Portrait of the U.S. Wine Consumer & What They Want from the Wine Industry

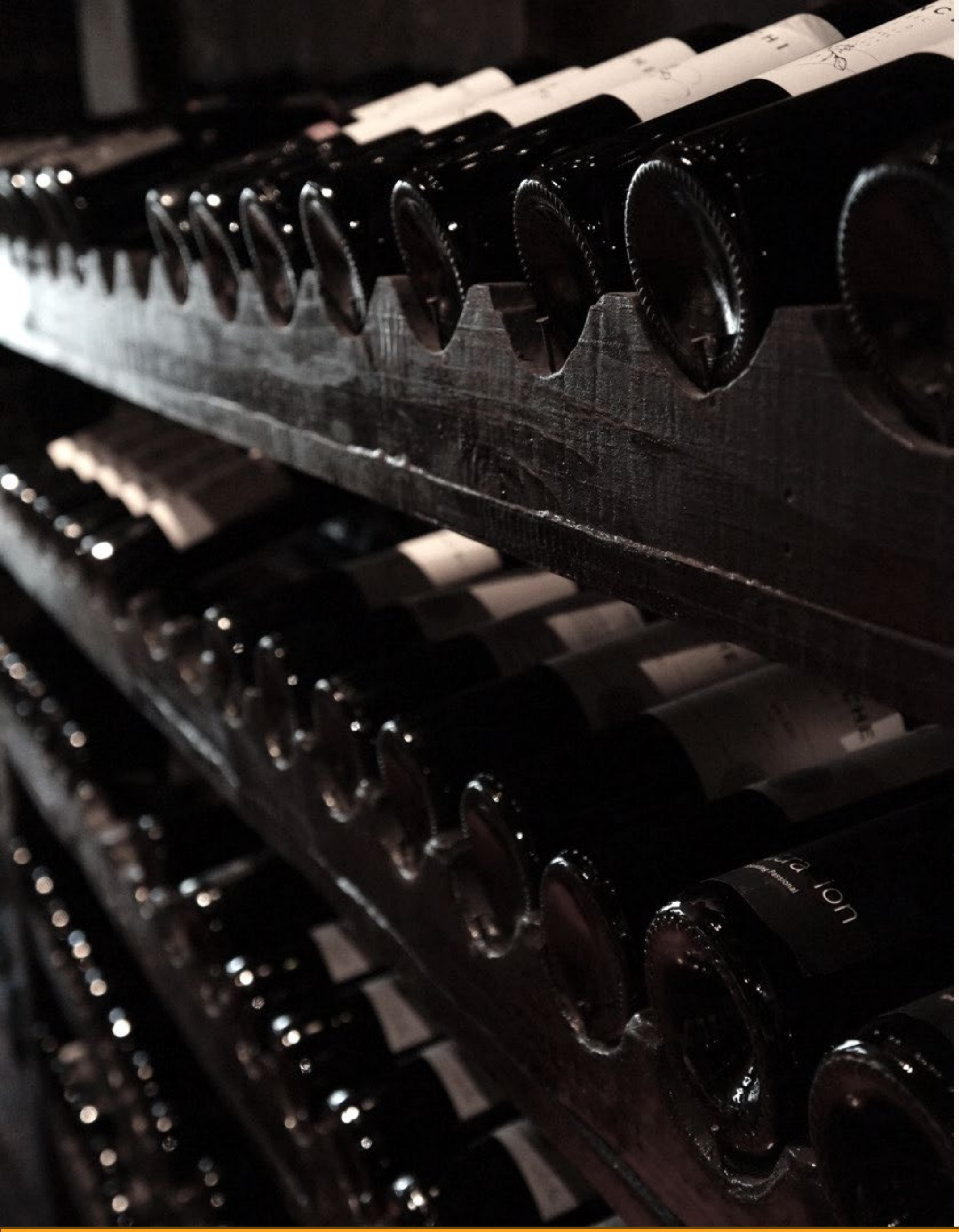
WINE MARKET COUNCIL
2024 Research Conference

2024 WMC RESEARCH CONFERENCE & ANNUAL MEETING

WINE MARKET COUNCIL

Our mission is to be the leader in forward-looking market research on U.S. wine consumer buying habits, attitudes & trends.

Dr. Liz Thach, MW, President & Christian Miller, Research Director



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TOPICS

1) Overview of the WMC Benchmark Segmentation Survey
2) Portrait of the U.S. Wine Consumer in 2023/2024
3) A Review of the Long Term Trends
4) Consumer Messages from Other WMC Studies
5) Key-Take Aways
6) Q&A

Overview of the WMC Benchmark Segmentation Survey

- Commissioned by WMC Members every other year **'to track the *purchasing habits, attitudes, and trends of wine consumers.'*** (WMC MISSION)

- First study completed in 1997 -- **19** national studies completed to date.

- **2023 Sample Size**: **4470** U.S. Consumers, representative sample based on U.S. Census, of which **1584** drink wine

- Survey conducted by *Caravan Big Village Omnibus Surveys* from **Sept to Oct. 2023** in **5 waves** of surveys to protect against random news events skewing results


Approx. 34% of American adults drink wine

U.S. ADULT SEGMENTATION

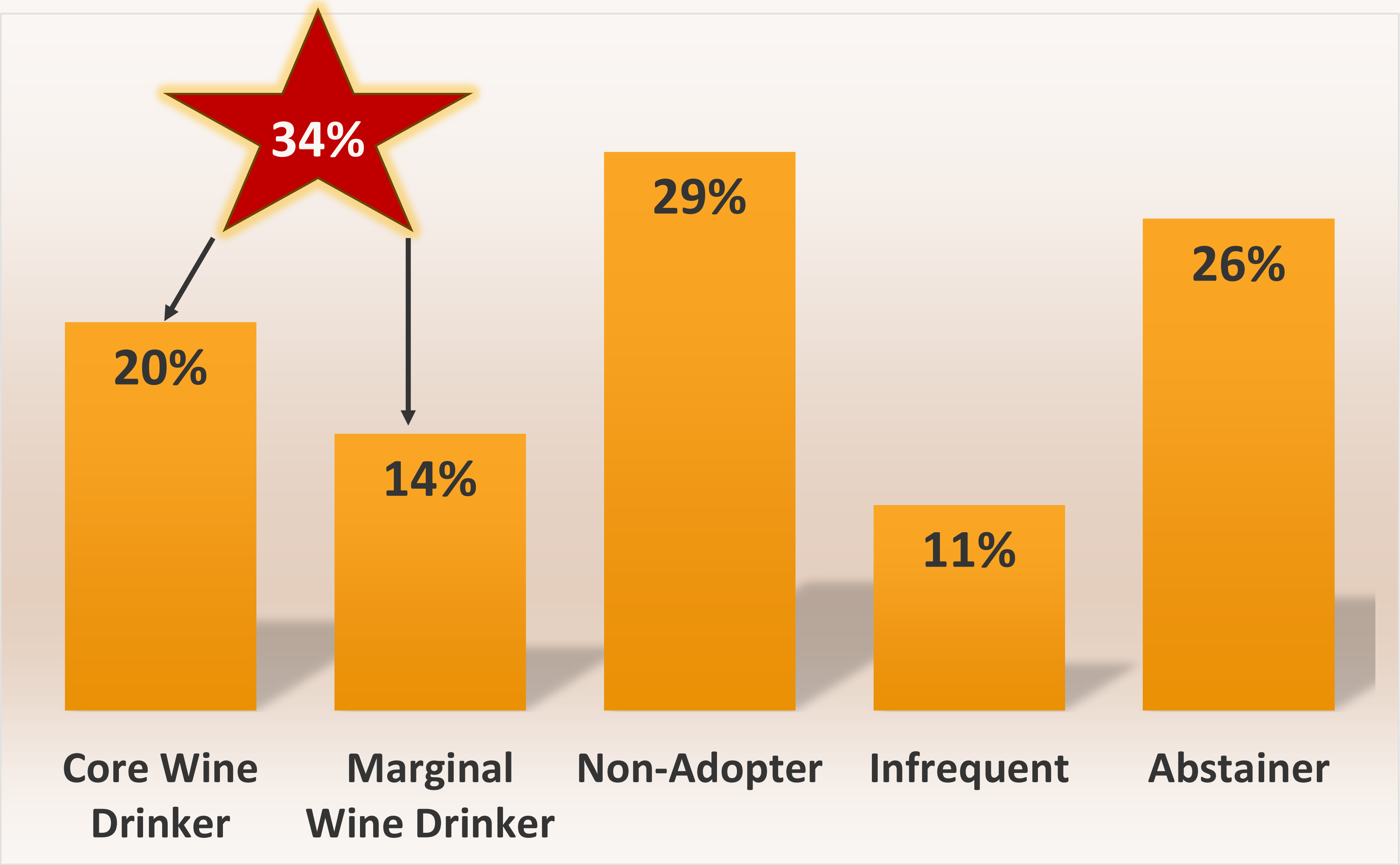
CORE DRINKERS =
Adults who drink wine at least once a week or more

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

NON-ADOPTERS =
Drink beer & spirits, but little or no wine

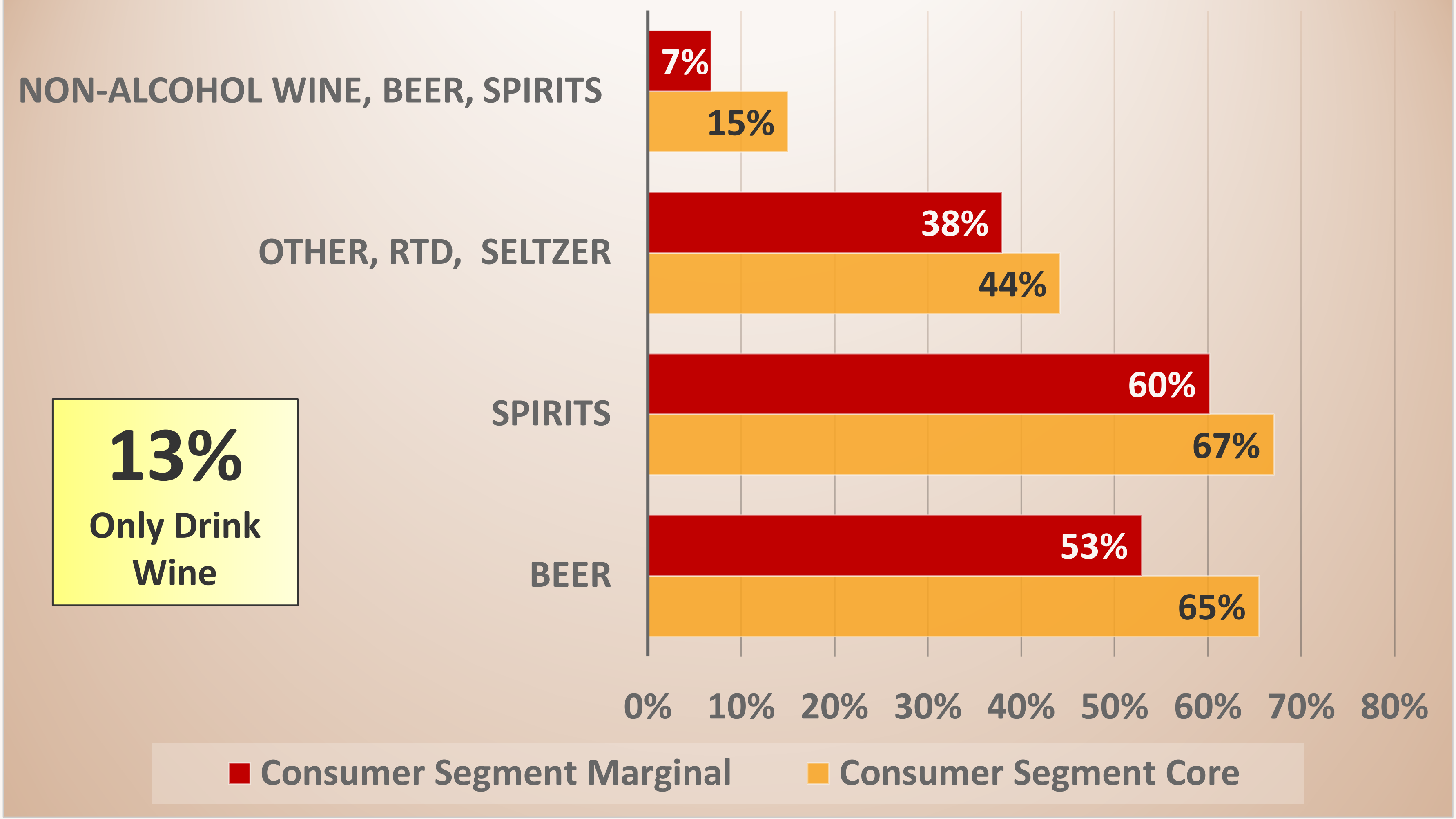
INFREQUENT =
Drink alcohol less than once a quarter

ABSTAINER =
Does not drink alcohol



OTHER BEVERAGES BESIDES WINE

Which of the following kinds of beverages do you drink at least once every two or three months?



13%
Only Drink Wine

CORE DRINKERS =
Adults who drink wine at least once a week or more

MARGINAL DRINKERS

Adults who drink wine less than once a week but more often than every 2-3 months

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Portrait of the U.S. Wine Consumer in 2023/2024

