

**WORLD BULK WINE EXHIBITION**

# Creating a more open, structured environment for bulk wine sales

Men in Bulk is not just a clever name or a quirky concept with no real purpose. It is the new umbrella signature for a group of five major players looking to fuel greater growth in the French and international bulk wine market. For the first time ever, the group will exhibit under a single banner on November 19 and 20 in Amsterdam at the World Bulk Wine Exhibition, highlighting the show's crucial role not just in oiling the chain within the bulk wine market but in providing that initial spark for igniting new trends.



**More cost-effective**

The five firms decided to offer a 'one-stop shop' solution to buyers during the forthcoming WBWE. In addition to creating a more convivial atmosphere during the show by forming a single stand area – B2B8 – the aim is to provide buyers with a comprehensive range of wines in one place. *"Instead of booking a stand each, we will be exhibiting on one open-plan area, hence the need for absolute transparency. This is something totally new to the world of bulk wines where people tend to nurture a kind of false confidentiality. At the end of the day, though, the buying side is increasingly concentrated. Our ambition is to provide a more cost-effective solution, allowing buyers to save time and benefit from the combined expertise of each supplier. When a buyer comes looking for Cahors Malbec from Vinotalie, for instance, and also wants to source South African wines, Vins de Pays d'Oc, Côtes du Rhône or Bordeaux, he will have access to all of these via a single port of call".*

**Play to one's strengths**

At the moment, the group has not decided to go a stage further and offer combined logistics or invoicing services, for example. Each company will continue to offer these services independently, mainly because of the distance separating the five firms which makes it impractical to set up, say, a single logistics platform. *"Our primary aim is to bring together recognised players in the bulk wine market, even though none of us specialises solely in bulk sales. Vinotalie, for example, only sells half of its wines in bulk. Nevertheless, within the category,*

**A broad-ranging portfolio**

Other basic principles include the need to avoid direct competition between the five companies. Each one brings into the deal a complementary range of wines: Ciatti represents foreign wines from California, Chile, Argentina, South Africa, Australia, New Zealand and Italy as well as Vins de Pays d'Oc; Maison Brunel specialises in Côtes du Rhône and Provence; Maison Rouge supplies wines from Spain and Gascony; Union de Guyenne

Ciatti, Union de Guyenne, Maison Rouge, Maison Brunel and Vinotalie are five firms that regularly meet up on the international wine circuit and have a number of shared values. Located in various parts of France – the Rhone Valley, Bordeaux, South-Western France... – they offer a complementary range of products and a vision that extends far beyond the boundaries of France. At the last WBWE in 2011, representatives from each firm began to mull the idea of joining forces to expand their marketing muscle. Although the group has no formal structure as yet, its primary objective is to overcome a number of hurdles that often impede development in the bulk wine market, not least of which is the lack of transparency. *"We realised that unlike other types of wine sales, irrespective of whether they involve multiple retail, the catering trade or export, there did not seem to be any groups of bulk wine players,"* says Olivier Cabirol, assistant director of Vinotalie in South-West France. *"Even though our group is still informal, we have outlined a number of basic principles, the first one being the need to work openly with utmost transparency. It is not necessarily easy but everyone has to be frank and share information on issues such as their customer base, pricing policies and marketing practices."*



provides a range of Bordeaux wines; and co-operative winery union Vinotalie embraces appellation wines from South-West France (Gaillac, Cahors, Fronton). *"Each of us shares a core range of PGI wines and Vins de France,"* says Olivier Cabirol. *"Although the Vin de France label is shared by all, each of the wines has its own archetypal characteristics, depending on where it comes from".*

**World Bulk Wine Quality Exhibition**

**A COMMITMENT TO THE QUALITY OF BULK WINE**

**Amsterdam 19<sup>th</sup> & 20<sup>th</sup> November 2012**

**www.worldbulkwine.com**

it provides a specialist offering: one its member wineries produces 40,000 hl of rosé wines and each winery is fitted with thermovinification equipment. The idea is that we promote our specialisation whilst at the same time sharing information on bulk wine sales and marketing potential. If things go smoothly, we will be able to exchange information on customer portfolios so that ultimately we can bolster our individual client networks".

A stage further

The project has taken a full twelve months to come to fruition and the aim is to take it a stage further after this year's WBWE. "We spent a long time on the project because our intention is to launch a long-term strategy and allow it to grow," says Olivier Cabirol. More companies may therefore be invited to join the group at a later date. "Provided our guiding principles are adhered to, I don't see why we couldn't

expand membership. Potential partners would have to share our vision – which is to create a winning formula for all those involved – and obviously not compete with existing members. We couldn't accept another Côtes du Rhône operator for example, unless the suggestion came from Maison Brunel itself. If a company from Alsace were to approach us, we would certainly think it over, even though our portfolio is already quite substantial".

Consistent supplies

The group's portfolio is not only broad-ranging, it also targets premium market segments. "Our business is based on providing quality wines as we do not have sufficient sway in volume terms to make significant inroads into entry-level markets," explains Olivier Cabirol. "We therefore strive to play to our strengths by focusing on what we do best. In the case of Vinovalie, this means supplying Malbec, Gamay and rosés, as well as wines made using thermovinification methods". The group's other strengths include the ability to ensure consistent volumes due to a heavily supply-based approach. With global wine production currently short, the need to secure supplies is obvious to everyone in the wine industry. "One of our major fortes is our sourcing capacity: some

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of us are supported by producer structures whilst our brokers and negociants boast strong partnerships with growers. This allows us to mitigate the impact of the vintage on prices". Pricing is one issue that many operators will have to confront this year, securing the necessary volumes is another. "Buyers are undoubtedly unsettled by inconsistent sourcing from one vintage to the next. When crop volumes are down by 30 to 40 percent on the previous year, bulk sales are the first to suffer because growers will never reduce their bottle sales. We strive, to the best of our abilities, to ensure consistent supplies year-on-year. Therefore, we don't aim to have 150 clients on our customer base but to establish long-term working relationships with 10 or 20 close customers".

Men in Bulk is just one of the exhibitors at this month's World Bulk Wine Exhibition on November 19 and 20 in Amsterdam.



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