



WINE INTELLIGENCE

US: COVID-19 IMPACT REPORT

[Issue #1]

MAY 2020

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CONTENTS



- 05** **Introduction**
 - Timeline context during survey data collection
 - Segment definitions
 - Management summary & key takeaways

- 25** **Category behavior during Covid-19 lockdown**
 - Change in category purchase quantity

- 31** **Overall frequency of wine consumption during Covid-19 lockdown**
 - Wine consumption frequency

- 37** **Off-premise (at-home) frequency and spend by occasion during Covid-19 lockdown**
 - Off-premise wine consumption frequency:
 - By occasion
 - Off-premise wine consumption frequency change:
 - By occasion
 - Off-premise spend on wine by occasion
 - Off-premise spend on wine change by occasion
 - Wine consumption frequency at specific occasions during lockdown

- 51** **Purchase channels for wine during Covid-19 lockdown**
 - Channel usage
 - Change in channel usage
 - Who has switched to online wine purchasing?

- 59** **On-premise frequency and spend by occasion pre Covid-19 lockdown**
 - On-premise wine consumption frequency by occasion
 - On-premise spend on wine by occasion

- 62** **Country of origin purchase and trust during Covid-19 lockdown**
 - Country of origin awareness and consumption pre lockdown
 - Country of origin change in purchase
 - Country of origin change in trust

- 70** **Lifestyle behaviors pre and post Covid-19 lockdown**
 - Lifestyle behavior pre Covid-19 impact
 - Change in lifestyle behavior anticipated after virus restrictions have ended
 - Future behavior priorities

- 97** **Research methodology: Quantitative**

CONTENTS



- 05** **Introduction**
 - Timeline context during survey data collection**
 - Segment definitions**
 - Management summary & key takeaways**

- 25** **Category behavior during Covid-19 lockdown**
 - Change in category purchase quantity

- 31** **Overall frequency of wine consumption during Covid-19 lockdown**
 - Wine consumption frequency

- 37** **Off-premise (at-home) frequency and spend by occasion during Covid-19 lockdown**
 - Off-premise wine consumption frequency:
 - By occasion
 - Off-premise wine consumption frequency change:
 - By occasion
 - Off-premise spend on wine by occasion
 - Off-premise spend on wine change by occasion
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 - On-premise wine consumption frequency by occasion
 - On-premise spend on wine by occasion

- 62** **Country of origin purchase and trust during Covid-19 lockdown**
 - Country of origin awareness and consumption pre lockdown
 - Country of origin change in purchase
 - Country of origin change in trust

- 70** **Lifestyle behaviors pre and post Covid-19 lockdown**
 - Lifestyle behavior pre Covid-19 impact
 - Change in lifestyle behavior anticipated after virus restrictions have ended
 - Future behavior priorities

- 97** **Research methodology: Quantitative**

INTRODUCTION



It is becoming apparent that the wine category may escape the punishment meted out to the travel and hospitality sectors by the coronavirus pandemic. Throughout lockdown, consumers were still enjoying a glass of wine at the end of a long day of Zoom calls and home schooling (and occasionally during the day).

Having seen a substantial increase in sales at the start of the pandemic, volumes of wine sold through the checkout and online have come back to close to pre-pandemic levels. As has been reported extensively elsewhere, the online channel has been the big winner of the lockdown, with the desirable younger, affluent and urban-dwelling wine drinkers leading the way.

More generally, the evidence from this report is that the surge of wine purchased in March and early April has in fact been consumed - through increased frequency of wine drinking generally, and by the invention of new wine drinking moments. As well as the usual with-food occasions, wine has become part of many of the new non-food occasions – for instance catching up with friends online, pre-dinner drinks that start earlier, or even a virtual wine tasting.

It is probably no coincidence that those consumers who have become closer with their wine are those who were closest to it already. Our Portrait consumer segment of Engaged Explorers have been the most enthusiastic

adopters of wine with more meals (including lunch) and the typical Premium Brand Suburban, already the most frequent drinker, is now consuming wine on at least 4 occasions per week.

Another behavior change that shines through in this report is the urge to buy local. Domestic wines are the biggest winners from lockdown in the US market, with both purchase frequency and trust levels falling for imports – especially wines from Europe.

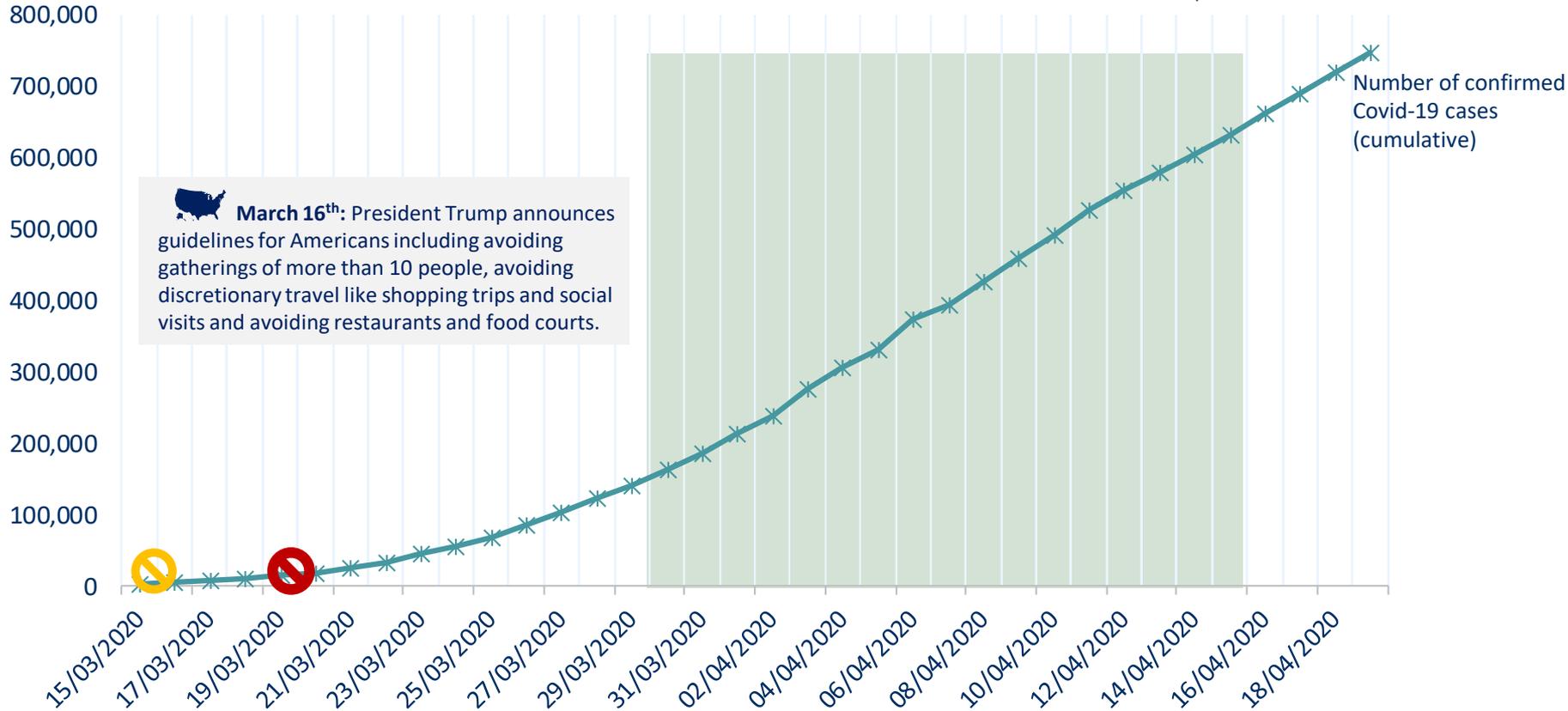
Finally, when it comes to the future, the US wine drinker is understandably quite cautious about their household finances and the idea of getting on a plane. Thankfully for the wine category, they appear to be channeling their need for adventure and indulgence into trying new food and drink, including treating themselves to better wine.

Lulie Halstead, May 2020

TIMELINE CONTEXT DURING SURVEY DATA COLLECTION – ALL USA



Survey in field
March 30th April 16th



March 16th: President Trump announces guidelines for Americans including avoiding gatherings of more than 10 people, avoiding discretionary travel like shopping trips and social visits and avoiding restaurants and food courts.

Closure of places of social gathering and on-premise consumption begin:

- March 15th: California, Illinois
- March 16th: New York
- March 17th: Florida
- March 19th: Texas
- March 23rd: Pennsylvania

Stay-at-home order enforced for entire state*: Leaving the house only allowed for essential shopping, medical needs, exercise and for work

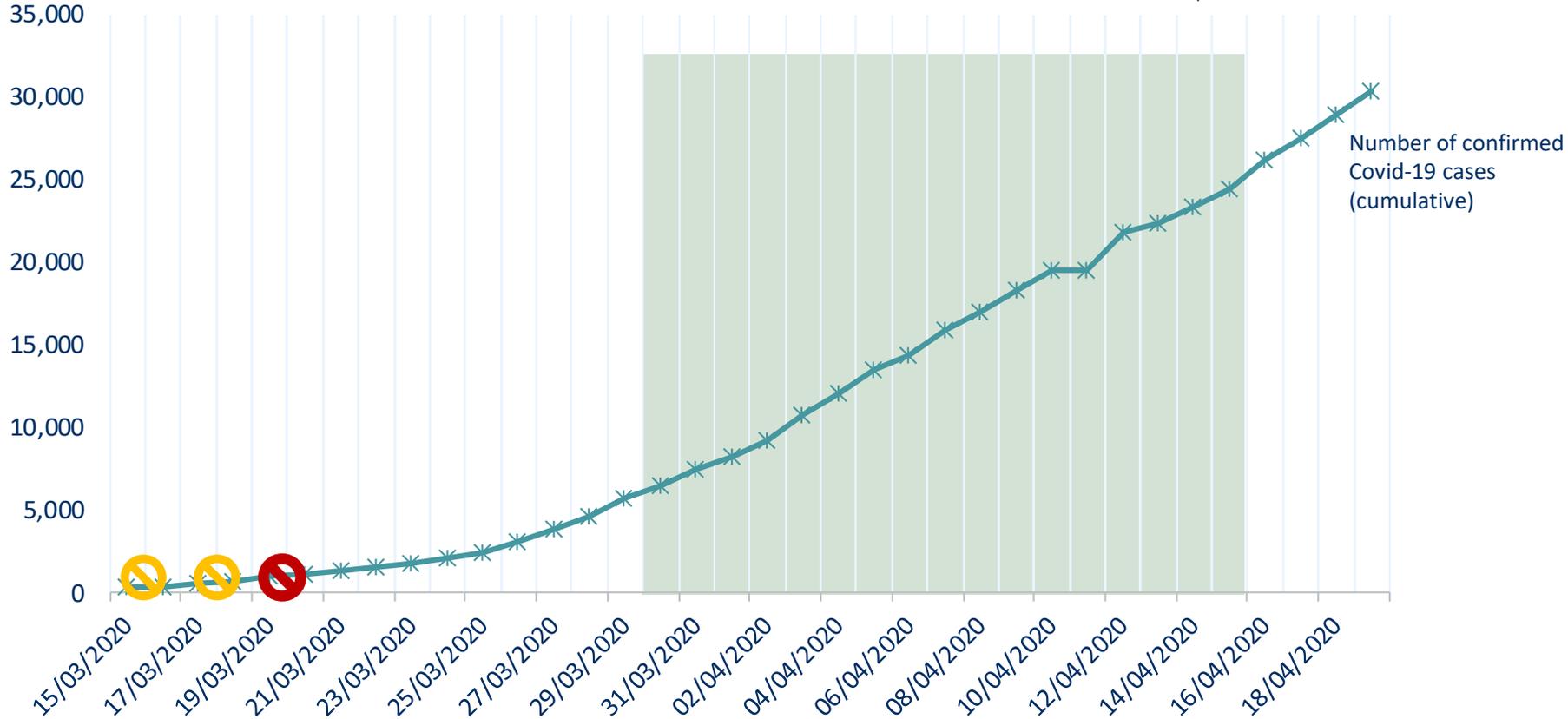
- March 19th: California
- March 20th: New York, Illinois
- April 1st: Florida, Pennsylvania
- April 2nd: Texas

*Many counties within states had their own policies regarding restrictions and stay-at-home orders, meaning certain areas were affected earlier than these dates

TIMELINE CONTEXT DURING SURVEY DATA COLLECTION – CALIFORNIA



Survey in field
March 30th April 16th



Closure of places of social gathering and on-premise consumption begin:
March 15th: Nightclubs, bars and wineries ordered to close
March 17th: All restaurants close

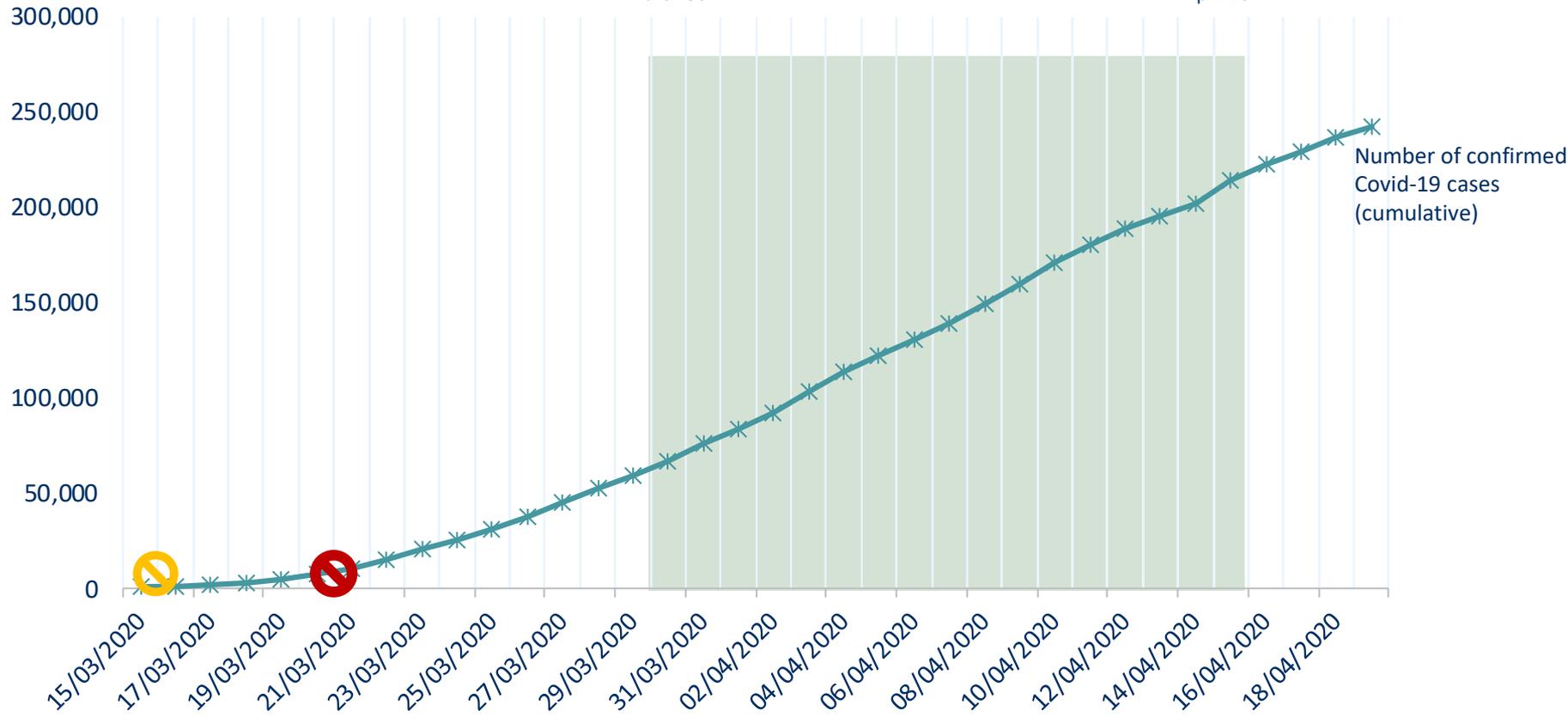
Stay-at-home order enforced for entire state*:
March 19th: State-wide stay-at-home order

*Many counties within states had their own policies regarding restrictions and stay-at-home orders, meaning certain areas were affected earlier than these dates

TIMELINE CONTEXT DURING SURVEY DATA COLLECTION – NEW YORK



March 30th April 16th



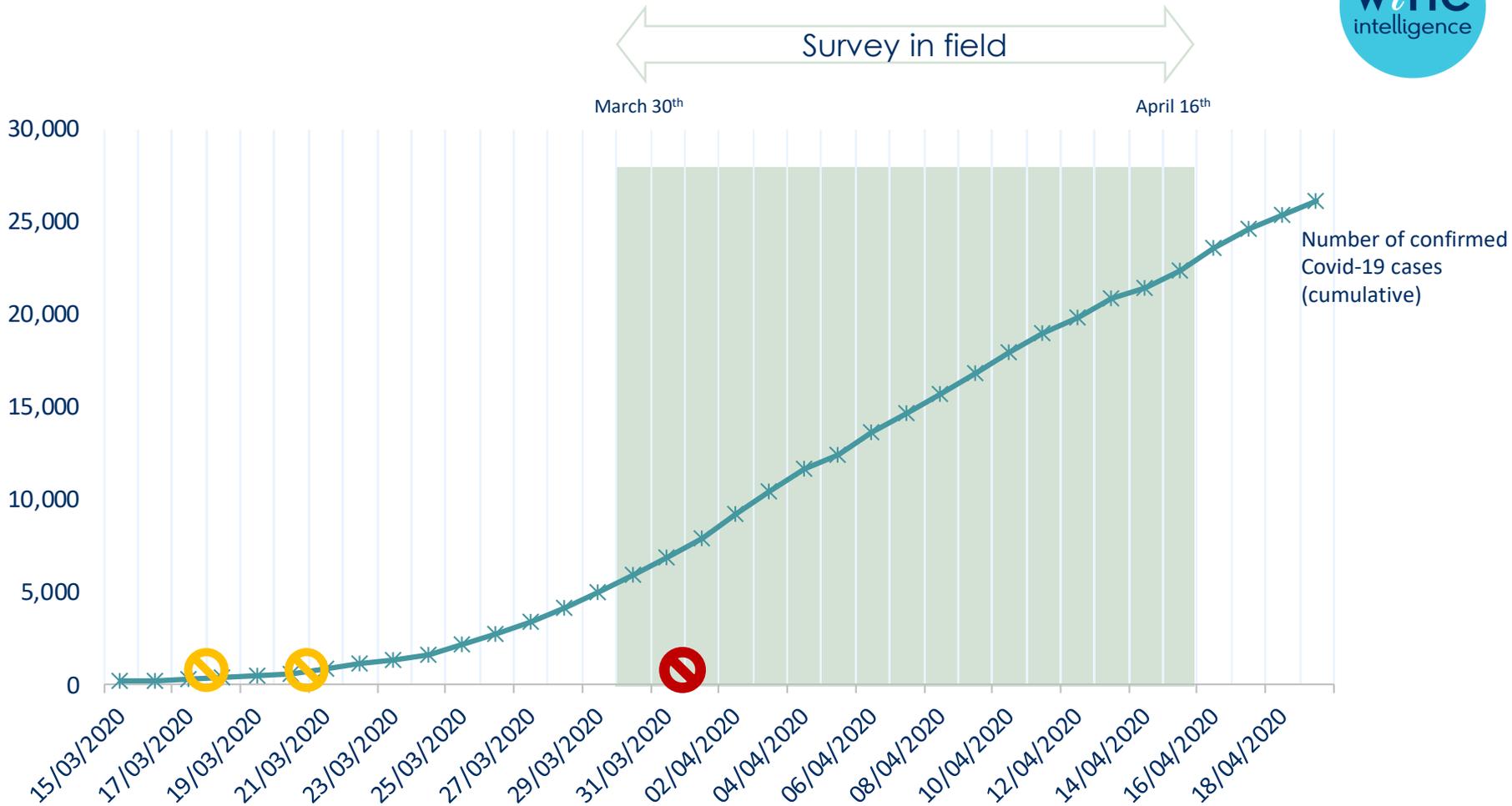
Number of confirmed Covid-19 cases (cumulative)

🚫 Closure of places of social gathering and on-premise consumption begin:
March 16th: Social gatherings limited to 50 people. All restaurants, bars, movie theatres, casinos, gyms, etc... closed

🚫 Stay-at-home order enforced for entire state*:
March 20th: State-wide stay-at-home order

*Many counties within states had their own policies regarding restrictions and stay-at-home orders, meaning certain areas were affected earlier than these dates

TIMELINE CONTEXT DURING SURVEY DATA COLLECTION – FLORIDA



Closure of places of social gathering and on-premise consumption begin:

March 17th: Nightclubs and bars ordered to close

March 20th: All restaurants ordered to switch to take-out and delivery only

Stay-at-home order enforced for entire state*:

April 1st: State-wide stay-at-home order

*Many counties within states had their own policies regarding restrictions and stay-at-home orders, meaning certain areas were affected earlier than these dates

TIMELINE CONTEXT DURING SURVEY DATA COLLECTION – TEXAS



Closure of places of social gathering and on-premise consumption begin:

March 19th: Bars, restaurants, gyms, and social gatherings of more than 10 people banned

March 31st: Social distancing orders extended

Stay-at-home order enforced for entire state*:

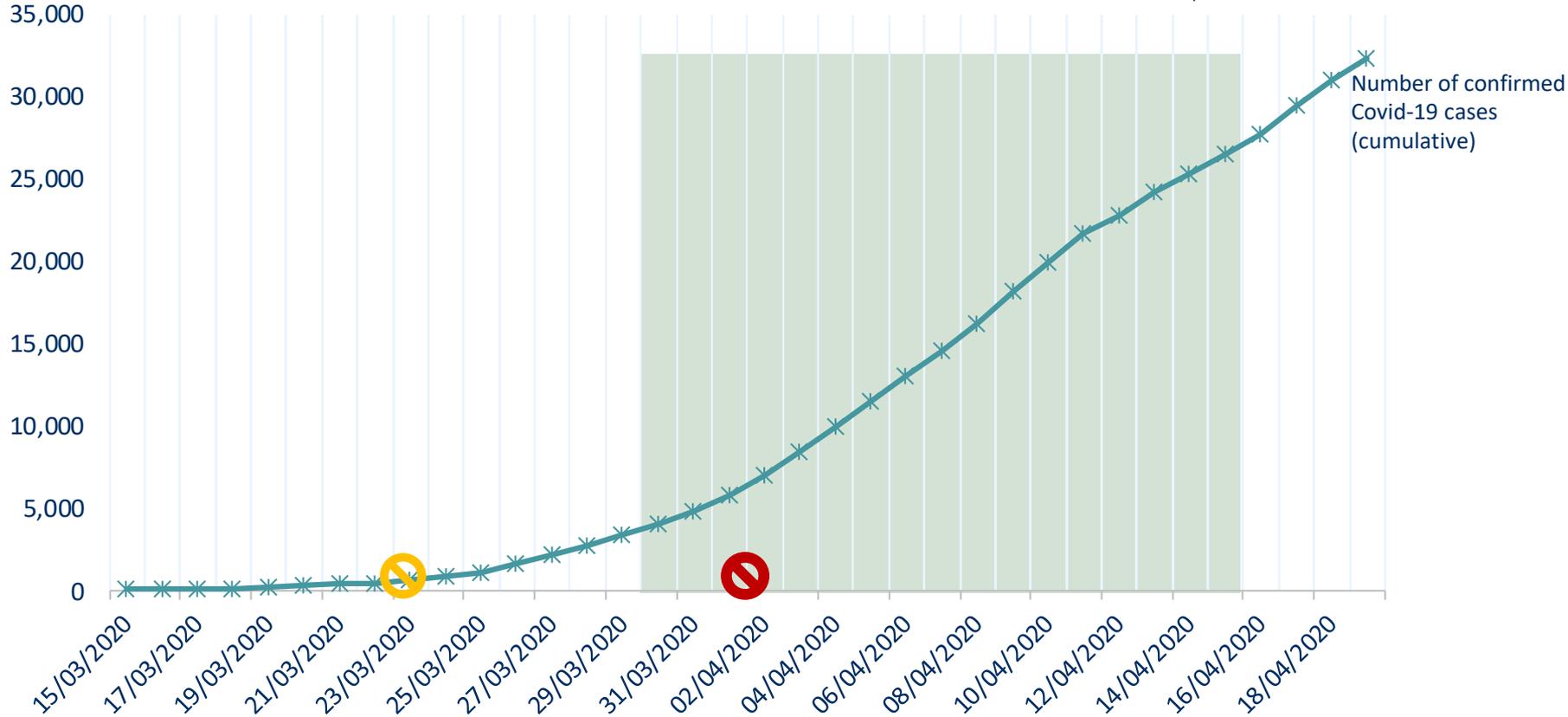
April 2nd: State-wide stay-at-home order

*Many counties within states had their own policies regarding restrictions and stay-at-home orders, meaning certain areas were affected earlier than these dates

TIMELINE CONTEXT DURING SURVEY DATA COLLECTION – PENNSYLVANIA



Survey in field
March 30th to April 16th



🚫 Closure of places of social gathering and on-premise consumption begin:
March 23rd: Restaurants and bars to close, first stay-at-home orders announced

🚫 Stay-at-home order enforced for entire state*:
April 1st: State-wide stay-at-home order

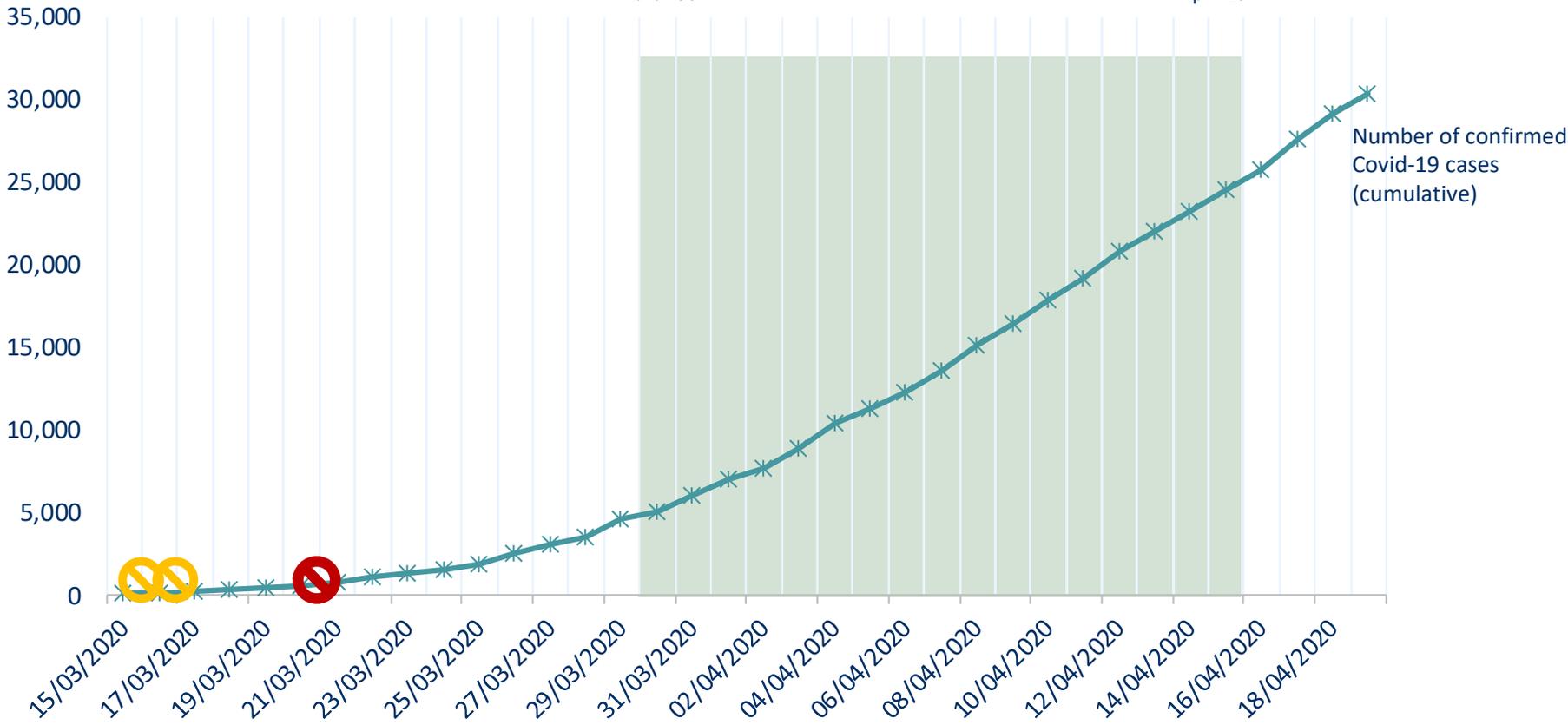
*Many counties within states had their own policies regarding restrictions and stay-at-home orders, meaning certain areas were affected earlier than these dates

TIMELINE CONTEXT DURING SURVEY DATA COLLECTION – ILLINOIS



Survey in field

March 30th April 16th



Number of confirmed Covid-19 cases (cumulative)

🚫 Closure of places of social gathering and on-premise consumption begin:
March 15th: Restaurants and bars to close
March 16th: Ban on events more than 50 people

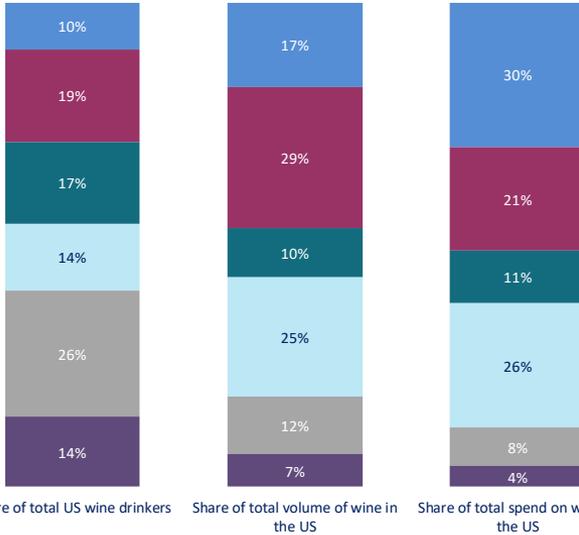
🚫 Stay-at-home order enforced for entire state*:
March 20th: State-wide stay-at-home order

*Many counties within states had their own policies regarding restrictions and stay-at-home orders, meaning certain areas were affected earlier than these dates

SEGMENT DEFINITIONS



WINE INTELLIGENCE US PORTRAITS



- Engaged Explorers
- Premium Brand Suburbans
- Contented Treaters
- Social Newbies
- Senior Bargain Hunters
- Kitchen Casuals



Engaged Explorers: Frequent and involved wine drinkers, high spenders typically in their 30s and 40s



Premium Brand Suburbans: Youngest segment, more likely to drink wine in on-premise and social settings and seek advice



Contented Treaters: Over-45s with high levels of wine knowledge, more value-oriented



Social Newbies: Younger, female biased, low-frequency wine drinkers who tend to spend a bit more



Senior Bargain Hunters: Older, knowledgeable drinkers purchasing a narrow repertoire at low prices



Kitchen Casuals: Infrequent wine drinkers who tend to look for lowest prices in a limited repertoire

AGE COHORTS

Gen-Z: Monthly wine drinkers aged 21-24

Millennial: Monthly wine drinkers aged 25-39

Gen-X: Monthly wine drinkers aged 40-54

Boomer: Monthly wine drinkers aged 55+

KEY TAKEAWAYS



WINE PURCHASE & CONSUMPTION

- Beer, wine and spirits all benefitted from increase purchase
- Beyond alcohol, bottled water benefitted most from increased purchased rates during lockdown
- Increase in wine purchase levels during lockdown was driven by both Gen Zers and Gen Xers
- And by the Premium Brand Suburban segment – who were already the most frequent wine consumers

WINE OCCASIONS & SPEND

- The average number of wine drinking occasions increased during the 2020 lockdown, driven by women and Millennials & Gen Xers in particular
- The biggest gain for wine during the Covid-19 lockdown came from casual at-home **non-food** occasions
- Not surprisingly, more celebratory occasions for wine all but disappeared – and Champagne purchasing is down
- US consumers said they were spending less per bottle on wine during lockdown compared with before

PURCHASE CHANNELS & WINE TRUST

- The biggest channel winner for wine purchase was online, with the use of all online channels increasing during the lockdown
- Younger, male, frequent and higher spending wine drinkers led the move to buying more wine online during the 2020 lockdown
- Trust and consumption increased for US-produced wine during lockdown, while trust in European wine, particularly wine from Italy, showed a small net decline

FUTURE BEHAVIOR

- US wine drinkers anticipate they will drink more alcoholic beverages post lockdown restrictions, yet reduce their socializing & going out and increase their online beverage and grocery purchasing compared with their pre Covid-19 levels
- They also predict a significant reduction in their travel plans and sports & event attendance post lockdown restrictions
- US wine drinkers think that spending less and boosting savings will be of a much higher priority in the future post the restrictions of Covid-19

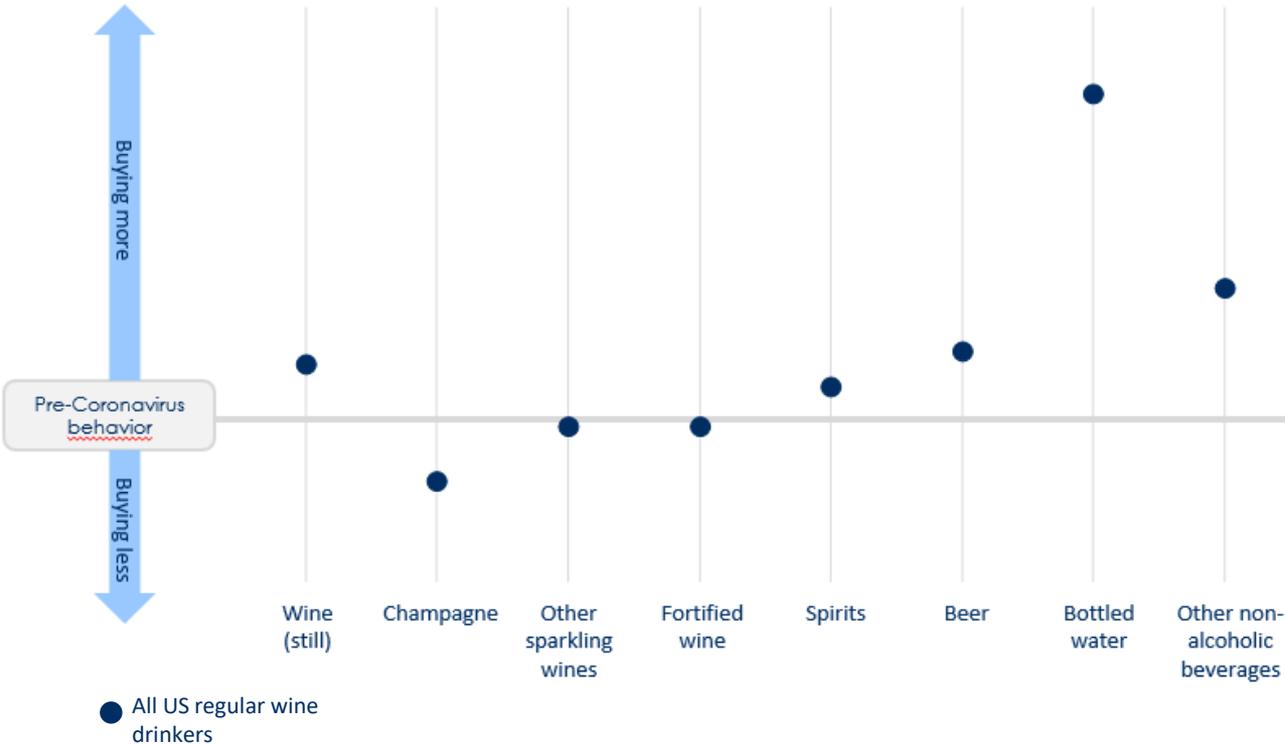
KEY TAKEAWAY #1



Beer, wine and particularly non-alcoholic beverages benefitted from increased purchase during the March /April 2020 lockdown measures

Category purchase behavior change during lockdown 2020 compared with pre-pandemic behavior

Index: Change in purchase quantity of the following categories due to the impact of Coronavirus



Deep dive into specific consumer segments during lockdown measures

Demographic groups:

- Gen Z drinkers led the increase in purchases of water and other non-alcoholic beverages
- Millennials increased their purchasing of spirits and beer
- Men in the USA increased their purchase of beverages more than women – including for wine
- Wine drinkers in FL & CA in particular increased their wine buying

Portraits:

EE

- Increased wine purchasing was led by the higher spending, more frequent drinking and involved Engaged Explorer segment

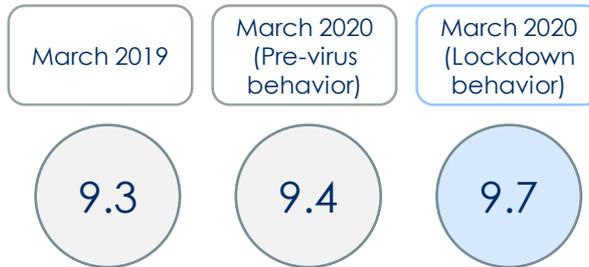
KEY TAKEAWAY #2



The average number of wine drinking occasions increased during the 2020 lockdown among US drinkers compared with their wine drinking pre Covid-19 with the increase in at-home wine occasions more than compensating for the loss of on-premise occasions

Wine consumption frequency: tracking

Average consumption frequency (times per month) among regular wine drinkers in the US



Deep dive into specific consumer segments during lockdown measures

Demographic groups:

- The increased wine consumption frequency was driven by Millennials and Gen Xers, with Gen Xers remaining the most frequent wine drinkers in the US
- Female drinkers in the US increased their frequency of wine drinking during lockdown more than men

Portraits:

- The increase in the frequency of wine drinking during lockdown was driven by the frequent at-home drinker segment known as Premium Brand Suburbans, and the higher spending, and wine knowledgeable Contented Treaters



