

## CHAMPAGNE: VINTAGE



# Does age really matter?

**Vintage Champagne is waning in popularity as consumers fail to grasp its distinction from prestige cuvées. The Champenois ignores this trend at its peril, writes *Giles Fallowfield***



**VINTAGE CHAMPAGNE**, the least understood and arguably the best value sector of the whole Champagne market, remains under pressure during the current recession. It continues to be squeezed between the burgeoning non-vintage rosé market and prestige lines, the vast majority of which are vintaged, although the celebrity consumers of Champagne's most expensive wines don't notice or care about that.

Over the past 18 months or so this latter sector has suffered, with conspicuous consumption going into temporary decline, but it will no doubt bounce back, as economies pick up again and people no longer feel bad about splashing out. And it's certainly true that the Champagne houses find it easier to sell these, their most expensive bottles, even though they offer consumers the poorest value-to-quality ratio in the whole category, for while they are presented as the pinnacle of production at the larger houses, the step-up in quality is often small compared with the jump in price.

Vintage Champagne, by contrast, offers consumers much better value for money, as Charles Philipponnat, president of the eponymous house, says: "Vintage Champagne represents the best quality-to-price ratio in the appellation. Compared with non-vintage prices, for an outlay of an extra 30-50% more you can buy a wine that's very close in quality to a prestige cuvée."

Vintage Champagnes play another crucial role for the overall category, preserving its unique position in the wider world of sparkling wine. Here is the real heart of Champagne, the wines that demonstrate Champagne's ability to reach another level of complexity, to achieve nuances of flavour that set it aside from the top sparkling wines produced in other countries inside and outside Europe. If the top wines in the region cease to demonstrate that difference then the whole category will suffer in the long term.

And it is pretty clear that vintage Champagne, real vintage Champagne, the brut and brut rosé styles of the top producers, not the wines they sell in fancy bottles at fancy prices, are losing their way as little effort is made to explain them to consumers who don't understand this small but vital sector of the market. In terms of the balance sheet alone more and more producers will be tempted to simply stop making such wines, and recession plus a current high level of stocks is exacerbating the problem.

"It is difficult to explain vintage to the consumer, the market doesn't really understand the old traditional vintage

Champagne," says Philipponnat. "It has been replaced by the prestige cuvée in many ways, it's stuck in the middle without a clear identity. People don't really understand why non-vintage doesn't have a vintage on it as that is outside their experience of table wine."

#### **Time for change**

"To make things worse today there is a tendency [for producers] to put their [marketing] efforts into the prestige cuvée not the vintage, except for the extremely traditional houses like Bollinger. Is it [this trend] going to change? No, the same problem has been around for a while. The situation hasn't altered much except the rosé market has become much stronger over the past decade. We think the consumer needs something else to grasp to help get to grips with the whole idea. After all," continues Philipponnat, "what makes a vintage wine better is not the vintage as such, not a superior year, but rather making a better blend as a result of carefully sorting out the best grapes from any harvest."

"The character of the year gives the characteristics of a vintage, but the quality comes from the base wines that are selected. So perhaps vintage Champagne should really be called vin reserva [to suggest a step up in quality]." He also suggests that the rules and regulations governing the production of vintage Champagne should be stiffened. "Why not say that vintage Champagne has to be aged for four or five years [before it may be sold] rather than just three?" asks Philipponnat. "And perhaps the grapes used to make vintage should also be riper by, say, one degree of alcohol."

Most of the best houses already age their vintage Champagnes for six to eight years before release and many are only just putting their 2002 vintages on the market so such an arrangement could be widely supported. One of the benefits of doing this would be to take out a chunk of the market that's sold relatively young and priced at a level that for consumers is confusingly close to the big brands non-vintage cuvées at around the £30 mark in UK retail. Five years minimum ageing would still allow ▶

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## BRUT VINTAGE CHAMPAGNE: SHIPMENTS TO THE UK MARKET (2000-2009)

Year	Total imports	Vintage brut imports	% of total imports	Vintage rosé imports	NV Rosé imports	Vintage prestige cuvée imports	Unvintaged prestige cuvées
2000	20,578,553	443,326	2.15	17,020	771,813	197,042	319,274
2001	25,082,243	554,694	2.21	12,905	1,000,520	255,112	60,140
2002	31,690,733	819,697	2.59	12,331	1,252,432	179,479	224,910
2003	34,479,067	969,974	2.81	38,109	1,535,308	325,627	162,236
2004	34,936,887	657,903	1.88	40,291	1,905,077	495,669	105,065
2005	36,379,104	764,891	2.10	41,392	2,346,039	518,938	117,846
2006	36,801,215	807,407	2.19	51,052	2,834,004	509,392	100,889
2007	39,052,275	890,624	2.28	53,039	3,032,053	620,002	119,777
2008	35,997,246	884,742	2.46	40,843	2,739,491	604,388	132,764
2009	30,523,359	732,699	2.40	31,176	2,341,281	440,184	54,341

Source: compiled by Giles Fallowfield using CIVC statistics

more forward vintages – as 2004 appears to be as evidenced by already attractive 2004 releases from by Billecart-Salmon and Taittinger – to be launched at an appropriate time.

