

THE UNITED KINGDOM'S DYSFUNCTIONAL MARKET

The British market is one of the largest and most competitive on the planet. Long revered by producers for their impeccable taste and unquenchable thirst, the market has begun to cool – and prices to fall. Further, sales are heavily biased towards big brands being promoted in the supermarkets.

For a wine producer of any size or kind, based anywhere in the world, the United Kingdom is, at some stage, inevitably at or near the top of a list of target markets. There are so many reasons to want to sell there. First, there is the appeal of competing in the most open and most wide-ranging market on earth. Volumes have been steadily growing at an unparalleled rate over the last 20 years, and the British now drink huge amounts of wine every day: 27 litres per head each year. The market now represents a staggering £9.75bn (Euro14.50bn, \$18.40bn) – up by 20% since 1997. Then there is the prestige of being in the realm of the greatest wine authorities on earth: men and women like Hugh Johnson, Michael Broadbent, Steven Spurrier, Serena Sutcliffe and Jancis Robinson. Britain is also home to the Institute of Masters of Wine and the Wine & Spirit Education Trust, still the most internationally respected educational bodies, of respected magazines like *Decanter* and *World of Fine Wine*, and of the auction houses Christie's and Sotheby's through whose hands most great cellars still pass.

Armed with these thoughts and a case of samples, wine producers climb out of airplanes every day and eagerly set off in search of British customers; and that is when, little by little, reality begins to bite. For all its image, reputation and history, the UK is, they all eventually acknowledge, a very difficult place to sell wine, and it's difficult for all the wrong reasons. Stated simply, this is a fundamentally dysfunctional market, and growing more so with every day.

Who is drinking in Britain?

So, let's deconstruct the market. Who is doing the drinking? Unlike the United States, but like Australia, Britain has become a wine drinking nation. In a country of 46m adults, 31m (68%) are classed as at least occasional wine drinkers, 37% of whom (11.5m) drink wine 1-3 times per month and 38% (12m) imbibe at least once a week. This is a very impressive penetration, but current AC Nielsen statistics suggest that, after steady recent annual growth of 8%, the market has now stagnated. 2006 looks like being the first year of zero growth since records began. There are various theories for the plateau, including fears of mortgage rises, but one suggestion is that the market may simply

have hit a saturation point. This point was made by Alex Anson, trading director of Thresher, who recently warned that the wine trade may have lulled itself into taking growth in wine consumption for granted. To back this up, there are signs that the younger wine drinkers – including the often-referred-to “Chardonnay Girl” – may be drinking beers, ciders and spirits rather than wine.

What are the British drinking?

Well, the crucial answer is that what the British are drinking today is not what they were drinking 20 years ago. A long list of traditional favourites – Beaujolais, claret, Frascati, Lambrusco, Liebfrauenmich, Muscadet, Soave, Valpolicella and Vinho Verde all now look as fashionable as a black and white television. These have given way to Australian Shiraz, Chilean Merlot, Californian pink Zinfandel and Chardonnay from just about anywhere. In other words: varietals. It would be easy to imagine that the British have simply followed the same track as their neighbours on the other side of the Atlantic, but there are some key differences. First, there is the fact that wines with varietal labels are still only around a third of the market, compared to 80% or more in the US. The two countries agree over their favourite white varietal – Chardonnay – but disagree over reds. In the UK, Shiraz is king, followed by Cabernet Sauvignon and Merlot, whereas in America, Shiraz comes third in this trio. Pinot Noir actually has nearly 4% of the market in the US – helped by the “Sideways effect” which boosted sales by 68%. Sales rose in Britain too, but only by 15%, and they still don't amount to even 1%. Another interesting US trend that has not been matched in the UK has been the recent surge of 22% in Riesling sales. From a position of semi-invisibility in America, Riesling's slice of the market (1.6%) is now nearly twice as large as it is in the UK – despite the huge support this grape has had from British opinion formers.

Stylistically, there are similarities and differences between the two big English-speaking markets. Fruit and oak is appreciated in both but, compared to the US, residual sugar levels in the UK are definitely lower and acidity more marked. Wines are also undeniably more alcoholic than they were, but probably less so than in the US.

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»» The bigger you are, the more likely you are to catch the eye of a multiple retailer. ««

Michael Cox, head of Wines of Chile, UK

But some might suggest that the real answer to what the British are drinking is “what the supermarkets and big brand-owners want them to drink and what they can find at the price they are happy to pay”. The essential truth, beyond specific grape varieties and national origins, is that the British are now driven by brands. The top 10 in order of sales - Hardy’s, Blossom Hill, E&J Gallo, Jacobs Creek, Kumala, Stowells, Banrock Station, Wolf Blass, Lindemans and Echo Falls - have around 30% of the market and are growing at 15% per annum in a flat market, and all, with the exception of Stowells, which covers an international range, are from the New World. A similar pattern is evident in the rest of the top 20.