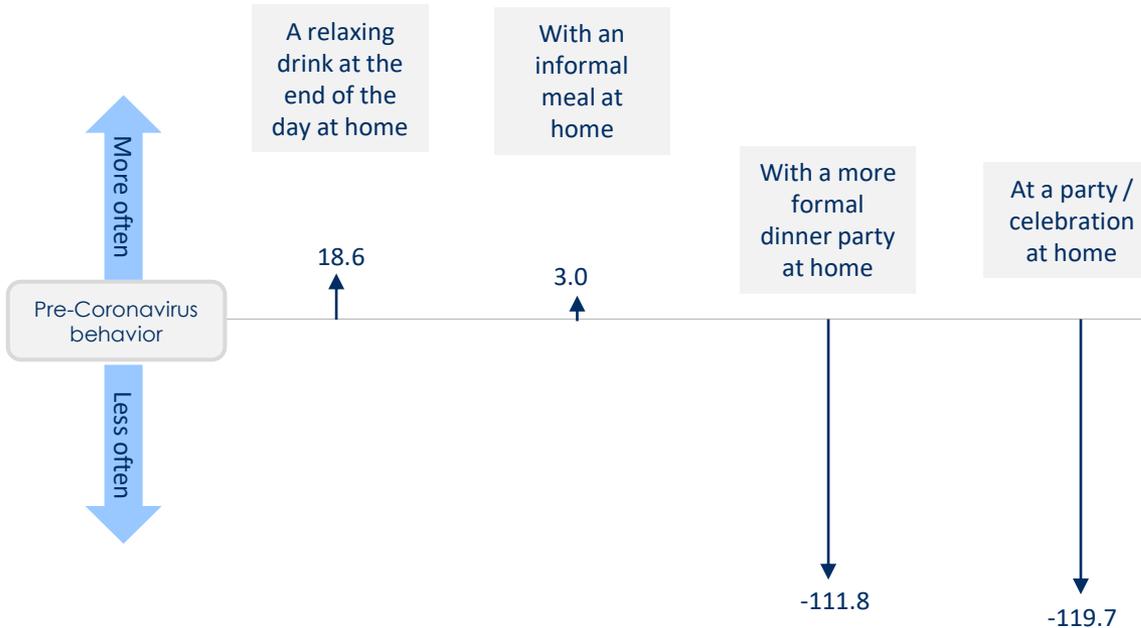
KEY TAKEAWAY #3



The biggest gains for wine during the Covid-19 lockdown came from casual at-home **non-food** occasions, with more celebratory occasions for wine all but disappearing

Off-premise index change in wine consumption frequency during lockdown March /April 2020

Indexed change in wine drinking behavior at each occasion during lockdown impact
Base = Those who buy wine in the off-premise



More prominent at-home occasions

42% of US wine drinkers enjoyed drinking wine at least once per week during the 2020 lockdown period while catching up online or on the phone, with over half also enjoying wine with a more 'special than usual' meal at home

Deep dive in specific consumer segments during lockdown

Demographic groups:

- Male & younger, more involved wine drinkers increased their frequency of wine consumption the most - particularly with informal meals at home

Portraits:



- Increases in wine drinking for casual, non-food occasions at home were driven by the already higher frequency wine drinkers - Engaged Explorers and Premium Brand Suburbans

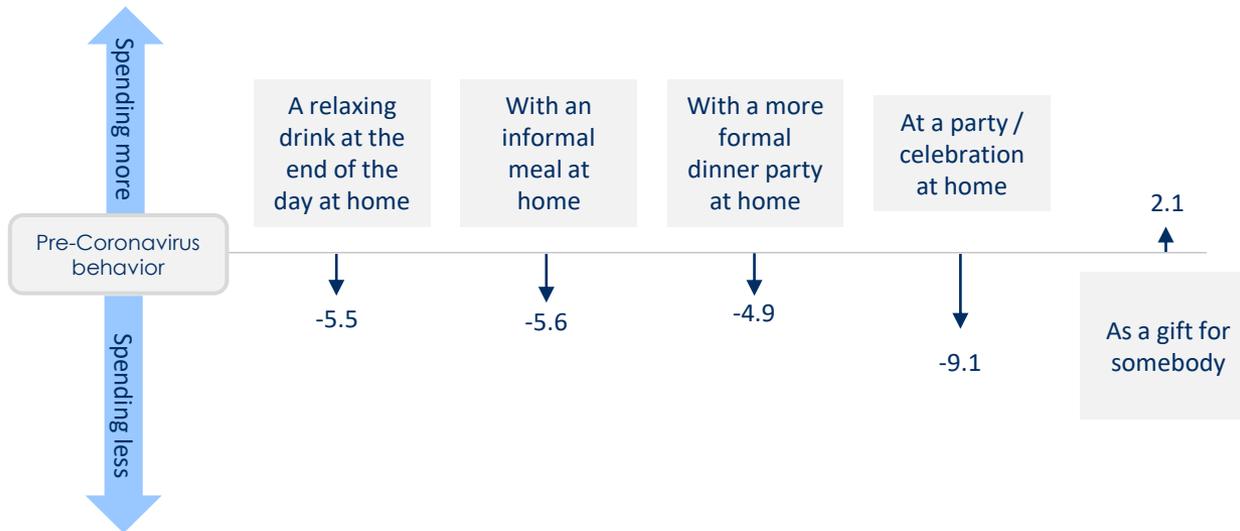
KEY TAKEAWAY #4



During the 2020 lockdown, US consumers marginally reduced their typical spend on wine across all occasions, with the exception of buying wine as a gift; however, younger and more involved wine drinkers actually increased their spend per bottle

Off-premise index change in spend on wine during lockdown March 2020

Indexed change in spend on wine drinking at each occasion during lockdown impact
Base = Those who drink wine on each occasion



Deep dive into specific consumer segments during lockdown

Portraits:

- Engaged Explorers & Social Newbies *increased* their typical wine spend, which was previously already at the higher end, during lockdown



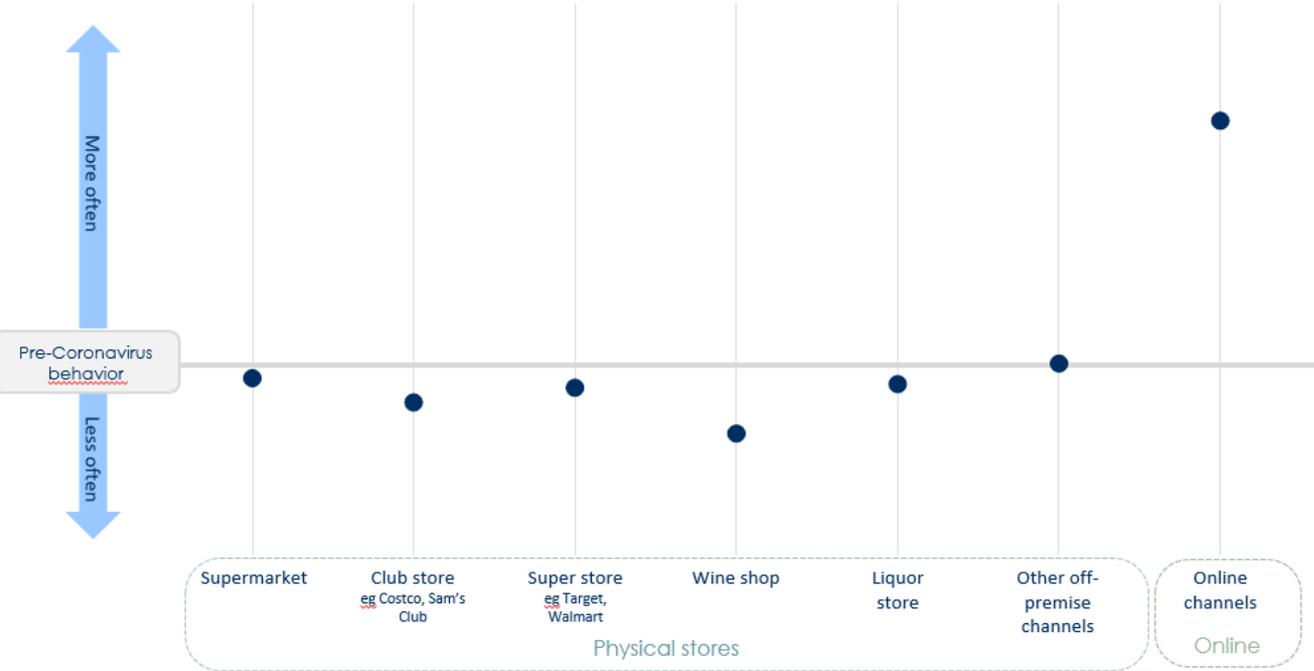
KEY TAKEAWAY #5



Due to lockdown restrictions, the use of online channels to purchase wine increased dramatically amongst US regular wine drinkers, while they shopped for wine less often via other channels

Change in channel usage (During lockdown March / April 2020 compared with pre-virus behavior)

● All US regular wine drinkers



Deep dive in specific consumer segments during lockdown

Who switched to online wine purchasing?

- Gen X led the way in purchasing wine online more often during lockdown
- Compared with their previous behavior, more men switched to online wine purchasing
- Wine drinkers in FL and CA increased their frequency of online wine purchasing the most during the lockdown

Portraits:

- Social Newbies shopped for wine at a much broader range of channels for wine than they did prior to the lockdown

SN

KEY TAKEAWAY #6



While most consumers stayed loyal to their existing country of origin repertoire, domestically-produced wine gained trust and Italy and France lost share

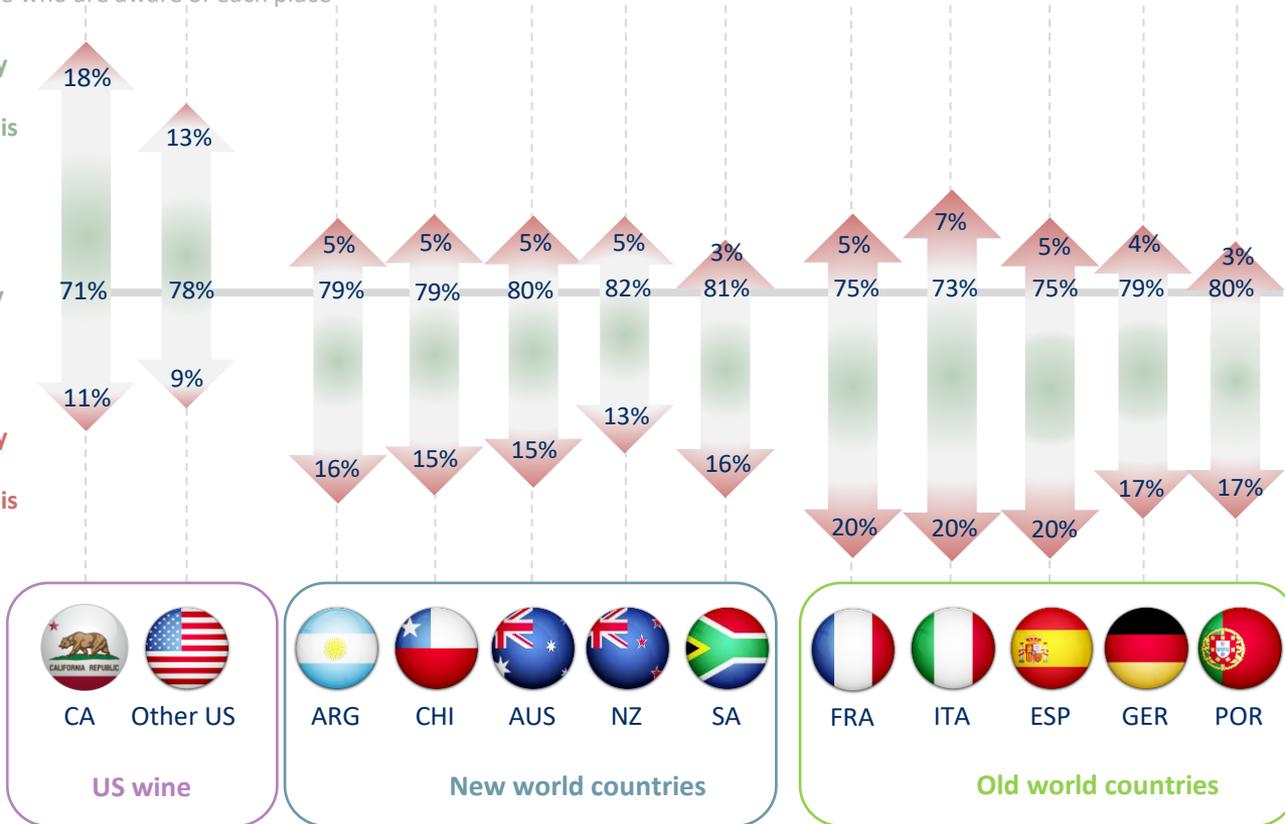
Country of origin change in **purchase** during lockdown
March/April 2020 compared with pre-virus behavior

% who have changed their purchase behavior of each place
due to the impacts of Coronavirus
Base = Those who are aware of each place

"I am actively buying more wine from this place"

Don't know / No change

"I am actively buying less wine from this place"



Deep dive in specific consumer segments during lockdown

Demographic groups:

- Male wine drinkers in particular moved more to actively purchasing and trusting US produced wine during lockdown
- Millennials in particular purchased / trusted US wines more than other wines during lockdown
- Wine drinkers in CA and FL actively purchased and trusted US wines during the pandemic lockdown over imported wine

Portraits:

SN

- Engaged Explorers and Social Newbies more actively embraced domestically produced US wine during lockdown

EE

Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n=2,000 US regular wine drinkers

KEY TAKEAWAY #7

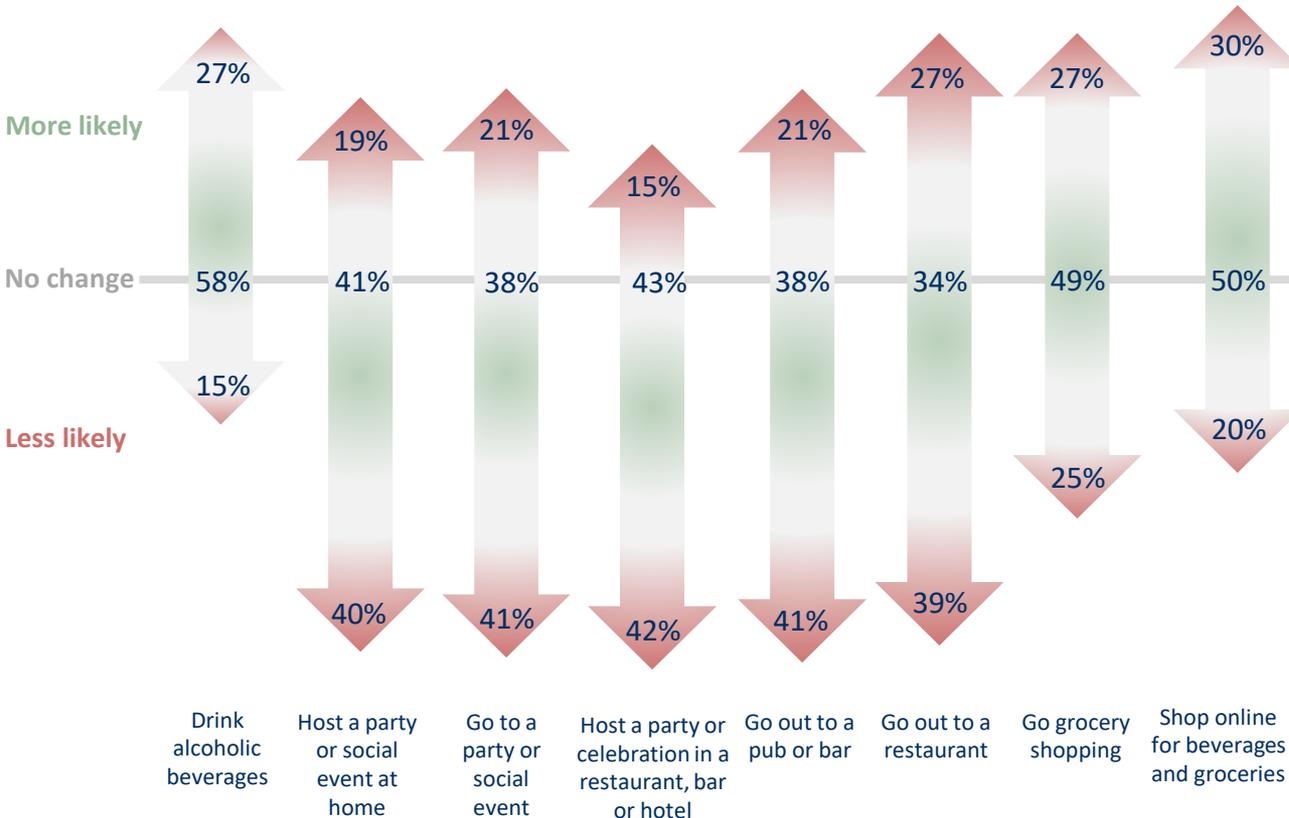


US wine drinkers anticipate they will drink more alcoholic beverages post lockdown restrictions, reduce their socializing & going out and increase their online beverage and grocery purchasing

Change in typical behavior anticipated after virus restrictions - socializing, food and drink

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted

Base = All US regular wine drinkers (n=2,000)



Deep dive in specific consumer segments post-lockdown

Portraits:

EE

Engaged Explorers anticipate they will consume more alcohol and purchase it online post-restrictions

PBS

Whilst Premium Brand Suburbans state they will consume more alcohol and purchase it online more post restrictions, they anticipate significantly reducing their socializing

CT

Contented Treaters report that they will consume marginally more alcohol and purchase it online more post restrictions, but significantly reduce their socializing

SN

Younger Social Newbies suggest they will not reduce their socializing behavior as much as other more mature wine drinkers once restrictions are lifted

KEY TAKEAWAY #8

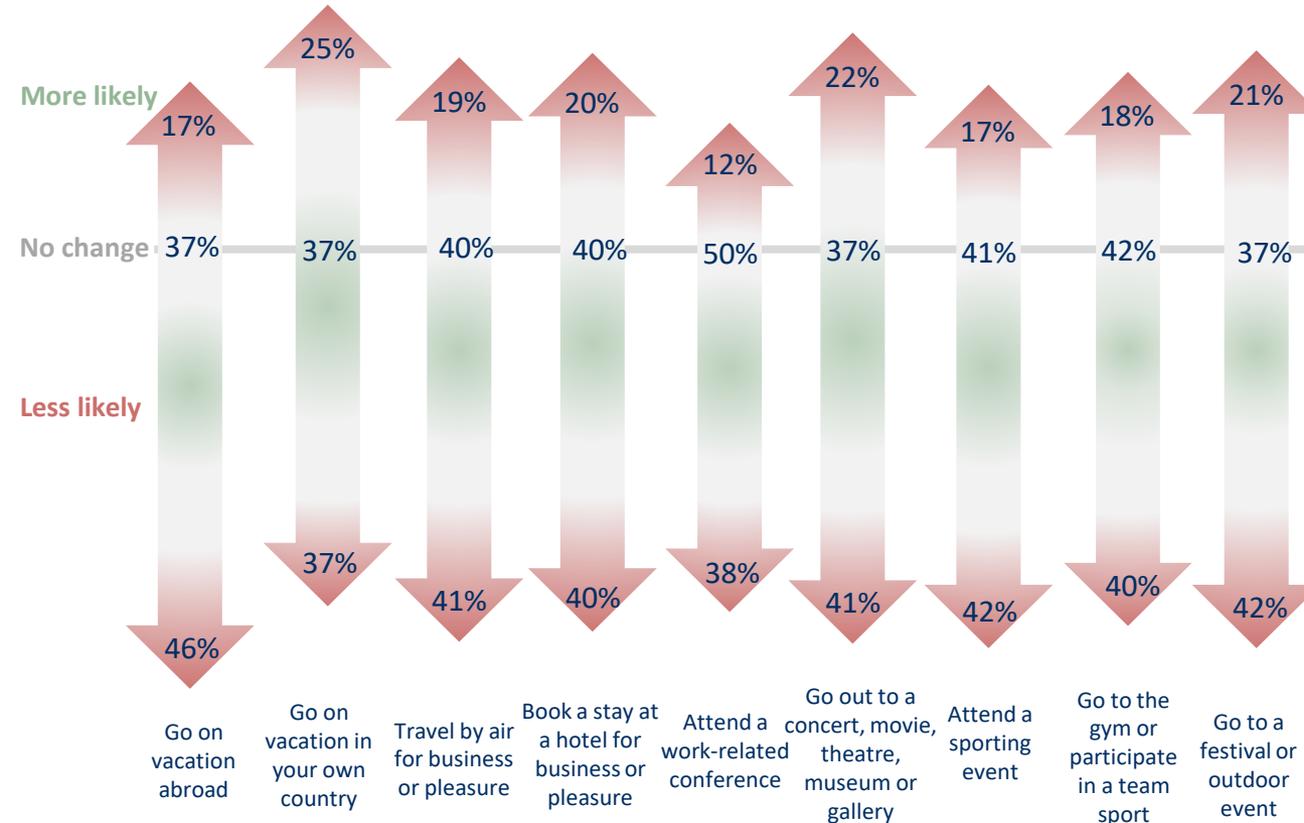


US wine drinkers anticipate a significant reduction in their travel plans and sports & event attendance post lockdown restrictions

Change in typical behavior anticipated after virus restrictions - travel, events and sport

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted

Base = All US regular wine drinkers (n=2,000)



Deep dive in specific consumer segments Post-lockdown

Portraits:

- EE** Engaged Explorers anticipate a significant reduction in their travel plans and sports & event attendance post restrictions
- PBS** Premium Brand Suburbans & Contented Treaters (mid to older age groups) anticipate significantly less overseas and work related travel and also reduced participation in social & sporting events
- CT**
- SN** Younger Social Newbies state they will not reduce their travel event and sport participation attendance as much as other more mature wine drinkers post restrictions

KEY TAKEAWAY #9

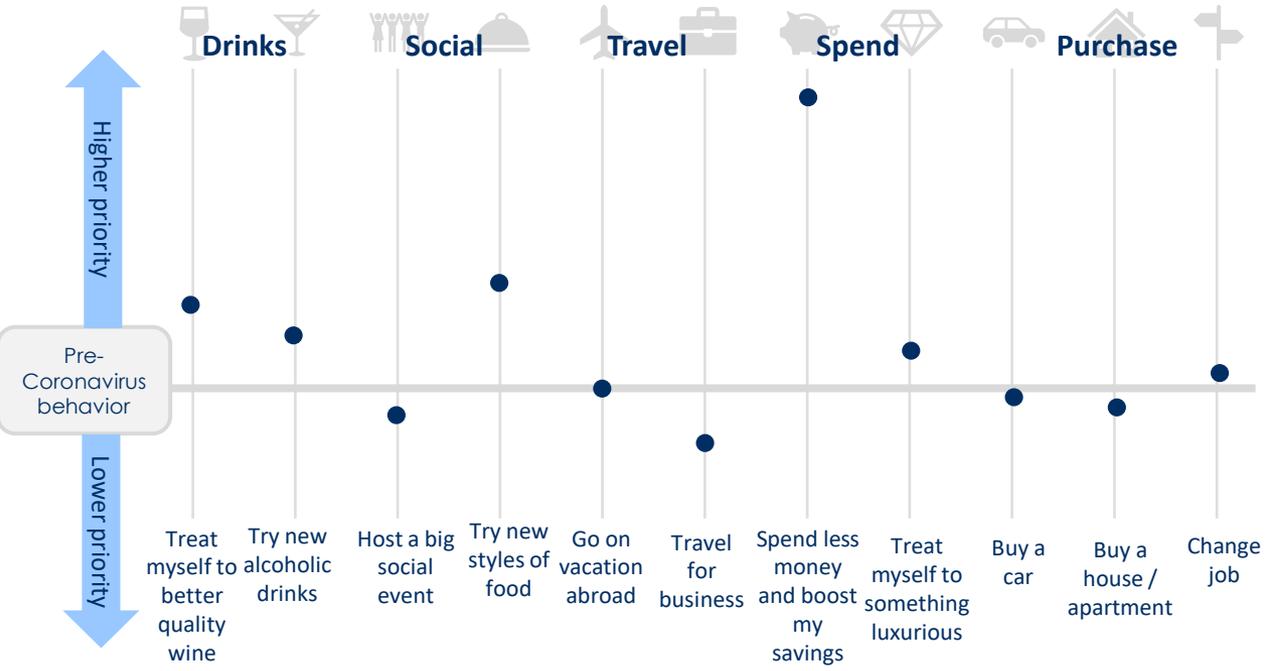


US wine drinkers state that spending less and boosting savings will be of a much higher priority in the future, though a quarter of respondents think that treating themselves to better quality wine will be a priority

Future intentions

Change in priorities for the following activities once the danger of Coronavirus has passed
 Base = All US regular wine drinkers (n=2,000)

● All US regular wine drinkers



Deep dive in specific consumer segments post-lockdown

Demographic groups:

- The focus on future saving and spending less is a greater priority among younger Gen Z drinkers
- Wine drinkers resident in NY anticipate that they will be more likely to treat themselves to quality wine and try new food styles in the future post the Covid-19 restriction impacts

Portraits:

- Premium Brand Suburbans state that treating themselves to higher quality wine in the future will be of a higher priority



CONTENTS



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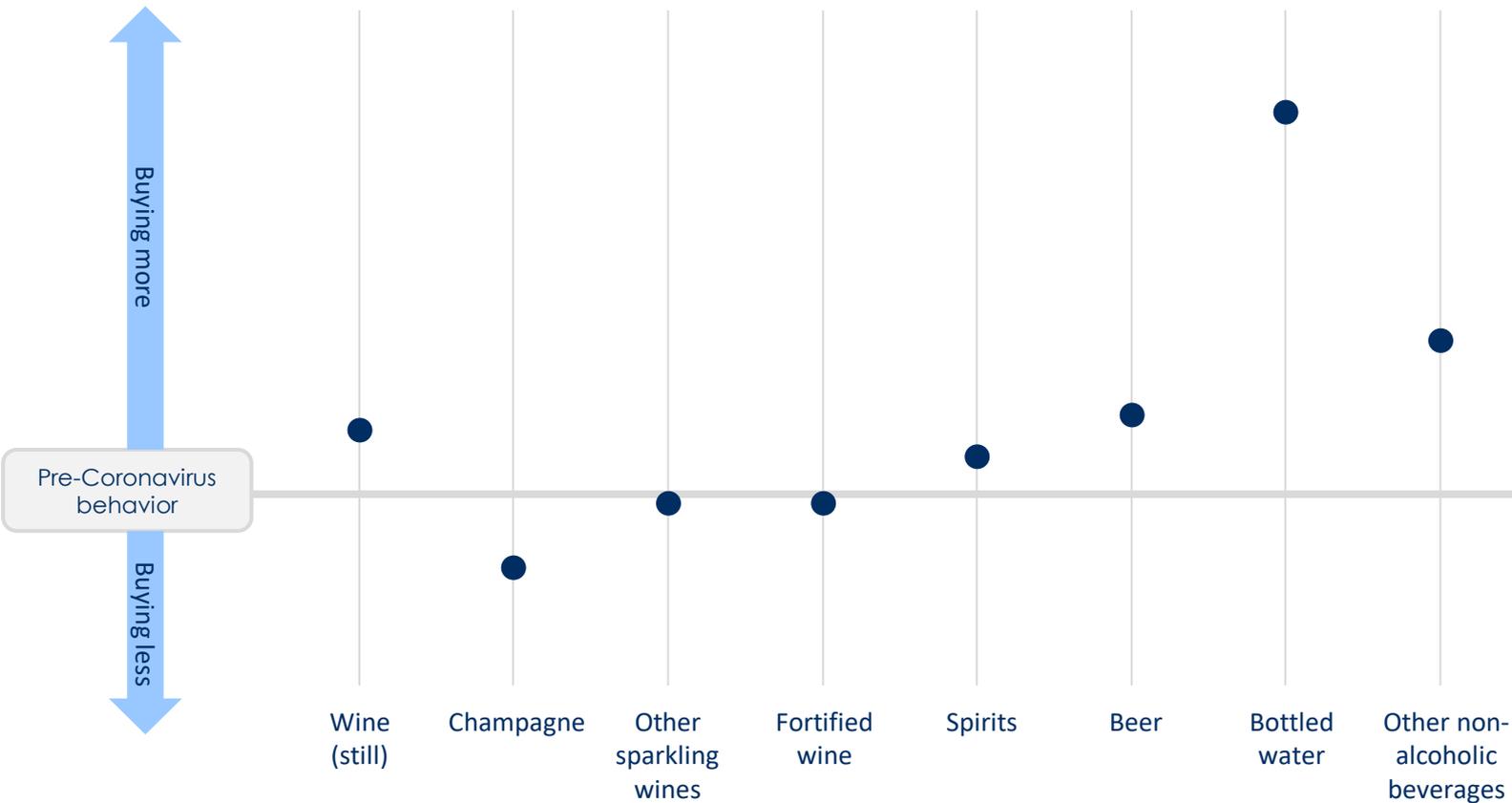
CHANGE IN CATEGORY PURCHASE QUANTITY



Beer, wine and particularly non-alcoholic beverages benefitted from increased purchase during the March /April 2020 lockdown measures

Category purchase behavior change during lockdown 2020 compared with pre-pandemic behavior

Index: Change in purchase quantity of the following categories due to the impact of Coronavirus



CHANGE IN CATEGORY PURCHASE QUANTITY

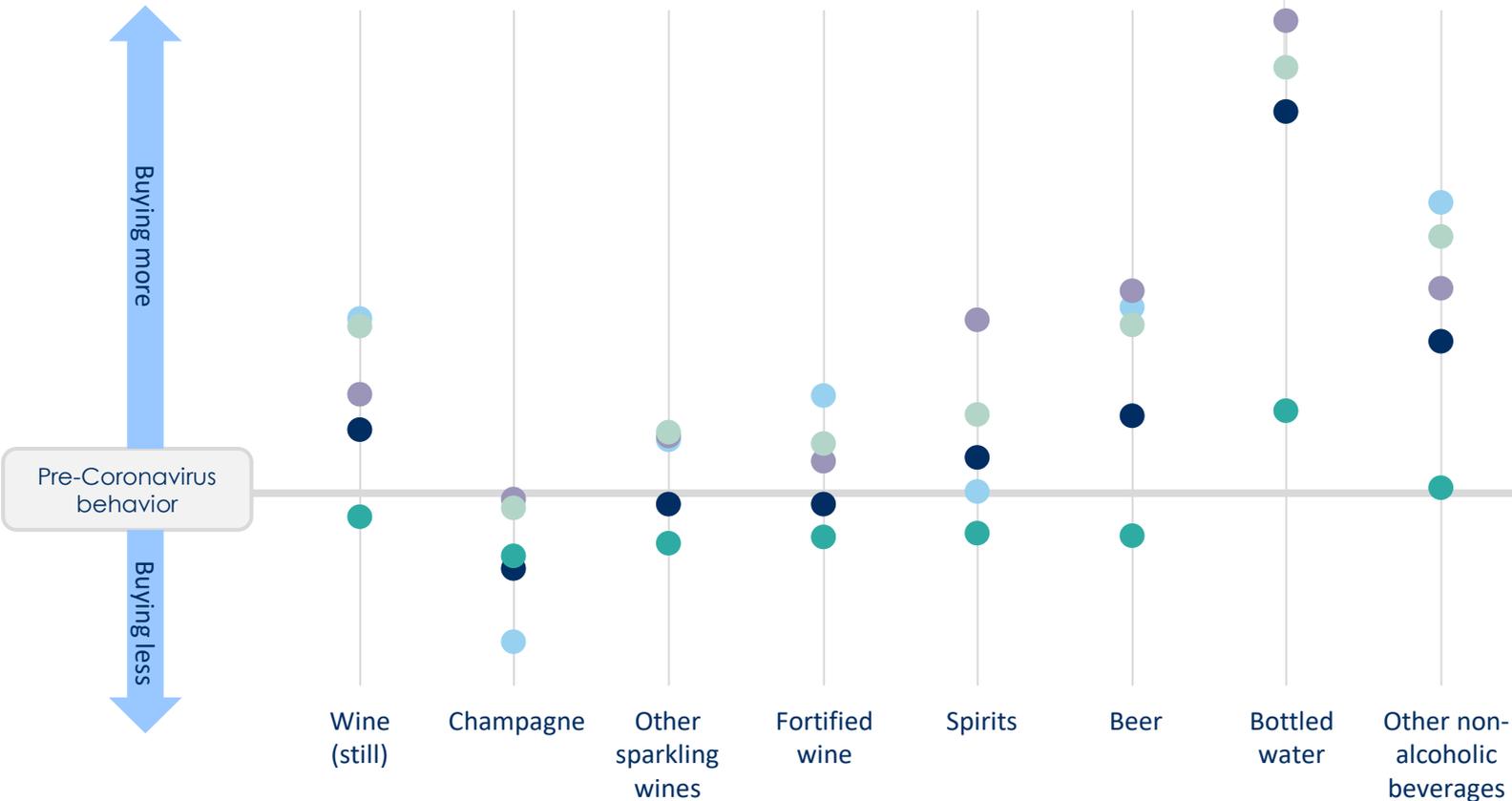


Gen Z drinkers led the increase in purchases of water and other non-alcoholic beverages, while Millennials increased their purchasing of spirits and beer more during the lockdown restrictions

Category purchase behavior change during lockdown 2020 compared with pre-pandemic behavior: by age cohorts

Index: Change in purchase quantity of the following categories due to the impact of Coronavirus

- All US regular wine drinkers
- Gen Z
- Gen X
- Millennials
- Boomers



CHANGE IN CATEGORY PURCHASE QUANTITY

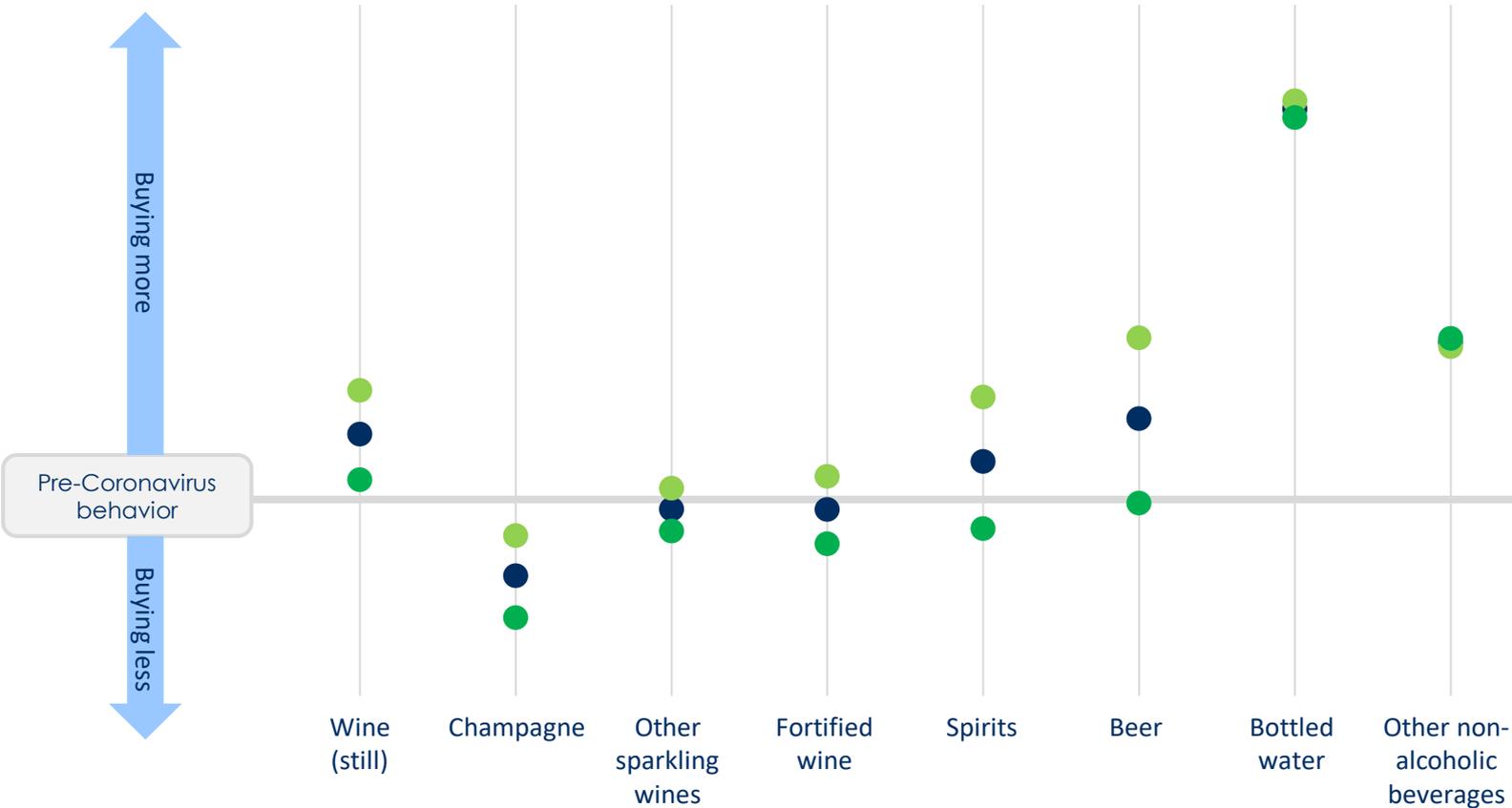


Men in the USA increased their purchase of beverages more during the lockdown measures than women

Category purchase behavior change during lockdown 2020 compared with pre-pandemic behavior: by gender

Index: Change in purchase quantity of the following categories due to the impact of Coronavirus

- All US regular wine drinkers
- Female
- Male



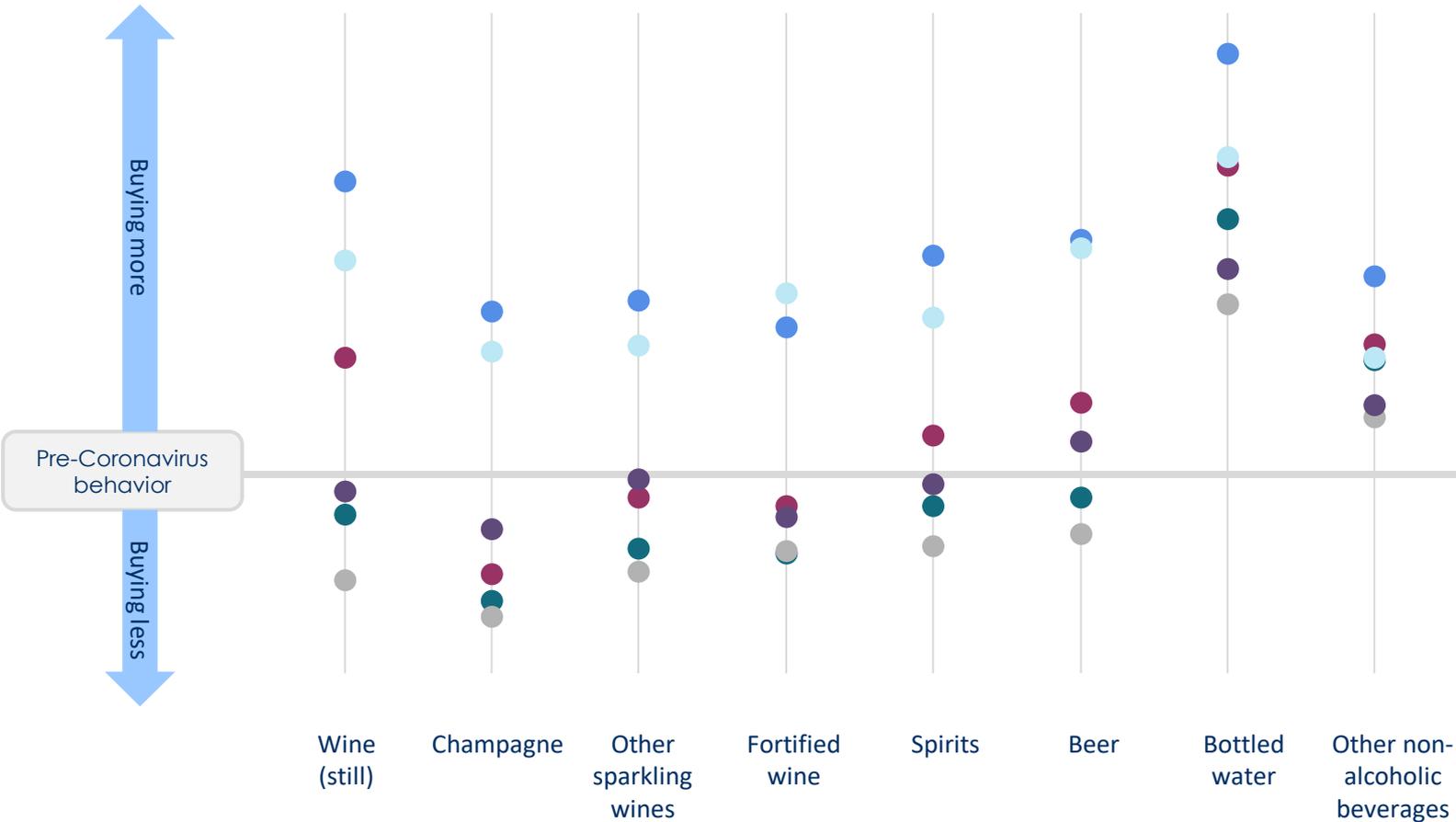
CHANGE IN CATEGORY PURCHASE QUANTITY



The increase in purchase volumes for beverages was led by the higher spending, more frequent drinking and involved Engaged Explorer segment, followed by Social Newbies who were replacing the most lost on-premise occasions

