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A Tale of Two Wine Clubs

CiderCon, February 4th




EARLY MOUNTAIN
CABERNET FRANC
CAPSTONE VINEYARD
2019
—
VIRGINIA
▼


EARLY MOUNTAIN
ROSÉ
QUAKER RUN VINEYARD
2020
—
VIRGINIA
▼

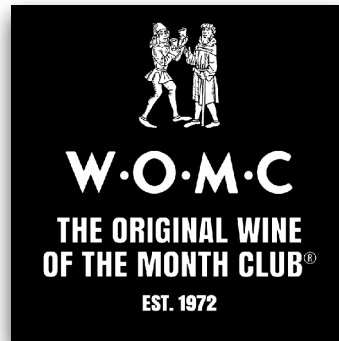
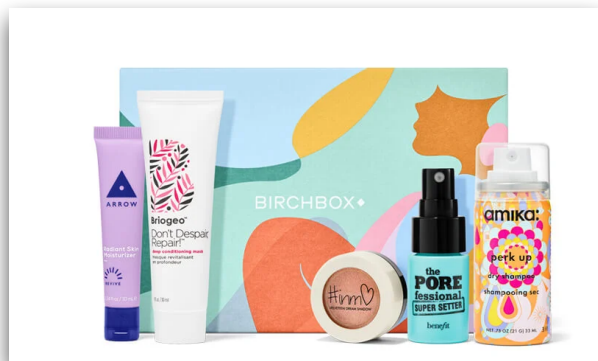

EARLY MOUNTAIN
FIVE FORKS
2020
—
VIRGINIA
▼



The Rise of Subscription Sales



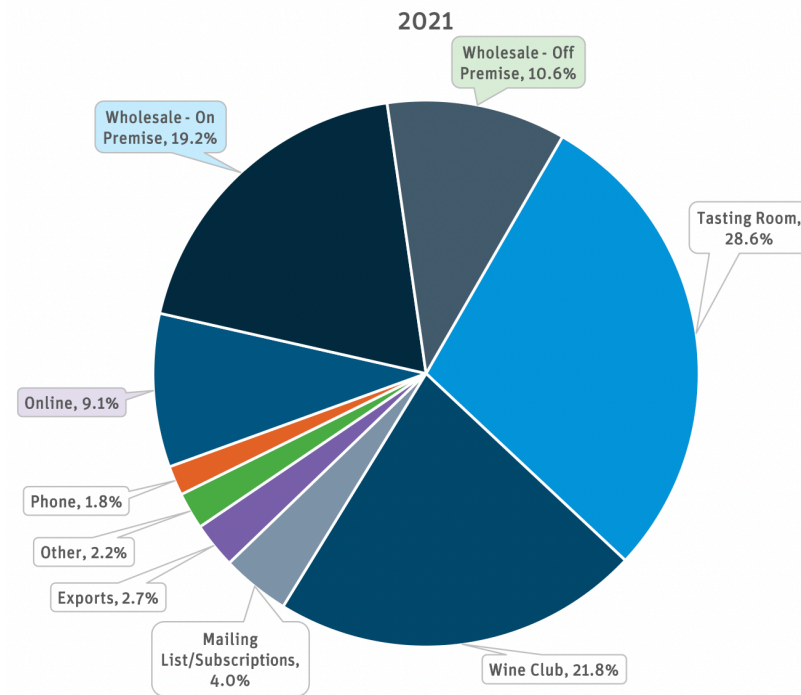
NETFLIX





U.S. Winery Club Statistics

Average Winery Channel Mix



- ▼ Average Member Lifetime: 22 months
- ▼ 83% of Wineries have a Wine Club
- ▼ Wine Clubs increase Direct-to-Consumer %
- ▼ Wine Clubs are the Most Profitable Channel for Most Wineries
- ▼ Most Wine Clubs are small with <1000 members

For US Wineries, an average of **26% of wine sales revenue** was generated by Wine Club/Subscription channel in 2021 (consistent with 2020) - Silicon Valley Bank, 2022 State of the Wine Industry

1 California Winery Advisor, Wine Club Survey 2015
2 Silicon Valley Bank, 2016 Direct to Consumer Report
4 Wine Business Monthly



Early Mountain

Utilizes Wine Club(s) to deepen our consumer relationships and reinforce our core brand.



What is Early Mountain?

Premium Wine Producer with a committed customer base forging a new path in Virginia and gaining recognition from top press and trade

Destination Winery renowned for its tasting room experience, world class dining, destination weddings, and phenomenal events

Lifestyle Brand imbued with an appreciation for local, craft Virginia products and other craft / quality focused Virginia wines



Early Mountain's Wine Club(s) leverage all aspects of our core brand offerings to form deep consumer relationships and offer unique Club experiences.



