

ALLOCATION OF YOUR WINE: CHANNEL MANAGMENT



The Panelists

- Thomas V. Bonomi Jr.
 - *President & CFO*
- Nicole Carter
 - *Chief Marketing Officer*
 - *Director of Winemaking*
- Brian A. Kelleher
 - *Vice President Sales & Marketing*
- Dale Stratton
 - *Vice President Commercial Insights*

Price Family Vineyards

The Hess Collection

Pahlmeyer Winery

Constellation Brands



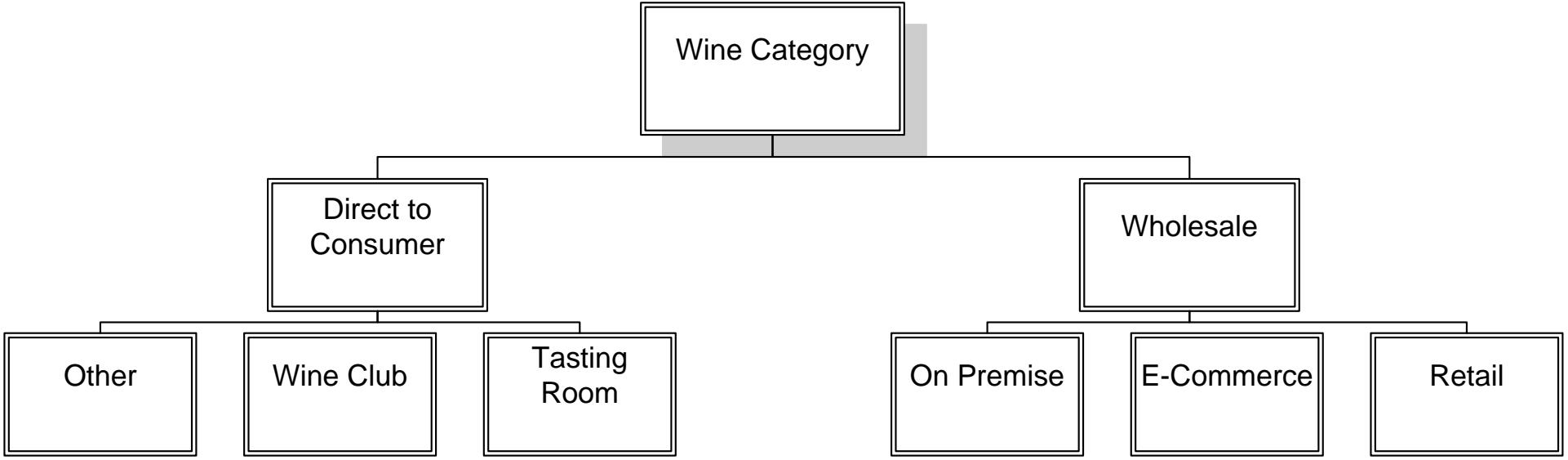
Guiding Principals

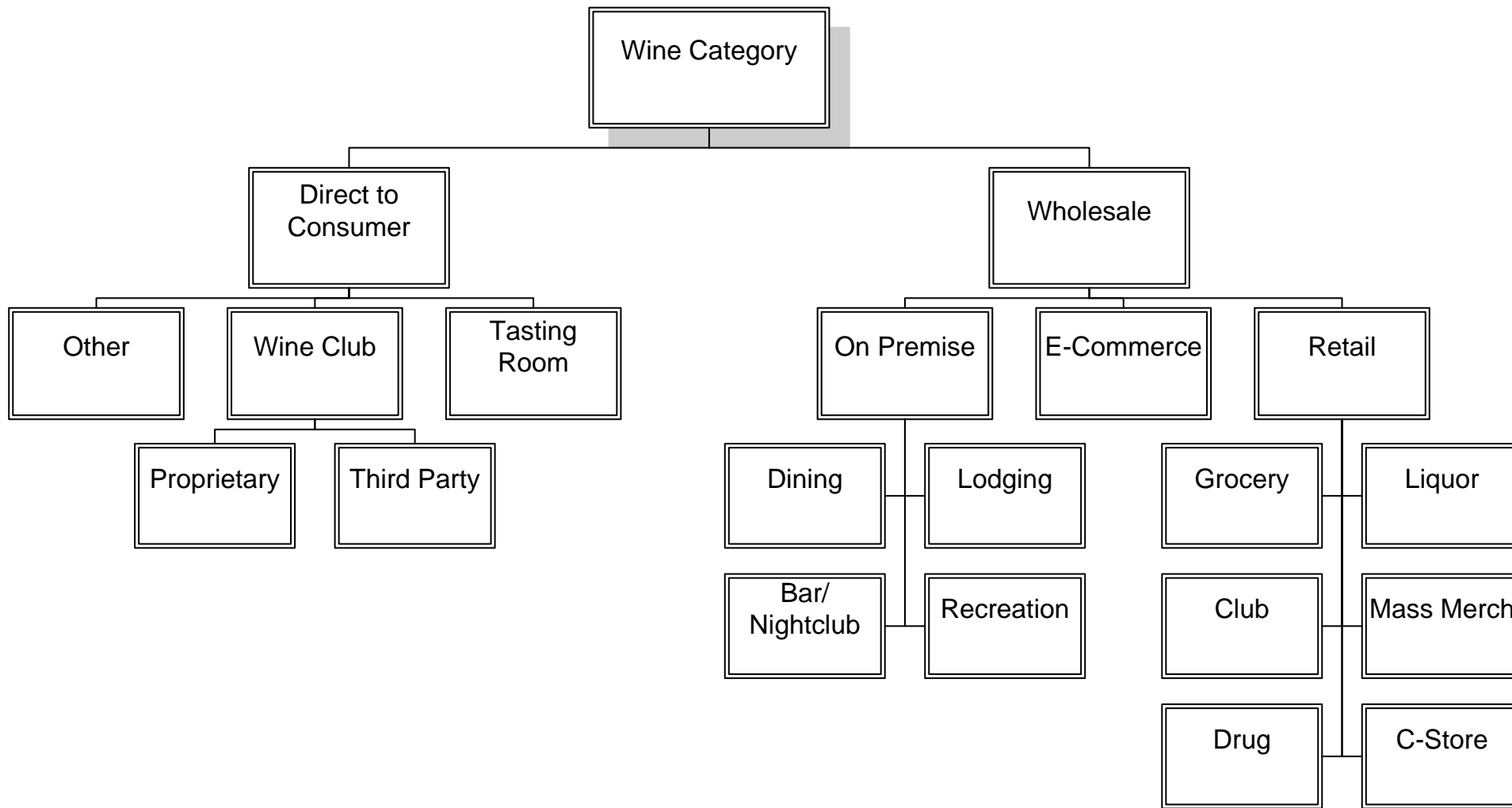
Because You Can, Doesn't
Mean You Should

