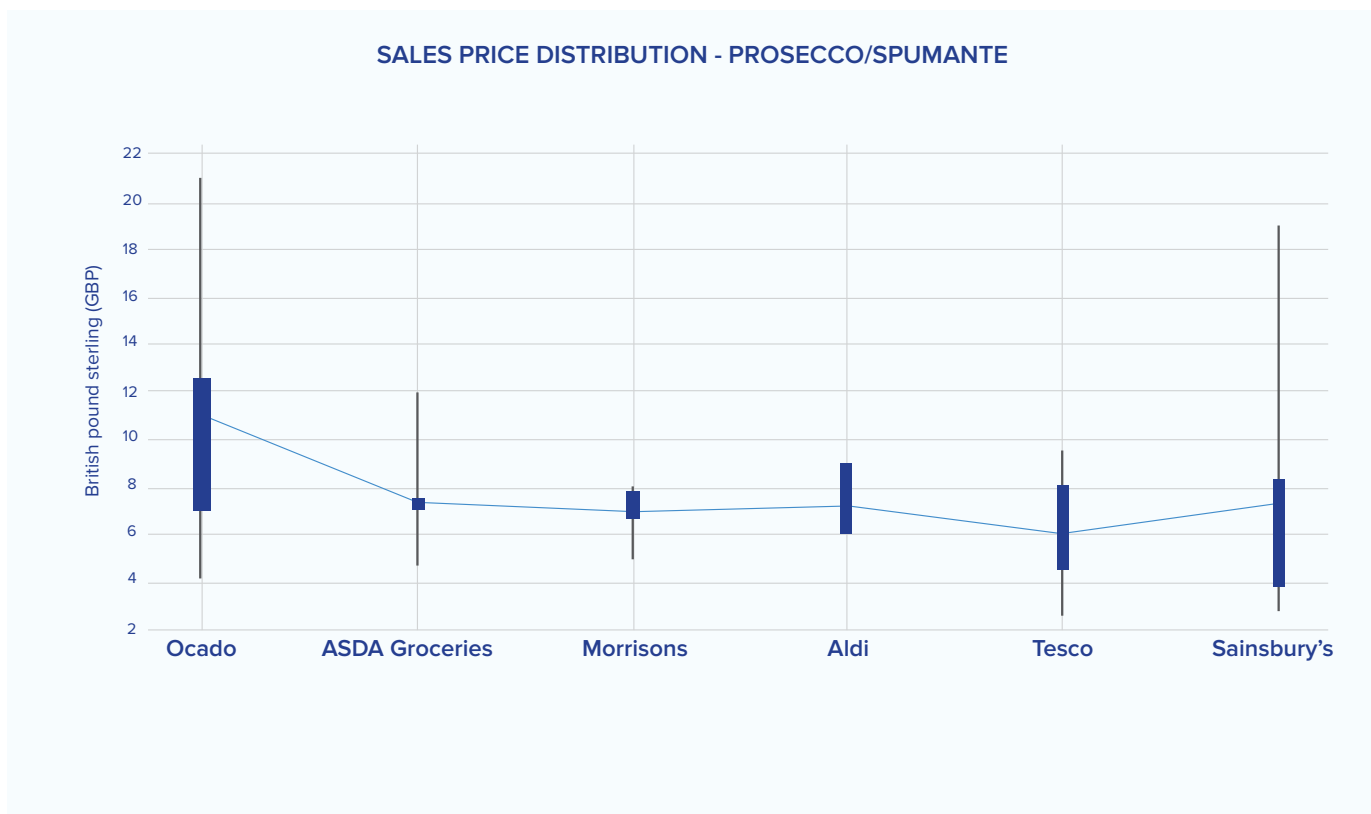
## A large product assortment does not always correlate with a wide price range

Sales price distribution gives retailers the ability to identify and examine how their product strategy compares with other players in the market.

In the Prosecco/Spumante example below, the sales price distribution analysis indicates that one retailer (Ocado) not only has a wide price range (from GBP 4 to GBP 21) but also has the highest average price point (GBP 12.5). Taking a closer look at the product level shows that this retailer offers the largest assortment and seems to address both budget-conscious and premium customers, while

the high average price indicates a focus on the mid-to-high-end market.

However, retailers with fewer products do not always correlate to a smaller price variance between products. The second retailer offers a wide price range (from GBP 3 to GBP 19) but has 2/3 fewer products. Other retailers show a narrow price range, which would indicate a focus on budget-conscious customers. Such insights are helpful to retailers looking for guidance around price optimization.



