

Champagne

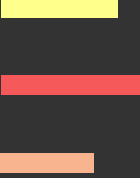
Slow and steady wins the race

Analysis of the latest trends in
Champagne, in the context of leading
producers and their top wines

December 2018

Key findings	<u>3</u>
Executive summary	<u>4</u>

- Champagne is the third most collectible region behind Burgundy and Bordeaux, according to Wine Lister's Founding Members (key players in the global fine wine trade)
- The Champagne index has shown steady returns over the long-term, with a recent uptick ([p.7](#))
- Champagne prices are less volatile than those of all other regions ([p.7](#))
- Other than Burgundy, Champagne is the only region whose online popularity has increased since the beginning of 2017, the result of increased interest in top grower Champagne (while maison Champagne has reduced slightly in popularity over the period) ([p.6](#))
- The global fine wine trade identified the region's top trend as the rise of grower Champagne, closely followed by terroir-driven wines ([p.5](#))
- Grower Champagnes have reached the level of their maison counterparts in terms of quality, but lag well behind in brand strength ([p.6](#))
- On a quality basis Champagne compares favourably to other regions, with only Burgundy bettering the average Quality score of 918 achieved by its top 50 wines
- However, when looking at Economics scores, Champagne's top 50 wines struggle relative to their regional counterparts, beating only Tuscany
- The Champagne with the highest Wine Lister score is Salon Le Mesnil ([p.8](#))
- Producers enjoying the greatest confidence with the international trade are Dom Pérignon, Krug, Louis Roederer, and Salon ([p.8](#))



Executive summary

– *Champagne's sea-change*

Champagne is a wine region facing unprecedented competition. English sparkling wine is now firmly on the menu at top restaurants around the world, while quality is increasing in Cava and Franciacorta, not to mention the unstoppable ascendancy of Prosecco. But Champagne is in a league of its own, and not content with resting on its laurels, it is a region that is slowly, steadily, but quite definitely on the move, with an extra boost from the exceptional 2008 vintage.

In order to maintain its primacy, Champagne is undergoing a quiet but fascinating sea-change. In this context it was the obvious choice for our sixth in-depth regional study. Champagne's sea-change is made up of numerous smaller changes. Some are specific to Champagne, which occupies, after all, a unique position straddling fine wine and luxury brands. It is white (or rosé), it has bubbles, and vintages are not released every year; and yet in this study we compare the region's 47 leading producers and their best 109 wines to their still red counterparts from the leading fine wine regions of Bordeaux, Burgundy, Tuscany, Piedmont, and California. Why? Because Champagne is their equal in terms of Quality, Brand, and Economic strength – the three Wine Lister rating categories.

Other trends we've identified mirror what is happening in the wider fine wine world: a desire for the small, the personal, the romantic, over the large, the anonymous, the corporate. This is reflected in Burgundy's edge over Bordeaux in the current market, and in the handicap felt by its maisons compared to its growers. In Champagne this translates into a trend for grower wines and site-specificity versus the grandes marques. Our analysis shows that the big names still lead the pack conclusively for the moment, but this new trend, though young, is certainly making waves. A 28 year-old Russian woman in Wine Lister's shared office space drank Selosse recently in a London bar and told me, "It was like drinking in a northern French village".

With stable price rises over the long-term, and a short-term uptick, Champagne is a region to watch.

