



2018 OREGON WINE AT RETAIL

NIELSEN DATA FOR 52 WEEKS ENDING 12/29/2018

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OREGON WINE BOARD

OBSERVATIONS ON OREGON'S PERFORMANCE IN 2018

OVERALL: Oregon wine's growth in dollar value (+12.4%) and case volume (+12.1%) far outpaces the average category performance (+1.5% and -0.6% respectively)

COMPETITIVE REGIONS: Oregon's growth continues to outperform that of Washington State and California, despite commanding a significantly higher average price per bottle. This is true across the U.S. as a whole and in the majority of major markets analyzed

PRICE TIERS: Total category growth is dragged down by low performance in the <\$10.99 price range; in tiers above \$11, the category is growing at modest single digits

- Oregon outpaces the category across all price tiers

VARIETIES: Growth in Oregon Pinot noir, Chardonnay and sparkling wine far exceeds the category in both value and volume

- Oregon sparkling growth is off a very small base

AVERAGE PRICE: Oregon's price per bottle held steady at just above \$16/bottle – more than 2x the average

PENETRATION: Oregon picked up 3.4 points of distribution (+9.3%), while adding 0.2 items per point of distribution

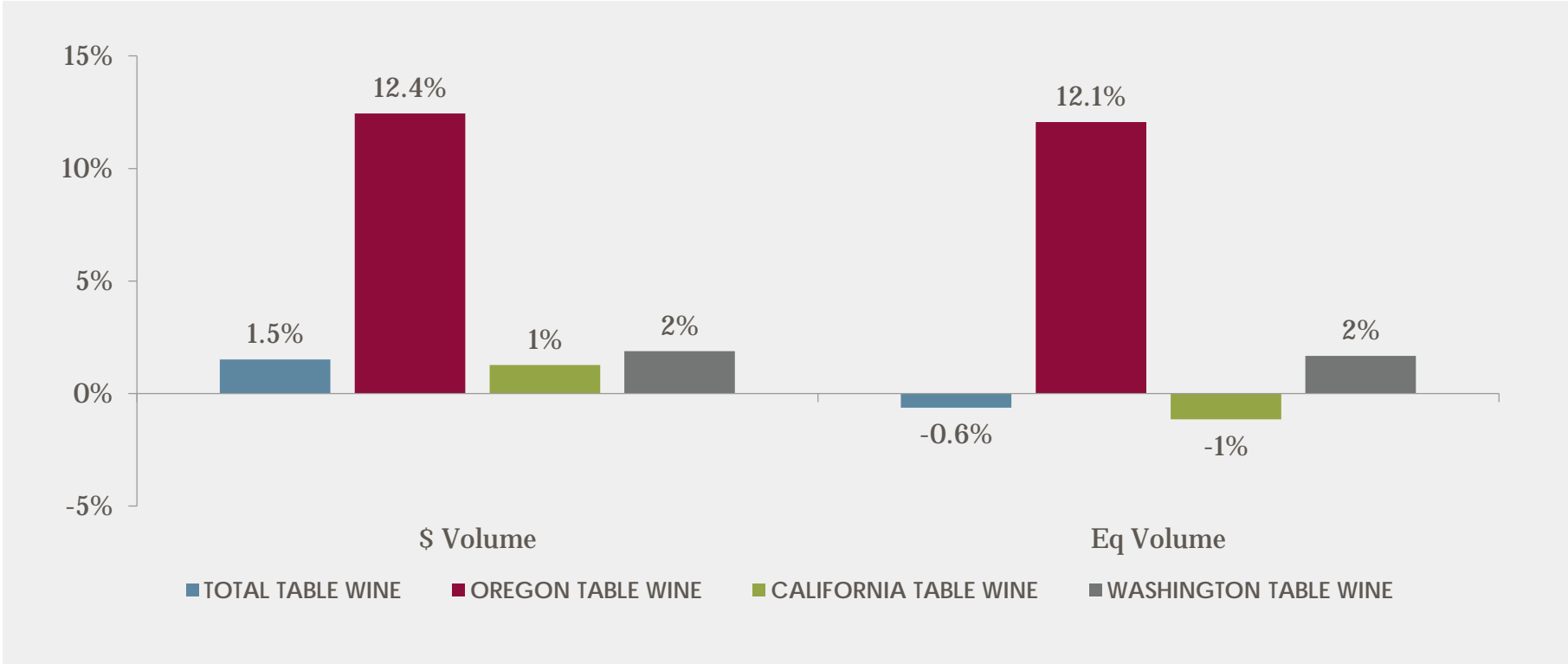
VELOCITY: Oregon's overall \$ velocity grew 2.9%, driven by an 8.3% increase in \$/pt distribution within the \$20-24.99 price range

