Oregon Wine Symposium

The Category & Consumer part 2

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PROGRAM PRODUCER oregon wine BOARD

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About Wine Market Council

- **MISSION: To be the leader in forward-looking market research on U.S. wine consumer buying habits, attitudes & trends.**
- Established in 1996 as scientific non-profit (501c6); member supported. Member-funded, sliding scale dues; >80% of funds pay directly for research. Provide reports, data and webinars to members. OWB and a number of Oregon wineries are members.
- Members include Wineries & Vineyards, Regional Organizations (OWB), Wholesalers, Importers, Retailers, Supplier Industries, Academic, Financial, Advisory.
- Longest running large scale tracking survey of wine consumers (since 1997). Also execute 3 to 4 focused research studies on U.S. wine consumer annually, average investment of $300,000.
- Upcoming reports: Full Data set on the 2025 Benchmark Tracking Survey, Wellness & Wine, Sensory Barriers & Opportunities, The Current & Future Luxury Wine Consumer

How Did We Get Here?

What caused the U.S. Wine Boom

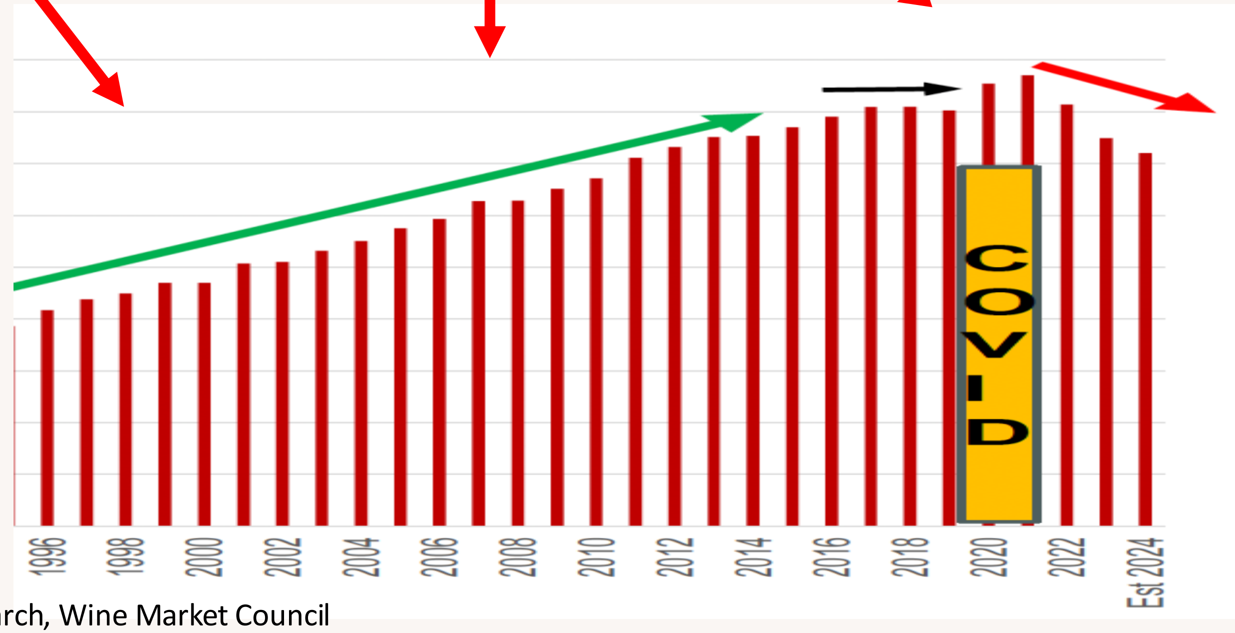
US foo ure

expanded ibution

high income/education consumer base

boomer life stage 40s-50s

health news



= No longer applies or no longer a competitive advantage

Sources: bw166, Gomberg-Fredrikson Report, Full Glass Research, Wine Market Council

The #1 Reason People Are Drinking Less Wine Is They Are Drinking Less Alcohol

Alcohol[1]

- <u>Reducing alcohol across categories is the strongest predictor of reducing wine consumption</u>, over demographic, drink type preference, purchase channels, social trends, cannabis usage, financial well-being, etc. Supported by 3-year analysis of household purchasing data and multiple surveys.
- Two main drivers from 2021-2023 data: Health/Wellness & Home Economics
- 2025 Benchmark Survey: 53% of those reducing wine say it's due to reducing alcohol generally[2]

2025 Wellness Study[3]

Reasons for Drinking LESS ALCOHOL (top 7)	%
Reduced drinking occasions	**37%**
Bad for my health	**32%**
Doesn't fit with my current diet or the way I eat	**24%**
It is too expensive or not worth the money	**23%**
It makes me physically or mentally feel bad	**22%**
Due to a medical condition	**15%**

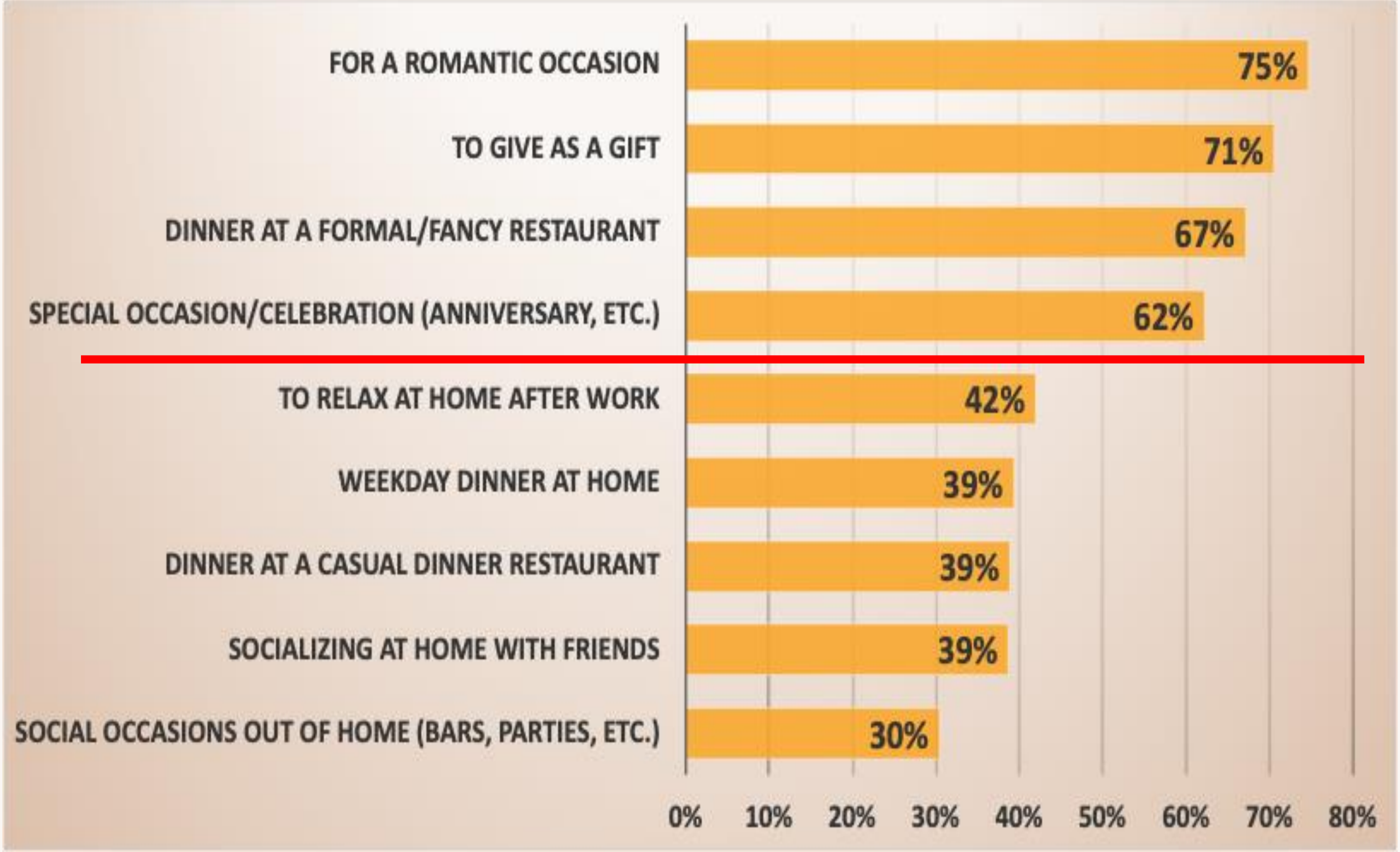
Reducing calories (46%)
Reducing sugar (39%)
Bad for heart (35%)
Mental health (28%)
Reducing carbs (27%)
Cancer risk (21%)
Avoiding additives (17%)*

