



The Mighty Minority

CULTIVATING ALL DEMOGRAPHICS AND TASTES IS THE KEY TO SURVIVING 2025

THANK GOODNESS WE'RE done with 2024, speaking from the perspective of someone who lives in the middle of the largest wine region in America. Panic was lit early last year by Silicon Valley Bank's January report on the state of the U.S. wine industry, which stated that "full-category wine sales by volume will be down for a third consecutive year."

It's hard to be oblivious. We're observing acres and acres of vineyard blocks left unpicked, fruit rotting on the vine, because producers are declining to make wine out of fear of oversupply. You may have noticed restaurant after restaurant shutting down in your own neighborhood, and sommeliers—typically the first to go when times get tough—are seeing pink slips.

But now that it's 2025, we must ask ourselves, "What are we going to do to hang on and right the ship?" The restaurant industry has always been the same: Everything hinges on one guest, one dish, and one bottle—one minute, hour, night, week, and month at a time. Attention to detail, a sense of urgency, and a devotion to doing things the right way all contribute to what makes a restaurant competitive.

Lately you may have heard that Gen Z is responsible for the overall stagnation of wine sales. Born between 1997 and 2012, this market segment, along with millennials under 35, has been blamed by researchers for buying wine (and alcoholic beverages in general) at a lower rate than did consumers of the same age just 20 years ago.

Boomers, as old as they are now (the youngest are in their early 60s), are still considered the industry's "good guys" because, according to Silicon Valley Bank's 2024 analysis, 58% of them still prefer wine above all alcoholic beverages. That preference drops nearly 30 points for each of the other demographics (Gen X followed by millennials and Gen Z).

In the restaurant industry, we've always known that the majority of guests who



have enough disposable income to eat out often and buy \$100 bottles without blinking an eye are at least 40 years old. But that does not mean restaurants do not profit from younger generations. In my experience as a multi-unit operator, it's a matter of percentages: Even if 80% of your sales are from one demographic or from one type of dish or one beverage category, it is a mistake to ignore the other 20%. Most restaurants operate on profit margins of barely 1%–2%. If you lose out on most of that 20% due to lack of effort, it's game over: You're out of business.

That means you need to sell to *all* demographics. It is true that Gen Z is different—just ask them. They obviously drink a wider variety of adult beverages because those are the value products that are marketed specifically to them, and they fall for marketing as easily as any of the previous generations.

Gen Z consumers, however, are also telegraphing different values—loudly. They're watching the world fall apart, so sustainable and "natural" products mean more to them than previous generations.

I'm a boomer, so I know firsthand that most of my generation never gave a damn if a product was sustainable or organic. Social values differ among demographics, directly impacting consumer choices.

Here's the bottom line: To survive or better yet prosper in 2025, you need to take a serious look at your own choices. Each sommelier, in their own little world, has the power to shape a guest's experience and cultivate their preferences. As the margin of success or failure continues to narrow, ignore the minority at your own peril. *§*

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