# WINEMETRICS
# 2011 On-Premise Wine Distribution Report

## Featuring 2010-2011 Trend Analysis

WINEMETRICS

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## Introduction

This is our fourth edition of **Winemetrics** *On-Premise Wine Distribution Report*. We have compressed the collection and delivery time considerably in order to provide our clients with more actionable information. This report is based on wine list data compiled in the last quarter of 2011 and the first quarter of 2012.

The continued recession has been particularly hard on the restaurant industry. According to CHD-Expert, a global foodservice market research firm, the full-service restaurant market declined by 12,000 operators, nearly 4%, in 2011. While consumers spent more in restaurants than in the two previous years, their spending focused on casual dining as fine dining restaurants shrank by 4.6% in 2011.

The state of the restaurant industry has prompted us to modify our restaurant sample, substituting bankrupt and declining chains with those that have greater long term growth potential. We have replaced approximately 14 percent of the chains and restaurant groups we monitor to capture leading edge wine list trends. Despite an overall decline of 5% of the chains monitored in our 2011 report, the organic growth of the chains we have retained plus the larger average lists of the replacements have resulted in a 7% increase in overall by-the-bottle listings and a 27% increase in by-the-glass listings. The BTG increase can also be attributed to increased BTG offerings by the accounts in our sample and better data collection from chains that do not list BTG offering on their BTB lists. By focusing our attention on the nation’s most dynamic chains we are enhancing the value of our report as these will continue to be the greatest source of on-premise wine sales.

To accommodate this one-time correction caused by this much needed sample adjustment, we have added an additional column to our data tables indicating a percentage of total for each category. This will provide an objective comparison of how well a brand, variety, region or price segment fared in 2011 as a percentage of the total versus 2010. Also we have adjusted the % Change column of each table to reflect the differences in the percentages of total columns, not the raw data.

Should you wish to acquire more detailed information about specific US markets or wine varieties, regions or brands, please contact us at info@winemetrics.com.

Charles Gill
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## New Features in this Report

Given the larger body of data accumulated for this report, we have added a % Total column in each table to compare the changes of each data segment based on the % of the total, not the raw data. Also, the % Change column is now based on the difference between the 2011 and 2010 % Total columns, not the #Listings data. Note that in the table below, the Red, Still portion of our sample increased in # Listings yet actually fell on a percentage basis which is reflected in the % Change column.

| BTB Wine Type | 2011 | % Total | 2010 | % Total | % Change |
|---|---|---|---|---|---|
| **All, Sparkling** | 1841 | 4.7% | 1938 | 5.3% | -11.1% |
| **Red, Still** | 23295 | 59.5% | 22122 | 60.4% | -1.4% |
| **Rose, Still** | 1137 | 2.9% | 1070 | 2.9% | -0.5% |
| **White, Still** | 12675 | 32.4% | 11431 | 31.2% | 3.8% |
| **Other** | 189 | 0.5% | 68 | 0.2% | 160.1% |
| **Total** | 39137 | | 36629 | | |

## About Winemetrics

**Winemetrics** is the leading source of on-premise wine information and analysis, and provides the most complete, objective wine market intelligence available. The founder of Winemetrics, Charles Gill, has 30 years of experience at all levels of the wine industry and has been providing on-premise wine distribution analysis to the industry for the past decade.

This year we will be producing an enhanced version of our Chain Restaurant Report, increasing its coverage to 150 chains and restaurant groups nationwide. We will also offer clients the option of analyzing a particular chain's wine list for specific distribution opportunities based on a client's brand portfolio.

More information and demos of our leading-edge products are found at www.winemetrics.com, or email us anytime at info@winemetrics.com.

**About Our On-Premise Sample**

From November 2011 to March 2012, we once again sampled a representative group of wine lists from over 165 national and regional chains and restaurant groups. This 800+ account sample represents approximately 8000 restaurants nationwide and provides a very real picture of the wines being ordered and consumed on-premise. As in our 2010 report, we used guidelines to more accurately capture the highest volume wines. We have reduced the influence of library wines, vertical selections and other luxury wines that often have a significant wine list presence but represent far less dollar volume in this economic climate. We continue to use the standards below in creating our survey:

- Establishing an upper limit of 500 unique wines and lower limit of 12 unique wines on each sampled list
- Not including separate reserve wine lists in our sample
- Eliminating vertical reserve lists of older vintages
- Capturing representative samples of national chains to account for their size and importance in the on-premise wine market

This year we replaced approximately 14% of the chains in our survey, due closures, bankruptcies or lack of updated online information. In each case, substituted restaurants were of the same type (e.g. Casual Dining) and cuisine (e.g. Seafood) and contained basically the same number of unique wines. Also, we have expanded our search for by-the-glass data among accounts that may not list this information on the wine list itself. This has resulted, along with the organic growth of wine lists and the increase in the number of units of the chains we monitor, in a BTG increase of 30%.

