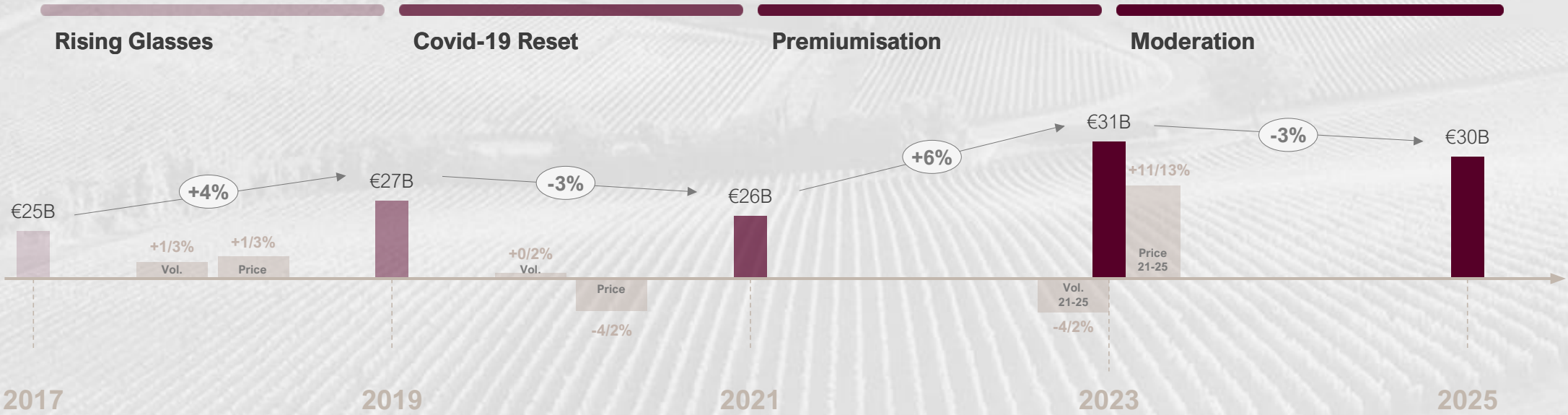


WAW Insights

Customer-Centric Value Creation: Prestige Wine’s New Battleground

Septembre 2026

TODAY'S MARKET DOWNTURN IS THE VISIBLE CONSEQUENCE OF AN INVISIBLE CUSTOMER TRANSITION THAT BEGAN ALMOST 10 YEARS AGO



A new client engine quietly emerges
(2017)

Luxury Lifestyle clients enter Prestige Wines alongside the historical base of collectors & connoisseurs, fueled by the rise of experiential luxury

Post-Covid demand fuels an unprecedented price acceleration

Revenge buying, excess household liquidity and exceptional post-Covid demand allow successive **price increases** to be absorbed across market

Both growth engines now come under pressure
(2023 onwards)

Luxury Lifestyle demand also starts slowing as Prestige Wines become affected by the **broader luxury slowdown** and a growing value-for-money scrutiny

2 growth engines coexist
(2017 – 2022)

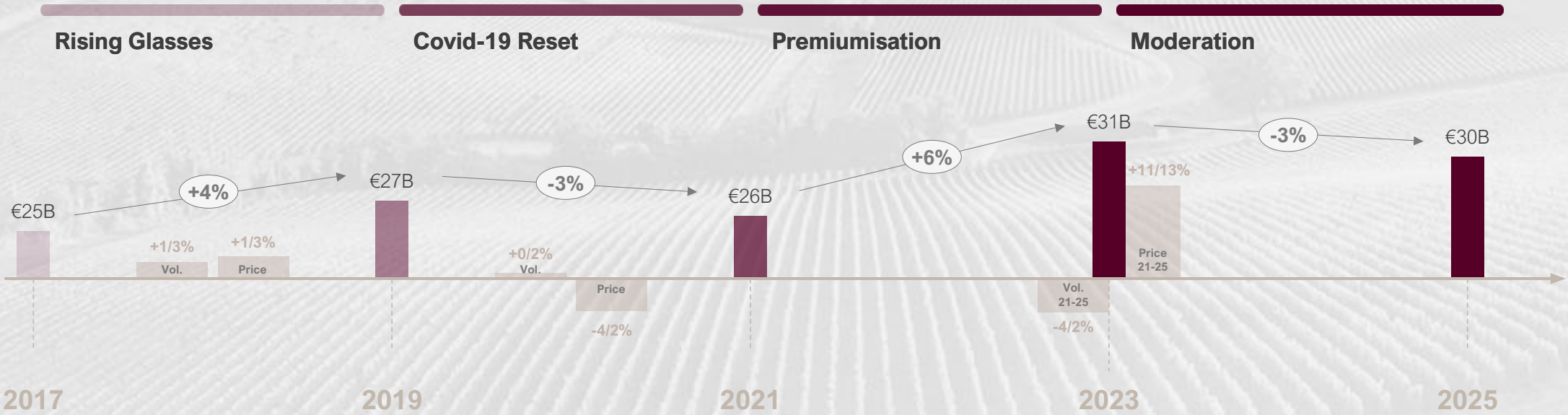
Historical collectors and connoisseurs continue to provide legitimacy, while lifestyle clients increasingly fuel incremental growth

