Twitter Thread by Meg Maker



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How can the wine industry shift its message and approach to reach Millennials, given shifting generational values?

If you want to reach a diverse audience, you have to hire a team that looks like it. "The good part of this is you have a consumer that wants your product. If you don't have people who are of that community, you're not going to sell to them." @SVBWine

When a person of color comes into your TR, they want to know they're going to be treated with respect. "Its Civility 101. It's not really very complicated." Devin Joshua @DJVino

Younger consumers are making the most effort to reduce alcohol consumption.

From Nielsen, top reasons for cutting back on wine center on health. "How do we [address] that in the wine business? We're still talking about long days and cool nights on back labels." Need to take this head on and address calories, e.g. Calories matter to consumers. @SVBWine

"We have to do a better job about the health benefits of wine, but we have to be clear that it's a lifestyle product, to be enjoyed in moderation... Some people are drinking less but better." @DJVino

After French Paradox broadcast, wine gained ground. Now we're losing share to other alcohol products. E.g. hard seltzer, which is perceived as healthier and also has calorie labeling.

"In the absence of facts, people will make up their own!... Wineries can help themselves by being more transparent at a brand level by explaining what's in the bottle." @DJVino

Re. wine and process transparency: "We have to be clever about it, because the anti-science movement will elevate, for example, sulfite as a negative. We have to be proactive. Otherwise it will be weaponized against our industry." @pmabray

In the last recession, recovery was slow. In this recession, the recovery is quicker, but the service economy workers especially are horribly impacted. "Some people call it a K-shaped recovery, because the people who are most vulnerable are still going down." @SVBWine

Fine wine sales recovered from Great Recession slowly. Now, the forecast looks positive if the young consumer gets on board and the economy stabilizes. The recovery might be much quicker this time. @SVBWine

Wineries self-report good financial position (2017 – 2020) but the number who say "rock solid" has fallen.

"The press is always looking for stories, because "if it bleeds, it leads." They ask me, are wineries going to go bankrupt? No. That's now how it works. A winery is not a restaurant. Wineries get sold. We're not going to see fewer wineries." @SVBWine

Three-tier is transforming. "There's a whole new category, now — which is essentially digital management." Wineries putting partnering with sites like Drizly, https://t.co/56inskuABM, others. @pmabray

"Wineries are also putting resources into digital marketing to keep feet off the street and increase efficiency. But it does change the margin structure." — @ahoopes

Parting shot from @pmabray echoing that digital is disrupting the traditional 3-Tier system and the criticality of re-evaluating margin as your cost structure changes.