



# Insight Wine Summit

Tuesday, March 5, 2013  
Niagara-on-the-Lake

# Agenda

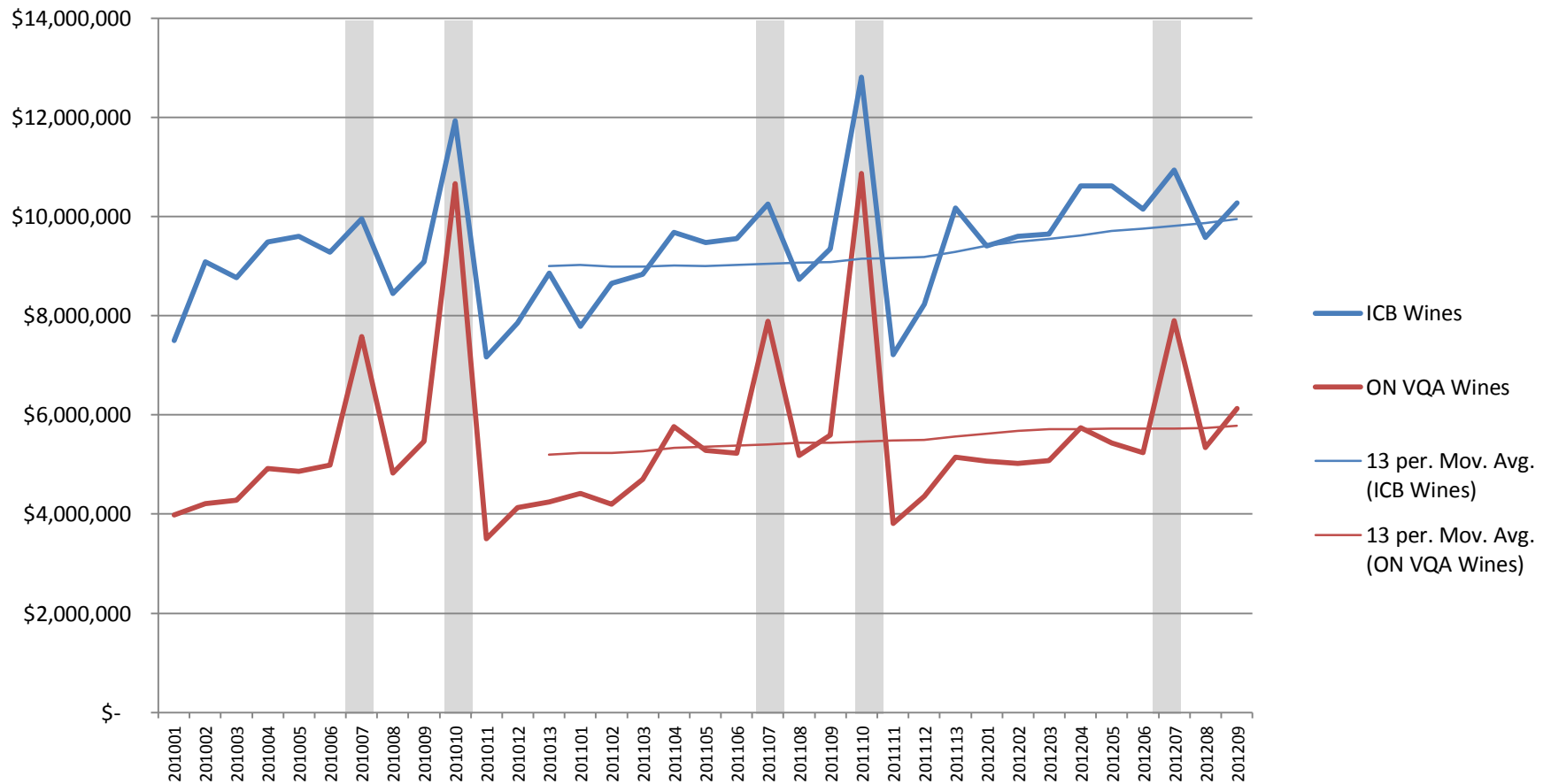
- Overall sales trend
- Profile of the Top VQA and ICB shoppers
- Perception of Ontario Wine
- P7 Promotion Customer Feedback





Overall sales trend

## Sales history – ICB and ON VQA wines (Air Miles collectors)



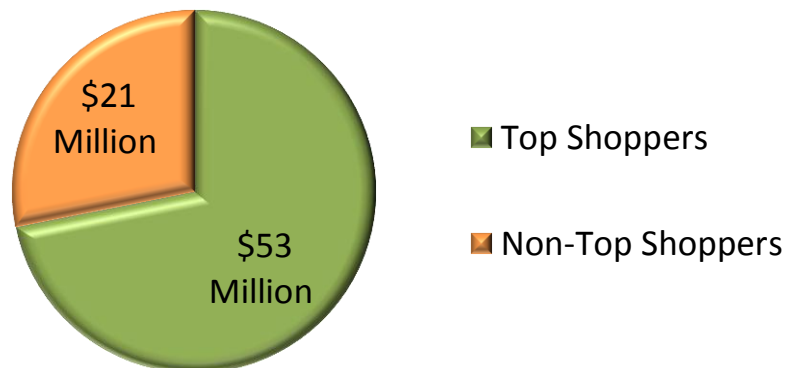


Top VQA shoppers

## Ontario VQA wines – basket profile of its Top VQA Customers

- VQA customers averaged \$74 on VQA wine a year.
- **Top Shoppers:** defined as those AM's spending **more than** \$74 on VQA products
- A quarter of all VQA AM's customers accounted for 72% VQA revenues
- They averaged \$221 on ON VQA products, and they averaged \$1,864 on all LCBO products (vs. \$727 for all AM customers).