NIELSEN'S RELEVANCE TO OREGON

- The volume reported through Nielsen accounts for a substantial amount of Oregon sales¹:
 - 27% of Oregon wine sold globally across all channels
 - 39% of Oregon wine sold through domestic wholesale channels outside of Oregon
- The 2018 report comprises 324 Oregon brands and 988 Oregon UPCs
- Nielsen's tracked outlets have grown substantially over the years to encompass as many channels as possible. The data in this report include:
 - Traditional Grocery stores
 - Liquor stores in many markets, including 16 major chains, e.g. BevMo, Total Wine, Binny's, Spec's, ABC Liquor
 - Mass merchandisers (Target, Walmart)
 - Club stores (BJ's, Sam's Club)
 - Drug stores and the Dollar channel

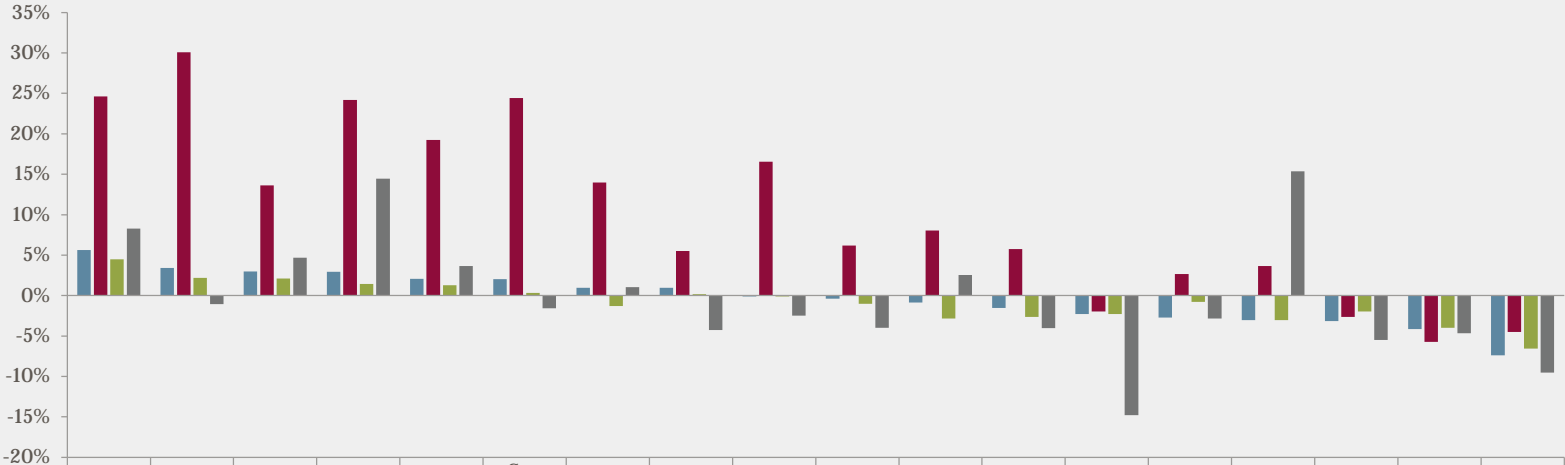
¹Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/29/18 and 2017 Oregon Vineyard & Winery Report

