



State of the Industry Overview of Strategic Plan

Kristina Kelley

Executive Director, Washington State Wine Commission

Background: How Did We Get Here



- Listening Sessions in November 2022
 - Woodinville, Prosser, Walla Walla
- Industry Wide Survey in December 2022
- Strategic Planning Retreat with 30 industry leaders from all aspects of industry in February 2023
- Multiple Board and Committee reviews and updates
- Full Board Approval in November 2023
- Town Halls
 - Woodinville, Prosser, Walla Walla
- WineVit in February 2024



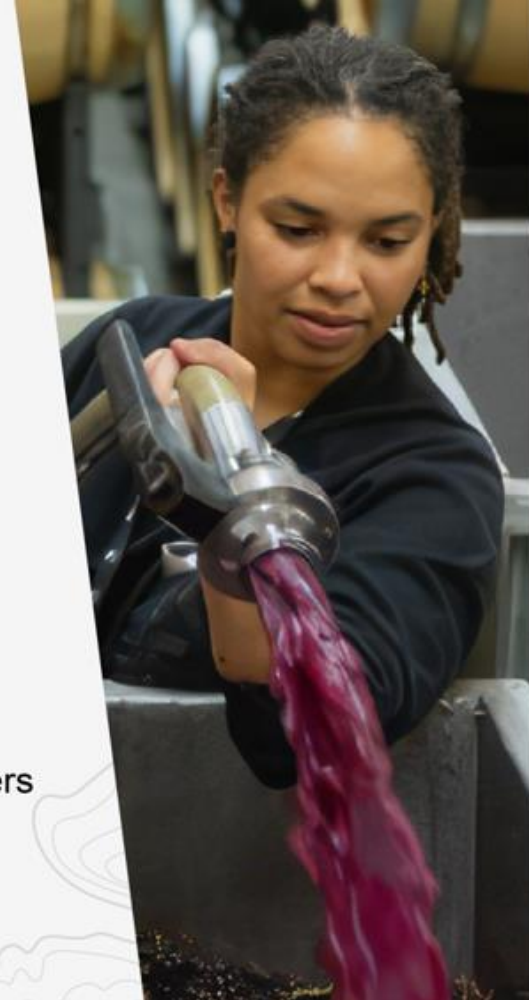
Statue and Governance

DEFINING STATUTE

The Washington State Wine Commission is a State Agency, established in 1987 by RCW 15.88. Additional Commission governance language can be found in RCW 66.12.180.

GOVERNANCE

- The Washington State Wine Commission is governed by a Board of 13 Commissioners.
- 5 wine producers, 5 grape growers, 1 wholesale distributor, 1 non-vinifera producer, and a WSDA representative.
- Commissioners are appointed by the Director of the Washington State Department of Agriculture based on nominations from the WA Winegrowers Association, and the Washington Wine Institute.
- Commissioners serve 3-year terms.



Core Values

PASSION We genuinely care about the entire WA Wine Community. This passion inspires our creativity and innovation and fosters long-lasting relationships.

PEOPLE Culture matters. We empower people and value their contributions. We cultivate an inclusive environment of continuous growth and development.

TRUST Integrity and trust are essential to a high-functioning team. We continually work to earn the mutual trust of each other and of those who rely on us.

COLLABORATION We are each accountable for the results of the whole team. We work together to achieve our goals and support each other along the way. We are better together.

ADAPTABLE We are an agile team that can adapt to an ever-changing world to ensure our industry's continuous health and prosperity.



**VISION
STATEMENT**

**WASHINGTON
WINE
ON
EVERY
TABLE.**



MISSION STATEMENT

On behalf of the State of Washington and its wineries and growers,
the mission of the Washington State Wine Commission is to

DRIVE GROWTH of WASHINGTON STATE WINE

through marketing, communications, and
viticulture & enology research.



