

Wine Institute Sustainability Research



Wine Trade and Consumer Surveys on Sustainable Winegrowing

*Presented at the Communicating
Sustainability Workshop – March 2013*



CALIFORNIA
SUSTAINABLE WINEGROWING
ALLIANCE



 PE INTERNATIONAL
SUSTAINABILITY PERFORMANCE



Wine Institute Sustainability Research Consumer Survey



LOHAS CONSUMER TRENDS

- **NATURAL MARKETING INSTITUTE'S LOHAS Study** quantified the size of the consumer market for environmental/socially responsible products and their importance to consumers
- Wine Institute sponsored the study to understand the overlap of the sustainable lifestyle with wine consumers, and opportunities for wineries to more effectively communicate sustainability efforts
- Methodology – Online survey of 4,000+ U.S. general population adults
 - Consumer breakdown into sustainability segments
 - % consumers who consider the environment in wine purchases
 - How consumers identify environmental attributes of wine

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Natural Marketing Institute's Proprietary Sustainability Segmentation Quantifies What Attracts People to Sustainability



LOHAS® 19%

- Active stewards of the environment
- Dedicated to personal and planetary health
- Lifestyle oriented
- Heaviest purchasers and influencers of green, socially responsible products.

NATURALITES® 21%

- Motivated by personal health more than planetary health
- Green benefits are secondary
- Income restricts behavior, creating attitudinal vs. behavioral disconnects

DRIFTERS® 22%

- Green followers
- Relatively new to the green space; in search of easy lifestyle and product changes
- Want to be seen as doing their part
- Currently responsible for market growth

CONVENTIONALS® 17%

- Waste-conscious, practical, and rational
- Primarily driven by cost savings; eco-benefits secondary
- Well-educated and above-average income

UNCONCERNEDS® 20%

- Unconcerned about the environment and society
- Dealing with day-to-day challenges

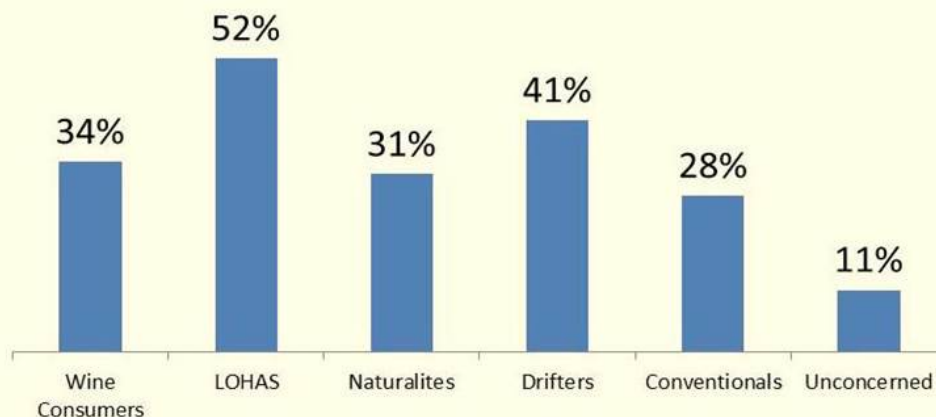
U.S. General Population
Age 21 and older
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About One-third of Wine Consumers Consider the Environment in Wine Purchases



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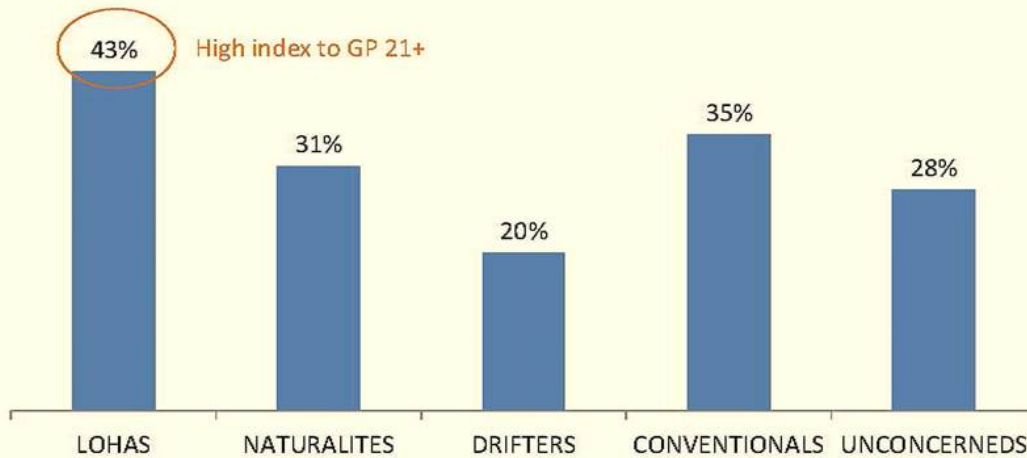
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Wine Institute Proprietary

Wine Purchasing Among Segments

(Q 89 - %GP 21+ household purchased wine in past three months)



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Wine Institute Proprietary

How to Communicate Eco-Friendly Properties of Wines

(Q 111 - % wine consumers indicating how they've identified environmental/sustainable attributes of wines they've purchased in the past)

"How have you identified the environmental (or sustainable) attributes of wines you've purchased in the past?"



