

The title "US Portraits 2018" is centered in a large, dark blue, sans-serif font. It is overlaid on a semi-transparent white horizontal band that also contains a decorative bar with several colored segments (dark blue, light blue, maroon, teal, light blue, grey, purple, dark blue).

US Portraits 2018

How can I use Portraits?

Objectives

The Portraits report series has two main objectives:

1. Help to **identify your target consumers**
2. Provide a detailed understanding of those consumers, including:
 - **Who** they are
 - **Why** they drink wine
 - **What** they drink
 - **Where and how** they buy wine
 - **How** you can target them

This report identifies the higher value, mid-value and lower value consumer groups in the wine market, and provides detail on the preferences and behaviors of each segment in order to help you to identify the right target group for your product. This analysis can then be combined with an analysis of the competitive landscape to build a decision of which consumers to target

The segmentation model can be used to identify and understand target consumers, and to map on to brand, portfolio and channel strategies. Reading the report, it is important to note that each consumer group has its own needs and merits. Higher value consumers may offer a tempting target because they tend to buy more expensive wines more frequently; on the other hand they tend to have broad portfolios and the competition for their attention is intense. Lower value consumers may shop for wine less often and spend less, but can still represent significant opportunities for producers whose strengths align with lower cost, consumer-friendly products

Putting findings into practice

Once you have decided on your target and built an understanding of who these consumers are, there are a number of ways to apply this understanding to better target your key customers. In the past, wine companies have used Portraits to inform:

- Packaging and label design
- Brand positioning
- Advertising and marketing communications
- Channel strategy
- In-store positioning and layout

US Portraits: New segmentation for 2018

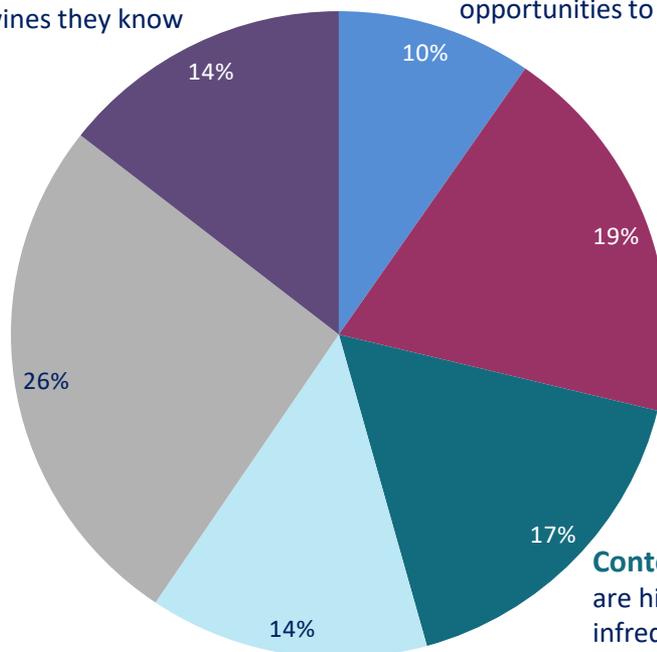


% Share of US regular wine drinkers by Portraits segments

Kitchen Casuals: One of the oldest segments, they are infrequent wine drinkers, with very few consuming wine in the on-premise. They show a limited interest in the wine category, sticking to the narrow range of wines they know

Engaged Explorers: One of the younger segments (typically 25–44 years), they are the most frequent wine drinkers and the highest spenders, buying from a broad repertoire of wine styles, countries and regions. The most experimental group, actively seeking opportunities to build wine experiences

Senior Bargain Hunters: The least frequent and one of the oldest wine drinking segments. Time in the category has led to relatively strong wine knowledge, however they still purchase from a narrow repertoire of wine styles and brands, being strongly value driven



Premium Brand Suburbans: Mid to older aged, they are frequent wine drinkers, yet amongst the lowest spenders per bottle, sticking to the wines and brands they know. Their category experience leads them to have the highest wine knowledge of all segments

