

Bulk wine.

From bargain to boutique.

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Abstract: Bulk wine. From bargain to boutique.

Motivation

Different topics were taken into consideration as a dissertation subject:

- Rejuvenating vineyard soil with mushrooms.
- Indigenous grapes from Cyprus planted on original rootstocks.
- Buried Lanzarote vines: reality or tourist trap?

An important thesis criterion is to choose a subject applicable in one's professional life. An article in Dutch professional wine magazine *Perswijn* elaborated on 'boutique bulk', this awakened my personal interest. As product specialist in wines and spirits of Metro Belgium, useful market information can be obtained to improve sales and margins.

Objective

This thesis aims to contribute the understanding of the term 'boutique bulk wine'.

'Boutique bulk' is premium and specialised wine shipped in bulk and bottled in the country of sale. The selected wine is produced from smaller volume, premium and more eclectic parcels and delivered in innovative packaging, which can be offered in a higher price category.

The term 'boutique bulk' has a very nice ring to it. But is it real or only plonk with an innovative label? We wanted to investigate this further to know if the consumers were getting value for money or being deceived by distributors.

Methods

Books like *the Oxford Companion to Wine* and *Understanding Wine Technology* are good for the explanation of terms but recent data or numbers are difficult to find and often outdated. Most of the facts are extracted from websites. Some examples: World Bulk Wine Exposition, the International Bulk Wine and Spirits Show, Jancisrobinson.com, Vinex trading platform and The-Buyer.net. These produced reliable intel that could be used for this thesis.

Mailing, calling and LinkedIn proved to be assets retrieving good information, from real persons, to cross-check the data found on websites.

YouTube had very good debates and presentations of credible people in the bulk wine industry. Most of them were recorded at one of the International Bulk Wine and Spirits Shows.

Calculations were made and cross-checked with people from the industry. The most important ones were: the attendants who sold organic wines on the World Bulk Wine exhibition show, carbon footprint of bulk transport by ship, the price tier where people buy wine in, how much percentage of the bulk wine is premium and furthermore I held an enquiry about bulk wine.

The journey of this thesis will take us along the following subjects. History and numbers, supporting arguments and opposing arguments of bulk wine, private label, emotion and wine, carbon footprint, logistics and the premium segment of 'boutique bulk'.

Results

Bulk wine has a lot of positive attributes: It is cost efficient, keeps the wine fresh and fruity and is less damaging for mother nature. The tasting profile of bulk wine can be orchestrated to the wishes of the consumer to please as much people as possible. Packing is important as a lot of people judge a book by its cover. The price of premium bulk wine is maximum 5 to 6 euro per litre, most is actually cheaper, as it is difficult to sell a lot of bottles above the threshold of 15€ (17-18€). To be economic viable bulk wine is almost never transported below 12.000L, most of the tankers are filled to the brim of 24.000L.

Conclusion

The conclusion is that only 5% of the bulk wine is used for the 'boutique' or premium segment within competitive price level. Nevertheless the goal is to make money and keeping profit margins healthy while giving the wine consumer a better feeling about the wine he or she bought. In the end 'boutique bulk' is a marketing instrument designed to improve value. Not only money but also status. So thinking carefully about packaging is very important to give customers a value for money experience. Graphic designers will be one of the wizards of the wine industry in the future. But what future? Covid-19 will change everything in a rate we cannot imagine. This would be right up the alley of bulk wine. The next World Bulk Wine Exhibition which will be held on 12 & 13 July 2020 in China, they state the wine market is recovering thanks to bulk wine.¹ Innovative approach in 2020 will be the virtual wine exhibition. It is an on-line trading system by which wineries can establish direct contact with buyers through a technological system of virtual communication. Given the current Covid-19 limitations, this will attract more attention.

¹ (World Bulk Wine Exhibition, 2020)