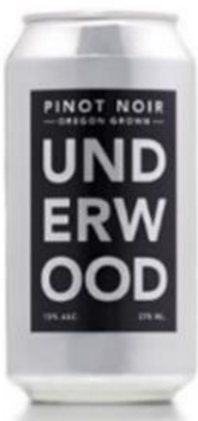
WINES & VINES PACKAGING CONFERENCE

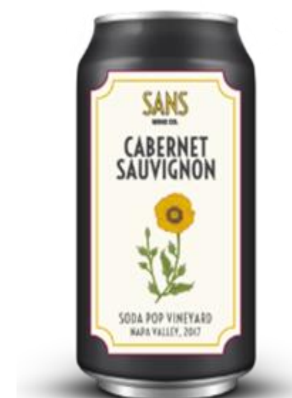
WIC RESEARCH

SESSION 2:
WHAT PACKAGING IS SELLING WINE?

Consumer Preferences for Wine in Cans



Dr. Robert L. Williams, Jr.
Dr. Helena A. Williams
Matthew J. Bauman
WICresearch.com



INTRODUCTION

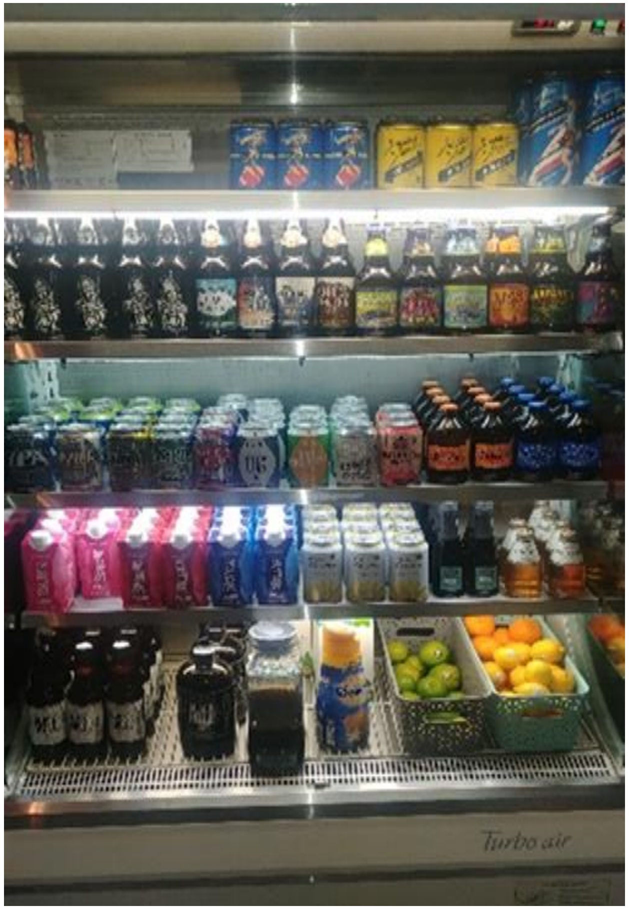
- **Market for Wine-in-a-Can**
- **Research Initiative started in 2016**
- **1st Quantitative Wine-in-Can survey (2018)**
- **1st Quantitative WIC survey focused on image (2019)**
- **1st Blind taste test: identical wine, bottle vs. can (2019)**
- **1st International Canned Wine Competition (2019)**

MARKET GROWTH

- **Top wineries**
  - E&J Gallo, The Wine Group, Constellation, Treasury, Trinchero, Ste. Michelle
- **Top 10 selling varietals**
  - Chardonnay, Cabernet Sauvignon, Red Blends, Pinot Grigio/Gris, Pinot Noir, Sauvignon Blanc, Merlot, Moscato/Muscat, Rosé, White Zinfandel
- **Top wine distributors**
  - Southern Glazer's, Republic, Breakthru, Young's, Johnson
- **Major beer companies**
  - AB InBev (3); MillerCoors

