

The fundamental difference between a “saturated” market and a “tired” market

scritto da Fabio Piccoli | 15 Agosto 2025



The author refutes the widespread belief that the wine market is saturated. The argument posits that the industry's struggles are not due to a lack of consumer demand but rather to internal failures: outdated strategies, insufficient marketing and innovation, and an inability to reach new, untapped segments of potential consumers. The problem lies with the producers, not the market.

My editorial last week ([I'm tired of hearing that markets are saturated and that wine is no longer interesting](#)), in which I pointed out how wine markets cannot be considered saturated in the slightest, has once again, as I imagined, sparked a debate between those who agree with me and those who disagree.

From the latter group, I chose the comment by Rolf Burkhard, a wine importer in Switzerland, who commented on my editorial on LinkedIn as follows:

“Here, the market is saturated, no ifs, ands, or buts. Faced with a nearly 10% annual drop in wine consumption, more and more producers want to enter our market. The wine world’s communication is ineffective; DOC, DOCG, IGT, and so on, are perhaps of interest to 2% of consumers and potential consumers here. For everyone else, it’s boring and superfluous information. The only category of Italian wine growing here is Moscato. Why? Simple: it has low alcohol... and the current trend is towards low-alcohol and non-alcoholic beverages. Requests for non-alcoholic products are coming in droves, even from areas that were completely closed to this type of product until recently. Prosecco is also in a rather sharp decline; its growth has ended, the peak has been reached and surpassed. Now, its only selling point has become the price, and producers readily comply with the continuous requests for lower prices (a buyer from a large company told me that the only thing that matters is the word Prosecco on the label. The producer’s name and a denomination? Superfluous, nobody cares). If the current trend continues, the hectares of vineyards will have to be reduced in the coming years, and not by a small amount.”

There is certainly some truth in Rolf’s considerations, but **what I consider wrong is the premise: that the market is saturated**. And to understand my point of view, one only needs to look up the real meaning of a “saturated market.”

A market is considered saturated, in fact, when the demand for a specific product or service has reached its maximum potential, meaning: almost all potential customers who might be interested in the offer have already purchased it or are already using it, and the sales growth rate stabilizes or slows down drastically.

“Its maximum potential” is the key statement, and if anyone is willing to prove to me that wine has reached all its potential consumers, I will be the first to say I was wrong and that we must begin a drastic reduction of our vineyards and, with them, many of our wineries... and I would also advise doing it quickly. But, in my opinion, we are still very far from this risk, and I doubt we will ever get there. There is another characteristic of a saturated market that should make us think: indeed, a market is considered saturated if it shows flat or negative sales growth (in value), despite marketing or innovation efforts. Go and look at the investments in marketing and innovation of most of our companies, and then come and explain to me if we can then effectively consider the wine markets saturated.

But for those who are still convinced that the wine markets are saturated, I will add another characteristic: a market is considered saturated when it has customers already loyal to brands with low rates of new customer acquisition. **If there is one sector that has managed to build loyalty for only a few brands, it is the wine sector.**

And this is precisely because, returning to the previous characteristic, marketing activity, and branding in particular, has always been considered useless by many wine companies. And unfortunately, only now do we realize that this has been a detrimental “saving” that has prevented an increase in the notoriety of a larger number of wine brands. However, I sense that some still doubt my assessments of the saturated market, so I’ll add another of its characteristics: a market can be considered saturated if it has a low rate of perceived innovation, in which products become similar to one another and struggle to stand out.

But isn’t this last characteristic also determined by the inability of too many of our companies to differentiate themselves? Is this not the situation for many of our denominations that were created only on paper but have never

done anything to get noticed and become recognizable in the markets? And for the last (or many) doubters, I'll add one final characteristic of a saturated market: a market with high competition, with many operators vying for the same market shares, is considered saturated.

This is exactly what is happening in the wine markets, you are right, but **this is because it was decided that the only possible fishing spot was in the pond where it has been easy to fish all these years**. If we consider the billions of unreachable consumers in the open sea, then I too have no choice but to agree with the "saturationists" (forgive this neologism), but **this is due to the faults and limitations of our wine system, certainly not the markets**.

Key points

- **The wine market is not saturated**; the industry's approach is simply outdated.
- **Lack of innovation and marketing is the real cause of stagnant sales**.
- **The industry has failed to build strong brands** and differentiate its products.
- **Producers are competing in a small pond**, ignoring a sea of potential customers.
- **The crisis is one of supply-side strategy**, not a decline in demand.