2015 ONTARIO GRAPE + WINE INDUSTRY

Estate Winery Visitors

2015 ONTARIO GRAPE+WINE INDUSTRY

Introduction

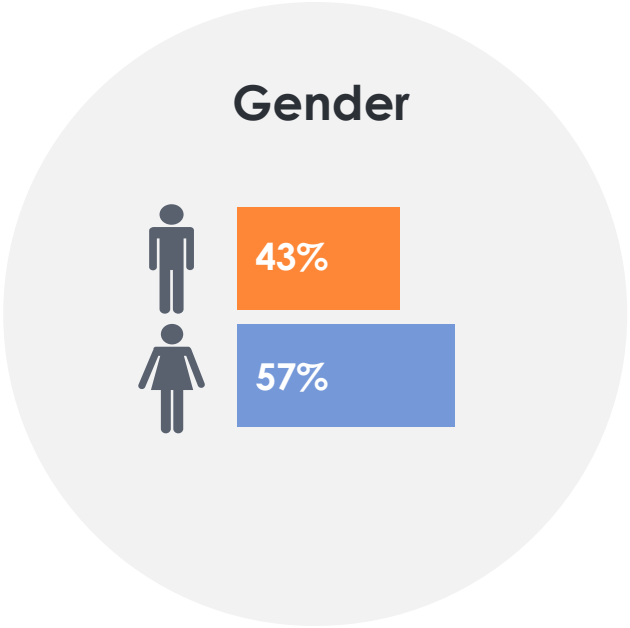
Methodology

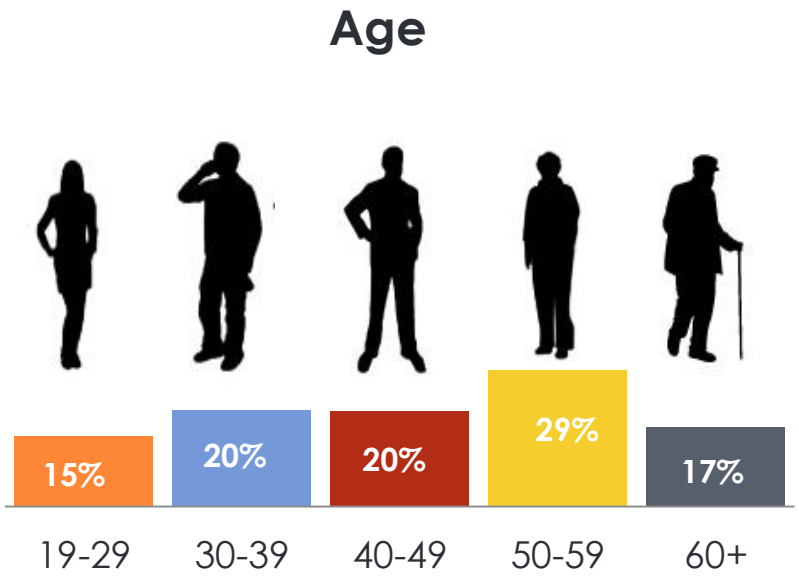
- Quantitative research study in-person intercept interviews in selected Niagara wineries
- Sample size: Total of 923 interviews
- Interviews timeframe: July 2014 over 2 weekends
- Target screening:
  - Ontario residents
  - Age 20+
- Incentive: 50 Bonus Air Miles Reward Miles
- Studied time frame: April 27, 2014 to November 8, 2014
- Vintages wines are included in the analysis

Who visited the winery?

Overall Profile – Total Sample

Skewed Female. The average age is 46 years old.





Source: POS Data 2014P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Overall Profile – Total Sample

Much higher income than the average Ontarian LDA.

