



2022 Direct-to-Consumer Wine Survey Results – Ontario, Canada

August 2022

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Housekeeping

- To turn on the closed captioning feature for today's webinar, please click the Live Transcript button on the below Zoom bar.
- Please feel free to submit questions using the Q&A function.
- We will send a link to the recording after the webinar.

Featured Speakers



Patti Aubry
*Senior Marketing
Manager,*
Wine Marketing
Association of Ontario



Carolyn Hurst
President,
Westcott Vineyards



Rob McMillan
EVP & Founder,
Silicon Valley Bank
Wine Division



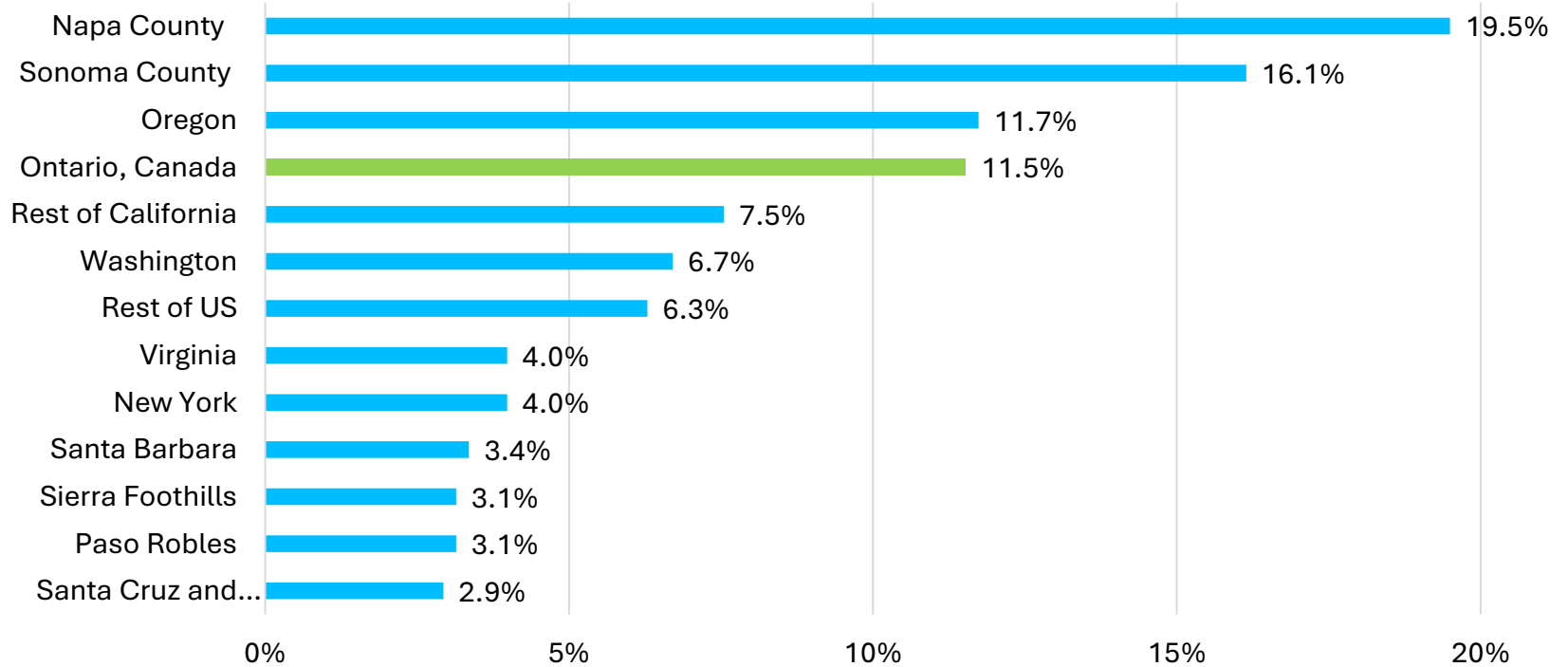
José R. Salgado
Vice President, Strategy,
VQA & DTC
Andrew Peller Limited



Alison Zalepa
*Director, Estate Winery
Marketing & Retail*
Diamond Estate
Wines & Spirits

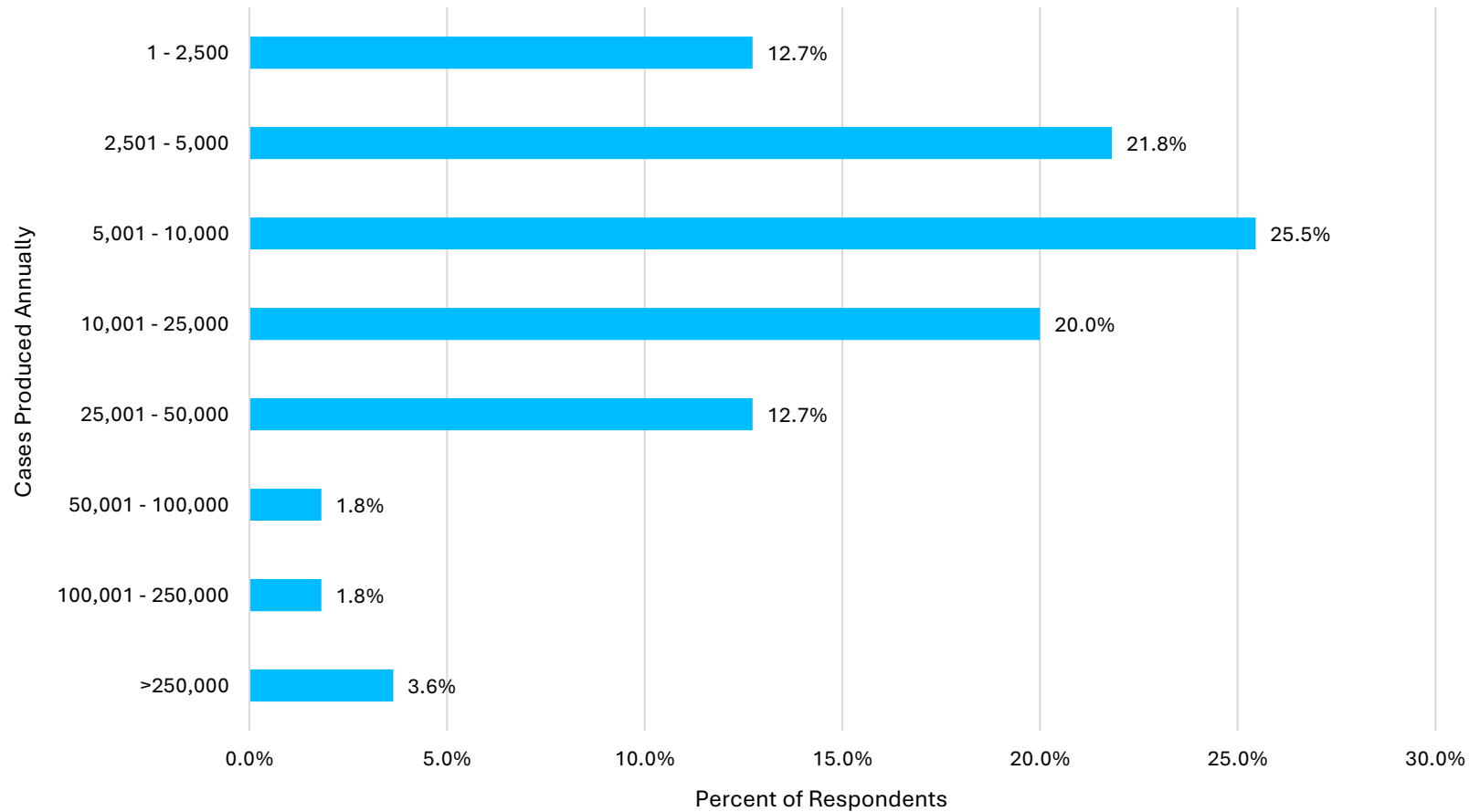
Regional Participation in Survey

(490 Total Respondents)



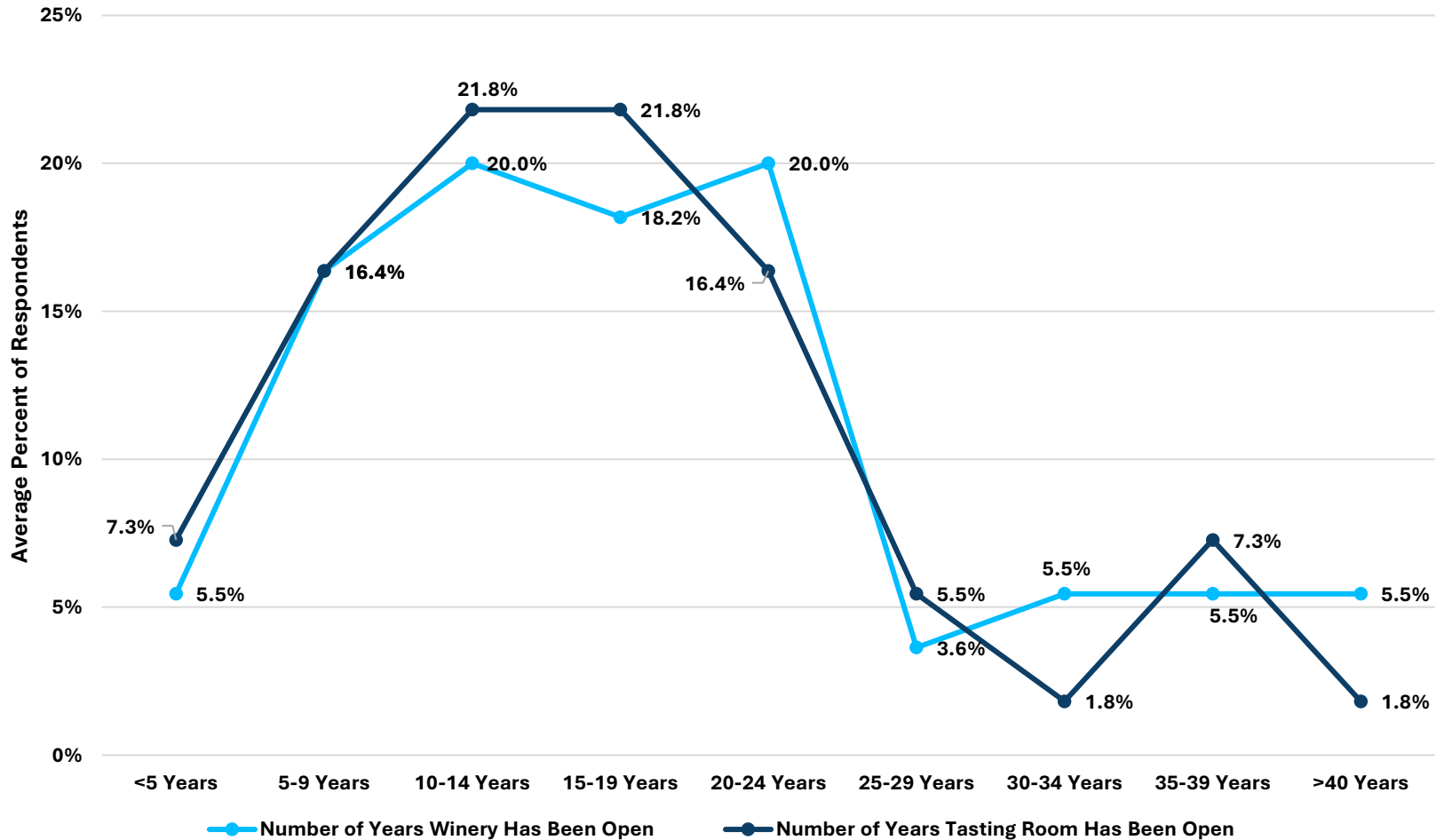
Survey Participation by Case Production – Ontario, Canada (55 respondents)