LESS THAN 5% OF THOSE REDUCING WINE BUT NOT OTHER TYPES OF ALCOHOL SAID IT WAS FOR HEALTH/DIET REASONS

1 WMC Category Shifting study; 2 WMC 2025 Benchmark Survey; 3 WMC 2025 Wine & Wellness

Meanwhile Other Factors Affect Wine Specifically

Occasions (“less wine occasions” ranked 2nd among reasons decreasing wine, in 2025 WMC Benchmark survey)



Practical Barriers

- **Cost (ranked 5th)**
- **Unexciting**
- **Hard to choose**
- **Occasion ”vibe”**

Competition (“prefer other drinks” ranked 4th)

- **WAY more choices**
- **RTDs**
- **Craft beer**
- **Cocktails**

Sources:WMC 2025 Benchmark Survey, WMC 2025 Reducing Barriers study

And where is here? Current wine consumers

U.S. ADULT SEGMENTATION

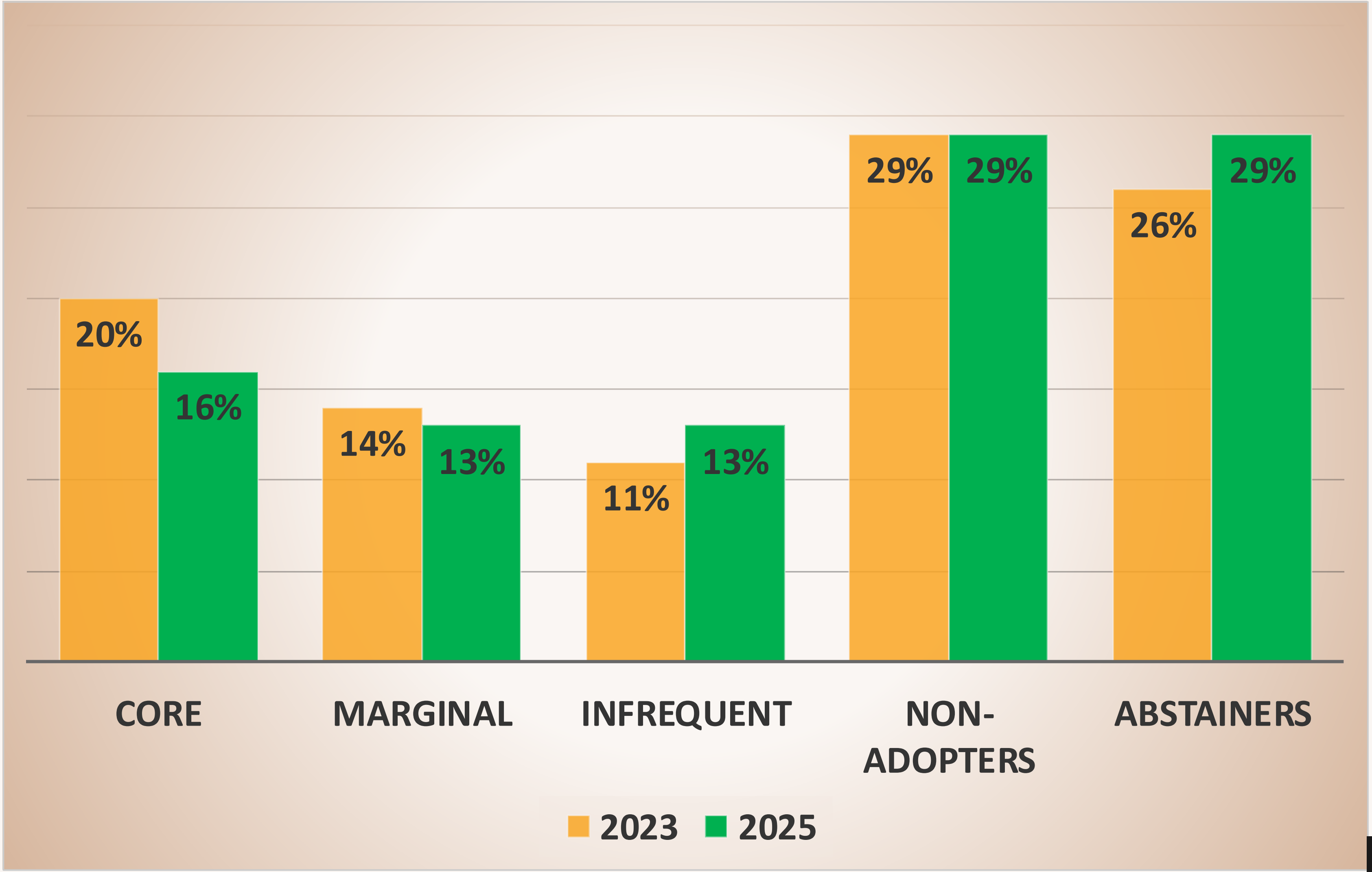
CORE DRINKERS =
Drink wine at least once a week or more

MARGINAL DRINKERS =
Drink wine less than once a week but more often than every 2-3 months

