



A Changing Market Context *for Champagne and Sparkling Wine*

Professor Jennifer Smith Maguire

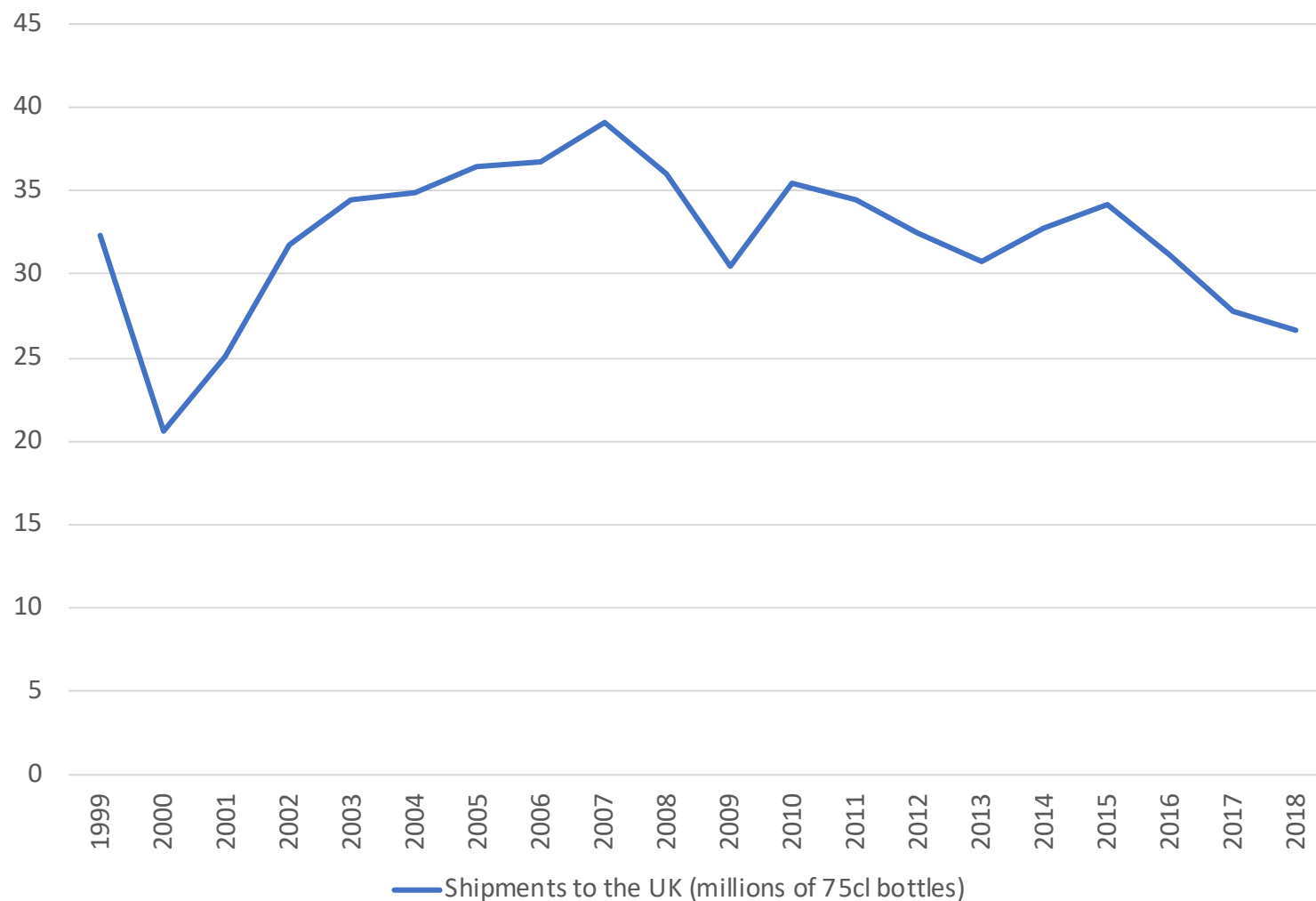
**Sheffield
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Champagne exports to the UK (millions of 75cl bottles)