CATEGORY GROWTH – NATIONAL



Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/29/18

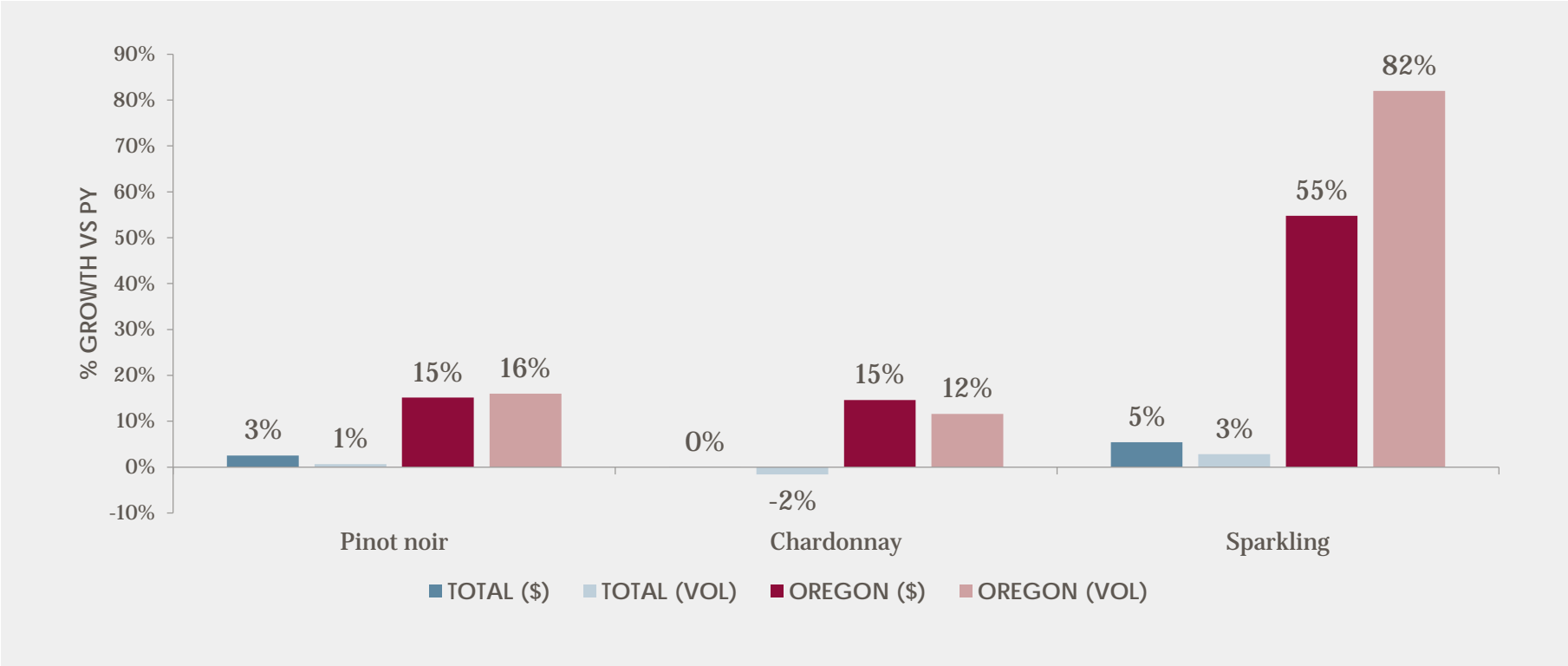
\$ GROWTH BY MARKET



	Phoenix	Los Angeles	Dallas-FtWorth	Tampa	Chicago	San Francisco	Seattle	Atlanta	Washington DC	Oregon	Minneapolis	Portland	San Diego	New Jersey	Miami	New York	Denver	Boston
Total	6%	3%	3%	3%	2%	2%	1%	1%	0%	0%	-1%	-2%	-2%	-3%	-3%	-3%	-4%	-7%
Oregon	25%	30%	14%	24%	19%	24%	14%	6%	17%	6%	8%	6%	-2%	3%	4%	-3%	-6%	-5%
California	4%	2%	2%	1%	1%	0%	-1%	0%	0%	-1%	-3%	-3%	-2%	-1%	-3%	-2%	-4%	-7%
Washington	8%	-1%	5%	14%	4%	-2%	1%	-4%	-2%	-4%	3%	-4%	-15%	-3%	15%	-5%	-5%	-10%

