



the gandalf group

# Opinion Research On Ontario's Wine Industry and Retail Sales

May 2011

COMMERCIAL CONFIDENTIAL



- ❑ The following is a presentation on results from a survey conducted by the Gandalf Group on behalf of the Wine Council of Ontario.
- ❑ The survey was fielded online with 1,456 Ontarians aged 19 and older between March 2<sup>nd</sup> & March 15<sup>th</sup>, 2011 – this included an oversample in four Ontario ridings:
  - Prince Edward Hastings, Northumberland-Quinte West, Essex & Elgin-Middlesex-London.
- ❑ The margin of error is +/- 2.57% for the full sample of n=1,456 'Ontarians'.

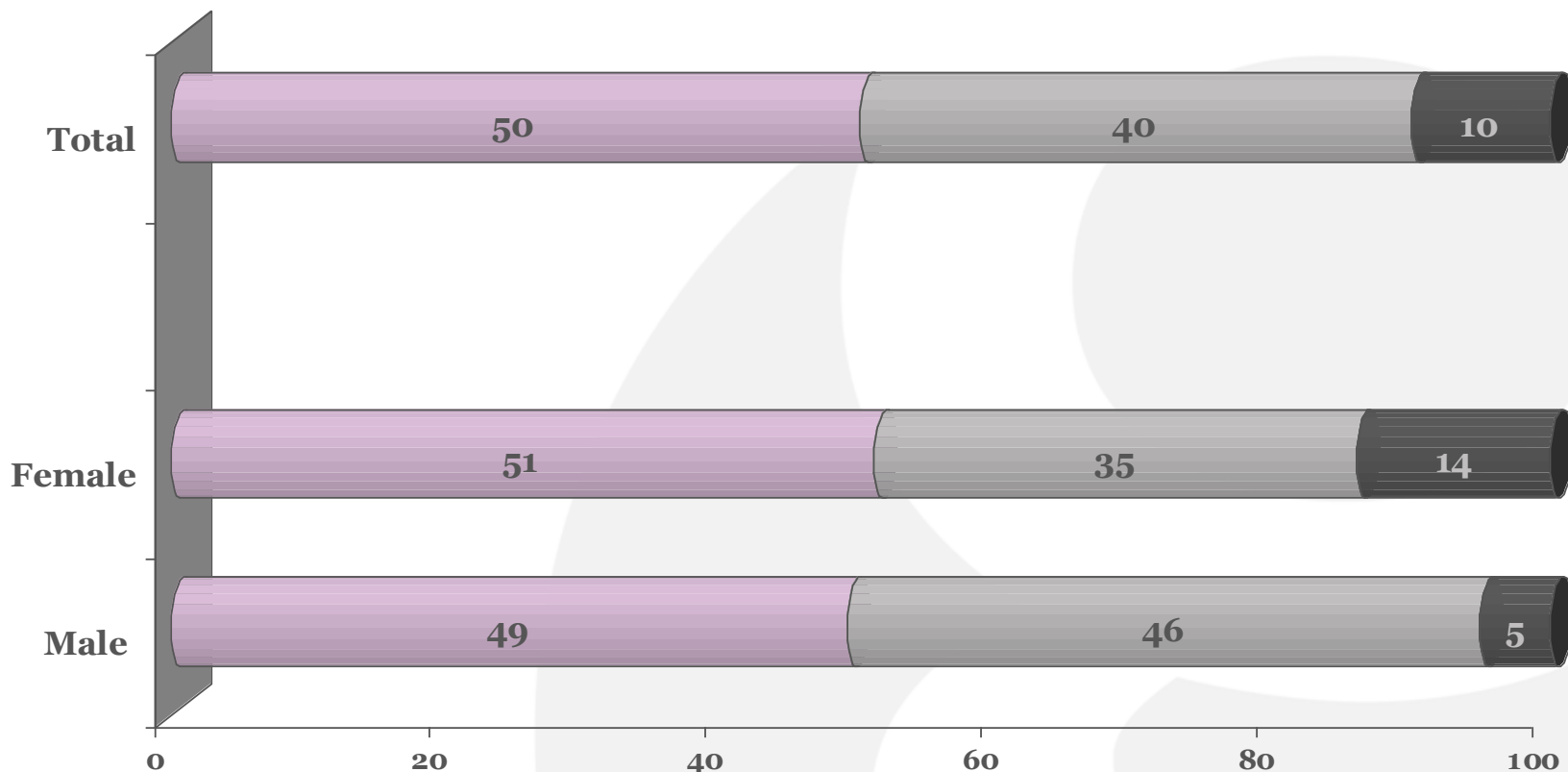


- ❑ The province is divided about its direction.
- ❑ Aside from traditional social policy priorities, voters want government focused on economic growth and jobs.
- ❑ Government finances are less of a concern.



# Direction of the Province of Ontario

“Which of these two statements is closer to your own opinion?”

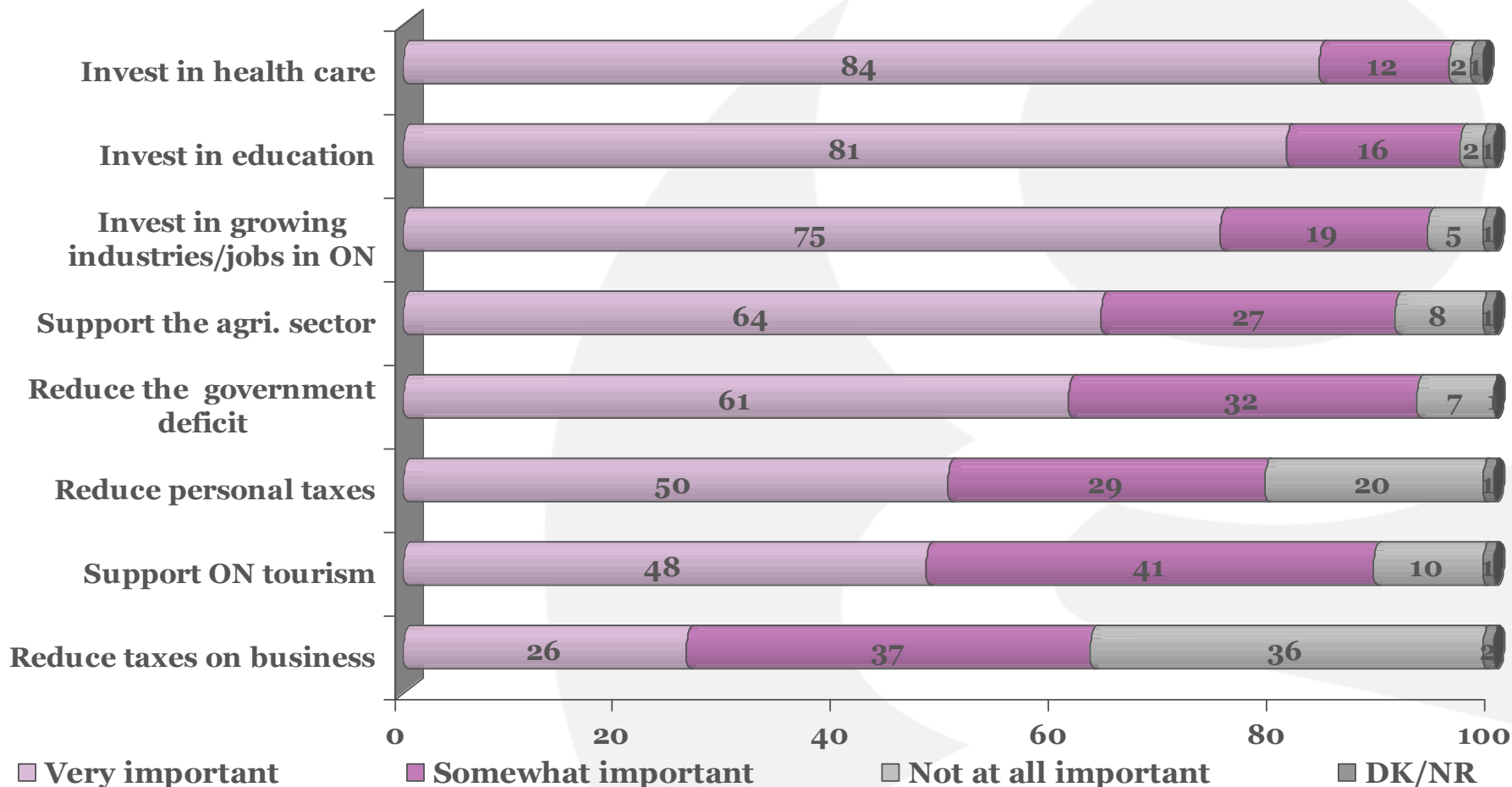


- Some people say that, while the province has some problems, Ontario is generally headed in the right direction at the current time
- Other people say that there are more things going badly rather than well in Ontario right now and that the province is headed in the wrong direction
- DK/NR



# Direction of the Province of Ontario

“Thinking of the provincial government, how important should it be for it to do each of the following things? Please rank each of the following on a scale of 1 to 9 where 1 is not at all important and 9 is very important.”



