

ANNUAL REPORT

2023

Virginia Spirits Board Marketing Office

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LETTER FROM THE EXECUTIVE DIRECTOR



I am thrilled to present the first Annual Report for the VSBMO covering February – December 2023. Our accomplishments this inaugural year come from many months running a marathon at a sprint’s pace. We began aggressive research and discovery to determine the current state of the industry to identify where we could realize the greatest impacts. At the same time, we quickly realized that industry-wide marketing programs had suffered during the pandemic, and while the VSB became established and gained its footing, waiting to begin our marketing efforts until we had completed our research simply was not an option and the results of those efforts are evident in the 2023 sales numbers.

Sales of Virginia-made spirits across all Virginia ABC retail outlets, which include 400 retail stores and dozens of distiller bottle shops, were up 12% (\$4+ million) in 2023 over 2022. For Virginia Spirits Month in September, sales were up a whopping 26% over 2022! This all occurred while the alcohol beverage industry overall saw steady decreases in sales, as consumer tastes changed and the country left the bulk of the pandemic behind.

Unlike the national brands that dominate store shelves, each bottle of a spirit made and sold in the Commonwealth represents exponentially more economic benefit to the state. A bottle of whiskey made in Virginia helped to support the farmer that grew the grains, the trucking services that transported the raw materials, the cooper that made the barrels, the salaries of the distilling crew and tasting room staff, the designer that created the label, the marketing firm that helped sell it — and on and on and on. Every time a consumer chooses “Virginia-made,” they not only choose some of the best quality products but also choose to support their neighbors.

I would be remiss if I did not acknowledge and express my gratitude to our partners at the Virginia Alcohol Beverage Control Authority for their contribution to our work this past year. From day one, representatives from across the agency offered their support and assistance to help us achieve our goals. Admittedly, there was a learning curve on both sides, but we never doubted that the very capable and professional staff at the agency truly wanted to see the VSBMO, and the distillers we serve, succeed. The limitations of the law will continue to be a challenge for the industry, but I know our partners will do all they can to work with us, within those limitations to help the Virginia Spirits industry grow.

The entire VSBMO team is incredibly gratified to work with Virginia’s distilling community. On behalf of the team and all of our colleagues at The Hodges Partnership, thank you for allowing us to work with you this past year, and we look forward with great anticipation for what is to come!

Cheers!

Jack W. Gorman
Executive Director
Virginia Spirits Board Marketing Office

INTRODUCTION

VIRGINIA SPIRITS BOARD

The Virginia Spirits Board (VSB) was established in 2020 by enactment of the Virginia General Assembly. The purpose of the Board is to foster the development of the Virginia spirits industry by expanding spirits research, increasing education, and promoting the production of ingredients necessary for alcohol distillation and the production of spirits in the Commonwealth.

The Board is one of 17 commodity boards under the Virginia Department of Agriculture and Consumer Services (VDACS) and is comprised of eleven members, three of whom are coopers or maltsters and six of whom are owners or operators of a distillery in the Commonwealth. The remaining two members are the Commissioner of Agriculture and Consumer Services and the Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority, and they serve ex officio without voting privileges.

VIRGINIA SPIRITS BOARD MARKETING OFFICE

The Virginia Spirits Board Marketing Office (VSBMO) was established in February 2023 through a competitive Request for Proposals (RFP) process conducted by VDACS on behalf of the Board. The Hodges Partnership, a strategic communications firm based in Richmond, Va., was awarded the contract. The initial 17-month contract period began in February 2023 and will conclude on June 30, 2024. Four one-year extensions will be evaluated on a year-by-year basis.

The primary purpose of the VSBMO is to develop a long-term strategic marketing program to promote and grow the Virginia spirits industry. The VSBMO's experience in year one revealed one overarching finding that drove our actions: Virginians are largely unaware of a burgeoning world-class spirits industry operating across the state; therefore, tremendous opportunity exists to grow right here in the Commonwealth, and marketing efforts should be focused within state boundaries for the short and medium term.

POSITIVE SALES GROWTH FOR VIRGINIA SPIRITS: 2023 OVER 2022

As we reflect on 2023, we are already seeing positive results from our efforts. Future studies will help us measure increases in awareness and affinity for Virginia-made spirits. In the immediate, sales numbers reflect positive results. According to Virginia ABC, Virginia Spirits enjoyed tremendous sales increases in 2023 over 2022.

