

WINE INDUSTRY

Financial SYMPOSIUM

November 9 & 10, 2021

CIA @ Copia, Napa

Meet our Panel



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Founder; EVP



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President



Demographic Challenges and Shifts – and the e-Commerce Consumer

Wineries are fighting for market share among the same set of consumers, but now must **IS** the time to think outside the bottle and attract new LDA drinkers. What are their shopping patterns, and how can wine take advantage of that?

Broad Consumer Drivers – many led by younger generations

Experience



Authenticity; exploration/discovery; entertainment

Flavor(s)



Flavor seekers – traditional + new/different

Convenience



Online shopping

Right pack type/size

Wellness – for ‘me’ & ‘we’



Healthier/social moderation; sustainability/CSR

Transparency



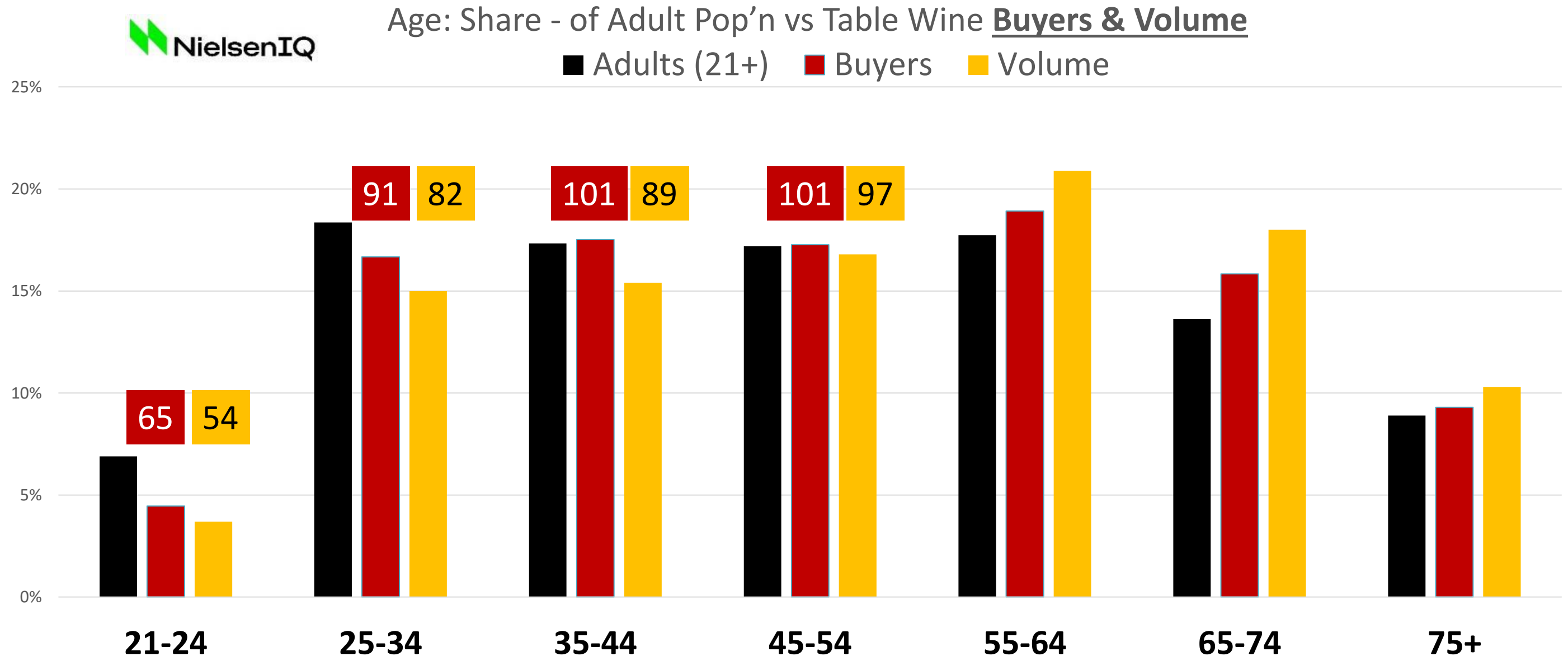
Desire to know exactly what they’re consuming

