

Wine Business Solutions



---

Wine On-Premise

**USA 2020**

---





Credit: Courtesy of The Meadowood

Introduction	Page 5
Market Dimensions and the Impact of COVID 19	Page 7
The Best On-Premise Importers and Suppliers	Page 8
The Most Listed Wine Brands in the US On-Premise	Page 13
The Best On-Premise Importers/Suppliers by Region	Page 15
Average Pricing by Region	Page 27
Regional Preferences by Source Country	Page 28
White Wines	Page 31
Rose	Page 40
Red Wines	Page 41
Champagne	Page 51
Sparkling Wines	Page 52
Dessert Wines	Page 53
Fortified Wines	Page 54
Regional Ranking	Page 55
Country Report Cards	Page 56
Producer Profitability	Page 68
Conclusion	Page 71
List of Figures	Page 72

The primary purpose of the On-Premise distribution effort is to attain listings. That is what Wine Business Solutions' Wine On-Premise USA 2020 research measures. This is the fifth year that we have undertaken this research giving us a total database to work with comprising 190,000 individual listings taken at random from independent, non-chain owned, On-Premise outlets' wine lists across all states.

We examine who the best importers and other primary suppliers are, what the most listed wine brands and styles are, the performance of supplier countries, states and regions, what restaurants charge for wines listed by-the-bottle and by-the-glass as well as how much wine business owners, importers and distributors can expect to make from On-Premise sales. We do this both nationally and on a market by market basis.

### **Why are On-Premise listings so important?**

- People buy what they try.
- It enables your wine to be seen and consumed in the best possible surroundings.
- It's a chance for you to be remembered, recommended and bought again, later.
- It's one of the only true 'brand building' opportunities many wineries have outside the tasting room.

### **About the Sample**

This survey covers the full range of possible On-Premise wine consumption occasions including suburban restaurants, fine dining establishments, hotels, bars and clubs. The sample is drawn completely at random but in proportion to each states' wine consumption. Chain restaurants were omitted as they are already well researched. Our objective is to accurately reflect what the consumer sees when presented with a wine list in an independently owned restaurant anywhere in the US.

At a minimum, we require 99% confidence that we have less than 1% error when asking the most important questions. We achieve that with a sample of this size when we are discussing gross numbers such as national distribution, price points and wine styles. Naturally, when we start breaking the database down into ever smaller segments (e.g. when analysing less populous regions or smaller wine categories), we lose some of this accuracy. We are, therefore, careful not to claim any insight beyond what reliable data confirms.

We now have 12 years of data in relation to On-Premise listings taken using this consistent methodology across other markets including Australia, the UK, Canada, Germany, China and Hong Kong as well as 5 years of data from doing the same in the US. We can therefore quickly identify, correct and/or seek to explain anomalies.

**Figure I – Composition of Sample / Share of Listings Used**

<b>Region</b>	<b>State</b>	<b>Share</b>	<b>Region</b>	<b>State</b>	<b>Share</b>
California	California	15%	The Atlantic NE	Massachusetts	4%
				New Hampshire	1%
The Tri States	New York	7%		Rhode Island	0.5%
	New Jersey	4%		Maine	0.5%
	Connecticut	2%			6%
		13%			
			The Pacific NW	Washington	3%
Florida	Florida	9%		Oregon	2%
				5%	
The Capital Area	Virginia	3%	The Best of the West	Arizona	2%
	North Carolina	2%		Colorado	2%
	Maryland	2%		Nevada	1%
	District of Columbia	1%			5%
		8%			
Texas	Texas	6%	Pennsylvania	Pennsylvania	3%
The Great Lakes	Illinois	4%	The Rest	Hawaii	0.6%
	Ohio	3%		Iowa	0.5%
	Michigan	3%		New Mexico	0.5%
	Wisconsin	2%		Delaware	0.4%
	Minnesota	1%		Idaho	0.4%
	Indiana	1%		Utah	0.4%
		14%		Arkansas	0.4%
				Mississippi	0.4%
The South	Georgia	2%		Kansas	0.4%
	Missouri	1%		Vermont	0.3%
	Tennessee	1%		Nebraska	0.3%
	Louisiana	1%		Montana	0.3%
	South Carolina	1%		Alaska	0.2%
	Alabama	1%		South Dakota	0.2%
	Kentucky	1%	Wyoming	0.1%	
	Oklahoma	1%	West Virginia	0.1%	
		9%	North Dakota	0.1%	
				6%	

We then divide the US Market up into 12 regions, not based upon common legislation, which of course is different in every state, but upon size and ‘serviceability’ based upon common attributes and proximity.

We reasoned that with 52 states to consider, most businesses would be at a loss to know where to begin, let alone where to focus. With limited time and resources and, in many cases, limited supply, choosing where to start and how to proceed in a market this size is critical. Assisting this process is a key aim of this report.

