



## Tracking the Great Lockdown Wine Boom



© iStock | *The pandemic has forced many shoppers online, but will they stay once the worst is over?*

With online wine and spirit sales booming, we ask how long is the trend likely to continue.

By Don Kavanagh | Posted Monday, 11-May-2020

The Covid-19 pandemic has been the biggest ever change for online retail, with millions flocking to virtual shopping to get through the crisis. The big question, though, is whether that change will be permanent.

The swift pivot to online retail has caught many retailers by surprise and the sheer scale of the increase in online traffic is hard to comprehend without a little context. Here's some: prior to the lockdowns and social distancing measures in the US, online sales amounted to around 2 percent of alcohol sales from retailers, according to Cory Rellas, CEO of delivery company Drizly; he expects that to quadruple during the pandemic. Figures from Nielsen back him up – the data giant estimates that online purchases have increased five-fold in April, compared to 2019.

Around the world, online sales are up and analysts are backing that growth to continue as the public gets more comfortable with the idea of buying wine and spirits online, but there are signs of changing habits developing too.

### Changing habits

Bob Orlandi, owner of online retailer [Aabalat](#), says that people's buying habits are changing during the pandemic.

"We have seen an uptick in our online orders over the last few weeks," he told Wine-Searcher. "One noticeable difference is that customers are buying more lower-priced 'daily drinkers' and fewer high-priced cellaring wines. We have also sold a higher number of mixed cases, people buying one bottle each of many different wines from a variety of regions and producers.

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"From what we can tell, our customers are cooking more meals at home and opening a bottle up at dinner time....every night. Collectors, one of our largest customer segments, are still buying, but it seems like they are replenishing the wines in their cellar that they have been saving for a rainy day, because it's raining."

[WineBid](#)'s Russ Mann has also seen a shift in interest globally.

"We have certainly seen an uptick in our traffic but probably not as much as merchants who relied primarily on foot traffic and for whom internet was secondary," he told Wine-Searcher.

"More interestingly for us, in February we saw our Asian buyers go away for a few weeks longer than normal but then come back strong in March and April. Our EU buyers seem to have diminished a bit, perhaps tied to the pandemic there. Our US audience has grown, and it does seem to correlate with areas with stronger shelter in place measures."

He also noticed a shift in price-related buying patterns.

"As many others have reported, we also have seen some shift toward 'value buying', but also buying more quantity – even in fine and vintage wines. Instead of buying a \$500-\$1000 iconic wine, auction buyers might instead bid and win six bottles in the \$50-\$250 range. But rest assured, even in a pandemic, it appears that collectors of fine wines from around the world are always on the lookout for rare and unique bottles and snap them up when they become available. We are still seeing significant activity on lots more than \$1000, and most are won within a week or two of appearing in auction."

Alix Roderie, international development manager at [iDealwine](#), has also noticed changing habits.

"The first part of the confinement (from March 15 to 31) was quite calm in terms of traffic: our traffic was stable compared to last year. However, since the beginning of April, we have noted an important growth of our traffic. The number of users of the website has increased 40 percent between April 2019 and 2020."

The presence of the virus hasn't impacted on sales too much, she said, with good growth in areas worst hit by Covid-19.

"France and European orders have increased a lot. Our sales – excluding our auctions – have increased by 40 percent in France and 70 percent in Europe compared to last year. Our traffic from the US is growing – up 60 percent in April – although we have suspended temporarily our shipments to the US due to the current situation. Lockdown has engendered a significant change in consumer behavior, especially in fixed price sales. Wines for smaller budgets (between €6 and €30) have literally been taken by storm – up 20 percent in one week – reflecting the kind of wine that consumers will be opening during lockdown to enjoy with a simple meal. As the weather improves, light red and white wines, and even some rosés are seeing great success."

### **By the numbers**

Here at Wine-Searcher we've seen a massive surge in traffic as consumers have turned to the internet to ensure they are well stocked up.

