



“ Wine Opinions ”

# THE NEXT GREAT GRAPE SURVEY\* RESULTS



JANUARY 2015

\*The services of Wine Opinions were retained by D.O.P. Cariñena

## WHO PARTICIPATED:

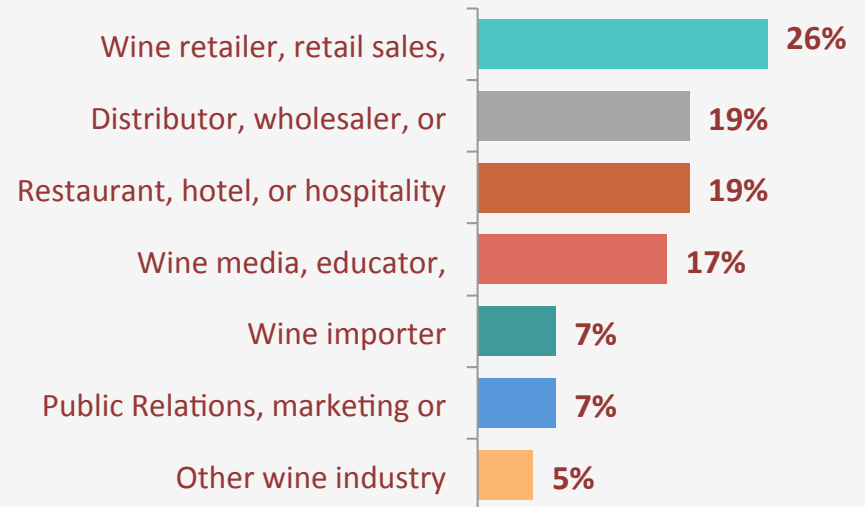
### Industry Tier

Grape grower, wine producer, and wine trade and regional association respondents were eliminated from the survey sample to better focus this research.

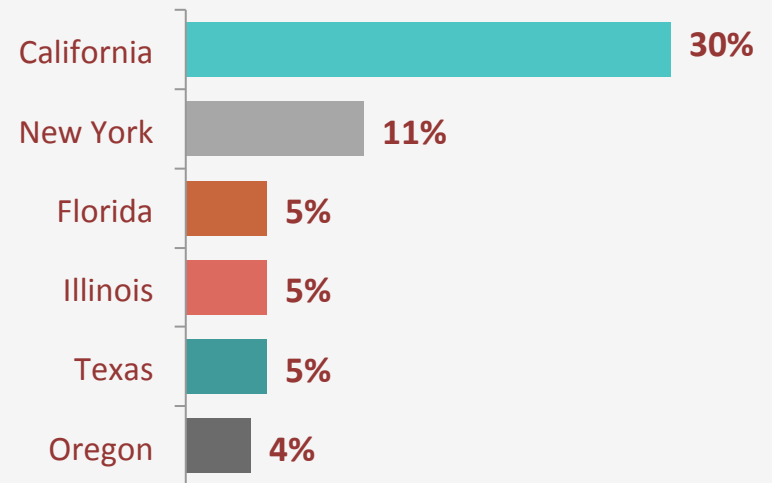
### Geography

Respondents represented wine industry businesses in 40 U.S. states and the District of Columbia.