# Different pricing tactics in the market

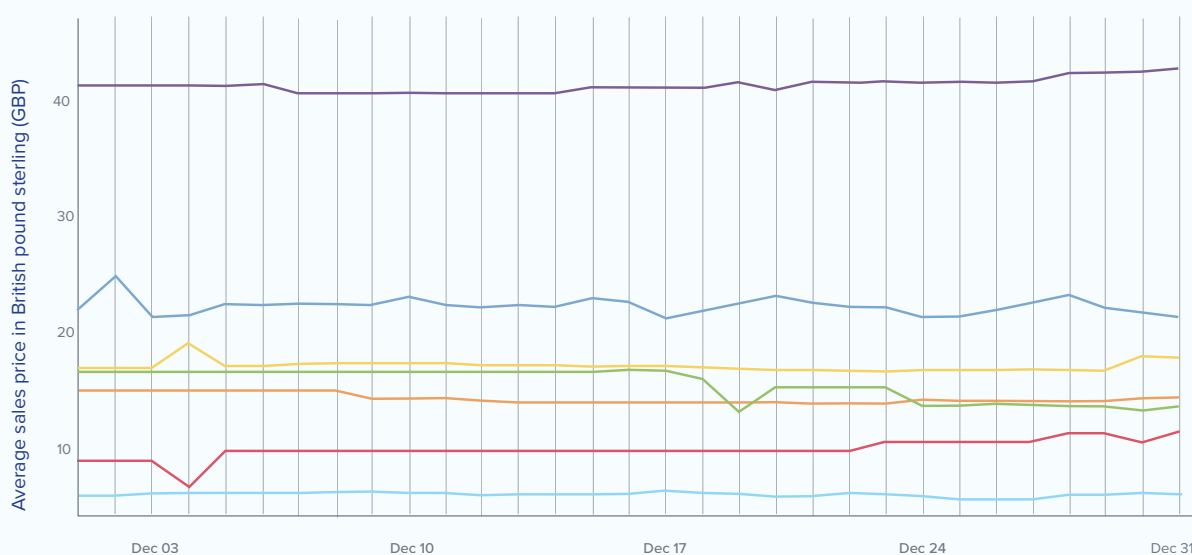


## Competitive price monitoring reveals discount strategies

Competitive price monitoring for a specific period of time gives retailers another layer of rich analysis. It reveals how and when competitors are performing rebate activities, allowing retailers to adjust strategies accordingly.

In the price comparison graph below, prices for the branded sparkling wine did not fluctuate much during the month of December.

