

FISCAL 2020: FOURTH QUARTERLY REVIEW

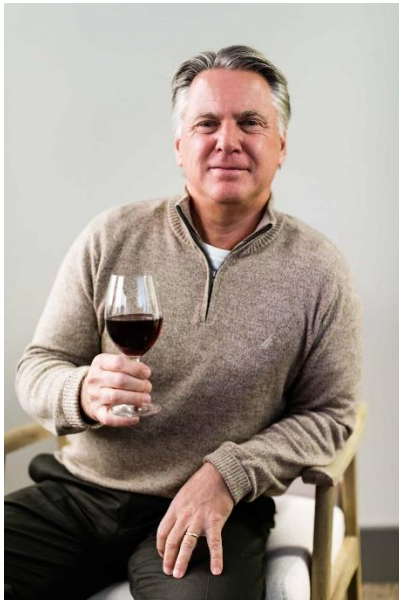
Celebrate the Wines of British Columbia reviews the work of the BC Wine Institute (BCWI) and its member wineries during each quarter of the fiscal year.

This fourth quarterly review covers activities that occurred during January, February and March 2020.

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President & CEO Message



Miles Prodan, President & CEO

When looking back to early March at the BC Wine Institute (BCWI) 2020 fiscal year, things were shaping up relatively well for the BC wine industry.

BC VQA provincial litre market share in January and February 2020, at 19.32% and 19.38% respectively, were historical highs with a combined average growth over the prior 12 months of 1.26%.

In contrast, the overall provincial wine market (litres) only grew by 0.34% over the period (our piece of the pie grew almost four times bigger than the pie itself). The slowing growth of wine sales in BC confirms the global wine industry headwinds theme identified at the March 10th BCWI BC Wine Industry Insight Conference in Penticton.

Since that time, our industry has been subject to arguably the most significant modern crisis we have ever faced - COVID-19. There is no doubt the BC wine industry is and will be going through an existential crisis and a requisite sea-

change in order to survive.

As of March 31st, respondents to the BCWI Industry COVID-19 Impact Survey indicate that 46% have seen up to \$50,000 in lost revenue with 11% reporting in excess of that amount. And just like the virus itself, COVID-19 does not seem to target any one sector of the BC wine industry.

In the past, there has been a tendency in our industry to isolate wineries based on size. Whether it's production, sales, area-under-vine, land-based vs commercial, etc. The truth is, and what COVID-19 has confirmed, is that the BC wine industry is so closely intertwined, sharing many similar challenges, that we have more in common than differences.

The cost base for BC wineries, even in a good year, is particularly poor with net margins that are unsustainably low or often non-existent. We all have in common high, fixed production

costs. For example, as stewards of the land we tend it by hand which means we often favour expensive organic practices over cheaper chemical short-cuts.

Layered on these economic realities are the restrictive and sometimes draconian federal, provincial and municipal policies and regulations our industry labour under.

Currently, we are in the reaction phase of the crisis and trying to manage the day-to-day challenges. Soon recovery will be the focus, and we will need to pull together more than ever to ensure we're giving governments a clear and unified message on what our industry needs to survive.

Marketing Director Report

The final quarter of the fiscal year 2020 has been an unprecedented three months. We dove into 2020 with celebratory gusto ready to commemorate the milestone of BC VQA's 30th anniversary. A year of elevated programming to celebrate the *Wines of British Columbia* was about to unfold, recognizing how far our BC Wine Industry has come and looking excitingly ahead to the next 30 years.



CELEBRATE THE MOMENT



Kim Barnes, Marketing Director

And then, we hit pause.

The inception of COVID-19 required us to stop for a moment. The world around us was changing daily and rapidly with dramatic impacts on our communities and our industry. A quick review, study and adjustment was required to evaluate current programs, campaigns and initiatives to enable us to respond responsibly, effectively and quickly. Spring events cancelled or postponed and planned program creative refreshed to reflect the current pulse of our reality.

