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Fine wine merchants face mounting pressure to replace instinct with data

Liv-ex says sharper use of market intelligence and AI can curb costly mistakes as price swings raise the stakes

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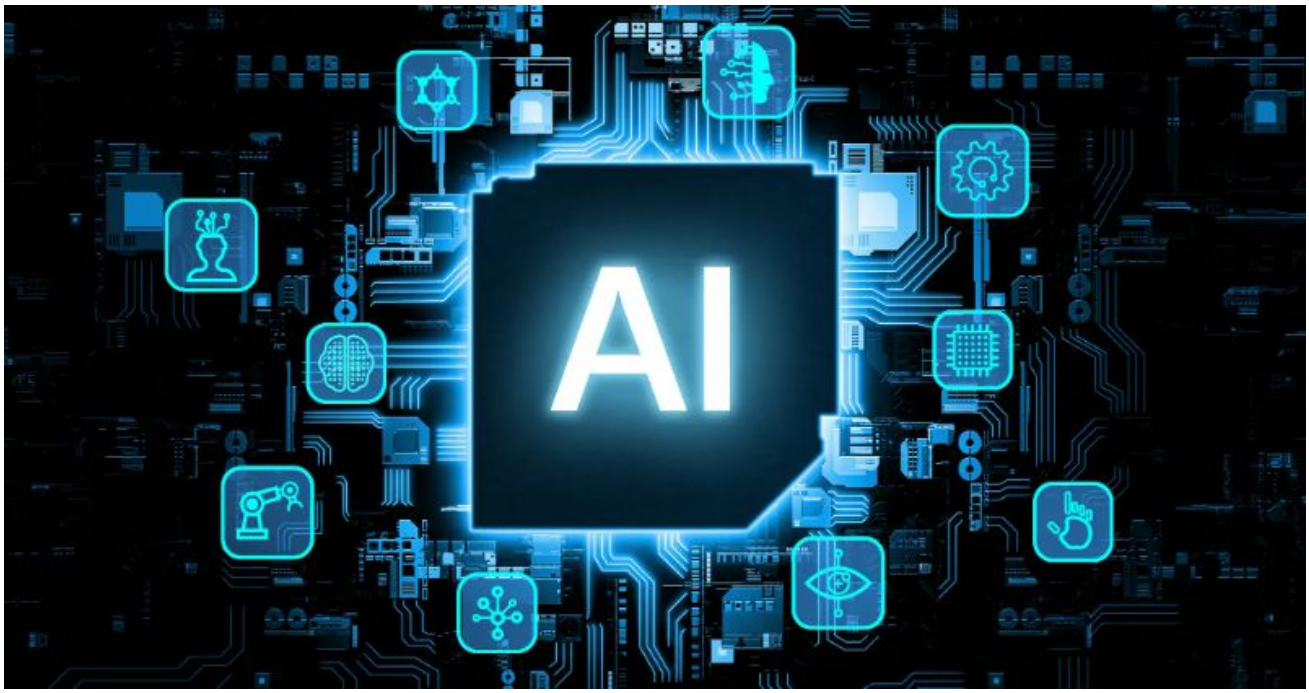

Fine wine merchants are under growing pressure to rely less on instinct and more on data as price swings, stock risks and shifting demand make mistakes more costly, according to Tom Burchfield, head of decision intelligence at Liv-ex.

In comments published Monday by The Drinks Business, Burchfield said the fine wine trade is entering a period in which success will depend not only on relationships and experience, but also on the ability to turn large volumes of information into practical

decisions on buying, selling and inventory management. He argued that the industry now has far more data than it did 25 years ago, when available information was limited and far less dynamic.

Today, he said, the challenge is no longer simply access to information. It is deciding which data can be trusted and how to interpret it. He said the spread of internet-based information, data feeds and APIs has created an “almost overwhelming” volume of material for merchants and traders to process. At the same time, he said, artificial intelligence is improving the industry’s ability to make that information understandable and useful.

Burchfield’s own title change at Liv-ex, from head of market intelligence to head of decision intelligence, reflects that shift. He said the move does not mean stepping away from market analysis. Instead, it signals a stronger focus on tailoring relevant intelligence to different users across the company’s customer base. What matters to one merchant or buyer may not be equally useful to another, he said, and the goal is to help clients make more profitable decisions more efficiently.

His remarks come at a time when parts of the fine wine market are still adjusting after a weaker period that began in 2022. Burchfield pointed to late 2022 through mid-2023 as an example of why timely market data matters. Demand had started to weaken earlier in 2022 and prices were beginning to soften, he said. In that environment, businesses with clear visibility into market conditions could reduce risk by cutting purchases, limiting exposure to campaigns such as Bordeaux en primeur 2022, liquidating positions where margins could still be protected and reconsidering large investments.

Without that information, he said, companies could have made very different decisions with potentially damaging results. He added that if the market is now showing signs of recovery, the same logic applies in reverse, with some merchants trying to buy during lower points in the cycle.

Burchfield said fine wine has been slower than some other sectors to adopt data-led decision-making. He attributed that partly to the market’s slower rhythm, shaped by annual harvests and release schedules, and partly to the fact that buying behavior is

influenced not only by commercial logic but also by collectors and investors. Some collectors still buy wines because they want them rather than because the numbers support the purchase, he said.

Even so, he argued that business adoption has now reached a more advanced stage. Third-party pricing data, stock availability figures and critics' scores are increasingly central to both strategic planning and day-to-day decisions at many fine wine companies, he said.

The risks for businesses that fail to adapt are broad, in his view. He said unreliable or outdated information can lead companies to sell too cheaply, buy too expensively, move the wrong stock, sell good stock at the wrong moment or give customers poor advice. Those errors may look small one by one, but over a year they can materially affect margins and profitability.

That argument has wider implications across the beverage sector as wine merchants, distributors and other drinks businesses face greater pressure to improve transparency and efficiency in trading. A stronger use of data and AI could help reduce pricing mistakes, improve stock decisions and sharpen timing in negotiations, especially in markets where values can move quickly and inventories tie up capital.

Liv-ex is positioning itself around that shift. Burchfield said trade remains fundamental because transactions generate the underlying data. But he also noted that activity conducted on Liv-ex may represent only about 5% of a member's turnover. For the company, that leaves room to support decisions across the other 95% of a merchant's business by using its transaction database more broadly.

He said Liv-ex wants to present all the information a fine wine merchant needs in a personalized format that fits daily work routines. The company is also working with customers on AI-driven tools intended to make key parts of their jobs easier. According to Burchfield, those efforts include expanding the breadth and frequency of mid-price data, increasing the number of public lists collected and building out supply-and-demand trend analysis.

The broader message from his comments is that fine wine trading is becoming less tolerant of guesswork. In a market where margins can be thin and timing matters, access to reliable information is increasingly being treated not as an advantage for a few sophisticated players but as a basic requirement for doing business well.