



KDM Global Partners, LLC

Newsletter XXXV

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### Private Label Wines

## How Private Label Wines Have Become So Valuable to Retailers

Retailers are increasingly choosing to create and launch "own brand" wines for their stores. The trend is apparent for large, national chains as well as local/regional retail stores.



Principal reasons for the success of private label ("PL") brands are: (1) Retailers earn higher profits on PL, designed especially for their stores plus the wines are much better, *dollar-for-dollar*, than comparably priced national wine brands; (2) PL wines cultivate

customer loyalty and repeat business since these wines are only available at the brand owner's retail locations; and (3) the wines are of enormous value branding the retail store and differentiating it from its retail competition.



Costco is #1 in gross wine sales throughout the United States and has increased its private label offerings under the Kirkland, Costco's own private label brand moniker. Since Costco's business model calls for limiting store margins to approximately 15% in order to discount the national brands they carry, Costco's wine business has focused more on *in-and-out* items, rather than building ongoing lines of domestic and imported varietals. Undercutting other retailers' pricing on existing national brands has become less important than offering up its own high-margin versions of those brands. And wine customers have rewarded Costco with unprecedented sales year after year.

Big Box retailers and supermarkets nationwide are now already presenting their own private label wine brands or are making plans now to do so. Even smaller retailers now realize that to ignore the opportunity of private label wine is to do so at its own market peril. These shops are already fighting battles on many fronts, all of which diminish their margins....from losing customers to big box chains, supermarkets and larger, regional wine retailers to being squeezed for margin by the large, ubiquitous brands (and wholesalers, to competing for sales with Web-based wine retailers.

Macy's recently launched its own line of California-based private label wines, produced by KDM Global Partners. Read about it here: <http://bit.ly/1LxsM65>.

Many of these stores are also setting up Internet-based sales and fulfillment in order to increase sales and brand exposure. For many KDM Global Partners clients, the additional Direct-to-Consumer mechanism available has untold benefits, especially for those clients already with Web sites where merchandise is being sold. So now, a retailer's private label wines can be sold at all of its licensed bricks-n-mortar retail locations and over the Web, too. 'A very compelling branding - and revenue - opportunity.

KDM Global Partners has a proven track record of helping its clients create and build successful private label wine programs - both large and small. <http://bit.ly/1DI8HV2>. Some KDM clients are: 7-Eleven, Marshall Fields, Macy's, professional sports teams, major hotels - as well as local/regional wine shops. KDM produces wine in most of the world's major viticulture regions. All varietals and wine blends. Multiple price points and appellations. KDM winemakers can also develop programs with minimal cost overhead and lower case production minimums. <http://bit.ly/1eTe8BY>.



Contact KDM directly *-and confidentially-* for detailed information about these programs and how they might work for you: [Info@KDMGlobalPartners.com](mailto:Info@KDMGlobalPartners.com).

## Wine Glassware

# The Importance of a Proper Wine Glass

You can drink wine out of a coffee mug or a mason jar or a red sippy cup or straight from the bottle. It does not really matter - if you are in it just to catch a buzz. However, if you are in it for the best tasting experience, certain glass shapes work better for certain wines.

This information is not really about social/cultural etiquette as much as being about how wine glass controls the tasting experience and ultimately makes wine taste even better. And, if having the right glass is an important aspect of drinking better wine, then it is well worth knowing!



There are multiple glass shapes for wine because there are multiple wine styles. White wines are typically served in smaller bowled glasses to (i) preserve floral aromas, (ii) maintain cooler temperatures, and (iii) deliver more aromas - even at cooler

temperatures - due to proximity to the nose.

Full-bodied white wines such as oak-aged Chardonnay or Viognier, older whites, or some vintage sparkling wines are typically desired out of a larger bowled white wine glass. This style, originally introduced by Riedel as a Montrachet glass, emphasizes the creamy texture in these wines with a wider mouth.



Red wines are typically served in larger bowled glasses to (i) deliver more aroma compounds vs. the burn of ethanol from being farther from the nose, (ii) enhance larger surface area to let ethanol evaporate (or the wine "open up"), and (iii) a wider opening makes wine taste smoother.



The choice of a red wine glass has much to do with mitigating the bitterness of tannin or the spiciness to deliver a smoother-tasting wine. And also, the distance to the actual fluid seems to affect which aromas you detect.