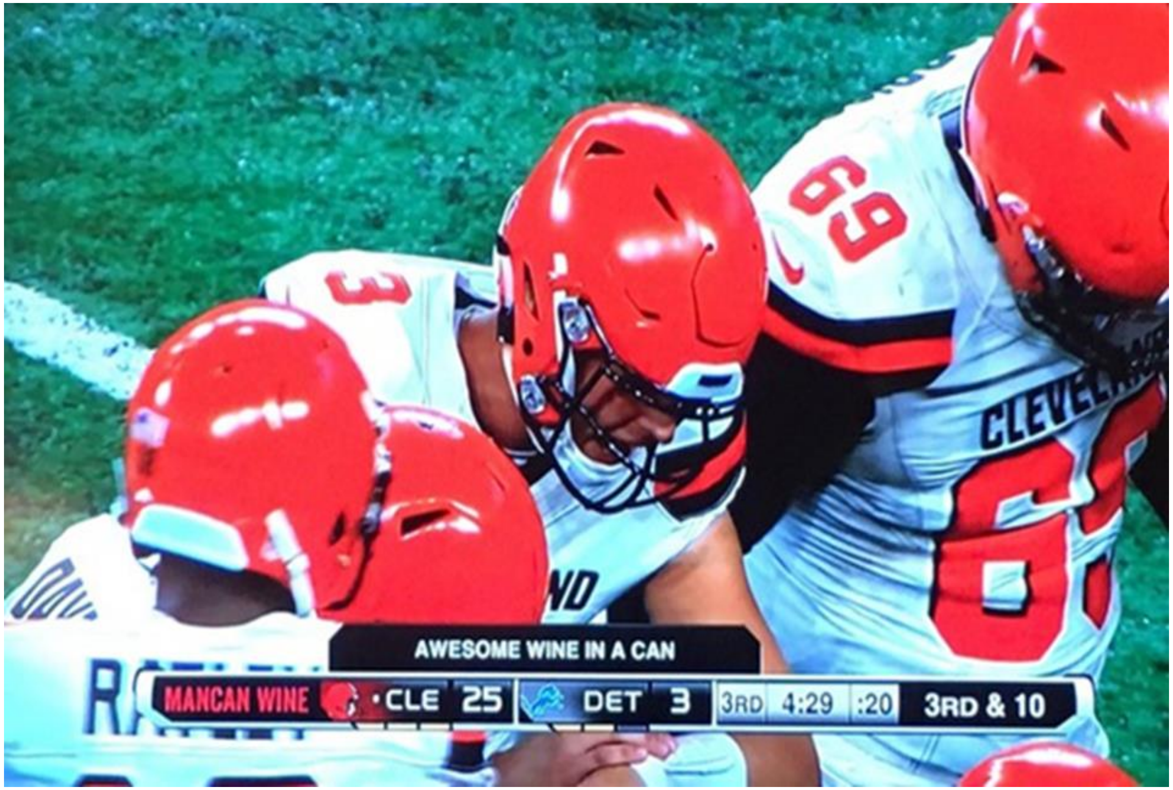
MARKET GROWTH - DISTRIBUTION

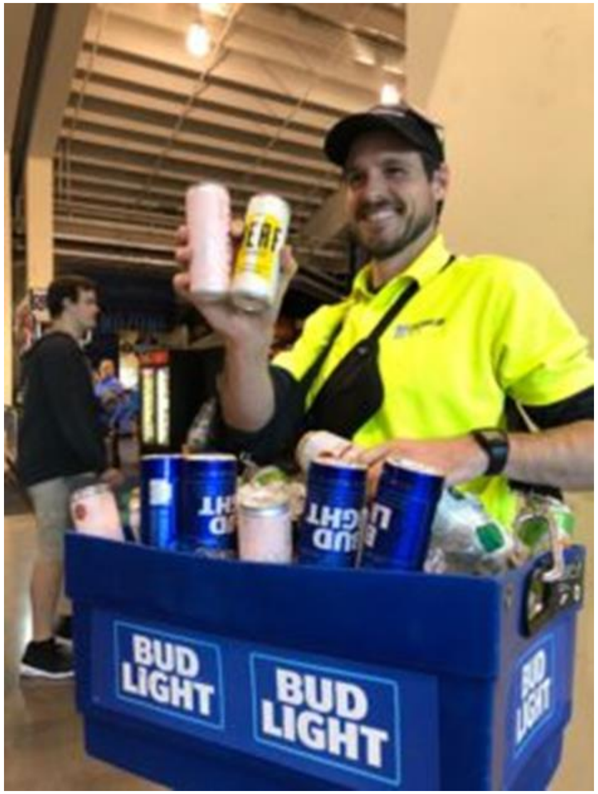
Convenience



MARKET GROWTH - DISTRIBUTION

Occasion Expansion



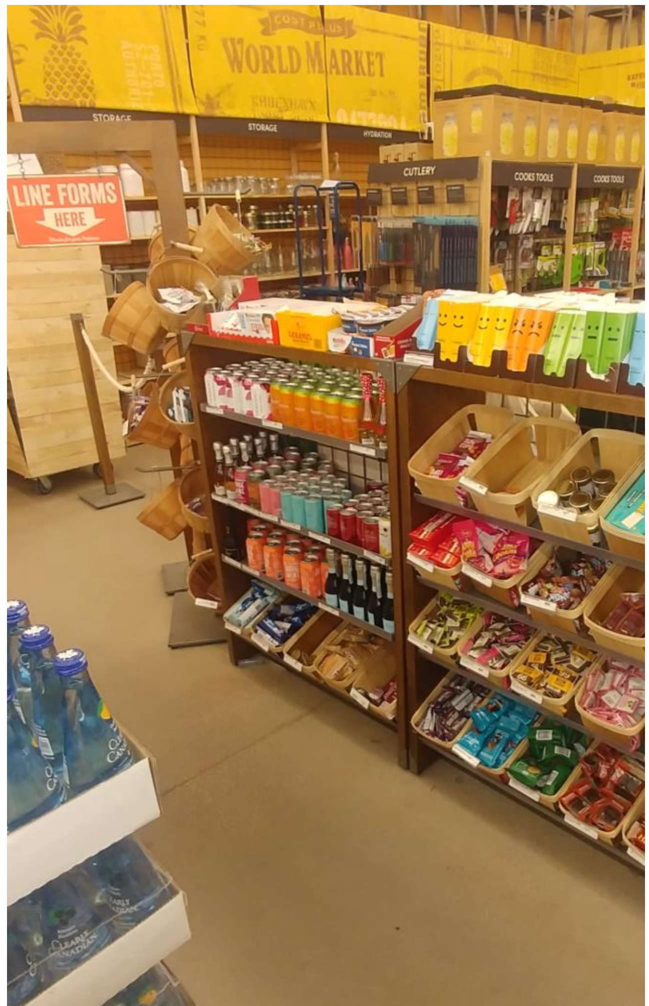


WINES & VINES PACKAGING CONFERENCE

WIC RESEARCH

MARKET GROWTH - DISTRIBUTION

Portion Control



MARKET GROWTH

(WICRESEARCH.COM DATABASE)

	June 2018	June 2019	Change
Winemakers	**125**	**350**	**+180 %**
Product Lines (SKU)	**350**	**900**	**+157 %**
States	**18**	**28**	**+56 %**
Countries	**13**	**28**	**+115 %**

WINES & VINES PACKAGING CONFERENCE

2018 SURVEY
CONSUMPTION & MOTIVATION - DRIVERS

1) **Convenience**
2) **Occasion expansion**
3) **Sustainability/cost savings**
4) **Quality**
5) **Portion control and Variety**
6) **Visual image/branding**

2018 SURVEY
CONSUMPTION & MOTIVATION

- **All generations will buy more by expanding Location**

- **Convenience & Occasion Expansion are more important than segmentation based on**
  - **psychographics (subjective wine knowledge)**
  - **socio-demographics (generation, gender)**

2018 SURVEY
MOST SIGNIFICANT FINDING

- **Regardless of subjective wine knowledge, the awareness, trial and purchasing practices showed no differences.**

2019 SURVEY FINDINGS - OVERALL

Purchase behavior: Can Size

- ✓ **43% of *consumers* prefer the 250ml size format,** while 50% of *producers* offer it (in 4 paks)
- ✓ **36% of *consumers* prefer the 187ml size**, while only 8% of producers offer it
- ✓ Only 21% of consumers prefer the 375ml format, while 42% of producers offer it

TTB Comments (Hinman & Carmichael, LLP)

2019 SURVEY FINDINGS - OVERALL

Using attributes identified by our 2018 survey respondents, "How important are the following Wine-In-Can attributes to you?"