Choices Have Consequences:
Resources Will Follow Choices









Gary Farrell – WS Accounts by Class of Trade

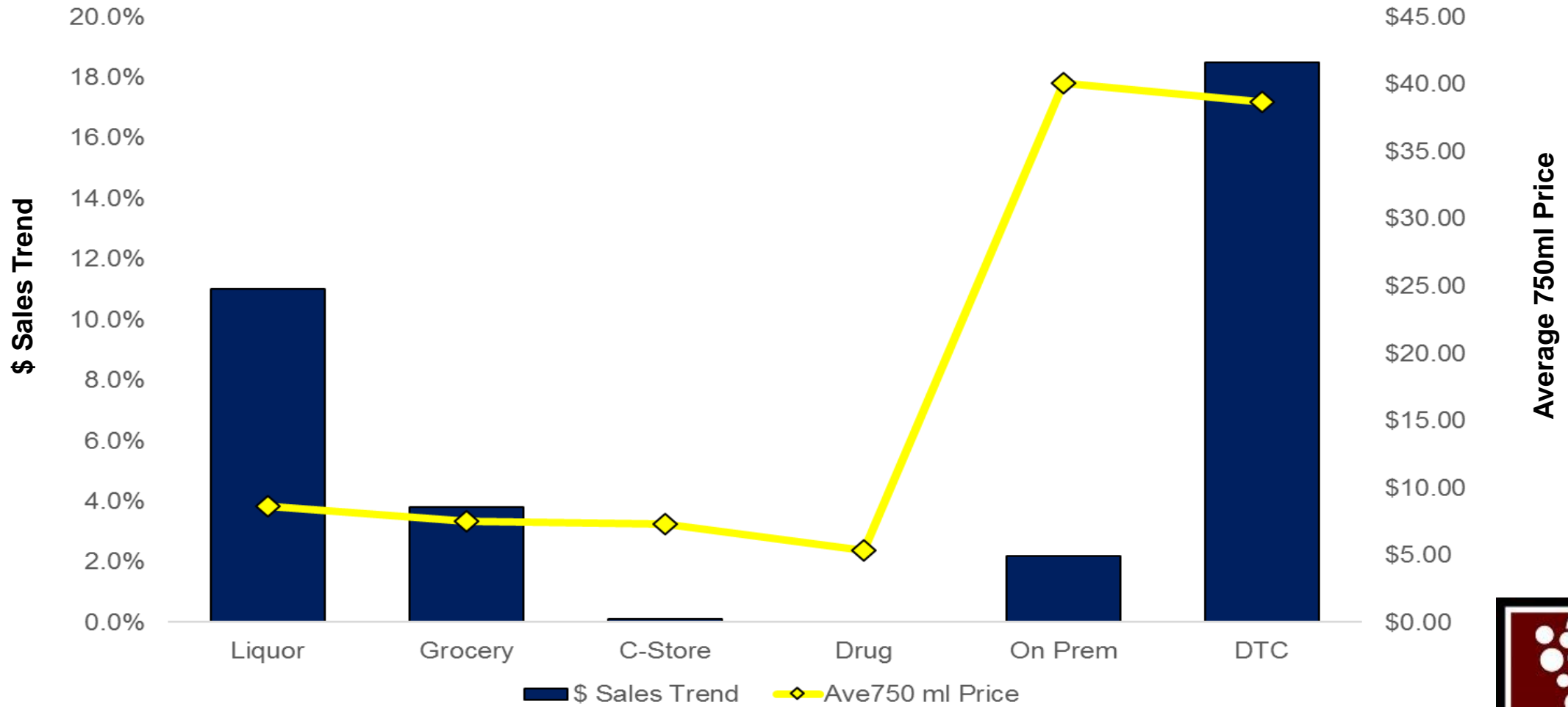
2017

Independents	20%
Chains	21%
Other	3%
Off Premise	44%
General Market	33%
National Accounts	23%
On Premise	56%
	<u>100%</u>

Accounts Sold



Channel Overview



Data Sources:

IRI 52 Weeks Ending 9/10/2017
 Nielsen CGA 52 Weeks Ending 7/15/2017
 Wines & Vines/Ship Compliant 2016 Report

