

VINEPAIR

***CAN A WINE BRAND SOLD
IN GROCERY STORES EVER
BE A LUXURY PRODUCT?***

VINEPAIR

Let's start
with a story.



What about Veuve Clicquot?

Isn't it possible to build a wine brand that can both exist in the grocery store and be a luxury product?





Veuve Clicquot is a case study

in everything working perfectly to ensure the brand is always seen as luxury, no matter where it is sold.

Major Marketing Spends



The brand expertly aligns itself with other luxury brands and occasions.





And on top of
that, it's
Champagne.

9 out of 10 Sommeliers
say they are unlikely to
add wines to their list
that can also be found
at grocery stores.

The rare exception here

are American Steakhouses seeking to place wines are
their lists that are well known to consumers.



So if you want to build a
luxury wine brand, in the
U.S. *how do you do it?*



According to Philana Bouvier and Carlton McCoy of Demeine Estates, the focus needs to be on the highest visibility lists across the country. That means **incredible distributor relationships and programs with influential media and somms.**

It takes **time**...

Consistent Marketing Messaging and spend ultimately win. Changing course is where brands falter.



On May 24, 1976 at 3 p.m., nine of the most respected names in French gastronomy sat down at a long table at the Intercontinental Hotel in Paris for a blind wine tasting. The contenders were France's top estates from Bordeaux and Burgundy versus wine from an unknown region of Northern California. The tasting was the idea of a British wine merchant who owned a wine store in Paris as a way to drum up publicity for his shop by hosting a tasting of California wines to mark America's bicentennial anniversary. At the time, the thought of American wine conjured up images of cheap jug wines. No one took the wine tasting seriously. Assuming the French would sweep the competition, only one journalist even bothered to show up to cover it. The nine judges confidently scribbled down notes while periodically saying things like, "Ah, back to France" or "This is definitely California. It has no nose."

And then the unthinkable happened. Once the scores were tallied, French judges rated two Californian wines — the Stag's Leap Wine Cellars 1973 S.L.V. Cabernet Sauvignon and the Chateau Montelena 1973 Chardonnay — above France's best wines.

In a David-versus-Goliath feat, a new winery from an upstart area of California called Napa Valley rated higher than a bottle from what was then considered the world's best wine region. Stag's Leap Wine Cellars had been founded just six years earlier, in 1970, whereas Chateau Mouton-Rothschild had been making wine for three centuries.

The Judgment of Paris, as the legendary tasting would later be called, broke the myth that only the French made top-quality wine. It ushered in a globalization of wine. It also put California on the map as the up-and-coming star of the wine world. It is said that the entire history of American wine can be defined before the tasting in Paris and after the tasting in Paris.