Household Income

16%	earn	<$60,000
11%	earn	$60,000 - $74,999
15%	earn	$75,000 - $99,999
27%	earn	$100,000 - $149,999
16%	earn	$150,000 - $199,999
7%	earn	$200,000 - $249,999
9%	earn	$250,000+

58% vs. 33%

Source: PMB

Source: POS Data 2014P02 thru 2014P08

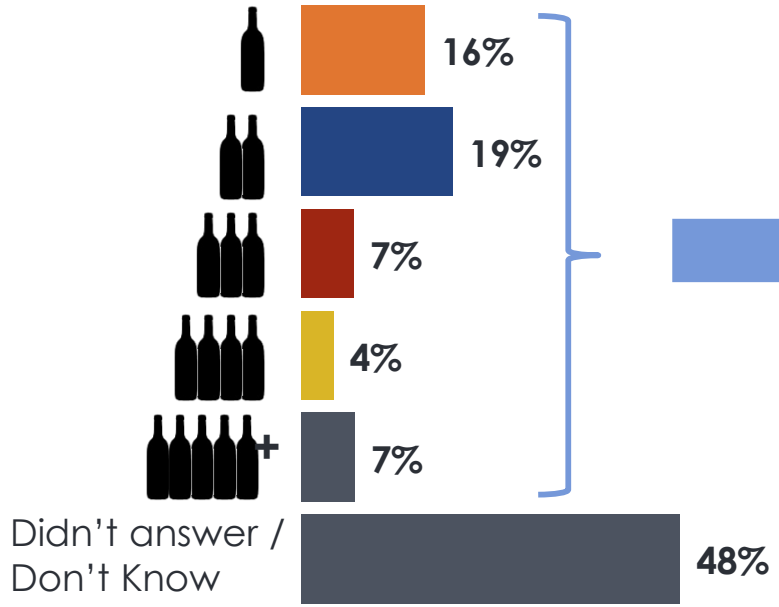
Wine Sales = LCBO Wines + Vintages Wines

Overall Profile – Total Sample

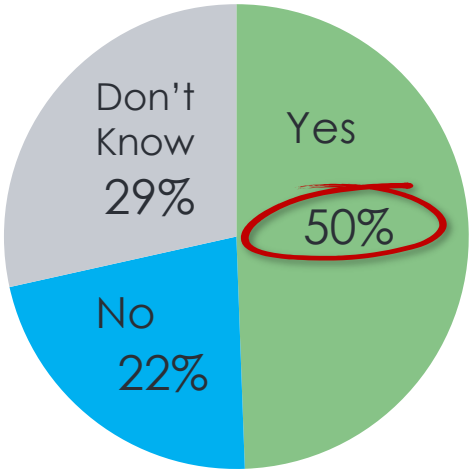
Majority buys 1 or 2 bottles, 11% of visitors purchases 4 or more.

Half of the respondents buy products that are only available at the winery.

No. Bottles purchased during their visit



Are the wines you purchased today only sold here in the winery?



Source: POS Data 2014P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Total Sample - Profile

Total Sample

Skewed to females, 46 avg. years old

90% stated to purchase wine at the LCBO at least once a month

3 out of 10 have visited Ontario wineries more than 6 times over the last two years

50% purchased wine during their visit to wineries

8 out of 10 went to the participating wineries for a wine tasting

70% had an "excellent" winery experience (Highest score 82%, lowest score 69%)

Source: POS Data 2014P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Total Sample - Profile

LCBO Purchase Behavior

86% Unique Air Miles Collectors have purchased at the LCBO during the time frame analyzed

