



FY 2020-21 MARKET STRATEGY & PROMOTION PLAN

United Kingdom and Ireland

6 May 2020 – Justine McGovern and Damien Jackman

MARKET PERFORMANCE

United Kingdom & Ireland



CA VALUE – YTD DEC 2019

- Total export value \$ 224,327,069
- 3.41% ↑ vs 2018

Source: Global Trade Atlas - 2204

CA VOLUME – YTD DEC 2019

- Total export 126,562,077 L (14M 9LE)
- 2.96% ↓ vs 2018

Source: Global Trade Atlas - 2204

UK MARKET SHARE 2018

- | | | |
|----|-----------|-----|
| 1. | Australia | 23% |
| 2. | France | 15% |
| 3. | US | 15% |
| 4. | Italy | 12% |
| 5. | Spain | 9% |

Source: Wine Intelligence Report – Nov 2019

IRELAND MARKET SHARE 2018

- | | | |
|----|-----------|-----|
| 1. | Chile | 23% |
| 2. | Australia | 15% |
| 3. | France | 15% |
| 4. | US | 12% |
| 5. | Spain | 9% |

Source: Wine Intelligence Report – Feb 2020

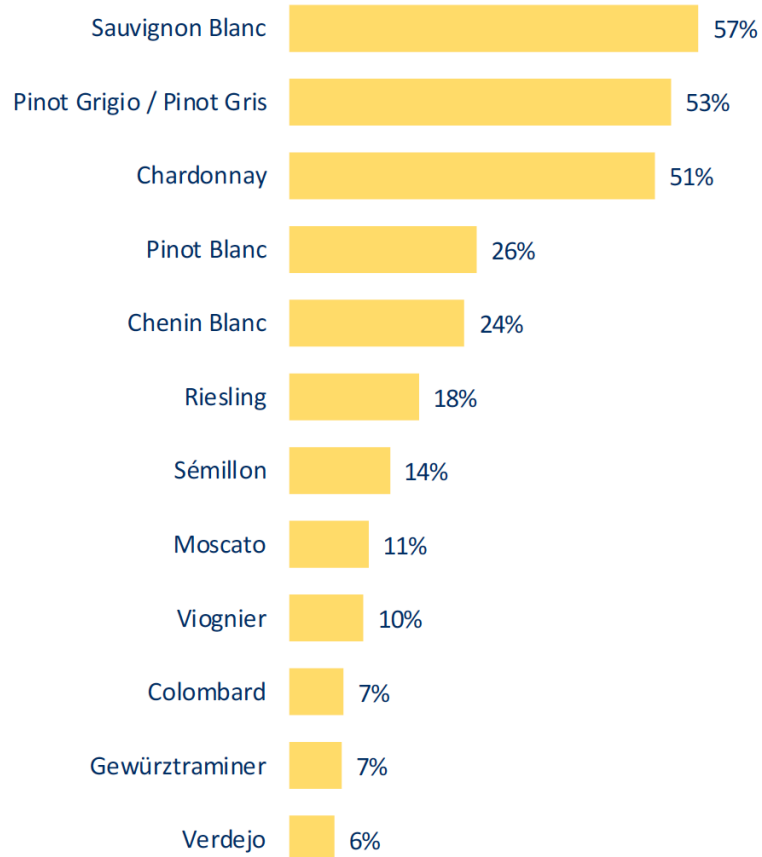
MARKET OVERVIEW

Varietal Mix



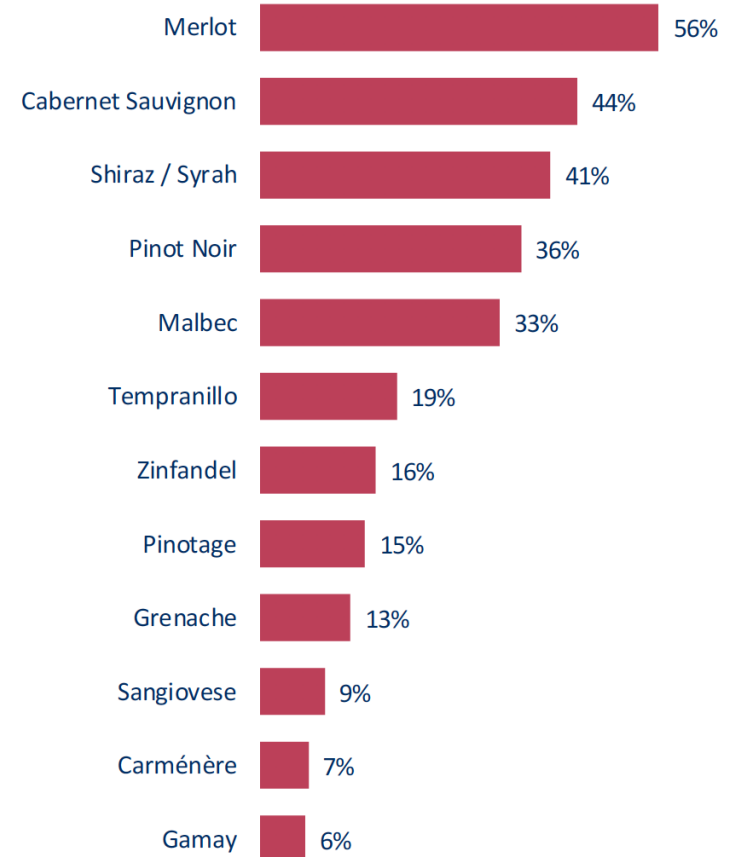
White varietal consumption

% who have drunk the following varietals or wine types in the past 6 months
Base = All UK regular wine drinkers (n=3,000)



Red varietal consumption

% who have drunk the following varietals or wine types in the past 6 months
Base = All UK regular wine drinkers (n=3,000)