### TRADE RESPONDENTS BY INDUSTRY TIER



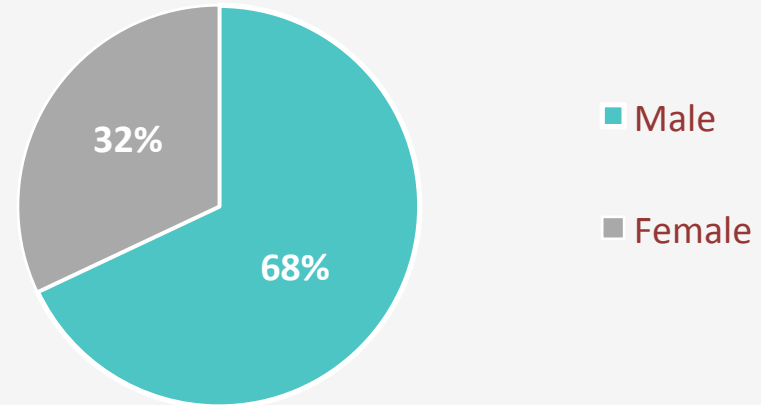
### TOP STATES REPRESENTED



## Gender

Respondents in total were 68% male and 32% female - in line with previous trade research conducted by Wine Opinions.

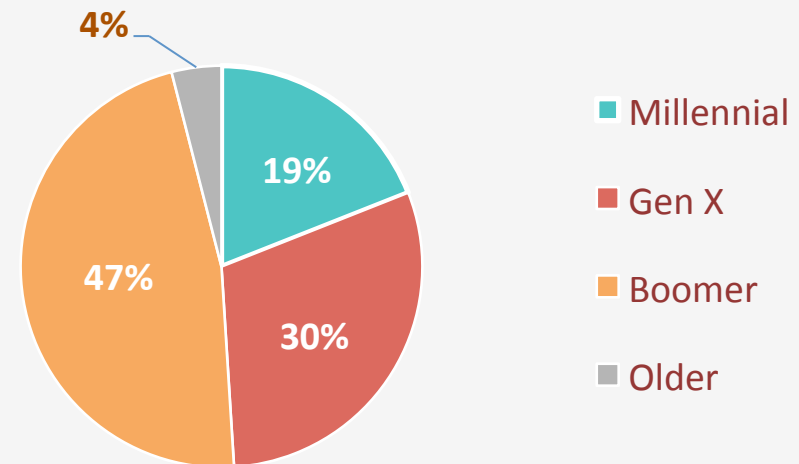
**TRADE RESPONDENTS BY GENDER**



## Generation

Some 19% of respondents were Millennials (aged 21 - 37), 30% were of Generation X (aged 38 - 49), 47% were Baby Boomers (aged 50 - 68), and 4% were aged 69 or older.

**TRADE RESPONDENTS BY GENERATION**



## WHAT WE LOOK FOR IN IMPORTED WINE INTRODUCTIONS

Respondents were asked to rate a series of wine attributes on how important they are to successfully launching and establishing a new wine brand on the U.S. market.

Respondents rated a series of attributes on a 7-point scale, with “7” representing the “very important” and “1” representing the “not at all important.” Overwhelmingly, that the quality of the wine exceeding its price expectation is most important to successfully launching and establishing a new wine brand on the U.S. market, in the opinion of the trade survey participants (62% rated this attribute “7”).

	7 – Most important	6	5	4	3	2	1 – Not at all important	Mean
Quality exceeds price expectations	62%	30%	6%	2%	0%	0%	0%	6.5
Priced \$10 - \$20 ("sweet spot")	25%	42%	21%	8%	3%	0%	1%	5.8
Attractive package/label	22%	44%	23%	9%	1%	1%	1%	5.7
Varietal labeling	18%	31%	31%	12%	4%	2%	1%	5.3
From a region already familiar to consumers	9%	31%	32%	16%	6%	2%	3%	5.0
A red wine	9%	17%	28%	18%	8%	7%	12%	4.3
A grape variety also produced in the U.S.	5%	15%	22%	24%	13%	7%	14%	4.0
A white wine	5%	7%	21%	28%	15%	10%	14%	3.7
A rose wine	5%	7%	16%	24%	19%	12%	18%	3.5

## WHAT THE OPPORTUNITIES ARE FOR NEW WINE REGION DISCOVERY

When asked about which countries have “yet to be discovered” wine regions with the best opportunity to gain a share of the U.S. market in the next five years, respondents were most enthusiastic about Spain.