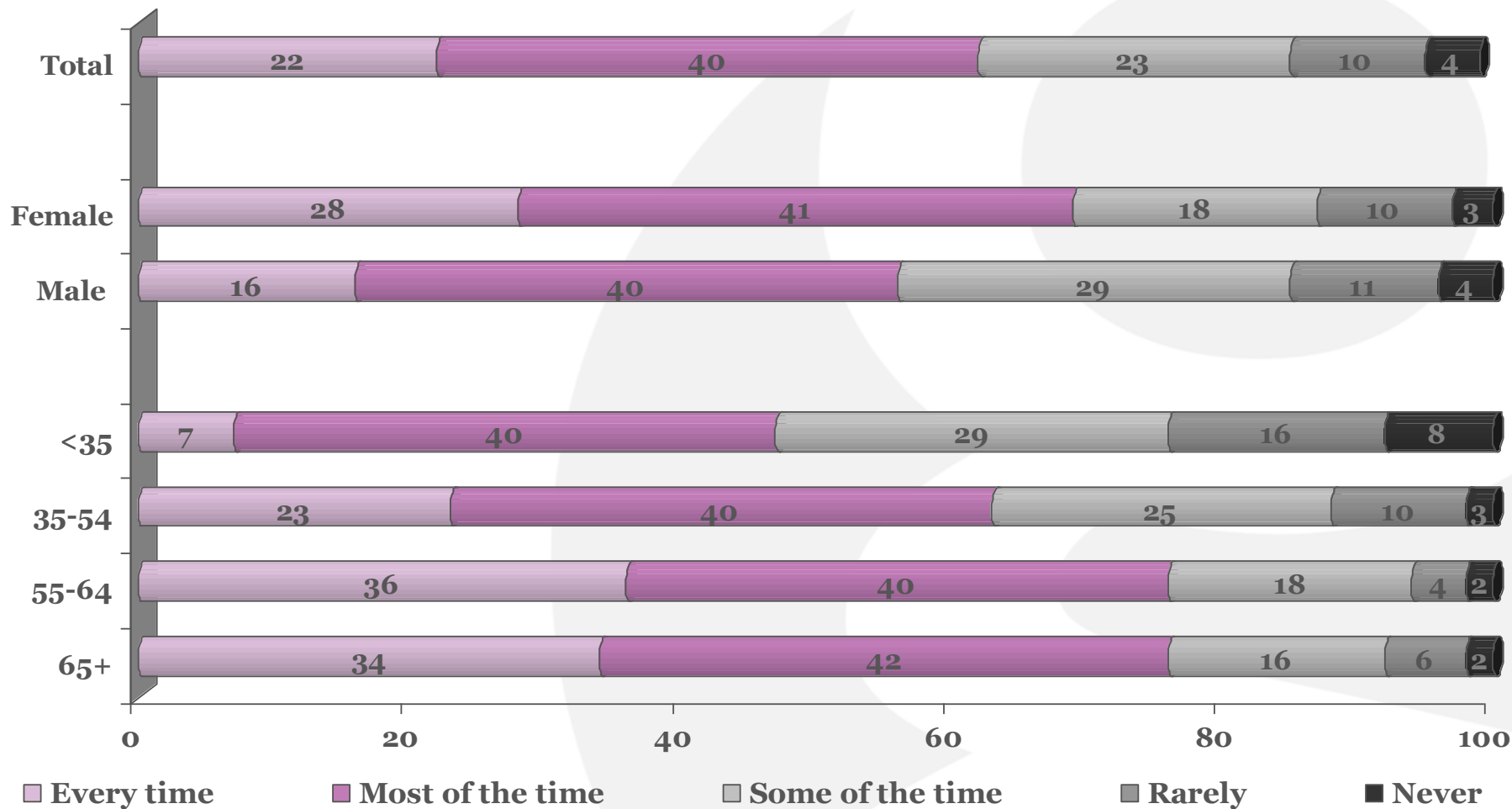


- ❑ Virtually every Ontarian is at least an occasional wine consumer.
- ❑ For two thirds of the people it is a primary reason to go to the LCBO.
- ❑ One third of wine buyers claim to be primarily purchasing Ontario wines.
- ❑ Ontario wines are a conscious part of the mix for the large majority of wine buyers.



## Frequency of Wine Purchases

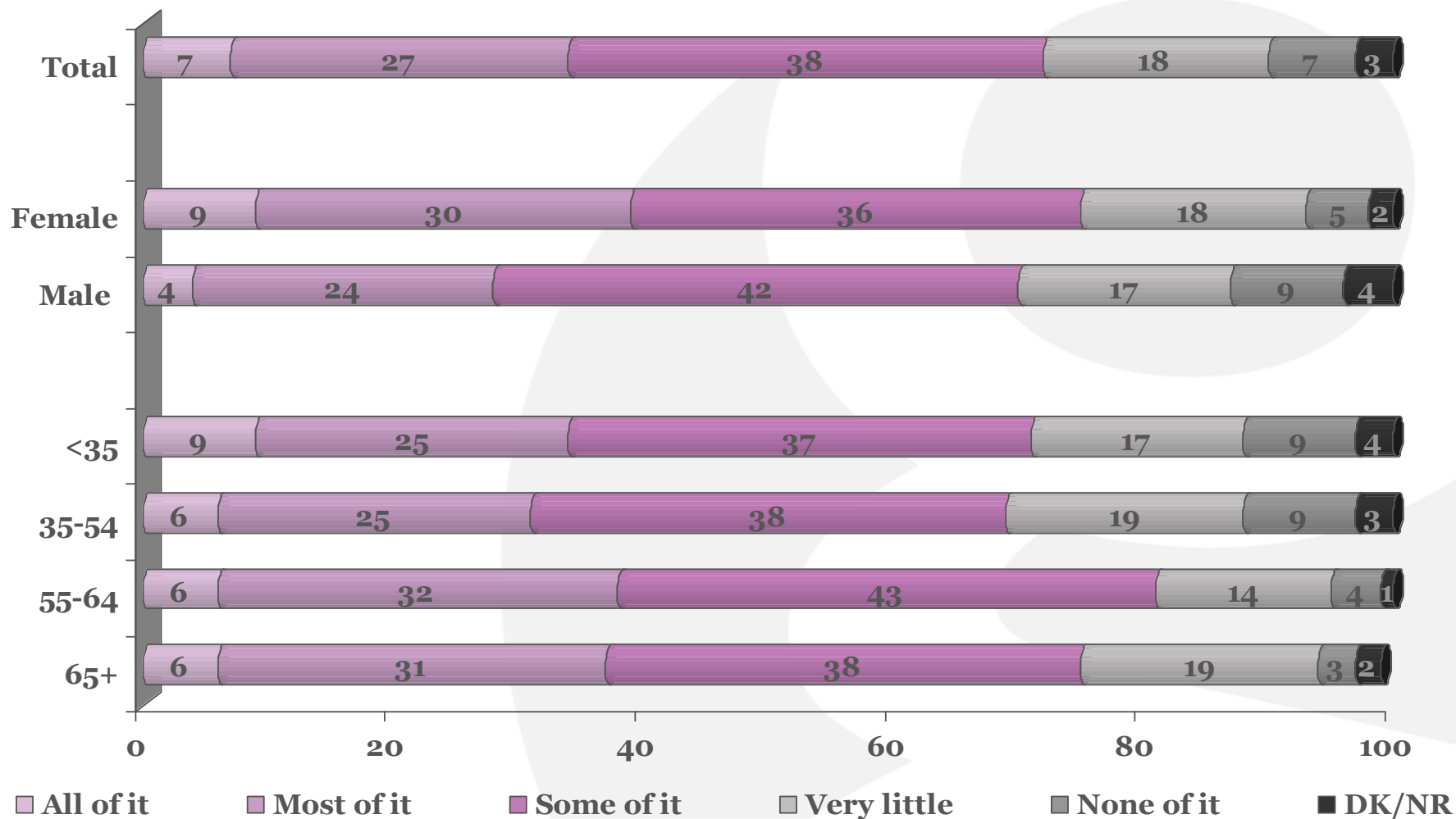
“Of the times you shop at the LCBO, how often would you be purchasing wine?” [Asked of LCBO buyers only]





## Frequency of ON Wine Purchases

“How much of the wine that you purchase is made in Ontario?” [Asked of wine buyers only]