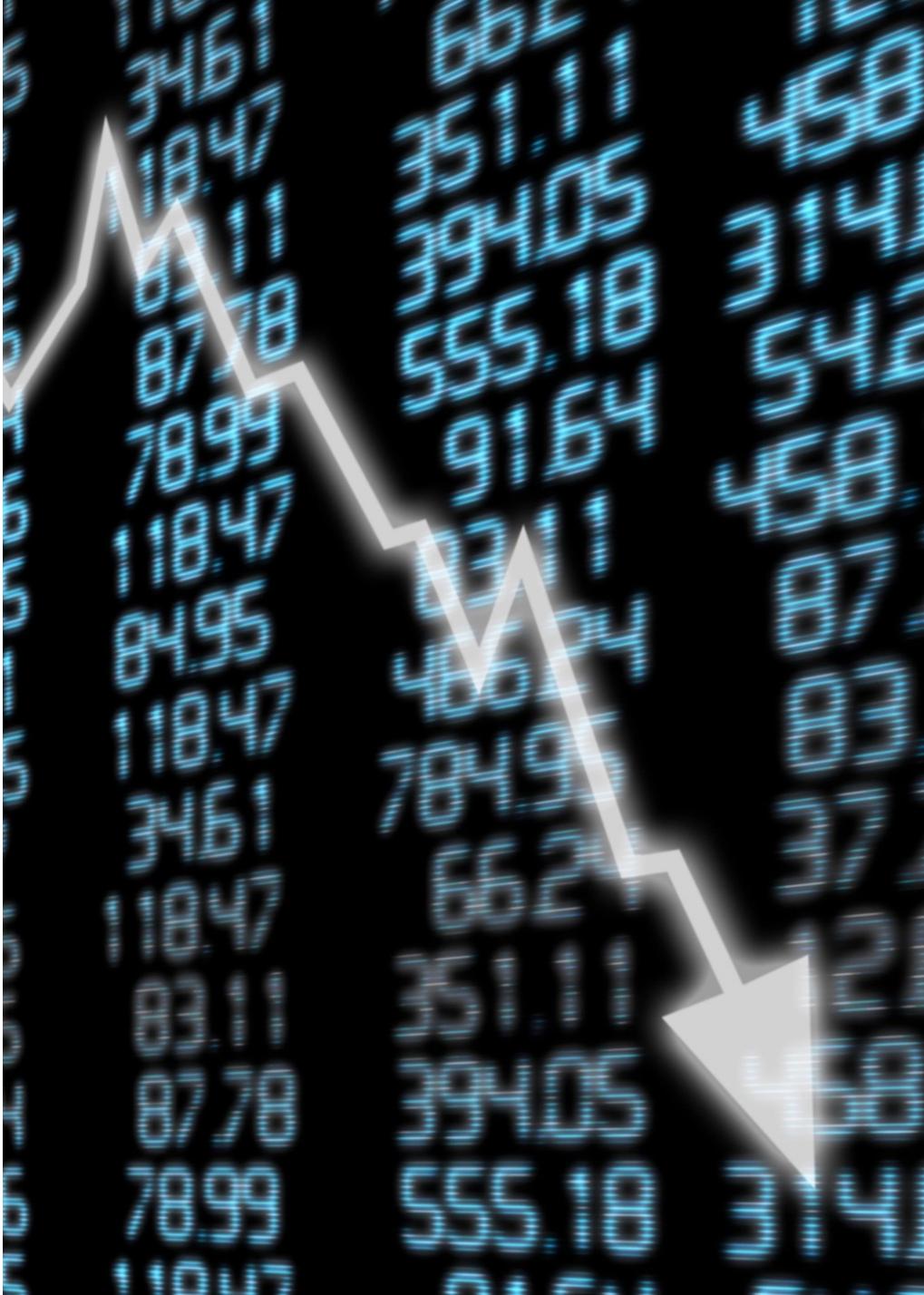
The Latest

In Amsterdam, Bartenders Make the Patronator Mysterio Their Own

The Highest-Rated: Why It's Not (2022) MAP1

A Visual Guide to Wine's 'Celebrity Couple'





But **maybe** you don't want to build a **Luxury** brand,

maybe the Grocery Store is the right place for you.
After all, it's where the majority of Americans buy
their wine. And Inflation is coming...

Consumer intent to dine out - at both casual dining and fast food restaurants - declined in our 2Q survey (field work conducted June 20 - July 11), and results suggest that restaurant dining is the top category at risk for consumer pull-back as a result of broader inflationary pressures. Our survey results also suggest that despite surging grocery inflation (and moderating restaurant inflation), consumers continue to see it as the best 'bang for the buck' and are incrementally engaged with loyalty programs (to drive value) and increasingly price-sensitive across delivery channels.

- Goldman Sachs

A number of grocers have parlayed their wine sales growth into offering broader, more premium selections. This is because consumers are choosing one stop shopping over making an additional stop at a wine or spirits store, especially in secondary markets. In some cases, grocers were able to support smaller brands that had previously relied on higher on-premise volumes, adding more allocated items onto their shelves.

Focusing on the Grocery Store means less buyers to deal with, but more **competition:**

Kroger is in talks about a tie-up with rival Albertsons in a deal that would create a U.S. grocery giant, people familiar with the matter said. A potential tie-up would give the combined entity increased purchasing power, a sprawling shopper-loyalty program and greater heft in technology investments as online grocery sales increase.

But here is the **problem** as well with focusing on the **Grocery Store:**

Private Label Grows in Importance: Thirty-one percent more consumers today are turning away from name brands and purchasing private label or store brand products as a way of saving money.



PARTNER
Mezzacorona's DiNotte Red Blend Is the Perfect Pairing for Valentine's Day

WORDS: KATHERINE ALEX BEAVEN



Bold, seductive, captivating, authentic, and unforgettable; these are all characteristics of a great love — and a great red wine. Romance and wine have been a long-standing requisite pairing, and what better time to celebrate the two in tandem than on Valentine's Day? When the sun sinks below the horizon and the day of lovers is overtaken by the dark seduction of night, christening your Valentine's Night with a bottle of Mezzacorona's new seductive DiNotte Red Blend is a must.

Italian for "at night," DiNotte was inspired by the beauty of the night. Stretching from Lake Garda to the foothills of northern Italy's dramatic Dolomites, Mezzacorona's trellised vineyards are a romantic sight to behold. Much like love, the entire region is stunning, fresh, humbling, and inspiring at every turn. Equally breathtaking are the vistas of Trentino at night, enveloped in darkness, a blank canvas punctured by a glittering canopy of stars and the twinkling of lights from villages lining the foothills. At night, it feels as if the universe belongs to you and you alone.

It is here, amidst the gorgeous geography of Trentino, that the Mezzacorona estate has been making wine for over 100 years. During the day, warmth from the strong Mediterranean sun is embraced and held by the valley, helping to ripen fruit on the vines. The towering Dolomites cast veils of much-needed shade onto the vineyards, protecting the fruit. As evening falls and night breaks, temperatures in the valley can drop a staggering 40 degrees as cool air floats in from the mountains, lakes, and rivers, helping the grapes hold their acidity.

Though Trentino-Alto Adige is one of the smallest wine regions in Italy, the diverse number of unique microclimates allow several different types of grapes to prosper in its soils.



This means placement at the grocery store does not equal automatic success.

You still must be focused on marketing and getting the word out to your consumers.

In the end, you have to make the **best choice for your brand,**

just know it's almost impossible to be both a luxury brand and have mass appeal. Even if you create wines under the same label that are meant for the Grocery Store or the restaurant.



The Takeaways:

1. If you are trying to build a luxury wine brand, **avoid grocery store placement.**
2. But don't discount the grocery store, it could be a **beneficial avenue for your brand**, especially with a coming recession
3. Regardless of whether you pursue grocery store distribution or high end restaurants and wine shops, **you must support placements with marketing.**



Thank You.

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