All Months of 2023

12% GROWTH

\$37,300,889 Total Sales

Compared to \$33,299,437 in 2022

13.3% GROWTH

1,192,175 Bottle Quantity

Compared to 1,052,139 in 2022

Virginia Spirits Month 2023

25.47% GROWTH

\$2,639,506 Total Sales

Compared to \$2,103,664 in 2022

20.37% GROWTH

104,178 Bottle Quantity

Compared to 86,550 in 2022

Up And Running

Launch of the VSBMO began with the transfer, review and analysis of the assets inherited from the Virginia Distillers Association (VDA), followed by significant triage and updates to databases and digital assets. This included the following:

1. Cleaned outdated mailing lists, combining new information from Virginia ABC and other sources
2. Conducted an audit of @VaSpirits social media channels
3. Conducted an audit of the VirginiaSpirits.org website
4. Developed short-and medium-term goals for relaunch of the digital channels

We also began longer term planning for 2023 and beyond. Our first step was to dig into the research and discovery of both the current state of the industry and expectations of the distilling community we serve. We used our findings to reflect on the community's history as the "Birthplace of American Spirits" and to then establish benchmarks and inform future planning.

Acknowledging that Virginia's distillers should not have to wait until a full marketing plan for the year was in place to start promotional activities, we also embarked on a number of short-term opportunities to promote the industry.

RESEARCH AND DISCOVERY

Research and Discovery

Research and discovery will always be a fundamental element of the work we do at the VSBMO. Examining our results and uncovering new opportunities is crucial in evaluating our success and planning for the future. In our first year, our Research and Discovery program played an even more important role. Our program rested on three main pillars with several adjacent projects along the way.

Pillar 1.

DISCOVERY MEET AND GREET

Pillar 2.

CONSUMER AWARENESS STUDY

Pillar 3.

ECONOMIC IMPACT STUDY

PILLAR 1: DISCOVERY MEET AND GREET

The VSBMO team quickly learned that most distillers had little to no knowledge of the Virginia Spirits Board (VSB), much less the VSBMO. As a step to educate the distilling community and to begin to develop relationships with distillers across the state, we scheduled four in-person, regional “Discover Meet and Greet” sessions in Damascus, Charlottesville, Virginia Beach and Richmond, and one virtual option. Each session allowed the VSBMO team to introduce ourselves and outline our goals while hearing directly from the distilling community across the state. Here’s what we found:

- 1 A universal feeling that most Virginians were largely unaware of the size, scope, variety and impact of the Virginia spirits industry.
- 2 There is general agreement that many Virginia distillers produce world-class spirits that reflect the history, personality, and terroir of the Commonwealth.

- 3 A significant opportunity exists to improve the relationship between Virginia ABC and local distillers.

These three themes served as the foundation for our planning for the year and further research solidified our strategies.

PILLAR 2: CONSUMER AWARENESS STUDY

The Consumer Awareness Study determined to what degree Virginians were generally aware of the Virginia spirits industry, including size, scope and range of products produced. The study was conducted in the fall of 2023. More than 700 of Virginia's spirits-drinking consumers completed a detailed online survey after passing through an initial screening process. Brand Federation, our partner for this study, confirmed a general lack of awareness but also helped us to identify opportunities for action.

Key Findings

- 1 Whiskey is the most well-known and commonly consumed spirit, slightly edging out vodka, and is enjoyed more by men (slightly). However, consumers are largely unaware of the sheer variety of spirits made in the Commonwealth.
- 2 Spirits drinkers primarily *enjoy their cocktails at home* and generally keep bottles of their favorites in a home bar.
- 3 While most people are unable to identify a single Virginia-made spirits brand, they are also very *open to learning more* about local producers.
- 4 There is a *tremendous opportunity* to educate Virginia's spirits drinkers about the history, scale and scope of Virginia spirits.

PILLAR 3: ECONOMIC IMPACT STUDY

The Economic Impact Study quantifies the industry's impact on the state's economy. The study was conducted by Economic Forensics & Analytics (EFA), a California firm specializing in the alcohol beverage industry, with extensive experience in the California wine industry. EFA also had previously conducted a similar study for the Virginia Wine Board and was, therefore, familiar with Virginia's players and structure.

\$18 MILLION GENERATED IN GOVERNMENT REVENUE

Sales at Virginia ABC points-of-sale generated over \$18 million in government revenue through excise tax revenues, mark-up revenues and sales tax revenues.

\$10.3 MILLION GENERATED FOR FARMERS

Virginia's farmers generated \$10.3 million in revenues from Virginia's distilleries purchasing their harvests.

IMPORTANT NOTE

The statistics outlined below are currently estimates based on the draft of our Economic Impact Study. As of the writing of this report, the EIS is in final review and we are currently waiting for numbers from the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) to finalize the report. We believe the numbers presented are conservative estimates and will increase with the final numbers, but they are currently in draft nonetheless.

\$898.8 MILLION IN ECONOMIC IMPACT

Virginia's distillery industry created economic impacts estimated to be over \$898.8 million in 2022.

\$175.96 MILLION IN REVENUES

Distilleries generated \$175,962,200 million in revenues across all channels and activities.

~3K JOBS SUPPORTED BY THE INDUSTRY

Approximately 3,081 jobs were supported by this industry in Virginia, paying workers more than \$139 million in wages.