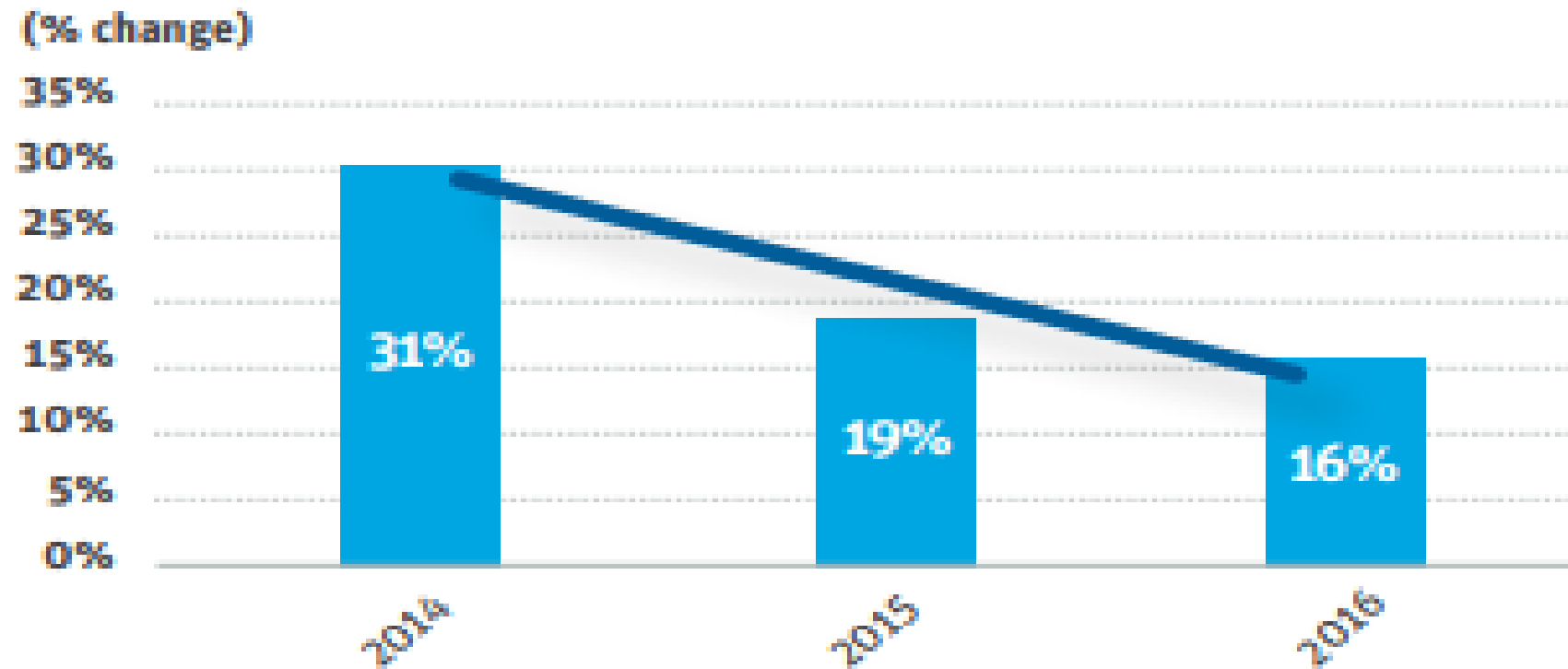


On Premise

Figure 3

Decline in Restaurant Sales Share

Source: SVB Annual Wine Conditions Survey

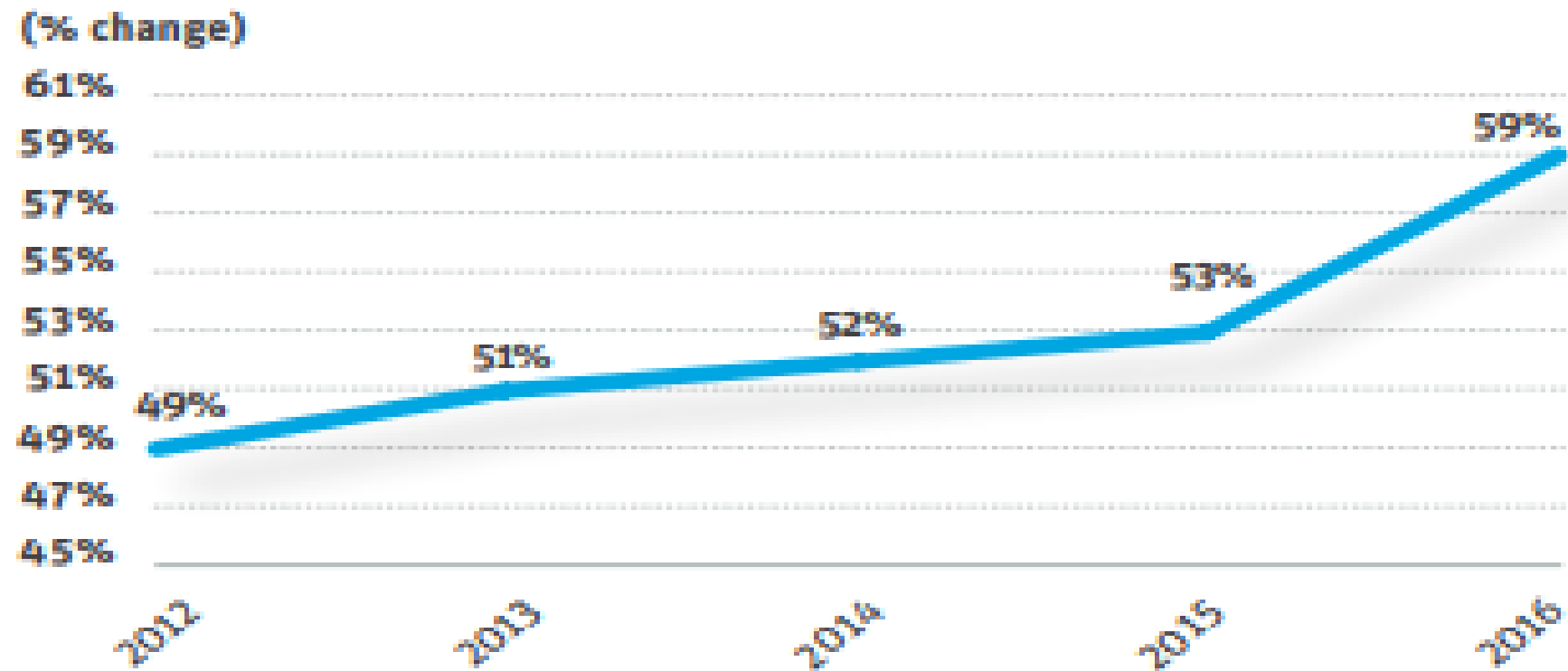


Direct to Consumer Sales