A strategic plan has been put in progress with implementation underway to keep our industry growing strong. A social listening dashboard to monitor online conversations surrounding wine is in development. Locally, the dashboard tracks the share, sentiment and brand of BC wine in an online discussion. Currently, we are paying close attention to how the COVID-19 discussion intersects with wine conversations. This information will assist us in keeping our fingers on the pulse of the current situation, guiding our activities and enabling real-time adjustments as required in marketing and communication initiatives. A full overview of programs over the past three months is available for your review within the respective sections of this newsletter.



How 2020 will look next month, next quarter or for the remainder of the year is unknown. BC VQA market share started strong in 2020 with each month outperforming the preceding one with record numbers. The need to support local is stronger than ever. The BCWI will continue to work hard in all initiatives to support and grow our industry.

As the upcoming year evolves before us, marking BC VQA's 30th anniversary, we will draw from the strength of the hardworking visionaries and those who continue to innovate and push boundaries to Keep Our Industry Growing Strong!



Communications Director Report

This was a very interesting quarter. It started off with the exciting announcement of 2020 marking 30 years of BC VQA which garnered media attention locally and abroad. The next two months would see media, trade and influencers descend to BC's wine regions and engage with BC wine through tastings, seminars, familiarization tours and media events.

On March 10, 225 industry stakeholders came together for the third annual BC Wine Industry Insight Conference themed, *Honouring the past. Shaping the future*. This event inevitably became the last gathering before the global pandemic hit. Access all BC Wine Industry Insight Conference presentations [here](#).

Utilizing WineBC 2030 Long-term Strategic Plan as a visionary roadmap and under the strategic direction of the BCWI Board of Directors, the BCWI developed its annual [operational plan](#) with input from the BCWI Marketing Committee.

We look forward to continued stakeholder collaboration as we embark on the future of WineBC 2030.

Vancouver International Wine Festival (VIWF) 2020

The BCWI hosted two sold-out masterclasses presenting BC wines at Vancouver International Wine Festival 2020. Both masterclasses - British Columbia: *No Place Like It*, moderated by Barbara Philip MW, and *Discover Canadian Pinot Noir* sponsored by the Wines of Canada and moderated by Rhys Pender MW, included a panel of BC winemakers and wine experts Janet Dorozynski and Eugene Mlynczyk MW, bringing out 80 trade and media attendees for each including key national and international influencers: Andrew Jefford, *Decanter*; Felicity Carter, Editor-in-Chief of *Meininger's Wine Business International*; Michelle Bouffard, *Tasting Climate Change*; Sara D'Amato, *WineAlign*; Michael Fagin, *West Coast Weather*; Pier-Alexis Soulière MS, 2014 winner of the World Young Sommelier of the Year competition and Best Sommelier of the Americas 2018; Tim Vollerslev, Chief Sommelier, Vice President of the

Danish Sommelier Association; José Luis Fernandez, winner of the CAPS competition in Ontario; Nina Jensen, winner of Denmark's top sommelier competition, and more.



Congratulations to Ross Wise, winemaker at Black Hill Estate Winery, Okanagan Valley's newest Master of Wine announced during VIWF 2020! A title held by a total of seven individuals in Canada, four in the province of British Columbia and 394 worldwide.

Following VIWF, the BCWI hosted keynote speaker Andrew Jefford, editor and columnist for *Decanter*, for his inaugural visit to British Columbia's wine regions, touring Vancouver Island, Okanagan Valley and Similkameen Valley.

We can expect to see some exposure for BC wines in Andrew's upcoming articles in *Decanter* later this year.



"What's really surprised me over the last few days, is the sheer magnitude of the Okanagan and Similkameen Valleys and how expansive the landscapes of the regions are. I had no idea. You don't get this from a photo or a textbook. It is strikingly beautiful." - Andrew Jefford, *Decanter Magazine*.

Due to the COVID-19 outbreak, international events including ProWein and Taste Canada tabletop tasting in New York City scheduled to take place in March were both cancelled. ProWein will take place March 21-23, 2021.

MEDIA REPORT | Q4 SUMMARY OF COVERAGE

Direct and indirect media coverage of the BC Wine Institute, its members and the *Wines of British Columbia* reached 90 million readers and viewers from January 1 through March 31. Value for media coverage totalled \$835,722.

