



## Q & A for Winery / Retail Clients

Q: What is VinDelivery?

A: VinDelivery is a DTC wine delivery company designed to serve your client. Wine delivery has remained largely unchanged in the past three decades and the companies that deliver the vast majority of packages to consumers are designed to serve their supplier, not the consumer. Consumers don't benefit from economies of scale, consolidation, scheduling or the critical care one would expect when delivering wine.

Q: How is VinDelivery different from the common carriers like UPS, FedEx and GSO?

A: VinDelivery is a hospitality company that exclusively transports wine. All our trucks are refrigerated so your client's wine maintains a constant temperature from your winery to their cellar. We include insurance on all transported wine for no additional cost. As a winery, consider too, your restaurant customers usually benefit from refrigerated truck delivery....why not serve your club/list members in a similar way...after all, margins are far better there!

Q: What are your delivery days/hours?

A: We designed our delivery schedule to meet our client's busy schedules. As such, are regular delivery hours are from 4:00 pm – 10:00 pm, 7 days per week. The common carriers only deliver 78% of packages on the first attempt which adds additional stress, transit and temperature exposure to your wine...not to mention a wine club manager's time contacting the client to be sure they get their wine, or re-routing to an alternative address.

Q: When will the wine be delivered?

A: We deliver to all Bay Area markets each week. When it comes to wine deliveries, customers value their time more than a 1 or 2-day delivery window. Many industry leaders suggest speed is paramount, but our data supports the idea that *convenience* for a client is a higher priority than speed when it comes to their wine deliveries. Currently 38% of clients have their wine sent to their office or alternative delivery location. They do so out of necessity not desire...at VinDelivery, we don't want your customer to wait on a delivery or lift any heavy wine boxes.

Q: How is the client experience different?

A: Our client experience team contacts your member the evening before the scheduled delivery date to notify them of the expected delivery time and confirm their mobile number. Our delivery tracking system sends a text to your member with an expected eta...usually 10-30 minutes prior to arrival. They can then click the link to track the driver, in real time, to ensure they are available for the delivery. If they are running late from a child's soccer game, a meeting, or on a conference call, they may call or text the driver directly to let them know or ask the driver to circle back in 30 – 60 minutes.

Q: Are there other client benefits?

A: We're glad you asked! Yes, you no longer need to pack the wine in the bulky and non-recyclable foam or use excessive cardboard. A simple wine carrier works well for our deliveries. All wine packages are moved and carried by hand, not conveyor belt and securely positioned in our vehicles before being handed to clients. If you prefer your proprietary packaging, that's fine. We will simply retrieve the excess packaging from your client and take to recycling center so they don't get frustrated breaking boxes down.

Q: This higher level of service must be more expensive right?

A: We have designed our pricing structure to be consistent with traditional shipping costs. The minimum cost is \$25 for 1-12 bottles. Additional cases are \$18 per case.

Q: But I like the systems I have...do I have to change everything to use VinDelivery?

A: At this time, VinDelivery's service area is focused on the Bay Area, so you will keep your current fulfillment solution for your other orders. According to a DTC industry report, CA is the #1 recipient state by volume of DTC shipments at 31% of the national total...more than TX, IL, NY, VA, GA and FL combined which account for 29% of the national total.

Q: We already offer shipping incentives which our customers respond well to. How would VinDelivery be any different?

A: We all know that \$1 shipping, shipping included or discounted 2-day has been a very successful tool to drive wine sales throughout the year. Wineries and retailers do it so frequently that your customers almost come to expect it. Discounted shipping is the *highest level of service* you can offer your customer for what is often an unpleasant delivery experience. By using VinDelivery, you offer your customers a delivery experience, unmatched in quality and differentiate your company from the competition.

Q: Do you have any additional data or insights to share with us?

A: Wine Clubs using VinDelivery to service their Bay Area clients sold 25% more re-orders on club shipments than those using the traditional carriers. Overall customer purchases were up 40% over wineries not using VinDelivery in the same time period.

Continued...Think of how many visitors don't join your club or list because delivery is a pain point for them. Think too, when it comes time for clients to cut back on their wine club and allocation lists...the winery that uses VinDelivery will most certainly take priority over those that do not.

Q: We only have two releases per year and it's not that warm when we ship so how can VinDelivery help us?

A: Release schedules in large part are driven as a function of distribution systems and when wine can be delivered to customers. Winery sales volume drops as much as 30% in June, July and August. Imagine sending a summer offer out for Rosé, Chardonnay or Sauvignon Blanc...offering that the wine will be cooled to appropriate temperature for drinking upon arrival for their party on Saturday or Sunday... Do you think that's something your members would be interested in?

Q: We have never executed geo-based marketing to our members or customer list, how might this be effective?

A: California clients buy 3x more wine than TX clients and 5x more than NY clients. Using VinDelivery Bay Area clients will have an exceptional delivery experience and buy more wine! Our team will work with you to develop and optimize your marketing strategies effectively.

Q: Sales are up, our club/allocation is maxed out...why should we make any changes?

A: That is awesome and you should be proud of your winemaking and hospitality teams! To Us it's simple.... you can be like everyone else or you can always strive for excellence!

One more interesting statistic to take away from this all...

*According to Business Insider...Between 2013 and 2018, online grocery sales will grow at a compound annual growth rate (CAGR) of 21.1%, reaching nearly \$18 billion by the end of the forecast period. For comparison, offline grocery sales will rise by 3.1% annually during the same period.*

--What is driving that growth?

New startups that focus on concierge shopping are innovating on the online grocery model and offering services that really are differentiated from traditional supermarket shopping.

Only recently have grocery stores taken advantage of new delivery strategies and wineries have made almost no changes to their delivery methods. Do you want to be the winery that passed on offering VinDelivery to your customers or the winery that rides the wave to continued success?

## Delivering Consumer Choice: How Delivery Can Impact Ecommerce Success

By Daniel Hunter

Posted in E-Commerce on 12 November 2015

Today's consumers expect online retailers to provide more convenient and more personalized delivery options to accommodate their busy lifestyle needs. According to a new study by Research Now on behalf of MetaPack, consumers will not hesitate to abandon an online purchase if the delivery option they want is not available.

Two-thirds of the 3,000 adults surveyed (66%) confirm they've bought goods from one retailer in preference to another because the delivery options on offer were more appealing – with 49% saying they'd been happy to pay more for a better or more convenient delivery option.