



"Because That's Where The Money Is"

Editorial Comment

A court reporter once asked serial bank robber Willie Sutton "Why do you rob banks?" Without hesitation, Sutton replied "Because that's where the money is."

There is a striking parallel in wine consumer research methodology, when we consider the relative value of survey respondents in each of the wine consumption frequency segments.

Many surveys describe their respondents as "regular wine drinkers," which usually means wine consumption of once a month or more often. As a segment, however, "regular wine drinkers" will include relatively few daily wine drinkers, or those who drink wine a few times a week, because their incidence is much lower than those who drink wine once a week, 2-3 times a month, or once a month. The preponderance of lower-frequency wine drinkers in these surveys greatly diminishes their value.

At Wine Opinions, we set a much higher standard, because not all wine drinkers' opinions are of equal worth to wine marketers. Two decades of consumer research has shown that "high frequency" wine drinkers (those who drink wine more often than weekly) are just 14% of the adult population but account for over 80% of wine sales. "Occasional" wine drinkers (defined by Wine Market Council as those who drink wine once a week or less often, but more often than once every 2-3 months) are 25% of the adult population and account for nearly all the remaining 20% of wine sales.

High frequency wine drinkers drive the market for wines of all types, at every price point, but they are not a monolith. Consider, for example, that nearly all monthly or more often buyers of 3L box wines are high frequency wine drinkers. And so are nearly all who buy \$20-plus 750ml wines on a weekly or monthly basis. Between those two ends of the spectrum are several million weekly or monthly buyers of wines under \$20 who almost always have an opened bottle or two in their refrigerators or on their kitchen counters.

The Wine Opinions national consumer panel, built over the past 16 years, represents every type of high frequency wine drinker - from \$20-plus buyers to bargain bottle hunters, box buyers, and those with preferences for wines from every corner of the globe. Our panel exceeds 20,000 and is comprised of high frequency wine drinkers (85%) and mid-frequency wine drinkers (15%).

Importantly, for every survey we also directly recruit an "oversample" of high frequency wine drinkers with the brand or category preferences of our client's target audience, to insure high degrees of statistical significance on key learning objectives.

The chart below shows respondent segmentation from a recent Wine Opinions survey of 1,656 U.S. wine drinkers. The high frequency segments are the green bars; mid-frequency wine drinkers are represented by the blue bars. We always include a segment of mid-frequency wine drinkers for comparison to the high frequency group, in part because they are the source of most of tomorrow's high frequency wine drinkers.

Recent Survey Wine Consumption Frequencies



Willie Sutton robbed banks because that's where the money is. At Wine Opinions, our research focuses on high frequency wine drinkers, because that's where the market is.

John Gillespie, Founder and CEO

Hard Seltzer Trial/Purchase and Perceptions

In a February survey of the Wine Opinions consumer panel, we established high frequency wine drinkers' degrees of trial and satisfaction with hard seltzers. There were 1,561 respondents (with wine consumption frequencies of daily or a few times a week). Respondents skewed slightly male (53% vs. 47% female), with significant numbers across all age segments.

Among all respondents, 56% reported they had tried or purchased a hard seltzer, while 44% had not done so. There was a decided female skew to triers/purchasers (67%, vs. 48% of males).

Just over half of those who tried or purchased hard seltzer were underwhelmed, as 18% stated they did not like hard seltzer and 34% found it "OK, but not great."

Nearly one-third (29%) liked what they tried and indicated they may occasionally purchase hard seltzers. About 1 in 5 (19%) liked what they tried or purchased very much and may buy hard seltzer regularly. This sentiment was expressed by nearly three times as many females (26%) as males (9%).

