
| RESEARCH ARTICLE

Marketing Challenges and Trends Influencing Wine Producers and Consumers

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| ABSTRACT

The global wine market is constantly evolving, and wine producers need to adapt to climate change and, in some cases, to new marketing trends to remain competitive and sustain their business. The main aim of this article is to highlight, conceptually, the main marketing issues and trends that can affect both consumers and wine producers. To meet this objective, we have adopted a conceptual approach. We draw on a recent literature review, our understanding of the wine industry and a few statistics and professional articles, to describe how these marketing trends influence consumer choices and, in some cases, the marketing strategies of wineries. This article therefore provides a more general and synthetic view of some of the marketing issues and trends that can impact both producers and consumers in the wine industry. We'll be focusing on six trends: wine in boxes and bags, e-commerce, digital marketing, immersive experiences, natural and organic wine, and transparent labeling. More specifically, we'll look at the impact these can have on both wine consumers and producers, mostly treated independently in academic research. Although our article is conceptual, it offers an integrative and complementary perspective on certain marketing issues and trends.

| KEYWORDS

Wine, wine marketing, wine business, trends, wine industry

| ARTICLE INFORMATION

ACCEPTED: 15 June 2023

PUBLISHED: 24 June 2023

DOI: 10.32996/jbms.2023.5.3.16

1. Introduction

The wine industry is constantly evolving, with new trends and challenges emerging regularly such as climate change increasingly affecting wine production and quality (Droulia and Charalampopoulos, 2022) and consumer trends changing over time (Anderson and Pinilla, 2022). Wine consumers are increasingly curious and demanding quality, transparency, and sustainability, which impacts the way wine companies produce, market, and sell their products.

In this context, it is important for wine companies to know and understand and, if necessary according to their business model, to follow and adapt to certain emerging trends in order to optimize their strategy accordingly to remain competitive in the market, and thus to sustain their activities.

Based on an exhaustive review of the literature, our understanding of the wine industry, and some statistics and professional articles, we will explore and describe, in this conceptual paper, some of the most entrenched marketing trends in the wine industry. Notably, canned and bagged wine, e-commerce, digital marketing, immersive experiences, natural and organic wine, and transparent labeling.

2. Six major marketing challenges and trends

As described earlier in the introduction, our review of recent literature has highlighted six marketing issues and trends that can influence wine consumers and producers.

2.1 Wine in cans and bags

For some years now, the packaging industry has developed several alternatives to the traditional glass bottle, although it is still the most widely used solution. These include Tetra Pack cans and pouches. Wine in cans and pouches is a growing trend in the wine industry. This innovation has been launched to target consumers who are looking for convenient and more affordable alternatives to traditional wine bottles (Ruggeri, Mazzocchi, Corsi, and Ranzenigo, 2022). Globally, the market for wine in cans reached nearly US\$241.5 million in 2021 with an annual growth rate of about 13%. The forecast estimates that the market may reach US\$ 725.48 million by 2030¹. Wine companies have responded to this demand by offering wines in more convenient and lighter formats, such as cans and pouches (Orlowski, Lefebvre, and Back, 2022). These formats offer several advantages for certain types of consumers. First, they are easy to carry and store, making them ideal for picnics, travel, or outdoor events. Additionally, they allow for better portion control, which can reduce waste and make wine more accessible to a population that doesn't consume wine in large quantities.

Wine companies can also benefit from this trend by offering products in these formats. Cans and pouches offer interesting marketing opportunities, especially in terms of packaging design and creating younger, more playful brands. However, it is important to note that this trend can also be perceived as a threat to premium wines, which are traditionally associated with high-end wine bottles. Therefore, wine companies need to be cautious in their use of these formats so as not to damage their brand image and reputation.

In conclusion, wine in cans and pouches is a growing trend in the wine industry, offering practical benefits for consumers and marketing opportunities for wine companies. However, companies must be careful in their use of these formats to avoid damaging their brand image and reputation.