Wine Clubs: 1784 Wine Club

Strategic wine sales growth channel driven by high engagement and loyalty; builds incremental direct to consumer sales beyond the Tasting Room.

Club Structure/Incentives

- **Quarterly shipments** of 3 winemaker selected bottles
- **Pick-up events:** exclusive weekends, festivals, soirées
- **15% discount** on all wine, additional benefits in Tasting Room
- **Complimentary glass of wine** with visit

Club Statistics

- **Avg. Club Lifetime:** 28.5 months
- **TR Conversion:** Covid conditions created dramatic shift in conversion... 8% to 4.5% back to 7%
- **Avg Lifetime Value:** \$2400**





1784 Wine Club

Covid Conditions gave us new insights and new approaches to this core club

Retention was the new Conversion

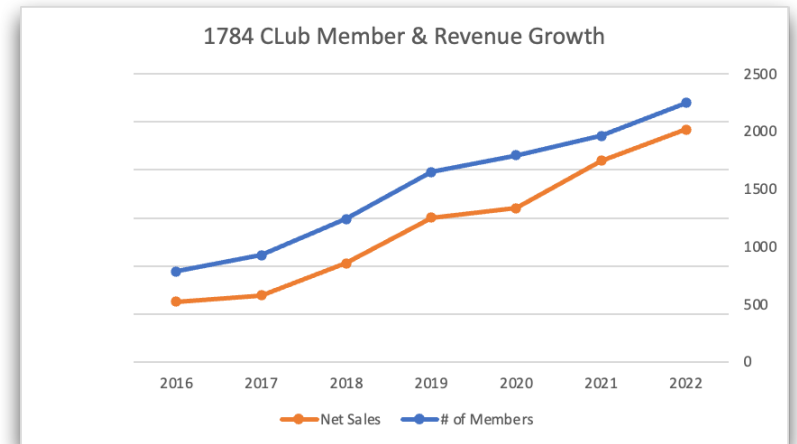
- Retention shifted from 53% (2018) to 63% (2019) to 78% (2020) - holding strong in 2021
- Conversion outside the Tasting Room

Events shifted to exclusive and specialized

- Quarterly Pick-Up Parties
- Tiered options
- Elevation Tasting

Offerings focused towards exclusive & flexible

- Production Planning
- New Management
- Add-ons





Wine Clubs: Taste of Virginia

Leverages strong relationships with top Virginia wineries to bundle small batch & unique offerings, allowing incremental membership & revenue growth

Club Structure/Incentives

- 2x's / Year, 6 Wines per Shipment
- Winemaker Connection
- Access, not Discounts

Club Statistics

- 2/3 Shipping Members
- ~35% double Club members
- Almost 100% virtual sign ups

Tasting Booklet tells the story behind each label.







Wine Club Strategy

Formulate structure, messaging, and incentives to support core business and brand.



Club Branding

The best clubs utilize language, incentives, and structure that reinforce their core brand ethos.



Midland: Wine - Share

- 2 x's/year, focused towards friends, family, colleagues
- Evokes the CSA model in language and tone
- 20% Discount + access to tiny production wines
- Long form descriptions of the growing seasons / insights into the geeky side of wine growing



RdV: Ambassador Program, Reserve List

- Allocation release periods give Ambassadors the opportunity to "acquire" RdV wines.
- Building a "Reserve List" to tap once quantities increase
- No discounts -100% based on access to collectible and highly rated wines, Member-Only events



Club Incentives

Discounts, events and special access all help gain and maintain devoted Club Members



STONE  TOWER
WINERY
EST 2009 * LEESBURG, VIRGINIA



PIPPIN HILL FARM
& vineyards



VERITAS



Club Incentives: California Model(s)

Clubs range from allocation based with long wait list periods to highly tied to lifestyle based with highly sought after experiences and access to low production gems. Even mass market brands have invested in Club.



ROCHIOLI
VINEYARDS & WINERY



SCRIBE.
WINERY - VINEYARDS - CELLARS



THE PRISONER
WINE COMPANY



Best Practices / Tools

Consumer Relationship Management / Resources

- Utilize tools that best allow you to analyze data / engage with your club members
- Integration amongst systems
- Ownership amongst the team both for recruitment & management
- Data, data, data

Align Incentives with your Brand / Points of Difference

- Events/in person vs. other incentives
- Structure that aligns with portfolio, release schedule
- Pricing model that allows profitability + fits with other volume or release incentives
- PLAN AHEAD





Your Own Club

Formulate structure, messaging, and incentives to support core business and brand.





Questions

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