Prior to the outbreak of COVID 19, the US restaurant industry was worth nearly one trillion dollars and employed more than 15 million people according to the National Restaurant Association. The number of On-Premise establishments selling wine was approximately 373,000 or around a wine serving restaurant for every 880 people (according to Wine Industry Insight and Nielsen, 2018).

Wine itself accounts for \$US72billion in sales per year and the total US wine market is now 409 million cases (sources: Wine and Vine Analytics; BWI 66, to Dec 2019). Total wine sales for 2020 are predicted, by multiple sources, to be flat or slightly above 2019.

The drop in On-Premise wines sales during the first quarter of 2020 was 22% according to Rabobank. This was more than made up for by Off-Premise and DtC sales, during that period.

According to Nielsen, On-premise velocity in outlets that are currently operational is down -22% vs. last year in the week to August 22. This is however a +239% increase on March 28 when the On-premise shutdown commenced. Average transaction/purchase value is also continuing its upward trajectory and is now only -7% lower than it was a year ago." So, whilst this crisis is far from over and nothing is certain at this point, people who are going out are still spending.

How has this impacted wine lists in terms of their current composition? The average US wine list today has 186 bottle listing and 21 glass listing spots available, little changed from a year ago. As we shall see when we examine pricing, outlets continue to target expenditure ambitiously, even if actual expenditure has dropped.

Beverage Information Group claims that 19% of wine sales are made in the On-Premise equating to 77 million cases. 19% is the same number for the UK and Australia, showing how strongly wine drinking culture affects consumption patterns. Having said that, US consumption per capita remains stubbornly low at just 11 litres a head, not much more than a third of what Australian's drink and a quarter of what the French consume.

The question then becomes how best to address this most important of markets for fine wine producers?

Who are the best importers and primary suppliers (*note - we define 'primary suppliers' as businesses that sell to wholesaler distributors including US wineries themselves, sales office of international companies, specialist sales and marketing companies as well as those classic traditional importers*), which are the best business models and paths to market, what are the most popular wines styles, which regions are having the most success and how much money is there to be made from On-Premise sales? That is the focus of this report.

## LIST OF FIGURES

---

Figure 1 – Composition of Sample / Share of Listings Used.....	6
Figure 2 – The Top Thirty On-Premise Importers and Primary Suppliers Nationally.....	8
Figure 3 – Top 20 Companies’ Share of By-The-Bottle, By-The-Glass & Alternative Format Listings.....	11
Figure 4 – Average per Bottle and By-The-Glass Sell Price for Leading Companies .....	12
Figure 5 – The Top Thirty On-Premise Brands Nationally .....	13
Figure 6 – The Top 20 Suppliers and Brands in California – On-Premise.....	15
Figure 7 – The Top Suppliers and Brands in NY / NJ / CT – On-Premise.....	16
Figure 8 – The Top Suppliers and Brands in Florida – On-Premise.....	17
Figure 9 – The Top Suppliers and Brands in The Capital Area – On-Premise.....	18
Figure 10 – The Top Suppliers and Brands in Texas – On-Premise.....	19
Figure 11 – The Top Suppliers and Brands in The Great Lakes Area – On-Premise .....	20
Figure 12 – The Top Suppliers and Brands in The South – On-Premise .....	21
Figure 13 – The Top Suppliers and Brands in The Atlantic NE – On-Premise.....	22
Figure 14 – The Top Suppliers and Brands in The Pacific NW – On-Premise.....	23
Figure 15 – The Top Suppliers and Brands in AZ / NV / CO – On-Premise.....	24
Figure 16 – The Top Suppliers and Brands in Pennsylvania – On-Premise .....	25
Figure 17 - The Top Suppliers and Brands in The Rest of the US – On-Premise.....	26
Figure 18 – Average Price by Region per Bottle and By-The-Glass .....	27
Figure 19 – Percentage Share of Wine Listings by Country in the US On-Premise.....	28
Figure 20 – Change in Share of Wine Listings by Country 2020 vs 2019.....	28
Figure 21 – Change in Average Price per Bottle by Country 2020 vs 2019 .....	29
Figure 22 – Percentage Share of Wine Listings for Countries by Region.....	30
Figure 23 – Total White Wine Listings by Varietal On-Premise.....	32
Figure 24 – Total White Wine Listings by Varietal 2020 vs 2019 .....	32
Figure 25 – Number of White Wine By-The-Bottle Listings and Average Price by Region .....	33
Figure 26 – Number of White Wine By-The-Glass Listings and Average Price by Region.....	33
Figure 27 – Number of Chardonnay By-The-Bottle Listings and Average Price by Region .....	34
Figure 28 – Share of Chardonnay By-The-Bottle Listings 2020 vs 2019 .....	34
Figure 29 – Number of Sauvignon Blanc By-The-Bottle Listings and Average Price by Region .....	35
Figure 30 – Share of Sauvignon Blanc By-The-Bottle Listings 2020 vs 2019 .....	35
Figure 31 – Number of Pinot Gris / Grigio By-The-Bottle Listings and Average Price by Region .....	36
Figure 32 – Share of Pinot Gris / Grigio By-The-Bottle Listings 2020 vs 2019 .....	36
Figure 33 – Number of Riesling By-The-Bottle Listings and Average Price by Region.....	37
Figure 34 – Share of Riesling By-The-Bottle Listings 2020 vs 2019.....	37
Figure 35 – Number of White Blend By-The-Bottle Listings and Average Price by Region .....	38
Figure 36 – Share of White Blend By-The-Bottle Listings 2020 vs 2019 .....	38
Figure 37 – Number of Chenin Blanc By-The-Bottle Listings and Average Price by Region .....	39
Figure 38 – Share of Chenin Blanc By-The-Bottle Listings 2020 vs 2019 .....	39
Figure 39 – Number of Rose By-The-Bottle Listings and Average Price by Region.....	40
Figure 40 – Share of Rose By-The-Bottle Listings 2020 vs 2019.....	40
Figure 41 – Share of Red Wine Listings by Varietal .....	42