Basic Demographics

WINE DRINKERS BY GENDER

45%
Male

55%
Female

11% identify as part of the LGBTQ+ community

WINE DRINKERS BY AGE & GENERATION

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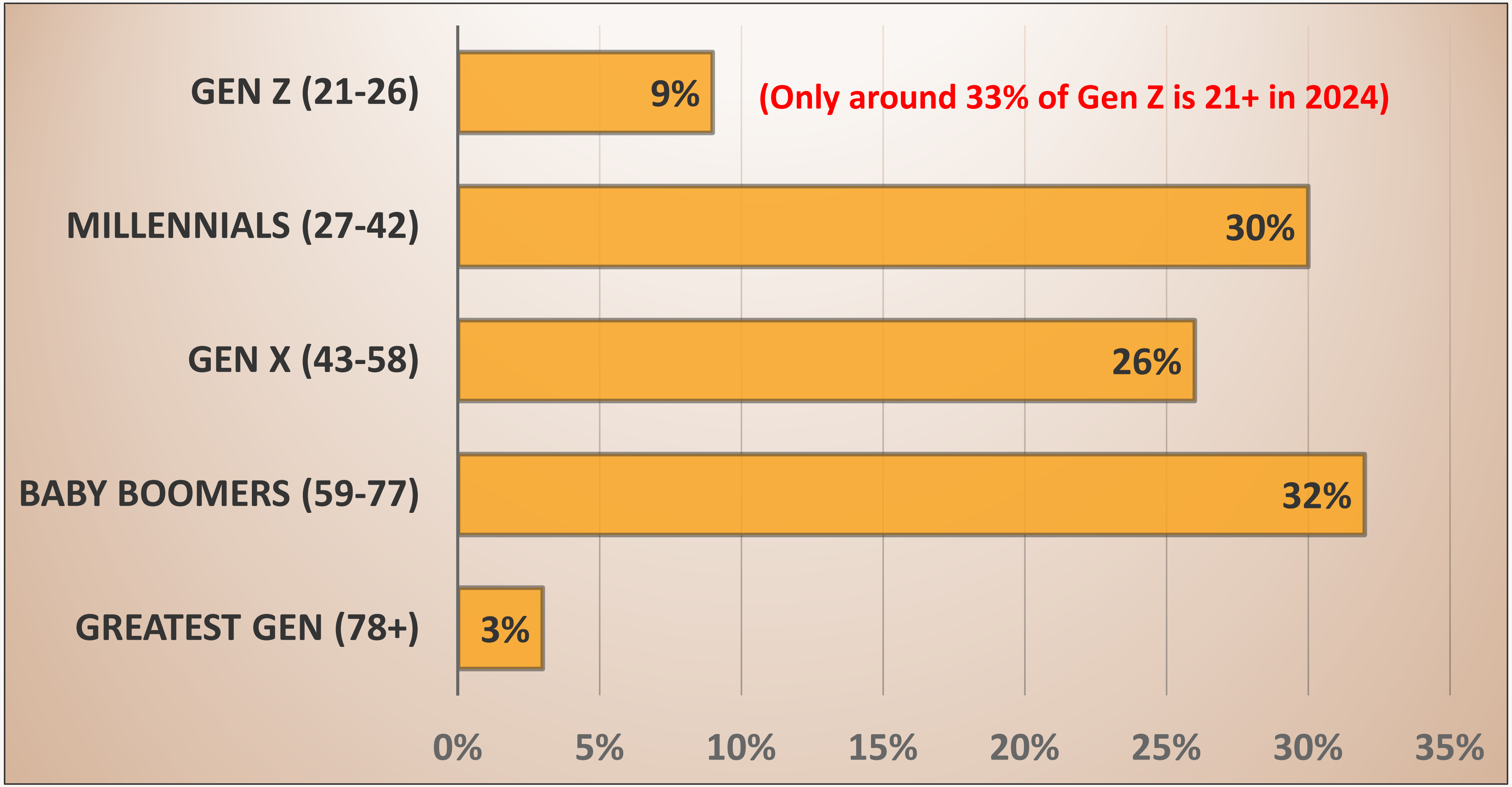
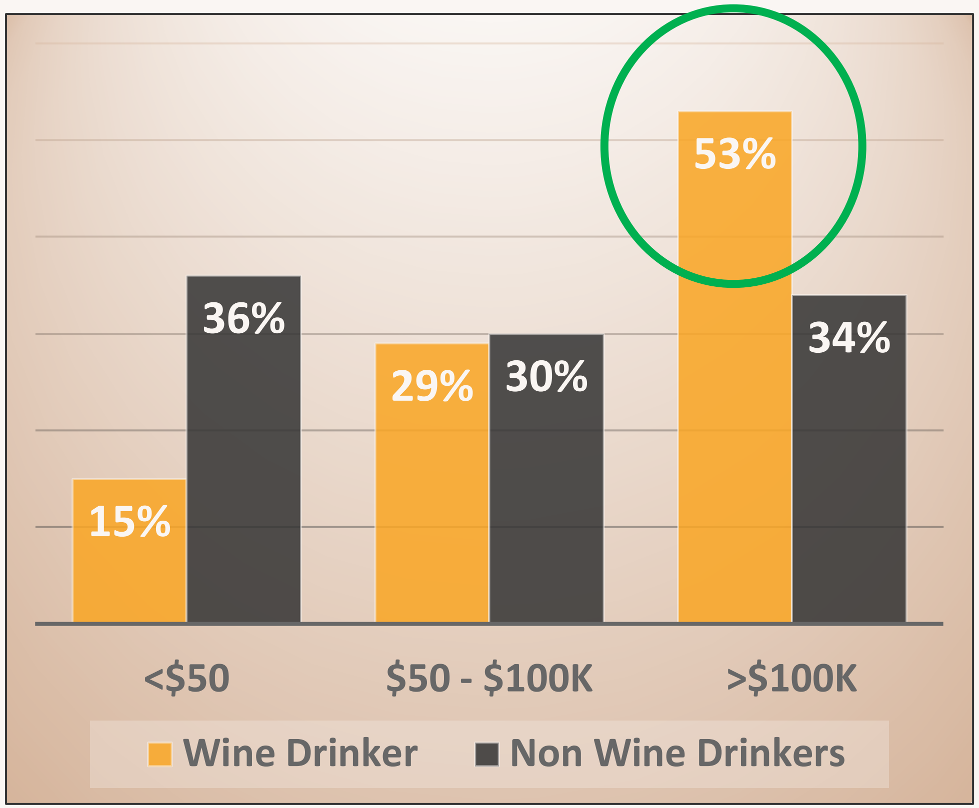
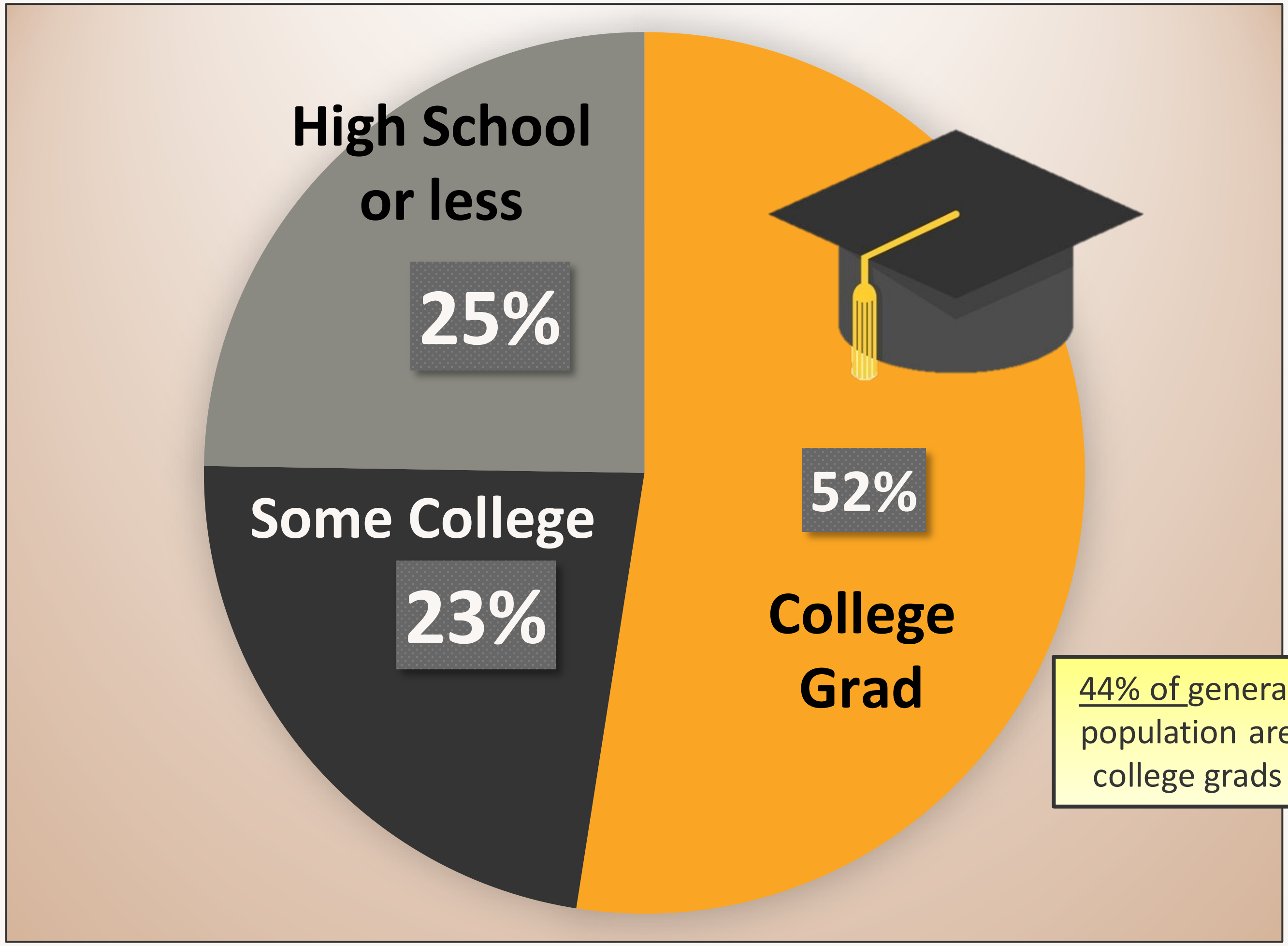


GEN Z = 143
MILL = 476
GEN X = 412
BB = 506
GG = 48

WINE DRINKERS BY INCOME & EDUCATION

Wine Drinkers by Income





44% of general population are college grads

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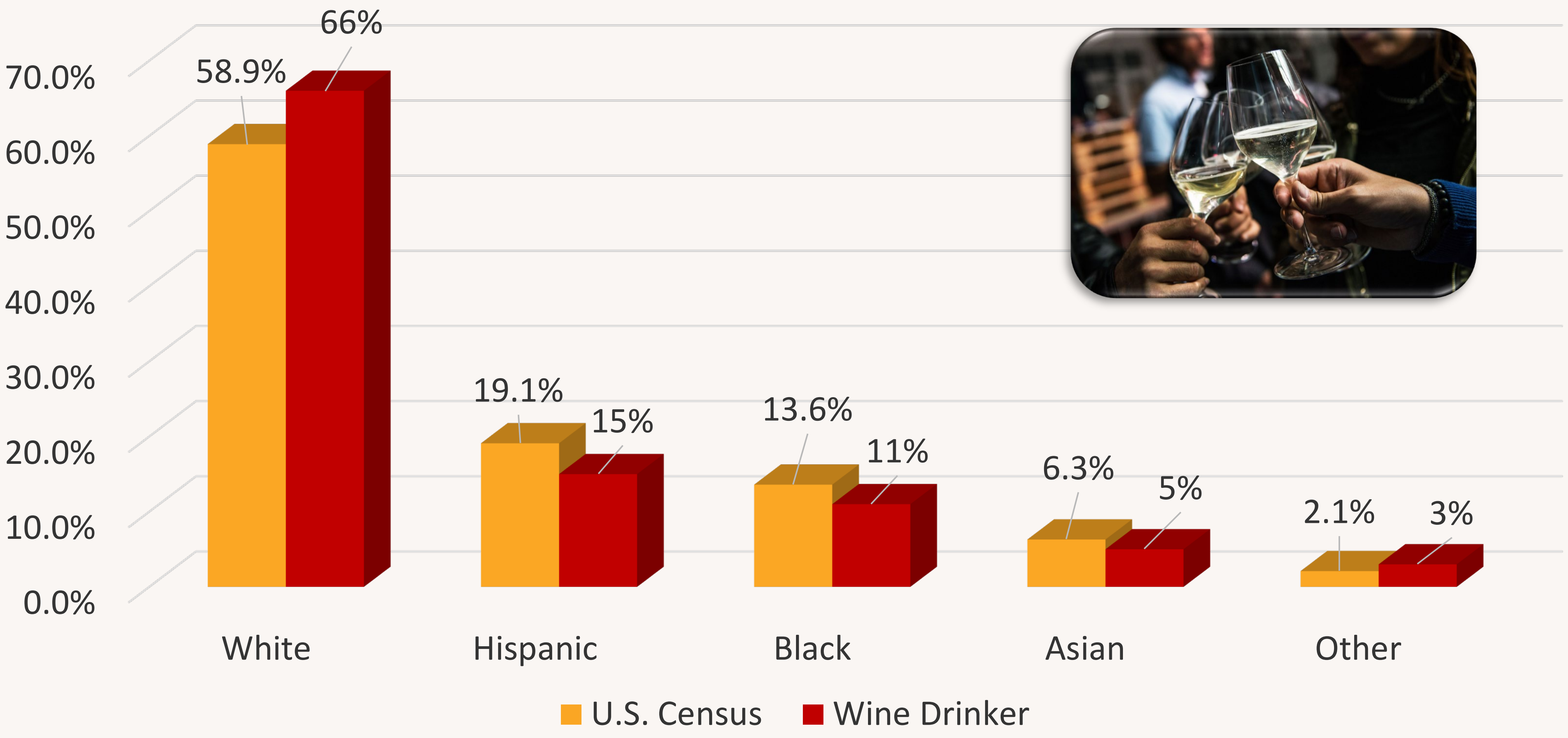
WINE DRINKERS BY ETHNICITY



Source: https://www.census.gov/quickfacts/fact/table/US/PST045222

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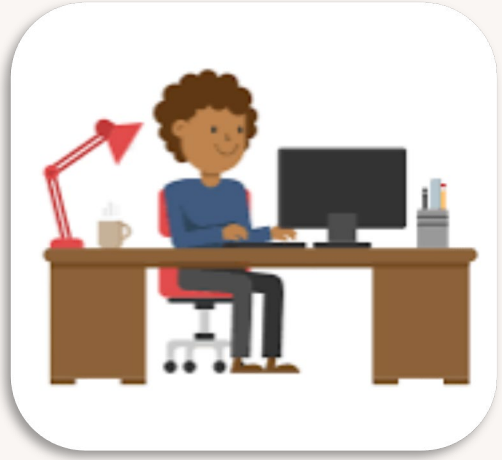
WINE DRINKERS: LIFE STYLE

60% Married

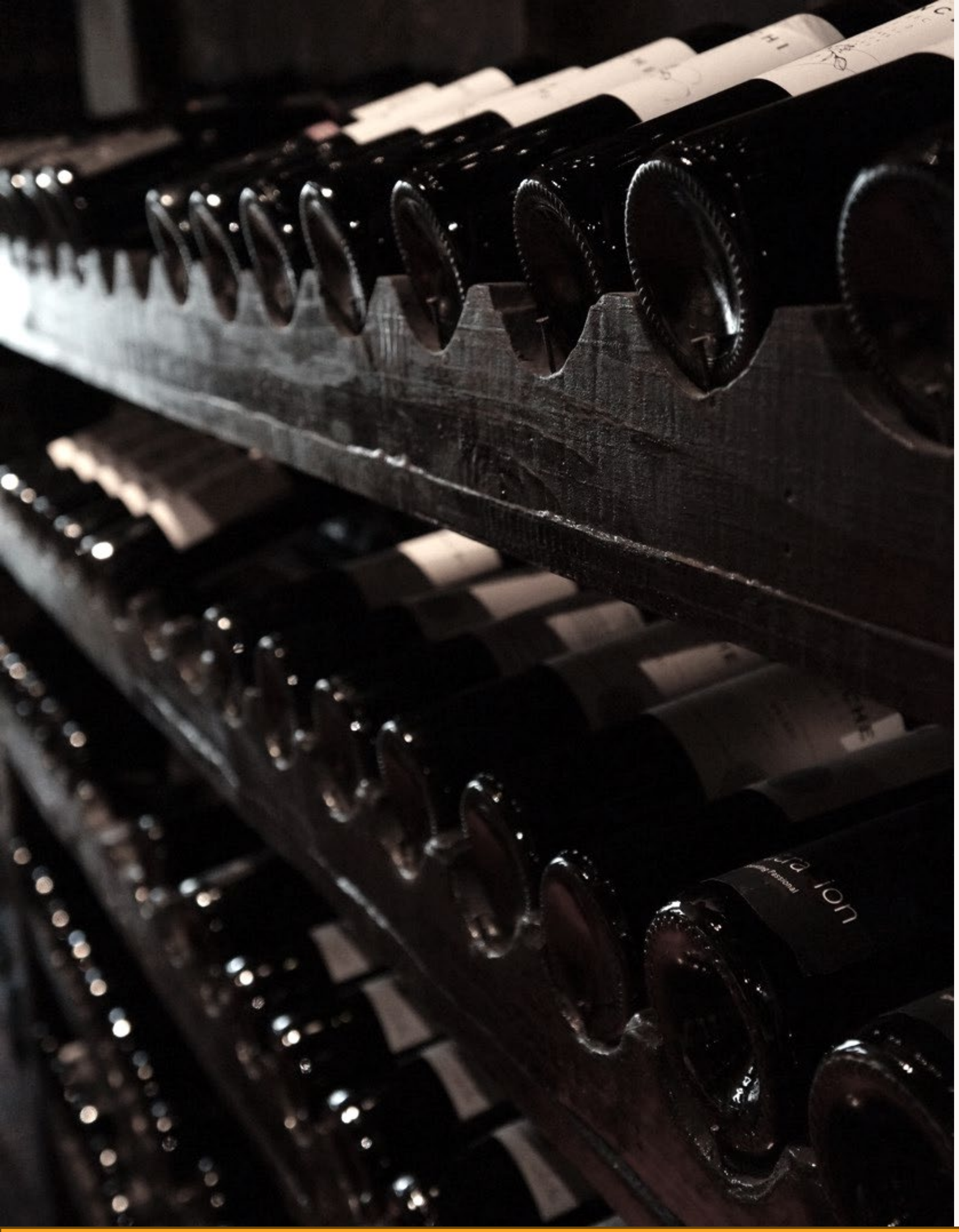
68% Employed
21% Retired



36% Have Children Under 18 Living at Home

71% Own a Home

53% Live in Suburbs
31% Urban
16% Rural



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Portrait of the U.S. Wine Consumer in 2023/2024