The growth in the influence of brands in what was, until the 1980s, a far less branded market, has inevitably helped countries with big producers who know how to operate the UK market at the expense of their neighbours. So, Chile, with a larger team of brands is doing significantly better than its neighbour Argentina. France is finally beginning to creep into the top 20 - thanks to the efforts of JP Chenet.

There is, however another, unusually British phenomenon, in the shape of own-label wines. British consumers trust supermarkets - and like doing so. It is interesting that when Tesco’s own-label Champagne beat Moët & Chandon in last year’s International Wine Challenge, the success was covered in almost all of the national press. The fact that Camel Valley, an English sparkling wine achieved a similar feat in the same competition went almost unnoticed. According to the analysts TNS own label New World wines are growing by 12.9%.

But what, you may be wondering, about fine wine - the sector for which Britain has such a reputation? The success and global recognition of UK companies such as Justerini & Brooks, Berry Bros & Rudd, Lay & Wheeler, Corney & Barrow and Farr Vintners provides ample evidence that the UK is still

It is absolutely possible to get into the British market; and there is life beyond Tesco, provided you understand the rules of the game. It’s not enough to be good; you have to have a unique selling proposition that will set you and your wine apart from everybody else. The bigger you are, the more likely you are to catch the eye of a multiple retailer. The smaller you are, the greater the need to establish your point of difference. It’s also essential to work with the appropriate wholesale and retail partners for your style of wine and business.



a centre for the buying and selling of top Bordeaux. What is less obvious is that much of that selling is done to overseas customers - particularly in Asia. It is no coincidence that companies like these make much of the awards they have won for exports. The people who do buy top end wines in the UK tend - perversely, given the eclectic nature of the lower end of the market - to be more conservative than many of their peers overseas. They favour Bordeaux and Burgundy. Sales of top Priorat, Tuscany, Barossa and Napa are far more limited. Only 5% of the annual production of Solais reaches the UK; in the case of the highly touted Spanish wines that are readily available in New York, the figure is far smaller.

The point to be made here is that where US consumers readily vaunt their financial success by indulging in

TOTAL OFF TRADE LIGHT WINE - MAT 20.05.06

	TOTAL VOLUME 9 LITRE CASES	TOTAL VALUE £
	91.696.000	4.247.358.720,00
AUSTRALIA	19.628.000	909.168.960,00
FRANCE	15.299.000	708.649.680,00
USA	14.269.000	660.940.080,00
ITALY	10.676.000	494.512.320,00
SOUTH AFRICA	8.542.000	395.665.440,00
SPAIN	6.542.000	303.025.440,00
CHILE	5.790.000	268.192.800,00
GERMANY	5.534.000	256.334.880,00
ARGENTINA	1.514.000	70.128.480,00

TOP 10 RETAILERS OFF-TRADE

	BOTTLES	SHARE IN PERCENT	VALUE IN £
TESCO	29,342,736	32.0	1,359,155,532
SAINSBURY	18,339,210	20.0	871,479,259
ASDA WAL MART	11,003,526	12.0	509,683,324
MORRISONS	8,252,645	9.0	362,456,146
SOMERFIELD	5,501,763	6.0	254,841,662
WAITROSE	4,584,80	35.0	225,572,283
CO OP	4,584,803	5.0	201,364,526
MARKS & SPENCER	2,750,882	3.0	138,644,428
ALDI	1,375,441	1.5	53,807,242
KWIK SAVE	916,961	1.0	35,871,495

SOURCE: AC NIELSEN 2006

obviously pricy wines, in the UK, showing off of any kind, is generally disapproved of. Apart from the small number of City of London high flyers who occasionally hit the headlines for the extravagant amounts they have spent on wine in restaurants and clubs, it is a rare British businessman who will readily spend over £20 on a bottle, even to serve to a guest.

The reticence of UK wine drinkers to dig deeply into their pockets when buying is sharply evident in the way they buy Champagne. According to the CIVC, less than 2% of the total Champagne shipped to Britain in 2005 was prestige. The only countries to buy a lower proportion of the top stuff were Holland and Belgium, with 1.4% and 0.6% respectively, versus the British 1.8%. But Spain, Denmark, Australia, Austria and Switzerland are all at least twice as ready to buy a prestige bottle as the British, while in Canada and the US roughly one bottle in every 12 or 13 comes into this super-premium class. In simple terms, for most British consumers, buying a bottle of Champagne – rather than a Cava – is quite enough of an extravagance.