Premiumization



Drinking better; not necessarily more

Core wine boomers ageing; recruiting younger LDA's is our challenge



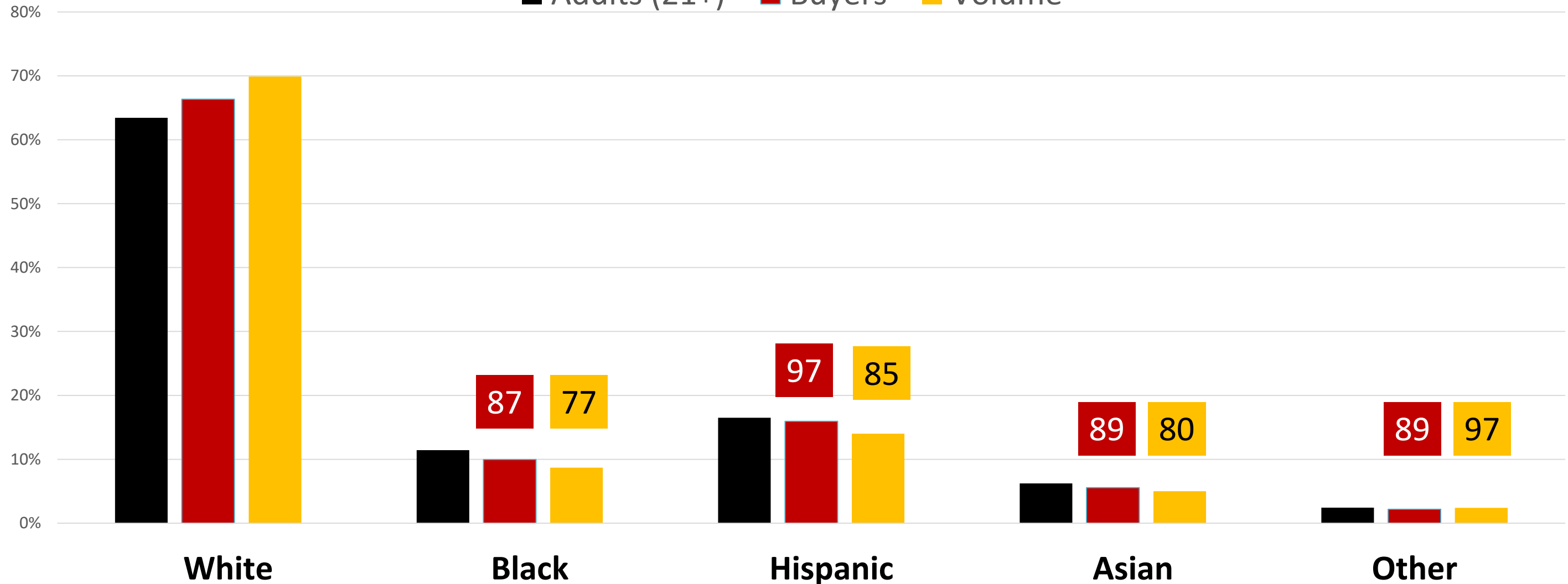
Source: NielsenIQ Spectra (Simmons – Nov 2021)