Spain received the most “7” ratings (31%) and the highest mean rating (5.8). Italy and Argentina were distant seconds in terms of opportunity in this area (mean ratings of 5.3).

	7 – Very best chance	6	5	4	3	2	1 – Very least chance	Mean
Spain	31%	36%	20%	9%	3%	1%	1%	5.8
Italy	19%	32%	25%	14%	6%	2%	2%	5.3
Argentina	18%	28%	29%	14%	5%	4%	1%	5.3
Chile	15%	24%	30%	18%	8%	3%	1%	5.1
New Zealand	13%	26%	30%	18%	9%	3%	1%	5.0
France	11%	27%	26%	19%	10%	5%	2%	4.9
South Africa	13%	26%	24%	16%	11%	7%	4%	4.8
Australia	7%	19%	23%	24%	15%	8%	5%	4.4
Germany	9%	15%	24%	27%	16%	6%	3%	4.4

## WHAT THE OPPORTUNITIES ARE FOR SPANISH RED VARIETALS

Respondents were asked their opinion of the growth potential of Spanish red wine varietals. Among red wines, 92% thought Garnacha was thought to have the greatest potential.

### PERCEPTIONS OF SPANISH RED WINE GROWTH POTENTIAL

	Great growth potential	Good growth potential	Not much growth potential	No growth potential	Don't know/ No opinion
Garnacha	52%	40%	6%	0%	3%
Tempranillo	49%	40%	10%	0%	2%
Monastrell	19%	52%	18%	1%	9%
Cariñena (Carignan)	17%	51%	24%	2%	6%
Mencia	14%	37%	32%	3%	14%

## WHAT THE SELLING POINTS ARE FOR SPANISH GARNACHA

Respondents' opinions on the effectiveness of a series of selling points showed that when selling Spanish Garnacha in the \$8 - \$16 price range, a rich, concentrated flavor profile is the most effective selling point (65% "very effective"); followed by a fresh, lively, balanced, fruit-forward style (54%). A second tier of selling points (in order of effectiveness) included long-established "old vines" vineyards (42%) and being from a Spanish region historically known for Garnacha (34%).

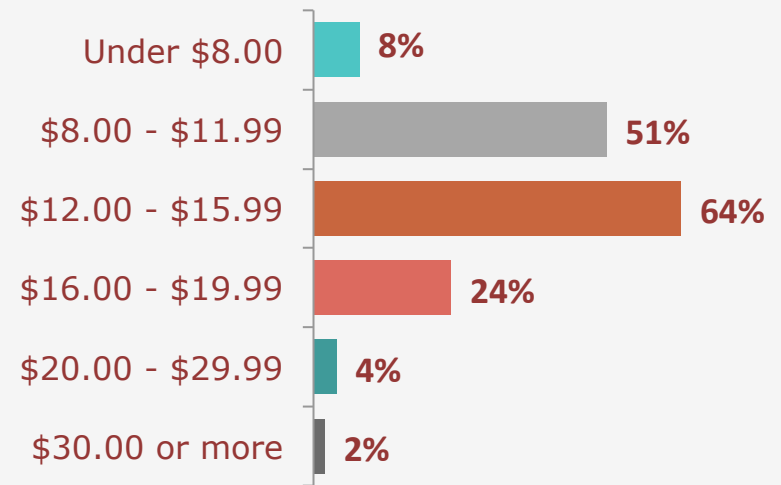
### EFFECTIVENESS OF SELLING POINTS FOR \$8 - \$16 SPANISH GARNACHA

	Very effective	Somewhat effective	Not very effective	Don't know/ No opinion
Rich, concentrated flavor profile	65%	32%	3%	0%
The wine is made in a fruit forward style - fresh, lively, balanced	54%	41%	5%	1%
From a long-established "old vines" vineyard	42%	50%	7%	1%
From a region of Spain historically known for Garnacha wines	34%	53%	12%	2%
Vines are deeply rooted in stony soils	13%	42%	43%	3%
Sourced from high altitude vineyards	10%	48%	38%	4%

## WHAT THE OPTIMUM PRICE IS TO INTRODUCE SPANISH GARNACHA

Approximately two-thirds of the trade respondents were of the opinion that the optimum price range for introducing Spanish Garnacha wines to U.S. wine consumers is \$12.00 - \$15.99 (64%).

