



Nicholas Miller -- Chief Sales & Marketing Officer & EVP of Miller Family Wine Company -- third from left, featured on an "Insights from the C-Suite" session for Central Coast Insights on March 28 at the Paso Robles Event Center. Photo Katherine Martin

Speakers Highlight Industry Challenges, Celebrate Growth on the Central Coast

by [Katherine Martine](#)

Mar 28, 2023

Wine Business Monthly's Central Coast Insights highlighted the explosive growth of the industry on the central coast, and with the area growing to boast over 900 wineries as of August 2022 — more than both Oregon and Washington — there's much to celebrate.

Yet, there's also long term challenges ahead to keep in mind, including converting wine interest among younger consumers into engagement and involvement; addressing competition from spirits; embracing what consumers want, such as products that take health and wellness into account; and not losing in on on-premise sales, which are still tailing behind pre-COVID-19 levels.

While many of the speakers across the day-long series of sessions touched on these points, data on growth, and an insightful review of

challenges were the heart of the keynote address, “State of the Business: How Does the Central Coast Compete with Today’s Realities?,” with industry consultant Danny Brager.

Nearly 200 attendees filled the Ponderosa Hall at the Paso Robles Event center on March 28 for the six session event, which also included a panel of executives who discussed trends, strategies and tips for navigating the changing landscape of the industry; a discussion on the economics of water, the central coast grape and bulk wine supply, mergers and acquisitions on the central coast, and competing in the three-tier system.

Positive Notes and Good Growth

Often referred to as what Napa or Sonoma was like 20 to 30 years ago, the Central Coast has been growing and making strides, which can be seen in the sheer number of wineries that have popped up over the years and in off-premise and direct-to-consumer sales.

As Bob Torkelson, president and CEO of Trinchero Family Estates said in the February 2023 issue of *Wine Business Monthly*, “It seems like the Central Coast area is going to be pivotal to the industry.

In 2013, there were just 718 wineries in the region. In four years that number grew to 863, and in 2022, that number hit 984.

What’s more, Brager says the Central Coast continues to grow ahead of the market with a good mix of off-premise and DTC sales.

Central Coast wines make up a whopping 26% of what Brager calls “The Top 100 Brand Power Wall,” brands with the highest monetary gain in three-tier off premise sales in 2022, according to Nielsen data. These include Daou, Austin, Aravail, Meiomi, Justin, Seaglass, Austin Hope, Angels Ink, Mer Soleil, and Tooth and Nail, just to name a few.

According to Nielsen data, the compound annual growth rate in 2019 to 2022 for retail off-premise sales of Central Coast Wines was 5.1%, whereas the compound annual growth rate for total wine during the same period was just 3.8%. Wines Vines Analytics Sovos

ShipCompliant data shows that the compound annual growth rate for 2019 to 2022 DTC shipments for Central Coast wine was 9.2%, while the growth rate for total wine was 8.6%

The area is also successful in having a strong presence in premium price tiers.

Joe Ciatti of Zepponi & Company, who spoke on the mergers and acquisitions session, said the demand for the high quality stuff is unparalleled, which is where the action is for a lot of growth, which is coming from Paso Robles.

“I don’t think any area has exploded with world class wines like the west side of Paso Robles,” he said.

Challenges/Opportunities

Brager said while there are many positives in terms of the Central Coast region and industry growth, there are long-term challenges, and chief among them is converting wine interest among younger consumers into engagement and involvement, in other words, getting them to choose wine on more occasions.

“Overall, we know wine sales are not growing at any great paces, so they’re sagging a little bit... We built this business on Baby Boomers, like myself, and the younger generation has not adopted wine as their beverage of choice and so a lot of people are saying it’s the end of the world,” said Tony Correia, founder of The Correia Company and a speaker on the mergers and acquisitions session. “I think we have to recognize what’s happening, and adapt to it, and if we have to make some changes, we have to make some changes, appeal to the younger generation. We need you young kids out there to drink a lot more, drink a lot more wine, we’ve done our part.”

Consumers, according to Brager, are more complicated and demanding; they’re buying and consuming across and beyond beverage alcohol, plus they’re drinking better, not more.

In citing a 2021 Wine Market Council survey on U.S. wine segmentation, Brager noted that only 18% of wine drinkers only drink wine, 82% drink wine and other alcohol, and only 18% of people 21+ drink wine at least once a week.

Additionally, most beer and spirit drinkers don't just drink beer and spirits, many drink wine, and Brager emphasized that they should be a target consumer as well, though spirits are a fierce competitor. As noted in Brager's presentation, spirits are outperforming both beer and wine.

He said in looking at 12-month rolling volume trends from SipSource, spirits is on top in 12-month rolling volume numbers on and off-premise together, beer is in the middle, and wine is on the bottom.

Brager noted that younger drinkers are more health conscious and are open to new things, which can prove to be a challenge in getting them to choose wine on more occasions.

While younger generations may be more open to trying new things, Nicholas Miller, one of the executives who spoke during the "Insights from the C-Suite session," touched on the idea that the industry should stop marketing what it wants to sell to consumers and start listening to them, and create the product that they want to buy.

"If there was one message I wanted to share to this crowd today, it was really this... I think what we get so lost in here in the wine industry is that we built one of the world's largest industries on a product that we all know is great, that we all believe in, but it doesn't matter what you make if you can't sell it," Miller said. Miller is the chief sales & marketing officer & EVP for Miller Family Wine Company.

