WINE INTELLIGENCE

US PORTRAITS 2021

JANUARY 2021

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INTRODUCTION

Consumer behavior is not typically a fast-changing affair. Habits are formed over long periods and last a long time, even after the rationale for those habits has long gone. Witness the ritual of many people over the age of 50 paying for a daily newspaper to be delivered, reporting yesterday's news, while their children have already read, forwarded and commented on yesterday's news and have begun retweeting today's news.

Sometimes, however, things do change faster than we had anticipated. We are now so comfortable with the world of entertainment delivered to us via Netflix et al., that the fact that this happened relatively quickly doesn't surprise us, because in the context, it seems logical.

Today's context is also important. The arrival of a global pandemic has heralded changes in US wine drinker behavior that were already present in the nation's habits previously – they were just accelerated and promulgated by Covid-19.

Nowhere is this change more apparent than in the emergence of a new wine drinking segment in the Wine Intelligence US Portraits segmentation for 2021. This new segment, Generation Treaters, are largely the educated, urban Millennials, working in the new economy and starting to settle down and raise families. They are transitioning their drinking habits from primarily on-premise socializing and hedonic nights out, into a more everyday, at home existence.

Generation Treaters' precursors from our previous study in 2018 are the younger end of the most knowledgeable and high spending segment of US consumers, whom we dub Engaged Explorers, and the younger end of another group called Contented Treaters, who are higher spending but more occasional drinkers. In the 2021 segmentation, the Contented Treaters have disappeared entirely, swallowed up by Engaged Explorers (who are now older) and by Mainstream Suburbans, an older-leaning segment of drinkers who tend to drink wine regularly but stick to more value and mainstream prices.

Our new Millennial-flavored Generation Treaters are among the most frequent wine drinkers, but they are not the highest spenders. They are building their wine knowledge, but currently know relatively little about the category, relying on technology, friends or the aesthetics of labels to guide their choices. In normal times this group would still be going out to bars and restaurants (though less often than they used to because they would now have to pay for a sitter). However, in today's world they are most likely working from home and less able to (or inclined to) spend lots of money on vacations and evenings out. Instead, our Generation Treaters are buying wine more regularly, drinking it more often than they used to at non-food occasions and experimenting confidently with new styles, without always knowing exactly what they are drinking.

Some of this direction of travel is down to Covid-19, but by no means all. The US wine market has been evolving as the 21st Century has worn on, with Boomers slowly moving aside from their previous dominance of the category, allowing Gen-X and now Millennials to influence what is sold and how it is sold.

Our new Generation Treaters segment is also helping to shift drinking behavior towards a more low- alcohol, lower calorie, responsible, in control process. This isn't always manifested in alcoholic beverages labelled 'low alcohol' although that can help – witness the growth of the hard seltzer category.

So how will our new segments influence the wine category over the next three years? Most likely they will care about the things that also matter in their broader existence. Unlike their parents, Generation Treaters are more motivated by concepts such as sustainability and aesthetics, and less by low prices. They won't say no to a bargain (who would?) but for them, a good deal means more than just cash saved. It is about the value embedded in the product itself – the story, the look of the bottle, the values of the people who made it, or some combination thereof.

How Portraits works

What are Portraits?

- Portraits are a series of wine attitudes and behavior segmentations by Wine Intelligence, providing wine businesses with a reference segmentation of wine drinkers which can be applied to individual brands, regions, countries of origin, style categories and retailers

- US Portraits 2021 is the 7th edition of our US Portraits. Portraits are also available for the UK, China, Australia and Canada

How we develop Portraits…

- Wine Intelligence uses factor and cluster analysis to group consumers into distinct segments based on their answers to questions about their wine-drinking behavior and their attitude towards wine. Once consumers have been identified as belonging to a specific segment, these segments are profiled based on a set of output variables, which in addition to the input variables include demographic information and more detailed questions on wine-drinking behavior

- Portraits are developed using an integrated research methodology utilizing both quantitative and qualitative inputs

    - **Quantitative:** Analysis for US Portraits is based on a sample of 10,000 US regular wine drinkers collected in July and October 2020 via Wine Intelligence's Vinitrac® online survey. Comparisons for some measures were made against the previous US Portraits 2018 report

    - **Qualitative:** Focus groups were conducted across the US in November and December 2020 (see Appendix for details of the qualitative research methodology)

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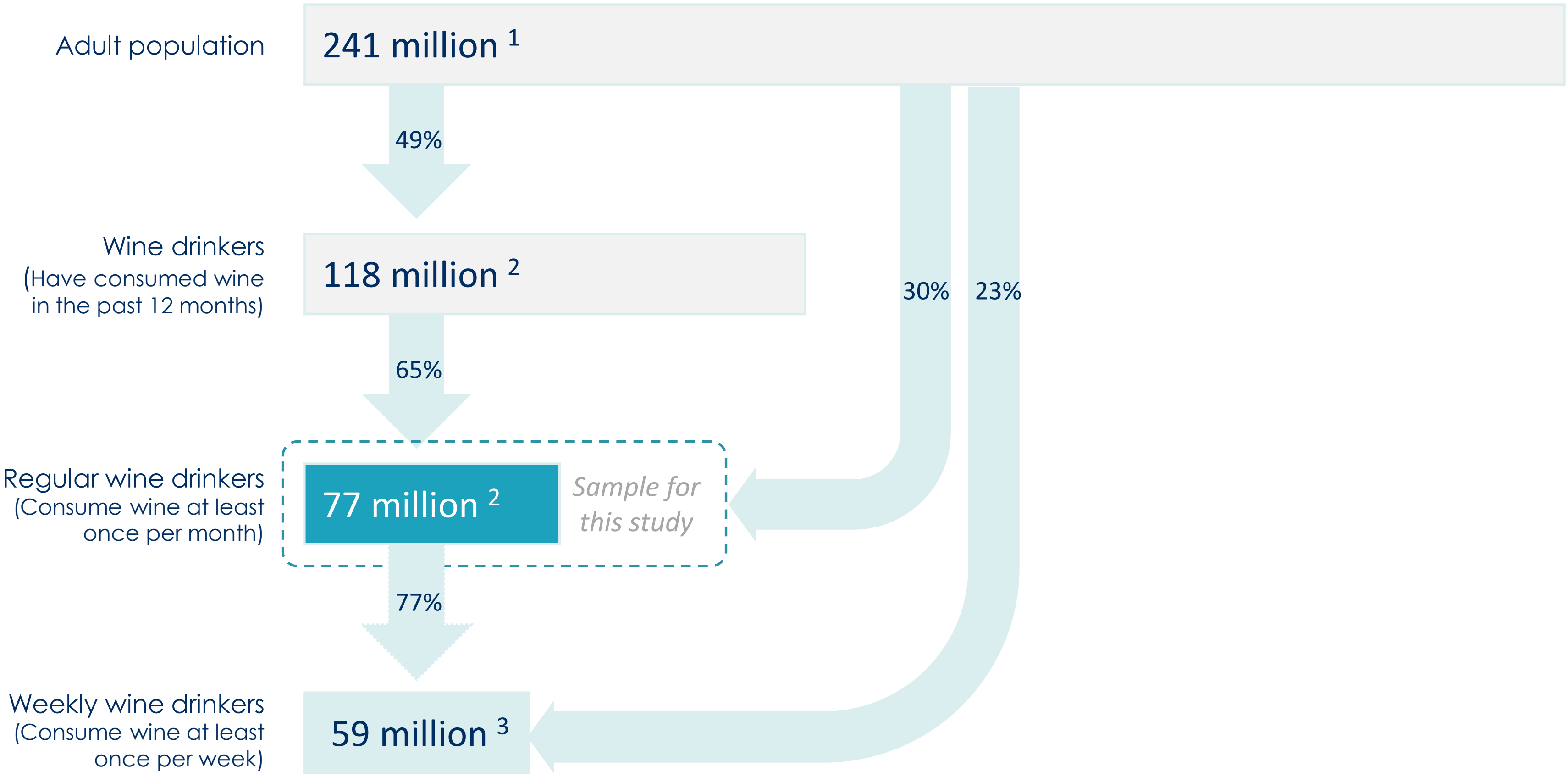
OVERVIEW OF REGULAR WINE DRINKERS IN THE US MARKET

Just under a third of US adults are regular wine drinkers, with a majority of this population being weekly wine drinkers



Adult population

241 million [1]

49%

Wine drinkers

(Have consumed wine in the past 12 months)

118 million [2]

65%

30%

23%

Regular wine drinkers

(Consume wine at least once per month)

77 million [2]

Sample for this study

77%

Weekly wine drinkers

(Consume wine at least once per week)

59 million [3]

Sources:

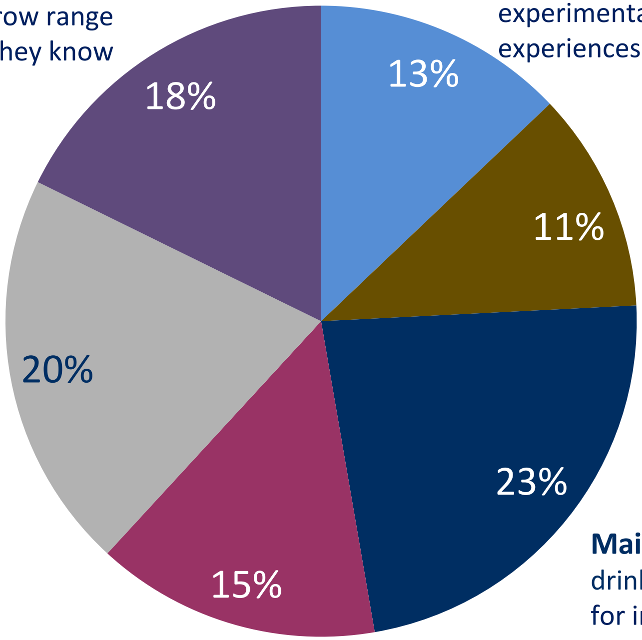
[1] Adults aged 21+, US Census Bureau, population estimates

[2] Wine Intelligence online calibration studies with YouGov and SSI, September '19, n=2,258 US adults,21+. Wine=still light wine (red, white, rosé), recalibrated to Census Bureau population data

[3] Wine Intelligence, Vinitrac® US, July and October 2020 (n=10,000) US regular wine drinkers

US PORTRAITS: WINE DRINKER SEGMENTATION (2021)

% share of US regular wine drinkers by Portraits segments US 2021



Kitchen Casuals: One of the oldest segments, they are infrequent and low-spending 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: A younger to mid-aged segment (typically Millennial and Gen X), they are one of the most frequent wine drinking segments and the highest spenders on wine, buying from a broad repertoire of wine styles, countries and regions. The most experimental group, actively seeking opportunities to build wine experiences with highest wine knowledge and confidence

Generation Treaters: One of the younger segments (mainly Millennials), who are the most frequent drinkers but only mid-range spenders. They have lower levels of wine knowledge due to being 'newer to wine drinkers', but are confident drinkers who are exploring and learning about the category, open to trying a wide variety of wine types

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

Mainstream Suburbans: Mid and older aged drinkers, who are frequent wine drinkers (mainly for informal occasions), yet among the lowest spenders per bottle. Their time spent in the category leads to high wine knowledge and confidence and they enjoy drinking a broad range of more mainstream wines

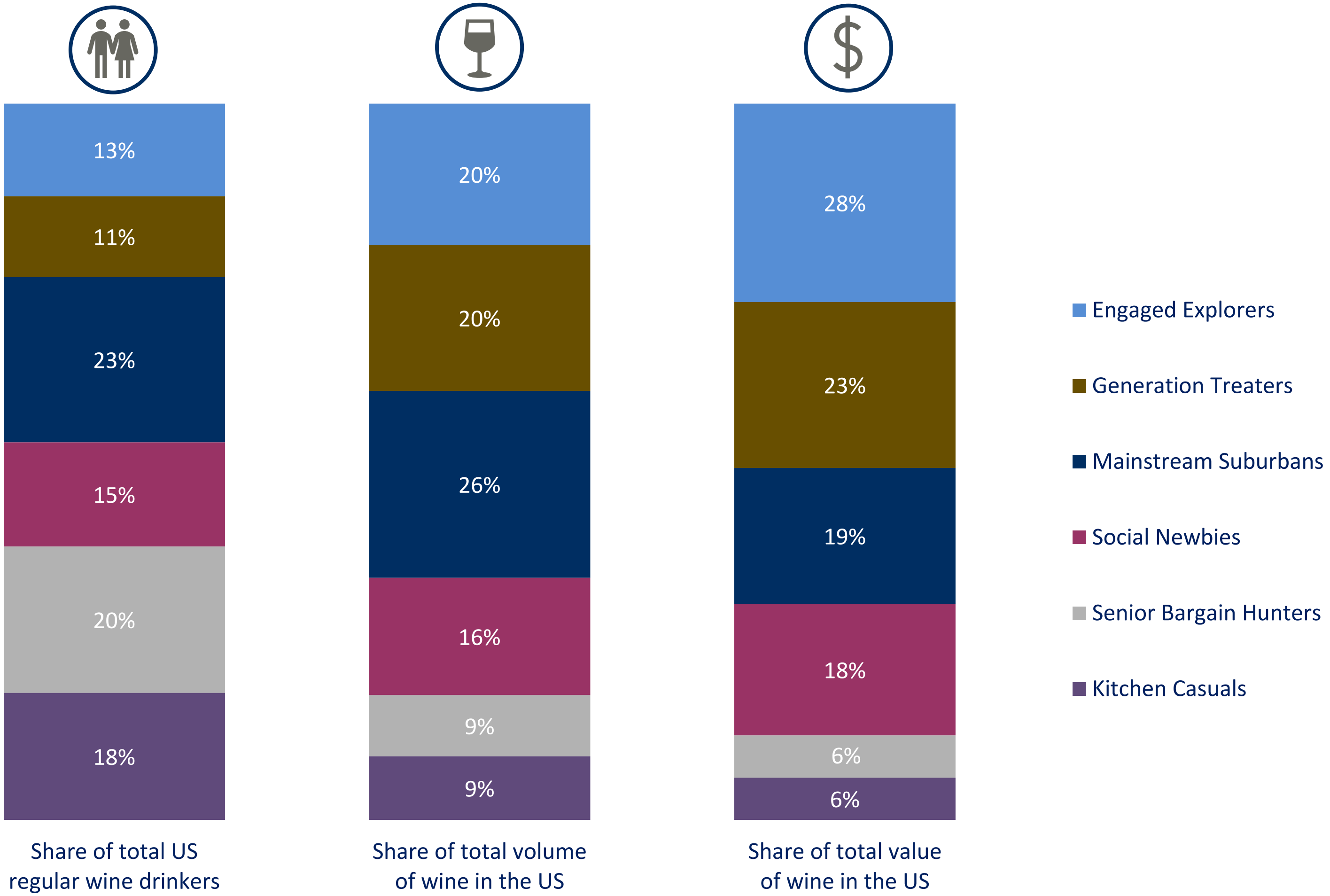
Social Newbies: The youngest segment, drinking wine quite frequently (on average twice a week), who are mid to higher spenders with wine not yet fully integrated into their lifestyle. They have limited wine knowledge and rely heavily on recommendations when it comes to buying wine and they are usually happy to drink what is poured for them

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

US PORTRAITS MARKET SIZING

Population, share of wine volume and share of spend on wine: By US Portraits

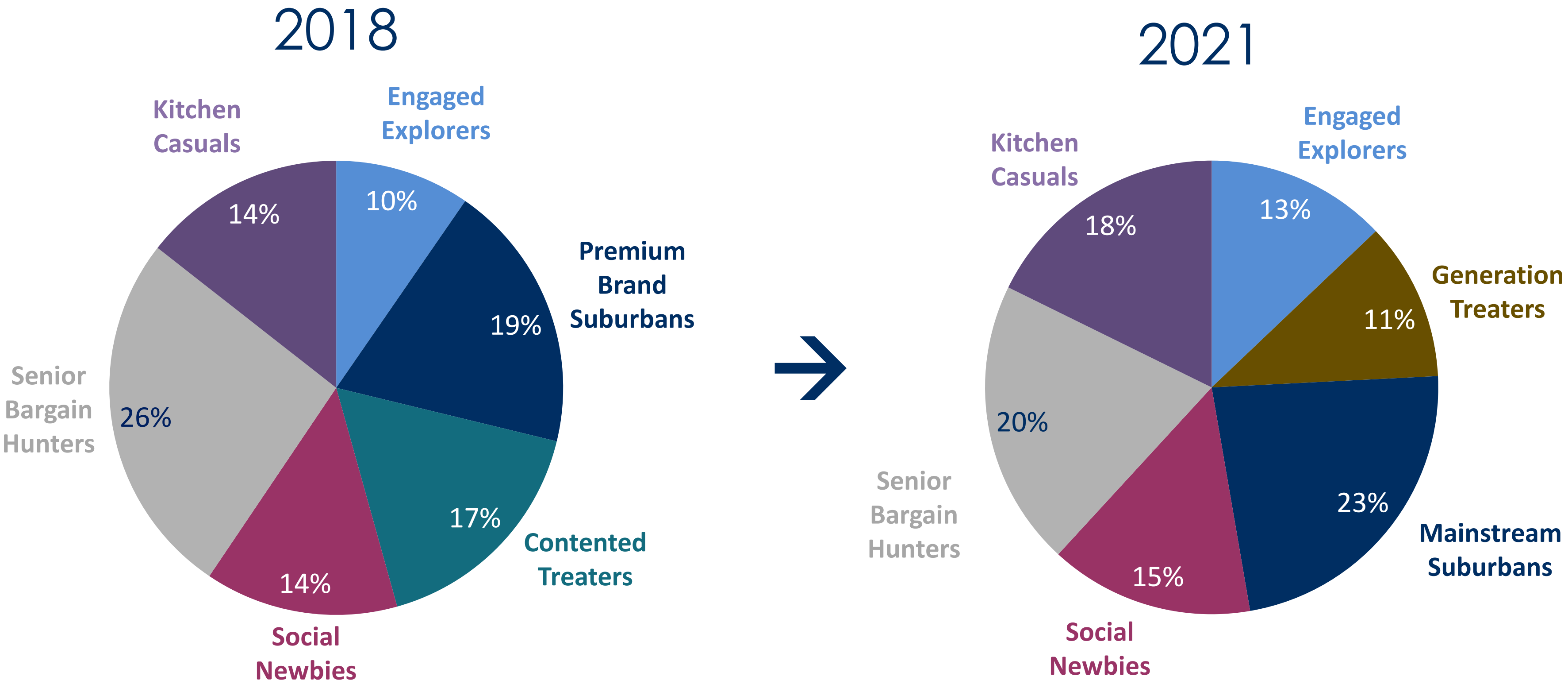
Proportion represented by each segment with consumption and spend estimated based on recalled usage frequency and spend data
Base = All US regular wine drinkers (n=10,000)



Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

US PORTRAITS: 2018 → 2021

% share of US regular wine drinkers by Portraits segments US 2018 vs. 2021



Source: Wine Intelligence, Vinitrac® US, Oct'17, Jan'18 and Mar'18, n=12,632 US regular wine drinkers
Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

2018 → 2021: US PORTRAITS SEGMENT CHANGES

Engaged Explorers are **knowledgeable, confident and high spending**. This segment also includes most of the elite high spenders (those willing to spend $50+ per bottle), though this sub-group remains proportionally small, even as a percent within Engaged Explorers. Since 2018, this group has not changed much about its fundamental behavioral makeup, but they have taken strongly to the online channel during the pandemic and have swapped some of their traditional formal occasions for wine with informal, non-food occasions. Their confidence levels in the category are also growing, as they grow used to accessing the information they need online. They are slightly older on average than in 2018, as they have lost some of their younger members to Generation Treaters (see below)

Generation Treaters are a new segment in the US Portraits map for 2021, drawn from the previous groups of Contented Treaters and the younger end of 2018 Engaged Explorers. **Their key differentiating characteristic is their high frequency of wine drinking and their relative lack of wine knowledge** compared with other segments. This group is largely comprised of Millennials and also have the highest involvement levels. However, a crucial distinction from Engaged Explorers is that Generation Treaters have among the lowest objective knowledge levels of all the Portraits segments. In part this is to do with their age and relative newness to the category. It may also reflect their reliance on technology to enable their choices. The pandemic appears to have drawn them closer to the wine category in terms of consumption frequency, with more frequent 'wine o'clock' occasions and more money to spend in the off-premise because they don't have to pay restaurant markups. However, this additional budget has not necessarily been spent on more expensive off-premise wines – instead, Generation Treaters appear to be satisfied, most of the time, with bottles at more mainstream ($12-15) price points

Mainstream Suburbans is the updated name for Premium Brand Suburbans of 2018. Mainstream Suburbans remain broadly similar to their predecessors, but their spend levels have moderated to levels clearly centered in mainstream brands

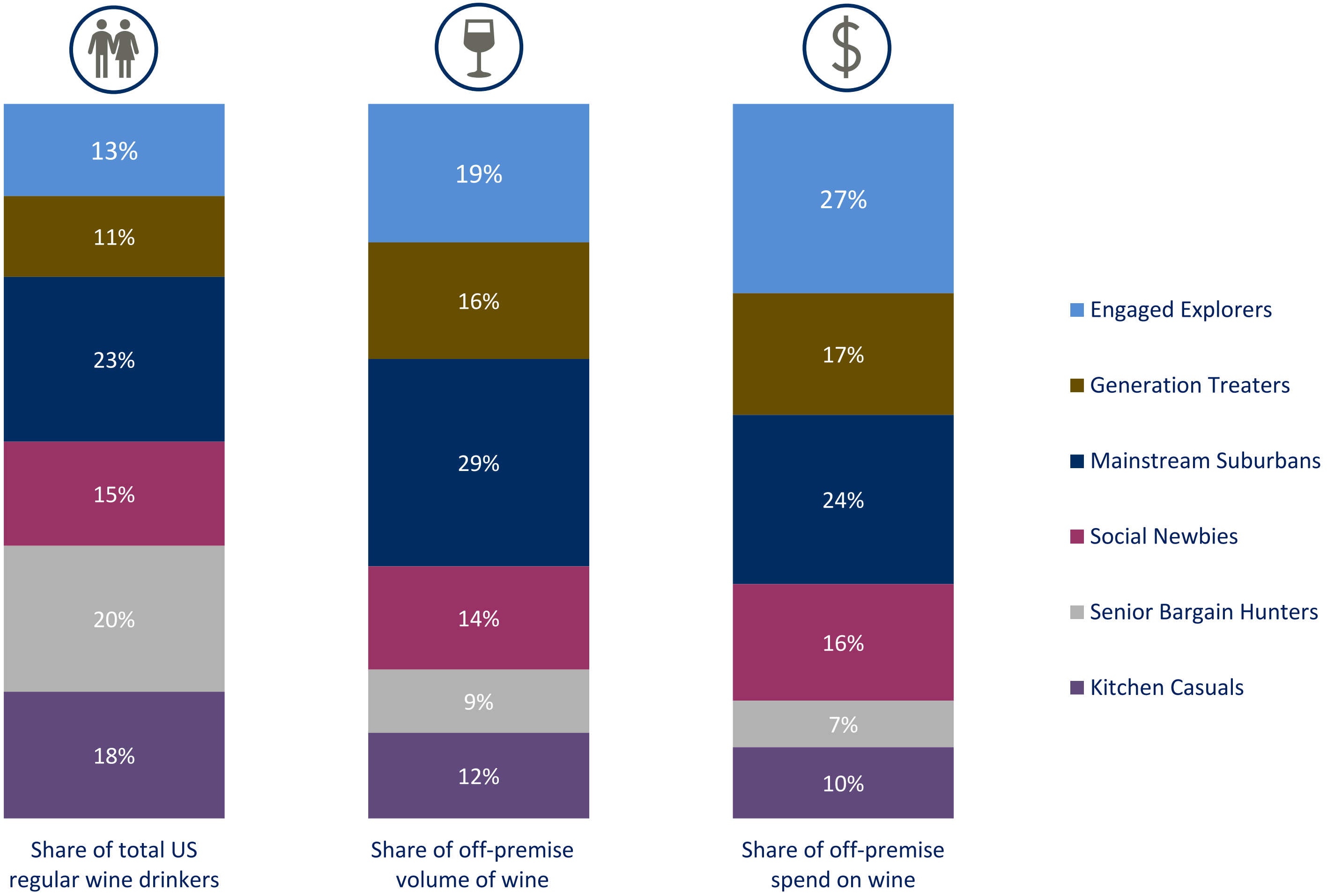
Senior Bargain Hunters and **Kitchen Casuals** remain largely similar to 2018, though they spend slightly more per wine drinking occasion. Both segments still spend the least of all the Portrait segments

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

US PORTRAITS MARKET SIZING: OFF-PREMISE

Population, share of wine volume and share of spend on wine in the off-premise

Proportion represented by each segment with consumption and spend estimated based on recalled usage frequency and spend data
Base = All US regular wine drinkers (n=10,000)



Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

US PORTRAITS MARKET SIZING: ON-PREMISE

Population, share of wine volume and share of spend on wine in the on-premise

Proportion represented by each segment with consumption and spend estimated based on recalled usage frequency and spend data
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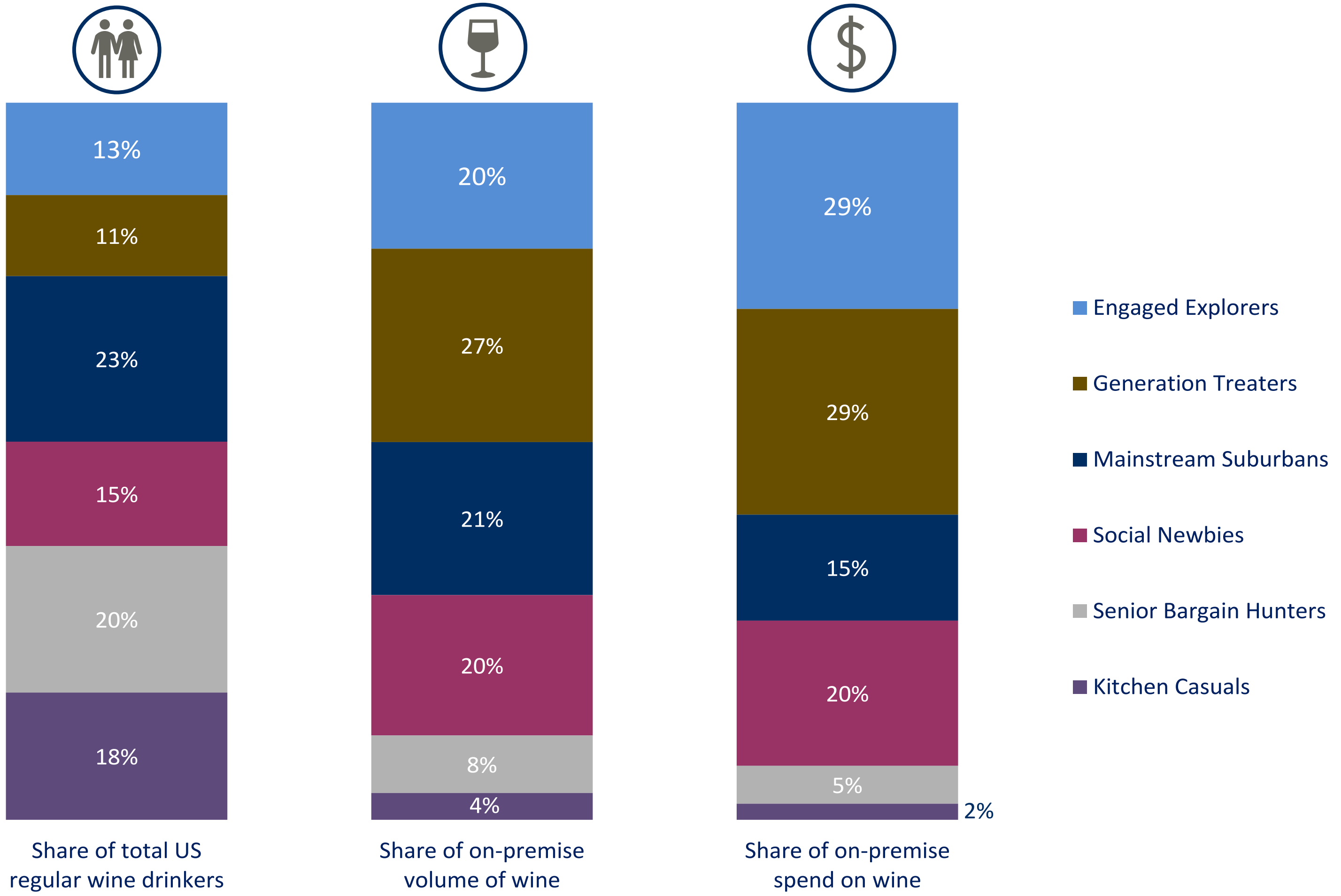
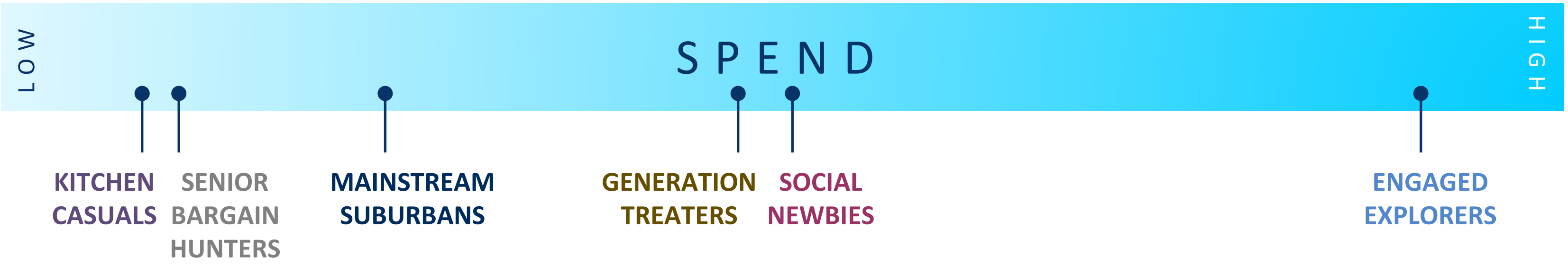


Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

INTRODUCING THE PORTRAITS GROUPS: WINE CONSUMPTION & SPEND

Wine consumption frequency (off-premise and on-premise combined)