Glass #1 (above) is ideal for medium-to-full bodied reds such as Cabernet Sauvignon, Bordeaux blends, Grenache, Sangiovese and Merlot.

Glass #2 (above) is ideal for full-bodied red wines with ample tannin and higher alcohol levels such as Zinfandel, Shiraz, Malbec or Petit Syrah.

Glass #3 (above) is a good choice for lighter, more delicate aromatic red wines such as Pinot Noir.

## A New Brand Primer

# New Wine Brands:

## How Do Things Get Started?

### *...A Primer on Non-Traditional Sales and Innovative Paths for Sales Success*

For generations in America, wine sales have been very closely-held within a three-tier system of distribution in most states. Wine could only be sold by a licensed retail store or licensed restaurant. And that retail licensee could only purchase its wine from a licensed wholesaler (distributor) in the same state. Each state has its own rules governing taxation and distribution of wine and commerce between non-licensees and between licensees in neighboring states was forbidden.

Wines thus reach consumers in each state marketplace after two separate layers of profit margin - one earned by the wholesaler and another margin earned by a retail store or restaurant. Not an efficient pricing system for consumers. And that only goes for products that are successful in reaching the marketplace, where "distribution" is achieved the product and not turned down for sale by a particular wholesaler or retailer!

We often receive business inquiries like this from people interested in beginning new brands:

- *"I have an exciting idea for a new wine brand but I cannot get into the business because I don't have any state wine licensing."*

-Creative Director, Ad Agency - New York, NY

- *"My wine shop is very successful and we've now developed a loyal customer*

following. I wish we could enhance our store brand - and our revenues - with a Web presence by which we could add other customers, increase sales and sell our wines outside our own store and city. But we can't afford to expand with new bricks-n-mortar locations and expensive state licenses."

-Wine & Spirits Retailer - Chicago, IL

- "Our band is getting ready to go on tour this winter. We have already set up a merchandising shop at our Web site where people already buy all kinds of hats, tee shirts, CD's and the like. I've heard that wine is a super-popular product for branding. Can we also add a custom-branded wine to our Web site and have you ship it for us? Do I need to be licensed to do this?"

- Business Manager, Entertainment Industry - Los Angeles, CA



Questions reasonably raised, like the ones above, would always result in answers along the lines of "Sorry, no can do."

***Until now.***

KDM Global Partners, a private label wine producer for a national clientele of retail chains, restaurants, hotel/resorts and other wine brand owners, has added a unique wine program involving *Direct-to-Consumer* sales and fulfillment.



These programs marry KDM's robust and respected wine production capabilities with an additional sales/fulfillment capability. KDM's program offers a single solution for all clients, regardless of whether they are existing wine industry licensees in any state: (i) Wine Production and Bottling; (ii) Warehousing; (iii) Ecommerce sales and Drop-ship fulfillment to clients' customers in approximately 32 states; and (iv) Full Customer Service and Compliance.

KDM brand clients do not need to hold wine licenses in any state in order to take advantage of this business model. And wine sales take place within the clients' own Web

catalogue environment and shopping cart.

'A truly compelling branding and merchandising opportunity - especially for those businesses with an existing ecommerce presence:

<http://www.KDMGlobalPartners.com/direct-to-consumer>.

'Sound interesting? Then talk to us. [Info@KDMGlobalPartners.com](mailto:Info@KDMGlobalPartners.com).

## News Items

# Ardaso Wines Aim to Benefit South African Foundation For Children

Ardaso wines made their debut this summer at the 80th year wine tasting event for the Stamford (CT) Museum & Nature Center. In attendance were Governor Dan Malloy and Senator Richard Blumenthal of Connecticut.



Ardaso wines are supporting the Amy Biehl Foundation through the sale of these wonderful wines, a Sauvignon Blanc and a Merlot. Five (5%) Percent from the sale of every bottle will feed one child in the Amy Biehl program for a day.

The Amy Biehl Foundation is a non-profit organization in Cape Town, South Africa whose aim is to educate, develop and empower children/youth 5-25 years old who are from challenged and vulnerable communities. The programs reach over 2,000 children every day.

More information about these wines, produced by KDM Global Partners, and how to support this important cause can be found at [www.Ardaso.com/wine](http://www.Ardaso.com/wine).



