

Growing Wine Sales at Home and Beyond

Powerful forces are shaping exciting opportunities for retailers that choose to move online to sell wine. It has been 10 years since the first merchants began selling products online. According to Shop.org, this anniversary will be celebrated with over \$200 billion in sales for US retailers. In “The 2006 State of Retailing Online” they predict online sales for the year to grow at 20%, with several categories experiencing growth rates over 30%.

The laws of the state where you are licensed are still a determining factor on whether you can take advantage of growing Internet sales. Until recently, several states restricted retailers from making deliveries within the state and some could prosecute retailers who attempted to ship out-of-state. In the last year, since the *Granholm v. Heald* decision by the Supreme Court, most states have liberalized their interstate shipping laws to support local wineries.

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However some retailers, primarily in Southern states, are being forced to watch from the sidelines while their neighbors market their products to a majority on the nation's wine drinkers.

In their legislative reviews, few states have explicitly allowed retailers to ship into their state, with Texas being a significant exception. However, the practical interpretation of these laws by the common carriers usually means a retailer can ship wine into new markets while feeling secure that the delivery is insured against breakage. To further legitimize this commerce, a group of retailers calling themselves the Specialty Wine Retailers Association has formed to challenge “archaic” laws while pursuing the goal of a national wine market for retailers.

In other industries where retailers are generally pessimistic about the health of their business this year, the Internet is receiving attention as a powerful tool for providing better customer service and marketing flexibility. “Retailers have been focusing on integrating their websites and stores to better serve their customers, which is paying off for companies in the form of higher sales,” according to Scott Silverman, Executive Director of Shop.org.

In its report Shop.org found that retail-

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ers rely on their websites not only to sell products online but also to increase sales at their stores. These stores recognize that customers increasingly use the Internet to compare prices, find gift ideas, and research products. Successful merchants are responding to this trend with consistent pricing across channels and loyalty card programs that reward purchases in the store and online.

Opportunities abound for retailers in states with a progressive legislature. The market for wine online continues to grow as new households become comfortable with ecommerce and as trade barriers are lifted to consumers that were previously inaccessible. A move online will almost certainly bring business from these new markets, however the long-term promise of the Internet is to extend the level of service you offer to build stronger loyalty from your store customers.

What's not to love about growth in new markets and in strengthening your position with local customers? The only prerequisite is that you take your store online.

To learn more about how the Beverage Media can help with a website for your store, contact Ian Griffith at ian@bevmedia.com, (212) 571-3232, or visit www.bevnetwork.com/retailweb.