FINE WINE & GOOD SPIRITS

2011 PLCB Border Bleed Tracking Study
ONLINE SURVEY FINDINGS
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RESEARCH BACKGROUND

2011 PLCB BORDER BLEED TRACKING STUDY
RESEARCH BACKGROUND

Research Design

- Online survey hosted by Neiman Group on the Qualtrics platform

- In order to identify shifts from 2008, the same survey instrument was used; a few additions were made

- Target demographics
  - Adults 21+
  - Philadelphia DMA (PA counties only) – Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton, Philadelphia

- Findings are reported at the 95% confidence level

- 2011 Sample Size is 1003; 2008 was 1001
Goals

• Determine how many residents in the Philadelphia marketplace are purchasing wine & spirits across state borders

• Examine the business impact that cross-border purchases are having on PLCB retail stores

• Understand the underlying reasoning and motivators driving out of state purchasing behavior

• Recommend marketing efforts in accordance with research findings

• Identify overall and segment shifts since 2008
Segment Definitions

- **Exclusive In State Buyers** – only purchase wine and spirits at PA Wine and Spirits Stores or via its website

- **Exclusive Out of State Buyers** – only purchase wine and spirits outside of Pennsylvania or through unaffiliated websites

- **In and Out of State Buyers** – purchase wine and spirits both in Pennsylvania and other states:
  - **Destination Buyers** – make a special trip to buy wine and spirits outside of Pennsylvania
  - **Opportunistic Buyers** – purchase wine and spirits when passing through other states based on convenience; they do not make a special trip to do so
Economic Changes Since 2008

- Recession impacted consumer spending across the board
- Consumers still cautiously spending
- Gas prices have skyrocketed
RESEARCH BACKGROUND

PLCB Changes Since 2008

- Strong seasonal price promotions and in-store messaging focused on exceptional value and a breadth of offering
- Launch of online ordering and buying
- Enhancements to the retail experience both online and in-store
Even through the recession PLCB sales continue to increase year over year.
KEY FINDINGS
Consumers are much more positive about the PA Wine & Spirits store experience than in 2008. There is still room to continue to shift perceptions – especially related to price.

**Perceptions of PA Wine & Spirits Stores**

- **Staff is courteous and polite**: 62% (2008) to 75% (2011)
- **Have a good selection of products**: 42% (2008) to 74% (2011)
- **Have good customer service**: 47% (2008) to 70% (2011)
- **Staff is knowledgeable about the products being sold**: 41% (2008) to 62% (2011)
- **Have affordable pricing**: 26% (2008) to 54% (2011)
- **Competitive pricing compared to out-of-state retailers**: Not Reported (2008) to 29% (2011)
More consumers are purchasing Wine and Spirits exclusively in Pennsylvania than in 2008. Fewer are buying both in and out of state.
Fewer Pennsylvania residents are buying wine and spirits in Delaware than was the case in 2008.

**KEY FINDINGS**

Out of State Purchasing Shift from 2008

<table>
<thead>
<tr>
<th>Location</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>33%</td>
<td>29%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>47%</td>
<td>48%</td>
</tr>
<tr>
<td>New York</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Four out of five consumers who buy wine and spirits both in and outside of Pennsylvania make purchases out of state when it is convenient, rather than going out of their way to do so.
Just like in 2008, Opportunistic buyers account for the majority of In and Out of State purchasers. As a result of the overall decline in purchasing both in and out of state, these segments have declined since 2008.

**KEY FINDINGS**

**2011**
- Opportunistic Buyers: 79% (32% of total)
- Destination Buyers: 21% (8% of total)

**2008**
- Opportunistic Buyers: 76% (37% of total)
- Destination Buyers: 24% (12% of total)
Overall spend for opportunistic buyers has not shifted since 2008 and they are still spending the majority of their money in state. Destination buyers continue to spend about 60% of their money out of state, but their overall purchases have dropped.
All segments have significantly more favorable perceptions of PA Wine & Spirits Stores than in 2008. Value messaging has helped to change price perceptions across the board – although the majority still feel PA prices are not comparable to out of state.
Destination Buyers have less favorable perceptions of PA Wine & Spirits Stores across the board – significantly less favorable on staff service and pricing.

### Key Findings

#### Destination vs. Opportunistic Perceptions

<table>
<thead>
<tr>
<th>Perception</th>
<th>Exclusive In State</th>
<th>Destination</th>
<th>Opportunistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff is courteous and polite</td>
<td>75%</td>
<td>66%</td>
<td>77%</td>
</tr>
<tr>
<td>Have good customer service</td>
<td>72%</td>
<td>55%</td>
<td>70%</td>
</tr>
<tr>
<td>Have a good selection of products</td>
<td>78%</td>
<td>64%</td>
<td>69%</td>
</tr>
<tr>
<td>Staff is knowledgeable about the products being sold</td>
<td>64%</td>
<td>54%</td>
<td>62%</td>
</tr>
<tr>
<td>Have affordable pricing</td>
<td>58%</td>
<td>41%</td>
<td>52%</td>
</tr>
<tr>
<td>Competitive pricing compared to out-of-state retailers</td>
<td>30%</td>
<td>22%</td>
<td>30%</td>
</tr>
</tbody>
</table>

2011 PLCB BORDER BLEED TRACKING STUDY
Major Shifts Since 2008

• More Pennsylvania residents stay in state to purchase wine and spirits when compared to 2008 – consequently, the percentage of residents purchasing both in and out of state has declined

• Delaware buying has declined significantly

• Residents who do make special trips to cross state borders - Destination Buyers - are spending less money overall than in 2008

• While purchasing behaviors may be a direct result of the economic factors – improved perceptions of the PA Wine and Spirits Store experience are also a driver

• Price perceptions are still a challenge for PA Wine and Spirits Stores
CLOSER LOOK AT CONSUMER SEGMENTS
Just like in 2008, the true Border Bleeders are the Destination Buyers (8% of total) and the Exclusive Out of State Purchasers (5% of total).

In order to convert more of their business to Pennsylvania, we must continue to understand their needs and behaviors.

Additionally, we should learn more about our loyalists – those who purchase exclusively in Pennsylvania – and Opportunistic segment to determine whether there is opportunity for conversion.
“I enjoy buying wine and liquor. When I go, I buy a lot, so I usually make a special trip and go where the selection and price are best.”