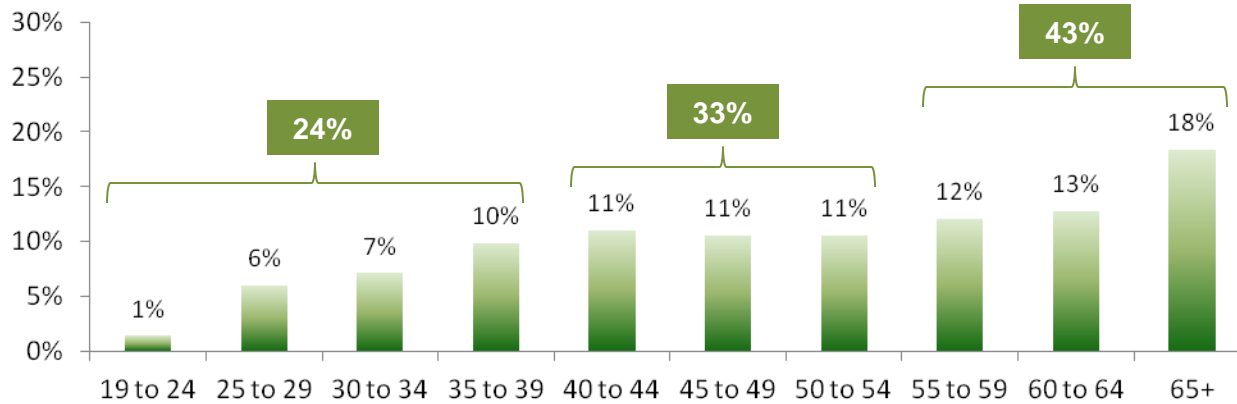
### ON VQA Revenues



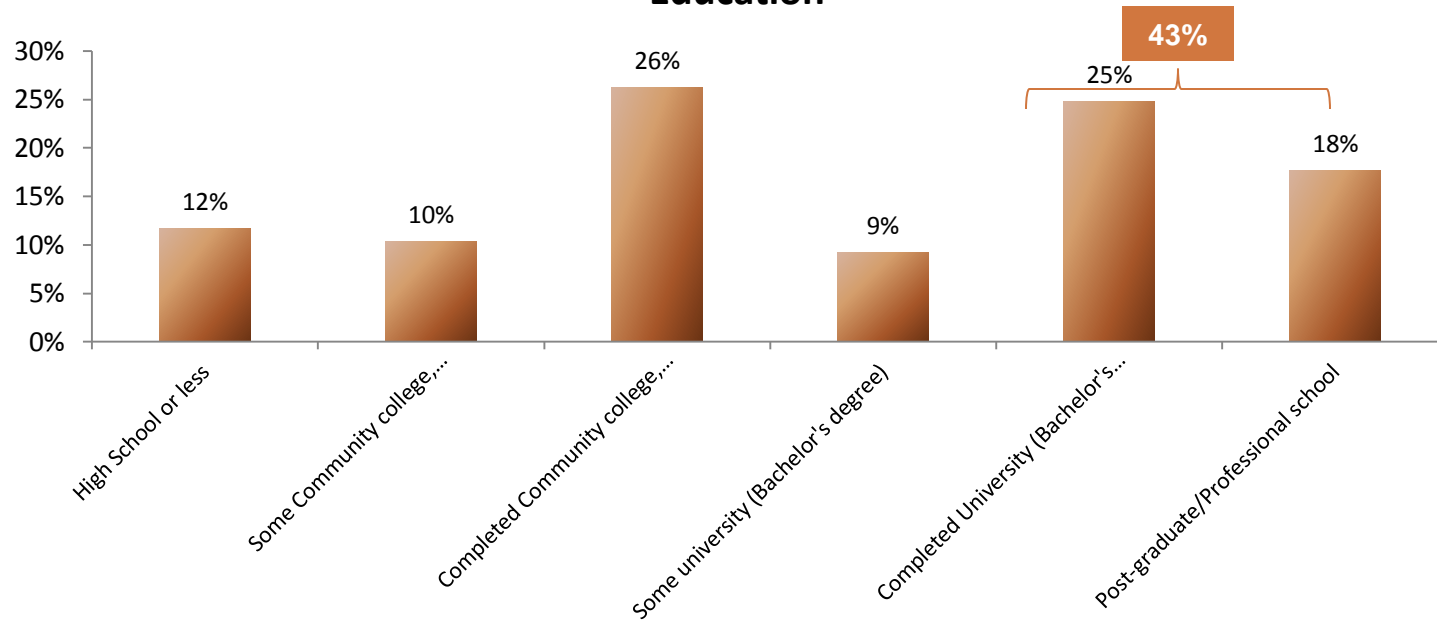


# Ontario VQA wines – demographic profile of its Top VQA customers

## Age Groups

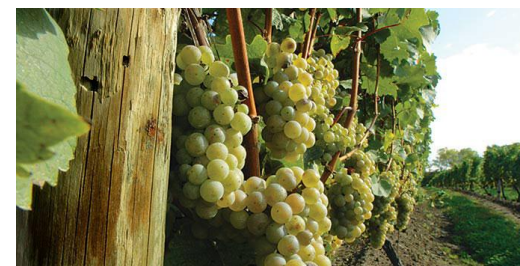
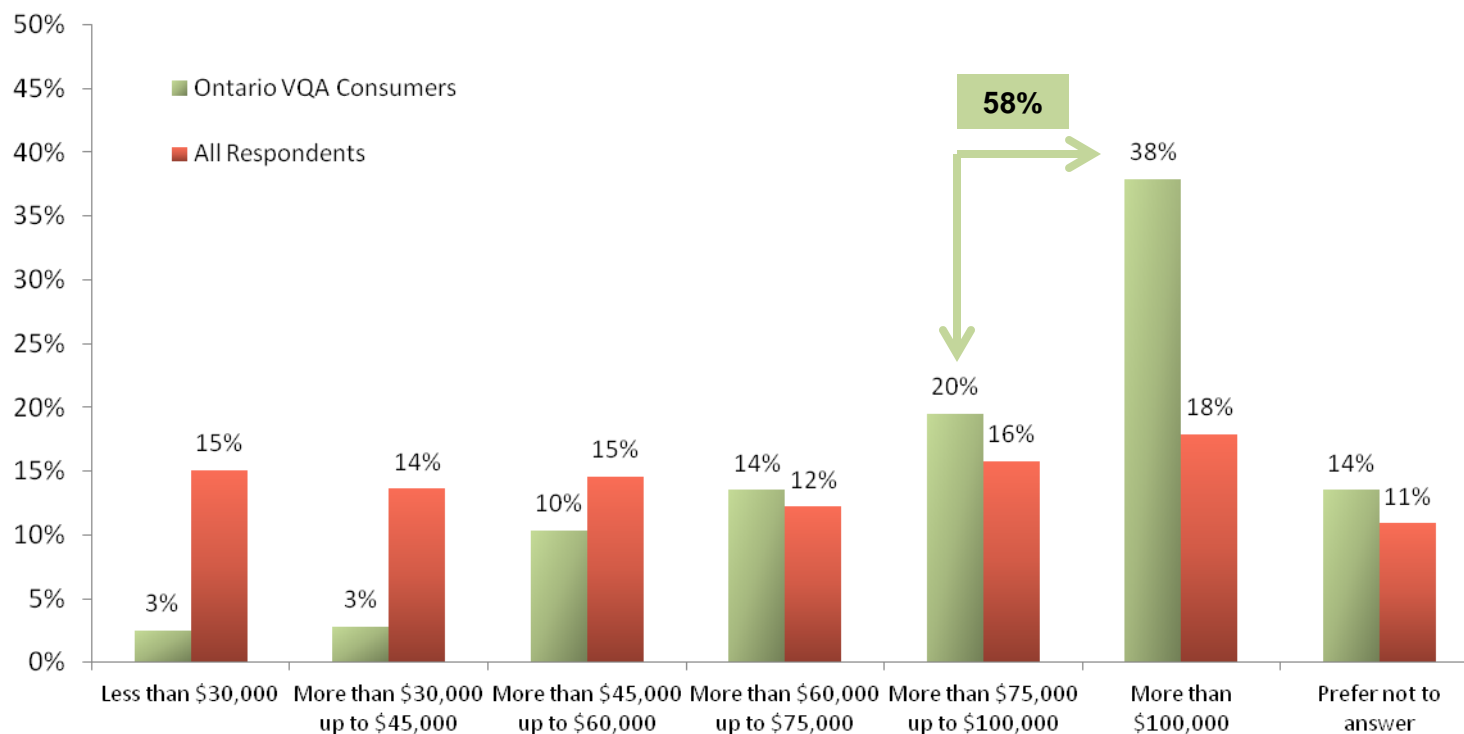


## Education



# Ontario VQA wines – demographic profile of its Top VQA customers

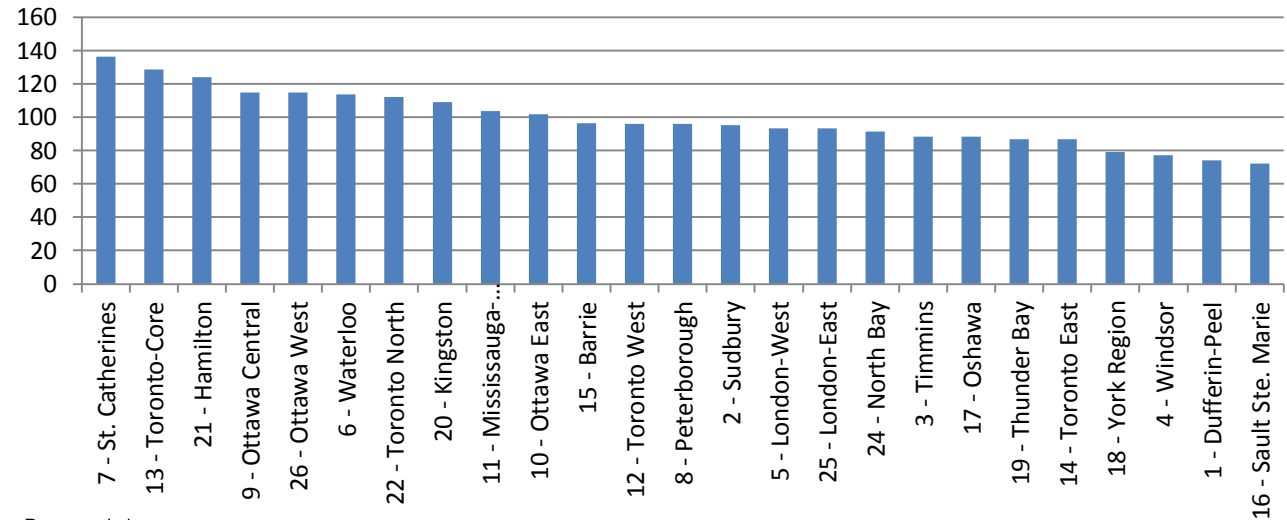
## Household Income



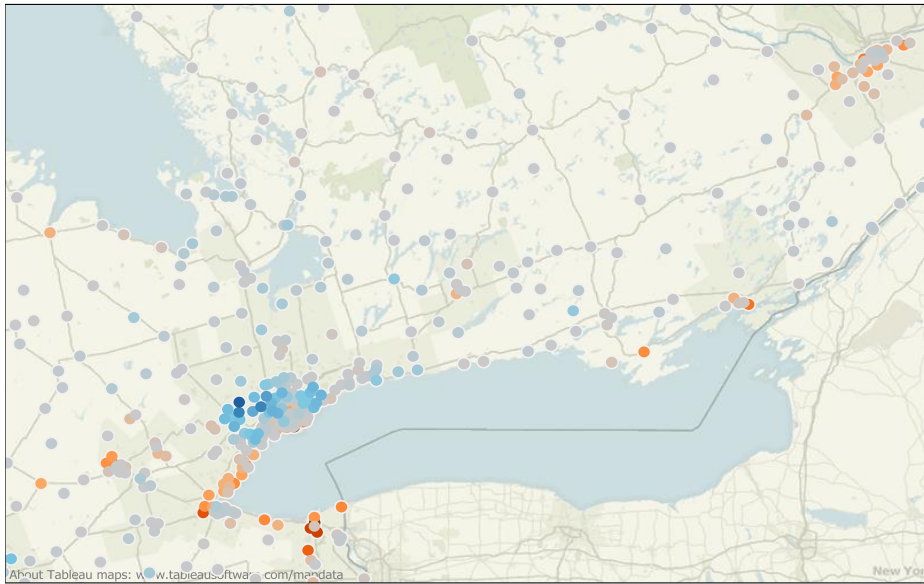


# Ontario VQA wines – demographic profile of its Top VQA customers

## All Product Revenues - Top Shopper Index



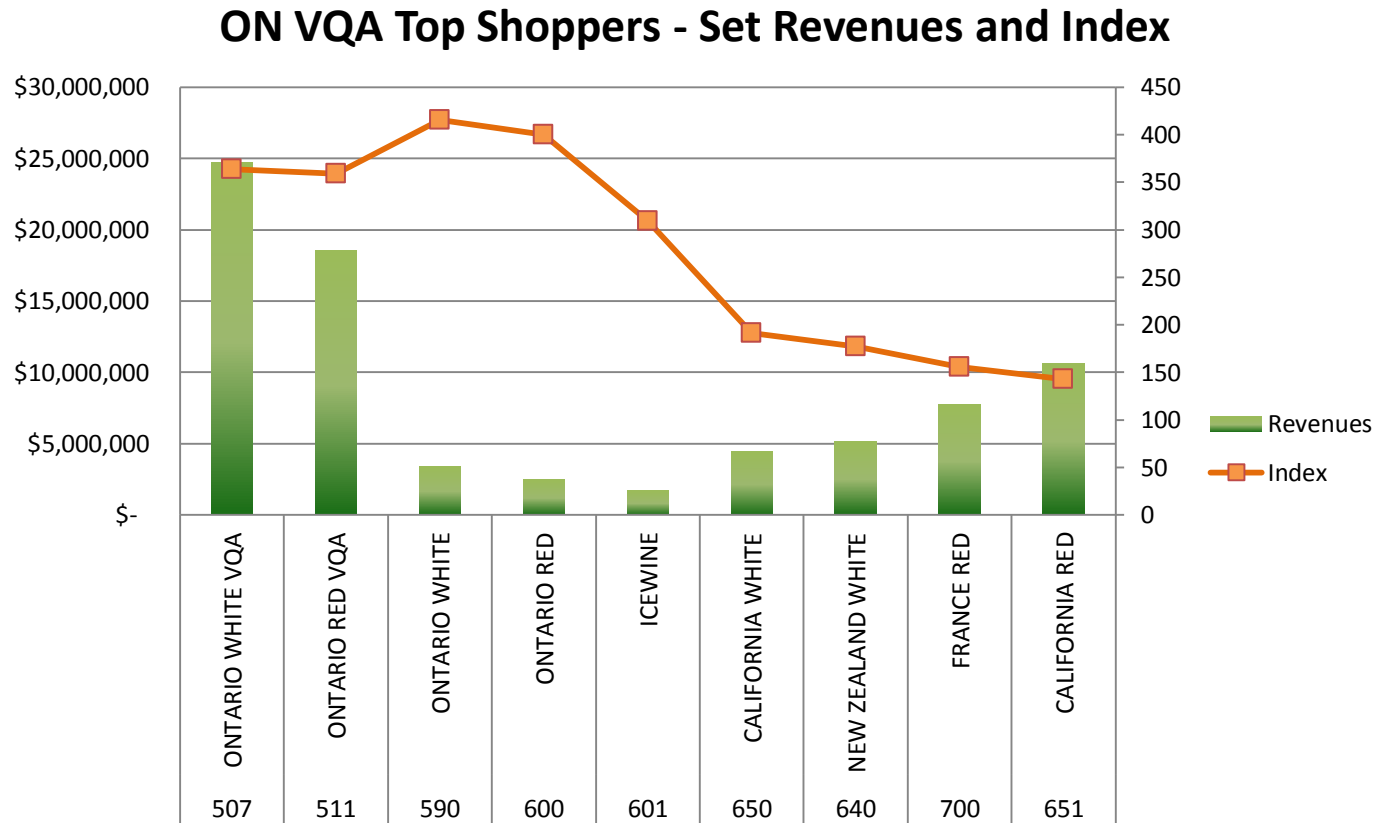
ON VQA Top Shoppers - Store Revenues Inde