Ella Lister, Founder & CEO

WINE  LISTER 

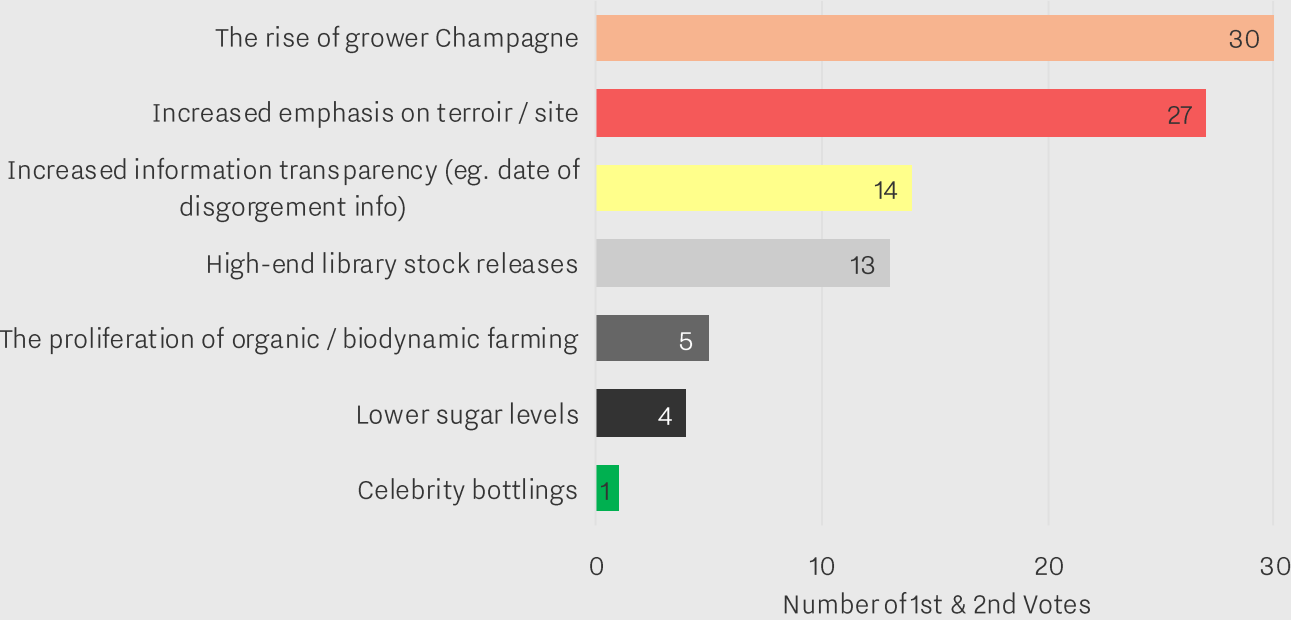
To help us explore Champagne’s numerous trends in more detail, and find out which ones will shape the region’s future, we asked our Founding Members to rank them by importance. Between them representing well over one third of global fine wine revenues, these 48 key members of the international wine trade are better placed than anyone to observe the direction of travel of the world’s finest sparkling wines.

Trends in Champagne

The results were unequivocal, with our Founding Members highlighting two primary trends that go hand in hand: the rise of grower Champagne and an increased emphasis on place. While grower wines are site-specific by definition, many of the maisons also make single vineyard Champagnes, and so can partake in this trend (think Krug’s Clos d’Ambonnay).

The trends next selected by the wine trade, with around half the number of votes, were increased information transparency (e.g. the various editions of Krug’s Grande Cuvée, each with a disgorgement date on the back label), followed by high-end library stock releases (think Dom Pérignon’s P2, Cristal Vinothèque).

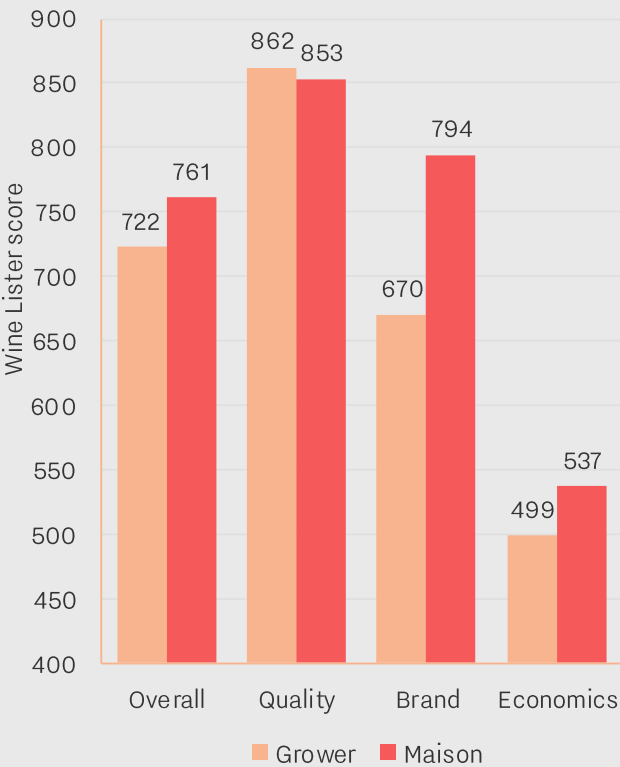
Trends considered to be less important were organic and biodynamic farming, lower sugar levels (despite the proliferation of zero dosage cuvées) and celebrity bottlings (from the likes of Jay Z with Armand de Brignac).