A list of the national and regional chains and restaurant groups is included on the following page.

Also, please note that as we are including both *By the Bottle (BTB)* and *By the Glass (BTG*) distribution analysis in this report, all graphs and tables will be labeled *BTB* or *BTG* to indicate the source of the data.

## List of Major Restaurant Chains/Groups Used in Our Sample

Anthony's Coal Fired Pizza
Bahama Breeze
Bandera
Bar Louie
Benihana
Bertucci's
Biaggi's
BJ's Brewhouse
Black Angus
BlackFinn
Bobby Van's
Bonefish Grill
Bravo Cucina Italiana
Brio Tuscan Grille
Bristol/Devon Seafood
Buca di Beppo
Burton's Grill
CA Pizza Kitchen
Cameron-Mitchell
Cantina Laredo
Canyons
Capital Grille
Carino's Italian Grill
Carraba's
Cattlemens
Champps
Charleston's
Charlie Brown's
Chart House
Cheesecake Factory
Chin Chin
China Grill Mgmt.
Chophouse of NC
Chuck's Steakhouse
Claim Jumper
Clyde's
Copeland's
Craft
Crave
Daily Grill
Duke's Chowderhouse
Elephant Bar & Restaurant
Finn & Porter
Firebirds Rocky Mtn. Grill
Fishmarket
Flanigan's
Flemings
Fogo de Chao
Francesca's
Gallagher's
George Martin
Gordon Biersch
Grand Lux Café
Granite City
Green Mill
Grillsmith
Hennessey's
Hillstone
Hooked on Harry's
Houlihan's
Houston's
Il Fornaio
Islamorada Fish Company
J. Alexanders
J. Gilbert's
Joe's American Bar & Grill
Joey
Johnny's Italian Steakhouse
Keg Steakhouse
Kimpton Resturants
Kincaid's
King's Fish House
Kona Grill
Landry's Seafood
Lark Creek Restaurants
Legal Seafood
LEYE Restaurants
Ling & Louies
Longhorn Steakhouse
Louise's Trattoria
MacKay Group
Maggiano's
Maria's Italian Kitchen
Market Broiler
Marmalade Café
McCormick & Schmick's
Melting Pot, The
Mimi's Café
Mitchell's
Mon Ami Gabi
Morton's
Nobu
North
Not Your Average Joe's
Ocean Prime
Oceanaire
Olive Garden
One Group
Osha Thai
Outback Steakhouse
Palomino
Papa Razzi
Pappadeaux Seafood Kitchens
Pappa's Seafood House
Pastini Pastaria
Patina Restaurant Group
Patsy Grimaldi's
PF Chang's China Bistro
Phillips Seafood
Piatti
Quaintance-Weaver
Quarterdeck
RA Sushi
Ram Brewery
Real Seafood
Red Lobster
Redstone American Grill
Rockbottom
Romano's Macaroni Grill
Rosebud Restaurants
Roy's
Ruby Tuesday's
Russo's NY Pizza
Ruth's Chris
Salt Creek Grille
Saltgrass Steakhouse
Seasons 52
Select Restaurants
Shulas
Skipjacks
Spaghetti Warehouse, The
Spencer's
Stanford's
Starr Restaurants
Stefani Restaurants
Stonewood Grill & Tavern
Stoney River Steaks
Sullivan's
Sushi Samba
Tahoe Joe's
Ted's Montana Grill
Texas de Brazil
Texas Land & Cattle
The Chophouse
The Palm
Tommy Bahama
Tony Roma's
Truluck's
Uno Chicago Grill
Village Tavern
Weber Grill
Wildfire
Wolfgang Puck
Wood Ranch
Yardhouse
Zios Italian

# Part I: By the Bottle (BTB) Distribution Analysis

## By The Bottle (BTB) Analysis Summary

*Breakdown by Wine Type*

Red still wine, dipped below 60% of listings for the first time in our surveys, with white wines picking up the difference. Rose remained steady with 3% of listings and sparkling dropped over 10%.

