

Direct-to-Consumer Wine Sales Up \$222 Million

BY STACY BRISCOE



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Since on-premise sales have sunk as the novel coronavirus pandemic shuttered bars, restaurants and tasting rooms, the wine industry has had to pivot. Direct-to-consumer (DTC) shipping is one channel that continues to see significant success.

In partnership with Wines Vines Analytics, software company Sovos ShipCompliant analyzes anonymized, detailed shipment data from more than 1,000 U.S. wineries' shipments to consumers each month. It amounts to more than 20 million shipments annually.

Earlier this month, the company released a mid-year status update to their annual DTC Wine Shipping Report, reflecting just how drastically the effects of the coronavirus pandemic have shifted consumer wine buying habits.

According to the report, nearly one million more cases of wine were shipped in the first half of 2020 compared to 2019, which equates to an additional \$222 million spent by consumers to have wine delivered directly to their doors.

“We’ve seen an increase in new purchasers—people discovering, or being forced to discover, alternative sources for buying wine,” says Alex Koral, senior regulatory counsel for Sovos ShipCompliant. “More awareness of e-commerce and shipping options are one reason for the huge growth right now.”

Those seeing the most sales growth are limited-production (less than 1,000 cases) and large-production (more than 500,000 cases) wineries. Koral believes this reflects how consumers shop for wine offline.

“Tourists typically visit limited-production wineries to purchase wine they can’t get elsewhere,” he says, whereas “some consumers are label-focused and are looking for the big-name brands they would normally buy at grocery stores.”

So far this year, Sonoma has the highest recorded volume and value growth, shipping 290,000 more cases valued at \$71 million in additional revenue.

“This is an extension of a trend we’ve seen for the last two years,” says Koral. “Sonoma used to be relatively low compared to Napa, but, for the past five years, it’s exploded in the amount of shipping, now exceeding Napa in total volume.”

Koral equates Sonoma’s success to its increased focus on both tourism as well as local awareness of the region’s wineries and brands. It’s also generally more economical than Napa.

“Napa is the leader in DTC shipping by value because the wines are expensive,” says Koral. Sonoma, where average bottle prices dropped by \$2 according to the report, provides less pricey options from an also recognized regional name.

Across the U.S., the highest volume increases by varietal were Pinot Gris (+53%) and Sauvignon Blanc (+47%); the lowest, Cabernet Franc (+15%), Cabernet Sauvignon (+16%) and Syrah (+17%).

“We typically see a few of those varietal outliers peaking each year,” says Koral. “I think it comes down to a combination of varietal awareness, consumers wanting something ‘different,’ and a peak in growth and production—there’s just more available these days.”

It’s tricky to predict what will happen in the near or distant future. In the second half of 2020, Koral expects typical year-end trends—a dip in sales toward the end of summer and significant increases during the holiday seasons. “But when you compare the 2020 numbers to 2019 numbers, they will still be a lot higher,” he says.

The industry should note how the DTC market, which was a limited “niche” market back in the early 2000s, has seen continuous year-over-year growth, he adds.

“Post-Covid, DTC will be an increasing part of the market. It doesn’t have to be, nor should it be, the only way to sell. But it’s an area that all wineries should consider. There’s a lot of value if you take the time and effort to make sure you have a good, robust DTC market.”



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Wine Industry Job Fair Devoted to Diversity, Equity and Inclusion Launches

BY [WINE ENTHUSIAST](#)



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A new initiative aims to create more equitable hiring processes and sustainable careers in the wine business. [Be the Change](#) is billed as the first-ever virtual job fair to prioritize diversity and inclusion. The two-day event will be held December 2-3, 2020.

“As a Black queer woman, I am no stranger to being a token to meet an employer’s bottom line. Because of this experience, I became a DEI professional,” Lia Jones, founder and executive director of Diversity in Wine & Spirits, and co-founder of Be the Change, said in a press release. “What makes this initiative unique is our vetting process of the employers to address the need for safe spaces for a diverse workplace.”

Be the Change is helmed by Jones; Rania Zayyat, founder and president, Wonder Women of Wine; Cara Bertrone, national accounts sales manager, Folio Fine Wine Partners; and Philana Bouvier, vice president of fine wine, Republic National Distributing Company, and chair, WSWA Women’s Leadership Council.

In addition to a virtual job fair for up to 1,000 jobseekers, Be the Change will host a roundtable discussion on diversity, equity and inclusion in hospitality. It will be moderated by Bouvier and feature Jones as well as Dr. Hoby Wedler, sensory innovation director, Sensepoint Design; Bobby Stuckey, MS, partner, Frasca Food and Wine; Stephanie Gallo, CMO, E. & J. Gallo; and Susana Balbo, founder and winemaker, Susana Balbo Wines.

“I immediately saw the negative effect that COVID 19 would have on employment and diversity,” Bouvier said in a release. “We are going to implement change in multiple industries and it begins with wine, tech and legislation.”

In 2021, Be the Change plans to lobby for legislation regarding diversity, equity and inclusion. It will also host a second employment event in March 2021.

Employers can register for the December job fair starting November 2.



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