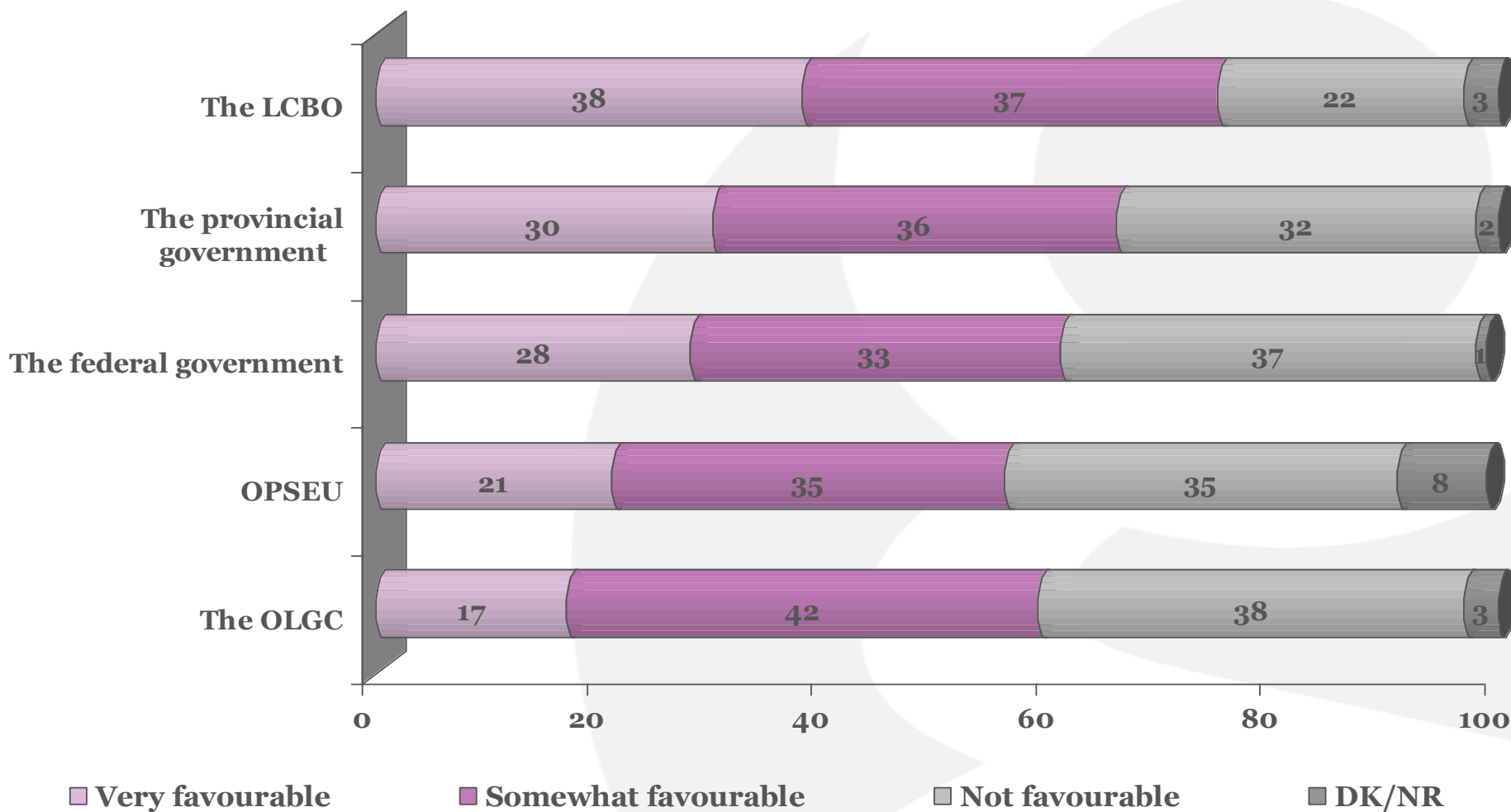






## Favourability of Organizations

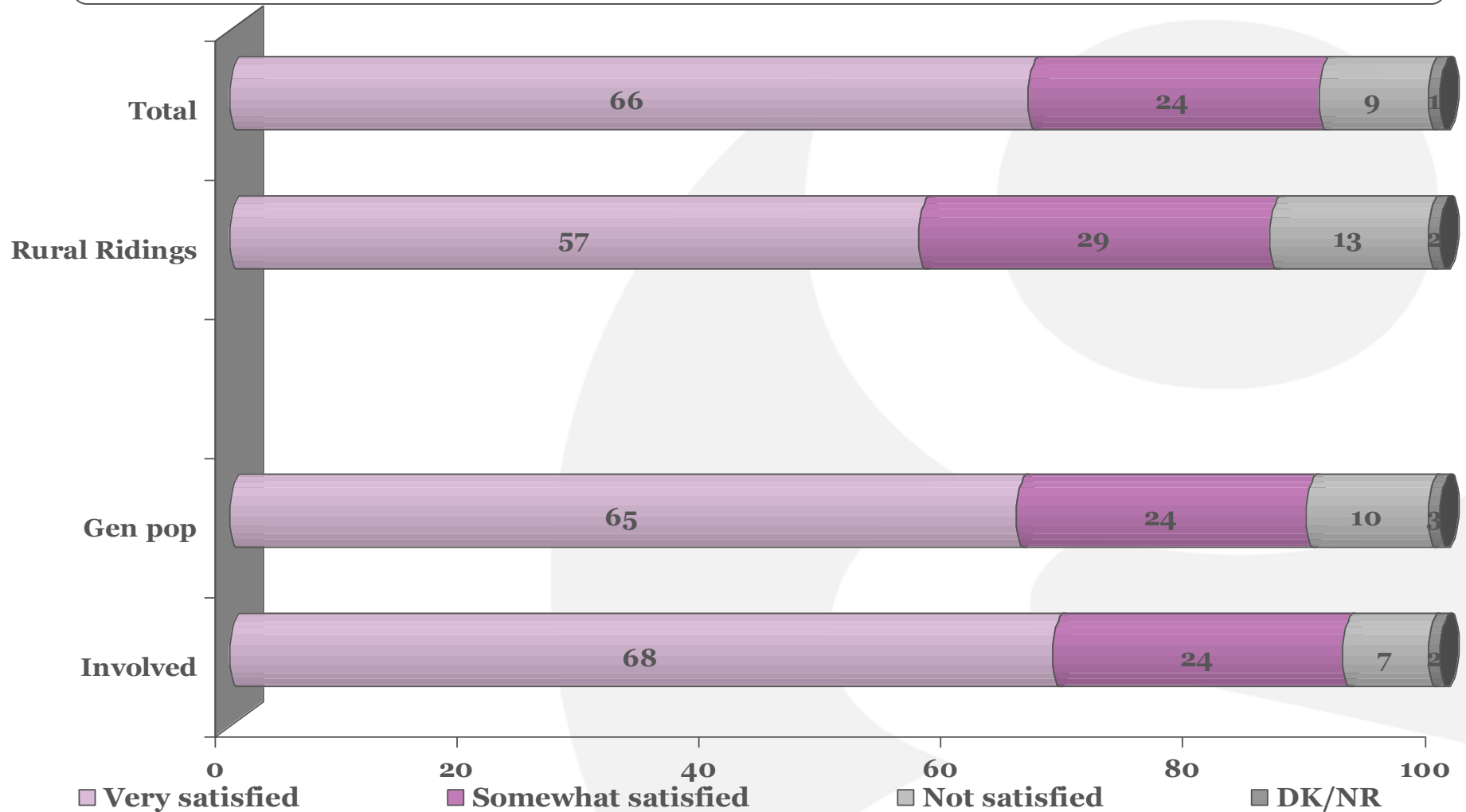
“How favourably or unfavourably do you feel about the following organizations or institutions? Please tell us on a scale of one to nine where one is not at all favourable and nine is very favourable.”





## Satisfaction with the LCBO

“Overall, how satisfied are you with the LCBO? Please tell us using a scale of 1 to 9 where 1 is not satisfied at all and 9 is very satisfied.”



