

WHO VISITS NAPA? NAPA VISITOR PROFILE PHASE II

Presented to

Napa Convention and Visitors Bureau Members
Food for Thought
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Napa Visitor Profile I

- “Napa County travel market is predominantly comprised of domestic visitors, with close to half coming from within the state of California, and rest from across the United States.
- Napa County visitors are more mature in age, more educated, and command a much higher household income than the U.S. and California average.
- More than half of the respondents in the study reported a household income of \$100,000 or more, and they were significantly more likely to spend at least one night in Napa County than those whose household income was below \$100,000.
- There were more managers, executives, and professionals than other occupational categories.

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Napa Visitor Profile I

- Visitors are predominantly Caucasians, and heterosexual. There are slightly more male visitors than there are female.”
- Amongst other reasons, Napa County visitors came mainly for wines and wineries, food, friends, and families. Community downtowns, wineries, museums and art galleries, and spas were the types of attractions visited most often.
- Napa County visitors typically traveled with their spouses, partners, or companions. Few brought children on the trip.”

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NAPA VISITOR PROFILE II

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Napa Visitor Profile II

What More Does It Tell Us?

Social and cultural communities -- “clusters” -- from which are visitors come

- Demographics
 - Age, family composition, income, occupation, education, home ownership
- Interests and Behavior
 - How they spend their time and money
 - Where they travel, what they read and what they watch
- Regional concentrations down to small market level
 - Where our customers, and people like them, live
 - High potential underperforming markets



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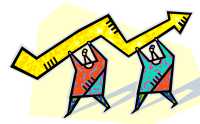
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Napa Visitor Profile II

Enables Highly Targeted Consumer Marketing

- More efficient use of marketing dollars
- More responsive to consumer values and circumstances
 - Key segments
 - Key target markets
 - Most effective messaging
 - Key media
 - Potential partner marketing opportunities



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Methodology

- Equifax, the credit monitoring agency, has developed a set of multi-factor consumer profiles or segments, by zip code and DMA (standard media markets) based on a variety of databases indicating purchasing habits and consumer behavior
- Draws a picture of consumers based on the assumption that households living in close proximity have reasonably comparable interests and behaviors
- Confidence in this methodology has developed over several years as retailers used these data to choose store locations, direct marketers have planned their campaigns and tourism bureaus have developed marketing strategies

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Methodology

- 40,000 Zip+4 addresses were compared to the 36 million zip+4 households in the Equifax Niches 2.0 data base of cluster coded households
- 7,225 (18%) of the Napa visitor Zip+4s matched those in the database
- The 7,225 Napa Zip+4 were encoded with the appropriate clusters and analyzed for propensity to visit the Napa Valley
- These clusters were then examined to identify the zip codes with the greatest concentrations of these clusters and to identify the households meeting the pre-defined criteria

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Cluster Analysis

Zip+4 areas on average encompass just 10 households and thus can be linked to very specific consumers.

Once the zip+4 are coded into separate clusters that share similar traits, understanding of the media habits, travel propensity and spending patterns of the existing visitors to Napa becomes clear.

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Cluster Analysis

<u>Cluster Name</u>	<u>Index total</u>	<u>CA only</u>	<u>Outside CA</u>
Chic Society	562	609	506
Already Affluent	374	374	373
Diamonds-to-Go	334	279	401
Easy Street	220	264	167
Big Spender Parents	201	213	186

Based on Index = 100 in general population

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Leading Visitor Clusters

Cluster Demographics: Chic Society

- Household income:\$167,000
- Average age head of household:49
- Demographics: Few kids, high home ownership, and values, high education
- Interests: Stocks/bonds, apparel, charities, fitness, cultural events, antiques, fashion, travel

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Leading Visitor Clusters

Cluster Demographics: Already Affluent

- Household income:\$166,000
- Average age head of household:29
- Demographics: White collar, few kids, high home value, high education
- Interests: Electronics, real estate, stocks, high education, fitness, outdoor sports, culture, fashion, travel

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Leading Visitor Clusters

Cluster Demographics: Diamonds-To-Go

- Household income:\$123,000
- Average age head of household: 48
- Demographics: Home owners, high home values, kids, white collar
- Interests: Home furnishings, stocks, computers, gourmet cooking,gardening, travel

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Leading Visitor Clusters

Cluster Demographics: Easy Street

- Household income:\$161,000
- Average age head of household: 64
- Demographics: White collar, high education, grown children, home owners, high home values
- Interests: Grandchildren, travel, stocks/bonds,real estate, golf, gardening, cultural events, TV sports, fitness, travel

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Leading Visitor Clusters

Cluster Demographics: Big Spender Parents

- Household income:\$162,000
- Average age head of household: 43
- Demographics: Traditional families with kids, white collar, high home values, high education
- Interests: Video cameras, stocks, home improvements, fitness, camping

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Applying Cluster Analysis

- The dominant characteristics for these visitors were either of the two dominant clusters (Diamonds-to-Go or Chic Society), incomes over \$100,000 and an interest in wine.
- Applying these profiles to the Equifax database allows us to identify the regions, interests and demographics of existing and potential Napa visitors and thus to target our marketing programs to the populations who are most like existing visitors.
- Approximately 525,788 such households within 22,027 zip codes were thus identified. Adding to this the zip codes retrieved from the source data identified 525,811 such households within 40,307 zip codes.