If making the market easier for non-specialist consumers to understand is the aim it would also have the benefit of reducing the wide range of vintages on offer in UK retail as “current releases”. At present wines from 1998 to 2006 are all available on the market and Bruno Paillard has only just launched his 1996 Blanc de Blancs.

As Philipponnat concedes: “The market is confused and houses, instead of promoting vintage Champagne, spend all their time and money promoting prestige cuvées” – nearly all of which are vintaged now. In such a market, “it is easier to explain vintage Champagne if there is another hook, a second handle [for the consumer].

“Here at Philipponnat our Grand Blanc vintage sells better than our standard vintage, not because it is superior wine, it’s just an easier to sell thanks to the second pointer [ie being all Chardonnay). In fact because of this experience from 2010 onwards we are going to change our standard vintage to a blanc de noirs all made from Pinot Noir and Pinot Meunier so that it’s easier to understand. Still vintage quality, but we feel we need more than just vintage on the label to help it sell.”

This lack of understanding of the category has been a problem that the

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Champenois have failed to address for many years. Philipponnat says: “It wasn’t much different in the past. If you look at the CIVC figures the proportion of sales accounted for by vintage has been very low for a while and they tend to include the vintaged prestige cuvées in their figures. If you take out the best-selling prestige cuvées there is virtually nothing left. When I used to work at Moët & Chandon (just over a decade ago) sales of Dom Pérignon were much higher than sales of Moët vintage. It was a ratio of more or less 10 bottles to one, this tells you everything about the market.”

“For us [at Philipponnat] the quality of the wine is just superior, it’s a better blend. We are making vintages more often but making fewer bottles of them and I think that perhaps this is a better way of doing it. It is closer to what people do in other quality wine regions where they make a vintage every year.”

It is true that consistently better weather has meant there have been fewer really poor harvests in the past 15 years since 1995 (‘95-’09), so from a practical point of view making vintage every year has been nearly possible and viticulture practice has improved over the same period too. “When you look back at the past 10 years the opportunity to make more good vintage Champagnes were higher than in previous decades,” says Jérôme Philipon, managing director of Bollinger. “It’s more about the weather than advances in viticulture, we have had fabulous weather in September for the past few years, you have to go back ▶

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Year	Total UK imports	All vintaged Champagne (incl Sec & Ex Brut)	Vintaged Champagne as % of total shipments	Vintage Brut & Rosé	Vintaged prestige cuvées
2000	20,578,553	667,129	3.24	460,346	197,042
2001	25,082,243	823,701	3.28	567,599	255,112
2002	31,690,733	1,012,452	3.19	832,028	179,479
2003	34,479,067	1,336,599	3.88	1,008,083	325,627
2004	34,936,887	1,197,943	3.43	698,194	495,669
2005	36,379,104	1,330,483	3.66	806,283	518,938
2006	36,801,215	1,374,054	3.73	858,459	509,392
2007	39,052,275	1,571,003	4.02	943,663	620,002
2008	35,997,246	1,537,560	4.27	925,585	604,388
2009	30,523,359	1,207,869	3.96	763,875	440,184

Source: compiled by Giles Fallowfield using CIVC statistics

to 2001 to find a poor harvest, though 2003 was very small because of the severe spring frosts."

In fact Bollinger, which didn't make its regular Grand Année cuvée in 2003, but released a one-off '03 three years ago in 2007, is awaiting the launch of its white 2002 (probably next year) and has bottled potential releases every year since for 2004 to 2009.

"Do people understand the vintage Champagne category? We keep thinking about this and discussing it. In new markets perhaps not. We divide the market into non-vintage, vintage and prestige cuvées, but is that how consumers look at it? We believe Bollinger consumers do understand vintage and I don't think it is dead. But we never talk about prestige cuvées even if we have two wines – Grand Année and RD – in the prestige category. They are both vintage wines. With the name 'great year' we couldn't be more specific that we are very much trying to make a wine that expresses the characteristics of a particular year.

"If you take recent vintages '95, '96 and '99, these are significantly different from each other. When chef de cave Mathieu Kaufmann selects the best barrels to make the vintage he is very keen to choose the wines that most express the characteristics of a given year. I think it's important to do that and vintage has a future as long as you don't try to make it a consistent style," says Philippon.