Category purchase behavior change during lockdown 2020 compared with pre-pandemic behavior: by Portraits

Index: Change in purchasing quantity of the following items due to the impact of Coronavirus



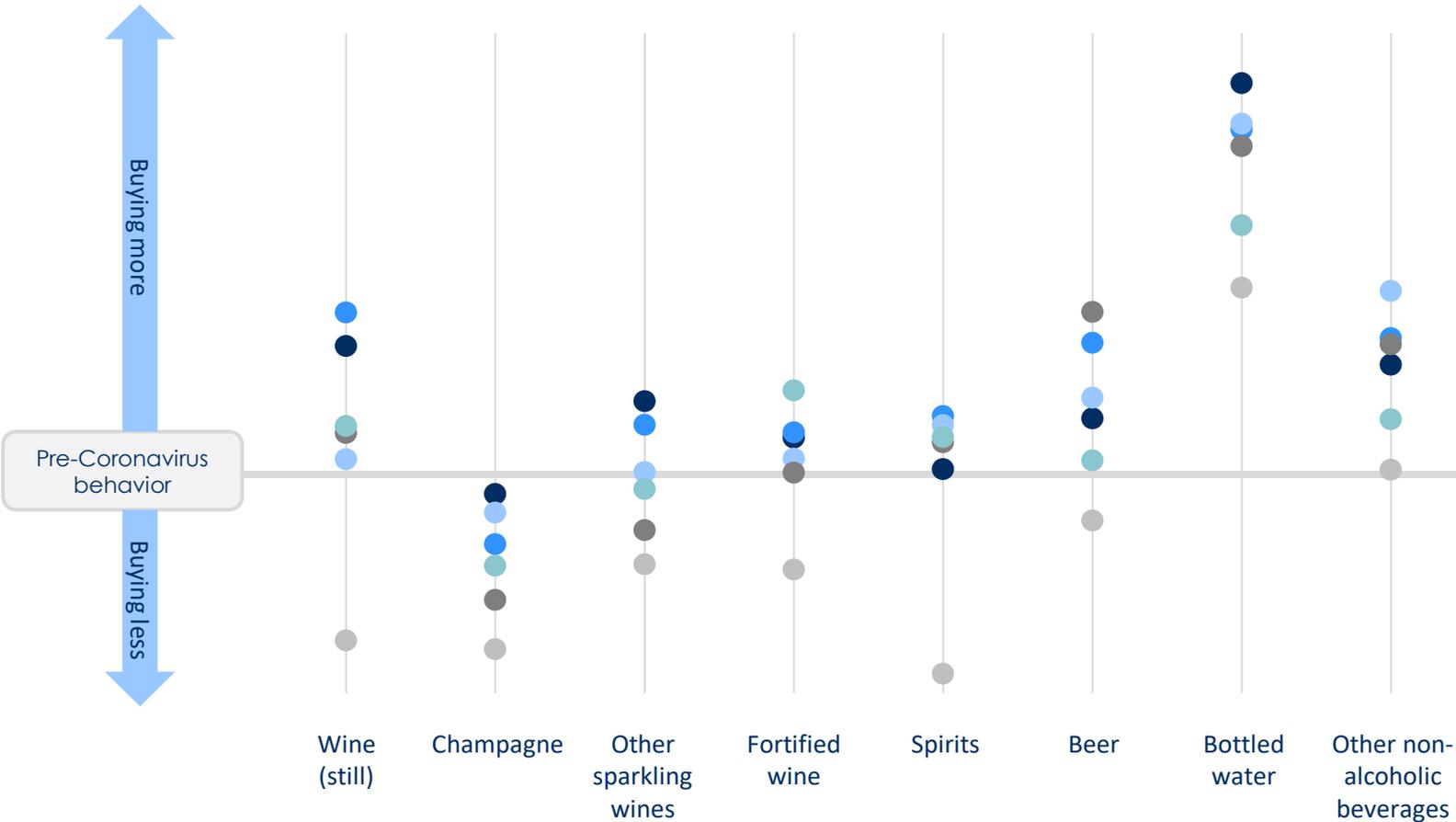
CHANGE IN CATEGORY PURCHASE QUANTITY



Wine drinkers in Florida and California increased their wine buying during lockdown more than consumers in other key wine drinking states; the fall in purchase incidence in Pennsylvania may be connected with the closure of the state-controlled liquor stores

Category purchase behavior change during lockdown 2020 compared with pre-pandemic behavior: by States

Index: Change in purchasing quantity of the following items due to the impact of Coronavirus



CONTENTS



05	Introduction Timeline context during survey data collection Segment definitions Management summary & key takeaways	51	Purchase channels for wine during Covid-19 lockdown <ul style="list-style-type: none">• Channel usage• Change in channel usage• Who has switched to online wine purchasing?
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37	Off-premise (at-home) frequency and spend by occasion during Covid-19 lockdown <ul style="list-style-type: none">• Off-premise wine consumption frequency: By occasion• Off-premise wine consumption frequency change: By occasion• Off-premise spend on wine by occasion• Off-premise spend on wine change by occasion• Wine consumption frequency at specific occasions during lockdown	70	Lifestyle behaviors pre and post Covid-19 lockdown <ul style="list-style-type: none">• Lifestyle behavior pre Covid-19 impact• Change in lifestyle behavior anticipated after virus restrictions have ended• Future behavior priorities
		97	Research methodology: Quantitative

WINE CONSUMPTION FREQUENCY



The average number of wine drinking occasions increased during the 2020 lockdown among US drinkers compared with their wine drinking pre Covid-19 impact – with the increase in at-home wine occasions more than compensating for the loss in on-premise occasions

Wine consumption frequency (all occasions): tracking

% who usually drink wine at the following frequency
Base = All US regular wine drinkers (n>=2,000)

Pre-virus behavior	6-month trend		
	October 2019 n= 7,000	March 2020 (Pre-virus behaviour) n= 2,000	6-month tracking 2019 vs. 2020
Most days / every day	12%	11%	→
2-5 times a week	34%	36%	→
About once a week	27%	28%	→
1-3 times a month	27%	25%	→

Lockdown behavior	Lockdown behaviour		
	March 2020 (Pre-virus behaviour) n= 2,000	March 2020 (Lockdown behaviour) n= 2,000	Change due to virus & lockdown
Most days / every day	11%	16%	↑
2-5 times a week	36%	32%	↓
About once a week	28%	25%	→
1-3 times a month	25%	20%	↓
I have stopped drinking wine	n/a	6%	n/a

Average consumption frequency (times per month) among regular wine drinkers in the US



Average consumption frequency (times per month) among regular wine drinkers in the US



↑ / ↓ : statistically significantly higher / lower than previous wave at a 95% confidence level
Source: Wine Intelligence Vinitrac® US, Oct '19, Mar '20 (31st March 2020 – 16th April 2020), n>= 2,000 US regular wine drinkers wine drinkers

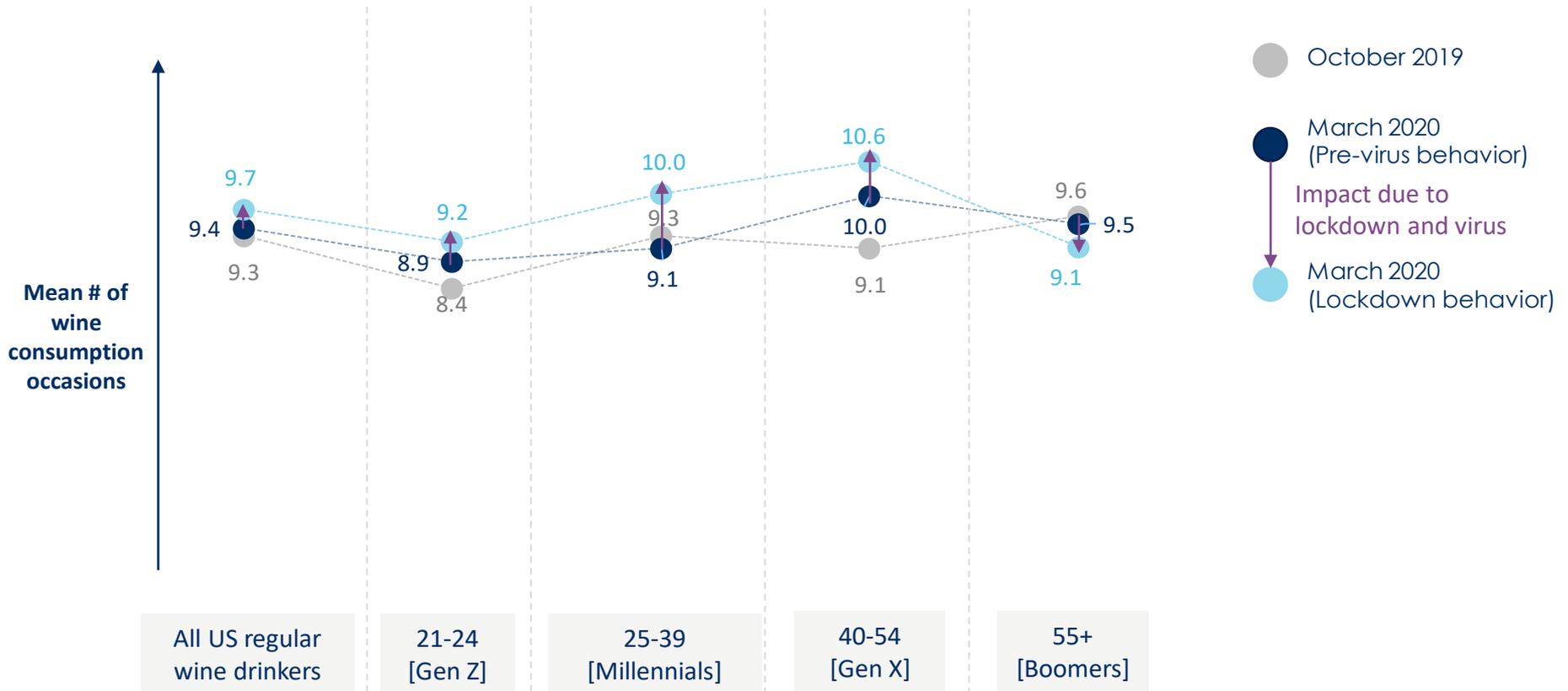
WINE CONSUMPTION FREQUENCY



The increase in the average number of monthly wine drinking occasions among US drinkers during the 2020 lockdown was driven by Millennials and Gen Xers, with Gen Xers remaining the most frequent wine drinkers in the US

Wine consumption frequency: by age cohorts

% who usually drink wine at the following frequency
Base = All US regular wine drinkers (n>=2,000)



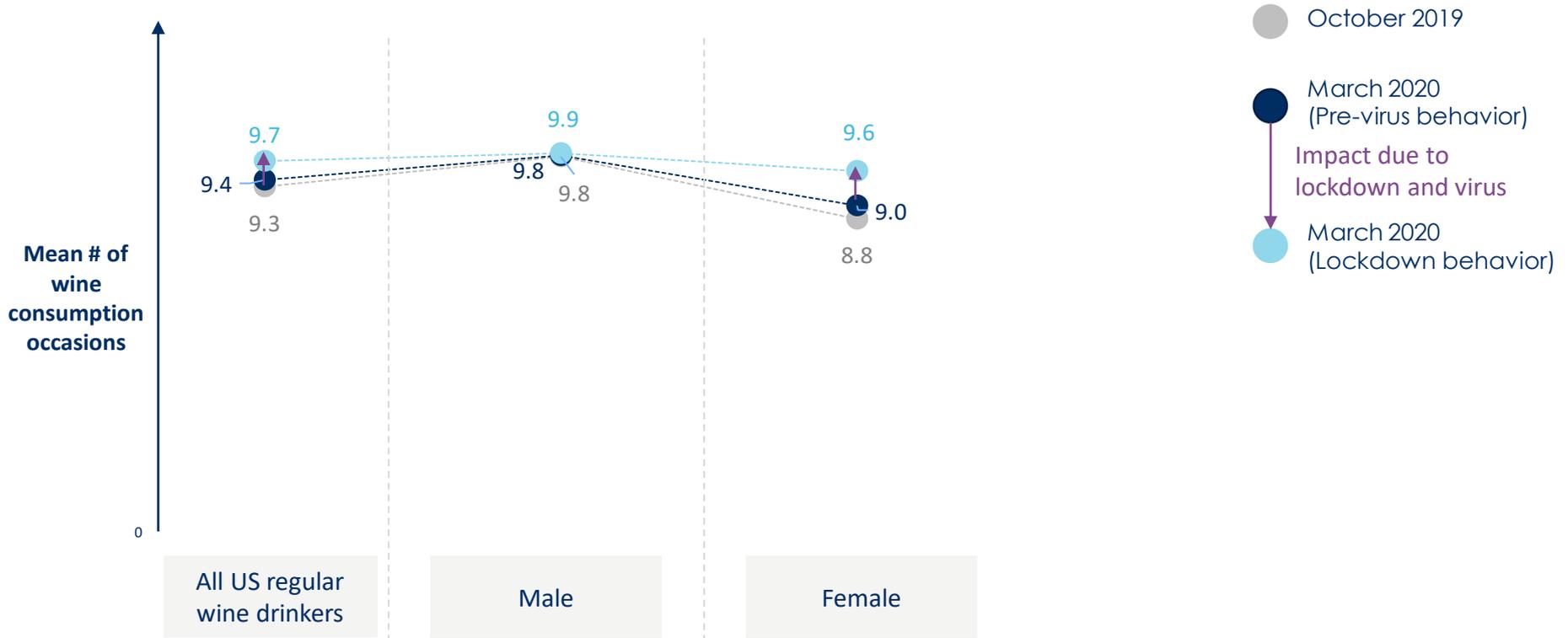
WINE CONSUMPTION FREQUENCY



Female drinkers in the US increased their frequency of wine drinking during the 2020 lockdown more than men, who continued to drink wine at the same frequency as they did pre Covid-19 impact

Wine consumption frequency: by gender

% who usually drink wine at the following frequency
Base = All US regular wine drinkers (n>=2,000)



WINE CONSUMPTION FREQUENCY



The increase in the frequency of wine drinking during lockdown was driven by the already higher frequent drinking Premium Brand Suburbans and the higher spending, and wine knowledgeable Contented Treaters

Wine consumption frequency: by Portraits

% who usually drink wine at the following frequency
Base = All US regular wine drinkers (n>=2,000)



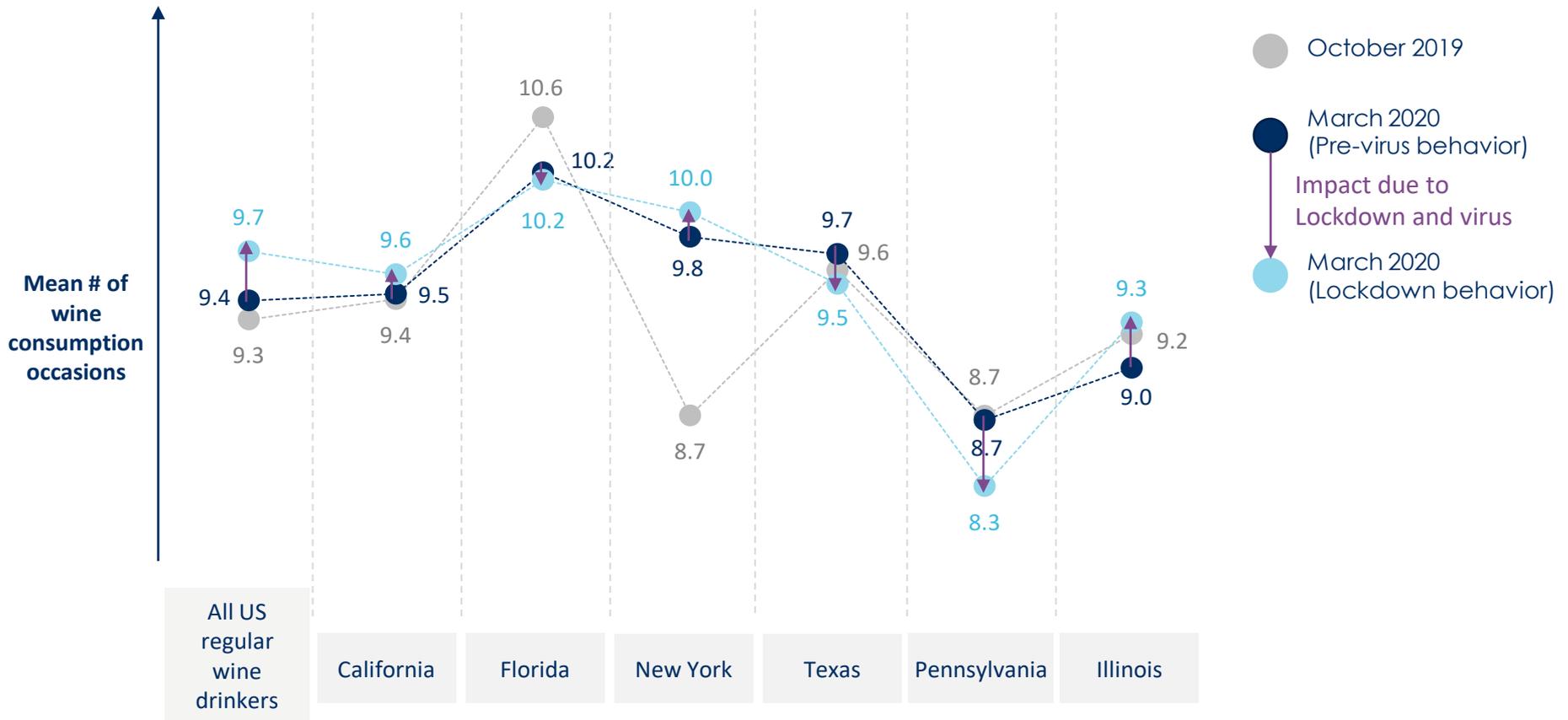
WINE CONSUMPTION FREQUENCY



Growth in consumption frequency observed in California, New York, & Illinois during lockdown; Pennsylvania saw the biggest decline

Wine consumption frequency: by State

% who usually drink wine at the following frequency
Base = All US regular wine drinkers (n>=2,000)



CONTENTS



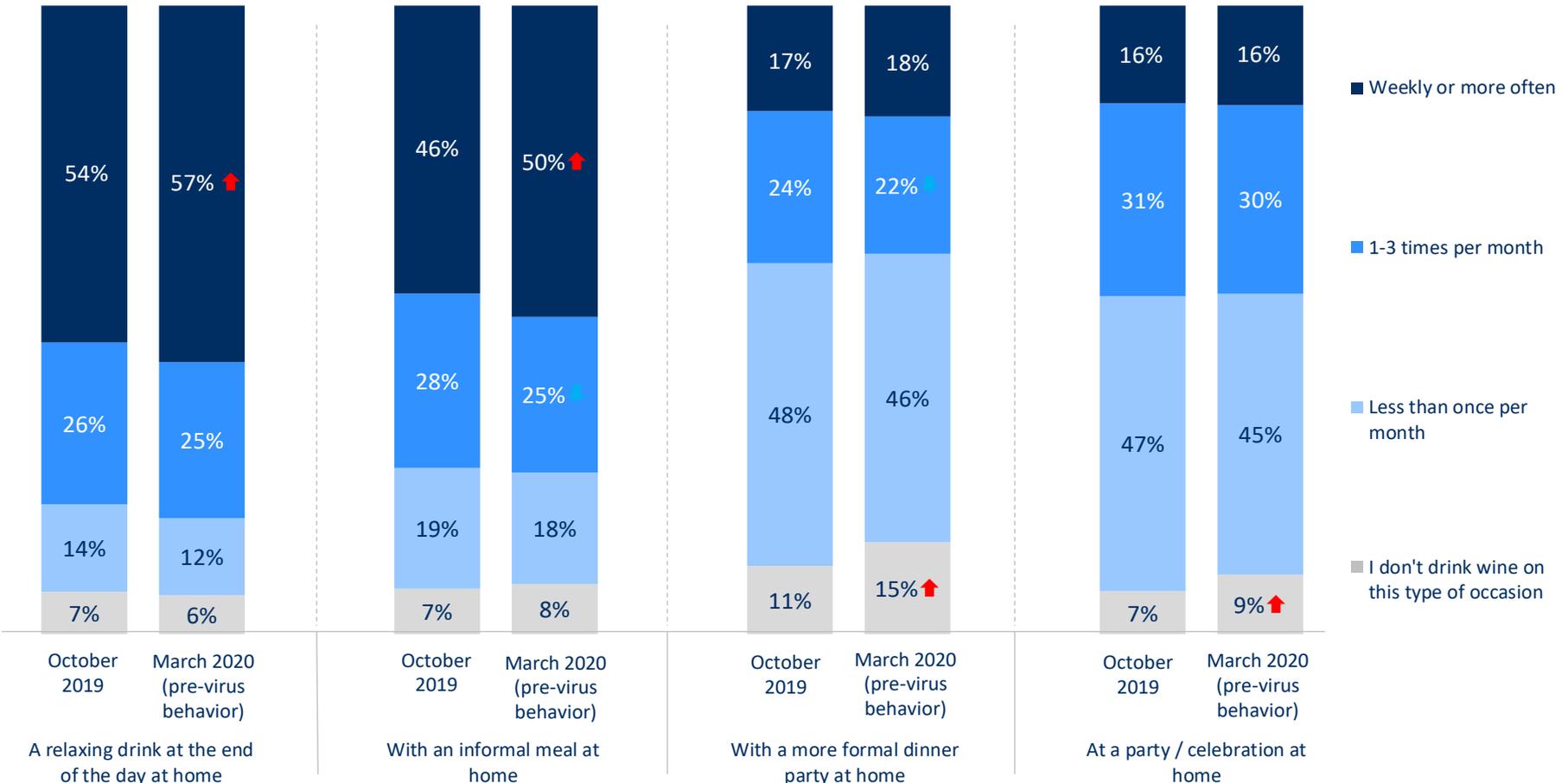
05	Introduction Timeline context during survey data collection Segment definitions Management summary & key takeaways	51	Purchase channels for wine during Covid-19 lockdown <ul style="list-style-type: none">• Channel usage• Change in channel usage• Who has switched to online wine purchasing?
25	Category behavior during Covid-19 lockdown <ul style="list-style-type: none">• Change in category purchase quantity	59	On-premise frequency and spend by occasion pre Covid-19 lockdown <ul style="list-style-type: none">• On-premise wine consumption frequency by occasion• On-premise spend on wine by occasion
31	Overall frequency of wine consumption during Covid-19 lockdown <ul style="list-style-type: none">• Wine consumption frequency	62	Country of origin purchase and trust during Covid-19 lockdown <ul style="list-style-type: none">• Country of origin awareness and consumption pre lockdown• Country of origin change in purchase• Country of origin change in trust
37	Off-premise (at-home) frequency and spend by occasion during Covid-19 lockdown <ul style="list-style-type: none">• Off-premise wine consumption frequency: By occasion• Off-premise wine consumption frequency change: By occasion• Off-premise spend on wine by occasion• Off-premise spend on wine change by occasion• Wine consumption frequency at specific occasions during lockdown	70	Lifestyle behaviors pre and post Covid-19 lockdown <ul style="list-style-type: none">• Lifestyle behavior pre Covid-19 impact• Change in lifestyle behavior anticipated after virus restrictions have ended• Future behavior priorities
		97	Research methodology: Quantitative



Pre-virus, US wine drinkers were trending towards more weekly+ at-home informal wine consumption occasions

Off-premise frequency by occasion: tracking

Base = Those who buy wine in the off-premise



↑ / ↓ : statistically significantly higher / lower than previous wave at a 95% confidence level

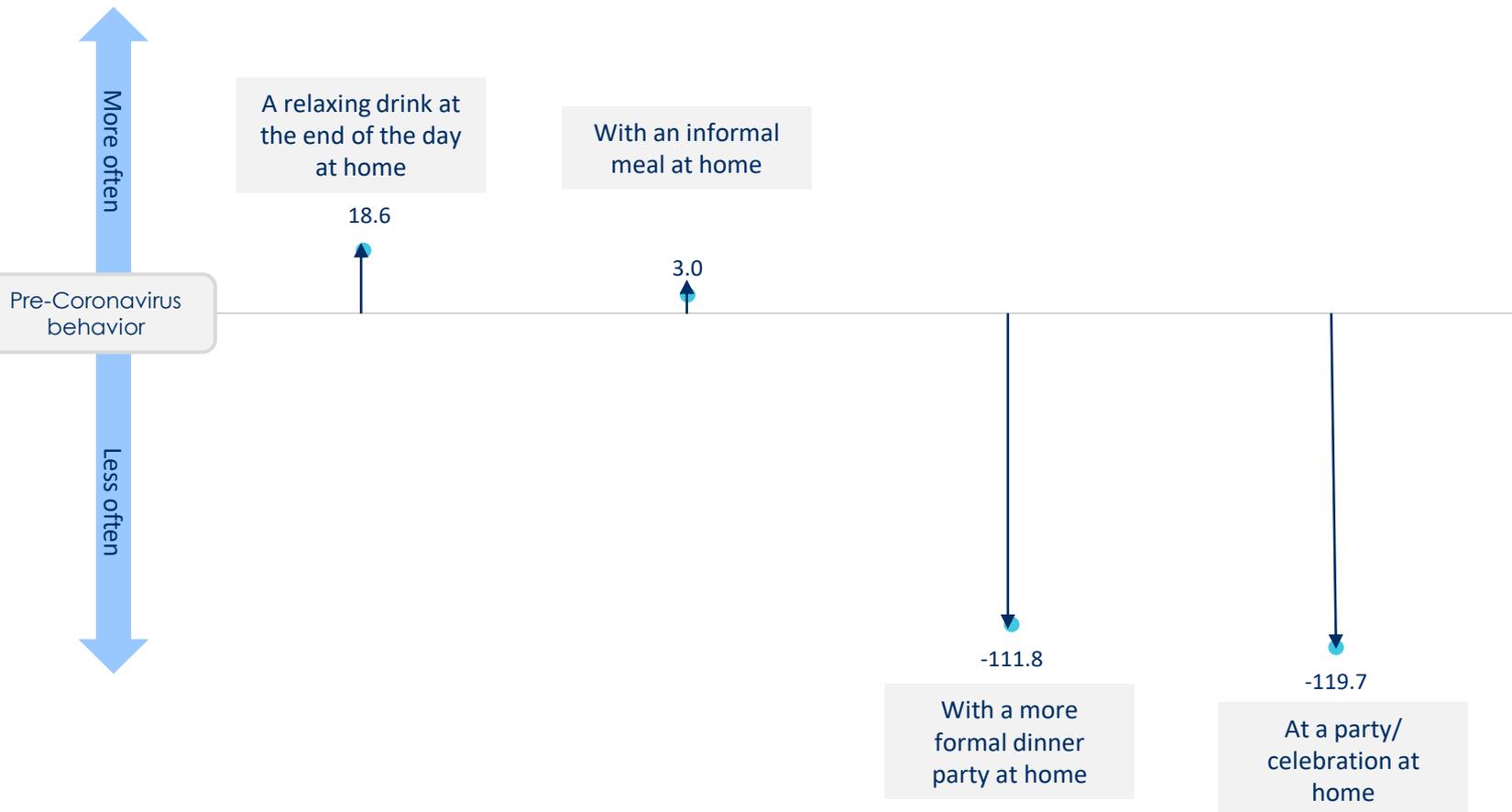
Source: Wine Intelligence Vinitrac® US, Oct '19, Mar '20 (31st March 2020 – 16th April 2020), n>= 2,000 US regular wine drinkers wine drinkers



The biggest gains for wine during the Covid-19 lockdown came from casual at-home non-food occasions, with more celebratory occasions for wine all but disappearing

Off-premise index change in wine consumption frequency during lockdown March /April 2020

Indexed change in wine drinking behavior at each occasion during lockdown impact
Base = Those who buy wine in the off-premise



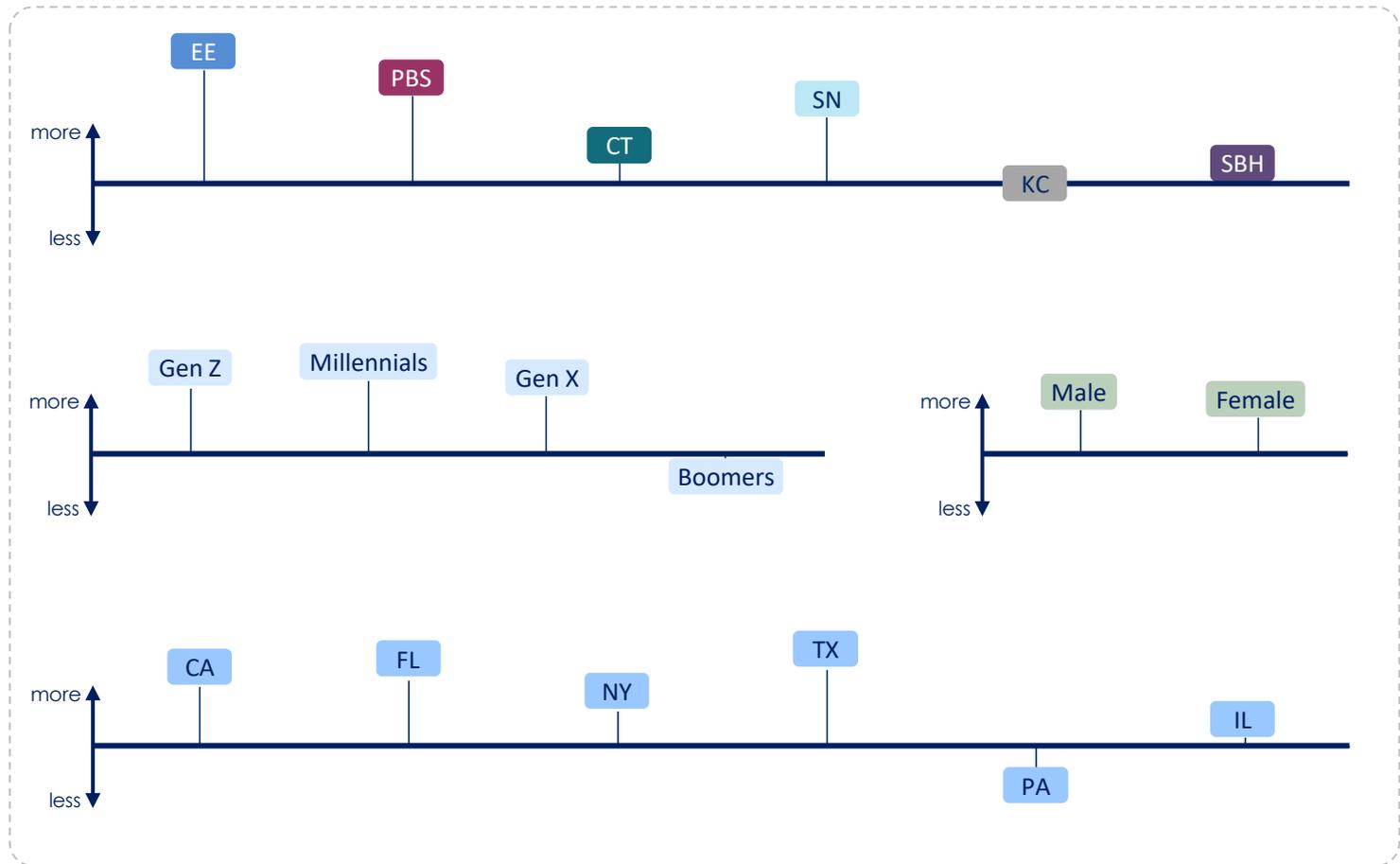
RELAXING DRINK AT HOME: CHANGE DURING LOCKDOWN MARCH/APRIL 2020



The increase in wine drinking for casual, non-food occasions at home during the 2020 lockdown measures was driven by the already higher frequency wine drinkers - Engaged Explorers and Premium Brand Suburbans

Change in wine consumption frequency index for a relaxing drink at home

(During lockdown March /April 2020 compared with pre-virus behavior)



EE: Engaged Explorers / PBS: Premium Brand Suburbans / CT: Contented Treaters / SN: Social Newbies / KC: Kitchen Casuals / SBH: Senior Bargain Hunters

Gen Z: 21-24 / Millennials: 25-39 / Gen X: 40-54 / Boomers: 55+

CA: California / FL: Florida / NY: New York / TX: Texas / PA: Pennsylvania / IL: Illinois

Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n= 2,000 US regular wine drinkers

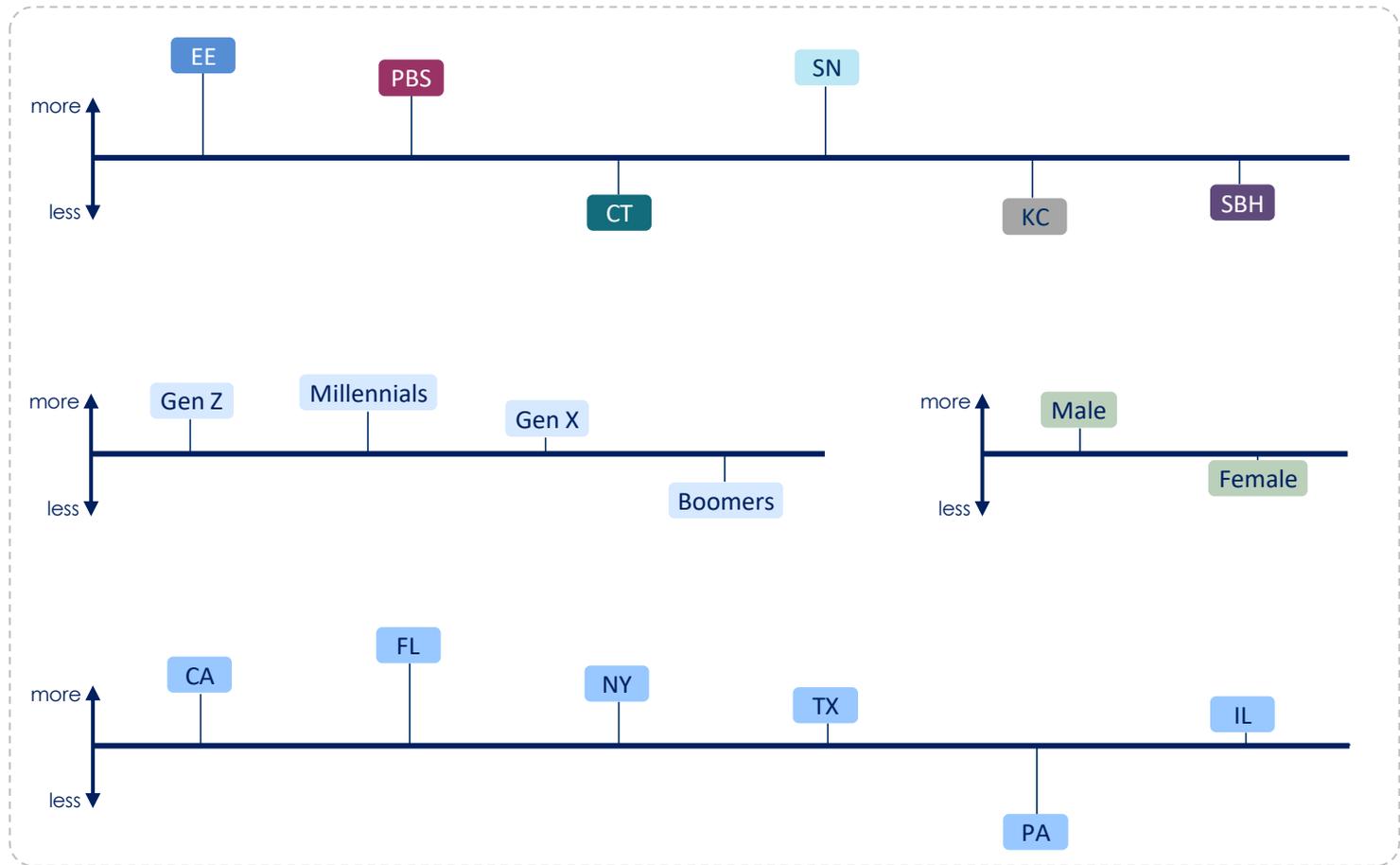
INFORMAL MEAL AT HOME: CHANGE DURING LOCKDOWN MARCH/APRIL 2020



Male drinkers and the younger, more involved wine drinkers in the US consumed wine more frequently at home with an informal meal during the Covid-19 impacts 2020

Change in wine consumption frequency index for an informal meal at home

(During lockdown March /April 2020 compared with pre-virus behavior)



EE: Engaged Explorers / PBS: Premium Brand Suburbans / CT: Contented Treaters / SN: Social Newbies / KC: Kitchen Casuals / SBH: Senior Bargain Hunters

Gen Z: 21-24 / Millennials: 25-39 / Gen X: 40-54 / Boomers: 55+

CA: California / FL: Florida / NY: New York / TX: Texas / PA: Pennsylvania / IL: Illinois

Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n= 2,000 US regular wine drinkers wine drinkers