Typical spend per bottle of wine



Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

INTRODUCING THE PORTRAITS GROUPS: RELATIONSHIP WITH WINE

Level of involvement with the wine category

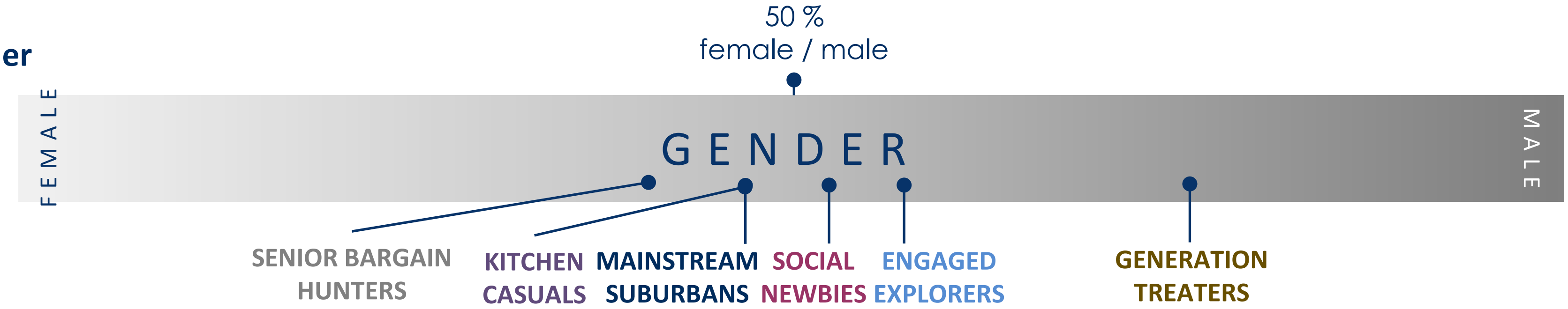
Level of wine knowledge

Level of confidence with wine

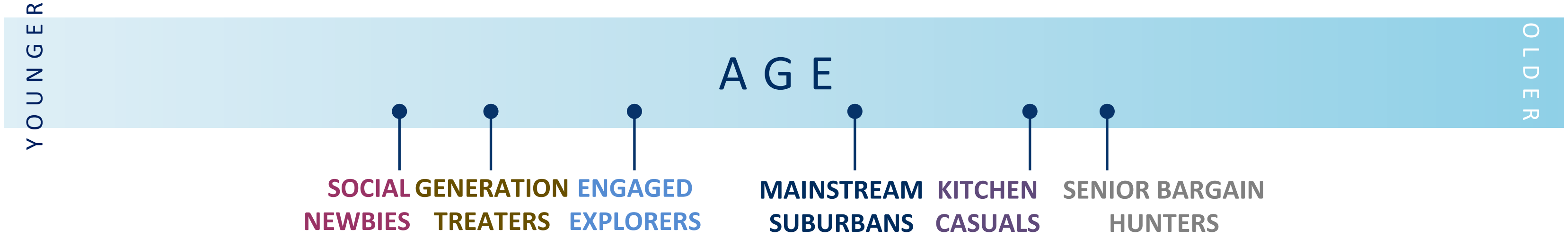
Sources: Wine Intelligence, Vinitrac® US, July and October ’20, (n=10,000) US regular wine drinkers

INTRODUCING THE PORTRAITS GROUPS: DEMOGRAPHICS

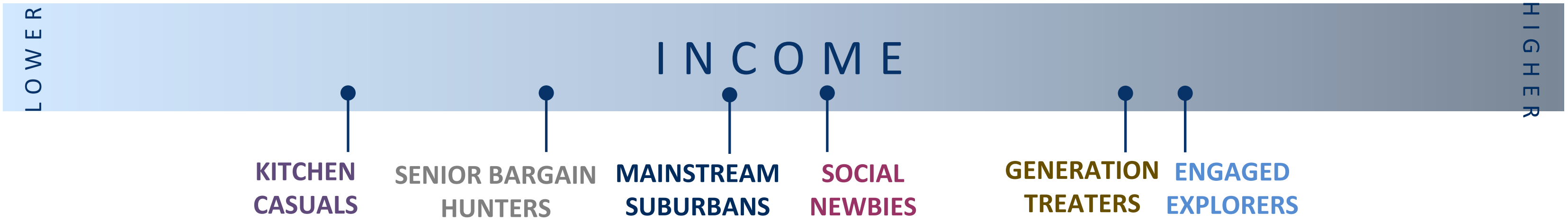
Gender



Age



Income



Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

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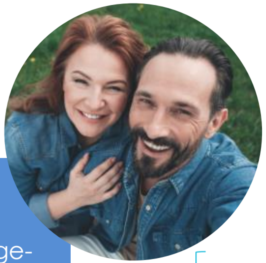
ENGAGED EXPLORERS



WHO

- **Affluent** career- and family-focused, college-educated Millennials and Gen Xs, who are enthusiastic about wine

INTERESTS AND VALUES

- Knowledge, education, staying informed
- Sustainability, 'local' & giving back
- Open-minded & curious
- Enjoying life to the fullest
- Savvy, choosing quality over quantity

RELATIONSHIP WITH WINE

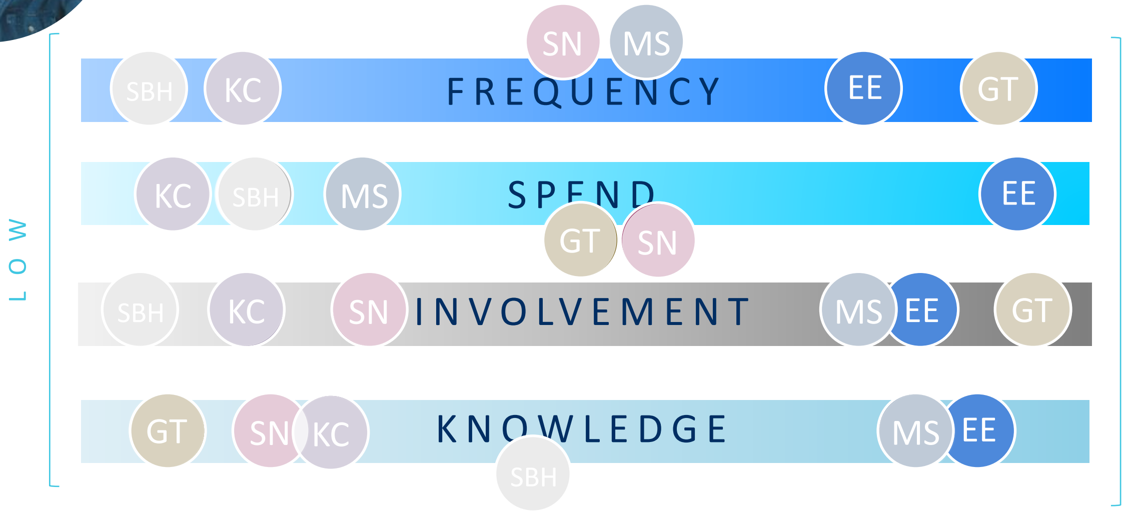
- **Valuable.** Highest spenders on wine (per bottle)
- **Frequent drinkers.** Most frequent drinkers for less formal and more low-key occasions both at home and in the on-premise
- **Confident & curious.** Highest wine knowledge and confidence levels, heavily engaged with the category, a personal and social interest

HOW TO ENGAGE THEM WITH WINE

- **Social experiences** e.g. tastings, dinners, events
- **Discovery opportunities** e.g. wine clubs, samples
- **Exclusivity** e.g. limited releases, member-only opportunities
- **Clear 'value' equation** e.g. good ratings, reviews / recommendations

KEY CHALLENGE FOR WINE BRANDS

- **Building loyalty & staying interesting**. They enjoy exploring new wines and may forget something they loved



WHERE THEY SHOP

Broadest range of wine buying channels including online

wine.com
BevMo!
Total Wine & MORE
WHOLE FOODS MARKET
sam's club
COSTCO WHOLESALE

BRANDS THEY DRINK

Prefer smaller vineyards, but open to mainstream brands such as…

Chateau Ste Michelle
Josh
SONOMA-CUTRER
JOEL GOTT
VILLA MARIA NEW ZEALAND
19 Crimes.
LOUIS JADOT

They will check most of these statements

- ✓ Happy to spend over $25 / bottle (in off-premise) & $40+ / bottle in the on-premise
- ✓ Varied range of wines at home – from mainstream brands to niche vineyards
- ✓ A dedicated place to storing wine – wine fridge, cellar, or even just a cupboard
- ✓ Look forward to shopping for wine
- ✓ Lights up at a long wine list in on-premise
- ✓ Proactively learns about wine
- ✓ Attends social events focused on wine
- ✓ Part of a wine club
- ✓ Uses a wine related app – probably Vivino

ENGAGED EXPLORERS: WHO ARE THEY?

Millennials
& Gen X

Affluent

Higher proportion
of men

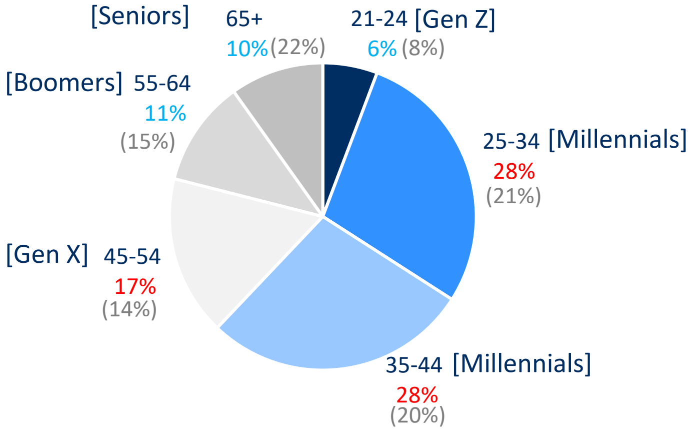
Broader range of
ethnicities

Gender

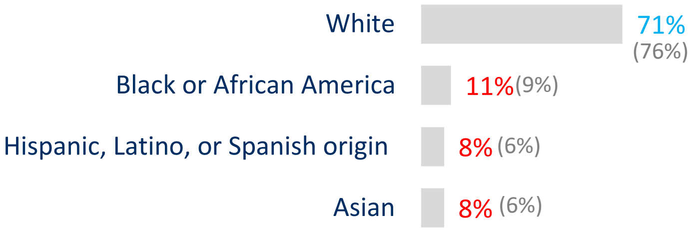
🚹 58% (51%)

🚺 42% (49%)

Age

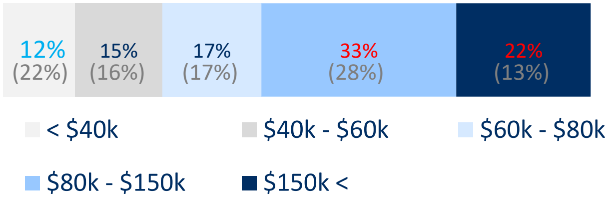


Ethnicity



Income

(annual total household income before taxes)



(%): All US RWD

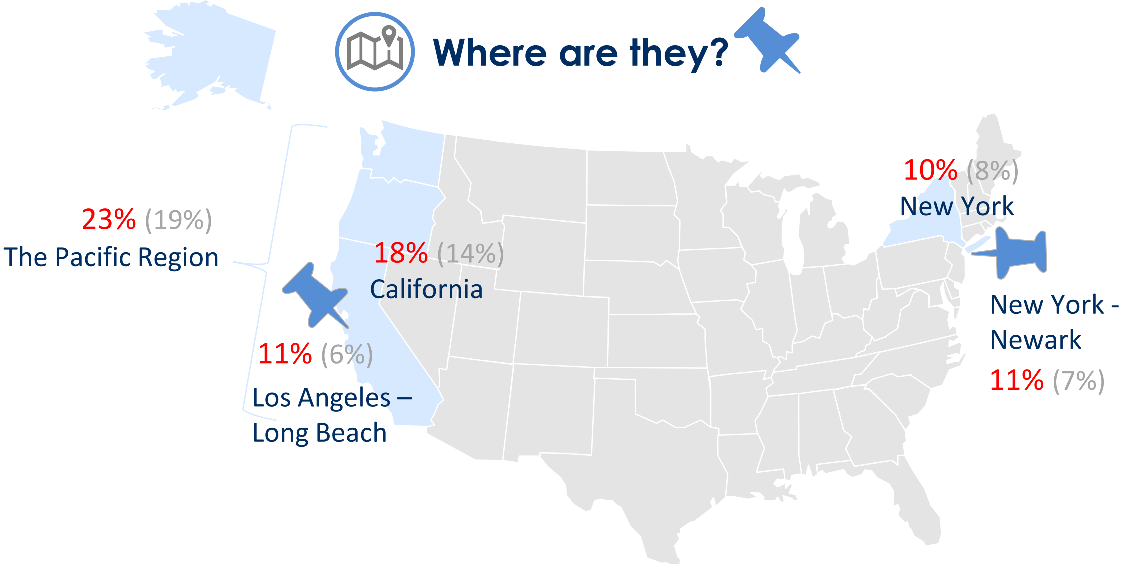
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

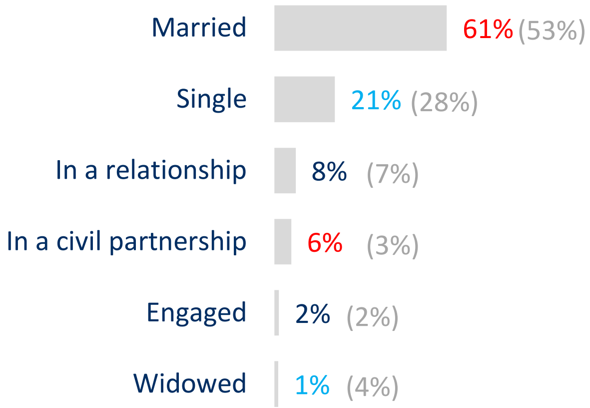
ENGAGED EXPLORERS: WHERE DO THEY LIVE AND WHO WITH?

The majority are married with children, mostly concentrated on the West Coast and in NY

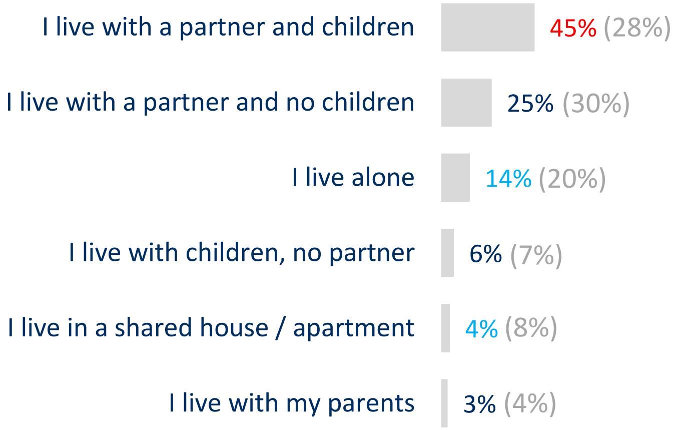
Where are they?



What's their relationship status?



Who do they live with?



(%): All US RWD

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Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: VALUES, ATTITUDES & INTERESTS

Enjoying a broad range of personal interests, while staying engaged with social causes

What's important to them?

- **Enjoying** life to the full, appreciating life's luxuries
- **Knowledge**, education, staying informed
- **Savvy** choice makers, quality over quantity
- Willing to **take risks** and try new things
- **Curiosity** about the world around them
- **Giving back**, supporting local society / communities
- See their **homes as reflecting themselves** to others

> "Next year we plan on climbing Kilimanjaro… but we have just bought a boat, so my husband is keen to stay here and enjoy it
> *Engaged Explorer, Female, NY*

> "It is important to me to shop sustainability where I can. The world needs us all to try now! I try my best to recycle and buy local"
> *Engaged Explorer, Female, ID*

Which platforms do they use?

% currently use the following platforms / websites

Pinterest
Spotify
YouTube
NETFLIX
facebook
Instagram
WhatsApp
twitter

What are their attitudes?

% who 'agree' or 'strongly agree' with each statement

I am typically willing to pay more for high-quality items – 60% (35%)

My home is an expression of my personal style – 60% (44%)

Investing in education is important to me – 54% (42%)

During a given week, I cook meals frequently – 54% (50%)

My cultural / ethnic heritage is an important part of who I am – 51% (35%)

I frequently choose active vacations with lots to do – 46% (30%)

I like to take my time to find out the best value option in everything I do – 46% (36%)

I regularly read financial news or financial publications – 44% (29%)

What are their interests?

% who stated they are interested in each of the following subjects

Movies or TV shows
73% (62%)

Cooking
68% (60%)

Politics
51% (43%)

Finance / Investments
42% (33%)

Fashion
40% (29%)

Home remodelling
38% (28%)

Environmental and sustainable causes
38% (28%)

Participating in sport or fitness
36% (30%)

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: HOW DO THEY LEARN ABOUT WINE?

Look to many sources to enhance their already-broad wine knowledge

Where do they look for wine information?

% who 'sometimes' or 'always' look for opinions or recommendations about wine from the following sources

	Engaged Explorers	RWD
n=	*289*	*2,000*
Friends, family or colleagues	88%	82%
In-store shelf signs / display with information about wine	84%	76%
Search engine	80%	61%
Lifestyle / cooking magazine wine sections or columns	73%	54%
Wine magazine	72%	45%
Comments of online shopping website	71%	50%
Information online from a wine blogger / wine expert	69%	45%
Wine guide / book	69%	44%
A wine producer or wine brand's website or Facebook	68%	46%
Social media	65%	50%
Newspaper or magazine's website	59%	43%
A wine app	56%	35%

Which sources do they trust the most?

% who say they trust the advice, opinions or recommendations about wine from the following sources

Friends / family	Wine magazine	Wine guide / book	Wine blogger / expert	Wine app
60% (70%)	54% (47%)	48% (41%)	47% (39%)	46% (37%)

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

How do they learn about wine?

- While wine knowledgeable already, they look to a variety of sources to supplement and continue expanding this knowledge particularly via online sources and searches
- Seek information from knowledgeable wine experts in addition to trusted friends and co-workers
- They are committed enough about growing their wine knowledge to be interested in participating in more formal wine education

Wine engagement and education levels

% who consider participating in the following events in the future

	Engaged Explorers	RWD
n=	*214*	*2,000*
In-person wine tasting or tour at a winery	60%	56%
In-person wine tasting or event run by a restaurant or bar	60%	51%
Online wine tasting hosted by a winery	42%	31%
Online wine tasting or event run by a restaurant or bar	39%	28%
In-person wine course – but NOT leading to a certificate or qualification	34%	26%
In-person in-depth structured wine course leading to a certificate or qualification	30%	18%
Online wine course – but NOT leading to a certificate or qualification	29%	20%
Online in-depth structured wine course leading to a certificate or qualification	27%	17%
None of these / I don't know	14%	21%

ENGAGED EXPLORERS: ALCOHOLIC BEVERAGES

Wine is their go-to, but they also enjoy other drinks, especially more complex, interesting flavors and Champagne in particular

What do they drink?

- Their adventurous attitude towards life and wine is reflected in their broader alcoholic beverage portfolio – over-indexing on consumption of most drinks
- While wine is their go-to drink for most occasions, they particularly enjoy the more complex beers (IPAs, Sours…) and craft spirits (vodkas, bourbons, tequilas), especially in cocktails

Compared with others, they often enjoy:

Vodka, rum, beer, Hard Seltzer, Champagne, Prosecco, sparkling wine and cocktails

Top 10 alcoholic beverages: Past 12 months

% who have drunk the following alcoholic beverages in the past 12 months

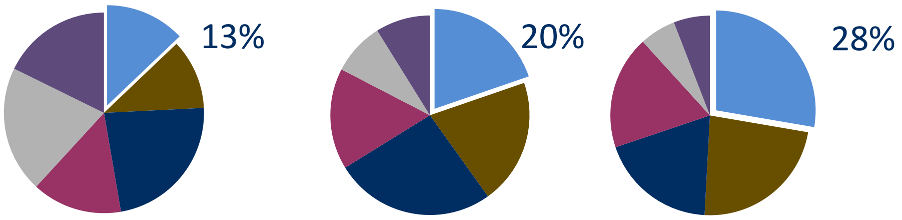
> "We're really enjoying mezcals and tequilas at the moment because they are great on their own and also work well with the cordials and bitters we have … I also like sour beers as a really good compliment and substitute for wine at times, there's like more complexity there than like your typical lagers"
> *Engaged Explorer, Male, NY*

Inside an Engaged Explorer's home

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: PROPORTION OF WINE DRINKERS, VOLUME AND SPEND ON WINE

The second most frequent drinkers, accounting for 20% of volume and 28% of spend on wine



Share of regular wine drinkers **population**

Share of total **volume** of wine sold in the US

Share of total **spend** on wine in the US

Off-premise	19%	27%
On-premise	20%	29%

Wine consumption frequency (off-premise and on-premise combined)

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers

SENIOR BARGAIN HUNTERS

KITCHEN CASUALS

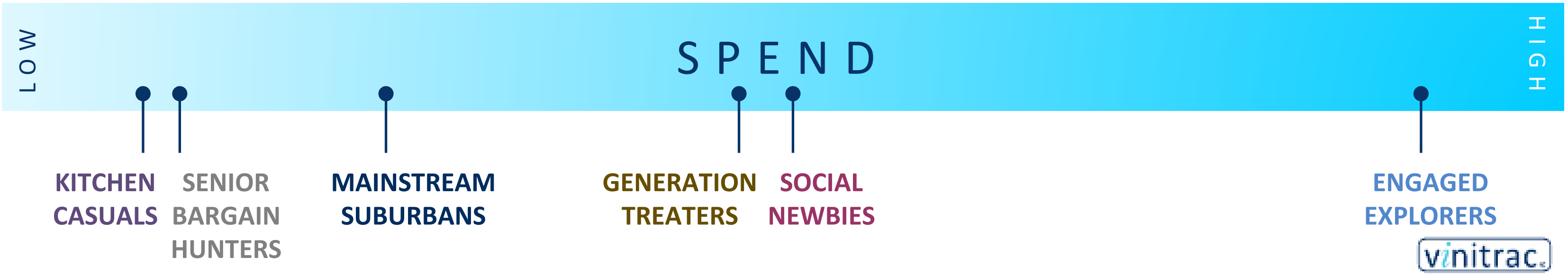
SOCIAL NEWBIES

MAINSTREAM SUBURBANS

ENGAGED EXPLORERS

GENERATION TREATERS

Typical spend per bottle of wine



KITCHEN CASUALS

SENIOR BARGAIN HUNTERS

MAINSTREAM SUBURBANS

GENERATION TREATERS

SOCIAL NEWBIES

ENGAGED EXPLORERS

ENGAGED EXPLORERS: MOTIVATIONS FOR DRINKING WINE

Wine is an exciting world to explore, both personally and socially

Why do they drink wine?

- Wine is much more than a functional product to this segment; **exploring the world of wine** opens up new adventures and experiences – they enjoy the complexity of the category
- Wine is a both **a personal AND social interest** – they find it fun and interesting to broaden their own knowledge, and enjoy sharing, discussing and deepening their understanding with like-minded friends – casually over dinner and drinks, or even more formally at organized wine tasting events. For the most involved within this segment, wine is a hobby that is closely linked to their identity – it's what they love and what they are 'known for'
- They love **trying different wines** (more so than drinkers in other segments) – whether from a well-known region they are less familiar with, or a completely niche / new varietal or region. They seek out new, interesting and enjoyable taste experiences, as well as unique wine knowledge to share with others


Instagram post by an Engaged Explorer

"One of the happiest moments in my life so far was when Champagne Producer Eric Rodez followed me on Instagram"
Engaged Explorer, Male, NY

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: WINE ENGAGEMENT

High engagement & wine knowledge, enjoying building wine knowledge and experiences

How do they engage with wine?

- **Proactively** dedicate time, energy and money to discovering new wines and experiences – members of wine clubs, visiting wineries domestically and abroad, subscribing to magazines, perhaps even cataloguing wines they try e.g. on Vivino
- **Excited** to always be learning and **confident** in their wine knowledge. Often the one in their friendship group to suggest wines for social occasions
- **Pride themselves on making savvy choices,** taking their time to find the best value selection – whether it's a solid mainstream brand for a low-key occasion or something more special to share with friends who will appreciate a higher-quality wine

> "I love wine. It's such a **fun** product… there's so much to learn about ... finding grapes and producers and places… it's been around for thousands of years..."
> *Engaged Explorer, Female, NY*

What influences their choices?

- **In-store recommendations** from a knowledgeable sales person, especially if accompanied by a tasting
- **Personal research**, online and offline e.g. apps, especially Vivino, often to help avoid bad value choices and magazines such as Wine Spectator
- **Discoveries** though purchases, events and travel e.g. direct from wineries or wine clubs such as Winc, Firstleaf, who can overcome limitations of interstate shipping

> "We're big Wine Spectator people!"
> *Engaged Explorer, Female, NY*

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

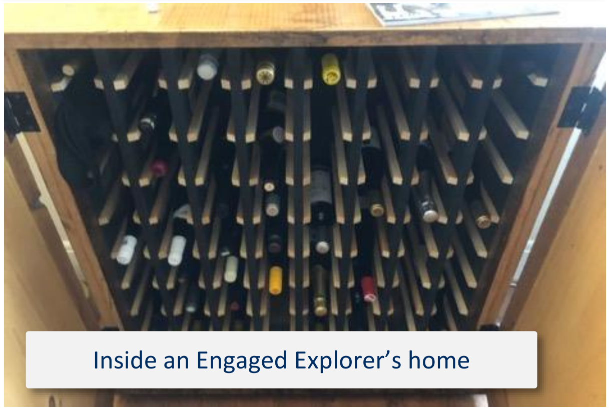
ENGAGED EXPLORERS: WHERE THEY BUY WINE

Buying wine as they discover it (when browsing, traveling) and as needed (in local shops)

Where do they buy wine?

- Buy wine from a broad range of channels. Always looking for good value, but **less** likely to be driven by promotional offers
- Prefer to shop for wine in a planned way, building up collections at home (from a modest collection of bottles to a cellar of wine) – via purchases from wineries, specialized wine shops, wine clubs and increasingly online
- For 'everyday', last minute 'top up' wine, or when in the company of those who might not appreciate the higher quality wine they have at home, typically buy from the local supermarket or wine shops for convenience

> "I try to go to big wine outlets. I don't like going to liquor stores … because they have usually a smaller wine selection"
> *Engaged Explorer, Male, MI*



Inside an Engaged Explorer's home

Top 10 wine buying channels

% who have bought wine from the following channels in the past 6 months

Places you might find them buying wine

BILTMORE Wines

Total Wine & MORE

MARIETTA WINE MARKET GIFTS • WINE • FOODS

COSTCO WHOLESALE

WHOLE FOODS MARKET

BevMo!

(%): All US RWD
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Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: ONLINE AND DTC CHANNELS FOR WINE

Online wine shopping is a newer behavior, allowing more discovery

How do they buy wine online?

- Increasingly drawn to online wine shopping – enjoying access to broader selections of wine, ability to discover new, interesting wines, broadening their repertoires
- Covid travel limitations encouraged some to buy wine online for the first time

Wine-buying online channels

% who have bought wine from the following channels in the past 6 months

	Usage		Usage Consideration	
	RWD	Engaged Explorer	RWD	Engaged Explorer
From an online retailer	11%	24%	32%	60%
From a winery's website	10%	24%	34%	64%
From a winery during the visit	13%	22%	45%	63%
From a wine club or membership organization	11%	21%	31%	58%
From a supermarket website	10%	16%	26%	44%
From a delivery app	8%	15%	25%	46%

Online retailers they buy wine from

CINDER

Winc

wine.com

Total Wine & MORE

instacart

> "If I have time to wait, I'll order on wine.com because they have such a large selection"
> *Engaged Explorer, Female, NY*

> "I ordered wine online from Winc because I could buy a lot of wine personalized to my tastes…"
> *Engaged Explorer, Female, ID*

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

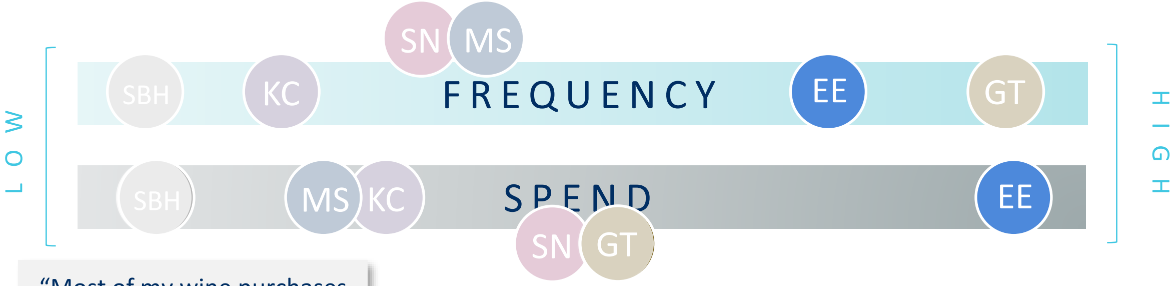
ENGAGED EXPLORERS: ONLINE AND DTC CHANNELS FOR WINE

Shopping for wine online is a convenient way to buy wines they can’t find in local shops

Online wine buying behavior

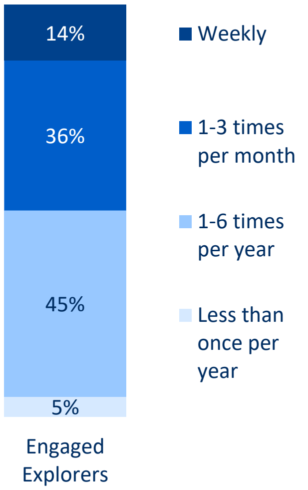
- The majority of them (72%) buy more wine online compared with a year ago, now doing so more often than once per month and spending more per bottle on average than other drinkers when purchasing online
- They look for convenience and exclusivity when making online wine purchases, searching first for the ability to buy their wine with the weekly grocery shop while also looking for wines they wouldn’t be able to find in a brick-and-mortar store

Online channels

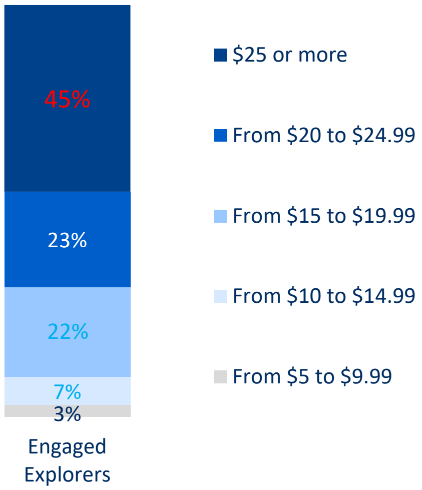


> “Most of my wine purchases are online because the wines that I want are often unavailable unless I'm purchasing directly from the producer or a member of a wine club”
> *Engaged Explorer, male, NY*

Online purchase frequency



Online spend on wine



Triggers to purchasing wine online

Being able to add wine to their normal grocery shopping

Specific / pre-arranged delivery date and time slot*

Wines that aren’t available in other retailers*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: VARIETALS

Drink a broad range of varietals, from the more mainstream to more niche

What do they drink?

