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Online Liquor Group Merges With The Wine Society

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Cracka Wines, The Wine Society, My Wine Guy and Winegrowers Direct have merged to form a direct-to-consumer digitally focused business model.



Liquor retailers Online Liquor Group – consisting of [Cracka Wines](#), [My Wine Guy](#) and [Winegrowers Direct](#) – and [The Wine Society](#) and are in a strong position to become the sector’s number one independent online trader after announcing its major merger this week.

The consolidation between Online Liquor Group and Australia’s first wine club, The Wine Society, owned by TWS Wholesale with, will combine a traditional direct-to-consumer business model with an innovative digital business.

Over 400,000 wine lovers will be brought together through the merger. The Wine Society has a loyal following of long-term members who buy higher-value products regularly, while Cracka Wines has a dynamic, younger audience seeking out wines not readily available from other retailers.

“Cracka Wines had planned to be the first company in Australia to complete a [crowd-funded capital-raising project](#) but instead saw the merit in joining forces with The Wine Society. Cracka has invested heavily in technology to drive a direct-to-consumer model and has grown revenues rapidly since its formation only seven years ago,” says Dean Taylor, CEO and founder of Cracka Wines.

It was this focus on technology and a platform for growth that inspired the merger, according to The Wine Society’s new chief executive, Lloyd Heinrich, who will lead the merged business together with Taylor, as joint CEO.

The Wine Society, Australia’s first wine club, has been an integral part of the local liquor market for more than 70 years, pioneering monthly wine plans and exclusive wine selections for its members. Heinrich says he has been focused on rebuilding the industry stalwart by improving its digital capability and offering a vastly improved range of wines.

“This merger puts our group in pole position to lead the expected consolidation in the online liquor industry and be a serious contender for the number one independent within the sector. It’s a very exciting time,” says Heinrich.

“With total revenue of \$400.5 million in 2016–17, online sales represent just 4 percent of the overall liquor market in Australia. Online is the fastest-growing channel in Australian retail and with our combined credentials, we’ll be a significant player in this space with the expertise to grow quickly.”

Taylor says he’s enthusiastic about the merger, saying he is thrilled about the future opportunities it presents, including the critical mass it creates. “The Wine Society is one of Australia’s most respected and trusted wine brands. It has been instrumental in introducing tens of thousands of people to the world of wine. The merger will see us provide a broader based network of members to our suppliers and a far superior product range to our members.”

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