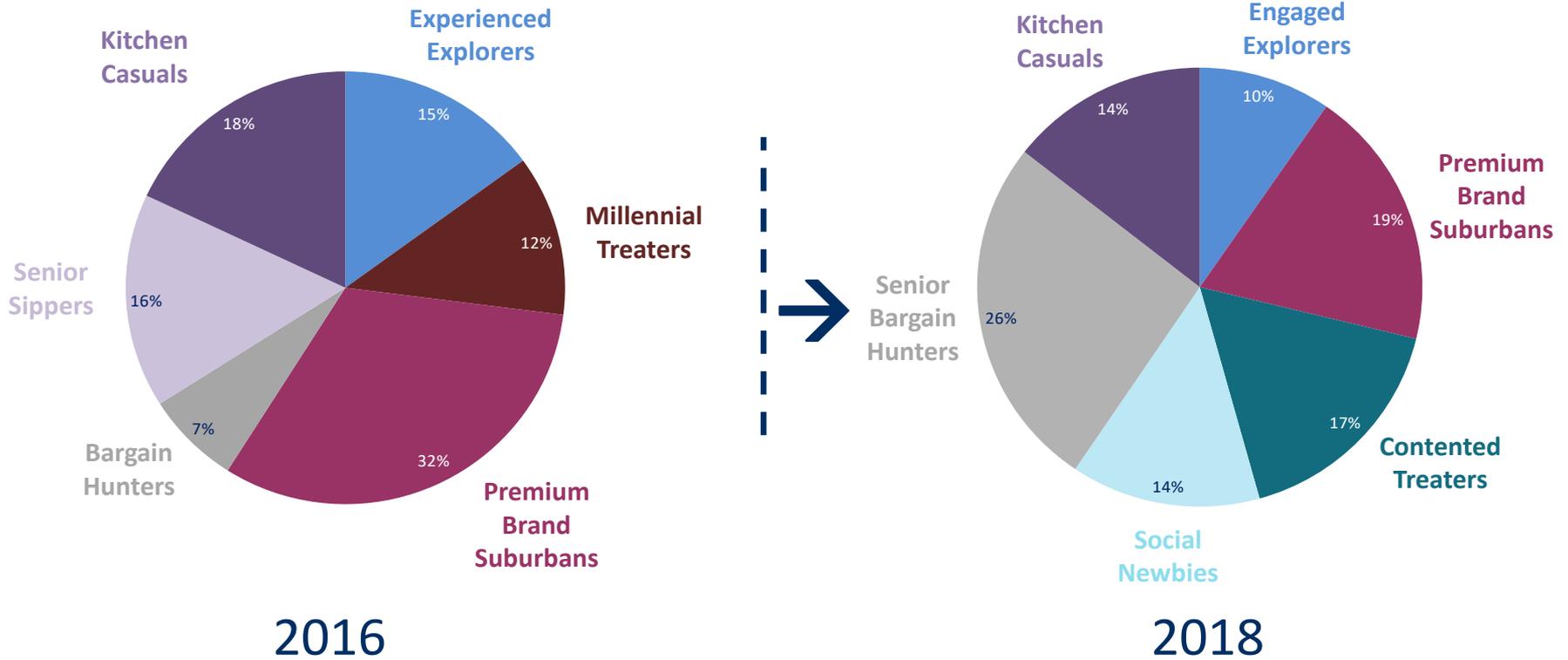
Social Newbies: The youngest wine drinking segment with 2/3rds aged under 35 years, they drink wine on average twice a week, are mid spenders, with wine not yet fully integrated into their lifestyle. They have limited wine category knowledge yet and rely heavily on recommendations when it comes to buying wine

Contented Treaters: Mid and older affluent drinkers who are high spenders on wine, yet enjoy wine relatively infrequently. Knowledgeable and involved, who enjoy a broad range of wine types and styles, and are often influenced by a wines origin

US Portraits: 2016 → 2018

Most segments have changed their constituent behavior, prompting new names and proportional shares of the wine drinking population

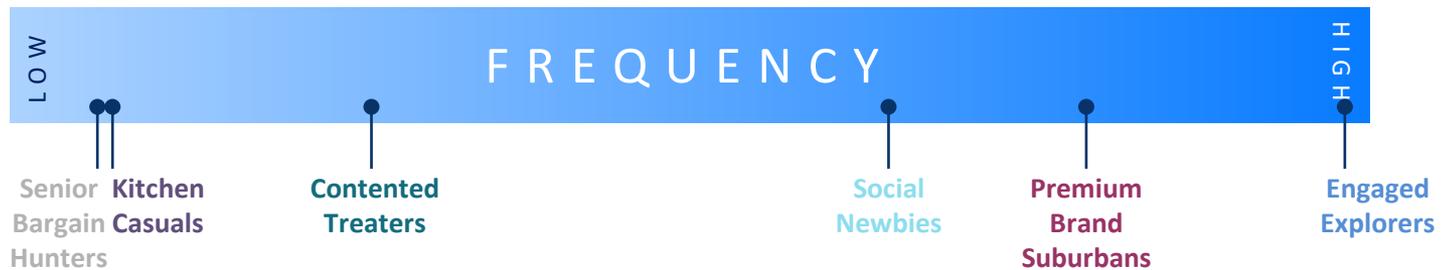
% Share of US regular wine drinkers by Portraits segments



