



The Future of Wine in the USA

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The Future of Wine

Where are we now?



Consumer Segments U.S. Adults, 2007

(Ages 21 – Plus)

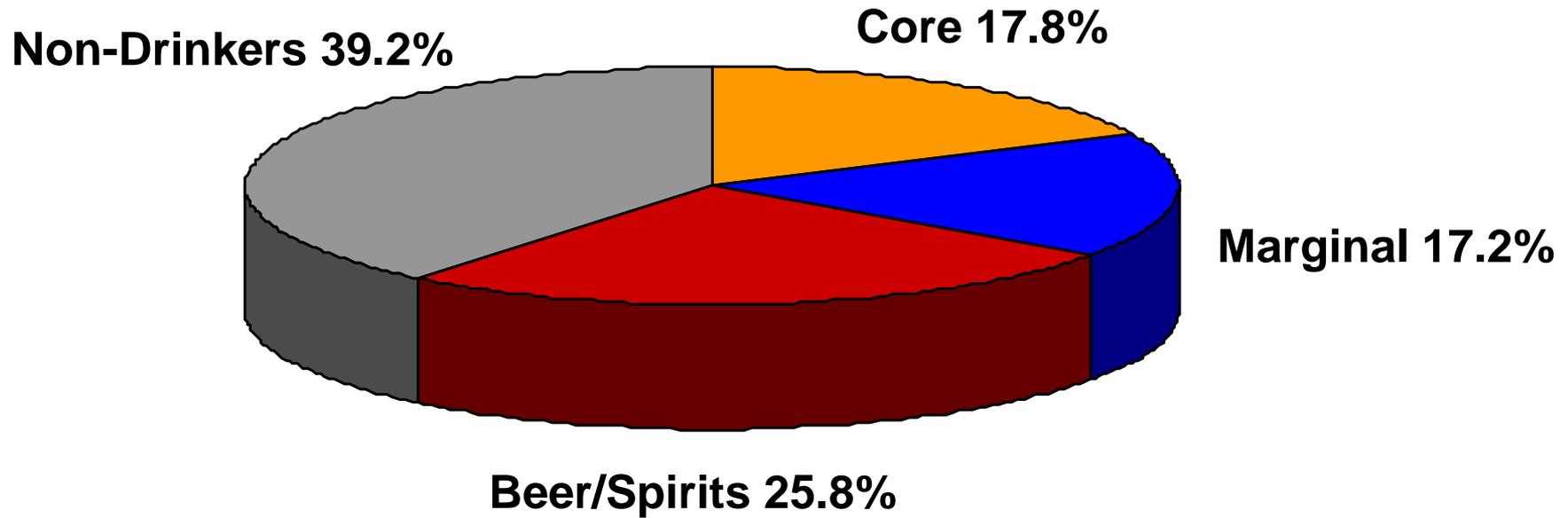
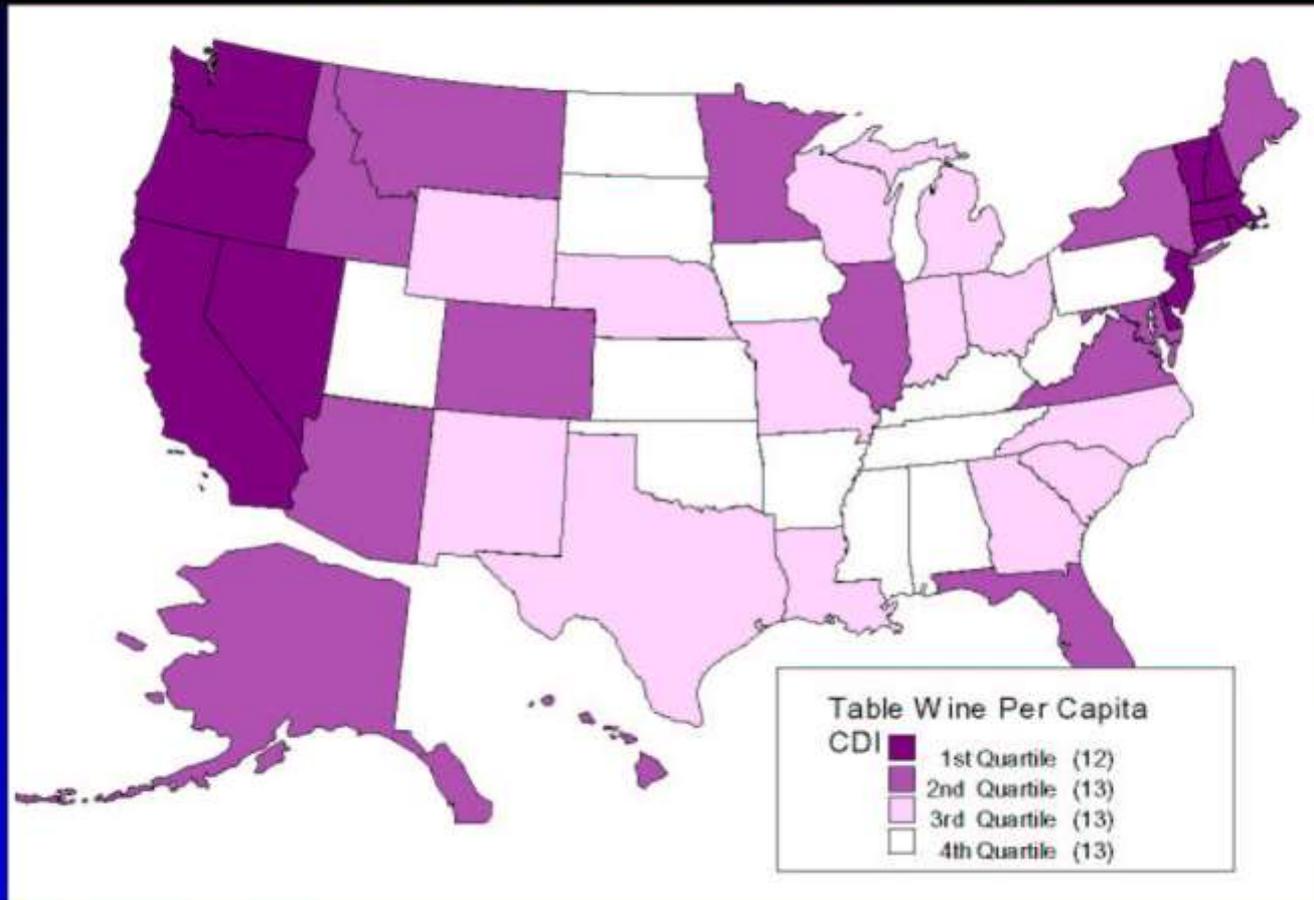