Lastly, while on-premise sales are recovering, they're still below pre-COVID-19 levels.

"Wine is struggling a bit on premise," Brager said.

Brager explained that factors that may be making it tough for on-premise sales to recover include: Shifts from out of home to

“Hometainment,” meal delivery to the home, getting alcohol “to go” in many states, business travel struggling to return to pre-pandemic levels, people working from home, shorter restaurant operating hours (6.4 less hrs/week¹), staffing/labor issues, issues with on-premise accounts (versus pre-COVID - 15-20K less on premise accounts versus pre-COVID Nationally; in particular Independents), consumers being more sensitive to on-premise pricing — exacerbated further by on-premise price increases — and wine vs ‘mixed cocktails’ competition.

Though these may seem like tough hurdles, Miller mentioned that in all businesses there are losers and there are winners, but this — the overall industry sales outlook and trends — shouldn’t be seen as a negative crossroads in our industry.

Miller said we do really have a bright future here on the Central Coast.

[WiVi Central Coast is today](#) at the Paso Robles Events Center.

About the Author

Katherine Martine is the assistant editor for Wine Business Monthly. She joined the company in 2023 and is responsible for assisting the managing editor with production duties for the monthly trade magazine and the website. Katherine has five years’ experience working for various weekly news publications in Sonoma and Marin County covering city government, education, natural disasters, local business, public safety, and agriculture and wine. Most recently she worked as a beat reporter with The Ark newspaper in Tiburon. She earned her Bachelor of Arts in journalism from San Francisco State University. In her spare time, she enjoys hiking Petaluma trails and reading.

Companies mentioned in this article:

DAOU Vineyards

Paso Robles, CA

daouvineyards.com

More from DAOU Vineyards

[DAOU Family Estates Announces New Appointments to National Sales Leadership Team](#)

People News – Nov 11, 2021

[PATRIMONY Estate Debuts Exceptional New Vintages](#)

[New Releases – Aug 3, 2021](#)

[PATRIMONY Estate Names Magrino PR as US Public Relations Agency of Record](#)

[Vendor News – May 19, 2021](#)

[DAOU Welcomes Four Wine Industry Stars to PATRIMONY Estate Team](#)

[People News – Feb 2, 2021](#)

[DAOU Names Neb Lukic as President, All Channels](#)

[People News – Mar 11, 2019](#)

Hope Family Wines

Paso Robles, CA

hopefamilywines.com

More from Hope Family Wines

[Hope Family Wines Selects Pulsair Systems for a 25-tank Cap Management Solution](#)

[Vendor News – Jul 27, 2020](#)

[Hope Family Wines Hires Meliza Jalbert as Export Director, Global Accounts](#)

[People News – Jun 12, 2020](#)

[Hope Family Wines Promotes Rachael Rosenbloom to Division Vice President, Retail Chains](#)

[People News – Dec 19, 2019](#)

[Stasi Seay Joins Hope Family Wines, Director of Vineyards](#)

[People News – Feb 2, 2019](#)

[2018 Paso Robles Wine Industry Person of the Year, Austin Hope](#)

[People News – Jan 15, 2019](#)

Justin Vineyards & Winery

Paso Robles, CA

justinwine.com

More from Justin Vineyards & Winery

[Justin Baldwin to Speak in Comparative Tasting at WiVi Central Coast 2013](#)

[People News – Feb 28, 2013](#)

[JUSTIN Vineyards & Winery Appoints Scott Shirley as Winemaker](#)

[People News – Apr 20, 2012](#)

[Justin Vineyards & Winery Promotes Kevin Sass as Winemaker](#)

[People News – Aug 26, 2010](#)

[Jason Shorrock Joins Justin Vineyards & Winery as VP, Director of Sales and Marketing](#)

People News – Jul 7, 2010

[Justin Vineyards & Winery Announces Jennifer Zemanek as New Regional Sales Manager](#)

People News – Mar 12, 2010

Miller Family Wine Co.

Santa Barbara, CA

millerfamilywinecompany.com

More from Miller Family Wine Co.

[Miller Family Wine Company Welcomes New Brand Manager](#)

People News – Jul 7, 2021

[Miller Family Wine Company Welcomes Jill Jenkins as Manager, Central Region](#)

People News – Jul 1, 2021

[Miller Family Wine Company Announces Formation of New National Accounts Department](#)

People News – Jun 10, 2021

[Miller Family Wine Company Welcomes New Director of Sales, Central Region](#)

People News – May 25, 2021

[Miller Family Wine Company Welcomes New Director of Sales, East](#)

People News – May 5, 2021

The Correia Co.

San Juan Bautista, CA

correiaco.com

The Correia Co. is a firm specializing in providing property appraisal and consulting services to the wine industry. [learn more](#)

Tolliver Ranch Brands/Rabble Wine Co.

Paso Robles, CA

rabblewine.com

Trincher Family Estates

St. Helena, CA

tfewines.com

Wagner Family of Wine

Rutherford, CA

wagnerfamilyofwine.com

Zepponi & Company

Santa Rosa, CA

zepponi.com

Zepponi & Company is a leading merger and acquisition advisory firm that provides corporate finance and transaction advisory services to the global beverage alcohol industry, and has been the most active advisor in the North American wine sector. [learn more](#)