Price is a key factor in the UK, and at present, for home consumption, that comes to the grand total of £3.86 (Euro 5.70, \$7.30) – a figure that has barely changed in five years, despite hikes in duty rates and greedier profit margins from the bigger retailers. So, while there is growth in the £6-7 market, there is a fall in sales at higher prices; precisely where the market is booming in the US.

Where the British do their drinking?

Another factor that sets the UK apart from most other countries is that it is a single-city market. Over two thirds of all wine is sold within the M25 ring road around London. If you are not on sale in London, you are on pretty fallow ground. This is even more true in the on-trade than the off, with the main focus of fine-dining being in the capital. One problem in the other major cities is that eating out is seen

as a weekend activity and restaurants with waiting lists on Fridays and Saturdays are half-empty on Wednesdays. Television superstar chef Gordon Ramsey, who has restaurant ventures in places like Tokyo and Dubai, recently closed a Glasgow outlet and announced that his expansion plans for the UK outside London were going to be restricted to pubs.

Producers who despair of the off-trade naturally tend to look to the on-trade. Just 19percent of the wine sold in Britain is drunk outside the home, but this happens in 133,000 different outlets, compared to 43,000 retailers. Of the 133,000 on-premise locations,

37,000 are owned by pub companies

96,000 are independent

7,000 are hotels

18,500 are independent pubs

31,500 are small hotels and restaurants

32,000 are clubs

7,000 are bars

Fragmentation of this kind makes selling to the sector very difficult. There are still far more wholesalers specialising on sale to the on-trade, and the two biggest players, Matthew Clarke and Waverley TBS, followed by their nearest competitors, Percy Fox, Bibendum, Enotria and Liberty probably supply less than 50 percent of their market, compared to the supermarkets more than 80 percent. However the market is moving in favour of the larger firms, with large pub and restaurant chains doing similar deals with large suppliers like the ones already seen in the retail arena.

Unusually, in the UK, there is only the most tenuous of links between the specific wines that are sold in restaurants and the ones that are in wine racks and private cellars. Unlike markets like France, the US and Japan, in Britain it is almost impossible to build a substantial reputation for a wine on the basis of its presence on the wine list of a Michelin-

TOP 20 BRANDS (1-10)			
RANK	BRAND	ORIGIN	COMPANY
1.	BLOSSOM HILL	USA	DIAGED
2	E&J GALLO SIERRA VALLEY	USA	GALLO
3	JACOB'S CREEK	AUSTRALIA	PERNOD RICARD
4	KUMALA	SOUTH AFRICA	CONSTELLATION
5	STOWELLS	VARIOUS	CONSTELLATION
6	BANROCK STATION	AUSTRALIA	CONSTELLATION
7	HARDY'S STAMP	AUSTRALIA	CONSTELLATION
8	HARDY'S CREST	AUSTRALIA	CONSTELLATION
9	HARDY'S VR	AUSTRALIA	CONSTELLATION
10	ECHO FALLS	AUSTRALIA	CONSTELLATION

TOP 20 BRANDS (11-20)			
RANK	BRAND	ORIGIN	COMPANY
11	J P CHENET	FRANCE	GRAND CHAIS DE FRANCE
12	WOLF BLOSS YELLOW LABEL	AUSTRALIA	FOSTER'S WINE GROUP
13	HARDYS NOTTAGE HILL	AUSTRALIA	CONSTELLATION
14	PIAT D'OR	FRANCE	DIAGED
15	MONTANA N.Z.	NEW ZEALAND	PERNOD RICARD
16	NAMAQUA	SOUTH AFRICA	DISTELL
17	ISLA NEGRA	CHILE	CONCHA Y TORRO
18	OXFORD LANDING	AUSTRALIA	YALUMBA
19	HARDYS VOYAGE	AUSTRALIA	CONSTELLATION
20	SYCAMORE CANYON	USA	GALLO

SOURCE: AC NIELSEN 2006

starred restaurant. Among the people who have discovered this are producers of high profile Californian wines and makers of top German Riesling and Austrian Gruner Veltliner. In all these cases, sommeliers have enthusiastically listed wines that have remained almost impossible to buy from a merchant. A leading importer, David Gleave, recently made the point that, if it weren't for restaurant sales, he probably couldn't import and list the wines of Mount Horrocks, one of the leading wineries in Australia's Clare Valley.