OFF-PREMISE SPEND ON WINE BY OCCASION

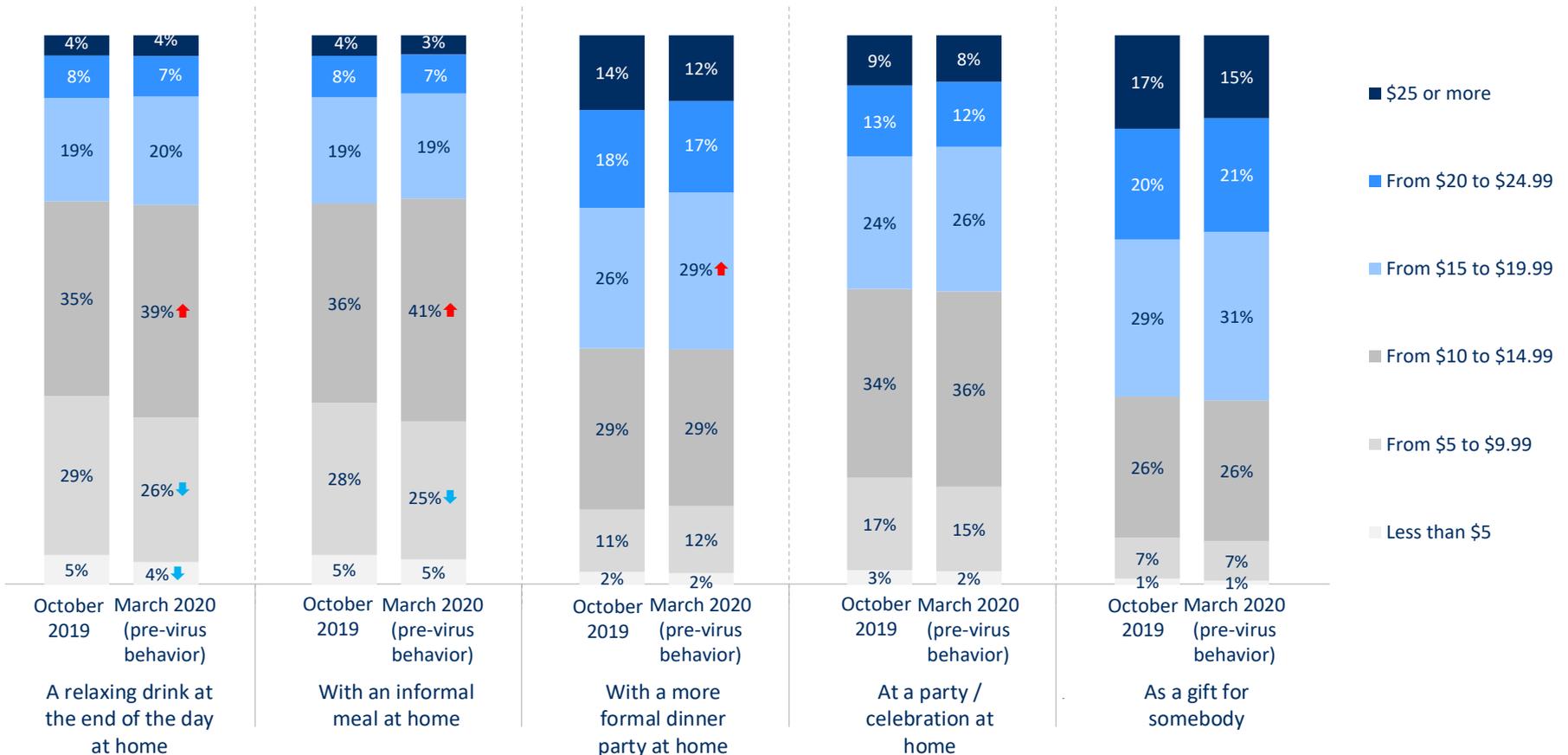


Prior to the virus, the trend in terms of spending was slightly up, particularly for informal occasions, and increasing in the \$10-15 segment at the expense of \$5-10

Off-premise spend on wine by occasion: tracking

Average spend per bottle

Base = Those who drink wine on each occasion



↑ / ↓ : statistically significantly higher / lower than previous wave at a 95% confidence level

Source: Wine Intelligence Vinitrac® US, Oct' 19, Mar '20 (31st March 2020 – 16th April 2020), n>= 2,000 US regular wine drinkers wine drinkers

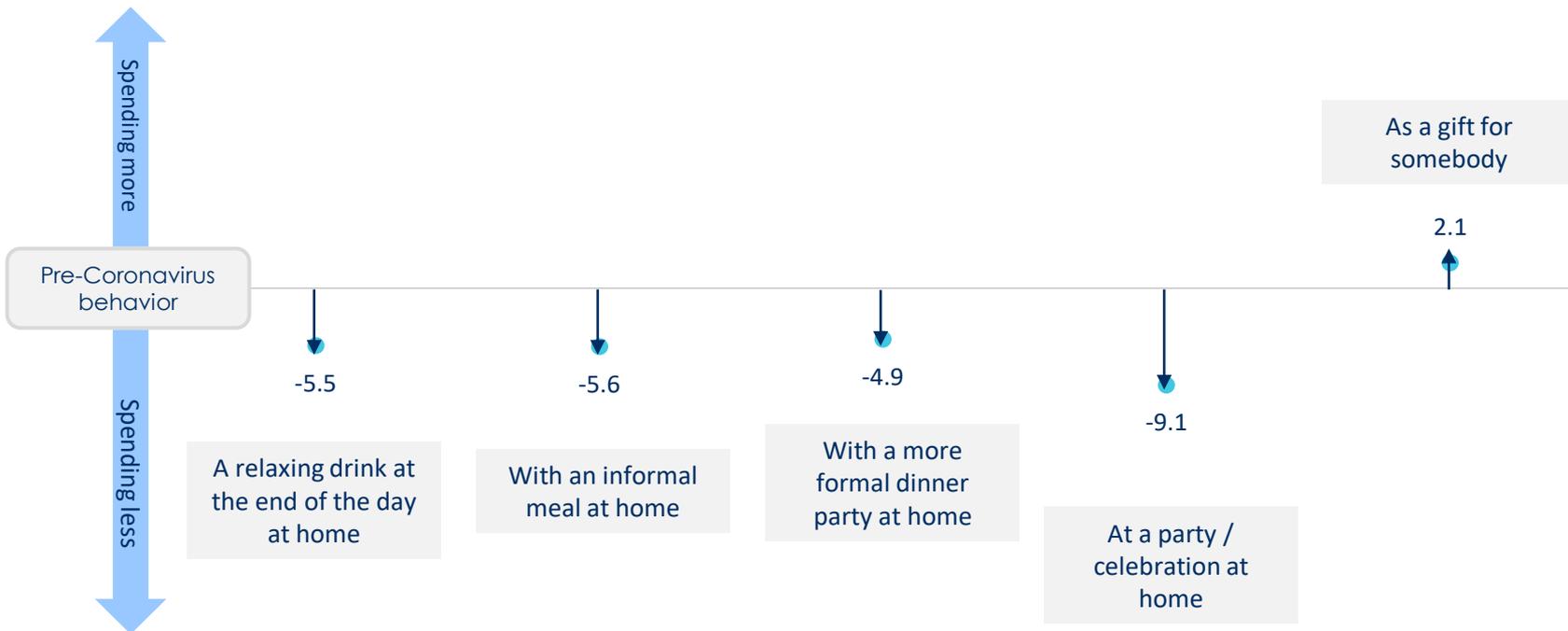
OFF-PREMISE SPEND ON WINE CHANGE BY OCCASION



During the 2020 lockdown, US consumers marginally reduced their typical spend on wine across all occasions, with the exception of buying wine as a gift

Off-premise index change in spend on wine during lockdown March /April 2020

Indexed change in spend on wine drinking at each occasion during lockdown impact
Base = Those who drink wine on each occasion



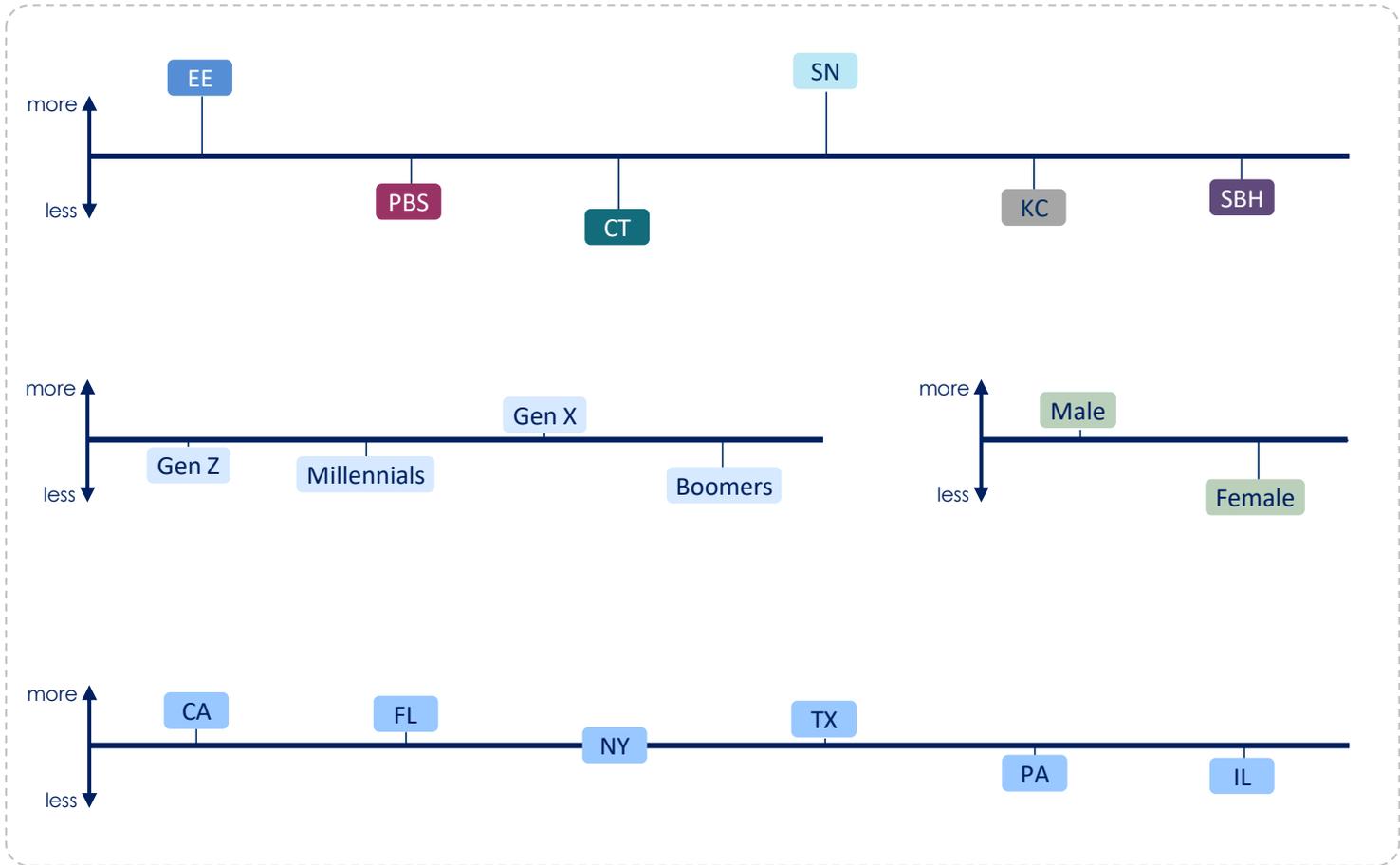
RELAXING DRINK AT HOME: CHANGE DURING LOCKDOWN MARCH/APRIL 2020



During lockdown the Engaged Explorer and Social Newbie segments increased their typical wine spend for the informal non-food occasion – these groups were already the highest spenders for this occasions

Change in wine spend index for a relaxing drink at home

(During lockdown March /April 2020 compared with pre-virus behavior)



EE: Engaged Explorers / PBS: Premium Brand Suburbans / CT: Contented Treaters / SN: Social Newbies / KC: Kitchen Casuals / SBH: Senior Bargain Hunters

Gen Z: 21-24 / Millennials: 25-39 / Gen X: 40-54 / Boomers: 55+

CA: California / FL: Florida / NY: New York / TX: Texas / PA: Pennsylvania / IL: Illinois

Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n= 2,000 US regular wine drinkers wine drinkers

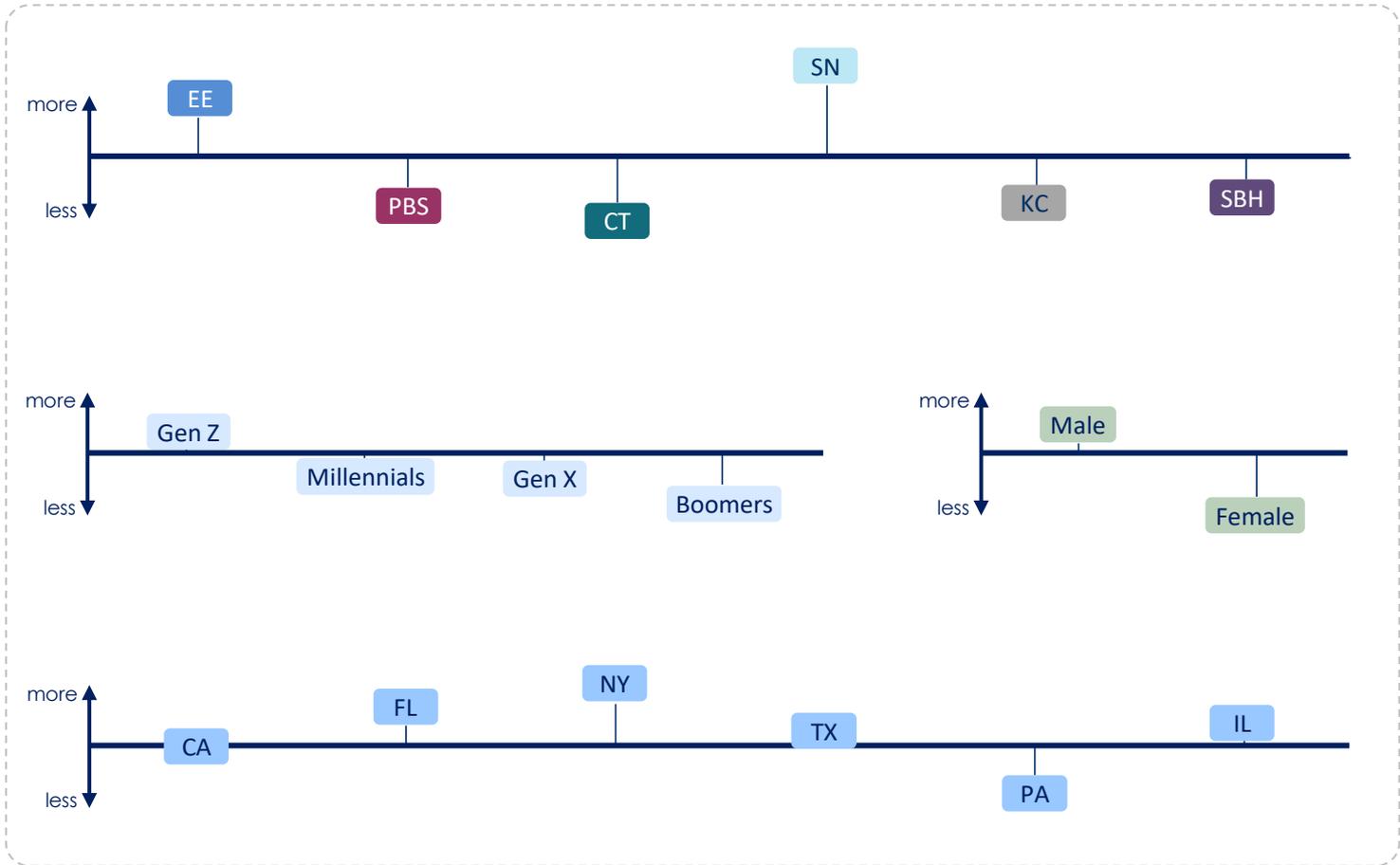
INFORMAL MEAL AT HOME: CHANGE DURING LOCKDOWN MARCH/APRIL 2020



Similar story for the informal-with-food occasion: Engaged Explorer and Social Newbie spending more, all other segments spending slightly less

Change in wine spend index for an informal meal at home

(During lockdown March /April 2020 compared with pre-virus behavior)



EE: Engaged Explorers / PBS: Premium Brand Suburbans / CT: Contented Treaters / SN: Social Newbies / KC: Kitchen Casuals / SBH: Senior Bargain Hunters

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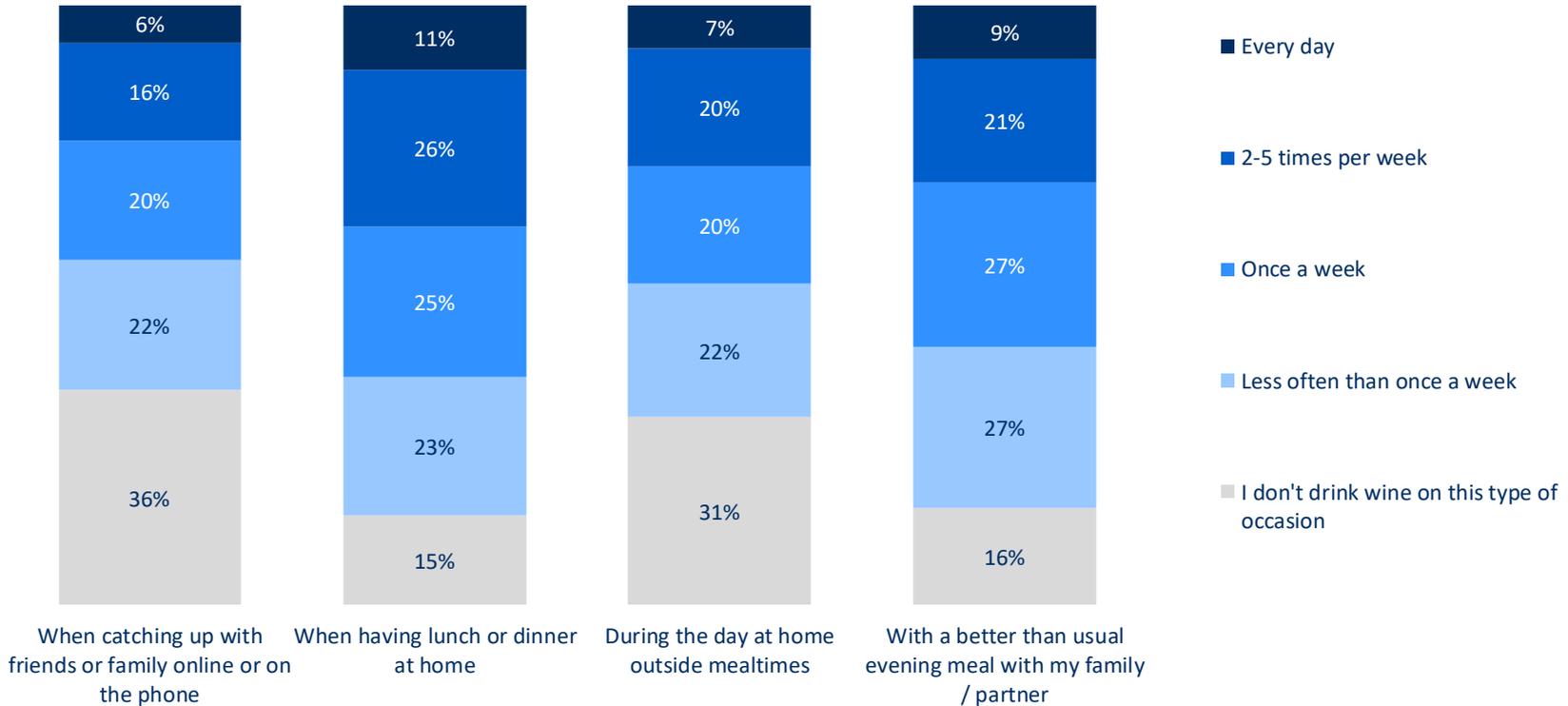
Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n= 2,000 US regular wine drinkers wine drinkers



42% of US wine drinkers enjoyed drinking wine at least once per week during the 2020 lockdown period while catching up online or on the phone, with over half also enjoying wine with a more 'special than usual' meal at home

Frequency of wine consumption at specific lockdown occasions

% who are drinking wine at the following frequency at the following occasions during lockdown
Base = All US regular wine drinkers (n=2,000)



Millennials in the US led the way in terms of enjoying wine most often across a range of 'lockdown occasions', with Boomers least likely to go for online catch-up drinks

Frequency of wine consumption at specific lockdown occasions: by age cohort

Wine consumption frequency per occasion during lockdown



When catching up with friends or family online or on the phone



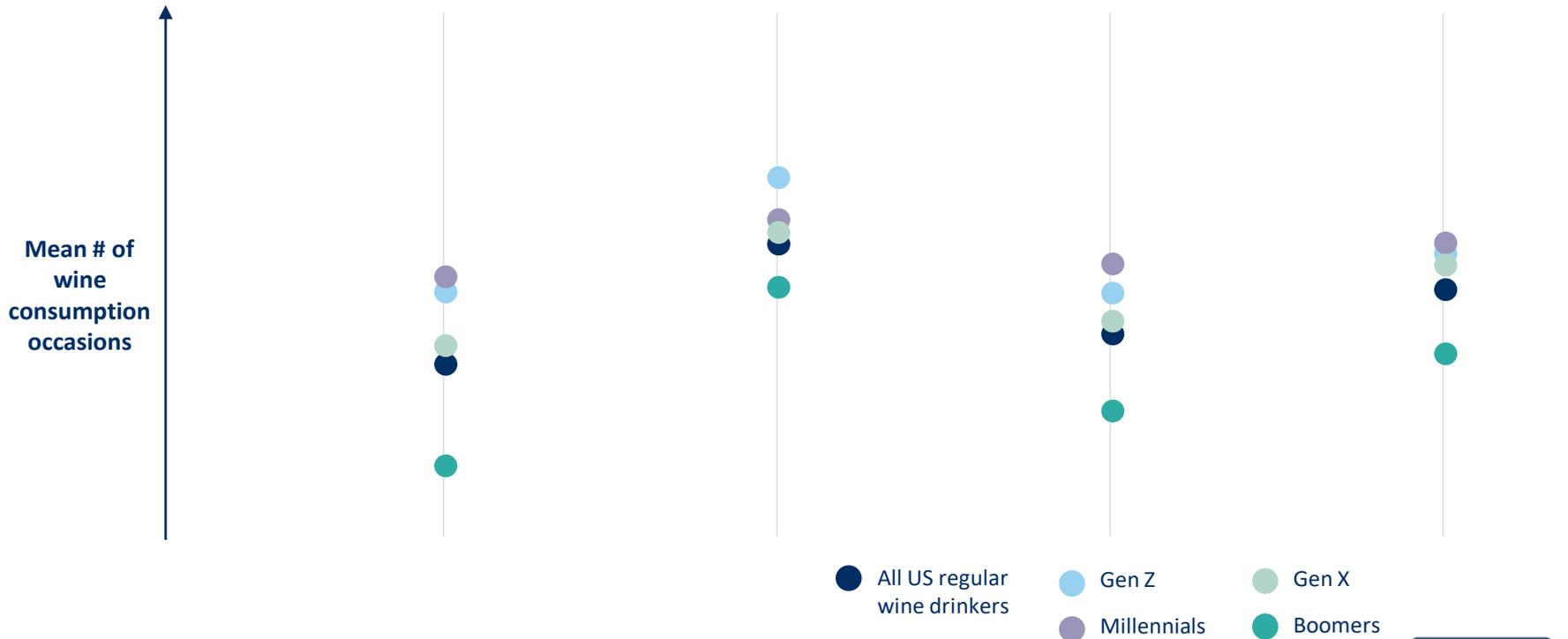
When having lunch or dinner at home



During the day outside mealtimes



With a better than usual evening meal with my family / partner



Gen Z: 21-24 / Millennials: 25-39 / Gen X: 40-54 / Boomers: 55+

Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n= 2,000 US regular wine drinkers

Men continued to enjoy wine more frequency in the US than women, although women increased their wine consumption frequency proportionally more than men during lockdown

Frequency of wine consumption at specific lockdown occasions: by gender

Wine consumption frequency per occasion during lockdown



When catching up with friends or family online or on the phone



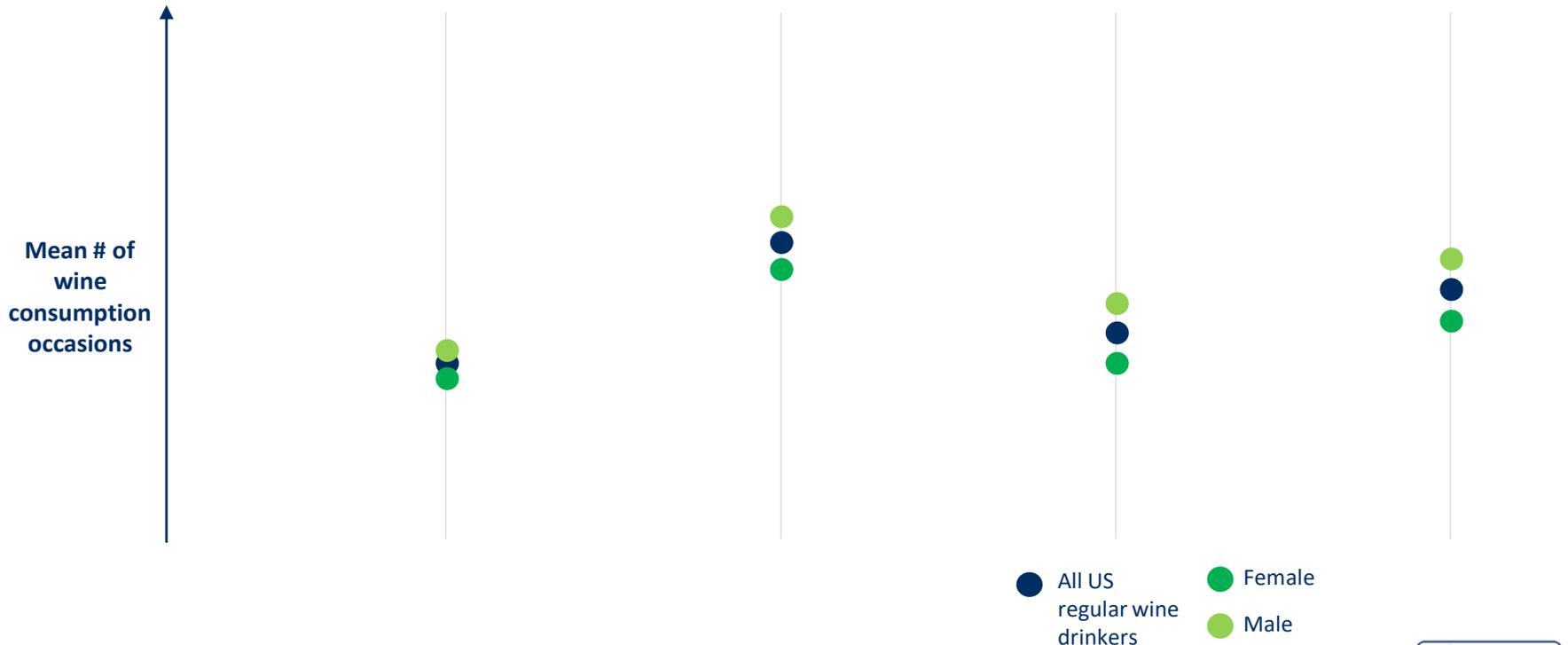
When having lunch or dinner at home



During the day outside mealtimes



With a better than usual evening meal with my family / partner





The youngest segment, Social Newbies, were the most enthusiastic wine drinkers at the new 'lockdown occasions', while Engaged Explorers were most likely to add wine at a meal

Frequency of wine consumption at specific lockdown occasions: by Portraits

Wine consumption frequency per occasion during lockdown



When catching up with friends or family online or on the phone



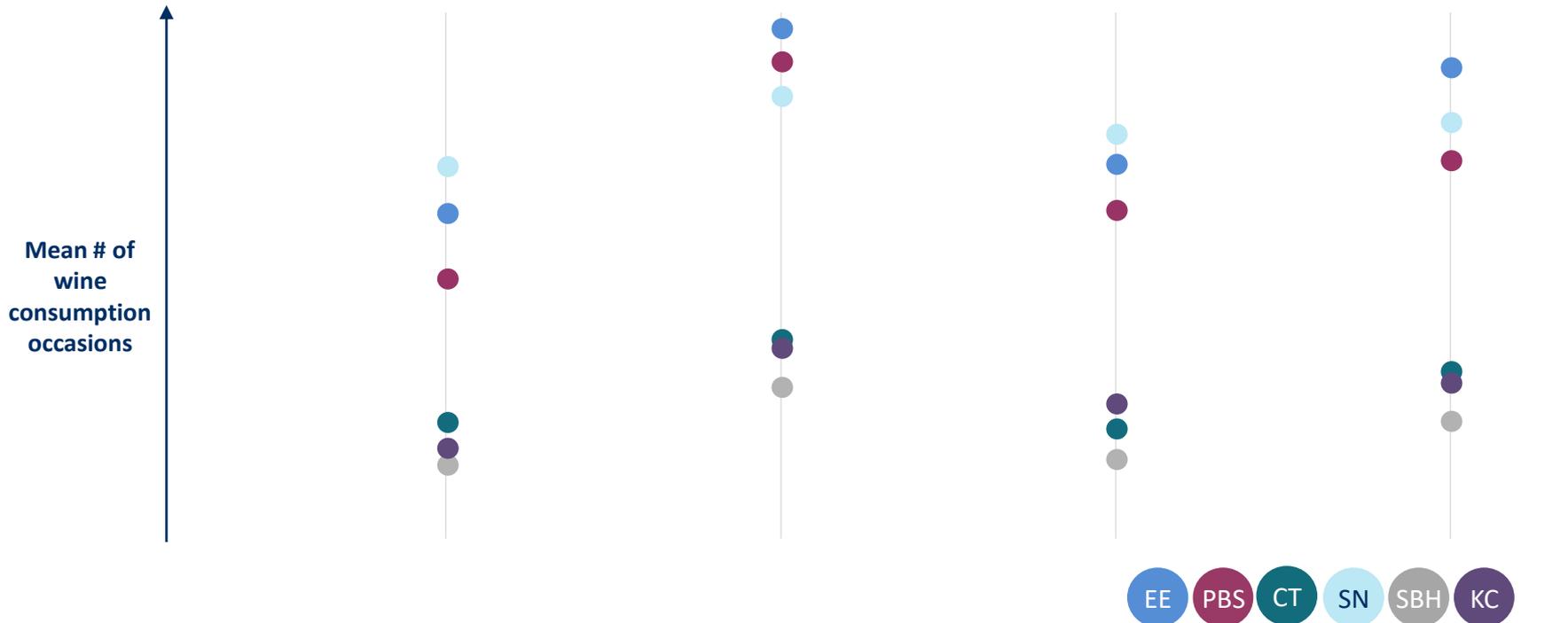
When having lunch or dinner at home



During the day outside mealtimes



With a better than usual evening meal with my family / partner



Drinkers in Florida enjoyed wine the most frequently across a range of 'lockdown' occasions

Frequency of wine consumption at specific lockdown occasions: by State

Wine consumption
frequency per occasion
during lockdown



When catching up with friends or family online or on the phone



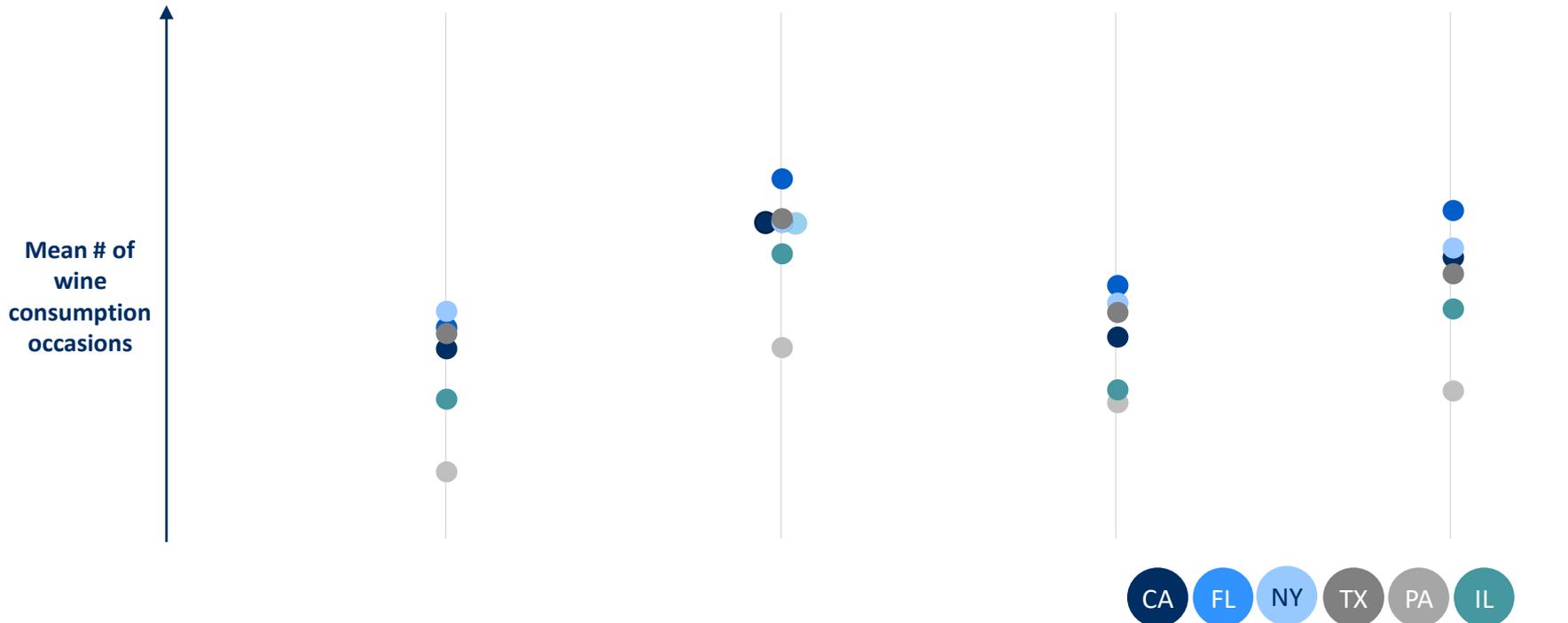
When having lunch or dinner at home



During the day outside mealtimes



With a better than usual evening meal with my family / partner



CONTENTS



05	Introduction Timeline context during survey data collection Segment definitions Management summary & key takeaways	51	Purchase channels for wine during Covid-19 lockdown <ul style="list-style-type: none">• Channel usage• Change in channel usage• Who has switched to online wine purchasing?
25	Category behavior during Covid-19 lockdown <ul style="list-style-type: none">• Change in category purchase quantity	59	On-premise frequency and spend by occasion pre Covid-19 lockdown <ul style="list-style-type: none">• On-premise wine consumption frequency by occasion• On-premise spend on wine by occasion
31	Overall frequency of wine consumption during Covid-19 lockdown <ul style="list-style-type: none">• Wine consumption frequency	62	Country of origin purchase and trust during Covid-19 lockdown <ul style="list-style-type: none">• Country of origin awareness and consumption pre lockdown• Country of origin change in purchase• Country of origin change in trust
37	Off-premise (at-home) frequency and spend by occasion during Covid-19 lockdown <ul style="list-style-type: none">• Off-premise wine consumption frequency: By occasion• Off-premise wine consumption frequency change: By occasion• Off-premise spend on wine by occasion• Off-premise spend on wine change by occasion• Wine consumption frequency at specific occasions during lockdown	70	Lifestyle behaviors pre and post Covid-19 lockdown <ul style="list-style-type: none">• Lifestyle behavior pre Covid-19 impact• Change in lifestyle behavior anticipated after virus restrictions have ended• Future behavior priorities
		97	Research methodology: Quantitative

Channel usage for purchasing wine usage remained stable between October 2019 and March 2020 (pre-virus)

Wine-buying channel usage: Tracking

% who have bought wine from the following channels in the past 6 months
Base = All US regular wine drinkers (n>=2,000)

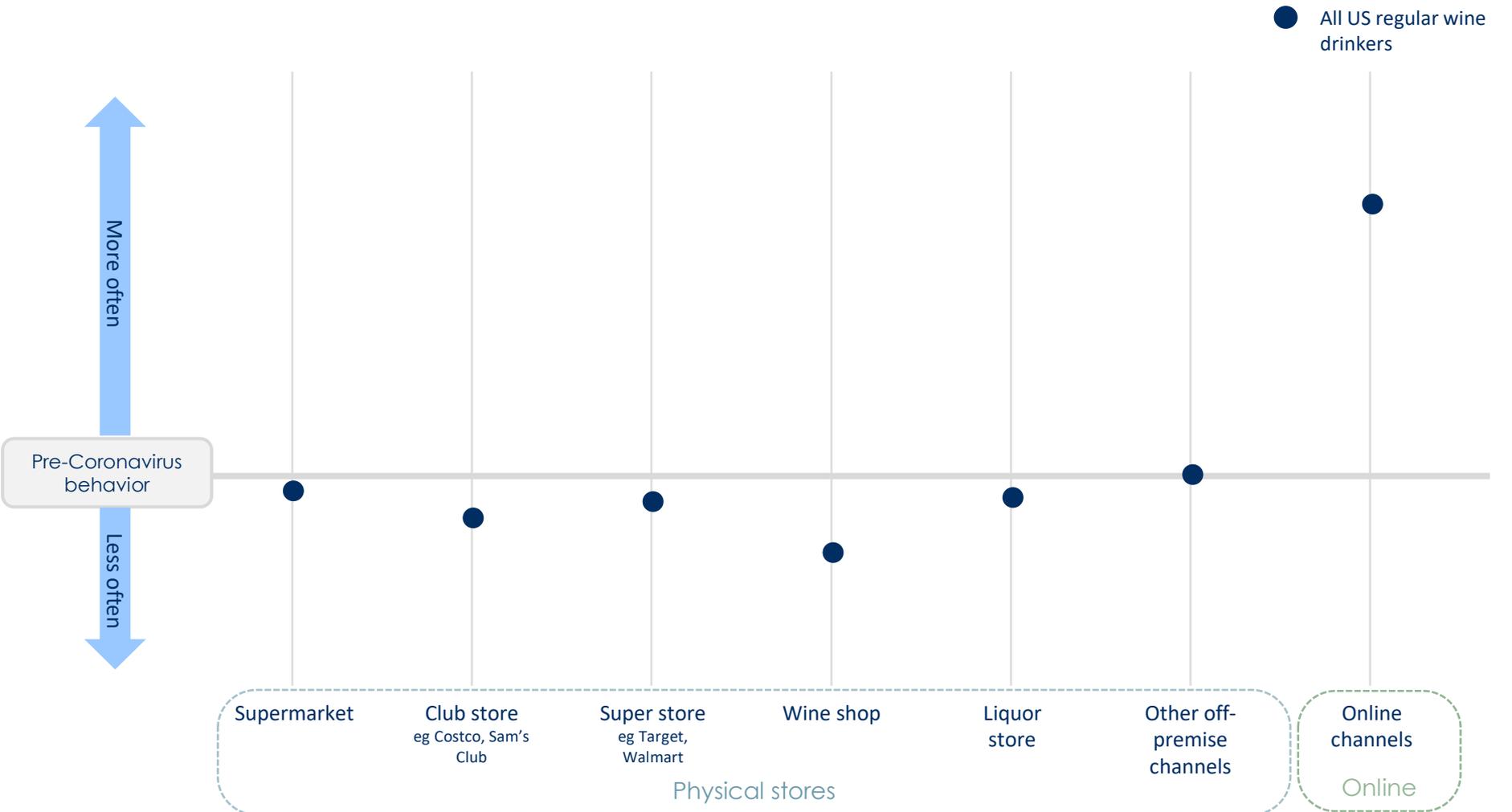
	6-month trend		
	October 2019	March 2020 (Pre-virus behaviour)	6-month tracking 2019 vs. 2020
	<i>n=</i> 7,000	<i>n=</i> 2,000	
In a supermarket	50%	51%	→
In a liquor store	47%	46%	→
In a super store (like Target, Walmart etc)	33%	33%	→
In a club store (like Costco, Sam's Club, etc)	27%	26%	→
In a wine shop	25%	22%	↓
In a state-controlled liquor store	13%	13%	→
In a drug store	10%	11%	→
In a convenience store (like 7-Eleven, a gas station, etc)	10%	11%	→
Online from a wine store's website / online retailer	8%	9%	→
From a winery through mail order or online	8%	8%	→
From a newspaper wine club or similar organization's wine club	6%	7%	→

CHANGE IN CHANNEL USAGE



Due to lockdown restrictions, the use of online channels to purchase wine increased dramatically US regular wine drinkers, while they shopped for wine less often via other channels

Change in channel usage (During lockdown March / April 2020 compared with pre-virus behavior)



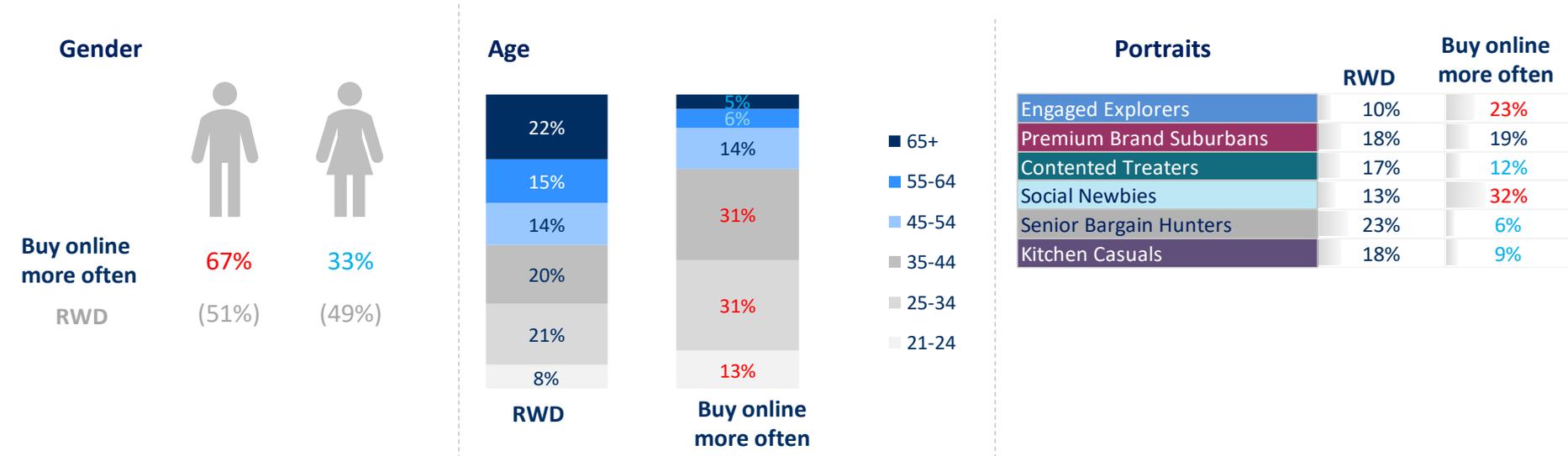
WHO HAS SWITCHED TO ONLINE WINE PURCHASING?