2.2 E-commerce

E-commerce is taking an increasingly important place in the wine sector. According to some studies, online wine sales are approaching a 10% market share². This trend is particularly strong among millennials and Generation Z. Influenced by the pandemic, consumers appreciate the ability to purchase wines online, allowing them to discover wines they would not find in their local store (Mastroberardino, Calabrese, Cortese, and Petracca, 2022). Wine companies can also use e-commerce to sell directly to consumers, giving them more control over their distribution and brand image (Festa, Cuomo, and Metallo, 2019).

This trend has particularly accelerated due to the COVID-19 pandemic², which has prompted consumers to turn to online shopping (Vergamini, Bartolini, and Brunori, 2021). Wine companies (producers and distributors) had to adapt quickly by offering online sales solutions to meet this demand. Online sales have increased significantly, even in regions where in-store wine sales have declined. E-commerce also offers advantages for wine companies. Direct sales to consumers can be more profitable than wholesale sales to retailers and distributors. In addition, wine companies can better control their brand image by selling directly to consumers and communicating with them more directly (Festa, Cuomo, and Metallo, 2019). However, e-commerce can also present challenges for wine companies. Delivery logistics can be complicated, especially for fragile products like wine. In addition, regulations vary from country to country, which can make it difficult to sell wine in some countries (Williams and Spielmann, 2019).

In conclusion, e-commerce is a growing trend in the wine industry, offering convenient benefits for consumers and direct sales opportunities for wine companies. However, companies must be aware of the logistical and regulatory challenges associated with selling wine online and adapt their strategies accordingly.

2.3 Digital marketing

Digital marketing is a trend that has profoundly changed the wine industry. As discussed in the previous section, consumers are increasingly buying wine online, and wine companies can use social networks and websites to promote their products (Balogh and Mizik, 2022; Obermayer, Kovari, Leinonen, Bak, and Valeri, 2022).

Digital marketing allows wine companies to reach a wider and more diverse audience, while being more targeted. Social media such as Instagram, Facebook, and Twitter are great platforms for building communities of fans and consumers who are passionate about wine (Szolnoki, Tait, and Nagel, 2014). Wine companies can also use targeted online advertisements to reach specific consumers based on their age, location, interests, and online shopping behavior (Obermayer, Kovari, Leinonen, Bak, and Valeri, 2022).

¹ <https://www.globenewswire.com/en/news-release/2022/10/13/2534195/0/en/Canned-Wines-Market-Size-is-projected-to-reach-USD-725-48-million-by-2030-growing-at-a-CAGR-of-13-Straits-Research.html>

² <https://swifterm.com/wine-e-commerce-the-next-big-trend/>

In recent years, influencers and bloggers have even been enlisted to inform consumers about products, their history, and/or production methods (McMullana, Feng and Chan, 2022). Wine buyers, especially younger ones, may therefore use platforms to search for information about the wines they buy and compare them with other similar wines.

However, wine companies need to be aware of the challenges of implementing an effective digital marketing strategy (Li, Larimo and Leonidou, 2020). This may require significant investments in website design, content creation and online advertising. In addition, wine companies must ensure that their digital marketing strategy is consistent with their brand image and market positioning (Finotto and Mauracher, 2020).

In conclusion, digital marketing is an important trend in the wine industry, offering benefits to wine companies in terms of reach, targeting, and product information. However, wine companies must be aware of the challenges of implementing an effective digital marketing strategy and must ensure that their strategy is consistent with their brand image and market positioning.

2.4 Immersive experiences

Immersive experiences are an emerging trend in the wine industry. These experiences go beyond simple wine tasting and offer more in-depth sensory and cultural experiences to consumers (Carvalho, Kastenholz, and Carneiro, 2021). These experiences can include vineyard tours, cooking classes, wine tastings at unusual locations, and themed tasting events. Wine companies can also use social media, online platforms, and even virtual reality to offer virtual experiences to consumers (Maumon and Bédé, 2023).