Key Assumptions

- The US Wine Market will continue to DECLINE by volume at an average of 3% per year
 - WA volume will continue to decline at same rate or more in the near term
- Premiumization will continue across all segments of the retail and on-premise markets
 - \$15-\$24.99 WA Wine is showing strong growth
- Supply will exceed demand in the near future
- Distributors will play a key role in getting more WA Wine to consumers in the local, regional and national marketplace
- Distribution and Retail consolidation will continue
- WA Wine Commission will seek out and utilize industry leading data sources to inform decision making

Key Assumptions

- DtC will continue to grow in significance in dollars and to smaller wineries, but remain a low volume segment on the overall category
 - 5.5 % in volume and 11% dollars
 - Cabernet +22.4% in volume and 32% in dollars
 - Less than 10% of total volume
- Export will continue to provide growth opportunity
 - Current Total Value of Exports is \$51+ million and growing
- Innovative marketing initiatives and experiential events are essential for consumer pull
- Compelling and engaging content that connects with new and emerging consumers will be essential to category growth
- DEI work and initiatives will be vital to future industry health and viability

Key Assumptions

- Anti-Alcohol pressures will continue to impact consumer behaviors
- Sustainability will grow in relevance and is key to future viability as one tool to counteract anti-alcohol pressures
- V&E Research will be critical to growing our reputation and global leadership
- Media landscape and information sources will continue to diversify, including digital/social and emerging technologies
- Wine Media will remain relevant, while social, lifestyle media influence younger demographics
- WA Wine Commission will foster a positive and productive culture with an engaged best-in-class Board and Staff
- The WSWC will solely focus on the priorities and strategies outlined in this plan.

Funding Assumptions

- Washington Wine Commission will Continue to be a Leading Resource for the Industry
 - To fund Marketing & Operations
 - \$0.06 per gallon of wine (1.2 cents per bottle or \$0.14 per case)
 - \$10 per ton of grapes
 - To fund Research at the WSU Wine Science Center
 - \$0.02 per gallon of wine (3/4 of a cent per bottle or \$0.05 per case)
 - \$2 per ton of grapes
 - Actively pursue additional revenue

Cases Per Year	Fee (\$0.08 per Gallon)		Grape Tonnage	Fee (\$12 per ton)
1,000	\$ 190		50	\$ 600
5,000	\$ 948		100	\$ 1,200
10,000	\$ 1,896		250	\$ 3,000
25,000	\$ 4,740		500	\$ 6,000
50,000	\$ 9,480		1,000	\$ 12,000
100,000	\$ 18,960		10,000	\$ 120,000
High Level Benefits Received				
Access to world-class V&E Research				
Global media relations / PR				
Access to industry market data				
Access to creative marketing assets				
Local and national marketing programs				
Access to influential trade				

The Big Picture: Strategy

ULTIMATE VISION:

Washington Wine on every table

OUR MISSION:

Drive growth through marketing, communications and V&E research

SUCCESS WILL BE:

Increase WA premium market share from 3.6% to 5% in dollars by 2028

HOW?