**BTB Listings by Wine Type**

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | # Listings | % Total | # Listings | % Total | % Change |
| **All, Sparkling** | 1841 | 4.7% | 1938 | 5.3% | -11.1% |
| **Red, Still** | 23295 | 59.5% | 22122 | 60.4% | -1.4% |
| **Rose, Still** | 1137 | 2.9% | 1070 | 2.9% | -0.5% |
| **White, Still** | 12675 | 32.4% | 11431 | 31.2% | 3.8% |
| **Other** | 189 | 0.5% | 68 | 0.2% | 160.1% |
| **Total** | 39137 | | 36629 | | |

*Breakdown by Country of Origin*

The United States, while posting a listings increase, fell 2% in percentage of all listings. Big winners in both number and percentage of listings were Argentina, New Zealand and Spain. It also appears that Australia has engineered a turn around with a healthy 6% increase over last year. Surprisingly, Chile suffered a 15% decline, largely due to the surging popularity of cheap, well-crafted reds from Argentina and Spain. France continues to lose ground but appears to have slowed its decline after last year's 10% drop. South Africa achieved modest listing growth while declining as a percentage of total volume.

**BTB Listings by Country**

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | # Listings | % Total | # Listings | % Total | % Change |
| **US** | 24893 | 63.6% | 23666 | 64.6% | -1.6% |
| **Italy** | 6248 | 16.0% | 5516 | 15.1% | 6.0% |
| **France** | 2587 | 6.6% | 2600 | 7.1% | -6.9% |
| **Australia** | 1925 | 4.9% | 1693 | 4.6% | 6.4% |
| **Argentina** | 914 | 2.3% | 760 | 2.1% | 12.6% |
| **New Zealand** | 713 | 1.8% | 592 | 1.6% | 12.7% |
| **Chile** | 535 | 1.4% | 591 | 1.6% | -15.3% |
| **Spain** | 577 | 1.5% | 492 | 1.3% | 9.8% |
| **Germany** | 352 | 0.9% | 322 | 0.9% | 2.3% |
| **South Africa** | 262 | 0.7% | 253 | 0.7% | -3.1% |
| **Other** | 131 | 0.3% | 144 | 0.4% | -14.9% |
| **Total** | 39137 | | 36629 | | |

*BTB Breakdown by Variety*

Of the top 6 varieties, half lost distribution, with Merlot taking a 12% loss in percentage of total but just a 6% drop in total listings. Sauvignon Blanc and Pinot Grigio have appeared to have reversed roles from last year. Could this be a signal that the passion for this white variety has peaked? The same may be said for Chardonnay as it declines slightly for the second year in a row. Solid increases by Pinot Noir (+2%) may mean that Merlot's days as the #3 variety on-premise are numbered. It is now at parity with Pinot Noir in our survey and a repeat performance of this year would relegate it to 4th place. Riesling listings topped those of White Zinfandel for the first time in our survey but both dipped slightly as a percentage of listings, probably victims of the surging white 'hot varieties'.

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| **Variety** | **# Listings** | **%Total** | **# Listings** | **%Total** | **%Change** |
| **Cabernet Sauvignon** | 6282 | 16.1% | 5668 | 15.5% | 3.7% |
| **Chardonnay** | 5226 | 13.4% | 5077 | 13.9% | -3.7% |
| **Merlot** | 3262 | 8.3% | 3460 | 9.4% | -11.8% |
| **Pinot Noir** | 3258 | 8.3% | 3000 | 8.2% | 1.6% |
| **Pinot Grigio** | 2139 | 5.5% | 2177 | 5.9% | -8.0% |
| **Bordeaux Blend*** | 2137 | 5.5% | 1914 | 5.2% | 4.5% |
| **Sauvignon Blanc** | 1911 | 4.9% | 1626 | 4.4% | 10.0% |
| **Sangiovese** | 1702 | 4.3% | 1668 | 4.6% | -4.5% |
| **Riesling** | 1307 | 3.3% | 1248 | 3.4% | -2.0% |
| **Syrah/Shiraz** | 1256 | 3.2% | 1253 | 3.4% | -6.2% |
| **Brut** | 1218 | 3.1% | 1222 | 3.3% | -6.7% |
| **Zinfandel** | 1174 | 3.0% | 1165 | 3.2% | -5.7% |
| **White Zinfandel** | 906 | 2.3% | 942 | 2.6% | -10.0% |
| **Other** | 7375 | 18.8% | 6152 | 16.8% | 12.2% |
| **Total** | 39137 | | 36629 | | 6.8% |

* includes all traditional Bordeaux variety blends.

The 'hot' varieties list is almost identical to last years, with Red Blends taking the place of Petite Sirah which cooled off in 2011.

