



Voluntary Report – Voluntary - Public Distribution **Date:** June 15,2020

Report Number: GM2020-0038

Report Name: Wine and Spirit Sales Move Online During Covid 19

Pandemic

Country: Germany

Post: Berlin

Report Category: Wine, SP1 - Expand International Marketing Opportunities, Beverages, Promotion

Opportunities

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Report Highlights:

Germany's lockdown measures brought public life to a near standstill. Even if life slowly goes back to normal, tasting rooms and bars have only recently opened in most German federal states. To stay viable and connected to their customers, German wineries and bars have moved online to offer virtual tasting experiences.

Tasting is all about bringing people together. Despite the gradual reopening of restaurants under strict hygiene requirements, tasting rooms and bars have only recently opened in most German federal states. Wineries and bars had to digitize commerce to stay connected with their clients.

Before the start of the Covid-19 pandemic, German wineries mainly conducted commerce through traditional offline sale channels with only four percent of the wine being sold online. To cope with the crisis, wineries and wine shops have opened online sale channels to stay in touch with their customers. Using the internet as a virtual counter, they have also created virtual tastings rooms. The German Wine Institute provides an overview of all the establishments offering virtual tastings.

The platform <u>cheerswith.me</u> not only offers online tastings but also a virtual meeting space for wine lovers.

Online tasting formats have also become a new tool for companies specialized in events and experience gift vouchers.

<u>Jochen Schweizer</u>, Germany's market leader for experience vouchers, has extended its event portfolio and offers online beer and wine tastings.

The German start-up <u>Miomente</u> specialized in cooking experience gift vouchers switched to online tastings for whiskey, gin and other products. Participants receive tasting sets and follow the live webinars at home: www.miomente.de/deutschland/genuss-kategorien/eventsathome/

The entertainment experience platform <u>ShakeNight</u> was initially designed to create *real* people cocktail-shaking workshops in bars. With the outbreak of the Corona pandemic, the start-up had to pivot its business model overnight from offline to online events. A bartender now guides participants through virtual cocktail classes.

Some bars like <u>Drilling</u> in Hamburg also started delivering ready-mixed home cocktails to ride out the crisis.

At the beginning of June, the German government agreed on a €130 billion (\$ 148 billion) stimulus package to kickstart the economy. Measures also include a €25 billion (\$ 28 billion) loan support programme for small companies that have seen their sales drop by at least 60 percent in April and May 2020 and that will see a drop by at least 50 percent in June, July and August. Bars and other hospitality businesses should particularly benefit from this financial boost.

It remains to be seen if and to what extent consumers continue to purchase and taste wine and spirits online once the COVID-19 pandemic is over. U.S. exporters should seize eCommerce opportunities for wine and spirits rather sooner than later to differentiate against their competitors.

The following related report can be accessed through the FAS GAIN report database at https://gain.fas.usda.gov/#/search :

- COVID19 Pummels German Food Service Sector April 3, 2020
- New strategies bring relief to German restaurants during and after Covid19 May 13, 2020

Attachments:

No Attachments.