Younger, male, frequent and higher spending wine drinkers led the move to buying more wine online during the 2020 lockdown – to cater for increasingly daily wine drinking

Who has switched to online wine purchasing?

Base = Those who shop 'a bit more' or 'much more' often in either of the following online channels: 'Online from a wine store's website / online retailer', 'From a winery through mail order or online', 'From a newspaper wine club or similar organization's wine club' (n=453)



% / % : statistically significantly higher / lower than regular US wine drinkers at a 95% confidence level
 Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n=2,000 US regular wine drinkers

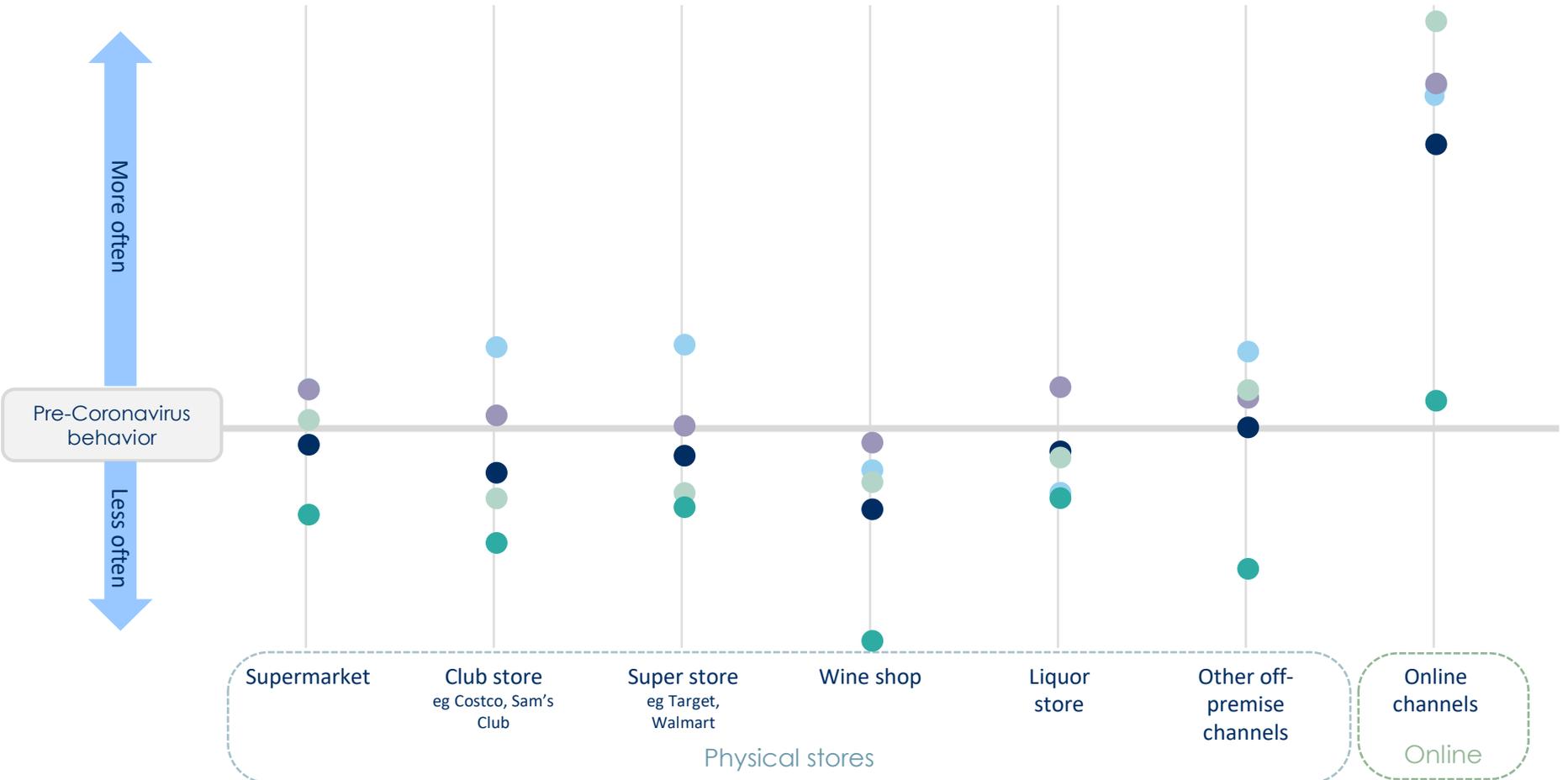
CHANGE IN CHANNEL USAGE



Gen X led the way in purchasing wine online more often during lockdown, while Gen Z found themselves buying more often across several channels

Change in channel usage (During lockdown March / April 2020 compared with pre-virus behavior): by age cohorts

● All US regular wine drinkers ● Gen Z ● Millennials ● Gen X ● Boomers



Gen Z: 21-24 / Millennials: 25-39 / Gen X: 40-54 / Boomers: 55+

Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n=2,000 US regular wine drinkers

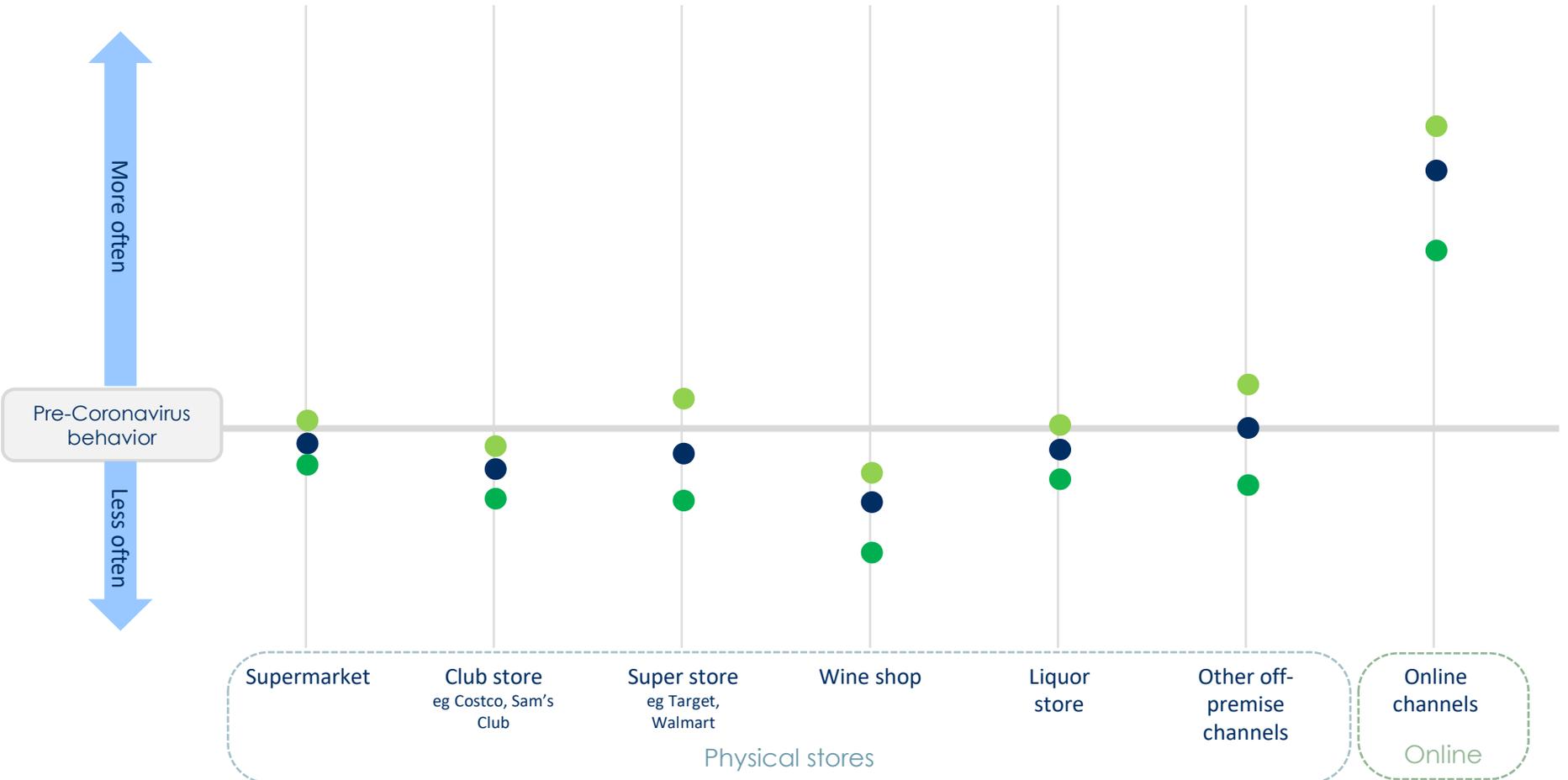
CHANGE IN CHANNEL USAGE



Compared with their previous behavior, more men switched to online wine purchasing during lockdown

Change in channel usage (During lockdown March / April 2020 compared with pre-virus behavior): by gender

● All US regular wine drinkers ● Male ● Female

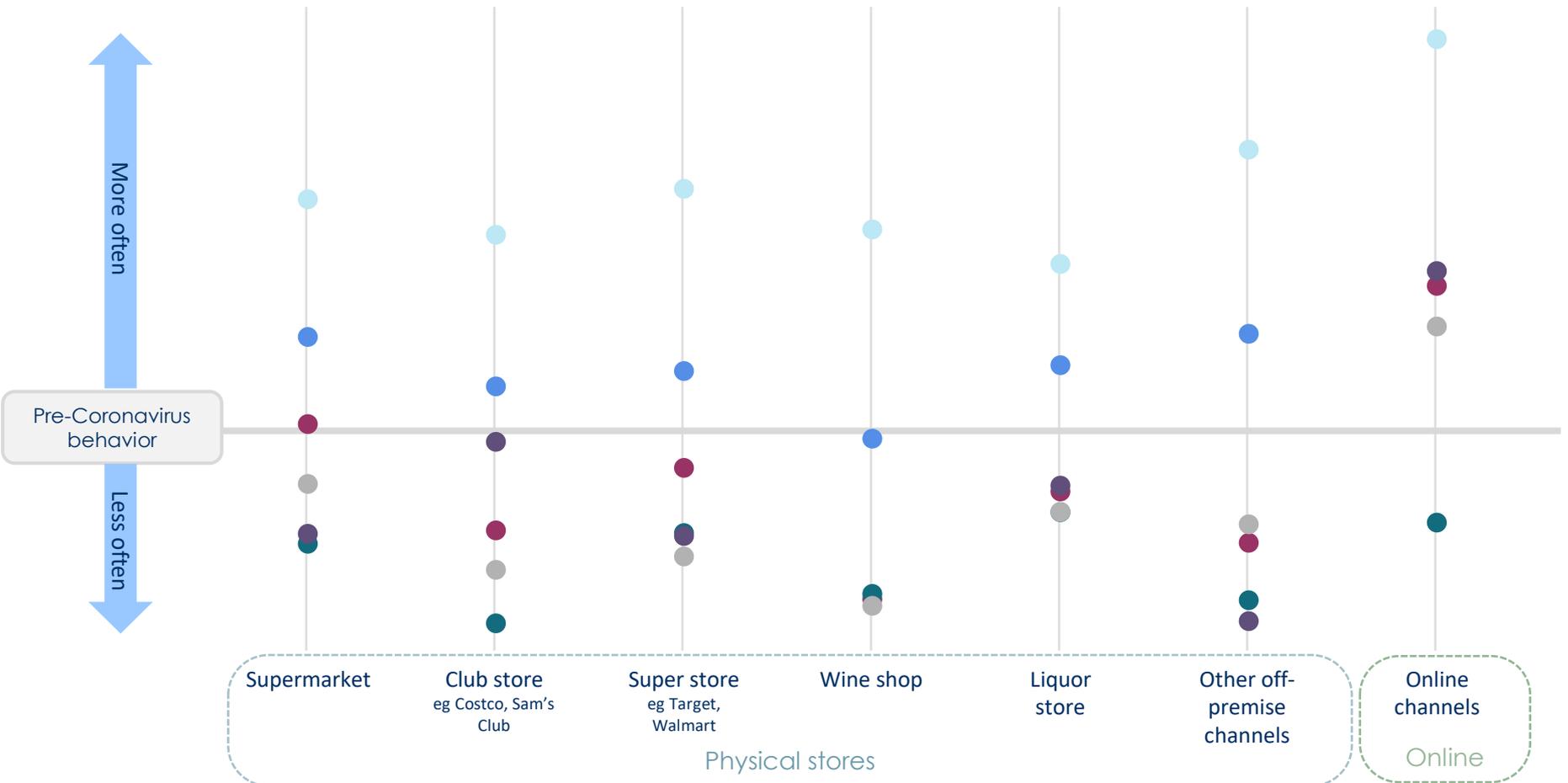


CHANGE IN CHANNEL USAGE



Social Newbies shopped for wine at a much broader range of channels than they did prior to lockdown 2020

Change in channel usage (During lockdown March / April 2020 compared with pre-virus behavior): by Portraits

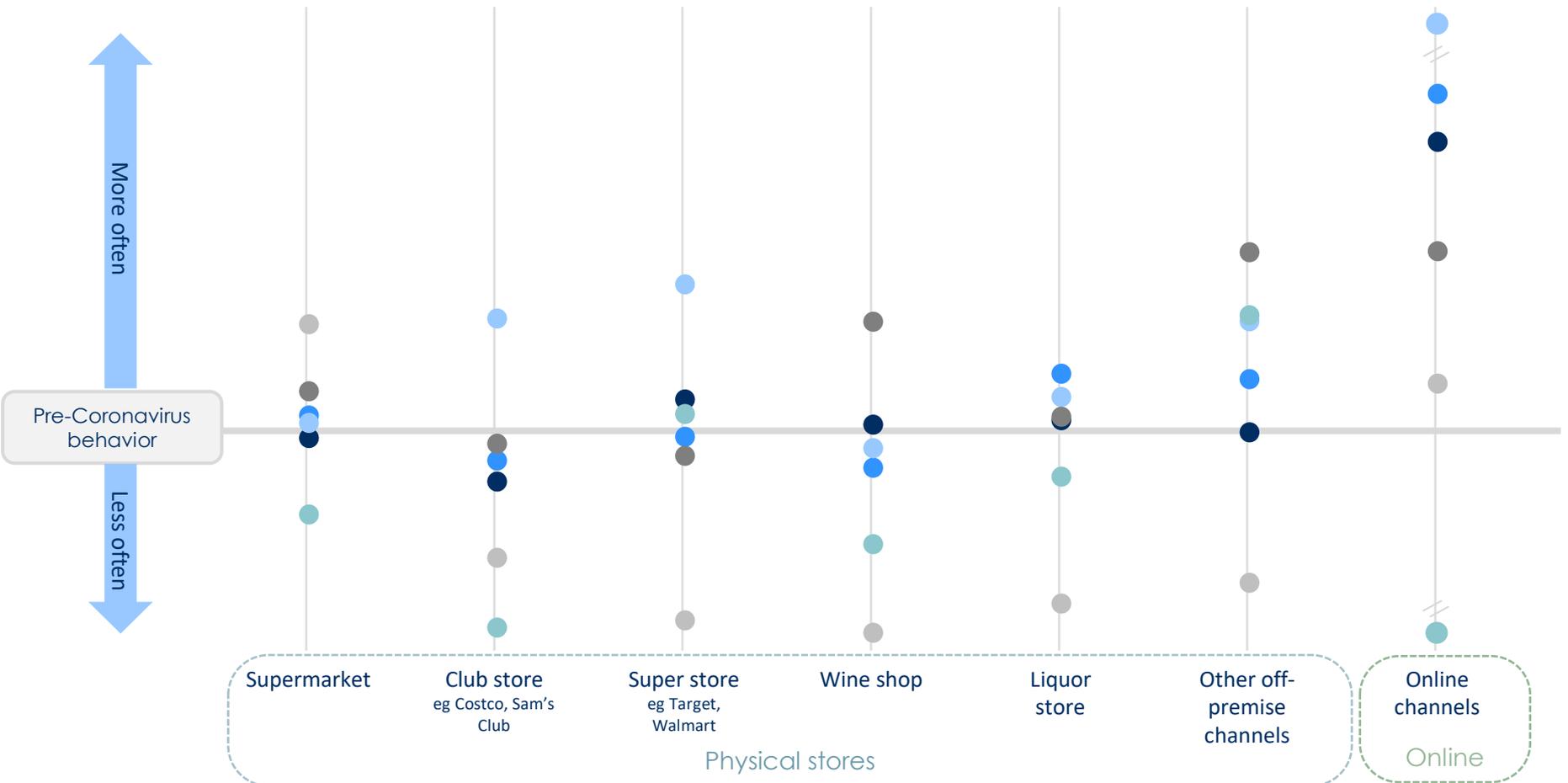


CHANGE IN CHANNEL USAGE



Wine drinkers in FL and CA increased their frequency of online wine purchasing the most during lockdown

Change in channel usage (During lockdown March / April 2020 compared with pre-virus behavior): by State



CONTENTS



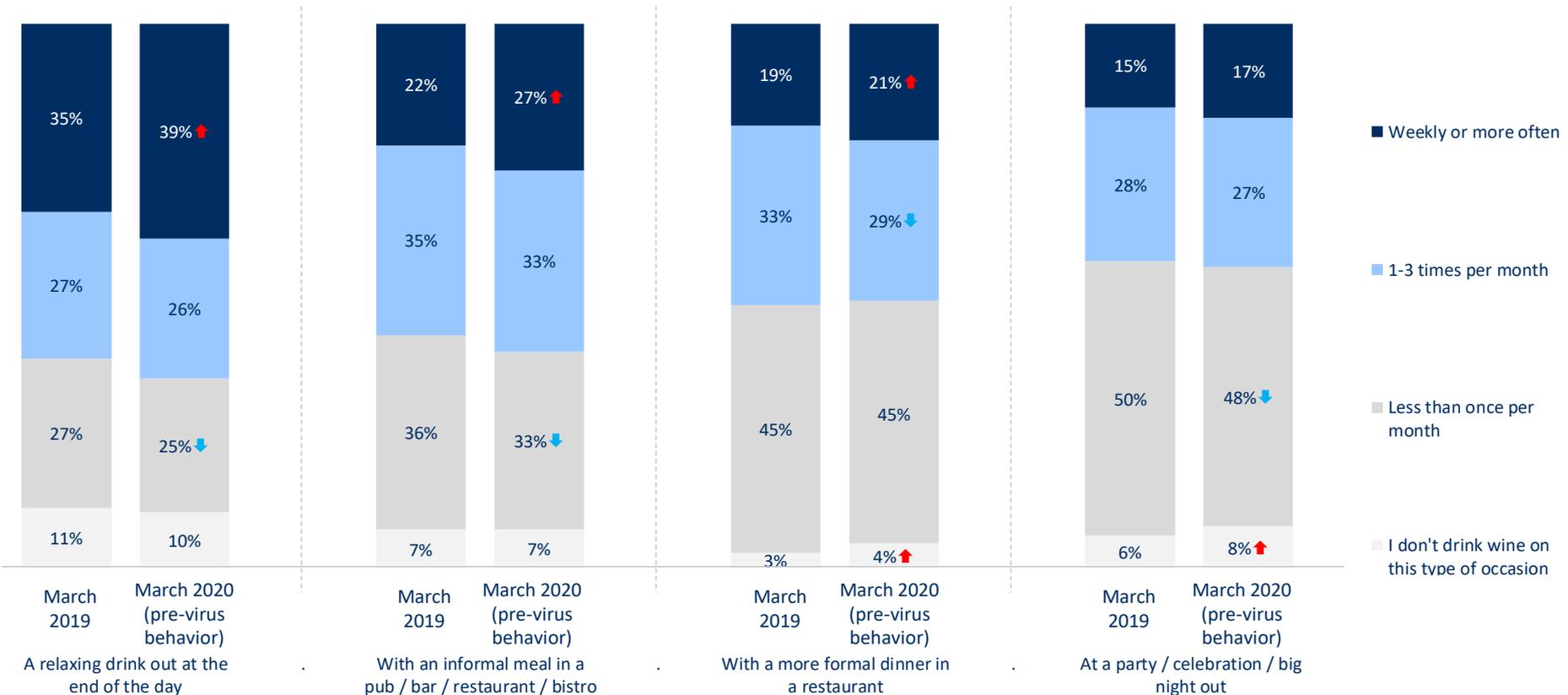
05	Introduction Timeline context during survey data collection Segment definitions Management summary & key takeaways	51	Purchase channels for wine during Covid-19 lockdown <ul style="list-style-type: none">• Channel usage• Change in channel usage• Who has switched to online wine purchasing?
25	Category behavior during Covid-19 lockdown <ul style="list-style-type: none">• Change in category purchase quantity	59	On-premise frequency and spend by occasion pre Covid-19 lockdown <ul style="list-style-type: none">• On-premise wine consumption frequency by occasion• On-premise spend on wine by occasion
31	Overall frequency of wine consumption during Covid-19 lockdown <ul style="list-style-type: none">• Wine consumption frequency	62	Country of origin purchase and trust during Covid-19 lockdown <ul style="list-style-type: none">• Country of origin awareness and consumption pre lockdown• Country of origin change in purchase• Country of origin change in trust
37	Off-premise (at-home) frequency and spend by occasion during Covid-19 lockdown <ul style="list-style-type: none">• Off-premise wine consumption frequency: By occasion• Off-premise wine consumption frequency change: By occasion• Off-premise spend on wine by occasion• Off-premise spend on wine change by occasion• Wine consumption frequency at specific occasions during lockdown	70	Lifestyle behaviors pre and post Covid-19 lockdown <ul style="list-style-type: none">• Lifestyle behavior pre Covid-19 impact• Change in lifestyle behavior anticipated after virus restrictions have ended• Future behavior priorities
		97	Research methodology: Quantitative



Prior to the impact of Covid-19, wine drinkers in the US were drinking wine more frequently across a range of on-premise occasions

On-premise wine consumption frequency by occasion: tracking

Base = Those who buy wine in a bar, pub or restaurant



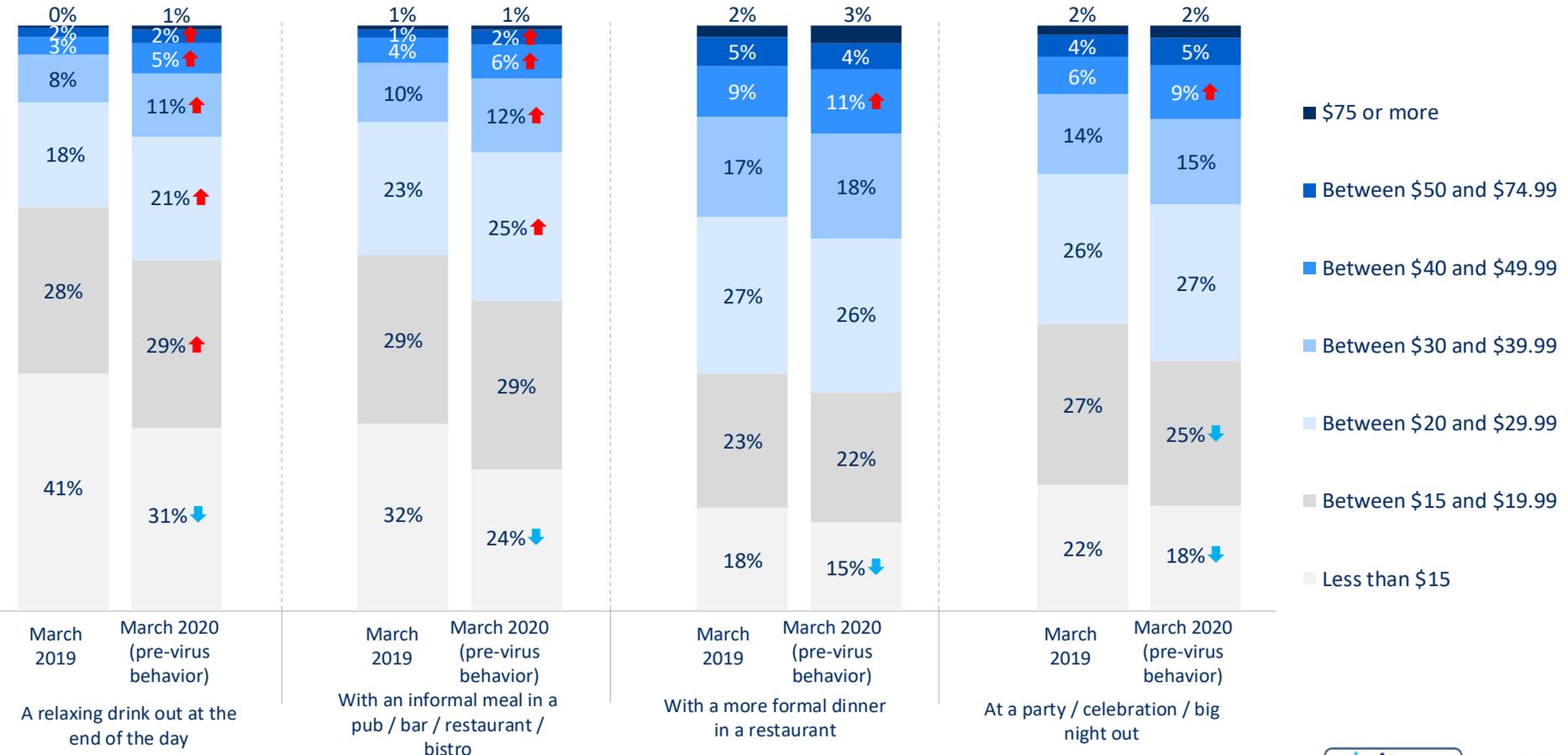
↑ / ↓ : statistically significantly higher / lower than previous wave at a 95% confidence level

Source: Wine Intelligence Vinitrac® US, Oct '19, Mar '20 (31st March 2020 – 16th April 2020), n>=2,000 US regular wine drinkers

US wine drinkers were trending higher in their wine spend in the on-premise, particularly for more casual occasions, prior to the impact of Covid-19

On-premise spend on wine by occasion: tracking

% who typically spend the following amount on a bottle of wine on each occasion
Base = Those who drink wine on each occasion



↑ / ↓ : statistically significantly higher / lower than previous wave at a 95% confidence level

Source: Wine Intelligence Vinitrac® US, Oct '19, Mar '20 (31st March 2020 – 16th April 2020), n>=2,000 US regular wine drinkers

CONTENTS



- 05** Introduction
 - Timeline context during survey data collection
 - Segment definitions
 - Management summary & key takeaways

- 25** Category behavior during Covid-19 lockdown
 - Change in category purchase quantity

- 31** Overall frequency of wine consumption during Covid-19 lockdown
 - Wine consumption frequency

- 37** Off-premise (at-home) frequency and spend by occasion during Covid-19 lockdown
 - Off-premise wine consumption frequency:
 - By occasion
 - Off-premise wine consumption frequency change:
 - By occasion
 - Off-premise spend on wine by occasion
 - Off-premise spend on wine change by occasion
 - Wine consumption frequency at specific occasions during lockdown

- 51** Purchase channels for wine during Covid-19 lockdown
 - Channel usage
 - Change in channel usage
 - Who has switched to online wine purchasing?

- 59** On-premise frequency and spend by occasion pre Covid-19 lockdown
 - On-premise wine consumption frequency by occasion
 - On-premise spend on wine by occasion

- 62** Country of origin purchase and trust during Covid-19 lockdown
 - Country of origin awareness and consumption pre lockdown
 - Country of origin change in purchase
 - Country of origin change in trust

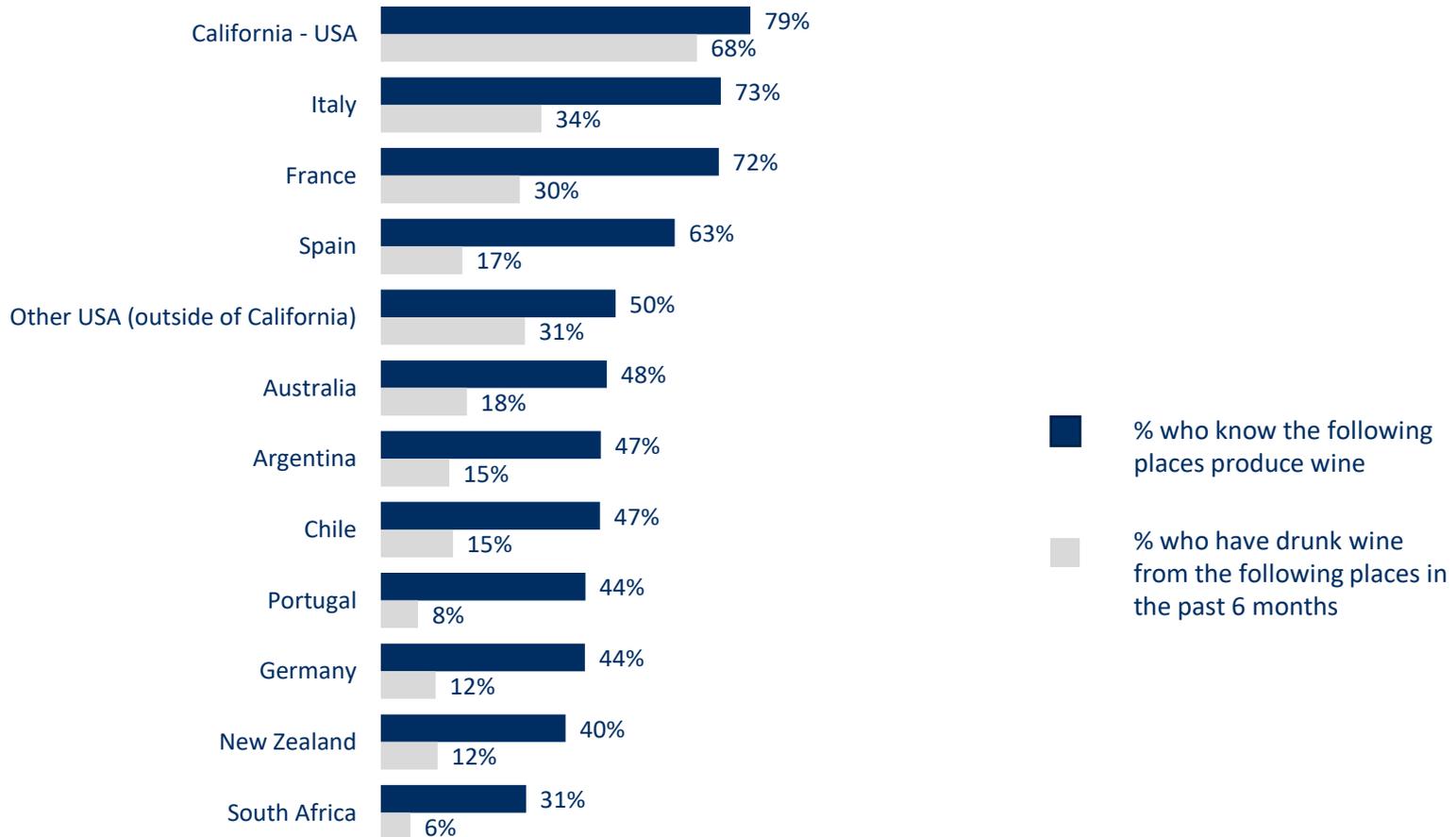
- 70** Lifestyle behaviors pre and post Covid-19 lockdown
 - Lifestyle behavior pre Covid-19 impact
 - Change in lifestyle behavior anticipated after virus restrictions have ended
 - Future behavior priorities

- 97** Research methodology: Quantitative

Beyond domestically produced wine, key old world countries continued to dominate the wine market in the US

Country of origin awareness and consumption

Base = All US regular wine drinkers (n>=2,000)

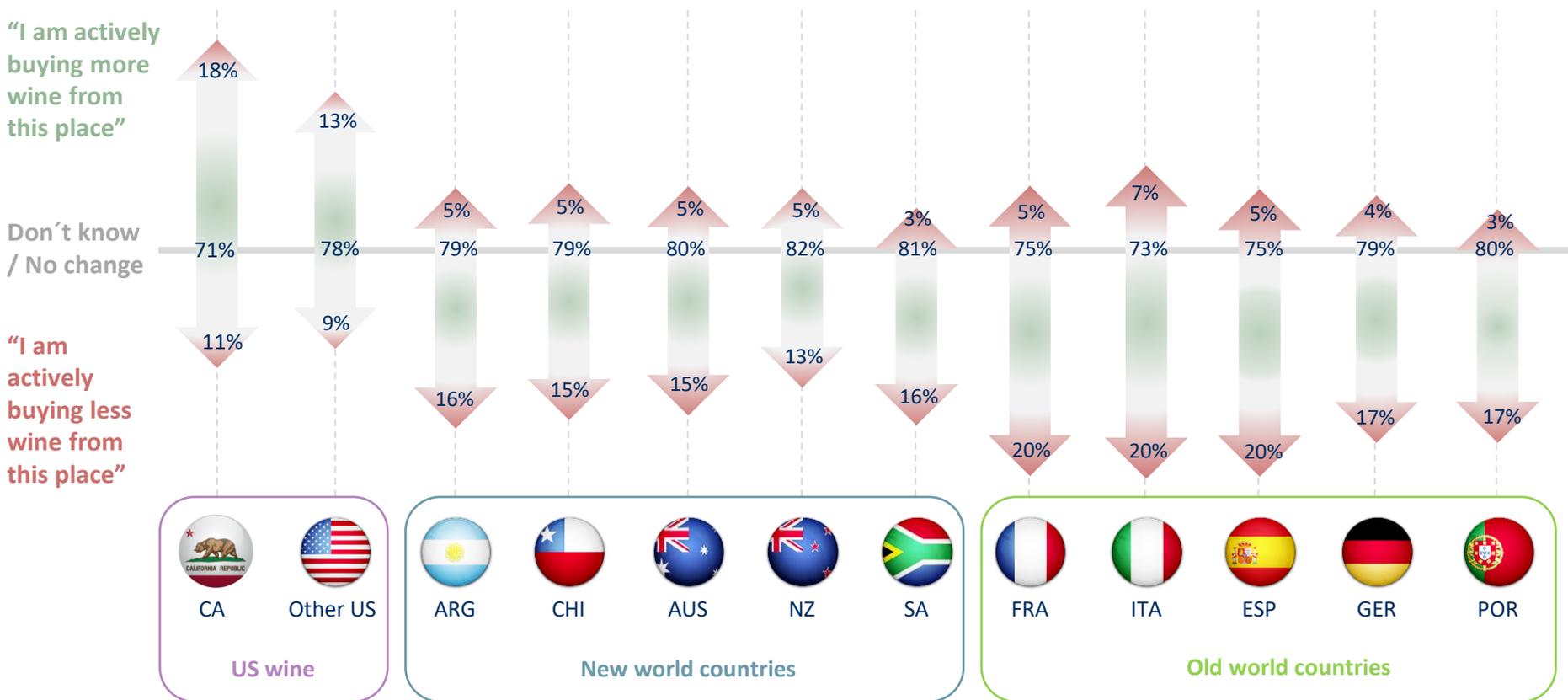


Domestic wines appear to have been the biggest winners from the lockdown buying behaviour changes, with all import countries seeing net declines in active purchasing

Country of origin change in purchase during lockdown March / April 2020 compared with pre-virus behavior

% who have changed their purchase behavior of each place due to the impacts of Coronavirus

