

Category Overview: U.S. Imported Sparkling Wine Market

Leading Proseccos, Carriage House Duo Propel Non-Champagne Category's Impressive Upswing

WITH CHAMPAGNE SHIPMENTS AGAIN ENJOYING RAPID GROWTH in the U.S. market in 2010 and 2011 after a difficult period during the economic crisis, logic followed that non-Champagne sparkling wine imports would lose some of the momentum they achieved amid widespread trading-down trends. However, it appears that the opposite has occurred, as the category's upswing continues to accelerate.

Generally featuring an accessible taste profile and pricing well below that of their Champagne counterparts, non-Champagne sparklers are finding success by attracting new sparkling wine consumers into the fold and convincing Champagne drinkers to broaden their sparkling wine repertoire.

Total imported sparkling wine shipments to the U.S. increased 24% to 7.65 million cases in 2011, according to IMPACT DATABANK. That jump represented a significant increase over 2010, when sparkling wine imports rose by 19%. Champagne accounts for roughly 20% of sparkling wine imports, meaning that approximately 6 million cases of non-Champagne sparklers were imported into the U.S. last year. Italian imports account for more than half of that output, and much of the category's growth. Last year, Italian sparkling wine imports jumped by 36% to 3.2 million cases.

Of the 10 largest imported sparkling wines in the market by volume, half are sourced from Italy. Four of those five—Verdi, Sparkletini, Mionetto and Lunetta—grew by double-digits in 2011, the lone exception being Martini & Rossi, whose U.S. depletions have now slipped by 25% since 2007. **Verdi (roughly \$6 per 750ml) and Sparkletini (\$5.50), marketed by Carriage House Imports, continue**

to thrive on competitive pricing and flavored extensions like Green Apple, Peach and Raspberry. Combined volume for the two Carriage House labels has nearly doubled since 2007, eclipsing 1.5 million cases last year.

Selling for a few dollars more per bottle, Proseccos like Mionetto (\$11) and Lunetta (\$12-\$13) continue to surge in the U.S. market. Lunetta, making good on marketer Palm Bay Imports' prediction to SHANKEN NEWS DAILY last summer, grew nearly 50% to 150,000 cases in 2011. Rival Mionetto more than kept pace, adding 5,000 more cases than Lunetta for the year on 21% growth. Back in 2007, Prosecco volumes in the U.S. were around 450,000 cases. By 2009, sales had jumped to roughly 750,000 cases. The category is now at well over 1 million cases in the U.S., and will likely be larger than Champagne in the market by year-end.

While Italy's top sparklers keep charging ahead, the leading Cava brands in the U.S. have seen a tougher road. Freixenet (\$11) has now declined for three straight years and is off by 19% since 2008. Slightly lower-priced portfoliomate Segura Viudas added at least 20,000 cases a year from 2005-2010, but last year it slowed markedly. Competitor Jaume Serra Cristalino's path has been similar. From 2006-2010, that brand (\$8) grew by 70%, but an 8.5% decline in 2011 ended its upswing.

With U.S. economic conditions improving, Champagne should continue to grow stronger in the market. But, having proven that they can prosper whether or not trading down is in full force, non-Champagne sparkling imports are also well-positioned to continue making significant progress. ■

U.S. – TOP 10 IMPORTED SPARKLING WINE BRANDS

(Thousands of Nine-Liter Case Depletions)

Rank	Brand	Importer	Origin	2008	2009	2010	2011	Percent Change 2010-2011
1	Verdi	Carriage House Imports	Italy	825	950	1,065	1,185	11.3%
2	Martini & Rossi	Bacardi USA	Italy	730	730	650	600	-7.7
3	Freixenet	Freixenet USA	Spain	635	575	545	535	-1.8
4	Moët & Chandon*	Moët Hennessy USA (LVMH)	France	415	385	405	410	1.3
5	Jaume Serra Cristalino	CIV USA	Spain	285	355	410	375	-8.5
6	Sparkletini	Carriage House Imports	Italy	205	270	325	370	13.8
7	Veuve Clicquot	Moët Hennessy USA (LVMH)	France	360	345	365	365	-0.4
8	Mionetto	Mionetto USA	Italy	180	220	265	320	20.8
9	Segura Viudas	Freixenet USA	Spain	170	195	215	220	2.3
10	Lunetta	Palm Bay International	Italy	50	75	105	155	47.6
Total Top 10				3,855	4,100	4,350	4,535	4.3%

*Excludes Dom Perignon.

Source: Impact Databank