INFREQUENT =
Drink alcohol of ANY kind less than once a quarter

NON-ADOPTERS =
Drink other alcohol categories, but little or no wine

ABSTAINER =
Does not drink alcohol

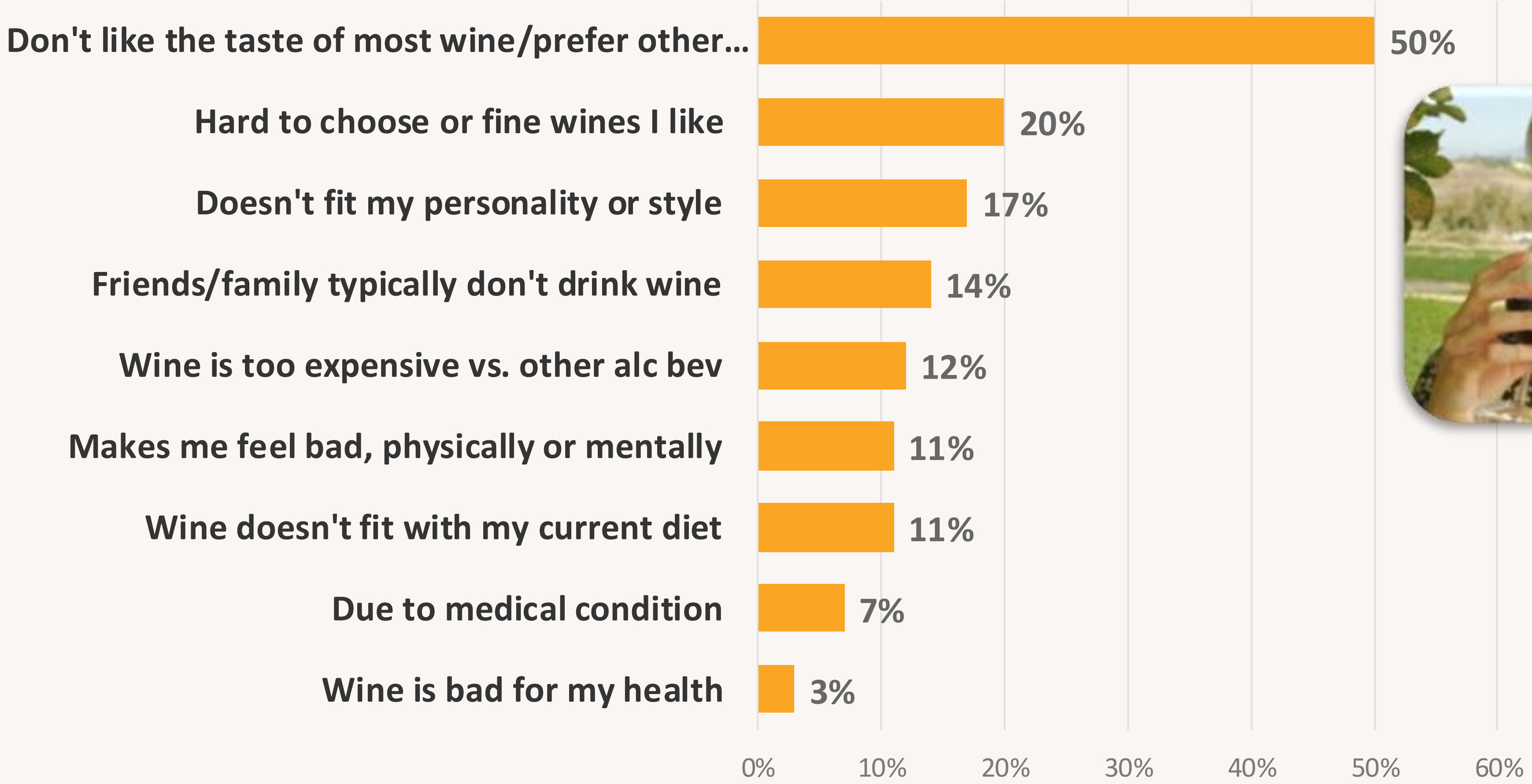


Sources: WMC 2023, 2025 Benchmark surveys

Non-adopters: why don't you drink wine?

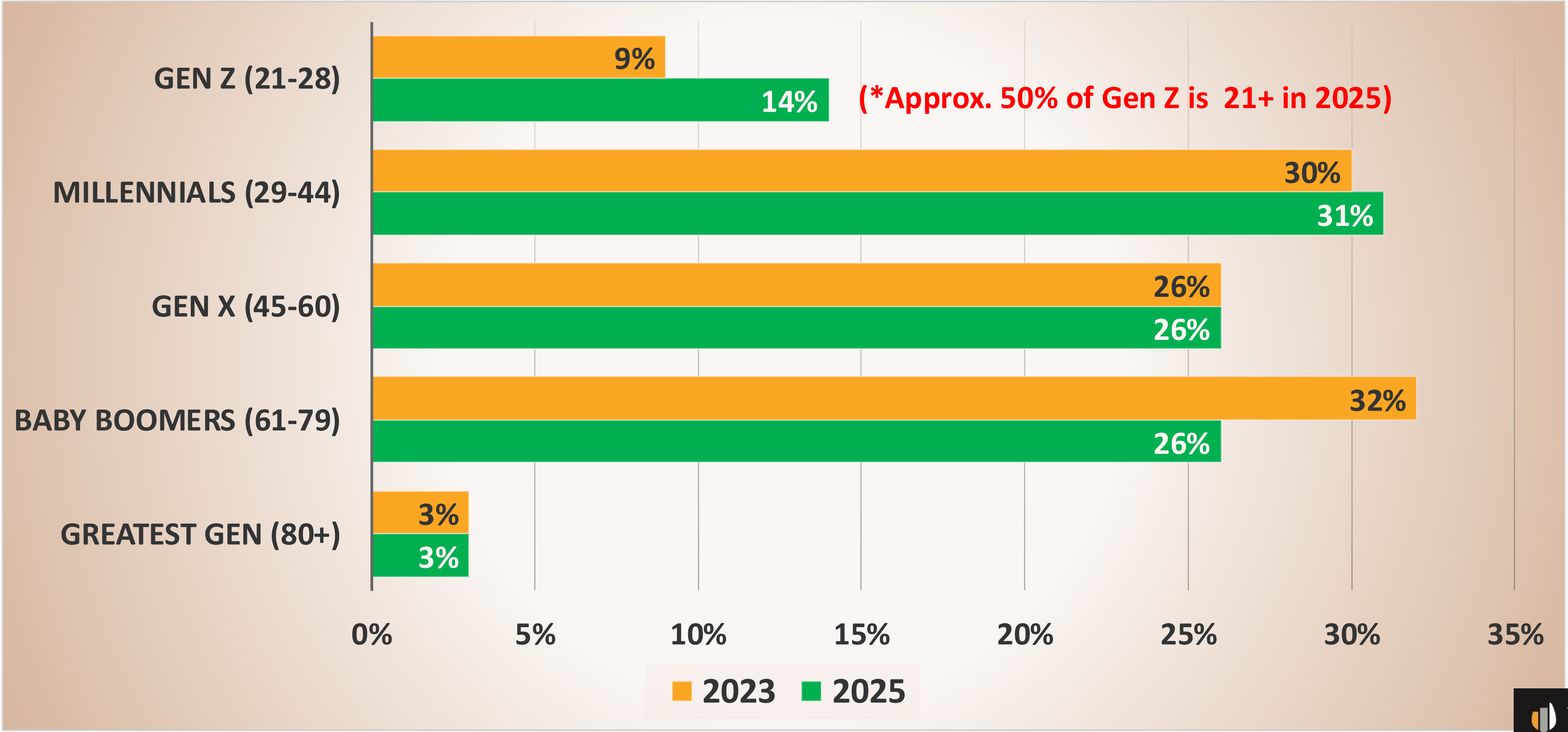
Q6N: You indicated you rarely or never drink wine (sparkling or still). Why don't you drink wine (sparkling or still) more often or at all?

Base: Non-adopters (rarely/never drink wine but drink some other category regularly)