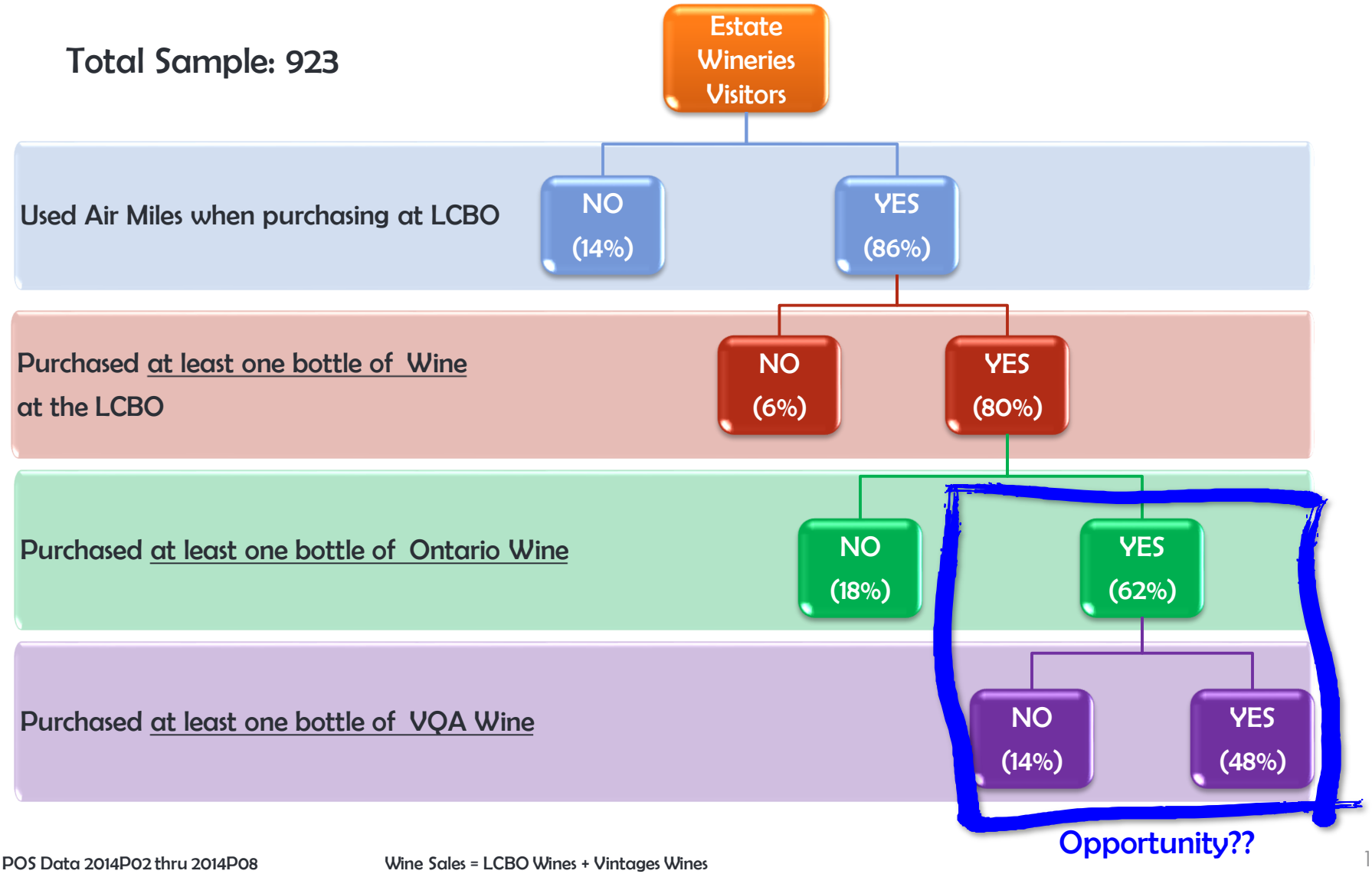
- 93% purchased at least one bottle of wine
- 72% purchased at least one bottle of Ontario Wine
- 39% purchased at least one bottle of participating-wineries Wine

Source: POS Data 2014P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Sizing the Opportunity

Sizing the opportunity



Source: POS Data 2014P02 thru 2014P08

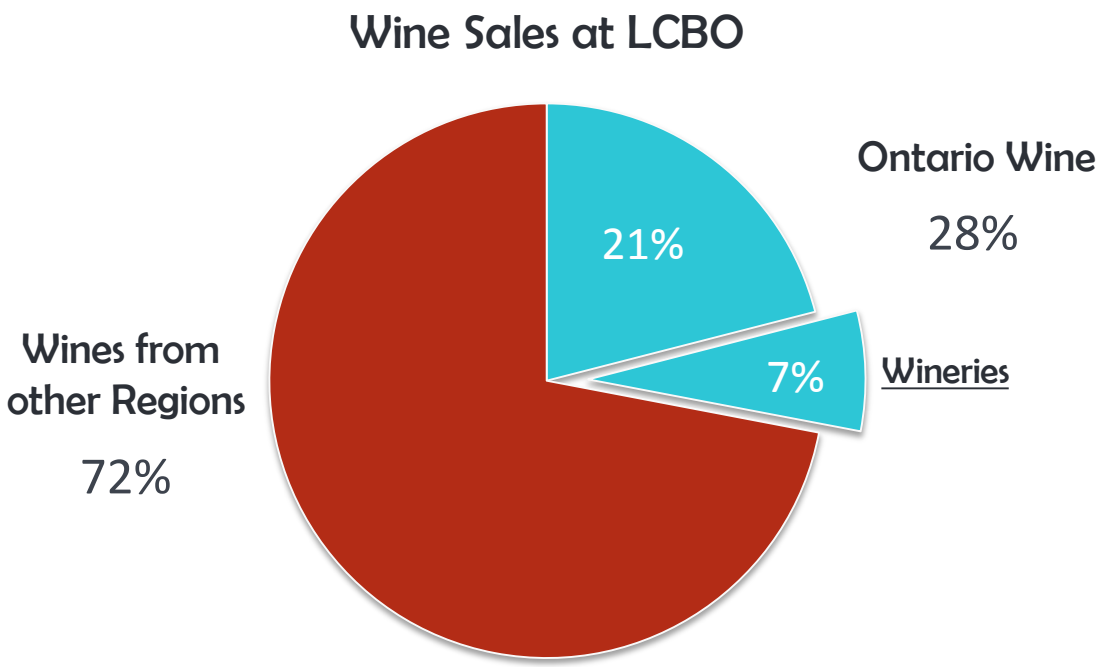
Wine Sales = LCBO Wines + Vintages Wines