Careful analysis of restaurant wine lists also reveals that, with a few honourable exceptions, Britain's sommeliers are less interested in dazzling their customers than their counterparts elsewhere. Rightly or wrongly, the UK does not even try to compete with the Parker-focused, Wine Spectator award-winning mega-lists that are to be found in the US and increasingly in Asia. A few years ago, I happened, coincidentally, to find myself judging two separate competitions. One was looking for the best wine list in London while the other was seeking to make a similar award for the whole of Australia. It was a chastening experience. Stated simply, a lover of Burgundy, the Rhone or Piedmont would have had a better, more interesting time in Sydney than the UK capital. Not wishing to show off and watching the pennies, are obvious explanations for this, but so perhaps is the fact that restaurant reviewers rarely trouble to mention the wines on offer.

Media and wine knowledge

One of the essential things to note about the UK wine scene is that it is driven by no individual guru or publication. By which I do not mean to say that Britain has no equivalent of Robert Parker or the Wine Spectator - these are both uniquely American phenomena - but that no one fills the role that is held in Australia, for example, by James Halliday, in France by Michel Bettane and in Italy by the Slow Food Tre Bicchieri ratings.

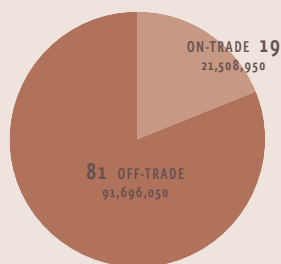
The number of column centimetres in newspapers and magazines and the volume of wine book sales have, following research by publishers, both dropped since the 1980s. In the early 1990s, I wrote a weekly column filling between half a page and occasionally a full page in the Sunday Telegraph, a quality newspaper selling 700,000 copies. Today, that publication allocates just enough space for four 50-word recommendations. Other newspapers, such as the Sunday Times and London Evening Standard, have followed similar routes. Following the closure of Wine International last year, the UK now has just two consumer wine magazines, Decanter which happily boasts of selling 44% of its copies overseas and the tiny-circulation World of Fine Wine, which is invisible in Britain, but reportedly has a following in Asia and the US.

While the wine writers are little-known among consumers, and at least two national columnists admit their lack of wine knowledge (one wrote about recently tasting their first first growth), they are generally respected by the UK professionals for their integrity. Among weekly columnists, two names stand apart from the rest in the respect they command among UK professionals: Jancis Robinson and Tim Atkin. Both are Masters of Wine, but this is not key to their standing. Others who are not MWs such as Andrew Jefford, Steven Spurrier, Tom Stevenson, Oz Clarke and Hugh Johnson are highly respected, while there are plenty of MWs who struggle to find attractively paid work. Robinson, interestingly, is arguably not strictly a British wine writer. Her column in the Financial Times and her website are both clearly aimed at an international audience.

The two areas in which critics have a role to play is in touting bargains and in top en primeur Bordeaux, and here, though few among the British establishment would care to admit it, Parker and the Wine Spectator have quietly established their dominance. Reference may sometimes be