Historical client begins pulling back from primary market
(H2 22 onwards)

Secondary-market indices drop, signalling that **historical collectors and connoisseurs** are no longer willing to accept post-Covid primary market prices

TODAY'S MARKET DOWNTURN IS THE VISIBLE CONSEQUENCE OF AN INVISIBLE CUSTOMER TRANSITION THAT BEGAN ALMOST 10 YEARS AGO

Industry Perception



"Nothing has changed"
(2017)

Luxury Lifestyle clients emerge, but remain invisible in a wholesale model with no direct visibility on the end customer. **As long as allocations continue to sell, the client base appears unchanged**

"Demand is stronger than ever…"
(2021- 2022)

Exceptional post-Covid demand **reinforces the belief** that historical clients continue to absorb successive price increases, **masking the growing importance of lifestyle buyers**

"We will recover when the market recovers"
(2023 onwards)

The slowdown is primarily attributed to **macroeconomic headwinds**, while the **structural transformation** of the client base (and its implications for future growth) remains **largely overlooked**

"… Despite ad-hoc market corrections"
(H2 22 onwards)

As secondary-market prices begin correcting, the **industry's focus remains on overall pricing absorption** rather than on the gradual disengagement of its historical client base

THE PRICING REFLEX:
PRESTIGE WINE HAS BEEN TRYING TO SOLVE TODAY'S CRISIS WITH YESTERDAY'S LOGIC

A DEFENSIVE PRICING REFLEX INHERITED FROM THE PRE-2017 PLAYBOOK…

Since 2023, many Prestige Wine estates have responded to slowing demand by **selectively adjusting the prices of a limited number of flagship wines:**

Demand slows …
… Select a few strategic wines …
… Benchmark per cuvées SKU by SKU …
… Adjust prices selectively …
… Expect demand to return

The industry's default response assumes demand still behaves as it did before 2017:

Driven exclusively by highly engaged historical collectors and connoisseurs…

Already deeply engaged across their preferred producers and continuously exploring their wines…

Operating in a market where budget is not the primary constraint

In that context, relative price differences matter.

It no longer does

…NO LONGER REFLECTING THE REALITY OF TODAY'S HISTORICAL CLIENT BASE…

Pricing can repair a transaction
It can not reverse 5 years of behavioural change

Too Little, Too Late

Price adjustments only began once the slowdown became **visible** (2023–2024)

Yet price resistance had already emerged **since 2022**...

...gradually redirecting purchases toward equally prestigious producers and regions offering **stronger relative value**

New Purchasing Habits Are Hard To Reverse

Collectors & connoisseurs have progressively adopted the **secondary market** as a **natural purchasing channel**

These behaviours can not be reversed through **marginal primary-market price adjustments** alone

…MISSING WHAT DRIVES TODAY'S LUXURY LIFESTYLE CLIENTS…

Pricing changes the cost of a product
It does not change its perceived worth

For Luxury, A Price Cut Is A Confession

In Luxury, lowering prices **rarely restores confidence**

Instead, it signals that the original price was not fully justified, **eroding desirability** rather than rebuilding it

Luxury Buyers Question Value, Not Price

Today's luxury slowdown is **not driven by price rejection**

It is driven by the expectation that **exceptional prices must be justified** through craftsmanship, authenticity, cultural relevance and emotional resonance