**OUR FOCUS
IN THE NEXT
5 YEARS:**

Activate
distributor + trade
partnerships

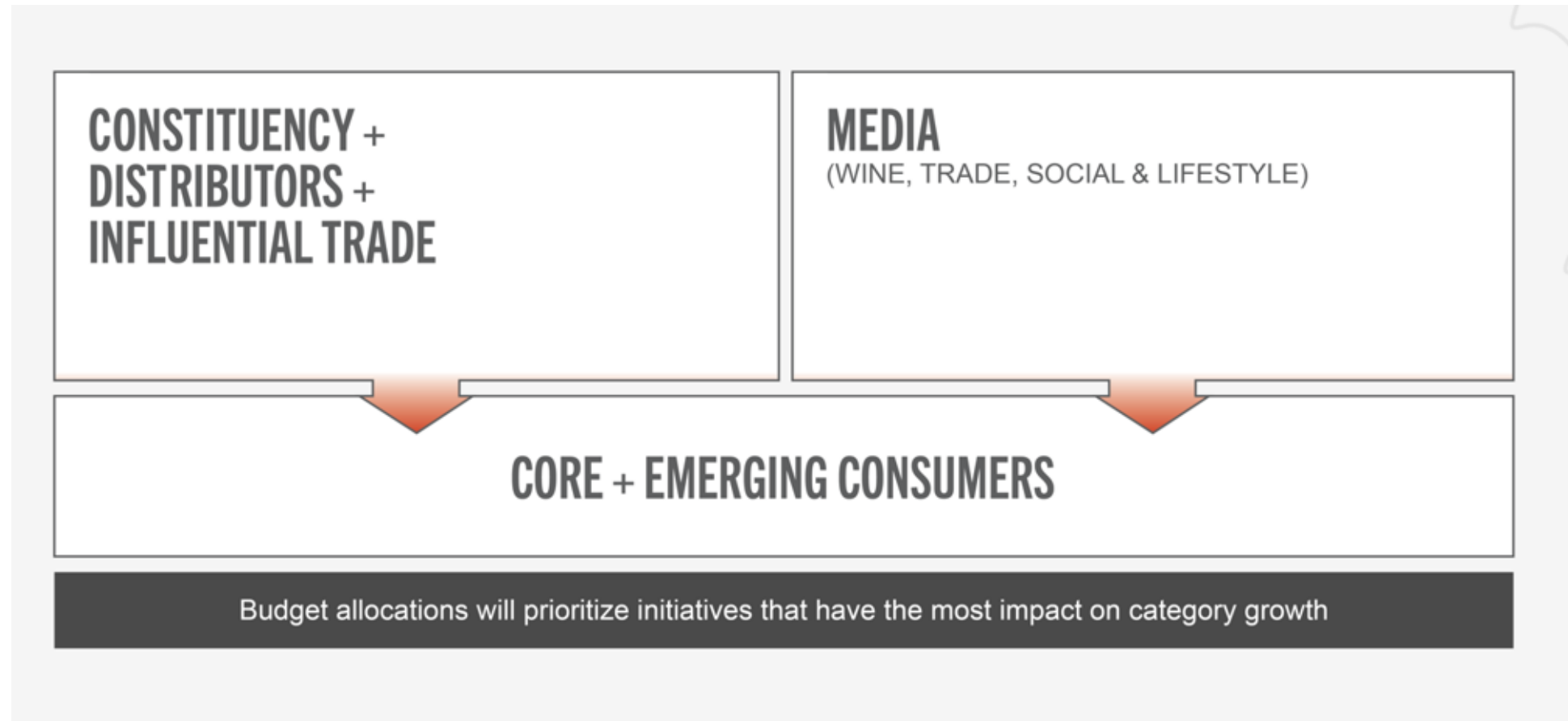
Increase media
& communications
impact

Fund and promote
viticulture and
enology research

Drive Washington Wine brand story

Best-in-class staff & board

Target Audience



Strategic Pillars



A scenic landscape of a river valley with vineyards and a dam in the background. The sun is low in the sky, creating a warm, golden glow. The foreground shows a hillside with tall, dry grasses. The middle ground is dominated by rows of green grapevines. In the background, a large dam spans across a wide river, with a bridge visible in the distance. The hills are rugged and layered, typical of the Pacific Northwest.

