



2023 Direct-to-Consumer Wine Survey: Report, Results and Benchmarks

Virtual Event

August 2023

Wednesday, August 16, 2023
9:00 a.m. – 10:30 a.m. PST





2023 Direct-to-Consumer Wine Survey: Report, Results and Benchmarks

Housekeeping

- All lines have been placed on mute to prevent background noise
- Please feel free to submit any questions in the Q&A panel
- We will send a link to the recording and the report after the webinar



Your Panel



Jessica Kogan

Partner
Connect the Dots Collective



Andrew Walleck

Chief Operating
Officer
Wine Access, Inc



Susan DeMatei

President & Founder
WineGlass Marketing

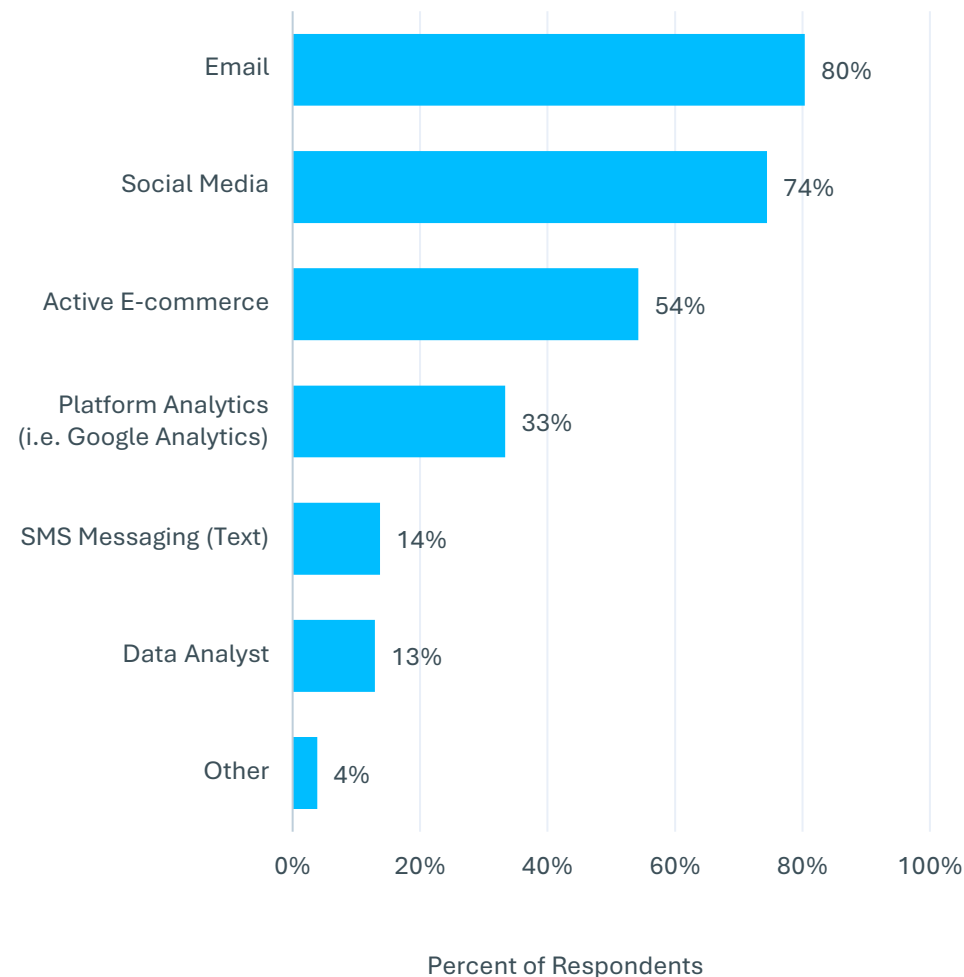


Rob McMillan

EVP & Founder
Silicon Valley Bank
Wine Division

Use of Digital Resources

Email continues as a viable marketing tool, but new digital has greater upside



Examples of Other (4%):

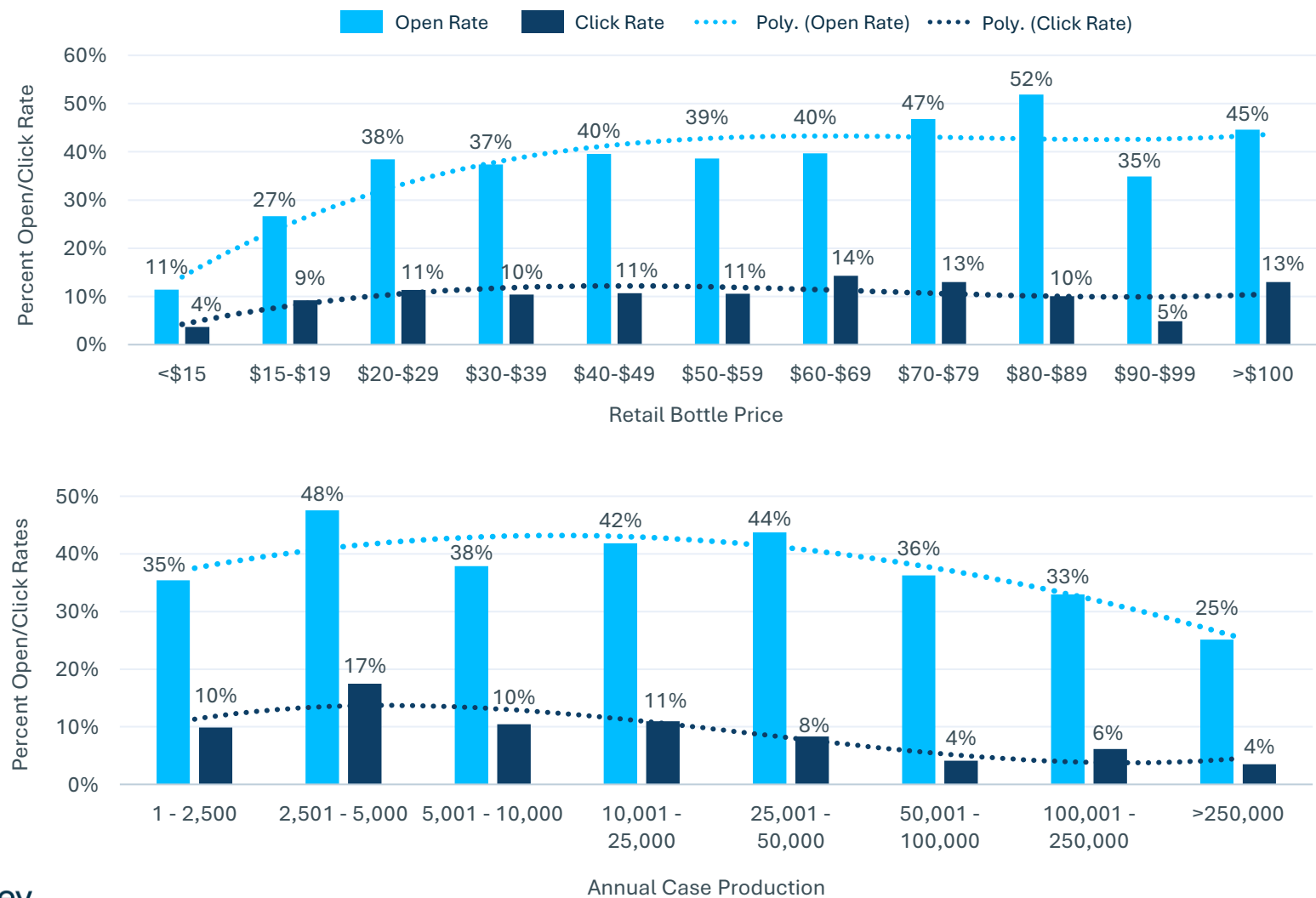
- ChatGPT
- Phone and mailer outreach

Online Marketing Tools Include:

SEM, retargeting, SEO, driving sales to web, banner ads, etc.

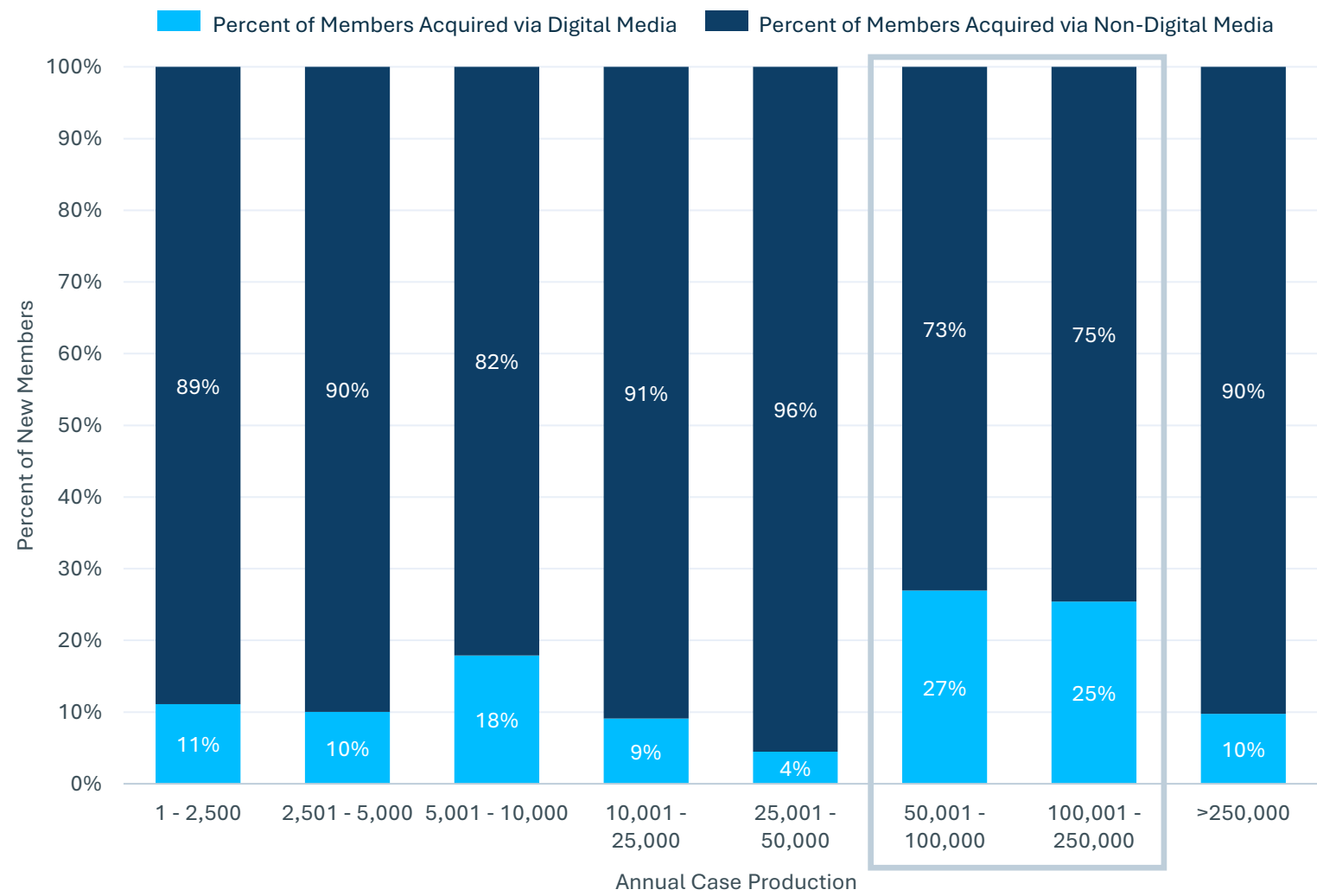
Email Marketing Open and Click Rates by Bottle Price and Cases

Lower volume and higher priced premium wineries still have better email performance metrics



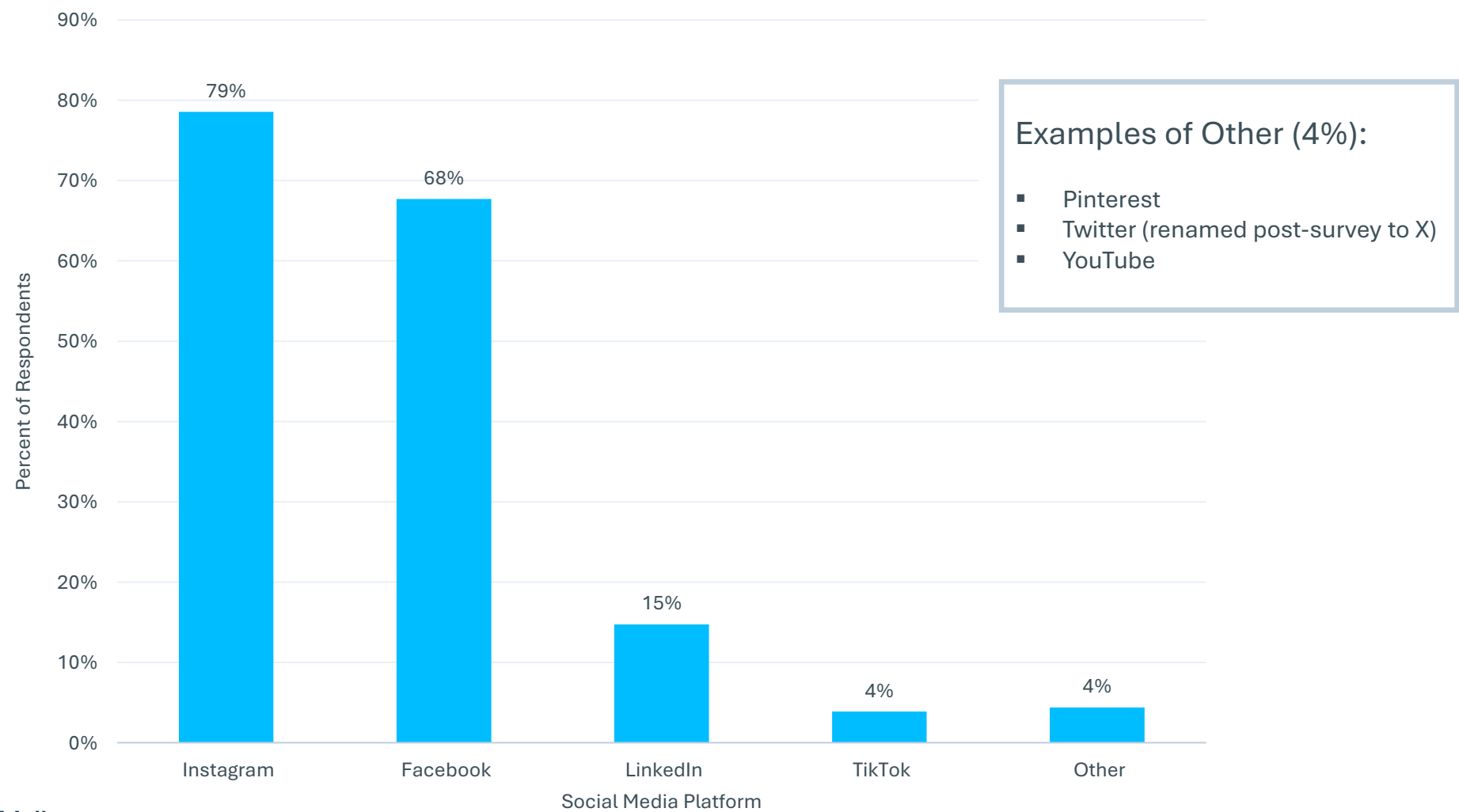
Club Memberships Generated via Digital vs Traditional Methods

Capturing club members via digital continues to expand. Larger wineries are having more success.