Luxury does not need to become cheaper. It needs to feel **worth it** again

…ULTIMATELY TURNING PRICE CONCESSIONS INTO PURE MARGIN EROSION

Customers from both bases **buy estates rather than individual SKUs**

SKU-to-SKU price adjustments will not change purchasing behaviour. **They simply reduce margin**

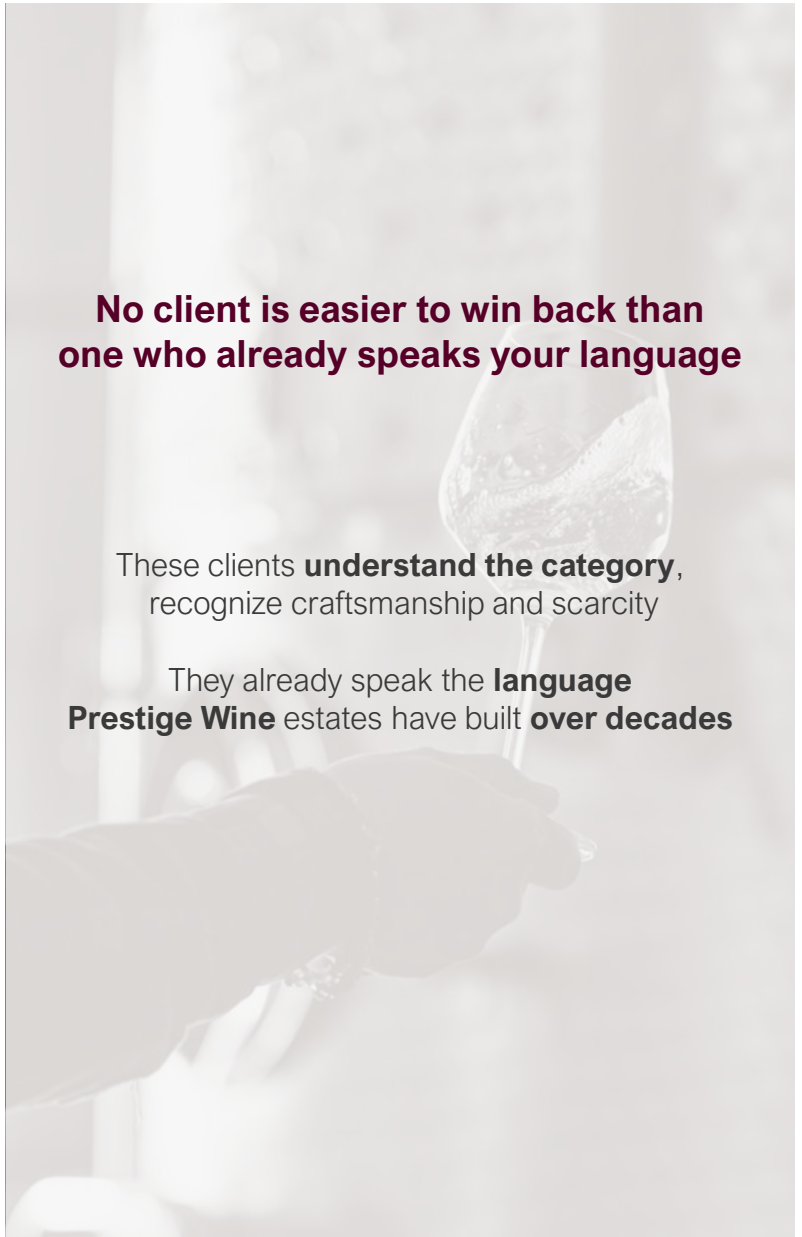
BOTH CLIENT ENGINES ARE STRATEGIC TO SECURE
THE HISTORICAL CLIENT BASE SECURES LEGITIMACY AND BUSINESS RESILIENCE



Your strongest growth starts with the clients you already have

Collectors and connoisseurs have long been the **bread and butter** of Prestige Wines

Re-engaging them strengthens the **most resilient part of the business** rather than betting growth solely on new demand



No client is easier to win back than one who already speaks your language

These clients **understand the category**, recognize craftsmanship and scarcity

They already speak the **language Prestige Wine** estates have built **over decades**

