

CENTRAL COAST
Insights

What's Trending: Non-Alcoholic Wine

Tommy Gaeta

Director of Marketing



MILLER FAMILY
WINE COMPANY

Agenda



Why Non-Alc, Why Now?



Who is Buying Non-Alc and Why?

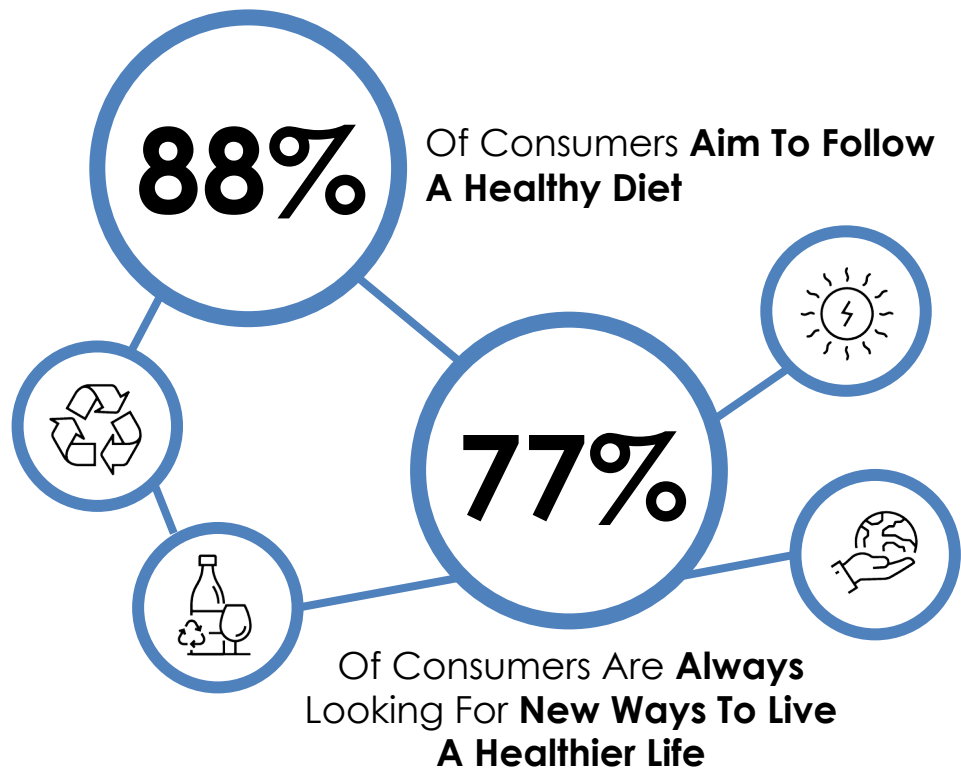


Our Approach: Hand on Heart



Early Learnings

The Rise of the Better-for-You Category



CENTRAL COAST
Insights

A Moderation Movement

IN 2019 OVER HALF OF CONSUMERS TOOK A BREAK FROM ALCOHOL

51% Of Consumers That Drink Alcohol Several Times A Year Or More Took A Break From Drinking In 2019

Among Those Consumers Who Took A Break From Alcohol:

19%

**DID NOT DRINK
ALCOHOL ON
WEEKDAYS**

14%

**DID A CLEANSE OR
DIET THAT
PROHIBITED ALCOHOL**

12%

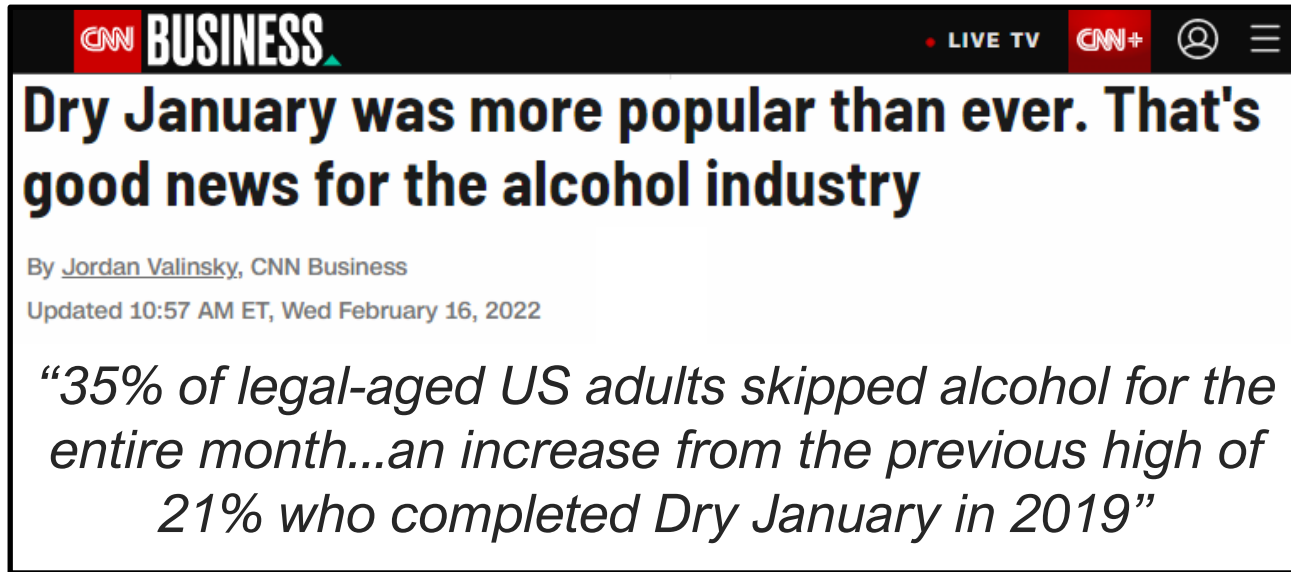
**PARTICIPATED IN
DRY JANUARY**

10%

**PARTICIPATED IN
SOBER SEPTEMBER**

CENTRAL COAST
Insights

Moderation Gaining Momentum



The image is a screenshot of a CNN Business news article. The header features the CNN Business logo on the left, and 'LIVE TV' and 'CNN+' icons on the right. The article title is 'Dry January was more popular than ever. That's good news for the alcohol industry'. Below the title, it says 'By Jordan Valinsky, CNN Business' and 'Updated 10:57 AM ET, Wed February 16, 2022'. The main text of the article is a quote: '35% of legal-aged US adults skipped alcohol for the entire month...an increase from the previous high of 21% who completed Dry January in 2019'.

CNN BUSINESS • LIVE TV CNN+

Dry January was more popular than ever. That's good news for the alcohol industry

By [Jordan Valinsky](#), CNN Business
Updated 10:57 AM ET, Wed February 16, 2022

“35% of legal-aged US adults skipped alcohol for the entire month...an increase from the previous high of 21% who completed Dry January in 2019”

National Media are Taking Notice

CNN BUSINESS Markets Tech Media Success Perspectives Videos **LIVE TV** **CNN**

Dry January was more popular than ever. That's good news for the alcohol industry

By [Jordan Valinsky](#), CNN Business
Updated 10:57 AM ET, Wed February 16, 2022

Napa Valley Register Search Napa Valley Register

E-Edition News Obituaries Opinion Sports Wine Lifestyles Homes 67° Sunny

No-and-low alcohol wines respond to wellness trends, consumer priorities

From the Napa Valley Wine Insider Digest: Sept. 25, 2021 series
Sam Jones Sep 21, 2021 Updated Oct 27, 2021

WINEENTHUSIAST INDUSTRY NEWS SHOP

DRINKS > NON-ALCOHOLIC

'It's Growing Every Day': The Rise of Non-Alcoholic Bottle Shops and Bars

BY SOPHIA F. GOTTFRIED



SHANKEN NEWS Daily Exclusive news and research on the wine, spirits and beer business

NEWS HELP EVENTS IMPACT DATABANK REPORTS CANNABIS EDITION PUBLICATIONS **SUBSCRIBE TO SND**

Low- And No-Alcohol Category Gets A Boost From Consumer Wellness Trends

October 11, 2021

search... **More Research.**

WELL + GOOD

HEALTHY DRINKS

Why Alcohol-Free Wine Deserves Your Attention (And the Best Brands To Buy)


Emily Laurence
February 27, 2022

The Washington Post
Democracy Dies in Darkness

Food Voraciously Recipe Finder Going Out Guide Tom Sietsema Tim Carman Nourish Dinner in Minutes Wine Spirits

Zero-proof wines are finally getting good

CENTRAL COAST
Insights

Central Coast Media Also Buzzing



Non-alcoholic wine options popping up along the Central Coast

BY VIVIAN RENNIE | FEBRUARY 14, 2022

As trends like Dry January and Sober October become more popular, many people are choosing to limit their alcohol consumption.