"For the last couple of years the website has seen really solid growth – huge numbers, really," CEO Julian Perry said.

"To give some context we have between 4 and 9 million unique users per month – that is up to about 25m pages served per month. We've had approximately 25 percent growth in unique users and 20 percent growth in sessions with a reducing bounce rate – good news for any website business."

However, that changed in March.

"March was interesting – the growth trends were definitely affected by global turmoil and the unprecedented change to social distancing, working from home and many industries shutting down. April was a massive turnaround with much of the world in lockdown – in fact, the turnaround started on 25th March. Our site exists to help consumers find and compare the prices of the wines, spirits and beers they want to buy – those consumers click through to the stores we list to make their purchase. This April in comparison to the previous April saw a 35 percent increase in referrals through to our stores."

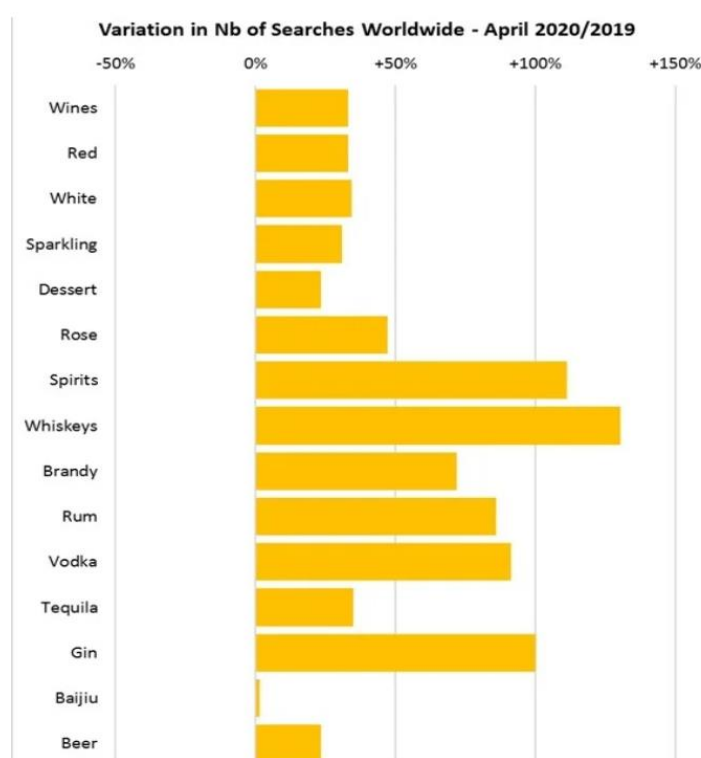
The upsurge in numbers gave Wine-Searcher the sort of traffic volumes we usually only see at Christmas. So which markets were busiest and what were people looking for?

Well, while global traffic increased by 33 percent, some regions were busier than others. The standout was India, where wine searches increased by 138 percent year on year, but there was also healthy growth in the US (42 percent), Italy (40 percent), UK (38 percent) and Germany (36 percent). Markets where wine searches actually fell were few and far between; just China (down 29 percent) and France (down 7 percent).