~228,500 VISITORS TO VA DISTILLERIES

It is estimated that approximately 228,500 people visited Virginia's distilleries in 2022, spending another \$63.5 million beyond distillery spending on hotel stays, restaurants, entertainment and various other businesses.

Trade Focus Group

In August 2023, the VSBMO team assembled 10 representatives from licensees in the Richmond region. Attendees included restaurant owners, bar managers and mixologists from establishments of varying sizes, structures and offerings. The VSBMO team facilitated a discussion to better understand the goals, limitations and needs of the licensee community.

Key findings from the Trade Focus Group included:

- 1 A moderate level of awareness of Virginia spirits products, specifically products produced within the Richmond region. Attendees were less familiar with brands produced in other parts of the state.
- 2 The group expressed a desire to support local producers but felt limited by concerns around cost, consistent relationships with distillery suppliers and consistent availability in Virginia ABC stores.
- 3 Specifically for mixologists and bar managers, there is a desire to learn more about Virginia spirits, accompanied by a general desire to further their career aspirations through continued education and training opportunities.
- 4 There was frustration with minimal interaction with Virginia's distillers, especially when faced with regular interaction and support from representatives from major national brands.

Documenting Our History

While Virginia touts itself as the “Birthplace of American Spirits,” with documented whiskey production dating back to Jamestown in 1620, we found it challenging to identify a comprehensive timeline of events — from 1620 to present. Additionally, the documentation that does exist fails to include the role African Americans and other minority groups who played a vital role in Virginia’s spirits-making history.

In order to promote the history of spirit-making in the Commonwealth and to grow familiarity with Virginia as the “Birthplace of American Spirits,” the VSBMO has embarked on a long-term project to better document the history of distilling in Virginia. The VSBMO focuses on research around the history of spirits-making in Virginia, uses for spirits beyond consumption and all the pioneers of Virginia spirits. To make this possible, we partnered with several experts in the field.

Current partners

Virginia Museum of
History and Culture

8 Shires Coloniale Distillery
and SPIRITS Museum

Patrick Evans-Hylton, author of
“Virginia Distilled: Four Centuries
of Drinking in the Old Dominion”

DIGITAL ENGAGEMENT

VirginiaSpirits.Org

After inheriting VirginiaSpirits.org, we conducted a full audit of the website. We reviewed content, tested user experience and consumer journey, examined on- and off-page Search Engine Optimization (SEO) and checked for technical errors. The audit revealed a much longer list of to-dos than we initially anticipated, so we divided tasks into two phases. We partner with Convoy, a graphic design and web development agency based in Charlottesville, Va., to help with the development of the site.

PHASE 1. IMMEDIATE FIXES

- ① Add all Virginia distilleries to The Trail, as it only previously featured VDA members.
- ② Update and align the site with the most current Google Analytics platform.
- ③ Update web styling and functionality to follow ADA Compliance and accessibility best practices.
- ④ Optimize SEO.
- ⑤ Refresh website copy and content.

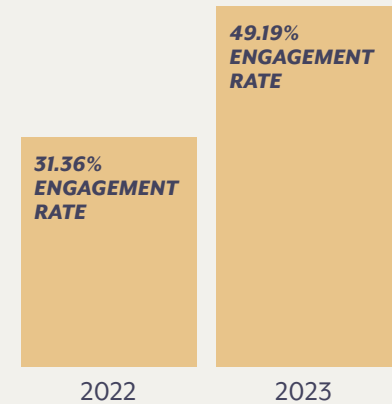
PHASE 2. LARGER-SCALE IMPROVEMENTS

- ① Build an events calendar to feature local happenings at distilleries and beyond.
- ② Build a backend distillery login, allowing distilleries to update their profiles: hours, "About Us," offerings, add upcoming events, etc.
- ③ Enable advanced drop-down filtering on The Trail page: by region, spirit type, experience and "how to shop spirits."
- ④ Design the Virginia Spirits Passport page.
- ⑤ Create an itinerary feature on The Trail page.
- ⑥ Build multiple landing pages for digital campaigns.

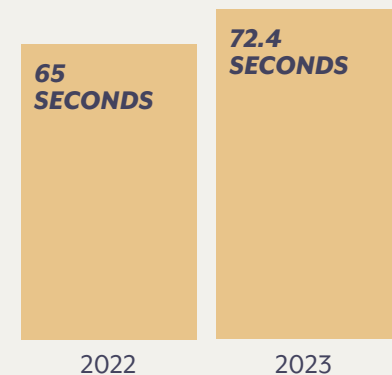
Traffic
31.77% growth 2022 vs. 2023



Engagement Rate
11% growth 2022 vs. 2023



Average Session Duration
11% growth 2022 vs. 2023



Our Benchmark

While we can only currently compare website data to 2022 (prior to our taking over and updating the site), 2023 statistics will serve as the baseline for our documenting our efforts.