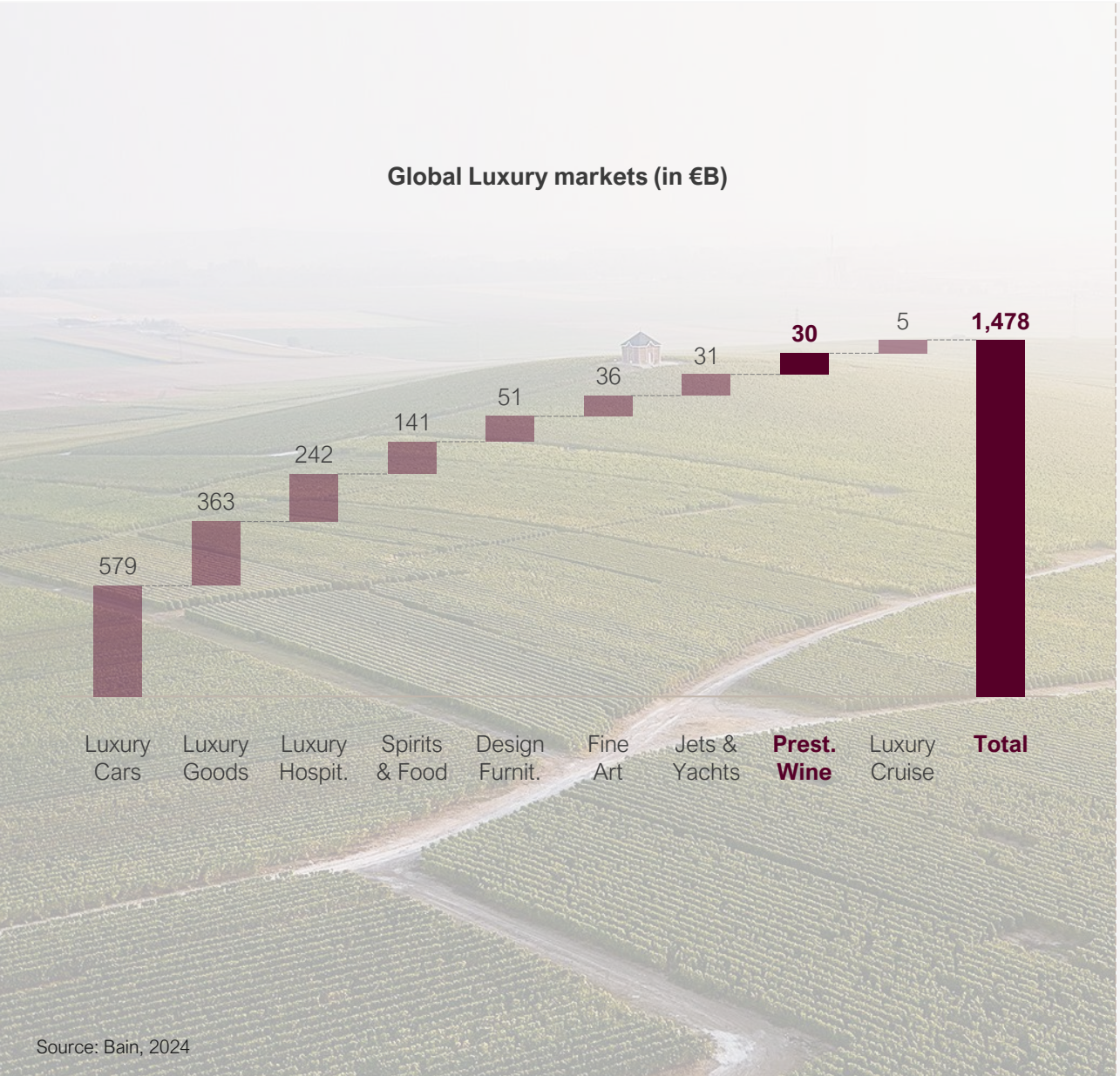


Collectors & connoisseurs don't just buy Prestige Wines, they legitimise them

Luxury lifestyle clients and **Trade Partners** derive confidence from the continued endorsement of collectors and connoisseurs

Their strategic relevance extends far **beyond their purchasing power**

BOTH CLIENT ENGINES ARE STRATEGIC TO SECURE
LUXURY LIFESTYLE CLIENTS REPRESENT PRESTIGE WINE GREATEST UNTAPPED GROWTH OPPORTUNITY



Source: Bain, 2024

TODAY, PRESTIGE WINES ARE ONLY A SMALL LUXURY VERTICAL

Significant in absolute terms

€30bn

Yet only

~2%

of the €1.5tn global Luxury market

BOTH CLIENT ENGINES ARE STRATEGIC TO SECURE
LUXURY LIFESTYLE CLIENTS REPRESENT PRESTIGE WINE GREATEST UNTAPPED GROWTH OPPORTUNITY

