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WINES VINES ANALYTICS

Wine – DtC Shipments & Retail Off Premise

October 2020

WINE OFF PREMISE SALES MEASUREMENT

An exclusive collaboration between Nielsen, Wines Vines Analytics, Sovos ShipCompliant



**Retail Off Premise
Sales Reporting**
\$20 Billion/209MM cases*

**Direct to Consumer
Shipment Reporting**
\$3.6Billion/8MM cases*

*through Oct 2020

AGGREGATE of...

- Food; Drug, Mass Merchants, Convenience, Dollar, Military Exchanges, Select Warehouse Clubs,
- Liquor channel (7 geographic markets, and 20+ key Liquor retail chains, incl Wine.com)

AGGREGATE of...

- online orders placed at Winery website
- winery wine club shipments to their members
- tasting room purchases shipped to consumers
- Does not include - Tasting room carry out ; Events carry out; Online retailers; Non winery aggregating wine clubs (e.g. WSJ, LA Times Clubs)

Reporting by...

- Price tiers; Key Varietals; Key Origins (& combos)
- States (where sold/where shipped)
- Winery size segment (DtC)

Monthly updates – with 5 yrs history

Commentary – October 2020

DtC Shipment Channel

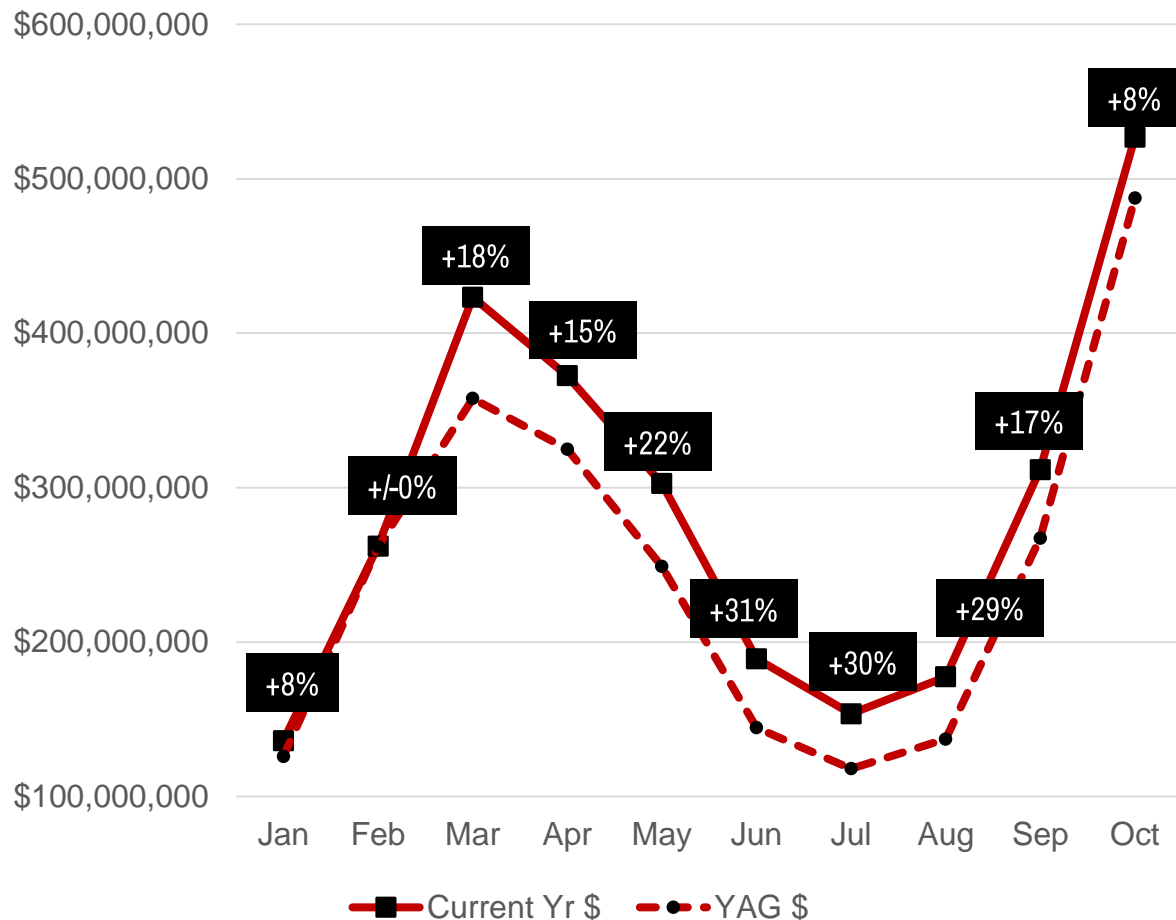
- October 2020 DtC Shipment levels reached a historic high for a single month - \$527MM and 961K 9L cases of DtC shipped Wine
- At the same time, growth vs year ago slowed to single digit Value levels (+8%), maybe not unexpected given the overall size/importance of October shipments traditionally. Volume growth was still up double digits (+19%) resulting in the average price per 750 ml bottle dropping by close to -\$5 vs year ago, to \$45.67
- The October reduction in percentage growth was particularly evident for Napa wines, 'small' wineries (those with an annual case production of 1K-5K cases), and shipments to IL, NY, and TX