Social Media

After inheriting @VaSpirits social media accounts, we conducted an audit of each existing channel, including Facebook, Instagram and Twitter (now “X”). We examined top-performing posts, audiences and overarching brand identity — which led us to the following conclusion and overarching strategy:

1. Our audience is passionate about supporting locally crafted spirits and enjoys learning about the rich history and people behind Virginia, the Birthplace of American Spirits.
2. @VaSpirits social channels should serve as a resource for the Virginia Spirits community — with regular distillery features, history and educational content and information about how to enjoy #VaSpirits, including the Virginia Spirits Passport, cocktail recipes, events and finding Virginia-Made products at Virginia ABC stores.

2023 yielded steady growth and strong engagement.

450,257

TOTAL VIEWS ACROSS
@VASPIRITS CHANNELS

780

NEW FOLLOWERS
ACROSS @VASPIRITS
CHANNELS

6.19%

INSTAGRAM
ENGAGEMENT RATE
Industry Benchmark: 1.45%

3.43%

FACEBOOK
ENGAGEMENT RATE
Industry Benchmark: 0.74%

RELAUNCH ON WORLD WHISK(E)Y DAY

With our defined strategy top of mind, we relaunched the @VaSpirits social channels on World Whisk(e)y Day (May 20, 2023) and provided distilleries with a social media toolkit, which included assets to celebrate the day with us on their socials. Our relaunch messaging focused on the endless stories and experiences yet to be uncovered with Virginia Spirits, and we used drip messaging ahead of the relaunch to generate excitement from our audience.

SOCIAL MEDIA TOOLKITS

Throughout 2023, we created easy-to-use digital toolkits for distillers to utilize on their own and to help amplify overarching campaign messaging. Each toolkit featured editable and ready-to-download social media graphics and suggested copy, plus general tips and guidelines. We created toolkits for World Whisk(e)y Day, regional exploration, Virginia Spirits Month and the Virginia Spirits Expos.

Virginia Spirits Blog

The Virginia Spirits Blog launched in September 2023, kicking off with an overview of the VSB and subsequent marketing efforts, as well as a debrief on all things Virginia Spirits Month. In its first year, we will continue a bimonthly schedule focusing on content in the following buckets:

- ① Seasonal/holidays
- ② Travel guides
- ③ Cocktails
- ④ Education
history, individual spirits, spirits-making
- ⑤ Events/campaigns
Virginia Spirits Month, Virginia Spirits Expos, Passport

OUR STRATEGY

The blog is a resource for spirits lovers, industry members and curious readers alike. It provides an opportunity to host the breadth and depth of Virginia spirits topics on the website. Regular series like “A Spirited Travel Guide” will be implemented to spotlight different regions and producers around the state. Other educational topics include historical moments in Virginia spirits-making, what goes into individual spirits and how to best enjoy, etc. The blog will strengthen other channels like social media and email marketing as it offers another clickable resource and opportunity for lengthened engagement. In the future, guest writers will be explored to provide their expertise and offer a third-party perspective and endorsement of Virginia spirits.



READERS
3,540

POSTS
8

SAY HELLO TO THE VIRGINIA SPIRITS BLOG

From our origins as the Birthplace of American Spirits dating back to the 1600s to more than 70 operating distilleries [...]

[READ ARTICLE](#) →

Consumer Newsletter

We inherited two separate consumer email address lists from the VDA consisting of (old) Passport participants and general subscribers. After combining the lists to make one consumer audience, additional time was spent cleaning archived and non-responsive contacts, leaving us with approximately 2,700 contacts.

With the plan to launch the monthly newsletter in June 2023, we set out to make a template that would offer an interactive experience for consumers and lead them through three distinct ways to engage with Virginia spirits: exploring the trail, sampling spirits (through events and cocktail recipes) and meeting local producers. Each newsletter begins with a seasonal intro and section to highlight recent blog posts.

The primary strategy for the consumer newsletter is presenting digestible content that links out to the website or additional resources. For a deeper dive, one distillery is featured per month in the “Meet the Makers” section, which is selected from existing videos on VirginiaSpirits.org. Over time, all willing, participating distilleries will be highlighted.

43.3%

AVERAGE OPEN RATE
Industry Benchmark: 37.2%

3,296

AUDIENCE AS OF JAN '24
From 2,696 subscribers in May '23

800

**CLICKS TO WEBSITE
AND SOCIAL MEDIA
CHANNELS**



Season's Greetings! ❤️

As 2023 comes to a close, we would like to thank you – the friends, backers, enthusiasts and aficionados of Virginia spirits – for your support of local distilleries this past year. Because of you, your fellow Virginians get to pursue their passions in the distillery, making world-class products filled not only with local ingredients, but also the innovation, creativity, determination and grit of a burgeoning industry. Asking for “Virginia-made” when you dine out, choosing a locally produced bottle in your Virginia ABC store or purchasing from your local distilleries' bottle shop make it all possible. **And for that, we thank you!**

On behalf of the entire Virginia Spirits industry, we wish you happy holidays and look forward to another year celebrating all local spirits have to offer!



