

Five-year-old online wine wholesaler collapses but business finds new home with well-known brand

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Online wine wholesale company Wine Growers Direct Australia has collapsed into administration, but the business has found a new home under the successful Crackawines.com.au brand.

Pitcher Partners' Andrew Yeo, who was appointed administrator to the company yesterday alongside Gess Michael Rambaldi, confirmed [the company founded by Andrew Dal Broi in 2009](#) has entered administration.

Six months prior, the Wine Growers Direct online business was purchased by The Wine Guys, a business owned by the Cracka Wine Company.

The website is now operating successfully, as a separate entity from the collapsed company.

Wine Growers Direct Australia had previously been ranked as a *BRW* Fast Starter company in 2011, when it had a turnover of \$3 million.

The company has not been trading since April, when it sold all of its assets to The Wine Guys.

Yeo told *SmartCompany* while it was too early to discern who the major creditors of the company are and what exact figures are owed, he could confirm there is a debt owing to the Australian Tax Office.

He says the amount the company received for the sale of the business was not sufficient to pay its debts.

The first meeting of creditors is on September 26 in Melbourne.

Dean Taylor, chief executive officer at Cracka Wine Company, told *SmartCompany* the Wine Growers Direct business has found a new home under the Cracka umbrella and has been profitable for the company "since day one".

Taylor says Cracka had been eyeing off Wine Growers Direct Australia as a competitor for some time, and believed Cracka had the corporate overheads and positioning to turn the business' fortunes around.

"The business fundamentals were very good. It was unfortunate it had been poorly managed," says Taylor.

Taylor says they have not "lost one customer" during the takeover and have even reinvigorated the business's old customer databases.

He says Cracka picked up the business to add a value-based, lower price point arm to complement Cracka's already diverse offering.

"The Cracka brand covers a really broad market. We have wines from \$5 to \$5000," says Taylor.

He says Wine Growers Direct is now on a path to sustainable growth and he has "high hopes for the future".

"We will be overlaying the same formula that has worked for Cracka," he says, referring to the digital marketing, customer engagement and corporate partnerships that the brand has found success with.

Taylor revealed Cracka will be looking at more acquisition targets in the future, specifically pure-play online retailers that focus on niche markets.