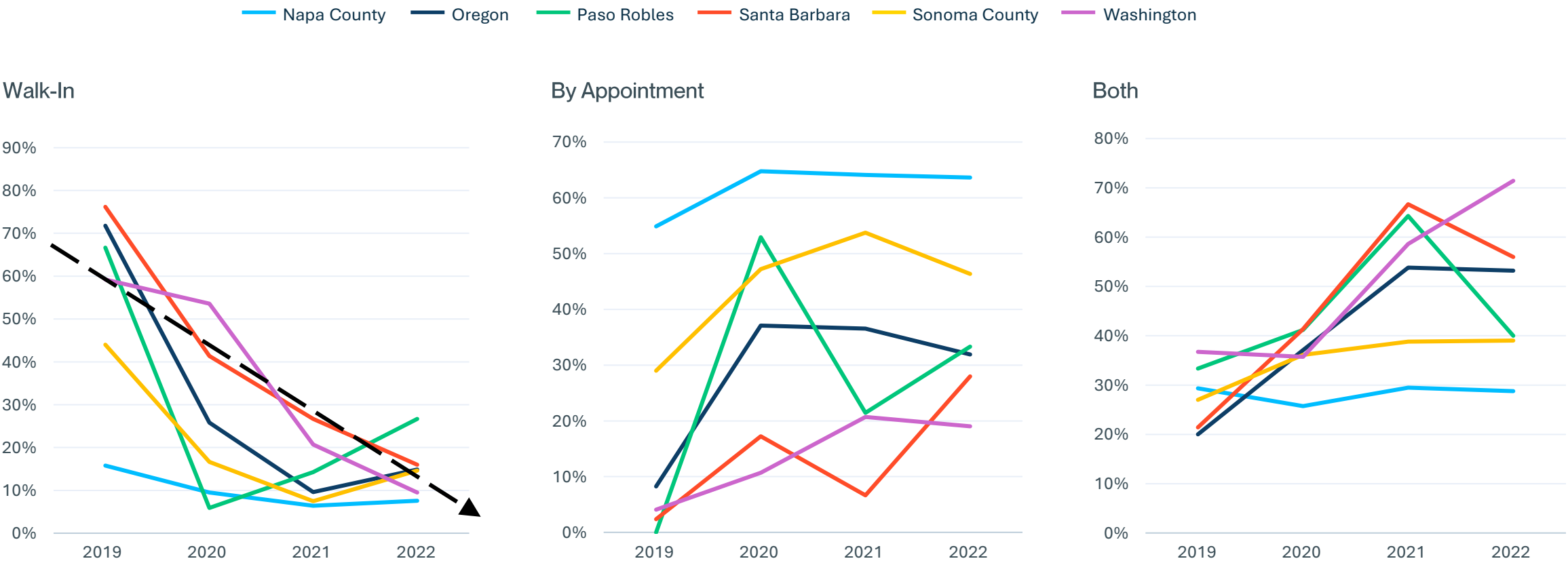
Social Media Marketing Platforms Used

Wineries are becoming increasingly savvy regarding their social media goals



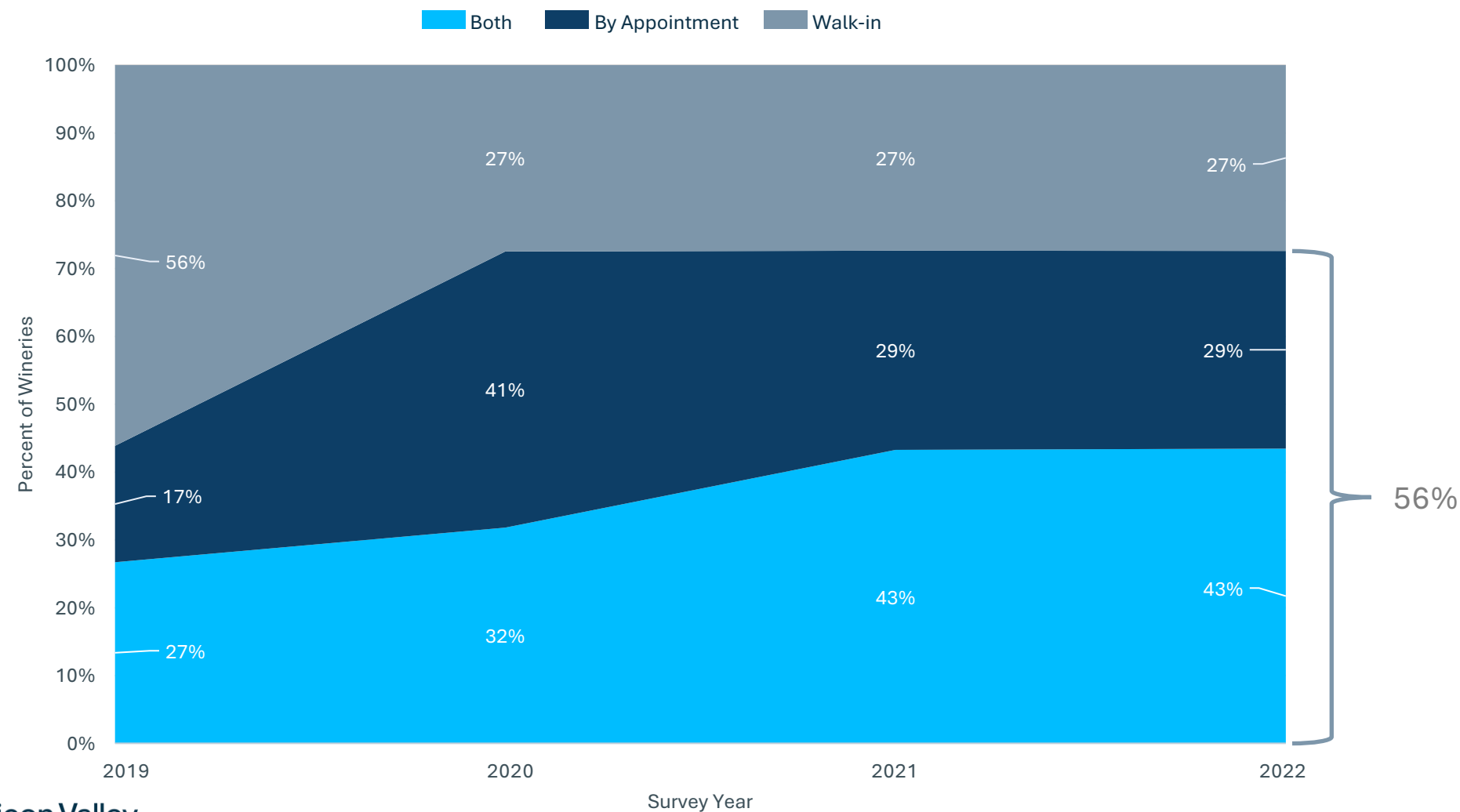
Wineries Offering By-Appointment and Walk-in Tastings by Region

The walk-in model has not reverted to pre-COVID penetration and likely will not do so



Annual Changes in By-Appointment vs. Walk-in Model

56% of the industry now have by-appointment as part of their visitation strategy

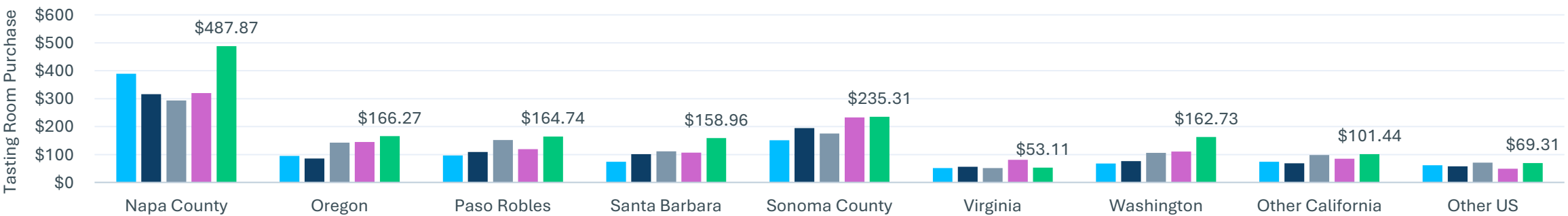


Average Tasting Room Wine Purchase by Region

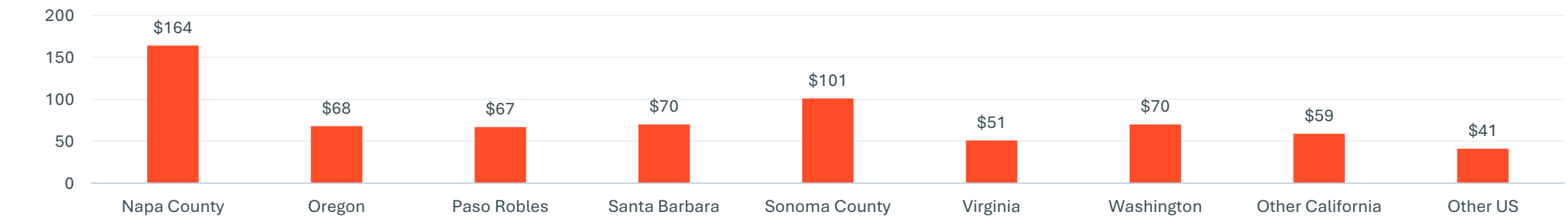
Comparing average purchase over the past ten years reveals substantial price growth for most AVAs

2018 2019 2020 2021 2022

2022 Average Tasting Room Purchases

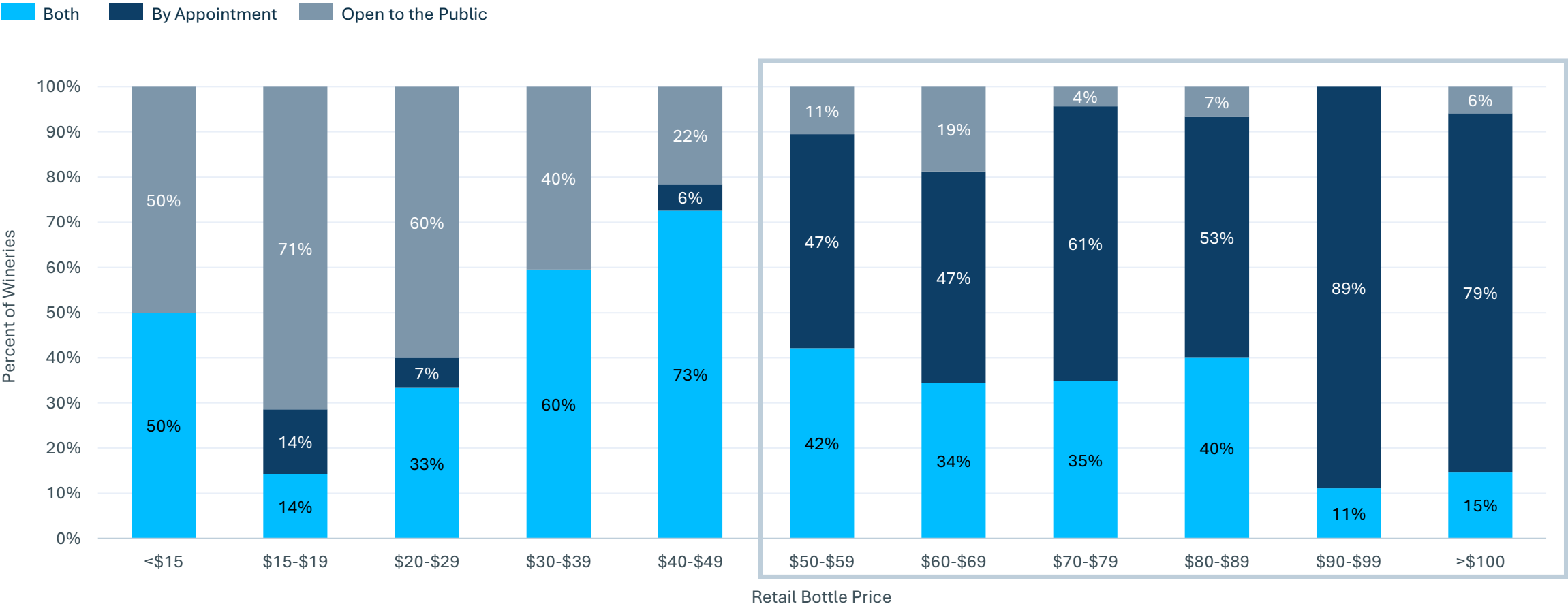


2012 Average Tasting Room Purchases



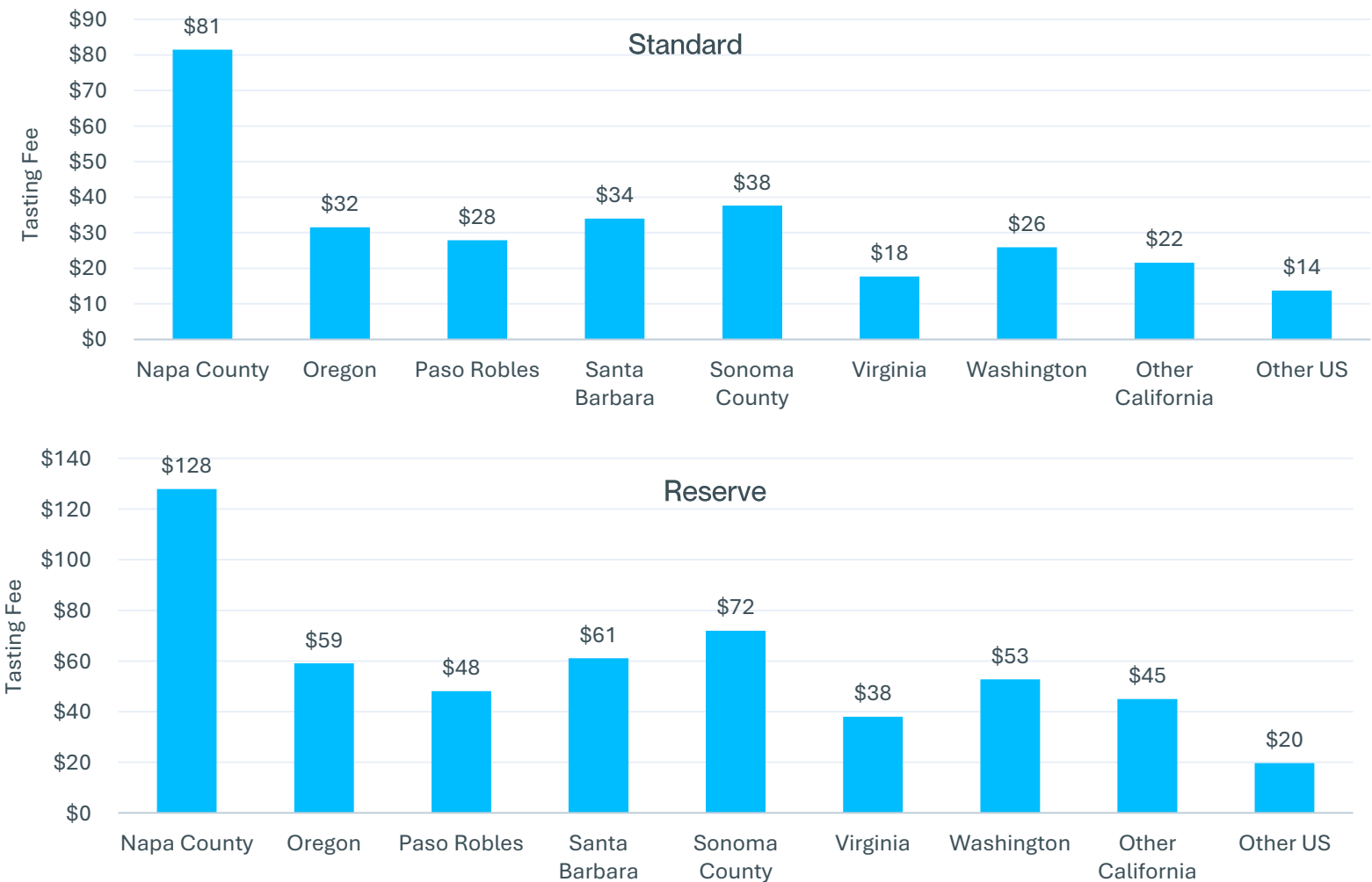
By-Appointment and Walk-in Choice by Average Retail Bottle Price

