



Virginia Wine Board Marketing Office

2011 Report

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Introduction

Enclosed you will find an overview of general activity YTD for the **Virginia Wine Board Marketing Office (VWBMO)**, along with an outline of upcoming initiatives. This report is being provided to all Virginia wineries. If you have any questions about this report, then please contact Amy.Ciarametaro@VirginiaWine.org, or a representative of the Virginia Wine Board Marketing Office. If you would like to add staff members to the industry blast mailing LISTSERV, then please call our office at (804) 344-8200.

Notice of Virginia Wine Board Meetings:

All Virginia Wine Board (VWB) meetings are public. Wineries are encouraged to participate. Year to date, meetings took place on March 30, May 4, June 8, August 24 and October 24. The next meeting will take place in mid-December 2011. All future notices of meetings will be posted on: <http://www.virginia.gov/cmsportal3/cgi-bin/calendar.cgi>

General Activity YTD

- Designed and distributed the 2011 Virginia Winery Guide
- Promoted the 2011 Governor's Cup for Red Wine Competition / Virginia Wine Expo
- Sponsored Wineries Unlimited (in Richmond)
- Hosted two "First Lady Initiative Team Effort" (FLITE) trade winery tours in various regions of Virginia
- Recruited 340 trade partners (restaurateurs and retailers) to participate in "*Love by the Glass: Virginia Wine Week*"
- Drafted the Virginia Wine Industry Strategic Plan
- Conducted the 2010 Commercial Grape Report Survey
- Released the Sesquicentennial of the Civil War Passport Program
- Launched Phase 4 of VirginiaWine.org
- Hosted the 2011 North American Wine Bloggers Conference
- Fielded more than 155 media requests
- Recruited over 525 trade partners to participate in "*October Virginia Wine Month*"
- Hosted the kickoff to October Virginia Wine Month and the Announcement of the 2011 Governor's Cup for White Wine

VA Wine Board-Sponsored Programs, January 1 – June 30, 2011

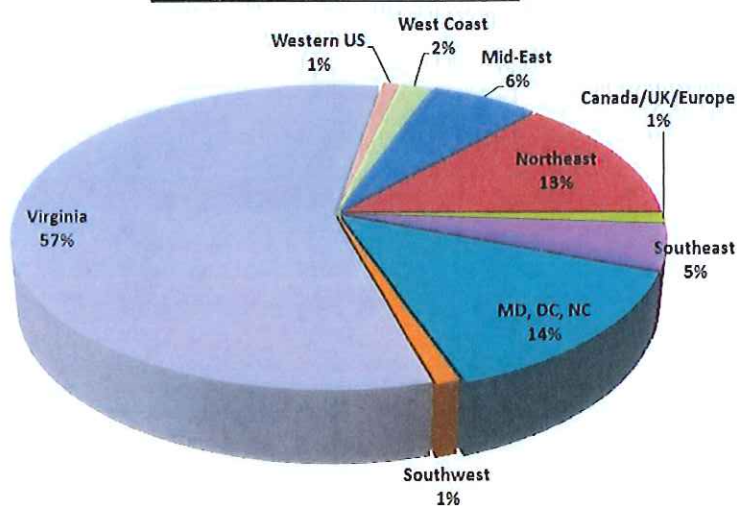
January 2011

2011 Virginia Winery Guide:

For 2011 there were 500,000 Virginia Winery Guides printed. All shipments (even individual consumer requests) are tracked and recorded. 100 percent have been distributed. *** You will notice the total percentage of distributed guides is greater than 100% due to approximately 15,000 overages from our printer.

	Total	% of Total (500k guides) printed
Wineries	134,050	26.81%
Wine Shops or Retailers	112,050	22.41%
Tourism Centers	116,250	23.25%
B&B or Resort	45,150	9.03%
Restaurants	12,150	2.43%
Office Delivery	8,750	1.75%
Misc. Industry Requests	69,800	13.96%
Single Consumers	14,391	2.88%
Multiple Consumer	2,361	0.47%
Total shipped	514,952	102.99%

Winery Guide Distribution by Region



February 2011

FY 2010 2011 VWB Matching Grant:

There were seven Virginia Wine Fund Marketing Matching Grant applications submitted for FY 2010-2011. Of the seven, three were approved by the grant committee. The committee voted to appropriate \$25,000 toward the matching grants, totaling \$50,000 in total statewide marketing initiatives. The second round of grant applications (in July) saw a significant increase in applicants.

Media Tasting of the Governor's Cup Gold Medal Winners:

All Gold Medal winners for the 2011 Governor's Cup for Red Wines were featured in a media tasting prior to the Governor's Cup announcement later that evening. More than 25 media partners attended.

