Forbes

How Bollinger Is Finding Ways To Celebrate As Champagne Sales Soften



Champagne sales have failed to pop for two consecutive years. And yet Champagne Bollinger, the brand that's <u>beloved by James Bond</u>, is still finding some reasons to colobrate

Total worldwide shipments and the value of those bottles each $\underline{\text{declined}}$ by 9% in 2024 versus the prior year, according to data from trade association Comité Champagne, the second annual drop for the industry.

"Champagne is a true barometer of consumer mood," <u>wrote</u> Maxime Toubart, president of the Champagne Winegrowers and co-president of the Comité Champagne. "And this is no time for celebration, with inflation, conflicts around the world, economic uncertainty and a political wait-and-see attitude in some of champagne's biggest markets, such as France and the United States of America."

Major champagne producers, like Dom Pérignon and Krug owner LVMH, have <u>reported</u> weaker sales. And yet Champagne Bollinger is remaining resilient, with a 3% drop in volume for 2024 and a flat performance for the value of those bottles. That meant that Champagne Bollinger was able to grab some market share in a declining category.

The Delicate Art Of Pricing Champagne

"We've been very careful to maintain our price positioning compared to our competitive set," Cyril Delarue, global sales director and sixth generation Bollinger family member, tells me during a phone interview.

Champagne Bollinger kept a particularly close eye on key markets including Germany, Italy, Japan, the U.K. and the U.S. to avoid the temptation to discount too deeply and hurt the brand's more premium price position, but not be too high above what competitors have been charging.



"It's a balance between what the competition is doing and adjusting our price positioning, because we don't want to be alone at the high price if the market is collapsing or decreasing," says Delarue. "We try to maintain our positioning as much as possible."

Bollinger says champagne brands are in a tough spot. Because the price of grapes has been increasing, so too has the price of champagne to maintain profitability. "That was faster than the consumers could swallow it," says Delarue. "We are seeing promotions going on, which is not the best thing to do, but clearly there needs to be adjustments to the market."

The brand has also continued to innovate and launch new products, including last fall's $\underline{\text{special-edition bottle}} \text{ that marked the 6oth anniversary of the Bond film } \textit{Goldfinger}.$

EU-US Tariffs Are A New Challenge For Champagne

A trade war is poised to escalate between the European Union and the U.S. after the Trump administration <u>imposed tariffs</u> on steel and aluminum. During Trump's first term, Europe retaliated against similar measures by raising tariffs on U.S.-made products like bourbon and motorcycles. Champagne, which is only produced in France, could potentially be pulled into the geopolitical maelstrom this time around.

Delarue says in anticipation of tariffs, Bollinger and other champagne houses shipped extra product to the U.S. But he sees the risk of tariffs as an ongoing business risk for the next four years of the current administration.



"It's going to impact the consumer," says Delarue, regarding the concerns about tariffs. "They will have to pay more and in the end, potentially, there is going to be a decrease in demand."

Valentine's Day and the holiday weekend is a more encouraging lift for the industry. While a bulk of champagne sales—as much as 60% of the business—is during the last four months of the year, the romantic holiday is becoming increasingly important. Bollinger has responded by offering champagne with festive packaging and glassware and by developing tasting pairings at restaurants for the holiday.

"Valentine's Day is becoming more and more commercial," says Delarue. "The trend is toward rosé champagne, being the most glamorous and romantic of the champagne category."