



NEIMAN  
GROUP

**FINE WINE & GOOD SPIRITS**

2011 PLCB Border Bleed Tracking Study  
ONLINE SURVEY FINDINGS





# TABLE OF CONTENTS

Section	Page Number
Research Background	3
Key Findings	10
Closer Look at Consumer Segments	20
Destination Buyers	22
Exclusive Out of State Buyers	31
Opportunistic Buyers	40
Exclusive In State Buyers	49
Appendix	54





## RESEARCH BACKGROUND







## RESEARCH BACKGROUND

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### Research Design

- Online survey hosted by Neiman Group on the Qualtrics platform
- In order to identify shifts from 2008, the same survey instrument was used; a few additions were made
- Target demographics
  - Adults 21+
  - Philadelphia DMA (PA counties only) – Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton, Philadelphia
- Findings are reported at the 95% confidence level
- 2011 Sample Size is 1003; 2008 was 1001







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## RESEARCH BACKGROUND

### Goals

- Determine how many residents in the Philadelphia marketplace are purchasing wine & spirits across state borders
- Examine the business impact that cross-border purchases are having on PLCB retail stores
- Understand the underlying reasoning and motivators driving out of state purchasing behavior
- Recommend marketing efforts in accordance with research findings
- Identify overall and segment shifts since 2008





## RESEARCH BACKGROUND

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### Segment Definitions

- **Exclusive In State Buyers** – only purchase wine and spirits at PA Wine and Spirits Stores or via its website
- **Exclusive Out of State Buyers** – only purchase wine and spirits outside of Pennsylvania or through unaffiliated websites
- **In and Out of State Buyers** – purchase wine and spirits both in Pennsylvania and other states:
  - **Destination Buyers** – make a special trip to buy wine and spirits outside of Pennsylvania
  - **Opportunistic Buyers** – purchase wine and spirits when passing through other states based on convenience; they do not make a special trip to do so



## RESEARCH BACKGROUND

### Economic Changes Since 2008

- Recession impacted consumer spending across the board
- Consumers still cautiously spending
- Gas prices have skyrocketed





## RESEARCH BACKGROUND



### PLCB Changes Since 2008

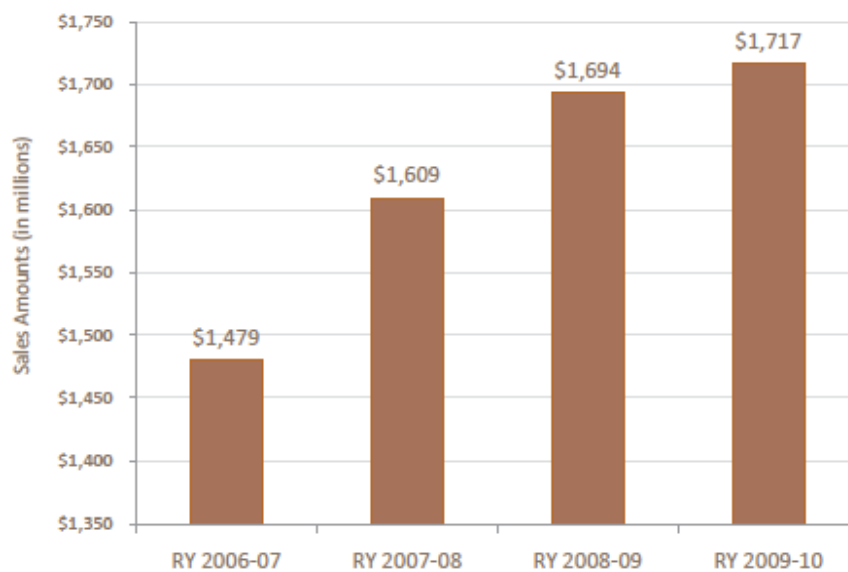
- Strong seasonal price promotions and in-store messaging focused on exceptional value and a breadth of offering
- Launch of online ordering and buying
- Enhancements to the retail experience both online and in-store



## RESEARCH BACKGROUND

Even through the recession PLCB sales continue to increase  
year over year

**Figure 1: End of Year Sales Amounts by Dollars (RY 2006-07 to RY 2009-10)**







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## KEY FINDINGS

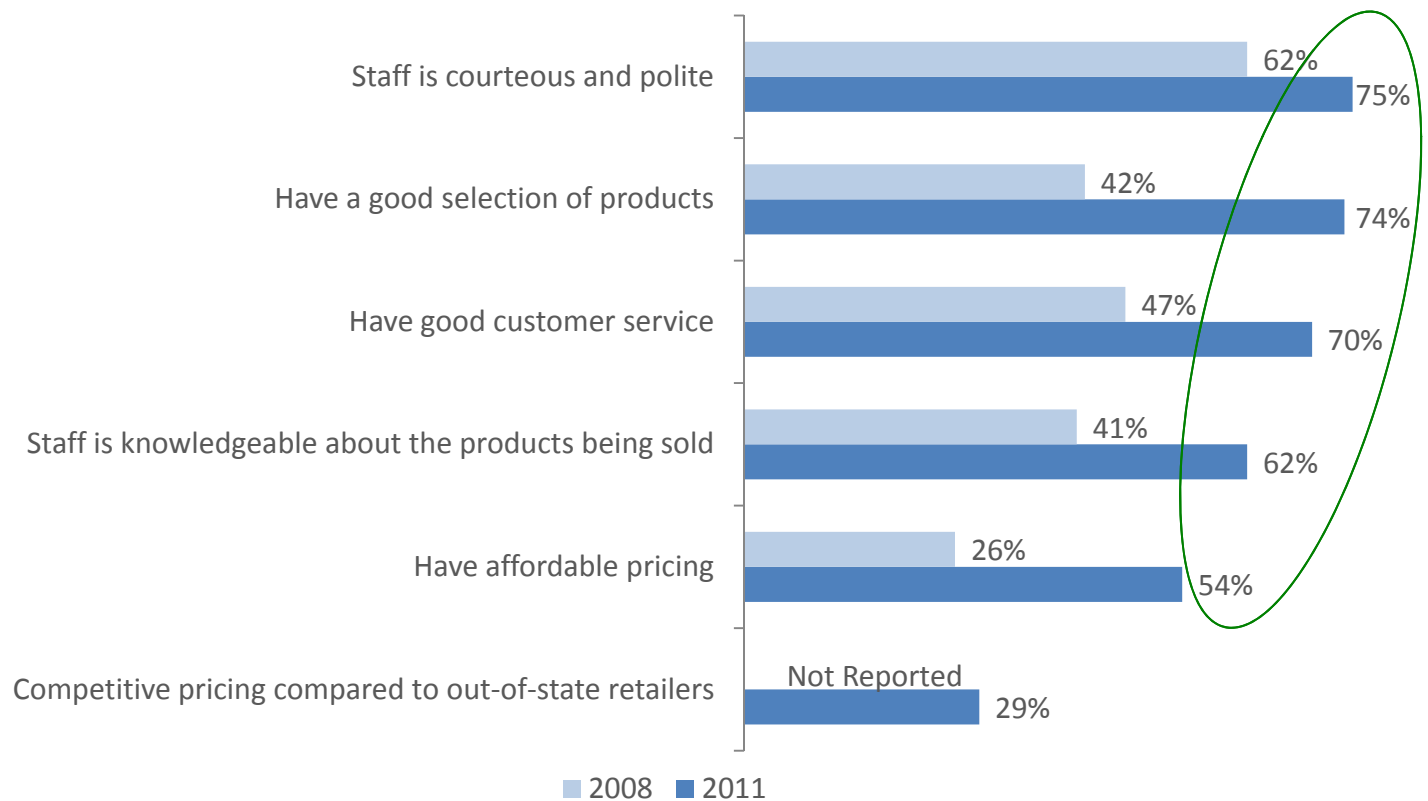




Consumers are much more positive about the PA Wine & Spirits store experience than in 2008. There is still room to continue to shift perceptions – especially related to price.

## KEY FINDINGS

### Perceptions of PA Wine & Spirits Stores

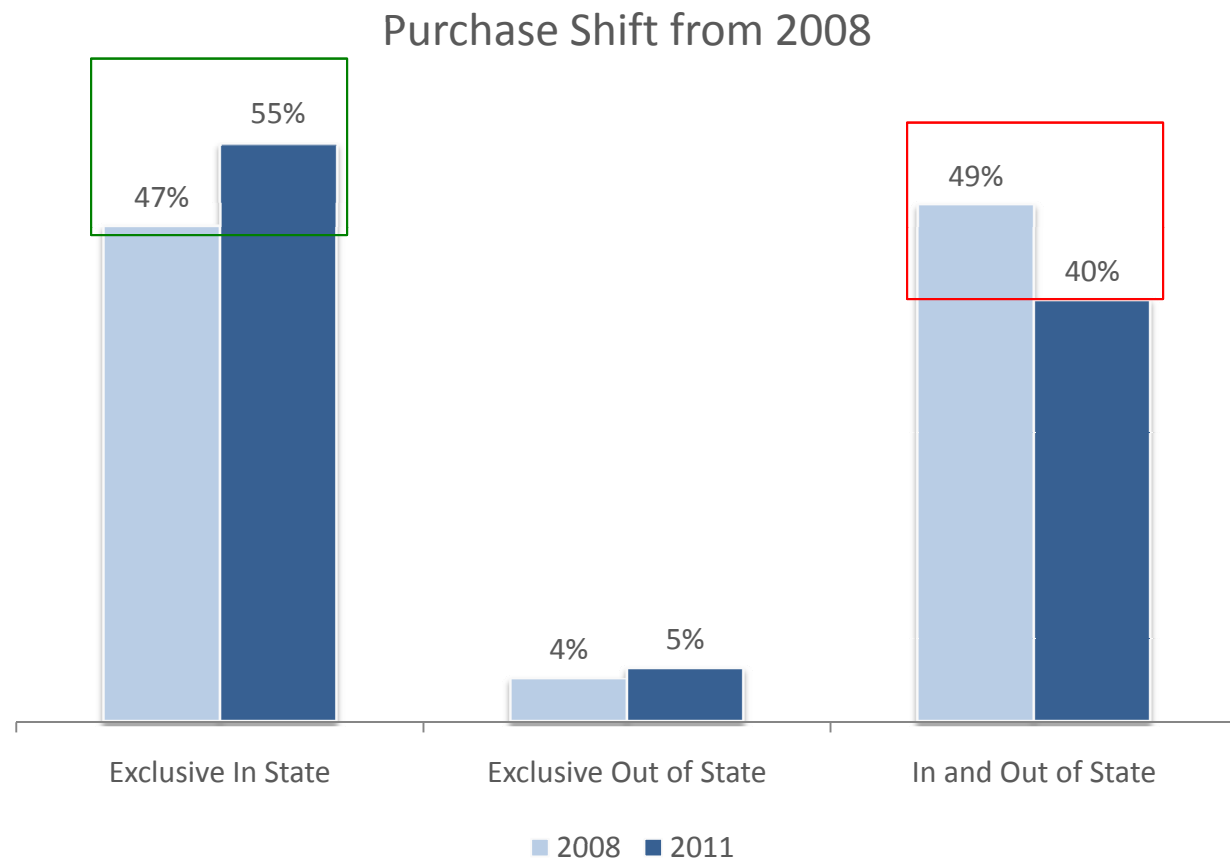






More consumers are purchasing Wine and Spirits exclusively in Pennsylvania than in 2008. Fewer are buying both in and out of state.

## KEY FINDINGS



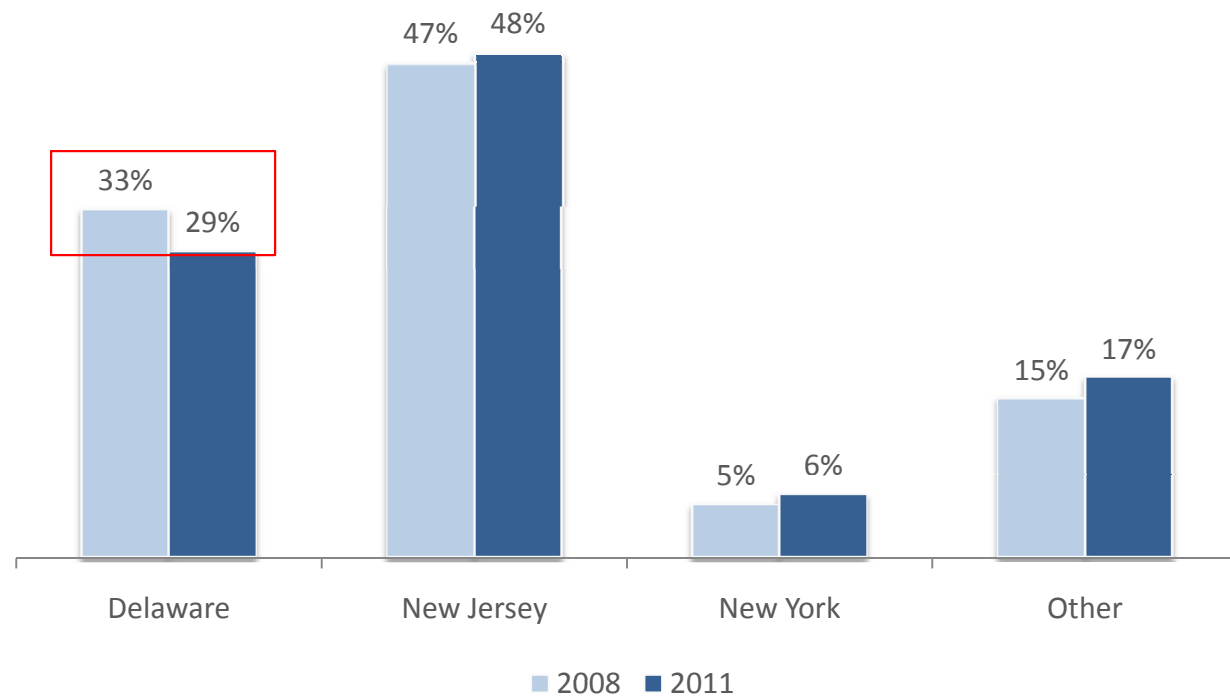




Fewer Pennsylvania residents are buying wine and spirits in Delaware than was the case in 2008.

## KEY FINDINGS

### Out of State Purchasing Shift from 2008

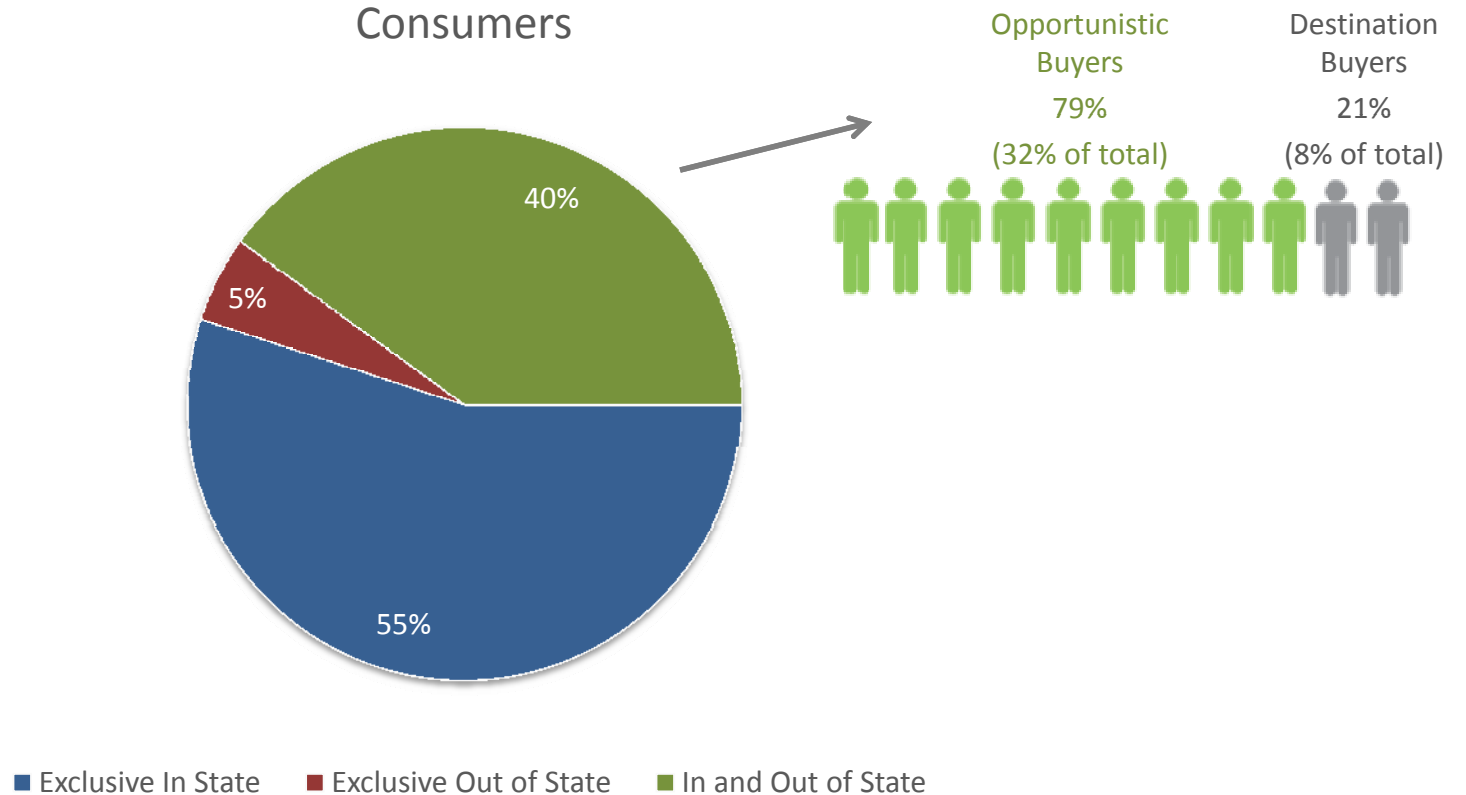




Four out of five consumers who buy wine and spirits both in and outside of Pennsylvania make purchases out of state when it is convenient, rather than going out of their way to do so.

## KEY FINDINGS

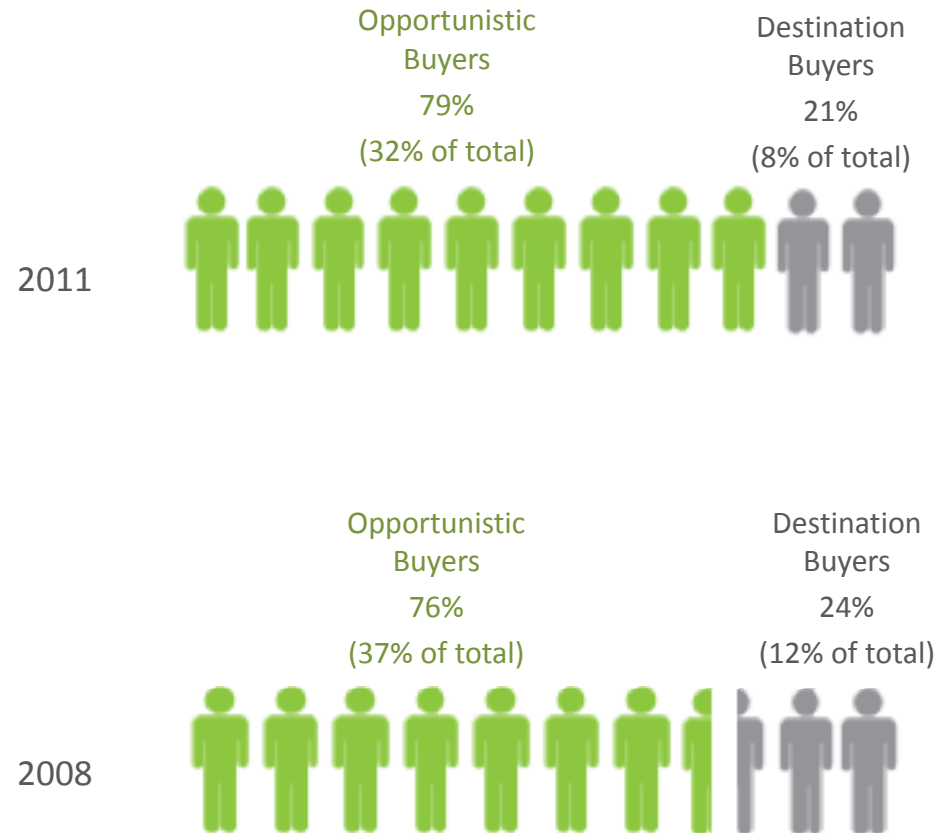
### Philadelphia Area Wine and Spirits Consumers





Just like in 2008, Opportunistic buyers account for the majority of In and Out of State purchasers. As a result of the overall decline in purchasing both in and out of state, these segments have declined since 2008.

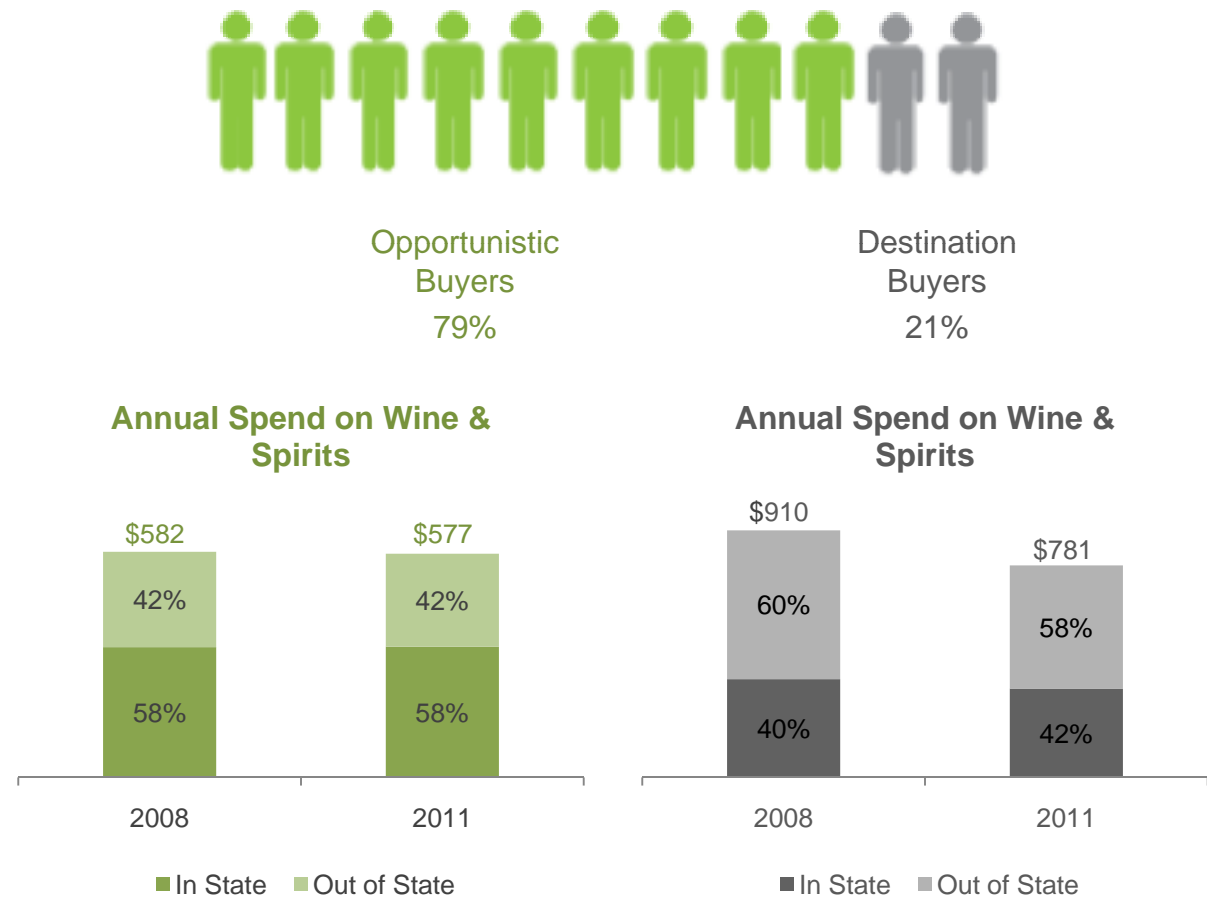
## KEY FINDINGS





Overall spend for opportunistic buyers has not shifted since 2008 and they are still spending the majority of their money in state. Destination buyers continue to spend about 60% of their money out of state, but their overall purchases have dropped.

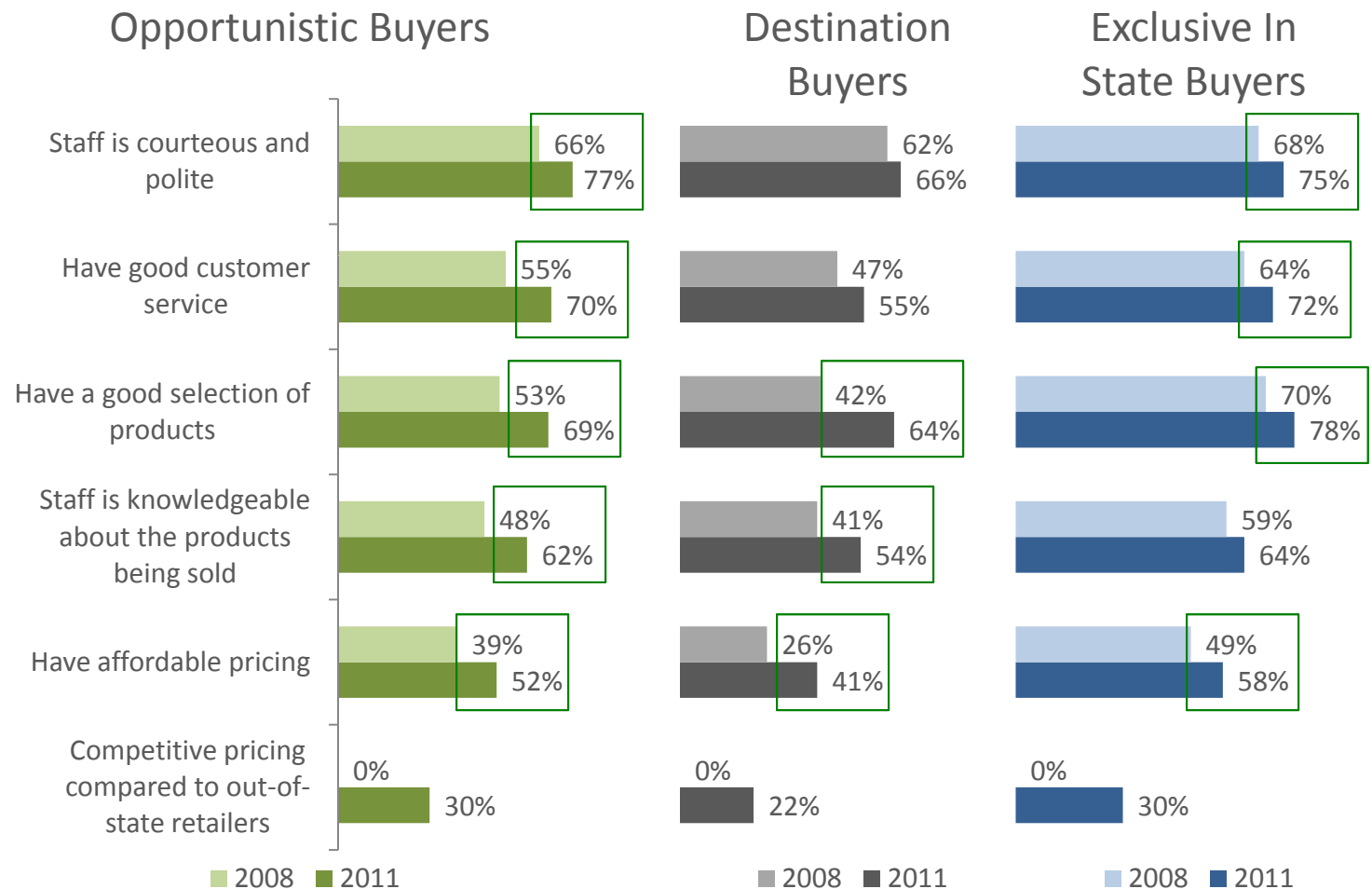
## KEY FINDINGS





All segments have significantly more favorable perceptions of PA Wine & Spirits Stores than in 2008. Value messaging has helped to change price perceptions across the board – although the majority still feel PA prices are not comparable to out of state.

