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Evolution of the wine market in Europe: trends and barriers in the context of the COVID-19 pandemic

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Abstract. *Evolution of the COVID-19 pandemic has brought considerable transformations to the worldwide markets, creating an economic and sanitary crisis. Distribution channels were disrupted, affecting supply networks and business models. With restaurants and bars closed down, banned airlines and travel restrictions implemented, the economic well-being of worldwide industries got disturbed. As global decreases in alcohol trade were registered, wine market was appraised an industry worthy of being taken under consideration, with focus on its market size, incurred revenues, price evolution and degree of embracing digitalization to adapt to the ongoing restrictions imposed by the COVID-19 pandemic. The latter one referring to traditional wine tasting rooms which were banned due to the lockdown, wine industry found online wine tasting as a profitable alternative. The presented metrics were analyzed in Europe, with a high focus on region's main wine producers: France, Spain, Italy, Germany and Portugal, but not only. Research followed an exploratory approach to determine changes under pandemic restrictions, lockdown and finally economic crisis in the selected industry, by engaging international available data and statistics. The study, therefore, formulated relevant hypothesis based on market size and registered revenues, price evolution and adoption of online wine tasting strategies. Results of the paper highlight decreases in market size and revenues of European wine market, however, on the long-term, industry revival is forecasted. Prices slightly decreased mainly for prestigious wines (AOP labelled), showing consumer budget restraints brought by the crisis. European's wine market digitalization show differences among countries, with Germany being a leader for engaging such technologies. Our paper brings a snapshot of current trends and barriers under the COVID-19 pandemic, acting as a future basis and guidance for researchers in the field.*

Keywords: COVID-19, Europe, wine-market, digitalization, price evolution, incurred revenues

Introduction

The occurrence of the rapidly evolving COVID-19 pandemic marks a devastating episode for the whole globe, considering all economic, social and political areas. There is no doubt that, since the appearance of the first case in 2019, industries took a rough turn of events. The numerous cases of pneumonia were followed by millions of deaths that led to a sanitary crisis. Economies worldwide got damaged by the restrictive measures such as closing borders, travel restrictions, restaurants and bars shuttering down and finally complete lockdown. This created an economic collapse in almost all industries, including the manufacturing and services sectors. Transportations and supply chains have been disrupted, while many production processes had to interrupt their activity due to the inability to cover costs. The upcoming crisis determined many businesses to move online and digitalize most of their structures. In a world of increasing technology, where Industry 4.0 is attracting increased attention and interest every day, industries have to adapt to remain competitive and, in our given pandemic situation, to survive and find alternatives to traditional tools.

Europe's economy became vulnerable to the pandemic as well, where the COVID-19 crisis triggered notable damages on the markets, with implications on the wine market. As a result of the new restrictions and changes in regulations, the European wine market registered decreases in the

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macroeconomic performance, distribution channels and changes in prices. Production of wine in the European region dates from ages and is built upon a lot of history. Traditionally consumed on a regular basis, usually during meals, across all the continent, the wine industry can be considered as being a mature market, a part of the European culture and lifestyle for almost all inhabitants. Additionally, due to its promoted health benefits (specifically the red wine), consumption of a glass of wine per day became a 'must have' for many people around Europe. Owing to the increasing demand, large areas of land in Europe have been converted into vineyards, especially on the territory of France, Spain and Italy, making Europe a driver in wine promotion, manufacturing and consumption.

Wine markets facilitated business-to-consumer interactions by regularly organizing wine festivals, private wine events but also wine tasting rooms. The latter being our main point of interest, traditional wine tasting rooms represent the perfect occasions for wineries to promote new products, attract new customers and maintain the old ones. Being a combination of tasting, socializing and networking events, wine tasting rooms are a considerable financial loss for wineries once closed down due to occurring restrictions. Solutions were found by integrating digitalization in business models, however, the adoption rate of such strategies among European countries has yet to be discussed.

The paper, therefore, proposes a critical analysis of the impact of an ongoing and relevant event, that of the COVID-19 pandemic outbreak, upon an influential market in the alcohol industry, which is the wine market. Due to its high prestige and dominance in the worldwide industry, Europe was chosen as the main region of interest, where traditions and history of wine date from centuries. The paper will pay increased attention towards Europe's main providers of wine products, those of Italy, Spain, France, Germany, Portugal, as such regions were considered the main drivers of wine industry tendencies. We aim at observing current trends under crisis conditions, in terms of market size and registered revenues, but also price evolutions. Considering that the pandemic shifted our identities to the online world, the research additionally tries to target the degree of adoption of digitalized structures for wine tasting activities in order to adjust to the 'new normal'.

