

Naked Wines Offers Members Up To 60% Lower Prices On Wines – CEO Nick Devlin Explains The Industry Disrupting Business Model That Makes That Possible

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This month, **Naked Wines** (OTCMKTS: NWINF) CEO Nick Devlin sat down with Benzinga’s Jordan Robertson to discuss Naked Wines’ unique business model that brings consumers closer to the winemakers producing their favorite bottles and how that business model is disrupting the wine industry. Here are some of the key takeaways from the interview.

How The Naked Wines Business Model Benefits Customers

Naked Wines operates on a kind of membership model. Customers—referred to as Angel investors (or simply “Angels”)—deposit \$40 into their Naked Wines account each month that they can then put toward buying wines that are shipped directly to their homes. This is, in Devlin’s words, “the world’s largest purely online direct-to-consumer wine company.”

In addition to offering a purely online option for buying wines to its members, those monthly deposits from Angels help Naked Wines provide the upfront funding independent winemakers need so that they can concentrate solely on making wine.

“We connect over 900,000 members, including over 300,000 here in the states with 250 passionate, talented independent winemakers,” Devlin told Benzinga. Angels can follow their favorite winemakers on the platform, leave feedback, and rate the wines they buy.

The direct partnership with independent winemakers allows Naked Wines to sell to members at a significantly lower cost than consumers would see for a comparable bottle at a store.

“When you buy a bottle of wine at your local liquor store, that’s the third time that wine has been sold. As a consequence, Americans pay more for wine than consumers anywhere else on earth,” Devlin said. Distributors buy wine from the producer, then sell it to liquor stores at a markup to generate a profit. Those stores, in turn, sell the wine to you at an additional markup. By the time you’re buying that bottle, the price tag will be at least double the amount the producer was paid.

“At Naked Wines, we flip all of that and change it completely,” Devlin told Benzinga. “We connect you directly to talented independent winemakers. We cut out all of those middlemen. We get out

of the way and the result is you get amazing quality wine. You know the person who made it. You get all of that at a much better value.”

By partnering with wine producers and then selling directly to consumers, Naked Wines cuts down on the number of times a bottle is sold before it reaches the consumer. “When you take out a bunch of intermediaries, in terms of distributors, you also touch the product less and it’s a more efficient system all around,” Devlin said. “On average, our members receive between a 30% and 50% discount compared to the price of comparable quality products in their local liquor store.”



How The Naked Wines Business Model Benefits Winemakers

The wine industry today is heavily consolidated, making it a tough one for small, independent producers. In the United States alone, there are 11,300 wine producers nationwide as of 2021, but just the top three account for 57% of domestic-produced wine sales by volume. When you move to the distribution side, that bottleneck continues with the top three wine distributors accounting for about 65% of revenues.

That consolidation makes it tough to compete for the grapes winemakers need to make great wines and the retail shelf space they need to sell them, especially if they don’t have the resources to invest in bottling, distributing, and marketing at scale.

That’s where Naked Wines comes in. “We help our winemakers in a number of different ways. We provide them with the financial support and security to enable them to put in place long-term

contracts, get access to the best fruit, make the best wine possible,” Devlin explained. The online wine company also handles much of the logistics for its winemakers, including bottling and sales.

Independent winemakers get the upfront capital they need to make great wines as well as the logistical support to bottle and sell them. Consumers get access to a wider variety of high-quality wines that might not have been possible in the traditional distribution model – at a fraction of the price.

What’s Next For Naked Wines?

Lately, Devlin said the company has been focused on expanding its range of wines, especially at higher price points where Naked Wines has noticed a lot of change in terms of how consumers buy those special occasion wines. “We launched a series of luxury wines from amazing winemakers: people like Rudy von Strasser, who was one of the founding fathers of the Diamond Mountain AVA [American Viticultural Area] in Napa and Dan Baron, the former head winemaker at Silver Oak to give our members access to an even broader range of choices,” Devlin said.

Going into next year, Naked Wines plans to launch even more new products while also working on getting its story out and building its member base.

Right now, investors can get their first six-pack of wine for just \$39.99 including shipping by using [this voucher](#) for \$100 off.

Powered by the belief that great wine should be an everyday pleasure and not a privilege, Naked gives talented, world-class winemakers the creative and financial freedom to make wines that inspire – supported by a community of passionate wine drinkers. Naked’s customers, known as Angels, fund exclusive collaborations with over 180 worldwide independent winemakers like Daryl Groom (former; Penfolds Grange) Daniel Baron (former: Silver Oak) and Camille Benitah (former: Merus) and Jean Philippe Moulin (former: Rothschild). A virtuous circle is created where everyone is better off; customers get better wines for their money; and winemakers can focus their time in the winery, not on distribution and sales.

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