Options for non-alcoholic versions of our favorite drinks seem to be popping up left and right as the industry rapidly expands.

One of those new options is coming from Miller Family Wines in Santa Maria. Jonathan Nagy is the winemaking director and is a part of their newest wine venture with Chef Cat Cora and the Hand on Heart Wines that launched a few months ago. "Dry January is something that a lot of people talk about, but it's more of giving their bodies a break from alcohol and doing things that are health-conscious," Nagy said. When comparing 2020 to 2021, sales of non-alcoholic beers grew 200 percent, non-alcoholic spirits grew 600 percent, and alternative wine options grew 300 percent. "We chose to focus on Chardonnay and Cabernet Sauvignon," Nagy said about their new venture. "Because those are two varieties that are very familiar with, people know them, they understand them, they know what kind of flavors to expect. And then we also wanted to do a rosé because rosés are just kind of fun."

805^{LIVING}

WINES FOR DRY JANUARY—AND BEYOND

BY ANTHONY HEAD WINTER 2022



Santa Barbara Independent



Get Down with Dry January, Santa Barbara-Style

the Montecito JOURNAL



Sip Without the Buzz

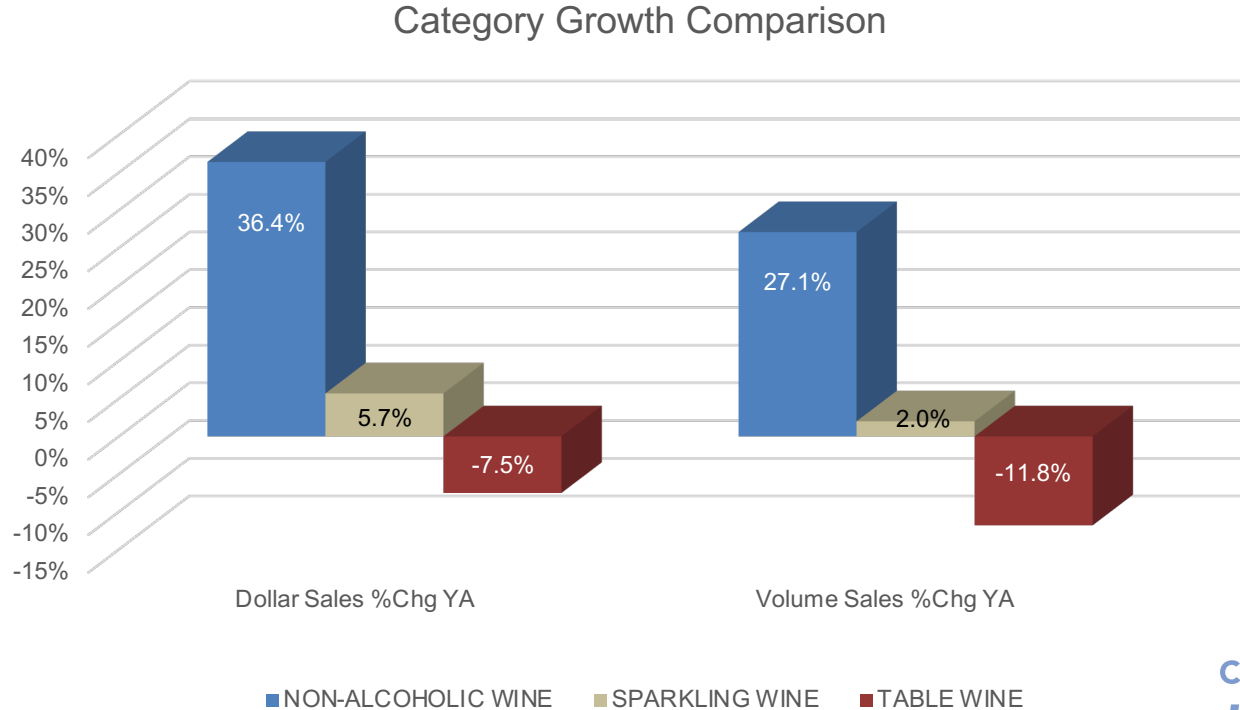
BY GABE BAGLIE JANUARY 13, 2022

Santa Barbara's Miller Family Launches Alcohol-Free Wines

One of Santa Barbara's most prolific wine producers just expanded its impressive portfolio. Miller Family Wine Company, with brands from high-end Bien Nacido to mainstream Butterscotch, premiered the Hand on Heart label earlier this month. What makes these wines unique is the alcohol - there isn't any.

CENTRAL COAST
Insights

Dollars Speak Louder Than Words



The Sober Curious Consumer

Alcohol Moderation by Age and Gender

% who are moderating their alcohol intake

Base = All regular wine drinkers in the countries listed

	All wine drinkers	Gender		Age		