By-appointment emerging as the preferred choice above \$50



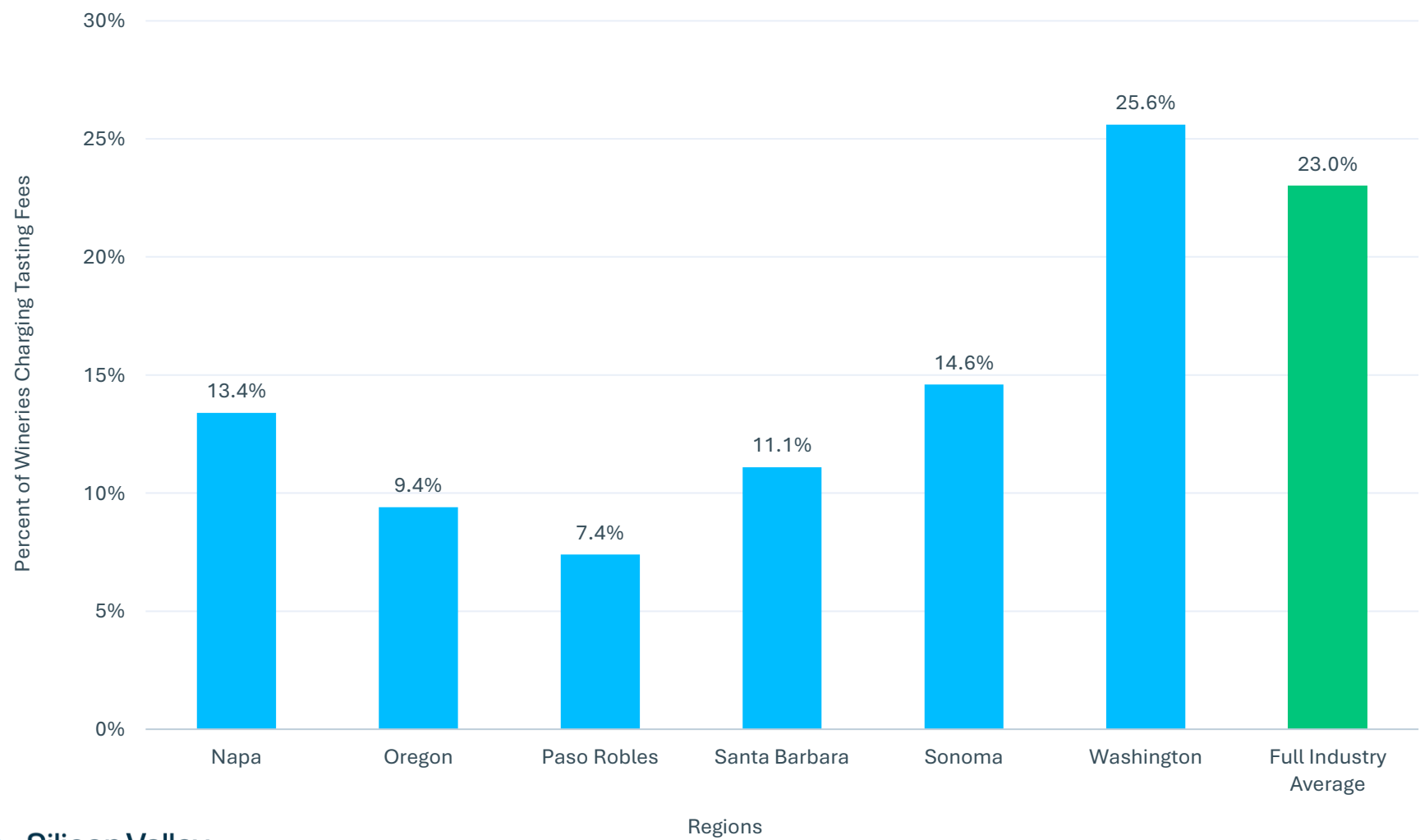
Average Tasting Fees by Region

Can tasting fees continue to increase? Should they?



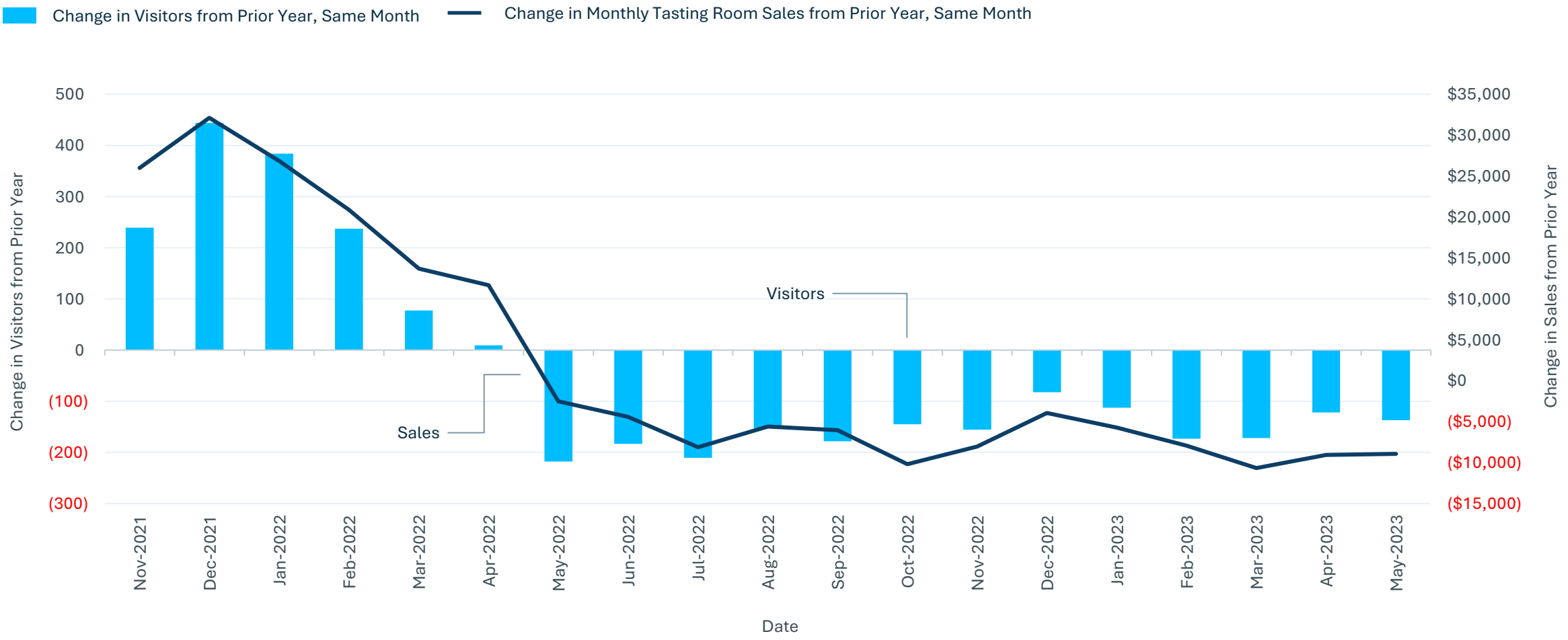
Percent of Wineries Not Charging Tasting Fees in 2012 by Select Region

It's hard to believe that just eleven years ago, almost 25% of the industry didn't charge tasting fees



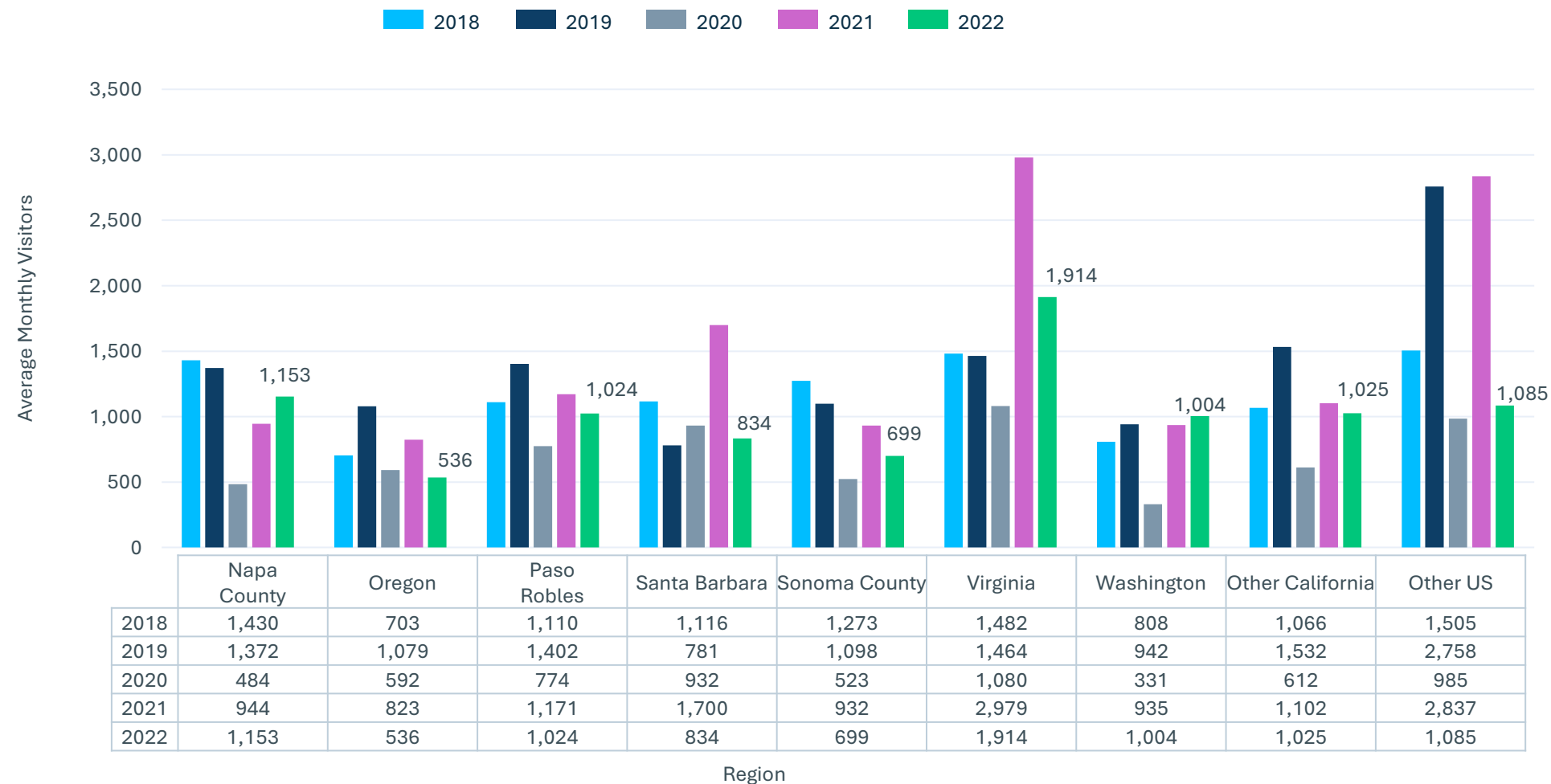
Annual Change in Average Tasting Room Visitation and Sales

The drop in visitation from the prior year bottomed in May 2022 and the monthly loss has stabilized



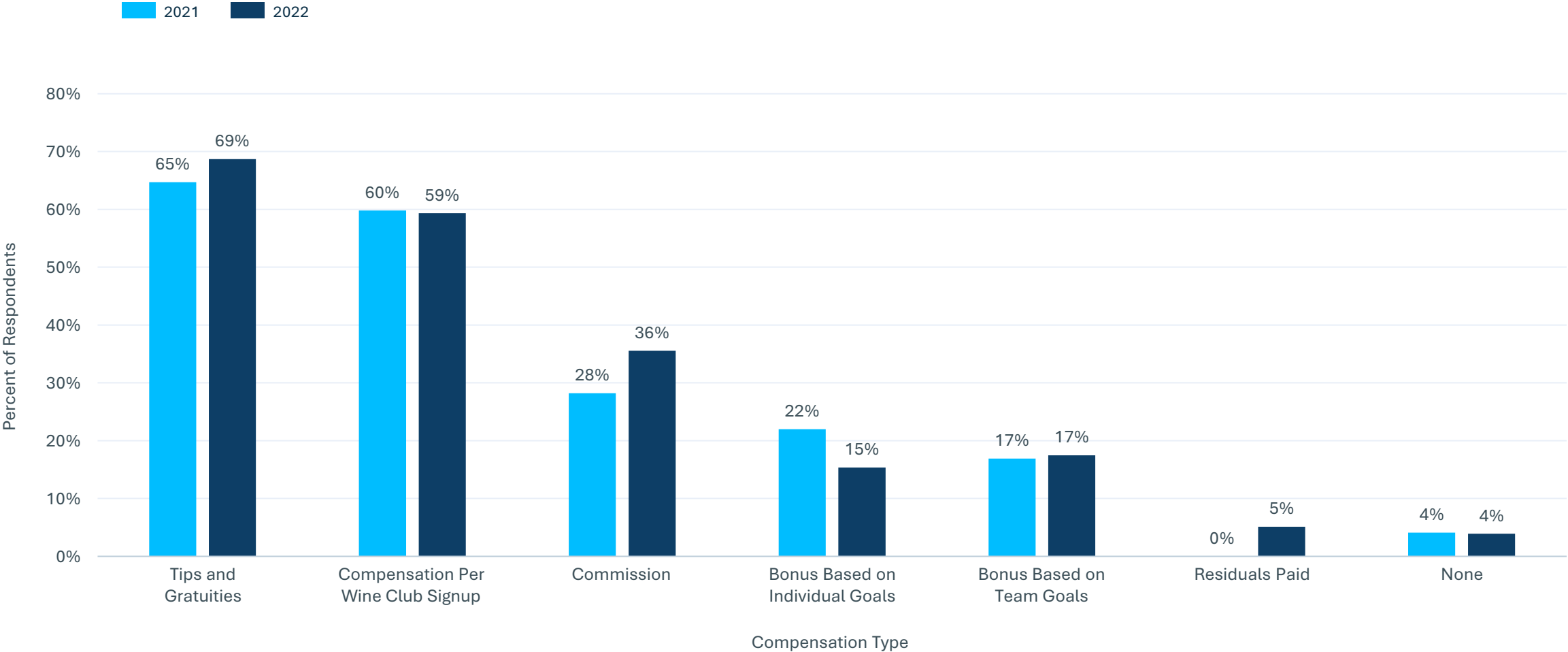
Average Monthly Visitors by Region

Many regions found themselves with fewer visitors in 2023 compared to 2022



Wineries' Use of Tasting Room Compensation Beyond Base

In 2014 tips were controversial and only 21% of wineries used them versus 69% today