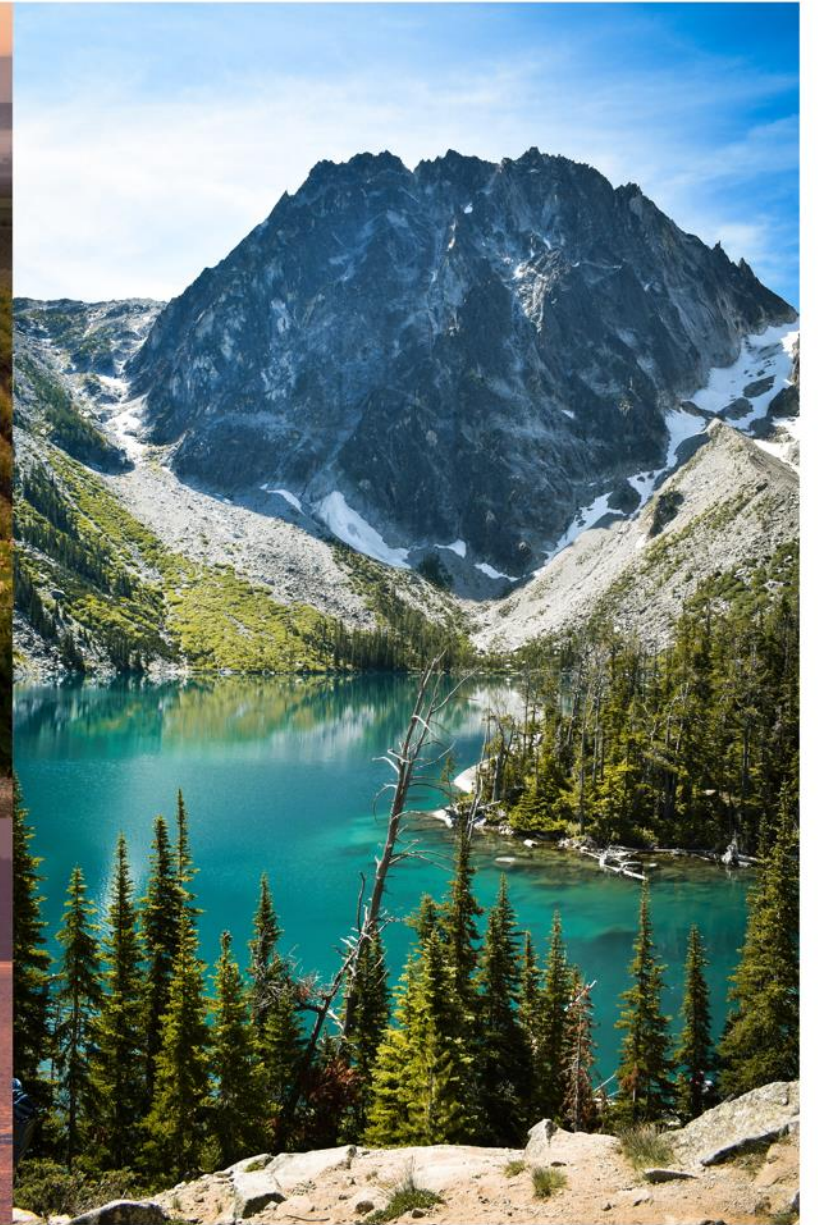
BRAND STORY

Washington wine is the Pacific Northwest in every bottle. It is defined by greatness; unrivaled **natural beauty, endless adventure, and products that change the world.** We are an **inclusive community,** driven by a **spirit of collaboration,** and an obsession with **quality and innovation.** In Washington, **we play outside the lines** where anything is possible.

WA
— 46°N
WINE

NATURAL BEAUTY, ENDLESS ADVENTURE

The Pacific Northwest is defined by the extraordinary and the fearlessly original. WA is synonymous with the never been done, and new ways of thinking, doing, and living that makes the world a better place.



PRODUCTS THAT CHANGE THE WORLD

WA is famous for creating concepts and products that are not only renowned world-wide but have launched global movements. WA Wine has earned its place among these influential icons.



AN INCLUSIVE COMMUNITY

A commitment to community and fostering a love of wine for all. An inviting space for everyone and an industry focused on sharing knowledge and collective success.



OBSESSION WITH QUALITY & INNOVATION

Tapping science and research to push boundaries and identify opportunities; WA Wine has an unmatched commitment to quality, innovation, and state-wide V&E research to shape the future.



Strategic Pillars

DRIVE WASHINGTON WINE BRAND STORY



→ **Implement Cohesive and Consistent Content, Materials, and Communications**

- Align messaging from each strategic pillar into overarching brand messaging strategy
- Continue to leverage our digital audiences, growing brand loyalty and trust
- Inspire constituents to adopt brand identity, advancing a unified brand position

→ **Leverage Washington State and PNW Lifestyle and Inherent Positive Traits**

- Develop updated brand look/feel/tone/imagery using brand assets
 - Approachable, accessible and aspirational

→ **Drive Consistent Brand Story Across all Touchpoints**

- Distributors
- Constituents
- Influential Trade
- Media – traditional, social, and emerging
- Consumers

Strategic Pillars

ACTIVATE DISTRIBUTOR + TRADE PARTNERSHIPS



→ GROW WA WINE DOLLAR SHARE

- Grow national dollar share to 5% in 5 years (from 3.6% currently)
- Grow in-state premium dollar share to be greater than or equal to CA dollar share
- Grow WA Wine export program by 10% increase in participants and volume

→ LEVERAGE and CONNECT EXISTING and NEW PROGRAMS

- Build national wine month campaign
- Continue to build local support and loyalty through Wine Months
- Make Road Trip Washington Wine the top inbound immersion and education program
 - Maximize road trip purchase intent and long-term advocacy
- Cultivate productive relationships with key stakeholders in targeted markets nationally
 - Research and develop on-premise program focused on by-the-glass placements
- Educate constituents on distributor engagement and value of national distribution to build the WA Wine category

→ UNIFIED BRAND STORY

- Embrace Local Community and PNW attributes
- Lead with the equity of our Brand Story with distributor partners during key communication moments
- Leverage existing materials and tools to maximize awareness and unify message

Strategic Pillars

INCREASE MEDIA + COMMUNICATIONS IMPACT



→ **MEDIA ENGAGEMENT & RELATIONSHIP BUILDING**

- Build and grow new and existing regional, national, and international media relationships
- Host impactful inbound tours, one-off visits, & critic/reviewer tastings
- Measurable national PR activations
- Effective press releases, information dissemination, strategic pitching & media mailers
- Increase diversity of media covering WA Wine