26.1% of US survey participants produce less than 2,500 cases

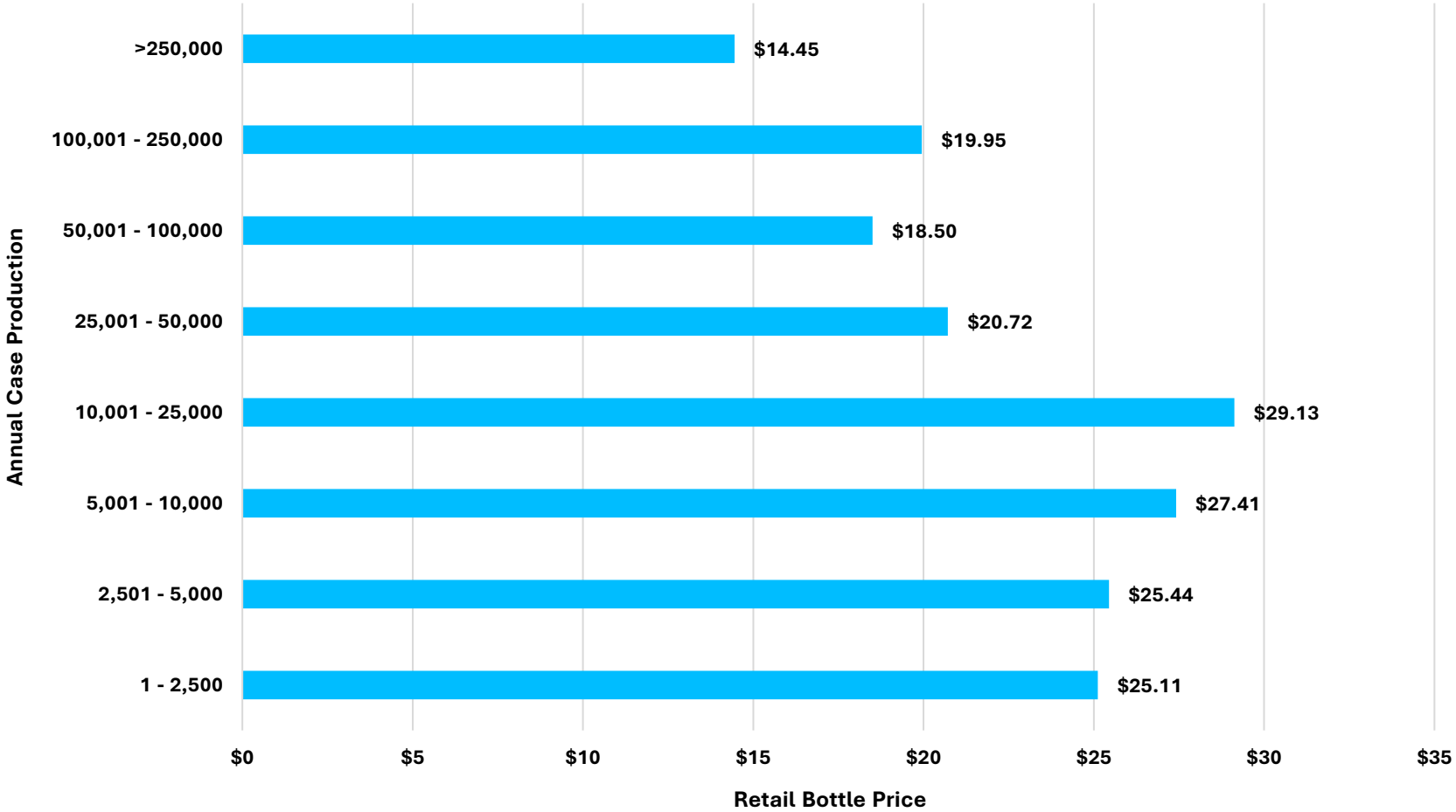


Tenure of Winery and Tasting Room- Ontario, Canada

US curve is similar except 13.5% of US participants are 40+ years

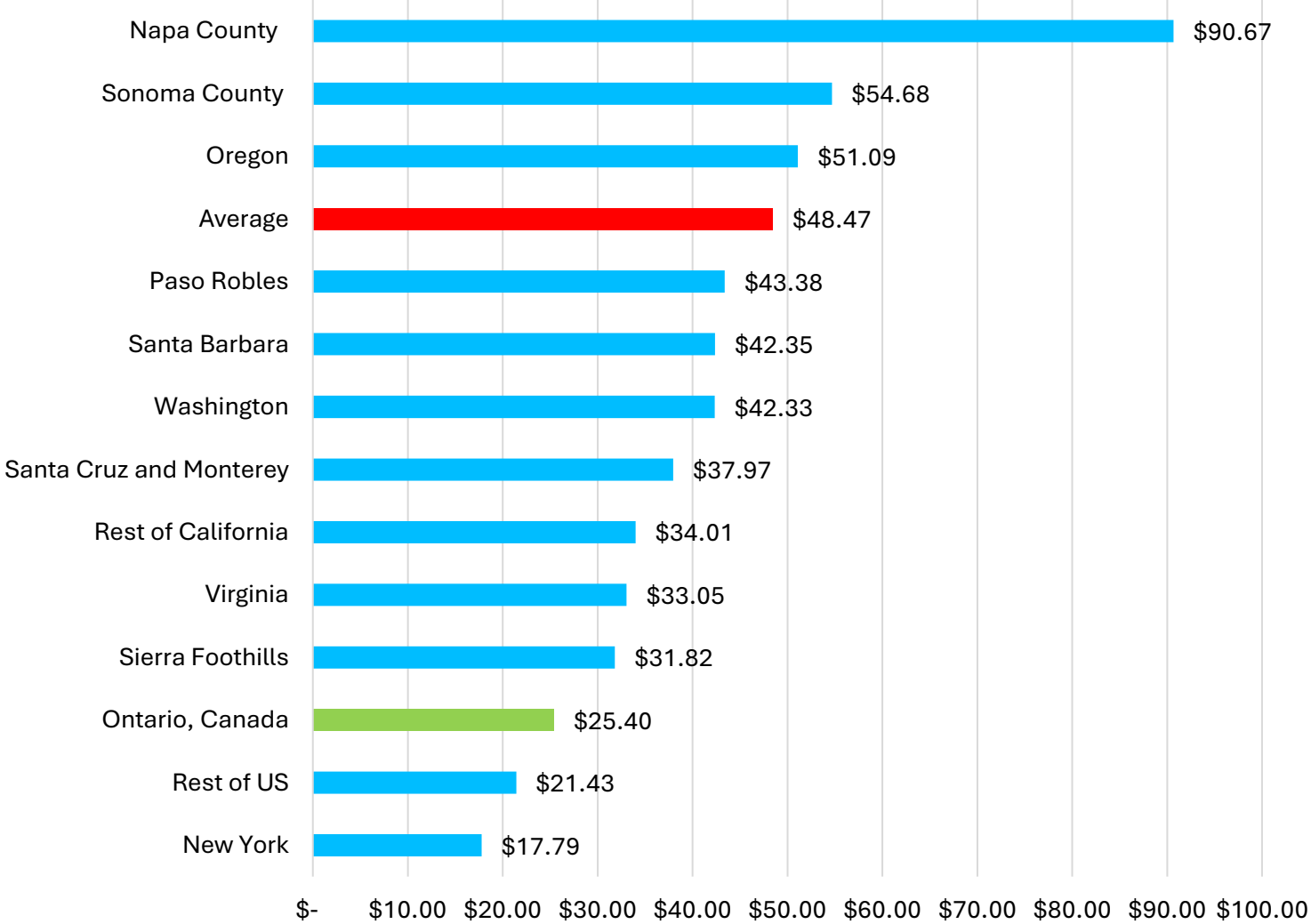


Average Retail Bottle Price by Case Production – Ontario, Canada



Average Suggested Retail Bottle Price Of Respondents

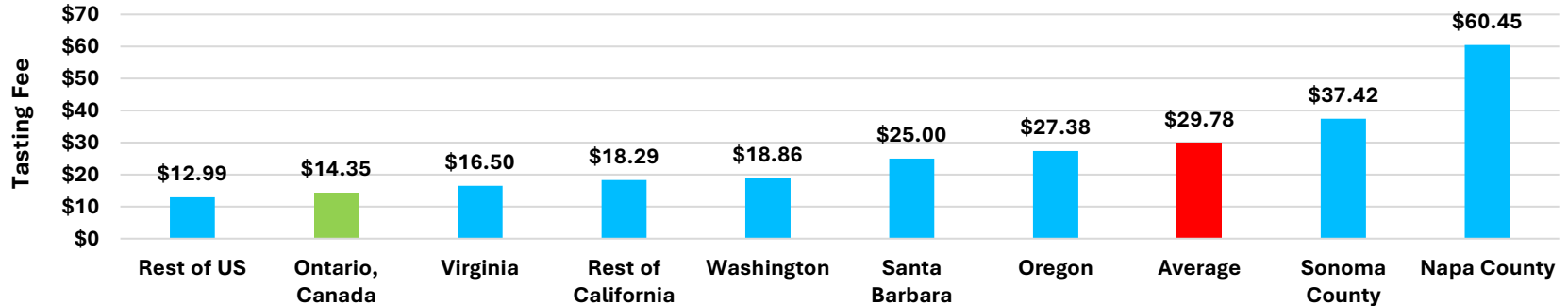