*Point of purchase:
label, shelf, or in
store... 66%*



*Heard about,
read about...
44%*



*Recommendation
from friend or store
staff... 35%*

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Wine Institute Sustainability Research Trade Survey



Trade Survey Background & Methodology

- PE INTERNATIONAL, Inc. conducted a survey of the wine trade
- Objective: Understand importance of sustainable and environmental attributes of wine and how best to communicate those attributes
- 59 trade respondents in October 2012, including major retailer, restaurant and hotel chains, and distributors
- Survey questions included:
 - Interest in wine with sustainable attributes
 - Identification of wines with sustainable attributes
 - In-store tactics
 - Regional perceptions



Sustainability Performance

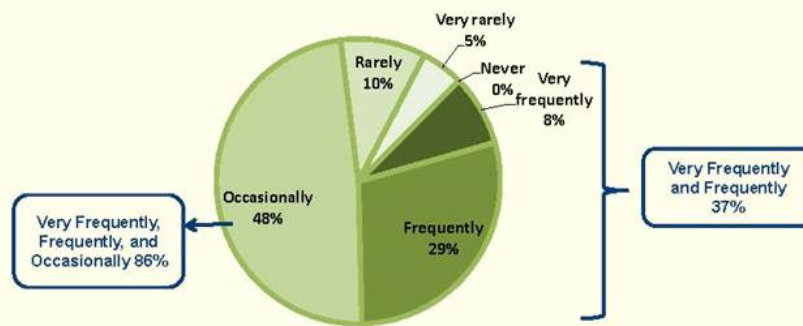
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Wine Institute Sustainability Research Trade Survey



Sustainability attributes a factor for wine purchases.

Question: How frequently are sustainable or environmental attributes a factor for you in the wines you select for your customers?



Total Respondents, n=82



Sustainability Performance

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Wine Institute Sustainability Research Trade Survey



Sustainability is a factor across all trade segments.

Question: How frequently are sustainable or environmental attributes a factor for you in which wines you select for your customers?

	Total	Retailers	Restaurants	Distributors
(Total Respondents)	(62) (%)	(25) (%)	(10) (%)	(27) (%)
Aggregate Results				
Very Frequently and Frequently	37%	36%	60%	30%
Very Frequently, Frequently, Occasionally	86%	84%	100%	82%
Detailed Results				
Very frequently	8%	8%	10%	7%
Frequently	29%	28%	50%	22%
Occasionally	48%	48%	40%	52%
Rarely	10%	4%	0%	19%
Very rarely	5%	12%	0%	0%
Never	0%	0%	0%	0%



Sustainability Performance

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Wine Institute Sustainability Research Trade Survey



Sustainability is a purchasing factor largely due to customer requests and personal values.

Why are sustainable or environmental attributes a factor for you in which wines you select for your customers? Please check all that apply.

	Total	Retailers	Restaurants	Distributors
(Total Respondents)	(59) (%)	(23) (%)	(10) (%)	(26) (%)
My customers are specifically asking for wines with sustainable or environmental attributes	66%	74%	50%	65%
I personally care about sustainable and environmental attributes of wines	64%	57%	60%	73%
My organization has goals focused on sustainable or environmental purchasing	41%	57%	60%	19%
Other (please specify)	10%	9%	20%	8%



Sustainability Performance

3/26/2013

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Wine Institute Sustainability Research Trade Survey



Sustainable attributes identified by winery marketing material, certification, and information on labels.

How have you identified the sustainable or environmental attributes of wines you have selected? Please check all that apply.

	Total	Retailers	Restaurants	Distributors
(Total Respondents)	(59) (%)	(23) (%)	(10) (%)	(26) (%)
Marketing material or testimony provided by the winery	71%	52%	80%	85%
Third-party certification seal and/or statement on the bottle	66%	70%	50%	68%
Information from the winery on the front or back label	64%	70%	50%	65%
Third party certification seal and/or statement on marketing materials (other than the bottle)	51%	61%	40%	46%
Heard or read about before	39%	30%	70%	35%
Information provided by distributor	24%	39%	50%	0%
Criteria established by my department or business	15%	30%	0%	8%
Recommendation of friends or colleagues	14%	4%	40%	12%
Other (please specify)	9%	17%	0%	4%



Sustainability Performance

Wine Institute Sustainability Research Trade Survey



Certification programs perceived as helpful to verify sustainable attributes.

How helpful are third-party certification programs that verify that a wine was made with sustainable or environmental practices in the vineyards and wineries?

	Total	Retailers	Restaurants	Distributors
(Total Respondents)	(59) (%)	(23) (%)	(10) (%)	(26) (%)
Helpful	71%	70%	50%	81%
Neither helpful nor unhelpful	17%	22%	20%	12%
Not helpful	3%	0%	10%	4%
I'm not aware of certifications associated with sustainable or environmental attributes.	9%	9%	20%	4%



Sustainability Performance

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Trade recognizes sustainable attributes in various ways.

"Dedicated shelf space means nothing to customers. When you segment items away from other items, we see slower sales or targeted sales rather than appealing to the broader masses."

How does your company distinguish wine that is made in a way that is sustainable or environmentally-friendly for customers? Please check all that apply.

	Total	Retailers	Restaurants	Distributors
(Total Respondents)	(59)	(23)	(10)	(26)
	(%)	(%)	(%)	(%)
Feature in newsletter or other promotional materials	34%	30%	40%	35%
Feature on websites	31%	35%	20%	31%
Dedicated shelf space (e.g. section devoted to sustainable, organic, biodynamic wine)	20%	26%	0%	23%
Feature at in-store tastings	19%	22%	10%	19%
Other (please specify) (restaurant wine list)	31%	26%	80%	15%
No special recognition given	29%	30%	0%	39%

