

Growing Profitably in the Traded Sector: Key Insights from Dr. Liz Thach, MW

Overview

The Virginia Wine Coalition hosted Dr. Liz Thach, MW—president of the Wine Market Council and global wine industry expert—for a session on U.S. wine market trends, consumer behavior, and strategies for growing Virginia’s traded-sector presence. The discussion highlighted both headwinds in national wine consumption and significant opportunities uniquely suited to Virginia wineries, particularly those with strong authenticity and agritourism foundations.

U.S. Wine Market Snapshot

- Overall volume down: U.S. wine shipments down **4.1% in 2024**
 - Domestic wine down **9%**
 - Dollar sales still up: **\$109.2B**
- Consumers shifting toward **premium (\$20+) wines**
- Younger drinkers consuming less volume but buying **higher quality**
- **55% of U.S. wineries** reported positive growth in 2024

Consumer demographics

- Wine drinkers now **29% of U.S. adults** (down from 34%)
 - Millennials now the **largest wine-drinking generation**
 - Gen Z wine participation rising (9% → 14%)
 - Abstinence rates increasing
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Why Consumers Choose or Avoid Wine

Top drivers

- Special occasions & celebration
- Relaxation

- Food pairing
- Social/romantic connection
- Perceived moderation

Top barriers

- Taste issues: bitter/astringent
 - Preference for sweeter alternatives
 - Health messaging concerns
 - Confusion/intimidation
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Virginia Consumer Strengths

Data shows Virginia has one of the **strongest wine consumer bases in the country**:

- **60% high-end consumers** (\$20+ bottles) vs 32% national
- **43% millennials** (highest observed)
- **23% Gen Z** (vs 14% national)
- More diverse consumer base
- Higher male engagement (51% vs 46% national)

Virginia consumers:

- Spend more per bottle
 - Show strong loyalty to wineries they connect with personally
 - Rate “romance” and emotional connection higher
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Opportunities for Virginia Wineries

- Crisp, refreshing white wines trending
 - Sauvignon Blanc, unoaked Chardonnay, Pinot Grigio, Italian varieties
- Ready-to-drink and wine cocktails
- Low/no-alcohol options (+27%)

- Health-conscious labeling (e.g., “no sugar added,” “organic”)
 - Lightweight glass & sustainability messaging
 - Potential significant dollar savings for producers
 - Smaller bottle formats (375ml / 185ml)
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Keys to Small Winery Success

- **Authenticity is a competitive advantage**
 - Personal owner connection drives long-term loyalty
 - “Shadow of the owner” becomes part of the terroir
 - **Get wine into consumers’ mouths**
 - Tastings and food festivals remain the #1 trial pathway
 - Consumers increasingly seeking:
 - Agricultural connection
 - Human stories
 - Real people behind brands
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Notable Surprises

- High-alcohol sweet wines gaining traction
 - Merlot resurgence with millennials
 - Gen Z interest in Grenache
 - Taylor Swift effect boosting Sauvignon Blanc
 - Virginia Cabernet Franc rated highest in focus groups—even among stated white wine preferrers
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Takeaways

Despite national declines, Virginia is positioned for **profitable growth in traded markets** by leveraging:

- Strong high-end consumer base
- Authentic winery identities
- Premium positioning
- Sustainability and innovative packaging
- Increased trial through tastings and events

The path forward centers on **getting more consumers to taste Virginia wine**, reinforcing authenticity, and building broader awareness beyond the tasting room.