**Note:** this graph is intended to identify where they live (at the district level)

## Ontario VQA wines cross basket – Contains a mix of country of origin (wine) and a low proportion of spirits and/or beer

ON VQA Top Shoppers favored Wines, especially Ontario Wines and Vintages New World Wines. Spirits, Beers, and Ciders indexed poorly.



## Ontario VQA wines – demographic profile of its Top VQA customers

In general, Top Ontario VQA customers are

- Evenly split male/female, slightly older, married, well-educated, and upper income.
- They are Food & Drink readers and advocates
- Beyond Ontario VQA wines, they also purchase Vintages wines from several other New World and European regions.
- They rarely purchase Beers, Ciders, or Spirits.



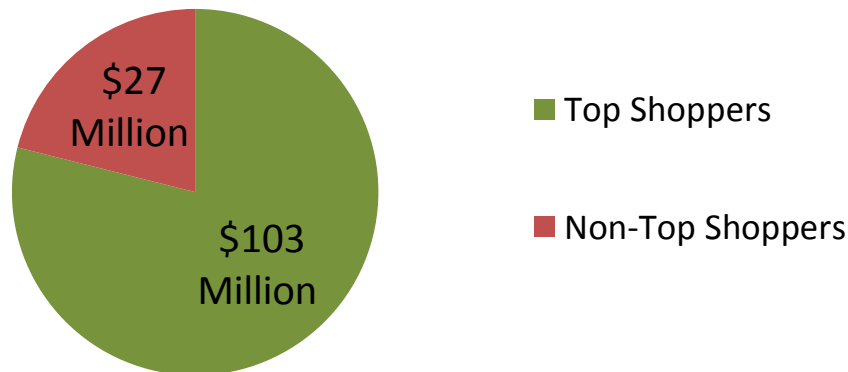


Top ICB shoppers

## Ontario ICB wines – basket profile of its Top ICB Customers

- ICB customers averaged **\$135** on ICB wine a year.
- **Top Shoppers**: defined as those AM's spending **more than** \$135 on ICB products
- 18% of all ICB AM's customers accounted for 79% of ICB revenues
- They averaged \$594 on ON ICB products, and they averaged \$2,155 on all LCBO products (vs. \$727 for all AM customers).

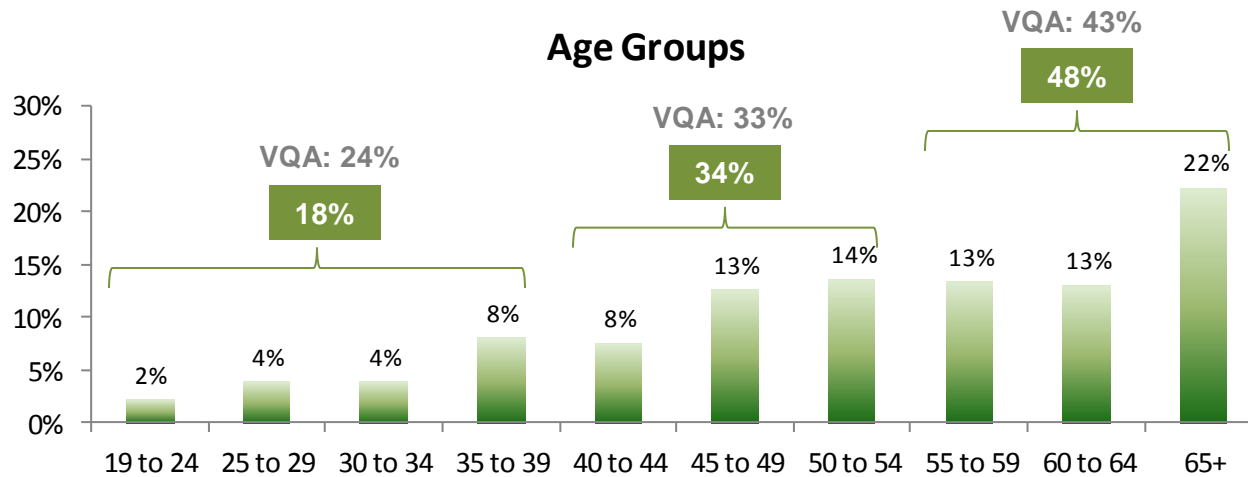
### ICB Revenues (Air Miles customers only)