Wine tourism is also part of this trend. The size of the global wine tourism market was estimated at US\$ 8,653 million in 2020 and is expected to reach US\$ 29,593 million by 2030, growing at a CAGR of 13.6% over the period³. While winery tours have been practiced for a long time, the estate tasting experience has developed in the United States (Jones, Singh, and Hsiung, 2015). Wineries that wish to receive visitors now have tasting rooms and staff dedicated to this activity (Santos, Ramos, Almeida, and Santos-Pavón, 2019). Some offer interpretive tours of the winery and/or vineyard. These wineries also have outdoor facilities and buildings with interesting designs and architecture and create atmospheres to provide specific experiences for visitors. The latter retain memorable memories, which would be a way to build loyalty and make them brand ambassadors to their surroundings (Sigala and Robinson, 2019).

These immersive experiences offer several benefits for consumers and wine companies. Consumers can experience wine in a more engaging and comprehensive way, which can increase their engagement with the product and brand (Jiang, Niimi, Ristic, and Bastian, 2016). Wine companies can also use these experiences to better control their brand image and strengthen their relationship with consumers. However, these immersive experiences can be costly for wine companies and may not be accessible to all consumers due to cost and geographic location (Maumon and Bédé, 2023). In addition, it can be difficult to measure the actual impact of these experiences on wine sales.

In conclusion, immersive experiences are an emerging trend in the wine industry, offering practical and cultural benefits for consumers and wine companies. However, companies need to be aware of the costs and challenges of implementing these experiences and need to evaluate their actual impact on wine sales.

2.5 Natural and organic wine, and biodynamic wine

Natural and organic wine is experiencing significant growth in the wine industry (Fuentes-Fernandez and Gilinsky Jr, 2022). The global organic wine market is expected to grow from US\$ 8.6 billion in 2021 to US\$ 21.1 billion by 2030, with a 10.5% growth during this period⁴. These wines are produced without the use of synthetic chemicals and with environmentally friendly growing techniques. Organic wines are certified by independent organizations that verify that the vineyards are grown according to strict organic standards. Natural wines, on the other hand, are produced without the addition of industrial yeasts or chemicals, with fermentation triggered by the yeasts naturally present on the grapes (Wei, et al., 2022). Finally, biodynamic wines, on a much smaller scale, are produced according to the principles of biodynamic agriculture, which emphasizes the health of the soil, plants, and animals, but also the states of matter (earth, water, air, and fire) and the centrifugal and centripetal forces of heaven and earth (Joly, 2019). It is a very holistic approach. Biodynamic wines are often considered more complex and lively than the two types of wines mentioned above (Mondellin, Molette, and Renouf, 2017).

Natural wines are one of the most important trends in recent years and have a subversive side that appeals to younger consumers (Lanfranchi, Zirilli, Alibrandi, and Gianneto, 2021). This trend offers on the one hand an alternative wine marketing strategy for

³ <https://www.alliedmarketresearch.com/enotourism-market-A13687>

⁴ <https://www.globenewswire.com/news-release/2022/11/22/2560827/0/en/organic-wine-market-size-worth-21-1-billion-by-2030-the-brainy-insights.html>

small producers, sometimes from lesser-known or sought-after regions, to position themselves in this now sought-after niche (Fournier, 2019). It also offers producers the possibility of not necessarily being subject to the strict rules of an appellation. On the other hand, natural wine allows young consumers to distinguish themselves from the classic and traditional world of their parents' wine consumption, turn away from great wines - which are now difficult to access anyway - and develop their own criteria for evaluating and appreciating these wines (Maguire, 2018).

