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Post: Sofia

“Beyond Discovery” - U.S. Wine Promotion in Bulgaria

Report Categories:

CSSF Activity Report

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Report Highlights:

FAS Sofia, in cooperation with four Bulgarian importers of U.S. wines, and with the support of the California Wine Institute, organized a classy wine promotion which attracted a strong cross section of Bulgaria’s business and trade community. The promotion, held at the luxury Hilton hotel, was “branded” under the already popular title “Beyond Discovery” in continuation of the previous three successful “Taste and Discover” promotions and 2014’s first edition of “Beyond Discovery” event.

General Information:

The EU remains the top export market of U.S. wine, accounting for almost 40% of U.S. wine exports globally with U.S. \$622 million in 2015. In the HRI sector, imported wines and spirits are leading sales. They are in high demand and compete favorably with selected local products. Primary consumers are in 25-50 years age bracket, educated and urban. For more information about Bulgarian wine market, please see FAS/Sofia's recent [Bulgaria Wine Annual GAIN report BU1632](#).

2. Justification and purpose:

- In the past few years the wine market enjoyed steady growth in size, diversity, and quality of products demanded. The wine market sector seeing the most dynamic growth was the high-end imported wine segment.
- Imports had steady growth in value since 2009 despite fluctuations in imported quantities. In 2015 imports rebounded with 20.5% growth in value to a record high of U.S. \$20 million while imported quantities skyrocketed by 79% to 8.9 million liters.
- The average price of wine increased by 1%-2% due to stable demand and the improving quality of the product on the market. The demand shifted consumption towards higher priced products and the sales of lowest-end wines (below U.S. \$1.50) were reduced from 33% to 30%.
- U.S. wine exports reached U.S. \$1.61 billion in winery revenues in 2015. The EU kept its top export market for U.S. wines, valued at U.S. \$622 million in revenues. Other top export markets included: Canada – U.S. \$461 million, Hong Kong – U.S. \$97 million, Japan – U.S. \$96 million, China – U.S. \$56 million, Nigeria – U.S. \$29 million, Mexico U.S. \$26 million, South Korea – U.S. \$23 million, etc. (Source: [Wine Institute of California](#)).
- The Bulgarian market, through an active promotional campaign that focuses on new lifestyles of the younger population, is showing stable demand for imported wines. While several years ago imported wines were perceived as “expensive and/or not affordable” (above \$15/bottle), these wines can be found at lower prices at the retail level now and are attracting attention as they are competing successfully with local wine products. In the Hotel, Restaurant and Institutional (HRI) sector, imported wines lead sales due to their high interest and competitive price.

3. Market Constraints and Opportunities:**Constraints:**

- Awareness of high quality U.S. wines on the Bulgarian market remains considerably moderate among commercial and private sector end-users.
- The Bulgarian wine market, while not very big, is extremely competitive. Bulgaria has wide variety of local high quality wines at very attractive prices. Other countries also competing in the market include: Italy, Spain, France, Chile, South Africa, New Zealand, etc.
- European competitors are actively engaged in the market with promotional efforts and activities.

- Some competitor suppliers ship wine in bulk for bottling in country which lowers cost significantly before retailing.
- U.S. wines have limited presence at the retail level due to higher price.
- The average Bulgarian consumer still has limited purchasing power. This is one of the main constraints for the U.S. wines as they are positioned in the high-end price segment.

Opportunities:

- Create positive perception and good image for the U.S. wine by educating the buyers, retailers, and restaurant and hotel owners about their high quality and diversified tastes.
- Generate widespread publicity. The media, including professional and online publishers widely reported this event.
- Create an image value by improving the image of the U.S. wine as well as by focusing on specific target groups and pursuing a long term advertising effect by inviting opinion leaders (wine experts, celebrities, etc.).
- Enhance FAS' good image as a strong advocate of the U.S. agriculture in Bulgaria as well as a reliable partner to the importers of U.S. agricultural products.

4. Expected Results and Desired Outcomes:

The purpose of the event was to increase consumer awareness of and to increase consumers' knowledge about the high quality of the U.S. wines currently available or new to Bulgarian market. The main goal was to elevate the presence and improve the image of U.S. wines as well as to create new opportunities to expand their positions in the very competitive Bulgarian market.

The event was expected to be amply attended by the targeted audiences (opinion leaders), including distributors, retailers, hotels and restaurants owners, specialized and mainstream media, professionals, and local celebrities. It aimed to help importers to develop and expand contact with new and current customers established through the previous four promotions and to enhance their awareness of high quality U.S. wines currently present on the Bulgarian market.

5. Actual results and Outcomes:

- The event was held in the luxurious atrium of the Hilton hotel in Sofia, after two very successful promotions at the Ambassador's residence in 2012 and 2013 and two memorable promotions at the Archaeological Museum in downtown Sofia in 2010 and 2011. The cozy and relaxed event helped create an atmosphere for the guests that enhanced the quality of the wines presented.



Guests enjoying the relaxing and cozy atmosphere of Hilton's atrium

- More than 100 industry guests, TV celebrities and journalists tasted California and Washington wines, several of which were introduced for the first time in the local market.