# *Black Elk*

## Comes to Washington, DC and Virginia



The award-winning (and reasonably priced) *Black Elk* wines can now be purchased throughout Washington, DC and the state of Virginia.

All four (4) *Black Elk* wine varietals are medal winners - and in three different wine competitions..... Moscato (Gold Medalist), Tempranillo, Chardonnay and Shiraz.

Look for *Black Elk* at Harris-Teeter, Ingles Markets, Safeway and other retail locations.

New states - and new retail chains - will be added in the coming months and into 2017.

A testament to the award-winning *Black Elk* wines. [www.BlackElkWine.com](http://www.BlackElkWine.com)

Questions about distribution opportunities or where to find *Black Elk*?  
[Info@BlackElkWine.com](mailto:Info@BlackElkWine.com).

## *Stressed Mommy Wine*

### *Aim for Key Market Demographic*

*Before Heather Christian became a mother, she had dreams of everything being easy and perfect.*

*Not!*

*What she got was a beautiful baby girl but also lots of stress juggling her full-time job, a commute and motherhood. She wondered how other Moms did it. Things always looked so easy. Heather learned that lots of moms were stressed but didn't necessarily show it.*



Moms just wanted to be understood and appreciated for all they did.

Her new business, Stressed Mommy, would combine her love of California wine, her sense of humor and a product that moms would understand and appreciate. Heather's story is here: <http://stressedmommywine.com/about>



Heather engaged KDM Global Partners to help make her idea into a reality. KDM provided Heather with the wherewithal to create a new private label wine brand and then take it to market - and with lower case production minimums. With KDM's excellent winemaking and then its

Direct-to-Consumer sales/fulfillment capability, Heather could focus on building her brand and focusing on her marketing. KDM took care of the winemaking, bottling, storage, Web integration and shipping! KDM also provides ongoing brand support as Heather builds the Stressed Mommy wine community.

Stressed Mommy wines are: Chardonnay, Cabernet Sauvignon and Merlot.

More info is here: <http://stressedmommywine.com/wine>.

## Op-Ed

Have you tried Wine Yoga?

This cartoon shows you how:

<https://www.youtube.com/watch?v=oxPuyrfHA3o>

If you love vino and vinyasa ...give the short video a watch. Enjoy!!

THE VIEW FROM OUR YARD



Portuguese Water Dogs are in a category called 'Working Dogs'...we're not buying it, though. The two of us are definitely not workers. We're lovers.

Jon walks us three times a day, including a big walk during the middle of the day, schedule allowing. We love it...even Ripley, who is now 15 ½ years old....he 'still has game,' as his buddies all say.

Of course, not all dogs are as fortunate as the two of us.

We heard about a new mobile phone app - FREE for all iPhones and Androids - and valuable for all dog owners to download, called "Woof Trax."

With *Woof Trax*, you can support your local animal shelter - just by walking your dog (which we hope you do anyway). We get a treat every time we finish a walk; so why not give an animal shelter a treat, too?

The *Woof Trax* smartphone app knows when you walk, for how long and how far. And, at the end of each month, it sends a cash contribution to the shelter of your choice based upon your aggregate walks for the prior month.

The more you walk...the more your favorite animal shelter benefits! Check it out and sign up today! [www.WoofTrax.com](http://www.WoofTrax.com).

We are walking to benefit a great local shelter called "Saved Me." <http://savedme.org>.

Please consider helping out - either by making a direct contribution to Saved Me or else by contributing every time you walk your dog by downloading (and using) Woof Trax.

Thanks. We love you back!  
- Ripley & Romie

building new wine brands for a clientele of retail chains, restaurants, hotel/resorts, corporations, meetings/events - and individual brand owners.



With offices in Philadelphia, PA and 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, low case minimums.

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

We'll take you there.

Learn more here:

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

Let us hear from you! [Info@KDMGlobalPartners.com](mailto:Info@KDMGlobalPartners.com)

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## ***ATTENTION !!*** **UNIVERSITY OF PENNSYLVANIA ALUM AND ALL PENN CLUBS WORLDWIDE!**

KDM Global Partners has special discounts available to Penn alumni and Penn Clubs worldwide for all custom label wines.....for meetings/events, holiday gifts, corporate programs, branding merchandise and other customer loyalty programs.



Drink a Highball .....and Contact us now for holiday merchandise:

[Info@KDMGlobalPartners.com](mailto:Info@KDMGlobalPartners.com).

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