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Where Do Our Visitors Come From?

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Key Source Regions for Visitors

VISITOR HOME REGION

<u>Census area</u>	<u>Index</u>
Pacific	430
Mountain	81
West South Central	63
New England	53
Middle Atlantic	50

Based on Index = 100 in general population

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California Visitors To Napa

- 55% from California, primarily Northern California
 - 53.6% of all CA visitors from Bay Area
- Low representation from Southern and Central California
 - 18.8% of CA visitors from Los Angeles
 - Only 2% from San Diego - although good representation from Palm Springs
 - 1.1% from Monterey/Salinas
 - 0.8% from Fresno/Visalia



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California Visitors To Napa

<u>CA. METROPOLITAN AREA</u>	<u>Index</u>
SF/Oak/SJ	1586
Sac/Stockton	711
Monterey Salinas	611
Los Angeles	285
San Diego	238
Chico Redding	227

Based on Index = 100 in general population



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Other Key Source Regions for Visitors

Visitor Home State

<u>(Non-California)</u>	<u>Index</u>
Nevada	443
District of Columbia	376
Colorado	275
Oregon	238
Connecticut	211
Washington	218
Illinois	204

Based on Index = 100 in general population

Non-California visitors tend to have higher incomes,
be better educated and somewhat older

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Non-California Metro Areas

Leading metropolitan areas
(relative to their populations)

- Reno
- Bend, Oregon
- Las Vegas
- Twin Falls, Idaho
- Denver
- Austin, Texas
- Seattle
- Chicago
- Fairbanks
- Charlottesville



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Non-California Metro Areas

<u>NON-CA. METRO AREAS</u>	<u>Index</u>
Reno	706
Bend Oregon	458
Las Vegas	335
Twin Falls Idaho	320
Denver	317
Austin	301

Based on Index = 100 in general population

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High Index Zip Codes

HIGH INDEX ZIP CODES OUTSIDE CALIFORNIA

Saint Charles, South Dakota	1226
Burkittsville, Maryland	754
Cobalt, Connecticut	588
Roaring Gap, North Carolina	577
Mill Neck, New York	528
Castle Rock, Colorado	520
Whitehouse Station, New Jersey	505
Phoenix, Maryland	484
Boston Massachusetts	414
Manhattan, New York	368

Based on Index = 100 in general population

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Demographics and Interests of These Visitors

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Napa Visitors are Typical Wine Consumers

The Napa visitor group, based on this sample, closely parallels the wine consumer segment, except for:

- The predominance of males in the group
- The relatively low representation of grandparents, and
- The low participation from some key wine consuming markets
 - Pennsylvania, Vermont, Ohio, Michigan, Rhode Island, Delaware, Maine
 - Atlanta, Cleveland, Southern California

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Visitor Demographics

- Somewhat older than general population
 - 58% in 45-64 year age group, followed by 35 to 44 years
 - Low concentration of under 35 and over 65
- More affluent than general population
 - Household incomes generally over \$100,000 *and significant share over \$160,000*
- Three times more likely to have travel & entertainment cards



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Visitor Demographics

- Higher level occupations than general population
 - 61.5% professional, technical and managerial, compared to 37.6% of general population
 - 17.2% self employed, compared with 9.4% of general population
- Better educated
 - 31% with graduate school degrees vs. 12.7% of general population
 - Only 14.1% ended education at high school, compared with 45.2% for general population



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Visitor Demographics

- Much higher proportion of spouses in similar occupations - but also more homemaker spouses
 - 42.5% of spouses in managerial, professional and technical occupations
 - 14% homemaker spouses



- Disproportionate share of highly affluent millennials

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Visitor Demographics

- More likely married but fewer children in home
 - 74.4% of visitors are married, compared with 64.6% of general population
 - 41% have children in home vs. 51% of general population
- Few grandparents or grandmothers deeply involved in grandchildren



- Live in highest home value regions of the country

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Key Visitor Interests

<u>Interest</u>	<u>Index</u>
Snow Skiing	320
Wines	298
Frequent Flyer	260
Tennis	252
Foreign Travel	237
Golf	209
Sailing	203
Gourmet cooking/fine foods	201

Also cultural events and investments

Based on Index = 100 in general population



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Using This Information

Strategies to both retain existing customers and expand our market:

✓ Messaging

- For example, Consumer messaging would align the product with
 - Travel, particularly international travel
 - Sports and fitness, especially snow skiing
 - Well educated consumers
 - Male and single travelers (assuming further investigation confirms the proportion of men traveling alone suggested by these data)
 - Management and business issues
 - Charitable concerns

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Using This Information

✓ Media Selection

- Higher end travel media and comparable websites
- Gourmet cooking publications and the higher-end food cable programs.

✓ Partner marketing

- e.g. travel organizations, charities and community groups, luxury products, educational institutions, T&E cards
- **The wine industry: tourism is critically important to winery direct sales and brand building**



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Using This Information

✓ Product offerings

- Cultural events, sports and fitness and gourmet cooking.

✓ Regional focus for marketing

✓ Direct marketing targets

✓ Identifying underserved segments

- Grandparents and families



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Next Steps ...

- Analyze broader visitor data set, to capture larger percentage of cluster matches
- Develop test marketing programs
- Build benchmarks for measurement



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Thank you

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