BI Daagliks - BI Daily

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Consumer Countries/Markets

Rabobank: Coronavirus Deals a Painful Blow to China´s
The Chinese wine industry experienced a tough year in 2019, and was hoping for a fresh start in 2020. However, the coronavirus emerged in late December 2019 and rapidly spread in most cities nationwide in the first two months of 2020. This event has taken a dramatic toll on consumption, and disrupted the entire value chain of the wine industry. If the situation persists for the next few months, the wine industry will be structurally damaged. On the other hand, the current crisis also brings the wine industry an opportunity to rethink strategies.

Global Trends - Wine Industry Key Elements

Wine, Recession, and Coronavirus: This Time is Different?
By Mike Veseth, 17 March 2020

Other retail sectors are looking to the internet to help them connect with consumers who hesitate to make physical contact and this seems to be a smart move for wine businesses, too. The coronavirus is only going to make web-based storefronts and mobile ordering a bigger element of any wine business strategy. But web sales are different and you are going to need hooks to attract and hold customers.

Selling on the web invites quick and easy price comparisons. Price, which is always a factor, may become even more important since buyers are not in your tasting room to receive a warm welcome, personal attention, and samples of that reserve wine you keep under the counter.

What will we learn from this crisis? How will it shape longer term behaviors and strategies? Lots of questions and not yet many answers.

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Note: Global on-line wine sales is estimated at 4%, while in South Africa <2%.

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