Tomorrow, Prestige Wines could claim
a much larger share of Luxury spending

Indeed, Prestige Wines are
exceptionally well positioned for the next chapter of Luxury

BY NATURE, THEY ARE IMMUNE TO THE VALUE-ERODING DYNAMICS OF TODAY'S LUXURY CRISIS

Prestige Wines certainly shared **one of the root causes** of today's Luxury crisis: **significant price inflation**, particularly during the post-Covid Premiumisation cycle

However, unlike much of the Luxury industry, they have largely **escaped many of the structural dynamics** that have weakened Luxury over the past decades:

/ Extreme **brand stretching** diluting desirability
/ Excessive **product proliferation** weakening coherence
/ **Industrial massification** replacing craftsmanship
/ Permanent **media saturation** eroding desirability
/ The race for **constant novelty** replacing timelessness

THEY ALREADY EMBODY MANY OF TOMORROW'S LUXURY ASPIRATIONS

Tomorrow's Luxury leaders will be those that can **authentically embody Luxury's fundamental promises**:

/ **Cultural relevance**
/ **Proprietary creativity**
/ **Economic legitimacy**
/ **Deeply resonant experiences**

Prestige Wines are **naturally rooted in many of these foundations:**

/ Rooted in **place** / *Cultural Resonance*
/ Rooted in **people** / *Human Authenticity*
/ Rooted in **craftsmanship** / *Creative Resonance*
/ Rooted in **time** / *Economic Legitimacy through Rarity & Patience*
/ Rooted in **shared experiences** / *Experiential Luxury by nature*

UNLOCKING THESE OPPORTUNITIES REQUIRES OVERCOMING ONE KEY STRUCTURAL WEAKNESS: CUSTOMER BLINDNESS



The customer relationship is mediated

The industry was built around **wholesalers, importers, merchants, retailers and restaurants**

****

As a result, most estates have only **partial visibility** of who ultimately buys, drinks, collects or advocates for their wines



Trade partners hold fragmented pieces of the picture

They possess valuable client knowledge, but it is **rarely assembled into a shared, Maison-led insight**

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The Maison does not need to own every relationship, but it does need to own the **understanding of those relationships**

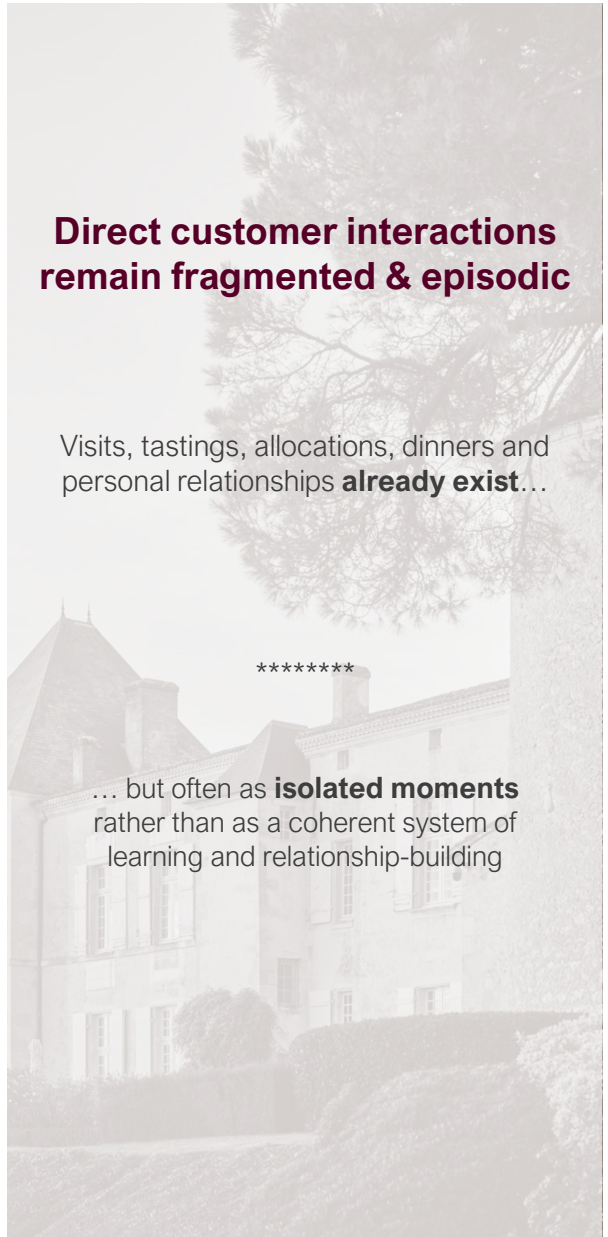


Success is measured through products and transactions

Production, allocations and sales are **visible**
Engagement, emotional attachment, retention and client progression **are not**

