

Report Brochure



US DIRECT-TO-CONSUMER REPORT 2015



JANUARY 2015



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Management summary

Who is buying wine at each DTC channel?

Distinctive features of shoppers from each DTC channel:

- Winery visit:** "From a winery during a visit"
 - 25% of US regular wine drinkers have bought wine from here in the past 6 months
 - Most likely group to be from California (29% vs. 21%)
 - Particularly broad range of varietals
 - More mainstream: most likely to match the typical US wine drinker profile compared with shoppers from the other three channels
- Retailer website:** "Online from a wine store's website"
 - 24% of US regular wine drinkers have bought wine from here in the past 6 months
 - High proportion from New York (23% vs. 6%) and Illinois (8% vs. 4%)
 - Most involved (53% vs. 27%) and frequent wine drinkers (80% vs. 57% drink wine at least twice a week)
 - Most likely to drink Moscato (49% vs. 30%) - their 2nd top white varietal after Chardonnay
- Winery order:** "From a winery that order at online"
 - 28% of US regular wine drinkers have bought wine from here in the past 6 months
 - Most likely to drink red blends (48% vs. 27%)
 - Most adventurous DTC profile (76% vs. 54% enjoy trying new and different styles of wine on a regular basis)
 - Most likely DTC shopper profile to be Experienced Explorers (28% vs. 14%) but also have a high proportion of Millennial Treathers (25% vs. 11%)
- Wine club (e.g. newspaper):** "Newspaper wine club or similar"
 - 11% of US regular wine drinkers have bought wine from here in the past 6 months
 - Most likely to be from California (29% vs. 21%)
 - Most likely to drink red blends (48% vs. 27%)
 - Most likely to be from California (29% vs. 21%)
 - Most likely to be from California (29% vs. 21%)

Shipment in the USA

Very different specifications on wine shipping laws between states

On 1st Jan 2015¹, Massachusetts allowed domestic wineries to ship directly up to 12 cases of wine to each individual consumer. The law is very different between states, although it is possible to create the following 3 categories:²

State	Category
Alabama	Winery direct shipping permitted
California	Winery direct shipping permitted
Colorado	Winery direct shipping permitted
Connecticut	Winery direct shipping permitted
Georgia	Winery direct shipping permitted
Illinois	Winery direct shipping permitted
Indiana	Winery direct shipping permitted
Iowa	Winery direct shipping permitted
Kansas	Winery direct shipping permitted
Maine	Winery direct shipping permitted
Massachusetts	Winery direct shipping permitted
Michigan	Winery direct shipping permitted
Minnesota	Winery direct shipping permitted
Missouri	Winery direct shipping permitted
Montana	Winery direct shipping permitted
Nebraska	Winery direct shipping permitted
Nevada	Winery direct shipping permitted
New Hampshire	Winery direct shipping permitted
New Mexico	Winery direct shipping permitted
New York	Winery direct shipping permitted
North Carolina	Winery direct shipping permitted
North Dakota	Winery direct shipping permitted
Ohio	Winery direct shipping permitted
Oregon	Winery direct shipping permitted
South Carolina	Winery direct shipping permitted
Tennessee	Winery direct shipping permitted
Texas	Winery direct shipping permitted
Vermont	Winery direct shipping permitted
Virginia	Winery direct shipping permitted
Washington	Winery direct shipping permitted
Washington D.C.	Winery direct shipping permitted
West Virginia	Winery direct shipping permitted
Wisconsin	Winery direct shipping permitted
Wyoming	Winery direct shipping permitted
Arizona	Winery direct shipping prohibited
Arkansas	Winery direct shipping prohibited
Delaware	Winery direct shipping prohibited
Florida	Winery direct shipping prohibited
Idaho	Winery direct shipping prohibited
Louisiana	Winery direct shipping prohibited
Mississippi	Winery direct shipping prohibited
Missouri	Winery direct shipping prohibited
Nebraska	Winery direct shipping prohibited
North Carolina	Winery direct shipping prohibited
North Dakota	Winery direct shipping prohibited
Ohio	Winery direct shipping prohibited
Oklahoma	Winery direct shipping prohibited
Oregon	Winery direct shipping prohibited
Tennessee	Winery direct shipping prohibited
Texas	Winery direct shipping prohibited
Utah	Winery direct shipping prohibited
Virginia	Winery direct shipping prohibited
Washington	Winery direct shipping prohibited
West Virginia	Winery direct shipping prohibited
Wisconsin	Winery direct shipping prohibited
Wyoming	Winery direct shipping prohibited

Profiling of winery visit wine buyers

Millennial men, higher earners and frequent wine drinkers, adventurous in their wine choices and more likely to live in California

Who are they?