Champagne's Top 10 Export Markets, 2018

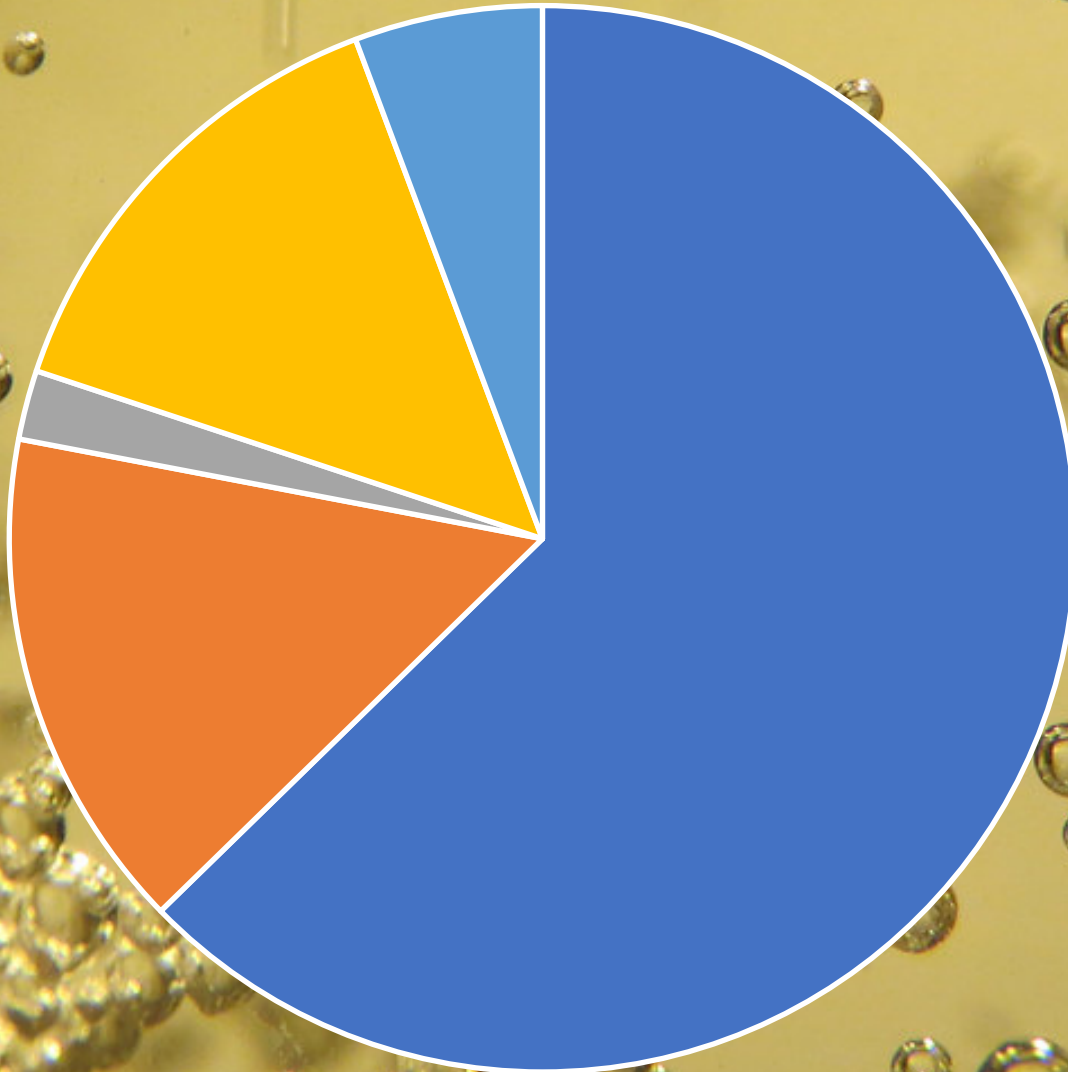


	2018 ranking	Revenue (in millions of euros)*	Millions of bottles
1	USA	577.1	23.7
2	UNITED KINGDOM	406.2	26.8
3	JAPAN	318.8	13.6
4	GERMANY	203.0	12.1
5	ITALY	158.6	7.4
6	BELGIUM	144.9	9.1
7	AUSTRALIA	123.3	8.4
8	SWITZERLAND	120.9	5.8
	CHINESE WORLD	98.6	4.7
9	SPAIN	85.2	4.2
10	CANADA	56.9	2.4