Source: Wine Intelligence Report – Nov 2019

MARKET OVERVIEW

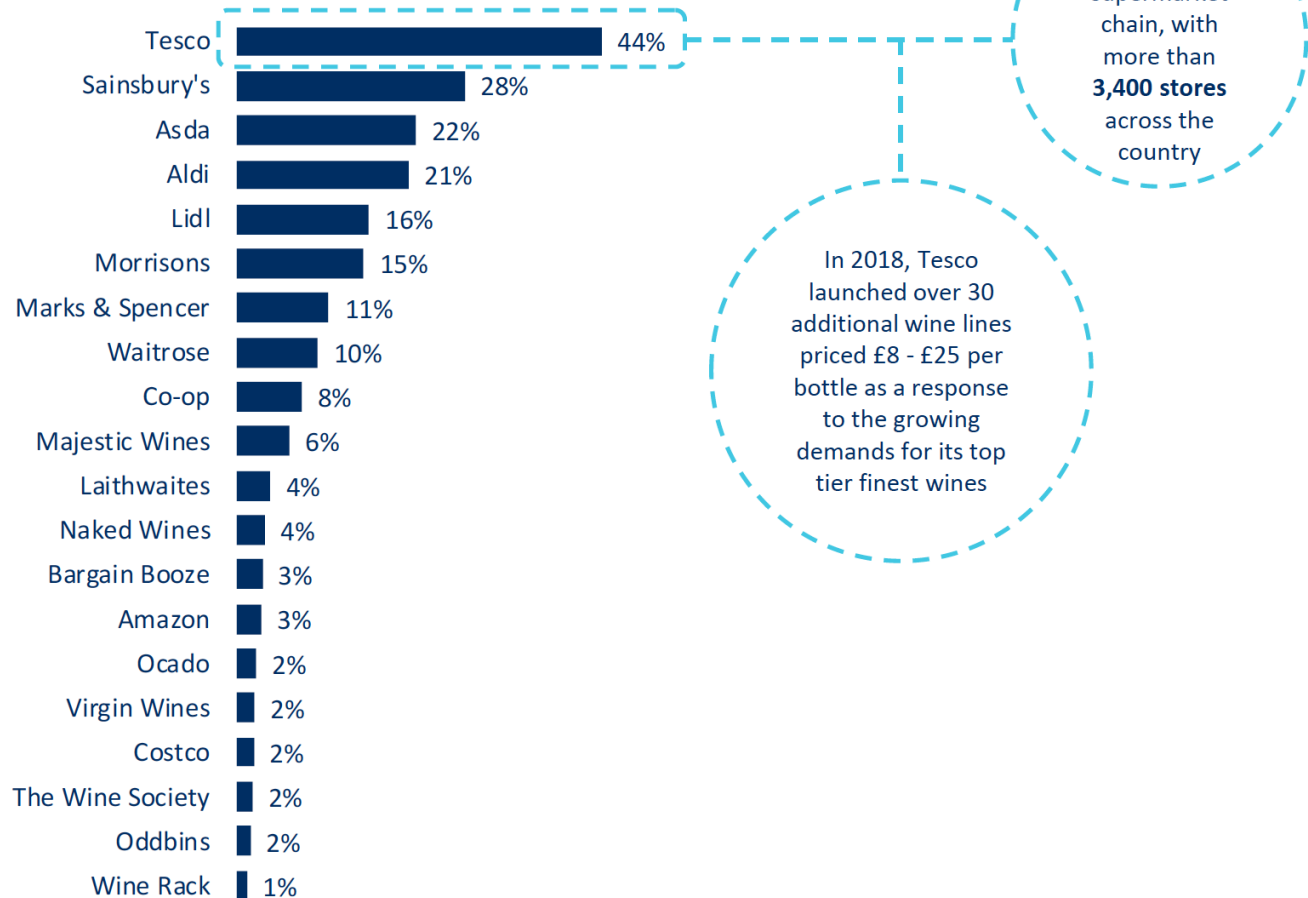
Retailer Mix



Wine-buying retailer usage: Top 20

% who mainly use the following retailers to buy wine

Base = Those who buy wine in the off-trade



Source: Wine Intelligence Report – Nov 2019

MARKET OVERVIEW

US-UK Free Trade Agreement



MARKET OVERVIEW

US-UK Free Trade Agreement



MARKET OVERVIEW

What You Need to Know Now



COVID-19

- Much of the workforce has been furloughed and are at least making 80% of their salaries via the government.
- But, when this tap is turned off the underlying businesses will not have the cash reserves to pay the staff.

“There are between 3 and 5 million people furloughed in the UK. A lot of them are actually jobless . . . They just don’t know it yet”