- The Deputy Chief of Mission (DCM) Martina Strong opened the event. In her opening remarks she expressed hope that now, after four previous promotions, the guests would have a chance to go beyond what they have experienced previously and would enjoy the fine American wines from a new perspective and at a higher level.



DCM Martina Strong giving opening remarks

- The DCM personally met with most of the guests and discussed the challenges and opportunities on the Bulgarian market. In addition, in her opening remarks, she expressed appreciation to the U.S. wine importers for their support to the event and for their efforts to expand the presence these products on the Bulgarian market.



DCM Martina Strong discussing U.S. wine quality with guests

- Close to 30 different U.S. wines from more than 10 wineries were presented for tasting. This selection provided the guests exposure to a broad variety of U.S. wines and their unique qualities.



- The most memorable part of the event was the educational module through a semi-professional presentation and tasting of four selected wines (one from each importer) by the well-known and highly respected professional sommelier and a Vice President of the Bulgarian Association of Sommeliers Slavi Raichev.
- The educational module provided an opportunity to the guests to go deeply into more detailed characteristics and specific flavors of the selected wines.



Professional sommelier Slavi Raichev giving presentation

- Several nicely framed California wines posters and a map of California wine regions were on display during the event.
- Respected specialized wine-oriented media covered the event by publishing articles describing the high quality of the event and the promoted wines. This strong media coverage broadly advertised the positive image of the U.S. wine, further building on the U.S. reputation for quality agricultural products. Links to the publications can be found at the end of this report.
- A blurb with additional information and pictures from the event was published on the [Embassy web site](#) and on the [Embassy Facebook page](#).
- Importers of the presented wines distributed brochures and handouts on their respective U.S. wines as well as provided staff sommeliers to explain the special characteristics of each wine to guests.
- The event was supported by a highly respected local wine promoter (Gourmet Publishing – DiVino media) who invited wine connoisseurs and logistically supported the event, as well as released PR publications in their wine specialized web sites www.divino.bg and www.menumag.bg.
- Gourmet Publishing set up a “sales point” near the venue exit where all the presented wines were on sale at preferential prices. This way guests were able to buy the wines they liked.
- Having in mind the growing interest for U.S. wine, our partners expressed strong interest to keep staging this or a similar event annually to develop a tradition to be expected by the target audience.
- The California Wine Institute supported the event with “Discover California Wine” image brochures, consumer leaflets and posters, and giveaway wine openers. FAS Sofia had the posters

elegantly framed and displayed them at the event.

- FAS/Sofia prepared a set of individual giveaway bags for each guest. They contained a piece of the California Wine Institute brochures and leaflets advertising and providing additional information about California wines, wine opener, and brochures about the U.S. wines on sale in Bulgaria. The nice gesture was appreciated by the guests who felt especially touched by this special treatment.

6. Importers and presented wines:

Cartel

Joseph Phelps Vineyards:

Joseph Phelps Cabernet Sauvignon
Joseph Phelps Sauvignon Blanc
FogDog Chardonnay

Merryvale Vineyards:

Starmont Sauvignon Blanc
Starmont Chardonnay
Starmont Merlot

Bibendum

California State

Karia Chardonnay 2012, Stag's Leap
Artemis Cabernet Sauvignon 2009, Stag's Leap, Napa Valley

Washington State

Chardonnay, Chateau Ste Michelle 2012, Columbia Valley

Syrah, Chateau Ste Michelle 2012, Columbia Valley

Chateau Ste. Michelle Riesling 2013, Columbia Valley
H3 Merlot 2012, Columbia Crest

Walter Clore Reserva Columbia Valley 2011
Nortstar Merlot 2008, Nortstar winery, Columbia Valley
Col Solare Cabernet & Merlot & Cabernet Franc & Syrah 2007, Columbia

Avendi

Rober Mondavi

Robert Mondavi Private Selection Chardonnay 2014

Robert Mondavi Private Selection Zinfandel 2013
Robert Mondavi Private Selection Meritage 2013
Robert Mondavi Napa Winery Chardonnay 2013

Ravenswood

Ravenswood Vintners Blend Chardonnay 2014
Ravenswood County Nap Valley Zinfandel 2013
Ravenswood Besieged 2014

Domaine Boyar

Geyser Peak

Geyser Peak Chardonnay – Alexander valley, California
Geyser Peak Merlot – Alexander valley, California

Jack Rabbit

Jack Rabbit Chardonnay 0.75 - California
Jack Rabbit White Zinfandel Rose 0.75 – California
Jack Rabbit Merlot 0.75 – California

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<http://www.fas.usda.gov/>
<http://bulgaria.usembassy.gov/fas.html>

8. Media publications: see below links.

<https://examplewordpresscom32533.wordpress.com>
<https://svejo.net/stories/>

<https://www.facebook.com/>
<http://apollowine.com/news/post/142>
<http://kulinaria.net/>
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<http://www.divino.bg/>

https://www.facebook.com/Divino.bg/?hc_ref=PAGES_TIMELINE&fref=nf

<https://freshcutsoflive.wordpress.com/2016/10/06/amerikansko-vino/>

<http://www.menumag.bg/>