

MSU Product Center

For Agriculture and Natural Resources

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Wine – Few opportunities

Market drivers that provide few opportunities

- **Value** and **ethnicity** will provide few opportunities for these products.

Specific opportunities

- Wine products are not cheap products. Volume sales are also limited to some wine varieties that typically sell at lower prices. In addition, there are different rules and regulation that affect the product's distribution. So value as a market driver will provide manufacturers limited opportunities to raise sales.
- Different ethnic groups have different flavor and variety preferences. Some crossover flavors may help suppliers to reach these different ethnic groups. But sales of wine products in this market segment will be limited.
- Supermarkets and liquor stores are main retail outlets for these beverages. Suppliers can also raise sales through mass merchandise stores and convenience stores.
- Suppliers can also tie wine products with other food products (meals or snacks) to increase sales.

New product examples

- Pepi Winery – Wine varieties featuring sleek new stelvin screw caps that click when the cap is screwed off. The wines are touted as super-fresh, and made in a style that emphasizes the brightness of each variety's fruit flavor.
- Barnard Griffin - Chardonnay Wine, comes from a new wine-growing region called Columbia Valley with microclimates and viticultural practices.

Special issues

- Due to federal, state and local regulations, retail distribution of alcoholic beverages is not as wide as non-alcoholic beverages.
- The market for this beverage is generally fragmented with many domestic and international traders competing to raise their market share.
- Overall success will depend on attracting a loyal customer base.

Key to success

- Product innovations in variety and flavor are key priority areas to raise sales from these products. Also, with the increasing number of convenience-driven consumers, packaging innovation will provide an opportunity to raise sales from those products in convenience stores. Establishing a loyal customer base is also another key factor to raise sales.

Sources

Mintel, Global New Product Database. <http://www.gnpd.com>.

_____, Beverages, volume II, the marketplace, US, July, 2002.

_____, Wine, US, June 2003.

_____, Wine, US, January 2005.