Digital Campaigns

Our paid digital strategy focused on building awareness of Virginia Spirits, targeted to Virginia residents. Major digital campaigns promoted Virginia Spirits Month and the holidays, which ran across Meta, Google and Pinterest. Micro campaigns promoted the Virginia Spirits Guide, Virginia Spirits Expos and Virginia Spirits consumer newsletter, which ran on Meta. Our mix of campaigns helped us gather key data about our audience, potential audience and audience behavior.

VIRGINIA SPIRITS MONTH CAMPAIGNS

We ran four concurrent digital campaigns throughout Virginia Spirits Month, focusing on: 20 percent off sale-a-bration, launch of the Virginia Spirits Passport, specials and events and regional exploration of Virginia distilleries.

320,475

TOTAL VIEWS ACROSS
META AND GOOGLE

2,126

CLICKS TO
VIRGINIASPIRITS.ORG

5,336

CLICKS TO
ABC.VIRGINIA.ORG
Sale-A-Bratton

122

PASSPORT SIGN-UPS

SHARE THE SPIRIT OF VIRGINIA AND GIFT VIRGINIA-MADE BOTTLES

Our holiday campaigns aimed to educate and inspire our audience to give the gift of and celebrate with world-class Virginia Spirits, through holiday cocktail recipes, experiential gifts like distillery tours, paired cuisine, festive events and gifts of locally produced spirits.

204,944

TOTAL VIEWS ACROSS
META, GOOGLE, PINTEREST

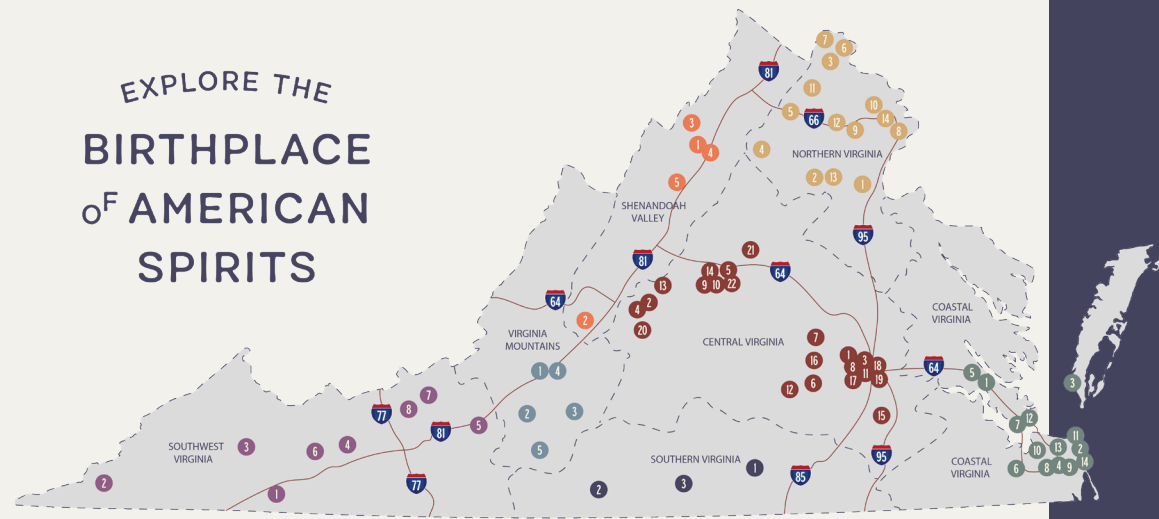
3,466

CLICKS TO
VIRGINIASPIRITS.ORG

CONSUMER ENGAGEMENT

Virginia Spirits Map and Guide

The VSBMO began production on the Commonwealth's first printed map and guide of all Virginia distilleries in May 2023. The project was completed in late August in time for distribution during Virginia Spirits Month. The Virginia Spirits Map and Guide is designed to be both a resource and source of travel inspiration for consumers. Organized regionally (versus alphabetically), the Map and Guide encourages readers to see the state one piece at a time, drawing attention to each of seven distinct regions with different color coding and numbering in each section. Our goal was for consumers to see the distinct clusters of local distilleries (only those with tasting rooms open to the public) and become inspired to plan single or multi-day outings either centered around distillery visits or include them as part of other tourism activities.



EXPLORE THE
BIRTHPLACE
OF AMERICAN
SPIRITS

RESOUNDING WELCOME

The Virginia Spirits Map and Guide received a resounding welcome from both consumers and regional tourism offices. Comments VSBMO staff heard again and again at events included:

“It’s about time!”

“I had no idea there were this many distilleries in the state!”

“I didn’t know they were based there!”

“I had no idea these distilleries were in my own back yard.”