Sources: WMC 2025 Benchmark survey

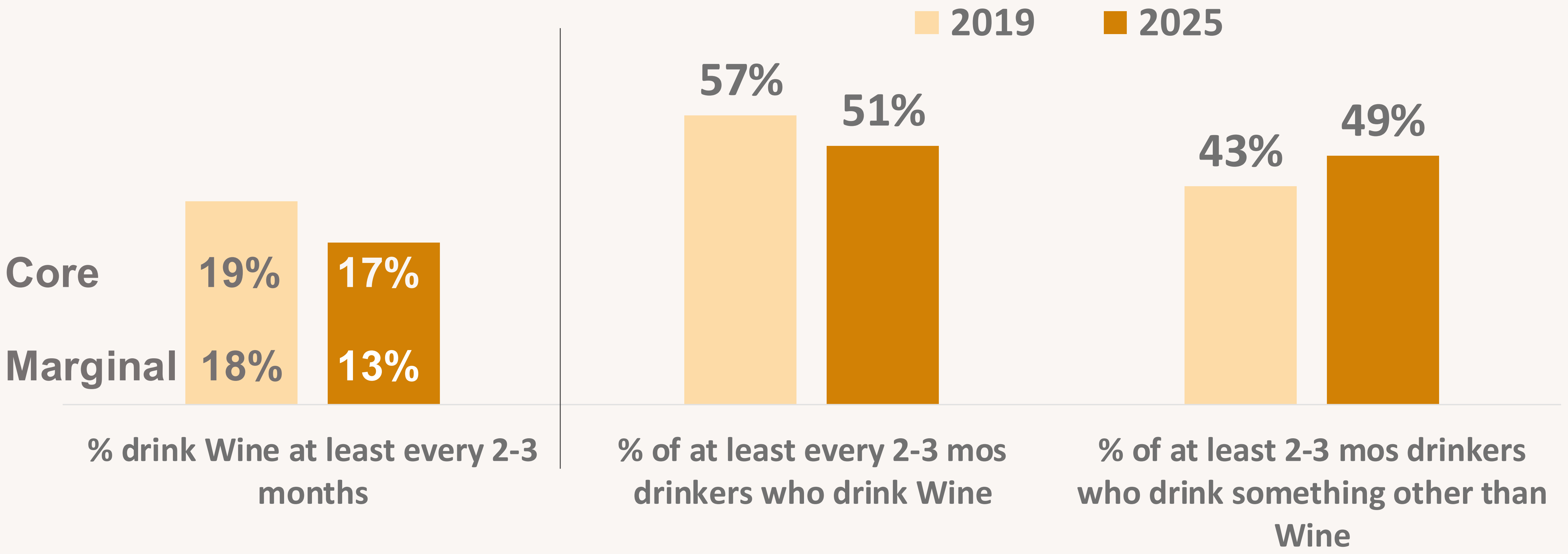
WINE DRINKERS BY AGE & GENERATION



Sources: WMC 2023, 2025 Benchmark surveys

Drinking Behaviors of Younger LDA's Have Changed

21-29 year olds (%) – 2025 vs 2019



Sources: WMC 2019, 2025 Benchmark surveys

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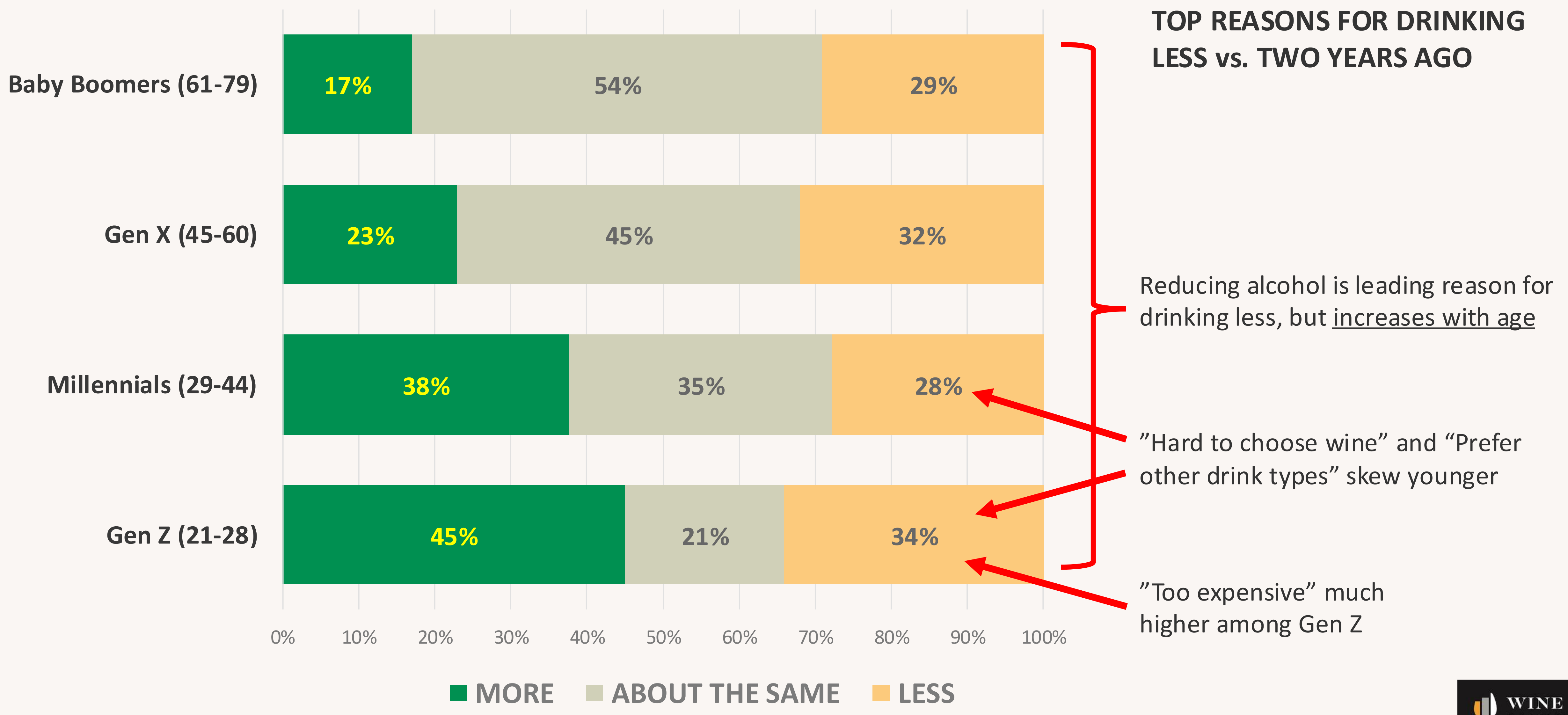
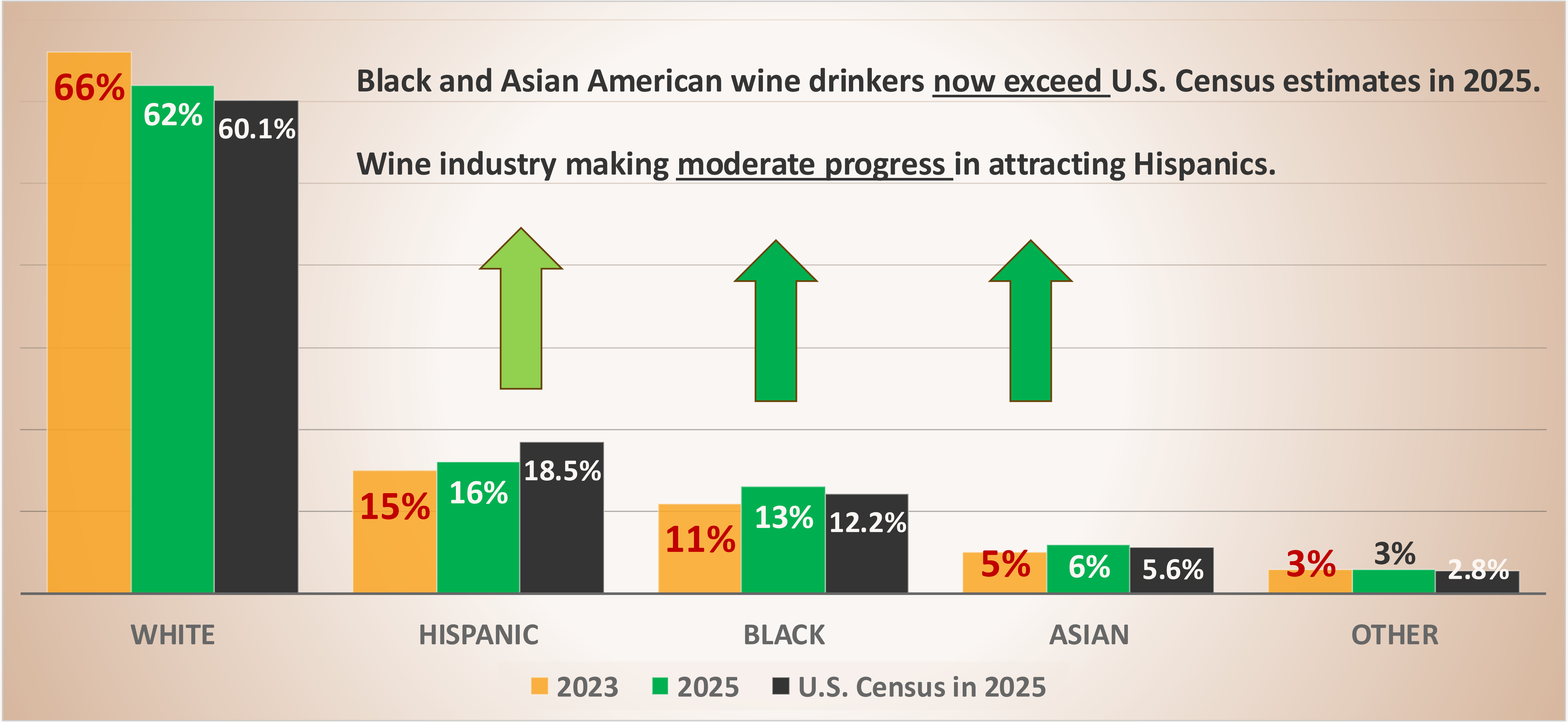
2025 Wine Drinkers: Drinking More vs. Less Wine



