



2023 - 2024 REGION OVERVIEW & STRATEGY

MEXICO

JULY 20, 2023

PRESENTING TO:

**EXPORT PROGRAM
ANNUAL MEETING**

CONTACT:

**ADRIANA CADENA &
ANGELA RITZ**

AGENDA: INSERT REGION/MARKET NAME

MEXICO MARKET

General Market Overview

General Information about the wine market

Information about California Wines

PRICE POINT FOR MEXICO

ACTIVITY PROGRAM

- Capstone
- Grand Tasting and Wine Market
- Trade Teams
- PR Events
- California House

MARKET DYNAMICS



MARKET DATA & DYNAMICS

Key Changes 2021-22

- The on-trade continued to drive growth with wholesalers serving the channel registering the strongest performances.
- Wine showed more moderate growth.

Forecast

- Most of the industry is expecting another strong year in 2023, but with growth rates moderating compared to 2021 and 2022.
- Glass supplies and global transport issues should improve and reduce out-of-stocks.
- A strong Mexican peso at the start of 2023 could cushion planned price increases on imported goods.

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MARKET DATA & DYNAMICS

Forecast Highlights

General Forecast Assumptions

- Tourism has been strong but security issues in tourist areas in 2023.

Key Market Factors

- One of the best demographics in the world for selling alcohol.
- Mexico's economy – the second biggest south of the US – expanded by 3% in 2022.
- Inflation, and higher interest rates mean a deteriorating outlook for 2023.

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MARKET DATA & DYNAMICS

Key Market Factors

- Revenue generated by international tourism was up 14.3% between January and November 2022, compared to a year earlier.
- Inflation was at 7.8% in 2022, but most drinks category price increases were much higher due to increased production costs.
- Ecommerce Growth rates in the online channel slowed considerably once the on-trade reopened promotional activity on digital platforms reduced.

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MARKET DATA & DYNAMICS

Key Market Factors

- Omnichannel continues to lead ecommerce sales by quite some distance.
- Convenience platforms, such as Rappi and Jokr, are growing faster.
- Most growth in ecommerce came from brewers or generalist on-demand delivery services.
- Spirits and wine ecommerce sales have slowed considerably post- pandemic.
- E-commerce is even declining as a consequence of the strong on-trade channel .
- Another reason are Mexicans' willingness to go out and enjoy life again.

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MARKET DATA & DYNAMICS

Key Category changes 2021-22

Long-Term Drivers

- Still wine consumption had been growing for decades before Covid-19.
- Per capita consumption remains small, but wine is increasingly viewed as fashionable and interest in food.
- More importers are appearing and increasing tourism is driving growth.

Current-Year Changes

- Wine continued to grow, boosted by the on-trade, with supermarkets showing only moderate volume growth.
- Strong tourism demand contributed to category growth.

MARKET DATA & DYNAMICS

Key Category changes 2021-22

Outlook

- Although per capita consumption has grown in recent years, it remains very small at just under a litre.
- Some of the at-home wine drinking that started during the pandemic has remained.
- Drought in northern Mexico, key area for wine production, might mean some challenges for Mexican wine industry.