8% of Consumers
Most are Between 30 - 49 Years of Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-29 years old</td>
<td>9%</td>
</tr>
<tr>
<td>30-39 years old</td>
<td>32%</td>
</tr>
<tr>
<td>40-49 years old</td>
<td>31%</td>
</tr>
<tr>
<td>50-59 years old</td>
<td>25%</td>
</tr>
<tr>
<td>60 years old and above</td>
<td>3%</td>
</tr>
</tbody>
</table>

Tend to be highly educated

- College or Graduate Degree: 62%
- Associate Degree or Some College: 32%
- High School or Less: 6%

The majority are employed full time

- Employed Full Time: 56%
- Employed Part Time: 25%
- Unemployed, Retired, or Student: 19%
DESTINATION BUYER PROFILE

Most live in Chester County (29%) and Delaware County (20%)

70% have an income of at least $75,000

- 8% $49,999 or less
- 22% $50,000 - $74,999
- 45% $75,000 - $149,999
- 25% $150,000 or more
DESTINATION BUYER IN STATE PURCHASING

• Buy wine more than spirits

• Use PA Wine & Spirits Stores to supplement supply each month

• During trips to PA stores, most spend under $60 and buy 2-5 products

• Only 1/3 are aware that some PA Wine & Spirits stores have undergone renovations
The majority of their out of state purchases are in Delaware.

They are less likely than overall to buy in New Jersey – may have to do with proximity to Delaware from Chester County.
About half report knowing that crossing into Pennsylvania with wine and spirits bought elsewhere is illegal.

Seems to have little impact on purchases.

Only 1/3 know they can order online and have products shipped to PA Wine & Spirits Stores – 6% have used the website to make purchases.
DESTINATION BUYER OUT OF STATE PURCHASING

• Generally wine buyers

• Buy in bulk – more than 6 products at a time

• Purchase at least $200 worth of products at a time

• Travel out of state for a broader selection and better price
69% say they purchase the most wine and spirits out of state during the holidays
TAKING ACTION TO CONVERT DESTINATION CONSUMERS

It is important to continue to reach this affluent target when they are at PA Wine and Spirits locations supplementing their supply

- Consider beginning a loyalty program to reward these buyers on their purchases and entice them to fulfill their bulk needs within the state border

- Continue the focus on pricing and value leading up to the Holiday months since that is when they are most likely to cross the border

- Their perceptions of the staff at the PA Wine and Spirits stores is below the average, so continue employee training focused on courtesy and knowledge of the products – wine in particular

- Almost 1/3 of this segment is concentrated in Chester county, so focus on implementing changes in those stores first and then rolling out to other locations
EXCLUSIVE OUT OF STATE CONSUMER

“I really don’t buy that much wine and liquor – but when I do, I want to make sure I am getting the best price, so I always go out of state.”

5% of Consumers
The majority are 40+

- 9% 21-29 years old
- 32% 30-39 years old
- 31% 40-49 years old
- 25% 50-59 years old
- 3% 60 years old and above

Just over half have college degrees
- 20% College or Graduate Degree
- 24% Associate Degree or Some College
- 56% High School or Less

About half are employed full time
- 28% Employed Full Time
- 20% Employed Part Time
- 52% Unemployed, Retired, or Student

EXCLUSIVE OUT OF STATE PROFILE

2011 PLCB BORDER BLEED TRACKING STUDY
The highest concentration is in Delaware county (27%). They also live in Philadelphia (20%) and Montgomery (20%) counties.

Half have an income under $75,000
The majority of their out of state purchases are in Delaware, a result of the concentration of this segment being in Delaware county.
Only 16% report knowing that crossing into Pennsylvania with wine and spirits bought elsewhere is illegal.

Only 1/5 know they can order online and have products shipped to PA Wine & Spirits Stores – the lowest awareness of all groups.

But, 16% are using other websites to purchase wine and spirits.
Generally wine buyers tend to buy less frequently than once a month. They go out of state to get better prices and stock up on personal supply. Two out of five buy out of state while passing through; slightly less than that make a special trip.
EXCLUSIVE OUT OF STATE PURCHASING

• Spend less than $60 at a time
• Usually buy 2-5 products
• The majority spend less than $200 per year at wine and spirits stores
Their purchases are concentrated during the holiday season and in the summer.

Summer
33%

Holidays
33%
This audience does not visit PA Wine and Spirits Stores

- Based on their infrequent purchasing and price sensitivity, the largest opportunity for conversion is online ordering – 16% of them are already using online sites to buy wine and spirits

- Since this group is a relatively small, in-frequent purchasing population, we do not recommend a concerted marketing effort to convert them
“If I am heading to the beach for the weekend or going to a friend’s party in Jersey, I will stop and buy a few bottles of wine or liquor on the way because it is convenient and generally less expensive.”

32% of Consumers
Most are Between 30 - 49 Years of Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>21-29 years old</td>
<td>7%</td>
</tr>
<tr>
<td>30-39 years old</td>
<td>33%</td>
</tr>
<tr>
<td>40-49 years old</td>
<td>33%</td>
</tr>
<tr>
<td>50-59 years old</td>
<td>23%</td>
</tr>
<tr>
<td>60 years old and above</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>College or Graduate Degree</td>
<td>Employed Full Time</td>
</tr>
<tr>
<td>Associate Degree or Some College</td>
<td>Employed Part Time</td>
</tr>
<tr>
<td>High School or Less</td>
<td>Unemployed, Retired, or Student</td>
</tr>
</tbody>
</table>
Most live in Montgomery (27%) and Bucks (22%) counties.

3 out of 4 have an income of at least $75,000.
OPPORTUNITY BUYER IN STATE PURCHASING

- Generally make a purchase each month of 2-5 products
- Usually spend $21-60 during their visit
- Most spend over $200 a year at PA Wine & Spirits Stores
- Buy wine more than spirits
The majority of their out of state purchases are in New Jersey

They are less likely than overall to buy in Delaware
Similar to Destination Buyers, about half report knowing that crossing into Pennsylvania with wine and spirits bought elsewhere is illegal.

Less than 1/3 know they can purchase products online and have them shipped to PA Wine & Spirits Stores – only 7% have used the website to make purchases.
• More likely than other groups to buy with no particular plan in mind

• Generally spend $21-40 on an out of state purchase – not stocking up

• Less likely to buy based on price than overall
More likely to purchase out of state in the summer, however affinity to purchase out of state during the holidays is up compared to 2008 (from 33% to 41%)

<table>
<thead>
<tr>
<th>Season</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer</td>
<td>47%</td>
</tr>
<tr>
<td>Holidays</td>
<td>41%</td>
</tr>
</tbody>
</table>
Similar to the Destination purchasers, they are more affluent and have more to spend at any given time – thus, it is essential to increase their purchases when they are on-site

- Continue in-store messaging on value, particularly during Summer and Holiday months – the times when they are most likely to purchase out of state

- The loyalty program for the Destination purchasers would also be ideal for Opportunistic buyers

- They have positive perceptions of the in-store experience, but the more exceptional the experience, the more likely they are to return frequently and change their convenience patterns

- This group is concentrated in Montgomery and Bucks county - thus, after programs are rolled out in Chester to attract Destination buyers they should be implemented here
“I buy all my wine and spirits at the PA stores. I don’t shop that often, so when I do – it is the most convenient place for me.”