Score comparison – grower vs maison Champagne

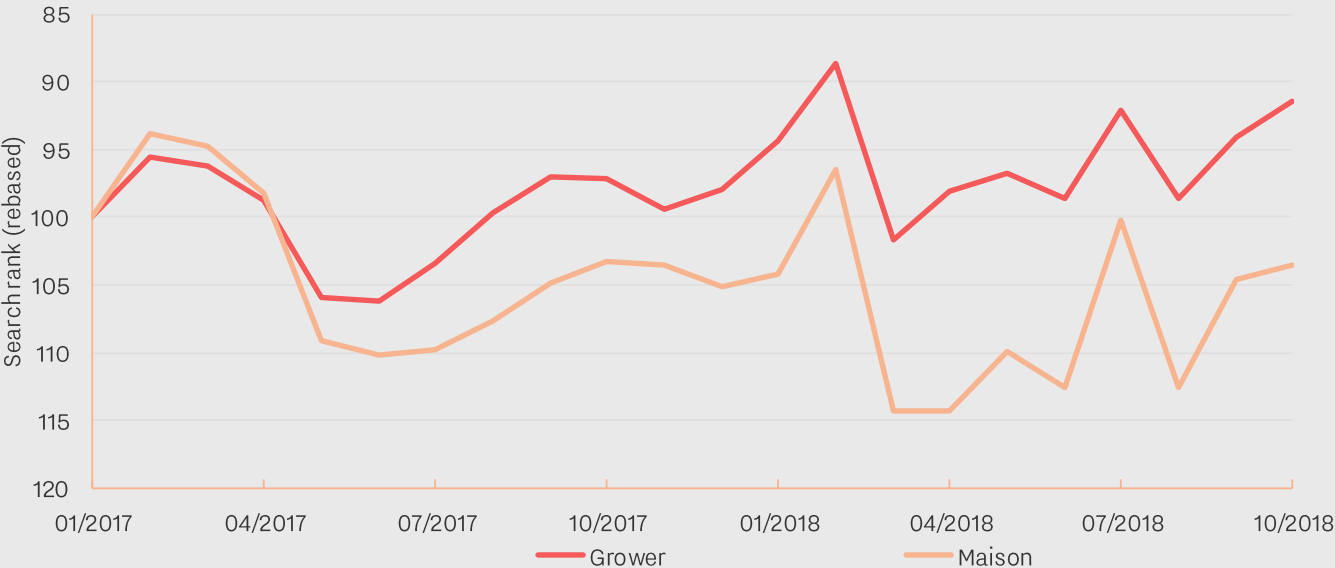
On this page we shed further light on the perceived rise of grower Champagnes, using data. We find that while grower Champagnes are recognised for their impeccable quality, they have a long way to go to catch up with the behemoth brands built up by the maisons over decades, if not centuries.

The 29 grower Champagnes in this study sit just ahead of the 80 maison bottlings in terms of quality. On other measures, the maisons still lead the way, both in economic terms, and above all in terms of brand strength, with more than a 100-point lead over the growers' top wines in this category. This means the best grower Champagnes lag behind the best maison examples in terms of their overall Wine Lister scores.



Search rank progression – grower vs maison Champagne

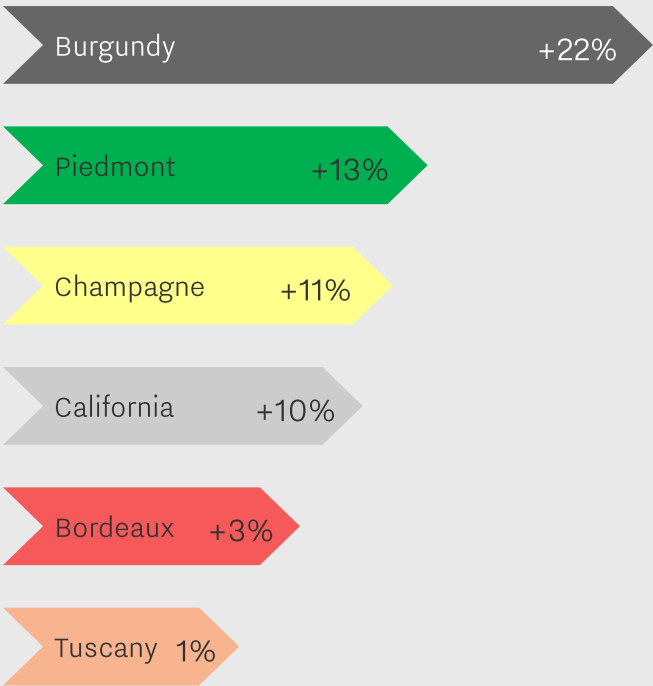
Since the beginning of 2017, the same grower Champagnes have gained 9% in popularity compared to a 4% decline for their maison counterparts. However, in absolute terms, grower Champagnes are still twice as far down the popularity rankings as their maison counterparts, with an average search rank of 1,620 compared to 775.