## KEY FINDINGS



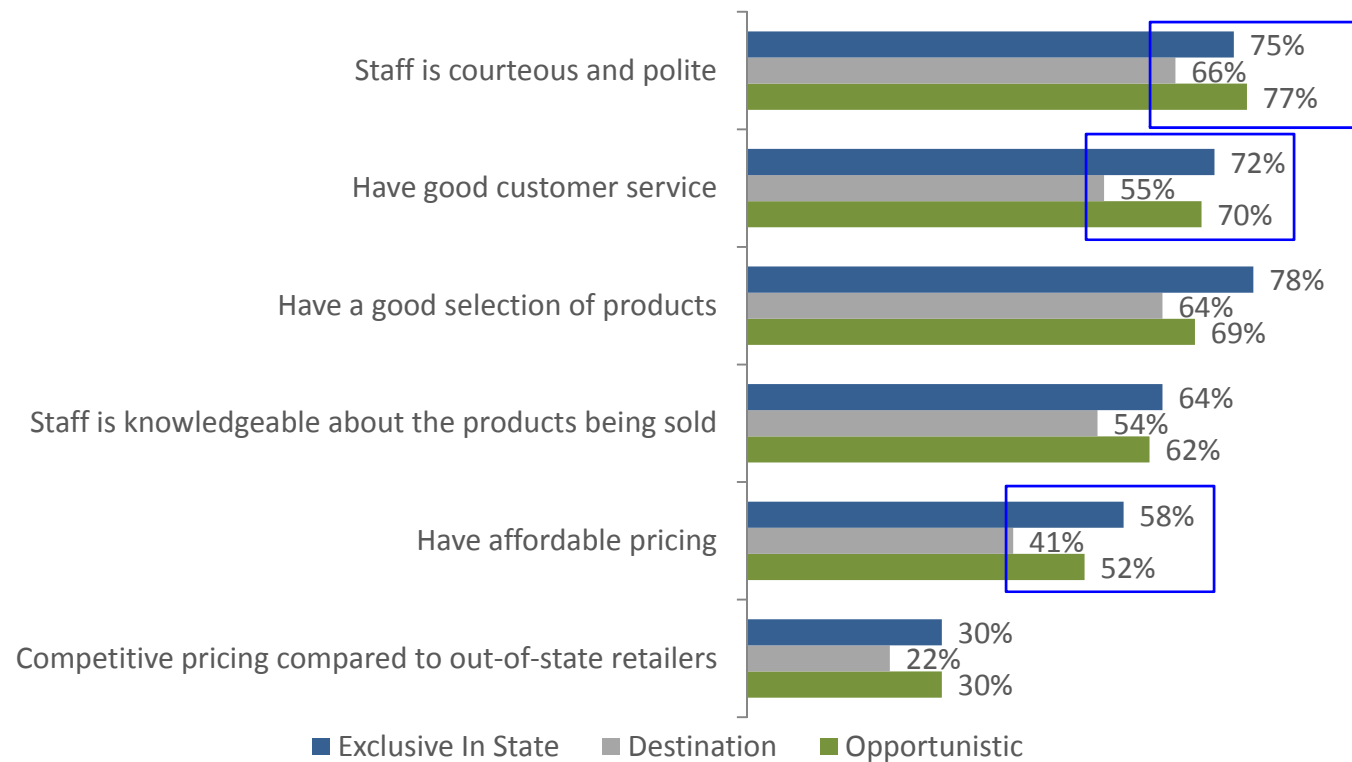




Destination Buyers have less favorable perceptions of PA Wine & Spirits Stores across the board – significantly less favorable on staff service and pricing.

## KEY FINDINGS

### Destination vs. Opportunistic Perceptions







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## KEY FINDINGS

### Major Shifts Since 2008

- More Pennsylvania residents stay in state to purchase wine and spirits when compared to 2008 – consequently, the percentage of residents purchasing both in and out of state has declined
- Delaware buying has declined significantly
- Residents who do make special trips to cross state borders - Destination Buyers - are spending less money overall than in 2008
- While purchasing behaviors may be a direct result of the economic factors – improved perceptions of the PA Wine and Spirits Store experience are also a driver
- Price perceptions are still a challenge for PA Wine and Spirits Stores



# CLOSER LOOK AT CONSUMER SEGMENTS







## CLOSER LOOK AT CONSUMER SEGMENTS

- 
- Just like in 2008, the true Border Bleeders are the Destination Buyers (8% of total) and the Exclusive Out of State Purchasers (5% of total)
  - In order to convert more of their business to Pennsylvania, we must continue to understand their needs and behaviors
  - Additionally, we should learn more about our loyalists – those who purchase exclusively in Pennsylvania – and Opportunistic segment to determine whether there is opportunity for conversion





## DESTINATION CONSUMER



*"I enjoy buying wine and liquor. When I go, I buy a lot, so I usually make a special trip and go where the selection and price are best."*

8% of Consumers



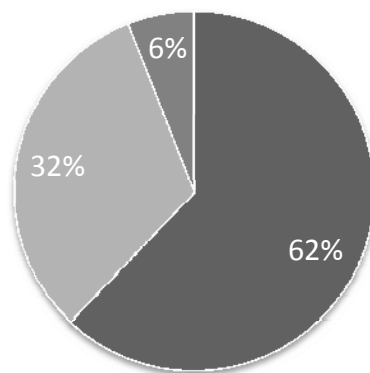


## DESTINATION BUYER PROFILE

Most are Between 30 - 49 Years of Age

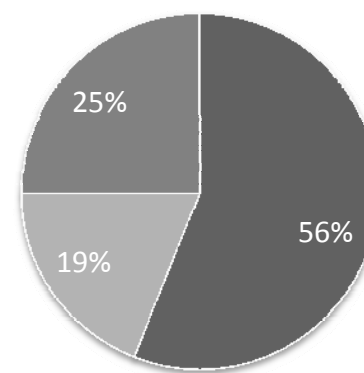


Tend to be highly  
educated



- College or Graduate Degree
- Associate Degree or Some College
- High School or Less

The majority are  
employed full time



- Employed Full Time
- Employed Part Time
- Unemployed, Retired, or Student



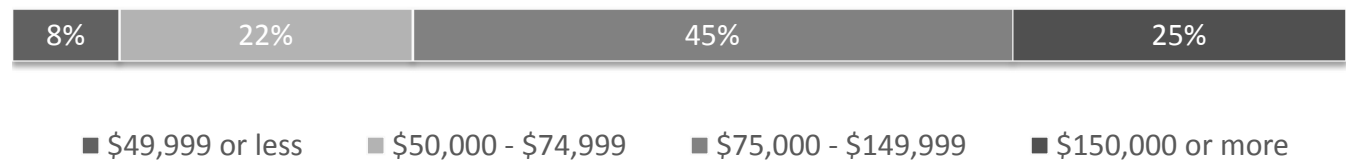


## DESTINATION BUYER PROFILE



Most live in Chester County (29%) and Delaware County (20%)

70% have an income of at least \$75,000





## DESTINATION BUYER IN STATE PURCHASING

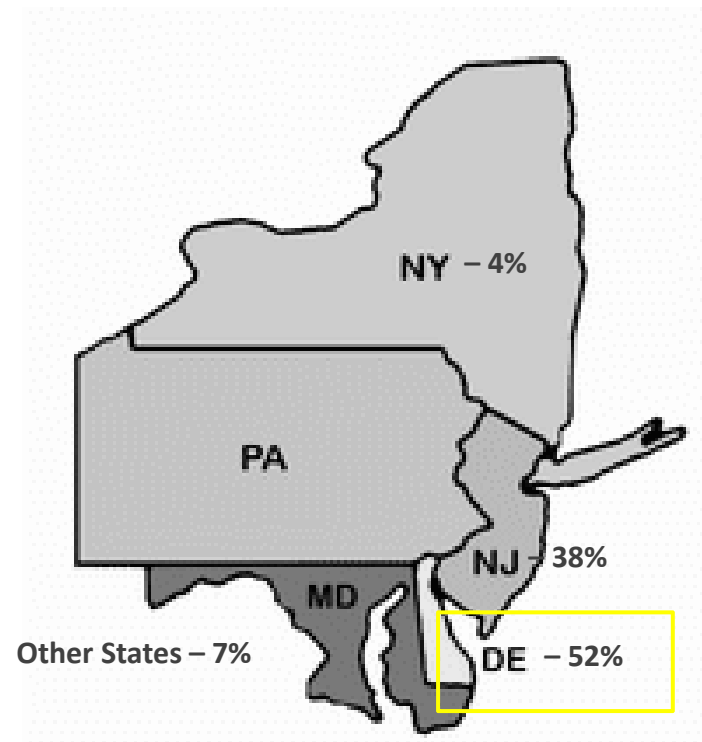


- Buy wine more than spirits
- Use PA Wine & Spirits Stores to supplement supply each month
- During trips to PA stores, most spend under \$60 and buy 2-5 products
- Only 1/3 are aware that some PA Wine & Spirits stores have undergone renovations



DESTINATION  
BUYER  
OUT OF  
STATE  
PURCHASING

The majority of their out of state purchases are in Delaware



They are less likely than overall to buy in New Jersey –  
may have to do with proximity to Delaware from  
Chester County



## DESTINATION BUYER OUT OF STATE PURCHASING

About half report knowing that crossing into Pennsylvania with wine and spirits bought elsewhere is illegal

Seems to have little impact on purchases

Only 1/3 know they can order online and have products shipped to PA Wine & Spirits Stores – 6% have used the website to make purchases





## DESTINATION BUYER OUT OF STATE PURCHASING



- Generally wine buyers
- Buy in bulk – more than 6 products at a time
- Purchase at least \$200 worth of products at a time
- Travel out of state for a broader selection and better price



# DESTINATION BUYER OUT OF STATE PURCHASING

69% say they purchase the most wine and spirits out of state during the holidays







## TAKING ACTION TO CONVERT DESTINATION CONSUMERS

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It is important to continue to reach this affluent target when they are at PA Wine and Spirits locations supplementing their supply

- Consider beginning a loyalty program to reward these buyers on their purchases and entice them to fulfill their bulk needs within the state border
- Continue the focus on pricing and value leading up to the Holiday months since that is when they are most likely to cross the border
- Their perceptions of the staff at the PA Wine and Spirits stores is below the average, so continue employee training focused on courtesy and knowledge of the products – wine in particular
- Almost 1/3 of this segment is concentrated in Chester county, so focus on implementing changes in those stores first and then rolling out to other locations



## EXCLUSIVE OUT OF STATE CONSUMER



*"I really don't buy that much wine and liquor – but when I do, I want to make sure I am getting the best price, so I always go out of state."*

5% of Consumers



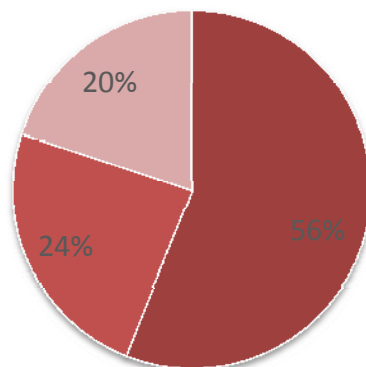


## EXCLUSIVE OUT OF STATE PROFILE

The majority are 40+

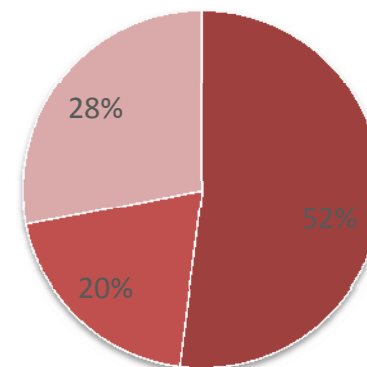


Just over half have  
college degrees



- College or Graduate Degree
- Associate Degree or Some College
- High School or Less

About half are  
employed full time



- Employed Full Time
- Employed Part Time
- Unemployed, Retired, or Student

N

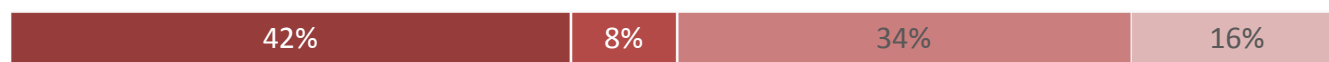


## EXCLUSIVE OUT OF STATE PROFILE



The highest concentration is in Delaware county (27%). They also live in Philadelphia (20%) and Montgomery (20%) counties.

Half have an income under \$75,000



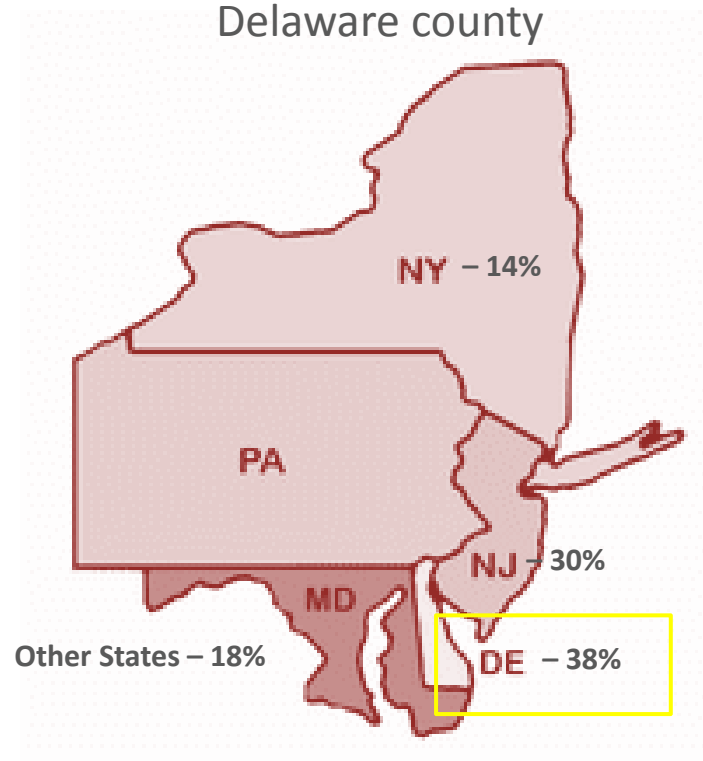
■ \$49,999 or less   ■ \$50,000 - \$74,999   ■ \$75,000 - \$149,999   ■ \$150,000 or more





## EXCLUSIVE OUT OF STATE PURCHASING

The majority of their out of state purchases are in Delaware, a result of the concentration of this segment being in Delaware county





## EXCLUSIVE OUT OF STATE PURCHASING

Only 16% report knowing that crossing into Pennsylvania with wine and spirits bought elsewhere is illegal

Only 1/5 know they can order online and have products shipped to PA Wine & Spirits Stores – the lowest awareness of all groups

But, 16% are using other websites to purchase wine and spirits





## EXCLUSIVE OUT OF STATE PURCHASING



- Generally wine buyers
- Tend to buy less frequently than once a month
- Go out of state to get better prices and stock up on personal supply
- Two out of five buy out of state while passing through; slightly less than that make a special trip



## EXCLUSIVE OUT OF STATE PURCHASING



- Spend less than \$60 at a time
- Usually buy 2-5 products
- The majority spend less than \$200 per year at wine and spirits stores



EXCLUSIVE  
OUT OF  
STATE  
PURCHASING

Their purchases are concentrated during the holiday season and in the summer.



Summer  
33%



Holidays  
33%







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## TAKING ACTION TO CONVERT EXCLUSIVE OUT OF STATE CONSUMERS

This audience does not visit PA Wine and Spirits Stores

- Based on their infrequent purchasing and price sensitivity, the largest opportunity for conversion is online ordering – 16% of them are already using online sites to buy wine and spirits
- Since this group is a relatively small, in-frequent purchasing population, we do not recommend a concerted marketing effort to convert them



## OPPORTUNITY CONSUMER



*"If I am heading to the beach for the weekend or going to a friend's party in Jersey, I will stop and buy a few bottles of wine or liquor on the way because it is convenient and generally less expensive."*

32% of  
Consumers



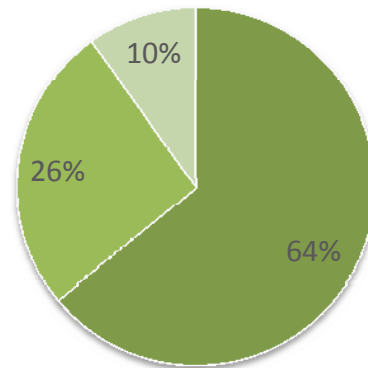


# OPPORTUNITY BUYER PROFILE

Most are Between 30 - 49 Years of Age

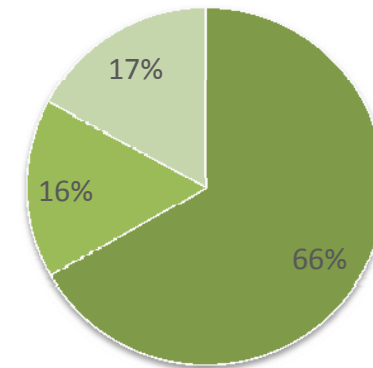


Most of this group is  
highly educated



- College or Graduate Degree
- Associate Degree or Some College
- High School or Less

The majority are  
employed full time



- Employed Full Time
- Employed Part Time
- Unemployed, Retired, or Student



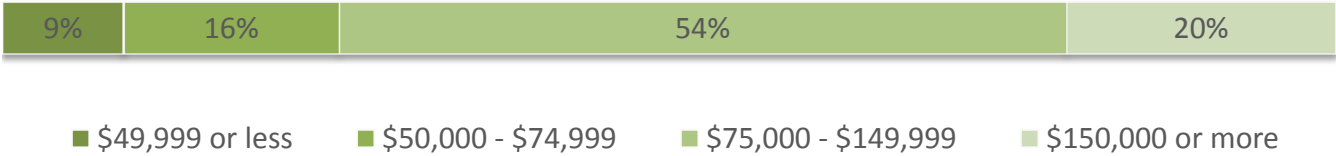


# OPPORTUNITY BUYER PROFILE



Most live in  
Montgomery (27%)  
and Bucks (22%)  
counties

3 out of 4 have an income of at least \$75,000





## OPPORTUNITY BUYER IN STATE PURCHASING



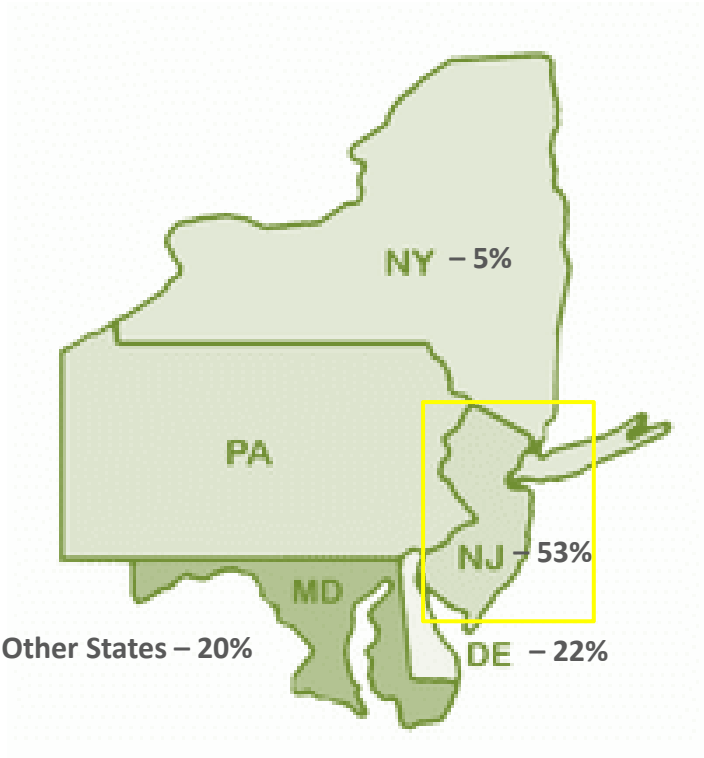
- Generally make a purchase each month of 2-5 products
- Usually spend \$21-60 during their visit
- Most spend over \$200 a year at PA Wine & Spirits Stores
- Buy wine more than spirits





OPPORTUNITY  
BUYER  
OUT OF STATE  
PURCHASING

The majority of their out of state purchases are in New Jersey



They are less likely than overall to buy in Delaware





# OPPORTUNITY BUYER OUT OF STATE PURCHASING

Similar to Destination Buyers,  
about half report knowing that  
crossing into Pennsylvania with  
wine and spirits bought elsewhere  
is illegal

Less than 1/3 know they can  
purchase products online and  
have them shipped to PA Wine &  
Spirits Stores – only 7% have used  
the website to make purchases



FINE WINE & GOOD SPIRITS		
		SHOP WINE BY
<b>Wine Type</b>	<b>Country/Region</b>	<b>Price</b>
<b>Red Wine</b>	Argentina	\$10 and less
Cabernet Sauvignon	Australia	\$10 - \$15
Malbec	Austria	\$15 - \$20
Merlot	Chile	\$20 - \$30
Pinot Noir	France	\$30 - \$50
Proprietary Red Blend	Germany	\$50 - \$100
Shiraz/Syrah	Italy	Over \$100
Zinfandel	New Zealand	Monthly Sale
Other Red Wines	Portugal	Current Sale
<b>White Wine</b>	South Africa	Closeout
Chardonnay	Spain	
Gewürztraminer	US - California	
Pinot Grigio/Gris	US - Oregon/Washington	
Riesling	US - Other	
Sauvignon Blanc	Other Imported	
Other White Wines		
<b>Other Wines</b>	<b>Top Rated</b>	
Fortified/Dessert	96 - 100	
Fruit/Beverage	90 - 95	
Kosher	85 - 89	
Organic		
Rose	<b>Chairman's Selection</b>	
Sake	Red	
Sparkling	White	
Vermouth	Other	
		<b>Food Pairing</b>
		Beef
		Cheese
		Dessert
		Fish
		Game
		Lamb
		Pasta - Red Sauce
		Pasta - White Sauce
		Pork
		Poultry
		Shellfish
		Spicy (Hot)
		Vegetarian



## OPPORTUNITY BUYER OUT OF STATE PURCHASING



- More likely than other groups to buy with no particular plan in mind
- Generally spend \$21-40 on an out of state purchase – not stocking up
- Less likely to buy based on price than overall



## OPPORTUNITY BUYER OUT OF STATE PURCHASING

More likely to purchase out of state in the summer,  
however affinity to purchase out of state during the holidays is up  
compared to 2008 (from 33% to 41%)




Summer  
47%



Holidays  
41%





## TAKING ACTION TO CONVERT OPPORTUNITY BUYERS

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Similar to the Destination purchasers, they are more affluent and have more to spend at any given time – thus, it is essential to increase their purchases when they are on-site

- Continue in-store messaging on value, particularly during Summer and Holiday months – the times when they are most likely to purchase out of state
- The loyalty program for the Destination purchasers would also be ideal for Opportunistic buyers
- They have positive perceptions of the in-store experience, but the more exceptional the experience, the more likely they are to return frequently and change their convenience patterns
- This group is concentrated in Montgomery and Bucks county - thus, after programs are rolled out in Chester to attract Destination buyers they should be implemented here





## IN STATE ONLY BUYERS



*"I buy all my wine and spirits at the PA stores. I don't shop that often, so when I do – it is the most convenient place for me."*

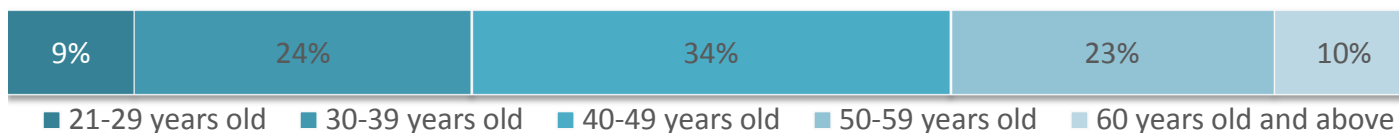
55% of  
Consumers



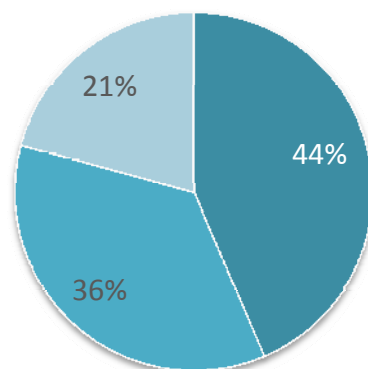


## IN STATE ONLY BUYER PROFILE

Most Diverse Group with Regard to Age

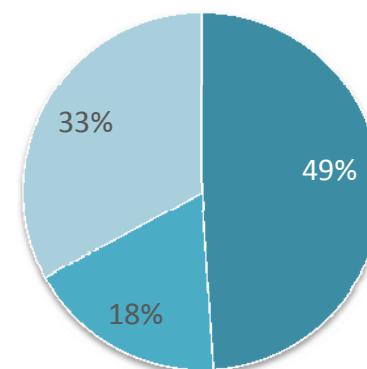


Varying education levels



- College or Graduate Degree
- Associate Degree or Some College
- High School or Less

Lowest levels of full time employment



- Employed Full Time
- Employed Part Time
- Unemployed, Retired, or Student



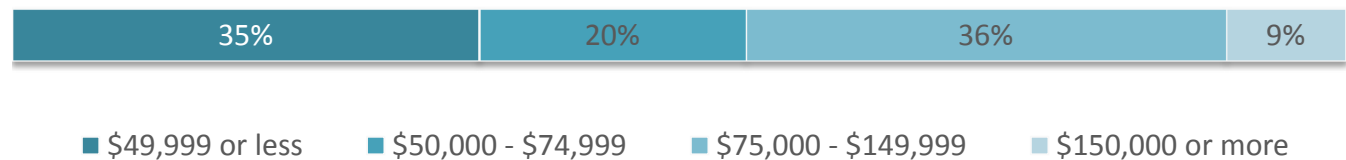


## IN STATE ONLY BUYER PROFILE



Tend to live in  
Montgomery (21%),  
Bucks (18%), and  
Philadelphia (17%)  
counties

The majority have an income below \$75,000





## IN STATE ONLY BUYER PROFILE



- Buy wine more frequently than spirits
- But, they are infrequent buyers – the majority shop less than once a month
- When they do make a purchase they buy 2-5 products and typically spend \$11-40 during a trip
- More than half report spending less than \$200 a year at PA Wine and Spirits stores





## KEEPING IN STATE BUYERS HAPPY

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This audience seems to be fine with PA Wine and Spirits stores – they are not going to make an extra effort to leave the state, so we would not recommend a targeted marketing effort to this group

- Since this target tends to be lower income, frequent promotions will keep them coming back to the stores
- They have generally positive perceptions of the in-store experience, but like other groups, few believe PA Wine and Spirits stores are competitively priced compared to out of state retailers – this group may just have a harder time getting out of state or do not feel the gas money is worth the savings





# APPENDIX







## TABLE OF CONTENTS

Section	Page Number
<b>Significance Testing</b>	<b>2</b>
<b>Opportunity Buyer</b>	<b>3</b>
Profile	4
In State Purchasing	6
Out of State Purchasing	12
<b>Destination Buyer</b>	<b>18</b>
Profile	19
In State Purchasing	21
Out of State Purchasing	27
<b>Exclusive In State Buyer</b>	<b>33</b>
Profile	34
In State Purchasing	36
<b>Exclusive Out of State Buyer</b>	<b>42</b>
Profile	43
In State Purchasing	45
Out of State Purchasing	47
<b>In &amp; Out of State Buyer</b>	<b>53</b>
Profile	54
In State Purchasing	56
Out of State Purchasing	62
<b>Full Sample</b>	<b>68</b>
Profile	69





## SIGNIFICANCE TESTING

Below is a chart that shows how many points the 2011 data must change from 2008 to represent a statistically significant change

Segment	Significant Change
Opportunity Buyer	+/- 7 points
Destination Buyer	+/- 13 points
Exclusive In State Buyer	+/- 6 points
Exclusive Out of State Buyer	+/- 18 points
In & Out of State Buyer	+/- 6 points





## OPPORTUNITY BUYER

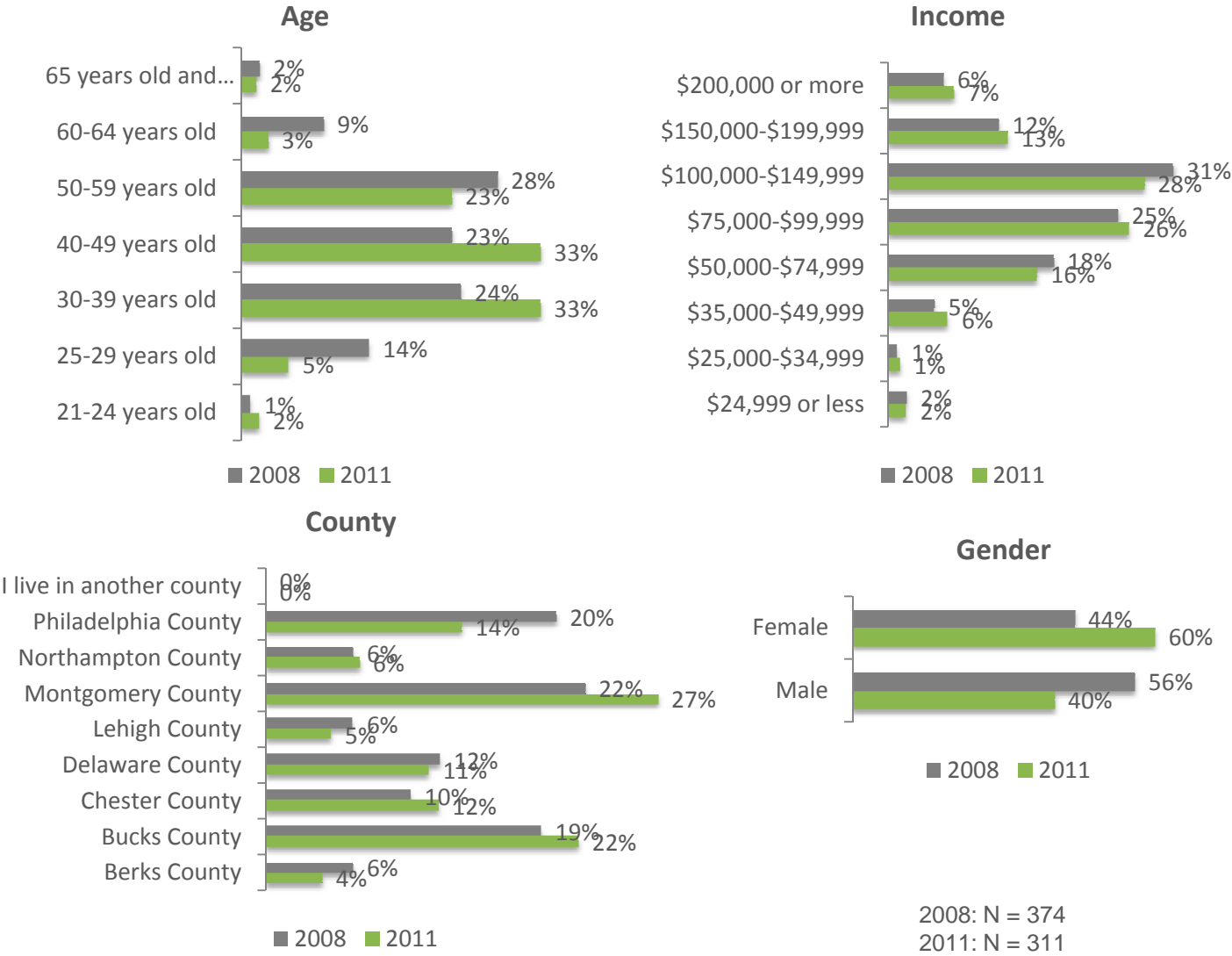






The majority of Opportunistic Buyers live in Montgomery or Bucks County with a household income range of \$75,000-\$150,000. Respondents are generally between the ages of 30-49.

