Wine - US - October 2012

Scope and Themes

"Across the board, consumers aged 21-24 are more likely than average to consume wine, and are more likely to do so with high frequency. This is a plus for the category, which may see growth down the line, given that this group has the most years of buying ahead of it. Inspiring consumer loyalty and growing alongside these consumers as they age should be prioritized. Products can be positioned as new and interesting for this consumer group, but also instill a sense of identity and trustworthiness that will encourage repeated use."

– Beth Bloom, Food and Drink Analyst

In this report we answer the key questions:

- **How can the category grow its base of users?**
- **What role do marketers and retailers play in consumer wine education?**
- **How receptive are consumers to product packaging innovations?**

Total U.S. retail sales of wine are estimated to reach $40 billion in 2012, an increase of 5.8% compared with 2011 totals and 19% since 2007. An uptick in consumer confidence and innovation in category marketing and offerings, including new blends, regional varieties, and expanding price points, combined for the 18th straight year of growth in the category.

Domestic wine sales continue to outpace imports, with consumers opting for the familiarity and perceived cost savings found in U.S. wines. While both table and sparkling wine achieved volume growth, vermouth and fortified wine declined. With more confidence in the recovering economy, consumers are slowly returning to higher-priced offerings, which helps to boost dollar sales. However, an expansion of the perception of wine as a beverage that can be consumed in even casual settings has allowed for the proliferation of lower price point drinking occasions (while volume sales climbed 10% from

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

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2007-12, inflation-adjusted dollar sales amounted to only 8% during this time).
A growing interest in wine among younger users (aged 21-34) challenges the category in the short term, due to a pursuit of lower priced products among these shoppers. However, as these consumers grow with the market and their spending power strengthens with age, an engaged group of shoppers should result in category growth in years to come. Opportunity exists to grow sales among men and older consumers, and increased education efforts are in order across the board in order to welcome more consumers in to what can be perceived as an intimidating and exclusive marketplace.

This report builds on the analysis presented in Mintel's *Wine—U.S., October 2011,* and previous editions published in *October 2010, October 2009, October 2008, February 2007, January 2006, June 2003* and *August 2001.* The report also builds on the analysis presented in Mintel's *Champagne and Sparkling Wine—U.S., July 2006* and the previous edition in *July 2002*.

This report includes retail sales for domestic and imported still/table wine for home consumption. Also included in this report are dessert wines and fortified wines; Champagne and sparkling wines; and vermouth and aperitifs. Wine coolers are excluded from the report.

Still wines are defined as those that are noncarbonated, mostly red wines, white wines, and rosé/blush wines.

Value figures throughout this report are at retail selling prices (rsp) excluding sales tax unless otherwise stated.

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