75k PRINTED

20k DISTRIBUTED TO ALL 400 VIRGINIA ABC RETAIL STORES

~10k DISTRIBUTED AT TRADE AND CONSUMER EVENTS

~10k DISTRIBUTED TO DISTILLERIES ACROSS THE STATE

150+ DISTRIBUTED VIA U.S. MAIL FROM DIRECT REQUESTS VIA VIRGINIASPIRITS.ORG

18k DISTRIBUTED TO ALL 14 OFFICIAL VIRGINIA WELCOME CENTERS

Virginia Spirits Passport

The Virginia Spirits Passport is a free mobile pass to encourage consumers to visit distiller tasting rooms. Thirty-five distilleries participated in 2023. The program is gamified so that passholders earn points by visiting distilleries. They are required to check in at each location and then earn points for each check in. The points provide pass holders with access to exclusive offers on distillery products and are redeemable for locally made prizes and unique getaway experiences focusing on Virginia Spirits. The primary goal of the Passport is for users to engage with Virginia distilleries and take advantage of the discounts offered within the app. Users are also introduced to the rich heritage of spirits-making in Virginia and learn about the Virginia Spirits Trail the more they travel across the state.

HOW IT WORKS

The Passport resets each year as part of Virginia Spirits Month in September to encourage users to earn check-in points and redeem prizes before their offers expire. New prizes are introduced and distilleries are encouraged to promote exclusive discounts throughout the life of the program.

Pass Performance Since Launch in September 2023



ADDITIONAL SPONSOR AND EXHIBITOR EVENTS

In addition to the Virginia Spirits Expos, the VSBMO was a sponsor or active exhibitor at several other events in 2023. We secured sponsor visibility and distributed maps, promoted the Passport program and provided general information at the following events in 2023:

“Virginia Distilled” at the Virginia Museum of History and Culture
300 + attendees

Habitat for Humanity Powhatan Annual Fundraiser
300+ guests

Urbanna Oyster Festival
50,000+ attendees over two days

VAI – The Governor’s Tourism Summit
600 + attendees from tourism-related offices from across the state

Virginia Spirits Expos

The VDA had a long-standing relationship with Drink Local to produce regional “Expos” (previously known as “Road Shows”). Upon learning about these events, we reached out to the organizer to learn more and identify opportunities to partner.

Attending the Charlottesville Expo provided us with partnership ideas, and we supported the remaining Expos financially and with added public relations and marketing resources. For the remaining three Expos, we attended as a vendor handing out Virginia Spirits Maps, promoting the Virginia Spirits Passport and handing out general information. The Virginia Spirits Booth served as a water station at all three Expos, providing guests with a reason to visit our booth and a complimentary way to stay hydrated, therefore, helping to prevent excessive drinking..

The VSBMO distributed more than 2,000 maps and secured more than 200 Passport sign-ups across the three Virginia Spirits Expos in which we participated in 2023. We also provided messaging, information and swag to encourage responsible consumption from our partners at Responsibility.org.

Advertising

All advertising efforts were consumer focused in 2023. We utilized a wide range of tools and tactics to communicate our messaging to Virginia’s spirits drinkers. We make a concerted effort to ensure advertising resources amplify campaign messaging and reach every corner of the state. Advertising channels in 2023 included print, radio, billboards, digital, video and television. Wherever possible, VSBMO advertising includes responsible consumption messaging: “Please enjoy Virginia Spirits responsibly.”

Advertising Partners

Virginia Public Media

Virginia Distilled Magazine

Northern Virginia Magazine

Virginia Living Magazine

Lamar Communications

Edible Blue Ridge Magazine

MEDIA ENGAGEMENT

Press Releases and Media Pitches

STATEWIDE AND REGIONAL FOCUS

Through our Discovery Meet and Greets, we learned that Virginia media presents a great opportunity for us to educate Virginians and get them excited about their local distilleries. To support the various campaigns and activations that took place in 2023, the VSBMO distributed press releases and media pitches to Virginia media and select trade media outlets.

PRESS RELEASES AND PITCHES

- Establishment of the VSBMO
- Launch of the Virginia Spirits Passport
- Virginia Spirits Expos
- Distilled Virginia Event
- Virginia Spirits Passport: One Month In
- Holiday Gift Guide/Roundup Pitching

2023 Press Coverage



Media Tours

To engage media and influencers across the state during Virginia Spirits Month, the VSBMO hosted media tours in Richmond and Virginia Beach. In each market, we took media and influencers on a series of local distillery tours and ended the day at a local restaurant with a pairing dinner highlighting local spirits. The goal of these tours was to educate the media on what is happening in their own market and ultimately get them excited to write about Virginia spirits.