Table Wine Consumption is Concentrated on the U.S. East and West Coasts

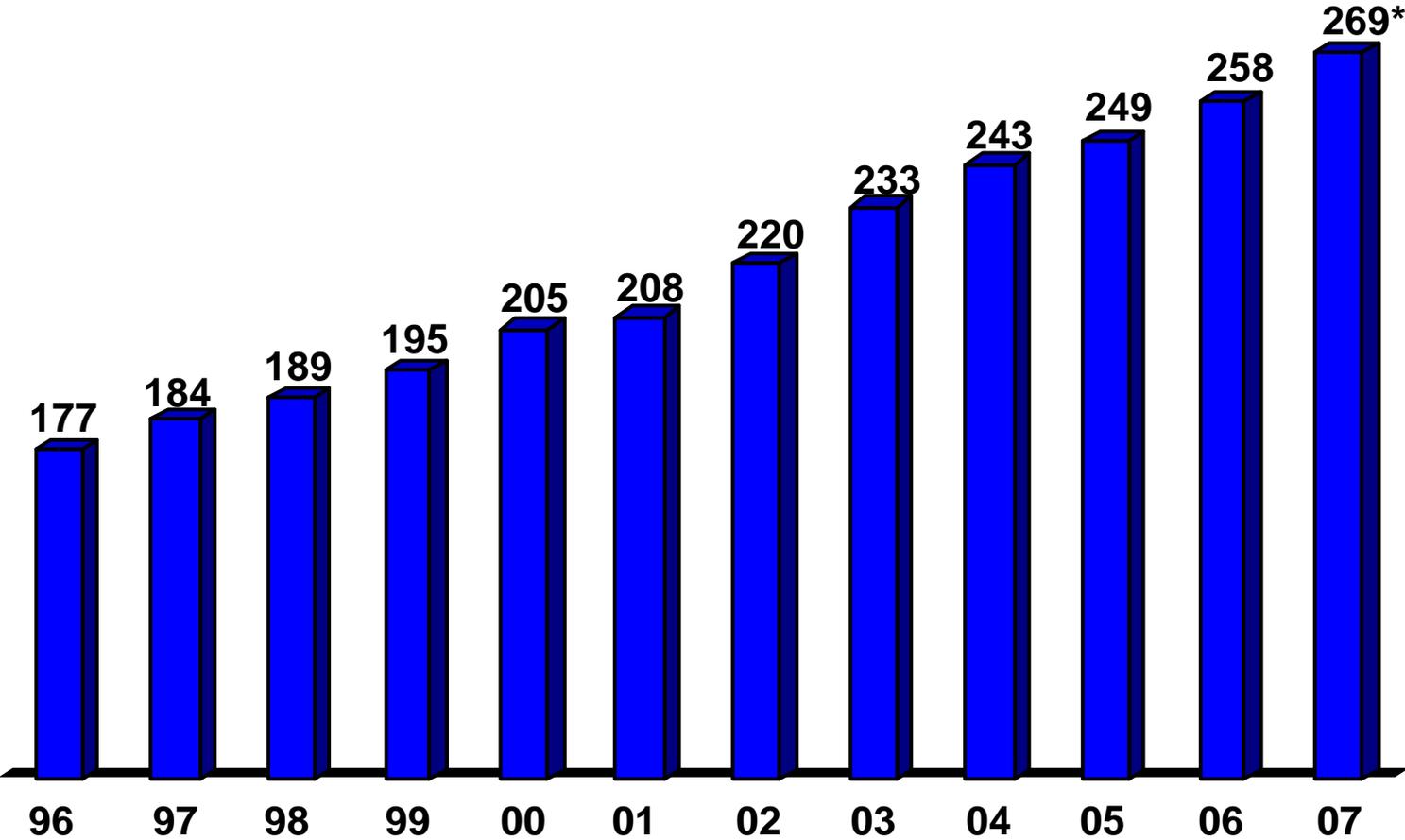


Source: Wine Handbook



Total Table Wine Consumption

(Millions of cases)



*Estimate

Issue: #1. Sales are increasing.

- US Wine Sales are increasing overall
- US Wine Sales are increasing per capita