Recruiting multi-cultural consumers is also a challenge



Race: Share - of Adult Pop'n vs Table Wine Buyers & Volume

■ Adults (21+) ■ Buyers ■ Volume

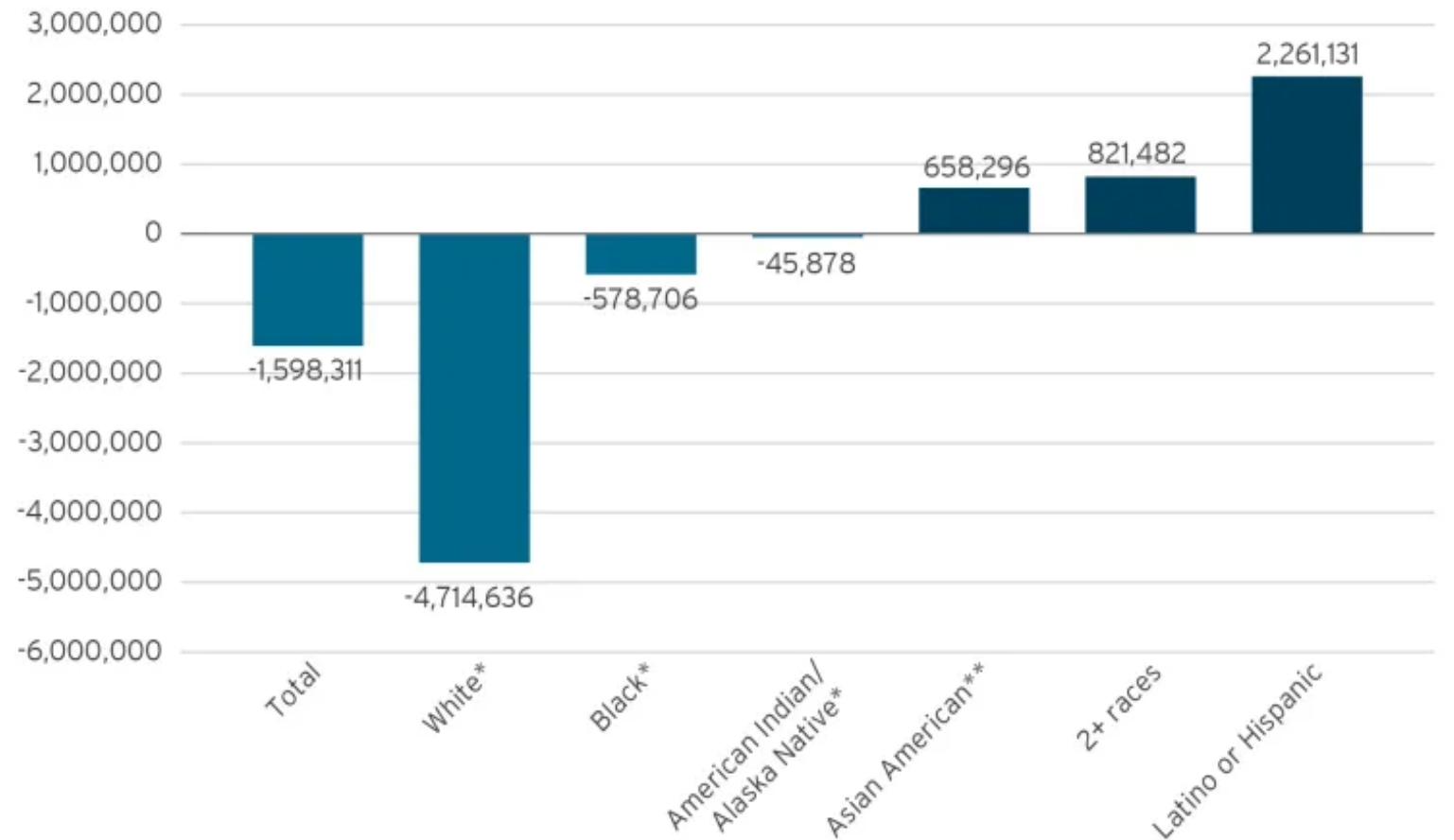


Source: NielsenIQ Spectra (Simmons – Nov 2021)

Younger LDA generation
and multi-cultural are
intertwined, not two
separate topics