MEDIA-RELATED EVENTS

- Dine Out & Dine Around media events in Vancouver, Victoria and Kelowna
- CAPS BC Top Sommelier Competition
- VIWF *Wines of British Columbia* Masterclass
- VIWF Wines of Canada Masterclass
- Andrew Jefford familiarization tour
- BC Wine & Wellness Influencer familiarization tour
- Vintage 2019 Report

HIGHLIGHTS IN THE NEWS

Highlights in the news from January 1 through March 31:

Global News | [Raise a glass: BC VQA celebrating its 30th anniversary in 2020](#)

Decanter | [Okanagan: Canada's global wine region](#)

Kelowna Capital News | [Wineries and liquor stores should be essential services: BC Wine Institute](#)

The Georgia Straight | [COVID-19: BC wineries seek public support to help weather the storm](#)

Vancouver Sun | [Spring time in BC: road trips, festivals, bear viewing, forest bathing](#)

Tri-City Herald | [Northwest Wine: World-class juice flows from Golden Mile Bench, Similkameen Valley](#)

Travel - MSN - MSN.com | [Stunning images of Canada's jaw-dropping natural wonders](#)

PRESS RELEASE ROUND-UP

To ensure the *Wines of British Columbia* stay top of mind in key markets and to make sure consumers and industry remain informed on issues affecting the wine industry, the BC Wine Institute regularly issues press releases to a group of more than 300 national and international media.

All press releases issued in Q4 can be found [here](#).

QUARTERLY SALES REPORTS: [JANUARY](#) | [FEBRUARY](#) | [MARCH](#)

PLEASE CONTACT THE BCWI FOR ARCHIVED SALES REPORTS - INFO@WINEBC.COM.

Marketing Manager Report

Wine Goals

We started the new year with [Wine Goals](#). This digital campaign was created to support retailers through the typically slow January and February months. The objective was to inspire consumers to add a wine goal to their new year resolution lists, rather than abstaining, and “Discover What You Love”. Wine Goals reached consumers through social media channels, google ads and influencers like Kelsey Serwa, who blogged and posted on their own channels in a natural, authentic tone.

Wine goals remained the number one page on WineBC.com through all of January and most of February.

It reached 290,000 consumers and engaged 17,000. The BC VQA category grew by 1.71% and 0.81% during the same time frame from the previous years. WineBC.com saw an overall increase in traffic of 32.27% over January and February compared to last year. Plus when users exited, they frequently visited pages such as Events, Taste and Terroir Blog and Discover BC Wine Country showing the page succeeded in engaging consumers to further explore BC wine.



Candice Tipton, Marketing Manager



30th Anniversary Launch

BC VQA Wines are celebrating the 30th anniversary all year. To kick off the anniversary, in mid-January, we launched a [webpage](#), a 'Celebrating the Moment' [video](#), a logo for the industry to use, floor and window decals, billboards across Alberta and BC and a digital campaign on social media. The objective of this campaign is to inspire people to learn about

where BC wine started and how it evolved into the quality wines of today while creating a preference and earning support for BC wine.

Though we have since had to shift gears, we started the year off collaborating with many industry stakeholders, including Destination BC, BC Restaurants and Food Services Association, Save-On-Foods and BC Liquor Stores.

Best BC Wine Restaurants

We refreshed our consumer restaurant page, changed the name to [Best BC Wine Restaurants](#) and added all member winery restaurants (who were open to the public at the time). We focused our restaurant marketing in February and March on targeted social media and google ads.



The webpage saw page views increase by 102% in Q4 over the busy Q3 holiday season. Social media and google ads reached 200,000 and engaged 6,000 food and wine consumers.

We refreshed this page again in April, to keep it relevant during this time.



BCWI was the key wine sponsor of four main Dine Out events taking place in Vancouver, Victoria, Okanagan and Calgary with the largest being Dine Out Vancouver Festival. Sponsorship includes a confidential list of participating restaurants with current key contacts that is provided to wineries to connect and work with participating restaurants towards having their wines featured in special events, prix-fixe menu pairings, new listings and by-the-glass promotions. The *Wines of British Columbia* logo is featured in industry and consumer marketing materials and media relations.