- Why? There is a new generation of wine drinkers
- Every producer wants a part of this market.

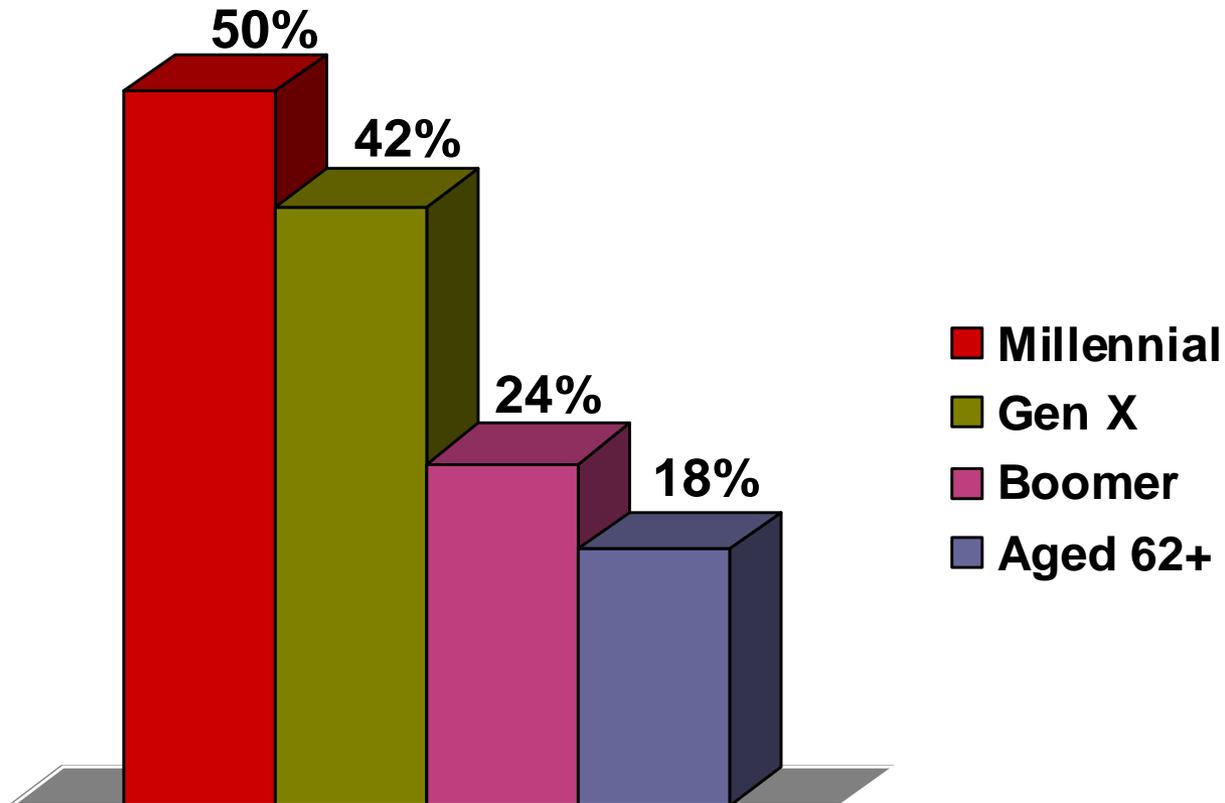
The New Generation

- We have a whole new generation of consumers.
- They buy Fat Bastard wine from France
- They aren't afraid of screw caps
- They don't serve wine at dinner