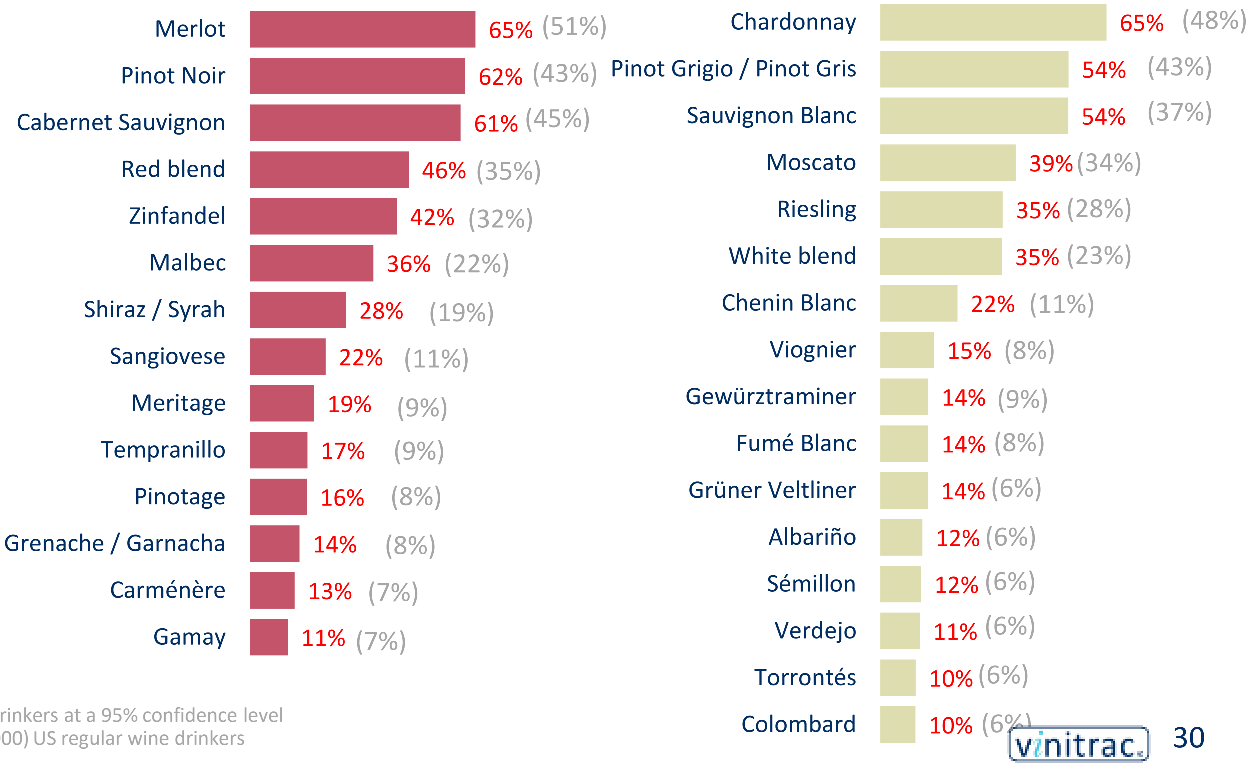
- Reflecting their propensity to try a range of wines, Engaged Explorers are more likely than most to drink all varietals
- Especially more likely than the average to drink Riesling, Fumé Blanc and Torronés; and Merlot, Pinot Noir, Malbec, Shiraz / Syrah and Sangiovese
- Tend to have trusted 'go to' favorite varietals, often drinking a mix of more mainstream and more niche varietals – influenced by personal experiences and travels

Photo of recent Engaged Explorer purchase: Pinot Noir, Riesling

> "I enjoy Cabernets, Pinots, a lot of Zinfandel. I go to school in New York, so I drink a lot of Riesling and Cabernet Franc. In terms of international grapes, I enjoy Greek Moschofilero. I like Syrah and Chenin Blanc"
> *Engaged Explorer, male, MI*

Varietal consumption

% who have drunk the following varietals in the past 6 months



(%): All US RWD
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Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: WINE ORIGIN

Enjoying both trusted origins, as well as new discoveries

What do they drink?

- Enjoy drinking wine from **a broad range of countries and regions** – from the most well-known areas, to smaller local regions
- Particularly favor US wines from CA and beyond, plus wines from the Old World and New Zealand
- Enjoy discovering different expressions of favorite varietals from new regions e.g. Chardonnay from New Zealand, Pinot Noir from Germany

> "I really like German wines lately. I've been trying lots of those, but I'm really trying to just explore everything I can. I'll pick up what looks interesting and go ahead and try it"
> *Engaged Explorer, Male, NH*

Compared with others, they are particularly fans of wine from:
Napa Valley, Oregon, Sonoma, Bordeaux, Chablis, Tuscany, Burgundy, Marlborough and Provence

> "I drink wine from Idaho – it isn't as developed as wine from other places, but I buy it because it's important to me to buy local, especially right now… also Washington, Italy, France. Croatian and Hungarian wine too when I can get my hands on them… I discovered those when I was traveling…"
> *Engaged Explorer, Female, ID*

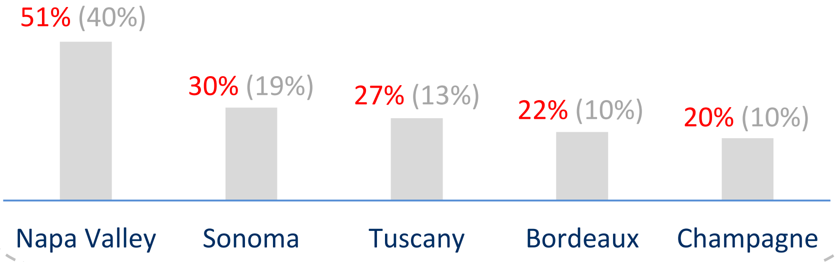
Country of origin consumption: Top five

% who have drunk from the following countries of origin in the past 6 months

California	Italy	France	Spain	United States (outside of California)
73% (65%)	58% (35%)	55% (29%)	35% (18%)	31% (28%)

Region of origin purchase: Top five

% who have drunk from the following regions of origin in the past 3 months



(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: HOW DO THEY SHOP FOR WINE?

Shopping for wine is fun, a time to indulge in their interests

How do they shop in the off-premise?

- Enjoy wine shopping and take time to make wine purchase decisions, carefully considering a broad range of factors – thinking about the style of the wine, what it will pair with, where it's from and how others rate it, perhaps even checking online (e.g. Vivino)
- Typically start their shopping mission with a varietal / style in mind, to go with a particular occasion / meal – but may get distracted and inspired in store to try something bit different than originally planned – especially 'led astray' by in-store tastings, recommendations and ratings
- Typically **spending $15 to $25** on a bottle of wine, but can be easily persuaded to trade up far beyond that for more special bottles and occasions

% who say each of the following are 'important' or 'very important' when buying wine	Engaged Explorers	RWD
n=	*1,290*	*10,000*
Grape variety	87%	74%
Wine that matches or complements food	87%	68%
Taste or wine style descriptions on the shelves or on wine labels	78%	65%
The country of origin	76%	55%
The region of origin	75%	53%
A brand I am aware of	72%	67%
Recommendation by friend or family	69%	64%
Recommendations from shop staff or shop leaflets	63%	50%
Alcohol content	62%	49%
Recommendation by wine critic or writer	62%	39%
Appeal of the bottle and / or label design	57%	44%
Recommendation by wine guide books	55%	36%
Promotional offer	48%	52%
Whether or not the wine has won a medal or award	47%	32%
Whether or not the wine is available to buy via the internet	39%	26%

* / * Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

> "My wife and I will talk about what we want before we go somewhere like Total Wines, but as soon as we're in there our conversation seems to go out the window and we end up with something different – something good but just different to what we thought we might get! We get drawn into what they have in stock at the time and recommendations we see… it's fun to try something new… "
> *Engaged Explorer, Male, MI*

> "I was at a wine store in Brooklyn and the wine guy there got me to try a non-vintage Grand Cru for 50 bucks and it just blew my socks off… the quality of it was amazing"
> *Engaged Explorer, Male, NY*

ENGAGED EXPLORERS: HOW DO THEY ENGAGE IN THE ON-PREMISE?

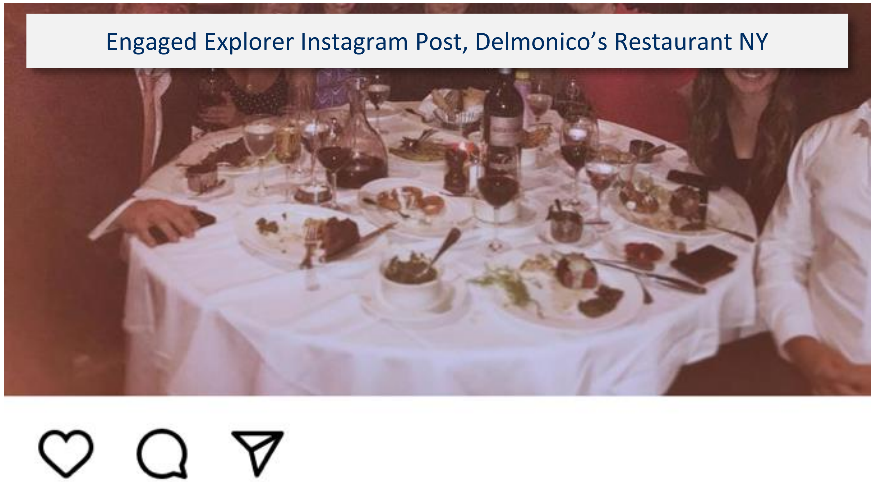
Social wine drinkers, enjoy discovering and sharing good wine in the on-premise

Wine in the on-premise

- **Very frequent on-premise drinkers**, with 3 of every 5 enjoying a relaxing drink out at the end of the day out of the home at least once per week. Also the highest on-premise spenders, typically **spending $40+ per bottle**
- Choices driven by food pairing considerations, varietal preferences (both for themselves and the group if sharing a bottle) and value (tend to avoid big mark ups on brands they know in favor of using it as an opportunity to try something they are less familiar with)
- Only open to recommendations from staff if they are in a reputable place for wine, otherwise rely on their own knowledge

> "If I don't get the impression that they're [wait staff] experts or wine is their field, I don't ask them"
> *Engaged Explorer, Female, ID*

> "If I'm looking at a huge wine list at a Michelin star restaurant and the staff is really well-trained, they know their wine better than I do then I would definitely ask for advice"
> *Engaged Explorer, Male, NY*



Engaged Explorer Instagram Post, Delmonico's Restaurant NY

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: WHICH WINE BRANDS DO THEY BUY?

Mainstream brands serve a purpose, but prefer less-known brands they have discovered

What is their attitude towards brands?

- Intuitively don't think about wines they love as 'brands' – rather as vineyards and winemakers. Brand names of favorite wines can be difficult for them to recall unprompted, but will remember the varietal and region
- Drawn to brands that communicate a strong product story – about the style of the wine, the wine making, the history, the uniqueness – rather than a marketing / lifestyle story
- Aware of many mainstream brands and do enjoy those that offer good value (price vs. quality), especially for casual drinking with partners and friends who might not appreciate more expensive / higher quality wines

> "Primarily the places I get wine from are smaller brands … I really like Charles Smith. He makes the K Wines… "
> *Engaged Explorer, male, NY*

Brands you might find them drinking in addition to local and boutique brands

Chateau Ste Michelle
Santa Margherita
Francis Ford Coppola Winery
Villa Maria New Zealand
Veuve Clicquot
Sonoma-Cutrer
Whispering Angel
Casillero del Diablo
La Crema
Josh
Estancia
J. Lohr
Kim Crawford
19 Crimes.
Campo Viejo
Joel Gott
Louis Jadot

Left:
Moschofilero: $20.00 on sale for $15.99
Gran Moraine: $45.00 on sale for $24.99
Nik Weis: $25.00 on sale for $17.99
Below:
RRP:
Sanford: $42.00
Cecchi: $14.99
Tomaiolo: $10.99
Lamoreaux Landing: $19.99

Engaged Explorer wine purchases

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

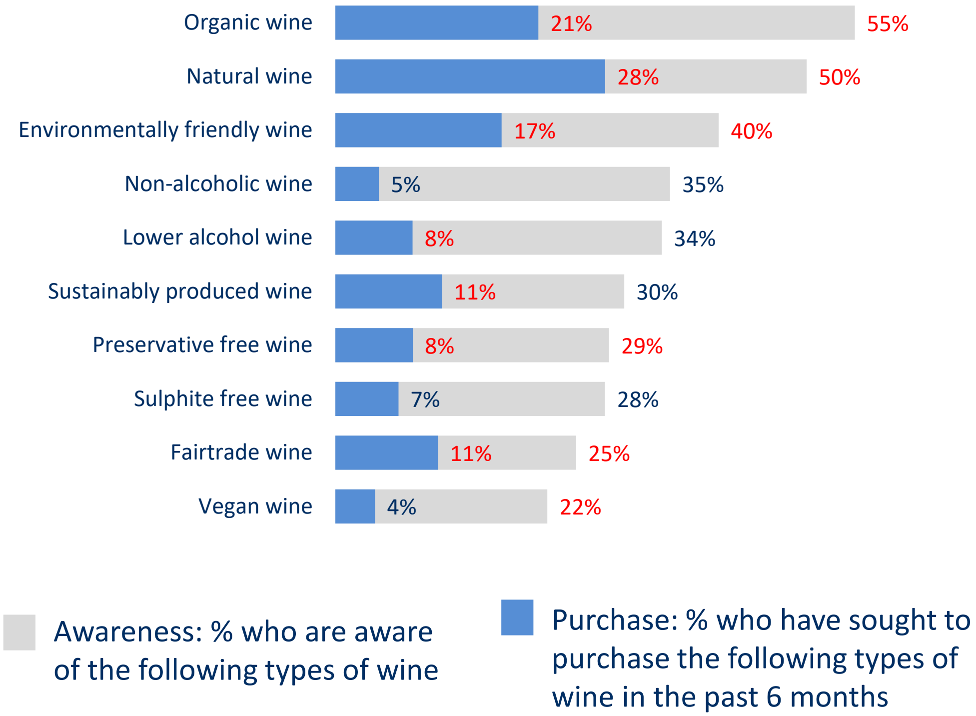
ENGAGED EXPLORERS: ALTERNATIVE WINE TYPES

They are open to trying alternative wine types, but taste and quality remain top priorities

What do they think about alternative wines?

- High awareness and basic knowledge of alternative wine types
- Sustainability is an important factor in other purchasing decisions such as food and clothing because it aligns with their personal values – but NOT a top choice cue for wine
- Some skepticism over the meaning and importance of the different types of alternative wines
- Non- and lower alcohol wine are less interesting to them as they drink wine for the flavor and experience, both of which would they believe deteriorates without alcohol
- Alternative packaging is used mostly for convenience, such as taking wine in a can to have during outdoor activities

Awareness and purchase of alternative wines



I'm actively reducing the amount of alcohol I drink by….

	Engaged Explorers	RWD
n=	*214*	*2,000*
not drinking alcohol at some occasions	16%	19%
switching to lower alcohol options at some occasions	12%	14%
switching to non-alcoholic drinks at some occasions	10%	12%
switching to cannabis products	7%	7%
I'm NOT actively reducing the amount of alcohol I drink	69%	64%

> "Sustainability is a motivating factor, but it also depends on the quality of the product. If it's sustainable, that's really great, but if it's a bad product, then I probably won't buy it"
> *Engaged Explorer, Male, NH*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: CHRIS & SARAH

Chris (41), and his wife Sarah (43) live in Westchester, NY with their 2 daughters (8 and 11 years)
Chris is Marketing Manager for a University and Sarah works in finance

How does wine fit into your life?

Matt: Wine is definitely our go-to drink, especially at home. It's a moment we look forward to sharing together, particularly after work. Once the children are in bed, we'll open a bottle and start to unwind. We do also enjoy beer from our local brewery and sometimes we feel like something special, perhaps a Bourbon or mezcal cocktail, but it's mostly wine. We've just remodeled our kitchen and added a modest wine cellar – there was only so long we could keep it all in the closet of the spare room! We've been members of a couple of wine clubs for a while now, so our collection is building up.

Sarah: I started learning about wine through a group I joined at college. It started as a social thing, but my interest in the world of wine really deepened from there. There is so much to explore and discover and it's become a bit of a hobby of mine, learning about different regions and styles. Some of my colleagues and clients are into wine too, and we've been to wine events together.

Matt: Sarah was really the one that got me into wine. Before we were together, I was mostly drinking beer. The moment I really got hooked was when we went wine tasting while on vacation in Chile. I learnt so much and everyone we met was so friendly. Now we try to visit vineyards locally too whenever we can. Recently we've even done virtual tastings via wineries.

Which wines do you enjoy drinking?

Matt: That's a hard question – there are so many we enjoy! That's the fun of wine really, there is always something new to discover – whether it's through our wine clubs, when traveling or when we're out at restaurants.

Sarah: I used to be a big Pinot Noir person, especially from Sonoma. Flowers was a big favorite. Since a work trip to France a few years ago, I discovered more Burgundies I like, so I feel confident exploring the complexities of the Old World now too.

Matt: When we cook, we do enjoy Cab Savs too, or an Argentinian Malbec. For whites, we have quite a broad selection we rotate through depending on what we're eating or the weather or just what we feel like. We enjoy Chardonnays, Sauvignon Blancs and Rieslings from all over the world. Oh, and Champagne! Champagne is always a favorite in our home.

How do you choose your wine?

Sarah: Beyond what we get through our wine clubs, we have a few go-to wines that our local Total Wine stocks that we know and trust. Often when we go in to buy these, we walk out with something a little bit different than planned because of something that was recommended to us by someone in the store. We're always open to knowledgeable recommendations because even though we probably know more than most people about wine, there is so much we don't know. Again, that's part of the fun of it all, you're constantly learning when it comes to wine.

Matt: Our country club subscribes to Wine Spectator, so we often pick up a copy of that for more inspiration too.

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers.
Wine Intelligence, consumers interviews

CONTENTS

GENERATION TREATERS

WHO

- Millennials (often men) who are likely to have a post-graduate degree, recently expressing more of an interest in wine

INTERESTS AND VALUES

- Doing the ‘right’ thing
- Being ***seen*** to do the right thing
- Expressing personal identity
- Staying healthy and active
- Making mindful and intentional purchases

RELATIONSHIP WITH WINE

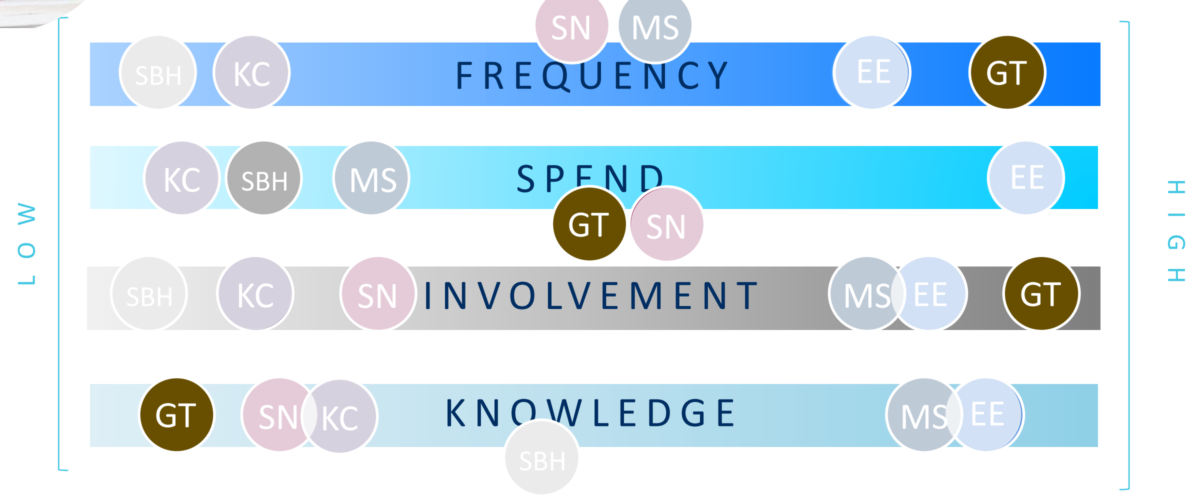
- **Frequent social drinkers**, especially in the on-premise
- **Online.** Buying wine wherever is convenient, including online
- **Open.** Newer to wine, with less time to have built up wine knowledge, but confident to discover new wines

HOW TO ENGAGE THEM WITH WINE

- **Social recommendations** – offline and online e.g. in-store experiences, social media influencers…
- **Social events** that touch on ‘light’ wine education e.g. dinners, in-store/online tastings
- **Distinctive labels** that connect to their personal style and lifestyle

KEY CHALLENGE FOR WINE BRANDS

- **Getting noticed.** They are not proactive in learning about new wines, have low brand awareness and can end up just buying what is in front of them if they don’t have a particular incentive e.g. recommendation



WHERE THEY SHOP

A broad range of channels, from mainstream to online – driven by convenience

WineExpress
wine.com
TARGET
WINE ACCESS
WHOLE FOODS MARKET
7 ELEVEN
COSTCO WHOLESALE
Walmart

BRANDS THEY DRINK

Low wine brand awareness, but familiar brands are a top choice cue – enjoy a mix of mainstream brands and niche brands with memorable labels

FRANCIS FORD COPPOLA WINERY
NAKED Grape
Cupcake VINEYARDS
DARK HORSE.
Ménage à Trois
BAREFOOT
STELLA ROSA WINES
BLACK BOX

They will check most of these statements

- ✓ Aiming to spend around $15 for a bottle of wine (off-premise) and under $40 / bottle in the on-premise
- ✓ Have a few bottles of wine at home always on hand – including at least a couple of mainstream brands
- ✓ Shows up to a friend's house with a label that looks unique – a reflection of their personal style
- ✓ Has shopped online for wine
- ✓ Really appreciates wait staff that offer good wine recommendations
- ✓ Recently discovered a new wine style they like

GENERATION TREATERS: WHO ARE THEY?

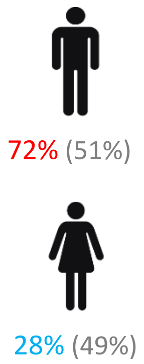
Millennials

Relatively affluent

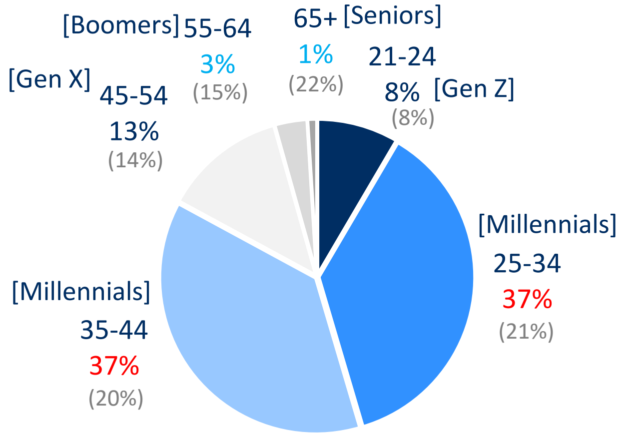
Higher proportion men

Broader range of ethnicities

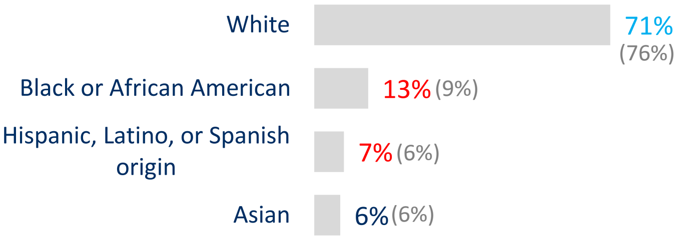
Gender



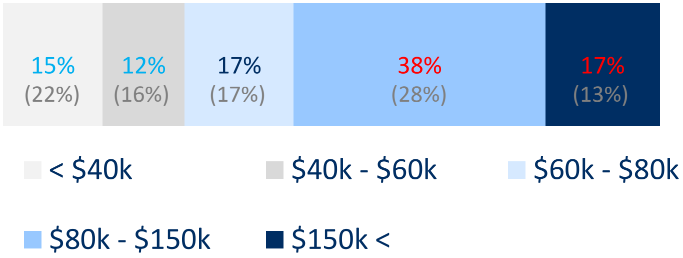
Age



Ethnicity



Income
(annual total household income before taxes)



(%): All US RWD

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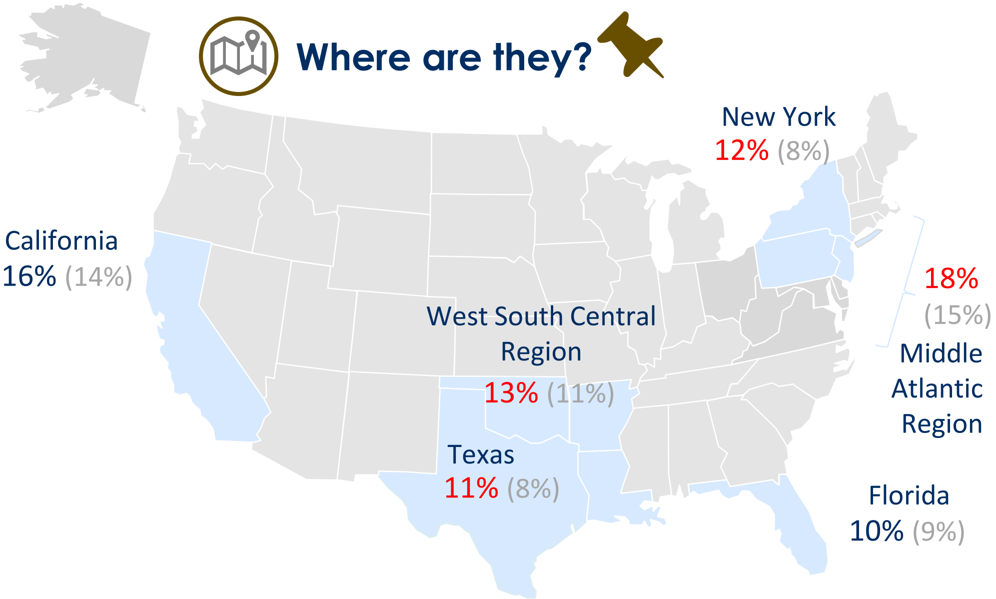
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: WHERE DO THEY LIVE AND WHO WITH?

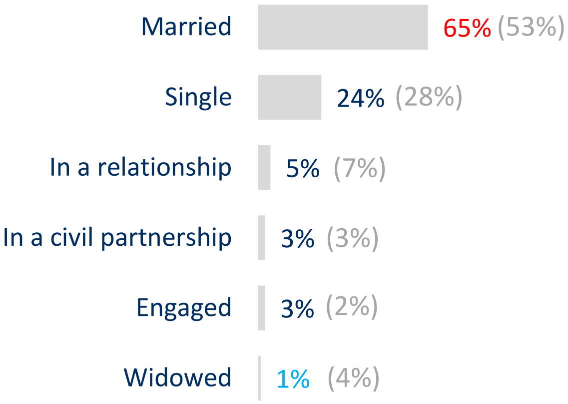
Pre- and young family

Live across a range of more affluent neighborhoods

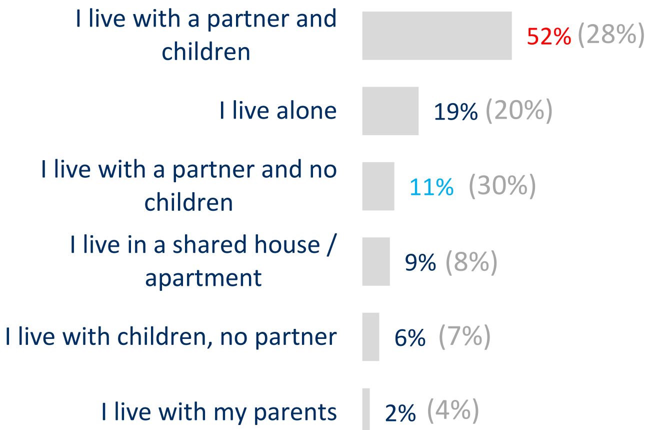
Where are they?



What's their relationship status?



Who do they live with?



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Wine Intelligence, consumers interviews

GENERATION TREATERS: VALUES, ATTITUDES AND INTERESTS

A socially-aware target

What's important to them?

- **Doing the 'right' thing,** not causing offense, being inclusive, supporting local communities
- **Looking good socially,** being *seen* to do the right thing
- **Personal identity,** seeking out self-expression through brands and fashion
- **Staying healthy & active**
- **Making mindful/intentional choices,** seeking out good value, sustainable and organic produce

> "The older I get, I become more conscientious of trying to consume things that are better for my health and for the planet – but I still sometimes have a McDonald's even though I know I shouldn't. I get influenced by Instagram and all these people leading healthy, organic lives…"
> *Generation Treater, Female, ID*

Which platforms do they use?

% currently use the following platforms / websites

What are their attitudes?

% who 'agree' or 'strongly agree' with each statement

My cultural / ethnic heritage is an important part of who I am – 70% (35%)

Investing in education is important to me – 70% (42%)

I like to live a lifestyle that impresses others– 69% (17%)

I choose organic produce when its available – 69% (25%)

My home is an expression of my personal style – 68% (44%)

I expect the brands I buy to support social causes – 67% (23%)

I am willing to pay more for a product that is environmentally or sustainably produced – 67% (24%)

I like to take my time to find out the best value option in everything I do – 66% (36%)

What are their interests?

% who stated they are interested in each of the following subjects

Cooking
54% (60%)

Movies or TV shows
52% (62%)

Fashion
47% (29%)

Finance / Investments
38% (33%)

Participating in sport or fitness
37% (30%)

Business
34% (25%)

Dieting
29% (18%)

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: HOW DO THEY LEARN ABOUT WINE?

Look to many different information sources to deliver the wine category knowledge they do not have yet

Where do they look for wine information?