Ontario has room to grow



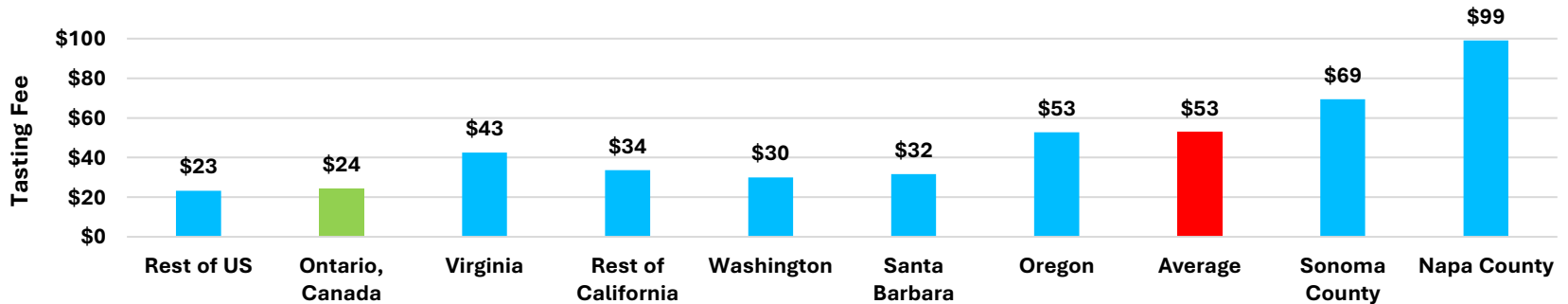
Average Tasting Fee by Region

All things equal, Ontario can expand tasting fees over time

Standard

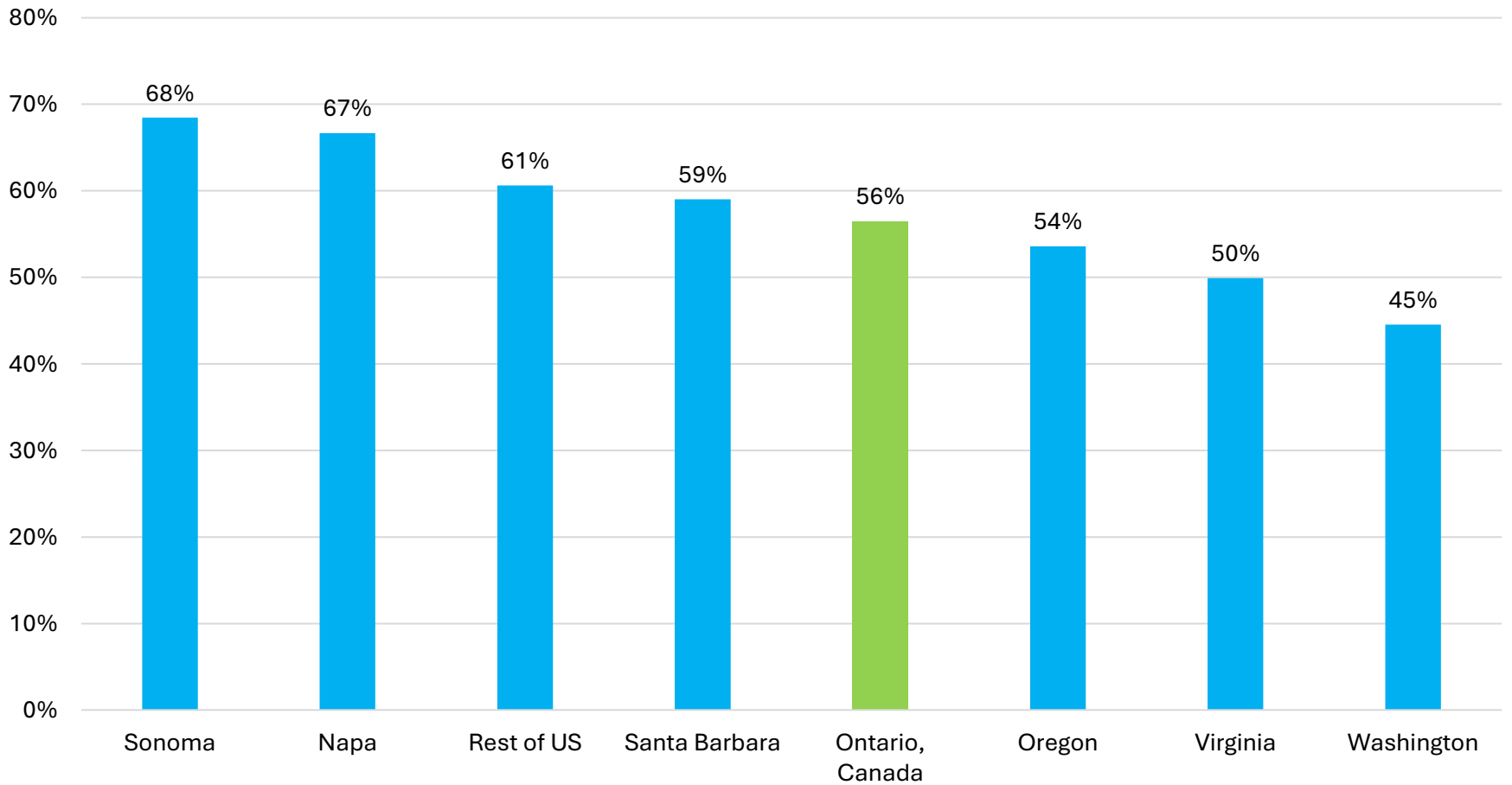


Reserve



Tasting Fee as a Percentage of Average Bottle Price

How much should you charge for a tasting?

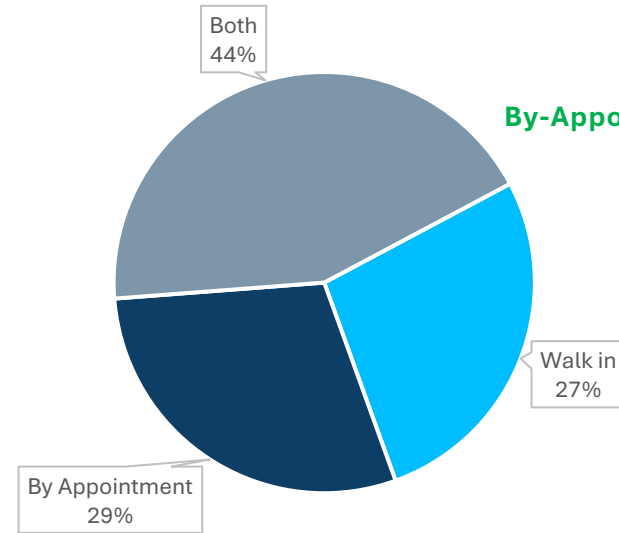
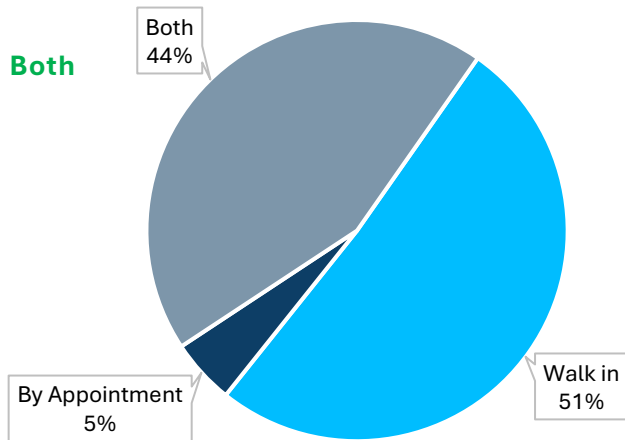