TOTAL WINE MARKET

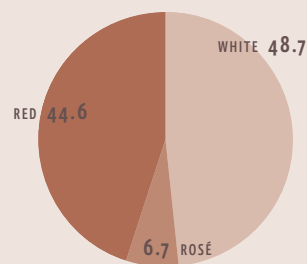
MARKET SHARE IN PERCENT



VOLUME IN 9 LITRE CASES

WINE BY COLOUR

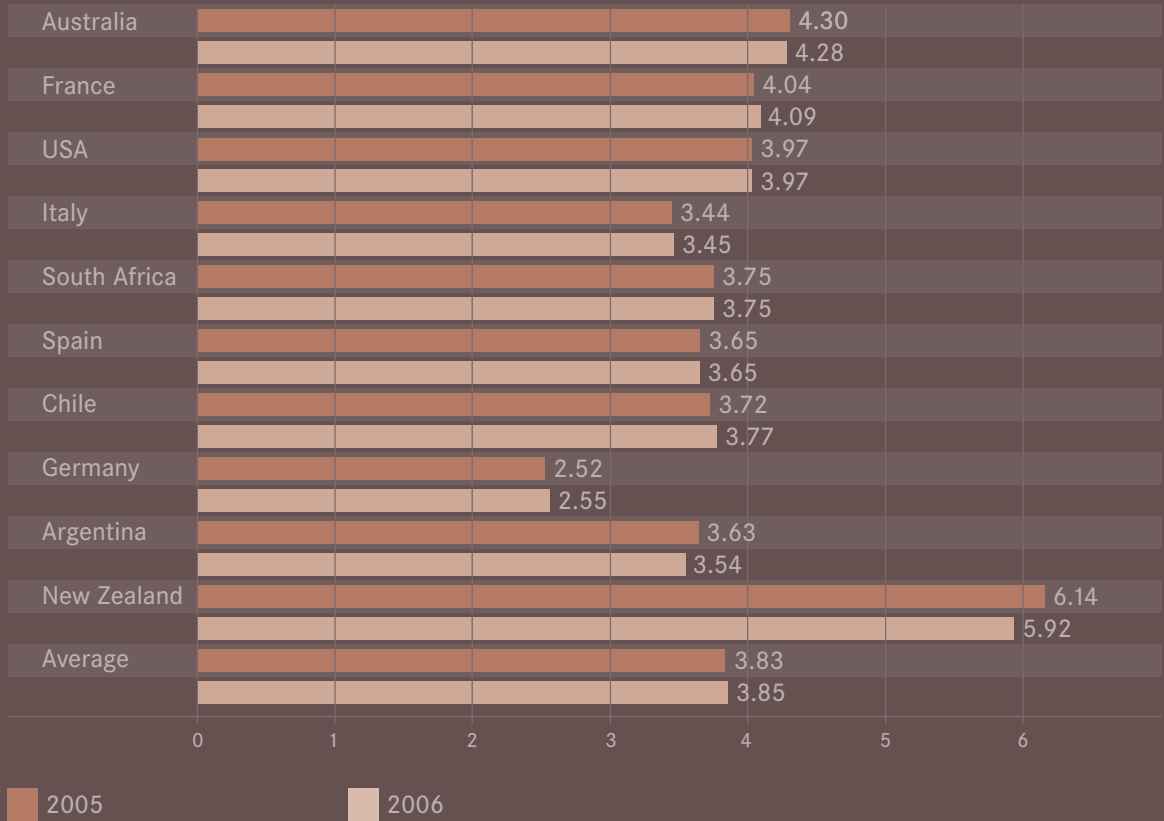
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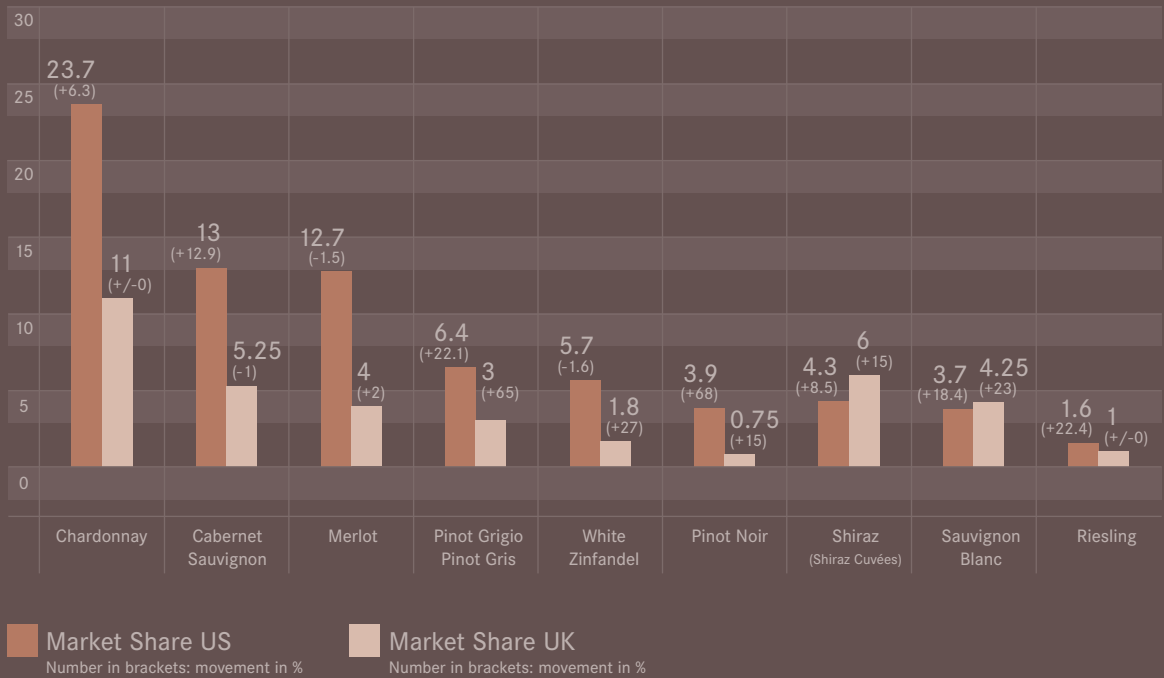
2005 - 2006

SOURCE: AC NIELSEN 2006

OFF TRADE: PRICES BY ORIGIN IN £



MARKET SHARE BY GRAPE VARIETIES IN PERCENT



SOURCE: AC NIELSEN 2006

made to Robinson and Spurrier, but only as part of a list headed by the Americans. While writing this, I have just opened an email from Tanners, a highly traditional UK merchant, urging me to buy 2005 Bordeaux. Of the five touted wines, four come armed with Parker scores and one with a mark from James Suckling in the Wine Spectator. No other critics feature.