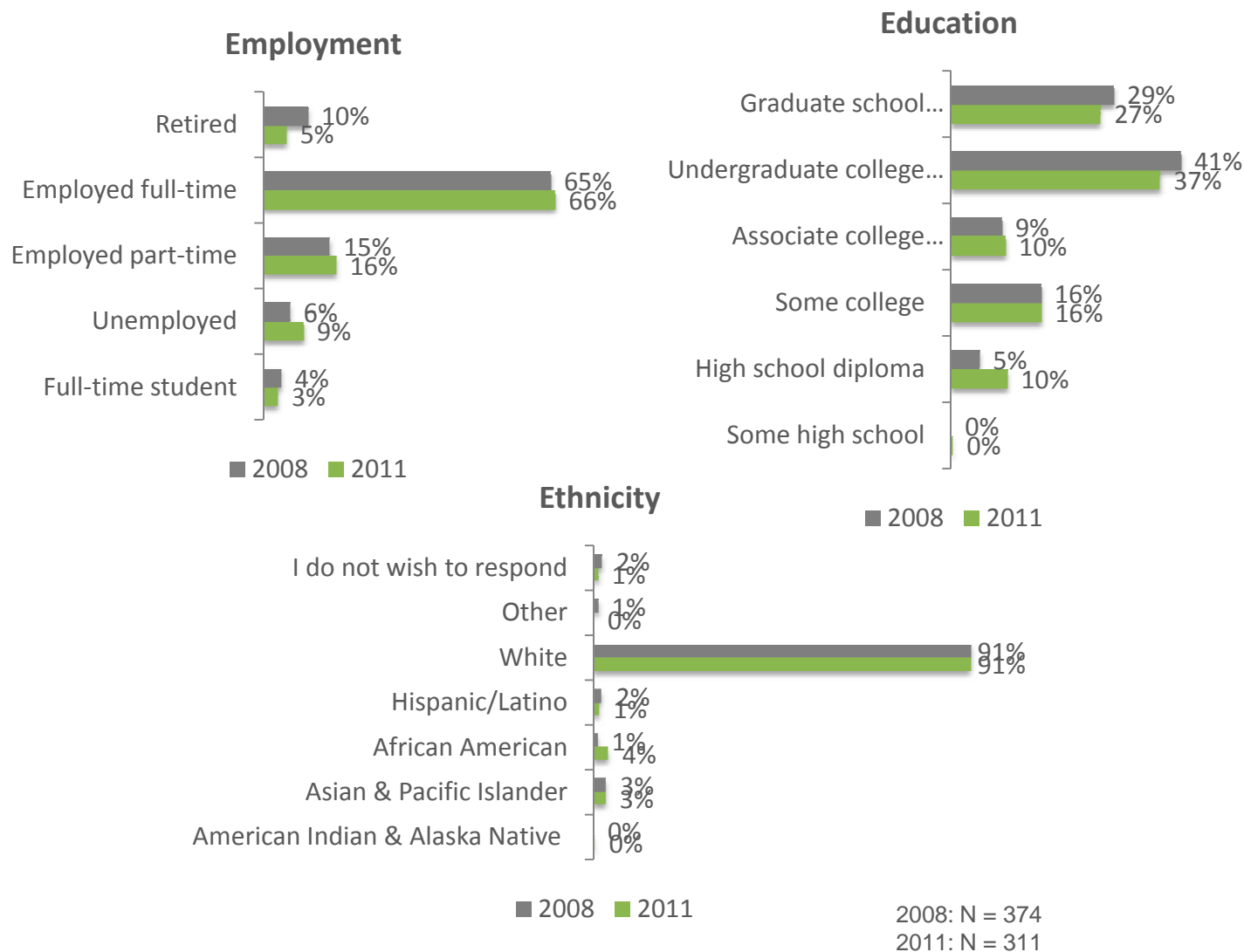
OPPORTUNITY  
BUYER  
PROFILE





# OPPORTUNITY BUYER PROFILE

From a pool of mainly White respondents, two out of three are employed full-time, and more than half have an undergraduate or graduate school diploma.







Nearly all respondents continue to buy wine and spirits at the store itself, whether it is in state or out of state. One in five have begun purchasing on a wine and spirits website.

OPPORTUNITY  
BUYER IN  
STATE  
PURCHASING

Where do you purchase wine and/or spirits?



2008: N = 374  
2011: N = 311

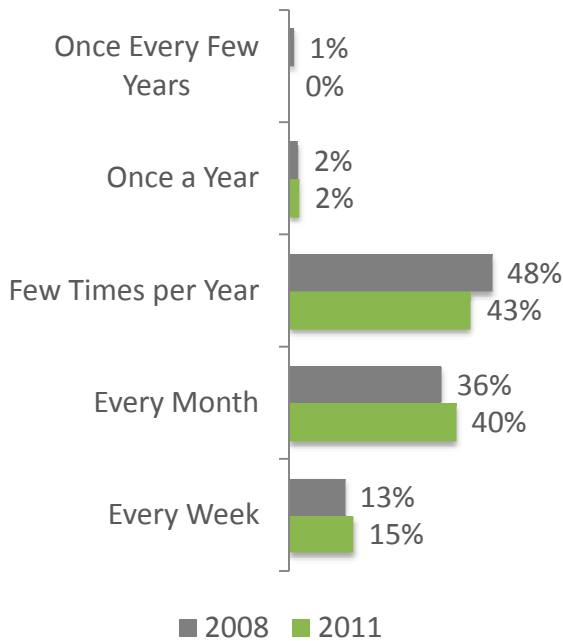




Opportunistic Buyers continue to make purchases on a monthly or semi-annual basis, and still tend to buy more wine than spirits.

OPPORTUNITY  
BUYER IN  
STATE  
PURCHASING

Frequency of Purchase at PA  
Wine & Spirits Stores



Purchase Type at PA Wine & Spirits  
Stores



2008: N = 374  
2011: N = 311

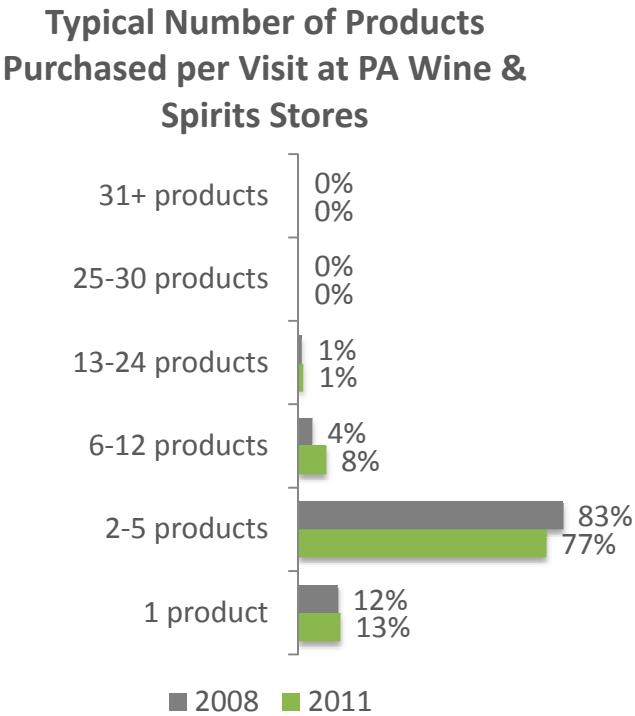
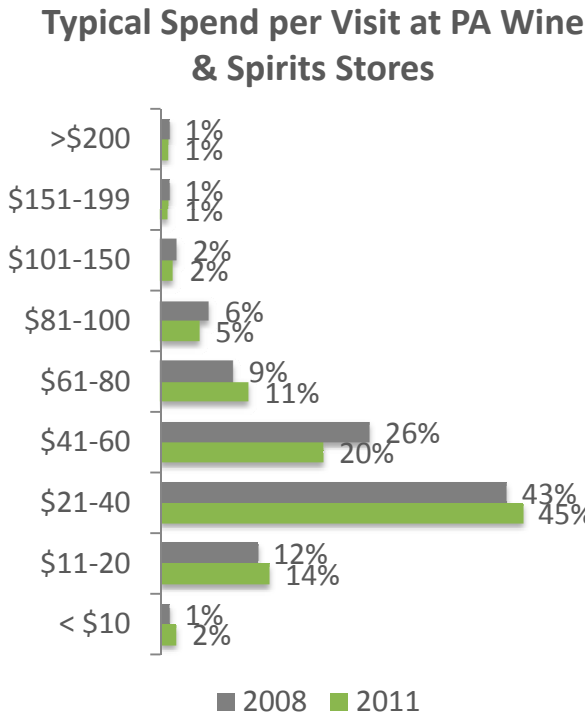






9 out of 10 respondents buy no more than a handful of products on each visit to the PA Wine & Spirits Store, spending between \$21-\$60.

OPPORTUNITY  
BUYER IN  
STATE  
PURCHASING



2008: N = 374  
2011: N = 311







The majority of Opportunistic Buyers are continuing to spend between \$51-\$500 annually.

## OPPORTUNITY BUYER IN STATE PURCHASING



2008: N = 374  
2011: N = 311

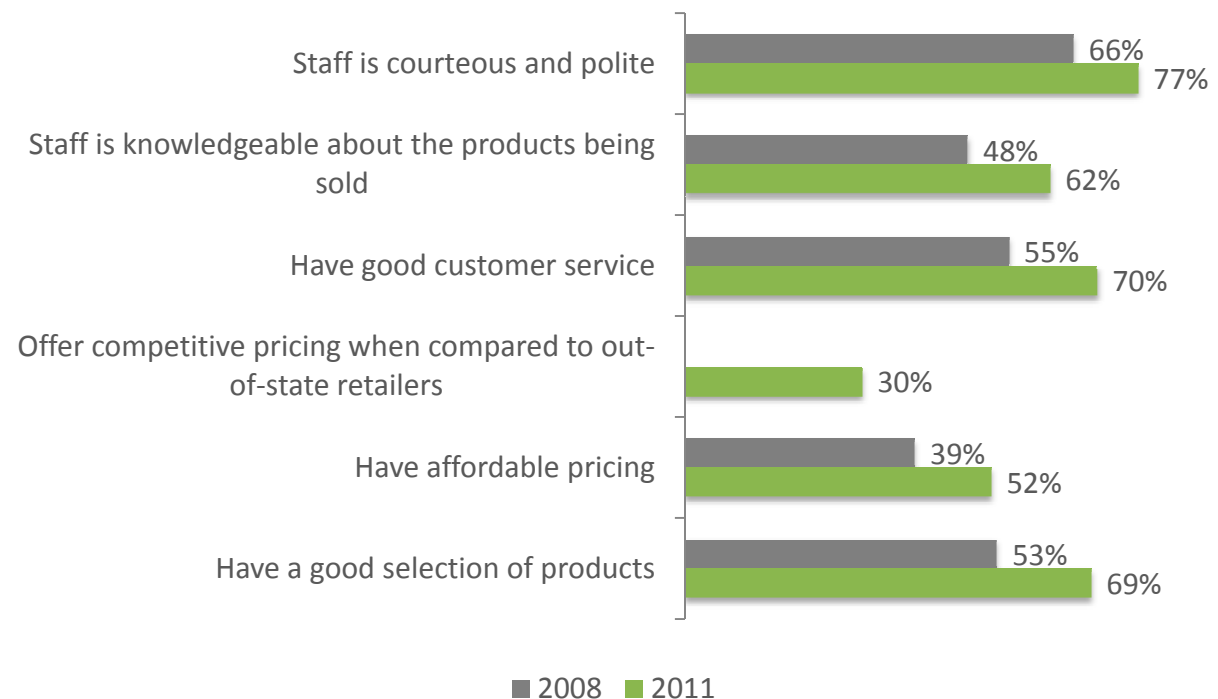




Purchasers at PA Wine & Spirits Stores are more than twice as likely to say that the staff is courteous with good customer service than the store offers competitive pricing.

## OPPORTUNITY BUYER IN STATE PURCHASING

**PA Wine & Spirits Store Perceptions and Experience**



2011: N = 311





Nearly half of respondents are aware that crossing into PA with wine or spirits purchased out of state is illegal. About a third knew of the store renovations and ordering online.

## OPPORTUNITY BUYER IN STATE PURCHASING



2011: N = 311

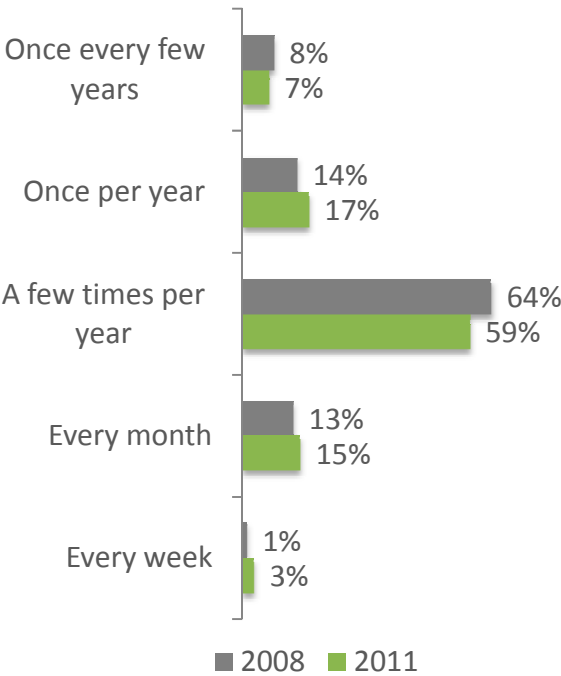




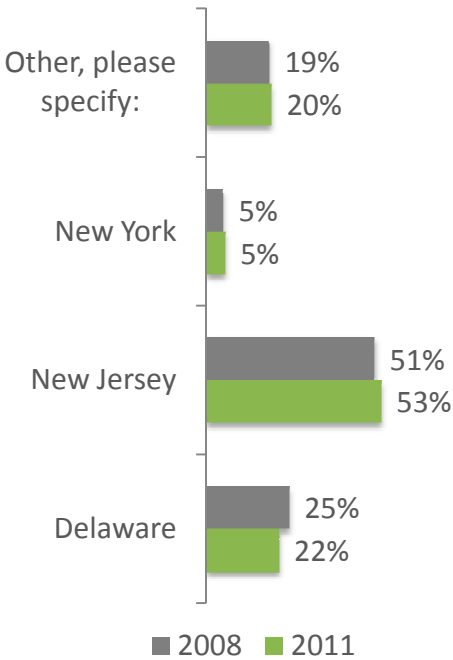
Similar to 2008, most Opportunistic Buyers purchase wine and spirits outside of PA a few times every year. More than half make these purchases in New Jersey.

OPPORTUNITY  
BUYER  
OUT OF STATE  
PURCHASING

How often do you purchase wine and/or spirits outside of PA?



Where do you most often make out-of-state purchases of wine and/or spirits?



2008: N = 374  
2011: N = 311





# OPPORTUNITY BUYER OUT OF STATE PURCHASING

Most Opportunistic Buyers purchase wine alone or both wine and spirits when they visit an out-of-state store, and cite better prices as the reason for their out-of-state purchase. Four in ten buyers make the purchase with no particular plan in mind.

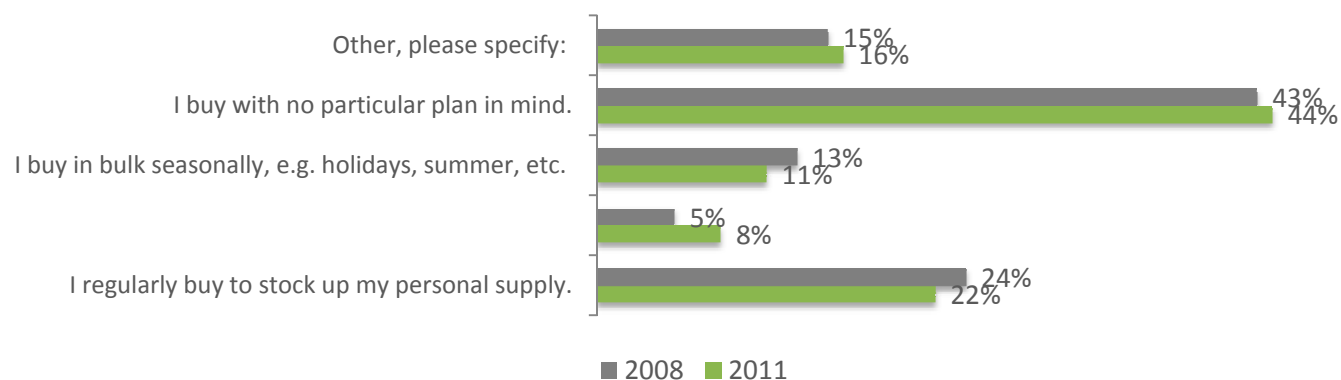
## Do you purchase more wine or spirits outside of PA?



## Why do you buy wine and/or spirits outside of PA?



## Which of the following best describes the purpose of your out-of-state wine and/or spirits purchases?



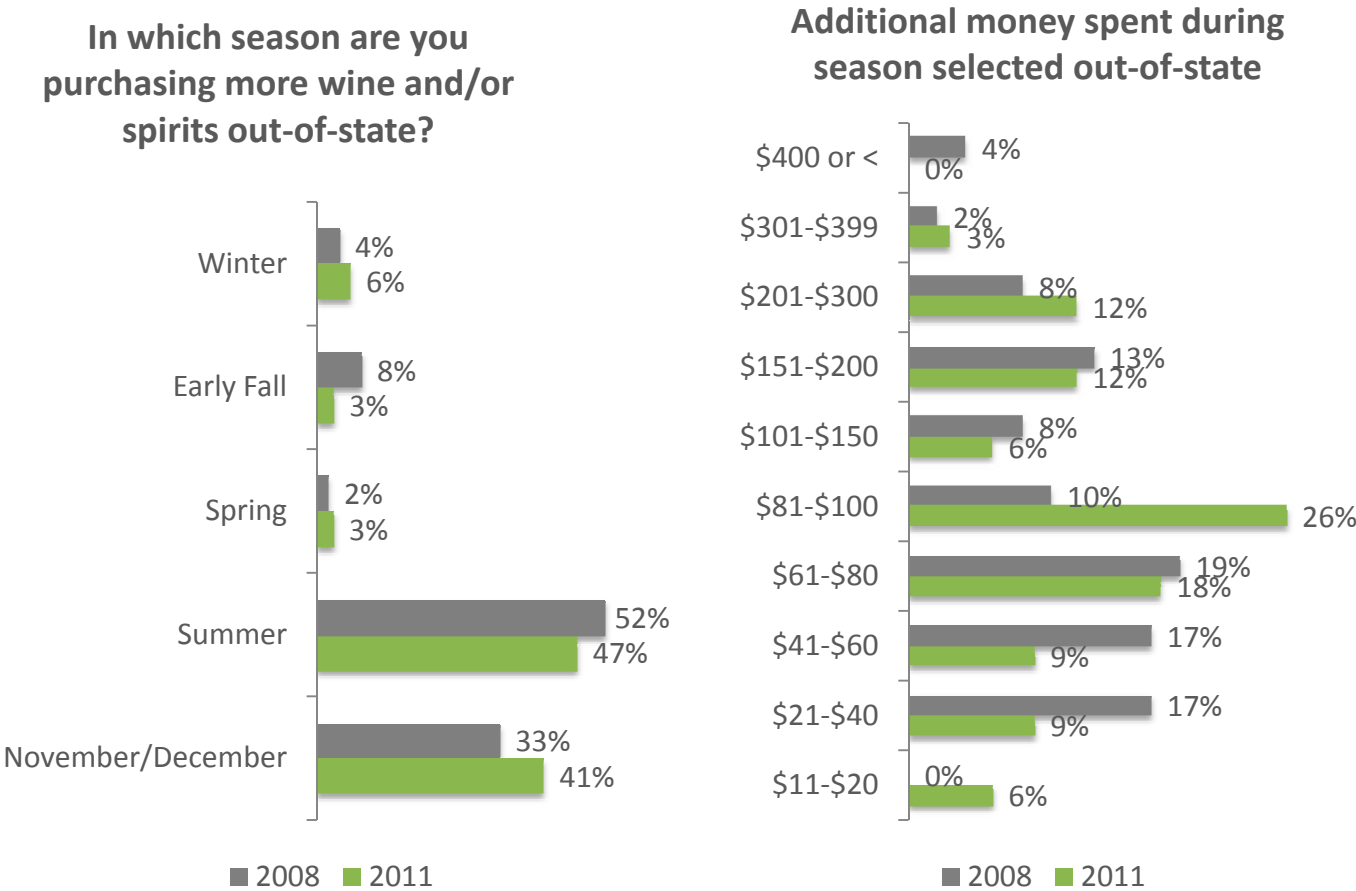
2008: N = 374  
2011: N = 311





Almost all respondents report buying more wine and spirits in either the summertime or around the holiday season. A quarter of buyers spend \$81-\$100 on these seasonal purchases.

OPPORTUNITY  
BUYER  
OUT OF STATE  
PURCHASING



2008: N = 48  
2011: N = 34







Similar to 2008, over half of Opportunistic Buyers make wine and spirits purchases when they are passing through to another destination.

OPPORTUNITY  
BUYER  
OUT OF STATE  
PURCHASING

Which of the following situations best describes when you purchase wine and/or spirits out-of-state?



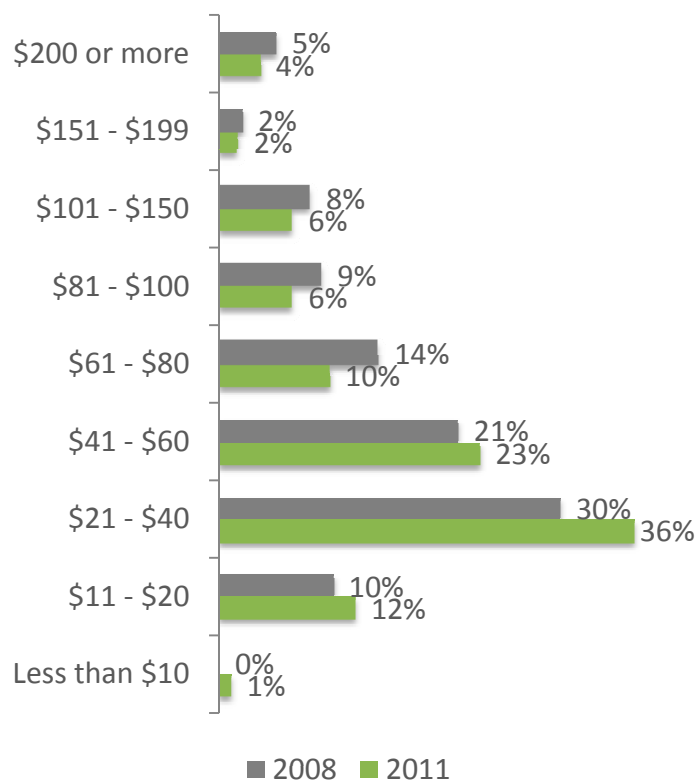
2008: N = 374  
2011: N = 311



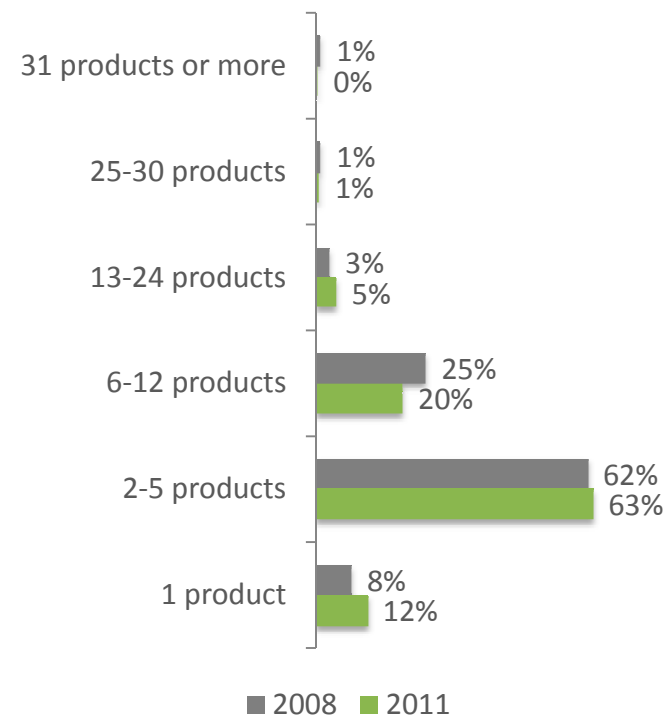
# OPPORTUNITY BUYER OUT OF STATE PURCHASING

Opportunistic Buyers tend to spend \$21-\$60 on 2-5 wine and spirits products.

**How much do you typically spend per visit when you purchase wine and/or spirits out-of-state?**



**How many products do you typically purchase per visit when you purchase wine and/or spirits out-of-state?**



2008: N = 374  
2011: N = 311

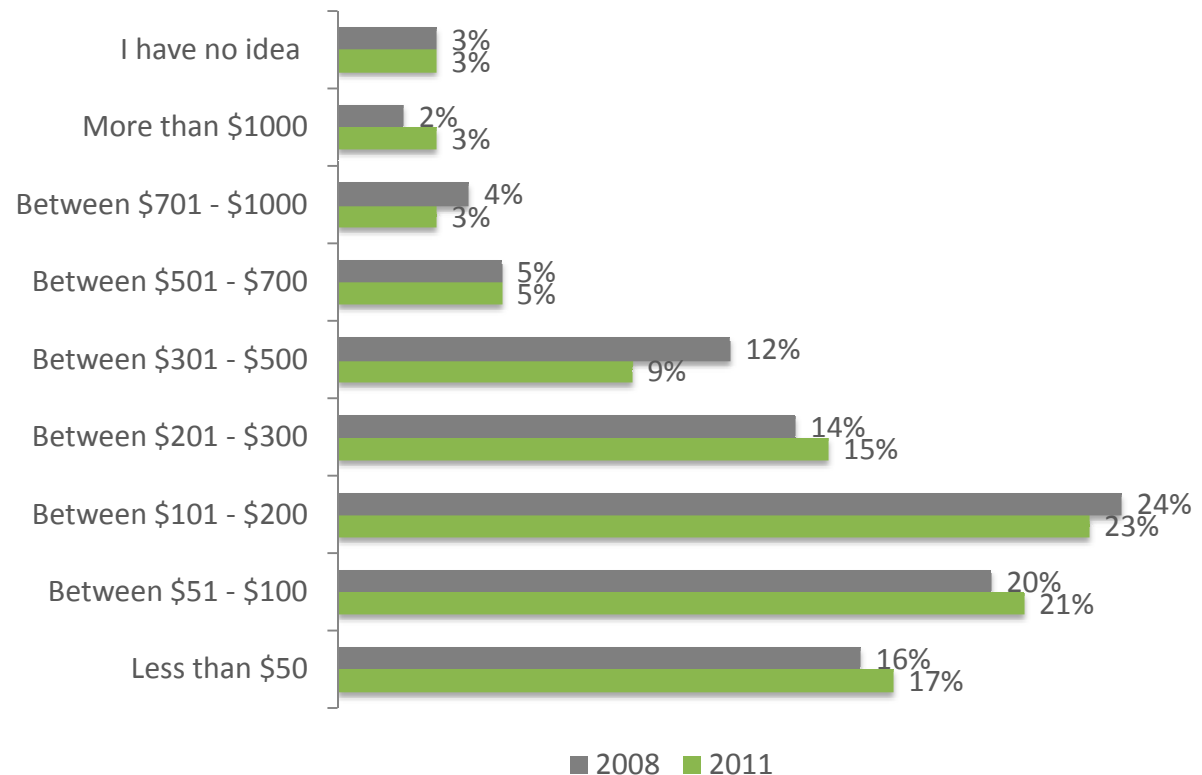




Nearly one third of these buyers spend less than \$200 a year on wine and spirits purchases out-of-state.