Wineries That Are Walk-In vs. By-Appointment – 2021 Canada vs US

By-Appointment is a critical component of Club Growth

Canada

USA

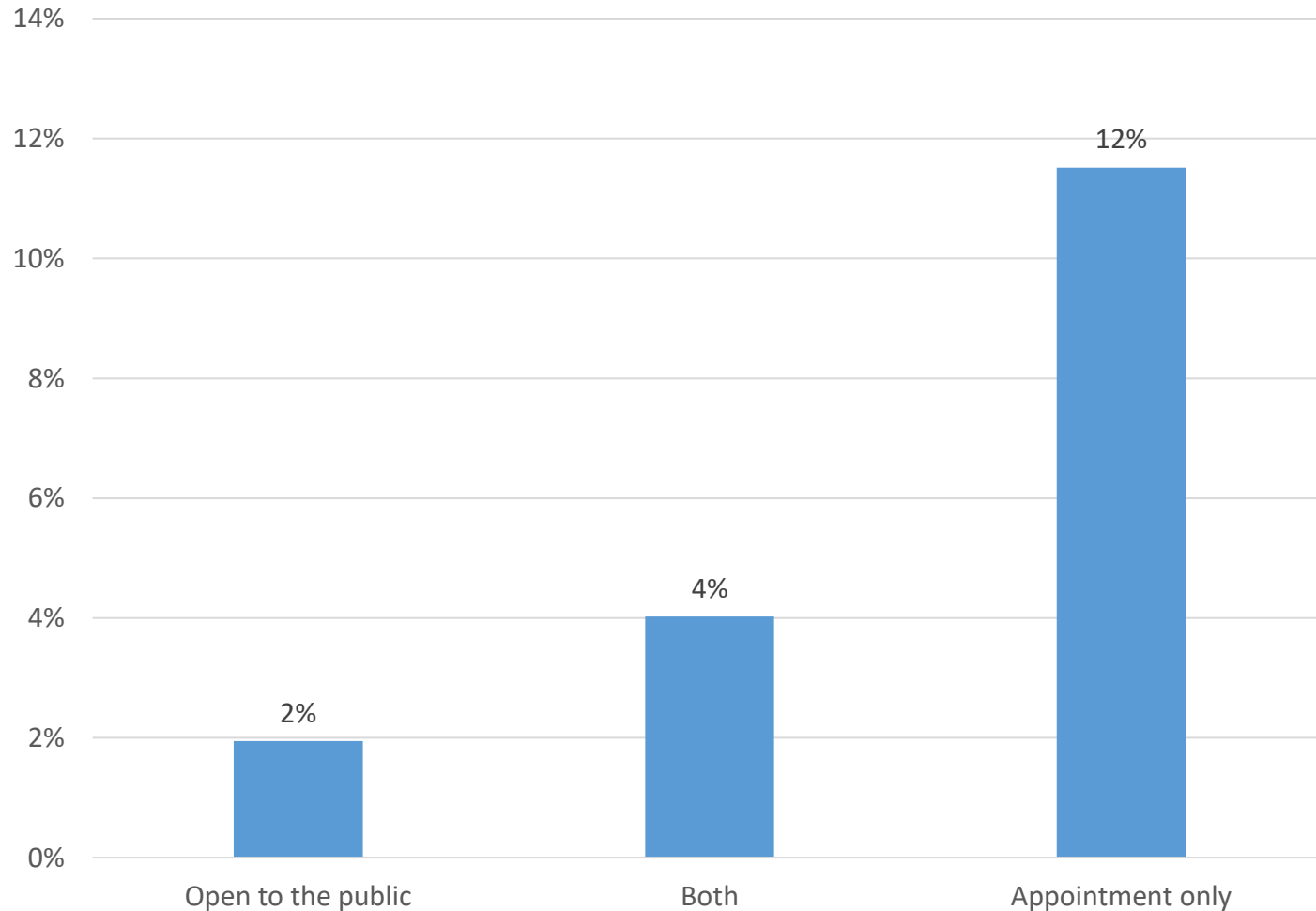


By-Appointment + Both
49%

By-Appointment + Both
73%

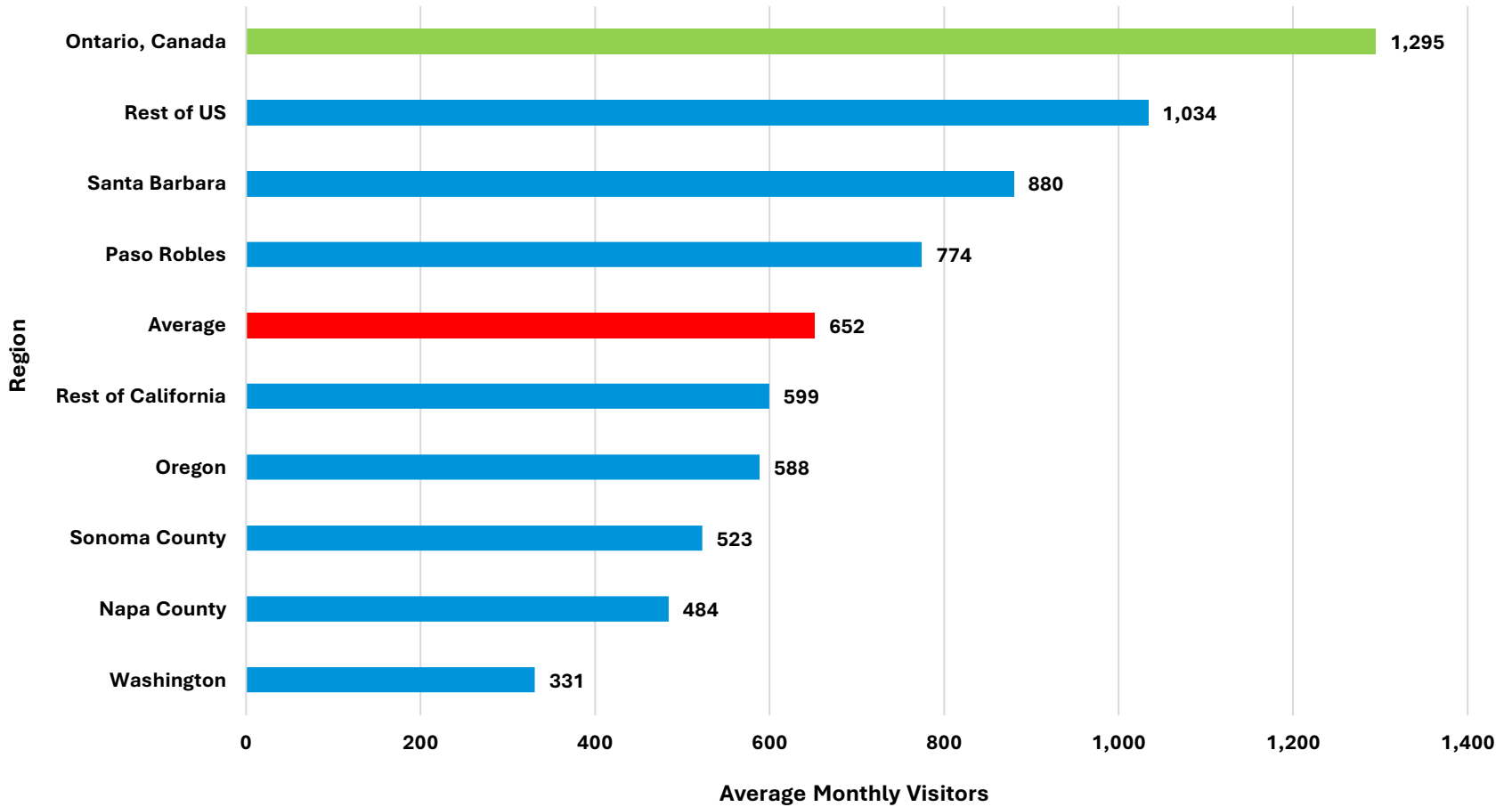
Conversion to Wine Club Success in the US by Visitation Model

By-Appointment Model Clearly Superior for Conversion

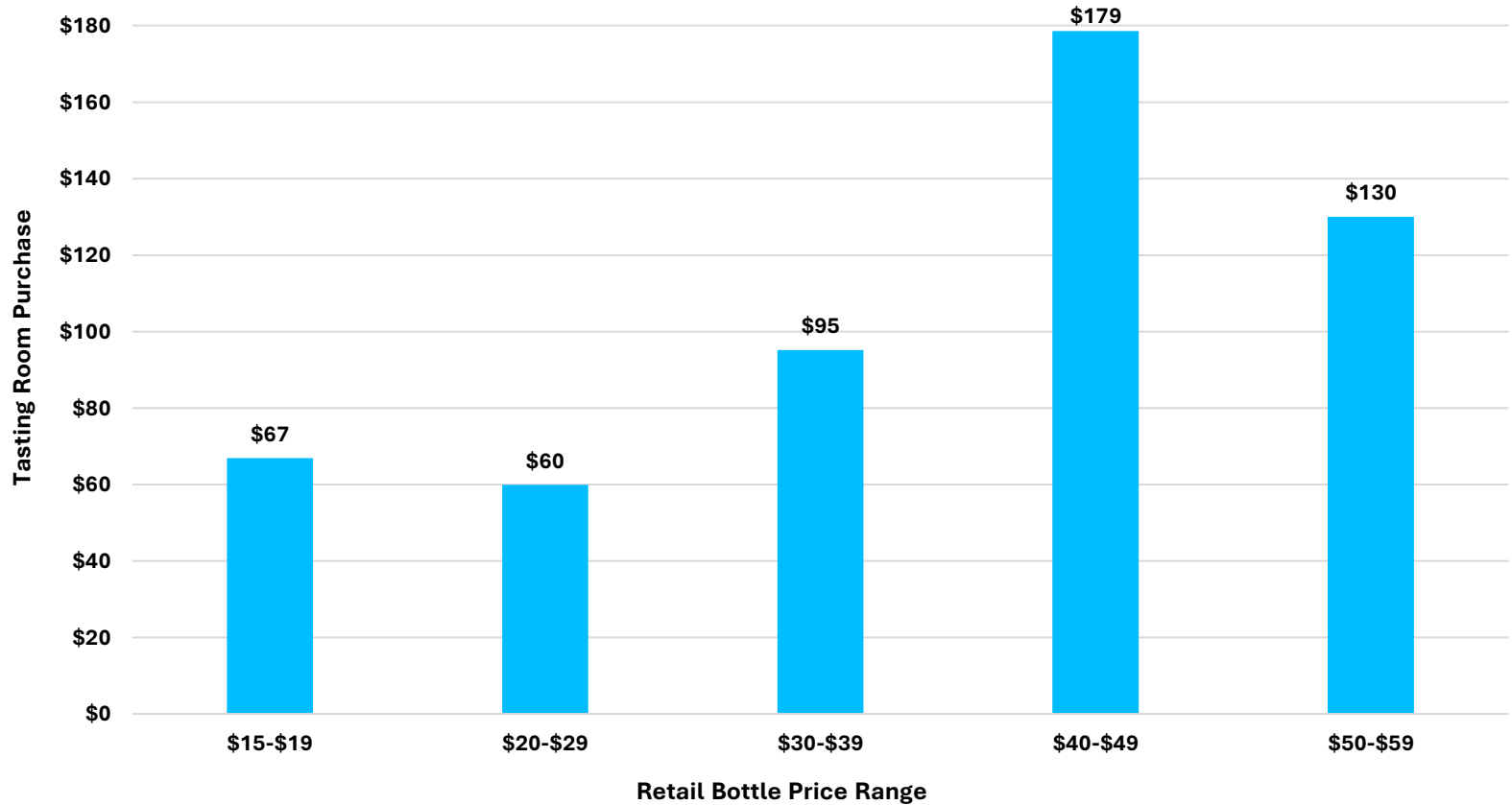


Average Monthly Visitors by Region

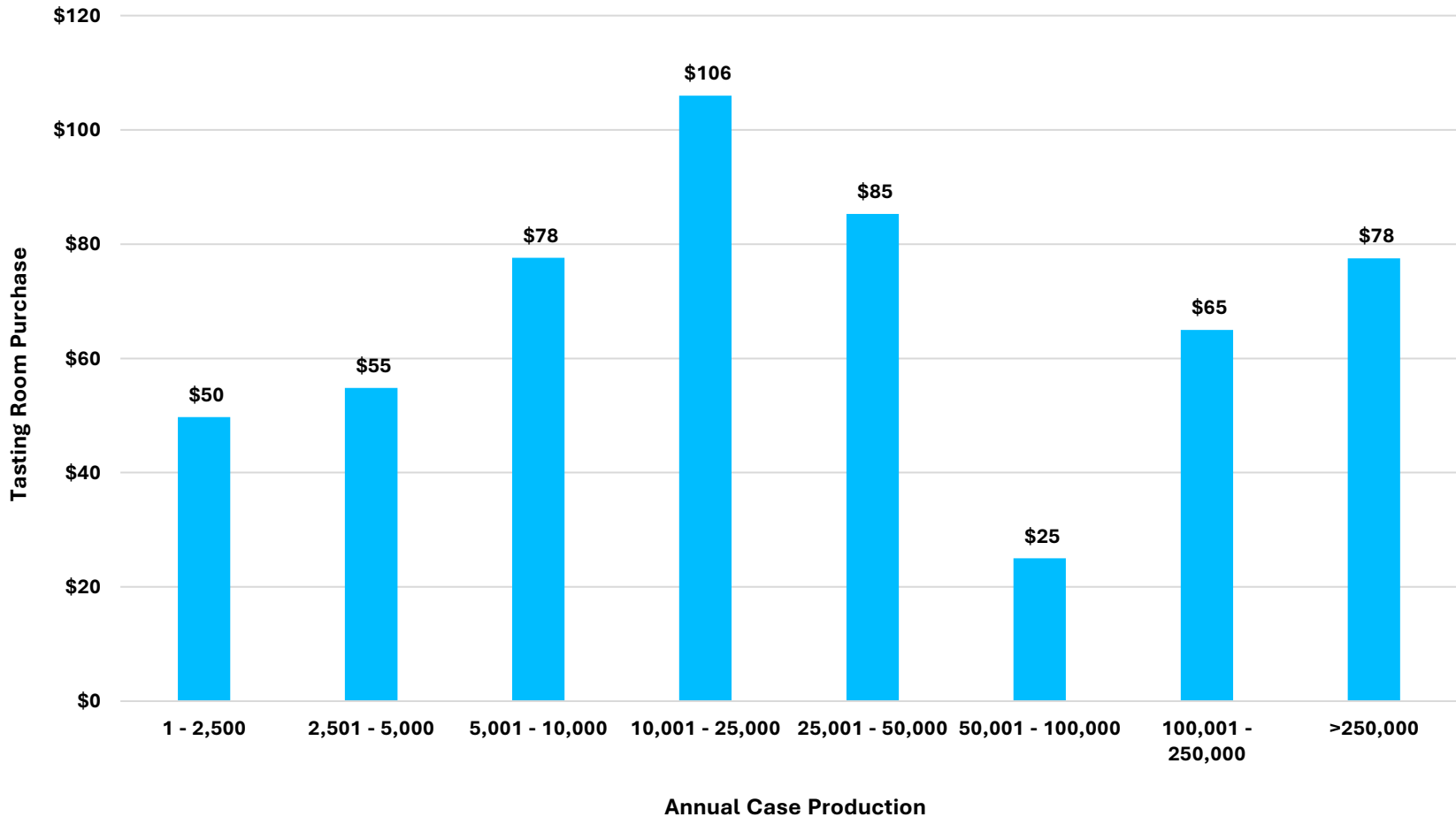
Avg. visitation for Ontario leads all regions