Financial Times, 2 May 2020

- Many on-trade businesses will not be able to survive the loss of 3 months trade even if things go back to normal by July.
- The remainder of 2020 will include social distancing and people working from home or avoiding crowded spaces. This means the potential customer base for the on-trade will simply not materialise even after restrictions are lifted.

MARKET OVERVIEW

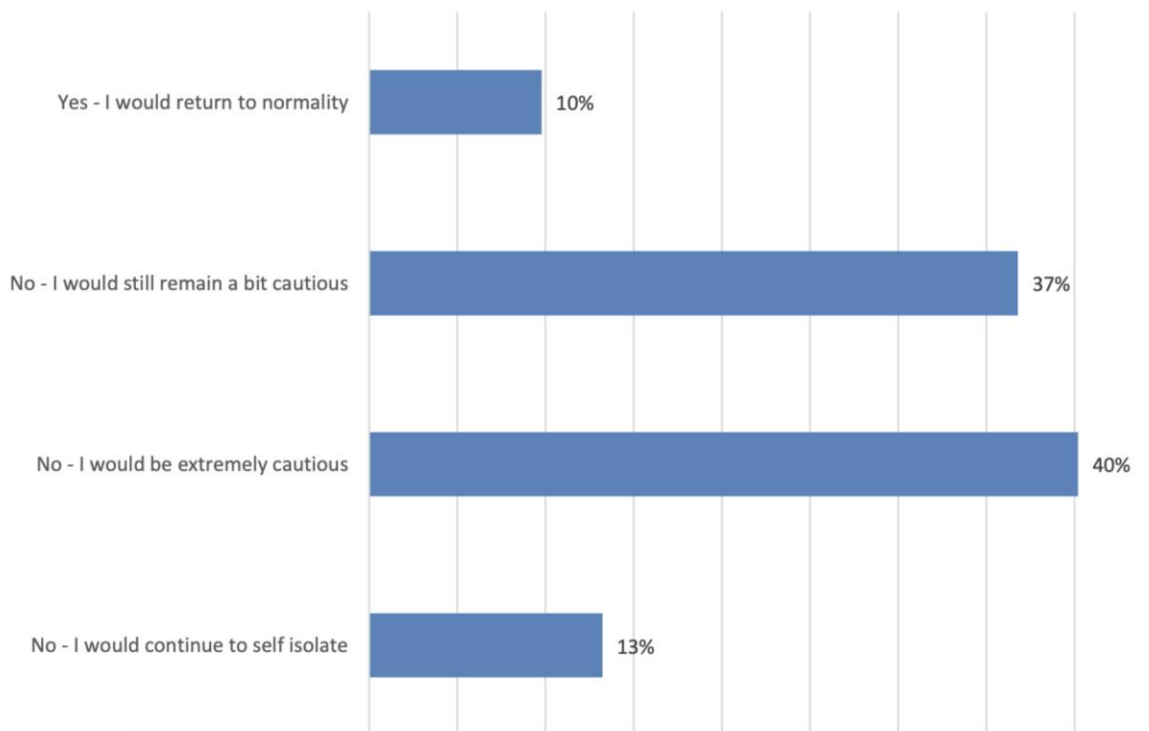
Consumer Sentiment



Consumer perception on exiting the lockdown

If the lockdown restrictions were lifted on 7 May, do you think you would be confident enough to return to normal life? (e.g. use public transport, go shopping, eat out)

Proportion of respondents:



10%

Just 10% of consumers would look to return to normality if restrictions were lifted on 7 May.

