



2024 Direct-to-Consumer Wine Survey:

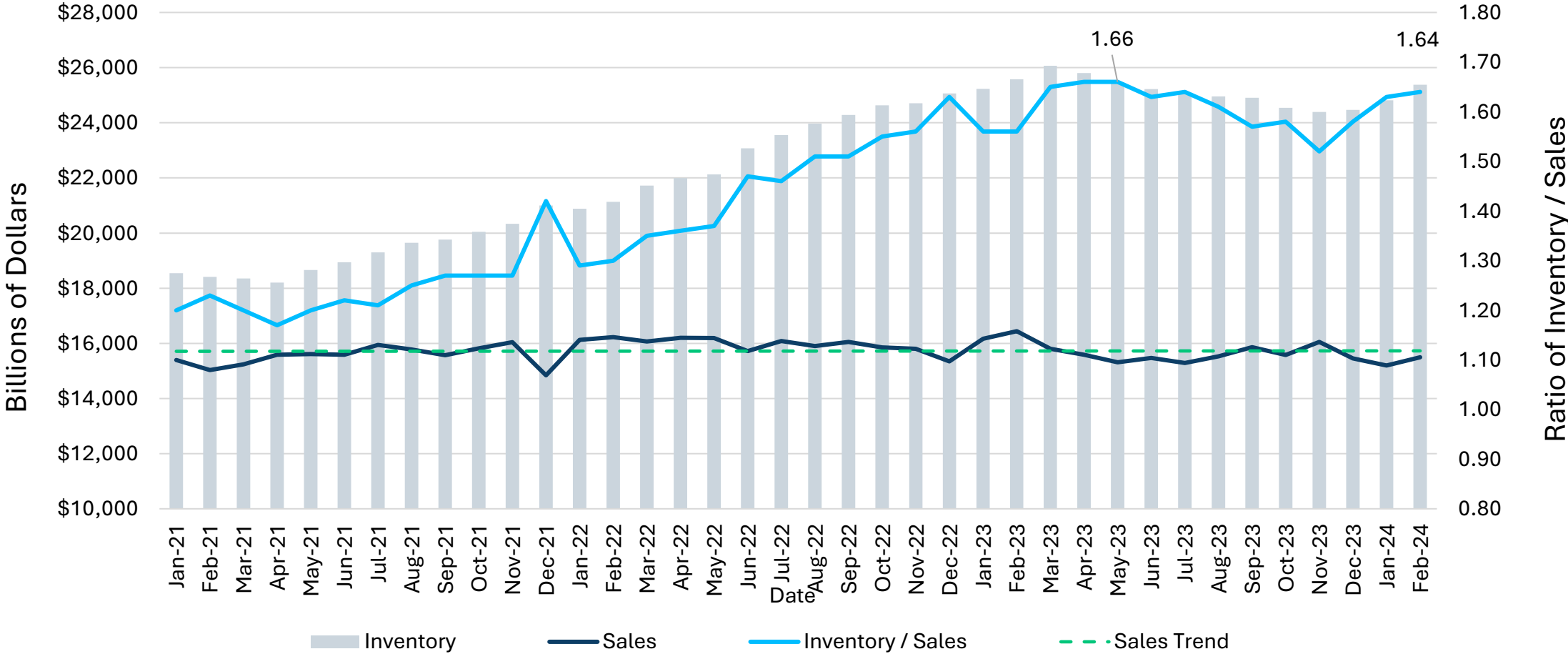
Report, Results and Benchmarks

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Project Manager: Paul Dugoni



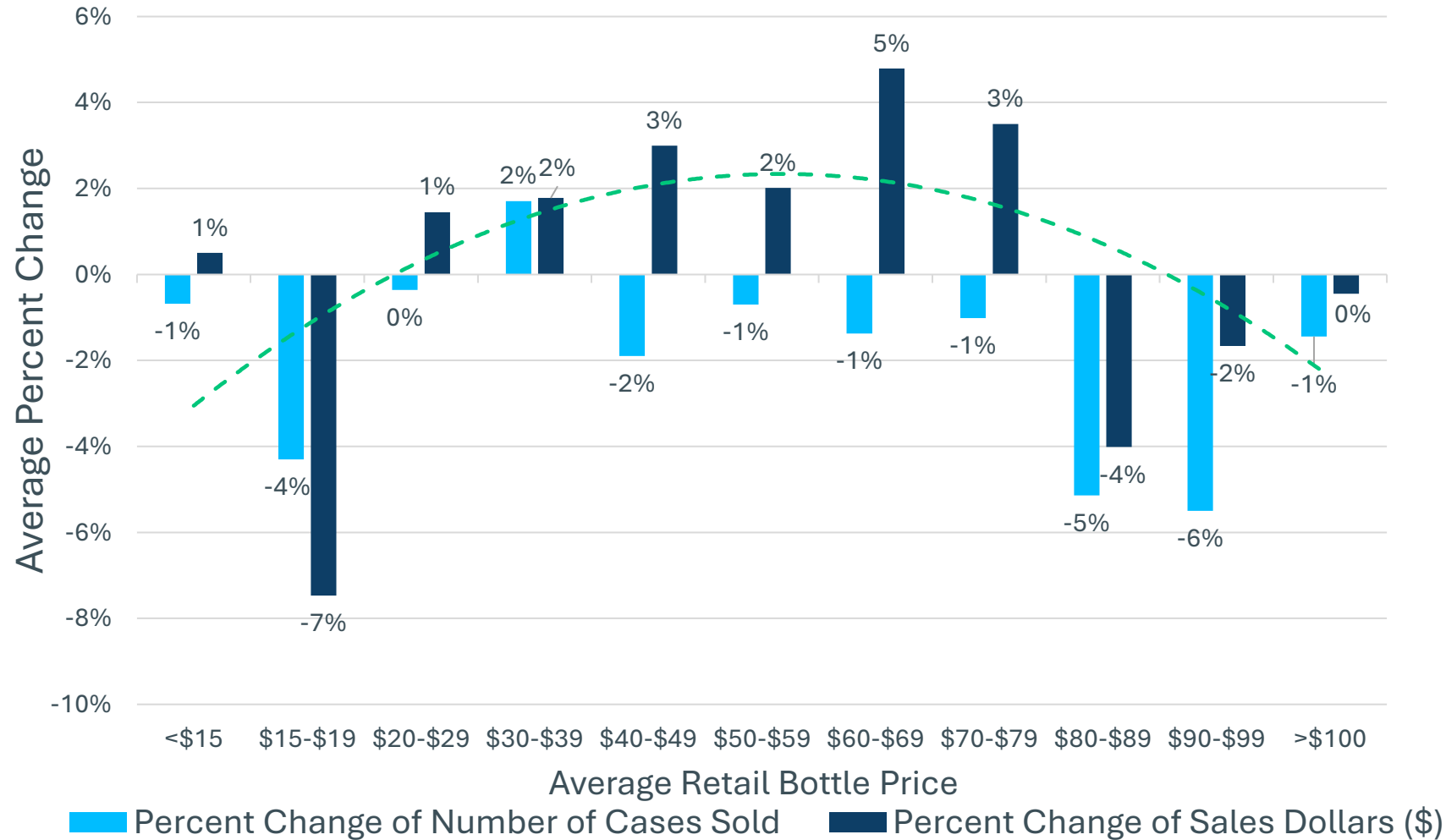
Flat Sales Can't Reduce the Volume of Stacked Total Alcohol Inventories

The historical average is below 1.30x sales. If sales increase \$1bn each month (5%) it will take a year to reach 1.30x. Premium wine is closer to being balanced.



Change in DTC Cases Sold and Dollar Sales by Average SRP

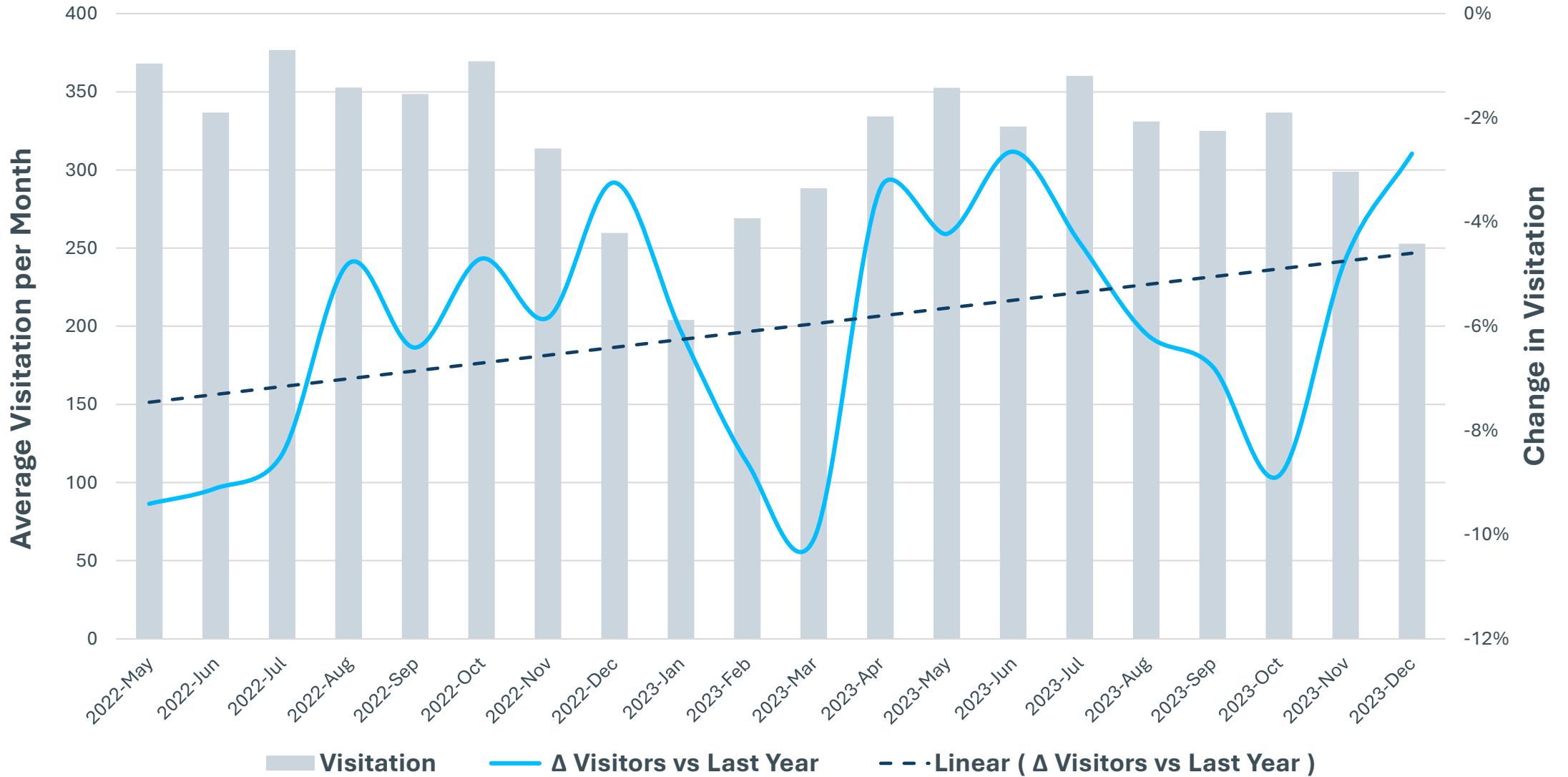
Volumes sold are lower, and dollar sales are higher in most segments.



Note: Excludes wineries with less than five years of experience

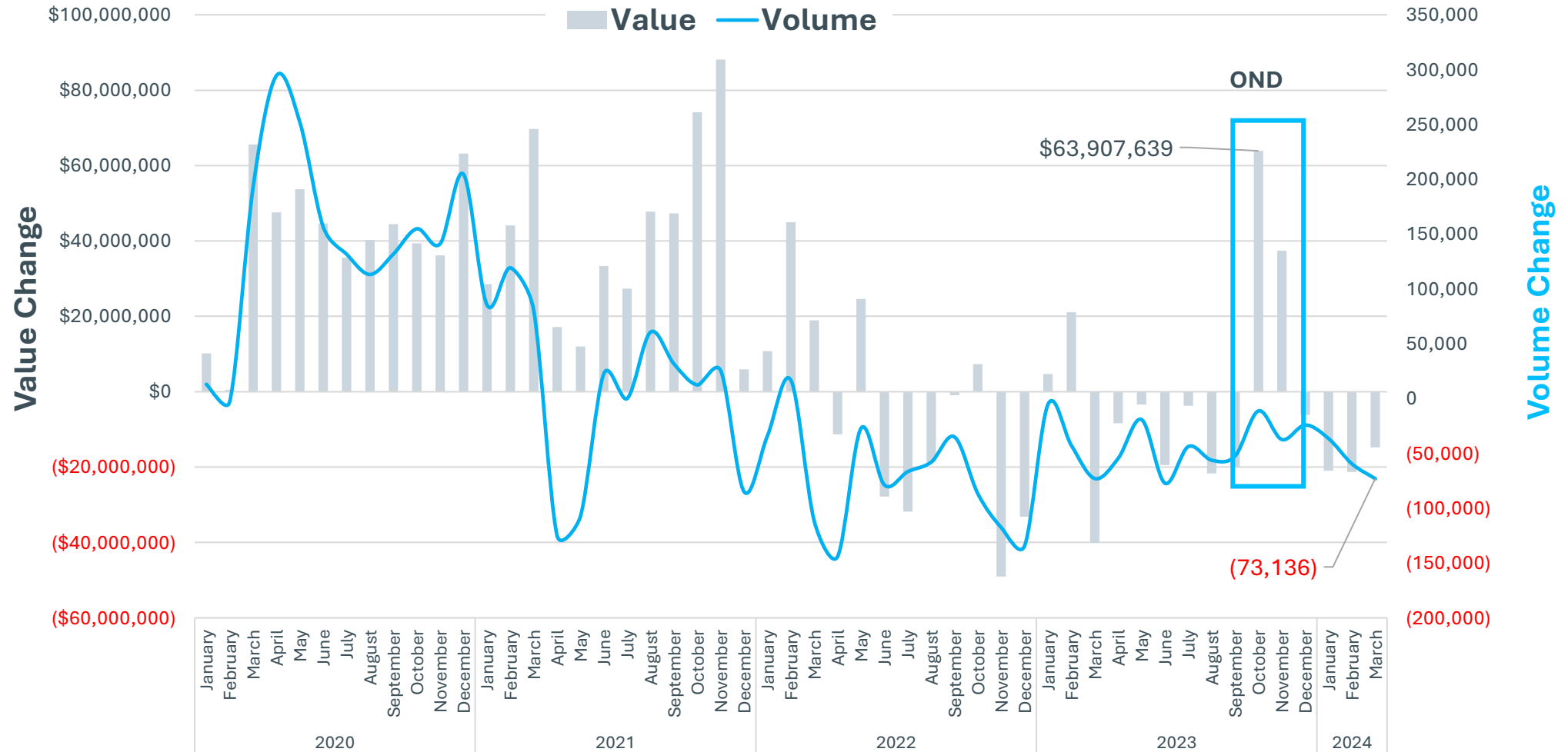
Change in Tasting Visitation Patterns

Perhaps we've found a bottom in visitation?