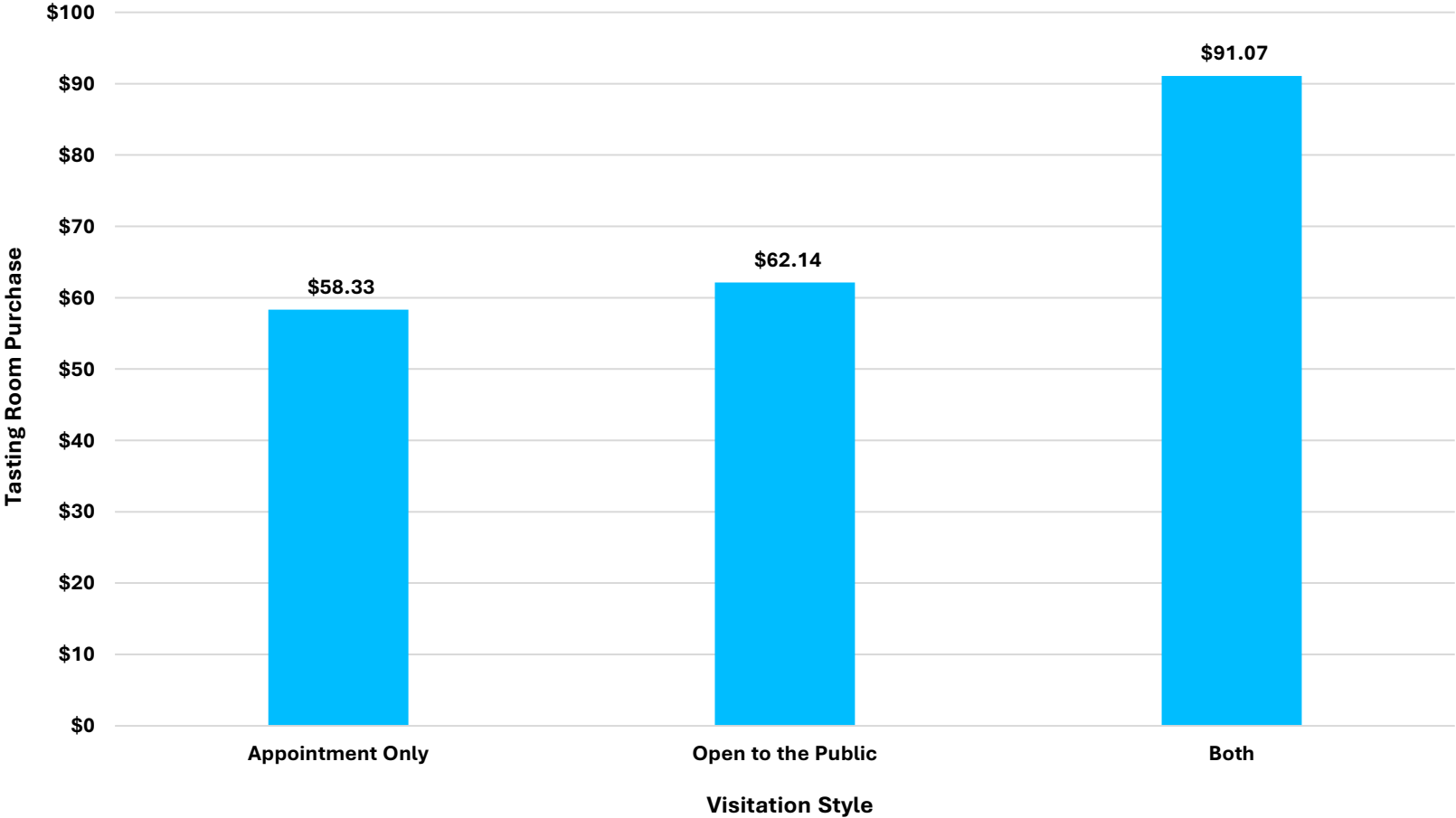
Tasting Room Purchase by Retail Bottle Price – Ontario, Canada