Literature review

Since the first case appeared in China in 2019, the pandemic caused by the virus COVID-19 rapidly became a dominant factor over the well-being of the globe, infecting thousands of people and severely affecting health status followed by numerous deaths (Wang et al., 2020). Up until this point, 380 mil people got infected with the virus worldwide, while 5.6mil died (WHO, 2022). World Health Organization shows Europe as currently being the main leader in the number of registered cases, with 147mil infected people (WHO, 2022).

Consequently, world's economy collapsed into the worst recession since World War II (World Bank, 2020), with alarming increases in unemployment rates (BBC, 2020). The pandemic affected Europe as well, by closing restaurants, banning airlines and implicitly disrupting tourism. The unanticipated pandemic triggered an unprecedented crisis and damaged food systems and consumer habits (Fanelli, 2021; Kallas, 2021), but also alcoholic beverages systems, including wine industries (Zimmerman, 2020).

According to its definition, the wine market is composed of all alcoholic beverages based on fermented grapes and is divided into segments of still, sparkling and fortified wine (Statista Market Forecast, 2022). EU Regulation No. 1308/2013 formulated the definition of wine as being a "product obtained exclusively from the total or partial alcoholic fermentation of fresh grapes, whether or not crushed, or of grape must" (European Parliament and Council, 2013). Globally, the

wine market is registered as the smallest segment in the alcoholic drinks industry (Statista Market Forecast, 2022). Being based on agricultural products, the wine market is directly influenced by the quality of the annual harvest. Influencing factors of the industry are weather, characteristics of soil, geology and technologies of manufacturing the product (Commité Européen des Enterprises Vins, 2021). It is, therefore, no surprise that the market is so varied in offers and prices, due to the uniqueness and personality of each wine bottle.

The wine produced in Europe enjoys high recognition and appreciation, mainly for its top quality in a fierce international competition. Statistics show that half of the wine produced in an EU country is consumed domestically, while a quarter is transported to the Member States. The rest is exported, with steady increases in volume and value. (European Commission, 2022) Considering performance per country, Spain, France and Italy represent the main producers of wine in the region, followed by Germany and Portugal (Directorate-General for Agriculture and Rural Development, 2022). Results of Balogh and Jámbor (2017) research add Bulgaria, Cyprus and Greece to this list.

The roles and advantages brought by the wine sector in Europe are multiple. Being produced by a great number of local businesses in the rural areas, wine industries create increased value for the economic, environmental and social development of the European area. Such businesses enhance sustainability of rural regions, by offering jobs to millions of people, which due to their specialized characteristics, are usually better paid than other occupations in agricultural fields (Commité Européen des Enterprises Vins, 2021). Though, the socioeconomic influences of wine are distributed in more than in the agricultural activity, as it directly or indirectly provides support and generates activity in other economic sectors such as the oak sector, glass industry or cork production. (Commité Européen des Enterprises Vins 2021)

Not to mention the touristic perspective that wine industries can imply. Also known as wine tourism, it is an economic activity that implies visits to vineyards, wineries, organizing wine festivals and shows, all for an authentic experience of grape wine tasting and its attributes in the region (Hall & Sharples, 2008). Apart of famous destinations of wine tourism such as France and Spain, research developed by Béla and Bulcsu (n.d.) highlight the potential of cross-border regions of Serbia and Hungary to attract tourists passionate about wines, as they can benefit from a large number of wineries and enjoy high quality products due to the favourable ecological conditions for wine production.

Trends and barriers in the wine industry during crisis brings contradictory results. On the one side, during an economic crisis that implies lockdown, people consume higher volumes of alcoholic beverages, in order to cope with loneliness or anxiety feelings occurred as a result of job losses or income fallings. On the other side, as alcoholic drinks do not belong to the category of primary goods, they may be cut off consumers' bucket lists, to reduce costs. (De Goeji et al., 2015) Wittwer and Anderson (2021) develop a 'global beverages model' which suggests that wine sales are globally affected due to the ongoing Coronavirus. Authors state that the market is likely to take years rather than months to recover. Their study highlights the sparkling wine market registering lower demand than other types of wine, however, all categories being affected. Their resulting forecasts made in 2021 mark that wine-exporting countries however will lose more due to the lowering prices they export while importing countries will benefit from buying at lower prices.