Growth in DTC Shipments by Value and Volume vs Prior Year, Same Month

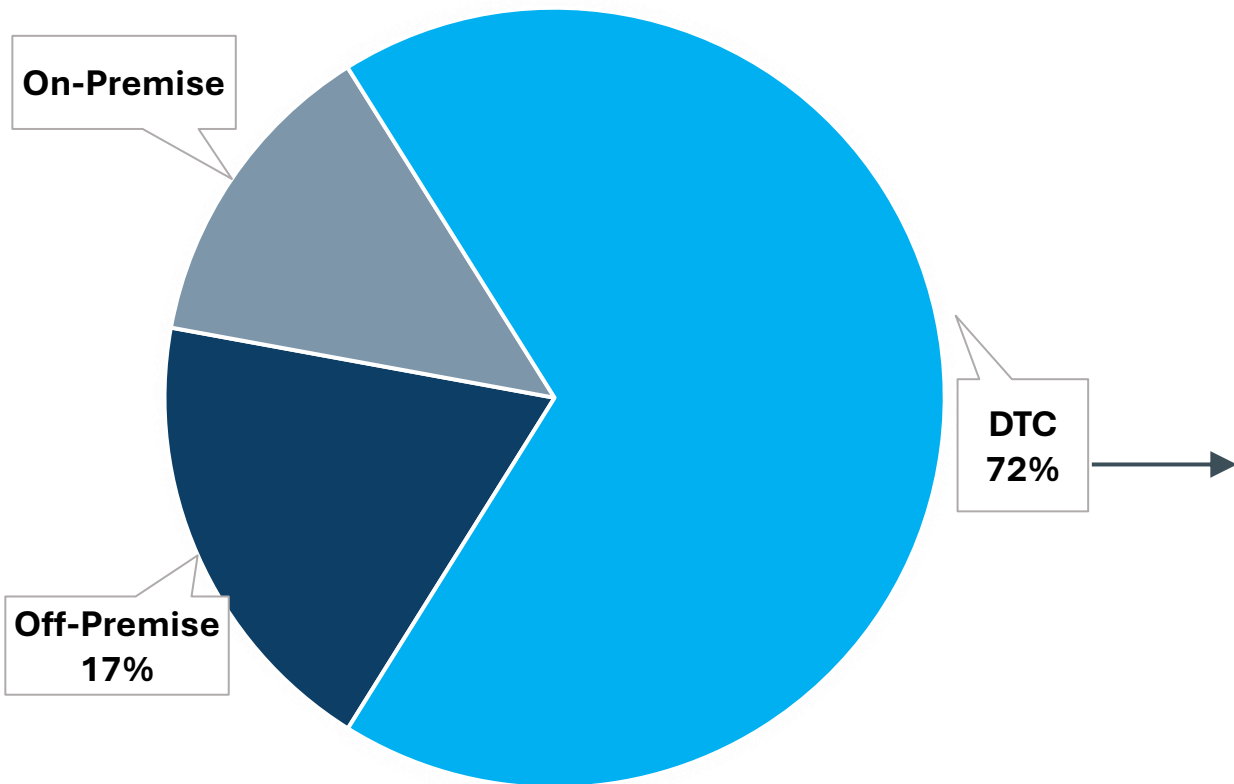
Volume is falling in this data, but a good 2023 in value is a hopeful sign.



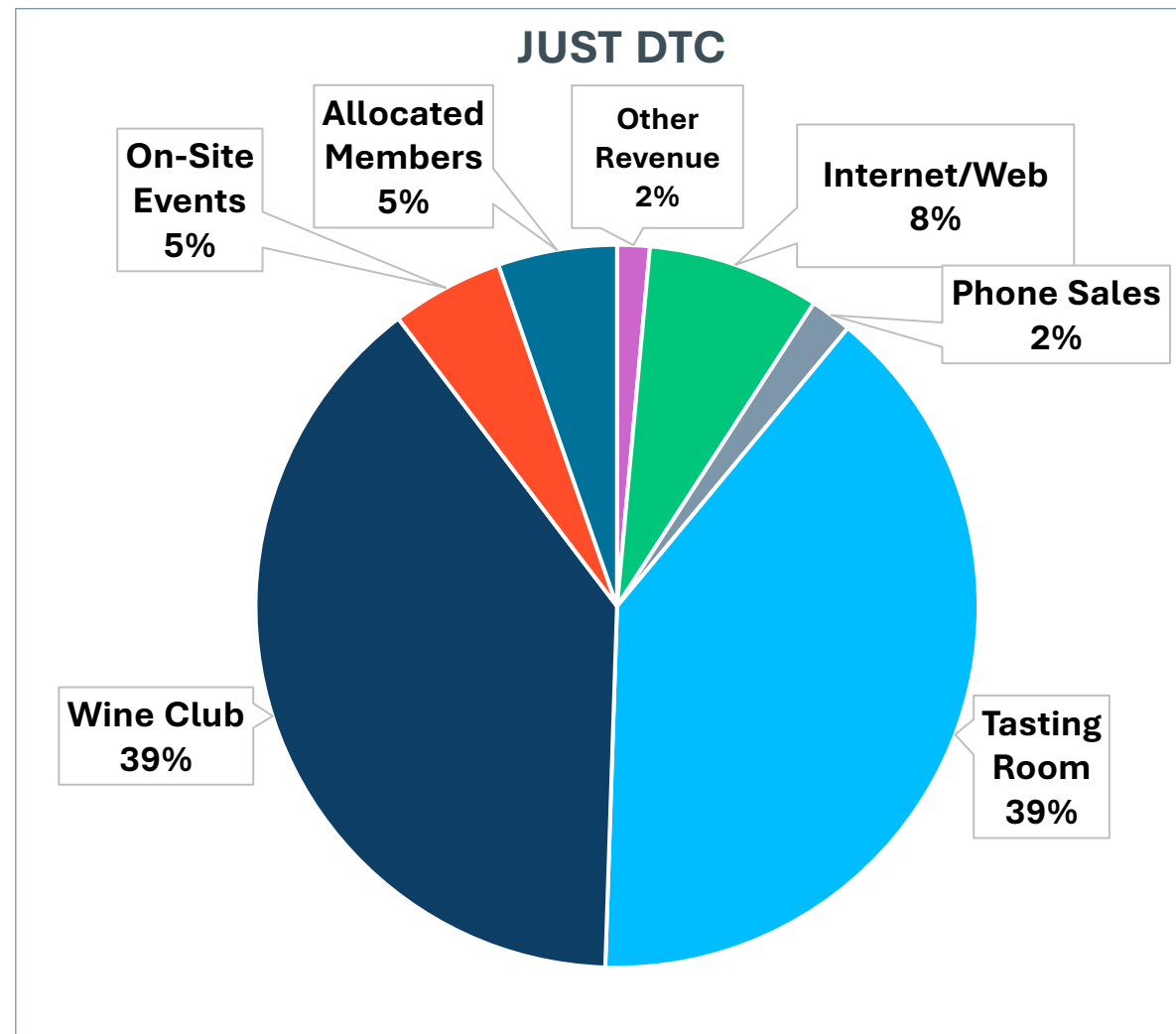
DTC is now 72% of the Average Premium Winery Total Sales

Should DTC be a larger portion of total sales?

ALL CHANNELS



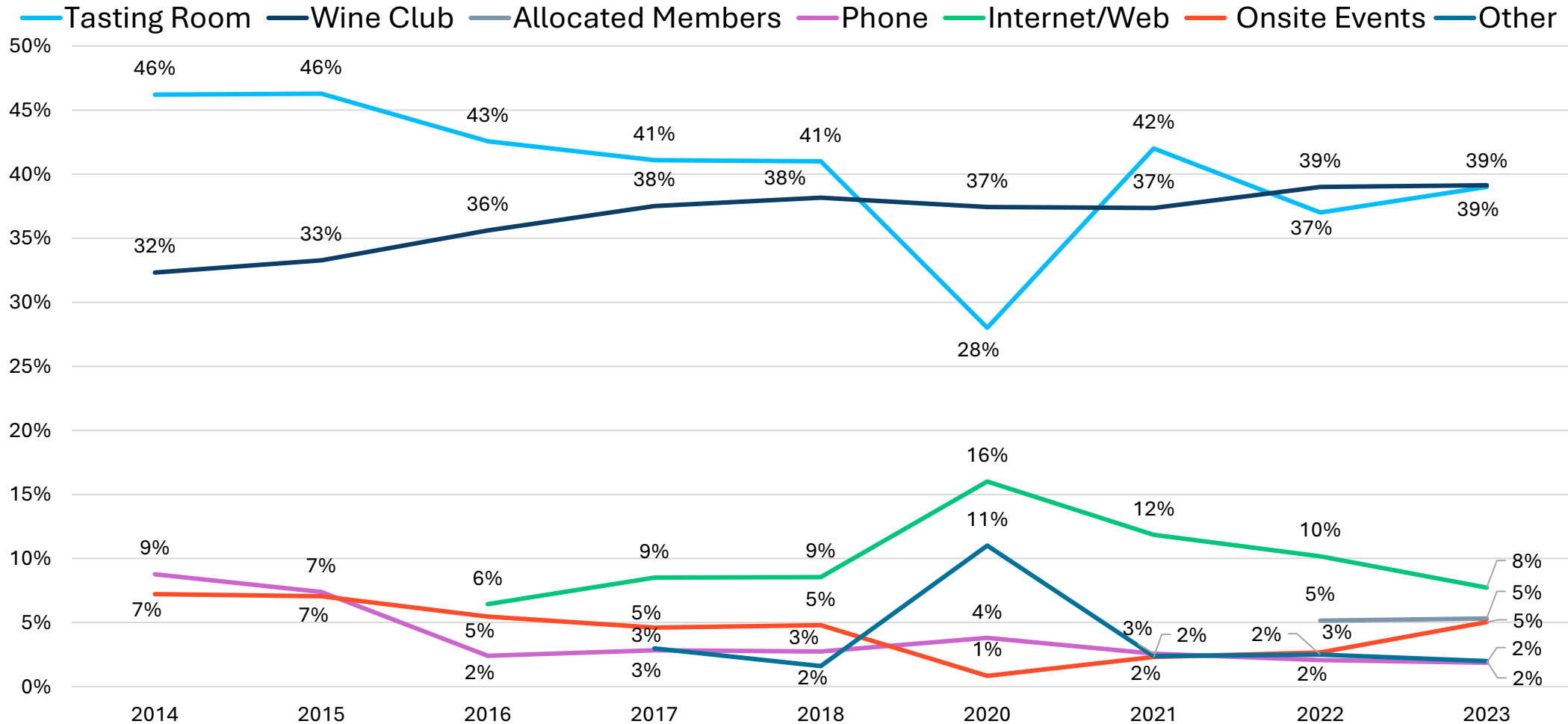
JUST DTC



Note: The chart on the right breaks out DTC without wholesale

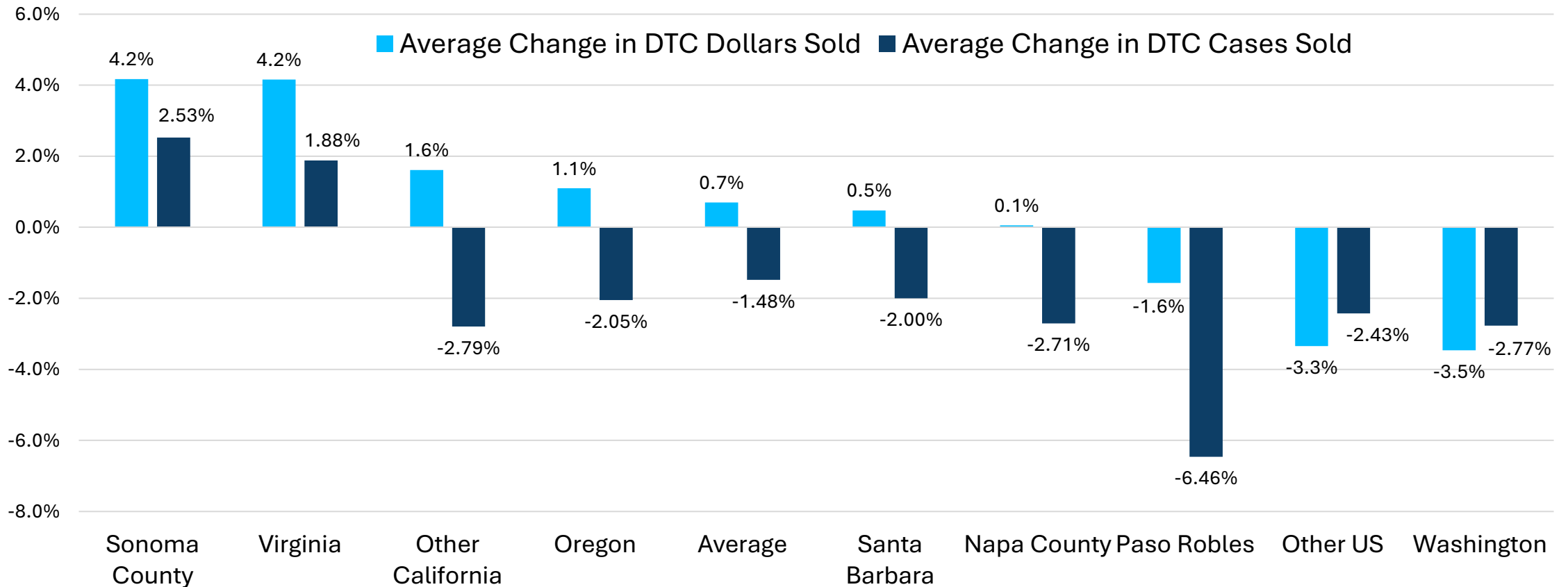
Changes in Channel Performance as a Percentage of Total DTC Sales

Internet sales are a promising channel that has been shrinking since COVID.



Growth in DTC Case and Dollar Sales by Region

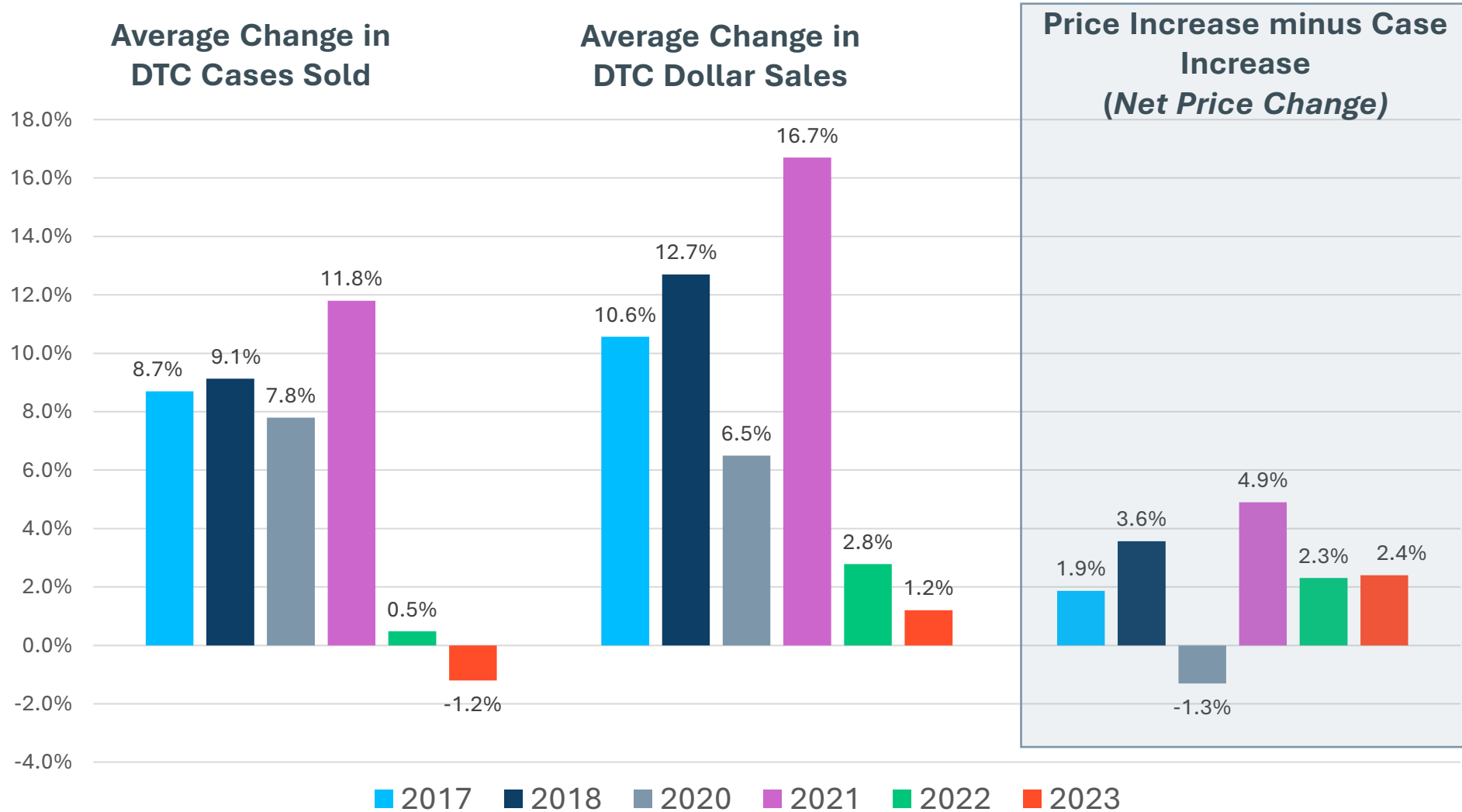
As a general trend, case sales growth is less than dollar sales.