It is worth noting that the absence of wine gurus in the UK is reflected in other spheres. There is no leading film, theatre, literary or music critic and the best known restaurant critic lacks the power of her counterparts elsewhere to make or break an establishment. Revealingly, celebrity and television appeal are sometimes more significant than knowledge when it comes to food and wine in the UK media. So Michael Winner, a well-known film director has a restaurant column in the Sunday Times, the UK's biggest-selling quality Sunday newspaper, and Leslie Grantham, the actor who played "Dirty Den" in the TV soap opera East Enders has had a newspaper column and a TV series on wine. There have been well-produced, serious wine programmes on television – most notably by Jancis Robinson and Hugh Johnson – but viewing figures have been low, so wine has either been absent from the mainstream channels, or given a gimmick treatment. The most successful example of this was the pairing of Oz Clarke and Jillie Goolden in a brief slot at the end of a weekly BBC programme called Food & Drink which attracted interest – and derision, in particular for the outlandish wine descriptions used by Goolden. Every so often the show visited wine regions – and revealed an unashamedly populist approach. When the two presenters went to Bordeaux, for example, the producers had them dressed in spandex cycling around the Medoc on a tandem. The show changed and lost Goolden, but over five years after her last appearance as a wine expert (she has subsequently been on the TV show Celebrity Big Brother) she and Clarke are still the only wine critics most Britons could name or recognise. Clarke is about to feature in a new 6-part wine series – the first on terrestrial television for several years. He will be paired with a young motoring correspondent from a popular television series who starts out with the fact that he thinks that Clarke "talks too much about the soil."

Who is selling the wine?

A market that was once dominated by brewery-own chains of off licences – liquor stores – is now run by supermarkets that collectively have 80% of the market, with one firm, Tesco boasting nearly half of that. The over a dozen off licence chains have diminished to just four: Thresher, with 1,961 outlets, the discount-focused Bargain Booze, and the small Oddbins and Majestic, which between them have less than 2% of the market. Less visibly, there is a strong on-line, by mail market, but this too is dominated by one company: Direct Wines which has quietly swallowed many of its competitors.

The popularity of supermarkets and brands has been responsible for a recent change in the modus operandi of

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»» Our ambition is to make wine buying simpler and more accessible. ««

Dan Jago, head of Tesco Wine Department

The United Kingdom is one of the world's most complex and mature wine markets. Our ambition is to make it simpler and more accessible for our clients. There is no need for added complexity. Although we may reduce the total portfolio by dropping redundant wines, we still want to introduce a broader range of premium and esoteric wines – and to give British buyers the confidence and the desire to buy them. That fits within the larger Tesco ambition to be the best wine retailer in the world.



Britain's wholesale distributors. Firms that would once have focused their efforts on seeking out, buying and selling wines – or acting as agent-representatives for overseas producers – are now increasingly involved in giving the supermarkets what they want. This ranges from just-in-time logistics and own-label provision to category management. This last activity was almost unknown a decade ago, but is now seen as crucial to any wholesaler with serious ambitions to sell in volume. Essentially, it simply means that wholesaler X will tell supermarket Y how to maximise profit from, say, its Spanish range by buying specific wines from company X, while filling a few gaps from other firms if absolutely necessary. Historically supermarket buyers would have dismissed the offer of this kind of service, believing they were capable of doing it for themselves. Today, with buying teams smaller and more stretched, they are ready to accept all the help they can get.

Brand Creation

Another key activity for a wholesaler or agent is brand creation, which can, if done well enough, add considerable long-term value to the company that goes way beyond the profitability of simply trading in wine. Western Wines was a relatively small company when it created Kumala, the biggest-selling South African import into the UK. Today, the firm is part of Constellation and its founders are a lot wealthier. So, every fortnightly issue of Off Licence News carries news of more new brands. Unlike the US, "critter" brands – with animals on the labels – no longer dominate. They were, after all originally born in Britain, with brands like Fat Bastard – if one forgets the efforts of the 1950s. Now there is a wide range of other concepts being tried, such as "Le Freak" which owes its name to being made from a blend of black and white grapes.

