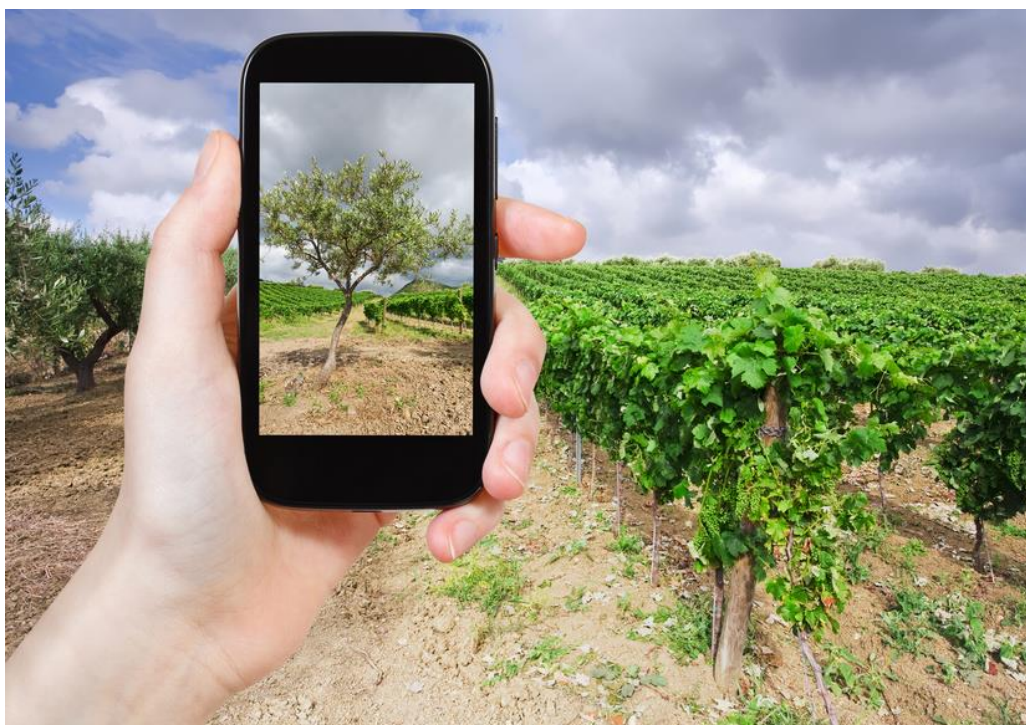


Ten Hot Wine Trends for 2021 in the US Market

Compiled by Dr. Liz Thach, MW (*Feb. 2021; Liz@lizthach.com*)



Hot Wine Trends in 2021. Photo Credit: Fotolia

10 Hot Wine Trends for 2021 in the US Wine Market

The list of *10 Hot Wine Trends for the US Market in 2021* is derived from several sources. It analyzes 2020 wine sales from Nielsen scan data, SOVOS/ShipCompliant data on direct shipments from wineries to consumers, and statistics provided by bw166 and Wines&Vines Analytics. In addition, it is based on several major social trends sweeping the US, such as desire for convenience, and rising concerns for health, environment, and safety (Euromonitor).

- 1) **Sauvignon Blanc Rises** -already gaining in popularity in 2019, sauvignon blanc rose an amazing 25% in dollar sales in 2020, with Americans still enjoying the crisp grassy style of NZ as well as the riper, more fruit-forward style of California. This trend is expected to continue in 2021.
- 2) **Cans & Convenience Very Important** – with outdoor activities on the rise and the desire for more convenience, wine in cans, tetra packs and plastic containers will continue to grow in the US market. In 2020, canned wine actually grew 61% in dollar growth (Nielsen), causing a can shortage in the supply chain. Small bottles and large box formats also gained in popularity, with 375ml growing at 53% in value, and 3L boxes achieving 31% value growth (Nielsen). This is an area ripe for innovation, as packaging designers try to figure out new and attractive ways to sell wine in boxes, cans, tetra pack, and plastic containers.
- 3) **Flavored Wine Category Explodes** – linked to both the convenience trend and a desire to experience new products, this ready-to-drink (RTD) wine category gives consumers creative wine cocktails, spritzers, wine seltzers and cross-products, such as the surge in agave-wine. This is another category that is ripe for growth in 2021, with much opportunity for innovation, as wine tries to fight back against the massive popularity of alcoholic seltzers, such as *White Claw*. The huge volume increases of 90% for flavored wine in 2020, bodes well for this category in 2021. Even more important, it is thought to be an entry category for new and younger wine consumers, before they adopt more traditional wines later in life.
- 4) **The Rise of Low-No Wines & Transparency** – the global trend for health and wellness has hit the wine category in the US a little later than other countries, but even with some Americans drinking more during the pandemic, others chose to focus on low or no alcoholic wines. Nielsen reported an impressive 37%-dollar growth in non-alcohol beer, wine and spirits for 2020 compared to 2019. Some of the larger wine corporations responded to this trend with the introduction of new low-alcohol, low calorie wine brands, such as *Sunny with a Chance of Flowers*, *Kim Crawford Illuminate*, and *Mind & Body* wines. However, most of these wines didn't hit the market until very late in 2020 and early 2021. This is an important category to watch as Americans have been asking the wine industry to be more transparent about calories, alcohol, carbohydrates, sugar, additives, and sustainable/organic winemaking.
- 5) **Premiumization & Pricing Sweet Spots** – Despite economic woes and job loss to millions of Americans, premiumization continue in off-premise wine sales. All price points between \$11 and \$25+ grew at 20%+ in both dollar value and volume in 2020, with \$20-\$24.99 achieving 29% growth in value and 28% in volume (Nielsen). Experts suggest that since