Nielsen Retail Off Premise Channel

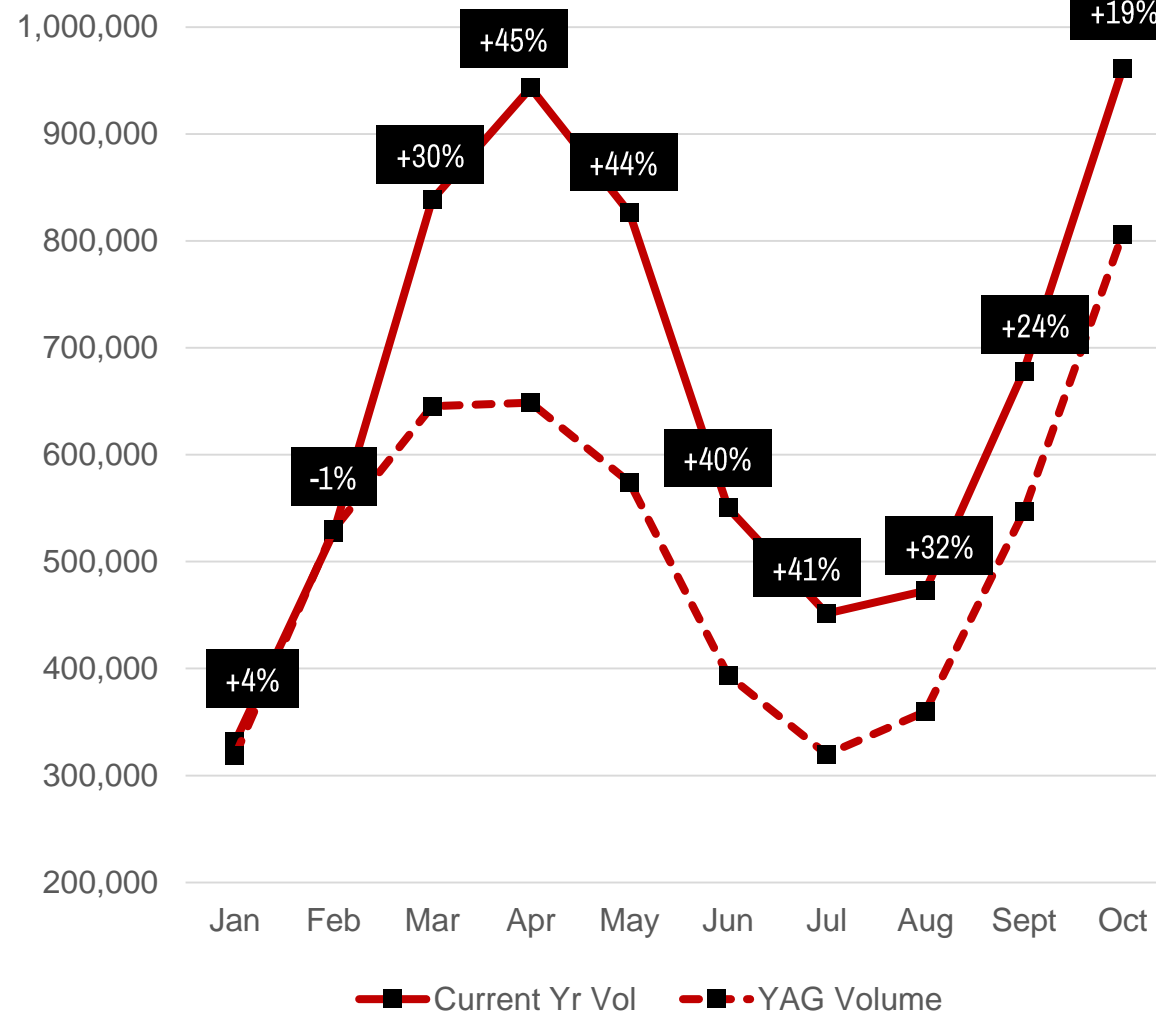
- Growth has largely flattened out for the last 5 reporting periods, with October Value growth of +17% and Volume growth of +10%
- During this period of time, there has been a relatively steady price/mix differential (i.e Value minus Volume) of 7-8 percentage points
- On a lower base of price than in the DtC channel, the average price paid in retail off premise of \$11.33 (for a 750 ml bottle) is about \$.59 ahead of last year's level, as consumers continue to trade 'up' in this channel (keeping in mind that some are trading 'over and down' from an on premise channel purchase)

