



## DIPLOMA-ARBEIT / DIPLOMA THESIS

Titel der Arbeit / Title of the Thesis

“The impact of the COVID-19 pandemic on the digital evolution of the wine business on social media: The case of Instagram.”

verfasst von / submitted by

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## ABSTRACT – ZUSAMMENFASSUNG

The COVID-19 pandemic has changed and limited people's lives, and as a result the, wine business. This sudden shift was the biggest global challenge for the wine producers and retailers. Traditional HoReCa (hotels, restaurants and catering) channels were not functioning, making on-trade sales unable. Therefore, off-trade and e-commerce channels grew as they never did before bringing a great digitalization opportunity. This chance for digitalization was reflected on social media and in particular on Instagram. The aim of this thesis is to investigate the effects of the COVID-19 pandemic to the wine business with a particular emphasis on the social media platform Instagram.

Due to the growth of Instagram for wine business triggered by the pandemic, new chances for brand building, marketing and sales of wines and wine brands were found. In addition, building a community interested in the content created by the wine producer, retailer or content creator can be highly beneficial for future business opportunities. Since the COVID-19 breakout, an increase on content creators on Instagram was observed, which motivated me to also begin with this journey. It is been over a year and a half investing quite some effort on my instagram account @ikerwine, but obtaining successful results. Until the date over 15.000 followers and constantly new business possibilities are arising.

Thus, the further investigation in this topic is of great interest for everyone willing to focus deeper or start with a professional Instagram account, in order to evaluate what the business chances and the future of wine on Instagram are.

This research is divided into three main parts. Firstly, the situation of the wine sector on Instagram before the COVID-19 outbreak will be described. Then, the changes that the pandemic brought will be discussed and described how the market evolved. Finally, some conclusions and an outlook will be suggested.

The methodology used for this research is deductive, based on the potential of Instagram for wine business, especially in the future with increasing digitalization. Ethnography was the research strategy utilized, based on the observations experiences of the several wine producers, retailers and content creators. In order to prove the hypotheses of the severe impact of the COVID-19 pandemic in the wine business on Instagram, 11 interviews were performed, which resulted in an important part of the analysis.

The criteria from choosing the interviewees are following: Different countries (Austria, France, Italy, Spain, Netherlands, USA, Czechia, Poland and Lebanon), producing wine (traditional Bordeaux château, natural wine producer, Californian high-end producer, wine cooperative), trade (Wein&Co.), content creators (existing before the

pandemic, new established). The interviews were performed mainly through Zoom with a length of 30 minutes, with the exception of one e-mail questionnaire and two phone calls.

The wine businesses that opted for increasing their social media presence in order to enhance their brand awareness have shown successful results. Additionally, it has been noticed that online wine tastings were within the most popular activities wine producers and retailers embraced during the pandemic. The results have shown success and in some cases lucrative outcomes. Especially considering that traveling was not possible, the wineries that had a strong focus on wine tourism offered these kinds of tastings. Thus, this tasting format, together with in-person tastings, is very likely to be also utilized in the future. Moreover, the experience with content creators marketing and carrying out campaigns, have successfully resulted during the pandemic. The pandemic brought a growth on the audiences of wine bloggers, making it possible for some influencers to consider Instagram a full-time job. Furthermore, regarding the consumers, they seem dedicated to continuing purchasing wine online. Therefore, further development and investment in company-owned e-commerce sites still provides opportunities.

To summarize, the pandemic had various dramatic effects on the wine business. The social medium Instagram provides evidence for these effects as much as it was itself affected. Nonetheless, Our analysis may be surprising in the differences with which wine producers used digitization opportunities. Still, many did not adopt social media while others took advantage of the situation. Overall, the potential of social media, and in particular Instagram, has not yet been fully exploited and there will be ample opportunity in the near future to engage with audiences and working with creators on Instagram.

Given that the pandemic is not yet fully over, the research presented here could only perform an analysis based on what is currently known and on the perceptions and opinions of the interviewed experts. Social media will remain a highly dynamic technology whose interaction with the old and traditional field of wine marketing still holds many interesting questions for the future.