Has Racial Inclusion in the Wine Industry Improved Since 2020?
Results From Two Surveys of Black Wine Entrepreneurs

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Black, Indigenous and People of Color (BIPOC) entrepreneurs have been underrepresented in America's formal wine industry for centuries. It is commonly reported that Black-owned wineries represent less than one percent of the 11,000 U.S. wineries, while only two percent of wine professionals identify as Black. The events of 2020, including the video-recorded murder of George Floyd by a police officer, incited global protests for social justice, equity and inclusion. The wine industry, along with its peers in retail, finance, and others, committed to improved opportunities for Black business owners as well as employees. In the current article, the 2020 and 2023 results of the Terroir Noir survey of Black wine entrepreneurs are presented to assess the perspectives of this segment regarding inclusion and other topics.

INTRODUCTION

A commonly cited statistic reflecting the number of Black-owned wineries in the United States is less than 1% of the more than 11,000 total (IBISWorld, 2020; Bell 2021; Lambert, Reavey & Bell 2023). This figure of about 100 businesses corresponds with anecdotal and non-scientific estimates of all Black-owned wine businesses (including wineries, retailers, distributors, and marketers/educators) that have been documented in various social media lists and directories cataloging such enterprises in the wake of the Buy Black – and subsequent, Drink Black – movements in the wake of 2020 racial justice protests (Bell, 2021; Uncorked & Cultured, n.d.; Yarrow, 2023). Whatever the exact figure may be, perhaps a more pressing question is why there are so few Black-owned wine businesses in the U.S., when the Black wine consumption is 12% of the total, which is a figure more closely aligned with the country's Black population (Wine Marketing Council, 2019).

Despite important gains in Black entrepreneurship in the United States, particularly among women, Black-owned start-ups continue to face inequities on several fronts (Awadzi, 2019; Atkins, 2021; Bates, Bradford & Seamans, 2018). Regarding the wine industry, the odds are even more staggering Black businesspeople who are often first-generation owners without the benefit of decades of experience, intergenerational wealth, and social capital (Koellinger & Minniti, 2006; Fairlie & Robinson, 2021). These deficiencies are often compounded by bias and racism among existing owners, financial institutions, vital members of the three-tier distribution system, and consumers (Morales, 2020; Crump, Singh, Wilbon & Gibbs, 2015; Conley & Biliamoria, 2021). Although the wine industry (along with others), pronounced inclusion and equity commitments in the months and years after George Floyd's murder, there has been scant evaluation of its progress – particularly from Black wine entrepreneurs' perspectives.

PURPOSE OF THE STUDY

The research aims to compare survey responses by self-identified Black (or African American) wine entrepreneurs provided in 2020 and 2023 via an online national survey. The period between these years was pivotal for Black-owned wine businesses in America due to widespread attention toward racial equality and justice – and their businesses – and a seeming shortfall of action and attention just three years later (Jan, McGregor and Hoyer 2021; Bell, 2023). The research originated because of a dearth of academic or trade inquiry on the presence of Black-owned wine businesses and consumers.

LITERATURE REVIEW

Prior to studies by Bell (2021; 2022; 2023), examinations of Black entrepreneurs who owned wine businesses were absent from scholarly literature. Only one scholarly study was found that addressed Black wine consumers: "Reaching an underserved wine customer: Connecting with the African American wine consumer," by Hammond, Sydnor and Kang (2014). The study revealed several findings about the understudied yet valuable segment of consumers, including their willingness to spend $20 or more per wine bottle at twice the rate of other consumers. The wine industry's omission of Black wine consumers was adeptly amplified in a *VinePair* article entitled, "Why is the wine industry ignoring black Americans' $1.2 trillion buying power?" (Okona, 2019).

Bell's studies broke ground by directly and in-depth examining insights from Black wine entrepreneurs (2021; 2022; 2023). Using the push-pull theory of entrepreneurial motivation, Bell and colleagues amplified a novel segment of ethnic minority entrepreneurs and integrated their experience into the management literature (Bell et al., 2023). The study, based upon in-depth interviews with Black winemakers, identified multiple motivations held by these entrepreneurs to enter the particularly exclusive, complex, and resource-intensive wine industry. Among the motivations was a desire to create a more inclusive wine experience, which echoes findings from the 2020 and 2023 surveys where respondents cited a desire to "change the situation for the better" as a reason for entry (Bell, 2020; 2023).