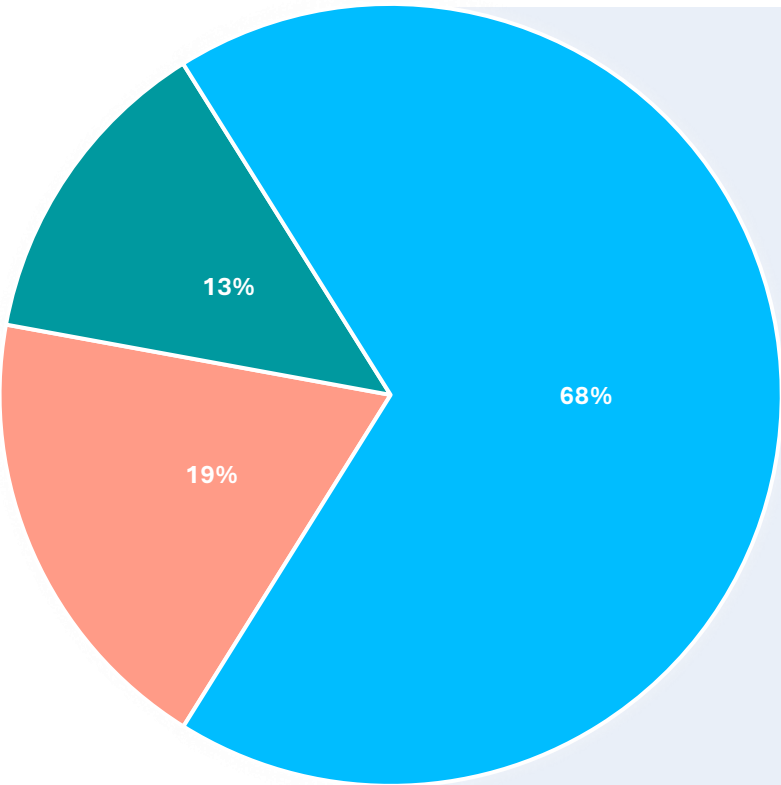


DTC Channel Drilldown for Calendar End 2022

Wholesale is increasingly less important to premium wineries

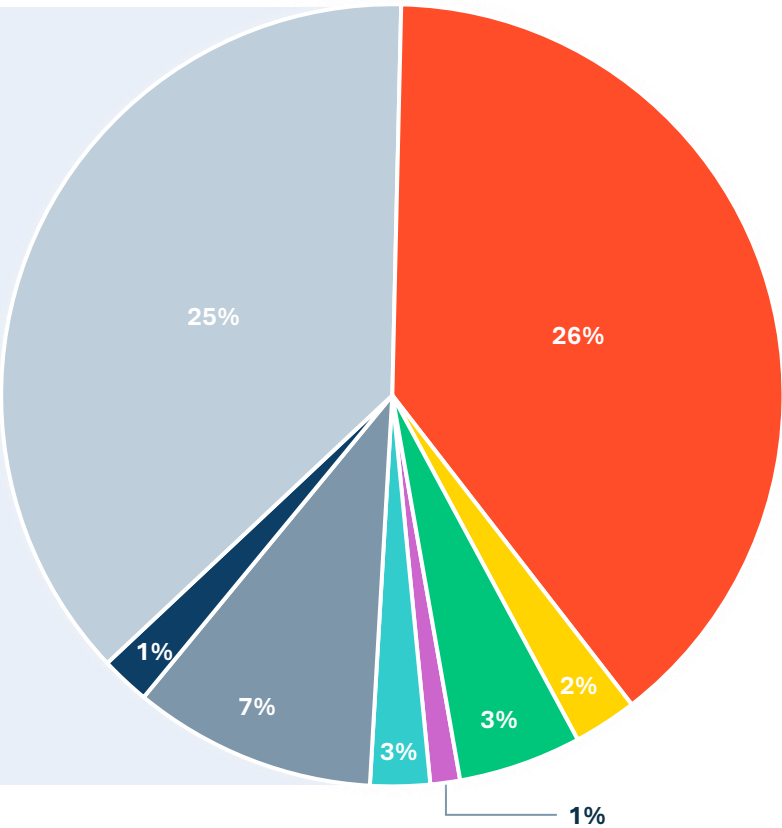
2022 All Channels

DTC Off-Premise On-Premise



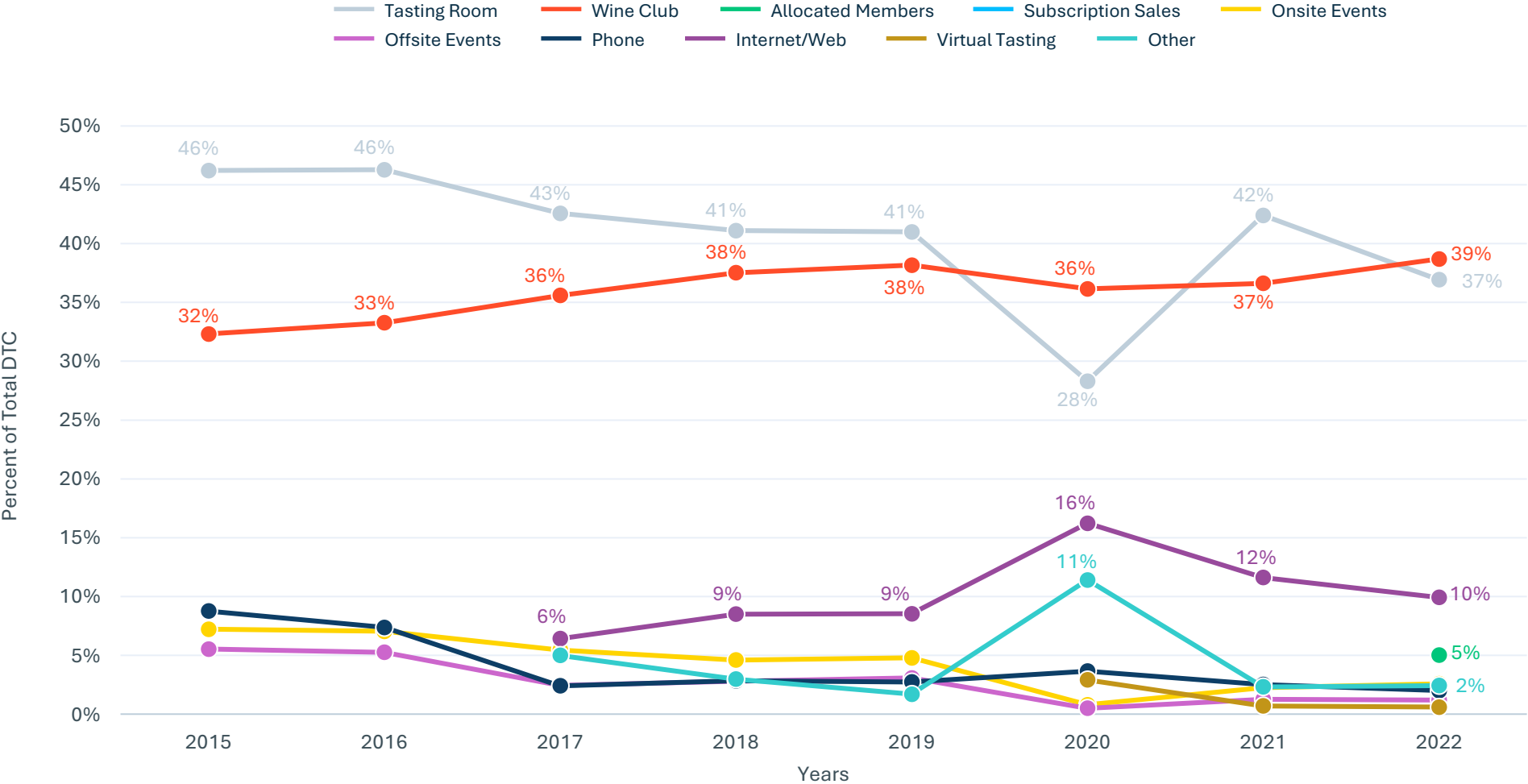
2022 breakouts without wholesale

Wine Club On-site Events Allocated Members Offsite Events
Other Internet/Web Phone Tasting Room



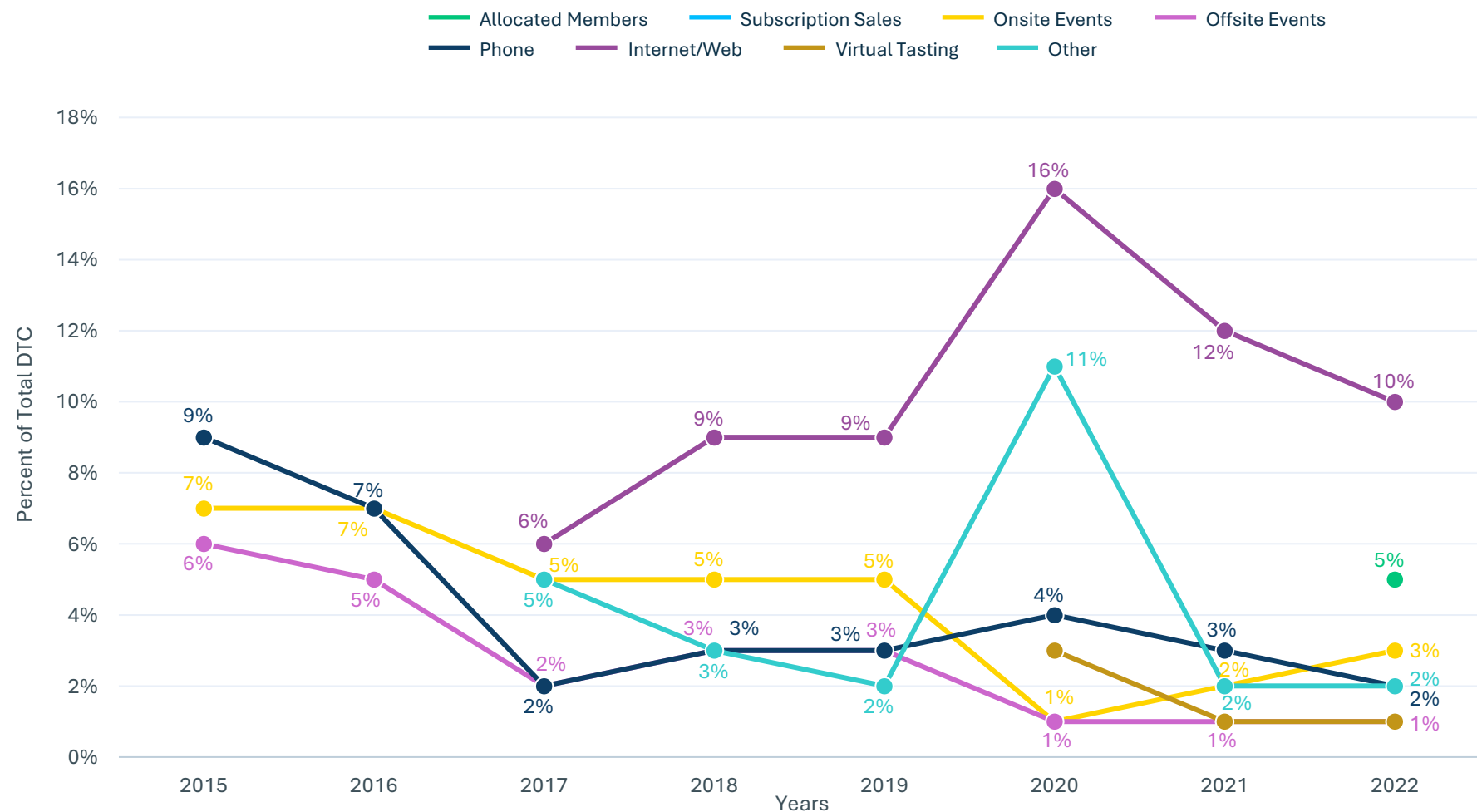
Changes in DTC Channel Performance as Percent of Total DTC Sales

COVID changed service styles permanently



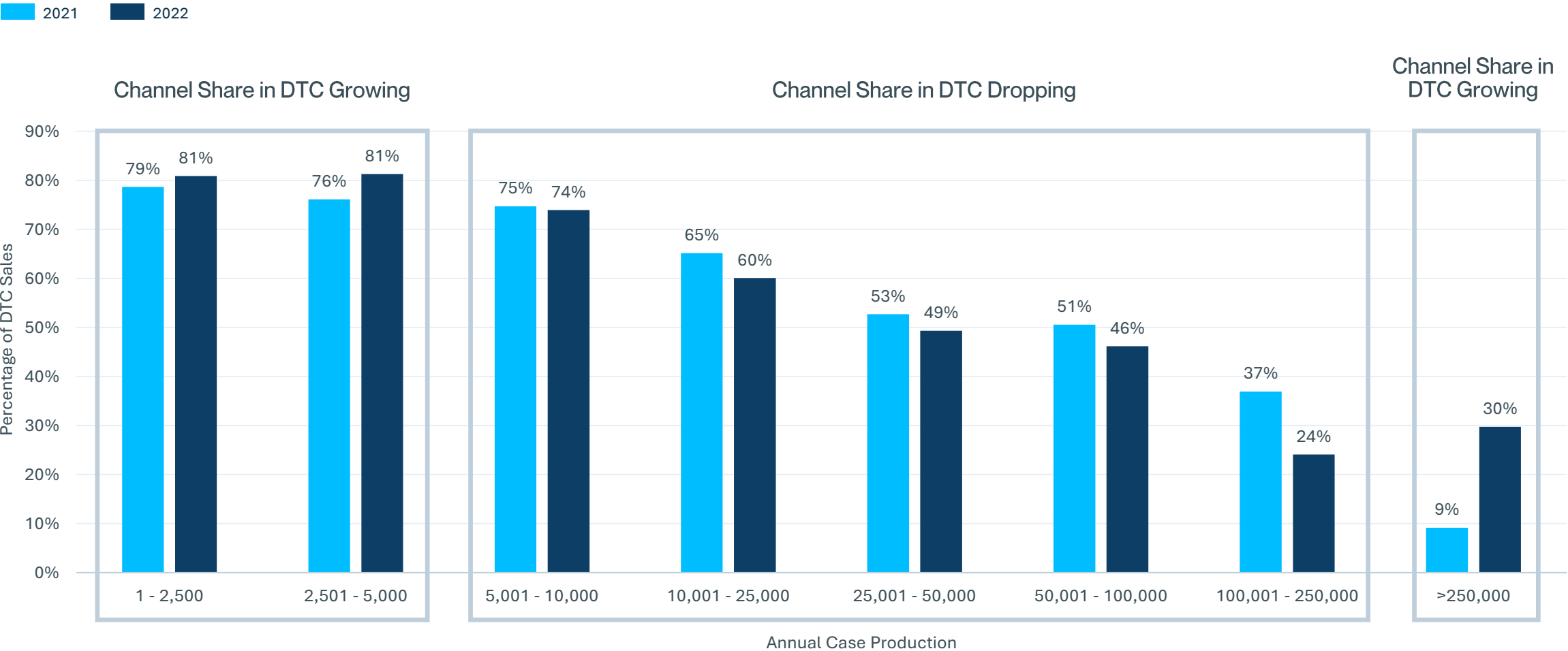
Drilldown Changes in DTC Channels as Percent of Total DTC

Improving e-commerce is an important step for the industry. Will we?