## OPPORTUNITY BUYER OUT OF STATE PURCHASING

**About how much money do you typically spend each year on wine and/or spirits that you purchase out-of-state?**



2008: N = 374  
2011: N = 311





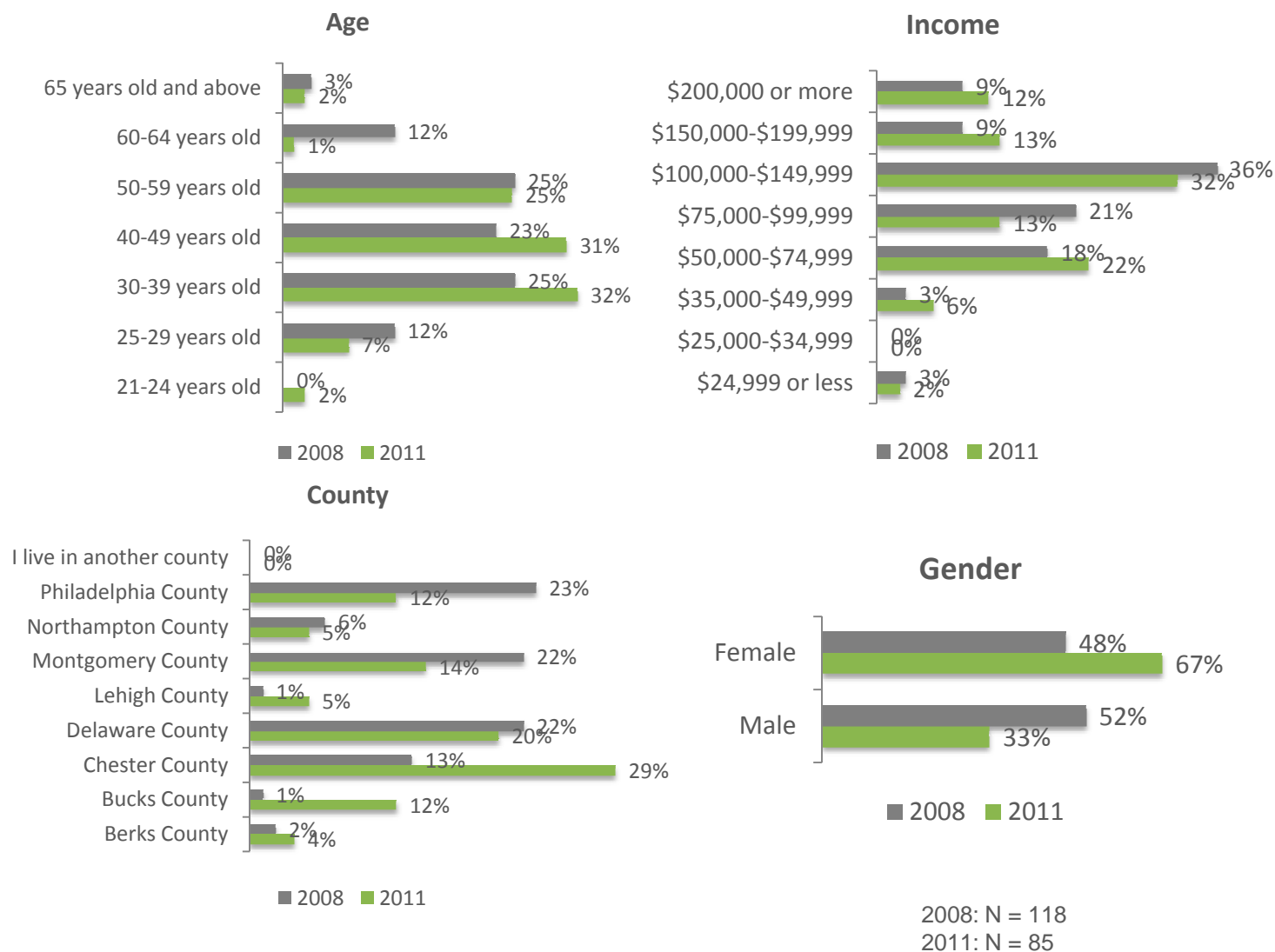
## DESTINATION BUYER





# DESTINATION BUYER PROFILE

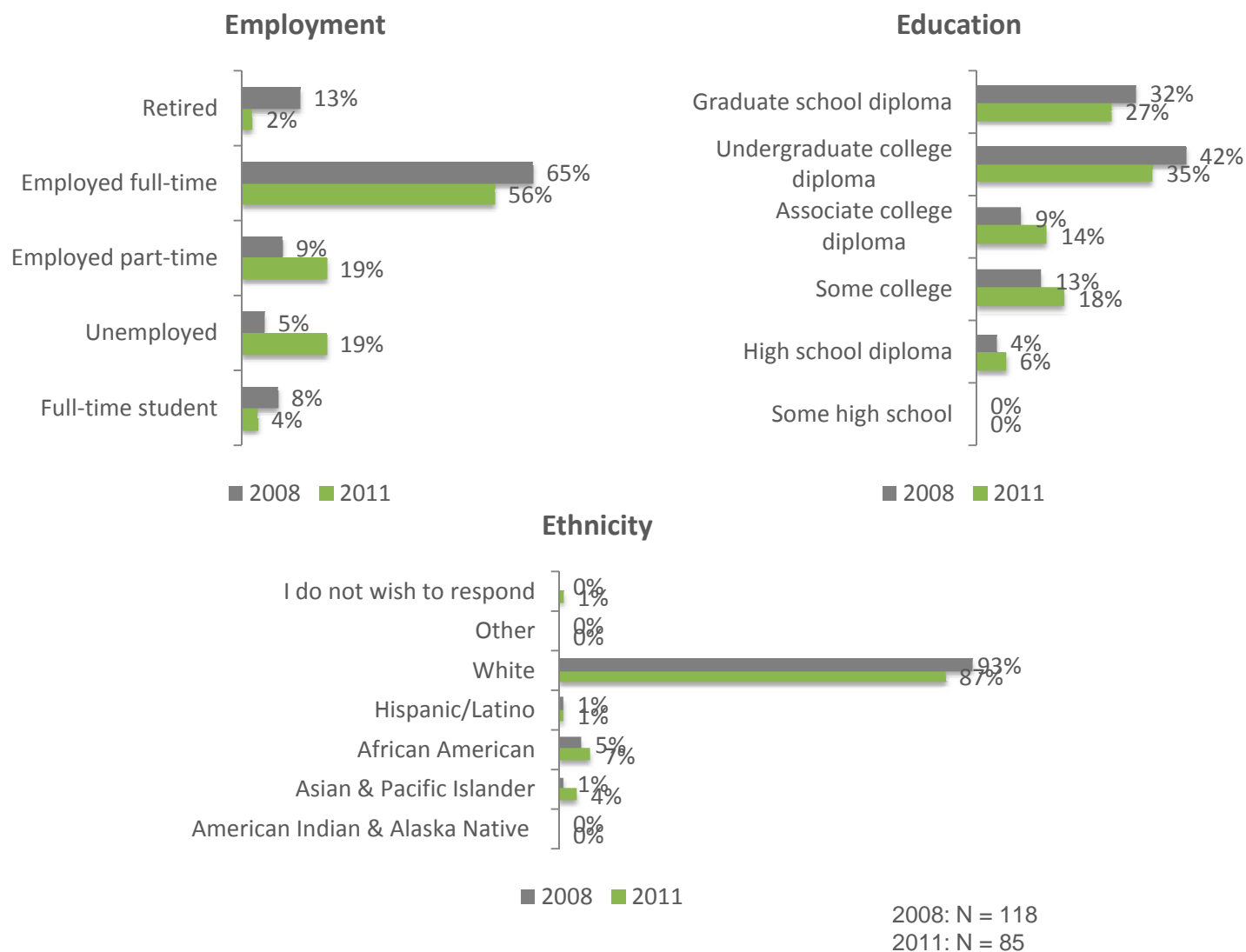
Nearly 90% of 2011 Destination Buyers are between the ages of 30-59, with a slightly higher household income than those in 2008. Half of respondents live in Chester or Delaware County.





# DESTINATION BUYER PROFILE

Similar to the Opportunistic Buyer profile, Destination Buyers are mostly White and employed full-time with an undergraduate or graduate diploma.







Nearly all Destination Buyers make their purchases at both PA Wine & Spirits Stores and out-of-state stores, with only 15% making purchases online.

DESTINATION  
BUYER IN  
STATE  
PURCHASING



2011: N = 85



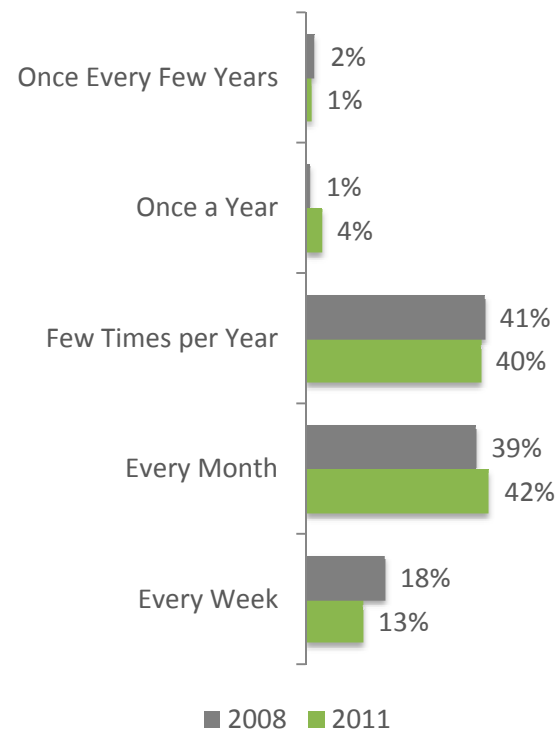




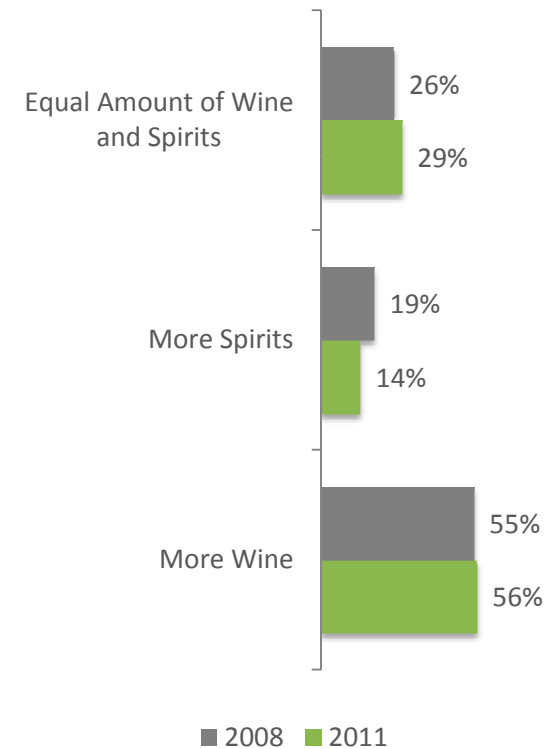
Destination Buyers continue to make purchases on a monthly or semi-annual basis in-state, and still tend to buy more wine than spirits.

## DESTINATION BUYER IN STATE PURCHASING

**Frequency of Purchase at PA  
Wine & Spirits Stores**



**Purchase Type at PA Wine & Spirits  
Stores**



2008: N = 118  
2011: N = 85



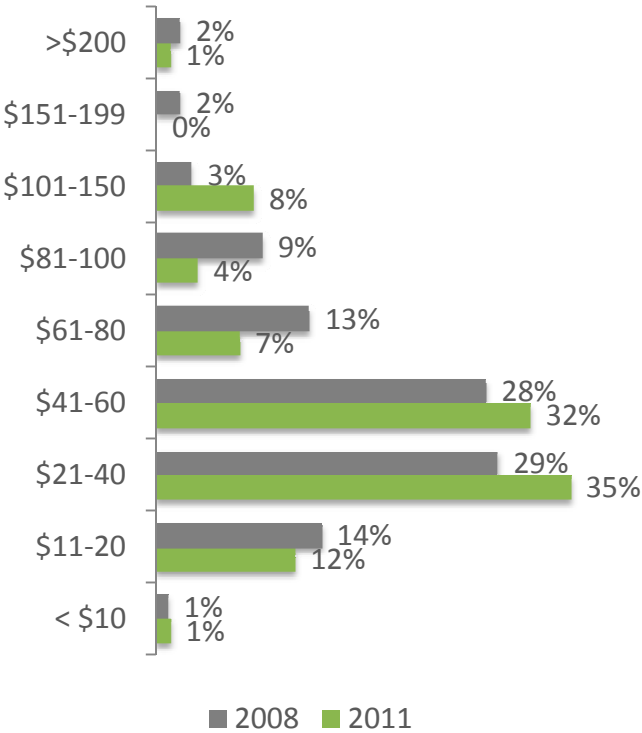




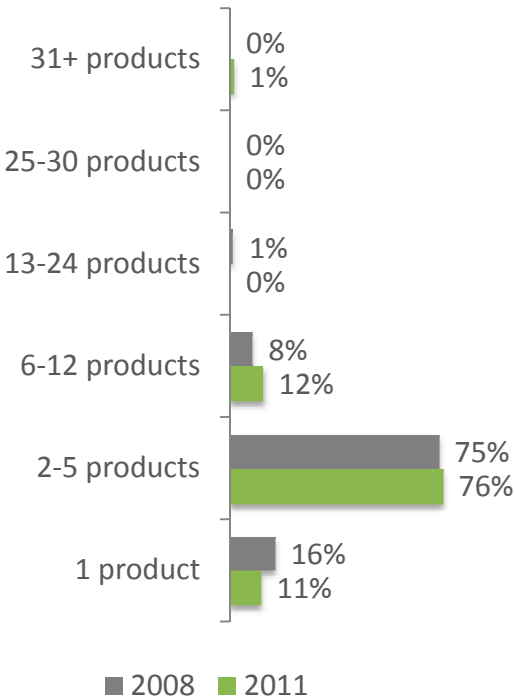
Two thirds of Destination Buyers spend between \$21-\$60 on 2-5 products at PA Wine & Spirits Stores.

DESTINATION  
BUYER IN  
STATE  
PURCHASING

Typical Spend per Visit at PA  
Wine & Spirits Stores



Typical Number of Products  
Purchased per Visit at PA Wine  
& Spirits Stores



2008: N = 118  
2011: N = 85







On average, Destination Buyers tend to spend less at PA Wine & Spirits Stores compared to 2008; however, one quarter of respondents continue to spend between \$101-\$200 annually.

DESTINATION  
BUYER IN  
STATE  
PURCHASING



2008: N = 118  
2011: N = 85

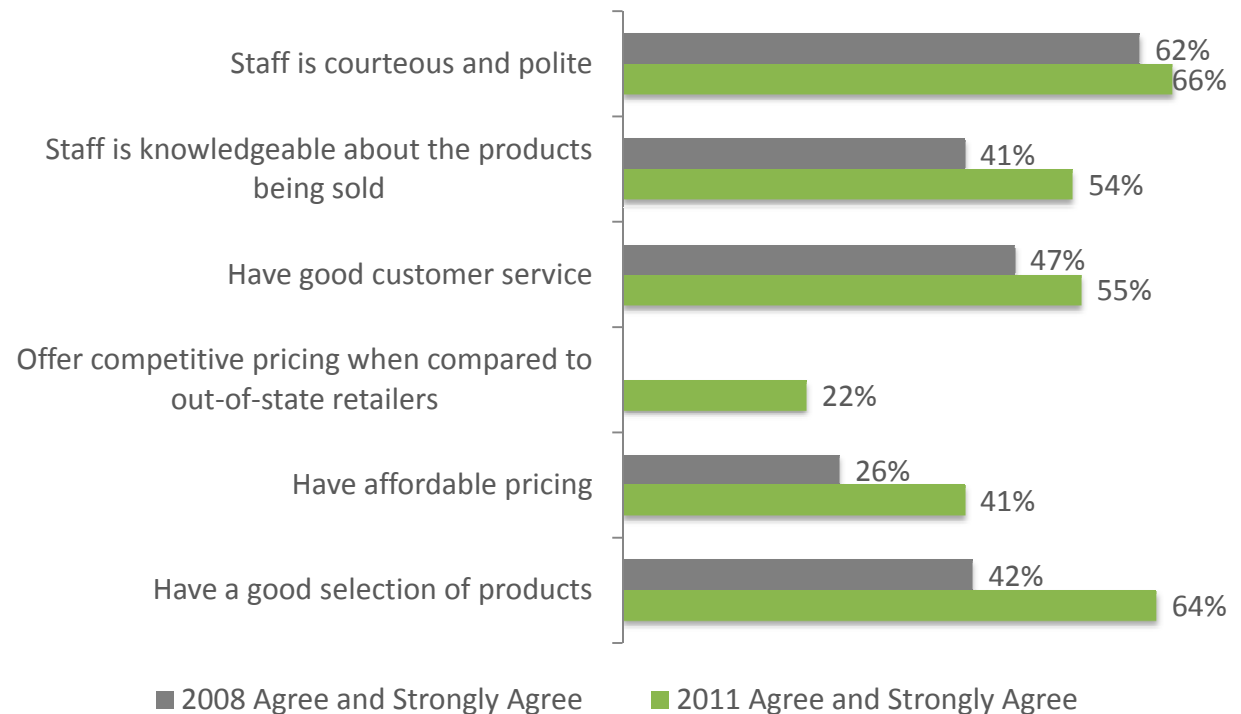




Destination Buyers view the staff and selection at PA Wine & Spirits Stores positively, but less than a quarter feel that the stores offer competitive pricing.

## DESTINATION BUYER IN STATE PURCHASING

### PA Wine & Spirits Store Perceptions and Experience



2011: N = 85

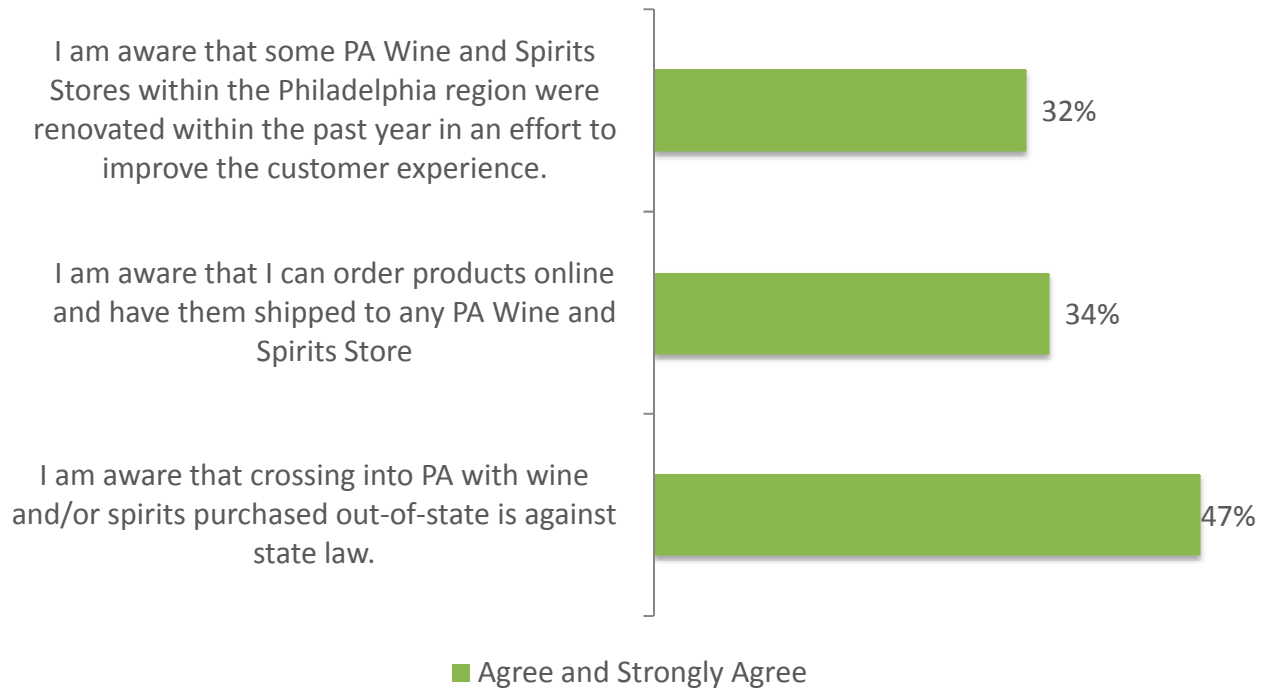






Nearly half of respondents are aware that crossing into PA with wine or spirits purchased out of state is illegal. About a third knew of the store renovations and ordering online.

## DESTINATION BUYER IN STATE PURCHASING



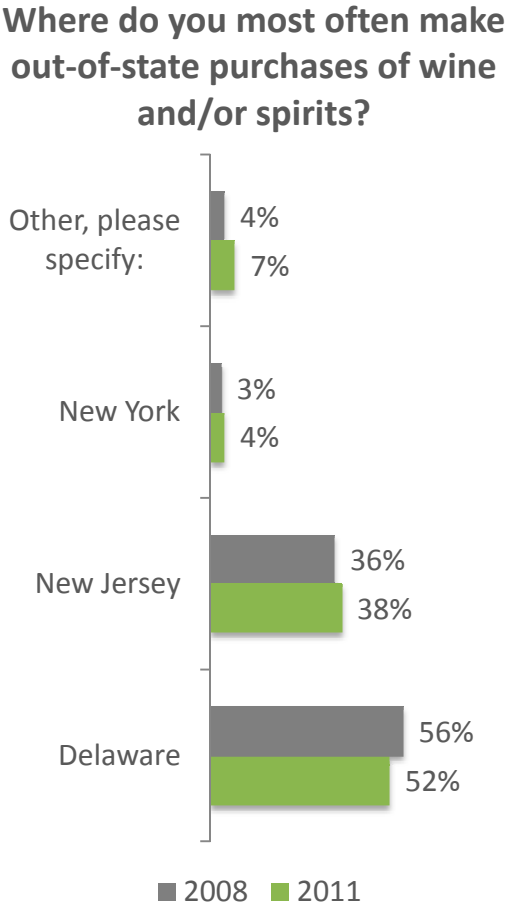
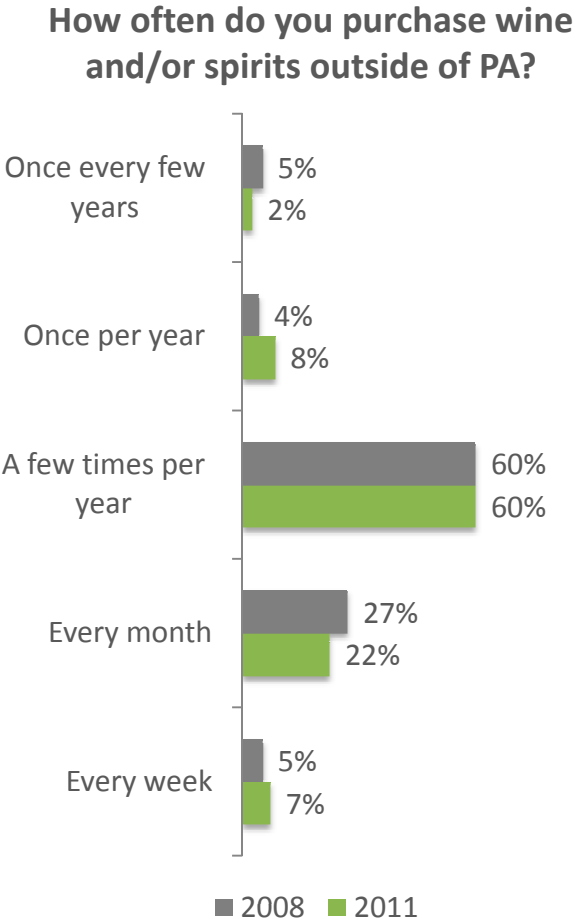
2011: N = 85





60% of Destination Buyers purchase wine and spirits a few times per year outside of PA.  
Most purchases are made in Delaware or New Jersey.

DESTINATION  
BUYER  
OUT OF STATE  
PURCHASING



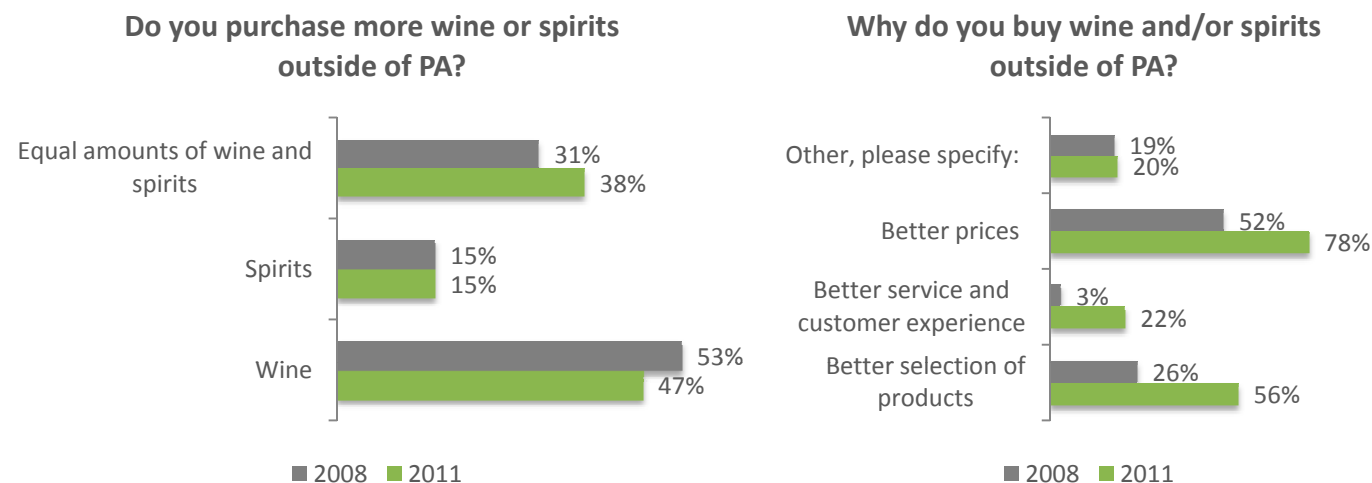
2008: N = 118  
2011: N = 85





# DESTINATION BUYER OUT OF STATE PURCHASING

Nearly half of Destination Buyers purchase more wine outside of PA and regularly stock up their personal supply. Three quarters of buyers cite the reason for the out-of-state purchase being better prices.