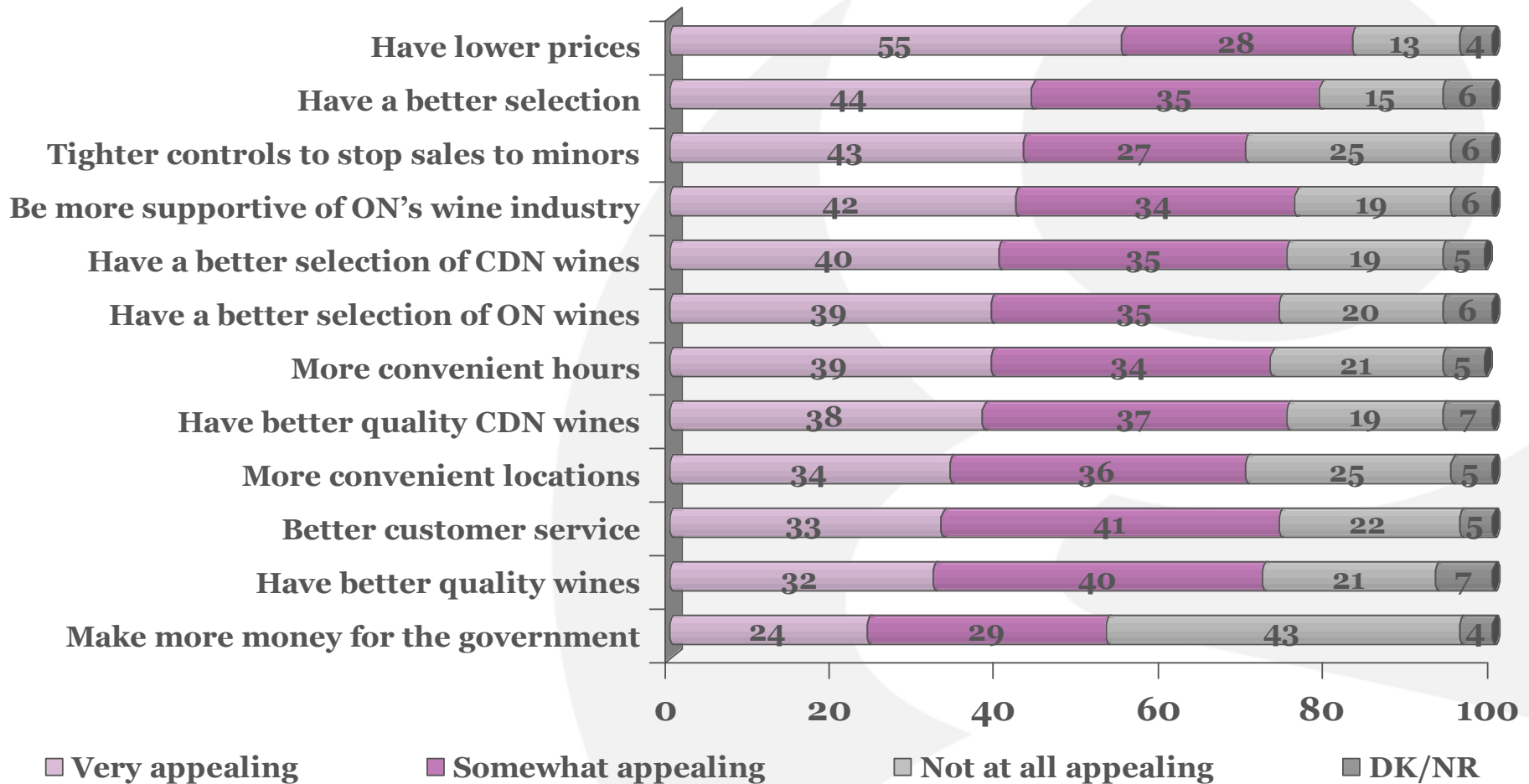


- ❑ We asked people how valuable various improvements to the LCBO would be.
- ❑ Given the pressure from cash strapped households for value, it is not surprising that the most valuable change would be lower prices.
- ❑ There is evidence that people would appreciate an improvement in selection that is available to them, including for Ontario wines.
  - Especially true among wine buyers.



## Improvements to the LCBO

“If you could improve the LCBO, how much would each of the following appeal to you as a means of improving? Please tell us using a scale of one to nine where one means has no appeal and nine means it is very appealing.”



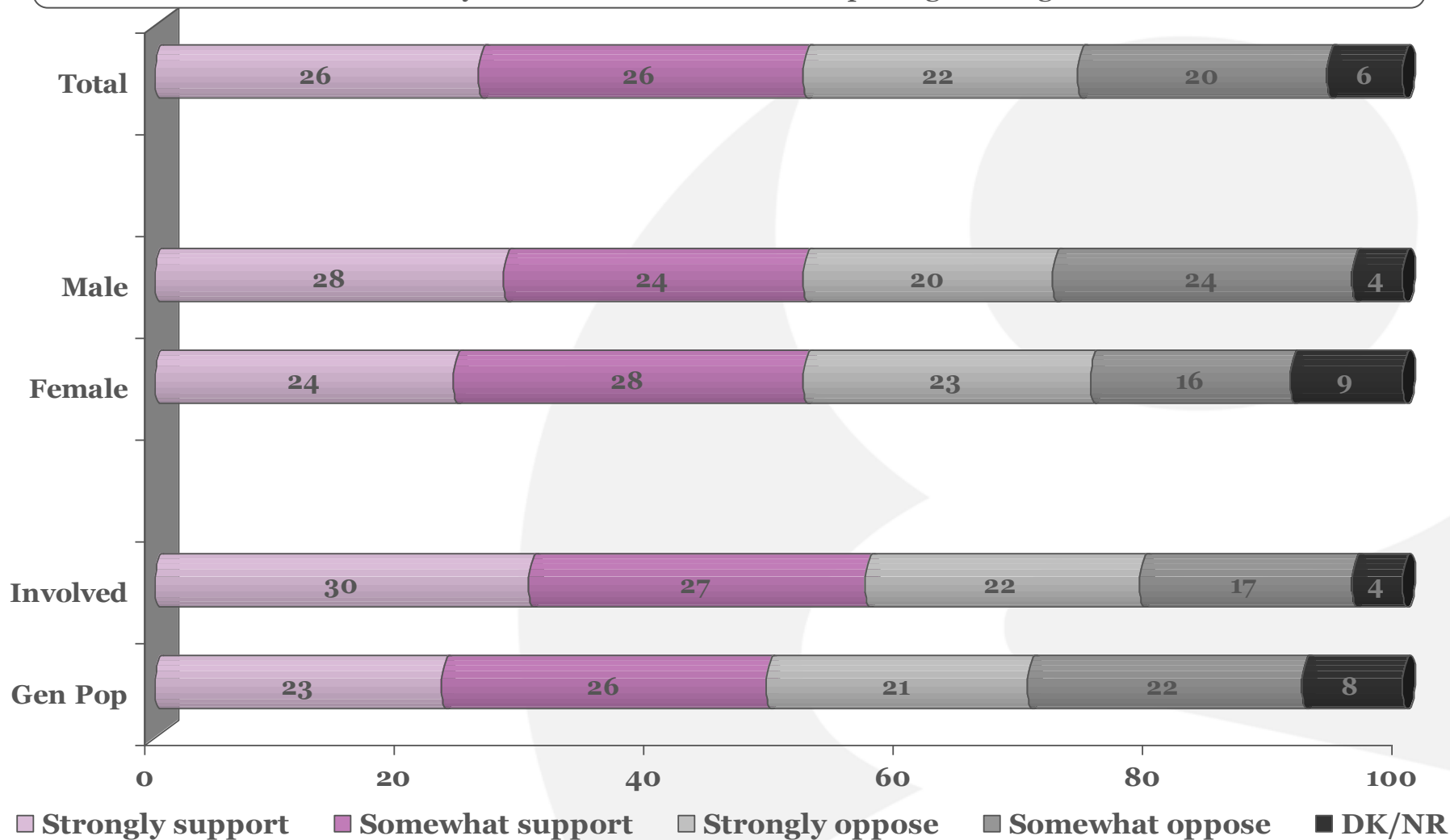


- ❑ Despite the low levels of any discontent with the LCBO, there is a fair body of opinion in the province against the monopoly situation.
  - Few Ontarians are strongly attached to the LCBO monopoly position.
- ❑ As a consequence, most Ontarians support a new retail option for wine – either at grocery stores or as a wine-only retail store.
  - Parents are no less likely to be supportive.



