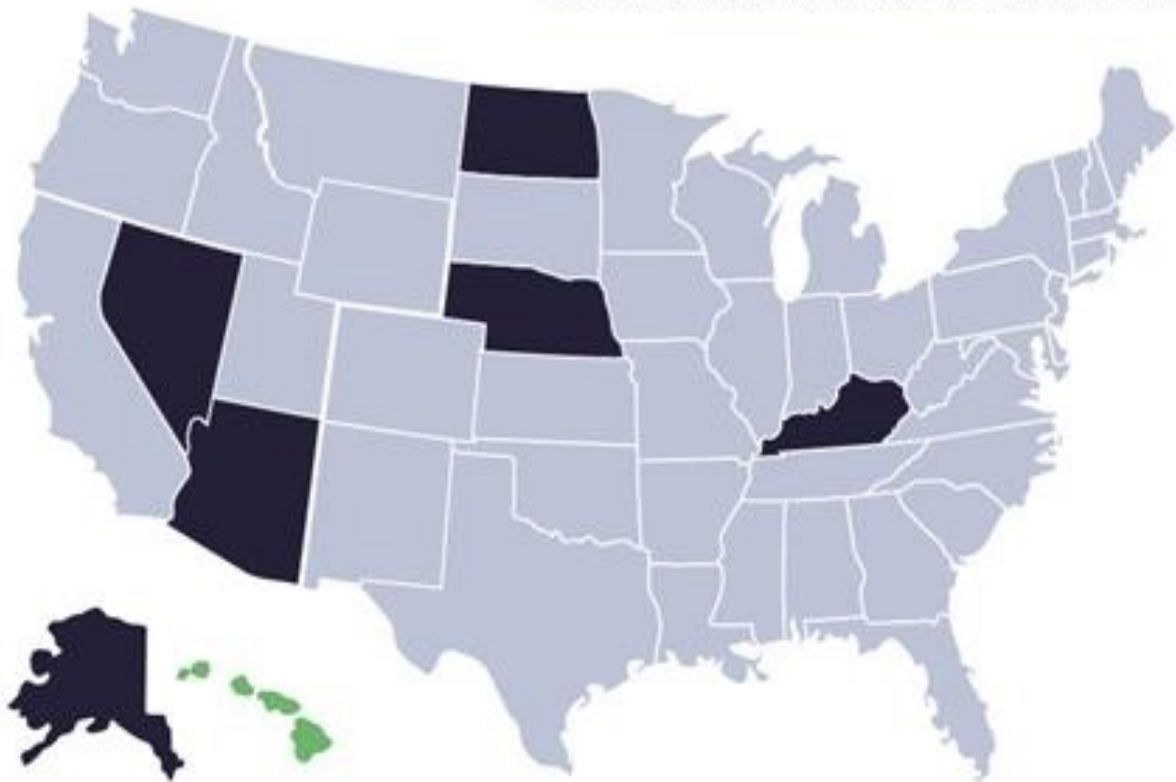


# 2021 NEXTGEN SUMMIT

## DTC UPDATE & FULFILLMENT CENTER OPERATIONS ROUNDTABLE

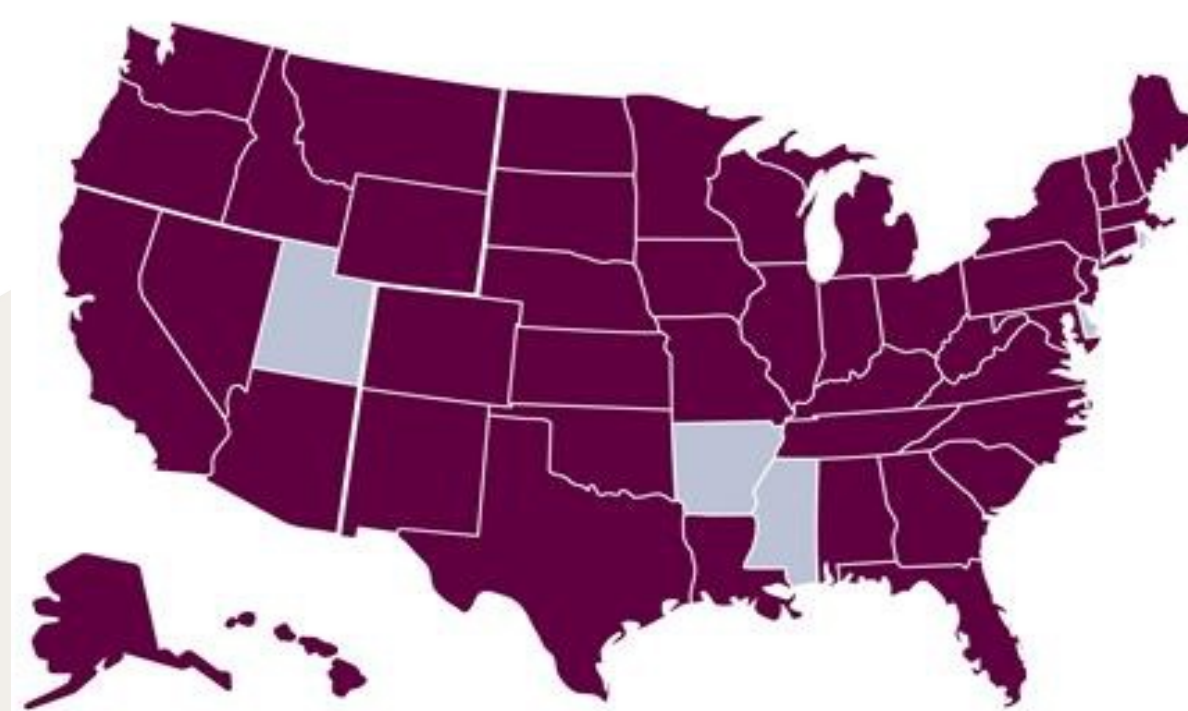
BY THE COUNCIL FOR LEADERSHIP DEVELOPMENT (CLD)