Purchasing Habits

PURCHASING: PRICE POINTS – MONTHLY/WEEKLY BASIS

W5. Please indicate how often, on average, you buy wine in a 750ml bottle (that is, regular sized bottle) at retail in these price ranges? (At least monthly or more often)

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HIGH-END CONSUMER PRICE POINTS

From WMC High-End Consumer Study
Typically spend $20 or more per bottle
7% of the U.S. population

MEAN TOTAL SPEND (Excluding $0)

	Total (n=702)	21-39 (n=297)	40-59 (n=267)	60+ (n=139)	Female (n=267)	Male (n=435)	White (n=500)	Hispanic (n=93*)	Black American (n=118)
Holiday meals, special occasion or celebration	$53.93	$65.80 ▲	$49.78	$36.67	$48.19 ▼	$57.46	$49.96 ▼	$64.76	$63.33
Bring to a friend's home for dinner or a gift	$40.57	$46.40 ▲	$38.84	$31.36	$35.56 ▼	$43.55	$38.17 ▼	$49.61	$50.00
Gourmet sit-down meal at home	$39.11	$44.41 ▲	$37.46	$29.92	$36.55	$40.65	$36.54 ▼	$46.39	$46.03
Relaxing at home after work or on weekend	$27.98	$34.32 ▲	$25.12	$20.31	$23.29 ▼	$30.90	$26.13 ▼	$34.58	$33.58
Weekday dinner at home	$26.37	$31.94 ▲	$24.22	$18.55	$23.68 ▼	$28.08	$23.46 ▼	$32.73	$33.52

▲ Statistically significantly higher
▼ Statistically significantly lower

*Small sample size, interpret with caution.
Base: All respondents (n= varies)
A2. When purchasing wine, how much do you typically spend on a 750ml bottle for each occasion?

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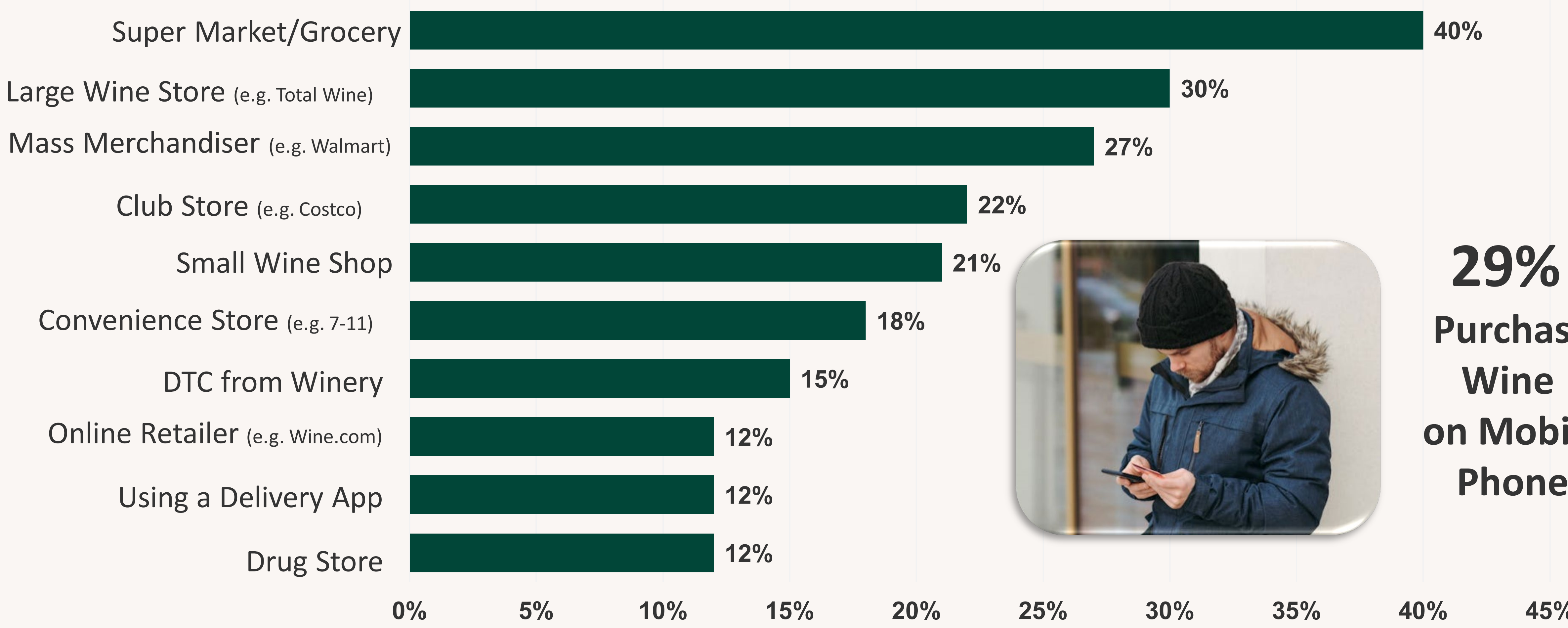
PURCHASING: LOCATION

W10. Thinking about where you shop for wine, please indicate about how often you buy wine from each of these store types? – At least monthly or more often



29%

Purchase Wine on Mobile Phone

Photo credit: Pexels.com

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WINE DECISION MAKING

W19. When making a decision on which wine to buy, how often do you consider

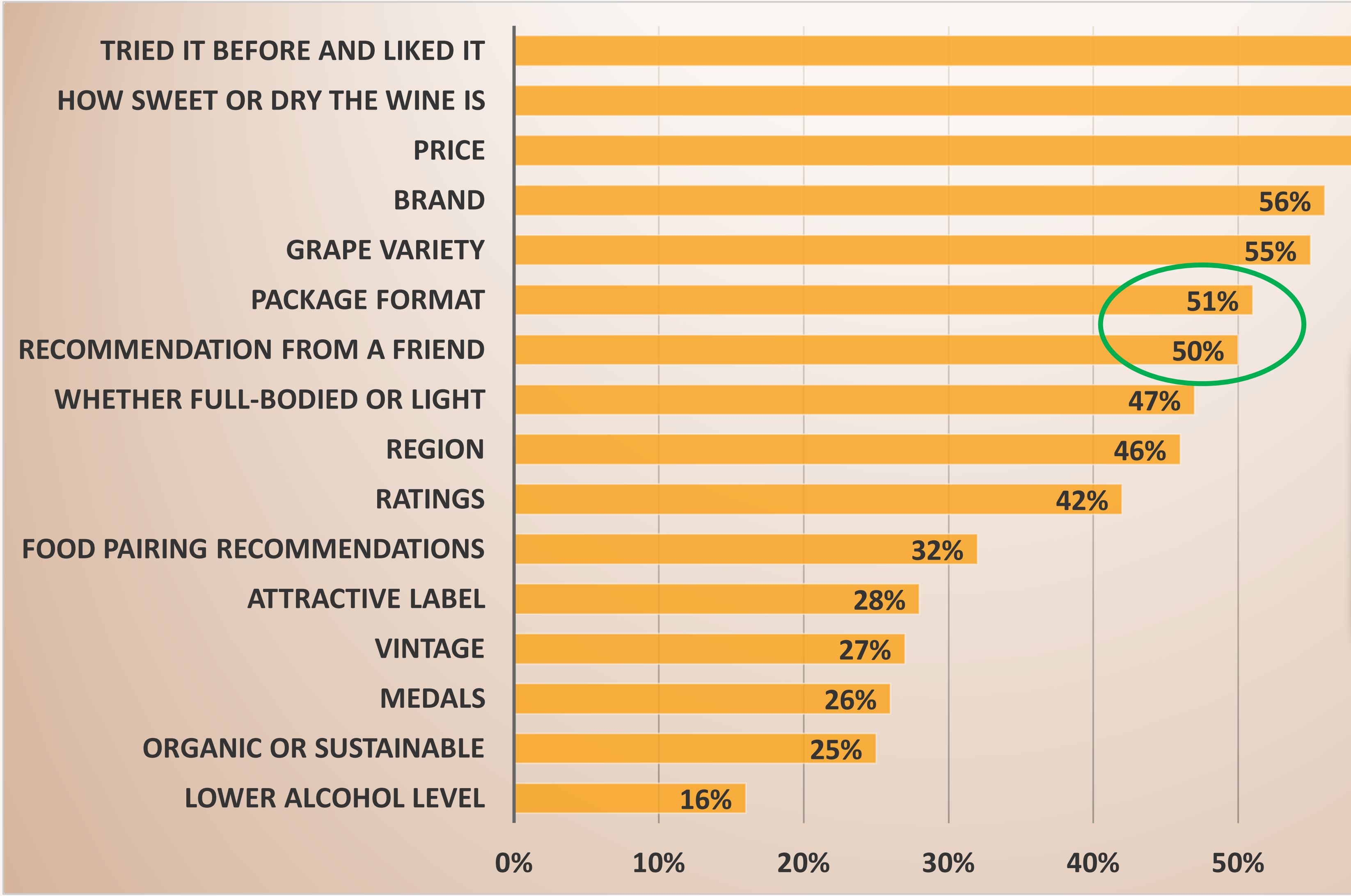
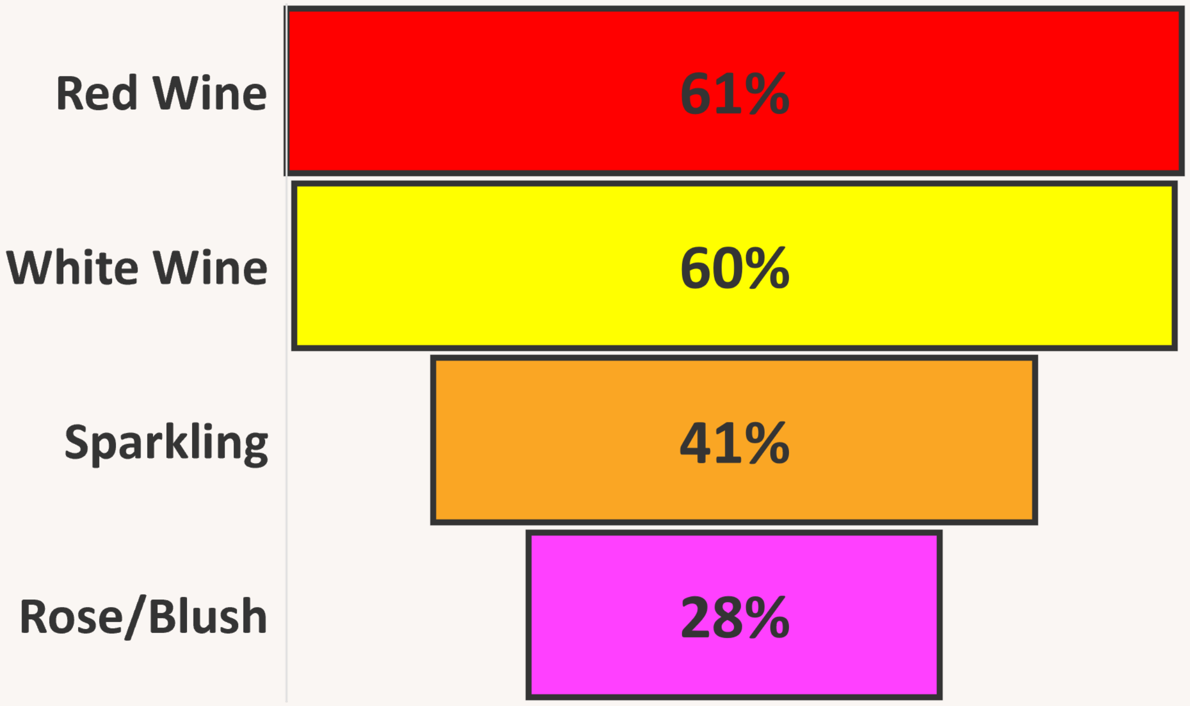


Photo credit: Getty

PURCHASING: WINE STYLES/VARIETIES

W7. Which varieties of wine listed below did you drink during the past 12 months, and how often? – (Drink regularly)



Cabernet Sauvignon	29%
Merlot	28%
Pinot Noir	27%
Red Blends	26%
Pinot Grigio	26%
Moscato	25%
Chardonnay	23%
Sauvignon Blanc	19%
Off Dry Rose/Blush	19%
Sparkling Muscat	19%

PURCHASING: VARIETALS BY GENERATION

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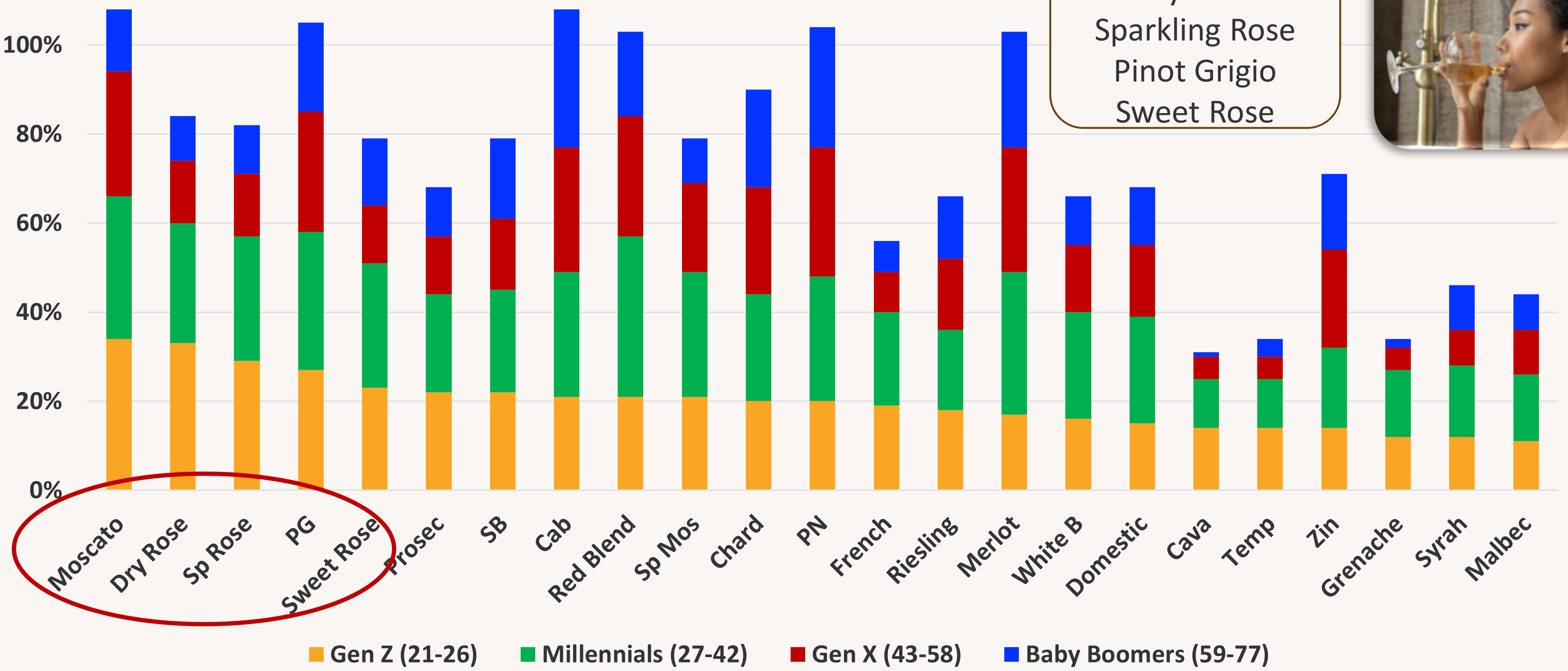
SORTED BY GEN Z DRANK REGULARLY WITHIN THE YEAR

