

## **Abstract**

### **Motivation**

Fine wine has always played a leading role in my working life. During my time spent in the London fine wine trade in 2010 I experienced firsthand the effect that the up and coming markets, such as Asia, was having on Bordeaux prices.

Now currently Head Sommelier at a Hotel that specialises in fine and rare Bordeaux of which a very large part are bought En Primeur – Bordeaux has become an even bigger personal interest. In 2005 alone we spent over €600 000 on En Primeur, only to see many of these wines especially Cheval Blanc decrease drastically in value. With Château Latour leaving the system and lots of negative press, I was determined to see what other alternatives the consumer and retailer has when wanting to secure fine wines.

When deciding on my Thesis project, I knew I wanted a theme in which I could develop my business skills.

### **Objectives of this thesis**

My main objectives have been to discover if the profit made on buying wines En Primeur is financially viable. Does the guaranteed provenance make it alone worthwhile? Is there monetary profit to be made for the merchant as well as consumer?

Château Latour's exciting from En Primeur sent shock waves across the globe - Château owner Francois Pinault is a businessman extraordinaire, does he know something we don't?

Over the past years many merchants have been obsessed with cracking the Asian market, so it was important for me to find out the overall position En Primeur has in Asia and to see just how important this market is for the Bordelaise.

Are there possibly new routes Bordeaux distribution could take to improve overall sales? With the average wine drinker getting younger maybe it is time for a new strategy in Bordeaux?

### **Methodology: An outline of methods used**

For Bordeaux Market analyse I studied data from Liv-ex (London International Vintners Exchange) as well as looking at Park Hotel Vitznau figures since En Primeur 2005.

All information gained on the history of the Bordeaux and its trading is from information gained from reading industry books from well known industry leaders that specialise on the subject.

I used tools such as financial reports to look into the current economic situation in China and other parts of Asia.

Industry magazines and reports were used to gather information on Bordeaux and its selling strategy.

To gain a balanced opinion on the current Bordeaux En Primeur sales strategy, information was gathered by holding interviews with all levels of the selling chain: merchant, consumer, Château owner and winemaker.

## **Content**

The first chapter looks into the history of Bordeaux trading. Bordeaux has developed a strong marketing position by promoting its long tradition – in this chapter I look into how developed the En Primeur trading system really is and how it all got started.

I then go on to look at how En Primeur has developed and how Bordeaux trading has changed and developed over the years.

The next chapter delves into the current wine trading situation in Asia and the US. In this chapter I have tried to compare the developed European markets with the emerging.

The fourth chapter looks at trading systems outside of Bordeaux. How does Burgundy compare with its selling strategy? In this chapter I have also looked at the success of other winemaking regions, such as Champagne – will its success influence the future of Bordeaux trading?

The final chapter looks at the positive side of Bordeaux En Primeur. Amongst all the negative press recently I was able to support a positive angle promoting En Primeur and looking at its advantages as a developed trading and distribution system.

## **Conclusion**

The future of Bordeaux is unclear. What is for certain is that the system does need to modernise and adapt to its current market. I also firmly believe that there is room in Bordeaux for other distribution networks apart from the En Primeur system. In times where wine provenance is at its utmost importance, controlled channels are needed within the wine industry, however costs need to be controlled and stabilised for the Bordeaux to reach the masses.