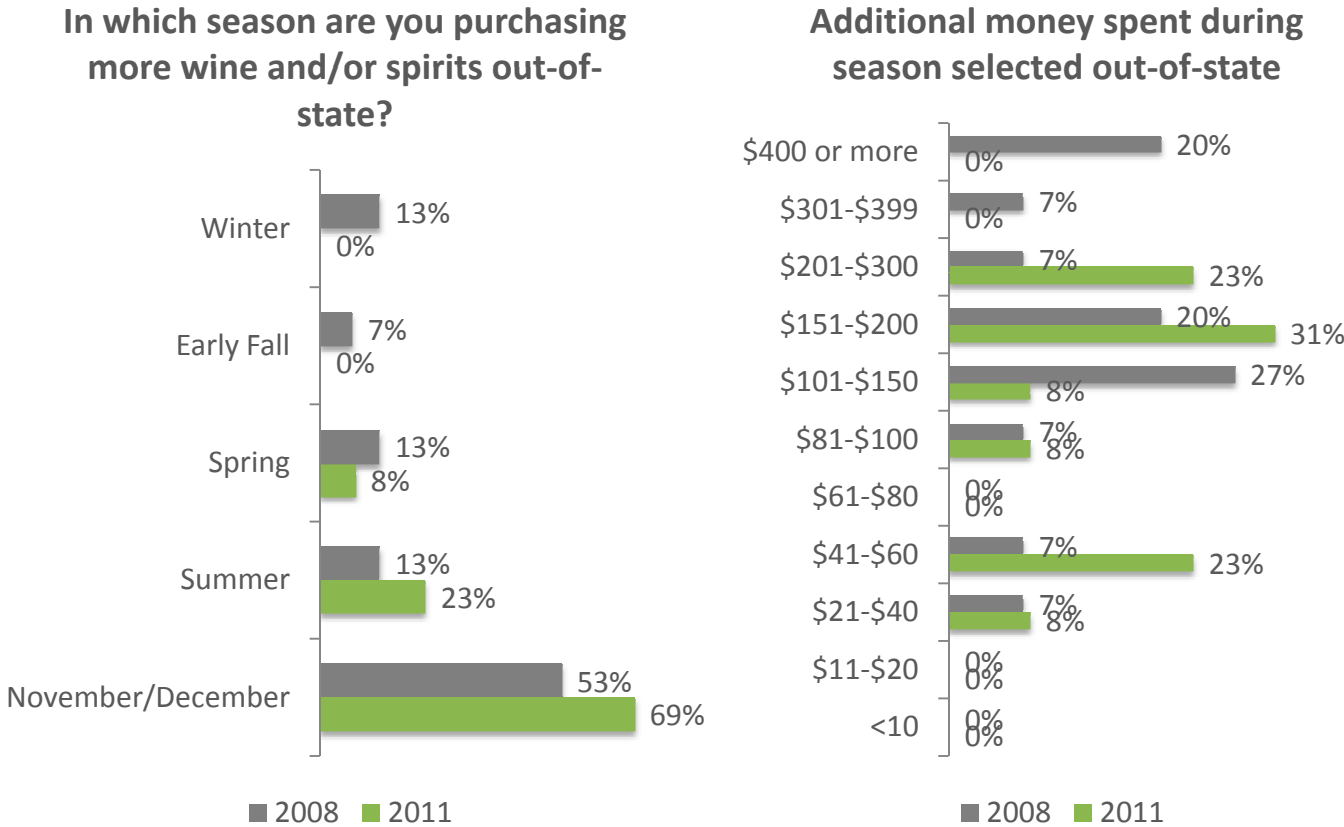
2008: N = 118  
2011: N = 85





November/December remains the most common season for out-of-state purchasing, accounting for nearly 70% of the responses. Most Destination Buyers are spending either \$41-\$60, or \$151-\$300.

DESTINATION  
BUYER  
OUT OF STATE  
PURCHASING



2008: N = 15  
2011: N = 13







Destination Buyers are classified as those who make special trips out-of-state to specifically buy wine and spirits.

## DESTINATION BUYER OUT OF STATE PURCHASING

**Which of the following situations best describes when you purchase wine and/or spirits out-of-state?**



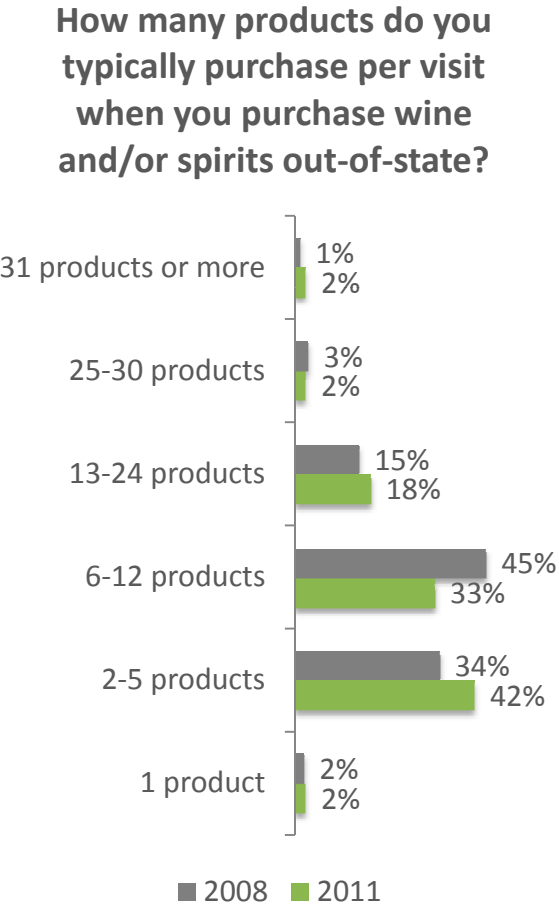
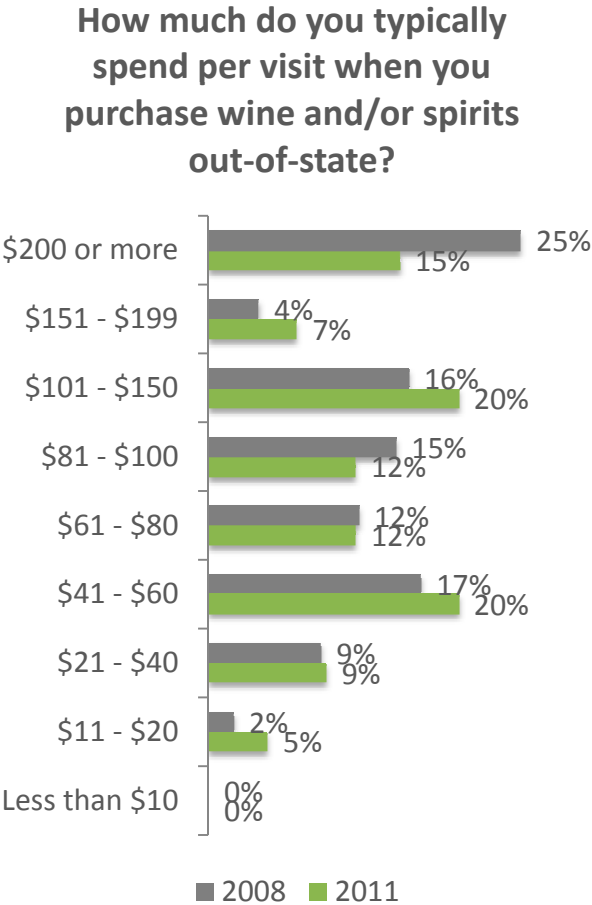
2008: N = 118  
2011: N = 85





Significantly less Destination Buyers are spending above the \$200 mark in 2011. Two thirds of buyers are purchasing 2-12 products per visit.

DESTINATION  
BUYER  
OUT OF STATE  
PURCHASING



2008: N = 118  
2011: N = 85



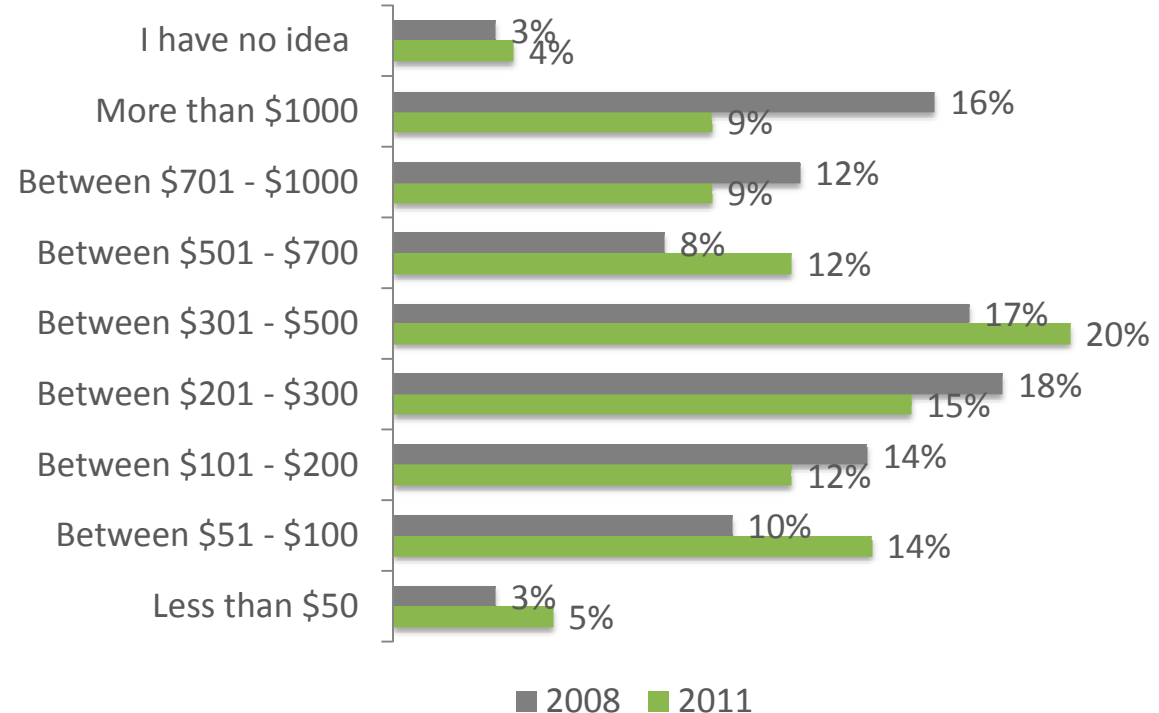




One in five respondents are spending between \$301-\$500 annually, and significantly less are spending in the \$1,000 range in 2011.

## DESTINATION BUYER OUT OF STATE PURCHASING

**About how much money do you typically spend each year on wine and/or spirits that you purchase out-of-state?**



2008: N = 118  
2011: N = 85





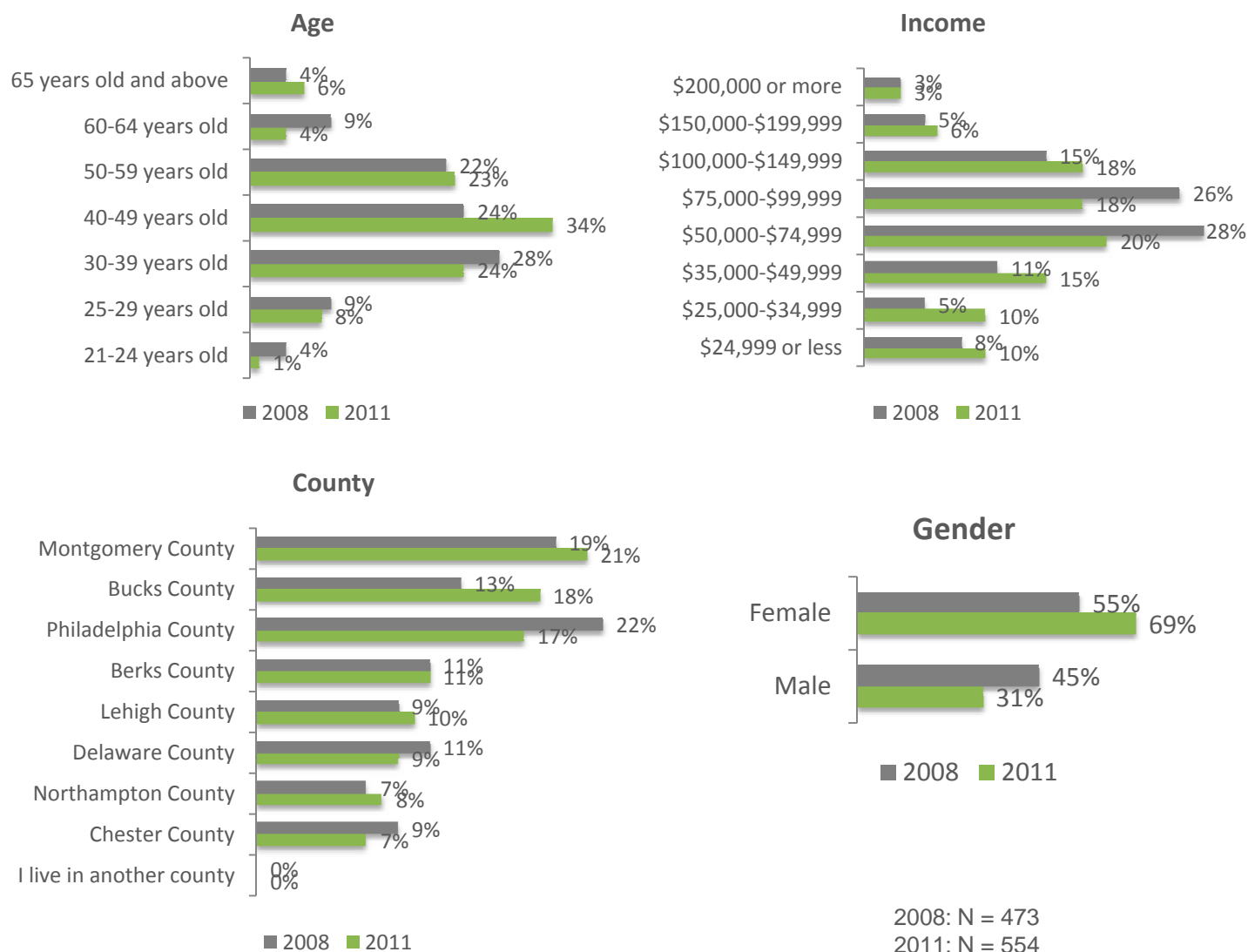
EXCLUSIVE IN  
STATE  
BUYER





# EXCLUSIVE IN-STATE BUYER PROFILE

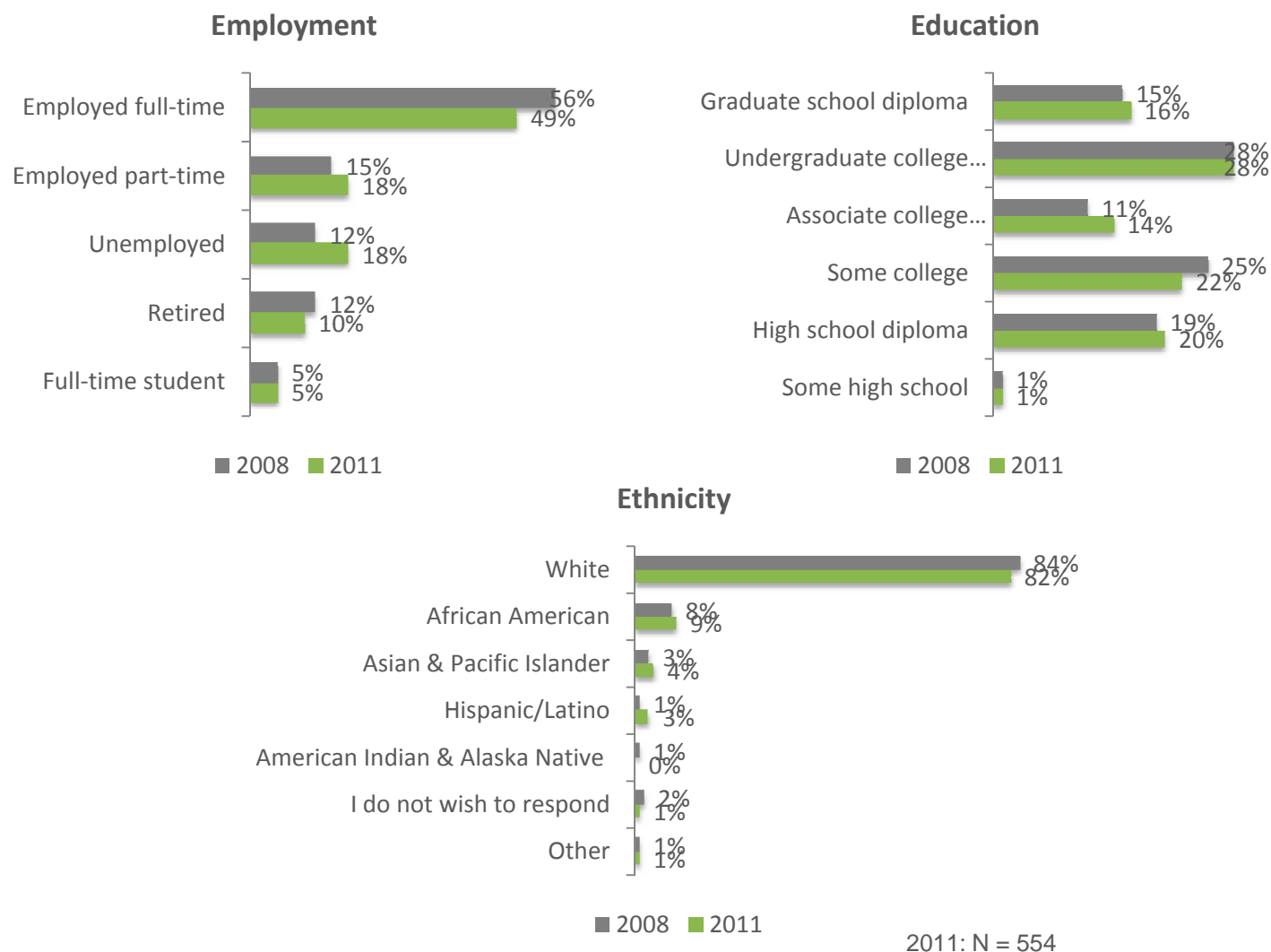
The majority of Exclusive In-State Buyers are between the ages of 30-59 with a household income ranging between \$50,000 and \$149,999. Most respondents live in Montgomery, Bucks, or Philadelphia County.





# EXCLUSIVE IN STATE BUYER PROFILE

Nearly half of respondents are employed full-time, and more than a quarter have an undergraduate diploma. Eight in ten respondents are of white ethnicity.

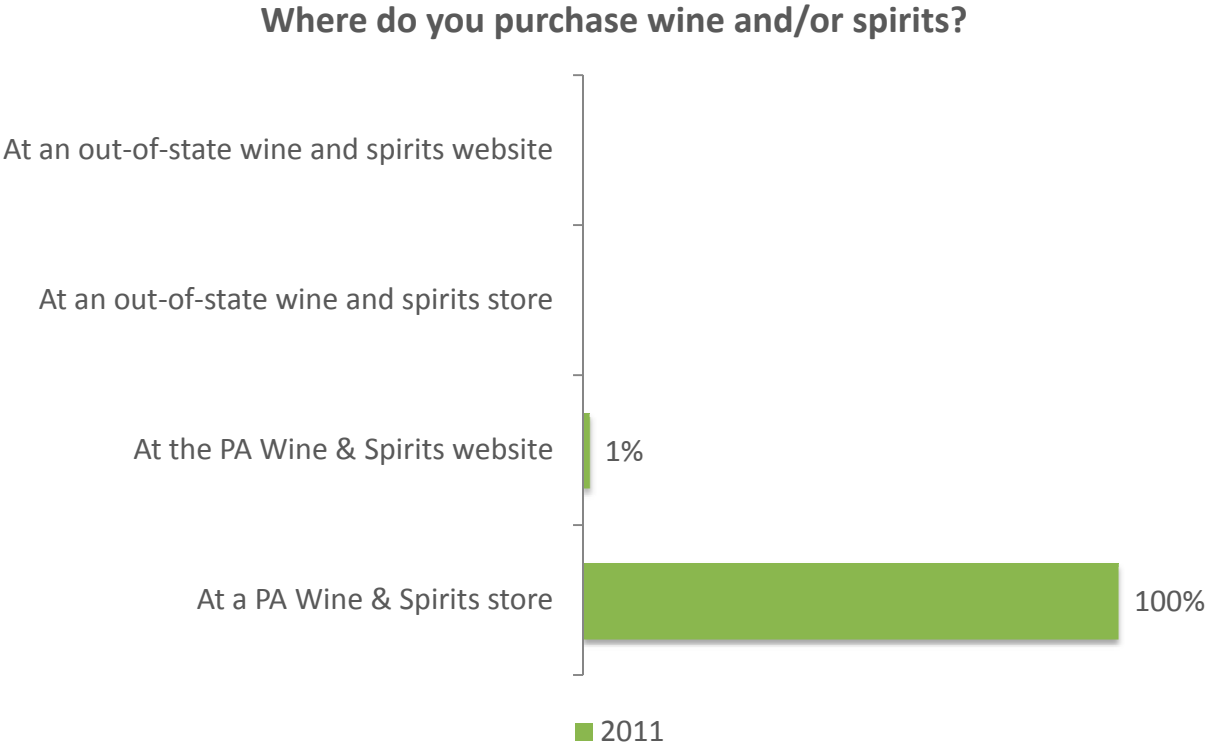






Exclusive In-State Buyers purchase solely at a PA Wine & Spirits Store and website.

EXCLUSIVE IN  
STATE  
BUYER  
IN STATE  
PURCHASING



2011: N = 554

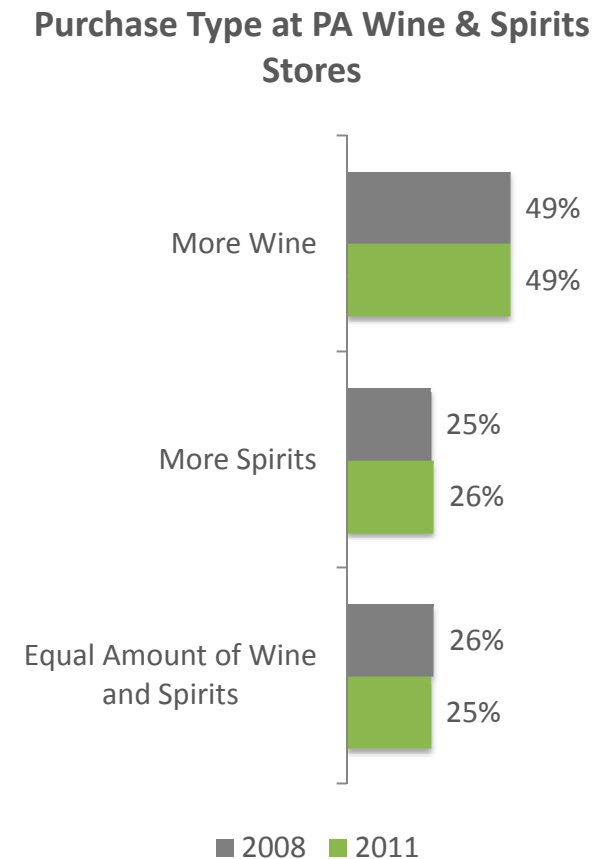
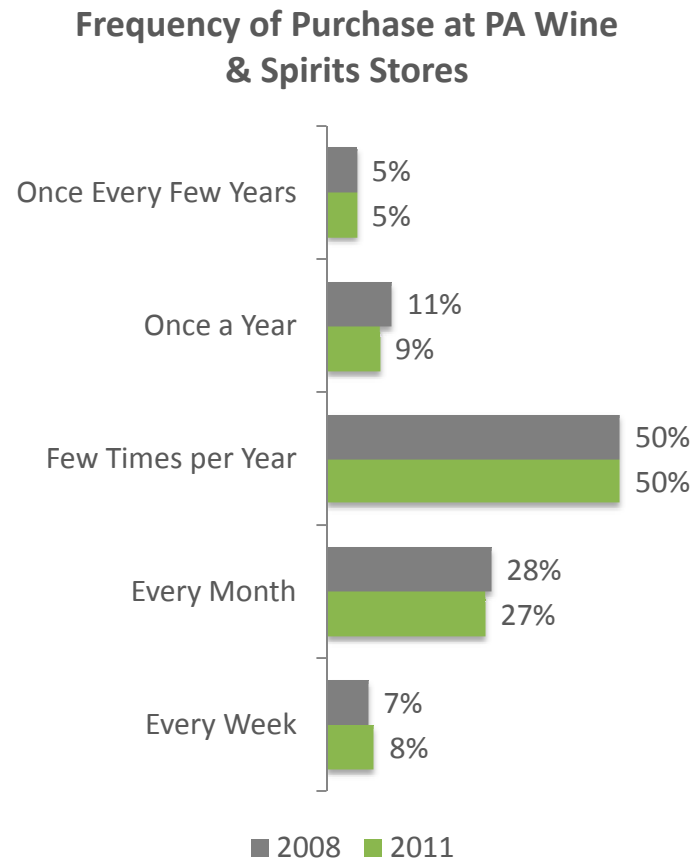






Half of respondents make purchases at PA Wine & Spirits Stores a few times per year and are tending to buy more wine than spirits.

## EXCLUSIVE IN STATE BUYER IN STATE PURCHASING



2008: N = 473  
2011: N = 554



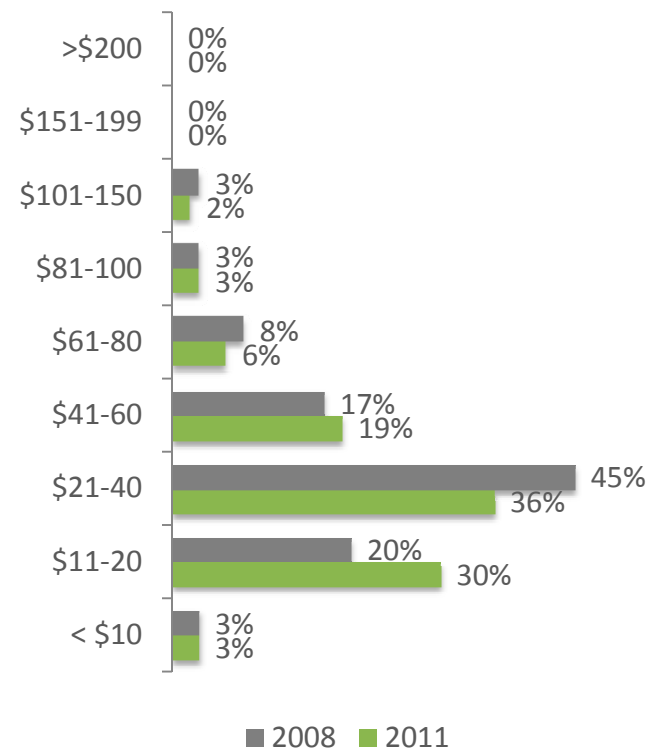




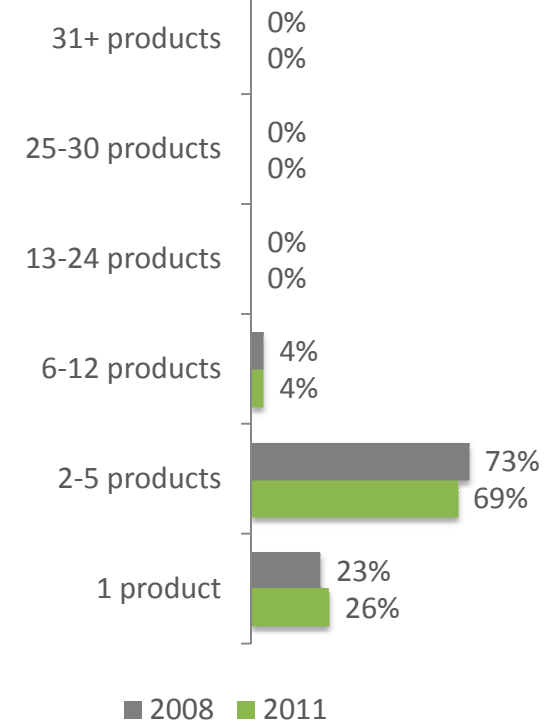
90% of buyers are spending less than \$60 per visit at a PA Wine & Spirits Store, and purchasing less than a handful of products.

## EXCLUSIVE IN STATE BUYER IN STATE PURCHASING

**Typical Spend per Visit at PA Wine & Spirits Stores**



**Typical Number of Products Purchased per Visit at PA Wine & Spirits Stores**



2008: N = 473  
2011: N = 554





Annually, two thirds of purchasers spend less than \$300 at a PA Wine & Spirits Store.

EXCLUSIVE IN  
STATE  
BUYER  
IN STATE  
PURCHASING



2008: N = 473  
2011: N = 554



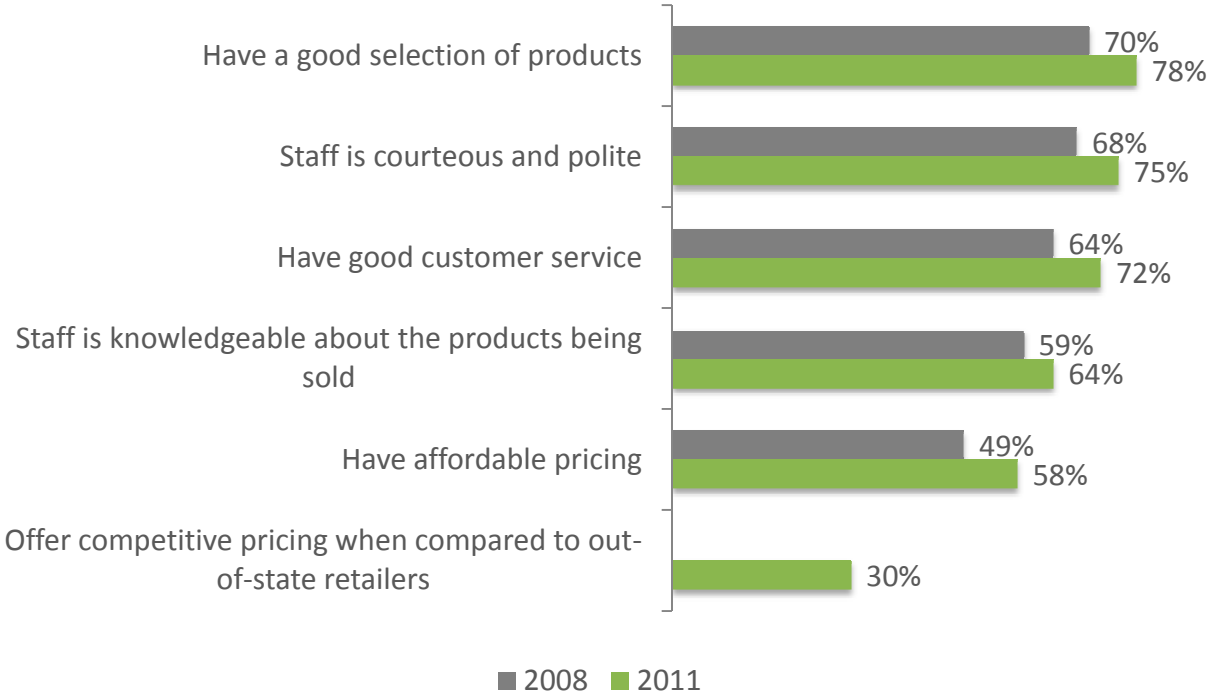




Exclusive In-State Buyers are most likely to say that PA Wine & Spirits Stores have a good selection of products, and significantly less likely to say that they offer competitive pricing compared to out-of-state.