Sources: WMC 2025 Benchmark survey

WINE DRINKERS BY ETHNICITY



Source: Brookings Institute 2025 for U.S. Ethnicity Calculation

Sources: WMC 2023, 2025 Benchmark surveys

Wine Tourism: a Demographic Shift

- **Older wine consumers FAR less likely to intend to visit every wine region in next 1-2 years than younger**
  - Boomers & older 5-12% depending on region
  - Gen Z/Millennials 20-34% depending on region

- **Non-Hispanic whites less likely to intend to visit than Black, Hispanic or Asian Americans**
  - Non-Hispanic whites 13-20%, depending on region
  - Other ethnicities 16-39%, depending on region

Photo Credit: GAAR Blog

- **But UNLIKE wine consumption generally, only a modest income skew when it comes to interest in visiting wineries.**
  - Opportunity to engage marginal and more casual wine consumers?

Sources: WMC 2025 Benchmark survey

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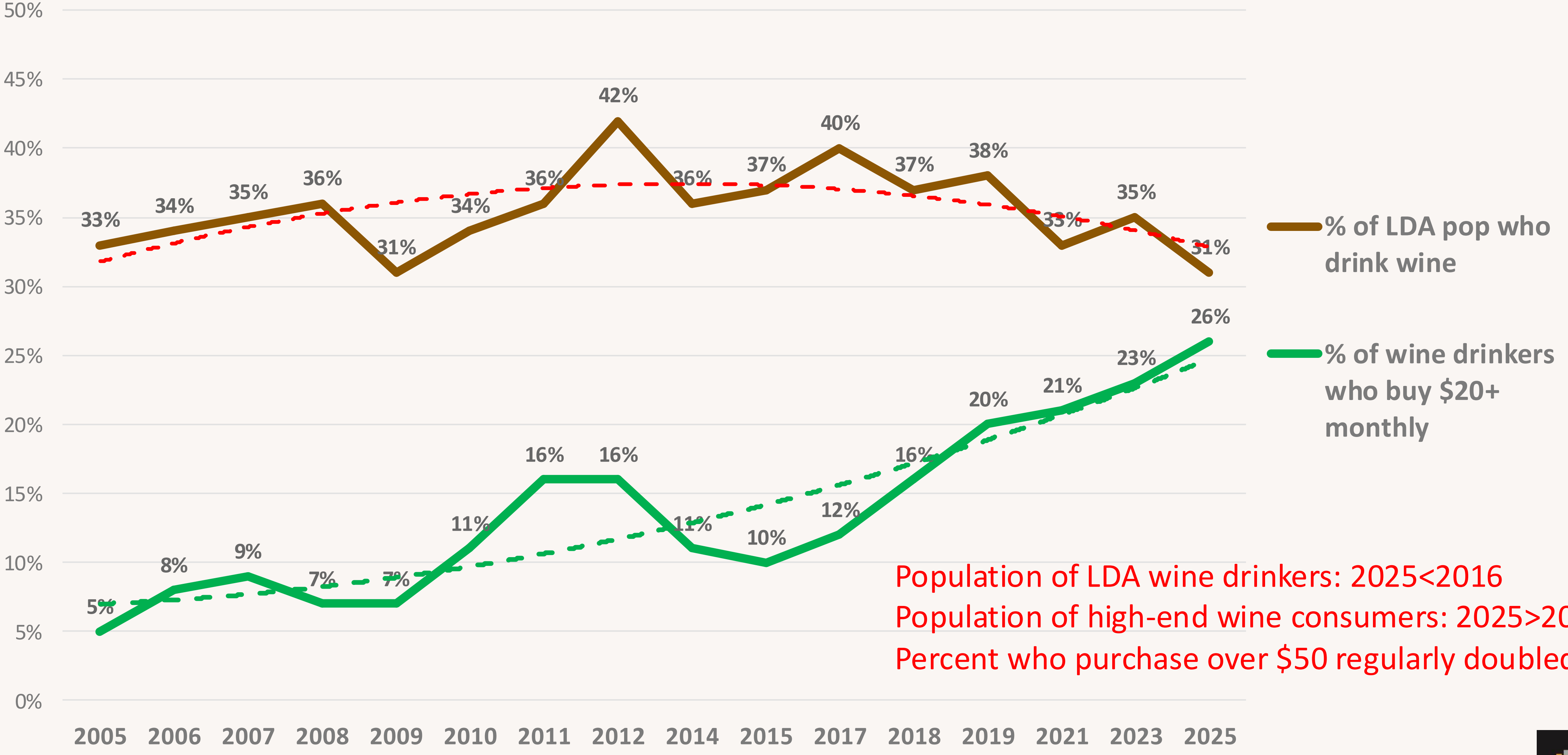
Long Term Trends in Wine Consumer Population

Total Wine Consumers vs. High End Wine Consumers



Population of LDA wine drinkers: 2025<2016

Population of high-end wine consumers: 2025>2016

Percent who purchase over $50 regularly doubled 4 to 8%

Source: Wine Market Council Benchmark Segmentation Surveys

Luxury Wine Consumer Traits

Primary Source of $50+ wines

Stores specializing in sales of fine wines	26%
Directly from winery tasting rooms or websites	14%
Grocery, mass market or drugstores	14%
Online retailers	13%
Club or warehouse stores	10%
Other types of wine or liquor stores	10%
As part of a wine club I belong to	7%
Auctions	3%
Some other source	0%

Occasions for Serving $50+ wine

Gifting	40%
To share with friends or family	48%
For a romantic occasion	48%
As a treat on any occasion	46%
To serve with special or holiday meals	44%
Bring to friends' houses for dinner	39%
Age in my cellar or wine fridge/closet	22%
To share with fellow wine experts or aficionados	21%
As an investment	14%
I don't generally reserve these wines or wine-based drinks for particular occasions	1%