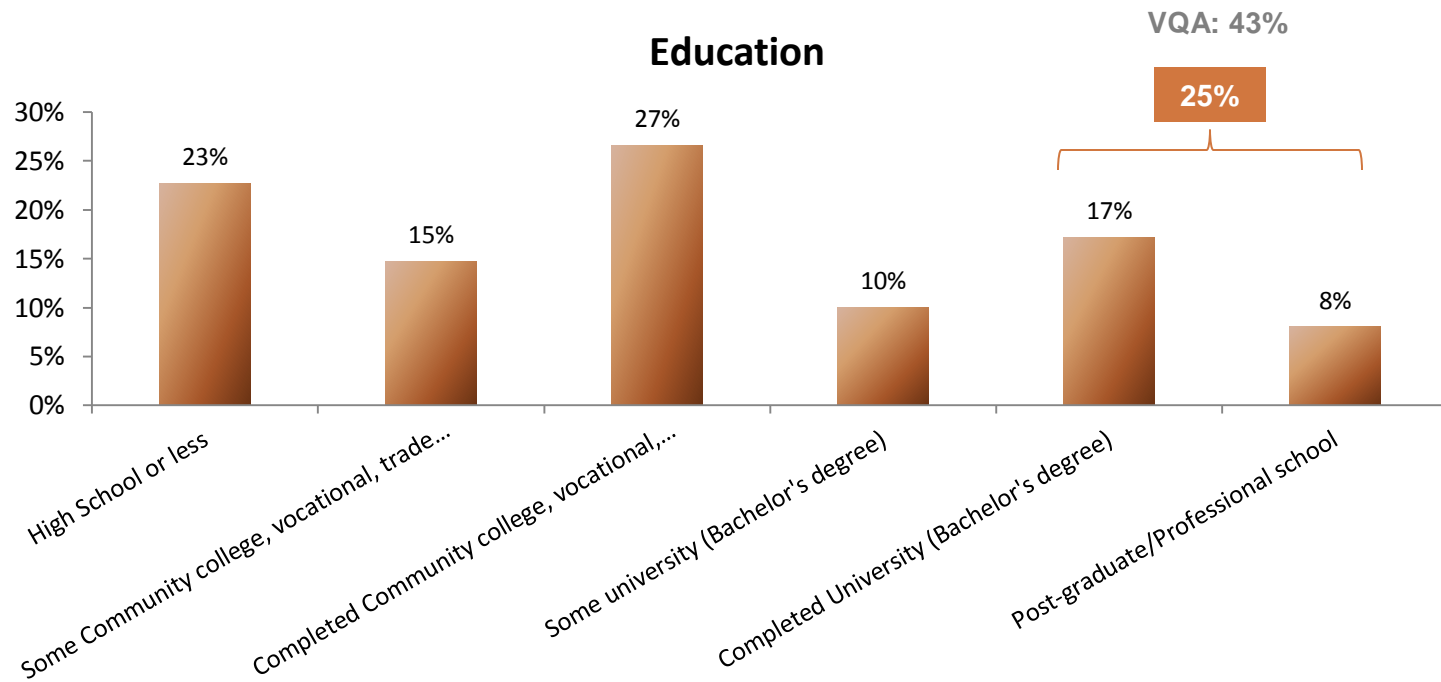
ICB

# Ontario ICB wines – demographic profile of its Top ICB customers

## Age Groups

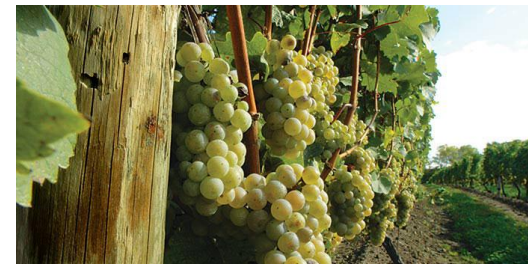
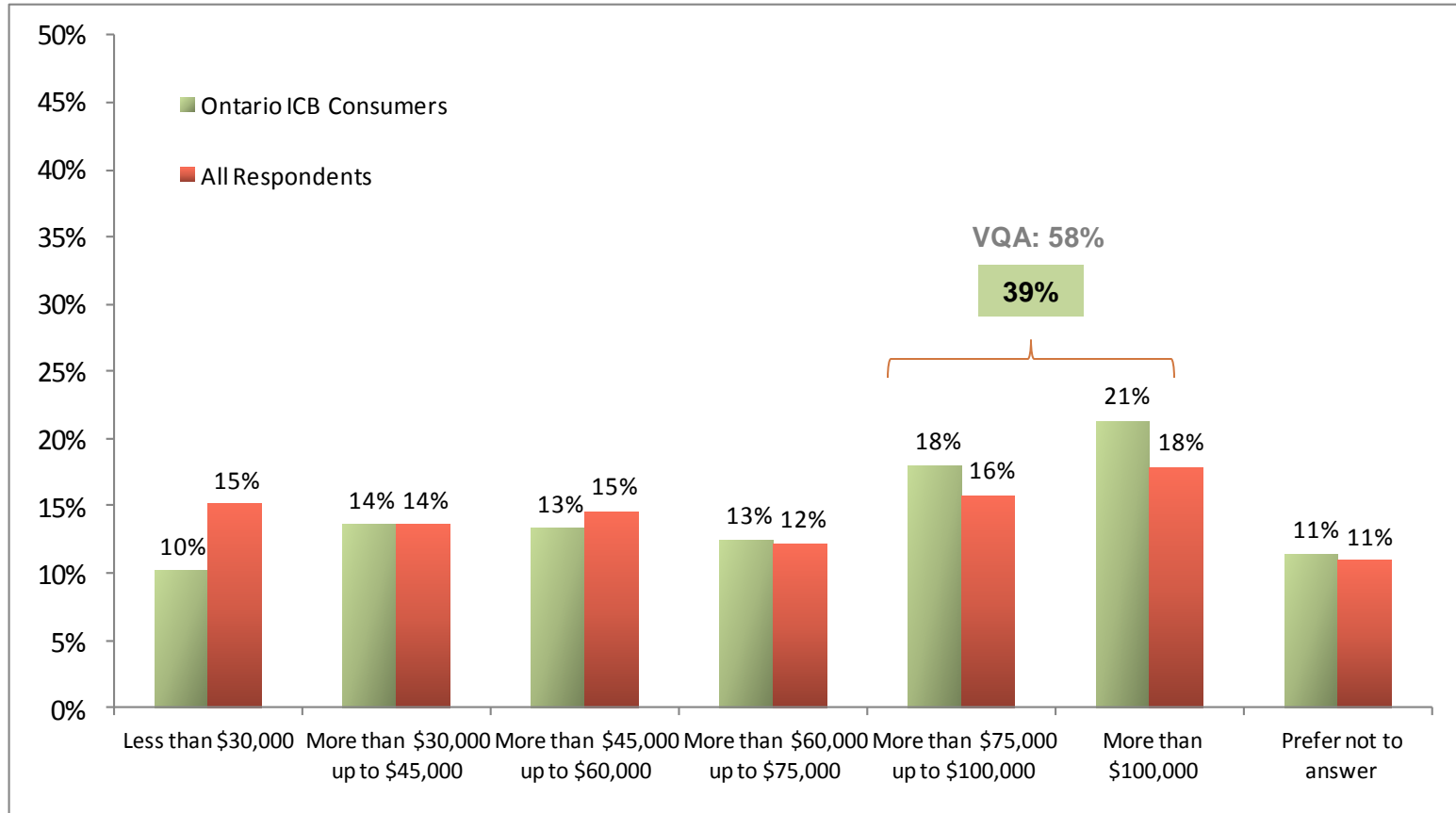


## Education



# Ontario ICB wines – demographic profile of its Top ICB customers

## Household Income





## Ontario ICB wines – demographic profile of its Top ICB customers

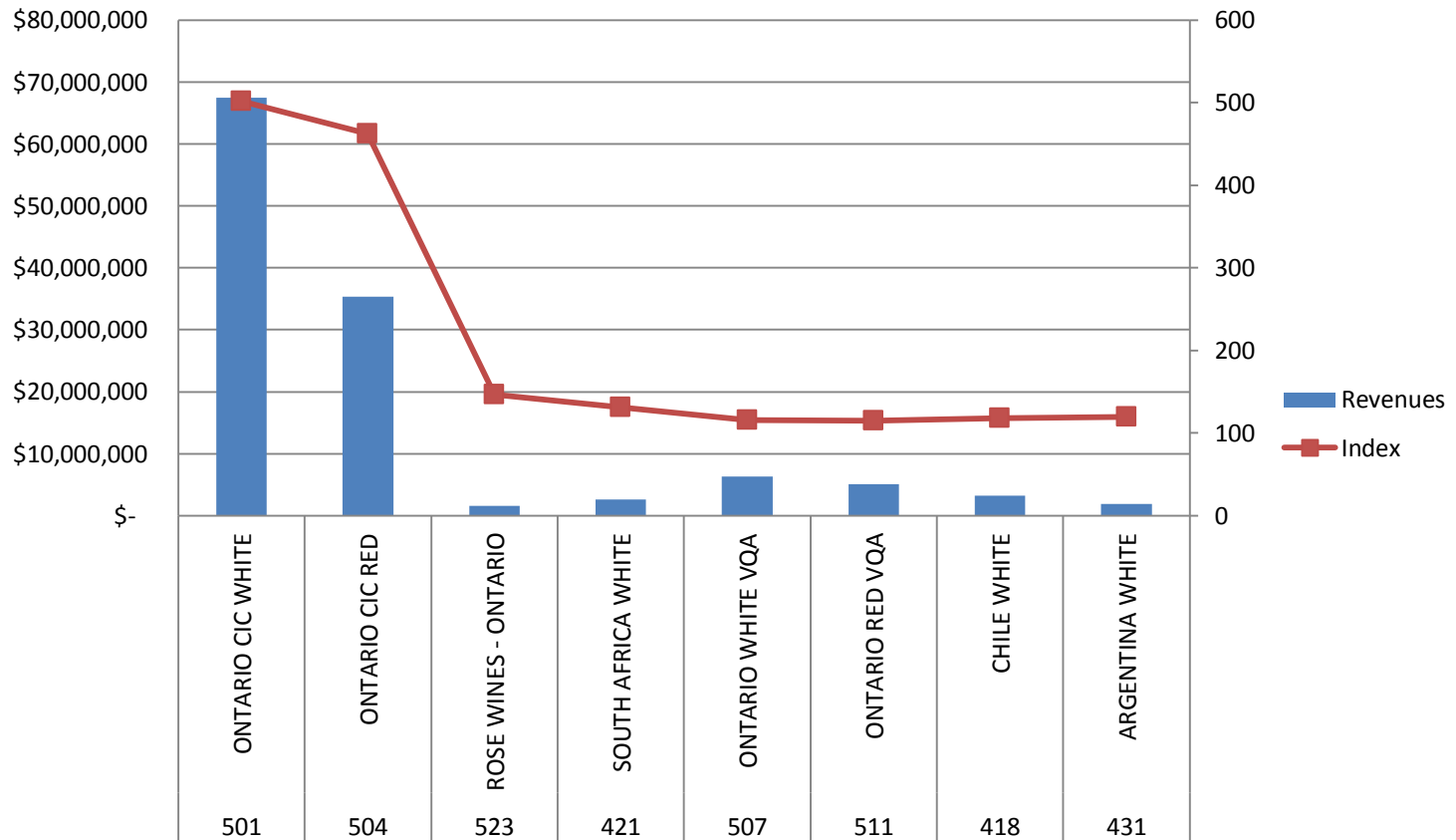


**Note:** this graph is intended to identify where they live (at the district level)

## Ontario ICB wines cross basket – Contains a mix of country of origin (wine) and a low proportion of spirits and/or beer

ON ICB Top Shoppers are very loyal to Ontario wines and tend to not buy out with this category

**ICB Top Shoppers - Set Revenues and Index**



## Ontario ICB wines – demographic profile of its Top ICB customers

In general, Top Ontario ICB customers

- Skew female slightly older, married and have less higher education degrees and an average income.
- They are Food & Drink readers and rate it higher than the average customer but not as high as VQA customers
- Beyond Ontario wines these customers seldom buy other categories



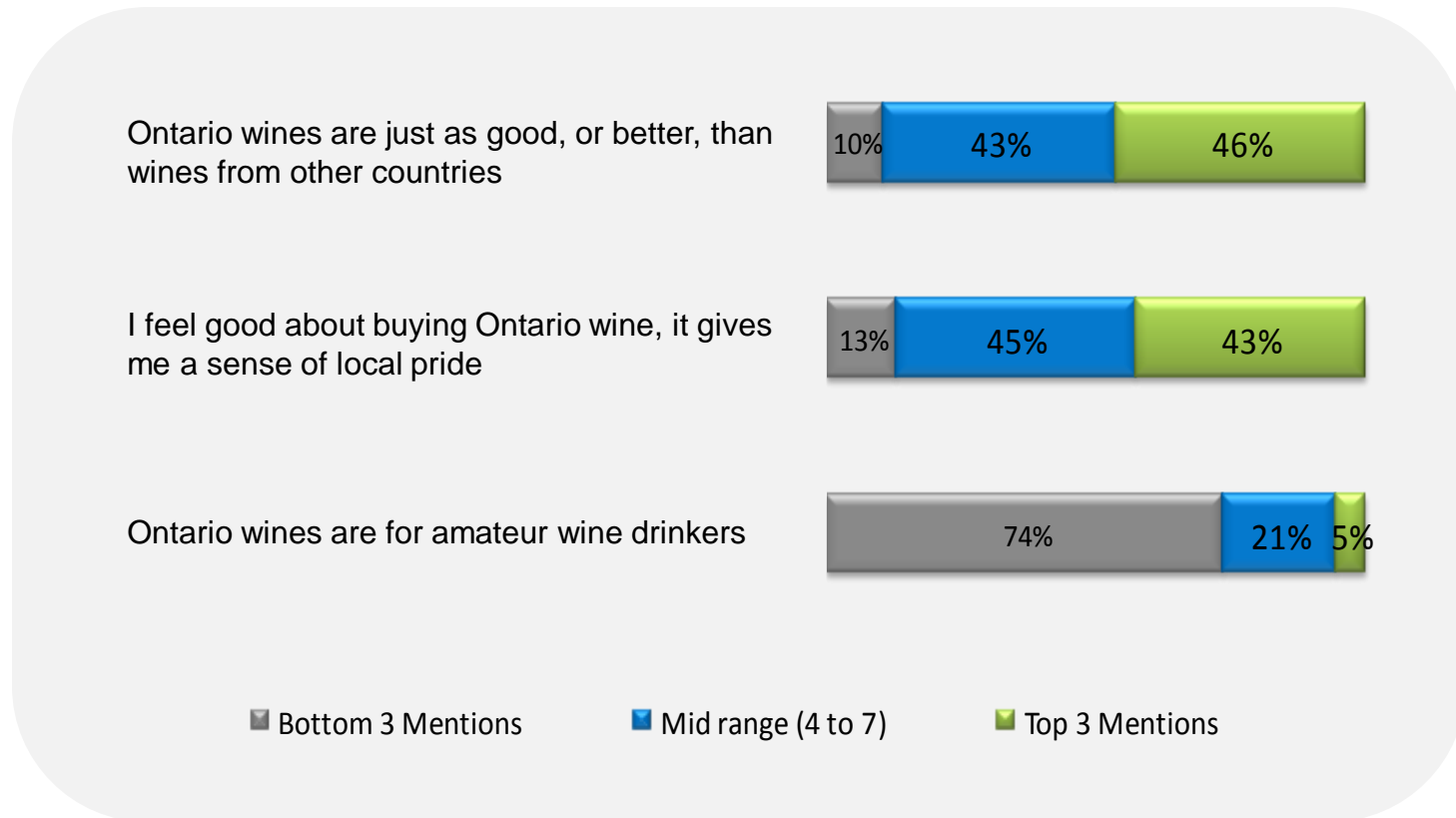
## Ontario VQA Top Customers versus ICB wine Top customers