Tasting Room Purchase by Annual Case Production – Ontario, Canada

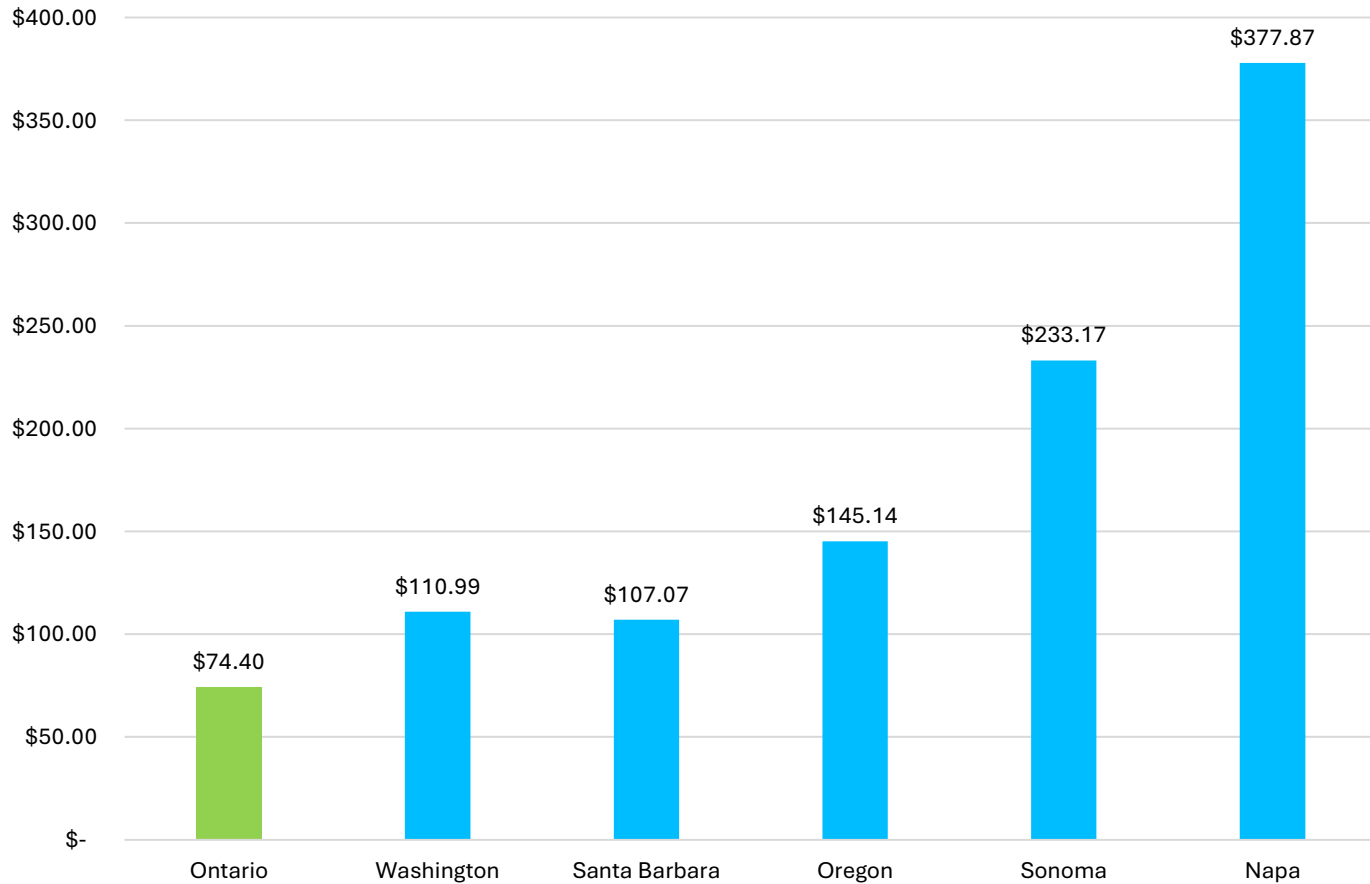


Average Tasting Room Purchase by Visitation Style – Ontario, Canada



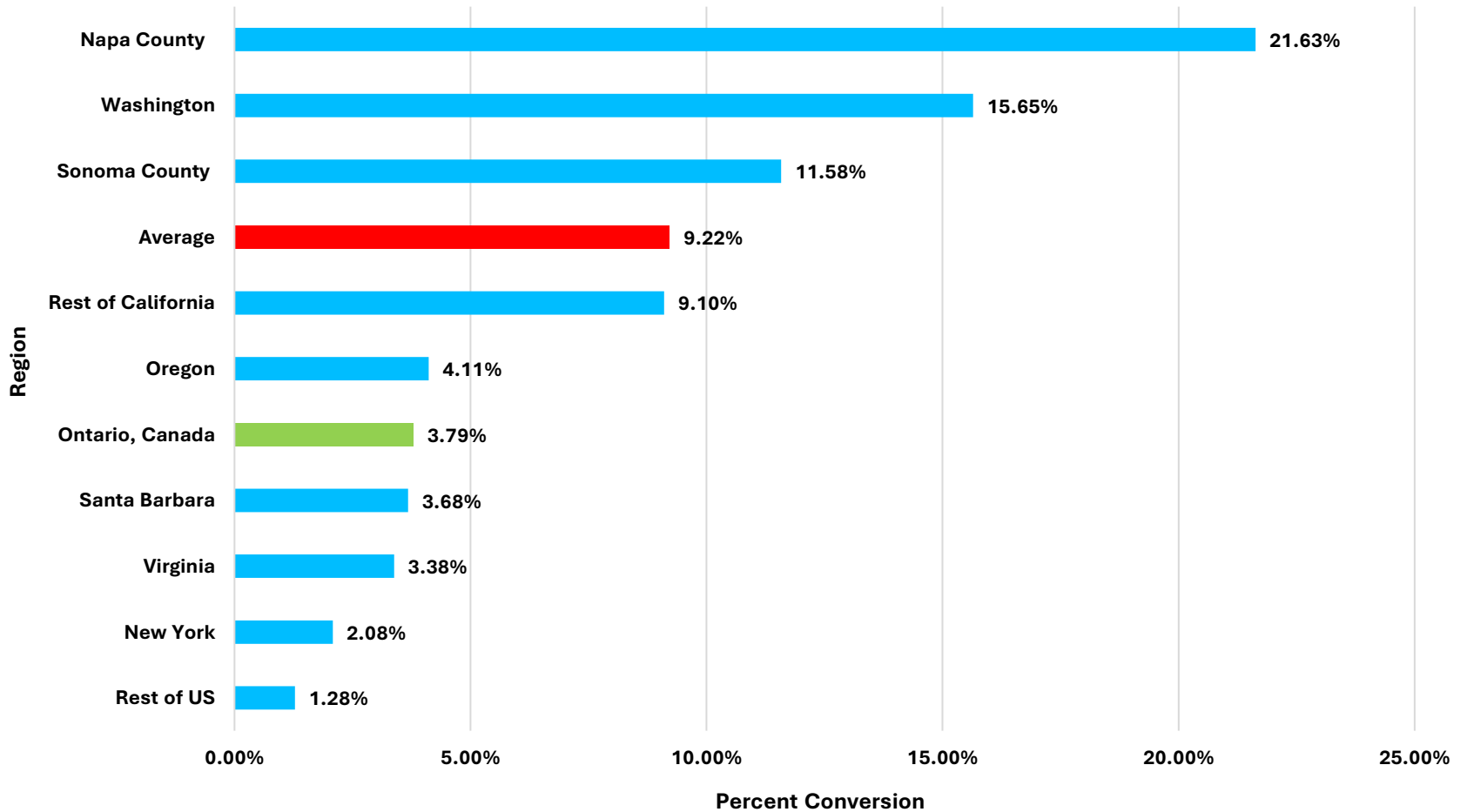
Average Tasting Room Purchase

Ontario has room to improve

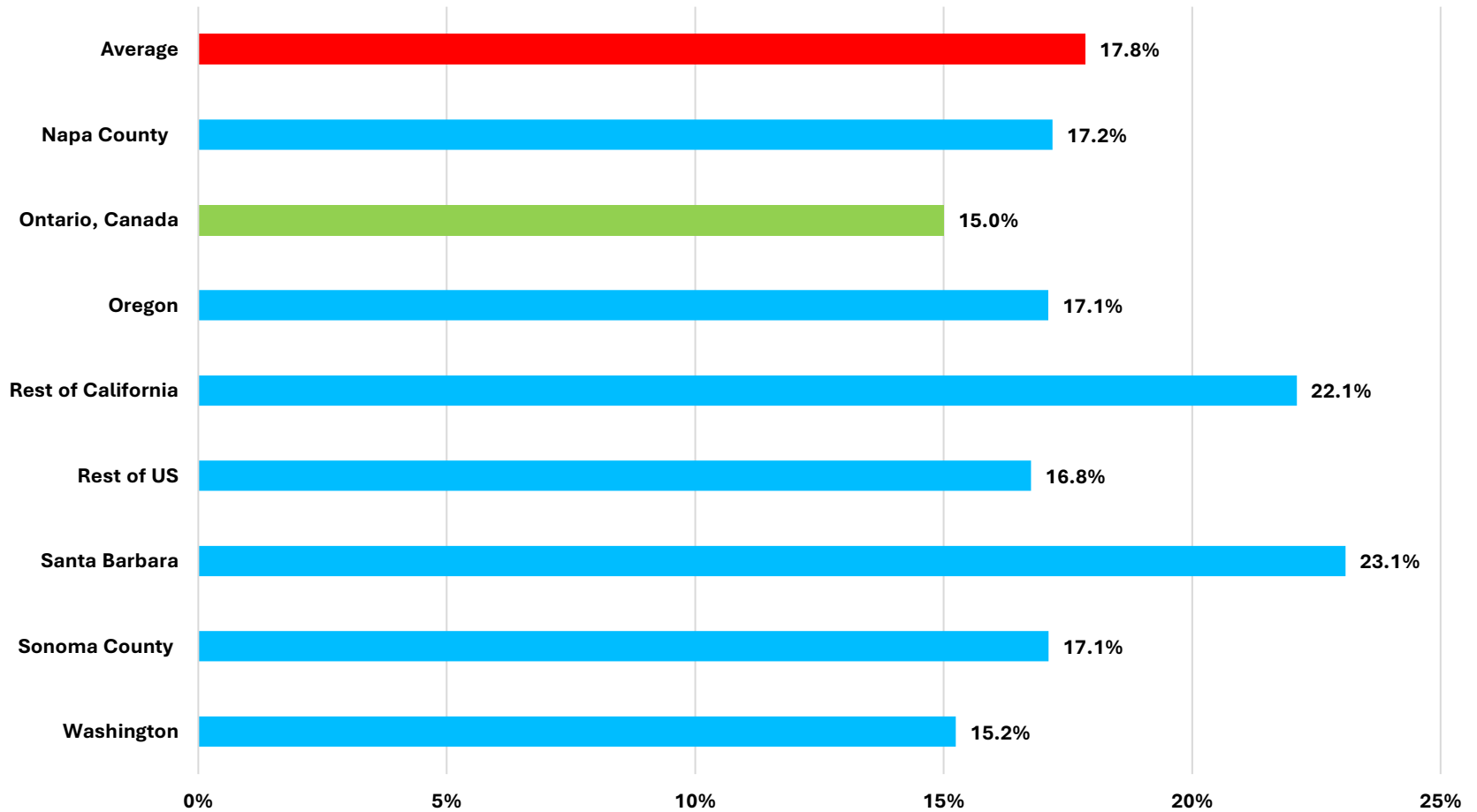


Conversion of Visitors to Wine Club by Region

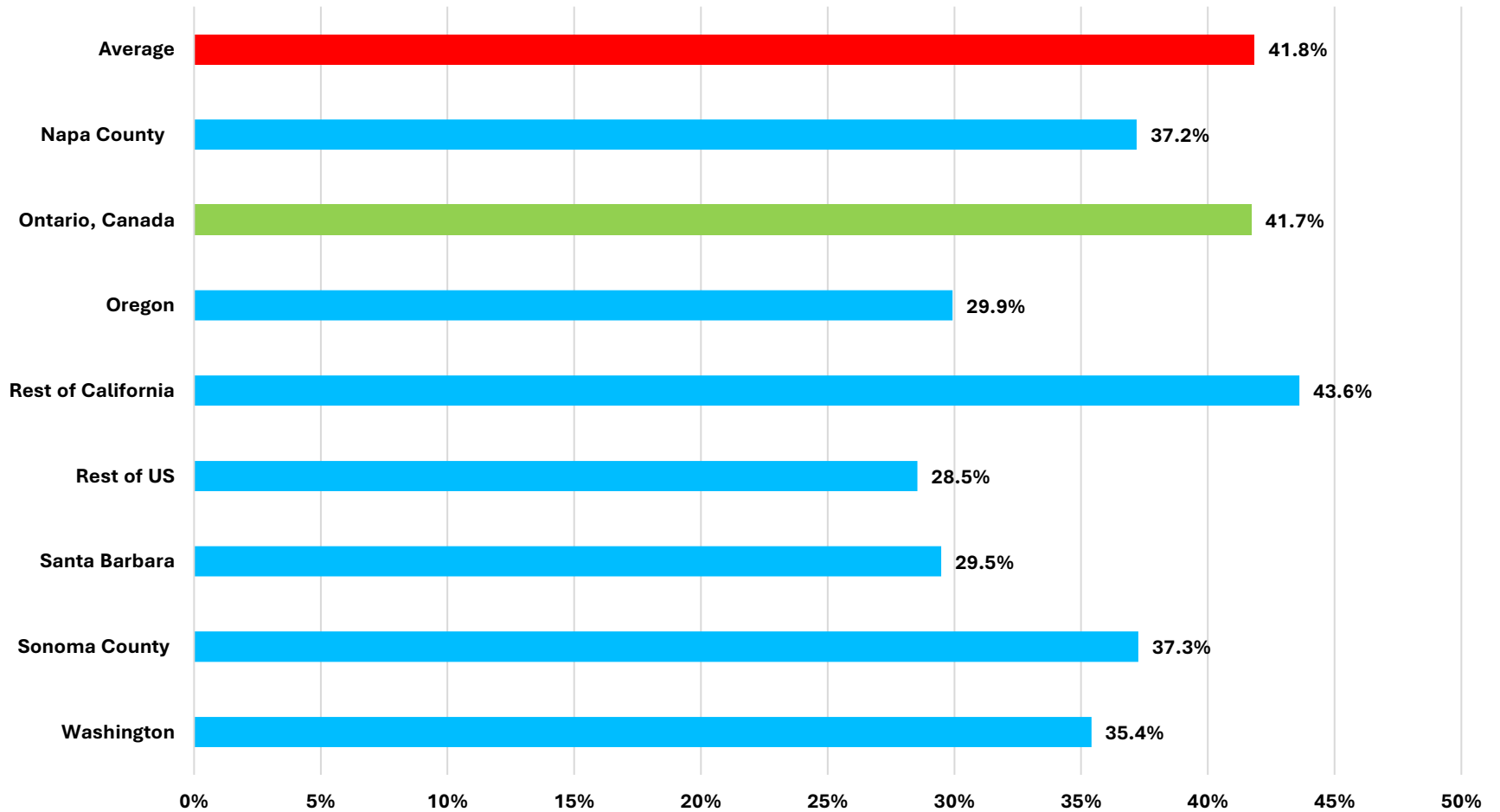
(Excludes Wineries <5 years old)



