

Foster's to use net to beat wine glut

LIQUOR giant Foster's is embracing internet wine sales as the domestic wine sector continues to struggle with excess supply.

The company is one of more than 30 premium producers to sign up with [Cracka Wines](#), an [online wine auctioneer](#) that is hoping to fill the gap in the market between the discount-focused Grays Online and the Woolworths-owned collectable vintage wine purveyor Langton's.

"The market between \$10 and \$25 a bottle has been largely missed by the existing wine auctioneers," said Cracka managing director Dean Taylor, who is also founder of wine storage group Wine Ark.

Mr Taylor, who has teamed up with carsales.com.au chief operating officer Shane Pettiona and wine writer Angus Hughson, said the [auction](#) site was a means for winemakers to sell their wine over the internet without having to set up their own transactional portal.

"We're trying to provide an additional sales channel for [wineries](#), who are being squeezed between the wine glut and the dominance of Coles and Woolworths," Mr Taylor said.

The site, which will hold its first [auction](#) on September 27, uses an innovative "Dutch clock" system, whereby the bid starts at the recommended retail price and then falls as time passes.

Buyers can lock in a purchase at any time, with the risk that if they allow the price to fall too far there might not be any wine left to buy.

In contrast to conventional [online auctions](#) that require bidders to vie for individual lots, the Dutch clock system allows for multiple items to be sold at the same time, with no risk of a bidder being outbid in the closing seconds.

"Most people expect to get at least 20 per cent off RRP for buying a case from a retailer, and this gives you the opportunity to get more than that -- at between 30 and 40 per cent off is where people really start to move into the market, and we expect that by the time we reach 45 per cent off, all the wine will be sold," Mr Taylor said.

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<http://www.theaustralian.com.au/business/fosters-to-use-net-to-beat-wine-glut/story-e6frg8zx-1225926448105>