RICHMOND MEDIA TOUR

Highlighted Belle Isle Moonshine, Virago Spirits, Reservoir Distillery and Cirrus Vodka

Media/influencers that participated:

Annie Tobey
Boomer Magazine

Kelly Britton
Cuisine by KB

Colleen Curran
The Richmond Times-Dispatch

Paige Poprocky
The Richmond Experience

Ja'Mia Brooks
Influencer

Scott Wise
WTVR/Eat It, Virginia

Karl Oldershaw
Virginia Booze News

VIRGINIA BEACH MEDIA TOUR

Highlighted Virginia Beach Distilling, Waterman Spirits, Chesapeake Bay Distillery, Tarnished Truth Distilling Co., Ironclad Distillery and Copper Fox Distillery

Media/influencers that participated:

Ja'Mia Brooks
Influencer

Leona Baker
Coastal Va. Magazine/Savor Va. Magazine

Karl Oldershaw
Virginia Booze News

Megan Wilson
Sweet Sauce Blog

Karl Oldershaw
Virginia Booze News

TRADE EVENTS

The VSBMO attended Bar Convent and Tales of a Cocktail to research media attendance and determine if either provided a good opportunity for participation by the VSBMO or Virginia distilleries in future years. We discovered that both events offer great opportunities to engage with trade and national media. Media outlets and freelancers attended both events but typically stuck to engaging with vendors and did not seem to attend the educational sessions.

Influencer Partnerships

In addition to traditional media outreach, the VSBMO started partnerships with Virginia influencers to create content that focused on Virginia spirits and resonated with their respective audiences.

BUILDING REGIONAL AWARENESS OF VIRGINIA DISTILLERIES

We enlisted the services of a prominent social media influencer to conduct regional distillery profiles. We chose this influencer not only because of her follower numbers (101,100 followers on TikTok and 27,805 followers on Instagram) but also her diverse demographic audience. The influencer visited four distilleries in Richmond and four in Virginia Beach capturing content of unique cocktails, the setting and staff of each distillery, giving viewers a glimpse into what makes each location unique.

PROMOTING VIRGINIA SPIRITS MONTH

To help promote Virginia Spirits Month and the Virginia ABC Sale-A-Bration, we partnered with a Roanoke-based influencer because of her loyal following (35,484 followers on Instagram) and content dedicated on Roanoke/the southwestern Virginia area. The influencer purchased a bottle of local spirits from her local Virginia ABC store and created two cocktails at home, showing viewers how easy it is to make delicious cocktails at home with Virginia spirits.



Featuring Richmond Distilleries

31,519 48,971

Total views across 5
TikTok Videos

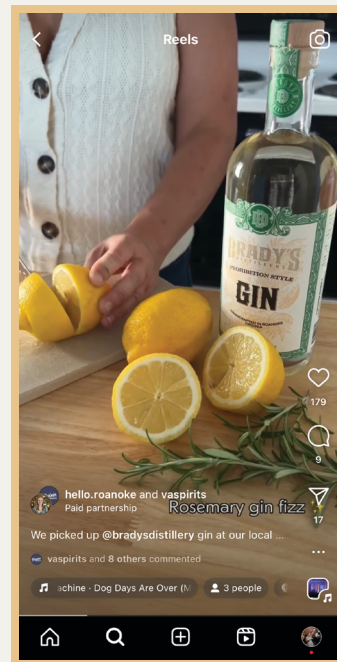
Total views across 5
Instagram Videos

Featuring Va. Beach Distilleries

7,619 7,291

Total views of 1
TikTok video

Total views of 1
Instagram Video



Promoting Va. Spirits
Month & Sale-A-Bration

9,396

Total views of 1
Instagram video

TRADE & INDUSTRY ENGAGEMENT

Virginia ABC

Early on, the VSBMO team reached out to representatives from Virginia ABC to explore opportunities to work together to support Virginia’s distilling industry. It soon became clear that the relationship with the industry’s only in-state retail outlet (and regulator) would be imperative and full of opportunities.

We began attending regular meetings between the industry and Virginia ABC while scheduling our own interactions with various departments at Virginia ABC, including marketing, retail operations, compliance, digital and public relations. We toured retail stores with Virginia ABC staff and explored opportunities to promote Virginia spirits.

VIRGINIA ABC + VIRGINIA SPIRITS MONTH

Our most significant endeavor centered around Virginia Spirits Month in September. Morphing out of several incarnations of promotional programs, we were able to collaborate on an in-store promotion that drew attention to not only the 20% off “Sale-A-Bration,” but also allowed us to educate and connect with consumers. The VSBMO created 75,000 multi-panel bottle tags that were distributed to all (almost) 400 Virginia ABC stores. The tags were shipped to district managers across the state, and those managers delivered them to individual stores. Store personnel then attached the tags to all bottles participating in the sale promotion.

The bottle tags were well received, drawing attention to Virginia-made bottles across the store and even receiving attention from customers in social media posts. In addition to highlighting the September promotion, the tags also included QR codes linking back to landing pages on VirginiaSpirits.org to encourage participation in the Passport program and learn more about all Virginia spirits have to offer.

Placing the Virginia Spirits Guide and Map in Virginia ABC retail stores was a significant final partnership program with the agency in 2023. VSBMO staff distributed more than 20,000 Guides to district managers across the state and those managers delivered them to individual stores.



