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# Champagne Fizz Fades as Prosecco Pops

## Shifting Preferences in the U.S. Sparkling Wine Market

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In recent years, American consumers have become increasingly price-conscious when selecting sparkling wines. This trend is reflected in a notable shift within the U.S. market: while champagne sales have seen a decline, Prosecco has experienced significant growth. According to a report from Shanken News Daily, the changing dynamics in the sparkling wine segment highlight broader economic concerns and

evolving consumer preferences.

Champagne had enjoyed a period of substantial growth in the U.S. market, with exports to America increasing by 61 percent since 2020, far outpacing the next largest export market, the United Kingdom. However, this momentum has waned over the past two years. Sales figures for 2023 reveal a downturn, with total champagne sales in the U.S. dropping by 12.5 percent to 1.58 million cases. Moreover, champagne exports to the U.S. decreased by 20 percent in volume to 2.2 million cases and fell 14.5 percent in value to $890 million.

The decline can be attributed to several factors. In 2023, many producers and importers raised prices amidst high demand, but this strategy clashed with consumers' growing concerns over inflation. As a result, the once robust demand for champagne diminished.

Despite recent challenges, industry leaders remain optimistic about the future. Michelle DeFeo, president of Laurent-Perrier US, expressed a positive outlook, noting that the significant declines seen in 2023 had eased by 2024. Laurent-Perrier, in particular, has seen success with its high-end Grand Siècle cuvée.

Premiumization remains a dominant trend in champagne sales. Brands like Piper-Heidsieck have focused on their higher-end offerings, such as the Essentiel line, which recently introduced a blanc de noirs variant. Irene Habermeier, the brand's portfolio director, highlights the growing popularity of vintage champagnes and prestige cuvées.

Despite the overall decline, new entrants continue to enter the market, anticipating future growth. For instance, Terroirs et Vignerons de Champagne, the owner of Nicolas Feuillatte, acquired the Henriot brand last year, and California's Jackson Family Wines has begun managing Henriot in the U.S. Additionally, Demeine Estates added Philipponnat to its portfolio, further diversifying the options available to American consumers.

While the champagne market faces headwinds, Prosecco has emerged as a major growth driver in the sparkling wine category. Prosecco imports to the U.S. have surged, with shipments exceeding 10 million cases last year, up from under 8 million cases

before the pandemic. This growth is largely fueled by the popularity of Prosecco in cocktails, particularly spritzes, which have become a staple in American social scenes.

La Marca Prosecco, owned by Gallo, is the leading Prosecco brand in the U.S., boasting a volume more than three times that of its closest competitor. Beth Orozco, Gallo's vice president of marketing, reported that their on-premise business ended 2023 with double-digit growth, a trend that has continued into 2024.

Other brands have also capitalized on the Prosecco boom. Mionetto Prosecco, part of Freixenet Mionetto USA, matched La Marca's 7 percent growth rate last year, reaching 960,000 cases. The brand's portfolio now includes multiple Prosecco variants and a new non-alcoholic sparkling wine. Dr. Andreas Brokemper, CEO of Henkell Freixenet, affirmed Prosecco's ongoing role as a key growth driver.

Overall, the imported sparkling wine category in the U.S. remained stable at around 13.3 million cases in 2023. Beyond Prosecco, sparkling wines from Italy and Spain have also seen increased interest. This diverse range of options caters to a broad spectrum of consumers, from those seeking affordable everyday wines to those investing in premium bottles for special occasions.

In conclusion, the U.S. sparkling wine market is in a state of flux, with shifting consumer preferences driven by economic considerations and a growing appreciation for different styles of sparkling wine. While champagne faces challenges, Prosecco's rise offers a dynamic alternative, reflecting broader trends in consumer behavior and market dynamics. As the industry adapts, both established and emerging brands will need to navigate these changes to capture the evolving tastes of American wine enthusiasts.