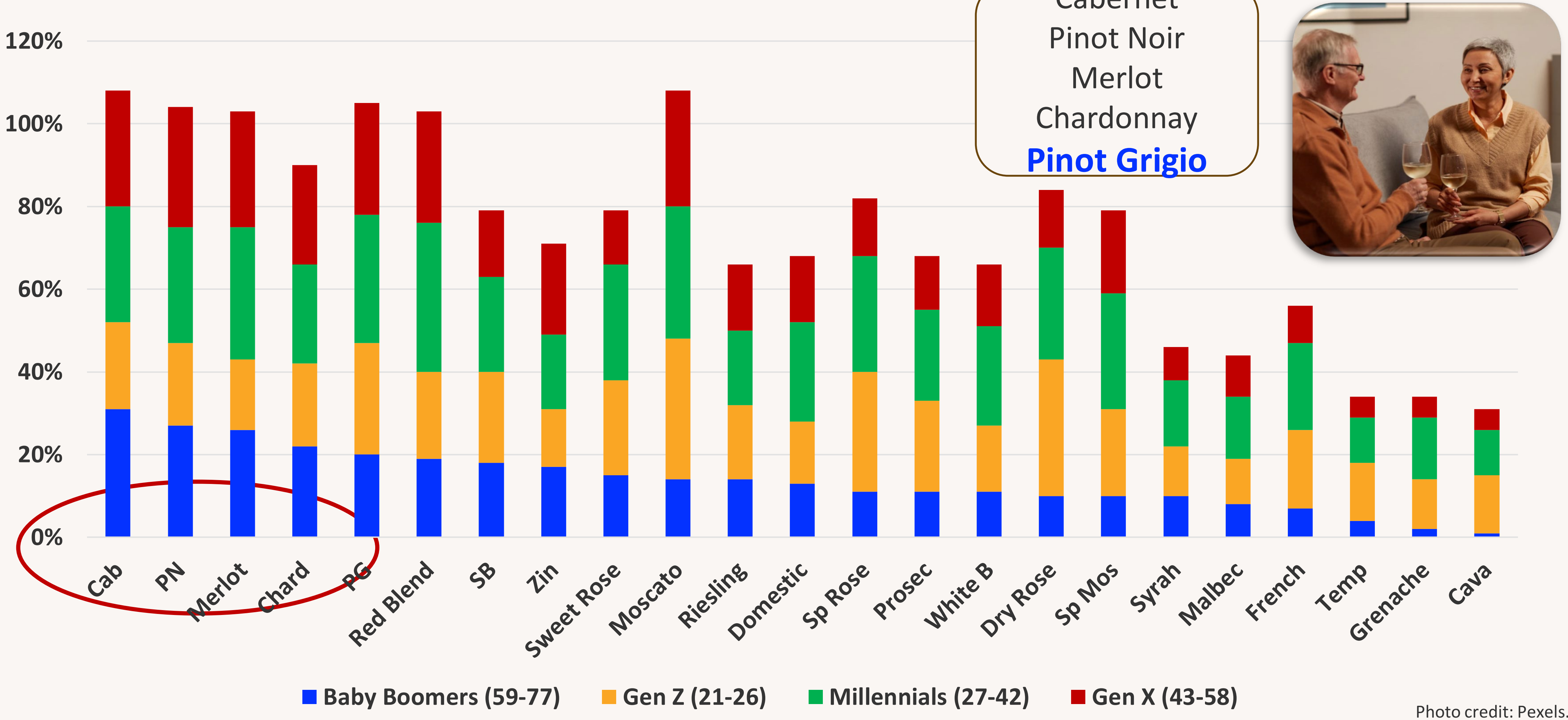


Moscato
Dry Rose
Sparkling Rose
Pinot Grigio
Sweet Rose

Photo credit: Pexels.com

PURCHASING: VARIETALS BY GENERATION

SORTED BY **BABY BOOMERS** DRANK REGULARLY WITHIN THE YEAR

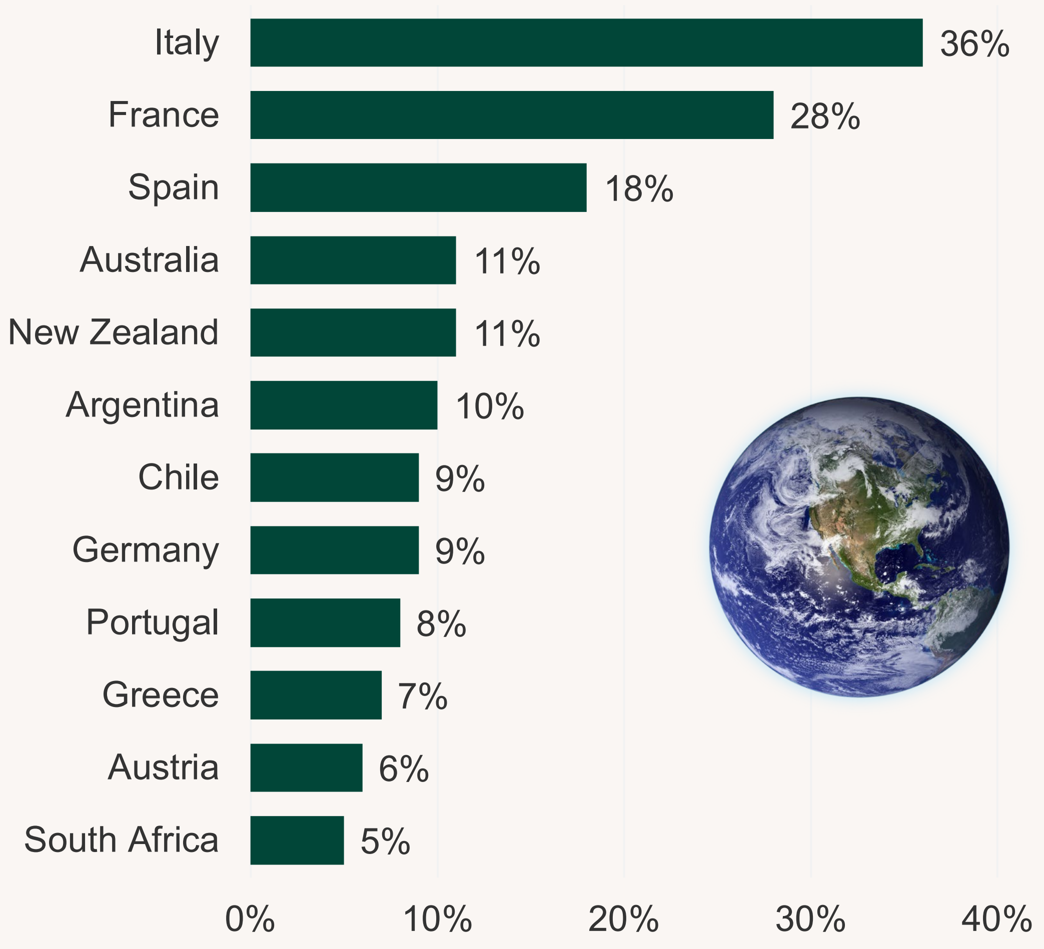


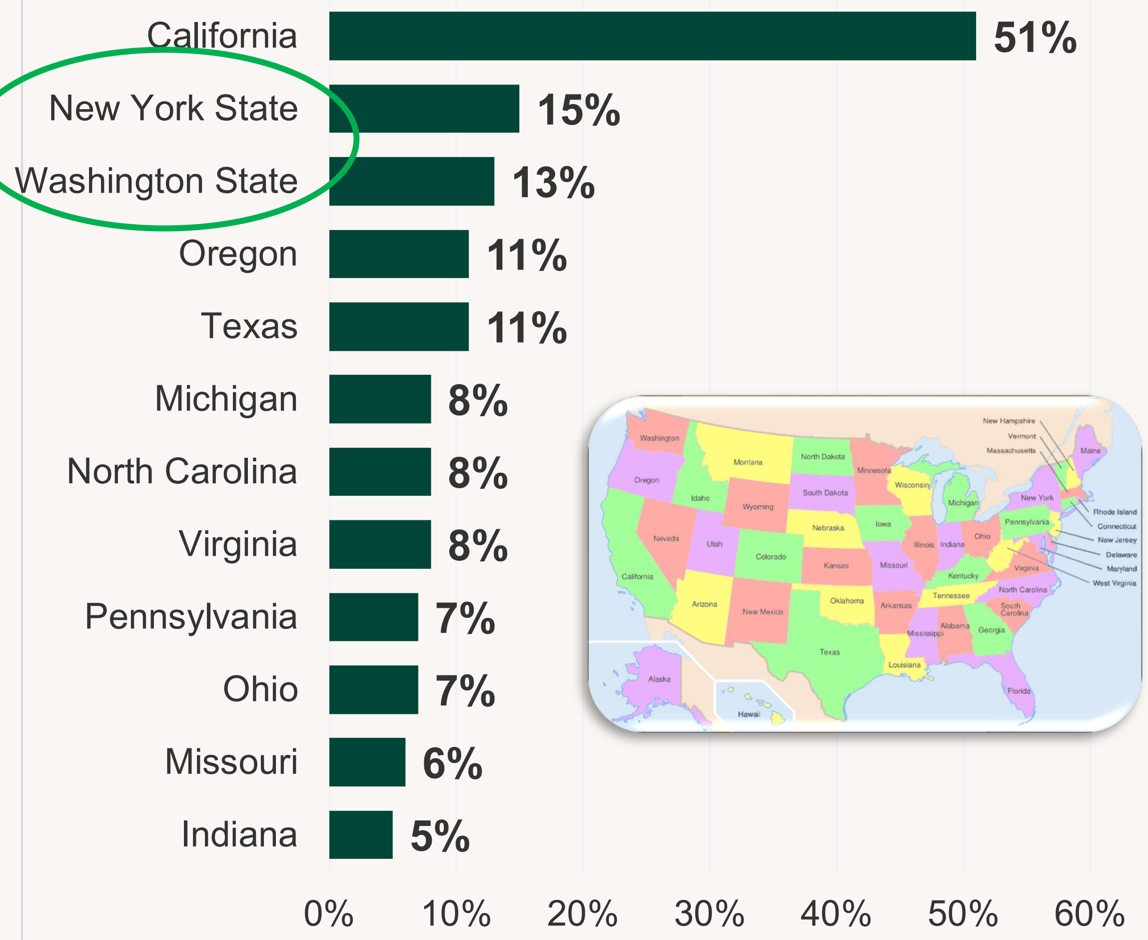
Cabernet
Pinot Noir
Merlot
Chardonnay
Pinot Grigio

Photo credit: Pexels.com

PURCHASING: COUNTRY/STATE

W9. Please indicate if you drink wine made in that state/country regularly





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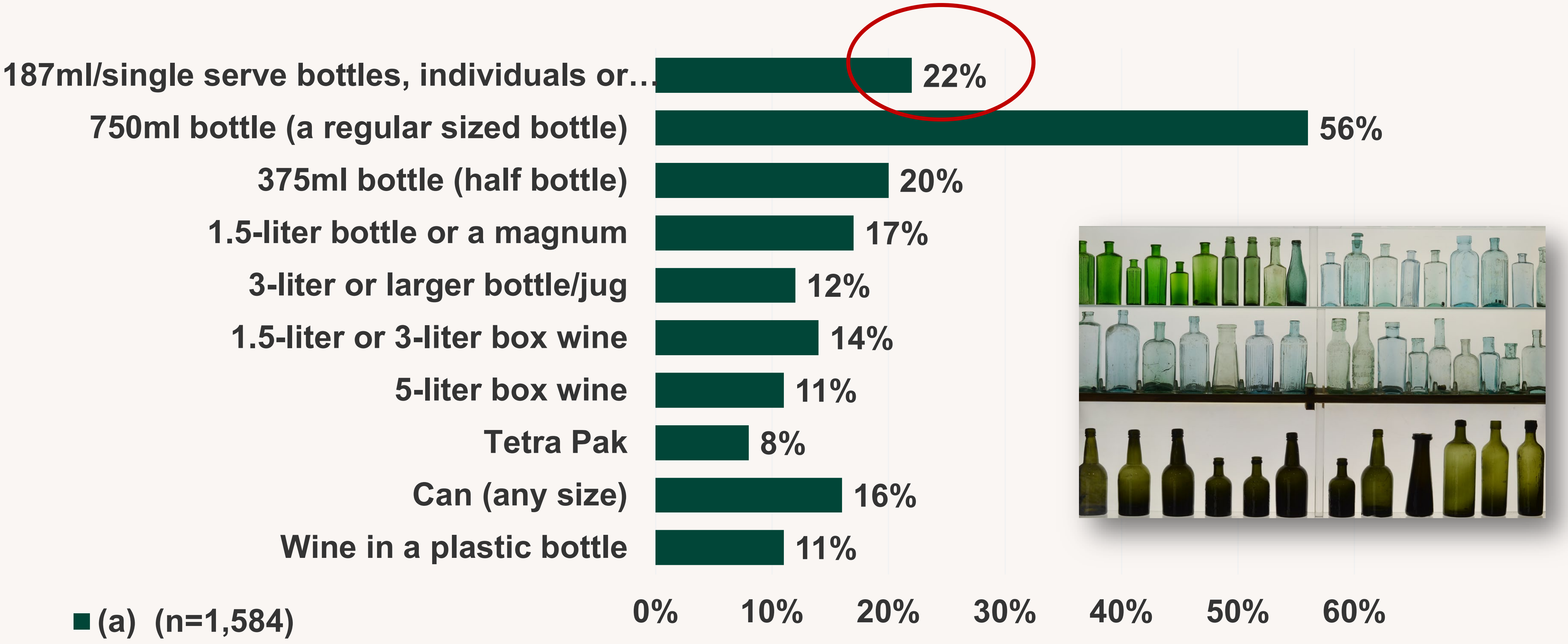
PURCHASING: PACKAGING

W6. Please indicate how often, on average, you buy wine in the following package sizes. – Purchase monthly or more often.