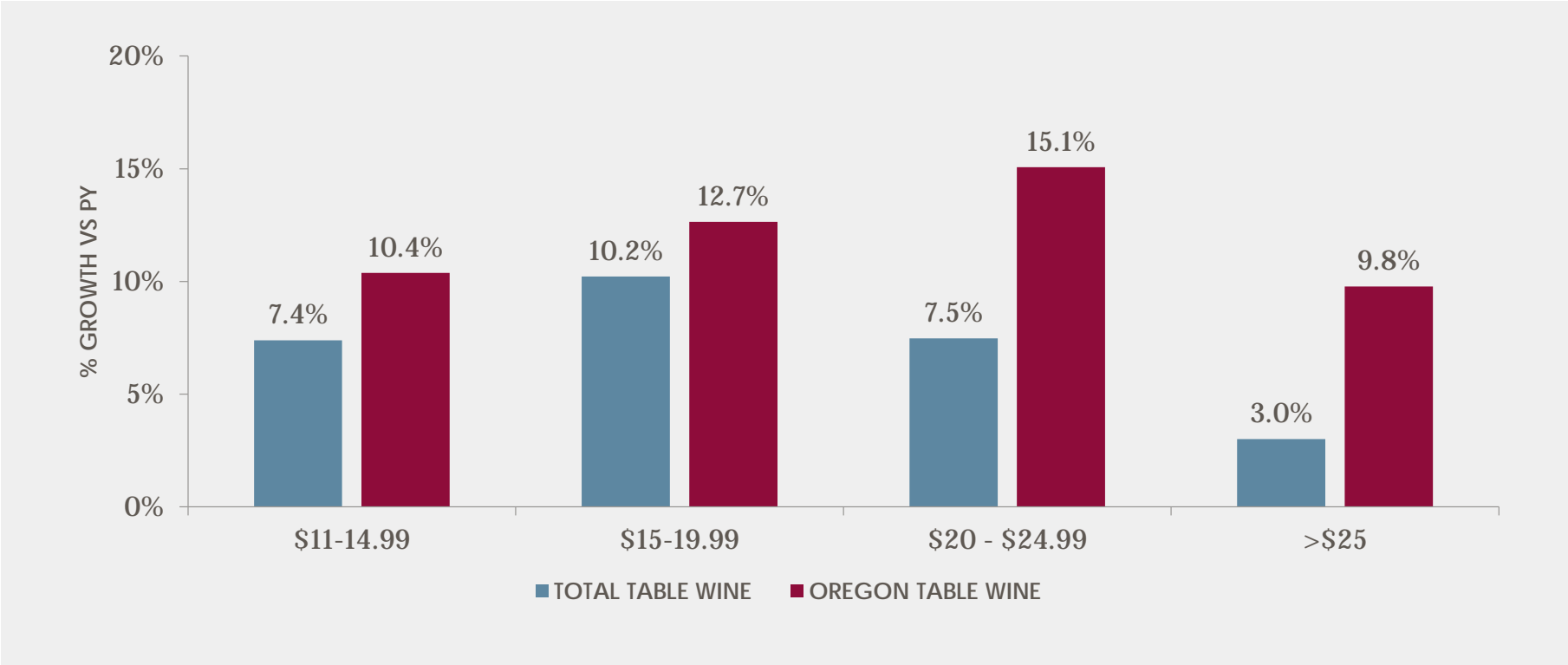
Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/29/18

