2016 Preferences of the American Wine Consumer

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Topics

- About the Survey
- High-Level Results
- Implications for Lake County & Wineries
About the Survey

- Launched in May of 2016
- With Survey Sampling International – household panel data
- 1081 American wine consumers
- All 50 states*
- 3rd Year of Conducting this Survey

About the 2016 Sample

- **Gender** = 58% women and 42% men
- **Ages** = 29% Millennials (21-39); 22% Gen Xers (40-50); 40% Boomers (51-69); and 9% Greatest Generation (70+)
- **Ethnicity** = 81% Caucasian, 7% African-American, 5% Hispanic and 5% Asian
- **Median Income** = $50,000 – $69,999
  - *But 25% made over $100,000 per year*
- **Highly Educated** = 62% with college degrees (compared with 32% in US)
- **Marital Status** = 58% married; 30% with children under 18 living at home
Wine Consumption Frequency

How often do you drink wine?

Occasional, 52%

High Frequency, 48%

High Frequency = Daily or several times per week
Wine Knowledge Level

How would you describe your level of knowledge about wine?

- Novice - I know very little about wine
- Intermediate - I know the basics about wine
- Advanced - I consider myself to know more about wine than most people
- Connoisseur - I am expert; I have an extensive knowledge of wine

<table>
<thead>
<tr>
<th>Knowledge Level</th>
<th>Series1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novice</td>
<td>26%</td>
</tr>
<tr>
<td>Intermediate</td>
<td>57%</td>
</tr>
<tr>
<td>Advanced Knowledge</td>
<td>15%</td>
</tr>
<tr>
<td>Connoisseurs/Expert</td>
<td>2%</td>
</tr>
</tbody>
</table>
Preferred Wine Styles

How do you prefer your wine to taste? Check all that apply.

- Semi-Sweet: 57% (2016) vs 52% (2015)
- Fruity: 58% (2016) vs 47% (2015)
- Smooth: 56% (2016) vs 47% (2015)
- Sweet: 49% (2016) vs 34% (2015)
- Dry (no sugar): 26% (2016) vs 34% (2015)
- Savory (less fruit): 22% (2016) vs 17% (2015)
- Tannic: 9% (2016) vs 6% (2015)

BUT varies by wine knowledge – Connoisseurs & Advanced (16%) prefer more Tannic & Savory
2016 Preferred Varietals - %

What are some of your favorite wine varietals? Check all that apply.”

- Chardonnay: 42%
- Merlot: 41%
- Pinot Noir: 38%
- Pinot Grigio: 37%
- White Zinfandel: 36%
- Zinfandel (red): 35%
- Riesling: 29%
- Sauvignon Blanc: 27%
- Malbec: 24%
- Syrah: 18%
- Muscat: 12%
- Cabernet Sauvignon: 10%
Nielson Scan Data
Dollar Volume in Millions$
52 weeks ending 12/31/16

Slight Difference with Nielsen Sales Data

Good for Lake County!
Signature Varietals:
Cabernet Sauvignon
Sauvignon Blanc
**Motivations to Drink Wine - %**

I drink wine for the following reasons. Check all that apply.

- I like the taste: 80% (2016) 83% (2015)
- It helps me relax: 61% (2016) 70% (2015)
- It goes well with food: 55% (2016) 57% (2015)
- To socialize with friends: 48% (2016) 59% (2015)
- To socialize with family: 35% (2016) 45% (2015)
- For romance: 18% (2016) 36% (2015)
- For health reasons: 19% (2016) 22% (2015)
- To help me sleep: 13% (2016) 20% (2015)
- To analyze and compare with friends: 5% (2016) 9% (2015)
When making a decision on which wine to buy, I usually consider. Check all that apply:

- Price: 80%
- Brand: 66%
- Varietal: 36%
- Country: 35%
- Label: 24%
- Vintage: 24%
- Alcohol Level: 22%
- State: 21%
- Region (Appellation): 21%
- Medals: 13%
- Organic Wines: 10%
- Sustainable Wines: 5%
- Biodynamic Wines: 3%
How often do you buy wine at the following locations?

- Never
- Rarely
- Sometimes
- **Often**
- **Almost Always**

2016 Location to Buy Wine

<table>
<thead>
<tr>
<th>Location</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine or Liquor Store</td>
<td>44%</td>
</tr>
<tr>
<td>Grocery Store</td>
<td>30%</td>
</tr>
<tr>
<td>Discount or Warehouse</td>
<td>17%</td>
</tr>
<tr>
<td>Winery Tasting Room</td>
<td>12%</td>
</tr>
<tr>
<td>Drug Store</td>
<td>8%</td>
</tr>
<tr>
<td>Online</td>
<td>7%</td>
</tr>
<tr>
<td>Convenience Store</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Source:** Wine Business Institute, School of Business and Economics
### Purchase Price Per Bottle for HOME

How much do you usually spend per bottle to drink wine at home?