OR
31%

Sources: WMC 2025 Benchmark survey

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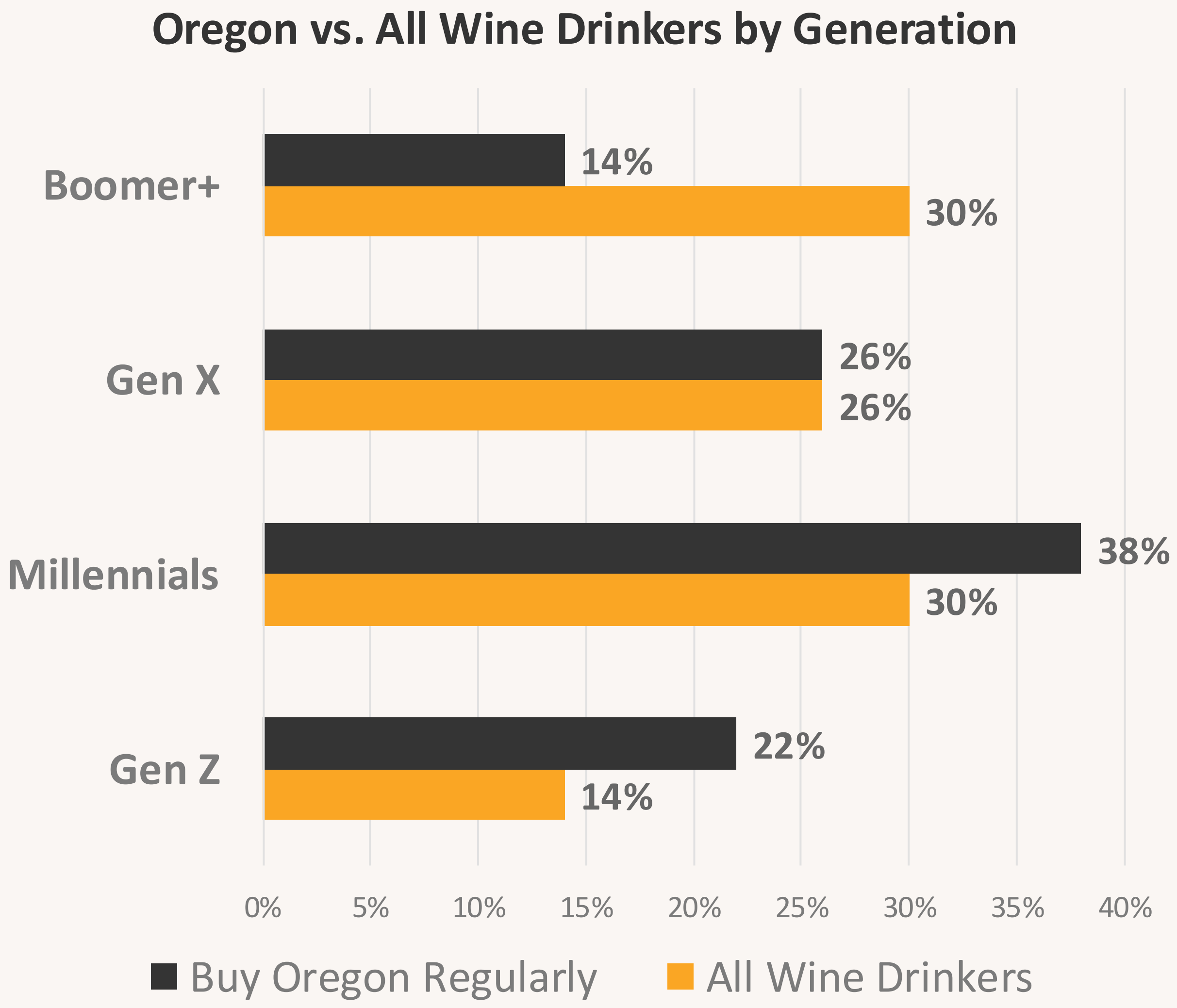
Oregon Wine Consumers



Index High for PN, Syrah, Malbec, PG, White Blends, Dry Rosé, Champagne, Cava

Visitation adds overindexing on:
--Riesling
--Domestic sparkling
--Tempranillo,
--PN (even higher)

Higher % Hispanic, Male, College Grad

More likely to be Core (68%) and High End (61%). 29% buy $50+, 20% $100+ regularly

Much higher patronage of Club/Warehouse stores (50%), Online retail (39%) and DtC (38%)

Sources: WMC 2025 Benchmark surveys

Challenges & Opportunities

Some of the Wine Boom's Drivers Have Expired – But Not All

EXPIRED

boomer life stage 40s-50s

health news

expanded distribution

US food/drink culture

BARRIERS

How do I choose?
What does it taste like?
How much to spend?

Other stuff is easier and more fun

WINE STILL STRONG!

high income/education consumer base

Associations with Romance & Friendship

pure, natural, real

POTENTIAL LEVERS

Ethnic Diversification

Wellness

Shopping & Occasions: Opportunities & Solutions

- Make wine more casual & fun
- Make wine easier to choose or enticing on-premise
- Diversify products
- Make it easier to figure out which wine you want

- Remind the trade that the wine consumer is valuable

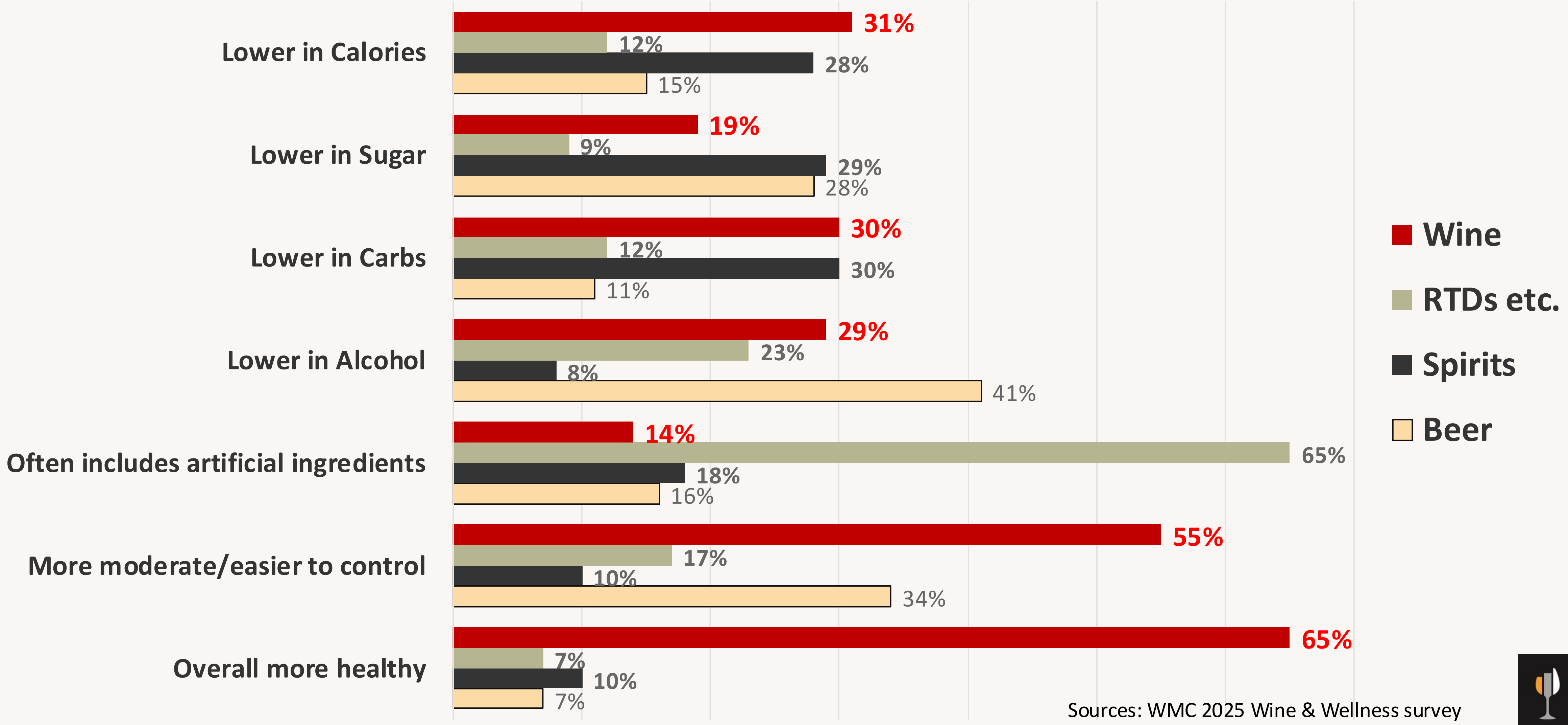
BASKET VALUE PER SHOPPING TRIP

Non Wine Buyer	$43.49
Wine Buyer	$77.34
• Wine	$18.68
• Other products	$58.66

Source NIQ Omni panel 52 wks end 11/30/2024

Wellness is Not Wine's Enemy

Q24-25 Please indicate which of the following drinks you associate with the attributes in each row.
(checking "none" vacates all other choices)



