



An increasingly sophisticated, quality-driven and sustainably focused bulk wine sector is in global ascendancy. **Andrew Catchpole** reports from WBWE on how this is shaping the world's market for wine

**IT'S EASY TO** forget that the globalisation of wine – at least on the scale witnessed today – is a reasonably recent phenomenon and that the market for bulk is still very much evolving.

Rewind to the 1850s and – before a spike in exports from Spain to France during the phylloxera scourge – France sent around 350 million litres beyond its borders, Spain maybe 150 million litres and Italy barely registered on the export scene at all (WBWE: Anderson and Penilla, 2017).

Now fast-forward to the figures for 2017 and the bulk wine sector generated 40% of wine exports worldwide, equating to a value of more than €3 billion, with a host of New World countries such as Chile, Argentina, South Africa and Australia very much in the game.

This message formed part of the opening address at the World Bulk Wine Exhibition (WBWE) in

Amsterdam, where the secretary general of the Spanish Wine Federation and soon-to-be-president of the OIV, Pau Roca, outlined just how fast and how far the globalisation of the wine market has come.

Outlining how supply and demand is now in better equilibrium, with the near parity delivered by the 2017 global vintage shortfalls overturned by more generous (or rather normal) volumes, up 20% in 2018, Roca drew on OIV figures to show how almost all top-producing countries continue to increase their exports of wine.

In turn, Roca highlighted the growing role of wine hubs, such as the UK, Hong Kong, Singapore and the Netherlands, which act as major (re)distributors to other markets around the world. And unsurprisingly growth in wine consumption continues to shift from traditional European markets to those of the Americas, Eastern Europe and

*“We went around a few years ago with the idea of boutique bulk and we now work across every level within the UK wine market”*

**Mark Roberts,  
Lanchester Wines**

Asia, with African and Pacific territories also picking up speed.

The implications of all this were apparent when talking to exhibitors on the floor at WBWE – an event celebrating just 10 years in existence, yet which now claims to play host to representatives of 75% of bulk that is exported worldwide, drawn from 15 countries, and which has been growing at 20% year on year since its inception.

Moreover, with supply and demand in much better balance, prices have fallen dramatically from their peaks on the back of the 2018 shortfalls.

Speaking after the fair, Mark Roberts, of UK-based Lanchester Wines, said that while prices for entry-level Australia, buoyed by copious thirst in China and Asia, have “slightly hardened”, prices for most major exporters, including Chile and Argentina, have “seen prices soften considerably this vintage, with 20% on key lines”. He added that these producers are now taking a “proactive approach, to reassert themselves in the premium bulk arena”.



## REINVENTING BULK

Such premium ambition was evident from a swathe of large and smaller private bulk suppliers and brokers at WBWE, many of whom have been working to overturn the somewhat outdated prejudice that bulk wine is primarily lower quality, entry-level fare.

As Blandine Philibert, WBWE organiser with responsibility for France, told Harpers: “With France the ranging of [bulk] sales is 50% entry level, 40% middle market wines and 10% premium – and the middle is increasing a lot.”

Much of this more premium demand is being driven by the growth of newer markets in Asia, including China, all of which has prompted WBWE to launch a show in Shanghai in 2019. However, buyers in the West are also increasingly sourcing bulk wine to fill more premium slots in their portfolios.

“There is much greater fluidity in the bulk market ... it's not just

about big producers and buyers, but everyone, whether a buyer for a restaurant group or a specialist buyer,” said Catherine Mendoza, who oversees the bag-in-box dominated Scandinavian market for broker Ciatti.

Others, such as Jim Moularadellis, who’s job description at bulk specialist Austwine is chief enthusiasm officer, concur, saying that in a volatile market “a return to sustainable value” for the Australian industry is helping key players to focus on “the challenge of maintaining stable value and focusing on premium wines – it’s important to have this USP to differentiate what we do in the market”.

Given the sustainable, more eco-friendly nature of bulk, plus the growth in acceptance of alternative packaging around the globe (such as bag-in-box, pouches, cans, wine on tap, etc) that plays into the hands of those selling premium bulk wines, the flexibility that Mendoza describes is further establishing bulk in the mainstream.

Couple this with the unquestionable advances in technology that ensures bulk wine reaches its purchaser in tip-top condition, and that 40% share of the world export market looks set to bypass traditionally bottled wine very soon.