# CURRENT SPIRITS & WINE DTC LANDSCAPE



■ ALLOWS THE DIRECT-TO-CONSUMER SHIPMENT OF SPIRITS

■ ALLOWS CONSUMERS TO OBTAIN A PERMIT TO IMPORT SPIRITS

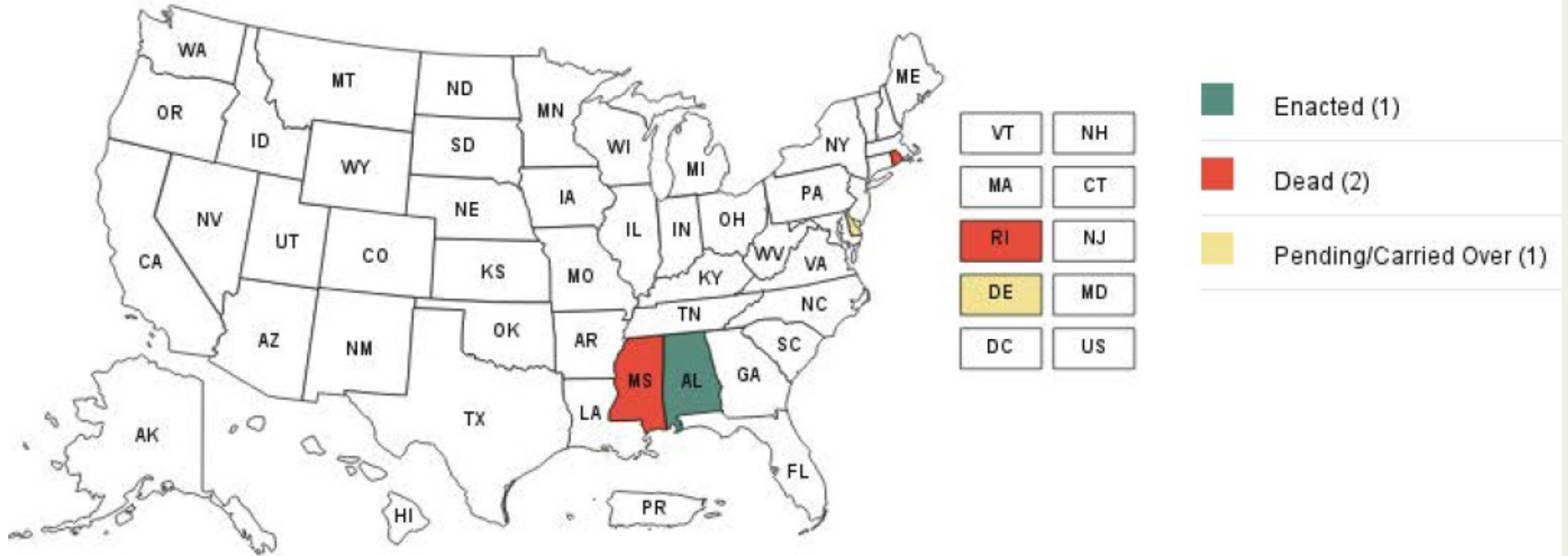


■ ALLOWS THE DIRECT-TO-CONSUMER SHIPMENT OF WINE



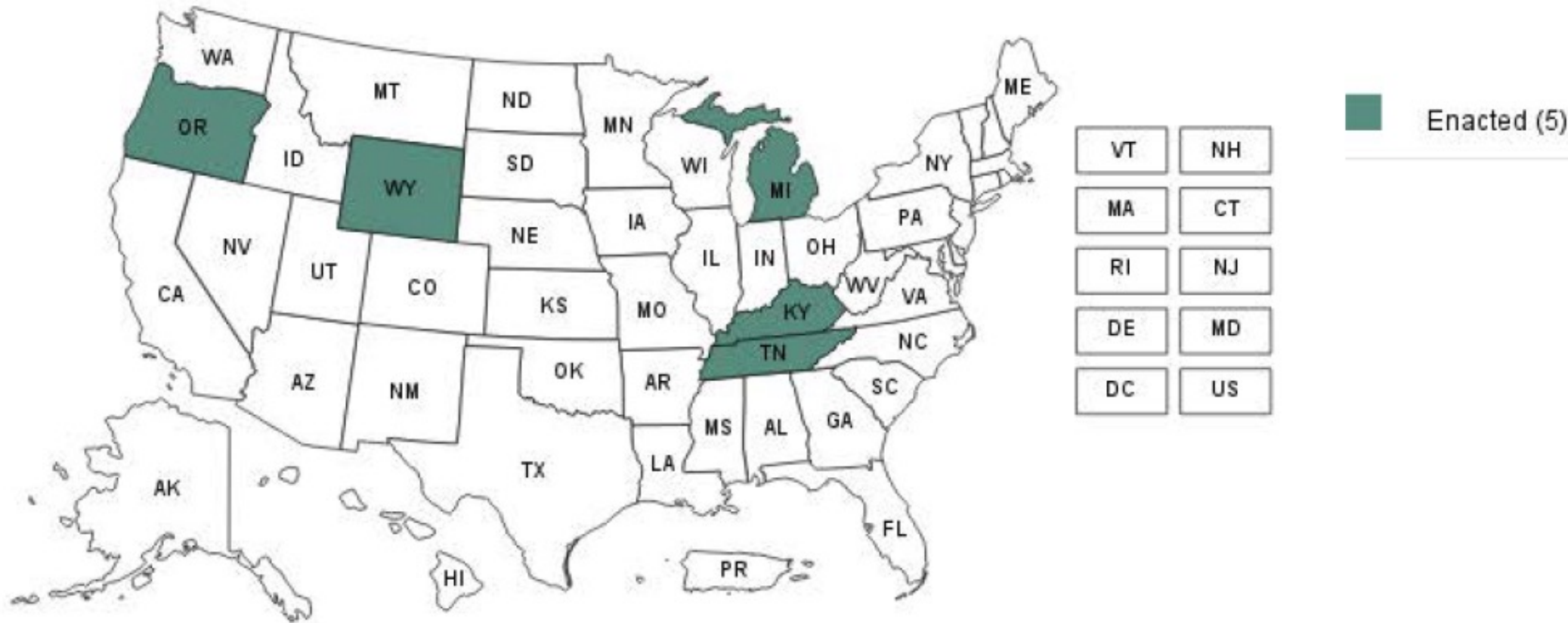
# LEGISLATIVE UPDATE: WINE DTC

4 States Introduced Bills to Create Wine DTC Laws



# LEGISLATIVE UPDATE: WINE DTC

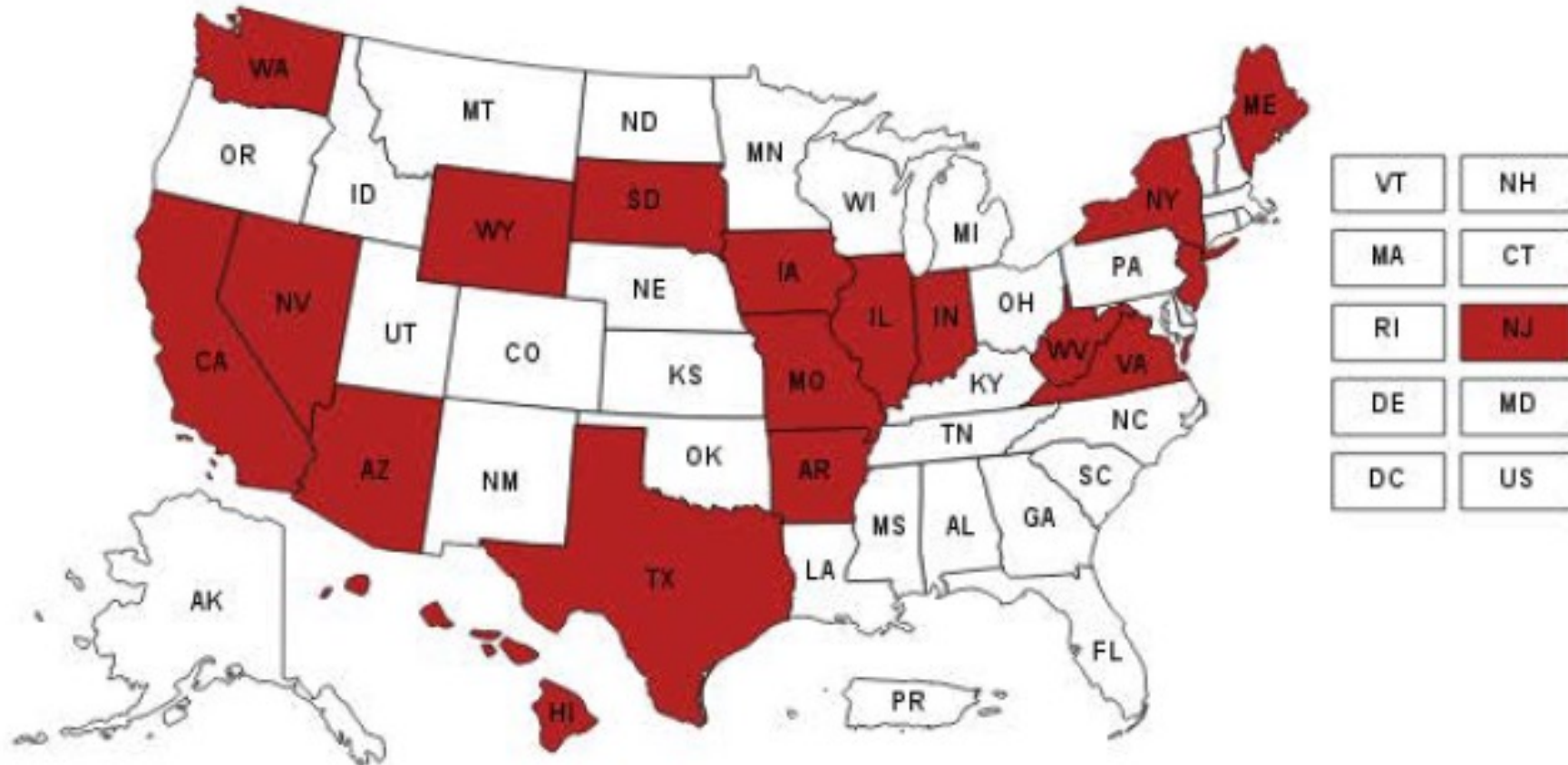
5 States Enacted Wine DTC Expansion Bills





# LEGISLATIVE UPDATE: SPIRITS DTC

18 States Introduced Bills to Create Spirits DTC Laws: All Failed



## Increased Focus on Spirits DTC

- Wine DTC map almost full
- DISCUS claim for parity
- The pandemic increased consumers' expectations of e-commerce
- Model legislation at National Groups
  - Uniform Law Commission (ULC)
  - American Legislative Exchange Council (ALEC)

## 2022 Preview

- Expect most states to reintroduce DTC bills
- Need to leverage new delivery laws
- Need to collect business data to counter DISCUS arguments
- Continue to utilize enhanced messaging and carrier reporting
- Continue to fill gaps in control states



# Fulfillment Centers



- What are they?
- Why do we care?
- What is WSWA doing?

## ROUNDTABLE DISCUSSION QUESTIONS

1. What does DTC look like in your market(s)? Major/medium/minor impact?
2. Does this change with spirits DTC?
3. Does DTC impact your supplier relationships?
4. Why do you think it looks that way?
5. What trends do you expect with DTC?
6. What would you like to know more about in the DTC space?
7. Does the fact that the majority of DTC wine comes from “small” wineries make the issue more or less significant to you?
8. Regarding Fulfillment Centers: A handful of states allow wholesalers to sell directly to consumers and, in a few instances, would allow a wholesaler to obtain a DTC license. Could you see a scenario where your organization would want to develop FC capabilities?

