

Thesis abstract

* I wanted to study the subject that is related to my job. I am a category manager of the wine and champagne department in the O'KEY Federal Hypermarket chain of Russia (Wine Buyer). The aim was to study the subject carefully, find new trends, and define the rising and falling subcategories. At the end to implement the results on the business model of the company.

The research on this subject is very important for me as a Wine and Champagne category manager. I have to be aware of the current market situation in wine retail, change of consumer behavior, possible threats for the category. I have to define the future growth drivers. What are the rising subcategories on the Russian market within the Wine and Sparkling wine category? What are the future drivers? How they can attract potential customer? As we face the climate change and economic instability consumer demand and the buying habits are changing. The modern consumer is concerned about own health and the impact on the nature. How all these will affect the wine retail? The research was presented to the Top management of the company.

*My task was to study the trends in the wine business; analyses the correspondence of the wine trends with the Wine and Champagne category dynamics of the O'KEY. The aim of the research is to define the points of growth and to choose the right strategy; introduce the strategy of successful development with its key elements to the Top Management of the O'KEY.

* The methodology of the research is based on the wine trends study coming from the reliable sources: ProWein, Bloomberg, Decanter, and official web sites of the appellation authorities, interviews taken via phone and e-mail communication with the wine professionals; global wine trends comparison to the wine trends in Russia. As well on the sales statistics as Nielsen, Russian custom and O'KEY reports.

* The research includes four parts:

1. Global trends in wine 2020.

Here the main source of information was Bloomberg, ProWein, Nielsen, Decanter Magazine and the authorities of the wine appellations.

10 main global wine trends were defined and thoroughly analyzed.

2. Comparison of the global trends in wine with the trends in Russian wine retail.

Here the main source of information was personal communication with the wine professionals of Russia: mainly owners and top management of the wine Russian wine producers. I was trying to confirm the global trends, define the future trends for the Russian Wine retail and planning the projects for the successful category development.

3. COVID-19 influence on the wine retail analyze.

Here the main source of the information were the O'KEY sales reports of the category wine and champagne for the lock down period. I was trying to define rising and falling categories, and to estimate the risks and making the planning on the assortment matrix adjustment.

4. Wine retail market future in Russia.

In this part of the thesis I have come to some ideas how to make the category successful, I have set the strategy and defined its key elements. This was very practical and the projects are already in progress. The thesis helped me to structure better my work and the work of the team. As well, some future projects were described and put on the planning list.

Conclusion

* How strong and influential are the wine trends of the 2020 on the consumer behaviour and change of habits.

From the gathered information and feedback of the wine professionals, I would say the trends are quite strong, influential and be steady in the nearest future. The only doubts I have on the Orange and Pet-Nat wines. Despite the Biodynamics in wine is a strong movement I consider this category of wines is not as interesting for a Hypermarket chain as O'KEY is. It is hard to guarantee that the wine will not be spoiled and as well understood by the consumer without professional sommelier explanation. There are too many risks to lose the loyalty of the customer.

* Will the growth drivers stay the same after the COVID-19?

Despite the wine industry is not too optimistic on the future due to the economic crisis and the damage of the industry by COVID-19 we can be quite optimistic in the retail. Due to oversupply and stronger competition, we constantly receiving great offers. As one of the leading retailers in wine, we have to transmit these great offers to our wine lovers. One of the most important growths driver is a great value for money wine! The unbeatable offer!

As well the wine lovers who were enjoying the dinners out had to consume the wines home might like and get used to have a nice dinner home accompanied by a good bottle of wine. We hope that kind of customers have a good chance to discover the assortment of the O'KEY and that our chain will become the wine destination. We have to grab this category of the customers and not let go!

* It was extremely useful and important for me as a wine buyer to make this kind of research from the business point of view. It helped me to learn about the trends in the wine retail, notice the changes of the consumer behavior, define the driving and falling subcategories and the most important to understand where we are standing as a wine retailer: are we trendy? Do we take all the necessary actions to attract the wine lovers? As well, the research helped me to develop the long-term strategy for the category.