PRICE COMPARISON BY RETAILER - BRANDED LABEL

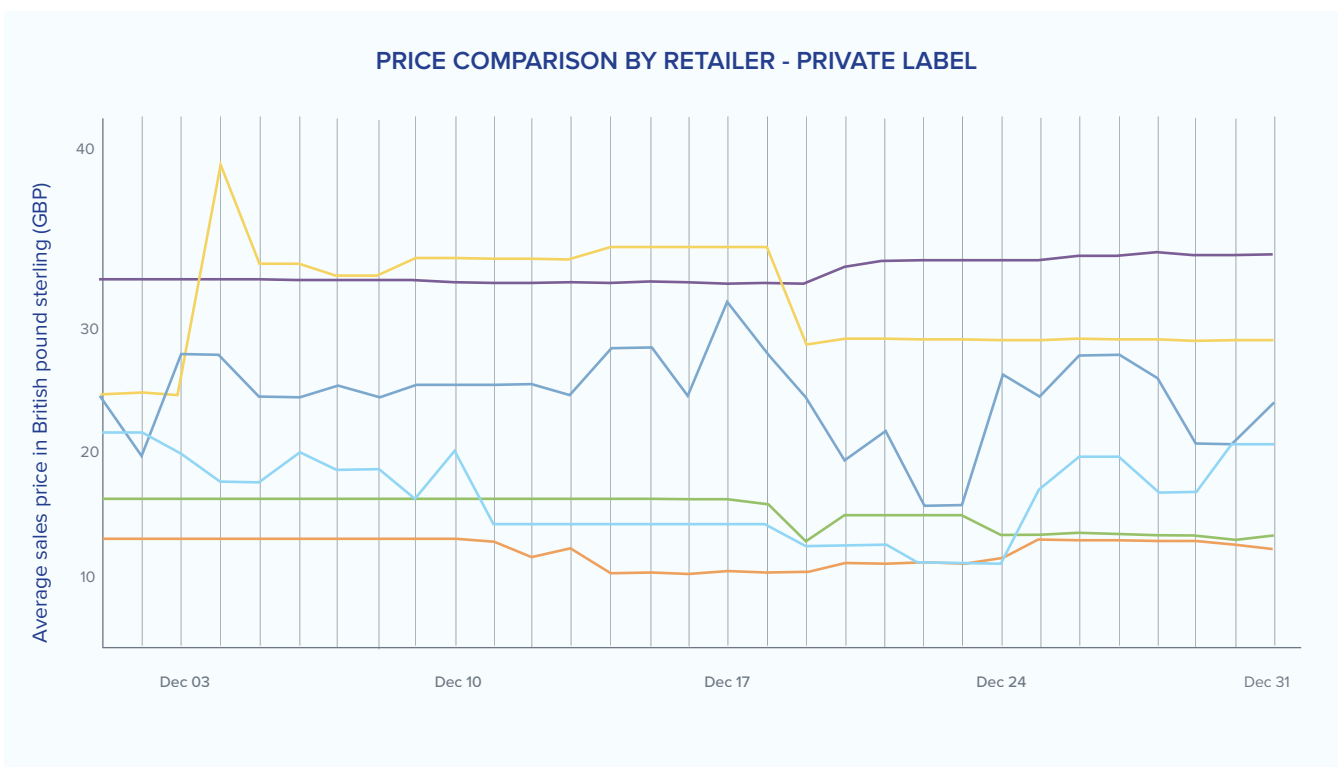


ASDA Groceries Morrisons Tesco Aldi Sainsbury's Ocado

However, when looking further into the average sales price of private label products, you'll see the second line of the graph indicates retailers changed prices for white-label products frequently during the month, especially on December 19, when the majority of players introduced new discounts for sparkling wine. This greater insight into price data enables retailers to identify the different tactics of other players in the market. For example, the yellow and green lines show who dropped their prices once and kept them there for the rest of the year. If you expand the data further, you will see that they reduced prices for the entire sparkling wine assortment during the same period of time.

In contrast, the light blue line shows a retailer who took a different approach by applying discounts only for specific products in a specific timeframe. This one kept increasing the number of products that were discounted as the month progressed, culminating in a substantial average price drop by the time the discounts ended on December 24.

You'll also notice that the dark blue line reveals that this retailer has applied an entirely different sales tactic. It frequently modifies the product mix by adding cheaper or more expensive products to the online portfolio, which influences the average sales price across the whole assortment.





# Summary



The analysis provided in this report offers insights into how retailers like you can leverage data on assortment strategies, sales price distribution and competitive pricing tactics to optimize pricing models and enhance market positioning. By understanding the online sparkling wine market dynamics — such as the diversity of private-label brands, the fluctuation of stock levels and the gaps in product portfolios — retailers are better equipped to make informed decisions that align with consumer demand and market trends.

By conducting whitespace and assortment analyses, you can pinpoint gaps in your product offerings when compared to competitors, thereby identifying opportunities for expansion and differentiation. This strategic insight enables you to capture untapped market segments and cater to a broader consumer base.

Retailers can adjust their pricing strategies by examining sales price distribution and competitive pricing tactics to ensure competitiveness. This involves setting the right price points across different segments and timing discounts and promotions to maximize sales and consumer interest.

Monitoring competitors' pricing tactics provides a clear perspective on the market's pricing dynamics. You can use this information to anticipate market movements, strategically adjust pricing and implement timely promotions that outmaneuver competitors' strategies. This proactive approach boosts sales and strengthens your market presence.

Ultimately, the ability to dynamically adjust pricing and product offerings in response to market data and competitor actions will set you apart in the crowded online marketplace.

# Methodology

This report is an excerpt of data derived from **VantageView™ by Vistex**. For the purpose of this analysis, Vistex studied **2,449 brands** and more than **11,000 products** of the UK online beverage market to investigate how retailers can win new markets and gain market share.

The analysis uses data obtained from the platform February 2, 2024 and includes UK beverage market data on product, place, price and promotion.

## BEVERAGE SEGMENTS COVERED IN VANTAGEVIEW INCLUDE:



Beer



Champagne,  
Spumante



Coffee



Energy, Sports &  
Health Drinks



Hot Drinks



Juice &  
Smoothies



Milk &  
Dairy Drinks



Soft Drink



Spirits



Tea



Water



Wine



**VantageView by Vistex** is a scalable Market Analysis Platform that combines the power of Vistex Analytics with external Big Data, providing access to real-time online data to help you make better pricing and promotional decisions that improve your visibility, performance and product sales.

**VantageView** structures and links terabytes of global market data about product, place, price and promotion to better position your products in all distribution channels. The platform provides access to ready-to-use dashboards, daily updated data and seamless integration with Vistex pricing solutions.

[Explore the benefits of VantageView](#)

## **About Vistex**

Vistex solutions help businesses take control of their mission-critical processes. With a multitude of programs covering pricing, trade, royalties and incentives, it can be complicated to see where all the money is flowing, let alone how much difference it makes to the topline and the bottomline. With Vistex, business stakeholders can see the numbers, see what really works, and see what to do next – so they can make sure every dollar spent or earned is really driving growth, and not just additional costs. The world's leading enterprises across a spectrum of industries rely on Vistex every day to propel their businesses.

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