## Support for Public Monopoly

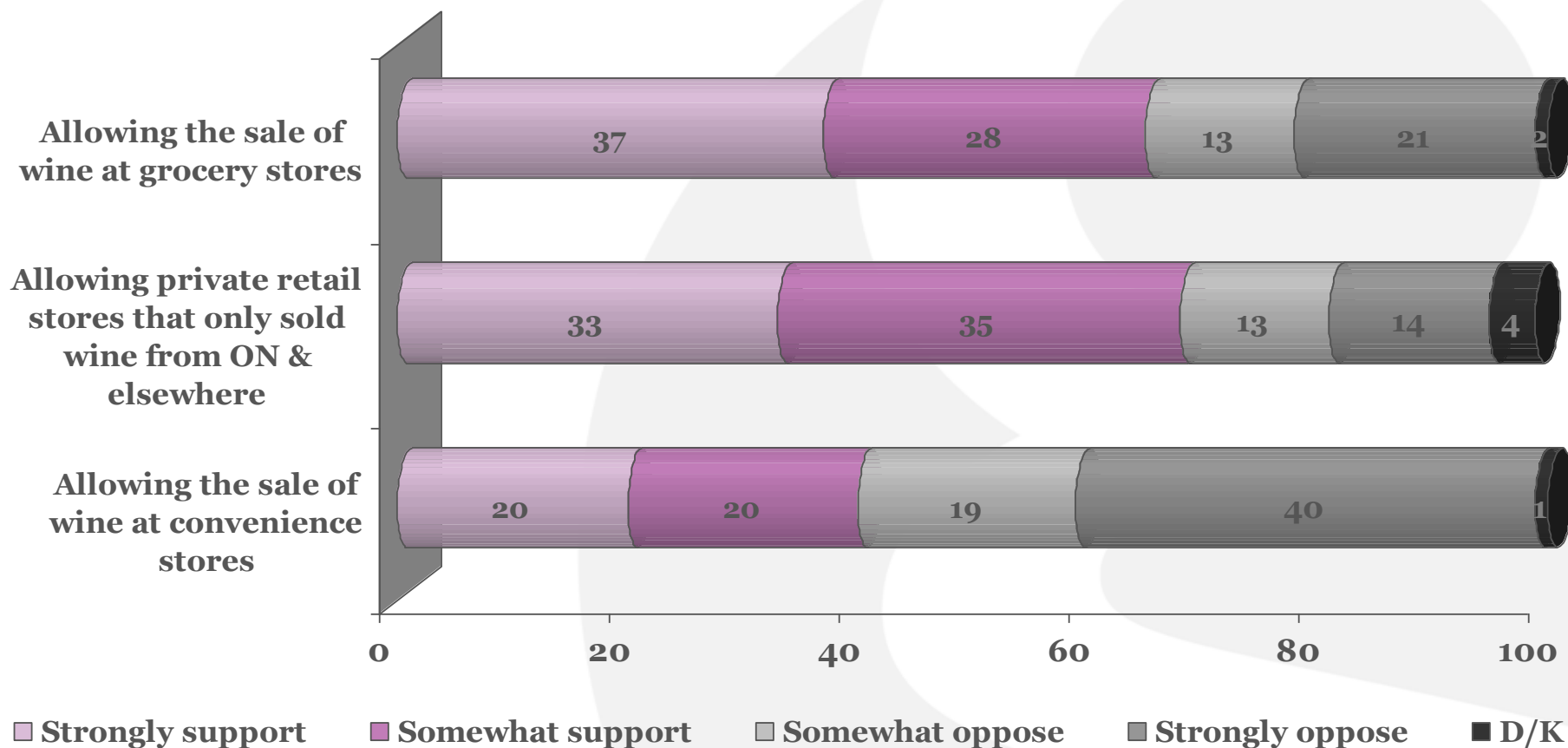
“Would you say that you strongly support, somewhat support, somewhat oppose or strongly oppose the fact that virtually all retail sales of wine and spirits go through the LCBO?”





## Government Licensing Options

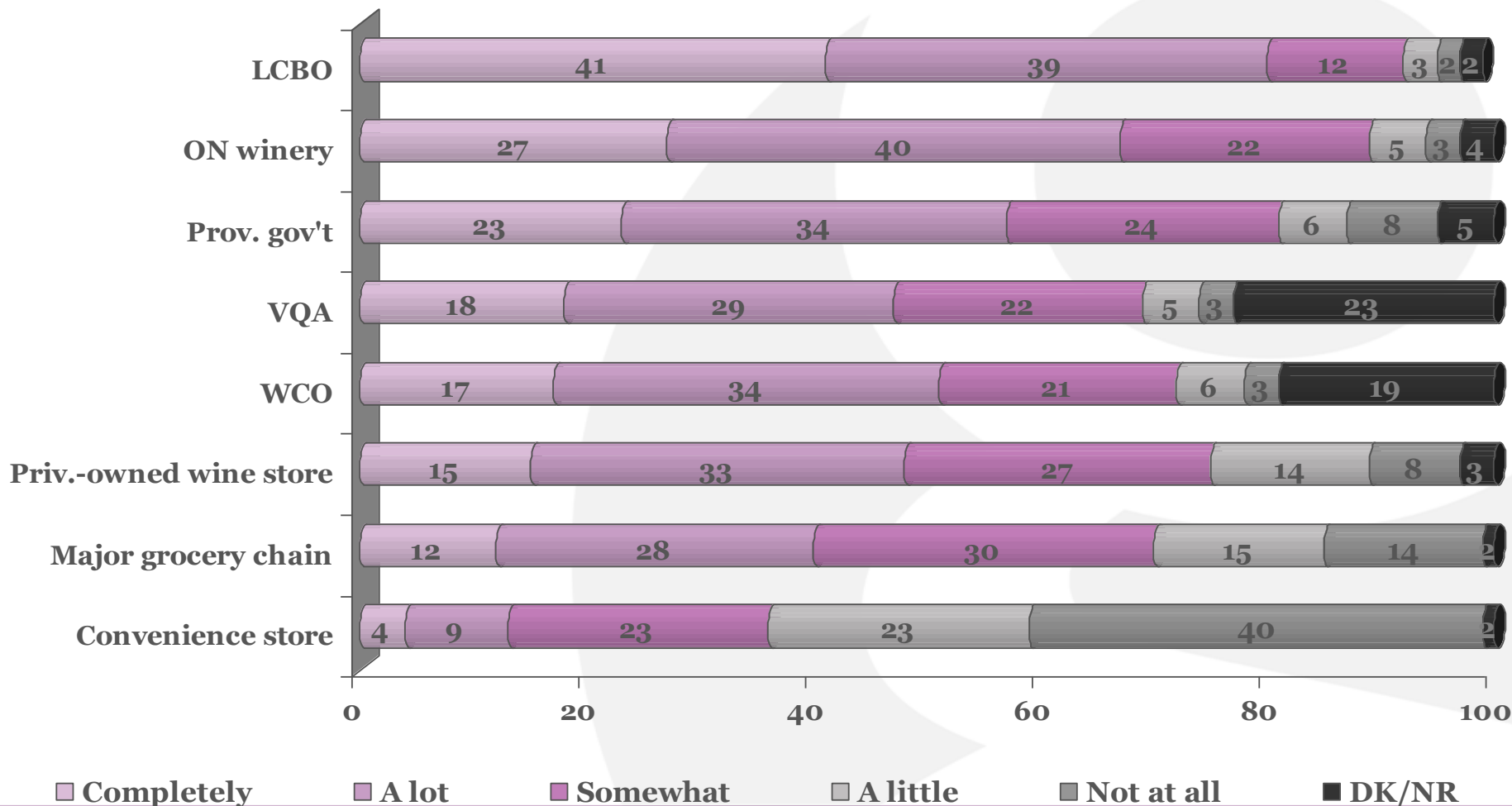
“The following are different options the government of Ontario could take to licensing the sale of wine in the province in addition to having wine, spirits and beer sold at the LCBO. Please tell us if you strongly support, somewhat support, somewhat oppose or strongly oppose each.”





# Wine Sales and Management

“For each of the following organizations, please tell us how much you’d trust them to manage the sale of wine and spirits responsibly. Would you say you trust them completely, a lot, somewhat, only a little or not at all?”