	VQA Top Customers	ICB Top Customers
2012 Ontario Wine Revenue	32%	54%
Average Spend on VQA/ICB wine per year	\$74	\$135
Top Customers / Revenue	25%Customers / 72% VQA revenue	18%Customers / 79% ICB revenue
Spend on all LCBO products per year	\$1,864	\$2,155
Age: 19 to 39	24%	18%
Age: 40 to 54	33%	34%
Age: 55+	43%	48%
Gender	Even split	More female
Location	Mostly Central and Niagara Region	Mostly Northern and Niagara Region
Income	Upper Income	Average Income
Education	Well educated	Less higher education degrees
Food & Drink	Advocates	Higher appreciation



# Perception of Ontario Wines

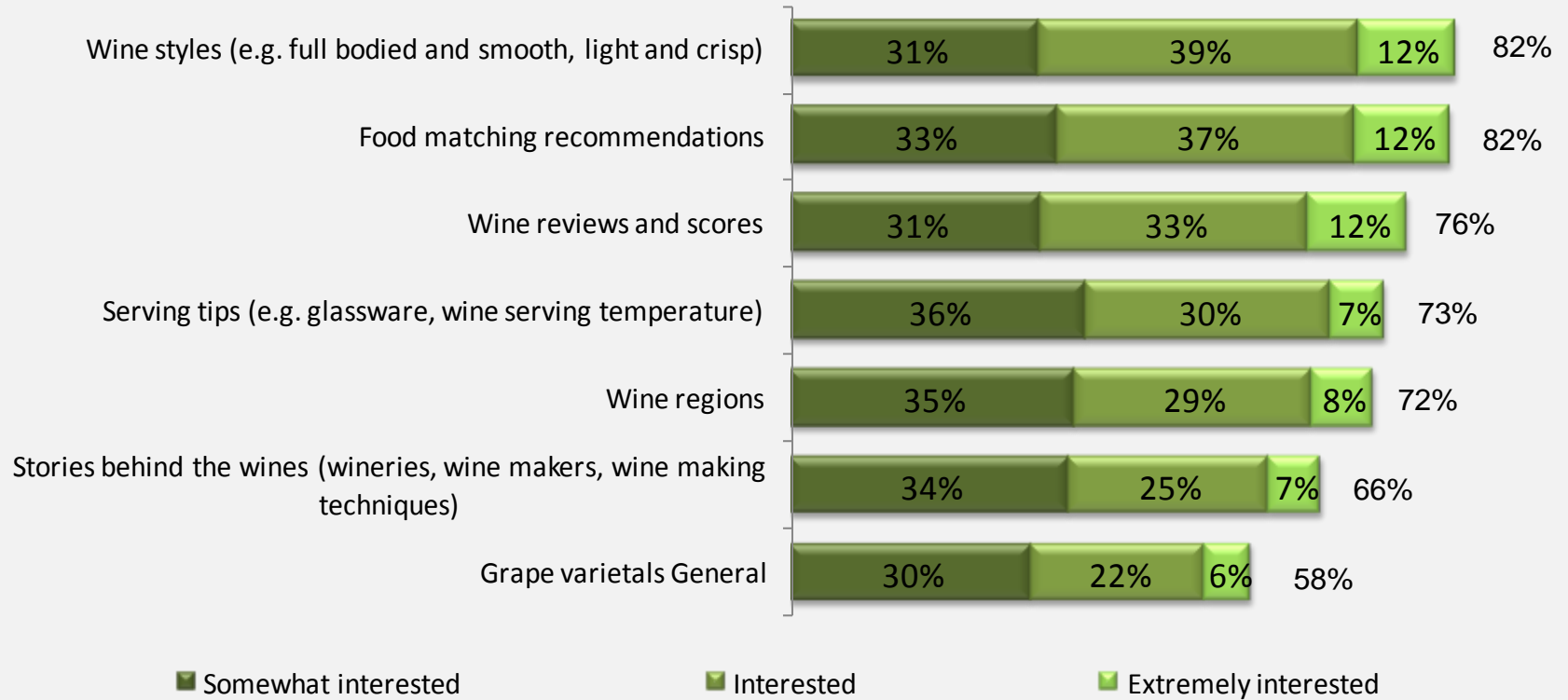
# Customers' perceptions of Ontario Wines



Source: LCBO Wine Study Dec 2012- Jan 2013 n=5181

Question: Here are some statements people have mentioned when shopping for wine at the LCBO. Please rate them based on your personal experience using a scale of 1 to 10, where 10 means 'Completely Agree' and 1 means 'Completely Disagree'

## Customers' interests when it comes to wine

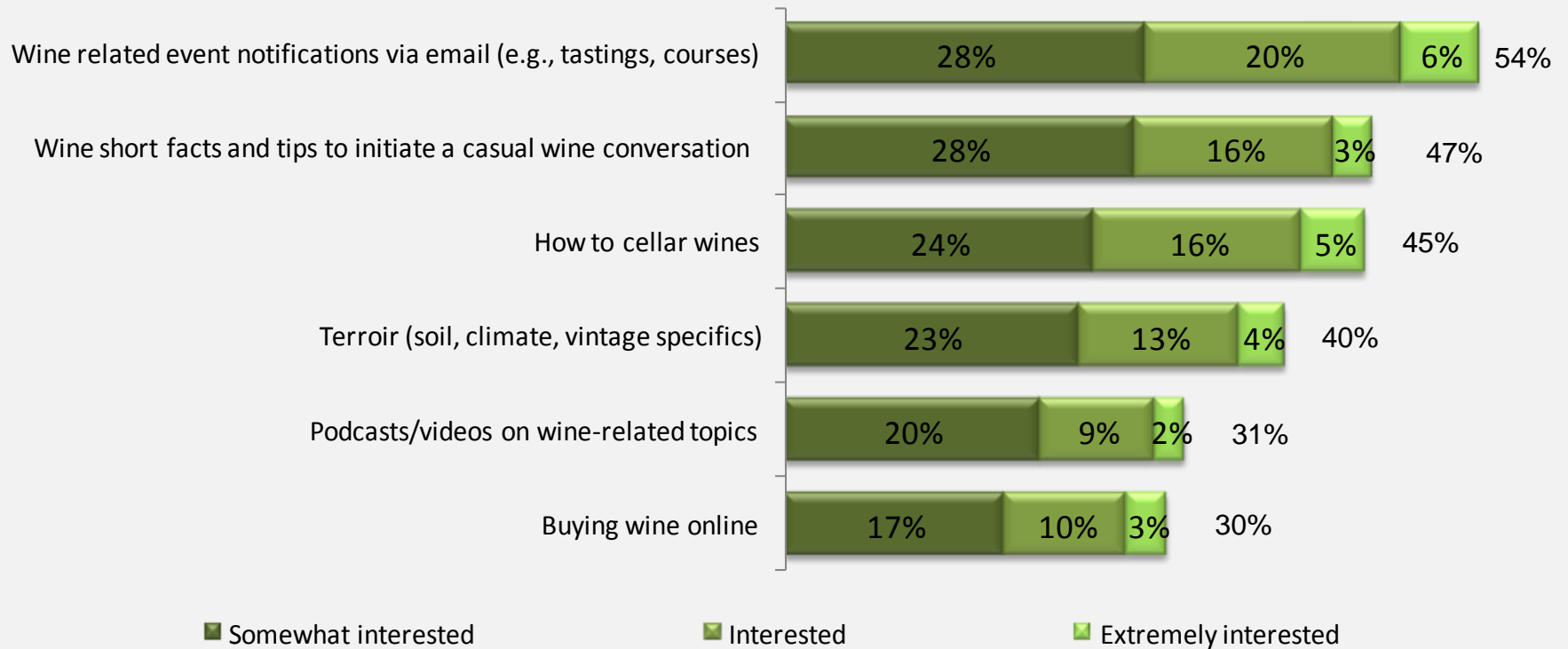


Source: LCBO Wine Study Dec 2012- Jan 2013 n=5181

Question: How interested are you in the following from the LCBO or VINTAGES? Would you say you are extremely interested, very interested, somewhat interested, not very interested or not interested at all?



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Source: LCBO Wine Study Dec 2012- Jan 2013 n=5181

Question: How interested are you in the following from the LCBO or VINTAGES? Would you say you are extremely interested, very interested, somewhat interested, not very interested or not interested at all?