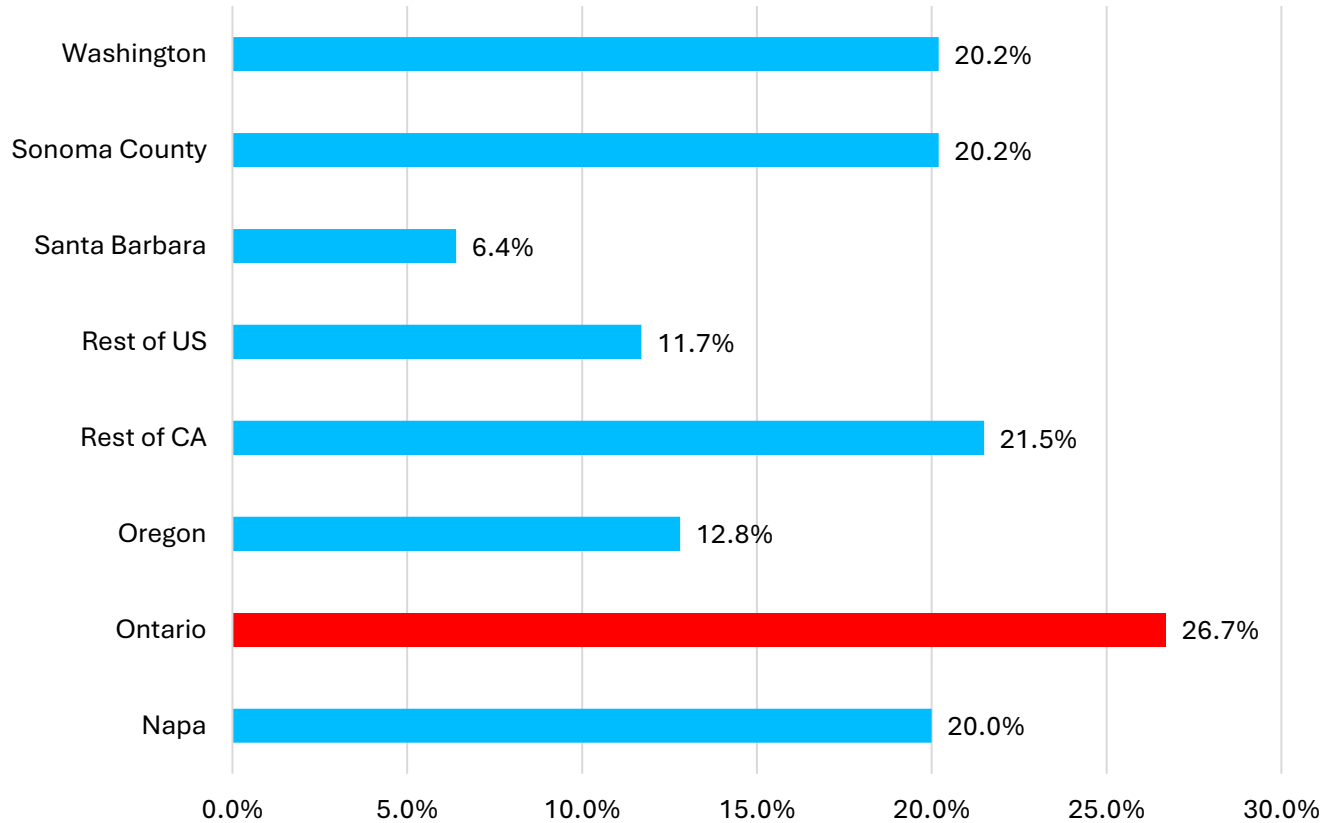
Wine Club Attrition Rate by Region



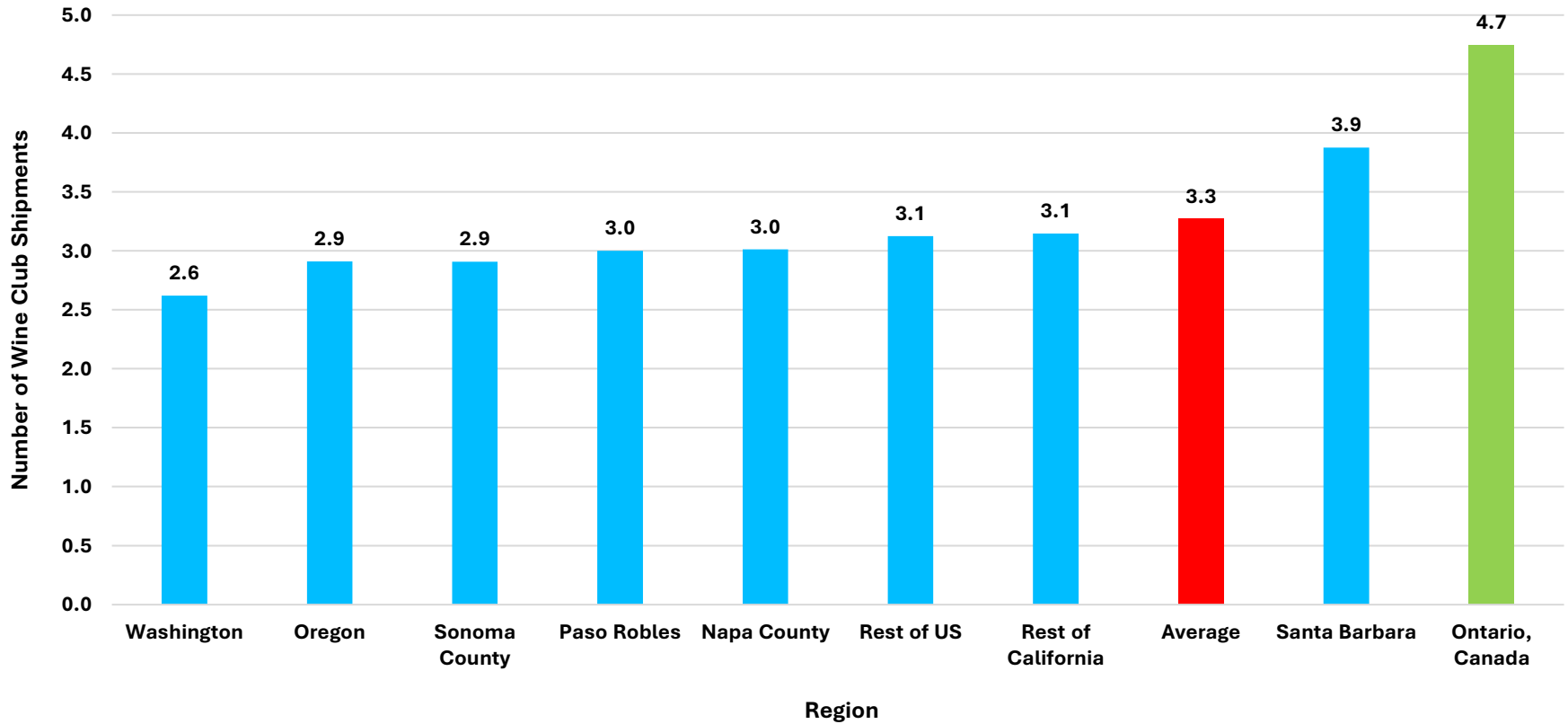
New Wine Club Member Growth Rate by Region



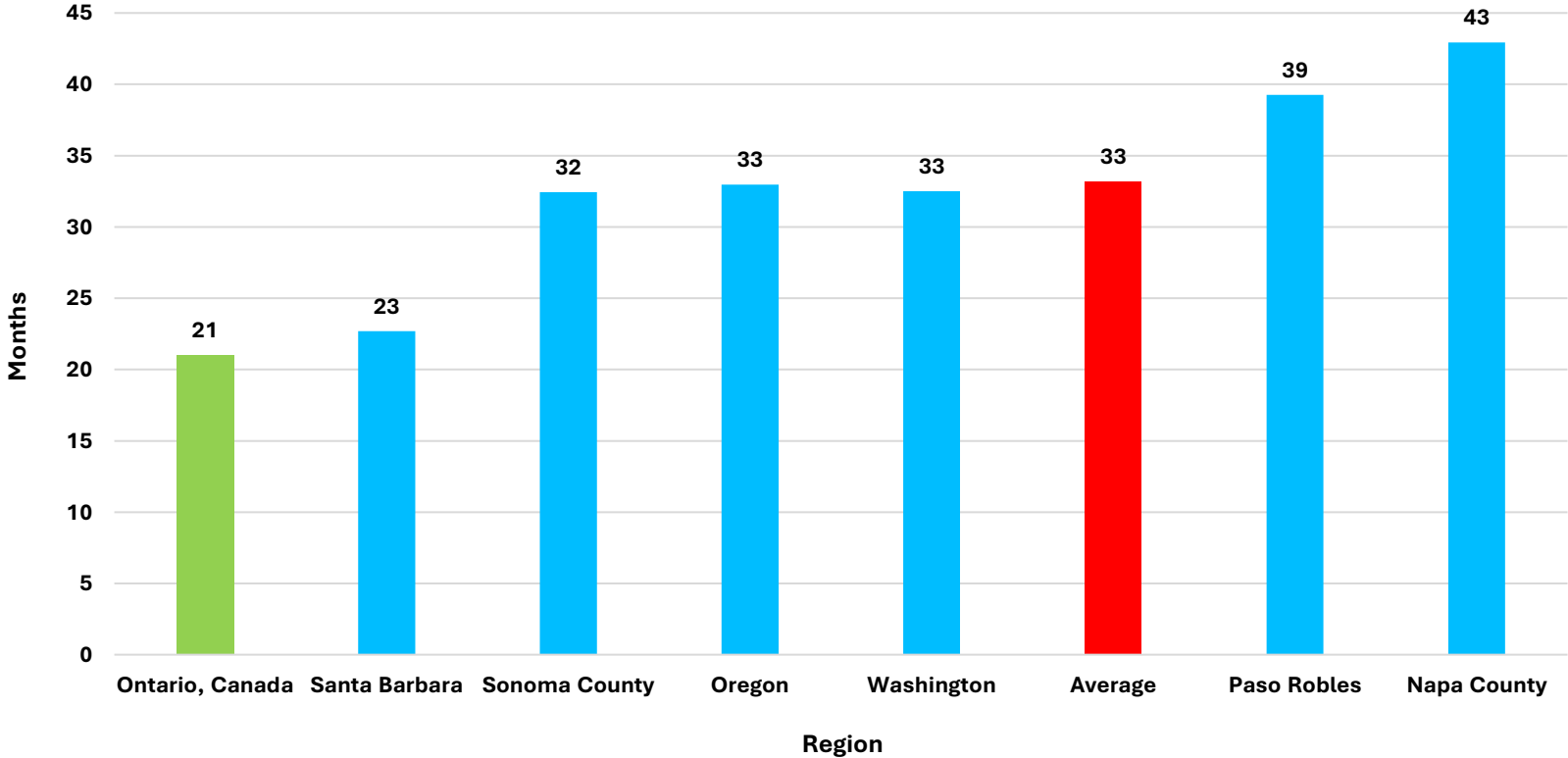
Net Wine Club Member Growth Rate by Region in 2021



