



RIESLING renaissance

The potential for Riesling to emerge from the shadows is being realised in the US and all the signs point to a brighter future in the UK. By **Anne Krebiehl**

THE BOTTLES are electric blue. The labelling is bold and simple. The price is right. The wine is light and fresh – and it’s selling. No, this is not Pinot Grigio but German Riesling. This marketing mix revolutionised the category in the States. Over here the picture is still different but sales figures tell their own story. Could it be that the much-willed but never really materialised “Riesling Renaissance” is finally getting under way?

A closer look at two of the leading American examples illustrates that success is down to textbook marketing – the concerted impact of product, packaging, price and placement. The market leader for German Riesling by volume and value in the US is Mosel-based Schmitt Söhne, headquartered in Maryland. With an established distribution network across all states, their traditional Blue Riesling range has been a steady seller. However, groundbreaking innovation came in 2003 with the launch of the Relax brand, which took off in 2006 and has now reached an annual volume of 351,749 nine-litre cases in 2012, with double-digit growth every year since its inception.

Both Melanie Güngör, of the German marketing team and Chris Klau, president of the US operation, stress that the idea was based on sound market research, targeting younger drinkers. The wine, 100% Mosel Riesling in a crisp, off-dry style has a pared-down label and just 9% abv. “The wine speaks for itself, but consumers love the simple concept,” says Güngör who explains that the launch was supported by prominent shop-floor placement, POS material and a print campaign, centred on off-beat ads in fashion magazines addressing a young, female readership. Klau believes that attitudes towards Riesling have changed and one of the reasons for creating Relax was “to make these wines more understandable, friendlier, more approachable”. He said: “Millennials (ie 21 to 30+ year-olds) are driving the business in the States; you must have packaging that appeals to them – they don’t want to drink the wines their parents drank.” Relax retails at \$9.99 and \$8.99 when on promotion. The wine outperforms both the domestic Mondavi

Woodbridge Riesling brand and German imports like Gallo’s Pölka Dot and Constellation’s Blüfeld by far – both in copycat blue flutes. Its German origin is not a problem: while Schmitt Söhne has done away with obscure names and gothic lettering, the bottle is the traditional flute, albeit in an electric blue. “The wine is on the German shelf and is positively connected with Germany in consumers’ minds,” states Güngör.

COLOUR CODE

The colour has turned into a firm theme: Blue Fish Riesling, also packaged in blue, is a similar success and was launched by the enterprising Pfalz co-op Deutsches Weintor in 2005. Distributed widely by Palm Bay International, its volume tripled from 2006 to 2007 and doubled in 2008 – then the recession struck. However, it is now almost back to 2008 levels, growing at a steady rate. While the bottle is blue, it was originally a Bordeaux shape. Managing director Dr Bernd Kost explains: “Initially we did not want to emphasise that this was a German brand because our target group was not drinkers of German but of international wines, people who usually drink Sauvignon Blanc. We wanted to address a very large audience.” He also cites the concerted effort necessary in terms of promotion, logistics and pricing to build and sustain a brand long-term. Blue Fish, which retails between \$8.99 and \$10.99, is dry in style, representing its Pfalz origin. Strikingly, as of the 2012 vintage, Blue Fish is also bottled in a flute: “We think that the German wine segment is now developed enough for consumers to think positively about it,” says Kost who also stresses that wine quality is clearly in the

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Feature findings

- ▶ Groundbreaking innovation for Riesling in the US emerged in 2003 with the launch of the Relax brand. In 2012 it reached a volume of 351,749 nine-litre cases with double-digit growth every year since its inception.
- ▶ The current market leader for German Riesling by volume and value in the US is Mosel-based Schmitt Söhne.
- ▶ In the UK, Mosel-based own-label specialist ZGM (Zimmermann-Graeff & Müller) has seen huge success with its dry Mosel Riesling Peter & Peter listed at Tesco.
- ▶ Tesco’s own-brand Simply Riesling’s volume doubled from 2011-2012, while Morrisons has reported a year-on-year increase for Riesling of 7.6%.

foreground. The Germans have thus tapped into a collective memory with the blue flute bottle of old, given it a makeover and attracted a new generation of drinkers. They have done this, crucially, with clean, crisp, fruit-driven, 100% Riesling wines at QbA level that are no longer cloyingly sweet – so much so that style and packaging are being copied by US-owned brands. Klau states emphatically: “You can sell anything once on packaging, but you have to have quality in the bottle, and the quality has spoken for itself.”