FIGURE 4

**Change in US under age 25 population
2010 to 2019**



* members of race group who do not identify as Latino or Hispanic

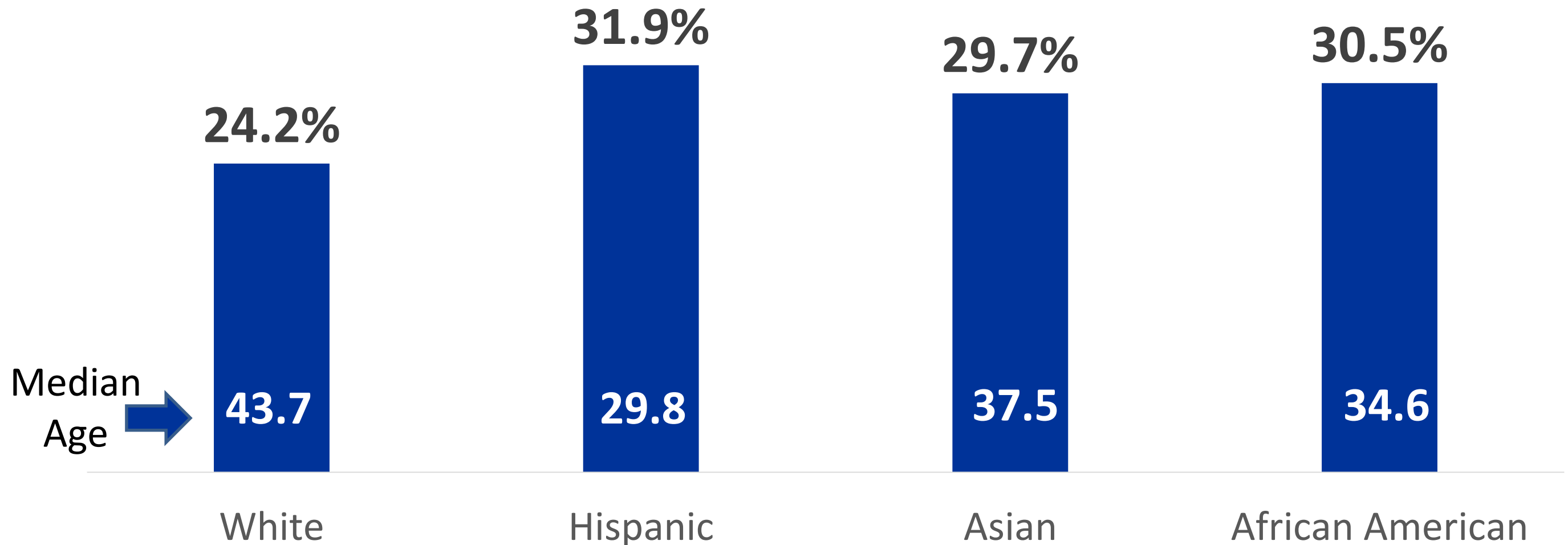
* non-Latino or Hispanic Asians, Hawaiians and other Pacific Islanders

Source: William H Frey analysis of Census population estimates released June 25, 2020

B Metropolitan Policy Program
at BROOKINGS

Younger LDA generation and multi-cultural are intertwined

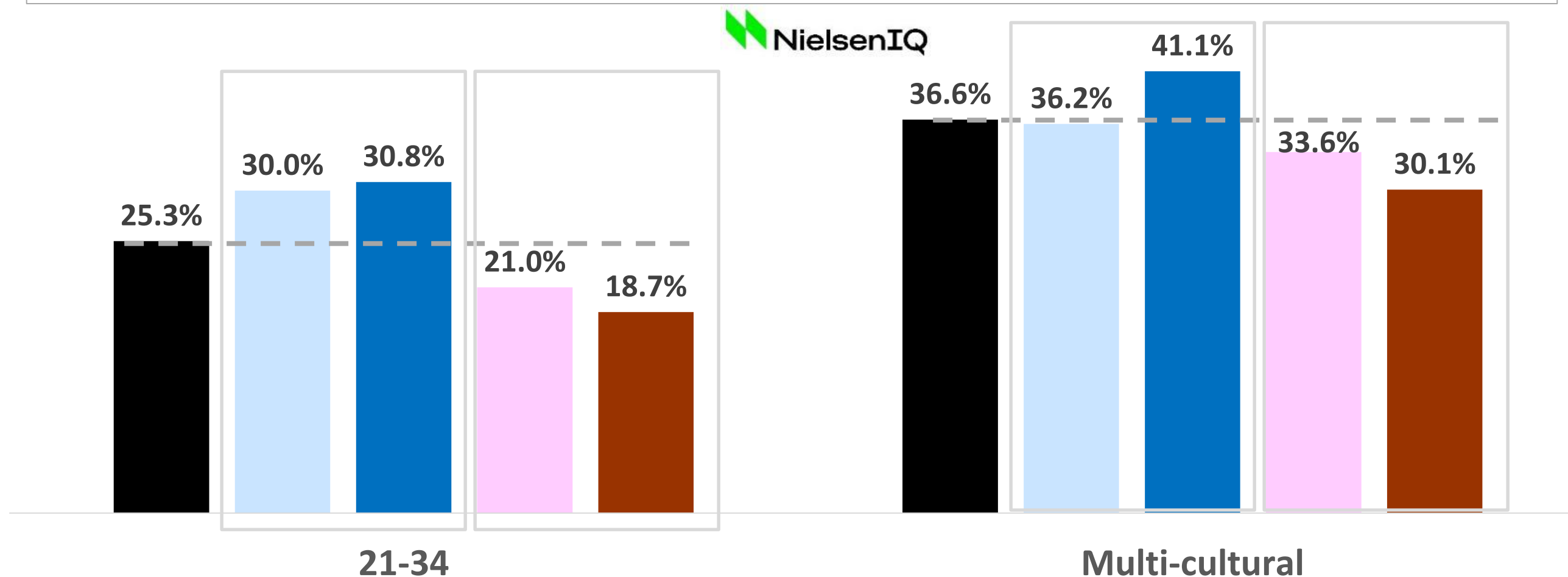
Age 15-34 percentage of each cohort



Competitively, Spirits derives a much greater amount of its business from 21-34 and Multi-Cultural consumers

