Global Trends - Wine Industry Key Elements

Reaction: Sainsbury’s-Asda off, UK’s retail industry responds

The UK’s retail industry has been responding to the news this morning that Sainsbury’s proposed merger with Walmart-owned Asda – a deal that would have created the UK’s largest grocery retailer by share, and had been more than a year in development – has been called off amid anti-trust concerns.

The Competition and Markets Authority (CMA) said that a combined Sainsbury’s-Asda would lead to higher prices online and in store, higher prices at petrol forecourts, reductions in the quality and range of products available, fewer online delivery options for consumers, and an overall weaker customer experience.

In a damming report that put an end to the merger, it concluded that “UK shoppers and motorists would be worse off if Sainsbury’s and Asda... were to merge”. 
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Major Wine Producing Countries

How SA wine can realise its true value

April 25, 2019, by Jonathan Steyn

A latent problem surfaced through deinstitutionalisation of SA’s wine sector is that resolving grand societal challenges, such as transformation, is difficult when economic growth is constrained. Without inclusive economic growth, the wine sector cannot achieve its stated imperatives of benefiting people and planet. And, though small wins have been delivered by the Wine Industry Strategic Exercise (WISE) in recent years, as fast as we try to fix things, more problems emerge. This is the nature of grand societal challenges.

The critical struggle for SA Wine going forward is going to be to effectively integrate market and non-market actions to address these issues. This necessitates negotiating innovation on differentiation, pricing, branding and quality on the one hand and societal impact, advocacy and industry image on the other. Considering our legacy, it further requires sincerity: a consistency between our stated beliefs and our actions. We must “walk the talk”.
As a relatively small industry, we shouldn’t be drifting near the bottom tier of the global shelf, especially given the quality of some of our wines. We cannot compete in terms of volume, but we certainly have the talent and quality to sell uniqueness. Without a singular purpose, identity and strategy being promoted through greater industry consolidation, it will be difficult to find niches in which to embed ourselves and realise the true value of our product.

What to Watch for in the 2019 World of Wine

Takeaways from North America’s top international wine and spirits exhibition:

1. Wine Prices Will Increase
2. Storytelling With Tech
3. Biodynamic and Organic Wines Are Mainstream
4. Rosé and Sparkling: Trends, Not Fads
5. Rising Whites

Spanish Wine’s Identity Crisis

The fractious politics in the Spanish wine industry is causing confusion for producers and consumers.

This is a nation that for decades held together its producers, both large and small, prestigious and bargain-basement, under overarching appellation banners. Terroir (at least in terms of a formal classification) didn’t come into it – historically, the quality of wines were associated with the length of time they spent in barrel and bottle.

"Appellation bodies in Spain (and France) defend a lowest common-denominator quality wise," exclaims de la Serna. "I co-founded Grandes Pagos for one simple reason – I felt the concept of single-estate wine was being marginalized in Spanish winemaking, and needed to be promoted and defended."

Indeed, the appearance of single-estate wines and the decision taken by leading Spanish producers to abandon their DOs would have been unthinkable decades ago. So too would rising calls for a pyramid terroir classification system in several regions. The very notion of a Burgundy or Bordeaux producer leaving their appellation behind for a IGP designation remains unthinkable in 2019. Ludicrous even. Not so in splintered Spain.