DtC Wine Shipments – Jan 2020 thru Oct 2020 (vs Year Ago)

Monthly DtC Shipments (Value)



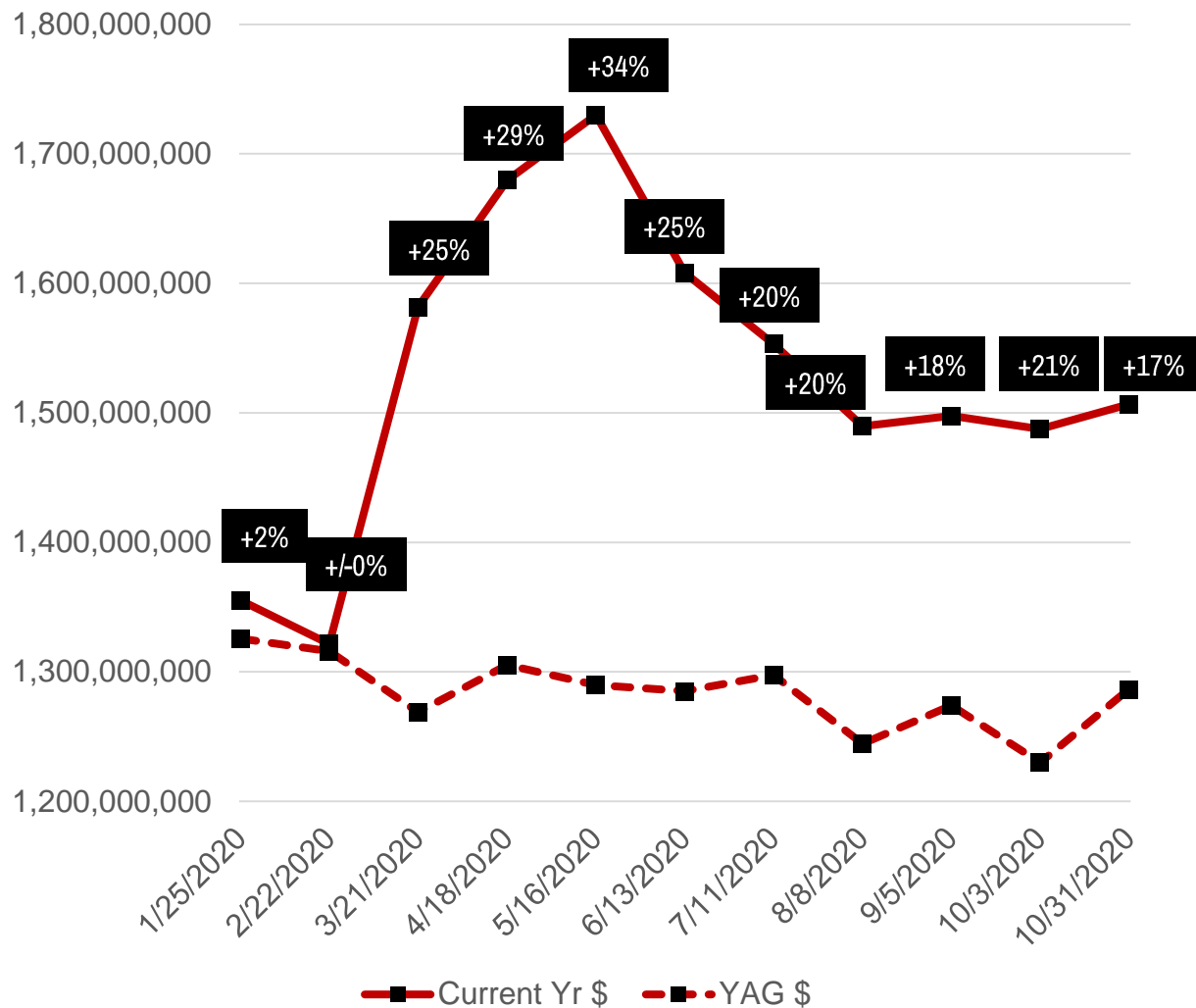
Monthly DtC Shipments (9L Cases)