GROWTH BY VARIETY – NATIONAL



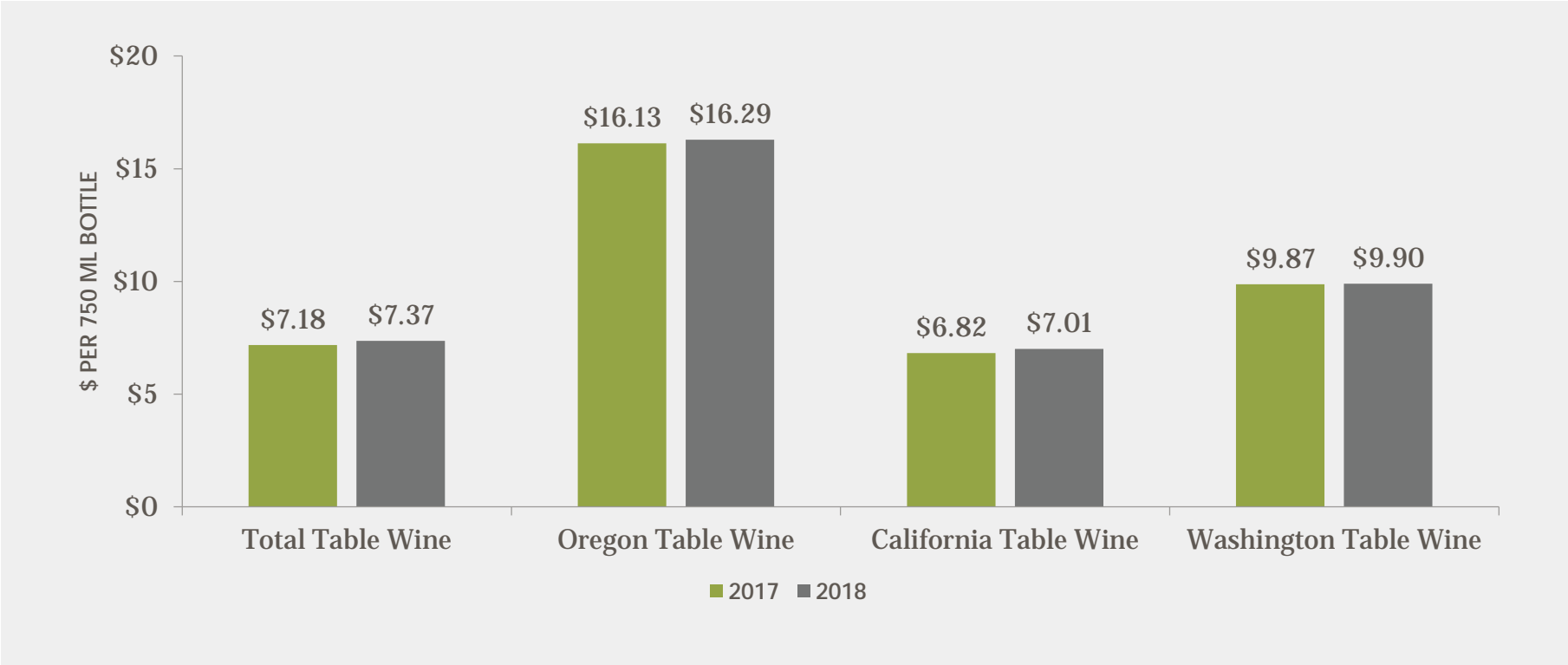
Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/29/18