**'Hot' Varieties Growth**

| | # BTB Listings | | |
|---|---|---|---|
| | **2011** | **2010** | **% Change** |
| **Malbec** | 797 | 533 | 50% |
| **Red Blend*** | 648 | 350 | 85% |
| **White Blend*** | 511 | 294 | 74% |
| **Moscato Bianco** | 514 | 188 | 173% |
| **Prosecco** | 218 | 139 | 57% |
| **Albarino** | 122 | 100 | 22% |
| **Chenin Blanc** | 120 | 104 | 15% |
| **Torrontes** | 59 | 41 | 44% |
| **Total** | 2989 | 1749 | 71% |

*BTB Breakdown by Price*

The <$25 segment suffered the largest decline as pricing pressures continue to erode this once robust segment. The $100+ segment seemed to stabilize after last year’s double-digit decline; this may be a sign that affluent consumers are increasing their on-premise spending on luxury wines. Another positive sign of a recovery is the solid growth of the $40-$59.99 segment which declined -5% in last year’s survey.

**BTB Distribution by Wine List Price Segment**

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | # Listings | % Total | # Listings | % Total | % Change |
| **No Price *** | 676 | 2% | 0 | | |
| **<$25** | 4399 | 11% | 6122 | 16.7% | -28% |
| **$25-$39.99** | 14992 | 38% | 13189 | 36.0% | 14% |
| **$40-$59.99** | 8196 | 21% | 6760 | 18.5% | 21% |
| **$60-$100** | 6362 | 16% | 6418 | 17.5% | -1% |
| **$100+** | 4512 | 12% | 4140 | 11.3% | 9% |
| | 39137 | | 36629 | | 7% |

Top 100 Brands On-Premise

This has been a year of dramatic changes in wine brand ranking and there are almost too many to list in the space allocated to this section. Here is a short summary by rank segment.

Top 10:
- *Cultivate* is a producer that supplies Ruby Tuesday with 6 varietal wines. By virtue of the size of this chain, it has allowed this brand, which was not even listed in last year’s report to capture the # 4 ranking BTB on-premise. This is an example of the power a major chain can have on a brand.
- *Francis Coppola* jumps from # 10 to #5 based on its broad portfolio acceptance across diverse chains.

Top 20
- J. Lohr surges from # 19 to #11 largely due to its popular Seven Oaks Cabernet Sauvignon.
- Caymus advances from #24 to #15 supported by the continuimg popularity of its white blend, Conundrum
- Seven Daughters climbs from #48 to #18 as it’s white blend takes hold on a number of national chain wine lists.

Top 30
- MacMurray Ranch rises from #49 to #29 as a result of continuing demand for its Pinot Noir.

## Zinfandel

## By The Bottle (BTB) Distribution

Zinfandel increased less than 1% in listings and lost about 6% in share. It lost distribution in all segments but the $40-$59.99 segment where it acquired enough distribution to offset the losses in the other price segments.

## BTB Distribution by Price

**Zinfandel BTB by Price**

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | # Listings | % Total | # Listings | % Total | % Change |
| **<$25** | 61 | 5% | 146 | 13% | -58.5% |
| **$25-$39.99** | 471 | 40% | 496 | 43% | -5.8% |
| **$40-$59.99** | 415 | 35% | 246 | 21% | 67.4% |
| **$60-$100** | 212 | 18% | 257 | 22% | -18.1% |
| **>$100** | 15 | 1% | 20 | 2% | -25.6% |
| | 1174 | | 1165 | | |

**BTB Distribution by Brand**

There were few surprises in the brand hierarchy of Zinfandel in 2011, with one exception. Bonterra appeared out of nowhere to capture the # 2 position behind perennial leader Ravenswood. Another surprise was the disappearance of Bogle, it was #3 in 2010 but nowhere to be found among the top 25 in 2011.