Figure 7

Growth in Direct Sales Share

Source: SVB Annual Wine Conditions Survey



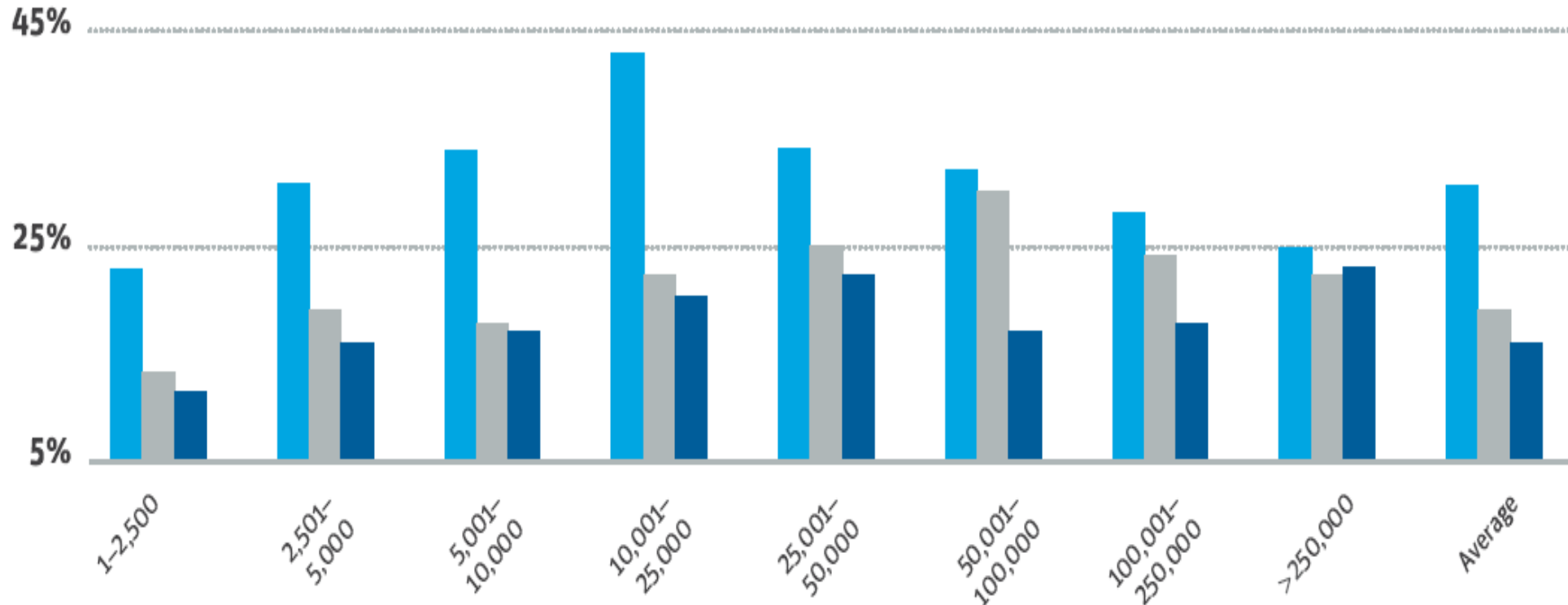
On Premise

Figure 4

Annual Change in Restaurant Sales by Production Size (in Cases Produced)