VOLUME GROWTH BY PRICE TIER – NATIONAL



Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/29/18

AVERAGE PRICE PER 750ML – NATIONAL

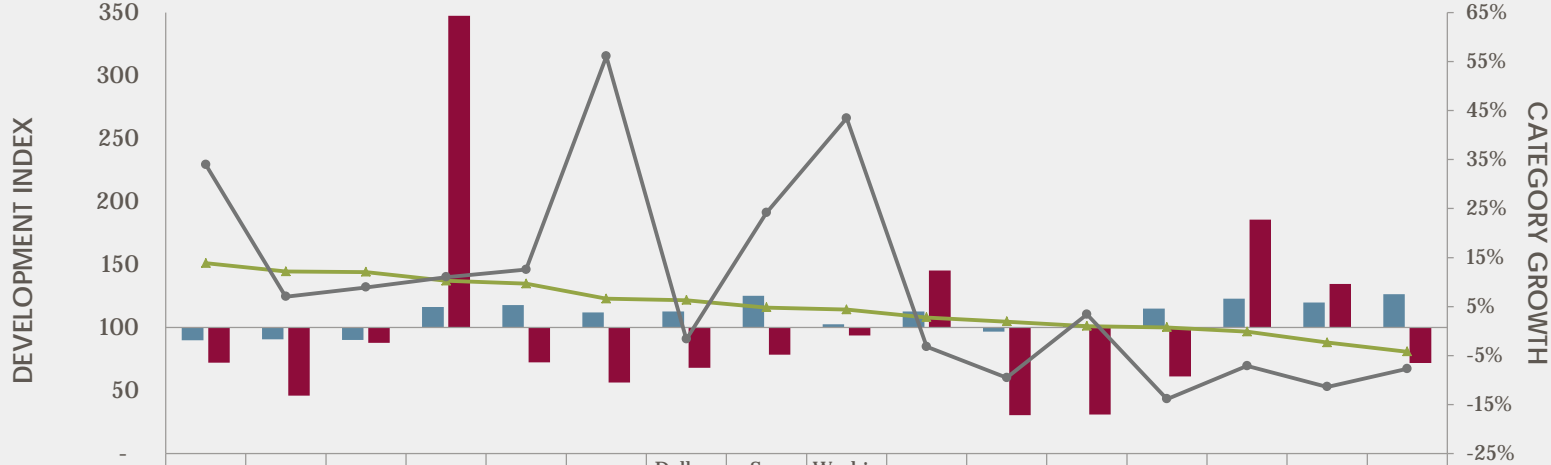


Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/30/17 and 52 w/e 12/29/18

PERFORMANCE BY MARKET

- The following slides show a number of the largest wine markets around the U.S.
 - Portland and Oregon have been left out of these charts due to Oregon wine's over-indexing which skews the graphs
 - Markets are sorted by category growth within the price segment
- The development index indicates the segment's performance in that market relative to the U.S. as a whole
 - Typically, a category / brand may be considered to be “underdeveloped” with an index below 85 and “overdeveloped” with an index above 115
- Wineries might choose to look at the chart that represents the price tier they want to play in. Then, they could see how Oregon is performing compared to the category in that price tier in a given market, and how well developed the price tier (and Oregon's position within it) is.