*Top 25 BTB Zinfandel Producers*

| 2011 | | | | 2010 | | |
|---|---|---|---|---|---|---|
| **Producer** | **# Listings** | **Average Price** | **Rank** | **Producer** | **# Listings** | **Average Price** |
| Ravenswood | 278 | $31.08 | **1** | Ravenswood | 300 | $29.73 |
| Bonterra | 86 | $39.88 | **2** | Rancho Zabaco | 93 | $26.98 |
| Seghesio | 62 | $52.37 | **3** | Bogle | 90 | $20.23 |
| Rosenblum | 61 | $51.68 | **4** | Rosenblum | 54 | $49.67 |
| Ridge | 46 | $60.48 | **5** | Ridge | 53 | $61.47 |
| Rancho Zabaco | 44 | $29.22 | **6** | Seghesio | 35 | $53.51 |
| Terra D' Oro | 39 | $48.56 | **7** | Murphy-Goode | 28 | $41.46 |
| Cline | 30 | $34.43 | **8** | Terra d'Oro | 28 | $49.29 |
| St. Francis | 29 | $58.48 | **9** | St. Francis | 26 | $54.38 |
| Frog's Leap | 27 | $57.89 | **10** | Frog’s Leap | 21 | $65.33 |
| Gnarly Head | 26 | $26.41 | **11** | Kenwood | 21 | $47.10 |
| Murphy-Goode | 22 | $41.18 | **12** | Kunde | 21 | $50.95 |
| Kunde | 21 | $44.42 | **13** | Cline | 20 | $27.30 |
| Daou | 19 | $63.47 | **14** | Grgich Hills | 18 | $82.67 |
| Grgich Hills | 19 | $81.74 | **15** | Turley | 17 | $95.35 |
| Montevina | 19 | $25.47 | **16** | Edmeades | 14 | $47.00 |
| Alexander Valley Vine | 18 | $37.67 | **17** | Hartford Court | 12 | $59.67 |
| Brazin | 16 | $31.00 | **18** | Montevina | 12 | $31.50 |
| Michael David | 16 | $39.31 | **19** | Calistoga | 11 | $60.09 |
| Orin Swift | 14 | $72.79 | **20** | Cosentino | 11 | $47.27 |
| Francis Coppola | 13 | $43.38 | **21** | Klinker Brick | 11 | $80.41 |
| Turley | 13 | $93.08 | **22** | Terra D' Oro | 11 | $63.36 |
| Medusa | 12 | $57.17 | **23** | Hunnicutt | 10 | $65.00 |
| Edmeades | 11 | $42.09 | **24** | Mauritson | 10 | $72.30 |
| Zig Zag | 11 | $32.00 | **25** | Coppola, Francis | 9 | $46.11 |

## Spain BTB Distribution by Type, Variety and Price

### Spain BTB Distribution by Type

Spain is fulfilling its potential on-premise. Long successful in the off-premise, Spain now is gaining acceptance for both its reds and whites on-premise. In 2011, it surpassed Chile to capture 7th place behind New Zealand.

| Spain BTB by Type | | 2011 | | 2010 | |
|---|---|---|---|---|---|
| | # Listings | % Total | # Listings | % Total | % Change |
| Sparkling | 34 | 6% | 28 | 6% | 4% |
| Red, Still | 389 | 67% | 344 | 70% | -3% |
| Rose, Still | 4 | 1% | 4 | 1% | -14% |
| White, Still | 147 | 25% | 115 | 23% | 9% |
| Total | 577 | | 494 | | 17% |

### Spain BTB Distribution by Variety

Tempranillo and its blends still comprise over half of Spain's BTB distribution with Albarino accounting for another 20%. These signature varieties All varieties contributed to growth in 2011 (combining Grenache and Grenache blends as a single category).

| Spain BTB by Variety | | | | | |
|---|---|---|---|---|---|
| | | 2011 | | 2010 | |
| | # Listings | % Total | # Listings | % Total | % Change |
| Tempranillo | 294 | 51% | 257 | 52% | -2.1% |
| Albarino | 118 | 20% | 96 | 19% | 5.2% |
| Cava | 33 | 6% | 28 | 6% | 0.9% |
| Grenache | 15 | 3% | 24 | 5% | -46.5% |
| Grenache Blend | 35 | 6% | 15 | 3% | 99.8% |
| Other | 82 | 14% | 74 | 15% | -5.1% |
| Total | 577 | | 494 | | |

### Spain BTB Distribution by Price

While losing distribution in the <$25 segment, Spain more than made up for the loss in the $25-$39.99 segment increasing its share under $40/bottle from 47% to 56%. Double-digit gains were also achieved in the >$100 segment.

| Spain BTB by Price | | 2011 | | 2010 | |
|---|---|---|---|---|---|
| | # Listings | % Total | # Listings | % Total | % Change |
| <$25 | 17 | 3% | 36 | 7% | -59.8% |
| $25-$39.99 | 307 | 53% | 200 | 40% | 31.4% |
| $40-$59.99 | 116 | 20% | 99 | 20% | 0.5% |
| $60-$100 | 74 | 13% | 120 | 24% | -46.9% |
| $100+ | 53 | 9% | 37 | 7% | 22.7% |
| | 577 | | 494 | 17% | |

**BTB Distribution by Brand**

Albarino producer Martin Codax remains atop the Spanish ranking for the second year in a row. Well known Rioja producers Montecillo, Marques de Riscal and Marques de Caceres all lost distribution indicating that less traditional producers are fueling the growth of Spanish wine on-premise. In a sign that the success of Spanish wines is not all about price, luxury brand Numanthia doubled its distribution and ranking, securing the #3 spot in 2011.