Figure 42 – Total Red Wine Listings by Varietal 2020 vs 2019 .....	42
Figure 43 – Number of Red Wine By-The-Bottle Listings and Average Price by Region .....	43
Figure 44 – Number of Red Wine By-The-Glass Listings and Average Price by Region.....	43
Figure 45 – Number of Pinot Noir By-The-Bottle Listings and Average Price by Region .....	44
Figure 46 – Share of Pinot Noir By-The-Bottle Listings 2020 vs 2019 .....	44
Figure 47 – Number of Cabernet Sauvignon By-The-Bottle Listings and Average Price by Region.....	45
Figure 48 – Share of Cabernet Sauvignon By-The-Bottle Listings 2020 vs 2019.....	45
Figure 49 – Number of Red Blend By-The-Bottle Listings and Average Price by Region.....	46
Figure 50 – Share of Red Blend By-The-Bottle Listings 2020 vs 2019.....	46
Figure 51 – Number of Merlot By-The-Bottle Listings and Average Price by Region .....	47
Figure 52 – Share of Merlot By-The-Bottle Listings 2020 vs 2019 .....	47
Figure 53 – Number of Zinfandel By-The-Bottle Listings and Average Price by Region.....	48
Figure 54 – Share of Zinfandel By-The-Bottle Listings 2020 vs 2019.....	48
Figure 55 – Number of Shiraz By-The-Bottle Listings and Average Price by Region.....	49
Figure 56 – Share of Shiraz By-The-Bottle Listings 2020 vs 2019.....	49
Figure 57 – The Top 20 Most Listed Champagne Brands in the US On-Premise .....	51
Figure 58 – The Most Listed Sparkling Wine Brands On-Premise .....	52
Figure 59 – The Most Listed Sparkling Wine Styles in the US On-Premise.....	52
Figure 60 – The Most Listed Dessert Wine Brands.....	53
Figure 61 – The Top 20 Most Listed Fortified Wine Brands .....	54
Figure 62 – Share of US Wine Listings by Region and Average Price per Bottle .....	55
Figure 63 – Most Listed Wine Brands by Leading US Region .....	56
Figure 64 – The Top 20 Most Listed Italian Wine Brands.....	57
Figure 65 – The Top 20 Most Listed French Wine Brands (Excluding Champagne) .....	58
Figure 66 – The Top 20 Most Listed Spanish Wine Brands .....	59
Figure 67 – The Top 20 Most Listed Argentinian Wine Brands .....	60
Figure 68 – The Top 20 Most Listed New Zealand Wine Brands.....	61
Figure 69 – The Top 20 Most Listed German Wine Brands.....	62
Figure 70 – The Top 20 Most Listed Australian Wine Brands .....	63
Figure 71 – The Top 20 Most Listed Austrian Wine Brands .....	64
Figure 72 – The Top 20 Most Listed Chilean Wine Brands.....	65
Figure 73 – The Top 20 Most Listed Greek Wine Brands.....	66
Figure 74 – The Top 20 Most Listed South African Wine Brands.....	67
Figure 75 – The Average Return to Producers at 2.5 Times Mark Up – Scenario One.....	69
Figure 76 – The Average Return to Producers at 2.5 Times Mark Up – Scenario Two.....	70



**Copyright Notice** – This publication is subject to copyright. No duplication or syndication of this document or any part thereof is permitted without the express written permission of Wine Business Solutions.

**Disclaimer** - Any representation, statement, statistics, opinion or advice, expressed or implied in this paper is made in good faith but on the basis that WBS or its Principals are not liable (whether by reason of negligence, lack of care or otherwise) to any person for any damage or loss whatsoever that has occurred or may occur in relation to that person taking or not taking (as the case may be) action in respect of any representation, statement or advice referred to above.



## Wine Business Solutions



Phone +612 9744 8332

[info@winebusinesssolutions.com.au](mailto:info@winebusinesssolutions.com.au)

<http://winebusinesssolutions.com.au>