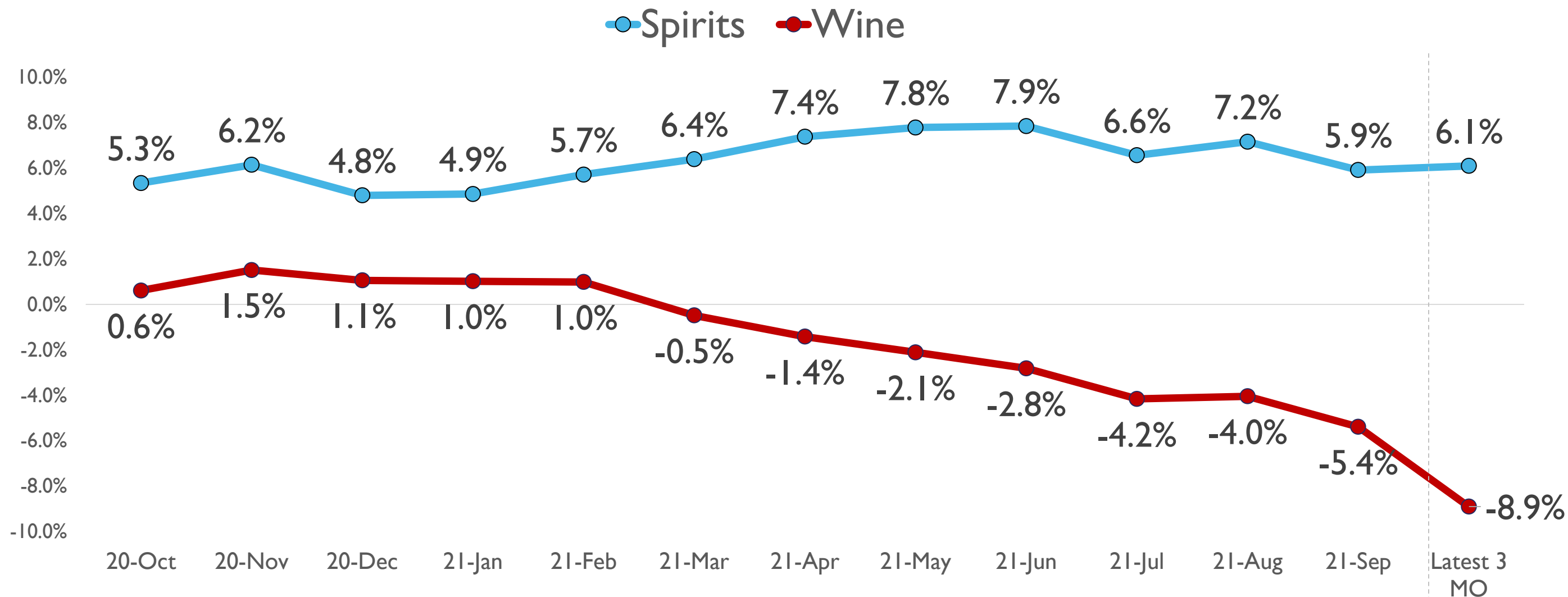
21-34 Share/Multi-Cultural Share

■ % Population ■ % Spirits - Buyers ■ % Spirits - Volume ■ % Table Wine - Buyers ■ % Table Wine - Volume



