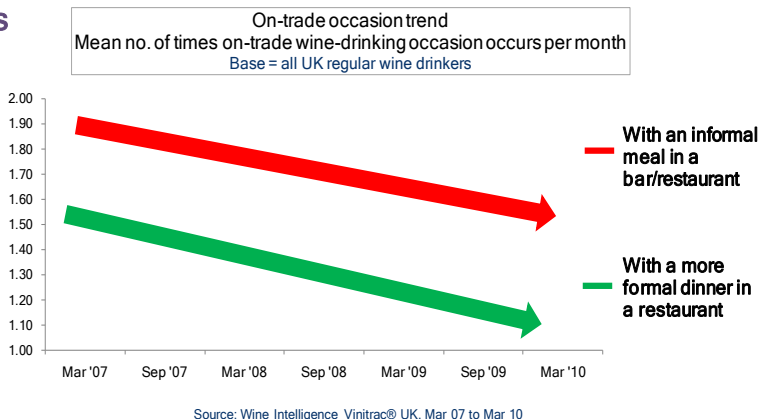


The UK On-trade: Enhancing the consumer wine experience in on-trade settings

Evidence from several Wine Intelligence research studies highlights the challenge

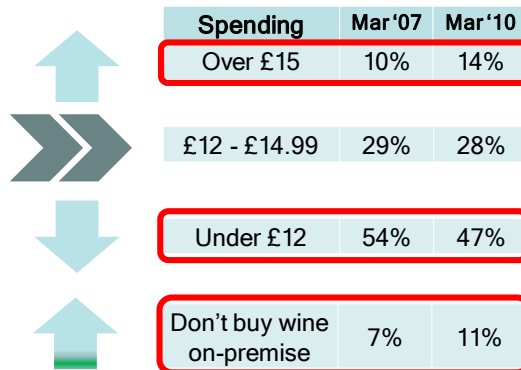
Long-term decline in on-trade visits persists

- This summarises mean occasion frequency/month for the 2 key occasions: “informal meals” and “more formal meals”
- “Informal” frequency is down by nearly 19% over this 3-year tracking period
- “More formal” down by 28%



Changing pattern of typical per-bottle

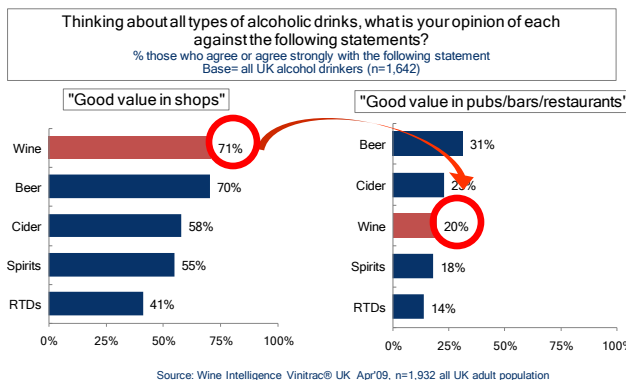
- And, crucially, the proportion of UK regular wine drinkers who “don’t buy wine in on-trade” is increasing



Base: All UK regular wine drinkers (n=1,000+)
Source: Wine Intelligence Vinitrac® UK, March '07 to March '10
n= 1,000+ UK regular wine drinkers per wave

Many regular wine consumers continue to believe wine is not good value in the on-trade

- “Wine is good value” registers a much lower rating in on-trade settings than when these same consumers are shopping for wine in the off-trade



And evidence from other Wine Intelligence helps understand these declines

The research tells us that:

The on-trade wine experience fails to delight many consumers because ...

- ✗ Wine perceived as less important than food offer
- ✗ Consumers don't understand the wine offer
- ✗ Consumers reluctant to experiment
- ✗ Consumers reluctant to spend at higher prices

The UK On-trade:

Enhancing the consumer wine experience in on-trade settings

Wine Intelligence Mystery Dining studies help us diagnose the issues . . .

These studies highlighted 5 sources of consumer dissatisfaction with the wine offer in on-trade settings



1. Wine rarely projected as important as food offer
2. Marketing or promotion of the wine offer not often prominent
3. Consumers obliged to fall back on self-selection therefore consumer choice often defaults to house wines
4. Risk-reduction advantages of brands under-exploited
5. High-end pricing perceived as unbalanced versus food prices

Wine Intelligence Mystery Dining studies, 2007 and 2009
Total number of locations visited: 59

Direct feedback from consumers highlights another issue: perceptions of high pricing

Obscenely expensive; no different in price or mark up 'rip off' to 'thousands of hotels and restaurants across UK

Hotel in Glasgow

Male, 65+, North England

We choose a red wine at £16.95; arrived with great aplomb; presented for tasting approval; poured with reverence. Not the best wine in the world; pretty sure it was on offer in Asda at 3 for £10 .

Asian restaurant in Notts

Female, 55-64, Midlands

Source: Sample of responses from open-ended question in Vinitrac® UK, Apr'10, Selected by Wine Intelligence for illustrative purposes

Encouraging, there are also many examples of more positive feedback . . .

Nero d'Avola - excellent value
Good taste for pizza. Just impressed

Pizza Express, Edinburgh

Male, 45-54, Scotland

Helpful bar assistant recommendation when I told her my price preference.
Wine was very good at a fair price

Bucket and Spade, Weston-s-Mare

Female, 55-64, Wales

Source: Sample of responses from open-ended question in Vinitrac® UK, Apr'10, Selected by Wine Intelligence for illustrative purposes

We now ask three industry leaders to comment on these findings and advise of their approaches to delighting consumers with the wine offer in on-trade settings . . .

→ Peter McCombie, MW

→ Adam Thomas

→ Gerard Basset, MW, MS