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $3 per bottle</td>
<td>1.94%</td>
</tr>
<tr>
<td>$3 - $5.99 per bottle</td>
<td>7.47%</td>
</tr>
<tr>
<td>$6 - $8.99 per bottle</td>
<td>17.44%</td>
</tr>
<tr>
<td>$9 - $11.99 per bottle</td>
<td>26.94%</td>
</tr>
<tr>
<td>$12 - $14.99 per bottle</td>
<td>23.99%</td>
</tr>
<tr>
<td>$15 - $19.99 per bottle</td>
<td>15.41%</td>
</tr>
<tr>
<td>$20 to $30 per bottle</td>
<td>4.80%</td>
</tr>
<tr>
<td>$30 to $50 per bottle</td>
<td>1.57%</td>
</tr>
<tr>
<td>Over $50 per bottle</td>
<td>0.46%</td>
</tr>
</tbody>
</table>

**Total**
### Purchase Price Per Bottle at Restaurant

How much do you usually spend per bottle to drink wine at a restaurant?

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15 - 25 per bottle</td>
<td>15.50%</td>
</tr>
<tr>
<td>$26 - 35 per bottle</td>
<td>21.22%</td>
</tr>
<tr>
<td>$36 - 45 per bottle</td>
<td>11.62%</td>
</tr>
<tr>
<td>$46 - 55 per bottle</td>
<td>5.44%</td>
</tr>
<tr>
<td>$56 to $75 per bottle</td>
<td>2.40%</td>
</tr>
<tr>
<td>Over $75 per bottle</td>
<td>0.65%</td>
</tr>
<tr>
<td>I only buy wine by the glass at restaurants</td>
<td>24.72%</td>
</tr>
<tr>
<td>I bring my own bottle and pay corkage</td>
<td>0.55%</td>
</tr>
<tr>
<td>I don’t buy wine at restaurants</td>
<td>17.90%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>
**Price for Wine by the Glass**

When buying wine BY THE GLASS I usually will spend

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $6 per glass</td>
<td>24.35%</td>
</tr>
<tr>
<td>$7 to $10 per glass</td>
<td>46.86%</td>
</tr>
<tr>
<td>$11 to $15 per glass</td>
<td>10.89%</td>
</tr>
<tr>
<td>$16 to $20 per glass</td>
<td>2.40%</td>
</tr>
<tr>
<td>Over $20 per glass</td>
<td>0.55%</td>
</tr>
<tr>
<td>I do not buy wine by the glass</td>
<td>14.94%</td>
</tr>
</tbody>
</table>
Luxury Wine Purchases

Have you ever spent over ____ for a bottle of wine?

- Over $50: 44%
- Over $100: 19%
- Over $200: 5%
- Over $1000: 2%

WHY?

- For a special occasion: 60%
- To enjoy: 53%
- For a gift: 42%
- For my cellar: 12%
- Other: 4%
Social Media Channels

Which types of Social Media do you use? Please check all that apply.
Using Social Media to Talk About Wine

Do you ever use any of the social media platforms to:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search for wine information</td>
<td>25%</td>
</tr>
<tr>
<td>Discuss wine</td>
<td>22%</td>
</tr>
<tr>
<td>Ask friends for wine recommendation</td>
<td>20%</td>
</tr>
<tr>
<td>Look at winery web/fan page</td>
<td>17%</td>
</tr>
</tbody>
</table>
Mobile commerce predicted to grow 48% in the US to $90 billion by the end of 2017, (Forrester, 2012),

**Mobile & Wine Apps**

*Do you? (check all that apply)*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Have a smart phone</td>
<td>80%</td>
</tr>
<tr>
<td>Use your smart phone to check prices on wine</td>
<td>20%</td>
</tr>
<tr>
<td>Use wine apps</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Favorite Wine Apps?**

#1 - Winesearcher  
#2 – Vivino  
#3 - Hello Vino & Delectable tied
Innovative Packaging - % Positive

What is your opinion of the following packaging options for wine?
Yes, Sometimes, No Way!

With a Screw Cap: 89%
Single Serving Bottles: 75%
Boxes: 60%
Pouches: 40%
Cans: 20%
**Label Style Preferences**

Which of the following wine label styles appeals to you the most?

- **Traditional**
  - 64% PREFERENCE
  - *Chateau La Pershall*
  - Cabernet Sauvignon
  - Napa Valley
  - 2010

- **Modern**
  - 23% PREFERENCE
  - *La Pershall*
  - Cabernet Sauvignon
  - Napa Valley
  - 2010

- **Fun**
  - 13% PREFERENCE
  - *La Pershall*
  - Cabernet Sauvignon
  - Napa Valley
  - 2010
Implications for Wineries – the 5 P’s

1) PRODUCT

Craft wines to match preferred taste styles - Fruity, smooth, and perhaps a little sweet

2) PROMOTION

Focus marketing messages on the good taste, relaxation & social benefits of wine.

Adopt social media platforms to interact with your consumers.

Work with wine apps to get your product advertised.

3) PRICING - Offer wine at multiple price tiers - Most popular $10 – 15; $15 – 20; luxury growing
Implications for Wineries – the 5 P’s

4) PLACEMENT

Tasting Room and online wine shopping growing.

Wine/liquor shops more important in some states.

Mobile phone accessibility critical – sales climbing

5) PACKAGING

Don’t be afraid to try some innovative packaging

Label design should highlight your brand – (37% of consumers select wine based on label)
**Implications for Lake County**

1. **REFRESH** Lake County Brand

2. **FOCUS** on Signature Varietals
   - Sauvignon Blanc – no one else in US is doing this well – so go for it!
   - Cabernet Sauvignon – the secret is out – so capitalize on it!

3. **EMPHASIZE** True Volcanic Wines
Thank you for your time!