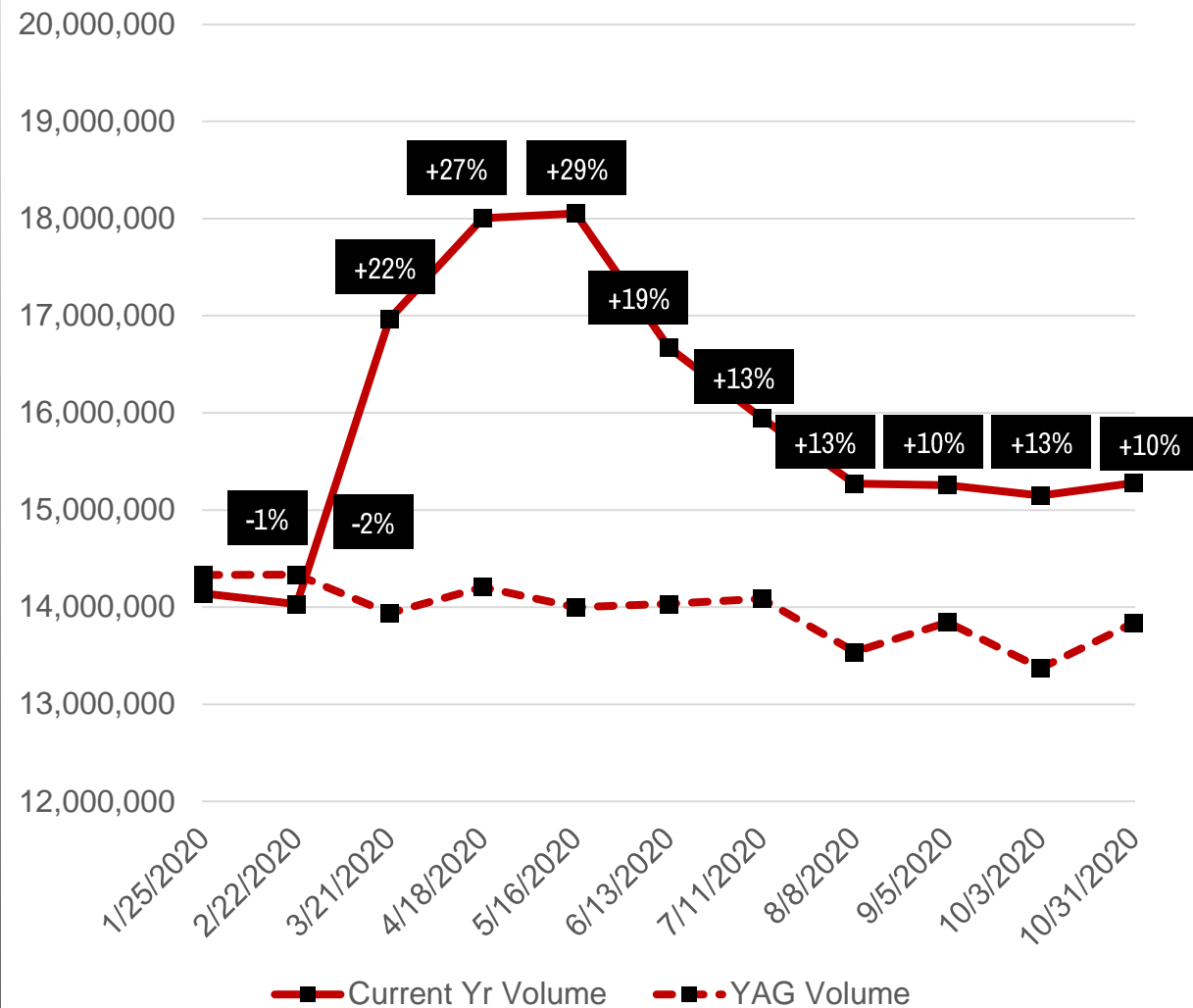
Source: in partnership with

Retail Off Premise – Jan 2020 thru October 2020 (vs Year Ago); 4 week ending periods

Retail Off Premise (Value)