To better analyze the impact of the crisis and current and future occurring trends and barriers in the wine market, it is useful to look at similar situations in the past. From a medical perspective, the two-year Spanish flu pandemic in 1918 is the only but not perfectly comparable crises event. During this pandemic, the prices of wines sharply decreased by around 25% (Dimson

et al., 2015), yet rebounded in 1921 by 30%. However, the period of occurrence of the Spanish flu pandemic is not fully comparable to today's times, as the spread of the wine was not as general as in today's globalized world. Also, the political and economic conditions were highly unstable, marked by increasing inflation. (Masset and Weisskopf, 2021)

Masset and Weisskopf (2021) consider the 2008 Global Financial Crisis as standing for a more comparable benchmark. The wine market was registered to be in a full process of increased globalization and rapid financialization, as dedicated tools of price indices and calculation services were developed. At that time, prices of wine declined by 25%, however, they rapidly rebounded and immediately entered an upward trend, fact that can be explained by the pressures in demand coming from the Far East and the high interest in wine investments.

Taking into consideration that nowadays everything has moved to online structures, starting from daily shopping up until performing jobs and signing collaborative contracts, markets have adapted in order to meet customers' new demands, with 79% of businesses making changes to adapt to the crisis (LaFleur, 2020). The major opportunity of players in the European wine market is to launch innovative solutions, able to cater market share and avoid stagnation or even decline of the economy (Fortune Business Insights, 2022). Measures of social distancing and imposed lockdown banned wineries traditional tools of attracting clients, out of which Bruwer et al.(2013) mention wine tasting and cellar doors sales as being highly important for economic development. McMillan (2019) revealed that sales obtained from direct-to-consumer experience reach 65% of a winery's revenues in California. To keep this competitive advantage, wineries need to adopt innovative strategies, out of which we mention online wine tasting (OWT) as being novel, enjoyable and somehow similar to the traditional wine tasting experience. OWT consists in several current or potential clients participating in an online event while tasting a pre-order of wine samples (WeinPlus, 2021). Participation can be either active or passive, as, in some cases, clients can network with the winemaker and taste the same wine simultaneously (Der Spiegel, 2020). OWT brings advantages such as cost-saving experiences, decreases in risk of contacting COVID-19, direct communication channel with clients and increased brand awareness (Fischer, 2009).

The changing objectives in the EU wine policies are worth mentioning, delivered through the EU Common Agricultural Policy, also known as CAP which sets ambitious objectives in the industry, concentrated around sustainability issues. Plans of the policy include social and economic development, out of which we mention increasing competitiveness of EU wine producers, strengthening EU wines reputation, recovering old markets and gaining new ones but mainly preserving landscapes and managing climate change. (Pomarici and Sardone, 2020)

Methodology

Research topic and hypothesis

The paper proposes an analysis upon the well-being of the European wine industry under pandemic restrictions, lockdown and economic crisis. Therefore, the study considers the COVID-19 pandemic as being a shaping variable in the empirical context of European wine industry. Our main topic of interest is therefore established as being the market changes incurred as the result of the pandemic.

The following research triangle has been realized in order to visualize the approach of the analysis:

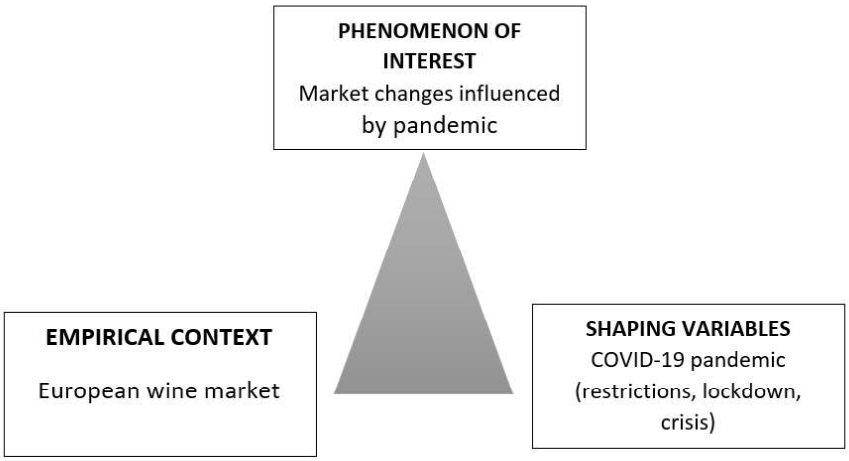


Figure 1. Research Triangle

Source: Author's own research representation

The impact of the shaping variable (COVID-19) is appreciated by looking at the following market changes: market size and incurred revenues, price fluctuations and shifts to digitalized structures. As a result, the paper narrows down the topic by formulating three main hypotheses, which will guide our analysis and evaluation:

H1 Restrictions imposed by the COVID-19 pandemic negatively influence the European wine market size and incurred revenues.