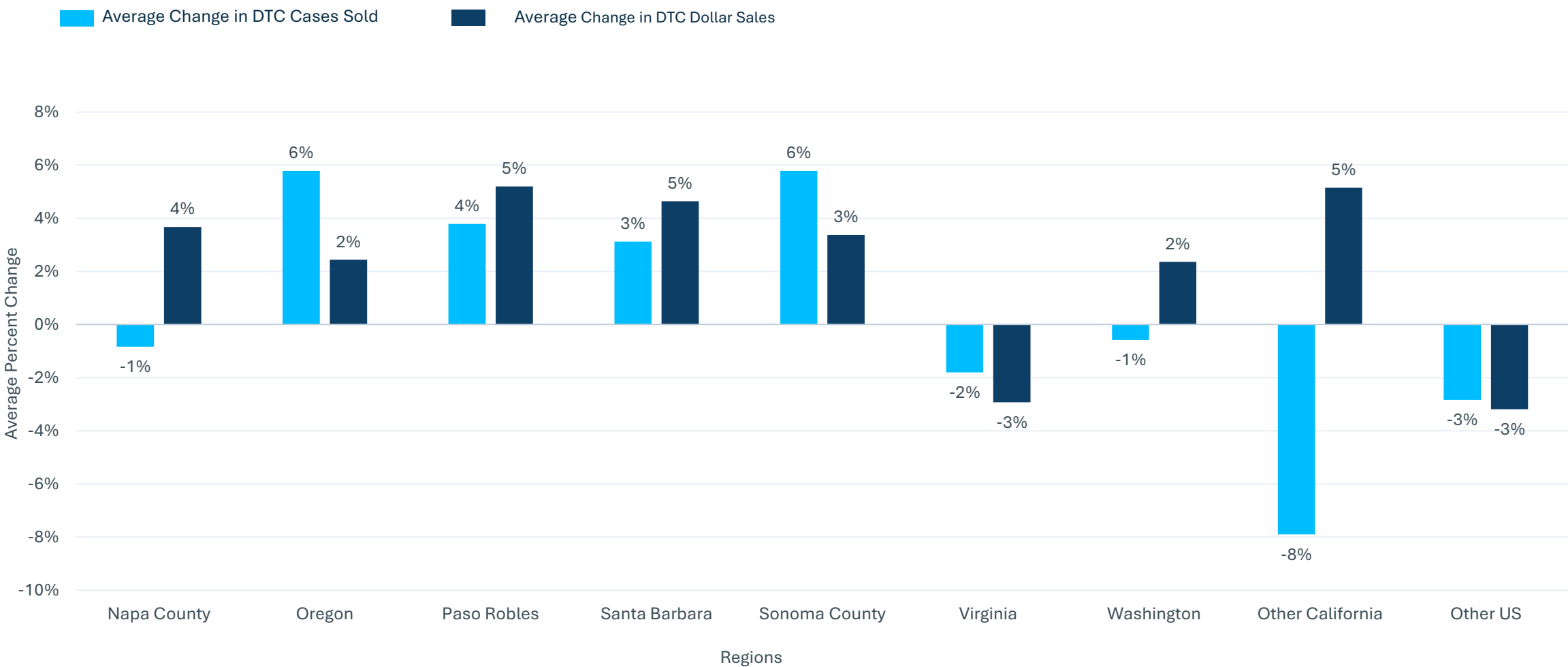
DTC Sales by Annual Case Production

Smaller and larger wineries are still growing their DTC share of revenue channels



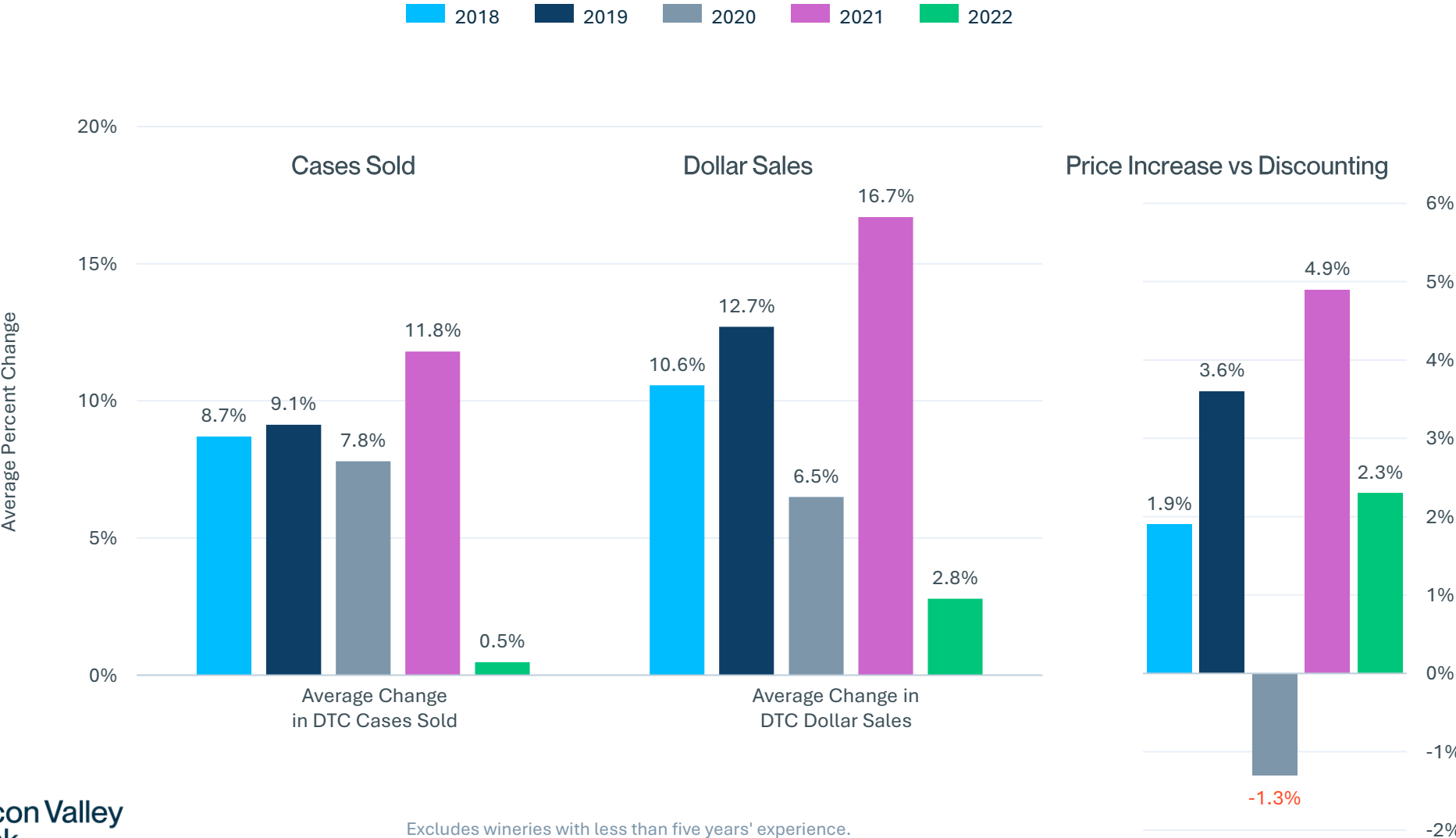
Change in DTC Cases Sold and Dollar Sales by Region

No region is recovering the full cost of inflation using price increases



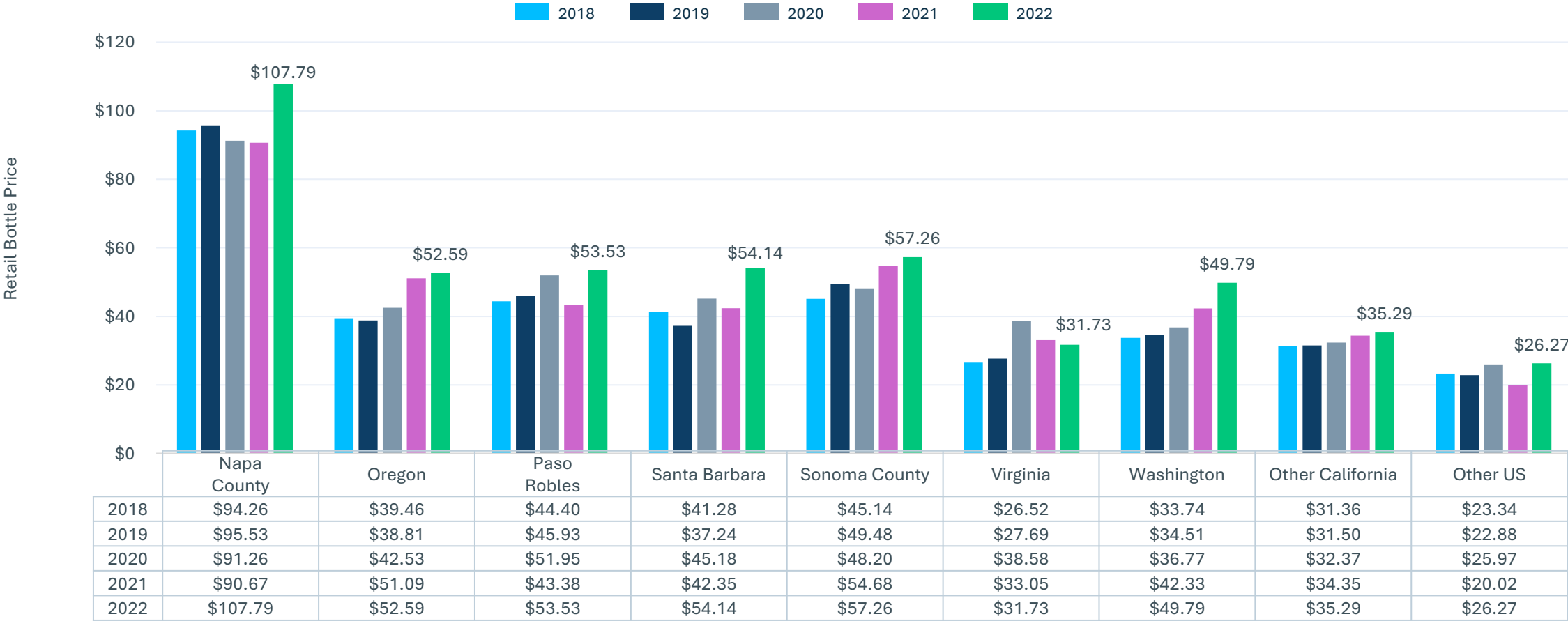
Change in DTC Cases Sold, Dollar Sales, with Isolated Price Changes

The average growth rate slowed in 2022, but off a great 2021. Nominal Growth measured by price was up 2.3%



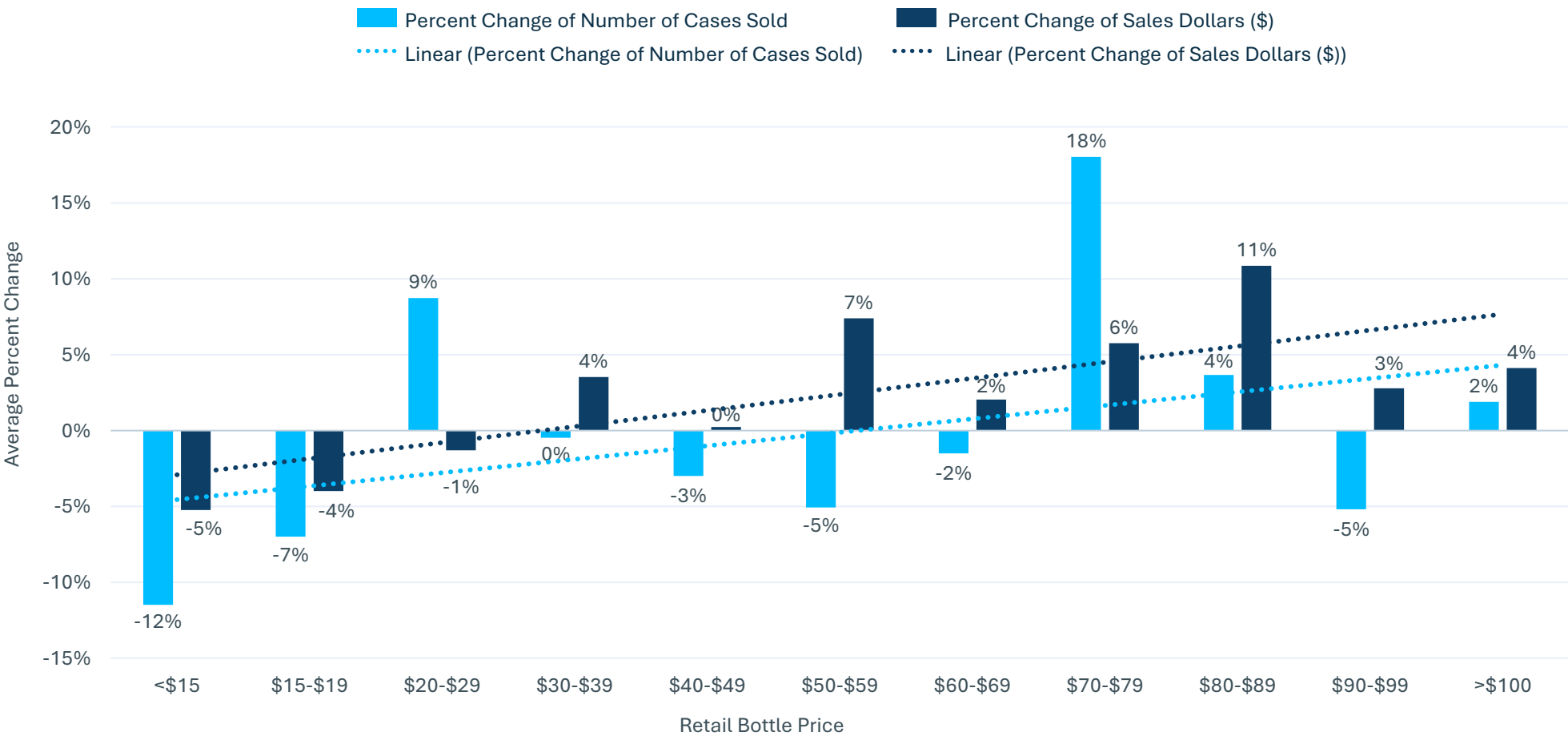
Average Suggested Retail Bottle Price by Region