### OPTIMUM PRICE POINT FOR INTRODUCING SPANISH GARNACHA





## WHAT IS THE FAMILIARITY OF SPANISH WINE REGIONS

Looking at those respondents who sell wines from these Spanish wine regions (either are “very” or “somewhat” familiar and sell wine from a particular region), three-quarters sell Rioja wines (78%), 70% sell Ribera del Duero, and two-thirds sell Priorat (66%). Just less than half sell wine from Castilla La Mancha (49%). Some 40% sell wine from Cariñena, a region ripe for discovery.

## WHAT IS THE PRICE/QUALITY PERCEPTION OF CARIÑENA GARNACHA VS. THE WORLD

Respondents were asked to rate Garnacha/Grenache in the \$8 - \$16 price range from various regions on their price/quality ratio. A 7-point scale was used, with a “7” representing the “very best value” and a “1” representing the “very least value.”

Mean ratings show Cariñena (5.6), rated higher than Grenache from the Rhône Valley (5.5), California (3.9), Washington state (4.0), and Australia (4.1) in terms of their Grenache’s price/quality ratios.

### FAMILIARITY WITH SPANISH WINE REGIONS & THEIR RED WINE

	Very familiar	Somewhat familiar (sell/represent)	Somewhat familiar (don't sell)	Not familiar
Rioja	66%	11%	18%	5%
Ribera del Duero	52%	18%	22%	8%
Priorat	46%	20%	25%	9%
Castilla La Mancha	19%	30%	38%	13%
Cariñena	16%	24%	38%	21%

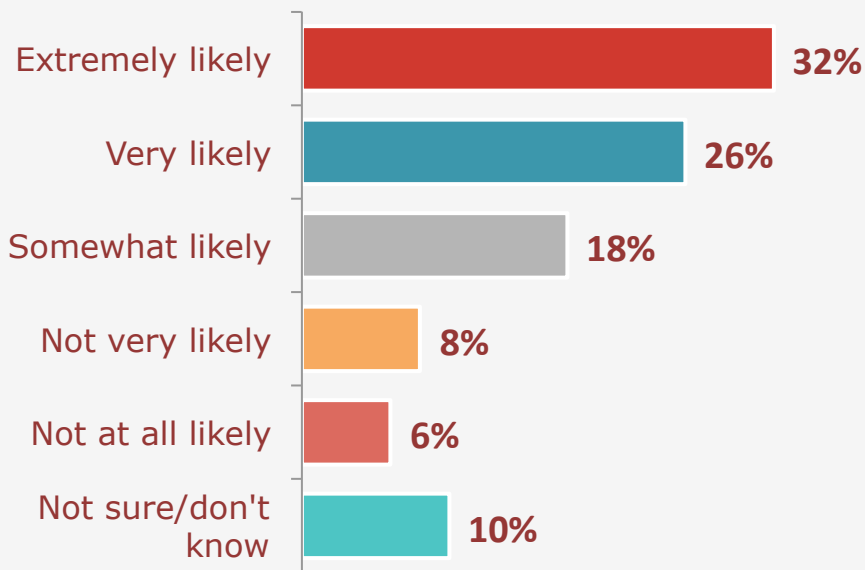
### PRICE/QUALITY ESTIMATIONS: \$8 - \$16 GARNACHA BY REGION

	Mean
Spain - Cariñena	5.6
France - Rhone Valley	5.5
Australia	4.1
Washington State	4.0
California	3.9