55% of
Consumers
IN STATE ONLY
BUYER PROFILE

Most Diverse Group with Regard to Age

- 21-29 years old: 9%
- 30-39 years old: 24%
- 40-49 years old: 34%
- 50-59 years old: 23%
- 60 years old and above: 10%

Varying education levels:
- College or Graduate Degree: 44%
- Associate Degree or Some College: 36%
- High School or Less: 21%

Lowest levels of full time employment:
- Employed Full Time: 49%
- Employed Part Time: 33%
- Unemployed, Retired, or Student: 18%
Tend to live in Montgomery (21%), Bucks (18%), and Philadelphia (17%) counties.

The majority have an income below $75,000.

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$49,999 or less</td>
<td>35%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>20%</td>
</tr>
<tr>
<td>$75,000 - $149,999</td>
<td>36%</td>
</tr>
<tr>
<td>$150,000 or more</td>
<td>9%</td>
</tr>
</tbody>
</table>
• Buy wine more frequently than spirits

• But, they are infrequent buyers – the majority shop less than once a month

• When they do make a purchase they buy 2-5 products and typically spend $11-40 during a trip

• More than half report spending less than $200 a year at PA Wine and Spirits stores
This audience seems to be fine with PA Wine and Spirits stores – they are not going to make an extra effort to leave the state, so we would not recommend a targeted marketing effort to this group.

- Since this target tends to be lower income, frequent promotions will keep them coming back to the stores.

- They have generally positive perceptions of the in-store experience, but like other groups, few believe PA Wine and Spirits stores are competitively priced compared to out of state retailers – this group may just have a harder time getting out of state or do not feel the gas money is worth the savings.
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<th>Page Number</th>
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<td>Significance Testing</td>
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<td>Opportunity Buyer</td>
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<tr>
<td>Profile</td>
<td>4</td>
</tr>
<tr>
<td>In State Purchasing</td>
<td>6</td>
</tr>
<tr>
<td>Out of State Purchasing</td>
<td>12</td>
</tr>
<tr>
<td>Destination Buyer</td>
<td>18</td>
</tr>
<tr>
<td>Profile</td>
<td>19</td>
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<tr>
<td>In State Purchasing</td>
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<td>27</td>
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<td>Exclusive In State Buyer</td>
<td>33</td>
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<td>Profile</td>
<td>34</td>
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<td>In State Purchasing</td>
<td>36</td>
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<tr>
<td>Exclusive Out of State Buyer</td>
<td>42</td>
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<td>Profile</td>
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<td>In State Purchasing</td>
<td>45</td>
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<td>Out of State Purchasing</td>
<td>47</td>
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<tr>
<td>In &amp; Out of State Buyer</td>
<td>53</td>
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<tr>
<td>Profile</td>
<td>54</td>
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<tr>
<td>In State Purchasing</td>
<td>56</td>
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<tr>
<td>Out of State Purchasing</td>
<td>62</td>
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<tr>
<td>Full Sample</td>
<td>68</td>
</tr>
<tr>
<td>Profile</td>
<td>69</td>
</tr>
</tbody>
</table>
Below is a chart that shows how many points the 2011 data must change from 2008 to represent a statistically significant change.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Significant Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity Buyer</td>
<td>+/- 7 points</td>
</tr>
<tr>
<td>Destination Buyer</td>
<td>+/- 13 points</td>
</tr>
<tr>
<td>Exclusive In State Buyer</td>
<td>+/- 6 points</td>
</tr>
<tr>
<td>Exclusive Out of State Buyer</td>
<td>+/- 18 points</td>
</tr>
<tr>
<td>In &amp; Out of State Buyer</td>
<td>+/- 6 points</td>
</tr>
</tbody>
</table>
OPPORTUNITY BUYER

2011 PLCB BORDER BLEED TRACKING STUDY 3
The majority of Opportunistic Buyers live in Montgomery or Bucks County with a household income range of $75,000-$150,000. Respondents are generally between the ages of 30-49.

### Age Distribution

- **65 years old and older:** 2% (2008), 2% (2011)
- **60-64 years old:** 3% (2008), 9% (2011)
- **50-59 years old:** 23% (2008), 28% (2011)
- **40-49 years old:** 23% (2008), 33% (2011)
- **30-39 years old:** 24% (2011), 33% (2011)
- **25-29 years old:** 5% (2008), 14% (2011)
- **21-24 years old:** 2% (2008), 2% (2011)

### Income Distribution

- **$200,000 or more:** 6% (2008), 7% (2011)
- **$150,000-$199,999:** 12% (2008), 13% (2011)
- **$100,000-$149,999:** 28% (2008), 31% (2011)
- **$75,000-$99,999:** 25% (2008), 26% (2011)
- **$50,000-$74,999:** 18% (2008), 16% (2011)
- **$35,000-$49,999:** 5% (2008), 6% (2011)
- **$25,000-$34,999:** 1% (2008), 1% (2011)
- **$24,999 or less:** 3% (2008), 2% (2011)

### County Distribution

- **I live in another county:** 6% (2008), 6% (2011)
- **Philadelphia County:** 14% (2008), 20% (2011)
- **Northampton County:** 6% (2008), 14% (2011)
- **Montgomery County:** 22% (2008), 27% (2011)
- **Lehigh County:** 5% (2008), 6% (2011)
- **Delaware County:** 12% (2008), 11% (2011)
- **Chester County:** 10% (2008), 12% (2011)
- **Bucks County:** 19% (2008), 22% (2011)
- **Bucks County:** 4% (2008), 6% (2011)

### Gender Distribution

- **Female:** 44% (2008), 60% (2011)
- **Male:** 40% (2008), 56% (2011)

2008: N = 374
2011: N = 311
From a pool of mainly White respondents, two out of three are employed full-time, and more than half have an undergraduate or graduate school diploma.
Nearly all respondents continue to buy wine and spirits at the store itself, whether it is in state or out of state. One in five have begun purchasing on a wine and spirits website.

Where do you purchase wine and/or spirits?

- At an out-of-state wine and spirits website: 2008: 13%, 2011: 13%
- At an out-of-state wine and spirits store: 2008: 99%, 2011: 95%
- At the PA Wine & Spirits website: 2008: 7%, 2011: 7%
- At a PA Wine & Spirits store: 2008: 100%, 2011: 100%

2008: N = 374
2011: N = 311
Opportunistic Buyers continue to make purchases on a monthly or semi-annual basis, and still tend to buy more wine than spirits.

**Opportunity Buyer in State Purchasing**

**Frequency of Purchase at PA Wine & Spirits Stores**

- Once Every Few Years: 2008: 1%, 2011: 0%
- Once a Year: 2008: 2%, 2011: 2%
- Few Times per Year: 2008: 48%, 2011: 43%
- Every Month: 2008: 36%, 2011: 40%
- Every Week: 2008: 13%, 2011: 15%

**Purchase Type at PA Wine & Spirits Stores**

- Equal Amount of Wine and Spirits: 2008: 26%, 2011: 29%
- More Spirits: 2008: 19%, 2011: 23%

2008: N = 374  
2011: N = 311
9 out of 10 respondents buy no more than a handful of products on each visit to the PA Wine & Spirits Store, spending between $21-$60.
The majority of Opportunistic Buyers are continuing to spend between $51-$500 annually.

