

# GERMANY'S INDEPENDENT SPECIALIST DEALERS

The German wine market can be complicated for outsiders. However, those who understand the market structure and have key contacts with specialist dealers can bypass the large importers, finds Jürgen Mathäb

**R**ight from the outset, the difficult language deters smaller producers from getting involved in Germany, despite the fact that virtually every importer speaks fluent English. Added to this is the false assumption that in Germany - more than elsewhere - only aggressively priced wines will sell. Getting to grips with the market is also complicated by the fact that, unlike London, there is no central metropolis, but several. Finally, the German market is also difficult to understand due to its structure, which is almost atomistic in the specialist retail trade, and which is not divided into clear distribution channels.

This last argument is true. Around two-thirds of the total household purchases of almost 15m hL of wine (added to which is 3m hL of out-of-home consumption) are made over the counter at food retailers and discounters. These are primarily wines that, for the most part, cost less than €5.00 (\$5.45). That is why food retailers and discounters account for only half of wine sales. The rest is sold by direct marketing (mainly by German producers) and specialist dealers.

The specialist retail trade, including mail order and online sales, which the Geisenheim Institute for Management and Marketing puts at around 13% (by volume) and 27% (by value) of household purchases, is generally not defined by regions or distribution channels. The typical specialist dealer operates as a retailer in a more or less large catchment area - city, neighbourhood, or region - with one or more shops as well as an online shop; however, they may also act as a wholesaler for HoReCa and act as a regional importer for individual suppliers, while also supplying other specialist dealers. Access to the range is possible through the online shop. They vary in terms of the share of the distribution channels and the emphasis of the range. It is rare for one of these dealers to focus solely on retail, as is the case of the largest chain

of stores, Jacques' Wein-Depot. This means that, in many cases, it is impossible to make a clear distinction between importers, wholesalers and retailers.

The four largest specialist dealers in Germany - Jacques' Wein-Depot (part of Hawesko), Wein & Vinos (Hawesko), Vino Weine (WIV) and Mövenpick (Mövenpick Group) - belong to larger companies. The specialist dealers presented in this article are a selection of interesting and important retailers drawn from the large number of independent wine dealers in Germany, only a few of which have sales volumes of more than €10m (\$10.9m) and which generally have sales volumes of less than €3m. Collectively, however, this type of company has a decisive effect in shaping the trends in the German wine market and on the distribution of higher-quality wines.

## *Weinladen Schmidt*

*weinladen.com*

According to most market participants, there is greater competition in the wine trade in Berlin than in other major German cities. Weinladen Schmidt, which is run by Carsten and Anja Schmidt, has a strong presence with five stores, which generate around 50% of its total sales. The company, which focuses solely on Berlin and has managed without an online store up to now, also owns the wine bar Rutz, one of the best restaurants in Berlin. Wines originating from Germany and Austria play a particularly important role in the range but, in general, all the major wine countries of the world are represented. Other services offered by Weinladen include seminars and the rental of glasses, tables and fridges.

## *Rindchen's Weinkontor*

*rindchen.de*

Gerd Rindchen began selling wine as a sideline in 1977, when he was a student. He



**Gerd Rindchen**

opened his first shop in 1983. He now sells wine throughout northern Germany and Munich, and has 11 of his own wine stores and seven partner stores, as well as partner dealers who stock a large part of his range. With 80 employees and a range compiled from all the major wine-producing countries (26% Germany, 24% Spain, 19% Italy, 18% France, 20% rest of the world), he sells about 4.5m bottles of wine annually, generating a turnover of approximately €18m. According to the Meininger database, Rindchen is the largest independent and the fifth-largest specialist retailer overall in Germany. The retail share of Rindchen's sales has risen steadily over the last few years to 70% following the adoption of a new strategy. However, wholesale and HoReCa sales still make up around 30% of turnover.

## *Lobenberg's Gute Weine*

*gute-weine.de*

No other wine dealer in Germany, or perhaps even in Europe, has an annual catalogue as big as Heiner Lobenberg's, which runs to 800 pages. It is not just this thick because Lobenberg offers a comprehensive range of more than 2,000 wines, but also because each vineyard and each wine is described in detail. Established in 1991, Lobenberg focuses on high-quality wines. Selling 600,000 bottles, it achieves a turnover of €11m. Whatever origin of wine customers are looking for, they can always expect to find one of the best and highest quality producers here.



Bodegas Rioja

Although the sales demonstrate a clear focus on France (60% share of sales by value), the ranges for Germany, Spain, Italy and other countries (10% each) are equally ambitious and well structured. Lobenberg delivers by mail order throughout Germany, particularly northern Germany, while almost 10% of sales are made through two shops in Bremen and Hamburg. Another 80% of sales are made directly to end consumers, while the rest go mainly to the HoReCa industry. The average price per bottle sold, at €18.33, is among the highest of all the major wine dealers in Germany.