Note: Excludes wineries with less than five years of experience. Excludes wineries smaller than 1,000 cases.

Growth in Annual DTC Cases and Dollar Sales, with Net Changes

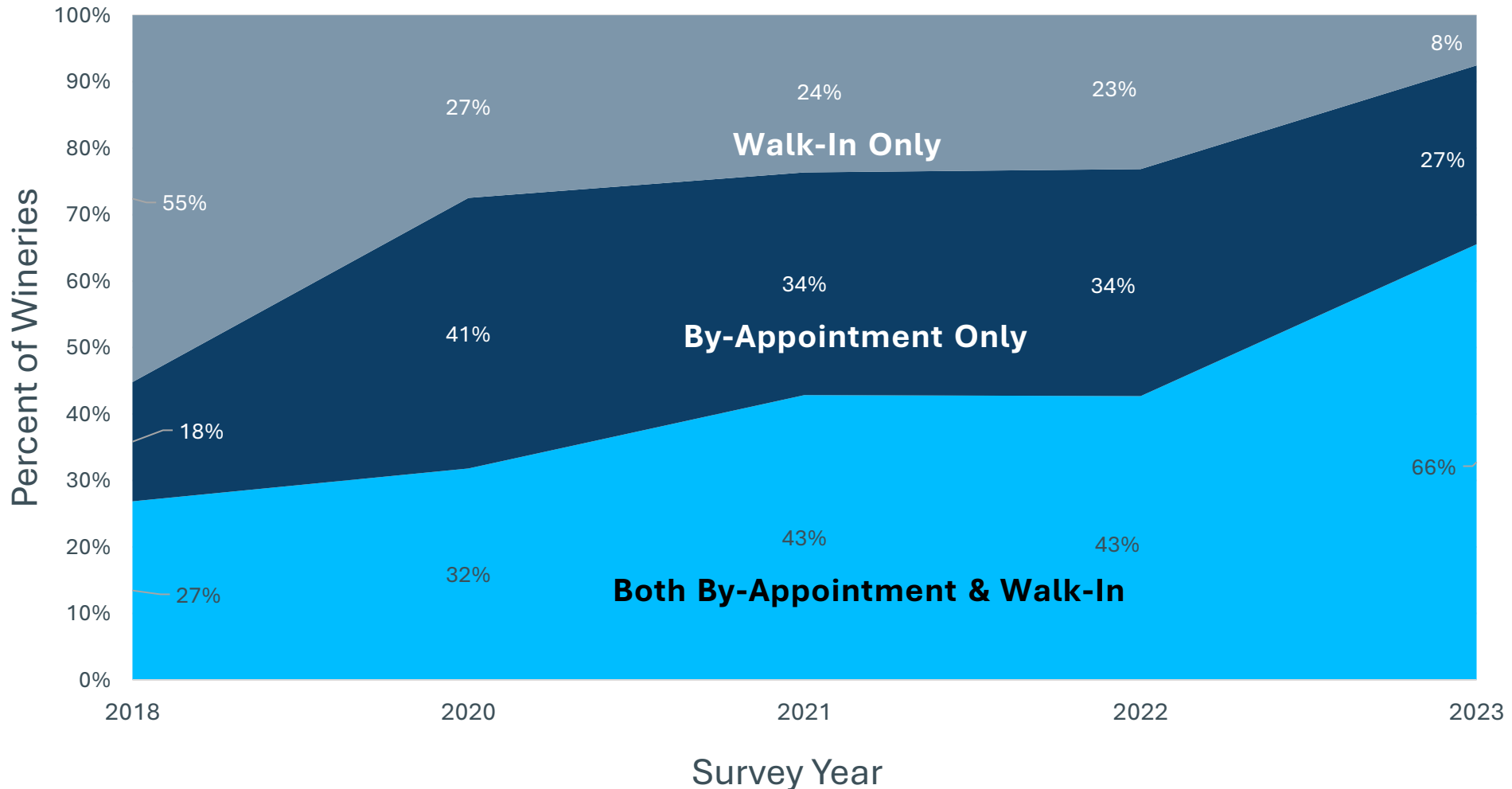
Positive net changes in price vs case growth indicate price strength.



Note: Excludes wineries with less than five years of experience.
Includes all wineries regardless of case size.

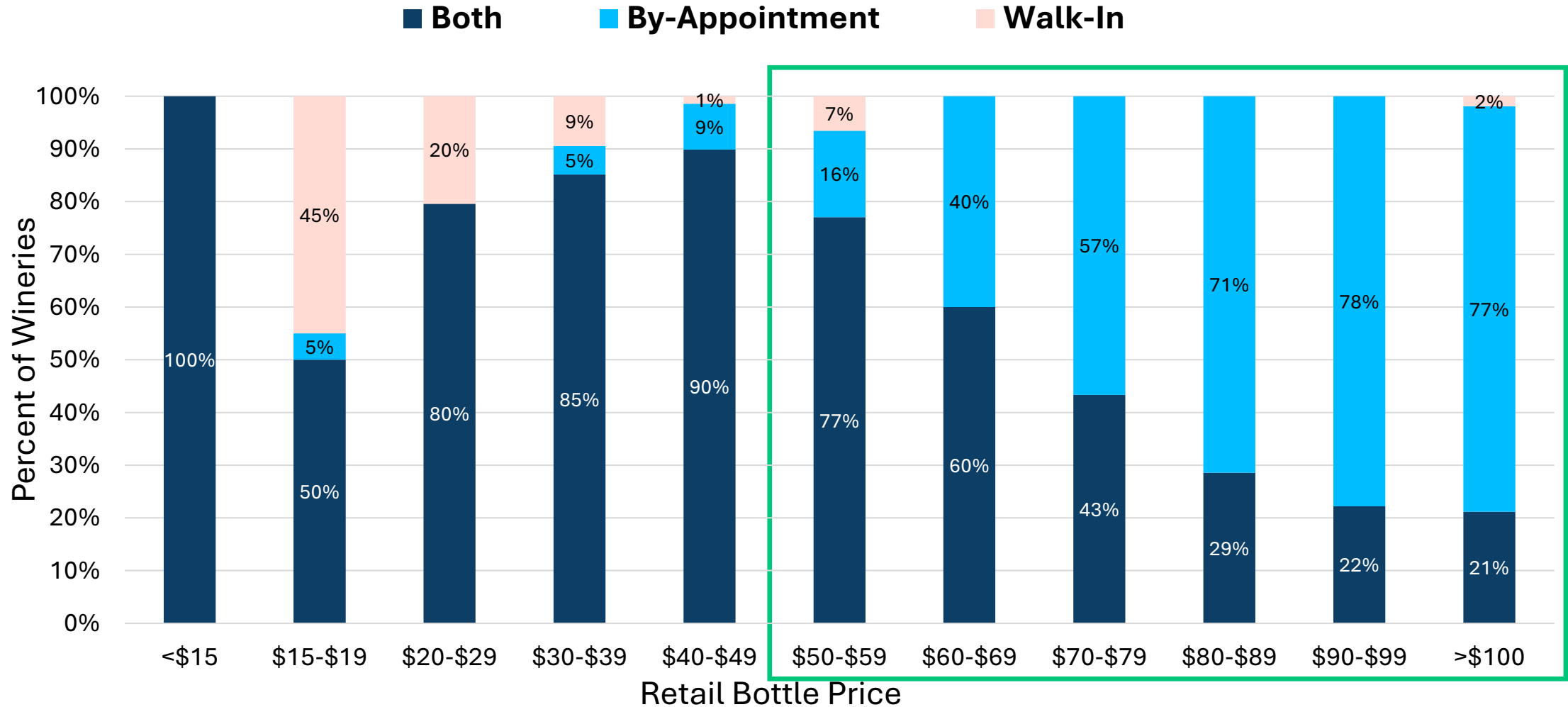
Percent Annual Changes in By-Appointment vs. Walk-In Model

Fewer walk-in only models are a portion of the decrease in visitation.



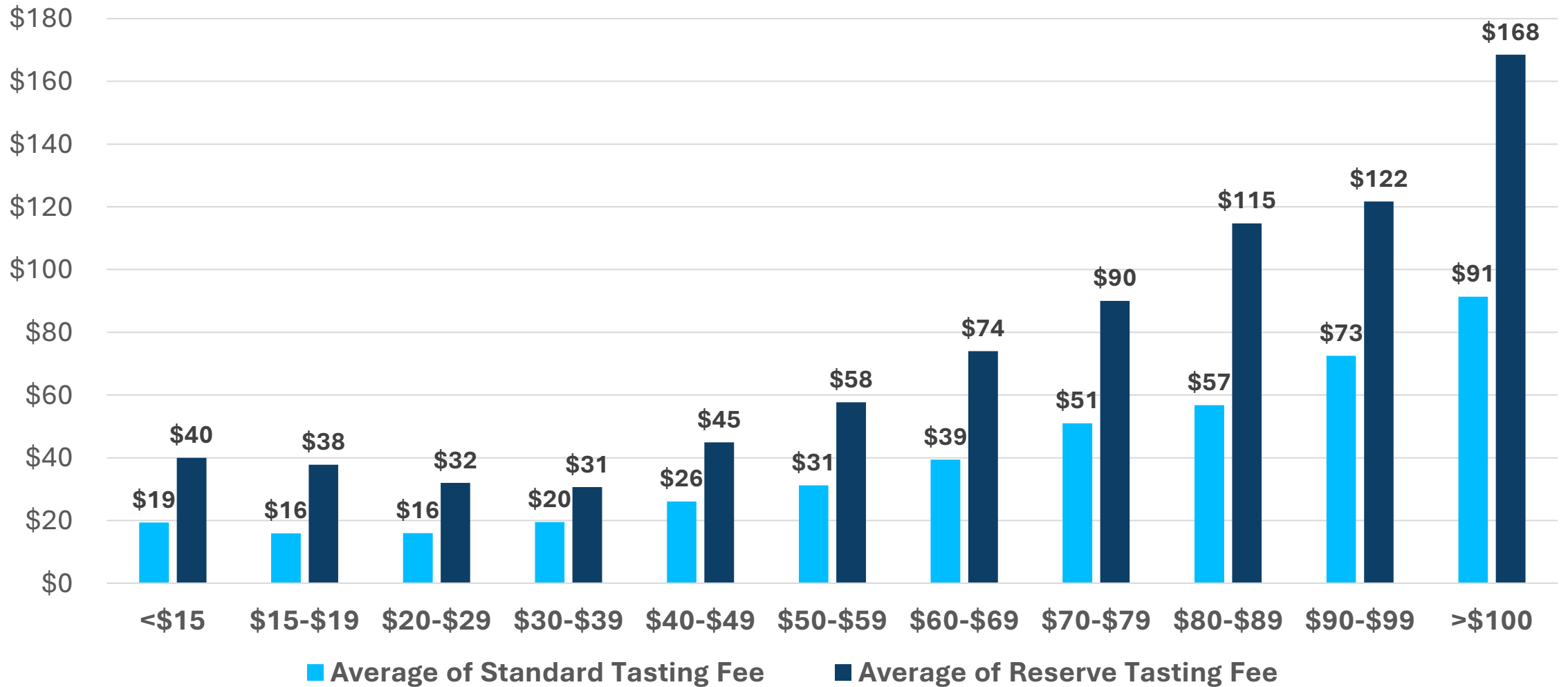
By-Appointment and Walk-In Choice by Average Retail Bottle Price

By-appointment is preferred by wineries with an average bottle price above \$50.



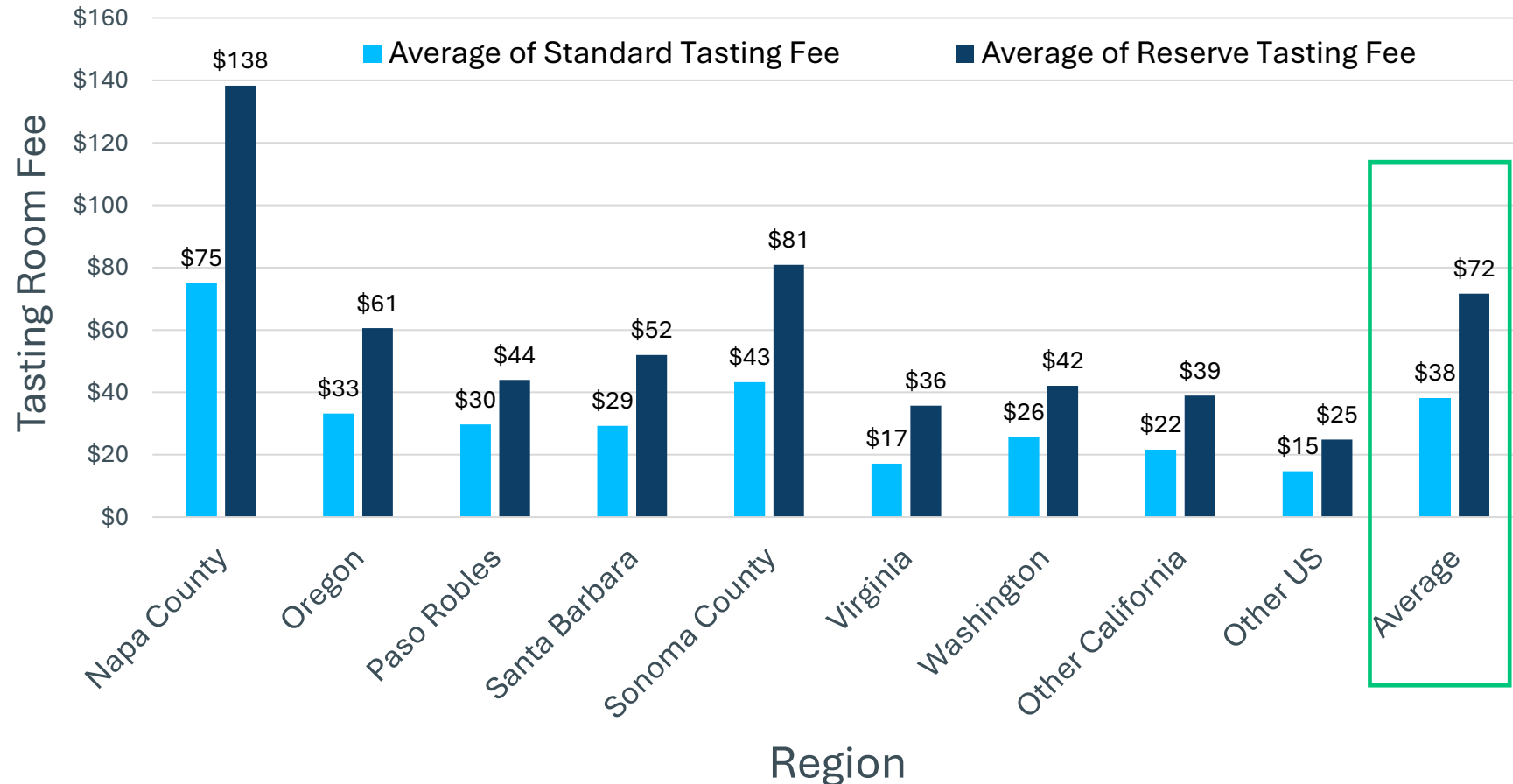
Average Tasting Fees by Retail Bottle Price

There is a clear relationship between bottle price and tasting fees.



