

MSU Product Center

For Agriculture and Natural Resources

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Wine – Many opportunities

Market drivers that provide many opportunities

- **Indulgence** is the only market driver that provides many opportunities for suppliers of wine products.

Specific opportunities

- Product innovations in variety and flavor will continue to be key factors to raise sales from these beverages. Crossover flavors will help manufacturers to reach different consumer groups.
- Supermarkets and liquor stores are the main retail outlets for wine products. Suppliers can also raise sales through mass merchandise stores and convenience stores. However, these retail outlets do not carry a broad selection of wine products. But some mass merchandisers like the Sum Clubs are becoming significant outlets for wine products.
- Suppliers can also tie wine products with other food products (meals or snacks) to increase sales.

New product examples

- Beringer Wine Estates - Blue Marlin Chardonnay 2004 Wine contains a "fruit-forward" taste with a pinch of Australian spice. The product retails in drug stores, 1.5 liter bottle.
- Raymond Vineyard & Cellar - Raymond Reserve Napa Valley Merlot 2000 with premium fruit from vineyards selected for climate and soil type, 750 ml. bottle.

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 wine products. Also, with the increasing number of convenience-driven consumers, packaging innovations will provide an opportunity to raise sales from those products in convenience stores.

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.