

The **Millennial** Effect

BY KATHLEEN
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Wouldn't it be great if the world thought this about you? Congenial, authentic, optimistic and willing to try new things. And you put friends and family high on the "quality of life" list. Worth raising a glass of wine to celebrate, right?

Then you must be a "Millennial." Born between 1976 and 1988 (turning 21 this year), you are the darlings of the wine marketing world, according to the eighth comprehensive wine survey released in January by the Wine Market Council, a consortium of 80 producers, growers and wholesalers, in conjunction with the Nielsen company.

Despite the economic woes that are driving even Baby Boomers (born 1946–1955) to retreat to familiar brands under \$15, the Millennial generation values a good bottle of wine. It can come from anywhere and originate from a multitude of unusual varieties. And price is not necessarily a determining factor. It's the experience that counts.

David Becker, co-founder of Philippe Becker marketing and idea incubator whose clients include Disney, Safeway O Organics, T-Mobile and Nestlé, says Millennials should be renamed the "Experience Generation." "They are off doing stuff, going trekking, going scuba diving. Wine as an experience is going to increase as part of the lifestyle." But wine as prestige? "No, I don't think so," says Becker.

The Millennials, also known somewhat disparagingly as "Generation We" and "Trophy Kids," are

Restless palates, adventurous purchases, wariness of marketing and dependence on social networking—Millennial behaviors are beginning to permeate every age group.

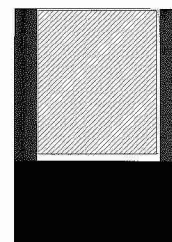
enjoying wine in a way that was simply not possible until now. That's a broad statement, but if you are pre-Millennial, answer this: when was the last time you told your 45 Facebook friends where to buy your latest wine discovery while you were at the checkout counter with a discount coupon sent to your phone? When did you last "Tweet" or "txt" a tasting note? When did you last sip wine while gaming? When did you last choose some unknown variety from an unpronounceable region over "California?" That's Millennial.

The global impact of social networking is potentially huge and the Wine Market Council report focuses on attempts to bring wine to this party. All generations are contributing to this online buzz, but consider the staggering amount of global time spent online in one month (January 2009, *compete.com*): Yahoo 674 years, Facebook 638 years, Google 515 years, Pogo (gaming) 294 years, and eBay 265 years.

It takes a lot of clicks to reach those numbers but it shouldn't surprise. Look beyond the technology: the Web and social networking sites offer serious information, friends, fun and games, music, videos and shopping. That's just a reflection of how we, particularly the young, live.

One thing consistent across all age groups: wine's fun factor. The Wine Market Council survey respondents said yes, wine is fun: +63 years: 55%; Baby Boomers: 66%; Generation X: 69%; and 80% of the Millennials. Liz Thach, a Wine Business Program

PHOTO: VIGSTUDIO/SHUTTERSTOCK





professor at Sonoma State University, says the dramatic number is because “[Millennials] love the wine story. They don’t drink wine to get drunk...and they love bubbles.”

Market me

One of the interesting things about Millennials, raised online and largely by Baby Boomer parents, is that they don’t mind being a marketing target as long as they get something in return.

“We appreciate honesty, straightforwardness, and being real,” says Melissa Schilling, 29, a Santa Cruz, California-based cheese and wine instructor and über-blogger. “We want to see people without their makeup on and what they look like at their gala event. It’s boring if you try to be two-faced, control the message too much. I don’t think it appeals to Millennials, and not to me.”

New brands are aimed directly and unapologetically at Millennials. Schilling works with the Jackson Family Wines’ **Kinton** brand, one of several to be rolled out in its Millennial portfolio. Gallo tapped in early with the Barefoot brand (currently the top-selling wine brand) and a new range of value imports. Becker’s Artisan Wine Group launched the Tableaux brand of French wines in the \$10 range. “Millennials are much more aware and see through everything. They should get a decent wine, not something with a critter on the label,” says Becker.

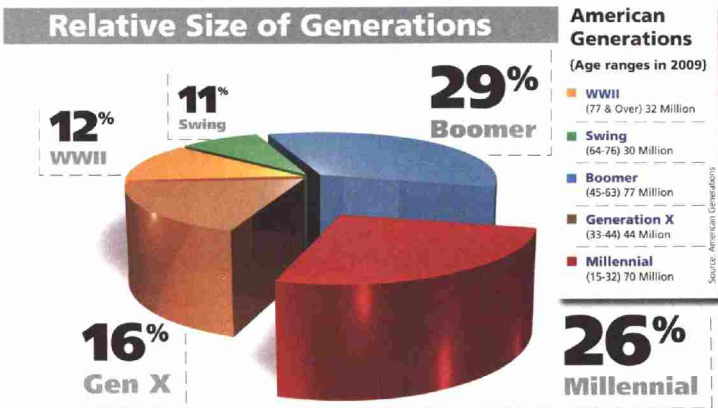
The Wine Market Council is plying the Millennial waters with its Web site, *wineanswers.com*, which helps cut the “winespeak” in restaurants. It uses the skills of a half dozen young sommeliers, who dice wine into Twitter-digestible sips.