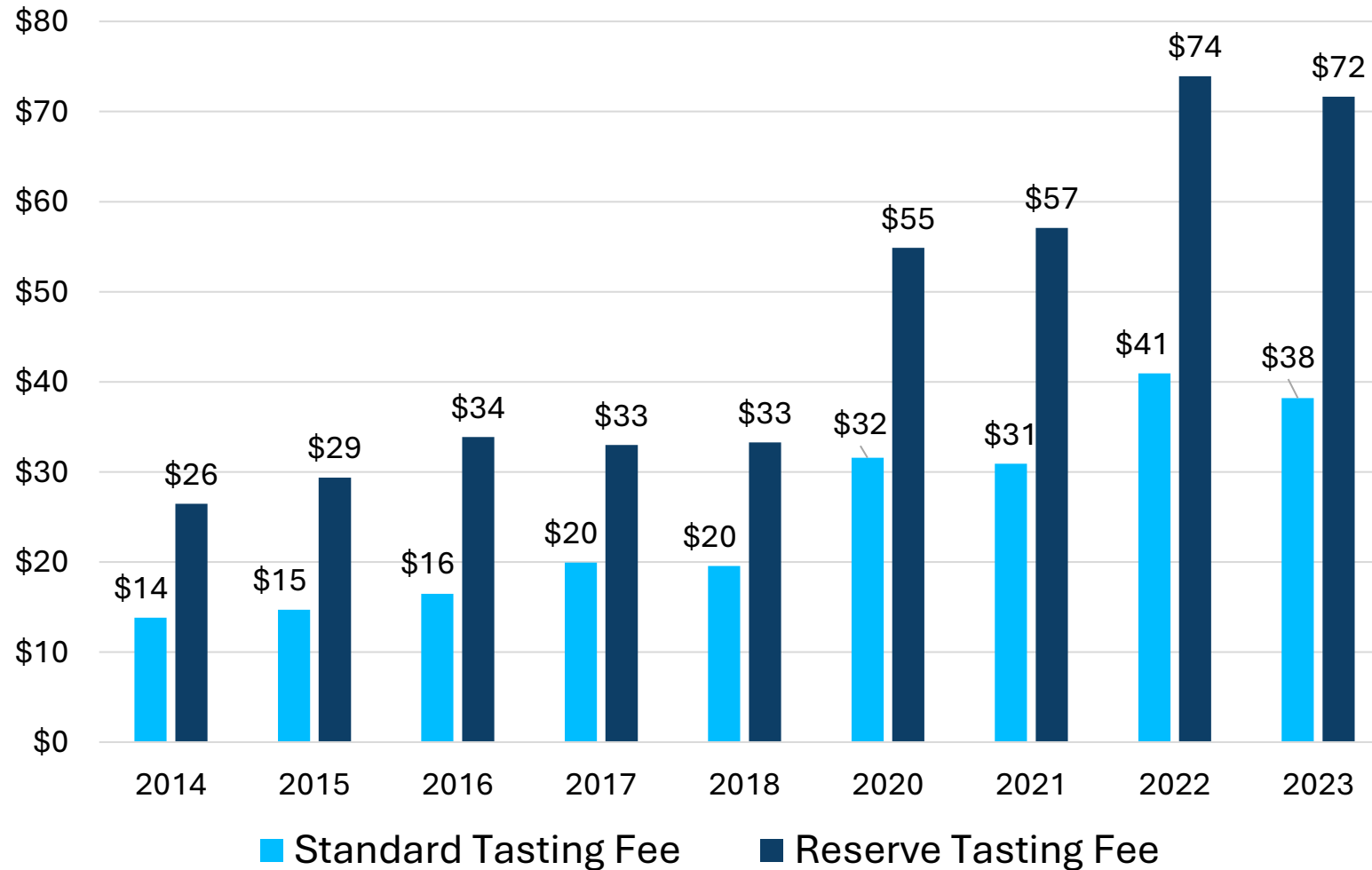
Average Standard and Reserve Tasting Fees By Region

Fees represent the bottle price and the cost of experiences.
Should bottle prices and fees continue higher?



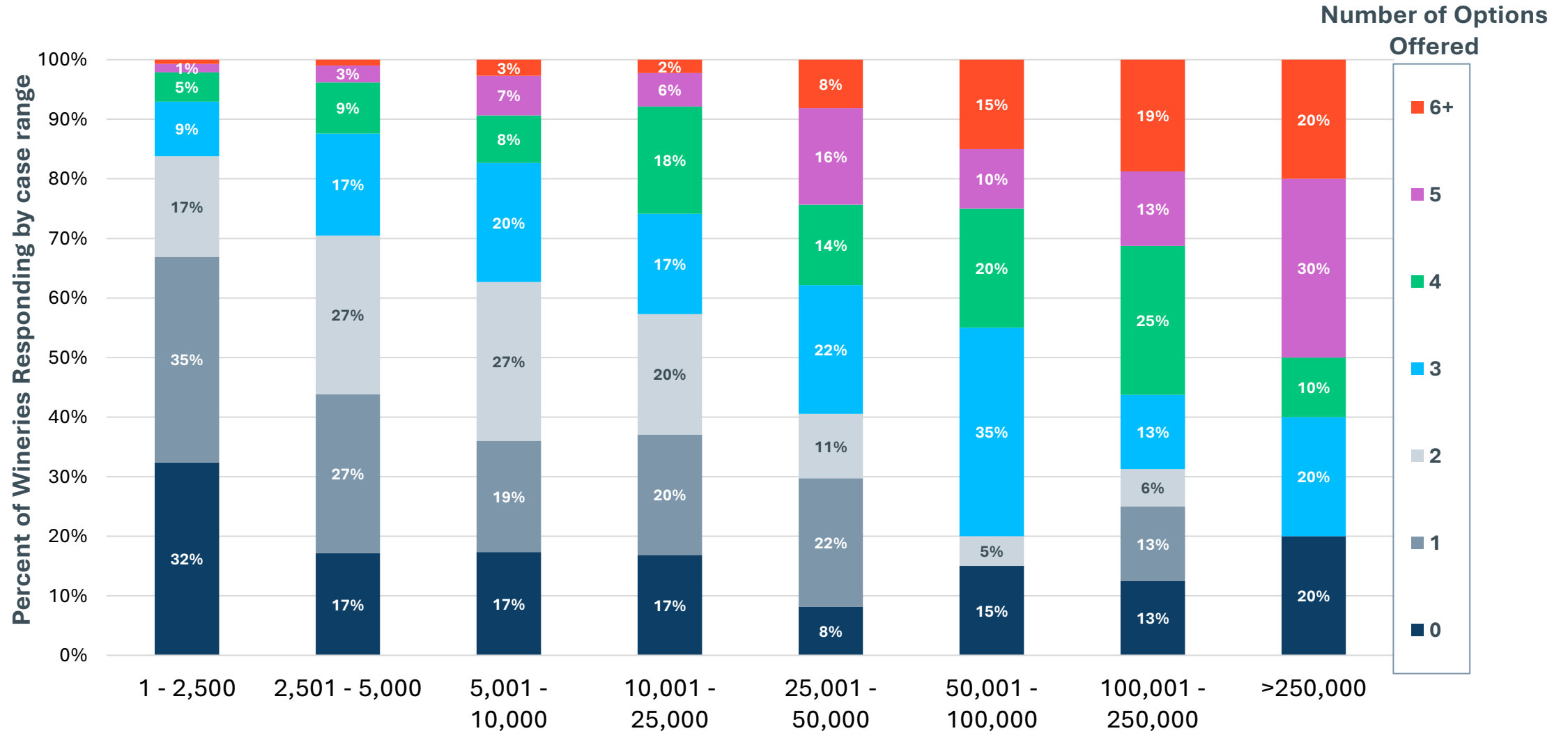
Average Tasting Room Fees by Year

Tasting fees have moved substantially higher, especially since COVID.



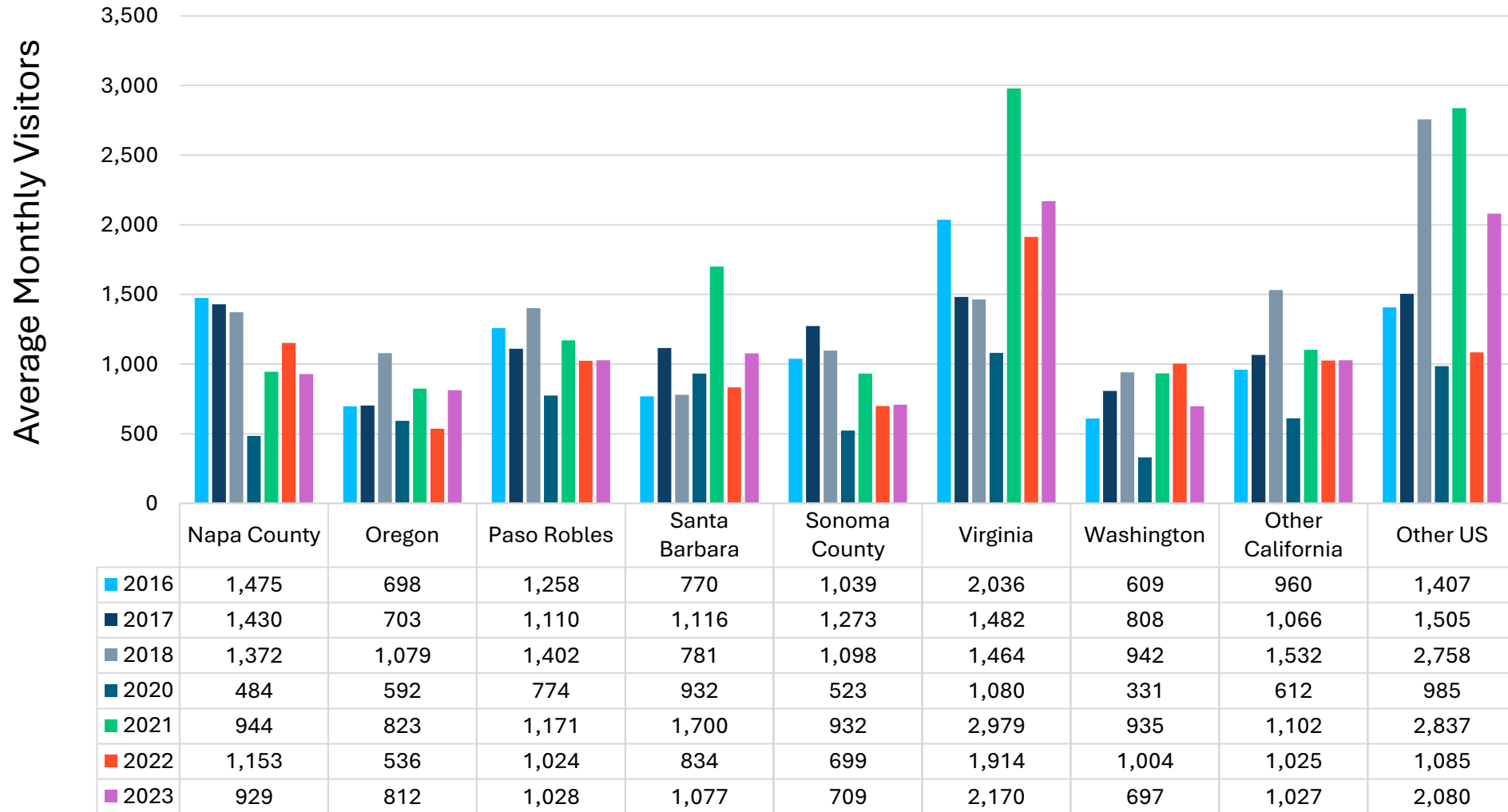
How Many Tasting Options Do You Offer?

The number of options offered increases as case volume increases.



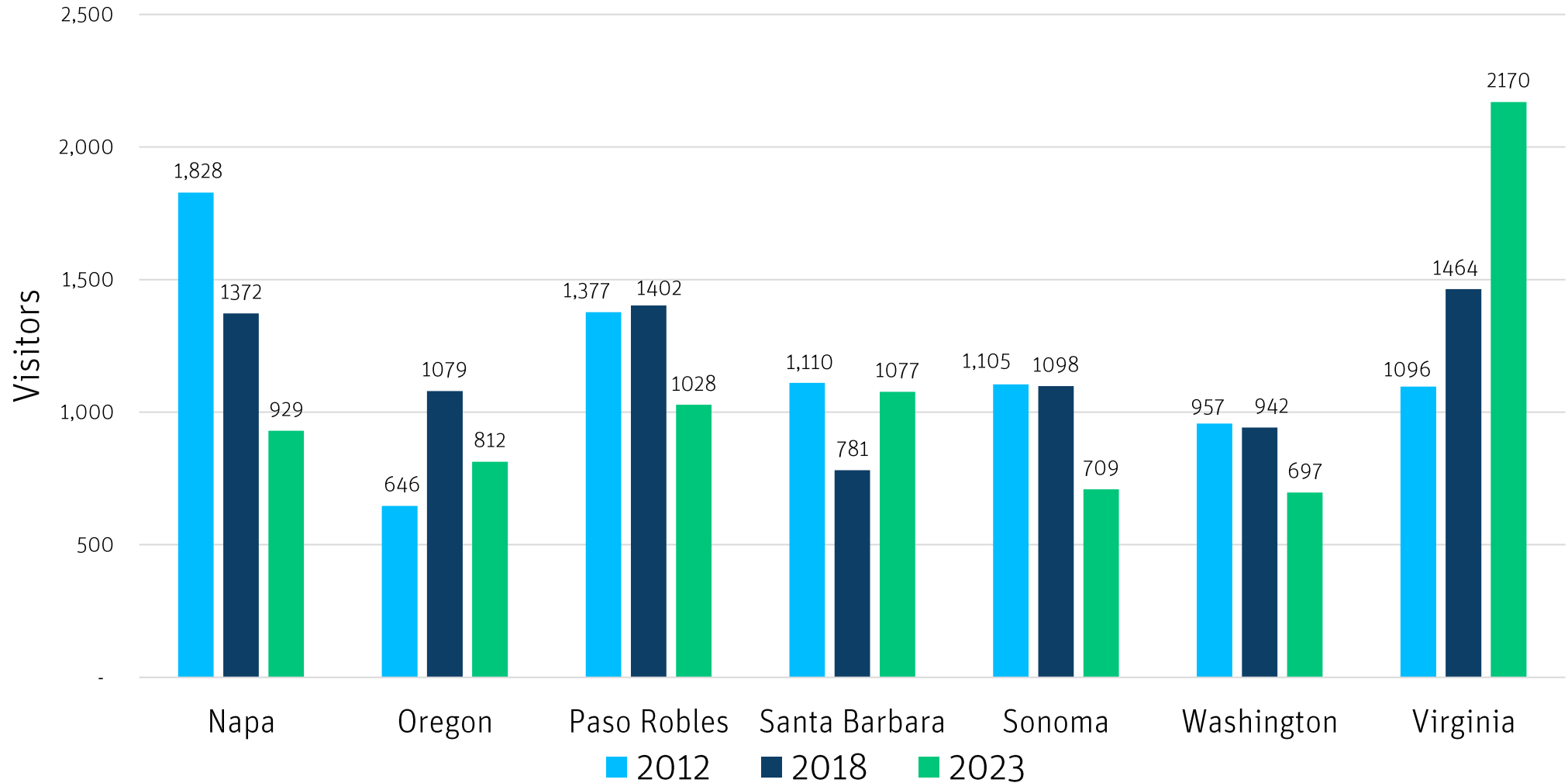
Average Monthly Visitors by Region from 2016 - 2023

Only two regions reported lower visitation, lining up with other 2023 data.