Discounting has become a major – and increasingly controversial – feature of the UK market. Until the 1990s it was largely unknown – and certainly not on the scale then known in the US, Australia and New Zealand. The growth of

New World brands and of the buying power of the supermarkets changed that, however, and led by the Australians an estimated 60% of all wine on sale for home consumption is discounted. Supermarkets focus on BOGOFs (“Buy one, get one free”), while Thresher’s 1,961 shops all offer their wines on a 3-for-2 basis. The only retailers to stand aside from this trend are Majestic, whose by-the-case business model is quite different, and Oddbins which is now dropping price promotions after introducing them over two years ago. While it is not difficult to find members of the UK wine trade openly lamenting the levels of discounting, they would have to admit that Britain has adopted a discount culture in recent years. This was the country, after all, that more or less invented cheap flights. Today, a third of all books are sold on a 3-for-2 or similar discount and products ranging from sofas to potatoes are sold as BOGOFs. Discounts are now built into the original deal, with margins being set that allow the retailer to make as much as they want, both on- and off-promotion. The current figures are 22% and 32% respectively, but Tesco is reportedly trying to edge this up to 28% and 34%. To these figures might be added an “over-rider of 2 or 2.5%. Extraordinarily two major supermarkets were recently said to have requested this over-rider retrospectively. These increased margins and over-riders replace the listings fees of £40-200,000 (Euro59-297,000, \$76-378,000) that were asked for a few years ago. However, today, “contributions” of £15-20,000 are expected for promotions that involve gondola-ends.

Margins elsewhere – at Oddbins and Thresher, home of the 3-for-2 – are higher, at a steady 40% with a similar figure being aimed at by Majestic, where all wine is sold by the case.

The supermarket margins will strike some producers as surprising, especially if they have experience of dealing with European discounters like Lidl and Aldi, or US firms like Costco, where they are far smaller. But so far these

discounters have yet to make headway in the UK. One important point to make is that being sold in a British supermarket carries no stigma. The UK chains have yet to offer the fine wine ranges to be found in Costco and some French firms, but ranges of higher quality and image wines are being introduced, particularly by Tesco. It is difficult to say whether the arrival of tiny numbers of bottles of Grange in the chain’s shops is anything more than window-dressing, but it certainly helps to counter accusations that it is not trying to trade customers up.

Mail Order & Online

One of the growth areas in the UK wine market is among small specialist wholesale and retail merchants which have sprung up to fill gaps left by supermarkets. These firms have not, however, benefited from the internet as had been predicted. All of the dedicated, UK-based, online start-ups have closed or been bought by existing terrestrial firms and today, Tesco has quietly grown from nothing to take an estimated 50% of the online market. Direct Wines, also known as the Sunday Times Wine Club, the UK’s biggest mail order specialist has a further 20-30%, leaving little space for other players.

So, what justifies my conclusion that the UK is a dysfunctional market? Well, it is a market that has stopped growing and in which prices are not rising. Sales within this stagnant sector are being heavily biased towards promoted big brands, retailer margins are growing and there is limited interest in wine and little aspiration to trade up. Of course, in any market this size, there are opportunities for producers with a point of difference. And there are plenty of makers of wines with established niches here that are perfectly happy with sales. However, it is not surprising that so many producers of every size across the world are beginning to wonder whether they should not be heading to New York rather than London. ■

PRICE POINT TRENDS UK

CATEGORY	MARKET SHARE IN PERCENT	MOVEMENT
< £ 3.00	24.0	-4.0
£ 3 - 4	41.0	+8.0
£ 4 - 5	22.0	+1.0
£ 5 - 7	10.1	+2.9
£ 7 - 10	3.1	+1.6
£ > 10	0.8	-13.0

PRICE POINT TRENDS USA

CATEGORY	MARKET SHARE IN PERCENT	MOVEMENT
< \$ 2.99	12.6	-2.9
\$ 3 - 6	25.7	+2.8
\$ 6 - 9	25.1	+8.7
\$ 9 - 12	19.2	+13.7
\$ 12 - 15	6.9	+14.3
\$ > 15	9.9	+19.6

SOURCE: AC NIelsen 2006

A BRIEF HISTORY OF WINE IN BRITAIN

Britain is and – despite the claims of English winemakers – has always been essentially a non wine-producing nation. The Romans may have made some wine here, but they also – as archaeological discoveries prove – imported it from their homeland and, quite likely, the vineyards they planted in France. Later, in the middle ages, French wine was imported from Bordeaux in huge quantities when Aquitaine was an English colony, but both Chaucer and Shakespeare refer to Spanish wine – and German. “Rhenish” has a long history of being well regarded in Britain. In the 18th century, it was Portugal that benefited at a time when French wine could not legally be imported – and in the late 19th and early 20th century, Australian “Burgundy”, South African “Port” and Cyprus “Sherry” were all popular. One of the best-selling branded wines in the 1960s and early 1970s was Hironnelle, whose Gallic name concealed the undefined origin of the liquid in the bottle.