H2 COVID-19 crisis determined changes in the prices of European wine products.

H3 COVID-19 lockdown directly determined increases in digitalization of the wine industry through online wine tasting strategies.

Research methods

The study follows the design of an exploratory research, which is willing to investigate research topics at various degrees of depth (Business Research Methodology, 2021). This type of research has been observed as forming the basis and future direction for descriptive research studies, providing a fresh start in determining survey designs, samples sizes and methods of data collection (Singh, 2007). It usually investigates new areas and approaches current problems (Brown, 2006). This type of research can be however critiqued due to the small samples engaged and the implication of secondary data (Voxco, 2022; George, 2021).

Data was collected by involving research techniques of documentary and secondary analysis. Documentary analysis belongs to qualitative research tools and is realized by scanning, analyzing and systematically evaluating available documents (Bowen, 2009). It is aimed at obtaining new meanings, developing relevant understandings and finally achieving empirical results (Corbin and Strauss, 2008) by targeting press releases and advertisements, under printed or digital forms (Bowen, 2009). This technique was combined with secondary data analysis, a technique that engages and reanalyzes already available studies conducted by other researchers (Punch, 2005). It can be considered as being more reliable as it engages academic literature reports, scientific studies, research thesis, and websites informal articles. According to Chivaka (2018),

data of secondary analysis may originate from sources such as statistical official databases, scientific journals, indexed books or technical reports.

As the researcher has no impact, control and has not been involved when data was collected (Bryman, 2014), the reliability of documentary and secondary analysis has to be carefully evaluated. In our study, sources of collecting the data were selected based on sample size and consistency, credibility, topic relatedness and year of publication.

Results and discussions

Market size and incurred revenues

Besides the sanitary damages it created, the COVID-19 pandemic significantly affected economic industries and their relevant activities, including logistics of supply and manufacturing (WHO, 2022). Being defined as a total number of sales or customers a business can register among a year (Melendez, 2019), the market size of the wine industry shows a decline of around $15bill in-between 2019 to 2020.

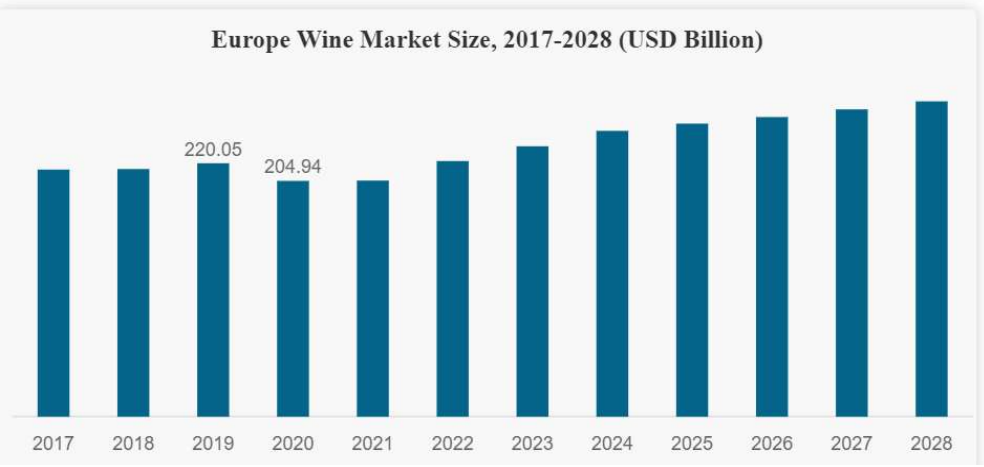


Figure 2. Europe Wine Market size evolution 2017-2028.

Source: Fortune Business Insights, 2022

As a result of the imposed restrictions, distribution channels were impacted and disrupted. Restrictions in mobilities and shuttering of facilities affected the distribution of wine and implicitly affected trade.

As observed in Figure 1, after three years of growth, European wine market encountered a decline, where supply disruptions occurred in 2020. European market size decreased by 6.8% as the continent entered both a sanitary and financial crisis. Macroeconomic performance was affected and the annual harvest was registered to be below average in 2020, despite favorable weather, as it has been reported that producer associations and national governments had to monitor and limit the production processes to mitigate possible damage that occurred upon the wine market.