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Traditional measures **capture activity** more readily than **relationship quality**



Direct customer interactions remain fragmented & episodic

Visits, tastings, allocations, dinners and personal relationships **already exist**…

****

… but often as **isolated moments** rather than as a coherent system of learning and relationship-building

ON THE ESTATES SIDE, THIS MEANS A STRATEGIC SHIFT IN MINDSET… NOT A STRATEGIC RESET

From product-centric excellence to customer-centric value creation



The issue is not **better products**...

The issue is not **better SKU-by-SKU pricing**...

The issue is not **technical craftsmanship**...

The issue is not **wholesale** (let alone becoming **fully direct-to-consumer**)...

...It is **communicating their value** in ways that are **relevant and meaningful** to each client profile

- Product excellence is already there
- The challenge is making its **value immediately understood and desired** by different customer profiles
- The product does not change. The way its value is articulated does

...It is **designing a portfolio** that clients naturally want to **enter**, **explore and progress** through

- **Think estate-first**, not SKU-first, as this is how your clients construct their purchasing journey
- Create **clear entry points** for different customer profiles
- Build **coherent customer journeys** across the estate portfolio, enabling natural **cross-sell and up-sell**

...it is making craftsmanship **understandable, desirable and memorable**

- Technical depth remains the **foundation of credibility**
- The challenge is to **articulate that depth** through a **compelling creative vision** that clients can immediately connect with
- Technical expertise should **enrich the relationship**, not be the condition for entering it

...it is **turning trade partners into active partners** in customer understanding

- Wholesale remains the **industry's backbone**
- The objective is **not to bypass** trade partners
- It is to build a **more collaborative** relationship in which customer understanding becomes a **shared strategic asset**

OPERATING THIS STRATEGIC SHIFT IN MINDSET NOW IS KEY
DOWNFALL WAS COLLECTIVE



Most Prestige Wine Estates faced the same macroeconomic headwinds…

The slowdown was largely collective

Liquidity tightened

Historical clients pushed back on pricing

Luxury lifestyle demand stalled

…But periods of disruption rarely preserve competitive positions

OPERATING THIS STRATEGIC SHIFT IN MINDSET NOW IS KEY
DOWNFALL WAS COLLECTIVE… RECOVERY WILL BE SELECTIVE

Across all Prestige Wine regions, **many Estates have spent the downturn preparing for tomorrow's market** rather than waiting for yesterday's to return

CUSTOMER KNOWLEDGE	**Actionable customer knowledge**	*Build actionable customer intelligence by combining quantitative and qualitative insights*
	CRM and selective D2C strategies	*Strengthen client understanding, engagement and retention through CRM and selective D2C, fully integrated with the wholesale strategy*
BRAND STORYTELLING	**Brand platform development**	*Articulate what the estate stands for, what makes it truly distinctive, and why its prestige positioning is legitimate*
	Craft storytelling	*Express the estate's creative vision and craft philosophy through an aspirational language that preserves technical depth*
	SKU storytelling	*Bring each wine to life through the brand platform, creating desire to explore the estate's full portfolio*
OFFER & PRICING STRATEGY	**Portfolio architecture**	*Design an offer and pricing architecture that creates clear customer entry points and unlocks cross-sell and up-sell across the portfolio*
TRADE PARTNER STRATEGY	**Wholesale strategy redesign**	*Transform trade partners into active partners in customer understanding and customer development*
EXPERIENTIAL STRATEGY	**Brand Home strategy**	*Turn estate experiences into powerful tools for customer education, engagement and product conversion*
ADVOCACY STRATEGY	**Advocacy plans**	*Rebuild engagement among historical collectors & connoisseurs while strengthening legitimacy & desirability among Luxury Lifestyle clients*

The next competitive positions are being built now

Merci