Ontario Wineries Sales at LCBO

Ontario Wine Shoppers

Ontario Wines represent **28%** of the total Wine Sales

Selected Wineries Sales represents **7%** of the total Wine Sales.

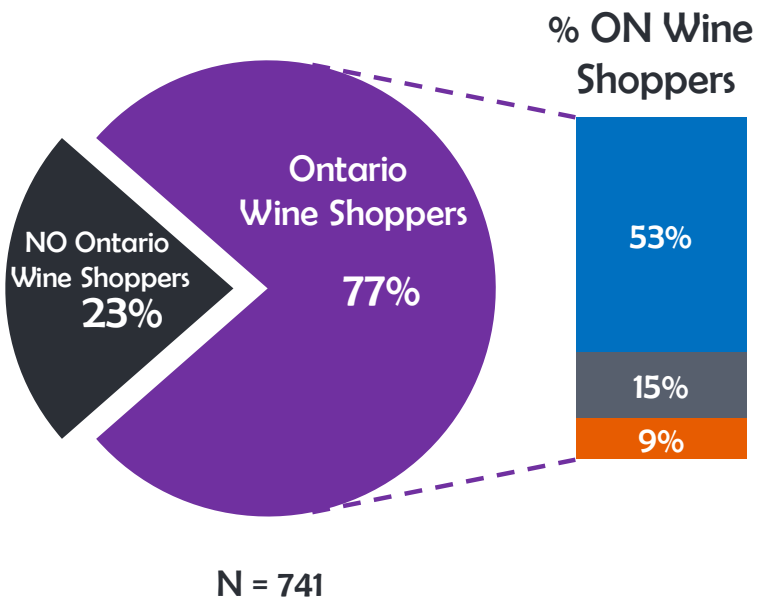


Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Ontario Wine Shoppers

- **77%** of respondents bought Ontario Wines
- About **half (53%)** of respondents spent less than **$400** on wine (**Light shoppers**)
- 1 in 10 respondents (**Heavy shoppers**) spent more than **$1000** on wine



N = 741

Wine Value Shopper

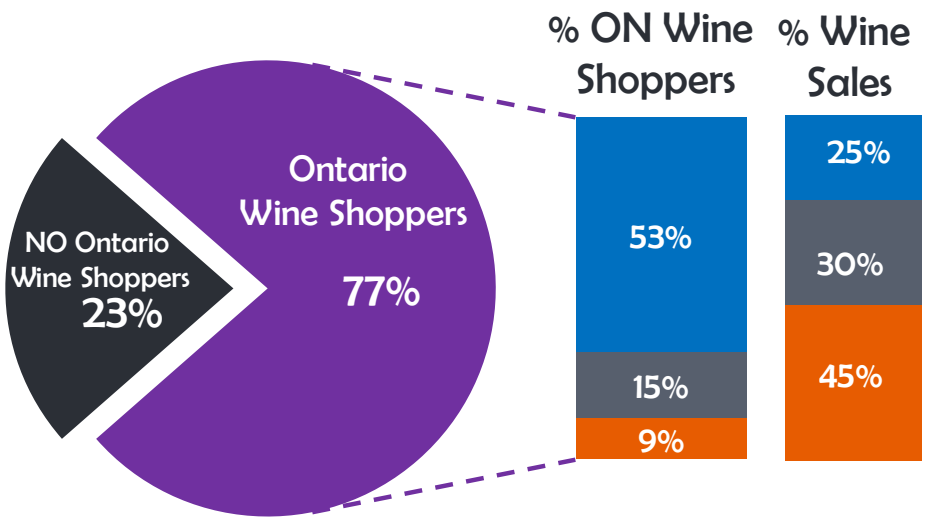
Light	less than $400 on wine
Medium	between $400 to $999.99
Heavy	more than $1,000 on wine

Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Ontario Wine Shoppers – Wine Spending

- **Light Wine Shoppers** spent **25%** of their wine budget on Ontario wine
- **45% was** spent by **Heavy Ontario Wine Shoppers**



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Wine Value Shopper

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Medium	between $400 to $999.99
Heavy	more than $1,000 on wine

Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Ontario Wine Shoppers – Wine Spending

N = 741

Light Wine Shoppers
Medium Wine Shoppers
High Wine Shoppers

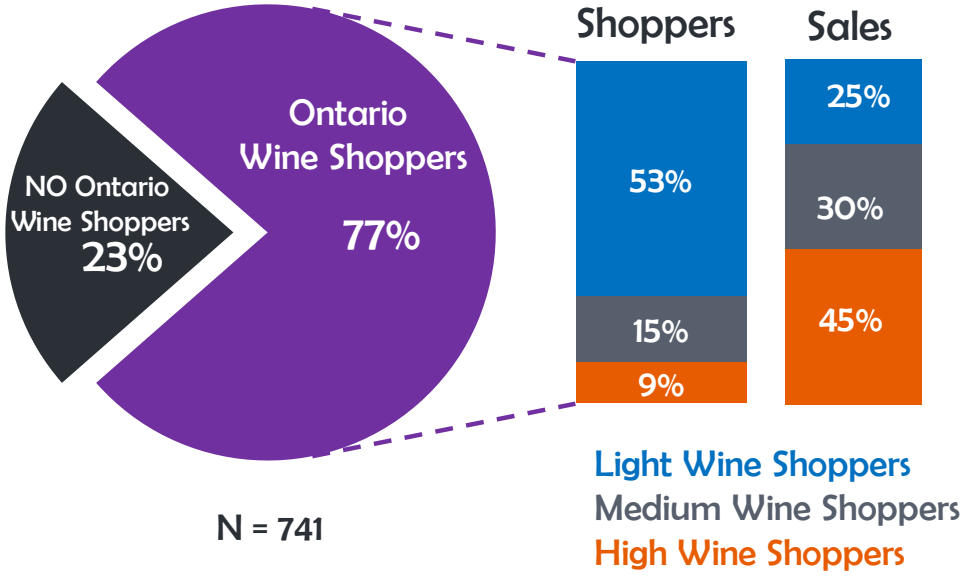
Average Wine Spending			
Not Ontario Wine	Others ON Wineries	Selected Wineries	Total Wine
$103	$46	$31	$180
$461	$134	$79	$674
$1,206	$260	$116	$1,582

Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Ontario Wine Shoppers – Wine Spending

On average, **Light Wine Shoppers** spent **17%** of their wine budget on wines from the selected wineries ($31 of $180) versus **Heavy Wine Shoppers**, who spent **7%** ($116 of $1,582).



N = 741

Average Wine Spending			
Not Ontario Wine	Others ON Wineries	Selected Wineries	Total Wine
57%	26%	17%	$180
68%	20%	12%	$674
76%	16%	7%	$1,582

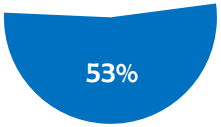
Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Wine spenders: Light, Medium and Heavy Value

Profile – Significant differences by demographics

Light Value Wine Spender



58%

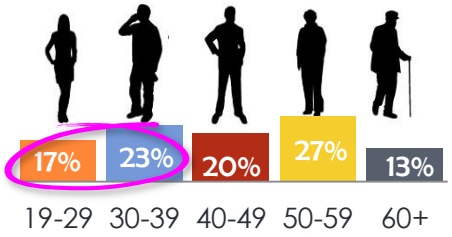
30%

Earn more than $150K

lower income

younger

44 Avg. Age

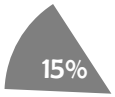


Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Profile – Significant differences by demographics