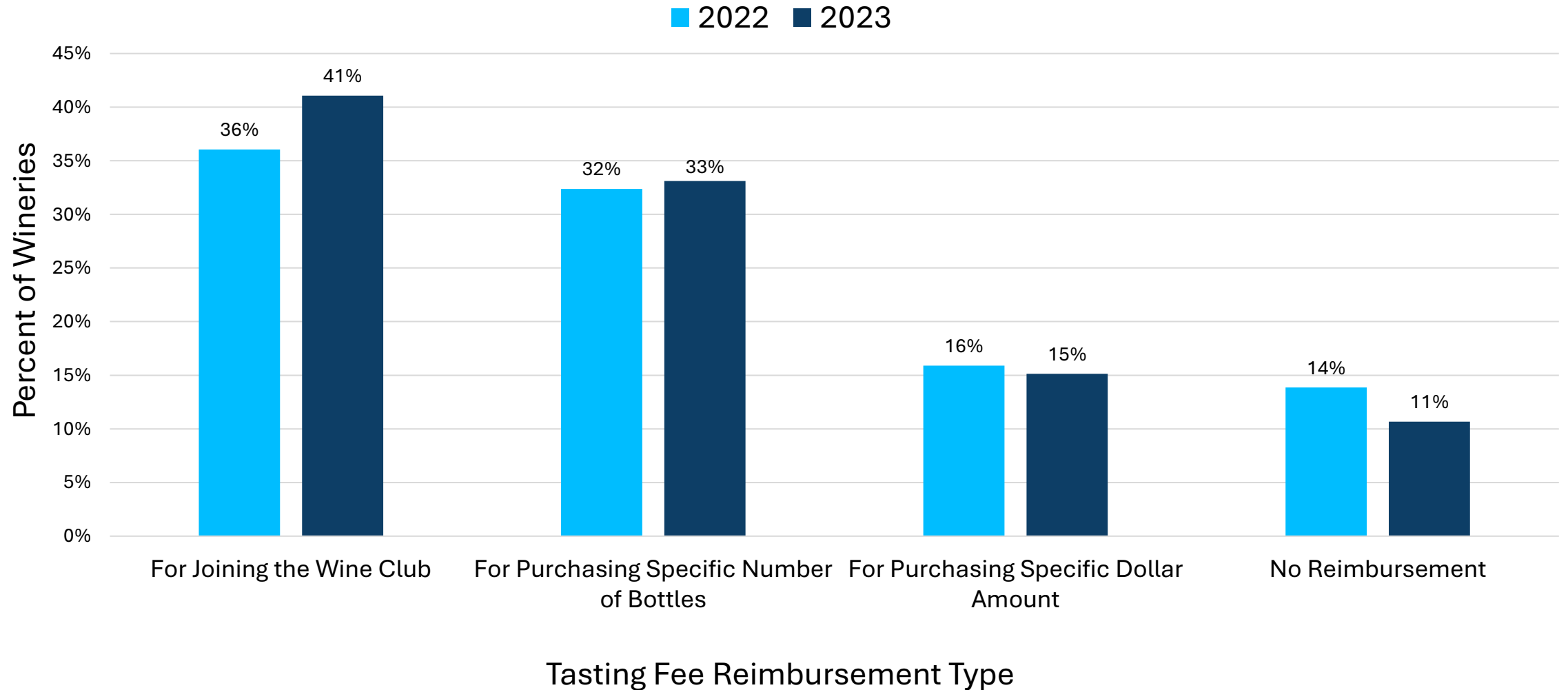
Average Monthly Visitation in 2012, 2018 and 2023

Lower visitation from 2012 to 2023 is partly due to by-appointment tastings.



In Which Circumstances Do You Waive Tasting Fees?

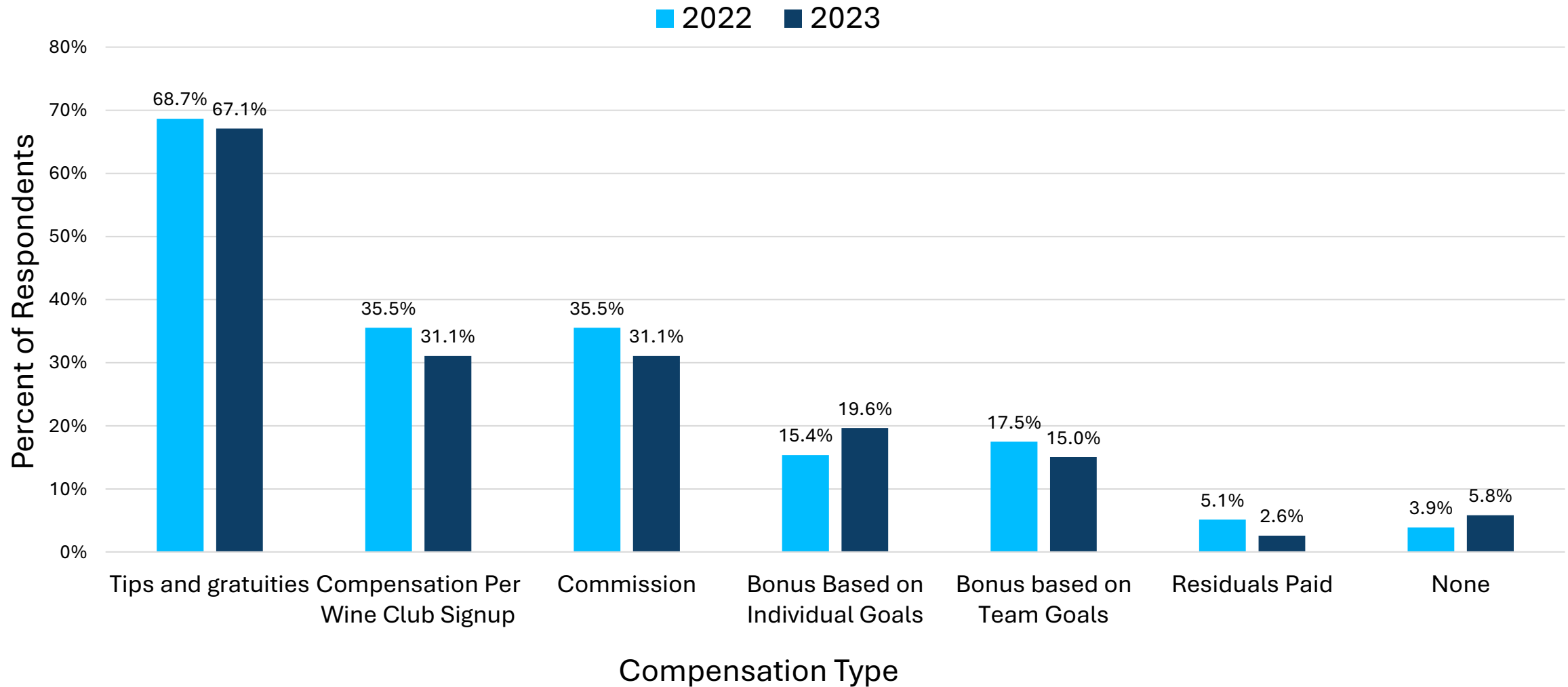
We've settled on the reasons for waiving generally. But are we done experimenting?



Note: Respondent can respond to more than one option.

Use of Compensation Other Than Base for Tasting Room Staff

Tips were controversial in 2014. Only 21% of wineries allowed them vs 67% now.



Note: Wineries could select all responses that applied.

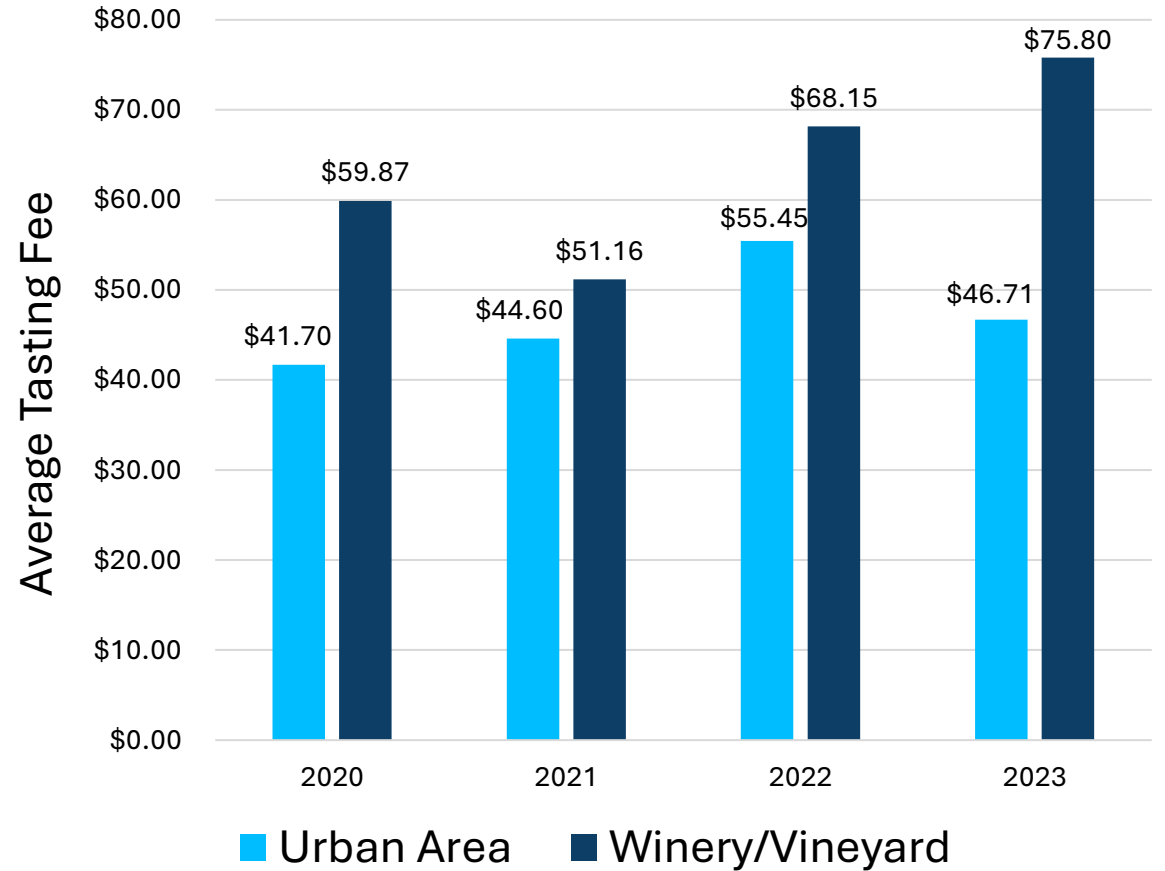
Average Tasting Fees by Tasting Room Location

Tasting fees are significantly lower in urban tasting rooms, particularly reserve fees.