Most regions in the west catered between \$50 - \$55



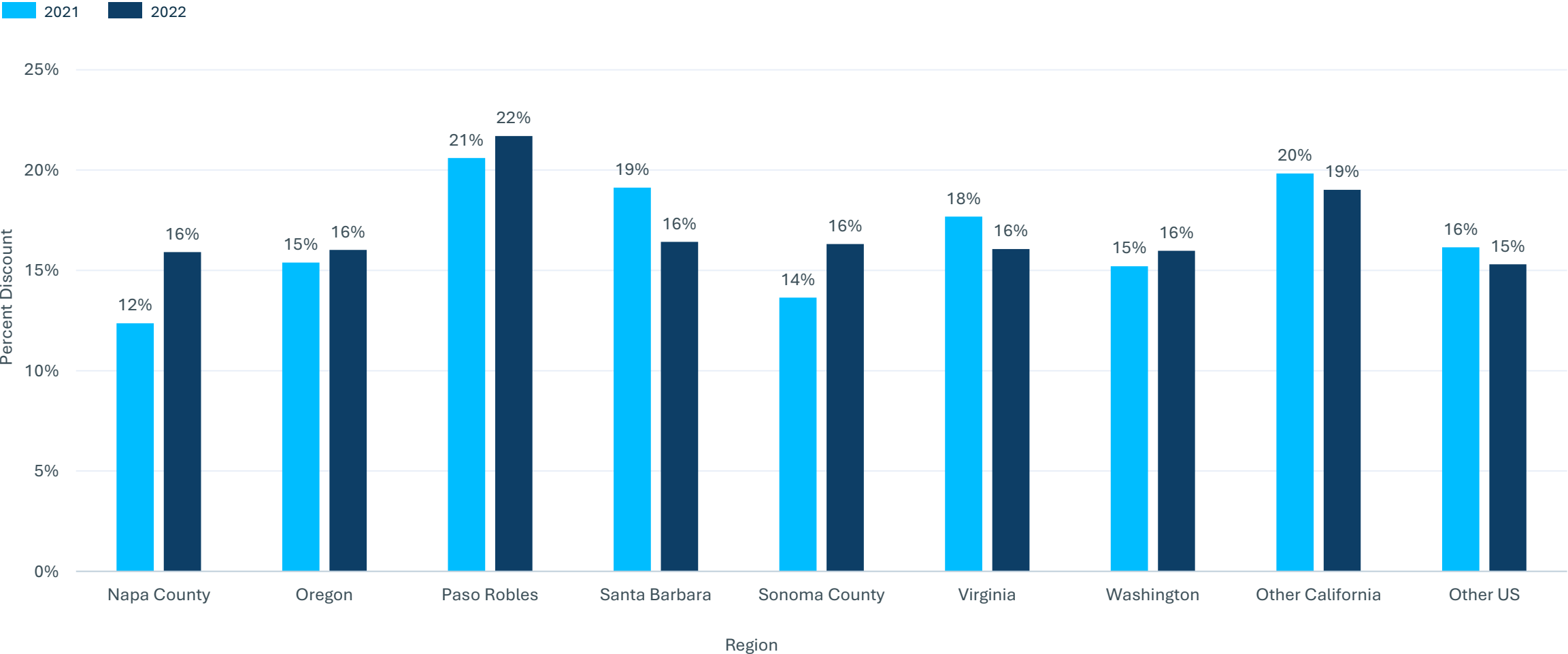
Change in DTC Cases Sold and Dollar Sales by Retail Bottle Price

The best growth rates are \$70-\$90 in DTC



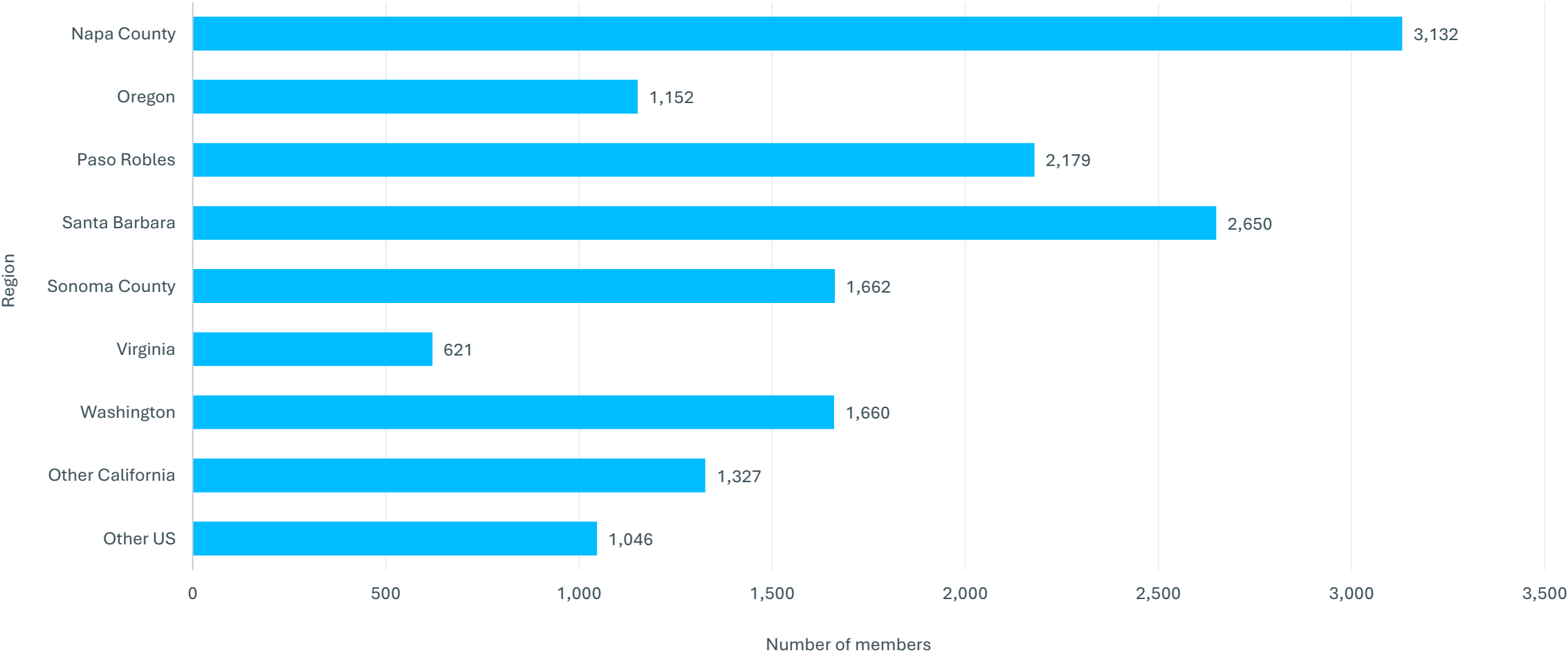
Discounts for Club Members by Region

Club discounts today fall into a tight range, averaging 17% in 2022



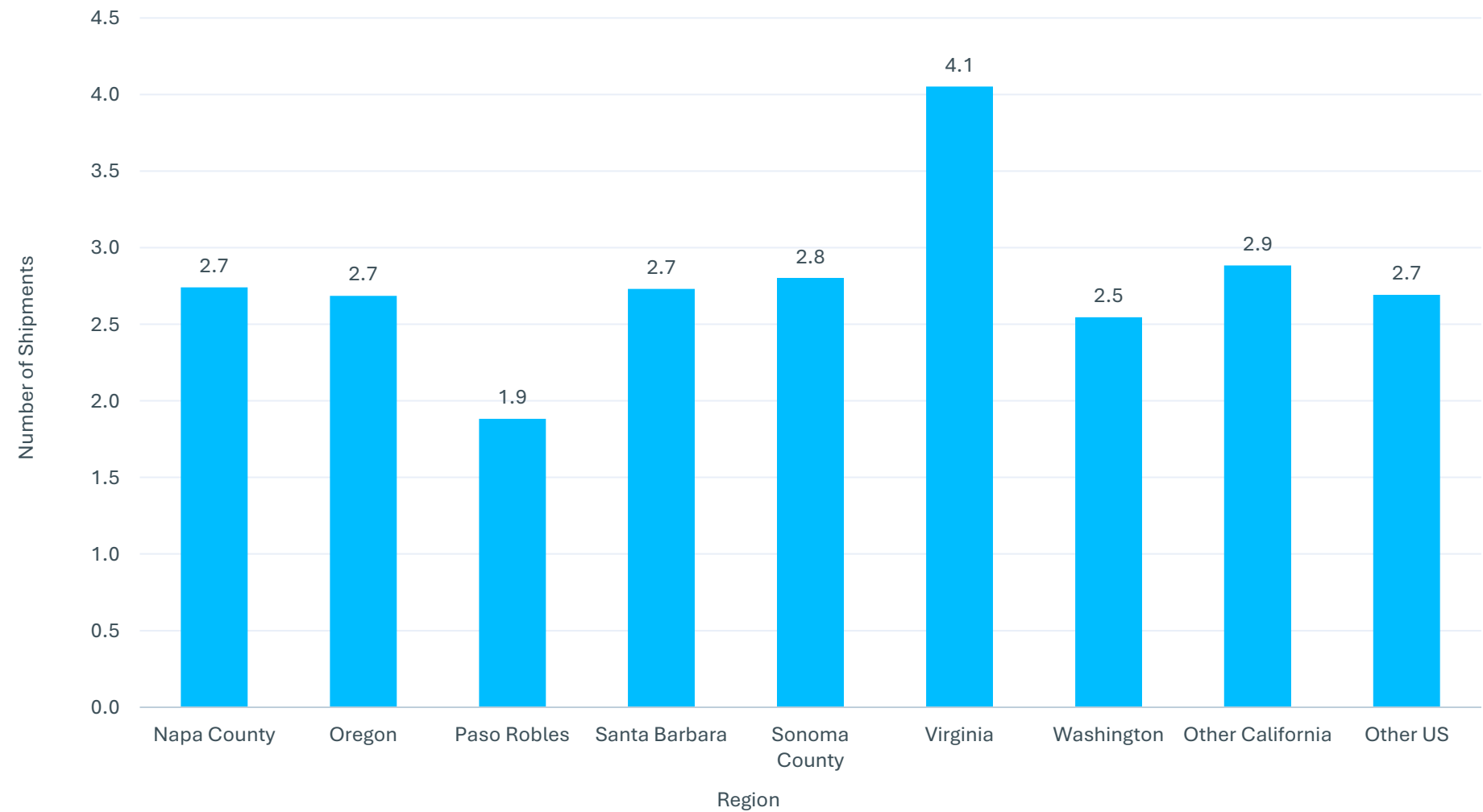
Average Wine Club Size by Region in 2022

Average club size was 1,716 members



Average Club Shipments per Year

Shipment average is 2.7 per year



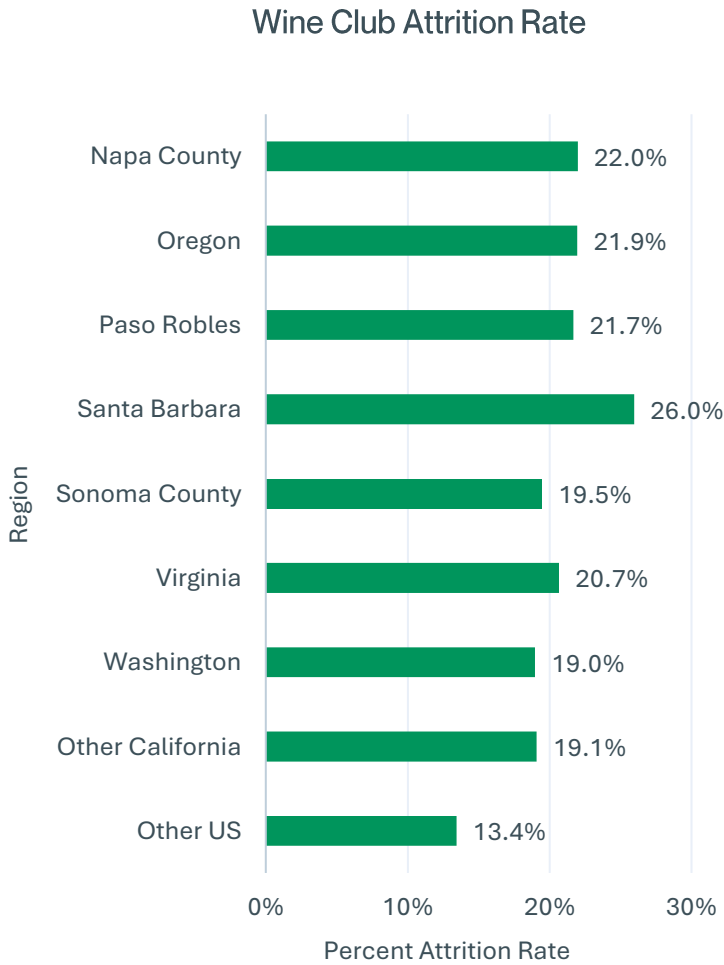
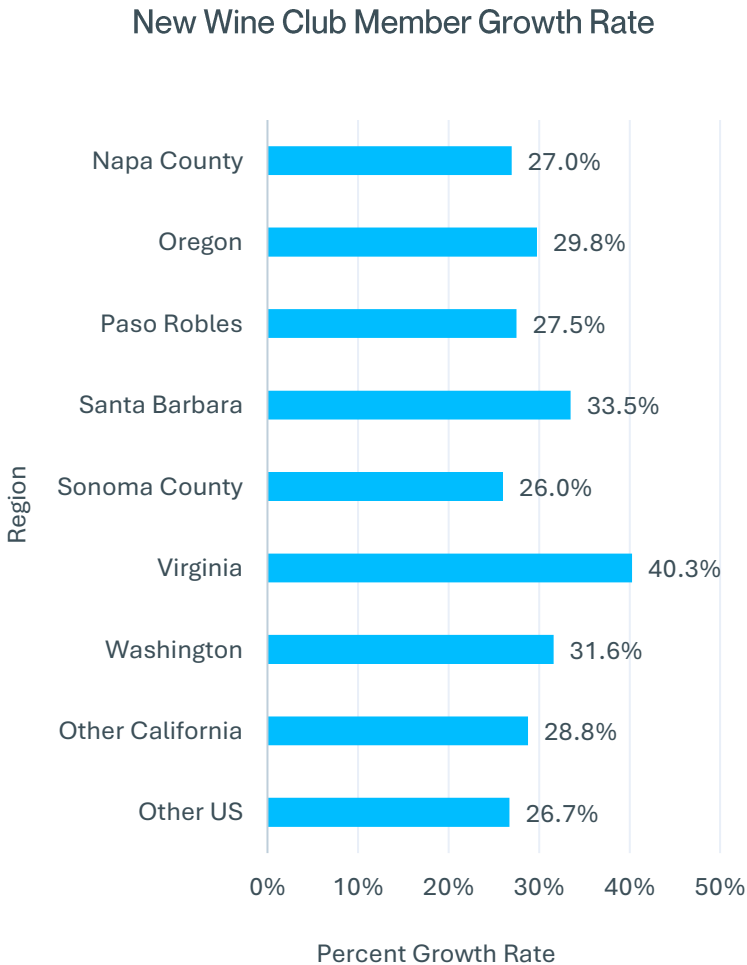
Wineries' Use of Discounted Shipping for Club Shipments