EXCLUSIVE IN  
STATE  
BUYER  
IN STATE  
PURCHASING

PA Wine & Spirits Store Perceptions and Experience



2011: N = 554







Exclusive In-State Buyers are much more likely to be aware of being able to order products online than they are of the laws against bringing out-of-state alcohol into PA.

EXCLUSIVE IN  
STATE  
BUYER  
IN STATE  
PURCHASING



2011: N = 554



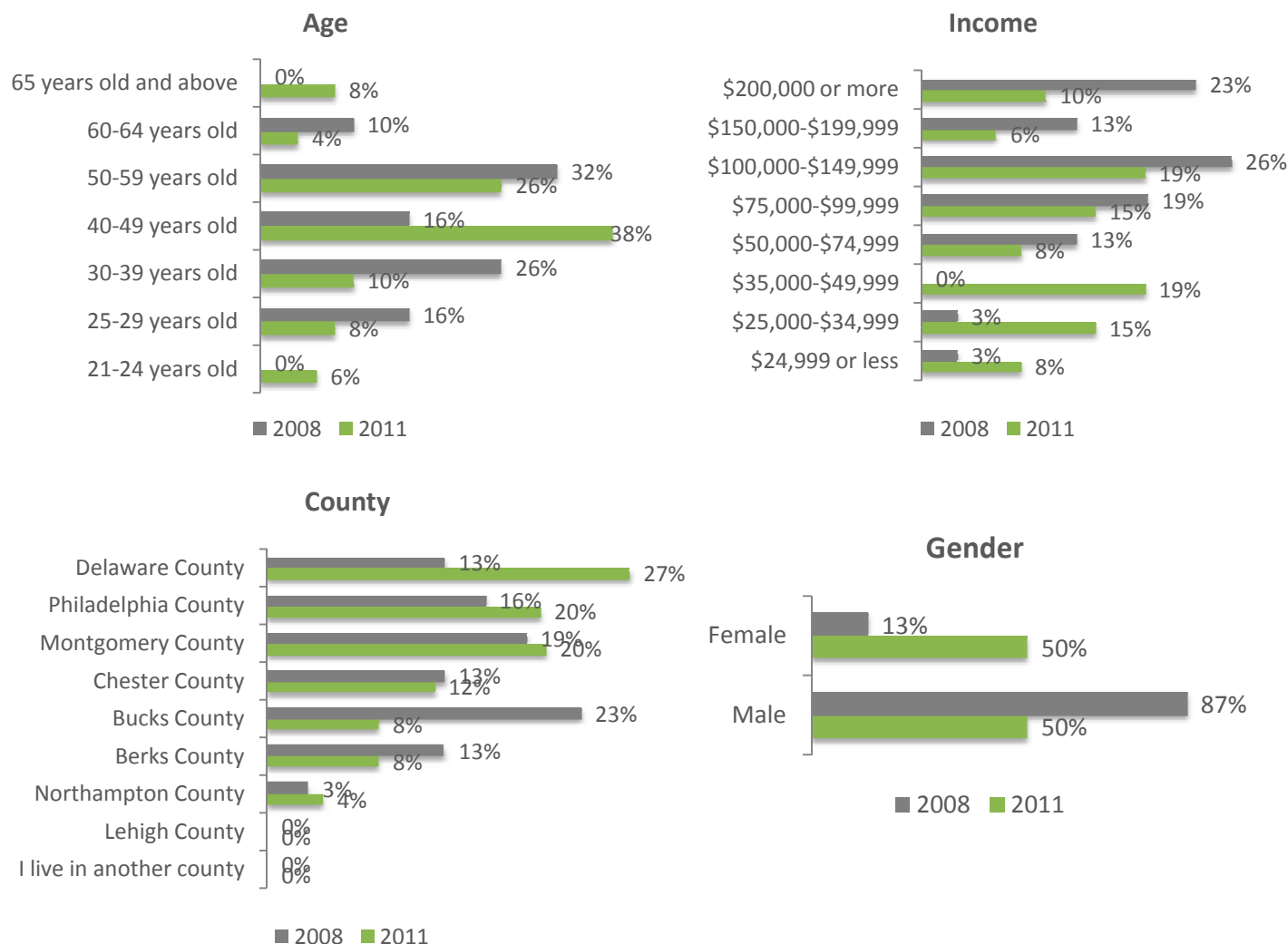
EXCLUSIVE  
OUT OF  
STATE  
BUYER





# EXCLUSIVE OUT OF STATE BUYER PROFILE

Exclusive Out of State Buyers are between the ages of 40-59 with varying household incomes. Almost two thirds of respondents are from Delaware, Philadelphia, and Montgomery County.



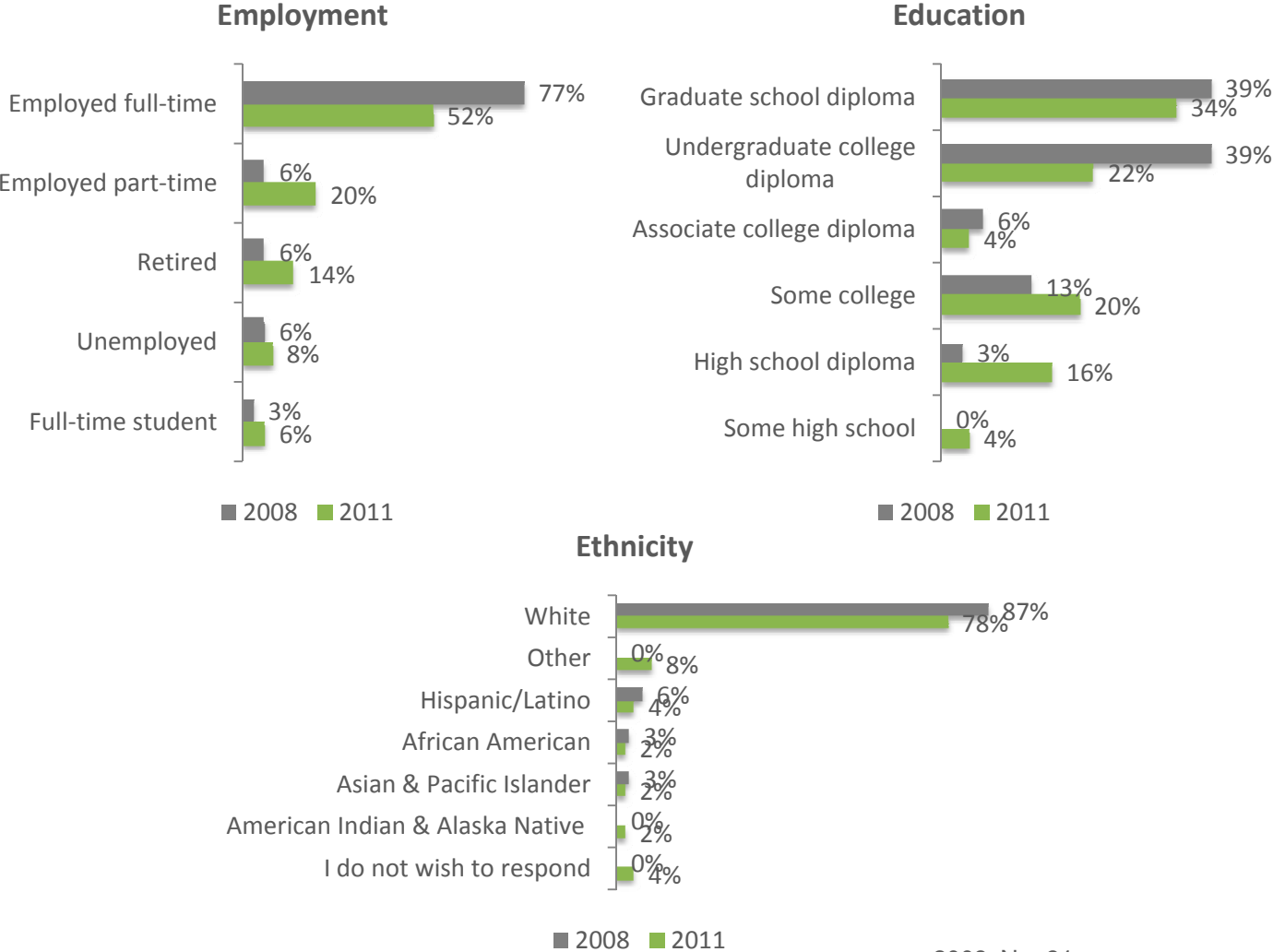
2008: N = 31  
2011: N = 50





Half of respondents are employed full-time with an undergraduate or graduate school diploma. Two thirds of respondents are of White ethnicity.

EXCLUSIVE  
OUT OF STATE  
BUYER  
PROFILE



2008: N = 31  
2011: N = 50

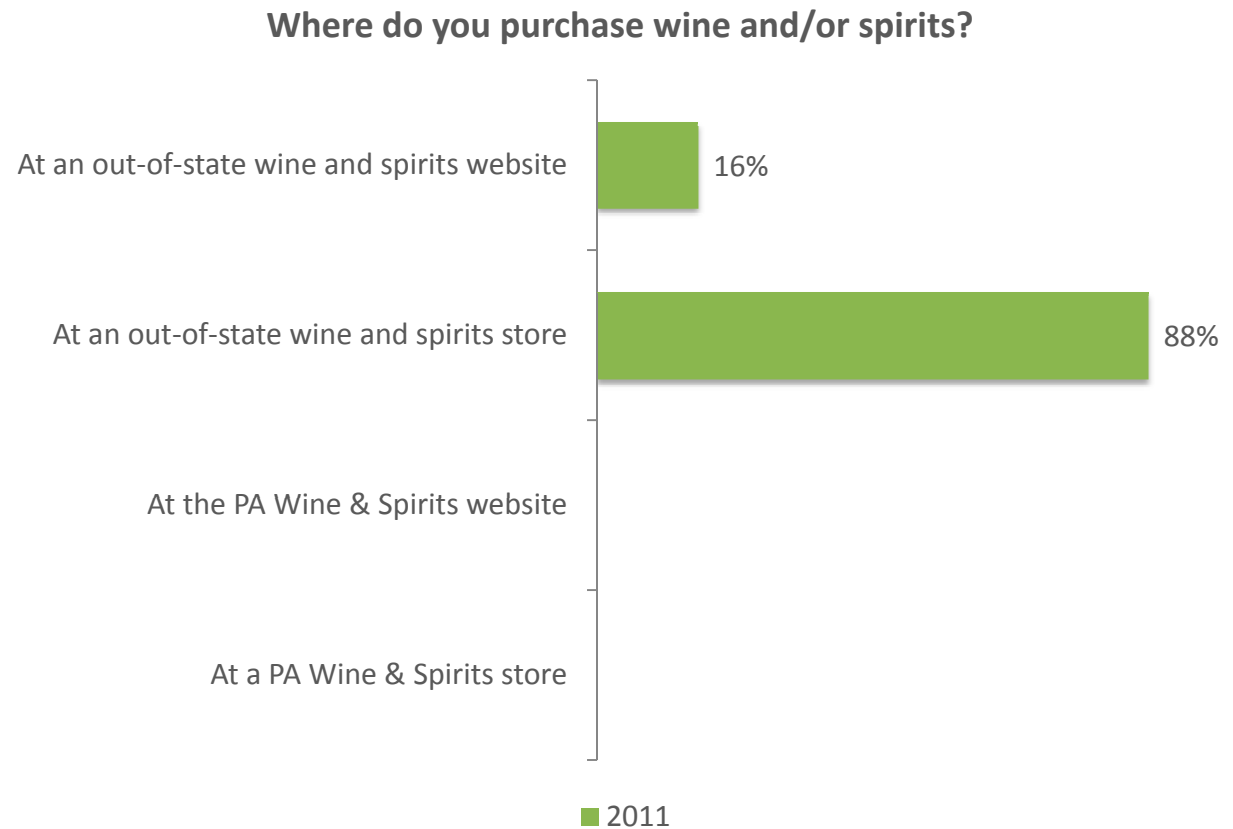






Exclusive Out of State Buyers make purchases in only out-of-state stores and websites.

## EXCLUSIVE OUT OF STATE BUYER IN STATE PURCHASING



2011: N = 50

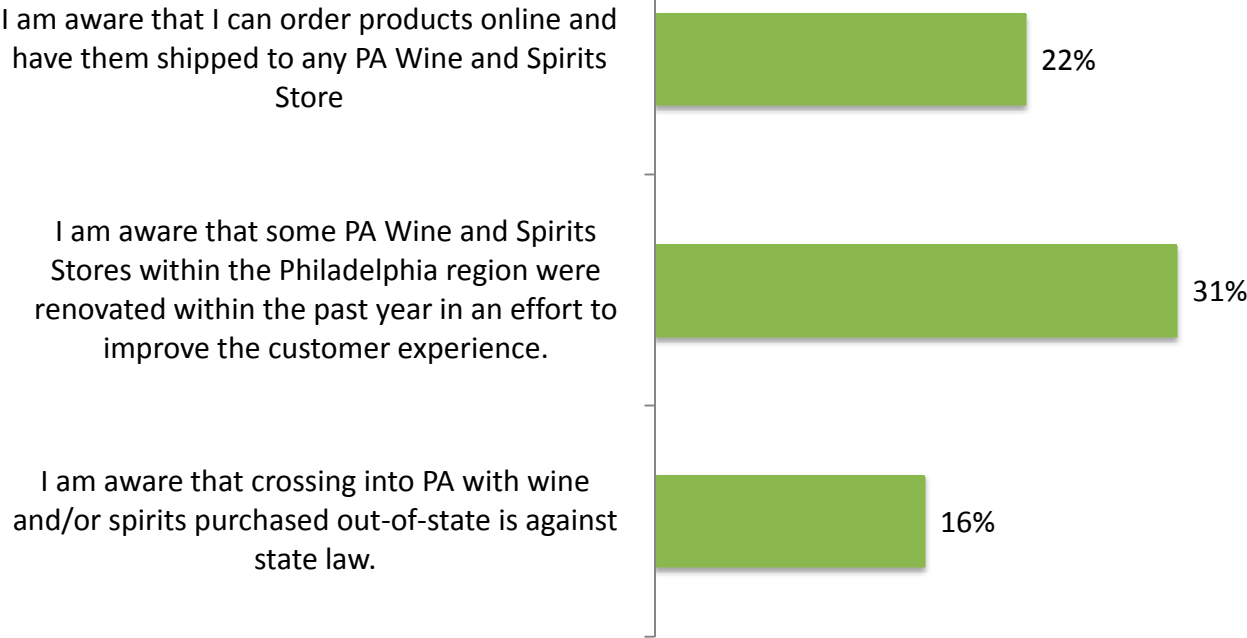






Exclusive Out of State Buyers are relatively unaware of the laws regarding out-of-state purchases crossing into PA as well as their knowledge on PA Wine & Spirits online ordering and store renovations.

EXCLUSIVE  
OUT OF STATE  
BUYER IN  
STATE  
PURCHASING



2011: N = 50

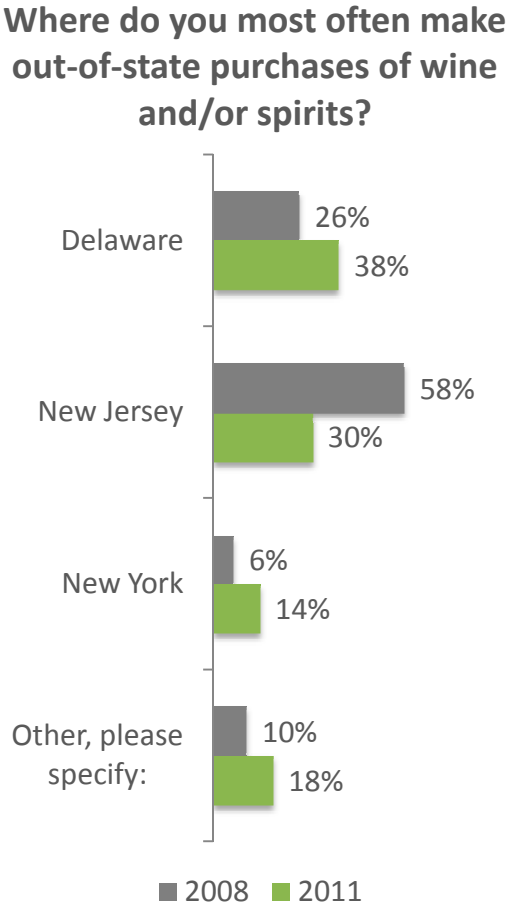
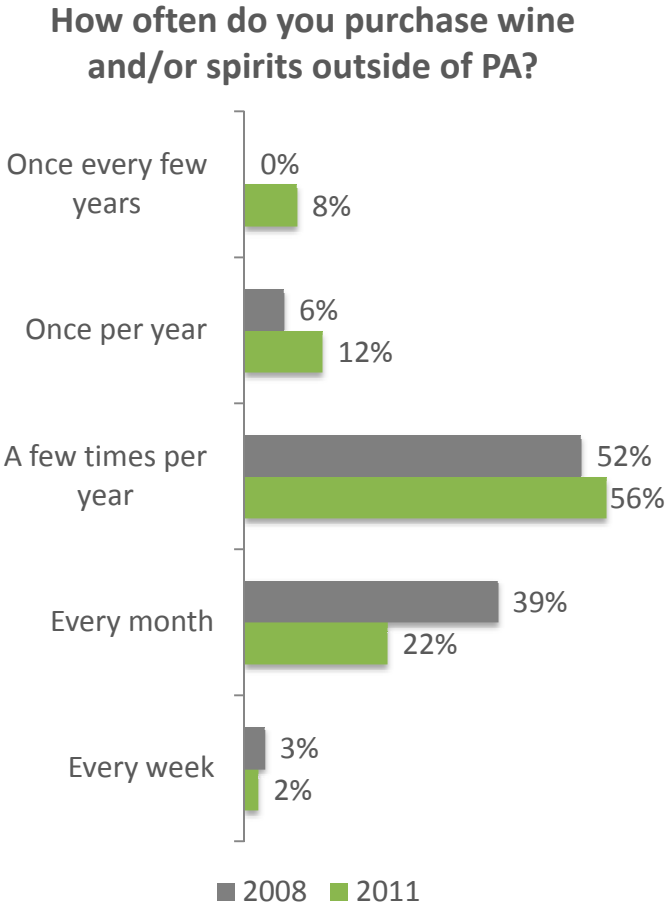






More than half of consumers purchase wine and spirits outside of PA a few times a year, primarily heading to Delaware or New Jersey.

EXCLUSIVE  
OUT OF STATE  
BUYER  
OUT OF STATE  
PURCHASING



2008: N = 31  
2011: N = 50





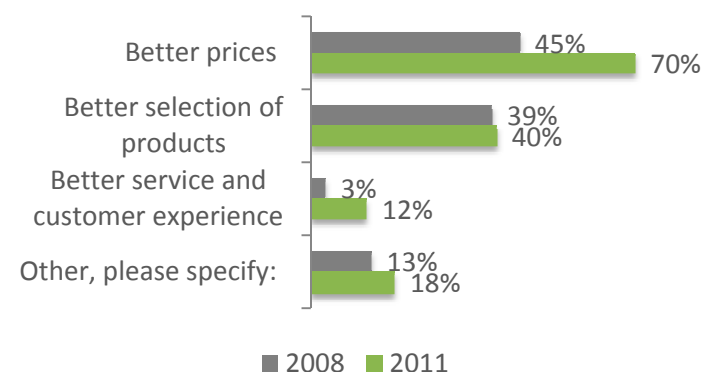
# EXCLUSIVE OUT OF STATE BUYER OUT OF STATE PURCHASING

Nearly half of purchasers are buying more wine than spirits, and 70% cite better prices as the reasoning behind their purchases outside of PA. Two in five purchasers buy out-of-state to stock up, and about a quarter buy with no particular plan in mind.

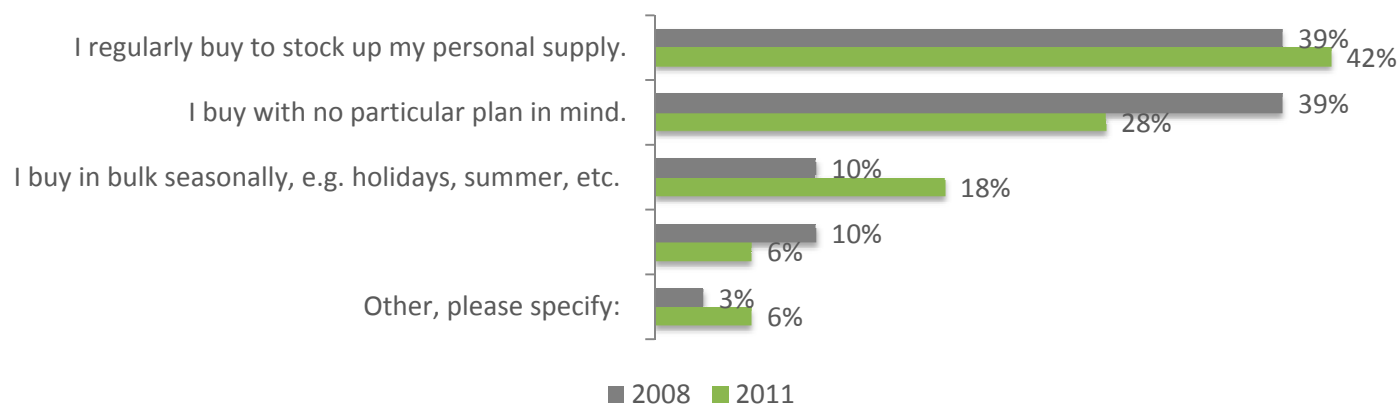
**Do you purchase more wine or spirits outside of PA?**



**Why do you buy wine and/or spirits outside of PA?**



**Which of the following best describes the purpose of your out-of-state wine and/or spirits purchases?**



2008: N = 31  
2011: N = 50

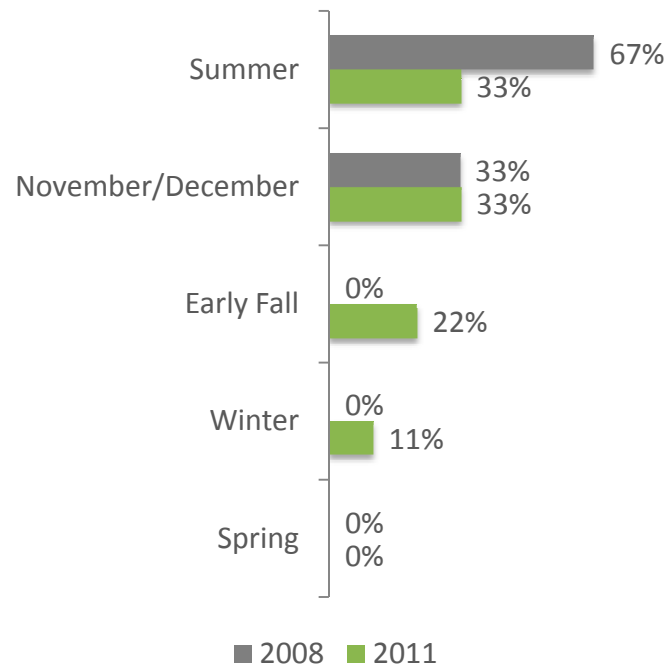




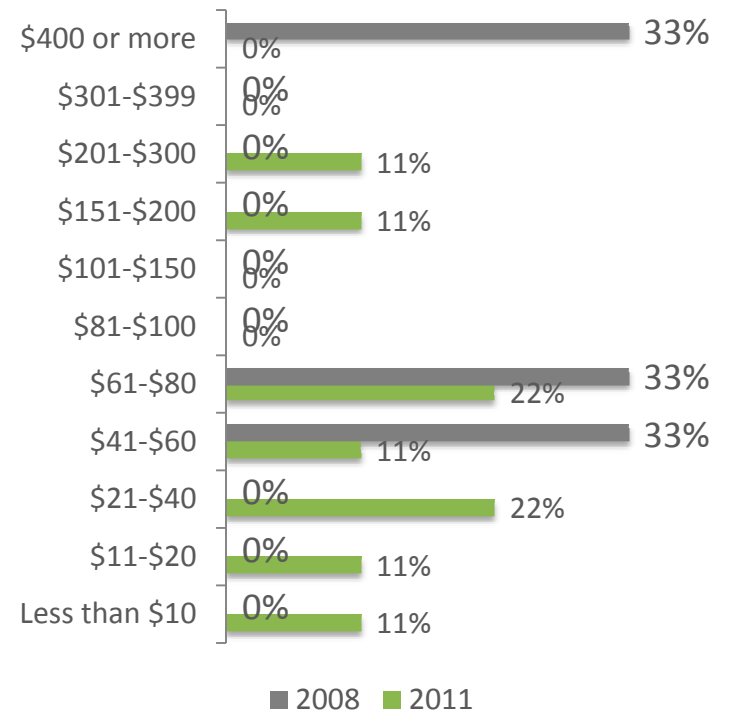
An equal amount of purchasers are buying more in the summer months or around the holidays, with no one stating that they buy more in the Spring. Over two thirds of buyers spend less than \$80 more during these seasons.

## EXCLUSIVE OUT OF STATE BUYER OUT OF STATE PURCHASING

**In which season are you purchasing more wine and/or spirits out-of-state?**



**Additional money spent during season selected out-of-state**



2008: N = 3  
2011: N = 9

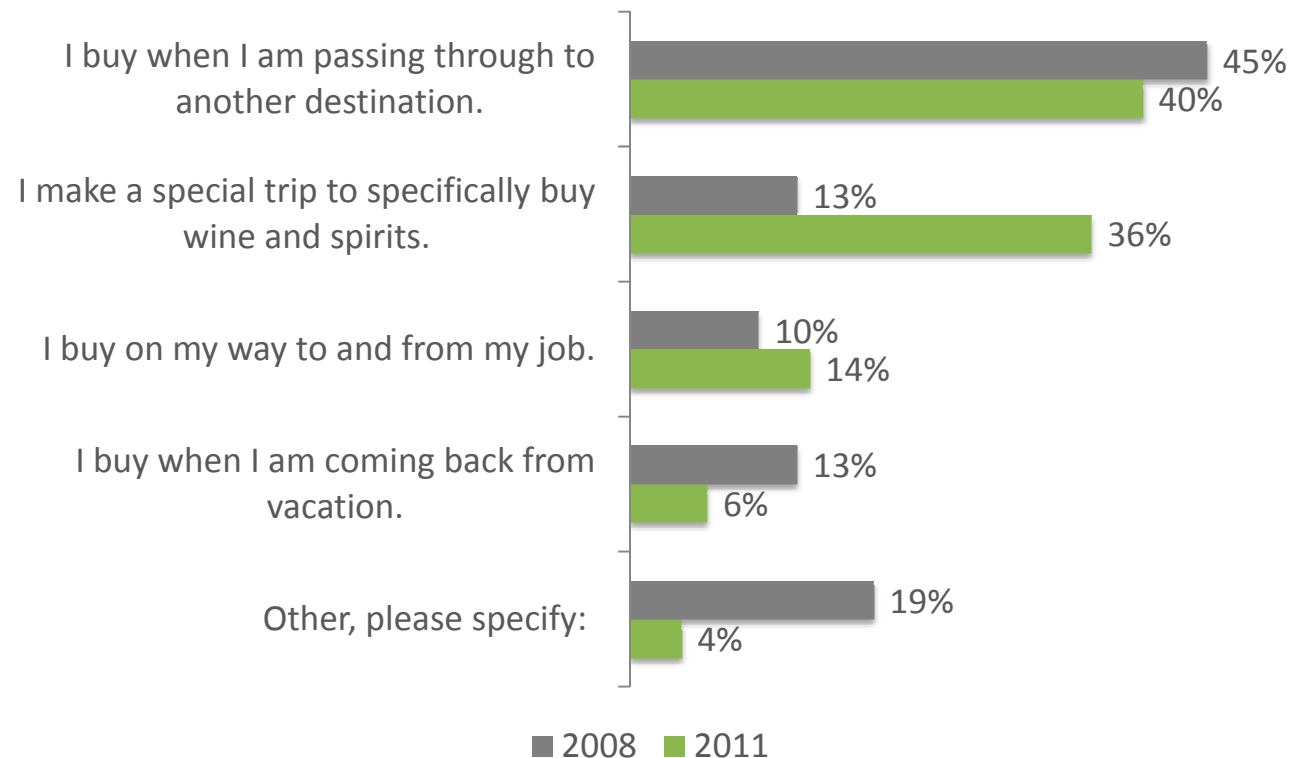




Two thirds of purchasers are buying when they pass through to another destination or making a special trip to buy wine and spirits. Few are buying on the way home from work or a vacation.