Source: SVB Annual Wine Conditions Survey

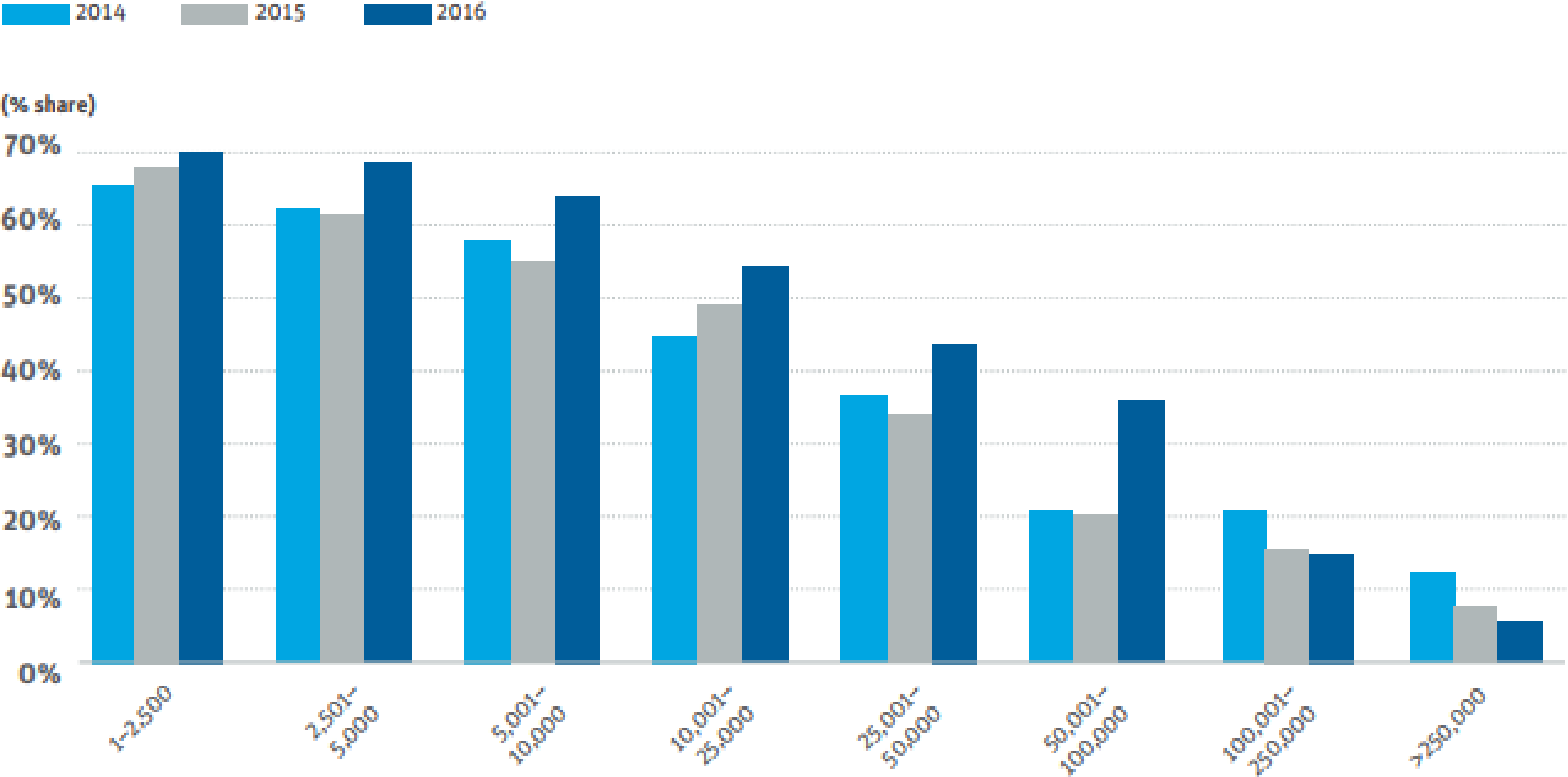
2014 2015 2016



Direct to Consumer Sales

Figure 6
Direct Sales Share vs. Producer Size (in Production Size)

Source: SVB Annual Wine Conditions Survey



Discussion Points

- Supply and Demand
 - *Don't produce more than you can profitably sell*
 - *Start with a Demand plan*
- Build a repeatable planning process
 - *Start with longer term thinking*
 - *Adjust as the market changes*
- Mitigate risk by leveraging multiple channels
 - *Consumer reach is vital to success*
 - *Markets will change over time*
- Leverage available data sources



Discussion Points

- Consistent Supply
 - *Communication with your Wholesaler*
 - *Vital for success, especially in On-Premise*
- Short Vintages
 - *Fact of life in the Industry*
 - *Build a plan early and execute the plan*
 - *You are not alone*
- Manage Depletions not Shipments



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