2011 Governor's Cup for Red Wine / Virginia Wine Expo:

More than 55 media partners attended the 2011 Governor's Cup for Red Wines announcement at the Governor's Cup Grand Tasting, held Friday, February 25. More than 300 tickets were issued to trade partners (wine buyers from restaurants and retailers) and state officials. Guest speakers included Chairman of the Virginia Wine Board Rock Stephens, President of the Agribusiness Council Donna Pugh Johnson, Secretary of Agriculture Todd Haymore, President of the Virginia Wineries Association Ann Heidig and the First Lady of Virginia Maureen McDonnell. Awards were given to: Gabrielle Rausse for Distinguished Service, Matt Conrad for Virginia Wine Person of the Year, Delegate Steve Landis for Legislator of the Year and Dennis Horton for the Gordon Murchie Lifetime Achievement Award. More than 60 wineries participated in pouring reserve wines for guests throughout the remainder of the Governor's Cup Grand Tasting.

March

Love by the Glass: Virginia Wine Week, March 18–27, 2011:

This was created as a spring focus point to promote Virginia wines. It creates a counterweight to October Virginia Wine Month and has found enthusiastic supporters in its first two years. More than 340 trade partners signed up (an increase of 75 accounts over 2010) to receive supporting point-of-sales materials, such as case cards, shelf tags, bottle neck tags, chalkboards, floor decals, coasters, etc.

Total Virginia wine sales (direct and indirect) increased by 17 percent during March 2011 over March 2010. Virginia wine



VIRGINIA WINE WEEK

sales increases were also found in January and February of 2011. The sales analysis is below. In addition, *Love by the Glass: Virginia Wine Week* will probably become a month-long promotion in 2012.

Month	Total 2010 VA Sales Units (Cases)	Total 2011 VA Sales Units (Cases)	2011 Direct Sales (through winery)	% of Total 2011 Sales	2011 Indirect Sales (through distribution)	% of Total 2011 Sales	2011 Over 2010 Total Unit Increase	2011 Over 2010 Total % Increase	2010 Total Wine Sales in VA	2011 Total Wine Sales in VA	2010 VA Wine Market Share in VA	2011 VA Wine Market Share in VA
January	18,317	22,009	12,251	55.7%	9,758	44.3%	3,692	20.2%	608,923	651,970	3.0%	3.4%
February	20,110	30,148	18,612	61.7%	11,536	38.3%	10,038	49.9%	671,586	711,465	3.0%	4.2%
March	27,511	32,227	17,409	54.0%	14,818	46.0%	4,716	17.1%	795,034	824,722	3.5%	3.9%

Wineries Unlimited:

With the support of Governor McDonnell, Secretary Haymore and the Virginia Wine Board, the VWBMO was able to help successfully recruit Wineries Unlimited to Richmond for 2011 and 2012. Attendance for 2011 surpassed 2010, and all vendor booths were sold out in 2011. Governor McDonnell was the keynote speaker at the “Best of the East” dinner.

April

First Lady FLITE Tour:

On April 18, the VWBMO along with First Lady Maureen McDonnell hosted more than 30 restaurant/retail and media partners on a tour of three Central Virginia wineries (Pollak, Barboursville and Keswick).

May

VA Wine Industry Strategic Plan:

The VWBMO finalized the initial draft of the Virginia Wine Industry Marketing Plan in May. The draft was sent out to all wineries and the Virginia Wine Board for feedback. Revisions are being implemented and the final document will be made public late this fall. The strategic plan outlines a template for the Virginia Wine Board, and other important industry trade associations, to manage, monitor and fund, where needed, the work that moves major industry objectives forward. A copy of the draft Virginia Wine Industry Strategic Plan can be found on VirginiaWine.org, under Industry, then under Downloadable Documents. Users will need to sign in first to access the document since it is not a public document at this stage.

Governor’s Trade Mission to Asia:

Governor McDonnell toured four cities in three countries (China, Japan and South Korea) during his trade mission to Asia in May. Continuing his efforts to increase international trade, he

included Virginia wines in the tour. Seven Virginia wineries were represented throughout the tour.

London International Wine Fair:

Seven Virginia wineries participated in the SUSTA (Southern United States Trade Association)-funded booth at the London International Wine Fair in May. The trade-specific (only wine buyers and media could attend – it is not for consumers) fair featured more than 18,000 wines from around the world – and Virginia wines were a part of the mix. The only other states in the US featured at the LIWF were California, Oregon, Washington and New York. The Virginia wineries that were featured partnered with New Horizon Wines LLC to export their product to the UK. Several notable members of the wine media stopped by the booth, including Steven Spurrier, Neville Blech, Peter May, Quentin Sadler, Christos Ioannou, Susan Hulme and David Copp.

