

# **Grower Champagnes: Challenges and Future Prospects in a Brand-Dominated Industry**

**Kristin Fuchs  
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## **Abstract**

### **Motivation**

Champagne has long been a symbol of celebration and prestige, and its positive image has largely been shaped by the consistency, quality and marketing of the Champagne houses. Yet, the relatively recent emergence of grower Champagnes has added a new and very interesting dimension to the industry. Grower Champagnes have received much praise from numerous acclaimed wine critics and journalists, and constitute a popular topic in wine media. Despite the ever-increasing interest in grower Champagnes, I asked myself if and how these Champagnes can actually compete in such a brand-dominated industry. I have long been fascinated by Champagne: the wine, its history, its complexity, its image and the region. Given my personal preference and ongoing search for wines that express their *terroir* and authenticity, I became even more intrigued by the subject after my first visit to a Champagne grower-producer. This visit, along with numerous tastings since that time, have convinced me of the excellent quality and personality the best of these wines can offer. Thus, my motivation to undertake this study can largely be attributed to my desire to increase my own knowledge of grower Champagnes as well as their role and future impact on the Champagne industry.

### **Objectives**

In order to better understand the role and future impact of grower Champagnes, it is essential to identify what has precisely enabled grower-producers to attain their current status. Furthermore, the future success of grower Champagnes in a brand-dominated industry is directly linked not only to the opportunities which exist, but also to the challenges grower-producers face. Thus, the objective of this study is to analyse the emergence and status of grower Champagnes within the industry, to identify the challenges they face, to explore their future prospects, and to ultimately determine their impact on the Champagne industry: do grower Champagnes represent a current trend, a niche product, or a competitive threat to the Champagne houses?

### **Methodology**

A diverse range of print sources were consulted for this study including wine books, magazines, tasting reviews and websites. These sources provided comprehensive information for Chapter 1 in particular, including industry-specific facts and figures as well as information regarding the emergence and current status of grower-producers and their Champagnes. Over the last three months, I conducted personal and telephone interviews with industry experts including a sommelier in a Michelin-starred restaurant in Southern France, a Master Sommelier in Switzerland, an established Champagne importer in Zürich, and a Champagne grower-producer in Avize, France. These interviews proved highly valuable as they revealed a variety of perspectives on the subject, and added dimensions which were often omitted from the articles I had read. The interviews with both sommeliers were particularly insightful as they provided information from a restaurant's perspective. My interview with a local Champagne importer revealed a dimension which I would have liked to explore in greater detail: the growth potential for grower Champagnes in the Swiss market. Due to content constraints, I was not able to investigate this. Yet, it represents a very interesting aspect for a future study. Finally, I conducted an informal, blind tasting of

non-vintage grower and brand-name Champagnes with a small group of wine amateurs. Despite the informal, small-scale nature of the tasting, it was an excellent opportunity to personally experience the distinction between grower Champagnes and the famous brand names. Participants were also asked to complete a very brief questionnaire on the subject. Finally, since I began researching this topic, I have personally tasted numerous non-vintage, vintage and prestige Champagnes from both grower-producers and famous Champagne houses. This has been very enriching from a sensory perspective, and has greatly influenced my personal preferences and, most importantly, my professional assessment of quality across the industry.

## **Content**

Following the introduction, the Champagne industry's structure and workings, the industry's trade association, Champagne houses, cooperatives and growers are presented. Thereafter, the dynamics of the region are discussed, citing in particular the very significant fact that, although growers own approximately 90% of the vineyards, the houses are responsible for over two-thirds of the approximately 308 million bottles of annual Champagne shipments. Chapter 2 examines the emergence of grower Champagnes since the 1980's and their common feature of *terroir*-expression and individual distinction of a vineyard, a commune or a grape variety. Moreover, the reasons for their increasing popularity are discussed. Finally, the results of the informal, blind Champagne tasting are revealed. In Chapter 3, the challenges facing grower-producers are discussed. Most of these challenges are directly related to grower-producers' small-scale operations and include a lack of name recognition, limited marketing resources, various financial investment and operating costs, and natural or weather-related risks. Yet, it is precisely this small-scale production which allows grower-producers to capitalize on that which sets them apart from the big houses: their ability to express personality and *terroir*. This, along with additional future prospects including the potential for increased growth in new, developing markets are discussed in Chapter 4. Modern marketing as well as increased consumer wine knowledge leading to more discerning Champagne consumption are also addressed. Finally, the impact of Champagne's positive image is also considered. The thesis ends with a conclusion, an acknowledgment, a bibliography and an appendix.

## **Conclusion**

Grower Champagnes appear to enjoy a very favorable situation today. From high grape prices at home, to praise from internationally acclaimed wine critics, to the growing success of grower-owned cooperatives and individual grower-producers, grower Champagnes have added a new, important dimension to the industry. Despite the challenges grower-producers face, the future prospects are bright, and they are poised to enjoy continued success in their established markets as well as in new and developing markets. However, in under-developed, or brand-focused markets, successful grower-producers will need to invest time in promotional activities aimed at increasing importer, retail and restaurant support as well as consumer awareness of grower Champagnes. My investigation reveals that grower Champagnes represent a niche product, an alternative to the famous brand-name Champagnes produced on a large scale. Grower Champagnes do not, however, represent a competitive threat to the large houses. On the contrary, growers depend on the houses as much as the houses depend on growers. I believe therefore, that the future success of grower Champagnes is directly linked to the success of the Champagne industry as a whole.