Wine Auctions as a Sales Channel – The Case Study of the VDP Wine Auction of Kloster Eberbach

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The VDP Wine Auction of Kloster Eberbach

Agenda

1. Introduction
2. Range of Products
3. Prices and Volumes
4. Conclusion
Introduction
Grosser Ring Wine Auction in September 2015

“2003er Egon Müller Scharzhofberger TBA | €12,000 per bottle!”

- ...the Weingut Egon Müller sold its 2003er Scharzhofberger TBA for a staggering €12,000 per 75 cl and €5,500 per 37.5 cl ... and these prices do not even yet include commissions, transport, import duties or sales taxes.

- ...this makes this 2003er Egon Müller Scharzhofberger TBA the most expensive newly released wine in the world ever, “easily beating” the coveted wines of Burgundy (e.g. Domaine de la Romanée-Conti), Bordeaux (e.g. Château Lafite Rothschild, etc.).


Kloster Eberbach Wine Auction
Prof. Dr. Andreas Kurth
Introduction
The VDP Rheingau Wine Auction in September 2015

Kloster Eberbach, 19 September 2015

- Total sales of about €74,000

Source: http://kloster-eberbach.de/

http://www.vdp.de/en/vdp/auctions/0
Introduction

VDP Rheingau vs. VDP Mosel: Turnover and Bottles
Introduction
The Wine Growing Region Rheingau

The Rheingau (2014)
- Vineyard area 3,089ha (mature vineyards)
- About 79% Riesling
- Grape must yield about 224,000hl (72.5hl/ha)

The VDP Rheingau
- Founded in 1897; [VDP Germany in 1910]
- 38 wine estates
- Vineyard area 1,245ha (including Hessische Bergstrasse)
- Sales about €89m; 9.1m bottles
- Average price per bottle €9.8
- Yield per ha about 55hl/ha

Source: DWI; http://deutscheweine.de

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Introduction

Wine Auctions as a Sales Channel?

VDP Rheingau Sales Structure (Sales €89m, 9.1m bottles)

- 20% sold directly to customers
- 34% sold via speciality trade (wine shops)
- 46% sold via restaurateurs/caterers
- 78% sold in the domestic (German) market
- 22% exported

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Range of Products
VDP Rheingau and VDP Mosel (Grosser Ring)

By Vintage

VDP Rheingau

- 2011: 62%
- 2012: 56%
- 2013: 52%
- 2014: 56%
- 2015: 31%

VDP Mosel (Grosser Ring)

- 2011: 88%
- 2012: 80%
- 2013: 92%
- 2014: 88%
- 2015: 83%
Range of Products
VDP Rheingau and VDP Mosel (Grosser Ring)

By Sweetness Level

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<tr>
<th>0%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
<th>90%</th>
<th>100%</th>
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<tbody>
<tr>
<td>Dry (&quot;Trocken&quot;)</td>
<td>55%</td>
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<tr>
<td>Sweet (&quot;Restsüß&quot;)</td>
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<td>45%</td>
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<td></td>
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<td>100%</td>
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Rheingau | Mosel
Range of Products
VDP Rheingau and VDP Mosel (Grosser Ring)

By (German) Classification (Traditional Predicates)

<table>
<thead>
<tr>
<th>Category</th>
<th>Mosel</th>
<th>Rheingau</th>
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<tbody>
<tr>
<td>SPARKLING WINE</td>
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<tr>
<td>EISWEIN</td>
<td>4%</td>
<td>8%</td>
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<tr>
<td>TROCKENBEERENAUSLESE</td>
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<td>11%</td>
</tr>
<tr>
<td>BEERENAUSLESE</td>
<td>4%</td>
<td>11%</td>
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<td>AUSLESE</td>
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<td>49%</td>
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<td>SPÄTLESE</td>
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<td>32%</td>
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<tr>
<td>KABINETT</td>
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<td>9%</td>
</tr>
<tr>
<td>QBA</td>
<td>19%</td>
<td></td>
</tr>
</tbody>
</table>
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Prices and Volumes
Bottles and Average Sales Price per Bottle

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Prices and Volumes
Bottles and Average Sales Price per Bottle
Predicate Spätlese

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Prices and Volumes
Bottles and Average Sales Price per Bottle
Predicate Auslese

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Prices and Volumes

Sales Price per Bottle: Auction versus Price List

Schloss Vollrads Spätlese (Auction: Goldkapsel)
**Prices and Volumes**

*Sales Price per Bottle: Auction versus Price List*

Robert Weil Gräfenberg Auslese 37.5cl (Auction: Goldkapsel)
Wine Auctions as a Sales Channel

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Conclusion
Wine Auctions as a Sales Channel?

How to increase the relevance of the VDP Rheingau auction as a sales channel?

Some suggestions...

• Attract professional customers / from abroad (as Mosel does)
• Product range: offer relevant number of highest quality wines
• Flagships: most prestigious VDP members
• Exclusivity / Availability
• Focus on dry wines (GG) + selected rarities?
• Auction procedure: Direct (online) bidding