% who 'sometimes' or 'always' look for opinions or recommendations about wine from the following sources

	Generation Treaters	RWD
n=	*223*	*2,000*
Friends, family or colleagues	93%	82%
Search engine	92%	61%
Social media	91%	50%
A wine producer or wine brand's website or Facebook	91%	46%
Comments of online shopping website	89%	50%
In-store shelf signs / display with information about wine	89%	76%
Lifestyle / cooking magazine wine sections or columns	89%	54%
Information online from a wine blogger / wine expert	89%	45%
Newspaper or magazine's website	86%	43%
Wine magazine	85%	45%
A wine app	85%	35%
Wine guide / book	84%	44%

Which sources do they trust the most?

% who say they trust the advice, opinions or recommendations about wine from the following sources

Search engine	46% (43%)
Social media	44% (40%)
Friends / family	44% (70%)
Producer / brand's website	43% (38%)
In-store wine information	40% (45%)

How do they learn about wine?

- Due to their lower wine knowledge, they utilize a variety of sources to find information and recommendations about wine, including both online and in-person sources
- Word of mouth is their most used source for wine information
- They are less interested in more casual tastings and would consider more formal education instead to secure a solid foundation of information

Wine engagement and education levels

% who consider participating in the following events in the future

	Generation Treaters	RWD
n=	*200*	*2,000*
In-person wine tasting or event run by a restaurant or bar	34%	51%
In-person wine tasting or tour at a winery	33%	56%
Online wine tasting hosted by a winery	31%	31%
Online wine tasting or event run by a restaurant or bar	29%	28%
Online in-depth structured wine course leading to a certificate or qualification	27%	17%
In-person in-depth structured wine course leading to a certificate or qualification	26%	18%
In-person wine course – but NOT leading to a certificate or qualification	22%	26%
Online wine course – but NOT leading to a certificate or qualification	19%	20%
None of these / I don't know	12%	21%

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: ALCOHOLIC BEVERAGES

Enjoy a range of beverages for different social occasions

What do they drink?

- Beyond wine, they enjoy beer, spirits (esp. vodka, rum, gin), as well as pre-mixed drinks and hard seltzers
- Enjoy a range of red, white and particularly rosé and sparkling wines e.g. Prosecco (beyond just Champagne). Often wine is associated more with mealtimes, while spirits are enjoyed as an aperitif
- Likely to have a small collection of alcohol at home – enough to make a few favorite drinks

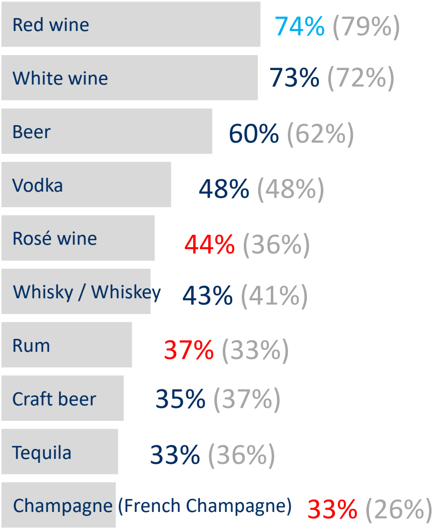
Compared with others, they often enjoy:

Rosé, gin, blush wine, brandy / cognac, sparkling wine, Port

"I would typically have either a gin and tonic or a bourbon before dinner and then wine with dinner"
Generation Treater, Female, FL

Top 10 alcoholic beverages: Past 12 months

% who have drunk the following alcoholic beverages in the past 12 months

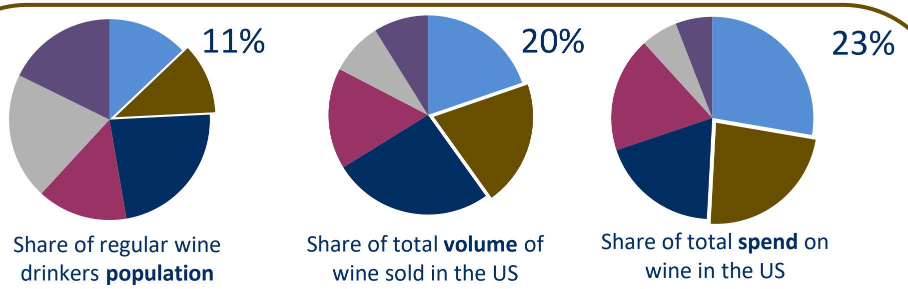


Inside a Generation Treater's home –
J.Lohr, a range of spirits, a cocktail shaker and a floating flamingo cup holder

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: PROPORTION OF WINE DRINKERS, VOLUME AND SPEND ON WINE

The smallest yet most frequent wine drinking segment, who spend nearly a quarter of the total spend on wine in the US market



Share of regular wine drinkers **population**

Share of total **volume** of wine sold in the US

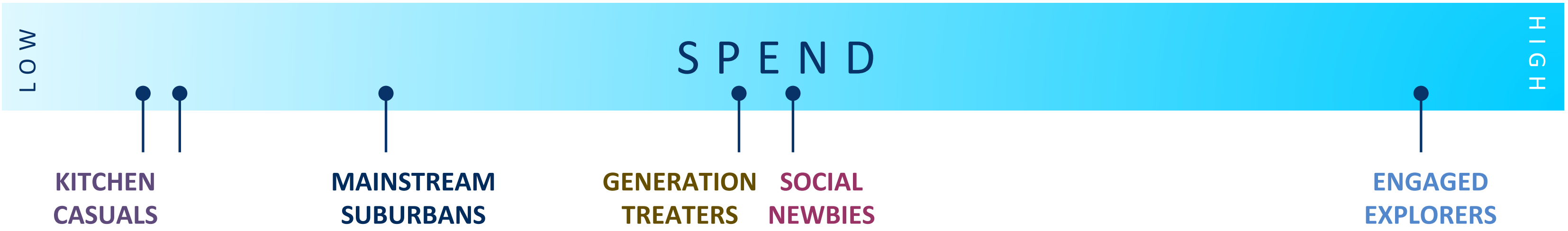
Share of total **spend** on wine in the US

Off-premise	16%	17%
On-premise	27%	29%

Wine consumption frequency (off-premise and on-premise combined)

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers

Typical spend per bottle of wine



GENERATION TREATERS: MOTIVATIONS FOR WINE DRINKING

Socially motivated to explore the category; starting to develop a personal interest

Why do they drink wine?

- These are the most frequent wine drinkers, especially in the on-premise. They drink wine socially, especially with meals in and out of the home – appreciating its versatility, how it's a crowd-pleaser, easy to share and adds a level of sophistication to an occasion

- Wine has transitioned from 'just a drink' to a category that is increasingly relevant to their social lives – it's something their friends and colleagues know a bit about, it's a topic of conversation that might come up, they are likely to have gone on a winery visit… and it's important to have something to say and know how to chose a 'good' wine in front of others

- Despite being frequent drinkers, drinkers in this segment have low wine knowledge. Wine can feel a bit complex, with difficult names to pronounce and implied assumptions among 'connoisseurs' making it feel like they could be 'tripped up', look silly and / or waste money… so they are cautiously exploring and steadily learning what they like

> "We've done tastings at wineries and dinners, but I've never taken a real class on wine… though I'd like to"
> *Generation Treater, Male, FL*

> "I don't know a whole lot about wine. I feel like I'm definitely learning more, obviously, as I get older and drink more… I actually did a sparkling wine class, probably two years ago at a local like wine bar"
> *Generation Treater, Female, ID*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: WINE ENGAGEMENT

Open to learning more about wine, but in low effort ways

How do they engage with wine?

- Enjoy trying new wines and broadening their repertoires – but in ‘low risk’ ways e.g., at a free tasting, when it’s not too expensive or when there is a clear recommendation
- Learning about wine in quite a passive way, absorbing nuggets of information from their day-to-day life – articles that they might see in the non-wine specific media (e.g. lifestyle magazines, newspapers, social media), shelf-talkers in store, wines they’ve tried in local stores and restaurants
- Open to trying alternative formats e.g. cans, especially when they look appealing and are convenient i.e. for outdoor occasions

What influences their choices?

- Feel competent in their wine knowledge, but recognize they have a lot more to learn
- Very open to recommendations, both in the on and off premise, grateful for advice they receive – especially when it feels like a relaxed, low-effort way of deepening their own wine knowledge
- Open to a broad range of on- and offline sources for recommendations – not actively seeking them out, using whatever is at hand at the point of decision making

“I have to say, I do look at wine ratings and the description online. Not super often, but if somebody says, ‘Oh, you should try this wine. I think you'd like it.’ I'll look it up”
Generation Treater, Female, FL

“I really rely on recommendations from other people… I trust waiters to pick a good wine. I also look online, reading reviews on wine… there's a lot of like websites that say, ‘Oh, if you like this wine. You might like…’”
Generation Treater, Female, ID

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: WHERE THEY BUY WINE

Convenience-driven wine shoppers

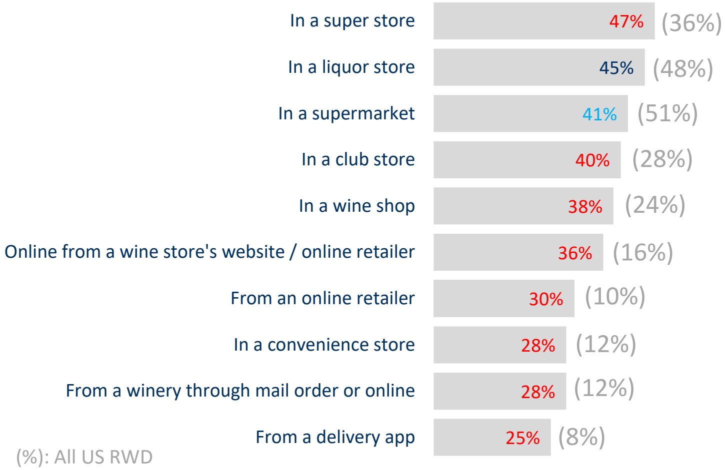
Where do they buy wine?

- Buy wine from a very broad range of channels – very happy in mainstream and more local, convenience shops
- Digital savvy Millennials comfortable shopping for wine online, although don't often plan purchases so far ahead
- Appreciate ease and immediacy of picking up wine in local stores along with other purchases

> "I feel like it's more convenient for me to just buy wine in a store that's around the corner than order online"
> *Generation Treater, Female, VT*

Top 10 wine buying channels

% who have bought wine from the following channels in the past 6 months



(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

Places where you might find them buying wine

sam's club
WineExpress®
COSTCO WHOLESALE
WINE ACCESS
wine.com
Walmart
WHOLE FOODS MARKET
7 ELEVEN
TARGET

GENERATION TREATERS: ONLINE AND DTC CHANNELS FOR WINE

Keen online wine shoppers, providing both convenience and an opportunity to explore

How do they buy wine online?

- Online wine shopping makes selecting wine easier (recommendations, ratings, good selections…) and can be a low-risk way to discover something new (as they can check prices and reviews without feeling pressured)
- Often tempted to sign up to winery or wine clubs, especially if there is a deal

Online retailers they buy wine from

TASTING ROOM
wine.com
DRIZLY
TARGET
INFOLIO
Walmart
WineExpress®
naked wines
WINE ENTHUSIAST®

Wine-buying online channels

% who have bought wine from the following channels in the past 6 months

	Usage		Usage Consideration	
	Generation Treaters	RWD	Generation Treaters	RWD
From an online retailer	32%	11%	31%	32%
From a wine club or membership organization	31%	11%	40%	31%
From a delivery app	26%	8%	38%	25%
From a supermarket website	25%	10%	39%	26%
From a winery's website	22%	10%	37%	34%
From a winery during the visit	20%	13%	38%	45%

> "BABE wine giveaway gave away a million dollars in wine. I got a six pack of BABE wine delivered to my house. It was pretty cool"
> *Generation Treater, Female, ID*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: ONLINE AND DTC CHANNELS FOR WINE

Most frequent purchasers of wine online

Online wine buying behavior

- Segment of drinkers with the highest proportion of those who buy wine online and direct (70% vs 29% of regular wine drinkers in the US), often buying wine online weekly or at least several times per month
- Their primary trigger to purchasing wine is convenience, but they are also drawn in by exclusive offers and personalized suggestions
- They feel that if a selection is picked just for them, they're more likely to enjoy the wine and therefore more confident about buying

Triggers to purchasing wine online

Being able to add wine to their normal grocery shopping*

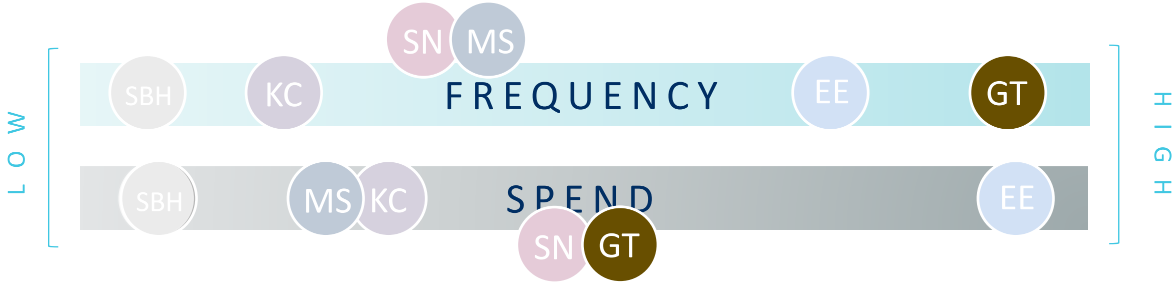
Exclusive / limited offer*

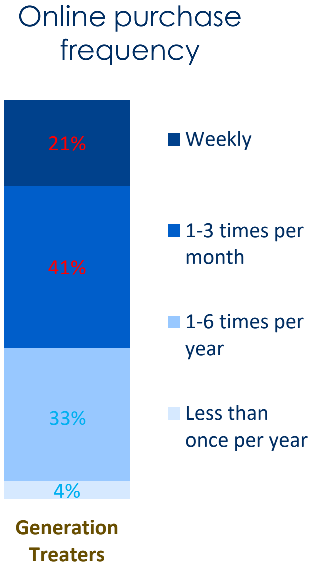
A tailor-made offer for me*

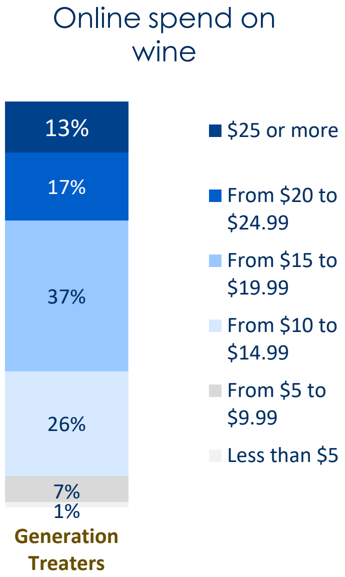
Specific / pre-arranged delivery*

Deal on a regular delivery*

Online channels




Online purchase frequency


Online spend on wine

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

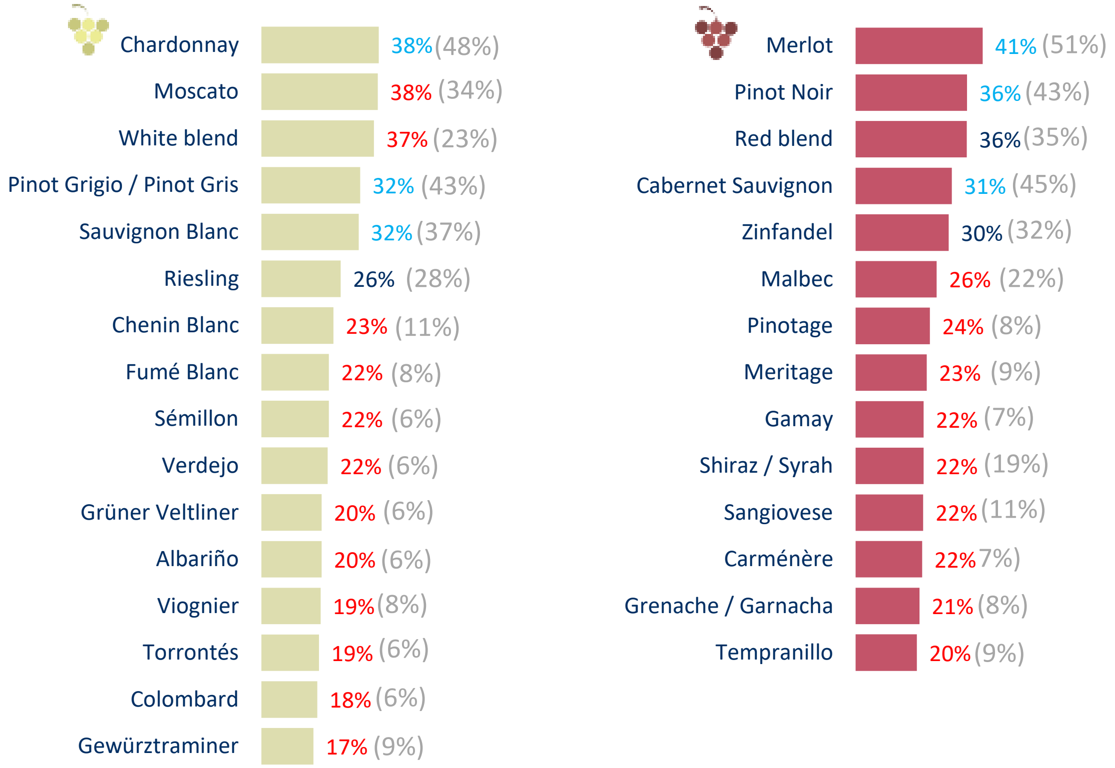
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: VARIETALS

Try out a range of varietals as they build their category knowledge

Red and white varietal consumption

% who have drunk the following varietals in the past 6 months



What do they drink?

- Not wed to a favorite varietal, so they try out a range of styles, especially lesser-known varietals
- Not always savvy about the meaning of varietals – can be mistaken for styles or regions of wine, rather than grapes

Compared with others, they are particularly fans of:
Moscato, white blends, Malbec, Tempranillo and Meritage

"What do they mean by 'varietal'? Oh like grapes? Like Cab Sav? Yes we drink that, but we're quite into Argentinian Malbec now too"
Generation Treater, Male, FL

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: WINE ORIGIN

Among the lowest awareness of countries and regions of origin for wine

What do they drink?

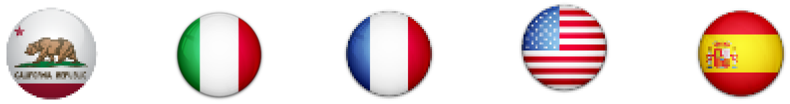
- Low region awareness and quite narrow country repertoires, reflecting their lower category knowledge
- However, more likely than drinkers in other segments to state that they have tried wines from more niche places – either their local wineries, places they have visited or have some connection to (e.g. Greece and Israel)

Compared with others, they are relative fans of wine from:
Spain, Sonoma, Champagne and regional USA

> "I've been trying, especially lately, to buy more local wines. I've been drinking a lot more wines that are like in Washington state, like the Walla Walla area"
> *Generation Treater, Female, NY*

Country of origin consumption: Top five

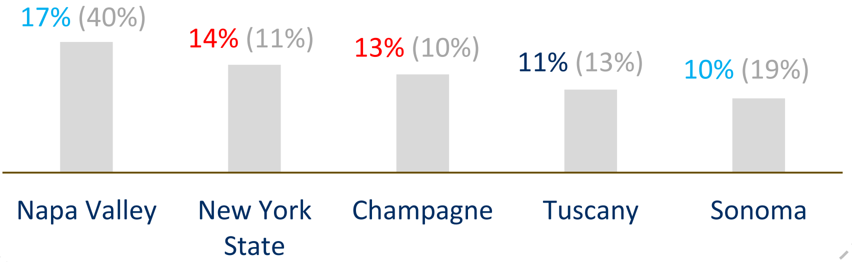
% who have drunk from the following countries of origin in the past 6 months



California	Italy	France	United States (outside of California)	Spain
45% (65%)	27% (35%)	24% (29%)	18% (28%)	16% (18%)

Region of origin purchase: Top five

% who have drunk from the following regions of origin in the past 3 months



(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: HOW DO THEY SHOP FOR WINE?

Aim to explore and learn about wine, without getting overwhelmed

How do they shop in the off-premise?

- In stores, they look out for a broad range of cues – from brands they know, styles they like, varietals and recommendations as buying wine can be an overwhelming experience, feeling like there is a lot of information to absorb. At its best, wine buying can be a more relaxed experience where they learn something new (typically in places with more curated selections and friendly staff)
- Unlikely to spend over $25, sweet spot is around $12-15
- In the face of lots of information and lower knowledge, label design can play an important role – they are drawn to ones that stand out, link it to their personal style and think it might look good on the table

% say each of the following are 'important' or 'very important' when buying wine	Generation Treaters	RWD
n=	*1,130*	*10,000*
A brand I am aware of	87%	67%
Wine that matches or complements food	86%	68%
Grape variety	85%	74%
Taste or wine style descriptions displayed on the shelves or on wine labels	85%	65%
Recommendation by friend or family	85%	64%
Appeal of the bottle and / or label design	84%	44%
Alcohol content	84%	49%
Recommendations from shop staff or shop leaflets	84%	50%
The region of origin	83%	53%
The country of origin	82%	55%
Recommendation by wine guide books	82%	36%
Recommendation by wine critic or writer	82%	39%
Promotional offer	81%	52%
Whether or not the wine has won a medal or award	80%	32%
Whether or not the wine is available to buy via the internet	78%	26%

> "I'm notorious for when I go to the store, I typically always buy a bottle that I've never bought before. And I do that by picking the prettiest label in my price point."
> *Generation Treater, Female, ID*

> "We like the numbers, the little ratings. We're usually a sucker for that."
> *Generation Treater, Female, FL*

> "Wine I bought for my parents to take over for Thanksgiving, it was $32, but it was on sale for $20, so I said, 'That's the one!'"
> *Generation Treater, Female, VT*

* / * Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: HOW DO THEY ENGAGE IN THE ON-PREMISE?

Very frequent on-premise socializers and wine drinkers

Wine in the on-premise

- This younger segment enjoys socializing frequently out of the home, for a range of both more formal and informal occasions
- Ideally looking to spend **under $40 per bottle, or under $15 per glass** – typically choosing something at a mid-price point on the list
- Tend to frequent places with good wine lists and knowledgeable staff. Happy to take recommendations from wait staff they trust or get a good 'vibe' from
- If it's a wine just for them or to have with their partner, they are happy to take a risk on something that stands out on a whim e.g. an interesting or catchy name

> "If we have a cool waiter, I'll ask what their favorite one is, just to see, or ask what the popular one is. But otherwise mainly price point. I won't pick the cheapest one because I feel like I don't need to do that. I'll go for middle range"
> *Generation Treater, Female, NC*

> "I picked a wine off a menu. It said Seven Oaks or something and I love trees, so I said, 'Yeah, okay. We'll try that one. Why not?' Because I didn't recognize any of the others"
> *Generation Treater, Male, FL*

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATERS: WHICH WINE BRANDS DO THEY BUY?

Overall lower wine brand awareness, a result of being a younger cohort of wine drinkers and therefore still building up their wine knowledge

What is their attitude towards brands?

- The lowest awareness of mainstream brands of all segments, reflecting their low category knowledge – and yet familiar brands are the top choice cue for this segment
- Brand conversion rates (proportion of consumers buying the brand out of consumers aware of each brand) are significantly higher in this segment, partly driven by lower brand awareness levels to start with but also suggesting **familiar brands act as a key driver** of wine purchase
- Open to experimenting with brands that catch their attention through distinctive labels and names

"J. Lohr Cabernet, that's my favorite. I always have it in the house. I like Columbia Crest too. It's cheap, but it's pretty good for just having at home"
Generation Treater, Female, NC

"Secret Squirrel wines – I really like them and their bottles are hilarious. They have these cute little squirrels on them with masks and that's how I discovered their wine"
Generation Treater, Female, ID

Brands you might find them drinking

Smaller brands Generation Treaters enjoy, discovered due to label design and brand names:
Secret Squirrel, Our Daily Red, La Dame de L'Hospital

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

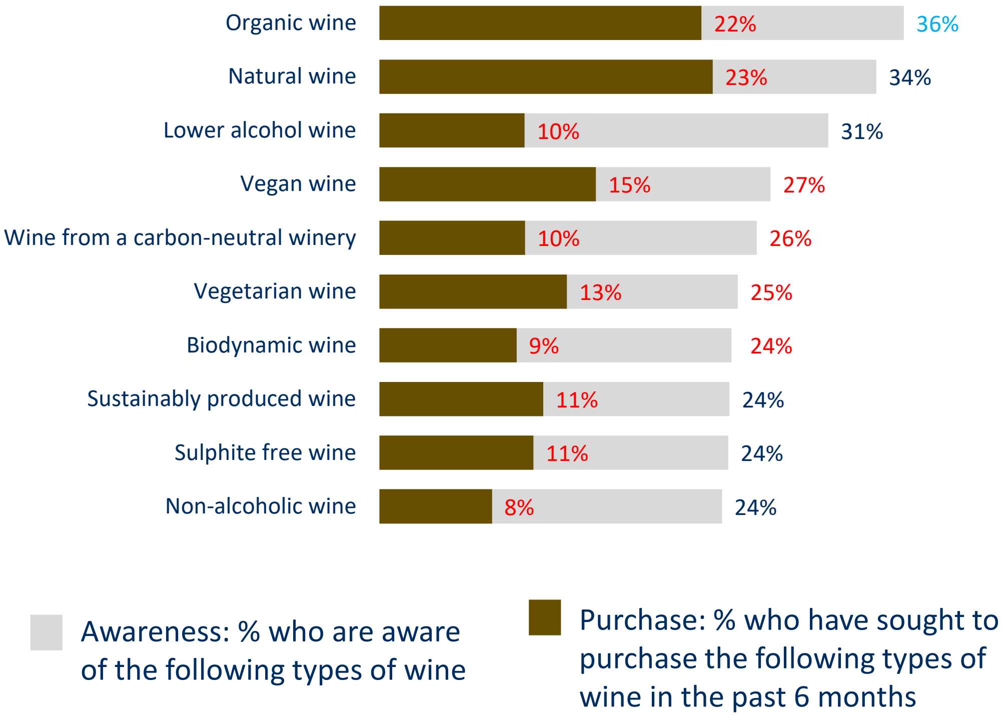
GENERATION TREATERS: ALTERNATIVE WINE TYPES

They are open to trying alternative wine types, but taste and quality remain top priorities

What do they think about alternative wines?

- Although not the segment with the highest awareness of sustainable and alternate wine types, once aware, they are the segment who purchase these wine types the most frequently
- Sustainability is an important factor in purchasing decisions for food and clothing as it aligns with their personal values – but NOT a top choice cue for wine
- The segment most likely to consider low and no alcohol alternatives and be actively considering their alcohol consumption. They don't necessarily see the attraction or need for lower-alcohol wine specifically, having concerns about its quality and how it will taste
- They're open to the convenience of cans, but only if they look appealing and the wine is quality

Awareness and purchase of alternative wines



I'm actively reducing the amount of alcohol I drink by....

	Generation Treaters	RWD
n=	*223*	*2,000*
not drinking alcohol at some occasions	34%	19%
switching to lower alcohol options at some occasions	42%	14%
switching to non-alcoholic drinks at some occasions	32%	12%
switching to cannabis products	20%	7%
I'm NOT actively reducing the amount of alcohol I drink	26%	64%

> *"I have considered buying wine in a can, but the only brand I see it in is one I know I don't like, so I just haven't seen any I'd be interested in trying yet"*
> *Generation Treater, Female, NC*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

GENERATION TREATER: ALEX

Alex (36) is a Software Engineer who lives in Austin with his partner Amy, their 4 year old daughter Mia and pup Callie

How does wine fit into your life?

I mostly drink wine with meals, especially when I'm out. I used to drink more beer, but I find wine tastes better with food and it's nice to share a bottle with Amy or friends we're with. Amy is more of a cocktail and mixed drinks person than I am. I've found that wine is also a little easier on my waistline than beer!

We'll also have a few bottles of wine at home. Our new house came with a wine fridge built in, so I feel like it's a waste not to keep something in there. I also like to have something on hand for when we have friends over. We've been getting to know our new neighbors recently over drinks around our firepit in the yard.

A few of my co-workers are really into wine, so I've learned a little bit from them, but I really don't know that much. I just enjoy drinking it and I'm starting to learn the types of wine I like. I've done a couple of wine tastings at vineyards when we've been on vacation in California, but I don't remember that much! It would be fun to take a wine class or something, but I wouldn't really know where to start looking into something like that.

I feel like I'm at that age now where it's important to know a least something about wine.

Which wines do you enjoy drinking?

I think my favorite wine at the moment is Malbec. I discovered it at a local Argentinian restaurant and now I love to have a glass whenever we have steak.

I also tried a Carmenere for the first time the other day. It's really different to Malbec, but I liked it. We were cooking a Mexican meal and it seemed to go really well.

I was in Dallas with work and went to a Spanish restaurant and enjoyed a white Rioja which I'd never heard of before. I'd love to travel there one day and discover some more Spanish wines.

In the summer, I do enjoy a glass of rosé. Our local deli, Royal Blue, has a great selection of wines and there is this brand called Angels and Cowboys that we really enjoy.

How do you choose your wine?

Choosing wine is something I enjoy the idea of but can quickly feel overwhelmed or a bit frustrated if I don't have the information to make an informed choice – like a few notes about the taste or a brief review. That's why I've started buying wine online. I find the info they provide really helpful.

We still buy a few bottles with our big shops at Costco, as well as from our local wine shop / deli – both have interesting ranges, the former is just a bit better value!

When I'm out, I tend to be in places with knowledgeable wait staff, who I trust to give me good recommendations.