### **Bodegas Rioja**

*bodegas-rioja.de*

Andreas Krämer started out as a specialist in Spanish wines in 1982 with a sales outlet in Bochum. He now has five permanent employees, and stocks about 600 different wines, most of which he imports himself. Today, his focus remains on Spanish wine, which represents 70% of sales, but he also stocks wines from Germany, France and Italy. While the retail share is 60%, the company also sells to HoReCa and to trade customers. Krämer's reason for expanding the range, which he did about 20 years ago, was that, "With the catering industry, you won't get very far if you only stock Spanish wines." The primary focus of his operation remains the shop and, of course, an online store has been added.

### **Weinzeche**

*weinzeche.de*

Zeche Bonifacius, a heritage-listed coal mining area, is the home of the wine store Weinzeche, which was founded in 1997. It is notable for stocking one of the largest range of wines in the Ruhr region. Weinzeche, now owned by Wolfgang Demmler, has a range that follows the company philosophy of non-mainstream wines that are not just for 'label' drinkers. It supplies customers throughout Germany by mail-order, with monthly print mailings or online ordering. With 15 employees, the company generates sales of about €6m, more than 70% of which are to end consumers. The wines of France (approximately 30%), Spain

(approximately 25%) and Italy (approximately 18%) have dominated sales for many years. The sale of German wine has been boosted recently. New World wines play almost no role.

### **Pinard de Picard**

*pinard-de-picard.de*

In 1997, the mail-order company from the Saarland region became one of Germany's very first online wine suppliers. More recently the company, owned by Tino Seiwert, Martin Lehnen and Ralf Zimmermann, has increasingly used social media for its promotional activities. The company is best known for its high-quality French, German and Italian wines, which make up 90% of its range. Customers can choose from over 50 German grands crus and from 15 domains from Burgundy, many of which are famous. There are no New World wines in the range. Almost 95% of sales are to end consumers. The average sale price per bottle is more than €10.00.

### **Weinmarkt Mattheis**

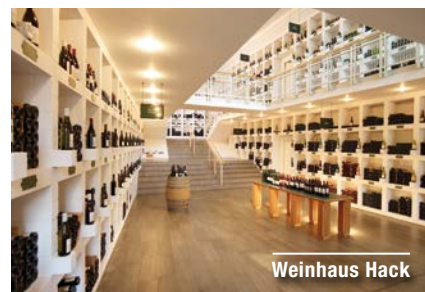
*wein-mattheis.de*

This wine business, which was established in 1973 and now has 13 employees, is typical of the medium-sized trading companies that operate in all distribution channels and have considerable significance in a particular geographical area (in this case, Tübingen/Stuttgart). With its own importing arm and a range of around 700 wines, Mattheis supplies 250 specialist dealers and restaurateurs with wines, 65% of which have a price to the consumer of €6.00 to €10.00; 30% of sales are to end consumers. The range is international in scope and includes the major producing countries approximately in accordance with their market significance, thus focusing in particular on Germany, France, Italy and Spain.

### **Garibaldi**

*garibaldi-wein.de*

Eberhard Spangenberg, a former pub landlord, opened his first shop selling delicatessen foods and wine in Munich in 1983. Today, Garibaldi is an importer and specialist dealer, stocking more than 400 different Italian wines, olive oils and grappa from around 80 producers. In 2004, a selection of about 180 of the mostly high-quality international wines was added to the Italian range in order to offer HoReCa and trade customers a more complete selection. The range is sold in seven



Weinhaus Hack

shops as well as through nationwide mailings. Garibaldi supplies wholesale wines to high-end restaurants and specialist dealers throughout Germany.

### **Georg Hack**

*georg-hack.de*

This specialist dealer, established over 60 years ago in Meersburg on Lake Constance, now has 11 employees and has become a major regional supplier to the HoReCa industry within a radius of about 100 kilometres. Hack has 400 restaurateurs as customers and they account for almost two-thirds of his turnover. The shop in Meersburg and an online store set up a few years ago supply end consumers, who make up around 10% of sales. The remaining clients are trade customers. The wine region around Lake Constance accounts for 20% of sales, which may be surprising as one might assume that the local gastronomy industry would buy directly from producers. But clearly, customers are won over by the service offered. Italian wine, which is very important in southern Germany, especially in Bavaria, has a 35% sales share. It is followed by Spain and France, with about 20% each.

### **Gebrüder Kössler und Ulbricht**

*weinhalle.de*

Martin Kössler is well-known on the German wine scene not only as a wine merchant, but also as a caustic commentator and campaigner for authentic, environmentally friendly wine produced using traditional methods. His blog is characterised by strong opinions and plain speaking, as are his 'Flaschenpost' ('bottle post') mailings, which remain his main marketing method, alongside the shop in Nuremberg. With 15 employees, the busy dealer sells wines from 252 suppliers, 85% of which go to end consumers and 15% to the gastronomy industry. The supplier structure varies depending on Kössler's current priorities. In the spring of 2015, 25% of the wines came from Germany, 30% from France, and the rest came almost exclusively from the USA (a favourite of Kössler), Spain, Portugal and Austria. ■