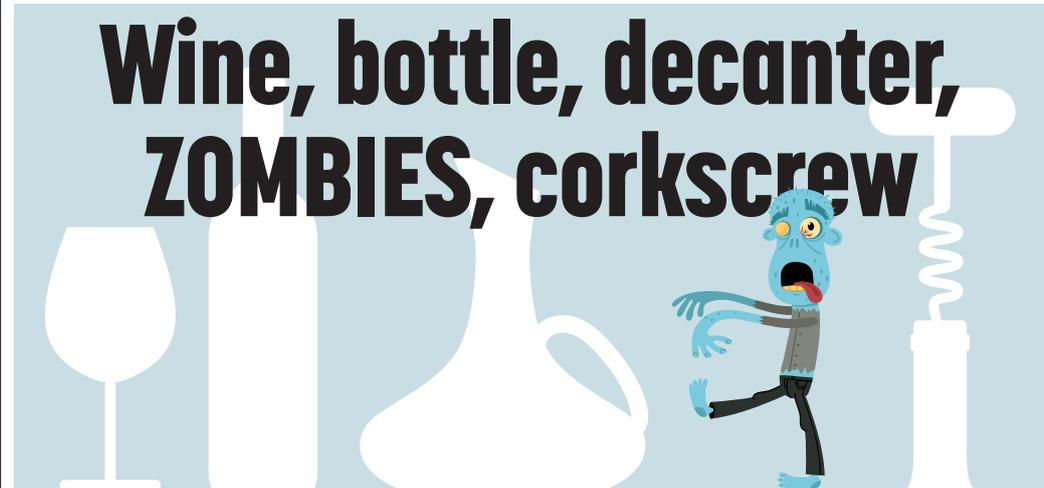
Anyone asking if bulk can become the new standard for mid-market and even premium wine may have missed the memo. Bulk is already a mainstay in this arena and growing fast.

Roberts emphatically agreed: “We went around a few years ago with the idea of boutique bulk, and we now work across every level within the UK wine market. Quality levels have stepped up and while we still buy [wines like] Chilean Sauvignon Blanc and Merlot at entry level, we also source Pinot Noir from Australia and high-end Malbec from our partner in Argentina.”

With the evolution on the global export scene it’s no longer so much a case of “big can be beautiful”, but more that bulk doesn’t need to be big at all. And that could be a major benefit in an increasingly cost- and climate-sensitive trade. ■

Joe Fattorini contemplates the Hedwig von Restorff effect and how contextual isolation can become a money-spinner

## COMMENT & OPINION



ISTOCK.COM/ALFAZETCHRONICLES

**CAN A DEATH** metal band from Dunfermline help you increase your wine sales? Well, the Scottish slurring quintet behind “Russian Zombie Smack” (and other toe-tappers) understand something that’s generally ignored by the wine business – the power of distinctiveness or “the von Restorff effect”.

For the wine trade, the von Restorff effect has subtle yet powerful applications and you can make money out of them.

Hedwig von Restorff, who came up with the effect, conducted experiments on the power of distinctiveness in words. Merlot, Chardonnay, Syrah, toilet, Sangiovese. Does one of those jump out at you? She found that a word in “contextual isolation” became far more memorable. Or here. Burgundy, Bordeaux, Barolo, Barossa, Beaujolais.

Richard Shotton, author of *The Choice Factory*, and his colleague Laura Watson conducted an experiment like this with numbers. One blue, all the others black. Test subjects were 30 times more likely to remember the blue number.

So how do you apply it? Here are three ideas. Each one gives distinctiveness and memorability

“Use words that disrupt contextual flow: ‘Strawberries, vanilla, laughs and leather’”

▶ JOE FATTORINI IS HEAD OF LONDON SALES AT FIELDS, MORRIS & VERDIN



to a wine and makes people more likely to buy it.

First, have a different print colour for one wine on your list. Choose a wine that’s more expensive than average. A wine you wish people would enjoy more. Then print it blue. Or put a square box around it. Whatever you do, just make it different to the rest.

Second, in your descriptors use words that disrupt the contextual flow: “Strawberries, vanilla, laughs and leather”.

And, third, where you have a display of bottles, deliberately choose one wine for its presentation. Then highlight it. Display your wines on the shelf or back bar and add a small card to your distinctive bottle, saying: “Our favourite Australian Shiraz, £38”.

There’s a final twist to the power of the von Restorff effect. For more than 30 years we’ve known it is more powerful among the young than the old. For all the influencers appealing to millennials with Instagram, “storytelling” and “demystifying” wine, younger people are turning away from alcohol and wine. Yet it turns out a psychological effect discovered in 1933, might be what brings them back in. ■