### Annual Spend at PA Wine & Spirits Stores

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;$1000</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>$701-1000</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>$501-700</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>$301-500</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>$201-300</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>$101-200</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>$51-100</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>&lt;$50</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

2008: N = 374
2011: N = 311
Purchasers at PA Wine & Spirits Stores are more than twice as likely to say that the staff is courteous with good customer service than the store offers competitive pricing.

### PA Wine & Spirits Store Perceptions and Experience

- **Staff is courteous and polite**: 77% (2011), 66% (2008)
- **Staff is knowledgeable about the products being sold**: 62% (2011), 48% (2008)
- **Have good customer service**: 70% (2011), 55% (2008)
- **Offer competitive pricing when compared to out-of-state retailers**: 30% (2011), 30% (2008)
- **Have affordable pricing**: 52% (2011), 39% (2008)
- **Have a good selection of products**: 69% (2011), 53% (2008)

2011: N = 311
Nearly half of respondents are aware that crossing into PA with wine or spirits purchased out of state is illegal. About a third knew of the store renovations and ordering online.
Similar to 2008, most Opportunistic Buyers purchase wine and spirits outside of PA a few times every year. More than half make these purchases in New Jersey.

### How often do you purchase wine and/or spirits outside of PA?

- **Once every few years**
  - 2008: 8%
  - 2011: 7%
- **Once per year**
  - 2008: 14%
  - 2011: 17%
- **A few times per year**
  - 2008: 64%
  - 2011: 59%
- **Every month**
  - 2008: 13%
  - 2011: 15%
- **Every week**
  - 2008: 1%
  - 2011: 3%

### Where do you most often make out-of-state purchases of wine and/or spirits?

- **Other, please specify**
  - 2008: 19%
  - 2011: 20%
- **New York**
  - 2008: 5%
  - 2011: 5%
- **New Jersey**
  - 2008: 51%
  - 2011: 53%
- **Delaware**
  - 2008: 25%
  - 2011: 22%

2008: N = 374
2011: N = 311
Most Opportunistic Buyers purchase wine alone or both wine and spirits when they visit an out-of-state store, and cite better prices as the reason for their out-of-state purchase. Four in ten buyers make the purchase with no particular plan in mind.

**OPPORTUNITY BUYER OUT OF STATE PURCHASING**

**Do you purchase more wine or spirits outside of PA?**

- Equal amounts of wine and spirits: 29% (2008), 29% (2011)
- Spirits: 24% (2008), 24% (2011)
- Wine: 48% (2008), 47% (2011)

**Why do you buy wine and/or spirits outside of PA?**

- Other, please specify: 45% (2008), 45% (2011)
- Better prices: 38% (2008), 52% (2011)
- Better service and customer experience: 2% (2008), 10% (2011)
- Better selection of products: 15% (2008), 33% (2011)

**Which of the following best describes the purpose of your out-of-state wine and/or spirits purchases?**

- Other, please specify: 15% (2008), 16% (2011)
- I buy with no particular plan in mind: 43% (2008), 44% (2011)
- I buy in bulk seasonally, e.g. holidays, summer, etc.: 13% (2008), 11% (2011)
- I regularly buy to stock up my personal supply: 24% (2008), 22% (2011)

*2008: N = 374, 2011: N = 311*
Almost all respondents report buying more wine and spirits in either the summertime or around the holiday season. A quarter of buyers spend $81-$100 on these seasonal purchases.

### In which season are you purchasing more wine and/or spirits out-of-state?

<table>
<thead>
<tr>
<th>Season</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Early Fall</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Spring</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Summer</td>
<td>52%</td>
<td>47%</td>
</tr>
<tr>
<td>November/December</td>
<td>33%</td>
<td>41%</td>
</tr>
</tbody>
</table>

### Additional money spent during season selected out-of-state

<table>
<thead>
<tr>
<th>Price Range</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$400 or &lt;</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>$301-$399</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>$201-$300</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>$151-$200</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>$101-$150</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>$81-$100</td>
<td>10%</td>
<td>26%</td>
</tr>
<tr>
<td>$61-$80</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>$41-$60</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>$21-$40</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>$11-$20</td>
<td>0%</td>
<td>6%</td>
</tr>
</tbody>
</table>

2008: N = 48  
2011: N = 34
Similar to 2008, over half of Opportunistic Buyers make wine and spirits purchases when they are passing through to another destination.

Which of the following situations best describes when you purchase wine and/or spirits out-of-state?

- I make a special trip to specifically buy wine and spirits.
- I buy on my way to and from my job.
- I buy when I am coming back from vacation.
- I buy when I am passing through to another destination.

- Other, please specify: 19% (2008) 17% (2011)
- I make a special trip to specifically buy wine and spirits: 0% (2008) 0% (2011)
- I buy on my way to and from my job: 13% (2008) 9% (2011)
- I buy when I am coming back from vacation: 13% (2008) 15% (2011)
- I buy when I am passing through to another destination: 58% (2008) 55% (2011)

2008: N = 374  
2011: N = 311
Opportunistic Buyers tend to spend $21-$60 on 2-5 wine and spirits products.

### How much do you typically spend per visit when you purchase wine and/or spirits out-of-state?

<table>
<thead>
<tr>
<th>Spend Range</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>$11 - $20</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>$21 - $40</td>
<td>30%</td>
<td>36%</td>
</tr>
<tr>
<td>$41 - $60</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>$61 - $80</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>$81 - $100</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>$101 - $150</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>$151 - $199</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>$200 or more</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### How many products do you typically purchase per visit when you purchase wine and/or spirits out-of-state?

<table>
<thead>
<tr>
<th>Products Range</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 product</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>2-5 products</td>
<td>63%</td>
<td>62%</td>
</tr>
<tr>
<td>6-12 products</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>13-24 products</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>25-30 products</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>31 products or more</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Notes:**
- 2008: N = 374
- 2011: N = 311
Nearly one third of these buyers spend less than $200 a year on wine and spirits purchases out-of-state.

About how much money do you typically spend each year on wine and/or spirits that you purchase out-of-state?

- I have no idea: 3% (2008), 3% (2011)
- More than $1000: 2% (2008), 3% (2011)
- Between $701 - $1000: 4% (2008), 3% (2011)
- Between $501 - $700: 3% (2008), 5% (2011)
- Between $301 - $500: 9% (2008), 12% (2011)
- Between $201 - $300: 14% (2008), 15% (2011)
- Between $101 - $200: 24% (2008), 23% (2011)
- Between $51 - $100: 20% (2008), 21% (2011)
- Less than $50: 16% (2008), 17% (2011)

2008: N = 374
2011: N = 311
Nearly 90% of 2011 Destination Buyers are between the ages of 30-59, with a slightly higher household income than those in 2008. Half of respondents live in Chester or Delaware County.