# P7 Promotion Customer Feedback

# JUST THIS MONTH WINE EVENT

ENDS OCTOBER 14TH

Full-Bodied  
& Smooth



# JUST THIS MONTH WINE EVENT

ENDS OCTOBER 14TH



# JUST THIS MONTH WINE EVENT

ENDS OCTOBER 14TH



# JUST THIS MONTH WINE EVENT

ENDS OCTOBER 14TH

Light & Crisp



# JUST THIS MONTH WINE EVENT

ENDS OCTOBER 14TH



# JUST THIS MONTH WINE EVENT

ENDS OCTOBER 14TH

# HAND PICKED ONTARIO WINE

MEDIUM-BODIED & FRUITY



# HAND PICKED ONTARIO WINE

LIGHT & CRISP



“PEOPLE ARE  
TALKING”

“JOIN THE  
CONVERSATION”

#LCBOgoLOCAL

“PEOPLE ARE  
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#LCBOgoLOCAL

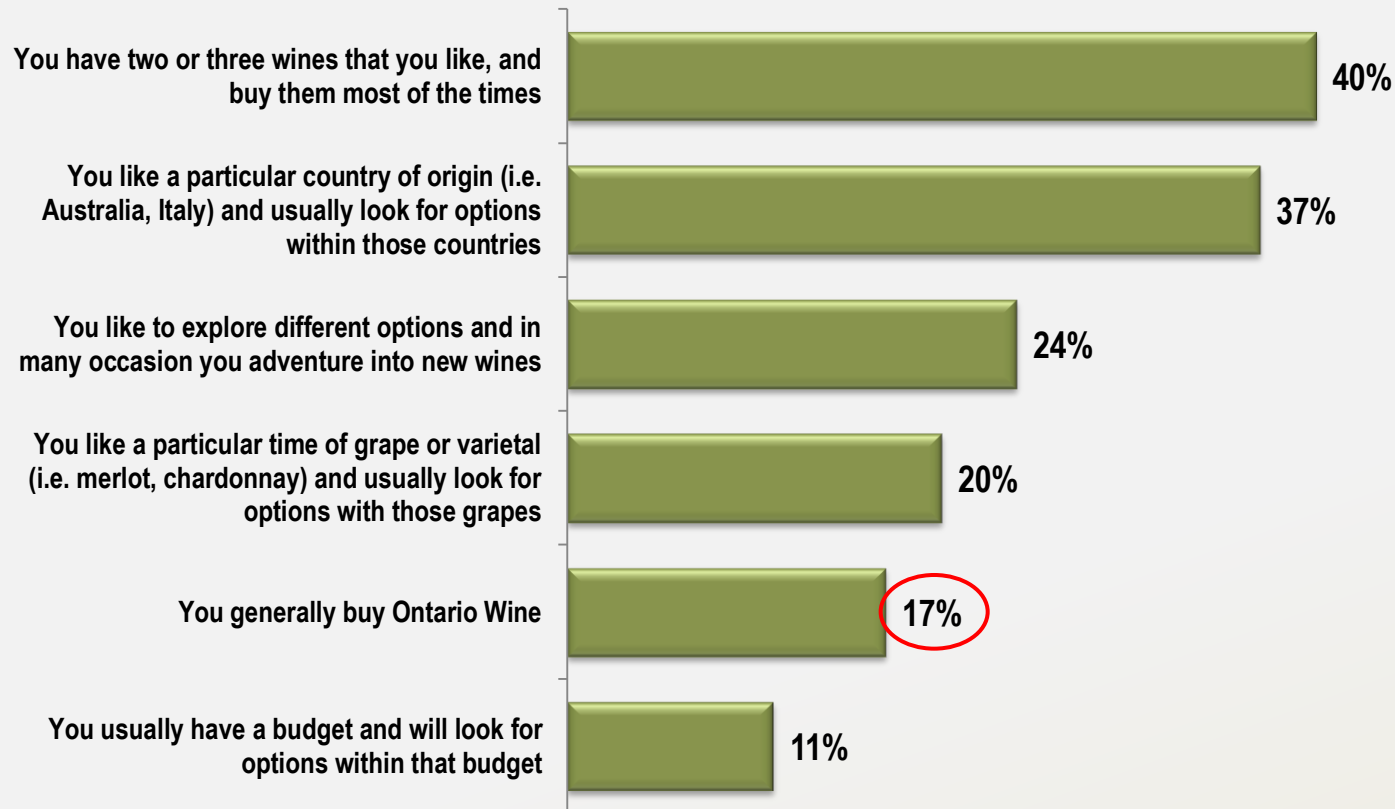
## KEY FINDINGS

THE PROMOTION RAN FROM SEPTEMBER 16<sup>TH</sup> –  
OCTOBER 13<sup>TH</sup>, 2012 WITH INTEGRATED  
ADVERTISING AND IN-STORE DISPLAYS



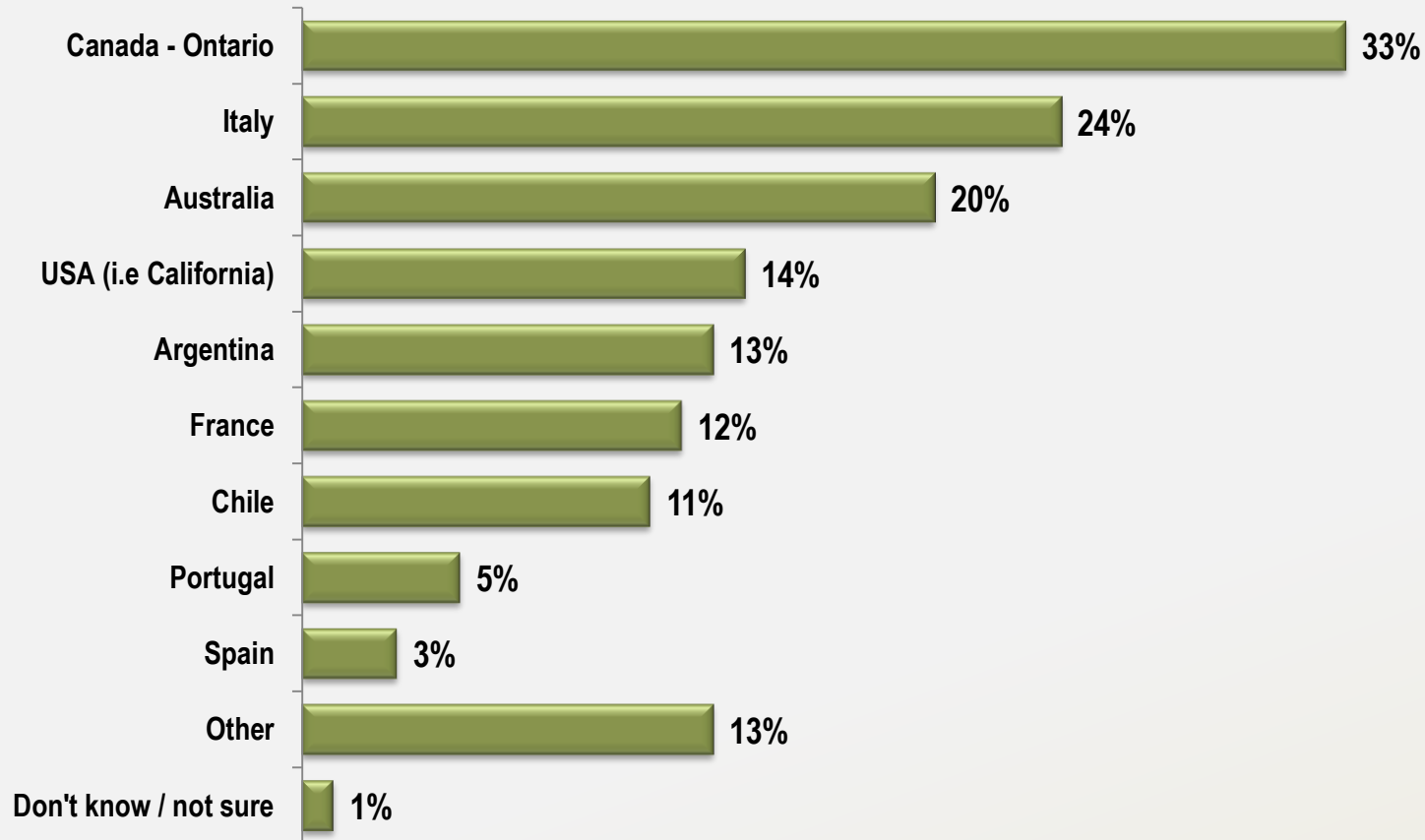
Two-in-five customers (40%) have favoured “go to” wines that are usually purchased. Almost as many customers (37%) will look to particular country of origin.

**Wine Purchase Attitudes**  
(Purchased wine in the past 6 months n=419)



One third of wine purchases today (33%) were products of Ontario

**Wine Purchased Today - Country of Origin**  
(Purchased wine today= 287)

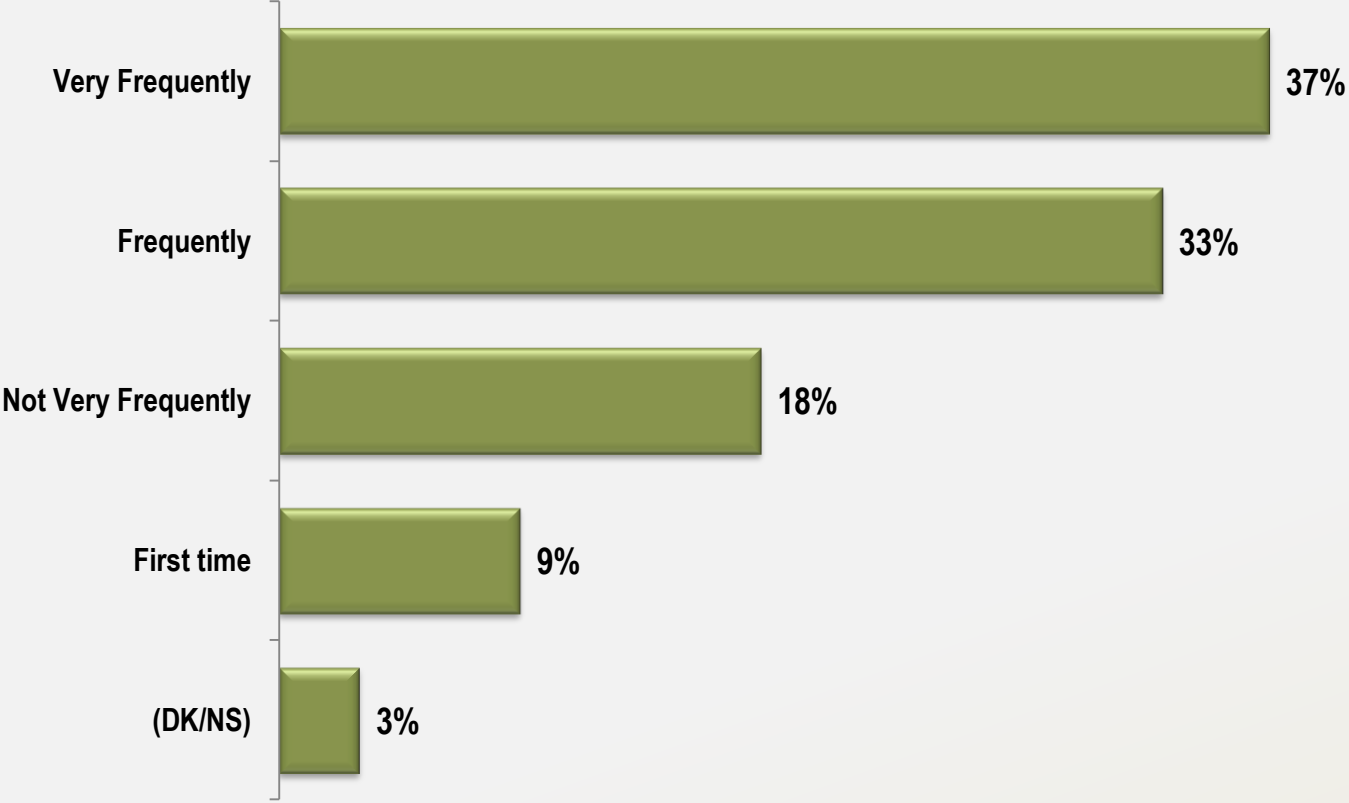


Q4a. I noticed you purchased wine today.  
Can you please tell me the country that the wine is from?  
Base: Purchased wine today (n=287)