77% of consumers say that they would remain 'a bit' or 'extremely' cautious if restrictions were to be lifted on 7 May.

Just one in ten consumers suggest that they would be willing to return to normality.

Latest Covid-19 survey conducted between 20-22 April.
* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000 households (for each survey)

Source: Retail Economics, April 2020

MARKET OVERVIEW

What You Need to Know Now

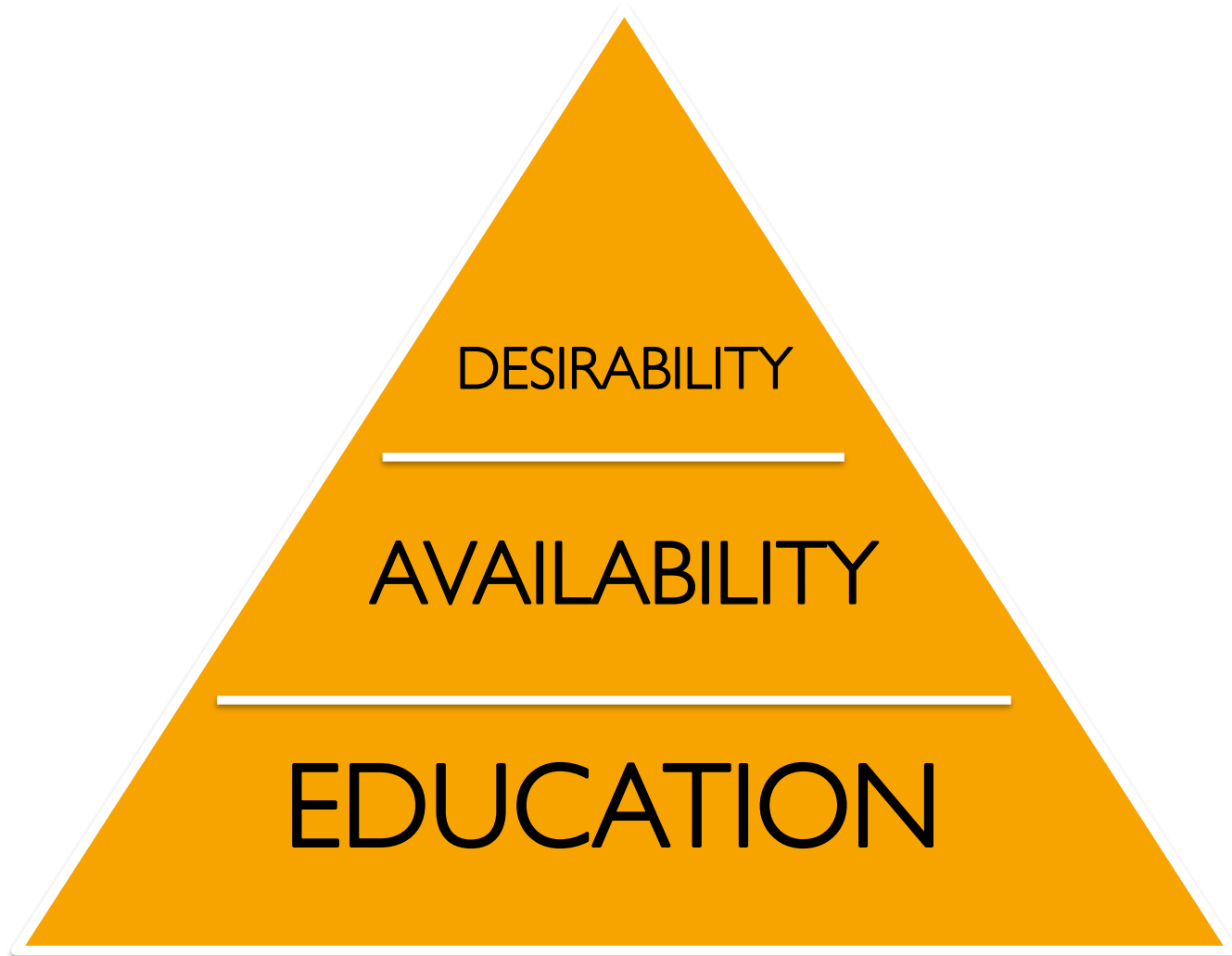


THE OPPORTUNITIES

- Companies have transformed themselves overnight, from being restaurants, bars and on-trade suppliers, to running direct to consumer and delivery services, servicing the whole country with ecommerce websites that have appeared out of nowhere.
- Online wine retailers reporting up to 1,000% increase on like-for like sales in March and April compared to 2019.
- The UK's largest independent wine retailer Majestic had their website crashed from demand.

So while the on-trade will struggle, total wine sales can remain robust, led by the off-trade.

Our task is to ensure California wine moves quickly to succeed in this new landscape



EDUCATION - AVAILABILITY - DESIRABILITY



New Education Platform

- Concept:** Utilise the new Wine Institute education platform to launch a range of learning opportunities for both trade and consumer.
Select a group of key educators and train them as part of our broader California wine education team in the UK and Ireland.
- Strategy:** Knowledge and understanding of California wine will drive deeper engagement and will lead trade and consumers to be more confident in their buying decisions.
- When & Where:** Level 1 roll out in October 2020 using online modules for consumers and the trade.

2-day residential for our team of educators in Jan 2021 in London.

The top performing educators will then be included on an educational tour of California in 2021 (dates TBC).
- Going Forward:** Elevating and promoting this educational platform will be a key priority for 2021.



The California Sommelier Sessions

- Concept:** Partnering with key importers to host an online wine tasting of 3 of their California wines with a group of 4 sommeliers with whom they have a prior business relationship.
- Strategy:** Keeps California front of mind with sommeliers whilst they are not working due to COVID-19. Shows support and engagement with our key stakeholders the Importers.
- Where & When:** Online, bi-weekly sessions
- Going Forward:** As the year progresses, we will launch this to consumers with our new and trusted Sommeliers hosting each consumer session.

The California List – Edition 1