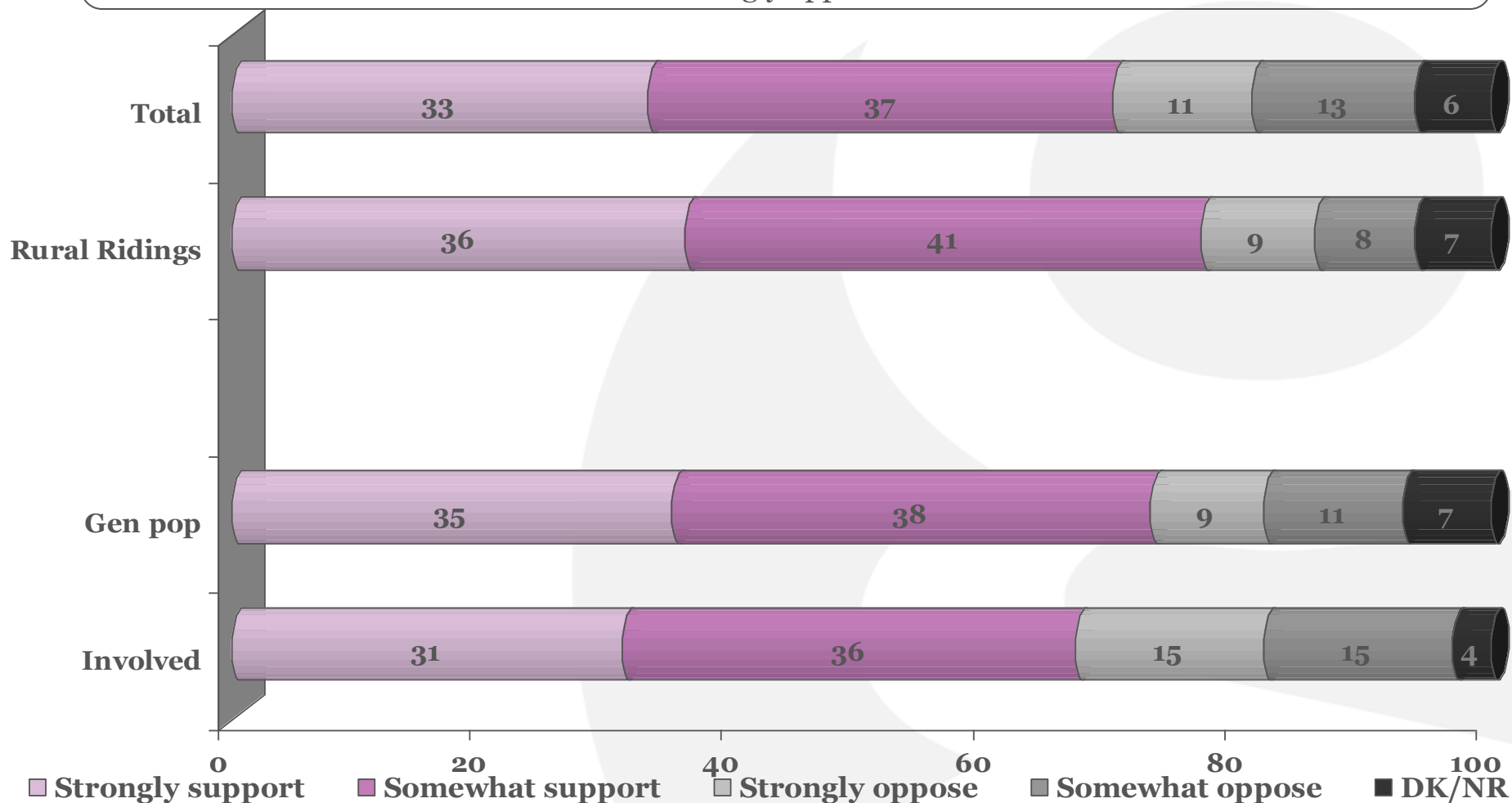






## Support for Private Wine Stores

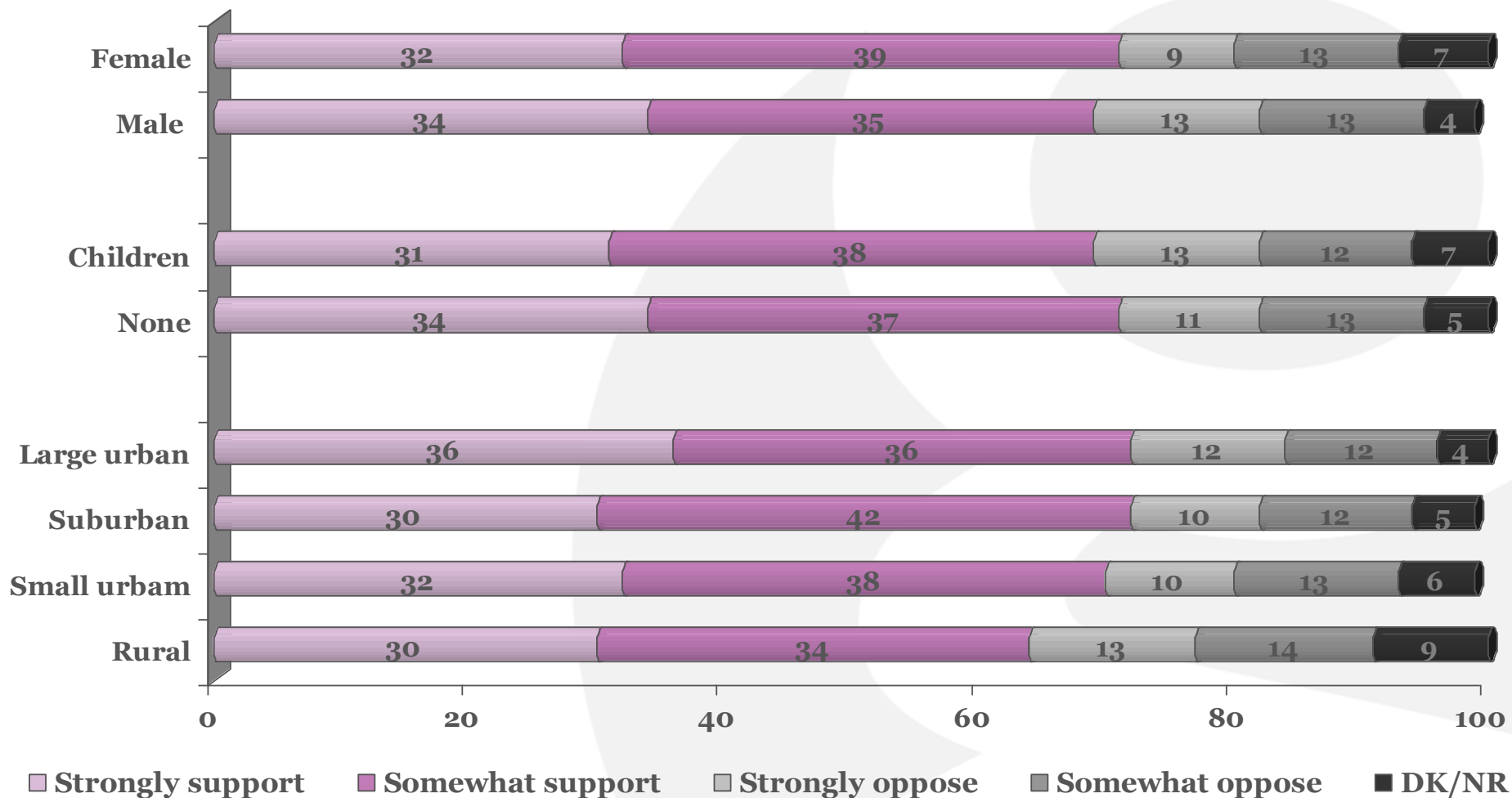
“How would you feel if the government allowed more retail stores to open in Ontario that were privately owned and sold wine only? Would you strongly support this, somewhat support it, somewhat oppose it or strongly oppose it?”





## Support for Private Wine Stores

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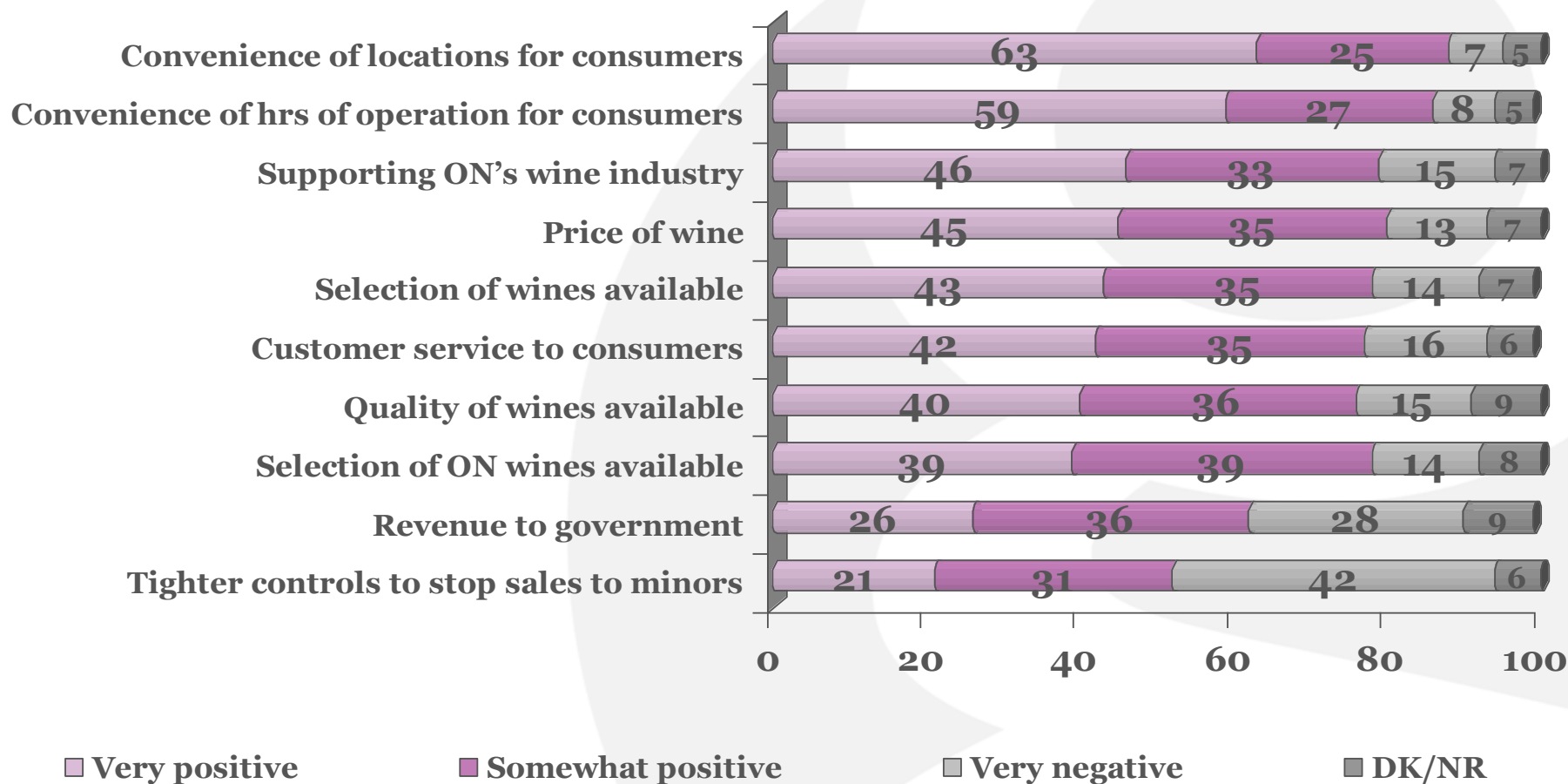
## Impact of Private Wine-Only Stores

- ☐ The biggest advantage most Ontarians can think of from private wine stores is greater convenience in both locations and hours.
- ☐ Many assume that it would help the Ontario wine industry, and provide greater selection.
- ☐ A commitment to provide greater Ontario wine selection is a justification that will be helpful in reinforcing support.
- ☐ There is a concern that there be tight control on the sale to minors.