Average Standard Tasting Fee

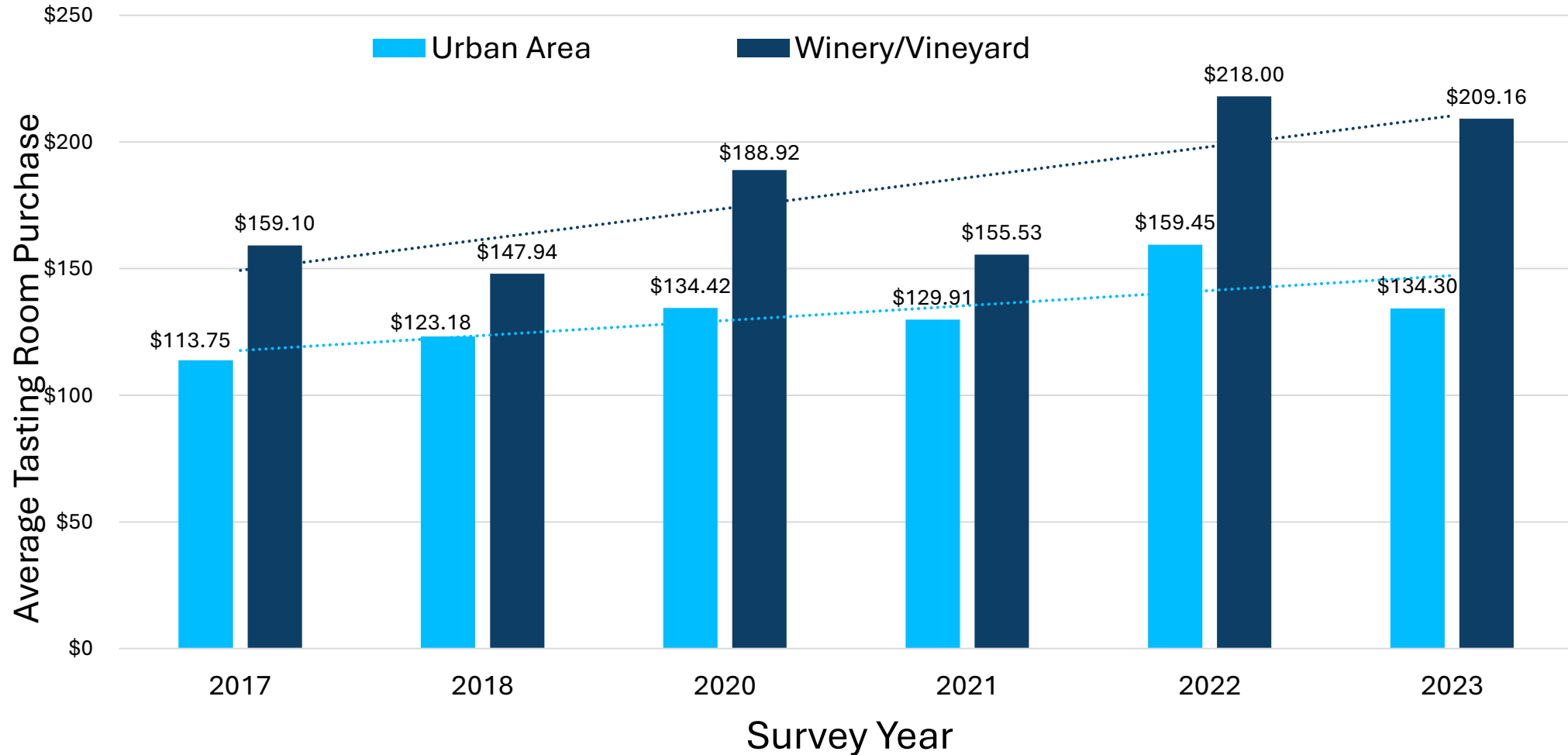


Average Reserve Tasting Fee



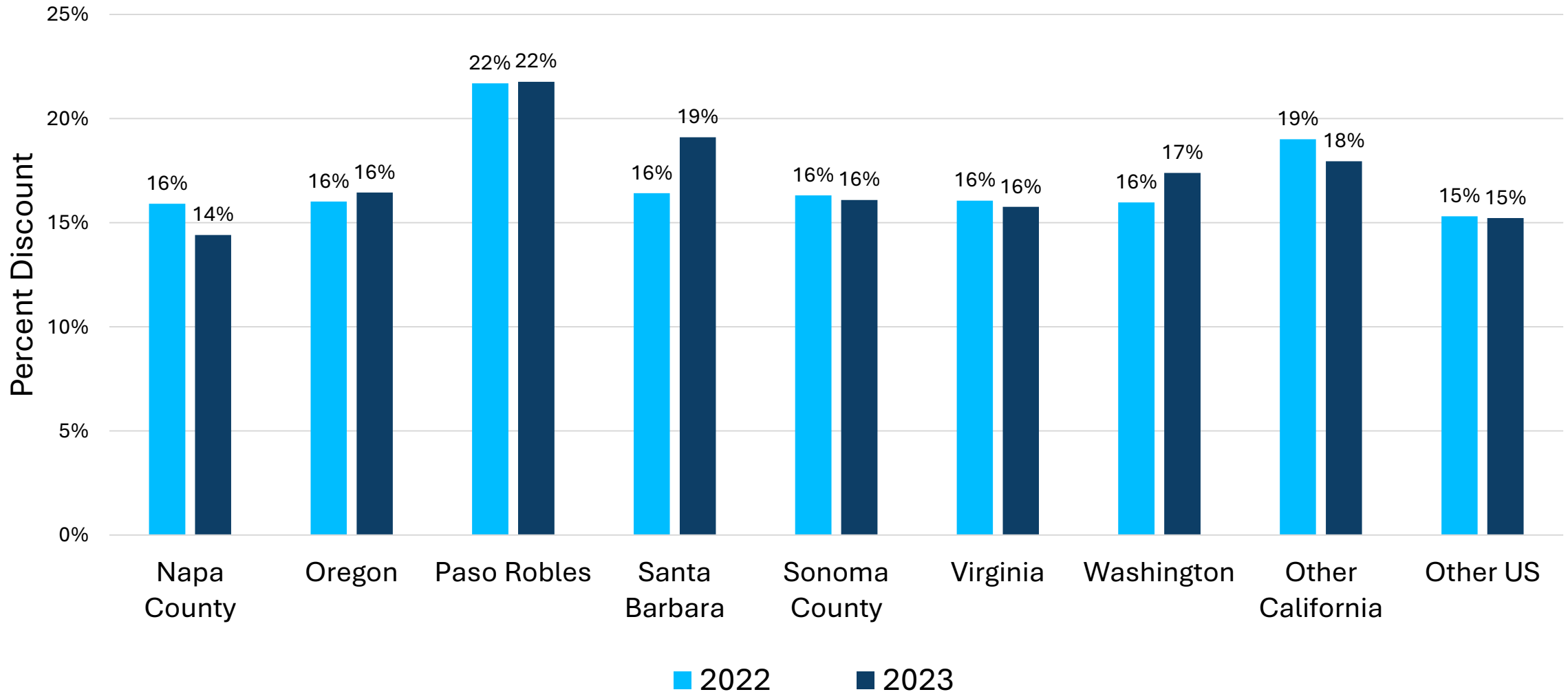
Trended Purchase by Tasting Room Location 2017 – 2023

Urban tasting rooms provide upside as a source of new club members.



Discount for Club Members by Region

Today's club discounts fall into a tight range, averaging 17% in 2023.



Wineries Use of Discounted Shipping for Club Shipments

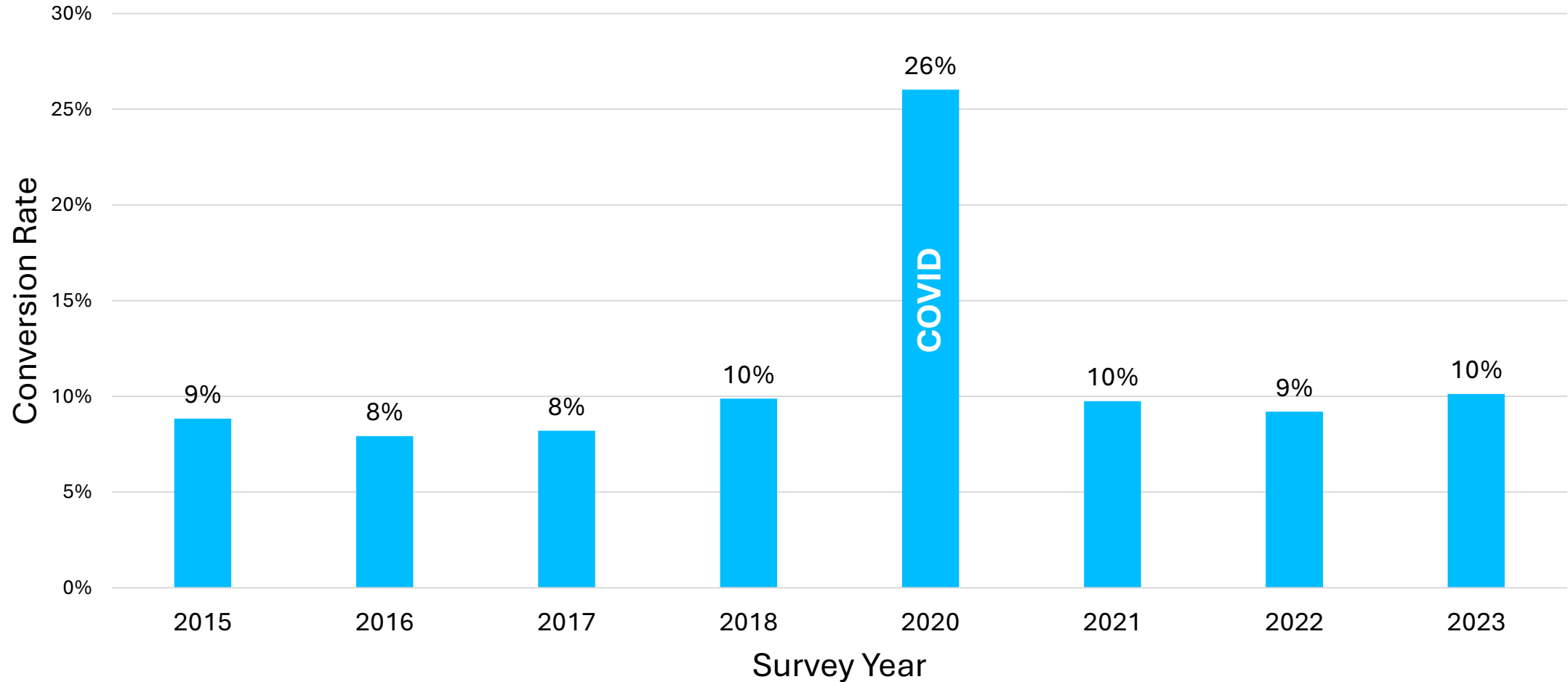
Since COVID, free shipping is being replaced by discounted or no free shipping.



Note: Respondents may answer for more than one category.

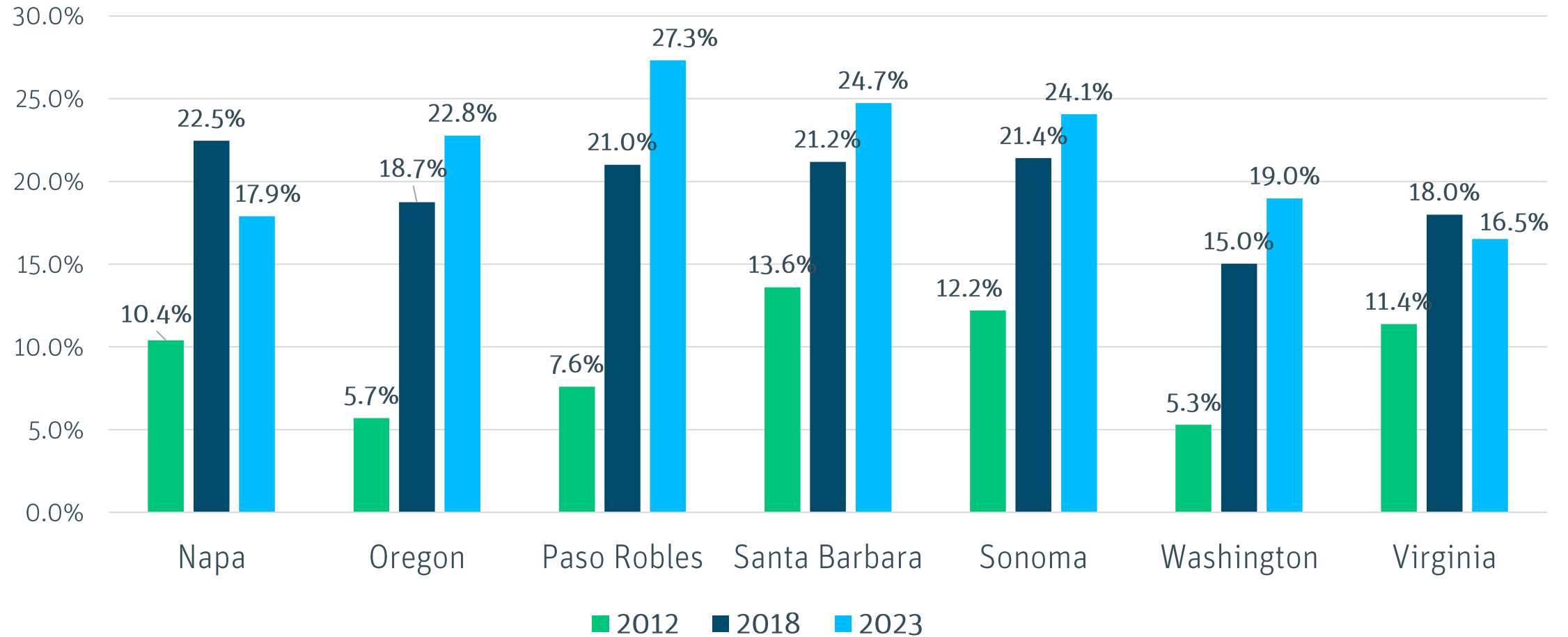
Conversion Rate of Visitors to Wine Club by Year

The average conversion rate is consistent, but the range by region is 1% - 16%.



Club Member Attrition Trend During 2012, 2018, and 2023

The attrition rate is climbing.

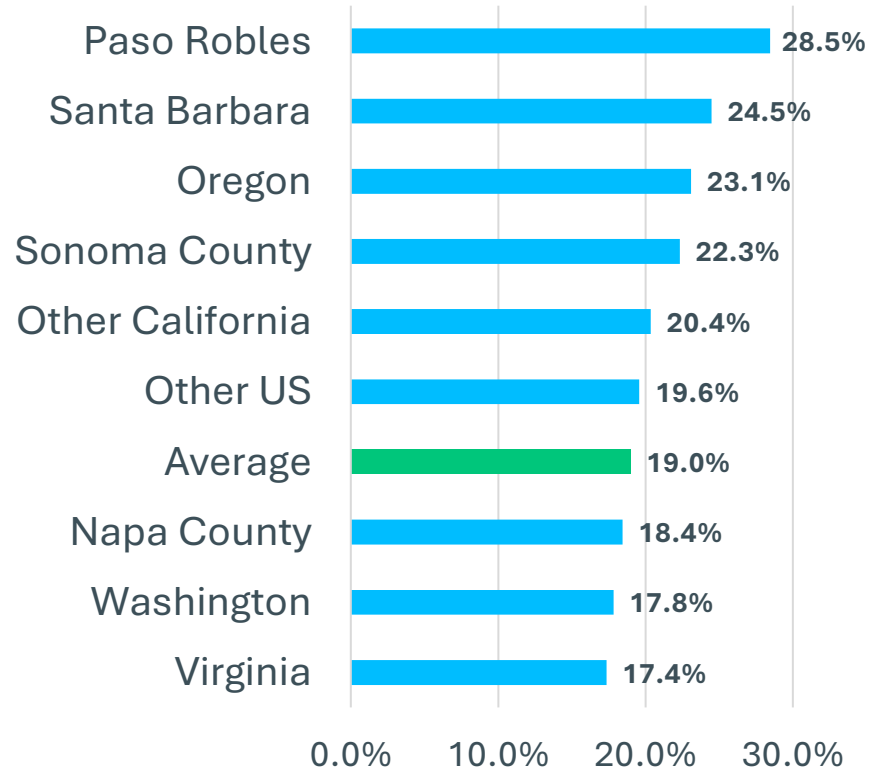


Source: SVB Direct-to-Consumer Wine Surveys

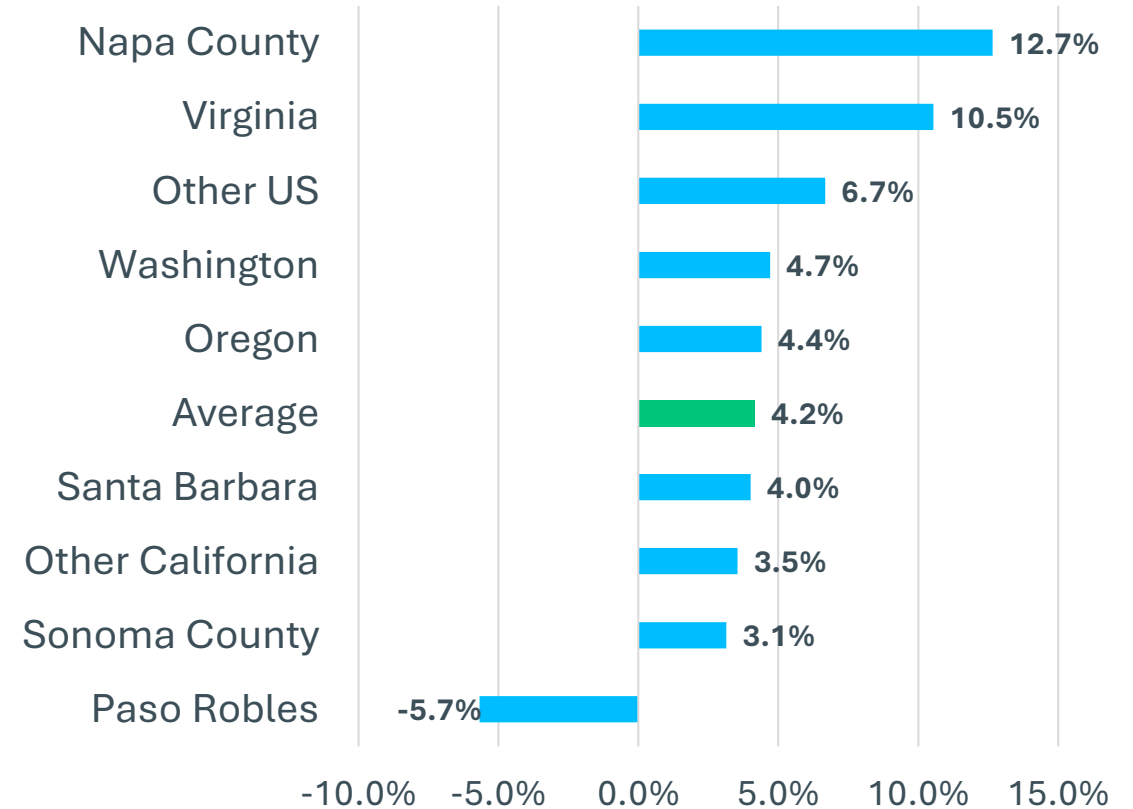
Club Churn and Club Growth Rates

Club churn rate is exceeding the overall club growth rate.