June

2010 Commercial Grape Report:

The 2010 Commercial Grape Report (CGR) was finalized in June and distributed to the industry in July. There was an outstanding 98 percent submission rate from wineries and vineyards. The report details tonnage, acreage and pricing by variety and by county. The 2010 CGR can be found on Virginia Wine.org, under Industry, and then under Downloadable Documents. Users will not need to sign in first to access the document, since it is a public document. 2011 CGR surveys will go out in mid-November.

First Lady FLITE Tour:

On June 13 the VWBMO hosted, along with First Lady Maureen McDonnell, more than 30 restaurant/retail and media partners on a tour of three Southwest Virginia wineries (Chateau Morrisette, Villa Appalaccia and Foggy Ridge Cidery).

Restaurant Association of Metropolitan Washington's Annual Gala - the RAMMYS:

On June 26 the Restaurant Association of Metropolitan Washington hosted their annual gala, the RAMMYS. It is an event where more than 1,700 members of the Washington, DC, trade restaurant industry gather to taste and explore new food and beverage concepts. The VWB, along with VDACS, sponsored a Virginia wine table. Four Virginia wineries participated. The VWB is considering the idea on sponsoring a "pavilion" at the event next year, which will allow additional wineries to participate.

Sesquicentennial of the Civil War Passport Program:

Twenty-three wineries developed 32 special labels as a part of the Virginia Sesquicentennial Winery Passport. The hard-copy passport was released to participating wineries and statewide historical sites in June. A special landing page was developed on VirginiaWine.org as part of the promotion. It will be a four-year-long promotion, spanning from 2011 to 2014. Additional wineries interested in participating in the passport for the future (there will be a reprint in the late fall of 2011, as well as in out years) should contact the VWBMO.

Phase 4 of VirginiaWine.org:

Phase 4 of VirginiaWine.org was launched in June. This launch included a mobile website for smartphone users, as well an administrative overhaul (designed to make the backend of the website more user-friendly for wineries, non-wineries and consumer accounts), a special landing page for the Sesquicentennial promotion and forward-facing user pages. Users (consumers specifically) can now log in through their existing Facebook / Twitter accounts.

Branding of Virginia Wines:

The VWBMO is conducting a brand survey about consumer and influencer attitudes and perceptions of Virginia wines. From this input, the VWBMO will develop key messaging that can be incorporated in any public relations and advertising for the Virginia wine industry. This project is slated to wrap up this winter/spring.

July

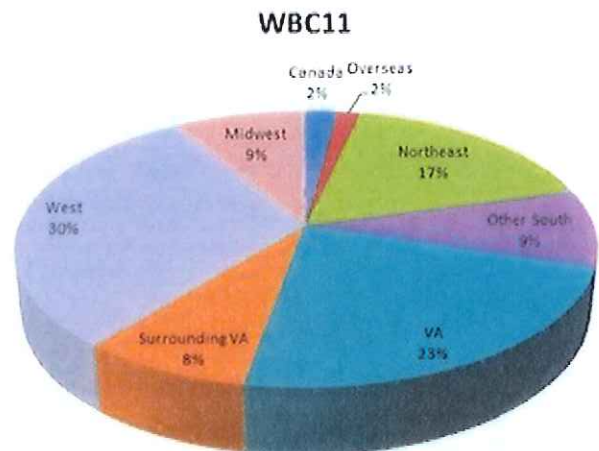
2011 North American Wine Bloggers Conference:

Over 336 bloggers from around the country participated in the conference, held in Charlottesville Virginia, July 22-24.

- Total number of VA wineries featured: **47**
- Total number of VA wines featured at VA Wine

Board sponsored events (**does not include wines from Saturday, July 23 winery tours**): **78**

- Total number of VA wineries featured on July 23 tours: 17
- Total number of VA wine regions that featured throughout the conference from participating wineries: **7** (Blue Ridge, Central VA, Eastern Shore, Northern Neck, Northern VA, Shenandoah Valley, Southern VA)
- Total number of Virginia AVAs that featured throughout the conference from participating



- wineries: 4 (Eastern Shore AVA, Monticello AVA, Northern Neck AVA, Shenandoah Valley)
- Total number of "Tweets" (#wbc11, #vawine): **15,206**
- Total number of "Twitter Impressions" (#wbc11, #vawine): **43,506,241**

FY 2011 2012 VWB Matching Grant:

There were twelve Virginia Wine Fund Marketing Matching Grant applications submitted for FY 2011-2012. Of the twelve, four were approved by the grant committee. The committee voted to appropriate \$50,000 toward the matching grants, totaling \$100,000 in total statewide marketing initiatives.

August - September

"October Virginia Wine Month:"

August and September contained preparations for October Virginia Wine Month. The program included a POS (point of sale) campaign specifically developed for trade partners, where over 525 trade partners (restaurateurs and retailers) featured Virginia Wine promotions. These trade partners were also featured on www.VirginiaWine.org on a specially developed landing page.