Introducing the Portraits groups: Overview

Mapping wine drinking frequency shows two distinct clusters of low and high frequency drinkers, which is not directly correlated to typical per bottle spend on wine

Total wine consumption frequency (off-premise and on-premise)



Typical spend on a bottle of wine (off-premise and on-premise)



Introducing the Portraits groups: Overview

Category involvement shows two distinct clusters, whilst knowledge and confidence are more influenced by a cumulation of experience built up over a number of years

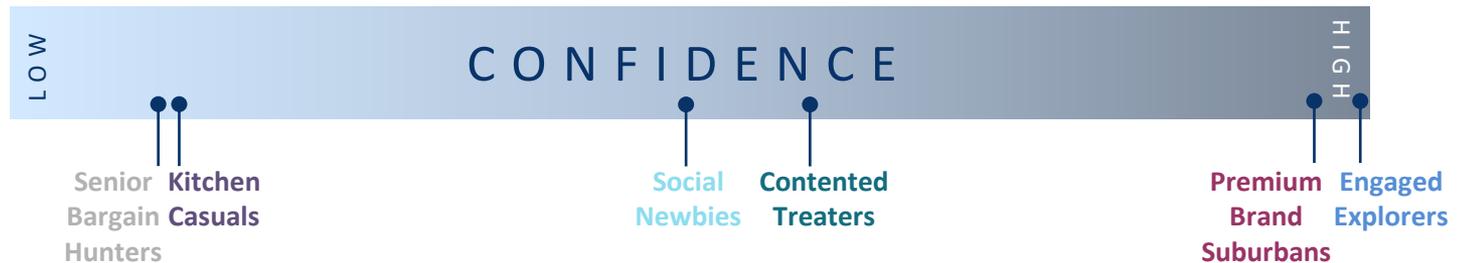
Involvement in the wine category



Knowledge level



Confidence level



US Portraits overview: Summary of segment attributes



| | Engaged Explorers | Premium Brand Suburbans | Contented Treaters | Social Newbies | Senior Bargain Hungers | Kitchen Casuals |
|-------------------------|--|--|--|---|---|---|
| Who are they? | Younger, confident wine drinkers who enjoy discovering new wines | Mid to older aged, frequent wine drinkers, lower spending but very knowledgeable | Infrequent, but high spending drinkers, who know what they like | The youngest segment, drinking fairly frequently and rely on recommendations due to lack of knowledge | Most infrequent and one of the oldest segments with good knowledge due to a long time in the category | One of the oldest, very infrequently drinking segments, they have little interest in the category |
| Why do they drink wine? | Wine is part of their lifestyle and social life so they spend time and money in the category | They enjoy wine in social situations in the on-premise for casual occasions | They have wine infrequently but enjoy it in social situation as a treat or to pair with their dinner | Wine is often consumed in the on-premise and in social situations with friends and family | Low confidence in their knowledge, wine drinking centers around casual occasions at home | Not understanding much about wine and little interest to learn more, they mostly drink at home for informal occasions |
| Where? | Enjoy buying from wine shops and wineries and are highest spenders in on- and off-premise | Get wine from the supermarket or previously known wineries, often in bulk to get value | They buy wine from liquor stores or wine shops or from wineries they visit to stock up | Main factor when buying wine is convenience, so many wine-buying channels are used | Most consumers get their wine from the supermarket, being strongly value-driven | Very price-conscious, their primary channel is the supermarket, rarely branching out |
| What do they drink? | Have the broadest repertoire and enjoy trying new varietals, regions and types of wine | Very broad repertoire, however they know what they like and prefer domestic wine-producing regions | They know what they like and stick to the more mainstream varietals preferably from domestic regions | They are exploring the category and enjoy trying more niche varietals and regions of origin | Despite their good knowledge of varietals and places of origin, they stick to what they know and drink from a narrow repertoire | Drink from a very narrow repertoire and stick to what they know |

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