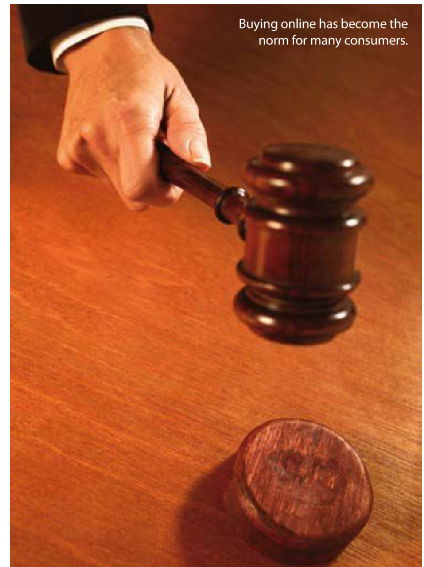


# News from Rob Geddes MW

Tasting and travelling, drinking and dining, collecting and cellaring



Buying online has become the norm for many consumers.

What caught the eye of our resident Master of Wine this month? We showcase one of the stories in Rob Geddes' latest newsletter.

## Wine online

Wine auctions are nothing new in Australia. In 2000, Grays, a traditional bricks and mortar auction house started taking the Australian wine drinker into new realms with the introduction of their online auctions and quickly caused a stir in the wine world. Now the online selling space has started to fulfill its potential as a legitimate sales outlet for wine whether it is an offer by retailers – both traditional and online, cellar door, wine clubs or wine auctions. Woolworths' purchases of Langton's Fine Wine Auctions last year gave them an early piece of the on-line pie. This year has also seen an increase in on-line retailers, with sellers like Winexpress.com.au, The Liquid Lifestyle Company entering the scene. According to Kieran Gallagher from Grays, wine auctions now have more than a 3.5 per cent share of the retail market with the growth category being in the \$10 to \$20 per bottle range, similar to traditional retail. Grays relies on the dynamism and sense of urgency that an auction environment creates - one reason

that they do not have reserves - but has continued to evolve its wine offering with the introduction of fixed price wines from trusted brands. We all love a deal and of course now that we have access to faster more reliable internet and the logistics of delivering wine have also improved. Buying wine online is no longer just for those early adopters. What is new to Australia is the Dutch Auction concept being used to sell wine. Bidsonline

### Buying wine online is no longer just for those early adopters.

were the first to use this concept when it launched its live wine auctions presented by Lisa Johnston in 2009. Cracka Wines has also entered the market using this method. Dean Taylor of Cracka sees his new business fitting between Grays and Langtons. How does it work? The lot starts at the wines RRP and the price drops until that lot has been sold or the

reserve price is reached. You can place your bid at anytime the lot is open at a price that you are comfortable paying and the price may continue to drop if there is still stock or the reserve has not been reached. If the price continues to fall, everyone pays the lowest price for that lot regardless of what price they placed their bid. Another advantage, according to Taylor, is that reserves can be set. "Many wineries are cautious about sending wines to auctions with no reserves as it can undermine their price in the retail market," he said. Grays has used the opportunity for their fixed price sales to allow them to strengthen their relationships with the major wine producers by allowing them to offer deals that do not erode brand value. Online wine sales will continue to grow and evolve by giving consumers greater choice, not only in the range of wines available at various price points, but also choice in how to shop. This growth of market share by the auction sites means that Coles and Woolworths will start feeling the pressure particularly as producers start utilising the full potential of online selling in preference to the more traditional outlets.

*Note: The author has a relationship with Grays Online*

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