Results of the international statistics database Eurostat (2021) highlight sparkling wine as being the most affected category out of wine products and validates part of assumptions made by Wittwer and Anderson in 2021, that sparkling wine loses value due to coronavirus and that exporting countries will lose more than importers. In terms of exports, it has been observed significant changes for sparkling wine, due to the decrease in celebrating events and shuttering of

bars and restaurants, the main promoters of prosecco, champagne and cava. It was the first time in a decade when European sparkling wine exports registered a decrease, from $528 mil in 2019 to $292 mil in 2020. (Eurostat, 2021) On the other side, the Organization of Vine and Wine (2021) calls 2020 a 'year of resilience' and shows slight increases in all categories of wine production in the first half of 2020.

The approach of the topic is deepened by looking at European annual revenues fluctuations in-between 2012 to 2025.



Figure 3. Revenue of European wine market 2012-2025

Source: Statista Research Department, 2021

The growing trend pattern witnessed in-between 2012 to 2019 seems to register a throwback starting with 2022, as Statista Research Department forecasts (2021), slightly contradicting Wittwer and Anderson's (2021) 'global beverages model', which suggests wine industry will require years rather than months to get back to normal. Reflecting revenues fluctuations, statistics in Fig.3 show an estimated growth to an annual revenue of $219,5bil.in 2025, a fact which could be argued by the possible lowering restrictions, increased demand, revival of distribution channels which interfere with supply networks improvements. The highlighted forecasts enhance Masset and Weisskopf (2021) view about the similarity in-between the COVID-19 crisis and the 2008 Global Financial Crisis, when, after the general economic collapse, the wine industry managed to rapidly recover and gain investors due to the high demand of that time.

Our first hypothesis ('Restrictions imposed by the COVID-19 pandemic negatively influence the European wine market size and incurred revenues.') is therefore validated by the registered statistics that show decreases in market size and a negative tendency of the wine market performance since the outbreak of the virus until the present time. On the long-term, however, the impact of the pandemic does not seem to be alarming, as forecasts show positive attitudes towards industry revival.

Wine market price changes

At the time of the 2008 Global Financial Crisis prices in the wine industry dropped by 25%, however, they rapidly revived and became competitive, due to the increasing interest for the product offered by the market (Masset and Weisskopf, 2021). In the case of the COVID-19 pandemic, registered statistics show slightly different trends. Available online research regarding the evolution of prices during the current crisis period targets Europe's main producers of wine: Spain, France, Italy and Germany (Directorate-General for Agriculture and Rural Development, 2022). As, in 2020, Europe's main producers of wine were located in Italy (49.1 million hectoliters), France (46.6 million hectoliters), followed by Spain, Germany and Portugal (Statista, 2021), price evolution in such member states were considered relevant enough to approximate price evolution of the whole European market. Statistics conducted by the General Directorate for Agriculture and Rural Development in 2022 witness the evolution of wine prices in-between Aug 2018 to Jan 2022 as follows:

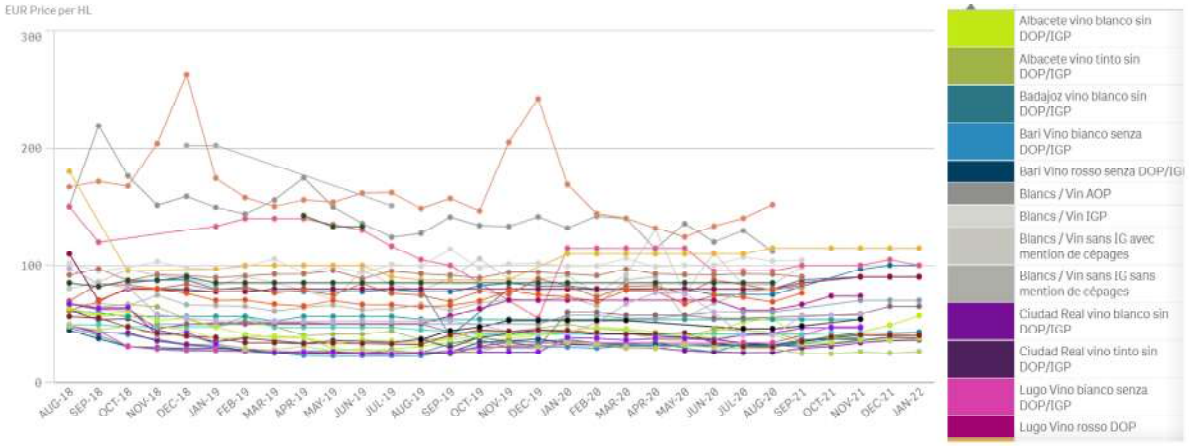


Figure 4. Evolution of EU wine prices in between Aug 2018 to Jan 2022

Source: General Directorate for Agriculture and Rural Development, 2021.