Retail Off Premise (9L Cases)



Source: **nielsen** 4 weeks ending 1/25/2020 thru 10/31/2020 (vs Year Ago)

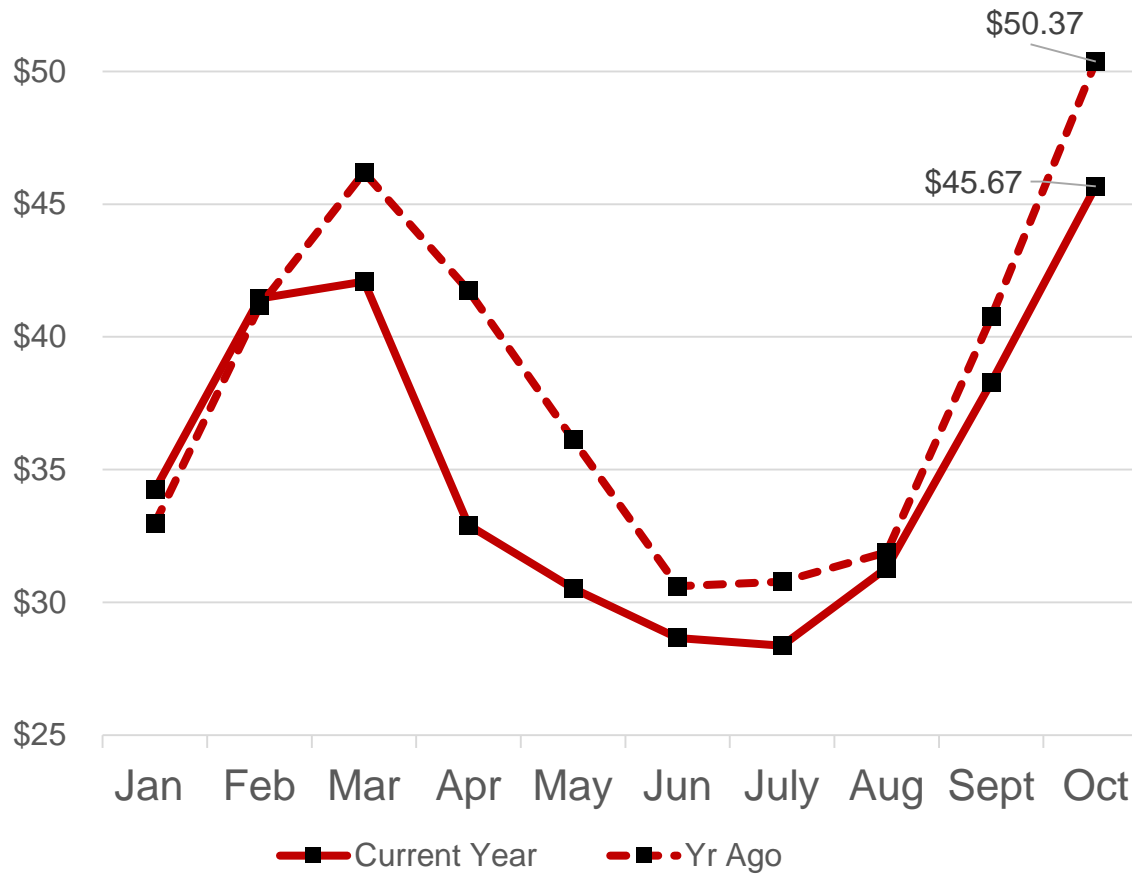
DtC AVERAGE PRICE FALLING; RETAIL PRICE INCREASING