# Impact of Private Wine-Only Stores

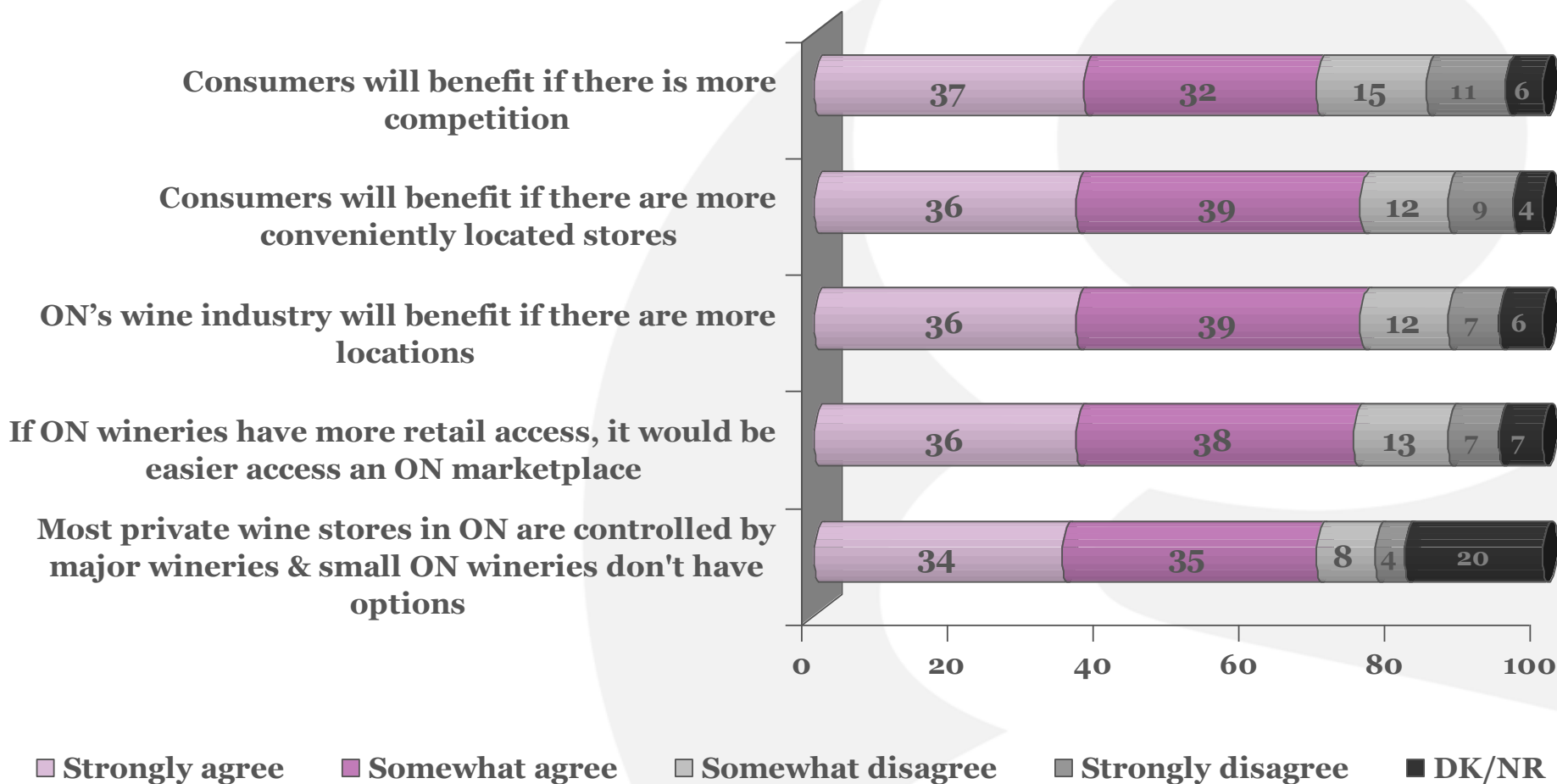
“Using a scale of one to nine where one means very negative and nine means very positive, tell us what you think the impact of allowing more privately managed wine-only stores would be when it comes to:”





## Reasons FOR Private Wine Stores

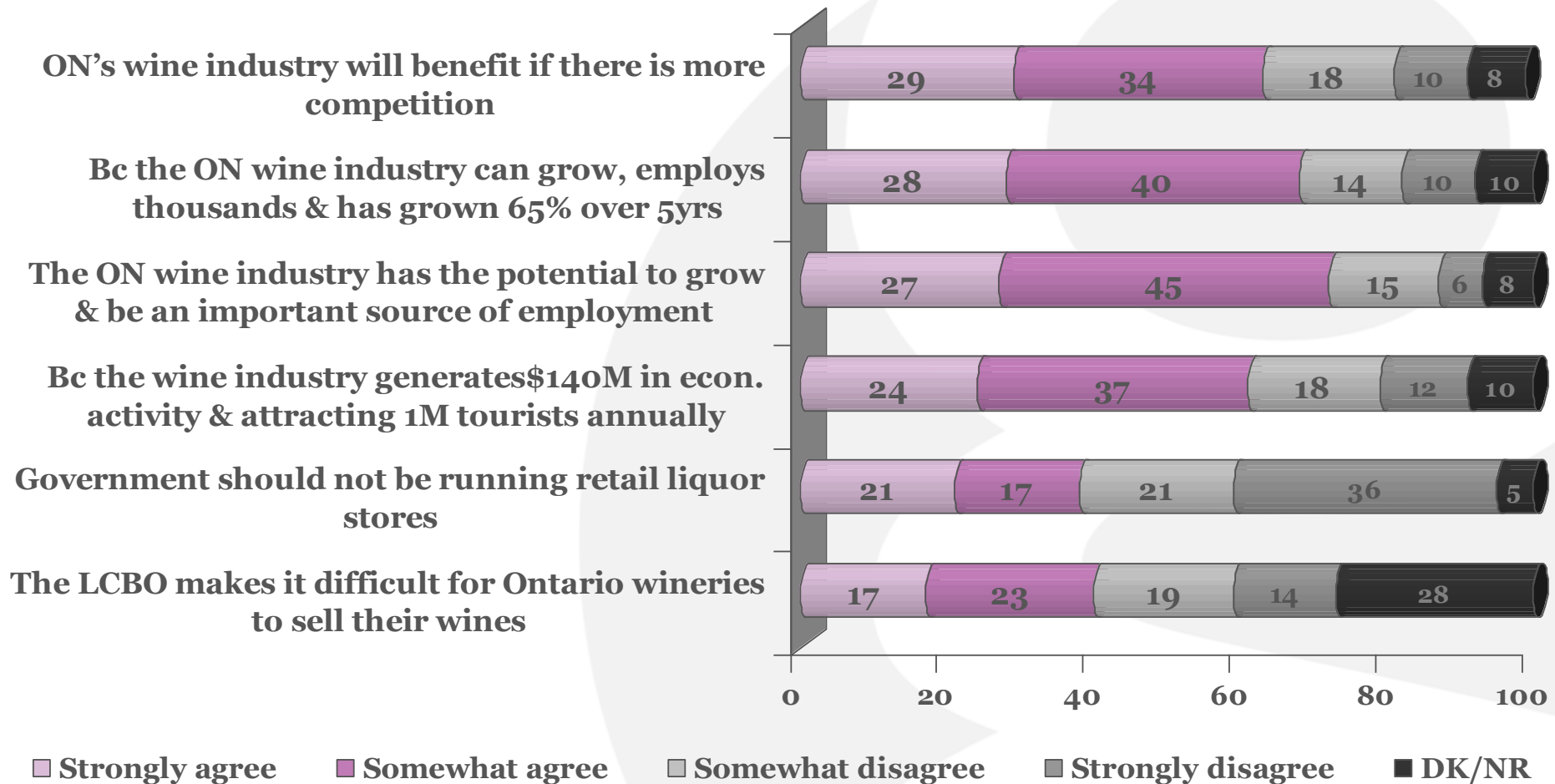
“The following are some reasons people give for why Ontario SHOULD allow private stores to sell wine. Please tell us whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each.”