### Destination Buyer Profile

#### Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-24 years old</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>25-29 years old</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>30-39 years old</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>40-49 years old</td>
<td>23%</td>
<td>32%</td>
</tr>
<tr>
<td>50-59 years old</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>60-64 years old</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>65 years old and above</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

#### Income

<table>
<thead>
<tr>
<th>Income Range</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24,999 or less</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>$25,000-$34,999</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>18%</td>
<td>22%</td>
</tr>
<tr>
<td>$75,000-$99,999</td>
<td>13%</td>
<td>21%</td>
</tr>
<tr>
<td>$100,000-$149,999</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>$200,000 or more</td>
<td>9%</td>
<td>12%</td>
</tr>
</tbody>
</table>

#### County

<table>
<thead>
<tr>
<th>County</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>I live in another county</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Philadelphia County</td>
<td>12%</td>
<td>23%</td>
</tr>
<tr>
<td>Northampton County</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Montgomery County</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>Lehigh County</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Delaware County</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>Chester County</td>
<td>1%</td>
<td>13%</td>
</tr>
<tr>
<td>Bucks County</td>
<td>12%</td>
<td>29%</td>
</tr>
<tr>
<td>Berks County</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

#### Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>48%</td>
<td>67%</td>
</tr>
<tr>
<td>Male</td>
<td>33%</td>
<td>52%</td>
</tr>
</tbody>
</table>

2011 PLCB BORDER BLEED TRACKING STUDY

2008: N = 118
2011: N = 85
Similar to the Opportunistic Buyer profile, Destination Buyers are mostly White and employed full-time with an undergraduate or graduate diploma.

### Employment

<table>
<thead>
<tr>
<th>Employment</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>Employed full-time</td>
<td>9%</td>
<td>19%</td>
</tr>
<tr>
<td>Employed part-time</td>
<td>5%</td>
<td>19%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>8%</td>
<td>19%</td>
</tr>
<tr>
<td>Full-time student</td>
<td>4%</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Education

<table>
<thead>
<tr>
<th>Education</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate school diploma</td>
<td>32%</td>
<td>35%</td>
</tr>
<tr>
<td>Undergraduate college diploma</td>
<td>27%</td>
<td>42%</td>
</tr>
<tr>
<td>Associate college diploma</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td>Some college</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td>High school diploma</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Some high school</td>
<td>0%</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Ethnicity

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not wish to respond</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>White</td>
<td>87%</td>
<td>83%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>African American</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Asian &amp; Pacific Islander</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>American Indian &amp; Alaska Native</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Nearly all Destination Buyers make their purchases at both PA Wine & Spirits Stores and out-of-state stores, with only 15% making purchases online.

Where do you purchase wine and/or spirits?

- At an out-of-state wine and spirits website: 9%
- At an out-of-state wine and spirits store: 96%
- At the PA Wine & Spirits website: 6%
- At a PA Wine & Spirits store: 100%

2011: N = 85
Destination Buyers continue to make purchases on a monthly or semi-annual basis in-state, and still tend to buy more wine than spirits.

### Frequency of Purchase at PA Wine & Spirits Stores

- **Once Every Few Years**
  - 2008: 1%
  - 2011: 2%
- **Once a Year**
  - 2008: 1%
  - 2011: 4%
- **Few Times per Year**
  - 2008: 41%
  - 2011: 40%
- **Every Month**
  - 2008: 39%
  - 2011: 42%
- **Every Week**
  - 2008: 18%
  - 2011: 13%

### Purchase Type at PA Wine & Spirits Stores

- **Equal Amount of Wine and Spirits**
  - 2008: 29%
  - 2011: 26%
- **More Spirits**
  - 2008: 14%
  - 2011: 19%
- **More Wine**
  - 2008: 55%
  - 2011: 56%

**2008:** N = 118  
**2011:** N = 85
Two thirds of Destination Buyers spend between $21-$60 on 2-5 products at PA Wine & Spirits Stores.

**Typical Spend per Visit at PA Wine & Spirits Stores**

- **$11-20**: 14% in 2008, 12% in 2011
- **$21-40**: 12% in 2008, 13% in 2011
- **$41-60**: 7% in 2008, 32% in 2011
- **$61-80**: 4% in 2008, 13% in 2011
- **$81-100**: 3% in 2008, 9% in 2011
- **$101-150**: 0% in 2008, 8% in 2011
- **$151-199**: 2% in 2008, 0% in 2011
- **> $200**: 1% in 2008, 2% in 2011

**Typical Number of Products Purchased per Visit at PA Wine & Spirits Stores**

- **1 product**: 16% in 2008, 11% in 2011
- **2-5 products**: 35% in 2008, 76% in 2011
- **6-12 products**: 8% in 2008, 12% in 2011
- **13-24 products**: 0% in 2008, 0% in 2011
- **25-30 products**: 0% in 2008, 0% in 2011
- **31+ products**: 0% in 2008, 1% in 2011

**Notes:**

- 2008: N = 118
- 2011: N = 85
On average, Destination Buyers tend to spend less at PA Wine & Spirits Stores compared to 2008; however, one quarter of respondents continue to spend between $101-$200 annually.

### Annual Spend at PA Wine & Spirits Stores

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$50</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>$51-100</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>$101-200</td>
<td>17%</td>
<td>24%</td>
</tr>
<tr>
<td>$201-300</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>$301-500</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>$501-700</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>$701-1000</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>&gt;$1000</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>

2008: N = 118
2011: N = 85
Destination Buyers view the staff and selection at PA Wine & Spirits Stores positively, but less than a quarter feel that the stores offer competitive pricing.

**PA Wine & Spirits Store Perceptions and Experience**

- **Staff is courteous and polite**: 62% (2008), 66% (2011)
- **Staff is knowledgeable about the products being sold**: 41% (2008), 54% (2011)
- **Have good customer service**: 47% (2008), 55% (2011)
- **Offer competitive pricing when compared to out-of-state retailers**: 22% (2008), 41% (2011)
- **Have affordable pricing**: 26% (2008), 41% (2011)
- **Have a good selection of products**: 42% (2008), 64% (2011)

2011: N = 85
Nearly half of respondents are aware that crossing into PA with wine or spirits purchased out of state is illegal. About a third knew of the store renovations and ordering online.

- I am aware that some PA Wine and Spirits Stores within the Philadelphia region were renovated within the past year in an effort to improve the customer experience. 32%
- I am aware that I can order products online and have them shipped to any PA Wine and Spirits Store. 34%
- I am aware that crossing into PA with wine and/or spirits purchased out of-state is against state law. 47%

2011: N = 85
60% of Destination Buyers purchase wine and spirits a few times per year outside of PA. Most purchases are made in Delaware or New Jersey.

How often do you purchase wine and/or spirits outside of PA?