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MARKET DATA & DYNAMICS

Key Category changes 2021-22

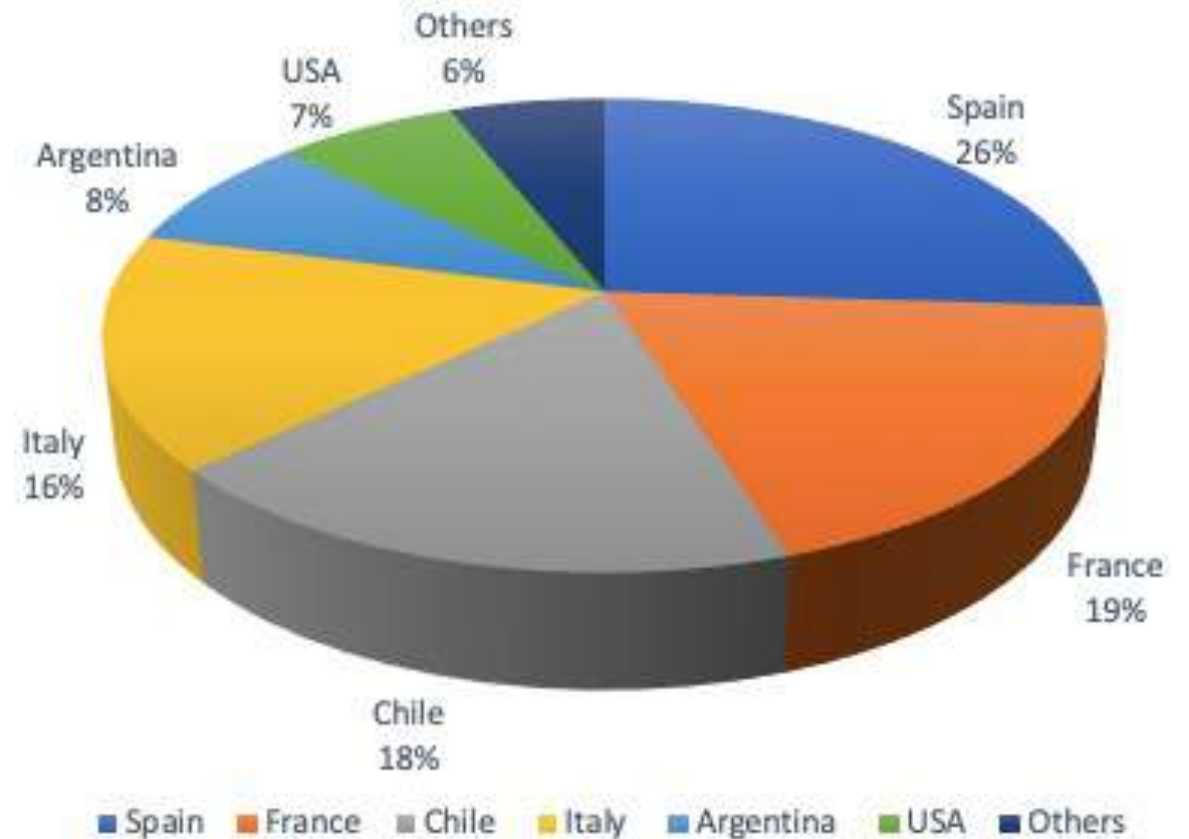
Outlook

- Gaps will be filled by imported wines.
- The market is slowly maturing, though far from saturated.
- Consumers are already exploring different styles, from drier wines to entry-level sweet Lambrusco.

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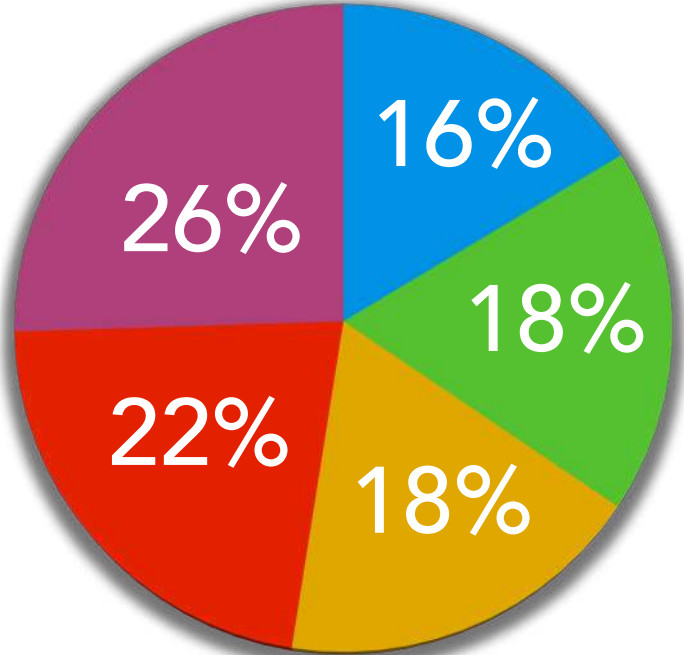
MEXICO MARKET OVERVIEW

- USA stands in 6th place of wine importation in Mexico.
- 75% of the wines consumed in Mexico are imported.
- 2021, Mexico had a market share increase of 25.2% for CW
- With the growth of wine consumption we now represent 0.5% of global consumption.



US WINE EXPORT 2018-2022

COUNTRY: MEXICO



	Retail Value 2018	\$41,065.596
	Retail Value 2019	\$46,038.183
	Retail Value 2020	\$45,066.794
	Retail Value	\$55,502.864

Abs. Chg Value 2020 to 2022 \$19,189.369

	CAGR Value 2020 to 2022	19.407%
	%Chg Value 2020 to 2022	42.580%

MARKET DATA & DYNAMICS

Opportunities for California Wines

- There is clearly further room for growth in the Mexican market
- Work in the luxury sector partnering with key clients: banks, car companies, culinary festivals.
- Consumers wanting to explore different regions and different style of wines.
- Increasing growing on the on trade sector nationwide as people go out to relax and enjoy.
- More importers are appearing .
- Growth on the tourism culinary sector.
- Growth for wine bars through out Mexico.
- Explore new markets: Bars



STRATEGIC FOCUS



STRATEGIC PRIORITIES

Activities

- Education
- Events associated with luxury branding and food
- Tastings
- Strong PR with key players in the market

Education

Important tool for our
market
Seminars, capstone



Partnership with luxury

Branding

Events, happenings,
experiences



Tastings

Keep key players in the market updated with the wines

Events



MAJOR PROGRAMS



Capstone Educational Program

September / December /
January / March / May

- This education program help us to reach more wine lovers as well as sommeliers
- Education will get more people near our wines and will help educate others.



Grand Tasting and Wine Market

Date: March / April

- Grand tasting for the trade & wine market for wine lovers to buy.
- Two educational seminars one for press and one for wine lovers.
- Awareness of new labels and for trade
- New experience for wine lovers



Trade Team

Education , living the experience

DATES: APRIL

- Trade Teams are a very important tool.
- Most of the guests become California Wine Ambassadors.
- 85% put new labels on the menu.



PR Events

Pop us, experiences , partnerships with luxury events and brands.

- Increase our presence in luxury markets.
- Benefit from the food and wine experiences Mexican market is living.
- Position CW in this sector.
- PR with key players in market.



California House

Flagship Program

An activity that will show case California wines and sustainability to our target consumers through out the year

- Experiences with certified somms
- Invitation to wineries looking for importers
- Food and wine experiences
- Wines on Supermarkets





CALIFORNIA
WINES

THANK YOU

Adriana & Angela
Mexico@discovercaliforniawines.com



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