October

*October Virginia Wine Month Kickoff Event /
Announcement of the 2011 Governor's Cup for White
Wines at the VA Museum of Fine Arts:*

More than 30 media partners attended the 2011 Governor's Cup for White Wines announcement at the Governor's Cup Grand Tasting, held Friday, October 26. More than 350 tickets were issued to trade partners (wine buyers from restaurants and retailers) and state officials. Guest speakers included Chairman of the Virginia Wine Board Rock Stephens, Secretary of Agriculture Todd

Haymore, Virginia Wineries Association Board Member Jeff Cooper, Governor of Virginia Robert McDonnell, and First Lady of Virginia Maureen McDonnell. More than 30 wineries participated in pouring wines for guests.



Media Event with Virginia Tourism Corporation at the Lincoln Restaurant in Washington, DC:

On October 26th, the Virginia Wine Board Marketing Office sponsored in conjunction with Virginia Tourism an October Virginia Wine Month Reception at the Lincoln Restaurant in Washington, DC. The top restaurateurs in the DC area, as well as local media and wine bloggers were in attendance and had the opportunity to sample wines from four different Virginia wineries. Kathryn Morgan, the only Master Sommelier in Washington, DC, also attended this

event. Governor McDonnell and Secretary of Agriculture Todd Haymore spoke with attendees about Virginia Wine Month and the growth of the industry.

State Fair of Virginia:

Every year the VWBMO designs a Virginia Wine display at the State Fair of Virginia. The State Fair of Virginia is a 10 day long celebration of Virginia agriculture. Over 5,000 Virginia winery guides were distributed along with additional Virginia wine literature to consumers.

November

Governor's Trade Mission to India:

Governor McDonnell is currently touring four cities in India (specifically Mumbai and New Delhi) during his trade mission. Continuing his efforts to increase international trade, he included Virginia wines in the tour. Seven Virginia wineries are also represented throughout this tour.

Other Information

Social Media Overview:

The Virginia wine social media reach has increased significantly since October 15, 2010 (details below). The reach is now 25,923 people through social media channels including Facebook, Twitter and YouTube. 56 percent are female and 38 percent are male (6 percent did not specify gender) with the slight majority in the 35–44-year-old range, followed by the 25–34-year-old range.

	Facebook Profile	Facebook Page	Facebook Group	Twitter	YouTube Videos	TOTAL
October 15, 2010	2,377	573	5,665	1,039	5,991	15,645
November 10, 2010	2,812	604	5,723	1,114	5,632	15,885
November 24, 2010	2,968	612	5,740	1,148	5,871	16,339
December 3, 2010	3,045	619	5,753	1,165	5,990	16,572
December 13, 2010	3,174	624	5,764	1,203	6,210	16,975
December 27, 2010	3,290	624	5,775	1,245	6,375	17,309
January 6, 2011	3,430	631	5,789	1,280	6,536	17,666
January 17, 2011	3,614	642	5,801	1,329	6,714	18,100
January 27, 2011	3,787	650	5,823	1,370	6,846	18,476
February 7, 2011	3,975	652	5,846	1,423	6,992	18,888
February 16, 2011	4,092	661	5,880	1,447	7,120	19,200
March 22, 2011	4,469	703	6,004	1,569	7,641	20,386
March 28, 2011	4,527	712	6,019	1,623	7,736	20,617
April 6, 2011	4,626	720	6,046	1,656	7,860	20,908
May 9, 2011	4,998	736	6,244	1,786	8,405	22,169
May 26, 2011	5,232	754	6,366	1,887	8,684	22,923
June 20, 2011	-	5,257	6,394	2,033	9,197	22,881
July 18, 2011	-	5,314	6,430	2,177	9,715	23,636
August 5, 2011	-	5,326	6,445	2,320	10,030	24,121
September 7, 2011	-	5,412	6,452	2,485	10,539	24,888
September 29, 2011	-	5,456	6,459	2,607	10,856	25,378
October 20, 2011	-	5,540	6,459	2,727	11,197	25,923

Initiatives in Progress

- 2011 Circle of Wine Writers Christmas Party sponsorship
- 2012 Virginia Winery Guide, design and distribution
- 2011 Commercial Grape Report Survey and Report
- 2011 Virginia Wine Industry Economic Impact Study
- Virginia Wine Industry Branding Study
- 2012 Rammy's (Restaurant Association of Metropolitan Washington's annual gala of DC restaurateurs) Pavilion Sponsorship
- Finalizing the Virginia Wine Industry Strategic Plan
- 2012 Virginia Governor's Wine Summit
- Preparing for Spring "*Love by the Glass: Month*"
- Revising the Virginia Wine Sesquicentennial Passport program
- Developing a strategy for increasing presence in the Washington DC and North Carolina markets