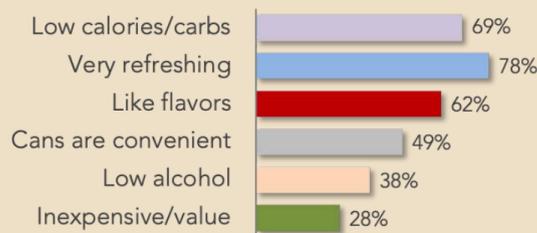
Those who "somewhat" or "very much" liked hard seltzer were shown a list of attributes and asked to check any that described what they liked most about the hard seltzers they had tried or purchased. Topping that list were "very refreshing," low calories or carbohydrates, and the hard seltzer flavors. That hard seltzers are low in alcohol and inexpensive were least often cited as choice motivators. There was a female skew to citing low calories or carbohydrates as a favored attribute of hard seltzers (73%, vs. 65% of males).

It is of note that respondents chose to have hard seltzers mainly on occasions where they usually would have chosen beer. And substituting hard seltzer for spirits was slightly more frequent than for wine.

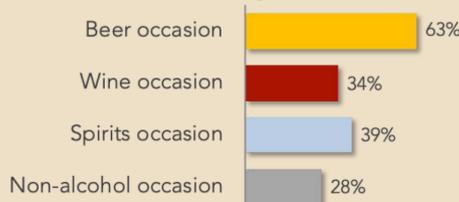
Hard Seltzer Trial/Purchase Outcomes

Tried and did not like – won't buy/try again	18%
OK but not not great – might try again	34%
Liked somewhat – may buy occasionally	29%
Liked very much – may buy regularly	19%

Like Most About Hard Seltzer



Hard Seltzer Consumption Occasions



Wine Club Sales - Obstacles and Opportunities

Guest Column by Christian Miller Full Glass Research (FGR)

Smaller wineries, especially those producing high-end wines, suffered perhaps the greatest losses from the shutdown of tasting rooms during the pandemic. Not only were tasting room take-away sales badly impacted, but the drop in traffic diminished opportunities to grow wine club membership.

Since clubs are the main focus of many wineries' DTC programs (as most club sign-ups stem from a winery visit) sales are constrained by the number of visitors in the region and increasing competition for their visits.

But FGR research with regional associations and winery mailing lists has highlighted another obstacle that will remain in place or even increase as the pandemic recedes - existing multiple-club memberships.

In numerous surveys, we have seen that "excess" club memberships are one of the leading reasons for not joining or dropping clubs. For example, the University of Oregon 2019 wine tourism study showed 73% of those who did not join a club on their visit made that decision because they already belonged to other clubs. To get some idea of the scale of the issue:

- In the Wine Institute 2017 Wine Tourism Study, 17% of all California winery tourists already belonged to 2-4 clubs and 4% to 5 or more.
- In 2019, 75% of Rogue Valley (Oregon) visitors surveyed were already members of at least one wine club.
- In 2017-2020 surveys by FGR of mailing lists for seven prominent luxury wineries in CA, OR and WA, the proportion of respondents belonging to more than three clubs ranged from 23% - 60%.

However, even if a winery's mailing list recipients are already "club saturated," there are opportunities among those who are not club members. Research with individual wineries has shown those mailing list recipients to be frequent consumers and nearly as "involved" in wine as club members.

In FGR research, these "non-club members" mostly break down into two types:

- Those who have distinct reasons for not purchasing via clubs (the larger group). They typically enjoyed their winery visit and the wines; and are an excellent segment for ad-hoc offers on the winery website, via phone, email or social media.
- Those who simply weren't offered the right club benefits at the right time. From one-third to half of them will typically consider joining the club, given the right combination of perks and features.

A winery's club is a source of stability in sales, and was a safety net during the pandemic. But success going forward will increasingly depend on expanding the non-club and non-visitor business.

Sources: Full Glass Research surveys of nine different wine brand mailing lists 2017-2020; Full Glass Research surveys of three wine regions' customers/visitors 2017-2019; Wine Institute/Destination Analyst survey of California wine tourists 2017; University of Oregon Wine Tourism study 2019.

Send to a Friend

Forward this newsletter to a friend by clicking on the link below. They can start their own free subscription.

Forward

Past Issues

View or download PDF files of all past issues of this newsletter on the Wine Opinions website at the link below.

Archives

Subscribe

Manage your newsletter subscription or update your email address at the link below.

Manage