*Spain BTB Top 15 Producers*

| **2011** | | | | **2010** | | |
|---|---|---|---|---|---|---|
| **Producer** | **# Listings** | **Average Price** | **Rank** | **Producer** | **# Listings** | **Average Price** |
| Martin Codax | 56 | $32.87 | **1** | Martin Codax | 36 | $31.72 |
| Campo Viejo | 42 | $41.57 | **2** | Montecillo | 36 | $35.00 |
| Numanthia | 21 | $149.14 | **3** | Marques de Riscal | 25 | $49.44 |
| Almira | 20 | $26.00 | **4** | Campo Viejo | 18 | $66.61 |
| Massimo | 20 | $27.00 | **5** | Marques de Caceres | 17 | $60.94 |
| Fillaboa | 19 | $36.42 | **6** | Fillaboa | 15 | $28.77 |
| Montecillo | 16 | $42.50 | **7** | Freixenet | 14 | $20.92 |
| Vall Llach | 15 | $71.50 | **8** | Tapena | 14 | $21.50 |
| Caceres, Marques De | 14 | $54.83 | **9** | Faustino Martinez, Bod | 13 | $74.77 |
| Paco & Lola | 14 | $40.59 | **10** | Numanthia | 10 | $75.70 |
| Vina Mayor | 14 | NA | **11** | Abadia Retuerta | 9 | $57.78 |
| Riscal, Marques De | 13 | $46.83 | **12** | Segura Viudas | 9 | $30.67 |
| Faustino Martinez, Bodega | 12 | $57.00 | **13** | Roda, Bodegas | 8 | $109.00 |
| Palacios Remondo, Bodeg | 12 | $48.00 | **14** | Convento San Francisc | 7 | $96.00 |
| Muga, Bodegas | 11 | $74.36 | **15** | Vall Llach | 7 | $182.00 |
| Red Guitar | 11 | $29.18 | **16** | El Encinal, Finca | 6 | $47.67 |

## Part II: By the Glass (BTG) Distribution Analysis

Our By The Glass (BTG) sample encompasses more than 750 accounts nationwide, with over 20,000 entries. This represents a 27% increase over 2010 which can is largely due to capturing by-the-glass selections not included on or separate from the by-the-bottle wine list. Growth in the chain units that Winemetrics monitors and replacement of declining chains, nearly 15% of our sample, also contributed to this growth of BTG listings. The dramatic increase in BTG listings has compelled us to express changes in distribution as percentages of share to reflect true increases over 2010 levels.

### BTG Distribution by Type

Red still wine fell -4% in 2011 and is now below 50% of BTG distribution with the white table wines absorbing red's losses to increase 6%. Rose was off nearly -9% and Sparkling increased its distribution +2%.

**All BTG by Type**

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | # Listings | % Total | # Listings | % Total | % Change |
| **Sparkling Wine** | 1140 | 5.5% | 874 | 5.4% | 2.4% |
| **Red Table Wine** | 10311 | 49.8% | 8434 | 51.9% | -4.0% |
| **Rose Table Wine** | 1032 | 5.0% | 886 | 5.5% | -8.5% |
| **White Table Wine** | 8104 | 39.2% | 6012 | 37.0% | 5.8% |
| **Other** | 110 | 0.5% | 44 | 0.3% | 96.3% |
| | 20697 | | 16250 | | |

## BTG Distribution by Variety

The By-the-Glass (BTG) varietal hierarchy outlined below has a few surprises. First is the growth of Sauvignon Blanc which grew 29% in distribution and jumped from 9th to 6th in BTG ranking. Less abrupt and surprising was Riesling overtaking White Zinfandel in BTG listings. Growing varieties in 2011 were Malbec which more than doubled its 2010 presence, Sauvignon Blanc which increased 29% and Pinot Noir which grew 4% in share. The biggest losses were endured by White Zinfandel (-17%), Merlot and Syrah/Shiraz (-12%), Pinot Grigio/Gris (-11%) and Zinfandel (-10).

| 2011 | | | 2010 | | |
|---|---|---|---|---|---|
| **Producer** | **# Listings** | **% Total** | **# Listings** | **% Total** | **% Change** |
| Chardonnay | 3066 | 14.8% | 2608 | 16.0% | -7.7% |
| Cabernet Sauvignon | 2429 | 11.7% | 1909 | 11.7% | -0.1% |
| Merlot | 1999 | 9.7% | 1791 | 11.0% | -12.4% |
| Pinot Grigio/Gris | 1699 | 8.2% | 1499 | 9.2% | -11.0% |
| Pinot Noir | 1583 | 7.6% | 1192 | 7.3% | 4.3% |
| White Zinfandel | 907 | 4.4% | 853 | 5.2% | -16.5% |
| Riesling | 991 | 4.8% | 821 | 5.1% | -5.2% |
| Sangiovese | 913 | 4.4% | 784 | 4.8% | -8.6% |
| Sauvignon Blanc | 1166 | 5.6% | 712 | 4.4% | 28.6% |
| Zinfandel | 600 | 2.9% | 525 | 3.2% | -10.3% |
| Syrah/Shiraz | 558 | 2.7% | 498 | 3.1% | -12.0% |
| Brut | 623 | 3.0% | 489 | 3.0% | 0.0% |
| Bordeaux Blend | 392 | 1.9% | 301 | 1.9% | 2.3% |
| Malbec | 540 | 2.6% | 251 | 1.5% | 68.9% |
| Other | 3231 | 15.6% | 2017 | 12.4% | 25.8% |
| Total | 20697 | | 16250 | | |