Both Relax and Blue Fish scooped innovative packaging awards but neither brand is currently available in the UK. This may change soon but Güngör cited conservatism of buyers as a previous hindrance, despite clubs and bars being keen to list this affordable and funky bottle. Both Güngör and Kost estimate that their respective brands would retail between £7 and £9.

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for Riesling to become popular again, it's now." Griswood continues: "Consumers love dry, fresh, zippy wines. Look at the success of Sauvignon Blanc and Pinot Grigio. Young, dry Riesling hits a perfect middle ground between these wines. Overlay this with what's happening in the food scene." He also enthuses about fusion, Asian, Peruvian and Mexican cuisines - "where Riesling plays its trump card". Griswood predicts: "There's going

BRITISH UPRISING

Nonetheless, fresh-faced, fruity Riesling is making inroads here in the UK. Mosel-based own-label specialist ZGM (Zimmermann-Graeff & Müller) has seen huge success with its dry Mosel Riesling Peter & Peter listed at Tesco. This branded concept, named after the original two winemakers, was started in 2004 with fruit sourced exclusively from steep slate vineyards and has been a staple in Lufthansa business cabins. Having provided both Tesco's own-label Simply Riesling and Finest off-dry Mosel Riesling, sales director Andreas Kretzschmar attended Tesco's Manchester Wine Fair with Peter & Peter in 2010. Positive feedback from there led to a trial listing in 105 stores in 2011 and a roll-out to 758 stores in 2012. The MAT to September 2013 was 66,000 bottles which represents a 1,500% annual



increase. P&P comes in a simply labelled, screw-capped Burgundy bottle, and while it says "Aus der Steillage" (ie from steep slopes) on the front label, its design is straightforward and uncluttered. ZGM chose a Burgundy bottle to signal "dry wine" to customers and to differentiate itself from the other wines on the German shelf where innovation has been almost completely absent. The 2013 duty increase moved the price from £6.99 to £7.49. "I feared a dip in sales but none came," reports Kretzschmar. "You need a strategic partner in the market to give Riesling a chance - with Tesco we found that."

Tesco's product development manager James Griswood is unusually voluble in his response to P&P's success: "It's a great product that offers brilliant value," he says. "I know we love to discuss how Riesling is set for a resurgence, however, consumers have stubbornly disagreed with us - until now. If there was ever a time

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to be a tipping-point when enough of the 'foodie generation' discover Riesling and embrace it as part of their wine drinking repertoire." He has reason to be hopeful because even Tesco's own-brand Simply Riesling's volume, on the shelf at £4.79, doubled from 2011-2012.

Reports from Morrisons are similarly positive and wine sourcing manager Katie Mollet reports a year-on-year increase for Riesling of 7.6% with own-brand Rieslings enjoying growth of 18.3%. "We're seeing encouraging sales online as well as in our stores, again with

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German Rieslings dominating," she says. Her outlook echoes Griswood's: "We are currently selling approximately 10% more of our Riesling at the £7+ price points than we did last year; we expect this growth to continue and German Rieslings to dominate the Riesling market."

