

The time to export

In post global financial crisis (GFC) days when the world is all “hunkered down”, as the Americans would say, there is a massive volume of wine sitting around in tanks across Australia awaiting sale.

At first glance sales’ options for the smaller wineries look pretty bleak, especially given the vast majority of wine in Australia is sold by the duopoly of Woolworths and Coles in their various guises.

Therefore as Woolworths and Coles, consolidate their grip on wine retailing and create a plethora of “Own Brands” the few remaining independent liquor stores, are bombarded with an ever-increasing number of wines from producers. This makes it extremely difficult for a smaller producer to get wines into any store.

Therefore, the best sales vehicle for smaller producers can be to focus on exports.

Conventional wisdom says a producer has to build up a strong home market before venturing offshore. However, in these domestically-difficult times a new reality has developed and it’s now relatively easier to sell Australian wine overseas than domestically.

The USA and much of Europe used to love the big bold Aussie reds with masses of flavour, alcohol and tannin. However, a word of warning, if you are looking overseas it’s important to note more people around the world are turning away from these wines.

This is due to a growing alcohol awareness and the rise of more delicate flavour focussed foods such as Asian cuisine, which is swamped by our big Aussie offerings.

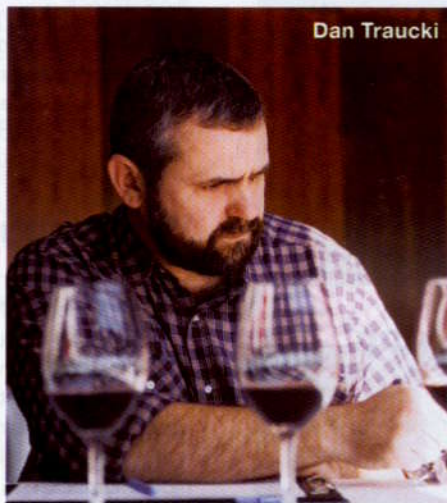
These day’s international consumers, especially those in Asia, are looking for wines with masses of flavour but with a soft and gentle finish that doesn’t assault their finely tuned palates.

Tannin clashes with most spicy food and leaves a metallic or bitter taste in the mouth, which makes a good wine taste terrible. This is especially so with some Chinese cuisine such as hot and spicy Szechuan dishes.

Another ongoing issue with exporting is the requirement to add the importing country’s mandates to your existing labels. This is a real pain if the export order is only for a small volume of wine, as the cost of printing short runs of labels is crippling.

For quite some time we have recommended to clients that they adopt a specific back label methodology which significantly eases the problem and allows them to react much quicker to small export orders. Always make sure the customer signs off on the mandates, before print, just in case there are any issues with Customs in their country later.

Though most of the “emerging” markets



Dan Traucki

don’t seem too fussed about packing configuration, there are overseas customers insisting their wine come packed into six-packs rather than dozens.

It is slightly more costly but changing to six-packs could be a good move in terms of occupational health and safety regulations and developing customer relationships. The old grumble that “you lose sales because people only have to buy half as much” really doesn’t hold up in these tough times. A much better way of looking at it is “I sold six bottles instead of selling none”.

The Australian wine industry naturally gravitated toward Anglo Saxon countries when it first ventured overseas, this was followed by European countries where lifestyles are more or less similar to ours.

More recently circumstances have dictated that we have to turn to markets which are more difficult to master not only due to language but also due to differences in culture and lifestyles. Rather than seeing this as a challenge the industry should view it as an exciting adventure.

This shift in focus can affect all aspects of wine marketing, especially labels and brand names. As well as misunderstandings in translation of names and brands, it’s important to be aware certain colours are believed to be “lucky” while others are bad – symbolising death. Likewise with numbers there are lucky and bad numbers.

Don’t overlook the tasting notes and remember to be careful to ensure that one is culturally aware in target markets.

A user-friendly website is also essential. It must be well laid out and easy to navigate. It is a good idea to have a page or pages translated into the language of your main target market.

If done properly, export is a viable solution for small and medium-sized wine enterprises

in present conditions. There are hundreds of niche opportunities out there, right around the world, which the big wineries consider too small to be of interest or clash with contracted importer/distributor agreements.

Despite the GFC this is the time of the wine exporter.

The rest of the world is really beginning to discover wine drinking. Countries which have never consumed wine before are starting to learn about and understand it.

Of course everybody has heard about China’s recent growth in demand, but what about Thailand, India, Vietnam, Taiwan and Sri Lanka. Other countries are becoming aware of the great flavours of Australian wines such as Brazil, Peru, Turkey, Russia, and the former Eastern Bloc of Europe.

Australia has a competitive edge over many other wine producing countries in that we are not bound by all sorts of stifling restrictive rules and regulations. We can experiment with grape varieties and wine blends/styles to create wines to suit the individual markets we wish to pursue.

With a bit of time Australia will be well-known in Asia for wines such as Grenache, Sangiovese and Tempranillo. For the small portion of the Asian wine drinking population who do want big wines, it could well be Petit Verdot and Durif (which no other countries do as straight varietals), or Tannat and maybe even Saperavi.

In addition to this, Australia has a good reputation for being a clean and green country, which should be re-enforced as much as possible in the marketing of all wineries looking to export.

Australian potential exporters have a range of assistance resources available to them, such as AWBC’s New Exporter Development Plan, chambers of commerce and associations such as the Onkaparinga Exporters Clubs in Southern Adelaide.

One final word about exporting is that it is a long-term project.

It is not uncommon for people overseas to take weeks to get back to you with their opinion of your wines. Even when they say that they “want” to sell your wines, it can be weeks or months before the order is actually placed.

Australian wine producers have the wine. The world is thirsty for good quality wine; so what are you waiting for? ■

Dan Traucki is the principal of Wine Assist Pty Ltd, wine industry exporting, logistics and marketing consultancy. Dan can be contacted on (08) 8382 4920 (phone/fax), 0408 801 795 (mobile) or at wineassist@wineassist.com.au