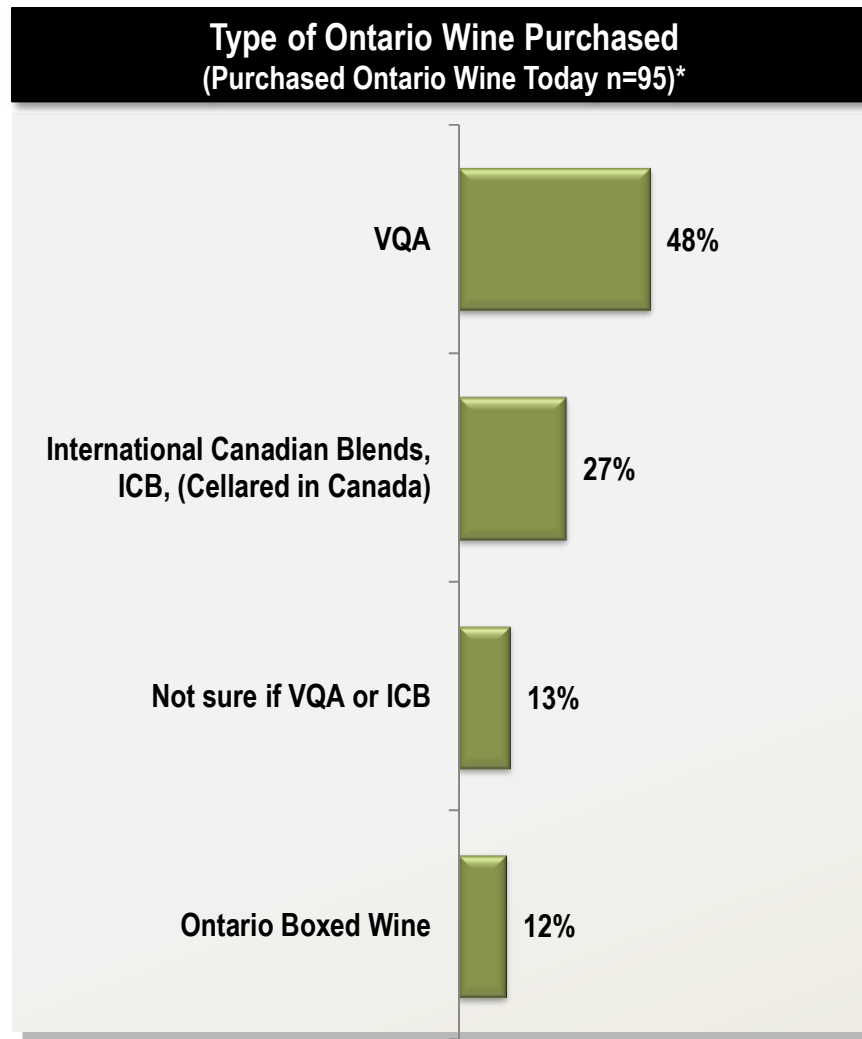
One-third of respondents (37%) claim to purchase Ontario wines very frequently with an additional third (33%) purchasing locally produced wines frequently.

**Ontario Wine Purchase Frequency**  
(Respondents who purchased Ontario wine = 95)\*



Q4b. Would you say that you purchase wine from Ontario all the time, sometimes, or is it your first time purchasing from Ontario?  
Base: Respondents who purchased Ontario wine (n=95)\*

Among those who purchased Ontario wine, almost half selected VQA

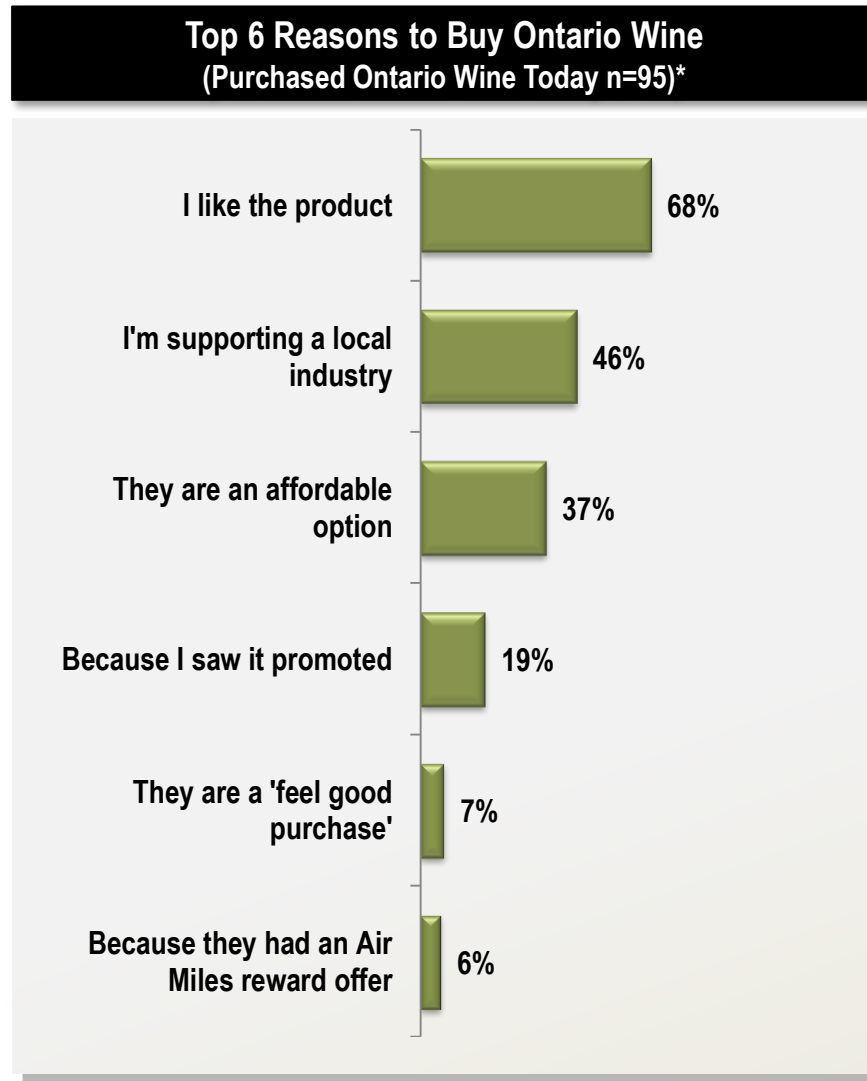


P7Q4c. What type of Ontario wine did you purchase today?

DO NOT READ LIST Base: Purchased wine today from Canada - Ontario (n=95)\*

P7Q4d. For which of the following reasons would you say that you purchased Ontario wine today? Base: Purchased wine today from Canada - Ontario (n=95)\*

Reasons for purchasing local wines included simply liking the product and having a sense of pride to be supporting the local industry. The promotion attracted almost a fifth to purchase

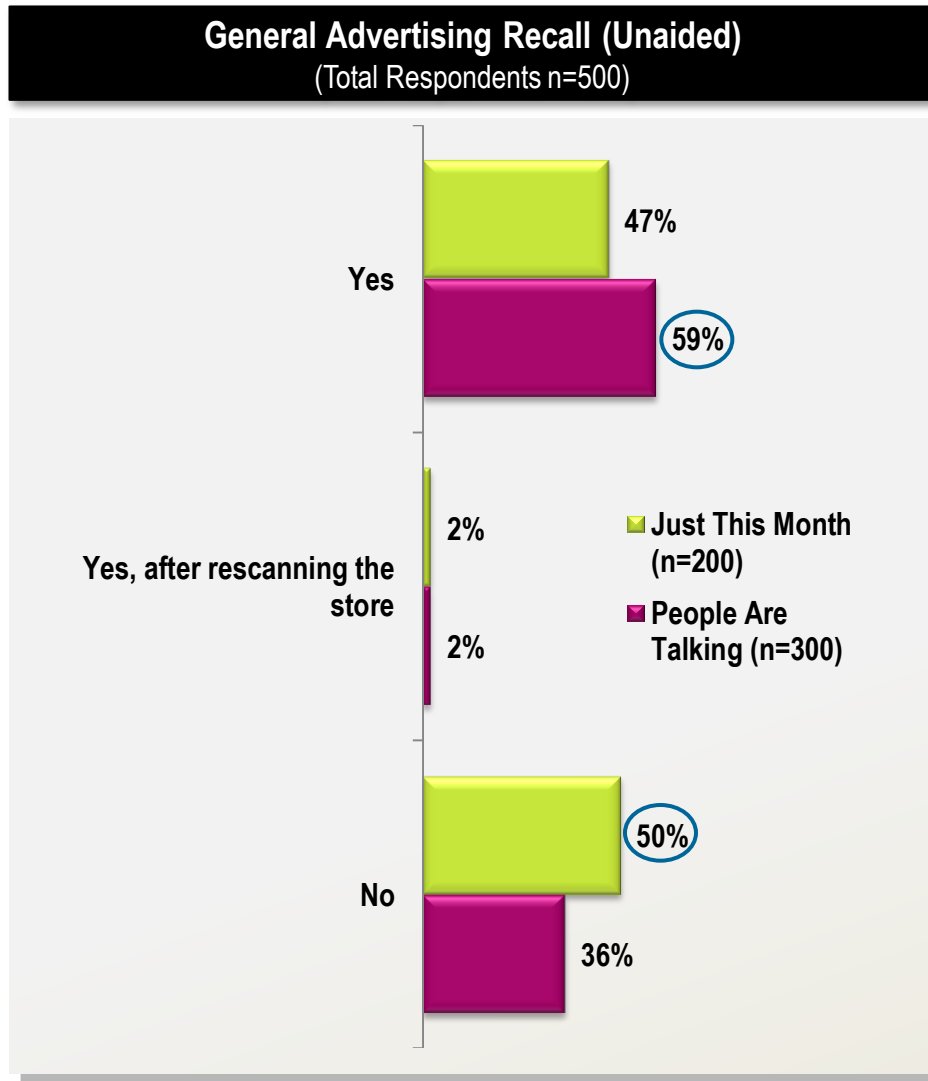


P7Q4c. What type of Ontario wine did you purchase today?

