
BY THE NUMBERS: WINE ADVOCATE RATINGS

Enologix Predicted 2012 Napa Valley Cabernet Sauvignon Ratings Two-Years Ago.

November 24, 2014—Analytics yields success in Wine Advocate ratings. Investors with no experience still come to Napa Valley to make luxury wine because Napa prices are organized around quality and volume. The average batch size is about 600 cases. 2012 Caymus Napa Valley cabernet was recently awarded 96-points at 122,000 cases. At \$60 per bottle retail, that is a “street-value” of \$88 million. Wow! What are the “analytics” you need for success in Napa Valley? Something not unlike the analytics used in Moneyball.

The central premise of *Moneyball* is that the collected wisdom of baseball insiders (including players, managers, coaches, scouts, and the front office) over the past century is subjective and often flawed. As it plays out in the movie, the Oakland A’s, with the 3rd lowest payroll in the majors, manage to make the playoffs in 2002 and 2003 using innovative models based on unique statistics to find undervalued players. Today virtually every team uses advanced statistical analysis to evaluate players.

Enologix developed mathematical models of bottled wine markets that mirror European appellations. Our models can deduce the formula that estimates the performance of luxury wine quality, prices, volume and revenues. The formulas led to a boom in scores and legitimized color and flavor testing. Every year empirical tests show that Enologix performance is “fairly close” to the observed scores and prices, although there are well-known discrepancies such as the “overpricing” of



wines made in tiny batches (less than 500 cases) and the “smile” or “slam” given to wines based on trailing average performance.

Do Enologix customers have a better chance of success? Let’s take a look at the scoring statistics for Enologix customers in a recent issue of Wine Advocate:

- Enologix customers comprised 10% of all 2012 Napa cabernet sauvignons rated 95-points and above, but accounted for 25% of the volume!
- Enologix customers had Thirty-three 2012 Napa Valley Cabernet Sauvignons made in batches of 1,000 cases or more were rated in a recent issue of the Wine Advocate
- 100% of these wines scored 90-points or above. 40% of the wines took home 95-points or more.
- The average batch size for these high scoring wines 4,000 cases!

Using Enologix models, these companies have figured out how to not only make high scoring wines, but are able to do so in batch sizes large enough to keep their investors interested in the wine game. That, my friends, is a recipe for success.

Questions?

Contact Us at 707.938.9463