Trends show that, at around the beginning of the sanitary and economic crisis (December 2019), the highest price was listed for wine produced in the region of France, that of Red and Rosé AOP. Wines labelled with 'AOP' are considered the highest quality level of French wine, as abbreviations stand for "Appellation d'Origine Protégée". They refer to strict rules applied within the region of wine production such as permitted grape varieties and viticultural practices (Manning-Wilcox, 2019). From a medical perspective, the high demand for red wines may be also due to the essential antioxidants contained in this category of alcoholic beverage, which can prevent numerous chronic diseases (Snopek, et al., 2018; Castaldo, et al. 2019; Haseeb, Alexander and Baranchuk, 2017).

Therefore, in 2019 Red and Rosé AOP wine was priced at 242EUR/HL, followed by White Wine AOP, produced as well in France, with 141EUR/HL. It seems like, at that time, the trend in pricing was given not only by quality but also by luxury. Due to their prestige in the market, drinking an AOP labelled wine bottle feels sophisticated and expensive. However, being one of the priciest wines on the menu, their reputation for high quality is also assured. (Advanced Mixology, 2021) The rest of wine categories were ranked below the two French leading typologies, such as German wines at 88EUR/HL or Italian wine at 70 EUR/HL.

Changes in prices once the pandemic hit markets show the sharpest decline in expensive wines categories, more precisely in Red and Rosé labelled AOP wines, produced in France. As explained in the literature section, demand is directly influencing prices, while existing customers' preferences in the wine industry can not be characterized as being stable (Masset and Weisskopf, 2021) The occurrence of such a disrupting event of a crisis seems to have made the consumer reconsider the way he organizes expenditures, validating De Goeji et al. (2015) presumptions that, in some cases, budget constraint created by crises may push consumers to focus spending solely on primary goods and keep just the necessary.

However, apart of high prestige categories of wine drinks, prices of the rest of wine beverages seem to remain stable, registering minor fluctuations after 2019. This can be explained by the population's consumption of wine, which, in 2020, slightly decreased in countries such as Spain, Belgium, Romania or France (see Table 1). Yet, consumption in some European countries remained constant or even grew, a fact which supported the stability of price fluctuation during the pandemic.

Table 1: Percentage change in wine consumption by country 2019- 2020, own representation.

European country	Percentage change in wine consumption 2020
Spain	-6.8%
Belgium	-3.7%
Romania	-1.9%
Switzerland	-1.6%
Portugal	-0.6%
France	0%
Germany	0%
Austria	+2.2%
UK	+2.2%
Italy	+7.5%

Source: International Organisation of Vine and Wine (OIV), 2020

Our second hypothesis 'COVID-19 crisis determined changes in the prices of wine products' is therefore partly validated, as notable changes occurred only in the situation of high-prestige and highly-priced wines. The rest of the prices registered insignificant changes or even stagnated, fact reflected also in European demand, with minor changes in percentage of consumption.

Digitalizing wine tasting

The outbreak of Coronavirus caused cancellation of wine tasting events, such as fairs, vintage presentations and wine festivals, which significantly affected the market and its products. As wine tasting rooms represent an important economic factor for the profit registered by many businesses (Bruwer et al., 2013), being even recognized as bringing the highest profit for a winery due to the high margins associated with sales (Bruwer et al., 2011), we considered this aspect as being worth to be analyzed for the European market.

Available data revealed by Statista Research Department (2022) draws attention towards main European wine providers and highlights percentage of wineries in 2021 adopting digitalized structures before vs. during the pandemic.