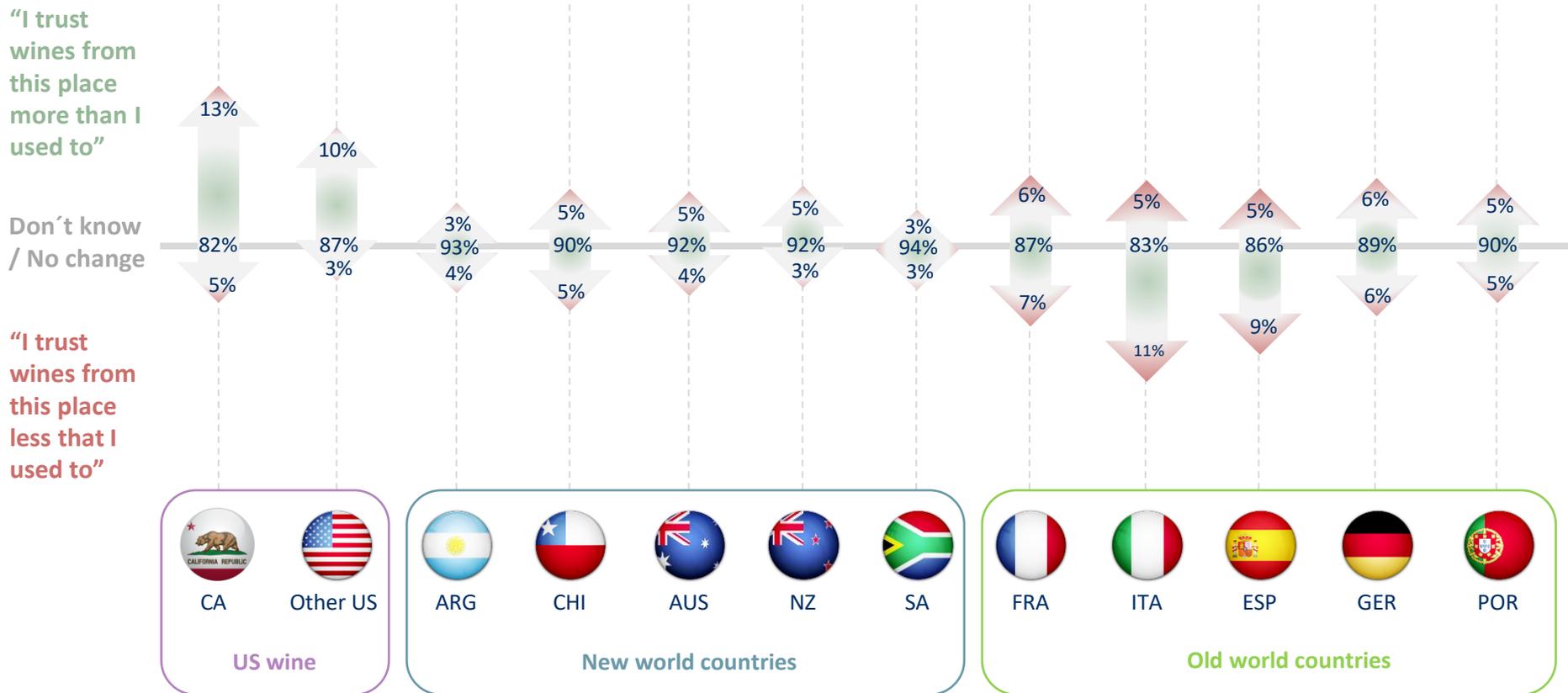
Base = Those who are aware of each place



Trust in US produced wine rose during lockdown in March & April 2020, while trust in European wine, particularly wine from Italy, showed a net decline

Country of origin change in trust during lockdown March / April 2020 compared with pre-virus behavior

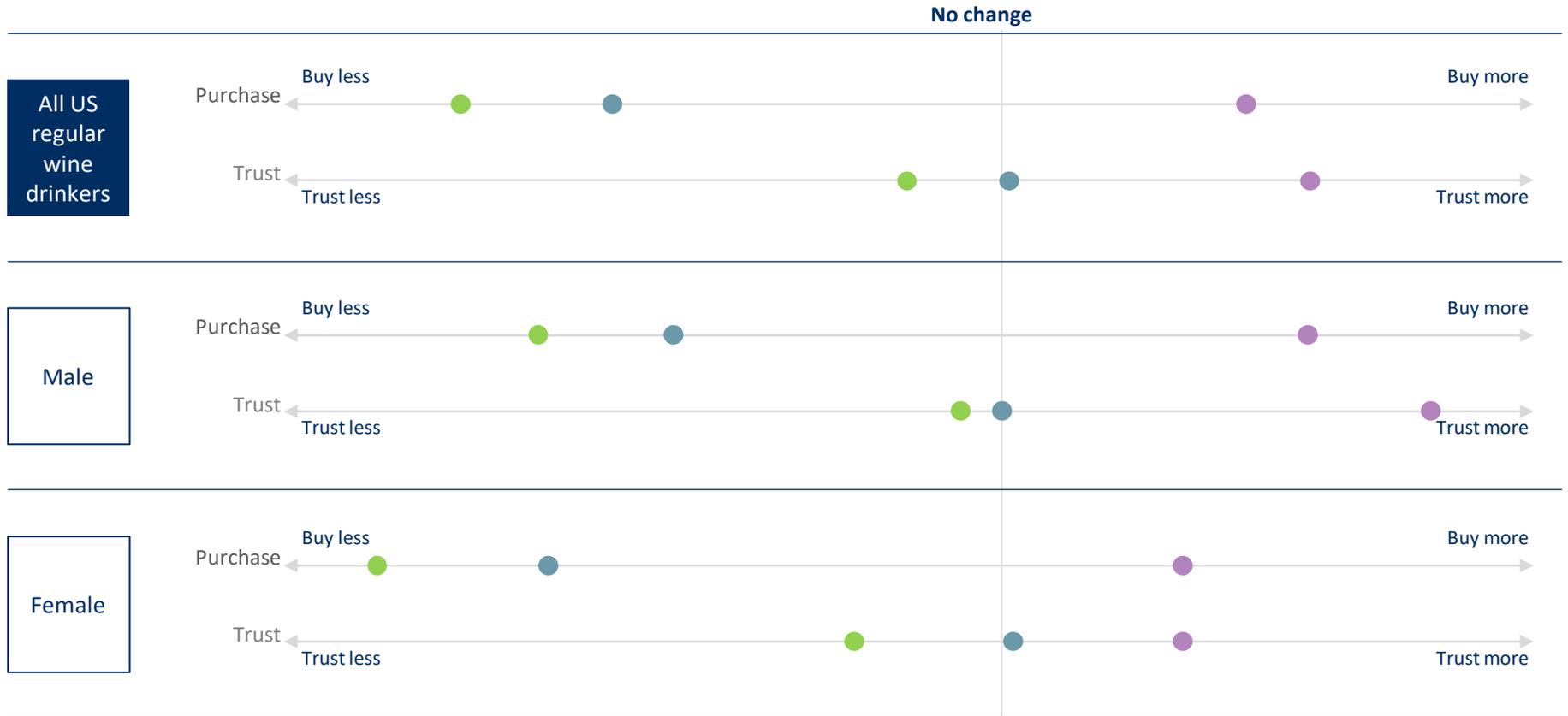
% who have changed their view of wines from each place due to the impacts of Coronavirus
Base = Those who are aware of each place



Male wine drinkers in the US moved more to actively purchasing and trusting US produced wine during the lockdown 2020

Country of origin change in purchase & trust during lockdown March / April 2020 compared with pre-virus behavior: by gender

Index: change in consumption behavior / trust of each place due to the impacts of Coronavirus



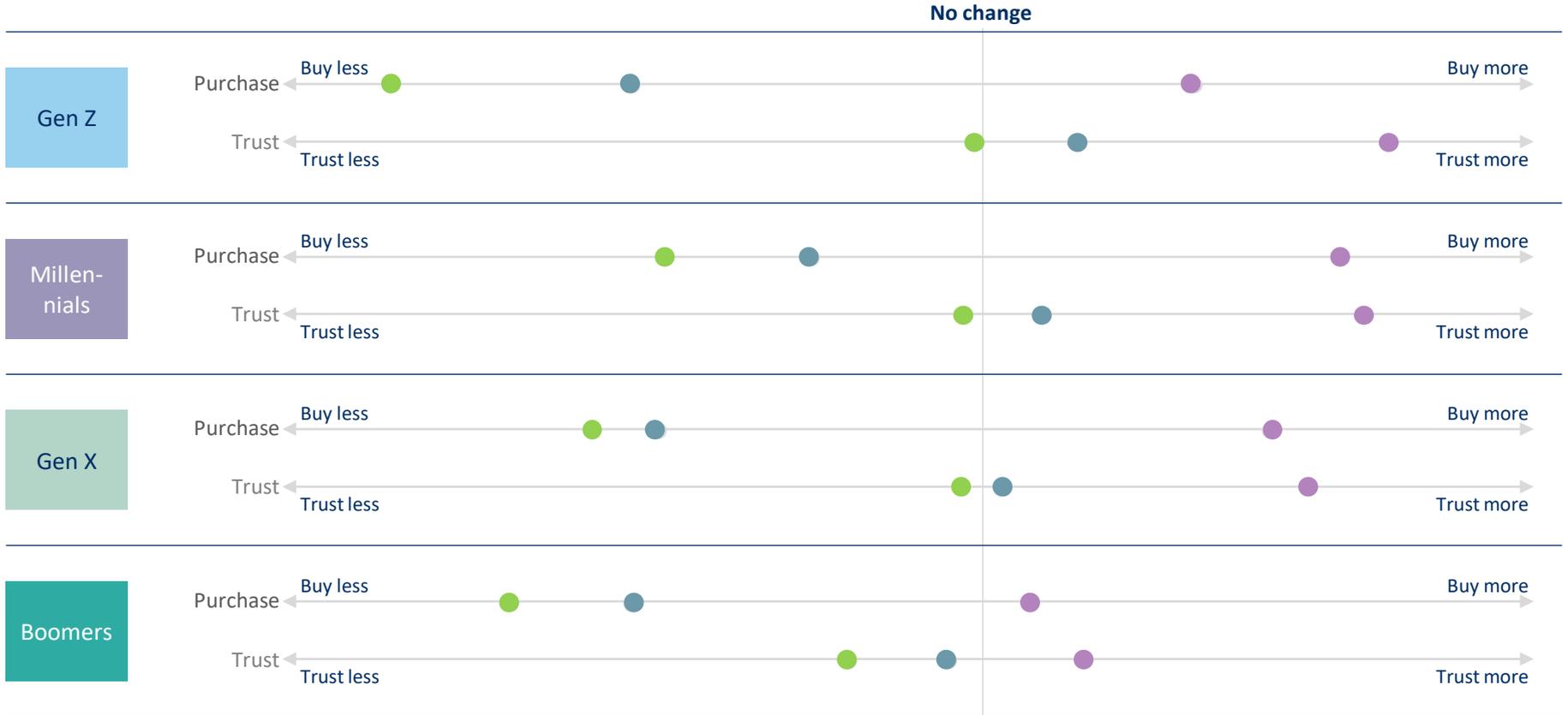
COUNTRY OF ORIGIN: CHANGE IN PURCHASE & TRUST



All generations of wine drinkers in the US actively purchased and trusted US wines more than other wines during lockdown, particularly Millennials

Country of origin change in purchase & trust during lockdown March / April 2020 compared with pre-virus behavior: by age cohorts

Index: change in purchase behavior / trust of each place due to the impacts of Coronavirus



COUNTRY OF ORIGIN: CHANGE IN PURCHASE & TRUST



Drinkers from the younger segments of Engaged Explorers and Social Newbies in particular embraced domestically produced US wine during the lockdown 2020, though in both cases these segments retained confidence in imports

Country of origin change in purchase & trust during lockdown March / April 2020 compared with pre-virus behavior: by Portraits

Index: change in purchase behavior / trust of each place due to the impacts of Coronavirus



Wine drinkers in both CA and FL in particular actively purchased and trusted domestically produced wines during the pandemic lockdown 2020 over imported wine

Country of origin change in purchase & trust during lockdown March / April 2020 compared with pre-virus behavior: by State

Index: change in purchase behavior / trust of each place due to the impacts of Coronavirus



CONTENTS



- 05** **Introduction**
 - Timeline context during survey data collection
 - Segment definitions
 - Management summary & key takeaways

- 25** **Category behavior during Covid-19 lockdown**
 - Change in category purchase quantity

- 31** **Overall frequency of wine consumption during Covid-19 lockdown**
 - Wine consumption frequency

- 37** **Off-premise (at-home) frequency and spend by occasion during Covid-19 lockdown**
 - Off-premise wine consumption frequency:
 - By occasion
 - Off-premise wine consumption frequency change:
 - By occasion
 - Off-premise spend on wine by occasion
 - Off-premise spend on wine change by occasion
 - Wine consumption frequency at specific occasions during lockdown

- 51** **Purchase channels for wine during Covid-19 lockdown**
 - Channel usage
 - Change in channel usage
 - Who has switched to online wine purchasing?

- 59** **On-premise frequency and spend by occasion pre Covid-19 lockdown**
 - On-premise wine consumption frequency by occasion
 - On-premise spend on wine by occasion

- 62** **Country of origin purchase and trust during Covid-19 lockdown**
 - Country of origin awareness and consumption pre lockdown
 - Country of origin change in purchase
 - Country of origin change in trust

- 70** **Lifestyle behaviors pre and post Covid-19 lockdown**
 - Lifestyle behavior pre Covid-19 impact
 - Change in lifestyle behavior anticipated after virus restrictions have ended
 - Future behavior priorities

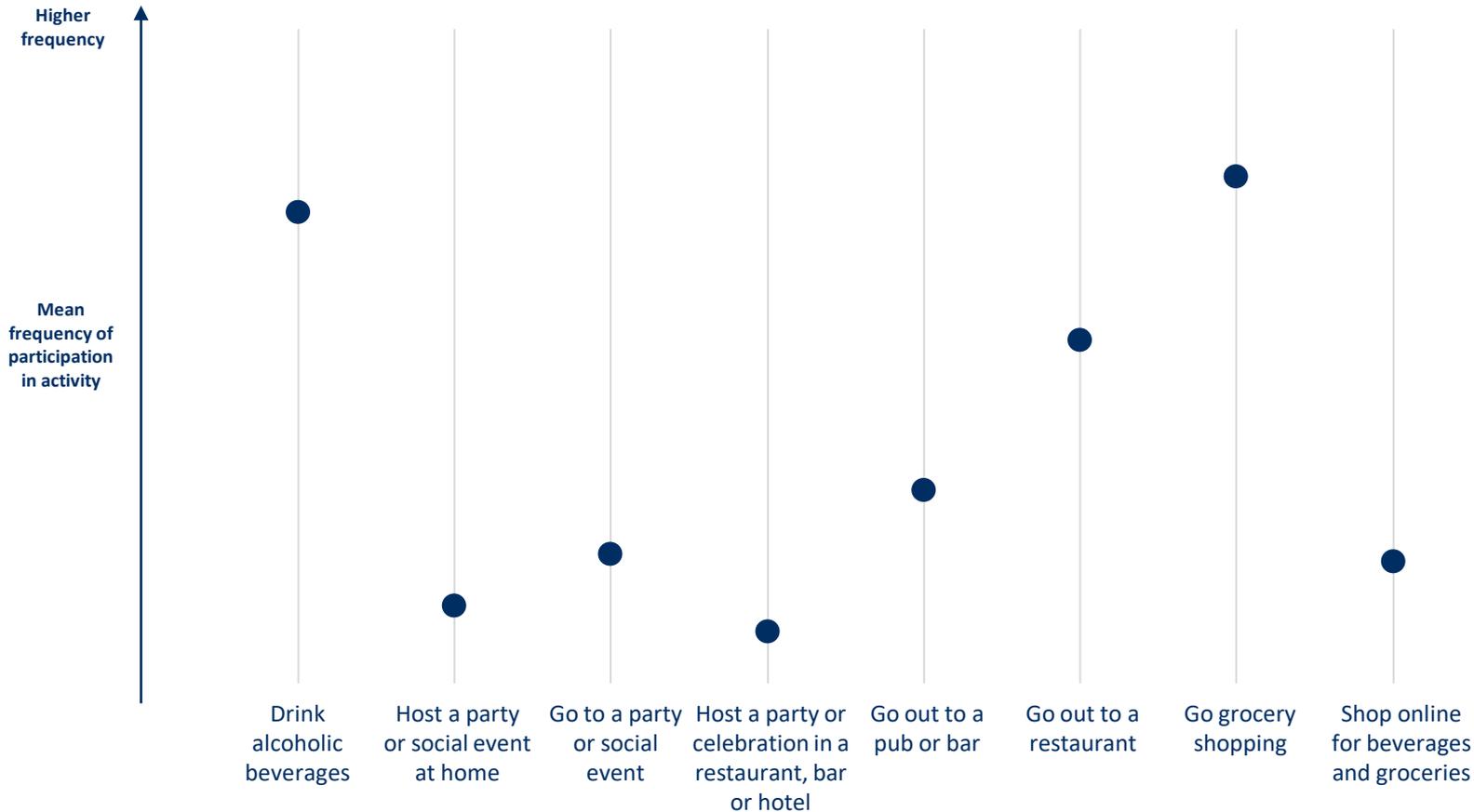
- 97** **Research methodology: Quantitative**

Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior - socializing, food and drink

Mean frequency of doing these activities before the Coronavirus outbreak

● All US regular wine drinkers

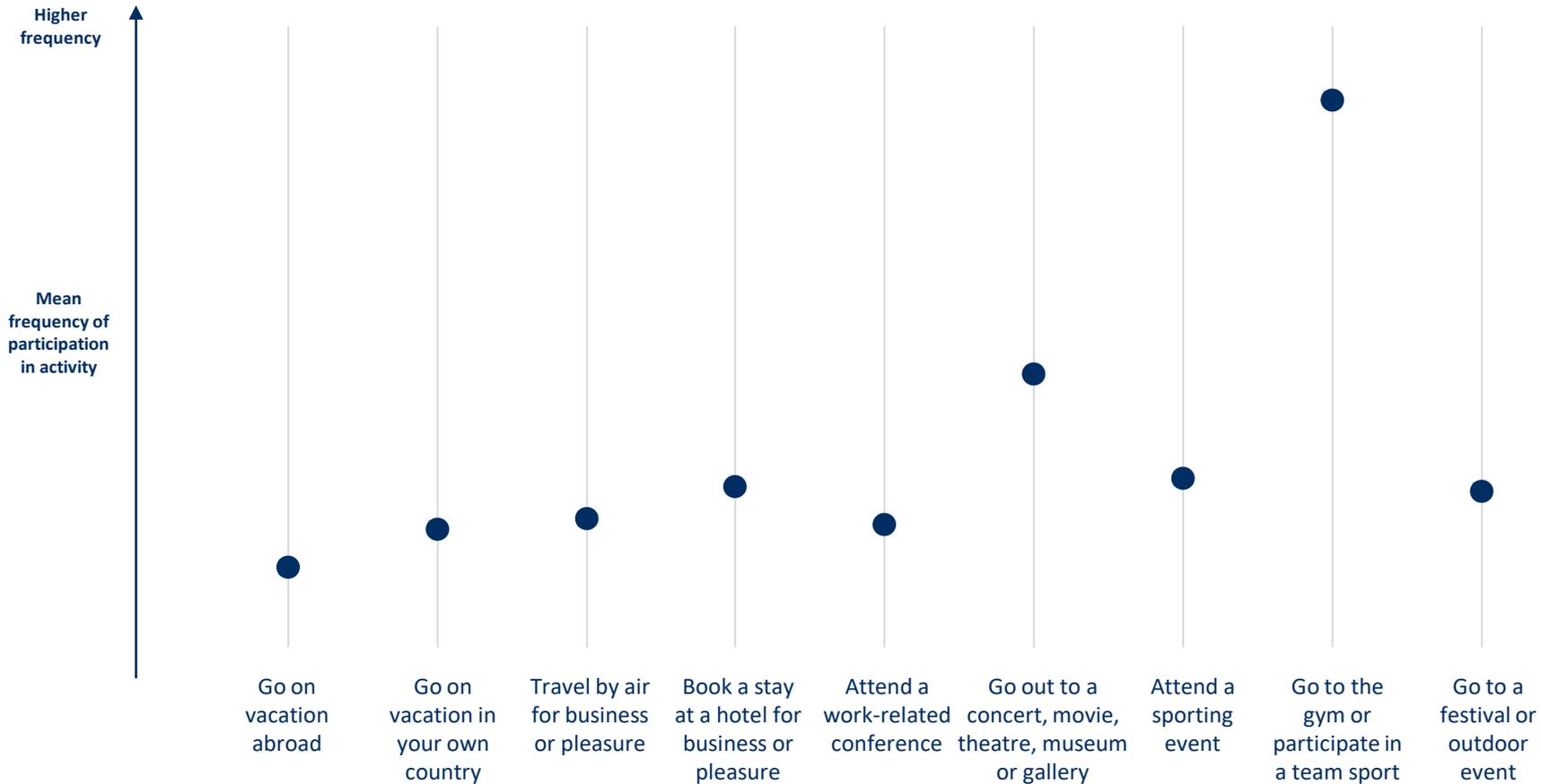


Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior – travel, events and sport

Mean frequency of doing these activities before the Coronavirus outbreak

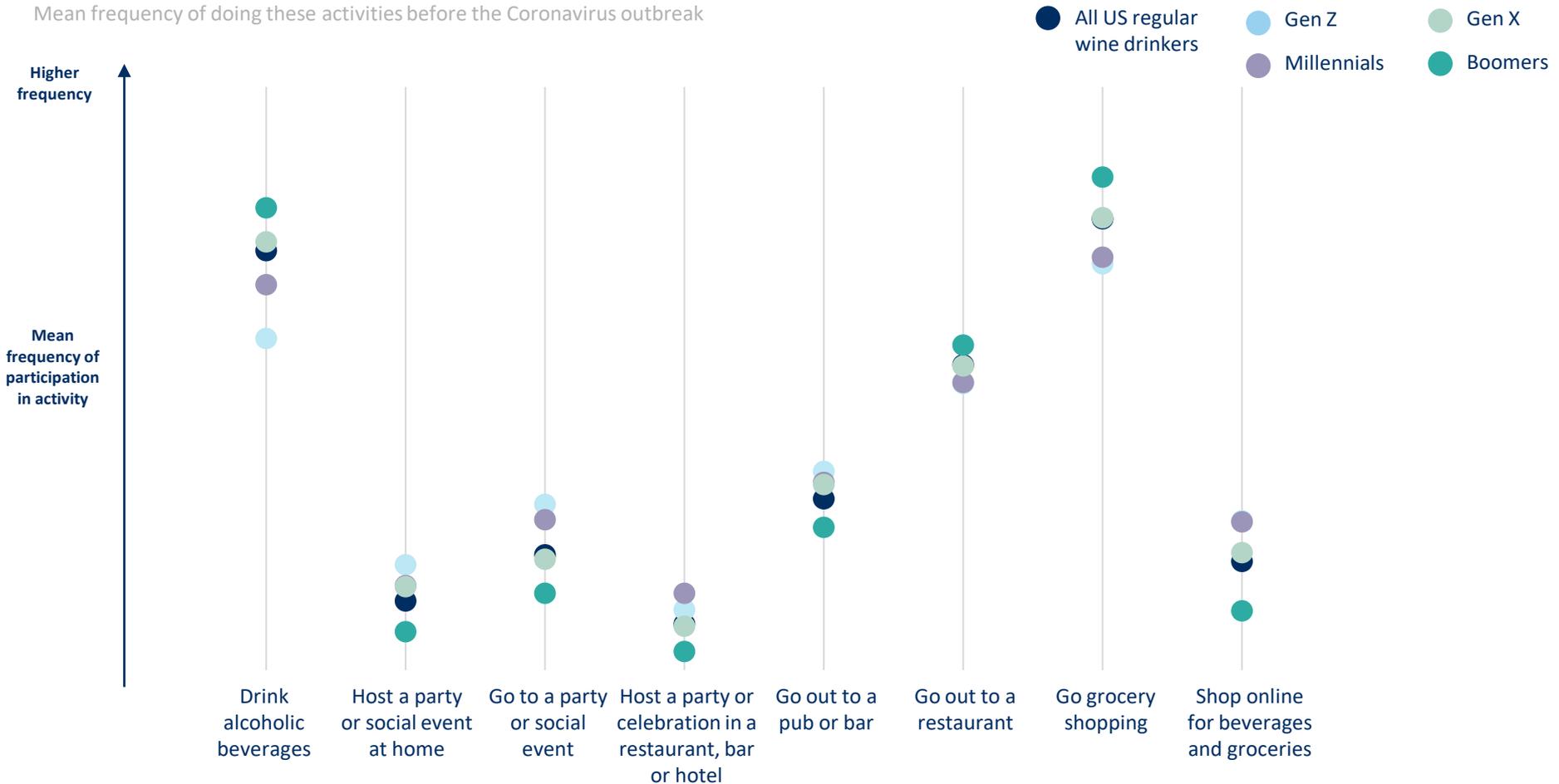
● All US regular wine drinkers



Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior: by age cohorts - socializing, food and drink

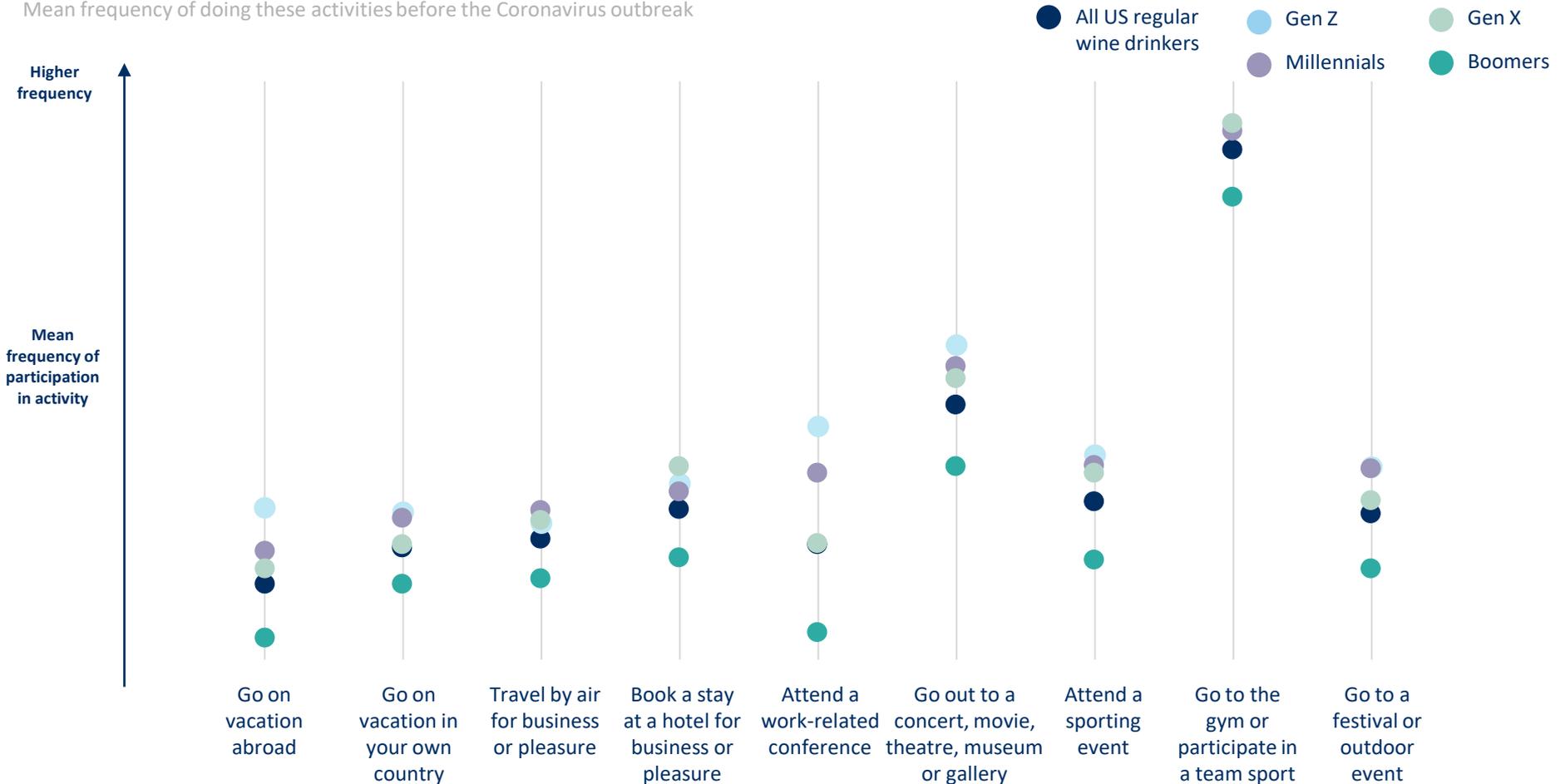
Mean frequency of doing these activities before the Coronavirus outbreak



Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior: by age cohorts – travel, events and sport

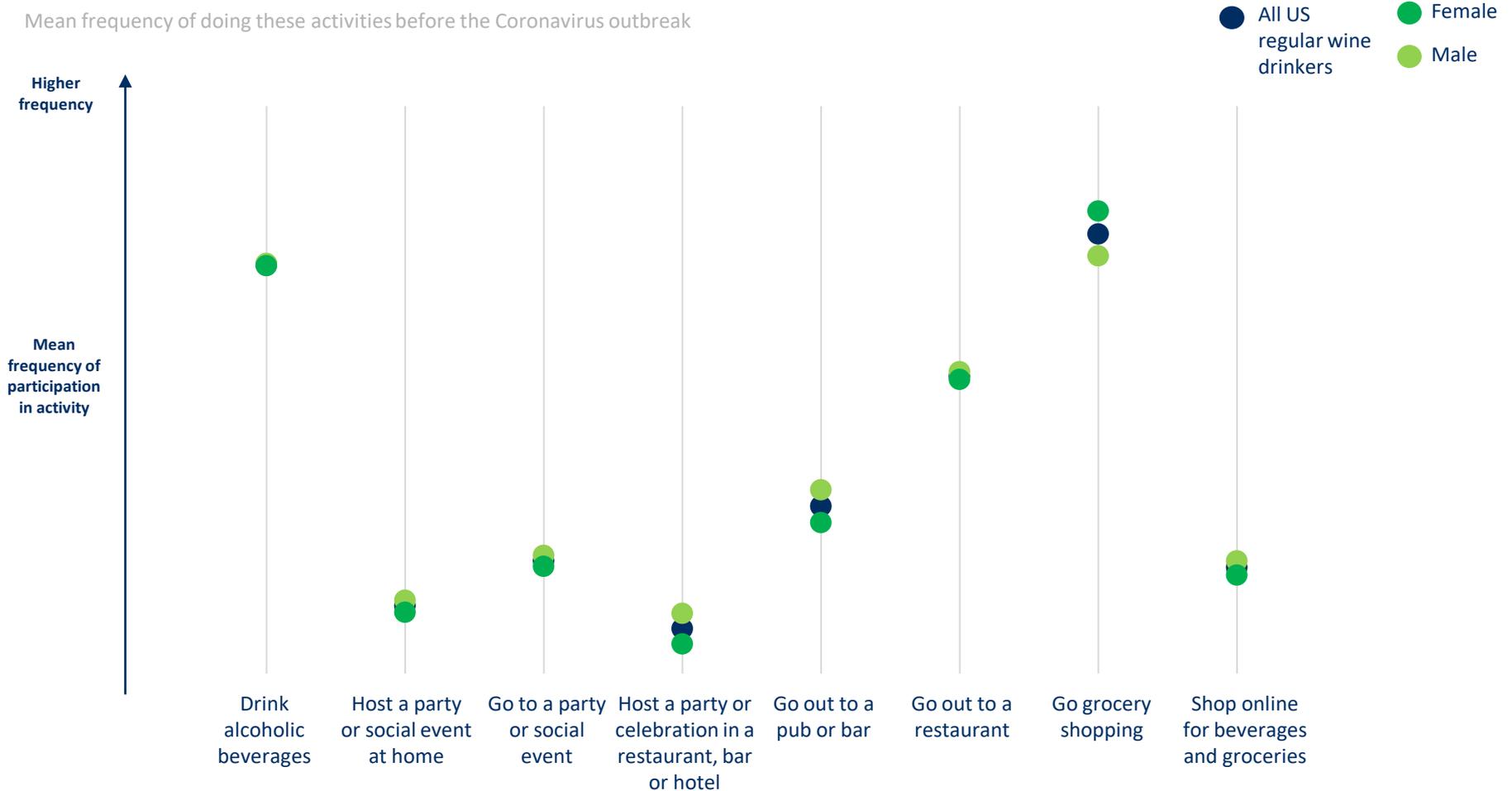
Mean frequency of doing these activities before the Coronavirus outbreak



Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior: by gender - socializing, food and drink

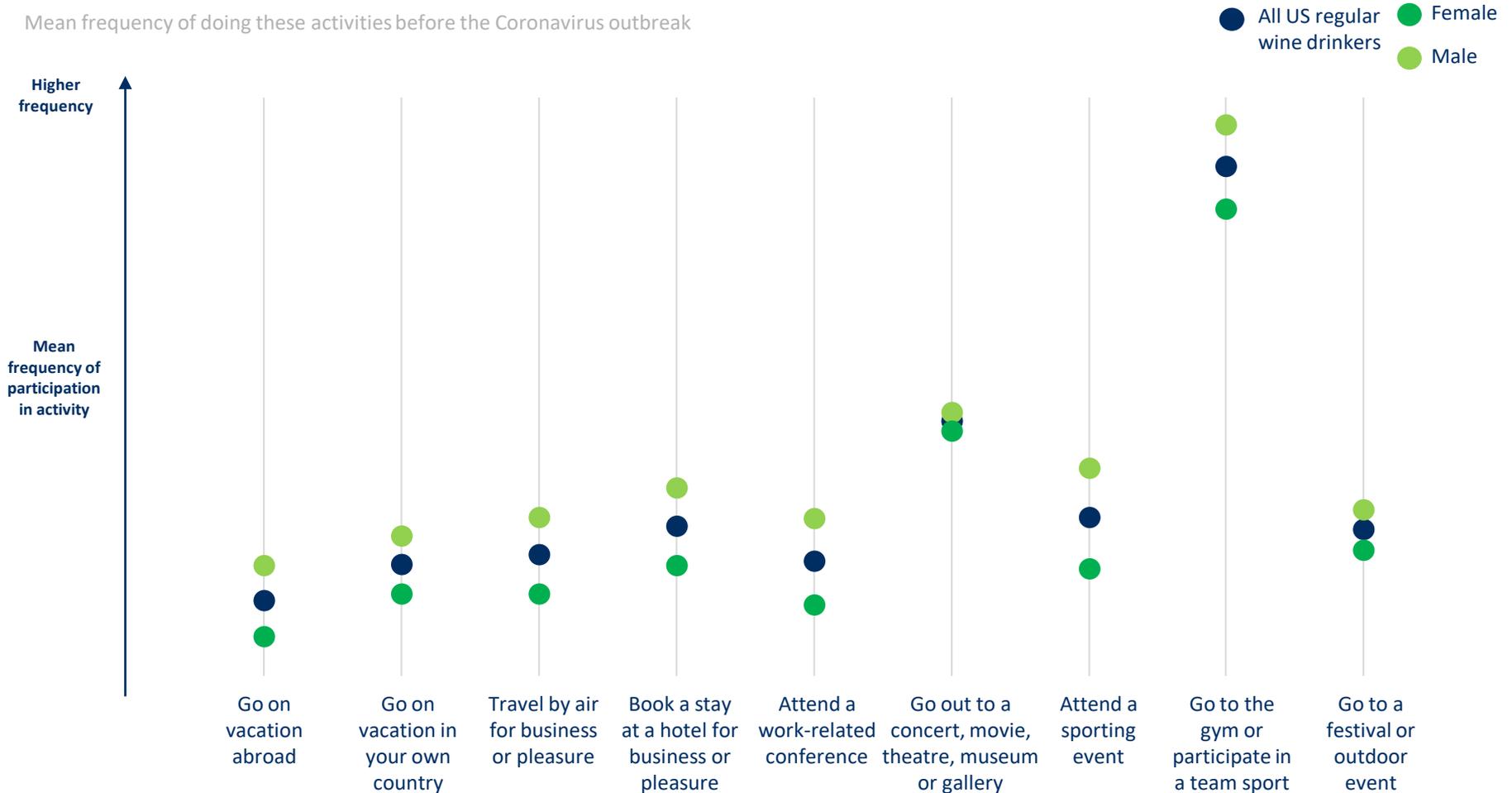
Mean frequency of doing these activities before the Coronavirus outbreak



Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior: by gender – travel, events and sport

Mean frequency of doing these activities before the Coronavirus outbreak



LIFESTYLE BEHAVIOR PRE COVID-19 IMPACT

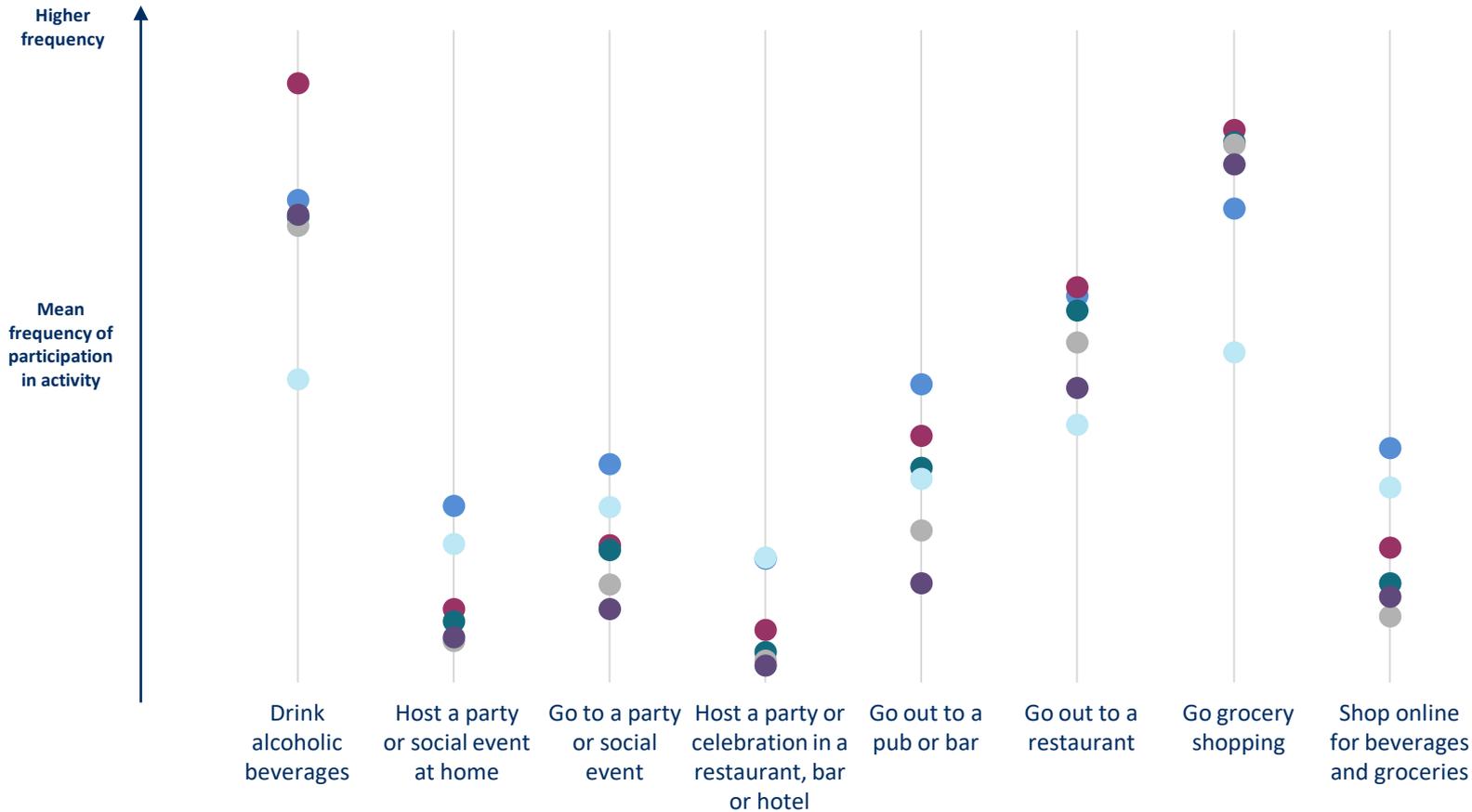


Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior: by Portraits - socializing, food and drink