While wine entrepreneurship among Black owners has been absent from academic literature, there is a robust stream of inquiry on minority and Black entrepreneurs using multiple theoretical frameworks, including critical race theory, disadvantage theory, and intersectionality (Crump et al., 2015; Wingfield & Taylor, 2016; Romero & Valdez, 2016). More recently, Black entrepreneurship in wine and beer has become more prevalent in academic and trade journals. One scholarly article explores Black women wine entrepreneurs' identity in South Africa (Ojediran, Discua Cruz & Anderson, 2022). Furthermore, a recent study uses a storytelling framework to examine Black brewers' experiences as entrepreneurs in the predominantly white industry (Harrison & Thomas, 2024). Further, several trade media and popular press have featured Black winemakers and discussed their experiences (Rousseau, 2021; Gaiter and Brecher, 2023; Thach, 2023). Altogether, the present literature is scant yet identifies similar themes of financial and social disparities, the intersection of racism and sexism, and a desire for equity.

RESEARCH METHODOLOGY AND DESIGN

Since the research topic was novel in both academic and trade literature, a literature review was conducted to assess contemporary theories and issues in wine business, entrepreneurship, motivation, and multiculturalism. The author integrated these concepts into an original in-depth interview protocol used to conduct qualitative research with more than 40 subjects. Sentiments from the interviews were used to identify and adapt existing scales used in the final survey instruments. The survey was emailed to U.S.-based, Black-identifying wine entrepreneurs, including wine producers (the majority of respondents), distributors, retailers, and media/marketing business owners in fall 2020 and spring 2023. A comprehensive survey questionnaire was distributed online in fall 2020, and a condensed version was distributed again online in 2023. The 2020 study garnered 70 complete survey responses, while the 2023 study yielded 78 complete responses, which the author used to compare responses.

In addition to original questions about the events of 2020, racial justice, inclusion, and business and entrepreneur profile information, the survey included original or adapted versions of the scales measuring entrepreneur motivation (Cardon & Kirk, 2015), self-efficacy (McGee et al., 2009), strength of ethnic identification (Phinney and Ong, 2007), social capital (Davidsson & Honig 2003) and socioemotional wealth (Hauck et al., 2016).

RESEARCH QUESTIONS

Since the 2020 survey was the first of its kind, the questionnaire sought to address a number of exploratory questions. Additionally, the events of 2020 presented an extraordinary opportunity to understand the impacts of a global pandemic as well as global social justice protests and the resulting #BuyBlack and #DrinkBlack consumer movements (Bell 2023; Rousseau 2021; Bell, Thach and Schaefer, 2022). The research questions pertained to the motivations for Black wine entrepreneurs to start their businesses and inquiries about their business challenges and strategies. The questions of particular importance to the current paper include:

RQ1: What unique challenges do Black wine entrepreneurs (BWE) face in the wine industry due to racism and other factors?

RQ2: What are BWE perceptions of wine industry inclusion efforts?

The 2023 survey had similar research objectives and included many of the 2020 survey questions. The survey's distribution more than two years since the original study included the benefits of hindsight and perspectives on the governmental and industry promises post-George Floyd's murder.

SURVEY RESPONDENT PROFILES

2020 Survey
A total of 70 Black wine entrepreneurs completed the 2020 survey, which was distributed online via email in fall 2020. Regarding gender, self-identified women were the predominant respondent group with representation of 78 percent. Most of the respondents were wine producers (47%), which means that their primary business offering was wine that they grew from their own grapes and/or made, or that they sourced wine for their proprietary brand. Other entrepreneur types included retailers, wine shop or wine bar owners, wine distributors, and those performing educational, marketing or media services. Most respondents (89%) operated out of the United States; however, eight were from other countries, including South Africa and Germany. About one-third (35%) of respondents have been operating their businesses for six or more years. Lastly, about 45% of respondents had been profitable in the previous year.