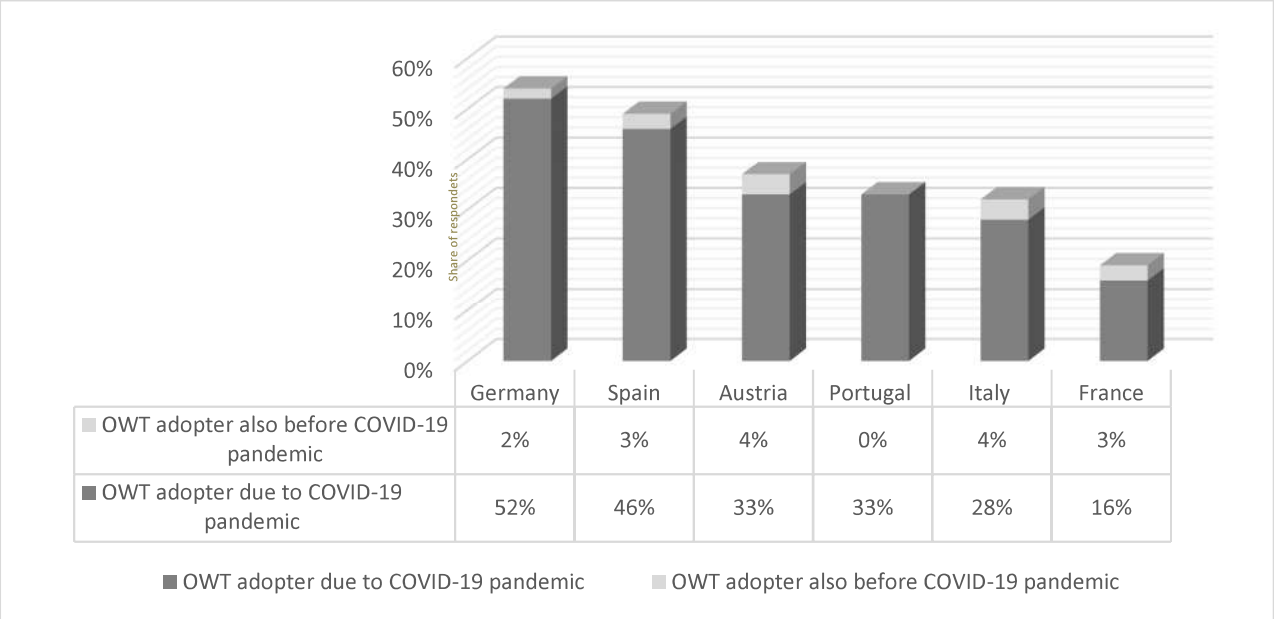


Figure 5. Percentage of European wineries adopting online wine tasting before vs. during COVID-19, January 2021

Source: Author's own representation adapted from Statista Research Department, 2022.

We can however observe several cross-cultural differences among European main wine producers. The hit of the pandemic determined Germany and Spain to offer online wine tasting (OTW) alternatives at a large scale, in percentage of 52% and 46%, respectively. They are followed by Austria, Portugal and Italy with an average of 30%. On the other side, we witness France producers with a lower rate of adoption of OTW, with only 16% of wineries offering online tasting experiences. Barriers that wineries not offering OTW claim to incur are various. In a study conducted by Szolnoki et al. (2021) among 42 countries, wineries firstly invoked concerns regarding *low interest of consumers*, resulting in minimal demand and insufficient participants to host such an event. Research conducted by Statista in 2022 obtained the same primary reason invoked, with half of 1400 wineries surveyed expecting a lack of demand for a shift to the online world of wine tasting. Secondly, wineries claim *not having the necessary capacity* (such as staff size) and time, to provide this type of service (Szolnoki, et al., 2021; Statista, 2021) Additionally, research of Szolnoki (2021) unveils that some producers were just not interested in developing this type of programmes, as they don't match their organizational philosophy.

In the same study developed by Professor Szolnoki et al. (2021), the main drivers for shifting to the online tasting were identified (See Table 2).

Table 2: Main reasons of European main wine provides (by country) for adopting online wine tasting during COVID-19.

European country	Marketing value and brand awareness	Replace cancelled events/winery visits	Acquire new customers	Strengthen customer loyalty	Increase direct sales
Spain	76%	60%	64%	67%	45%
Portugal	59%	65%	47%	53%	65%
France	58%	67%	58%	49%	47%
Germany	59%	76%	78%	70%	64%
Austria	72%	72%	44%	72%	39%
Italy	74%	47%	59%	50%	44%

Source: Szolnoki, et al., 2021

Among the top reasons for providing online experiences was to 'increase value on the market and brand awareness', previous research already identifying this criterion as being a key factor for organizing tasting rooms (Gill et al, 2007; Bruwer, 2013). Additionally, 'replacing cancelled events' was seen as a major opportunity for countries, with German wineries seeing this opportunity in the highest percentage (76%), followed by Austria. This shows producer's high tendency to adopt innovation in order to replace old structures and adapt to the new customer trends, correlating strongly with the EU's Common Agricultural Policy (CAP) to increase competitiveness. Countries' willingness for shifting to digital wine tasting was also motivated by the possibility to acquire new customers, but also keep the old ones by strengthening loyalty. Even though registering lowest percentages, increasing direct sales was also a notable reason for adopting OWT.