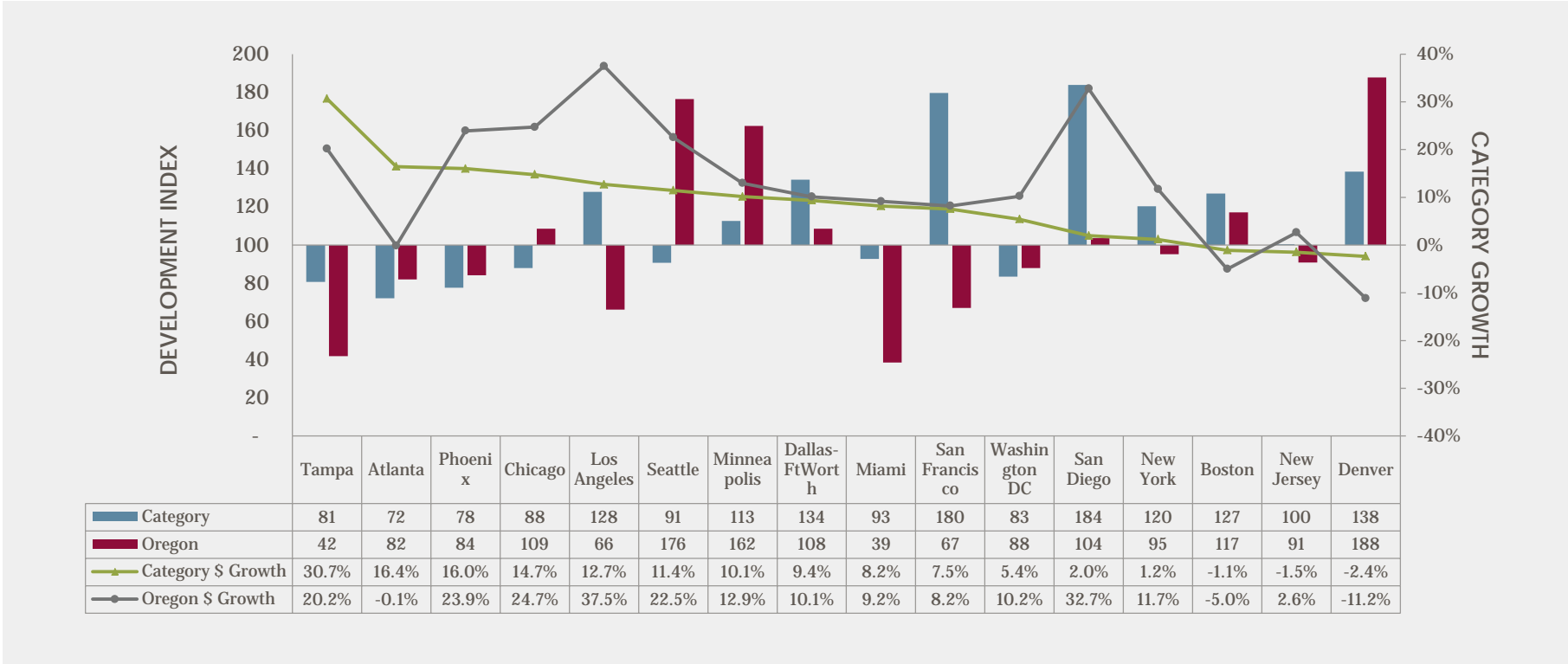
PRICE TIER BY MARKET: \$11-14.99



	Phoenix	Tampa	Atlanta	Seattle	Chicago	Los Angeles	Dallas-FtWorth	San Francisco	Washington DC	Minneapolis	Miami	New Jersey	New York	Denver	San Diego	Boston
Category	90	91	90	116	118	112	113	125	103	113	97	103	115	123	120	126
Oregon	72	46	88	347	73	56	68	78	94	145	31	31	61	186	135	72
Category S Growth	13.8%	12.1%	12.0%	10.3%	9.7%	6.6%	6.3%	4.8%	4.4%	2.8%	1.9%	1.0%	0.8%	-0.1%	-2.3%	-4.2%
Oregon S Growth	33.9%	7.0%	8.9%	11.0%	12.6%	56.1%	-1.7%	24.1%	43.4%	-3.2%	-9.5%	3.4%	-13.9%	-7.1%	-11.4%	-7.7%

