

Consumer Trends: Champagne in a Trend of 'Non-Celebratory Consumption'

(NEOMA Business School) — Champagne is currently going through a trend of “non-celebratory consumption,” according to David Menival, Professor and specialist in Champagne and the wine industry at NEOMA Business School (formerly Reims Management School).

According to data published by the Comité Interprofessionnel du vin de Champagne (CIVC), 36.1 million bottles of Champagne were shipped in October 2013, down 5.2% compared to October 2012. For this month, marked by harvest season, sales in all categories were down (houses -0.8%, wineries -13.4% and cooperatives -21.5%). Decreases were also observed in the European Union (-10.1%) and France (-4.2%). Only non-European countries saw growth (+0.7%). Over twelve months, total shipments were down 4.2% to \$302.5 million bottles.

“There are no surprises, since previous forecasts did not announce any pick-up in the volume of sales before at least 2014-2015,” said Menival. “The dependence of Champagne on the European markets remains a reality, even if shipments towards more distant countries are developing. The European economy is still weak, and that leads to tensions for non-essential products such as Champagne.”

“The fact is that a large number of Champagne sellers do not have the means to redirect their exports outside Europe and as a result see less and less profits. To sell the surplus bottles, they are led to use more regular, off-trade distribution channels like supermarkets and discounters. This is especially so in the UK, which is still the leading export market for Champagne.”

In such a context, future sales of Champagne will depend completely on the way the glut in Europe is dealt with. “The promotional actions of supermarkets and discounters inevitably impacts consumers’ behavior toward Champagne. These same consumers are changing their consumption patterns as they face yet more budgetary constraints, felt or real.

Therefore, whilst the shipped volumes of Champagne have constricted, those of other sparkling wines seem to be on an upward curve. Again, the UK market is a good example, where sales of other foreign sparkling wines are steadily increasing, particularly at specialist retailers.”

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