	Mean (1-5)
Taste	3.87
Quality	3.80
Value	3.32
Convenience	3.23
Portable	3.02
Fun	2.90
Recyclability	2.88
Portion control	2.42
Image	2.35
Lifestyle	2.22

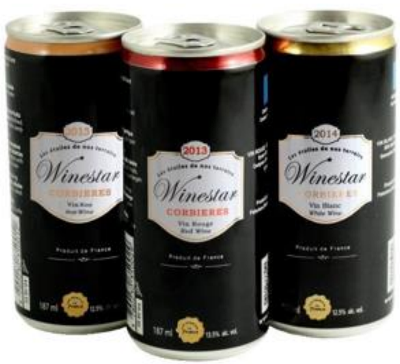
2019 SURVEY FINDINGS - OVERALL

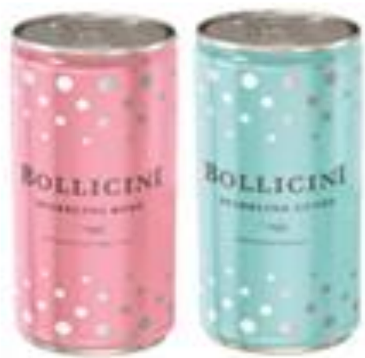
Using occasions identified by our 2018 survey respondents, "Where (or what occasions) have you consumed WIC?"

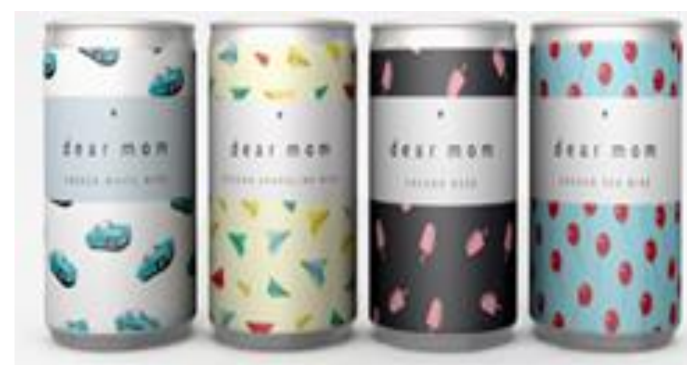
	Freq.
Chilling	4.9%
Party	4.2%
Beach	3.7%
Pool	2.5%
Vacation	2.2%
@home w/signif.	2.1%
Tailgate	1.9%
Boat	1.8%

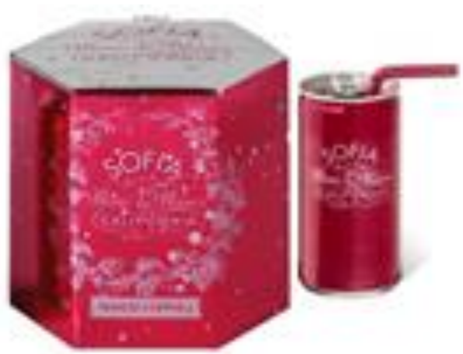
2019 SURVEY: FINDINGS - IMAGE

187ml (5 brands)