Dine Out Vancouver Restaurant Survey Responses for BC VQA:

- 54.17% offered BC VQA Wine on their Prix-fixe menu
- 22.45% witnessed an increase in sales of BC VQA Wine
- 51.07% were contacted by one or more BC VQA Winery in advance of the festival
- 27.08% added one or more new listings of BC VQA to their wine list as a result of the festival



March Co-op Wine Spirits Beer Flyer, In-store Tasting and Vin Bin Program

We partnered with Co-op Wine Spirits Beer to promote the BC wine category in March. Calgary Co-op gave us valuable attention and really elevated the program this year. The efforts from Co-op and BCWI included BC wine flyer advertisement, Vin Bin Program (locker program), in-store materials, tastings, social media, presentations and giveaways for wine events. The objective was to raise awareness and a preference of BC wines and inspire Albertans to discover what BC's local wine regions have to offer.

Eight wineries were selected by Co-op to have their wines tasted in-store. Fortunately, the tastings were scheduled and completed ahead of the COVID-19 shut down of all tastings. They were starting to see some slowdown from the virus in early March, but by all reports, the wines went over great.

In addition to the tastings, seven wineries were selected to be a part of the Vin Bin Program. We supported the program with postcards inviting wine aficionados to come to BC wine country along with a luggage tag. Several events were planned throughout the month. One sold out winemaker event and one Best of BC VQA tasting event occurred before events and tastings were shut down.

The digital campaign ran throughout March with solid metrics reaching over 100,000 consumers. According to Redbook data, BC VQA category is up 14% in Alberta in the first quarter of 2020 (Jan, Feb & Mar) compared to 2019 and BC VQA was up 42% in Alberta in March 2020 compared to 2019.

Working Together and Wine BC Direct

Working Together and BC Wine Direct webpages, created in response to COVID-19, were both launched at the end of March showing immediate strong, positive metrics. They will be pivotal tools in the next quarter towards keeping our industry growing strong.

Content Marketing Manager Report

During the fourth quarter the *Wines of British Columbia* social media and digital content targeted consumer, media, trade and industry audiences supporting the growth of the BC wine industry.

Social marketing campaigns and digital advertising showed encouraging results for this quarter using influencer marketing, attractive visuals and accompanying key messages with creative calls to action.

Throughout Q4, *Wines of British Columbia* developed and shared more than 500 pieces of digital marketing content across seven social media channels targeted to industry and stakeholders, members, media and consumers.

Consumer

- A BC Wine & Wellness Influencer Marketing Campaign in partnership with Predator Ridge Resort ran March 4 through 6. In promoting the Scenic Sips Lake-Country Wine Region, BCWI hosted tourism and wine influencers from Vancouver, Calgary, Napa Valley and Michigan profiling a premium experience that included accommodation, activities, wine tours and a finale winemaker's dinner. The campaign is still on-going and, to date, has generated 263 posts with 7,700 engagements with an estimated media value of \$398,300. See report [here](#). Photo album [here](#).
- The BC Wine Goals campaign to encourage enjoyment and sales of BC wine post-holiday season ran January and February. The digital campaign combined social media organic posts, Facebook/Instagram advertising and strategic influencer marketing. Organic, social media advertising and influencer marketing reach totalled 347,006. Total earned engagement for all digital activities totalled 23,300. Influencer Marketing report with estimated media value [here](#).
- The Alberta Co-op digital marketing campaign ran January to the end of March and targeted consumers in and around Calgary with Co-op features. The campaign delivered astounding ROI while asking Albertans to visit Co-op stores and increasing future re-targeting opportunities. Total reach on advertising hit 521,900. Engagement totalled 89,694 with future video re-targeting opportunities in Alberta totalling 206,492.
- A total of five articles to WineBC.com's [Taste and Terroir blog](#) earned more than 1,670 views. Topics included: *BC Wine Needs Us Now*, *A Tribute to the Wine Industry on International Women's Day*, *A Toast to BC VQA Wine*, *How BC VQA Wine Paved The Way*, *Five Ways To Find Balance*, *Enjoy Life and Drink BC Wine*. Overall, the blog earned 4,116 views over Q4.
- A branded infographic series linking visitation to four BC ski hills and surrounding local BC wineries were developed, reaching over 10,000 and earning over 200+ engagements.
- The Best of BC Restaurant Campaign was extended and ran nine weeks launching in early February. The campaign reached more than 190,000, captured 5,249 engagements with excellent average cost per click of \$0.77.
- Applied tactics outlined in 2019 Influencer Marketing Strategy.