DtC Shipments – Avg Price per 750 ML

Jan thru Sept 2020

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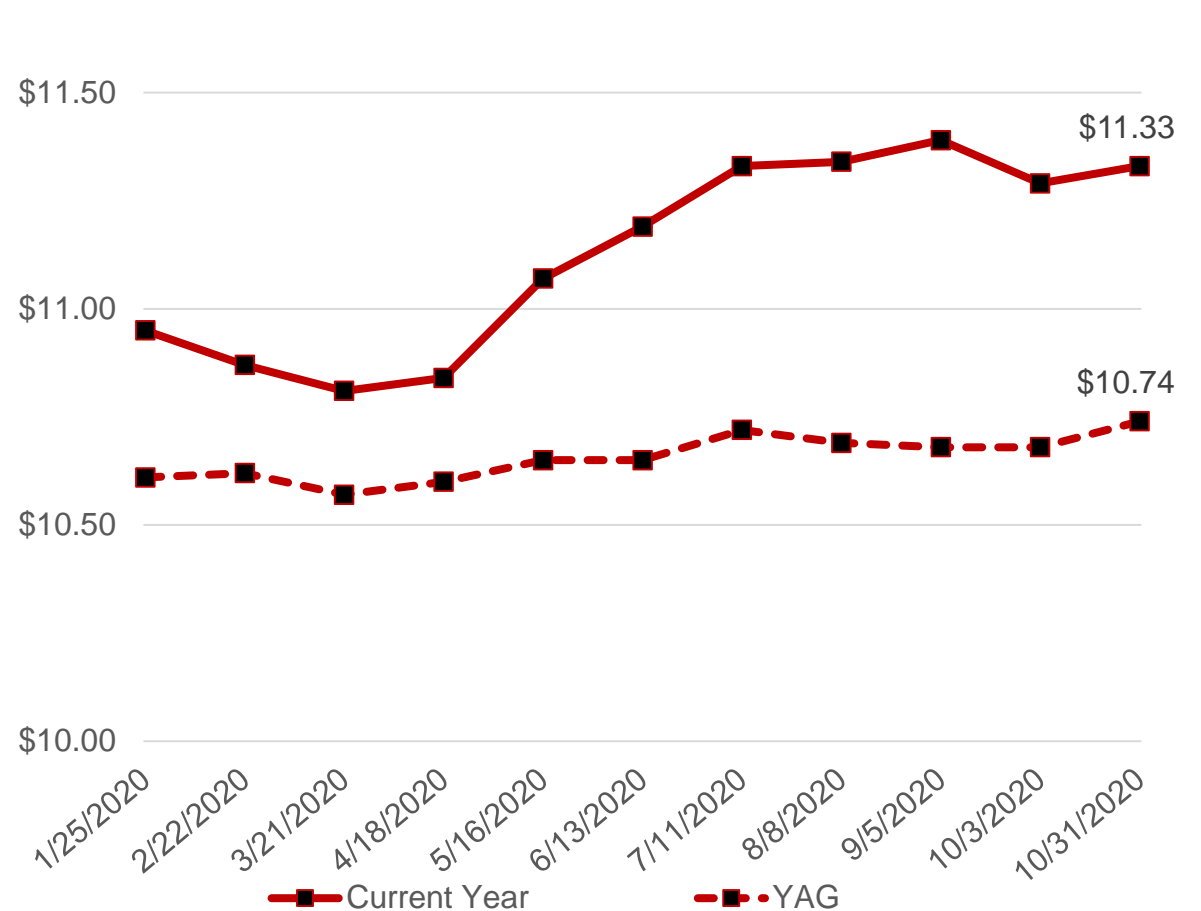
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Retail Off Premise – Avg Price 750 ml bottle