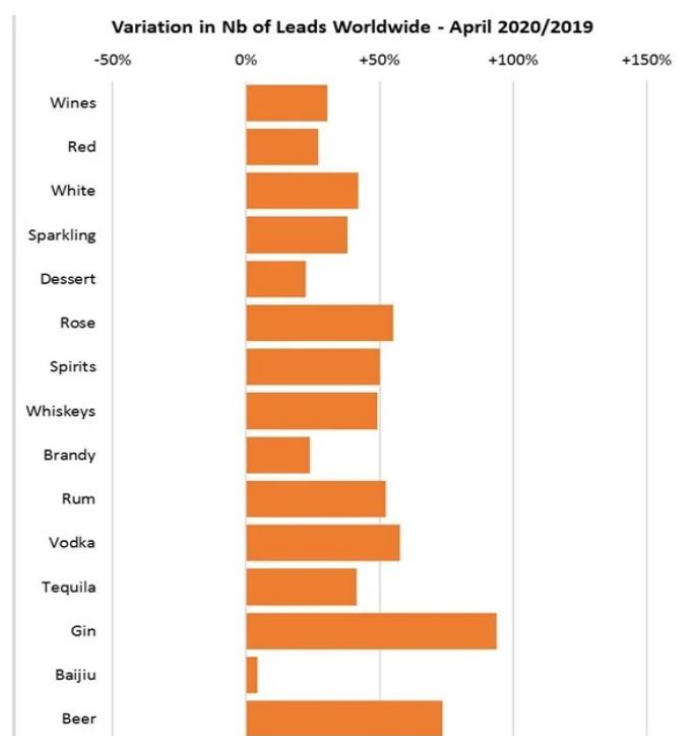
By style, rosé garnered the biggest increase in interest with 47 percent, followed by whites (up 34 percent), reds (up 33 percent) and sparkling wines, which saw a 31 percent increase in interest. Even dessert wines – the "worst" of the wine categories – saw a 22 percent jump in searches.

Spirit searches were up across the board (except for China, France and Spain, where they fell by 5, 7 and 8 percent respectively), with – almost inevitably – India the standout again, with a 331 percent increase in searches. Overall, spirit searches rose by 111 percent in April, compared to 2019. Whiskey was the clear winner, with a 130 percent increase, but gin also performed well (up 100 percent). Beer searches were up by 23 percent.

Looking at the chart below, it's evident that the only really poor performer was baijiu, but considering its main market was in turmoil, even the 1 percent rise is encouraging.



It's all very well looking at aspirational searches, but let's take a look at what people were actually aiming to buy. Sales leads in the graph below refer to click-throughs, when a Wine-Searcher user clicks through from the results page to a retailer's site and it is used as a measure of intent to buy. Again, the figures are through the roof compared to April 2019.



Total wine leads are up by 31 percent, with rosé once again leading the field with a 55 percent rise, followed by white (up 42 percent) and sparkling (up 38 percent). Spirit leads are up by 50 percent, while beer leads are up by an impressive 74 percent.

On an individual market basis, US wine leads are up 44 percent, while spirits rose by 74 percent generally, with whiskey jumping 80 percent, and beer leads up by 81 percent. The UK is clearly taking a different, lower-octane approach to lockdown, with wine leads up 49 percent, spirits just 24 percent up while beer leads increased by a whopping 162 percent.

One interesting wrinkle in the data is the behavior among South African users. Wine sales leads rocketed by 97 percent, spirit leads by 182 percent and beer leads by 75 percent, albeit from low bases.

### **A new normal?**

The question remains, though, how long will this fierce online sales growth continue for? Will consumers feel more at home buying online? Or will they simply revert to walking into a bricks-and-mortar store to buy their wine once the crisis has passed?

Orlandi believes there may be change afoot.

"A potential silver lining of the Covid shelter-in-place for online retailers like us is that wine drinkers nationwide will become more comfortable buying wine online as time goes on," he said. "We want wine lovers to see online ordering as a safe, easy, normal way to obtain your favorite wines. Just because the grocery store doesn't have it, doesn't mean consumers can't get it. Or, better yet, customers will get so acclimated to having wine delivered to their doorstep that they won't need to bother with the grocery store."

For Orlandi, it's all about encouraging that behavior and he's sensing a different future.

"Several cult, rare, and small wine establishments are reaching out to us – a first for us! Now that they aren't able to sell their wines to restaurants, and likely won't for many months to come, they are looking for an alternate way to get their wine in the hands of wine aficionados. We've been doing what we can to feature these wines, especially ones from small, local wineries that had their revenue drop overnight when their tasting rooms closed. Mostly we are just trying to make it as easy as possible for consumers to find a bottle that inspires them. They get enough Covid-related news and tips elsewhere. Since the internet is the ultimate wine list, consumers can pick out something they have never tried before."