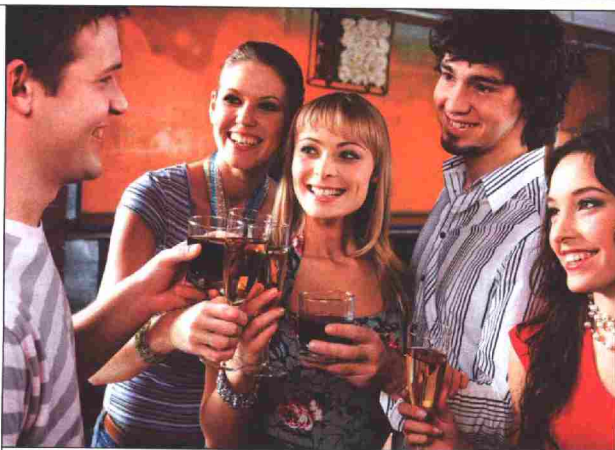
Sommelier Jake Kosseff, who serves the increasingly younger tech wunderkinds of Seattle, says, “The most telling difference between the Millennials and every generation before them is their absolute adventurousness.” They put great value in being the first among their friends to discover a new wine; checking its pedigree via iPhone before the bottle arrives at the table. “It also means sommeliers and servers must know wine inside-out because any little screw-up we make will get noted in cyberspace,” adds Kosseff.

Flash takes cash

Therein lies the danger, warn the experts. Once a company tries to infiltrate this real-time 24/7, in-your-face and ever-changing market, it has to be willing to take the heat and respond if a bad experience goes viral (spreads like wildfire on all the social networking sites).

“You have to be honest and open and willing to have a two-way dialogue, even if it momentarily turns sour,” says Christian Lassonde, president of Millions of Us, a social media agency, and formerly with Linden Lab





(Second Life) and LucasArts.

Do wineries see today's two consumer strands—real visitors to the winery as well as the social media network—as one and the same? Often, the answer is a no, say Millennials and experts. In reviewing more than 200 Web sites, *Wine Enthusiast* found what online users experience: many wineries and restaurants create blogs and don't nurture them or reply. They set up a flashy Web site but essential and current wine information is often aggravatingly vague. These sites are expensive in a recession and no longer hit the mark.

Yet, as the Web and mobile worlds converge, many social media sites will close in 2009—just as e-commerce goes social, according to Paul Mabray, CEO of VinTank, an industry think tank launched in January to evaluate social media. Tom Wark, Napa-based public relations expert and a VinTank partner in an industry "white paper" released February 28th, said on his *Fermentation* blog that the wine industry is in the "furrowed brow" phase, waiting to see if social media has an impact.

Bottles without borders

Wine in the social media network is not limited to bottles produced in California. Two out of five wines a

Millennial pulls off the shelf is an import; French and Italian wines lead with "authenticity." Baby Boomers and 63+, for all the attempts to slip DRC (Domaine de la Romanée Conti) into conversation and blogs, pull an import off the shelf less than one in four times, reports the Wine Market Council; Gen X less than one in three times.

Pieter van Vorstenbosch, director of public relations for Sopexa USA, the American marketing arm for French wine regions, notes that as one-third of Millennials are not Caucasian, marketers need to understand the "no borders" perspective. Sonoma State's Thach, author of *Wine, A Global Business*, says Millennials are "really into global diversity. [They are] always online and aware of what is happening globally and think, and drink, outside the borders. And they spend."

Boomerang

Does all this focus on Millennials mean anyone older should hang up the corkscrew? No, not in the slightest. After all, the Baby Boomers are the largest single group by population who are old enough to drink wine (nearly half the Millennials are still under 21).

"It would be wrong not to focus on Baby Boomers," says van Vorstenbosch. "Really, they are the ones who brought consumption to the level it is now. But Millennials are curious, not hung up on any social structure, on how you are supposed to behave with wine."

So, what should we expect in 2009? Though one in five wine drinkers bought wine online at least once, most of us do what we did before the Internet, before the recession: go to a store, touch the bottle, read the label and, if the price is right, buy it.

Still, you will start to notice a shift in what you see on the shelf, in price and in how you find out about deals. Get into social networking. Think Facebook—the most popular socializing Web site these days with 150 million registered users and growing. But there are many effective wine forums and groups. You can Flickr a label or Twitter a wine recommendation to your friends.

If your phone does tricks, use them. If you can buy online, look for bargains. Say good-bye to critter labels, hello to sharp, stylish designs. Become friendly with lighter glass, boxes and plastic bottles. Rethink white. Expect to see varieties and appellations you only read about in the

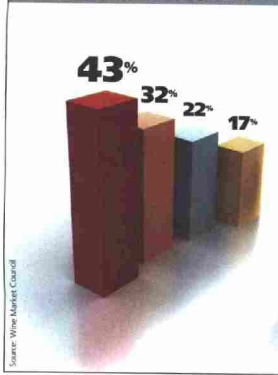
Oxford Companion to Wine. Be prepared for more organic, biodynamic and free trade wines.

"A lot about what works in wine was proven in the Obama campaign," says Becker. "That will be studied in marketing for generations. It was huge nationally and at the same time it was local. It was all about using modern marketing tools, authenticity, and... the power of many."

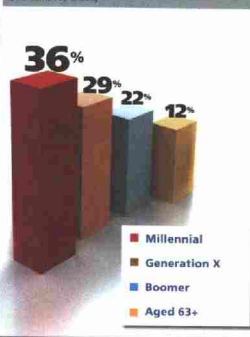
To paraphrase Joe Biden, paraphrasing George W. Bush: no glass is left behind. **W**

PHOTO: DIMITRY SHIRONOSOV/SHUTTERSTOCK

Frequency of Purchase:
\$20 or More (750ml), 2008
(Percentage frequently/occasionally by generation)



Importance of Information from the Internet When Purchasing Wine
(Percent, Top 3 box)



Wine Consumed Most Often: Imports vs. Domestic—by Generation (2008)