** excluding taxes, from Champagne*

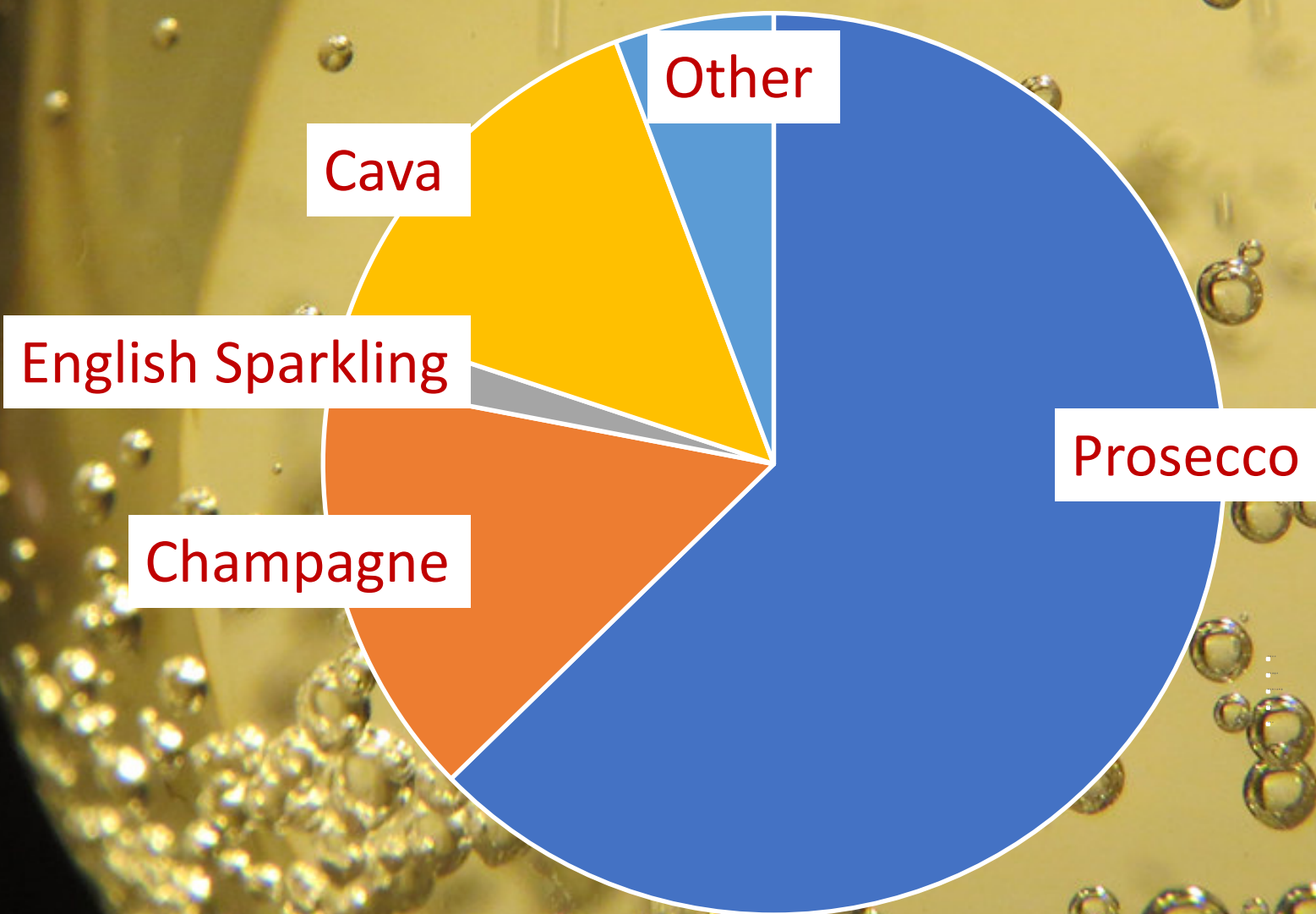
Source: Comité Champagne. 2018. *Champagne: A major economic player.*

The UK Sparkling Wine Market, 2018



Source: *The Drinks Business*. August 12, 2019.