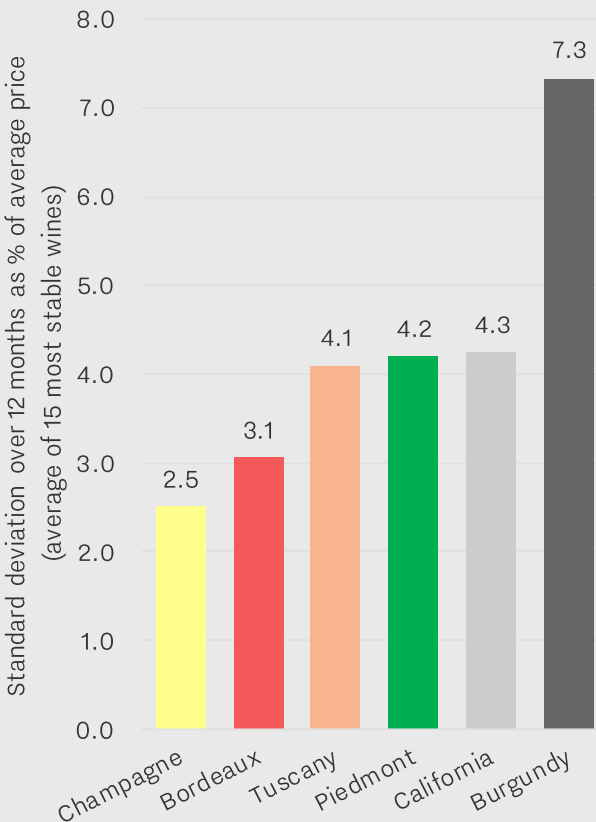
Champagne may be an extravagant drink, but it is rarely in the limelight from an investment perspective. It does not tend to experience the heady gains seen by Bordeaux in the run up to 2011, or by Burgundy currently. Over the long term, Champagne has been more of a tortoise than a hare, moving slowly and consistently forward. Its top five wines have a compound annual growth rate of 4.8% over the last six years.

However, over the last year, Champagne has been particularly buoyant, gaining 11%, behind only Burgundy and Piedmont, and ahead of the three other fine wine regions in our analysis. Could this signal the start of a more sustained rise for the region? In this report we analyse some key metrics and trends to help shed more light on Champagne's status in the fine wine market.

One-year price performance by region



Average price volatility by region



Champagne prices tend to display more stability in the secondary market than those from other fine wine regions. The most stable Champagnes in this study are less volatile than their counterparts in other regions, over four times less compared to Burgundy.

This, of course, goes hand in hand with the region's steady progress noted above, whereas Burgundy's skyrocketing prices inevitably come with their fair share of risk.

Coupling Champagne's stable prices with their recent uptick, as seen in the chart above, results in a covetable risk / reward profile. This should make the region's wines appealing not only for investors, but also for collectors and the wine trade who prefer not to grapple with unpredictable pricing. Nobody should be happier with this scenario than Champagne producers themselves, who can enjoy seeing their prices rise steadily in the secondary market without worrying about fluctuations or bubbles.

Wine Lister scores – top 10

Salon Le Mesnil	983
Krug Brut Vintage	969
Dom Pérignon	959
Krug Brut Grande Cuvée	958
Louis Roederer Cristal	957
Dom Pérignon Oenothèque	956
Krug Clos du Mesnil	952
Taittinger Comtes de Champagne	952
Krug Clos d'Ambonnay	945
Dom Pérignon Rosé	942

The top-scoring Champagnes on Wine Lister are a who's who of big names combining superlative quality, recognition, and economic clout.

Salon Le Mesnil takes the top spot by a significant margin of 14 points, with a Wine Lister score of 983. Krug has a impressive four wines in the top 10 Champagnes on Wine Lister, with its Brut Vintage in second place, joined by the Grande Cuvée, and the house's two single vineyard bottlings, the Clos du Mesnil and Clos d'Ambonnay.

Dom Pérignon follows with three wines: the straight vintage, then Oenothèque (which despite its succession four years ago by P2 and P3 – also featuring in this study – still possesses strong indicators across the board), and finally the rosé. The remaining two spots in the top 10 are taken by Roederer's Cristal in fifth place, and Taittinger's Comtes de Champagne in eighth.

