



**KDM Global Partners**

*News You Can Use - XXXVIII*



*Introducing*  
**Black Elk (Travitana) Cava.**  
An Exciting and Successful  
Sparkler is Born

*Black Elk* is thrilled to introduce the launch of the fifth entry to its line of Spanish wines, a Cava sparkling.

And - like the other four *Black Elk* varietal wines - *Black Elk* (Travitana) Cava is already an award winner, having received a 97 rating!

Sparkling wines is an extremely hot category and our Cava will not disappoint – stylistically and with its retail shelf price, which will land at around \$11.99.

Read *Black Elk* (Travitana) Cava winemakers' notes here: [<https://bit.ly/2vDNLzM>].

Distribution information or where to buy *Black Elk* Cava: <http://www.blackelkwine.com/contact/>.



Check out the *Black Elk* label packaging ... and new *Black Elk* Web site: [www.BlackElkWine.com](http://www.BlackElkWine.com)

## Will Legalized Weed Impact Wine Sales?



In 1995, a really impressive bottle of Napa Cabernet costs around \$15, the Fed Funds rate was 8.5% and marijuana possession was a Schedule I substance under the Controlled Substance Act of 1970 – and prosecuted as such, along with LSD. The following year – late in 1996, California became the first state to allow the legal use of medical marijuana.

Since that time, wine sales in the US have experienced 20+ years of growth, even with medical marijuana coming on the scene.

And, as everyone now knows, California has now opened the floodgates to recreational marijuana use. What will this mean for California wine sales, now that the masses are able to choose their own available *go-to* buzz?

This topic has been gathering steam since Washington and Colorado first legalized recreational weed in 2012 – and with other jurisdictions considering following suit.

A recent research conclusion is that *'Marijuana and Alcohol and strong substitutes [for each other]...Counties located in medical marijuana states reduced monthly alcohol sales by 13%, which is a consistent finding across several empirical specifications....When disaggregating by beer and wine it is found that legalization of medical marijuana had a negative effect on corresponding sales by as much as 12-14%, respectively.'* By "strong substitutes," it is inferred that marijuana and alcohol users are largely ambivalent about the choice between the two.

Considering the high estimate of weed users in the US of just over 50 million people, 22% of 230 million wine consumers *could* be consumers of both, only if all pot smokers were wine drinkers. So 14% impact seems a little heavy, right? Especially considering many were using weed before it was legal and arguably would not alter this behavior post-legalization. Those who consumed wine would also still enjoy wine.



## *Bay Bros. Red Wine Blend:* An Introduction.

The market success of sweeter California red wine blends has not gone unnoticed by KDM Global Partners' winemakers.

KDM will be introducing its **Bay Bros. Red Wine Blend** in early September. Bottled in Napa, **Bay Bros.** will have a shelf price of around \$8.99. 'Big bank-for-the-buck! [www.Bay-Bros.com](http://www.Bay-Bros.com).

The paths of California-based brands such as *Apothic* and *Ménage a Trois* have catapulted the red table wine category into *front-and-center* status among consumers – and retail stores. These wines continue to have strong, widespread appeal – particularly among younger wine drinkers. Wines with softer tannins and that are more fruit-driven sell well, plain and simple.

Sweeter red wines are broadly seen as a way to transition younger consumers from soft drinks, beer or cocktails into the world of wine. Sweet reds also have a separate audience of older drinkers who have always favored sweet wines, but marketers see a special opportunity with younger consumers. Sweet reds are mainly



resonating with entry-level wine consumers, as well as a core audience of long-time sweet drink fans.

Red blends are particularly appealing to Millennials as they not only have the fruit-forward flavor profile, but also an affordable price point and current relevance. It is also a great category for consumers who don't want to drink a dry or tannic wine such as a Cabernet Sauvignon.

**More information:** [www.Bay-Bros.com](http://www.Bay-Bros.com) - or - [Info@Bay-Bros.com](mailto:Info@Bay-Bros.com)

## **Boosting Online Sales for Private Label Wine Brands -Best Practices-**

For generations now, wine distribution and sales in the US has been a very closely-held "Three Tier" system, mandated by the 21<sup>st</sup> Amendment.

That is, wine is only sold by a licensed retail wine store or licensed retail-licensed restaurant; and that retail licensee could only purchase its wine from a state-licensed wine wholesaler/distributor. So there are two levels of margin earned in between a winery/producer and the consumer. And each of the 50 states has passed its own rules governing sale and taxation of alcoholic beverages.

Alternative methods - designed to provide greater ease to market for greater numbers of wines - were not available.

Until recently.

KDM Global Partners, a wine producer with a core niche of creating and building private label wines for a national clientele of retail chains, hotel/resorts, restaurants and other wine brand owners has added a unique wine program involving *Direct-to-Consumer* ("DTC") sales and fulfillment - greatly enhancing its brand clients' ability to generate enhanced sales numbers, beyond traditional bricks-n-mortar locations.

KDM's program involves a single-stop solution for all clients - regardless of whether the client has wine licenses beyond its own state - or even no licenses at all.

KDM's PL Wine Program involves (i) Wine Production and Bottling; (ii) Warehousing; (iii) E-Commerce Sales and Integration Through the Client's Own Web Catalogue Environment; (iv) Drop-Ship Fulfillment to Consumers; and (v) Regulatory Compliance and Back-Office Program Monthly Accounting.

DTC wine sales are booming and now, the sales opportunity is a compelling aspect of all merchandising and growth plans nationally. [insert KDM DTC



link]. E-commerce wine sales increased close to 20% per year.

But once DTC sales are enabled, how to enhance them?

To build an online customer base, successful e-commerce retailers suggest that an online shop first incentivize in-store clients to provide email addresses....maybe sign up for a newsletter via store discounts, a loyalty program or access to exclusive bottle purchasing opportunities. Store signup is an effective tool and once the email address is acquired, the customer is part of the shop's database for tracking purchases, helping the customer to remember favorite bottles, appellations, brands and the like - also enabling the store to make recommendations.

Online sellers can also broaden customer reach by listing themselves at wine search engines such as Wine-Searcher or using other Search Engine Optimization (SEO) tools.

While social media does not typically boost sales directly, having an online social media presence absolutely builds brand awareness.

Many wine brands do not originate in traditional wine shops but are, rather, solely Web creations. Some are products of existing databases of charitable organizations, niche communities, politically active groups, entertainment fan clubs, merchandising powerhouses....the list is endless. Suffice to say that, once a brand has "access to eyeballs and dollars," a profitable wine brand can be build around this group - and it can prosper!

As e-commerce continues to trend higher and younger consumers make up the wine-buying population's majority, retailers will make plans to embrace and optimize online wine sales - whether it is their sole *go-to-market* strategy or part of a multi-channel/omni-channel sales presence.

'Want to learn more? [Info@KDMGlobalPartners.com](mailto:Info@KDMGlobalPartners.com).



***About KDM.*** KDM Global Partners, LLC is a wine producer and importer whose core business is creating and building new wine brands for a clientele of retail chains, restaurants, hotel/resorts, corporations, meetings/events - and other wine brand owners.

With wine-making capabilities throughout the world's premier viticulture regions, KDM's turnkey brand-building capabilities are unparalleled: packaging design, regulatory approvals, warehousing and distribution (to all 50 states and overseas)...all varietals, price points and lower case minimums, too.

The world of wine production, distribution and sales is evolving quickly, creating compelling new opportunities for businesses of all types.

We'll take you there!

Learn more here:

[KDMGlobalPartners.com](http://KDMGlobalPartners.com)

Let us hear from you!



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