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers.
Wine Intelligence, consumers interviews

CONTENTS

MAINSTREAM SUBURBANS

WHO

- Mid income Seniors + Boomers who are often ‘Empty Nesters’

INTERESTS AND VALUES

- Pride in their home
- Savvy shopping
- Local community

RELATIONSHIP WITH WINE

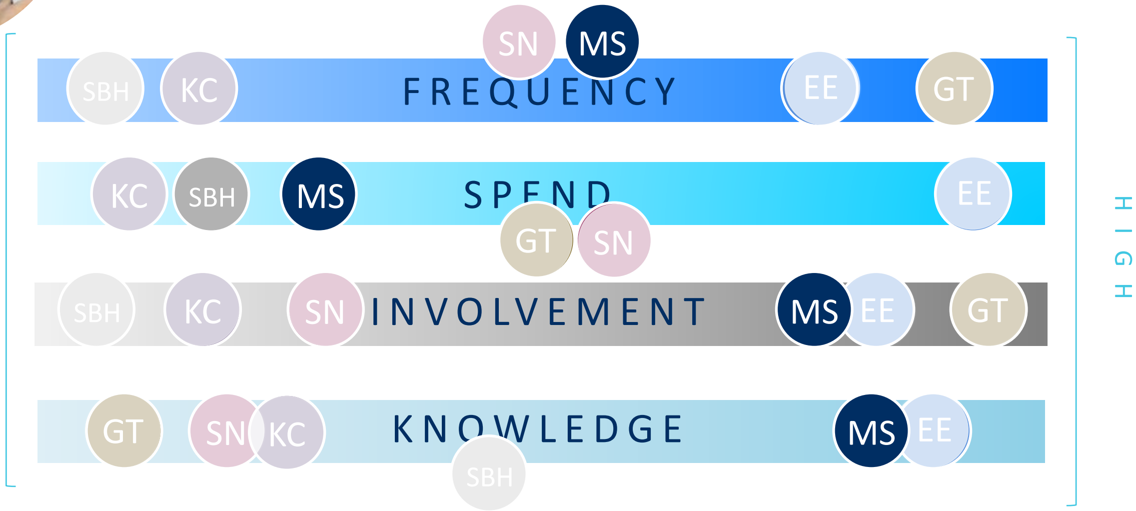
- **Big off-premise wine drinkers.** Second most valuable segment in the off-premise after Engaged Explorers, despite their lower per bottle spend
- **Proudly unpretentious.** Enjoy drinking wine and have enough experience and knowledge to enjoy trying new styles and formats without worrying about making the ‘right’ choice

HOW TO ENGAGE THEM WITH WINE

- **Down-to-earth approaches to marketing** - fun and friendly, but not ‘dumbed down’
- **New takes on the familiar** – building on what they know (varietals, brands) and giving it an interesting, fun twist e.g. new labels, formats, flavors, tasting experiences
- **Tempting discounts** – always attracted to promos, especially if able to stock up on familiar brands i.e. bulk buy discounts

KEY CHALLENGE FOR WINE BRANDS

- **Local availability.** Unlikely to make the effort to search for wines beyond what is on the shelf at their local store



WHERE THEY SHOP

Tend to pick up wine with grocery shop (state dependent) and in places with good wine selections

Total Wine & More
Kroger
ALDI
Publix.
TRADER JOE'S®

BRANDS THEY DRINK

Well-known brands they consider good value

KENDALL-JACKSON
Cupcake Vineyards
BAREFOOT
BOTA BOX
WOODBRIDGE by ROBERT MONDAVI
APOTHIC
SUTTER HOME FAMILY VINEYARDS
[yellow tail]
MEIOMI

They will check most of these statements

- ✓ In the kitchen, there’s an open bottle (or box) of wine – likely from the night before, ready to be finished off soon
- ✓ At least a 2-3 bottles of wine are stored somewhere ‘for emergencies’ i.e., enough to get them through the week without running low
- ✓ Most wines at home are well-known brands and always under $20, more often nearer $10 - $12
- ✓ Drinks wine most days but doesn’t identify as a ‘wine expert’
- ✓ A favorite way to unwind at the end of the day is with a glass of wine

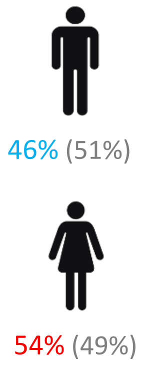
MAINSTREAM SUBURBANS: WHO ARE THEY?

Boomers + Seniors

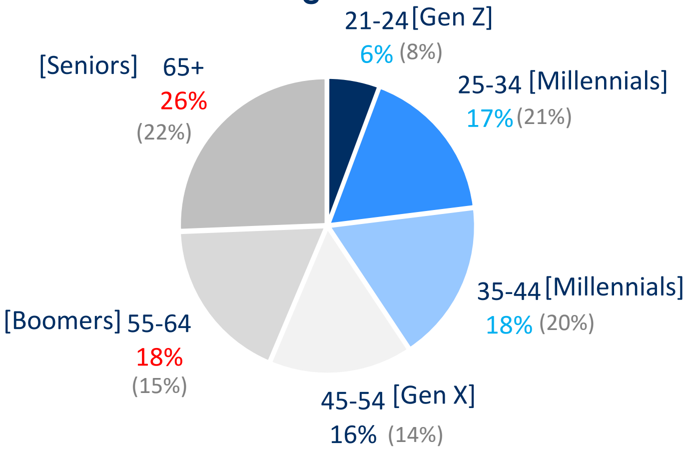
Average income

Higher proportion women

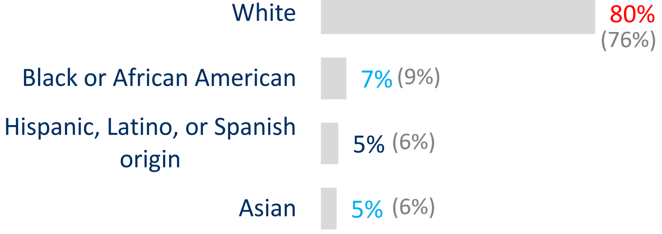
Gender



Age

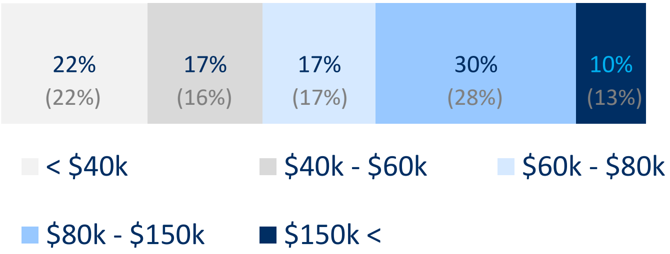


Ethnicity



Income

(annual total household income before taxes)



(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

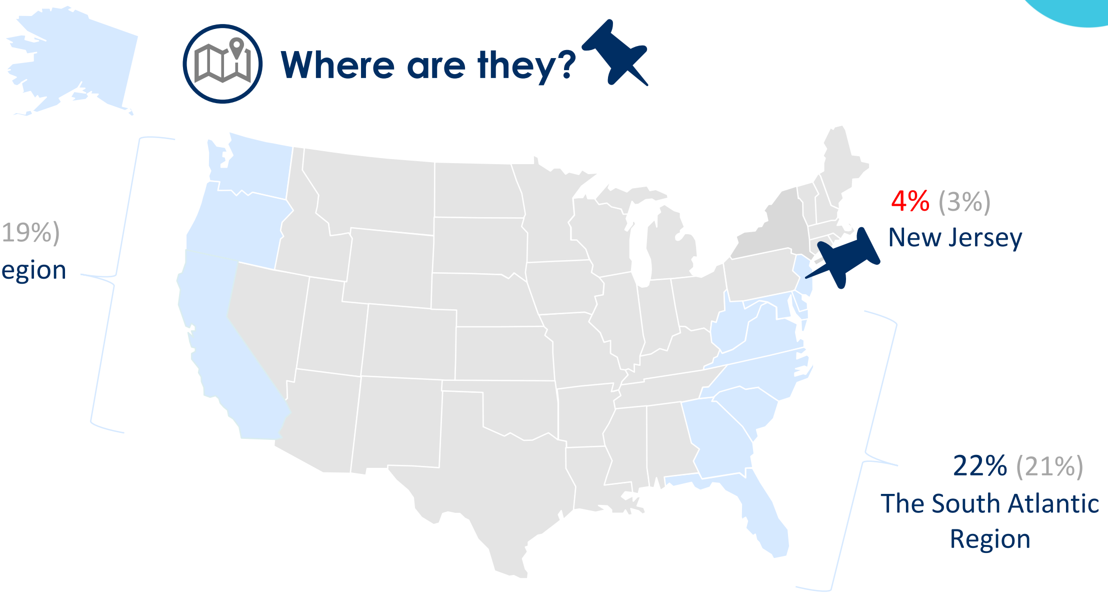
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: WHERE DO THEY LIVE AND WHO WITH?

Often married / living with a partner and with older children

Found across US suburbs

Where are they?

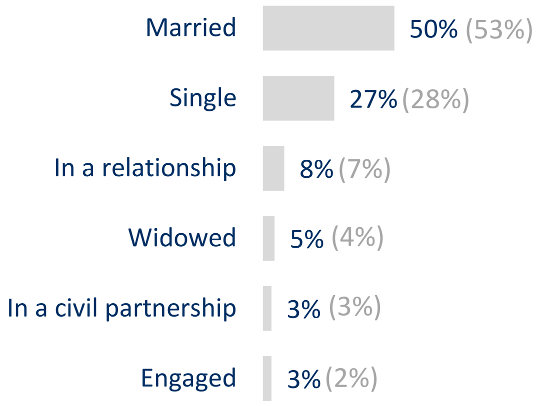


20% (19%)
The Pacific Region

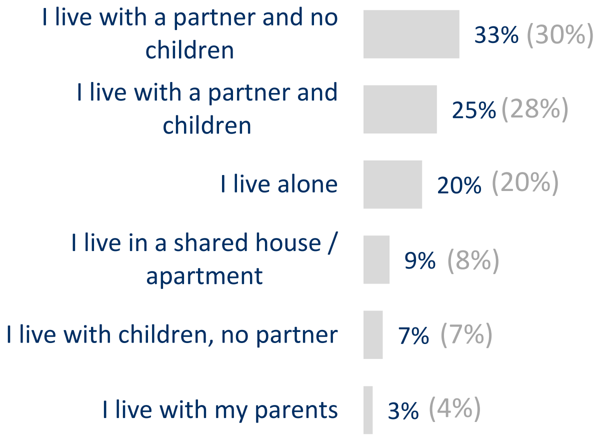
4% (3%)
New Jersey

22% (21%)
The South Atlantic Region

What's their relationship status?



Who do they live with?



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Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: VALUES, ATTITUDES AND INTERESTS

House proud, value seekers and socially active

What's important to them?

- **Keeping a home they can be proud of -** cooking, decorating and making the space comfortable, welcoming to family and friends. It's the place they spend the most time and it's a personal reflection of their lifestyle
- **Savvy shopping**, finding the best price: quality ration and options
- **Local community** – supporting local producers, engaging with local issues

> "I enjoy cooking at home for me and my husband, it's how I unwind after a long day "
> *Mainstream Suburban, Female, NJ*

Which platforms do they use?

% who currently use the following platforms / websites

facebook

prime

Instagram

NETFLIX

What are their attitudes?

% who 'agree' or 'strongly agree' with each statement

During a given week, I cook meals frequently – 57% (50%)

My home is an expression of my personal style – 50% (44%)

Investing in education is important to me – 41% (42%)

I like to take my time to find out the best value option in everything I do – 37% (36%)

I am typically willing to pay more for high-quality items – 36% (35%)

Supporting equality for the LGBTQ community is important to me – 31% (30%)

My cultural / ethnic heritage is an important part of who I am – 31% (35%)

I try to buy food that is grown or produced locally – 29% (30%)

What are their interests?

% who stated they are interested in each of the following subjects

Movies or TV shows
70% (62%)

Cooking
69% (60%)

Politics
51% (43%)

Home remodeling, furnishing or decorating
39% (33%)

Environmental and sustainable causes
35% (28%)

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: HOW DO THEY LEARN ABOUT WINE?

Look to further their wine engagement through more immersive experiences, particularly at wineries, restaurants and bars

Where do they look for wine information?

% who 'sometimes' or 'always' look for opinions or recommendations about wine from the following sources

	Mainstream Suburbans	RWD
n=	*437*	*2,000*
In-store shelf signs / display with information about wine	83%	76%
Friends, family or colleagues	82%	82%
Search engine	65%	61%
Lifestyle / cooking magazine wine sections or columns	56%	54%
Wine magazine	49%	45%
Comments of online shopping website	48%	50%
A wine producer or wine brand's website or Facebook	46%	46%
Social media	44%	50%
Wine guide / book	44%	44%
Information online from a wine blogger / wine expert	44%	45%
Newspaper or magazine's website	39%	43%
A wine app	30%	35%

Which sources do they trust the most?

% who say they trust the advice, opinions or recommendations about wine from the following sources

Friends / family	Wine magazine	In-store wine information	Wine guide / book	Lifestyle / cooking magazines
76% (70%)	55% (47%)	48% (45%)	47% (41%)	46% (40%)

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

How do they learn about wine?

- Very wine knowledgeable already, with this wine knowledge built up over many years of choosing, buying and drinking wine
- In-store wine information is their most-used source, followed closely by word of mouth which they especially trust
- They are interested in some learning experiences, including informal and social wine related events

Wine engagement and education levels

% who consider participating in the following events in the future

	Mainstream Suburbans	RWD
n=	*464*	*2,000*
In-person wine tasting or tour at a winery	71%	56%
In-person wine tasting or event run by a restaurant or bar	62%	51%
Online wine tasting hosted by a winery	38%	31%
Online wine tasting or event run by a restaurant or bar	37%	28%
In-person wine course – but NOT leading to a certificate or qualification	35%	26%
Online wine course – but NOT leading to a certificate or qualification	24%	20%
In-person in-depth structured wine course leading to a certificate or qualification	22%	18%
Online in-depth structured wine course leading to a certificate or qualification	21%	17%
None of these / I don't know	14%	21%

MAINSTREAM SUBURBANS: ALCOHOLIC BEVERAGES

Enjoy a broad range of other drinks beyond wine

Compared with others, they often enjoy:

Red wine, white wine, vodka, craft beer, tequila and cocktails

What do they drink?

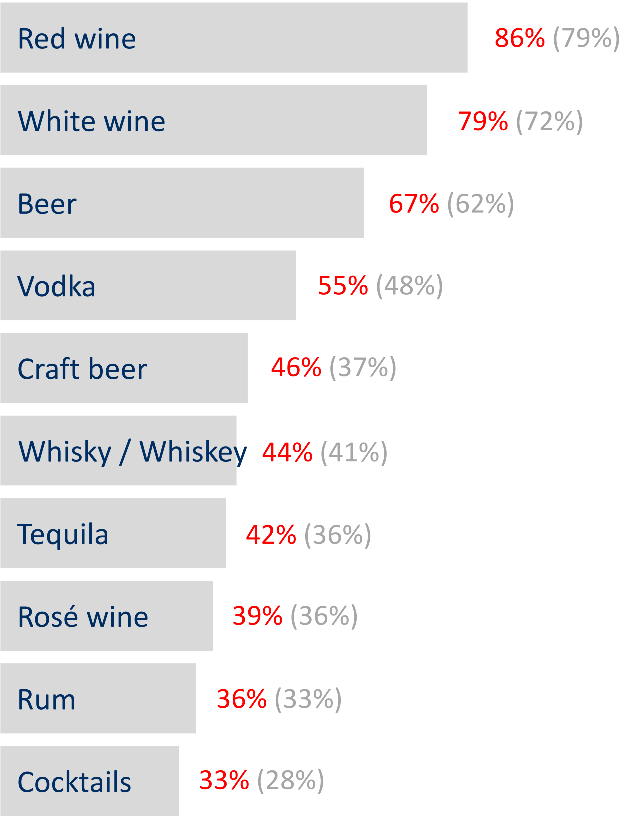
- Wine is the main drink of choice at home – red, white, rosé or sparkling, mainly depending on the weather and on what they are cooking
- Beer is their other main staple, often replacing a glass of wine
- Spirits are often enjoyed in the on-premise in cocktails and as an aperitif

Inside a Mainstream Suburban's home *– McWilliams & Yellow Tail Chardonnay, a local vineyard's Sangria and Xmas special, cider and a Bud Light*

> "At home if we're cooking, we open a bottle of wine or occasionally a local craft beer. In summer, we drink more sparkling hard seltzers and mixed drinks, like gin and tonics, rum and coke, that type of thing"
> *Mainstream Suburban, Female, NJ*

Top 10 alcoholic beverages: Past 12 months

% who have drunk the following alcoholic beverages in the past 12 months



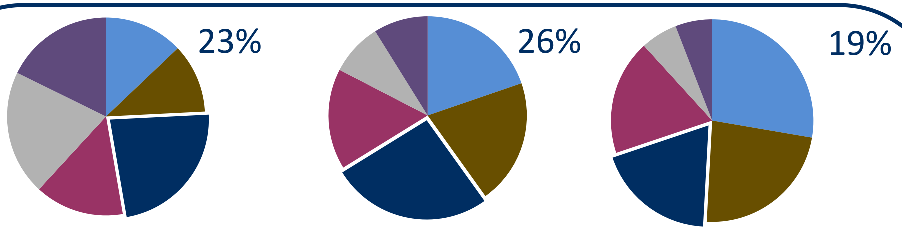
(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: PROPORTION OF WINE DRINKERS, VOLUME AND SPEND ON WINE

They consume 26% of wine sold in the US and account for 19% of spend on wine in the US



Share of regular wine drinkers **population**

Share of total **volume** of wine sold in the US

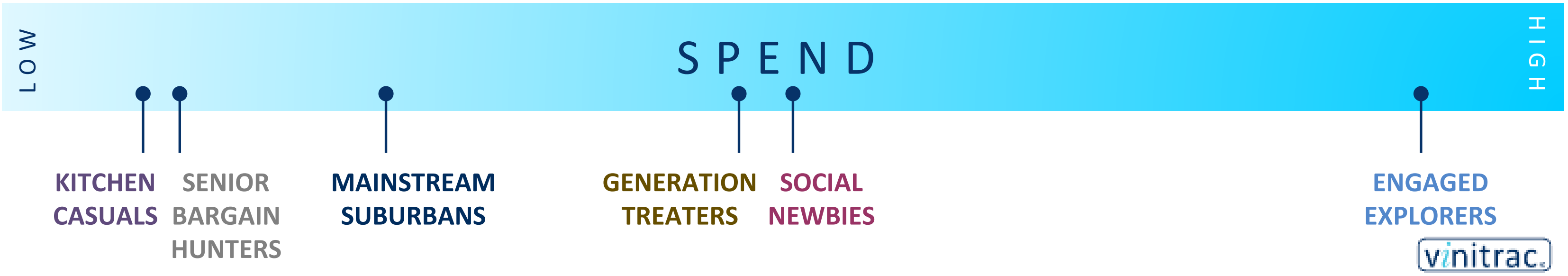
Share of total **spend** on wine in the US

Off-trade	29%	24%
On-trade	21%	15%

Wine consumption frequency (off-premise and on-premise combined)

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers

Typical spend per bottle of wine



MAINSTREAM SUBURBANS: MOTIVATIONS FOR WINE DRINKING

Drink wine to unwind and for enjoyment

Why do they drink wine?

- Primarily drawn to wine for quite functional reasons: a taste they enjoy and an easy way to unwind. Wine seen as a 'socially acceptable' alcohol, versatile and good value drink for their frequent consumption
- Wine is an almost daily go-to at home. Often found pouring a glass while cooking – ("a bit for the sauce and a bit for me") and continue drinking throughout the meal into the evening
- They also recognize there is a lot of fun to be had around wine e.g. – such as visiting wineries or sharing a bottle with friends. Attracted to the 'fun' potential, rather than really learning about the category

"We drink wine at least three to five nights a week if we're just cooking or something like that at home"
Mainstream Suburban, Female, NJ

"We're not big wine snobs, so we usually look for the fun wineries to visit. 'Where's the fun place to go? Where is it lively? Where are people having a good time? Where is there good food served with the wine? We went to Coppola because other friends had been like, 'Oh, we went there. There's a pool and this great atmosphere.''"
Mainstream Suburban, Female, NJ

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: WINE ENGAGEMENT

Know what they like and seek out lowest prices / best value

How do they engage with wine?

- Experienced drinkers who know what they like and have built up strong knowledge about wine – but not actively spending time or effort to learn more
- Not pretentious about their wine choices – generally lower spenders, happy with good value options for frequent drinking, including alternative formats / box wine
- Socially, they tend not to be fussy about wine choices – often trading up if around other people who 'care' more about wine choices or for special occasions

> "We'll usually have a box of red and a box of white in our house…my husband is relatively new to wine, so he'll come home and have a beer and I'll just pour myself a glass of white or red out of the cupboard or refrigerator while I'm cooking, and probably have a glass or two"
> *Mainstream Suburban, Female, NY*

What influences their choices?

- Gravitate towards the familiar – both varietals and brands
- Open to trying new things, easily tempted by a good deal – a promotion / special, or a new eye-catching fun label that hits the right price point

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: WHERE THEY BUY WINE

Picking up wine with the weekly shop

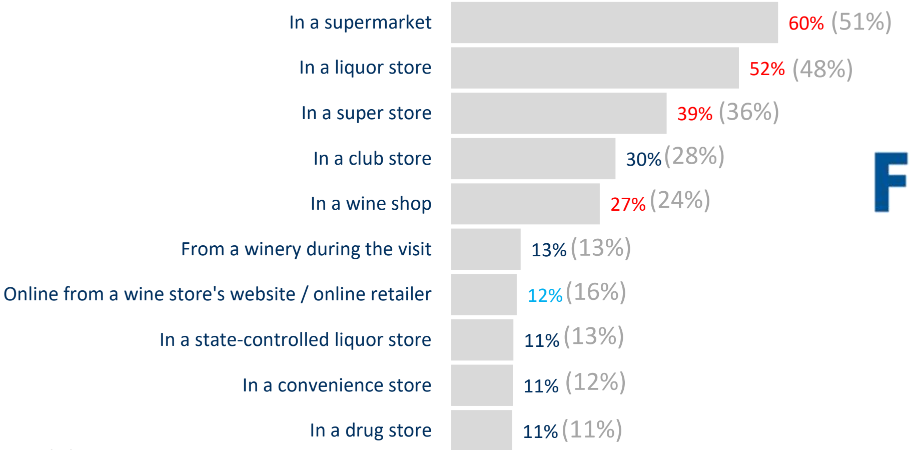
Where do they buy wine?

- Primarily shop for wine in the local supermarket or liquor store (state dependent) – the wines they like have been influenced by the selections that are readily available to them locally, so they are easy to find
- Tend to buy wine often, as they need it / run low at home (e.g. weekly), and more occasionally in bulk if there are special deals / discounts

> "I have a wine store that's close to me that I'll shop in just because of convenience."
> *Mainstream Suburban, Female, NY*

Top 10 wine buying channels

% who have bought wine from the following channels in the past 6 months



Places where you might find them buying wine

Total Wine & MORE, Publix, FOOD LION, ALDI, Kroger FRESH FOR EVERYONE, WHOLE FOODS MARKET, TRADER JOE'S®

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: AND DTC CHANNELS FOR WINE

Lower proportion of online and direct wine buying with lee incentive to shop online

How do they buy wine online?

- Despite their frequent consumption, very few buy wine online
- Not a behavior they've considered, given that they can easily get the wine they want locally. Some deterred by the expectation of delivery fees
- Though fewer buy wine online, they would consider using the channel if there was a good discount available

Online retailers they buy wine from

WINE SHOP murphy's
TARGET
Walmart
wine.com
Triangle Wine Company

Wine buying online channels

% who have bought wine from the following channels in the past 6 months

	Usage		Usage Consideration	
	Mainstream Suburbans	RWD	Mainstream Suburbans	RWD
From a winery during the visit	12%	13%	57%	45%
From a wine club or membership organization	7%	11%	36%	31%
From an online retailer	6%	11%	39%	32%
From a winery's website	6%	10%	41%	34%
From a supermarket website	5%	10%	28%	26%
From a delivery app	4%	8%	26%	25%

> "I don't buy wine online, I guess I always just assumed delivery would be extra and I can drive down the road to pick it up, so why would I?"
> *Mainstream Suburban, Female, NY*

> "We only buy wine online for pretty specific occasions, for example if there is a 'friends and family 50% off', or 'free shipping for orders over $100', we do that about once a year"
> *Mainstream Suburban, Female, NJ*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

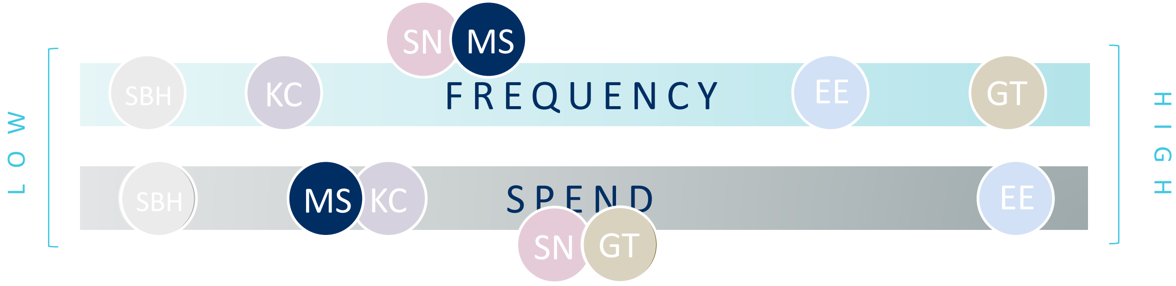
MAINSTREAM SUBURBANS: ONLINE AND DTC CHANNELS FOR WINE

Will buy wine online if there's an incentive to do so, such as free shipping or a discount

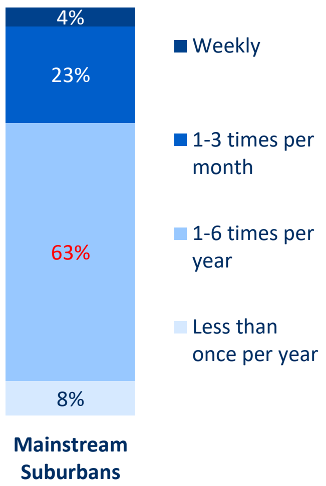
Online wine buying behavior

- Over half of them (58%) are buying more wine online compared with a year ago, now doing so more often than once per month though they are spending less per bottle than the average US consumer
- They look for convenience and promotions when buying wine online, but generally don't see a reason to buy that way vs in brick-and-mortar stores and need an incentive to buy online

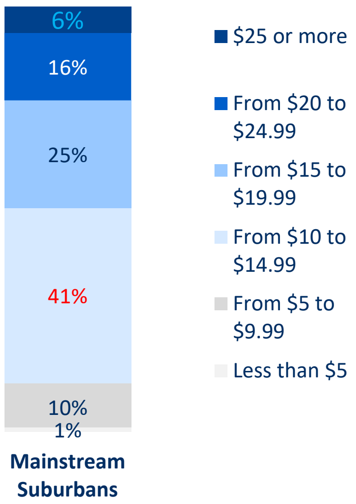
Online channels



Online purchase frequency



Online spend on wine



Triggers to purchasing wine online

Being able to add wine to their normal grocery shopping

A promotional offer

Exclusive / limited offer

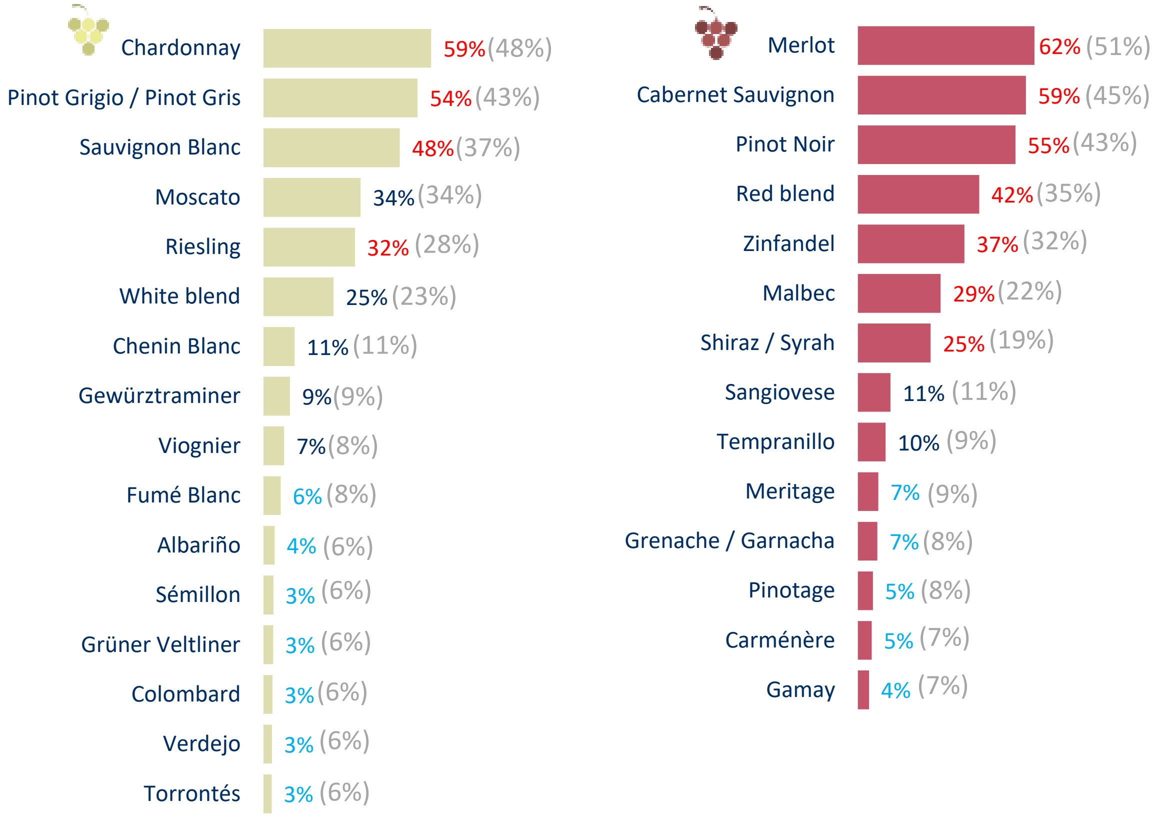
(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: VARIETALS

Tend to stick to mainstream varietals

Red and white varietal consumption

% who have drunk the following varietals in the past 6 months



What do they drink?

- Reflecting their segment name, tend to stick to mainstream varietals
- Broader red varietal repertoires

Compared with others, they are particularly fans of:
Chardonnay, Pinot Grigio, Sauvignon Blanc, Cabernet Sauvignon, red blends and Malbec

> "As far as reds, we like Cabernet Sauvignon. For whites, I would go with a Riesling or a Sauvignon Blanc. My mother-in-law is a big Chardonnay person and when I'm with her, I'll drink that. So really we'll drink whatever wine's on the table. We're not big snobs"
> *Mainstream Suburban, Female, NJ*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: WINE ORIGIN

Open to a broad range of regions but tend to drink Californian

Compared with others, they are particularly fans of wine from:
California, Australia, Chile, Argentina, Napa and Chianti

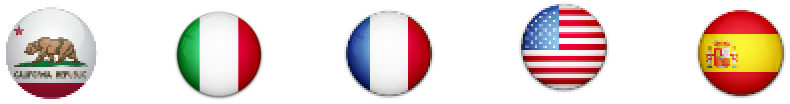
What do they drink?

