

The Effects of the COVID-19 Pandemic on English Wine Producers

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Methodology

- A qualitative approach was deemed most suitable as this research project sought to understand and interpret patterns and differences within the gathered data
- *semi-structured recorded interviews with 12 core questions*
- *opportunity for interviewee to further explore their individual and often unique circumstances*

Methodology

- Concentrated on the South-East for a comprehensive cross-section of producers
- 20 hours of recorded and edited interviews with 17 producers of all sizes
- *small: Breaky Bottom, English Oak, Blackbook*
- *medium: Wiston, Stopham, Langham*
- *large: Gusbourne, Ridgeview, Bolney, Chapel Down*



Literature Review

- Little academic research into Covid-19 and English wine industry in 2020
- WineGB, WSTA and trade publications provided most in-depth and up-to-date information
- National and international press
- University of Edinburgh Business School conducted early survey of WineGB members
- *Published May 2020*



Literature Review Findings

- Three global plague pandemics killed 135m between 6th and 20th c
 - *Pub closures and 'lockdowns' in 17th c London*
- SARS 2002 – 2004 and MERS 2012
 - *27 countries, 2000 deaths*
 - *Only 8000 SARS cases in China but USD 2.8bn lost tourism revenue*
 - *Australia not affected but impact on wine tourism and exports*
 - *MERS did not affect wine industry as predominantly in Middle East*

Primary Research Findings

- Large wineries worst hit by closure of on-trade and loss of exports due to higher ration of trade to DTC sales
- All producers forced to rethink their business strategies and explore new sales channels at short notice
 - *Shift to online and cellar door DTC sales*
- Increased communication with customers helped increase sales
 - *Email, social media*
- Online talks and tastings
- Special offers and free delivery



Primary Research Findings

- Local community provided invaluable support
- Collaborations with other food producers

- Successful, busy and profitable summer months
 - *Tours and hospitality resumed within Covid safety guidelines*
 - *Picnics, smaller tour groups, special events*
 - *Helped offset some of the lockdown losses*



Primary Research Findings

- November 2020 lockdown and uncertain December dealt blow to on-trade sales at busy time of year
- Most producers reported good to excellent DTC sales and busy virtual tasting schedules in run-up to Christmas
- Higher DTC profit margins lead to increased sales by 10-20% for several producers, 38% for Chapel Down and in one case even 150%
- Successful new products introduced in 2020 and product launches brought forward (Ridgeview, Rathfinny)
- Competition awards and favourable press also helped increase sales (Langham, Wiston, Breaky Bottom)



Primary Research Findings – Furlough and Support

- Most producers, except some small family businesses, chose to furlough or flexi-furlough varying numbers of staff for at least parts of 2020
- One producer made staff redundant
- One producer carried out all vineyard work with family
- Others reduced costs by moving marketing in-house and cuts to senior management salaries
- Only five producers confirmed they received some kind of government/council financial support

Primary Research Findings – Harvest and Production

- Largely unaffected but required time-consuming organization and management to comply with Covid safety rules
- One large producer managed harvest with non-professional pickers so efficiently that harvest time was reduced by a week
- One large producer successfully introduced mechanical harvesting for still wine grapes
- The unusually warm late summer resulted in earlier start of harvest which caused some problems with availability of labour, partly related to Covid

Recommendations

- Diversify and balance sales channels
 - “Don’t put all your eggs in one basket!”
- Invest in DTC sales
 - *Create attractive user-friendly websites and keep them updated*
- Communicate with consumers
 - *Keep customer data base up to date*
 - *Email, social media*
 - *Shape and control brand image, advertise events and offers*
 - *Keep content authentic, interesting and seasonal with good photography*



Recommendations

- Cultivate the local community
 - *Buying local and sustainability are growing trends*
 - *Creates repeat business, brand loyalty and free advertising*
- Consider a wine club
 - *After initial outlay an effective sales channel, stock control, high margins, cash flow and brand loyalty*
 - *Beneficial to producer and customer*

Recommendations

- Invest in hospitality
 - *English vineyards need to become destinations for both wine tourists and the wider community*
 - *Shop, café, restaurant, all-year facilities and special events increase vineyard appeal, visitor numbers and sales*
 - *Consider extended opening hours*
 - *Make facilities accessible*

Lastly...

My interviews with English wineries have yielded such a rich and varied amount of interesting and often unexpected data that these slides can't begin to do them justice.

The red thread running through all of them though is the resilience and creativity of each producer to adapt to and overcome the many challenges and problems they faced in 2020 and beyond.

It has been a privilege and a pleasure to listen to their stories and I can't thank them enough for their generosity, time and help with my research paper.

THANK YOU FOR YOUR ATTENTION!