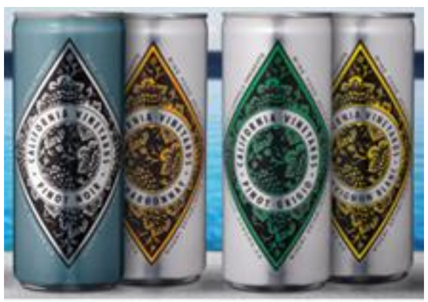


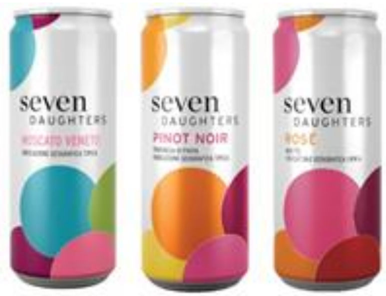
WINES & VINES PACKAGING CONFERENCE

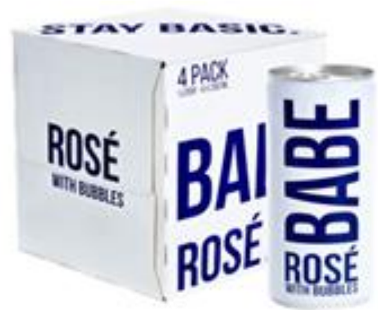
WIC RESEARCH

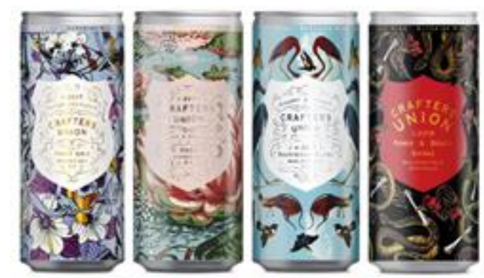
2019 SURVEY: FINDINGS - IMAGE

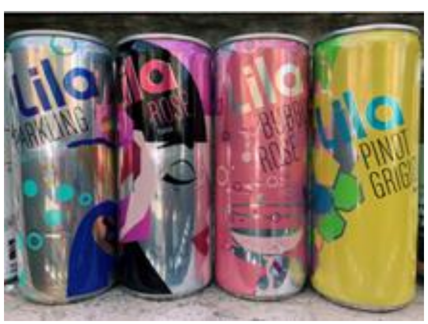
250ml (7 brands)

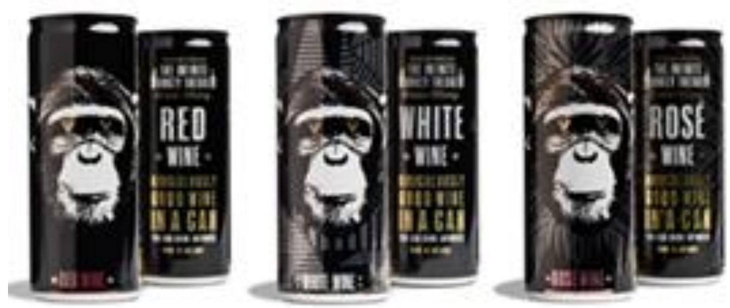


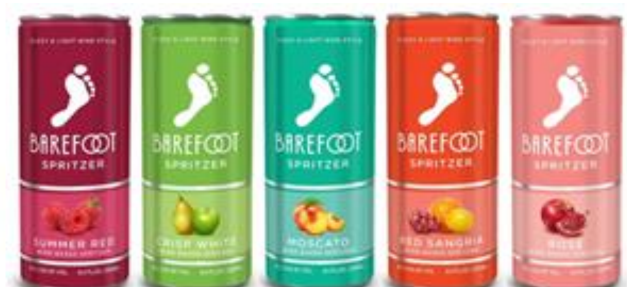






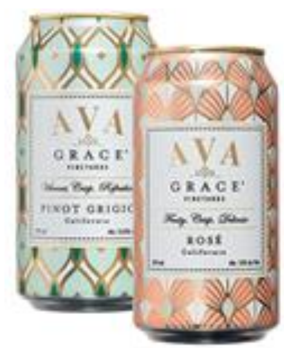


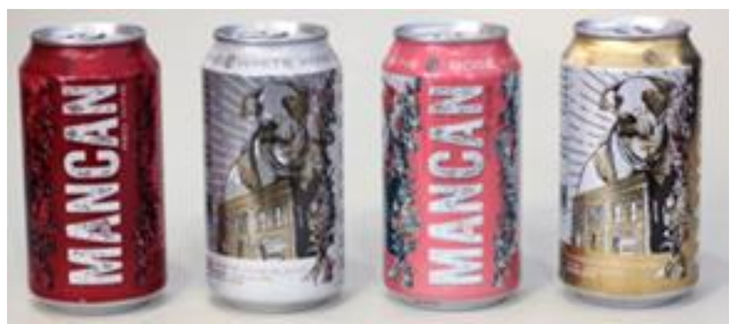


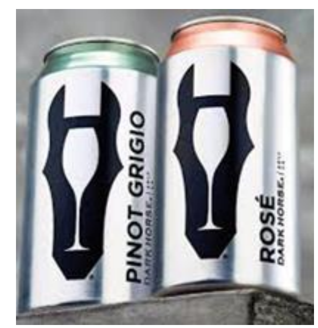


2019 SURVEY: FINDINGS - IMAGE

375ml (5 brands)