Club Churn Rate



Club Growth Rate



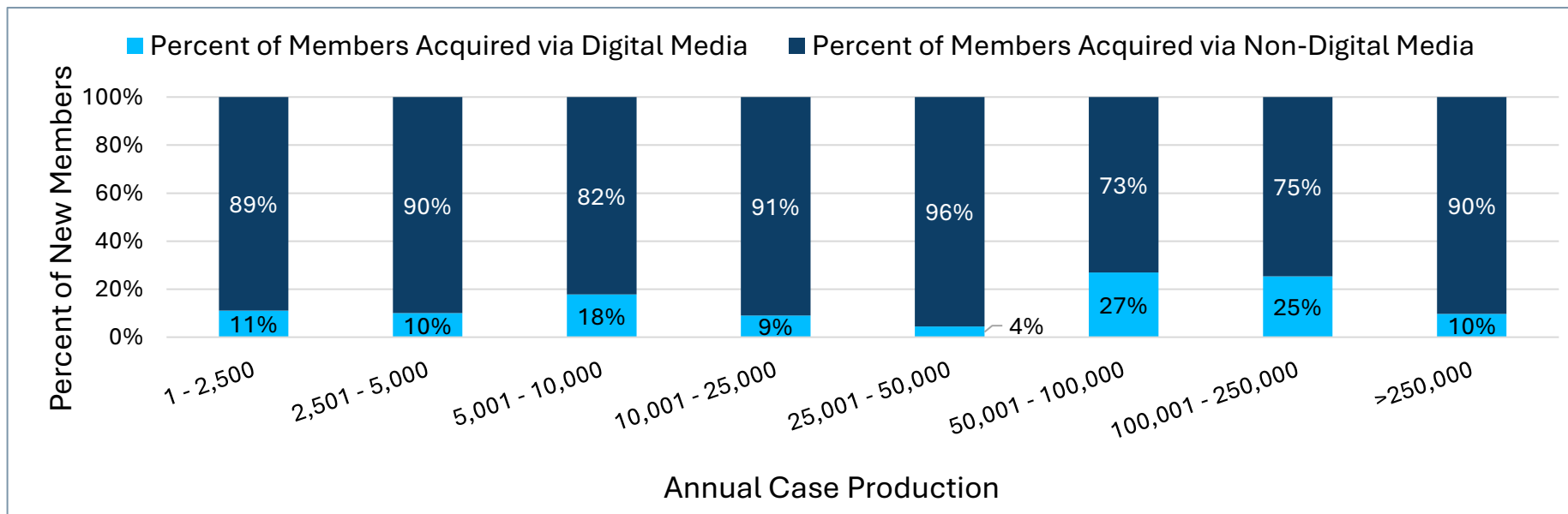
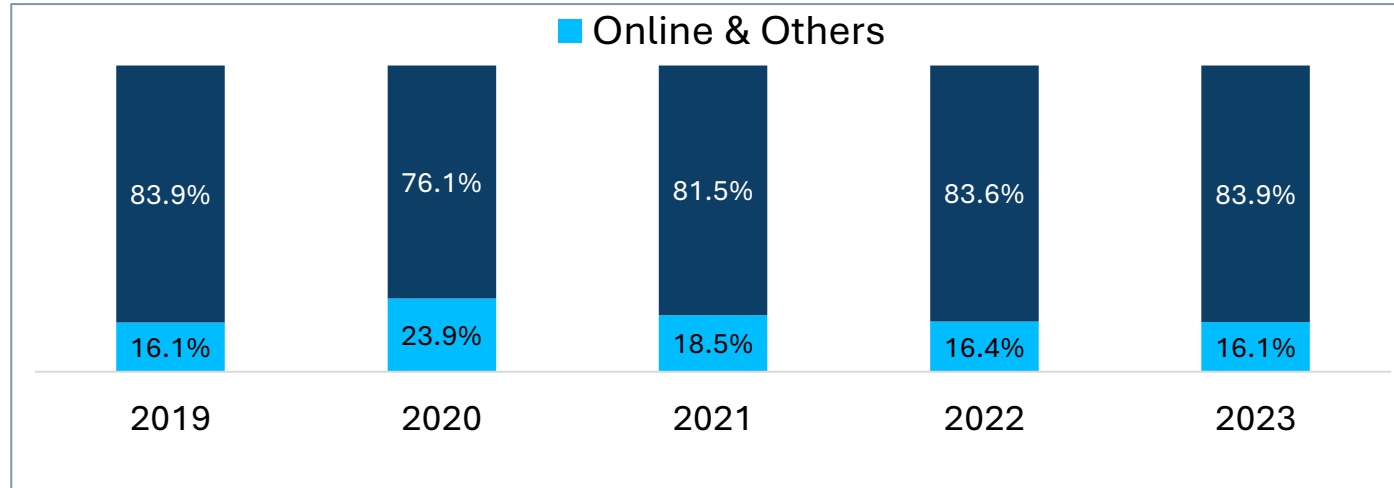
Club Churn Rate = lost club members ÷ the starting number of wine club members x 100.

Club Growth Rate = the number of acquired members minus the number of lost members ÷ the starting number of wine club members.

Excludes wineries with less than five years of experience.

Digital Club Acquisition as a Percent of Total Cases and Year 2019 - 2023

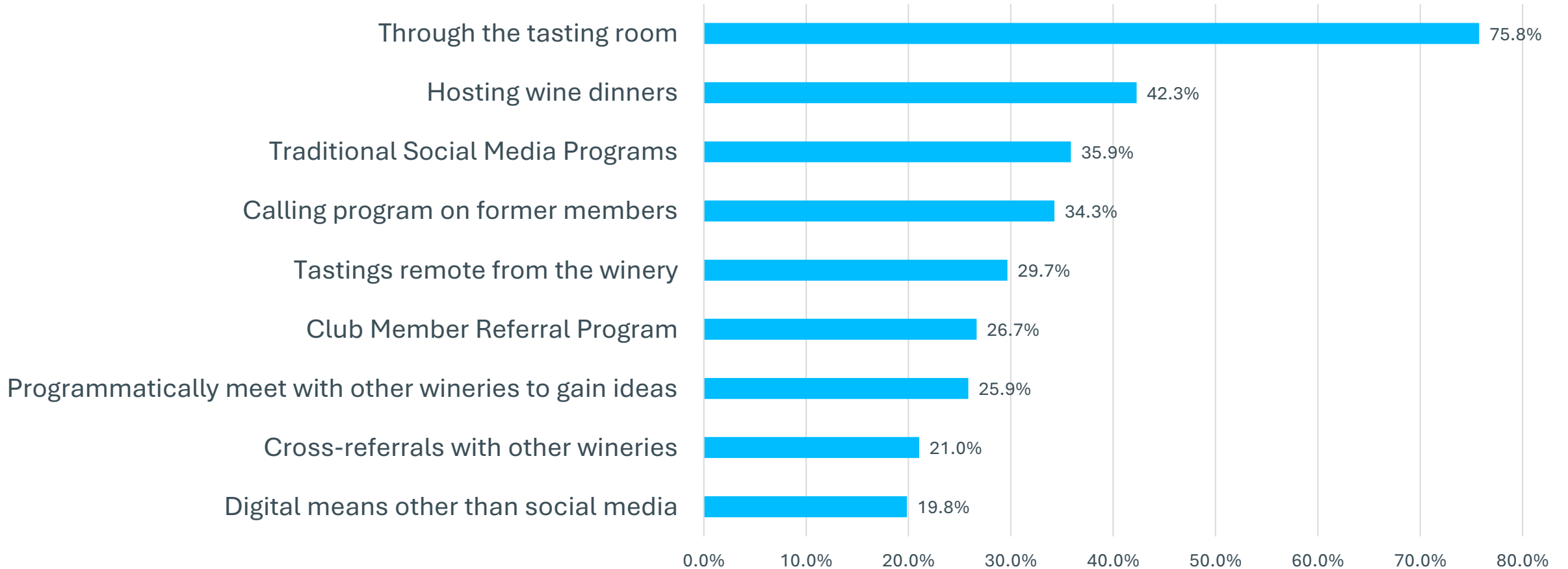
Diversifying the tasting room model.



How Do You Acquire New Members?

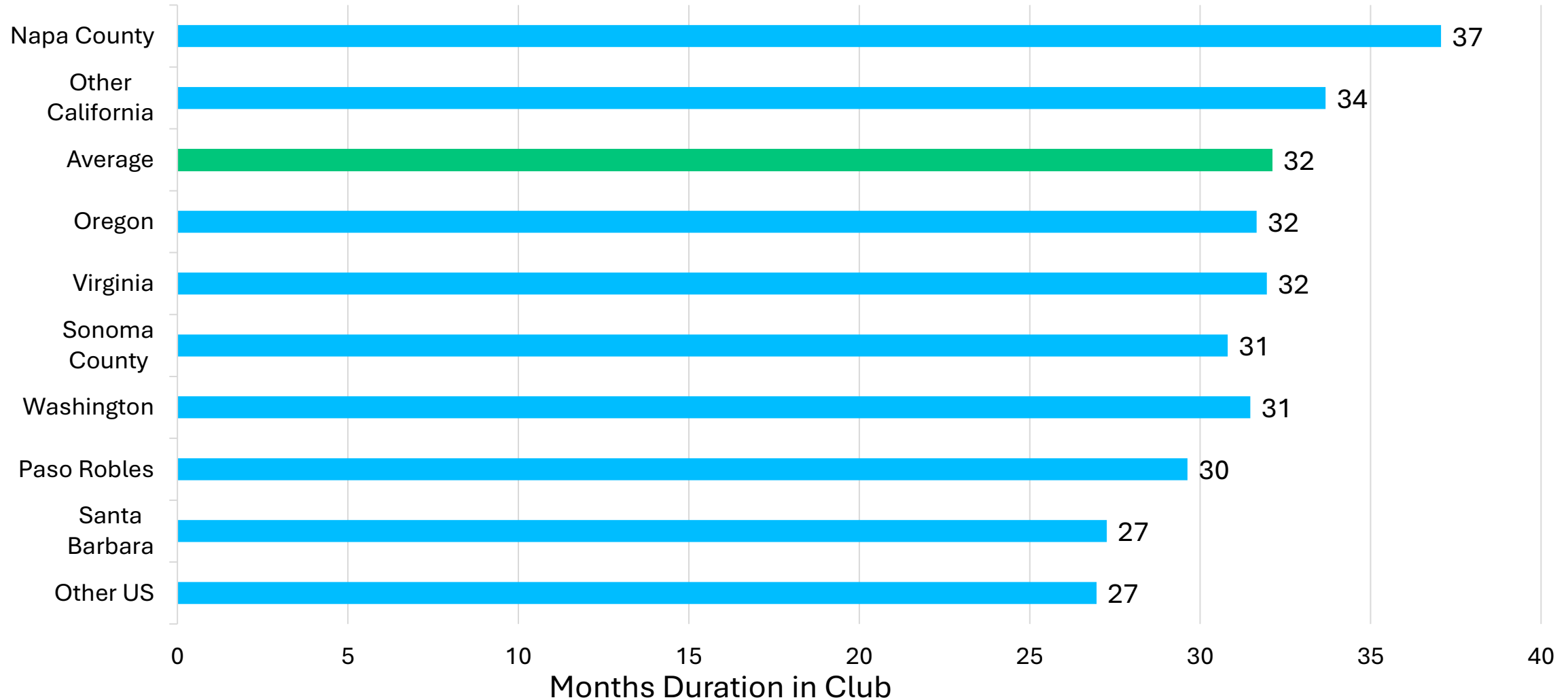
Wineries are diversifying their member acquisition strategies.

Wineries use of Member Acquisition Programs



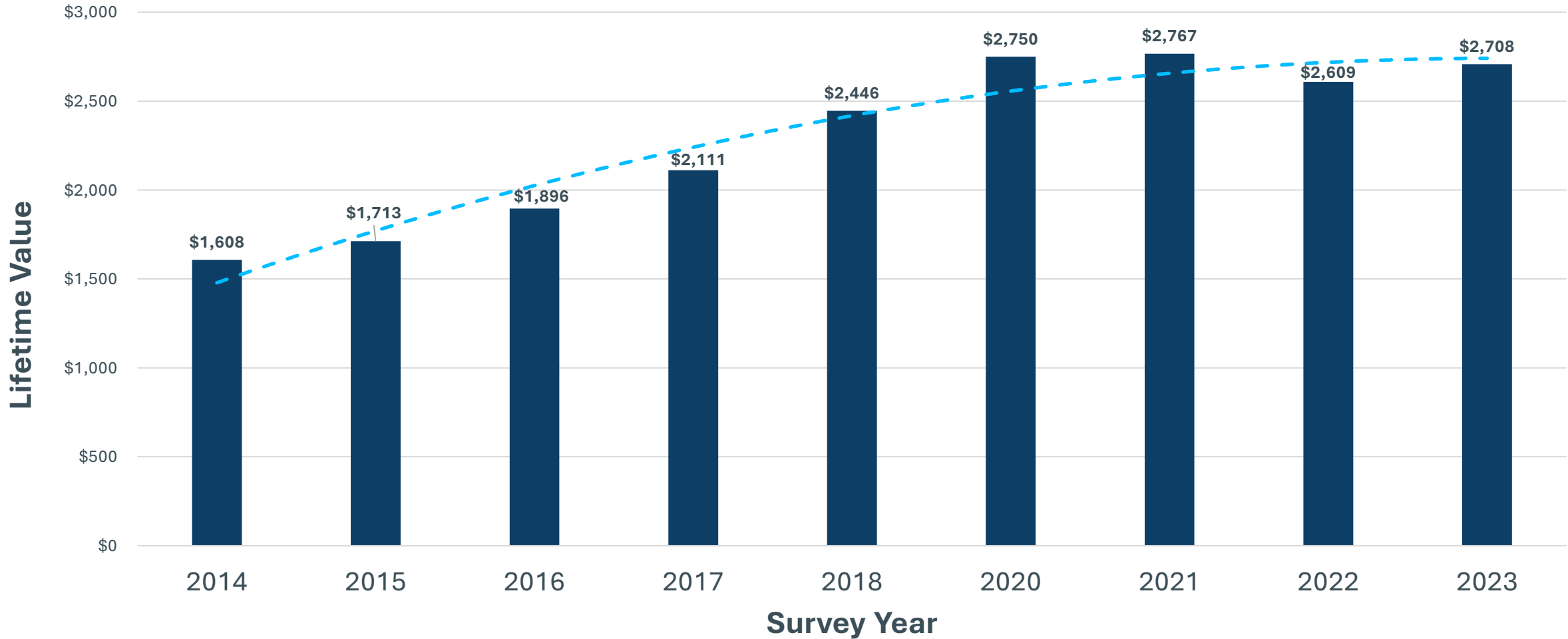
Average Length of Membership in Months by Region

The average length of membership is up 5 months over the past 10 years.