Mean frequency of doing these activities before the Coronavirus outbreak

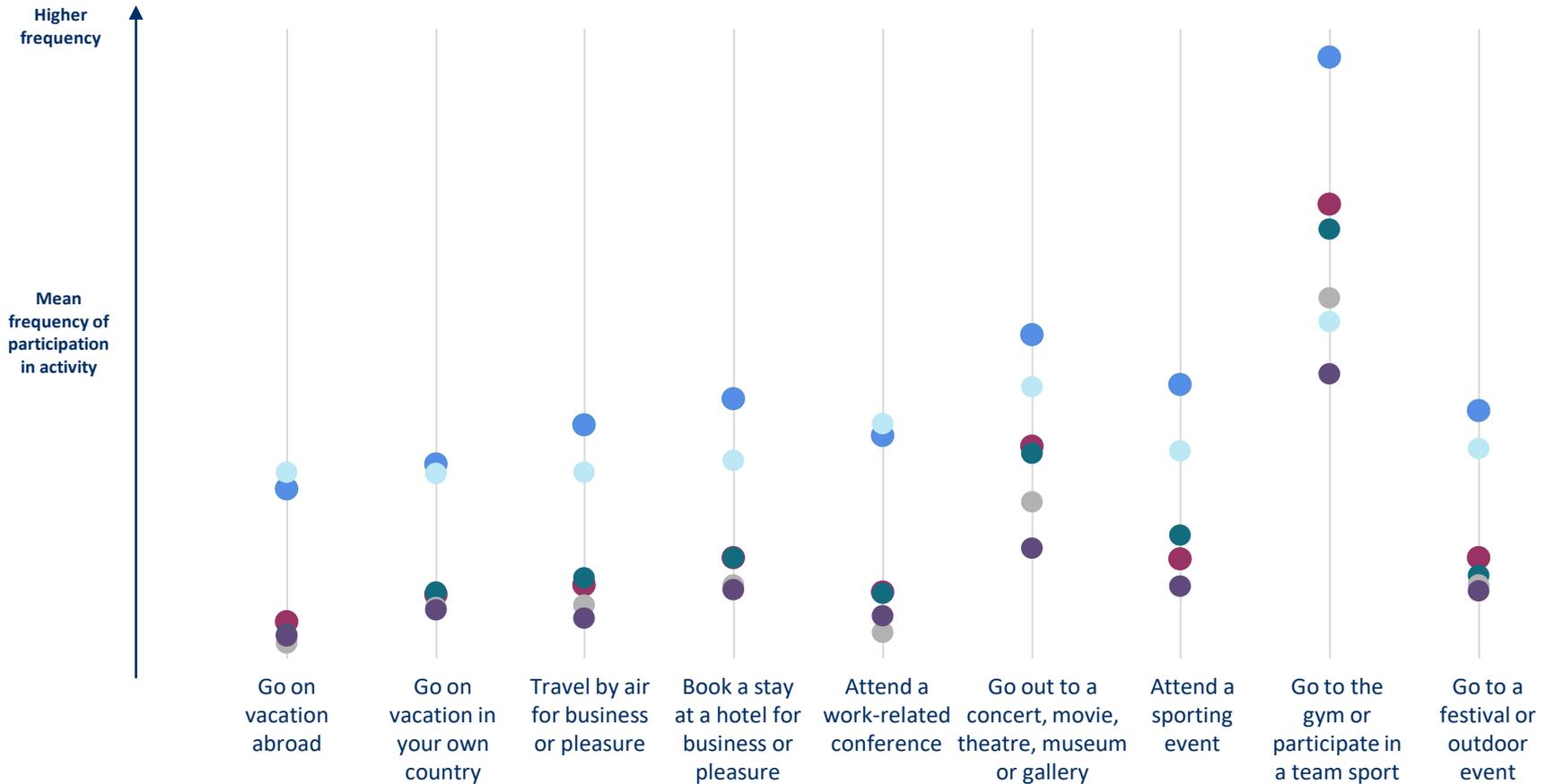


Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior: by Portraits – travel, events and sport



Mean frequency of doing these activities before the Coronavirus outbreak



LIFESTYLE BEHAVIOR PRE COVID-19 IMPACT

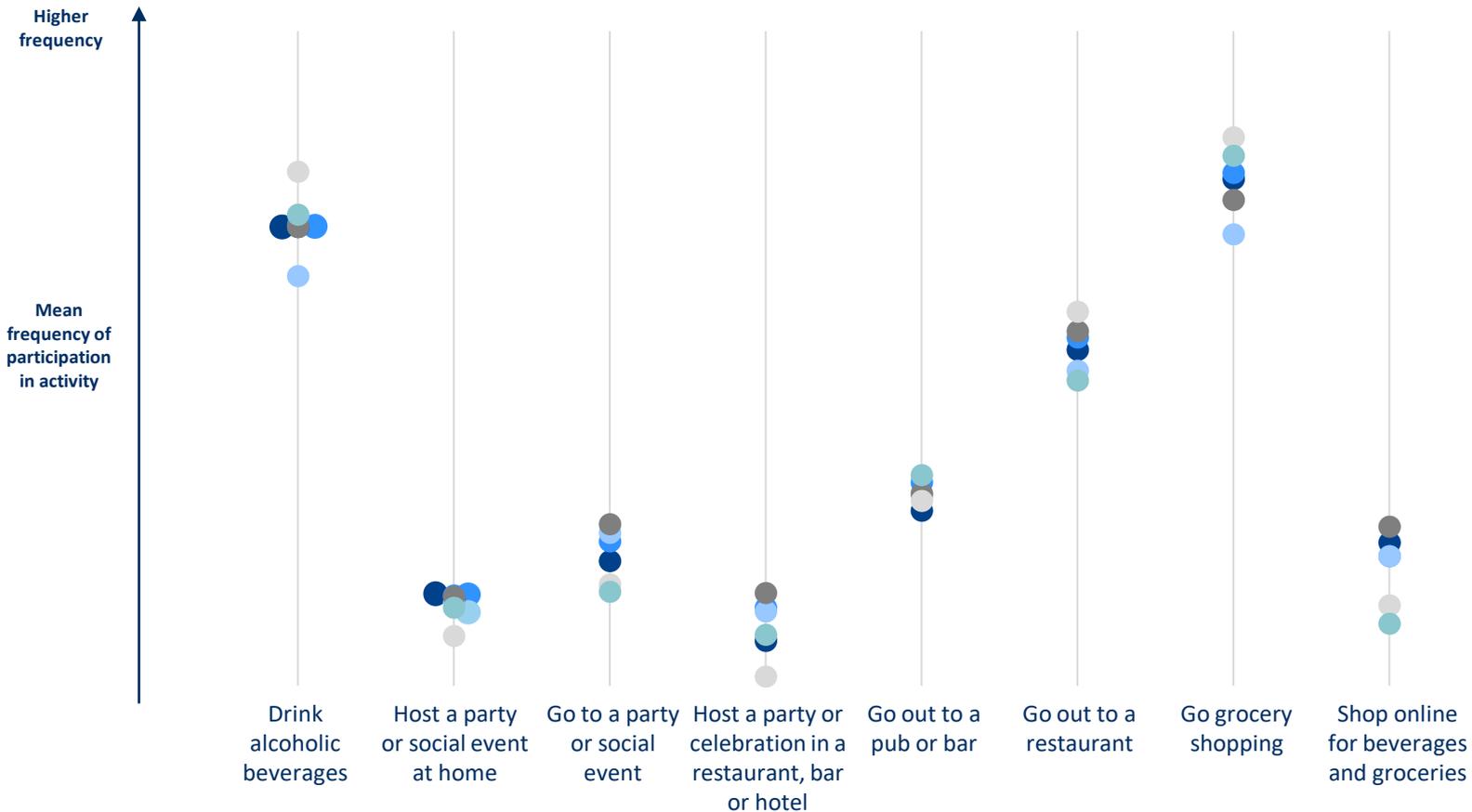


Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior: by state - socializing, food and drink



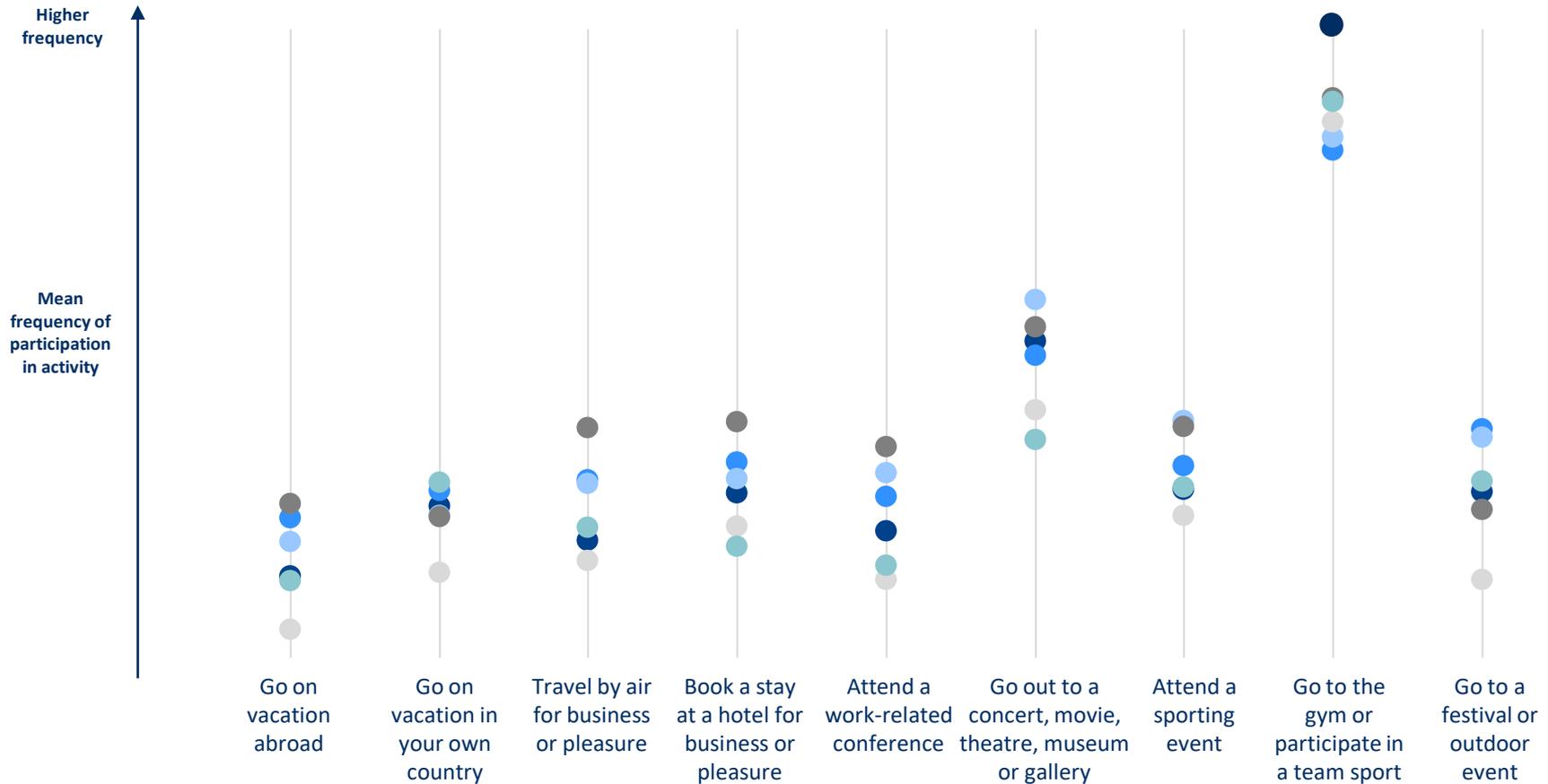
Mean frequency of doing these activities before the Coronavirus outbreak



Shows the relative frequency of participation in the following activities under normal circumstances

Typical behavior: by state – travel, events and sport

Mean frequency of doing these activities before the Coronavirus outbreak



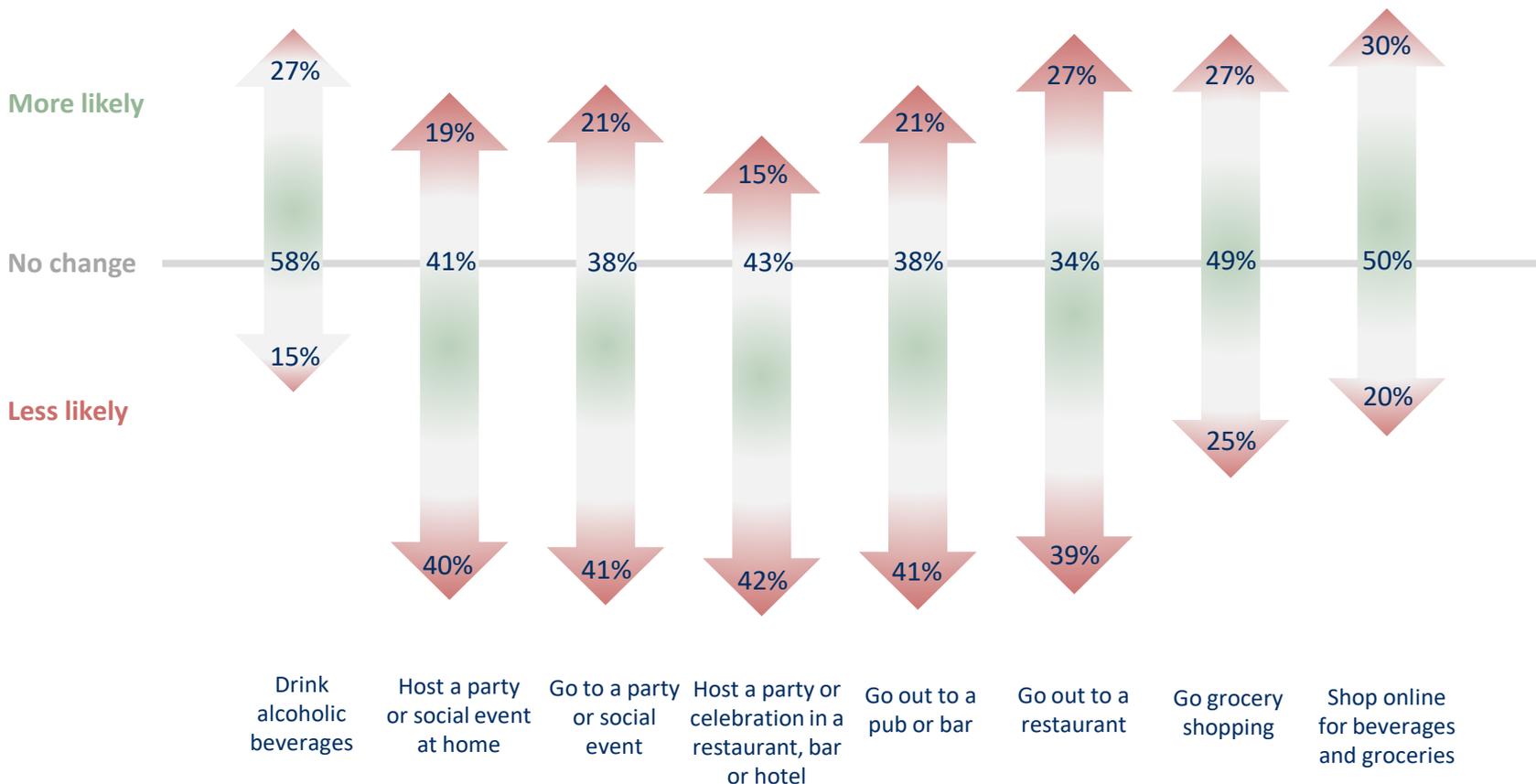
CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED



US wine drinkers anticipate they will drink more alcoholic beverages post lockdown restrictions, reduce their socializing & going out and increase their online beverage and grocery purchasing

Change in typical behavior anticipated after virus restrictions - socializing, food & drink

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted
Base = All US regular wine drinkers (n=2,000)



CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED

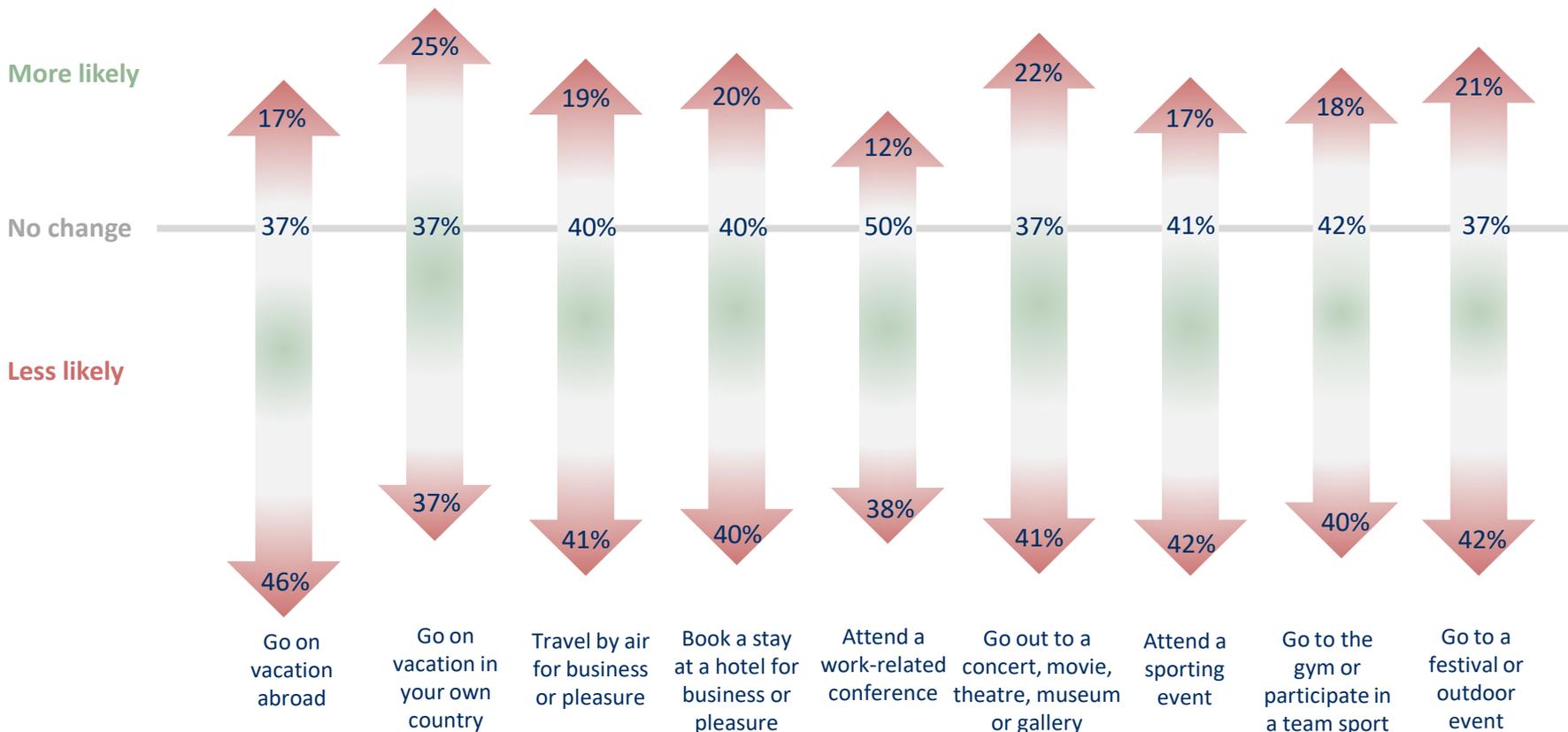


US wine drinkers anticipate a significant reduction in their travel plans and sports / event attendance post lockdown restrictions

Change in typical behavior anticipated after virus restrictions - travel, events and sport

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted

Base = All US regular wine drinkers (n=2,000)



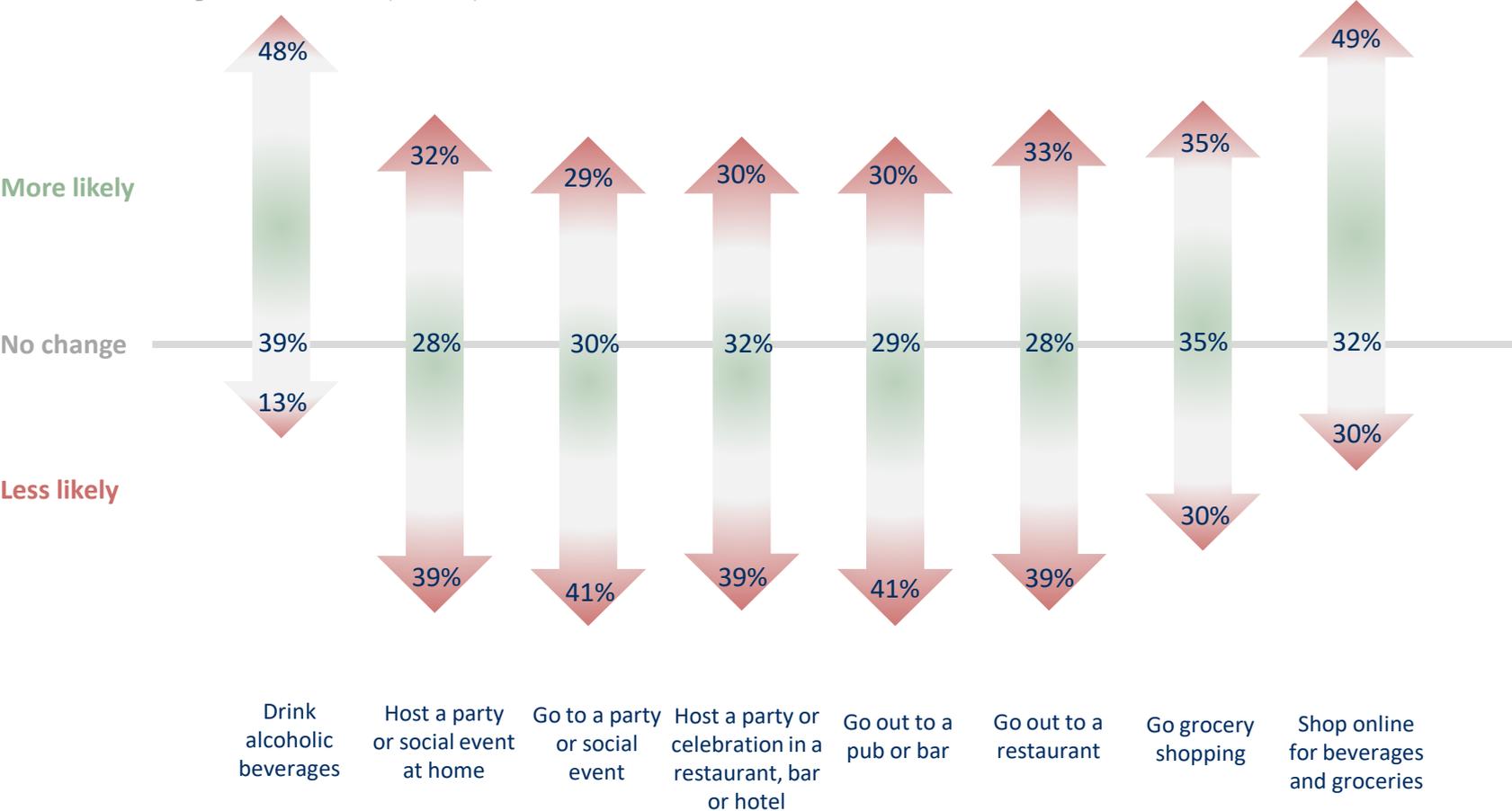
CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED



Already being more frequent, higher spending & involved wine drinkers, Engaged Explorers anticipate that they will consume more alcohol and purchase it online more post restrictions

Change in typical behavior anticipated after virus restrictions: **Engaged Explorers** - socializing, food and drink

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted
Base = All US regular wine drinkers (n=2,000)



CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED

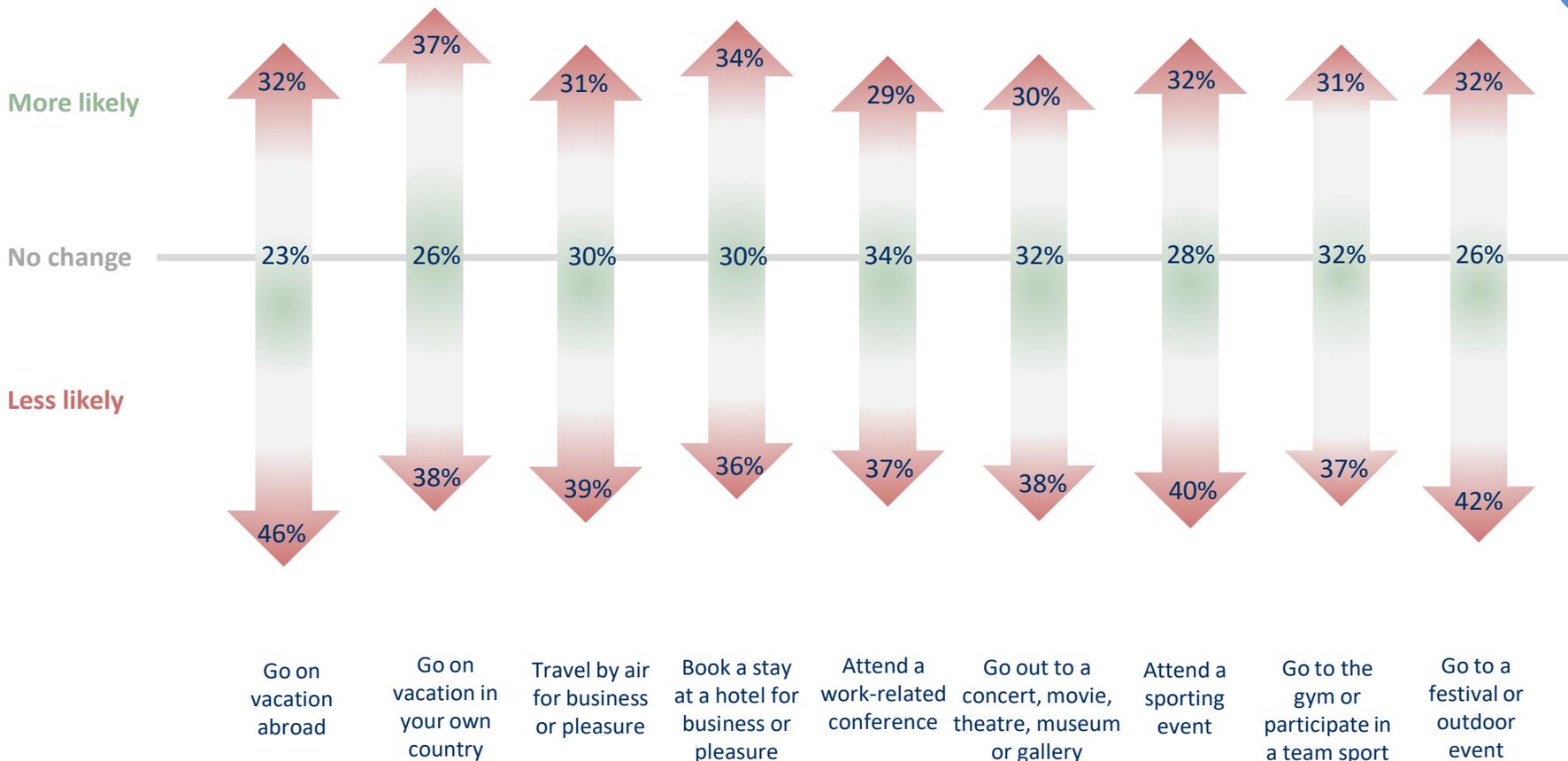


Engaged Explorers anticipate a significant reduction in their travel plans and sports & event attendance post Covid-19 restrictions, but relatively more of them appear to be ready to resume these activities compared with all wine drinkers

Change in typical behavior anticipated after virus restrictions: **Engaged Explorers** - travel, events and sport

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted

Base = All US regular wine drinkers (n=2,000)



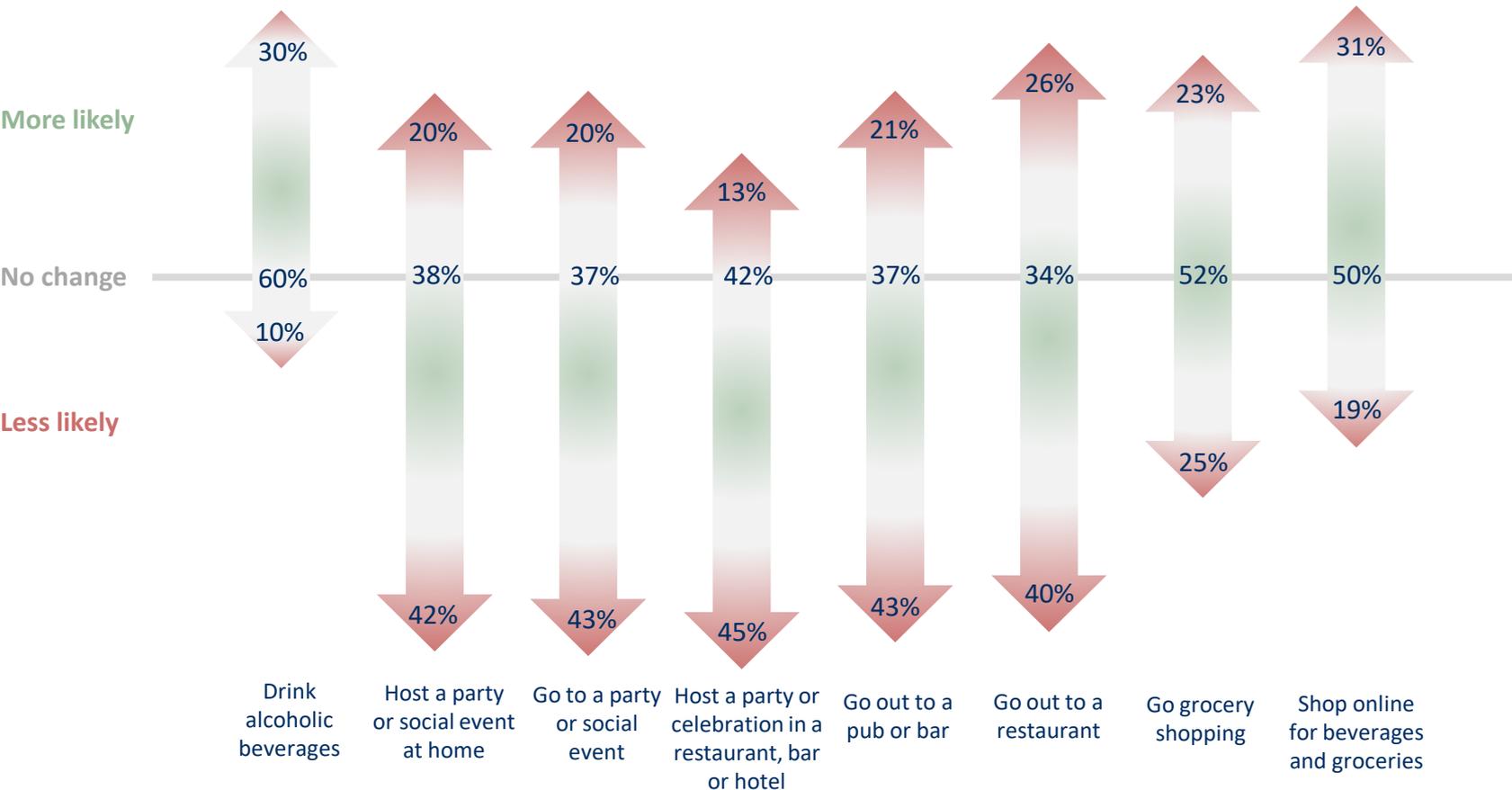
CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED



Already the most frequent wine drinkers, Premium Brand Suburbans anticipate they will consume more alcohol and purchase it online more post restrictions, but they expect to significantly reduce their socializing

Change in typical behavior anticipated after virus restrictions: **Premium Brand Suburbans** - socializing, food and drink

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted
Base = All US regular wine drinkers (n=2,000)



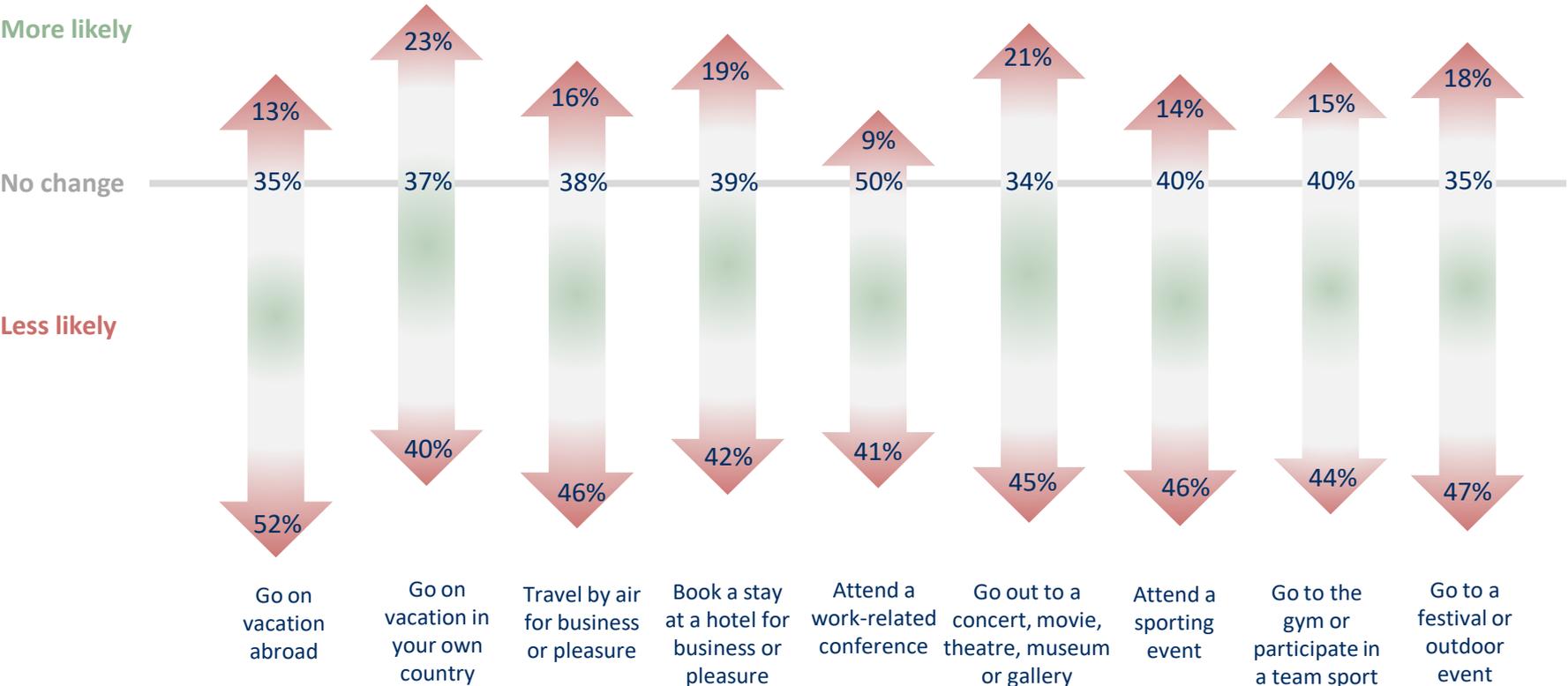
CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED



Premium Brand Suburbans anticipate significantly less overseas and work related travel, but also reduced participation in social & sporting events

Change in typical behavior anticipated after virus restrictions: **Premium Brand Suburbans** - travel, events and sport

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted
Base = All US regular wine drinkers (n=2,000)



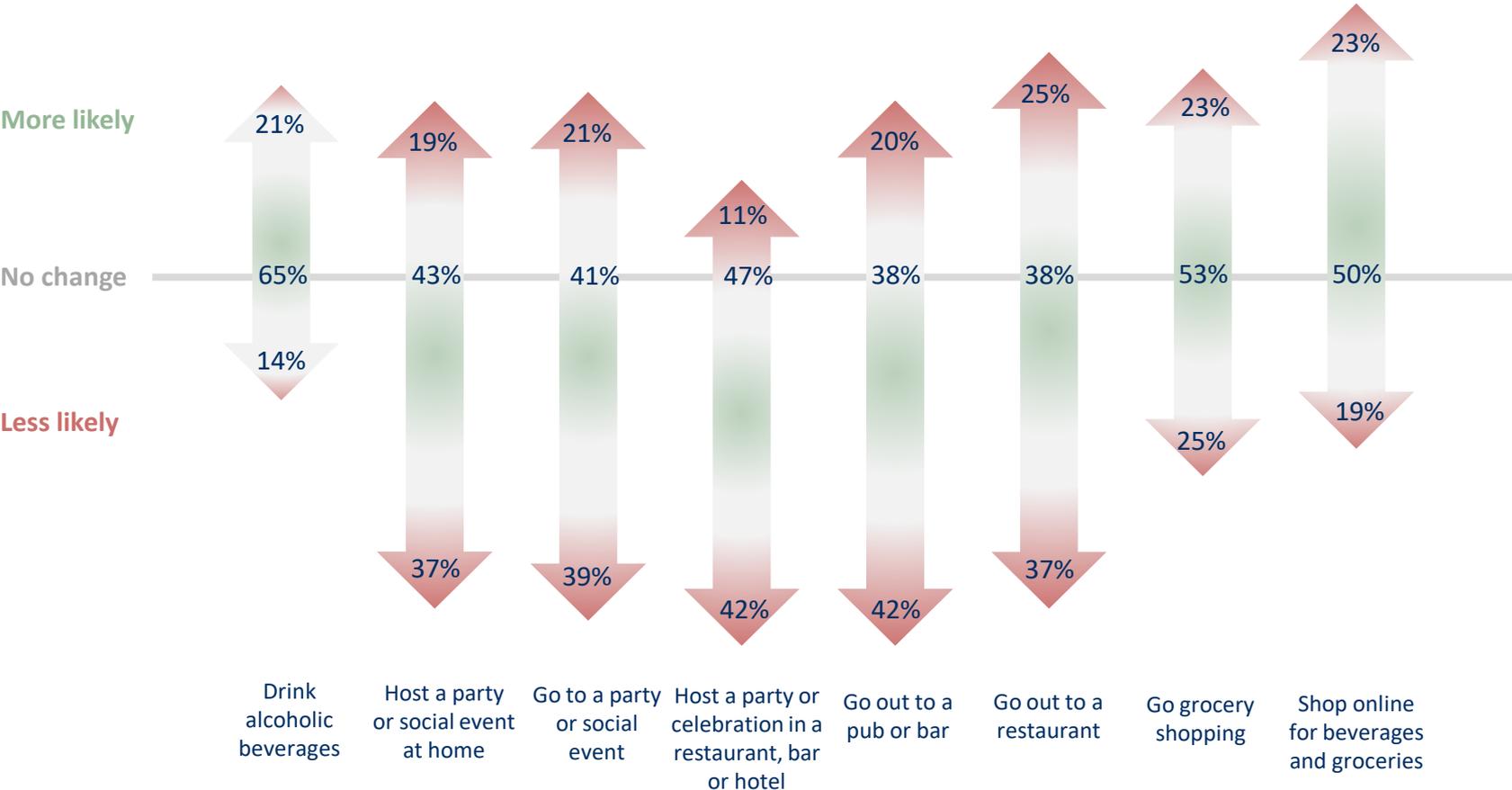
CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED



As currently less frequent wine drinkers, Contented Treaters anticipate that they will consume marginally more alcohol and purchase it online more post restrictions, but significantly reduce their socializing

Change in typical behavior anticipated after virus restrictions: **Contented Treaters** - socializing, food and drink

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted
Base = All US regular wine drinkers (n=2,000)



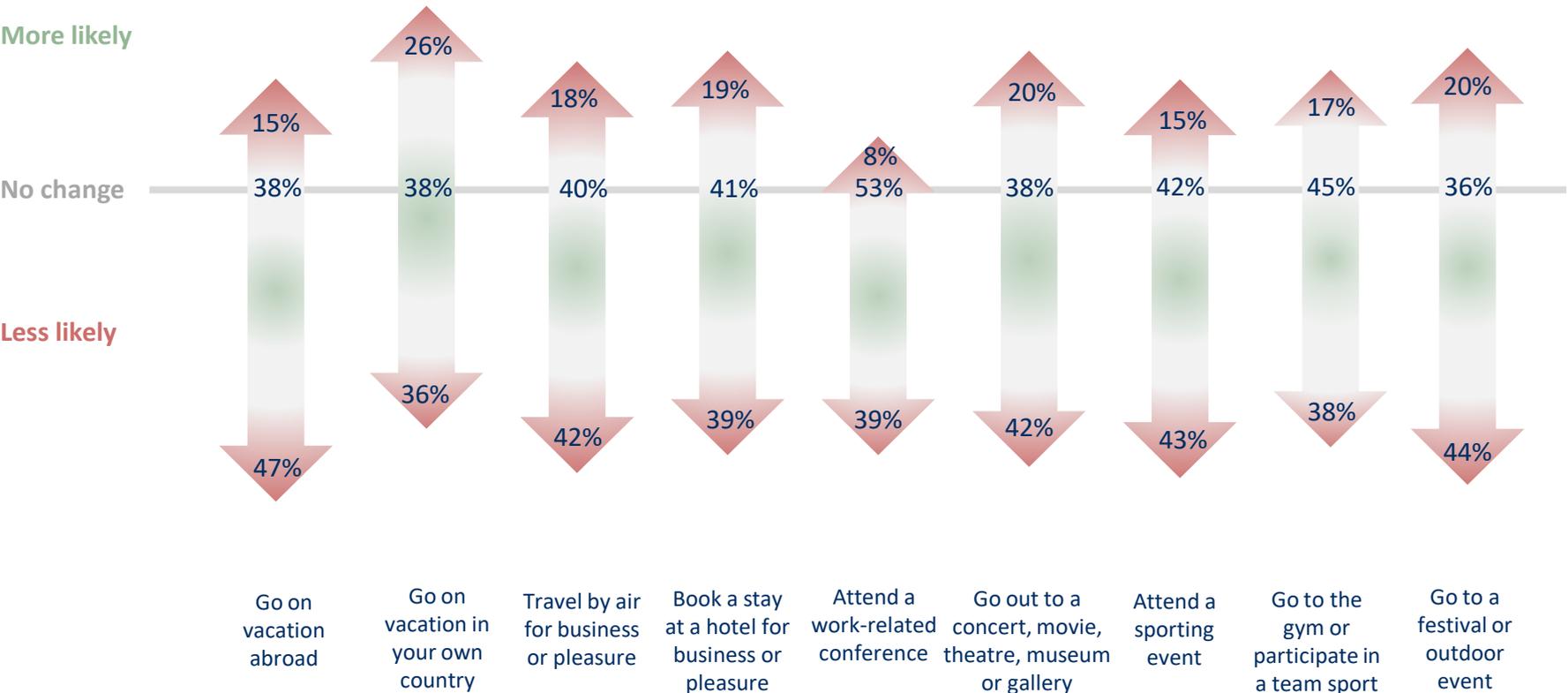
CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED



In-line with other drinkers in the US, Contented Treaters anticipate significantly less overseas and work related travel, but also reduced participation in social and sporting events post restrictions

Change in typical behavior anticipated after virus restrictions: **Contented Treaters** - travel, events and sport

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted
Base = All US regular wine drinkers (n=2,000)



CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED

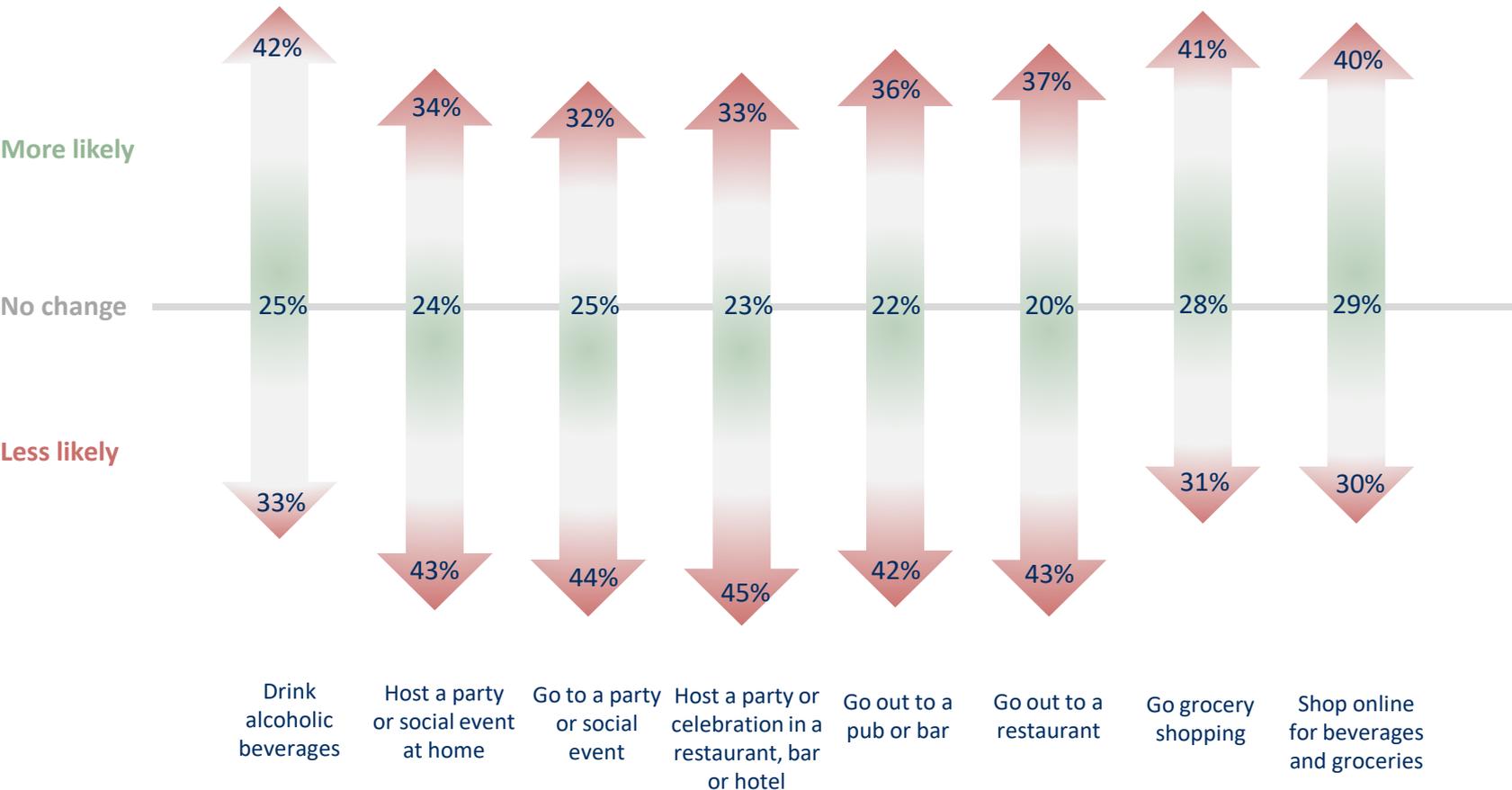


Younger, Social Newbies between them anticipate they will not reduce their socializing behavior as much as other more mature wine drinkers post the impact of restrictions

Change in typical behavior anticipated after virus restrictions: **Social Newbies** - socialising, food and drink

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted
Base = All US regular wine drinkers (n=2,000)

SN



CHANGE IN LIFESTYLE BEHAVIOR ANTICIPATED AFTER VIRUS RESTRICTIONS HAVE ENDED

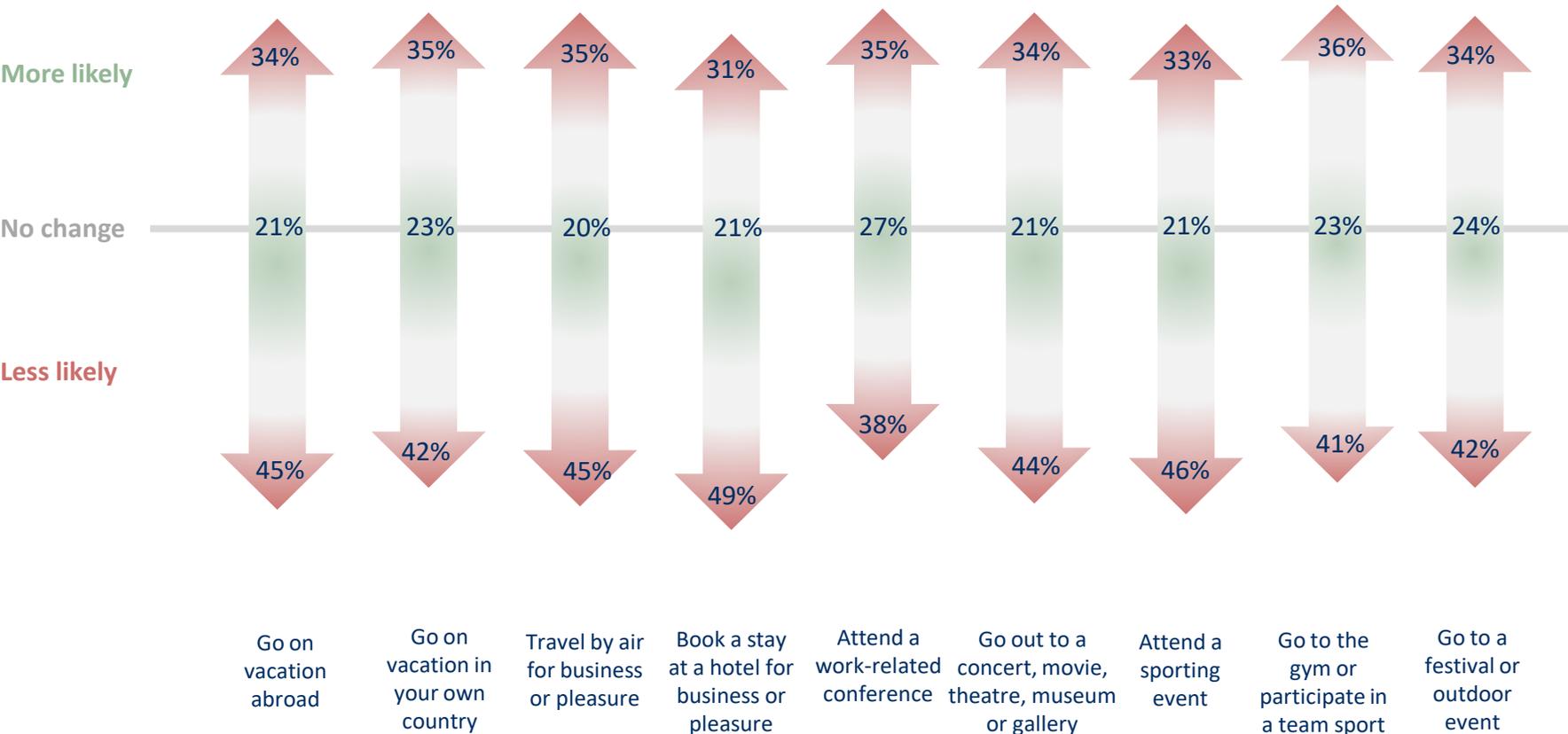


Younger, Social Newbies between them anticipate they will not reduce their travel and event / sport participation attendance as much as other more mature wine drinkers post the impact of restrictions

Change in typical behavior anticipated after virus restrictions: **Social Newbies** - travel, events and sport

% who are more or less likely to do the following activities when the danger of Coronavirus has passed and normal activities are permitted
Base = All US regular wine drinkers (n=2,000)

SN



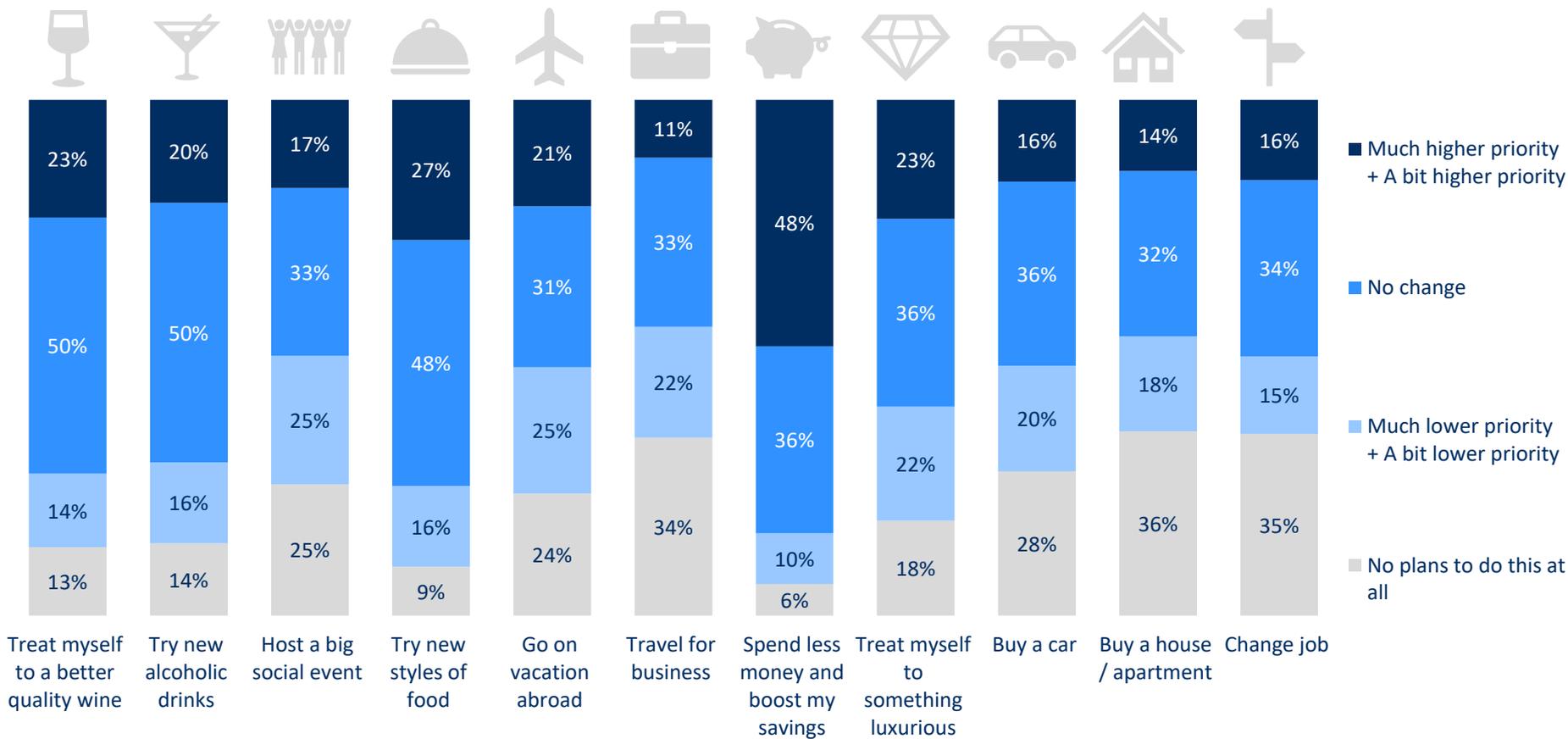
FUTURE BEHAVIOR PRIORITIES



Looking to the future, US wine drinkers anticipate spending less, saving more, and doing less travelling. However their motivations for buying better wine and trying new food and drink appear to be holding up

Future intentions

% who will change their priorities for the following activities once the danger of Coronavirus has passed
Base = All US regular wine drinkers (n=2,000)



FUTURE BEHAVIOR PRIORITIES – SHOWN AS INDEX

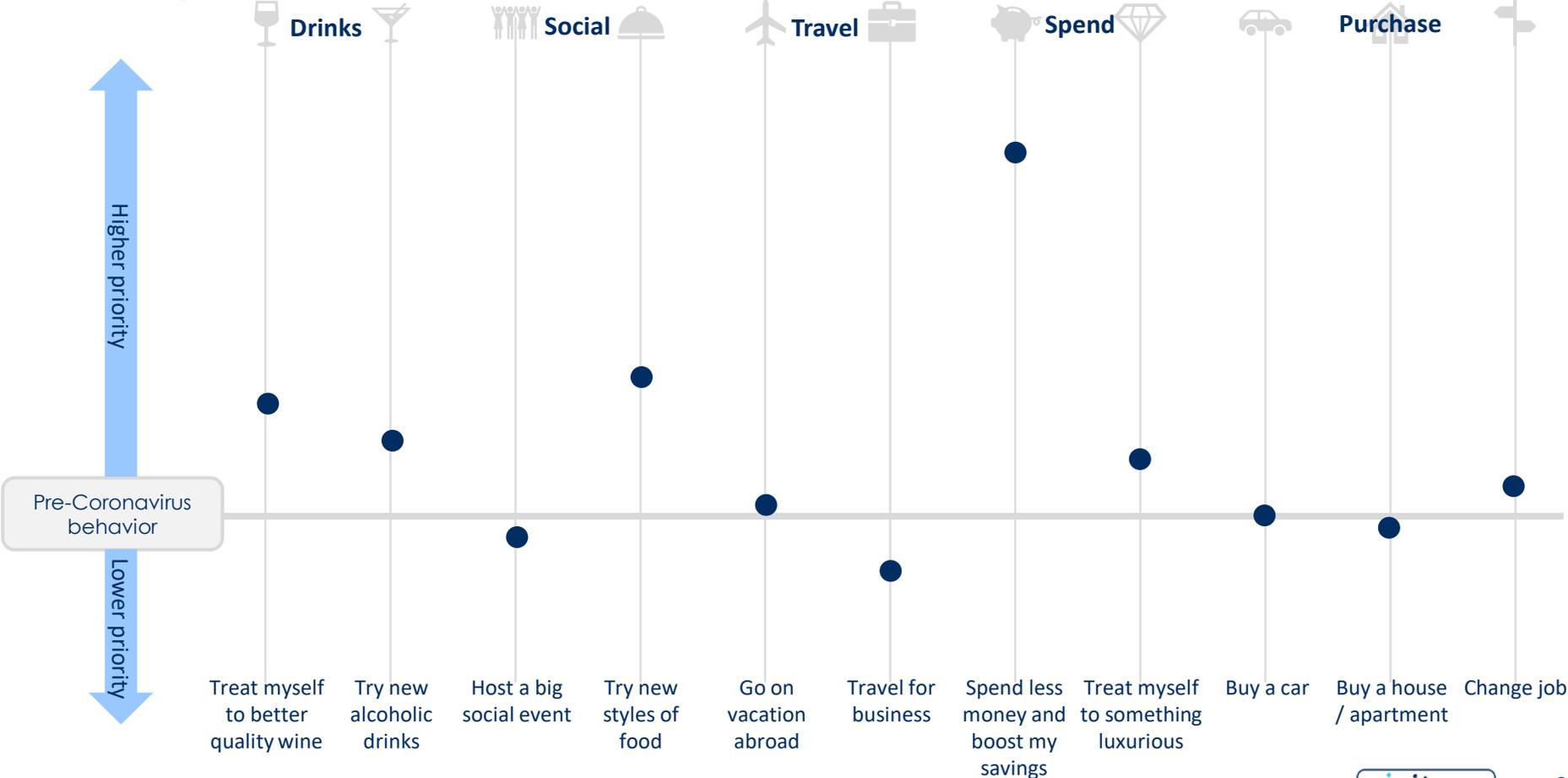


Looking to the future, US wine drinkers anticipate spending less, saving more, and doing less travelling. However their motivations for buying better wine and trying new food and drink appear to be holding up

Future intentions

Change in priorities for the following activities once the danger of Coronavirus has passed
 Base = All US regular wine drinkers (n=2,000)

● All US regular wine drinkers



Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n=2,000 US regular wine drinkers

FUTURE BEHAVIOR PRIORITIES

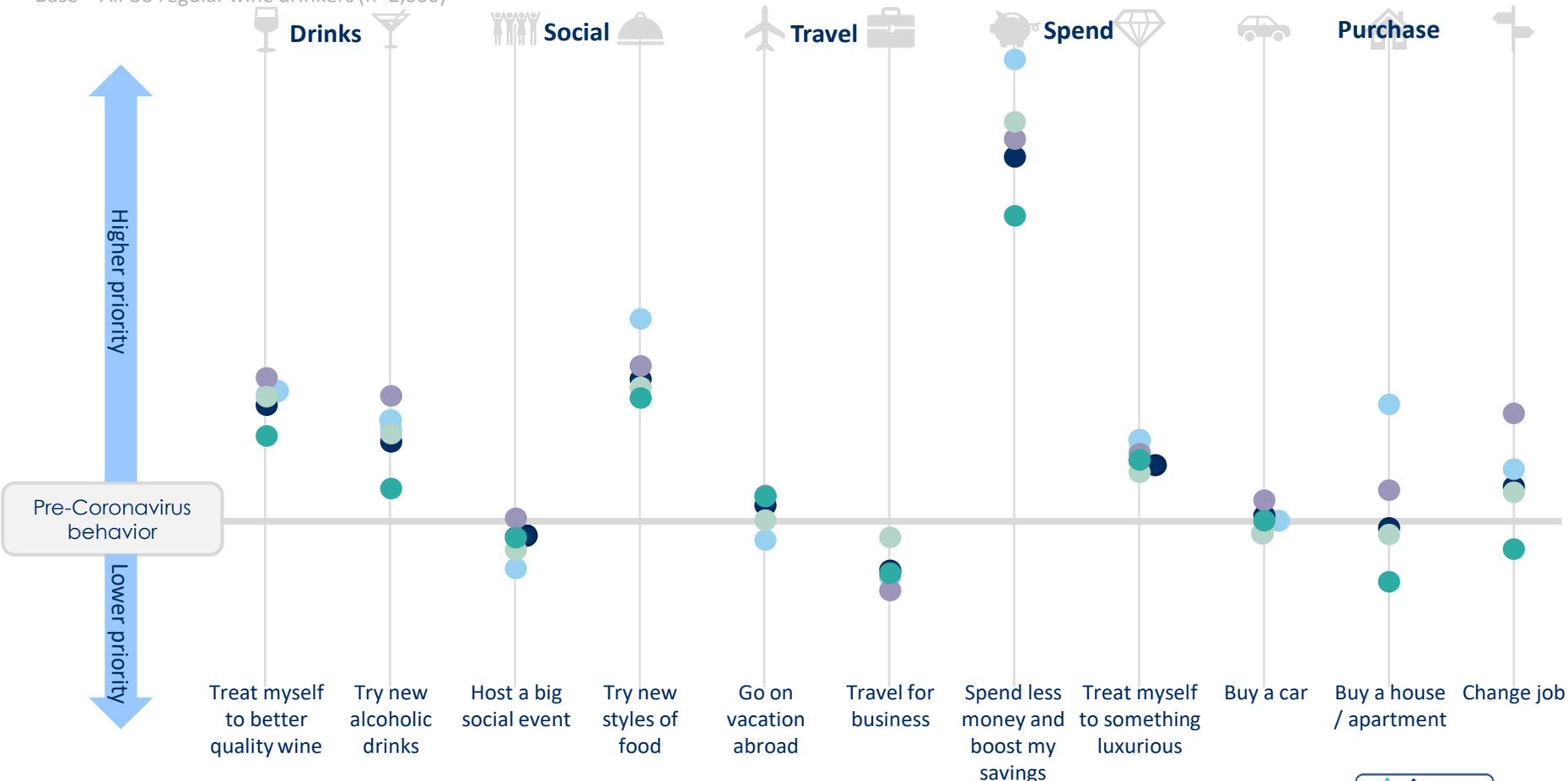


The focus on saving and spending less in the future is anticipated to be a greater priority among Gen Z drinkers

Future intentions: by age cohorts

Change in priorities for the following activities once the danger of Coronavirus has passed
Base = All US regular wine drinkers (n=2,000)

- All US regular wine drinkers
- Gen Z
- Gen X
- Millennials
- Boomers



Gen Z: 21-24 / Millennials: 25-39 / Gen X: 40-54 / Boomers: 55+

Source: Wine Intelligence Vinitrac® US, Mar '20 (31st March 2020 – 16th April 2020), n=2,000 US regular wine drinkers

FUTURE BEHAVIOR PRIORITIES

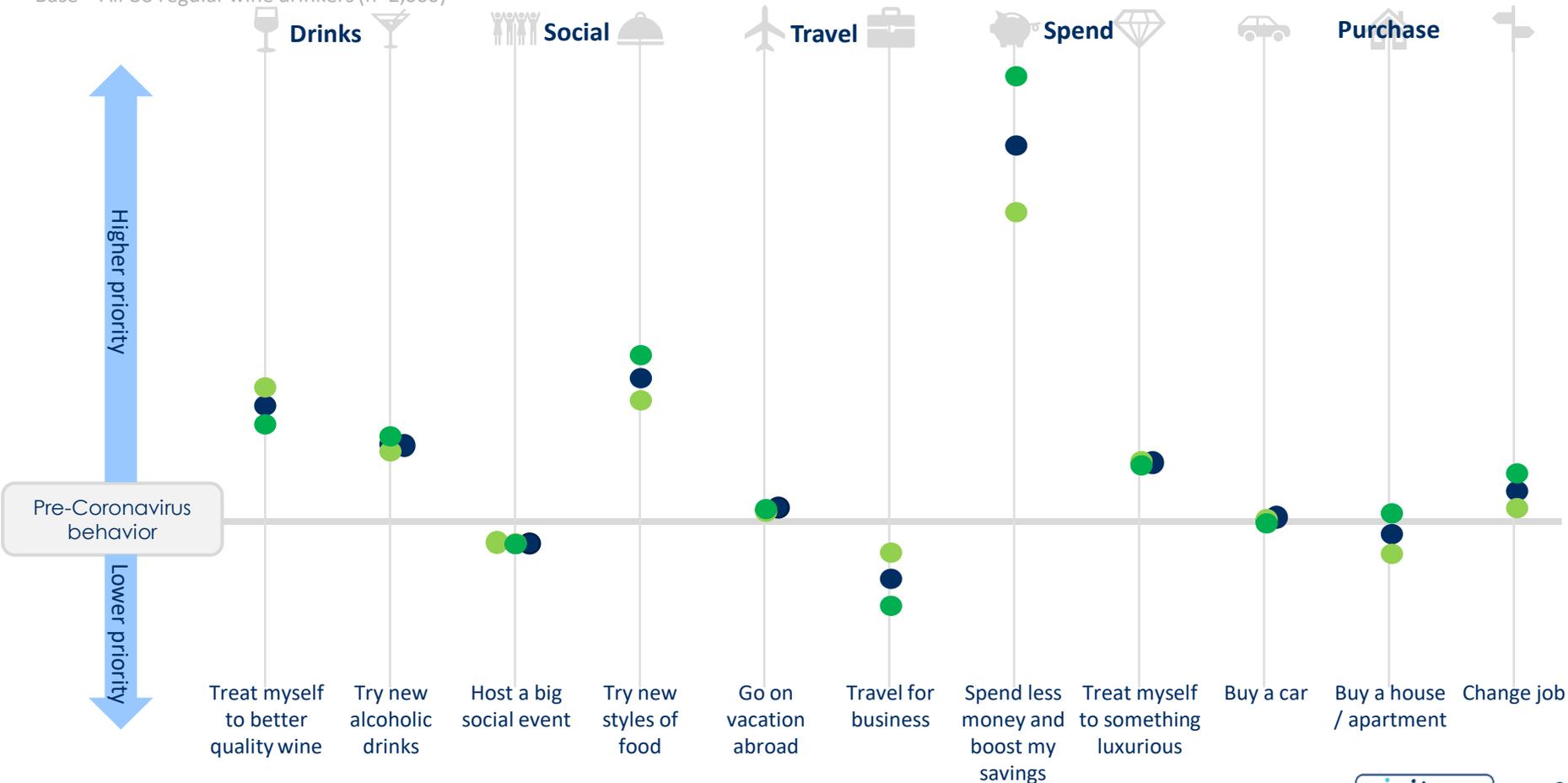


Male and female wine drinkers anticipate similar priority levels in terms of general spending behaviors in the future post the restrictions of Covid-19

Future intentions: by gender

Change in priorities for the following activities once the danger of Coronavirus has passed
 Base = All US regular wine drinkers (n=2,000)

● All US regular wine drinkers ● Female
 ● Male



FUTURE BEHAVIOR PRIORITIES

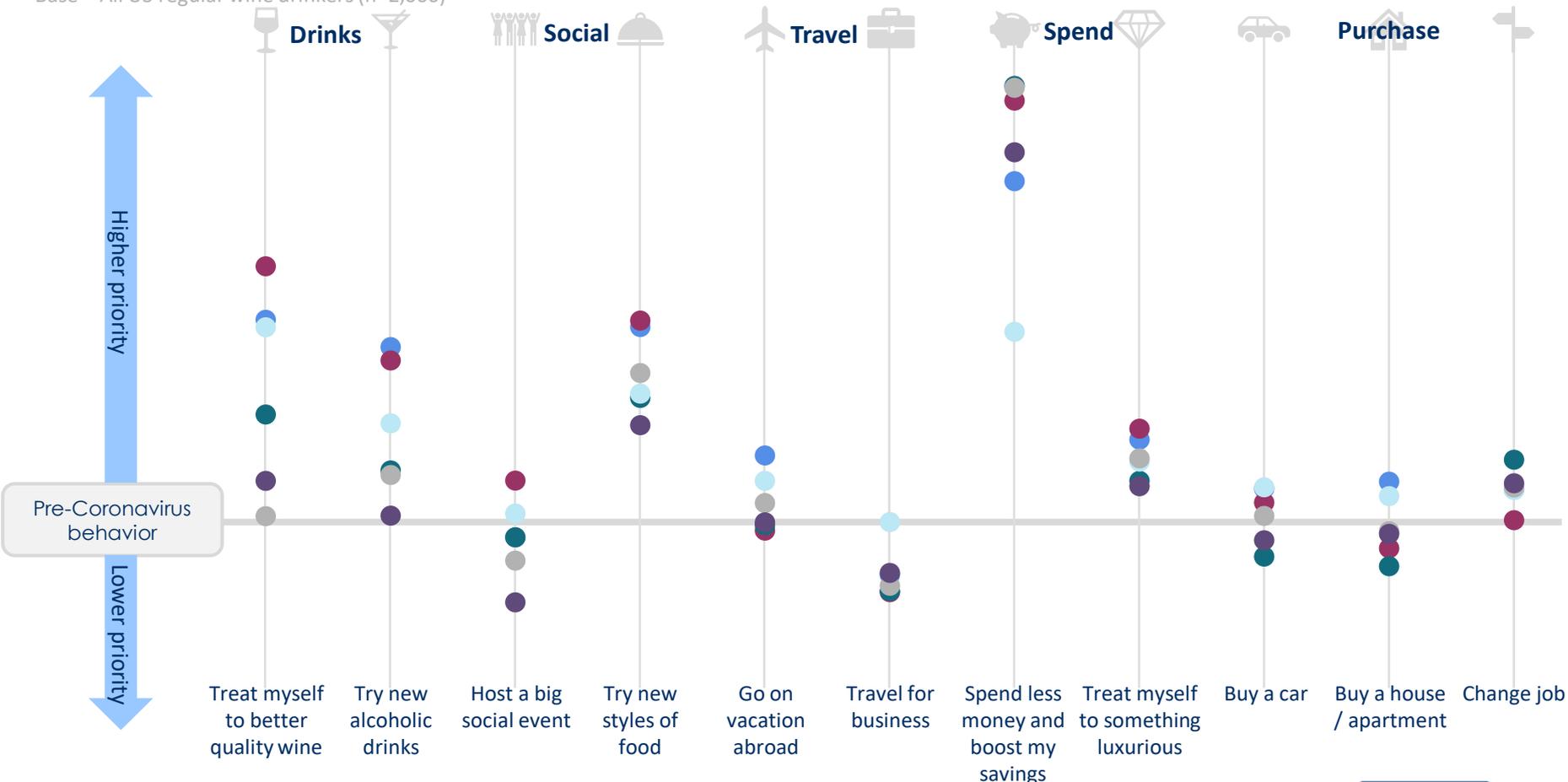


Although not currently the highest spenders on wine, Premium Brand Suburbans anticipate that treating themselves to higher quality wine in the future will be a higher priority

Future intentions: by Portraits



Change in priorities for the following activities once the danger of Coronavirus has passed
Base = All US regular wine drinkers (n=2,000)



FUTURE BEHAVIOR PRIORITIES

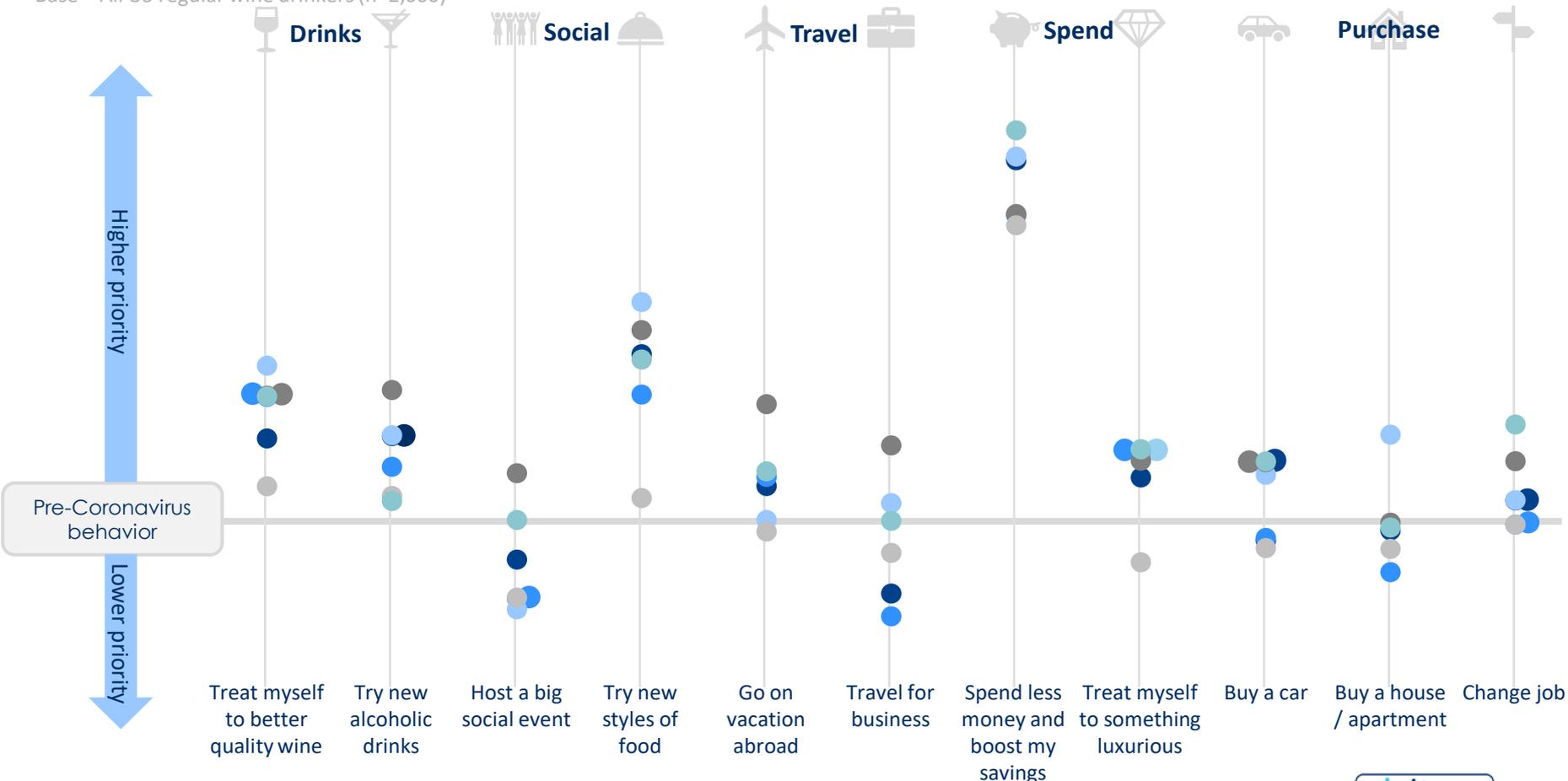


Wine drinkers in NY anticipate that they will be more likely to treat themselves to quality wine and try new food styles in the future post the Covid-19 restrictions

Future intentions: by state



Change in priorities for the following activities once the danger of Coronavirus has passed
Base = All US regular wine drinkers (n=2,000)



CONTENTS



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 - Change in category purchase quantity

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- 97** **Research methodology: Quantitative**

RESEARCH METHODOLOGY: QUANTITATIVE



The data for this report was collected in the US in October 2019 and March 2020

Data was gathered via Wine Intelligence’s Vinitrac® online survey

Respondents were screened to ensure that they drink wine at least once a month; drink red, white or rosé wine; and buy wine in the off-premise or in the on-premise

Invalid respondents (those who sped through the survey or gave inconsistent answers to selected questions) were removed before analysis

The data is representative of US regular wine drinkers in terms of gender, age and region

The distribution of the sample is shown in the table

		<i>October 2019</i>	<i>March 2020</i>
		<i>n=</i>	
Gender	Male	51%	51%
	Female	49%	49%
	Total	100%	100%
Age	21-24	7%	9%
	25-34	21%	19%
	35-44	18%	18%
	45-54	15%	19%
	55-64	16%	16%
	65 and over	22%	19%
	Total	100%	100%
Region	New England	5%	5%
	Middle Atlantic	15%	15%
	East North Central	11%	11%
	West North Central	6%	7%
	South Atlantic	21%	21%
	East South Central	4%	4%
	West South Central	11%	11%
	Mountain	7%	7%
	Pacific	20%	19%
	Total	100%	100%

Source: Wine Intelligence Vinitrac® US, Oct '19, Mar '20 (31st March 2020 – 16th April 2020), n>=2,000 US regular wine drinkers

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