Wine Club Shipments per Year by Region



Average Length in Membership in Months by Region

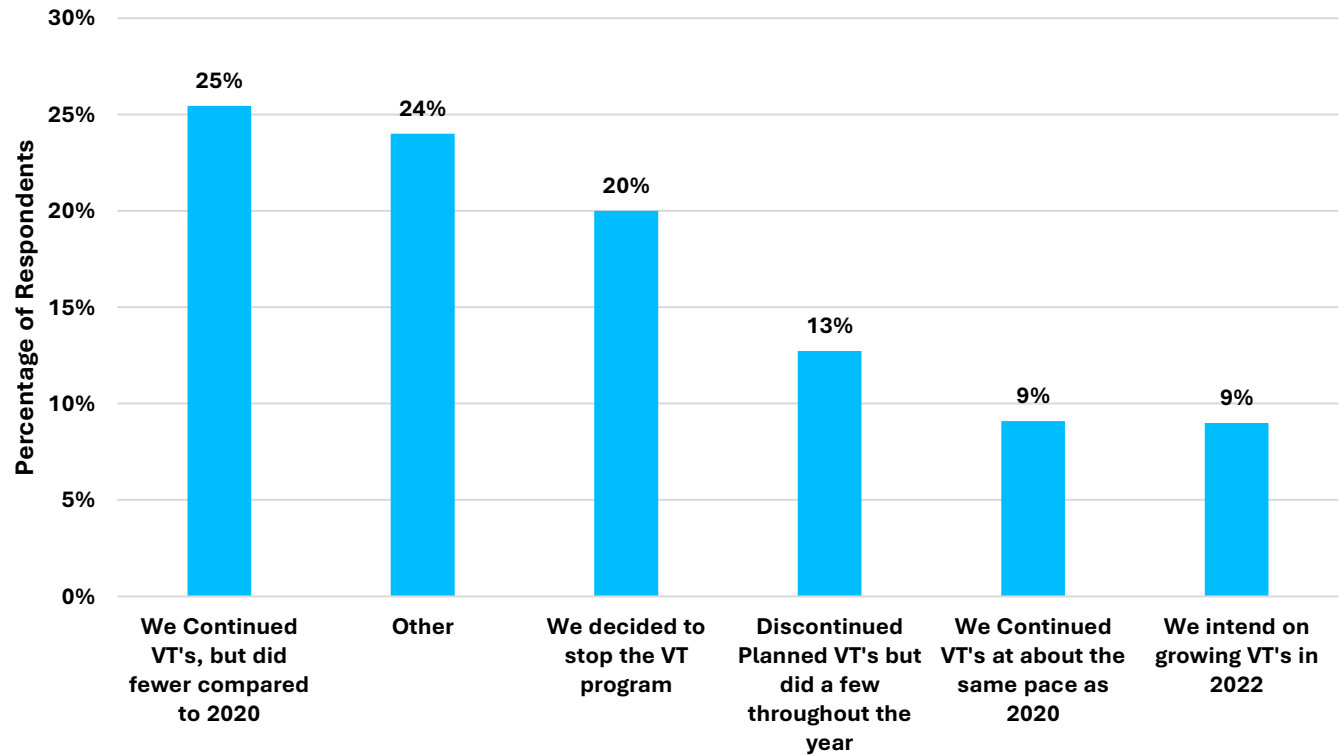


Virtual Tastings Going Forward – Ontario, Canada

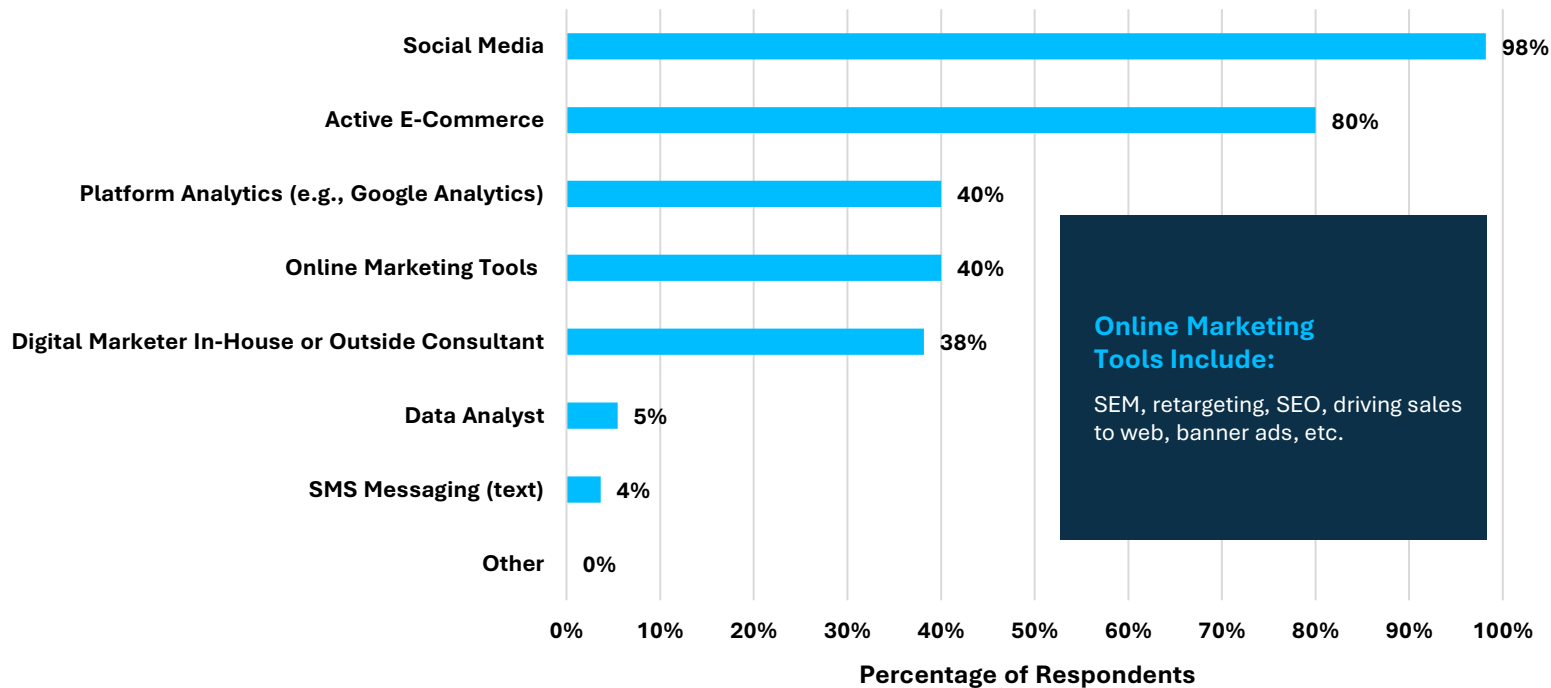
In 2020, the industry responded to shelter-in-place orders with digital tastings.

By 2021, with Zoom burnout, 58% of Ontario wineries slowed or discontinued virtual tastings. But not everyone took that approach. Eighteen percent continued or grew virtual programs.

Examples of ‘Other’ response includes wineries who never offered virtual tastings and some who had a very limited virtual tasting program.



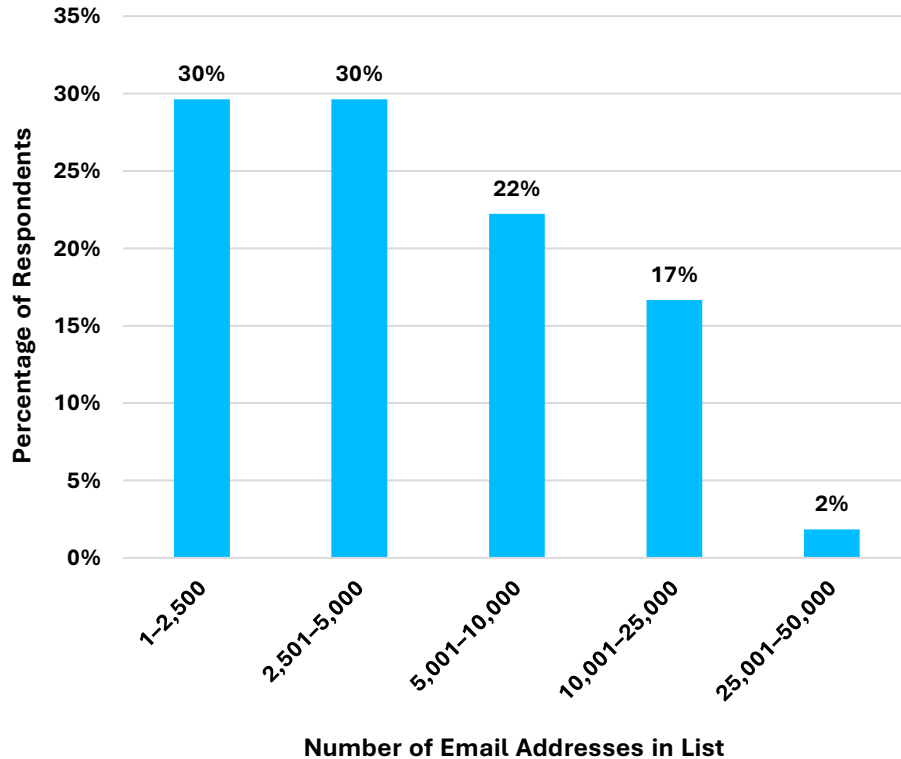
What Digital Platforms Do You Employ? – Ontario, Canada



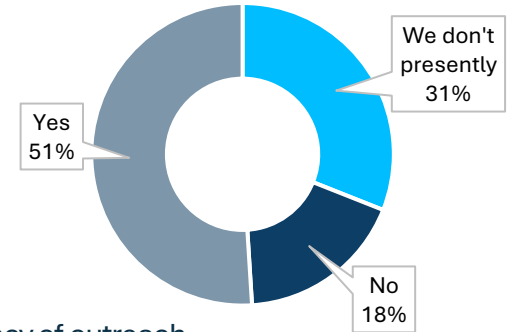
The use of digital is widespread, but not deep, in the wine business. The majority use social media and active e-commerce. Yet only 40% employ platform analytics, which indicates that the overall depth and use of active e-commerce are limited and true e-commerce is something the industry needs to invest in and improve.

Use of Email Marketing – Ontario, Canada

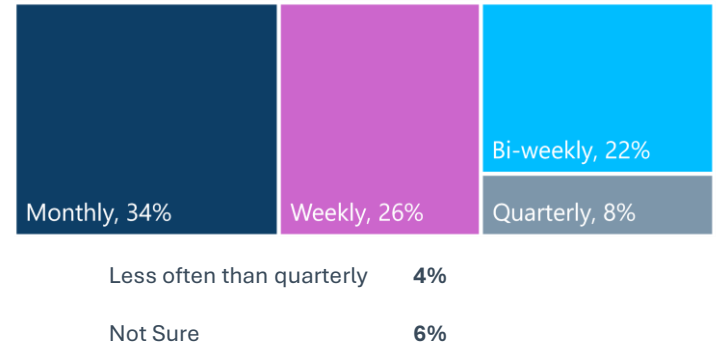
Size of email list



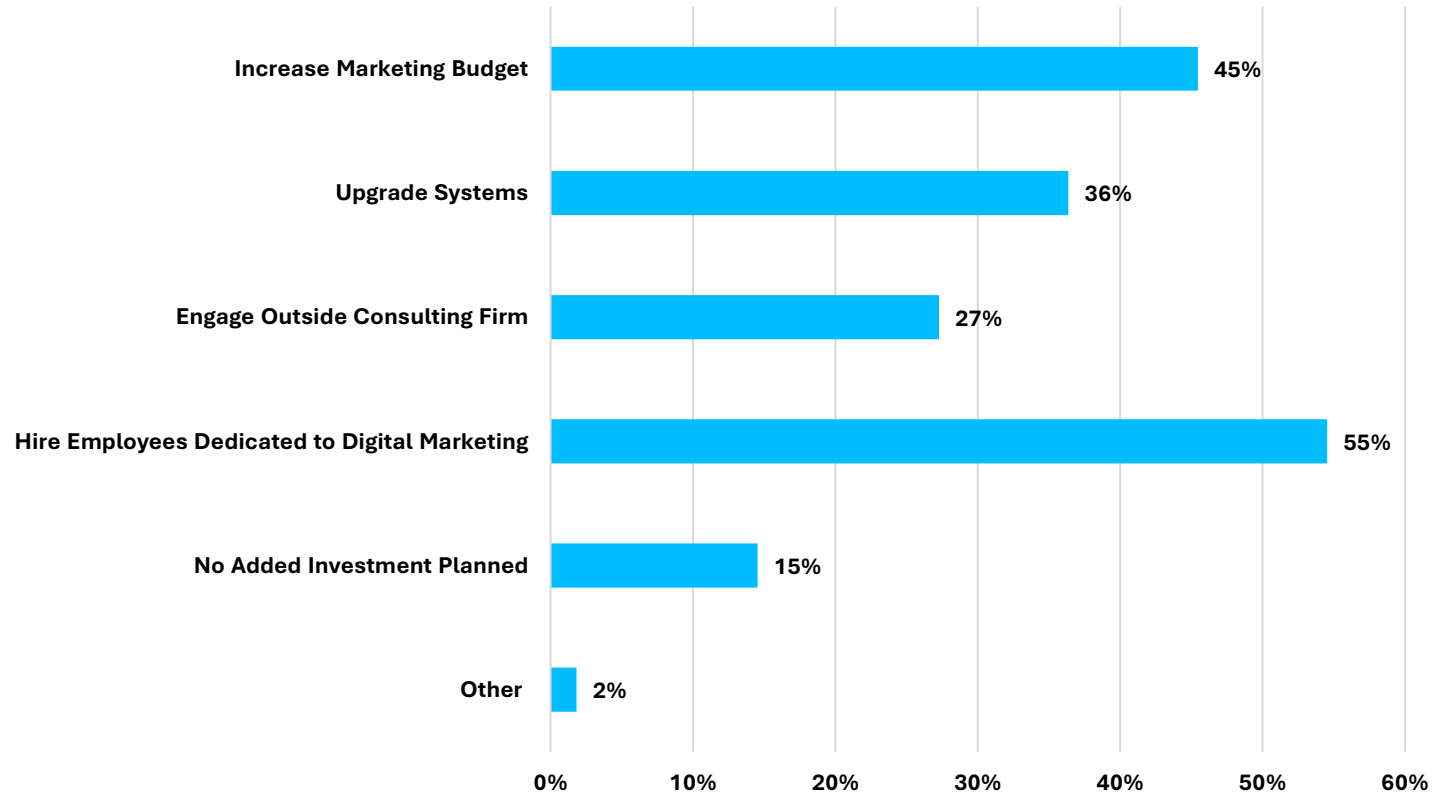
Do you remove inactive emails from your email list annually or more often?



Frequency of outreach



Planned Digital Marketing Investments for 2022 – Ontario, Canada



About Silicon Valley Bank's Wine Division

Silicon Valley Bank (SVB) is the premier commercial bank for emerging, growth and mature companies in the technology, life science, venture capital, private equity and premium wine industries. Its Wine Division specializes in commercial banking for premium wineries and vineyards and the industries that support them.

SVB has the largest team of commercial bankers dedicated to the wine industry of any bank nationwide. Founded in 1994, SVB's Wine Division has offices in Napa and Sonoma counties, California, and Oregon, and serves clients in the fine wine-producing regions of the West Coast.

By virtue of its dedication to the wine industry, Silicon Valley Bank is able to support its clients consistently through down economic and growth cycles and offer guidance on many aspects of their business beyond traditional banking services.

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Contact Rob McMillan for questions: rmcmillan@svb.com





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Thank you.