Bottle Tag Results

326	111
QR Code Scans	Passport Sign-Ups

Distillery Engagement

Distillery engagement continues to be a significant hurdle faced by the VSBMO. While almost all distillers and owners support our efforts when we meet with them one-on-one, continuing the enthusiasm and engagement beyond the meeting has been challenging, with less than ideal survey participation and response rates. We will, however, continue to find new and creative ways to engage the community and to roll out campaigns that do not require a heavy lift for distillers. The more we're able to tap into the distilling community, the more successful and impactful our initiatives will be.

One strategy for industry engagement includes leveraging our relationship with the VDA. We have participated in both board meetings and general membership meetings, and keep an open line of communication to ensure leadership is abreast of VSBMO activities.

INDUSTRY NEWSLETTER

The Industry Newsletter launched in April 2023 with 172 recipients, including distillery contacts tagged by role and additional industry partners. The list was compiled and organized from existing contact lists from the VDA, VDACS and Virginia ABC, and through individual research and distillery outreach.

The monthly communication provides information on current and upcoming industry happenings, VSB and Virginia ABC announcements, marketing best practices, opportunities to submit content for VirginiaSpirits.Org, @VaSpirits social media campaigns and more. One week prior to the newsletter going out (first Thursday of each month), industry leaders are notified and given the opportunity to share updates or announcements for consideration. While the newsletter is chock full of relevant information throughout, the intro section provides bulleted information for a simple look at the most important updates and asks for distillers.

After each email, we see a spike in communication from distilleries and response to surveys. As a result, we're able to better represent and promote the industry — because more distilleries are updating their profiles, sharing upcoming events and promotions, submitting cocktail recipes and more. The newsletter has proven to be one of the most successful avenues for sharing information; however, we will continue to look at ways to enhance content and increase engagement. One recent addition to the newsletter spotlights a different VSB member each month, in hopes of increasing overall VSB support and encouraging industry engagement in the future.

Occasional one-off emails will be shared as needed but will not happen regularly to minimize inbox clutter and emphasize the importance of the monthly newsletter as a comprehensive digest.

58.3%

AVERAGE OPEN RATE

Industry Benchmark: 34.7%

10.3%

AVERAGE CLICK RATE

Industry Benchmark: 5.6%

Other highlights for distillery engagement include:

- *Discovery Meet and Greets previously discussed.*
- *Town Halls – We have conducted two virtual Town Halls to inform distilleries about research initiatives, marketing programs in which they can get involved and Virginia Spirits Month planning.*

FIRST LANDING CUP SPIRITS COMPETITION

The First Landing Cup Spirits Competition is planned to be the pinnacle of juried spirits evaluation by highly qualified judges. The goal is to identify the best of the best of the spirits produced in Virginia, identified and scored by a panel of notable third-party judges gathered from around the country.

Conducting a competition of this caliber requires the expertise of professionals with significant experience in conducting similar competitions and the connection with high caliber judges. In order to achieve this, the VSBMO has partnered with the American Craft Spirits Association to help us create, organize and execute the inaugural First Landing Cup.

COMPETITION TIMELINE

Originally scheduled to take place in April 2023, we currently have the program set in a holding pattern due to concerns over budgeting and challenges faced by the Board as a result of unforeseen errors that occurred in the state's budgeting process for FY23/24. We will continue high-level planning efforts and will secure a final date for the competition itself once state monies have been issued to the Board.

Major Campaigns

The VSBMO achieves our goals through a sustained series of activities and marketing campaigns throughout the year. Each activity, program or campaign likely includes components of each of the strategies outlined in this report.

Each year, we anticipate two campaigns will play a dominant roll and will span all engagement touch points: Virginia Spirits Month in September and The First Landing Cup Spirits Competition.

VIRGINIA SPIRITS MONTH

Early on, the VSBMO team set September 1, 2023 (the first day of Virginia Spirits Month) as the target date for launch or completion of many of our biggest projects of the year. Efforts around the industry's annual highlight month spanned across all of our engagement touch points, from statewide advertising to handing a map to a spirits enthusiast at a Virginia Spirits Expo. Many of the specific activities have been discussed previously in this Annual Report, but we feel it prudent to include a focused list here:

- Launch and distribution of the Virginia Spirits Map and Guide.
- Launch of the Virginia Spirits Passport Program.
- Active participation at three Virginia Spirits Expos and Virginia Distilled at the VMHC.
- Distribution of 75,000 bottle tags to all Virginia ABC stores.
- Advertising that included radio, television appearances, statewide and regional print publications, statewide and regional digital publications, digital ad placements across multiple platforms and billboards in three regions of the state.
- Two media tours in two separate regions.
- Close coordination with Virginia ABC to highlight the agency's Sale-A-Bration.

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Please enjoy Virginia Spirits responsibly.