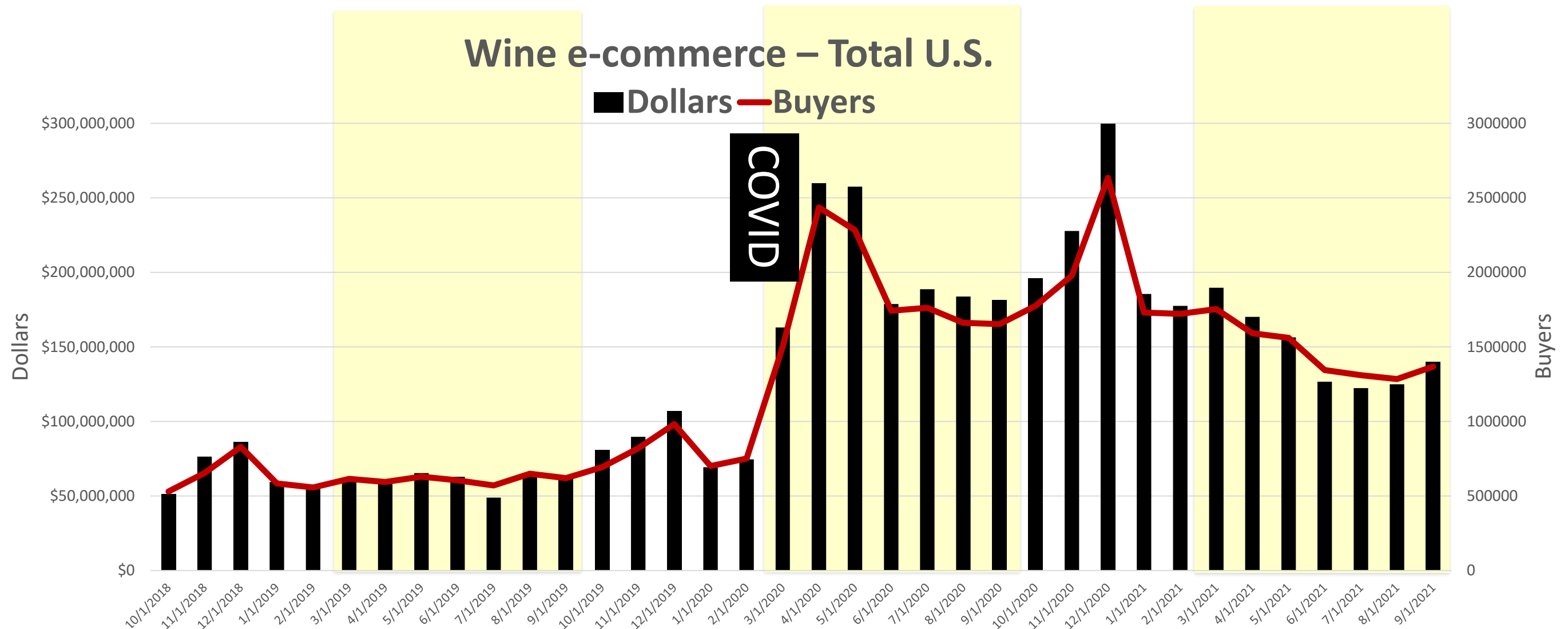
NielsenIQ Spectra/Simmons (2021)