- Once every few years: 2008 - 5%, 2011 - 2%
- Once per year: 2008 - 4%, 2011 - 8%
- A few times per year: 2008 - 27%, 2011 - 22%
- Every month: 2008 - 5%, 2011 - 7%
- Every week: 2008 - 5%, 2011 - 7%

Where do you most often make out-of-state purchases of wine and/or spirits?

- New York: 2008 - 3%, 2011 - 4%
- New Jersey: 2008 - 36%, 2011 - 38%
- Delaware: 2008 - 56%, 2011 - 52%

2008: N = 118
2011: N = 85
Nearly half of Destination Buyers purchase more wine outside of PA and regularly stock up their personal supply. Three quarters of buyers cite the reason for the out-of-state purchase being better prices.

**Do you purchase more wine or spirits outside of PA?**

- **Wine**: 2008: 47%, 2011: 53%
- **Spirits**: 2008: 15%, 2011: 15%
- **Equal amounts of wine and spirits**: 2008: 31%, 2011: 38%

**Why do you buy wine and/or spirits outside of PA?**

- **Better prices**: 2008: 20%, 2011: 52%
- **Better service and customer experience**: 2008: 22%, 2011: 26%
- **Better selection of products**: 2008: 3%, 2011: 56%
- **Other, please specify**:
  - 2008: 19%, 2011: 19%

**Which of the following best describes the purpose of your out-of-state wine and/or spirits purchases?**

- **I buy with no particular plan in mind**:
  - 2008: 22%, 2011: 21%
- **I buy in bulk seasonally, e.g. holidays, summer, etc.**:
  - 2008: 13%, 2011: 15%
- **I regularly buy to stock up my personal supply**:
  - 2008: 12%, 2011: 15%
  - 2008: 44%, 2011: 48%
- **Other, please specify**: 2008: 5%, 2011: 5%

2008: N = 118
2011: N = 85
November/December remains the most common season for out-of-state purchasing, accounting for nearly 70% of the responses. Most Destination Buyers are spending either $41-$60, or $151-$300.
Destination Buyers are classified as those who make special trips out-of-state to specifically buy wine and spirits.

Which of the following situations best describes when you purchase wine and/or spirits out-of-state?

- Other, please specify: 0%
- I make a special trip to specifically buy wine and spirits: 100% (100%)
- I buy on my way to and from my job: 0% (0%)
- I buy when I am coming back from vacation: 0% (0%)
- I buy when I am passing through to another destination: 0% (0%)

2008: N = 118
2011: N = 85
Significantly less Destination Buyers are spending above the $200 mark in 2011. Two thirds of buyers are purchasing 2-12 products per visit.

**DESTINATION BUYER OUT OF STATE PURCHASING**

**How much do you typically spend per visit when you purchase wine and/or spirits out-of-state?**

<table>
<thead>
<tr>
<th>Amount</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200 or more</td>
<td>4%</td>
<td>15%</td>
</tr>
<tr>
<td>$151 - $199</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>$101 - $150</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>$81 - $100</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>$61 - $80</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>$41 - $60</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>$21 - $40</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>$11 - $20</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Less than $10</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**How many products do you typically purchase per visit when you purchase wine and/or spirits out-of-state?**

<table>
<thead>
<tr>
<th>Amount</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 products or more</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>25-30 products</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>13-24 products</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>6-12 products</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>2-5 products</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>1 product</td>
<td>15%</td>
<td>18%</td>
</tr>
</tbody>
</table>

2008: N = 118
2011: N = 85
One in five respondents are spending between $301-$500 annually, and significantly less are spending in the $1,000 range in 2011.

**DESTINATION BUYER OUT OF STATE PURCHASING**

About how much money do you typically spend each year on wine and/or spirits that you purchase out-of-state?

- **I have no idea**: 3% (2008), 4% (2011)
- **More than $1000**: 4% (2008), 16% (2011)
- **Between $701 - $1000**: 9% (2008), 12% (2011)
- **Between $501 - $700**: 8% (2008), 12% (2011)
- **Between $301 - $500**: 12% (2008), 20% (2011)
- **Between $201 - $300**: 15% (2008), 18% (2011)
- **Between $101 - $200**: 12% (2008), 14% (2011)
- **Between $51 - $100**: 10% (2008), 14% (2011)
- **Less than $50**: 3% (2008), 5% (2011)

2008: N = 118
2011: N = 85
The majority of Exclusive In-State Buyers are between the ages of 30-59 with a household income ranging between $50,000 and $149,999. Most respondents live in Montgomery, Bucks, or Philadelphia County.
Nearly half of respondents are employed full-time, and more than a quarter have an undergraduate diploma. Eight in ten respondents are of white ethnicity.
Exclusive In-State Buyers purchase solely at a PA Wine & Spirits Store and website.

**Where do you purchase wine and/or spirits?**

- At an out-of-state wine and spirits website: 1%
- At an out-of-state wine and spirits store: 1%
- At the PA Wine & Spirits website: 1%
- At a PA Wine & Spirits store: 100%

2011: N = 554
Half of respondents make purchases at PA Wine & Spirits Stores a few times per year and are tending to buy more wine than spirits.
90% of buyers are spending less than $60 per visit at a PA Wine & Spirits Store, and purchasing less than a handful of products.
Annually, two thirds of purchasers spend less than $300 at a PA Wine & Spirits Store.

Annual Spend at PA Wine & Spirits Stores

- $1000: 3% (2008), 3% (2011)
- $701-1000: 2% (2008), 3% (2011)
- $501-700: 7% (2008), 8% (2011)
- $301-500: 12% (2008), 13% (2011)
- $201-300: 15% (2008), 18% (2011)
- $101-200: 18% (2008), 21% (2011)
- $51-100: 20% (2008), 20% (2011)
- <$50: 17% (2008), 15% (2011)
- Don't Know: 4% (2008), 3% (2011)

2008: N = 473
2011: N = 554
Exclusive In-State Buyers are most likely to say that PA Wine & Spirits Stores have a good selection of products, and significantly less likely to say that they offer competitive pricing compared to out-of-state.

**PA Wine & Spirits Store Perceptions and Experience**

- **Have a good selection of products**: 2008 - 68%, 2011 - 78%
- **Staff is courteous and polite**: 2008 - 64%, 2011 - 72%
- **Have good customer service**: 2008 - 59%, 2011 - 64%
- **Staff is knowledgeable about the products being sold**: 2008 - 60%, 2011 - 64%
- **Have affordable pricing**: 2008 - 49%, 2011 - 58%
- **Offer competitive pricing when compared to out-of-state retailers**: 2008 - 30%

2011: N = 554
Exclusive In-State Buyers are much more likely to be aware of being able to order products online than they are of the laws against bringing out-of-state alcohol into PA.

- **62%** agree and strongly agree that they can order products online and have them shipped to any PA Wine and Spirits Store.
- **31%** agree and strongly agree that some PA Wine and Spirits Stores within the Philadelphia region were renovated within the past year in an effort to improve the customer experience.
- **27%** agree and strongly agree that crossing into PA with wine and/or spirits purchased out-of-state is against state law.

