

WINE SPIES

SMALL PRODUCERS FIND A LIFELINE DURING THE PANDEMIC IN FLASH SALE SITE

Spring was on the horizon, and the tasting rooms were buckling down for a huge influx of summer traffic. Then the pandemic hit.

Napa relies on nearly 4 million visitors coming each year. Those tourists spend more than \$2 billion, much of that on wine purchases direct from the wineries they visit. That momentum came to a screeching halt mid-March as the coronavirus lockdown went into full effect. With restaurants shut down and tasting rooms closed, small wineries in Napa and Sonoma became desperate to keep the cash flowing and business operating. A massive shift from in-person to remote sales began as wineries leveraged their mailing lists, telemarketing, and website sales to keep the wine flowing. But there are potential growth limitations when working solely with an organic customer and club member list.

Enter Wine Spies. The Santa Rosa-based company has been in business for 13 years and has forged strong relationships with hundreds of local wineries. Each day Wine Spies sends a discounted wine offer to tens of thousands of wine lovers across the country that tells a story about that day's featured wine and the story about people behind it.

One of their longest-running partners is Ty Caton, a producer of premium Cabernet from the Moon Mountain District. "During the pandemic as traditional models of reaching customers have evolved, we've relied on our 12+ year relationship with The Wine Spies' platform as a partner to get the word out and help us sell wine. They've been an integral partner and team player for our survival and success during this time," Caton said.

Veterans and newcomers alike have seen great success as demonstrated by Beekeeper Cellars, a hip, ultra-premium



Photo courtesy of Wine Spies

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**—Ian Blackburn,
Beekeeper Cellars**

producer of single-vineyard Zinfandel in Sonoma. They ran their first offer in late April. Their highly sought-after Zinfandel that usually retails for \$75 sold out in a matter of hours after Wine Spies offered it as their featured wine. Owner Ian Blackburn couldn't be happier with the results. "We were 100% on-premise, meaning all our business was terminated at the start of the pandemic. Wine Spies, who does an amazing job of telling the story of the brand, was a great solution. We sold more wine with Wine Spies in a single day than we sold at 200 top restaurant accounts in the past year. They really do find a number of great smaller producers and push forward an amazing value proposition," Blackburn said.

When flash wine sites became popular nearly a decade ago, a common objection from wineries was that it erodes their pricing perception. Robert Rex, Winemaker and owner at Deerfield Ranch Winery, offered insight into that concept. "We weren't sure at first if it was a good idea because we are 90% DTC with a good wine club and figured online flash sales might upset our club members. In the early years, we wouldn't send the announcement to our club. Now we do. It works like a champ," Rex said.

This abrupt shift toward e-commerce is a welcome advancement that has been years in the making in the wine industry, which has traditionally lagged in terms of direct-to-consumer sales. Jason Seeber, Wine Spies Founder and Owner said, "Now is the time to jump in with both feet and use the various channels out there to get wine into consumer's hands."

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