Younger Generations Drive New Growth, 2007

(Net percent "drinking more wine" by generation)



Issue #2. The US is not one market

- Distributors, retailers, restaurateurs, chain buyers, and consumers
- Each is a different audience, each needs a different approach
- Consumers are not one market

*Courtesy Constellation Wines US
Genome Project*



PROJECT GENOMEsm
**UNDERSTANDING THE
DNA OF THE PREMIUM
WINE CONSUMER**

*Courtesy Constellation Wines US
Genome Project*



SIX KEY CONSUMER SEGMENTS

ENTHUSIAST

IMAGE SEEKER

SAVVY SHOPPER

TRADITIONALIST

SATISFIED SIPPER

OVERWHELMED



American Generations

(Age ranges in 2009)

WW II (77 and over) 32 Million

Swing (64 - 76) 30 Million

Boomer (45 - 63) 77 Million

Generation X (33 - 44) 44 Million

Millennial (15 - 32) 70 Million

Issue #3 The market is Saturated

- There are 60,000 wines in the US market
- In many states, there are only two or three major distributors
- The competition is overwhelming
- The salespeople are overwhelmed

For the Trade

- You need to convince them that you are serious about making good wine.
- The wine business is a business of people and relationships.
- You need passionate winemakers in the market.
- You need a good story.

How to talk to consumers

- We have always begged for a way to make wine less intimidating, more approachable. Now we have it. What are we doing about it?
- We are doing everything wrong.

How NOT to talk to consumers:

- Don't talk about DOCGs, limited yields, viticultural practices, or malo-lactic fermentation.
- American consumers don't care about this.
- Winemakers care—but they won't buy your wines

Don't teach chemistry

- They do not want chemistry lessons. The romance and charm of wine has nothing to do with pH or titratable acidity.

Don't teach geology

- They do not want geology lessons. The advantages of calcareous or volcanic soils do not move them to rapture.

Don't teach botany

- They do not want botany lessons. The difference between rootstock 1103 Paulsen and 5C adds little to their dreams of the Willamette Valley.

Don't teach enology

- Barrels? Is anyone interested in barrels?
- Malo-lactic fermentation?
- Cold soak?
- Rotary fermenters?
- Diatomaceous earth?
- Yeast strains?
- Destemming?

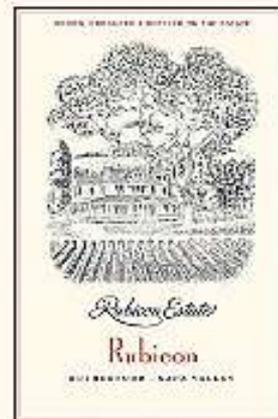
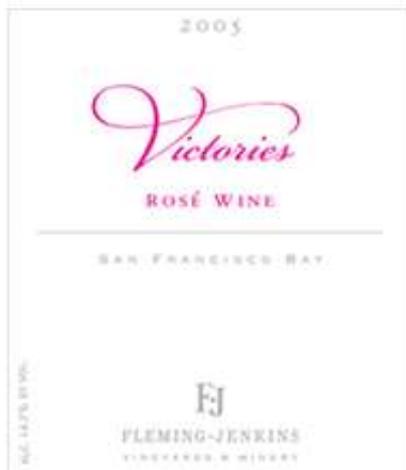
What DO Consumers want?

- They want a story.
- They want to fall in love.
- They want to open a bottle and take a journey: A journey to a wonderful interesting place.

What DO Consumers want?

- Only 11% of Americans own passports.
- Americans do their traveling in the movie theater, and at the dinner table.
- They buy wines to take a journey to another place, and another time.

What's the Category?



What's the Category?

- Lys de Volan Condrieu 2003
- MacMurray Ranch Pinot Gris 2004
- Bracco Pinot Grigio delle Venezie 2004
- Fleming-Jenkins Vineyards & Winery 'Victories' Rose Wine 2004
- Niebaum-Coppola Cabernet Franc 2002
- Not Pictured: Childress Vineyards 'Signature Series' Reserve Merlot, Montagia Cabernet Sauvignon, Elvis Blue Suede Chardonnay

Solutions:

- Think like your students, not like your professors
- People don't remember facts, they remember stories
- Help your students remember these wines.

Would you like to know more
about her?



She is:

- Oxygen 61%
- Carbon 23%
- Hydrogen 10%
- Nitrogen 2.6%
- Calcium 1.4%
- Phosphorus 1.1%
- Trace elements .9%

Wine is not about Facts

- People don't remember facts, they remember stories
- Help us fall in love with wine.