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Changing attitudes to brands;
Changing perceptions of luxury



While most Chinese wineries are owned by big companies like Changyu, a handful of small producers are eagerly trying to prove that China has the right *terroir* to produce great wine, rather than just great amounts of wine.

Silver Heights is one name that's generated plenty of buzz in the past year. It seems an unlikely candidate, located in the arid Ningxia region, just a few miles from Inner Mongolia. But its secret weapon is Emma Gao Yuan, a 33-year-old winemaker who opened Silver Heights with her family after she graduated from Bordeaux University's Institut d'Oenologie.

Gao had little interest in wine a few years ago. But, fluent in French, she was hired as a government delegation delegate to Bordeaux to learn about wine production. During the trip, she became intrigued and made the decision to stay on for further study.

"My father encouraged me to learn the technical side of winemaking," says Gao. "He worked in administration with a [government-owned] winery and told me that our region has the potential to produce good wine. There were 300 candidates for 30 places that year, but I managed to get in."

While in France, Gao worked stages at Château Calon-Ségur and Château Lafon-Rochet, both in St.-Estèphe. (She also found love—her husband, Thierry Courtade, is the winemaker at Calon-Ségur; he and

FINDING CHINA'S TERROIR

A BORDEAUX-TRAINED WINEMAKER IS TURNING HER FAMILY'S SMALL WINERY IN NINGXIA INTO A SUCCESS STORY

BY MARK GRAHAM

Changing hierarchies of legitimacy



Emma Gao Yuan

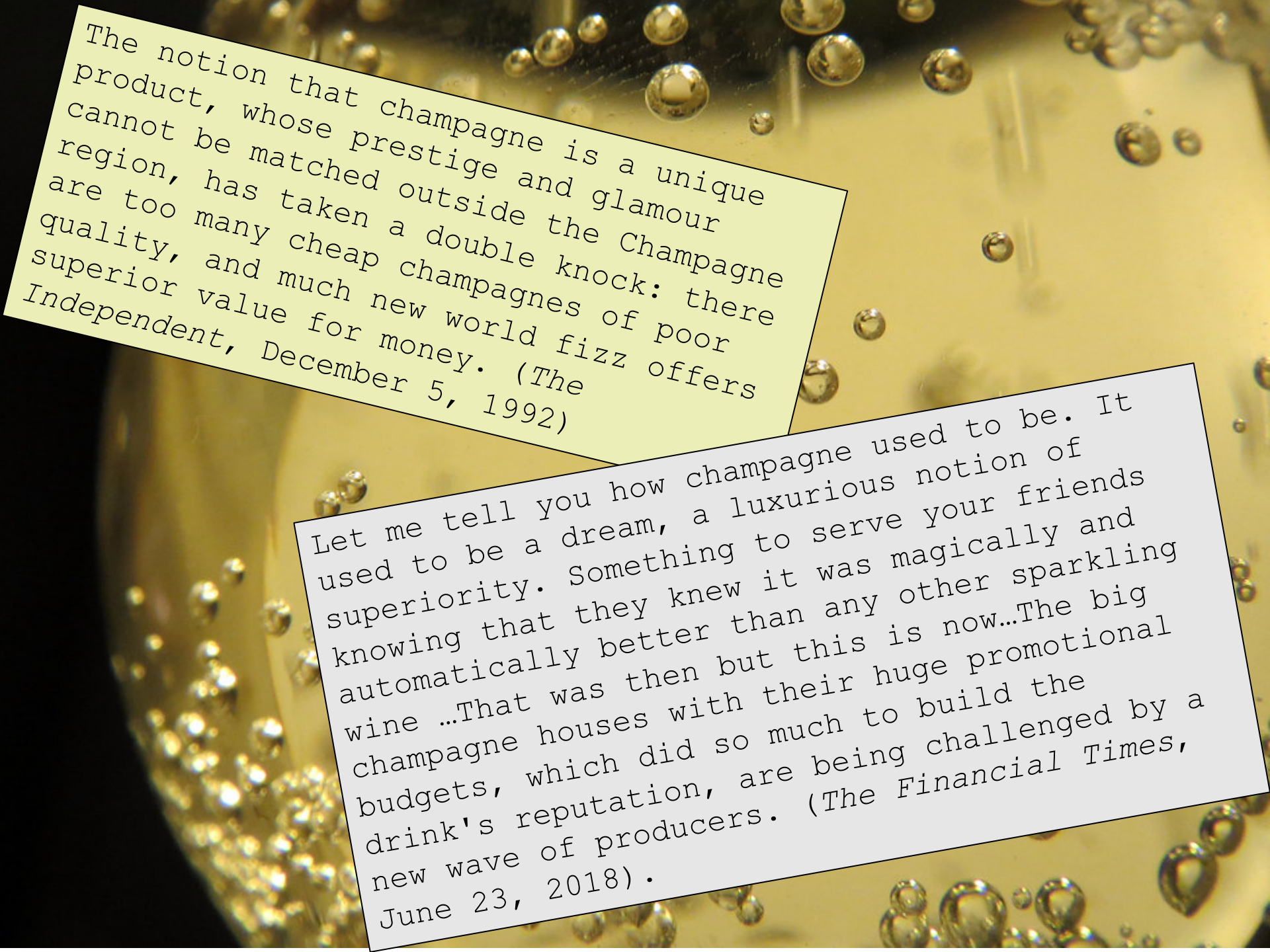
sunshine a year. We have very healthy grapes here, we don't have any disease, and we don't use pesticides—only in special cases."