Consumers are increasingly aware of the environmental impact of their consumption and seek to purchase products that have been produced in a sustainable and environmentally friendly manner. Organic, natural, and biodynamic wines meet this demand by offering wines that are produced in an environmentally responsible manner (Moscovici, et al., 2022). In 2019, SOWINE, a France-based marketing and communication company, conducted a survey in New York and Paris to understand the wine expectations of residents. The survey showed that around 52% of New York residents and 68% of Paris residents are more sensitive to the environmentally-friendly approach. The survey also showed that the consumers in the 21-35 age group buy "responsible" wine on a regular basis (22% in New York and 35% in Paris) than the older generation (15% in New York and 30% in Paris)⁵.

Wine producers can also benefit from this trend by positioning themselves as organic, natural, or biodynamic wine producers, which can reinforce their brand image and allow them to differentiate themselves from the competition. Beyond the marketing aspects, it is a philosophy for producers (Fuentes-Fernandez and Gilinsky Jr, 2022). However, the production of organic and natural wines can be more expensive for wine companies due to the need to use more complex growing and winemaking techniques. In addition, these wines may have a shorter shelf life and be more difficult to produce in large quantities (Maicas and Mateo, 2020).

In conclusion, natural and organic wine is a growing trend in the wine industry, offering benefits to consumers and wine companies in terms of sustainability and brand image. However, wine companies must be aware of the costs and challenges associated with producing these wines and ensure that their production is economically viable.

2.6 Transparent Labeling

Transparent labeling is a strong trend in the wine industry⁶, aimed at providing consumers with more detailed information about the wine they are purchasing (Johnson, Thach, and Shweiger, 2013). This often includes information about the production process, composition, and growing practices (Chrysakis et al., 2022).

Consumers, more specifically Millennials and Generation Z⁷, are increasingly interested in the provenance and production methods of the food and beverages they consume, and wine is no exception. Wine companies can respond to this demand by offering more transparent labels that give consumers more information about ingredients, growing practices, additives, and potential allergens (Johnson, Thach, and Shweiger, 2013). This can help consumers make informed choices when purchasing wine and can increase their trust in wine companies that offer increased transparency. However, implementing transparent labeling can be a challenge for wine companies, as it may require changes in production and marketing practices. In addition, labeling requirements can vary by region and country and are heavily influenced by regulations, which can make it difficult to implement transparent labeling internationally (Williams and Spielmann, 2019).

In conclusion, transparent labeling is an emerging trend in the wine industry, offering benefits to consumers in terms of more detailed information about the wine they are purchasing. However, wine companies must be aware of the challenges and costs associated with implementing transparent labeling and must ensure that their implementation is economically viable.

3. Conclusion

The aim of this article is to highlight some of the marketing issues and trends impacting wine consumers and producers. Our review of recent literature and our understanding of the industry, supported by numerical data, enable us to highlight six issues and trends: natural and organic wine, canned and bagged wine, immersive experiences, transparent labeling, e-commerce, and digital marketing.

The wine industry is constantly evolving, with new trends emerging to reflect changing consumer needs and demands (Golicic, 2022). Wineries are, in some cases, trying to adapt to these changes to remain competitive and relevant in the market (Jamali, Steel, and Mohammadi, 2020), all depending on their business model. Wine consumers are increasingly aware of the environmental impact of their purchasing choices, as well as the quality and authenticity of the products they buy and consume (Pomarici and

⁵ <https://www.grandviewresearch.com/industry-analysis/organic-wine-market-report>

⁶ <https://wineeconomist.com/2019/11/12/transparency/>

⁷ <https://www.winemag.com/2020/08/14/clear-wine-labels/>

Vecchio, 2019). Wineries that are able to meet these needs and communicate effectively with their customers are more likely to succeed in the long term (Angelini and Gilli, 2022).

Our article, therefore, offers an integrative look at a number of marketing issues and trends that would merit investigation independently of one another. Nevertheless, this analytical framework is an interesting starting point for future research into marketing trends in the world of wine.

Funding: This research received no external funding.

Conflicts of Interest: The authors declare no conflict of interest.

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