Americans didn't have the opportunity to buy wine in on-premise establishments where they are used to paying a high mark-up, they decided to treat themselves to higher priced wines to drink at home during the pandemic. This suggests that at least for the first half of 2021, while States race to vaccinate their populations, that premiumization will continue in off-premise, including online wine sales.

- 6) **Online Wine Sales Boom & Stay** – If one were to discuss silver linings due to the pandemic, the surge in online US wine sales would have to be the major bright spot. In 2019, online sales were still rather anemic, at around 5% in the US, compared to 30% in China and the mid-teens in Europe. However, with a focus on staying at home, Americans who had never purchased wine online decided to give it a try, resulting in 198%-dollar sales growth in wine ecommerce in 2020 (Nielsen). The good news is that experts suggest that once a consumer has a positive experience purchasing online, he/she will be a repeat buyer (WMC). Thus 2021 is predicted to be the year when wine ecommerce becomes a viable sales channel in the US, with much growth ahead for both online winery DTC and online wine retail sales.
- 7) **Cab, Red Blends and Pinot Still Popular** – Americans drink slightly more red wine (46%) than white (44%), and their favorites continue to be Cabernet Sauvignon, Red Blends, and Pinot Noir, with double digit dollar growth in all categories in 2020. Though 70% of the wine purchased is made in the USA, the top three countries from which they imported red wines were Italy, France and Portugal, with double digit dollar and volume growth (Nielsen). These figures suggest that 2021 will still be fertile ground for these popular red styles.
- 8) **Rosé Continues to Delight** – Rosé has become a staple in US market, with all styles, but especially Provence *rosé*. This category continued to growth at double digits in both volume and value in 2020 (Nielsen). There is no sign that this rosy trend will be slowing down in 2021.
- 9) **NY Joins Oregon as Favorite Wine Producing State** – California has always produced the lion's share of wine in the US, with Oregon as a strong favorite. 2020 was no different with Oregon wine achieving 22% dollar and 21% volume growth. The big surprise was the surge in New York wine, also at 22% increase in dollar share, but only 10% in volume (Nielsen). This is exciting news for New York wine, and suggests that wine from all three States will remain popular in 2021.
- 10) **Sparkling & On-Premise: Get Ready to Party!** – Though sparkling wine lost -4.2% in volume during 2020, because people were not that willing to celebrate in the first three months of the pandemic and during the second surge in the last quarter, it is predicted that

sales will pick up when the virus has retreated and Americans feel ready to celebrate again. In fact, some experts predict that the US will party like the Roaring 20's or the end of WWII (McMillan, Brager). Restaurants and bars will get in on the action, and it is expected that wine sales, especially sparkling, will surge in most channels towards the end of year.



Wine Celebration in 2021. Photo Credit: Pixabay

References

- Brager, D. (2021, Jan.). Wine Industry Update. Key note Presentation at Dollars & Sense Webinar, Sonoma County Winegrowers, Santa Rosa, CA, January 2021.
- bw166 (2021). Wine Imports and Exports Report by Jon Moramarco. Available at <https://www.bw166.com/>
- Euromonitor (2021). [Top Global Consumer Trends Report for 2021](https://go.euromonitor.com/white-paper-EC-2021-Top-10-Global-Consumer-Trends.html). Available at: <https://go.euromonitor.com/white-paper-EC-2021-Top-10-Global-Consumer-Trends.html>
- Gomberg-Frederickson. (2021). Available at: <https://www.gfawine.com/products/gfr/>
- McMillan, R. (2021). The SVB State of the Wine Industry Report. Silicon Valley Bank Trends & Insights. Available at: <https://www.svb.com/>
- Nielsen (2021, Feb.) What's Ahead for Beverage Alcohol? Nielsen IQ Beverage Alcohol Webinar. Presentation by Nielsen.
- Nielsen CGA. (2021, Jan.) NCGA Coved-Impact Survey. Statistics Presented at Nielsen IQ Beverage Alcohol Webinar.
- Nielsen. (2021, Feb.). Nielsen Table Wine Category Segments. *Wine Business Monthly*, Feb. 2021.
- Sovos (2021). 2021 Direct to Consumer Wine Shipping Report. Sovos/ShipCompliant.
- Wines & Vines Analytics. (2021, Feb). Statistics on US Distributors. Available at: <https://winesvinesanalytics.com/statistics/distributor/>
- WMC (Wine Market Council). (2020, April 3). Wine Market Council Webinar: A Look at Online & Direct Wine Purchasing in a New Reality. April 3, 2020.