



THE RICH DIVERSITY OF SAUVIGNON BLANC

A Guide to Growth and Helping Consumers Discover Their Style

By Wine Dialogues Staff

Alongside the raucous rise of Rosé, an equally versatile varietal began quietly claiming its rightful place as one of the strongest growth drivers in wine more than five years ago. We're talking, of course, about Sauvignon Blanc – the wine Matt Kramer of Wine Spectator dubbed “the world’s most reliably good dry white wine.”¹

Sauvignon Blanc began delivering significant, sustained growth in 2012, led by the phenomenal popularity of the Marlborough, New Zealand, style.²

Why? For starters, people like it. A lot.



The grape offers hallmark flavors and characteristics that appeal to a wide range of wine enthusiasts. In addition, Sauvignon Blanc reflects the region and even site where it

was grown with nuances not always seen in other varietals. In some regions, the intense character of the grape guides the way. In others, winemakers exert greater influence through oak fermentations, blending or other techniques.

These characteristics explain why consumers continue to be drawn to the New Zealand style at the same time they – and indeed our industry – actively explore a wide and wonderful world of this immensely versatile varietal.

Our somm friends are continuing to introduce diners to classic regions like Sancerre in the Loire Valley. New World regions like Chile, South Africa and Australia are garnering attention as up-and-comers on this very inclusive wave of popularity. And, of course, consumers are coming back around to Napa Valley and its distinctive style as well.

WHERE'S THE GROWTH?

At the total category level, Sauvignon Blanc grew 6.2% in dollar sales last year across all price points.³ What you can't tell from that overall growth rate is what's happening as consumer premiumization trends have taken hold. Every price category above Premium shows double-digit growth rates.⁴ And while New Zealand continues to

spearhead the category, strong Napa Valley growth provides significant opportunity to grow the category even further – especially at higher price points.

This presents a tremendous opportunity to introduce more consumers to Sauvignon Blanc, consult with consumers ready to trade up within the category and the chance to increase basket size and frequency.

To help you make the most of the growth in the category, we'll focus on New Zealand and Napa Valley for the balance of this article. You'll not be surprised to hear they are arguably the two biggest drivers of increased volume and sales.

New Zealand Takes a New Lead

Sauvignon Blanc from New Zealand has nearly doubled over the last five years.⁵ This incredible growth shows no signs of slowing down with increases of 10.5% by dollar sales and 9.8% by volume as of February 2018.⁶

This growth is centered squarely in Premium+ categories. The Luxury (\$20-\$24.99) segment alone has increased 28.9% in sales and 32.2% in volume.⁷

Napa Valley Commands Higher Prices

Napa Valley Luxury+ sales of Sauvignon Blanc have surged an impressive 16.5% in dollars and 14% in volume,

demonstrating significant consumer interest in Luxury+ Sauvignon Blanc.⁸

In addition, Napa Valley's richer, rounder style of Sauvignon Blanc appeals to consumers who do not enjoy the typically high acidity and high herbaceous notes of New Zealand.

To assist with staff education about these top two Sauvignon Blanc regions, we've provided a quick reference suitable for sharing.

SPOTTING SAUV BLANC SHOPPERS

Armed with this new information that provides clues to identify the right region for the right palate, the next step is to identify which customers are likely to be most interested in your higher-end Sauvignon Blanc portfolio.

It's worth the effort based on incremental spend alone. The average California Sauvignon Blanc purchaser spends an additional \$109.44, a lift of 160% compared to those who did not include this varietal in their wine purchase. The average lift for New Zealand buyers is 145%.⁹

According to experts at Technomic, women are slightly more likely to choose Sauvignon Blanc than men, but it's an almost equal split at 54% vs 46%. Sauvignon Blanc buyers are led by Millennials, who account for 41% of these on-premise sales, and Baby Boomers, representing 31%.¹⁰

SALES IMPACT OF SAUVIGNON BLANC

Sauvignon Blanc buyers spend dramatically more on an average visit than those who do not purchase the varietal.

PLACE OF ORIGIN	PURCHASE TOTAL WITHOUT	PURCHASE TOTAL WITH	% SPEND INCREASE
NAPA VALLEY	\$50.80	\$132.15	160%
NEW ZEALAND	\$47.95	\$117.48	145%

Sauvignon Blanc consumption is often driven by occasion. It's often enjoyed as a casual option, with 70% of usage occasions being informal meals with family or friends — 21% being an impromptu get together.¹¹

3 SAUVIGNON BLANC CONVERSATION STARTERS

By now, you're probably ready to open a couple of bottles of Sauvignon Blanc for a taste test with your team. Here are three conversation starters you can use to guide your staff in generating interest and sales based on these insights:

1. When talking with consumers looking for an interesting white or Sauvignon Blanc specifically, open with classic Marlborough Sauvignon Blanc to gauge their taste profile. If the consumer prefers a richer style, shift to the warmer Napa Valley region, which offers juicy character and fuller mouthfeel.
2. Ask about their occasion or how they plan to enjoy the wine. Sauvignon Blanc may appeal to those preparing for casual and impromptu gatherings.⁹
3. Suggest a trade-up option your staff recommends based on the style and country of origin that best fits their flavor preferences.