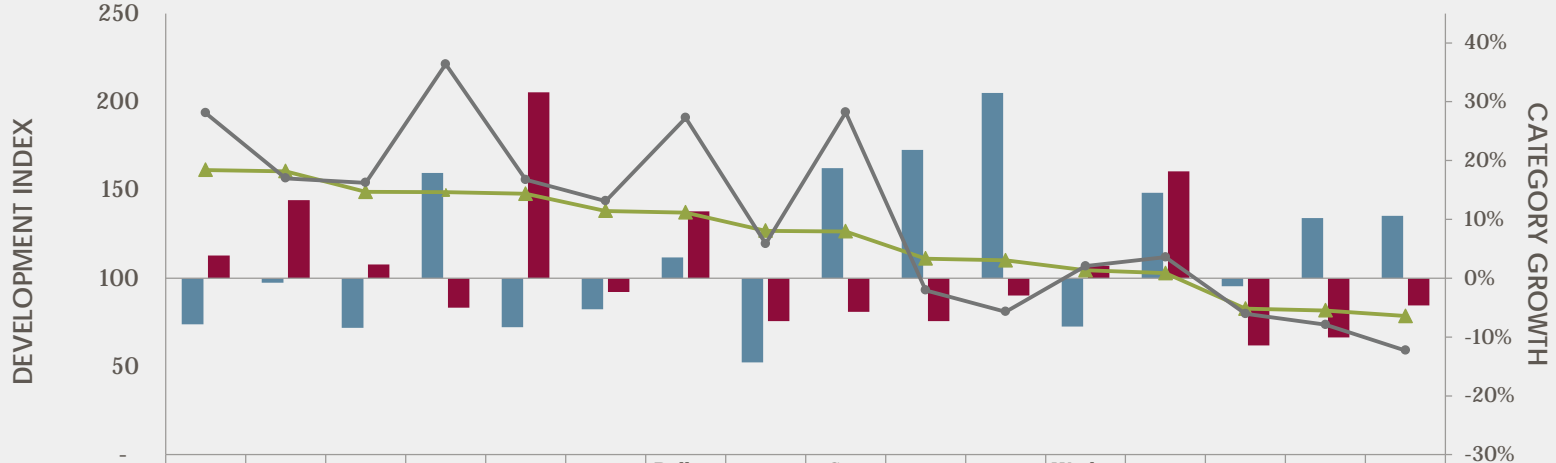
Source: Nielsen, 52 w/e 12/29/18

PRICE TIER BY MARKET: \$15-19.99



Source: Nielsen, 52 w/e 12/29/18

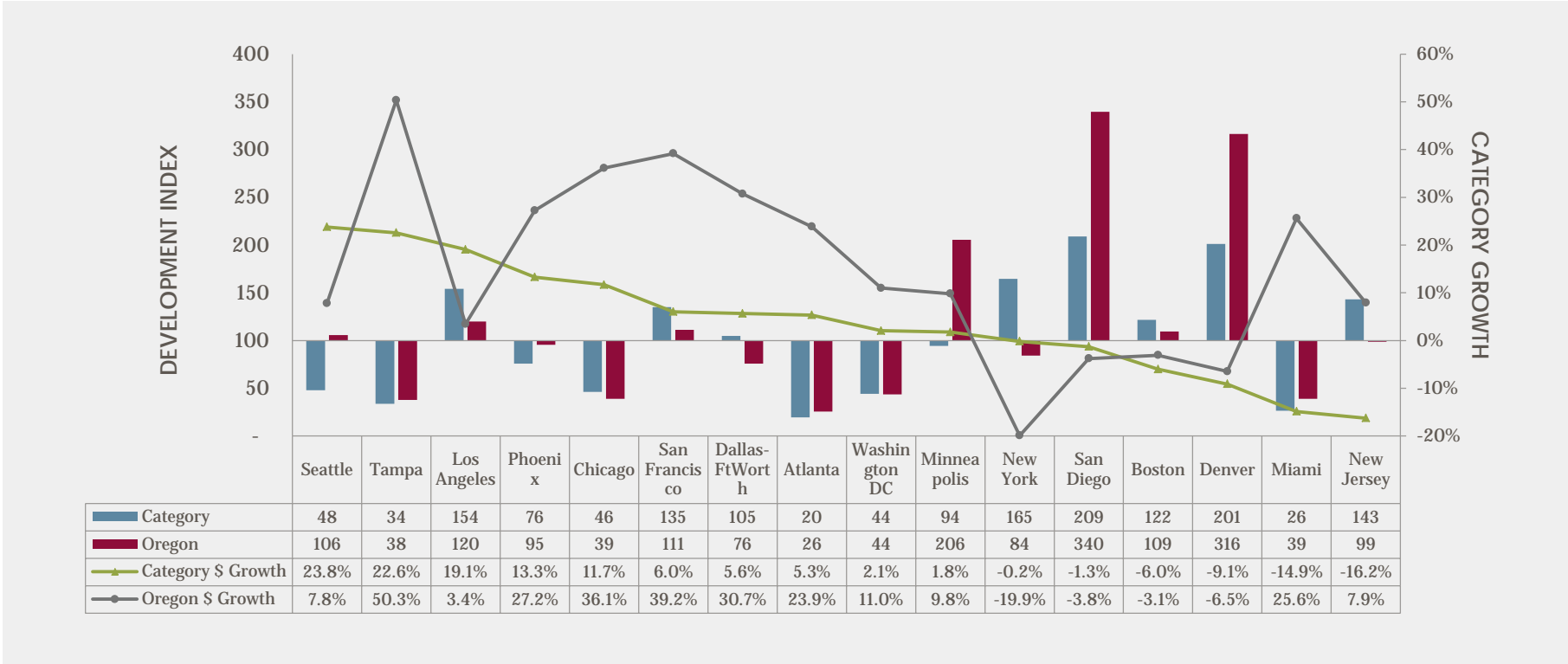
PRICE TIER BY MARKET: \$20-24.99



	Tampa	Minneapolis	Phoenix	Los Angeles	Seattle	Chicago	Dallas-FtWorth	Atlanta	San Francisco	New York	San Diego	Washington DC	Denver	Miami	New Jersey	Boston
Category	74	97	72	160	72	82	112	52	162	173	205	73	148	95	134	135
Oregon	113	144	108	83	205	92	138	76	81	76	90	107	161	62	67	85
Category S Growth	18.4%	18.2%	14.7%	14.6%	14.3%	11.4%	11.1%	8.0%	8.0%	3.3%	3.0%	1.4%	0.8%	-5.2%	-5.5%	-6.4%
Oregon S Growth	28.1%	17.0%	16.2%	36.4%	16.7%	13.1%	27.3%	5.8%	28.2%	-2.1%	-5.7%	2.1%	3.6%	-6.1%	-7.9%	-12.3%

Source: Nielsen, 52 w/e 12/29/18

PRICE TIER BY MARKET: \$25+



Source: Nielsen, 52 w/e 12/29/18

THANK YOU



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