Spirits continue to gain share from Wine



12 Month Rolling % Change vs. LY

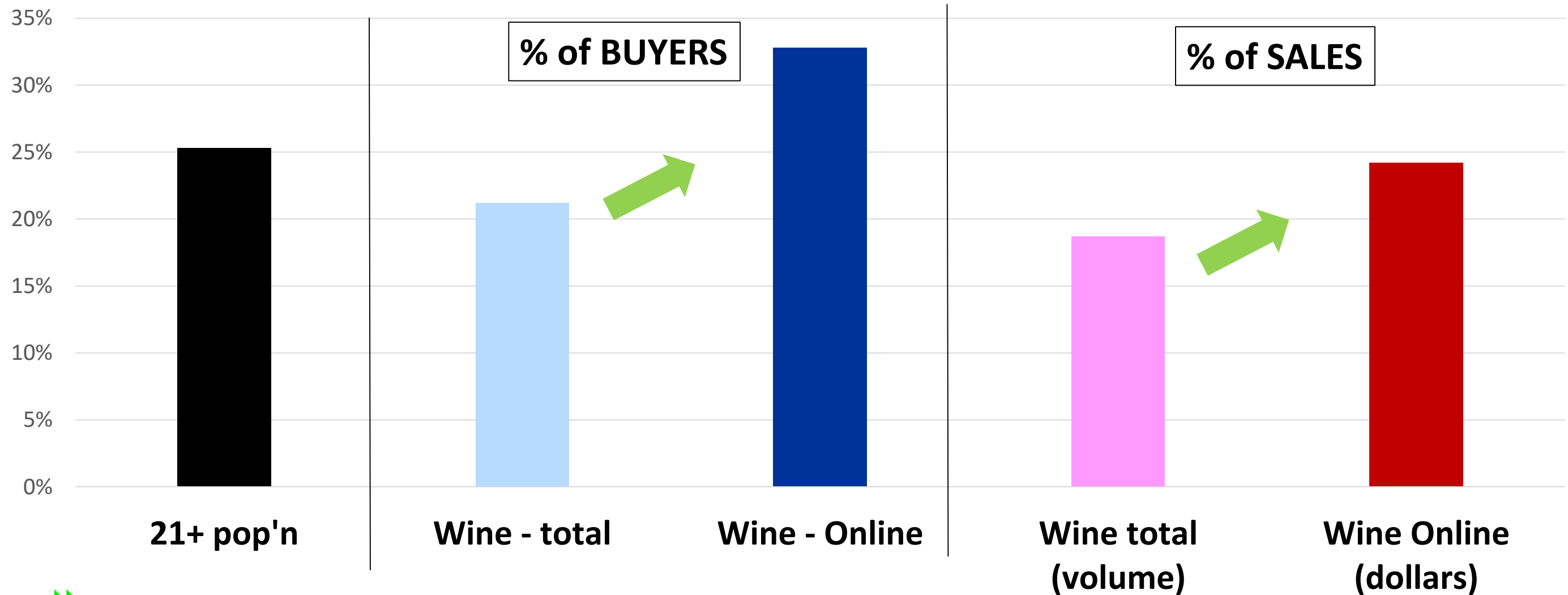
Online Wine sales March thru Sept 2021 almost 3x ahead of pre-COVID; not unexpectedly less than COVID heights




Source: **NielsenIQ** e-commerce measurement powered by Rakuten Intelligence (largely 3-tier e-commerce measurement); DIRECTIONAL only

