

# The great digital shift

A new breed of French digital-solution companies is helping the country's producers embrace online. **Jo Gilbert** reports

**THE PAST YEAR** has been a watershed moment for the European wine industry when it comes to online adoption rates. In France alone, the pandemic has had a huge impact. At a recent Vinexpo seminar, Digital Sprint, which focused on online sales, it was revealed that the number of consumers who said they have bought wine online in the country grew from 32% in 2019 to 47% in 2020, which means that one in two are now buying online.

"I haven't experience anything like it in 20 years," said Lionel Cuenca, CEO and co-founder of iDealwine. "The first day of the lockdown in France was 17 March. I was in front of my screen, trying to refresh, but it was not possible as everyone was trying to buy online."

This story sounds very familiar. In the UK, online adoption rates have similarly skyrocketed as initially 'forced' online

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shopping behaviour migrated to an ongoing trend. In the UK, sales of alcohol online were up 28.7% in the week ending 18 April 2021 versus the corresponding week in 2020, despite the reopening of outdoor hospitality that same week (IMRG).

In France, however, the digital revolution has extended not just to consumers but to producers, leading to an acceleration of the connection between winemaker and drinker, as well as facilitating the advent of B2C and buying direct – almost unheard of beyond cellar door selling prior to 2020.

“We’ve seen a major change on the customer’s part, but mainly on the winegrowers’ part,” said Erwan de Barry, CEO of ecommerce marketplace Twil. “For most producers, online sales were the last thing they cared about. The major change with Covid has been there’s no alternative. They’ve discovered it works, in different way, and helps to get more feedback from the consumer, and turn it into tools and data they can use. It’s still very, very new for them.”

Justifying their existence in this newly vital digital landscape, de Barry added that going online isn’t just as “simple as putting www. in front of your name”.

Dealing with the right digital partner is crucial in order to navigate challenges such as the price transparency created by the internet.

With the right partner, de Barry said, the digital and classic sell can work in harmony, and also enhance the other.

**“Work on your base of customers. Give them content, talk to them and help them to pick the right bottle online”**

**Thomas Dayras, Matcha Wine**

“They will influence each other and increase your global sales because people will find the wine in restaurants and bars, then they will scan or look for it on Google. If I can find [a wine] quickly at a good price, then I feel safe and confident to order it at the restaurant. We have to work together on price policy,” he said.

Cuenca added that the past year has been a truly digital revolution for producers. “The majority were reluctant to sell online. For some, it was easy to sell as they had small production and a lot of demand. But for the majority of producers, the change is that they cannot escape selling online. The traditional way of selling was dominant in the past. In the next five to 10 years, I think digital will be dominant.”

iDealwine and Twil are also looking to facilitate the expansion of producers’ reach to markets outside of France, if only Brexit-related complexities don’t hinder growth.



## CONFIDENT OUTLOOK

Overall, the new generation of digital French leaders represented on the Vinexpo panel were confident that online will continue to grow in importance, while the market will keep the best efficiencies from the past year and eventually ditch the rest.

At iDealwine, the largest of its kind in Europe, the fine wine auction platform doubled its number of new clients in 2020 versus 2019.

“These clients generated a 45% increase in orders, and what is interesting is that most of them are young and coming to wine for the first time,” said Cuenca.

“It’s a generational phenomenon. The digitally native generation naturally buys online, which makes us very confident about the future.”

Then, there is Twil (The Wine I Love), a buy-direct marketplace that helps to connect wine lovers and producers – Twil

manages the logistics, customer service and delivery – and Matcha Wine. Launched in 2018, Matcha Wine is focused on collecting product data while also offering browsing support via a virtual assistant and wine lists service.

“From the beginning of the first lockdown, the traffic of the website doubled in two days,” CEO Thomas Dayras said. “Usage, especially the virtual assistant, multiplied by three. The engagement rate and the conversion rate also stayed very, very high. The need for product data and product content is a must. Products need beautiful pictures, the right tags, and information such as bottle age and temperature.”

Blockchain will help with the flow of information and also security, he added. “It’s still a bit far away, but it will absolutely help with the fight against fine wine counterfeiting.”

As well as picking digital partners with care, Dayras advocates for newcomers to work on conversion of engagement and loyalty.

“A lot of online businesses just look at the acquisition of clients and customers. But if you have 100 people coming to a website and then the conversion rate of 1%, you have a problem. Work on your base of customers. Give them content, talk to them and help them to pick the right bottle online,” he advised.

“Concentrate on your wines because with digital, you can’t cheat,” added de Barry. “People will comment and rate the wines, so it’s important to work with select partners as well as online retailers that know how to manage logistics. You want to be delivering wine in good condition.”

Like most things that have evolved from the pandemic, the future is likely to be a hybrid of efficiencies that have been created by necessity and the acceleration of previously existing trends. How far digital and B2C selling will eventually go and if they will dominate remains to be seen, but it will undoubtedly play a major part in producers’ future. ■

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