Italy is the biggest supplier of wine to Sweden

scritto da Lavinia Furlani | 9 Giugno 2014



We interview Per & Britt Karlsson of BKWine. they are active in many areas of wine. they launched the first Swedish internet site on wine in 1996, that has now evolved to what is probably Swedens biggest independent wine site, also much read internationally (it is available also in English): BKWine Magazine, http://www.bkwine.com/.

They have a parallel activity as one of the worlds leading wine tour operators (named as “Worlds Top Wine Tours”), organizing wine tours all over the world, including Italy:

http://www.bkwinetours.com

How do you view the potential of Italian wine in your country in terms of market potential?
Italian wines are already very popular in Sweden. Today Italy is the biggest supplier of wine to Sweden. Italy was previously in second place after South Africa but last year (2013) Italy went up to first place. This means that the challenge for Italy is to a great extent to maintain its position against challenges from other countries.
There is no specific reason why Italy should not be able to keep a leading position. The Swedish market is (mostly) a monopoly market dominated by the Swedish retail monopoly Systembolaget. This lead to some specificities, for example: Suppliers need to be able to provide large quantities of wine according to "custom designed" specification. Italy has several large co-operatives as well as large wine producers who are capable of doing that. Maintaining a stable quality may sometimes be a challenge though. Secondly, the Swedish market demands bag-in-box, which apparently many Italian producers willingly provide (as opposed to some other countries producers). It is also a market that is fond of established and internationally famous brands of which there are many in Italy.
Another challenge is in the "quality segment" of the market. This segment is almost totally dominated by the, in Sweden, wildly popular amarone (and amarone "clone") wines. There is a risk that when this fad disappears the interest in quality Italian wines may fade.
(This is perhaps similar to the situation of prosecco internationally: its success was great and the rise was fast. But this lead to over-exploitation of the Prosecco brand so that today it has lost its value and is in many cases not considered a quality wine any longer (rather the opposite).)

How do you think Italian producers can improve their performance in your country? What do you suggest?

In terms of product it is important to understand the preferences of the Swedish consumers, which often tends towards the rich and fruity wines. Packaging (bottles, labels) also plays an important role, and are perceived very different than in e.g. Italy.
Producers also have to understand the market dynamics: how the monopoly works, with its system of “tenders”, the role of journalists and online media, the role of the importers etc.

What do you think of the quality/price ratio of Italian winest?
I have little detailed knowledge of the pricing in the Swedish market (since we do not live there). From a general point of view, based on my overall experience of the market I would say this:The situation is extremely diverse. There is a segment of the Italian wine market that is significantly over-priced, “world famous” wines (and brands) that sell at high prices. From a value-for-money perspective they are not interesting for wine enthusiasts but are of course interesting for the “label drinker”.
There is also a very good supply of very good value for money wines, especially in some of the not-so-famous appellations and at the lower end of the scale.
This being said, there is sometimes a tendency, especially in the mid-level price/quality segment, to believe that ones own wines are very sought after, which may be true locally but not elsewhere, and to put the price points a bit too high. There are quite a few mid-level wines that are (over-)ambitiously priced and that could struggle in a comparison on an international market.

What qualities do you personally appreciate most in Italian wines?
As mentioned above, many Italian wines offer very good quality for a reasonable price. They are in many cases well, almost always excellent food wines. There is a wide variety of styles. There are many local specialties as well as

traditional grapes that makes the Italian wine scene varied and interesting.

Please mention the potential of which white varieties and which red varieties do best in your market
Some of the southern varieties have become very popular in Sweden, for example primitivo and nero davola.
The most remarkable success though is not a grape variety but a “style”: the rich amarones that have led to numerous (less expensive) “imitations”.
But I am not a fan of the approach to systematically market varietal wines. Italy is not a producer that traditionally emphasizes the grape variety but rather the origin. It can be wise to stick to that tradition. Otherwise one risks getting into a situation where the grape variety and the price are the only important parametres.

What is your advice to Italian producers looking to enter your market?

1) Find a good importer.
2) Look at alternatives to the monopoly (alternatives to the Systembolaget). Many importer sell significant volumes through other channels. There is also a number of independent internet wine shops selling directly to consumers, bypassing the monopoly. This is possible thanks to a change in legislation a few years back.
3) Understand the system of “tenders” that the monopoly uses. The monopoly is, and will remain for a long time, the volume retail outlet.
4) Look at what types of wines the consumers prefer.