USA, Napa and Sonoma: sky-high prices for tastings, visits decline

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A recent webinar by Silicon Valley Bank revealed that the increase in prices for **wine tastings** at wineries in Napa Valley, California, is pushing consumers toward more affordable areas. Furthermore, unlike many other products, Americans are ordering a lower percentage of wine directly from wineries compared to the pre-pandemic period.

The **2024 Direct-to-Consumer (DtC) Survey** by Silicon Valley Bank highlighted a decline in DtC wine sales in terms of volume, but an increase in value for wines priced between **$20 and $79**. DtC sales, which include **wine clubs**, online orders, and tasting room sales, are critical for most American wineries. The survey revealed that in the **USA**, DtC

represents **72%** of the average sales of a winery, compared to **17%** from retail stores and **11%** from restaurants. It is therefore crucial for many wineries to monitor the trend of direct-to-consumer sales.

Average prices for tastings

The number of visitors and wine tourists at wineries has increased in some states like Virginia, Oregon, and other states not located on the West Coast. However, visits to wineries in Napa County have decreased by **37%** compared to 2016 numbers, and by **32%** in Sonoma County during the same period.
An obvious reason is the increase in prices for tastings. In 2016, the average price for a standard tasting in the United States was **$16**, while a reserve tasting was **$34**. Last year, the national average was **$38** for a standard tasting and **$72**for a reserve. But in Napa County, the average price is now **$75** for a standard tasting and **$138** for a reserve. In Sonoma County, the numbers are **$43** for a standard tasting and **$81** for a reserve. No other region comes close to these prices; the most expensive area after these is **Oregon** (**$33** standard, **$61** reserve).

Additional costs and impact on the customer

It’s not just a matter of prices for tastings. The average cost of a **hotel room** in Napa County in 2022 was **$470 per night**, compared to **$327** in 2019. Moreover, tipping is now suggested in two-thirds of the wineries; only **21%** allowed it 10 years ago. In the United States, the average spending of visitors on wine is **$209**, and this figure is certainly higher in Napa Valley. In this case, a **20% tip** represents a significant expense.

MJ Dale, founder and CEO of **Customer Vineyard**, stated: “The cumulative impact on the wine tourist is substantial. It’s not

just about the tasting price. It’s about the cost of a nearby hotel room, the spending on bottles, the tip. Put it all together, and the price of a visit is significantly higher in most wine tourism areas.”

Wine clubs in crisis and wrong social media platforms

Wineries continue to insist that visitors join their wine clubs, and it’s no wonder since an average member will spend **$2700** over their lifetime. However, only **10%** of wine tourists join wine clubs, partly because discounts have dropped to an average of **17%**, and only **16%** of wineries offer free shipping. In the USA, the average duration of a membership in a wine club is just **32 months**.

The 2024 report shows that the area that has seen the most alarming declines is **Paso Robles**. Despite reasonable tasting prices for California (**$30** standard, **$44** reserve) and above-average discounts for wine clubs (**22%**), DtC sales in volume have dropped by **6.5%**, and visits have decreased by **18%** compared to 2016. Additionally, Paso Robles wineries lost **27%** of wine club members in 2023, the highest decline among the regions examined.

According to **MJ Dale**, wineries are also using the wrong social media: “Most of the target customers are on **LinkedIn**because that’s where wealthy people are.” However, to date, over **70%** of producers use **Instagram** and **Facebook** and **13%** use **YouTube**.

Concept	Details
DtC Sales	Decrease in volume, increase in value for wines between $20 and $79
Importance of DtC Sales	Represent 72% of the average sales of American wineries

Concept	Details
Winery Visits	Increase in Virginia, Oregon; 37% decrease in Napa and 32% in Sonoma since 2016
Tasting Prices	National average $38 standard, $72 reserve; Napa $75 standard, $138 reserve
Additional Costs	Hotel rooms in Napa: $470 per night in 2022, suggested tips in two-thirds of the wineries
Wine Club Memberships	Only 10% of visitors join; average discounts dropped to 17%, only 16% offer free shipping
Social Media	Over 70% use only Instagram and Facebook, but LinkedIn is more effective for affluent customers
Paso Robles Case	6.5% decrease in DtC sales, 18% decrease in visits since 2016, 27% loss in club members in 2023