2023 Survey
A total of 78 Black wine entrepreneurs completed the 2023 survey, which was distributed online via email in spring 2023. As in the earlier survey, self-identified women were the predominant respondent group with representation holding at 78 percent. As in 2020, nearly half (47%) of the respondents were wine producers or wine brand owners. Once again, other entrepreneur types included retailers, wine shop or wine bar owners, wine distributors, and those performing educational, marketing or media services. Most respondents (96%) operated out of the United States; however, three were from other countries. About half of respondents have been operating their businesses for four or more years. Half of respondents in 2023 (versus 45% in the 2020 survey) had been profitable in the previous year.

EVALUATION OF FINDINGS

The study sought to answer two research questions in light of the events of 2020; namely, what challenges did Black wine entrepreneurs in the wine industry encounter, and what are these entrepreneurs' perceptions of the wine industry's inclusion efforts. The survey instrument included three questions to reflect the first research question.

RQ1: What unique challenges do Black wine entrepreneurs (BWE) face in the wine industry due to racism and other factors?

To understand respondents' perspectives on the challenges that they faced in the wine industry due to racism, as well as to other factors, the following survey question was asked in 2020 and 2023, with nine response options, including "other": **Which of the following has been the most challenging to your business' success? (See Table 1).**

TABLE 1
SURVEY RESULTS FOR MOST CHALLENGING TO RESPONDENT BUSINESS

Challenge	2020 Results	2023 Results
Capital	43%	50%
Time constraints	14%	11% (tied with Industry Complexity)
Distribution issues	11%	9%

Remarkably, from 2020 to 2023, the responses to this question maintained their rankings, with access capital ranked first as the most challenging to respondents' businesses, followed by entrepreneur time constraints due to other responsibilities, while distribution issues rounded out responses taking third place. While distribution issues, which are a common challenge in the wine industry due to the U.S. three-tier alcohol distribution system, diminished slightly from 11% in 2020 to 9% in 2023, the challenge of time constraints was complemented by "industry complexity" with both earning 11% of responses respectively. The issue of access to financial capital increased from 43% to half of all respondents identifying it as their biggest challenge. Notably, bias/racism, a response option, did not rank in the top three responses for this question.

The survey instrument also included a question about challenges that faced Black wine entrepreneurs more generally. This question eliminated the personal experience of Black wine entrepreneurs and asked them to consider others' experiences. Specifically, the following question was included with the same nine response options: **Which of the following is the biggest obstacle to success in the wine industry for Black entrepreneurs? (See Table 2).**

TABLE 2
SURVEY RESULTS FOR THE BIGGEST OBSTACLE TO SUCCESS FOR
BLACK WINE ENTREPRENEURS

Challenge	2020 Results	2023 Results
Capital	32%	36%
Distribution issues	13%	13%
Bias/racism	20%	12%

Again, capital retained its stronghold as the foremost obstacle for BWE in 2020 and 2023. The results indicate a slight increase from 32% to 36%, which indicates about one-third of respondents in both years perceive lack of capital as the dominant issue. Distribution issues elevated from third place in the first

question to second place in this question. In 2020 and 2023, 13% of respondents noted distribution was likely the biggest obstacle for all Black wine entrepreneurs. Notably, bias/racism appeared as a response to this survey question, with one in five respondents citing it in 2020. However, in 2023, only 12% of respondents perceived bias/racism as the foremost obstacle to BWE success.

Lastly, the questionnaire included a question about racism in the wine industry versus other industries. A five-point Likert scale was used to rate agreement with the following statement: **Compared to other industries, racism is a greater challenge for entrepreneurs.** In 2020, 78% of respondents somewhat agreed or strongly agreed that racism is a greater challenge for entrepreneurs in the wine industry than in other industries. In 2023, the results remained steady with 76% of respondents somewhat or strongly agreeing with the statement.

RQ2: What are BWE perceptions of wine industry inclusion efforts?