Sources: WMC 2025 Wine & Wellness survey

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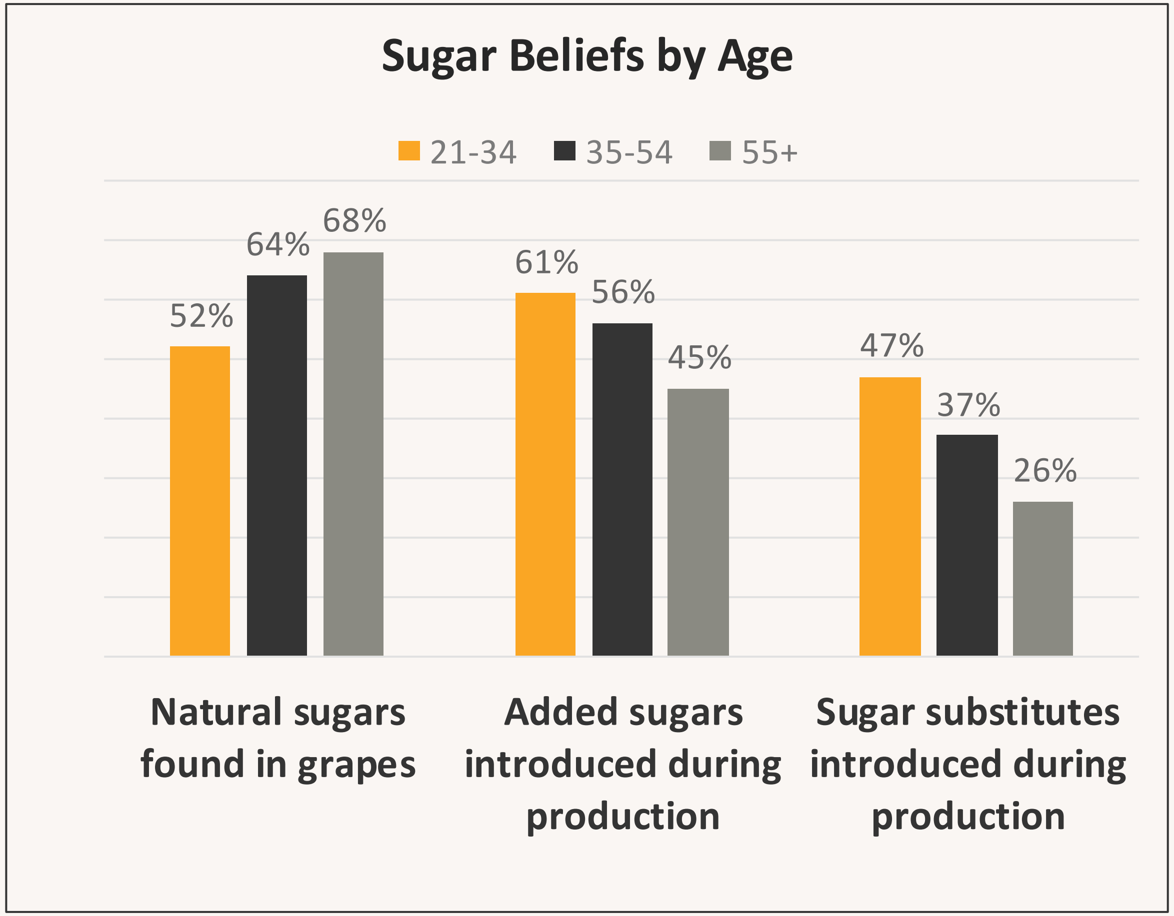
Ingredient Concerns: the Case of Sugar

47% of consumers believe that wine is high in sugar
(WMC Ingredients/Nutrition study 2022)

Q19: You told us you were concerned about the sugar content of wine. Where do you believe that sugar comes from?

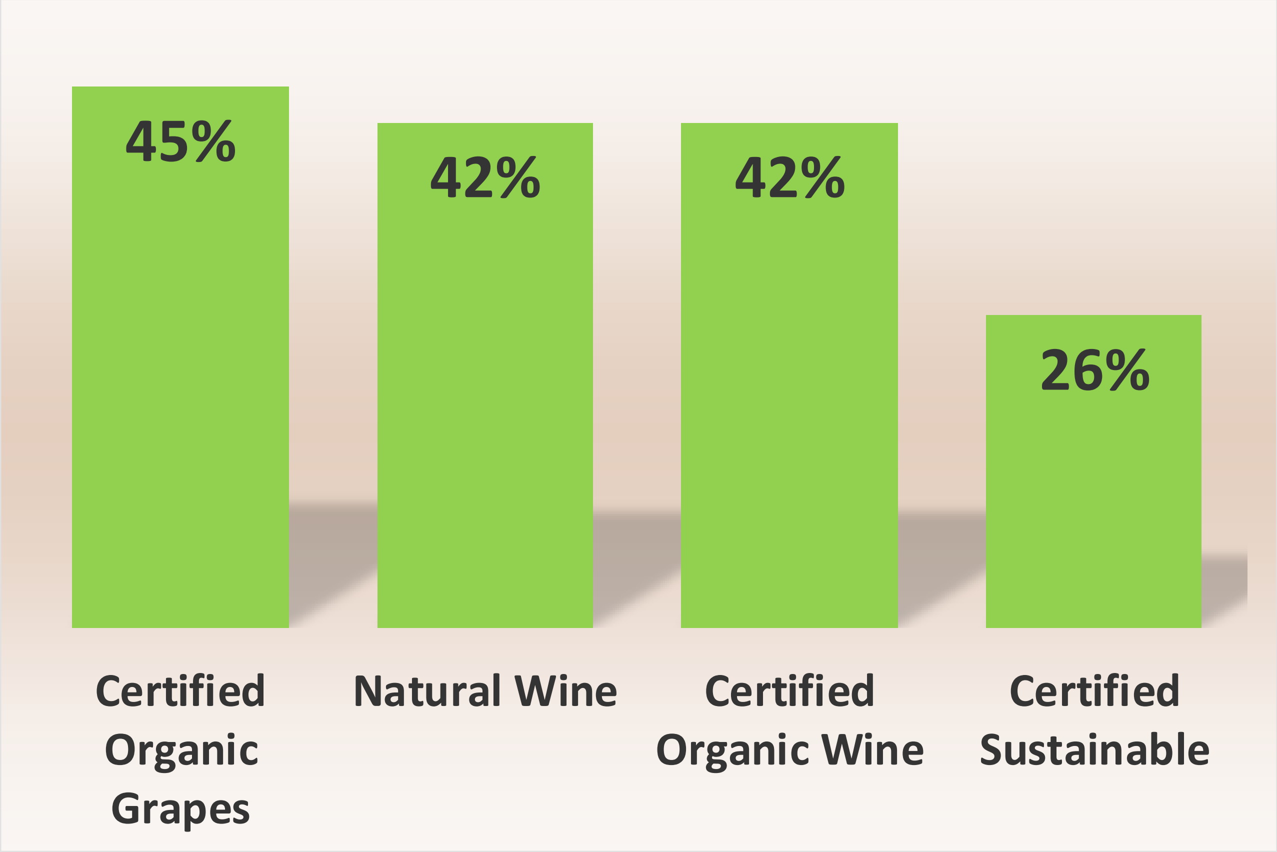
Natural sugars found in grapes	63%
Added sugars introduced during production	53%
Added sugar substitutes introduced during production	36%
I do not know	8%



Sources: WMC 2025 Wine & Wellness survey

Wellness Perceptions of Eco-friendly wines

To what extent do you think certain types of wine are healthier or better for you personally than typical or conventional wines?



Prime reasons are no/fewer inputs (preservatives, pesticides, additives, etc.)