Kate Dowdeswell, senior national account manager at Awins Barratt Siegel, agents for famous Mosel-producer Dr. Loosen's popular Dr. L Riesling says: "There has been a

substantial increase since the supermarkets started listing estate-grown Rieslings rather than just generic wines." Despite a de-list from one major supermarket, sales of Dr.L, a classic, medium sweet Mosel Riesling retailing at £7.49, increased by 17% year-on-year in 2012. Dowdeswell also reports growth figures in the £10-15 bracket, driven not by supermarkets but mail-order multiples: Dr. Loosen's dry Red Slate Riesling showed a 220% year-on-year increase in 2013 and Leitz's Eins-Zwei-Dry showed 80% growth in the same period. While these grow from a small base, the trend is clear. "Outlets that talk to their customers, ie telephone sales, are driving the £10-£15 sales," says Dowdeswell, clearly sensing a change in consumers' attitudes towards Riesling, especially in dry styles, that has not yet filtered through to supermarkets. Christine Weingut, assistant buyer at Laithwaite's, confirms that German sales are up 25% in volume from last year, also helped by the mail-order company's first full page catalogue feature on German Riesling. "There isn't the confidence among the supermarket buyers to list more than one Riesling in the same price bracket, say between £5 and £8," sighs Dowdeswell: "Consumers can only buy

Trade talk: How well placed is Germany to take advantage of current wine trends?



**ALISON FLEMMING MW,
EXPORT SALES DIRECTOR, REH KENDERMANN**

Two major trends are currently evident in the UK off-trade market. The low alcohol and sparkling wine categories are both seeing positive growth and at Reh Kendermann we are well placed in both sectors of the market. B by Black Tower, our 5.5% abv lower alcohol wine range, is extremely successful, as is Black Tower Pink Bubbly, our lightly sparkling wine. These wines have a truly distinctive design with a strong female bias. In style they are highly commercial in the Black Tower mould.



**ARMIN WAGNER,
EXPORT DIRECTOR, FW LANGGUTH ERBEN**

The main trends we see are authenticity of wines, diversity of regions and varieties and a lower alcohol content. For all these trends Germany is very well placed, as is the Langguth winery with the family heritage of more than 220 years in growing grapes and marketing wine.

Within our range of Erben wines and within the Blue Nun family of wines there are lower alcohol options - with 8.5% abv for German white wines or even 5.5% abv for contemporary wine drinks. These lighter wine styles are already the focus of our marketing efforts today and they will be in the forthcoming years.



**NICKY FORREST,
MANAGING DIRECTOR, WINES OF GERMANY UK**

Germany has a climate that no other country can replicate which means that it has perfect conditions to produce wines naturally lower in alcohol. In contrast to many other wine producing countries, in Germany the alcohol level must not be reduced artificially and as a result the wines are natural, well-balanced, taste light and are still delicious. It is a USP that we believe no other country can reproduce. The emerging trend for global foods and increasing consumer demand for something new potentially puts Germany in a strong position. Germany has a range of interesting grape varieties and wine styles to offer from Riesling to Pinot Noir, all of which are food friendly, hugely versatile and loved by the wine trade and consumers in the know.

what is in front of them so if you put eight Pinot Grigios and 10 Sauvignon Blancs but one Riesling on the shelf, you will distort the sales pattern. The biggest battle I have with supermarket buyers is their lack of confidence to list Germany beyond one token wine."

Matt Giedraitis, export director for Dr Loosen Wines, comments on changing perceptions of Riesling in the UK and US: "Both markets have experienced a move away from cheap and sweet to a focus on Riesling as a variety." Kretschmar, Kost and Johannes Leitz, the Rheingau winemaker behind Eins-Zwei-Dry, all agree that the way forward is with

affordable but crisp, light Rieslings in a style that Germany can produce better than anyone else.

Regardless of the tongue-twisting labels and obscure Prädikate in the fine wine bracket, at the high-volume level Riesling works best with clear-cut wines and clear-cut labels. When all the tiresome baggage of sweetness, alcohol, provenance and perception is dropped, variety, packaging and taste take over. Perhaps we might see more German Riesling on the shelf in the near future. *db*