→ **GENERATE INNOVATIVE CONTENT and AMPLIFY EXISTING CONTENT**

- Create compelling, innovative, and unique stories using all mediums
- Maximize and measure digital storytelling efforts
- Content relevant to more diverse audiences
- Dedicated resources to maximize opportunity
- Leverage and amplify Sustainable WA program

→ **UNIFIED BRAND STORY**

- Embrace local community and PNW attributes
- Synergize all content to provide on-equity and cohesive communication

Strategic Pillars

FUND AND PROMOTE VITICULTURE AND ENOLOGY RESEARCH

→ **STRENGTHEN V&E RESEARCH COMMITMENT of \$2/ton and \$0.02/gallon**

- Codify with binding vote of the Commission
- Support efforts of Auction of WA Wines to annually raise \$250k for WSU V&E Department
- Support establishment of V&E Department to lead a world-class research program

→ **LEAD TRANSFORMATIONAL RESEARCH on LEAFROLL VIRUS**

- Engage non-traditional perspectives to solve leafroll virus
- Develop & implement leafroll virus plan combining Research with extension

→ **COMMUNICATE RESEARCH OUTCOMES**

- Demonstrate value of research to constituency
- Position WSU and WA Wine as leaders in innovative research
- Raise awareness and recruit students and world-class faculty by leveraging digital media, identified conferences, and other impactful activities

Calendar Year

YEAR AT A GLANCE

- Research
- Marketing
- Communications
- International
- Other / Admin

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Annual Research Survey		 • Dinner Series • Pacific-Standard • New Vintage • Sunday Brunch • Seminar Series • No Frills	 Wine Advocate WA Visit	WA Wine Asia Trade Tasting – S. Korea, Japan	SF Trade & Road Trip Alumni Event – CA	 WAVE/WSU Field Day	<i>W August</i> • HEB, OFC, and Fred Meyer Activations • On-Prem Programming • Landry's Sip & Sea 	 Harvest Related Media Communications	 vinous WA Visit	NY Media Activations	Holiday Media Mailers
Research Grant Applications Close	 WineVit Research Poster Session Sponsor	Sustainable WA Marketing Activation	Harvest 2022 Communications	 VinExpo Singapore	Annual WRAC Meeting	Implement Sustainable WA Marketing Plan	• Auction of Washington Wines			NY WA State Tourism Activation	Grape Assessments Open
WA Wine Trade Tasting - Mexico	 WAVEx Webinar	 Sustainable WA Wines hit Market	 WAVEx Webinar	Canada Inbound Hosting – BC!	WA Wine Canada Trade Tasting – Toronto, Ontario & Montreal, Quebec	Finalize Core Values	• AWW Media Hosting			Grape Assessment Communications	Taste WA Registration Kickoff
Strategic Planning Retreat	Research Review	Black Girls Texting Partnership – DEI!	WA Wine Canada Trade Tasting – Calgary, Alberta	Executive Director Communications	End of Fiscal & Year-End Budgeting	RNDC WA Wine Distributor Education Sessions	• WAVE Seminar • Drone Research Demonstration Day			State Tourism Conference	Research Grant Programs Open
	WA Wine Trade Tasting - Mexico	Taste Washington Inbound Media Hosting	BCLDB Buyer Inbound	Finalize Grape Reporting	Finalize Five Year Strategic Plan	UK Trade and Media Inbound					Taste WA Press Release
	JEB DUNNUCK In-office Tasting	Taste Washington Inbound Trade Hosting			SAQ Buyer Inbound		 • WAVE Seminar • Drone Research Demonstration Day			Japanese Buyers Inbound	Korea 2-Day Certification Program
	5 Day Importer Tastings Sweden	 James Suckling WA Visit					Binny's Training and WA Wine Tasting				 WAVEx Webinar
		Portland Media Mission					Canadian Media Inbound				
		 WAVEx Webinar									
		EuroTour (London & Copenhagen)									

Ongoing: Board Meetings, Committee Meetings, Constituent Communications, Contract Management, Website Management, DEI Task Force and Trainings, Budget Management, Human Resources and Payroll

Contact Us



1201 Western Avenue, Suite 450
Seattle, WA 98101



kkelley@washingtonwine.org



206-724-2278