## BTG Distribution by Country

The U.S. share of the BTG market fell from 66% to 63%, while Australia, New Zealand, France, Argentina, Spain and Germany all gained share. Chile increased its BTG listing but remained at 1% share. South Africa had a very modest listings increase but experienced a decline in share. Argentina's increase was the most dramatic, doubling both listings and market share.

| 2011 | | | 2010 | |
|---|---|---|---|---|
| **Country** | **# Listings** | **% Total** | **# Listings** | **% Total** |
| **US** | 13054 | 63.1% | 10767 | 66.3% |
| **Italy** | 4099 | 19.8% | 3214 | 19.8% |
| **Australia** | 1272 | 6.1% | 956 | 5.9% |
| **New Zealand** | 424 | 2.0% | 300 | 1.8% |
| **France** | 436 | 2.1% | 258 | 1.6% |
| **Argentina** | 526 | 2.5% | 216 | 1.3% |
| **Chile** | 206 | 1.0% | 160 | 1.0% |
| **South Africa** | 119 | 0.6% | 115 | 0.7% |
| **Spain** | 244 | 1.2% | 114 | 0.7% |
| **Germany** | 217 | 1.0% | 106 | 0.7% |
| **Other** | 100 | 0.6% | 44 | 0.3% |
| **Grand Total** | 20697 | | 16250 | |

## BTG Distribution by Price

The largest segment of BTG pricing is $6-$6.99 at 22%, followed closely by segments $7-$7.99 and $8-$8.99, at 17% and 16% respectively. In 2010, wines BTG priced between $5 and $8 dollars account for over 60% of distribution, that fell to 52% in 2011.

**All BTG by Price Segment**

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | # Listings | % Total | # Listings | % Total | % Change |
| **<$5** | 131 | 0.6% | 779 | 4.8% | -5.1% |
| **$5-$5.99** | 2497 | 12.1% | 2909 | 17.9% | -4.2% |
| **$6-$6.99** | 4576 | 22.1% | 3092 | 19.0% | -14.4% |
| **$7-$7.99** | 3530 | 17.1% | 3836 | 23.6% | 29.3% |
| **$8-$8.99** | 3348 | 16.2% | 2506 | 15.4% | 17.5% |
| **$9-$9.99** | 2352 | 11.4% | 1335 | 8.2% | 9.2% |
| **$10-$11.99** | 2141 | 10.3% | 921 | 5.7% | -12.1% |
| **$12+** | 2122 | 10.3% | 872 | 5.4% | 3.9% |
| | 20697 | | 16250 | | 3.6% |

## White Blends BTG Distribution

### BTG Distribution by Country

White Blends are primarily a U.S. creation, controlling 95% of distribution.

**BTG Distribution by Country**

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | **# Listings** | **% Total** | **# Listings** | **% Total** | **% Change** |
| **U.S.** | 244 | 94.9% | $110.00 | 93.2% | 1.8% |
| **Other** | 13 | 5.1% | $8.00 | 6.8% | -46.7% |
| **Total** | 257 | | $118.00 | | |

### BTG Distribution by Price

Distribution of White Blends is atypical with a large percentage over $10/glass. This is due primarily to the success of Caymus' Conundrum.

**BTG Distribution by Price**

| | 2011 | | 2010 | | |
|---|---|---|---|---|---|
| | **# Listings** | **% Total** | **# Listings** | **% Total** | **% Change** |
| **$6-$6.99** | 85 | 33.1% | 26 | 22.0% | 50.1% |
| **$7-$7.99** | 24 | 9.3% | 34 | 28.8% | -67.6% |
| **$8-$8.99** | 25 | 9.7% | 15 | 12.7% | -23.5% |
| **$9-$9.99** | 19 | 7.4% | 8 | 6.8% | 9.0% |
| **$10-$11.99** | 29 | 11.3% | 12 | 10.2% | 11.0% |
| **$12+** | 75 | 29.2% | 23 | 19.5% | 49.7% |
| **Total** | 257 | | 118 | | |

