

MSU Product Center

For Agriculture and Natural Resources

Funding: USDA Rural Development Cooperative Service Market Advisor: The Hale Group

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Wine – Selective opportunities

Market drivers that provide selective opportunities

- **Wellness, convenience** and **demographics** are key market drivers that provide selective market opportunities for suppliers of wine.

Specific opportunities

- If suppliers focus on wine beverages that are perceived as healthier than others, wellness will provide selective opportunities to raise sales. For example, some consumers tend to purchase alcoholic beverages that are light or produced from fruits that are claimed to be natural or grown under specific climatic conditions. Wine suppliers can benefit from promoting such health benefits of the product.
- Convenience in wine products will provide selective opportunities especially if suppliers focus on products designed for the young consumer who usually buys alcoholic beverages at convenience stores. Packaging designs that focus on portable, single-serve, easy-to-hold and easy-to-open containers are key for success.
- Also, wine manufacturers may have selective opportunities from selling wine that are aimed at older adults. This consumer group is more likely to drink wine than younger consumers. They can be attracted to these beverages with different varieties, texture and flavor. Manufacturers will have better markets among women, if they focus on their flavor and variety needs.
- Suppliers can also tie wine products with other food products (meals or snacks) to increase sales.
- Supermarkets and liquor stores are the main retail outlets for these beverages. Suppliers can also raise sales through mass merchandise stores and convenience stores. Some mass merchandisers like the Sum Clubs are becoming significant outlets for wine products.

New product examples

- Premium Blend – Ready-to-drink red wine with natural fruit juices, 1.5 liter bottles and 3 liter cartons.
- Organic Vinters - Robinvale Shiraz 2002, an Australian red wine with a full and explosive fruit flavor through its use of toasted oak with grapes, biodynamic and suitable for vegans, available in health food stores.
- David Sherman - Yago Sant' Gria brand now featuring vibrant new packaging. 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 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.

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.