- Concept:** Create a master-list of California brands that the UK trade and consumers should know and understand as the reference points for California wine.
- An independent panel of judges will select the final list.
- A marketing poster and other collateral will be produced featuring the wines.
- Strategy:** The List will provide a powerful and simple education tool to give trade and consumers a ready reference for brands they can find in the UK. The brands they need to know in order to understand California.
- Where & When:** Judging to take place in London from October to November 2020. Edition 1 List launched in London on Wednesday 17th March 2021.

Online Retail Promotion

- Concept:** Incentivize online retailers to ensure their entire California wine range is listed on their website and available for online sales - get California wines in front of the customers and into their shopping basket.
- The promotion will be backed by new regional AVA content produced by CWI UK that can easily be used on the retailer's site.
- Strategy:** Online sales are expected to become more habitual after the pandemic, so this promotion will not only help grow sales but will also familiarise more consumers with California wines ahead of 2021's consumer campaign.
- Format:** Online retail websites.
- Going Forward:** This promotion will target 50% growth in California wines in the growing online sector.

Collectible and Essential California

- Concept:** Collectible: For California wines over £50 RRP. On hold due to COVID-19.
Essential London and Dublin: For California wines under £50 RRP will be proceeding as normal in March 2021.
- Strategy:** Positions California wines into two clear categories, highlighting their strength in both categories and allowing the trade and press to focus at each tasting.
- Where & When:**
- | | |
|-------------------------|---|
| Collectible California: | London, TBD |
| Essential California: | London, Thurs 18 th March 2021 |
| Essential California: | Dublin, Wed 24 th March 2021 |
- Vintner Presence:** All welcome. Please choose between the range of events on the 2021 Spring Tour.



The California Travel Bursary

Concept: Provide key Importers funding support to cover staff to travel to California to visit their portfolio wineries.

Phase 1 of this initiative offers 6 Importers in the UK and 2 in Ireland the chance to participate, funding up to 5 key staff from each company. Each trip will be curated with CWI and detailed trip reports and results will be required from the Importers.

Strategy: Deepen key stakeholders' knowledge and understanding of their California portfolio to drive greater sales.

Where & When: Phase 1 launched this September 2020 for travel in 2021.