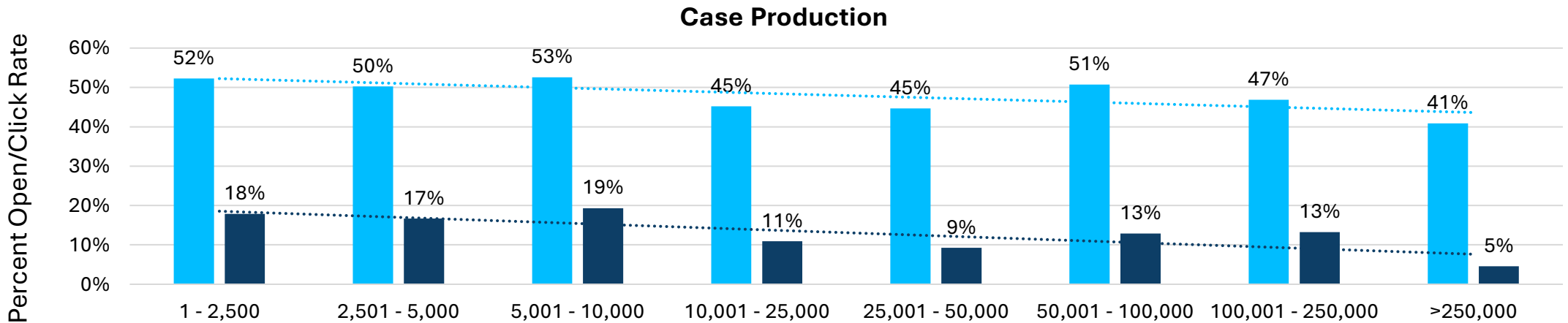
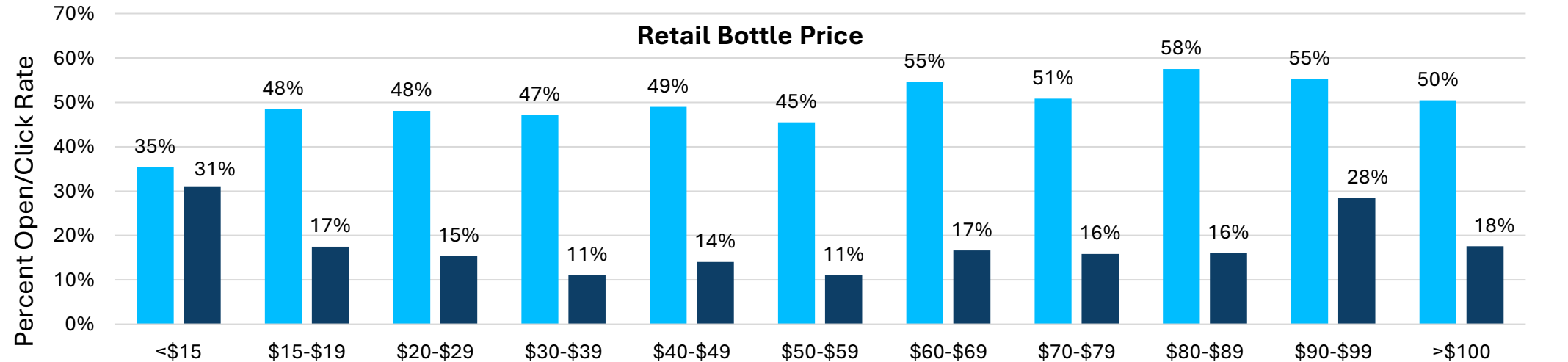
Wine Club Member Annual Average Lifetime Value

Average lifetime value is topping out at \$2,700, plus or minus 3.7%.



Email Marketing Open and Click Rates by Bottle Price and Cases

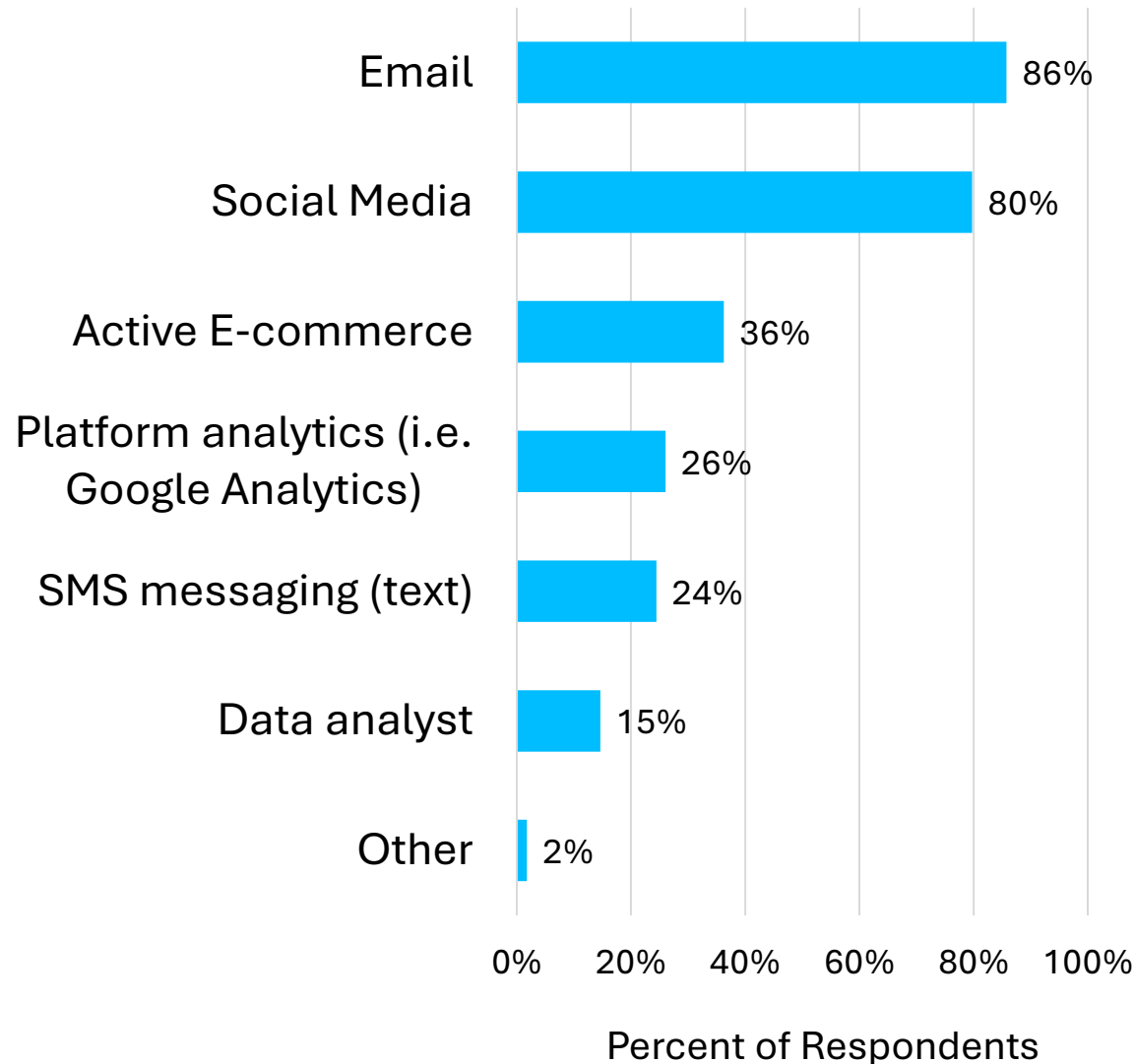
Open and click rates remain better than other industry averages.



■ Open Rate
 ■ Click Rate
 ⋯ Linear (Open Rate)
 ⋯ Linear (Click Rate)

Use of Digital Resources

Improving data usage and analysis is one key to future success.



Examples of Other (2%):

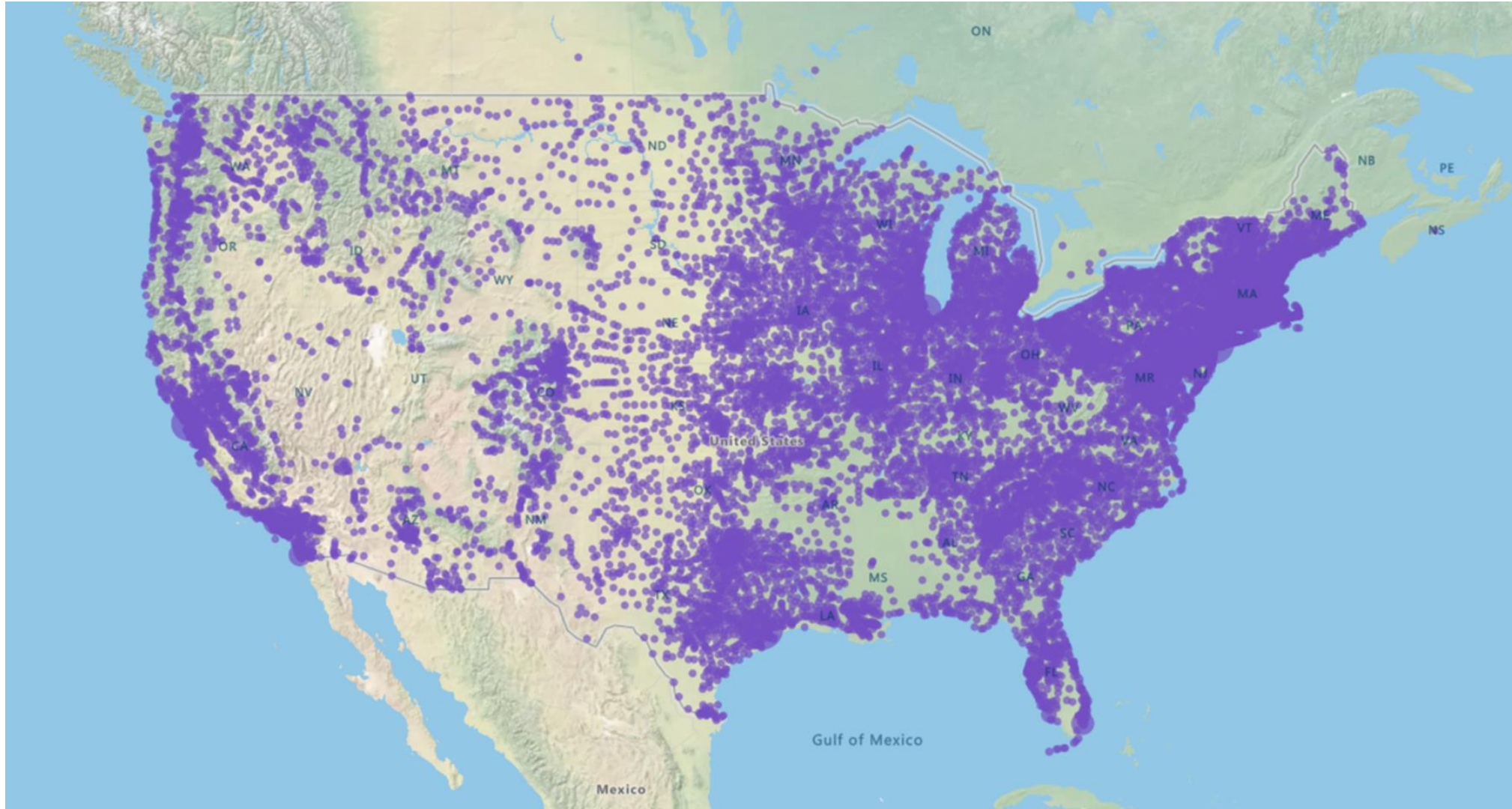
- ChatGPT/AI
- Phone
- Traditional US mail support

Online Marketing Tools Include:

- SEM, retargeting, SEO, driving sales to the web, banner ads, etc.

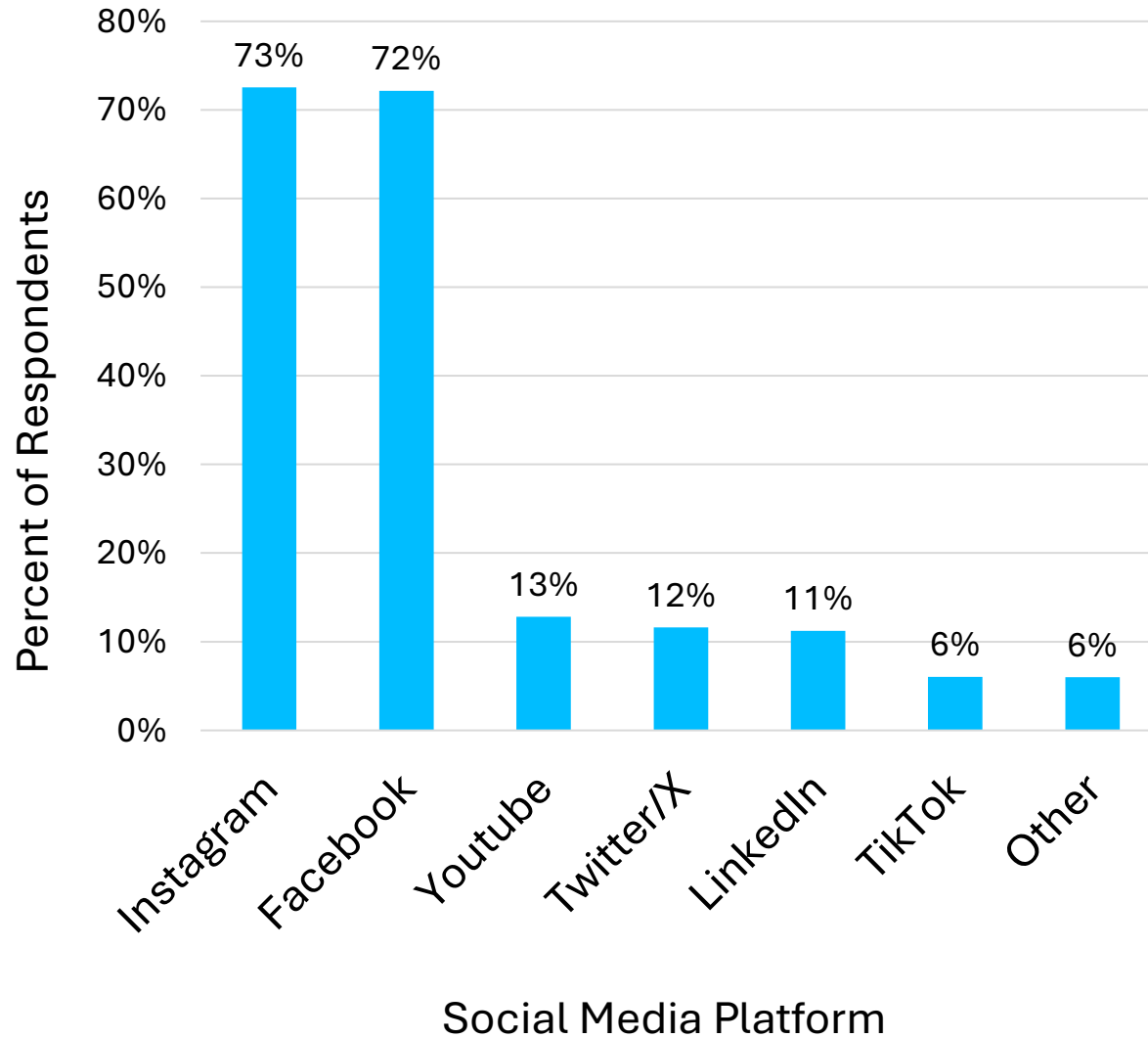
5 Year Spend for the Top 10% of DTC Wine Buyers by City for years 2019 – 2023

The top 10% of DTC Wine Consumers spent \$7.2 billion in the last 5 years.



Social Media Marketing Platforms Used

Use of texting platforms lag in adoption



Examples of Other (6%):

- Any Text Message Platform
- Pinterest
- Threads



About Silicon Valley Bank's Wine Division

Silicon Valley Bank, a Division of First Citizens Bank, is the premier commercial bank for emerging, growth and mature companies in the technology, life science, venture capital, private equity and premium wine industries. Its Wine Division specializes in commercial banking for premium wineries and vineyards.

Established in 1994, SVB's Wine Division has offices strategically located in Napa, Sonoma and Oregon. It caters to clients in the fine-wine-producing regions of California, Oregon and Washington.

By virtue of its dedication to the wine industry, Silicon Valley Bank is able to support its clients consistently through economic and growth cycles, and offer guidance on many aspects of their business beyond traditional banking services. Silicon Valley Bank, a division of First Citizens Bank, is a member of the FDIC. More information on the company can be found at [svb.com](https://www.svb.com).



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