2011: N = 554
Exclusive Out of State Buyers are between the ages of 40-59 with varying household incomes. Almost two thirds of respondents are from Delaware, Philadelphia, and Montgomery County.
Half of respondents are employed full-time with an undergraduate or graduate school diploma. Two thirds of respondents are of White ethnicity.
Exclusive Out of State Buyers make purchases in only out-of-state stores and websites.

Where do you purchase wine and/or spirits?

- At an out-of-state wine and spirits website: 16%
- At an out-of-state wine and spirits store: 88%
- At the PA Wine & Spirits website
- At a PA Wine & Spirits store

2011: N = 50

2011 PLCB BORDER BLEED TRACKING STUDY
Exclusive Out of State Buyers are relatively unaware of the laws regarding out-of-state purchases crossing into PA as well as their knowledge on PA Wine & Spirits online ordering and store renovations.

**EXCLUSIVE OUT OF STATE BUYER IN STATE PURCHASING**

- **22%**
  - I am aware that I can order products online and have them shipped to any PA Wine and Spirits Store.

- **31%**
  - I am aware that some PA Wine and Spirits Stores within the Philadelphia region were renovated within the past year in an effort to improve the customer experience.

- **16%**
  - I am aware that crossing into PA with wine and/or spirits purchased out-of-state is against state law.

2011: N = 50
More than half of consumers purchase wine and spirits outside of PA a few times a year, primarily heading to Delaware or New Jersey.
Nearly half of purchasers are buying more wine than spirits, and 70% cite better prices as the reasoning behind their purchases outside of PA. Two in five purchasers buy out-of-state to stock up, and about a quarter buy with no particular plan in mind.

Do you purchase more wine or spirits outside of PA?

- **Wine**
  - 2008: 13%
  - 2011: 18%
  - 2008: 39%
  - 2011: 48%

- **Spirits**
  - 2008: 48%
  - 2011: 13%
  - 2008: 18%
  - 2011: 34%

- **Equal amounts of wine and spirits**
  - 2008: 48%
  - 2011: 34%

Why do you buy wine and/or spirits outside of PA?

- **Better prices**
  - 2008: 45%
  - 2011: 70%
  - 2008: 39%
  - 2011: 40%

- **Better selection of products**
  - 2008: 3%
  - 2011: 12%
  - 2008: 13%
  - 2011: 18%

- **Better service and customer experience**
  - 2008: 13%
  - 2011: 18%

- **Other, please specify:**
  - 2008: 10%
  - 2011: 18%

Which of the following best describes the purpose of your out-of-state wine and/or spirits purchases?

- **I regularly buy to stock up my personal supply.**
  - 2008: 42%
  - 2011: 39%

- **I buy with no particular plan in mind.**
  - 2008: 28%
  - 2011: 39%

- **I buy in bulk seasonally, e.g. holidays, summer, etc.**
  - 2008: 18%
  - 2011: 10%

- **Other, please specify:**
  - 2008: 6%
  - 2011: 6%

2008: N = 31
2011: N = 50
An equal amount of purchasers are buying more in the summer months or around the holidays, with no one stating that they buy more in the Spring. Over two thirds of buyers spend less than $80 more during these seasons.
Two thirds of purchasers are buying when they pass through to another destination or making a special trip to buy wine and spirits. Few are buying on the way home from work or a vacation.

Which of the following situations best describes when you purchase wine and/or spirits out-of-state?

- I buy when I am passing through to another destination: 45% (2011), 40% (2008)
- I make a special trip to specifically buy wine and spirits: 13% (2011), 36% (2008)
- I buy on my way to and from my job: 10% (2011), 14% (2008)
- I buy when I am coming back from vacation: 6% (2011), 13% (2008)
- Other, please specify: 4% (2011), 19% (2008)

2008: N = 31
2011: N = 50
More than half of buyers spend less than $60 out-of-state, and buy between 2-5 products per visit.

**How much do you typically spend per visit when you purchase wine and/or spirits out-of-state?**

<table>
<thead>
<tr>
<th>Amount</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200 or more</td>
<td>6%</td>
<td>16%</td>
</tr>
<tr>
<td>$151 - $199</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>$101 - $150</td>
<td>6%</td>
<td>19%</td>
</tr>
<tr>
<td>$81 - $100</td>
<td>8%</td>
<td>13%</td>
</tr>
<tr>
<td>$61 - $80</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>$41 - $60</td>
<td>14%</td>
<td>23%</td>
</tr>
<tr>
<td>$21 - $40</td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td>$11 - $20</td>
<td>3%</td>
<td>18%</td>
</tr>
<tr>
<td>Less than $10</td>
<td>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**How many products do you typically purchase per visit when you purchase wine and/or spirits out-of-state?**

<table>
<thead>
<tr>
<th>Number of Products</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 products or more</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>25-30 products</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>13-24 products</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>6-12 products</td>
<td>14%</td>
<td>42%</td>
</tr>
<tr>
<td>2-5 products</td>
<td>42%</td>
<td>96%</td>
</tr>
<tr>
<td>1 product</td>
<td>0%</td>
<td>20%</td>
</tr>
</tbody>
</table>

2008: N = 31
2011: N = 50
A quarter of respondents spend between $101-$200 each year on out-of-state purchases.

About how much money do you typically spend each year on wine and/or spirits that you purchase out-of-state?

- More than $1000
  - 2008: 19%
  - 2011: 16%

- Between $701 - $1000
  - 2008: 16%
  - 2011: 10%

- Between $501 - $700
  - 2008: 16%
  - 2011: 10%

- Between $301 - $500
  - 2008: 16%
  - 2011: 13%

- Between $201 - $300
  - 2008: 12%
  - 2011: 16%

- Between $101 - $200
  - 2008: 16%
  - 2011: 16%

- Between $51 - $100
  - 2008: 6%
  - 2011: 18%

- Less than $50
  - 2008: 0%
  - 2011: 20%

- I have no idea
  - 2008: 2%
  - 2011: 3%

2008: N = 31
2011: N = 50
IN & OUT OF STATE BUYER
Over 60% of In and Out of State Buyers are between the ages of 30-49, with a household income ranging from $50,000 to $149,999. A quarter of respondents live in Montgomery County, with another 20% living in Bucks County.
More than 80% of respondents are employed full-time or part-time, and 3 in 5 have an undergraduate or graduate school diploma. Only 10% of respondents are not of White ethnicity.
Only one in five respondents make purchases online.

Where do you purchase wine and/or spirits?

- At an out-of-state wine and spirits website: 12%
- At an out-of-state wine and spirits store: 95%
- At the PA Wine & Spirits website: 7%
- At a PA Wine & Spirits store: 100%

2011: N = 399
More than 8 in 10 purchasers buy monthly or a few times per year at PA Wine & Spirits Stores, with over half purchasing more wine than spirits.