Cook with California

- Concept:** An invitation to top chefs and sommeliers across the UK to submit their best original menu pairing with California wines. The 5 best entries will be invited to showcase their pairing to a selected panel of high-profile judges including Jancis Robinson and Fay Maschler.
- The prizes will include a curated food and wine trip to California.
- Strategy:** Create a buzz in the UK food and wine scene and spark some excitement in the on-trade after a terribly tough 9 months. The high-profile judges and their popularity in the industry will give the competition gravitas.
- Where & When:** Annually, with the 1st Edition to be launched in January 2021, with the rounds running in March and April.
- Participation:** Opportunity to sponsor runner up prize or hosting the winners.

California County Fair

- Concept:** An open-air food and wine festival with a county fair feel for up to 3,000 consumers.
- The largest ever consumer tasting of California wines in the UK, with live food and wine demonstration stages featuring experts from California and London.
- Stalls will be offered to Export Members and UK Importers (for California wine) and US Agriculture Co-operators (for US food products).
- Strategy:** County Fair will elevate the perception and profile of California wines to high-end food and drink enthusiasts. Our ATP funds give us a unique opportunity to make a big impact on consumers and kick-start a new annual activity.
- Where & When:** The Walled Garden at Chiswick House, London on August 22nd 2020 and to be repeated annually.



Consumer Advertising Campaign

Concept:

Create an advertising campaign to inspire UK and Irish consumers to choose California wine over the alternatives and make California wine a must stock category in the on and off trade.

Campaign assets will include long and short form videos, outdoor media and activity with major retailers.

Strategy:

Consumer engagement with California wine is too low so we need to connect with them via a full-on campaign! We need to make the consumer take notice of California.

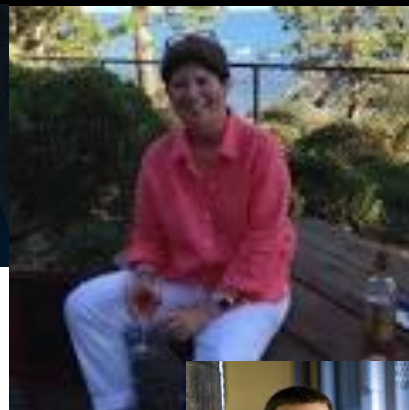
Where & When:

Proposed launch Spring/Summer 2021

IGTV Social Media Feed

Concept:	<p>‘Meet Our Winemakers’ series of videos from Export Member wineries edited by CWI UK to develop our California wines UK IGTV feed.</p> <p>Transporting our followers to wine country, giving them a unique look into the vineyard and winery activity.</p>
Strategy:	<p>Keeps California wine front of mind throughout COVID-19 and beyond. This homegrown content will be highly shareable in the wine community.</p>
Format:	<p>3 min IGTV video with winemakers</p> <p>Scene 1. (1 min) The Vineyard</p> <p>Scene 2. (1 min) The Cellar</p> <p>Scene 3 (1 min) The Wine</p>
Participation:	<p>All Export Members welcome</p>

Hollywood Reporter – NEW KIDS ON THE BLOCK 2021



ACTIVITY CALENDAR



2020/2021	Event/Activity	Target	Location
July & August	Online Retail Promotion	Trade	UK and Ireland
July & August	Sommelier Sessions	Importers and Sommeliers	UK and Ireland
September 5	Financial Times Wine Festival	4,000 High end Consumers	London
September 14	Launch of Travel Bursary	Importers	London
October 23	Collectible California followed by a 'thank you' Dinner for private clients	Trade & Consumer	London
October	Retail Promotion with Majestic	Off-trade	UK
December	Christmas Tastings with The Wine Society	Consumer	UK
December	Annual CWI Alumni Christmas Gathering	On and Off-trade, Press	UK

ACTIVITY CALENDAR



2020/2021	Event/Activity	Target	Location
Jan 24	Educational Platform Launch and Educate the Educators in Residence	Trade	London
Jan 18	Launch of Cook with California	On Trade	London
March 17	The California List Launch Evening	Top On and Off-trade, Press	Carneros, California
March 18	Essential California	Top On and Off-trade, Press	London
March 24	Essential California	Top On and Off-trade, Press	Dublin
May	California Sustainability Summit	10 -15 Key Trade	Ireland
May 22	California County Fair	Consumer	UK
June	Education Tour with new Educators	Trade	UK

THANK YOU



To quote the late Nobel Prize Winner Irish Poet
Seamus Heaney

THANK YOU



*“If we can winter this...
we can summer anywhere”*