## Reasons FOR Private Wine Stores

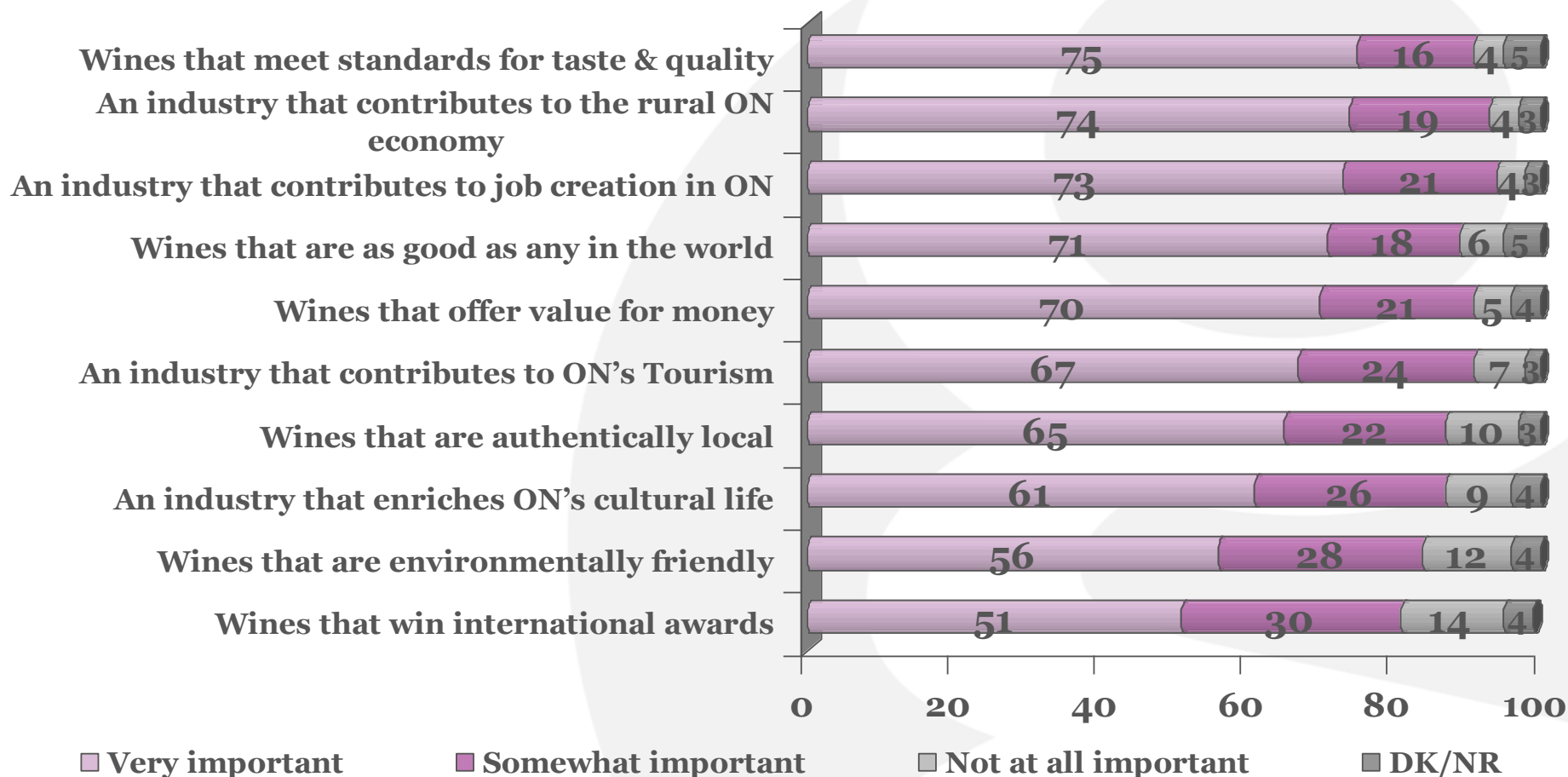
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## Important Attributes FOR ON Wines

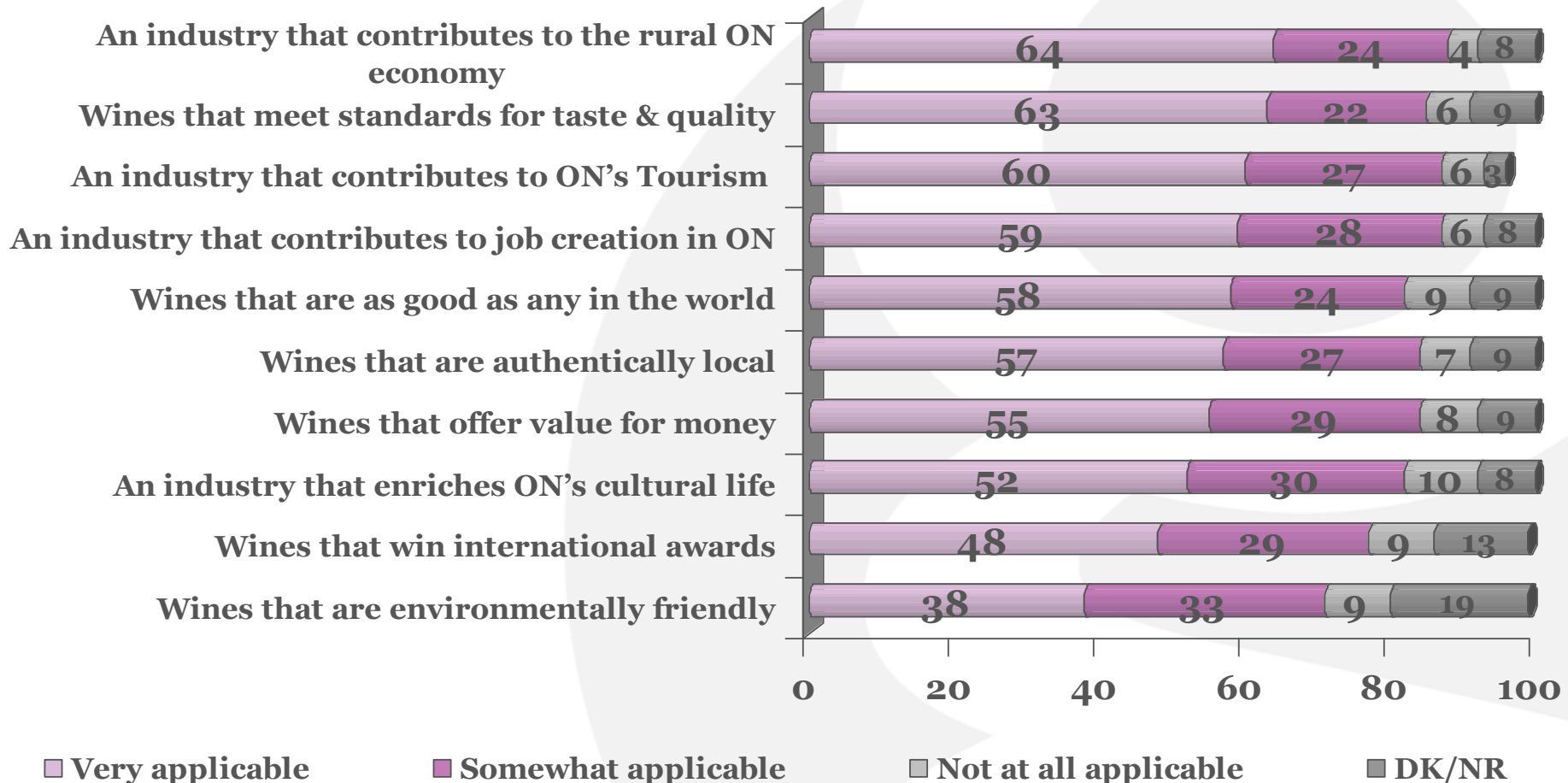
“We’d like you to think about Ontario wines and Ontario’s wine industry and then tell us how important each of the following attributes are on a scale of 1 to 9 where 1 means not at all important and 9 means very important. How about:”





## Existing Attributes of ON Wines

“Now how applicable are each of the following statements to Ontario wines and Ontario’s wine industry?  
Please tell us on a scale of 1 to 9 where 1 means not at all applicable and 9 means very applicable.”







- ❑ Most Ontarians support allowing new retail alternatives to the LCBO as long as it can be safely managed and ensure that minors do not get access.
  - Must not involve convenience stores.
  - Ontario wineries have credibility on this subject.
- ❑ Support is not driven by dissatisfaction with the LCBO, but by a sense that there does not need to be a complete monopoly and that there are potential improvements in price and convenience.
- ❑ Wine buyers will be additionally interested in availability of Ontario wines. Wine buyers and Ontarians generally see it as an industry that makes a broader contribution in addition to delivering on taste and quality.