EXCLUSIVE  
OUT OF STATE  
BUYER  
OUT OF STATE  
PURCHASING

**Which of the following situations best describes when you purchase wine and/or spirits out-of-state?**



2008: N = 31  
2011: N = 50

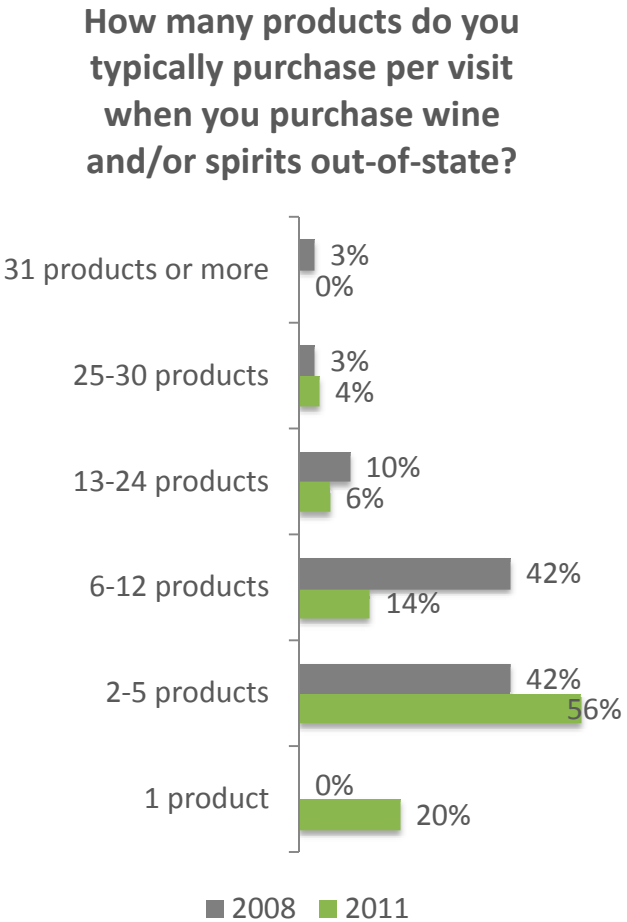
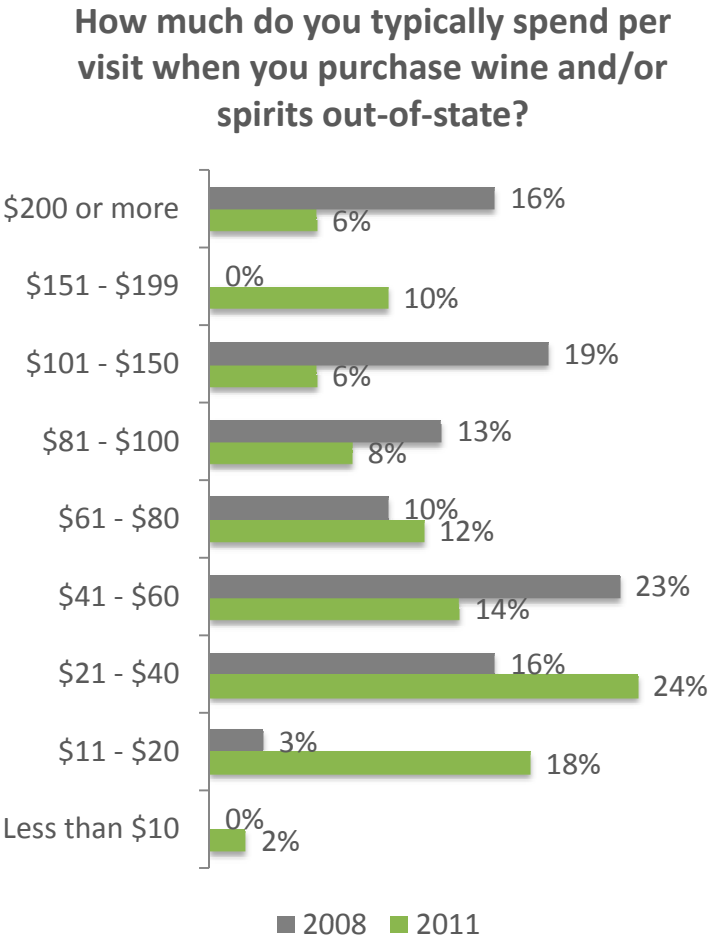






More than half of buyers spend less than \$60 out-of-state, and buy between 2-5 products per visit.

EXCLUSIVE  
OUT OF STATE  
BUYER  
OUT OF STATE  
PURCHASING



2008: N = 31  
2011: N = 50



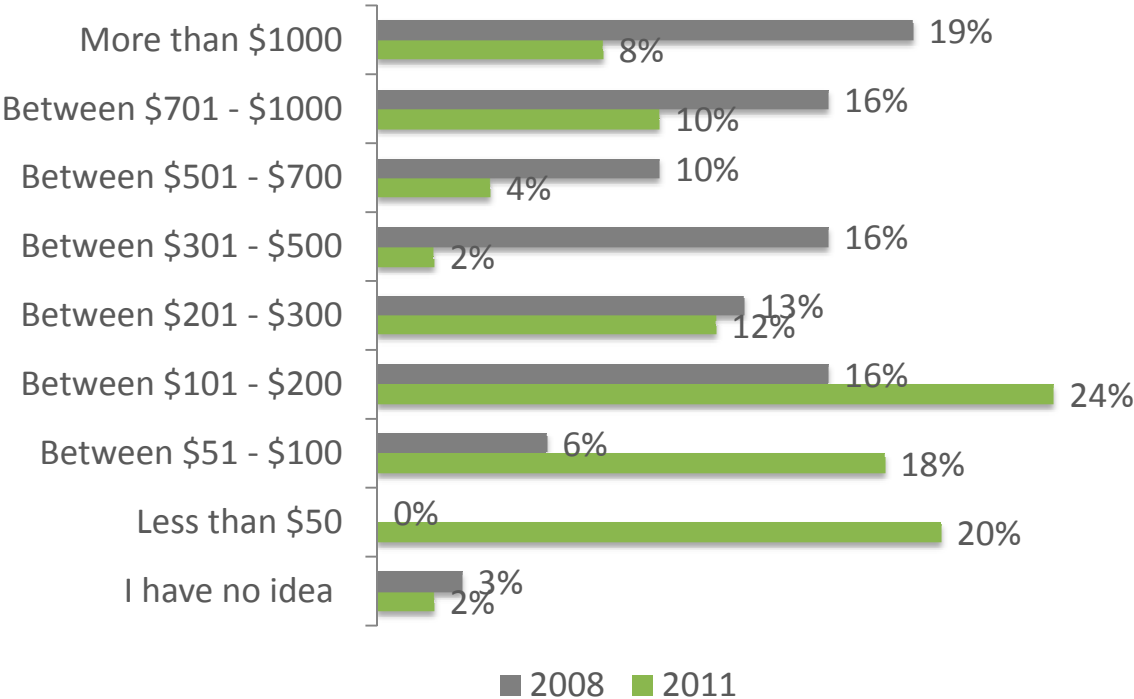




A quarter of respondents spend between \$101-\$200 each year on out-of-state purchases.

EXCLUSIVE  
OUT OF STATE  
BUYER  
OUT OF STATE  
PURCHASING

About how much money do you typically spend each year on wine and/or spirits that you purchase out-of-state?

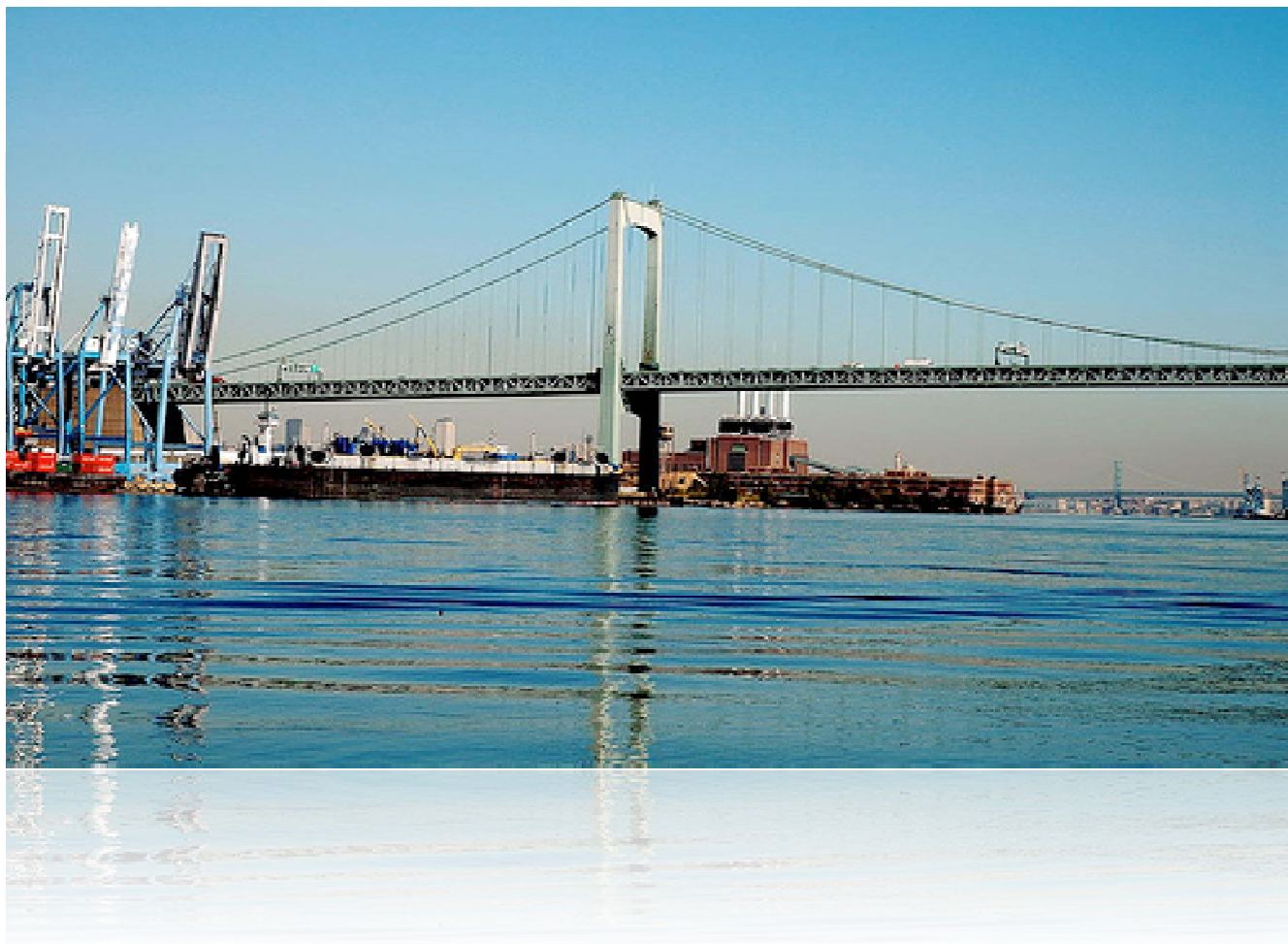


2008: N = 31  
2011: N = 50





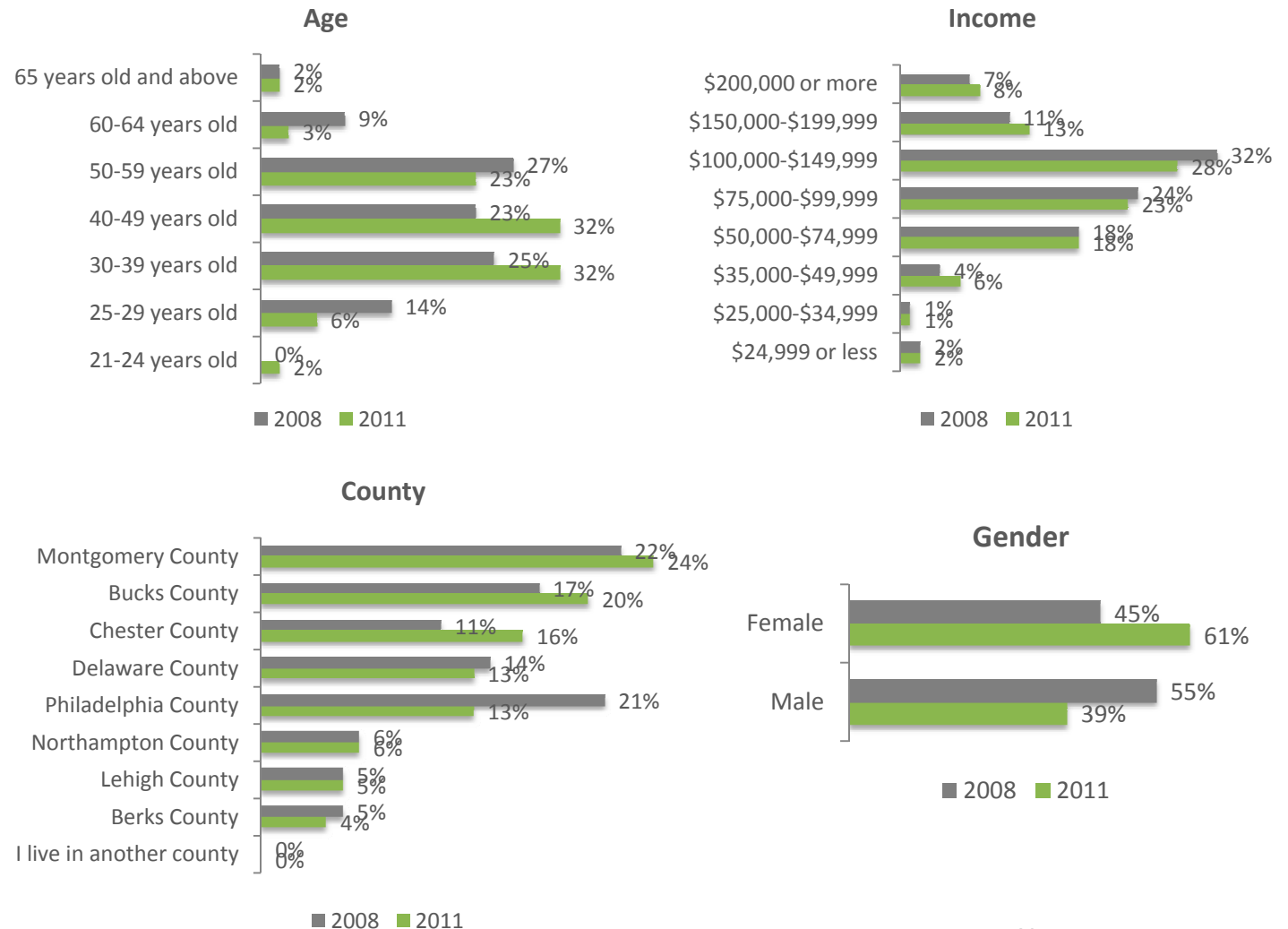
## IN & OUT OF STATE BUYER





# IN & OUT OF STATE BUYER PROFILE

Over 60% of In and Out of State Buyers are between the ages of 30-49, with a household income ranging from \$50,000 to \$149,999. A quarter of respondents live in Montgomery County, with another 20% living in Bucks County.

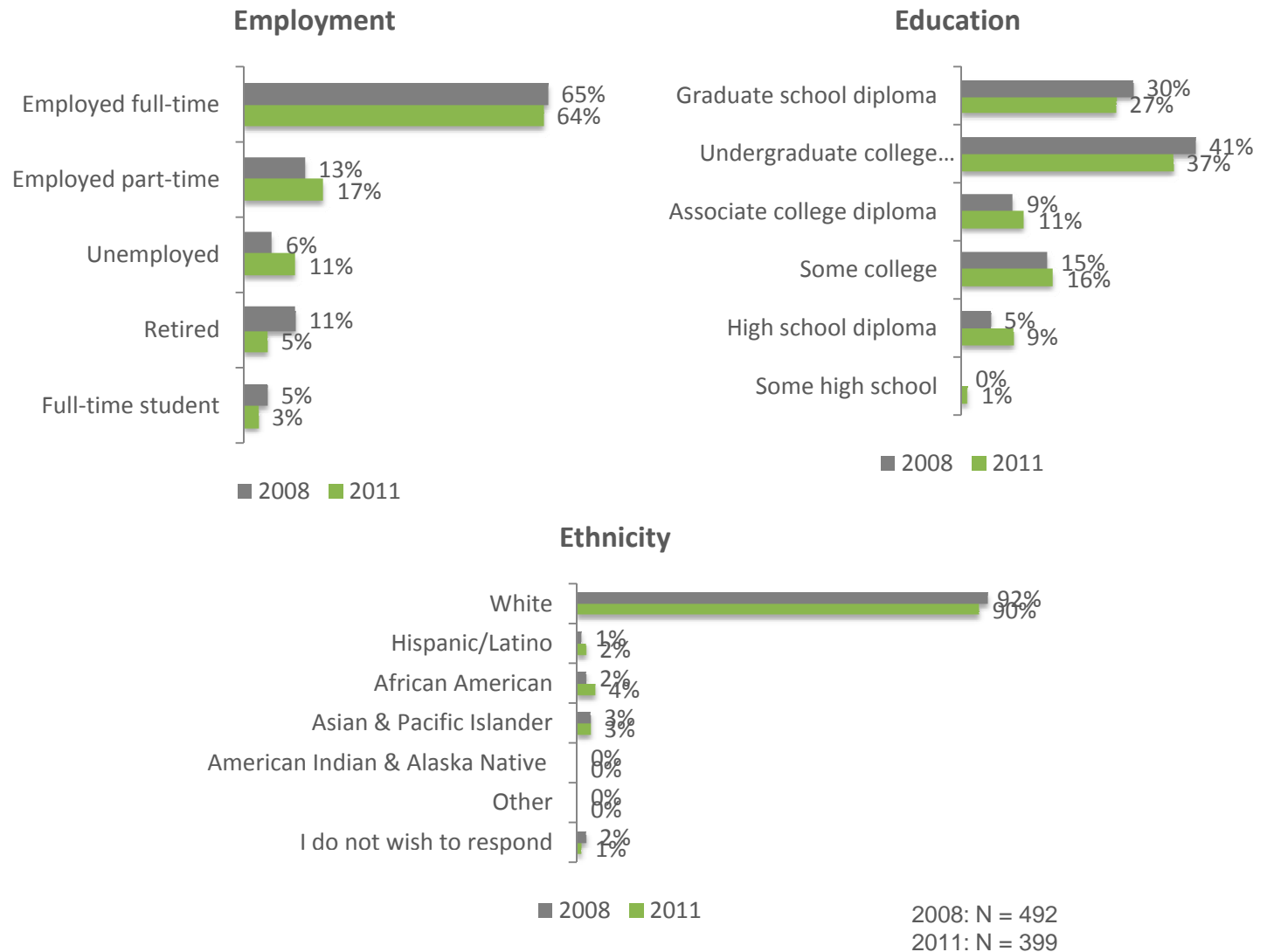


2008: N = 492  
2011: N = 399



## IN & OUT OF STATE BUYER PROFILE

More than 80% of respondents are employed full-time or part-time, and 3 in 5 have an undergraduate or graduate school diploma. Only 10% of respondents are not of White ethnicity.







Only one in five respondents make purchases online.

## IN & OUT OF STATE BUYER IN STATE PURCHASING

Where do you purchase wine and/or spirits?



2011: N = 399

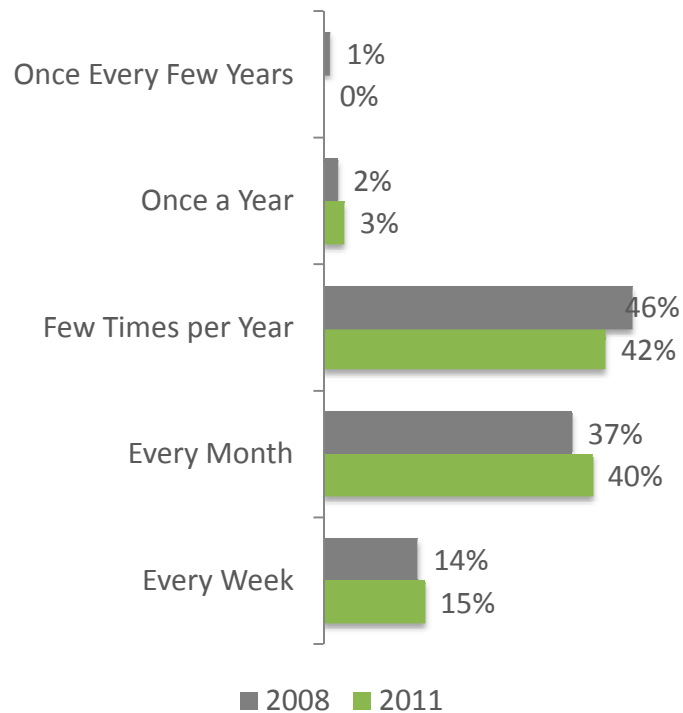




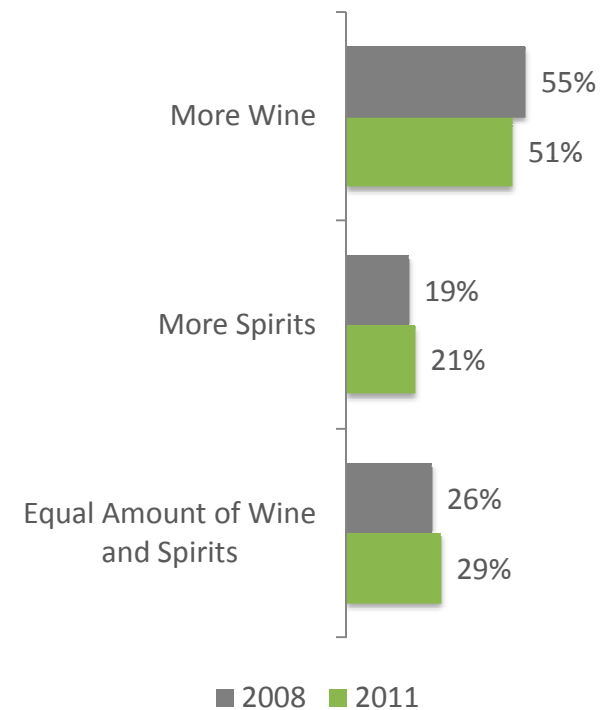
More than 8 in 10 purchasers buy monthly or a few times per year at PA Wine & Spirits Stores, with over half purchasing more wine than spirits.

## IN & OUT OF STATE BUYER IN STATE PURCHASING

**Frequency of Purchase at PA Wine & Spirits Stores**



**Purchase Type at PA Wine & Spirits Stores**



2008: N = 492  
2011: N = 399

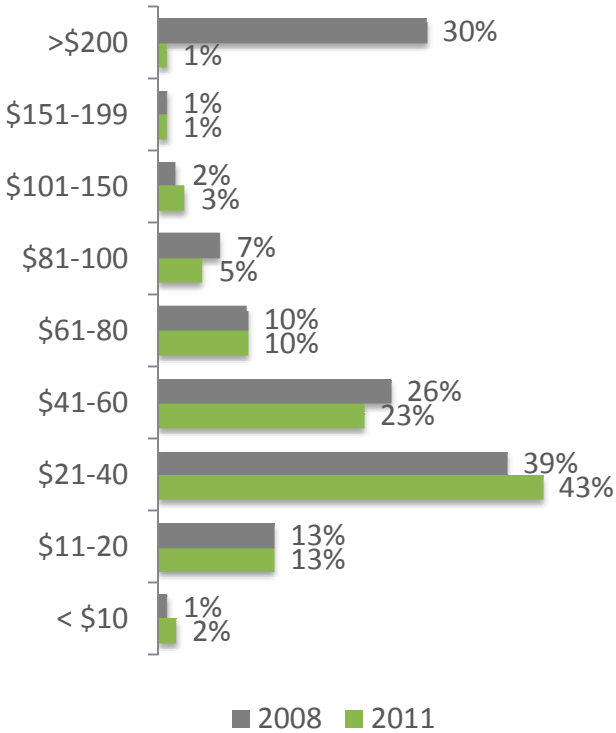




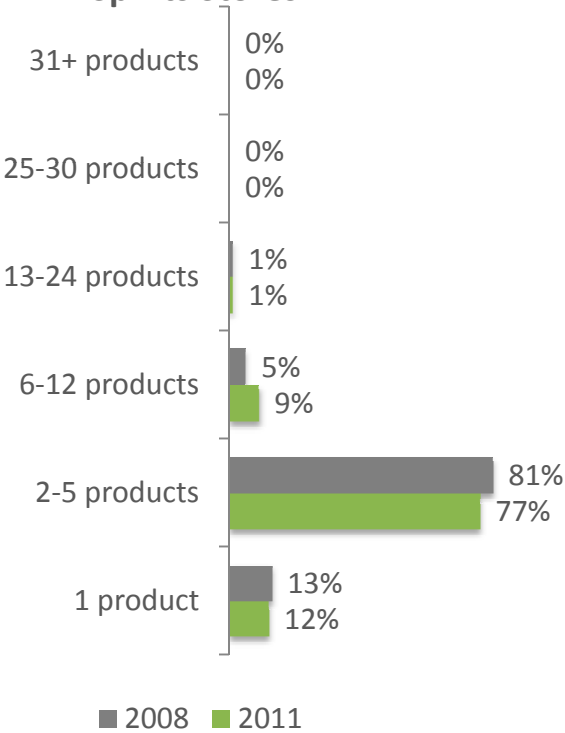
Two thirds of purchasers are buying between 2-5 products at PA Wine & Spirits Stores, spending between \$21-\$60.

IN & OUT OF  
STATE BUYER  
IN STATE  
PURCHASING

Typical Spend per Visit at PA Wine & Spirits Stores



Typical Number of Products Purchased per Visit at PA Wine & Spirits Stores



2008: N = 492  
2011: N = 399







Less than one in five spend more than \$500 each year at a PA Wine & Spirits Store.

IN & OUT OF  
STATE BUYER  
IN STATE  
PURCHASING



2008: N = 492  
2011: N = 399

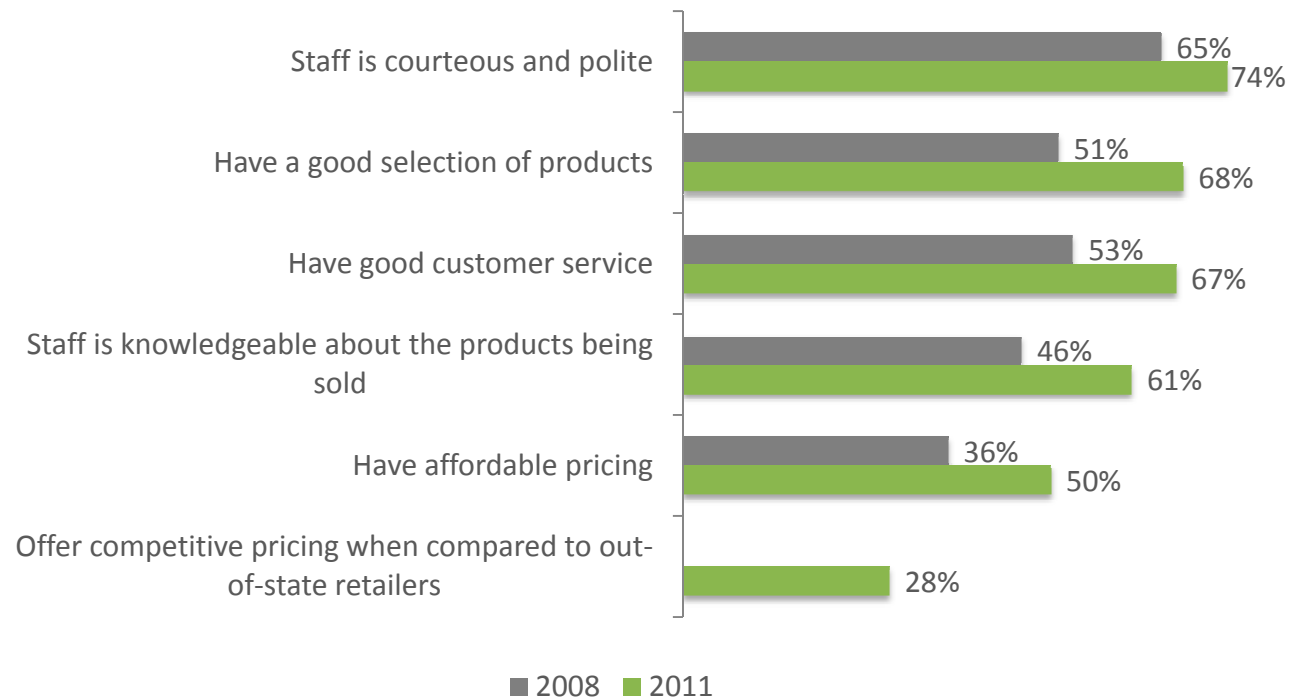




In and out-of-state consumers are much more likely to think that the staff is courteous and polite rather than the PA Wine & Spirits Stores offer competitive or affordable pricing.