With just six small stainless steel tanks originally, Gao produced 3,000 bottles in 2007. For 2008, four new larger tanks helped her boost production to 6,000 bottles. Silver Heights makes two wines. Both are blends of Cabernet Sauvignon, Cabernet Franc and Cabernet Gemischt, a variety unique to China that scholars believe is a clone of Cabernet Franc. The Summit, which sells for \$55, is made from grapes grown in a mix of slate and clay, while grapes for the Family Reserve, which retails for \$40, are sourced from vines closer to a river, where the soil has more sand and slate.

"I do everything. Me and my father, my mother, my sister is the accountant." Their goal is 30,000 bottles a year, assuming sufficient quality grapes can be sourced.

Gao's big break came when she shyly asked one of her bosses at Torres to taste her 2007. "She asked us if we would like to try the wine, and it was fantastic," says Torres executive Damien Shee. "We realized this was a serious winemaker that we should encourage. We helped her with the labeling, packaging and distribution."

A chance encounter with Crystal Edgar, wine director for luxury hotel chain Aman Resorts, also helped. Edgar, a New Yorker, decided that the



The notion that champagne is a unique product, whose prestige and glamour cannot be matched outside the Champagne region, has taken a double knock: there are too many cheap champagnes of poor quality, and much new world fizz offers superior value for money. (The Independent, December 5, 1992)

Let me tell you how champagne used to be. It used to be a dream, a luxurious notion of superiority. Something to serve your friends knowing that they knew it was magically and automatically better than any other sparkling wine ...That was then but this is now...The big champagne houses with their huge promotional budgets, which did so much to build the drink's reputation, are being challenged by a new wave of producers. (The Financial Times, June 23, 2018).



Changing tastes:
for the hand-crafted and authentic

An aerial photograph showing a dense, irregular patchwork of agricultural fields. The fields are divided into numerous small, irregular shapes, creating a complex, mosaic-like pattern. The colors are primarily green and brown, indicating different stages of crop growth or different types of crops. The fields are separated by thin, dark lines, likely roads or irrigation channels. The overall appearance is that of a highly fragmented and intensively managed agricultural landscape.

Changing tastes:
for place and for novelty



A changing market(ing) context:

- Challenges to established positions
 - Opportunities for new entrants
- Making *terroir*, provenance and craft legible and credible
 - *Plus ça change...!*