- 25% of US regular wine drinkers have bought wine from a winery in the past 6 months
- More likely than the average to be...
 - Men (78% vs. 50%) and millennials (42% vs. 31% aged under 35)
 - From California (19% vs. 11%)
 - Higher income earners (28% vs. 17% earning over \$100,000)
 - Married / living with partner, children at home (40% vs. 30%)
 - Frequent wine drinkers - typically drink wine at least twice a week (85% vs. 57%)
 - Adventurous (70% vs. 54% enjoy trying new and different styles of wine on a regular basis) and highly involved (40% vs. 25%)
- Most likely to be Premium Brand Suburban, in line with average, but more likely than the average to belong to Millennial Treathers (20% vs. 11%) and Experienced Explorers Portraits groups (20% vs. 14%)



*All prices exclusive of VAT, GST or relevant local sale taxes at the current rate

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Excerpts from the introduction



‘Direct-to-consumer wine retail channels, including tasting room sales to mail order, wine clubs and online retail, grew 15% in 2014 and continue to be a hot topic in the US industry, as retailers and wineries compete to reach the growing population of 90 million regular wine drinkers in the USA.’

‘Whilst DTC channels remain small at the moment, we predict that this will become a significant source of revenue, especially for small to mid-sized wineries in years to come, as technology and regulations advance to support the growth of this convenience channel.’

‘The group of consumers buying wine from each DTC channel has its own distinctive characteristics. However, there is a high overlap in consumers across different DTC channels, i.e. wine buyers from one DTC channel are more likely to be also shopping in the others.’

‘This report reveals simple opportunities to grow these channels by understanding consumer motivations and barriers for buying wine at each channel.’

Erica Donoho
Country Manager, USA



- **Data collection:**
 - The data for this report was collected in October 2014
 - Data was gathered via Wine Intelligence’s Vinitrac® US online survey and is representative of all US regular wine drinkers
 - Sampling: quotas-based; quotas were defined in terms of age, gender and region

- **Screening criteria:**
 - Respondents were required to drink wine at least once per month, to drink at least red, white or rosé wine and to buy wine in the off-premise and/or in the on-premise

- **Data processing:**
 - Invalid responses (those who completed the survey too quickly, or who “straight-lined” through selected questions) were removed from the sample



SAMPLE SIZES

At least 500 respondents per survey; 1,000 in most countries, 2,000 in US
Regular adult wine drinkers (where 'regular' = drinks wine at least once per month)

Each Vinitrac[®] survey starts with questions to screen respondents:

- Adult drinking age within each country
- Permanent resident of the country being surveyed
- Drinks wine at least once per month
- Drinks at least red, white or rosé wine
- Buys wine in the off-trade and/or in the on-trade channels

... and rejects all respondents who do not fulfil these Vinitrac[®] criteria



Each sample is representative of the 'regular' wine drinking population in that market and is therefore valid; a sample size of at least 500 consumers ensures results are reliable. It's like a 'smaller' version of the wine drinking population at large



WHY IS VINITRAC® NOT A PANEL?

- Panels are good for monitoring detailed purchase activity but require regular input from exactly the same complete group of respondents
- This requires more time from respondents, for which they are paid, and panels are therefore more heavily skewed towards home-based consumers, e.g. students and home-makers
- This group of a country's wine-drinking population does not fully represent the accurate weighted sample of adult regular wine drinkers on which Vinitrac® insights are based

HOW DOES VINITRAC® WORK?

- Invitations to participate in Vinitrac® are distributed to adult consumers in each market
- Consumers interested in a wine survey are directed to an URL address, which welcomes them to the online survey
- Wine Intelligence monitors incoming completed responses to build a sample representative of the wine drinking population of the target market
- When a representative sample of at least 1,000 (US: 2,000) is logged, the survey is closed



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