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Portrait of the U.S. Wine Consumer in 2023/2024

Attitudes & Trends

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MOTIVATIONS TO DRINK WINE

Relax
Moderate
Taste
Connecting

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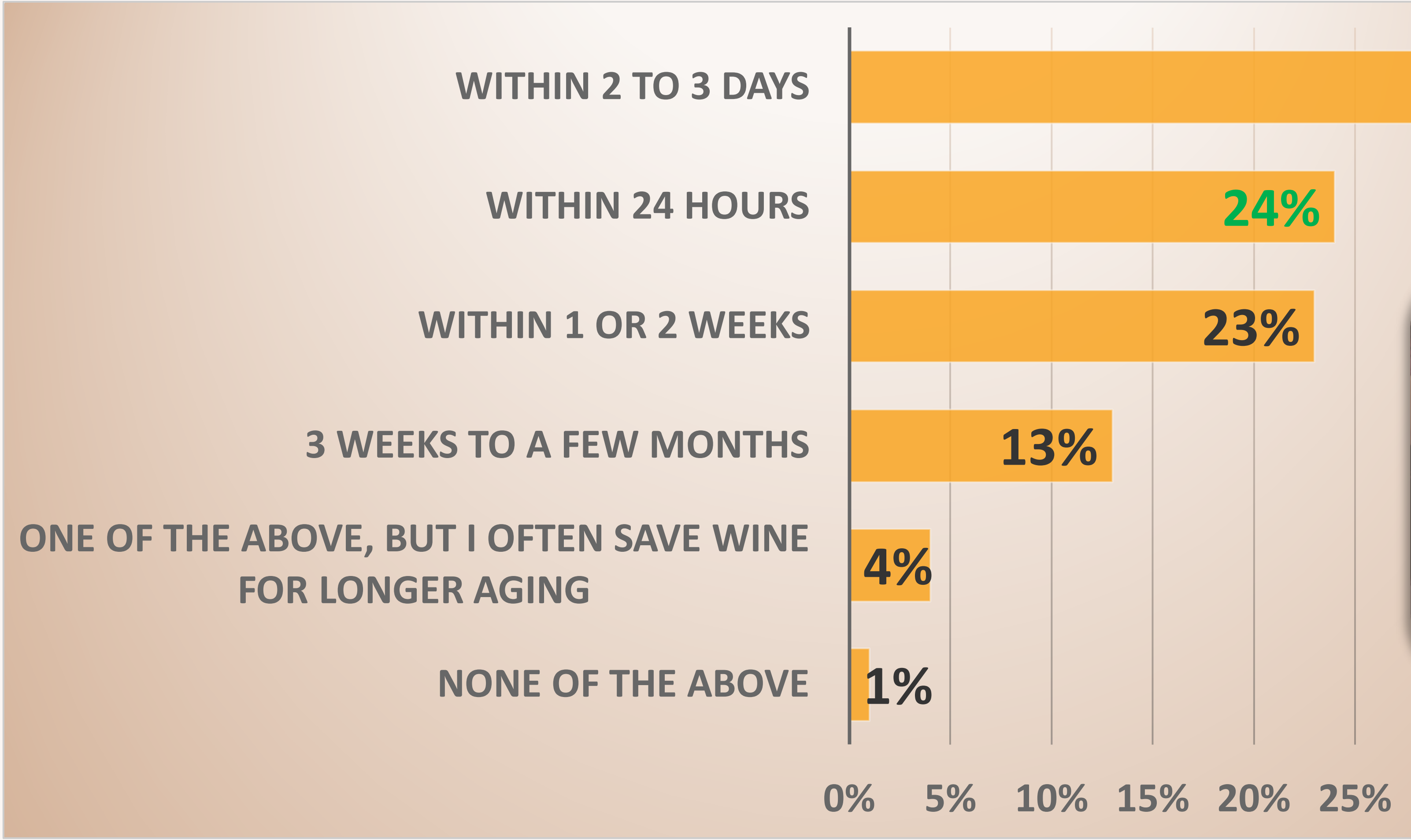
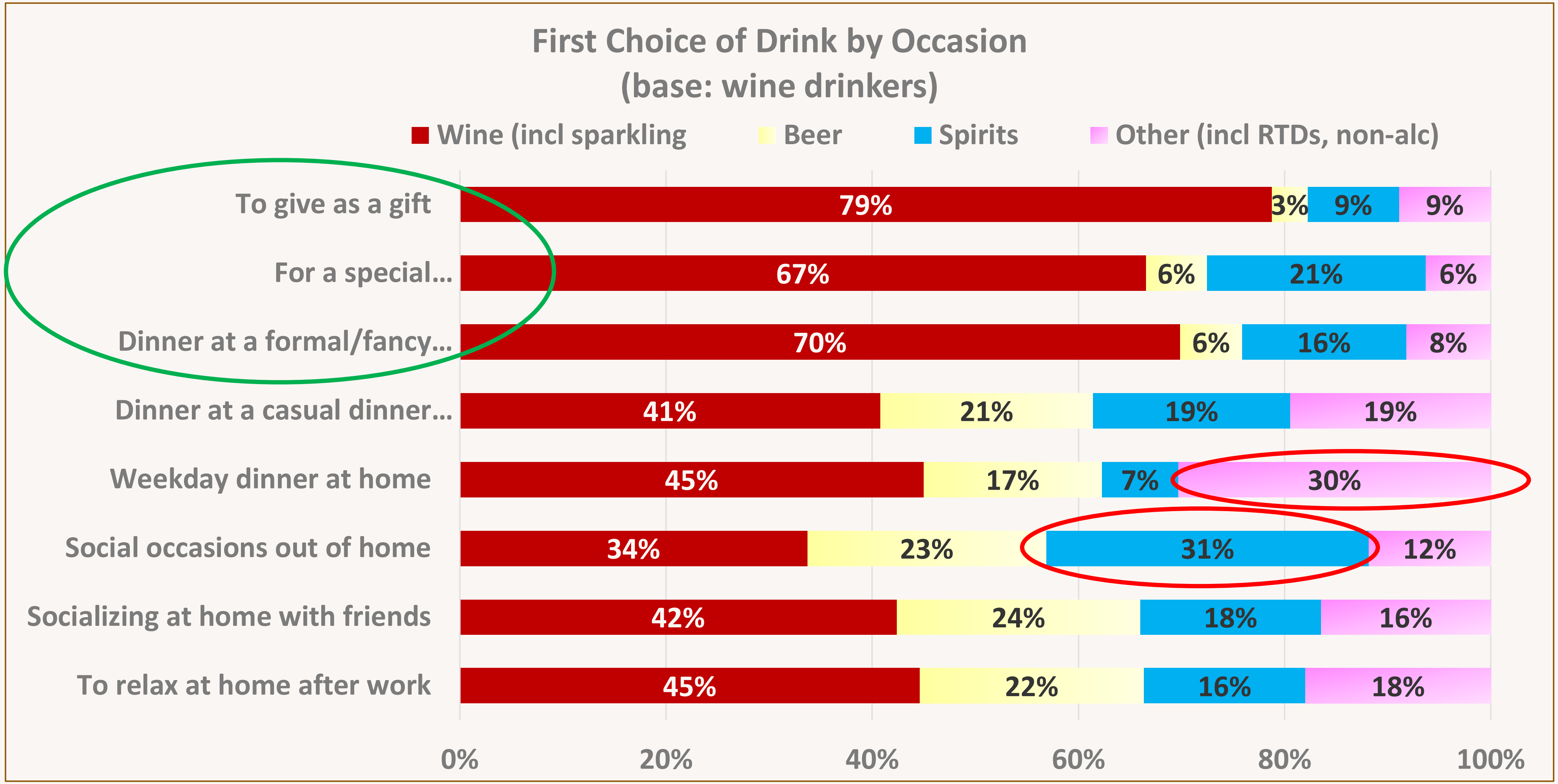
HOW SOON CONSUME WINE?

W20. When you buy a bottle of wine, how soon do you USUALLY drink it?



WINE DRINKING OCCASIONS

W15. For each of the following occasions, what would typically be your first choice of drink? (Wine drinkers



WINE DRINKING OCCASIONS BY GENERATION

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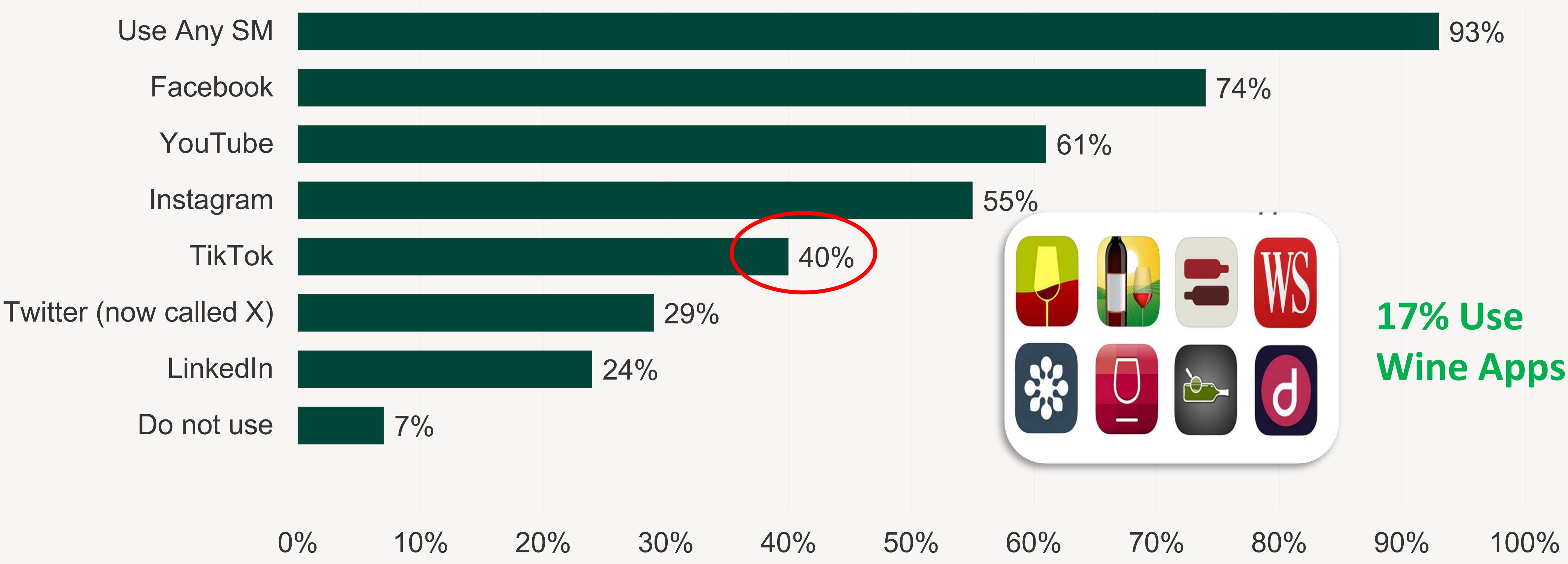
WINE DRINKING OCCASIONS	Gen Z (21-26)	Millennials (27-42)	Gen X (43-58)	Baby Boomers (59-77)
To give as a gift	72%	76%	81%	81%
Dinner at a formal/fancy restaurant	69%	66%	70%	73%
To relax at home after work	48%	46%	44%	43%
For a special occasion/celebration	47%	58%	72%	75%
Weekday dinner at home	42%	46%	45%	45%
Socializing at home with friends	32%	39%	40%	49%
Dinner at a casual dinner restaurant	31%	40%	43%	42%
Social occasions out of home	19%	29%	33%	41%

WINE APPS, MOBILE & SOCIAL

W25. Which social media channels do you use more often than once a week?



17% Use Wine Apps

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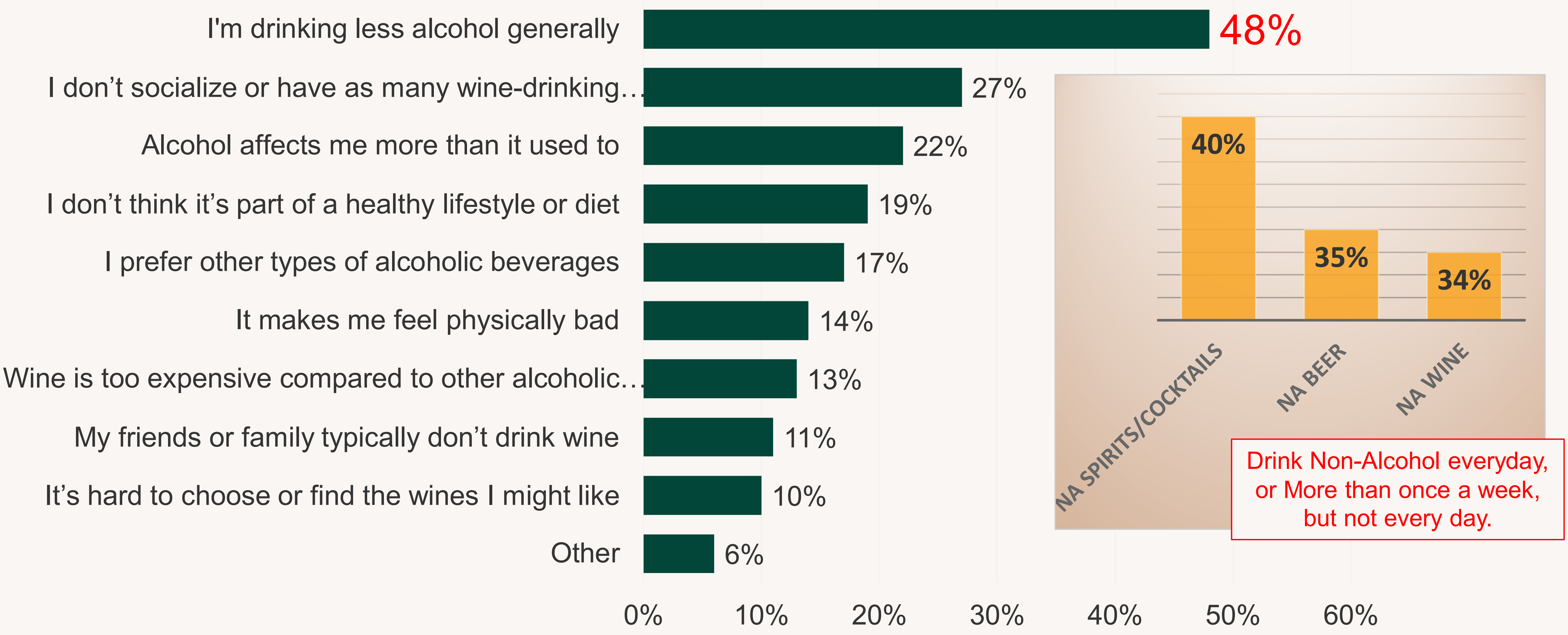
DRINKING LESS & NON-ALCOHOLIC

W4A. Why are you drinking less wine?



DRINKING LESS BY GENERATION

W4A. Why are you drinking less wine?