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P7Q4d. For which of the following reasons would you say that you purchased Ontario wine today? Base: Purchased wine today from Canada - Ontario (n=95)\*

Among those who recall seeing promotion, “People Are Talking” has a higher recall than “Just This Month”.  
The “People Are Talking Campaign” received very high recall for specific promoted products.



Q5. Do you recall seeing or experiencing any promotions, advertisements or special signs during your visit to the LCBO store today? Base: All respondents (n=500)

Q6. What advertisements or special signs do you recall seeing during your visit to the LCBO store today? Do you recall anything else? Base: All respondents who said “YES” at Q5 (n=281). Note: All responses with 3% or fewer mentions excluded

## Ontario wines sales around September Period 7 Promotion 2012/13

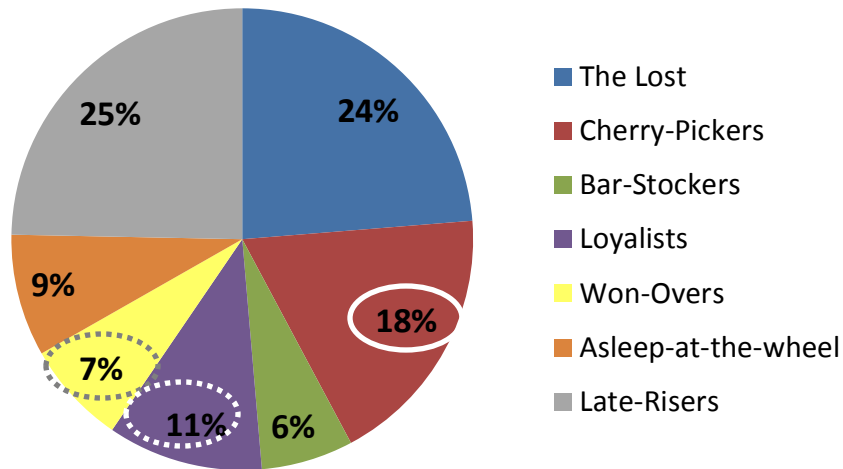
Based on AM customers who purchased Ontario Wines on **at least one occasion in the 5 periods/months**

AM Customer Profile	Prior to Promotion	During Promotion	Post Promotion
The Lost	x		
Cherry-Pickers		x	
Bar-Stockers	x	x	
Loyalists	x	x	x
Won-Overs		x	x
Asleep-at-the-Wheel	x		x
Late-Risers			x

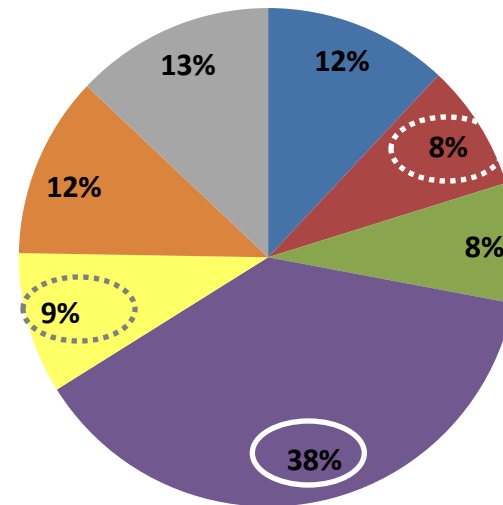
## Ontario wines sales PD5-PD9 12/13 – High level contrast between ICB and VQA

# VQA

### AM's %



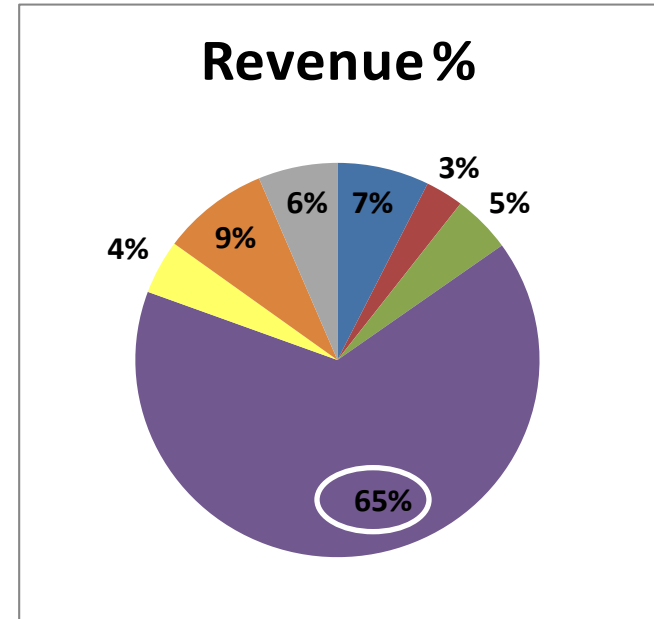
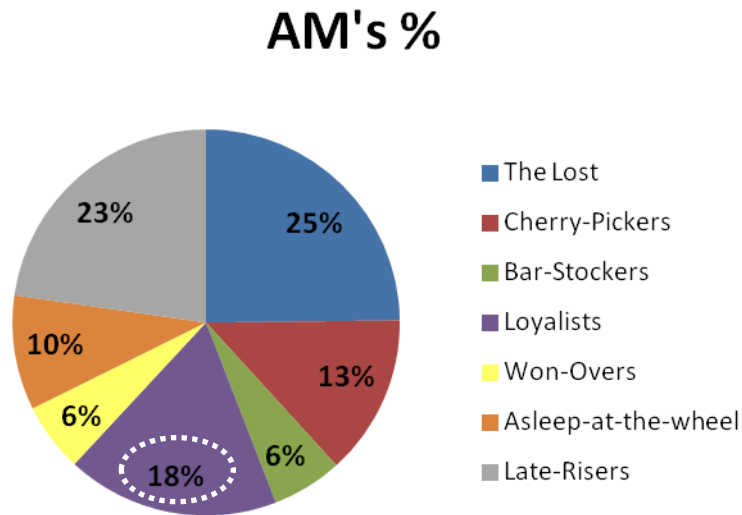
### Revenue %



- 58% of the VQA customer purchased the product out with the P7 promotion
- Almost 1/5 purchased only during the promotional periods (Cherry-Pickers)
- Loyalists (11% of customers) who purchased before, during and after represent almost 40% of the sales
- There was a some gain in terms of the proportion of Won-Overs

## Ontario wines sales PD5-PD9 12/13 – High level contrast between ICB and VQA

# ICB



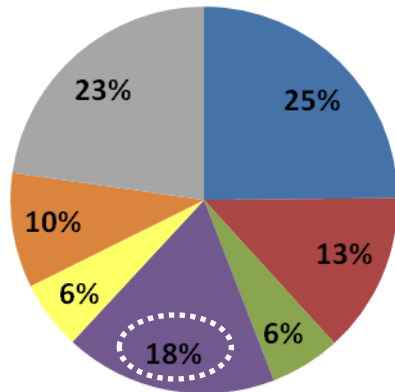
- 58% of the ICB customer purchased the product out with the P7 promotion
- Loyalists (18% of customers) who purchased before, during and after represent 65% of the sales
- Cherry-Pickers were not engaged; 13% tried the product during P7 but they only represented 3% of the sales



## Ontario wines sales PD5-PD9 12/13 – High level contrast between ICB and VQA

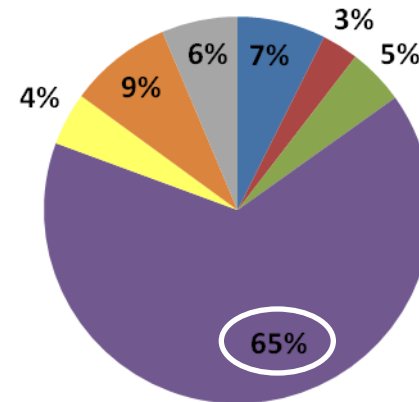
### ICB

AM's %



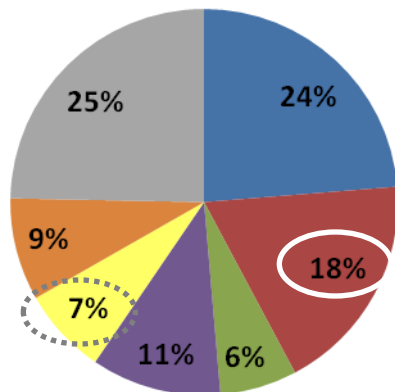
- The Lost
- Cherry-Pickers
- Bar-Stockers
- Loyalists
- Won-Overs
- Asleep-at-the-wheel
- Late-Risers

Revenue %



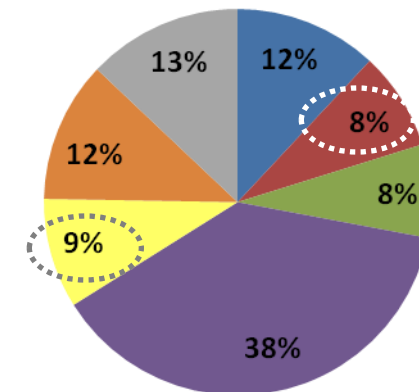
### VQA

AM's %



- The Lost
- Cherry-Pickers
- Bar-Stockers
- Loyalists
- Won-Overs
- Asleep-at-the-wheel
- Late-Risers

Revenue %





Thank you!