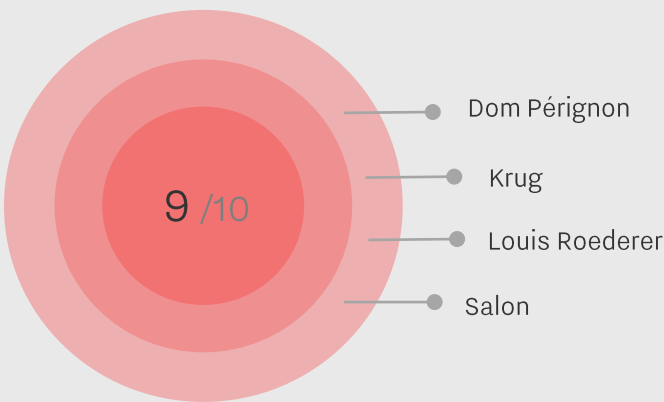
There were no perfect scores for Champagne producers, unlike the 10/10 awarded to Domaine de la Romanée-Conti in our Burgundy study earlier in the year.

This means that no Champagne producer has the trade's full and unqualified confidence, at least not across all 48 Founding Members interviewed for this study.

However, four producers achieved an average confidence rating of 9/10: Krug, Louis Roederer, Salon, and Dom Pérignon. These four produced nine of the 10 top-scoring wines above.

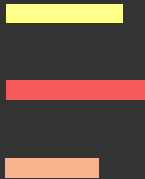
Salon is the standout Champagne here, coming out top in terms of Wine Lister scores, and being identified by one Founding Member as a producer that can progress even further.

Highest confidence ratings



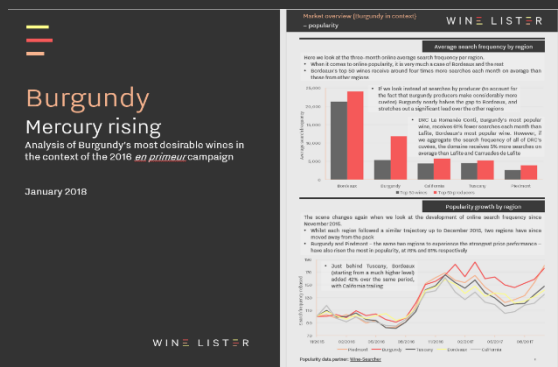
“Salon, which is among the other TOP brands in Champagne (Dom Pérignon, Cristal, and Krug) is the one that can still grow a lot in terms of price and fame.”

– international auction house

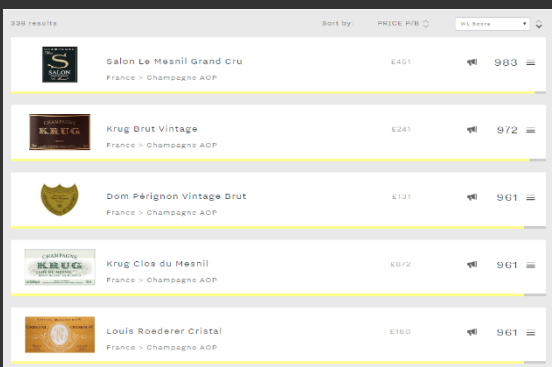


We hope you enjoyed reading this short version of the study. To access the full version, please subscribe to www.wine-lister.com.

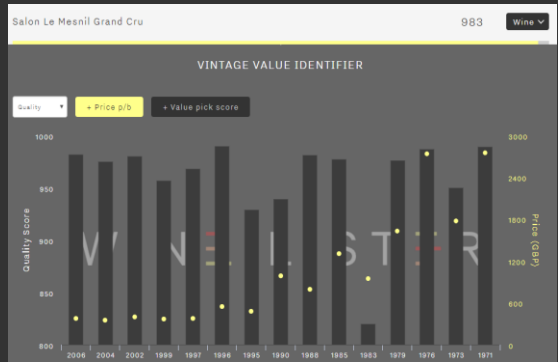
Subscription benefits include (among others):



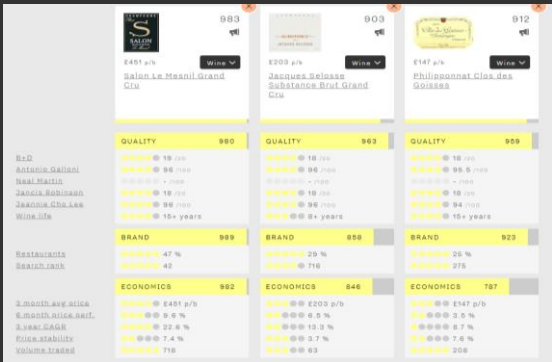
Access to all six Wine Lister regional studies



Unlimited access to scores and data on almost 30,000 wines and vintages



Interactive vintage value identifier charts



Comparison of up to three wines or vintages

Email us at: team@wine-lister.com

Wine Lister Limited
22-25 Portman Close
London W1H 6BS