The relevance to the market in 2006 is that the British have a long history of buying wine from a wide range of sources – and not worrying too much where it was produced, provided they liked the way it tasted. Last year, research by Sogrape revealed that a large proportion of drinkers of their Mateus rosé, which once represented 40% of Portugal’s exports, were unaware that it came from Portugal. The findings gave Sogrape the confidence to launch a red Mateus from Spain. In doing so, they were only following the example of Blue Nun whose metamorphosis from a German into multi-national brand raised few eyebrows.

Historically, the British have also been very good at creating brands for themselves. In earlier times, these tended to be fortified wines: Taylor’s, Dow’s, Graham’s port; Harvey’s and Williams & Humbert sherry; Woodhouse Marsala and Blandy’s Madeira. But the trend continued in the 20th century with table wines such as Don Cortez, Plat d’Or and Black Tower. All of these began specifically as products for Britain. More recently, we can add Fat Bastard, Kumala, Old Git and French Revolution. The only difference is that today’s British brand-creators are far more focused on export markets than their predecessors.

A third piece of background concerns the places wine drinkers purchased their wine. Before World War II, the people who bought wine were generally upper or upper-middle class. In the former case, they would often have relied on a butler who would have been expected to know about wine, and have bought from an old firm like Berry Bros & Rudd, who would have supplied customers throughout the country. People without butlers shopped at local shops that filled the role a caviste might in France today. In other words, knowledge was available, from the merchant or the butler. Between the 1950 and the 1980s this changed as the

brewers got into the business of wine retailing. Grand Metropolitan’s Watneys brewery owned Peter Dominic, Allied Breweries had Victoria Wine while Whitbread’s brand was Thresher and Bass had Augustus Barnett. Fullers, a smaller brewery had shops bearing its own name. Some of these companies took the trouble to buy good wine and to educate their shop managers and customers; others didn’t. Crucially, however, the overall effect was that consumers became used to buying in self-service retail chains whose staff were rarely well informed. This made the switch to supermarkets easier.

Today, revealingly, the only major chains that have survived since 1986 are Threshers, Oddbins and Majestic – and the brewers have all got out of retailing. However, one brewer, Scottish & Newcastle competes with Constellation-owned Matthew Clarke for the role of being the biggest supplier of wine to hotels, restaurants, bars and caterers.

It is possible to break down the recent history of wine in Britain into three phases. 1960-1980; 1980-1995; and 1995-to today. The first was a crucial formative time. British servicemen had returned home in 1945 with a newly discovered taster for wine, which was rekindled in the 1960s with the advent of cheap overseas package holidays. However, while Hugh Johnson first published his “Wine Atlas” and “Pocket Book” in the 1970s, the heyday of general wine interest really began in 1980 and lasted until 1995. This was the period when the New World Wines first appeared and newspapers began to take an interest in wine. This was also the period when the supermarkets, initially led by Sainsbury, seriously entered the wine arena. At the time, they struggled to be taken seriously, which helps to explain their eagerness to impress journalists and win prizes in competitions like the International Wine Challenge, launched in 1984. In the late 1980s, Sainsbury, then the UK’s leading supermarket wine retailer, commissioned a range of books by Oz Clarke, and in 1990 I wrote a hardback book that was sold in Tesco for £4.99.

Other retailers followed suit, and for a while, informative free leaflets and price lists also became common. The realisation that these activities have affected sales less than vigorous discounting has, however, significantly reduced this activity. Leaflets funded by generic organisations survive, but retailer-funded efforts are rare and the supermarket website packed with wine information is a thing of the past. None of the supermarket wine books justified their place on the shelves and the initiative was dropped. Supermarkets still sell books – lots of them – but the own-label wine books have given way to cookbooks by celebrity chefs.

From 1995, the reality of the harsh commercial world has been felt. Branding, discounting and consolidation have displaced the passionate days of wine exploration, discovery and evangelism. There is some hope that a new era may be dawning, with the success last year of London’s first consumer wine show and the recent launch of a number of small regional independents, parallels can be seen with the emergence of farmer’s markets to combat the supermarkets. But for the moment, the tide is still heading in the opposite direction. ■