Positive responses skew younger

Photo Credits: Pexels.com

Sources: WMC 2025 Wine & Wellness survey

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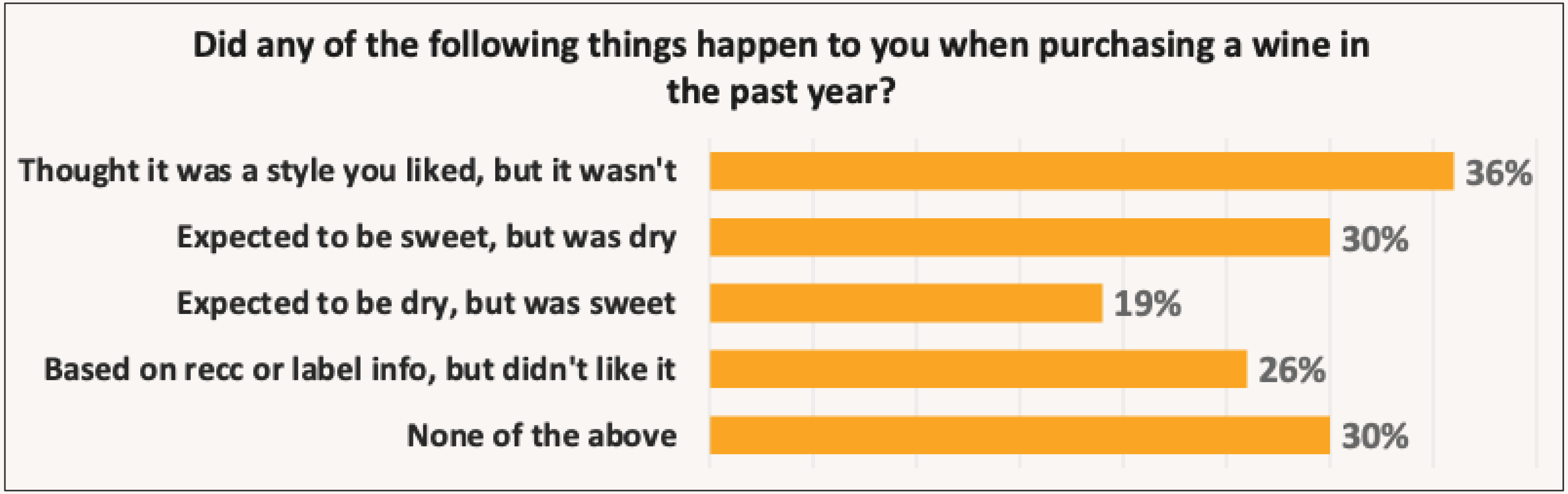
Practical Barriers & Challenges: Flavor

Many consumers who mostly or entirely drink other categories think they dislike wine's taste
Many consumers interested in, but not knowledgeable about wine, can't find the flavor/styles they like



Source: WMC 2020 Communications survey

SOLUTIONS

- Make the flavors clear (especially sweetness and body/intensity)
- Showcase, promote & explain wine's diversity of flavor
- Introduce new wine-adjacent products (fruit wines, cider, cocktails, sparkling...)

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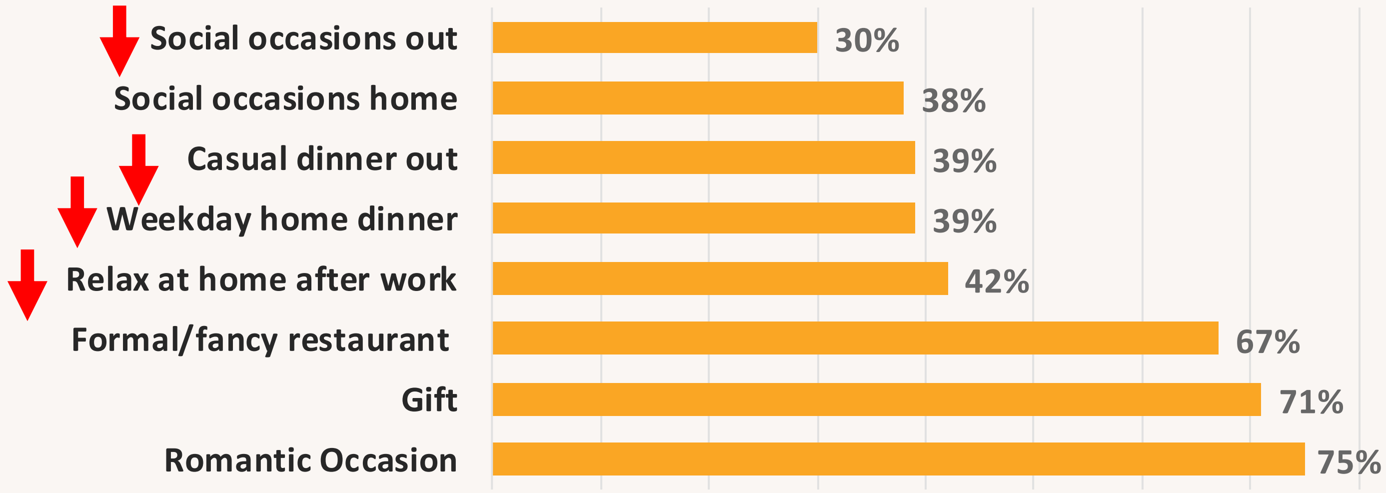
Practical Barriers & Challenges: Shopping

Wine is less likely to be chosen on casual social occasions & is losing to other drinks on-premise.

Wine Consumers: % Choosing Wine by Occasion



Shopping barriers: it's hard to choose & there is flavor uncertainty.

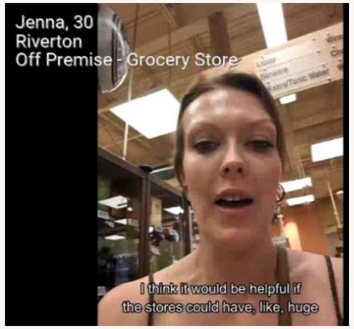
70% of wine buyers purchased a wine whose flavor "surprised" them

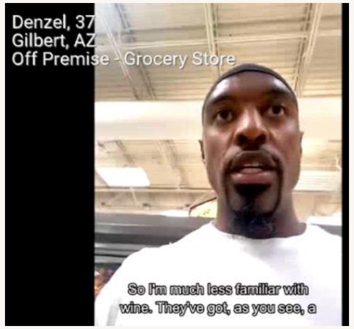
We see this...

Marginal, casual and non-consumers see this

Wine Barriers Study: Shopping Experience

Video interviews with 60 wine shoppers around the U.S.





Off Premise Insight

" Walking into the wine aisle, I often feel overwhelmed and confused. There is so much to choose from yet, I don't know what I will like or works for my needs."

On-Premise Insight

"When I look at a beverage menu, I'm drawn to the signature cocktails and their fun descriptions. Wine is listed in the same 'o, same 'o way with brand and varietal neither of which I understand."

Sources: WMC/Vista 2025 Grande Barriers study

Quantitatively Tested Solutions to Shopping/Occasion Barriers

(N=1500, Online Shopping Simulation)

Solution	Wine Cocktails	Seasonal, Ltd Edition wines	Flavored Wine	Single Servings, Trial Packs
Large $8-12 brand	New wine-forward cocktails developed & offered with training in casual national chains	Holiday-themed wines such as pumpkin spiced cooler, mulled wine;	Currently fashionable or original flavors but don't try to compete with classic cocktails;	Wider variety of types; mixed variety packs; intro or single serving sizes of flavored, cocktails
Medium Sized $12-25 brand	Extend depletions of wine BtG in independent restaurants via recipes; diversify TR offerings	Limited lots to match the weather: hearty for winter, light, low alc for summer, May wine for Spring, Nouveau for harvest	Natural, high quality, organic ingredients tied to craft/ag (sangria)	Need wider variety of sub-750ml sizes from established brands with quality image; promotion, cold box
Small $25-50 brand	Upscale craft or sparkling cocktails offered in tasting room and as aperitifs at events; distilled grape spirits, fortified wines	Single barrel, limited lots, themed releases; tied to seasons or events; targeted retailers plus club, online offers	High end crafted vermouths, digestifs or dessert wines	50ml samplers for club members or to entice mailing list; small "picnic" packages for wine tourists

Sources: WMC/Vista 2025 Grande Barriers study

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Individual Wineries: Three Vectors for Growing Sales

I. Selling to a consumer niche that has been less saturated, promoted to, or communicated with than most.

II. Offering and distinctive or unique wine or wine-based product that appeals to a consumer type, and then effectively targeting distribution and communication to that consumer.

III. Wineries that are most efficient tactically in distribution and/or consumer communications and/or hospitality/customer relations will take share from less effective wineries. A lot of this will involve effective data tracking and analytics in DtC, 3 tier distribution and customer/consumer perceptions.