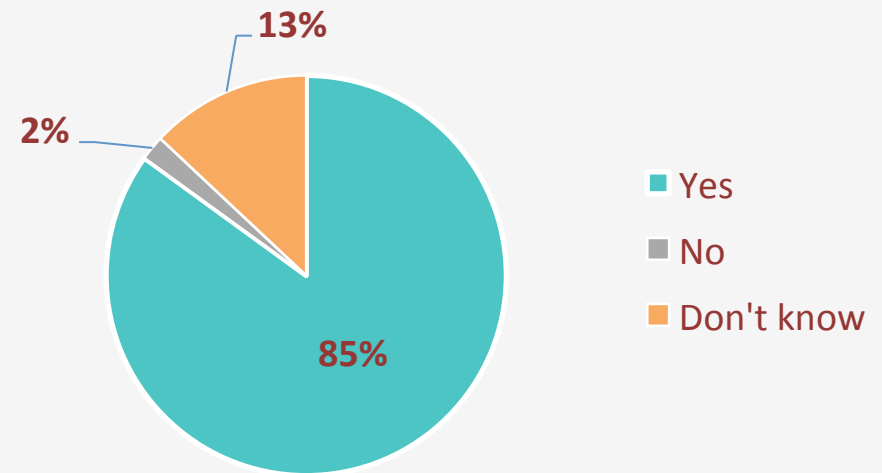
## WHAT THE FUTURE HOLDS FOR SPANISH GARNACHA IN THE U.S. MARKET

Most trade survey participants think that Spanish Garnacha exports will continue its upward trend (85%).

### LIKELIHOOD OF ADDING GARNACHA TO PORTFOLIO IN THE NEXT YEAR OR TWO



### DO YOU THINK GARNACHA EXPORTS FROM SPAIN WILL CONTINUE TO GROW SIGNIFICANTLY?



Interest in adding a Spanish Garnacha wine to their portfolio in the next year or two was extremely high among respondents. Three-quarters of the survey participants (whose businesses sell wine) would be likely to add a Spanish Garnacha wine to their portfolio in the next year or two.



## KEY LEARNINGS

- ✓ Respondents overwhelmingly rated Spain as the country whose “yet to be discovered” regions have the best opportunity to gain a share of the U.S. market in the next five years.
- ✓ The combination of extremely positive outlook for unknown Spanish wines and optimism on Garnacha sales demonstrates strong potential demand for Cariñena.
- ✓ When it comes to Garnacha in the \$8 - \$16 price range, Spanish Garnacha is well-regarded and its price/quality ratio was rated higher than that of Rhone Valley Grenache and Garnacha/Grenache produced in the U.S. or Australia.
- ✓ Trade respondents were extremely optimistic about the continued growth of Spanish Garnacha on the U.S. market and in their interest in adding Spanish Garnacha to their portfolios.



## ABOUT THIS SURVEY

Wine Opinions is a wine market research company focusing on the attitudes, behaviors, and taste preferences of the segment of U.S. wine drinkers who are the most frequent purchasers and consumers of wine. To this end, Wine Opinions maintains the largest online panel of highly involved wine consumers ever assembled, and a U.S. wine trade panel that includes wine producers, growers, importers, distributors, those who work on-premise and off-premise, members of the wine media, and others. Wine Opinions also undertakes custom research projects such as one-on-one interviews, on-site interviews and evaluations, and other such qualitative and quantitative research as suits the objectives of client projects.

The services of Wine Opinions were retained by D.O.P. Cariñena, to conduct a quantitative survey among the U.S. wine trade to establish a baseline of trade awareness, usage, sales, and perceptions of Garnacha and the Spanish wine region of Cariñena.



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**FOR MORE INFORMATION, PLEASE VISIT:**

[www.nextgreatgrape.com](http://www.nextgreatgrape.com)

**CONTACT US:**

[info@nextgreatgrape.com](mailto:info@nextgreatgrape.com)