To address the second research question, the survey instrument included two questions. The first question used a Likert scale for respondents to rate their agreement with the statement, **My business has directly benefitted from diversity, equity and/or inclusion efforts by the wine industry. (See Table 3).**

TABLE 3
SURVEY RESULT FOR DIVERSITY, EQUITY AND INCLUSION BENEFITS

Survey Item	Respondents who Agree (2020)	Respondents who Agree (2023)
"My business has directly benefitted from diversity, equity and/or inclusion efforts by the wine industry."	56%	65%

A comparison of results from 2020 (56%) and 2023 (65%) indicates positive improvement in the wine industry as it relates to diversity, equity and inclusion (DEI) efforts during the three-year period.

The second question also used a Likert scale and requested respondents rate their agreement with the statement, **The wine industry is taking meaningful action to increase inclusion for _____** (Black entrepreneurs, Black consumers, and Black professionals, respectively). (See Table 4.)

TABLE 4
SURVEY RESULTS FOR INCLUSION FOR BLACK WINE INDUSTRY SEGMENTS

Survey Item "The wine industry is taking meaningful action to increase inclusion for _____"	Respondents who Agree (2020)	Respondents who Agree (2023)
Black entrepreneurs	53%	51%
Black consumers	57%	49%
Black professionals	61%	45%

Interestingly, the results for this series of questions run contrary to the previous positive outcome. For each segment (Black entrepreneurs, consumers and professionals), the results indicate a decline in respondents' perceptions of the wine industry's inclusion efforts. Across the two surveys, the results remained at about half of respondents favorably viewing the wine industry's inclusion efforts for Black wine entrepreneurs. Regarding Black consumers, favorable responses dropped more dramatically from 57% to less than half at 49%. Remarkably, according to BWE, industry inclusion efforts were viewed least positively for Black professionals (i.e., those who are employed in wine but do not own businesses). Results for this question reveal a more than 15 percentage points decline with only 45% favorably evaluating efforts toward Black professionals in the 2023 survey.

CONCLUSION

The current study sought to compare survey results from groundbreaking studies of Black wine entrepreneurs in 2020 and 2023, which were transformative years for Black businesses due to social justice protests, shutdowns related to the global pandemic, global trade and governmental commitments to racial equity and inclusion, and consumer movements to buy and drink from Black-owned producers (Jan, Tracy, McGregor & Hoyer, 2021; Rousseau, 2021). Few scholarly or trade studies have evaluated BWE perspectives, and none were found to do so longitudinally. This article reveals that respondents have mixed and seemingly contrary assessments by evaluating five primary questions that supported two major research questions about entrepreneurial challenges and industry inclusion.

Regarding the foremost challenges to their own businesses, bias/racism was not indicated prevalently in 2020 or 2023. Instead, when considering their own experiences, Black wine entrepreneurs cited lack of financial capital, distribution issues, the complexity of the wine industry, and time constraints among the most challenging to their businesses. However, when asked to consider the biggest obstacle to BWE success in the wine industry, 20% of respondents cited bias/racism, making it the third-most selected option. Capital and distribution issues maintained their prominence even when BWE considered challenges more generally.

Regarding DEI efforts, respondents again shared differing perspectives when they considered their own experiences versus those of other entrepreneurs and Black consumers and professionals. While 65% stated that their businesses had benefited from the wine industry's diversity, equity and inclusion efforts, only half or fewer indicated that the industry had taken meaningful inclusion actions to support Black wine entrepreneurs, consumers, and professionals, respectively. One possible reason for this seeming disparity is that perhaps the term "wine industry" broadly includes both organically developed, racial minority-centered non-profit organizations that have emerged in recent decades, such as the Association of African American Vintners, The Roots Fund or The Veraison Project, which have inclusion at their core and have worked to provide scholarships and business grants. These organizations are certainly different from other corporate, moneyed, centuries-old constituents in the industry. Furthermore, it is quite possible that, although the respondents have benefited from recent efforts, they may perceive that the past three years of attention and action are simply not enough to combat entrenched biased and racist practices that have existed in the wine industry and others for centuries.

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