Our findings, therefore, reveal differences among European countries for integrating technology to transform the traditional business into modern alternatives. The share of wineries in different countries offering OWT shows that only a part of countries see positive economic increases in such events, having the availability and trust towards technology. Germany, Spain and Portugal are the leading regions that see OWT as an alternative to attract new customers, increase market value and company's image. This is not surprising to find out, as Germany sets out a goal to become a leading country in digitalization growth (Althaus, 2019) and is a continous adopter of innovation. Even though shifting to online tasting can result in cheap geographic expansion in terms of customer base, our last hypothesis stating that the 'COVID-19 lockdown directly determines increases in digitalization of the wine industry through online wine tasting strategies' is just partly validated, as only wineries located in regions of Germany and Spain surpass 50% in shifting to online tasting experiences.

Conclusions and Recommendations

Our study highlights transformations in the wine industry affected by the ongoing pandemic in the European region. It is clear that, after years of constant growth, the wine market in the continent overcame the pandemic period with a mild descent. In the hypothesis that the pandemic has caused impact towards the wine industry, we looked at market size and revenues, price evolution and technology adoption. We observed a negative impact upon size and revenues incurred, as the COVID-19 kicked in, which decreased in the European market. On the other side, the majority of prices slightly fell or even stagnated, but regarding the highly-priced wine products it was registered a break down. Budgetary constraints and consumers' tendency towards primary goods were invoked as being a possible influencing factor for the decline. The main method that

contributed to the survival of most businesses was digitalization as it's the only solution of connecting people in different places in the context of social distancing restrictions. Implications of technology were illustrated by looking at online wine-tasting alternatives, which are able to replace the traditional wine tasting rooms. However, not all countries embraced such strategies, claiming no interest coming from the consumer or no possibility to organize such events. Surprisingly, when looking at Europe's main wine producers, France was registered to have the lowest percentage of wineries adopting online wine tasting tools, despite its high prestige in the market but also sharp decline in AOP wine prices.

The research intended to provide a comprehensive framework of the current state of European wine industry under the COVID-19 outbreak, by emphasizing on region's main wine producers. The paper additionally provided literature review upon history of wines, wine policies, roles and benefits brought by the industry, so that the importance of the industry is well understood. By bringing on changes incurred by the market, future initiatives are proposed. Firstly, being the agricultural policy issued by the EU, the CAP policy suggests strong support concentrated around sustainability issues. The policy, mentioned at the beginning of the paper, encourages wineries to develop eco-viticulture, better preserved landscapes and manage climate change. We therefore consider an opportunity for wineries to increase competition by focusing on developing sustainable businesses and maintain their positions of leaders that create trends, markets, and prices. Secondly, digitalized structures are able to increase business performance under crisis, gain new market shares and implicitly improve sales. We, therefore, encourage wineries to integrate technology in their business models and shift traditional wine tasting rooms to online platforms, by following Germany as a leader in technology adoption and innovation. Thirdly, as the demand for highly-priced wine bottles collapsed, it is clear that home consumption could not compensate for luxurious products consumed in restaurants and pubs, whose activity got suspended. It is, therefore, a critical point for wineries to reevaluate business models and targeted consumer segments. We suggest adopting modernized structures in all business departments, including marketing and sales. Firms may adopt new strategies to reattract clients' interest for prestigious categories of products, by investing in new marketing campaigns and determine consumers rediscover the culture of luxurious tastes, making it 'worth it'. On the other side, focusing on the most profitable segments, that of low to medium income individuals, could mean switching production towards less prestigious wine categories and decrease prices, however maintaining demand.

The paper, therefore, approaches a current and relevant research topic, by engaging documentary and secondary data analysis techniques. However, for a deeper understanding of the problem proposed, we suggest further quantitative analysis, which could offer a detailed cause-effect relationship and a stronger examination of the subject. Multiple sources of data collection are recommended for a researcher to improve convergence and validation of a study, a minimum of two being suggested, that includes both primary and secondary data sources (Yin, 1994). However, in the context of the ongoing pandemic of COVID-19, data collection has become a sensitive process to conduct, as both individuals and organizations are harder to reach. This is mentioned as, for the topic proposed, the paper would have normally collected data through primary research methods, such as interviews. However, considering that our analysis was concentrated around a large territory and due to the current unstable situation, the study proposes a slightly different approach upon the topic, as it gathered and finally contrasted information based on the collection of already existent data. By engaging two well-known research techniques, that of documentary analysis and secondary data analysis, relevant information was collected and interpreted for the two proposed topic.

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