STATISTICALLY SIGNIFICANT DIFFERENCE

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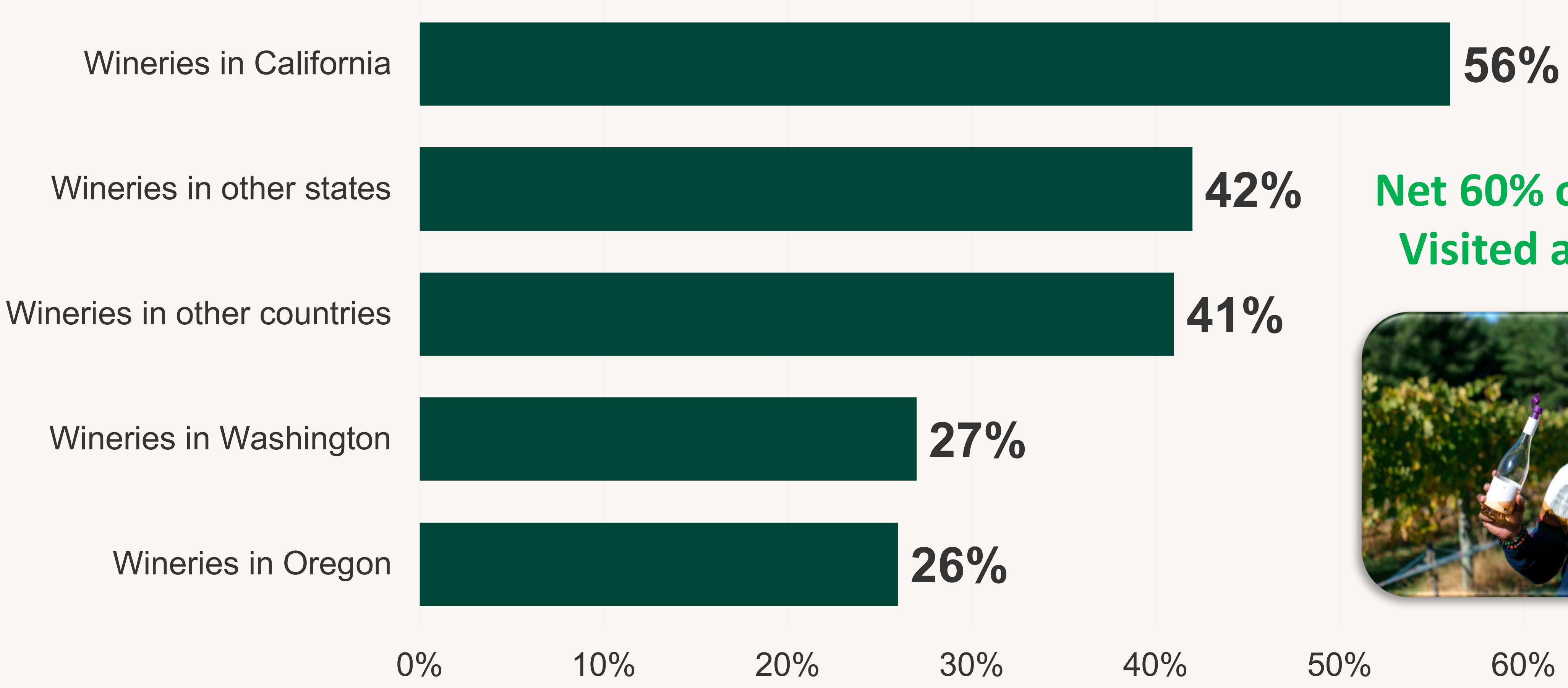
REASON	Gen Z (21-26)	Millennials (27-42)	Gen X (43-58)	Baby Boomers (59-77)
	(a) %	(b) %	(c) %	(d) %
I'm drinking less alcohol generally	35.9%	47.8%	37.4%	61.9%
Wine is too expensive compared to other alcoholic beverages	22.2%	16.0%	12.8%	7.6%
I don't think it's part of a healthy lifestyle or diet	31.8%	25.4%	10.8%	19.2%
It makes me feel physically bad	19.1%	30.4%	9.2%	4.5%
Alcohol affects me more than it used to	26.7%	27.0%	22.9%	15.4%
I don't socialize or have as many wine-drinking occasions as I used to	25.5%	32.0%	24.2%	22.1%
It's hard to choose or find the wines I might like	17.7%	14.0%	6.9%	4.1%
I prefer other types of alcoholic beverages	22.6%	16.8%	14.9%	5.6%
My friends or family typically don't drink wine	18.1%	14.3%	12.0%	5.4%

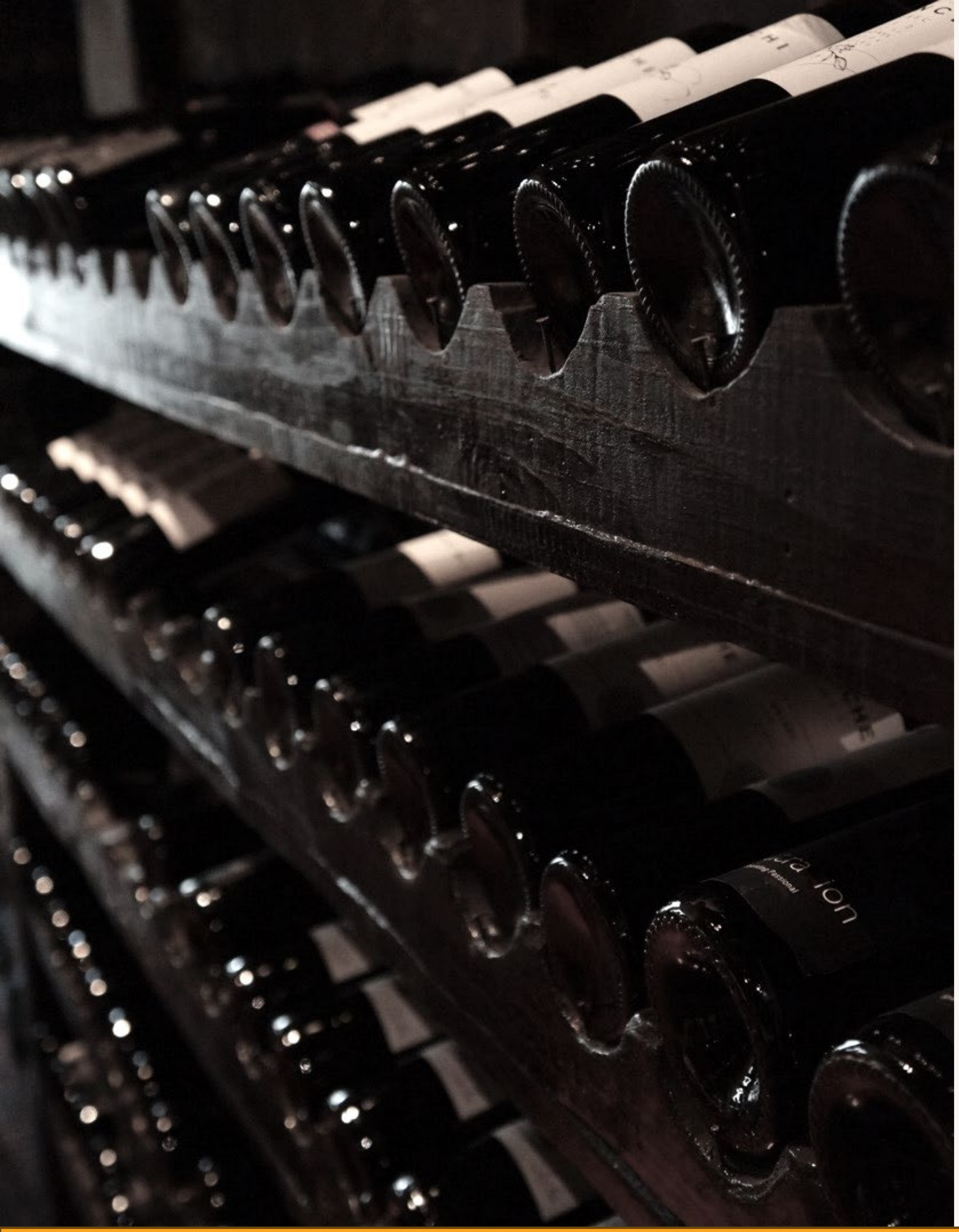
WINE TOURISM

W11. Have you visited a winery to taste and learn about the wines and/or do you plan to do so in the future? Please select all that apply for each. - Visited/Have current plans to visit Summary (Base = Drink wine at least once every two or three months)



Net 60% of Sample Visited a Winery

Photo credit: Medium



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A Review of the Long Term Trends

Explanation of the Benchmark Segmentation Survey

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1) **Longest running and largest US wine consumer survey**
2) **Two methodological eras**
   a) Two-phased sampling by Merrill Research 2000-2012
   b) Current standard methodology (Caravan omnibus) 2014-2023
   c) 2013 transitional with sampling inconsistency; removed from charts
3) **Methodology 2015-2023**
   1) Multiple waves stretched out over weeks
   2) Sample size ranges 4700-7200
   3) Proprietary weighting system to US census for gender, age, region, income, education, ethnicity
   4) QC and sample screening
   5) Chosen after outside expert review
   6) Not perfect, but the best? Aligns with basic shipment/sales trends.

Photo credit: Pexels.com

Why Multiple Waves Matter in Surveys

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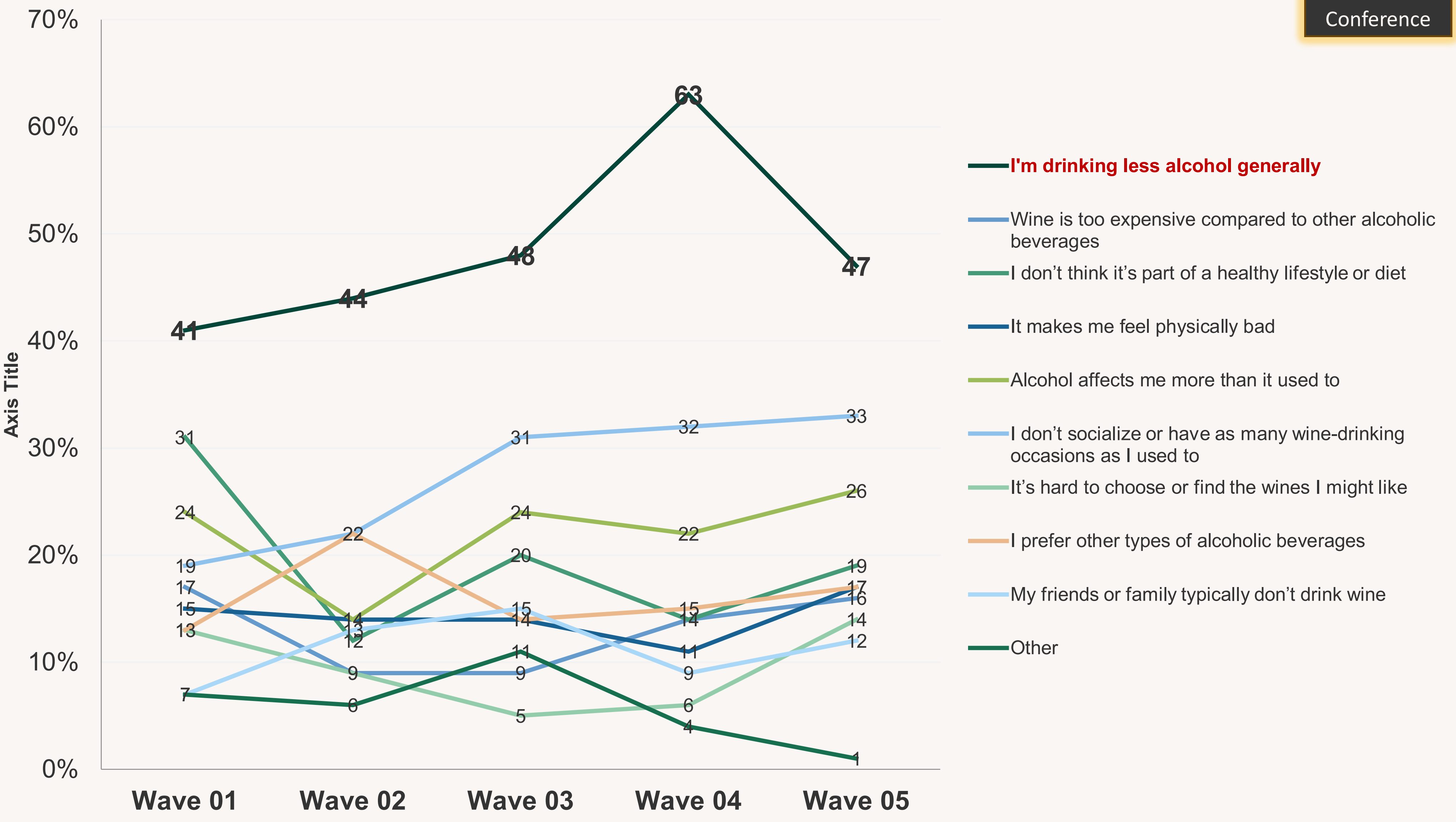
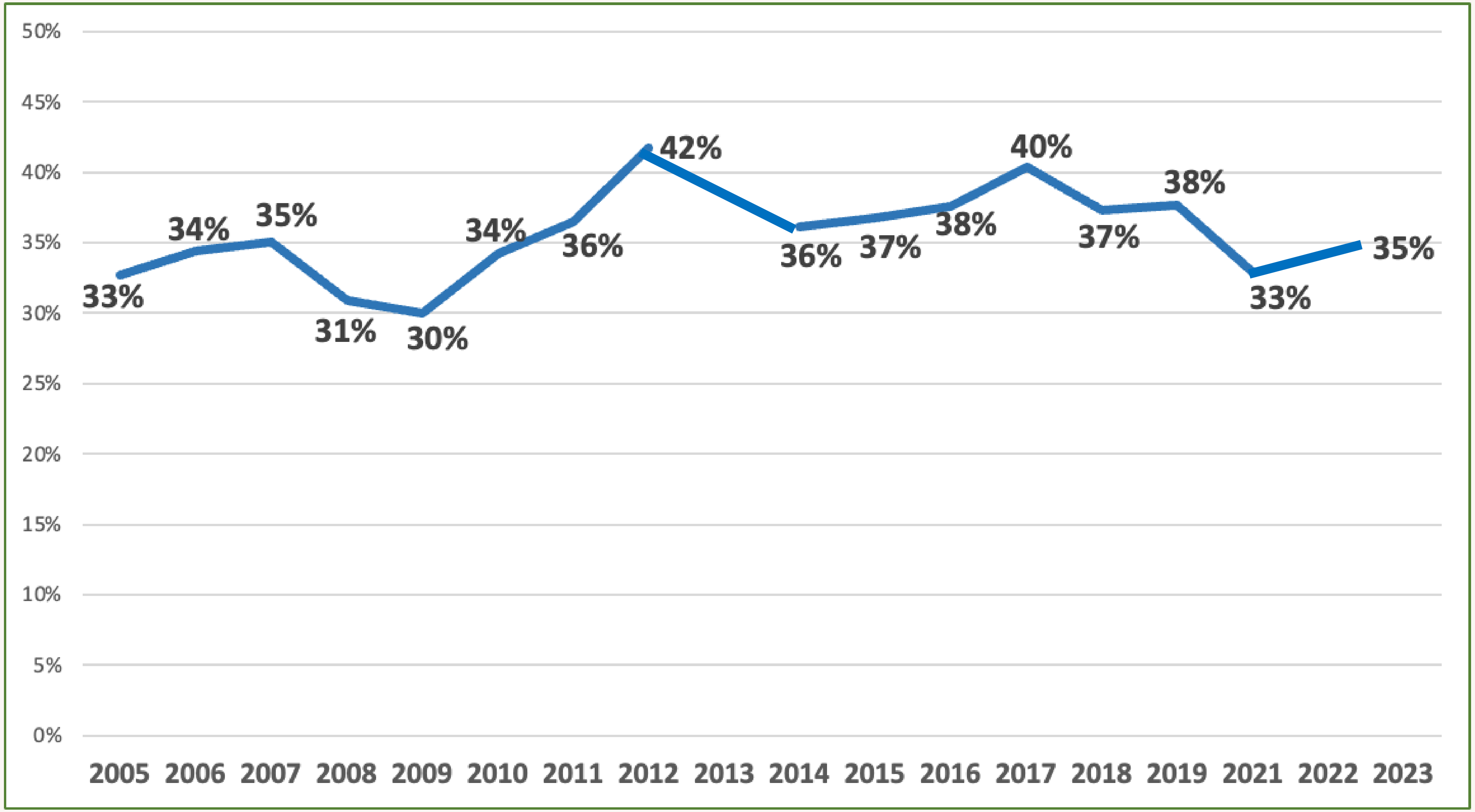
Caravan Benchmarking Question W4A: Why are you drinking less wine?