**Frequency of Purchase at PA Wine & Spirits Stores**

- Once Every Few Years: 0% (2008), 1% (2011)
- Once a Year: 3% (2008), 2% (2011)
- Few Times per Year: 40% (2008), 42% (2011)
- Every Month: 37% (2008), 46% (2011)
- Every Week: 15% (2008), 14% (2011)

**Purchase Type at PA Wine & Spirits Stores**

- More Wine: 51% (2008), 55% (2011)
- More Spirits: 21% (2008), 19% (2011)
- Equal Amount of Wine and Spirits: 29% (2008), 26% (2011)

2008: N = 492
2011: N = 399
Two thirds of purchasers are buying between 2-5 products at PA Wine & Spirits Stores, spending between $21-$60.
Less than one in five spend more than $500 each year at a PA Wine & Spirits Store.

### IN & OUT OF STATE BUYER IN STATE PURCHASING

#### Annual Spend at PA Wine & Spirits Stores

- **>$1000**: 5% (2008), 6% (2011)
- **$701-1000**: 5% (2008), 6% (2011)
- **$501-700**: 7% (2008), 8% (2011)
- **$301-500**: 16% (2008), 17% (2011)
- **$201-300**: 18% (2008), 20% (2011)
- **$101-200**: 20% (2008), 21% (2011)
- **$51-100**: 14% (2008), 17% (2011)
- **< $50**: 8% (2008), 7% (2011)
- **Don’t Know**: 4% (2008), 3% (2011)

#### 2008: N = 492
#### 2011: N = 399
In and out-of-state consumers are much more likely to think that the staff is courteous and polite rather than the PA Wine & Spirits Stores offer competitive or affordable pricing.
The majority of purchasers are unaware of the laws for bringing alcohol into PA as well as the renovations and online offerings of the PA Wine & Spirits Stores.

- **IN & OUT OF STATE BUYER**
  - I am aware that crossing into PA with wine and/or spirits purchased out-of-state is against state law. 49%
  - I am aware that some PA Wine and Spirits Stores within the Philadelphia region were renovated within the past year in an effort to improve the customer experience. 36%
  - I am aware that I can order products online and have them shipped to any PA Wine and Spirits Store 30%

2011: N = 399
More than half of purchasers buy outside of PA a few times per year, with the majority going to New Jersey, followed by more than a quarter going to Delaware.
Nearly half of respondents purchase more wine than spirits, and cite that better prices is the cause for their out-of-state purchases. More than a third buy with no particular plan in mind.
The holiday season and summertime account for nearly 90% of out-of-state purchases, with 3 in 5 spending more than $100 in addition to their usual purchases.

### IN & OUT OF STATE BUYER
### OUT OF STATE PURCHASING

#### In which season are you purchasing more wine and/or spirits out-of-state?

<table>
<thead>
<tr>
<th>Season</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>November/December</td>
<td>38%</td>
<td>49%</td>
</tr>
<tr>
<td>Summer</td>
<td>43%</td>
<td>40%</td>
</tr>
<tr>
<td>Spring</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Winter</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Early Fall</td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>

#### Additional money spent during season selected out-of-state

<table>
<thead>
<tr>
<th>Price Range</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>$11-$20</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>$21-$40</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>$41-$60</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>$61-$80</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>$81-$100</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>$101-$150</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>$151-$200</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>$201-$300</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>$301-$399</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>$400 or more</td>
<td>8%</td>
<td>0%</td>
</tr>
</tbody>
</table>

*2008: N = 63, 2011: N = 47*
43% of purchasers buy out-of-state when they are passing through to another destination, and one in five make a trip out of state to specifically buy wine and spirits.

Which of the following situations best describes when you purchase wine and/or spirits out-of-state?

- I buy when I am passing through to another destination. (44% 43%)
- I make a special trip to specifically buy wine and spirits. (21% 24%)
- I buy on my way to and from my job. (10% 7%)
- I buy when I am coming back from vacation. (10% 12%)
- Other, please specify: (15% 13%)

2008: N = 492
2011: N = 399
Nearly a third of buyers spend between $21-$40 per visit at out-of-state stores, and nearly two thirds purchase less than a handful of products.

### IN & OUT OF STATE BUYER OUT OF STATE PURCHASING

#### How much do you typically spend per visit when you purchase wine and/or spirits out-of-state?

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200 or more</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>$151 - $199</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>$101 - $150</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>$81 - $100</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>$61 - $80</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>$41 - $60</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>$21 - $40</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>$11 - $20</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Less than $10</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>

#### How many products do you typically purchase per visit when you purchase wine and/or spirits out-of-state?

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 products or more</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>25-30 products</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>13-24 products</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>6-12 products</td>
<td>30%</td>
<td>23%</td>
</tr>
<tr>
<td>2-5 products</td>
<td>55%</td>
<td>59%</td>
</tr>
<tr>
<td>1 product</td>
<td>7%</td>
<td>10%</td>
</tr>
</tbody>
</table>

2008: N = 492
2011: N = 399
Two in five purchasers spend between $51-$200 annually on wine and spirits out-of-state.

About how much money do you typically spend each year on wine and/or spirits that you purchase out-of-state?

- More than $1000
  - 2008: 5%
  - 2011: 6%

- Between $701 - $1000
  - 2008: 4%
  - 2011: 6%

- Between $501 - $700
  - 2008: 6%
  - 2011: 7%

- Between $301 - $500
  - 2008: 11%
  - 2011: 13%

- Between $201 - $300
  - 2008: 15%
  - 2011: 15%

- Between $101 - $200
  - 2008: 15%
  - 2011: 13%

- Between $51 - $100
  - 2008: 17%
  - 2011: 20%

- Less than $50
  - 2008: 13%
  - 2011: 15%

- I have no idea
  - 2008: 3%
  - 2011: 3%

2008: N = 492
2011: N = 399
Over 80% of respondents are between the ages of 30-59 with a household income ranging between $50,000-$150,000. The majority of the sample live in Montgomery, Bucks and Philadelphia counties.

### Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>65 years old and above</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>60-64 years old</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>50-59 years old</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>40-49 years old</td>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>30-39 years old</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>25-29 years old</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>21-24 years old</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### Income

<table>
<thead>
<tr>
<th>Income Range</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200,000 or more</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>$150,000-$199,999</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>$100,000-$149,999</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>$75,000-$99,999</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>$25,000-$34,999</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>$24,999 or less</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>

### County

<table>
<thead>
<tr>
<th>County</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia County</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>Northampton County</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Montgomery County</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>Lehigh County</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Delaware County</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Chester County</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Bucks County</td>
<td>8%</td>
<td>15%</td>
</tr>
<tr>
<td>Berks County</td>
<td>8%</td>
<td>18%</td>
</tr>
</tbody>
</table>

### Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>65%</td>
<td>50%</td>
</tr>
<tr>
<td>Male</td>
<td>35%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Over half of respondents are employed full-time and highly educated. The majority of all respondents are white.
THANK YOU