Medium Value Wine Spender



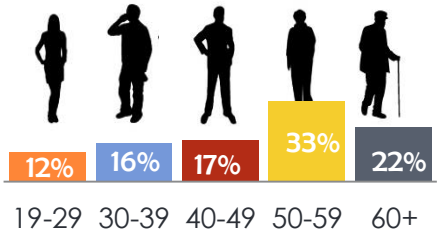
58%

42%

Earn more than $150K

higher income

49 Avg. Age



Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Profile – Significant differences by demographics

High Value Wine Spender

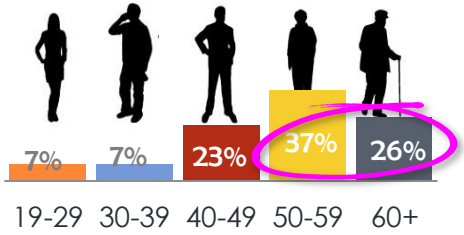
54%

46%

Earn more than $150K

highest income

52 Avg. Age



older

Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Profile – Significant differences by demographics

younger

Light Wine Spender

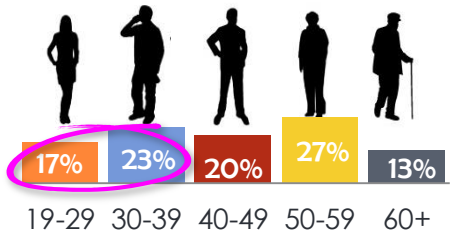
58%

30%

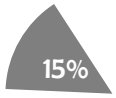
Earn more than $150K

lower income

44 Avg. Age



Medium Wine Spender



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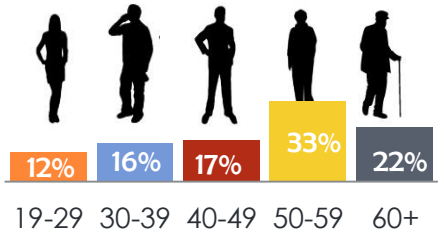

High Wine Spender

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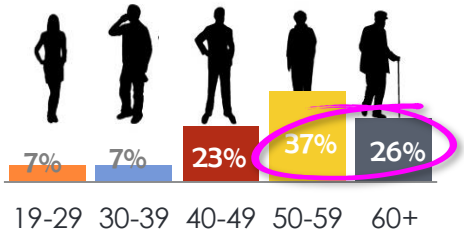
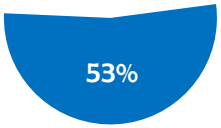
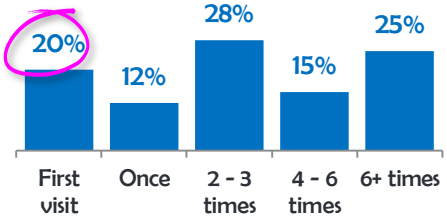
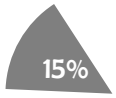
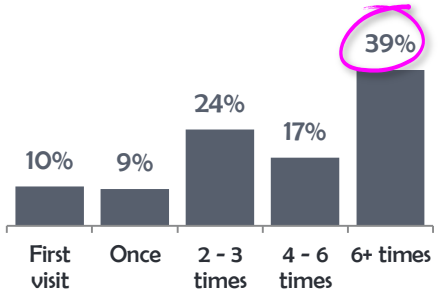
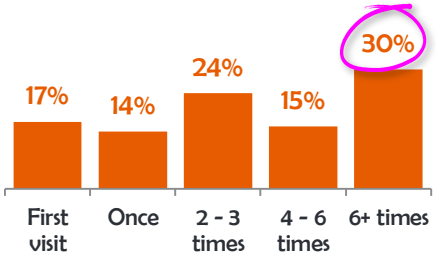


older

Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

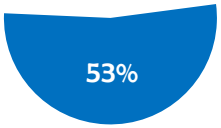
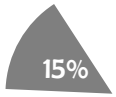
Stated Purchase Behavior

	Winery Experience	% That buy wine at least once a month at LCBO	Times visited Ontario wineries in the past 2 years
Light Wine Spender 	72%	87%	
Medium Wine Spender 	74%	99%	
High Wine Spender	76%	99%	

Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Stated Purchase Behavior

	Purchased Wine during their visit to the Wineries	Average # of bottles purchased during the visit	LCBO Sales
Light Wine Spender 	52%		$136,507 (35%)
Medium Wine Spender 	59%		$110,831 (28%)
High Wine Spender	56%		$144,839 (37%)

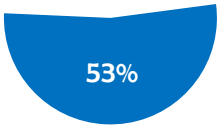
Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Stated Purchase Behavior

Wine Sales

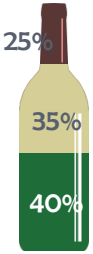
Light Wine Spender



42% Wine Sales

VINTAGES FINE WINE & PREMIUM SPIRITS

LCBO



European Wines

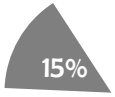
New World Wines

ON Wines

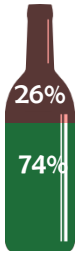
VQA 25%

ICB 14%

Medium Wine Spender



64% Wine Sales



VINTAGES FINE WINE & PREMIUM SPIRITS

LCBO

European Wines

New World Wines

ON Wines

VQA 16%

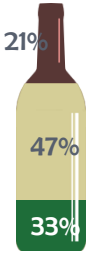
ICB 13%

High Wine Spender

78% Wine Sales

VINTAGES FINE WINE & PREMIUM SPIRITS

LCBO



European Wines

New World Wines

ON Wines

VQA 15%

ICB 12%

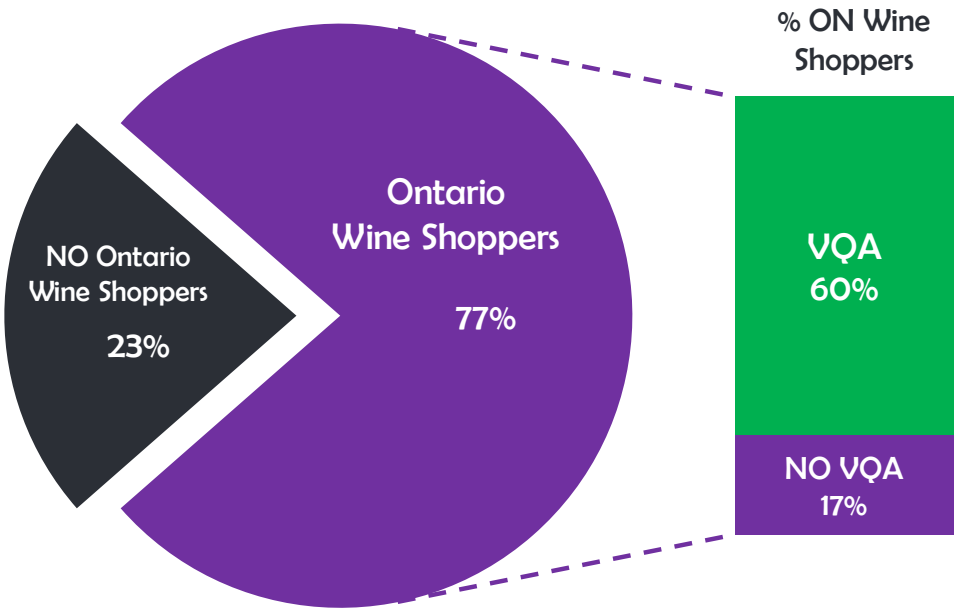
Source: POS Data 2014 P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Conversion

VQA Purchase Behavior at the LCBO

60% of the sample purchased VQA wines at the LCBO during the studied time



N = 741

Source: POS Data 2014P02 thru 2014P08

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VQA Purchase Behavior at the LCBO