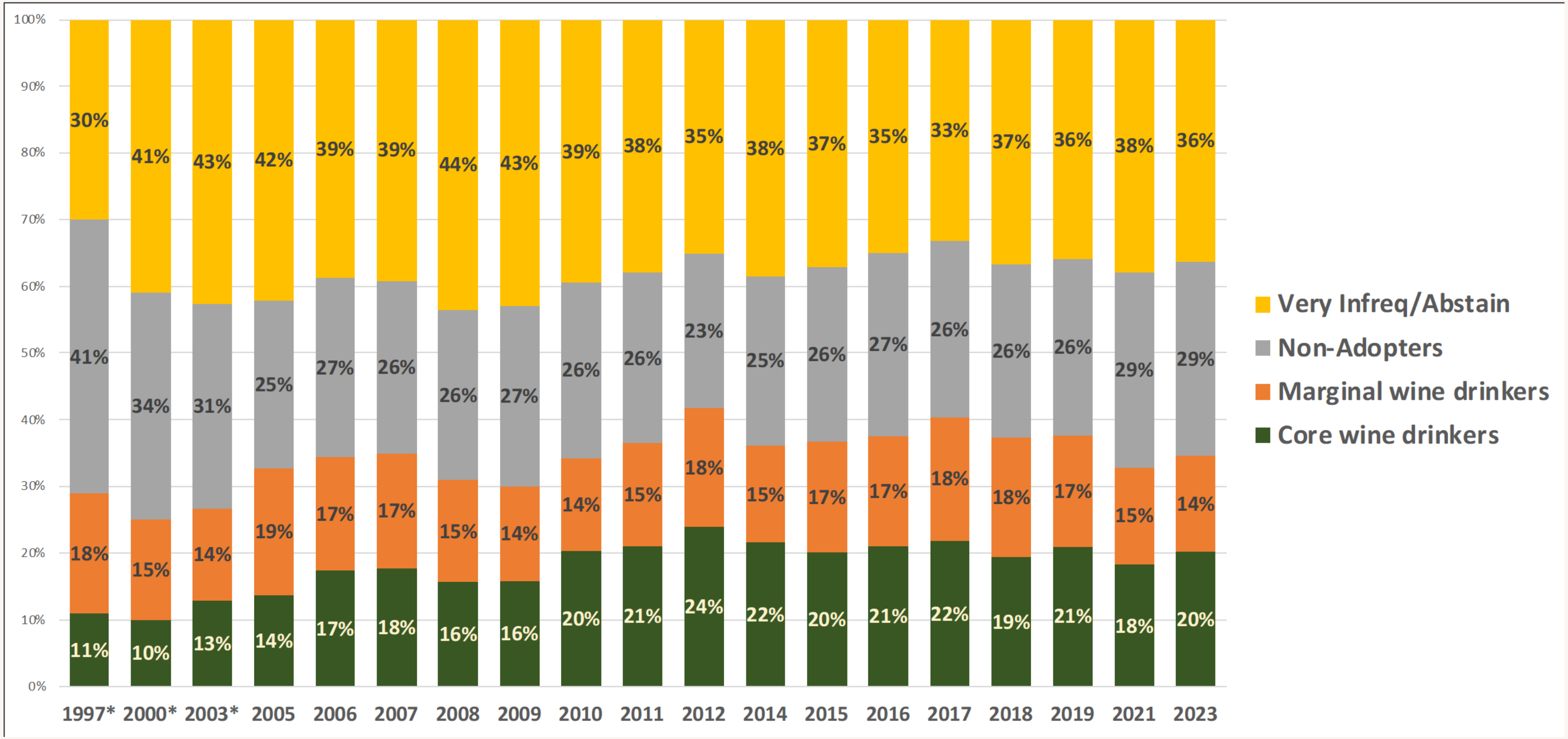


Wine Drinkers Share of LDA Population 2005-2023

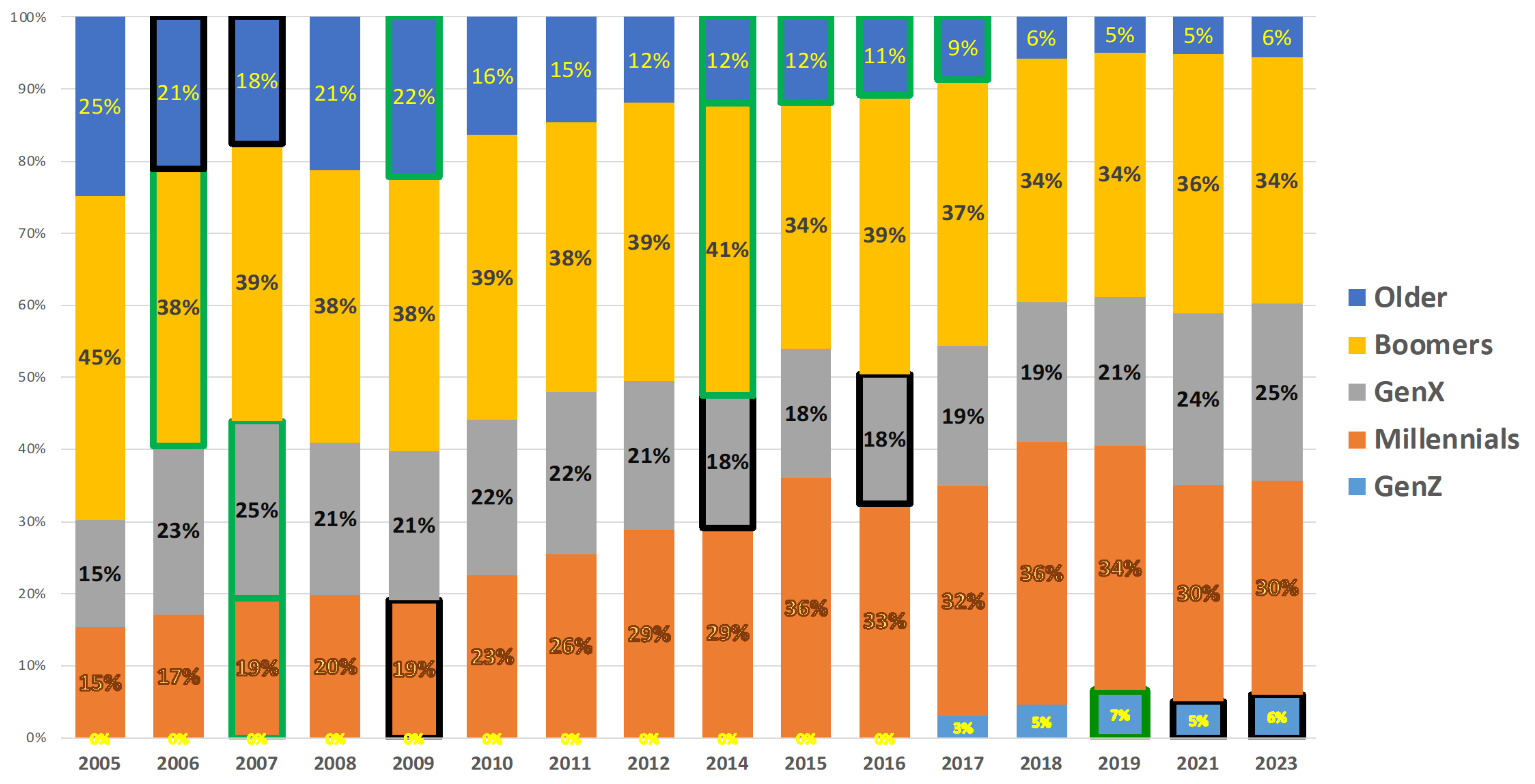
Est % Share of LDA Population		
1997	2000	2003
29%	25%	27%



Consumer Segments 1997, 2000, 2003, 2005-2023



Share of Wine Drinkers by Generation 2012-2023



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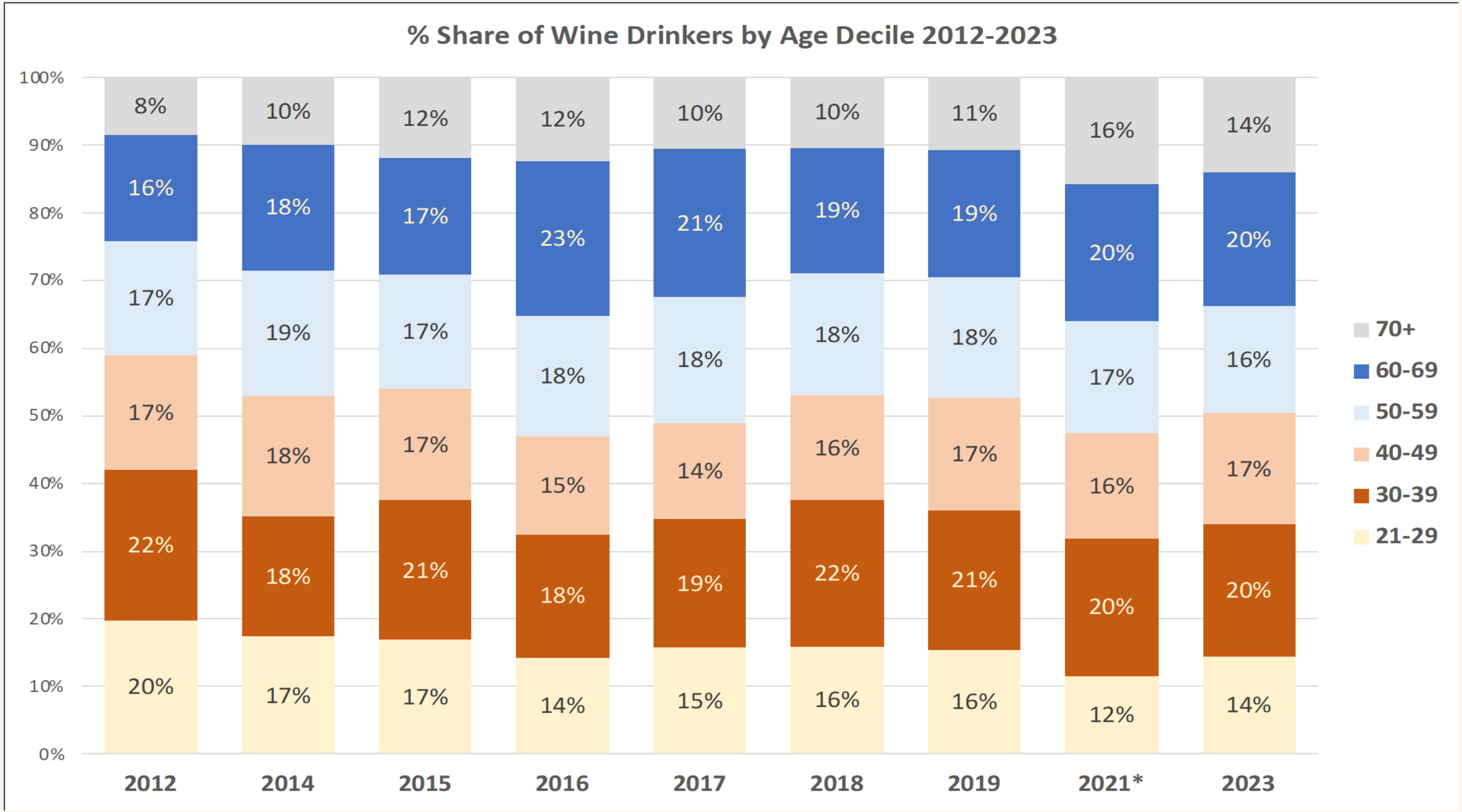
Share of Wine Drinkers by Decile



Age	2012	2014	2015	2016	2017	2018	2019	2021*	2023
70+	8%	10%	12%	12%	10%	10%	11%	16%	14%
60-69	16%	18%	17%	23%	21%	19%	19%	20%	20%
50-59	17%	19%	17%	18%	18%	18%	18%	17%	16%
40-49	17%	18%	17%	15%	14%	16%	17%	16%	17%
30-39	22%	18%	21%	18%	19%	22%	21%	20%	20%
21-29	20%	17%	17%	14%	15%	16%	16%	12%	14%