- Experienced and knowledgeable drinkers, familiar and open to a broad range of countries and regions of origin – the broadest repertoires in terms of origin after Engaged Explorers
- However, often drawn to what is most readily available in their lower price point and so end up drinking domestic wines

"I drink a lot of Californian Chardonnays… and Cab Sauvs…"
Mainstream Suburban, Female, NC

Country of origin consumption: Top five

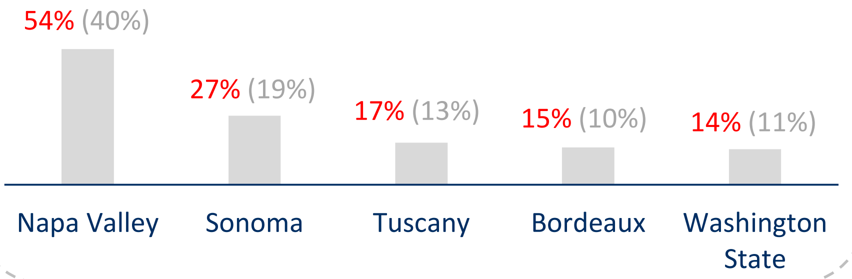
% who have drunk from the following countries of origin in the past 6 months



California	Italy	France	United States (outside of California)	Spain
77% (65%)	48% (35%)	38% (29%)	33% (28%)	24% (18%)

Region of origin purchase: Top five

% who have drunk from the following regions of origin in the past 3 months



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Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: HOW DO THEY SHOP FOR WINE?

Sticking to varietals / styles they know and influenced by promos

How do they shop in the off-premise?

- Primarily shop with a varietal in mind, a choice that could be influenced by food they might be having that week or people they might be sharing it with – but typically it's a choice between varietals they know and trust
- Once in the right varietal section, more easily swayed to try something new – happy to choose between a range of familiar origins and brands, typically selecting the one at the best price
- **Typically looking to spend under $15 / bottle,** but may trade up to $20-25 for more special occasions especially if sharing with others

% who say each of the following are 'important' or 'very important' when buying wine	Mainstream Suburbans	RWD
n=	*2,308*	*10,000*
Grape variety	84%	74%
Wine that matches or complements food	77%	68%
Taste or wine style descriptions displayed on the shelves or on wine labels	71%	65%
A brand I am aware of	68%	67%
Recommendation by friend or family	64%	64%
The country of origin	62%	55%
The region of origin	59%	53%
Promotional offer	55%	52%
Recommendations from shop staff or shop leaflets	51%	50%
Alcohol content	49%	49%
Appeal of the bottle and / or label design	43%	44%
Recommendation by wine critic or writer	39%	39%
Recommendation by wine guide books	34%	36%
Whether or not the wine has won a medal or award	29%	32%
Whether or not the wine is available to buy via the internet	19%	26%

> "I usually go for 'the manager's pick' at our local wine store or straight to the 'under $20' sections. I'm also a marketing person's dream, because I see a cool label and I'll think, 'this is cool, let's try it!' Something that makes you look at the bottle twice, not just your average dry, blah, boring label"
> *Mainstream Suburban, Female, NJ*

> "If the wine is something that I'm going to be drinking with other people, I might go for a higher priced wine than if I'm just drinking it myself."
> *Mainstream Suburban, Female, NC*

* / * Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: HOW DO THEY ENGAGE IN THE ON-PREMISE?

Low on-premise value – low frequency and spend

Wine in the on-premise

- Not such frequent on-premise wine drinkers, only accounting for 15% of US on-premise wine spend
- Often aware of the high mark ups on wine in the on-premise, and prefer to spend the money on something cheaper (e.g. a beer) or something they can't get at home (e.g. a cocktail)
- Most likely to drink wine if it's a bottle shared by several people – happy to split the cost and go along with what the group want
- Try to spend as little as possible on wine in the on-premise, **typically under $30 / bottle**, and under $9 for a glass if possible

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: WHICH WINE BRANDS DO THEY BUY?

Highest awareness of mainstream brands among all segments of drinkers in the US, content with the value they deliver

What is their attitude towards brands?

- Segment with the highest overall wine brand awareness
- Shop across a range of well known brands, according to what is available or on offer at the point of purchase
- Big brands offer reassurance of acceptable quality wine, within a price point they know is good value

> "We have the bigger brands, the bigger family names, I think 'Okay, this is a cheap bottle of wine but we know it's going to be decent'"
> *Mainstream Suburban, Female, NJ*

> "In the summer, if we're out boating, we'll bring a four pack of Sofia's and share them with the girlfriends and drink those. It has a nice story – the father making it for his daughter… it's a bit of fun"
> *Mainstream Suburban, Female, NJ*

Brands you might find drinking

Cupcake Vineyards

Kendall-Jackson

La Marca Prosecco

Barefoot

Ménage à Trois

Clos du Bois

[yellow tail]

Apothic

Meiomi

Woodbridge by Robert Mondavi

Sutter Home Family Vineyards since 1890

Sofia by Francis Coppola

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
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Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: ALTERNATIVE WINE TYPES

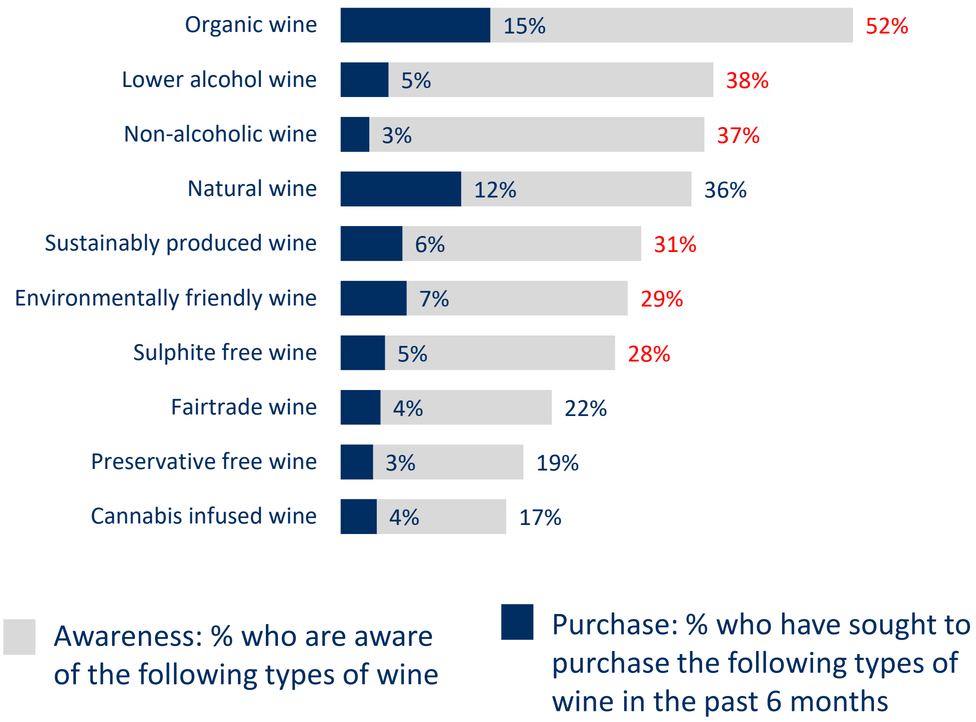
Would need reassurance on quality and taste before buying alternative wine types

What do they think about alternative wines?

- Alternative styles are not something that are strongly on their radar for wine
- They are more aware of some alternative types, but it remains less of a purchase cue in terms of wine
- Like other segments, they would need reassurance on quality and taste to feel confident buying alternative wine types
- Very open to alternative packaging – already buying boxes and cans, appreciating the value and convenience

> "I probably wouldn't actively go to the store and buy lower alcohol wine and spend my money on it without knowing if it was good or not… I tried non-alcoholic wine once when I was pregnant and it was awful "
> *Mainstream Suburban, Female, NY*

Awareness and purchase of alternative wines



I'm actively reducing the amount of alcohol I drink by….

	Mainstream Suburbans	RWD
n=	*464*	*2,000*
not drinking alcohol at some occasions	12%	19%
switching to lower alcohol options at some occasions	9%	14%
switching to non-alcoholic drinks at some occasions	8%	12%
switching to cannabis products	3%	7%
I'm NOT actively reducing the amount of alcohol I drink	78%	64%

> "Cans and boxes, they're just convenient. For us, we can bring them hiking or boating, and we don't have to worry about a big bottle that could break or anything like that."
> *Mainstream Suburban, Female, NY*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

MAINSTREAM SUBURBANS: ERIN

Erin (57) has been divorced for 8 years, lives in a suburb of Charlotte with her son Carter who recently graduated from college. She recently re-trained as a special educational needs teacher, having previously worked as a school administrator.

How does wine fit into your life?

Wine signals the start of my down time. After a busy day, I love to put on the TV or some music and pour myself a glass of something before making a start on dinner. When Carter is in for the evening, we both like to cook, so we take it in turns to rustle up something nice. While one of us is cooking, the other is normally sat on a counter stool having a drink too. He's just starting to get into wine, and he might join me for a glass of red, otherwise he'll have a beer.

I've been drinking wine for years. I've always enjoyed a glass (or three!) to unwind, especially after a long day at work. It's kind of a daily habit, although I do try to stay off the wine from Sunday to mid week, but that doesn't often happen in reality!

I enjoy the occasional G&T or vodka cocktail when I'm out with my girlfriends, but most of the time I stick to wine, especially at home. Most of my wine drinking now is relaxed nights at home with family or friends – before and during dinner or just relaxing on the sofa with a movie on.

Which wines do you enjoy drinking?

I love drinking wine but I'm no wine expert! I'll drink most things to be honest, but I prefer a refreshing, crisp Sauvignon Blanc or a nice fruity Merlot. My favorite brands are probably Oyster Bay and Josh, but I'll often try lots of different brands around that $10 dollar mark, like Bogle, Woodbridge and 14 Hands.

If I'm honest, I really don't ever want to pay more than $15 a bottle, because I don't think you need to! You can get great everyday drinking wine for much less really. I'm even enjoying a box wine at the moment – it's $15 for 3L and it's delicious. It's perfect when it's just me drinking as it's easy to just have a bit whenever I want and not have to worry about finishing a bottle.

I also enjoy a rosé but that tends to be more in summer, and sparkling wine around the holidays.

How do you choose your wine?

I'm no 'wine-o' by any means, but I know what I like and find it pretty easy to choose what I want. Before I go shopping, I tend to have a type of wine I want in mind – like a Sav Blanc or a Merlot, sometimes a Cab Sav, and I start looking in those areas of the store to see what stands out to me – a brand I know or an interesting deal!

My local wine store sometimes has a 'under $15' section, so sometimes I'll just look there first too.

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers. Wine Intelligence, consumers interviews

CONTENTS

SOCIAL NEWBIES

WHO

- Young professionals (Gen Z and younger Millennials), most ethnically diverse group

INTERESTS AND VALUES

- Friendships – old and new, building networks
- Establishing and progressing careers
- Exploring the world – locally, abroad, hobbies

RELATIONSHIP WITH WINE

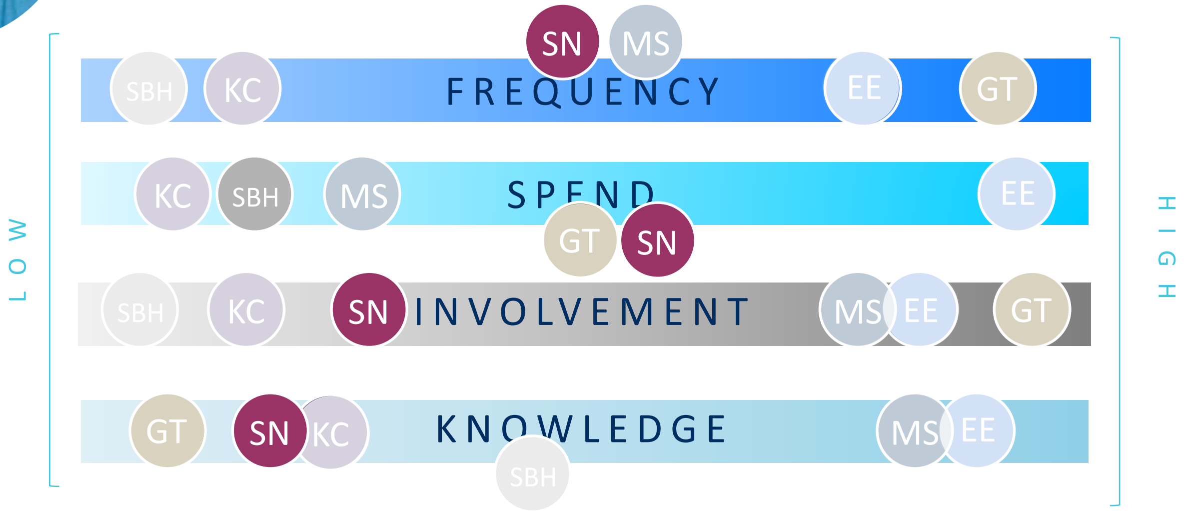
- **'Happy-go-lucky'** open to trying whatever is in front of them, whatever the group is drinking
- **Valuable in restaurants.** Socialize in the on-premise frequently and enjoy wine with meals
- **Future potential.** Low current knowledge and confidence in the category, but could grow into even more valuable segments with experience

HOW TO ENGAGE THEM WITH WINE

- **Social events** – fun experiences with a role for wine (rather than wine specific events) e.g. music events at wineries
- Availability in their **local restaurants –** a key place they discover new wines
- Memorable **labels –** they struggle to remember brand names

KEY CHALLENGE FOR WINE BRANDS

- **Being remembered**. Drink a lot of wine socially, but do not pay attention to what they are drinking



WHERE THEY SHOP

Convenient, unintimidating locations

Total Wine & MORE
BevMo!
TRADER JOE'S
Kroger
Walmart
TARGET

BRANDS THEY DRINK

Low brand awareness, often buying mainstream brands with labels / icons they can remember

KIM CRAWFORD
14 HANDS WINERY
JACOB'S CREEK
APOTHIC
Josh
GatoNegro
FETZER

They will check most of these statements

- ✓ Aiming to spend under $20 for a bottle of wine (off-premise) & certainly under $40 / bottle in the on-premise
- ✓ Isn't fussy about what wine they are drinking – will happily accept a glass of something poured by a friend
- ✓ Feels uncomfortable faced with a wine list
- ✓ Can name just 1 or possibly 2 wine brands they like… buy struggle to name anymore
- ✓ May not have any wine at home
- ✓ Has that one friend / family member they tend to turn to for wine recommendations

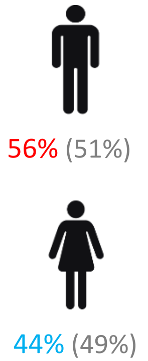
SOCIAL NEWBIES: WHO ARE THEY?

Gen Z & younger Millennials

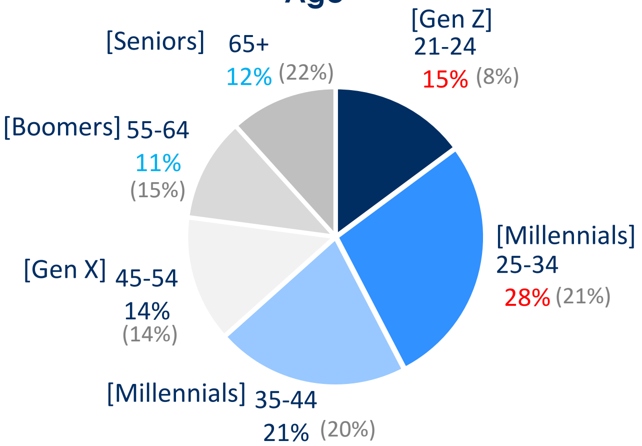
Average income

Broadest range of ethnicities

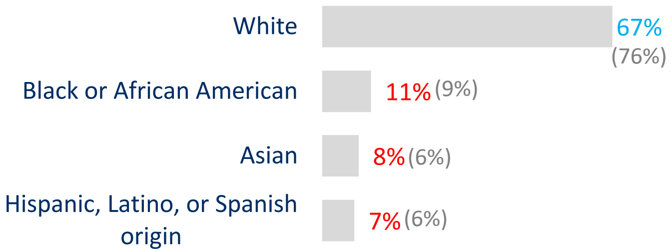
Gender



Age

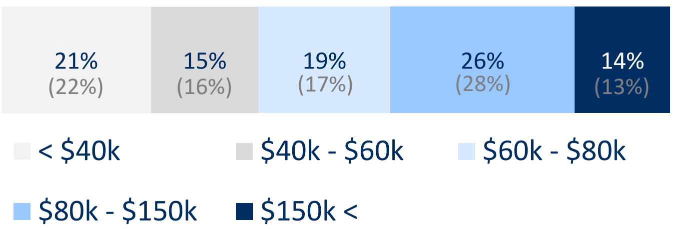


Ethnicity



Income

(annual total household income before taxes)



(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

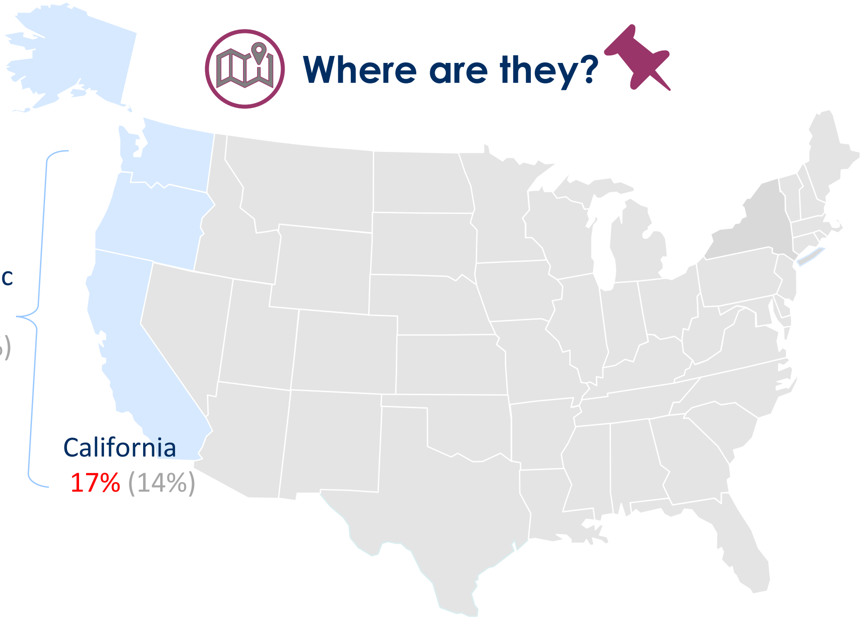
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: WHERE DO THEY LIVE AND WHO WITH?

Segment most likely to be single

More likely than others to live in California and the Pacific North West

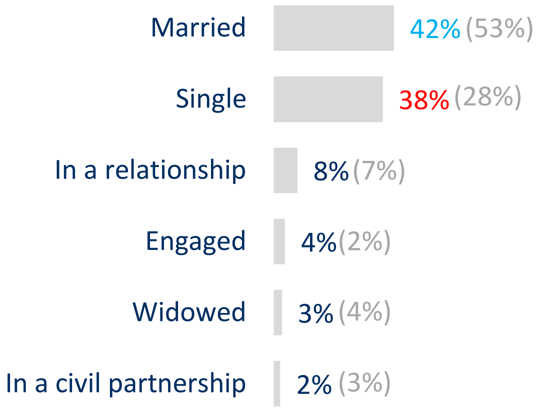
Where are they?



The Pacific Region
20% (19%)

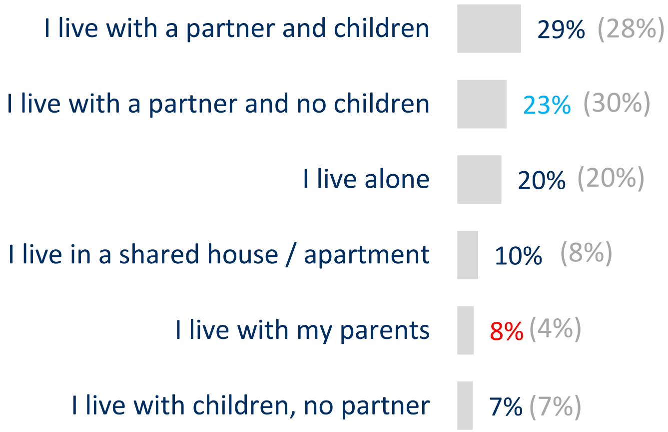
California
17% (14%)

What's their relationship status?



Married	42% (53%)
Single	38% (28%)
In a relationship	8% (7%)
Engaged	4% (2%)
Widowed	3% (4%)
In a civil partnership	2% (3%)

Who do they live with?



I live with a partner and children	29% (28%)
I live with a partner and no children	23% (30%)
I live alone	20% (20%)
I live in a shared house / apartment	10% (8%)
I live with my parents	8% (4%)
I live with children, no partner	7% (7%)

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: VALUES, ATTITUDES AND INTERESTS

Exploring what they love and their purpose in the world

What's important to them?

- **Friendships** – old and new, open to meeting people and building networks
- **Establishing careers** – often students or in first jobs
- **Exploring the world** – travelling as well as discovering local 'haunts' and hobbies they enjoy

> "I'm a grad student … I am lucky to have my own place and enjoy hosting people at mine for drinks"
> *Social Newbie, Female, VA*

Which platforms do they use?

% currently use the following platforms / websites

reddit · Pinterest · YouTube · NETFLIX · Disney+ · bumble · snapchat

What are their attitudes?

% who 'agree' or 'strongly agree' with each statement

During a given week, I cook meals frequently – 35% (50%)

Investing in education is important to me – 32% (42%)

My cultural / ethnic heritage is an important part of who I am – 26% (35%)

My home is an expression of my personal style – 26% (44%)

I frequently choose active vacations with lots to do – 24% (30%)

I am typically willing to pay more for high-quality items – 23% (35%)

I like to take my time to find out the best value option in everything I do – 22% (36%)

Supporting equality for the LGBTQ community is important to me – 20% (30%)

What are their interests?

% who stated they are interested in each of the following subjects

Movies or TV shows	57% (62%)
Following sports	34% (34%)
Fashion	34% (29%)
Business	25% (25%)
Dieting	21% (18%)

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: HOW DO THEY LEARN ABOUT WINE?

Look to many sources to enhance their lower wine knowledge

Where do they look for wine information?

% who 'sometimes' or 'always' look for opinions or recommendations about wine from the following sources

	Social Newbies	RWD
n=	*294*	*2,000*
Friends, family or colleagues	85%	82%
In-store shelf signs / display with information about wine	80%	76%
Search engine	70%	61%
Lifestyle / cooking magazine wine sections or columns	65%	54%
Social media	63%	50%
Comments of online shopping website	62%	50%
Information online from a wine blogger / wine expert	59%	45%
A wine producer or wine brand's website or Facebook	57%	46%
Wine guide / book	57%	44%
Newspaper or magazine's website	53%	43%
Wine magazine	52%	45%
A wine app	46%	35%

Which sources do they trust the most?

% who say they trust the advice, opinions or recommendations about wine from the following sources

Friends / family	Search engine	Wine magazine	In-store information	Social media
64% (70%)	44% (43%)	42% (47%)	40% (45%)	37% (40%)

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

How do they learn about wine?

- They use a variety of sources to supplement their lower wine knowledge
- Like other segments, word of mouth is their top source, though they are less likely to turn to this than other drinkers
- They trust sources where many opinions can be gathered into one 'answer' such as search engines
- Less interested in education opportunities, especially in-person tastings

Wine engagement and education levels

% who consider participating in the following events in the future

	Social Newbies	RWD
n=	*294*	*2,000*
In-person wine tasting or event run by a restaurant or bar	44%	51%
In-person wine tasting or tour at a winery	43%	56%
Online wine tasting hosted by a winery	32%	31%
Online wine tasting or event run by a restaurant or bar	28%	28%
In-person wine course – but NOT leading to a certificate or qualification	25%	26%
Online wine course – but NOT leading to a certificate or qualification	22%	20%
In-person in-depth structured wine course leading to a certificate or qualification	21%	18%
Online in-depth structured wine course leading to a certificate or qualification	18%	17%
None of these / I don't know	20%	21%

SOCIAL NEWBIES: ALCOHOLIC BEVERAGES

Choices influenced by occasion and company

What do they drink?

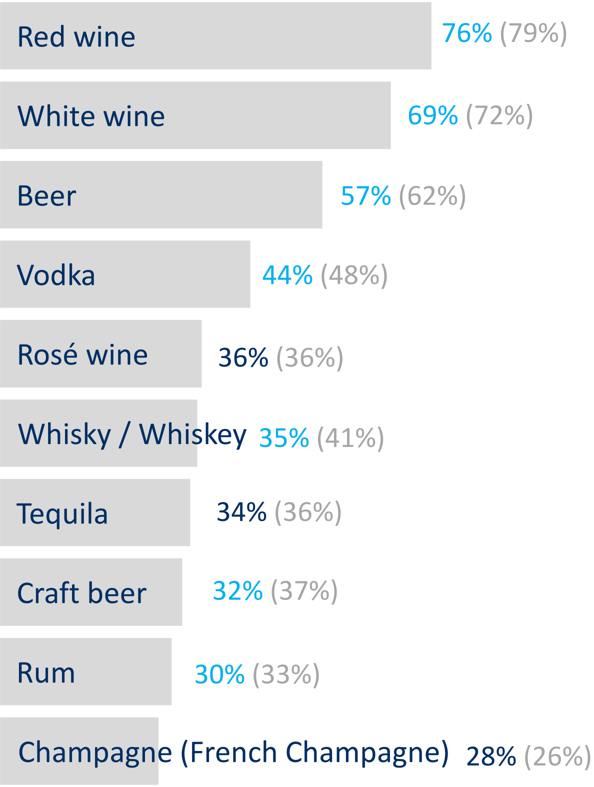
- Narrower beverage repertoire than other segments
- Drink choice often determined by who they are with / what the group is drinking, especially in the on-premise
- Beyond wine, enjoy beers and cocktails, both in and out of the home

> "On an average night we really like Dark and Stormy, which I know is a bit random, but we got into making them. And we like a nice bottle of wine with a nice dinner"
> *Social Newbie, Male, GA*

Inside a Social Newbie's house

Top 10 alcoholic beverages: Past 12 months

% who have drunk the following alcoholic beverages in the past 12 months



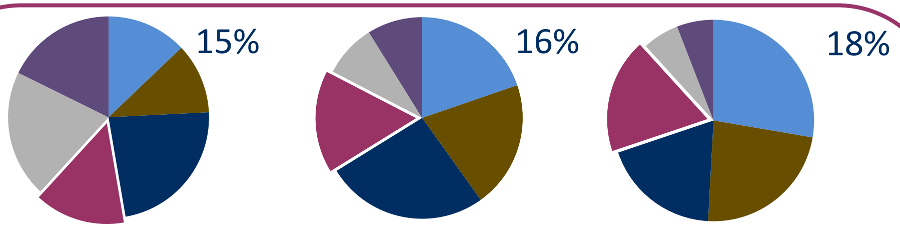
(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: PROPORTION OF WINE DRINKERS, VOLUME AND SPEND ON WINE

Average consumption frequency and spend levels on wine, drink more often and spend more for on-premise occasions



Share of regular wine drinkers **population**

Share of total **volume** of wine sold in the US

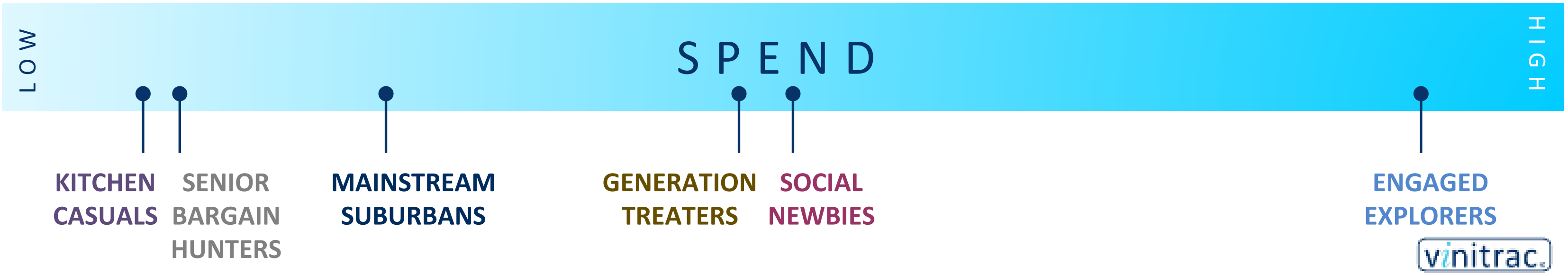
Share of total **spend** on wine in the US

Off-trade	14%	16%
On-trade	20%	20%

Wine consumption frequency (off-premise and on-premise combined)

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers

Typical spend per bottle of wine



SOCIAL NEWBIES: MOTIVATIONS FOR WINE DRINKING

As their name suggests, socially motivated to drink wine

Why do they drink wine?

- Wine is something to enjoy with others. The ritual of sharing a bottle together is an opportunity to bond with close and deepen new relationships.
- For them, wine is culturally associated with something mature and sophisticated – adding something a bit more 'special' to an occasion compared with other alcoholic drinks
- Wine is attractively versatile, suitable for higher tempo and more relaxed occasions and with broad appeal for their different social moments – relaxing with their partner, dinner with their parents, drinks with coworkers and other students
- Wine checks a few functional boxes too – they have found styles of wine that they enjoy the taste of and consider it good value

"I kind of like the idea of drinking the same thing as whoever I'm with, because then that is like a topic of conversation."
Social Newbie, Male, GA

"If we were to open a bottle of wine, it'd be if we planned to make a more special dinner, like steaks or something, and we want to have a glass while we're cooking and then a glass with dinner, making a night and evening out of it."
Social Newbie, Female, VA

"I think we are mostly drawn to drinking wine when I gather with friends in our house or their house. And wine is also a go-to sometimes at the end of the day when we feel like having a drink and talking... I think for wine it just fits into multiple occasions rather than when we are drinking a cocktail, then it's more in the party talking mode but wine can just be after dinner and just chilling out."
Social Newbie, Female, OR

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: WINE ENGAGEMENT

Drinking and spending in line with average, but lower wine confidence

How do they engage with wine?