### BTG Distribution by Brand

**TOP 5 WHITE BLEND BTG PRODUCERS**

| 2010 Producer | # Lisitngs | Ave. Price | Rank | 2011 Producer | # Lisitngs | Ave. Price |
|---|---|---|---|---|---|---|
| Seven Daughters | 110 | $7.37 | 1 | Seven Daughters | 52 | $7.48 |
| Caymus | 87 | $13.28 | 2 | Caymus | 34 | $13.58 |
| Folie a Deux | 17 | $8.43 | 3 | Lehmann, Peter | 5 | $8.30 |
| Sokol Blosser | 14 | $11.39 | 4 | Parducci | 5 | $9.00 |
| Parducci | 10 | $7.95 | 5 | Folie a Deux | 4 | $7.90 |
| Lehmann, Peter | 3 | $9.15 | 6 | Sokol Blosser | 4 | $9.69 |
| Bouchard Finlayson | 2 | $10.00 | 7 | White Truck | 4 | $7.25 |

## BTG DISTRIBUTION BY COUNTRY

### South Africa By the Glass Distribution by Type, Variety and Price

### South Africa BTG Distribution by Type

South Africa’s BTG distribution is has a 2:1 ration of red to white..

**South Africa BTG by Type**

| | 2011 # Listings | % Total | 2010 # Listings | % Total | % Change |
|---|---|---|---|---|---|
| **Red Table Wine** | 79 | 66.4% | 88 | 76.5% | -13.2% |
| **Rose Table Wine** | 1 | 0.8% | 0 | 0.0% | ++ |
| **White Table Wine** | 39 | 32.8% | 27 | 23.5% | 39.6% |
| **Total** | 119 | | 115 | | |

### South Africa BTG Distribution by Variety

Chenin Blanc and Sauvignon Blanc increases in distribution offset losses by Cabernet Sauvignon and Chardonnay.

**South Africa BTG by Variety**

| | 2011 # Listings | % Total | 2010 # Listings | % Total | % Change |
|---|---|---|---|---|---|
| **Cabernet Sauvignon** | 69 | 58.0% | 81 | 70.4% | -17.7% |
| **Chardonnay** | 13 | 10.9% | 16 | 13.9% | -21.5% |
| **Chenin Blanc** | 8 | 6.7% | 5 | 4.3% | 54.6% |
| **Sauvignon Blanc** | 14 | 11.8% | 6 | 5.2% | 125.5% |
| **Syrah/Shiraz** | 4 | 3.4% | 5 | 4.3% | -22.7% |
| **Other** | 11 | 9.2% | 2 | 1.7% | 431.5% |
| **Total** | 119 | | 115 | | |

## South Africa BTG Distribution by Price

Over 3/4 of BTG distribution is between $7 and $9, with 2/3 under $8.

**South Africa BTG by Price**

| | 2011 # Listings | % Total | 2010 # Listings | % Total | % Change |
|---|---|---|---|---|---|
| **$5-$5.99** | 0 | 0.0% | 3 | 2.6% | -100.0% |
| **$6-$6.99** | 5 | 4.2% | 32 | 27.8% | -84.9% |
| **$7-$7.99** | 77 | 64.7% | 7 | 6.1% | ++ |
| **$8-$8.99** | 13 | 10.9% | 3 | 2.6% | 318.8% |
| **$9-$9.99** | 4 | 3.4% | 65 | 56.5% | -94.1% |
| **$10-$11.99** | 9 | 7.6% | 3 | 2.6% | 189.9% |
| **$12+** | 11 | 9.2% | 2 | 1.7% | 431.5% |
| **Total** | 119 | | 115 | | |

## Top 5 South Africa BTG Producers

| 2011 | | | | 2010 | | |
|---|---|---|---|---|---|---|
| **Producer** | **# Lisitngs** | **Average Price** | **Rank** | **Producer** | **# Lisitngs** | **Average Price** |
| Excelsior | 67 | $7.25 | **1** | Excelsior | 79 | $8.82 |
| Cape Indaba | 11 | $7.50 | **2** | Cape Indaba | 15 | $6.58 |
| Mulderbosch | 6 | $11.83 | **3** | Brampton | 5 | $6.42 |
| Raats | 5 | $8.50 | **4** | Raats | 4 | $7.50 |
| Beyond | 3 | $10.00 | **5** | Mulderbosch | 3 | $11.33 |
| Brampton | 3 | $8.00 | **6** | Beck, Graha | 2 | $9.75 |
| Forrester, Ke | 3 | $7.00 | **7** | Ellis, Neil | 2 | $6.95 |
| Mulderbosch | 3 | $13.50 | **8** | Forrester, Ke | 2 | $7.00 |
| Bouchard Fin | 2 | $10.00 | **9** | De Toren | 1 | $15.00 |
| De Toren | 2 | $16.00 | **10** | Jam Jar | 1 | $7.00 |