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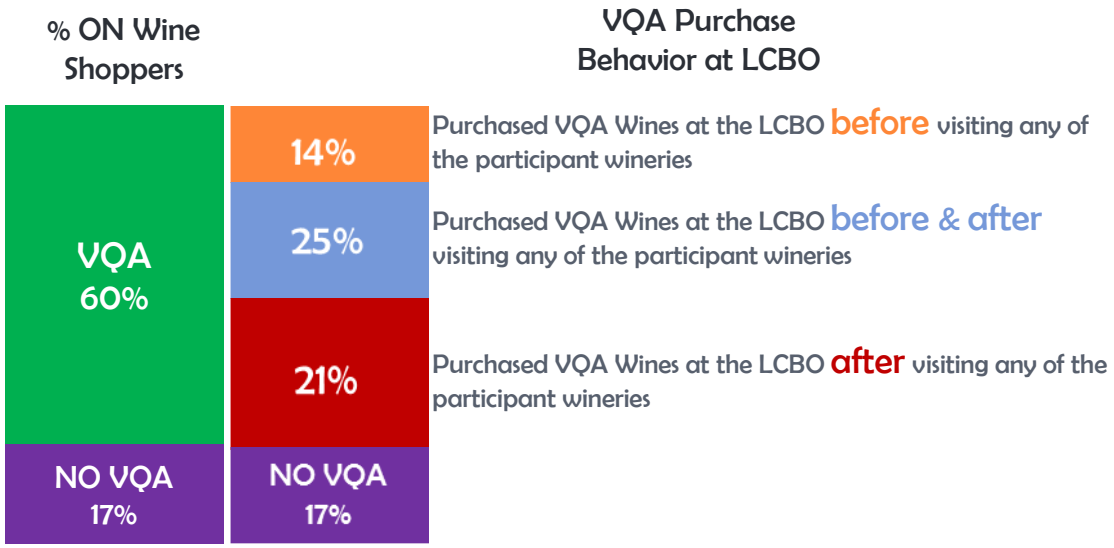

Source: POS Data 2014P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Quantifying the Wineries Visit effect at the LCBO

For every
10,000
Visitors (Ontarians LDA)

	Before	After	% Diff.
52% of the visitors will be No- Wine Shoppers / No-Ontario Wine Shoppers / No VQA Wine Shoppers	No effect		
11% of the visitors will decide not to buy more VQA wines at the LCBO (Are they buying directly from the wineries?)	$39,822	--	--
20% of the visitors will remain loyal to VQA wines at the LCBO	$127,309	$143,371	13%
17% of the visitors will buy VQA wines at the LCBO after their visit	--	$64, 714	--
Total effect VQA Sales at the LCBO	$167,130	$208,085	25%

Source: POS Data 2014P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

PRESS RELEASES
BACKGROUNDER & FACTS
VQA Wine facts & statistics
Canadian Wine Regions
Historical Timeline
Sustainability
RECENT ARTICLES & STORY IDEAS
ICEWINE & SO MUCH MORE
OUR STORY: A COOL-CLIMATE WINE REGION
SEE OUR VIDEOS
TRAVEL GUIDE
ONTARIO WINE AVAILABLE OUTSIDE ONTARIO
AWARD-WINNING VQA WINES
PHOTO & IMAGE DOWNLOADS
RESTAURANT RECOGNITION — WE LOVE WINE COUNTRY ONTARIO
OTHER INDUSTRY RESOURCES

VQA Wines - Production	
Total - ALL wine (2014)	23.4 million litres / 2.6 million cases
Average annual Icewine	800,000 litres
Average annual Late Harvest wine	150,000 litres

Grape Production	
Wine grape acreage	17,000 acres (6,900 hectares)
Wine grapes processed (2013)	77,800 (metric) tonnes
of which, Vinifera grape processed (2013)	51,200 tonnes
Value of wine crop (2013)	$ 101 million
Value of vineyard land in Niagara	$ 40,000 per acre

Number of VQA wineries	
As at March 2014	150
vs. number of wineries in 2008	102
vs. number of wineries in 2003	66

EXPORT	
Wholesale value of VQA Sales (2012) (exports are split approximately 50% Icewine & 50% table wine)	$40 million
Top 10 Countries for Export	United States, China, South Korea, Singapore, Japan, Hong Kong, United Kingdom, Taiwan, Malaysia, France
Ontario Wine Sold Outside of Ontario	Click Here to see the list

TOURISM	
Estimated number of visitors to wineries annually	**>1.8 million**

Scenario: 3 months sales impact

1.8
Million Winery Visitors

20% of visitors from Ontario	$7,491,060
30% of visitors from Ontario	$11,236,590
50% of visitors from Ontario	$18,727,740

Source: POS Data 2014P02 thru 2014P08

Wine Sales = LCBO Wines + Vintages Wines

Thank you!