- Wine drinking is a relatively new addition to their lives – they are still learning how to navigate what they like and what works for their lifestyles. As such, they have low confidence, involvement and knowledge in the category
- However, they still drink wine relatively frequently and spend in line with the market average
- Enjoy engaging with wine in unintimidating, fun ways e.g. grocery store visits, friendly / social (i.e. not-stuffy!) winery visits

What influences their choices?

- Don't dedicate too much energy or brain space to their wine choices
- Happy to follow a recommendation – whether that's in-store or from someone they know

> "We have really great vineyards near here, so, I sometimes we'll make a little day trip out there – that's where we get to try tasting samples of different wines. That's fun"
> *Social Newbie, Female, VA*

> "I never really sit and Google things. If I'm on Instagram and someone post things, I'll read it, but I don't think I'm one to go searching for it"
> *Social Newbie, Female, OR*

> "When my brother comes over we drink wine together and I learn about new wines through him. I'm bad at remembering the names, but try to write it down... Normally I just remember the labels I like the look of!"
> *Social Newbie, Female, OR*

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: WHERE THEY BUY WINE

Shopping for wine at a broad range of channels

Where do they buy wine?

- Buy wine from a broad range of channels. Typically, they do not plan ahead and so purchases normally happen at locations that are convenient
- Enjoy shopping at friendly wine stores with smaller selections. The experience feels less overwhelming and enjoyable when there are opportunities to taste and helpful staff
- More likely than the average to buy during a winery visits – typically a fun way to discover wine

> "I buy wine at the regular grocery store. And we have a little neighborhood market down the road that we usually, if we're last minute and think 'huh, we should have a bottle of something with dinner,' we can just walk and get it. And they have a good selection"
> *Social Newbie, Female, VA*

Top 10 wine buying channels

% who have bought wine from the following channels in the past 6 months

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

Places where you might find them buying wine

SOCIAL NEWBIES: ONLINE AND DTC CHANNELS FOR WINE

wine intelligence

Not strongly motivated to shop for wine online

How do they buy wine online?

- Buying online requires some forward planning, which is not how this target shop for wine – rather they pick up a bottle as and when they need it
- Shopping online for wine can feel like extra / unnecessary effort, especially in terms of waiting / planning for deliveries

Online retailers they buy wine from

BILTMORE

Online from a winery website

wine.com

WHOLE FOODS MARKET

Walmart

naked wines

Wine buying online channels

% who have bought wine from the following channels in the past 6 months

	Usage		Usage Consideration	
	Social Newbies	RWD	Social Newbies	RWD
From a winery during the visit	14%	13%	37%	45%
From a supermarket website	12%	10%	23%	26%
From a wine club or membership organization	11%	11%	26%	31%
From an online retailer	11%	11%	26%	32%
From a delivery app	10%	8%	25%	25%
From a winery's website	9%	10%	27%	34%

> "I don't buy wine online. Not at this stage and because I found that my class schedule is so varied that I'm typically not at home when the wine is delivered… I made that mistake a couple of times, so I'll never do that again"
> *Social Newbie, Male, NY*

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

ENGAGED EXPLORERS: ONLINE AND DTC CHANNELS FOR WINE

Not very interested in shopping online unless it's convenient or there is a promotional offer

Online wine buying behavior

- A quarter of them (27%) buy less wine online compared with a year ago, now doing so less than once per month
- When they do shop online, however, they look primarily for promotional offers and convenience

> "I would consider buying wine online, I don't though because I normally buy wine right before I drink it. When you buy stuff online you kind of have to plan ahead"
> *Social Newbie, Male, GA*

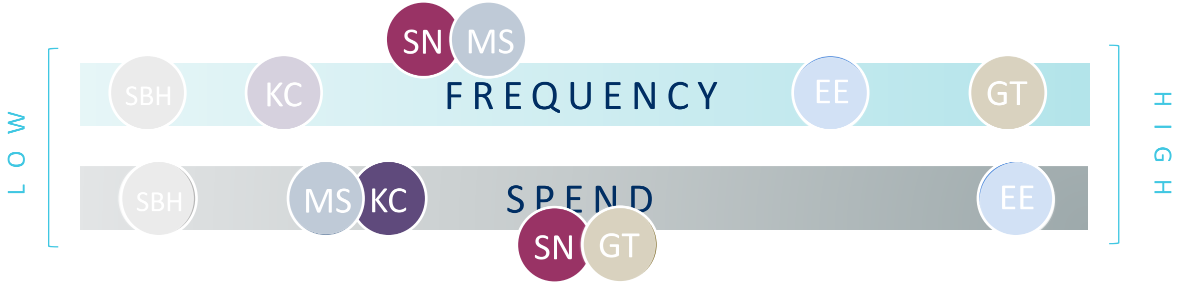
Triggers to purchasing wine online

A promotional offer

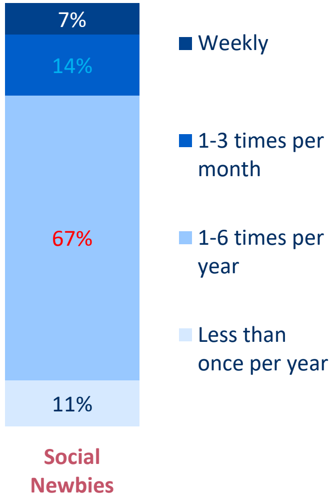
Being able to add wines to my normal grocery shopping*

A tailor-made offer for me

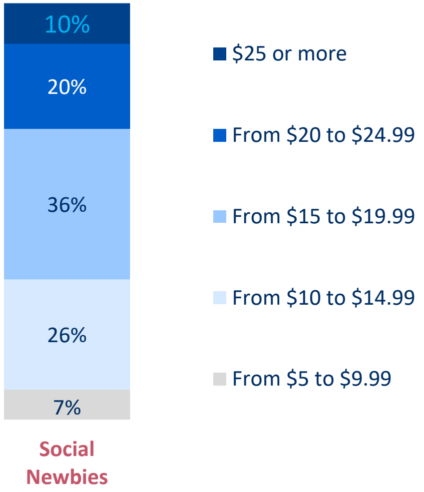
Online channels



Online purchase frequency



Online spend on wine



> "I buy wine along with my groceries sometimes, but I don't go to any specific online retailers"
> *Social Newbie, Female, OR*

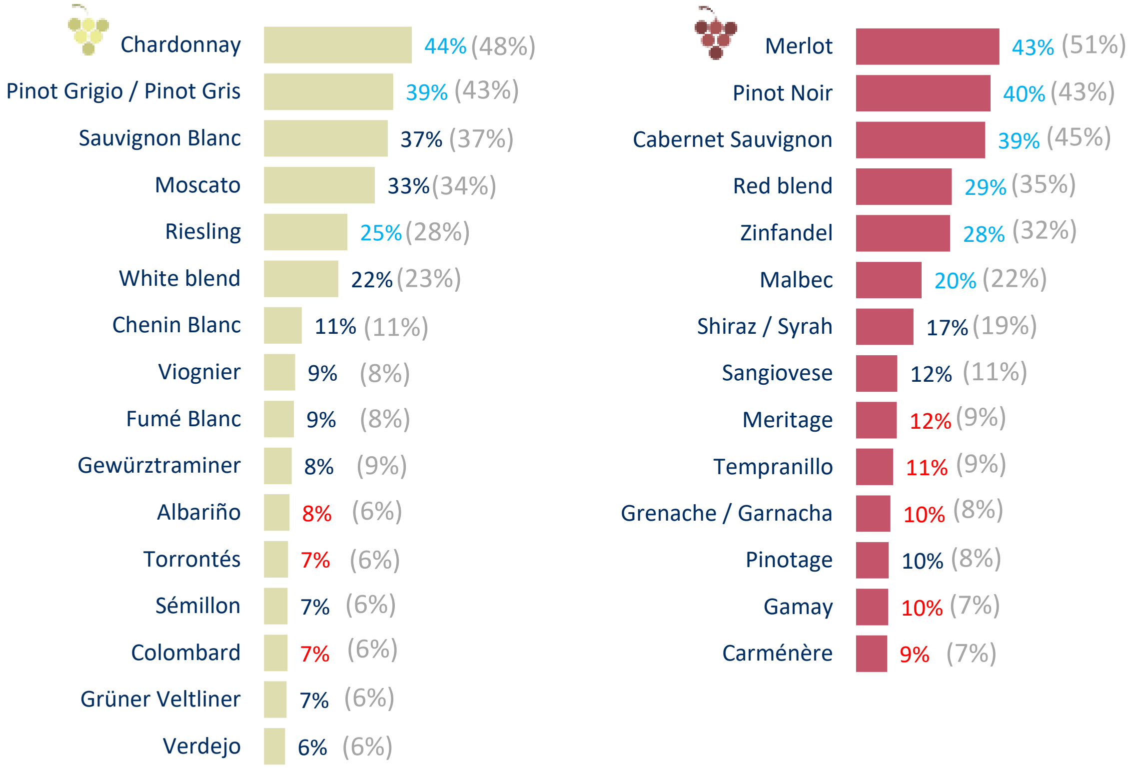
(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: VARIETALS

Cautiously exploring varietals through recommendations

Red and white varietal consumption

% who have drunk the following varietals in the past 6 months



What do they drink?

- Familiarity with varietals is relatively low
- May avoid varietals if they have a bad experience or if selections feel overwhelming e.g. oaked Chardonnay, large Cab Sav selections
- Discover new varietals usually through recommendations from friends and in the on-premise

> "I prefer Sauvignon Blanc, because it's a little drier. I don't really love that oaky flavor of Chardonnay. I prefer the crispy, citrusy type with the Sauvignon Blanc"
> *Social Newbie, Female, VA*

> "Within red, I'll go to a Tempranillo. I don't really understand Merlot versus a Cab Sauv, so I stay away from that because it's confusing. But a Tempranillo or even Syrah sounds nice and fancy"
> *Social Newbie, Female, NY*

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: WINE ORIGIN

Unsure how to navigate wine origin, so not a top consideration

What do they drink?

- Given their lower category knowledge, when choosing wine, they are not giving too much thought or preference to particular places of origin
- Affinity for certain origins is only really influenced by a particularly good wine experience, living locally to a wine producing area and / or memory of traveling to a location

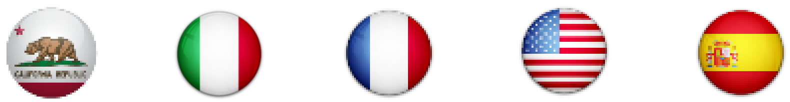
> "I know New Zealand has really good Sauvignon Blanc, but I don't really know the difference between a wine from France or Spain or Portugal. I don't really know the differences other than that."
> *Social Newbie, Female, VA*

> "I must admit, when it comes to European wine, I usually fear my lack of knowledge to know so many different brands... besides the very famous ones, I hardly try to guess with European wine."
> *Social Newbie, Female, GA*

> "I try to buy wines that are made either in Oregon or California or Washington because there's so much around here"
> *Social Newbie, Female, NY*

Country of origin consumption: Top five

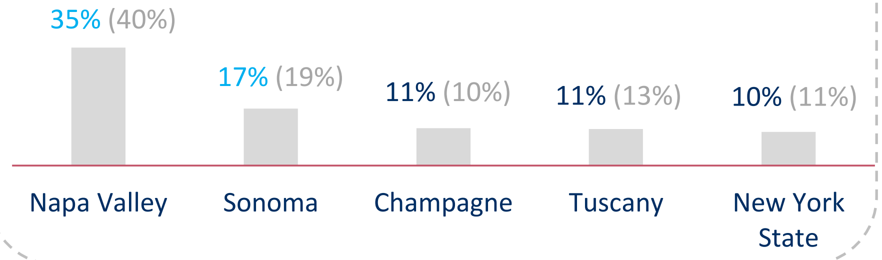
% who have drunk from the following countries of origin in the past 6 months



California	Italy	France	United States (outside of California)	Spain
55% (65%)	32% (35%)	27% (29%)	23% (28%)	16% (18%)

Region of origin purchase: Top five

% who have drunk from the following regions of origin in the past 3 months



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Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: HOW DO THEY SHOP FOR WINE?

Looking for ‘low-effort’ wine choices, typically under $20 per bottle, often relying price point as a proxy for quality

How do they shop in the off-premise?

- Shopping for wine can feel overwhelming to these less knowledgeable and less confident wine drinkers, so they try to approach the task ‘lightly’, not getting to wrapped up in the detail – rather just picking up a bottle that fits their budget and perhaps a varietal or brand they’ve heard of
- Recommendations are strongly appreciated both from friends, family and in-store – provided they don’t feel pressured or confused by too much ‘wine talk’

> “I'm a grad student, so I don’t really want to be paying more than $20 a bottle”
> *Social Newbie, Male, GA*

> “I feel like we stick just with $20 bottles – I don’t mind spending that because we don't drink it every day, so it may as well be nice!”
> *Social Newbie, Female, VA*

> “I do like to try something new, but if I’m honest I do end up sticking to what I know because it’s just easier!”
> *Social Newbie, Female, NY*

% who say each of the following are ‘important’ or ‘very important’ when buying wine *n=*	**Social Newbies** *1,456*	**RWD** *10,000*
Wine that matches or complements food	65%	68%
Grape variety	64%	74%
Recommendation by friend or family	62%	64%
Taste or wine style descriptions displayed on the shelves or on wine labels	59%	65%
A brand I am aware of	58%	67%
Recommendations from shop staff or shop leaflets	52%	50%
The country of origin	50%	55%
The region of origin	48%	53%
Alcohol content	46%	49%
Promotional offer	45%	52%
Recommendation by wine critic or writer	42%	39%
Appeal of the bottle and / or label design	40%	44%
Recommendation by wine guide books	38%	36%
Whether or not the wine has won a medal or award	31%	32%
Whether or not the wine is available to buy via the internet	29%	26%

* / * Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: HOW DO THEY ENGAGE IN THE ON-PREMISE?

Wine is most typically reserved for meals

Wine in the on-premise

- Typically spend a lot of time socializing in the on-premise, but not always with wine. Wine is primarily reserved for restaurants
- At bars, wine is typically not their first choice, opting for other drinks that suit the social occasion and feel like better value e.g. draught beer or cocktails that they can't make at home and are often the same price as a glass of wine
- When choosing a wine in a restaurant, they are conscious of budget and what everyone else might like to share. They're often happy and relieved to let someone else make the decision. Otherwise they may ask for a recommendation between a couple of mid-tier wines in budget that have something vaguely familiar about them. They may be hesitant to ask for an open recommendation in case they feel pressured into a more expensive / poor value option

"I guess it is a little more expensive in restaurants, but I feel like we usually pick mid tier. We don't go too crazy"
Social Newbie, Female, VA

"Sometimes when I go to restaurants I would rather drink a cocktail that's something that I don't usually make at home"
Social Newbie, Female, OR

"Let's say 20% of the time when go out I would drink wine, 80% of the time I would have something else. I think mainly if we go for 'dinner dinner', in a good restaurant, I would definitely go for wine… but not if its like a burger or Mexican food, that would be a beer for me"
Social Newbie, Female, OR

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: WHICH WINE BRANDS DO THEY BUY?

Open to trying most brands, but still not very familiar with many of them

What is their attitude towards brands?

- Low awareness of most brands, often struggling to recall the names of wines they have consumed – instead more likely to remember the label design
- Often drawn to labels that feel unique and carefully designed – assuming more care has gone into the wine making too. Typically drawn to more minimalist designs that feel sophisticated

> "I have to say that some labels can just look very garish… it wouldn't stop me from drinking them, but I might think twice about buying them"
> *Social Newbie, Male, GA*

Mainstream brands you might find drinking:

FETZER

Josh

KIRKLAND Signature

APOTHIC

GatoNegro

KIM CRAWFORD

JACOB'S CREEK

14 HANDS WINERY

JOEL GOTT

Wine brands in a Social Newbie's home

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIES: ALTERNATIVE WINE TYPES

Not yet motivated by alternative wine styles or packaging, citing quality concerns, but actively looking at ways of reducing alcohol consumption

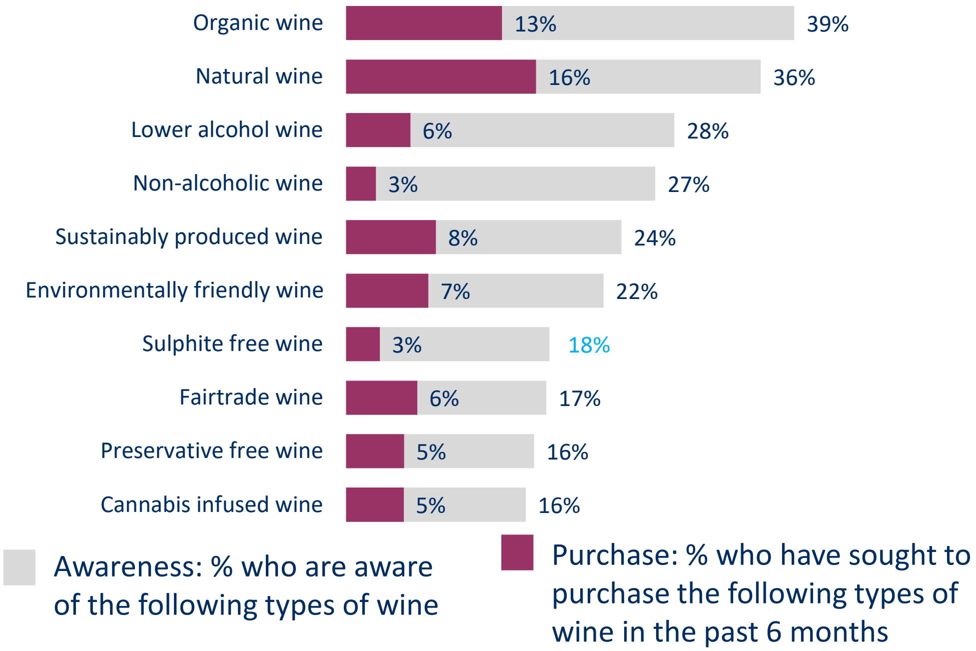
What do they think about alternative wines?

- Alternative wine types are not a consideration for them, with low awareness and purchase incidences
- They are skeptical about sustainable wines as they are not really sure what this means in connection to wine
- More motivated than most other drinkers to seek out lower / no alcohol beverages, although low / no alcohol wine is less appealing as they suspect it'd be lower value, i.e. less 'bang for the buck'
- They're openminded towards cans for convenience, but just aren't sure about the quality
- Boxed wine isn't a consideration for them as it signifies lower quality and occasions from their past, i.e. fraternity parties

I'm actively reducing the amount of alcohol I drink by....

	Social Newbies	RWD
n=	*294*	*2,000*
not drinking alcohol at some occasions	20%	19%
switching to lower alcohol options at some occasions	27%	14%
switching to non-alcoholic drinks at some occasions	20%	12%
switching to cannabis products	10%	7%
I'm NOT actively reducing the amount of alcohol I drink	50%	64%

Awareness and purchase of alternative wines



"I've had some biodiverse wines, some sustainable wines that I just have not enjoyed. And I think as a result of that, it turned me off of the idea of the wine."
Social Newbie, Female, OR

"The wines that are canned now are just way too sweet. So you're compromising quality for convenience. You're not really saving any money either. It's often more expensive actually"
Social Newbie, Female, NY

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, October 2020, (n=2,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SOCIAL NEWBIE: EMILIA

Emilia is 25, she lives in Oakland, CA with a housemate and works for a non-profit organization in fund raising

How does wine fit into your life?

I really enjoy wine, but mainly with a nice meal. For example, if it's date night, my girlfriend and I like to choose a good bottle. It might sound silly, but it just makes the evening feel that bit more special than say if she's having a beer and I'm having a vodka something. I guess it's that moment of sharing something and trying to savor the flavor a bit together – even if we don't know much about wine. I wouldn't know how to really describe the flavor, but I know that I enjoy it!

I don't drink wine at home really, unless I have friends over and we'll open a bottle or if I'm making an effort to cook a meal (which isn't very often – I'm not a great cook!).

I started drinking wine in college. We'd drink a lot of cheap box wine and sweeter wines. Now we've graduated to much nicer wine, it's almost like a different drink. When I meet up with friends, we'll all bring a bottle to each others' houses or order wine when we're out together. I guess that's how I've learned the most about the types of wine I like. I've never sat down to study wine or been to a tasting. That feels a bit too serious… but I can see myself getting there in a couple of years.

Which wines do you enjoy drinking?

I'm not very good at remembering names of wine, but I tend to stick to Sauvignon Blanc. I find it a bit more refreshing than other whites I've had. I think they tend to be from New Zealand.

I'm not a big red wine drinker, but I'll often look out for a Tempranillo or Malbec on a wine list. They tend to be available in restaurants around us, and I haven't had a bad experience yet. With something like Cabernet Sauvignon, I'm not sure where to start because there are so many different types, it feels a bit overwhelming.

I also really like a rosé in the summer - the pinky blush ones that aren't too sweet.

Honestly though, if someone poured me a glass of wine, it's very unlikely that I would refuse it. I'm happy to try pretty much anything.

How do you choose your wine?

Price is a good guide for me – I'm not looking for the cheapest but nothing that would be wasted on me either. Normally around $15-20 for a nice bottle at home, and whatever the mid-price is at the restaurant we're in.

It's helpful to get recommendations, but I don't like feeling pressured into spending more than I'm comfortable with.

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers.
Wine Intelligence, consumers interviews

CONTENTS

SENIOR BARGAIN HUNTERS

wine intelligence

WHO

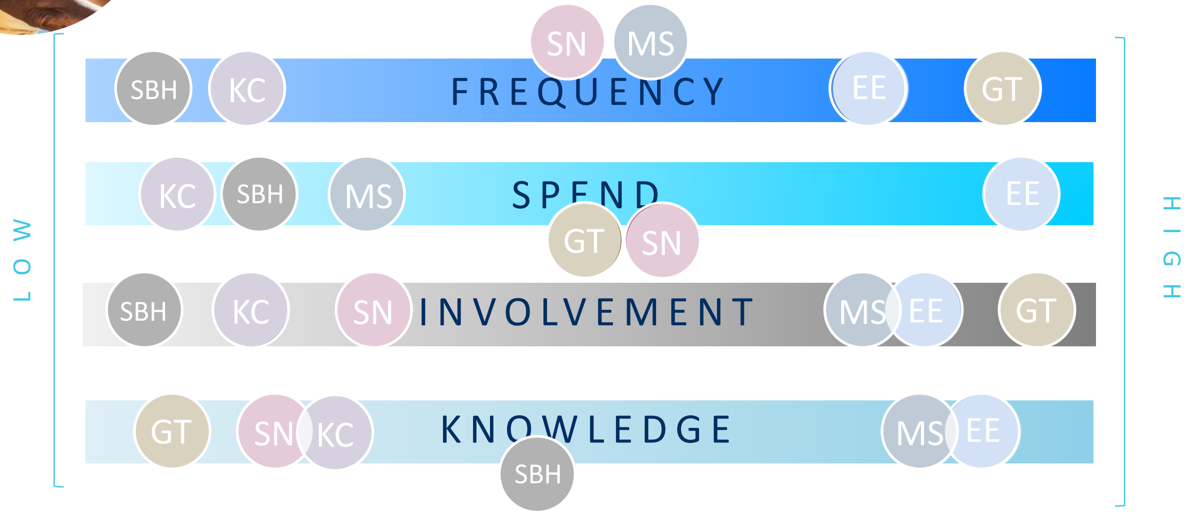
Oldest segment, mid and lower-income, higher proportion of women, 'Empty Nesters'

INTERESTS AND VALUES

Family – spending time with children and grandchildren
Their homes – Cooking, decorating, remodeling

RELATIONSHIP WITH WINE

- **Low value.** Least involved segment, with low wine consumption frequency, spend and interest in the wine category. So, despite being the second biggest segment in terms of number of drinkers, they are the least valuable.
- **Relatively high knowledge** due to time and experience in the wine category
- **Drink domestic.** Less likely than others to drink wines from outside of the United States



WHERE THEY SHOP

Mostly in supermarkets / with their grocery shop, in places with good value options

COSTCO WHOLESALE
Walmart
Kroger

BRANDS THEY DRINK

Mainstream, lower priced brands

[yellow tail]
KIRKLAND Signature
Cupcake VINEYARDS
BERINGER
CHARLES SHAW
SUTTER HOME
BAREFOOT

vinitrac

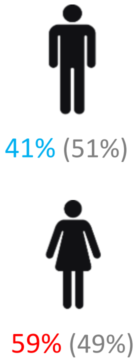
SENIOR BARGAIN HUNTERS: WHO ARE THEY?

Oldest segment

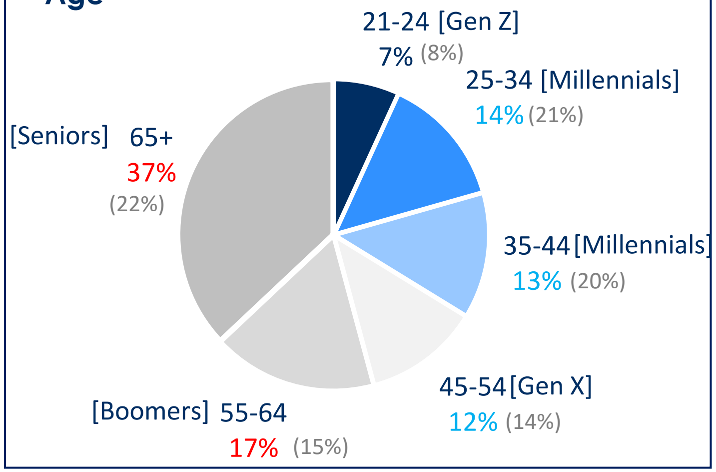
Mid and lower-income

Higher proportion of women

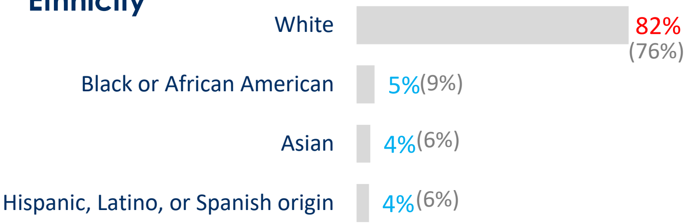
Gender



Age

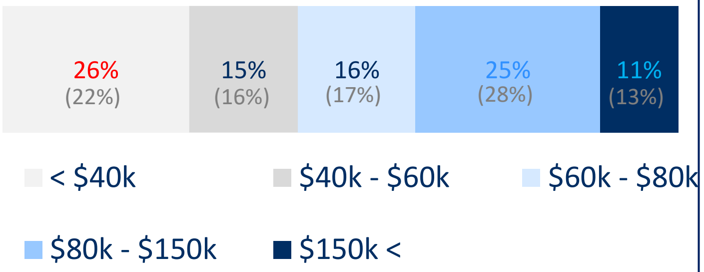


Ethnicity



Income

(annual total household income before taxes)



(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

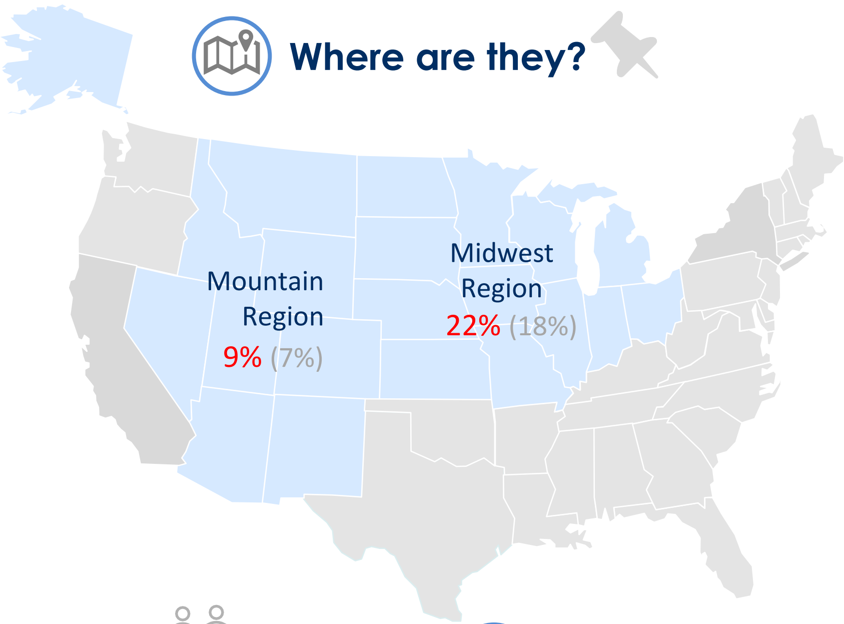
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SENIOR BARGAIN HUNTERS: WHERE DO THEY LIVE AND WHO WITH?

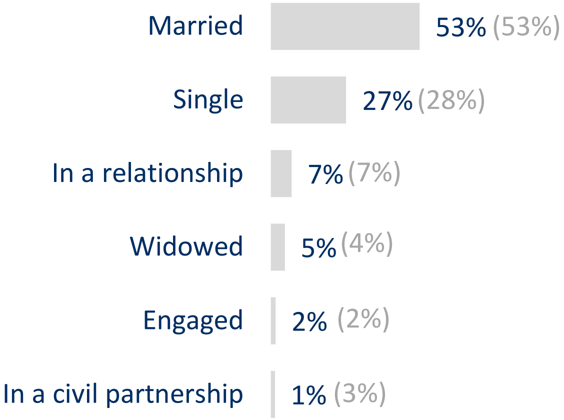
The majority are married with many being ‘Empty Nesters’

Higher proportion live centrally within the United States

Where are they?

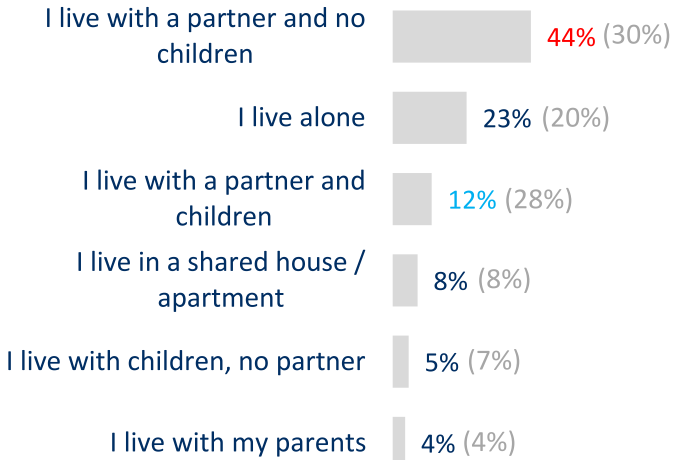


What’s their relationship status?