In addition to these simple conversation starters, we've created a program to help guide this and other regional explorations. Find "Let Your Palate Be Your Guide" in the Campaign Toolkit section of winedialogues.com. We also recently explored Sauvignon Blanc on our [webinar](#) video program.



– SAUVIGNON BLANC WEBINAR

1. Wine Spectator, "Drinking Out Loud: Is Sauvignon Blanc the World's Most Reliably Good White Wine?," July 18, 2017.
2. © IRI, TTL US MULO, 2012-YTD Ending 11-12-17, New Zealand, Sauvignon Blanc, Volume Sales.
3. Nielsen, U.S. Expanded All Outlets Combined Plus Liquor/Convenience/AAFES 52 Weeks Ending 12-30-17, Sauvignon Blanc, Dollar Sales, as published in *Wine Business Monthly*, March 2018.
4. © IRI, TTL US MULO, Rolling 52 Weeks Ending 2-25-18, Total New Zealand Table Wine w/Cupcake & Prophecy, Dollar & Volume Sales.
5. © IRI, TTL US MULO, 2012-YTD Ending 11-12-17, New Zealand, Sauvignon Blanc, Volume Sales.
6. © IRI, TTL US MULO, Rolling 52 Weeks Ending 2-25-18, Total New Zealand Table Wine w/Cupcake & Prophecy, Dollar & Volume Sales.
7. © IRI, TTL US MULO, Rolling 52 Weeks Ending 2-25-18, Total New Zealand Table Wine w/Cupcake & Prophecy, Dollar & Volume Sales.
8. © IRI, TTL US MULO, Latest 52 Weeks Ending 3-11-18, Domestic Table Wine, Premium+, Dollar & Volume Sales.
9. © IRI, National Consumer Panel, Total US - All Outlets, Latest 52 Weeks Ending 3/18/2018.
10. Technomic, Sauvignon Blanc Profile, White Wine, On-Premise Consumption, Q4 2017.
11. Technomic, Sauvignon Blanc Profile, White Wine, On-Premise Consumption, Q4 2017.

FOR ADDITIONAL INFORMATION OR QUESTIONS REGARDING E. & J. GALLO WINERY BRANDS, PLEASE CONTACT YOUR LOCAL SALES REPRESENTATIVE.

Driven by the success of New Zealand Sauvignon Blanc, interest in this varietal has surged from continued growth among New Zealand offerings, revisiting Old World selections from the Loire Valley and beyond, emerging regions like Chile and renewed interest in Napa Valley expressions. This primer provides a brief survey of the top two regions where you have opportunity to increase wine purchase at higher price points.



NEW ZEALAND: BRIGHT, FRESH & GREEN

Our regional exploration starts where the recent growth all began. Sauvignon Blanc thrives in cooler climates, resulting in zesty acidity, beautiful herbaceous green notes and crisp, citrusy fruitiness. Marlborough, New Zealand, provides perhaps the perfect regional partner to express these qualities.

Even within Marlborough, New Zealand's leading Sauvignon Blanc region, wines can reflect sub-regional differences and stylistic choices. But they have one thing in common.

"You get a much greater intensity of all flavors in New Zealand," says Nigel Sneyd, Master of Wine. "You will get a mix of all flavors, which go from ripe pineapple through to tomato leaf. There's citrus. In some cases, fresh citrus rind, but grapefruit and fresh lime are other common descriptors."

Sauvignon Blanc typically buds late and ripens early. However, in Marlborough, the typical harvest season begins somewhere between late March and mid-April (which translates in the Northern Hemisphere as late September to mid-October). The region is also heavily influenced by its close proximity to the coast, giving the region its famously sunny days and mild temperatures that very quickly drop at night.

"Marlborough ripens much later in the season," says Sneyd. "It has high sunlight intensity, which is also true of Napa and Sonoma, but at much cooler temperatures. Therefore, the fruit intensity in New Zealand grapes is huge."

Marlborough is also notable for its soil diversity, with variable depths even within single blocks or vineyards. This gives fruit somewhat different levels of ripeness – and thus a diverse range of equally intense flavors – across the vineyard.

In the cellar, most Marlborough winemakers let the grape guide the style. "The winemaking is pristine and pure," says Sneyd. "It's very New World in that they try and exercise varietal character. Marlborough's all about pure fruit."



NAPA VALLEY: WARMER CLIMATE, ROUNDER WINES

Move Sauvignon Blanc vines to a warmer climate, like the Napa Valley, and some of the intense acidity and aromatics fall back.

Delightful richness, ripe tropical notes and a density and weight rise in their place for an appealingly round and full taste profile. It's also a region with much higher winemaker influence.

"[Napa Valley] doesn't have anything like the grape aromatic or varietal intensity that you'll get in a region like New Zealand. You get a little bit of grass, maybe a little bit of pineapple and a touch of lime," says Sneyd. "All the winemaking options are on the table."

"These wines can be much bigger in the mouth, because they have lower acidity and a bit higher alcohol," continues Sneyd.

"They generally have a bit more phenolic ripeness, so there's a bit more extraction. Winemakers also have the option of getting a cleansing effect coming from a bit of tannin rather than acidity, whether it's through oak fermentation or just a bit more ripeness," he concluded.

Source: Wine Dialogues. Find more resources at www.winedialogues.com.