The use of free shipping is declining and being replaced by discounted shipping



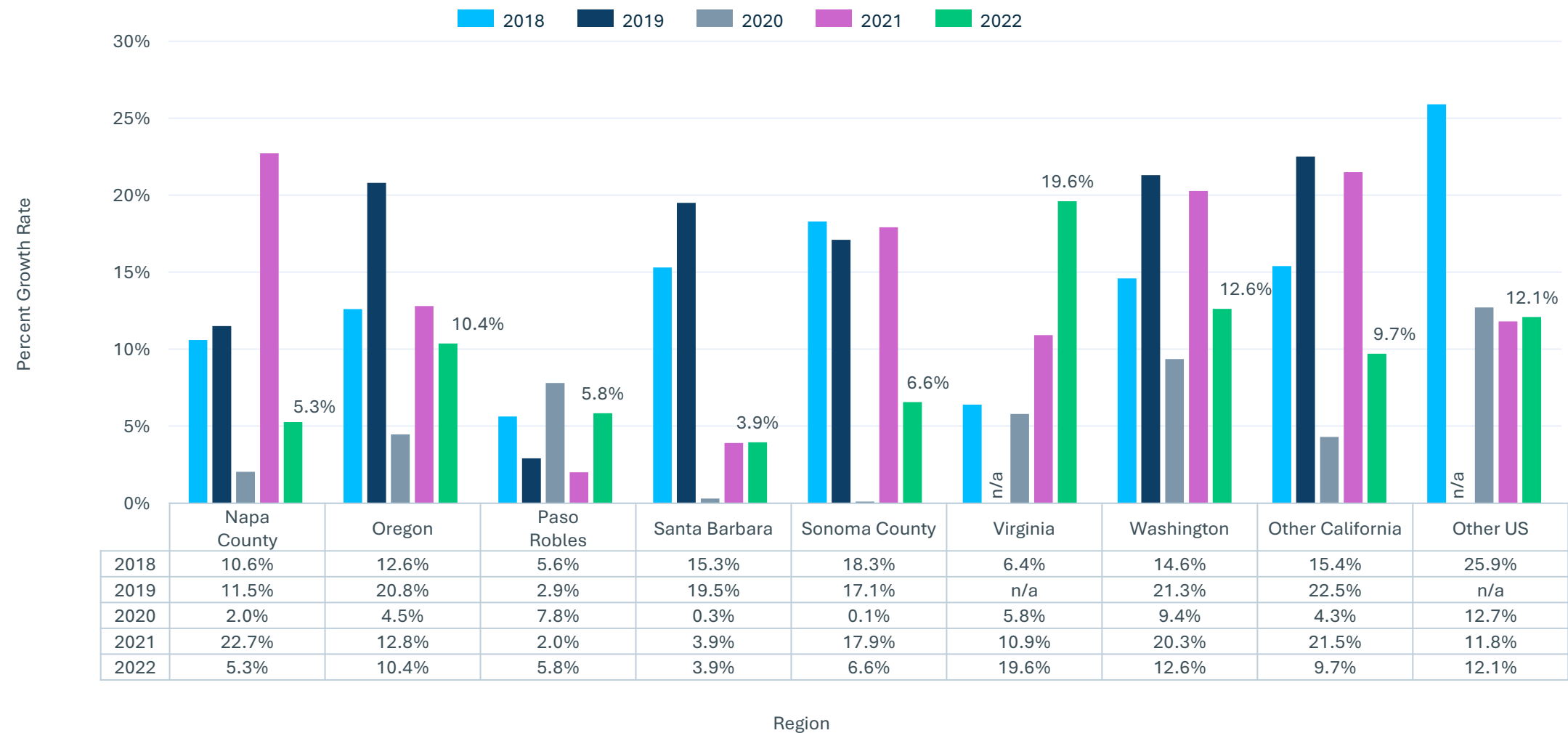
Club Member Growth Rate and Attrition Rate

One of the most important club metrics is churn



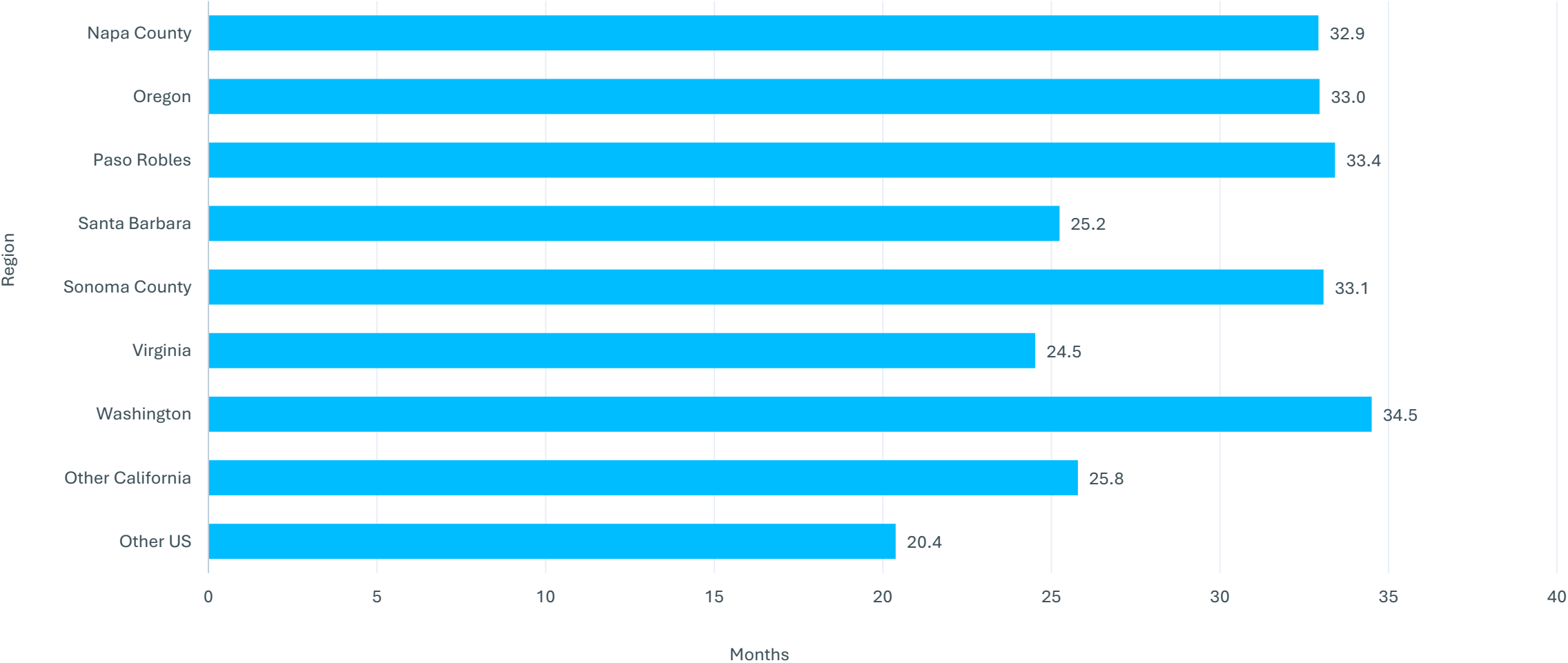
Trend of Wine Club Member Net Growth Rate

Net growth was lower in 2022, but it was off a very strong 2021



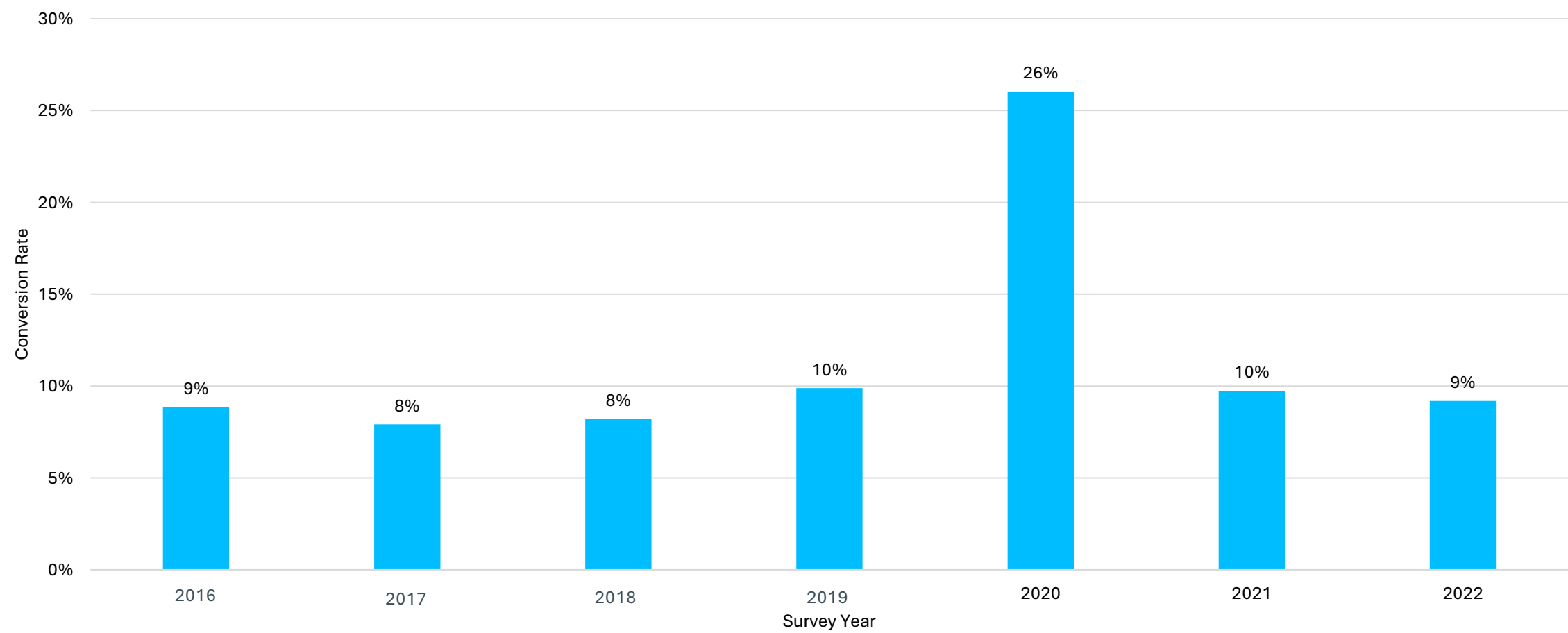
Average Length of Membership by Region

While average length of membership is up about five months during the last ten years, duration is now stable



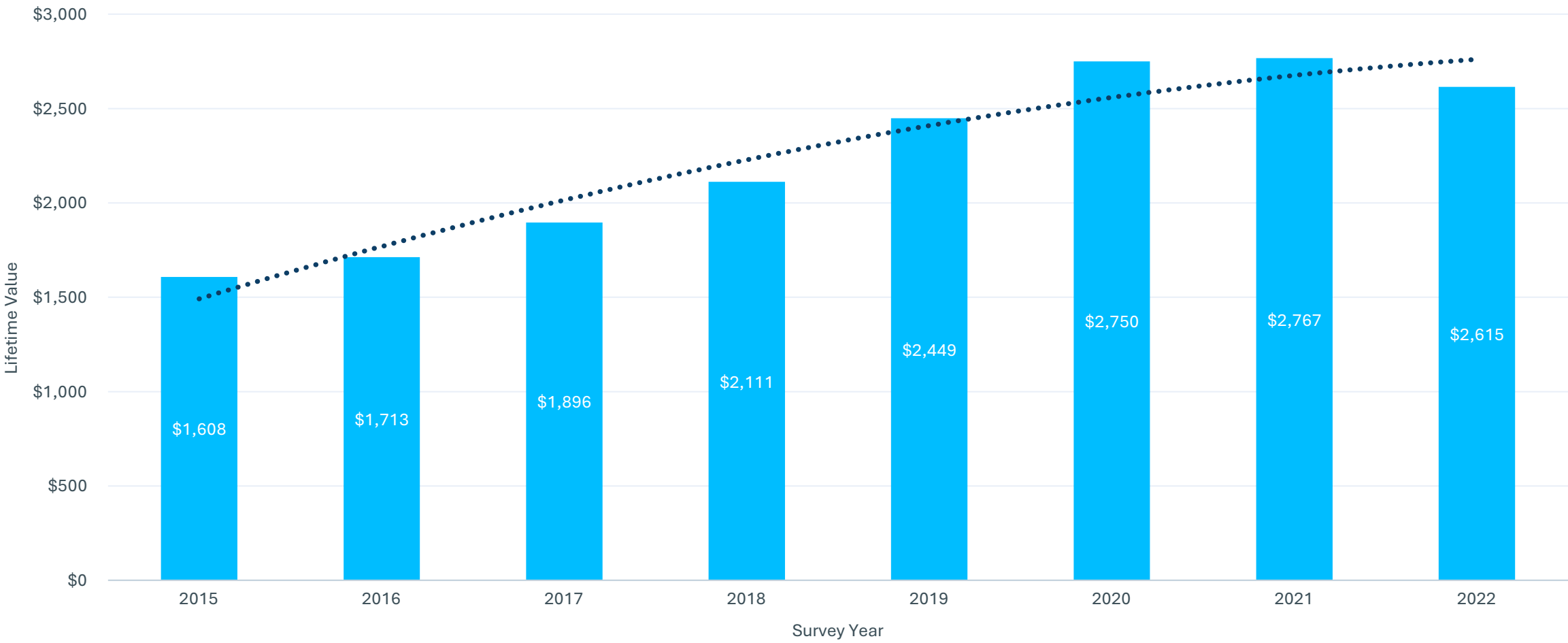
Conversion Rate of Visitors to Wine Club

Conversion rates have remained remarkably consistent with the exception of 2020



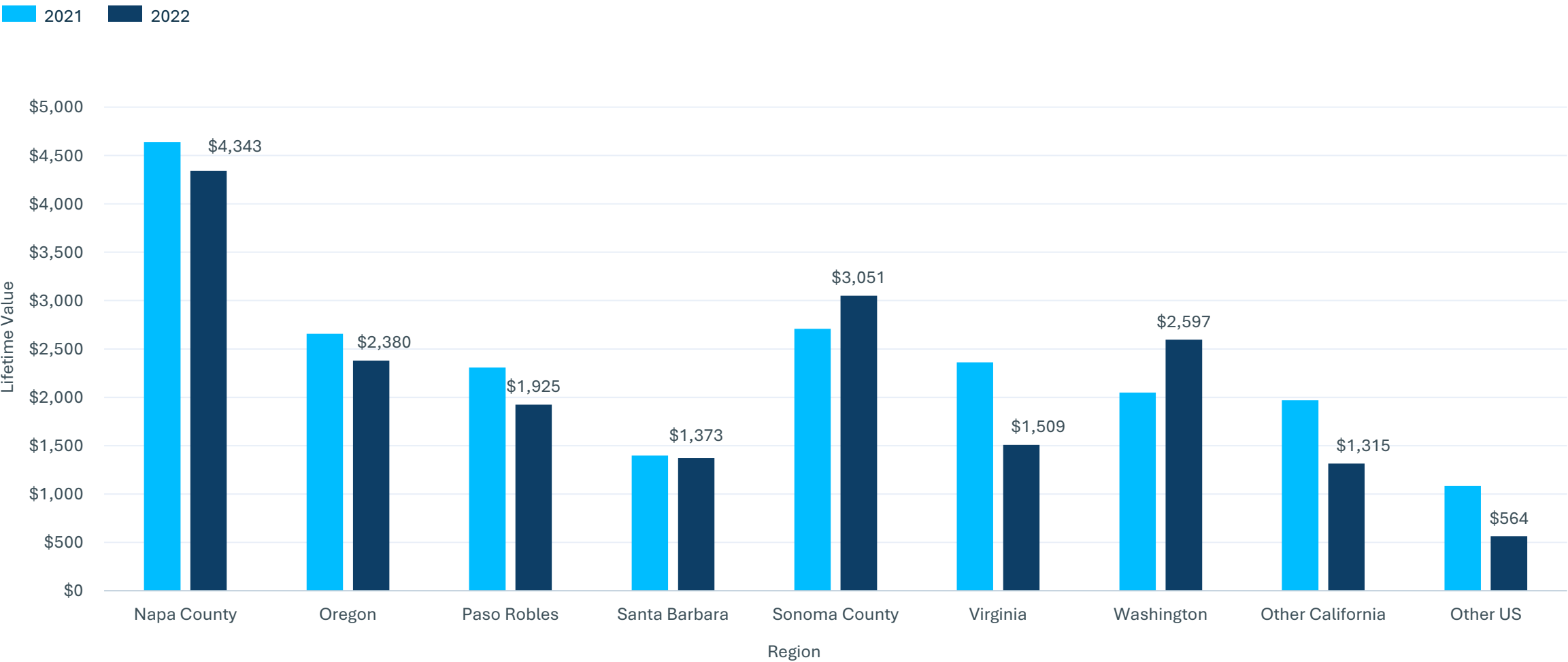
Wine Club Member Lifetime Value

It's difficult to call 2022's lower lifetime value a trend but it is the first decline