Married	53% (53%)
Single	27% (28%)
In a relationship	7% (7%)
Widowed	5% (4%)
Engaged	2% (2%)
In a civil partnership	1% (3%)

Who do they live with?

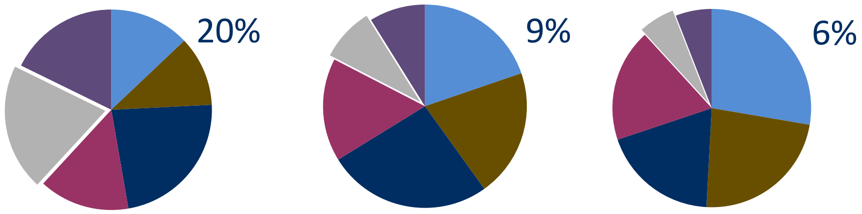


I live with a partner and no children	44% (30%)
I live alone	23% (20%)
I live with a partner and children	12% (28%)
I live in a shared house / apartment	8% (8%)
I live with children, no partner	5% (7%)
I live with my parents	4% (4%)

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SENIOR BARGAIN HUNTERS: PROPORTION OF WINE DRINKERS, VOLUME AND SPEND ON WINE

Though they are the second largest segment, they have the lowest consumption frequency and spend on wine



Share of regular wine drinkers **population**

Share of total **volume** of wine sold in the US

Share of total **spend** on wine in the US

	Volume	Spend
Off-trade	9%	7%
On-trade	8%	5%

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers

Wine consumption frequency (off-premise and on-premise combined)

SENIOR BARGAIN HUNTERS

KITCHEN CASUALS

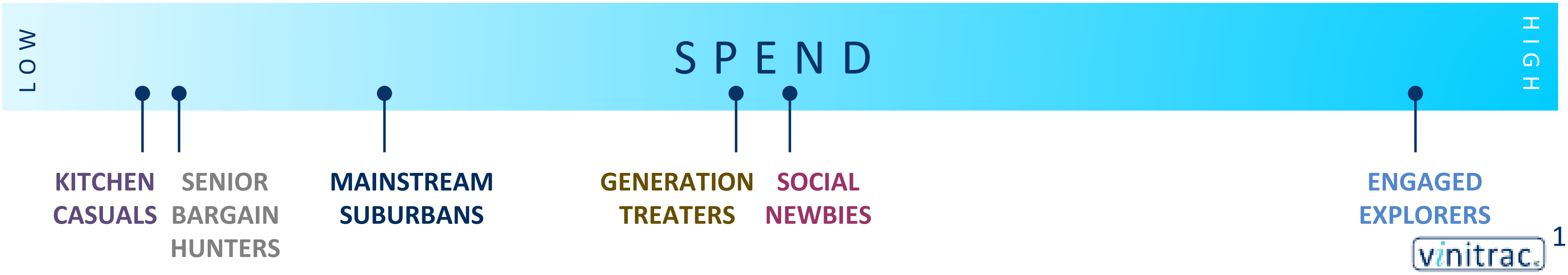
SOCIAL NEWBIES

MAINSTREAM SUBURBANS

ENGAGED EXPLORERS

GENERATION TREATERS

Typical spend per bottle of wine



KITCHEN CASUALS

SENIOR BARGAIN HUNTERS

MAINSTREAM SUBURBANS

GENERATION TREATERS

SOCIAL NEWBIES

ENGAGED EXPLORERS

SENIOR BARGAIN HUNTERS: WHAT DO THEY DRINK?

Strong wine brand awareness, with a narrow beverage repertoire, sticking to mainstream brands and domestic wines

What do they drink?

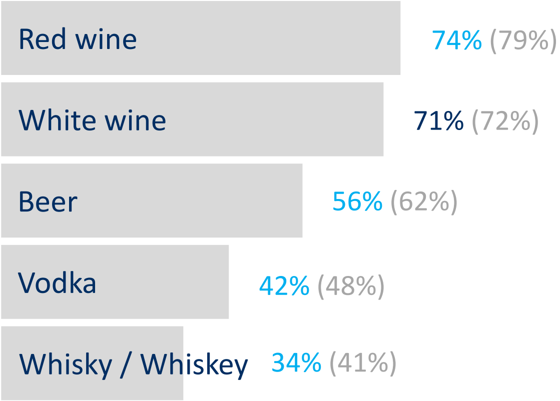
- They have a good knowledge of wine types and origins due to time and experience in the wine category
- They mainly drink domestically-produced wine and are less likely than the average to drink wines from outside of the United States
- Tend to stick to more mainstream and easily accessible brands

> "We've been to a few vineyards over the years and discovered wines that way..."
> *Senior Bargain Hunter, Female, GA*

> "I think we pretty much stick to what we've discovered that we like. We're not that daring anymore"
> *Senior Bargain Hunter, Female, GA*

Top 5 alcoholic beverages: Past 12 months

% who have drunk the following alcoholic beverages in the past 12 months



Country of origin consumption: Top five

% who have drunk from the following countries of origin in the past 6 months

California
69% (65%)

United States
(outside of California)
32% (28%)

Italy
27% (35%)

France
18% (29%)

Australia
13% (15%)

Brands you might find them drinking:

[yellow tail]

KIRKLAND Signature

SUTTER HOME

BERINGER

Cupcake VINEYARDS

BAREFOOT

CHARLES SHAW

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

SENIOR BARGAIN HUNTERS: OFF-PREMISE AND ON-PREMISE

Infrequent drinkers (off- and on-premise), buying wine in supermarkets for convenience

Off-premise behavior

- Drink the least of all segments in the off-premise, consuming wine in the home around twice a month
- One of the lowest spending segments, averaging $12.44 per bottle on out-of-the-home drinking occasions compared with $15.76 on average for all US consumers
- They mostly buy their wine in supermarkets, likely buying their wine at the same time as their usual grocery shop

On-premise behavior

- Senior Bargain Hunters rarely drink in the on-premise, averaging only about one glass per month outside of the home
- When they do drink in the on-premise it is usually for relaxing at the end of the day
- They also do not spend very much for on-premise occasions, as almost three quarters of them typically spend less than $20 per bottle and less than $9 per glass

Off-premise choice cues

Grape variety*

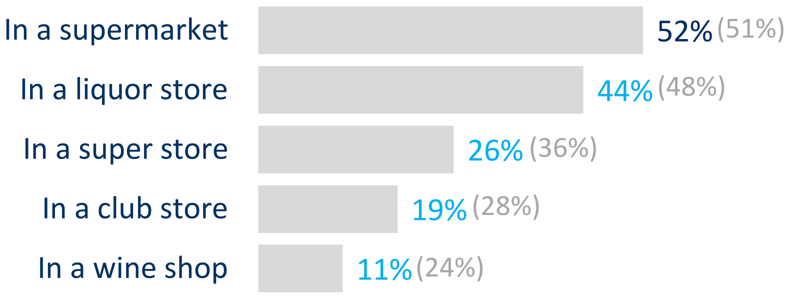
Familiar brands*

Recommendations by friend of family* | Food pairing*

Taste descriptors*

Top 5 wine-buying channels

% who have bought wine from the following channels in the past 6 months



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Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

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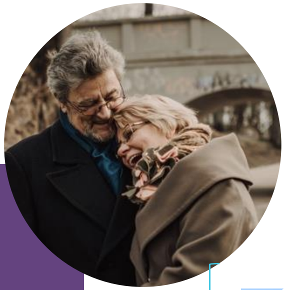
KITCHEN CASUALS

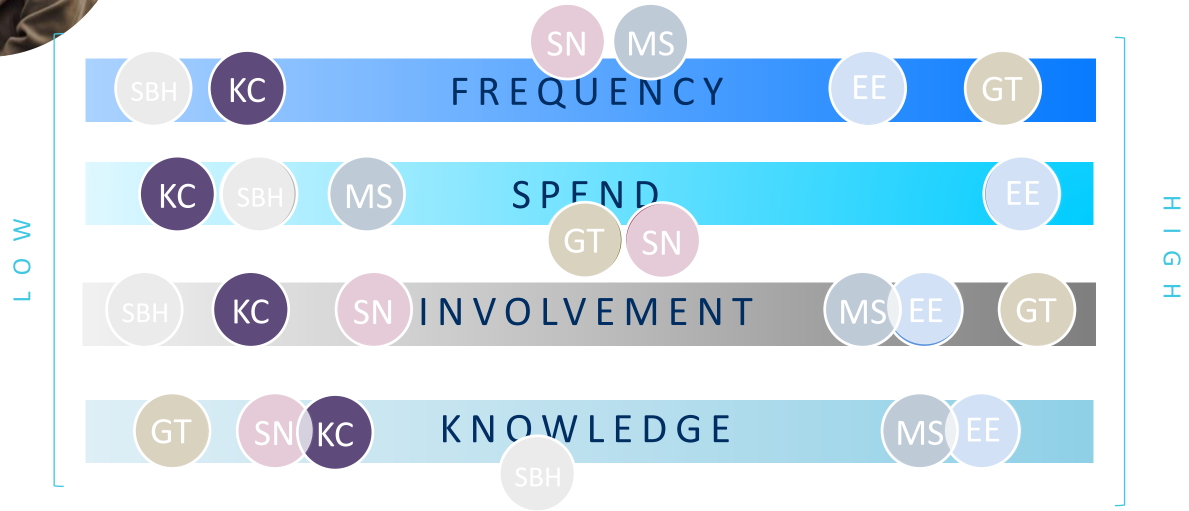


WHO

Older, mid and lower-income, 'Empty Nesters', only drinking wine at home and not when out in the on-premise

RELATIONSHIP WITH WINE

- **Low value.** Lowest spending segment with little interest in the category – typically spending under $10 per bottle
- **Drink wine infrequently.** Mainly have a glass or wine to relax at home
- **Some wine knowledge** due to time and experience in the wine category
- **Stick to what they know and like**



WHERE THEY SHOP

Mainstream and discount channels

Kroger
ALDI
Walmart

BRANDS THEY DRINK

Mainstream, lower priced brands

FRANZIA
[yellow tail]
BAREFOOT
Gallo FAMILY VINEYARDS
SUTTER HOME
Carlo Rossi
CHARLES SHAW

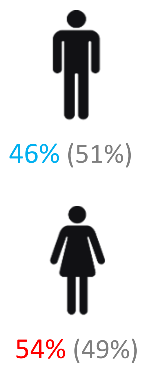
KITCHEN CASUALS: WHO ARE THEY?

Boomers + Seniors

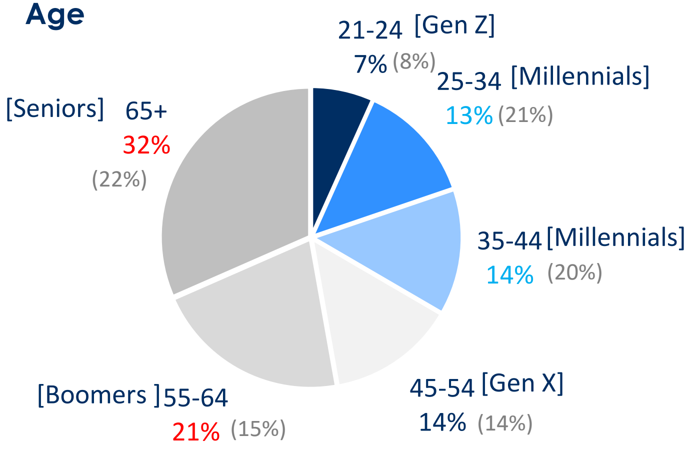
Mid and lower income

Higher proportion female

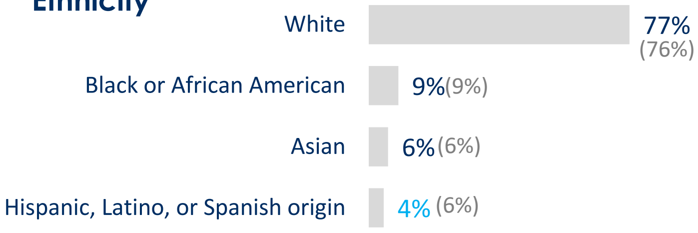
Gender



Age

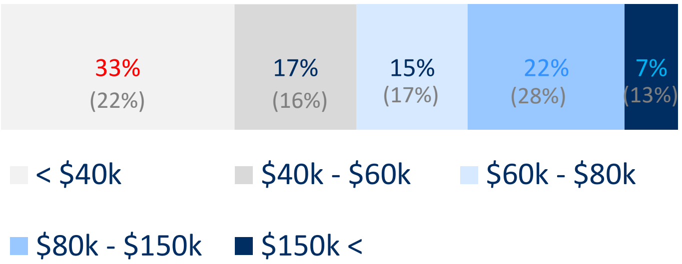


Ethnicity



Income

(annual total household income before taxes)



(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

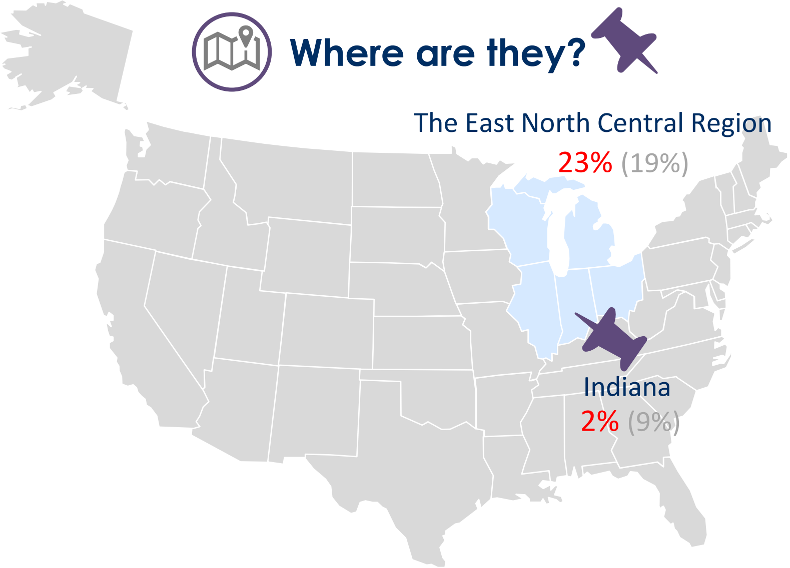
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

KITCHEN CASUALS: WHERE DO THEY LIVE AND WHO WITH?

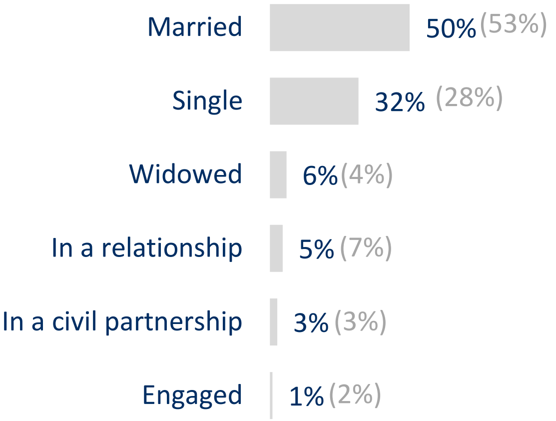
The majority are married, living both with and without children

Higher proportion live in the East North Central region

Where are they?

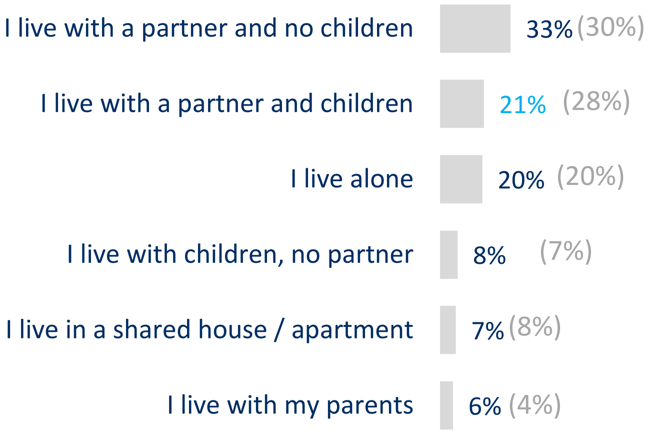


What's their relationship status?



Married	50%	(53%)
Single	32%	(28%)
Widowed	6%	(4%)
In a relationship	5%	(7%)
In a civil partnership	3%	(3%)
Engaged	1%	(2%)

Who do they live with?



I live with a partner and no children	33%	(30%)
I live with a partner and children	21%	(28%)
I live alone	20%	(20%)
I live with children, no partner	8%	(7%)
I live in a shared house / apartment	7%	(8%)
I live with my parents	6%	(4%)

(%): All US RWD
% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
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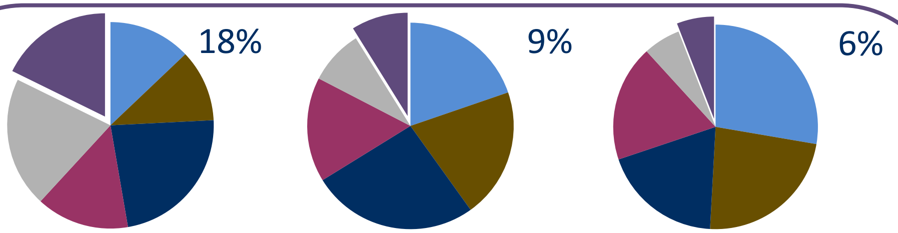
Wine Intelligence, consumers interviews

KITCHEN CASUALS: PROPORTION OF WINE DRINKERS, VOLUME AND SPEND ON WINE

While being 18% of wine drinkers, due to lower frequency and spend, the account for only 6% of spend on wine



Share of regular wine drinkers **population**

Share of total **volume** of wine sold in the US

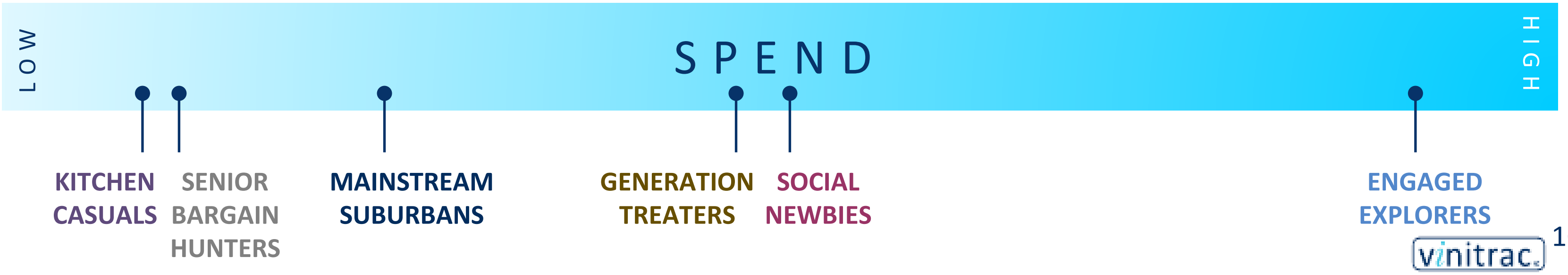
Share of total **spend** on wine in the US

Off-premise	12%	10%
On-premise	4%	2%

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers

Wine consumption frequency (off-premise and on-premise combined)

Typical spend per bottle of wine



KITCHEN CASUALS: MOTIVATIONS WITH WINE

Stick to their preferred styles of origins, varietals and brands

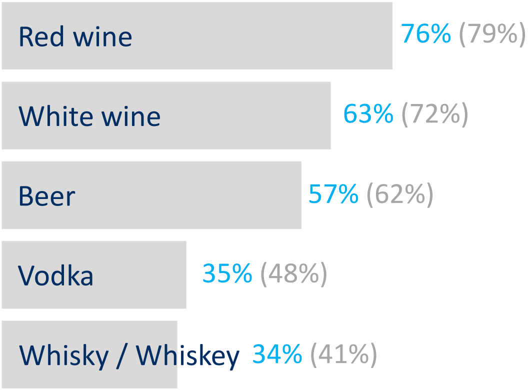
What do they drink?

- Stick to a narrow alcoholic beverage, with the red wine being the beverage consumed by the largest proportion of drinkers
- Drink from a narrow range of countries and origin, sticking mainly to domestically-produced wines
- They are aware of the mainstream brands in the market, also due to the time spent in the category. Not aware of smaller, more niche brands and they are sticking to the top brands in the market, such as Yellow Tail, Barefoot and Sutter Home

> "I stick to Cabernet – it's a safe bet. I have a glass when we have steak"
> *Kitchen Casual, Male, NC*

Top 5 alcoholic beverages: Past 12 months

% who have drunk the following alcoholic beverages in the past 12 months



Country of origin consumption: Top five

% who have drunk from the following countries of origin in the past 6 months

California	United States (outside of California)	Italy	France	Australia
62% (65%)	26% (28%)	20% (35%)	15% (29%)	11% (15%)

Brands you might find them drinking

[yellow tail]

BAREFOOT

APOTHIC

Gallo FAMILY VINEYARDS

Carlo Rossi

CHARLES SHAW

SUTTER HOME

OVER 100 YEARS OF WINEMAKING FRANZIA

(%): All US RWD

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level

Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

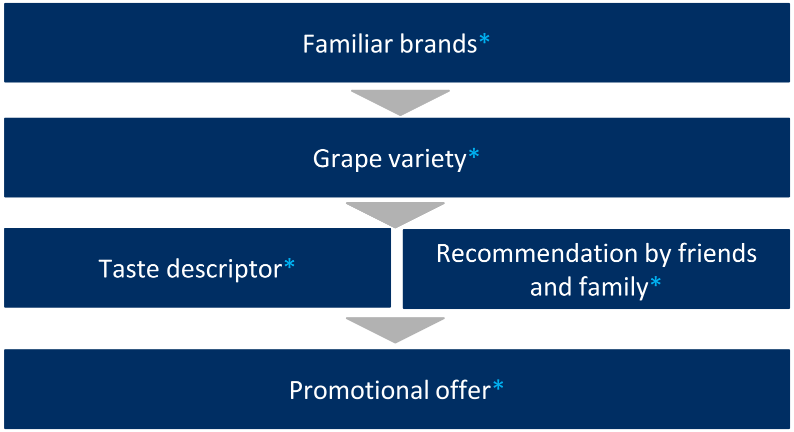
KITCHEN CASUALS: OFF-PREMISE AND ON-PREMISE

Low spend in the off-premise; very unlikely to drink wine in the on-premise

Off-premise behavior

- Drink wine in the off-premise infrequently, mainly for informal occasions such as a relaxing drink at the end of the day at home
- Very price driven and are low spenders in the off-premise, typically spending under $10 per bottle
- They use mainstream channels, such as supermarkets and liquor stores and are more likely to buy wine at Aldi (7% vs 6% RWD) and are less likely to buy wine online
- When choosing wine, they mainly rely on brands and grape varietals they are familiar with or what is on promotion

Off-premise choice cues



Familiar brands*

Grape variety*

Taste descriptor*

Recommendation by friends and family*

Promotional offer*

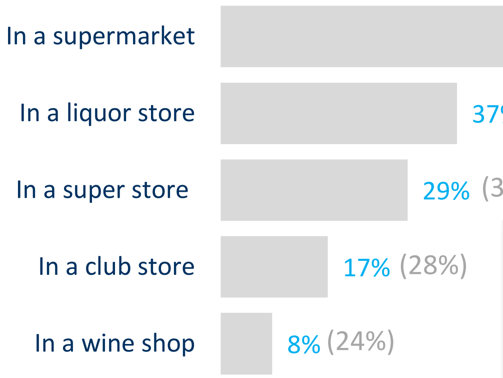
On-premise behavior

- They are the segment that is least likely to buy wine in the on-premise and on the rare occasions they do, they are spending very little on wine
- They are more likely to buy wine in the on-premise by the glass, typically spending $9 or less per glass

> "If we go out, I look forward to a nice cold draft beer"
> *Kitchen Casual, Male, NC*

Top 5 wine-buying channels

% who have bought wine from the following channels in the past 6 months



In a supermarket	47%	(51%)
In a liquor store	37%	(48%)
In a super store	29%	(36%)
In a club store	17%	(28%)
In a wine shop	8%	(24%)

> "I didn't even know you could buy wine online!"
> *Kitchen Casual, Male, NC*

% / % Statistically significantly higher / lower than all US regular wine drinkers at a 95% confidence level
Source: Wine Intelligence, Vinitrac® US, July and October 2020, (n=10,000) US regular wine drinkers
Wine Intelligence, consumers interviews

CONTENTS

2018 → 2021 ENGAGED EXPLORERS

This segment remains knowledgeable, resulting in an increase in confidence as they spend more time exploring the wine category – though now less often for formal occasions

Engaged Explorers: What's the same?

- Still very frequent wine drinkers in both the off- and on-premise
- High spend levels to match their frequency – accounting for over a quarter of total spend in the US though they are only 13% of the wine drinking population
- One of the most involved and knowledgeable groups, with high confidence in the wine category
- They remain interested in exploring all the wine category has to offer in terms of varietals, origins and brands

Engaged Explorers: What's new?

- In line with their broad channel usage, they use online sources to buy wine – especially during the pandemic in 2020
- Now less likely to drink wine for more formal celebrations in both the off- and on-premise, and in turn spend lightly less when they do
- Origin and recommendations have become less important to them when making wine purchases as their knowledge has increased
- Confidence in the category has increased

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

2018 → 2021: GENERATION TREATERS

Generation Treaters are young and confident drinkers who enjoy exploring every corner of the wine category to build their knowledge

Generation Treaters: Where are they from?

- Generation Treaters were previously in 2018

  Contented Treaters
  - High spenders
  - Enjoy wine socially

  Engaged Explorers
  - Highly involved
  - Keen to regularly try new wine types

Generation Treaters: Who are they?

- Younger and predominantly male, with higher incomes

- Most involved segment, with moderate confidence despite very low wine knowledge

- They find pleasure in drinking wine and consume mostly during social situations in the on-premise

- Shop from a variety of channels, including online

- They enjoy constantly trying new types and styles of wine

Sources: Wine Intelligence, Vinitrac® US, July and October ’20, (n=10,000) US regular wine drinkers

2018 → 2021: MAINSTREAM SUBURBANS

Mainstream Suburbans are older drinkers who drink wine relatively frequently, who are knowledgeable and confident due to a long time spent in the category

Mainstream Suburbans: Where are they from?

- They have come from 2018 **Premium Brand Suburbans**
  - Enjoy drinking wine in social situations
  - Smaller wine buying channel repertoire
  - Broad repertoires

Mainstream Suburbans: Who are they?

- They are older consumers who drink wine frequently though are lower spenders
- Drink wine for more informal occasions both in and out of the home
- They drink wine from mainstream origins and varietals, but their repertoires remain broad as they enjoy trying new styles of wine on a regular basis
- Knowledgeable and confident due to time in the category

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

2018 → 2021: SOCIAL NEWBIES

Social Newbies now drink wine less frequently and are less reliant on choice cues than they were due to an increased level of wine knowledge

Social Newbies: What's the same?

- They remain one of the youngest segments
- Rely on grape variety, food pairings and origins when making wine buying decisions
- Look for convenience when wine shopping by shopping in supermarkets
- Remain niche in their wine drinking habits, including origin, varietals and brands

Social Newbies: What's changed?

- Gender balance has levelled slightly – still dominantly male but closer to balanced than in 2018. Most ethnically diverse group
- Consumption frequency has decreased with 76% of them drinking wine on a weekly basis compared with 93% in 2018
- Drinking less often for all off- and on-premise occasions, especially informal ones, though spend has increased across all wine drinking situations
- Rely less on choice cues due to an increase in knowledge, though are still recommendation-reliant
- Less involved and more interested in sticking to wine types they know

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

2018 → 2021: SENIOR BARGAIN HUNTERS

Senior Bargain Hunters remain largely similar to 2018, though they spend slightly more per wine drinking occasion and their knowledge of the category has increased

Senior Bargain Hunters: What's the same?

- Still an older segment that drinks wine very infrequently
- Though they have accumulated knowledge about wine throughout their years in the category, they are still not very confident
- They continue to buy wine from the supermarket in the search of convenience and promotions
- Still drink from a narrow repertoire

Senior Bargain Hunters: What's changed?

- Though their spend remains lower than average, they do spend a bit more on a bottle of wine for off- and on-premise occasions
- Look less towards recommendations when buying wine
- Increased consumption of wines produced in the US
- Knowledge has marginally increased

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

2018 → 2021: KITCHEN CASUALS

Kitchen Casuals have remained the older, infrequent drinkers they were in 2018, though now spend slightly more when buying a bottle of wine for their few wine drinking occasions

Kitchen Casuals: What's the same?

- Remain older, infrequent drinkers with little interest in the wine category
- Tend to drink at home for more casual occasions
- In search of promotion, they primarily shop at the supermarket and few other channels
- Stick to their very narrow wine drinking repertoire

Kitchen Casuals: What's changed?

- Though consumption frequency remains broadly similar, spend has marginally increased for off and on-premise occasions

Sources: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

RESEARCH METHODOLOGY: QUANTITATIVE

- The data for this report was collected in the US in July and October 2020
- Data was gathered via Wine Intelligence's Vinitrac® US online survey
- Respondents were screened to ensure that they were at least 21 years old; drank red, white, rosé or blush wine at least once a month; and bought wine in the off-premise or in the on-premise
- Invalid respondents (those who sped through the survey or gave inconsistent answers to selected questions) were removed before analysis
- The data is representative of US regular wine drinkers in terms of gender, age and US Divisions
- The distribution of the sample is shown in the table:

		Jul + Oct-20
	n=	*10,000*
Gender	Male	51%
	Female	49%
	Total	**100%**
Age	21-24	8%
	25-34	21%
	35-44	20%
	45-54	14%
	55-64	15%
	65 and over	22%
	Total	**100%**
US Divisions	New England	5%
	Middle Atlantic	15%
	East North Central	11%
	West North Central	7%
	South Atlantic	21%
	East South Central	4%
	West South Central	11%
	Mountain	7%
	Pacific	19%
	Total	**100%**

Source: Wine Intelligence, Vinitrac® US, July and October '20, (n=10,000) US regular wine drinkers

RESEARCH METHODOLOGY: QUALITITATIVE

CONSUMER INTERVIEWEES

Consumer Interviews were conducted with consumers located across the United States from November through December 2020

The interviews lasted between 30 and 45 minutes and were done via phone or Zoom, covering general wine drinking and buying behaviors and preferences, motivations and attitudes towards wine and purchase choice cues

Sample size n = 23

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