4 wk periods: Jan thru Sept 2020

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DtC Shipments vs Retail Off Premise Scorecard – Jan thru Oct 2020

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Monthly Periods

DtC Shipments	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct
Value % chg	+8%	+/-0%	+18%	+15%	+22%	+31%	+30%	+29%	+17%	+8%
Vol % chg	+4%	-1%	+30%	+45%	+44%	+40%	+41%	+32%	+24%	+19%
Avg Price	\$34.23	\$41.45	\$42.08	\$32.91	\$30.53	\$28.66	\$28.36	\$31.29	\$38.29	\$45.67
Price \$ chg vs YAG	+\$1.26	+\$0.29	-\$4.11	-\$8.84	-\$5.60	-\$1.95	-\$2.41	-\$0.53	-\$2.46	-\$4.70



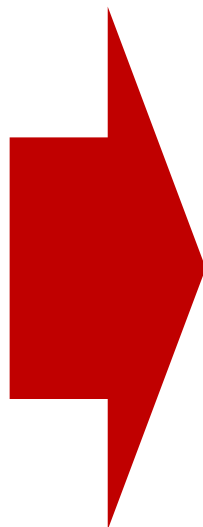
4 Week Ending Periods

Retail Off Premise	1/25/2020	2/22/2020	3/21/2020	4/18/2020	5/16/2020	6/13/2020	7/11/2020	8/8/2020	9/5/2020	10/3/2020	10/31/2020
Value % chg	+2%	+/-0%	+25%	+29%	+34%	+25%	+20%	+20%	+18%	+21%	+17%
Vol % chg	-1%	-2%	+22%	+27%	+29%	+19%	+13%	+13%	+10%	+13%	+10%
Avg Price (750 ml bottle only)	\$10.95	\$10.87	\$10.81	\$10.84	\$11.07	\$11.19	\$11.33	\$11.34	\$11.39	\$11.29	\$11.33
Price \$ chg vs YAG	+\$0.34	+\$0.25	+\$0.24	+\$0.24	+\$0.42	+\$0.54	+\$0.61	+\$0.65	+\$0.71	+\$0.61	+\$0.59

Interested in Going Deeper?

Performance by...

- Price Tiers?
- Varietals?
- Origin?
- Winery size?
- Geographic markets (States)



Contact:
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The background of the entire image is a vibrant red color with a complex, wavy, and undulating pattern that resembles liquid or fabric. The waves flow across the frame, creating a sense of movement and depth. The lighting is subtle, with some areas appearing slightly darker than others, enhancing the three-dimensional effect of the waves.

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