Percent of Each Generation that Drinks Wine 2015-2023

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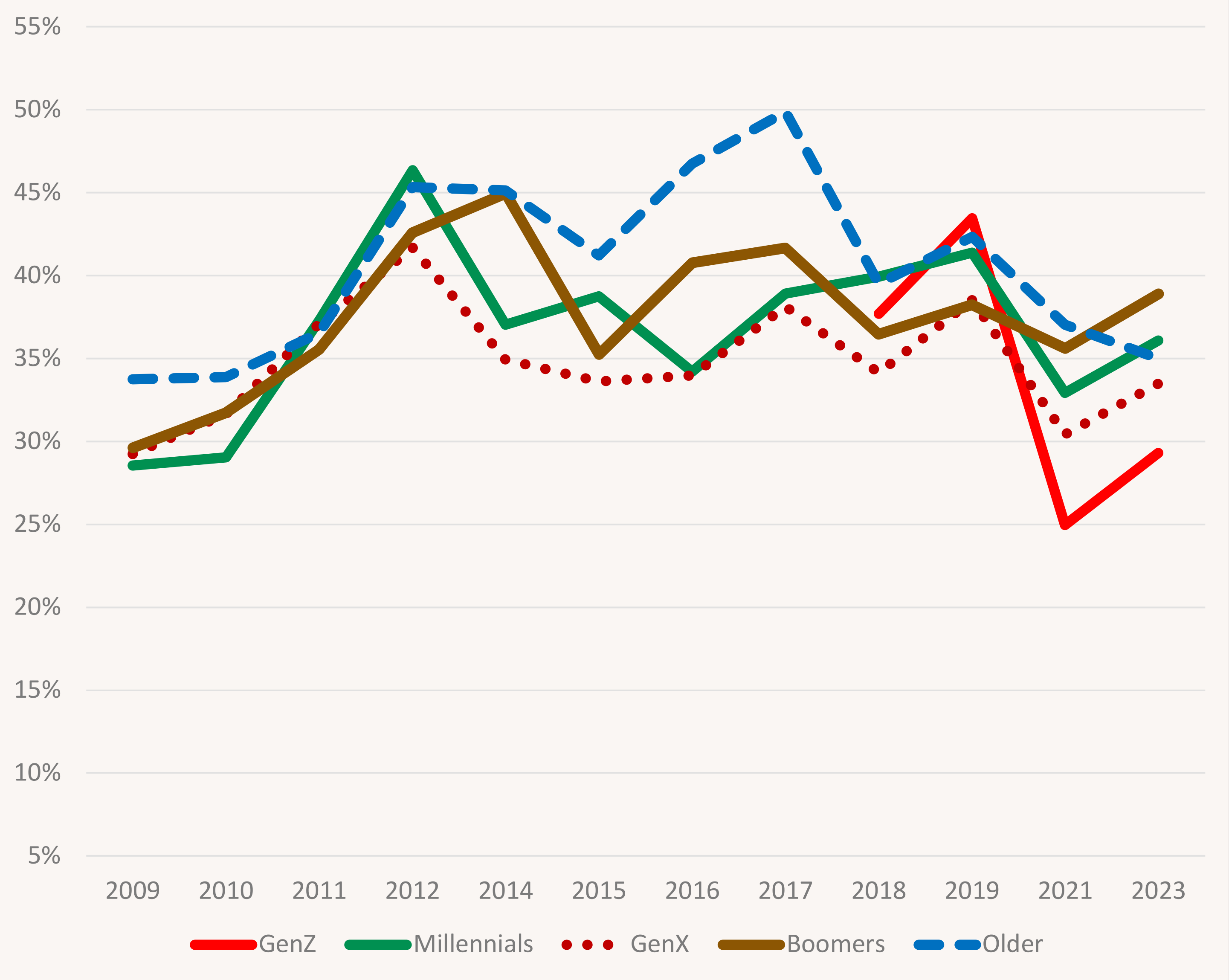
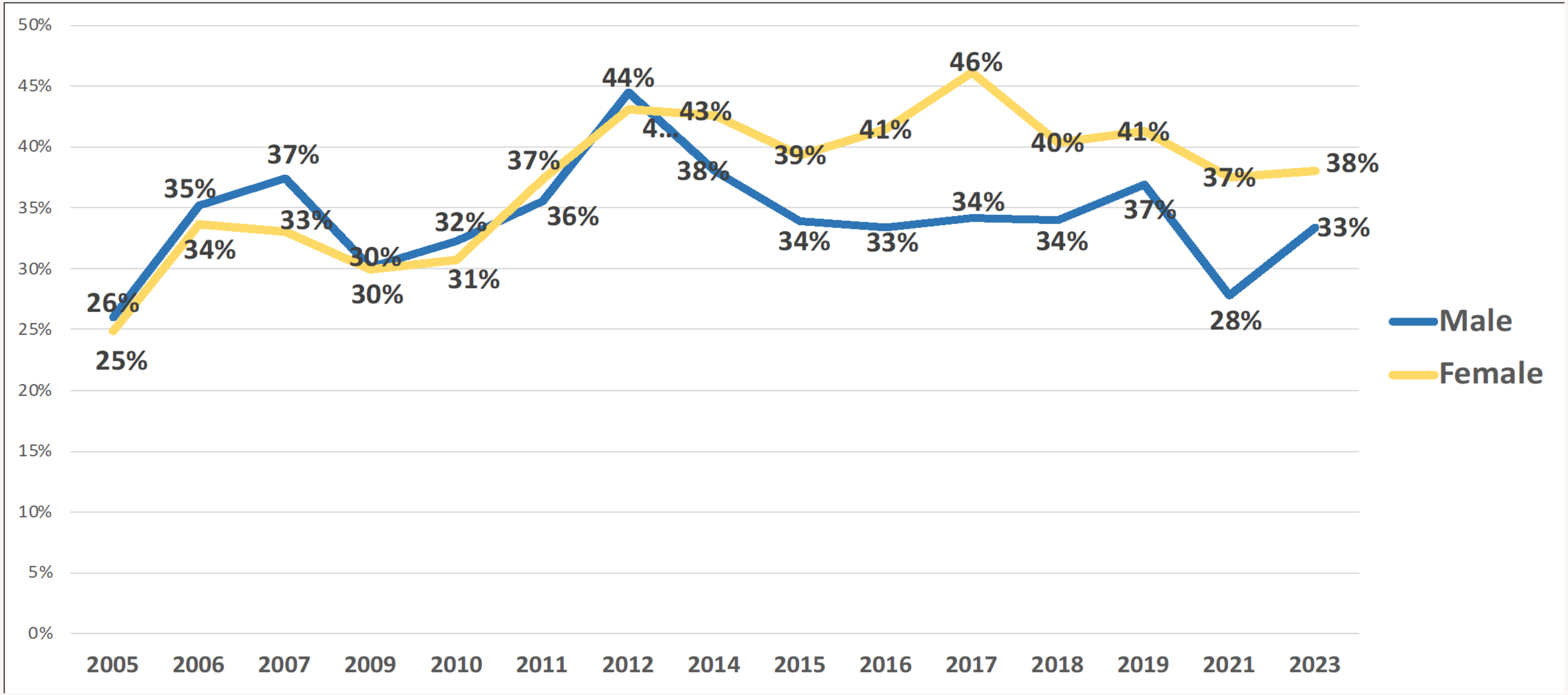


% OF GENERATION THAT DRANK WINE AT COMPARABLE AGES: GEN X, MILLENNIALS, GEN Z						
Year:	**1994**	**2003**	**2005**	**2019**	**2021**	**2023**
Gen Z ages	na	na	<10	8 to 23	10 to 25	12 to 27
Gen Z % drink wine				**43%**	**25%**	**29%**
Millennial ages	<15	8 to 23	10 to 25	24 to 39	26 to 41	28 to 43
Millennial % drink wine		**34%**	**26%**	**41%**	**33%**	**36%**
Gen X ages	15 to 30	24 to 39	26 to 41	40 to 55	42 to 57	44 to 59
Gen X % drink wine	**28%**	**22%**	**30%**	**39%**	**30%**	**34%**

% of Males & Females that drink wine 2009-2023



% Share of Wine Drinkers by Ethnicity

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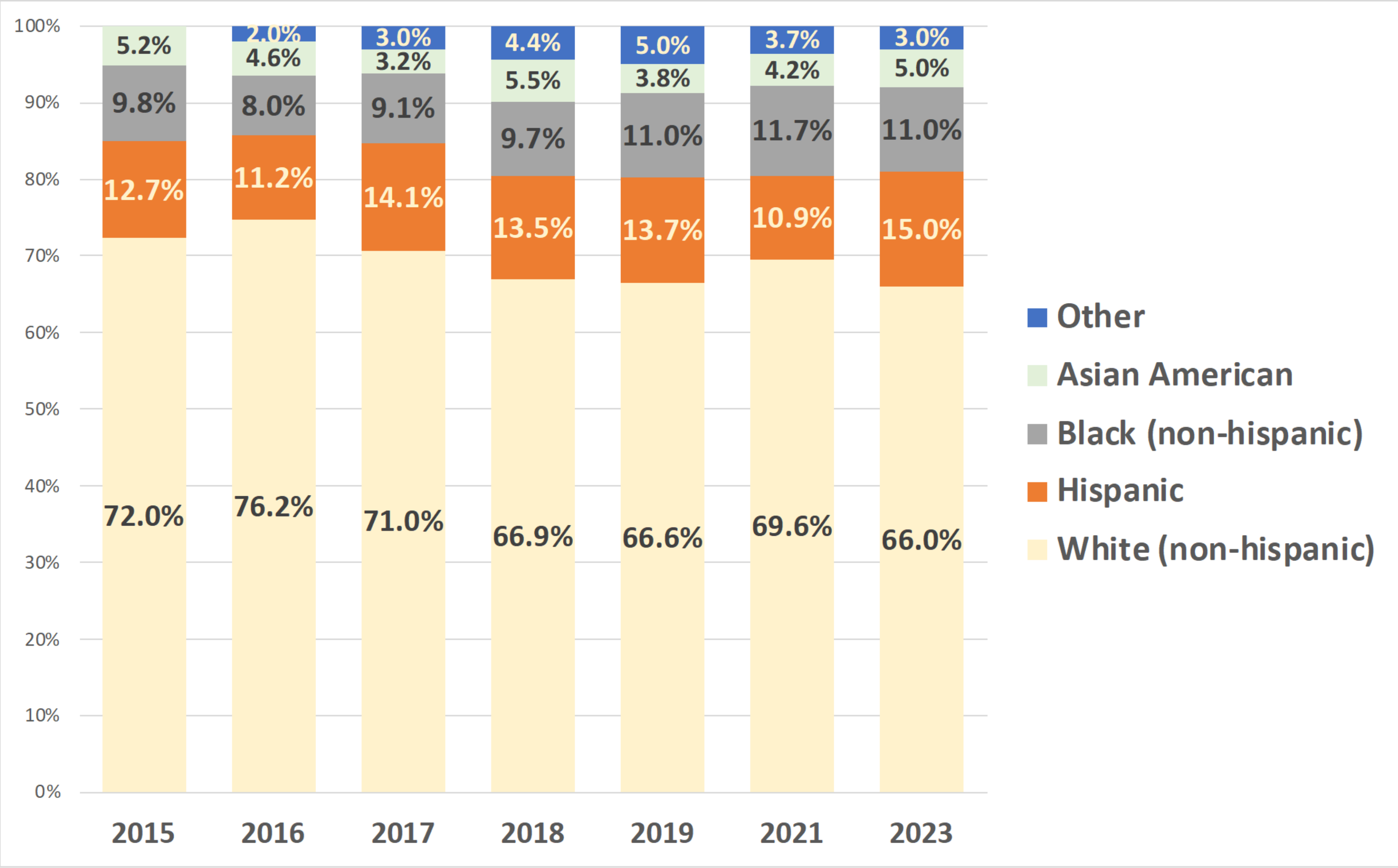

2023 vs. 2016

- Over-indexing for non-Hispanic Whites has shrunk
- Under-indexing for non-Hispanic Blacks has greatly shrunk (0.90 to 0.96)
- Under-indexing for Asian-Americans is almost gone (0.90 to 0.99)
- Under-indexing for Hispanic-Americans has remained the same

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Consumer Messages from Other WMC Studies

Key Learnings from Category Shifting study

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1) **The primary driver of the downtown appears to be a reduction in alcohol consumption generally.**

   I. **Wine's decline was around average,** Decline in household purchases of most categories of alcohol .

   II. **Consumption** - Statistical analysis of representative survey of 1500 wine drinkers showed that reducing consumption of other drinks was the strongest predictor of reducing wine consumption.

   III. **Wellness/Economy** - reduction has a wellness component and an economic component.

2) **Competition from other drink categories is a secondary, though still significant factor.**

   I. **Some switching away from wine based on occasions** (esp. at home meals, casual dining, socializing outside the home)

   II. **Some switching in household purchases** (Wine lost to RTD cocktails, craft/imported beer and to a lesser extent spirits; but gained from non-craft domestic beer and hard seltzer)

   III. **Volatility** - While wine has lost customers to some other categories, and gained from a few, the overwhelming impression from the consumer data is volatility.

   IV. **Cannabis** - Cannabis impact still mostly theoretical.

Photo credit: Pixabay.com

Key Learnings on High End Consumers

1) Are they cutting back? Yes and No:

I. **2022-23 Household Purchasing Panel data** - consumers net traded down from $20+ wines to $10-19.99 wines. But many reduced under $10 wines while increasing $20+ purchases.

II. **Consumer Surveys** – steady 20-year growth in % buying over $20. Recent cut back under $10 & over $50; increased purchases of $20320.

III. **Economic factors** – significant correlation between reducing wine purchases above $20 and lower income or wealth levels

IV. **Competition factors** – Craft beer & Cocktails affecting even High-End Consumers.

2) Why do people trade up? The three C's:

I. **Consistency** in quality/flavor across bottles and vintages

II. **Complexity** and balance of flavor

III. **Confidence** in own knowledge and experience

IV. **Purer**, more authentic wines – perception of fewer additives, lower sugar, fewer negative physical effects

V. **Importance of gateway wine/experience**

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Key Take-Aways

Key Take-Aways

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1) The downturn, three major forces at work:

- **Anti-alcohol sentiment** - growing, although reported & actual behavior may differ)
- **Economic concerns/belt-tightening** - should ameliorate & wine demographics still favorable
- **Competition from other categories** - fierce but less impactful specifically to wine than the headlines

2) The age issue:

- **Gen Z** – Younger consumers not adopting less wine than predecessors BUT recent Gen Z trend is concerning
- **Boomers** - Don't take Boomers for granted; they may fade faster than anticipated

3) Wine's strengths:

- **Core Consumers** - Remaining core customers appear highly engaged, spending more
- **Product Advantages**
  - ✓ Strong on relaxation, romance, connecting, worldliness/sophistication
  - ✓ Evokes memories of travel, events, friends/family
  - ✓ Pure & natural; linked to land, farms, agriculture

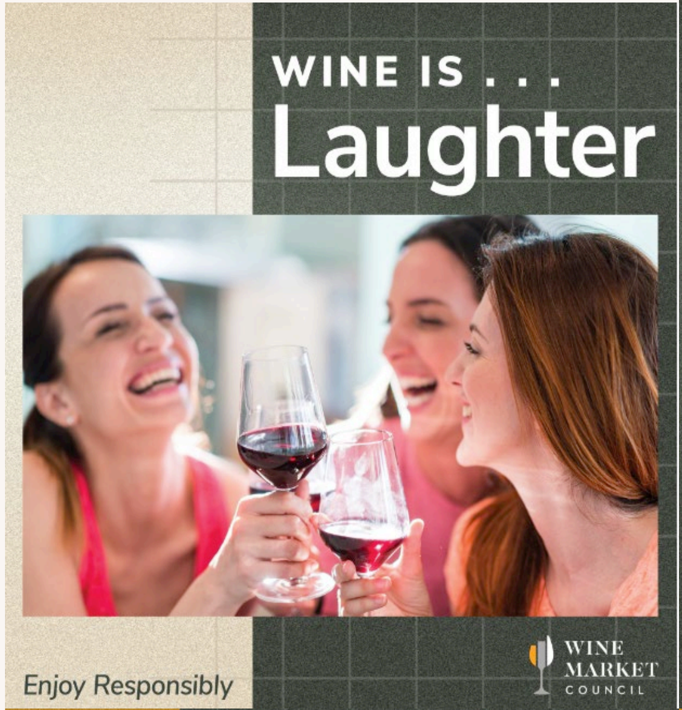
Photo credit: Pexels.com

Promote the Positive Aspects of Wine

AGRICULTURE
FAMILY
FOOD
HISTORY
HOLIDAYS
LIFESTYLE
ROMANCE
SOCIAL
FRIENDSHIP
CREATIVITY
CELEBRATION
TRAVEL

WINE IS….. Social Media Campaign

WINE GLASS MARKETING



WINE MARKET COUNCIL
2024 Research Conference

Attract Young & Multicultural Consumers

- Transparency
- Pop-Up Events
- Virtual & Social
- Gateway Wines
- Ads That Look Like Me
- Cultural Aspects of Wine/Food
- Packaging – single serving
- Diverse Winemakers/Workforce

Retain Existing Consumers

- Loyalty Programs
- Thank you’s
- Traveling Events
- Drink of Moderation
- Low-No Alcohol Options
- New Wine Varieties
- Food/Wine Pairings
- Positive Aspects of Wine

Innovate & Grow the Pie

- New Styles/Varieties
- Wine Cocktail Recipes
- Partnerships
- New Drinking Occasions
- Tasting in New Venues
- New Event Options
- Multicultural Food Pairings
- Innovative Packaging

THANK YOU

https://winemarketcouncil.com/

JOIN US!

We are a non-profit dedicated to providing forward-looking market research on U.S. wine consumer buying habits, attitudes and trends.