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Independent wine merchants can win on Portugal, says leading supplier

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By [Martin Green](#)

Independent wine merchants will have a field day selling Portuguese wine after supermarkets cut ranges to compete with discounters, according to a leading supplier.

Tesco is cutting 30% of its wine range and Morrisons is slashing 10% of its SKUs as multiples fight to regain share lost to the likes of Aldi and Lidl.

Nick Oakley, managing director of Oakley Wine Agencies, told OLN: "The independent trade is going to have its moment in the next year or two because the multiples are all severely chopping their ranges.



Jane, Nick and Charlotte Oakley

"Portugal, which is not sexy, will get the bum's rush. The independents will fill that void. It's an area of the business that we really want to concentrate on. We are known for supermarket distribution but not for independent."

Oakley Wine Agencies has built up a solid business supplying own-label Portuguese wine to the multiples, and supermarkets make up the majority of its business.

Oakley is celebrating 25 years in the business this year, and runs the agency with just his wife Jane and daughter Charlotte, but it has a turnover of £4 million and supplied 220,000 cases last year.

He said: "When I started 25 years ago you couldn't sell Portuguese wine for love nor money. It's still hard. It's not as sexy as New Zealand Sauvignon Blanc or Rioja.

"Portugal is going to be the next big thing has been said in the press every year for the 25 years we have been doing it, and it never ever has. But Dao and Douro and Vinho Verde have gained traction very strongly.

"Three of the world's top four wines in Wine Spectator were Portuguese, yet what sells most is Bordeaux, Burgundy, Rioja, New Zealand, California, and way down the list is Portugal.

"We see this as potential to tap, which is why we are still very excited about what we are doing. You can't continue to have such praise for Portugal and for it not to translate into sales."

Oakley's main bugbear is a refusal among Portuguese producers to promote the regionality of the wines. He has refused to supply any wines to the UK multiples that do not feature the region in big, bold letters on the label.

"We had a Dao in one multiple and it was delisted after selling five cases a week and branded a complete failure," said Oakley, who is fluent in Portuguese. "'Dao' was really small on the label. The Dao we have in Asda sells 400 cases a week and it's because the word Dao is much bigger, in bold letters.

"Asda Dao sold so fast over Christmas, they were selling 1,200 cases a week, and it ran out. The warehouse was selling so quickly that we couldn't fill it back up in time. We had out of stock caused by speed of sale.

"The other producer has now redesigned his label to have Dao bigger. We have to promote the regionality. But the Portuguese won't listen. I will only sell wines to the multiples that say the appellation in large letters. We have got to promote the regions.

"If you hide behind a brand it doesn't sell. Forget about brands: use the appellation and the producer's name."

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Oakley, who is now preparing to launch in Majestic, believes own-label will continue to be a crucial part of multiple retailers' strategies.

"Own label is becoming entrenched," he said. "Nobody wants to compete with anybody else on brands. Soft brands lose shelf position because it's too competitive; people down the road will sell it cheaper.


"Then people wanted exclusive and then they said forget about it, just make us an own-label. We have launched Morrisons Douro Red and you can't price-match against Asda Douro Red because it's different."

But he is encouraged too by independents' abilities to hand-sell Portuguese wine and believes small regional chains have a bright future ahead of them.

"Since the demise of Threshers, quite a small groups with three to five units – Amathus, Hemmings, Vineking, Lea and Sandeman, Cambridge Wine Merchants, Tanners, Vino, Secret Cellars – people that can buy 20-dozen palates and get through them quite quickly," he said. "Portugal needs hand-selling. That's the challenge. It needs open bottles. You need to constantly encourage people.

"Independents are only 5% of our turnover but that's increasing substantially.

"The way we sell makes us good for independents. We offer half-palates at almost ex-cellar prices from stock lodged in London. You are almost buying it from the vineyards."

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