2019 SURVEY: FINDINGS - IMAGE

Question 20a:
"This brand reflects my lifestyle"

	Agree	Disagree
Brand A	46.6%	53.4%
Brand B	67.4%	32.6%

2019 SURVEY: FINDINGS - IMAGE

Question 20d:
“This brand represents people like me”

	Agree	Disagree
Brand A	47.1%	52.9%
Brand B	67.3%	32.7%

2019 SURVEY: FINDINGS - IMAGE

Question 20c:
“I would purchase this brand””

	Agree	Disagree
Brand A	55.1%	44.9%
Brand B	74.1%	25.9%

2018 & 2019 SURVEYS: MOST SIGNIFICANT FINDING

- **Both surveys confirmed that regardless of subjective wine knowledge, the awareness, trial and purchasing practices showed <u>no differences</u>.**

2019 BLIND TASTE TEST

- **Identical wine from same winery was poured from bottle, or can, into cup**
- **Two locations (local University; Nissley Vineyards)**
- **Total of 86 random participants, aged 21-74**
- **Wines included a Dry Chardonnay, Dry Riesling, Dry Rose, and Sparkling Sweet Moscato. Crackers and water were provided each participant.**

2019 BLIND TASTE TEST – PRELIMINARY FINDINGS

- When asked **"Have you tried wine-in-a-can before"**, the responses were split exactly half – **50% replied Yes, 50% relied No**

- Interestingly, while there were greater number of female respondents**, a higher percentage of Male tasters (63.6%) had tried wine-in-a-can, while out of all the Female tasters only 48.3% had tried it.**

2019 BLIND TASTE TEST – PRELIMINARY FINDINGS

- A total of **57% self-identified as having higher subjective wine knowledge** than their peers.

2019 BLIND TASTE TEST – PRELIMINARY FINDINGS

- For question "**I prefer Wine A, Wine B, No Difference**", **Preliminary conclusions suggest that tasters reported <u>NO strong preferences</u> between the identical wine packaged in a Can vs. packaged in a Bottle.**

- **Overall, 48.5 % preferred Bottle, while 51.1% preferred Can or indicated they found No Difference.**

2019 BLIND TASTE TEST – PRELIMINARY FINDINGS

- **While all four wines showed greater Can preferences or No Difference, Riesling and Rose showed greatest difference in preference for wine in a Can vs. Bottle.**

Wine	Preferred Bottle	Preferred Can	Preferred No Difference	Preferred Can or No Diff.
Dry Chardonnay	**48.8%**	45.3%	5.8%	**51.1%**
Dry Riesling	**42.9%**	31.0%	26.2%	**57.2%**
Dry Rose	**31.4%**	37.2%	31.1%	**68.3%**
Sweet Spk Moscato	**47.7%**	46.5%	5.8%	**52.3%**
Overall	**48.5%**	45.3%	5.8%	**51.1%**

2019
1ST INT'L CANNED WINE COMPETITION

- **Over 200 canned wines from around the world**
- **Insomnia Wines won 3 Gold Medals and Best of Show Red for California Pinot Noir.**
- **Sans Wine Co. 2017 Rutherford Napa Valley Riesling awarded Best of Show White Wine**
- **Benmarl Winery of New York took home 3 Gold Medal, as did Leelanau Cellars from Michigan.**
- **https://cannedwinecompetition.com/2019-competition**

CONCLUSIONS

- **Demand is not solely a factor of gender nor age.**
- **Regardless of subjective wine knowledge, awareness, trial and purchasing practices showed no differences.**
- **6 Drivers: Convenience, Occasion Expansion, Sustainability/Cost savings, Quality, Portion control/Variability and Visual Image/Branding.**
- **Preliminary conclusions suggest NO strong preferences between the identical wine packaged in a Can vs. packaged in a Bottle.**

Thank you.

Questions?

For free report:
www.WICresearch.com
WICresearch.com@gmail.com