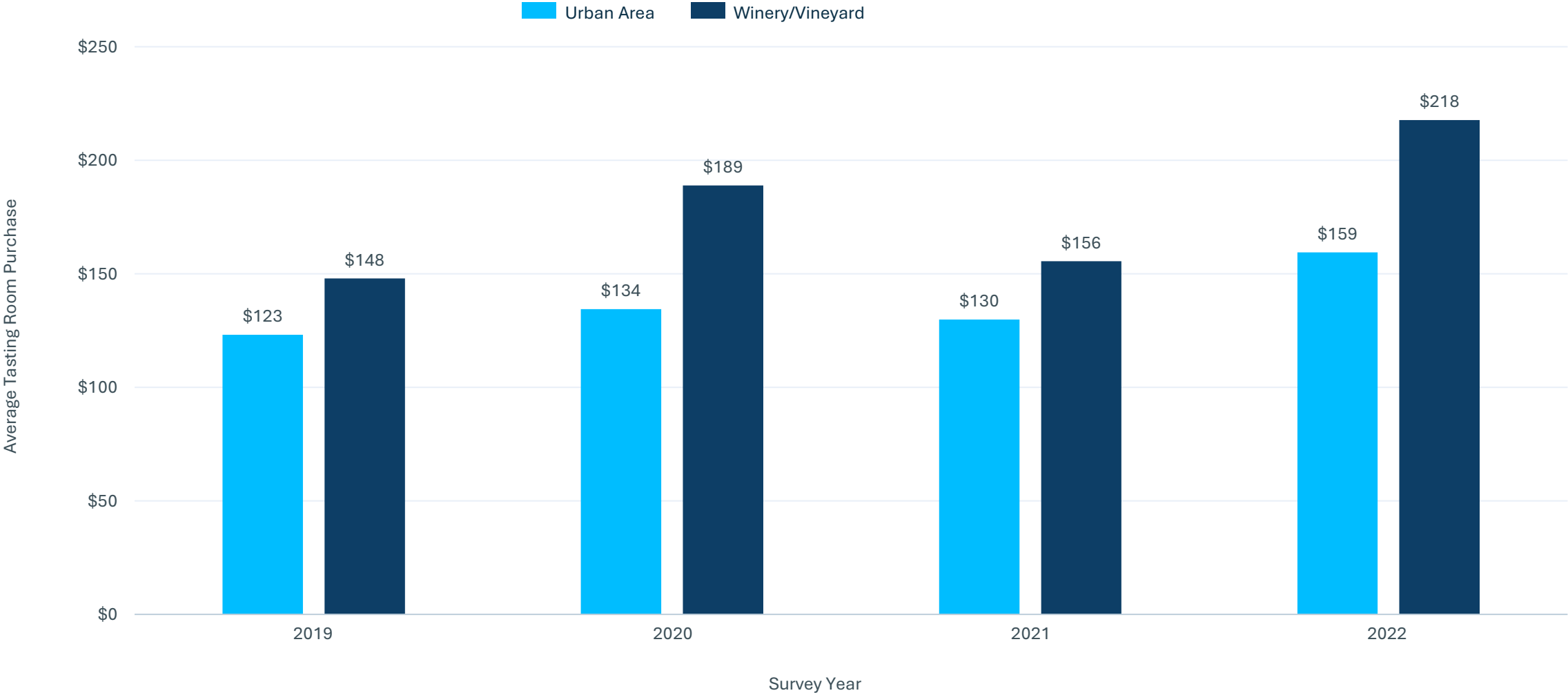
Wine Club Member Lifetime Value by Region

Success metrics are mixed in 2022. Long term, however, the metric is still increasing



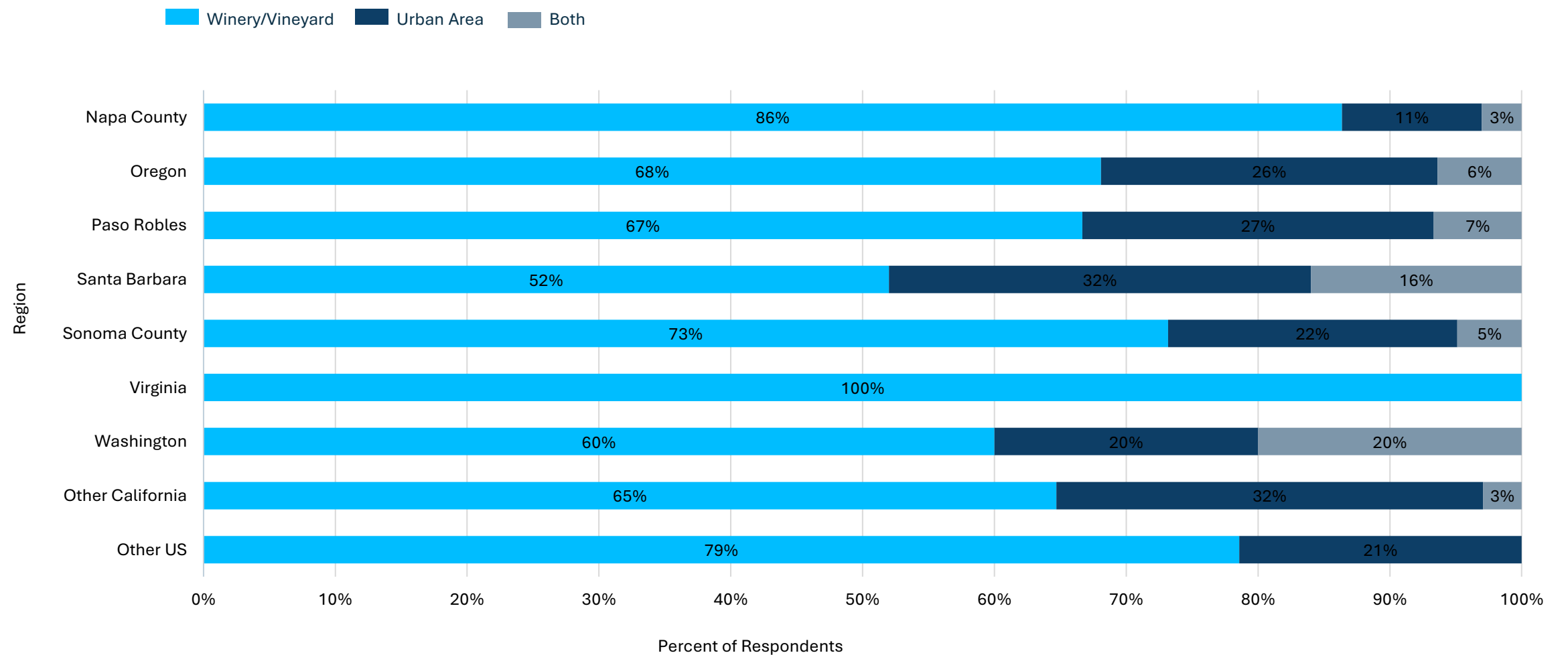
Average Wine Purchase by Tasting Room Location

Purchases at wineries are always higher than tasting room purchases in urban areas



Share of the Physical Locations of Tasting Rooms

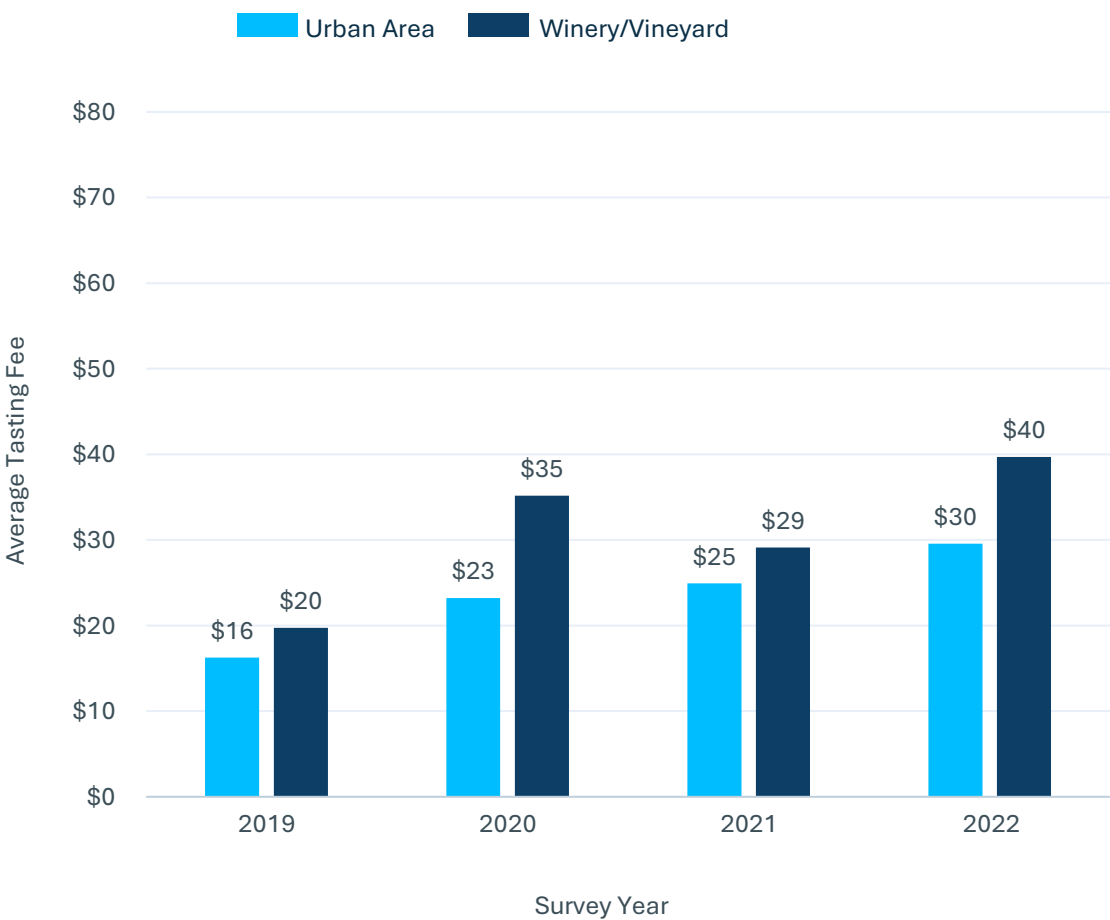
Each region has unique situations and regulations that define the use of urban tasting rooms



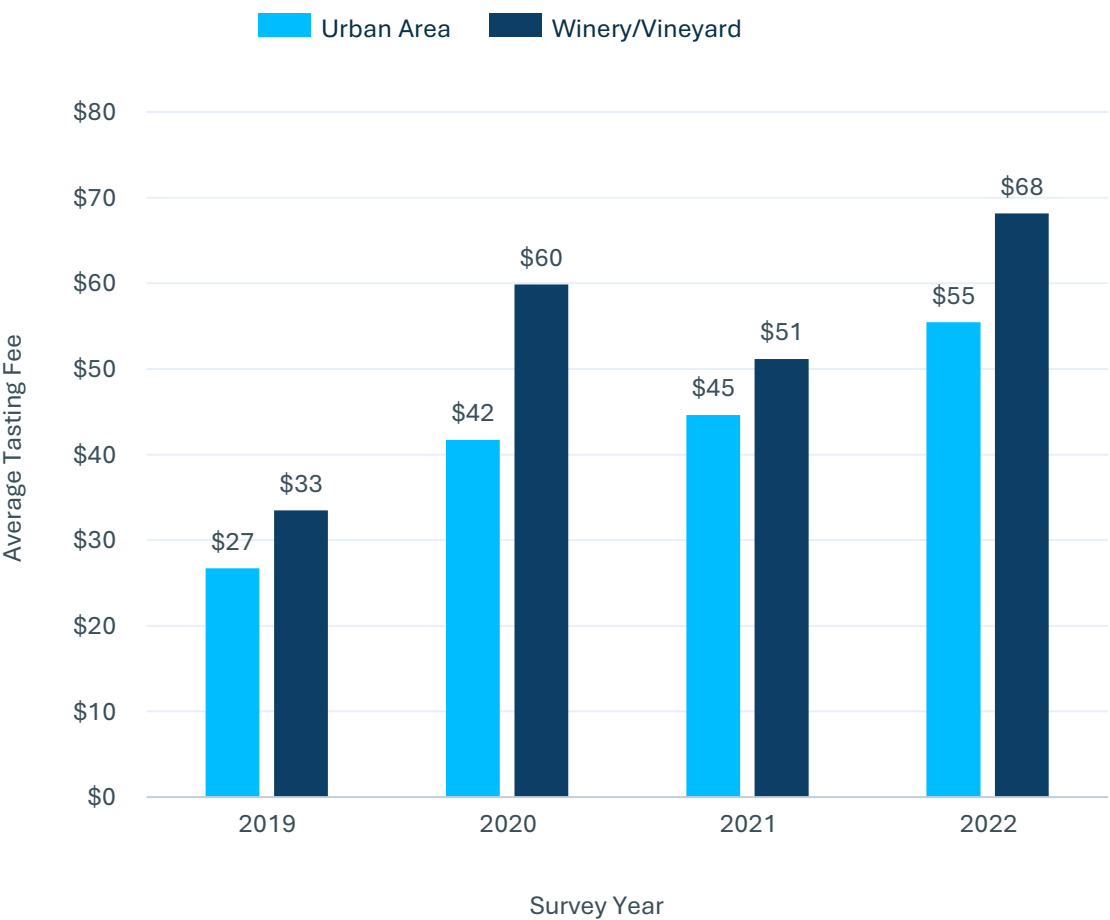
Average Tasting Fees by Tasting Room Location

Different experiences should dictate varying fee structures

Average Standard Tasting Fee



Average Reserve Tasting Fee



Thank you





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