Interestingly he ponders what would happen if Champagne played vintage like

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other wine regions and priced it up or down according to the perceived quality of the particular year.

### Lack of clarity

For Martin Gamman MW, who runs the UK operation of Joseph Perrier, "there are places where vintage works very well, but it is far from universal". While the company has just launched two new vintage lines, a blanc de blancs and a rosé, both from the almost universally impressive 2002 harvest, he doubts that there many consumers who would have a clear idea about the vintage rosé or vintage blanc de blancs markets or where they would sit. "Prices for vintage and non-vintage blanc de blancs styles are all over the place." But he does see the blanc de blancs moniker as helpful to sales.

The rosé will be priced at around the same level as the non-vintage styles of Laurent-Perrier, Ruinart, Gosset and Billecart-Salmon and given the quality of the wine, plus the fact it is vintaged, that should make it a good commercial proposition even in the current difficult climate. But he sees both it and the blanc de blancs style working best in the independent off-trade sector, not in the on-trade where they would probably end up priced over £100.

This is a view quickly confirmed by Gerard Basset MW, fresh from his triumph in the World Sommelier competition in Santiago, Chile. "We sell around 25 Champagnes [at Hotel Terravina in Hampshire's New Forest], but customers tend to go for the house Champagnes or splash out on a ▶

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prestige cuvée. A lot of vintage Champagnes are relatively expensive in a restaurant and our customers mostly drink Champagne when they arrive, perhaps by the glass, often a rosé. We tend to talk to them more about the table wines than Champagne, there are so many alternatives now." In the on-trade it seems it's hard to sell vintage Champagne outside London.

When Gamman talks to groups of consumers about Champagne he tries to

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look at what styles they like, not at categories that may be, in fact probably are, meaningless to most of them. If they like something richer, more mature with evolved flavours, matching them with vintage while suggesting those with a preference for a fresher, crisper style might prefer non-vintage. "The difference in style is almost more important than whether it's better quality or not. The question I am most often asked by people is how long they can keep Champagne they've bought."

I'm sticking to my belief that vintage Champagne is an important part of the market and that the Champenois neglect it at their peril, but I have to concede that perhaps most consumers don't care. **db**

## TRADE TALK: HOW HAVE UK SALES OF NON-PRESTIGE VINTAGE CUVÉES FARED IN THE FIRST QUARTER OF 2010?



**Paul Beavis, managing director, Lanson UK**

"It's too early to tell at this stage. The launch of our 1999 Gold Label has been well received and gained positive feedback in the trade press and such coverage supports our ongoing non-malolactic message well. We continue to increase our distribution for the vintage Lanson

and by offering consumers the chance within the on-trade to sample the vintage over an NV bodes well as we are one of the only houses to still have available stock of the 1999 to sell in the UK market."



**Andrew Hawes, managing director, Mentzendorff**

"Bollinger La Grande Année 2000 has begun 2010 in buoyant fashion. We have carefully maintained a price position that we believe delivers exceptional value to the discerning consumer and which significantly allows this very 'food friendly' wine to be served by the glass in a wide selection of London's top restaurants."



**David Hesketh MW, managing director, Laurent-Perrier UK**

"Laurent-Perrier has seen a significant growth in sales of its Millésimé 2000 in the first quarter of 2010. There seem to be three main reasons behind this: growth in travel retail, increased distribution within the UK off-trade as well as repeat purchase following last Christmas's activity and increased demand within the on-trade. It may well be that we are seeing consumers still wishing to trade up from non-vintage Champagne and are doing so with vintage."



**Julian Baker, agent, Champagne H. Blin & Co**

"We have seen a slight dip in sales of non-prestige vintage H. Blin in the first quarter of 2010. Consumers have traded down since Christmas and have taken advantage of the many promotions on offer. The price difference between H. Blin's non-vintage and vintage styles is small and we would expect sales of the vintage to pick up again over the summer period as consumer confidence returns."



**Nick James, managing director, Pol Roger UK**

"Although the market was down last year, Pol Roger performed very well indeed and, once again, had to work to an allocation. 2010 sees a logical progression from that. Sales are already above a level on last year's year to date. Sales in the first quarter have been very buoyant and we continue to maintain our niche at the top end of the market. Pol Roger sees value-to-cost ratio delivering exceptional value, based upon the additional ageing specifically given to our Brut Reserve for the discerning UK market."



**Patrick Spanti, export director, Maison Jacquart**

"There have been more re-orders than usual. 2009 was generally a bad year and particularly for those prestige cuvées, mainly because distributors and hotels and retailers were cautious on stocks. They now need to replenish their stocks, which have seen good results for Jacquart Brut de Nominée."