## IN & OUT OF STATE BUYER IN STATE PURCHASING

### PA Wine & Spirits Store Perceptions and Experience



2008: N = 492  
2011: N = 399







The majority of purchasers are unaware of the laws for bringing alcohol into PA as well as the renovations and online offerings of the PA Wine & Spirits Stores.

IN & OUT OF  
STATE BUYER  
IN STATE  
PURCHASING



2011: N = 399

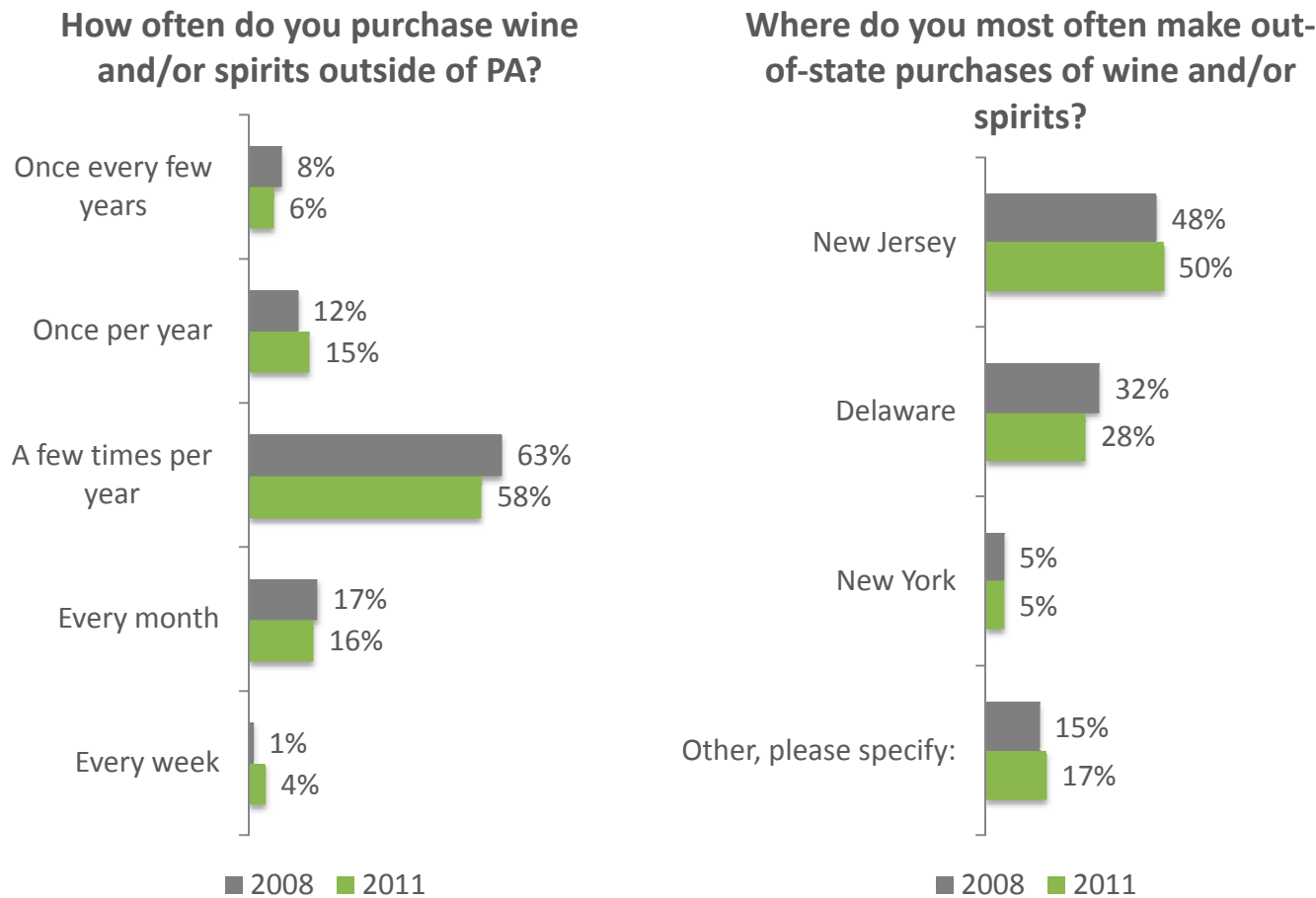






More than half of purchasers buy outside of PA a few times per year, with the majority going to New Jersey, followed by more than a quarter going to Delaware.

IN & OUT OF  
STATE BUYER  
OUT OF STATE  
PURCHASING



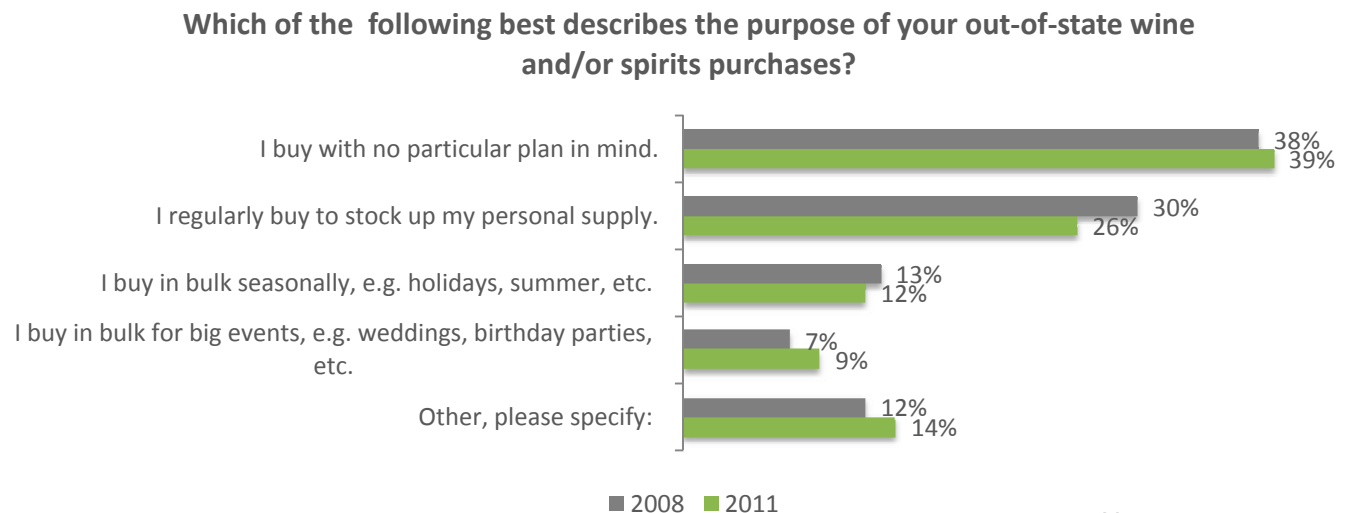
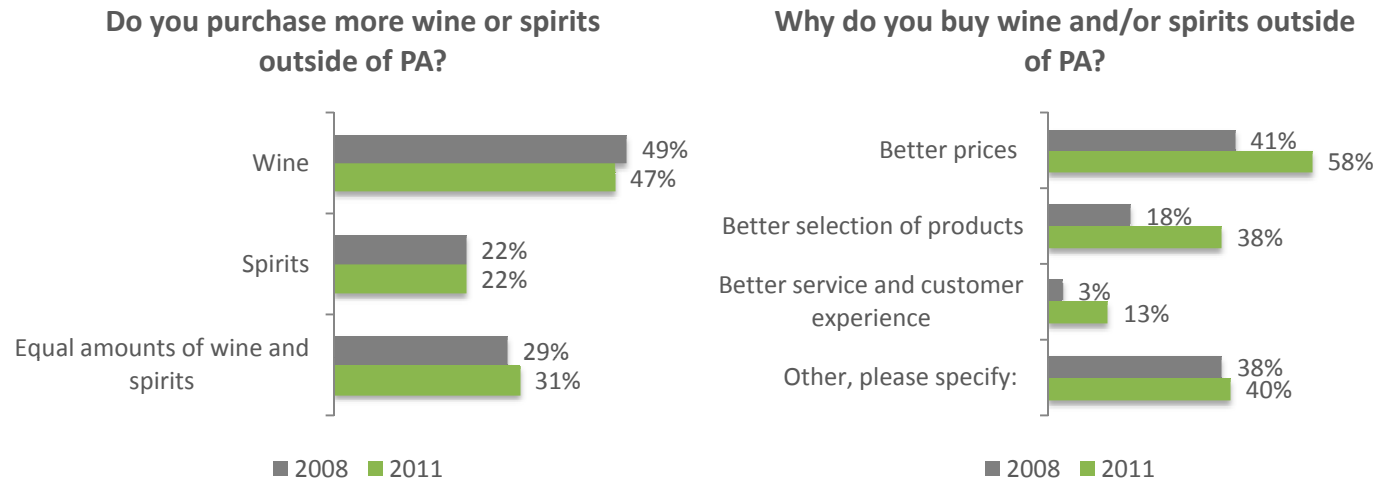
2008: N = 492  
2011: N = 399





## IN & OUT OF STATE BUYER OUT OF STATE PURCHASING

Nearly half of respondents purchase more wine than spirits, and cite that better prices is the cause for their out-of-state purchases. More than a third buy with no particular plan in mind.



2008: N = 492  
2011: N = 399

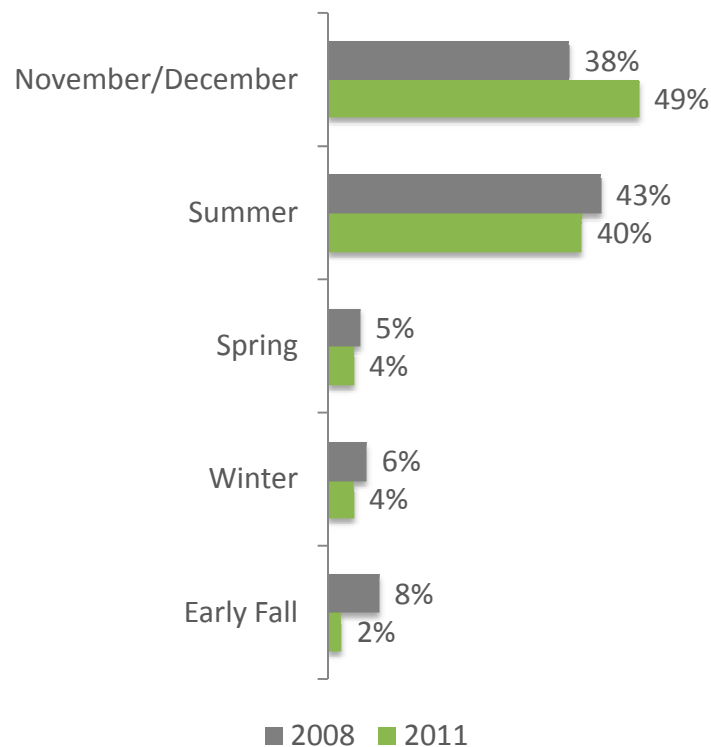




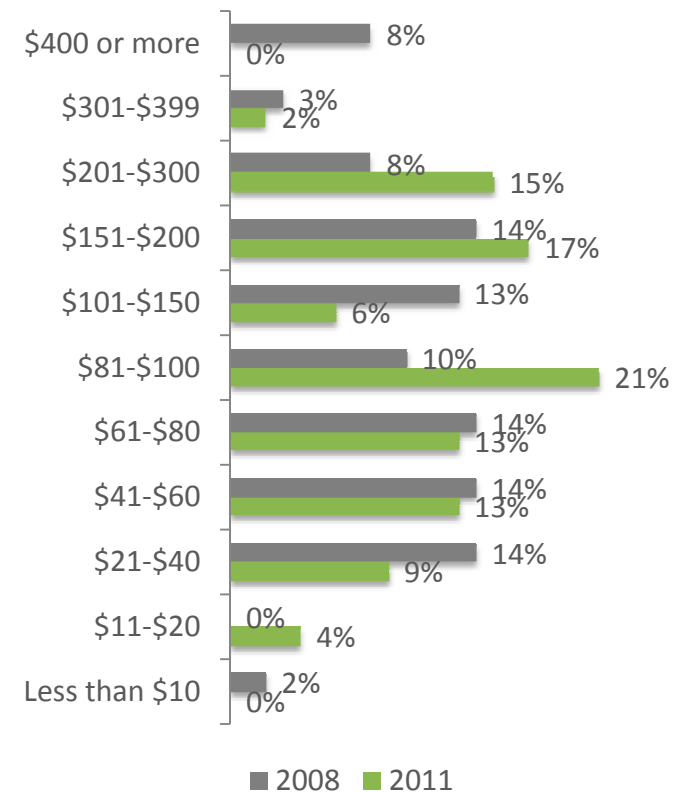
The holiday season and summertime account for nearly 90% of out-of-state purchases, with 3 in 5 spending more than \$100 in addition to their usual purchases.

## IN & OUT OF STATE BUYER OUT OF STATE PURCHASING

**In which season are you purchasing more wine and/or spirits out-of-state?**



**Additional money spent during season selected out-of-state**



2008: N = 63  
2011: N = 47





43% of purchasers buy out-of-state when they are passing through to another destination, and one in five make a trip out of state to specifically buy wine and spirits.

## IN & OUT OF STATE BUYER OUT OF STATE PURCHASING

**Which of the following situations best describes when you purchase wine and/or spirits out-of-state?**



2008: N = 492  
2011: N = 399

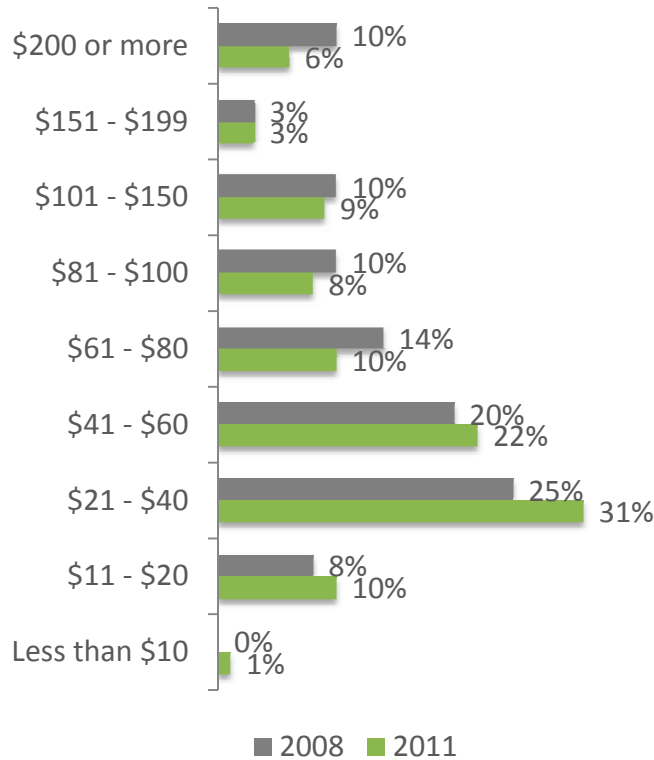




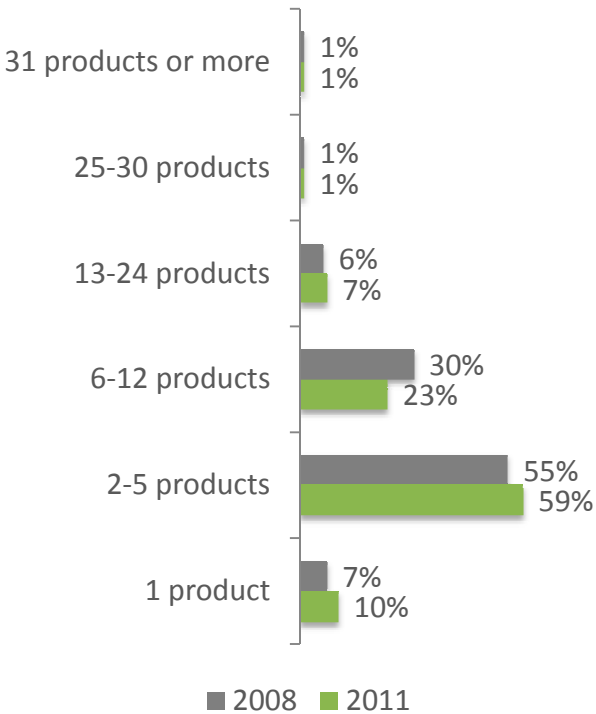
Nearly a third of buyers spend between \$21-\$40 per visit at out-of-state stores, and nearly two thirds purchase less than a handful of products.

IN & OUT OF  
STATE BUYER  
OUT OF STATE  
PURCHASING

How much do you typically spend per visit when you purchase wine and/or spirits out-of-state?



How many products do you typically purchase per visit when you purchase wine and/or spirits out-of-state?



2008: N = 492  
2011: N = 399



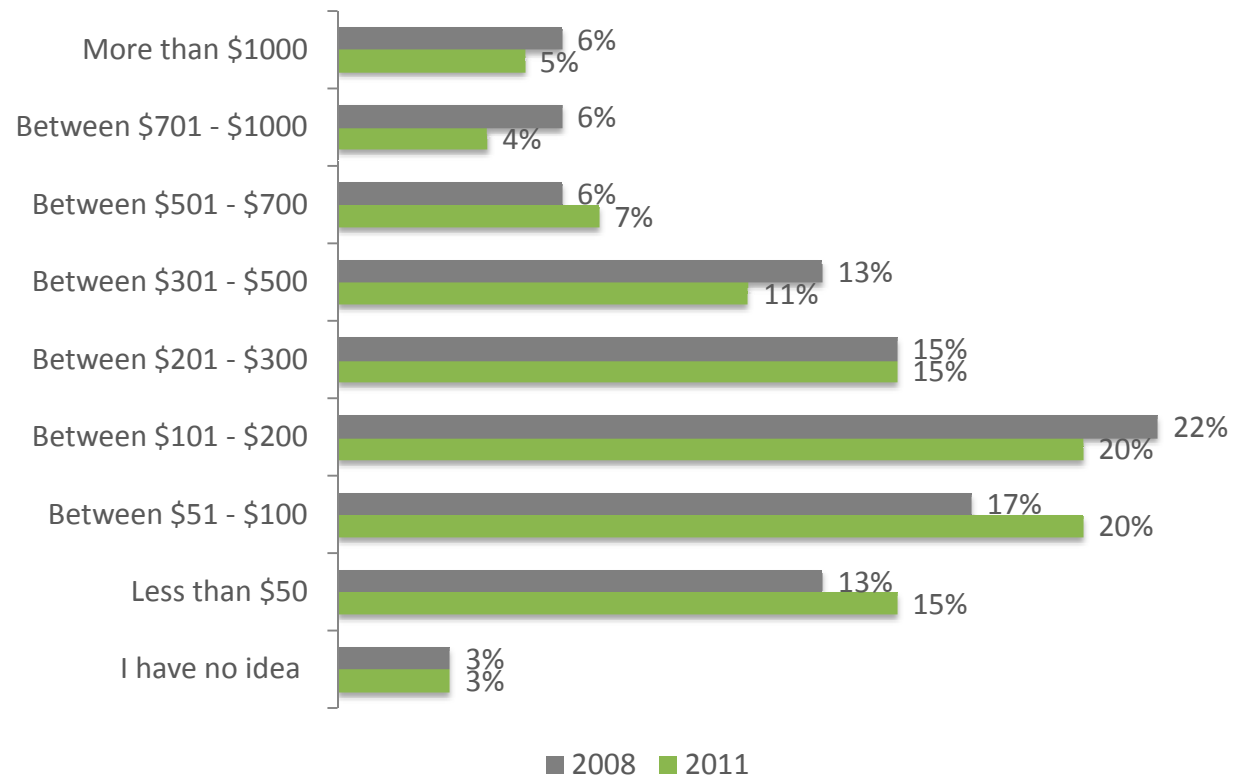




Two in five purchasers spend between \$51-\$200 annually on wine and spirits out-of-state.

## IN & OUT OF STATE BUYER OUT OF STATE PURCHASING

**About how much money do you typically spend each year on wine and/or spirits that you purchase out-of-state?**



2008: N = 492  
2011: N = 399



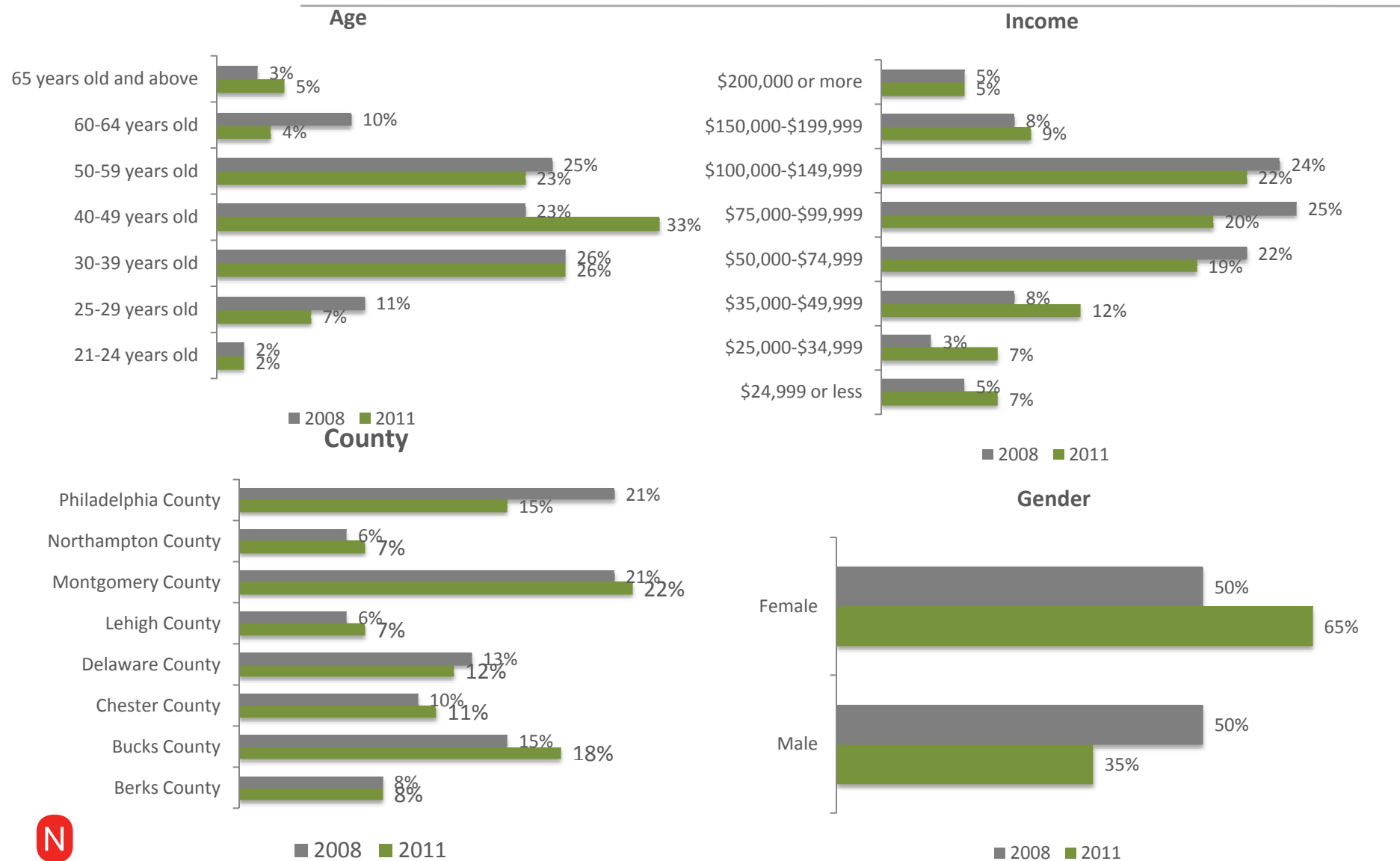


## FULL SAMPLE



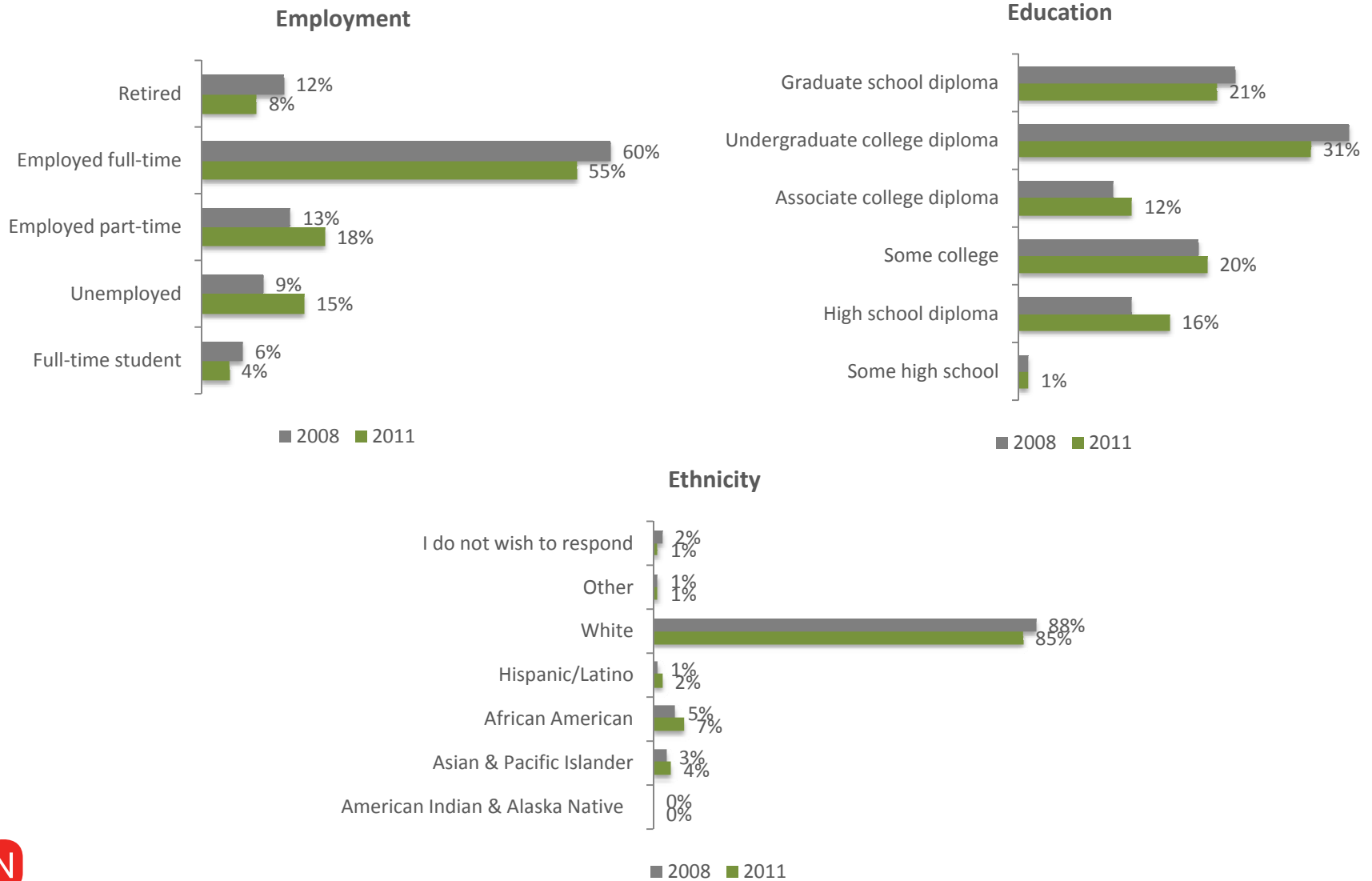


Over 80% of respondents are between the ages of 30-59 with a household income ranging between \$50,000-\$150,000. The majority of the sample live in Montgomery, Bucks and Philadelphia counties.





Over half of respondents are employed full-time and highly educated. The majority of all respondents are white.







THANK  
YOU