21-34 much more important to Wine in the e-commerce space

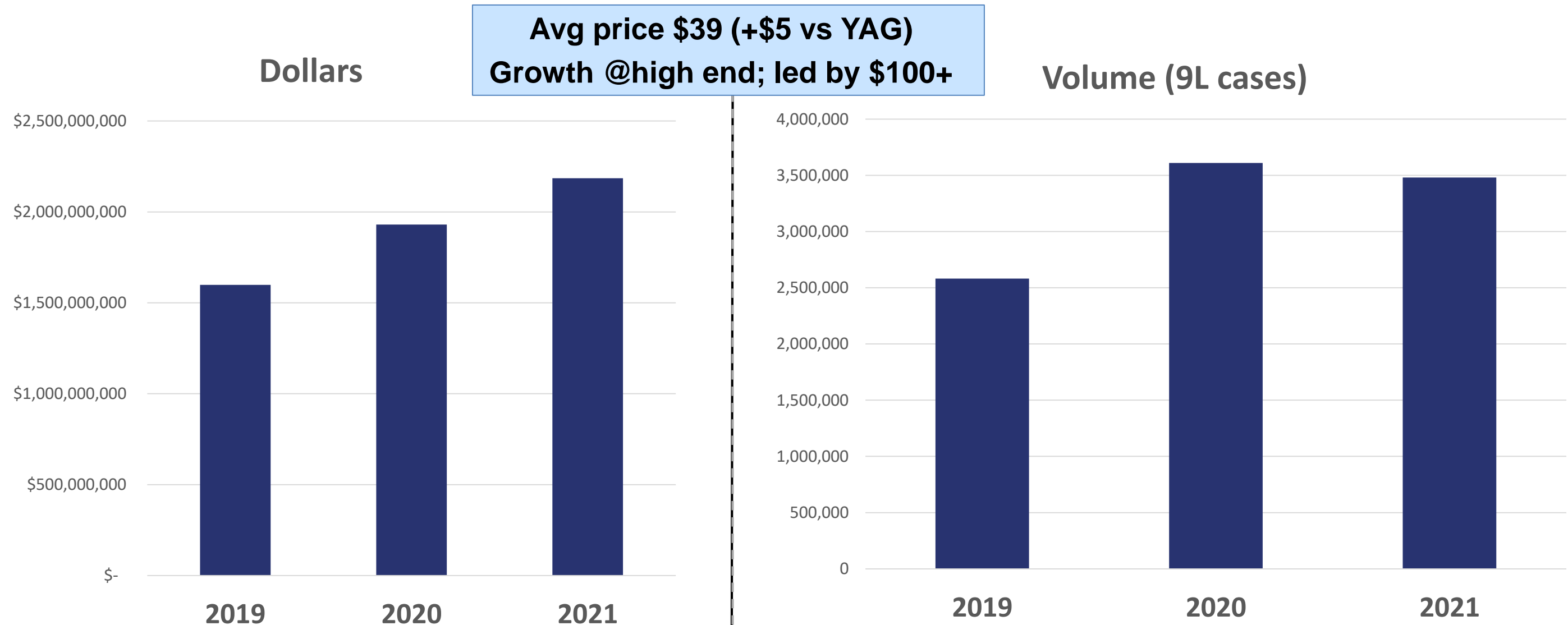
21-34 Age Share Metrics - Wine



Source:  NielsenIQ NielsenIQ Spectra (Simmons – Nov 2021) and e-commerce measurement powered by Rakuten Intelligence (largely 3-tier e-commerce measurement)

DtC channel – and high-end wines within, performing well – strong shipments even with tasting room carryout business back now

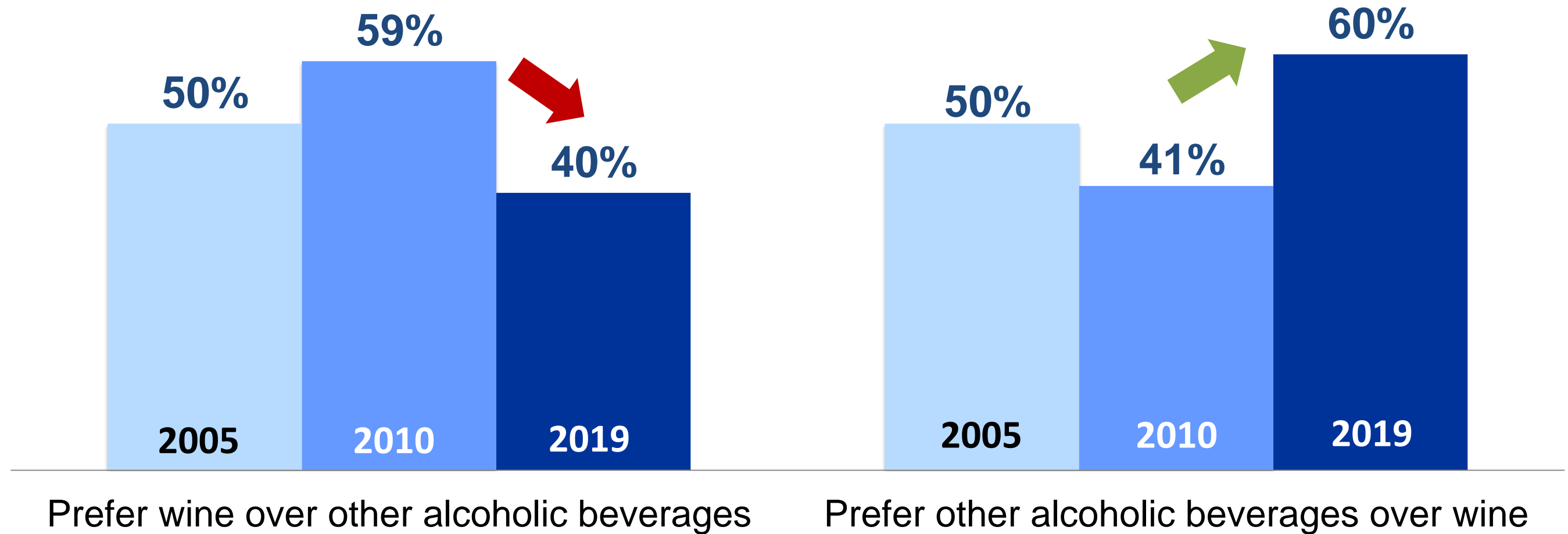
DtC Shipments (excludes carryout) March through Sept each year



How do we change this trend among younger wine drinkers?



Trend over Time (Aged 21-29, % Agree)



THANK YOU

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