		Male	Female	LDA-34	35-54	55+
US	36%	39%	32%	49%	41%	21%

USA Consumer Intent to Purchase: by gender & age

% who would be likely or very likely to purchase the following wines

Base = All US regular wine drinkers (n=2,000)

	All US regular wine drinkers	Gender		Age			Wine Involvement		
		Male	Female	21-34	35-54	55+	Low	Medium	High
n=	2,000	1,026	974	567	691	742	424	1,025	551
Non Alcoholic Wine	26%	31%	21%	37%	32%	11%	13%	21%	45%
Lower Alcohol Wine	26%	29%	22%	33%	30%	15%	19%	20%	42%

CENTRAL COAST
Insights

The Why Behind the Buy

Lower Alcohol Wine Purchase Motivations

% who selected the following statements as motivations to buy lower alcohol wines

Base = Those who have sought to buy lower alcohol wine in the past 6 months or would consider buying in the future

	Global	US
<i>Sample size n=</i>	1,290	227
It's better for my health	57%	55%
I enjoy the taste	48%	54%
I like to stay in control	43%	43%
Less calories than other wines	40%	44%
It gives me fewer headaches	33%	34%
It goes better with food	32%	35%
I will be driving	28%	30%
Price is lower than standard wine	27%	29%
I'm on a diet	20%	20%
Most of my friends are drinking it	13%	15%
I like to be seen drinking it	11%	13%
None of these / no opinion	3%	4%
Other	2%	1%
I would not consider drinking lower alcohol	2%	1%



Super Premium+ Recent Entrants



CENTRAL COAST
Insights

Early Results & Learnings

Willingness to pay is increasing

Receiving little to no pushback on premium pricing

Target consumers are highly engaged

“Where can I buy this?”

Distributors are on board

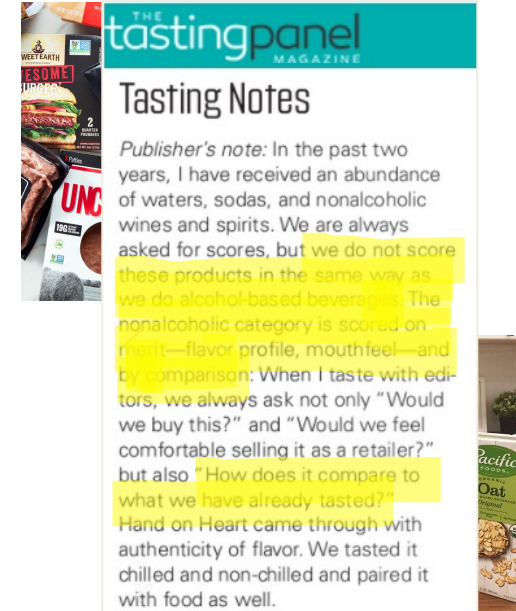
They want a horse in the race

Retailers have been the unexpected barrier

POD growth has been slower than expected

“I don’t like how it tastes”

“It doesn’t taste like wine”



CENTRAL COAST
Insights

Thank You!



MILLER FAMILY
WINE COMPANY

Tommy Gaeta

tgaeta@millerfamilywinecompany.com

805-975-7669

CENTRAL COAST
Insights