

Click, swirl, sip? Interest in online wine surges

April 5 2013, by Michelle Locke



In this undated publicity product photo courtesy of Club W, three bottles of wine as shown are offered tailored to the buyer's taste monthly for \$39. by Club W. Online wine options are everywhere from flash sale sites like Lot 18 to Amazon and Facebook's new wine ventures. And now there's a new generation of startups such as Club W, which adds a little algorithm action to your Albarino, using surveys and ratings to figure out what you might like to drink next. (AP Photo/Courtesy Club W)

The internet is blossoming into quite the virtual vineyard. Online wine

options are everywhere, from flash sale sites like Lot18 offering daily deals to Facebook prodding you to send a little something for Aunt Suzy's birthday. And now there's a new generation of startups such as Club W, which adds a little algorithm to your albarino, using surveys and ratings to figure out what you might like to drink next.

The click-and-sip approach seems to be catching on, says Jeff Carroll of ShipCompliant, a Boulder, Colo.-based company that helps wineries comply with shipping laws. "[Wine](#) is a unique product and it lends itself well to the [social aspects](#) of the Internet in terms of discovery."

Online sales have been around for a while, with individual wineries selling wine through their websites, a practice that has become more prevalent as more states relax Prohibition-era laws that had banned alcohol shipments.

Today, only seven U.S. states have an outright ban on direct-to-consumer shipping, though some of the states that do allow shipping have various restrictions, and 89 percent of the U.S. population has access to direct-to-consumer sales, according to Steve Gross of the San Francisco-based Wine Institute, a trade association.

What's changed is the rise of third-party sites run by companies that don't make wine, like Lot18.com, which offers special deals on wine. These sites got a boost in 2011 when the California Alcohol Beverage Control officials issued guidelines allowing third-party providers to act as agents in the sale of alcohol but requiring wineries to stay in control of the wine, making them responsible for following all the relevant laws. The advisory applies only to California, but was seen as creating a framework that others could follow. "That really changed the dynamic," says Carroll.



This Sept. 23, 2012 publicity photo provided by Twisted Oak Winery shows the vineyards and winery (www.twistedoak.com) in Vallecito, Calif. Jeff Stai, owner of Twisted Oak winery, has sold online for years, including lately through Amazon and Facebook. Twisted Oak is licensed to sell in 30 states and although the tasting room accounts for the bulk of sales, about 20 percent of his business is from outside California and Nevada. (AP Photo/Twisted Oak Winery, Maria Camillo)

Since the guidelines were issued, major Internet retailer Amazon has gotten back in the wine business, its third attempt, and [Facebook](#) has added wine to the gifts friends can send each other. Meanwhile, a number of smaller companies have jumped into the market.

Thanks to the data-gathering and interactive capabilities of the new technology, online sites serve as more than a digital catalog. Relative newcomer Club W tries to anticipate what customers want by basing selections on information gathered from surveys on customer flavor

preferences along with their ratings of wines already purchased.

Club W CEO and co-founder Xander Oxman says the idea is to combine the convenience of a traditional wine club shipment with the personalized experience made possible by tools that capture a buyer's likes and dislikes.

The club, which sends out monthly shipments of three bottles for \$39, aims to appeal to casual drinkers, who usually shop for wine at supermarkets or liquor stores.

In its first nine months, Club W sold more than 100,000 bottles of wine, Oxman says.

Though it's easier to ship wine across state lines now than it was 10 years ago, there still are numerous legal challenges being played out and some state legislators are looking at bills that could restrict third-party sales. Opponents generally cite concerns that alcohol will be delivered to underage drinkers; proponents say age verification tools and adult signature requirements on delivery prevent that.



This Sept. 23, 2012 publicity photo provided by Twisted Oak Winery shows grenache grapes growing in the vineyard at the Twisted Oak Winery(www.twistedoak.com) in Vallecito, Calif. Jeff Stai, owner of Twisted Oak winery, has sold online for years, including lately through Amazon and Facebook. Twisted Oak is licensed to sell in 30 states and although the tasting room accounts for the bulk of sales, about 20 percent of his business is from outside California and Nevada. (AP Photo/Twisted Oak Winery, Maria Camillo)

Jeff Stai, owner of Twisted Oak winery, a winery based in the foothills of the Sierra in Northern California, has sold online for years, including lately through Amazon and Facebook.

Twisted Oak is licensed to sell in 30 states and though the tasting room accounts for the bulk of sales, about 20 percent of his business is from outside California and Nevada.

Stai jokes that he's "not shoveling money into the bank," from third

party site sales, but they do provide a steady stream of orders. Twisted Oak also sells wine directly from its own website, going back about nine years and that has steadily increased, especially during the past two years, Stai says.

"It went from, 'Oh, look, we have an order today,' to 'We've got orders every day.'"

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