Ashley Spilak, Content Manager

Industry

- BCWI partnered with Instagram expert Jenn Herman to present a digital marketing webinar on Understanding the Instagram Algorithm to Optimize Reach and Engagement. A total of 52 attended, with 20 replaying the webinar. Watch [here](#).
- Work to promote the BC Wine Insight Conference on March 10 included social media promotions and execution of live social media posts on-site and across BCWI online Industry channels. See photo album [here](#).
- For BCWI members, the BC Wine Industry Insight Conference 2020 provided hands-on training for Optimizing Your Google Business Profile that included the development of a video tutorial that is now available on the WineBC.com Industry [Webinar website page](#).
- A [YouTube playlist](#) dedicated to BCWI Webinar Digital Marketing Training was developed is now available for BCWI members.
- To support rapidly changing COVID-19 crisis communications for BCWI members, BCWI worked with the Interior Health Authority to author a BCWI Tasting Room Protocol and to develop rolling BCWI Member Impact Surveys to ensure the effects of the outbreak on the BC wine industry can be communicated regularly to governments.

Meet your BCWI Board members

The BCWI is governed by a Board of Directors that consists of nine elected voting winery members and two non-voting *ex officio* members who oversee work of the President & CEO and provide strategic guidance and effective oversight for the organization and industry. While nominated by wineries from a similar size category, once elected, Directors work together on behalf of the entire membership to fulfill our mission and achieve our goals. Every quarter, we'll introduce you to members of our Board of Directors, so you can get to know the people advocating for you and our industry.

Charlie Baessler

Charlie Baessler is the Owner, Winemaker and Manager of Corcelettes Estate Winery, and has served as a BCWI Board member since 2018.

“The BC wine industry in itself is very exciting and is full of talented people from many places and backgrounds”, says Charlie. “As the industry continues to evolve and adapt to an ongoing list of challenges and situations, its great to be at the table and chew through them with these industry colleagues; all of them representing different scale operations, all with a very diverse set of skills and experiences.”

Keeping in mind the current climate, Charlie says the goal for this year from a BCWI Board perspective is to continue supporting our neighbours and keep BC wine on the minds of all Canadians. “If we can deliver BC wine to more people, through more channels in this year’s current environment - that would be a success.”



Darryl Brooker

Darryl Brooker is the President of Mission Hill Family Estate and has served on the BCWI Board since July 2019.



Darryl says what excites him most about being a BCWI Board member is the opportunity to contribute to the BC Wine Industry in a meaningful way. “It is such an exciting industry and growing in value and presence in BC, Canada and around the world. To have the opportunity to represent all member wineries across our province and be a part of planning the future is an honour and a responsibility I am truly enjoying.”

With 2020 taking a turn none of us could have expected, Darryl’s main focus as a BCWI Board member is on industry recovery and resilience. “I started the year hoping that we could significantly grow the presence and awareness of the BC VQA Wine industry on premise, in retail and through media. Now I am hoping that we can work together as an industry to survive this current situation and come out stronger on the other side.”

“I would like members to know that we are all in this together. As a board member, I represent all member winery sizes and I would like members to know that they can reach out to me, or any board member, at any time,” says Darryl. “We are such a diverse industry and the more we work together and support each other the stronger we are all going to come through this.”

Q4 Wine Competition Results

Each year, BC VQA Wine and certified 100% BC grape wine are entered into dozens of wine competitions where they show extremely well. BC VQA Wine winners are tracked. A total of 13 awards were received in Q4. See full results [here](#).